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Congressional Record

PROCEEDINGS AND DEBATES OF THE 78th CONGRESS, SECOND SESSION

SENATE

TUESDAY, JUNE 13, 1944

(Legislative day of Tuesday, May 9, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of our fathers, facing tasks that tower above our power to achieve, with a sense of our utter inadequacy we bow for the strengthening benediction of our morning prayer. We come with hearts solemnized by the costly sacrifice which every day is being made to defend the liberty which is the very breath of our life. Hear our supplication as out of our gratitude and our grief, our longing solicitude wings its way over dim leagues to those absent, dearer to us than life itself, joined to us in a living fellowship that no danger or distance can sever.

The long rows of the fallen on far beaches stain the red of our flag to a new luster as, with aching hearts strangely moved, we salute the broad stripes and bright stars, singing softly in our hearts, not without sobs but with new meaning,

"O beautiful for heroes proved
In liberating strife,
Who more than self their country loved,
And freedom more than life."

As soldiers marching with them in that liberating strife, in this time of tumult, in this hour of danger, in this night of anxiety, give us calmness of mind, stability of purpose, consecration to duty, and a stern determination to finish the work which Thou hast given us to do. We ask it in the name that is above every name. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, June 12, 1944, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore (Mr. GILLETTE). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Revercomb
Austin	Guffey	Reynolds
Ball	Gurney	Robertson
Bankhead	Hatch	Russell
Bilbo	Hill	Shipstead
Brewster	Holman	Stewart
Bridges	Johnson, Colo.	Taft
Buck	Kilgore	Thomas, Idaho
Burton	La Follette	Thomas, Okla.
Bushfield	Lucas	Thomas, Utah
Butler	McClellan	Truman
Byrd	McFarland	Tunnell
Capper	McKellar	Vandenberg
Chavez	Maloney	Wagner
Connally	Maybank	Wallgren
Cordon	Mead	Walsh, Mass.
Danaher	Millikin	Walsh, N. J.
Davis	Moore	Weeks
Downey	Murdock	Wheeler
Eastland	Murray	Wherry
Ellender	O'Daniel	White
Ferguson	Overton	Wiley
George	Pepper	Willis
Gerry	Radcliffe	Wilson
Gillette	Reed	

Mr. HILL. I announce that the Senator from Washington [Mr. BONE], the Senator from Virginia [Mr. GLASS], and the Senator from Wyoming [Mr. O'MAHONEY] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Kentucky [Mr. BARKLEY], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. CLARK], the Senator from Arizona [Mr. HAYDEN], the Senator from Indiana [Mr. JACKSON], the Senator from South Carolina [Mr. SMITH], and the Senator from Maryland [Mr. TYDINGS] are detained on public business.

The Senators from Nevada [Mr. MCCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senator from North Carolina [Mr. BAILEY] is necessarily absent.

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS], the Senator from New Jersey [Mr. HAWKES], the Senator from North Dakota [Mr. LANGER], and the Senator from North Dakota [Mr. NYE] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The ACTING PRESIDENT pro tempore. Seventy-four Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1767) to provide Federal Government aid for the readjustment in civilian life of returning World War No. 2 veterans.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3476) to approve a contract negotiated with the Klamath Drainage District and to authorize its execution, and for other purposes.

The message further announced that the House further insisted upon its disagreement to the amendments of the Senate numbered 8 and 9 to the bill (H. R. 4559) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1945, and additional appropriations therefor for the fiscal year 1944, and for other purposes; agreed to the further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SHEPPARD, Mr. THOMAS of Texas, Mr. COFFEE, Mr. WHITTEN, Mr. PLUMLEY, Mr. JOHNSON of Indiana, and Mr. PLOESER were appointed managers on the part of the House.

TRANSACTIONS BY UNITED STATES DISBURSING OFFICERS

The ACTING PRESIDENT pro tempore laid before the Senate a letter from the Acting Secretary of the Treasury transmitting a draft of proposed legislation to authorize certain transactions by disbursing officers of the United States, and for other purposes, which, with the accompanying paper, was referred to the Committee on Banking and Currency.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate petitions of sundry citizens and representatives of various real-estate companies and corporations of New York City, and vicinity, New York, praying for amendment of the rent-control section of the Emergency Price Control Act so as to remove alleged inequities therefrom, which were ordered to lie on the table.

PRICE CONTROL AND STABILIZATION PROGRAM—PETITIONS

Mr. AIKEN. Mr. President, I have received a petition reading as follows:

The new Senate-proposed price-control bill with 12 crippling amendments would break the back of price control and the whole stabilization program. If it became law it would be the beginning of real inflation which is bad for the people and our Nation at war.

We urge you work and vote for a strong price control law and full stabilization including wage adjustments to bring wages in line with already high cost of living.

The petition is signed by approximately 1,000 members of the United Electrical Workers Union, Local 218, of Springfield, Vt.

The ACTING PRESIDENT pro tempore. Does the Senator request that the petition be printed in the RECORD together with the names signed thereto?

Mr. AIKEN. I do not ask to have the petition or the names printed in the RECORD. I simply wish to have the body of the petition which I have read shown in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, the petition presented by the Senator from Vermont will be received and lie on the table.

ST. LAWRENCE SEAWAY—LETTER

Mr. AIKEN. Mr. President, I ask unanimous consent to read into the RECORD and to have appropriately referred a very short statement or letter from the City Port Commission of Lorain, Ohio.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Vermont? The Chair hears none, and the Senator may proceed.

Mr. AIKEN. The letter is as follows:

CITY PORT COMMISSION,
Lorain, Ohio, June 9, 1944.

Hon. GEORGE D. AIKEN,
United States Senate, Washington, D. C.

DEAR SENATOR AIKEN: The members of the port commission of the city of Lorain, Ohio, wish to inform you that they have gone on record in favor of the St. Lawrence seaway, and wish to urge your support of this long-deferred and urgently needed project.

Respectfully yours,
J. ALBAN MINNICH, D. D. S.,
President, Lorain Port Commission.

The ACTING PRESIDENT pro tempore. Without objection, the statement presented by the Senator from Vermont will be referred to the Committee on Commerce.

Mr. AIKEN also presented a resolution of the City Council of Burlington, Vt., relating to the Great Lakes-St. Lawrence seaway and power agreement with Canada, which was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

Resolution relating to urging prompt approval by Congress of the Great Lakes-St. Lawrence seaway and power agreement with Canada

Whereas the Burlington City Council has consistently advocated the St. Lawrence seaway, as embodied in the pending Aiken-Pittenger bill now before the Congress; and

Whereas the taxpayers have in 2 years already paid, in subsidies and lost income from direct electrical and transportation receipts, more than the cost of the St. Lawrence seaway itself; and

Whereas the shortage of feed, fuel, and other farm and civilian supplies, caused largely by the lack of proper water transportation, now retards the development, not only of the farm, but of mining and the industries of the Northeastern States, especially as compared with other sections of the United States; and

Whereas the cheap power generated and distributed would create a necessary and vast improvement in the agricultural and general welfare of labor and industry throughout New York and New England; and

Whereas 78 percent of the cost of this St. Lawrence seaway project is for labor, direct and indirect, which will contribute in no small way to post-war employment: Now therefore

Resolve, That the Burlington City Council urge prompt approval by Congress of the Great Lakes-St. Lawrence seaway and power agreement with Canada, in order that the project may go forward and thus create this new water highway with its great electrical benefits.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. HILL from the Committee on Military Affairs:

S. 1973. A bill to provide additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge; without amendment (Rept. No. 964).

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

RIVER AND HARBOR IMPROVEMENTS—AMENDMENT

Mr. MEAD submitted an amendment intended to be proposed by him to the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was ordered to lie on the table and to be printed.

APPROPRIATIONS FOR WAR AGENCIES—AMENDMENT

Mr. RUSSELL submitted an amendment intended to be proposed by him to the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes, which was ordered to lie on the table and to be printed, as follows:

On page 10, line 16, after "$500,000" insert a colon and the following: "*Provided*, That not more than 25 percent of the part of this appropriation which is used for the payment of compensation for personal services shall be used for the payment of compensation of persons who are members of any race comprising less than 15 percent of the total population of the United States, according to the 1940 census."

SPECIAL COMMITTEE TO STUDY AND SURVEY PROBLEMS OF SMALL BUSINESS ENTERPRISES—LIMIT OF EXPENDITURES

Mr. MURRAY submitted the following resolution (S. Res. 308), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditures under Senate Resolution 298, Seventy-sixth Congress (providing for a study and survey of the problems of American small business enterprises), agreed to October 8, 1940, and continued by Senate Resolution 66, Seventy-eighth Congress, is hereby increased by $25,000.

ADDRESS BY THE PRESIDENT ON OPENING OF THE FIFTH WAR LOAN DRIVE

[Mr. GEORGE asked and obtained leave to have printed in the RECORD the address delivered by the President of the United States on June 12, 1944, in connection with the opening of the Fifth War Loan drive, which appears in the Appendix.]

AMENDING PRICE CONTROL—EDITORIAL FROM NEW ORLEANS TIMES-PICAYUNE

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD an editorial entitled "Amending Price Control," published in the New Orleans Times-Picayune of June 10, 1944, which appears in the Appendix.]

APPROPRIATIONS FOR DEFENSE AID (LEND-LEASE), U. N. R. R. A., AND FOREIGN ECONOMIC ADMINISTRATION

Mr. McKELLAR. Mr. President, I move that the Senate proceed to the consideration of House bill 4937, making appropriations for defense aid. It is the lend-lease appropriation bill.

The ACTING PRESIDENT pro tempore. The clerk will state the bill by title.

The CHIEF CLERK. A bill (H. R. 4937) making appropriations for defense aid (lend-lease), for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration, for the fiscal year ending June 30, 1945, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. McKELLAR. Mr. President, I ask that the formal reading of the bill be dispensed with, that it be read for amendment, and that committee amendments be first considered.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the clerk will state the first amendment of the Committee on Appropriations.

The first amendment of the Committee on appropriations was, under the heading "Title II—United Nations Relief and Rehabilitation Administration," on page 5, line 10, after the figures "$450,000,000", to strike out ", not to exceed $21,700,000 shall be available for procurement for 61,700,000 pounds of raw wool from stock piles of the United States Government existing on the date of the approval of this Act and $43,200,000 shall be available for procurement of 345,500 bales of cotton now owned by the Commodity Credit Corporation," and to insert "not to exceed $21,700,000 shall be available for procurement of 61,700,000 pounds of domestic raw wool, or such amount of domestic raw wool as the foregoing sum will purchase, from stock piles of the United States Government existing on the date of the approval of this Act and $43,200,000 shall be available for procurement of 345,500 bales of domestic cotton, or such amount of domestic cotton as the foregoing sum will purchase, now owned by the Commodity Credit Corporation."

Mr. McKELLAR. Mr. President, the change here is principally in the use of the word "domestic" before the words "raw wool."

DEPOSITED BY THE
UNITED STATES OF AMERICA

MAY 22 '45

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The clerk will state the next amendment of the committee.

The next amendment was, under the heading "Title III—Executive Office of the President—Office for Emergency Management—Foreign Economic Administration," on page 7, line 19, after the word "at" to strike out "$10,000" and insert "$15,000"; on page 8, line 15, after "(not exceeding $90,000);", to strike out "$19,500,000" and insert "$20,000,000", and in line 16, after the word "exceed" to strike out "$500,000" and insert "$100,000."

The amendment was agreed to.

OBLIGATION OF CANDIDATES FOR PUBLIC OFFICE TO EXPRESS THEIR OPINIONS

Mr. HATCH. Mr. President, I do not like to interrupt the consideration of the appropriation bill in charge of the Senator from Tennessee [Mr. McKELLAR], but I wish to make a few remarks on the subject which I discussed briefly yesterday.

No man was ever more earnest than I was yesterday when I spoke very briefly about the duty and what I consider the obligation of men who aspire to high public office today to express their opinions and their views, plainly and unequivocally, because the issues of the day demand that men speak forthrightly, honestly, and frankly.

I was in earnest yesterday. I am in earnest today, and I reiterate and reemphasize what I said yesterday. It is time, it is time now before the meeting of the conventions, before the elections are held, for the candidates, for men who seek high office, to tell the people and to tell the delegates to their own conventions just where they stand on every issue, foreign and domestic.

Yesterday the Senator from Indiana [Mr. JACKSON] eloquently spoke of the dead and dying on the beachheads of France, of those—and I am quoting the Senator—

> Sons * * * lost in the Straits of Dover * * * boys * * * entangled in the barbed wire * * * bombed out of the sky, and (of those) precious and hopeful bodies (which) have been turned into putrescent flesh.

In those brief remarks the Senator from Indiana said:

> I have now determined that some time before next election day, when my short term here will end, I shall make a special effort to speak in behalf of the aspirations of humanity in the field of a permanent, perpetual, just, and Christian peace.

And again the Senator said:

> America must learn of blood in order to realize that mankind is worth saving; and that if it is to be saved, it must be saved under the leadership of this Republic.

O Mr. President, I endorse every word of that utterance by the Senator from Indiana, but I do not want him, nor do I want others who also entertain strong and vigorous opinions, to delay too long in giving expression to their thoughts and views.

Right here, I think, Mr. President, it is not out of place to read a most moving prayer which was uttered by the radio commentator, Gabriel Heatter, on his broadcast of June 6 last. This is the prayer Mr. Heatter prayed:

> Merciful God watch over these men. They march in a crusade for humanity and freedom. These are not men of war. These are not men of hate or vengeance. These are humble men. Men whose hearts will never forget pity and mercy. They fight to give all the children of men peace on earth. They fight to banish tyranny and fear. Merciful God our homes are empty—our hearts are torn with this desperate vigil.
>
> Into your care we give our prayers—our lives—our sons—all that we are and can ever hope to be on this earth—send these men back to us—home to us—for they are part of man's spirit—of man's dream of a world which is free and where kindness lives—watch over these men—we who are meek and humble—we whose faith is strong ask this.
>
> Send these men back to our hearts and our homes—this is our prayer.

Mr. President, when we consider the men who are dying for these high principles, can any man hesitate to risk his political life, when the welfare of the Nation and of the world is involved? I repeat, Mr. President, the time is now.

I said yesterday, and I have said today, that I was as much in earnest as it is possible for a man to be, and I mentioned the fact yesterday that the last leader of the great Republican Party, the man it had chosen to be its candidate for President of the United States, was writing a series of articles outlining his views as to what the platform of his party should contain. In a way, I complimented Mr. Willkie for his forthrightness in so declaring what the Republican Party platform should contain; but not being a member of his party I hesitated to insert in the CONGRESSIONAL RECORD the article which Mr. Willkie had written. Naturally and surely, I thought, some Member on the other side of the Chamber, or some Member of the minority party in the House of Representatives, would place a statement of that kind in the CONGRESSIONAL RECORD. And while I had it here on my desk, being a Democrat, I did not ask permission to insert it in the RECORD.

This morning I went through the CONGRESSIONAL RECORD, hurriedly, to be sure, because our time is limited, but, so far as I can determine, and I think it is true, not a Republican asked that the views of their last candidate for President be made a part of the CONGRESSIONAL RECORD. Therefore, Mr. President, regardless of the fact that I am a Democrat, regardless of the fact that I have no right to speak and I do not speak for the Republican Party, I now ask unanimous consent that the article written by Mr. Willkie yesterday be included in the Appendix of the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I shall not discuss what Mr. Willkie said yesterday, nor shall I discuss what he said in his article published this morning, but I now ask that the article written by Mr. Willkie appearing in this morning's newspaper be printed in the Appendix of the RECORD immediately following the article of yesterday.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HATCH. Mr. President, it is not important to me now what views Mr. Willkie is expressing, and certainly I would not attempt to argue or persuade or even suggest what the minority party ought to declare in its platform. That is for the Republican Party to determine. But the important thing, Mr. President, about which I am speaking, and about which I spoke yesterday, is this: It is important to declare now frankly, candidly, and forthrightly, exactly what is proposed, both internationally and domestically. As a boy we used to have a saying: "Say what you mean and mean what you say."

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. BRIDGES. Will the Senator apply that saying and send it as a special message to Mr. Roosevelt in the White House—to say what he means and mean what he says? If the Senator will do that, and if the President will apply that saying to himself in connection with international relations, we may know to some extent what his position is. But the President has made speech after speech in which his position has varied widely. The ideals which he expressed a few months ago have simply "gone with the wind." No one knows where he stands today. It is time he spoke out. He is the President of the United States. The country is waiting. The people of the country are listening. The leader of every other Allied country has spoken out clearly and unmistakably.

Mr. Roosevelt has been silent. The Senator purports to stand for the Atlantic Charter. Where does Roosevelt stand on the Atlantic Charter today? I should like to know.

Mr. HATCH. Mr. President, naturally the question which the Senator from New Hampshire has asked was anticipated. I naturally thought that someone would ask that question. Let me say to the Senator from New Hampshire that before I conclude my remarks, if he will remain in the Chamber, I shall tell him what Mr. Roosevelt stands for, and I shall tell him upon a record which has been made for more than 25 years. I shall tell him in the language of the Scriptures, "By their fruits ye shall know them."

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. BRIDGES. Will the Senator include in that record how Mr. Roosevelt, in 1932, repudiated the League of Nations, for which Woodrow Wilson stood? He was a part of that administration. Will the Senator tell the whole record which includes more of the inconsistencies of the man who today sits in the White House?

Mr. HATCH. I can answer every question the Senator asks by the words of Franklin D. Roosevelt, if necessary; but, far better, by the acts which he has done as President of the United States,

and by the risks he took as a candidate for office. I shall come to that later.

Mr. BRIDGES. The Senator certainly cannot compare the words and the acts; so I can see very clearly that he must follow either the words or the acts, because in many instances the words and the acts fail to coincide.

Mr. HATCH. I understand the Senator's position. Let me say to the Senator from New Hampshire that I appreciate the strong stand he has taken on international affairs. I wish to compliment him for the position which he has steadfastly avowed and followed. I wish that the Republican candidates for President, whoever they may be, were as strong, forthright, and vigorous in their statements as the Senator from New Hampshire has been.

Presently, before I conclude, I shall refer to the other matters in which the Senator is so much interested.

Mr. President, as I recall, when I was interrupted I had just reiterated a statement which we used to make when we were boys. In boyish language, we said, "Say what you mean, and mean what you say." That is what I am referring to now. As I said awhile ago, if the boys who are fighting on the beachheads of France equivocated and hesitated in their grim and ghastly duty, if they hesitated to take a stand, faltered, wavered, and retreated, the cause of freedom would be lost. If political lives are lost as the result of frank and candid discussion, is it not better for men to die politically than to win by evasion?

Rightly it may be asked why I, as a Democrat, am so much interested in what the other party may say or do. It may be asked, Why not wait until the convention has met and the platform has been written? Why not take what is said in the platform as the utterances of the candidate?

If we could rely upon platform declarations, that question would be proper, entirely in place, and I should be entirely out of place in asking, as I am doing, and as I did yesterday, that all men who aspire to office—and that includes Senators and Members of the House of Representatives, and includes Democrats as well as Republicans—shall frankly state their views on all issues.

Mr. President, I have a memory; perhaps it is too vivid a memory for my own peace of mind; sometimes I wish I might forget; but my memory carries me back 24 years. It is a memory of great issues in a great campaign, which involved the principle of whether this Nation should take her rightful place and participate in the affairs of the world. I have a memory of a declaration made by the Republican Party in its platform 24 years ago. I read that plank today. It was a solemn declaration by a great party in convention assembled:

> The Republican Party stands for agreement among the nations to preserve the peace of the world. We believe that such an international association must be based upon justice and must provide methods which shall maintain the rule of public right by development of law and the decision of impartial courts, and which shall secure instant and general conference whenever peace shall be threatened by political action, so that the nations pledged to do and insist upon what is just and fair may exercise their influence and their power for the prevention of war.

The declaration envisions military force, if you please, for the prevention of war. Twenty-four years ago the Republican Party wrote that strong declaration into its platform. Mr. President, experience has proved that we cannot rely upon platform declarations. The plank which I have just read is a stronger declaration than that of the Mackinac conference. It is even a stronger declaration of purpose and principle than was contained in the resolution which we adopted in the Senate a few months ago. Surely the declaration that "an international association must be based upon justice and must provide methods which shall maintain the rule of public right by development of law and the decision of impartial courts" embraced a principle which not only should have had universal support by all parties but should have been carried out faithfully, which was not done.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. BRIDGES. I wonder if the Senator can indicate at what time, approximately, he will tell where Roosevelt stands, where the Democratic Party stands, and where he stands at present on our peace aims. I should like to be present and listen to him.

Mr. HATCH. I shall not consume very much time. I wish to conclude these remarks. I shall probably conclude within 15 minutes at the most.

Mr. BRIDGES. I should like to hear what the Senator has to say on that subject.

Mr. HATCH. I do not suppose the Senator has any doubt as to where I stand.

Mr. BRIDGES. No; I think the Senator is very sincere.

Mr. HATCH. I have spoken all over the country——

Mr. BRIDGES. I should like to hear where Roosevelt stands, where the Democratic Party stands, and just how far in their views they are from the Senator from New Mexico.

Mr. HATCH. Very well. I shall answer that question now, since the Senator does not wish to stay, but wishes to leave.

I shall go back, as I say, 24 years. I shall go back to a time when it might have paid men, politically, to equivocate, when it might have paid men to make a speech on this side of the League of Nations, favoring it, which could just as easily have been interpreted as being on the other side, against it. As I shall presently show—and I mean no disrespect for the dead—that is exactly what the Republican candidate did in that year.

So I am going back 24 years, to read to the Senator the declaration of the Democratic Party. I will tell the Senator that at that time Franklin D. Roosevelt was a candidate for Vice President. It would have furthered his political aims if he had equivocated and had refused to stand on that platform. But, nevertheless, he took the dangerous way, the courageous way, and said, "On this plank I stand."

Mr. BRIDGES. Mr. President, will the Senator yield again?

Mr. HATCH. I yield.

Mr. BRIDGES. The Senator has been speaking of the very courageous manner in which President Roosevelt, the then candidate for Vice President, stood. I should like to have him explain to me why he repudiated that stand in 1932, when he was a candidate for President.

Mr. HATCH. Mr. President, the Senator crowds me too much; I cannot answer everything at once. I told him I would start with this. I will go along to 1932.

Mr. BRIDGES. Very well.

Mr. HATCH. I am also coming to 1936, 1940, and 1944.

I read further from the Democratic Party's platform in 1920:

> The Democratic Party favors the League of Nations—

No equivocation about that—

> as the surest, if not the only, practicable means of maintaining the peace of the world and terminating the insufferable burden of great military and naval establishments. It was for this that America broke away from traditional isolation and spent her blood and treasure to crush a colossal scheme of conquest. It was upon this basis that the President of the United States, in prearrangement with our allies, consented to a suspension of hostilities against the Imperial German Government; the armistice was granted and a treaty of peace negotiated upon the definite assurance to Germany, as well as to the powers pitted against Germany, that "a general association of nations must be formed, under specific covenants for the purpose of affording mutual guaranties of political independence and territorial integrity to great and small States alike."

There is no equivocation there.

For those things Franklin Roosevelt, as a candidate for office, stood in 1920.

I read further from the platform:

> Hence, we not only congratulate the President on the vision manifested and the vigor exhibited in the prosecution of the war, but we felicitate him and his associates on the exceptional achievement at Paris involved in the adoption of a league and treaty so near akin to previously expressed American ideals and so intimately related to the aspirations of civilized peoples, everywhere.

Mr. President, I shall omit a part of the declaration, because it is long. Senators are familiar with it. But I ask unanimous consent that the remainder of it be printed at this point in the RECORD as a part of my remarks.

There being no objection, the remainder of the declaration was ordered to be printed in the RECORD, as follows:

> We commend the President for his courage and his high conception of good faith in steadfastly standing for the covenant agreed to by all the associated and Allied Nations at war with Germany, and we condemn the Republican Senate for its refusal to ratify the treaty merely because it was the product of Democratic statesmanship, thus interposing partisan envy and personal hatred in the way of the peace and renewed prosperity of the world.
>
> By every accepted standard of international morality, the President is justified in

asserting that the honor of the country is involved in this business; and we point to the accusing fact that before it was determined to initiate political antagonism to the treaty, the now Republican chairman of the Senate Foreign Relations Committee himself publicly proclaimed that any proposition for a separate peace with Germany, such as he and his party associates thereafter reported to the Senate, would make us "guilty of the blackest crime."

On May 15 last the Knox substitute for the Versailles Treaty was passed by the Republican Senate; and this convention can contrive no more fitting characterization of its obloquy than that made in the Forum magazine of June 1918 by Henry Cabot Lodge, when he said:

"If we send our armies and young men abroad to be killed and wounded in northern France and Flanders with no result but this, our entrance into war with such an intention was a crime which nothing can justify. The intent of Congress and the intent of the President was that there could be no peace until we could create a situation where no such war as this could recur. We cannot make peace except in company with our allies. It would brand us with everlasting dishonor and bring ruin to us also if we undertook to make a separate peace."

Thus to that which Mr. Lodge, in saner moments, considered the blackest crime, he and his party in madness sought to give the sanctity of law; that which 18 months ago was of "everlasting dishonor," the Republican Party and its candidates today accept as the essence of faith.

We endorse the President's view of our international obligations and his firm stand against reservations designed to cut to pieces the vital provisions of the Versailles Treaty and we commend the Democrats in Congress for voting against resolutions for separate peace which would disgrace the Nation. We advocate the immediate ratification of the treaty without reservations which would impair its essential integrity; but do not oppose the acceptance of any reservations making clearer or more specific the obligations of the United States to the League associates. Only by doing this may we retrieve the reputation of this Nation among the powers of the earth and recover the moral leadership which President Wilson won and which Republican politicians at Washington sacrificed. Only by doing this may we hope to aid effectively in the restoration of order throughout the world and to take the place which we should assume in the front rank of spiritual, commercial, and industrial advancement.

We reject as utterly vain, if not vicious, the Republican assumption that ratification of the treaty and membership in the League of Nations would in anywise impair the integrity or independence of our country. The fact that the Covenant has been entered into by 29 nations, all as jealous of their independence as we are of ours, is a sufficient refutation of such charge.

The President repeatedly has declared, and this convention reaffirms, that all our duties and obligations as a member of the League must be fulfilled in strict conformity with the Constitution of the United States, embodied in which is the fundamental requirement of declaratory action by the Congress before this Nation may become a participant in any war.

Mr. HATCH. Mr. President, upon that declaration Mr. Roosevelt stood, as I have said, forthrightly, when it might have been to his advantage not so to stand.

The Senator from New Hampshire [Mr. BRIDGES] has referred to 1932, and, I presume, to a so-called repudiation of the League of Nations declaration as it was embodied in the platform of 1920. I think that statement was supposed to have been made to Mr. Hearst. I have no knowledge about the statement. I have no understanding as to what was involved. But certainly the League of Nations, as it was formed in 1920, in 1932 could well have been improved upon and strengthened. I do not believe Mr. Roosevelt ever repudiated the idea of an association of nations. I say that Mr. Roosevelt never repudiated the part this Nation should play in world affairs. In 1937, in a speech made in Chicago, he advocated quarantining aggressor nations.

Mr. President, I see that the Senator from New Hampshire is now engaged in a conversation. I thought he was interested in what I was saying.

Mr. BRIDGES. Mr. President, if the Senator will yield to me, let me say I was just sending to my office to get a copy of the repudiation of Mr. Roosevelt of the League of Nations, so that I could quote it to the Senator from New Mexico, in case he has never happened to see it.

Mr. HATCH. Very well.

Mr. President, I was referring to the speech made in 1937, at Chicago, when Mr. Roosevelt advocated quarantining the aggressor nations, and advocated the participation of this Nation in such a quarantine. He advocated doing exactly what the Republican platform declared for in 1920. But for his pains, for his foresight—and it was foresight—and for his courage he was proclaimed here on the floor of the Senate—and I sat here and heard it—a warmonger, a person who was trying to get us into war.

If the advice Franklin D. Roosevelt gave in 1937 had been followed by this country, and by the other nations of the world, for that matter—for Mr. Roosevelt was not only ahead of our own people, but was also ahead of other nations—the blood bath, the invasion of Czechoslovakia and Poland, the conquest of the entire European Continent, the subjection of millions of men and women to slavery, the terrible price we pay today in the blood of our own sons, might never have been required.

The Senator from New Hampshire asked me where President Roosevelt stands. I will tell him where President Roosevelt stands, based upon his record, based upon his public utterances, and based in part upon personal conversations. Franklin D. Roosevelt believes this world is too small for any nation to isolate itself from the rest of the world. Franklin D. Roosevelt believes that the same bravery and courage manifested by our sons, as they have always done in times of war, should be manifested by this Nation in times of peace.

I am proud of the record of my country in time of war. We never have hesitated. We have paid whatever price was necessary. And we are doing it today. I am not ashamed of what my country has done in time of war.

I am not so sure about times of peace. I say to you, Mr. President, that Mr. Roosevelt believes, as I believe, that we should demonstrate the same interest, the same courage, and the same willingness to suffer and to sacrifice, if necessary, in times of peace that we do in times of war; and that means taking our proper place among the nations of the world.

Mr. Roosevelt believes in a court of justice. He believes that the issues and disputes which arise among nations should be settled according to the principles of law and justice, instead of according to the power of might and destruction. Does the Senator have any doubt about that? As I have already said, "By their fruits ye shall know them." Read the record of this body with reference to the World Court. Read the record of Franklin D. Roosevelt and see what he stood for. The record is clear.

Mr. President, in political years we are likely to confuse issues. I am not charging the Senator from New Hampshire with doing so. I repeat the compliment which I paid him a while ago. I meant every word which I said about him. I wish he would accord to our President some degree of courtesy and faith, because after all, he is the Senator's President as much as he is my President.

To achieve the ends to which I have referred, to provide the necessary machinery for the peaceful settlement of disputes among nations without recourse to war, I am sure Franklin D. Roosevelt is today ready to sacrifice, if necessary, his political life. Yes; and he also believes in the independence of nations.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HATCH. Allow me to complete my thought.

The President believes in the right of the people of each nation to establish for themselves a government of their own choosing. He believes no more in the domination by this country of other nations than he believes in the domination of other nations by Germany.

I now yield to the Senator from New Hampshire.

Mr. BRIDGES. The Senator has said that he believes the President would stake his political future or political existence upon the attainment of the end which he seeks. I wonder if it is the Senator's opinion that Mr. Roosevelt feels so strongly in his convictions that in order to have unity in this country he would be willing to announce today or tomorrow that he is through with public office, that he would put peace aims above partisan politics, and that he would be willing to pass from the political picture in order to gain a uniform agreement in this Nation by both parties concerning peace aims.

Mr. HATCH. Mr. President, I assert that I personally believe that Mr. Roosevelt would be willing to make that sacrifice because he believes so strongly in the principles which he has announced. But I say to the Senator that I would not be willing for him to make such a sacrifice, and neither would the Democratic Party be willing that he make the sacrifice.

Mr. BRIDGES. Why?

Mr. HATCH. Because we remember that 20 years ago the people of America were led out on a limb of united support for an association of nations for the prevention of war. We also remember how the Republican Party destroyed that hope. We shall not be caught there again.

A platform declaration is not sufficient. A declaration of the individual himself is required. Let me again read from the history which was written 24 years ago. I quote from a book entitled "The United States and the League of Nations," by D. F. Fleming. In that book may be found the following statement by Chester H. Rowell, former Republican national committeeman for California:

One half of the speeches—

Referring to the speeches of candidate Harding—

were for the League of Nations, if you read them hastily, but if you read them with care every word of them could have been read critically as against the League of Nations. The other half were violent speeches against the League of Nations, if you read them carelessly, but if you read them critically every one of them could be interpreted as in favor of the League of Nations.

Mr. President, that quotation comes not from me, but from a former Republican national committeeman for the State of California. In the light of those speeches—I do not wish to refer critically to one who has gone—and in the light of the strict declaration made in the Republican platform, I say that it is necessary for a declaration to be made now, without equivocation.

So strongly 24 years ago did certain outstanding Republicans believe in a League of Nations, and so concerned were they in the equivocal utterances that were made and their fears that their party's position might not be understood, that 38 outstanding Republicans, Senators, and others, issued a statement which related all their difficulties in interpreting the position of their candidate and the position of their party. The statement was published in full, and I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks. I invite attention to the fact that among the first signatures on the statement is that of Herbert Hoover. The next signature is that of Charles Evans Hughes, followed by the signatures of numerous other men, including Elihu Root.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The paper signed by 38 Republican Senators in March 1919, before the League Covenant was adopted at Paris, advised the President that the signers could not approve a treaty in the form then proposed, although it was their sincere desire that the nations of the world should unite to promote peace and general disarmament.

A majority of the Senate voted to ratify the League amendment with modifications, which there is good evidence to show would have been accepted by the other nations; but Mr. Wilson refused to accept these modifications, and insisted upon the agreement absolutely unchanged, and Democratic Senators sufficient in number to defeat the treaty as modified followed Mr. Wilson by voting against ratification.

That is substantially the difference between the parties now. The Democratic platform and candidate stand unqualifiedly for the agreement negotiated at Paris without substantive modification.

On the other hand, the Republican platform says: "The Republican Party stands for agreement among the nations to preserve the peace of the world. We believe that such an international association must be based upon international justice and must provide methods which shall maintain the rule of public right by the development of law and the decision of impartial courts; and which shall secure instant and general international conference whenever peace shall be threatened by political action so that the nations pledged to do and insist upon what is just and fair may exercise their influence and power for the prevention of war."

Mr. Harding said in his speech of August 28: "There are distinctly two types of international relationship. One is offensive and defensive alliance of great powers. * * * The other type is a society of free nations, or a league of free nations animated by consideration of right and justice instead of might and self-interest, and not merely proclaimed an agency in pursuit of peace, but so organized and so participated in as to make the actual attainment of peace a reasonable possibility. Such an association I favor with all my heart, and I would make no fine distinction as to whom credit is due. One need not care what it is called. Let it be an association, a society or a league, or what not. Our concern is solely with the substance, not the form thereof."

Mr. Harding has since repeatedly reaffirmed the declarations of this speech in the most positive terms.

The question accordingly is not between a league and no league, but is whether certain provisions in the proposed league agreement shall be accepted unchanged or shall be changed.

The contest is not about the principle of a league of nations but it is about the method of most effectively applying that principle to preserve peace.

If the proposed changes in the Paris agreement were captious or without substantial grounds, one might question the sincerity of their advocates. This, however, is not the case.

The principal change proposed concerns article X of the League Covenant as negotiated at Paris. Mr. Wilson declares this to be "the heart of the League" and the chief controversy is about this.

Article X provides that the nations agreeing to the treaty shall "preserve as against external aggression the territorial integrity and existing political independence of all members of the League."

That is an obligation of the most vital importance and it certainly binds every nation entering into it to go to war whenever war may be necessary to preserve the territorial integrity or political independence of any member of the League against external aggression.

It is idle to say that Congress has power to refuse to authorize such a war, for whenever the treaty calls for war, a refusal by Congress to pass the necessary resolution would be a refusal by our Government to keep the obligation of the treaty. The alternative would be war or a breach of the solemnly pledged faith of the United States.

We cannot regard such a provision as necessary or useful for a league to preserve peace.

We have reached the conclusion that the true course to bring America into an effective league to preserve peace is not by insisting with Mr. Cox upon the acceptance of such a provision as article X, thus prolonging the unfortunate situation created by Mr. Wilson's insistence upon that article, but by frankly calling upon the other nations to agree to changes in the proposed agreement which will obviate this vital objection and other objections less the subject of dispute.

For this course we can look only to the Republican Party and its candidate; the Democratic Party and Mr. Cox are not bound to follow it. The Republican Party is bound by every consideration of good faith to pursue such a course until the declared object is attained.

The conditions of Europe make it essential that the stabilizing effect of the treaty already made between the European powers shall not be lost by them and that the necessary changes be made by changing the terms of that treaty rather than by beginning entirely anew.

That course Mr. Harding is willing to follow, for he said in his speech of August 28: "I would take and combine all that is good and excise all that is bad from both organizations" (the Court and the League). This statement is broad enough to include the suggestion that if the League which has heretofore riveted our considerations and apprehensions has been so entwined and interwoven into the peace of Europe that its good must be preserved in order to stabilize the peace of that continent, then it can be amended or revised so that we may still have a remnant of the world's aspirations in 1918 builded into the world's highest conception of helpful cooperation in the ultimate realization.

We therefore believe that we can most effectively advance the cause of international cooperation to promote peace by supporting Mr. Harding for election to the Presidency.

Lyman Abbott; Nicholas Murray Butler, president, Columbia University; Robert S. Brookings, president, Washington University, St. Louis; Paul D. Cravath; Charles W. Dabney, University of Cincinnati; William H. P. Faunce, president, Brown University; Frank J. Goodnow, Johns Hopkins University; Warren Gregory, San Francisco; John Grier Hibben, president, Princeton University; Herbert Hoover; Charles Evans Hughes; Alexander C. Humphries, president, Stevens Institute of Technology; Ernest M. Hopkins, President, Dartmouth College; William Lawrence, Bishop of Massachusetts; Samuel McCune Lindsay, President, Academy Political Science, Columbia University; A. Lawrence Lowell, president, Harvard University; chairman, Executive Committee, League to Enforce Peace; John Henry MacCracken, president, Lafayette College; Samuel Mather, Cleveland, Ohio; George A. Plimpton, president, board of trustees, Amherst, College; Henry S. Pritchett, president, Carnegie Foundation for Advancement of Teaching; Charles A. Richmond, president, Union College, Schenectady, N. Y.; Elihu Root; Jacob Gould Schurman, former president, Cornell University; Henry L. Stimson; Oscar S. Straus, member, executive committee, League to Enforce Peace; Henry W. Taft, member, executive committee, League to Enforce Peace; Isaac M. Ullman, New Haven, member, executive committee, League to Enforce Peace; William Allen White, editor, Emporia, Kans.; George W. Wickersham, member, executive commit-

tee, League to Enforce Peace; W. W. Willoughby, professor of political science, Johns Hopkins University; Ray Lyman Wilbur, president, Leland Stanford, Jr., University.

Mr. HATCH. Mr. President, I realize that my remarks today may seem to be an attack upon the opposition party, but that is not at all my purpose. What I have tried to stress is simply that men who aspire for office in either party have a duty and obligation to tell the people what they believe.

I am reminded, Mr. President, of the birth of the Republican Party, a party that was formed in time of stress, in time of great trial in this Nation; a party which came into power because its leaders had the courage to take what were then unpopular positions, and, at the risk of their political lives, maintain their cause. I am reminded, Mr. President, of those famous debates between Lincoln and Douglas. Men did not hesitate to say what they thought.

I have referred to a man who has been severely condemned on the floor of the Senate; I do not suppose there has ever been a kind word said about him here; I have no particular reason to say anything good about him now; but some months ago when Mr. Willkie was supposed to be a candidate for the office of President of the United States, and Mr. Dewey was the other candidate, Drew Pearson, the commentator and columnist, urged that a series of debates be held throughout the country between Mr. Willkie and Mr. Dewey so that the people might understand exactly what views they entertained. I am sorry, Mr. President, that course was not followed. I think it would be a splendid thing today in this hour of genuine and mighty issues for men to take the stump and oppose each other and let the people decide which views they want to have prevail.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. BRIDGES. The Senator has been very kind and courteous and has inserted two statements of Wendell Willkie into the RECORD. I have in my hand another statement Mr. Willkie made in Omaha on April 5, and in order that the RECORD may be kept straight, may I quote to the Senator a few of the pertinent questions Mr. Willkie asked in that speech.

Mr. HATCH. May I ask that they follow my remarks?

Mr. BRIDGES. They are really very pertinent.

Mr. HATCH. Very well; go ahead; I do not care.

Mr. BRIDGES. I quote from what Mr. Willkie said in Omaha on April 5, as follows:

> What is America's foreign policy?
>
> The United States today is deeply concerned about its foreign policy.
>
> Have we a foreign policy? If so, what is it? How does it apply to the various international problems that are already facing us? Are the noble aims expressed by Secretary Hull and President Roosevelt anything but pious platitudes?
>
> The discontent and the unease of the American people are finding expression in just such questions as these. Their worry has communicated itself to Congress. Twenty-seven "freshmen" Republican Congressmen have laid their questions before Secretary Hull. The Senate Committee on Foreign Relations has asked him for enlightenment. The President himself has at last felt the surge of popular concern.
>
> Before the next President of the United States has been elected, the pace of this war will have been stepped up. There are millions of Americans in the fighting services, and millions on the home front, for whom this spring and this summer may be the most decisive seasons of their lives. A man holds his breath when he thinks about this.
>
> So it is natural that the people want to know more clearly "Why?" and "What for?" They are in the dark. It is wartime, and foreign policy does not seem to them a plaything for routine diplomats or "kitchen" cabinets. It can mean life or death to men and to nations. The people's demand for knowledge is rolling up like a great wave. It is beating against the silence of the State Department. It is lapping at the edges of White House complacency.
>
> There are two grave charges to be brought against the political conduct of this war in Washington. I made them 3 years ago, before we were formally at war. I made them a year and a half ago when I went around the world to see the war and the people who were fighting it. And I made them a year ago when I wrote a book about the war I had seen and the fears and hopes springing from it.
>
> I shall continue to make them—

And so on. I should like to put the entire speech in the RECORD, because it certainly is expressive when we consider that Mr. Willkie wrote the articles which the Senator put in the RECORD, and it gives one other viewpoint, and raises a series of questions about which Mr. Willkie is concerned, and it is in my judgment one of the ablest speeches Mr. Willkie ever made.

Mr. HATCH. I have no objection to the speech being put in the RECORD. I do not agree with everything Mr. Willkie says, but many things he says are illuminating and should be put into the RECORD, and I have no objection.

Mr. BRIDGES. Very well. I ask unanimous consent that the entire speech be printed in the RECORD at this point.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The speech referred to is as follows:

[From the New York Herald Tribune of April 6, 1944]

What is America's foreign policy?

The United States today is deeply concerned about its foreign policy.

Have we a foreign policy? If so, what is it? How does it apply to the various international problems that are already facing us? Are the noble aims expressed by Secretary Hull and President Roosevelt anything but pious platitudes?

The discontent and the unease of the American people are finding expression in just such questions as these. Their worry has communicated itself to Congress. Twenty-seven "freshmen" Republican Congressmen have laid their questions before Secretary Hull. The Senate Committee on Foreign Relations has asked him for enlightenment. The President himself has at last felt the surge of popular concern.

Before the next President of the United States has been elected, the pace of this war will have been stepped up. There are millions of Americans in the fighting services, and millions on the home front, for whom this spring and this summer may be the most decisive seasons of their lives. A man holds his breath when he thinks about this.

SAYS PEOPLE ARE IN DARK

So it is natural that the people want to know more clearly "Why?" and "What for?" They are in the dark. It is wartime, and foreign policy does not seem to them a plaything for routine diplomats or "kitchen" cabinets. It can mean life or death to men and to nations. The people's demand for knowledge is rolling up like a great wave. It is beating against the silence of the State Department. It is lapping at the edges of White House complacency.

There are two grave charges to be brought against the political conduct of this war in Washington. I made them 3 years ago, before we were formally at war. I made them a year and a half ago when I went around the world to see the war and the people who were fighting it. And I made them a year ago when I wrote a book about the war I had seen and the fears and hopes springing from it.

I shall continue to make them, whether I am the Republican candidate for President or not, so long as they remain true and are festering in the minds and hearts of people all over the world.

The first charge is that the Roosevelt administration has not dealt squarely with the rest of the world in this war. It has confused our fighting allies. It has disappointed those who look to us for leadership when they get a chance to fight. It has embittered and disillusioned those who fight underground against our common enemies. This is the first charge I make—that the administration has confused the political and military conduct of the war to an extent where uncertainty has taken the place of assurance, delay, of action. This means prolonging the war and wasting lives, by not telling the world in plain terms what we stand for and what we are fighting for.

ADMINISTRATION NOT FAIR

The second charge I made is that the Roosevelt administration has not dealt squarely with the American people in this war. It has committed us to unknown policies, worked out by secret agents and in secret conferences. It has used the excuse of military expediency to cover up the letting down of people who are our friends and dealings with the Fascists who are our enemies. It has discouraged the efforts of the American press to inform us candidly of the facts of the international situation. It has bargained for votes at home on the fallacious theory that Americans vote not as Americans but as pressure groups defending the interests of cliques inside countries they or their ancestors left long years ago. This then is my second charge—that the administration is not being square with the American people, and is promoting confusion, cynicism and distrust among us.

Both these charges are grave. But they are justified. And because they are justified the Republican Party has not alone the obligation to nominate the right man this year in order to save the party; it has also the responsibility of turning the searchlight of truth upon the motives and forces which make my charges so tragically serious. The immediate goal of every American is to win the war with the least possible loss of life and save the fruits of victory. The one fruit of victory that is going to taste best in the mouths of Americans is peace—prolonged and stable peace. I ask you, as I have asked myself, How can we possibly secure this peace by following leadership which is already indicted in the hearts of most of us—whether we say it or not—on these two charges? For the administration policies which I am criticizing are not the result of accidents, or

honest mistakes. They spring from the dangerous idea that we, the American people, are not to be trusted with our own destiny.

This is the thinking of a government that even when young weakened the people by its paternalistic attitude, and now, old, tired, and cynical, attempts to keep the people weak by keeping them ignorant.

Let's consider my first charge—that this administration is not now dealing squarely with the people of the world. What is being done in Washington is so muddled, so hesitant, and so devious that it makes an easy life for the propagandists in Berlin and Tokyo.

What does a Frenchman in France, for example, or a Belgian in Belgium, or a Chinese in the conquered parts of China, or—for that matter—a Russian in the Soviet Union, think of our failure to set up a United Nations council? I have been urging it, as have others, for a very long time. It is no secret that some of our allies have been urging it. The United States is the one country with enough strength and prestige and disinterestedness to take the leadership in setting up such a body.

Yet nothing has been done. There are said to be secret commissions at work in London, in Naples, and in Washington, on regional problems. But they are more than secret. The American people know nothing of what they are doing, and apparently they keep their deliberations secret even from their own governments. Our State Department, in turn, often fails to transmit its decisions to its representatives abroad. An American official has, on occasion, walked into a conference with Allied officials to learn for the first time that an agreement had been already worked out in Washington on the subject under discussion. No one had taken the trouble to inform him. As in the whole history of our political relations with Italy during the last year, secrecy seems to be the cover for bungling or worse.

SECRECY ON TWO FRONTS

The same thing is true of the secrecy which surrounds the activities of the European Advisory Commission in London and of the Pacific War Council in Washington. These bodies may well be making serious decisions; they may even be making dangerous decisions, as the rumors and reports of enemy propaganda say. I don't know whether their decisions are good or bad, and neither do you. So it is hard for a man living on the Continent of Europe to know. And since he doesn't know, it is easy for him to believe the rumors and the propaganda and to assume that we are not working frankly through a United Nations council because we have something to hide.

This hurts us coming and going. It hurts us coming because it produces an unfriendly strain between us and our three chief fighting Allies—Britain, Russia, and China. It hurts us going because it produces fear and suspicion in the millions of people now ruled by our enemies who must some day be our allies if we are to win the war quickly and work out a lasting peace.

Take our relation to Great Britain. There is indication of unnecessary friction there. It is important for successful cooperation now and for common welfare in the future that our countries should work out their destinies in harmony with each other. But there is no natural law which ordains friendship between us and Great Britain. It behooves statesmen on both sides to guard and cherish our good relations and to set up machinery to eliminate unnecessary misunderstandings.

What has Mr. Roosevelt's administration done toward this end? We have had lend-lease for some time and recently a United Nations relief and rehabilitation organization has been set up. But whether in the oil fields of Arabia, in China, or in South America, the administration has provoked among the British distrust and suspicion of our motives.

Even when our motives are good, the methods we use seem calculated to produce mistrust. We have slowed up our decisions on questions of tremendous mutual importance to both countries, such as the recognition of the French National Liberation Committee. We have failed to consult our ally on problems in which the British have an important and historical interest. We have utterly failed to work out any machinery for political cooperation with London comparable to the military understanding which has been achieved under General Eisenhower.

When Englishmen say—as they do say today—that they cannot understand us, I cannot blame them. Yet if we had a United Nations council, meeting continually, to thresh out political problems as they arise and to accustom diplomats on both sides to seek common solutions for all problems, this distrust and this suspicion would largely vanish.

There is indication of unnecessary friction between ourselves and the Soviet Union. The Moscow agreements and the Teheran statement were brave, fighting words. They gave heart to all of us. Regardless of party, we supported them.

RELATIONS WITH RUSSIA

But what has the administration done to follow up this first step? Mr. Hull came back from Moscow and Mr. Roosevelt from Teheran, and each mile of the distance they traveled has seemed to grow longer since they returned. For Mr. Hull the trip to Moscow was an enormous success, he reported. Mr. Roosevelt's conversation in Teheran ended with the announcement that: "We leave here friends, in fact, in spirit, and in purpose."

What is the evidence of this friendship, this common purpose? In England apparently our purposes have been so little understood that we have at last had to send Mr. Stettinius over to try to smooth matters out. On the Polish question, the United States, Great Britain, and Russia seem to be further apart than ever. When Mr. Stalin decided to send a man to represent Russian interests with the superannuated general of Mussolini's staff whom we have maintained in power, London and Washington were filled with consternation. Yet we had been notified some days before the announcement. If we disapproved of it, why didn't we say so while there was still a chance to influence Mr. Stalin's judgment?

None of us knows what actually went on at Teheran. But the evidence is mounting that our relations with Russia remain pretty much as they were before our hopes were fed with bright prospects of friendship and understanding.

For we still have no machinery such as a United Nations executive council would provide, for working on the problems we face jointly with the Soviets. Yesterday, Mr. Churchill pointed out that the advance notice received by the British Government of the Soviet's purposes in entering Rumania was an example of the operation of consultation machinery set up by the Moscow conference. Where has this machinery been all this time? We need a continuing machinery. Our policy, however, friendly its intention, depends too much upon the President's disturbing facility and his liking for wangling things personally instead of using regular authorized instruments of government. It would not seem to me surprising if the Russians, who, as a nation, are accustomed to acting firmly and consistently alone, now, in their new role of ally, attribute the aloofness which still characterizes our relations with their Government to hidden hostility and suspicion, and, therefore, sometimes act with what seems to be a disregard of our common interests. A continuously functioning council of the United Nations might adjust our differences in a constructive way.

Unfortunately, however, I have seen little evidence that either the President or the State Department has even begun to use the power and the prestige of this Nation toward the creation of any such effective international machinery.

PROBLEMS IN CHINA

Much the same could be said of our treatment of China. It is no military secret that there are unsettled political problems there. When Japan has been forced back to her own islands and restricted there, China will look to the West for help in restoring her own ravaged territory. She is a proud Nation. She does not want charity. But she will have a right to ask for assistance on terms which take into consideration her great sacrifices and the enormous aid she has given to the common cause. At the same time we shall owe it to our own principles, as well as to China, to see that this assistance is rendered in such a way that it is beneficial to the healthy elements in Chinese political life. Have we thought about this problem? Have we taken steps to meet it? There is no evidence that we have.

What I have said so far applies to this administration's treatment of our chief allies. They are nations which are fighting in the field. They can press their claims in Washington. What of our treatment of the other nations of the world, again in terms of the purest self-interest? What are we doing to enlist on our side the millions of suppressed people now ruled by our enemies? What are we doing by our foreign policies to speed the day when they can take over a major role in the struggle for their own liberation?

Again, I don't know. And I am worried because, if I don't know, I don't see how they can know. And such uncertainty will not hasten the end of the war.

In north Africa and in Italy our political record is, unfortunately, there for all to see. Darlan, Peyrouton, Badoglio, and the King of Italy were not conjured up by Nazi propaganda to fool the people of Europe about United States policy. They were, as far as we know, the tokens of our sincerity in dealing with two nations which had lost their freedom. It is small wonder, is it not, that the name of the United States is now greeted with silence at meetings of Frenchmen. It is small wonder that Italians, who welcomed us with open arms as liberators, now suspect us and fail to cooperate. It is small wonder, is it not, if thoughtful men and women everywhere hesitate—bewildered, angry, confused over what they can expect from us.

These are no questions of diplomatic niceties. While Mr. Roosevelt says blandly that he has come to a decision about the French people—he, mind you, not the Allied Nations with the French National Liberation Committee—while he talks of having reached a decision, French patriots are dying at the hands of the Gestapo. While he and Mr. Churchill continue to prop up the senile monarchy in Italy, thousands of Italians in the north are striking against Hitler. While the President supports tired old Fascists in the areas our armies control, millions of Europeans are preparing to help an Allied invasion of the Continent. Is it any wonder that people all over the world are asking more and more loudly "What is this all about?"

Our State Department and the President give us big promises and talk of noble aims. But there is no leadership in Washington which makes the terrible dilemmas of modern war real and understandable to the people of the world. There is no leadership which relates our aims to our performance. I think we are justified in demanding leadership in Washington which will bring these decisions which affect all our lives out of

the depths of secret power politics into the clear light of day in some United Nations council. Then the peoples of our grand alliance can see and judge what is being decided in their name.

My second charge against the foreign policy of this administration is that it does not deal squarely with the people of this country. Mr. Roosevelt, prodded by the Nation-wide demand for information, spoke the other day in some derision of those citizens who go around asking bellhops what is the foreign policy of the United States. I am proud to claim that I have gone around asking everybody I know, including bellhops, about the foreign policy of my country. I would be even prouder if I could claim that every citizen of this country, including bellhops, knew that we had a foreign policy. This I cannot claim.

The reason is not hard to find. As a Republican, I am glad that it was Republican Members of Congress who were waiting on Mr. Hull with questions about our foreign policy at almost exactly the time that Mr. Roosevelt threw away his chances for the "bellhop" vote. But, as a citizen, I am disturbed to learn that none of these Members of Congress came away from Mr. Hull with any very clear idea of what is our policy. If they could not get it from the man who has been in charge of our State Department since the first days of this administration, I am not surprised that the citizens of the United States should be confused.

POWER POLITICS

If this administration's addiction to diplomacy behind closed doors hurts us in the world at large, it does us still worse hurt at home. If secret agents who cannot even be named produce misunderstandings with our allies, they produce confusion among ourselves. If all the chicanery of power politics demeans us in foreign eyes, it saps in us the confidence and the aggressive proud spirit which belongs to Americans by birthright.

Just as military expediency has been used by the administration to cover up deals with Fascist turncoats, so has military security been used to cover up the slow, fumbling procedures of arriving at these deals.

In the newspapers and magazines of this country Americans have one of their surest guaranties against mistakes made by their leaders. A strong democracy makes no pretense of infallibility; it asserts instead that it has the capacity to discover and correct its mistakes before they become fatal, and a free press is essential to that process.

What has our press been able to do in the field of foreign policy to carry out its traditional function of reporting, examining, and discussing? It has accomplished near miracles, it seems to me, but only against very heavy odds and with only a partial verdict in its favor to date. Mr. Hull announced the other day some 17 points which, he said, explained our foreign policy. They were so vague and general that every good editor in the land must have wracked his mind to decide how they applied to the concrete problems which beset us.

The results have not been impressive. Here we are a Nation fighting for the survival of the ideas we stand for. Yet if anyone can say today with certainty what our policy is toward the Argentine, or Spain, or Finland, or Tito, or Badoglio, or De Gaulle, he is a better man than I am. If anyone can say what is our policy toward the great French people, he must have found out with a ouija board. The questions press on us from every side. Too often, the only answer we get is that military security prevents an answer.

A TIRED ADMINISTRATION

The real reason for the silence in Washington about these pressing problems is the administration's belief that it is way ahead of the people and that the people cannot be trusted to back policies which are good for them. This belief, while not put into words by officials in Washington, is the basis of all they do. It grows stronger with long tenure of office. An administration that has become old and tired quite naturally prefers not to have to explain and justify its policies. Until election time, it figures cynically, it can afford the resultant confusion, even if the entire Nation is weakened.

All I have said makes a sorry answer to the question I started with, the question that is being asked all over this country: Have we a foreign policy? The answer is clear: Either we have none, or it is a dangerously personal one, that the President alone knows about to the exclusion of both Secretary Hull and the "bellhops"; or it is a policy which millions of Americans, if they were given the information about it that has been denied them, would repudiate as untrue to the principles of democracy.

If the war is to be won quickly and American lives saved, we need a better foreign policy. If our losses and sacrifices in this war are to be justified, we need a better foreign policy.

Our sons are not risking and giving their lives in order to support an outworn monarchy in Italy. They are not fighting in order to restore discredited kings to other countries. They are not fighting in order to make possible a deal with some renegade Nazis when Hitler has been overthrown. Nor are they fighting in order that the French people, or any other great people including our own, may be treated as a pawn in some desperate game of secret power politics.

The losses in young American lives which we have already taken and are now facing in even greater numbers can be justified only if this becomes truly a war for liberation. For if we deny those fighting for freedom in France, as this Administration is denying them now, we shall face not only civil war in that country but the repudiation here of all we thought we were fighting for. If we deny the democratic elements in Italy, as the Administration is now denying them, we shall slow up our armies and make still more terrible the task that lies ahead of us. If, in our foreign policy, we deny anywhere the aspirations of those who want to be free, as secret power politics inevitably tends to deny them, we shall be laying the groundwork for a third world war.

The American people have faith in the processes of democracy. They want a foreign policy that will affirm that faith.

Mr. HATCH. I might, Mr. President, to conclude my remarks, simply again reiterate the main thought I have been trying to express. It is that this is an hour of tremendous, strong, and mighty issues. Not only the welfare of our Nation but the peace of all the world and the hopes of all mankind may rest upon how we in this Nation discharge our duties and our obligations. Strong and mighty issues require strong and mighty men. I pray God, Mr. President, men who aspire to be President of the United States may be mighty enough and strong enough to meet the issues which today confront our country and the world.

Mr. WHERRY obtained the floor.

Mr. VANDENBERG. Mr. President, will the Senator yield? I wish to respond to the Senator from New Mexico.

Mr. WHERRY. I yield the floor to the Senator from Michigan.

Mr. VANDENBERG. Mr. President, I wish to speak only briefly.

I have yet to make my first partisan address in the Senate respecting foreign affairs and American foreign policy since Pearl Harbor. I do not intend to do so now. It is rather difficult, however, to persist in maintaining that unpartisan attitude in the light of comments such as those just submitted by the able and distinguished Senator from New Mexico, which largely devote themselves to what he believes to be our dire Republican shortcomings in respect to this issue. It is rather difficult, Mr. President, to maintain——

Mr. HATCH. Mr. President, will the Senator yield to me?

Mr. VANDENBERG. I shall yield in a moment. It is rather difficult to maintain the unpartisan level in these discussions for which the Senator from New Mexico so eloquently presumes to plead and to which I have so faithfully adhered unless the rule works on both sides of the aisle.

I now yield to the Senator from New Mexico.

Mr. HATCH. I wish to say to the Senator from Michigan perhaps something which I should have said. While I was critical of the Republican Party in 1920, and the part it played in the great battle over the League of Nations at that time, I have frequently said publicly, and I say here now, that we should not be too critical of the opponents of the League on both sides of the Chamber at that time. Those men had just seen one world war. All their experience had been with peace. They thought war was an interlude between great intervals of peace, and perhaps rightly so.

We have seen two world wars in our lifetime. We have seen war become the normal course of action, and I do not want to be unduly critical of the Republican Party, or any man associated with the battle 25 years ago, because those men had not had the experience we have had. What I am trying to do, as best I can, is to point out those things, and say, Let us profit by the experience of the past. I do not wish to make a partisan appeal.

Mr. VANDENBERG. I understand the Senator's purpose, and I have no quarrel with the very high dedication which I know is in his heart in respect to this problem. But I must frankly say that I am unable to harmonize his purpose with the address which he has just made, because it has been chiefly devoted, first, to a partisan indictment of Republicans of the past, and, second, a challenge to the Republicans of today.

Mr. President, I remind the able Senator from New Mexico that it is exceedingly dangerous to go back into the yesterdays and take ancient words from their place in history and give them isolated interpretation as of today. He may quote former platforms of the Republican Party which in his view were never validated. But, Mr. President, I give him a very pointed example of the danger and perhaps the utter injustice in any such process. I give him the example of the statement made by President Roosevelt on the eve of the 1940 election, "I tell you fathers and mothers of America again and again and again

that your sons will not be sent into foreign war."

Mr. President, I have never thrown that statement back in the President's teeth. I am not doing so now. Circumstances alter cases. Pearl Harbor created a challenge which no President and no citizen could ignore. I refer to the matter only to illustrate my point. It would be just as reasonable for me to devote an hour's excoriation to a Presidential promise to the mothers of America in 1940 that their sons would never again be sent into a foreign war, as it is for the Senator from New Mexico to file the indictment against Republicans which he has indicated here today.

Mr. President, I want it clearly understood that I do not file the indictment. It is the first time I have ever mentioned the matter in public. I do not intend to mention it again, unless it shall be unavoidable. So far as I am concerned, I do not intend now or hereafter to discuss the desperately important problem of foreign policy in terms of purely partisan politics. But I cannot sit silent in the face of less restraint across the aisle, and in the presence of the suggestion from that source that there is any lack of dependable loyalty and devotion to the great objectives of a lasting peace not only upon the Republican side of this Chamber but in the patriotic Republican hearts of this country, and in our Republican soldier sons who stand in the trenches and tread the valley of the shadow with their brethren in arms. I cannot allow the suggestion to pass that there is any less devotion to the ideals of the Republic among us who are Republicans than among those who are Democrats.

Mr. President, I am very proud of the record of the Republican Party during these desperately critical months in respect to foreign policy. The most forthright statement on foreign policy that has yet been made, the first formal announcement of its sort upon any basic political authority was made by last September's conference of the Republican Party at Mackinac Island, in its Mackinac charter. There could be no more forthright statement than this paragraph, which I proudly read:

> We consider it to be our duty at the beginning of our work * * * to declare our approval of the following:
>
> 1. Prosecution of the war by a united Nation to conclusive victory over all our enemies, including—
>
> (A) Disarmament and disorganization of the armed forces of the Axis.
>
> (B) Disqualification of the Axis to construct facilities for the manufacture of the implements of war.
>
> (C) Permanent maintenance of trained and well-equipped armed forces at home.

And then this, the kernel of the whole statement:

> Responsible participation by the United States in post-war cooperative organization among sovereign nations to prevent military aggression and to attain permanent peace with organized justice in a free world.

Mr. President, I submit that not even the able and eloquent Senator from New Mexico could assert an American dedication to post-war peace and to post-war termination of military aggression around this world; not even he could mobilize in one sentence a deeper, more eloquent pledge than that. It was acclaimed from coast to coast and all around a grateful world. It is our sturdy answer to those who would seriously inquire our attitudes.

Mr. President, the able Senator from New Mexico is worried about where the possible Republican candidates for President may stand upon this issue. I do not know who the Republican nominee for President is to be. It is probably conservative to say that he will be one of at least two Governors. Both those Governors stood upon their feet at Mackinac, when the roll was called upon this declaration, and gave it their unequivocal faith. Let that assuage any anxieties upon this score.

I appreciate the solicitude of the Senator from New Mexico for our Republican situation. I am not at all worried about the ability of the Republican Party at Chicago to assert itself so that no American can misunderstand, and I venture the prophecy that the platform which the party adopts at that time, and the subsequent fidelity to it of its candidate for President, will leave no room for doubt that we stand incorrigibly for victory against all our enemies, that we stand for an effective cooperation among the Nations of this world for post-war peace, and for the termination of military aggression, and that at the same time we stand for a just peace which shall implement those major promises of the Atlantic Charter, which I fear have become in part too dim and may be fading, and that no American will misunderstand that our pledge and our performance will be in complete fidelity to the enlightened self-interest of our own sovereign United States in respect to effective world cooperation.

Mr. President, having said that, I want to announce that at a time when 10,000,000 of America's sons are offering their precious lives for freedom, I shall not again be drawn to my feet in the Senate Chamber, unless the circumstance be far more aggravating than it is today, to discuss the foreign policy of America in terms of partisan politics.

Mr. VANDENBERG subsequently said: Mr. President, in connection with my recent brief remarks I quoted from the Mackinac charter. At the suggestion of the able Senator from Vermont [Mr. AUSTIN] who played a very large part in the achievements at Mackinac, I wish to add, for the RECORD, the final paragraph from the Mackinac charter:

> The council invites all Americans to adhere to the principles here set forth to the end that our place among the nations of the world and our part in helping to bring about international peace and justice shall not be the subject of domestic partisan controversy and political bitterness.

Mr. HATCH. Mr. President, I regret the statement made by the Senator from Michigan at the conclusion of his remarks, because I firmly believe that now is the time to discuss these matters. Equally firmly do I believe that if discussion of them is postponed until after the war is over, again we will do just as we did 25 years ago. I want just such expressions as the Senator from Michigan has made. They are fine expressions. They are statements of a determined purpose. That is what I want. That is what I was talking about. I have not criticized the Senator from Michigan. I have not criticized a single Senator on the other side of the Chamber. Among Senators on the other side I see sitting just behind the Senator from Michigan the Senator from Vermont [Mr. AUSTIN], who has taken his position as strongly as a man can take it. That is what I want. That is what I think is fair to the electorate of this country. I wish every Member on both sides of this Chamber, every Member in the House, and every public official of the United States, as well as everyone who aspires to office, would take a similarly strong, positive stand, for then the people could make their rightful choice.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. BRIDGES. The Senator has indicated quite generally his own belief, and he has listened to a very able response by the senior Senator from Michigan [Mr. VANDENBERG] but the Senator from New Mexico would make a great contribution to the country if he could produce from Mr. Roosevelt a definite and a clear-cut statement of peace aims, and produce it now.

Mr. HATCH. If I may say to the Senator, I have already discussed that question, and I think the President's position is clear. I think it has been stated by his actions and by the things he has stood for throughout the years. I think it has been stated by the Secretary of State, Mr. Hull, who speaks for the administration. I think it has been stated by the chairman of the Committee on Foreign Relations, the Senator from Texas [Mr. CONNALLY]. I do not think there is any doubt about that position. If there is an honest doubt in the mind of any man, I would join the Senator from New Hampshire and say, "Let us terminate the doubt."

Mr. BRIDGES. If the Senator will yield further, I will say for his information that there is a doubt in my mind, and, in my judgment, doubt exists in the minds of most people in America today as to just where the President stands specifically on the question of peace aims.

Mr. WHERRY obtained the floor.

Mr. CONNALLY. Mr. President, I wish to say something on the matter under discussion, if the Senator from Nebraska will be good enough to yield.

Mr. WHERRY. I yield.

Mr. CONNALLY. I did not happen to be in the Chamber when the Senator from New Mexico made his first statement. I entered the Chamber while the Senator from Michigan [Mr. VANDENBERG] was discussing the question.

Mr. President, as I indicated yesterday in some remarks I then made, I very much hope that the effort of our country to take a leading part in the establishment of machinery for the preservation of peace and for the prevention of ag-

gression will not take on any partisan or political tinge.

Of course, every Senator and every other citizen will have varying views as to the details of such a plan. But today we are engaged in the greatest military struggle that the pen of the historian has ever recorded. Men who enter the Army of the United States and who die on foreign battlefields do not die as Republicans or Democrats or Progressives or Socialists. They serve in the Army of the United States as Americans. If the United States is to be successful in its leadership, and if the problem of establishing adequate peace machinery is to be solved, those results must be brought about by a united people.

I hold in my hand the so-called Connally resolution which was adopted by the Senate on November 5, 1943, and I ask that it be incorporated in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CONNALLY. The Connally resolution was adopted by the Senate by a vote of 85 to 5.

Mr. President, the Senator from New Hampshire, it seems to me, would inject a little partisanship in the questions which he propounded. Let me say that there is no statesman in the world, there is no citizen in the world who at this moment can look forward into the years and decide all the issues which will be raised around the peace table. We cannot settle today or tomorrow or the next day the question of bundaries in Europe which will come before the peace conference. We cannot settle those questions because the war is still raging, and they must in their very nature await the termination of hostilities. Whoever would interject them now would be throwing obstacles, digging tank ditches, and erecting barbed wire and all sorts of entanglements in the way of those who would settle these great international problems.

Mr. BRIDGES. Mr. President——

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Texas yield to the Senator from New Hampshire?

Mr. CONNALLY. I yield.

Mr. BRIDGES. Does the Senator feel that it will be throwing obstacles and erecting barbed wire and other entanglements in the way of a successful prosecution of the war if we state our peace aims definitely today?

Mr. CONNALLY. Mr. President, we can state a peace aim or hope in a general way.

Mr. BRIDGES. No; I mean completely.

Mr. CONNALLY. Completely? Very well, let us see how logical that would be. The Senator from New Hampshire desires that we state our position on every controversial question which will reach the peace table. He ought to know how improper and how illogical that would be. We would immediately become involved in ancillary quarrels perhaps with some of the nations with whom we are now cooperating in the war. We would stir up disturbance in other countries which are perhaps not parties to the war, and it would absolutely retard and impede and interfere with the war effort itself.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. CONNALLY. I will yield to the Senator, but I do not want to carry on a sewing-circle discussion. The Senator from Nebraska [Mr. WHERRY] is becoming a little impatient.

Mr. BRIDGES. I wish to say, if I may, that I do not agree with the Senator from Texas.

Mr. CONNALLY. I thank the Senator.

Mr. BRIDGES. Very well. I accept the thanks. [Laughter.] But I wish to say that I think the Senator was absolutely wrong when he said that we should not today definitely discuss peace aims. I think it is a sad story for America and a sad story for the world that we cannot today frankly discuss what we are fighting this war for, and set forth in unmistakable language our definite peace aims.

Mr. CONNALLY. In looking into his private crystal ball, the Senator may be able to see the solutions to all problems and the roadways that ought to be trod by all the nations in arriving at decisions respecting the multitude of questions which will come before the peace conference. The Senator from Texas does not profess any such vision or any such knowledge. If we were to try to settle those questions now, it would perhaps mean that they would not be settled at all. I doubt not that conversations are going on between the chancelleries of the nations involved—at least those of the United Nations—in the way of a general outlook on many of these matters, but they are not seeking to arrive now at definite conclusions and decisions. If when a conference is held we should call in the newspapermen and publish to the world what was happening in the conference, it would probably be the last conference we would have, because other nations would not want to confer with a nation which, immediately after a meeting was held and prior to a final agreement and a settlement, publicized everything that had occurred.

Mr. President, this question is greater than political parties. It is greater than the Democratic Party. It is greater than even the Republican Party. It is greater than the Socialist Party, or the Progressive Party. This is a great world problem, and I do not wish to treat it from a "peanut" attitude. I believe that most of the leaders in the United States in all political parties, unless it be some of the "fringe" societies, favor the general principle of the establishment of a league or organization for peace, and to suppress aggression. Why not struggle with this problem as Americans? Why should we not mobilize all our forces of mind, intellect, soul, and spirit, rather than to be whispering, "What is going to be the Republican attitude?" or "What is going to be the Democratic attitude?" There ought to be an American attitude.

I have heard the Senator from Michigan [Mr. VANDENBERG] read his pronouncement with respect to the conference at Mackinac. I have no fault to find with it, so far as it goes. I might go a little further than the Mackinac charter. I might differ with some of its details; but I rather think it was an unfortunate thing. For the party to meet and organize and set up its own formula might be regarded as a little unfortunate; but I welcome such declarations, and I hope that Republicans will not divide on partisan considerations. They did not divide on partisan issues when the so-called Connally resolution was adopted. They have not been dividing on partisan or political considerations in the conferences which we have held with the Secretary of State.

Mr. President, now is a critical moment, because the United States is taking the lead. I think I am authorized to say that it has already submitted a general outline and framework of a peace organization to some of our associates among the United Nations, in the hope that they may reach some general agreement and work out the details at a later date.

Mr. President, let us not smear this effort by political debates. Let us not obscure our vision and cloud our outlook by trying to label it and stamp it as Republican or Democratic, but let us face this problem and solve it, and give the world leadership.

The greatest memorial we could erect to the brave men who will have shed their blood in this conflict, and to the heroes who will have laid down their lives, would be the establishment of an organization dedicated to the prevention of wars in the future, the preservation of peace, and the mastering and chaining of the cruel monsters who plunge the earth in blood. Such a memorial would be better than bronze or marble. Marble is so cold that it could never picture the fire and the dash of battle. Bronze is so voiceless that it could never adequately express the gratitude of a nation.

Such a memorial would reach beyond the towering obelisks of granite and stone. It would pierce even the skies if we could set up such an organization for the safety of the world, and establish a refuge from aggression, not for Republicans, not for Democrats, but for all the nations of the world—a refuge from attack by military might or by evil forces that seek to destroy liberty and freedom everywhere.

Mr. President, that is the meaning of this program. It does not comprehend the narrow boundaries of nations. It envisions the far-flung corners of the world. It contemplates not the safety of a group of individuals but the safety of whole peoples and of the world at large. If we will but embrace it and succeed in its establishment in the world, this is a project worthy of the great nation which we represent. It is particularly appropriate that the United States of America should be the progenitor of such an organization.

Our own past history, colonial and constitutional, for 300 years, is a romance in the march from individual hardship to political liberty and to a great state of prosperity. On this continent we have exemplified the undying principles of

constitutional government and representative institutions. Today they are the goal of all nations of the earth which desire liberty and freedom. Today on this globe we symbolize, for the moment, at least, the ultimate in free government. If the United States is not a worthy sponsor for such a program, then there is no worthy sponsor.

Mr. President, I feel that we have a particular destiny in this world. I feel that, as we have achieved these high and responsible functions in the world as a nation, we cannot afford to wrap ourselves in the cloak of satisfaction, but that we owe to the peoples and nations of the earth leadership toward the general achievement of these lofty and noble objectives.

That, Mr. President, is the project which I envisage, far beyond political considerations, reaching far beyond the boundaries of any state.

I thank the Senator from Nebraska.

EXHIBIT 1

Senate Resolution 192

Resolved, That the war against all our enemies be waged until complete victory is achieved.

That the United States cooperate with its comrades-in-arms in securing a just and honorable peace.

That the United States, acting through its constitutional processes, join with free and sovereign nations in the establishment and maintenance of international authority with power to prevent aggression and to preserve the peace of the world.

That the Senate recognizes the necessity of there being established at the earliest practicable date a general international organization, based on the principle of the sovereign equality of all peace-loving states, and open to membership by all such states, large and small, for the maintenance of international peace and security.

That, pursuant to the Constitution of the United States, any treaty made to effect the purposes of this resolution, on behalf of the Government of the United States with any other nation or any association of nations, shall be made only by and with the advice and consent of the Senate of the United States, provided two-thirds of the Senators present concur.

Mr. WHERRY. Mr. President, I thank the distinguished Senator from Texas for his very pertinent remarks. Before I take up a subject which involves a domestic issue, and not one on the foreign front, I wish to express to the senior Senator from Michigan [Mr. VANDENBERG] my profound gratitude for the statement which he has made today on the floor of the Senate. His statement was in keeping with the dignity and the true characteristics of a great American who, during all these months, has declined to drag the foreign policy of our country into partisan politics. As one Member of the minority, I am proud that we have such an able representative on the Foreign Relations Committee as the distinguished senior Senator from Michigan. I am proud of the fact that earlier today, after the distinguished senior Senator from New Mexico [Mr. HATCH] began to deliver a nonpolitical speech, but subsequently indicted the Republican Party, and then nominated President Roosevelt for a fourth term, a Member of the minority rose and with great dignity stated, though rather reluctantly, the position which all of us on this side of the aisle have so much wanted to hear him set forth, in order that he might defend, not the Republican Party, but the position which every American might well take with reference to the foreign policy of this country at this time.

Recurring to a domestic issue which I think is very important——

Mr. HATCH. Mr. President, will the Senator yield?

Mr. WHERRY. Mr. President, let me say I have tried my best to submit these remarks for at least 2 hours, and I should like to make them now. Then I shall be glad to yield to the Senator from New Mexico.

LABOR PROGRAM OF WAR MANPOWER COMMISSION

Recently War Manpower Commissioner Paul McNutt announced a labor program allegedly for the purpose of meeting, as he said, "the increasing demands for male labor in the heavy critical industries."

His release of June 4, 1944, certainly proposes to allot manpower to the places where it is most needed. In that respect I wish to commend him. He expects to accomplish that result by a system of priority referrals and, second, by holding all workers in critical and vital industries. This priority referral program is one which depends upon, he says, "the cooperation of employers, who," as he stated in his release, "may hire male employees only from those referred by the Manpower Commission's United States Employment Service or in accordance with arrangements approved by the United States Employment Service."

In reviewing Mr. McNutt's release, it is apparent that it is his desire to effect voluntary cooperation on the part of both the workers and the employers. In that respect I certainly wish to commend him for the program. But from the language attributed to Mr. McNutt in the release, from the language of the release, and from the explanation he made of the act, which I heard in the meeting he provided for us, it is certainly a fair assumption that if this labor priority referral program does not work on a voluntary basis, then it must rely upon compulsion.

At the time when that program was elucidated and explained by War Manpower Commissioner McNutt to a group of Senators, I asked him the question, "Governor, in the event the voluntary provisions of this program fall down, what do you expect to do to enforce the provisions of the program?"

He replied, "The only thing we could rely upon then would be compulsion."

I asked him, "Upon what legal authority can you assume such compulsion to conscript labor, if your program does not work in a voluntary way?" He said he felt he had none.

I asked, "How do you expect to use it?"

He replied, "First, by the priorities on labor; second, by withholding priorities for materials from employers; and, last, by suggesting that all benefits and advantages such as social security, unemployment insurance, and so forth, be used to force laborers to accept the jobs to which they want them to go."

Because of that statement, on June 6, 1944, there was published in the Omaha World Herald an editorial which refers to the various phases of this program. It is not only a literary gem, but the argument contained in it is very logical. I ask unanimous consent to have it printed in full in the RECORD as part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BY EDICT, OR BY LAW?

Congress, since the beginning of the war, has consistently played horse with the duty of establishing by law a definite labor policy.

Such labor policy as obtains is established chiefly by Executive caprice and favor. And this policy is foggy, incoherent, and inconsistent, except for the general assumption that employers have no rights which Government need respect.

And this tends inevitably toward a condition in which labor, too, begins to feel that its rights and interests are imperiled.

It is so now with respect to Paul McNutt's seizure of control, as War Manpower Commissioner, over male labor above the age of 17 years.

"The Government," complains a spokesman for the Illinois and Chicago federations of labor, "has not shown there is any need to withdraw from the worker the freedom to seek his own job as he sees fit to seek it. * * * Only 3 weeks ago McNutt testified that there was no need for national-service legislation, and that any such law should be enacted by Congress, and not be put over on the people by administrative edict."

The regional director of organization for the A. F. of L. in Chicago declares the McNutt order amounts to regimentation and brands it as "uncalled for, inadequate, and unnecessary."

When last January the President asked Congress for a National Service Act, it was opposed in and out of Congress, and by both labor and management, as calculated to establish bureaucratic domination over civilian men and women workers. That opposition has continued—but, so far as Congress is concerned, as opposition only. Nothing affirmative and definite has been attempted by a drifting and timid Congress. Now, by edict, McNutt becomes, in the words of one labor leader when opposing the national-service proposal, "God Almighty, determining what plants and areas would be supplied with draft labor."

It is not to the point now to discuss the merits or the needs of a National Service Act. The point is that, if military considerations clearly require it, then it should come as an act of Congress after free and careful consideration, and not be imposed under another name by Executive action.

For it is in just this way, due to the creeping paralysis of Congress, that Executive power grows by what it feeds on, supplants government by law, and approaches ever more surely toward a one-man absolutism.

From that all citizens, including workers and employers alike, must surely suffer. And suffer not alone economically, but in the far more important respect that distinguishes self-governing freemen from tyrannically governed subjects.

Mr. WHERRY. Mr. President, President Roosevelt advocated a national-service law, and Members of the United States Senate have advocated a national-service law. The suggestion has met with considerable opposition. There has also

been much said recently about the drafting of IV–F men and their assignment where needed in essential industry. Much opposition has also been expressed to such a policy as being only another means of invoking the provisions of a national-service act.

Now we have the War Manpower Commission, in my opinion without constitutional or legislative authority, invoking the necessary provisions of any national-service legislation which might be enacted, and we find the War Manpower Commissioner effecting just such a program. If this plan works on a voluntary basis—and I hope it does, and I shall give my support to it—then of course we shall commend the War Manpower Commissioner for such a program. But the moment the War Manpower Commissioner attempts it by using one directive against another, by withholding priorities of materials from employers, in order to force them to do thus and so, then he is by edict compelling the conscription of labor, without legislative authority.

The question I am raising is not whether it is my opinion or your opinion, Mr. President, that we should have conscription of labor. That in itself has been provided by bills which have been introduced, but have not yet been brought to the floor of the Senate. But I say when the time comes that compulsion is used, then once again by Executive order the legislative function of Congress will have been overridden.

What the War Manpower Commissioner and the administration should do is come in the front door of the Capitol and persuade some Senator to bring up on the floor of the Senate one of the bills referring to the conscription of labor, and see what Congress thinks about conscripting the labor of the country. When that time comes, I shall be glad to see to it that compulsion is not used unless it is backed up by legislative authority of the Congress of the United States.

Now, Mr. President, I am glad to yield to the senior Senator from New Mexico.

Mr. HATCH. Mr. President, if the Senator has finished, I think I shall take the floor in my own right.

Mr. WHERRY. I yield the floor.

Mr. HATCH. Mr. President, a short time ago the very able and distinguished senior Senator from Michigan [Mr. VANDENBERG] addressed the Senate. I am sorry he is not now present. I told him what I would put into the RECORD, so he is not unadvised.

He referred to a speech made by the President of the United States in Boston. It was to be implied from his remarks, as well as from the subtle propaganda which has been spread over the country, that something President Roosevelt said in his Boston speech violated his subsequent acts; in other words, that he had deceived the fathers and mothers of America.

I give the Senator from Michigan full credit for saying he did not wish to inject such a thought into this debate; but as a matter of fact he did inject it into the debate; he did mention it; and he implied that Mr. Roosevelt had said something at Boston which was contrary to subsequent actions.

So I sent for a copy of the Public Papers and Addresses of Franklin D. Roosevelt, volume 9. I shall read first from the speech he made at Boston, because that is the speech which those who would attempt to cast reflection upon the President so frequently have used.

Here are the President's exact words. The President said at Boston—I read from page 517, if anyone is interested:

> And while I am talking to you mothers and fathers, I give you one more assurance. I have said this before, but I shall say it again and again:
>
> Your boys are not going to be sent into any foreign wars.

That ends the quotation, Mr. President, with all the implications which those who oppose the President seek to draw from it. There are other statements of the President which I shall later read, but I have chosen this one because it has been criticized on the ground that he assured the fathers and mothers of America that their sons would not be sent abroad to engage in foreign wars. I declare on the floor of the United States Senate that the pledge of the President has been kept. The sons of America have not been sent abroad in foreign wars. The youth of this land fight and die today in no foreign war. This war is our war. It is a war of the Republicans and the Democrats alike. It is a war of America. It is not a foreign war.

Why did the President use the words "foreign war"? Oh, I remember so clearly, Mr. President, how I sat in the Senate day after day and listened to arguments to the effect that the boys of America would be sent abroad to engage in every war between foreign nations—in wars in which we would have no interest. President Roosevelt assured the fathers and mothers of America that if their sons were sent abroad it would be to fight America's war. Are they not now fighting America's war? A vote was taken in the United States Senate with reference to entering into the present war. Senators made declarations. I made them and I meant them. I would never have consented to send our sons to fight the battle of someone else. Ninety-six Senators—if there were that many present—voted for the declaration of war. They were not voting to send the sons of America into foreign wars. They were voting to send the sons of America to fight America's war. I hope, Mr. President, that never again will anyone draw such an invidious and despicable inference from what the President of the United States said in Boston.

I did not quote all that he said. I have before me a copy of another speech which he made. I recall it very well because I was a member of the resolutions and platform committee of the Democratic Party at Chicago. I remember that there were those who urged that under no circumstances should America's soldiers be sent abroad. I recall quite clearly the firm stand which was taken by the President against such a resolution. I reveal no secrets when I say that the President said in effect, "Why, certainly I agree that American soldiers shall not be sent abroad." But he added, "except in case of attack."

Mr. VANDENBERG rose.

Mr. HATCH. I have recently read what I have already shown to the Senator from Michigan, and I have drawn the conclusion that when the President referred to foreign wars he meant foreign wars. We are not now engaged in a foreign war. We are engaged in America's war.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. VANDENBERG. I do not understand that the Senator has challenged the accuracy of my quotation. I believe I quoted the President precisely as the Senator has read.

Mr. HATCH. I am not quite sure about the quotation, but I showed it to the Senator from Michigan, and he agreed that it was correct. It was the quotation to which I have referred, and I am sure the Senator from Michigan intended accurately to quote it. If he did not do so it was due to a failure of memory.

Mr. VANDENBERG. I think I quoted it accurately, Mr. President. The only word that might have been omitted was the word "foreign." From my point of view that word would be the last one which I would wish to omit at that point.

Mr. HATCH. I doubt that the Senator omitted it. I wish to make it clear that I was not referring to the Senator from Michigan when, before he entered the Chamber, I said that I hoped never again would such an invidious or despicable statement be made as had been made, that the President's promise had been violated when he said that. I have not charged the Senator with that statement. It is invidious and more or less despicable, but I certainly did not apply it to the Senator from Michigan.

The Senator previously reminded me that we cannot take isolated cases in history. I was not doing so, but I had referred to what took place at the Democratic Convention and the fact that the President himself stood out for the words "except in case of attack."

I now read from another speech made by the President in his campaign. It is to be found in volume 9, at page 495. He said:

> We are arming ourselves not for any purpose of conquest or intervention in foreign disputes.

I think the President was exactly right. At least his statement expressed my theory. I voted for all measures to prepare this country for war, not from the standpoint of intervening in any foreign dispute but purely from the standpoint of defense.

On this subject the President said:

> We will not participate in foreign wars.

That was a flat declaration. It was a repetition of what he had said at Boston, although this statement was made first. In effect he said, "We will not intervene. When two foreign nations get into a war, let them fight it out."

Then he said:

We will not send our Army, naval, or Air Forces to fight on foreign lands except in case of attack.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. LUCAS. The statement which the Senator from New Mexico has read is one which many persons fail to remember. Those who are inclined constantly to attack the administration because of the phraseology which the Senator has read, always, either through ignorance, or through willfulness, fail to include the entire statement which the President made. That statement was carried out in the platform of the Democratic Party in 1940, while the Republican platform was completely silent upon the subject.

Mr. HATCH. I have already mentioned that point. I was a member of the platform committee, and I remember quite well, as I stated a moment ago, that there were members of our committee who flatly insisted on a resolution that under no circumstances would our sons be sent abroad.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. VANDENBERG. I see no utility in extending the argument, but I wish to refer to the observation made by the Senator from Illinois.

The two quotations which the Senator from New Mexico gave were taken from different speeches, were they not?

Mr. HATCH. One was taken from the speech made at Boston, and the other was taken from a speech in Philadelphia.

Mr. VANDENBERG. It is not true that it is a failure properly to quote the President to say that he said, "I tell you again and again and again that"——

Mr. HATCH. "You fathers and mothers"——

Mr. VANDENBERG. "You fathers and mothers, that I will not send your sons into foreign wars."

Mr. HATCH That is correct.

Mr. VANDENBERG. The qualifying phrase "unless we are attacked" came from a different speech, and I assumed from the observation of the Senator from Illinois that he was accusing anyone of being dishonest who quoted the President's speech without adding the phrase "unless we are attacked," which was a part of a totally different speech.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. LUCAS. It was during the campaign of 1940 that the Boston speech was made.

Mr. HATCH. That is correct.

Mr. LUCAS. There can be no question that the President made the statement not only once, but twice.

Mr. HATCH. Yes.

Mr. LUCAS. Notwithstanding the policy which was laid down at that time by the President of the United States, I assert that he is continually being misquoted. Those who want to take all the speeches that the President made upon foreign policy—and that is the only way it can be ascertained what he actually meant—are doing the President of the United States a disservice by referring to a single quotation without adding to it what the President said in his Boston and other speeches.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. VANDENBERG. The Senator just said exactly what I undertook to say in the remarks I made to the Senate a short time ago. The quotation to which I referred and everyone who heard me knows I said it—was used solely to prove the precise point the Senator from Illinois now makes. What I was objecting to about the speech of the able Senator from New Mexico was that he had taken isolated sentences out of ancient Republican history and had endeavored to base an indictment upon those quotations, whereas if the whole story be told in each instance the net result may be precisely as indicated by the Senator from Illinois with respect to the quotation of the President regarding foreign policy.

Mr. HATCH. Mr. President——

Mr. VANDENBERG. That is the reason why if the Senator from New Mexico will permit me I prefaced my quotation by saying that I had never made it heretofore in public, that I never intended to make it again, and that I do not believe in that sort of quotation.

Mr. HATCH. I may say that I hope the forthright, straightforward statement made by the Senator from Michigan that he would never again use that statement may be taken to heart and that the dire implications which he did not make will never be made by others in this campaign.

I have no disagreement with the Senator from Michigan; we get along very well; but I did want to make the RECORD clear. I wanted the RECORD today to show that Franklin D. Roosevelt had not violated any promise he had made to the fathers and the mothers of the sons of America. He did exactly what he insisted upon doing in Chicago when he said that our sons would not fight in foreign wars. They are not fighting in foreign wars; they would not have fought if it had not been for the cowardly and dastardly attack at Pearl Harbor, and it ill behooves any Member of this body who voted for war to say that the President of the United States has done something he should not have done, because the responsibility for declaring war lies here in the Congress of the United States. We assumed that responsibility rightly, and today it lies in the mouth of no man to criticize the President of the United States.

APPROPRIATIONS FOR DEFENSE AID (LEND-LEASE), U. N. R. R. A., AND FOREIGN ECONOMIC ADMINISTRATION

The Senate resumed the consideration of the bill (H. R. 4937) making appropriations for defense aid (lend-lease), for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration, for the fiscal year ending June 30, 1945, and for other purposes.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The next amendment was, on page 10, line 7, after the word "exceed", to strike out "$325,000" and insert "$357,200."

The amendment was agreed to.

Mr. McKELLAR. Mr. President, on behalf of the committee, I offer an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 7, after line 8, it is proposed to insert a new section, as follows:

SEC. 202. In addition to the sum appropriated by section 201 of this title, any supplies, services, or funds available for disposition or expenditure by the President under the act of March 11, 1941, as amended (22 U. S. C. 411–419), and acts supplementary thereto, may be disposed of or expended by the President to carry out the provisions of the act of March 28, 1944, without reimbursement of the appropriations from which such supplies or services were procured or such funds were provided: *Provided*, That the supplies, services, and funds disposed of or expended under the authority of this section shall not exceed a total value, as determined under regulations to be approved by the President of $350,000,000 and shall be charged to the amount authorized to be appropriated by said act of March 28, 1944: *Provided further*, That the authority granted by this section shall not become effective until the United States Joint Chiefs of Staff shall have issued a certification that the state of the war permits the exercise of such authority and the utilization of lend-lease supplies, services, or funds for the purposes of section 201 of this title; and after such certification such utilization shall be upon the determination of the Administrator of the Foreign Economic Administration.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. VANDENBERG. Mr. President, I should like to be sure that I understood the text of the amendment. There is no question, is there, I will ask the Senator from Tennessee, that this transfer from executive funds applies against the total authorization for U. N. R. R. A. in the original resolution?

Mr. McKELLAR. That is correct.

Mr. VANDENBERG. Therefore, this is in no sense different from an ordinary appropriation, except that it uses existing funds instead of new ones.

Mr. McKELLAR. The Senator is correct.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. CONNALLY. Why was it decided to use the funds of lend-lease rather than a direct and specific appropriation? Was it for the purpose of making it conditional?

Mr. McKELLAR. Yes, the conditions might change, so that it is better to write the provision as it has been drafted.

Mr. CONNALLY. As I understand, it is also conditioned on the action of the Chiefs of Staff, so that, unless they make proper certification, the money cannot be obtained from lend-lease funds. Is that correct?

Mr. McKELLAR. That is true. Every safeguard was thrown around it by the committee.

Mr. CONNALLY. I should like to say that personally I do not like the system of transferring funds from one agency to another. I think the sounder system

is for the Congress to make direct appropriations for an agency rather than to say an agency may obtain money from some other funds.

Mr. McKELLAR. Ordinarily, that is true, I will say to the Senator, but in this case there was a different situation, a different set of facts, and, under the circumstances, the committee thought it best to take the course proposed to be taken.

Mr. President, at this point I desire to have inserted in the RECORD an article entitled "Lend-Lease in Attack Vanguard," written by a staff correspondent of the Christian Science Monitor.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEND-LEASE IN ATTACK VANGUARD

WASHINGTON, June 6.—D-day.

The greatest production miracle in the history of mankind preceded the invasion announced today.

No country ever before even contemplated the production record which the United States achieved, and which is now the mainspring of the drive to crush Germany.

The mainspring of lend-lease has been winding tauter and tauter in the British Isles for the past 2 years. Now release has come, and its coiled energy will spring forward inexorably until its task is finished.

Those who saw a small part of the stored goods prepared for the invasion adventure were unable to express their emotions save in parables.

BRITISH ISLES "SINKING"

"The British Isles are slowly sinking under the weight of the accumulated invasion stores," one commentator ejaculated.

A few weeks ago Leo T. Crowley, Foreign Economic Administrator, disclosed that 28,000 planes alone were sent abroad to America's allies between March 11, 1941—the date when the Lend-Lease Act was passed—and January 1, 1944.

More than $1,600,000,000 worth of aircraft engines and parts went abroad.

It is on lend-lease that the superstructure of America's military machine is built. French and British, and later Russian, orders put American industry in a position of war production.

Since March 1941 America has organized the greatest Army and Navy air forces in the world.

ONE HUNDRED AND FIFTY THOUSAND AIRPLANES

America has turned out 150,000 airplanes.

For months past not only trained American troops have been poured into the British Isles, but the massed might of America's industrial power, converted to military uses, has been concentrating there.

Now this gigantic invasion equipment has begun to move.

Months and years of preliminary production by the most highly industrialized power on earth have gone into the final order to advance.

The sheer massed weight of America's armament, combined with the British, may push obstacles aside, strategists hope.

HUGE AIRCRAFT OUTPUT

Mr. Crowley told Congress recently that $460,000,000 worth of lend-lease aircraft engines and parts were sent to the United Kingdom alone, down to January 1.

An additional $240,000,000 went by direct cash purchase.

Millions of gallons of high-octane aviation gasoline power the thrust. Lend-lease steel, lend-lease explosives, barges, gliders, road rollers, cranes, bulldozers, let alone prime movers, tanks, half-tracks, and all the panoplied articles of war, are moving today.

It's not merely the soldiers who are going ashore on the continental beachheads in the great invasion drive!

It's the miners who took the ore, the drillers who brought in the oil, the men at coal seams, the big-muscled men with foreign names who puddled blazing steel. It's their invasion, too.

The invasion drive is the Army and Navy, plus all America.

It's the farmers who milked the cows that made the cheese for the soldiers' rations; it's the women who loomed the clothing and Army blankets that will be spread on wet ground, it's the office workers who untangled the paper work, the brakemen who manipulated the troop train, the telephone girl who put in the last long-distance call from the doughboy back home to Mom, before he went overseas.

GREATEST BATTLE IN HISTORY

They are all here today in the greatest battle in American history. Britain and the United States open the second front and they are there, too.

Only hints have come of the exact amount of goods stored in Britain. But anyone in America is blind who does not have the first-hand experience of its preparation. Factory windows have blazed all night. Ship after ship has taken the water. Firms have energetically advertised for help. Great supply depots have appeared outside cities, and have dwindled as their stored-up military power went overseas.

Down to January 1 of this year Americans have been told that $20,000,000,000 in lend-lease aid have been extended to the Allies. But this only begins the story.

The lend-lease aid has been, in a sense, surplus—that could be expended out of America's extravagant productive ability while America's own armies were built up, fed, equipped, trained, and finally moved overseas. Of the total the figures roughly show that 43 percent of lend-lease has gone to the United Kingdom forces. Much of this is being thrown into the struggle now.

AMERICA CHANGED

But aside from this, the whole face of America has been changed by war production for America's own forces.

Now the time of testing has come.

Are the boats seaworthy that take the men across? Are the weapons balanced to the touch? Does that rubberized raincoat shed water? Are those camouflaged nets well and securely tied? Did the girl who folded that silk parachute do her job faithfully? Are those gliders for air-borne troops properly engineered? Are those prefabricated barracks nailed securely? Is the ammunition sound and lively? Do those reeling antiaircraft guns shoot truly? Now is the testing time. It is too late to do anything much now but hope and have faith. Americans at home who built the road for invasion are confident their battle forces are the best-equipped in the world.

Under Lt. Gen. Omar Nelson Bradley, American ground troops will meet the Germans in direct combat, with the equipment the American Nation has poured out profusely. The result of the encounter determines the length of the war in Europe. An army of 1,000,000 Americans may be engaged. But into the equipment of this Army has gone the work of 20 times that number, and the supplies range anywhere from the butter ball on the side of a first sergeant's platter to a 2-ton bomb carried at 10,000 feet in a Flying Fortress.

ARMY REQUIRES CARE

An army is like a city; it has to be fed, clothed, transported, provided with shelter, warmth; it needs utilities like fresh water, right up to the front-line trenches; it has to have postal services, or its morale sags like a wilted collar.

An army moves on gasoline, and it is significant that to date $670,000,000 worth of petroleum products alone have been shipped under lend-lease, while perhaps a figure comparable to that has gone to the American invasion army itself. Tankers have brought gasoline to the British Isles to supplement Britain's own supplies, fleets of tank cars, partially assembled on the other side, painted olive drab, are bringing the gas to invasion barges; engineer corps are ready to lay a system of pipe lines to new continental air bases and quickly establish depots on the other side. Enormously intricate plans accompany any battle and the cross-channel invasion is, of course, one of the greatest feats in military history. Only one thing is more important for its triumph than the quality and quantity of the equipment which the American worker and the American production machine have turned out—that is the Army itself.

With weapons in hand it is going forward.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. McKELLAR. I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. NYE, Mr. HOLMAN, and Mr. BROOKS conferees on the part of the Senate.

AUTHORIZATION TO RECEIVE MESSAGES, REPORT BILLS, AND SO FORTH, DURING THE RECESS

Mr. McKELLAR. Mr. President, it is desired by some Senators that the Senate take a recess until Thursday. In view of the possibility that that will be done, I ask unanimous consent that, during the recess following today's session, authority be given to the Secretary of the Senate to receive messages from the House of Representatives, to committees to submit reports, and, in addition, to the Committee on Appropriations to submit notices of motions to suspend the rules in the case of certain amendments to general appropriation bills; and to the Presiding Officer to sign duly enrolled bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate a message from the President of the United States withdrawing a nomination which was ordered to lie on the table.

(For nomination this day withdrawn, see the end of Senate proceedings.)

RECESS TO THURSDAY

Mr. McKELLAR. I move that the Senate take a recess until 12 o'clock Thursday.

The motion was agreed to; and (at 2 o'clock and 10 minutes p. m.) the Senate took a recess until Thursday, June 15, 1944, at 12 o'clock meridian.

WITHDRAWAL

Executive nomination withdrawn from the Senate June 13 (legislative day of May 9), 1944:

POSTMASTER

NEW YORK

Myron A. Paul to be postmaster at West Falls, N. Y.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 13, 1944

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, Lord of heaven and earth, we need so many things to walk worthily of Thee; patience to wait, a ready hand to help, and a tongue undefiled. Amid awful spiritual perils, toiling against angry winds and waves, O let not the night of doubt engulf us in the dismal distress of materialism. Beneath the throbbings of weak flesh, arm us with a zeal that never questions and with a vigorous type of citizenship upon which our Republic can depend.

In Thy name, the faith of the world has been kept alive by men and women who had a vivid and an unwavering sense of the divine presence whose names are known to the recording angel only. In these days of suspense, countless are the eager hearts, choking back the tears and fears. In this most baffling world with its toil and death, caused by man's cruelty, with its gods of power and greed, we pray for the spirit of the Father, who is touched with a feeling of our infirmity. O throne of grace, O throne of our Elder Brother about which our longings and yearnings fall, give to those who are crossing the seas of affliction the heavenly voice. Let the blast of the storm winds, the march of the nations, and the majesty of the everlasting law become Thy servants to Thy honor and glory. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills, a joint resolution, and a concurrent resolution of the House of the following titles:

H. R. 4771. An act to amend the part of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes," approved June 4, 1920, as amended, relating to the conservation, care, custody, protection, and operation of the naval petroleum and oil-shale reserves;

H. R. 4833. An act to extend, for 2 additional years, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar;

H. J. Res. 286. Joint resolution providing for operation of naval petroleum and oil-shale reserves; and

H. Con. Res. 90. Concurrent resolution authorizing the printing of the manuscript containing an analysis of questions and answers on the Individual Income Tax Act of 1944 as a House document, and providing for the printing of additional copies thereof for the use of the House document room.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4115. An act to give honorably discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1848. An act for the relief of Claude R. Whitlock, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1588) entitled "An act for the relief of the legal guardian of Eugene Holcomb, a minor," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. O'DANIEL, and Mr. WHERRY to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1767) entitled "An act to provide Federal Government aid for the readjustment in civilian life of returning World War No. 2 veterans."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4204) entitled "An act making appropriations for the Departments of State, Justice, and Commerce for the fiscal year ending June 30, 1945, and for other purposes."

The message also announced that the Senate still further insists upon its amendment Numbered 10 to the foregoing bill.

LOWELL MELLETT LIBELS TEXANS

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, neither the State of Texas nor any citizens of Texas need defense on such an absurd imputation as that made by Lowell Mellett. It answers itself. As a columnist writing on a factional political fight in Texas, Mr. Mellett has a perfect right to express his views. When, however, he intimates that the conduct of any group of Texans as to a political matter would cause them to be lynched, I respectfully submit that he has gone beyond the pale of freedom of speech and has been guilty of libel.

The last two paragraphs of an article by Mr. Mellett in the Washington Star of June 10, 1944, read as follows:

If the busy boys who have been working through the back counties of the Southern States trying to produce something different really think they are going to succeed, there is one other thing they should be doing for their own safety or the safety of the anti-Roosevelt electors they are seeking to name. They should move in on Congress and get that anti-lynching bill passed. For, if the innocent southern gentlemen named to be electors should cast their votes for anybody except the man the South has really voted for, there's likely to be a lot of high-class lynchings down where the cotton blossoms grow.

Anyone who suggests that the passage of the so-called antilynching bill would safeguard anyone from being lynched simply evidences his complete disqualification to speak or write on such an issue. It might reasonably be contended that the passage of such a bill might have just the opposite effect. It shows the abysmal ignorance of this writer when he suggests that the passage of that bill could possibly prevent a lynching, under any circumstances. All who know anything about the problem know that the only force that could stop lynching is enlightened local public opinion. That is the force which Texas and the South have used to stop the crime of lynching until it is almost as extinct as the dodo. There has not been a single lynching in Texas in years. There were only two lynchings in the entire South last year.

Therefore, this libel of the South, and particularly of one group of Texans, should be resented by every right-thinking person.

EXTENSION OF REMARKS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances; in one to include an article, To the Flag, by Bishop Richard J. Cushing, administrator of the archdiocese of Boston, and in the other an article on a recent Supreme Court decision by John Griffin, appearing in the Boston Post on Sunday last.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in three instances, in one to include a radio address, and in the other two, newspaper articles.

The SPEAKER. Is there objection to the request of the gentleman from Nevada?

There was no objection.

Mr. GORE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an article that appeared in the Tennessee Farm Bureau News.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

(Mr. KENNEDY asked and was given permission to extend his remarks in the RECORD.)

Mr. HAGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include therein a brief editorial appearing in the Fergus Falls Daily Journal.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. DOUGLAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include therein a letter from a soldier and an article from the Reader's Digest.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include therein a letter from Dillon Myer, Director of the War Relocation Authority, and a letter from Secretary Stimson.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include therein a newspaper editorial.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ANDREWS of Alabama. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include therein a tribute to the late Hon. Henry B. Steagall.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

FEDERAL GOVERNMENT AID FOR THE READJUSTMENT IN CIVILIAN LIFE OF RETURNING WORLD WAR NO. 2 VETERANS

Mr. RANKIN. Mr. Speaker, I call up the conference report on the bill (S. 1767) to provide Federal Government aid for the readjustment in civilian life of returning World War No. 2 veterans, and ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mrs. ROGERS of Massachusetts. Reserving the right to object, Mr. Speaker, and I shall not object, because I think it is extremely important that this bill be passed immediately, in order that it may become law as soon as possible. May I say that the managers on the part of the House in the conference were able to keep 75 to 85 percent of the House provisions in the bill. Any changes that may have to be made can be made at a later date. I know the House is unanimous in wanting this bill passed immediately.

After many months of work on the part of the Committee on Finance of the Senate and the Committee on World War Veterans' Legislation of the House, and after weeks of work by the Senate and House conferees, it still may be freely admitted that the bill as agreed upon is not a perfect piece of legislation. Admittedly experience will show necessity for amendatory legislation on some of the many aspects covered by the bill. I believe that a better understanding may be had of the wide scope of the legislation if attention is called to some of the more important benefits provided.

Title I is intended to insure that there will be adequate hospital and treatment facilities for all veterans of World War No. 2, as well as other wars, and for other veterans entitled thereto. It contemplates procedures which will guarantee that every veteran before discharge will have an opportunity to file a claim for any benefit to which he may be entitled, and that claims will be promptly adjudicated. Special provision is made for adequate training in connection with the use of prosthetic appliances, and adequate machinery is provided for review of irregular or questionable discharges.

Title II, dealing with education, is very broad and liberal. Any person serving during the present war for a period of 90 days or more, or discharged after shorter service for disability incurred in line of duty, is entitled to 1 year of education or training, or a refresher or retraining course. In addition, any such person who at the time of entrance into service is not over 25 years of age, or if over that age, had his education or training impeded, delayed, interrupted, or interfered with by entrance into service, may receive not to exceed 3 years additional education or training conditioned upon satisfactory progress therein and length of service.

It is believed that the refresher or retraining courses will be particularly appealing to certain types of professional men and to persons who learned new trades or who received specialized training in industrial pursuits while in the service.

There are no limits upon the choice of the educational or training institution other than that they must be approved by the appropriate State educational agency or by the Administrator of Veterans' Affairs. The rules and regulations of the schools or institutions generally will govern.

The loan provisions combine the best features of both the House and Senate bills. Since no direct loans are provided no great amount of additional administrative machinery will be required. The bill as agreed upon provides for the guaranty of loans whether made by private or public lending agencies or institutions. Personally, I feel that lowering the rate of interest to not more than 4 percent is an improvement over the House bill which provided for interest at the rate of not over 6 percent. Thus in approving loans the services or private or public lending agencies or institutions are made available to the Veterans' Administration.

The conference agreement added in section 505 a provision containing the principles of the Senate bill relating to the utilization of Federal agencies making, guaranteeing, or insuring loans and a further provision that in the event of a principal loan so made, guaranteed, or insured by a Federal agency the Veterans' Administration may guarantee 100 percent of a secondary loan not to exceed 20 percent of the cost or purchase price to cover the usually required down payment. There was also added a provision from the Senate bill making a veteran eligible under this title also eligible under the Bankhead-Jones Farm Tenant Act, as amended, to the same extent as if he were a farm tenant.

The conference agreement includes a provision added to paragraph 500 (c) to make clear that the liability under the guaranty will be decreased or increased pro rata with any decrease or increase of the amount of the unpaid portion of the obligation.

The conference agreement includes a provision in section 501 (c) to make clear that a secondary loan under the provisions of this title would not make ineligible for insurance under the National Housing Act a first-mortgage loan on the same property.

Title IV on employment of veterans was the least satisfactory to the House conferees for the reason that it places the responsibility upon the Administrator of Veterans' Affairs, but retains the machinery to carry out such responsibility in the United States Employment Service. The amendments agreed upon, however, give the Administrator much greater authority than was afforded by the Senate bill. Likewise, the Administrator is not given control of the appropriation for the Veterans' Employment Service as would have been done by the House bill. Further, this title departs from the principle of having all veterans' benefits as such administered by one agency. It is believed, however, that under the authority afforded by section 600 (b), together with that of section 1500, the Administrator of Veterans' Affairs will have the necessary power and authority to strengthen the operations of the Veterans' Employment Service.

Title V on readjustment or unemployment allowances has been greatly strengthened, particularly through the provision permitting readjustment allowances to those who are self-employed, but confined to the period of development when profits are not available as in a

normal productive period. Further, by permitting utilization of the State agencies and the Railroad Retirement Board in the processing and servicing of claims for benefits, prompt relief should be available to any unemployed person. At the same time the right of appeal to the Administrator of Veterans' Affairs is preserved and the Administrator has full authority over the administration of the readjustment allowances.

The conference agreement of section V:

First. Adopts 52 weeks as the total period eligibility as provided in the Senate bill.

Second. Omits the shortening of the total period of eligibility by the penalties imposed for successive disqualifications as contained in the House amendment and restores the Senate language.

Third. Adopts the provision of the House amendment fixing a flat weekly allowance.

Fourth. Adopts the provisions of the House amendment applying the conditions and standards of the particular State for determining the suitability of work or existence of good cause, with an amendment authorizing the Administrator to prescribe such conditions and standards when the State law has none.

Fifth. Omits the House provision relating to suitability of work conditioned upon joining, resigning from, or refraining from joining a labor union or labor organization.

Sixth. Provides that an eligible veteran shall be entitled to 4 weeks of allowances for each calendar month or major fraction thereof of active service during the period specified in section 700 except that the allowance for the qualifying 90 days' service shall be 8 weeks for each such month.

Seventh. Adopts the House provision for payment of allowances to self-employed persons.

Eighth. Adopts the House provision for servicing by the Railroad Retirement Board except that in the provision for application of the provisions of the Railroad Unemployment Insurance Act, such as conditions, standards, and procedures, there has been inserted a provision that this shall apply if not in conflict with the provisions of this title.

Ninth. Omits the Senate provision for reporting changes in status.

Tenth. Omits the Senate provision providing for deduction of allowances or benefits received as a Federal or State noncontributory benefit.

Eleventh. Omits the provision in the House amendment providing for deduction from benefits under title II of amounts received as allowances under title V.

The liberalizing provisions of title VI with respect to character of discharge will be beneficial to many veterans not only of this war, but of prior wars. Further, making the administrative, definitive, and penal provisions of Public Law 2, Seventy-third Congress, applicable to this act will afford precedents in the administration of the act.

It is believed that the wide authority to enter into contracts or agreements for services, compensated or uncompensated, and including personal services will strengthen the administration not only of this act, but of Public Law 2 referred to above.

Section 1505 is like the House bill which may be changed at a later date.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1767) to provide Federal Government aid for the readjustment in civilian life of returning World War II veterans, having met, at full and free conference, have a greed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That this act may be cited as the 'Servicemen's Readjustment Act of 1944.'

"TITLE I

"CHAPTER I—HOSPITALIZATION, CLAIMS, AND PROCEDURES

"SEC. 100. The Veterans' Administration is hereby declared to be an essential war agency and entitled, second only to the War and Navy Departments, to priorities in personnel, equipment, supplies, and material under any laws, Executive orders, and regulations pertaining to priorities, and in appointments of personnel from civil-service registers the Administrator of Veterans' Affairs is hereby granted the same authority and discretion as the War and Navy Departments and the United States Public Health Service: *Provided*, That the provisions of this section as to priorities for materials shall apply to any State institution to be built for the care or hospitalization of veterans.

"SEC. 101. The Administrator of Veterans' Affairs and the Federal Board of Hospitalization are hereby authorized and directed to expedite and complete the construction of additional hospital facilities for war veterans, and to enter into agreements and contracts for the use by or transfer to the Veterans' Administration of suitable Army and Navy hospitals after termination of hostilities in the present war or after such institutions are no longer needed by the armed services; and the Administrator of Veterans' Affairs is hereby authorized and directed to establish necessary regional offices, suboffices, branch offices, contact units, or other subordinate offices in centers of population where there is no Veterans' Administration facility, or where such a facility is not readily available or accessible: *Provided*, That there is hereby authorized to be appropriated the sum of $500,000,000 for the construction of additional hospital facilities.

"SEC. 102. The Administrator of Veterans' Affairs and the Secretary of War and Secretary of the Navy are hereby granted authority to enter into agreements and contracts for the mutual use or exchange of use of hospital and domiciliary facilities, and such supplies, equipment, and material as may be needed to operate properly such facilities, or for the transfer, without reimbursement of appropriations, of facilities, supplies, equipment, or material necessary and proper for authorized care for veterans, except that at no time shall the Administrator of Veterans' Affairs enter into any agreement which will result in a permanent reduction of Veterans' Administration hospital and domiciliary beds below the number now established or approved, plus the estimated number required to meet the load of eligibles under laws administered by the Veterans' Administration, or in any way subordinate or transfer the operation of the Veterans' Administration to any other agency of the Government.

"Nothing in the Selective Training and Service Act of 1940, as amended, or any other Act, shall be construed to prevent the transfer or detail of any commissioned, appointed or enlisted personnel from the armed forces to the Veterans' Administration subject to agreements between the Secretary of War or the Secretary of the Navy and the Administrator of Veterans' Affairs: *Provided*, That no such detail shall be made or extend beyond six months after the termination of the war.

"SEC. 103. The Administrator of Veterans' Affairs shall have authority to place officials and employees designated by him in such Army and Navy installations as may be deemed advisable for the purpose of adjudicating disability claims of, and giving aid and advice to, members of the Army and Navy who are about to be discharged or released from active service.

"SEC. 104. No person shall be discharged or released from active duty in the armed forces until his certificate of discharge or release from active duty and final pay, or a substantial portion thereof, are ready for delivery to him or to his next of kin or legal representative; and no person shall be discharged or released from active service on account of disability until and unless he has executed a claim for compensation, pension, or hospitalization, to be filed with the Veterans' Administration or has signed a statement that he has had explained to him the right to file such claim: *Provided*, That this section shall not preclude immediate transfer to a veterans' facility for necessary hospital care, nor preclude the discharge of any person who refuses to sign such claim or statement: *And provided further*, That refusal or failure to file a claim shall be without prejudice to any right the veteran may subsequently assert.

"Any person entitled to a prosthetic appliance shall be entitled, in addition, to necessary fitting and training, including institutional training, in the use of such appliance, whether in a Service or a Veterans' Administration hospital, or by out-patient treatment, including such service under contract.

"SEC. 105. No person in the armed forces shall be required to sign a statement of any nature relating to the origin, incurrence, or aggravation of any disease or injury he may have, and any such statement against his own interest signed at any time, shall be null and void and of no force and effect.

"CHAPTER II—AID BY VETERANS' ORGANIZATIONS

"SEC. 200. (a) That upon certification to the Secretary of War or Secretary of the Navy by the Administrator of Veterans' Affairs of paid full time accredited representatives of the veterans' organizations specified in section 200 of the Act of June 29, 1936 (Public Law Numbered 844, Seventy-fourth Congress), and other such national organizations recognized by the Administrator of Veterans' Affairs thereunder in the presentation of claims under laws administered by the Veterans' Administration, the Secretary of War and Secretary of the Navy are hereby authorized and directed to permit the functioning, in accordance with regulations prescribed pursuant to subsection (b) of this section, of such accredited representatives in military or naval installations on shore from which persons are discharged or released from the active military or naval service: *Provided*, That nothing in this section shall operate to affect measures of military security now in effect or which may hereafter be placed in effect, nor to

prejudice the right of the American Red Cross to recognition under existing statutes.

"(b) The necessary regulations shall be promulgated by the Secretary of War and the Secretary of the Navy jointly with the Administrator of Veterans' Affairs to accomplish the purpose of this section, and in the preparation of such regulations the national officer of each of such veterans' organizations who is responsible for claims and rehabilitation activities shall be consulted. The commanding officer of each such military or naval installation shall cooperate fully with such authorized representatives in the providing of available space and equipment for such representatives.

"CHAPTER III—REVIEWING AUTHORITY

"SEC. 300. The discharge or dismissal by reason of the sentence of a general court martial of any person from the military or naval forces, or the discharge of any such person on the ground that he was a conscientious objector who refused to perform military duty or refused to wear the uniform or otherwise to comply with lawful orders of competent military authority, or as a deserter, or of an officer by the acceptance of his resignation for the good of the service, shall bar all rights of such person, based upon the period of service from which he is so discharged or dismissed, under any laws administered by the Veterans' Administration: *Provided*, That in the case of any such person, if it be established to the satisfaction of the Administrator that at the time of the commission of the offense such person was insane, he shall not be precluded from benefits to which he is otherwise entitled under the laws administered by the Veterans' Administration: *And provided further*, That this section shall not apply to any war risk, Government (converted) or national service life-insurance policy.

"SEC. 301. The Secretary of War and the Secretary of the Navy, after conference with the Administrator of Veterans' Affairs, are authorized and directed to establish in the War and Navy Departments, respectively, boards of review composed of five members each, whose duties shall be to review, on their own motion or upon the request of a former officer or enlisted man or woman or, if deceased, by the surviving spouse, next of kin, or legal representative, the type and nature of his discharge or dismissal, except a discharge or dismissal by reason of the sentence of a general court martial. Such review shall be based upon all available records of the service department relating to the person requesting such review, and such other evidence as may be presented by such [person. Witnesses shall be permitted to] present testimony either in person or by affidavit and the person requesting review shall be allowed to appear before such board in person or by counsel: *Provided*, That the term "counsel" as used in this section shall be construed to include, among others, accredited representatives of veterans' organizations recognized by the Veterans' Administration under section 200 of the Act of June 29, 1936 (Public Law Numbered 844, Seventy-fourth Congress). Such board shall have authority, except in the case of a discharge or dismissal by reason of the sentence of a general court martial, to change, correct, or modify any discharge or dismissal, and to issue a new discharge in accord with the facts presented to the board. The Articles of War and the Articles for the Government of the Navy are hereby amended to authorize the Secretary of War and the Secretary of the Navy to establish such boards of review, the findings thereof to be final subject only to review by the Secretary of War or the Secretary of the Navy, respectively: *Provided*, That no request for review by such board of a discharge or dismissal under the provisions of this section shall be valid unless filed within fifteen years after such discharge or dismissal or within fifteen years after the effective date of this Act whichever be the later.

"SEC. 302. (a) The Secretary of War, the Secretary of the Navy, and the Secretary of the Treasury are authorized and directed to establish, from time to time, boards of review composed of five commissioned officers, two of whom shall be selected from the Medical Corps of the Army or Navy, or from the Public Health Service, as the case may be. It shall be the duty of any such board to review, at the request of any officer retired or released to inactive service, without pay, for physical disability pursuant to the decision of a retiring board, the findings and decision of such retiring board. Such review shall be based upon all available service records relating to the officer requesting such review, and such other evidence as may be presented by such officer. Witnesses shall be permitted to present testimony either in person or by affidavit and the officer requesting review shall be allowed to appear before such board of review in person or by counsel. In carrying out its duties under this section such board of review shall have the same powers as exercised by, or vested in, the retiring board whose findings and decision are being reviewed. The proceedings and decision of each such board of review affirming or reversing the decision of the retiring board shall be transmitted to the Secretary of War, the Secretary of the Navy, or the Secretary of the Treasury, as the case may be, and shall be laid by him before the President for his approval or disapproval and orders in the case.

"(b) No request for review under this section shall be valid unless filed within 15 years after the date of retirement for disability or after the effective date of this Act, whichever is the later.

"(c) As used in this section—

"(1) the term 'officer' means any officer subject to the laws granting retirement for active service in the Army, Navy, Marine Corps, or Coast Guard, or any of their respective components;

"(2) the term 'counsel' shall have the same meaning as when used in section 301 of this Act.

"TITLE II

"CHAPTER IV—EDUCATION OF VETERANS

"SEC. 400. (a) Subsection (f) of section 1, title I, Public Law Numbered 2, Seventy-third Congress, added by the Act of March 24, 1943 (Public Law Numbered 16, Seventy-eighth Congress), is hereby amended to read as follows:

"'(f) Any person who served in the active military or naval forces on or after September 16, 1940, and prior to the termination of hostilities in the present war, shall be entitled to vocational rehabilitation subject to the provisions and limitations of Veterans Regulation Numbered 1 (a), as amended, part VII, or to education or training subject to the provisions and limitations of part VIII.'

"(b) Veterans Regulation Numbered — (a), is hereby amended by adding a new part VIII, as follows:

"'*Part VIII*

"'1. Any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under conditions other than dishonorable, and whose education or training was impeded, delayed, interrupted, or interfered with by reason of his entrance into the service, or who desires a refresher or retraining course, and who either shall have served 90 days or more, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, or shall have been discharged or released from active service by reason of an actual service-incurred injury or disability, shall be eligible for and entitled to receive education or training under this part: *Provided*, That such course shall be initiated not later than 2 years after either the date of his discharge or the termination of the present war, whichever is the later: *Provided further*, That no such education or training shall be afforded beyond seven years after the termination of the present war: *And provided further*, That any such person who was not over 25 years of age at the time he entered the service shall be deemed to have had his education or training impeded, delayed, interrupted, or interfered with.

"'2. Any such eligible person shall be entitled to education or training, or a refresher or retraining course, at an approved educational or training institution, for a period of one year (or the equivalent thereof in continuous part-time study), or for such lesser time as may be required for the course of instruction chosen by him. Upon satisfactory completion of such course of education or training, according to the regularly prescribed standards and practices of the institutions, except a refresher or retraining course, such person shall be entitled to an additional period or periods of education or training, not to exceed the time such person was in the active service on or after September 16, 1940, and before the termination of the war, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, but in no event shall the total period of education or training exceed four years: *Provided*, That his work continues to be satisfactory throughout the period, according to the regularly prescribed standards and practices of the institution: *Provided, however*, That wherever the additional period of instruction ends during a quarter or semester and after a major part of such quarter or semester has expired, such period of instruction shall be extended to the termination of such unexpired quarter or semester.

"'3. Such person shall be eligible for and entitled to such course of education or training as he may elect, and at any approved educational or training institution at which he chooses to enroll, whether or not located in the State in which he resides, which will accept or retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue: *Provided*, That for reasons satisfactory to the Administrator, he may change a course of instruction: *And provided further*, That any such course of education or training may be discontinued at any time, if it is found by the Administrator that, according to the regularly prescribed standards and practices of the institution, the conduct or progress of such person is unsatisfactory.

"'4. From time to time the Administrator shall secure from the appropriate agency of each State a list of the educational and training institutions (including industrial establishments), within such jurisdiction, which are qualified and equipped to furnish education or training (including apprenticeship and refresher or retraining training), which institutions, together with such additional ones as may be recognized and approved by the Administrator, shall be deemed qualified and approved to furnish education or training to such persons as shall enroll under this part: *Provided*, That wherever there are established State apprenticeship agencies expressly charged by State laws to administer apprentice training, whenever possible, the

Administrator shall utilize such existing facilities and services in training on the job when such training is of 1 year's duration or more.

"'5. The Administrator shall pay to the educational or training institution, for each person enrolled in full time or part time course of education or training, the customary cost of tuition, and such laboratory, library, health, infirmary, and other similar fees as are customarily charged, and may pay for books, supplies, equipment, and other necessary expenses, exclusive of board, lodging, other living expenses, and travel, as are generally required for the successful pursuit and completion of the course by other students in the institution: *Provided*, That in no event shall such payments, with respect to any person, exceed $500 for an ordinary school year: *Provided further*, That no payments shall be made to institutions, business or other establishments furnishing apprentice training on the job: *And provided further*, That if any such institution has no established tuition fee, or if its established tuition fee shall be found by the Administrator to be inadequate compensation to such institution for furnishing such education or training, he is authorized to provide for the payment, with respect to any such person, of such fair and reasonable compensation as will not exceed $500 for an ordinary school year.

"'6 While enrolled in and pursuing a course under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of $50 per month, if without a dependent or dependents, or $75 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding thirty days in a calendar year. Such person attending a course on a part-time basis, and such person receiving compensation for productive labor performed as part of their apprentice or other training on the job at institutions, business or other establishments, shall be entitled to receive such lesser sums, if any, as subsistence of dependency allowances, as may be determined by the Administrator: *Provided*, That any such person eligible under this part, and within the limitations thereof, may pursue such full time or part-time course or courses as he may elect, without subsistence allowance.

"'7. Any such person eligible for the benefits of this part, who is also eligible for the benefit of part VII, may elect which benefit he desires: *Provided*, That, in the event of such election, subsistence allowance hereunder shall not exceed the amount of additional pension payable for training under said part VII.

"'8. No department, agency, or officer of the United States, in carrying out the provisions of this part, shall exercise any supervision or control, whatsoever, over any State educational agency, or State apprenticeship agency, or any educational or training institution: *Provided*, That nothing in this section shall be deemed to prevent any department, agency, or officer of the United States from exercising any supervision or control which such department, agency, or officer is authorized, by existing provisions of law, to exercise over any Federal educational or training institution, or to prevent the furnishing of education or training under this part in any institution over which supervision or control is exercised by such other department, agency, or officer under authority of existing provisions of law.

"'9. The Administrator of Veterans' Affairs is authorized and empowered to administer this title, and, insofar as he deems practicable, shall utilize existing facilities and services of Federal and State departments and agencies on the basis of mutual agreements with them. Consistent with and subject to the provisions and limitations set forth in this title, the Administrator shall, from time to time, prescribe and promulgate such rules and regulations as may be necessary to carry out its purposes and provisions.

"'10. The Administrator may arrange for educational and vocational guidance to persons eligible for education and training under this part. At such intervals as he deems necessary, he shall make available information respecting the need for general education and for trained personnel in the various crafts, trades, and professions: *Provided*, That facilities of other Federal agencies collecting such information shall be utilized to the extent he deems practicable.

"'11. As used in this part, the term "educational or training institutions" shall include all public or private elementary, secondary, and other schools furnishing education for adults, business schools and colleges, scientific and technical institutions, colleges, vocational schools, junior colleges, teachers colleges, normal schools, professional schools, universities, and other educational institutions, and shall also include business or other establishments providing apprentice or other training on the job, including those under the supervision of an approved college or university or any State department of education, or any State apprenticeship agency or State board of vocational education, or any State apprenticeship council or the Federal Apprentice Training Service established in accordance with Public, Numbered 308, Seventy-fifth Congress, or any agency in the executive branch of the Federal Government authorized under other laws to supervise such training.'

"SEC. 401. Section 3, Public Law Numbered 16, Seventy-eighth Congress, is hereby amended to read as follows:

"'SEC. 3. The appropriation for the Veterans' Administration, Salaries and expenses, medical and hospital, and compensation and pensions", shall be available for necessary expenses under part VII, as amended, or part VIII of Veterans Regulation Numbered 1 (a), and there is hereby authorized to be appropriated such additional amount or amounts as may be necessary to accomplish the purposes thereof. Such expenses may include, subject to regulations issued by the Administrator and in addition to medical care, treatment, hospitalization, and prosthesis, otherwise authorized, such care, treatment, and supplies as may be necessary to accomplish the purposes of part VII, as amended, or part VIII of Veterans Regulation Numbered 1 (a).'

"SEC. 402. Public Law Numbered 16, Seventy-eighth Congress, is hereby amended by adding thereto a new section 4 to read as follows:

"'SEC. 4. Any books, supplies, or equipment furnished a trainee or student under part VII or part VIII of Veterans Regulation Numbered 1 (a) shall be deemed released to him: *Provided*, That if he fail, because of fault on his part to complete the course of training or education afforded thereunder, he may be required, in the discretion of the Administrator, to return any or all of such books, supplies, or equipment not actually expended or to repay the reasonable value thereof.'

"SEC. 403. Paragraph 1, part VII, Veterans Regulation Numbered 1 (a) (Public Law Numbered 16, Seventy-eighth Congress), is hereby amended by inserting after the word "time" the words "on or" and deleting the date "December 6, 1941" and substituting therefor the date "September 16, 1940".

"TITLE III—LOANS FOR THE PURCHASE OR CONSTRUCTION OF HOMES, FARMS, AND BUSINESS PROPERTY

"CHAPTER V—GENERAL PROVISIONS FOR LOANS

"SEC. 500. (a) Any person who shall have served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to the termination of the present war and who shall have been discharged or released therefrom under conditions other than dishonorable after active service of ninety days or more, or by reason of an injury or disability incurred in service in line of duty, shall be eligible for the benefits of this title. Any such veteran may apply within two years after separation from the military or naval forces, or two years after termination of the war, whichever is the later date, but in no event more than five years after the termination of the war, to the Administrator of Veterans' Affairs for the guaranty by the Administrator of not to exceed 50 per centum of a loan or loans for any of the purposes specified in sections 501, 502 and 503: *Provided*, That the aggregate amount guaranteed shall not exceed $2,000. If the Administrator finds that the veteran is eligible for the benefits of this title and that the loan applied for appears practicable, the Administrator shall guarantee the payment of the part thereof as set forth in this title.

"(b) Interest for the first year on that part of the loan guaranteed by the Administrator shall be paid by the Administrator out of available appropriations. No security for the guaranty of a loan shall be required except the right to be subrogated to the lien rights of the holder of the obligation which is guaranteed: *Provided*, That pursuant to regulations to be issued by the Administrator the mortgagor and mortgagee shall agree that before beginning foreclosure proceedings for default in payment of principal or interest due, the Administrator shall have at least thirty days' notice with the option of bidding in the property on foreclosure or of refinancing the loan with any other agency or by any other means available.

"(c) Loans guaranteed by the Administrator under this title shall be payable under such terms and conditions as may be approved by the Administrator: *Provided*, That the liability under the guaranty, within the limitations of this title, shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation: *Provided further*, That loans guaranteed by the Administrator shall bear interest at a rate not exceeding 4 per centum per annum and shall be payable in full in not more than twenty years. The Administrator is authorized and directed to guarantee loans to veterans subject to the provisions of this title on approved applications made to persons, firms, associations, and corporations and to governmental agencies and corporations, either State or Federal.

"Purchase or construction of homes

"SEC. 501. (a) Any application made by a veteran under this title for the guaranty of a loan to be used in purchasing residential property or in constructing a dwelling on unimproved property owned by him to be occupied as his home may be approved by the Administrator of Veterans' Affairs if he finds—

"(1) that the proceeds of such loans will be used for payment for such property to be purchased or constructed by the veteran;

"(2) that the contemplated terms of payment required in any mortgage to be given in part payment of the purchase price or the construction cost bear a proper relation to the veteran's present and anticipated income and expenses; and that the nature and condition of the property is such as to be suitable for dwelling purposes; and

"(3) that the purchase price paid or to be paid by the veteran for such property or the construction cost, including the value of the unimproved lot, does not exceed the reasonable normal value thereof as determined by proper appraisal.

'(b) Any application for the guaranty of a loan under this section for the purpose of

making repairs, alterations, or improvements in, or paying delinquent indebtedness, taxes, or special assessments on, residential property owned by the veteran and used by him as his home, may be approved by the Administrator if he finds that the proceeds of such loan will be used for such purpose or purposes.

"(c) No first mortgage shall be ineligible for insurance under the National Housing Act, as amended, by reason of any loan guaranteed under this title, or by reason of any secondary lien upon the property involved securing such loan.

"Purchase of farms and farm equipment

"SEC. 502. Any application made under this title for the guaranty of a loan to be used in purchasing any land, buildings, livestock, equipment, machinery, or implements, or in repairing, altering, or improving any buildings or equipment, to be used in farming operations conducted by the applicant, may be approved by the Administrator of Veterans' Affairs if he finds—

"(1) that the proceeds of such loan will be used in payment for real or personal property purchased or to be purchased by the veteran, or for repairing, altering, or improving any buildings or equipment, to be used in bona fide farming operations conducted by him;

"(2) that such property will be useful in and reasonably necessary for efficiently conducting such operations;

"(3) that the ability and experience of the veteran and the nature of the proposed farming operations to be conducted by him, are such that there is a reasonable likelihood that such operations will be successful; and

"(4) that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable normal value thereof as determined by proper appraisal.

"Purchase of business property

"SEC. 503. Any application made under this title for the guaranty of a loan to be used in purchasing any business, land, buildings, supplies, equipment, machinery, or tools, to be used by the applicant in pursuing a gainful occupation (other than farming) may be approved by the Administrator of Veterans' Affairs if he finds—

"(1) that the proceeds of such loan will be used for payment for real or personal property purchased or to be purchased by the veteran and used by him in the bona fide pursuit of such gainful occupation;

"(2) that such property will be useful in and reasonably necessary for the efficient and successful pursuit of such occupation;

"(3) that the ability and experience of the veteran, and the conditions under which he proposes to pursue such occupation, are such that there is a reasonable likelihood that he will be successful in the pursuit of such occupation; and

"(4) that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable normal value thereof as determined by proper appraisal.

"SEC. 504. The Administrator of Veterans' Affairs is authorized to promulgate such rules and regulations as are deemed necessary and appropriate for carrying out the provisions of this title, and may delegate to a subordinate employee authority to approve loans subject to the provisions of this title and the rules promulgated thereunder.

"SEC. 505. (a) The Administrator shall designate such agency or agencies, if any, as he finds equipped to determine whether the guaranty of loan should be approved under this title. In any case wherein a principal loan, for any of the purposes stated in section 501, 502, or 503, is approved by a Federal agency to be made or guaranteed or insured by it pursuant to applicable law and regulations, and the veteran is in need of a second loan to cover the remainder of the purchase price or cost, or a part thereof, the Administrator, subject otherwise to the provisions of this title, including the limitation of $2,000 on the total amount which may be guaranteed, may guarantee the full amount of the second loan: *Provided*, That such second loan shall not exceed 20 per centum of the purchase price or cost and that the rate of interest thereon shall not exceed that on the principal loan by more than 1 per centum: *And provided further*, That regulations to be promulgated jointly by the Administrator and the head of such agency may provide for servicing of both loans by such agency and for refinancing of the principal loan to include any unpaid portion of the secondary loan, with accrued interest, if any, after the curtailment thereon equals twice the amount of the secondary loan.

"(b) Any person who is found by the Administrator of Veterans' Affairs to be a veteran eligible for the benefits of this title, as provided in section 500 hereof, and who is found by the Secretary of Agriculture, by reason of his ability and experience, including training as a vocational trainee, to be likely to carry out successfully undertakings required of him under a loan which may be made under the Bankhead-Jones Farm Tenant Act, shall be eligible for the benefits of such Act to the same extent as if he were a farm tenant.

"TITLE IV

"CHAPTER VI—EMPLOYMENT OF VETERANS

"SEC. 600. (a) In the enactment of the provisions of this title Congress declares as its intent and purpose that there shall be an effective job counseling and employment placement service for veterans, and that, to this end, policies shall be promulgated and administered, so as to provide for them the maximum of job opportunity in the field of gainful employment. For the purpose there is hereby created to cooperate with and assist the United States Employment Service, as established by the provisions of the Act of June 6, 1933, a Veterans' Placement Service Board, which shall consist of the Administrator of Veterans' Affairs, as Chairman, the Director of the National Selective Service System, and the Administrator of the Federal Security Agency, or whoever may have the responsibility of administering the functions of the United States Employment Service. The Board shall determine all matters of policy relating to the administration of the Veterans' Employment Service of the United States Employment Service.

"(b) The Chairman of the Board shall have direct authority and responsibility for carrying out its policies through the veterans' employment representatives in the several States or through persons engaged in activities authorized by subsection (g) of section 8 of the Selective Service Act of 1940 (Public Law 783, Seventy-sixth Congress, approved September 16, 1940, as amended (U. S. C., title 50, sec. 308)). The Chairman may delegate such authority to an executive secretary who shall be appointed by him and who shall thereupon be the Chief of the Veterans' Employment Service of the United States Employment Service.

"(c) The public records of the Veterans' Personnel Division, National Selective Service System, and the Veterans' Employment Service of the United States Employment Service shall be available to the Board.

"SEC. 601. The United States Employment Service shall assign to each of the States a veterans' employment representative, who shall be a veteran of the wars of the United States separated from active service under honorable conditions, who at the time of appointment shall have been a bona fide resident of the State for at least two years, and who shall be appointed, subject to the approval of the Board, in accordance with the civil-service laws, and whose compensation shall be fixed in accordance with the Classification Act of 1923, as amended. Each such veterans' employment representative shall be attached to the staff of the public employment service in the State to which he has been assigned. He shall be administratively responsible to the Board, through its executive secretary, for the execution of the Board's veterans' placement policies through the public employment service in the State. In cooperation with the public employment service staff in the State, he shall—

"(a) be functionally responsible for the supervision of the registration of veterans in local employment offices for suitable types of employment and for placement of veterans in employment;

"(b) assist in securing and maintaining current information as to the various types of available employment in public works and private industry or business;

"(c) promote the interest of employers in employing veterans;

"(d) maintain regular contact with employers and veterans' organizations with a view of keeping employers advised of veterans available for employment and veterans advised of opportunities for employment; and

"(e) assist in every possible way in improving working conditions and the advancement of employment of veterans.

"SEC. 602. Where deemed necessary by the Board, there shall be assigned by the administrative head of the employment service in the State one or more employees, preferably veterans, of the staffs of local employment service offices, whose services shall be primarily devoted to discharging the duties prescribed for the veterans' employment representative.

"SEC. 603. All Federal agencies shall furnish the Board such records, statistics, or information as may be deemed necessary or appropriate in administering the provisions of this title, and shall otherwise cooperate with the Board in providing continuous employment opportunities for veterans.

"SEC. 604. The Federal agency administering the United States Employment Service shall maintain that service as an operating entity and, during the period of its administration, shall effectuate the provisions of this title.

"SEC. 605. (a) The Board through its executive secretary shall estimate the funds necessary for the proper and efficient administration of this title; such estimated sums shall include the annual amounts necessary for salaries, rents, printing and binding, travel, and communications. Sums thus estimated shall be included as a special item in the annual budget of the United States Employment Service. Any funds appropriated pursuant to this special item as contained in the budget of the United States Employment Service shall not be available for any purpose other than that for which they were appropriated, except with the approval of the Board.

"(b) The War Manpower Commission shall from its current appropriation allocate and make available sufficient funds to carry out the provisions of this title during the current fiscal year.

"SEC. 606. The term 'United States Employment Service' as used in this title means that Bureau created by the provisions of the Act of June 6, 1933, or such successor agencies as from time to time shall perform its functions and duties, as now performed by the War Manpower Commission.

"SEC. 607. The term 'veteran' as used in this title shall mean a person who served in the active service of the armed forces during a period of war in which the United States has been, or is engaged, and who has been discharged or released therefrom under conditions other than dishonorable.

"TITLE V

"CHAPTER VII—READJUSTMENT ALLOWANCES FOR FORMER MEMBERS OF THE ARMED FORCES WHO ARE UNEMPLOYED

"SEC. 700. (a) Any person who shall have served in the active military or naval service of the United States at any time after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released from active service under conditions other than dishonorable, after active service of ninety days or more, or by reason of an injury or disability incurred in service in line of duty, shall be entitled, in accordance with the provisions of this title and regulations issued by the Administrator of Veterans' Affairs pursuant thereto, to receive a readjustment allowance as provided herein for each week of unemployment, not to exceed a total of fifty-two weeks, which (1) begins after the first Sunday of the third calendar month after the date of enactment hereof, and (2) occurs not later than two years after discharge or release or the termination of the war, whichever is the later date: *Provided*, That no such allowance shall be paid for any period for which he receives increased pension under part VII of Veterans Regulation 1 (a) or a subsistence allowance under part VIII of such regulation: *Provided further*, That no readjustment allowance shall be payable for any week commencing more than five years after the termination of hostilities in the present war.

"(b) Such person shall be deemed eligible to receive an allowance for any week of unemployment if claim is made for such allowance and the Administrator finds with respect to such week that—

"(1) the person is residing in the United States at the time of such claim;

"(2) the person is completely unemployed, having performed no service and received no wages, or is partially unemployed in that services have been performed for less than a full workweek and the wages for the week are less than the allowance under this title plus $3;

"(3) the person is registered with and continues to report to a public employment office, in accordance with its regulations;

"(4) the person is able to work and available for suitable work: *Provided*, That no claimant shall be considered ineligible in any period of continuous unemployment for failure to comply with the provisions of this subparagraph if such failure is due to an illness or disability which occurs after the commencement of such period.

"CHAPTER VIII—DISQUALIFICATIONS

"SEC. 800. (a) Notwithstanding the provisions of section 700, a claimant shall be disqualified from receiving an allowance if—

"(1) he leaves suitable work voluntarily, without good cause, or is suspended or discharged for misconduct in the course of employment;

"(2) he, without good cause, fails to apply for suitable work to which he has been referred by a public employment office, or to accept suitable work when offered him; or

"(3) he, without good cause, does not attend an available free training course as required by regulations issued pursuant to the provisions of this title.

"(b) Notwithstanding the provisions of section 700, a claimant shall also be disqualified from receiving an allowance for any week with respect to which it is found that his unemployment is due to a stoppage of work which exists because of a labor dispute at the factory, establishment, or other premises at which he is or was last employed: *Provided*, That this subsection shall not apply if it is shown that—

"(1) he is not participating in or directly interested in the labor dispute which causes the stoppage of work; and

"(2) he does not belong to a grade or class of workers of which, immediately before the commencement of the stoppage there were members employed at the premises at which the stoppage occurs, any of whom are participating in or directly interested in the dispute: *Provided, however*, That if in any case separate branches of work, which are commonly conducted as separate business in separate premises, are conducted in separate departments of the same premises, each such department shall, for the purposes of this subsection, be deemed to be a separate factory, establishment, or other premises.

"(c) (1) If a claimant is disqualified under the provisions of subsection (a) of this section, he shall be disqualified to receive any readjustment allowance for the week in which the cause of his disqualification occurred and for not more than four immediately following weeks.

"(2) In addition to the disqualification prescribed in paragraph (1) above, the Administrator may, in cases of successive disqualifications under the provisions of subsection (a) of this section, extend the period of disqualification for such additional period as the Administrator may prescribe, but not to exceed eight additional weeks in the case of any one disqualification.

"(d) (1) In determining under subsection (a) of this section the suitability of work or the existence of good cause with respect to a claimant, the conditions and standards prescribed by the unemployment compensation laws of the State in which he files his claim shall govern: *Provided*, That the Administrator may prescribe conditions and standards for applicants in any State having no applicable statute.

"(2) In determining under subsection (a) of this section the suitability of work, no work shall be deemed suitable for an individual if—

"(A) the position offered is vacant due directly to a strike, lock-out, or other labor dispute; or

"(B) the wages, hours, or other conditions of the work offered as substantially less favorable to him than those prevailing for similar work in the locality.

"CHAPTER IX—AMOUNT OF ALLOWANCE AND PAYMENT

"SEC. 900. (a) The allowance for a week shall be $20 less that part of the wages payable to him for such week which is in excess of $3: *Provided*, That where the allowance is not a multiple of $1, it shall be computed to the next highest multiple of $1.

"(b) The number of weeks of allowances to which each eligible veteran shall be entitled shall be determined as follows: For each calendar month or major fraction thereof of active service during the period stated in section 700 the veteran shall be entitled to four weeks of allowances, but in no event to exceed the maximum provided in section 700: *Provided*, That the allowance for the qualifying ninety days service shall be eight weeks for each such month.

"SEC. 901. (a) Readjustment allowances shall be paid at the intervals prescribed by the unemployment compensation law of the State in which the claim was made: *Provided*, That if none are so prescribed readjustment allowances shall be paid at such reasonable intervals as may be determined by the Administrator.

"(b) Any allowances remaining unpaid upon the death of a claimant shall not be considered a part of the assets of the estate of the claimant, or liable for the payment of his debts, or subject to any administration of his estate, and the Administrator may make payment thereof to such person or persons he finds most equitably entitled thereto.

"SEC. 902. (a) Any person qualified under subsection (a) of section 700, and residing in the United States who is self-employed for profit in an independent establishment, trade, business, profession, or other vocation shall be eligible for readjustment allowances under this title within the time periods applicable, and not in excess of the total amount provided in this title.

"(b) Upon application by the veteran showing, in accordance with rules prescribed by the Administrator, that he has been fully engaged in such self-employment and that his net earnings in a trade, business, profession, or vocation, have been less than $100 in the previous calendar month, the veteran shall be entitled to receive, subject to the limitations of this title as to time and amount, the difference (adjusted to the next highest multiple of $1) between $100 and his net earnings for such month.

"(c) Payment of such allowance shall be made by the Administrator to each eligible veteran at the time and in the manner other payments are made directly to veterans by the Administrator.

"(d) Subsection (b) of section 700 and section 800 shall not apply in determining the eligibility for allowances of a claimant under this section.

"CHAPTER X—ADJUSTMENT OF DUPLICATE BENEFITS

"SEC. 1000. Where an allowance is payable to a claimant under this title and where, for the same period, either an allowance or benefit is received under any Federal or State unemployment or disability compensation law, the amount received or accrued from such other source shall be subtracted from the allowance payable under this title (except that this section shall not apply to pension, compensation, or retired pay paid by the Veterans' Administration); and the resulting allowances, if not a multiple of $1, shall be readjusted to the next higher multiple of $1.

"CHAPTER XI—ADMINISTRATION

"SEC. 1100. (a) The Administrator of Veterans' Affairs is authorized to administer this title and shall, insofar as possible, utilize existing facilities and services of Federal and State departments or agencies on the basis of mutual agreements with such departments or agencies. Such agreements shall provide for the filing of claims for readjustment allowances with the Administrator through established public employment offices and State unemployment-compensation agencies. Such agencies, through agreement, shall also be utilized in the processing, adjustment, and determination of such claims and the payment of such allowances. To facilitate the carrying out of agreements with State departments or agencies and to assist in the discharge of the Administrator's duties under this title, a representative of the Administrator, who shall be a war veteran separated from active service under honorable conditions and who at the time of appointment shall have been a bona fide resident of the State for at least two years, shall be located in each participating State department or agency.

"(b) The Administrator, consistent with the provisions of this title, shall prescribe such rules and regulations and require such records and reports as he may find necessary to carry out its purposes: *Provided, however*, That cooperative rules and regulations relating to the performance by Federal or State departments, or agencies, of functions under agreements made therewith may be made by the Administrator after consultation and advisement with representatives of such departments or agencies.

"(c) The Administrator may delegate to any officer or employee of his own or of any cooperating department or agency of any State such of his powers and duties, except that of prescribing rules and regulations, as the Administrator may consider necessary

and proper to carry out the purposes of this title.

"(d) Allowances paid by the cooperating State agencies shall be repaid upon certification by the Administrator. The Secretary of the Treasury, through the Division of Disbursement of the Treasury, and without the necessity of audit and settlement by the General Accounting Office, shall pay monthly to the departments, agencies, or individuals designated, the amounts so certified.

"(e) The Administrator shall from time to time certify to the Secretary of the Treasury for payment in advance or otherwise such sums as he estimates to be necessary to compensate any Federal department or agency for its administrative expenses under this title. Such sums shall cover periods of no longer than six months.

"(f) The Administrator shall also from time to time certify to the Social Security Board such State departments or agencies as may be participating in the administration of this title, and the amount of the administrative expense incurred or to be incurred by a State under agreements made pursuant to this section. Upon such certification the Social Security Board shall certify such amount to the Secretary of the Treasury, in addition to the amount, if any, payable by said Board under the provisions of section 302 (a) of the Social Security Act, as amended, and the additional amount so certified shall be paid to each State by the Secretary of the Treasury out of the appropriation for the Veterans' Administration.

"(g) Any money paid to any cooperating agency or person, which is not used for the purpose for which it was paid shall, upon termination of the period covered by such payment or the agreement with such agency or person, be returned to the Treasury and credited to the current appropriation for carrying out the purpose of this title, or, if returned after the expiration of period covered by this title, shall be covered into the Treasury as miscellaneous receipts.

"SEC. 1101 (a) No person designated by the Administrator as a certifying officer shall, in the absence of gross negligence, or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this title.

"(b) No disbursing officer shall in the absence of gross negligence, or intent to defraud the United States, be liable with respect to any payment by him under this title if it was based upon a voucher signed by a certifying officer designated by the Administrator.

"SEC. 1102. Any claimant whose claim for an allowance has been denied shall be entitled to a fair hearing before an impartial tribunal of the State agency or such other agency as may be designated by the Administrator. The representative of the Administrator located in each State shall be the final appellate authority in regard to contested claims arising in such State subject to review by the Administrator.

"SEC. 1103. In the case of any veteran eligible under the provisions of this title who either at the time of application for the benefits herein provided is a 'qualified employee' as defined in section 3 of the Railroad Unemployment Insurance Act, as amended, or was last employed prior to such application by an employer as defined in section 1 (a) of the said Act, claim may be made through an office operated by or a facility designated as a free employment office by the Railroad Retirement Board pursuant to the provisions of said Act. In such cases, the conditions and standards as to suitability of work or existence of good cause, the intervals for making claim for and payment of benefits, and the administrative and appellate procedures prescribed by or under said Act shall govern, if not in conflict with the provisions of this title, the appellate procedures being subject to final appeal to the Administrator. In such cases, a reference in this title to a cooperating State agency shall be deemed to include the Railroad Retirement Board.

"CHAPTER XII—DECISIONS AND PROCEDURES

"SEC. 1200. The authority to issue subpenas and provisions for invoking aid of the courts of the United States in case of disobedience thereto, to make investigations, and to administer oaths, as contained in title III of the Act of June 29, 1936 (49 Stat. 2033-34; U. S. C., title 38, secs. 131-133), shall be applicable in the administration of this title.

"CHAPTER XIII—PENALTIES

"SEC. 1300. Any claimant who knowingly accepts an allowance to which he is not entitled shall be ineligible to receive any further allowance under this title.

"SEC. 1301 (a) Whoever for the purpose of causing an increase in any allowance authorized under this title, or for the purpose of causing any allowance to be paid where none is authorized under this title, shall make or cause to be made any false statement or representation as to any wage, paid or received, or whoever makes or causes to be made any false statement of a material fact in any claim for any allowance under this title, or whoever makes or causes to be made any false statement, representation, affidavit, or document in connection with such claim, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

"(b) Whoever shall obtain or receive any money, check, or allowance under this title, without being entitled thereto and with intent to defraud the United States, shall be punished by a fine of not more than $1,000 or by imprisonment for not more than one year, or both.

"CHAPTER XIV—DEFINITIONS

"SEC. 1400. As used in this title—

"(a) The term 'week' means such period or periods of seven consecutive calendar days as may be prescribed in regulations by the Administrator.

"(b) The term 'wages' means all remuneration for services from whatever sources, including commissions and bonuses and the cash value of all remuneration in any medium other than cash.

"TITLE VI

"CHAPTER XV—GENERAL ADMINISTRATIVE AND PENAL PROVISIONS

"SEC. 1500. Except as otherwise provided in this Act, the administrative, definitive, and penal provisions under Public, Numbered 2, Seventy-third Congress, as amended, and the provisions of Public, Numbered 262, Seventy-fourth Congress, as amended (38 U. S. C. 450, 451, 454a and 556a), shall be for application under this Act. For the purpose of carrying out any of the provisions of Public, Numbered 2, as amended, and this Act, the Administrator shall have authority to accept uncompensated services, and to enter into contracts or agreements with private or public agencies, or persons, for necessary services, including personal services, as he may deem practicable.

"SEC. 1501. Except as otherwise specified, the appropriations for the Veterans' Administration are hereby made available for expenditures necessary to carry out the provisions of this Act and there is hereby authorized to be appropriated such additional amounts as may be necessary to accomplish the purposes of this Act.

"SEC. 1502. Wherever used in this Act, unless the context otherwise requires, the singular includes the plural; the masculine includes the feminine; the term 'Administrator' means the Administrator of Veterans' Affairs; the term 'United States' used geographically means the several States, Territories and possessions, and the District of Columbia; the term 'State' means the several States, Territories and possessions, and the District of Columbia; and the phrases 'termination of hostilities in the present war', 'termination of the present war', and 'termination of the war', mean termination of the war as declared by Presidential proclamation or concurrent resolution of the Congress.

"SEC. 1503. A discharge or release from active service under conditions other than dishonorable shall be a prerequisite to entitlement to veterans' benefits provided by this Act or Public Law Numbered 2, Seventy-third Congress, as amended.

"SEC. 1504. The Administrator shall transmit to the Congress annually a report of operations under this Act. If the Senate or the House of Representatives is not in session, such reports shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be.

"SEC. 1505. In the event there shall hereafter be authorized any allowance in the nature of adjusted compensation, any benefits received by, or paid for, any veteran under this Act shall be charged against and deducted from such adjusted compensation; and in the event a veteran has obtained a loan under the terms of this Act, the agency disbursing such adjusted compensation shall first pay the unpaid balance and accrued interest due on such loan to the holder of the evidence of such indebtedness to the extent that the amount of adjusted compensation which may be payable will permit."

And the House agree to the same.

J. E. RANKIN,
J. HARDIN PETERSON,
A. LEONARD ALLEN,
JOHN S. GIBSON,
EDITH NOURSE ROGERS,
PAUL CUNNINGHAM,
B. W. KEARNEY,
Managers on the part of the House.
BENNETT CHAMP CLARK,
WALTER F. GEORGE,
DAVID I. WALSH,
SCOTT W. LUCAS,
ROBERT M. LA FOLLETTE, JR.,
JOHN A. DANAHER,
E. D. MILLIKIN,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1767) to provide Federal Government aid for the readjustment in civilian life of returning World War II veterans, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause. The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House, with an amendment which is a sustitute for both the Senate bill and the House amendment, and that the House agree to the same.

The substantial differences between the House amendment and the proposed conference substitute are noted in the following statement.

TITLE I

The Senate bill authorized to be appropriated the sum of $500,000,000 for the construction of additional hospital facilities. The House amendment authorized the appropriation from time to time of such sums as may be necessary for this purpose. The conference agreement adopts the Senate provision.

In section 301 which provided for boards of review to review the type and nature of discharges, the House inserted a proviso establishing a statute of limitations of ten years after discharge of dismissal or after the effective date of the act, whichever is the later. The conference agreement fixes this limitation at fifteen years. The conference agreement also includes an additional section 302 authorizing, under similar conditions and limitations, the establishment of boards of review in cases of retirement of officers without pay because of physical disability.

TITLE II

The essential provisions of title II dealing with the education or training of veterans as passed by both Houses were very similar. Whereas the Senate bill provided for a Director of Servicemen's Education and Training in the Veterans' Administration, and authorized the establishment of an advisory council to aid and advise the Administrator in the execution of his duties under the educational provisions, and also provided for the creation of State boards, the House bill permits all of these functions to be carried out by the present administration machinery and also permits utilization of other Federal and State agencies. In this respect the conference agreement retains the House administrative machinery. There were some changes in the House bill in other respects which consist principally in the adoption of some of the criteria and definitions contained in the Senate bill. The more important of these changes are discussed below.

Under the House bill (paragraph 1) there was excluded from the qualifying period any period during which the person in service was assigned for education and training under the Army specialized training program or the Navy college training program. The conference agreement restricts this to courses which were a continuation of the person's civilian education and which were completed. A similar qualification was placed upon the extended eligibility for additional training and education.

The conference agreement also extended the presumption of interference with education or training to those who at time of entrance into service were not over 25 years of age, which in the House bill was 24 years of age.

The conference agreement includes a provision which was in the Senate bill but not in the House bill relating to the utilization of State apprenticeship agencies.

Both the Senate bill and the House amendment contained provisions for the determination and payment of educational fees or expenses where those regularly established, if any, were not sufficient. In the Senate bill this authority applied only in the case of publicly supported institutions. In the House amendment this was extended to tax-free private institutions. The conference agreement extends it to any institution and in place of an actual cost basis as stated in the House bill adopts the "fair and reasonable compensation" provision in the Senate bill. Both bills contained a $500 limitation which is retained in the conference agreement. In the agreement this applies to the ordinary school year without a qualification as to the number of weeks as contained in the House version.

In paragraph 8, in place of the proviso relating to Indian schools found in the House amendment, the conference agreement substituted a proviso (somewhat similar to a more general provision in the Senate bill) to the effect that nothing in the paragraph shall be deemed to prevent any department, agency, or officer of the United States from exercising any supervision or control which such department, agency, or officer is authorized by existing provisions of law to exercise over any Federal education or training institution nor to make any institution ineligible to supply education or training under this title by reason of supervision or control under authority of existing provisions of law.

The conference agreement adds paragraph 9 authorizing the Administrator as far as he deems practicable to utilize existing facilities and services of Federal and State departments and agencies on the basis of mutual agreements with them and includes the power to prescribe and promulgate rules and regulations consistent with the terms of the title and necessary to carry out its purposes and provisions.

The conference agreement added in paragraph 10 a provision similar to one contained in the Senate bill authorizing the Administrator to arrange for vocational guidance and to make available information respecting the need for general education and for trained personnel in the various crafts, trades, and professions.

The conference agreement adopts a paragraph 11 containing the definition of the term "educational or training institutions" in the Senate bill, inserting the word "all" before "public or private" in the definition to make it clear that church and other schools are included. There is included in this definition business or other establishments providing apprentice or other training on the job. The Senate bill contained a provision that such establishments should not be approved unless they complied with applicable State or Federal laws relating to compensation, health, safety, and other conditions of labor. The conference agreement omits this provision on the assumption that the Veterans' Administration will act in conformity with State and Federal laws.

The conference agreement omits a provision in the House bill which would have required that there be deducted from any allowances to which a person would otherwise have been eligible under title V, relating to unemployment allowances, any benefits received under title II.

TITLE III

The Senate bill provided for direct loans in an aggregate not to exceed $1,000 for the purposes of the purchase, construction, or repair of homes, the purchase of farms, or the repair of buildings or equipment thereon, or the purchase of business properties, including intangibles such as good will, to be used in pursuing a gainful occupation. The House amendment changed this to provide for the guaranteeing of not to exceed 50 percent of a loan or loans for such purposes and permitted the guarantee of loans made by any persons, firms, associations, and corporations, and governmental agencies and corporations, either State or Federal, and provided that in no event should the interest rate exceed 6 percent or the aggregate amount guaranteed for any person exceed $2,500. The conference agreement retains the principle of the House bill but limits the interest to 4 percent and the aggregate amount to not to exceed $2,000.

The conference agreement added in section 505 a provision containing the principles of the Senate bill relating to the utilization of Federal agencies making, guaranteeing, or insuring loans and a further provision that in the event of a principal loan so made, guaranteed, or insured by a Federal agency the Veterans' Administration may guarantee 100 percent of a secondary loan not to exceed 20 percent of the cost or purchase price to cover the usually required down payment. There was also added a provision from the Senate bill making a veteran eligible under this title also eligible under the Bankhead-Jones Farm Tenant Act, as amended, to the same extent as if he were a farm tenant.

The conference agreement includes a provision added to paragraph 500 (c) to make clear that the liability under the guaranty will be decreased or increased pro rata with any decrease or increase of the amount of the unpaid portion of the obligation.

The conference agreement includes a provision in section 501 (c) to make clear that a secondary loan under the provisions of this title would not make ineligible for insurance under the National Housing Act a first mortgage loan on the same property.

TITLE IV

The Senate bill in title IV provided for the strengthening of the functions of the Veterans' Employment Service in the United States Employment Service by authorizing the creation of a Veterans' Placement Service Board within the United States Employment Service, which Board would consist of the Administrator of Veterans' Affairs as Chairman and the Director of the National Selective Service System and the Administrator of the Social Security Agency; the members of the Board to be represented by alternates and the Board to have the authority to determine all matters of policy relating to the administration of the Veterans' Employment Service. It provided that the Chairman of the Board, through an executive secretary who is also the Chief of the Veterans' Employment Service, should have direct authority and responsibility for carrying out the policies of the Board through the veterans' employment representatives in the several States. The Senate bill in section 604 contained authority for sanctions penalizing a State (by withholding of funds) for failure to give preference to veterans on job assignments or to cooperate with the Board in carrying out the policies of the Board; and also provided that the Federal agency administering the United States Employment Service should maintain that service as an operating entity and during the period of its administration should effectuate the provisions of this title. The Senate bill further provided for the appointment of certain veterans' placement representatives in the States to be functionally responsible to the Board for carrying out prescribed policies and activities.

The House amendment provided for the transfer to the Veterans' Administration of all functions relating to the employment of veterans, and included in such transfer, effective the first day of the month following the enactment of the act, the duties, powers, and functions of the veterans' employment service; and, effective as of but not later than the date of termination of hotilities in the present war the duties, powers, and functions vested in the Director of Selective Service by subsection (g) of section 8 of the Selective Service Act of 1940, with the proviso that the President is authorized to effectuate such transfer at an earlier date. The Administrator would be authorized to appoint veterans' placement representatives to function in similar manner as provided in the Senate bill. The House amendment omitted the authority for sanctions provided in section 604 of the Senate bill and restricted to the period pending the return of the employment offices and services to the States the provision pertaining to the Federal agency administering the United States Employment Service maintaining such service as an operating entity. The House amendment also provided for the transfer of the necessary records and appropriations to the Veterans' Administration and in section 606 provided a definition of the term "veteran" to include veterans of any war, no such definition having been contained in the Senate bill.

The conference agreement adopts the principle of the Senate bill with amendments, the first of which is to eliminate the provision for alternates for members of the Board. In lieu of the provisions discussed above relating to the authority of the Board (sec. 600

(b)) the conference agreement adopts the following provision:

"(b) The Chairman of the Board shall have direct authority and responsibility for carrying out its policies through the veterans' employment representatives in the several States or through persons engaged in activities authorized by subsection (g) of section 8 of the Selective Service Act of 1940 (Public Law 783, 76th Cong., approved Sept. 16, 1940, as amended (U. S. C., title 50, sec. 308)). The Chairman may delegate such authority to an executive secretary who shall be appointed by him and who shall thereupon be the Chief of the Veterans' Employment Service of the United States Employment Service."

In lieu of the provision in the House amendment that veterans' employment representatives must have resided in the State for a period of at least 6 months prior to appointment, the conference agreement requires that such representatives shall have been at the time of appointment bona fide residents of the State for a period of at least 2 years. The conference agreement added to the duties of the veterans' employment representative that of being responsible for placement of veterans in employment. The conference agreement omits the provisions in the House bill relating to the transfer of personnel and functions to the Veterans' Administration and also with respect to the enforcement of the laws pertaining to veterans' preferences, but includes the provisions of the House amendment defining the term "veteran." The remaining provisions of the conference agreement are substantially those of the Senate bill with the omission of the sanctions contained in section 604 of the Senate bill.

The fundamental differences between the Senate and House bills were that the former would have imposed responsibility upon the Administrator of Veterans' Affairs, as chairman of an advisory board, to carry out the unemployment policies through the Veterans' Placement Service of the United States Employment Service; while the House bill would have given the Administrator the same responsibility but would have transferred to the Veterans' Administration the administrative machinery and the appropriation to accomplish such responsibility The conference agreement, in the changes adopted in sections 600 (b) and 1500 will permit the Administrator to utilize any Federal or State agency as well as volunteer services in administering the unemployment policies. This will accomplish essentially the same purpose as contemplated by the House bill with the exception that there is no transfer of agencies, machinery, or appropriations and the agreement does not contemplate any extension of the Veterans' Administration or the use of the appropriations for that agency, in employment matters.

TITLE V

The provisions of the Senate and House bills relating to readjustment allowances for unemployment benefits were essentially similar except as to—

(1) The total period of eligibility. The Senate bill prescribed 52 weeks and the House amendment 26 weeks.

(2) The penalties for successive disqualifications. The essential difference between the Senate bill and the House amendment with respect to this matter was that while the additional disqualifications prescribed do not differ materially in the House amendment the number of weeks penalty would reduce the total number of weeks of eligibility. The Senate bill did not contain any such provision.

(3) The scale of payments. The Senate bill provided a graduated scale from $15 to $25, depending upon the number of dependents, if any, and the House amendment provided a flat $20 weekly allowance.

(4) Conditions and standards for determining the suitability of work or the existence of good cause for not accepting a position. The Senate bill prescribed definite uniform criteria and the House amendment applied those of the particular State in which the claim is filed.

(5) The question of suitability of work based upon conditions of labor pertaining to joining or refraining from joining a union. The Senate bill had no such provision. The House amendment contained a provision to the effect that no work should be deemed suitable if as a condition of being employed the person would be required to join or to resign from or to refrain from joining any labor union or labor organization.

(6) The total weeks of allowances determinable upon length of service. The Senate bill provided that, within the limitation of 52 weeks total eligibility, the person's eligibility should depend upon the length of service allowing for each calendar month or fraction of active service 8 weeks of allowances. The House amendment reduced this to 3 weeks of allowances for each calendar month or major fraction thereof of active service.

(7) The question of allowances for self-employed persons. The Senate bill contained no such provision. The House bill contained a provision for payment of allowances to self-employed persons under certain prescribed conditions.

(8) The question of servicing of claims by the Railroad Retirement Board in lieu of the State agency in the cases of railway employees. The Senate bill contained no such provision. The House amendment provided for such servicing by the Railroad Retirement Board.

(9) The question of reporting changes in status and the penalty for failing to report such changes. The Senate bill contained provisions which were considered necessary with respect to reporting dependency changes. The House amendment omitted this requirement as it did the entire question of dependency benefits.

(10) The question of deductions for amounts for allowances or benefits received from other sources. The Senate bill provided for the deduction of allowances or benefits received under any Federal or State unemployment or disability compensation law, or a Federal or State noncontributory benefit. The House amendment omitted the noncontributory benefit.

(11) The question of offsetting benefits as between titles II and V. The Senate bill contained no such provisions. The House bill contained a provision to the effect that if a veteran receives allowances under title V and subsequently becomes entitled to benefits under title II, the benefits under said title II would be reduced by the allowances received under title V.

The conference agreement—

(1) Adopts 52 weeks as the total period of eligibility as provided in the Senate bill.

(2) Omits the shortening of the total period of eligibility by the penalties imposed for successive disqualifications as contained in the House amendment and restores the Senate language.

(3) Adopts the provision of the House amendment fixing a flat weekly allowance.

(4) Adopts the provisions of the House amendment applying the conditions and standards of the particular State for determining the suitability of work or existence of good cause, with an amendment authorizing the Administrator to prescribe such conditions and standards when the State law has none.

(5) Omits the House provision relating to suitability of work conditioned upon joining, resigning from, or refraining from joining a labor union or labor organization.

(6) Provides that an eligible veteran shall be entitled to 4 weeks of allowances for each calendar month or major fraction thereof of active service during the period specified in section 700 except that the allowance for the qualifying 90 days' service shall be 8 weeks for each such month.

(7) Adopts the House provision for payment of allowances to self-employed persons.

(8) Adopts the House provision for servicing the Railroad Retirement Board except that in the provision for application of the provisions of the Railroad Unemployment Insurance Act, such as conditions, standards and procedures, there has been inserted a provision that this shall apply if not in conflict with the provisions of this title.

(9) Omits the Senate provision for reporting changes in status.

(10) Omits the Senate provision providing for deduction of allowances or benefits received as a Federal or State noncontributory benefit.

(11) Omits the provision in the House amendment providing for deduction from benefits under title II of amounts received as allowances under title V.

TITLE VI

The provisions of the Senate bill and the House amendment relating to the general administrative and penal provisions were essentially similar. The House amendment added a reference to Public Law No. 262, Seventy-fourth Congress, relating to the cases of incompetent veterans. The House amendment required a discharge under honorable conditions as a prerequisite to entitlement to benefits under Public Law No. 2, as amended, and this act. The Senate bill required discharge under conditions other than dishonorable. The House bill also included a section providing for deductions of benfits under this act from payments made under any adjusted compensation law that might be enacted in the future.

The conference agreement transferred to title VI several definitions applicable to the several titles of the bill. It added a provision to the effect that for the purpose of carrying out any of the provisions of Public Law No. 2, as amended, and this act, the Administrator shall have authority to accept uncompensated services and to enter into contracts or agreements with private or public agencies or persons for necessary services, including personal services, as he may deem practicable.

The conference agreement includes the Senate provision requiring discharge under conditions other than dishonorable as a prerequisite for benefits under Public Law No. 2 and this act. This required conforming changes throughout the different titles of the bill.

The conference agreement retains the House provisions respecting deductions of allowances or benefits received under this act from any provided by any future adjusted compensation or similar act.

J. E. RANKIN,
J. HARDIN PETERSON,
A. LEONARD ALLEN,
JOHN S. GIBSON,
EDITH NOURSE ROGERS,
PAUL CUNNINGHAM,
B. W. KEARNEY,
Managers on the part of the House.

Mr. RANKIN. Mr. Speaker, let me say that the managers on the part of the House worked long and laboriously in the conference to try to reach an agreement that we thought would be most satisfactory. As the gentlewoman from Massachusetts [Mrs. ROGERS] has just said,

we preserved 75 percent of the House bill. Some of the changes that were made, we think, weaken the bill to some extent, but on the whole the bill finally agreed on in conference is a great improvement over the Senate bill.

If this bill goes too far, if it is found that it is too far-reaching in its application, the Congress will be back here in a few weeks and will be in session practically from then on, and those inequalities or injustices can be corrected.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Michigan.

Mr. DONDERO. Are the provisions pertaining to the education of veterans left substantially as they passed the House, in the hands of the States?

Mr. RANKIN. Yes, with very little change.

STATEMENT OF BENEFITS PROVIDED

Mr. Speaker, this measure will afford the following direct and indirect benefits for veterans of World War No. 2 and will afford some benefits of similar nature to veterans of other wars.

To be eligible for the benefits so provided—except as to employment—a man or woman must have served in the active forces of the Army, Navy, Marine Corps, or Coast Guard, or one of their components, during the period beginning September 16, 1940, and ending with the end of the present war. Such person must have served for a period of at least 90 days or have been sooner discharged for disability incurred in line of duty, and, in addition, must have been discharged or released from active service under conditions other than dishonorable.

TITLE I. HOSPITALIZATION, CLAIMS, AND PROCEDURES

First. Adequate organization of the Veterans' Administration to administer all veterans' benefits except employment.

Second. Adequate hospital facilities for the care and treatment of veterans for nonservice disabilities or diseases as well as for disabilities or diseases incurred in service.

Third. The right to have explained to him before discharge or release from active service all rights and benefits to which he may be entitled as a veteran, and an opportunity, if he so desires, to file a claim therefor.

Fourth. The right to adequate prosthetic appliances and necessary training to effect the greatest possible benefit in the use of such appliances.

Fifth. Adequate safeguards as against forced statements against interest.

Sixth. Adequate contact facilities in Army and Navy discharge centers including those furnished by the services, by the American Red Cross, by national veterans' organizations, and by the Veterans' Administration.

Seventh. Prompt transfer of the essential records of service departments to the Veterans' Administration and prompt adjudication of claims for benefits.

Eighth. The right of review in cases of irregular discharge or release from active service, (a) by the Administrator of Veterans' Affairs to determine whether the person at time of committing the offense was insane, in event of which determination benefits to which the person would otherwise be entitled shall not be forfeited; (b) except in case of separation by sentence of general court martial any enlisted man or officer may have a review by an authorized board to determine the correctness of such discharge or dismissal; (c) any officer retired or released to inactive status without pay may likewise have a review by an authorized board to determine retirement rights.

NOTE.—Under both (a) and (b) above, the claim for review must be filed within 15 years after discharge or dismissal or within 15 years after the effective date of the act, whichever be the later.

TITLE II. EDUCATION OF VETERANS

First. One year—or the equivalent thereof in continuous part-time study of education or training (a) at any school or institution of his own choice; (b) in any subject or subjects desired for which he is fitted.

Second. Not to exceed 3 additional years of education and training, dependent upon (a) length of service; (b) satisfactory progress in studies or training; (c) the condition that the person was not over 25 years of age at the time of entrance into service, or if over such age, that his education or training was impeded, delayed, interrupted, or interfered with by reason of entrance into service.

Third. Payment of all tuition and other fees, the cost of books, supplies, equipment, and other necessary expenses not to exceed a maximum of $500 per school year.

Fourth. Subsistence allowance while pursuing education or training in the amount of $50 per month if without dependents, or $75 per month with a dependent or dependents.

Fifth. Part-time attendance in a course of education or training at a reduced subsistence allowance or without allowance, but with payment of tuition and other expenses.

Sixth. The right to have released to him books and equipment furnished if he satisfactorily complete his course of education or training.

NOTE.—The right to vocational education for service-incurred disabilities extended to those who served during the period from September 16, 1940, to December 6, 1941.

TITLE III. LOANS FOR THE PURCHASE OR CONSTRUCTION OF HOMES, FARMS, AND BUSINESS PROPERTY

First. Loans for the purposes stated or for the alteration or improvement of buildings or equipment may be guaranteed not to exceed 50 percent of the loan, the total amount guaranteed as to any one person not exceeding an aggregate of $2,000; (a) loans may be made by an individual or by private or public—State or Federal—lending agencies or institutions; (b) interest rate must not exceed 4 percent per annum; (c) the loan must be practicable and suitable to the veteran's circumstances; (d) the loan must be repaid within 20 years; (e) the Government must have the right of subrogation to the extent of any guaranty paid; (f) the liability under the guaranty must decrease or increase with the decrease or increase of the amount of unpaid obligation; (g) the agreement must permit the Government to protect itself in case of default through the right to bid on foreclosure proceedings or to refinance; (h) the proceeds of the proposed loan must be used for one or more of the purposes specified and the circumstances must meet the specifications of the title.

Second. In the event a principal loan is made—or committed to be made—by a Federal lending agency, or to be guaranteed or insured by such agency, a loan for all or part of the balance of the purchase price may be guaranteed; (a) if it does not exceed $2,000; (b) if it does not exceed 20 percent of the cost or purchase price; (c) if the interest rate does not exceed by more than 1 percent the interest rate on the principal loan; (d) if the conditions otherwise meet those prescribed under (1) above.

Third. Any veteran eligible under title III shall also be eligible for the benefits of the Bankhead-Jones Farm-Tenant Act, as amended, to the same extent as if he were a farm tenant. Eligibility must be determined (a) by the Administrator of Veterans' Affairs, (b) by the Secretary of Agriculture.

TITLE IV. EMPLOYMENT OF VETERANS

First. The right to registration for employment and for placement in employment by the Veterans' Employment Service through (a) the United States Employment Service, (b) any State employment agency cooperating with the United States Employment Service.

NOTE.—First. This right applies to any veteran of any war discharged or released from active service under conditions other than dishonorable.

NOTE.—Second. While the Administrator of Veterans' Affairs is responsible for veterans' employment, this is not a function of the Veterans' Administration, but is retained in the United States Employment Service.

TITLE V. READJUSTMENT ALLOWANCES FOR FORMER MEMBERS OF THE ARMED FORCES WHO ARE UNEMPLOYED

Unemployment allowances of $20 per week while unemployed, subject to the following conditions:

First. The week of unemployment must have begun (a) after the first Sunday of the third calendar month after the effective date of the act; (b) not later than 2 years after discharge or release from active service or the termination of the war, whichever be the later date.

Second. The person is not receiving subsistence allowance for education or training under title II of the act, or increased pension for vocational training under Public Law No. 16, Seventy-eighth Congress.

Third. To be eligible, the person must (a) reside in the United States; (b) be completely unemployed—or if partially employed, at wages less than $23 per week; (c) be registered with and report to a public employment office; (d) be able to work and available for suitable work.

Fourth. Any person will be disqualified from receiving an allowance if (a) he leaves suitable work voluntarily without good cause, or is suspended or discharged for misconduct; (b) he, without good cause, fails to apply for suitable work or to accept suitable work offered; (c) he fails, without good cause, to attend an available free training course; (d) he is participating in a strike or labor dispute causing a work stoppage.

Fifth. Within the 52 weeks limit the total eligibility is determined by allowing 8 weeks of allowances for each of the first 3 months of service, and 4 weeks of allowances for each month or major fraction thereof of service beyond 3 months.

Sixth. No allowance may be paid for any period more than 5 years after the end of the war.

Seventh. The allowance of $20 per week will be reduced by any Federal or State unemployment or disability compensation—other than pension, compensation, or retired pay paid by the Veterans' Administration—received by the veteran for the same period of time.

Eighth. Any person self-employed for profit in an independent establishment, trade, business, profession, or other vocation is eligible for readjustment allowances (a) if net earnings are less than $100 for the previous calendar month; (b) the amount of allowance to be the difference between the net earnings and $100 per month; (c) the conditions as to eligibility otherwise as provided in title V.

Ninth. Severe penalties are provided for fraud and misrepresentation in connection with claims for readjustment allowances.

Tenth. Readjustment allowance claims are to be serviced by State agencies or as to railway employees, by the Railroad Retirement Board.

Eleventh. Right of appeal from any such agency to the Administration of Veterans' Affairs is preserved.

TITLE VI. GENERAL ADMINISTRATIVE AND PENAL PROVISIONS

First. By definition "veterans" ar included those who reside within the continental United States, several States, Territories and possessions, and the District of Columbia.

Second. A discharge or release from active service under conditions other than dishonorable is made a prerequisite to entitlement to benefits under Public Law No. 2, as amended, as well as this act. This will apply to (a) pensions, (b) compensation, (c) hospitalization, (d) domiciliary care, (e) vocational training, (f) benefits provided by this act.

Mr. Speaker, this bill is not perfect by any means, and no doubt many changes will have to be made later. But, under the circumstances, it is the very best we could get.

I hope the conference report will be adopted unanimously.

I now move the previous question.

Mr. CUNNINGHAM. Mr. Speaker, S. 1767, known as the G. I. bill of rights, as it came from conference is substantially the bill as it passed the House; in fact, about 75 to 85 percent is the House version.

In title I there are no material changes, except that the amount is now fixed at $500,000,000, the same as in the original Senate bill; whereas, the bill as is passed the House contained a clause that whatever amount is necessary be expended for the rehabilitation and hospitalization of the veterans. It contains the provision for prosthetic appliances and instruction in the use thereof. It also contains the provision that any waiver signed by a veteran will be null and void and of no force and effect and cannot be used against him as a bar to any claim he may file in the future.

Title II is substantially as the bill passed the House, except that the provision that those veterans who were not over 24 years of age when they entered the service shall be deemed to have had their education interrupted or impeded, has been changed to the age of 25. This, your conferees feel, is an improvement over the bill as passed by the House.

Title III has two important changes only, to wit: the amount of the loan guaranteed is now $2,000 and the interest rate is not to exceed 4 percent. Also, the veteran may secure his loan either from a private, State, or Federal lending agency when it has been approved by the Administrator; and he can borrow any amount he wishes that the lending agency will lend him, with up to $2,000 of it guaranteed by the Government.

Title IV is the Senate version with a modification to the effect that the jurisdiction of future legislation in the House will be retained by the Veterans' Committee of the House. Your conferees were willing to accept the Senate version with this modification as they did not want the Senate version in its original form for fear it would take from the Veterans' Committee of the House jurisdiction over future legislation for the veteran and place it in some other committee.

Title V has been changed from 26 weeks to 52 weeks, leaving the House version of a flat rate of $20 per week, and with no limitation as to time except the maximum of 5 years after the war for the provisions of the bill. The clause in title V that is objectionable to organized labor was removed by your conferees.

Section 1505 remains in the bill. This is the section that provides that from any subsequent legislation in the nature of adjusted compensation shall first be deducted any and all benefits paid or advanced to the veteran or guaranteed to him in the nature of a loan under the provisions of titles II and III. However, your conferees removed the section that prohibited the veteran from taking benefits under both titles II and III, and therefore it is really immaterial whether section 1505 is now in the bill or not, although your conferees thought it best to leave it in. The reason for section 1505 being placed in the bill in the first instance was to equalize the inequality occasioned by one veteran being able to get a gift for education and the veteran who could not go to school getting a loan he would have to pay back, and it was the thought of your House committee that section 1505 would equalize that inequality if and when adjusted compensation is enacted; but now, since your conferees have agreed that the veteran can receive both the loan and the education, section 1505 is more or less meaningless except as a suggestion or a guide to a future Congress.

Mr. Speaker, your House conferees feel that they are presenting to you a much better bill than originally passed by the Senate and a still better bill than passed by the House, at the same time retaining in the bill the House provisions that are most advantageous to the veteran. This is now a veteran's bill and not a bill for the benefit of any particular group or class of our people outside the veterans. It retains to the veteran the right to select his own school and also retains to the States complete control and jurisdiction over their educational institutions and it in no way sets up a bureau or agency in Washington that will have any control over how the educational institutions shall be run or what they shall teach. It retains for private banks and other legitimate lending agencies the right to do business with the veteran and also preserves to the veteran the right and the opportunity to secure his loan in his home community without going to Washington and being subjected to unnecessary red tape. The bill is not as perfect as your conferees would like to have it, but, on the whole, we feel it is one that will be of great benefit to the veteran and a credit to this Congress.

Permit me at this time to express my appreciation to our chairman, the gentleman from Mississippi [Mr. RANKIN]; our ranking Republican member, the gentlewoman from Massachusetts [Mrs. ROGERS]; and the other members of the committee for the excellent work they did for the veteran in this bill.

Mr. GILLIE. Mr. Speaker, I am happy and proud to have an opportunity to vote today for the G. I. bill which has been agreed upon by the House and Senate conferees. It is an opportunity to encourage those boys of ours who are fighting with such bravery in all the theaters of this terrible war, and it comes at a time when they are making a supreme and costly effort to carry out the most difficult and dangerous mission of this war. It is an opportunity to tell those boys all over the world who are straining and suffering and dying on land, on the seas, and in the air, that we at home are thinking of them and are doing our best for them and will not shirk our responsibilities to them even as they are not shirking but, rather, surpassing their duties in this vast war. Each vote for this bill will be a message of support to those men.

Let us tell them we are mindful of the sacrifices they are making. Let us tell them that though what we here can do may seem pitifully small in view of the terrible sacrifices they are making, we are willing and eager to do whatever we can to make their return to peacetime life the happy experience they are fighting for and dreaming of. Let us tell them we are getting ready for their return,

and let us make their return live up to their hopes. Let us erase from their minds the fears that they will return to a country which has forgotten that they will need jobs and security and education and hospitals. It would be tragic for those boys of ours to be disturbed by such doubts now, so let us send them assurances that we will exert every effort to see that they will not be penalized in ways which we can prevent for serving their country. Voting for this bill is one way of sending them such assurances and of easing their minds as they fight on of the doubts they may have about finding their rightful places in the post-war economic life of the country they love. My enthusiastic support of this bill does not mean that I feel it is the answer to all our post-war problems, nor even that I feel it is a complete solution of the problems that will arise directly out of the needs of our returning service men and women. I do feel, however, that this much we can and must do now.

Mr. ROBSION of Kentucky. Mr. Speaker, the Senate passed S. 1767, known as the G. I. bill of rights, backed by the American Legion, Veterans of Foreign Wars, and other veterans granting certain benefits and relief to veterans of World War No. 2. This measure then came to the House and was passed by the House with some amendments. The two bills were then referred to the conference committee of the House and Senate made up of seven Members of the Senate and seven Members of the House. After some weeks of consideration, the conferees ironed out the differences between the two bills and made a unanimous report to the House and the Senate, and this conference report will receive the unanimous approval of the House and Senate and then it goes to the President for his approval or disapproval. If he approves this conference report, then it will become the law. No measure ever enacted by Congress is so comprehensive as the G. I. bill of rights, S. 1767. It will cover first and last more than 15,000,000 men and women that have been and will be taken into our armed services since the adoption and approval of the Selective Service Act, September 16, 1940, and before the close of our present war. I shall enumerate some of the benefits that will accrue to those who serve and receive honorable discharges.

First. It makes adequate provision for hospitalization for all these men and women who now or may in the future require such hospitalization.

Second. It provides for rehabilitation of these service men and women by giving them an oportunity to complete their education or vocational training. It is presumed that all those who entered our armed services under 25 years of age, their education or training was arrested, and they will have an opportunity of taking additional educational training or vocational training, and while taking this training the Government will pay tuition up to the amount of $500 a year and provide $50 a month for support, and an additional $25 a month if the service man or woman has a dependent. Those over 25 years of age may take this training provided they can prove that their educational or vocational training was arrested when they entered the service. There was considerable concern expressed by persons all over the country that the Federal Government might take over or control our public and private educational institutions. This bill, as finally agreed upon, permits the service man or woman to select the course of training he or she desires to pursue as well as the school, and the Federal Government will have no control over such school or schools. These young men and women will fill up our schools after the war, both private and public institutions and better equip themselves for their life work.

Third. The bill provides aid to the service man and woman in securing loans for the purchase or construction of homes, farms, and business property, in that the Government will guarantee not to exceed 50 percent of the loan or loans for any of these purposes up to but not to exceed the sum of $2,000. These loans may be secured from banks or individuals. The interest cannot exceed 4 percent. The interest for the first year on the part guaranteed by the Government will be paid by the Government. This means that a service man or woman may borrow $4,000 for the purchase or construction of a home, farm, or start a business, and the Government will guarantee as much as 50 percent of the loan or credit; or the service man or woman may contract for a home, farm, or business property for any total he may desire but the Government will not guarantee more than 50 percent and not to exceed $2,000. Of course, in making the purchases of homes, farms, and business property, the service man or woman may not contract for same at a price in excess of the reasonable, normal value of the property as determined by a proper appraisal.

Fourth. In order to protect our millions of service men and women who may come home and not be able to secure employment for a period, this act provides that these service men and women may receive $20 a week for such time as they may be unemployed for a period of 52 weeks during the first 2 years after their discharge from the service. Of course, the various agencies of the Government are charged with aiding these service men and women to find employment.

It will be seen that this measure, in the first instance, provides hospitalization for the disabled service men and women. Congress has already voted compensation for those disabled in the service ranging from $10 to $250 in extreme cases, loss of limbs, eyes and requiring the aid and attendance of another person, and practically all of these service men and women do and will carry Government insurance. Congress has also provided compensation for the widows, minor children, and dependent parents of these service men and women. In view of the millions that are and will be covered by this legislation and the provisions made for them, this act involves the expenditure of many billions for and on behalf of our service men and women, and their dependents.

I might add that Congress sometime ago passed a muster-out pay bill for service men and women of the present war. The muster-out pay bill provides that those who served less than 60 days will receive $100; those who served more than 60 days in continental United States will receive $200, and those who served 60 days or more outside of continental United States and in Alaska will receive $300; provided they did not secure their discharge on their own application to take employment in civil life.

VETERANS OF OTHER WARS AND THEIR DEPENDENTS

The Seventy-eighth Congress has not forgotten the heroic services of our defenders in World War No. 1, the Spanish-American War, the Indian Wars, and those who have served our country in the Regular Establishment. To meet in a measure the high cost of living, Congress increased the compensation of veterans of World War No. 1 for service-connected disabilities 15 percent, and increased the pensions of their widows and minor children. After World War No. 1 educational training and vocational rehabilitation was provided for veterans of World War No. 1. They received a small muster-out pay of $60. Under the present law, widows and children of veterans of World War No. 1 cannot secure compensation or pension unless they prove that the veteran received a permanent service-connected disability in line of duty. The House, in the Seventy-seventh Congress, passed an act removing this limitation. The bill went to the Senate but was not acted upon in the Senate. About a month ago, in this the Seventy-eighth Congress, the House passed a similar bill for the widows and minor children of these non-service-connected veterans and that bill has gone to the Senate for action. World War No. 1 veterans receive the same compensation for service-connected disabilities as veterans of World War No. 2.

Under the act of May 27, 1944, veterans of World War No. 1 and World War No. 2 who cannot establish service connection for their disabilities but who are 65 years of age or are totally and permanently disabled receive pensions ranging from $50 to $60 per month.

In view of the increased cost of living, the Seventy-eighth Congress increased the pensions of Spanish War veterans so that practically all of them now receive $75 per month and many of them $100 per month, and also increased the pensions of widows of Spanish War veterans when they attain certain age, and also moved up the marriage date to January 1, 1938.

Veterans of the Regular Establishment, who received their disabilities in line of duty, had their pensions increased to 75 percent of the rates fixed for veterans receiving service-connected disabilities in time of war.

Veterans who served in the Indian wars also received an increase.

It was my pleasure to support these measures. I have always placed the defenders of our country first. It was through our heroic defenders that we gained our independence and established

this Nation. They have maintained and preserved it ever since. They are today on land, sea, and in the air fighting heroically to preserve this Nation. We want our heroes of today and those who have served us in our other wars to know that this Nation is grateful. We cannot do too much for them or their dependents.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker anounced that the ayes seemed to have it.

Mr. RANKIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant-at-Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 380, nays 0, not voting 48, as follows:

[Roll No. 87]

YEAS—380

Abernethy	Compton	Grant, Ind.
Allen, Ill.	Cooper	Green
Allen, La.	Costello	Gregory
Andersen, H. Carl	Courtney	Griffiths
Anderson, Calif.	Cox	Gross
Anderson, N. Mex.	Cravens	Gwynne
Andresen, August H.	Crawford	Hagen
Andrews, Ala.	Crosser	Hale
Andrews, N. Y.	Cunningham	Hall, Edwin Arthur
Angell	Curley	Halleck
Arends	Curtis	Hancock
Auchincloss	D'Alesandro	Hare
Barrett	Davis	Harness, Ind.
Barry	Dawson	Harris, Ark.
Bates, Ky.	Day	Hart
Bates, Mass.	Delaney	Hartley
Beall	Dewey	Hays
Beckworth	Dickstein	Hébert
Bender	Dilweg	Heffernan
Bennett, Mich.	Dirksen	Heidinger
Bennett, Mo.	Disney	Hendricks
Bishop	Dondero	Herter
Blackney	Doughton	Hess
Bland	Douglas	Hill
Bloom	Drewry	Hinshaw
Bolton	Durham	Hobbs
Bonner	Dworshak	Hoch
Boykin	Eberharter	Hoeven
Bradley, Mich.	Elliott	Hoffman
Bradley, Pa.	Ellison, Md.	Holifield
Brehm	Ellsworth	Holmes, Mass.
Brooks	Elmer	Holmes, Wash.
Brown, Ga.	Elston, Ohio	Hope
Brown, Ohio	Engel, Mich.	Horan
Brumbaugh	Engle, Calif.	Howell
Bryson	Fay	Hull
Buffett	Feighan	Izac
Bulwinkle	Fellows	Jackson
Burch, Va.	Fenton	Jarman
Burchill, N. Y.	Fernandez	Jeffrey
Burgin	Fish	Jenkins
Bushey	Fisher	Jennings
Butler	Fitzpatrick	Jensen
Byrne	Flannagan	Johnson, Anton J.
Camp	Fogarty	Johnson, Calvin D.
Canfield	Folger	Johnson, Ind.
Cannon, Fla.	Fulmer	Johnson, J. Leroy
Carlson, Kans.	Furlong	Johnson, Luther A.
Carrier	Gathings	Johnson, Lyndon B.
Carson, Ohio	Gavin	Johnson, Okla.
Carter	Gearhart	Johnson, Ward
Case	Gerlach	Jones
Celler	Gibson	Jonkman
Chenoweth	Gifford	Kean
Chiperfield	Gilchrist	Kearney
Church	Gillespie	Kee
Clark	Gillette	Keefe
Clason	Gillie	Kefauver
Clevenger	Goodwin	Kelley
Cochran	Gordon	Kennedy
Coffee	Gore	Keogh
Cole, Mo.	Gorski	Kerr
Cole, N. Y.	Gossett	Kilburn
Colmer	Graham	Kilday
	Grant, Ala.	Kinzer
		Kirwan
		Kleberg
		Knutson
		Kunkel
		LaFollette
		Lambertson
		Landis
		Lane
		Lanham
		Larcade
		Lea
		LeCompte
		LeFevre
		Lesinski
		Luce
		Ludlow
		Lynch
		McConnell
		McCormack
		McCowen
		McGehee
		McGregor
		McKenzie
		McLean
		McMillan
		McMurray
		McWilliams
		Maas
		Madden
		Mahon
		Maloney
		Manasco
		Mansfield, Mont.
		Marcantonio
		Martin, Iowa
		Martin, Mass.
		Mason
		May
		Merritt
		Michener
		Miller, Conn.
		Miller, Nebr.
		Miller, Pa.
		Monkiewicz
		Monroney
		Morrison, N. C.
		Mott
		Mruk
		Mundt
		Murdock
		Murphy
		Murray, Tenn.
		Murray, Wis.
		Myers
		Newsome
		Norman
		Norrell
		Norton
		O'Brien, Ill.
		O'Brien, Mich.
		O'Brien, N. Y.
		O'Hara
		O'Konski
		O'Neal
		O'Toole
		Outland
		Pace
		Patton
		Peterson, Fla.
		Pfeifer
		Philbin
		Phillips
		Pittenger
		Ploeser
		Poage
		Poulson
		Powers
		Pracht, C. Frederick
		Pratt, Joseph M.
		Price
		Priest
		Ramey
		Ramspeck
		Randolph
		Rankin
		Reece, Tenn.
		Reed, Ill.
		Reed, N. Y.
		Rees, Kans.
		Richards
		Rivers
		Rizley
		Robertson
		Robinson, Utah
		Robsion, Ky.
		Rockwell
		Rodgers, Pa.
		Rogers, Mass.
		Rohrbough
		Rolph
		Rowan
		Rowe
		Russell
		Sabath
		Sadowski
		Satterfield
		Sauthoff
		Scanlon
		Schiffler
		Schwabe
		Scott
		Scrivner
		Shafer
		Sheridan
		Short
		Sikes
		Simpson, Ill.
		Simpson, Pa.
		Slaughter
		Smith, Maine
		Smith, Ohio
		Smith, Va.
		Smith, W. Va.
		Smith, Wis.
		Snyder
		Somers, N. Y.
		Sparkman
		Spence
		Springer
		Stanley
		Starnes, Ala.
		Stefan
		Stevenson
		Stigler
		Stockman
		Sullivan
		Sumner, Ill.
		Sumners, Tex.
		Sundstrom
		Taber
		Talbot
		Talle
		Tarver
		Taylor
		Thomas, N. J.
		Thomas, Tex.
		Thomason
		Tibbott
		Tolan
		Torrens
		Towe
		Treadway
		Troutman
		Vincent, Ky.
		Vinson, Ga.
		Voorhis, Calif.
		Vorys, Ohio
		Vursell
		Wadsworth
		Walter
		Ward
		Wasielewski
		Weaver
		Weichel, Ohio
		Weiss
		Welch
		Wene
		West
		Whitten
		Whittington
		Wickersham
		Wigglesworth
		Willey
		Wilson
		Winstead
		Winter
		Wolcott
		Wolfenden, Pa.
		Wolverton, N. J.
		Woodruff, Mich.
		Woodrum, Va.
		Worley
		Wright
		Zimmerman

NAYS—0

NOT VOTING—48

Arnold	Ford	Merrow
Baldwin, Md.	Fulbright	Miller, Mo.
Baldwin, N. Y.	Fuller	Mills
Barden	Gallagher	Morrison, La.
Bell	Granger	O'Connor
Boren	Hall, Leonard W.	Patman
Buckley	Harless, Ariz.	Peterson, Ga.
Burdick	Harris, Va.	Plumley
Cannon, Mo.	Judd	Rabaut
Capozzoli	King	Sasscer
Chapman	Klein	Sheppard
Cooley	Lemke	Stearns, N. H.
Dies	Lewis	Stewart
Dingell	McCord	Weichel, Ga.
Eaton	Magnuson	White
Ellis	Mansfield, Tex.	
Forand		

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Cannon of Missouri with Mr. Miller of Missouri.

Mr. Harless of Arizona with Mr. Eaton.

Mr. Rabaut with Mr. Judd.

Mr. Mills with Mr. Arnolds.

Mr. Mansfield of Texas with Mr. Plumley.

Mr. Klein with Mr. Lewis.

Mr. McCord with Mr. Fuller.

Mr. King with Mr. Merrow.

Mr. Capozzoli with Mr. Ellis.

Mr. Peterson of Georgia with Mr. Lemke.

Mr. Buckley with Mr. Leonard W. Hall.

Mr. Fulbright with Mr. Stearns of New Hampshire.

Mr. Sheppard with Mr. Gallagher.

Mr. Forand with Mr. Baldwin of New York.

Mr. Baldwin of Maryland with Mr. Burdick.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

GENERAL LEAVE TO EXTEND

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks in the RECORD on this bill and that those who desire to do so may have their remarks inserted in the RECORD of today preceding the roll call.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MAY. Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Kentucky but is not going to recognize Members generally at this time because we have a heavy calendar of business.

WAR CONTRACT TERMINATION

Mr. MAY. Mr. Speaker, I believe, for the information of the membership, it would be a good idea to have printed in the RECORD the bill reported by the House Committee on Military Affairs on the termination of war contracts together with the bill as proposed to be amended by the committee showing proposed committee amendments in italics. I ask unanimous consent that this be done.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The bill referred to follows:

[H. R. 3022 as reported by House Committee on Military Affairs]

Be it enacted, etc., That this act may be cited as the "War Contracts Settlement Act."

DEFINITIONS

SEC. 2. As used in this act, the term—

(a) "War contract" means either a prime contract or a subcontract.

(b) "War contractor" means the holder of one or more war contracts.

(c) "Prime contract" means a contract or agreement entered into, or a purchase order given, by a contracting agency and connected with or related to the prosecution of the war.

(d) "Prime contractor" means the holder of one or more prime contracts.

(e) "Subcontract" means a contract, agreement, or purchase order connected with or related to the performance of a prime contract or of any other subcontract, but does not include any contract or agreement for the performance of services as an employee.

(f) "Subcontractor" means the holder of one or more subcontracts.

(g) "Contracting agency" means any department, agency, or instrumentality of the United States which is or at any time has been authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941.

(h) "Termination" means the cancelation, in whole or in part, of work under a war contract for any reason except the default of the war contractor, and the terms "terminate" and "terminated" shall be construed accordingly.

(i) "Termination claim" means any claim by a war contractor under a terminated war contract.

ADVANCE NOTICE OF TERMINATION

SEC. 3. It is the policy of the United States to provide that notice of termination of war contracts be given to the war contractors as far in advance of the actual termination of such contracts as is feasible and consistent with the national security. To carry out this policy—

(a) each contracting agency shall provide prime contractors, to the fullest extent feasible, with advance notice of termination of any prime contracts held by them;

(b) each prime contractor upon receiving notice of termination of any prime contract held by him shall forthwith provide his subcontractors with notice of termination of their subcontracts connected with or related to such prime contract;

(c) each subcontractor upon receiving notice of termination of any subcontract held by him shall forthwith provide his subcontractors with notice of termination of their subcontracts connected with or related to such subcontract;

(d) each contracting agency shall limit the termination of any prime contract in such manner as may be appropriate so as to (1) provide for the completion of work in process under such prime contract and under subcontracts wherever such completion will result in a saving to the United States, and (2) provide for the continuation of work under such prime contract and under subcontracts for the purpose of avoiding injury to plant and material.

TERMINATION CLAIMS

SEC. 4. (a) Whenever a war contract is terminated, the contracting agency—

(1) shall first endeavor to make a tentative agreement (as provided in section 7) with the war contractor with respect to the amount due on account of items which can be promptly determined with reasonable certainty, and if such a tentative agreement is made shall forthwith pay, subject to subsection (b), to the war contractor an amount equal to 100 percent of such items. So far as practicable, the contracting agency shall endeavor to make such a tentative agreement and such payment within 30 days after application by the war contractor for payment under this paragraph;

(2) shall pay, subject to subsection (b), to the war contractor an amount equal to 90 percent of the minimum amount due on all items with respect to which an agreement is not made under paragraph (1), such minimum amount to be (A) the minimum amount estimated as due with respect to such items by the contracting agency, or (B) the minimum amount estimated as due with respect to such items by the war contractor, whichever is the lesser. So far as practicable, the contracting agency shall make such payment within 30 days after application by the war contractor for payment under this paragraph;

(3) subject to subsection (c), shall guarantee loans to the war contractor to the extent of the excess of the minimum amount of his termination claim over any payments or loans theretofore made to the war contractor on account of the termination. Such minimum amount shall be that estimated by the war contractor or that estimated by the contracting agency, whichever is the lesser;

(4) shall reimburse the war contractor for interest paid by him on any loan guaranteed in whole or in part under paragraph (3), but if the minimum amount of the termination claim determined under paragraph (3) exceeds the amount of the termination claim as finally determined, no reimbursement shall be made for interest on the portion of the loan which is equal to such excess.

(b) Payments under subsection (a) (1), if made to a subcontractor, shall be either payments in purchase, or payments for the assignment, of his termination claim with respect to the items involved, as determined by agreement with the subcontractor. In the case of any payment to a subcontractor under subsection (a), the contracting agency shall provide for the subrogation of the United States to the rights of the subcontractor to the extent of such payments. In determining the amount of any payment to be made to a war contractor under subsection (a), proper adjustments shall be made to reflect payments under such subsection to subcontractors of such war contractor.

(c) No guaranty of any loan under subsection (a) shall be made unless it is determined by the contracting agency concerned that the war contractor has shown the loan to be necessary in order to enable him to continue operations, and unless it is further determined by such contracting agency that there is reason to believe, on the basis of the war contractor's business record, that the loan in respect of which the guaranty is proposed, will be repaid in accordance with the terms of the loan agreement. The contracting agency, as a condition of any guaranty of a loan to a war contractor under this section, shall require that the war contractor assign, to the person making the loan or to the United States, or to both as their interests may appear, the termination claim in respect of which such loan is made and shall not require the giving of any other security.

(d) In case any payment under subsection (a) (2) exceeds the portion of the claim, as finally determined, remaining after making payments under subsection (a) (1), the excess shall be deemed a loan to the war contractor, payable on demand, with interest at such rate (not to exceed 6 percent per annum) as may be fixed by the contracting agency concerned for the period beginning with the date of the payment under subsection (a) (2) and ending with the date on which the excess is repaid.

(e) In order to expedite the making of payments to war contractors under subsection (a), such payments shall be made prior to audit and settlement by the General Accounting Office, and no disbursing officer making any such payment in accordance with a duly certified voucher shall be personally liable for such payment in the absence of fraud or bad faith on his part. In settling the accounts of any such disbursing officer the General Accounting Office shall allow such disbursements made by him notwithstanding any other provision of law. Nothing in this subsection shall affect the liability of any certifying officer or affect the liability of any war contractor to repay to the United States any amount paid to him contrary to law.

(f) No loan, guaranty, commitment, or advance or partial payment, in connection with the termination of any war contract, shall be made by any officer or agency in the executive branch of the Government except as authorized by this act.

REMOVAL AND STORAGE OF MATERIALS

SEC. 5. (a) It is the policy of the United States, upon the termination of any war contract, to insure the expeditious removal from the plant of the war contractor of all materials, machinery, and equipment which relate to such terminated war contract and for which the United States is responsible.

(b) To carry out this policy each contracting agency shall provide—

(1) for the submission by the war contractor to the contracting agency of statements, in such form and detail as it may prescribe, showing the materials, machinery, and equipment related to a terminated war contract for which the United States is responsible;

(2) for the removal of such materials, machinery, and equipment by the contracting agency within 30 days after the submission of such statements or within such longer period as the war contractor may agree;

(3) for the removal and storage of such materials, machinery, and equipment by the war contractor at the risk and expense of the United States upon the failure of the contracting agency so to remove them.

UNIFORMITY OF POLICIES AND ADMINISTRATION

SEC. 6. (a) There shall be in the General Accounting Office a War Contracts Settlement Board (hereinafter called the "Board") which shall consist of not less than three and not more than nine members, who shall be appointed by the Comptroller General of the United States. The Comptroller General shall designate one of the members as chairman. The members of the Board shall receive compensation at such rate as may be fixed by the Comptroller General.

(b) Any action authorized, required, or permitted to be taken by any contracting agency or war contractor under this act, or under the provisions of any prime contract which relate to the termination of such contract, shall be taken only subject to and in accordance with such regulations prescribed by the Board, as the Board deems necessary to insure efficient administration of this act and to insure the application by the contracting agencies of uniform policies in respect of the termination of war contracts and the consideration and settlement of termination claims.

AUTHORITY TO MAKE AGREEMENTS SETTLING TERMINATION CLAIMS

SEC. 7. (a) No officer or agency in the executive branch of the Government shall have power to make an agreement with a war contractor determining the amount due on any termination claim or any part thereof, except as provided in this section.

(b) Whenever a war contractor and a contracting agency are in agreement with respect to the amount due on any termination claim or part thereof, the contracting agency is authorized to make a tentative agreement with the war contractor with respect thereto. The contracting agency, upon making such tentative agreement, shall forthwith submit such agreement together with all supporting data, to the Board for approval. Such tentative agreement shall become final and binding on all parties thereto 6 months after its submission to the Board for approval, unless within such 6 months, the Board disapproves such tentative agreement and so notifies the contracting agency and the war contractor.

(c) If the Board disapproves a tentative agreement under subsection (b), it shall prepare a statement of its objections thereto and transmit such statement to the contracting agency and the war contractor with its notification of disapproval. Thereupon the contracting agency shall endeavor to make a final agreement with the war contractor containing the provisions to which the Board did not make objection, provisions which meet the objections of the Board to the previous tentative agreement, and no others.

(d) For the purposes of this section, the Board is authorized to administer oaths to witnesses, to make such investigations, hold such hearings and conferences, require by subpena the attendance of such witnesses and the production of such books, papers, and documents as it deems necessary.

APPEAL

SEC. 8. (a) Whenever any prime contractor has submitted a termination claim, in substantially the form prescribed under this act, to the contracting agency responsible for settling it, and such claim has not been

settled by agreement with the contracting agency, or only a part of such claim has been so settled, the contracting agency shall prepare written findings of the amount determined by it to be due on such claim or the unsettled part thereof, shall transmit such findings, together with all supporting data, to the Board, and transmit by registered mail a copy of such findings and data to the contractor. Such findings and data shall be transmitted to the contractor by the contracting agency within 60 days after the date of his demand therefor.

(b) Within 90 days after the mailing of the findings of the contracting agency to the prime contractor under subsection (a), the prime contractor may, at his election—

(1) submit his claim or the unsettled part thereof to the Board or a termination claim adjuster (provided for in subsection (d)), and if aggrieved by the decision of the Board or adjuster, within 90 days after the making of such decision bring suit against the United States as provided in paragraph (3); or

(2) submit such claim, or such part thereof, to arbitration in accordance with subsection (e) of this section; or

(3) bring suit against the United States for such claim, or such part thereof, in the Court of Claims or in a United States district court, in accordance with subsection (20) of section 24 of the Judicial Code (U. S. C., 1940 ed., title 28, sec. 41 (20)).

(c) Any proceeding under subsection (b) of this section shall be governed by the following conditions:

(1) If a prime contractor does not initiate proceedings in accordance with subsection (b) within 90 days after the mailing to him of the findings by the contracting agency, he shall be precluded from submitting his claim or the unsettled part thereof to the Board or to arbitration, and shall be precluded from bringing suit for such claim or part thereof against the United States until after the audit and settlement thereof by the General Accounting Office in the manner provided by law.

(2) Notwithstanding any contrary provision in any war contract, the Board, termination claim adjusters, arbitrators, and court shall not be bound by the findings of the contracting agency, but shall treat such findings as prima facie correct, and the burden shall be on the prime contractor to establish that the amount due on his claim exceeds the amount allowed by the contracting agency. The Board, termination claim adjusters, arbitrators, or court may increase or decrease the amount allowed by the contracting agency.

(3) When a prime contractor has initiated such proceedings by one method under subsection (b) of this section, he shall, except as provided in subsection (b) (1), be precluded from initiating proceedings by any other method thereunder.

(d) (1) There shall be in each judicial district one or more termination claim adjusters who shall be appointed by the Comptroller General of the United States. They shall receive compensation at the same rate as members of the Board.

(2) Any determination made under this section by the Board or a termination claim adjuster shall, if made within 6 months after the termination claim concerned is submitted to the Board or such adjuster, as the case may be, be final and conclusive upon the Comptroller General of the United States, the General Accounting Office, and all officers and agencies in the executive branch of the Government. If such determination is not made within such 6 months, the findings of the contracting agency with respect to the termination claim concerned shall be final and conclusive upon the Comptroller General of the United States, the General Accounting Office, and all officers and agencies in the executive branch of the Government.

(3) The Board shall prescribe the practice and procedure to govern proceedings before it and the termination claim adjusters. The Board and the termination claim adjusters shall have power to administer oaths to witnesses and to compel, by subpena, the attendance of witnesses and the production of books, papers, documents, and other records.

(4) For the purposes of this section, the chairman of the Board may divide the Board into divisions of not less than three members each and the Board may sit and act by such divisions.

(e) When a termination claim is submitted to arbitration in accordance with this section, the arbitration proceeding shall be governed by the United States Arbitration Act to the same extent as if authorized by an effective agreement in writing between the United States and the war contractor for such arbitration upon the conditions specified in subsection (c) of this section.

(f) Whenever any dispute exists between any war contractor and a subcontractor regarding any termination claim, either of them by agreement with the other, may submit the dispute—

(1) to the Board or a termination claim adjuster;

(2) to a contracting agency for mediation or arbitration in accordance with regulations which shall be prescribed by the Board.

COURT OF CLAIMS

SEC. 9. (a) For the purpose of expediting the adjudication of termination claims, the Court of Claims is authorized to appoint not more than 20 commissioners in addition to those provided for by the act of February 24, 1925 (ch. 301, 43 Stat. 964), as amended by the act of June 23, 1930 (ch. 573, 46 Stat. 799), and the provisions of said acts shall apply to such additional commissioners in all respects as if they had been appointed thereunder, except that the court shall limit the duties of such additional commissioners to duties in respect of termination claims.

(b) The Attorney General, under such rules as the Court of Claims shall prescribe, may cause any and all persons with legal capacity to sue and be sued, wherever located, actually to be notified, or on specific order of the court, to be notified by publication, and if within the jurisdiction of the United States, at the discretion of the Attorney General, to be served with subpena, to appear as a party or parties in any suit or proceeding upon any termination claim pending in said court and to assert and defend their interests, if any, in such suits or proceedings, within such period of time prior to judgment as the Court of Claims shall prescribe. Upon failure so to appear, any and all claims or interests in claims of any such person against the United States, in respect of the subject matter of such suit or proceeding, shall forever be barred and the court shall have jurisdiction to enter judgment pro confesso upon any claim or contingent claim asserted on behalf of the United States against any party who, having been duly served with subpena, fails to respond thereto, to the same extent and with like effect as if such party had appeared and had admitted the truth of all allegations made on behalf of the United States. Upon appearance by any party pursuant to any such notice or subpena, the case as to such party shall, for all purposes, be treated as if an independent proceeding had been instituted by such party pursuant to section 145 of the Judicial Code, as amended, and as if such independent proceeding had then been consolidated, for purposes of trial and determination, with the case in respect of which the notice or subpena was issued, except that the United States shall not be heard upon any counterclaims, claims for damages, or other demands whatsoever against such party, other than claims and contingent claims for the recovery of money hereafter paid by the United States in respect of the transaction or matter which constitutes the subject matter of such case, unless and until such party shall assert therein a claim, or an interest in a claim, against the United States, and the Court of Claims shall have jurisdiction to adjudicate, as between any and all adverse claimants, their respective several interests in any matter in suit and to award several judgments in accordance therewith.

(c) The jurisdiction of the Court of Claims shall not be affected by this act except to the extent necessary to give effect to this section, and no party shall recover judgment on any claim, or on any interest in any claim, in said court which such party would not have had a right to assert if this section had not been enacted.

DEFECTIVE, INFORMAL, AND QUASI CONTRACTS

SEC. 10. (a) Where any person has arranged to furnish or furnished to a contracting agency or to a war contractor any materials, services, or facilities related to the prosecution of the war, relying in good faith upon the apparent authority of an officer or agent of a contracting agency, a letter of intent, written or oral instructions, or any other request to proceed from a contracting agency, the contracting agency shall pay such person fair compensation therefor.

(b) Whenever any formal or technical defect or omission in any prime contract, or in any grant of authority to an officer or agent of a contracting agency who ordered any materials, services, and facilities might invalidate the contract or commitment, the contracting agency (1) shall not take advantage of such defect or omission; (2) shall amend, confirm, or ratify such contract or commitment without consideration in order to cure such defect or omission; and (3) shall make a fair settlement of any obligation thereby created or incurred by such agency whether expressed or implied, in fact or in law, or in the nature of an implied or quasi contract.

(c) Where a contracting agency fails to agree on a settlement of any claim asserted under this section, the dispute shall be subject to the provisions of section 8 of this act.

COMPULSORY TESTIMONY AND ENFORCEMENT OF SUBPENAS

SEC. 11. All provisions of law (including penalties and including provisions relating to self-incrimination) applicable in respect of subpenas issued under the Federal Trade Commission Act shall, insofar as they are not inconsistent with the provisions of this act, be applicable in respect of subpenas issued by the Board and the termination claim adjusters under this act.

RECORDS, FORMS, AND REPORTS

SEC. 12. (a) The Board shall require the Government agencies performing functions under this act to prepare such information and reports regarding terminations of war contracts, settlements of termination claims, and payments and guaranties under section 4, as the Board deems necessary to assist it in appraising their operations or to assist it or other Government agencies in performing their functions under this act, and may prescribe the terms and conditions upon which such information and reports shall be made available to other Government agencies. The Board may require any Government agency to furnish such information under its control as the Board deems necessary for the performance of the Board's functions under this act.

(b) The Board shall report to the Department of Justice any information received by

the Board indicating any unlawful acts or fraudulent practices in connection with termination settlements and payments and guaranties under section 4, and may require the Department of Justice or any other Government agency to make such investigations as the Board deems necessary or desirable to detect unlawful acts and fraud in connection with termination settlements and payments and guaranties under section 4.

PRESERVATION OF RECORDS; PROSECUTION OF FRAUD

SEC. 13. (a) Until five years after the date of the termination of hostilities in the present war, or five years after the final settlement of a war contract involving $5,000 or more, whichever is the later, no person shall willfully secrete, mutilate, obliterate, or destroy, or cause to be secreted, mutilated, obliterated, or destroyed, any records of a war contractor which relate to the negotiation, award, performance, payment for, renegotiation, termination, or termination settlement of such war contract. Any war contractor shall allow any officer or agent of any interested Government agency, the General Accounting Office, or any committee of Congress reasonable access to such records. Upon conviction for violation of any of the provisions of this subsection, any corporation shall be fined not more than $50,000 and any individual not more than $10,000 or imprisoned for not more than five years, or both. For the purposes of this subsection the term "date of the termination of hostilities in the present war" means the date proclaimed by the President, or the date specified in a concurrent resolution of the two Houses of Congress, as the date of such termination, whichever is the earlier.

(b) The first section of the act of August 24, 1942 (U. S. C., 1940 ed., Supp. II, title 18, sec. 590a), is amended to read as follows:

"The running of any existing statute of limitations applicable to any offense against the laws of the United States (1) involving defrauding or attempts to defraud the United States or any agency thereof whether by conspiracy or not, and in any manner, or (2) committed in connection with the negotiation, procurement, award, performance, payment for, renegotiation, termination, or termination settlement of any contract, subcontract, or purchase order which is connected with or related to the prosecution of the present war, shall be suspended until 5 years after the date of the termination of hostilities in the present war, or 5 years after the final settlement of such contract, subcontract, or purchase order, whichever is the later. This section shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by provisions of existing law. For the purposes of this section the term 'date of the termination of hostilities in the present war' means the date proclaimed by the President, or the date specified in a concurrent resolution of the two Houses of Congress, as the date of such termination, whichever is the earlier."

(c) (1) Every person who makes or causes to be made, or presents or causes to be presented to any officer, agent, or employee of any Government agency any claim, bill, receipt, voucher, statement, account, certificate, affidavit, or deposition, knowing the same to be false, fraudulent, or fictitious, or knowing the same to contain or to be based on any false, fraudulent, or fictitious statement or entry, or who shall cover up or conceal any material fact, or who shall use or engage in any other fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any benefit, payment, compensation, allowance, loan, advance, or emolument from the United States or any Government agency in connection with the termination, cancelation, settlement, payment, negotiation, renegotiation, performance, procurement, or award of a contract with the United States or with any other person, and every person who enters into an agreement, combination, or conspiracy so to do, shall forfeit and refund any such benefit, payment, compensation, allowance, loan, advance, and emolument received as a result thereof and shall in addition pay to the United States the sum of $2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the costs of suit.

(2) The several district courts of the United States, the District of Columbia, the several district courts of the Territories of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall, wheresoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct.

(d) The provisions of section 35–A of the Criminal Code (U. S. C., 1940 ed., title 18, sec. 80) shall apply to any statement, representation, bill, receipt, voucher, roll, account, claim, certificate, affidavit, or deposition made or used or caused to be made or used for any purpose under this act or under any regulations pursuant to this act.

REPORTS TO CONGRESS

SEC. 14. In January, April, July, and October of each year, the Board shall submit to the Congress a quarterly report on the exercise of its duties and authority under this act, the status of contract terminations, termination settlements, and interim financing and such other pertinent information on the administration of the act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

USE OF APPROPRIATED FUNDS

SEC. 15. Any contracting agency is authorized—

(a) to use for the purposes authorized in this act any funds which have heretofore been appropriated or allocated or which may hereafter be appropriated or allocated to it, or which are or may become available to it, for such purposes or for the purposes of war production or war procurement;

(b) to use any such funds appropriated, allocated, or available to it for expenditures for or in behalf of any other contracting agency or corporation for the purposes authorized in this act;

(c) to determine by agreement, joint estimate, or any other method authorized by the Board, the part of any expenditure made pursuant to subsection (b) hereof to be paid by each contracting agency concerned and to make transfers of funds between such contracting agencies accordingly. Transfers of funds between appropriations carried upon the books of the Treasury shall be made by the Secretary of the Treasury in accordance with joint requests of the contracting agencies involved.

Amend the title so as to read: "A bill relating to the termination of war contracts and to the payment of termination claims."

[H. R. 3022 as amended by House Committee on Military Affairs showing proposed amendments in italics]

Be it enacted, etc., That this act may be cited as the "War Contracts Settlement Act."

DEFINITIONS

SEC. 2. As used in this act, the term—

(a) "War contractor" means either a prime contract or a subcontract.

(b) "War contractor" means the holder of one or more war contracts.

(c) "Prime contract" means a contract or agreement entered into, or a purchase order given by a contracting agency and connected with or related to the prosecution of the war.

(d) "Prime contractor" means the holder of one or more prime contracts.

(e) "Subcontract" means a contract, agreement, or purchase order connected with or related to the performance of a prime contract or of any other subcontract, but does not include any contract or agreement for the performance of services as an employee.

(f) "Subcontract" means the holder of one or more subcontracts.

(g) "Contracting agency" means any department, agency, or instrumentality of the United States which is or at any time has been authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941.

(h) "Termination" means the cancelation, in whole or in part, of work under a war contract for any reason except the default of the war contractor, and the terms "terminate" and "terminated" shall be construed accordingly.

(i) "Termination claim" means any claim by a war contractor under a terminated war contract.

(j) "Director" means the Director of Contract Termination.

DIRECTOR OF CONTRACT TERMINATION

Sec. 3. (a) There is hereby established the Office of Contract Termination with a Director of Contract Termination at the head thereof. The Director shall be appointed by the President by and with the advice and consent of the Senate, and shall receive compensation at the rate of $12,000 per year.

(b) The Director shall prescribe regulations to carry out his functions under this act, and such regulations shall be binding on any contracting agency to the extent that it is subject to this act. Each such agency shall carry out such regulations expeditiously and may make such further regulations as it deems necessary to carry out the provisions of this act or any regulations issued thereunder.

(c) The Director may, within the limits of funds which may be made available, employ necessary personnel without regard to the provisions of the civil service laws or regulations and the Classification Act of 1923, as amended, and make expenditures for supplies, facilities, and services necessary for the performance of his functions under this act. Any authority vested in the Director may be delegated to any person or persons employed by him.

UNIFORMITY OF POLICIES AND ADMINISTRATION

Sec. 4. (a) Except as provided in sections 8, 9 and 10 of this act, any action authorized, required, or permitted to be taken by any contracting agency or war contractor under this act, or under the provisions of any prime contract which relate to the termination of such contract, shall be taken only subject to and in accordance with such regulations prescribed by the Director, as the Director deems necessary to insure efficient administration of this act and to insure the application by the contracting agencies of uniform policies in respect of the termination of war contracts.

(b) Subject to regulations of the Director, each contracting agency shall establish such standards, methods, and bases for negotiating with respect to and for tentatively settling claims as deemed feasible and equitable. Provision may be made for basing tentative agreements on actual, standard, average, or estimated costs, on the percentage of completion of work under the terminated contract, on any combination thereof, or on such other bases as deemed equitable.

(c) *In establishing, pursuant to subsection (b), the standards, methods, and bases for negotiating with respect to and for settling claims of war contractors, the following general factors with respect to the determination of costs to be allowed and disallowed in the settlement shall be considered in the case of fixed price supply contracts, other than contracts under which the purchaser is not obligated to accept articles or services except as he may need or desire, and to the extent appropriate in the case of other contracts: Provided, That costs shall be allowed only to the extent reasonably necessary for the performance and settlement of and properly allocable to, the contract or contracts involved, and without duplication of any costs:*

(1) Full payment at the contract price shall be allowed for all completed items accepted by the contracting agency.

(2) Cost of all work done and all materials acquired for the performance of the contract shall be allowed.

(3) Reasonable salaries shall be allowed.

(4) The cost of settling and paying claims of subcontractors shall be allowed.

(5) Advertising expense shall be allowed to the extent consistent with the pre-war advertising program of the contractor, or to the extent reasonable under the circumstances.

(6) Depreciation, amortization, and obsolescence shall be allowed at rates appropriate for various classes of property.

(7) General experimental and research expense shall be allowed to the extent consistent with the established pre-war experimental and research program of the contractor, or to the extent related to war purposes.

(8) Costs of engineering and development, and of special tooling, shall be allowed: Provided, That the contractor protects the interests of the Government by transfers of property and interests or other means deemed appropriate by the contracting agency, including the transfer of patents and licenses.

(9) Costs with respect to special facilities shall be allowed in such amounts as may be reasonable under the circumstances, if incurred solely for the performance of the contract, or the contract and other war production contracts: Provided, That the contractor protects the interests of the Government by transfers of property and interests or other means deemed appropriate by the contracting agency.

(10) With respect to special leases, there shall be allowed (i) rentals under leases clearly shown to have been made for the performance of the contract, or the contract and other war production, but only for the period necessary for complete performance of the contract, and such further period as may have been reasonably necessary; (ii) reasonable costs of alteration under such leases; and (iii) costs of restoring the premises, to the extent required by reasonable provisions of the leases; less (iv) the residual value of the leases: Provided, That the contractor shall have made reasonable efforts to terminate, assign, or settle such leases or otherwise reduce the cost thereof.

(11) Reasonable accounting, legal, clerical, and other settlement expenses shall be allowed, but expenses incurred for the purpose of obtaining payment from the Government shall be allowed only to the extent reasonably necessary for the preparation and presentation of settlement proposals and cost evidence in connection therewith.

(12) Interest on borrowing shall be allowed.

(13) A reasonable profit shall be allowed to the extent earned and not expressly waived in the contract.

(14) The reasonable cost of the storage, preservation, or protection, in accordance with the directions or authorizations of the contracting agency, of property in the possession of the contractor and in which the Government has or may acquire an interest, shall be allowed.

(15) On final settlement, interest shall be allowed on balances owing to contractors, but in case of failure of a contractor to accept an amount specified in a finding by the contracting agency of the amount due, no interest shall be allowed for the period after the date such finding is delivered to the contractor unless the amount finally determined to be due is more than the amount specified in the finding. Except as herein otherwise provided, interest shall be paid for the period beginning 30 days after the termination, and ending on a date not more than 30 days prior to final payment. Such interest shall be at a rate equal to 1½ percent per annum plus the per annum discount rate established on commercial paper by the Federal Reserve Bank of Chicago, pursuant to section 14 (d) of the Federal Reserve Act, as amended, and in effect on such thirtieth day after such date of termination: Provided, That in the case of contractors who have demonstrated the ability to borrow money on commercial paper at lower interest rates, the Director may fix a rate of interest hereunder corresponding to the rate available to them from commercial sources: Provided further, That (i) if such claim is not filed in substantially approved form within 120 days from the termination date, or within such extended period as the Director may allow in particular cases, interest shall not be allowed for the period in which the contractor is in default in filing his claim, (ii) if the Director should determine that the contractor has delayed in the settlement of his claim, interest shall not be allowed for the period of such delay, and (iii) if interest on any advance payment or loan made or guaranteed by the Government has been waived for the benefit of the contractor during the period after termination the amount of interest so waived shall be deducted from the interest otherwise payable hereunder.

(16) Except for normal spoilage and to the extent that the contracting agency shall have otherwise specifically assumed the risk of loss, there shall be excluded from the amounts payable to the contractor all amounts payable in respect of property destroyed, lost, or stolen, or damaged so as to be undeliverable.

(17) No costs shall be allowed on account of losses on other contracts, or from sales or exchanges of capital assets; fees and other expenses in connection with reorganization or recapitalization, antitrust or Federal income-tax litigation, or prosecution of Federal income-tax claims or other claims against the Government; losses on investments; provisions for contingencies; and premiums on insurance policies on the lives of officers and directors.

(18) No costs shall be allowed which were treated as deductions from income during the period covered by a previous renegotiation under the Renegotiation Act if a refund to the Government was made for such period, or to the extent that such deductions are shown to have avoided such refund.

(19) No amount shall be allowed for the expense of conversion of the contractor's facilities to uses other than the performance of the contract.

(20) Such other factors shall be considered as may be reasonable under the circumstances and as the public interest and fair and equitable dealing may require.

(21) The aggregate amount payable in settlement of any claim, exclusive of the costs referred to in clauses (11), (14), and (15) above, shall not exceed the contract price.

ADVANCE NOTICE OF TERMINATION

SEC. 5. It is the policy of the United States to provide that notice of termination of war contracts be given to the war contractors as far in advance of the actual termination of such contracts as is feasible and consistent with the national security. To carry out this policy—

(a) each contracting agency shall provide prime contractors, to the fullest extent feasible, with advance notice of termination of any prime contracts held by them;

(b) each prime contractor upon receiving notice of termination of any prime contract held by him shall forthwith provide his subcontractors with notice of termination of their subcontracts connected with or related to such prime contract;

(c) each subcontractor upon receiving notice of termination of any subcontract held by him shall forthwith provide his subcontractors with notice of termination of their subcontracts connected with or related to such subcontract;

(d) each contracting agency shall limit the termination of any prime contract in such manner as may be appropriate so as to (1) provide for the completion of work in process under such prime contract and under subcontracts wherever such completion will result in a saving to the United States, and (2) provide for the continuation of work under such prime contract and under subcontracts for the purpose of avoiding injury to plant and material.

TERMINATION CLAIMS

SEC. 6. (a) Whenever a war contract is terminated, the contracting agency—

(1) shall first endeavor to make a tentative agreement (as provided in section 9) with the war contractor with respect to the amount due on account of items which can be promptly determined with reasonable certainty, and if such a tentative agreement is made shall forthwith pay, subject to subsection (b), to the war contractor an amount equal to 100 percent of such items. So far as practicable, the contracting agency shall endeavor to make such a tentative agreement and such payment within 30 days after application by the war contractor for payment under this paragraph;

(2) shall pay, subject to subsection (b), to the war contractor an amount equal to 90 percent of the minimum amount due on all items with respect to which an agreement is not made under paragraph (1), such minimum amount to be (A) the minimum amount estimated as due with respect to such items by the contracting agency, or (B) the minimum amount estimated as due with respect to such items by the war contractor, whichever is the lesser. So far as practicable, the contracting agency shall make such payment within 30 days after application by the war contractor for payment under this paragraph;

(3) subject to subsection (c), shall guarantee loans to the war contractor to the extent of the excess of the minimum amount of his termination claim over any payments or loans theretofore made to the war contractor on account of the termination. Such minimum amount shall be that estimated by the war contractor or that estimated by the contracting agency, whichever is the lesser.

(4) shall reimburse the war contractor for interest paid by him on any loan guaranteed in whole or in part under paragraph (3), but if the minimum amount of the termination claim determined under paragraph (3) exceeds the amount of the termination claim as finally determined, no reimbursement shall be made for interest on the portion of the loan which is equal to such excess.

(b) Payments under subsection (a) (1), if made to a subcontractor, shall be either payments in purchase, or payments for the assignment, of his termination claim with respect to the items involved, as determined by agreement with the subcontractor. In the case of any payment to a subcontractor under subsection (a), the contracting agency shall

provide for the subrogation of the United States to the rights of the subcontractor to the extent of such payments. In determining the amount of any payment to be made to a war contractor under subsection (a), proper adjustments shall be made to reflect payments under such subsection to subcontractors of such war contractor.

(c) No guaranty of any loan under subsection (a) shall be made unless it is determined by the contracting agency concerned that the war contractor has shown the loan to be necessary in order to enable him to continue operations, and unless it is further determined by such contracting agency that there is reason to believe, on the basis of the war contractor's business record, that the loan in respect of which the guaranty is proposed, will be repaid in accordance with the terms of the loan agreement. The contracting agency, as a condition of any guaranty of a loan to a war contractor under this section, shall require that the war contractor assign, to the person making the loan or to the United States, or to both as their interests may appear, the termination claim in respect of which such loan is made, and shall not require the giving of any other security.

(d) In case any payment under subsection (a) (2) exceeds the portion of the claim, as finally determined, remaining after making payments under subsection (a) (1), the excess shall be deemed a loan to the war contractor, payable on demand, with interest at such rate (not to exceed 6 percent per annum) as may be fixed by the *Director* for the period beginning with the date of the payment under subsection (a) (2) and ending with the date on which the excess is repaid.

(e) In order to expedite the making of payments to war contractors under subsection (a), such payments shall be made prior to audit and settlement by the General Accounting Office, and no disbursing officer making any such payment in accordance with a duly certified voucher shall be personally liable for such payment in the absence of fraud or bad faith on his part. In settling the accounts of any such disbursing officer the General Accounting Office shall allow such disbursements made by him notwithstanding any other provision of law. Nothing in this subsection shall affect the liability of any certifying officer or affect the liability of any war contractor to repay to the United States any amount paid to him contrary to law.

(f) No loan, guaranty, commitment, or advance or partial payment, in connection with the termination of any war contract, shall be made by any officer or agency in the executive branch of the Government except as authorized by this act.

REMOVAL AND STORAGE OF MATERIALS

SEC. 7. (a) It is the policy of the United States, upon the termination of any war contract, to insure the expeditious removal from the plant of the war contractor of all materials, machinery, and equipment which relate to such terminated war contract and for which the United States is responsible.

(b) To carry out this policy each contracting agency shall provide—

(1) for the submission by the war contractor to the contracting agency of statements in such form and detail as it may prescribe, showing the materials, machinery, and equipment related to a terminated war contract for which the United States is responsible;

(2) for the removal of such materials, machinery, and equipment by the contracting agency within 30 days after the submission of such statements or within such longer period as the war contractor may agree;

(3) for the removal and storage of such materials, machinery, and equipment by the war contractor at the risk and expense of the United States upon the failure of the contracting agency so to remove them.

WAR CONTRACTS SETTLEMENT BOARD

SEC. *8.* (a) There shall be in the General Accounting Office a War Contracts Settlement Board (hereinafter called the "Board") which shall consist of not less than three and not more than nine members, who shall be appointed by the Comptroller General of the United States. The Comptroller General shall designate one of the members as chairman.

(b) There shall be in each State not less than one War Contracts Settlement Regional Board (hereinafter called "Regional Board"), consisting of three members, who shall be appointed by the Comptroller General of the United States. The Regional Boards shall function under the supervision, direction, and control of the Board.

(c) The Board shall have exclusive authority to prescribe the forms and evidence to be submitted to it or to the Regional Boards in support of termination claims. It shall prescribe the practice and procedure to govern proceedings before it and the Regional Boards and may distribute and assign the work of a Regional Board to any other Regional Board, as it deems necessary or desirable, or may itself act in such matters in which event its action will have the same effect as though taken by a Regional Board. The Board is authorized to prescribe such rules and regulations as it may deem necessary to carry out its duties and authority under this act. The Board and Regional Boards shall have power to administer oaths to witnesses, to make such investigations, hold such hearings and conferences, and require by subpena the attendance of witnesses and the production of books, papers, documents, and other records, as deemed necessary.

(d) To facilitate the performance of the duties imposed by this act on the Board and the Regional Boards, the Comptroller General is hereby authorized to employ at the seat of government and elsewhere such personal services as he may deem necessary. All appointments which the Comptroller General is authorized to make under this act may be made without regard to the civil service laws and regulations, at rates of compensation to be fixed without regard to the Classification Act of March 4, 1923, as amended, and shall terminate not later than 2 years after the close of the present war. Any civilian employee of the United States Government having a classified civil-service status who is appointed to a position created for the purposes of this act shall not lose his civil-service status by reason of such appointment, and shall be restored to his former position or to a position of like seniority, status, and pay upon termination of his services under such appointment. Notwithstanding the provisions of any other law, retired officers of the Army, Navy, and Marine Corps shall be eligible for appointments to positions created for the purpose of this title without loss of retired status, but the payment of salary and retired pay to such persons shall be subject to the provisions of section 212 of the act of June 30, 1932, as amended, 5 U. S. Code 59a.

AUTHORITY TO MAKE AGREEMENTS SETTLING TERMINATION CLAIMS

SEC. *9.* (a) No officer or agency in the executive branch of the Government shall have power to make an agreement with a war contractor determining the amount due on any termination claim *hereafter presented*, or any part thereof, except as provided in this section.

(b) Whenever a war contractor and a contracting agency are in agreement with respect to the amount due on any termination claim or part thereof, the contracting agency is authorized to make a tentative agreement with the war contractor with respect thereto. The contracting agency, upon making such tentative agreement, shall forthwith submit such agreement, together with *required* supporting data, to a *Regional* Board for approval. Such tentative agreement shall become final and binding on all parties thereto 6 months after its submission to the *Regional* Board for approval, unless within such 6 months, the *Regional Board or the* Board disapproves such tentative agreement and so notifies the contracting agency and the war contractor.

(c) If the *Regional Board or the* Board disapproves a tentative agreement under subsection (b), it shall prepare a statement of its objections thereto and transmit such statement to the contracting agency and the war contractor with its notification of disapproval. Thereupon the contracting agency shall endeavor to make a final agreement with the war contractor containing the provisions to which the *Regional Board or the* Board did not make objection, provisions which meet the objections of the *Regional Board or the* Board to the previous tentative agreement, and no others.

APPEAL

SEC. *10.* (a) Whenever any prime contractor has submitted a termination claim, in substantially the form prescribed under this act, to the contracting agency responsible for settling it, and such claim has not been settled by *tentative* agreement with the contracting agency, or only a part of such claim has been so settled, the contracting agency shall prepare written findings of the amount determined by it to be due on such claim or the unsettled part thereof, shall transmit such findings, together with all supporting data, to the Board, and transmit by registered mail a copy of such findings and data to the contractor. Such findings and data shall be transmitted to the contractor by the contracting agency within 60 days after the date of his demand therefor.

(b) Within 90 days after the mailing of the findings of the contracting agency to the prime contractor under subsection (a), the prime contractor may, at his election—

(1) submit his claim or the unsettled part thereof to the Board or a *Regional Board* and if aggrieved by the decision of the Board or *the Regional Board*, within 90 days after the making of such decision bring suit against the United States as provided in paragraph (2) *of this subsection;* or

(2) bring suit against the United States for such claim, or such part thereof, in the Court of Claims or in a United States district court, in accordance with subsection (20) of section 24 of the Judicial Code (U. S. C., 1940 ed., title 28, sec. 41 (20)).

(c) Any proceeding under subsection (b) of this section shall be governed by the following conditions:

(1) If a prime contractor does not initiate proceedings in accordance with subsection (b) within 90 days after the mailing to him of the findings by the contracting agency, he shall be precluded from submitting his claim or the unsettled part thereof to the Board, and shall be precluded from bringing suit for such claim or part thereof against the United States until after the audit and settlement thereof by the General Accounting Office in the manner provided by law.

(2) Notwithstanding any contrary provision in any war contract, the Board, *the Regional Board*, and *the* court shall not be bound by the findings of the contracting agency, but shall treat such findings as prima facie correct, and the burden shall be on the prime contractor to establish that the amount due on his claim exceeds the amount allowed by the contracting agency. The Board, *Regional Board*, or court may increase or decrease the amount allowed by the contracting agency.

(3) When a prime contractor has initiated such proceedings by one method under subsection (b) of this section, he shall, except as provided in subsection (b) (1), be precluded from initiating proceedings by any other method thereunder.

(d) (1) Any determination made under this section by the Board or *Regional Board* shall, if made within 6 months after the termination claim concerned is submitted to the Board or *Regional Board*, as the case may be, be final and conclusive upon the Comptroller General of the United States, the General Accounting Office, and all officers and agencies in the executive branch of the Government. If such determination is not made within such 6 months, the findings of the contracting agency with respect to the termination claim concerned shall be final and conclusive upon the Comptroller General of the United States, the General Accounting Office, and all officers and agencies in the executive branch of the Government.

(2) For the purposes of this section, the chairman of the Board may divide the Board into divisions of not less than three members each and the Board may sit and act by such divisions.

COURT OF CLAIMS

SEC. *11*. (a) For the purpose of expediting the adjudication of termination claims, the Court of Claims is authorized to appoint not more than 20 commissioners in addition to those provided for by the act of February 24, 1925 (ch. 301, 43 Stat. 964), as amended by the act of June 23, 1930 (ch. 573, 46 Stat. 799), and the provisions of said acts shall apply to such additional commissioners in all respects as if they had been appointed thereunder, except that the court shall limit the duties of such additional commissioners to duties in respect of termination claims.

(b) The Attorney General, under such rules as the Court of Claims shall prescribe, may cause any and all persons with legal capacity to sue and be sued, wherever located, actually to be notified, or on specific order of the court, to be notified by publication, and if within the jurisdiction of the United States, at the discretion of the Attorney General, to be served with subpena, to appear as a party or parties in any suit or proceeding upon any termination claim pending in said court and to assert and defend their interests, if any, in such suits or proceedings, within such period of time prior to judgment as the Court of Claims shall prescribe. Upon failure so to appear, any and all claims or interests in claims of any such person against the United States, in respect of the subject matter of such suit or proceeding, shall forever be barred and the court shall have jurisdiction to enter judgment pro confesso upon any claim or contingent claim asserted on behalf of the United States against any party who, having been duly served with subpena, fails to respond thereto, to the same extent and with like effect as if such party had appeared and had admitted the truth of all allegations made on behalf of the United States. Upon appearance by any party pursuant to any such notice or subpena, the case as to such party shall, for all purposes, be treated as if an independent proceeding had been instituted by such party pursuant to section 145 of the Judicial Code, as amended, and as if such independent proceeding had then been consolidated, for purposes of trial and determination, with the case in respect of which the notice or subpena was issued, except that the United States shall not be heard upon any counterclaims, claims for damages, or other demands whatsoever against such party, other than claims and contingent claims for the recovery of money hereafter paid by the United States in respect of the transaction or matter which constitutes the subject matter of such case, unless and until such party shall assert therein a claim, or an interest in a claim, against the United States, and the Court of Claims shall have jurisdiction to adjudicate, as between any and all adverse claimants, their respective several interests in any matter in suit and to award several judgments in accordance therewith.

(c) The jurisdiction of the Court of Claims shall not be affected by this act except to the extent necessary to give effect to this section, and no party shall recover judgment on any claim, or on any interest in any claim, in said court which such party would not have had a right to assert if this section had not been enacted.

DEFECTIVE, INFORMAL, AND QUASI CONTRACTS

SEC. *12*. (a) Where any person has arranged to furnish or furnished to a contracting agency or to a war contract or any materials, services, or facilities related to the prosecution of the war, relying in good faith upon the apparent authority of an officer or agent of a contracting agency, a letter of intent, written or oral instructions, or any other request to proceed from a contracting agency, the contracting agency shall pay such person fair compensation therefor.

(b) Whenever any formal or technical defect or omission in any prime contract, or in any grant of authority to an officer or agent of a contracting agency who ordered any materials, services, and facilities might invalidate the contract or commitment, the contracting agency (1) shall not take advantage of such defect or omission; (2) shall amend, confirm, or ratify such contract or commitment without consideration in order to cure such defect or omission; and (3) shall make a fair settlement of any obligation thereby created or incurred by such agency whether expressed or implied, in fact or in law, or in the nature of an implied or quasi contract.

(c) Where a contracting agency fails to agree on a settlement of any claim asserted under this section, the dispute shall be subject to the provisions of section *10* of this act.

COMPULSORY TESTIMONY AND ENFORCEMENT OF SUBPENAS

SEC. *13*. All provisions of law (including penalties and including provisions relating to self-incrimination) applicable in respect of subpenas issued under the Federal Trade Commission Act shall, insofar as they are not inconsistent with the provisions of this act, be applicable in respect of subpenas issued by the Board and the *Regional Board* under this act.

RECORDS, FORMS, AND REPORTS

SEC. *14*. (a) The *Director* shall require the *contracting* agencies performing functions under this act to prepare such information and reports regarding terminations of war contracts, settlements of termination claims, and payments and guaranties under section *6*, as the *Director* deems necessary to assist *him* in appraising their operations or to assist *him* or other Government agencies in performing their functions under this act, and may prescribe the terms and conditions upon which such information and reports shall be made available to other Government agencies. The *Director* may require any Government agency to furnish such information under its control as the *Director* deems necessary for the performance of the *Director's* functions under this act.

(b) The Board shall report to the Department of Justice *and the Director* any information received by the Board indicating any unlawful acts or fraudulent practices in connection with termination settlements and payments and guaranties under section *6*, and *the Director* may require the Department of Justice or any other Government agency to make such investigations as the *Director* deems necessary or desirable to detect unlawful acts and fraud in connection with termination settlements and payments and guaranties under section *6*.

PRESERVATION OF RECORDS; PROSECUTION OF FRAUD

SEC. *15*. (a) Until 5 years after the date of the termination of hostilities in the present war, or 5 years after the final settlement of a war contract involving $5,000 or more, whichever is the later, no person shall willfully secrete, mutilate, obliterate, or destroy, or cause to be secreted, mutilated, obliterated, or destroyed, any records of a war contractor which relate to the negotiation, award, performance, payment for, renegotiation, termination, or termination settlement of such war contract. Any war contractor shall allow any officer or agent of any interested Government agency, the General Accounting Office, or any committee of Congress reasonable access to such records. Upon conviction for violation of any of the provisions of this subsection, any corporation shall be fined not more than $50,000 and any individual not more than $10,000 or imprisoned for not more than 5 years, or both. For the purposes of this subsection the term "date of the termination of hostilities in the present war" means the date proclaimed by the President, or the date specified in a concurrent resolution of the two Houses of Congress, as the date of such termination, whichever is the earlier.

(b) The first section of the act of August 24, 1942 (U. S. C., 1940 ed., Supp. II, title 18, sec. 590a), is amended to read as follows:

"The running of any existing statute of limitations applicable to any offense against the laws of the United States (1) involving defrauding or attempts to defraud the United States or any agency thereof whether by conspiracy or not, and in any manner, or (2) committed in connection with the negotiation, procurement, award, performance, payment for, renegotiation, termination, or termination settlement of any contract, subcontract, or purchase order which is connected with or related to the prosecution of the present war, shall be suspended until 5 years after the date of the termination of hostilities in the present war, or 5 years after the final settlement of such contract, subcontract, or purchase order, whichever is the later. This section shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by provisions of existing law. For the purposes of this section the term 'date of the termination of hostilities in the present war' means the date proclaimed by the President, or the date specified in a concurrent resolution of the two Houses of Congress, as the date of such termination, whichever is the earlier."

(c) (1) Every person who makes or causes to be made, or presents or causes to be presented to any officer, agent, or employee of any Government agency any claim, bill, receipt, voucher, statement, account, certificate, affidavit, or deposition, knowing the same to be false, fraudulent, or fictitious, or knowing the same to contain or to be based on any false, fraudulent, or fictitious statement or entry, or who shall cover up or conceal any material fact, or who shall use or engage in any other fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any benefit, payment, compensation, allowance, loan, advance, or emolument from the United States or any Government agency in connection with the termination, cancelation, settlement, payment, negotiation, renegotiation, performance, procurement, or award of a contract with the United States or with any other person, and every person who enters into an agreement, combination, or conspiracy so to do, shall forfeit

and refund any such benefit, payment, compensation, allowance, loan, advance, and emolument received as a result thereof and shall in addition pay to the United States the sum of $2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof together with the costs of suit.

(2) The several district courts of the United States, the District of Columbia, the several district courts of the Territories of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall, wheresoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct.

(d) The provisions of section 35–A of the Criminal Code (U. S. C., 1940 ed., title 18, sec. 80) shall apply to any statement, representation, bill, receipt, voucher, roll, account, claim, certificate, affidavit, or deposition made or used or caused to be made or used for any purpose under this act or under any regulations pursuant to this act.

REPORTS TO CONGRESS

SEC. *16*. In January, April, July, and October of each year, the *Director* shall submit to the Congress a quarterly report on the exercise of *his* duties and authority under this act, the status of contract terminations, termination settlements, and interim financing and such other pertinent information on the administration of the act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

USE OF APPROPRIATED FUNDS

SEC. *17*. Any contracting agency is authorized—

(a) to use for the purposes authorized in this act any funds which have heretofore been appropriated or allocated or which may hereafter be appropriated or allocated to it, or which are or may become available to it, for such purposes or for the purposes of war production or war procurement;

(b) to use any such funds appropriated, allocated, or available to it for expenditures for or in behalf of any other contracting agency or corporation for the purposes authorized in this act;

(c) to determine by agreement, joint estimate, or any other method authorized by the Board, the part of any expenditure made pursuant to subsection (b) hereof to be paid by each contracting agency concerned and to make transfers of funds between such contracting agencies accordingly. Transfers of funds between appropriations carried upon the books of the Treasury shall be made by the Secretary of the Treasury in accordance with joint requests of the contracting agencies involved.

Amend the title so as to read: "A bill relating to the termination of war contracts and to the payment of termination claims."

DISTRICT OF COLUMBIA BUSINESS COMMITTEE ON INAUGURAL CEREMONIES, JANUARY 1945

The SPEAKER. The Chair recognizes the gentleman from West Virginia.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 289, authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1945, and for other purposes.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman from West Virginia be so kind as to explain the legislation?

Mr. RANDOLPH. Yes; this resolution is a routine measure which comes before the House in connection with arrangements for the inaugural ceremonies for the President-elect this coming January. Each 4 years we have this type of legislation to consider. It gives certain powers to the inaugural committee in connection with the ceremonies.

Mr. MARTIN of Massachusetts. We on this side are a little interested this year. Just what powers are given?

Mr. RANDOLPH. It gives the War Department powers to lend tents and certain equipment, also the Navy Department; and it permits the various utility companies to string overhead wires. It gives the committee certain powers in connection with the ceremony whether the President-elect be a Democrat or a Republican.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. STEFAN. It does not call for any appropriation?

Mr. RANDOLPH. No appropriation at all.

Mr. STEFAN. It will not cost any money?

Mr. RANDOLPH. It will not cost any money except what the inaugural committee will have from time to time.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Resolved etc.; That the Administrator of the Federal Works Agency, and such other officers of the District of Columbia and the United States as control any public lands in the District of Columbia, are hereby authorized to grant permits, under such restrictions as they may deem necessary, to the Committee on Inaugural Ceremonies to be appointed with the approval of the President-elect for the use of any reservations or other public spaces in the District of Columbia under their control on the occasion of the inauguration of the President-elect in January 1945: *Provided*, That in their opinion no serious or permanent injuries will be thereby inflicted upon such reservations or public spaces or statuary thereon; and the Commissioners of the District of Columbia may designate for such and other purposes, on the occasion aforesaid, such streets, avenues, and sidewalks in said District of Columbia under their control as they may deem proper and necessary: *Provided, however*, That all stands or platforms that may be erected on the public space, as aforesaid, including such as may be erected in connection with the display of fireworks, shall be under the said supervision of the said inaugural committee, and no stand shall be built on the sidewalk, streets, parks, and public grounds of the District of Columbia, not including the area on the south side of Pennsylvania Avenue directly in front of the White House, except such as are approved by the inaugural committee, the building inspector of the District of Columbia, and the Administrator of the Federal Works Agency: *And provided further*, That the reservations or public spaces occupied by the stands or other structures shall, after the inauguration, be promptly restored to their condition before such occupation, and that the inaugural committee shall indemnify the appropriate agency of the Government for any damages of any kind whatsoever upon such reservations or spaces by reason of such use.

SEC. 2. The Commissioners of the District of Columbia are hereby authorized to permit the committee on illumination of the inaugural committee for said inaugural ceremonies to stretch suitable overhead conductors, with sufficient supports wherever necessary, for the purpose of connecting with the present supply of light for the purpose of effecting the said illumination: *Provided*, That if it shall be necessary to erect wires for illuminating or other purposes over any park or reservation in the District of Columbia, the work of erection and removal of said wires shall be under the supervision of the official in charge of said park or reservation: *Provided further*, That the said conductors shall not be used for conveying electrical currents after January 24, 1945, and shall, with their supports, be fully and entirely removed from the streets and avenues of the said District of Columbia on or before January 31, 1945: *Provided further*, That the stretching and removing of the said wires shall be under the supervision of the Commissioners of the District of Columbia, or such other officials as may have jurisdiction in the premises, who shall see that the provisions of this joint resolution are enforced, that all needful precautions are taken for the protection of the public, and that the pavement of any street, avenue, or alley disturbed is replaced in as good condition as before entering upon the work herein authorized: *And provided further*, That no expense or damage on account of or due to the stretching, operation, or removal of the said temporary overhead conductors shall be incurred by the United States or the District of Columbia.

SEC. 3. The Secretary of War and the Secretary of the Navy be, and they are hereby, authorized to loan to the Committee on Inaugural Ceremonies such hospital tents, smaller tents, camp appliances, ensigns, flags, signal numbers, etc., belonging to the Government of the United States (except battle flags), that are not now in use and may be suitable and proper for decoration, and which may, in their judgment, be spared without detriment to the public service, such flags to be used in connection with said ceremonies by said committee under such regulations and restrictions as may be prescribed by the said Secretaries, or either of them, in decorating the fronts of public buildings and other places on the line of march between the Capitol and the Executive Mansion, and the interior of the reception hall: *Provided*, That the loan of the said hospital tents, smaller tents, camp appliances, ensigns, flags, signal numbers, etc., to the said committee shall not take place prior to the 11th of January, and they shall be returned by the 25th day of January 1945: *Provided further*, That the said committee shall indemnify the said Departments, or either of them, for any loss or damage to such flags not necessarily incident to such use. That the Secretary of War is hereby authorized to loan to the inaugural committee for the purpose of caring for the sick, injured, and infirm on the occasion of said inauguration such hospital tents and camp appliances, and other necessaries, hospital furniture, and utensils of all descriptions, ambulances, drivers, stretchers, and Red Cross flags and poles belonging to the Government of the United States as in his judgment may be spared and are not in use by the Government at the time of the inauguration: *And provided further*, That the inaugural committee shall indemnify the War Department for any loss or damage to such

hospital tents and appliances, as aforesaid, not necessarily incident to such use.

SEC. 4. The Commissioners of the District of Columbia and the Administrator of the Federal Works Agency be, and they are hereby, authorized to permit telegraph, telephone, and radio-broadcasting companies to extend overhead wires to such points along the line of parade as shall be deemed by the chief marshal convenient for use in connection with the parade and other inaugural purposes, the said wires to be taken down within 10 days after the conclusion of the ceremonies.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAINTENANCE OF PUBLIC ORDER AND PROTECTION OF LIFE AND PROPERTY IN CONNECTION WITH PRESIDENTIAL INAUGURAL CEREMONIES IN 1945

Mr. RANDOLPH. Mr. Speaker, I ask for the immediate consideration of House Joint Resolution 290 to provide for the maintenance of public order and protection of life and property in connection with the Presidential inaugural ceremonies in 1945.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. RANDOLPH. This resolution has to do with the inaugural ceremonies also and gives to the Commissioners of the District of Columbia certain powers in connection with the protection of life and property during that time.

Mr. MARTIN of Massachusetts. Why is it necessary to have additional power at that time other than at any other time?

Mr. RANDOLPH. Well, of course, we know that there are tens of thousands of people who come to Washington and the District officials have to have additional power to bring members of the police force of other cities here. In the past we have had to bring members of the police force from other cities here to aid our own officers. This has been requested by the Commissioners and is in line with all the other powers usually given.

Mr. STEFAN. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Nebraska.

Mr. STEFAN. The gentleman will recall that we passed an appropriation to defray the expenses of certain expert police officers from various parts of the country to come here in connection with the inaugural ceremony.

Mr. RANDOLPH. That is correct. The gentleman from Nebraska has stated the situation correctly.

Mr. STEFAN. This merely supplements that piece of legislation?

Mr. RANDOLPH. That is right. It is an authorization to the Commissioners giving them this additional power.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That $34,300, or so much thereof as may be necessary, payable in like manner as other appropriations for the expenses of the District of Columbia, is hereby authorized to be appropriated to enable the Commissioners of the District of Columbia to maintain public order and protect life and property in said District of Columbia from January 15 to January 26, 1945, both inclusive, including the employment of personal services, payment of allowances, traveling expenses, hire of means of transportation, cost of removing and relocating streetcar-loading platforms; for the construction, rent, maintenance, and expenses incident to the operation of temporary public comfort stations, first-aid stations, and information booths, during the period aforesaid, and other incidental expenses in the discretion of the Commissioners. Said Commissioners are hereby authorized and directed to make all reasonable regulations necessary to secure such preservation of public order and protection of life and property, and to make special regulations respecting the standing, movements, and operating of vehicles of whatever character or kind during said period; and to grant, under such conditions as they may impose, special licenses to peddlers and vendors to sell goods, wares, and merchandise on the streets, avenues, and sidewalks in the District of Columbia, and to charge for such privilege such fees as they may deem proper.

SEC. 2. Such regulations and licenses shall be in force 1 week prior to said inauguration, during said inauguration, and 1 week subsequent thereto, and shall be published in one or more of the daily newspapers published in the District of Columbia and in such other manner as the Commissioners may deem best to acquaint the public with the same; and no penalty prescribed for the violation of any such regulations shall be enforced until 5 days after such publication. Any person violating any of such regulations shall be liable for each such offense to a fine of not to exceed $100 in the municipal court for the District of Columbia, and in default of payment thereof to imprisonment in the workhouse of said District for not longer than 60 days.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. RANDOLPH. Mr. Speaker, at this time I should like to interrupt the call of the bills on the District of Columbia Calendar in reference to the subject of inaugural ceremonies to allow the distinguished chairman of the Public Lands Committee of the House to call up a bill that has to do with the same subject.

QUARTERING OF TROOPS PARTICIPATING IN THE INAUGURAL CEREMONIES

Mr. LANHAM. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 291, providing for the maintenance of public order and protection of life and property in connection with the Presidential inaugural ceremonies in 1945.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. LANHAM]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this bill merely provides for the housing of troops during inauguration?

Mr. LANHAM. Yes. It is the customary resolution that is passed with reference to inaugural ceremonies.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. LANHAM]?

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That the Administrator of the Federal Works Agency or head of any executive department or establishment is authorized to allocate such space in any public building under his care and supervision as he deems necessary for the purposes of quartering troops participating in the inaugural ceremonies to be held on January 20, 1945, but such use shall not continue after January 22, 1945. Authority granted by this joint resolution may be exercised notwithstanding the provisions of the Legislative, Executive and Judicial Appropriation Act for the fiscal year ending June 30, 1903, approved April 28, 1902, prohibiting the use of public buildings in connection with inaugural ceremonies.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF ACT OF JUNE 19, 1934 (PUBLIC LAW 435, 73D CONG.)

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4916) to amend the act of June 19, 1934 (Public Law 435, 73d Cong.)

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what is this bill about?

Mr. RANDOLPH. Mr. Speaker, I am going to ask the author of the measure, a member of the District Committee, to offer an explanation.

Mr. ABERNETHY. Mr. Speaker, this bill amends an act of 1934 providing for aid to orphans of veterans of World War No. 1 and it is the further purpose of this act to authorize an appropriation of $4,800 of District of Columbia funds in order that these benefits might be extended to the orphans of veterans who have died in recent years as a result of service-connected disability and also to aid the orphans of veterans of the current war. I may say that the bill was introduced by me at the request of the national legislative committee of the American Legion and General Harris, who is in charge of the program in the District of Columbia.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of June 19, 1934, entitled "An act providing educational opportunities for the children of soldiers, sailors, and marines who were killed in action or died during the World War," is hereby amended to read as follows:

"That there is hereby authorized to be appropriated from funds to the credit of the District of Columbia in the Treasury of the United States not otherwise appropriated, the sum of $4,800, annually, for aid in the education of children (between the ages of 16 and 21 years, inclusive, who have had their domicile in the District of Columbia for at least 5 years) of those who have died or may hereafter die as a result of service in the military

or naval forces of the United States during the World War on and after April 6, 1917, and prior to November 12, 1918, or during the period of the present war, on and after December 7, 1941, and prior to the termination of hostilities as declared by Presidential proclamation or by concurrent resolution of the Congress, including tuition, fees, maintenance, and the purchase of books and supplies: *Provided*, That not more than $200 shall be available for any one child in any one year: *Provided further*, That appropriations made in accordance with this act shall be expended, under rules and regulations prescribed by the Board of Education of the District of Columbia, only for such children as the said Board, from time to time, may find to be in need of such aid and in such amounts as the said Board from time to time may determine in the case of each child.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HEALING ARTS PRACTICE ACT OF THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3150) amending the Healing Arts Practice Act of the District of Columbia.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what is this bill?

Mr. RANDOLPH. Mr. Speaker, this measure would broaden the reciprocal licensing provision of the District of Columbia Healing Arts Practice Act so as to permit the licensing of certain qualified physicians who are now ineligible for reciprocal licenses. Briefly the points in the proposed legislation arise from the following: Under section 25 of the present act, which regulates the healing practice in the District of Columbia, an applicant who desires to practice the healing art in the District of Columbia on a reciprocity basis must show that he has been practicing the healing art for 2 consecutive years under the jurisdiction from which he has obtained his original license to practice. This has been found to be a rather serious obstacle to recognizing people who wish to come to the District and practice here. It will reduce the 2 years' limitation to 1 year.

Under the impact of war it is believed that this should be modified to 1 year instead of the 2 years. Dr. Ruhland, the Health Commissioner of the District of Columbia, appeared before the committee, the Commissioners appeared also, for this reciprocity between the States. It does not apply to people from any foreign country.

Mr. MARTIN of Massachusetts. This is just a war measure?

Mr. RANDOLPH. It is a necessary measure and on that ground the committee gave its approval.

Mr. STEFAN. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Nebraska.

Mr. STEFAN. When would this act terminate?

Mr. RANDOLPH. We make no definite determination of that.

Mr. STEFAN. Then in answer to the question asked by the gentleman from Massachusetts [Mr. MARTIN] it would be a permanent piece of legislation, would it not? After the termination of the war this legislation would still apply?

Mr. RANDOLPH. We are going to have a picture here in the District of Columbia which may make it very difficult and the committee did not put a limitation on it but thought it would come in with another bill to take care of the situation.

Mr. STEFAN. This refers to medical doctors?

Mr. RANDOLPH. Yes.

Mr. MILLER of Nebraska. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Does it relax the reciprocity provision between States now? For instance, the District of Columbia denies reciprocity to a great many States as it relates to the practice of medicine. A man coming from Nebraska, for instance, is not permitted to practice in the District of Columbia without taking an examination. Does this bill change the situation?

Mr. RANDOLPH. That situation is changed; yes.

Mr. MILLER of Nebraska. Does it give him a temporary permit to practice in the District of Columbia?

Mr. RANDOLPH. That is correct, on examination.

Mr. MILLER of Nebraska. On examination?

Mr. RANDOLPH. Yes.

Mr. MILLER of Nebraska. Then it does not change the condition of the present law?

Mr. RANDOLPH. It makes it 1 year. We have 2 years now, so we are amending it to 1 year.

Mr. MILLER of Nebraska. The provision for an examination is still retained in the present law?

Mr. RANDOLPH. That is correct.

Mr. MILLER of Nebraska. It does not really alter the situation very much?

Mr. RANDOLPH. Perhaps not as much as it might be altered in connection with the viewpoint of the gentleman from Nebraska, but we have attempted to consider the request of the health authorities in connection with it.

Mr. MILLER of Nebraska. There are about 15 States which they do not recognize?

Mr. RANDOLPH. I believe that is correct.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 25 of the act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929, is amended by striking out the following language in the first sentence of said section: "that he practiced the healing art under authority of said license for not less than 2 consecutive years immediately preceding the date of his application," and inserting in lieu thereof the following: "that he practiced the healing art after the issuance of said license for not less than 1 continuous year out of 3 years immediately preceding the date of his application"; and inserting after the words "District of Columbia." at the end of the first sentence of said section the following: "The required 1 continuous year's practice may be either private, institutional, or governmental, or a combination thereof."; and striking out the words "without examination" wherever they appear in the second and third sentences of said section and inserting in lieu thereof the following: "under substantially the same terms and conditions."

With the following committee amendment:

Page 2, line 10, strike out "sentence" and insert in lieu thereof: "and third sentences."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPLICATION OF DISTRICT OF COLUMBIA HEALTH REGULATIONS TO GOVERNMENT EATING PLACES

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4867), to extend the health regulations of the District of Columbia in Government restaurants within the District of Columbia.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this bill?

Mr. RANDOLPH. Mr. Speaker, at the present time the restaurants and cafeterias which are operated through Government channels are not inspected from the standpoint of health regulations. This bill would make existing and subsequent regulations adopted by the Commissioners of the District of Columbia for the protection of health, including the penalty provisions of such regulations applicable to all restaurants and other eating and drinking establishments operated in the District of Columbia, whether owned by the United States Government, or any Federal agency, or by any other person. The need for this has become apparent as the result of various hearings conducted by the committee and through reports received by various members with reference to conditions prevailing in eating places in Government departments. The Government cafeterias are not inspected as are the private eating places in the District of Columbia.

Mr. MARTIN of Massachusetts. This provides for equal inspection?

Mr. RANDOLPH. Yes; it provides for uniform inspection.

Mr. STEFAN. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Nebraska.

Mr. STEFAN. It has nothing to do with the health examination of employees in the restaurants, does it?

Mr. RANDOLPH. This has to do with the operation of the restaurants themselves and does not apply to the employees.

Mr. STEFAN. Under the present law every employee of an eating place in the

District of Columbia must have a health certificate?

Mr. RANDOLPH. That is correct. It is a regulation of the Health Department of the District.

Mr. STEFAN. They must go through some kind of health examination?

Mr. RANDOLPH. Yes.

Mr. STEFAN. That program has not worked out to the best interests of the health people of the District of Columbia for the reason that a bottle neck has occurred and thousands upon thousands have not yet been able to secure this health examination. The health officials of the District are very much disturbed about this situation. Can the gentleman tell us something about that? Will this meet the situation?

Mr. RANDOLPH. This bill would not go to that subject matter. It would only go to the inspection of the restaurants themselves and force them to meet the requirements of the District Health Department. It would not affect the employees.

Mr. STEFAN. A very serious problem has arisen here in that there are not enough employees in the Department of Health to inspect all of those employees who are working and handling food in the various eating places of the District of Columbia.

Mr. RANDOLPH. The committee will go into the matter further and get a report.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the regulations now or hereafter adopted or promulgated by the Commissioners of the District of Columbia for the protection of health, including the penalty provisions of such regulations, shall extend and apply to all restaurants, coffee shops, cafeterias, short-order cafes, luncheonettes, soda fountains, and all other eating and drinking establishments, operated within the District of Columbia on premises owned or held under lease by the Government of the United States or any Federal department or agency, irrespective of whether such establishments are operated by the United States or any Federal department or agency or by any other person, firm, association, or corporation, and also irrespective of whether such establishments are operated for profit or otherwise.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

POWERS AND DUTIES OF BOARD OF PUBLIC WELFARE, DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 2465) to redefine the powers and duties of the Board of Public Welfare of the District of Columbia, to establish a Department of Public Health, and for other purposes.

The Clerk read the title of the bill.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice, for the reason that it is a very controversial piece of legislation.

The SPEAKER. The gentleman is making a very unusual request. Does the gentleman from West Virginia desire to withdraw the bill from further consideration?

Mr. RANDOLPH. Mr. Speaker, I will only take 30 seconds. This bill was reported unanimously from the House District Committee after extensive hearings over a period of 2 months. We believe that the bill is in the best interests of the District of Columbia, but realizing the injunction under which we are operating today that controversial legislation would not be considered, certainly your District Committee would want to comply.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Nebraska.

Mr. STEFAN. I know that the D'Alesandro committee has been holding extensive hearings on this very important piece of legislation.

Mr. RANDOLPH. And they reported unanimously to our full committee.

Mr. STEFAN. This bill means the life or death of the Board of Public Welfare of the District of Columbia, a Board composed of volunteer workers, prominent people, who have given their time without cost to the District Government in the operation of the various charitable organizations in the District of Columbia. The legislation is so controversial that I feel it is not in the best interests of the people of the District of Columbia to pass on it within the few minutes' time we have.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to withdraw the bill, but I desire to say that the gentleman from Washington [Mr. COFFEE], chairman of the subcommittee, indicated that he was in favor of this legislation. We have had a unanimous report. I will withdraw it for the time being.

Mr. STEFAN. Mr. Speaker, I think we ought to have more time for debate. I am not for or against it.

Mr. RANDOLPH. We are just redefining the duties of the Board. We are not doing away with the Board of Public Welfare of the District of Columbia.

Mr. STEFAN. Does not the gentleman feel we ought to have more time to debate it?

Mr. COFFEE. Mr. Speaker, reserving the right to object, I may say to the gentleman from Nebraska and the chairman of the District Committee, in view of the fact that there are some Members who feel as does the gentleman from Nebraska that there should be further inquiry into the extent and scope of the bill, although I favor the bill I think it would be in the interest of time to withdraw it at this time.

Mr. STEFAN. I think in deference to the members of the Board of Public Welfare who have given their time for so many years free of charge to the best interests of the District we ought to give this bill some serious consideration.

Mr. RANDOLPH. Mr. Speaker, I reluctantly withdraw the bill in deference to the gentleman from Nebraska.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

EXTENSION OF REMARKS

Mrs. LUCE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter from a constituent.

The SPEAKER. Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

MRS. MILDRED MAAG

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2711) for the relief of Mrs. Mildred Maag, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 6, strike out "$3,857.03 and insert "$2,857.03.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942, and the Stabilization Act of October 2, 1942, from June 30, 1944, to June 30, 1945, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 4941, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

Mr. SPENCE. Mr. Chairman, I would like to know how many pending amendments there are to this section?

The CHAIRMAN. According to the record submitted to the Chair by the Clerk it appears that there are five amendments on the desk offered by the gentleman from Michigan [Mr. HOFFMAN], and one offered by the gentleman from Kentucky [Mr. SPENCE], to section 5.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent to withdraw my amendment to section 5. I shall offer it to section 6.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on section 5 and all amendments thereto close in 20 minutes.

Mr. HALLECK. Mr. Chairman, reserving the right to object, I desire 5 minutes, not on this amendment but on a matter of importance, so there will be some understanding by some of us who

have something to discuss other than that that pertains specifically to the amendment. I have no objection, and I want to expedite consideration of the bill.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on section 5 and all amendments thereto close in 30 minutes.

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, the Chair has just stated that I have five amendments. I have five amendments there that may be considered as one, or en bloc, and I only ask for 5 minutes on all five; that is, 1 minute on each. There are three other amendments here that are important and have to do with procedure. I would like to have 5 minutes on those amendments.

Mr. SPENCE. Thirty minutes will take care of all the time the gentleman needs. I renew my request that all debate on section 5 and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

Mr. Chairman, I ask that the reading of the amendment be waived because it is printed on page 5718 of the RECORD of last Saturday.

The CHAIRMAN. The gentleman from Michigan offers an amendment and asks unanimous consent that the reading of the amendment be waived? Is there objection?

Mr. SPENCE. I object, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Michigan.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On pages 13, 14, and 15 strike out section 203 (a) and insert the following:

"PROCEDURE

"SEC. 203. (a) After the issuance of any regulation, order, or price schedule, whether issued prior or subsequent to the effective date of this act, any person subject to any provision of such regulation, order, or price schedule may, at any time, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of or in opposition to any such regulation, order, or price schedule shall be received and incorporated in the transcript of the proceedings at such time and in accordance with such regulations as may be prescribed by the Administrator. Within a reasonable time after the filing of any protest under this act, but in no event more than 60 days after such filing (in the case of highly perishable commodities, such as fruits and vegetables, 10 days), unless by written stipulation the protestant consents to an extension of time, the Administrator shall either grant or deny such protest in whole or in part. In the event that the Administrator denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the Administrator has taken official notice."

Mr. HOFFMAN. Mr. Chairman, as I stated a moment ago, on last Saturday I asked permission to print these amendments in parallel columns in the RECORD, and they appear on page 5718 and subsequent pages.

The only difference between this amendment and the provision contained in the bill is that it provides that when a protest is filed with reference to a ruling or a regulation on perishable goods the Administrator must decide that within 10 days. Then it strikes out from the committee bill that provision which provides that after a protest has been filed the Administrator may take further and additional testimony, and hold further hearings.

The purpose of that is this: We have found that the National Labor Relations Act contains a similar provision, and even after the National Labor Relations Board has decided a case and after an appeal has been taken to the circuit court of appeals, then, on various occasions, the National Labor Relations Board has come along and held further hearings. I hope you get the point. It enables the Administrator to delay a decision indefinitely, and after a decision has been once rendered by the Board, to go back and rehash and again delay the case even though the case is pending in the circuit court of appeals. The only purpose of the amendment is to expedite the hearing.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from New York.

Mr. BARRY. Does it mean that the O. P. A. must make a final decision within 60 days?

Mr. HOFFMAN. It means that they must make a final decision within the 60 days, which is 30 days more than the committee bill gives them. It means that where the order affects perishable products they must make it within 10 days.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think this amendment well illustrates the futility of attempting to write a complicated and involved law on the floor of the House. The committee spent a long time in considering these procedural amendments. We have liberalized this law. We think we have given an opportunity to all the litigants to have their cases fairly and impartially considered by not only the Administrator but the Emergency Court of Appeals. We have made provision for the expedition of these decisions. We have liberalized the law in many respects. It is an involved and complicated matter. It certainly would not be advisable, it seems to me, to rewrite on the floor of the House that whole method of procedure, as the gentleman from Michigan attempts to do. I ask that the amendment be voted down.

Mr. BARRY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I offered a similar amendment in committee, and it was voted down. This is the situation which I should like to have you consider. Under the present law and under the amendments we propose, there is no time limit on when the O. P. A. must decide a question that is pending before it, and which must be decided before the Emergency Court of Appeals can assume jurisdiction. We have provided a reasonable length of time. If it is not decided within that time, then the protestant may appeal to the Emergency Court of Appeals to assume jurisdiction. However, that puts an additional burden on a protestant.

I feel that 60 days is a reasonable length of time, even though we must add additional members to the O. P. A. staff. One of the most serious complaints directed against the O. P. A. is its failure to make a decision. Many citizens are given a constant run-around, and time goes on, meetings take place, and conversations take place, but in the meantime a man may be out of business. I feel that 60 days is a reasonable length of time for the O. P. A. to make up its mind about a ruling or regulation that they themselves put into effect. Many Members do not seem to realize that the Emergency Court of Appeals cannot assume jurisdiction until the O. P. A. reviews the protest twice. I therefore recommend to the House that it support this amendment.

Mr. SMITH of Virginia. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I just want to endorse the statement made by the gentleman from New York in support of this amendment. The gentleman from Kentucky speaks of the danger of writing a bill like this on the floor. There is also a danger in writing it somewhere else if you are not familiar with the defects that ought to be corrected.

I want to tell you just what is happening under the present law and what will happen under the law as reported by the Committee on Banking and Currency. The law now provides that you can get into court only after the procedure provided under this section has been carried out. This procedure provides that you must file a protest with the Administrator and he must decide that protest within 60 days unless—now, the "unless" is the joker in the whole bill—he must decide it within 60 days unless he asks for further evidence.

This is what has happened, and we had case after case about it where people had never been able to get into court to have their grievances heard, because when the 60 days expired, the Administrator then asked for further evidence, and when he asked for further evidence all limitations of time were off. He did not have to decide the thing at any time, and did not decide it.

We had a case here where they went into the Federal courts in just that situation and the court, while it did not mandamus them, notified the Administrator that unless he did decide that protest the court would mandamus him. Under the committee bill, while it seeks to improve the situation, it requires that he decide it within a reasonable time and then the protestant may go into court and ask for a mandamus and compel him to decide it. So what you do is put the citizen to the necessity of two court procedures in order to get that case decided. First he must ask for a mandamus if it is not decided and if he gets a mandamus then

the Administrator must decide it and then you come to the Emergency Court.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. BARRY. It has been testified before the committee that the average protest to be reviewed by the O. P. A. takes 110 days or 3½ months before the protestant may reach the Emergency Court of Appeals.

Mr. SMITH of Virginia. That is, if he chooses to decide it. The point I am getting at is if the Administrator does not choose to decide it the protestant can ask for a mandamus and then the Government will have to decide the protest.

Mr. BARRY. The Emergency Court of Appeals must determine what a reasonable length of time is.

Mr. SMITH of Virginia. Otherwise the party can never get the case back into court.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I want to call the committee's attention to some of the differences between the amendment offered by the gentleman from Michigan [Mr. HOFFMAN], and the committee bill. The amendment offered by the gentleman from Michigan strikes out the provision that this procedure should be in accordance with the regulations to be prescribed by the administrator. Therefore you throw your whole machinery for review into confusion, because there is no procedure set up. In the next place it says, that unless he acts, grants, or denies the petition within 30 days it shall be considered as having been denied, and in the case of perishable fruits and vegetables, it allows him only 10 days within which to do that. At the end of 10 days, which is hardly time enough for the clerk to stamp the receipts stamp on the petition, he must act and of course all he can do is to deny the petition. If he is compelled to act within 30 days on other petitions, then all he can do is to deny them. Then the aggrieved person, the protestant, must go into the Emergency Court of Appeals and the Emeregency Court of Appeals, of course, not having any record before it, has nothing to do but to remand the matter back to the Administrator to perfect the record. Therefore you do not accomplish anything by it. You throw the machinery by which the protest is considered into confusion. You so restrict the procedure that the protest is denied in many cases where it might otherwise be granted. The advantage under the committee amendment is that the procedure allows him to perfect his case before it is reviewed by the Emergency Court of Appeals.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield for a correction in his statement?

Mr. WOLCOTT. Yes.

Mr. HOFFMAN. With all due respect to the gentleman, he is in error; he is absolutely wrong, when he says that this amendment, which is printed here, and he can read it for himself, strikes out this provision.

Mr. WOLCOTT. I have it, and I have read it.

Mr. HOFFMAN. All right. The gentleman said it struck out this provision or regulation. I am reading now the exact words of your committee bill:

> Statements in support of or in opposition to any such regulation, order, or price schedule may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the Administrator.

Now what is the use of making a statement such as the gentleman did that this amendment strikes that out? It does not.

Mr. WOLCOTT. If the gentleman will read his own committee report, he will find where the words have been stricken out.

Mr. HOFFMAN. I do not care about the committee report.

Mr. WOLCOTT. If the gentleman will read section 303, on page 16 of the select committee report, he will find where the words "in accordance with such regulations as may be prescribed by the Administrator" are stricken out. I think I can read English and I know what I am talking about.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. BARRY. It has been testified before our committee the record on reaching the Emergency Court of Appeals merely consists of the protest and the denial, probably supported by a couple of affidavits.

Mr. WOLCOTT. Yes.

Mr. BARRY. Rarely is testimony taken.

Mr. WOLCOTT. Under the committee bill he can go into the Emergency Court of Appeals at any time, even within 30 days, and ask for an order directing the Administrator to expedite the consideration of the matter and the Administrator is compelled to make his return or his finding within the time set by the Emergency Court of Appeals. In that way you get a record made.

Mr. BARRY. The gentleman stated the Emergency Court of Appeals would have to return the record or remand the case. That is not so.

Mr. WOLCOTT. I think the gentleman is incorrect because we gave the Emergency Court of Appeals original jurisdiction.

Mr. BARRY. That is, original jurisdiction.

Mr. WOLCOTT. But, of course, in practice the Emergency Court of Appeals, in these cases where there has not been time enough for the perfection of the record, is going to remand the case back and the O. P. A. is going to be asked to furnish economic data and everything else which is necessary.

Mr. BARRY. No; there is no need to send it back. This amendment gives the Emergency Court of Appeals original jurisdiction.

Mr. WOLCOTT. They can ask for a record. They can perfect it any way they please, can they not?

Mr. BARRY. That is, to send it back.

Mr. WOLCOTT. That is because they can send it back.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The question was taken.

The amendment was rejected.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. HOFFMAN: On page 14, at the beginning of line 21, strike out paragraph (b) and insert in lieu thereof the following:
>
> "(b) In the administration of this act the Administrator may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 302, but all such economic data and other facts of which the Administrator takes official notice shall be made available to the protestant, and he shall be given the right to question the officials compiling same as to their source, and he shall also be given the opportunity to show their incorrectness."

The CHAIRMAN. Permit the Chair to submit this as a suggestion, that only 5 minutes remain. Would it be agreeable to the gentleman from Michigan to be recognized for two and a half minutes and that the committee be allowed the other two and a half minutes?

Mr. HOFFMAN. Mr. Chairman, what else can I do?

The CHAIRMAN. The Chair offers that as a suggestion as being a fair arrangement.

Mr. HOFFMAN. All right, Mr. Chairman.

The CHAIRMAN. Without objection, the gentleman from Michigan [Mr. HOFFMAN] is recognized for two and a half minutes and the committee will be recognized for the other two and a half minutes.

There was no objection.

Mr. HOFFMAN. Mr. Chairman, you see where you are caught and where I am caught? Now here are amendments that the House will not give consideration. I have done all that anyone could do. I had them printed, as I said, paralleling the sections of the committee bill. These subsequent amendments provide the same sort of relief that the House yesterday voted into investigations, and that is, that the person charged with a violation might appear, produce witnesses, and be heard. If you do not want to write that in, as I said yesterday, I cannot force it through alone. My record is going to be clear on this thing and there is not going to be any mistake about it, and when my constituents complain to me about the fallacies and the injustices of this legislation as they will, and as they have been doing, my only answer is going to be that those in charge of the legislation refused to consider it or to adopt amendments which would have prevented the injustice.

This particular amendment does only this: I hope the gentleman from Michigan [Mr. WOLCOTT] who misquoted the other amendment, unintentionally and inadvertently, will read this one. The only change in this amendment from the committee provision is that where the Administrator goes outside the record and gets facts—data as they call it—then the man who is charged with a violation shall be permitted to challenge the correctness of that evidence. If you

want to deny to an American citizen the right to prove that the evidence which has been introduced against him is not true, I say again, it is all right with me, I cannot prevent it. I offer the amendment and ask its adoption.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I want to call attention to the fact that the committee amendment provides that in the administration of this act the Administrator may take official notice of economic data and other facts, which includes all of the facts stated by the gentleman from Michigan [Mr. HOFFMAN]. In respect to the investigations, that does not mean that he may be represented by counsel, that he may have a right to cross-examine witnesses. These are hearings and, of course, hearings under the rulings of the courts, especially in the last case in the Illinois Circuit Court of Appeals, the distinction having been drawn between "investigations" and "hearings," in a hearing he can be represented by counsel. He can examine the whole record at any time during the proceedings, even after he gets into the Emergency Court of Appeals, and he has a right to inspect this data and these facts and comment upon them and protect his case in exactly the same manner as a case is protected which goes from a district court to the circuit court of appeals. That is what we have protected in this bill; and I do not think the gentleman should make the charge that we have not given a hearing on these matters. This whole matter was before the Committee on Banking and Currency. We studied the Smith committee report earnestly and gave very serious consideration to it. In consequence we brought out this procedural and review amendment which, to my mind, is a very happy compromise between the two extremes of whether the Administrator shall do all of this behind closed doors, or whether he shall do it effectively and preserve all the rights which every protestant might have.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The amendment was rejected.

Mr. HOFFMAN. Mr. Chairman, I offer a further amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: Pages 13, 14, and 15, strike out section 203 (a) and insert the following:

"PROCEDURE

"SEC. 203. (a) After the issuance of any regulation, order, or price schedule, whether issued prior or subsequent to the effective date of this act, any person subject to any provision of such regulation, order, or price schedule may, at any time, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of or in opposition to any such regulation, order, or price schedule shall be received and incorporated in the transcript of the proceedings at such time and in accordance with such regulations as may be prescribed by the Administrator. Within a reasonable time after the filing of any protest under this act, but in no event more than 60 days after such filing (in the case of highly perishable commodities, such as fruits and vegetables, 10 days), unless by written stipulation the protestant consents to an extension of time, the Administrator shall either grant or deny such protest in whole or in part. In the event that the Administrator denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the Administrator has taken official notice."

Mr. WOLCOTT. Mr. Chairman, I make a point of order against the amendment that it is exactly the same amendment as the gentleman first offered and which the Committee rejected. I might suggest that on page 17, of the subcommittee report there is a section (d) which starts out in about the same manner and perhaps that is what led to the confusion.

The CHAIRMAN. The Chair has examined the amendment and it appears to the Chair to be the same amendment. The Chair is unable to detect any difference and, therefore, the Chair sustains the point of order.

Mr. HOFFMAN. Mr. Chairman, I offer a further amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 15, line 2, after the semicolon following the word "brief", insert the following: "*Provided, however*, That, upon any hearing held by the Administrator or by the Board, upon written request, an oral hearing shall be held at which witnesses shall be heard and any party to such proceedings shall have the right to cross-examine such witnesses."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The amendment was rejected.

The CHAIRMAN. Does the gentleman desire to offer further amendments to this section?

Mr. HOFFMAN. Not to this section.

The CHAIRMAN. Are there any other amendments to section 5? As the Chair understood, the gentleman from Kentucky [Mr. SPENCE] proposes an amendment by adding a new section following section 5.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent to withdraw that, and I will reoffer it following section 6.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

SEC. 6. Section 204 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(e) (1) At any time prior to or within 5 days after judgment in any proceeding brought pursuant to section 205 involving alleged violation of any provision of any regulation or order issued under section 2 or of any price schedule effective in accordance with the provisions of section 206, the defendant may apply to the court in which the proceeding is pending for leave to file in the Emergency Court of Appeals a complaint against the Administrator setting forth objections to the validity of any provision which the defendant is alleged to have violated. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 203 (a). Upon the filing of a complaint pursuant to and within 30 days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation, order, or price schedule complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the Administrator or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b), (c), and (d) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection.

"(2) In any proceeding brought pursuant to section 205 involving an alleged violation of any provision of any such regulation, order, or price schedule, the court shall stay the proceeding—

"(i) during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provisions;

"(ii) during the pendency of any protest properly filed by the defendant under section 203 prior to the institution of the proceeding under section 205, setting forth objections to the validity of such provision which the court finds to have been made in good faith; and

"(iii) during the pendency of any judicial proceeding instituted by the defendant under this section with respect to such protest or instituted by the defendant under paragraph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.

Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 205 (a) the court granting a stay under this paragraph may issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of the provision of the regulation, order, or price schedule involved. If any provision of a regulation, order, or price schedule is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 204 (b), any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 203, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 205."

Mr. SPENCE. Mr. Chairman, I wonder if we cannot agree to a time limit for the discussion of this section?

Mr. Chairman, I suggest that debate on this section and all amendments thereto close in 35 minutes.

Mr. HALLECK. Mr. Chairman, reserving the right to object, I should like to suggest to the gentleman that on the previous section I sought to make arrangements by which I might have 5 minutes to speak. Time ran out and I could not be recognized. I am going to seek recognition in connection with this section.

Mr. SPENCE. Then I suggest 50 minutes.

Mr. DIRKSEN. Let me suggest that this deals with the question of review.

The CHAIRMAN. Permit the Chair to suggest that 12 Members have been

standing during this time. Five minutes apiece would be 60 minutes, of course.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 1 hour.

Mr. DIRKSEN. Mr. Chairman, reserving the right to object, let me suggest to the gentleman from Kentucky that, with 12 amendments pending, 5 minutes for and 5 against would mean 2 hours. I think 1 hour is not enough to deal with an important matter of this kind.

Mr. SPENCE. I realize that the Members want to be heard, but it is perfectly apparent to everyone that unless we have some time limit we are not going to get through. I do not want to cut anybody off. Let us make it 1 hour and 20 minutes.

The CHAIRMAN. Permit the Chair to make a brief statement with regard to the legislative situation. When we started today there were 27 amendments at the Clerk's desk, which is 10 more than we had when we first started reading the bill for amendment. This will indicate the progress that is being made. This is the fourth day of reading the bill for amendment and we start out today with 10 amendments more than we had when we first started reading the bill.

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, what difference does it make whether we take 3 days, 4 days, or a week, if we get a bill? Not only that, but we are now coming to one of the most important sections of the bill—that which provides for court review. Why shut off and gag the American people? Why not give us a little chance to legislate?

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 1½ hours.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. HOFFMAN. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 1½ hours.

The CHAIRMAN. The motion is not in order now. It is not in order to move to close debate on a section until some debate has been had.

The gentleman from Kentucky has offered an amendment. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: On page 16 strike out line 8 and insert in lieu thereof the following:

"SEC. 6 (a) subsection (c) of section 204 of the Emergency Price Control Act of 1942 as amended, is amended by inserting immediately after the third sentence thereof a new sentence as follows: 'Two judges shall constitute a quorum of the court and of each division thereof.'

"(b) Section 204 of the Emergency Price Control."

Mr. SPENCE. Mr. Chairman, this amendment was suggested by the Chief Judge of the Emergency Court of Appeals, Albert B. Maris, as a result of the experience of that court. The court may sit anywhere in the United States. It sits in divisions of three. Even if there were an increase in the number of judges it will still be divided into divisions. Because of the exigencies of railroad travel and the uncertainties of sickness and other contingencies that might result the court feels that it is absolutely necessary to have this amendment in order that it may function properly. It can, of course, do no injury to the litigants because if the two judges do not agree they will have to send for the third judge. Judge Maris feels this will expedite the decisions of the court and will facilitate its work.

I ask that the amendment be adopted. I also insert at this point a letter I have received from Judge Maris on the subject. I secured permission in the House to insert this letter in my remarks.

The letter referred to follows:

UNITED STATES EMERGENCY
COURT OF APPEALS,
Philadelphia, Pa., June 7, 1944.

Hon. BRENT SPENCE,
Chairman, Committee on Banking and Currency, House of Representatives, Washington, D. C.

DEAR MR. SPENCE: The Emergency Court of Appeals desires to suggest a procedural matter with respect to which we think it would be well to amend the present Emergency Price Control Act. We would have communicated with you on this subject earlier except that we have been away from home on a 2 weeks' trip in which we held hearings in the far West and the Middle West and from which we have just returned. The matter is the quorum required to transact business in our court. The present act is silent upon the matter of a quorum. It fixes the number of the judges at not less than three in the case of the court and of the divisions of the court which are authorized to be set up.

It is our practice and purpose to assign three judges to hear all cases, but it may well occasionally happen, particularly in view of the many field hearings which we now schedule, that one of the three judges will not be able, due to the exigencies of transportation, illness, or other compelling cause, to be present at the time and place fixed for hearing. We, therefore, suggest that a quorum of two be authorized so that in such an emergency the two judges who are present may proceed to hear and dispose of the scheduled case rather than to delay the litigant's cause until a third judge can be secured. Since the two judges who are present would have to concur in any action taken by the court, a litigant could hardly be prejudiced by the absence of the third judge. If the two could not agree it would, of course, be necessary to rehear the case with a third judge present, but this situation would probably very rarely occur.

The Circuit Court of Appeals Act provides that three judges shall ordinarily sit, but that two shall constitute a quorum for the transaction of business. We think that a similar provision should be made for our court and I am accordingly enclosing an amendment to H. R. 4941 to cover this point. We will be very happy to have you give consideration to it.

With kindest regards, I am
Sincerely yours,

ALBERT B. MARIS,
Chief Judge.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. O'HARA. I did not quite understand the place where this amendment fits in the bill. It does not strike out the section but adds to it; am I correct?

Mr. SPENCE. It does not strike out anything, but adds a section.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 1 hour and a half.

The CHAIRMAN. The question is on the motion.

The motion was agreed to.

Mr. SUMNERS of Texas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SUMNERS of Texas. I would like to know how it may be known among whom this 1½ hours is to be divided, and how much time each gentleman is to get.

The CHAIRMAN. The Chair is not prepared to tell the gentleman. There are quite a number of amendments pending to this section and it will be the endeavor of the Chair to try to recognize those who have amendments to this section and to dispose of each amendment after the time allowed under the rules of the House for debate. The Chair will be as fair as possible and of course members of the committee are entitled to first recognition.

The Chair recognizes the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 17, line 1, strike out the words "and within 30 days from."

Mr. WOLCOTT. Mr. Chairman, this section provides that the court may grant a stay of proceedings for the purpose of testing the validity of any regulation or order in the Emergency Court of Appeals. Then this language appears:

Upon the filing of a complaint pursuant to and within 30 days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation, order, or price schedule complained of or to dismiss the compaint.

The amendment which I have offered would strike out the language "and within 30 days from" because it is my opinion that that restricts and limits the jurisdiction of the Emergency Court of Appeals in that it compels them to act within 30 days and if they do not act or cannot act within 30 days they lose jurisdiction.

We have provided in other sections of the bill that the Emergency Court of Appeals may expedite these proceedings and it would seem to me that we should not defeat the purposes of the bill by limiting to 30 days the time in which the Emergency Court of Appeals may consider the complaint.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan.

Mr. Chairman, as I understand the amendment it provides that the protestant can take an appeal to the Emergency Court of Appeals at any time. There is no limitation upon his right to file appeal. There is no time limitation in the Emergency Court of Appeals. If that is true, it seems to me that is not consonant with the ordinary practice. In every statute there is some provision that the appellant must take his appeal in a definite time, otherwise he loses. That prevails everywhere. It seems to me that to give a protestant before the Price Administration an opportunity to appeal at any time within his discretion would certainly not be in conformity with the ordinary practices even in the courts. If that is the effect of the amendment I do not believe I could agree to it. May I ask the gentleman from Michigan if that is the effect of his amendment?

Mr. WOLCOTT. The whole matter, in my opinion, is left in the discretion of the lower court anyway. If the complaint is not filed within a reasonable length of time or in accordance with the provisions of the stay, then, of course, the lower court could use its discretion as to whether it should further stay the proceedings. I am firmly convinced that unless the complaint is made, regardless of any action taken by the lower court or the Emergency Court of Appeals, within 30 days, then the Emergency Court of Appeals loses jurisdiction. I do not want them to lose jurisdiction. I want them to retain jurisdiction and I want the lower court to retain jurisdiction so they will have jurisdiction over these appeals. We do not want to defeat the purpose of this bill by limiting either court.

Mr. SPENCE. In all law there is provided time for appeal or else the appellant loses the appeal. If the protestant or appellant does not care to take an appeal he loses. I think a reasonable time should be given him to appeal, but I do not think he should have forever to take that appeal because that would be contrary to the general practice in all the courts. This amendment, in my opinion, should not be adopted if that is the effect of it, and I think that is the effect.

Mr. WOLCOTT. My amendment leaves to the court the question as to whether he has appealed within a reasonable time.

Mr. SPENCE. The protestant ought to have a definite right of appeal in a definite time. I do not think we ought to leave that to any court.

Mr. McCORMACK. Will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. It seems to me, from listening to what both gentlemen have said, that the gentleman from Kentucky, as I understand it, is concerned that this might leave with the protestant the right to appeal even after 6 months to the Emergency Court of Appeals, or at any time within his discretion. I am sure the gentleman from Michigan would not want that situation to exist. Am I right?

Mr. WOLCOTT. It does not exist under the present language. If we leave this in it takes away from the lower court all jurisdiction. There may be circumstances under which he cannot file a complaint within 30 days and the lower court should be given some authority to determine whether he has acted within a reasonable time. There are certain cases and certain circumstances, perhaps, where it would be impossible to file a complaint within 30 days. If the complaint is not filed within 30 days, then the Emergency Court of Appeals has no jurisdiction over the matter. I think we should leave this in the discretion of the lower court as to whether it will continue this stay for 30 days or 31 days or 60 days. Thirty days is purely arbitrary.

Mr. McCORMACK. Suppose we strike out 30 days, the question addresses itself to me whether the Emergency Court of Appeals by rule of the court would have authority to provide for any period. That is usually provided by statute. In Massachusetts if you appeal from a municipal court to the superior court, it has to be done in the following month from the time the case was entered in the lower court. In other words, a defendant cannot have an indefinite time in which to file an appeal. Yet I see the gentleman's point. My suggestion is this, in an effort to meet the situation, in an effort to try to harmonize the situation: Would it not be better to say "Within 30 days from the granting of such leave or such further time as the Emergency Court might extend"?

Mr. WOLCOTT. They are not in the Emergency Court of Appeals until they file the complaint. If the gentleman will go back to the language in lines 22 and 23, page 16, he will find this stay is granted only where there is good faith. Of course, if the stay is asked merely for the purpose of delaying the proceedings, then it is wholly within the jurisdiction of the court to provide the time in which complaint shall be made, otherwise it would be interpreted by the court that he has not used good faith.

Mr. McCORMACK. As I understand it, the gentleman from Kentucky is disturbed; if you strike out these words, it may give a protestant, say, 6 months to appeal to the Emergency Court of Appeals. I am sure the gentleman does not want that.

Mr. WOLCOTT. No. The Administrator could then go into court and the court could determine at any time after it has granted the stay whether there was good faith and the court could order the stay vacated and the proceedings continued.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 17, line 18, strike out the word "provisions" and insert "provision."

Mr. WOLCOTT. Mr. Chairman, it has been called to my attention that that was a mistake made by the Printing Office.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. DILWEG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DILWEG: Page 16, line 11, after the word "time", strike out "prior to or"; in line 19, strike out "is elected" and insert "has been found"; page 17, line 11, strike out the word "in" and insert the words "after judgment in"; line 12, strike out "involving an alleged" and insert the word "for"; line 15, after "(i)" insert "for 5 days after judgment and."

Mr. DILWEG. Mr. Chairman, the effect of this amendment is to permit a stay only after trial, conviction, and sentence, rather than allow a stay of the whole enforcement proceedings. It provides a stay of execution of judgment and permits a special appeal to the Emergency Court of Appeals on the issue of validity.

We must bear in mind that the basic theory of the price-control statute is that there is an unqualified obligation to comply with regulations unless and until they have been held invalid. It is absolutely essential to effective price control that price regulations be fully complied with, even while litigation is pending as to their validity. To secure such compliance, the Price Administrator must be able to enforce a price regulation effectively and without protracted delays, even though a protest or a complaint as to it is outstanding. It is also essential that people should not be encouraged to gamble on the outcome of litigation by violating a regulation on the chance that it would be held invalid in enforcement proceedings or that a subsequent holding of invalidity by the Emergency Court of Appeals will allow them to escape entirely the consequences of their violation. My purpose in limiting the special remedy is to eliminate its use as a means of delaying trial and removing a burden placed upon the O. P. A. enforcement staff of proving its case from 11 to 14 months after the case would normally get to trial, which, I believe, we can all agree, would be intolerable.

There is every reason to expect that most attorneys for defendants in enforcement proceedings would challenge the validity of the regulations as a matter of professional caution, if not for the purpose of strategic delay, irrespective of real doubt as to their validity. The result would be that virtually every enforcement proceeding brought by the Office of Price Administration would be stopped at the outset and held inactive on the court's docket pending exhaustive litigation by the defendant before the Administrator, the Emergency Court of Appeals, and the Supreme Court. In my speech in general debate I offered a dilatory timetable upon which every defendant could rely. I wish to repeat:

Elapsed time between filing a protest and decision by the Administrator now averages 111 days.

This time is necessary for the submission of evidence by the protestant, for the submission of evidence by the Administrator, for rebuttal evidence, for consideration by the Administrator, for preparing the decision

and opinion of the Administrator, and so forth. Under H. R. 4941, the elapsed time would certainly be longer. In the first place, many more protests would be filed because of the abolition of the 60-day time limit and because of the encouragement to violators to file protests. In the second place, the provision for consideration by the board of review would add appreciably to the elapsed time before action by the Administrator on the protest. In the third place, the protestant would have no incentive, in cases where an enforcement case was pending, to cooperate in obtaining prompt action on the protest. For these reasons, the period of delay pending decision on the protest would inevitably be longer than it is now.

The period authorized by the act for filing a complaint in the Emergency Court of Appeals after decision by the Administrator on the protest is 30 days.

Undoubtedly the dilatory defendant would wait until near the end of this period, as he would in similar periods enumerated below.

The period allowed by the rules of the Emergency Court of Appeals for filing of an answer to the protest is 23 days.

The period allowed by the rules of the Emergency Court of Appeals for filing of briefs is 40 days.

Setting of oral argument before the Emergency Court of Appeals adds another 10 days.

Decision by the Emergency Court of Appeals after oral argument averages 50 days.

Under the present act the time allowed after the decision of the Emergency Court of Appeals in which to apply for certiorari to the Supreme Court is 30 days.

Time necessary for the Government to file brief in opposition to certiorari is 20 days.

Period for action by the Supreme Court on petition for certiorari is 30 days.

If the petition is filed during the summer when the court is in recess the elapsed time might run as high as 120 days.

If the Supreme Court grants certiorari the filing of briefs, oral argument and decision would add another 90 days.

The total elapsed time, excluding delay by the Supreme Court because of its summer recess, and excluding the possibility that the Supreme Court will decide to review the case, is 344 days.

The basic concept embodied in the present act—that all persons shall comply with price regulations pending litigation over their validity—has been scrapped in theory and in practice.

We are all interested in placing every possible safeguard around the rights of any defendant to his defense against informal proceedings based upon an invalid rule or regulation. However, stale cases cannot be successfully prosecuted. Witnesses cannot be found; investigators and attorneys who know the case may leave the O. P. A., or be assigned elsewhere: present turn-over 60 percent per year. Again, I repeat that the burden would be intolerable and would certainly have its effect upon the efficient operation of the Office of Price Control. The Administrator has been criticized on unwarranted and unnecessary delays. I know of no better way to give any Administrator a better excuse for delay than to insist that his enforcement division follow the procedure set forth under the committee amendment. Enforcement would certainly break down completely while the absorption of the operating staff in the flood of litigation in the Emergency Court of Appeals would necessarily interfere with effective administration. I believe that this committee is confronted with this question: Do you want the Administrator to fight litigation, or do you want him to fight inflation?

I urge the adoption of this amendment.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. DILWEG. I yield to the gentleman from New York.

Mr. BARRY. The gentleman does not mean that any rule or regulation is suspended at all while the lawsuit is pending in a civil or criminal proceeding against the defendant.

Mr. DILWEG. He does not.

Mr. BARRY. All this does is to permit the defendant to set up a defense of illegality which, if set up in good faith, the Emergency Court of Appeals may decide upon, and the case is only suspended during that time.

Mr. DILWEG. That is very true, but that delay may be 12 months or 14 months.

Mr. BARRY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, few people seem to realize that a protestant has only the right to go into the Emergency Court of Appeals, but that the enforcement agency has the right to indict a man and use any court in the land that is available.

Under the law as it now exists a person may be indicted, convicted, and serve time in jail under an illegal regulation and cannot plead its illegality in defense. What the committee has done is to provide, where a man has been prosecuted criminally, that he may question the legality of the regulation under which he is being prosecuted, and then if the district court decides that his objection is in good faith, the Emergency Court of Appeals will pass upon the legality or illegality of that regulation.

What the gentleman's amendment provides is to have the case go to sentence, have the man convicted, and then afterward have the Emergency Court of Appeals pass upon it. What would be the result of that? The innocent man would have the stigma of a conviction, and no matter how you would try to explain it afterward, he still would be in the position of someone who was convicted of a crime and subsequently pardoned, and he would carry that stigma on down through the years of his life. That is the position a defendant would be in in the event the gentleman's amendment is passed.

Mr. DILWEG. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from Wisconsin.

Mr. DILWEG. The gentleman says his only objection to my amendment would be that a defendant might have some stigma attached to him because of the fact that he was found guilty.

Mr. BARRY. That is not my only objection. I feel that a man has the right to set up a constitutional defense of illegality at any time in the proceedings. As a matter of fact, I proposed in committee that the district court itself should have the right to determine whether or not the rule or regulation was illegal.

Mr. DILWEG. Would the gentleman kindly explain how you can effectively prosecute cases if you are going to permit delays to the extent of 12 or 14 months?

Mr. BARRY. The district court could pass upon the good faith of the protestant. If the legality of the regulation was decided upon once it would affect all subsequent cases.

Mr. DILWEG. But all regulations are subject to amendment.

Mr. BARRY. Then a man should have the right to decide whether or not it is illegal.

Mr. DILWEG. Would it not be the natural thing for a lawyer to file such protest proceedings in order to delay the case?

Mr. BARRY. I think the majority of regulations are obviously legal, and it would be the exceptional case where a man would set up the defense of illegality.

Mr. DILWEG. If it is the exceptional case, why not favor my amendment?

Mr. BARRY. I do not want to see anybody go to jail in an exceptional case for a crime he did not commit.

Mr. DILWEG. He would not go to jail if he appeals in good faith, execution of the judgment would be stayed.

Mr. BARRY. I do not want to see a man convicted of a crime he did not commit, and then subsequently be pardoned.

Mr. DILWEG. No; he would not be pardoned.

Mr. BARRY. He would be tried and convicted by the court.

Mr. DILWEG. That is right.

Mr. BARRY. He would not go to jail but he would be convicted.

Mr. DILWEG. That is correct. The O. P. A. has had something like 5,000 criminal cases in the courts.

Mr. BARRY. Even one case of that kind is enough.

Mr. DILWEG. Of course; I cannot argue about that.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to refer to an amendment that was adopted by the Committee late yesterday afternoon, the implications of which I am quite sure were not understood by the Committee because, if they had been, I am confident the amendment would not have been adopted. It was offered by my good friend, the gentleman from New Jersey [Mr. TOWE] who is one of the able and outstanding Members of the House. However, I find myself in disagreement with him on this issue.

To go back just a little bit, you will recall that the O. P. A. started out on a very comprehensive scheme of standardization and compulsory grade labeling according to standard specifications, as part of its operations under the Price Control Act. The result was that the brand-name manufacturers, the trademark people, and many others, including

consumers, became tremendously disturbed at the implications of that program.

Subsequent to that time I introduced a resolution, House Resolution 98, which set up a special committee of the Committee on Interstate and Foreign Commerce to investigate those programs and to determine their place in the price-control scheme, their effect on our economy, and the over-all question of their desirability. After hearings were held by that committee, an amendment was written, first in an appropriation bill and subsequently in the other body in an extension of the Commodity Credit Corporation, which specifically prohibited the O. P. A. from resorting to that scheme of standardization and compulsory grade labeling according to standard specifications as a part of the price-control program.

The original prohibition went as to all standards and specifications. Subsequently it was pointed out that there had grown up in certain industries general or over-all industrial classifications or specifications or standards that had been accepted in general use, so a proviso was added to the prohibition excepting those standards and specifications that had been in general use prior to that time.

The amendment that was offered yesterday was to strike out the word "general" that has long been contained in the act and is presently contained in the act, and so to leave it that a standard or specification that had been in use might serve as the basis for the extension of that program.

I do not know for sure and no one could tell for sure in this body just what application might be put on that by the O. P. A. if the amendment is allowed to stand. There are many who are fearful that this amendment might operate to bring about a scheme of standardization of consumer goods attached to pricing in such a manner as to eliminate brand names and trade-marks. In other words, with that word taken out of the prohibition we might have a situation under which the O. P. A. in direct contradiction of the position that has been consistently taken by the Congress of the United States not only on this occasion and in this manner but in all legislation dealing with this problem in years past, might seek to impose standardization orders, standard specifications, and compulsory grade labeling in violation of the intent of Congress.

Therefore, when this matter comes back into the House, it is my purpose to ask that a separate vote be had upon that amendment in order that the amendment may be voted down, the word "general" may again be included in the prohibition contained in the statute and thus avoid the extension of these standardization orders which the Congress has determined as not necessary for price control and should not be permitted.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last word.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. VOORHIS of California. I yield.

Mr. DIRKSEN. May I inquire just what the situation will be here with respect to debate in view of all the amendments that are pending, since the time is running?

Mr. O'HARA. I have an amendment also.

Mr. VOORHIS of California. Mr. Chairman, may I say that I propose to speak to the amendment that is now before the House.

May I say, Mr. Chairman, that I should like very much to make a 5-minute speech on the Disney amendment, but I am not going to do it at this time. I want to speak to this amendment.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

Mr. VOORHIS of California. I do not yield any more now.

Mr. HOFFMAN. A point of order, then, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. I understood the rule to be that the time was limited to 5 minutes in support of and 5 minutes opposed to each amendment. Maybe I am wrong.

The CHAIRMAN. That is true, but the gentleman offered a pro forma amendment, and he is speaking on that.

Mr. VOORHIS of California. May I remark that if there were to be any complaints about further speeches on this matter, they come exactly 5 minutes too late, particularly from the gentlemen on the left of the aisle.

There has been an amendment offered by the gentleman from Wisconsin, for whom I have the very highest regard, but it seems to me that the argument of the gentleman from New York in this particular instance is a valid argument.

As the House knows, I am a member of the Smith committee. The House also knows that I filed a minority report, along with the gentleman from New York [Mr. DISNEY], to the Smith committee report on this matter. One thing I did agree to in that minority report was the desirability of allowing an appeal to the courts to test the validity of O. P. A. rules and regulations, for it seems to me that such a court review and such an opportunity for court appeal will basically strengthen rather than weaken the structure of stabilization and price control.

If I understand the committee's language here, in my judgment the committee proposal is about the best one I have seen yet. I think the committee has dealt with all phases of this problem in about as effective a way as it could do. I am not a lawyer, and therefore these questions are a bit difficult for me, but, as I understand, what the committee has provided here is that any time a man is criminally prosecuted by the O. P. A. he may make an appeal to the court on the ground that he believes the regulation to be an invalid regulation under the law, and if the court finds that appeal on his part to be in good faith, the court may then stay proceedings against him until such time as the Emergency Court of Appeals within 30 days shall have decided that question. In other words, it appears to me that within 30 days after such an action has started the Emergency Court of Appeals must have decided once and for all and for the entire Nation whether or not this regulation is valid or invalid.

My further understanding is, and I want to be corrected if I am in error, that the bringing of an appeal of this sort does not suspend the effectiveness of the rule or regulation unless and until the Emergency Court of Appeals finds it to be invalid. That seems to me to be absolutely necessary, for if that were not the case you then might have situations such as I believe the gentleman from Wisconsin mentioned, where there could be an opportunity simply to bring these appeals, to ask for stays, purely for the purpose of suspending the operation of the rules and regulations.

I cannot see how the committee's proposal here is going to interfere with the effectiveness of price control. On the contrary, as I have said, I believe it may well strengthen it. I certainly think that it is desirable to give to citizens who are likely to be criminally prosecuted this opportunity to have a determination of the validity of the regulation ahead of time.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I concur in the statement being made by the gentleman from California. In the light of that, I have no expectation of offering the amendment which we agreed upon in our committee.

Mr. VOORHIS of California. I am much obliged to the gentleman from Virginia for those remarks.

It seems to me, therefore, in conclusion, that the committee has done a very good job on this, and I hope the committee's position will be sustained by the House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. DILWEG].

The amendment was rejected.

Mr. O'HARA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA:

On page 16, line 16, after the word "may", strike out the following words: "Apply to the court in which the proceeding is pending for leave to."

After the word "violated", in line 20, page 16, strike out all the remaining language in lines 20, 21, 22, 23, 24, and that part of line 25, down to and including "203 (a)."

Mr. O'HARA. Mr. Chairman, we are dealing with perhaps the most important subject that we are asked to pass upon in the continuation of this act. I approach this subject with considerable concern, because it involves the rights of our citizens and their rights of appeal. I do not know a more difficult way to provide by any language the right to grant an appeal than is written into this

bill. Here you have the situation where the defendant or the respondent, I think defendant is what he would be called, is given 5 days in which he may, pursuant to this section, appeal. Then he applies to the court for leave to file an appeal. He does not just have a right of appeal as he would have under ordinary conditions, but he has to apply to the court for leave to file an appeal. What I am attempting to do is to give him the absolute right of appeal and not have some court question whether he has the right to have an appeal or to give him that right and not to have some court quibbling about whether the appeal is taken in good faith. I want to give him that absolute right of appeal. This is the most extraordinary language that I have seen in giving a defendant a right to appeal, and then before he has the right to appeal somebody has to pass on whether his appeal should be entertained or not. What I am trying to do is to strike out the right of the court to pass on whether he shall appeal and give him the absolute right of appeal. I hope the committee will recognize the importance of it. After all, our people are tried and convicted by the O. P. A., and for heaven's sake, it seems to me, as citizens, they should have the right to appeal to the Emergency Court, which is the only right, as I understand it, that they have under the law.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Miss SUMNER of Illinois. I would like to say that I think the gentleman is right, and so far as I can see I do not see why that right should be so restricted.

Mr. O'HARA. I cannot imagine anything more difficult. They say, "You have to appeal within 5 days," and then they have to go down and apply to the court and say, "Mr. Court, I would like to appeal. I think I have substantial rights involved, but you have to pass on whether I am acting in good faith before I have the right to appeal." That is the silliest thing that can be written in the English language, involving the rights of citizens of this country.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. Suppose the appeal is not taken in good faith and a rule or regulation has already been decided to be valid and suppose that the appeal is taken frivolously and only for the purpose of delay. Would the gentleman deprive the court of the right to decide that question and would he give a frivolous appellant the same right of appeal as he would to an appellant in good faith?

Mr. O'HARA. The same right. I will say to the gentleman from Pennsylvania, if an attorney took such an appeal as that, I think he would be subject to be disbarred by the bar of his State.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. Yes; I yield to the gentleman from Michigan.

Mr. HOFFMAN. Some of these administrators take the position that all opposition to any of their orders is frivolous.

Mr. O'HARA. That is right.

Mr. HOFFMAN. You would not give a man his day in court.

Mr. WRIGHT. I would let the district court decide that, I may say to the gentleman.

Mr. HOFFMAN. The district court does not have anything to do with it.

Mr. WRIGHT. Yes; it does.

Mr. O'HARA. This is the Emergency Court of Appeals.

Mr. HOFFMAN. This is the Emergency Court of Appeals.

Mr. WRIGHT. No; it is not; you are being tried in the district court originally.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. HARNESS of Indiana. The order of the O. P. A. remains as it is until the court reverses it?

Mr. O'HARA. Exactly.

Mr. HARNESS of Indiana. The appeal would do nothing to interfere with price control.

Mr. O'HARA. Not a thing; it gives the court the right to review the whole matter. It does not stay the order at all.

Mr. HARNESS of Indiana. It simply gives the court the right to review the action of the O. P. A. in deciding whether or not the man was justly treated.

Mr. O'HARA. May I say to the gentleman, it gives the appellant the right to appeal. That is what I am trying to give to him.

Mr. HARNESS of Indiana. Absolutely. I am for the gentleman's amendment.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. HOFFMAN. In view of the way the Supreme Court is deciding cases over here, who would have the audacity to say that any appeal is frivolous when they say the law is one thing today and tomorrow it may be different. They say, "Come up and see what we have to say tomorrow about it." Well, they do.

Mr. WRIGHT. We are in a war.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to this amendment.

This provision of the act has absolutely nothing to do with any appeal excepting on the question of the validity of the regulation or order. Let us have that firmly fixed in our minds. It has nothing to do whatsoever with any appeal excepting on the question of the validity of regulations; and all the rights to appeal which are now vested in any respondent or defendant are preserved, with the exception of setting up new machinery for hearing the question and deciding the question of the validity of the order. If you will refer to subsection (d) of section 204 on page 11, of the Emergency Price Control Act, you will find this language:

> Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation, order, or price schedule—

And so forth. That language has taken away from the court the jurisdiction of questions having to do with the validity of a regulation or order. It takes that away only. It does not take any other right away from the defendant or any other person before the court. So the only thing we are talking about in this stage of the proceedings, for the purpose of filing complaints with the Emergency Court of Appeals, is the question of the validity of the regulation or order. Now you appeal for one or perhaps a hundred different reasons and any right which the respondent now has in any appeal on any other question other than the validity of a regulation, may be appealed. That question may be appealed to the circuit court of appeals and to the Supreme Court if it is a question which the Supreme Court will consider. The only reason why we establish this procedure in respect to questions having to do with the validity of a regulation or order is so as to prevent confusion in the administration and the enforcement of this law. If it were not for these provisions, the 85 district courts could, to exaggerate for the purpose of this statement and to make clear the point that I want to make, the 85 district courts could have the same question before them and there might be 85 different opinions on the validity of the same regulation or order. Of course, you can readily understand what that would do to the enforcement of this act. So we set up this machinery to centralize the question of the validity of the regulation or order in this one court and insofar as that one question is concerned, that is, the validity of a regulation or order, then the Emergency Court of Appeals stands in about the same position with respect to the district court as the circuit court of appeals does to the district court on all other questions.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. ROBSION of Kentucky. Speaking of the court passing on what is a reasonable and substantial excuse, am I correct in interpreting this to mean that the district court in which objection is made and from which appeal is taken to the Emergency Court of Appeals is the court which passes upon the question of the appeal? It is not the Emergency Court of Appeals that passes on whether you get to that court, but it is the district court in which your case is pending?

Mr. WOLCOTT. That is correct.

Mr. ROBSION of Kentucky. Then that court will know something about your case?

Mr. WOLCOTT. That is correct.

I might say if the district court acts arbitrarily against the weight of the evidence or whatever is necessary to make out a case for the applicant, even the question as to whether the district court shall grant a stay for this purpose is reviewable in the circuit courts of appeal and the Supreme Court.

Mr. O'HARA. It involves criminal action as well as civil matters, does it not?

Mr. WOLCOTT. Yes.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. WOLCOTT] has expired.

The question is on the amendment offered by the gentleman from Minnesota [Mr. O'HARA].

The question was taken; and on a division (demanded by Mr. O'HARA) there were—ayes 26, noes 48.

So the amendment was rejected.

Mr. COX. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Cox: Page 16, line 22, after the period, insert a new paragraph, as follows:

"E-2. Any person aggrieved by any decision, directive, sanction, or order by any Federal agency or official, under purported authority of this act, may obtain a review of same in the circuit court of appeals of the United States for the circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court, within 60 days, a written petition, praying that such decision, directive sanction, or order be modified or set aside in whole or in part. A copy of such petition shall forthwith be served upon said agency or official who shall thereupon certify and file in the court a transcript of the record upon which such decision, directive, sanction or order complained of was entered. Upon the filing of such transcript, such court shall have exclusive jurisdiction to review such decision, directive, sanction, or order complained of and may hold unlawful and set aside the same insofar as it is found to be—

"(1) contrary to constitutional right, power, privilege, or immunity;

"(2) in excess of statutory authority, jurisdiction, or limitations or short of statutory right, grant, privilege, or benefit;

"(3) made or issued without full observance of all procedures required by law;

"(4) unsupported by substantial, credible, and material evidence upon the whole administrative record; or

"(5) arbitrary or capricious.

"(b) The judgment and decree of the court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 346 and 347 of title 28, as amended, of the Judicial Code.

"(c) Such decision, directive, sanction, or order shall remain in effect pending final decision in the courts: *Provided*, That no remedial or punitive measures shall be taken or instituted against any person subject to such decision, directive, sanction, or order, pending judicial review as provided herein, unless the court having jurisdiction of the case shall upon a proper showing find such measures necessary to further the prosecution of the war."

Mr. WOLCOTT. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Georgia [Mr. COX] is recognized in support of his amendment.

Mr. COX. Mr. Chairman, we find in the debate on this bill, confirmation of the fact that ingenious men find it easy to invent specious arguments, under certain circumstances, that support that which they wish to maintain. It will be observed by every man that this amendment is no attack upon the O. P. A. It is no criticism of the committee handling the pending bill. It ought to be apparent to everyone that it is important that language substantially as contained in the amendment should be written into the law. I can think of no valid argument that might be advanced against it. The objections to amendments heretofore proposed do not apply in this instance. The adoption of this amendment would in nowise interfere with the O. P. A. in the performance of its work. It would not operate as a stay of any decision that the O. P. A. might make. It is simply an attempt to arm an aggrieved citizen with the right to appeal to courts of law.

Let me make this observation, and I am sure I am on safe ground in doing so: I cannot believe that the moral sense of this Congress can justify and/or support depriving the aggrieved citizen of the right to appeal to the courts of the land for a judicial determination of rights which he believes has been transgressed by an agent of his Government. I cannot believe that Congress can justify delegating to an administrative agent, the appointment of which it has absolutely no control, the powers to make decisions to which no appeal can be taken.

We talk much about government by men and government by law. I am opposed to government by men, and that is the kind of government you get where administration agents are given the power to set up orders and rules having the effect of law. I can think of nothing more dangerous than to arm an administrative agent of the Government with broad dictatorial power and then turn him loose upon the public to use those powers in bullying and oppressing the citizen.

Now, my colleagues, this is an opportunity for this House to put itself on record, to say whether or not in its judgment an aggrieved citizen ought to be able to appeal to some kind of court.

Mr. HARNESS of Indiana. Will the gentleman yield?

Mr. COX. I yield.

Mr. HARNESS of Indiana. I should like to make this observation: When we had the Labor Disputes Act under consideration, the conferees on that measure tried to write into the bill a similar provision giving the citizen the right to appeal from the decisions of the War Labor Board. It was denied by those gentlemen who made the same argument against the amendment which was similar to the amendment offered by the gentleman on this act.

Today our people see where we made a mistake in not giving a man the right to appeal from decisions of the War Labor Board. I believe the gentleman's amendment will serve as a deterrent against administrators going beyond the statute law. I am for it.

Mr. COX. I thank the gentleman. This is a proposition upon which all types of people in this House should be able to unite. I know it should appeal particularly to the advanced liberals, and certainly Democrats and Republicans ought to be able to agree to it.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. WOLCOTT. Mr. Chairman, I withdraw my point of order.

Mr. MORRISON of North Carolina. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes.

Mr. MORRISON of North Carolina. Mr. Chairman, the very fine philosophy of law and government expressed by the brilliant gentleman from Georgia would meet with my approval if it were applied to peace times; but we are in war and we cannot sensibly conduct war through the courts of the land. The Price Administration program is a war measure. If it were not a war measure I doubt if there is a man in this House on either side of the aisle who would support it. The whole measure, the whole program, is violative of the general principles so brilliantly championed by the gentleman from Georgia.

As to the power to take over the business of citizens, think for a minute how mild and weak it is compared with the war power taking over the boys of the United States, the manhood of the country where there is no appeal in any way to the courts for their protection. They are absolutely subject to the military law. I do get a little weary hearing the brilliant attacks made upon this war measure necessary to support the efforts of our boys who are under the flag all over the globe trying to save this orderly and law-governed country in time of peace. What is the law now? It is not the law he has in mind, it is the military law of a great free people made in the organic law of the land in order that we might conduct war triumphantly and save the day when we can stand upon the principles advocated by the brilliant gentleman from Georgia and contend truly that this is a land of law.

Why, we cry how we regulate the price of peanuts, dried fruit, and Irish potatoes, and grow indignant at the violation of the rights of the producers of these commodities while their boys are under the harsh discipline of military law in our armies and navies without any appeal to the courts. I am not afraid, I am not made nervous when gentlemen demand that we should weigh in such delicate, golden scales everything we do with commercial commodities. I believe that the conscience of the court-loving, law-supporting people of this country recognize the law to be every reasonable and necessary right of this Government to conduct this war to triumph and glory everlasting, and I hope we shall cease to be frightened by all these little metaphysical arguments about our legal rights. There are no rights violated by this price-control bill. The whole measure looks to keeping this country from fracturing to pieces in demoralization and industrial and business wreck while our boys are struggling to keep the flags of liberty and glory in the skies; and it is not law to demand that the Congress open in the administration of these war tribunals, as in time of peace, to everybody who is worried about how he is treated about his dried fruit and his pigs and his chickens. Let us do away with all this little nervousness about legal

rights, because just as soon as the flags of liberty are triumphant in the skies of this world all of this war legislation will be repealed, at the demand of Republicans and Democrats, and we shall go back to the courts that my friend wants us to avail ourselves of in his argument.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The gentleman from Michigan [Mr. WOLCOTT] is recognized.

Mr. WOLCOTT. Mr. Chairman, it was my first thought on hearing the amendment read that it applied as well to all agencies of the Government as it did to O. P. A. I find it applies only to O. P. A. That is why I withdrew my point of order.

This review in respect of violations of price regulations and orders and price measures is a very delicate thing. We discussed this subject for days; yes, weeks. We agreed, all of us, I believe, that, consistent with the purposes of the act, having in mind that we were in a great emergency and that we should give every right to every individual protestant to have his grievances considered by a court set up by this Congress; frankly, as the gentleman from North Carolina has so well said, if this were peacetime, if the preservation of America depended upon the stabilization of our economy alone, and if there were not greater and more influential factors which we had to consider eating at the very vitals of democracy and threatening not only the stabilization of our economy but the very existence of our country, I think we could probably well go along with the amendment of my esteemed friend from Georgia. But he knows how far reaching it is, he knows what the result of possible suspension of regulations and orders having to do with price control would be, what effect they would have on the general price structure and inflation, even if the circuit court of appeals were given jurisdiction over the validity of these regulations and orders.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. COX. I am afraid the gentleman in speaking of the suspension of orders has misread the amendment. The amendment does not operate as a stay upon orders; it is simply a pretense at giving the citizen due process; that is all.

Mr. WOLCOTT. We have set up due process under the committee amendment. We have not denied any aggrieved person, any protestant, the rights that he otherwise has to have his grievances reviewed in a regularly constituted court. The only difference in the procedure set up in the committee amendment, as I said before, and the procedure now for the review of these cases in the circuit courts of appeal and the Supreme Court is that we centralize under the one head, in the one court, this question of the validity of a regulation, and it is absolutely essential that we do this if we are going to have effective price control. I would not make the exaggerated statement that if the gentleman's amendment were adopted we would by doing so have no price control, but I do say that it would likely result in a great deal of uncertainty and indecision in respect to the enforcement of rules and regulations.

Mr. COX. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Georgia.

Mr. COX. Just what uncertainty could it create? You have simply provided for a review of the finding of the O. P. A. As the gentleman said during his statement a few moments ago, it simply may operate as a restraint upon the administrative agency to go further than is permitted under the statute.

Mr. WOLCOTT. No. The restraint is here in the committee amendment. I do not think we should restrain them any more than we have restrained them under this bill in respect to enforcement and review. I may say to the gentleman, questions concerning the validity of a regulation might be pending in all of the circuit courts of appeal at the same time, and that is why I say his amendment in effect might lead to indecision and perhaps chaos.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not think anybody is more attached to the principles enunciated in the Constitution than I am, but the effect of this amendment would be to tear down all the machinery of price administration that is now in effect. It would substitute for the Emergency Court of Appeals the 11 appellate courts of the United States. It would bring about confusion worse confounded. There is no uniformity of decision in the appellate courts. One appellate court may decide the same question differently from the other appellate courts. It is essential certainly for the effective administration of this law to have uniformity of decision.

Mr. COX. Will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Georgia.

Mr. COX. I am afraid the gentleman has likewise misread the amendment because it provides for review by the Supreme Court.

Mr. SPENCE. It provides for review and certiorari may be granted by the Supreme Court to the circuit court of appeals, but the decision of the circuit court of appeals, unless taken to the Supreme Court of the United States, is final and it may be the war will be over before you have any decision of the Supreme Court.

Mr. COX. I wonder if the gentleman belongs to that group who have lost faith in our courts?

Mr. SPENCE. I have not. I have not lost faith in the courts or the Constitution, and I believe that every principle in the Constitution should be maintained in normal times, but we are not fighting today for individual rights. We are fighting for the preservation of the Constitution itself and that is the reason I think that men should forego some of the rights they have had in peacetimes in order that these sacred rights may be preserved in future years. An appeal lies from any direction, sanction, or order. I cannot conceive of any amendment that would cause more confusion or that would be more destructive of the machinery we have erected to control prices in the United States than to permit an appellant the right of appeal to the circuit courts of appeals of the United States and to the Supreme Court. If you agree to this amendment you have scrapped all the work the committee has done and you have substituted a method that the committee never considered.

Mr. FOLGER. Will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from North Carolina.

Mr. FOLGER. The Emergency Court of Appeals is a court duly authorized and established by the Congress?

Mr. SPENCE. Yes; and consists of judges who have served as circuit judges of the United States and district judges of the United States. The present Emergency Court of Appeals consists of two circuit judges of the United States and a district judge of the United States, appointed by whom? Appointed by the Chief Justice of the United States. They are appointed by Chief Justice Stone. If you want uniformity of decision, if you want this Price Control Act to be administered in a regular, orderly, systematic way, I cannot conceive how you could throw it into the circuit courts of appeal with their differing decisions. The result would be nothing but chaos and destructive of the very purpose we are trying to effectuate here.

Mr. WRIGHT. Will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. I just wish to remind the committee that the Banking and Currency Committee has provided judicial review in the present bill far beyond the judicial review that was provided in prior bills.

Mr. SPENCE. Yes; and we have made it more effective and more easily to obtain than it has ever been before.

Mr. Chairman, I am not going to indulge in heroics, but the sun never rests upon the battle lines of the United States and it is as essential that we preserve price control here as it is that we win our victories abroad. Therefore I hope nothing will be done to destroy this machinery that has been most effective up to now.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Georgia [Mr. COX].

The question was taken; and on a division (demanded by Mr. COX) there were—ayes 59, noes 89.

So the amendment was rejected.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment by Mr. DIRKSEN: Page 16, after line 7, insert the following:

"SEC. 6. (a) The first sentence of section 204 (a) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: 'Any person who is aggrieved by the denial or partial denial of his protest may, within 30 days after such denial, file a complaint with the Emergency Court of Appeals,

created pursuant to subsection (c), or with the appropriate district court, specifying his objections and praying that the regulation, order, or price schedule protested be enjoined or set aside in whole or in part.'

"(b) The fourth sentence of section 204 (c) of such act, as amended, is amended to read as follows: "The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this act.

"(c) The first two sentences of section 204 (d) of such act, as amended, are amended to read as follows: 'Within 30 days after entry of a judgment or order, interlocutory or final, by the district court provided for in subsection (a) or the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals as provided in section 240 of the Judicial Code, as amended (U. S. C., 1940 ed., title 28, sec. 347). The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The district court provided for in subsection (a), the Emergency Court of Appeals, the appropriate circuit court of appeals upon review of judgments and orders such district court, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals and of such district court or circuit court of appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order issued under section 2, of any price schedule effective in accordance with the provisions of section 206, and of any provision of any such regulation, order, or price schedule."

Mr. DIRKSEN. Mr. Chairman, next Thursday will be the 15th day of June 1944, and it will mark the seven hundred and twenty-ninth anniversary of Magna Carta. It will be 729 years ago that the barons gathered in that meadow along the Thames River in London and there, in the space of a single day, they made a foul king sign a statement consisting of 63 demands, 1 of which was that the king had outraged his people by carrying the court with him and making justice inaccessible.

There has been much history since then. There has been much sweat and tears and agony. There has been many a sacrifice in that 729 years to roll back the abuses of authority and preserve for people their devotion to a tribunal where justice against government can be found.

Today we are going to do something more than pass upon the question of the enforcement of a price-control bill. We are going to determine today a larger issue—namely, whether in achieving an economic objective, such as price control, we shall throw the court system of this country overboard. The whole issue here, in my judgment, based upon our national experience since this act was established in 1942, is to carry out the intent and purpose of the due-process clause in time of war and in time of peace, and to give the citizen a chance to stand before a man whom we call a judge and have him say, "Your Honor, can my Government impose an order, regulation, or schedule that will capriciously and arbitrarily and summarily put me out of business without due process of law?" The question here is whether or not there shall be a review of the validity of these orders, regulations, and schedules in the district courts of the United States. I have enough faith in the district courts of the land to fairly dispose the issues that may flow out of price-control functions.

May I say to the Members over on the majority side that the President has appointed 296 judges, of all levels, since he has been in office. There are only 318 Federal judges in all the Federal courts, from the chief tribunal on down. I shall not here and now confess a lack of faith in those who sit and preside over the district courts of the country, nor in their competence to pass upon the validity of orders, regulations, and schedules, if they put the citizen out of business. That is the issue that is before us today. That is the issue that comes resounding from the people everywhere I have been. When in many sections of the Nation, I read to them the language of section 204 (d) that "except as provided in this section no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation, order, or price schedule, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this act," they would not believe it. I have sent hundreds of copies of the price-control law out of my office with that provision underscored to indicate that all this power was now reposed in an Emergency Court of Appeals. We have divested our court system of jurisdiction. We have taken away power.

Let me submit to the distinguished gentleman who made such an eloquent speech: Must we, in time of war or in time of peace, throw justice overboard, make it a one-way street and deprive the humble citizen of the right to have his equity determined in an accessible court?

HOW THE LAW STANDS TODAY

How does the law stand today?

In a brief way, it provides that an aggrieved person whose protest or complaint has been denied by the Administrator can within 30 days after a denial of his protest, file a complaint with the special Emergency Court of Appeals.

The protestant must prove to the court's satisfaction that an order, regulation, or schedule is at variance with the law or that it is arbitrary or capricious.

If the Emergency Court enters a judgment on this complaint, that judgment does not become effective for 30 days.

That Emergency Court of Appeals cannot issue a temporary restraining order with respect to orders, regulations, and schedules.

It is up to the citizen, at time and expense, to endure inconvenience and sacrifice to get into the only single court which we have approved in the act of 1942.

Is that genuine due process? A court is of little value to the humble citizen of this land unless it is accessible.

And it is the only court.

As stated above, section 204 (d) of the present law provides that except for the Emergency Court—

No court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any regulation, order, or schedule.

Truly we have come far since the days of Magna Carta.

WHAT THE COMMITTEE PROPOSES

The Banking and Currency Committee has made no change in all this.

It has proposed a new subsection which deals with cases involving violations.

But must a citizen first violate the law before he can have an adequate review in an accessible court of an order, regulation, or schedule which imposes unnecessary hardship or unwarranted burdens not dictated by the needs of the times?

WHAT THE AMENDMENT DOES

The amendment which I have offered proposes to cure this condition.

It is simple, direct, and all-inclusive.

It preserves the same pattern of procedure now carried in existing law.

It gives the Federal district courts of the land the same jurisdiction as now enjoyed by the Emergency Court.

It affords power to the district courts to issue temporary injunctions or restraining orders.

District courts will be clothed with power to pass upon the validity of orders, regulations, and price schedules.

It revests in our Federal courts the jurisdiction which we took from them in the act of 1942.

The citizen has his choice of going before an accessible district court or the Emergency Court of Appeals.

An appeal may be taken to the Supreme Court in the same manner as is now the case with an appeal from the circuit courts of appeal.

It reestablishes the dignity of our court system.

THE OBJECTIONS THAT MAY BE RAISED

It may be said that review by district courts will destroy price control. How can it when there is such unanimity for a continuation of price control.

It may be said that there will be confusion as a result of divergent decisions in different jurisdictions respecting such orders, regulations, and schedules.

Let this answer be given. On June 1, 1944, the Judiciary Committee of this House reported Senate 1718 with amendments, a bill to provide settlement of claims arising from terminated war contracts and for other purposes.

There will be thousands of such cases. Not only will they involve vast sums, but in fact, the very economy of the nation.

Did the Judiciary Committee, composed of the fine legal minds in this House, undertake to create an emergency court which should be the only judicial hope of thousands of war contractors?

Did they despairingly view the future and talk of chaos and confusion and administrative difficulty if the courts were made accessible to the people?

They did not.

In section 13 (b) of that bill, they provide that a war contractor who is aggrieved by the findings of a contracting agency of the Government may bring suit in the Court of Claims, or appeal to the appeal board or in a district court of the United States.

Would you make justice accessible to a war contractor and not to the humble merchant, businessman or citizen?

It may be said that the right of a district court to issue a temporary order with respect to such orders, regulations and schedules will destroy the act. Will it?

Temporary orders and decrees are not so lightly issued.

There must be a showing of danger, or jeopardy, or irreparable damage before such an order would be issued. And if such a showing is made by a complainant, then a temporary order should be issued.

It may be said that it will hamstring O. P. A. Will it? If an aggrieved person takes his case into a district court, he must make the same showing there that he would in the Emergency Court. That part of existing law is untouched. It still remains for the complainant to show that an order, regulation, or schedule is not in accord with the law or that it is arbitrary or capricious.

Is it to be inferred that the judges in our Federal district courts are not as competent to pass upon these matters as the judges appointed to the Emergency Court?

Is it to be inferred that persons aggrieved by matters of little consequence will lightly rush into the Federal district court when they know that they must make a real case and that failure so to do means trouble and expense for them?

SOME BASIC ISSUES

For 6,000 years, the history of mankind shows man's struggle against abuses by the sovereign power. How he fought and bled for a system of tribunals where he might receive a chance for his case to be heard by an impartial judge!

Do you propose now as we did in 1942, to go backward and impair the authority of the courts?

Will it be contended now that to win the war and hold the line, it is necessary to deprive the people of these safeguards to civil liberty?

It is far better to endure some abuses than to foreclose this right of our citizens.

Not the least of the components of victory is morale and I know of no better way to serve morale than to provide our people with the assurance that in wartime as in peacetime, they can have their day in court.

The country is poised for a bond drive. Sixteen billion dollars is the goal. What kind of bonds. Bonds for victory! Bonds for freedom. Bonds to provide funds for young men who fight for the American way. Do we now propose to foreclose a portion of the American way by continuing the present restriction upon the people's access to the courts? Do we propose to confess now that we cannot have price control without impairing the jurisdiction of a court system that has served us in wartime and peacetime for more than 150 years? What a singular confession that would be and where are the defenders of the American way?

Mr. MONRONEY. Mr. Chairman, I move to strike out the last word and ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MONRONEY. Mr. Chairman, this undoubtedly is the most important amendment that could possibly be offered to the judicial section of this bill. I think it probably comes as a result of a lack of understanding, not on the part of the author, but on the part of the public of what constitutes the Emergency Court of Appeals.

If I were to ask my people back home about 99.44 percent of the people would say, "Well, it is one of those 'kangarco courts,' or it is a New Deal court, or it is something they just picked out of thin air and sat down up there."

I quite agree with my distinguished colleague, the gentleman from Illinois, that we all want to preserve our judicial system. The Emergency Court of Appeals is a Federal court. No one can sit on this Emergency Court of Appeals who is not a Federal judge. He is appointed for life, and he is assigned to this Emergency Court of Appeals by the Chief Justice of the United States. It is a specialized court, that is true, because there are myriads of questions involved, as this House surely knows by this time—vast ramifications and interpretations and difficulties in enforcing price control orders and things of that kind which must have some kind of specialized treatment.

The Chief Justice of this Emergency Court of Appeals, a veteran Federal judge, appeared before this committee. He told us that this was not a star chamber court, a court that sat only in Washington; but they were ready and willing and anxious to travel all over the United States and hear cases with much greater rapidity than the average Federal court of the land.

Now, we have opened up as wide as human mind can open the section for judicial corrections of complaints that have come in. There was a complaint against the 60-day uncontestable order that used to run, and we have opened that up so that it can be contested at any time. You can get into the Emergency Court of Appeals, which in effect is a specialized Federal court, at any time through channels provided herein.

I do not believe business and I do not believe the people in general want to have about 300 different interpretations on a price order, yet everybody knows that one Federal district judge could rule, for instance, that the price ceiling on corn was not correct at $1.07 and that it should be $1.12. Imagine what effect that would have in this nation, with its interlocked economy. You would not have any more price ceilings on corn at $1.07 and you would not have any at $1.12, because speculation would take effect.

Take many, many other prices, perhaps ruled invalid by one court. Business would be uncertain while waiting for the long, tortuous process to go through the regular courts of appeals, from the circuit courts to the Supreme Court. There would not be one single businessman who could buy his stock of merchandise with any degree of certainty whatsoever that the price he was buying to sell it at would be valid or invalid. He would have the interpretation of 1 Federal judge holding one thing and he might have 20 or 30 or 40 other courts holding a different thing.

So enact this amendment and take away a uniform jurisdiction such as the Emergency Court of Appeals now has. Take this away and you will have economic chaos in this country as far as business knowing what its prices will be or what the legitimate ceiling on the goods it has to sell will be. This uncertainty is dangerous to business.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Is not the result of the decisions of this court that we have a final decision right in the court of first instance instead of waiting until the Supreme Court passes on the question?

Mr. MONRONEY. The gentleman is exactly right, except that the Supreme Court can pass on the question after the Emergency Court of Appeals has ruled.

This amendment is even more far-reaching than the proposed bill of the Smith committee, which allows a person to go into a district court and try his case and then appeal to the Emergency Court of Appeals, which at least would give you some unified holding. Under their amendment the district court decision would be suspended until heard by the Emergency Court of Appeals.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Kentucky.

Mr. SPENCE. Under this amendment as I understand it, when the jurisdiction of the district court attaches it is exclusive. There are 85 district courts in the United States and 11 circuit courts of appeal, the decisions of each one of which might be different from the others.

Mr. MONRONEY. That is true. You would have economic chaos, without knowing what a ceiling was unless you knew what court it was being held in.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Michigan.

Mr. DONDERO. Can the gentleman inform the House whether or not the judge who appeared before your committee gave any record of the number of decisions in favor of the protestants and those rendered for the Government?

Mr. MONRONEY. It is in the first book of the hearings. I do not have it with me. Judge Maris testified and was very frank. He showed great understanding of this problem. He at least convinced our committee that they were handling these matters in a strictly impartial judicial way and getting action, which is the cornerstone of a legal test.

Mr. DONDERO. Can the gentleman give the number to the House?

Mr. MONRONEY. I cannot give the number out of my head. It is in the hearings.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, while the gentleman from Wisconsin [Mr. DILWEG] is looking for the testimony of Judge Maris giving exactly the figures on the number of cases, may I say to the gentleman from Michigan in response to his question that Judge Maris was asked specifically about that. An interesting thing is that the impartial character of the court is shown not so much by the number of cases decided either in favor of the O. P. A. or the petitioner as by the number of cases that were dismissed on the motion of the petitioner himself, indicating that the parties had reached an agreement. The judge emphasized that factor in response to a question asked by a member of the committee.

The gentleman from Wisconsin has found the figures, and I am glad to give them to the gentleman from Michigan. There were 141 complaints filed up to May 5, 1944. Ninety-nine of those were in price-control cases, and 42 in rent-control cases. Deducting additional complaints in consolidated cases, 19, less the total number of cases, the consolidated cases being counted as 1, left 122. Then there were deducted the cases dismissed, by agreement 42, which is the type of case to which I have referred, for failure to prosecute, 1, and on motion of Price Administrator before filing of answer, 9. Then there were the cases in which additional evidence had been ordered but supplemental transcript had not been filed, 9, and cases which were not ready for hearing because all pleadings or briefs had not yet been filed, 22. This left cases heard on their merits, 39, cases heard but not yet decided, 5, and cases heard and decided on their merits, 34.

I recall one figure that was given. The statement had been made that only two cases had been decided for petitioners. Judge Maris said that seven had been so decided after a full hearing of those cases.

The significant figure, I think, is that so many of these cases were dismissed on motion of the petitioner, and that was after discussions between the attorneys and the O. P. A.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. DONDERO. How many cases were decided in favor of the Government? There were seven cases in favor of the petitioners.

Mr. HAYS. As I recall, there were some 20 or more of them. I would be very glad if the gentleman from Wisconsin, who is going through the hearings, would get that figure for me. Yes, 27 of them.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from North Carolina.

Mr. FOLGER. Is there any possibility or suggestion that this court, appointed by Chief Justice Stone, is any part of the Office of Price Administration or inclined to partiality toward them or against any citizen?

Mr. HAYS. There was no proof of that before our committee. It certainly occurs to me that the evidence was all to the contrary. I am sure the committee was very greatly impressed by the judicial point of view which Judge Maris himself exhibited.

Mr. FOLGER. Is it the gentleman's opinion that this amendment if adopted would substantially disrupt and disorganize the whole procedure this committee has worked out?

Mr. HAYS. It is.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Arizona.

Mr. MURDOCK. I have heard the term "kangaroo court" used here several times in discussions on this bill. Not being a lawyer and not knowing many lawyers in O. P. A., I am wondering about that. What is the gentleman's opinion concerning the men who make up this special court, the Emergency Court of Appeals, and also of the attorneys generally who represent the Federal Government in O. P. A. throughout the country?

Mr. HAYS. The term "kangaroo court" was never applied to the Emergency Court of Appeals. Its procedure was never characterized in that way by any witness before our committee, if I recall the testimony correctly. Those were references to certain enforcement committees appointed by O. P. A.

Mr. MURDOCK. Yes; I understand that. I am really asking two questions. What does the gentleman think of the lawyers and legal procedure of O. P. A.? What is the gentleman's opinion as to the men who make up this Emergency Court of Appeals? Are they generally high class?

Mr. HAYS. Personally, I have the highest respect for the members of the Emergency Court of Appeals, and that is based partly on the testimony before our committee. As to the O. P. A. lawyers, I must advise the gentleman that the Legal Division was broken up by Mr. Bowles and its members transferred to administrative divisions. My impression of the lawyers from O. P. A. who appeared before the committee was a favorable one.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

The Chair feels it would be only fair to call attention to the fact that only 15 minutes of debate remain on this whole section, and there are four other amendments to this section on the Clerk's desk.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

I wish to reflect, if I can, the views of many Members who find their people have been so oppressed by O. P. A. regulations that they are anxious to give them their proper day in court.

As to the Emergency Court of Appeals, I agree that the Emergency Court would seemingly be set up largely for the benefit of the O. P. A. in support of its rules and regulations. Some speakers offer the defense that comparatively few protests have been filed, but I believe in this land of ours many people would like to make a protest, but would not think of doing it if they had to appeal to that court. I wonder if those cases cited came from large businesses which might afford to employ able attorneys and which could bear the expense. I do feel that I want to assist the little businessman in bringing his defense in the local court. "Hold the line"—that order went out and as a result prices were frozen and little attention could be given to increases in cost of production. Thousands of our citizens suffered from that order.

It is not to be wondered at that so many amendments have been offered. Although we desire proper price control, we want to protect our people as best we can. But in the matter of judicial review, why argue that it will ruin the price structure? Price control, yes; but why try to dictate prices on all commodities? I sympathized yesterday with the suggestion as to a limitation of 61 items. We should not attempt to take over too much. It cannot be done successfully. I know what many Members are trying to do. They are attempting to protect their people. It is difficult to understand all these amendments that are being offered. No one wishes to wreck price control. But we do want our people protected from severe punishment for innocent violation.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. MORRISON of North Carolina. Does the gentleman mean to reflect upon a court selected by Judge Stone from the district court and circuit courts of appeals of the Nation, and charge that that court, which was selected from such a personnel, was created in order to become a corrupt tool of the O. P. A.?

Mr. GIFFORD. I do not reflect at all upon the court. But I have thought that the emergency was written into the act so that it would be rather a defense for the O. P. A. I do not belittle the members of the court by any means.

Mr. MORRISON of North Carolina. That is what you charge.

Mr. GIFFORD. No; I will say that I think all the members of the court are saints, if it will reassure the gentleman. I make no reflection on the personalities of the court. Not by any means.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BUSBEY. Mr. Chairman, I move to strike out the last two words, but I will not use the 5 minutes.

The CHAIRMAN. That is what the gentleman from Massachusetts [Mr. GIFFORD] said, but he used the 5 minutes. The Chair will state there are four more amendments at the Clerk's desk to this section and only 10 minutes remaining. If all the time is going to be taken on one amendment, then the gentlemen offering other amendments will not be able to be heard at all on their amendments.

For what purpose does the gentleman from Texas [Mr. RUSSELL] rise?

Mr. RUSSELL. Mr. Chairman, I stood up when the first 12 Members stood up for time when the Committee limited the time. We did not have an opportunity

to speak in the general debate on the bill and did not get the chance to speak, and now they have come in and taken most of this time and we are deprived of the privilege of speaking on a matter on which we think our constituents are entitled to have our view recorded.

The CHAIRMAN. There are only two ways in which the time can be limited in the Committee of the Whole. One is by unanimous consent; and everybody certainly has the right to object if they want to object. The only other way is by majority vote of the Committee; and when the majority votes to close debate, certainly that is fair.

The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division demanded by Mr. SPENCE) there were—ayes 87, noes 91.

Mr. DIRKSEN. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. MONRONEY and Mr. DIRKSEN to act as tellers.

The committee again divided; and the tellers reported there were—ayes 127, noes 115.

So the amendment was agreed to.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment which is at the desk. In fact there are two of them. Inasmuch as the time is limited I ask unanimous consent that the amendments may be printed in the RECORD and that the reading of them be waived and a vote be taken without debate.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. HOFFMAN]?

There was no objection.

The CHAIRMAN. Does the gentleman desire the amendments considered en bloc?

Mr. HOFFMAN. I do, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman that the amendments be considered en bloc?

There was no objection.

Mr. OUTLAND. May I ask how many amendments the gentleman is asking to have voted on at once?

Mr. HOFFMAN. There are just two of them.

The amendments are as follows:

Amendment offered by Mr. HOFFMAN: Pages 16 and 17, beginning with line 8, strike out section 6, down to and including line 10 on page 17, and insert the following:

"REVIEW

"SEC. 204. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within 30 days after such denial, file a complaint with the Emergency Court of Appeals, created pursuant to subsection (c) or in the United States district court for the district in which the protestant resides or conducts his business or in the United States District Court for the District of Columbia, specifying his objections and praying that the regulation, order, or price schedule protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the Administrator, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the Administrator has taken official notice. Upon the filing of such complaint the court shall have jurisdiction to set aside such regulation, order, or price schedule, in whole or in part, to dismiss the complaint, or to remand the proceeding: *Provided*, That the regulation, order, or price schedule may be modified or rescinded by the Administrator at any time notwithstanding the pendency of such complaint. No objection to such regulation, order, or price schedule, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest or such evidence shall be contained in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the Administrator and not admitted, or which could not reasonably have been offered to the Administrator or included by the Administrator in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the Administrator. The Administrator shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation, order, or price schedule as a result thereon except that on request by the Administrator, any such evidence shall be presented directly to the court."

Amendment offered by Mr. HOFFMAN: Pages 17 and 18, beginning with and including line 11 on page 17, strike out down to and including line 22 on page 18 and insert:

"(b) No such regulation, order, or price schedule shall be enjoined or set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation, order, or price schedule is not in accordance with the law, or is arbitrary or capricious. In the event that the person aggrieved by the denial or partial denial of his protest elects to file a complaint in a district court, then the effectiveness of a judgment of the court enjoining or setting aside, in whole or in part, any such regulation, order, or price schedule shall be postponed until the expiration of 30 days from the entry thereof, except that if the judgment is appealed within such 30 days to the Emergency Court of Appeals, the effectiveness of such judgment shall be postponed until an order of the Emergency Court of Appeals disposing of the appeal becomes final, and no judgment of the Emergency Court of Appeals rendered in a suit under this section or under section 305 enjoining or setting aside in whole or in part any regulation, order, or price schedule shall become final or effective until the expiration of 30 days from its entry except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such 30 days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court."

The CHAIRMAN. The question is on the amendments offered by the gentleman from Michigan.

The amendments were rejected.

The CHAIRMAN. Are there any further amendments to section 6? The Chair understood the gentleman from Wisconsin [Mr. DILWEG] desired to offer an amendment at this point.

Mr. DILWEG. I withdraw it, Mr. Chairman.

Mr. OUTLAND. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. OUTLAND. I do not intend to take the 5 minutes. I simply want to make a brief statement.

Yesterday the ranking minority Member on the Committee on Banking and Currency, the gentleman from Michigan [Mr. WOLCOTT] made what seemed to me to be a very eloquent and very much of an American appeal to this House not to do things which would wreck the entire price-control structure. By the amendment we have just agreed to in committee it is my opinion that we have taken a very big step in doing just that. If we want to do anything to make price control unworkable, the amendment which we have just adopted is going to go a long way toward that objective.

I hope that when we go back into the House we will consider very carefully what we have just done and all of its possible consequences.

The Banking and Currency Committee considered carefully the many amendments relating to court procedure, and brought forth a bill designed to throw adequate safeguards around the individual without at the same time breaking the price-control line. I am certain that my friend the gentleman from Illinois [Mr. DIRKSEN] did not intend this amendment to be a crippling one in any sense of the word, and yet that is exactly what it is. The only way to hold the line, ladies and gentlemen of the House, is to hold it. This amendment, coupled with others that have already been accepted in the Committee of the Whole, will make price administration completely unworkable in this country. I for one intend to do everything possible to defeat these amendments when we have the opportunity for a roll call vote; I want to stand up, and be counted as among those who refuse to bend to special interest groups but rather place first of all the interests of our Nation.

Mr. RUSSELL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, one of the greatest things to the American people is the inscription on the front of the United States Supreme Court Building, which inscription reads, "Equal justice under the law."

In the beginning of our Government we created three separate branches of government. One of those branches was the judiciary, to interpret and pass on the laws made by the legislative branch. If I believed, as some of the Members believe who have spoken this morning, in the injustice rendered by such courts as established by the Congress, if I believed that those courts would not hold justice under the law, as some of you have indicated, I think the Congress is derelict in its duty in not destroying every one of them which they can destroy by legislative action, and on the other hand ask for a constitutional amendment to destroy the rest of them.

I believe in the courts of the land. I believe in every judge who is on the bench. Although there are some 70 districts scattered all over the country, I believe when a question of this kind

comes before them they will hand out justice under the law. I am going to assume that until the contrary appears. That is a presumption of law.

When the courts pass upon a law which has been enacted by the Congress they must take into consideration, according to the procedure established for the courts, the intent of the Congress in so enacting the law. So if this body is not afraid of the law which they are passing today, then why are you afraid of the judges that have been established by this Congress and by the executive branches of the Government? It is not everyone who has a monopoly on patriotism. We are all for the war. That is the main theme. We are all suffering. I am at a low ebb today. Since I have been sitting here I received a telegram from my sister informing me about one of the finest boys I ever knew, a son of my best friend, who came to Washington with me. The boy is missing in action. And another little red-headed boy who lived across the alley from my home, missing in action. Beside, I have lost relatives in this conflict, I stand foursquare for everything to win the war. But to say you cannot get justice under the law from the judicial branch, I cannot go along with that. I believe in that American traditional ideal that a man shall have his day in court, and that he will get a fair deal there, and the Government will get as fair a deal as they will from a special court that they propose to set up. According to the gentleman from Arkansas [Mr. HAYS] a judge of that special court was before the committee lobbying for this bill. I am sure you did not find any district judges or circuit court of appeal judges there lobbying for the bill.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL. I yield.

Mr. MAY. I was very much impressed by the gentleman's statement with respect to the inscription on the front of the Supreme Court. Does not the gentleman recall that when this bill was originally passed and the question came up as to what should be the tribunal to which an appeal could be taken it was argued that we ought to take it out of politics by putting it in the power of the Chief Justice of the Supreme Court to make the appointment of the judges rather than the President and remove all politics from it? Does not the gentleman believe that was a good provision?

Mr. RUSSELL. No; I cannot agree to that. I would rather risk the regularly sworn and I might say ordained judges who are honor bound, who are oath bound, to render justice under the law, that law which is defined as a rule of action commanding what is right and prohibiting what is wrong, according to the procedure set out. One of those things that we want to do is to see that there is no wrong committed without a remedy for it. Yes; I am for the American ideal that every American citizen shall have his day in court.

The CHAIRMAN. The time of the gentleman from Texas has expired; all time has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: Page 18, after line 22, insert:

"SEC. 7. Effective with respect to proceedings instituted after June 30, 1944, section 205 (c) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"'(c) Except as provided in subsection (f), the courts of the several States and Territories shall have jurisdiction of criminal proceedings for violations of section 4 of this act, to the extent, in the case of any such court, that such court would have jurisdiction if such violation constituted an offense against the State or Territory, and also have jurisdiction of all other proceedings under this section. In any case in which under the laws of a State or Territory, there is no court of such State or Territory which can exercise the jurisdiction of criminal proceedings or other proceedings, as the case may be, conferred by this section, then the appropriate district courts of the United States shall have jurisdiction of such criminal proceedings or such other proceedings, as the case may be. Except as provided in this subsection and in subsection (f) the district courts of the United States shall not have jurisdiction of any proceeding under this act instituted after June 30, 1944. No right, benefit, or privilege the granting of which is under the control of the Administrator pursuant to this act, or otherwise, shall be denied, suspended, or revoked by reason of a violation of any law or regulation, unless such person has been convicted of such violation, or has been found to have violated such law or regulation in some other court proceeding to which such person is a party.'"

Renumber the remaining sections of the bill accordingly.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the purpose of this amendment is to give local State courts jurisdiction over criminal proceedings provided for as a violation of law in this act. Where the State courts cannot assume jurisdiction it takes the criminal cases into the Federal district courts. My purpose in offering this amendment is to give local people an opportunity to have their criminal cases tried in local State courts.

I have had some experience in our State with the kangaroo court system which has been in operation; in fact, scores of small creameries in the State of Minnesota were taken into the kangaroo courts and assessed penalties and threatened with additional proceedings unless they paid the damages assessed by this so-called O. P. A. kangaroo court.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. WOLCOTT. The gentleman means that the Office of Price Administration through their agencies threatened criminal proceedings against people if they did not pay a sum of money.

Mr. AUGUST H. ANDRESEN. That is correct.

Mr. WOLCOTT. Does the gentleman know that if that is the case any person against whom such threat is made can file a complaint with the district attorney of any district that the officer of O. P. A. is guilty of compounding a felony and extortion?

Mr. AUGUST H. ANDRESEN. When I faced the O. P. A. kangaroo court official with this accusation he denied it, but in talking to this little creamery operator whom I have every reason to believe told me the truth, he said "he was told that unless he paid the penalty which the kangaroo court had assessed against him he would be haled into district court under criminal proceedings."

Mr. GWYNNE. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. GWYNNE. Is it not true that for years this procedure has been going on where they tell you if you do not do something in a civil court you will be prosecuted in a criminal court? And is it not true that the Department of Justice has put the stamp of approval on it?

Mr. AUGUST H. ANDRESEN. That is undoubtedly correct. In these so-called kangaroo proceedings to which I refer, the enforcement officer in our area for the O. P. A. stated that they certified these settlements of penalties to the district court for approval.

It seems to me that when there are petty and unintentional violations of O. P. A. regulations these local people should have an opportunity to go into their local courts rather than to be compelled to come to Washington or even to go into the Federal courts in the respective district. They are surely entitled to this remedy and the only remedy they can get and avoid a lot of unnecessary expense—and they cannot afford to spend a lot of money—is to have this chance to go into their local State courts in order to get justice.

Mr. COOLEY. Mr. Chairman, will the gentleman yield

Mr. AUGUST H. ANDRESEN. I yield.

Mr. COOLEY. Is the gentleman's amendment applicable only to criminal cases, or does it apply equally to civil and criminal cases

Mr. AUGUST H. ANDRESEN. I think my amendment is broad enough to cover rationing penalties but it was designed to deal with criminal cases.

Mr. COOLEY. Is there any reason why the gentlemans amendment should not cover both civil and criminal cases?

Mr. AUGUST H. ANDRESEN. No; there is no reason, but I am referring particularly to the criminal cases where they have criminal prosecution because of unintentional violations of price ceilings.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a question?

Mr. AUGUST H. ANDRESEN. I yield gladly.

Mr. DONDERO. Can a person be tried in a local State court under a Federal statute?

Mr. AUGUST H. ANDRESEN. There are a great many States wherein that can be done.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. O'HARA. The gentleman is trying to maintain the right of the citizen to a trial in the courts on a criminal prosecution; is not that the gentleman's purpose?

Mr. AUGUST H. ANDRESEN. That is correct, a trial in his local courts.

I urge the adoption of this amendment in all fairness to bring justice to the people.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. WRIGHT. Mr. Chairman—

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield

Mr HAYS. I take this moment solely for the purpose of answering the statement of my good friend the gentleman from Texas [Mr. RUSSELL] to the effect that Judge Maris was here lobbying for the bill. I believe that the gentleman did not intend to convey the impression that Judge Maris was acting improperly. Judge Maris was certainly not lobbying for the bill in his statements to our committee. He came in response to a request from the chairman of our committee. He spoke with a most judicial attitude and stated at the conclusion of his testimony that he was making no recommendations, he was simply prepared to accept whatever legislative instructions might be embodied in the law for his court.

Mr. SPENCE. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Kentucky.

Mr. SPENCE. May I say that I invited Judge Maris to appear before the committee and he impressed us with his judicial manner and attitude. He is an excellent judge as his actions as a judge have indicated.

Mr. WRIGHT. I thank the gentleman.

Mr. Chairman, with reference to the particular amendment pending, may I say that it was not submitted to the committee for its consideration. We already have two separate judicial procedures, one set up by the committee and the other by the Dirksen amendment just passed. I personally have not been able to reconcile both of them in my mind yet to find out what the bill would really mean and now we have a third provision introduced which has rather complex, far-reaching implications. I do not think anybody in the committee at the present time will quite understand the amendment without studying it. I repeat, the amendment sets up a judicial procedure which is new and which was not submitted to the Committee on Banking and Currency. It is extremely dangerous if we attempt in the Committee of the Whole today to legislate on a complete new judicial procedure, a delicate and involved matter which can only be resolved after hearings and consideration by the legislative committee which has the bill in charge.

Miss SUMNER of Illinois. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. It would help remove some doubt about these amendments if we had the opportunity to read them. Often we have to go to the desk. We never hear them until the Clerk reads the amendments. We cannot legislate wishful thinking around here or else we are apt to find we have a bill we do not want.

Mr. WRIGHT. I agree with the gentlewoman from Illinois. I am not going to vote for all these amendments in the hope some of them may turn out to be good, and in the meantime vote for a lot of amendments which might possibly be bad and wreck the procedure and enforcement of O. P. A.

Mr. WOLCOTT. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Michigan.

Mr. WOLCOTT. I do not know whether the Committee understands what it has done by the Dirksen amendment or not, but it has, by the adoption of that amendment, superseded all of the language in section 205 of the bill.

Mr. WRIGHT. May I ask the gentleman concerning that: Was the Dirksen amendment offered as a substitute for section 205, or does the gentleman mean that the effect of the amendment is to supersede section 205?

Mr. WOLCOTT. The effect of the amendment is to supersede the review position of the act. It sets up an entirely new procedure and eliminates the necessity for continuance of the Emergency Court of Appeals.

Mr. WRIGHT. Yet the provisions which have been studied by the committee for weeks as to the Emergency Court of Appeals are still in the bill. So you have two conflicting judicial set-ups and procedures outlined in the same bill at the present time, and now the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] attempts to initiate a third one.

The CHAIRMAN. The time of the gentleman has expired.

Mr. REED of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to make a few suggestions in regard to this matter as I see it. We can all understand why a majority of the House is so keen to see that every person has his day in court and that he has that day in court under proper circumstances. One thing we are apt to forget is that a person who is accused by some official of the Government for violating the law finds himself in conflict, not with one person, not with one community but with all the power of a great Government such as the United States; in other words, all the power of 135,000,000 people is brought to bear against him. Witnesses may be brought by the Government from every corner of the earth practically, certainly from every part of the United States, and from many countries by treaty arrangement. The most eminent counsel may be retained and the great powers of the Department of Justice are brought to bear to convict. They have every advantage. The farther away from home the honest man is hauled before a court the more danger he is in of being convicted. I do not think that anyone can question the soundness of that logic.

I have not studied the pending amendment carefully, but I have listened to the fine presentation on its behalf by the distinguished gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] and I can see exactly what he is aiming to do. Here is an honest man in a community; he is known in that community to be honest and the last man in the world to cheat his Government; when he comes to Washington he finds himself faced by an entirely different type of person to pass judgment on his character. The official in Washington wants to make the businessman charged with a violation out as a criminal, but the law presumes every man innocent until he is proven guilty. He ought to have every benefit of that phase of the law.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. Will the gentleman state specifically whether or not this amendment gives the person charged with the crime the opportunity to be tried before a judge in his own district? Is that all it does?

Mr. AUGUST H. ANDRESEN. In States where they can hear Federal cases in the State courts, if it is permissive, then the local State court can take jurisdiction of the criminal case, but in those States where they will not hear Federal matters, then it goes into the Federal district court of that State.

Mr. SUMNERS of Texas. Is that all the amendment does?

Mr. AUGUST H. ANDRESEN. Yes.

Mr. REED of New York. In conclusion may I say the nearer we can keep these proceedings involving honest men to their homes, the better chance he has of getting justice.

Mr. SHORT. Will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Missouri.

Mr. SHORT. If the person is actually guilty he wants a change of venue in order to get just as far away from home as he can.

Mr. REED of New York. There is no question about that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I hope we will pause for a moment and consider just where we are going. The amendment offered by the gentleman from Illinois [Mr. DIRKSEN], is of such a nature that from a practical angle if it should be made a part of this bill as finally enacted into law it will seriously impair the very purposes of price control through the ability to use the courts in order to prevent the effective operation of price-control legislation. The amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], goes even further in that direction.

Mr. Chairman, we are considering a wartime measure, and may I say to the gentleman from Texas who spoke about the inscription over the Supreme Court

Building, "Equal justice under the law," that we all agree with that. I know of no American who does not subscribe to that. But what justice under the law will we have if we lose this war? We are considering here legislation that is not applicable to normal peaceful times; we are considering legislation born of the war emergency, legislation which is just as necessary and essential as the implements and machinery of war are to our boys who are now fighting on the far-flung battlefields of the entire world. Of necessity we cannot have orderly processes of peacetime conditions, yet we must, in meeting the emergencies, strive as far as possible to protect the rights of our citizens. However, over and above everything else is the duty and the necessity of preserving the United States of America.

All of these arguments that are applicable under normal conditions are not applicable, or most of them are not, under the atmosphere of today—wartime conditions. This bill is a bill to control and prevent inflation, not a bill to bring about inflation. The curbing and controlling of inflation is necessary as a wartime measure.

I am afraid that we are turning this bill into a bill to bring about inflation. The control of inflation is threefold, as I see it: One, legislative; two, administrative; and three, psychological, on the part of our people. We are engaged in the first step, the legislative part. So far as criticism of defects in administration is concerned, I welcome them, and I think it is admirable to see Members criticized for administrative weaknesses in a constructive way. But let us not forget that we are legislating for a wartime situation and to meet wartime exigencies. While this may be considered as applicable to the Congress of the United States and to our people, it has its effect abroad. It is just as essential a part of our war effort as the production of tanks, airplanes, and the induction of our boys. Certainly we must have the courage to make sacrifices, to resist pressure groups, just the same as the young men who are wearing the uniform have made the sacrifices of their lives in Italy, in Normandy, and the Far East, and who are now fighting to preserve America.

So, I beg of you, my colleagues, to not lose sight of the fact that this is a wartime measure, born of wartime conditions. We are legislating in response to wartime exigencies, and our considerations and thought must be prompted by those circumstances. Above all, we must have price-control legislation. Other amendments will be proposed, such as the Pace amendment and the Brown amendment, and if either one of those amendments are adopted we might just as well throw up our hands and say that so far as this bill is concerned, it is no longer a bill aimed to prevent inflation but a bill that will bring about inflation by congressional action.

Mr. DONDERO. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, yesterday when we began our session the able and distinguished member of the Banking and Currency Committee, the gentleman from California [Mr. OUTLAND], took 10 minutes to scold the House for what it had done last week in adding certain amendments to this bill. Today he again took the floor to say something and comment on the amendments which had been offered and which have been adopted by the House. He expressed fear that the present bill might be weakened and price control adversely affected.

There is some merit in the comments which the gentleman made. I want to say, however, that what has been done and the amendments which have been added to this bill is nothing more nor less than an expression of the dissatisfaction and resentment on the part of the American people, through their elected representatives, not against price control, but against the administration of price control. Some of the amendments adopted, I believe, strengthen the bill and will make it more just and equitable. I voted for some of the amendments and against some amendments.

Mr. OUTLAND. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from California.

Mr. OUTLAND. I hope the gentleman did not mean exactly what the word "scold" usually implies. I took the floor yesterday, and I made my remarks today to hope and beg of the Members of this House that they would not let resentment or prejudice or partisanship or anything else stand in the way of a decent price-control program.

Mr. DONDERO. No one will disagree with that statement. We all support price control. We are in favor of it. I voted for the Emergency Price Control Act in the first instance. I am going to vote for this bill because it is my opinion that the committee has corrected many abuses which grew out of the present act and improved price control in the bill before us.

As some proof and evidence of what I just said about the expression of dissatisfaction by the American people against the administration of price control, I would like to read two or three sentences from a statement that has come to my desk from the Taxpayers Association of the City of Detroit. Just listen to this:

> In addition to this, the O. P. A. has expended great quantities of energy going about trying to stir up trouble between tenants and owners; it has been known to canvass buildings without a request from anyone trying to find a tenant who could be induced to complain about something.
>
> For some peculiar reason, the O. P. A. throughout its administration of rent control, has, at least in Detroit, tended to regard all landlords as in some especial manner the enemies of the state or society; and all tenants as wards and privileged children. Thus owners have been treated with bitter hostility; their most reasonable requests have been denied or ignored; their plight has been maligned and their motive slandered—all at the taxpayers' expense.

I is that kind of treatment of citizens and property owners, that has brought about such universal dissatisfaction everywhere, and particularly in my section of the State, against the administration of price control. I want to be realistic, the same as the gentleman from California, and say this: I realize we have to have price control in wartime, but if this bill is loaded down with amendments that will destroy price control and bring about a veto, and the Congress will sustain the veto of the President, it means that we will return to the present law, and price control will remain upon the country for another 6 months, and the benefits and improvements provided for in the bill now before us will be denied the American people. It is either the bill before us or a continuing resolution of the present law.

Therefore, I believe, that we would be doing a wise thing and helping our people by adopting amendments very carefully, if at all, and vote for the bill that we have before us, in order that the people might get some relief from the present administration of price control.

Mr. OUTLAND. I thank the gentleman for the statement he has just made, and I think it is one that almost all the members of the committee would agree to heartily. The committee tried to bring forth a bill that would meet a great many of these objections that have arisen against price control throughout the United States. While I certainly would not contend by any means that the bill is perfect in the field of rent control, in the field of judicial review and in other sections, we did the best we thought possible, trying to bring forth a bill that would correct those considerations.

Mr. DONDERO. In the administration of price control, they must consider the citizens of this country honest and law abiding instead of dishonest. They want to be law abiding, and they should not be treated as criminals, but that is the attitude that price control has taken against a large section of our people, and which has brought on this resentment against price control in the United States.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If it is the sense of the House, after all the hearings which have been held, and the debate on the floor in the last several days has been a sufficient spanking to all of us, including the O. P. A., then when the amendments are called up for final adoption, they can all be eliminated on the roll call.

Mr. DONDERO. They may be ironed out in conference, if adopted by the House acting in the Committee of the Whole.

Mr. BUSBEY. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I have listened with a great deal of interest to the words of the majority leader, the distinguished gentleman from Massachusetts [Mr. MCCORMACK], in regard to preserving the United States of America, and also acknowledging the right to criticize administrative weaknesses.

Mr. Chairman, one of the reasons I took the floor yesterday to give to this House the record of Mr. Tom Tippett and Mr. Tom Emerson and Shad Polier,

was because of the abuses that have been going on under O. P. A., that have provoked the numerous amendments that have been offered to this bill.

When a man is ill and he seeks the services of a doctor, the doctor diagnoses his case and tries to find the cause of his illness, and then proceeds to eliminate the cause. I want to relate an experience that took place in my office not so long ago when one of the head officials of the O. P. A., in the Price Control Division, called me up and asked for an interview. I had never heard of or met this man before he came to see me. He sat there one evening for two and a half hours and told me one of the most amazing stories I had ever listened to in all my life in regard to what was going on in O. P. A.

Toward the conclusion he said this:

Congressman, you may think it is strange that I should be up here telling you these things when I admit to you openly that I have been a party to and a part of this bureaucratic domination of O. P. A. ever since its inception. The reason I am up here talking to you this way is that this whole thing has gone so far in O. P. A. to undermine and destroy our representative constitutional form of government that I am scared myself. That is the reason I am up here.

He went on to say that while he was delegated the responsibility of setting prices in that particular division he did not have a word to say about it, because he had to send his orders up to some one of the long-haired professors or the palace guard to get their O. K. on it before he could send it out.

Mr. Chairman, that is the reason why the people are revolting against the administration of O. P. A., because men like Tom Emerson, Shad Polier, and Tom Tippett are in their way attempting to remake our form of government that you and I enjoy, without an open, armed revolution. They have succeeded much further in their efforts than most people realize. There is one thing about it, sooner or later you will have to recognize the fact and meet the issue. You are not going to hold the line of our republican form of government by pussyfooting or appeasement, you are going to have to stand up and fight and fight hard.

I am for price control, I am against inflation, I am also for the Constitution of the United States of America, and our representative form of government.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from North Carolina.

Mr. COOLEY. What position does Mr. Emerson hold with the O. P. A.?

Mr. BUSBEY. Mr. Emerson is the Deputy Administrator for Enforcement, at $8,000 a year. May I invite you to read the record of Tom Emerson, Shad Polier, and Tom Tippett, you will find it in yesterday's RECORD. I put it there yesterday.

I still insist that the trouble is not the price-control law but with the kind of men administering it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The amendment was rejected.

Mr. COMPTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COMPTON: Page 18, after line 22, insert:

"SEC. —. (a) Any person aggrieved (otherwise than in his capacity as an officer or employee of the United States, or as a member of the land or naval forces of the United States) by any order, regulation, decision, directive, or other action of any war agency (as defined in subsection (b)) may, unless the law pursuant to which such action was taken specifically provides a method of judicial review of such action, obtain a declaration of rights in respect of, and an order enjoining the enforcement of, such action in the circuit court of appeals for the circuit in which such party resides or has his principal office or place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court a petition for such declaration and order. Upon such filing, a copy of the petition shall be served forthwith upon the head of the agency concerned, and thereupon such court shall have exclusive jurisdiction to affirm, or, if the action of the agency is not in accordance with law, to enjoin the enforcement of, and declare rights in respect of, such action, except that the court shall dismiss the petition unless it determines that the petition has used due diligence in seeking to have the action corrected by the agency concerned and that the petition was filed within a reasonable time. If any facts are in dispute which in the opinion of the court are material, the court may take testimony with respect thereto or appoint a master for that purpose, and make findings of fact upon the basis of such testimony, or may require the head of the agency concerned to take such testimony and make findings of fact upon the basis of such testimony and to file such testimony and findings with the court. The judgment of the court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 239 and 240 of the Judicial Code.

"(b) For the purposes of this section the term 'war agency' means:

"(1) Any agency authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941.

"(2) Any agency in the Office of Emergency Management.

"(3) Any agency created by or pursuant to any law which by its terms will not be applicable with respect to any period after the present war, or after the termination of hostilities in the present war, or after a specified date.

"(4) Any agency exercising powers vested in the President which have been delegated to it, either directly or by means of a redelegation or successive redelegations."

Mr. WOLCOTT. Mr. Chairman, I reserve a point of order against the amendment.

Mr. COMPTON. Mr. Chairman, this has been a field day for the legal profession. I as a layman appear very humbly in connection with this judicial part of the O. P. A. bill. I feared that there would be a point of order made against my amendment, but at the same time I hoped that I might have a hearing.

I have before the Committee on Military Affairs the bill H. R. 4857, which provides only for review of decisions of the National War Labor Board. I know some progress has been made here this afternoon in providing recourse to the courts, but it seems to me that my amendment here would go a little further. From the criticism that has come to me from citizens and organizations and corporations of the directives of war agencies, I think some provisions for court review for any and all who feel they are aggrieved should be made as have been made this afternoon. I also think it ought to go further than the O. P. A. and the War Labor Board. My amendment provided for that.

There may be some who feel that my amendment would retard the administration of war agencies and therefore be against the best interests of the people generally and of labor specifically as they have indicated, but I feel that it is to the advantage of labor as well as all other groups and individuals to have this recourse to the courts. The traditional American principle of being allowed a day in court is as old as the hills, and I am sure that it was never contemplated by the Congress that these edicts, directives, orders, and manifestos by men, without any restriction or recourse, should obtain.

The question is whether or not we are to continue the policy initiated these past few years and accentuated during the war, of irrevocable directives. This government by men instead of government by law should be stopped. The O. P. A., the W. L. B., and all these other war agencies would function with much less criticism and irritation if the public felt they had free and unhampered access to the courts. I am sure by the same token that the agencies themselves would be much more careful and use more discretion in their actions in the administration of their broad powers.

I trust the gentleman from Michigan [Mr. WOLCOTT] will not insist on his point of order.

Mr. WOLCOTT. Mr. Chairman, I insist on the point of order that the amendment is not germane to the bill and contains subject matter beyond the scope and the purview of the bill.

The CHAIRMAN. The gentleman from Connecticut offers an amendment, to which the gentleman from Michigan [Mr. WOLCOTT], makes the point of order that it is not germane. The Chair has examined the amendment, and it appears that the amendment is much broader than and applies to agencies not covered by the pending bill. Therefore, the Chair sustains the point of order.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWIN ARTHUR HALL: On page 18, after line 22, add a new section as follows:

"That no person who violates or who is alleged to have violated any provision of a regulation or order issued by the Price Administrator of the Office of Price Administration shall be subject to any penalty or sanction or the withdrawal or denial of any benefits, rights, or privileges, or otherwise be subject to discrimination, unless such penalty or sanction, or the withdrawal or

denial of such benefits, rights, or privileges, or such discrimination, as the case may be, is specifically provided by law as a sanction for such violation or alleged violation."

Mr. EDWIN ARTHUR HALL. Mr. Chairman, in all this Tower of Babel today I have heard very little about what kinds of penalties will be imposed upon the people by the O. P. A. Yet under the present law, just about anything can be done by the Administrator. My amendment seeks to safeguard the American citizen from the long fangs of the bureaucratic wolves. It embodies the provisions after the enacting clause of H. R. 1359, a bill which I introduced early in the Seventy-eighth Congress.

Now to some the keeping of a campaign pledge may not mean a lot. However, I think every man and woman in this Chamber wants to reflect the will of the people back home. I promised my district I would do something about the way O. P. A. has acted. So in order to keep that faith, in order to keep that trust, I prepared this amendment, embodying provisions of the bill I mentioned. H. R. 1359 was the first step taken in the Seventy-eighth Congress to put pressure upon the bureaucratic agencies in order to curtail their power. I hope that some sort of regulation will be put in this O. P. A. bill. I am not satisfied with the limit to which power has been given this agency. We are still answerable to those back home, and those men and women we represent are subject to the regulations that are made so fast by the thousands in bureaucratic positions. You can make light of such a proposal, but there is not a person who represents his people back home who dares meet them face to face in all conscience when the question is asked, "What have you done to curtail the power of the O. P. A.?" I hope that the House will adopt this amendment. This is the first proposal to curtail their power. There were extensive editorials upon my bill from every section of the country. One newspaper editor in the State of Maine in commenting on this bill said it was a logical step to be taken along these lines to keep the power of O. P. A. from placing the American people in the status of serfs. This amendment which I have introduced will limit the penalties O. P. A. can mete out and lay upon the citizens of this country. O. P. A. will have to come to Congress to get their authority to fix penalties, whether it be for violation of gasoline rationing, in order to curtail and take away their gasoline stamps or automobile license, or whether it be a step much more drastic.

In my remarks of yesterday I pointed out, and it was greeted with humor from some sections, that a price-control law was passed at the time of the French Revolution, the third violation of which meant death by the guillotine. I am not attempting to scare this House and say that they will go that far, but when those in authority begin meting out punishments it is only a step from a fine or a jail sentence to the supreme punishment which could be meted out should certain wild and unbridled men assume power. I hope you will protect the people of the United States by adopting this amendment.

Mr. SPENCE. Mr. Chairman, I think it is a dangerous thing to attempt to legislate on a matter of this importance through passion and prejudice. The inflationary gap is growing every day. There is a decrease in consumers' goods and there is an increase in the purchasing power of the American people. These economic conditions are growing more perilous all the time. If we take away these restraints, God only knows what is going to happen to the American people. It is important to hold our lines on the far-flung battlefronts of the world, but it is just as important to hold the price lines here if the boys who are coming home are going to have the same advantages that their forebears had. That, I think, is the reason for these amendments that have been passed today. Usually they are accompanied by a denunciation of the bureau. None of us like bureaus. We would rather be free to do what we please. We would rather be free to assert our constitutional rights on every occasion. But unfortunately when we are fighting for the very life of our Nation we cannot do that. You have got to approach these things with clear heads and without prejudice, with the desire only to arrive at the conclusion of what is best for the American people. I hope that when we meet these amendments in the future we will not meet them in a spirit of passion and prejudice. It is easy enough to inflame the people, to talk about their rights having been taken away from them. In many cases they have. They have to be taken away from them to preserve our Nation and to preserve the future of the Constitution itself which we are fighting for today. Mr. Chairman, I ask that this amendment be voted down and all other amendments, where there is a preliminary denunciation of this bureau, because if the amendment is meritorious it needs no introductory denunciation to support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. EDWIN ARTHUR HALL].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC 7. (a) Subsection (e) of section 205 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(e) If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, the person who buys such commodity for use or consumption other than in the course of trade or business may, within 1 year from the date of the occurrence of the violation except as hereinafter provided, bring an action against the seller on account of the overcharge. In such action, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is the greater: (1) Such amount not less than one and one-half times and not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) $50. For the purposes of this section the payment or receipt of rent for defense-area housing accommodations shall be deemed the buying or selling of a commodity, as the case may be; and the word 'overcharge' shall mean the amount by which the consideration exceeds the applicable maximum price. If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, and the buyer either fails to institute an action under this subsection within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the Administrator may institute such action on behalf of the United States within such 1-year period. If such action is instituted by the Administrator, the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the Administrator, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered."

(b) The amendment made by subsection (a), insofar as it relates to actions by buyers or actions which may be brought by the Administrator only after the buyer has failed to institute an action within 30 days from the occurrence of the violation, shall be applicable only with respect to violations occurring after the date of enactment of this act. In other cases, such amendment shall be applicable with respect to proceedings pending on the date of enactment of this act and with respect to proceedings instituted thereafter.

Miss SUMNER of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Miss SUMNER of Illinois: On page 19, line 11, after the words "such amount" strike out the words "not less than one and one-half times and not more than three times the amount of the overcharge, or the overcharges" and insert "not more than $50 or treble the amount of the overcharge or overcharges, whichever is greater."

Mr. SPENCE. Mr. Chairman, will the gentlewoman from Illinois yield for a unanimous-consent request?

Miss SUMNER of Illinois. I yield.

Mr. SPENCE. Mr. Chairman, I wonder if we could not agree on a time limit for debate on this section and all amendments there.

Miss SUMNER of Illinois. Would the gentleman from Kentucky wait until we have a little debate and then he can so move?

Mr. SPENCE. I thought that we might agree.

Mr. WRIGHT. Mr. Chairman, I have an amendment.

Miss SUMNER of Illinois. Mr. Chairman, there are quite a few amendments. I copied them at the clerk's desk. There must be about seven amendments.

Mr. SPENCE. Mr. Chairman, can we agree on 40 minutes?

Mr. GOODWIN. Mr. Chairman, reserving the right to object, I understand there are eight amendments. Ten minutes on each amendment would scarcely leave us time, within that limitation.

Mr. WRIGHT. Mr. Chairman, reserving the right to object, I would like to proceed for 5 minutes on an amendment which I have.

The CHAIRMAN. The Chair will state there are about eight amendments on the desk on this section.

Mr. WRIGHT. Mr. Chairman, reserving the right to object, I would like to speak for 5 minutes on my amendment, and I am quite sure the committee wants 5 minutes on it.

Mr. SPENCE. Mr. Chairman, there is no desire to keep the Members from debating these amendments, but I think we must limit the time if we expect to get through with them. I will ask for unanimous consent to limit the debate to 45 minutes, if that is satisfactory, plus the 5 minutes of the gentlewoman from Illinois, which would make it 50 minutes.

Miss SUMNER of Illinois. Mr. Chairman, reserving the right to object, I notice in reading the amendments that most of them relate to this question. I think that after we finish this amendment we will more or less have cleared the air on this question of willful offense. If the gentleman from Kentucky would wait until after this amendment, I think he will be in a fair position to move for a limitation of time and perhaps get it done more quickly.

Mr. SPENCE. That is agreeable to me, Mr. Chairman.

The CHAIRMAN. The gentlewoman from Illinois [Miss SUMNER] is recognized for 5 minutes.

Miss SUMNER of Illinois. Mr. Chairman, this amendment will alleviate and remedy the complaints you have heard against being taken into court and punished for a fixed penalty, because of a damage which was not willful. This leaves it to the court who has said, "You are guilty," to say what the punishment shall be.

As you notice in this section the way this law is enforced, they let whoever buys a commodity and is overcharged go into court. As provided in this section he gets attorney's fees, he gets costs. He also gets damages which, according to this section as fixed by the committee, must be not less than one and one-half times the overcharge or $50.

Those of you who are lawyers know the great temptation not to sue except when the overcharge is very large. So that means there is more enforcement for the large overcharges than for the small items which go into the cost of living.

My amendment is very simple. It leaves it to the court to go up to $50 or treble the overcharges, which corresponds with the original bill. So in this case, if you adopt my amendment, when a man is found guilty a judge can look at the case. He may perceive, perhaps, that the plaintiff is a racketeer, or perhaps the defendant is a man who did not intend to overcharge. Perhaps the defendant was acting under a regulation which was so complicated that even Einstein could not understand it. The judge in that case, under this amendment, can assess a small damage, rather than as in the committee bill where they assess a man one and one-half times the damages, which might be as high as $33,000, or you could not tell what it would be.

Mr. HARNESS of Indiana. Will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. HARNESS of Indiana. In other words, the bill as it is written and reported by the committee makes it arbitrary?

Miss SUMNER of Illinois. Fifty dollars or one and one-half times the overcharge.

Mr. HARNESS of Indiana. Your amendment would make it discretionary with the court?

Miss SUMNER of Illinois. It would make it discretionary with the court, as it is in every other kind of lawsuit except in antitrust suits.

I draw your attention to the fact that the abomination of this enforcement as I have seen it in the past, is that it acts as if a violation of a price ceiling of O. P. A. were worse than such crimes as defrauding the United States in wartime.

There have been cases which held that $10,000 was a sufficient penalty for that. Or, in sedition cases where one man went to prison for 10 years and was assessed a fine of $10,000. Treason, $10,000. Under the committee bill a man might be held up for as much as $15,000 or $20,000 for an overcharge that he did not mean at all. To my mind this thing is so absolutely inconsistent with justice that we should not stand for it.

Mr. J. LEROY JOHNSON. Will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. J. LEROY JOHNSON. I know a man who overcharged for some rentals. There were 24 instances but the amount was very small, namely 25 cents per week, a total of $3.50 in all. Under the law at the time the court felt that it was mandatory to assess a fine of $50 for each violation; in other words, $1,700 for a violation that was not willful and in which the amount in all was only $8.50. Will your amendment correct that sort of situation?

Miss SUMNER of Illinois. Yes; it leaves it up to the judge. The judge is in the habit of looking at people and assessing damages. If the O. P. A. does not like it, they can appeal. That is traditional justice in America.

Mr. J. LEROY JOHNSON. Is your amendment a positive limitation?

Miss SUMNER of Illinois. No limitation at all. It says, "Not more than $50 or treble the amount of the overcharge, whichever is greater."

Mr. HARNESS of Indiana. Then there is a limitation in your amendment?

Miss SUMNER of Illinois. Yes; the judge cannot go over $50 or treble the amount of the overcharge, whichever is greater.

Mr. WRIGHT. Will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. WRIGHT. I think it might add to the information of the House if the amendment were again reported. There seems to be some confusion over what the amendment provides.

Miss SUMNER of Illinois. Mr. Chairman, I ask unanimous consent that the Clerk may again report the amendment.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk again reported the amendment offered by the gentlewoman from Illinois [Miss SUMNER].

Mr. COOLEY. Will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. COOLEY. Is it the purpose of the amendment to permit the presiding judge to exercise discretion in assessing damages?

Miss SUMNER of Illinois. Exactly.

Mr. COOLEY. So that he might take into consideration all the facts and circumstances?

Miss SUMNER of Illinois. Yes.

Mr. WRIGHT. Perhaps my mind does not comprehend the wording of the amendment, but, as I understand it, it would not seem to me that under the wording of the amendment the court would have any discretion. It would seem that he must of necessity apply the maximum.

Miss SUMNER of Illinois. No, no. He can make it a dollar if he wants to.

The CHAIRMAN. The time of the gentlewoman from Illinois has expired.

The question is on the amendment offered by the gentlewoman from Illinois [Miss SUMNER].

The amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I move that all debate on this section and all amendments thereto close in not to exceed 40 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Kentucky.

The motion was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 20, line 21, add a new subsection as follows:

"(c) Subsection (f) of section 205 of the Emergency Price Control Act of 1942 is amended by striking out the period at the end thereof, inserting a colon and the following: '*Provided, That*, notwithstanding the provisions of section 301 of the Second War Powers Act, 1942, or any other law, no such license shall be suspended in any other manner, for any other cause, or for a longer period of time, than provided in this subsection, and no regulation, order, license, or requirement heretofore or hereafter issued or prescribed pursuant to any provision of law other than the provisions of this act or of the Stabilization Act of October 2, 1942, may validly contain any requirement as to the observance of any regulation, order, license, or requirement issued or prescribed pursuant to this act or under the Stabilization Act of October 2, 1942.'"

Mr. WOLCOTT. Mr. Chairman, we have had a great deal of discussion in respect to the so-called kangaroo courts. This amendment will stop the functioning of these kangaroo courts in respect to violations of the Emergency Price Control Act of 1942 and the Stabilization Act of 1942.

A practice has grown up in O. P. A. something along this line, that as a condition in the permission or license or whatever it might be called, to sell rationed or allocated goods under directive issued in consequence of the Second War Powers Act, the O. P. A., or whoever made the directive, has made it an offense to violate any order, regulation, or price schedule issued under the Price Control Act.

The Price Control Act provides that in order to suspend a license issued under the Price Control Act a warning must first be given, and then if the respondent continues to violate the regulation or order the Administrator has only one other course, a very proper course, that is to go into a court and ask for a suspension of the license based upon the violation. The court, if it finds there has been a violation of the regulation or order or price schedule or license, may suspend, for a term not to exceed 12 months, the license to sell any commodity upon which there has been a maximum price set. Having that in mind, let us go back to the War Powers Act. The regulations under the War Powers Act provide that O. P. A. may suspend the right of a person to do business in rationed or allocated commodities upon violation for any time during the emergency.

The point is this: The abuses we have been talking about in the kangaroo courts set up within O. P. A. are that they make as a condition of the permission to sell allocated goods an agreement not to violate any of the price schedules and therefore they attempt to take jurisdiction, to take away these licenses in a manner other than is proposed in the Price Control Act. In other words, if a person sells a can of beans for 11 cents and the ceiling price is 10 cents, and it so happens that beans are being rationed, then that is a violation of the regulation under which the merchant is authorized to sell allocated materials, and his permission to sell allocated materials is taken away from him by the O. P. A. without a court hearing because he violated the price schedules.

This amendment prohibits that practice and compels an adherence to the procedure set up in the Price Control Act. To me it has been a reprehensible practice. It circumvents the clear intent of Congress that licenses be not suspended except as the result of court action. The practice is a successful endeavor to circumvent the protections which we put in the price control bill in respect to the suspension of licenses.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. MONRONEY. I wish to ask the gentleman from Michigan if this works only on the duplicated matter that he had reference to, that is the tie-in of a price violation and a rationing violation; or does it interfere with O. P. A.'s rationing of commodities by themselves?

Mr. WOLCOTT. No; it has nothing to do with rationing by the O. P. A. excepting that O. P. A. is prohibited from enforcing the Price Control Act through the powers granted to them under the War Powers Act.

Mr. MONRONEY. It sounds like a good amendment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. VOORHIS of California. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. VOORHIS of California. Do I understand that the gentleman's amendment has this effect, to say that wherever O. P. A. is enforcing a price ceiling it must enforce that price ceiling by the methods provided in the Price Control Act?

Mr. WOLCOTT. That is right.

Mr. VOORHIS of California. Is that correct?

Mr. WOLCOTT. That is correct.

Mr. VOORHIS of California. So the net effect of the gentleman's amendment from a practical point of view—or at least one of them—would be that no suspension of business could be effective against any individual without going through the court procedure which is to be observed under the price control enforcement; is that correct?

Mr. WOLCOTT. That is correct.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SMITH of Virginia. Can the gentleman tell us in what respect this amendment differs from the amendment offered by the gentleman from Tennessee [Mr. JENNINGS] a couple of days ago?

Mr. WOLCOTT. I have not time to discuss it; I do not know; I do not remember.

Mr. SMITH of Virginia. I think it is substantially the same language.

Mr. WOLCOTT. It differs materially in verbiage, I may say.

Mr. DILWEG. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. DILWEG. Where in the first clause of your amendment reference is made to "such license," am I correct in supposing that the reference there is to a license issued under the Emergency Price Control Act and not to an allocation under the Second War Powers Act?

Mr. WOLCOTT. That is right.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. AUGUST H. ANDRESEN. Are we to understand that existing law requires warning before they assess these penalties?

Mr. WOLCOTT. This has not anything to do with penalties; it has to do with suspensions of licenses to sell commodities.

Mr. AUGUST H. ANDRESEN. Take, for instance, the creameries I mentioned. These people did not have any warning, did not know they had violated the law at the time they were hauled into these kangaroo courts and assessed penalties.

Mr. WOLCOTT. That is the very practice my amendment is intended to prevent.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WRIGHT. Mr. Chairman, I offer an amendment as a substitute to the amendment offered by the gentleman from Michigan.

The Clerk read as follows:

Amendment offered by Mr. WRIGHT as a substitute to the amendment offered by Mr. WOLCOTT:

"Section 205 of the Emergency Price Control Act is amended by adding at the end thereof the following new subsection:

"'(9) The district courts shall have exclusive jurisdiction to enjoin or set aside in whole or in part, orders for suspension of allocations and orders denying a stay of such suspension issued by the administrator pursuant to section 2 (a) (2) of the act of June 28, 1940, as amended by the act of May 31, 1941, and title IV of the Second War Powers Act of 1942 and under authority conferred upon him pursuant to section 201 (b) of the act. Any action to enjoin or set aside such order shall be brought within 5 days after the service thereof. No suspension order shall take effect within 5 days after it is served or if an application for a stay is made to the Administrator within such 5-day period, until the expiration of 5 days after the service of an order denying the stay. No interlocutory relief shall be granted against the Administrator under this subsection unless the applicant for such relief shall consent without prejudice to the entry of an order enjoining him from violations of the regulation or order involved in the suspension proceedings.'"

Mr. WOLCOTT. Mr. Chairman, I make a point of order against the amendment on the ground that it is not properly a substitute for the amendment I offered. It has to do with the jurisdiction of the courts.

Mr. WRIGHT. Mr. Chairman, will the gentleman reserve his point of order?

Mr. WOLCOTT. Mr. Chairman, I reserve the point of order to permit the gentleman to make a statement.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. WRIGHT. Mr. Chairman, the amendment I have offered is the amendment that was adopted in the Senate. It was adopted in the Senate as a committee amendment. I believe the gentleman from Michigan is driving at a practice and abuse which has done very much to hurt O. P. A.

There is only one difference between the remedy I propose and the remedy he proposes and I intend to leave it to the House as to which remedy it thinks is better.

The gentleman's amendment would completely prohibit what has been known as the kangaroo courts. It would prohibit the O. P. A. from suspending anybody's license to deal in rationed articles by reason of that person's violating a price ceiling. At the present time the O. P. A. ties in the violation of price ceilings with the power to deal with rationing. As the gentleman from Michigan has explained very well, these two

powers are derived from two different acts

What I propose to do is to still let them retain that power. I am not sure that I am right, but I will submit it to the House to determine that. In the past there has been no way to appeal from the action of the O. P. A.

I propose that although the O. P. A. shall retain this power, there shall be an appeal to the district court and that court shall have the right to set such a suspension of license aside.

The committee is confronted, as I say, with a choice between two remedies; one is to take away this right and the other is to subject it to judicial review by the district court of the district. I may say that in talking with several of the gentlemen of the committee, I am informed they have spoken to some of the legal counsel of the O. P. A. and the indications from there are that the method I propose is workable. At least it has been agreed to by the Senate committee. It is a committee amendment and would aid in an agreement between the two Houses.

Mr. CRAVENS. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Arkansas.

Mr. CRAVENS. Contrasting the gentleman's amendment with the amendment offered by the gentleman from Michigan—I do not know which one is correct—would not the gentleman's proposal put an aggrieved citizen to another and further legal action and step which he would have to take in order to protect his rights, while the amendment offered by the gentleman from Michigan would stop them right in their tracks?

Mr. WRIGHT. The gentleman is right if you think the dealers are always aggrieved. The O. P. A. says that if a man violates a price ceiling he is an unfit conduit or an unfit distributor to deal in rationed commodities. If he does it deliberately, I think the O. P. A. is right. If, on the other hand, he does it through oversight or does it to a very minor extent, he ought to have the right to go to court and have his rights adjudicated. I would like to lean over backward and not take away from the O. P. A. any weapon which may be used to help combat price inflation, and still protect the rights of the citizen.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. I understand from a reading of the amendment proposed by the gentleman that it is required that a citizen shall waive some right of his in order that he may get justice under some other provision.

Mr. WRIGHT. The only thing he has to do is to agree that he will not violate the order while it is being tested in court.

Mr. O'HARA. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Minnesota.

Mr. O'HARA. I have marveled at these O. P. A. regulations and this bill and the 5-day appeal or limitation provision. I want to compliment the gentleman on what he thinks a lawyer could do in a complicated case in 5 days.

Mr. WRIGHT. May I say to the gentleman this provision never involves a rule or regulation. It merely involves the relation of the Government to one of its citizens, a man who has probably violated some price order. Usually it is a rather simple matter as to whether he did or not.

Mr. O'HARA. It would not take much time?

Mr. WRIGHT. I would not think so. Perhaps it might in some cases. I do not know where this amendment originated in its inception. I got it out of the CONGRESSIONAL RECORD. It was submitted by the committee in the Senate as a committee amendment and I thought it was better than the practice which exists now. Maybe the gentleman from Michigan has the right answer, I do not know.

The CHAIRMAN. The time of the gentleman has expired. Does the gentleman from Michigan [Mr. WOLCOTT] withdraw his point of order?

Mr. WOLCOTT. Yes, Mr. Chairman.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Pennsylvania [Mr. WRIGHT] for the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The substitute was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The amendment was agreed to.

Mr. CRAVENS. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CRAVENS: On page 20, line 21, after the period, add the following new subsection (c):

"(c) It shall be an adequate defense to any civil suit brought by the Office of Price Administration under the provisions of this act if the defendant proves that the violation of the act or of a rule or regulation issued pursuant to the act is neither willful nor the result of failure to take practicable precautions against the occurrence of the violation, and neither the Administrator nor the Office of Price Administration nor any employee thereof shall inflict or impose penalties, sanctions, or suspension orders of any kind, remedial or otherwise, not specified by statute, and expressly delegated to the Administrator or employee of such agency by lawful authority."

Mr. CRAVENS. Mr. Chairman, a casual reading of the amendment which I have submitted to the Committee shows that whether it is adopted or not it can have absolutely no effect of increasing inflationary tendencies in this country; neither can it have the effect, as has been charged against some of the amendments which have been under consideration, of interfering in any way with the war effort.

The sole purpose of the amendment I submit for your consideration is to relieve a situation which I think has done much to bring the administration of the O. P. A. into disrepute, has done much to irritate the people of this country and largely accounts for the unfortunate reaction which we have seen here in the past few days against the operation of the O. P. A.

The first part of the amendment which I propose will prevent a situation with which all of you are familiar. I have had many complaints and I am sure that I am in a typical situation. I refer to where a claim is made that some person who either cannot understand the O. P. A. regulations or in trying to understand them misconstrues them, and makes an innocent mistake. We will all confess that a great number of the regulations of O. P. A. are difficult to understand. It is impossible for agile minds to comprehend or to know what many of them mean. Yet when O. P. A. finds a person who has unintentionally violated some rule or regulation that it has promulgated, a horde of O. P. A. busybodies swoop down on him and say to him: "You have got to do this, you have got to do that," and they threaten him, they coerce him; in fact they go so far, in my judgment, as to approach an attempt at blackmail.

Mr. O'HARA. Will the gentleman yield?

Mr. CRAVENS. I yield to the gentleman from Minnesota.

Mr. O'HARA. I wonder if the gentleman can tell us how many thousands of regulations the O. P. A. makes each year or that it has in operation?

Mr. CRAVENS. No; I cannot.

Mr. O'HARA. It would run into the thousands anyway.

Mr. CRAVENS. I am sure it would, perhaps into the tens of thousands; but regardless of the number it runs into, you will find almost as many O. P. A. agents coming down to see you about the violation of one of them and threatening you with all sorts of dire consequences if you do not do what they say you should do.

If a person in good faith, after trying to find out what these regulations are, has tried to live up to the regulations as he understands them, or has made an honest mistake, either directly or through inability to get a certified public accountant to sell a can of beans for him at 10 cents instead of 11, and as a result of that situation violates a regulation unintentionally, then under the proposed amendment that shall be an adequate defense against charges that the O. P. A. may bring against him. In other words, it leaves the intentional, willful violator of a regulation subject to all the penalties of the law but relieves the person who has tried to do the best he can under very disconcerting circumstances to live up to these regulations. The amendment provides that if he proves he has done the best he can and has not willfully violated the regulations, then he has a good defense against prosecution.

Mr. Chairman, I do not think it is a strange doctrine in this country that before a person may be punished the person who would effect that punishment must be able to point to some lawful regulation which is violated and show that there is a penalty provided by law for such violation. All the second part of my

amendment does is to provide that no penalty shall be imposed upon any citizen in any part of this country unless the O. P. A., or whoever it may be who seeks to impose a penalty, can point to some provision of law which says that what the defendant has done is a violation of the law, and points out the penalty the law prescribes for such violation.

I can think of nothing that would do more to eliminate the Gestapo activities of this agency and serve to reestablish the O. P. A. in the esteem of the American people than the adoption of this amendment. At least, it would relieve many from the harassing tactics of this agency without in any way jeopardizing the recognized essential functions the O. P. A. is exercising and must exercise.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if we adopt this amendment, we adopt an entirely new principle in respect to civil practice and procedure. The civil provisions in this bill, in which the defendant may be sued for damages, set up no different machinery than in respect to damage suits brought on any other cause of action. I do not know of any other occasion where willfulness is made the basis for a civil action in damages on an implied contract.

We have in this case an implied contract between the Government and the retailer or seller of goods on which a maximum price has been placed. The Government assumes that he will not violate the rules or regulations, otherwise his license to do business might be taken away from him.

Then we provide for stipulated damages, and we have amended it, not to exceed three times the amount of the overcharge, or $50, whichever is greater.

It seems to me that it puts the Congress in a perfectly ridiculous light in respect to the enforcement of this act to say that anyone might have a defense that they did not intend to violate the law. In every suit for injunction, every suit for damages, every suit to suspend a license, the defendant merely comes in and he says, "I did not intend to violate the law" and the burden is immediately shifted, and instead of the action speaking for itself, that proceeding brought by the Administrator, either to prevent a violation or to suspend a license, or for stipulated damages, must turn upon whether the Administrator is able to dig into the defendant's mind to determine if he did or did not intend to violate the law. In any criminal action, of course, intent is usually one of the elements of the crime, and must be proven.

If we make intent an element in a civil action, we have done something very novel in American jurisprudence and practice, and I hope that this committee and this House will not make itself look as ridiculous as another body of this Congress did when a similar amendment was adopted by that body.

Mr. GOODWIN. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Arkansas [Mr. CRAVENS].

The Clerk read as follows:

Substitute amendment offered by Mr. GOODWIN: Page 20 after line 21 insert:

"(c) Section 205 of the Emergency Price Control Act of 1942 is further amended by adding the following new subsections:

"'(g) It shall be an adequate defense to any suit or action brought under subsections (b), (e), or (f) (2) of this section if the defendant proves that the violation of the regulation, order, or price schedule prescribing a maximum price or maximum prices was neither willful nor the result of failure to take practicable precautions against the occurence of the violation.

"'(h) Nothing in this section shall be construed to deprive the courts of the power to assess against the defendant the amount of the overcharge.'"

Mr. GOODWIN. Mr. Chairman, the principal difference between the amendment I am offering and that of the gentleman from Arkansas is in the last section, which I will discuss in a moment. The two amendments are, to all intents and purposes, the same, and intended to accomplish the same objective.

Mr. Chairman, this is a perfectly simple and easily understandable amendment. It seeks to give to a defendant in a case involving an overcharge the right to show to the court if he can, that the violation was neither willful nor the result of failure to take practicable precautions against its occurrence. It gives to such a defendant the same right we give to the most hardened criminal—the right to his day in court. He does not have his day in court now, and I find nothing in the present bill which gives him that right.

The amendment puts the burden of proof on the defendant and is unique in that respect. There is no presumption of innocence in his favor. He must go forward. But if he satisfies the court with his statement of the case the judge may say to him, "I believe you are an honest merchant who has acted in good faith. I am not going to put upon you the stigma of a penalty." Without this amendment the court may be satisfied that the merchant ought not to be penalized, but he is bound to say to the defendant, "I am sorry I cannot hear your defense. You must pay a $50 penalty and an attorney's fee of $25."

Without this amendment we have a cold-blooded inflexible dictatorial, un-American rule of law. With the amendment the defendant is guaranteed that the court which hears his case will be allowed the exercise of some measure of discretion. That, after all is only simple, common, sensible justice. May I remind the committee that another body has endorsed this amendment by a decisive vote. It is not a crippling amendment. I believe it will actually strengthen the law. If we read history we must conclude that a law is only as effective as the people affected by it believe it to be reasonable. Give the merchant this affirmative defense and we will take out of the law one of those harsh, inflexible, and unreasonable provisions which have done so much to destroy the people's confidence in a people's government.

This amendment does not protect the willful violator of the regulations or the man who fails to take reasonable precautions, and that man deserves no protection. It does seek to protect the merchant who, in good faith, does all he reasonably can to cooperate, and he ought to be protected.

The amendment leaves this bill thoroughly effective against the dishonest merchant and the chiseler, but protects the honest merchant from being penalized for an honest mistake.

This amendment is vitally important to the merchants of the Nation. There are half a million of them, and they are, with few exceptions, honest, law-abiding, and patriotic. They want to cooperate with enforcement authorities and are trying hard to observe the regulations. If the Government has a right to impose price-control regulations upon them, then it certainly owes them the duty to see that those regulations are reasonable.

It has been said that if a defense is allowed a defendant he may get off by pleading ignorance of the law. That is not so. Under my amendment he must show that he knew the law and was conscientiously trying to observe the regulations. The court must be satisfied that the defendant had taken practicable precautions to guard against violation.

A merchant today is faced with unusual difficulties in getting and keeping faithful employees. The overturn is heavy and continuous. There are confusing and conflicting rules constantly being promulgated regarding prices and otherwise. Simple fairness and justice demand that the merchant have the right to tell his story in his own defense.

The size of the penalty is not so important, although most price violations are figured in pennies, and a $50 penalty seems too large where a merchant sells three pairs of socks for $1.35 when the price was $1.25. It is the infliction of the penalty as such, where the seller was innocent of wrongdoing, which is unjust and works hardship.

Every city has a number of high-class retail stores which have built up an enviable reputation for honesty and square dealing. A $50 penalty in such cases would mean very little as one of the daily cash transactions. But the store might be damaged thousands of dollars by the circulation of the information that a penalty had been enforced for overcharging a customer.

My amendment is simple American justice, and I hope it will be adopted.

Mr. MURPHY. Mr. Chairman, I rise in support of the substitute amendment offered by the gentleman from Massachusetts.

Recently a committee of the commercial association back home called on me. I have had more telegrams from leading merchants back home on this proposition than on anything else since I became a Member of this distinguished body. I told them I would speak on the floor of the House about this proposition, and I am going to use a few minutes to do so.

Over in the Senate an amendment sponsored by the distinguished gentleman from Kentucky, Senator CHANDLER,

and the distinguished gentleman from Massachusetts, Senator WEEKS, was adopted along lines similar to that of the amendment offered by the distinguished gentleman from Massachusetts, Congressman GOODWIN. That amendment had for its purpose freeing merchants of punitive damage liability in consumer civil suits if they could show the overcharges were unintentional.

I realize the unfairness of not having the tools with which to enforce the law. When you generalize, sometimes you punish the good to restrain the wicked. Fundamentally it is a matter of sensible, discreet administration to punish the willful, wicked violator, not the unintentional violator. I believe with proper measures of discretion the bill as amended can be enforced justly, fairly, and equitably. I do not believe it will deter the O. P. A. from proper enforcement. It will not excuse the willful violator. I have made a check in my district and I find that the cases where there have been penalties inflicted were those involving willful violators. I do not believe the amendment will deter enforcement if properly administered. It ought to be a good change and would protect the honest merchant. I will, therefore, vote to support it.

Mr. OUTLAND. Mr. Chairman, I rise in opposition to the substitute amendment offered by the gentleman from Massachusetts.

It seems to me that, while it does make certain changes in the original amendment now pending, it contains the same principle, namely, the matter of intent. When the Committee on Banking and Currency was considering improvements on the present bill it went into a great many of these proposed changes. The change that is advocated in this amendment was brought up and finally ruled out by the committee. Such change would hurt rather than benefit the price-control program.

Mr. Chairman, I ask that the amendment be voted down.

Mr. GWYNNE. Mr. Chairman, I rise in support of the substitute amendment. I believe the adoption of that amendment or even of the amendment offered by the gentleman from Arkansas would do more to remove the criticisms and the objections to the enforcement of O. P. A. regulations than any amendment that has been heretofore offered.

I cannot agree with my friend from Michigan [Mr. WOLCOTT] that this has to do with some civil suit for damages. This is a provision for the collection of a penalty, a thing which every court will tell you is at least of a quasi-criminal nature.

What is the situation today? If you violate some regulation, even though the violation may be technical and minor, they can bring you into court and, regardless of your carefulness and regardless of your lack of willful intent, punish you for violation of the regulation.

What does this amendment do? The law would be the same, the procedure would be the same, except that when the defendant was brought into court charged in this quasi-criminal action he would be allowed to prove, if he could prove it, two things: First, that he had not acted willfully, and second, that he had not been negligent in taking practicable precautions against the occurrence of the violation. In other words, if he could show that he had cooperated honestly, then he would be excused from the penalty but would be required to pay the overcharge.

Mr. Chairman, where have we gotten to in this country? I read the other day a statement by some enforcement officer of the O. P. A. who said that if the privilege is extended to the innocent man to come into court with his head up like a free American and prove that he is innocent, they cannot enforce the law.

I have been a prosecutor in my day. I have heard that same argument many times from State agents and from Federal agents. It usually comes from someone who lacks the ability and the knowledge of the law to enforce the law in accordance with constitutional safeguards.

Even with this amendment, look how this differs, for example, from the right of a defendant if he were charged with some minor crime like murder or treason. If he were charged with one of those minor offenses, the Government would have to prove each and every element of the case, willfulness, everything. The defendant would need to prove nothing. If I kill a man with my automobile and his estate sues me for damages, unless they prove that I did not use reasonable care they have no case against me. There is no liability unless negligence is proved; and the plaintiff has the burden of proving it.

But these O. P. A. regulations are put on an entirely different basis. I am amazed at the attitude that has been expressed here by some people. I thought we were fighting a war to retain constitutional government and the right to get into a court. If the people we have enforcing the law cannot enforce it in recognition of those constitutional safeguards for which we are fighting, let us have someone else do it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from Indiana.

Mr. HALLECK. I have given considerable thought and study to the amendment offered by the gentleman from Massachusetts [Mr. GOODWIN] which the gentleman from Iowa is now supporting. I support the amendment. I think it is entirely justified and necessary, and I believe it should be adopted.

Mr. GWYNNE. I thank the gentleman. This is what the amendment will do. It will not interfere with the enforcement of the law against a criminal but it will protect the innocent man; that is all.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Massachusetts [Mr. GOODWIN].

The question was taken; and on a division (demanded by Mr. MONRONEY), there were—ayes 81, noes 58.

Mr. SPENCE. Mr. Chairman, I ask for tellers.

Tellers were ordered and the Chairman appointed Mr. MONRONEY and Mr. GOODWIN to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 111, noes 72.

So the substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment as amended by the substitute.

The amendment, as amended by the substitute, was agreed to.

The CHAIRMAN. Are there any other amendments to be offered to section 7?

Mr. O'HARA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA: At the end of section 7, line 21, page 20, insert:

"(c) It shall be an adequate defense to any suit or action brought for alleged violation of any regulation, order, or price schedule prescribing the maximum price or maximum prices if the defendant proves that he did not receive a higher percentage of margin from the sale of a commodity or commodities than he received from the sale of the same commodity or commodities or for the most comparable commodity or commodities as the term 'most comparable commodity' may be defined by the Administrator during the base period prescribed by the price regulation, order, or schedule, or if no such base period is specified, during the period from January 1, 1942, to March 31, 1942."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. O'HARA].

The amendment was rejected.

Miss SUMNER of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Miss SUMNER of Illinois: On page 19, line 19, after the period strike out down to the period on line 4, on page 20; on line 5 strike out the word "either" and the words "or the Administrator, as the case may be"; and in line 13, page 20, strike out down to line 21.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Illinois.

Mr. SMITH of Virginia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMITH of Virginia. I inquire to understand what that amendment is about. Is that the amendment which prohibits the Administrator from suing for these penalties?

The CHAIRMAN. The gentleman is not stating a parliamentary inquiry. Debate on the amendment on this section has been exhausted.

Mr. SMITH of Virginia. Mr. Chairman, then I submit this parliamentary inquiry: Is there any parliamentary method by which the committee can be given to understand what the amendment does?

The CHAIRMAN. That can only be done by unanimous consent.

Mr. SMITH of Virginia. Mr. Chairman, I ask unanimous consent that the gentlewoman from Illinois be given 5

minutes in which to explain her amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia [Mr. SMITH]?

Mr. OUTLAND. Mr. Chairman, I object.

Mr. SMITH of Virginia. Mr. Chairman, I ask unanimous consent that the gentlewoman from Illinois [Miss SUMNER] be given 2 minutes in which to explain her amendment.

Mr. O'BRIEN of Illinois. Mr. Chairman, I object.

Miss SUMNER of Illinois. Mr. Chairman, I ask unanimous consent that I be given 1 minute.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Illinois [Miss SUMNER]?

Mr. O'BRIEN of Illinois. Mr. Chairman, I object.

Miss SUMNER of Illinois. Mr. Chairman, I ask unanimous consent that I be given half a minute.

Mr. O'BRIEN of Illinois. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The question is on the amendment offered by the gentlewoman from Illinois [Miss SUMNER].

The question was taken; and on a division (demanded by Mr. OUTLAND) there were—ayes 64, noes 84.

Miss SUMNER of Illinois. Mr. Chairman, I ask for tellers.

The CHAIRMAN (after counting). Thirteen Members have arisen; not a sufficient number.

So tellers were refused.

So the amendment was rejected.

The CHAIRMAN. Are there any other amendments to section 7?

Mr. CALVIN D. JOHNSON. Mr. Chairman, I offer an amendment that is a new section to follow section 7.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Provided further, That as to any powers and functions relating to priorities or rationing conferred by law upon any other department or agency of the Government with respect to any particular commodity or commodities, transferred to the Office of Price Administration pursuant herewith, no order or orders suspending a person, firm, or corporation from operating a profession, trade, or business shall become effective until after proper judicial hearings in a district court of the United States having jurisdiction, and the presentation of all cases under this act involving suspension or penalty on behalf of the Federal Government shall be by the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General.

Mr. CALVIN D. JOHNSON. It is not my intention to delay the House discussing this amendment. My purpose in presenting it for study is to ask a few questions. I am under the impression that the amendment which was introduced a short time ago by the gentleman from Michigan [Mr. WOLCOTT], and adopted by the Committee, will guarantee a review in court for anyone charged with a violation prior to the time his license is revoked or his business suspended. May I ask the gentleman from Michigan, if that is correct?

Mr. WOLCOTT. Yes; I know that it will if the license is sought to be taken from him for a violation of a regulation, order, or price schedule issued under the Price Control Act. But my amendment would not compel a review in the courts for any withdrawal of any permission to sell allocated or rationed goods under the War Powers Act. I want to make it clear that I am not trespassing upon the powers contained in the War Powers Act, in respect to rationing.

Mr. CALVIN D. JOHNSON. One of the foundation stones of democracy has been the right of the individual to operate a private enterprise. I think it comes second only to the home. What my amendment does is to make it definite that before a man's business can be closed, and before he can be deprived of the right of a livelihood he must be given his day in court, which is a heritage that every American feels he should have. It has nothing whatsoever to do with rationing. It does not take from the War Powers Act or the O. P. A. any authority which they have at the present time, but it does give a man an opportunity to appear in the United States district court in defense of his business before he is deprived of the right to a livelihood. I feel the amendment is good. It makes court procedure definite before the doors of a business are closed. I ask the House to pass the amendment.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. CALVIN D. JOHNSON. I yield.

Mr. CRAWFORD. Does the amendment which the gentleman has offered apply to the proceedings carried on in the Office of Administrative Hearings, set up within the Office of Price Administration, for the purpose of dealing with violation of price orders, or does the amendment apply only to violations of price-ceiling orders?

Mr. CALVIN D. JOHNSON. It would apply to any order by which a man's business was ordered closed, and the only effect would be that the day the order was issued by the rationing authority he would have an opportunity to go into court and defend himself.

Mr. CRAWFORD. In other words, your amendment applies, whether it applies to violation of rationing or violation of price ceilings under the O. P. A. Act?

Mr. CALVIN D. JOHNSON. It would. It would give a man charged with a violation an opportunity to present his defense in a United States district court.

Miss SUMNER of Illinois. Will the gentleman yield?

Mr. CALVIN D. JOHNSON. I yield.

Miss SUMNER of Illinois. At present the only way they can get into district court is by injunction. How does your amendment change that?

Mr. CALVIN D. JOHNSON. This amendment makes it definite that the United States district court is where the order shall be filed that the business be suspended.

Miss SUMNER of Illinois. You mean that immediately after the order by the O. P. A., the Commissioners have to record it in the district court?

Mr. CALVIN D. JOHNSON. Yes. They would have to file the proceedings there, and the district court would be the one to say whether or not the business is suspended.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. CALVIN D. JOHNSON I yield.

Mr. VOORHIS of California. The gentleman's amendment would affect only cases of suspension?

Mr. CALVIN D. JOHNSON. The gentleman is absolutely right. Only cases of suspension.

Mr. WOLCOTT. Does the gentleman intend to press his amendment?

Mr. CALVIN D. JOHNSON. Yes; I do.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WOLCOTT. Mr. Chairman, I wish to comment on the amendment.

The only thing that makes this amendment germane at all are the words "transferred to the Office of Price Administration pursuant herewith." This has to do with rationing functions, which I have stated, are under the War Powers Acts. There is nothing in this amendment which so amends the War Powers Acts as to prohibit the President or anyone acting for him, from transferring those functions from the O. P. A. to some other agency. Now, as a matter of fact I am in sympathy with what the gentleman wants to do in his amendment, but it cannot be done in this way. There is not any license, under the War Powers Act, to do any business, or in respect to a trade or profession. The merchant is given permission to sell an allocated or rationed commodity. For a violation the O. P. A. may deny to a merchant the privilege or permission to sell rationed goods. They are denied the right under the War Powers Act, to deal in allocated goods. If the seller does not observe the conditions under which commodities are allocated, then O. P. A. may take away from you the permission to sell allocated goods. The Supreme Court last week held they had authority to do that.

The only way to take from them that authority is to amend the War Powers Act. I think probably the gentleman's amendment could be interpreted only as a declaration of policy. The amendment I offered and which has been accepted does something very specifically to correct the abuses to which the gentleman refers. It gets rid of the kangaroo courts in respect of price control.

Mr. CALVIN D. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. CALVIN D. JOHNSON. I am hopeful the gentleman is correct, but regardless of what they call it it operates to put people out of business.

Mr. WOLCOTT. The withdrawing from him of the permission to deal in rationed goods may result in putting him out of business to be sure.

Mr. CALVIN D. JOHNSON. If he had an opportunity for a review in court

there is a possibility that the court would prevent the withdrawing of the rationed articles.

Mr. WOLCOTT. It would take an amendment of the War Powers Act to do that.

Mr. CALVIN D. JOHNSON. My amendment refers to any authority. It is possible to change the entire O. P. A. procedure over rationing by virtue of the authority provided by other acts.

Mr. WOLCOTT. O. P. A. operates with respect to rationing under the War Powers Act, and O. P. A. operates under the War Powers Act merely because it is designated by the President as the agency to administer rationing. The President could take rationing away from O. P. A. and give it to any other administrative agency. To effectuate the purpose of the amendment, the War Powers Act must be amended.

Mr. CALVIN D. JOHNSON. Does not the gentleman agree that the first paragraph of this amendment relative to the transfer of authority covers that?

Mr. WOLCOTT. If it does, I believe it would not be germane to this bill.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

The Clerk read as follows:

SEC. 8. The second sentence of the first section of the Stabilization Act of October 2, 1942, as amended, is amended to read as follows: "The President shall, except as otherwise provided in this act, thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities: *Provided*, That no common carrier or other public utility shall make any general increase in its rates or charges which were in effect on September 15, 1942, unless it first gives thirty days notice to the President, or such agency as he may designate, and consents to the timely intervention by such agency before the Federal, State, or municipal authority having jurisdiction to consider such increase."

The CHAIRMAN. Are there any amendments to section 8?

Mr. MILLER of Connecticut. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed out of order for 3 minutes to make an announcement which I believe will be of considerable interest to the Membership.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MILLER of Connecticut. Mr. Chairman, I hesitated to ask unanimous consent to address the House out of order at this time, as I realized we are all anxious to complete debate on the O. P. A. bill. I appreciate the generosity of the House in granting me this time.

I take this few minutes only because I think the subject I wish to discuss is of interest to every Member of Congress.

This noon we unanimously adopted the conference report on the G. I. bill. Under the parliamentary situation that existed it was impossible to make any comment on the changes made in the House bill by the conferees. I am not criticizing the procedure that was followed as I realize the importance of getting the G. I. bill to the President's desk at the earliest possible moment.

Few Members realize that the conferees accepted language that was in the original bill, S. 1767, that makes all the benefits provided for in this legislation available to men and women who have not served honorably during this war. This is done by the language found in each title of the bill that provides as follows:

That any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or relieved therefrom under conditions other than dishonorable.

Under that language all those who enlisted fraudulently and were later discharged by the Army are entitled to the benefits provided for in this legislation. Those who enlisted fraudulently by failing to disclose that they had previously been convicted of a felony will now be eligible for benefits.

We must face the fact that there have been thousands of men inducted into the Army and Navy who had no desire to serve. Some of these people simply refused to become good soldiers. They are what we have commonly called goldbricks. In many cases the commanding officer tried every means at his disposal to make a good soldier out of the man. Finally, when he was convinced that the man never would be any help to the war effort, he ordered the soldier discharged under what we know as a section 8 discharge, which is neither an honorable nor a dishonorable discharge.

Certainly it was not the intention of Congress to provide benefits for those who were guilty of "gold bricking."

Colonel Carpenter, representing the War Department General Staff, appeared before the House Committee on World War Veterans' Legislation and discussed this proposed language at quite some length. His testimony may be found in the report of the hearings on pages 293 to 297. On page 295 Colonel Carpenter says:

Just to clarify the point, and I have talked this over with a number of people interested in the bill, there are a number of cases other than not the right age for which a discharge can be given administratively. For instance, if a man has two left feet. There are some of them in the Army who never find out they have got a right foot. The Army says to him, "Son, we can't use you." That is not dishonorable. If he has traits of character—a homosexual, for instance—then he gets a blue discharge. That is not under honorable conditions. If he has been convicted by a civil court of a crime, he gets a blue discharge. That is not under honorable conditions.

All I can say is I do not believe men serving in the Army want to feel when they get out they will be treated the same as men convicted of a crime, who have traits of character and who on purpose have not been good soldiers.

On page 296:

Mr. ALLEN. You are proposing only those receiving a white discharge be included to get the benefits of this bill?

Colonel CARPENTER. That is right.

Mrs. ROGERS. It would seem to me wrong to give a man a blue discharge for mental reasons.

Colonel CARPENTER. Mrs. ROGERS, that man does not get a blue discharge. He gets an honorable discharge.

There is less justification for the adoption of this new language in veterans' legislation than ever before, due to the fact that section 301 of the G. I. bill provides for the creation of a special board to correct any mistakes that may be made by the Army and Navy in issuance of discharges. This board is empowered to grant a man an honorable discharge who may have been given a section 8 discharge through error.

Several people have asked how the American Legion feels about this language with reference to the type of discharge. I cannot speak for the Legion, but I call attention to the fact that an honorable discharge from service is absolutely necessary before a person may become a member of the American Legion.

I call the situation to the attention of the House now and want to announce that just as soon as the President signs the G. I. bill I am going to ask the House to reconsider this matter, because we did not have an opportunity, in passing the conference report, to consider it. I will immediately introduce legislation that will make it mandatory that a man or woman must have received an honorable discharge from the Army or Navy in order to receive benefits under this legislation.

Under the language as accepted by the conferees, there are actually thousands of men, who will receive benefits, who have contributed nothing to the war effort, they were no good to the war effort, no good to their country, and, unfortunately, in many cases no good to themselves.

I urge the Members of the House to look into this matter, read the hearings to which I have referred, and support my effort to have this mistake corrected at the earliest possible date.

It is undoubtedly true that some men have been given section 8 discharges who should have received honorable discharges. Those mistakes can be corrected without opening the doors to the thousands who have no entitlement to benefits from the Federal Government.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. The gentleman knows there were hundreds of cases of discharges during World War No. 1 where men received a so-called blue discharge, saying they were not fit for service. Many of them we know were issued in error and did great injustice. It was the consensus of the entire committee and of the conferees of the Senate that such cases of injustice should be corrected.

Mr. MILLER of Connecticut. That is all very well, but any mistakes can be corrected under procedure which was set up in the bill providing for a review of such cases. I do not believe Congress

intended to open the doors to those who refused to render honorable service. According to testimony of the War Department, thousands of men have been let out under section 8 who were no good to the war effort, no good to themselves or their country. The House committee struck this objectionable language out of the bill on the recommendation of the War and Navy Departments, but it was put back in the bill in conference, and I fear it is going to discredit the bill and do real harm, serious harm, to the deserving war veterans.

Mrs. ROGERS of Massachusetts. I would rather take the chance so that all deserving men may get their benefits.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. MICHENER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, for 40 long days the Committee on Banking and Currency has given consideration to these amendments to the Emergency Price Control Act. Every group was permitted to present its complaint to the committee, and these complaints and proposed amendments constitute a volume of 2,300 pages of printed matter.

The House for 6 long days has debated the bill and considered proposed amendments. I think there is general unanimity of opinion as to these conclusions:

First. The over-all effect of the O. P. A. law has been of value to our people.

Second. Price control must be continued throughout the war.

Third. Price control, regimentation, and incident regulation must be discontinued just as soon as the economy of the country will permit.

Fourth. The bill now before us is far from perfect, but is better than the law as now written.

Fifth. It is practically impossible to embody in any law all of the desires of the 435 Members of Congress. We each come from different constituencies and our problems are consequently varied. Therefore, most legislation in its final draft is a compromise or a give-and-take proposition. Since I have been in Congress I have voted for few bills that suited me exactly. The same is true of the other members.

Now, if we are all agreed that price control should be temporarily continued, then two options are open to us:

(a) Extend existing law without any change at all, or

(b) Amend existing law to make it more workable.

There should be no choice between the two alternatives.

The value of any law depends upon the manner in which it is administered. The real trouble with the price-control law is the way it has been administered. In the debate on the floor of the House on November 28, 1941, when the original bill was up for consideration, I said:

> Much has been said in this debate about Leon Henderson, the President's Price Control Administrator. It is also true that many of our people believe that Mr. Henderson as Price-Control Administrator would, at the end of the war, be very reluctant to yield up any powers given to him as the Administrator by this legislation. The fact that he is so impregnated with the New Deal philosophy of making the country over and changing our social system, leads many to believe that he is more interested in permanent control and regulation over our economic life than he is in an emergency anti-inflationary measure.

Well, Mr. Henderson was made the Administrator and surrounded himself with a group of impractical, theoretical reformers, many of whom in my judgment attempted to carry out my prediction as to what would happen. There came a time when even the President recognized the necessity for a change, and former Senator Prentiss Brown was substituted for Henderson, for the purpose of humanizing the administration of O. P. A. Mr. Brown undoubtedly tried, but he was so handicapped by the crowd around him that nothing was accomplished, and he gave up in disgust. Next came the present Administrator, Chester Bowles. He has had a terrible job. However, conditions have been improved and the airing here of the ridiculousness of many of the regulations will be most helpful to him.

Mr. Chairman, people must realize that without some kind of price control there would be run-away inflation, and no one would suffer more than the middle class, to which most of our people belong. We spent only $26,000,000,000 in the First World War. Prices went sky high. Before this war is over we will have spent $300,000,000,000. Turning this amount of purchasing power loose in the country would bring unthought-of inflation. Therefore, there must be price control. It is silly to say that the law has been so well administered that it should not be amended. It is just as silly to say that the law can be made perfect. The Congress is not equipped to write all the rules and regulations covering the thousands of items on which ceiling prices must be placed. Rigid, fixed rules written into law would lack the flexibility necessary to accomplish the purpose of the law.

In short, Mr. Chairman, we should be realists here today. Price control must not be destroyed now. The law expires on June 30 next and unless the Congress has taken action by that time, it will be necessary to pass a resolution continuing the law without the beneficial amendments provided in this bill. Of course, those who are opposed to any amendments would prefer this course. The House, by loading this bill up with all kinds of amendments, is just acquiescing in the desires of that group opposed to any changes. Let us be reasonable and assist the committee in securing as many beneficial amendments as possible. This is a practical situation with which we are confronted.

Many small businessmen, many farmers, many consumers, and people in all walks of life in my community have suffered personal inconvenience from the effects of price control and rationing. I hail the day when this terrible war will be behind us. I sincerely believe that when that day does come the people's representatives in Congress will see to it that unnecessary regulation, control, and regimentation are removed and that we revert to a Government of law made by the Congress rather than a law of men by executive and bureaucratic fiats. For one, I am prepared to make that fight, because if this course is not pursued the freedoms and liberty, and the type of Government we have always enjoyed will be but a memory. God save the day!

This is a momentous year in our history. The power of decision still rests with the people. Elections are still held in America. If it is the obligation of our boys to die on the battle front, it is certainly our duty on the home front to go to the primaries and the elections and do our part in maintaining democratic government, at home.

The Clerk read as follows:

> SEC. 9. The first proviso contained in section 3 of such act of October 2, 1942, as amended, is amended to read as follows: "*Provided*, That the President shall, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section."

Mr. BROWN of Georgia. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

> Amendment offered by Mr. BROWN of Georgia: On page 21, in line 11, after "9", insert "(a)", and after line 20, insert the following subsection:
>
> "(b) Section 3 of such act of October 2, 1942, as amended, is amended by adding at the end thereof the following new paragraph:
>
> "'Any maximum price established or maintained under authority of this act or otherwise for any textile product processed or manufactured in whole or substantial part from cotton or cotton yarn shall not be less for any specific textile item than the sum of the following: (1) the cost of the cotton or yarn involved, plus the cost of delivery of such cotton or yarn to the point of processing or manufacturing, as determined by the War Food Administrator, (2) a generally fair and equitable allowance for the total current cost of whatever nature incident to processing or manufacturing and marketing such item, and whenever the Chairman of the War Production Board has determined such item to be necessary for the war effort or the maintenance of the civilian economy, such allowance shall be computed at a uniform figure that will cover such total current costs in the case of any manufacturer or processor among the manufacturers or processors of at least 90 percent by volume of such item, and (3) a reasonable profit on such item, in addition to the costs computed as provided in clauses (1) and (2). The maximum price established for any textile item under this act or otherwise shall be adjusted to the extent necessary to conform with the requirements of this paragraph within 60 days after the date of its enactment. For the purposes of this paragraph, the cost of any cotton shall be deemed to be not less than the parity price for such cotton (adjusted for grade, location, and seasonal differentials); except that for the 60-day period beginning 120 days after the date of enactment of this paragraph, and for each subsequent 60-day period, if the actual current market value of such cotton at the beginning of such period is lower than such parity price.

the cost of such cotton during such 60-day period shall be deemed to be the actual current market value at the beginning of such period, and whenever a change is made in such cost of cotton a corresponding change shall be made in the maximum price for each specific textile item. Whenever the maximum price established for any item to which this paragraph is applicable is in excess of a price which in the judgment of the Administrator is generally fair and equitable and is also in excess of the lowest maximum price which could be established therefor in accordance with the foregoing provisions of this section, the Administrator may reduce the maximum price for such items to a price which in his judgment will be generally fair and equitable, except that such maximum price shall in no event be reduced to a price lower than the lowest maximum price which could be established therefor in accordance with the foregoing provisions of this section or be reduced to a price which will impede the effective prosecution of the war or the maintenance of the civilian economy. Whenever the maximum price established for sales at any subsequent level of manufacture, processing, or distribution of any commodity which is constituted in whole or substantial part of any textile item is in excess of a price which in the judgment of the Administrator will provide a generally fair and equitable margin at such level of manufacture, processing, or distribution, then the Administrator may reduce such maximum price to any price which in the judgment of the Administrator will provide a generally fair and equitable margin at such level.'"

The CHAIRMAN. The gentleman from Georgia [Mr. BROWN] is recognized for 5 minutes in support of his amendment.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent that the gentleman from Georgia [Mr. BROWN] may be given an additional 5 minutes. He is the ranking Member on our side in the committee, he has studied long on this proposition, it is one of the most important things in this bill, and I believe he is entitled to an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma [Mr. MONRONEY]?

There was no objection.

Mr. BROWN of Georgia. Mr. Chairman, the purpose of this amendment is to secure parity prices for cotton and also to secure the production of cotton goods necessary for the people of our country and for our Army and Navy. I expect to produce evidence to show that on the counters and in the stores of the large cities and the towns of this country there are not cotton goods for sale that the great masses of the people wear. If I show that, and then that my amendment will bring to this country material of that kind without increasing the cost of living, and, at the same time, will attain parity prices for cotton, I have a right to ask Members on both sides of this aisle to support my amendment.

I expect to produce evidence from a witness to show that my amendment will not cost the consuming public a dime. I expect to bring forth this witness from the O. P. A. itself, a man who is the head of the Cost Accounting Division on textiles, a man who knows all about textiles, a man who is pointed out to those who want to know anything about textiles and cotton goods, a man selected by Mr. Bowles himself to go to the Senate and advise on the so-called Bankhead cotton amendment. I have not built him up. The O. P. A. built him up. They still have him. He is the one man in O. P. A. who has had actual cotton textile experience and who knows the real problems created by present maladjustments in the textile ceilings.

Mr. Chairman, we tried to get the O. P. A. to agree to correct by administrative action the inequities in their cotton textile ceilings, and we did that because we knew the difficulties of attempting to correct them by legislation, but they flatly refused to do this. Therefore, our only course is to force them to correct these inequities and carry out the will of Congress as stipulated in the Price Control Act by spelling out a formula that they must follow in setting cotton textile ceilings—a formula that will prevent the O. P. A. from setting any cotton textile ceiling that will depress the price of cotton to the farmer below parity and that will prevent the O. P. A. from setting ceilings on desperately needed cotton goods below the mills' actual cost of production plus a reasonable profit. In addition, my amendment gives O. P. A. authority—which I believe, though some question that, they have now but have not exercised—to lower any ceilings on goods produced by the mills that are too high. My amendment goes ever further and gives O. P. A. authority to lower ceilings, right down to the retail level, on the wearing apparel and other articles made from the goods produced by the mills, when such ceilings are excessive.

Thus, if O. P. A.'s statement is true that the over-all ceiling structure will permit mills to pay the farmer parity for cotton, then it is perfectly obvious that by pulling down the ones that are too high and raising the ones that are too low, the cost of living will not be increased at all.

The law of the land gives cotton and other basic commodities the right to parity. There is no ceiling on raw cotton and there cannot be any ceiling on raw cotton because there are more than 600 different grades and staples of cotton which make a ceiling on raw cotton an administrative impossibility. Therefore, the price of raw cotton is controlled by the ceiling which is imposed on cotton goods. The ceilings on some types of cotton goods are too high, and if the mills producing these goods are making six or seven times as much now as they did in former years, my amendment is so drawn so as to bring those ceilings down. On the other hand, on those kinds of cotton goods where the present ceilings are not adequate to cover the actual cost of production, including a parity cotton price to the farmer, my amendment would force O. P. A. to take a realistic view of the situation and raise those ceilings to a level that will get the production that is so sorely needed for the war effort and our civilian economy. One of the real tragedies of this situation is that the types of goods that are most scarce are those needed by the working people and the poor people of this country for clothing and household necessities. If my amendment becomes law and is properly administered by the O. P. A., the farmer will get parity for his cotton; the people of America will get the cotton goods they need; the excessive mill profits, about which the O. P. A. talks so much but about which they have done nothing, will be reduced; and the cost of living will not only not be increased but will be materially reduced.

Some have said, "Oh, your scheme will not work." I have a formula in this amendment that will work. My formula does what? First, my formula would require the O. P. A. to consider each individual textile item, each different kind of goods, instead of continuing their present policy of dealing with cotton textiles as a whole. This policy of considering cotton textiles as a whole and attempting to strike an average on production costs for the whole industry is utterly ridiculous and is the most fundamental error in O. P. A.'s present pricing policies. What difference does it make to a mill that is below the average and is losing money whether other mills are above the average and making too much money? All he is concerned with is that he is losing money on the goods he is producing and therefore he must curtail his production or quit entirely. Or, in the case of a mill that is making several different kinds of cotton goods, some of which he can make at a profit and others of which he can make only at a loss because of O. P. A.'s ceilings, do you think that mill is going to continue the production of those items that are losing him money when he can switch his production over to only those items on which he can make a profit? Anyone with an ounce of practical business experience knows there is only one answer to these questions. But the professors of economics who set the pricing policies of O. P. A. have never had any practical business experience. Hence they set up this general average pricing policy for the cotton textile industry considered as a whole. It is this policy that is the root of our present difficulties, and it is this policy that must be changed and would be changed by my amendment to require O. P. A. to figure the ceiling on each textile product on its own basis and make each item stand on its own bottom.

My formula, applied to each textile item, would require O. P. A. to figure the mills' actual costs of production on that item. It starts out with parity price to the farmer on the cotton plus the cost of delivering it to the mill. To this cotton cost is added the manufacturing cost on the basis of what it now is, instead of what it was 2 years ago when the present textile ceilings were set. And to these two items of cost would be added a reasonable profit. The War Food Administrator would determine the parity cotton cost and the O. P. A.'s Accounting Division would determine the manufacturing cost, as well as what is a reasonable profit.

There is one factor in my formula that deserves special attention—that is the manufacturing cost. We all know that this cost varies among the different mills

making the same kind of goods. Some are more efficient than others. Practically all cotton textiles are scarce and desperately needed so the original Bankhead amendment in the Senate provided that the manufacturing cost in the textile ceiling must be set at a figure that would cover the manufacturing cost and hence obtain maximum production from the mills making at least 90 percent of each kind of cotton goods. O. P. A. raised strenuous objection to this. They said that to allow a manufacturing cost that would take into consideration the costs of mills producing 90 percent of each kind of cotton goods would create inflation. For that reason I changed my amendment so that the 90-percent factor would be applicable only when the Chairman of the War Production Board certifies that the item is essential for war or civilian needs. Certainly O. P. A. cannot contend with any sort of reason that if Donald Nelson says a textile item is critical, that we should not have 90 percent of the productive capacity producing that item.

In a conference with Mr. Brownlee and other gentlemen from O. P. A., to discuss the serious cotton textile situation, and after they had expressed disapproval of my proposed amendment, I said, "Well, then, give me your solution. Mr. Bowles and you both testified that you wanted to adjust the ceilings so they would bring parity to the cotton producers of this land. What is your solution?" I said, "I want to be fair with you—draw it up yourself. Give us a solution that will bring parity to cotton producers. We are not trying to change parity. We are trying to reach parity."

I do not say that they insisted upon it, but here is what their attorney drew up and I want to read it to you. Listen to this.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent that the gentleman from Georgia may have an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BROWN of Georgia. The cotton growers of this country are not asking for a subsidy. You have it for meat. You have it for milk. You have it for butter. I voted for an amendment the other day to see that the processor had it sent on to the producer.

Here is the amendment written by one of the O. P. A. attorneys:

> No person shall buy cotton from the producer thereof at a price less than the parity price established therefor plus the cost of delivery of such cotton to the point of delivery thereof. The payment of any lower price shall constitute a violation of the Emergency Price Control Act, as amended.

When parity is published monthly, and when there are over 600 different classifications of cotton with almost as many different values, when a man can be sued for triple damages and put in jail for violating O. P. A. directives, who in the name of thunder would buy a pound of cotton under such a regulation? And furthermore, when O. P. A. admits that many mills making desperately needed goods are now going out of production because of improper ceilings, how could we hope to increase production by adding to the mill's cotton cost without any adjustment in the ceiling on his goods? That is not the solution. The solution is embodied in my amendment.

I read now, to carry out my point, from a letter written to Senator TAFT by Mr. York Wilson, the man mentioned earlier, who is head of the accounting section in the Textile Division of O. P. A. Mr. Wilson wrote Senator TAFT to answer some questions posed by the Senator regarding the Bankhead amendment, which amendment, as finally passed in the Senate, embodies the same formula and same principle as mine. I quote as follows:

> 1. Question. Are the mills earning sufficient over-all profits to pay parity for cotton and still make profits above those to which they were accustomed in peacetime?
>
> Answer. Yes, if the profits on rayon, and on dyeing, bleaching, and finishing and military purchases are taken into account.
>
> 2. Question. Will the amendment increase their profits to 20 percent on sales or 52 percent on net worth, as is stated in the minority report in S. 1764?
>
> Answer. If properly administered, the amendment will not increase mill profits 1 cent. * * * If the textile items that reflect less than parity are raised in accordance with the Bankhead amendment and those that are too high are reduced as they should be reduced, there will be no increase in over-all costs.

In view of these statements by the chief of O. P. A.'s own Textile Accounting Division, how can the statements of Mr. Bowles, Mr. Vinson, and others that this amendment would increase the cost of living and increase mill profits possibly be justified?

The W. P. B. has been working for months with the O. P. A. to meet this critical cotton textile situation. Only day before yesterday a release appeared in a Washington paper from which I quote as follows:

> The War Production Board last night assigned urgency ratings to all cotton textile mills, in a further move to speed production of fabrics for the armed forces and ease the shortage of low-cost civilian clothing.

We must realize that we are facing a drastic situation with respect to clothing, and upon this Congress rests a responsibility to do something about it. The Bankhead amendment, as amended and passed in the Senate, and my amendment are substantially the same, and the leadership among cotton producers and textile mill operators tell us that these amendments will be a major factor in correcting the untenable situation that now exists.

This amendment provides the way out of a difficult and a desperate situation. This is the only way you can reach the problem. I have been fair and straight.

I am looking at this from the standpoint of the national welfare. My amendment will bring to the cotton farmer parity, I hope, and at the same time it will put upon the shelves of the merchants of this country the low-cost materials they must have for the masses of the people of this country.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Michigan.

Mr. CRAWFORD. At the proper time I propose to offer the following amendment to the gentleman's amendment:

> In the case of any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity, within 60 days after the enactment of this act and thereafter, it shall be unlawful to establish or maintain a maximum price on any such agricultural commodity or on any commodity processed in whole or substantial part from any agricultural commodity, which will reflect to the producers of such agricultural commodity a price lower than the price standards established by section 3, section 8, and section 9 of the act of October 2, 1942 (Public Law 729, 77th Cong.).

That was the Stabilization Act. I think this amendment will strengthen the gentleman's amendment.

Mr. BROWN of Georgia. I understand the amendment and will be glad to accept it, because I think it will strengthen my amendment. It will provide protection for all agricultural commodities.

Going back to parity, what does it mean? I refer you to my speech before this House on last Thursday in which I pointed out that O. P. A.'s own figures reveal that they are not now figuring cotton costs in their ceilings at parity despite the fact that the existing law specifically requires them to do so. For example, present parity price for Middling 15/16 cotton delivered to the mills in the Carolinas is 23.38 cents per pound. Yet the figures secured from O. P. A. reveal that in some of their ceilings the cost allowed for this type of cotton is only 21.47 cents per pound, or almost 2 cents per pound—$10 per bale—below parity. In no case are the cotton costs set up on a parity basis. This is inexcusable and I believe you will agree, makes mandatory some sort of corrective action by Congress. How can we hope for cotton to go to parity under such a system as now exists?

Under my amendment the ceilings will be based on parity prices for cotton. To make it fair to everyone concerned—farmers, mills, and the consuming public—my amendment provides for an escalator clause. Under this clause ceilings are set based on parity. They stay that way 60 days. Then if the mills are not paying parity to the farmer, the ceiling is reduced in line with the market. Thenceforth the ceilings work up and down with the price of cotton, but in no case do they go above the maximum provided in the Price Control Act. What does this mean? It means that if the farmer does not get parity, the mills' ceiling is reduced and the consumer gets the benefit. It also means that the ceilings would not prevent the farmer from getting parity, as is now the case. Could anything be more fair to everyone concerned? Could anything be a more honest approach?

Mr. Chairman, you cannot discuss a matter like this within 15 minutes. I do not see any other solution.

What I am after in this amendment is to get production of the critical materials the public needs. The Navy has called for 30,000,000 chambray shirts and cannot get them. If you adopt my amendment we will get production, and I believe we will get cotton prices to parity.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. SPENCE. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 45 minutes.

The motion was agreed to.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentleman from Vermont [Mr. PLUMLEY], be permitted to extend his remarks in the RECORD and include therein a quotation from a press release of the Democratic Party.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McMURRAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial by Charles E. Broughton, editor of the Sheboygan Press.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. CANNON of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

ELECTION TO COMMITTEE

Mr. DOUGHTON. Mr. Speaker, I offer a resolution (H. Res. 595) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That JOHN S. GIBSON of the State of Georgia be, and he is hereby, elected a member of the standing committee of the House of Representatives on Expenditures in the Executive Departments.

The resolution was agreed to.

NAVY DEPARTMENT APPROPRIATION BILL, 1945

Mr. SHEPPARD submitted the following conference report and statement on the bill (H. R. 4559) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1945, and additional appropriations therefor for the fiscal year 1944, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 4559) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1945, and additional appropriations therefor for the fiscal year 1944, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 8 and 9.

HARRY R. SHEPPARD,
ALBERT THOMAS,
JOHN M. COFFEE,
JAMIE L. WHITTEN,
CHARLES A. PLUMLEY,
NOBLE J. JOHNSON,
WALTER C. PLOESER,
Managers on the part of the House.

JOHN H. OVERTON,
ELMER THOMAS,
THEODORE FRANCIS GREEN,
DAVID I. WALSH,
STYLES BRIDGES,
RUFUS C. HOLMAN,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 8 and 9 to the bill (H. R. 4559) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1945, and additional appropriations therefor for the fiscal year 1944, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 8: Strikes out the provision proposed by the Senate for the resale to the original owners of land in Oklahoma, found to contain oil after acquisition by the Navy.

Amendment No. 9, relating to public works: Strikes out the provision proposed by the Senate requiring the conduct of a canvass of existing facilities that might be available for naval uses, publicly or privately owned, as a condition precedent to the provision of new ones.

HARRY R. SHEPPARD,
ALBERT THOMAS,
JOHN M. COFFEE,
JAMIE L. WHITTEN,
CHARLES A. PLUMLEY,
NOBLE J. JOHNSON,
WALTER C. PLOESER,
Managers on the part of the House.

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill H. R. 4559.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent to extend my remarks which I made in the Committee of the Whole and to include certain letters from the War Department and Navy Department.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SOIL CONSERVATION SERVICE

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4659) to authorize the Soil Conservation Service to lend certain equipment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. COLE]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Soil Conservation Service of the Agriculture Department is hereby authorized to lend to the Steuben Area Council of the Boy Scouts of America, kitchen equipment presently located at the side camp at Painted Post, N. Y., upon such terms and conditions as may be imposed by the Soil Conservation Service.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the call of the calendar on Wednesday of this week be dispensed with.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a speech made by the distinguished gentleman from Texas [Mr. RAYBURN].

The SPEAKER. Without objection, it is so ordered.

There was no objection.

REGULATION OF INSURANCE BUSINESS

Mr. ANDERSON of New Mexico. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ANDERSON of New Mexico. Mr. Speaker, announcement has been made that the House on Thursday will be asked to consider H. R. 3270, "a bill to affirm

the intent of the Congress that the regulation of the business of insurance remain within the control of the several States, and that the acts of July 2, 1890, and October 15, 1914, as amended, be not applicable to that business." Those are the Sherman and Clayton Acts.

On June 5 the Supreme Court of the United States handed down two decisions on the subject of insurance. One dealt with the South-Eastern Underwriters Association and its activities in the fixing of rates. The other was an appeal by the Polish National Alliance, a fraternal benefit society, against the National Labor Relations Board to determine if that company was subject to the National Labor Relations Act. To be subject to that act, a company must either be engaged in interstate commerce or its business must affect interstate commerce.

I do not intend to deal at any great length with these decisions, but I do desire to call to the attention of the Members of this House that on March 21 I introduced a bill (H. R. 4444), which is entitled "To express the intent of the Congress with reference to the regulation of the business of insurance."

It was not my purpose at that time to claim any special right to introduce such a bill. I presented it for the sole purpose of attempting to clarify a rather confused situation.

There was then pending in the Supreme Court of the United States one much-discussed suit entitled "The United States of America, Appellant, against South-Eastern Underwriters Association et al.," which came to the Supreme Court on appeal from the district court of the United States for the northern district of Georgia. This suit sought to apply antitrust provisions against certain fire-insurance companies, and presented in the Government's brief three questions:

First. Whether the fire-insurance business is in commerce.

Second. Whether the fire-insurance business is subject to the constitutional power of Congress to regulate commerce among the several States; and

Third. Whether, if so, the Sherman Act is violated by an agreement among fire-insurance companies to fix and maintain arbitrary and noncompetitive rates and to monopolize trade and commerce in fire insurance, in part through boycotts directed at companies not part of the conspiracy and the agents and purchasers of insurance who deal with them.

While this suit was before the Supreme Court there was introduced into the Congress of the United States certain legislation which bore the title "A bill to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States and that the acts of July 2, 1890, and October 15, 1914, as amended, be not applicable to that business."

There were several of these bills, all alike, but the bill to which I will refer is H. R. 3270, introduced by the distinguished gentleman from Pennsylvania [Mr. WALTER], a member of the Committee on the Judiciary, to which the bill was referred. It was reported favorably by the Judiciary Committee on November 13, 1943, and application was made soon after that to the Rules Committee for a rule under which it might be presented to the House.

In connection with H. R. 3270 there is a report, No. 873, dealing with the nonapplicability of antitrust laws to the business of insurance. I have been unable to restrain myself from becoming interested in this legislation. My excuse must be that for many years my livelihood was drawn from an insurance agency, that most of my adult life I have owned and operated an insurance agency and that I am therefore vitally interested in the ultimate welfare of the business of insurance, not just through one crisis or during one piece of criminal litigation against one set of companies but over the longer course where the ultimate welfare of every person engaged in the insurance business hinges on the question of how well the business of insurance serves the buyers of insurance.

So far as possible, I intend to stay away from ground that has already been covered, but I must confess that this entire controversy has its humorous aspects. We have seen the spectacle of the insurance companies conducting a campaign all over the United States persuading local insurance agents, State insurance commissioners, and large buyers of insurance to bombard the Congress with solemn declarations that the regulation of insurance must remain within the powers of the States and that the Federal Government must not now be permitted to take over the regulation of the insurance companies. It might be interesting to point out that in the cases such as Paul against Virginia, persistently cited by the insurance companies who now support H. R. 3270, those same insurance companies were on the opposite side of the fence, contending before the courts that the business of insurance was interstate in character, and that the States had no power to regulate or tax the insurance business. The courts have held that the States do have the power to regulate, and therefore the bill which I presented, H. R. 4444, tries to express the intent of the Congress on the matter of State regulation.

As in H. R. 3270, everything that is expressed in my bill was on the premise that the Supreme Court would decide in favor of the Government. I was not trying to predict what the Court was going to do, but, as did the proponents of H. R. 3270, I based my bill on the premise that the Supreme Court would decide in favor of the Government because if the Court decided against the Government, then we would have no problem requiring legislation at all.

The majority report on H. R. 3270 as presented on page 2 of report No. 873 says:

> The law has been settled that the business of insurance is not commerce.

I think we ought to pause there a minute. The very first page of report No. 873 says:

> The purpose of the bill is clearly stated in the title. It is to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States, where it now exists. It is not designed to interfere with any proceeding before the Supreme Court, if in fact such interference is possible. What resulting influence there may be upon decisions of the Supreme Court in pending proceedings after this expression or reexpression of the Congress as to the policy of the Nation is incidental.

I think it is proper, therefore, to assume that the proponents of H. R. 3270 mean exactly what they say and that the purpose of the bill is to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States.

What has happened since the Supreme Court ruled for the Government? What benefit would be served by the passage of H. R. 3270 when the Court has decided for the Government in both the case of the United States against South-Eastern Underwriters Association, where the matter in litigation is a question of violation of antitrust laws, or in the Polish National case, where the problem was whether or not insurance is interstate commerce or affects interstate commerce and thus is subject to the regulatory power in Congress under the commerce clause of the Constitution? Such bills as H. R. 3270 are of little avail. Once the Supreme Court of the United States has decided that insurance is interstate commerce, as it did in the South-Eastern case, and affects interstate commerce, as it did in the Polish National case, no act repealing, amending, or altering the antitrust laws will in any way affect the possibility of Federal regulation.

There are two phases to that. In the first place, the possibility or, if you want to call it that, the threat of Federal regulation arises as a result of the commerce power of the Federal Government under the Federal Constitution. It does not come to the Federal Government from any particular act of Congress such as the Sherman or Clayton Acts. The power of the Federal Government to regulate interstate commerce is clearly set forth in the Constitution. Any such law as H. R. 3270 becomes but a meaningless gesture when the Court decides for the Government in the antitrust suit and simultaneously holds for the Government in the Polish National suit and declares the business of insurance to be subject to Federal regulation as affecting interstate commerce.

The second phase that we should think about is this: Since the Court has held the business of insurance to be interstate commerce and to affect interstate commerce then the possibility or the threat of Federal regulation is real and ever present and will remain ever present even if the Sherman and Clayton Acts were to be entirely repealed as to every business in the country, including insurance.

So I say to the Members of this House that we need to proceed with some caution. If the purpose of H. R. 3270 is to affirm the intent of the Congress that the regulation of insurance should remain within the control of the several States, then the bill is couched in very bad language. The bill is a short, 8-line bill, reading:

> *Be it enacted, etc.*, That nothing contained in the act of July 2, 1890, as amended, known as the Sherman Act, or the act of October

15, 1914, as amended, known as the Clayton Act, shall be construed to apply to the business of insurance or to acts in the conduct of that business or in any wise to impair the regulation of that business by the several States.

Notice, if you please, that the bill relates to the Clayton and Sherman Acts which are antitrust laws. If what the bill tries to do is to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States, then the backers of H. R. 3270 should support my bill and the Judiciary Committee should promptly report out my bill because it does deal with the question of the regulation of insurance business by the several States and it does affirm the intent of the Congress that the Sherman Act and the Clayton Act shall not be deemed to abridge the rights of the States to license, regulate, and control that business.

So much for Federal regulation. Now a few words on the subject of State rights. What is going to happen if a conflict arises in such a fashion as to produce a clash between State regulation and the interstate commerce power of the Federal Government? I want to consider that under three main points.

First. In the absence of specific Federal regulation there is ample authority in numerous court decisions to indicate that generally the State can continue to regulate until the Federal Government preempts the field. Therefore, even though the Court has held for the Government in both of the cases directly affecting the insurance business, we do not need H. R. 3270 to lay down the assumption that the States can continue to regulate until the Federal Government preempts the field. The majority opinion by Mr. Justice Black clearly states that the fear that State regulation will be detrimentally affected by the holding that insurance is interstate commerce is greatly exaggerated.

Second. If the question becomes one of the taxing or licensing laws of a State which may be said to discriminate against corporations engaged in interstate commerce, the conflict then is not with the antitrust laws but with the interstate commerce clause of the Constitution. To remove any such conflict would require constitutional amendment. The conflict cannot be removed by taking the companies out from under the antitrust laws.

Thus we see that H. R. 3270 is no solution to our problem. If the purpose of that bill is to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States and the controversy is on the subject of licensing or the taxing, then the provisions of H. R. 3270, which I have just quoted, illustrate how futile its passage would be because it seeks to set aside only the Sherman and Clayton Acts, which have nothing to do with taxation and nothing to do with licensing. I therefore suggest that those people who have been supporting H. R. 3270 should now support my bill, which does deal with the question of State regulation and with the power of the State to license, to tax, and to do all the other things desired by associations of insurance agents and progressive executives in that field.

Third. We can see, therefore, that there is no clash between State regulation and the existence and application of antitrust laws. In the first place, most kinds of regulation, such as age qualifications, the financial capital required for starting an insurance company, the amount of business one can write on property which he controls, and matters of that nature, do not relate to antitrust problems. Further, even many of those regulations that do conflict in theory with antitrust laws are protected against the conflict by the Supreme Court's decision in Parker against Brown, in which it was held that the antitrust laws are aimed at the acts of individuals and not at State or other governmental activity. Finally, State regulation and antitrust regulation really implement each other—one controlling and regulating what is done within the State and the other controlling those matters which cross State lines and which are in derogation of the public interest by restraining competition.

I might concede for the sake of argument that regulation such as I have proposed in H. R. 4444 should not be necessary but there has arisen a great hue and cry for State rights in the field of insurance. It has not been apparent whether the cry is really in furtherance of State rights or is actually an attempt to escape prosecution.

Thus, the first purpose of the bill (H. R. 3270) is a self-seeking attempt by the industry to get out of a criminal prosecution. Since Federal regulation would always be possible under a holding that the business is interstate commerce, if the proponents of this bill really wish to protect State rights, they should be willing to accept my proposal which protects State rights without giving any special dispensation to a particular industry for all acts past, present, or future in violation of the principles of free competition. My bill is limited to insuring that the acts in question do not abridge the rights of the States to regulate where the States actually do regulate.

It should not be necessary to use much time or much argument. Only a short time ago there appeared in the Cleveland Plain Dealer, of Cleveland, Ohio, a news story pointing out that the first steps of what might be a State probe of stock fire-insurance-company operations would be undertaken as soon as possible in that State. An Ohio judge, in a suit against the city transit system of Cleveland, held against certain stock fire-insurance companies who banded themselves together in the Ohio Inspection Bureau. The judge pointed out that the bureau's legal function was to fix rates but that what it was trying to do was restrain trade.

I have tried to meet that sort of situation by the legislation which I have proposed in this House. I have tried to make it possible for insurance companies to live. I have tried to make it possible for a rating bureau to exist. I have tried to provide that standards could be set up for the licensing of agents, for the regulation of commissions, and for the other things which enlightened insurance agents have steadily sought.

But on the antitrust angle I have written in the bill a simple provision that will avoid antitrust prosecution by the Federal Government as long as the insurance companies obtain State permission in advance for the things which they are trying to do in the way of fixing rates on the business of their customers.

On that basis, I invite into the fold in support of H. R. 4444 the insurance companies which have been and which, on the basis of their public professions, I have a right to assume are backing H. R. 3270 in the interests of guaranteeing full and complete regulation by the States of the business of insurance. This purpose can be met by the passage of H. R. 4444.

Finally, it seems to me we are overlooking a most important consideration when we do not ask the Association of Insurance Commissioners of the 48 States to give us their considered recommendation as to the shape which our legislation should take. The association could not do this until after the Supreme Court had handed down its decisions. By a strange coincidence their regular annual meeting is now in progress in Chicago. These men are the chosen representatives of the people of their respective States to represent them in insurance matters. Their function is to protect the purchasers of every type of insurance policy whether it be life, fire, casualty, accident, and health or any other type of coverage. All these policies, forms, and rates clear through their offices. Nearly every insurance policy carries a small percentage of fee which is paid to the State to build up a department of insurance for the protection of the insuring public. Surely we should invite these people to give us their comments and suggestions and, if possible, their suggested draft of a law.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CAPOZZOLI (at the request of Mr. KEOGH), for an indefinite period, on account of official business.

To Mr. EATON (at the request of Mr. AUCHINCLOSS) for 2 days, on account of attending a funeral.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 767. An act to provide Federal Government aid for the readjustment in civilian life of returning World War No. 2 veterans.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 24 minutes p. m.) the House, pursuant to its order heretofore entered, adjourned until tomorrow, Wednesday, June 14, 1944, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Public Health Subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Wednesday, June 14, 1944, to begin public hearings on H. R. 4615, a bill to establish, for the investigation and control of tuberculosis, a division in the Public Health Service, and for other purposes.

COMMITTEE ON INVALID PENSIONS

The Committee on Invalid Pensions will continue hearings on Wednesday, June 14, 1944, at 10 a. m., in the committee room, 247 House Office Building, on H. R. 619 and H. R. 1014, to provide pensions for peacetime veterans at the rate of 90 percent of the compensation payable to war veterans for similar service-connected disabilities, introduced by Chairman LESINSKI, and H. R. 1005, entitled "A bill to increase and equalize the pensions of those persons disabled as the result of service in the Army, Navy, Marine Corps, and Coast Guard," introduced by Representative HENDRICKS, of Florida.

Brig. Gen. Frank T. Hines, Administrator of Veterans' Affairs, will present testimony.

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

The Committee on the Merchant Marine and Fisheries will hold a public hearing Saturday, June 17, 1944, at 10 a. m., on H. R. 4968, a bill to amend section 511 (c) of the Merchant Marine Act of 1936, as amended, relative to deposit of vessel proceeds received from the United States in certain cases, and for other purposes.

Persons desiring copies of the printed hearings when available will please notify the clerk by letter.

Witnesses are requested to notify the clerk by letter at least a day in advance of the hearing of their desire to testify in order that a list of witnesses may be prepared. Written statements for the record from persons other than witnesses should be submitted a day in advance. Amendments to be proposed during the hearing should be submitted to the reporter in duplicate.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV a letter from the Secretary of Commerce, transmitting a request that any appropriations that are made for the development of airstrips should be earmarked for the Civil Aeronautics Administration, was taken from the Speaker's table and referred to the Committee on Roads.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BURCH of Virginia: Committee on the Post Office and Post Roads. H. R. 4949. A bill to amend the Second War Powers Act of 1942; without amendment (Rept. No. 1636). Referred to the Committee of the Whole House on the state of the Union.

Mr. LANHAM: Committee on Public Buildings and Grounds. House Joint Resolution 291. Joint resolution to provide for the quartering, in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies; without amendment (Rept. No. 1635). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JENNINGS:

H. R. 5015. A bill to amend the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, to further protect the rights, privileges, and immunities extended to citizens by State and Federal election laws; to the Committee on the Judiciary.

By Mr. WIGGLESWORTH:

H. R. 5016. A bill to grant certain veterans' preference benefits to certain persons who serve in the armed forces of nations allied with the United States in the present war; to the Committee on the Civil Service.

By Mr. DICKSTEIN:

H. Con. Res. 92. Concurrent resolution declaring it to be un-American to participate in activities to create racial or religious disunity; to the Committee on the Judiciary.

By Mr. BYRNE:

H. Res. 594. Resolution to provide for the temporary admission of political or religious refugees of continental Europe into areas within the United States to be known as free ports for refugees; to the Committee on Immigration and Naturalization.

By Mr. CELLER:

H. Res. 596. Resolution for lend-lease aid to Italy; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLASON:

H. R. 5017. A bill for the relief of the Dempsey Industrial Furnace Corporation; to the Committee on Claims.

By Mr. BALDWIN of Maryland:

H. R. 5018. A bill for the relief of Pauline V. Smallwood; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5845. By Mr. BRUMBAUGH: Petition of Joseph Bich, Altoona, Pa., and 700 other residents of the Twenty-third Congressional District of Pennsylvania, protesting against the consideration by Congress of House bill 2082 or any prohibition legislation; to the Committee on the Judiciary.

5846. By Mr. EBERHARTER: Petition of residents of the Thirty-first Congressional District of Pennsylvania and vicinity with 1,240 signatures, protesting against prohibition of the manufacture, sale, and distribution of alcoholic liquors; to the Committee on the Judiciary.

5847. By Mr. KELLEY: Petition of 349 residents of the Twenty-eighth Congressional District of Pennsylvania and vicinity, protesting against prohibition of the manufacture, sale, or distribution of alcoholic liquors; to the Committee on the Judiciary.

5848. By Mr. MAAS: 85 petitions of residents of Ramsey County, Minn. (Fourth Congressional District), with 2,950 signatures, protesting against the passage of the Bryson bill, H. R. 2082, prohibiting the manufacturing, sale, or distribution of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5849. Also, 55 petitions of residents of Ramsey County, Minn. (Fourth Congressional District), with 1,290 signatures, protesting against the passage of the Bryson bill, H. R. 2082, prohibiting the manufacturing, sale, or distribution of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5850. By Mr. MALONEY: Petition of 207 Louisiana citizens, containing thousands of signatures, hereby protesting against the consideration by Congress of any prohibition legislation, including in the protest the Bryson bill, H. R. 2082, believing that prohibition, either in the neighborhood of Army camps or nationally, would impede the war effort of our country and bring back the evils of bootlegging and racketeering, which our Nation got rid of in 1933; to the Committee on the Judiciary.

5851. By Mr. WELCH: California State Senate Resolution No. 11, memorializing the President and Congress to amend section 209 (f) of the Federal Social Security Act, defining "average monthly wage," to limit the elapsed quarters to those during which a wage earner was subject to the act; to the Committee on Banking and Currency.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 14, 1944

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, in the midst of these most urgent days, folded in a common purpose, allow no discouragement or failure to depress us. With unstaggering faith, strong and confident, let us look forward when a mighty cause will be saved for humanity. We pray that the divine will may work in us to inspire and direct our best powers and thus seal our most sacred destiny and our greatest joy.

Almighty God, in the name of the Prince of Peace, we salute the flag of our country with its bars of white, with its stars of light, and with the red of our Nation's sacrifice. It speaks with a deep spiritual significance, and of the high moments and sentiments when democracy was struggling for life and light. O let us vow that it shall wave in triumph over stained battlefields where freedom and liberty are in the clutch of death. O may it never wave above anything that is base and sordid, or be handled save by those whose hands are clean and whose hearts are strong. Lord God of hosts, let its glorious colors float over lands and seas, symbolizing every blessing that is dear to the American heart. Grant that they may be realized in our free churches and free libraries, in our free schools, and in our free hospitals, and fall richly upon every home throughout the length and breadth of our land, and Thine shall be the praise forever, in the name of Him who is our eternal hope. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4937. An act making appropriations for defense aid (lend-lease), for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration, for the fiscal year ending June 30, 1945, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. NYE, Mr. HOLMAN, and Mr. BROOKS to be the conferees on the part of the Senate.

ELECTION TO COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. DOUGHTON. Mr. Speaker, I offer a resolution (H. Res. 597), which I send to the desk.

The Clerk read as follows:

Resolved, That the following-named Members be, and they are hereby, elected members of the standing committee of the House of Representatives on Expenditures in the Executive Departments: JENNINGS RANDOLPH, West Virginia; ALFRED J. ELLIOTT, California; ED GOSSETT, Texas; GEORGE W. ANDREWS, Alabama.

The resolution was agreed to.

THE LATE HONORABLE WILLIAM H. FLEMING

Mr. BROWN of Georgia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. BROWN of Georgia. Mr. Speaker, I beg to announce to the House the sad news of the passing of Hon. William H. Fleming, a former Member of this body, who died at his home in Augusta, Ga., on Friday, June 9, 1944, after an extended illness, at the age of 88 years. Funeral services were conducted in Augusta on Sunday, June 11.

Mr. Fleming served with honor and distinction in the House of Representatives for three terms, from March 4, 1897, to March 3, 1903. He was a graduate of the University of Georgia, an eminent statesman and lawyer, past president of the Augusta Bar Association and Georgia Bar Association, former speaker of the Georgia House of Representatives, where he served from 1888 to 1896, a Mason, trustee of Shiloh Orphanage, and was the second superintendent of the public schools of Augusta in Richmond County.

A kind and considerate man, Mr. Fleming was always in demand by those less fortunate, and his able defense of the poor as well as the wealthy marked him as one of the South's greatest lawyers. In his passing Georgia and the Nation have lost a most outstanding citizen and one of the most eloquent speakers of all time. I beg to join the procession of the thousands of friends who mourn his passing.

PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, it is my hope and belief there will be separate votes and separate roll calls on those amendments adopted to this Price Control Act which would actually undercut and imperil the whole stabilization structure of the country. This, in my judgment, does not apply to all the amendments adopted, some of which I have myself supported. There are three above all, however, which must be defeated if economic stabilization on the home front is to be preserved.

The first of these is the Disney amendment requiring by law a half billion dollar increase in the price of refined oil products, and which is not the answer to the problem of the small high cost crude oil producers.

Second is the Dirksen amendment, utterly unnecessary from the point of view of affording adequate court review since the committee bill itself provided that, but which amendment would mean that price control would be different in Chicago from what it was in Milwaukee and that Detroit would be operating under a still different set of rules and regulations.

The third, and in my judgment the most serious of all, is the Cravens amendment setting up a brand new theory of jurisprudence in America and inviting everyone to simply fail to inform himself about the price-control law or its regulations in order that he may offer ignorance of the law as a defense for any violations which he may commit. Here again the committee bill provides that all regulations shall be in the form of formal written orders promptly published in the Federal Register. And the committee bill also provides modification of the triple damages provision and puts in the discretion of the courts assessment of much less damages if the court believe the violation not to have been willful. This Cravens amendment, however, would, in my judgment, render utterly impossible the effective enforcement of the price-control law.

All three of these amendments should be voted on separately. There should be a roll call on each one, and the House in its mature judgment ought to defeat them.

EXTENSION OF REMARKS

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a letter from the Secretary of State, the Honorable Cordell Hull, to the Speaker of the House.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FLAG DAY 1944

Mr. KENNEDY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. KENNEDY addressed the House. His remarks appear in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent that on today after the disposition of the legislative business and other special orders I may address the House for 15 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in two instances and to include therein extraneous matter.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an article which appeared recently in the Boston Daily Globe.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. POULSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a poem by one of the elderly citizens of my district.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ROWE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the American Federation of Labor Weekly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial appearing in the London News Chronicle entitled "Legislation by Decree."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE G. I. BILL OF RIGHTS

Mr. BUFFETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BUFFETT. Mr. Speaker, yesterday, this House by a unanimous vote passed the G. I. bill of rights for veterans of this war. I have today introduced a bill aimed to create and expand post-war employment and opportunity by encouraging the establishment of small businesses.

This bill would give "G. I. Joe" and his fellow citizen at home a chance to start a business without immediate strangulation by red-tape hurdles and tax-liability handcuffs of many Federal statutes.

This bill will probably need changes and refinements as the situation is

thoroughly explored. But legislation of this nature must be effected now if new small businesses are to be possible without an army of Philadelphia lawyers and high-powered tax accountants to eat up the capital of a struggling new enterprise.

RIPON, WIS., GOES OVER TOP IN WAR-LOAN DRIVE

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KEEFE. Mr. Speaker, the city of Ripon, located in the Sixth Congressional District of Wisconsin, which I have the honor to represent, has again achieved a remarkable distinction in connection with the Fifth War Loan drive.

With a population of 4,566, the citizens were called upon to purchase $500,000 of War bonds. Under the able leadership of Mr. James L. Stone the entire population was mobilized. The citizens of this community, truly representative of the American spirit, were determined to demonstrate to the men and women in our armed services and to the Nation that they would meet every demand of the Government necessary to carry on our war effort to a final successful conclusion.

The drive started at 9 o'clock yesterday morning. At 5 o'clock the returns had been tabulated, and I received the following wire from the chairman:

> You will be pleased to know that Ripon has exceeded its Fifth War Loan quota in just 3 hours of selling this morning. In a drive to raise half a million in half a day the entire business section closed to participate in the drive that exceeded $500,000 by 11 o'clock, passing our E bond and other quotas. In achieving these figures we believe we accomplished the fastest selling job of any town of our size in the Nation.

Mr. Speaker, the magnificent accomplishment of the citizens of this Wisconsin city should be an inspiration and a challenge to the people of America. It should be conclusive proof to our enemies that Americans of all faiths, creeds, and races are united in a grim determination to see this devastating war through to the bitter end. I know that the Nation is proud of this achievement.

INDEPENDENT OFFICES APPROPRIATION BILL, 1945—CONFERENCE REPORT

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent that the conferees on the independent offices appropriation bill may have until midnight tonight to file a report.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. MERRITT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McMURRAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a brief series of editorials from the Capital Times, of Madison, Wis.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

REGULATION OF LIABILITY OF AIR CARRIERS AND FOREIGN AIR CARRIERS

Mr. O'HARA. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. O'HARA addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my own remarks in two instances—in one to include a petition from my district and in the other to include a speech I made on the occasion of a visit to the Baer Airport of Fort Wayne, Ind.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

UNITED NATIONS DAY

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LUTHER A. JOHNSON. Mr. Speaker, this is United Nations Day. The United Nations comprise the 31 Allied Governments that are banded together for the purpose of defeating the Axis Powers, and their cooperation means much in the winning of this war and the winning of the peace. It is hoped that these nations that are now fighting the Axis forces may continue united in their efforts to accomplish both objectives, the winning of this war at the earliest possible time and the winning of the peace so that we may not have another war, at least within the next generation.

Unless we remain united after the war to prevent aggression, other dictators will arise and wage the Third World War.

It is the duty of our Government to continue steadfast and united with these other powers to preserve peace and prevent aggression, and this I believe the American people are resolved to do.

The Fulbright resolution in the House and the Connally resolution in the Senate, both of which passed at this session by large majorities, indicate that to be the will of Congress, and Congress is the best barometer of the attitude of the American people.

APPROPRIATIONS FOR DEFENSE AID (LEND-LEASE)

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4937) making appropriations for defense aid—lend-lease—for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration, for the fiscal year ending June 30, 1945, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection, and the Speaker appointed the following conferees on the part of the House: Messrs. CANNON of Missouri, WOODRUM of Virginia, LUDLOW, SNYDER, O'NEAL, RABAUT, JOHNSON of Oklahoma, TABER, WIGGLESWORTH, LAMBERTSON, and POWERS.

ARMY NURSE CORPS

Mr. MAY. Mr. Speaker, a few days ago the House passed the bill (S. 1808) to authorize temporary appointment as officers in the Army of the United States of members of the Army Nurse Corps, female persons having the necessary qualifications for appointment in such corps, female dietetic and physical-therapy personnel of the Medical Department of the Army—exclusive of students and apprentices—and female persons having the necessary qualifications for appointment in such department as female dietic or physical-therapy personnel, and for other purposes. This bill went to the Senate and the Senate struck out the Navy portion. I ask unanimous consent to take this bill from the Speaker's table and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Strike out section 9.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

Mr. MAY. Mr. Speaker, I am advised by the Parliamentarian that the Senate disagreed to the House amendment to the title and I ask unanimous consent that the House recede from that amendment. I can explain why that is, if it is desirable.

The SPEAKER. The Senate disagreed to the amendment of the House to the title of the bill.

Mr. MAY. Mr. Speaker, the amendment to the title results from the fact that the Senate struck the Navy Nurse Corps completely out of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, what is the gentleman's request?

Mr. MAY. Mr. Speaker, I ask unanimous consent that the House recede from its amendment to the title of the bill.

Mr. ANDREWS of New York. This is to correct the title?

Mr. MAY. Yes.

Mr. MARTIN of Massachusetts. All this does is correct the title?

Mr. MAY. That is all.

Mr. McCORMACK. The request now is to correct the title, the previous one being to concur in the Senate amendment where they struck out the reference to the Navy?

Mr. MARTIN of Massachusetts. I did not know what the gentleman's second request was.

Mr. MAY. The second amendment results from the striking out of the Navy.

Mrs. ROGERS of Massachusetts. I understand this is entirely satisfactory to the Navy that the Navy is taken care of as it is under present law?

Mr. MAY. That is my understanding.

The SPEAKER. Without objection, the House recedes from its amendment to the title of the bill.

There was no objection.

CALL OF THE HOUSE

Mr. ROBINSON of Utah. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 88]

Arnold	Granger	Patman
Baldwin, Md.	Harless, Ariz.	Peterson, Ga.
Bell	Horan	Plumley
Bolton	Kee	Price
Boren	Klein	Rabaut
Burdick	Lemke	Randolph
Cannon, Fla.	Lewis	Smith, Maine
Capozzoli	McCord	Stanley
Dies	Magnuson	Stearns, N. H.
Ellis	Mansfield, Tex.	Stewart
Fulbright	Merrow	Treadway
Fuller	Mills	Whelchel, Ga.
Gallagher	Murdock	White
Gibson	Norton	
Gifford	O'Connor	

The SPEAKER. On this roll call 383 Members have answered to their names; a quorum is present.

On motion of Mr. McCORMACK, further proceedings under the call were dispensed with.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4941) to extend the period of operations of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, from June 30, 1944, to June 30, 1945, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill, H. R. 4941, extension of the Emergency Price Control and Stabilization Acts of 1942, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before the Committee rose on yesterday the time was fixed on this section and all amendments thereto at 45 minutes.

Allow the Chair to read the names of those who were standing and whose names were listed at the time the time was fixed: Mr. WHITTEN, of Mississippi; Mr. CAMP, of Georgia; Mr. WHITTINGTON, of Mississippi; Mr. COOLEY, of North Carolina; Mr. HAYS, of Arkansas; Mr. PACE, of Georgia; Mr. HARE, of South Carolina; Mr. RANKIN, of Mississippi; Mr. WOLCOTT, of Michigan; Mr. CRAWFORD, of Michigan; Mr. SPENCE, of Kentucky; and Mr. McCORMACK, of Massachusetts.

Mr. McKENZIE. Mr. Chairman, I was standing and requested recognition.

Mr. GATHINGS. Mr. Chairman, I was standing and asked for recognition.

The CHAIRMAN. The Chair will state that the Clerk made out the list and wrote the names down at the time the time was fixed.

Mr. GATHINGS. Mr. Chairman, I stood only three rows back.

The CHAIRMAN. Does the gentleman from Louisiana [Mr. McKENZIE] state that he was standing and seeking recognition when the time was fixed?

Mr. McKENZIE. Yes, sir; I said I was standing and I thought I had been recognized.

The CHAIRMAN. Was the gentleman from Arkansas [Mr. GATHINGS] standing and seeking recognition at the time the time was fixed?

Mr. GATHINGS. I was, Mr. Chairman.

The CHAIRMAN. The names of the gentlemen will be added to the list.

Mr. SABATH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SABATH. Mr. Chairman, do I understand the ruling is that no one outside of those gentlemen who stood up at that time will be permitted to have the floor as to the amendment now pending and all amendments pending?

The CHAIRMAN. It has always been customary when a limitation is placed on debate that those who were standing and seeking recognition at the time are listed by the Clerk and such time as is fixed by the Committee is then divided between those who are standing at the time.

Mr. SABATH. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SABATH. In view of the conditions that exist, that so many gentlemen who have risen and will be recognized are all on one side, I think the other side should be given a chance and an opportunity to be heard as well.

The CHAIRMAN. Of course, the answer to that is that the others should have been standing seeking recognition. If the Committee wants to change the time, it is up to the Committee.

Mr. SABATH. Mr. Chairman, many of them did not know that motion would be made, unfortunately, and now they are deprived of a chance of being heard.

The CHAIRMAN. The matter was voted on in the Committee yesterday. If the Committee wishes to change its previous action, it is up to the Committee.

Mr. CRAWFORD. Mr. Chairman, I offer an amendment to the pending amendment, the Brown amendment.

The CHAIRMAN. The gentleman from Michigan [Mr. CRAWFORD] offers an amendment to the pending amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: At the end of the last sentence in the Brown amendment, add the following:

"In the case of any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity, within 60 days after the enactment of this act and thereafter, it shall be unlawful to establish or maintain a maximum price on any such agricultural commodity or on any commodity processed in whole or substantial part from any agricultural commodity, which will reflect to the producers of such agricultural commodity a price lower than the price standards established by section 3, section 8, and section 9 of the act of October 2, 1942 (Public Law 729, 77th Cong.)."

The CHAIRMAN. The gentleman from Michigan [Mr. CRAWFORD] is recognized.

Mr. CRAWFORD. Mr. Chairman, the October 2, 1942, Stabilization Act sets up certain standards which were to be followed by the Administrator of Price Control, and the Economic Stabilizer. The Brown amendment, with the language I have offered added to it, will bring the Administrator and the Stabilizer into a position where they will have to conform to what the Congress set down in the act of October 2, 1942.

At no time, in my opinion, has the Congress intended that the Stabilization Act fix prices unalterably, or regulate profits. Certainly in the Stabilization Act of October 2, 1942, the Congress intended that the primary agricultural products receive, through the setting of price ceilings, no less than the price levels established in that act.

The amendment which I have offered would make it unlawful, within 60 days after the enactment of this act, to establish or maintain a maximum price on any agricultural commodity or on any commodity processed in whole or substantial part from any agricultural commodity, which will reflect to the producer of such commodity a price lower than the price standard set in the Stabilization Act.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. BROWN of Georgia. I think the gentleman's amendment is a good amendment and I certainly shall vote for it myself.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. AUGUST H. ANDRESEN. If the gentleman's amendment is agreed to, why is there any need for the Brown amendment, because your amendment covers all agricultural commodities and processed commodities?

Mr. CRAWFORD. I would not put that interpretation on the language

which I have offered. But the two amendments, or the compound amendment, if you wish to call it that, would, in my opinion and in the opinion of many brilliant lawyers, Members of this House and the other body, accomplish what we desire. As the distinguished gentleman from Ohio, a Member of the other body, pointed out on page 5622 of the RECORD, "That this procedure which we are now about to take would restore a policy which worked satisfactorily at one time as it operates in a field where there has been a complete failure since that policy was abandoned."

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CRAWFORD] has expired.

The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN] for 3 minutes.

Mr. WHITTEN. Mr. Chairman, in rising in support of this amendment, I wish to say it is not the effort on the part of the southern cotton producers to get any special advantage. The southern cotton producers and the people of that area are just as willing to make any sacrifice that may be necessary at this tragic time in our history. But we have formed a policy in this Nation, and we have a price-control law which, so far as cotton is concerned, has provided price ceilings on textiles based on a parity price to the cotton grower. The cotton grower in that area is not getting parity. He is getting something like 90 percent of parity, and that is not in line with the intent of Congress in passing statutes which apply to them.

In other particulars and in regard to other products and in regard to other items on which there are price ceilings, where it has been found that by reason of cost of production getting out of line, cost of labor and cost of transportation having increased so that the price ceilings which have been fixed have reflected too little to the producer; in those cases we have had a subsidy. I am opposed to the principle of subsidies. I have felt all along that we should allow the price to be increased so that the cost of production plus a reasonable profit would be reflected. But we have been outvoted in that, and a subsidy has been paid in other cases. We do not find that true in regard to the cotton producers of the South. We find that the ceiling price is based on parity price for cotton, but the parity price is not going to those producers, and the people in that section are just as willing to sacrifice as anybody if it will aid in this war effort.

However, since we have over-all control of prices, since we have fixed the prices of other things that are sold, certainly when cotton goods are selling at twice the price they formerly brought, when the farmer's machinery is selling at 50 or 75 percent greater price than he has had to pay in the past, since all of the elements that go into production, including the cost of labor, have gone up, I say we should do anything that is in line with the statutes passed by this Congress to see that those producers are given adequate help toward getting parity for their cotton crops. By doing that you increase the consumption of cotton and you put material on the merchant's shelves so that the consumers of this Nation may have a chance to have the products which they need.

The CHAIRMAN. The time of the gentleman has expired.

The gentleman from Georgia [Mr. CAMP] is recognized for 3 minutes.

Mr. CAMP. Mr. Chairman, in the moments that are allotted to me this morning I think I can explain in a practical manner just what my colleague from Georgia [Mr. BROWN] meant yesterday when he stated that his best witness for his amendment was the textile representative of O. P. A. himself. He means to tell you that the ceiling prices placed on cotton goods at the cotton mill are so much lower than the ceiling price placed on goods in the retail store that this mill price may be raised without the necessity of having to raise the retail price to our consumers.

On yesterday I went into one of the recognized stores in Washington. I bought some cloth which I think will explain what I mean. I have here an ordinary print cloth, used by the ladies in making work dresses.

The cotton mill that manufactured that print cloth received 14 cents a yard for it. That yard of cloth cost 78 cents in the store in Washington yesterday. I want to go a little further. The reason it is so difficult to buy that cloth, the reason it is not in the stores of our country and not available to the American people is because the mills are not going to make that cloth at 14 cents a yard when they can make cloth at a much higher price per yard.

The textile prices at the mill have not been raised in 2 years; I mean they have not been raised one point since Pearl Harbor; they are exactly as they were.

Here is a piece of cloth called gingham which you can hardly buy anywhere because the mills are not making it. The mill that made this gingham received 20 cents a yard for it. There are three classes of ginghams and the ceiling price at the mill is from 19 to 21 cents per yard. Yesterday I paid 58 cents for this yard of gingham. Do you not see that the price to the mills can be raised a few cents so that the mills can make some of it at a normal profit and supply civilian demand?

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. CAMP. I am afraid my time has almost expired.

Here is a yard of cloth you will recognize. It is seersucker.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. CAMP. Mr. Chairman, I ask unanimous consent that I may proceed for 2 additional minutes; this is very important.

The CHAIRMAN. Under the limitation of debate that has been agreed upon the Chair cannot entertain the gentleman's request.

Mr. GATHINGS. Mr. Chairman, I ask unanimous consent, if it be in order, that I may yield 1 of my 3 minutes to the gentleman from Georgia.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The gentleman from Georgia is recognized for 1 additional minute.

Mr. CAMP. This seersucker cost $1 a yard in the store yesterday. The cotton mill got 42½ cents. The farmer gets 27 cents for the cotton in a suit of men's clothes made out of this seersucker; he gets 14 cents for the cotton in a dress made out of gingham and 9 cents for the cotton in a dress made out of the print, 4½ yards to the dress. There is room there to raise these prices so the civilian demands may be filled.

Mr. ROBSION of Kentucky. What does the seersucker sell for?

Mr. CAMP. One dollar a yard in the retail stores, for which the mills get 42½ cents.

Mr. JENNINGS. What does a seersucker suit cost?

Mr. CAMP. From $9.75 to $24.95; and the farmer gets only 27 cents for the cotton in it. Let us adopt the Brown amendment so as to reflect parity to the cotton grower and give the mill a little profit to manufacture these fabrics the civilians need.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

The gentleman from Mississippi [Mr. WHITTINGTON] is recognized for 3 minutes.

PRICE CONTROL

Mr. WHITTINGTON. Mr. Chairman, the over-all profit, or price, is the yardstick that has obtained in textile ceilings. As was stated by the gentleman from Georgia [Mr. CAMP] it has resulted in inequities. There is a bottleneck in work clothes, low-priced fabrics are not being manufactured and there is need for the low-priced fabric. Work clothes are needed. They are necessary in the war effort.

It is said the situation can be remedied by regulation, but remedial regulations have not been made. That position is illogical. If that position could be maintained we would not have spent the last three days considering legislative amendments to price control but would simply have provided for an extension of the act for 1 year without any additional legislative provisions. I assert that regulation has not solved the problem. Promises have been made, but that is all. One and one-half billion yards less cotton cloth is being produced than was produced in 1942. One and one-half million bales of cotton less is being consumed. Something should be done to raise the ceilings on low-priced cotton cloth, and to provide for parity for cotton.

Regulation has failed, and over-all profit has failed. The House should undertake, therefore, to remedy the situation by the adoption of legislative provisions.

It is asserted that this amendment will cripple price control. It might as well be said that every other legislative amendment that has been proposed by the Banking and Currency Committee or adopted by the Committee of the

Whole would cripple price control. In truth and in fact the Brown amendment will remedy the inequities that have obtained, will provide for a reduction where excessive profits have been made. It is flexible enough to provide for profits where no profit is being made.

Low-priced fabrics are not being produced because the mills can manufacture better fabrics and obtain three or four times as much for them. I therefore assert that the existing over-all textile price ceiling program has failed. So far as I am concerned, standing for the fair administration of the Price Control Act as I do, I want to strengthen price control by the adoption of a legislative provision that will eliminate the bottleneck and provide work clothes to the consumers of the Nation, without increasing the costs to the consumer.

I assert as did the chief statistician of the Office of Price Administration that the adoption of the Brown amendment, the best solution of the perplexing problem that has been proposed, will not increase the price of textiles if properly administered.

I extend to say, while price control in war is essential, and while Chester Bowles has materially improved the administration, existing inequities that have not been eliminated by regulations should be removed.

The over-all profit in textile ceilings has resulted in inequities. Civilian requirements for work clothes have not been met. There is a scarcity of denims, ginghams, and low-price cotton clothes. There is a scarcity of the cheaper children's clothes and overalls. The high-price cloths will continue to be manufactured unless the ceilings on the low-price cloths are raised. I therefore favor the principle of the Bankhead, Brown, and similar amendments that will increase the ceilings for low-price cotton cloths.

While I favor flexibility in textile ceilings, and while I advocate increasing the ceilings for the work cloths, I insist that all ceilings based upon parity prices must reflect parity prices to the growers. I urge that if manufacturers do not pay parity prices to the growers, the ceilings should be based only on the prices paid. I insist on adequate ceilings, but I also insist that if manufacturers are to obtain ceilings, they must show that farmers have received parity.

I favor other legislation where regulation has failed.

I favor the removal of the oppressive regulations that have resulted in injustice to citizens anxious to comply with the law who have unintentionally violated the regulations.

I advocate that the utterly unfair practices in rent control be abolished. The purpose of control is not to harrass but to provide for the welfare of the citizen by preventing inflation.

I advocate legislation to eliminate bottlenecks in civilian requirements and to abolish regulations in prices and in control that harass the citizen. Price control applies to all. There must be no black markets. There must be no willful violation of necessary regulations. Black markets must be utterly prohibited.

I advocate that ceiling prices be announced, if practicable, before planting, and certainly before harvesting.

Mr. Chairman, the over-all price or profit is the yardstick that obtains in textile ceilings as I have said. It has failed. It has resulted in failure to meet civilian requirements for work clothes. The textile ceilings as a whole have not remedied the situation. The repeated complaints have been made that while high-price cotton cloth is available, there is a dearth of denims, overalls and low-price cotton cloths. There is need for children's clothes. There is need for clothes for workers. The existing ceilings have not eliminated the problem.

It is urged that the matter can best be handled by regulations, but regulations have not remedied the difficulties. The condition has not been remedied. The existing regulations have not done the job. There is something either radically wrong with the textile price ceilings or with the administration of the regulations. Cotton cloth production is off from the high of 1942 by 1,500,000 yards. I repeat, Donald Nelson, Administrator of the War Production Board, is urging increased production. Cotton consumption is down 1,500,000 bales, as I have said. The cotton is available, but the goods are not being supplied.

The Brown amendment, which is materially different from the original proposed Bankhead amendment is offered as a solution of the complex problem. It is flexible. It is intended to increase the ceilings on the low-price cloths and at the same time it is flexible enough to reduce the ceilings on the high-price cloths.

It is said that the Administrator opposes the amendment. The answer is that no better solution has been proposed. The further answer is that the amendment is intended to eliminate the bottleneck, is flexible enough to provide for supplying the low-price clothing and at the same time to prevent increased costs to the consumers generally.

It is admitted that the problem exists. I am unwilling that nothing should be done about it. Citizens are entitled to work clothes. Inflation will be promoted if they have to continue to buy high-price clothes. Higher wages will be demanded.

Again it is urged that the proposed amendment will materially increase the cost of cotton textiles to consumers. Representatives of the Office of Price Administration in the information furnished to the Members of the Senate and House have exploded this contention. They assert that if properly administered the proposed amendment will not increase the price to consumers.

Mr. York Wilson, chief accountant for the textile industry in the office of the O. P. A., advised Senator TAFT recently:

> If properly administered, the amendment will not increase mill profits 1 cent.

Again he said, and I quote:

> If the textile items that reflect less than parity are raised in accordance with the amendment, and those that are too high are reduced, as they should be reduced, there will be no increase in the over-all cost.

It is admitted that manufacturers are not paying parity for cotton. Agricultural commodities generally are about 114 percent of parity. Cotton alone is below parity. The other commodities are not affected. Hence the legislation applies only to cotton.

Cotton has reached parity only three times in the last 2 years and has remained at parity but a short time. There is no excessive supply of free cotton. The Office of Price Administration has placed ceilings, as I have indicated, on certain textile items that reflected less than parity for raw cotton. These textiles include cloth for overalls and work shirts. The same type of cotton is used in blankets, ginghams, and other cotton goods for clothing and household.

It is admitted that in calculating the ceilings the O. P. A. has used less than the parity price of cotton. The law requires them however to use the parity price in fixing the ceilings. It is believed that if the parity price is used in fixing the ceiling that production of cotton cloths will increase and that the manufacturers could pay the growers the parity price.

I believe the amendment will enable the cotton grower to obtain more nearly parity, will increase the ceilings for cheaper cotton cloth, reduce the ceilings on the high price cloth, and thus eliminate the bottleneck that prevents low-cost textiles from being supplied to the civilian population.

High-grade cloths are obtainable, but the low-cost cloths are not obtainable. Something must be done. It appears from the hearings that the mills which are making the low-cost cloths are not making profits. If the regulations have not provided for a fair return for the manufacturers of denims for overalls and other cheaper cotton cloths, legislation should be enacted. I therefore favor both the Brown amendment and the Crawford amendment. I do not believe it will increase the profits that are being made. It will provide for profits where none is being made. The purpose will be to reflect increased or parity prices to the growers. If such prices are not reflected, the ceilings of textiles will be reduced.

Price control under the act of January 30, 1942, and under the Stabilization Act of October 2, 1942, is essential in war. I favor price control. I know that Congress can only deal with principles and policies. I know it would be impracticable for Congress to adopt regulations. I agree that the success of price control depends upon administration. If the fundamental law can be improved, I favor amending it. If bottlenecks exist and regulations do not solve, and no better remedy is proposed, I then favor legislation.

The purpose of price control is to stabilize prices and to prevent inflation. Mistakes have been made, but by and large the program has been successful.

Chester Bowles has improved the administration of the act. Cost of living, however, has increased, but the increase is nothing like the increase in the cost of living in the First World War. War always leads to inflation. At the end of the Revolutionary War the dollar had dropped to 33 cents. After the Civil War it dropped to 44 cents. Following the World War it dropped to 40 cents. Between the outbreak of the First World War and the armistice, wholesale prices rose 102.5 percent. After the armistice they rose from 108 to 148.5 percent above pre-war levels. One-third of the total rise of World War No. 1 took place after the armistice. World War No. 1 cost $32,000,000,000. It would have cost $18,500,000,000 if there had been no increase in industrial prices. Forty percent of the cost of the First World War was due to unnecessary price increases in the absence of general price control. Thus far there has been a saving in the Second World War of approximately $65,000,000,000 because of price control.

Again it is said that the consumers of the country have saved $22,000,000,000 because of price control. In World War No. 1 civilians obtained 75 percent of all the goods produced. Only 25 percent went to the war effort. In World War No. 2, 46 percent of all goods produced have gone to the armed forces. There has thus remained 54 percent for civilians.

The alternative of price control and wage stabilization is inflation, and inflation is always followed by collapse or deflation. The greatest danger, as I have said, follows the war.

In the First World War $43.75 would buy a barrel of flour and 100 pounds of sugar and nothing else. This was the third year after our entry into that war. At the present time, after the third year of World War No. 2, $43.75 will not only buy a barrel of flour and 100 pounds of sugar but 88 other items. During the First World War sugar went up to 35 cents a pound following the war. The price of wheat and cotton did not go up very high during the war, but it was after the war that the price went up.

I conclude as I began. The O. P. A. under price ceilings has not provided rules and regulations that warrant the production of the much-needed work clothes. No better proposal has been submitted than the Brown amendment.

The textile factory worker in January 1944 averaged $1 an hour. The cotton farmer has received 20 cents an hour for his labor.

I believe that the proposed amendment will be fair to the consumers, to the manufacturers, and to the cotton growers.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The gentleman from North Carolina [Mr. COOLEY] is recognized for 3 minutes.

Mr. COOLEY. Mr. Chairman, I wish to use the 3 minutes allotted to me for the purpose of clarifying the amendment which has been offered by the gentleman from Georgia [Mr. BROWN]. I anticipate that the statement will be made here, in fact it has already been made, that if the Brown amendment is adopted, we might as well throw the price-control law out of the window and abandon efforts to control inflation. That statement in substance was made here yesterday by our distinguished majority leader.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I want to ask the gentleman from Georgia if it is the purpose of this amendment to guarantee to the cotton farmers of America parity prices?

Mr. BROWN of Georgia. The purpose is to obtain parity prices, and I believe the formula in the amendment will bring parity to the cotton grower.

Mr. COOLEY. In other words, the guaranty sought by this amendment is that if a ceiling is imposed upon cotton textiles it will not be forced back on the brow of the cotton farmer to the extent that he will be forced to accept less than parity for his cotton.

Mr. BROWN of Georgia. If the farmer does not obtain parity the ceiling fixed on the manufacturer will be lowered, and certainly the manufacturer cannot gain anything by not paying parity to the cotton grower. I want to say another thing. There has been a lot of propaganda about the original Bankhead amendment. I noticed that Mr. Vinson in his letter to the Chairman yesterday referred to the Bankhead amendment as reported out of the committee, and not the Bankhead amendment as passed by the Senate. It seems the newspapers are still talking about the original Bankhead amendment. The Bankhead amendment as passed in the Senate is practically the Brown amendment which allows the lowering of certain textile items and the raising of others. In my opinion if the provisions of my amendment are not adopted there will be rationing of clothes within 6 months. Watch my prediction. I will tell you another thing, the President of the United States is not going to veto this bill on account of the Brown amendment. He may do it for other reasons but not because of that. I know the President will look into the merits of this amendment when it reaches him, and if he does I feel that he will be for the amendment.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Very briefly.

Mr. MAY. My question might more properly have been propounded to the gentleman from Georgia than to the gentleman from North Carolina.

Mr. COOLEY. I am glad to have the gentleman ask his question.

Mr. MAY. I understood the gentleman to say yesterday that his amendment would give us parity.

Mr. BROWN of Georgia. The formula will prevent the O. P. A. from setting any cotton textile ceiling that will depress the price of cotton to the farmer below parity and the mills would be foolish to undertake to buy cotton below parity when the ceiling would be reduced under the escalator clause. It gives the farmers a better opportunity to obtain a fairer price.

The mills will not benefit by not paying the farmer parity for his cotton.

Mr. COOLEY. May I ask the gentleman from Georgia one other question. If his amendment is adopted, will it increase the price to the ultimate consumer?

Mr. BROWN of Georgia. No; it will not. In my opinion it will lower the price to the consumer, for the reason there are two paragraphs in this amendment that allow the O. P. A. to decrease the ceiling price of the mills making so much money and raise the ceiling of those mills making certain cotton garments with loss or without profit. The consumer will not pay as much.

Mr. COOLEY. I thank the gentleman. He has somewhat clarified the situation.

Mr. BROWN of Georgia. It is obvious that by pulling down the ceilings that are too high and raising the ones that are too low, the cost of living will not be increased at all.

The purpose of my amendment is not only to obtain parity for the cotton producer, but is to bring on production of low-cost cotton garments and clothing so necessary for the Army and Navy and the people generally.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Georgia [Mr. BROWN]. For many days past there has been a campaign carried on by commentators over the air, by newspaper columnists and many others that the adoption of the Bankhead-Brown amendment would bring on inflation.

Let us analyze this for just a moment. In 1944 there is floating loose in our economy $45,000,000,000. In other words, $45,000,000,000 of hot money, competing for scarce goods. They cannot buy these goods. After you pay your taxes, after you have bought consumer goods over the counter, after you have spent the money necessary to live and all of that, you have $45,000,000,000 floating loose in America today.

What will the Brown amendment do? It will make more cheap goods available to the poor people of this country in gingham dresses, in work shirts, in pants and overalls. That is what it will do. Yet the O. P. A. says to increase the production of low-cost garments would mean inflation. Inflation is caused when tremendous purchasing power competes for a scarcity of consumer goods. The Bankhead-Brown amendment is in reality deflationary.

Mr. Chairman, the gentleman from Georgia has shown here some cloth, and he has given you the price of that cloth. May I say to you from the information I have received seersucker cloth is bringing 69 cents a yard in New York. Sixty-nine cents a yard for 4 yards of cloth is $2.76. Out of that $2.76 for 4 yards of cloth the farmer gets 20 cents because there is 1 pound of cotton which goes into that 4 yards of seersucker cloth.

Let us follow through a minute. What will the Brown amendment do? It provides that the farmer will be paid 21 cents instead of 20 cents. That is what it

would do. It will give the farmer who is now making 20 cents an hour the sum of 21 cents a pound for his product. I hold in my hand a dress that was purchased in New York the past week. The tag on it shows that it cost $12.95. This dress cost only $6.50 2 years ago. It was not inflationary to double the price of the dress, but as soon as the farmer asks a fair deal for his labor and his product the O. P. A. and the C. I. O. yell inflation. Such a contention on their part cannot be supported by the facts. I hope that the amendment will be agreed to.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Louisiana [Mr. McKENZIE].

Mr. McKENZIE. Mr. Chairman, this is a price-control bill, therefore it deals with economics. I have wondered how many of you have stopped to see just how far-reaching the effect of this amendment will be and just how it affects every one of your constituents. You talk about the price of cotton goods. I know that a great number of you here think in terms of the economic problem child, so termed, the cotton South. The reason that the South is an economic problem child is because of the fact that you have treated the southern cotton farmer as if he might be a stepchild. You have given him no consideration.

In these United States there are 18 States which produce cotton. In 14 of those States raw cotton and its products, seed and so forth, and the chief economic crop. In 14 of these States there are involved something like 30,000,000 people. The parity price, according to the Department of Agriculture, on cotton for last week was 23.37 cents per pound. In last night's paper I saw where October cotton was quoted at 20.61 cents, a difference of nearly 3 cents per pound or $15 a bale. In America there is a surplus carry-over of cotton of something over 10,000,000 bales. Your annual crop is roughly 10,000,000 bales. The difference to the economic problem child is $150,000,000, scattered throughout the South.

If you people from Maine and you people from Idaho want these 14,000,000 acres that are now in cotton in the United States competing with your potatoes, the best way I know to do it is to force the cotton farmer out of his economic set-up. It happens that down in the State of Louisiana, in my district, the people are now experimenting with wheat. We have a small flour mill down there at Lake Providence, La. Do you people in the Middle West, Kansas, and Nebraska, want these 14,000,000 acres now in cotton put in competition with your wheat? Do you people in California and Florida want all of this Gulfcoast area that is adaptable to the raising of oranges, citrus fruits, and other fruits put in competition with your fruits? Do you people from Michigan, do you people from Colorado and California, want these folks to go into the production of celery? Do you people in the beet sections of Colorado, Utah, and the Midwest want us to expand our cane production? I tell you it is absolutely in the making because you are denying to this economic problem child the right to live.

Parity for cotton means a wage increase for the farmer. The major portion of the cotton raised in this country is raised by the little farmer with 5, 10, and at most 20 acres in cotton. He and his family prepare the soil, plant and cultivate the cotton, then gather it. The price they get for their cotton is the sum of their wages. We are raising the wages of industrial workers, of construction workers, of war workers, so how in the name of conscience can we deny a badly needed raise to the farm worker? More money to the cotton worker means more money to the cotton area, prosperity to the merchant, increased trade and barter, and naturally, indirectly, more money for the city and town dweller in the cotton States. They can buy more of the products of other sections of the Nation; prosperity in the South will spread to the North and Midwest. The transportation facilities of the Nation will benefit; the great ports of the Nation, particularly the great cotton ports of New Orleans, Houston, and Savannah, will benefit. Because of the increased purchasing power of the cotton areas, the demand for goods and supplies will make for increased work for labor throughout the Nation. We all benefit. Can you not see it?

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Chairman, for the last 6 or 8 months or longer I have had frequent complaints from my constituents about the scarcity of common, ordinary cotton goods. They say it is impossible to obtain them. Upon inquiry at the O. P. A. and W. P. B. I learned that the goods are not being manufactured. I have had particular complaints about denim, overalls, work shirts, and so forth, because the people in my country work and they usually have to have shirts. They are unable to obtain overalls and work shirts.

I want to ask one thing and I direct my inquiry to the author of this amendment, the gentleman from Georgia [Mr. BROWN]. If the amendment is agreed to, from the evidence obtained before the gentleman's committee is it shown or can it be shown that the price of the finished product or the raw material will be automatically increased?

Mr. BROWN of Georgia. The finished article will not be increased. The raw cotton will be brought up to parity and there will be an increase. If it does not attain parity within 60 days then the ceiling will be decreased and that sum instead of going to the mills will go to the consumers of this country.

Mr. HARE. The gentleman answers my two questions in one. One is the raw cotton will bring the parity price and the other is that the finished product or the processed product will not be increased.

Mr. BROWN of Georgia. In my opinion it will not be increased, and that is based on the statement of the man who is in charge of the functions of O. P. A., who deals with textiles, that if it is properly administered, the consuming public will not pay a cent more; that it will adjust the ceilings downward so that the public will be saving money instead of having to pay more money.

Mr. HARE. I have been greatly interested in this problem for some time. I made a recent inquiry of the Bureau of Labor Statistics, asking them to furnish me information as to the increase in price of cotton for the past 2 years as well as the increase in the price of the finished or processed product.

I have before me a communication dated June 10, 1944, in which I am advised that cotton has increased 1.5 cents per pound or 7.7 percent, from March 1942 to March 1944, but that on the other hand, dresses, percale, have increased 30.7 percent, towels 17.9 percent, and that since 1939 dresses, percale, have increased 105.9 percent and towels 65.5, and other cotton goods accordingly.

The point I want to emphasize by the inquiries made is that the passage of what is referred to as the Brown-Bankhead amendment and the Crawford amendment will not automatically increase the price of cotton fabrics or cotton goods, as has been alleged here a number of times. Several Members have said that if you increase the price of the raw product or raw material it will necessarily mean an increase in the price of the finished product. This sounds reasonable and in the absence of the operation of the Price Stabilization Act this would ordinarily be true, but if I understand the existing law and the amendments referred to this could not happen and I would like to make clear the grounds for my conclusions.

Under existing law when the O. P. A. undertakes to place the ceiling price on shirt goods or work shirts made of cotton, or when it undertakes to arrive at a ceiling price, for example, on ginghams or dresses made therefrom, the first question asked by the O. P. A. in an effort to arrive at the ceiling price is to ascertain the parity price of the raw material or the parity price to the producer and when that item is determined it is included along with the cost of labor and other elements that enter into the cost of the finished product and the ceiling price or the price to the consumer is then fixed. Therefore, as I see it, under present conditions, the present law and the present operations of the O. P. A., the parity price for cotton is already included in the ceiling price of the finished product, but the grower or producer of cotton is not receiving the parity price and these amendments undertake to do only one or two things. First, that the processors shall be required to pay the producer the parity price or reduce the consumer or ceiling price on the finished

product in proportion to the difference between the price paid for the cotton or raw material and the parity price for such material or product.

As a result of the present policy, the manufacturer has been inclined, and naturally so, to make higher quality goods for the reason that in the last analysis the proportionate amount of profit is greater in high-quality goods, particularly if the supply is not greater than the demand, the result being a reduction of the manufacture of the lower quality or grade of cotton goods, particularly those used for making ordinary work shirts, ordinary house dresses, overalls, and similar articles of wear. Really what follows, then, is the laboring man or the housewife is unable to find on the counters of a merchant any of the type of goods used to make children's clothing, and so forth, and the failure to find such goods necessitates the laborer or the housewife buying higher-priced goods or higher-priced ready-made dresses than they have been accustomed to buy, and to the extent of this increase the cost of living of the family has increased. Now, my understanding is that these amendments are designed for the purpose of enabling or requiring the manufacturer or processor of cotton and cotton goods to increase the production of the grades of cloth commonly used by people of low income, and the effect of their operation would be to decrease the cost of living of people with such incomes and at the same time increase the price of the raw material or raw cotton to a point equivalent to parity as provided under existing law.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, all the way through the debate on this amendment I have not, for the life of me, seen why the cotton people want this amendment if it is not going to raise the price of cotton, and I do not see how we can raise the price of cotton without expecting a comparable increase in the cost of the finished product; therefore it automatically increases the price of the finished product to the consumer.

I would like to do something for my sugar beet and my bean growers just as much as you want to do something for your cotton growers, but I know they are willing to forego such benefits if we can effectuate stabilization. As to these dresses and this cloth that is selling, as you say, for 100 percent more than it did 6 months or a year ago, if it was not for the controls which we have on these commodities at the present time, I daresay they would be selling for three or four hundred times the price at which they are now selling. What we have to consider as much as anything else is the post-war period. I do not think we are doing any service to the cotton growers and to the cotton-textile people by creating a situation which will wreak havoc in the post-war textile market.

We have provided for adjustments in the bill, and we have said that no maximum price shall be put on cotton or on any agricultural commodity which, even after it is processed, will reflect less than parity to the producer. The only way you can guarantee parity to any producer is by putting a floor underneath the price, a support price, and under the present law there is a floor of 90 percent under cotton, because cotton is one of the basic commodities. That advantage to the cotton grower continues for 2 years following the war. That, it seems to me, is about all the cotton growers should ask for. They have that. We certainly should not dislocate the price machinery by adopting this amendment. I feel it is inflationary, and I believe a material increase in the price of cotton clothing will result if this amendment is adopted. If this amendment is adopted I do not believe this bill can be enacted. Our only course then will be to adopt a simple continuing resolution for 6 months. You can take your choice between this amendment as I see it and a 6 months' continuation of price control without any of the restrictive and clarifying amendments which the Banking and Currency Committee has recommended. You cannot have both this amendment and a price-control bill.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, if I could have the committee's attention for 3 minutes, I will try to help their thinking on this matter. So many of you have asked questions that I fear there is considerable misunderstanding.

Let me say, first, I am not interested in the textile mills, except to see that they are treated fairly and I want them to continue to afford a market to the farmer for his cotton. I would like to give you the picture. Textile ceilings were fixed about 2 years ago by O. P. A. They have been frozen since that time. When those ceilings were fixed, the parity price of cotton was 18.72 cents per pound. The parity price of cotton today, due to the fact there has been an increasing cost of the products that the farmer has to buy, is 21.08 cents; consequently the freezing of these ceilings for 2 years, contrary to law, has made it difficult in some cases for the mills to pay the farmer parity. The law prohibits O. P. A. from establishing or maintaining any ceiling price which will not reflect parity prices to the farmer.

But there is a second reason. When O. P. A. fixed the ceiling on textiles, they included the price for the raw cotton at 18.72 cents as the over-all price for all textile goods of all types.

That is to say, the general price the mills should pay for cotton would be parity. They then set a different ceiling on each one of the thousand or more commodities the mills make out of cotton. On some of them the ceiling was fixed so low it was impossible for the mill to pay parity for the cotton, and on some of them the mills could pay twice parity for the cotton. No mill makes all of the different textile commodities. Some make one and some make others. Consequently, it is utterly impossible for some mills to pay a parity price for cotton and sell within the ceiling.

One of the things this amendment will do is to make it possible for all of the mills to pay parity for cotton. However, it does not guarantee the farmer parity prices for his cotton. There is no ceiling price at all on rayon, none at all. It is a competitive commodity. What is happening is that as fast as the War Production Board issues permits the mills are changing to rayon. If you look at the hearings, you will see that the mills can make a profit today provided you include their profits from rayon. Rayon is a free commodity, it has no ceiling. It is taking the rayon profits to keep some of the mills that make both rayon and cotton commodities going in spite of their losses on cotton.

The law now requires that the O. P. A. Administrator fix all prices of goods manufactured from agricultural commodities at ceilings which will permit the manufacturers to pay parity prices to the farmers. The Administrator should be required to respect and carry out that law. And he should fix a like ceiling on rayon products and not drive our mills from cotton to rayon goods.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Chairman, I have listened with interest to all of the arguments advanced by my friends from the cotton-growing area, and they have not met one thought that exists in my mind, that we are considering a price-control bill today under war conditions. Everything they say might be pertinent and have considerable influence on me if a bill were before this body confined to the question that addresses itself to their problem. We can thoroughly understand and appreciate their position. But we are Members of Congress from all sections of the country and we are considering this bill in the national interest, having in mind that it is designed to meet wartime conditions and that it is a result of the war in which our country is engaged.

If this amendment is adopted, there is no justification for not adopting amendments all along the line applying to any other agricultural product or to any other product, agricultural or otherwise, in raw or finished form.

While I appreciate the motives of my friends from the cotton-producing areas, and speaking as one who has always supported their legislation and all agricultural legislation, I cannot see where this amendment is going to help accomplish the objective they have in mind.

In any event, the amendment is going to be very disruptive of the over-all picture in connection with the bill that we have under consideration and that is of vital concern to our country at this time. I think the argument of the gentleman from Michigan [Mr. WOLCOTT] is unanswerable. If this amendment is going to help the cotton producer, certainly there is going to be an increase along the line. But as I see the amendment, it will do neither, but help the textiles.

As I understand the problem of production, it is a labor problem. There were 40,000 fewer workers in the textile

industry in the year ending April 1944 than there were in the year ending April 1943.

Without going into further detail, this amendment has no place in this bill. This is a bill to prevent inflation through the control of prices. It is not a bill to consider what inequities may exist with reference to this or that particular product. The amendment has no place in this bill. Its adoption, in my opinion, would be disastrous to the operation of this bill. If it is adopted, I cannot conceive how this bill can become law unless it becomes law over the veto of the President.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Chairman, to one who has lived as close to the cotton producers of this country as I have, it is a great temptation not to talk about the problem of cotton. Certainly I am moved deeply by the appeal that every friend of the cotton farmer in the South makes to this House. But nothing can be for the good of our farmers that is against the good of our Nation. I know when I go back this summer to talk to them about this proposal they will agree with me. I repeat what I said in general debate, that the farmers I know in the cotton-producing district of Arkansas are prepared to make any sacrifice in the hour of our Nation's supreme peril.

The gentleman from Michigan [Mr. WOLCOTT] has stated the issue. Let there be no mistake about it. Either we believe in inflation control or we do not. We come to the crucial vote.

I know there has been some suggestion that the consumer will not suffer, and that hope has been expressed, but all the proof is against it. You can take the word of Chester Bowles. He closes his letter to a Senator from a cotton-producing State by saying:

> In all earnestness, of all the changes now under consideration, the Bankhead amendment is the single proposal best calculated to destroy the entire structure of stabilization.

Further, I know these men are in earnest about it and they believe it is true, but this will not help the cotton farmer. They speak of parity. Of course, we want parity and we are entitled to have it, but how are we going to get it? The Bankhead proposal simply provides that you take the cotton price, the parity price, and you add to that what? The costs of 90 percent of all of the items of all of the manufacturers of cotton goods in this country, and there is then to be added to that a reasonable profit. At present, the price obviously is lower than it would be under the amendment. At the end of 60 days after the higher ceilings have been in effect, suppose that the parity price is not being received. Does it affect the cotton mills? Not at all. Their margin is fixed. The incentive for them to raise the buying price is gone if it ever existed. So there is no escape from this conclusion, as you examine the amendment, that we would be making a single exception for one business in this country. We are saying to other industries, "You must struggle with costs but the cotton mills can have their margin." That is a guarantee for the first time in the history of this country. You cannot in justice to the people of America, permit that to happen.

No; you are not serving the cotton producers by this proposal. You are not, in reality, serving the cotton mills, when you consider the long-range effect of this legislation. When you represent to the country which wants greater production of low-price cotton goods that it will have that result you are saying something that the sponsors do not themselves guarantee. Before our committee the statement was made by spokesmen for the Cotton Textile Institute, and we admit it is a severe problem, that "The over-all problem of the cotton mills is manpower."

The over-all problem is not price. Dr. Murchison, of the Institute, who made an excellent statement, admitted that in the case of 30 percent, and perhaps a few more, of the mills' price might be of greater weight, but came back to the conclusion that manpower is the greater problem for 60 to 70 percent of the mills. When I asked him what the answer is, he said, "There is one answer, and that is an integrated program that works out plans through the War Manpower Commission, the Office of Price Administration, and the War Production Board."

So, unless this House is ready to say that price is the answer, when Dr. Murchison says it is not, except for 30 to 40 percent, you ought to vote down this amendment and say we are not making any exceptions in this fight which we are now making all together, and I mean all of us, to defeat inflation in the United States.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. COCHRAN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. COCHRAN. Mr. Chairman, the vote on the amendment of the gentleman from Georgia [Mr. BROWN], the cotton amendment, will in my opinion decide the fate of this bill. The opinion prevails that the President will veto the bill if the Brown or Bankhead amendment remains in the measure. If the bill is vetoed, then, of course, price control will continue by the passage of a joint resolution extending the present law.

The 26 Members of the Committee on Banking and Currency, after many weeks' work, presented to the House a liberal bill. Efforts were made to amend the law. Recommendations were made for amendments to existing law that would meet some of the provisions against which complaints have been lodged. If the bill is vetoed, you will not receive the benefits of the changes recommended by the Banking and Currency Committee.

The gentleman from Georgia [Mr. BROWN] yesterday told the House, and I use his language:

> I expect to produce evidence from a witness to show that my amendment will not cost the consuming public a dime.

How is it possible to pay parity prices for cotton to the producer, to increase the profits at the mill, and to the distributor and not result in an increase in price to the consumer is beyond me to understand. I predict if this amendment does become a law, there will be an increase in the price of cotton from the producer to the consumer and the entire increase will be saddled upon the consumer. It will amount to two or three hundred millions of dollars.

According to the Office of Price Administration the price of wholesale cotton advanced 107 percent in the last 52 weeks. This increase exceeds the increase of any other commodity.

There is absolutely no doubt but that the budget of every family whether it be on the farm or in the cities will be affected if this amendment passes. This is one of the most destructive amendments that has been offered to the bill. It will destroy the "hold-the-price line."

It is my hope that the amendment will be overwhelmingly defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, if there is one statute that has ever been enacted that ought to be administered with equal rights to all and special privileges to none, it is the statute that provides for price control and for rationing. Unless the people believe that that statute is honestly administered in the interest of the people, they will not give it the support they otherwise would give to it. I have no quarrel with the cotton growers. I sympathize with them and have voted for all the measures which I thought would help them. But this is not the time nor the place to put permanent policies of government into this bill, which is designed to meet the greatest emergency in the history of our country. This bill was enacted for but one purpose, and that is to hold the line against inflation. The insidious forces of inflation are as baleful as a defeat would be upon the battlefield. It is a great job that they have to do and if you fill this bill with special privilege you weaken it. What answer will we have when other men come and ask for special privileges? I know special privilege is on the march and I know it is hard to stop it, but why could not I ask that my tobacco people have some special privileges and that their prices may be raised during this time when we are trying to control all prices? I think that the farming interests of the South are hugging an illusion in seeking to put this amendment into the bill. I do not think it will do what they think it will do. The textile manufacturers could now pay the farmers parity for cotton. Why do they not do it? They made 9 times as much in 1943 as they made before the war. It has been estimated that if this bill goes

through they will make 16 times as much as they made pre-war. If they do pay parity to the cotton farmers they will still make 14 times as much as they made pre-war.

You are not going to get parity and you are not going to get any advance in price by paying these bounties to the manufacturers. The manufacturer is selfish. He is going to buy in the cheapest market and he is going to sell in the highest market and there is no method that has yet been devised that will compel the manufacturer to pay parity to the primary producer.

We have a great job to do. I would not want to see it fall down. Everyone of us is interested in it. You are interested in it, and your family, and your children. We must "hold the line" and we cannot "hold the line" by giving every special interest the special privileges which they desire in this most crucial time. I am no expert with reference to this proposition. I do not care anything about the statistics. I know what will happen. I know if you give the manufacturer the bounty that he asks he will not give it to the farmer, but he will put it into his pocket. This is going to cost the people of the United States from $150,000,000 to $200,000,000 per annum and we could obtain parity for the cotton farmer by the expenditure of $60,000,000 if it were given directly to him.

The remedy is to raise the loan price on cotton and see that the farmer gets his check and puts it in his pocket. That is the only way you are going to help the farmer. I hope the people from the South will think of this in that light. I do believe if you put this into the price-control bill you weaken it to such an extent that it will be vetoed by the President. If the President does veto this bill, what are you going to have? The committee brought in a liberal bill. We brought in a bill that did away with many of the complaints which were made with regard to price control. We gave you the right to go into the courts and to assert your constitutional rights. We made this a more liberal bill than the existing law in every way. It met with the approval of the committee that studied it in extensive hearings. Now are you going to jeopardize that by putting special privilege in here? I hope not.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. SPENCE] has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. CRAWFORD] to the amendment offered by the gentleman from Georgia [Mr. BROWN].

The question was taken; and on a division (demanded by Mr. CRAWFORD) there were—ayes 85, noes 176.

Mr. CRAWFORD. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. MONRONEY and Mr. CRAWFORD to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 103, noes 189.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Georgia [Mr. BROWN].

The question was taken; and on a division (demanded by Mr. JARMAN) there were ayes 87 and noes 191.

So the amendment was rejected.

Mr. PACE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PACE: At the end of section 9 add a new section to be numbered section 10, as follows:

"SEC. 10. Section 3 of an act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, approved October 2, 1942, is amended by adding just before the first proviso in said section 3 the following: 'Provided, that the maximum price so established may be charged or collected by the processor or manufacturer only when the producer of the agricultural commodity has received, as to any agricultural commodity acquired by the processor or manufacturer subsequent to 30 days after the effective date of this amendment, approximately the higher of the prices specified in clauses (1) and (2) of this section, and upon failure of the processor or manufacturer to submit satisfactory proof thereof such processor or manufacturer may charge and collect not more than 90 percent of the maximum price so established.'"

The CHAIRMAN. The gentleman from Georgia is recognized for 5 minutes.

Mr. PACE. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. SCANLON. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Georgia is recognized for 5 minutes.

Mr. PACE. Mr. Chairman, I hope I may have close attention because it is going to be very difficult to explain this amendment in 5 minutes; so I ask you to follow me closely.

The Stabilization Act, that is the act of October 2, 1942, amending the Price Control Act, in section 3 provides two things: It first states that the Administrator shall fix no ceiling or maximum price for an agricultural commodity, that is, on the commodity itself, which will not reflect to the producer either the parity price, which is clause 1, or the highest price between January 1 and September 15, 1942; that is to say, the Administrator must fix the price of wheat, of cotton, of corn, and all other agricultural commodities, at the highest of those two. And then this same section sets forth the manner in which the O. P. A. Administrator must establish maximum prices on commodities processed or manufactured from agricultural commodities. Listen closely. I quote from this section of the law:

And no maximum price shall be established or maintained under authority of this act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producer of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses 1 and 2 of this section.

That means two things: First, the Administrator must fix the ceiling price—not the support price but the ceiling or maximum price—of agricultural commodities so it will reflect not less than the parity price to the producer, then when he fixes the price of processed goods he must fix that price where it will reflect not less than the parity price to the producer.

This amendment I have offered covers not only cotton but every agricultural commodity, wheat, corn, tobacco, vegetables, all of them. The situation we face now is that while the processor has written into his ceiling price the assumption that the agricultural commodity is costing him parity prices, there is nothing in the law and up to now in the administration of the law that requires that manufacturer or processor to pay the farmer parity prices. Let me illustrate: When the Administrator fixes a ceiling or maximum price on a product manufactured from an agricultural commodity he first sets up what is called a justification. The first thing he puts down is the cost of the agricultural commodity, and under the law he has to put down either the parity price or the highest price between January 1 and September 15, 1942, whichever is higher. But let us discuss here only clause 1, the parity price. The first thing he writes down on his justification is the parity price of the agricultural commodity. Then he takes the labor cost and other manufacturing costs and finally allows whatever profit he wants to. Consequently there is written into the ceiling price of every processed product made from an agricultural commodity the parity price, but there is no assurance the farmer will be paid that price. This amendment simply states that when the parity price is added or written into the price the manufacturer can charge then he must pay the farmer that price.

The significant thing I want to explain to you gentlemen who have such a profound interest in stabilization, the significant thing about the amendment is that it will not raise the cost of living one dime but may have the effect of reducing the cost of living, because if the processor refuses to pay the farmer parity which is already included in his price then he can charge and collect only 90 percent of his ceiling or maximum price. There may be numerous instances where the cost of the article to the consumer will be reduced on account of the failure of the processor to pay the farmer parity prices which are already included in his ceiling price.

I have found a very strong feeling among all of you to see that the farmer receives the price that is included in the processor's ceiling.

My amendment does no more, except this—it would, of course, be unfair to put this amendment into effect on farm commodities already purchased or already processed; so the amendment relates only to agricultural commodities purchased after the expiration of 30 days from the date the amendment goes into effect.

The conference committee may also want to give consideration to the question of limiting the amendment to those agricultural commodities still in the hands or under the control of the producers and those hereafter harvested.

I also want to explain the significance of the word "approximately" because it appears necessary to include it. The word "approximately" did not appear in the Kleberg amendment. I do not know what difficulties it is going to run into. My amendment does the same thing for all agricultural commodities that the Kleberg amendment, which you adopted Saturday, did for only three or four commodities, those on which subsidies are being paid. I think we need the word "approximately" in there to keep an honest man from getting into trouble.

Mr. SPENCE. I am heartily in accord with what the gentleman is trying to do, but I am wondering how it can be administered. The slaughterer does not buy direct from the farmer. How is that as an administrative matter going to be remedied?

Mr. PACE. Will the gentleman take some time and let me explain it to him in his time? My time is limited.

The word "approximately" is significant in this particular. There is a ceiling price on the agricultural commodity; we will say it is the parity price; it cannot be less. There may be some slight variation from month to month and the processor may not know about it. He is not permitted to pay more than the ceiling price. Consequently, I think we must say "approximately" to permit a slight margin, which means not 90 percent, not 95 percent, but around 99 to 100 percent of the parity price. It is necessary to use that word to keep a man from getting into a sort of strait jacket and suffering a penalty when no one intended for him to suffer it.

The amendment simply requires that when you buy tobacco, for instance, whether you buy tobacco from the farmer or whether you buy the tobacco from an auctioneer or, if there is such a thing, whether you buy the tobacco from a commission merchant, it is necessary to receive a certificate from whomever you buy to the effect that you paid the tobacco grower in Kentucky the parity price for that tobacco. Then you in turn file that certificate when called upon by the Administrator as proof that you have paid parity to the man who produced the tobacco.

There is no serious difficulty in connection with it administratively. It will simply bring about that which this Congress has promised and which the law requires, the payment of parity prices to the farmers of this Nation. I ask you to adopt the amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LUTHER A. JOHNSON. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. LUTHER A. JOHNSON. Mr. Chairman, I shall support the amendment just offered by the gentleman from Georgia [Mr. PACE] and hope that it may be adopted. It supplements the Kleberg amendment, which we have already adopted, and for which I voted.

The Kleberg amendment provides in substance that processors, before receiving subsidy payments, must submit satisfactory evidence that such processor has paid to the producer of such agricultural commodity prices that are not below the parity. In other words, the Kleberg amendment means that processors who buy hogs, wheat, and cattle shall not receive a subsidy on such commodities until they submit satisfactory evidence that they have paid to the farmers or producers of the hogs, wheat, and cattle the parity price or the price fixed under the Stabilization Act therefor. The Kleberg amendment relates only to those commodities on which a subsidy is paid, and there are only three or four of such commodities.

The Pace amendment applies this same principle to other agricultural commodities upon which subsidies are not paid.

Under the Price Stabilization Act of 1942, it is prescribed that on any commodity processed or manufactured from any agricultural commodity, the maximum price therefor shall be such as will reflect to the producers of such agricultural commodity a price equal to parity, or the highest price received by producers for such commodity between January 1, 1942, and September 15, 1942, whichever is highest. The processor or manufacturer is permitted, in fixing the price upon the manufactured or processed article, to include this price so allowed to farmers for agricultural commodities, but the processors and manufacturers do not always pay to the farmers or producers such price as the law contemplates shall be paid to them.

The Pace amendment simply provides that the maximum price allowed by law to be charged and collected by the processor or manufacturer shall be received only when the processor or manufacturer has paid the price so prescribed by law to the farmer or producer, and upon failure of the processor or manufacturer to submit satisfactory proof that such payments have been made to the farmers or producers, then the processor or manufacturer may charge and collect not more than 90 percent of the maximum price so established.

The farmers who produce cotton, wheat, peanuts, and eggs are not receiving parity prices for these products. Take cotton, for instance. The parity price is 21.08 cents per pound, but the average price received last month for cotton was 19.80 cents per pound. The processors and manufacturers of all of these products receive a price which assumes that they have paid parity to the farmers, and yet the farmers in many instances are not receiving it, and this is an injustice that should be corrected, and which the Pace amendment is designed to do.

This amendment is not inflationary since it will not increase to the consumer the prices of the finished products. Such prices remain as they are now.

Mr. HAYS. Mr. Chairman, I move to strike out the last two words.

Mr. SPENCE. Will the gentleman yield for a request?

Mr. HAYS. I yield to the gentleman from Kentucky.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

Mr. CRAWFORD. Mr. Chairman, reserving the right to object, I am going to have to say in all sincerity that we were "gypped" out of sufficient time on a previous amendment, and, regardless of what the chairman of the committee does in response to the remarks I am making, unless those standing have 5 minutes under this request, I shall object.

Mr. SPENCE. The "gypping" was done by the committee, not by the chairman.

Mr. CRAWFORD. The chairman made the motion.

Mr. SPENCE. How much time does the gentleman think we ought to have?

Mr. CRAWFORD. I said 5 minutes for each person standing.

Mr. McCORMACK. Mr. Chairman, we are getting close to the end of the bill. We have been debating it for a long while. It seems to me that a half-hour to debate this amendment, in view of the debate that preceded relating to the same matter, although broader in scope than the amendment just considered, is long enough.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 40 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

Mr. CRAWFORD. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in not to exceed 40 minutes.

The motion was agreed to.

Mr. HOBBS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOBBS. Mr. Chairman, does that include or exclude the time that has been allotted the gentleman from Arkansas [Mr. HAYS]?

The CHAIRMAN. It excludes that because the gentleman had already been recognized.

Mr. HAYS. Mr. Chairman, this has been a very difficult dilemma for all of us, particularly those who represent rural districts. I refer to the debate upon the Brown amendment. Many of us felt in all sincerity that it would not mean any change for the producer, yet I am sure there is not a Member of the House who does not feel that the parity principle is sound and that we ought to drive toward it as an objective. We have not always seen eye to eye with those from the industrial districts about the methods to be used, but, as a matter of principle, not only is parity written into the law of this land but it is acceptable generally to the people of the country who feel that there can be no prosperity in America unless there is prosperity for the farmer and unless there is real equality.

I have considered the amendment submitted by the gentleman from Georgia [Mr. PACE] and I think up to this time I have given some evidence of the fact that

I am concerned about the economy of this Nation—that it might not be put out of balance. I tell you frankly this will do substantial justice to the farmer. At any rate it is a step in that direction and it will not be a threat to the hold-the-line policy.

The gentleman from Georgia has undertaken to provide that where a ceiling price is charged and that ceiling is based upon a parity price being paid to the original producer, then that ceiling price shall not be collected unless the parity payments are actually made to the men who produce. I believe the gentleman's amendment does accomplish what he intends. There is not anything wrong with that. You just cannot find fault with that principle. Otherwise you are going to provide windfall profits to someone. It is on that basis the gentleman from Georgia asks you to adopt his amendment. I am strongly in favor of it and I hope the Committee will accept it.

Mr. OUTLAND. Will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. OUTLAND. There are a great many of us who are strongly in favor of the principle the gentleman is seeking to accomplish, and we are seeking a way to accomplish what the gentleman from Georgia has in mind. I should like to ask the gentleman what the chairman asked. Perhaps the gentleman can answer me fully.

Mr. HAYS. I will be glad to yield to the gentleman from Georgia for that purpose.

Mr. OUTLAND. I have in mind as to how this may be done administratively.

Mr. PACE. Let us take cotton. We have been talking about that. They fix a ceiling price under the law. They must in fixing that ceiling price fix it to include the parity price for the raw commodity. They work out that ceiling. Let us say it is 30 cents a yard. This says that in order for the mill to collect 30 cents a yard they must submit evidence when called for to the effect that the farmer has received the parity price included in the mills ceiling in order to receive it and if he cannot show that the farmer received parity for his cotton, then his ceiling is reduced 10 percent.

Mr. OUTLAND. Does he always buy from the farmer directly?

Mr. PACE. He may buy it from the warehouse. He usually has his own buyers. As I stated, the mill has its own buyers.

They go to my home town to a warehouse and buy some cotton. Then they have to pay the warehouseman for that cotton a price—he being the agent for the farmer—which will give the farmer parity for the cotton. The warehouseman gives the mill a certificate to the effect that this Middling 1-inch cotton, for instance, was sold, and that the producer received the parity price.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Minnesota.

Mr. JUDD. Will the gentleman explain how it would work in the case of a miller, for example, in my district, who goes down to the board of trade or the chamber of commerce and buys a hundred thousand bushels of wheat to make into flour? They may have that grain in some 50 or 100 different elevators. How are the people that sell this grain to the millers going to be able to give them a certificate that they paid parity for every single bushel?

Mr. PACE. It is my understanding that when he goes to the board of trade, when he buys that 100,000 bushels of grain, he buys it on futures. He has not actually bought a single bushel of wheat. It is only when he buys from the elevator. If he buys from the elevator, then he requires that elevator man to give him a certificate to the effect that he has paid the wheat growers in your district the parity price.

Mr. JUDD. Then it would go back to every single elevator operator and the farmer would do the policing.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I opposed the Brown amendment because to me it appeared to be purely an attempt to fix a new method of arriving at price ceilings for the textile industry, and on a basis which would undoubtedly increase the cost of living without affording the cotton farmer any guaranty at all that he would get parity.

That criticism cannot be made of the Pace amendment. It will not increase price ceilings or the cost of living. All it does is to set up a method of enforcing the provisions already in the law which provide that in fixing ceiling prices on commodities manufactured from agricultural products the ceilings shall reflect parity or the highest price at which the agricultural product sold between January 1, 1942, and September 15, 1942. I do not say that there may not be some difficulties in administering this amendment but in general I think it can be effectively administered.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from California.

Mr. VOORHIS of California. Does not the gentleman believe, however, that the farmer who sells his crop is going to be a pretty effective agent in seeing to it that the language of this amendment is carried out? He is going to know what is received in all instances, is he not?

Mr. HOPE. Yes. I think that will be one very effective assistance in enforcement.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. Cotton is purchased in bales, of course, with a number. A bale of cotton carries that number from the time it leaves the cotton gin until it gets to the mill. I do not see why the price could not be shown on whatever record they have of that number, so that there would be no trouble so far as that bale itself is concerned.

Mr. HOPE. I think the article could carry a certificate showing the price paid all the way up the line.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I would like to have the attention of the chairman of the committee for just a moment. I will forego making any speech if the gentleman will accept the amendment offered by the gentleman from Georgia [Mr. PACE].

Mr. SPENCE. Mr. Chairman, I wish to state to the gentleman that the payment of parity is something devoutedly to be wished. I have done everything I could to assist in carrying out a program such as that. If the gentleman from Georgia has such a program—and I think it ought to be workable—personally I am very glad to accept it.

Mr. COOLEY. In view of the statement of the chairman of the committee, I will forego the pleasure of making a speech.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. MORRISON].

Mr. MORRISON of North Carolina. Let us vote.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Let us vote.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. In view of the statement by the chairman of the committee, I want a vote.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Chairman, I am for the provision of the Pace amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. I agree with all the rest.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. ZIMMERMAN].

Mr. ZIMMERMAN. Mr. Chairman, I think we should vote.

Mr. MAHON. Mr. Chairman, I want to be recorded in support of the amendment by the gentleman from Georgia [Mr. PACE] in which it is provided that prices paid by the processor to the farmer for agricultural products shall actually reflect parity. It is assumed in fixing the processor's price that the farmer is paid parity for the raw product. This amendment simply requires that the farmer actually receive the parity price. The processor is selling his product on the basis of having paid the producer parity, and this amendment means he must actually pay the producer such a price.

Moreover, the fixed parity price is often wholly inadequate. This is true because all increased labor costs are not considered in fixing the parity price. The so-called Pace bill which the House passed months ago, but upon which no action has been taken by the other body,

is the only fair solution in fixing agricultural prices. That bill provides that all labor costs must be taken into account.

It is utterly unreasonable and unfair to the farmer to fix a price for a farm product which does not take into consideration all labor cost. I am unable to understand those who have steadfastly opposed our efforts to require consideration of all labor costs in fixing farm prices and loan rates on agricultural products.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. PACE].

The amendment was agreed to.

The Clerk read, as follows:

SEC. 10. Section 4 of such act of October 2, 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"In any dispute between employees and carriers subject to the Railway Labor Act, as amended, as to changes affecting wage or salary payments, the procedures of such act shall be followed for the purpose of bringing about a settlement of such dispute. Any agency provided for by such act, as a prerequisite to effecting or recommending a settlement of any such dispute, shall make a specific finding and certification that the changes proposed by such settlement or recommended settlement are consistent with such standards as may be then in effect, established by or pursuant to law, for the purpose of controlling inflationary tendencies. Where such finding and certification are made by such agency, they shall be conclusive, and it shall be lawful for the employees and carriers, by agreement, to put into effect the changes proposed by the settlement or recommended settlement with respect to which such finding and certification were made."

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 22, after line 14, add the following new section:

"The second sentence of section 5 (a) of the Stabilization Act of 1942 is amended to read as follows:

"'Where any wage or salary payment is made in contravention of such regulations, the President may also prescribe the extent to which that part of such payment, heretofore or hereafter made, which is in excess of the amount permitted to be paid under such regulations, shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.'"

Mr. MONRONEY. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MONRONEY. I was unable to hear to what section this amendment was offered. I thought we had passed that portion of the bill.

The CHAIRMAN. It was offered as a new section following section 10 of the bill.

Mr. MONRONEY. As I understand, this material is covered in an earlier section, which we have already passed. It would not be germane as a new section because it seeks to amend something that is clearly stated in a previous section, section 9, which we have passed.

Mr. WOLCOTT. It has no relation to section 9. We have just amended section 4 in section 10, so of course the proper place to amend section 5 is following section 10, which amends section 4.

The CHAIRMAN. The Chair is of the opinion that the gentleman from Michigan has correctly stated the situation.

Mr. WOLCOTT. Mr. Chairman, section 5 of the Stabilization Act of October 2, 1942, provides:

The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

Under present practice, as I understand, under directive, by way of illustration, the internal revenue department, in determining the cost of production in any industry provides that if the industry has paid a wage or salary to any individual in excess of the maximum, then that industry cannot take into consideration as a cost of operation any of the salary paid to that individual. What my amendment does in that respect is to limit that to the excess over the amount set as the maximum salary. We will say the industry has paid a salary to an individual of $50 a week throughout the year. The maximum we will say is $40 a week. At the present time none of the salary paid to that individual; that is, the whole $50, can be taken into consideration in connection with the cost of operation to be deducted in connection with the income tax of that industry. The amendment I have offered would penalize that industry only to the extent that they have paid a wage or salary in excess of the maximum, or, in the case of this example we are using, it would be a matter of $10 a week for 52 weeks instead of $50 a week for the 52 weeks.

We had the matter before the committee, and we have studied it quite fully. It seems to be just a matter of simple justice. I hope the amendment will be adopted.

Mr. KEAN. Mr. Chairman, I rise in opposition to the amendment.

Before adopting an amendment of this kind I think that we should consider carefully just what we are doing. Wage stabilization is impossible without an adequate and speedy penalty against those who violate the policy.

For businesses operating on a cost-plus basis or in the 95-percent-tax bracket, the sky is the limit on wages which they can afford to pay. Competition for manpower is so great that unless the penalty is a severe one, all employers would be forced to abandon any effort to comply with the stabilization program where their competitors refused to comply.

It is true that section 11 of the Stabilization Act provides that anyone who is convicted of any willful violation of the act be subject to a fine of not more than $1,000, or imprisonment for not more than 1 year, but it is always difficult to prove willful violation in the courts; and with the scarcity of labor and the tremendous pressure operating in our war economy, these penalties are inadequate.

There is a great temptation for concerns to attract additional manpower from other vital production by raising wage rates. There is strong pressure to violate the rules.

If the greatest amount which could be disallowed is the excess wages paid, the result might be very unfair.

A person would know exactly how much he might be penalized and might often decide that it was such a small amount he could afford to take the risk. For those in the 95-percent-tax bracket the real penalty would be so small that it would present many temptations.

Another objection to such a provision would be that if a concern were caught shortly after the violation the penalty would be a very minor one; but if he were not caught until a year or so later, the penalties in the two cases would vary enormously and thus result in discrimination for the same offense.

A 5-cent-an-hour raise in pay seems unimportant, especially in a small business with few employees. However, knowledge of these increases would spread rapidly and might well disturb wage relationships in the whole area, thus having a dangerous effect on wage stabilization as a whole.

I do not at all like the provision as it exists, but I feel that the proposed cure would be worse than the existing evil.

We must remember that we are only extending this act for 1 year. We all hope that by the time we are considering its renewal the European phase of the war will be over, and competition for labor in areas which are producing war materials may not be so critical. When this occurs we might be able to abandon this distasteful provision, but right now I think it would be very dangerous to do so.

I trust the amendment will be defeated.

Mr. OUTLAND. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield to the gentleman from California.

Mr. OUTLAND. I agree with the gentleman that we are very much concerned about wage stabilization. However, I call the gentleman's attention to the fact that the provisions in this particular part of the act are not the only ones which have to do with penalties. For example, section 11, in addition to the penalties read by the gentleman, states that the violator shall "be subject to a fine of not more than $1,000, or to imprisonment for not more than 1 year, or to both such fine and imprisonment."

Mr. KEAN. That is right; I have stated that.

Mr. OUTLAND. Yes; but I mean that is in addition to the provisions in the amendment offered by the gentleman from Michigan.

Mr. KEAN. I have stated that, too.

Mr. OUTLAND. I thank the gentleman.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I am glad to yield to the gentleman from California.

Mr. ANDERSON of California. I would like to call the gentleman's attention to the fact that under the present working of the act as it is written, many agricultural industries are going to be driven completely out of business if these confiscatory penalties on excess wages continue in effect. I would like to point out to the gentleman just one instance in California where growers of cauliflower who were packing in the field, paid wages 1 cent in excess of that permitted by the ceiling and were fined an amount of $16,000. Two or three weeks later other growers in that area, not packing at that time, were permitted to give that 1 cent increase, and consequently they are not penalized. But the man who had to pay that $16,000 has gone out of business, while the others continue in business, after having paid exactly the same wage.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAHON. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at the point where the Pace amendment was considered.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, just because the fire and fury has gone out of the House, I hope you do not consider that this amendment is an innocuous amendment or that it will help us in our effort to control inflation. As a matter of fact, my personal opinion, and that is backed up by the Committee on Banking and Currency on four separate occasions, is that it is a highly inflationary amendment, an amendment that strikes at the very heart of the part of the stabilization program that has worked the best, namely, the stabilization of wages and salaries of employees.

Now let us see just what this amendment does. For less than $20 I can upset the whole wage scale for truck drivers in the city of Washington. I would like to show you how I can do it. If I am an employer of truck drivers I can offer a truck driver a $10-a-month increase in his wages. The employer of that man either has to meet that $10 raise, and if he does, he has to spread it to all of his drivers and in turn that scale spreads to become the truck-driver salary in Washington. The total of this $10-a-month increase will be $120 in the year. Now you do not penalize, under the Wolcott amendment, the $120 overpayment, the illegal portion of that wage; you do not take that $120 away from him, but you just knock out that $120 in the computation of income tax.

So if I am in the 18-percent bracket, I have received a tap on the wrist—a penalty amounting to less than $25, for destroying the wage scale of truck drivers in the city of Washington.

This amendment, I believe today, will be used, not only in cases such as I have outlined, where you have a tight labor market, but for the purpose of evasion, because the penalty will not be steep. Oh, yes, you say, "You have criminal provisions."

There are criminal provisions in the act, that is true. But will the lawyers in this House tell me how many juries are going to convict an employer for paying $10 a month more to some employee? It is not going to be done. So you are going to take out of this bill one of the best provisions that has helped to keep the wage stabilization program flowing smoothly. I will grant you with respect to agricultural wages in some cases there should be some adjustment made. Especially where under the act if an illegal wage is paid in agriculture or an honest and sincere mistake is made adjustments should be given. The act today is flexible enough for adjustment on those things. My personal opinion is those adjustments will be made.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. ANDERSON of California. The trouble is that the adjustments are not being made and some of these individuals in agricultural pursuits are being fined to the extent that they are being thrown out of business. Unless some corrective amendment such as is being offered by the gentleman from Michigan [Mr. WOLCOTT] is adopted, I fear it is going to result in a very marked decrease in the production of certain agricultural commodities.

Mr. MONRONEY. I will say to the gentleman, do not wreck the whole wage stabilization program to help out a few people.

Mr. ANDERSON of California. I am not attempting to wreck the whole program.

Mr. MONRONEY. If you want to get this done, exempt agricultural labor, or something of that kind. This amendment, however, goes clear to the basis of all wages, to every bit of your wage-salary stabilization. It would take away the only effective penalty for controlling wages and salaries. We have begged for that control. You know we never had effective inflation control until we got it. You know the reason the program works is simply because the penalty was stiff enough to make a violation impractical and unprofitable.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield further?

Mr. MONRONEY. I yield.

Mr. ANDERSON of California. I appreciate the gentleman's statement with reference to exempting agriculturalists. May we be assured by the gentleman that the conferees will try to work out something to accomplish that result?

Mr. MONRONEY. I will surely be happy to work out anything that will exempt from too-heavy penalties violations that are unintentional, that are insignificant and inconsequential. I think the Treasury Department and the Stabilization Department, when they get further into this, will straighten it out. The first prosecutions have not even reached Washington. They are still in the field being processed.

Mr. ANDERSON of California. No; but a great deal of entirely justifiable uncertainty has been created. Too many administrative interpretations of just what constitutes agricultural labor have not helped out much, either. I do hope that the conferees will give this question careful consideration, as the imposition of excessive fines and penalties in cases where violations have unwittingly occurred will only serve to discourage production. I am sure I can depend on the gentleman's assistance.

Mr. MONRONEY. It is causing trouble. But when it gets to Washington and we can get a decent administration of it, this thing will be straightened out correctly. Do not blow up all control simply to take care of these justifiable hardship cases.

Mr. Chairman, I would like to comment further regarding the amendment of the American Association of Small Business, called to the attention of the committee by the gentleman from Louisiana [Mr. MALONEY]. This amendment by this small-business group seeks as its objective to preserve the historic trading margin areas. It would provide that all price regulations contain a percentage area to be allotted to each factor performing economic functions of producer, wholesaler, broker, retailer, processor, exporter, or importer.

The determination of the division of these trading margin areas would be left up to the O. P. A. after consultation with the trade associations affected, and favoritism or special advantage of one factor over the other would be prohibited.

As much as the committee would have liked to incorporate the idea of such a fair distribution of trading margins, the administrative difficulty in dealing with the widespread and complicated trade practices in the thousands of industries under price control made it impossible to recommend the amendment. In many industries and lines of business these trading margins and their division among factors in the trade vary widely, both as to percentages and as to all factors of distribution being used.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The amendment was rejected.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, is it my understanding that amendments to section 10 are not in order, or are amendments in order now to section 10 of the bill? Mr. Chairman, I have an amendment.

The CHAIRMAN. The Chair made three or four requests to know whether there were any amendments to section 10 of the bill. Nobody responded. Then the committee went on to the consideration of new sections following section 10.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to have permission to offer an amendment.

The CHAIRMAN. Without objection, the gentleman may offer his amendment. Technically the gentleman probably would be entitled to offer an amendment, but when the committee goes on and adopts a new section, then that would

cut out other amendments to the section.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I recognize that.

The CHAIRMAN. The gentleman was not present when that request was made.

Without objection, the amendment will be considered.

Mr. KEAN. Mr. Chairman, what is the request of the gentleman from Minnesota?

The CHAIRMAN. The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is offering an amendment to section 10 of the bill, which is the section we are still on.

The Clerk will report the amendment.

Mr. OUTLAND. Mr. Chairman, I object.

The CHAIRMAN. The Chair holds that technically the gentleman is entitled to offer the amendment. There has not been any new section adopted. If the amendment offered by the gentleman from Michigan [Mr. WOLCOTT] had been adopted, that would be a different situation. The Chair holds that the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is entitled to offer his amendment.

The Clerk will report the amendment offered by the gentleman from Minnesota.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: Page 21, strike out line 23 and insert the following new paragraph:

"No action shall be taken under authority of this act with respect to an increase in any wages or salaries in any case in which such increase has been agreed upon by the employer and employee and will not result in the payment of wages or salaries at a rate greater than $37.50 per week. For the purposes of the preceding sentence, if the employee ordinarily works overtime and extra compensation is paid therefor, such extra compensation shall be included in determining the rate of wages or salaries paid."

Mr. SPENCE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. SPENCE. Mr. Chairman, I think this amendment goes far beyond the purport of the act and it provides methods of payment and deals with the relationship between employer and employee, which is not contemplated by this act. I think a point of order lies to it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I wish to be heard on the point of order.

The CHAIRMAN. The Chair will be glad to hear the gentleman on the point of order.

Mr. AUGUST H. ANDRESEN. Section 10 of the bill deals with section 4 of the act of October 2, 1942. I will read from section 10 of the act of October 2, 1942:

No action shall be taken under authority of this act with respect to wages or salaries—

(1) Which is inconsistent with the provisions of the Fair Standards Labor Act, as amended, or the National Labor Relations Act; or

(2) For the purpose of reducing the wages or salaries of any particular work below the highest wage or salary paid therefor between January 1, 1942, and September 15, 1942; provided the President may, without regard to limitation contained in clause 2, adjust wages or salaries to the extent that he finds necessary in any case to correct gross inequities, and also to aid in the effective prosecution of the war.

I wish to call particular attention to the fact that this amendment deals with wages and salaries, giving the President authority to adjust inequities, and therefore the amendment is germane, because it seeks to assist the President in fixing limitations and adjustments on salaries.

The CHAIRMAN (Mr. COOPER). The Chair is prepared to rule.

The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] offers an amendment which has been reported, to which the gentleman from Kentucky [Mr. SPENCE] makes a point of order on the ground that it is not germane.

The Chair has examined the amendment offered by the gentleman from Minnesota and invites attention to the fact that section 4 of the act of October 2, 1942, which is sought to be amended by section 10 of the pending bill, relates to the subject of wages and salaries. The amendment offered by the gentleman from Minnesota relates to wages and salaries; and with respect to the point raised by the gentleman from Kentucky as going to the question of the relationship between employer and employee, the Chair is of the opinion that the amendment offered by the gentleman from Minnesota only goes to the question of relationship between the employer and employee as related to wages and salaries.

Therefore, the Chair is of the opinion that the amendment is germane to the section to which it is offered, and therefore overrules the point of order.

The gentleman is recognized for 5 minutes in support of his amendment.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, since the beginning of the war a great deal has been said for the millions of workers of this country who are not receiving any benefits out of war expenditures. We can go into every line of our American economy and find a great many people who are still living under subsistent wages and who are having great difficulties in coping with the cost of living because of reduced income. My amendment seeks to provide some relief in this direction for all men and women who might be employed and who receive less than $37.50 a week.

In the first place if the employer of labor wants to increase his employee's wages, at the present time no increase can be effected if the amount is under 40 cents an hour. If the amount of wages is over 40 cents an hour it is necessary for the employer and the employee to go to the regional office of the War Labor Board in the respective areas and ask permission to put into operation such increase in wages. Thousands of applications are on file in various districts with the War Labor Board, that are not receiving any attention. My amendment proposes just one thing. If the employer and employee get together on a wage increase, and if the total wage paid, including overtime, is not over $37.50 a week, such increase can become operative without any consideration by the War Labor Board. It only applies in cases where the employer and employees agree on a wage increase and not in any other case. If an employer does not agree to pay an increase in wages, then they must follow through the natural processes and go before the War Labor Board.

However, I can cite to you today so many individual instances in various communities of the United States where the employer wants to increase wages, without increasing the cost of the products he is to sell, but he is unable to do so because of the constant delays and trouble going through this red tape with the War Labor Board.

A Senate committee has just completed its investigation as to the merits of what has been said for the so-called white-collar workers and others who are not engaged in war industries. I find that the Senate committee, which is headed by two very strong administration leaders, the Senator from Florida [Mr. PEPPER] and the Senator from Utah [Mr. THOMAS], stating that no man, particularly a married man, should have a weekly wage under $50 a week. My amendment proposes $37.50 a week.

Furthermore, this committee finds that there are over 20,000,000 people in this country who are living under substandard wages. My amendment does not authorize an increase in wages. My amendment only permits the little merchant in a community who employs a few clerks in his store, or a man who operates a machine shop and employs a mechanic or two, to pay them a living wage up to $37.50 a week. Why should they not have an opportunity to go through with an agreement of that kind, which is purely voluntary and which does not increase the cost of living, and which is not inflationary in any respect, without going through the stumbling red tape of submitting their applications to the War Labor Board?

Mr. SAUTHOFF. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. SAUTHOFF. I am rather sympathetic to the gentleman's amendment, but this objection occurs to me: If you are in an area that has been designated a defense area, how can you meet the demand for defense workers if there is permitted a raise which is not first considered and sanctioned?

Mr. AUGUST H. ANDRESEN. In answer to that, it is my opinion, and it is based on some investigation of the men workers in defense industries that their wage is far in excess of $37.50 a week. Therefore, I do not believe it would make a particle of difference as far as those employees are concerned. However, there are a great many people who cannot work in war industries—men and women in those respective communities who are living at the present time under substandard wages. It occurs to me that without causing any ripple of inflation

whatsoever, we will be aiding them in securing something to which they are entitled, and which their employers want to pay them.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CRAWFORD. Would this permit increasing the wages of so-called white-collar workers, like clerks, up to $37.50 a week, without the permission of the War Labor Board?

Mr. AUGUST H. ANDRESEN. It would, yes, sir; wherever the employer agrees with the employee that such increase is to be made. It must be a voluntary agreement.

Mr. CRAVENS. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CRAVENS. Does your investigation with respect to this question clearly indicate that there are literally thousands of cases where the employer is willing to make this increase, and is only prevented from doing so by reason of the inaction of the War Labor Board?

Mr. AUGUST H. ANDRESEN. That is my finding from my own congressional district.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. VURSELL. When I was at home two different businessmen came to me and said that they were losing their help because they could not pay them higher wages. They were anxious to pay them higher wages and they thought it was absolutely necessary to make some provision in this O. P. A. bill so that that could be done.

Mr. BREHM. Does the gentleman know whether it will apply to the canning industry, fruits and vegetables?

Mr. AUGUST H. ANDRESEN. This applies to any case where the increase of an employee's wages is agreed to by the employer.

Mr. ROWE. Where the aggregate, including overtime and regular wages does not exceed $37.50.

Mr. AUGUST H. ANDRESEN. Yes; where the regular wages and overtime do not exceed $37.50.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. JUDD. I am wondering whether this might not lead in many operations to an increase in strikes? Once word goes out that Congress has more or less set a standard of $37.50 there will be many groups seeking to raise their wages to that amount. It seems to me this might encourage strikes where they could not get an increase automatically and voluntarily to $37.50.

Mr. AUGUST H. ANDRESEN. I do not believe so. When this matter was considered in the Senate it passed unanimously. That question was not brought up. I do not believe it will be responsible for strikes.

I urge the adoption of my amendment in the interest of the white-collared workers and other workers. They are entitled to justice.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. OUTLAND. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. OUTLAND. Mr. Chairman, no Member of this House is more concerned than I about securing adequate wages for the millions of people in America not now receiving them, but I do not believe that this is the way to attack the problem. We face not only the necessity of preventing inflation and keeping down costs of items that people buy, we are trying to stabilize the whole economic system of the country in wartime. One of the best ways to break down that stabilization is simply to say that people in a certain wage bracket are to be taken out from underneath any control whatsoever.

I will fight along with every Member of this House to raise the wages and salaries of employees who are getting inadequate wages and salaries. Certainly $37.50 a week is not a proper wage under wartime conditions for any American, but we have a way, a regular established procedure, by which increases can be made and it seems to me that in the case of wages just as in the case of prices, we have to hold the line. If we start to break here there is going to be an increase of purchasing power which will create additional demands elsewhere.

I do not believe the voluntary agreement between employer and employee is the crux of the matter. As the gentleman from Minnesota very properly implied in his inquiry a few minutes ago, that is likely to increase industrial disturbances generally in the war production areas where we are trying to keep a maximum degree of stabilization at the present time.

If we want to raise wages let us do it in a logical, sound way rather than by simply lifting the controls off the stabilization program that we have at the present time.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. Yes; I am glad to yield.

Mr. AUGUST H. ANDRESEN. The President has this authority; he could make such a regulation himself; the law gives him the power to do that, but he has failed to do it. Consequently thousands of applications are piling up that are not receiving action and the people are becoming dissatisfied. This is an effort I am making to help these people who are not engaged in war industry.

Mr. OUTLAND. I agree with the gentleman's aim 100 percent. There is no man or woman in this House who does not have thousands and thousands of people that fall in exactly the same category. We all want to help alleviate conditions when we see wages and salaries at a level which we agree is too low; we are anxious to raise them; but do we want to do it at the cost of undermining the stabilization we have achieved?

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. KEAN. It seems to me this is going to destroy the relationship between different classes of wage earners; if people who have been accustomed to a lower wage are to be raised it is going to cause discontent amongst those who receive a little more and therefore cause strikes and interfere with the entire war production.

Mr. OUTLAND. As I said a moment ago, I will go along with every Member of this House in raising inadequate wages, but I do not think this is the proper method.

Mr. DILWEG. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to my friend from Wisconsin.

Mr. DILWEG. I should like to suggest to the gentleman that this question was raised in the committee and discussed by Judge Vinson when he was before our committee. Does the gentleman recall the fact that he was there?

Mr. OUTLAND. I thank the gentleman for raising that point. Will he please tell the Committee the gist of Judge Vinson's testimony.

Mr. DILWEG. Judge Vinson was queried about this very situation and suggested that it would have a terrific impact upon the whole stabilization program; that if any raise were permitted in a particular industry all labor in that industry would be pressing for raises and in the main it would be impossible to hold the stabilization line in wages.

Mr. OUTLAND. Yes; as I said a moment ago, if we are to hold the line we have got to hold it. If we begin making exceptions here and making exceptions there we are not going to be able to hold it. And if we do break the line, the low-income earners are going to be hit the first and the hardest.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. ROWE. I assume it is the gentleman's conviction that he wants to maintain the established authority rather than to change or divide the authority.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SPENCE. Mr. Chairman, I wonder if we cannot reach an agreement on fixing time on this section.

Mr. FISH. Mr. Chairman, I wish 5 minutes.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 20 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Chair has noted the names of the following gentlemen who were on their feet seeking recognition on this section: Messrs. KEAN, FISH, CRAWFORD, BREHM, ROWE, MONRONEY, and SPENCE.

The gentleman from New York [Mr. FISH] is recognized for 4 minutes.

Mr. FISH. Mr. Chairman, I regret that there is not more time in which to discuss an amendment as important as this and particularly an amendment which is identical to the one I offered.

I beg the indulgence of the House and ask for the close attention of the Members. There is a good deal of misunderstanding about the Andresen-Fish amendment which should be cleared up so that it can be considered fairly on its merits.

Mr. Chairman, I believe this is one of the most important amendments we have had before us in the consideration of the O. P. A. bill. The American wage earners, numbering millions, who are receiving less than $37.50 a week have no powerful lobby here in Washington; they have no paid spokesman at the Capitol to appear before committees of the House, such as the Committee on Banking and Currency, to advocate their just claims and to protect their interests. There is no organization with a well-paid staff to represent the economic interests of the numerous white-collar class or to urge a fair deal and a square deal for the more poorly paid wage earners in both war and nonwar industries. If Members of Congress want to do something to carry out the promises that most of us have made back home, if we want to help the white-collared employees and those who work in grocery stores, chain stores, textile and garment factories, clerks, stenographers, school teachers, and so on, and permit faithful, industrious, and hard-working employees to secure a reasonable increase with the approval of their employers, then this is the opportunity and time to do something for them by your votes. Let us vote the way we talk back home. There are millions of American wage earners receiving less than $37.50 a week, and most of them are in nonwar industries, and these wage earners have not received any increase to speak of, but have had their wages reduced through increased taxation and withholding taxes; so it is up to the Members of Congress to represent these wage earners and the white-collar class who are doing a great job, both in peace and war, to make it possible for them to receive an increase up to $37.50 a week by cutting the bureaucratic red tape. I sat on the Postwar Economic Policy and Planning Committee this morning, before whom appeared an employer of labor from Mississippi, and he undertook to speak for small business. I asked him about my amendment. He said it does not go far enough, that it ought to include wages and salaries up to $200 a month instead of $37.50 a week, which makes a total with overtime of $1,950 annually.

This amendment has already passed the Senate. If there is a roll call vote in the House, it would be agreed to by a vote of 2 to 1 because Members of Congress would not want to go on record to prevent the white-collar workers who get less than $37.50 a week from receiving a few dollars more within that amount. It will not disrupt the higher wage scales, it will have nothing to do with the wage scale of those war workers and others who have powerful organizations behind them and are getting substantial war wages. They will not resent but will welcome this permissive legislation to provide a long-delayed square deal for the office and store workers, some factory workers, and the white-collar class generally. Let us face the facts and take this opportunity to do something concrete for the white-collar and low-paid factory workers who are the forgotten men and women and who have few or no spokesmen of their own.

Miss SUMNER of Illinois. Will the gentleman yield?

Mr. FISH. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. The law permits them now to get a 15-percent increase without permission from anybody.

Mr. FISH. Yes, 15 percent over a wage scale of years ago, a pre-war wage scale that does not take in consideration the increase in the cost of living and taxation. I repeat that they are the forgotten men and women of America and of the war. They are all loyal and patriotic Americans. There are millions of them in every walk of life in every village, hamlet, town, and city. The present system of having the employer engage lawyers and accountants in order to ask increases for employees and then go to the War Labor Board and struggle with red tape and delays is costly, unsatisfactory, and unworkable. This amendment would make it possible, where the employer agrees with the employees and wants to reward them for faithful, industrious, and efficient work to have a right to increase their wages up to $37.50 a week without being compelled to submit a large amount of data to the War Labor Board and try to overcome the bureaucratic red tape. Under existing law or regulations employers of labor could not obtain an increase of more than 15 percent for their employees.

I voted for the wages-and-hours bill a number of years ago and for collective bargaining and have always been in favor of industrial and social justice within the limits of constitutional government. I am in favor of maintaining the American wage scales and standards of living both in peace and war. I am in favor of a decent living wage for every American wage earner organized or unorganized, including the entire so-called white-collar class. That should be part and parcel of our American way of life and that is why I have offered the pending amendment.

According to the Bureau of Labor Statistics, the average weekly earnings of workers in many industries are less than $37.50. Such industries include textiles, apparel, canning and preserving, lumbering, and many service industries, and the retail trade. I agree with the recent statement of former Ambassador Joseph P. Kennedy who sees a good chance to maintain a decent post-war world if capital, labor, and government work together for the general welfare and if the United States will keep itself strong and maintain American standards of wages and of living instead of trying to put the whole world on a glorified W. P. A. I expect, in the next Congress, to support legislation that will protect American wage earners from losing their jobs from unfair foreign competition, and to prohibit the dumping, not only of cheap foreign-made goods but to prevent the dumping back upon the American market of our own goods that have been sent to Europe under lend-lease. Unless such action is taken, it would be ruinous to the American wage earners and their livelihood.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, the gentlemen from Minnesota and New York [Messrs. ANDERSEN and FISH], are correct in stating a few words here in favor of the white-collared worker who has, as to wages, been frozen in an inequitable position.

Let us do a little bit of reasoning here for a moment. If you will refer to Executive Order No. 9328 you will find where the direction is issued to authorize no further increases in ceiling prices except to the minimum extent required by law. Then take the Little Steel formula with certain wage increases that have been granted since the Little Steel formula was established for those organized workers who have a powerful group to speak for them, while the white-collar group referred to by the gentleman from New York has no voice before this body except as it comes out on this floor here. Go on through and you will find in this Executive order and certain other directives that have been issued that all kinds of increases can be made where certain factors are present: An increase in the price of a product or the labor of a given party can be increased under all of this procedure provided the man next up in the scale of distribution absorbs that increase. The manufacturer can increase his price provided the retailer absorbs that increase, the idea being that the increase allowed shall not be passed on to the ultimate consumer.

If I understand the gentleman from Minnesota correctly that is exactly what his amendment proposes. In other words, it involves an increase in wages under voluntary agreement by employer and employee provided there is no increase to be reflected in the price ceiling of the product produced by that worker and sold by that employer. That is what the gentleman's amendment calls for?

Mr. AUGUST H. ANDRESEN. That is correct.

Mr. CRAWFORD. What is the difference in that principle and the principle which is being carried out and which is so eloquently explained on pages 5620 and 5621 of the RECORD of the other body?

We have done some positively amazing things here today. For instance, we opposed an amendment which would give the primary producer what we said he should have in the Stabilization Act, and within a few minutes we accept an amendment by unanimous consent practically—the chairman of the Committee on Banking and Currency accepted the amendment—which would put the processor in a position where he could squeeze the primary producer down just as low as the processor could squeeze

him, based on general glut of the market supply, and still the processor can collect 90 percent of the price ceiling established by the Administrator. In the name of God, what are we thinking about, anyway?

I hope that every man in this body will have to answer to the primary food producers of this country for the action taken today, and if we turn down this amendment I hope we will have to answer to the white-collared workers of this country.

Mr. COCHRAN. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Missouri.

Mr. COCHRAN. The only thing I see wrong with the gentleman's amendment, and I come from a city where there are white-collared workers to the extent of several hundred thousand, is that the gentleman includes overtime. I would like to see the amendment exclude overtime.

Mr. CRAWFORD. The point I make, may I say to the gentleman from Missouri, is that the principle involved here, as, as I understand the amendment, exactly what is being followed under these directives, Executive orders, and administration price ceilings on commodities. If you turn down this amendment, it is a direct slap in the face of the white-collared workers of this country.

Mr. BUSBEY. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. BUSBEY]?

There was no objection.

Mr. BUSBEY. Mr. Chairman, this amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], will test the sincerity of those Members who have been shouting so loudly about doing something in behalf of that group commonly referred to as the "white-collar workers."

This particular group of people in this country have had their wages frozen at a level before the cost of living started on its upward trend. Because of the so-called Little Steel formula, their employers are prohibited from giving them a raise beyond 15 percent of their former salaries. As a consequence they are caught between a low-wage scale and the high cost of living.

We have heard fewer complaints from this group of people than any other, regardless of how much they have been made to suffer, and I for one want to express my appreciation for the patriotism they have shown all during this emergency.

I consider the amendment offered by the gentleman from Minnesota a step toward justice in an effort to rectify this condition which in many cases has been next to unbearable. These white-collar workers must look to this Congress for relief, and this is our opportunity to grant it. I sincerely trust the Members of this House will rise on this occasion and perform a worthy and patriotic duty.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. ROWE].

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. ROWE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. May I say to the gentleman from Missouri that this takes in not only the white-collared workers but it also takes in the laboring men who may work for $15, $20, or $25 a week and will permit his boss to give him an increase of $3, not up to $37.50 but an increase of 2 or 3 dollars. It must stay under $37.50.

Mr. COCHRAN. But the gentleman's amendment provides that if a man works 15 hours overtime a week he cannot get a cent over $37.50.

Mr. AUGUST H. ANDRESEN. You have to hold it some place and $37.50 a week, which totals $1,980 a year, was thought to be a most reasonable figure.

Mr. ROWE. Mr. Chairman, I agree with what the gentleman from Missouri has said, his objection is sound; however, it still leaves us with the privilege of voting for this intermediate point and help them from the point where they now are to a little better place in their earnings. I would like to direct a question to the gentleman from California who spoke in the well of the House a while ago but was not able to answer the question. I want to fix the gentleman's objection to this amendment. That is, he was fearful it would divide the authority between the powers now in effect for the purpose of stabilization and the liberties or the privileges granted by the amendment; am I correct?

Mr. OUTLAND. I am not sure I understand all the implications of the gentleman's question, but I will answer it in this way. My fear is that the amendment, which removes absolutely all control over wages when those wages are less than $37.50 a week, will simply cause chaos in that phase of the stabilization program.

Mr. ROWE. If there is a large segment of workers under $37.50 removed from the jurisdiction of the present stabilization authority, the gentleman feels there may be a tendency to weaken those who yet remain under it and that may cripple the purposes of stabilization?

Mr. OUTLAND. I think that would be one of the most immediate effects; yes.

Mr. CRAWFORD. Will the gentleman yield?

Mr. ROWE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Suppose the increase applied to everybody in the United States now on a pay roll but there was not reflected any increase whatsoever in the cost of living or the price levels, price ceilings, or otherwise; wherein would there be any harm done?

Mr. ROWE. I think I see the gentleman's point. It is going to be absorbed between the terminals of the original cost and what it will sell for.

Mr. CRAWFORD. It is awarded out of the profits now being made on price ceilings established.

Mr. ROWE. That is right.

Mr. CRAWFORD. That is exactly what is being done with respect to all manufactured products.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. ROWE. I yield to the gentleman from New York.

Mr. FISH. There seems to be a little misunderstanding about the bill. This is permissive legislation. It merely permits the employer to reward faithful employees up to $37.50 a week without going to the War Labor Board. It is permissive and not mandatory.

Mr. ROWE. To further carry out the thought expressed here, it would be by agreement between the employer and employee.

Mr. FISH. That is right. It is entirely in their hands. It must be by mutual agreement. It is not mandatory in any way. As far as I am concerned, the more they raise, the better.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, this amendment goes a lot further than its author intended for it to go, I believe. I have just called the Bureau of Labor Statistics to find out how far it goes. Their immediate impression was, based on some hasty statistics that they have collected together, that it takes out fully 50 percent of all of the employed people in his country from any wage stabilization. When you let all salaries float up to $37.50, at least half of the people of this country will be eligible to have their wages adjusted.

They state further that of the remaining 50 percent, 90 percent of those wages would have to be adjusted to maintain the historic and the traditional wage differential between the degree of unskilled and skilled labor, so you would leave hardly a single wage, or less than 5 percent of them over the entire country, undisturbed by this jiggling of your wage-stabilization program. It is highly dangerous. It is highly inflationary.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. I think the most dangerous thing about that policy is this: We are now trying to hold prices down with one hand, and with the other actually encouraging a spiral of costs, including wages, which would destroy the hold-the-line policy, and it seems to me that this would be an invitation to wages to rise in excess below the minimum mentioned, that is $37.50.

Mr. MONRONEY. Of course it would. It would stir up strikes in this country and add a direct inflationary cost to all the processing and manufacturing, and thus force up consumer prices.

These other greatly expanded operational costs will ultimately bring all price levels higher.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Does the gentleman think that wages of $37.50 or under are inflationary?

Mr. MONRONEY. I think they are absolutely inflationary if you take them

all out from under regulation, because you move up the whole level all the way through your schedule. You will be pulling workers from defense jobs into soda jerking and things of that kind, and putting into reverse the process you ought to be trying to do, and that is, to get people into essential industry.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Iowa.

Mr. JENSEN. I might remind the gentleman that anyone who is drawing a salary or wage under $37.50 a week does not have the time to strike, or inclination to strike, or the finances to strike. He has to work.

Mr. MONRONEY. The gentleman certainly is not acquainted with the situation.

Mr. OUTLAND. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from California.

Mr. OUTLAND. A great deal has been said on this amendment about voluntary agreements. I should simply like to ask the gentleman whether that is the crux of the matter. If a voluntary agreement is all that is required, then a landlord and tenant could agree to pay a price over the ceiling, or a buyer and seller could agree on the purchase of a commodity, and we could not touch it. You have the same principle here.

Mr. MONRONEY. Exactly. In many war industries you will find that they do hard work, and if you raise the level of the soda jerker as well as other employees engaged in the luxury lines, it will have the effect of taking these workers out of the defense plants and moving them over into the luxury trade.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Chairman, I just want to make the observation that this amendment, in my opinion, is highly inflationary. The situation now is such that the bill can go through conference with an excellent opportunity of the conferees agreeing on a bill that will approximately meet with the approval of all of the Members of the House. However, this amendment, in my opinion, would have a very bad, adverse effect upon the bill. It is very highly inflationary.

The CHAIRMAN. The time of the gentleman from Kentucky has expired. All time has expired.

The question is on the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The question was taken; and on a division (demanded by Mr. AUGUST H. ANDRESEN) there were—ayes 47, noes 98.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. AUGUST H. ANDRESEN and Mr. MONRONEY.

The Committee again divided; and the tellers reported that there were—ayes 70, noes 98.

So the amendment was rejected.

The Clerk read as follows:

SEC. 11. Such act of October 2, 1942, as amended, is amended by inserting at the end thereof the following new section:

"SEC. 12. The Committee on Banking and Currency of the Senate and the Committee on Banking and Currency of the House of Representatives, respectively, are authorized to conduct investigations as to the effectiveness of the stabilization activities carried on pursuant to this act, the Emergency Price Control Act of 1942, or otherwise, and as to the effect of such activities upon industry, production, renting and housing, and distribution. For such purposes, either such committee, acting as a whole or by subcommittee, may sit and act at such times, whether or not the Senate or House is sitting, has recessed, or has adjourned, hold such hearings, require by subpena, or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, and take such testimony, as it deems necessary. Subpena may be issued under the signature of the chairman of either such committee or of any member designated by him, and may be served by any person designated by such chairman or member. Such committees, respectively, shall report from time to time to the Senate and House of Representatives the results of such investigations, together with such recommendations as such committees deem advisable."

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: On page 22, line 18, strike out all beginning with "Sec." down to and including all of line 13 on page 23.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Missouri.

Mr. COCHRAN. It was my purpose to offer the same amendment, except that I was going to start on line 15, because we are considering section 11, which creates a new section 12. The gentleman should also strike out lines 15, 16, and 17 as well as the remainder of section 11.

Mr. SMITH of Ohio. Not line 17.

Mr. COCHRAN. Certainly. Section 11 reads:

Such act of October 2, 1942, as amended, is amended by inserting at the end thereof the following new section.

The gentleman strikes out the new section but he does not strike out the language I just read.

Mr. SMITH of Ohio. Mr. Chairman, I shall discuss my amendment. If the gentleman from Missouri wishes to offer an amendment to my amendment, he may do so.

Mr. Chairman, I discussed this amendment a few days ago. I shall not take much of the Committee's time to do so again. I feel that this section should be stricken because I do not want to see the Committee on Banking and Currency become a permanent investigating committee of the activities of the O. P. A.

The precedent has been cited of the Committees on Military Affairs and Naval Affairs, which are making investigations of the prosecution of the war. I believe these two propositions are altogether different. The Committees on Military Affairs and Naval Affairs do not receive the complaints from the public that our Committee on Banking and Currency will certainly receive if the amendment I have offered does not prevail. To do this job effectively, in my opinion, will require some extra help on the part of the subcommittee, if it is done by a subcommittee; it will require a staff of stenographers and other help, and probably special quarters, if it is intended that this shall really mean anything. Of course, if this is something again as a sop to the people of our country, that is quite a different thing.

However, we are all overburdened with work, most of us, at any rate. Certainly I cannot get through with the work I have before me and I do not believe many other Congressmen are in a much better position than I am in this respect. Therefore, I feel that we should not be asked to take on this extra work.

There is another feature about this proposition. This can just as readily as not become a whitewashing committee. That stands to reason.

There are those of us, of course, who want to see the O. P. A. continue exactly as it has been operating, without any changes made at all. That has been demonstrated here on the floor. It was demonstrated in the committee. There are some of us who do want some changes effected in the operation of the Price Control Act. So I feel, as I said, that this can become a whitewashing committee and we should try to avoid that, which we can do only by striking out this section of the bill. Therefore, I hope the amendment will be adopted.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. Yes.

Mr. CRAWFORD. It could not only become a whitewashing committee, but it could become a running cat-and-dog fight of the first order. If the O. P. A. and the injured person bring a complaint to the committee what is going to happen if the committee decides in favor of the O. P. A. and it gets to the people out in the country?

Mr. SMITH of Ohio. That is right.

Mr. CRAWFORD. I do not want to have anything to do with such a committee, now or ever.

Mr. SMITH of Ohio. There is another phase of this proposition we have to observe here, and that is this: We Republicans have been crying out against the continuous building up of bureaucracy. Yet, here we have a proposition which proposes to make the Congress of the United States a part of this bureaucracy and I am opposed to it.

Mr. OUTLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think it would be well if we realize just what this amendment offered by the gentleman from Ohio does. The Committee on Banking and Currency added section 12 to the bill. Allow me to read the important part of it which reads as follows:

The Committee on Banking and Currency of the Senate and the Committe on Banking

and Currency of the House of Representatives, respectively, are authorized to conduct investigations as to the effectiveness of the stabilization activities carried on pursuant to this act, the Emergency Price Control Act of 1942, or otherwise, and as to the effect of such activities upon industry, production, renting and housing, and distribution.

If there is one thing that we in this present Congress have been trying to do, it is to bring the executive and the legislative branches of this Government closer together and to reduce friction. We have heard that this bureau does that, and that bureau does the other thing, and that Congress has no check on them. This particular amendment attempts to meet exactly this situation. It is supposed to help bring to the people of America a better working relationship between the executive department and the legislative department of their Government. The gentleman from Ohio, who introduced the amendment to strike out this change in the committee bill, has stated that it would make Congress itself part of the bureaucracy. In my opinion it would help reduce bureaucracy through providing a continuous check by the House of Representatives upon the actions of this particular agency, the Office of Price Administration. I should like to see the principle that is embodied in this amendment offered in committee by the gentleman from Oklahoma [Mr. MONRONEY] and now included as part of the bill, spread to other committees and in the relationships of those other committees to other administrative agencies.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I will be glad to yield, yes.

Mr. DONDERO. Mr. Chairman, this is one section of a bill that does not delegate authority to somebody else?

Mr. OUTLAND. It retains authority in Congr ss, I may say.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I will be glad to yield to the distinguished gentleman from Arizona.

Mr. MURDOCK. Permit me to say I sanction the retaining of this provision in the bill, because I believe it will help curb bureaucracy.

Mr. OUTLAND. It is one step, as I said a moment ago, in the retention by this Congress of control over the activities of governmental agencies which we have established.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I will be glad to yield to my friend from California.

Mr. VOORHIS of California. It appears to me it would be a lot more salutary if when these difficulties arise they could be dealt with by the committee as they come in and possibly corrections made by the agencies through the intercession of the committee instead of letting them pile up over a long period of time.

Mr. OUTLAND. Exactly so. This particular part of the act will help this Congress to keep in closer touch with the problems which arise under the stabilization program and to help solve those problems more quickly and more easily. Mr. Chairman, I ask that this amendment be voted down.

Mr. COCHRAN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, every day we hear on the floor of the House something in reference to duplication, waste, and extravagance in the executive branch of the Government. Defeat this amendment and it will be more than duplication. You will have 5 or 6 committees doing the same job. The gentleman from Virginia the other day, when he secured the floor by reason of a question of personal privilege, laid on this table twenty-odd volumes of hearings, each one of them an inch or two thick, hearings which were held by his committee as to the activities of the O. P. A. Everyone who was here at the time saw those hearings. That committee is in existence and stays in existence until January. Its jurisdiction remains with it. It can continue to investigate the O. P. A. just as often as it wants to. The Small Business Committee of the House, headed by the gentleman from Texas, [Mr. PATMAN] has been investigating the O. P. A. The gentleman from Texas [Mr. PATMAN] told the Committee on Accounts that he had employees on his committee who received from Members of Congress complaints in reference to regulations issued by the O. P. A. and that those employees would contact O. P. A. and try to get a satisfactory settlement in reference to the complaint. He told that to the Committee on Accounts when he was before the committee asking for an additional appropriation. His committee has investigated O. P. A. and is doing so now. Then you have another committee, the Committee of the Senate on Small Business, which is continually investigating the O. P. A. and its activities. The Appropriations Committee of the House has authority to investigate O. P. A. any time it desires. Has money for expenses. Now what do you propose to do here? This section would set up 2 more committees, 1 in the Senate and 1 in the House, to investigate the O. P. A., making 6 committees in all. Do you want 6 committees investigating the operations of O. P. A.? You have over 30 special and select committees in this House today and you have a larger number in the Senate. You have any number of resolutions pending before the Committee on Rules and in the Senate for additional special and select committees. This committee assumed the jurisdiction of the Committee on Rules when they put this section in the bill. It came in with the bill and was not subject to a point of order, as a result. But if that section was offered by the committee on the floor as an amendment to this bill, it would have been subject to a point of order, and every Member who knows anything about the rules, knows it would be subject to a point of order.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I would like to understand clearly whether the gentleman from Missouri is in favor of the amendment offered by the gentleman from Ohio [Mr. SMITH]?

Mr. COCHRAN. Of course I am. I have the same amendment at the desk, but the gentleman from Ohio was recognized because he is a member of the committee. I am opposed to setting up two additional investigating committees when we have four doing the job now.

Mr. CRAWFORD. I misunderstood the gentleman from Missouri. I thought he said we should not adopt this amendment. The gentleman means we should not leave section 12 in the bill; is that correct?

Mr. COCHRAN. We should not leave this section in the bill. We should adopt the amendment to strike it out. As I said, if you adopt it you will have six committees, two in the Senate and four in the House, investigating the O. P. A. If this is not waste and extravagance I do not know what is, because you can take it from me that if you adopt this provision the chairman of the committee will put in a resolution asking for funds for expenses to carry out the purposes of this section. The section should be voted out because you have the other committees that are doing the very work which this provision covers.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman.

Mr. STEFAN. The gentleman does not mean the committee should vote down the amendment, but he means the committee should vote for the amendment?

Mr. COCHRAN. I think we should vote this section out and you can do so by voting for the amendment of the gentleman from Ohio.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. BARRY. The Committee on Banking and Currency never contemplated that this work would require a staff, but that it would be done by the members of the committee themselves and there would be no additional expense to the Government.

Mr. COCHRAN. I am very glad to get that information from the gentleman from New York, because if this amendment is defeated I will remember that when application is made to the Committee on Accounts for money. The gentleman is a member of the committee and as no other member of the committee corrects him then I take it the committee will not ask for expenses.

The fact is the Banking and Currency Committee has jurisdiction to inquire into the activities of O. P. A. any time it desires without any such authority as is contained in this section.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ROLPH].

Mr. SPENCE. Mr. Chairman, I wonder if we can be on a limitation of time for debate on this section?

Mr. VOORHIS of California. I do not want to speak on this amendment but I do want 5 minutes on this section.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

Mr. CURTIS. Reserving the right to object, will all Members standing be recognized and for how long?

The CHAIRMAN. Five Members are standing. That would allow about 2½ minutes.

Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. ROLPH] is recognized.

Mr. ROLPH. Mr. Chairman, when the gentleman from Oklahoma [Mr. MONRONEY] offered this amendment in the committee I gladly supported it, because in my opinion it is one of the most progressive suggestions submitted to this body in a long time.

I have served on the Committee of Banking and Currency for over 3 years. It would have been helpful in considering our legislation if we had had a committee such as recommended by the gentleman from Oklahoma [Mr. MONRONEY] investigating the legislation which was referred to our committee. For instance, the House adopts legislation reported out by the Committee on Banking and Currency. We have no regular investigations into legislation after enacted into law. In many instances Members of this body receive complaints and communications from their constituents which could be brought before a subcommittee such as is incorporated in the suggestion of the gentleman from Oklahoma [Mr. MONRONEY]. Much of the debate and much of the criticism and much of the hard feeling which have been developed throughout the past 12 months could have been eliminated. In my opinion the debate that has taken place in the last few days could have been reduced to a minimum.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. ROLPH. I yield.

Mr. FOLGER. Would not such a policy tend to eliminate these special committees we have been appointing by the dozen?

Mr. ROLPH. I am pleased the gentleman asked that question. When this session of Congress first convened I introduced a resolution authorizing the Committee on Banking and Currency to make a thorough investigation of rents. Our committee should have had that legislation, but as you know, another subcommittee was set up to investigate the O. P. A. in all of its branches and ramifications. If my resolution had been adopted at that time it would have been extremely helpful and beneficial to our own committee.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. ROLPH. I yield.

Mr. VOORHIS of California. I would like to say I believe the gentleman was not only right in that instance, but I think investigations of Government agencies should always be carried on by the standing committees which pass the legislation that affects them. I introduced a resolution to provide that as a general matter of procedure.

Mr. ROLPH. I thank the gentleman very much.

As a member of the Committee on Banking and Currency I feel I would have been greatly assisted in studying this legislation if such a committee had been functioning. I sincerely hope the amendment now under consideration will be voted down.

Mr. GAMBLE. Will the gentleman yield?

Mr. ROLPH. I yield.

Mr. GAMBLE. Is it not a fact that the Office of Price Administration has indicated it will be glad to cooperate with the committee and that it will be very helpful in our considerations?

Mr. ROLPH. Yes. I understand that is the situation. I thank the gentleman for his observation.

The CHAIRMAN. The time of the gentleman has expired.

The gentleman from Nebraska [Mr. CURTIS] is recognized.

Mr. CURTIS. Mr. Chairman, I favor this amendment. I believe this section should be stricken out. In my opinion it is a violation of the principle of separation of powers. If there is one thing that has been complained about over the country, and very justly so, it is that the same individual or the same group make the law, interpret it, and enforce it. They act as judge, jury, legislator, and prosecutor. If we do not have a good price-control law the responsibility is the responsibility of the Congress and we must shoulder that responsibility. If we do not have fair, just, and honest administration of the price-control law the responsibility is on the administration, and I do not propose to share that responsibility. I am opposed to Congress assuming administrative and judicial duties that are not ours. As a matter of fact, if the executive branch of the Government undertook to supervise and direct the legislative functions of this Congress we ought to revolt against it. By the same token we ought not to undertake to direct the administration of these laws.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield.

Miss SUMNER of Illinois. I voted for an amendment similar to this in the committee. I cannot see that there is any investigatory power under this section that the committee does not already have. There is nothing to prevent our investigating O. P. A. We do not need any money for it or any special investigators, if we want to file a bill and call the O. P. A. over there.

Mr. CURTIS. I respect the gentlewoman's opinion. As a matter of fact, the Congress of the United States will be in a position where the embarrassing problems in the hands of the administration will be placed in our hands, when the fault is poor and unwise and unjust administration.

Mr. CRAWFORD. Will the gentleman yield?

Mr. CURTIS. I yield.

Mr. CRAWFORD. In other words, just imagine what a predicament the committee would have been in had this present textile fight been dumped in our laps for the committee to work out.

Mr. CURTIS. Yes.

Mr. BARRY. Will the gentleman yield?

Mr. CURTIS. I yield.

Mr. BARRY. Our decisions will in no way affect the O. P. A. We have no power to change the law.

Mr. CURTIS. All you do is to shoulder responsibility for all of their blunders. The country shall hold the Congress responsible for legislation, but the Executive should be held responsible for the administration.

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. CURTIS] has expired.

The gentleman from Michigan [Mr. WOLCOTT] is recognized.

Mr. WOLCOTT. Mr. Chairman, I do not think this is a very serious problem. As far as I am concerned I do not care whether the committee has jurisdiction or not to conduct investigations. I think we should explain, however, that probably the Committee on Banking and Currency will have no opportunity whatsoever to function under this section even if it is adopted. You understand that, whereas committees in the other body of Congress are perpetual and do not die with each Congress, all of the committees of the House cease to exist upon the adjournment of Congress. These committees are set up again in the new Congress and they are given certain powers and only the powers we give to them when they are set up in the new Congress. So that at most, we can say this would give the House Committee on Banking and Currency authority to conduct these investigations only up to next January 3.

I do not anticipate the House Committee on Banking and Currency is going to have much of an opportunity to function in that respect between now and January 3. As far as I am able to determine this is the first time in the history of the Congress that a legislative committee has been given investigatory powers through the medium of a public bill. These powers heretofore have always been granted in a House resolution, or if it was in respect to powers to be granted a joint committee, in a concurrent resolution. I do not know but perhaps it is a dangerous precedent to set up machinery for the functioning of the Congress in legislation which has the effect of law.

I am not so sure but what we are giving people to understand that we in the Committee on Banking and Currency expect to assume a little larger share of the burden of administration of price control than we are prepared to and for

that reason perhaps it is all right if the amendment is adopted and the section stricken out.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The gentleman from Kansas [Mr. SCRIVNER] is recognized for 2½ minutes.

Mr. SCRIVNER. Mr. Chairman, during the last few days we have heard a great deal of criticism about the administration, rather the maladministration, of O. P. A. We have heard not a word mentioned about those thousands of nonpaid employees in the O. P. A. boards throughout the country who have given kind, courteous and considerate treatment to the people of the Nation. To date, about their only reward for their patriotic contribution to the war effort has been abuse from irate citizens, tormented, plagued and harassed by multitudinous regulations. These unselfish volunteers deserve our sincere and heartfelt thanks. Had it not been for their judgment and diplomacy in dealing with their neighbors the complaints from our citizens undoubtedly would have been increased a thousandfold.

The chief objection to this committee amendment is that it does not go far enough. In the O. P. A. we have one of the creatures of the Congress that is more powerful than its creator. O. P. A., without public hearings, can adopt regulations which the Supreme Court says are law, and the O. P. A. can repeal any of them overnight. Congress, to repeal or eradicate one of these regulations must hold open hearings, have public debate, pass the measure in both Houses, and then possibly have it subject to veto. Congress should have the right and power first to approve the rules and regulations before they become effective, or, after they are adopted, have the right of repeal of any of them by joint committee action.

Lest you may have the idea that we in this country are having all of this kind of trouble there is in the world, your attention is called to the trans-Atlantic edition of the Daily Mail for May 31, 1944, which carries a headline: "England's bureaucrats checked." Over there they have in Parliament what they call a scrutinizing committee which keeps vigil over—as they call it—umbrella legislation, a committee similar to that contemplated by this section, but apparently having more remedial power. They, just as we, are complaining against the bureaucratic vexatious, embarrassing, and harassing rules adopted by these various subdivisions or bureaus of the Government.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. BUSBEY. Would the gentleman agree with me on the point that if they got rid of these three individuals, Tom Tippett, Tom Carson, and Shad Polier, that probably 75 percent of the complaints against O. P. A. would vanish?

Mr. SCRIVNER. It might help but I think they would have to get rid of quite a few others of the same school of thought.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

The gentleman from New Jersey [Mr. TOWE] is recognized for 2½ minutes.

Mr. TOWE. Mr. Chairman, on Monday the Committee adopted an amendment which I offered to strike out one word in line 23 on page 11. The amendment had been on the Clerk's desk for 2½ or 3 days. I spoke to members of the Committee on both sides explaining what in my opinion the amendment would do. Yesterday the gentleman from Indiana [Mr. HALLECK] addressed the Committee and told you that in his opinion the striking out of that word would make it possible for the O. P. A. to put in effect the grade-labeling program, or at least there was some opinion to that effect.

I want to make it clear to you that I am not for grade labeling and I do not believe the amendment I offered could by any stretch of the imagination be interpreted to permit the O. P. A. to put into force its grade-labeling program.

Mr. Chairman, I yield back the balance of my time.

Mr. AUGUST H. ANDRESEN. Mr. Chairman.

The CHAIRMAN. For what purpose does the gentleman from Minnesota rise?

Mr. AUGUST H. ANDRESEN. To seek recognition.

The CHAIRMAN. There are but 2½ minutes remaining of the time fixed on this section. This has been allotted to the gentleman from Kentucky, the chairman of the committee.

The gentleman from Kentucky [Mr. SPENCE] is recognized for 2½ minutes.

Mr. SPENCE. I do not care to take my time but ask for a vote.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield to me?

Mr. SPENCE. Mr. Chairman, I ask for a vote.

Mr. SMITH of Ohio. Mr. Chairman, I ask unanimous consent to modify my amendment by striking out in addition to the language I have already asked be stricken, lines 14, 15, and 16, because they belong to that section.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to modify his amendment as indicated. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio to strike out section 11.

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 62, noes 92.

So the amendment was rejected.

The Clerk read as follows:

SEC. 12. Such act of October 2, 1942, as amended, is amended by inserting after the section added thereto by the foregoing section of this act, a new section as follows:

"SEC. 13. This act may be cited as the 'Stabilization Act of 1942'."

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the Committee on Banking and Currency and the House sitting as the Committee of the Whole have worked hard and for a long time on this bill, and I hope I may be borne with for 5 minutes while I attempt to speak of the bill generally and the shape it is in now.

In my judgment, the committee originally brought in a good piece of legislation. In my further judgment, some amendments have been adopted to the bill which have strengthened it rather than hurt it. Some of them I have supported. But I think there are three amendments in particular which are either unnecessary or very harmful to the cause of stabilization in America. The first of these, in my opinion, is the amendment offered by the gentleman from Illinois [Mr. DIRKSEN]. The committee has already provided in its own bill an opportunity for court appeal and court review which makes possible a uniform decision on the validity or invalidity of the rule or regulation by the Emergency Court of Appeals in an expeditious manner. The committee provision will prevent anyone's being prosecuted under a regulation which might be held invalid, and will stay proceedings until the question of validity is determined. I believe the committee provision is adequate for the purpose. But under the amendment of the gentleman from Illinois there are altogether likely to be one set of standards and regulations existing in Chicago and an entirely different one in Milwaukee. For if the regulations were upheld in the Milwaukee district court and overthrown in Chicago, prices in the Chicago area might immediately increase and all the goods affected by the ruling would flow into the Chicago market and out of the Milwaukee market, as I think anyone ought to be able to see.

In the second place, although an amendment was offered by the gentlewoman from Illinois [Miss SUMNER] and adopted, which puts into the hands of the court complete discretion as to the amount of penalty that would be assessed against a man, therefore leaving in the hands of the court opportunity to take full account of whether or not the violation has been willful or not, nonetheless the House went ahead and adopted another amendment which, in effect, said, "Where ignorance is bliss, 'tis folly to be wise." This amendment actually invites people to fail to inform themselves about the facts and the law in order that they may plead ignorance as a defense. I do not think the Congress really wants to write into the law a new principle of jurisprudence, if principle it may be called, to the effect that ignorance of the law is an adequate defense. But that is what has been done. The Sumner amendment is, I think, all right. The Cravens amendment will, I believe, render effective enforcement practically impossible.

Finally, the House adopted an amendment which if there ever was a special-privilege amendment, this one is it, that provided a half billion dollars should be added to the price of refined petroleum products for all the people of this Nation,

including, of course, the armed forces, which are by far the biggest purchasers. If I believed that this were the answer to the problem of the small producer, I would feel differently, but I do not. The only thing that can help them is an increase in the price they receive for their crude oil relative to the price of refined products that the Disney amendment does not give. Indeed, I myself introduced a bill which in my judgment would solve the problem of those small independent producers of crude petroleum by giving them special direct payments in sufficient amount to assure them a fair margin over their costs if they continue production. Assistance of this sort for stripper-well operators and small high-cost crude producers should have been done over a year and a half ago, as the Office of Economic Stabilization recommended. But it has never been done. In my judgment, the reason is because the major oil companies, the greatest coagulation of political and economic power in this country, were opposed to letting it be done because it would take the little independents away from them as a front to get the over-all increase in the petroleum price, which they wanted.

There are many other arguments I could advance.

On April 3 I put in the RECORD a table showing the earnings of the oil companies of this country, comparing 1942 with 1943. If you look at those figures and find the very substantial increase in the earnings for 1943 over 1942 and see how Standard Oil of New Jersey made $121,000,000 profit after taxes and paid a dividend of $4.45 per share, I do not think the House is going to want ultimately to have this bill carry that provision.

The CHAIRMAN. The time of the gentleman has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the gentleman from New Jersey, a few moments ago, spoke for his amendment which was unanimously adopted with reference to standards, grade labeling, brands, and trade names. It may be true that his amendment was sent to the desk but very few of us knew that he was going to offer it. I did not know it myself.

The word stricken out of the existing law by his amendment was the word "general", wherein it requires the administrator to follow the standards and specifications in general use in the trade. If the word "general" is stricken from the bill, it may be construed to give the Administrator the power to set up new standards and specifications, which is contrary to the intent of the Congress.

On two occasions, in the House and in the Senate, action has been taken to prohibit the Administrator from requiring compulsory grade labeling and the doing away with trade names and brands. I am asking you to consider this proposition because when we get back into the House I will ask for a separate vote on this amendment. I dislike very much to do this because of my friendship for the gentleman from New Jersey, but I am satisfied that he will not get the relief he seeks from the Administrator if the word "general" is stricken out. I hope he will go along with us because I know that neither he nor most of the other Members of the House favor compulsory grade labeling or the establishment of standards and specifications by the Administrator which are contrary to those in general use.

Mr. TOWE. Will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from New Jersey.

Mr. TOWE. The second line of article (j) prohibits grade labeling, does it not?

Mr. AUGUST H. ANDRESEN. That is true, but you must read all of the paragraphs together. The construction that has been placed there by the Congress involves 1, 2, 3, and 4, and you have to consider all the provisos together.

Mr. TOWE. They would still be in the bill. The second sentence will still remain in the bill?

Mr. AUGUST H. ANDRESEN. They will be in the bill but that will not stop the Administrator from establishing new standards and specifications if he wants to interpret the law to suit his convenience.

Mr. ANDERSON of California. Will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from California.

Mr. ANDERSON of California. In spite of the many provisions contained in the act, the O. P. A. still strives, through the back door, to put in a lot of programs that they would like to see put into effect?

Mr. AUGUST H. ANDRESEN. The O. P. A. is continually striving to get in through the back door to circumvent the will of Congress. I urge that the amendment be rejected.

The CHAIRMAN. The time of the gentleman has expired.

Mrs. NORTON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I realize that the members of the Banking and Currency Committee have spent many weeks in the preparation of this bill, and, in my opinion, they did an excellent job. I congratulate the committee. I had intended to wholeheartedly support the bill as it was reported to the House. I regret very much that it has been so greatly mutilated in the Committee of the Whole.

Mr. Chairman, I cannot violate my conscience by voting for this bill in its present form. It is one that I would term inflationary, and it certainly is not going to control prices, nor is it going to hold down wages. The women of the Nation are watching this Congress, and when the price of the things that they need goes up as a result of this bill, there will be an accounting day.

May I say also, Mr. Chairman, that if the bill passes in its present form—and I hope it will not—then you are going to hear from the people of the country who are working for wages, because with inflation wages cannot be kept static.

Most Members say they are in favor of O. P. A. What they mean is they are in favor if O. P. A. does not interfere with certain groups in their district demanding the right to run their business in the good old business-as-usual design— war notwithstanding. We had no O. P. A. to hold down prices during World War No. 1, with the result that prices advanced, according to the record, 102 percent from the outbreak of the war until Armistice Day, and 150 percent following the armistice. Do you want that to happen again?

In spite of some mistakes, O. P. A. has done a great job to hold down prices since 1942. From 1941 until O. P. A. was organized, prices skyrocketed, and they will again if this agency is destroyed.

That is all I have to say. I am opposed to the bill in its present form, and if I get the opportunity I shall vote against it unless the amendments that have been adopted are voted down. I refer specifically to the oil amendment, the rent-control amendment, the amendment offered by the gentleman from New Jersey [Mr. HARTLEY], and also to the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, and for other purposes, pursuant to House Resolution 562, reported the same back to the House with sundry amendments agreed to in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. BRADLEY of Pennsylvania. Mr. Speaker, I demand a separate vote on the Disney, Dirksen, and Gifford amendments.

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I demand a separate vote on the Towe amendment striking out the word "general" in line 23 on page 11 of the bill.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The question is on the amendments on which a separate vote has not been demanded.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. DISNEY: Page 12, line 2, insert a new subsection (n) to read as follows:

"In the fixing of prices for crude petroleum and the products thereof and derivatives

therefrom, as provided under the Price Control Act of 1942, as amended, consideration shall be given to the necessity for exploring for crude petroleum and the maintenance of a competitive position in the petroleum industry and to that end shall give consideration to the parity prices as indicated by the relationship between the index based on the national average price of crude petroleum and the index of all commodities as reported by the United States Department of Labor, Bureau of Labor Statistics, in its Wholesale Commodity Price Index based on the year 1926: *Provided, however,* That such ceilings shall not be fixed or maintained at less than 80 percent of parity and not to exceed parity, per barrel above the present respective price ceilings for crude petroleum, and its products and derivatives."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. SHORT) there were—ayes 141, noes 139.

Mr. BRADLEY of Pennsylvania. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 178, nays 204, not voting 46, as follows:

[Roll No. 89]

YEAS—178

Allen, Ill.	Grant, Ind.	Miller, Mo.
Andersen, H. Carl	Gregory	Miller, Pa.
Anderson, Calif.	Griffiths	Morrison, La.
Anderson, N. Mex.	Gross	Murray, Tenn.
Andresen, August H.	Gwynne	Murray, Wis.
Andrews, N. Y.	Hagen	Norman
Arends	Hall, Edwin Arthur	Norrell
Barden	Hall, Leonard W.	O'Brien, N. Y.
Barrett	Halleck	O'Hara
Bates, Ky.	Hancock	Pace
Beall	Harness, Ind.	Patton
Beckworth	Harris, Ark.	Peterson, Fla.
Bennett, Mo.	Hartley	Phillips
Bishop	Hébert	Pittenger
Boykin	Heidinger	Ploeser
Bradley, Mich.	Hendricks	Poage
Brehm	Hill	Randolph
Brooks	Hinshaw	Rankin
Brown, Ohio	Hobbs	Reece, Tenn.
Busbey	Hoffman	Reed, Ill.
Cannon, Fla.	Holmes, Mass.	Reed, N. Y.
Carlson, Kans.	Hope	Rees, Kans.
Carrier	Horan	Rivers
Carson, Ohio	Howell	Rizley
Carter	Jenkins	Robsion, Ky.
Chapman	Jennings	Rockwell
Chenoweth	Jensen	Rodgers, Pa.
Chiperfield	Johnson, Anton, J.	Rohrbough
Church	Johnson, Calvin D.	Rolph
Clevenger	Johnson, Ind.	Russell
Cole, Mo.	Johnson, J. Leroy	Schiffler
Cole, N. Y.	Johnson, Luther A.	Schwabe
Colmer	Johnson, Okla.	Scrivner
Compton	Johnson, Ward	Short
Cooley	Jones	Simpson, Ill.
Costello	Jonkman	Slaughter
Cox	Kilday	Smith, Ohio
Cravens	King	Starnes, Ala.
Crawford	Kinzer	Stigler
Curtis	Kleberg	Sumner, Ill.
Day	Knutson	Sumners, Tex.
Dewey	Lambertson	Taber
Dirksen	Landis	Talbot
Disney	Lanham	Talle
Doughton	Larcade	Thomas, N. J.
Elliott	Lea	Thomas, Tex.
Elmer	LeFevre	Thomason
Elston, Ohio	McConnell	Tibbott
Engel, Mich.	McCowen	Troutman
Fenton	McGehee	Vincent, Ky.
Fernandez	McGregor	Vinson, Ga.
Fisher	McKenzie	Worsell
Gathings	McMillan	Wadsworth
Gavin	McWilliams	Welchel, Ohio
Gearhart	Mahon	West
Gilchrist	Manasco	White
Gillespie	Mason	Wickersham
Gillette	Merrow	Willey
Gossett	Michener	Winter
Graham	Miller, Conn.	Woodruff, Mich.
		Worley

NAYS—204

Abernethy	Gerlach	O'Konski
Andrews, Ala.	Gillie	O'Neal
Angell	Goodwin	O'Toole
Auchincloss	Gordon	Outland
Baldwin, Md.	Gore	Pfeifer
Baldwin, N. Y.	Gorski	Philbin
Barry	Grant, Ala.	Poulson
Bates, Mass.	Hale	Powers
Bender	Hare	Pracht, C. Frederick
Bennett, Mich.	Hart	Pratt, Joseph M.
Blackney	Hays	Priest
Bland	Heffernan	Ramey
Bloom	Herter	Ramspeck
Bolton	Hess	Robertson
Bonner	Hoch	Robinson, Utah
Bradley, Pa.	Hoeven	Rogers, Mass.
Brown, Ga.	Holifield	Rowan
Brumbaugh	Holmes, Wash.	Rowe
Bryson	Hull	Sabath
Buckley	Izac	Sadowski
Buffett	Jackson	Sasscer
Bulwinkle	Jarman	Satterfield
Burch, Va.	Jeffrey	Sauthoff
Burchill, N. Y.	Johnson, Lyndon B.	Scanlon
Burgin	Judd	Scott
Butler	Kean	Shafer
Byrne	Kearney	Sheppard
Camp	Keefe	Sheridan
Canfield	Kefauver	Smith, Maine
Cannon, Mo.	Kelley	Smith, Va.
Case	Kennedy	Smith, W. Va.
Celler	Keogh	Smith, Wis.
Clark	Kerr	Snyder
Clason	Kilburn	Sparkman
Cochran	Kirwan	Spence
Coffee	Kunkel	Springer
Cooper	LaFollette	Stanley
Courtney	Lane	Stefan
Crosser	LeCompte	Sullivan
Cunningham	Lesinski	Sundstrom
Curley	Luce	Tarver
D'Alesandro	Ludlow	Taylor
Davis	Lynch	Tolan
Dawson	McCormack	Torrens
Delaney	McLean	Towe
Dickstein	McMurray	Treadway
Dilweg	Maas	Voorhis, Calif.
Dingell	Madden	Vorys, Ohio
Dondero	Maloney	Walter
Douglas	Mansfield, Mont.	Ward
Drewry	Marcantonio	Wasielewski
Durham	Martin, Iowa	Weaver
Dworshak	Martin, Mass.	Weiss
Eaton	Merritt	Welch
Eberharter	Michener	Wene
Ellison, Md.	Miller, Conn.	Whittington
Ellsworth	Miller, Nebr.	Wigglesworth
Engle, Calif.	Monkiewicz	Wilson
Fay	Monroney	Winstead
Feighan	Mott	Wolcott
Fellows	Mruk	Wolfenden, Pa.
Fitzpatrick	Mundt	Wolverton, N. J.
Flannagan	Murdock	Woodrum, Va.
Fogarty	Murphy	Wright
Folger	Myers	Zimmerman
Forand	Norton	
Fulmer	O'Brien, Ill.	
Furlong	O'Brien, Mich.	
Gale		
Gamble		

NOT VOTING—46

Allen, La.	Green	Patman
Arnold	Harless, Ariz.	Peterson, Ga.
Bell	Harris, Va.	Plumley
Boren	Kee	Price
Burdick	Klein	Rabaut
Capozzoli	Lemke	Richards
Dies	Lewis	Sikes
Ellis	McCord	Simpson, Pa.
Fish	Magnuson	Somers, N. Y.
Ford	Mansfield, Tex.	Stearns, N. H.
Fulbright	May	Stevenson
Fuller	Merrow	Stewart
Gallagher	Mills	Whelchel, Ga.
Gibson	Morrison, N. C.	Whitten
Gifford	Newsome	
Granger	O'Connor	

So the amendment was rejected.

The Clerk announced the following pairs:

General pairs:

Mr. Kee with Mr. Arnold.

Mr. Capozzoli with Mr. Plumley.

Mr. Magnuson with Mr. Fuller.

Mr. Klein with Mr. Gifford.

Mr. May with Mr. Ellis.

Mr. Somers of New York with Mr. Stevenson.

Mr. Mills of Arkansas with Mr. Lewis.

Mr. Peterson of Georgia with Mr. Gallagher.

Mr. Fulbright with Mr. Lemke.

Mr. Whitten with Mr. Fish.

Mr. Harless of Arizona with Mr. Merrow.

Mr. McCord with Mr. Simpson of Pennsylvania.

Mr. Rabaut with Mr. Burdick.

Mr. Mansfield of Texas with Mr. Stearns of New Hampshire.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment by Mr. DIRKSEN: Page 16, after line 7, insert the following:

"SEC. 6. (a) The first sentence of section 204 (a) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: 'Any person who is aggrieved by the denial or partial denial of his protest may, within 30 days after such denial, file a complaint with the Emergency Court of Appeals, created pursuant to subsection (c), or with the appropriate district court, specifying his objections and praying that the regulation, order, or price schedule protested be enjoined or set aside in whole or in part.'

"(b) The fourth sentence of section 204 (c) of such act, as amended, is amended to read as follows: 'The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this act.'

"(c) The first two sentences of section 204 (d) of such act, as amended, are amended to read as follows: 'Within 30 days after entry of a judgment or order, interlocutory or final, by the district court provided for in subsection (a) or the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals as provided in section 240 of the Judicial Code, as amended (U. S. C., 1940 ed., title 28, sec. 347). The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The district court provided for in subsection (a), the Emergency Court of Appeals, the appropriate circuit court of appeals upon review of judgments and orders such district court, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals and of such district court or circuit court of appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order issued under section 2, of any price schedule effective in accordance with the provisions of section 206, and of any provision of any such regulation, order, or price schedule.'"

The SPEAKER. The question is on agreeing to the amendment.

Mr. SHORT. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 206, nays 181, not voting 41, as follows:

[Roll No. 90]

YEAS—206

Abernethy	Andresen, August H.	Barden
Allen, Ill.	Andrews, Ala.	Barrett
Allen, La.	Angell	Beall
Andersen, H. Carl	Arends	Beckworth
Anderson, Calif.	Auchincloss	Bennett, Mich.
		Bennett, Mo.

Bishop	Hall,	Newsome
Bland	Edwin Arthur	Norman
Boykin	Halleck	Norrell
Bradley, Mich.	Hare	O'Hara
Brehm	Harness, Ind.	Patton
Brooks	Harris, Va.	Peterson, Fla.
Brown, Ohio	Hartley	Philbin
Brumbaugh	Hébert	Phillips
Buffett	Heidinger	Pittenger
Busbey	Hendricks	Ploeser
Butler	Hess	Poage
Cannon, Fla.	Hill	Powers
Carlson, Kans.	Hobbs	Rankin
Carrier	Hoeven	Reece, Tenn.
Carson, Ohio	Hoffman	Reed, Ill.
Carter	Holmes, Wash.	Reed, N. Y.
Case	Hope	Rees, Kans.
Chenoweth	Horan	Rivers
Chiperfield	Howell	Rizley
Church	Jeffrey	Robsion, Ky.
Clason	Jenkins	Rockwell
Clevenger	Jennings	Rogers, Mass.
Cole, Mo.	Jensen	Rohrbough
Cole, N. Y.	Johnson,	Rolph
Colmer	Anton J.	Russell
Compton	Johnson,	Schwabe
Cooley	Calvin D.	Scott
Costello	Johnson, Ind.	Scrivner
Cox	Johnson,	Shafer
Cravens	Luther A.	Sheridan
Cunningham	Johnson, Okla	Short
Curtis	Johnson, Ward	Sikes
Day	Jones	Simpson, Ill.
Dewey	Jonkman	Simpson, Pa.
Dirksen	Keefe	Slaughter
Disney	Kilday	Smith, Ohio
Douglas	Kleberg	Smith, Wis.
Durham	Knutson	Springer
Dworshak	Lambertson	Starnes, Ala.
Eaton	Landis	Stefan
Ellsworth	Lanham	Stevenson
Elmer	Larcade	Stigler
Elston, Ohio	Lea	Stockman
Engle, Calif.	McConnell	Sumners, Tex.
Fellows	McCowan	Sundstrom
Fenton	McGehee	Talle
Fernandez	McGregor	Tarver
Fish	McKenzie	Thomas, N. J.
Fisher	McMillan	Thomason
Gathings	McWilliams	Tibbott
Gavin	Maas	Tolan
Gearhart	Mahon	Towe
Gerlach	Manasco	Treadway
Gilchrist	Martin, Iowa	Troutman
Gillespie	Martin, Mass.	Vorys, Ohio
Gillette	Mason	Vursell
Gillie	Miller, Mo.	Weichel, Ohio
Goodwin	Miller, Nebr.	West
Gossett	Miller, Pa.	Willey
Grant, Ala.	Morrison, La.	Winstead
Grant, Ind.	Mott	Winter
Green	Mruk	Wolfenden, Pa.
Griffiths	Mundt	Woodruff, Mich.
Gwynne	Murray, Tenn.	Worley
Hagen	Murray, Wis.	

NAYS—181

Anderson,	Davis	Herter
N. Mex.	Dawson	Hinshaw
Andrews, N. Y.	Delaney	Hoch
Baldwin, Md.	Dickstein	Holifield
Baldwin, N. Y.	Dilweg	Holmes, Mass.
Barry	Dingell	Hull
Bates, Ky.	Dondero	Izac
Bates, Mass.	Doughton	Jackson
Bender	Drewry	Jarman
Blackney	Eberharter	Johnson,
Bloom	Elliott	J. Leroy
Bolton	Ellison, Md.	Johnson,
Bonner	Engel, Mich.	Lyndon B.
Bradley, Pa.	Feighan	Judd
Brown, Ga.	Fitzpatrick	Kean
Bryson	Flannagan	Kearney
Buckley	Fogarty	Kefauver
Bulwinkle	Folger	Kelley
Burch, Va.	Forand	Kennedy
Burchill, N. Y.	Fulmer	Keogh
Burgin	Furlong	Kerr
Byrne	Gale	Kilburn
Camp	Gamble	King
Canfield	Gordon	Kinzer
Cannon, Mo.	Gore	Kirwan
Celler	Gorski	Kunkel
Chapman	Graham	LaFollette
Clark	Gregory	Lane
Cochran	Hale	LeCompte
Coffee	Hall,	LeFevre
Cooper	Leonard W.	Lesinski
Courtney	Hancock	Luce
Crawford	Harris, Ark.	Lynch
Crosser	Hart	McCormack
Curley	Hays	McLean
D'Alesandro	Heffernan	McMurray
Madden	Priest	Taylor
Maloney	Ramey	Thomas, Tex.
Mansfield,	Ramspeck	Torrens
Mont.	Randolph	Vincent, Ky.
Marcantonio	Robertson	Vinson, Ga.
Merritt	Robinson, Utah	Voorhis, Calif.
Michener	Rodgers, Pa.	Wadsworth
Miller, Conn.	Rowan	Walter
Monkiewicz	Rowe	Ward
Monroney	Sabath	Wasielewski
Murdock	Sadowski	Weaver
Murphy	Sasscer	Weiss
Myers	Satterfield	Welch
Norton	Sauthoff	Wene
O'Brien, Ill.	Scanlon	White
O'Brien, Mich.	Schiffler	Whittington
O'Brien, N. Y.	Smith, Maine	Wickersham
O'Konski	Smith, Va.	Wigglesworth
O'Neal	Smith, W. Va.	Wilson
O'Toole	Snyder	Wolcott
Outland	Somers, N. Y.	Wolverton, N. J.
Pace	Sparkman	Woodrum, Va.
Pfeifer	Spence	Wright
Poulson	Stanley	Zimmerman
Pracht,	Sullivan	
C. Frederick	Sumner, Ill.	
Pratt,	Taber	
Joseph M.	Talbot	

NOT VOTING—41

Arnold	Granger	Morrison, N. C.
Bell	Gross	O'Connor
Boren	Harless, Ariz.	Patman
Burdick	Kee	Peterson, Ga.
Capozzoli	Klein	Plumley
Dies	Lemke	Price
Ellis	Lewis	Rabaut
Fay	Ludlow	Richards
Ford	McCord	Sheppard
Fulbright	Magnuson	Stearns, N. H.
Fuller	Mansfield, Tex.	Stewart
Gallagher	May	Wheichel, Ga.
Gibson	Merrow	Whitten
Gifford	Mills	

So the amendment was agreed to.

The Clerk announced the following pairs:

Until further notice:

On this vote:

Mr. Fuller for, with Mr. Magnuson against.
Mr. Gifford for, with Mr. Kee against.

General pairs:

Mr. May with Mr. Ellis.
Mr. Capozzoli with Mr. Plumley.
Mr. Fay with Mr. Gross.
Mr. Mills with Mr. Lewis.
Mr. Peterson of Georgia with Mr. Gallagher.
Mr. Harless of Arizona with Mr. Merrow.
Mr. Rabaut with Mr. Burdick.
Mr. Whitten with Mr. Stearns of New Hampshire.
Mr. Klein with Mr. Lemke.
Mr. Fulbright with Mr. Arnold.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. GIFFORD: After subsection (k) insert subsection (l):

"No maximum price shall be established for any fishery commodity below a price which shall reflect to producer fishermen the higher of the following prices:

"(1) The highest average price of such commodity in the year 1942;

"(2) The price which shall reflect to such producers prices or wages, as the case may be, equal to the highest prices or wages paid to such producers between January 1 and September 15, 1942."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. SHORT) there were—ayes 107, noes 200.

So the amendment was rejected.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. TOWE: Page 11, line 23, strike out the word "general."

The SPEAKER. The question is on the amendment.

The amendment was rejected.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. CRAWFORD. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CRAWFORD. In its present form, I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion of the gentleman from Michigan.

The Clerk read as follows:

Mr. CRAWFORD moves to recommit the bill, H. R. 4941, to the Committee on Banking and Currency.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

The SPEAKER. Without objection, the Clerk will be authorized to correct section and paragraph numbers.

There was no objection.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: Strike out all after the enacting clause of the bill S. 1764 and insert therein the provisions of H. R. 4941 as passed.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the bill S. 1764 and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Speaker appointed the following conferees: Messrs. SPENCE, BROWN of Georgia, BARRY, MONRONEY, WOLCOTT, CRAWFORD, and GAMBLE.

SWEARING IN OF A MEMBER

The SPEAKER laid before the House the following communication from the Clerk of the House:

JUNE 13, 1944.

The honorable the SPEAKER,
House of Representatives.

SIR: The certificate of election in due form of law of Hon. ELLSWORTH B. BUCK, as a Representative-elect to the Seventy-eighth Congress from the Eleventh Congressional District of the State of New York, to fill the vacancy caused by the death of Hon. James A. O'Leary, is on file in his office.

Very truly yours,
SOUTH TRIMBLE,
Clerk of the House of Representatives.

Mr. BUCK appeared at the bar of the House and took the oath of office.

EXTENSION OF REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial tribute to Vice Admiral Waesche.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today and include therein certain extracts from reports.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter received from General Marshall and my reply, and an article written by me.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. ELMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on Flag Day.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a statement by Mr. W. M. Floyd, national commander of the Regular Veterans' Association.

The SPEAKER. Is there objection to the request of the delegate from Alaska?

There was no objection.

Mr. CURLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address on Flag Day.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein the correct and officially signed resolution passed by the Polish-American Congress.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances; in the first to include a resolution adopted at the thirty-ninth annual conference of the Municipal Finance Officers Association, and in the second to include an address delivered at that conference by Ralph L. Vannane, secretary of the New York City Employees Retirement System. In connection with the latter request, I understand that it will exceed the limit, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter written by me to the Attorney General.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a speech I delivered on May 21.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

HON. SCHUYLER OTIS BLAND

Mr. BONNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Speaker, the House Committee on Merchant Marine and Fisheries, appreciating the distinguished services of their chairman, will hold exercises on Friday, June 16, at 10 o'clock, in the committee room of that committee in the Old House Office Building, honoring the Honorable SCHUYLER OTIS BLAND, of Virginia. We would be delighted to have such Members of the House as can attend join us in these exercises. It gives me great pleasure to extend this invitation to all the Members of the House on behalf of the Committee on the Merchant Marine and Fisheries.

EXTENSION OF REMARKS

(Mr. HARTLEY asked and was given permission to extend his remarks in the RECORD.)

Mr. COFFEE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances, in one to include an address by the regional forester of the Northwest, H. J. Andrews, and in the other to include an article by Dorothy Thompson.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. BYRNE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the subject of Jews in up-State New York.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a speech delivered by the senior Senator from Pennsylvania [Mr. DAVIS].

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROWAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an article from the Chicago Daily News.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DEPARTMENT OF AGRICULTURE APPROPRIATION, 1945

Mr. TARVER. Mr. Speaker, I call up the conference report on the bill (H. R. 4443), making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk began to read the statement of the managers on the part of the House.

Mr. TARVER. Mr. Speaker, I ask unanimous consent that further reading of the report may be dispensed with.

Mr. RANKIN. Mr. Speaker, reserving the right to object, and I shall not object, I should like to ask the gentleman from Georgia [Mr. TARVER] a question.

Mr. TARVER. Mr. Speaker, I should be very glad to yield to the gentleman from Mississippi when discussion begins on the conference report. Could not the gentleman from Mississippi wait until that time?

Mr. RANKIN. Yes; that is all right.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4443) "making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 22, 24, 33, 37, 50, 51, 54, 55, 57, 67, and 69.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 8, 18, 19, 20, 21, 23, 28, 29, 34, 35, 36, 38, 42, 44, 45, 47, 56, 58, 64, and 68, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,160,552"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,375,236"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment, insert the following: "*Provided*, That the cost of erecting any one building, except head houses connecting greenhouses, shall not exceed $2,500, and the cost of alterations to any one building shall not exceed $500 or 2 per centum of the cost of the building as certified by the Secretary, whichever is greater, but in no event to exceed $2,500"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$353,639"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$25,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$951,611"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$506,348"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$71,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment, insert the following: "*Provided further*, That no part of this appropriation shall be used for agricultural wage stabilization with respect to any commodity unless a majority of the producers of such commodity within the area affected have requested the intervention of the Administrator of the War Food Administration"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "(or in the case of perishable fruits and vegetables if there is danger of deterioration or of accumulation of stocks)"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$350,000"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows: ": *Provided further*, That in the State of Missouri where the State has established a central State agency authorized to enter into agreements with the United States or any of its agencies or policies and general programs for the saving of its soil by the extension of Federal aid to any soil conservation district in such State, the agreements made by or on behalf of the United States with any such soil conservation district shall have the prior approval of such central State agency before they shall become effective as to such district"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$25,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 5, 7, 9, 10, 11, 12, 13, 14, 17, 25, 27, 31, 40, 41, 43, 48, 52, 53 59, 60, 63, 65, 66, and 71.

M. C. TARVER,
CLARENCE CANNON,
HARRY R. SHEPPARD,
ELMER H. WENE,
EVERETT M. DIRKSEN,
Managers on the part of the House.

RICHARD B. RUSSELL,
CARL HAYDEN,
M. E. TYDINGS,
J. H. BANKHEAD,
GERALD P. NYE,
ARTHUR CAPPER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4443) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying report, as to each of such amendments, namely:

CORRECTIONS OF TEXT, PUNCTUATION, ETC.

The following amendments are for clarification, or in correction of allocations the text, punctuation, and other technical corrections: Nos. 2, 3, 4, 8, 28, 29, 30, 39, and 56.

OFFICE OF SOLICITOR

Amendment No. 1, salaries and expenses: Appropriates $1,930,632 as proposed by the Senate, instead of $1,830,632 as proposed by the House.

BUREAU OF AGRICULTURAL ECONOMICS

Amendment No. 6, economic investigations: Appropriates $2,375,236, instead of $2,325,236 as proposed by the House and $2,475,236 as proposed by the Senate.

BUREAU OF PLANT INDUSTRY, SOILS AND AGRICULTURAL ENGINEERING

Amendment No. 15, cost of buildings: Limits the cost of buildings to $2,500 and the cost of alterations to any one building during the fiscal year 1945 to $500 or 2 per centum of the cost of the building, whichever is greater, but in no event to exceed $2,500.

Amendments Nos. 16 and 17, agricultural engineering investigations: Appropriates $20,000, as proposed by the Senate, for mechanization of sugar-beet agriculture, and $40,000, instead of $65,000 as proposed by the Senate, for improvement of labor-saving machinery for sugar-cane production, and retains the Senate provision making $10,000 available for construction of a building at Houma, Louisiana.

Amendment No. 18, cereal crops and diseases: Accepts the Senate proposal restoring the Budget reduction of $4,778 to permit continuation of cereal improvement work at Dickinson, North Dakota, and restoring the decrease of $150 at Tucumcari, New Mexico.

Amendment No. 19, dry-land agriculture: Accepts the Senate proposal restoring the Budget reduction of $10,163 to permit continuance of the station at Lawton, Oklahoma, and restoring $2,400 to permit the continuance of cooperative work at Moro, Oregon.

Amendment No. 20, fruit and vegetable crops and diseases: Appropriates $5,000, as proposed by the Senate, for continuation of work to develop practical control methods for azalea flower-spot disease.

Amendment No. 21, plant exploration, introduction, and surveys: Appropriates $8,913, as proposed by the Senate, for continuance of the station at Savannah, Georgia.

Amendment No. 22, soil surveys: Eliminates the Senate restoration of the House cut of $12,000.

Amendment No. 23, tobacco investigations: Appropriates $12,500, as proposed by the Senate, for work in North Carolina on burley tobacco.

BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

Amendment No. 24, citrus canker eradication: Strikes out the Senate provision making an appropriation of $11,300.

Amendment No. 26, foreign parasites: Reduces to $5,000 the Senate increase of $10,000. The Senate report indicates the increase is for work on the Klamath weed. By agreement of the conferees of both Houses, the Department will have discretion in the application of the fund.

BUREAU OF AGRICULTURAL AND INDUSTRIAL CHEMISTRY

Amendment No. 27, cost of buildings: Limits the cost of buildings to $7,500 and the cost of alterations to any one building during the fiscal year 1945 to $500 or 2 per centum of the cost of the building, whichever is greater, but in no event to exceed $2,500.

FOREST SERVICE

Amendment No. 32, forest management: The House bill provided $10,000 for work in connection with the control of the spruce budworm. The Senate proposed an increase of $15,000 over the House figure. The conference report retains $7,500 of the Senate increase.

Amendment No. 33, range investigations: Strikes out the Senate increase of $35,000, of which $10,000 was for research in converting cut-over Douglas fir lands to grazing and $25,000 was for study of livestock and big game grazing in the Intermountain region.

Amendment No. 34, forest products: Retains the Senate increase of $55,000, of which $20,000 is an increase over the House item of $15,000 for studies of the utilization of Southern hardwoods, and $35,000 is for the development of new and fuller utilization of forest resources of the Northeast.

Amendment No. 35, forest economics: Retains the Senate increase of $10,000, partially restoring a House cut of $11,386, for continuing economic studies in the anthracite region under the Alleghany Forest Experiment Station, the work to be completed by the end of the fiscal year 1945.

Amendments Nos 36, 37, 38, and 40, forest fire cooperation: Appropriates $6,300,000 as proposed by the Senate, instead of $2,529,062 as proposed by the House; strikes out the Senate provision making $50,000 available for studies of the effect of tax laws and timber insurance; and accepts the Senate provision authorizing expenditure of $1,000,000 of the appropriation, without matching, on critical areas of national importance, amended so as to require that the areas in question must be extremely critical.

EMERGENCY RUBBER PROJECT

Amendment No. 42: Appropriates $3,020,985 as proposed by the Senate, instead of $3,952,585 as proposed by the House. The House provision that there must be progressive and final liquidation during the fiscal year 1945 was stricken out by the Senate. This amendment (No. 41) is reported in disagreement.

WAR FOOD ADMINISTRATION

Amendments Nos. 44, 45, and 46: The House bill prohibits the use of the appropriation for wage stabilization and reduced the appropriation by $800,000, which had been earmarked by the Budget for that work. The Senate bill restores $400,000 of the House cut and permits wage stabilization where a "substantial number" of the producers of a commodity affected request the intervention of the War Food Administrator. The House accepts the Senate restoration of $400,000 and also the provision permitting wage stabilization, but amended so as to provide that a "majority", instead of a "substantial number", of the producers within the area affected must request the intervention. The House accepts the Senate increase of $1,100,000, inserted to cover the cost of administration of food orders heretofore covered by assessments against producers and handlers, and also accepts the Senate provision permitting assessments against the growers of walnuts.

COMMODITY CREDIT CORPORATION

Amendment No. 47, salaries and administrative expenses: Authorizes $7,208,526 as proposed by the Senate, instead of $5,458,526 as proposed by the House. The increase over the House figure is on account of the dairy-production-payment program, estimated to cost $400,000,000. The conferees of both Houses join in the statement contained in the Senate report that the allowance of this increase "shall not be construed as approving any subsidy program now in effect or hereafter to be promulgated by this agency".

Amendment No. 49, sale of perishable fruits and vegetables at prices below parity permitted: Both Houses have approved the provision prohibiting the sale of Government-owned or Government-controlled stocks of farm commodities at less than parity price, except any commodity substantially deteriorated in quality, and the Senate has enlarged this exception to include perishable commodities where there is danger of deterioration or of accumulation of stocks. The House accepts the Senate provision, amended to apply to perishable "fruits and vegetables" instead of perishable "commodities".

CONSERVATION AND USE OF AGRICULTURAL LAND

Amendments Nos. 50 and 51, agricultural program payments: The House appropriated $290,000,000; the Senate appropriated $250,000,000, together with a transfer of $40,000,000 from the permanent appropriation known as the "30-percent fund"; the Senate recedes.

Amendments Nos. 54 and 55, salaries and other administrative expenses: Amendment No. 54 allots $24,250,000 as proposed by the House, instead of $25,000,000 as proposed by the Senate, for salaries and other administrative expenses. Amendment No. 55 strikes out the House provision relating to the money allotted under Amendment No. 54, as follows: "but not more than $7,917,360 of the $8,667,360 provided in the schedule in the Budget hereunder for 1945 for transfer to the appropriation account 'Agricultural Adjustment Agency', shall be so transferred". The Senate recedes on both amendments.

Amendment No. 57, State A. A. A. committees to approve farming practices prescribed for the agricultural program for 1945: Restores the House language, stricken out by the Senate, requiring the approval of State A. A. A. committees of the farming practices to be prescribed for the 1945 agricultural program.

Amendment No. 58: Makes the appropriation available for the purchase of seeds, fertilizers, lime, trees, or other farming materials, or soil-terracing services as grants in aid to agricultural producers in carrying out farm practices for the 1946 program, as provided by the Senate, as well as for the 1944 and 1945 programs as provided by both Houses. The inclusion of the Senate provision for 1946 is not to be construed as a committal to the agricultural program for 1946.

FEDERAL CROP INSURANCE ACT

Amendment No. 61: Reappropriates $350,000, instead of $100,000 as proposed by the House and $420,000 as proposed by the Senate, for continuance of liquidation during 1945. Under the provision approved by both Houses, this agency is forbidden to write any insurance on crops planted subsequent to July 31, 1943.

SOIL CONSERVATION SERVICE

Amendment No. 62: Restores the House language, stricken out by the Senate, amended so as to limit to the State of Missouri the provision that agreements between the United States and State soil conservation districts shall have the prior approval of the central State agency established for the purpose.

MARKETING SERVICE

Amendment No. 64, market news service: Retains the Senate increases of $2,000 for livestock market reports at Baltimore, Md., and $2,000 for dairy and poultry reports at New Orleans, La.

FARM TENANCY

Amendment No. 67, farm-tenant loans: Provides $15,000,000 of R. F. C. funds as proposed by the House, instead of $20,000,000 as proposed by the Senate.

WATER FACILITIES, ARID AND SEMIARID AREAS

Amendment No. 68; Appropriates $1,025,000 for water facilities for arid and semiarid areas. The House recedes.

RURAL ELECTRIFICATION ADMINISTRATION

Amendment No. 69, salaries and expenses: Appropriates $2,550,000 as proposed by the House, instead of $2,750,000 as proposed by the Senate.

Amendment No. 70, loans: Provides $25,000,000, instead of $20,000,000 as proposed by the House, and $40,000,000 as proposed by the Senate.

AMENDMENTS IN DISAGREEMENT

The managers on the part of the House report the following amendments in disagreement:

Amendments Nos. 5, 7, and 31, salaries: Authorize salaries as follows: Chief, Bureau of Agricultural Economics, $10,000; Administrator, Agricultural Research Administration, $9,200; Chief Forester, Forest Service, $9,200. The House managers will move to recede and concur.

Amendments Nos. 9 through 14, reclassification of veterinarians and lay assistants, Bureau of Animal Industry: The Senate amendments provide $996,821 in excess of the amount provided by the House, for the Bureau of Animal Industry, to cover the cost of the proposed reclassification of veterinarians and their lay assistants. The House managers will move to insist.

Amendment No. 17, agricultural engineering investigations: Authorizes not to exceed $10,000 of the appropriation, for construction of a machine shop and laboratory building at the Department's sugar plant field station at Houma, Louisiana. The House managers will move to recede and concur.

Amendment No. 25, barberry eradication: Appropriates $283,470, instead of $258,470 as proposed by the House. The House managers will move to insist.

Amendment No. 27, Bureau of Agricultural and Industrial Chemistry: The House language limits to $15,000 the total cost for erection, alteration, and repair of buildings outside the District of Columbia. The Senate has stricken out the House language and inserted a provision limiting to $7,500 the cost of any one building and limiting to 2 per centum of the cost of any one building or to $500, whichever is greater, expenditures for alterations to any one building in a fiscal year. The House managers will propose language in lieu of both the House and Senate provisions, as follows: *"Provided*, That the cost of erecting any one building shall not exceed $7,500, and the cost of alterations to any one building shall not exceed $500 or 2 per centum of the cost of the building as certified by the Secretary, but in no event to exceed $2,500."

Amendment No. 40, forest fire cooperation: Authorizes the expenditure of $1,000,000 of the appropriation, without matching by State and private owners, for preventing and suppressing forest fires on critical areas of national importance. The House managers will move to recede and concur with an amendment inserting the word "extremely" before the words "critical areas."

Amendment No. 41, emergency rubber project: Strikes out the House language requiring final liquidation of the project during the fiscal year 1935. The House managers will move to insist.

Amendment No. 43, War Food Administration: Authorizes not to exceed $20,000 for travel expenses to and from their homes of consultants employed intermittently away from their homes on a per diem when actually employed basis. The House managers will move to recede and concur.

Amendment No. 48, Commodity Credit Corporation, determining parity price of ⅞-inch Middling cotton: Requires the Corporation to use the same method as is used for determining such parity price at the average location used in fixing the basic loan rate. The House managers will move to recede and concur.

Amendments Nos. 52 and 53, incentive payments: Amendment No. 52 appropriates $12,500,000 for incentive payments for harvesting seeds of grasses and legumes. Amendment No. 53 strikes out the House provision prohibiting incentive payments except for soil-conservation and water-conservation payments and payment of acreage allotment commitments on commodities as defined in the 1944 Agricultural Conservation Program bulletin, dated February 9, 1944. The House managers will move to recede and concur in amendment No. 52 and to recede and concur with an amendment to No. 53, restoring the language

stricken out by the Senate, amended so as to permit incentive payments for harvesting seeds of grasses and legumes.

Amendment No. 59, War Food Administration: Provides as follows: *"Provided further,* That the War Food Administrator is authorized and directed to make payments on Irish potatoes and commercial truck crops for fresh consumption under the 1943 Agricultural Conservation Program with respect to any farm if the War Food Administration determines that the producer would have been eligible for such payments except for the failure of such producer, because of negligence of an officer or agent of the Federal Government, to file on or before June 30, 1943, Form ACP–140, and such payments shall be made out of funds appropriated for the purposes of section 32 of the act entitled 'An act to amend the Agricultural Adjustment Act, and for other purposes,' approved August 24, 1935 (49 Stat. 774)."

The House managers will move to recede and concur.

Amendment No. 60, political activity: Strikes out the House provision prohibiting certain political activities on the part of persons whose salaries are paid from the appropriations carried in the act. The House managers will move to insist.

Amendment No. 63, school milk and lunch program: Authorizes use of $50,000,000 of the so-called 30-percent fund for the maintenance and operation of a school milk and lunch program. The House managers will move to recede and concur with an amendment, striking out the Senate language and substituting in lieu thereof the pertinent language of the Senate amendment to the Pace bill (H. R. 4278) as amended by the House on June 1. This will provide $50,000,000 from the same source but under the language contemplated for the Pace bill, omitting the paragraph of the Pace bill which authorizes further appropriations.

Amendment No. 65, Farm Security Administration: Appropriates $28,265,000 for administrative expenses and grants and provides $96,710,000 of R. F. C. funds for loans. The House managers will move to recede and concur with amendments providing $26,000,000 for administrative expenses and grants and $67,500,000 of R. F. C. funds for loans.

Amendment No. 66, salaries and expenses, Farm Tenancy Act: Appropriates $1,500,000, instead of $750,000 as proposed by the House. The House managers will move to recede and concur.

M. C. TARVER,
CLARENCE CANNON,
HARRY R. SHEPPARD,
ELMER H. WENE,
EVERETT M. DIRKSEN,
Managers on the part of the House.

Mr. TARVER. Mr. Speaker, there was inadvertently omitted from the statement of the managers a statement which had been agreed upon by the House and Senate conferees as to the application of a reduction of $29,200 in the appropriations for salaries and expenses, Office of the Secretary.

Mr. Speaker, I ask unanimous consent that this addition to the statement of the managers may be inserted in the RECORD at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The statement is as follows:

When this bill was reported to the House, it carried a reduction of $29,200 below the Budget estimate in the appropriation for salaries and expenses, Office of the Secretary. The report accompanying the bill indicated the cut was to be applied to the Secretary's immediate office. When the Senate committee reported the bill to the Senate it did not restore any part of the reduction, which had been ratified by House action, but the Senate committee's report recommended that "the $29,200 reduction be applied not solely to the immediate Office of the Secretary but rather that it be spread throughout the various items financed under this appropriation." At the meeting of the conference between the House and the Senate this conflict between the committee reports to the two bodies was considered and it was agreed that 50 percent of the reduction should be applied as indicated in the House report and that the remaining 50 percent should be applied as indicated in the Senate report. It was further agreed that a statement of the foregoing should be incorporated in the statement of the House managers accompanying the conference report.

Mr. TARVER. Mr. Speaker, by inadvertence, this matter was omitted from the statement of the House managers and I am, therefore, including it in my remarks to the House.

The SPEAKER. The question is on agreeing to the conference report.

Mr. TARVER. Mr. Speaker, I now yield to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, I notice in the bill the Senate provided $40,000,000 for rural electrification and the conferees cut that down to $25,000,000. Of course, there is a great scarcity of materials now, but there are $100,000,000 worth of applications now pending with the Rural Electrification Administration. I want to ask the gentleman from Georgia if the thing should take such a turn that materials should be made available, what the chances would be for us to get a deficiency appropriation to take care of it?

Mr. TARVER. Mr. Speaker, in reply to the question of the gentleman from Mississippi, I wish to point out that the report of the conferees provides for $25,000,000.

Mr. RANKIN. Yes; that is right.

Mr. TARVER. It provides $25,000,000 for the Rural Electrification Administration, which is $5,000,000 in excess of the Budget estimate and which, together with the unobligated balance which will be on hand at the end of the present fiscal year, should be amply sufficient to take care of the needs of the Rural Electrification Administration for the next fiscal year. May I point out to the gentleman that while allocations in excess of $28,000,000 have been made by the R. E. A. for the present fiscal year, there has been only expended until June 9, 1944, according to a statement from Mr. Vincent D. Nicholson, Deputy Administrator, which I have before me, and which is dated today, of $33,500,000 made available in the 1944 Agricultural Appropriation Act, considering the reappropriation of the unexpended balance of $13,500,000, $1,961,676.

In other words, while allocations in excess of $28,000,000 have been made, there has been actually spent of the money made available for this fiscal year, only slightly less than $2,000,000. That, of course, does not include amounts paid out from appropriations and on allocations made in previous years. Our conferees, while they are very much interested in the work of the Rural Electrification Administration, and believe in making adequate provision for it, have seen no reason for making provision largely in excess of any anticipated needs and largely in excess of Budget estimates, and for that reason we have agreed with the Senate on only an increase of $5,000,000 over the Budget, which gives $25,000,000 to them. I am not a member of the Deficiency Committee, but I certainly hope that if a condition should come about under which materials may be available for rural electric-line construction to a greater degree than is now anticipated, the Deficiency Subcommittee may bring in a bill making additional appropriations if those be necessary. But I want to point out this, that Mr. Nicholson advised me personally today that unless a change occurs in the present situation there will be no necessity for the appropriation of more than the amount of $25,000,000 provided for in the conference report.

Mr. RANKIN. Yes; I will say to the gentleman from Georgia, I also discussed this matter with Mr. Nicholson only a few moments ago and if conditions continue to improve from the standpoint of our military operations abroad, the chances are that materials would be made available. If they are, we are going to need a great deal more even than was provided by the Senate amendment. What I want to know, and if the gentleman will yield to me further so that I can ask the chairman of the full Committee on Appropriations who is, I believe, the chairman of the Committee on Deficiency Appropriations, if that should occur, we will need at least $100,000,000, and what I want to know is whether or not there would be a prospect of getting a deficiency appropriation in case that happens.

Mr. TARVER. Of course, if the chairman of the full committee, who is also chairman of the Committee on Deficiency Appropriations, desires to answer the gentleman's question, I shall be glad for him to do so.

Mr. CANNON of Missouri. Mr. Speaker, I am certain that if the situation made it possible to make available the needed materials, the deficiency appropriation would be provided. Of course, that is merely my opinion, but judging by the importance of it and the interest of all the members of the committee, both of the subcommittee and the full committee, I have no doubt that a deficiency appropriation would be provided.

Mr. RANKIN. I thank the gentleman.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield for a question?

Mr. TARVER. I yield.

Mr. CRAWFORD. What is there in the bill as it comes back to the House which has to do with the Farm Security Administration?

Mr. TARVER. There is an amendment relating to the Farm Security Administration making appropriations for the Farm Security Administration which is reported in disagreement, but with

regard to which the managers on the part of the House will offer a motion to recede and concur with amendments. The gentleman from Michigan will find all of that stated in the conference report.

Mr. CRAWFORD. I thank the gentleman.

Mr. TARVER. Mr. Speaker, the conference report and the statement of the managers were printed in the CONGRESSIONAL RECORD last week, and unless there are other Members who desire to ask questions with regard to what is contained in the conference report I shall move the previous question.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield at this point for one further word with reference to the Farm Security Administration?

Mr. TARVER. We are going to reach that in the consideration of the amendment relating to the Farm Security Administration. It is not involved in the conference report.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I understand that, but I would like to know if the gentleman will agree to recognize me at the proper time to offer an amendment which has for its purpose the earmarking of $25,000,000 for the returned veterans and their families in the rehabilitation loans.

Mr. Speaker, of course, I have no thought of trying to offer an amendment to the conference report, but only to the amendment which is in controversy.

Mr. TARVER. We have not reached the Farm Security Administration amendment yet, and when we get to that I will be glad to have the gentleman from Oklahoma interrogate me further.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. TARVER. Yes.

Mr. JENSEN. What did the conference committee do about the farm seed request that was made by the nursery people?

Mr. TARVER. Does the gentleman refer to the incentive payments of $12,500,000 in the Senate bill?

Mr. JENSEN. No; there was a request made by the nursery people of this Nation that an appropriation be submitted to get more farm seeds to the farmer, farm seeds, such as clover, alfalfa, and some other kinds.

Mr. TARVER. The gentleman evidently has reference to Senate amendments Nos. 52 and 53, relating to an appropriation of $12,500,000 for incentive payments for harvesting seeds of grasses and legumes. That will come up later. It is not in the conference report.

Mr. JENSEN. I thank the gentleman.

Mr. TARVER. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

Mr. TARVER. Mr. Speaker, I ask unanimous consent that amendments in disagreement Nos. 5, 7, and 31 may be considered en bloc.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. TARVER]?

There was no objection.

The SPEAKER. The Clerk will report amendments Nos. 5, 7, and 31 in disagreement.

The Clerk read as follows:

Amendment No. 5: On page 10, line 23, insert "including the salary of Chief of Bureau at $10,000 per annum."

Amendment No. 7: On page 16, line 17, insert "including the salary of the Administrator at $9,200 per annum."

Amendment No. 31: Page 49, line 20, insert "at $9,200 per annum."

Mr. TARVER. Mr. Speaker, I move that the House recede and concur in Senate amendments Nos. 5, 7, and 31.

The SPEAKER. The question is on the motion of the gentleman from Georgia [Mr. TARVER].

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield.

Mr. TABER. Does this mean raising salaries without regard to the Classification Act?

Mr. TARVER. No. This means that if the motion which has been made by the managers on the part of the House, and which has been unanimously offered as I recall the action of these managers, is agreed to, these persons will continue to receive the same salaries they have been receiving heretofore and are now receiving.

Mr. TABER. Why is it necessary to have legislation?

Frankly I am bothered about this, because there is another amendment coming up later to raise another group of salaries. If we are going to start to do it here we are not in a very good position to support opposition to the rest of it.

Mr. TARVER. May I say to the gentleman that I am as strongly opposed to increasing the salaries of Federal employees at this time as he could possibly be. However, these salaries provided in this amendment, as I understand, are the same salaries that have been paid to these officials over a term of years. There is no increase involved. It has been necessary, as a matter of procedure under the House rules, to bring these amendments relating to these salaries back for the concurrence of the House, as they are legislative in character. There is no increase in the salaries carried in this year's Agriculture Department Appropriation Act, contemplated by these amendments.

The SPEAKER. The question is on the motion of the gentleman from Georgia [Mr. TARVER].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

Mr. TARVER. Amendments 9 through 14, inclusive, relate to proposed increases in salaries of veterinarians and lay assistants in the field service in the Bureau of Animal Industry. I ask unanimous consent that they be considered en bloc.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Amendment No. 9: On page 22, line 10, strike out "$5,240,355" and insert "$5,433,232."

Amendment No. 10: On page 23, line 22, strike out "$114,288" and insert "$115,440."

Amendment No. 11: On page 24, line 8, strike out "$951,253" and insert "$1,003,130."

Amendment No. 12: On page 24, line 14, strike out "$8,616,759" and insert "$9,359,124."

Amendment No. 13: On page 24, line 21, strike out "$272,115" and insert "$279,228."

Amendment No. 14: On page 24, line 23, strike out "$37,007" and insert "$38,444."

Mr. TARVER. Mr. Speaker, I move that the House insist upon its disagreement to the Senate amendments numbered 9 to 14, inclusive.

I now yield 3 minutes to the gentleman from Indiana [Mr. GILLIE].

Mr. GILLIE. Mr. Speaker, with reference to these amendments in which I am very much interested, I would like to speak about the possibility of trying to raise the salaries of these men in the Bureau of Animal Industry.

As you all know, we are very proud of the Bureau of Animal Industry. It is one of the important divisions of the Government. Unless something is done to take care of this problem of salaries for these men, it is a question whether we will be able to hold those men in the Government service. Already 76 veterinarians have left the service and I understand before the end of the year there will be several others who will leave the Government because of the fact they cannot live on the salaries they are receiving at the present time.

The Civil Service Commission recognized the training of these men and their lay assistants for inspection service in controlling these animal diseases. For some reason the personnel in the Bureau of Animal Industry and the Meat Inspection Service have not received the proper classification because of the lack of appropriation.

I ask you gentlemen, Is this fair? This group of employees entered the service with the earnest intent of serving their Government and applying their skill and training. They understood naturally that when they became more experienced, and their responsibilities increased they would be promoted to a higher grade, thus receiving compensation commensurate to the service rendered.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. GILLIE. I yield.

Mr. KEEFE. May I inquire whether the gentleman intended to make a motion to recede and concur in the Senate amendments, so as to make effective these increases which the gentleman is now discussing?

Mr. GILLIE. That is just what I was about to do.

Mr. Speaker, I move that the House recede and concur in the Senate amendments.

The SPEAKER. The Clerk will report the motion offered by the gentleman from Indiana [Mr. GILLIE].

The Clerk read as follows:

Mr. GILLIE moves to recede and concur in Senate amendments Nos. 9, 10, 11, 12, 13, and 14.

Mr. TARVER. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA. Mr. Speaker, I rise in support of the motion offered by the gentleman from Indiana [Mr. GILLIE] that we recede and concur in the amendments which have been placed in this bill by the Senate. As the gentleman from Indiana [Mr. GILLIE] has stated, the people engaged in the industry have been very seriously handicapped by the low wages which have been paid. As a consequence, many of the veterinarians in the service, as well as the lay employees, have been seriously handicapped. Many of them have left the service. That service involves the important work of inspecting our meat industry, at a time when there is a very necessary demand for that service, not only in the matter of the hoof-and-mouth disease, Bangs disease, but in the inspection of meats, which not only go to the armed forces but to the people of this country.

This matter was discussed when the bill was before the House previously and I do hope we will recede and concur in the amendments which have been placed in the bill by the Senate, to authorize additional funds and to authorize increases in salaries, which are necessary.

I may say that most of these employees who have been in this service many years are grossly underpaid.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. JENNINGS. Those employees are necessary in the operation of the packing houses and slaughterhouses all over the country, are they not?

Mr. O'HARA. That is correct, and for the important job of seeing that the right kind of food goes out.

Mr. JENNINGS. And also in aiding those who are raising livestock for the market, so that they can have the aid of veterinarians when their stock gets sick.

Mr. O'HARA. The gentleman has expressed it most succinctly.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. O'HARA. I yield.

Mr. AUGUST H. ANDRESEN. The law also requires that the meat must be inspected by the veterinarians?

Mr. O'HARA. That is right. That is the peculiar situation we are in.

Mr. MANSFIELD of Montana. Will the gentleman yield?

Mr. O'HARA. I yield.

Mr. MANSFIELD of Montana. I want to compliment the gentleman from Minnesota [Mr. O'HARA] for bringing to the attention of the House the real need for an increase in the pay of veterinarians at this time. It is necessary not only from the viewpoint of animal health but also from the viewpoint of human health.

Mr. O'HARA. I thank the gentleman.

The SPEAKER. The time of the gentleman from Minnesota [Mr. O'HARA] has expired.

Mr. TARVER. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Speaker, this is a very important proposition because it concerns the matter of health and public welfare.

These men whose salaries are under consideration here exercise a great responsibility because they have the obligation of inspecting the meat that is slaughtered in the packing houses of the Nation. They have the responsibility for the control and eradication of animal diseases such as tuberculosis and Bang's disease. They have the job of inspecting meat in the public markets for the purpose of protecting the public health, and they also have the duty of inspecting imported animals. So it is a position of the very highest responsibility. Let no one tell you that this is an attempt to raise salaries, because that is not what it is.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. HOPE. In just a moment. It is an effort to appropriate enough money to pay these men the salaries to which they are entitled in the grades for which they are qualified. I do not know how it happened, but for many years the appropriation for this item has been so small that these men have not been given the promotions to which they were entitled under the Classification Act. In order to emphasize that point I call your attention to the fact that 61 percent of of the veterinarians are in the lowest professional grades, while in the Department of Agriculture, as a whole, only 21 percent of the professional men are in that grade.

All we are seeking to do in this particular situation, is to appropriate the money which will give the Department of Agriculture an opportunity to advance these professional men to the grades to which their training, service and experience entitle them.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. TARVER. Mr. Speaker, I yield to the gentleman from Michigan [Mr. CRAWFORD] 3 minutes.

Mr. CRAWFORD. Mr. Speaker, I simply want to say that so far as I personally am concerned, I propose to support the committee in its position to refuse to go along with the increase in the bill as presented by the other body. Here today we have been talking about inflation, we have been talking about increases in salaries. We tried to get an amendment through so that people drawing less than $37.50 a week might be taken care, yet here are men drawing several thousand dollars a year salary—and, of course, it is proper to increase their salaries.

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present. If we are going to have discussion we ought to have the membership here to know what is going on.

Mr. CANNON of Missouri. I hope the gentleman will withdraw the point of no quorum.

Mr. TABER. I cannot, because the membership should be here and hear both sides of this argument so they will know what is going on when they come to vote. I feel that we must have a quorum here.

The SPEAKER. The Chair hopes the gentleman from New York will withdraw the point of order temporarily, for there are certain matters on the Speaker's desk that should be taken care of.

Mr. TABER. Mr. Speaker, I withhold the point of order temporarily.

Mr. CRAWFORD. Mr. Speaker, I shall be delighted to withhold my argument.

EXTENSION OF EMERGENCY PRICE CONTROL ACT

The SPEAKER. Without objection, the proceedings whereby the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, and for other purposes, was passed will be vacated and the bill laid on the table.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MURDOCK, for 10 days, on account of official business.

To Mr. FAY, for 5 days, on account of official business.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourn today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AGRICULTURAL DEPARTMENT APPROPRIATION BILL, 1945—CONFERENCE REPORT

Mr. TARVER. Mr. Speaker, I ask the gentleman from New York to withdraw his point of no quorum temporarily in order that I may address the House and place in the RECORD for the information of the other Members of the House the committee's position about this matter, after which if he desires, he may renew his point of no quorum.

Mr. TABER. Very well; I will withhold it.

Mr. HOPE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Does the gentleman from Kansas object to the gentleman from Georgia making his statement?

Mr. TARVER. I have yielded time to 3 Members, 9 minutes, on the gentleman's side of the question; certainly the gentleman should not object to my placing in the RECORD a reply setting forth the committee's position.

Mr. HOPE. The gentleman yielded only 3 minutes to the Members on this side of the House and would yield no more than 3 minutes to anyone in opposition to discuss this amendment. Now the gentleman is going to place a long statement in the RECORD.

Mr. TARVER. How does the gentleman know it is a long statement?

Mr. HOPE. Because the gentleman has said he was going to explain the committee's position.

Mr. TARVER. The gentleman must know that I have many facts and therefore will require several minutes to state them. I assure the gentleman I will not take more than 9 minutes; and the gentleman surely will not object that that is any too much time in which to set forth the position of the committee and the conferees on this matter.

Mr. TABER. I would suggest, Mr. Speaker, that perhaps a statement might be extended in the RECORD at this point.

Mr. TARVER. I do not want to take the time to write out a statement. I will be glad to address the House and set forth the views of the committee and the conferees.

Mr. HOPE. Then, Mr. Speaker, I withhold the point of order temporarily.

The SPEAKER. The gentleman from Georgia is recognized.

Mr. TARVER. Mr. Speaker, this is a salary-raising proposition pure and simple. We had it up when the bill was originally considered in the House, and the House overwhelmingly voted down amendments which proposed to restore to the bill the $996,000 which would be necessary if we increase as proposed the salaries of the 2,472 veterinarians and lay inspectors of the Bureau of Animal Industry. Remember that under the Overtime Pay Act of 1943 these employees have had increases of 21.6 percent within the last year or so which in the case of the average of these employees amounts to $452 per individual. Only about 800 of these employees are veterinarians; the rest are lay inspectors. They have not been, as stated by the gentleman from Kansas [Mr. HOPE], although I am sure he was in good faith in making his statement, refused in prior years money to which they were entitled under the Reclassification Act because of the failure of Congress to appropriate necessary funds. They have been working for 10 years to secure reclassification so as to bring about an increase of their salaries, and it was only a few months ago that they were able to bring about action or recommendation on the part of the Civil Service Commission with reference to their reclassification which if made effective through making appropriations will, as stated, give them a further increase, an increase in addition to the one which they and all other Federal employees have had under the Overtime Pay Act, an increase of $289 per year per individual on the average of these 2,472 employees, as estimated by the Bureau, although $996,000 for this number of employees seems to average about $400 per employee.

This Congress has been propagandized by those claiming to represent these Federal employees in the Bureau of Animal Industry as much as they have been propagandized about any item in the agricultural appropriation bill. I have myself received hundreds of letters and telegrams and had long-distance calls from veterinarians in my State who were my friends urging me to consent to this proposed increase of a million dollars a year for the salaried personnel of the Bureau of Animal Industry in the field. I wish I could in good conscience agree with them. I have no more interest in it than you. I do not want to see the dam broken and the Congress begin to grant increases in salaries to Federal employees above the increases provided in the overtime pay act of 1943. You will get the same proposition in the conference report on the appropriation bill for the legislative branch and judiciary that is coming in here for consideration in a day or so, perhaps tomorrow. The Senate has placed back in that bill $300,000 for increasing the salaries of clerks to district and circuit judges. If you do this, why you ought to do that; if you do that, perhaps you will not have any ground upon which you can deny the claim to increases of various other organizations of Government employees that will come here and ask for it just as sure as you are sitting here this afternoon.

The representatives of these men, the lobbyists who have appeared here for the men, not the men themselves, have said that these men are doing an important work for the Government which, of course, they are, an exceedingly important work, but that they will not continue unless they get an increase in salary. In other words, these veterinarians are being paid from $2,000 to $4,800 a year for inspecting meat for our armed forces that they are using in the field, the armed forces that in many instances or most instances are fighting for $50 a month and dying over there today in too many thousands of cases on the shores of France. They say, "We are not going to carry on the work of inspecting meat for our armed forces in the field unless you increase our salaries. It is true you have given us an increase of $452 a year each on the average in the last year, but unless you increase our salaries again and give us $289 or $400 in addition we are going to quit this work and we are going into other employment where we will be more liberally paid."

Mr. Speaker, the farm hand down in my country and out in your country who wants to leave the farm and go to an industrial plant and get three or four times as much money as he earned on the farm cannot do that unless he gets a certificate of availability from the United States Employment Office. But here it is said that these men who have had for many years jobs with which they were satisfied, who had good jobs during the depression when millions of people were unemployed, men who are engaged in this vitally necessary work, are in the attitude of saying, if the lobbyists appearing for them are correct in their interpretation of the statements made by the men, "We are going to quit this vitally important work we are engaged in and go to something else where we can get more money unles you again raise our salaries." So far as I am concerned I am not willing to do that and I hope the House will not do it.

Mr. HOPE. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Kansas.

Mr. HOPE. Is it not a fact, however, that a great many have already quit their jobs because the salaries were not high enough? Is it not a further fact that the Department is having great difficulty in filling vacancies which now exist because the salaries are not high enough?

Mr. TARVER. The gentleman is correct to this extent: There have been quite a number who have left the employment of this bureau because their demand for increases in salaries have not been granted; however, the proportion is not very much greater than the loss of employees has been in some other bureaus and departments of the Government and less than in some. But does the gentleman want to yield when men engaged in vitally important work, vitally important to our armed forces, come in and put a gun at the head of Congress and say: "We are going to quit this vitally important work; we are going to something where we can make more money unless you increase our salaries beyond the increases which you granted last year to us and to other employees of the Federal Government"? Does the gentleman want to yield on that or does he want to take the same steps and apply to these men the same type of regulation or rule that is applicable to the farm hands in his district and mine and tell them: "You have to continue the essential work in which you are engaged for the period of the emergency unless you secure permission through the regular channels to change your employment"?

Mr. HOPE. Does the gentleman want me to answer the question he just asked?

Mr. TARVER. I yield to the gentleman.

Mr. HOPE. In reply to what the gentleman has said I may say that if the gentleman wishes to compare it with farm hands, farm hands all over the country have quit their jobs and have gone to work in munition factories at a great increase in pay. The men we are talking about now have not quit. They are men who have faithfully stayed on the job and the demand that comes here is not from these men, as I understand it, it is from the livestock associations of this country and the people who are depending upon the good work which is done by this department and who know that the men are underpaid and who feel that they are worthy of an increase in salary comparable to the grade which they hold.

Mr. TARVER. The demands are coming from these men, because I have hundreds of letters and telegrams in my files from them. I do not believe the men who undertake to say they are going to quit their work unless they get additional salary increases are correctly representing these field employees. I believe the field employees are just as patriotic as any other men or employees of the Government. In my opinion, when men go before congressional committees and say that these veterinarians and lay employees of the Bureau of Animal Industry are going to quit this vital work unless they get a further salary raise, they are misrepresenting those men. I do not believe they will quit their work to any greater extent

than other Government employees are quitting their jobs.

The gentleman states that farm hands are quitting their work. I assume he does not take issue with the statement I made that until they get a certificate of availability from the United States Employment Office they are not permitted to do it.

Mr. GILLIE. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Indiana.

Mr. GILLIE. The facts of the case are that these men have already quit and that is the thing we want to guard against. We want to keep this thing up to a high point of efficiency. Is it not true that about 65 percent of these men are getting a salary of $2,600 a year? Is it not a fact that 65 percent of these men are getting that?

Mr. TARVER. I do not know about what percentage are getting $2,600. I do know that some of them are getting $4,800 a year.

Mr. GILLIE. Only a few of them are.

Mr. TARVER. Others are receiving $2,000 a year and in between these figures. Whether it is a few or many who are getting $2,600, I am not in position to say, but it is more than these boys are getting who are dying in Normandy today and they are not threatening to quit, as far as I have been advised, unless their salaries are raised. Just why we should pick out one organization of the Government that has been busy propagandizing the Congress and tell them: "We will give you a salary increase beyond that which has been obtained by other groups of employees of the Government," I cannot understand.

If you will examine the hearings regarding the appropriation for the Social Security Board, you will find that the Social Security Board has lost 6,600 out of 10,000 employees, 2,500 to the armed services and 4,100 employees otherwise to better positions. Is someone going to come in here and say, "Increase the salaries of all the Social Security Board employees because they are finding it profitable to leave the service of the Social Security Board?"

Mr. O'HARA. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Minnesota.

Mr. O'HARA. I wonder if the gentleman could tell us the base pay of these men when they start in at these jobs as lay inspectors.

Mr. TARVER. I understand it is $1,600.

Mr. Speaker, I hope the House will give consideration to this matter prior to the time it passes upon the subject. If we start raising salaries by a million dollars for field employees of one bureau, we are going to find ourselves confronted in the not very distant future with requests from numerous other organizations of the Government for similar consideration, and, unless we are prepared to go the whole way and increase the salaries of everybody who make out an equally good case, we should not begin by establishing this precedent at this time.

Mr. Speaker, I now yield 2 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, it occurs to me that the issue is just this: Dr. Achter is one of the finest administrators in the Government. He went to the Bureau of the Budget and said to them that he could get no veterinarians and lay inspectors into the Government service on the present classification basis. He said to us in committee: "I have asked the Civil Service Commission to reduce the requirements in order to make it possible to get some of these inspectors and veterinarians for meat inspection and for quarantine where the health not only of the Army but the civilian population is involved."

In consequence, the only thing they could see was to propose that there be a reclassification which will cost something in excess of $900,000, involving some 2,400 people. The whole proposition is to set up an equitable basis to induce people to come to Government. I have not the slightest doubt but that the men who are serving Government in a scientific capacity will stay there, but we ought to be fair and ought to make it possible that one of the best Administrators charged with that responsibility of Government be given a chance to get the scientific and professional men that he needs. That is the thing at issue, and that is the reason I supported this matter when the bill was first on the floor. I agree with the motion offered by the gentleman from Indiana that we ought to recede and concur in the position taken by the Senate. The House did not include it. The Senate wrote back in this item that I offered on the floor, which was defeated. That is the only issue that is involved here.

The SPEAKER. Under a previous special order, the gentleman from Texas [Mr. BECKWORTH] is recognized for 15 minutes.

LEGISLATION TO HELP VETERANS, THEIR WIDOWS AND DEPENDENTS; SERVICEMEN, SERVICEMEN, AND THEIR DEPENDENTS

Mr. BECKWORTH. Mr. Speaker, much has been said about post-war planning for all people. Considerable thought has been and is being given to the post-war welfare of service men and women of this war and their dependents, veterans and widows of veterans of the World War and their dependents, and veterans and widow of veterans of the Spanish-American War and their dependents. Although it is an impossible task to blueprint and formulate completely plans for the future, these efforts in behalf of our service men and women just mentioned are timely and appropriate. Benjamin Franklin gave through one of his proverbs no better advice than "Don't put off until tomorrow what you can do today." Our returning service men and women will not want delay in their getting that to which they are entitled. Unquestionably the claims of veterans and dependents of veterans of other wars have been less speedily handled at times than they should have been.

The American people, expressing themselves through their Members of Congress and governmental authorities, have always endeavored to be considerate of servicemen and their dependents and veterans of former wars and their dependents. For many years it has been the policy of our Government to provide veterans and service people with hospitalization. One of these hospitals is at Longview, Tex., in the Third Congressional District, the district I have the honor to represent. Some veterans and their dependents have been provided with various amounts of compensation and benefits; in many instances the compensation and benefits should be increased and many more veterans and widows of veterans should be receiving compensation and benefits. Furthermore, it has been the intent of Congress that veterans and their widows when competing for civil-service positions receive several points preference with reference to Federal employment; not long ago the House passed a bill on this subject, which I supported.

Even some of the poorest States in the Confederacy after the War between the States rewarded and recognized their gallant soldiers and widows of these soldiers by granting them pensions and various types of help.

Four committees in the House—Pensions, Invalid Pensions, Military Affairs, and the Committee on World War Veterans Legislation—constantly give study to various ways by which veterans and their dependents may be helped. Each session of Congress finds many Members seeking to help veterans and their dependents through legislation. I personally have sought to help veterans, their widows, and dependents, our men in service, and their dependents by legislation.

In short, I am glad to say, in the 5½ years I have been in Congress, I actively and enthusiastically have supported every measure to aid and to raise the pay and compensation of our service men and women and their dependents, and our veterans and their widows and dependents.

Very frequently I have been requested by veterans of this war and former wars or widows of veterans to appear before the Washington Appeals Board of the Veterans' Administration; without exception, in response to every request I have appeared personally before the Board of Veterans' Appeals in behalf of those who requested me to do so. In every instance I have endeavored to aid our veterans who have sought to receive hospitalization. Every unemployed veteran who has asked me to aid him in his efforts to receive employment has received my fullest cooperation. This statement is also true of unemployed widows of veterans and their children.

There is much evidence that the people of this Nation have not desired to postpone until the conclusion of this war action of a helpful nature relative to our servicemen and servicewomen and their dependents. As a Member of Congress

I have had a part in helping to pass the legislation designed to benefit and assist servicemen and servicewomen and their dependents. Doubtless many of these benefits and much of this assistance will continue after the war.

On June 8, 1942, I supported H. R. 7119, the purpose of which was to make funds available to care for dependents men in service may have. Many of the dependents of servicemen or the servicemen themselves have written to me requesting me to help to expedite the approval of the allotments; I have always given these requests speedy attention. On October 18, 1943, I voted to modify this act to materially raise these benefits and to expand the scope of the legislation whereby more servicemen, their wives, children, parents, and relatives might be reached.

At this point I wish to include in the CONGRESSIONAL RECORD a letter I received from Congressman JOHN RANKIN, the chairman of the Committee on World War Veterans' Legislation:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WORLD WAR
VETERANS' LEGISLATION,
Washington, D. C., June 8, 1942.

Hon. LINDLEY BECKWORTH,
Member of Congress,
House of Representatives,
Washington, D. C.

DEAR LINDLEY: I have your note asking what the prospects are for the Senate agreeing to my amendment raising the base pay of the men in our armed forces to $50 a month.

I have just returned from the floor of the Senate, and I am delighted to inform you that the Senate adopted this amendment less than an hour ago by a vote of 58 to 20.

This ends one of the hardest fights I have ever had for the servicemen, and I want to thank you from the depths of my heart for the enthusiastic support you have given this provision from the very beginning.

And while I am writing I also want to express my gratitude for your consistent support of all veterans' legislation in the past.

Sincerely your friend,
J. E. RANKIN,
Chairman, Committee on World War Veterans' Legislation.

On June 16, 1942, I voted for the legislation which became law to raise the pay of soldiers to $50 per month and above. The pay in the World War was $30 per month.

I supported the legislation to give free postage to all service people.

H. R. 7768, which I supported when it was before the House, made available for officers an extra $100 for uniforms.

The Congress has given particular attention to trying to help the wives and infants and dependents of servicemen. The act approved March 18, 1943, provides for medical, nursing, hospital, and maternity care for wives and infants of enlisted personnel in the armed forces in the fourth, fifth, sixth, and seventh pay grades. I supported the act.

I have supported all bills liberalizing benefits and compensation for women in service, including H. R. 6933, which increased the pay of Army nurses and specified that the President might commission women in technical branches of the Army. Too, with reference to helping women in service our committee, the Committee on Interstate and Foreign Commerce—the committee, incidentally, of which Speaker RAYBURN was chairman when he became majority leader—voted out, on February 15, 1944, H. R. 4002 to help nurses. I supported the bill which is now law.

I actively supported the so-called G. I. bill; I voted for the conference report on this bill yesterday. At this point I wish to include in the CONGRESSIONAL RECORD the pertinent part of a letter written to me by Mr. Harry E. Rather, the department adjutant, the American Legion, Department of Texas, April 26, 1944:

THE AMERICAN LEGION,
DEPARTMENT OF TEXAS,
Austin, Tex., April 26, 1944.

Hon. LINDLEY BECKWORTH,
Member of Congress, Washington, D. C.

DEAR LINDLEY: Thanks for your prompt reply in regard to the resolution passed by the department executive committee regarding the Legion's G. I. bill of rights for World War No. 2 veterans. We know that you are for this legislation. We have known it all along and we are very pleased to find that you were at least one of the Congressmen from Texas to sign discharge petition No. 8.

Sincerely yours,
HARRY E. RATHER,
Department Adjutant.

Already legislation has been enacted, which I strongly favored and supported, providing for the rehabilitation of service people and others. One of the acts was approved July 6, 1943, and it provides for the vocational rehabilitation under approved State plans for disabled individuals, including war-disabled civilians. Veterans of World War No. 2 who are not eligible for vocational rehabilitation under laws administered by the Veterans' Administration may be eligible thereunder.

I actively supported the mustering-out legislation which not so long ago passed the House. I herewith include a part of my remarks on this helpful legislation:

[Extension of remarks of Hon. LINDLEY BECKWORTH, in the House of Representatives Wednesday, January 19, 1944]

MUSTERING-OUT PAY

Mr. BECKWORTH. Mr. Speaker, I am heartily in favor of legislation providing for mustering-out pay for our service men and women.

On October 26, 1943, I introduced H. R. 3541, which was referred to the Military Affairs Committee. My bill has for its purpose to grant veterans of the present war base pay and family allowances or allowances for quarters for 1 year after their separation from the service or release from active duty. I believe my bill is considerably more liberal with our service men and women than the bill considered today and yesterday; however, I do want to state I am for the provisions of the present bill because this legislation will help; too, it is my understanding our veterans' organizations are for the legislation. This is doubtless evidence the legislation is very constructive. As one who has a brother-in-law in service, as well as 14 first cousins—4 overseas—I have supported all legislation to assist and aid our service men and women. I myself am the author of H. R. 2349, now a law, which is assisting certain warrant officers.

As early as September 1942 I contacted the authorities of the Civil Service Commission and the War Manpower Commission and submitted to them the idea that in filling civil-service positions in agencies of the Federal Government, those people hired should be employed on a temporary basis so that servicemen might have a chance to receive proper consideration for permanent employment. At this point I wish to include in the RECORD two letters that, in my opinion, are favorable to the thought or idea submitted by me:

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., October 10, 1942.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: The Commission is glad to have the suggestion contained in your letter of September 29, 1942, that during the present emergency Government positions be filled on a temporary rather than a permanent basis.

As you know, the Commission has been operating since March 16 of this year under a special set of rules, known as the war-service regulations, which are applicable to practically the entire Federal service, with the exception of the Post Office Department. These regulations provide that appointees shall not acquire a permanent civil-service status, and that their tenure shall be limited to the duration of the war and 6 months thereafter.

Further, the Commission is glad to report that, through appropriate legislation, Executive orders, and regulations, provision has been made to protect in every possible way the reemployment rights of Federal employees, and the employment prospects of applicants and eligibles on the Commission's lists, who have been or may be called into the armed forces.

By direction of the Commission.
Very respectfully,
WM. C. HULL,
Executive Assistant.

OFFICE FOR EMERGENCY MANAGEMENT,
WAR MANPOWER COMMISSION,
October 14, 1942.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR LINDLEY: Receipt is acknowledged of your note to me of September 29, in which you request information responsive to an inquiry from a constituent, suggesting all Government positions for the duration of the war be filled on a temporary basis so they may be held open for soldiers returning from the war.

Your correspondent will be interested to know that all present placements with the War Manpower Commission, as well as many other governmental agencies, are for the duration of the emergency only.

Sincerely,
PAUL V. MCNUTT, *Chairman.*

I introduced last year H. R. 3875, to grant to enlisted personnel in the land or naval forces and to Army and Navy nurses certain benefits with respect to accumulated leave. This bill, it should be observed, would help nurses. It is now being considered by the House Military Affairs Committee.

I have introduced H. R. 4162, to provide emergency disability compensation for members of the land, naval or air forces separated from service, pending settlement of their claims by the Veterans' Administration.

Repeatedly I have urged the War and Navy Departments, the O. P. A. and the Petroleum Administration for War

to give soldiers more gasoline when on leave to visit their folks, friends, and to aid them in rapidly recuperating, if possible. Very much did I appreciate a number of kind letters I received with reference to my efforts, which I feel did considerable good. I quote one of the letters from my good friend, John A. Hale of Henderson, Tex.:

HENDERSON, TEX., *November 2, 1943.*

Congressman LINDLEY BECKWORTH,
Washington, D. C.

DEAR LINDLEY: This morning in reading the paper I found an article about what you are trying to get over on gasoline for soldiers. It impressed me so I decided to write you a few lines and put in my comment. I think you have a grand idea in that and I hope you can get it put over; however, I understand what you are up against.

Two of my brothers are in service and have been since December 7, 1941. Each of them has been home on furloughs and have tried to get a little gas to visit around on, but to no success. Understand I am behind the war effort, in my ability, 100 percent but I think that all of the boys need a little gasoline when they get to come home. I have also heard of other boys trying to get gasoline to visit their relatives around and were refused. I want to say to you that whatever you can get done on this will be greatly appreciated by me and my family.

Hoping this find you and your wife in good health, I remain,

Yours truly,

JOHN A. HALE.

It has been my purpose to endeavor to assist our World War veterans, their widows, and dependents, and our Spanish-American War veterans, their widows, and dependents. During the time I have been in Congress, we have passed several separate and distinct bills, bills I actively supported, which have materially raised the compensation and benefits of World War veterans, their widows, and dependents, and Spanish-American War veterans, their widows, and dependents. I desire to include at this point a part of an article which appeared in the Ice Commission, March 29, 1941, and April 21, 1941:

WRITE YOUR CONGRESSMAN

It is urgent that each Legionnaire write to the Congressman of his district, asking him to support H. R. 29 when it reaches the House. This is important and urgent. Now.

FOR YOUR INFORMATION

Only one Texas Congressman's name was included in the list of 218 signatures of Members of the House of Representatives to discharge petition No. 8 (LINDLEY BECKWORTH, from the Third District). The names were published in the CONGRESSIONAL RECORD, December 10 You can see by this the effect a mere request has. Urge support of Resolution 29. Ask them to advise you if they will support the resolution.

One of the matters on which I have diligently worked since I have been in Congress is the proposition of trying to help those men and women over 45 years of age and the physically handicapped. Many World War veterans and widows of veterans are in one or the other or both of these categories.

I herewith include in the RECORD a small part of a statement made by me along this line April 25, 1941, and pertinent paragraphs of letters written to me by Mr. William C. Hull, of the Civil Service Commission, March 29, 1941.

[Extension of remarks of Hon. LINDLEY BECKWORTH, of Texas, in the House of Representatives, Friday, April 25, 1941]

PEOPLE OVER 45 AND PHYSICALLY HANDICAPPED RECEIVING MORE CONSIDERATION FOR GOVERNMENT EMPLOYMENT

Mr. BECKWORTH. Mr. Speaker, I wish to revise and extend my remarks and include therein two letters I have recently received from Mr. William C. Hull, the Executive Assistant of the Civil Service Commission. One of the letters pertains to the policy of the Civil Service Commission relative to employing those people who are physically handicapped, and the other letter pertains to the policy of the Civil Service Commission in regard to employing those people who are 45 years of age or older.

For years people who have reached 45 years of age and people who are physically handicapped have found, when seeking employment either with the Government or with industry, many obstacles to their receiving employment. Few of the barriers to the employment of those 45 years old or older and the physically handicapped have been removed heretofore; however, quoting a part of one of the letters—

"In order to meet the emergency employment needs created by the national defense program, the Commission has in a number of recent instances secured the concurrence of appointing officials in advancing the maximum age limit beyond the normal point."

CIVIL SERVICE COMMISSION,
Washington, D. C., March 29, 1941.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH. I have your letter of March 4 in which you express your interest in the extent to which those who are physically handicapped can qualify for civil-service employment.

There are a great many physically handicapped persons employed in the classified civil service, especially in Washington, D. C. No census has been made on this matter nor would one be accurate, as it would hardly be practicable to persuade many of the employees to state their defect and any returns would therefore be an understatement of the situation.

Sincerely yours,

WM. C. HULL,
Executive Assistant.

CIVIL SERVICE COMMISSION,
Washington, D. C., April 21, 1941.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: The Commission is glad to have your letter of April 2, requesting information concerning maximum age limits. I believe it may be of interest, in this connection to explain in some detail the Commission's general authority and present policy with respect to examination age limits.

In considering the subject of examination age limits, it may be further observed that such limits are in nearly all cases waived for persons entitled to military preference, and that in any event a distinction must be made between entrance into the service and retention therein. In the classified service there is in no sense discrimination against older employees through their discharge in later years as is sometimes the case in private industry. On the contrary, under the Retirement Act, the Congress has provided an orderly means for the compensation of employees who have reached the retirement age.

I believe you will agree that the policies outlined above provide in full measure for consideration of the interest of both the older members of the population, and the national welfare during the present emergency. I can assure you that the Commission, within the limits of its authority, will continue to establish maximum age limits at the highest feasible levels.

Your interest in the Commission's problems, and your courtesy in extending an opportunity for comment are greatly appreciated.

By direction of the Commission.

Very respectfully,

WM. C. HULL,
Executive Assistant.

As I have said, the Members of Congress have not postponed until the conclusion of the war the formulation of a program to care for the soldiers of this war.

The one thing our servicemen and servicewomen, as well as all other citizens of our country want is opportunity. Americans are beneficiaries of the American way of life. They are able to benefit because opportunities are offered them.

America, to continue as a strong nation in the future—and we all have firm belief and hope that it will—must never cease to be a land of opportunity not for a favored few but for the masses. There must be prevalent for our service men and women real opportunities.

Exactly what do I mean by real opportunities?

When a service man or woman desires to buy a farm or a small ranch on which to live and to utilize to earn for himself, a living, the realization of the desire should be altogether within the realm of possibility.

Should a service man or woman desire to enter one of the professions, a very reasonable chance to do so should exist.

When a service man or woman elects or chooses to enter the business world as the owner of his own business, be it a grocery store, a drug store, a dry-goods store, a hardware store, a shoe shop, barber shop, or any other type of small business, the barriers to entering these businesses must not be insurmountable. There was a time—and it was often done—when the most humble person who had saved or borrowed as little as $100 or $500 could begin a small business and if he showed proper business ability, he could conduct his business in such a way that he soon would become much more than a little businessman. This type of opportunity must not cease to be.

Few people living today who work for others or some large concern do not look forward to and dream of the day when they will own and operate their own businesses; these hopes and dreams must not be impossible to realize. I might add, it is not healthful for a country to offer only a job to its individuals; far better it is to offer a job plus the opportunity of independence and property ownership to those who do not put their candles under bushel baskets.

There will be those service men and women who are physically handicapped. They must not be overlooked. The physically handicapped must first be hospitalized and rehabilitated that they may ascertain as soon as possible what, if any, are their physical limitations.

The war has definitely added emphasis to the fact that the physically handicapped and the men and women over 45

years of age can do much work and excellent work. When I have been in my district I have met friends of mine, formerly receiving old-age pensions, who are now delighted to have the chance to work for that on which they live rather than to receive pensions. I have met physically handicapped who are happy to be earning now their livings.

Much has been said about social security. The phrase is one which may be interpreted many ways. The average American, if given an opportunity, will go a long way in working out his own social security. It has been my concept that the goal one should have in life is to do the most good possible. What really rewards a person and that which spurs him on is finally to feel and realize that he has a chance to do much more good than he thought he could do, to attain goals so much higher than he thought he could attain. When a person is offered opportunity, the attainment of any hoped-for goal is possible. America will never cease to be the real land of the free and the true home of the brave as long as she is a land of opportunity.

LEGISLATIVE PROGRAM FOR TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, in order that the Members may understand the nature of tomorrow's business, my understanding is that this conference report will go over until Monday; is that correct?

Mr. TARVER. That is correct.

Mr. McCORMACK. Tomorrow we will take up the conference report on the independent offices appropriations bill, which I understand is unanimous, and will be quickly disposed of, after which the War Department appropriation bill will immediately come up for the consideration of the House.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. TABER. Will the conference report on the War Department civil functions appropriation bill come up tomorrow?

Mr. McCORMACK. Not tomorrow; no.

The SPEAKER. The Chair understands that the War Department appropriation bill will not take the afternoon.

Mr. McCORMACK. I see the gentleman from Pennsylvania here, the chairman of the Subcommittee on War Department Appropriations. Is there any agreement as to general debate?

Mr. SNYDER. Yes; we will have 4 hours.

Mr. McCORMACK. Does the gentleman think the 4 hours will be taken up?

Mr. SNYDER. I do not think I will take all of my 2 hours.

Mr. McCORMACK. Does the gentleman think that the bill will take all day tomorow?

Mr. SNYDER. I think we will complete it in 4 hours.

Mr. McCORMACK. That includes its consideration under the 5-minute rule?

Mr. SNYDER. If there are no amendments offered, but we do not expect any.

Mr. McCORMACK. There are a number of conference reports pending. I do not want to put myself in the position of saying that that will be the only matter disposed of tomorrow. I am unable to state what else will follow this, although it is intended that after the War Department appropriation bill is out of the way and before the contract termination bill comes up, whatever conference reports we can dispose of will be disposed of.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Nebraska.

Mr. STEFAN. Is it not intended also that tomorrow we shall take up the conference report on the State, Justice, and Commerce Departments' appropriation bill?

Mr. McCORMACK. After the disposition of the War Department appropriation bill, conference reports in order will be considered, although I do not want to put myself in the position of saying that if the War Department appropriation bill is disposed of in the middle of the afternoon nothing will come up afterward.

ENROLLED BILLS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3476. An act to approve a contract negotiated with the Klamath drainage district and to authorize its execution, and for other purposes;

H. R. 4771. An act to amend the part of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes," approved June 4, 1920, as amended, relating to the conservation, care, custody, protection, and operation of the naval petroleum and oil-shale reserves; and

H. R. 4833. An act to extend, for 2 additional years, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 34 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, June 15, 1944, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

The Committee on Interstate and Foreign Commerce will meet in executive session on Thursday, June 15, 1944, at 10 a. m. to consider H. R. 4615, the tuberculosis bill and other bills.

The Subcommittee on Petroleum of the Committee on Interstate and Foreign Commerce will meet in executive session Thursday, June 15, 1944, at 11:15 a. m.

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

The Committee on the Merchant Marine and Fisheries will hold a public hearing Saturday, June 17, 1944, at 10 a. m., on H. R. 4968, a bill to amend section 511 (c) of the Merchant Marine Act of 1936, as amended, relative to deposit of vessel proceeds received from the United States in certain cases, and for other purposes.

Persons desiring copies of the printed hearings when available will please notify the clerk by letter.

Witnesses are requested to notify the clerk by letter at least a day in advance of the hearing of their desire to testify, in order that a list of witnesses may be prepared. Written statements for the record from persons other than witnesses should be submitted a day in advance. Amendments to be proposed during the hearing should be submitted to the reporter in duplicate.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will meet on Wednesday, June 21, 1944, at 10:30 a. m. on all resolutions providing for temporary admission of political and religious refugees.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1642. A letter from the Deputy Alien Property Custodian, transmitting a copy of the quarterly estimate of personnel requirements for the period ending September 30, 1944; to the Committee on the Civil Service.

1643. A letter from the Comptroller General of the United States, transmitting an estimate of the number of employees required for the proper and efficient exercise of the functions of the General Accounting Office during the quarter ending September 30, 1944; to the Committee on the Civil Service.

1644. A letter from the Acting Chairman, United States Tariff Commission, transmitting a copy of the estimate of personnel requirements of the United States Tariff Commission for the quarter ending September 30, 1944; to the Committee of the Civil Service.

1645. A letter from the Associate Director, United States Department of the Interior, National Park Service, transmitting a copy of quarterly estimate of personnel requirements for the quarter ending September 30, 1944, covering the appropriation "Maintenance, Executive Mansion and Grounds"; to the Committee on the Civil Service.

1646. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting a copy of the quarterly estimate of personnel requirements for the quarterly period ending September 30, 1944; to the Committee on the Civil Service.

1647. A letter from the assistant secretary-treasurer, the American Commission for the Protection and Salvage of Artistic and Historic Monuments in War Areas, transmitting a copy of the report on quarterly estimate of personnel requirements; to the Committee on the Civil Service.

1648. A letter from the Administrative Officer, the White House, transmitting the quarterly estimate of personnel requirements for the White House office; to the Committee on the Civil Service.

1649. A letter from the Administrator, National Gallery of Art, Smithsonian Institution, transmitting a copy of the report on quarterly estimate of personnel requirements; to the Committee on the Civil Service.

1650. A letter from the Administrator, Federal Works Agency, transmitting the information for the purpose of making a determination of the number of employees necessary for the proper and efficient exercise of the functions of the Federal Works Agency for the quarter ending September 30, 1944; to the Committee on the Civil Service.

1651. A letter from the Chairman, National Labor Relations Board, transmitting the quarterly estimate of personnel requirements of the National Labor Relations Board for the first quarter of the fiscal year 1945; to the Committee on the Civil Service.

1652. A letter from the Chairman, War Production Board, transmitting a copy of the personnel requirements of the War Production Board for the first quarter of the fiscal year 1945; to the Committee on the Civil Service.

1653. A letter from the Chairman, War Manpower Commission, transmitting Bureau of the Budget Forms Nos. A-29 for the War Manpower Commission; to the Committee on the Civil Service.

1654. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill for the relief of Fred A. Dimler and Gwendolyn E. Dimler, his wife; to the Committee on Claims.

1655. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill to authorize certain transactions by disbursing officers of the United States, and for other purposes; to the Committee on Expenditures in the Executive Departments.

1656. A communication from the President of the United States, transmitting a supplemental estimate for the Federal Security Agency for grants to States for old-age assistance, grants to States for aid to dependent children, grants to States for aid to the blind, and grants to States for unemployment compensation administration (H. Doc. No. 659); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BURCH of Virginia: Committee on the Post Office and Post Roads. H. R. 4780. A bill to fix the fees for domestic, insured, and collect-on-delivery mail, special-delivery service, and for other purposes; with amendment (Rept. No. 1639). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. Interim report pursuant to House Resolution 30. Resolution authorizing the Committee on Military Affairs and the Committee on Naval Affairs to study the progress of the war effort; without amendment (Rept. No. 1638). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON of Florida: Committee on the Public Lands. S. 1451. An act to amend the act entitled "An act for the confirmation of the title to the Saline Lands in Jackson County, State of Illinois, to D. H. Brush, and others," approved March 2, 1861; without amendment (Rept. No. 1640). Referred to the Committee of the Whole House.

Mr. PETERSON of Florida: Committee on the Public Lands. S. 1593. An act for the relief of the heirs and assigns of Widow Cesaire De Blanc; without amendment (Rept. No. 1641). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUFFETT:

H. R. 5019. A bill to create and expand postwar employment and opportunity by encouraging the establishment of small businesses; to the Committee on Ways and Means.

By Mr. O'HARA:

H R. 5020. A bill to amend the Civil Aeronautics Act of 1938, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DIMOND:

H. R. 5021. A bill to provide for the establishment of a veterans' hospital in central Alaska; to the Committee on World War Veterans' Legislation.

H. R. 5022. A bill to provide for the establishment of a veterans' hospital in southeastern Alaska; to the Committee on World War Veterans' Legislation.

By Mr. WALTER:

H. R. 5023. A bill providing for the incorporation of the National Camp, Patriotic Order Sons of America, organized December 10, 1847; to the Committee on the Judiciary.

By Mr. RANDOLPH:

H. R. 5024. A bill to provide for Federal aid to the States for the development, construction, improvement, and repair of public airports in the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PETERSON of Florida:

H. R. 5025. A bill to allow credit in connection with certain homestead entries for military or naval service rendered during World War No. 2; to the Committee on the Public Lands.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Congress of Costa Rica, to the legislatures and heads of the Allied states engaged in the struggle for democracy, a message of support and affection on the occasion of the invasion of the continent of Europe; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to amend section 209 (f) of the Federal Social Security Act, defining "average monthly wage," to limit the elapsed quarters to those during which a wage earner was subject to the act; to the Committee on Ways and Means.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5852. By Mr. HEIDINGER: Resolution adopted by the Illinois Fuel Merchants Association, Chicago, Ill., presented by Robert M. Medill, director, department of mines and minerals, Springfield, Ill., petitioning the Government of the United States and the Bureau of Mines and Minerals to consider the State of Illinois as one of the sites for one of the proposed laboratories for the hydrogenation of coal, shale, and other products to be explored in the United States of America by the Bureau of Mines; to the Committee on Mines and Mining.

5853. Also, resolution from Local Union 116, Progressive Mine Workers of America, Carrier Mills, Ill., signed by Charles Howe, president, and William Pearson, recording secretary, petitioning the Congress to amend the Social Security Act to the end that any person working in a covered industry, who becomes completely disabled, shall, upon proper proof of such disability, receive the same benefits for the remainder of life as if such person had reached the age required for retirement; to the Committee on Ways and Means.

5854. Also, resolution from Local Union No. 165, Progressive Mine Workers of America, Harrisburg, Ill., signed by Hubert Sisk, president, and Paul Moore, recording secretary, petitioning the Congress to amend the Social Security Act to provide that any person working in a covered industry, who becomes completely disabled, shall, upon proper proof of such disability, receive the same benefits for the remainder of life as if such person had reached the age required for retirement; to the Committee on Ways and Means.

5855. By Mr. ROLPH: Resolution No. 11 of the State Senate of California referring to the Social Security Act; to the Committee on Ways and Means.

5856. By Mr. SIMPSON of Pennsylvania: Petition of the residents of the Eighteenth Congressional District of Pennsylvania, containing 120 signatures, opposing enactment of the Bryson bill, H. R. 2082, prohibiting the manufacture, sale, or distribution of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5857. By the SPEAKER: Petition of various real estate owners, banks, and agents of New York City, petitioning consideration of their resolution with reference to the inequities in the rent control section of the present Emergency Price Control Act; to the Committee on Banking and Currency.

SENATE

THURSDAY, JUNE 15, 1944

(Legislative day of Tuesday, May 9, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all grace and comfort, Thou knowest that upon us are desperate days when even our prayers are fashioned in agony and moistened with tears. Out of the depths we cry unto Thee as the thunder of battle bombards our ears and anxious yearnings grip our hearts. The things for which in more tranquil days we crave and strive grow suddenly small and pale into insignificance as, with a devoted love that has nothing left for its expression but prayer, we defy the long miles and in constant companionship are by the side of our fighting sons. Thou knowest, too, that their tired faces haunt our hours, as with the rockets' red glare and with bombs bursting in air they carry on for the joy of victory that is set before them, the triumph of liberty and decency.

While we fervently pray that the habitations of violence may be destroyed, we

pray, too, that Thou wilt cleanse us from moral pollution, from mental darkness. With the awful cost of another chance to build a fairer world ever before us, in ground plowed by such sacrifice save us from sowing seeds today that will bring but a bitter harvest of ill will and revenge to torment our children's children. Grant, we pray Thee, that we may not in such a day seek selfishly great things for ourselves but high things for civilization and mankind. Even as with the stern determination that we wage war against evil, so may we devote ourselves to the sacrificial service of peace. Amen.

THE JOURNAL

On request of Mr. HATCH, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, June 13, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 13, 1944, the President had approved and signed the following acts and joint resolution:

S. 754. An act for the relief of Iver M. Gesteland;

S. 891. An act for the relief of Rebecca Collins and W. W. Collins;

S. 1081. An act to add certain lands to the Upper Mississippi River Wildlife and Fish Refuge;

S. 1093. An act for the relief of Fermin Salas;

S. 1112. An act for the relief of Taylor W. Tonge;

S. 1247. An act for the relief of the Bishopville Milling Co.;

S. 1305. An act for the relief of Anne Rebecca Lewis and Mary Lewis;

S. 1335. An act to amend the fourth and fifth provisos of section 2 of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920 (41 Stat. 437, 438; 30 U. S. C., secs. 201, 202);

S. 1355. An act for the relief of Robert C. Harris;

S. 1553. An act for the relief of J. M. Miller, James W. Williams, and Gilbert Theriot;

S. 1660. An act granting the consent of Congress to the Minnesota Department of Highways and the county of Crow Wing, in Minnesota, to construct, maintain, and operate a free highway bridge across the Mississippi River at Mill Street, in Brainerd, Minn.;

S. 1837. An act for the relief of Lt. (Jr. Gr.) Hugh A. Shiels, United States Naval Reserve;

S. 1944. An act to amend the act entitled "An act to provide books for the adult blind"; and

S. J. Res. 133. Joint resolution to extend the statute of limitations in certain cases.

MESSAGE FROM THE HOUSE DURING RECESS—ENROLLED BILL SIGNED

Under authority of the order of the 13th instant,

During the last recess of the Senate the following message was received from the House of Representatives by the Secretary of the Senate: That the Speaker had signed the enrolled bill (S. 1767) to provide Federal Government aid for the readjustment in civilian life of returning World War No. 2 veterans, and it was signed by the Acting President pro tempore (Mr. GILLETTE) on June 13, 1944.

REPORT OF THE APPROPRIATIONS COMMITTEE DURING RECESS

Under authority of the order of the 13th instant,

During the last recess of the Senate Mr. McKELLAR (for Mr. McCARRAN), from the Committee on Appropriations, to which was referred the bill (H. R. 4899) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes, reported it on June 13, 1944, with amendments, and submitted a report (No. 965) thereon.

NOTICES OF MOTIONS TO SUSPEND THE RULE FILED DURING RECESS—AMENDMENTS

Under authority of the order of the 13th instant,

During the last recess of the Senate Mr. McKELLAR submitted the following notice in writing on June 14, 1944:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4899) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes, the following amendment, namely: On page 64, after line 22, insert the following:

"Migration of workers: To enable the War Manpower Commission to provide, in accordance with regulations prescribed by the Chairman of said Commission for the temporary migration of workers from foreign countries within the Western Hemisphere (pursuant to agreements between the United States and such foreign countries), for employment in the continental United States with industries and services essential to the war effort, including the transportation of such workers from points outside the United States to ports of entry of the United States and return (including transportation from place of employment in the United States to port of entry of the United States in any case of default by an employer to provide such transportation to a worker, in which event the employer shall be liable to the United States for the cost thereof), cost of temporary maintenance of workers in reception centers in foreign countries and in the United States, when necessary, reasonable subsistence and emergency medical care of such workers from the time of reporting for transportation to the United States or return to the country of origin until arrival at the destination, necessary assistance to meet emergency health and welfare problems while in the United States, when such assistance is not otherwise available to such persons, and guaranties of employment while in the United States to the extent agreed upon with the foreign country from which the workers are imported, $2,465,000, of which not to exceed $123,000 shall be available for all administrative expenses necessary for the foregoing, including not to exceed $12,000 for temporary employment of admipistrative personnel outside continental United States, not to exceed $1,000 for printing and binding outside continental United States without regard to section 3709 of the Revised Statutes and section 11 of the act of March 1, 1919 (44 U. S. C. 111), and not to exceed $25,800 for travel expenses: *Provided*, That no transportation of workers shall be allowed hereunder unless the employer and the worker have entered into a contract for employment approved by said Chairman or his designee, and unless said Chairman certifies that reasonably adequate use is being made of local labor supply: *Provided further*, That this appropriation shall remain available after June 30, 1945, for the purpose of fulfilling guaranties and other obligations theretofore incurred with respect to such foreign workers and for all other purposes connected with the protection and ultimate return of any workers theretofore transported: *Provided further*, That no part of this appropriation shall be available for the recruitment or transportation of workers for employment in agriculture."

Mr. McKELLAR also submitted an amendment intended to be proposed by him to House bill 4899, making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Under authority of the order of the 13th instant, during the last recess of the Senate, Mr. REED submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4899) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes, the following amendment, namely: On page 48, after line 6, insert as a new paragraph:

"Temporary aid to enemy aliens and other restricted persons: For expenses necessary to enable the Federal Security Administrator to provide temporary aid, not to extend beyond the duration of the existing war and 6 months thereafter, to enemy aliens and other persons excluded from areas designated pursuant to authority contained in Proclamations No. 2525 of December 7, 1941, and 2526 and 2527 of December 8, 1941, and Executive Order No. 9066 of February 19, 1942, or whose normal means of livelihood has been interrupted by reasons of restrictions imposed by the Attorney General or any law or order authorizing the removal of persons whose presence may be deemed dangerous to the United States, and to the dependents of any of such persons, $50,000: *Provided*, That funds may be transferred with the approval of the Bureau of the Budget to this appropriation from the appropriation "Salaries and expenses, War Relocation Authority," in an amount not exceeding $50,000, and shall be consolidated with this appropriation and the whole administered and accounted for as one fund: *Provided further*, That the Administrator may make expenditures from this appropriation, by advances or grants of funds or otherwise, to such Federal or other agencies as he may designate, expenditures by such other agencies to be without regard to section 3709 of the Revised Statutes or the civil-service and classification laws."

Mr. REED also submitted an amendment intended to be proposed by him to House bill 4899, making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes,

which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes, with an amendment; that the House insisted upon its amendment to the bill, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. BARRY, Mr. MONRONEY, Mr. WOLCOTT, Mr. CRAWFORD, and Mr. GAMBLE were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to the amendment of the House to the text of the bill (S. 1808) to authorize temporary appointment as officers in the Army of the United States of members of the Army Nurse Corps, female persons having the necessary qualifications for appointment in such corps, female dietetic and physical-therapy personnel of the Medical Department of the Army (exclusive of students and apprentices), and female persons having the necessary qualifications for appointment in such department as female dietetic or physical-therapy personnel, and for other purposes, and that the House receded from its amendment to the title of the bill.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 4559) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1945, and additional appropriations therefor for the fiscal year 1944, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4937) making appropriations for defense aid (lend-lease), for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration, for the fiscal year ending June 30, 1945, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON of Missouri, Mr. WOODRUM of Virginia Mr. LUDLOW, Mr. SNYDER, Mr. O'NEAL, Mr. RABAUT, Mr. JOHNSON of Oklahoma, Mr. TABER, Mr. WIGGLESWORTH, Mr. LAMBERTSON, and Mr. POWERS were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 2711) for the relief of Mrs. Mildred Maag.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 3150. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929;

H. R. 4659. An act to authorize the Soil Conservation Service to lend certain equipment;

H. R. 4867. An act to extend the health regulations of the District of Columbia to Government restaurants within the District of Columbia;

H. R. 4881. An act to amend the Internal Revenue Code, the Narcotic Drugs Import and Export Act, as amended, and the Tariff Act of 1930, as amended, to classify a new synthetic drug, and for other purposes;

H. R. 4916. An act to amend the act of June 19, 1934 (Public Law No. 435, 73d Cong.);

H. J. Res. 289. Joint resolution authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1945, and for other purposes;

H. J. Res. 290. Joint resolution for the maintenance of public order and the protection of life and property in connection with the Presidential inaugural ceremonies of 1945; and

H. J. Res. 291. Joint resolution to provide for the quartering, in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Acting President pro tempore:

S. 1848. An act for the relief of Claude R. Whitlock and for other purposes;

H. R. 3476. An act to approve a contract negotiated with the Klamath drainage district and to authorize its execution, and for other purposes;

H. R. 4771. An act to amend the part of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes," approved June 4, 1920, as amended, relating to the conservation, care, custody, protection, and operation of the naval petroleum and oil-shale reserves;

H. R. 4833. An act to extend, for 2 additional years, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar; and

H. J. Res. 286. Joint resolution providing for operation of naval petroleum and oil-shale reserves.

SURPLUS GOVERNMENT PROPERTY AND MATERIAL (S. DOC. NO. 203)

The ACTING PRESIDENT pro tempore [Mr. GILLETTE] laid before the Senate a communication from the President of the United States, relating to Senate Resolution 195, agreed to March 14, 1944, which was referred to the Committee on Military Affairs and ordered to be printed, and to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, June 13, 1944.

The Honorable the PRESIDENT OF THE SENATE,
Washington, D. C.

SIR: Reference is made to Senate Resolution 195 which was considered and agreed to on March 14, 1944, and which is here quoted:

Resolved, That the President is hereby requested to direct the appropriate executive agency or agencies to make a study and investigation with respect to (1) the types, quantities, cost, location, and custody of those war materials and other tangible property, real and personal, owned or controlled or hereafter acquired or controlled by or in behalf of the Government of the United States, which are or shall become no longer needed for war purposes; (2) the adequacy of current records and inventory controls to keep the Congress and the Executive informed as to the foregoing particulars with respect to such materials and property; and (3) those modifications in the methods of keeping such records and maintaining such controls which may be necessary to make the above information readily available to the appropriate Government authorities. The President is requested to report to the Senate within 3 months after adoption of this resolution and at intervals of not more than 3 months thereafter until such study is completed, concerning the results thereof together with his recommendations.

In compliance with this resolution I submit here my initial report and recommendations with respect to the vital matters of war surpluses and Federal property management in general.

I. CHARACTER AND EXTENT OF WAR SURPLUSES

While useful information is being assembled with respect to property which is now surplus, and procedures have been established in the armed services for accelerating the determination and declaration of surpluses, it is impossible at this time to give figures even as to existing surpluses upon which any over-all reliance can be placed.

I am advised by the War Department that during the first three-quarters of the fiscal year 1944 it disposed of excess property, other than real estate, valued at approximately $260,000,000, of which $99,000,000 was redistributed within the War Department, $39,000,000 was transferred to other Federal agencies, $62,000,000 represented sales of industrial property and $60,000,000 represented salvage sales. With respect to real estate, four industrial facilities, costing over $95,000,000, have been declared surplus under regulations of the Surplus War Property Administration, plant protection land costing approximately $15,000,000 has been leased for agricultural purposes and 14 command and 4 industrial installations have been or are being transferred to the Navy Department.

The Navy Department in the fiscal year 1943, the latest period for which figures are now available, disposed of approximately $35,000,000 of surplus property.

Reconstruction Finance Corporation reports that, between January 1 and May 31, 1944, it disposed of over $52,000,000 in surplus property and that it has approximately $90,000,000 available for disposal. These figures represent largely property owned by that corporation and its subsidiaries, and only in very small degree property declared surplus by other agencies. The largest element in both figures represents machine tools and production equipment, but most of this class of property listed as available for disposition has not yet been declared surplus by the sponsoring service.

The Procurement Division of the Treasury Department had on hand on January 1, 1944, $16,880,502 of surplus property, and during the next 5 months acquired $67,075,194 and disposed of $53,733,809, leaving it with a balance on May 31, 1944, of $30,221,887. The classes of property in which disposals during the period exceeded $5,000,000 were textile basic manufactures, steel, construction and other machinery and motor vehicles.

The Maritime Commission, during the period January 1 to May 31, 1944, disposed of nearly $19,000,000 of surplus property, $15,000,000 being transferred between contracts, $2,000,000 transferred to other Government agencies and $2,000,000 sold. Surplus property available for disposal at the end of the period amounted to over $5,000,000 with $11,000,000 being screened for possible use by other Maritime Commission activities.

The Foreign Economic Administration reports that during the period from January 1 to May 31, 1944, it disposed of $6,469,979 of surplus property of which $4,803,777 was disposed in this country and $1,666,202 abroad. As of May 31, 1944, it had on hand $20,856,978 of surplus property of which $1,836,233 was located in this country and $19,020,745 abroad.

I have not received similar detailed figures from the War Food Administration, but I am advised by that agency that most of its disposals of food have been made to meet urgent civilian requirements, and that the amount of food which it now has on hand, and which might be regarded as surplus, is very small.

With respect to property which may become surplus in the future, the problem is even more difficult. Such incalculable factors as the duration of the various phases of the war, the accompanying destruction of property and the size of our post-war Military and Naval Establishments are prerequisites to any accurate forecast as to surpluses. The following estimate by the War Department as to surplus industrial property which will be available for disposition in the immediate future is, however, of considerable interest:

Termination inventories which the War Department has taken over or will take over in connection with pending contract terminations	$270,000,000
Surplus property (excluding production equipment) in Government storage, in course of being reported to disposal agencies	21,000,000
Surplus property (excluding production equipment) in Government storage, reported to disposal agencies	7,000,000
Total	298,000,000

It is hoped that more detailed data in various fields will be developed by the date of the next report under Senate Resolution 195.

II. ADEQUACY OF CURRENT RECORDS

The records and inventory controls of the executive branch of the Federal Government fall generally into subdivisions representing particular classes of property, such as (a) real property; (b) raw and semiprocessed materials; (c) operating, military, and naval equipment and supplies and (d) office equipment and supplies. Obviously, the character of agency activity determines the extent to which these various elements appear in the records of the several agencies.

Inspection of agency records and informal discussions with agency representatives indicate that there are wide variances between and within agencies in the philosophy and method of recording and controlling property. These variations exist with respect to the purposes for which inventory records have been established and are maintained, the administrative levels at which they are maintained, the extent to which the records are used as devices for property management, and the nomenclature used to indicate the character of property represented by the records. It is apparent that each agency has devised its own method of recording property under its custody—in most cases strictly as elementary records for accountability purposes—and therefore no common pattern has been followed. Consequently, the assembly of complete data concerning surpluses or the development of comprehensive totals of property owned by the Federal Government cannot be accomplished within any reasonable period.

I offer the following brief observations concerning the inventory practices of the several agencies.

War Department

Existing records do not provide accurate or complete information of surpluses. The difference in nomenclature in use by divisions of the department prevents uniformity of reports; however, a program has been instituted to improve the quality of the record data.

Military matériel: An early determination of surpluses is dependent upon a careful assessment of requirements and resources which process is extremely difficult under existing methods. The War Department procurement schedules are designed at all times to furnish the matériel at the proper time and in the correct quantities. Future requirements are based upon the best available military operational plans. Constant scrutiny of these plans in the light of changing military requirements is promptly reflected in the procurement program. This, along with adjustment of production schedules, is designed to prevent the creation of surpluses. Despite the foregoing preventive measures surpluses do accrue but are soon detected.

Airplanes: Army Air Forces is now preparing to establish at Wright Field, Dayton, Ohio, a centralized, up-to-date inventory system which will reflect at all times the production machinery and equipment owned by the War Department and for which the Army Air Forces is accountable.

A perpetual inventory kept up to date on the basis of daily change reports, and checked monthly against a physical inventory, is now maintained for all airplanes within the continental United States. Daily reports of airplanes on hand are received from overseas theaters. Salvage warehouses have been established for the assembly and disposal of excess and obsolete parts and equipment as well as scrap.

Industrial facilities and production equipment: Detailed production equipment inventories have been established in field offices to record make, size, type, f. o. b. cost, and age of all machine tools and major items of other production equipment. Complete detailed plant inventories are being made of the plants wholly owned by the War Department.

A new directive will be issued shortly to expedite the assembly of inventory details at one central office of the Department. In addition to this modification, War Department procedures are to be revised so that surplus real estate will be brought into focus and made available for disposal.

Overseas facilities: Beginning in July 1942 reports have been submitted to the War Department quarterly by overseas commanders containing general information regarding facilities which are available and being constructed at each post, camp, and station within a command—except the European theater of operations, which submits a summarized report—including capacities, estimated costs, type of construction, and other pertinent details.

The Navy Department

Records of Navy inventories currently maintained are two general types, viz, (a) stock records posted by the activity holding the material and (b) central records of all holdings, posted or accumulated at a central control point.

The coverage of the former is practically universal. All activities, including extracontinental supply depots, maintain stock records, on a current basis, of material in their inventories. As a general rule, they provide for the posting of all receipts, issues, pending orders, and the balance on hand. They are the basic record used in preparing estimates of future needs and also in declaring material to be in excess of local needs.

In the case of central inventory records, the coverage at this time is not as complete as is the coverage of the field records. The Navy has been forced, in some cases, under the pressure of expediting the war effort, to forego the development of a comprehensive central inventory reporting system. However, the Navy has been able to develop and operate central inventory controls in such important fields as specialized ship components, advance base material, ammunition, and ordnance components, as well as many items of ordnance spare parts, controlled materials, fuel, food, clothing, all standard stock, aeronautical supply and maintenance material, medical materials and in several other large spare and maintenance material fields. In most cases, it has not been practicable to include in these central records the inventories of material shipped overseas. However, the Navy has been able to maintain control through a reporting and distribution system of surplus Government-owned materials in private shipyards and is now

engaged in seeking further refinements in this procedure.

United States Maritime Commission and War Shipping Administration: The Maritime Commission and the War Shipping Administration maintain records of their own inventories, and individual shipyards are required by the Maritime Commission to maintain similar records. The Maritime Commission recently created a committee known as the Procedure Committee for Contract Terminations and Cancelations and Surplus Property Disposal. The Chairman of this committee has recommended that the Vice Chairman of the Maritime Commission require its regional directors to report each month information as to material declared unrequired in each contractor's plant as a means of shifting items and securing maximum utilization of stocks. The Commission's procurement division is now refining the procedure of recording such material to comply with the regulations of the Surplus War Property Administration.

The War Food Administration

The War Food Administration has current records and inventory controls on all property owned or controlled by the various agencies of the Administration. The property is of all classes and types, thus making considerable variation in the actual inventory control records being maintained. In some instances individual cost figures are available by individual unit of property.

The records of commodities purchased in a raw or manufactured state for human or animal consumption are maintained in various offices throughout the country and include the quantity and value of each commodity. The commodities include American-Egyptian cotton, hemp, flax, milkweed floss pods, sugar, meats, dairy products, and a wide variety of other commodities purchased for ultimate lend-lease and other war purposes. Many farm labor camps are operated on a loan basis from other governmental agencies and portable utilities such as showers, laundries, and toilets have been placed in several of these camps and property records are maintained on such items.

A number of facilities designed for the processing of food were constructed with lend-lease funds under the control of the War Food Administration and property records and total cost data are available on these facilities.

National Housing Agency

This agency is still engaged in construction and its property controls have been tied in with its procurement program in order to assure that equipment and materials which are surplus to the needs of completed projects may be shifted to projects under construction. Before regional purchase requisitions are honored by the central office, surplus material in other regions must be utilized if it is at all feasible.

A property accountability system has been installed by the Federal Public Housing Authority. Upon the completion of each project a detailed inventory is taken and a record of all nonexpendable items is established at the project and in the regional office. Semiannually the property is checked against the inventory records.

In the case of the war housing conversion program, at present administered by the Home Owners' Loan Corporation, a detailed property account is maintained for each converted property. This account provides a description of the project including the type and quantities of equipment charged to it and the Government's investment therein.

Reconstruction Finance Corporation

The records and inventory controls now maintained by the Reconstruction Finance Corporation and its subsidiary corporations provide information with respect to the type, quantity, cost, location, and custody of all property owned by them or under their control. The Defense Supplies Corporation and the Metals Reserve Company are actively engaged in the procurement, stock piling, and disposition of commodities for war purposes, and, in certain instances, are providing the equipment and supplies incident to such procurement. The Rubber Development Corporation and the United States Commercial Company are engaged in similar activities under the Foreign Economic Administration, with the Reconstruction Finance Corporation serving as their fiscal agent.

Periodically the detailed accounts in the field are consolidated with those in the central office in order that the Corporation's detailed position with respect to a particular commodity may be presented.

Commodities owned by the corporations are stock-piled and are subject to War Production Board allocations. It should be pointed out in the case of the preclusive buying program of the United States Commercial Company, under which commodities are purchased in various foreign countries in order to keep them out of the hands of the Axis, that detailed inventory records are more difficult to obtain. This particular program, however, is relatively small and is decreasing in importance. Even here the quality of the records is steadily improving.

The war agencies

Agencies included in this group are: the Foreign Economic Administration, Office of Defense Transportation, Central Administrative Services, Office of Coordinator of Inter-American Affairs, Office of Price Administration, Smaller War Plants Corporation, War Production Board, Office of War Information, Office of Civilian Defense, Office of Censorship, Office of War Mobilization, and Office of Economic Stabilization.

The records in these offices vary in completeness and comprehensiveness. This condition exists notwithstanding the fact that the Central Administrative Services developed a standard system of nonexpendable property accounting records for the war agencies.

Old-line agencies

The agencies included in this group are those not included in any of the preceding groups. The character, purposes, and adequacy of their records vary substantially. To a large extent, the records maintained by these agencies are used exclusively for accountability by fiscal divisions and play a relatively small part in operational planning or broad utilization programs.

Disposal agencies

The Surplus War Property Administration has thus far designated seven agencies as disposal agencies in accordance with Executive Order 9425, issued February 19, 1944. The agencies so designated are: Procurement Division of the Treasury Department, Reconstruction Finance Corporation, Maritime Commission, War Food Administration, National Housing Agency, Federal Works Agency, and Foreign Economic Administration. In addition, all agencies have been granted limited authority to dispose of scrap and minor quantities of surplus.

The Procurement Division of the Treasury Department, having operated as a transferring and disposal agency under previous Executive Order 9235, had an inventory and control system in operation when it was designated to act in a similar capacity for the Surplus War Property Administration. The original system used is presently undergoing extensive revision. Mechanical recording methods are being adopted in each of the 11 field offices with consolidated records in the Washington office. All records are being established on the basis of the Federal Standard Commodity Classification System as required by the Surplus War Property Administration. All property declared to this disposal agency by the several agencies of the Government is recorded at the field office level and also in the central office at Washington by classification, location, and condition. All invitations issued for bids and all awards are reviewed and approved by the central office before issuance or decisive action by the regional office. It is hoped that the new system, when in full operation, will provide adequate record of surpluses made available to this agency for disposal.

The Reconstruction Finance Corporation has designated the Defense Plant Corporation, the Defense Supplies Corporation, and the Metals Reserve Company, as its official disposal units with Reconstruction Finance Corporation loan agencies serving as field reporting stations. Record and inventory control systems are being devised for these units along the general plan being established by the Procurement Division of the Treasury Department.

The general system in use by the Maritime Commission for its own property will be used for recording and controlling surpluses declared to it at its central office in Washington.

Other disposal agencies are in various stages of establishing record and disposal systems but at this time they are not sufficiently developed to warrant discussion.

III. RECOMMENDATIONS

I view the problems involved in the assembly, reporting and disposal of surpluses arising from the activities of a

war period as distinct from, but necessarily related to, the permanent management of the Government's investment in property and the disposal of surpluses during peacetime.

I have long been aware of the necessity for improvement in the methods, practices, and procedures with respect to property management within the executive branch of the Government. The Congress has never provided comprehensive legislation with respect to property management, of which inventory and record controls are basic. The several agencies have been left largely to their own devices for the procurement, recording, and control of property and therefore there is no common pattern for and no consolidated inventory of the capital investment of the Federal establishment.

Surpluses develop during peacetime operation of the huge Federal enterprise through excessive stocking, unnecessary duplication, lack of maximum utilization, agency curtailment or liquidation. Without adequate standards and controls for procurement, stocking and utilization of property, unauthorized augmentation of congressional appropriations by free and irrational transfer of cash equivalents from one agency to another result. The Congress has dealt with the subject of normal surplus disposal only in specific and isolated cases, and this feature of property management has been largely left to the discretion of changing agency heads.

Recognizing these fundamental weaknesses in the property-management structure of the executive branch of the Government I issued Executive Order 9235 on August 31, 1942. The authority of this order was necessarily limited by the absence of comprehensive legislative authority. The Bureau of the Budget was made responsible by this order for the establishment of certain standards, the obtaining of maximum utilization of personal property, reviewing and approving proposals of the Procurement Division of the Treasury Department for the establishment of centralized stores and issue warehouses to replace like facilities of individual agencies, and to manage the transfer of surpluses between the several agencies.

Despite the limitations of Executive Order 9235, the Bureau of the Budget, in collaboration with the departments and agencies, has made considerable progress in the development and application of a standard commodity classification, has established principles which assure protection of the integrity of congressional appropriations in connection with interagency transfers of property, and has brought about the return to the Treasury of many millions of dollars. The Bureau will shortly issue to all executive departments guides toward improvement in the field of property management. Lacking legislative authority, no more positive action can be taken at this time.

Aware of the limitations of Executive Order 9235, I sent a message to the Congress on November 30, 1942, urging consideration of broad legislation dealing with the permanent management of equipment, materials, and supplies, and the transfer and disposal of normal surpluses within the executive branch. After exhaustive studies and public hearings the House of Representatives on June 9, 1943, passed H. R. 2795, in a form which appeared to assure the attainment of the above objectives.

I again urge the passage of this type of legislation in order to provide a foundation for the permanent management of Federal equipment, materials, and supplies so that the conditions which I have reported herein may be effectively remedied and their recurrence prevented.

I also recommend that supplementary measures dealing with the disposal of war surpluses be considered and approved expeditiously so that this increasing problem can be authoritatively and effectively met and administered.

I hope to be able to submit to you more comprehensive information on the elements of Senate Resolution 195 in the successive reports which are requested by the resolution.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PERSONS COMMISSIONED IN THE ARMY FROM CIVIL LIFE

A letter from the Secretary of War, transmitting, pursuant to law, a report showing the name, age, legal residence, rank, branch of the service, with special qualifications therefor, of each person commissioned in the Army of the United States without prior commissioned military service, for the period April 1, 1944, to May 31, 1944 (with an accompanying report); to the Committee on Military Affairs.

JOURNAL OF THE SENATE OF HAWAII

A letter from the Secretary of Hawaii (transmitted through the Division of Territories and Island Possessions of the Interior Department) transmitting, pursuant to law, a copy of the Journal of the Senate of the Legislature of the Territory of Hawaii, regular session, 1943 (with an accompanying document); to the Committee on Territories and Insular Affairs.

PERSONNEL REQUIREMENTS

Letters from the Comptroller General of the United States, the Chairman of the National Labor Relations Board, the Administrator of the Federal Works Agency, the Secretary of the United States Employees' Compensation Commission, the Archivist of the United States, the Acting Secretary of the Smithsonian Institution, the Deputy Alien Property Custodian, the Director of the Office of Defense Transportation, the Coordinator of Inter-American Affairs, the Administrator of the War Shipping Administration, the Chairman of the War Production Board, the Acting Chairman of the National Mediation Board, the Executive Director of the War Refugee Board, the Chairman of the War Manpower Commission, the Acting Secretary of the National Advisory Committee for Aeronautics, the Director of the Office of Censorship, and the Officer in Charge of the American Battle Monuments Commission, transmitting, pursuant to law, estimates of personnel requirements for their respective departments and offices for the quarter ending September 30, 1944, and also a revised estimate from the Smithsonian Institution for the quarter ending September 30, 1944 (with accompanying papers); to the Committee on Civil Service.

PETITIONS AND MEMORIALS

Petitions, and so forth, were laid before the Senate by the Acting President pro tempore and referred as indicated:

A resolution of the Senate of the State of California to the Committee on Finance:

"Senate Resolution 11

"Resolution relating to memorializing the President and Congress to amend section 209 (f) of the Federal Social Security Act, defining "average monthly wage," to limit the elapsed quarters to those during which a wage earner was subject to the act.

"Whereas section 209 (f) of the Federal Social Security Act now provides that the average monthly wage shall be obtained by dividing the total wages paid an individual before the quarter in which he died or became entitled to receive primary insurance benefits by three times the number of quarters elapsing after 1936 and before the quarter in which he died or became so entitled, excluding any quarter prior to the quarter in which he attained the age of 22 during which he was paid less than $50 of wages, and any quarter, after the quarter in which he attained the age of 65 occurring prior to 1939; and

"Whereas the present provision results in discrimination against persons in employments which were not originally covered by the act, but have subsequently been covered since it includes only those wages earned while the wage-earner was subject to the act, but does not limit the elapsed quarters to the period of coverage, resulting in a lower average monthly wage for an individual who became subject to the act after 1937, though the time actually worked may be the same as that of an individual originally covered; and

"Whereas this discrimination would be removed by limiting not only the wages to those earned while subject to the act, but limiting the elapsed quarters likewise: Now, therefore, be it

"*Resolved by the Senate of the State of California*, That the President and the Congress of the United States are hereby memorialized to amend section 209 (f) of the Federal Social Security Act to limit the divisor of elapsing quarters to those during which the wage earner was subject to the act, to conform with the provision that only those wages earned while the wage earner was subject to the act are included in total wages, and to make this amendment retroactive to include all wage earners covered prior to its enactment; and be it further

"*Resolved*, That the Secretary of the Senate is directed to forward copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in the Congress of the United States."

A concurrent resolution of the Legislature of Louisiana, memorializing Congress to provide for the continued operation of the aluminum plant at Baton Rouge, La., operated for the Defense Plant Corporation by the Aluminum Co. of America; to the Committee on Military Affairs.

(See resolution printed in full when presented by Mr. ELLENDER on the 12th instant, p. 5749, CONGRESSIONAL RECORD.)

A resolution of the Yugoslav Club, of San Pedro, Calif., pledging its loyal support to the President of the United States in the present war, and also relating to recognition of the National Anti-Fascist Liberation Coun-

cil as the sole representative of democratic Yugoslavia, etc.; to the Committee on Foreign Relations.

A resolution by the board of directors of the Council on Books in Wartime, New York City, N. Y., relating to books and literature for members of the armed forces; to the Committee on Post Offices and Post Roads.

A resolution by the Metal Trades Council, of Seattle, Wash., favoring the adoption of measures to establish a Nation-wide broadcast of congressional proceedings; to the Committee on Rules.

A resolution by Racine (Wis.) Screw Local No. 561, U. A. W.-C. I. O., favoring the making of an adequate appropriation for the Fair Employment Practice Committee; ordered to lie on the table.

The petition of Frank N. Johnson, of Portsmouth, Va., and sundry citizens of Brooklyn, N. Y., praying for the enactment of legislation to extend and strengthen the Emergency Price Control Act; ordered to lie on the table.

PROTEST AGAINST DISCONTINUATION OF WORK IN CONNECTION WITH WAR EFFORT

Mr. CAPPER. Mr. President, I have received a telegram from Harper Chapter, No. 46, American War Dads, a patriotic organization with headquarters at Harper, Kans., asking that our Government see that there be no stoppage of work connected with the war effort. I ask unanimous consent to have the appeal printed in the RECORD at this point as a part of my remarks, and appropriately referred. In this connection it is interesting to note that William Green, president of the American Federation of Labor, this week issued a statement through the official publication of his organization, announcing that all strikes in this country have been stopped.

There being no objection, the telegram was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

HARPER, KANS., *June 13, 1944.*

Hon. ARTHUR CAPPER,
United States Senate,
Washington, D. C.:

In order to protect the lives of our sons and daughters in the armed forces, the National Council of the American War Dads this day, by unanimous action, respectfully requests that by law the Government of the United States by immediate action in every instance prevent the stoppage of work connected with the war effort.

HARPER CHAPTER, No. 46,
AMERICAN WAR DADS.

PROTEST AGAINST USE OF SOFT WHEAT IN ALCOHOL PRODUCTION

Mr. CAPPER. Mr. President, I have received a telegram from the J. C. Lysle Milling Co., Leavenworth, Kans., one of the leading millers of the Middle West, protesting against the recent action of the War Food Administration in granting permission for use of soft wheat in alcohol production. I ask unanimous consent to have the telegram printed in the RECORD and appropriately referred. I have received numerous other letters and telegrams of protest on the same subject, and I am in sympathy with the appeal which comes from these businessmen of Kansas.

There being no objection, the telegram was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

LEAVENWORTH, KANS., *June 8, 1944.*

Senator ARTHUR CAPPER,
Washington, D. C.:

Vigorously protest recent W. F. A. permission for use soft wheat in alcohol production. For past 2 years our company unable buy sufficient soft wheat to meet flour requirements of our trade after deducting heavy farmers' feed requirements. Estimated balance of 1944 soft wheat crop is barely sufficient for normal milling requirements. Hope you will demand W. F. A. again restrict distillers' purchasers to hard wheat of which there promises to be an adequate supply.

THE J. C. LYSLE MILLING CO.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WHERRY, from the Committee on Claims:

H. R. 2288. A bill for the relief of Donald J. Munson; without amendment (Rept. No. 977); and

H. R. 3649. A bill for the relief of Mae Ekvall; without amendment (Rept. No. 966).

By Mr. ROBERTSON, from the Committee on Claims:

H. R. 2916. A bill for the relief of Mrs. Winnie Singleton, as administratrix of the estate of Gaylord W. Singleton, deceased; without amendment (Rept. No. 978);

H. R. 3724. A bill for the relief of Mr. and Mrs. Howard C. Bantin; without amendment (Rept. No. 967); and

H. R. 4361. A bill for the relief of Arch A. Brown; without amendment (Rept. No. 968).

By Mr. ELLENDER, from the Committee on Claims:

S. 1503. A bill for the relief of John H. Gradwell; without amendment (Rept. No. 969);

S. 1776. A bill for the relief of L. T. Gregory; wit hamendments (Rept. No. 970);

S. 1827. A bill for the relief of Oliver N. Knight; with amendments (Rept. No. 971);

H. R. 1045. A bill for the relief of Mrs. R. D. Robinson; with an amendment (Rept. No. 972);

H. R. 2511. A bill for the relief of P. Audley Whaley; without amendment (Rept. No. 979);

H. R. 3859. A bill for the relief of E. Bird Giles and Sherman Beck; without amendment (Rept. No. 973);

H. R. 3695. A bill for the relief of the estate of Thomas Shea, deceased; with amendments (Rept. No. 980); and

H. R. 4458. A bill for the relief of J. G. Power and L. D. Power; without amendment (Rept. No. 974).

By Mr. CAPPER, from the Committee on Claims:

H. R. 3301. A bill for the relief of the legal guardian of Edward Polak, a minor; without amendment (Rept. No. 981).

By Mr. AIKEN, from the Committee on Civil Service:

S. 1371. A bill to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920; with amendments (Rept. No. 975).

By Mr. WALSH of Massachusetts, from the Committee on Naval Affairs:

H. R. 4825. A bill to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Des Moines, Iowa, September 10 to 14, inclusive, 1944; without amendment (Rept. No. 976).

FELICITATIONS TO THE REPUBLIC OF ICELAND

Mr. CONNALLY. Mr. President, I ask unanimous consent to report back, without amendment, from the Committee on Foreign Relations House Concurrent Resolution 91, which is identical with Senate Resolution 45, and that the House resolution be laid before the Senate.

The ACTING PRESIDENT pro tempore laid before the Senate the concurrent resolution (H. Con. Res. 91) which was read, as follows:

Whereas the people of Iceland in a free plebiscite on May 20–23, 1944, overwhelmingly approved the constitutional bill passed by the Althing providing for the establishment of a republican form of government; and

Whereas the Republic of Iceland will be formally established on June 17, 1944: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby expresses to the Icelandic Althing, the oldest parliamentary body in the world, its congratulations on the establishment of the Republic of Iceland and its welcome to the Republic of Iceland as the newest republic in the family of free nations.

Mr. CONNALLY. I ask unanimous consent for the present consideration of the concurrent resolution.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the concurrent resolution (H. Con. Res. 91) was considered and agreed to.

The preamble was agreed to.

Mr. CONNALLY. Mr. President, also from the Committee on Foreign Relations I report back, without amendment, Senate Concurrent Resolution 45, expressing the congratulations of the Congress of the United States to the Icelandic Althing on the attainment of independence by the Republic of Iceland. I ask that the resolution be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Without objection, Senate Concurrent Resolution 45 is indefinitely postponed.

ENROLLED BILLS PRESENTED

Mr. TRUMAN (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that on June 14, 1944, that committee presented to the President of the United States the following enrolled bills:

S. 1767. An act to provide Federal Government aid for the readjustment in civilian life of returning World War No. 2 veterans; and

S. 1849. An act for the relief of Muskingum Watershed Conservancy District.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ELLENDER:

S. 1995. A bill for the relief of Fred A. Dimler and Gwendolyn E. Dimler, his wife; to the Committee on Claims.

By Mr. WALLGREN:

S. 1996. A bill to provide for a study of multiple taxation of air commerce, and for other purposes; to the Committee on Commerce.

By Mr. THOMAS of Oklahoma:

S. 1997. A bill for the relief of Jack Stowers, B & O Store, and Cotton County Poultry & Egg Co. (with accompanying papers); to the Committee on Claims.

S. 1998. A bill to authorize and direct the sale of Moore Air Field; to the Committee on Naval Affairs.

S. 1999. A bill to amend section 2 of the act of June 14, 1918, so as to eliminate the necessity of joining the United States as a party in proceedings to partition lands of full-blood members of the Five Civilized Tribes; to the Committee on Indian Affairs.

By Mr. HOLMAN:

S. 2000. A bill to restore to active duty and to the active list certain retired officers of the Regular Army, and for other purposes; to the Committee on Military Affairs.

By Mr. WALSH of Massachusetts:

S. 2001. A bill to amend the act approved March 7, 1942 (56 Stat. 143), as amended (56 Stat. 1092; 50 App. U. S. C., Supp. III, 1001–17 inclusive), so as to more specifically provide for pay allotments, and administration pertaining to war casualties, and other purposes; to the Committee on Naval Affairs.

By Mr. HILL:

S. 2002. A bill for the relief of John T. Cooper; and

S. 2003. A bill for the relief of Thomas C. Locke; to the Committee on Claims.

By Mr. WAGNER:

S. 2004. A bill to amend the act entitled "An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes," approved June 11, 1942; to the Committee on Banking and Currency.

By Mr. DOWNEY:

S. J. Res. 138. Joint resolution giving to discharged soldiers, sailors, and marines a preferred right of homestead entry on the Tule Lake division of the Klamath reclamation project; to the Committee on Public Lands and Surveys.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred, as indicated:

H. R. 4659. An act to authorize the Soil Conservation Service to lend certain equipment; to the Committee on Agriculture and Forestry.

H. R. 4881. An act to amend the Internal Revenue Code, the Narcotic Drugs Import and Export Act, as amended, and the Tariff Act of 1930, as amended, to classify a new synthetic drug, and for other purposes; to the Committee on Finance.

H. R. 3150. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929;

H. R. 4867. An act to extend the health regulations of the District of Columbia to Government restaurants within the District of Columbia;

H. R. 4916. An act to amend the act of June 19, 1934 (Public Law 435, 73d Cong.);

H. J. Res. 289. Joint resolution authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1945, and for other purposes;

H. J. Res. 290. Joint resolution for the maintenance of public order and the protection of life and property in connection with the Presidential inaugural ceremonies of 1945; and

H. J. Res. 291. Joint resolution to provide for the quartering, in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies; to the Committee on the District of Columbia.

AMENDMENT OF ACT PROVIDING FOR THE RETIREMENT OF CIVIL-SERVICE EMPLOYEES—AMENDMENTS

Mr. HOLMAN submitted two amendments intended to be proposed by him to the bill (S. 1371) to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, which were ordered to lie on the table and to be printed.

APPROPRIATIONS FOR WAR AGENCIES—AMENDMENTS

Mr. RUSSELL submitted an amendment intended to be proposed by him to the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes, which was ordered to lie on the table and to be printed, as follows:

Strike out all the matter appearing on page 10, between lines 3 to 16, inclusive, under the heading "Committee on Fair Employment Practice."

Mr. MAYBANK submitted two amendments intended to be proposed by him to House bill 4879, making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes, which were ordered to lie on the table and to be printed, as follows:

On page 10, line 16, before the period insert a colon and the following: *"Provided,* That the committee shall not accept or utilize utilize voluntary or uncompensated services."

On page 10, line 16, before the period insert a colon and the following: *"Provided,* That the committee shall not perform its functions or duties or exercise its powers through any officials or agencies other than those of the committee."

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS

Mr. VANDENBERG submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraphs 1 and 4 of rule XVI for the purpose of proposing to the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes, the following amendment, namely: On page 29, after line 19, insert the following:

"COMMITTEE FOR CONGESTED PRODUCTION AREAS

"Salaries and expenses: For all expenses necessary to enable the Committee for Congested Production Areas to carry out the functions vested in it by Executive Order 9327, including travel expenses (not to exceed $48,000); printing and binding (not to exceed $2,550); purchase of newspapers and periodicals (not to exceed $600); the employment of State, county, or municipal officials and employees, with or without compensation; and the temporary employment of persons or organizations, by contract or otherwise, without regard to section 3709 of the Revised Statutes and the civil service and classification laws (not to exceed $15,000); $669,000."

Mr. VANDENBERG also submitted an amendment intended to be proposed by him to House bill 4879, making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. DANAHER submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes, the following amendment, namely: On page 10, after line 2, insert the following:

FINDINGS AND DECLARATION OF POLICY

SECTION 1. The Congress finds that the practice of denying employment opportunities to, and discriminating in employment against, properly qualified persons by reason of their race, creed, color, national origin, or ancestry, foments domestic strife and unrest, deprives the United States of the fullest utilization of its capacities for production and defense, and burdens, hinders, and obstructs commerce.

It is hereby declared to be the policy of the United States to eliminate such discrimination in all employment relations which fall within the jurisdiction or control of the Federal Government as hereinafter set forth.

UNFAIR EMPLOYMENT PRACTICES DEFINED

SEC. 2. (a) It shall be an unfair employment practice for any employer within the scope of this act—

(1) to refuse to hire any person because of such person's race, creed, color, national origin, or ancestry;

(2) to discharge any person from employment because of such person's race, creed, color, national origin, or ancestry;

(3) to discriminate against any person in compensation or in other terms or conditions of employment because of such person's race, creed, color, national origin, or ancestry.

(b) It shall be an unfair employment practice for any labor union within the scope of this act—

To discriminate against any member, employer, or employee because of such person's race, creed, color, national origin, or ancestry.

(c) It shall be an unfair employment practice for any employer or labor union within the scope of this act to discharge, expel, or otherwise discriminate against any person because he has opposed any practices forbidden by this act or because he has filed a charge, testified, or assisted in any proceeding under this act.

SCOPE OF ACT

SEC. 3. (a) This act shall apply to any employer having in his employ more than five persons, who is (1) engaged in interstate or foreign commerce; (2) under contract with the United States or any agency thereof; or (3) performing work, under subcontract or otherwise, called for by a contract to which the United States or any agency thereof is a party.

(b) This act shall apply to any labor union which has five or more members in the employ of one or more employers covered by the preceding paragraph.

(c) This act shall apply to the employment practices in the United States and of every Territory, insular possession, agency, or instrumentality thereof, except that paragraphs (e) and (f) of section 10, providing for petitions for enforcement and review, shall not apply in any case in which an order has been issued against any department or independent agency of the United States; but in any such case the Fair Employment Practice Commission established by section 5 of this act may petition the Attorney General of the United States for the enforcement of such order, and it shall thereupon be the duty of the Attorney General to take such measures as may secure obedience to any such order. Every official who willfully violates any such order shall be summarily discharged from the Government employ.

FAIR EMPLOYMENT PRACTICE COMMISSION

SEC. 4. For the purpose of preventing unfair employment practices on the part of employers and labor unions, there is hereby established a Commission to be known as the Fair Employment Practice Commission, which shall consist of a chairman and six additional members to be appointed by the President, by and with the advice and consent of the Senate, who shall serve for a term of 7 years except that the terms of the members originally appointed shall expire seriatim at intervals of 1 year. Any member of the Commission may be removed by the President, upon notice and hearing, for neglect of duty or malfeasance in office, but for no other cause. Four members of the Commission shall at all times constitute a quorum.

REPORTS

SEC. 5. The Commission shall at the close of each fiscal year make a report in writing to the Congress and to the President concerning the cases it has heard, the decisions it has rendered, the names, salaries, and duties of all employees and officers in the employ or under the supervision of the Commission, and an account of all moneys it has disbursed, and shall make such recommendations for further legislation as may appear desirable.

SALARIES

SEC. 6. Each member of the Commission shall receive a salary of $10,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment.

TERMINATION OF COMMITTEE ON FAIR EMPLOYMENT PRACTICE

SEC. 7. Upon the appointment of the members of the Commission, the Committee on Fair Employment Practice, established by Executive Order No. 9346 of May 27, 1943, shall cease to exist. All employees of the said Committee shall be transferred to and become employees of the Commission. All records, papers, and property of the Committee shall pass into the possession of the Commission, and all unexpended funds and appropriations for the use and maintenance of the Committee shall be available to the Commission.

LOCATION OF OFFICES

SEC. 8. The Commission shall hold its sessions in the District of Columbia and at such other places as it may designate. The Commission may, by one or more of its members or by such referees, agents, or agencies as it may designate, prosecute any inquiry or conduct any hearing necessary to its functions in any part of the United States or any Territory or insular possession thereof.

PROHIBITION OF UNFAIR EMPLOYMENT PRACTICES

SEC. 9. (a) Whenever it is charged that any person has engaged in any such unfair employment practice, the Commission, or any referee, agent, or agency designated by the Commission for such purposes, shall have power to issue and cause to be served upon such person a complaint stating the charges in that respect and containing a notice of hearing before the Commission or a member thereof, or before a designated referee, agent, or agency at a place therein fixed, in the district of such person's residence not less than 7 nor more than 14 days after the serving of said complaint.

(b) The person so complained of shall have the right to file an answer to such complaint and to appear in person or otherwise, with or without counsel, and give testimony at the place and time fixed in the complaint.

(c) If upon all the testimony taken the Commission shall be of the opinion that any person named in the complaint has engaged in any such unfair employment practice, the Commission shall state its findings of fact and shall issue and cause to be served on such person an order requiring such person to cease and desist from such unfair employment practice and to take such affirmative action, including hiring or reinstatement of employees with or without back pay, as will effectuate the policies of this act. If, upon all the testimony taken, the Commission shall be of the opinion that no person named in the complaint has engaged in any such unfair employment practice, the Commission shall state its findings of fact and shall issue an order dismissing the said complaint.

(d) The Commission shall have power to petition any circuit court of appeals of the United States (including the United States Court of Appeals for the District of Columbia) or, if all the circuit courts of appeals to which application might be made are in vacation, any district court of the United States, within any circuit or district, respectively, wherein the unfair employment practice in question occurred, or wherein such person resides or transacts business, for the enforcement of such order and for appropriate temporary relief or restraining order, and shall certify and file in the court to which petition is made a transcript of the entire record in the proceeding, including the pleadings and testimony upon which such order was entered and the findings and the order of the Commission. Upon such filing, the court to which petition is made shall conduct further proceedings in conformity with the procedures established by law governing petitions for enforcement of the orders of the National Labor Relations Board.

(e) Any person aggrieved by a final order of the Commission granting or denying in whole or in part the relief sought may obtain a review of such order in any circuit court of appeals of the United States (including the United States Court of Appeals for the District of Columbia) within any circuit wherein the unfair employment practice in question was alleged to have occurred or wherein such person resides or transacts business by filing in such court a written petition praying that the order of the Commission be modified or set aside. Upon such filing, the reviewing court shall conduct further proceedings in conformity with the procedures established by law governing petitions for review of the orders of the National Labor Relations Board.

INVESTIGATORY POWERS

SEC. 10. (a) For the purpose of all hearings and investigations which in the opinion of the Commission are necessary and proper for the exercise of the powers vested in it by this act, the Commission, or its duly authorized agents or agencies, shall at all reasonable times have access to, for the purpose of examination, and the right to subpena the production of the books, records, or other evidence of any person being investigated or proceeded against that relates to any matter under investigation or in question. Any member of the Commission shall have power to issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation or in question, before the Commission, its member, agent, or agency conducting the hearing or investigation. Any member of the Commission, or any agent or agency designated by the Commission for such purposes, may administer oaths and affirmations, examine witnesses, and receive evidence. Such attendance of witnesses and the production of such evidence may be required at any designated place of hearing in the district wherein the respondent resides or transacts business.

(b) In case of contumacy or refusal to obey a subpena issued to any person, any district court of the United States or the United States courts of any Territory or possession, or the District Court of the United States for the District of Columbia, within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Commission shall have jurisdiction to issue to such person an order requiring such person to appear before the Commission, its member, agent, or agency, there to produce evidence if so ordered, or there to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by said court as a contempt thereof.

(c) No person shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to the subpena of the Commission, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

RULES AND REGULATIONS

SEC. 11. The Commission shall have authority from time to time to make, amend, and rescind such regulations as may be necessary to carry out the provisions of this act. Such regulations shall be effective 60 days after transmission to the Congress unless the Congress has in the interim amended or nullified such regulations by appropriate legislation or has adjourned within 10 days after the submission of such regulations. Such regulations shall set forth the procedure for service and amendment of complaints, for intervention in proceedings before the Commission, for rules of evidence to be applied by the Commission, for the taking of testimony and its reduction to writing, for the modification of the findings or orders prior to the filing of records in court, for the service and return of process and fees of witnesses, and with respect to the seal of the Commission, which shall be judicially noticed, the payment of expenses of members and employees of the Commission, the qualification and disqualification of members and employees and any other matters appropriate in the execution of the provisions of this act.

GOVERNMENT CONTRACTS

SEC. 12. (a) All contracting agencies of the Government of the United States shall include in all contracts hereafter negotiated or renegotiated by them a provision obligating the contractor not to discriminate against any employee or applicant for employment because of race, creed, color, national origin, or ancestry, and requiring him to include a similar provision in all subcontracts.

(b) Unless the Commission shall otherwise determine and state in its order, no contract shall be awarded by the United States or any agency thereof to any person found by the Commission to have violated any of the provisions of this act or to any firm, corporation, partnership, or association in which such person has a controlling interest, until 3 years have elapsed from the date when the Commission determines such violation to have occurred. The Comptroller General is authorized and directed to distribute a list to all agencies of the United States containing the names of such persons.

OFFENSES AND PENALTIES

SEC. 13. Any person who shall willfully resist, prevent, impede, or interfere with any member of the Commission or any of its

referees, agents, or agencies, in the performance of duties pursuant to this act, shall be punished by a fine of not more than $5,000 or by imprisonment for not more than one year, or both.

SEPARABILITY CLAUSE

SEC. 14. If any provision of this act or the application of such provision to any person or circumstance shall be held invalid, the remainder of such act or the application of such provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

DEFINITIONS

SEC. 15. (1) The term "person" includes one or more individuals, partnerships, associations, corporations, legal representatives, trustees, trustees in bankruptcy, or receivers.

(2) The term "employer" includes any person acting in the interest of any employer, directly or indirectly.

(3) The term "labor union" includes any organization in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning the terms or conditions of employment.

(4) Unless otherwise specified, the term "Commission" means the Fair Employment Practice Commission created by section 4 of this act.

(5) The term "Committee" means the Committee on Fair Employment Practice established by Executive Order No. 9346 of May 27, 1943.

(6) The term "commerce" means trade, traffic, commerce, transportation, or communication among the several States, or between the District of Columbia, or any Territory of the United States and any State or other Territory or between any foreign country and any State, Territory, or the District of Columbia, or within the District of Columbia or any Territory, or between points in the same State but through any other State or Territory, or the District of Columbia or any foreign country.

SEC. 16. This act may be cited as the "Fair Employment Practice Act."

Mr. DANAHER also submitted an amendment intended to be proposed by him to House bill 4879, making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

INVESTIGATION OF THE ADMINISTRATION OF POSTAL AFFAIRS

Mr. REED (for himself and Mr. FERGUSON, Mr. MOORE, Mr. ROBERTSON, Mr. WEEKS, and Mr. BUCK) submitted the following resolution (S. Res. 310), which was referred to the Committee on Post Offices and Post Roads, as follows:

Whereas on March 9, 1942, the Postmaster General requested a change in existing law to "authorize the payment of overtime for Saturdays in lieu of compensatory time." In making that request, the Postmaster General further stated, "The amendment * * * would not increase the cost of postal service to the Nation." The cost of this item for the fiscal year ending June 30, 1942, was $10,396,420; and

Whereas in the fiscal year immediately following that of June 30, 1943, the expenditure for this item was $61,003,199. The expenditure for this item for the current fiscal year ending June 30, 1944, is stated as $67,557,000, and the estimate for 1945 for this item is $69,777,200; and

Whereas the records of the Post Office Department show that the First Assistant Postmaster General, in May 1943, and again in December 1943, admonished postmasters responsible for the recommendations on which these expenditures are based as follows: "From our study of the estimates and expenditures submitted by postmasters, it is concluded that there is a possibility that the use of overtime is being abused."; and

Whereas it is obvious on the face of the record and the information available that instead of there being "no increase in cost" as stated by the Postmaster General, and on which recommendation the Congress acted and amended the law as requested, the effect of the change has been an increase of some $60,000,000 annually: Therefore be it

Resolved, That the Committee on Post Offices and Post Roads of the Senate be authorized and directed to make an investigation of the operation and administration of the Post Office Department, with particular reference to this question and the facts outlined herein. The Committee on Post Offices and Post Roads is also authorized and directed to broaden the inquiry so as to cover any relevant matters contained within the current administration of postal affairs and to make such a report with such recommendations as its inquiry and its investigation may determine to be advisable or necessary.

PLATFORM ISSUES—ARTICLES BY WENDELL WILLKIE

[Mr. HATCH asked and obtained leave to have printed in the RECORD two articles on platform issues written by Wendell Willkie, one under the heading "Social security," published in the Washington Post of June 14, 1944, and the other under the heading "Postwar economy," published in the Washington Post of June 15, 1944, which appear in the Appendix.]

KEYNOTE ADDRESS BY GOVERNOR COOPER, OF TENNESSEE, BEFORE STATE DEMOCRATIC CONVENTION

[Mr. McKELLAR asked and obtained leave to have printed in the RECORD the address delivered by Hon. Prentice Cooper, Governor of Tennessee, on June 6, 1944, before the Democratic State convention, which appears in the Appendix.]

ADDRESS BY HON. HOMER CUMMINGS BEFORE CONNECTICUT STATE DEMOCRATIC CONVENTION

[Mr. MALONEY asked and obtained leave to have printed in the RECORD the address delivered by Hon. Homer Cummings, former United States Attorney General, at the Democratic State convention held at New Haven, Conn., on May 26, 1944, which appears in the Appendix.]

MR. FARLEY'S RESIGNATION—EDITORIAL FROM HARTFORD (CONN.) DAILY COURANT

[Mr. MALONEY asked and obtained leave to have printed in the RECORD an editorial entitled "Mr. Farley's Resignation," published in the Hartford Daily Courant of June 9, 1944, which appears in the Appendix.]

NEW YORK SOLDIERS MAY BE DISFRANCHISED—EDITORIAL FROM THE BUFFALO STAR

[Mr. MEAD asked and obtained leave to have printed in the RECORD an editorial entitled "New York Soldiers May Be Disfranchised," published in the Buffalo Star, which appears in the Appendix.]

CONGRESSIONAL POWER TO VOID POLL TAX—LETTER FROM IRVING BRANT

[Mr. MEAD asked and obtained leave to have printed in the RECORD a letter on the subject of the power of Congress to void the poll tax, written by Irving Brant to the New York Times, which appears in the Appendix.]

WHERE CONSTITUTIONAL POWER TRULY RESTS—LETTER FROM THE NEW YORK SUN

[Mr. DANAHER asked and obtained leave to have printed in the RECORD a letter entitled "Where Constitutional Power Truly Rests" from the New York Sun of Saturday, June 3, 1944, which appears in the Appendix.]

TIMID PLANNING—EDITORIAL FROM CHICAGO SUN

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an editorial entitled "Timid Planning Can Botch the Job" from the Chicago Sun of May 24, 1944, which appears in the Appendix.]

INCREASE OF WAGES OF WHITE-COLLAR WORKERS

Mr. WILEY. Mr. President, I notice that the other day the House of Representatives refused to adopt my amendment which the Senate had previously adopted to the O. P. A. extension law. The amendment provided in substance that when the employer and employee could agree it would not be necessary to obtain the authority of Government to sanction the agreement if the wage scale agreed upon did not exceed $37.50 a week.

I was informed that from the fox holes on the home front and from the bureau drawers of all the bureaucracy in the city pressure was brought to bear, the House responded, and as a result the amendment went out of the bill. I hope the distinguished senior Senator from New York [Mr. WAGNER], when the conferees meet, will see to it that my amendment remains in the bill.

My purpose in taking the floor this morning is to urge that the conferees, whoever they may be, will insist on doing equity to this group, the white-collar workers, by keeping my amendment in the bill. While organized labor has increased its weekly earnings more than 69 percent in the past 5 years, it appears that the clerical and semiprofessional white-collar worker has received an increase so meager that it does not offset the increased cost of living. The fact of the matter is that the unorganized groups are virtually subsidizing the workers of the organized groups. They are paying a penalty for their specialized skill and knowledge and in many instances their higher education.

What I am asking for in the amendment is a better balance of income for all our citizens. What chance has Mary Jones the school teacher, or Pete Smith the bookkeeper, or Carl Brown the clerk, or Susie Brown, his sister, who is employed in a city, county, or municipal office to receive prompt attention to her or his individual problem? There is a lack of balance in the income the white-collar worker has been getting compared to what other classes have received. I am serious about the situation of the white-collar worker; and following the language of him who speaks at the other end of the Avenue, I will repeat again and again and again that we had better do a little equity to the 20,000,000 of these folks. The men and women in the white-collar class have no one to represent them in Washington; they have no organization back of

them; they are the "forgotten men." I ask that we do justice to this group. Here is what I said about the white-collar worker months ago:

Fellow Americans, what has happened to that phantom figure, the "forgotten man," society's specter of neglect for the past 11 years and some months? He is still with us, but as a new group, the white-collar worker. Forgotten? He is, indeed. Recalled to our attention some months ago, with great sympathy, by the President in his veto message on the Commodity Credit Corporation subsidies bill, again he is in limbo.

To my mind, we no longer can call him the "forgotten man." He has been disinherited, abandoned. Ye have cast him aside. This group constitutes one of the greatest sections of our consuming purchasing public. Fifteen million heads of families are involved, but to this moment none of them, or at least a very few, have found any, or but little, increase in the weekly pay envelope.

Since they are clerical, white-collar, and unorganized employees, they are unable to take advantage of the National War Labor Board's good offices. They are victims of prosperity, unable to compete as individuals for the better things of life or to voice their demands as a group. They are penalized for their own individuality, and we are allowing a growing problem to get beyond control.

This group is slowly being forced to write its living standard downward, and in the meantime they are being forced into debt to maintain even their present standard, while their laboring brother climbs higher and higher, day by day, into the brackets of high incomes and proportionately higher living.

What we do not realize is that it is not alone the white-collar classes which will suffer. We reduce their purchasing power and what happens? Obviously, labor is affected; agriculture, industry, commerce are affected. Everyone, including Government, is eventually affected.

Whatever our plan, our post-war economic security depends upon immediate action. The problem of the "forgotten man" cannot be solved by forgetting it. No one is to profit if this great important group in our economic fabric is to be ignored, resulting in a very low standard of living, or else a greatly increased individual debt. Billions of dollars in savings and war surpluses will be of no value if we are to destroy one of our greatest purchasing markets or destroy within them their self-respect as a class because they cannot hold their heads high with their fellow citizens—the laborer, the farmer, and the industrial worker.

The square thing—the fair thing—to do is to permit the white-collar worker to get reasonable compensation for his labor.

My thought is that when these folks who have not been getting anything out of this war wake up and realize who it is that is stopping them from getting justice, what party it is that is stopping them from getting equity, they will exercise their right of franchise next fall and speak with clarity and definiteness. It was a solid administration phalanx that stopped my amendment in the House.

I know it is said if the wages of the white-collar workers were to be increased to $37.50 a week, it would be a great contributing factor toward inflation. Let us see about that. It has been estimated that in probably 10,000,000 cases the employer and the employee might agree that wages should go up to $37.50 a week, representing perhaps an increase of $5 a week, or approximately $250 a year for each individual. That would make an increase of $2,500,000,000 in the pockets of those who have been denied a living wage and who have seen their living standards go down, down, and down because Congress has not seen fit to recognize them. I repeat, they have no organization; they have no organized spokesmen. They are the clerks, the school teachers, and the municipal employees. They are the folks who are doing the work without getting the gravy. They are that class of American citizens who have always been the bulwark of America. Two billion five hundred million dollars in their pockets, which would increase their standard of living, would not contribute in the slightest to inflation.

Mr. President, I repeat, I trust that the conferees, when they go to conference on this matter, will, for the sake of the people who deserve it the most, see to it that the amendment to which the Senate agreed remains in the bill.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Reed
Austin	Guffey	Revercomb
Ball	Gurney	Reynolds
Bankhead	Hatch	Robertson
Barkley	Hawkes	Russell
Bilbo	Hill	Shipstead
Brewster	Holman	Stewart
Bridges	Johnson, Colo.	Taft
Buck	Kilgore	Thomas, Idaho
Burton	La Follette	Thomas, Okla.
Bushfield	Lucas	Truman
Butler	McClellan	Tunnell
Byrd	McFarland	Tydings
Capper	McKellar	Vandenberg
Chavez	Maloney	Wagner
Connally	Maybank	Wallgren
Cordon	Mead	Walsh, Mass.
Danaher	Millikin	Walsh, N. J.
Davis	Moore	Weeks
Downey	Murdock	Wherry
Eastland	Murray	White
Ellender	O'Mahoney	Wiley
Ferguson	Overton	Willis
George	Pepper	
Gerry	Radcliffe	

Mr. HILL. I announce that the Senator from Washington [Mr. BONE], the Senator from Virginia [Mr. GLASS], and the Senator from Wyoming [Mr. O'MAHONEY] are absent from the Senate because of illness.

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senator from Florida [Mr. ANDREWS], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. CLARK], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from Indiana [Mr. JACKSON], the Senator from Maryland [Mr. RADCLIFFE], the Senator from South Carolina [Mr. SMITH], and the Senator from Montana [Mr. WHEELER] are detained on public business.

The Senator from North Carolina [Mr. BAILEY], the Senator from Texas [Mr. O'DANIEL], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS], the Senator from North Dakota [Mr. LANGER], and the Senator from North Dakota [Mr. NYE] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The ACTING PRESIDENT pro tempore. Seventy-three Senators have answered to their names. A quorum is present.

INVESTIGATION OF CONDITIONS AFFECTING THE HOG, CATTLE, POULTRY, AND DAIRY INDUSTRIES

Mr. WHERRY. Mr. President, for months, a group of United States Senators who are particularly interested in the production of agriculture and livestock, have brought to the attention of the Office of Price Administration, the War Food Administration, the Secretary of Agriculture, and other agencies, acute problems affecting the marketing of all classes of cattle, hogs, sheep, poultry, and eggs; and other agricultural products including wheat, corn, and so forth, as well as matters pertaining to directives and orders, which have been issued by Government agencies, and which in many cases have apparently demoralized their markets.

The history of the meetings held, and the suggestions offered by the interested Senators as mentioned above—and, by the way—the Senators referred to come from both sides of the aisle, but are largely from the Middle Western States—are set out in detail in a letter written by them on June 1,, 1944, to Marvin Jones, Claude R. Wickard, and Chester Bowles. The letter is self explanatory. I ask unanimous consent, Mr. President, that the letter may be printed in full at this point in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
June 1, 1944.

Hon. MARVIN JONES,
War Food Administrator,
Hon. CLAUDE R. WICKARD,
Secretary of Agriculture,
Hon. CHESTER BOWLES,
Price Administrator.

GENTLEMEN: This letter is not written in the hope of affirmative action on the part of any of the agencies named that would tend to relieve the distressing situation regarding livestock production and livestock feed, especially in Midwestern States, known as the corn-hog belt. To these areas, where livestock production is in chaos, should be added the cattle-raising and cattle-fattening areas. Feeders of poultry the country over have also experienced disastrous conditions.

In the absence of any hope of beneficial action, this letter is prepared more as a history of what has transpired under clumsy and unintelligent bureaucratic attempts to regulate livestock feed and livestock production. It might well be termed, with due apologies to the late immortal William Shakespeare, "A tragedy of errors."

Anticipating an increased need for meat for food, and fats for all purposes, Secretary of Agriculture Wickard, who had not yet been shorn of the powers of his office, on November 27, 1942, announced a hog price support program. The support price at Chicago was fixed at $13.25 per hundred pounds for good to choice butcher hogs weighing from 240 to 270 pounds. Support prices at other markets were related to the Chicago base price. In addition to placing a floor under hog prices, Secretary Wickard consistently followed, while any power was left to him, a policy of keeping livestock prices relatively high and livestock feed-grain prices relatively low. This is the surest way known to increase livestock production, and especially hog production.

In April of 1943, Mr. Chester Davis, who had been appointed War Food Administrator, increased the support price of hogs at Chicago to $13.75. Being of an independent turn of mind, and having a lot of common sense, as well as the confidence of agricultural interests generally, Mr. Davis did not last long as War Food Administrator. This is not said in disparagement of the Honorable Marvin Jones, who succeeded Mr. Davis as War Food Administrator. It is simply a statement of the facts.

In July 1943 Judge Jones, in a move to induce the marketing of hogs at lighter weights, changed the support-price basis to include Good to Choice butcher hogs weighing from 200 to 240 pounds. This was to continu- until March 31, 1944. The original announcement by Secretary Wickard, and the Davis amendment, was for a period ending September 30, 1944.

In September 1943 Judge Jones amended his program so as to apply to 200- to 270-pound butcher hogs, and changed the period of expiration to September 30, 1944, which was the same expiration date as the Wickard and Davis orders.

In December 1943 the order was again amended so that the support weight of heavy hogs was increased to 300 pounds for a temporary period. Later, on January 27, 1944, the top weight was further increased to 320 pounds. On March 18, 1944, a further change was made. The top weight was reduced to 270 pounds, to be effective April 15, 1944.

On Monday, May 8, Judge Jones announced a lowering of the minimum support weight from 200 pounds down to 180 pounds.

We may assume that if there were not more than 10 or 12 individuals concerned in hog production and marketing, that number might have been kept well advised as to the circumstances surrounding their production and marketing. Considering the fact that some hundreds of thousands, perhaps more than a million, farmers raise and market corn and hogs, it is hardly surprising that the "corn-hog belt" farmer became utterly bewildered as to the best course for him to follow.

Let us turn now to the corn-hog program for the production angle. In 1941, 71,397,000 hogs were slaughtered. In September 1941 the Secretary of Agriculture, Mr. Wickard, seeing need for an increase, asked that the number of hogs for the 1942 slaughter be increased to 79,300,000. In January 1942 he asked for an increase in the goal mentioned to 83,000,000. As a matter of fact, the hog slaughter in 1942 turned out to be aproximately 78,000,000 head. The hog-slaughter goal for 1943 was set at 97,000,000. The actual slaughter was 95,273,000.

There is always a decrease from the number of pigs brought into the world, as compared with the number that are fed and slaughtered. Not all of the litter produced by the mamma pig attains maturity. So, in October 1941, the Secretary of Agriculture requested a 10-percent increase in the spring pig crop of 1942. The actual increase was somewhat larger than that.

In November 1942 the Secretary of Agriculture set the pig-crop goal of 1943 at 121,000,000 head. The actual pig crop of 1943 was 122,000,000, only a fraction of 1 percent above the goal set. Considering the fact that pig birth control has not yet reached the proportions of an exact science, this is a remarkably close approximation to what was desired. The pig farmer was doing his best. Of the total pig crop about 60 percent is produced in the spring and 40 percent in the fall.

This statement is made because of the constant insinuations made by the War Food Administration, O. P. A., and other bureaucratic agencies, that the greedy, grasping, corn-hog farmer, in an inordinate desire for profit, greatly exceeded the goal set by the Secretary of Agriculture and the War Food Administration. The facts do not justify any such conclusions. The truth is that the corn farmer and the hog growers were doing their best to meet the goal set by official authority.

Along with the increase in the number of hogs, which had been asked for, there was also an increase in the number of poultry in the country, which had been asked for. The number of cattle, both dairy and beef, also increased.

The years 1942 and 1943 produced phenomenal crops of corn and other feed grains. However, along after the middle of 1943, some doubt arose as to the sufficiency of feed grains to finish out all of the livestock which had been brought into existence through the urging of the Secretary of Agriculture and the War Food Administrator.

PROTEIN FEEDS

Along in the latter part of 1942, a shortage in the availability of protein feeds for livestock producers became evident. As time went on, these feeds became more and more scarce. There was universal complaint from all the Middle Western States. Cattle producers were unable to obtain a sufficient supply through the winter of 1942 to keep their breeding stock in proper shape. Livestock feeders were unable to obtain the protein feeds usually available for finishing out their high-grade market cattle. Senators and Representatives from all the Western States discussed this situation numerous times with officials of the various agencies, beginning with the Secretary of Agriculture. Kansas delegation memoranda, alone, show about 18 conferences of various sorts, with various officials, all dealing with the same subject matter. Other States had about the same experience. Little, if any, relief was afforded from 1942 through practically all of 1943.

If an ample corn supply had been available for feeding purposes, in the absence of protein feeds, the situation would not have been so completely disastrous. This was one of the most vexatious phases of the whole problem. All of us who participated in the discussions felt helpless in the face of the inadequacies of the bureaus and bureaucratic personnel handling these questions.

CORN

We now come to what is perhaps the sorest point among all sore points in the corn-hog-feed situation:

The corn crop of 1942 was the largest on record. Notwithstanding the enormous crop of that year, it soon became evident, even after the size of the crop was determined, that corn was not moving into consumptive channels. Complaints from cattle feeders, outside the principal corn-producing territory, over their inability to buy corn in anything like their normal requirements, became more and more numerous. Unfavorable conditions for the planting of the 1943 crop, in the spring of 1943, increased the stringency in available corn. By this time, the number of cattle and hogs had reached record proportions. Most favorable corn-growing weather, after a late start, produced a corn crop second in size only to the 1942 crop. Notwithstanding these two record crops in succession, it became fully evident, as 1943 went by, that the whole corn situation was out of joint. Not in the memory of those of us who have been in the public service through most of our lives, have we ever witnessed so much dissatisfaction, confusion, and uncertainty. This naturally produced many complaints from livestock producers, which came to us in the latter part of 1943, continuing through the winter of 1943-44. These complaints would still be coming in except that the complainants apparently have given up any hope for relief and, therefore, cease to take the trouble to make complaints. Otherwise, the loud cries from all over the Midwest would be continued to this day in even a larger volume.

In an effort to reach the situation, conferences of Midwestern Senators and Representatives, with officials of the W. F. A., C. C. C., O. P. A., O. D. T., and other agencies were numerous. These conferences ran through the entire year of 1943 in a more or less informal manner. We have a memorandum record of conferences, beginning with November 30, 1943, in which 17 Senators from 15 States participated. Other conferences, of which we have record, were held on December 28, January 6, January 12, May 6, and May 12. While discussion in these conferences covered the entire range of trouble, and each of the agencies named were represented by men in more or less authority, no relief of any consequence, at any time, was given.

The primary difficulty lies in an inept handling of all phases of this subject.

The price of No. 2 corn, and the price of Good to Choice hogs, weighing from 200 to 270 pounds, at Chicago, on the following dates was:

	No. 2 corn	"Good to choice" 200- to 270-pound hogs
Jan. 4, 1943	$0.95	$14.60 to $15.
May 3, 1943	1.07	$14.65 to $14.85.
July 1, 1943	1.07	$13.70 to $13.95.
Oct. 1, 1943	1.07	$14.85 to $15.10.
Dec. 1, 1943	1.07	$13.75.
Jan. 3, 1944	1.16	$13.75.
Mar. 1, 1944	1.16	$13.75 to $13.90.

Source: Department of Agriculture, War Food Administration.

A glance at the prices quoted above will show the main reason why corn did not move into commercial channels. We have previously mentioned the policy of Secretary Wickard to keep livestock prices high and feed prices low so as to increase the number of livestock available for all purposes. This policy succeeded all too well. Normally, the value of 11.2 bushels of No. 2 corn, at Chicago, should equal the value of 100 pounds of hog. At the maximum spread between these values, 100 pounds of hog was worth as much as 15.8 bushels of corn. Of course, the corn farmer is not going to sell corn at 95 cents a bushel when by feeding it he can get $1.34 per bushel for his crop. Time after time, the importance of reconciling the values between corn and hogs was urged upon those in authority in the O. P. A. and W. F. A. Perhaps we were mistaken, but we thought at the time that we made some impression on the W. F. A. No impression was made at any time upon these all-wise men, almost wholly without experience, handling these matters in the O. P. A. They knew all the answers except the right answer. The general inexperience and lack of understanding of the O. P. A. officials was only exceeded by their self-assurance.

On one occasion, the chairman of the conference was informed by an O. P. A. spokesman:

"Senator, we know how to handle these matters and you do not."

That remark came at a time in January 1944, when hogs were pressing on the market in such a volume as to congest the stockyards, requiring embargoes at different markets. It was wintertime. The best market for fresh pork is, of course, in cold weather. We were urging that a surplus of pork existed at that time, that attempting to ration a surplus makes no sense at all. We asked that rationing be raised for a temporary period until the hog glut could be relieved. As often as such a suggestion was made, it was disdainfully rejected. Senator THOMAS of Idaho went so far as to introduce Senate Resolution 231, requiring that pork rationing be temporarily suspended.

A completely unsatisfactory situation existed throughout this entire period. Then came the corn freeze order. In 125 counties in Illinois, Iowa, Nebraska, Minnesota, and Indiana, producing the major part of the surplus corn of the country, farmers having surplus corn were forbidden to sell it—even to their neighbors needing it—except through the cumbersome red-tape method of securing a special permit through a special county board. That was the last blow. The markets couldn't handle all the hogs offered. Those that were sold were at the largest discount ever known under what might be termed "normal prices." At Chicago, Kansas City, and other markets, discounts on light hogs ran as high as $4 per hundred pounds. On the heavy hogs, over the "support weight," the discount was as high as $3.50 per hundred pounds. In recent weeks a peculiar situation has numerously appeared. The offering of hogs has been so heavy that on some occasions as many as 76,300 were held over because of an inability of buying to absorb the offerings. Surprising as it may be, the majority of the hold-overs were "support price" hogs. A second glance will determine why that was the case. Packers were buying hogs lighter and heavier than the "support price" range, at these great discounts, with greater profit to themselves. The farmer took the beating, even with his "support price" hogs. Frequently, these "support price" hogs had been held over from Saturday to Monday, after perhaps a previous delay of a day preceding Saturday.

Illustrating this situation, an Iowa farmer, under date of May 8, 1944, wrote:

"The price-support program on hogs has been a farce since last December. Today there are 11,000 hold-overs in Chicago, practically all of them Government weights. At least the market news on WHO said packers didn't even touch Government weights today. With the exception of a couple of weeks in April, packers have bought their requirements from the nonsupport weights first, and the hold-overs, which have been mostly Government-support weights, are bought 1 to 4 days later as medium hogs at $1 to $2 discount. This was the case at Sioux City and Chicago at least, through January and February. In interior Iowa markets it worked differently, but just as bad."

The corn-hog farmers have taken the worst beating in their history, measured by what should have been normal market conditions.

Finally, after warm weather came, and heat-producing meat no longer in great demand, the O. P. A. suspended rationing. That was precisely what the Senators signing this letter had been urging upon the O. P. A. for 5 months previously, but had been told they didn't know how to run this business and that the smart men in the O. P. A. did.

For weeks past, the freeze order has made it impossible for the farmer to buy corn to feed his hogs, and on the other hand, the market could not absorb them without terrific losses to the hog producer. What is the farmer supposed to do under these circumstances?

At the last conference on May 12, Judge Jones made the statement that he "hoped to be able to raise the 'freeze' order on corn in a few days." The reason given for applying the freeze order was to get some 80,000,000 bushels of corn for various processors, including production of munitions. On the date of the conference, Judge Jones stated that the C. C. C. had succeeded in obtaining 45,000,000 bushels of corn out of the 80,000,000 stated to be necessary. (At other times, 72,000,000 bushels has been given as the goal to be reached for that purpose.) We are informed that on May 31, the total amount of corn actually bought, or under contract, by the C. C. C., is 51,350,000 bushels. In other words, the C. C. C. has increased the 45,000,000 bushels stated by Judge Jones on May 12, to 51,350,000 bushels on May 31. At this rate, the corn freeze order will not be lifted much before the next corn crop comes in, if the W. F. A. insists upon retaining its rigid ban upon all corn marketing, other than corn sold to the C. C. C. Various devices have been used to increase the flow of corn, but apparently none of them have been markedly successful.

This letter could be drawn out to an indefinite length. There is an unlimited amount of material of the same quality as that already included herein.

On the relation between the price of corn and the price of hogs, existing from the beginning of this year, farmers marketing hogs of support weight, received slightly more than the value of the grain. If the hogs were over the support weight, or under the support weight, the corn-hog farmer did not even receive the value of his grain. He took a ruinous loss. This is also true of farmers who took to market hogs of the support weight, but whose hogs could not be sold and were not sold at the support prices on the day he took them to market. Selling these good to choice hogs on the basis available, after being held 2 or 3 days, involved a loss to this class of farmer also. These effects are far reaching and touch a majority of livestock farmers.

So far as we know, not in all of agricultural history is there a record of Government bureaus attempting to carry out an important program that has been attended with so much stupidity, ineptitude, and general all around disregard of equities, as this. Government bureaus, in these war times, are clothed with authority to impose their will and their ideas, no matter how mistaken, on the farmer, and that authority has been used.

As stated in the beginning, we realize the time has passed when there is any hope for a correction of these mistakes, even if the bureaus were willing. The farmers have taken the loss. We do feel, however, that in justice to this important class of citizens, upon which the country depends in so many regards, the facts that we have set out, and the views we have expressed herein, should be spread on the record for all time to come.

That is the sole purpose of this letter.

Cordially yours,

CLYDE M. REED, KENNETH S. WHERRY, HARLAN J. BUSHFIELD, E. V. ROBERTSON, JOSEPH H. BALL, JOHN THOMAS, RAYMOND E. WILLIS, GERALD P. NYE, CHAN GURNEY, HENRIK SHIPSTEAD, ARTHUR CAPPER, RUFUS C. HOLMAN, HUGH BUTLER, ALEXANDER WILEY, C. WAYLAND BROOKS, E. H. MOORE.

Mr. WHERRY. Mr. President, as a result of inept handling of the marketing problems of this great industry, today the livestock and the meat industries are in an extremely deplorable state of chaos and confusion. Livestock producers are confused, discouraged, and embittered because of the unfair, discriminatory, and oppressive practices and policies which have been pursued.

Livestock herds are being liquidated at an alarming rate. Unless these policies are corrected the results will be disastrous to consumers, as well as to producers.

Mr. President, after I came to my office this morning I read and clipped a news release from the Washington Times-Herald of today entitled "Meat Shortage in Few Months Predicted." I ask unanimous consent that the news release may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEAT SHORTAGE IN FEW MONTHS PREDICTED

The Agriculture Department yesterday issued a less favorable forecast on civilian meat supplies in the next few months with indications that some meats may return to the ration list in the not-too-distant future.

Supplies will remain "large" through the July-September quarter, but will decline in quantity and quality as production drops seasonally and as noncivilian purchases increase, a survey said.

"The smaller supplies of better grades of meat available for civilian consumption in the coming months may accentuate difficulties in the distribution of meat, since such a large proportion of civilians are financially able to buy more meat of the better grades as well as choicer cuts," the Department reported.

Difficulties of distribution as well as short supplies have usually preceded Office of Price Administration rationing action.

Marketings of pork will decline seasonally in the July-September quarter, but beef and veal production will be slightly larger than in the first half of the year, the Department said. However, the beef will be of lower grade since late summer- and fall-marketed cattle are mostly "grass finished" in contrast to the "feed-lot finished" animals marketed earlier.

Mr. WHERRY. Mr. President, the hog market today is demoralized. This has been the condition for a period of weeks, and I will say, now, of months. Hog producers are being unfairly and unnecessarily penalized as a result of governmental policies and directives. Responding patriotically to the appeal of their Government, hog producers have produced the greatest supply of hogs on record. Although the Government promised to support the price of hogs, the price-support program has broken down. The Government is supporting prices of hogs weighing from 180 to 270 pounds. I am advised that some packers have been buying lighter-weight hogs and heavier-weight hogs outside the support-price range, at heavy discounts, because the prices of these hogs were not supported by the Government.

In some cases, producers have had to sell their heavy hogs at a discount of as much as $2.50 to $3.50 a hundred and the discounts on light hogs have run as high as $4 a hundred at Chicago, Kansas City, and other markets.

Mr. President, 2 days ago I received a letter from one of my constituents, Mr.

Henry Blaser, 1721 Seventh Street, Columbus, Nebr., enclosing an invoice which his son had just received from the commission firm in Omaha, Nebr. The invoice is self-explanatory. I ask unanimous consent that the letter and the invoice may be printed in full at this point in the RECORD as a part of my remarks.

There being no objection, the letter and invoice were ordered to be printed in the RECORD, as follows:

COLUMBUS, NEBR., *June 6, 1944.*

Hon. KENNETH S. WHERRY,
United States Senator, Washington, D. C.

DEAR MR. WHERRY: Enclosed please find a sales account of a truckload of hogs shipped by one of my sons in which I have two-fifths interest. You are no doubt aware that thousands of farmers could not ship out their livestock this year when they were ready on account of impassable roads for almost 2 months—but thank God, we needed that rain—but why that penalty on these sixteen 315-pound barrows which had just as good pork chops as the other 18 which weighed 255 pounds and were only a few days' difference in age. Now, Mr. WHERRY, there are hundreds of thousands of farmers over the great Corn Belt receiving such sales accounts nowadays. How long is this corruption going to last? We do not know, but we will keep on raising hogs and cattle in order to try and feed our boys and the rest of the world as far as possible, but I do hope that the Corn Belt farmers will wake up by next November and help us get a change in this dictatorship.

May God bless you, Mr. WHERRY, for all the good work you have done in the short time that you have been at our Capital.

Your friend and supporter,
HENRY BLASER.

Purchaser	Hogs	Weight	Price	Amount	Total
Armour	18	4,595	13.45	$618.02	
Do	16	5,045	11.00	554.95	
Total	34	9,640			$1,172.97
Truckers description of your livestock					
Rate, at 25 cents per hundredweight				24.10	
Transportation tax				.72	
Total trucking charges				24.82	
Yardage				5.78	
Corn, 3½ bushels				5.60	
Transportation insurance				3.06	
National livestock and meat board fund				.12	
Inspection				.30	
Reserved for operating expenses or commission				8.05	
					47.73
Net proceeds					1,125.24

Mr. WHERRY. Mr. President, I should like to call the attention of the Senate to this invoice because in the past 2 or 3 days, during the debate on the O. P. A. measure, several Senators took the floor and contended that the Price Control Act had been administered fairly and honestly throughout the country. The invoice shows that on May 15 one of our farmers sent 34 hogs to market. Eighteen hogs weighed 4,595 pounds, and brought $13.45 a hundred, which is 5 cents under the support price in Omaha. We cannot complain very much about that, but in the same shipment there were 16 hogs which brought only $11 a hundred, the reason being that they were a trifle over the support weight. There is a difference of $2.45 a hundred on hogs for which the support price was not paid to the farmer who is entitled to that price. What I desire to point out to the Members of the Senate is that the processors are receiving the subsidy on all the hogs, whether they weigh 270 pounds, 450 pounds, or 180 pounds. Is that a fair administration of the Price Control Act? The letter, which is self-explanatory, explains that the case recited is not something that has happened to this farmer only, but it happens to thousands of farmers who have been guaranteed the support price, and the support-price provision is rendered inoperative.

Because of the large purchases of heavy hogs and lightweight hogs by the packers, the supplies of hogs within the support-price weights have accumulated in the markets until they are literally swamped and embargoes against shipments have been imposed in many markets.

Mr. REED. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. REED. I call the attention of the Senator from Nebraska to the fact that 30,000 hogs were carried over from last night to this morning in the markets of the country because there was no way for them to be sold.

Mr. WHERRY. I thank the distinguished Senator from Kansas, and I want to say to him that this is not the only time when such a thing has occurred. The Senator will remember that within the past few days 76,000 hogs were held over.

Mr. REED. I am glad the Senator from Nebraska mentioned the larger figure, because the hold-overs have at times reached as high a figure as the Senator from Nebraska has just mentioned. I agree with the Senator from Nebraska that the farmer is not receiving the support price.

Mr. WHERRY. That is correct.

Mr. REED. The packers go into the market and buy overweight hogs and underweight hogs at a discount ranging as high as $4 a hundred pounds.

The packers do not buy the support-price hogs until the supply of cheaper hogs, both the overweights and the underweights, is exhausted. That means that the support-price hogs are being held over in the markets every day, and in 2 or 3 days what was a Good and Choice hog to begin with, for which the farmer was entitled to the support price, becomes a Medium hog subject to discount of as much as $2 a hundred pounds. This is the most outrageous thing I have encountered in my experience. This autocratic, bureaucratic policy established and carried out by these agencies, has given the hog farmers the most savage beating that any class of farmers ever received.

Mr. WHERRY. Mr. President, I want to thank the distinguished Senator from Kansas for his statement. I hoped that while he was on his feet he would say that it is not only a fact that support-price hogs are not being purchased, and are being held over, but, in addition, there is a tremendous shrinkage on the held-over hogs. So even if the packers finally pay the support price, in reality they are discounting such hogs.

Mr. REED. That is an entirely correct statement. That is the experience of the hog farmers in the Midwest.

Mr. WHERRY. On some occasions, as many as 76,000 hogs were held over because of inability to absorb the offerings of hogs, most of which consisted of support-price hogs. Wherever these conditions prevailed considerable shrinkage in weight naturally occurred, with resulting losses to the farmers.

At the same time, the packers received subsidy payments on pork based upon the total slaughter of hogs, regardless of the size of the hogs purchased. Thus, they were able to buy lightweight and heavyweight hogs at a large discount, and, in addition, secured a discount on the support-price hogs through the additional shrinkage which occurred as a result of these market gluts, while at the same time the ceiling price on pork continued unchanged, and they received the same amount of subsidy.

So much for hogs. With respect to conditions in the cattle industry, a man who is high in the meat industry, and who is at present in one of the departments in Washington, said to me personally within the past 10 days that the cattle situation is more confused than it has been at any time in the past 5 years. That was his statement to me. He has been connected with the meat industry for years. He is in one of the departments, doing his level best to help out the marketing situation. He says that the cattle situation is more confused than it has been at any time in the past 5 years. He states that we are headed for a time when, unless something is done now, we can expect wholesale liquidation and a glutted market in cattle. That particular condition will be upon us unless something is done, and what has happened in the hog market will be experienced in the cattle market. Cattle will be shipped to market and subsidies will be paid to processors which will not go to producers. We cannot afford to let happen to the cattle industry what has happened to the hog producers.

The War Food Administration and the O. P. A. regulations have penalized the feeding of livestock by not allowing an adequate margin to cover the cost of feeding cattle in the feed lots.

Livestock producers have repeatedly protested bitterly against this situation and appealed to Government officials to correct it, but without success.

The group of Senators to whom I have referred has held meeting after meeting. The Senator from Iowa [Mr. GILLETTE] has attended some of those meetings, and he knows full well of the work. A nonpartisan group has tried to alleviate this condition. Last year, however, most of the cattle feeders took the risk anyway. They wanted to be patriotic, and they attempted to carry on their operations, although in many instances on a reduced scale because of the risk of heavy losses involved.

Today liquidation of cattle herds in the feed lots of the Nation is already under way at an unusually high rate. A report of the Bureau of Agricultural

Economics within the past 10 days showed that there were 23 percent less cattle in the Corn Belt feed lots than a year ago, and the lowest number in the past 6 years. I have just received a report from the State secretary of agriculture of Nebraska which states that there are 32 percent less cattle on feed in Nebraska feed lots than there were a year ago, in June 1943.

Many feeders have completely emptied their feed lots, and they will not be refilled because it is impossible for the feeders even to cover their costs of feeding cattle, due to the inadequate margin allowed in the ceilings, on the better grades of beef.

The feed situation is likewise in a deplorable state, due to governmental regulation. The Government deliberately embarked on a policy of low-priced, subsidized feed in order to stimulate increased production of livestock and poultry. It has steadfastly refused to allow an adequate price to grain producers to maintain adequate supplies of grain.

As a result of the maladjustment in grain and livestock prices, our enormous reserves of feed supplies were quickly liquidated, and we now face an acute shortage of feed, while at the same time there has been brought about an oversupply of cattle, hogs, poultry, and eggs. This has seriously hindered poultry producers and dairymen in obtaining needed supplies of corn.

Surplus supplies of corn were dammed up on the farms because of the inequitable price ceilings on corn, which held the market price of corn far below its value when fed to livestock. Instead of applying the obvious and sensible method of relief, namely, to increase the ceiling price on corn in line with its feeding value, so that farmers could afford to sell their surplus corn and maintain a high level of production, the Government added to the confusion and chaos by imposing the corn-freeze order which was applied to 125 counties producing the major part of the surplus corn of the country. Those are the counties where cattle feeding is done. Farmers in those areas were forbidden to sell their surplus corn to producers outside the areas, or even to sell corn to their neighbors needing it, except by cumbersome red tape procedures involving the necessity of securing a special permit through a special county board, and the livestock feeder is at a further disadvantage of 5 cents per bushel over industry in the purchase of corn.

This situation has resulted in a further liquidation of livestock, adding further to the glutting of markets and price demoralization, all at the expense of the producer.

Not only did the corn-freeze order provide that the Triple A should actually regulate what stock should be fed in feed lots, both hogs and cattle, but it went further; it discriminated against the cattle feeder to the extent of 5 cents a bushel as compared with industry in obtaining a supply of corn. If I wish to feed cattle, even though I obtain a permit, I must compete with the Government buying corn under the freeze order, at a disadvantage of 5 cents a bushel.

This situation has resulted in further liquidation of livestock, all at the expense of whom? At the expense of the producer of livestock.

Mr. REED. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the Senator from Kansas.

Mr. REED. Perhaps the Senator from Nebraska will cover this subject later, but I am sure he realizes that today a farmer having hogs weighing less than 180 pounds or more than 270 pounds cannot buy corn legally.

Mr. WHERRY. That is correct.

Mr. REED. What is the farmer to do? He cannot buy corn to feed his underweight or overweight hogs. The market will not absorb them. What is he to do? Is he to let them starve?

Mr. WHERRY. That is one of the things which we would like to have the special committee consider. The Senator from Kansas has stated the situation exactly. The farmer cannot obtain a certificate from the Triple A to feed his out-of-class hogs. He cannot get corn. He is forced to sell his livestock in a demoralized market. The market for that kind of hogs has gone down as much as $4 a hundred. That is what the producer is getting out of feeding livestock in the feed lots.

Mr. REED. Does the Senator intend to deal with the question of the duration of the corn-freeze order?

Mr. WHERRY. Does the Senator wish to make a statement on that subject?

Mr. REED. At the last conference which a group of Senators from the Middle West had, Mr. Marvin Jones, the War Food Administrator, told us that the War Food Administration, through the Commodity Credit Corporation, was trying to buy 80,000,000 bushels of corn for industrial purposes, some for wet processors, some for dry processors, and some for munitions of various kinds. That was about a month ago. At that time he stated that 45,000,000 bushels were under contract, and he hoped to be able to raise the corn-freeze order in a few days.

From week to week I have kept in touch with the progress being made. During a period of 25 days from a date in May until a recent date in June, June 12, as I recall, the Commodity Credit Corporation had increased the corn under contract from 49 million bushels to 52 million bushels, an increase of 3,000,000 bushels in 25 days. At that rate the corn-freeze order will remain on corn until the next crop comes in.

Mr. WHERRY. That is correct.

Mr. REED. The present policy being enforced by the War Food Administration and the Office of Price Administration is the most absurd thing I have ever heard of.

Mr. WHERRY. Mr. President, I thank the Senator for his remarks explaining the effect of the corn-freeze order. I did not intend to cover that matter in my remarks at this time, because I am simply speaking in support of a resolution which I shall submit at the close of my statement. I hope it will receive the unanimous support of the Members of the Senate, and that it will lead to an investigation of all the difficulties of the producers, the marketing situation, and the Government agencies involved, in an attempt to determine whether there cannot be devised a program which will insure to the producer the price which was intended for him under the Price Stabilization Act; insure the processor a satisfactory price for processing the meats, and enable meats to be sold over the counters into the hands of the consumers. That is the best way to control inflation, and is far better than any anti-inflation legislation we could put on the statute books.

The poultry and egg producers have taken a heavy beating as a result of the bungling of the egg price-support program. Patriotically responding to the Government's appeal to greatly expand the production of eggs, farmers produced record supplies of eggs, only to find that the Government was not prepared to make good on its price guarantee. Some Senators remember that. I know the senior Senator from Minnesota [Mr. SHIPSTEAD] remembers it, because he took a great interest in representing that group and helping it obtain the support price at 26 cents a dozen on the farm level, when they were guaranteed 34 cents a dozen at the farm level. The Government waited until the bottom dropped out of egg prices before it even attempted to formulate and issue the support prices which it would attempt to maintain in different markets of the country.

Is it not a sad thing that today there are 1,400 carloads of eggs standing on the railroad sidings, although people all over the world are hungry for eggs? Those eggs will be sold for $30 a carload.

Mr. SHIPSTEAD. Mr. President, we pay 55 cents a dozen for eggs in Washington.

Mr. WHERRY. Yes; as the senior Senator from Minnesota just said, if all Senators did not hear him, we pay 55 cents a dozen for eggs in Washington, D. C.

The support price as originally announced was an average annual farm price. Obviously, neither farmers nor dealers knew what the Government support price was at specific market until the market differentials were formulated and announced. The various Senators who insisted that the Department of Agriculture and the War Food Administration make good their promise to support the market differentials have every right and reason to protest.

After a costly delay, the market differentials were finally announced. Then the Government discovered it had not arranged for adequate facilities to receive, handle, and dispose of the necessary purchases. Such facilities were required in order to support those prices.

Several additional weeks of costly delay ensued while arrangements were being worked out. In some areas the price of eggs dropped within a short time from more than 40 cents a dozen to less than 20 cents a dozen at the farm, although the Government had promised to support prices to farmers at an average of 34 cents a dozen.

As a result of the failure of the Government adequately to maintain its

price-support guaranty to farmers, a drastic liquidation is taking place in the poultry industry.

The situation growing out of all these developments is an exceedingly grave one. It is a matter of serious concern to the entire Nation. Adequate steps must be taken immediately to prevent wholesale liquidation of cattle, hogs, and poultry on an unprecedented scale which might result in a national catastrophe. Mark my words, Mr. President, we are headed in that direction, unless something is done to alleviate the present marketing conditions, so that the prices paid will be comparable to the support prices which have been guaranteed to producers all the way along the line.

Dairy farmers likewise have suffered greatly as a result of the maladministration of price-control policies. Great numbers of dairymen live near urban and industrial centers where labor costs have skyrocketed. Feed costs and other expenses have likewise soared.

Urgent pleas of dairymen to the Office of Price Administration for increases in milk prices to offset these costs were rejected in most cases.

I can remember that less than 4 months ago, in the hearing room of the Senate Committee on Agriculture and Forestry, 24 Senators voted that the War Food Administration should increase the price of milk by whatever amount was necessary in those areas, in order that the necessary production might be obtained and in order that the producers might receive their cost of production. But the War Food Administration failed to take recognition of that action.

In many instances, State milk-control boards, established under State laws to regulate milk prices, found after thorough investigations that dairy farmers were losing at least 2 cents a quart, and in some cases more than that. Those boards ordered increases in milk prices to offset the losses and to maintain an adequate milk supply, only to find their efforts checked by the Office of Price Administration, which asserted that its powers were superior to State laws and regulations in that field.

Meanwhile, dairy farmers unable to get adequate relief were forced to liquidate their dairy herds in rapidly increasing numbers. I have seen dairy cows sold in the market places for beef, although they should have been kept on the farms in order to produce the milk needed by the American people.

As the situation grew worse, the Office of Price Administration in collaboration with the Reconstruction Finance Corporation and the War Food Administration, embarked on a program of subsidies, in lieu of necessary price adjustments on milk and its products. This subsidy program is not proving satisfactory. Many dairymen still are being squeezed until they are either liquidating their herds or reducing their operations.

Dairymen resent the red tape and regimentation involved in the subsidy program. There is serious question whether milk production can be maintained at adequate levels to meet wartime demands, unless the situation is corrected.

Much of this confusion is believed to result from the division of authority and responsibility which exists in the various governmental agencies dealing with the production, marketing, processing, rationing, and control of prices of food. There has been an almost total lack of correlation between the agencies having to do with those matters. The division of responsibility results in conflicting policies, statements, and actions, costly delays in the determination of policies, and confusion among the producers, processors, distributors, and the public generally.

A large number of Senators, because of the gravity of this situation in its many phases, have interested themselves in this problem which confronts American agriculture. It is believed that the problem has been permitted to develop to such an extent that it demands early and immediate action.

It is felt that all phases of this unfortunate situation should be completely and thoroughly investigated by the Senate. With that thought in view, I am submitting for myself and the Senator from Kansas [Mr. REED], the Senator from Iowa [Mr. GILLETTE], the Senator from Nebraska [Mr. BUTLER], the Senator from Minnesota [Mr. BALL], the Senator from Colorado [Mr. MILLIKIN], the Senator from Oklahoma [Mr. MOORE], the Senator from Colorado [Mr. JOHNSON], the Senator from Alabama [Mr. BANKHEAD], the Senator from Oklahoma [Mr. THOMAS], the Senator from Wyoming [Mr. ROBERTSON], the Senator from Oregon [Mr. HOLMAN], the Senator from Kansas [Mr. CAPPER], the Senator from Idaho [Mr. THOMAS], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Indiana [Mr. WILLIS], the Senator from Wisconsin [Mr. WILEY], the Senator from Illinois [Mr. BROOKS], the Senator from Minnesota [Mr. SHIPSTEAD], the Senator from Montana [Mr. WHEELER], and the Senator from South Dakota [Mr. GURNEY] a resolution directing the Vice President to appoint a special bipartisan committee of Senators to study all phases of the problems confronting the producers, packers, and distributors of these vital agricultural and food supplies, and to formulate specific recommendations to deal with existing conditions.

Mr. President, I may say that Mr. Edward A. O'Neal, president of the American Farm Bureau Federation, has sent me a letter in which he approves of the proposed investigation. I ask unanimous consent that his letter may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., June 9, 1944.

Hon. KENNETH S. WHERRY,
United States Senate,
Washington, D. C.

DEAR SENATOR WHERRY: At the meeting of the board of directors of the American Farm Bureau Federation on May 31, 1944, a seven-point program was adopted to alleviate the major difficulties which farmers and livestock producers have experienced in recent months. This program was developed by the National Livestock Committee of the American Farm Bureau Federation. I am attaching a copy of this program.

Included in this program was the following recommendation:

"3. If it becomes necessary, request a congressional investigation of the practices of purchasers of livestock for slaughter in order to correct the many abuses which are now said to be prevalent."

Pursuant to this recommendation, I wish to respectfully urge that an investigation be instituted immediately by Congress of the manner in which packers are taking advantage of the situation in hogs, cattle, and other livestock in circumventing the spirit and purpose of floors, ceilings, and subsidies at the expense of the American farmer and the National Treasury.

Sincerely yours,

EDW. A. O'NEAL,
President.

In submitting the resolution, which bears the names of the Senators I have mentioned I wish to add that I have been unable to see many Senators who might wish their names added to the resolution as cointroducers. The resolution has not yet been printed. I am now sending it to the desk. If there are any other Senators who wish their names added as cointroducers, I shall be happy to have them put their names on the resolution.

Mr. President, the situation confronting the livestock producers, the processors, the wholesalers, the distributors, the retailers, and consumers in the country is a serious one, and needs a thorough investigation, an investigation which will be constructive, and an investigation which will alleviate existing conditions.

I send the resolution to the desk, and ask that it be referred to the Committee on Agriculture and Forestry.

The ACTING PRESIDENT pro tempore. Without objection, the resolution will be received and referred as requested.

The resolution (S. Res. 309) submitted by Mr. WHERRY (for himself and Mr. REED, Mr. GILLETTE, Mr. BUTLER, Mr. MILLIKIN, Mr. BALL, Mr. MOORE, Mr. JOHNSON of Colorado, Mr. BANKHEAD, Mr. THOMAS of Oklahoma, Mr. ROBERTSON, Mr. HOLMAN, Mr. CAPPER, Mr. THOMAS of Idaho, Mr. BUSHFIELD, Mr. GURNEY, Mr. WILLIS, Mr. WILEY, Mr. BROOKS, Mr. SHIPSTEAD, Mr. WHEELER, Mr. AIKEN, and Mr. LA FOLLETTE) was referred to the Committee on Agriculture and Forestry, as follows:

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete investigation with a view to determining—

(1) the conditions prevailing in the production, processing, distribution, and marketing of agricultural commodities, including livestock, feed, poultry, eggs, milk, and the products thereof;

(2) the effects of regulations, orders, and directives issued by governmental agencies upon the production, processing, marketing, distribution, and supplies of such commodities;

(3) any practices wherein processors and distributors of such commodities are circumventing the purposes and objectives of price floors, price ceilings, and subsidies at the expense of the producers and the Public Treasury;

(4) reasons for the failures to support prices to producers as required by existing law;

(5) alleged adverse effects of maladjustments in maximum prices established on different grades of meat and particularly the extent to which livestock feeders have been penalized because of an inadequate allowance on the better grades of meat to encourage the feeding of livestock;

(6) alleged adverse effects upon the livestock, poultry, and dairy industries of the price and other policies relative to corn and other feed grains and the maladjustments resulting therefrom;

(7) procedures followed by the Office of Price Administration, the War Food Administration, the Director of Economic Stabilization, and other Government agencies in the issuance of regulations, orders, and directives relating to maximum prices, rationing, production, processing, and marketing of agricultural commodities and products thereof and the extent to which conflicts of policies and recommendations have occurred; and

(8) improvements in conditions which could be effected through consolidation of all activities pertaining to food production, marketing, processing, distribution, rationing, and price control, under one agency.

Such committee shall report to the Senate as soon as practicable the results of its investigation, together with its recommendations for any necessary legislation.

For the purpose of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-eighth Congress, to employ such experts, and such clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

THE ST. LAWRENCE SEAWAY

Mr. AIKEN. Mr. President, I wish to read into the RECORD a letter received by me from the Honorable Jesse Jones, Secretary of Commerce, setting forth his position relative to the St. Lawrence seaway and power project. Realizing the tremendous responsibility which rests upon Secretary Jones' shoulders for the welfare of our national economy, I felt that his opinion on this subject would be of great value. I wrote to him last Monday, requesting his opinion.

His letter to me reads as follows:

DEPARTMENT OF COMMERCE,
Washington, May 30, 1944.

Hon. GEORGE D. AIKEN,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Receipt is acknowledged of your letter of May 19, 1944, and a copy of S. 1385, which you introduced in the Senate, to provide for the approval of the agreement between Canada and the United States of March 18, 1941, and to authorize the construction of the St. Lawrence seaway and power project. Based upon the extensive studies that the Department of Commerce has made, the Department has always supported this project and I personally feel, as you do, that this undertaking will greatly strengthen our national economy.

You will recall that I appeared before the House Rivers and Harbors Committee in 1941, giving my full support to the project as a national defense undertaking. I am equally convinced that it is an invaluable asset in any program of post-war production and commerce. I am sure that the approval of S. 1385 at this time is highly desirable so that we shall be ready to move ahead with construction as soon as conditions permit.

Sincerely yours,

JESSE H. JONES,
Secretary of Commerce.

Mr. President, Secretary of Commerce Jones enclosed with his letter a copy of a letter which he wrote to Chairman MANSFIELD of the House Committee on Rivers and Harbors, dated June 23, 1941. I shall not read the letter at this time, but I ask unanimous consent that it may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 23, 1941.

DEAR JUDGE MANSFIELD: I have your letter of June 3, enclosing H. R. 4927, a bill to provide for the improvement of the Great Lakes-St. Lawrence Basin in the interest of national defense, and for other purposes, and stating that the Committee on Rivers and Harbors would like to have an expression of the views of the Department of Commerce relative to the advisability of enacting this measure into law.

At the request of the President, the Department of Commerce has been engaged for over a year in an extensive study of the St. Lawrence navigation and power project. The findings of this survey have been issued from time to time. In conducting this investigation the Department has had the cooperation of many agencies of the Government—among others, the United States Maritime Commission, the Board of Engineers for Rivers and Harbors of the War Department, the Bureau of Ships of the Navy Department, the Department of State, the Department of Agriculture, and the Department of Labor. The survey has considered the navigational aspects, the economic and commercial phases, the shipbuilding facilities of the Great Lakes, and the relationship of industrial development to low-cost electric power.

As a result of these studies, the experts of the Department of Commerce have found that extensive commercial navigation through the proposed St. Lawrence route is wholly feasible. The only serious limitation upon free navigation over this channel is the closed season during the winter months, but this condition is no different from that existing in the Great Lakes and the port of Montreal. There is, of course, extensive utilization of the excellent port facilities in these areas.

Studies of the Department show that the canal would reduce transportation costs to the Atlantic Ocean of certain agricultural and other commodities for a substantial section of the country.

The Department's investigation of shipbuilding facilities in the Great Lakes area, which the canal would make accessible to the open seas, shows that there are extensive shipyards, some of which are equipped to construct oceangoing vessels, and even some naval vessels of the cruiser class. These facilities could, with the canal, be utilized in building oceangoing ships, and have the advantage of being far inland.

The survey of the power requirements in the New York State area indicates that the power is needed and would in any event soon be absorbed in the industrial progress of this region. Power to meet defense needs at this time and for any possible recurring emergency is vital.

As a means of commercial intercourse, just as the Panama Canal linked the east and west coasts, the St. Lawrence route would link the Middle West with the Atlantic, the Gulf, and the west coasts.

This enterprise should be considered in relation to its importance to the Nation as a whole, just as power dams and other waterways have been considered. We develop and maintain inland waterways and intercoastal canals. We provide navigation on the Hudson, Potomac, Delaware, James, Savannah, Warrior, Mississippi, Missouri, Illinois, Ohio, Monongahela, Kanawha, Cumberland, San Joaquin, Columbia, and Willamette Rivers, all for the benefit of agriculture and commerce. While each of these is of importance to its particular locality, they are also important to the Nation as a whole.

One development with which I am especially familiar is the Houston Ship Channel, which has been of inestimable benefit to agriculture and industry in the Middle West and Southwest, bringing the sea 50 miles inland, and providing another rail and water connection for intercoastal and foreign shipping.

We cannot have too many inland waterways, both in the interests of agriculture, trade and industry, and for national defense. The value of the St. Lawrence project as a defense measure cannot be too strongly stressed, and I am not thinking just of the immediate emergency, although that is vital. Regrettable as the thought of war is, recent developments make it imperative that we be prepared to meet it on any basis at any time. And no time should be lost.

It is the Department's conclusion, therefore, that the project should be undertaken. If thought advisable, it could easily be financed through the issuance and sale of revenue bonds payable from toll charges and the sale of power, with no cost to the taxpayers.

Sincerely yours,

JESSE H. JONES,
Secretary of Commerce.

HON. J. J. MANSFIELD,
Chairman, Committee on Rivers and Harbors, House of Representatives, Washington, D. C.

FOREIGN PETROLEUM CONTRACTS—STATEMENT BY SPECIAL COMMITTEE TO INVESTIGATE PETROLEUM RESOURCES

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a copy of the release issued yesterday by the Senate Special Committee to Investigate Petroleum Resources.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Senate Committee on Petroleum Resources has received satisfactory assurances that no contracts on foreign petroleum matters, such as the proposed trans-Arabian pipe line, will be made by the Petroleum Reserves Corporation without timely notice to the committee. Accordingly, the committee yesterday voted unanimously to defer public hearings pending the further conferences on petroleum between the Governments of the United States and the United Kingdom.

The decision to postpone public hearings was reached after consultation with representatives of all of the executive departments concerned.

The committee will continue its studies relating to recommendations for a national petroleum policy and has been assured that

it will be kept fully advised by the executive departments on developments in foreign oil matters.

THE POLISH PRIME MINISTER

Mr. MEAD. Mr. President, we have been recently honored by a visit to the United States and to the Capital at Washington by the Polisn Prime Minister. I wish to say that he has made a very favorable impression on us all. He is an energetic, young, and capable spokesman of a brave people. The comment of the press has been highly complimentary. I hope that he will be successful in his efforts to bring about a satisfactory settlement of his nation's problems.

In this connection, Mr. President, I ask unanimous consent to have inserted in the RECORD at this point as a part of my remarks, an editorial entitled "The Polish Prime Minister," from the New York Times of June 11, 1944, and an editorial entitled "Russia and Poland" from the Washington Star of June 6, 1944.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times of June 11, 1944]

THE POLISH PRIME MINISTER

Stanislaw Mikolajczyk, Prime Minister of the Polish Government-in-exile, has arrived in Washington at President Roosevelt's invitation, with the knowledge of the British and Russian Governments. He is welcome, not only as the representative of his country, but because much of his career is what we have almost come to believe peculiarly American. He was born in Westphalia, whither his father had gone to work in a coal mine. He went back to his native Province as a boy, where later he studied in an agricultural college and a folk university. At 16 he went to work in a sugar refinery. So early he became active in societies of Polish young men declaring for a rising against Germany. At 18 he was fighting the Germans.

He showed a strong talent for organization in local and county affairs and especially in the right wing of the Peasant Party. He became one of its deputy leaders and a member of Parliament. In the Polish National Council, formed to take the place of that parliament, he was Paderewski's deputy vice chairman. After his chief's death he succeeded to that office, the Council having moved to London. In 1941 he became Deputy Prime Minister and Minister of Interior in Sikorski's cabinet. Upon General Sikorski's death he took his present post. His relations with the Polish underground have been of the closest.

His cabinet is a coalition of representatives of the Peasant Party, Socialists, Christian Democrats, Nationalists and three members with no political labels. Since there has long been more or less harsh talk about the Polish "oligarchs," it may be instructive to look at Mr. Mikolajczyk's cabinet. Two members are small farmers, two labor men, three newspapermen. There is one lawyer, one soldier, one diplomat. The lawyer used to be counsel for labor unions. Of the three newspaper members one is a Catholic priest who has been a worker for the underground, one is a son of an unskilled laborer, one a son of a small storekeeper. These biographies will compare well with those of Congressmen in the Congressional Directory. Without any question of politics or policies Americans can see in the visiting Prime Minister a practicing Democrat. And he isn't one of those "wicked old men"; he will be 43 in July.

[From the Washington Star of June 6, 1944]

RUSSIA AND POLAND

The Polish Premier's arrival in Washington to talk with President Roosevelt at this particular time suggests the heartening possibility that the gulf between Moscow and the Government-in-exile in London may yet be bridged, or at least that some temporary understanding may be reached to hold differences in abeyance until the common enemy is driven from Poland.

It seems improbable, at any rate, that the President would have invited Premier Mikolajczyk to come here, or that the latter would have taken the trip, unless both had some reason to believe that by an exchange of views they could improve the present unfortunate situation. In his last address to the House of Commons, Prime Minister Churchill said it was his impression that things are not so bad as they may appear on the surface between Russia and Poland, and Mr. Mikolajczyk's visit—a diplomatic development of first importance—certainly tends to add weight to this cautious optimism.

The Russo-Polish dispute is not something that lends itself to any easy, off-the-cuff judgments. It involves, in the first place, the question of where Poland's eastern boundary should be—a territorial problem full of many complex historical and ethnographical factors. And in the second place, it involves the make-up of the present government in exile. Moscow has repeatedly charged that that government contains certain elements so hostile to the Soviet Union that friendly diplomatic relations are not possible. Many prominent Poles, on the other hand, in addition to objecting to Russia's territorial claims, have voiced the fear that Premier Stalin is seeking to establish a subservient Polish regime.

Up to now the Russians and Poles have obviously been wanting in mutual trust and confidence, but serious and deep as their differences may be, it would be sheer political defeatism to assume that an honest and just settlement between them—with or without the government in exile, as now constituted—is impossible. We must assume otherwise. We must assume that by a fair give and take on each side, both parties should be able to arrive at a working agreement. If we cannot assume this, then the outlook for a sound European peace is not very encouraging. For Poland it is a test case, and upon the way in which it is handled depends not only such immediate military matters as the Polish underground's cooperation with the Red Army but also the all-important, long-term task of equitably relating small powers to big in a genuine system of collective security.

The British Government has spent months trying, without success, to mediate this dispute, and Moscow sometime ago politely rejected Washington's tender of good offices in it. Nevertheless, as Mr. Churchill has intimated and as the projected talks between President Roosevelt and the Polish Premier seem to indicate, the door still is not completely shut to a settlement. At least we must hope so, for no political event could better strengthen the cause of the United Nations than a mutually satisfactory understanding between Poland and its great and powerful neighbor.

EXTENSION OF PRICE CONTROL AND STABILIZATION ACTS

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes.

Mr. WAGNER. I move that the Senate disagree to the amendment of the House, agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. WAGNER, Mr. BARKLEY, Mr. BANKHEAD, Mr. MALONEY, Mr. TOBEY, Mr. DANAHER, and Mr. TAFT conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 4070) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1945, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 35, 57, and 65 to the bill and concurred therein severally with an amendment, in which it requested the concurrence of the Senate, and that the House still further insisted upon its disagreement to the amendments of the Senate numbered 64 and 66 to the bill.

APPROPRIATIONS FOR DEPARTMENT OF LABOR, FEDERAL SECURITY AGENCY, AND RELATED INDEPENDENT AGENCIES

Mr. McKELLAR. Mr. President, I move that the Senate proceed to the consideration of House bill 4899, making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4899) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. WHITE. Mr. President, I should like to ask the Senator from Tennessee a question. Is the Senator in position to make a statement with reference to the present status of appropriation bills; that is, what bills have not reached the Appropriations Committee, and what bills have passed both Houses of Congress and are still in conference, in order that we may have an over-all picture of the mass of work which confronts us before taking a recess or an adjournment?

Mr. McKELLAR. I shall be very glad to do so.

As every Senator knows, there are 14 great appropriation bills. Two, only

have become law. Twelve of them still remain to be enacted into law. The first bill not finally passed is the independent offices bill for 1945. The last conference report concerning that bill was completed yesterday, and it was agreed to by the House this morning. It will be presented to the Senate, I hope, within a few minutes. I have been assured that it will be presented today. I shall ask unanimous consent to have it agreed to by the Senate. That will make a third bill disposed of.

The Navy appropriation bill has reached its final stage in the House, and the report has been made to the Senate. As soon as the Senator from Louisiana [Mr. OVERTON] comes into the Chamber, I shall ask him to call up the conference report, and when it has been disposed of four bills out of the total number of 14 will be out of the way.

There are several other bills remaining to be disposed of. The war civil functions bill has passed both bodies of Congress and has been sent to conference. We hope to have it out of the way within a day or two.

The State, Justice, and Commerce bill is in slightly better condition, and we hope to have it disposed of and sent to the President for his signature by tomorrow.

The legislative and judiciary bill is still in conference and we hope to dispose of it within a day or two. The conference report was adopted in the House yesterday, but there are some amendments remaining which are still in controversy, and they may take 2 or 3 days to dispose of. I hope it will not take so long, but it may take that long.

The Department of Agriculture appropriation bill is in conference.

The Interior Department bill is in conference, but the conferees have not as yet met. It will take possibly several days before that bill can be disposed of.

The District of Columbia appropriation bill is next to the furthest behind. That is because of the illness of the chairman of the subcommittee, but he is now very busily engaged in putting the bill in shape so that it may be reported to the Senate today if possible. I hope very much that it may be reported this week. That bill, however, is considerably behind.

The war agencies bill has been reported to the Senate, and will be taken up either today or tomorrow.

Mr. REED. Mr. President, will the Senator from Tennessee permit me to interrupt him?

Mr. McKELLAR. Certainly.

Mr. REED. May I inquire if the distinguished Senator from Tennessee is aware that the political party to which Members on this side of the aisle belong is to hold a convention in Chicago beginning the week of June 26? What suggestions has the Senator from Tennessee to make as to how we are going to have all this business completed in time to enable us to perform our duties to the public and to the party?

Mr. McKELLAR. I am very happy to say to the Senator and to the Senate that as the Senator knows, the Appropriations Committee is doing everything humanly possible to have the necessary appropriation bills passed. I may say to the Senator that yesterday I agreed to some amendments to which I was thoroughly opposed, and I did so largely because I hoped we could finish all the appropriation bills in time for Senators on the other side of the aisle to attend the Republican Convention. I think we should be able to have these bills passed unless something happens to prevent their prompt passage.

As I have said, the District of Columbia appropriation bill is behind. The war agencies bill will be taken up not later than tomorrow, under any circumstances, and possibly this afternoon.

Mr. REED. I can add my testimony to that of the Senator from Tennessee that the Appropriations Committee is diligent in its efforts to prepare the appropriation bills and have them acted upon by the Senate. I happen to be a member of that committee.

Mr. McKELLAR. We are doing everything humanly possible to have the bills reported and acted upon.

I wish to say that the Labor and Federal Security Agency bill is now before the Senate, and will pass today. I think that will be easily taken care of.

The Military Establishment bill, which is the largest of all the appropriation bills, is in the process of being acted upon in the other House at this time. Whether they will pass it and send it over to the Senate today or tomorrow, I do not know, for it is an enormous bill, and there is much work to be done in connection with it. The Senator from Oklahoma [Mr. THOMAS], who has charge of that bill, will have it taken up immediately when it is ready for consideration, and it will be acted upon just as soon as possible. There is, however, a world of work about that bill.

It is going to take the efforts not only of all Senators who are members of the Appropriations Committee but of all other Senators who are interested, in order to have all the appropriation bills passed by Saturday week. As we all know, it is necessary to pass them by that time, in order that the Republican Senators may attend the convention of their party. I wish to say that, so far as I am concerned, I shall do everything within my power to facilitate the passage of the appropriation bills, and have already done so, as I think the Senator from Kansas and the Senator from Maine both will testify.

The lend-lease appropriation bill has been passed, as we know, and is now in the other House. I see no particular reason why there should be a hold-up on any of these bills, and, so, unless something unforeseen happens, we can get through by Saturday a week. But the Senate will have to be exceedingly active to get them through by that time.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. Something besides the appropriation bills is necessary in order for the Congress to put itself in a justifiable position to take a recess.

Mr. McKELLAR. Yes; that is true, but the ones I have mentioned are the principal things.

Mr. VANDENBERG. I do not think so. I believe the principal thing is essential reconversion legislation in respect to the period following the termination of hostilities; and I think it would be insufferable for Congress to consent to anything more than a purely temporary recess until such time as it has put reconversion legislation on the statute books. The entire economic life of America in the post-war era depends on it.

Mr. McKELLAR. Of course, the proposed legislation referred to by the Senator from Michigan is exceedingly important. All I can say to the Senator is that my duties on the Appropriations Committee have been such that I have not had time to give it the attention which I should have given it and which I expect to give it when it comes before the Senate for consideration.

Mr. VANDENBERG. The Senator, so far as he is personally concerned, has made a magnificent contribution, as usual. He is one of the most indefatigable Members of the Senate. I rose not to suggest that he had failed in any aspect of his duty, because he never does, but I did not want the inference to stand that the only thing in the way of a recess is the appropriation bills. That very definitely is not so.

Mr. McKELLAR. I thank the Senator very much. I wish to say that I shall be glad to help in every way I can with respect to the measure which he regards as so important, which I regard as so important, and which, I think, all Senators regard as so important.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. I agree with the suggestions and observations of the Senator from Michigan. I think it would be nothing short of a tragedy if the Congress should adjourn or take a recess without putting back of it reconversion legislation and all other matters that go with it. We are moving fast, but all essential legislation should be passed before Congress takes a vacation.

Mr. McKELLAR. I shall have to refer the Senator to the leaders, but, so far as I know, there is no such plan. The only plan, so far as I am aware, is to adjourn for a time on account of the conventions that are to be held. Whether we are to adjourn for 30 days, I cannot say; I have not discussed it with anyone, I do not know as to that.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. McKELLAR. I am glad to yield.

Mr. WHITE. I think the Senator from Michigan [Mr. VANDENBERG] stated the situation precisely as it is and as it is recognized to be by Members on this side. I think it might as well be understood one time as another that any cooperation on this side in behalf of a recess is contingent upon the passage of the

O. P. A. legislation, of reconversion legislation, and of the necessary appropriation bills. I think until those results are consummated that there will be no favor shown to a recess on this side of the aisle. I am sure the Senator from Michigan will confirm that understanding.

Mr. VANDENBERG. I agree to that. I think it is essential that there should be recesses for the Republican National Convention and the Democratic National Convention, as such proceedings are an indispensable part of the process of government in the United States, but beyond those temporary respites I know of no justification whatever for any sort of a recess until the sine qua non bills are passed.

Mr. McKELLAR. I feel very much the same way.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). The clerk will state the first amendment reported by the committee.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Department of Labor—Office of the Secretary," on page 4, line 15, after the word "binding", to strike out "$169,200," and insert "$213,200."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Labor Statistics," on page 6, line 4, after the word "Bureau", to strike out "$1,212,300," and insert "$1,312,300," and in line 5, after the word "exceed", to strike out "$1,140,000," and insert "$1,160,000."

The amendment was agreed to.

The next amendment was, on page 7, line 7, after the word "laws", to strike out "$1,510,400" and insert "$1,556,185."

The amendment was agreed to.

The next amendment was, under the subhead "Children's Bureau", on page 7, line 19, after the word "expenses", to strike out "$367,900" and insert "$376,600", and in line 20, after the word "exceed", to strike out "$328,000" and insert "$329,800."

The amendment was agreed to.

The next amendment was, on page 8, line 5, after the word "Act", to strike out "$250,000" and insert "$260,000."

The amendment was agreed to.

The next amendment was, on page 8, after line 5, to insert:

Salaries and expenses (national defense): For expenses necessary in carrying out, in connection with the national defense, provisions of laws imposing duties and responsibilities on the Children's Bureau, including objects specified in appropriations for the Children's Bureau under this title, and other items otherwise properly chargeable to the appropriations under the Department of Labor for contingent expenses, traveling expenses, and printing and binding, $25,548.

The amendment was agreed to.

The next amendment was, on page 9, line 21, after the name "United States", to insert "and of Army aviation cadets", and on page 10, line 1, before the words "per centum", to strike out "2" and insert "3."

The amendment was agreed to.

The next amendment was, under the subhead "Women's Bureau", on page 12, after line 9, to insert:

Salaries and expenses, Women's Bureau (national defense): For expenses necessary in carrying out, in connection with national defense activities, the provisions of the act creating the Women's Bureau (29 U. S. C. 11-16), including items otherwise properly chargeable to the appropriations under the Department of Labor for contingent expenses and travel, $55,000.

The amendment was agreed to.

The next amendment was, under the heading "Howard University", on page 17, line 20, after the word "funds", to strike out "$750,000" and insert "$751,500."

The amendment was agreed to.

The next amendment was, under the heading "Office of Education—Education and training, defense workers (national defense)", on page 23, after line 21, to insert:

Visual aids for war training (national defense): For all necessary expenses of the Office of Education in procuring and making available, for reproduction and use, visual-aid instructional units, consisting of motion-picture films, lantern slides, slide films, and film loops, for training in occupations essential to the war effort (each such occupation to be approved by the Chairman of the War Manpower Commission), including personal services in the District of Columbia and elsewhere; travel expenses; printing and binding; $207,312: *Provided*, That copies of slides and films shall be sold at a price sufficient to pay the whole cost of production of such slides and films.

The amendment was agreed to.

The next amendment was, under the heading "Public Health Service", on page 29, line 6, after the name "Public Health Service", to strike out "$11,450,000" and insert "$11,250,000."

The amendment was agreed to.

The next amendment was, under the subhead "St. Elizabeths Hospital," on page 38, line 14, after the word "hospital", to strike out the following additional proviso: "*Provided further*, That during the fiscal year 1945 the District of Columbia, or any branch of the Government requiring St. Elizabeths Hospital to care for patients for which they are responsible, shall pay by check to the Superintendent upon his written request, either in advance or at the end of each month, all or part of the estimated or actual cost of such maintenance, as the case may be, and bills rendered by the Superintendent of St. Elizabeths Hospital in accordance herewith shall not be subject to audit or certification in advance of payment; proper adjustments on the basis of the actual cost of the care of patients paid for in advance shall be made monthly or quarterly, as may be agreed upon between the Superintendent of St. Elizabeths Hospital and the District of Columbia government, department, or establishments concerned," and insert "*Provided further*, That during the fiscal year 1945 the District of Columbia, or any branch of the Government requiring St. Elizabeths Hospital to care for patients for which they are responsible, shall pay by check to the Superintendent upon his written request, either in advance or at the end of each month, such amounts as shall be calculated by the Superintendent to be due for such care on the basis of a per diem rate recommended annually in advance by the Federal Board of Hospitalization and approved by the President and bills rendered by the Superintendent of St. Elizabeths Hospital in accordance herewith shall not be subject to audit or certification in advance of payment; proper adjustments of such bills paid for in advance on the basis of such calculations shall be made monthly or quarterly, as may be agreed upon by the Superintendent of St. Elizabeths Hospital and the District of Columbia government, department, or establishments concerned."

The amendment was agreed to.

The next amendment was, on page 40, after line 4, to insert:

For an additional amount for building for storeroom, etc., St. Elizabeths Hospital, Federal Security Agency, including the objects specified under the appropriation for this purpose in the Federal Security Agency Appropriation Act, 1942, $445,000.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Administrator," on page 46, after line 2, to insert:

National Youth Administration liquidation: Not to exceed $78,000 of the unexpended balances of the appropriations made to the National Youth Administration in the War Manpower Commission Appropriation Act, 1944, and the Second Deficiency Appropriation Act, 1943, are hereby continued available until June 30, 1945, for all expenses necessary to enable the Federal Security Administrator to liquidate the affairs of the National Youth Administration, including settlement of claims for property damage accruing prior to January 2, 1944, under paragraph 20 of the National Youth Administration Appropriation Act, 1943; payment of accumulated and accrued annual leave to employees who have not liquidated such by June 30, 1944; payment of salaries and other necessary administrative expenses (including personal services in the District of Columbia and travel expenses), not exceeding $53,000, incurred during the fiscal year 1945; and payment of accumulated and accrued annual leave of the personnel employed under such amount: *Provided*, That no person shall be employed under such sum of $53,000 at a rate exceeding the rates applicable to classification grade CAF 13 or the equivalent and the amount allocated for salaries thereunder shall not exceed $36,500 and the amount for microfilming records shall not exceed $25,000: *Provided further*, That the Federal Security Administrator is hereby authorized to retain such office materials, supplies, and equipment of the National Youth Administration as may be necessary in carrying out the purposes of this appropriation, and such office materials, supplies, and equipment shall not be subject to the provisions of the Second Deficiency Appropriation Act, 1943, with respect to such property, during the period of such use: *Provided further*, That said Administrator is authorized to appoint such personnel as may be required for the purposes hereof without regard to civil service and classification laws.

The amendment was agreed to.

The next amendment was, on page 48, line 6, after the name "United States", to strike out "$1,350,000" and insert "$1,600,000."

The amendment was agreed to.

The next amendment was, under the heading "Title IV—National Labor Relations Board," on page 55, line 15, after the word "law", to strike out "$2,000,450" and insert "$2,125,000."

The amendment was agreed to.

The next amendment was, on page 55, line 22, after the word "periodicals", to strike out "$478,000" and insert "$500,000."

The amendment was agreed to.

The next amendment was, on page 56, line 14, after the word "filed" to strike out "by an employee or employees of such plant."

The amendment was agreed to.

The next amendment was, under the heading "Title VII—Executive Office of the President—Apprentice Training Service", on page 61, line 15, after the word "exceed" to strike out "$4,500" and insert "$9,000"; in line 16, after the word "exceed" to strike out "$60,000" and insert "$77,700", and in line 17, after the amendment just above stated, to strike out "$537,500" and insert "$593,500."

The amendment was agreed to.

The next amendment was, on page 61, line 23, after the word "exceed" to strike out "$60,000" and insert "$92,600" and in the same line, after the amendment just above stated, to strike out "$400,000" and insert "$637,700."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is open to further amendment.

Mr. REED. Mr. President, I wish to offer an amendment which is in reality a committee amendment. I am instructed by the Committee on Appropriations to offer an amendment, which has been printed and which lies on the desk of Senators, to insert a new paragraph beginning in line 6, page 48.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 48, after line 6, it is proposed to insert the following:

Temporary aid to enemy aliens and other restricted persons: For expenses necessary to enable the Federal Security Administrator to provide temporary aid, not to extend beyond the duration of the existing war and 6 months thereafter, to enemy aliens and other persons excluded from areas designated pursuant to authority contained in Proclamations No. 2525 of December 7, 1941, and 2526 and 2527 of December 8, 1941, and Executive Order No. 9066 of February 19, 1942, or whose normal means of livelihood has been interrupted by reasons of restrictions imposed by the Attorney General or any law or order authorizing the removal of persons whose presence may be deemed dangerous to the United States, and to the dependents of any of such persons, $50,000: *Provided*, That funds may be transferred with the approval of the Bureau of the Budget to this appropriation from the appropriation "Salaries and expenses, War Relocation Authority", in an amount not exceeding $50,000, and shall be consolidated with this appropriation and the whole administered and accounted for as one fund: *Provided further*, That the Administrator may make expenditures from this appropriation, by advances or grants of funds or otherwise, to such Federal or other agencies as he may designate, expenditures by such other agencies to be without regard to section 3709 of the Revised Statutes or the civil-service and classification laws.

Mr. WHITE. Mr. President, is this an amendment which the committee authorized to be offered?

Mr. REED. Yes.

Mr. WHITE. Will the Senator make a brief explanation of it?

Mr. REED. I shall be very happy to do so. The appropriation called for is a very modest sum and is desired by the Federal Security Agency to enable it to take care of indigent aliens who have been separated from the head of the family by some action of the Department of Justice. For example, there is an alien in this country, we will say, who has not as yet become a citizen. The F. B. I. may mark that man for observation. He may not have committed any crime, may not have done anything wrong, but he is an enemy alien, so the F. B. I. watches him. Frequently that interferes with that head of a family earning a living. The number of dependents of aliens of that character is small probably less than a hundred.

An arrangement has been made whereby all such cases are handled by one agency. The Federal Security Agency goes to the State or local relief authority and arranges with them to take care of the few cases of this kind. I asked in the committee, Why does not the local community or the State take care of them? The answer is obvious. In a number of States no one can obtain relief unless he is a citizen of the State, or has been in the State for a given length of time.

The appropriation called for is not very great. The object is very deserving. The committee discussed it at some length, and authorized and directed me to offer the amendment to the bill.

I inquire of the Senator from Maine whether I have made an adequate explanation.

Mr. WHITE. It is a surprisingly satisfactory one.

The PRESIDING OFFICER. The question on agreeing to the amendment offered by the Senator from Kansas [Mr. REED] on behalf of the committee.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, on behalf of the Committee on Appropriations I offer an amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 64, after line 22, it is proposed to insert the following:

Migration of workers: To enable the War Manpower Commission to provide, in accordance with regulations prescribed by the Chairman of said Commission for the temporary migration of workers from foreign countries within the Western Hemisphere (pursuant to agreements between the United States and such foreign countries), for employment in the continental United States with industries and services essential to the war effort, including the transportation of such workers from points outside the United States to ports of entry of the United States and return (including transportation from place of employment in the United States to port of entry of the United States in any case of default by an employer to provide such transportation to a worker, in which event the employer shall be liable to the United States for the cost thereof), cost of temporary maintenance of workers in reception centers in foreign countries and in the United States, when necessary, reasonable subsistence and emergency medical care of such workers from the time of reporting for transportation to the United States or return to the country of origin until arrival at the destination, necessary assistance to meet emergency health and welfare problems while in the United States, when such assistance is not otherwise available to such persons, and guaranties of employment while in the United States to the extent agreed upon with the foreign country from which the workers are imported, $2,465,000, of which not to exceed $123,000 shall be available for all administrative expenses necessary for the foregoing, including not to exceed $12,000 for temporary employment of administrative personnel outside continental United States, not to exceed $1,000 for printing and binding outside continental United States without regard to section 3709 of the Revised Statutes and section 11 of the act of March 1, 1919 (44 U. S. C. 111), and not to exceed $25,800 for travel expenses: *Provided*, That no transportation of workers shall be allowed hereunder unless the employer and the worker have entered into a contract for employment approved by said Chairman or his designee, and unless said Chairman certifies that reasonably adequate use is being made of local labor supply: *Provided further*, That this appropriation shall remain available after June 30, 1945, for the purpose of fulfilling guaranties and other obligations theretofore incurred with respect to such foreign workers and for all other purposes connected with the protection and ultimate return of any workers theretofore transported: *Provided further*, That no part of this appropriation shall be available for the recruitment or transportation of workers for employment in agriculture.

Mr. McKELLAR. The amendment is similar to provision made heretofore.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. McKELLAR] on behalf of the committee.

The amendment was agreed to.

Mr. MEAD. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 4, after line 15, it is proposed to insert the following:

Salaries and expenses, Division of Labor Standards, Department of Labor (national defense): For all expenses necessary to enable the Secretary of Labor to liquidate during the fiscal year 1945 the existing organization of the Working Conditions Service, including payment of accumulated and accrued annual leave of employees separated from the Government service due to the discontinuance of this Service; such travel as may be necessary to the accomplishment of the said liquidation; and the termination of existing leases for office space an indeterminate amount to be derived from the unexpended and unobligated balance of the appropriation made to the Division of Labor Standards (national defense) in the First Supplemental National Defense Appropriation Act, 1944, approved December 23, 1943, not exceeding $40,000.

Mr. MEAD. Mr. President, the full committee denied the appropriation for a continuation of this agency. Therefore I am asking that the agency be liquidated, and that it be permitted to expend not to exceed $40,000 of its unexpended present balance to enable it to liquidate, which means the termination of leases, paying for accrued vacations, and doing other things necessary to winding up the agency.

Mr. BRIDGES. The explanation is entirely satisfactory to me, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. MEAD].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. BRIDGES. Mr. President are we about to act on the passage of the bill?

The PRESIDING OFFICER. Yes.

Mr. BRIDGES. This is rushing through a major bill pretty rapidly. There are several things which I should like to have explained before the bill is passed.

I wish to inquire of the Senator in charge of the bill as to the provision for the Women's Bureau, on page 12. As I understand, the Women's Bureau asked for an amount somewhat in excess of $200,000 to continue their work, which is rather important, having to do with women in industry. I am wondering how the decision to place the figure at $55,000 was arrived at.

Mr. McKELLAR. I read from the report of the committee:

In the First Supplemental National Defense Appropriation Act, 1944, there was made available for 6 months of the current fiscal year $50,000 for the purpose of enabling the Bureau to make a study of the problems to be encountered during the transitional period, and a study of hours of work in relation to industrial fatigue of women workers The Department requested $110,000 to continue this work during the fiscal year 1945. The committee recommend $55,000 for the purpose of concluding the studies that are now under way. In recommending this amount, it is the intention of the committee that no new studies shall be undertaken, and that the studies now in progress shall be completed during the fiscal year 1945 within the amount of appropriation proposed. The remaining $90,000 requested under this appropriation for the purpose of providing technical staff assistance to conduct studies of jobs that women are performing in heavy industries has not been approved by the committee but has been disallowed in its entirety.

In other words, it is to carry on for a full year the work which has already been begun.

Mr. WHITE. As I understand, it involves a liquidating program.

Mr. McKELLAR. Yes, Mr. President.

The PRESIDING OFFICER. The question is on the passage of the bill.

Mr. BRIDGES. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Bushfield	Eastland
Austin	Butler	Ellender
Ball	Byrd	Ferguson
Bankhead	Capper	George
Barkley	Chavez	Gerry
Bilbo	Connally	Gillette
Brewster	Cordon	Guffey
Bridges	Danaher	Gurney
Buck	Davis	Hatch
Burton	Downey	Hawkes
Hill	Murray	Truman
Holman	O'Mahoney	Tunnell
Johnson, Colo.	Overton	Tydings
Kilgore	Pepper	Vandenberg
La Follette	Radcliffe	Wagner
Lucas	Reed	Wallgren
McClellan	Revercomb	Walsh, Mass.
McFarland	Reynolds	Walsh, N. J.
McKellar	Robertson	Weeks
Maloney	Russell	Wherry
Maybank	Shipstead	White
Mead	Stewart	Wiley
Millikin	Taft	Willis
Moore	Thomas, Idaho	
Murdock	Thomas, Okla.	

The PRESIDING OFFICER. Seventy-three Senators have answered to their names. A quorum is present.

The question is on the passage of the bill.

Mr. WILEY. Mr. President, I have received a communication from the chairman of our State industrial commission, Voyta Wrabetz, I ask the distinguished Senator from Tennessee to turn to page 41 of the bill. In line 11 on page 41 it will be noticed that the amount proposed to be appropriated is $25,000,000. The Social Security Board recommended $34,000,000 for the fiscal year 1945, and the Bureau of the Budget approved a recommendation for $31,000,000.

The letter from this disinguished citizen of Wisconsin so well presents the need throughout the Nation for at least $31,000,000 that I wonder if the distinguished Senator from Tennessee would accept an amendment in that amount and take it to conference.

Mr. McKELLAR. Mr. President, the House agreed on $25,000,000, and the Senate committee did likewise. The House thought it was sufficient, and the Senate committee thought it was sufficient. If it should prove to be insufficient, there would be no trouble about getting an additional appropriation in a deficiency bill. So the amount was left as the House had placed it. I think if the Senator will examine into the question, he will find that $25,000,000 will be ample.

Mr. WILEY. I wish briefly to refer to several paragraphs in this letter, and after I shall have read portions of it I shall ask that the entire letter be printed in the RECORD.

The request is summarized as follows:

A restoration in the Senate of at least the $31,000,000 figure originally estimated by the Social Security Board. We hold that this is hardly more than adequate to meet existing work loads, to say nothing of making even a minimum provision for future contingencies. In the event that this item is adjusted in the Senate, we solicit our Members in the House to communicate the position of the States to the Member of the House on the conference committee that will ultimately adjust the figure.

I ask that the entire letter be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE STATE OF WISCONSIN,
INDUSTRIAL COMMISSION,
Madison, June 13, 1944.

Hon. ALEXANDER WILEY,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: We would like to enlist your support in a problem confronting the industrial commission in the administration of the Unemployment Compensation Act of this State. The problem at hand confronts all State unemployment-compensation agencies, and it is considered to be of such importance by them as to call for their concerted action with their respective congressional delegations.

The problem referred to is the item of the administrative grants to States for the administration of State unemployment-compensation laws for the 1944–45 fiscal year, contained in H. R. 4899.

Twenty-five million dollars was recommended for this purpose by the Appropriations Committee of the House, which sum was accepted by the House in the appropriation bill H. R. 4899. The bill has gone over to the Senate and will come before a subcommittee of the Senate Appropriations Committee.

The Social Security Board had recommended $34,000,000 for fiscal 1945, and the Budget Bureau had approved $31,000,000.

The $25,000,000 figure would involve a crippling cut, not for the Federal agency but for the State agencies who receive these grants. Such a figure would cripple the administration of State unemployment-compensation laws in the very year when they will be of the greatest public importance.

The State unemployment-compensation agencies are definitely of the opinion that if this sum of money is made available to the Social Security Board for meeting the administrative costs of State unemployment-compensation operations for the ensuing fiscal year, without further provision for a contingent fund or without certain instructions to the Board guiding its disbursement, good probabilities exist that the functioning of the present State unemployment-compensation program will be so impaired as to discredit it.

Due to the Board's announced preference for a national system to supplant the existing State systems, the States feel that, out of fairness to the Board and to themselves, it would be improper to rely entirely upon the Board's representations and its presentation of the situation to Congress; and the States consequently feel that they have no recourse other than to directly call the attention of Congress to the matter in question.

For the fiscal year now coming to a close, Congress appropriated $35,328,000 to meet the administrative expenses of State unemployment-compensation agencies. Of this appropriated sum, thirty-three and one-third million dollars was granted to the States, with the result that an unencumbered balance of approximately $2,000,000 will lapse on June 30. During this fiscal year now closing, there is every reason to believe that the volume of unemployment-compensation claims has achieved a bedrock minimum. With the invasion of the Continent successfully under way in its initial stages, and considering the European theater of operations more generally, there is every good reason to believe that the ensuing fiscal year will bring a vast increase in the work load of State agencies. This is so because it is generally understood and agreed that, with the fall of Nazi Germany, there will be a marked cut-back in the production of war materials, with a resultant reconversion of a material percentage of our plant capacity for other uses. Charles Wilson of the War Production Board has recently estimated this anticipated cut-back as 35 percent. The cut-back, when it comes, can only mean that the States would be called upon to service a great volume of unemployment-compensation claimants, who will be idle during the reconversion and reallotment of manpower processes.

It is clear that if the States are to meet the impending impact of unemployment, they must begin now to prepare for it. Although much paper planning has been done, little actual preparation has been undertaken. The Social Security Board has felt constrained to hold the States within the

limits of their immediate work load—so much so that the approximately $2,000,000 balance, above referred to, which sum could well have been spent in the purchase of supplies, forms, and equipment, which require considerable time for delivery, apparently will be allowed to lapse.

The Social Security Board, in preparing its budget for the ensuing fiscal year, concluded that approximately $34,000,000 for the operation of State agencies would be sufficient. This is approximately comparable to the thirty-three and one-third million dollars that will have been used by the State agencies at the close of the present fiscal year. The Board is reluctant to enlighten the States on the basis of the formula used in arriving at its budget estimates, but, by reason of the close similarity of the approximately $34,000,000 requested for the ensuing year to the thirty-three and one-third million dollars actually used this year, it can be fairly concluded that the estimated budget figure for the next year reflects only the current work loads of the State, with perhaps a minimum allowance for the advance preparation and the ultimate expansion that is necessary to meet the critical problems of the next year.

The $34,000,000 estimated by the Board was reduced to $31,000,000 by the Bureau of the Budget. The $31,000,000 was, in turn, further reduced (and rather arbitrarily, and without reference to any definite criteria, as the record will show) to $25,000,000 by the Labor-Federal Security Subcommittee of the House Appropriations Committee. The reasoning, as contained in the committee report of the House group recommending the reduction demonstrates a sufficient basis for the concern of State agencies:

"The $25,000,000 provided in the bill is a reduction of $6,000,000 from the Budget estimate and a reduction of $10,328,000 from the 1944 appropriation. Under this item of expense is performed the collection of contributions and the payment of benefits under unemployment compensation features of the social-security program. At this time the work in connection with the collection of contributions has increased due to the increased number of persons employed. On the other hand, the work in connection with the payment of benefits has decreased and in the opinion of the committee should decrease much more. It is reported that an average of approximately 100,000 persons are receiving unemployment benefits each week. There is little excuse for persons to be unemployed in this country today. The need for manpower is greater now than ever before and any general unemployment is inexcusable and should not be encouraged by the payment of unemployment benefits."

The record is void of any efforts on the part of anyone to straighten out the above faulty comprehension.[1]

One can infer from the above-cited excerpt that the committee supposed that the appropriations recommended by it were to be directly used in the making of benefit payments. Thus, it was reasoned that there was no excuse for the payment of benefits at this time; therefore, sums would not be made available for making such payments.

The clear basic fact is that if it is desired to hold benefit payments to a minimum at this time—and, of course, this is desirable—more money, not less money, is necessary for administrative purposes. Persons claiming unemployment compensation under State laws are prima facie entitled thereto, and it is up to the administrative agencies to rebut the prima facie showing by investigating the claimants' status. Any material cut in appropriations that would make necessary further reductions in our field office and investigating staff might well mean a great expansion in benefit payments.

Although reference is made in the committee reports to functions performed by the State agencies other than benefit payments, sufficient recognition was not given to these other functions. The problem of contribution collection is now greatly magnified by reason of increased payrolls and the type and nature of many employers in the field of war production. The processing of wage records relating to greatly increased numbers of covered employers, which is a necessary prerequisite to the payment of future benefits, is also of greatly increased proportions. Also, to meet even our minimum benefit-payment load, it is necessary to maintain at least a skeleton staff in our field offices.

The question may be asked: "Why should the States concern themselves at this time with the appropriation figure in H. R. 4899? Why not spend it so as to meet efficiently their present operating load and to make reasonable advance preparation for the rather definitely foreseeable crisis ahead? In the event that the amount proves insufficient, then Congress will make a deficiency appropriation."

If a solution could be achieved along the lines of the above query, the situation could, of course, be satisfactorily handled. However, it is the position of the Social Security Board that, since Congress bases its appropriations for the use of the States on work-load estimates submitted by the Board, the allotments to the States must be controlled by developments concerning these work-load criteria. Only to the extent that there are increases in the work load may the States, under present Board practices, expect an increase in their administrative grants. Aside from crippling the States in the handling of their present work loads this Board practice obviously does not allow the States such additional sums as are presently necessary to make even minimum preparations for increased work loads prior to their actual occurrence.

We ask your assistance in accomplishing the following:

(1) A restoration in the Senate of at least the $31,000,000 figure originally estimated by the Social Security Board. We hold that this is hardly more than adequate to meet existing work loads, to say nothing of making even a minimum provision for future contingencies. In the event that this item is adjusted in the Senate, we solicit our Members in the House to communicate the position of the States to the Member of the House on the Conference Committee that will ultimately adjust the figure.

(2) An incorporation in the Senate committee report (re H. R. 4899) instructing the Board, in the making of grants to the States, to be guided not only by current work-load estimates but also to give due consideration to the necessity of timely and adequate advance preparation on the part of the States to meet sudden and greatly increased work loads.

Admittedly, the ensuing fiscal year holds too many imponderables to permit at this time a very accurate calculation of the administrative expenses of State agencies. However, it is a near certainty that there will be a great increase in unemployment compensation claims relative to their present minimum level. It is likewise a certainty that if the States are to meet successfully a considerable increase in claim loads advance preparation is necessary. Advance preparation involves the ordering of forms, supplies, and certain equipment which will necessarily encumber funds beyond the proportions of the present work-load figures.

It is the duty of the Board to make grants to the States on the basis of the amounts "necessary for the proper and efficient administration" (sec. 302 (a) of the Social Security Act). Proper and efficient administration in our judgment involves advance preparation to meet conditions that appear to be in the rather immediate offing.

It is our understanding that all State unemployment compensation agencies are to communicate with their congressional delegation. We think that if Congress can be correctly apprised of the situation some corrective steps may yet be taken.

We feel assured that we can rely on your favorable consideration of our problem.

Very truly yours,

VOYTA WRABETZ,
Chairman.

Mr. WILEY. As I understand the distinguished Senator from Tennessee, he declines my request?

Mr. McKELLAR. Yes. I am obliged to do so. The committee passed upon the question after hearings and came to the conclusion that $25,000,000 was ample for the purpose. The House had done the same thing. For that reason the figure was left at $25,000,000. I have no authority to agree to a change. I hope the Senator will not press his amendment, because if for any reason the amount should prove insufficient, of course Congress will provide additional appropriations.

Mr. WILEY. Mr. President, in line with what the distinguished Senator has said, I merely wish to point out what the writer of the letter has to say on that subject:

> It is clear that if the States are to meet the impending impact of unemployment, they must begin now to prepare for it. Although much paper planning has been done, little actual preparation has been undertaken. The Social Security Board has felt constrained to hold the States within the limits of their immediate work load—so much so that the approximately $2,000,000 balance, above referred to, which sum could well have been spent in the purchase of supplies, forms, and equipment, which require considerable time for delivery, apparently will be allowed to lapse.

I understand the committee did not give the States a chance to be heard.

I understand also that the $31,000,000 is simply for overhead, which is badly needed to meet the challenges of the future.

I ask that the figures "$25,000,000", in line 11, on page 41, be stricken, and that in place thereof there be inserted "$31,000,000."

The PRESIDING OFFICER. The only way that could be accomplished at this time would be by unanimous consent. Does the Senator make that request?

Mr. WILEY. I make that request.

The PRESIDING OFFICER. Is there objection?

Mr. McKELLAR. Mr. President, I am compelled to object at this time, because the House committee and the Senate committee have considered this matter, and have refused to agree to such an increase. So I cannot agree to accept it.

[1] Of interest is the statement made by BUTLER HARE, chairman of the subcommittee, in presenting the $25,000,000 to the House. "We may have made some mistakes in our conclusions and I shall not attempt to justify them further than to say that if there are any they can be attributed to the failure to secure more thorough and complete information." CONGRESSIONAL RECORD, May 29, p. 5188.

The PRESIDING OFFICER. The Chair understands that the present parliamentary situation is such that an amendment can be offered only by unanimous consent or by a motion that the Senate reconsider its action in ordering the third reading of the bill.

Mr. LA FOLLETTE. Mr. President, I hope the Senator from Tennessee will not insist on observance of the technicalities which exist because of the parliamentary situation.

As a matter of fact, this question is rather an important one. I will say, if my colleague will permit me to do so, that, had I been advised of this situation sooner, I certainly would have gone before the Appropriations Committee. But, as I understand the situation, the reason why the matter was not called to the attention of Senators who are not members of the committee was because of the absence of the Senator from Nevada [Mr. McCARRAN]. It was understood that the bill would be held up until he returned; at least, that was the information I received over the telephone yesterday.

I had fully intended to offer or join in support of an amendment of this nature. In view of the fact that the bill has reached its present parliamentary status sooner than I, certainly, had anticipated, or else I would have been on the floor, I hope the Senator will not prevent us from having an opportunity to discuss this question and to permit the Senate then to decide on what it thinks should be done.

Mr. McKELLAR. Mr. President, after the Appropriations Committee of each House and after both Houses have agreed on the item, I think it should remain as it is; but, under the circumstances, if the Senators wish to have a vote on this particular question, and if the senior Senator from Wisconsin or the junior Senator from Wisconsin wishes to offer an amendment to change the item $25,000,000 to $31,000,000—is that the idea?

Mr. LA FOLLETTE. I understood that was the amendment my colleague intended to offer, if he were permitted to do so.

Mr. McKELLAR. Very well; I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Wisconsin [Mr. WILEY]? The Chair hears none.

Mr. RUSSELL. Mr. President, let me ask what is the request.

The PRESIDING OFFICER. The request is that on page 41 of the bill, in line 11, the figures "$25,000,000" be stricken out, and "$31,000,000" be substituted. Is there objection?

Mr. RUSSELL. Has the order for the third reading of the bill been set aside by proper parliamentary action?

The PRESIDING OFFICER. The Senator from Wisconsin has requested unanimous consent to offer the amendment.

Mr. McKELLAR. Mr. President, the House disallowed it, and the Senate Committee——

Mr. RUSSELL. I am familiar with the item.

Mr. McKELLAR. Very well.

Mr. RUSSELL. I have no objection to that action. However, I had understood there were some other amendments the Senator proposed to offer. It seems to me that if we reopen the bill we should not set aside the action of the Senate in ordering the third reading of the bill.

Mr. McKELLAR. I hope no other amendments will be offered, because we wish to conclude consideration of the appropriation bills as soon as possible.

Mr. RUSSELL. I have no amendment of my own.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Wisconsin?

Mr. McKELLAR. Mr. President, the request, as I understand, applies only to the amendment of the Senator from Wisconsin [Mr. WILEY].

The PRESIDING OFFICER. Is there objection to the request?

Mr. BRIDGES. Mr. President, relative to the statement made by the Senator from Tennessee, I would say that if we reopen the bill, it is reopened.

Mr. McKELLAR. Oh, no, Mr. President. As I understand the situation, the request is made to return to page 41 and to offer an amendment changing the figures "$25,000,000" to "$31,000,000." That is my understanding of the request.

Mr. BRIDGES. Very well; I withdraw what I said.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Wisconsin? The Chair hears none. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 41, in line 11, it is proposed to strike out "$25,000,000" and insert "$31,000,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. WILEY].

Mr. LA FOLLETTE. Mr. President, unless my colleague desires to speak further on this matter at this time, I should like to make a brief statement. As Senators know, there is provision in the Social Security Act for the Federal Government to carry the expense of the administration of unemployment compensation at the State levels. The State organizations are greatly concerned in regard to this item. They feel that a reduction to $25,000,000 would seriously cripple administration, and that in the long run in all probability the effect would be to increase the drain on unemployment compensation funds, because the reduction would result, according to my information, in a curtailment of the necessary investigations made of cases which are presented by individuals asking for unemployment compensation.

As Senators must realize, a person who is in covered employment and who presents a claim for unemployment compensation has a prima facie right to such compensation; and so, unless the administrative agencies at the State levels are sufficiently equipped to investigate those cases, there will be a failure to ascertain the bona fides of the claims for unemployment compensation.

Furthermore, there is the necessity for the State agencies to carry a larger load than would appear from a superficial examination of the statistics. It is true that because of the manpower shortage and high levels of employment the actual cases—the case load, so to speak—of persons receiving unemployment compensation have declined. But, on the other hand, because of the tremendous increase in employment and the coming into being of new companies and new corporations, the administrative expense in connection with the collection of the funds and keeping the records has increased.

The Social Security Board originally recommended to the Budget Bureau the sum of $34,000,000, which was approximately $500,000 more than the Budget estimate of last year; but the Budget Bureau cut the figure to $31,000,000. The House committee reduced it to $25,000,000, and the Senate committee has reaffirmed that action by not changing the bill in that respect as it came from the House of Representatives. It will be noted that the reduction is rather drastic, and that it can only come out of the administrative operations at the State level.

As we know—and I think we may as well be frank about it—there is a conflict between the Social Security Board and the State unemployment compensation insurance agencies. The Board and the Federal Security Administrator have advocated federalization of unemployment compensation. That issue, of course, is not directly involved in this item, but, nevertheless, the States are apprehensive that if they have to meet such a drastic cut in their administrative expenses, and are unable efficiently to operate, it will be asserted against them, and will become an additional argument on the part of those who wish to federalize the system.

Mr. President, we hear a great deal about Senators being interested in not having the Federal Government take over all functions of the States. Yet if this amendment should prevail, there would be a drastic cut in the administrative expenses of the State agencies which, it is contended by them, will impair the efficiency of their operation. I think the Senate should hesitate before it takes the action proposed by the bill, especially since it would appear from the information contained in the letter sent to me by Mr. Voyta Wrabetz, chairman of the Wisconsin Industrial Commission, which administers the law in Wisconsin, that the action of the House of Representatives was taken largely because it saw that the case load had gone down, and therefore it thought that the administrative expenses could be reduced. But that is not the situation as presented to me by the State agency which administers the law in Wisconsin.

Although my colleague has had the letter inserted in the RECORD, I will read from it for the benefit of Senators.

The $34,000,000 estimated by the Board—

That means the Social Security Board—

was reduced to $31,000,000 by the Bureau of the Budget. The $31,000,000 was, in turn, further reduced (and rather arbitrarily, and without reference to any definite criteria, as the record will show) to $25,000,000 by the

Labor-Federal Security Subcommittee of the House Appropriations Committee. The reasoning, contained in the committee report—

That is the House committee's report—

of the House group recommending the reduction demonstrates a sufficient basis for the concern of State agencies:

"The $25,000,000 provided in the bill is a reduction of $6,000,000 from the Budget estimate and a reduction of $10,328,000 from the 1944 appropriation. Under this item of expense is performed the collection of contributions and the payment of benefits under unemployment-compensation features of the social-security program. At this time the program in connection with the collection of contributions has increased due to the increased number of persons employed. On the other hand, the work in connection with the payment of benefits has decreased, and, in the opinion of the committee, should decrease much more. It is reported that an average of approximately 100,000 persons are receiving unemployment benefits each week. There is little excuse for persons to be unemployed in this country today. The need for manpower is greater now than ever before, and any general unemployment is inexcusable and should not be encouraged by the payment of unemployment benefits."

That ends the quotation from the House committee report.

Mr. President, it seems to me that after a man has made contributions, and is unemployed, under the safeguards established under the unemployment-compensation statutes to pay him something to which he is entitled does not encourage unemployment.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. BRIDGES. I think the Senator hit the nub of the situation when he said that this is a strong movement to federalize unemployment insurance, and that now would be an inappropriate time for those who believe in State regulation of unemployment insurance to reduce the funds so they would not be sufficient to enable the act to be effectively administered.

Mr. LA FOLLETTE. I wish to make it clear, Mr. President, that nothing I said was intended to imply that the Board was making this move for the purpose stated. It recommended to the Budget Bureau an appropriation of $34,000,000; but the amount was cut to $31,000,000 by the Budget Bureau, and has now been cut to $25,000,000 by the House. The amount, as reported by the Senate committee, remains at $25,000,000. What I said, and wish to repeat, is that the effort to federalize the system has caused some agencies to be apprehensive that if their funds are drastically reduced, and they are thereby unable efficiently to discharge their responsibilities under the law, such inefficiency will subsequently be charged to them and will be used as a further argument for federalization.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. AIKEN. As bearing out what the Senator has said, I have received within the hour a telegram from Mr. William L. McKee, chairman of Vermont Unemployment Compensation Commission, protesting against the reduction of $6,000,000 in the appropriation for the unemployment-compensation program. If the protest had come from some other source I should have been inclined to pay little attention to it; but having come from a Vermont commission I think we should take it seriously, because Vermont commissions do not ask for increases in appropriations on the part of the Federal Government unless there is sound and good reason for doing so.

As the Senator has so ably stated, for a long time there has been a fear on the part of the State commissions that some day the program might become wholly federalized, and the States might have nothing more to say about the operation of the program. Such a fear is expressed in the telegram to which I have referred, wherein Mr. McKee says:

Such drastic reduction will prevent proper investigations resulting in expansion of benefit payments which in turn will affect full utilization of manpower.

In other words, it is the fear of the commission that it will not be able to do efficient work.

It has been said that the money appropriated could be used, and then the commissions could come back for a deficiency appropriation; but State commissions do not work in that way. If an appropriation is made for a year they will plan their program so as to make the appropriation last for the year.

Mr. LA FOLLETTE. Furthermore, if the Senator from Vermont will pardon me, under the law the Social Security Board will be required to budget on a monthly basis, spreading over the whole fiscal year, whatever amount the Congress appropriates for this purpose. Under the language reported by the committee, we have no hope that there may be any elasticity permitting more rapid expenditure of the money in the early months of the fiscal year and a diminution of it later. So, unless the Congress provides sufficient money, we can assume and must assume the responsibility for having drastically cut this appropriation, and thus crippled the efficiency of the State agencies.

I wish further to read briefly from the comments of Mr. Wrabetz in his letter concerning the House committee report, which was the alleged justification for this drastic cut. He says:

One can infer from the above-cited excerpt that the committee supposed that the appropriations recommended by it were to be directly used in the making of benefit payments. Thus, it was reasoned that there was no excuse for the payment of benefits at this time, therefore sums would not be made available for making such payments.

The clear basic fact is that if it is desired to hold benefit payments to a minimum at this time—and, of course, this is desirable—more money, not less money, is necessary for administrative purposes. Persons claiming unemployment compensation under State laws are prima facie entitled thereto, and it is up to the administrative agencies to rebut the prima facie showing by investigating the claimant's status. Any material cut in appropriations that would make necessary further reductions in our field office and investigating staff might well mean a great expansion in benefit payments.

Although reference is made in the committee reports to functions performed by the State agencies other than benefit payments, sufficient recognition was not given to these other functions. The problem of contribution collection is now greatly magnified by reason of increased pay rolls and the type and nature of many employers in the field of war production.

I am certain that every Senator is familiar with that fact. In the effort to expand production more and more companies, even very small companies in some instances, have been brought in to help speed up war production. That has increased the administrative burden upon the State agencies in the collection of unemployment contributions.

The processing of wage records relating to the greatly increased numbers of covered employers, which is a necessary prerequisite to the payment of future benefits, is also of greatly increased proportions.

Every Senator will appreciate that that point is well taken. In the tremendous increase in the number of persons gainfully employed in covered occupations the administrative burden upon the State agencies has grown directly in proportion to that increase. Yet, it is proposed to cut this item to $25,000,000, which is $9,000,000 less than the Board recommended, and which is a reduction from the 1944 appropriation of $10,000,000.

Also, to meet even our minimum benefit-payment load it is necessary to maintain at least a skeleton staff in our field offices.

The question may be asked: "Why should the States concern themselves at this time with the appropriation figure in H. R. 4899?" Why not spend it so as to efficiently meet their present operating load and to make reasonable advance preparation for the rather definitely foreseeable crisis ahead? In the event that the amount proves insufficient then the Congress will make a deficiency appropriation.

But, Mr. President, that cannot be done. The Board will be forced to budget over the entire fiscal year whatever sum we provide to pay the State compensation agencies for their administrative expenses.

I think, Mr. President, from every standpoint that we are in a reasonable position in asking only for what the Budget allowed. It is a reduction from last year's appropriation, and is a reduction of $3,000,000 in the amount which the Social Security Board recommended to the Budget Bureau. If we make this drastic cut now we must accept full responsibility for impairing the efficiency which will follow in the administration by the States of the unemployment-compensation law, and in that way we will be weakening their position in the struggle which is bound to ensue over whether unemployment compensation shall be completely federalized. In the light of the facts we have presented I cannot believe that the position taken is untenable or unreasonable.

I may say that Mr. Wrabetz is a conscientious public servant. He has served for many years as chairman of the Industrial Commission of Wisconsin, and I can state that Senators may rely upon

the conservative character of the statement which he makes in this communication.

Mr. AUSTIN. Mr. President, will the Senator permit a question?

Mr. LA FOLLETTE. Certainly.

Mr. AUSTIN. Will the Senator explain from what funds the $25,000,000 comes if it is appropriated? Is it a part of the amount which the citizen pays as a tax and which is set apart by the Federal Government for administration; so that in reality, if I understand it correctly, the money belongs already to the States, and it is merely a question as to what extent the Federal Government shall control the amount the States shall expend? Is that correct?

Mr. LA FOLLETTE. The Federal Government's control, of course, of the expenditures made by the State agencies is supreme; there is no limitation whatsoever on it. If we sought to exercise plenary power we could refuse to appropriate anything and the State agencies would have to go out of business. We have the power, and I think, likewise, we have the responsibility. Since under the original Social Security Act the principle was established of providing a Federal tax and then permitting the States to administer it according to their laws, we have a double responsibility to make certain not to impair the activities of the State agencies and not to cripple them and make them inefficient and liable to attack. On that ground I think that we are even more in a position where we should exercise caution than we would be if it were a Federal system and the Federal Government had sole responsibility for its administration.

Mr. AUSTIN. Mr. President, will the Senator yield further?

Mr. LA FOLLETTE. I yield to the Senator from Vermont with pleasure.

Mr. AUSTIN. Does the Senator from Wisconsin conceive the sum of money from which the $25,000,000 would be paid to be in the hands and under the control of the Federal Government as a trustee for the States?

Mr. LA FOLLETTE. As I understand, the appropriation is one made out of the Treasury.

Mr. AUSTIN. Regardless of the money which has been contributed?

Mr. LA FOLLETTE. The money comes into the Treasury as the result of the Federal tax.

Mr. AUSTIN. But it is paid by the employer and the employee, is it not?

Mr. LA FOLLETTE. Yes; it is a joint contribution.

Mr. AUSTIN. So that it is the money of the citizens, appropriated to a special purpose, held by the Federal Government and administered by the Federal Government, is it not?

Mr. REED. Will the Senator from Wisconsin permit me to make a suggestion to the Senator from Vermont?

Mr. LA FOLLETTE. I yield.

Mr. REED. The tax is collected by the Federal Government. The Federal Government is allowed three-tenths of 1 percent for collecting it. Then, in turn, the administration is by the State agencies and through the State agencies. The Congress makes an appropriation every year.

In conclusion on that point, out of the three-tenths of 1 percent the Federal Government has accumulated in excess of $450,000,000 above its expenses. So there is no question of this operation costing the Federal Government anything.

Let me say to the Senator from Wisconsin that in the Committee on Appropriations I rather took the view he is taking, and favored leaving the appropriation at $31,000,000. However, the committee concluded not to do that, and I was not impressed with any great threat to the efficient administration of the workmen's compensation law. If I had been, I perhaps would have submitted minority views.

Mr. LA FOLLETTE. If the Senator from Kansas will pardon me, I stated, I think perhaps before he entered the Chamber, that I was not put on notice concerning this matter until yesterday afternoon, when the bill had already been reported from the committee. I explained that the information which came to me was that the State agencies had not anticipated that the bill would be reported so soon; they understood that there was a sort of a gentleman's agreement that the Senator from Nevada would be permitted to return before the bill was reported. Then it was found that in the interest of hurrying it through, the committee could not wait for the return of the Senator from Nevada, and so notified him by telegram. Then the State agencies began, in desperation, to get in touch with Senators who they thought might be interested in the matter.

I wish to say again that it is always my practice to go before the committee, because I think the committee has the right to have advance knowledge of the intention of any Senator with regard to amendments. But in all the hurly-burly, and because of the number of committees I have had to attend in the past few days, I may say frankly that this item in the bill had not been brought to my attention until I received a long-distance telephone call yesterday, and then Mr. Wrabetz's letter came shortly thereafter by air mail. Otherwise, I certainly should have gone before the committee, where I have always received the most courteous reception, and I should not be pressing the matter on the floor of the Senate. I would have gone before the committee first, but it was then too late, for the bill had already been reported.

Mr. REED. The 30th of June does not wait upon the Senator from Wisconsin or any other Senator.

Mr. LA FOLLETTE. I am not asking that it wait; I am only asking an opportunity to justify this last-minute effort to prevent something from happening about which the agencies in the States charged with the responsibility of administering the law are deeply concerned. I feel sure that if they had had an opportunity to impress the importance of this matter upon the Senator from Kansas as it has been impressed upon me, he would now realize the seriousness of the proposed reduction in the appropriation.

Mr. REED. Mr. President, let me say to the Senator from Wisconsin that I have not heard a word of objection from the workmen's compensation authorities administering the law in Kansas. If they have any objection, if they have any ideas about the sum which should be allowed, they certainly have failed to advise me.

I wish to say again to the Senator from Wisconsin that in the committee I took rather the position the Senator from Wisconsin is now taking; but I was not impressed with any threat to the efficient administration of the law. If there is a threat, if it should develop in the experience of the next fiscal year that we did not appropriate enough, there will always be a deficiency appropriation available.

I know the Senator from Wisconsin says this money is budgeted, and that is correct, but, after all, it is possible to begin the distribution of money even though it was not originally included in the Budget.

Mr. McKELLAR. Mr. President, will the Senator from Wisconsin yield?

Mr. LA FOLLETTE. I shall yield in a moment. I regret that this matter has not been brought to the attention of the committee. I regret that it has not been brought to the individual attention of Senators. If I am guilty of laches in any respect, I accept full responsibility for it.

I may say, however, very frankly, that I did not know about the item until after the committee had reported the bill; but I do have great respect for Mr. Wrabetz's judgment. He has been chairman of the industrial commission in Wisconsin under all political parties. He is a conscientious, high-class public servant, and no one can read his letter without coming to the conclusion that he is exceedingly disturbed about the matter, and in the letter, portions of which I have read, he sets forth the reasons why the load has not diminished, as the House committee contended in its report it had.

I now yield to the Senator from Tennessee.

Mr. McKELLAR. I wish to say to the Senator from Wisconsin, and to other Senators who are interested in the matter, that the $31,000,000 is entirely for compensation to those who administer the law. It is all a question of compensation to them. It does not affect what is paid as unemployment compensation.

Mr. REED. It takes care of the administrative expenses.

Mr. LA FOLLETTE. Certainly, and that is what makes the House committee's paragraph on this subject so fallacious. They say no one should be unemployed now, and therefore we should not be encouraging unemployment by paying unemployment benefits. Not a penny of this money goes to unemployment benefits; it goes for the administrative expenses of State agencies.

Mr. REED. If the Senator will permit me, it includes the collection and handling of the tax collected.

Mr. LA FOLLETTE. Certainly, and the increase in the number of persons who are covered and the increase in the number of collections the agencies have to make have increased the load, rather

than diminished it. The only feature of the load that has diminished is the actual payment of the unemployment compensation benefits; but, as pointed out in Mr. Wrabetz's letter, if the number of persons available for service is reduced to the number of persons making application for unemployment compensation, instead of reducing the number of people who are receiving unemployment compensation, we are moving in the direction of encouraging and permitting people to obtain unemployment compensation who do not have just claim to it.

Mr. McKELLAR. Will the Senator yield further?

Mr. LA FOLLETTE. I am delighted to yield.

Mr. McKELLAR. The testimony before the committee of the House, and the committee of the Senate also, was to the effect that unemployment compensation was at an all-time low, that unemployment in this country was at an all-time low, and that it was not necessary to retain a large number of employees and to go to the great expense heretofore entailed, when the business of paying unemployment compensation had been reduced to an all-time low.

There is much sense in that. The House felt that that was very cogent, and that it was not necessary to maintain large organizations, with an enormous number of employees, when there are now comparatively few unemployed. If that does not make sense, then I am incapable of understanding.

The fund involved is collected on a percentage basis; it is in the Treasury, and it can be used at any time when necessary. But why keep the enormous number of employees in the various States to carry on a very much smaller business than unhappily had to be conducted before? I hope it will not be so great in the future as it has been in the past. Even this year there was a large amount paid back to the Treasury.

Mr. LA FOLLETTE. Mr. President, the able Senator from Tennessee falls into the same unfortunate position which the House committee fell into. They simply looked at the number of persons who are now receiving unemployment compensation and jumped to the conclusion that therefore a drastic slash could be made in the appropriations provided for the expense of the State agencies. They did not recognize, as the Senator from Tennessee does not recognize, that, while it is true, because of high levels of employment, that the payment of unemployment benefits has been reduced, the fact remains that other factors created by the war have increased the burden on the State agencies. That ought to be clear to everyone; it ought to make common sense to everyone. When the number of covered workers is largely increased, as it has been during this war, the work of administration at the State level becomes much heavier, because a record has to be made and kept of every one of those persons. The fact that more and more corporations and small companies have become engaged in the effort to help expand war production, of itself increases the administrative burden and the administrative expense. It is true the work has decreased in one respect, but it has increased in others which more than overcome the reduction incident to the payment of unemployment compensation benefits. We are not asking for an increase in the appropriation; we are asking only for the amount which the Budget Bureau allowed, which is $3,000,000 less than the amount the Social Security Board first recommended to the Bureau of the Budget and is a drastic cut below what was granted last year. So, all the slack that could be taken out without impairing the efficiency of the State administrations, because of the reduction in the number of persons who are now receiving unemployment compensation, has been taken out.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I am glad to yield to the Senator from Michigan.

Mr. VANDENBERG. I think there is still another phase to this matter to which the able Senator from Wisconsin has not yet adverted. I refer to the part which the State administrations of unemployment compensation are inevitably going to play in the post-war conversion program of the Government itself. The so-called George post-war economic planning committee was in session all morning today and dealt for 2 hours with the part which unemployment insurance must play in the reconversion program. We came to the conclusion, I am sure I am entitled to say, that there has got to be an increasing administrative load put upon State unemployment compensation organizations in dealing with the matter in the fashion in which we hope it may be dealt with. I can give the Senator one example. At the present time the Federal standard covers only employers of eight or more employees. We are recommending—we cannot do it ourselves, because it has to originate elsewhere—but we are recommending that the coverage shall be reduced in respect to the number of employees employed by an employer. Our whole post-war program in relation to unemployment compensation, which inevitably is going to be a key part of the post-war program, contemplates a tremendously increased burden upon State unemployment compensation administrations.

Mr. LA FOLLETTE. Mr. President, I very much appreciate the valuable contribution which the Senator from Michigan has made to the discussion, and I think it is a point which ought to be borne in mind by Senators in determining how they will vote on the question, because, with that in contemplation, to impair the efficiency of the organization and, in the present war manpower situation, to permit it to be disintegrated to some extent, at the very time when it may have an additional burden dumped on it, would seem to be entirely unjustified.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I am glad to yield.

Mr. TAFT. May I ask the Senator how much the Federal Government derives from the three-tenths of 1 percent which comes to the Federal Government. Is it not far more than its administrative cost?

Mr. LA FOLLETTE. Oh, yes. The fund has grown to some three hundred or four hundred million dollars, I think the Senator from Kansas stated.

Mr. BALL. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. BALL. Governor McNutt told the committee that up to the present time the excess of collections from the three-tenths of 1 percent over what has actually been paid out to the States for administration purposes, is $400,000,000.

Mr. LA FOLLETTE. Yes.

Mr. TAFT. My impression is that the Federal Government collects approximately $150,000,000 a year and pays out only $31,000,000. The remainder it places in the Treasury.

Mr. LA FOLLETTE. Yes.

Mr. TAFT. So it seems to be only fair that out of that amount the unemployment compensation agencies shall have a sufficient sum for administration.

Mr. LA FOLLETTE. Yes. I think the Senator has made a very valid point.

Mr. President, I conclude by saying that I trust that the amendment offered by my colleague will be agreed to, and I hope it will stay in the bill in conference, because, from the investigation I have been able to make of the matter, I am convinced that this drastic cut would have a very serious effect upon the efficiency of the State organizations which by statute we have charged with the responsibility of administering this law.

Mr. BRIDGES. Mr. President, I ask for the yeas and nays on the pending question.

The yeas and nays were ordered.

Mr. McKELLAR. Mr. President, this is what the House committee had to say about this matter:

> Grants to States for unemployment compensation administration: The $25,000,000 provided in the bill is a reduction of $6,000,000 from the Budget estimate, and a reduction of $10,328,000 from the 1944 appropriation. Under this item of expense is performed the collection of contributions and the payment of benefits under unemployment compensation features of the social-security program. At this time the work in connection with the collection of contributions has increased due to the increased number of persons employed. On the other hand, the work in connection with the payment of benefits has decreased and in the opinion of the committee should decrease much more. It is reported that an average of approximately 100,000 persons are receiving unemployment benefits each week. There is little excuse for persons to be unemployed in this country today. The need for manpower is greater now than ever before and any general unemployment is inexcusable and should not be encouraged by the payment of unemployment benefits.

That is the reason which actuated the House.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. Does not the Senator immediately, as a matter of elementary common sense, recognize that the moment hostilities cease the trend will turn in exactly the opposite direction, and the burden of labor will infinitely multiply? Surely the Senator hopes for that happy conclusion, at least in respect to the termination of hostilities, within the next fiscal year.

Mr. McKELLAR. While that may be true, we do not know when the war will end. This agency will always be at liberty to come to Congress and obtain whatever appropriations may be necessary for that purpose. But why maintain a large organization now, when unemployment is at the lowest figure since the system was inaugurated?

Mr. VANDENBERG. I can give the Senator one answer specifically. If the recommendation which was unanimously agreed upon this morning in the George committee becomes effective, the coverage of unemployment compensation will increase to the extent of 1,000,000 or 2,000,000 additional employees within the next fiscal year, as rapidly as it can be done. So, in anticipation of this reconversion program, it is perfectly evident that the burden of administrative labor, regardless of the effect on benefits themselves, will inevitably substantially multiply.

Mr. McKELLAR. Heretofore we have had widespread unemployment. Before the war there was a great amount of unemployment and a vast organization was required. The House thought—and I believe the House was correct—that if we should continue to maintain an organization costing the Government $31,000,000 at a time when unemployment is at its lowest point, we could not justify such an expense. We are taxing the people for it.

There was testimony on this point. Let me read from the hearings:

Senator McKELLAR. What was the reason why the House reduced the amount to $25,000,000?

Mr. ALTMEYER. The House indicated that it ought to be reduced because, as the committee said, work in connection with the payment of benefits has decreased; but, as a matter of fact, that decrease had already been taken into account when we made our estimate of the $31,000,000. That $31,000,000 is $2,300,000 less than the actual administrative expenses will be this fiscal year, and it is $4,300,000 less than the current appropriation for this fiscal year. We feel that if this reduction of $6,000,000 is made it will seriously impair the functioning of the 51 different unemployment compensation agencies.

In other words, a reduction in the appropriation would mean a reduction in the size of the organization. It would cost less money. Not so many employees would be required. Manpower is needed everywhere in the Government at this time to carry on the war; and yet we are maintaining an enormous number of employees throughout the country at a cost of $31,000,000, which is the amount which was appropriated when there was great unemployment.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. I am sure the Senator will testify that I am about as enthusiastic a bureau demobilizer as there is in the Senate.

Mr. McKELLAR. The Senator is. I am surprised at his position on this question. It is not the purpose of the committee to fail to pay every dollar of unemployment benefits to which applicants may be entitled. Of course, when times change, the situation will be different, as has been suggested. I believe the Senator from New Hampshire [Mr. BRIDGES] suggested a few moments ago that we ought to maintain this organization so as to be ready when the war is over, when there will be a greater amount of unemployment. That will undoubtedly be true; but we can take care of that need when it arises. Congress will be in session substantially all the time. As the House well says, in my judgment, we encourage unemployment, when for the purpose contemplated we pay out vast sums at a time such as this.

Mr. VANDENBERG. I should like to follow up the concession which I obtained from the Senator a moment ago, namely, that a pretty good case would be required to satisfy me that any bureau in Washington could not be substantially reduced, or that any bureau in any State could not be substantially reduced without impairing its public service.

Mr. McKELLAR. I agree with the Senator.

Mr. VANDENBERG. So I submit to the Senator that he must concede, so far as I am concerned, that I would not have reached this conclusion unless there was a reason for it. Everything that occurred in the House, and everything that occurred in his committee, occurred ahead of the crystallization of the reconversion and post-war plans upon which we are now working, and which we are just bringing to a climax.

I say to the Senator that in my judgment—and I believe in the judgment of our post-war planners—there can be no effective reconversion program without a very substantial reliance upon State unemployment-compensation administrations, which will probably face a far larger responsibility and a far greater load of work during the next fiscal year than they ever had before in the history of the country.

Mr. McKELLAR. Let me read further from the hearings:

Senator REED. Approximately what is the number of recipients of unemployment compensation?

Mr. ALTMEYER. At the present time there are about 83,000 beneficiaries who are drawing unemployment-compensation benefits throughout the entire United States, Territories, and possessions.

There are 83,000 beneficiaries, and the committee has recommended an appropriation of $25,000,000 to administer the payment of unemployment benefits to 83,000 recipients. To my mind that is a very large sum, and should be ample to meet the need. It may not be enough to keep on the pay roll every person who is now in office in the various States under this organization; but it is sufficient to make sure that the recipients of unemployment benefits shall receive such benefits at the right time. The House thought so; the Senate committee thought so; and it can be seen from reading the testimony that, so far as the operators of this organization are concerned, they desired to obtain a large sum merely because they did not wish to take any chances.

Mr. VANDENBERG. Mr. President, will the Senator yield once more?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. The Senator's argument seems to come down to saying that because temporarily the payment of unemployment benefits is at a low ebb, due to the fact that there is comparatively little unemployment, we should demobilize a substantial part of the personnel which operates the system normally. I submit to the Senator that it would be just about as logical to discharge all the firemen in Washington between fires.

Mr. McKELLAR. No, Mr. President; I do not agree with the Senator.

I will read further from the testimony of this witness:

Senator REED. About what is the average payment, stated annually?

Mr. ALTMEYER. It runs about $15 a week.

Senator REED. You still have not given the annual amount.

Mr. ALTMEYER. Oh, the annual amount?

Senator REED. Yes.

Mr. ALTMEYER. The annual amount, I think, would now run probably about $60,000,000.

Frankly, Mr. President, I say to my brother Senators that it seems to me that $25,000,000 to provide employees to disburse $60,000,000 is a very heavy sum. I do not know the exact percentage, but in round numbers, it is between 45 percent and 50 percent. To pay $25,000,000 to the personnel of the agency which administers $60,000,000 is an astounding thing. To increase that amount so that it will cost the Government more than half as much as the amount of the benefits themselves seems to me to be too much. I do not remember the exact amount paid to Senators and Members of the House of Representatives, but it is more than $5,000,000. Think of our paying 50 percent to the employees who pay us. No one could defend it; no one would defend it.

I think we are very liberal in paying the employees who disburse the $60,000,000; $25,000,000 to be paid to them for disbursing unemployment compensation to the beneficiaries under the law is a tremendous amount, and, frankly, I cannot vote for it. I will have to vote the other way.

Mr. BALL. Mr. President, will the Senator yield to me?

Mr. McKELLAR. I yield.

Mr. BALL. I am sure the Senator does not wish to leave with the Senate the impression that all the State unemployment compensation commissions do is disburse money. They also have to collect it, and they have to keep individual records of every covered employee in the State, with respect to his eligibility for benefits.

Mr. McKELLAR. Oh, yes; they have to collect the money. During the short time I have been in the Congress of the United States, have found that it has not been a very laborious task for me to receive from the Government the checks I am paid at its hands. I think one of the most delightful things in the world is to receive checks.

The compensation commissions have to keep account of the checks, it is true. They have to keep a record of the names. They have to pay out $60,000,000 to the 83,000 persons who receive benefits. But that is not such a burden that it should cost the Government $25,000,000. To my mind, $25,000,000 is an enormous cost. I should like to have Senators think about it before they vote to increase above the sum of $25,000,000 the appropriation for keeping the books and paying $60,000,000 to unemployed persons, for it seems to me to be a large sum.

Mr. President, that is all I have to say. I yield the floor.

Mr. REED. Mr. President, I shall speak very briefly on this subject. I should like to clear up, if possible, some misunderstanding. I am sure the Senator from Minnesota spoke inadvertently when he said the State commissions collect the money. The money is paid by the employer, who deducts it from the wages paid to the wage earners. That amount, plus the employer's own contribution, is paid by him.

Mr. McKELLAR. It is three-tenths of 1 percent.

Mr. BALL. Mr. President, in my State there is a merit rating system for employers. Under it, when they have a record for stabilized employment, their contributions decrease. I grant that the State does not collect the funds, but the State must have a record of what every employee has contributed and of the benefits he has received from what he has contributed.

Mr. REED. Mr. President, the State commissions do not collect the money. It is paid to the Government. The collections amount to approximately $1,000,000,000 a year. Of that amount the Government may retain three-tenths of 1 percent for its expenses. The payments for unemployment are made through the State commissions. The State commissions, in order to make such payments properly, must have a record for every employee. While the tax is not paid to the State commissions, it is necessary for them, in order to administer the payments, to have a record of each employee.

The total amount paid last year for unemployment was approximately $60,000,000. That is a very small sum, and is much smaller than the average or the normal amount. I have no doubt, as the Senator from Michigan has said, that with the end of the war, the readjustment of business, and the return from the war of the members of the armed forces that amount will very largely increase.

From the three-tenths of 1 percent allowed the Government for collection, there has accumulated in the Treasury of the United States $450,000,000, in round numbers, that amount being above the amount of the expenses incurred by the Federal Government in making the collection.

In the committee, I took the position that I thought it was better to leave the appropriation for the State unemployment commissions at $31,000,000. The appropriation for this year is approximately $35,000,000. I think the estimate for the next fiscal year is $34,000,000.

As I now recall, the Bureau of the Budget recommended a reduction to $31,000,000. The House reduced the amount to $25,000,000. The controversy here is over the question whether the House made a mistake in reducing the amount from $31,000,000 to $25,000,000, and whether we should restore the $31,000,000 figure.

I have no pride of opinion concerning this question. As a matter of fact, my own opinion was contrary to the opinion of the majority of the committee. But, in all fairness, it should be stated that the House passed the bill on June 1. The State commissions are fairly energetic about following these matters. If there ever was any complaint from anyone that the amount provided in the bill as it passed the House would impair the efficiency of administration in the States through the State commissions, it never reached me, until the Senator from Wisconsin took the floor today. My own State is fairly vocal, let me say. Kansas does not sit back and fail to express its dissent or disapproval. But I have received no complaint of any kind, either directly or indirectly, verbal or in any other way, from my State about this $25,000,000 appropriation.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. McKELLAR. Let me say that, so far as I know, I have received no complaint about it.

Mr. REED. So I was surprised when the Senator from Wisconsin took the floor and spoke of the complaint he had received. I do not know anything about the State official whose letter he has read. I have no doubt he is all the Senator from Wisconsin has said he is. But, Mr. President, in the Appropriations Committee, I have earnestly striven to keep the appropriations at the lowest possible minimum. So I went along with the Senator in the committee, even though I, myself, had some doubt. But I do not believe the unemployment compensation work is threatened with disaster if we do not restore the $31,000,000 figure.

Mr. BURTON. Mr. President, I wish to pay tribute to the energy and efficiency with which the Senator from Tennessee [Mr. McKELLAR] has been pressing for the consideration of the appropriation bills during recent weeks. Both as chairman of the subcommittee and acting chairman of the full committee, he has moved the appropriation bills along with the utmost speed.

I think that the particular item under consideration is illustrative of the necessity of sending it to conference in order that it may have the consideration which it fully deserves and did not fully obtain during consideration of the bill by the committee.

Mr. REED. Mr. President, will the Senator yield?

Mr. BURTON. I yield.

Mr. REED. I think the Senator from Ohio may have made a worth-while point. If we write $25,000,000 into this bill, as the House has done, it will not be subject to any action by the conference except to be accepted by it. If we change it, it will then be open to consideration in the conference, and to being established at whatever sum between $25,000,000 and $31,000,000 is found to be desirable.

Mr. BURTON. I thank the Senator from Kansas for his statement, which is precisely what I wished to emphasize. If there is to be any modification of this figure from the $25,000,000 adopted by the House it will be necessary for the Senate to insert some other figure in order that it may go to the conference committee for consideration.

I served as a member of the subcommittee and of the full Committee on Appropriations, and no one called attention to these matters. I wish to point out that neither in the House nor in the Senate hearings did representatives of the States testify on this issue. They did not present their full case. Only within the past hour I received a telephone call from the superintendent of unemployment insurance of the State of Ohio emphasizing the fact that to his surprise the figure had been reduced to $25,000,000, whereas $31,000,000 was less than the amount actually spent during the past year. He stated that it would be absolutely necessary for the States to carry on their work as they are doing it now. I told him that when we voted in the committee to retain the House figure it was done with the assurance and with the belief that the difference could be covered by a deficiency appropriation. He stated that although there may be some question as to what will be required for the post-war period, there is no question as to what is required to take care of current needs. It may be possible to take care of the funds for post-war planning by a deficiency bill later in the fiscal year, but the current needs require the appropriation of $31,000,000 now.

I wish to point out that this item of $31,000,000 represents money which is to go to the States for the administration of unemployment compensation insurance. An amount of approximately $60,000,000 is to be distributed to beneficiaries; $1,000,000,000 is to be collected from those who are required to make payments, and a backlog of about $5,000,000,000 is involved. It is a three-way operation. The operation consists of payments to beneficiaries which, as the Senator from Tennessee has pointed out, is not a large operation, involving approximately only $60,000,000 in these days of full employment. Therefore, if the entire $25,000,000 or $31,000,000 were required in order to distribute $60,000,000 to beneficiaries, it would seem to be an exorbitant appropriation. But even in these days of full employment there is seen another side of the picture. Of

course, there is a small amount of disbursement for unemployment. There is a great amount of expenditure in connection with necessary administration in collecting and keeping track of the money and posting the payments which are received from employees in time of full employment.

It is pointed out that the sum which is involved, $31,000,000, comes well within the funds collected for this purpose by the Government. It is $4,300,000 less than the appropriation for this year and $2,300,000 less than the actual expenses for this year.

Therefore, I believe the Senate would be wise to restore the figure to $31,000,000, which is the figure, as I understand, recommended by the Bureau of the Budget, and thus allow the item to go to conference where the conferees may take into consideration the arguments which are now, for the first time, coming in from many States directly involved in the consideration of this issue. The conferees, therefore, will be able to decide between the $25,000,000 and the $31,000,000. If it is not done in that way, the issue will be foreclosed, and, to use the words of Mr. Altmeyer, this would be the effect of it—I quote from his testimony before the Senate committee:

> But, as I say, the $31,000,000 requested for next year is $4,300,000 less than this year's appropriation, or $2,300,000 less than the sum to be actually expended.

Senator McKELLAR asked this question:

> Will that $25,000,000 allowed by the House cover it?

Mr. Altmeyer replied:

> I am confident it will not cover it without serious loss of efficiency and the creation of an impossible situation for these State agencies.

So, Mr. President, those who believe in retaining and strengthening the State agencies should now vote to make the figure $31,000,000.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Wisconsin [Mr. WILEY].

Mr. BRIDGES. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Revercomb
Austin	Gurney	Robertson
Ball	Hatch	Russell
Bankhead	Hawkes	Shipstead
Barkley	Hill	Stewart
Bridges	Holman	Taft
Buck	Johnson, Colo.	Thomas, Okla.
Burton	Kilgore	Truman
Bushfield	La Follette	Tunnell
Butler	Lucas	Tydings
Byrd	McClellan	Vandenberg
Capper	McFarland	Wagner
Chavez	McKellar	Wallgren
Cordon	Maloney	Walsh, Mass.
Danaher	Maybank	Walsh, N. J.
Davis	Mead	Weeks
Downey	Millikin	Wherry
Eastland	Moore	White
Ellender	Murdock	Wiley
Ferguson	Murray	Willis
George	Pepper	
Gerry	Reed	

The PRESIDING OFFICER. Sixty-four Senators have answered to their names. A quorum is present.

The question is on the amendment offered by the Senator from Wisconsin [Mr. WILEY], on which the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). I have a general pair with the Senator from Utah [Mr. THOMAS] which I transfer to my colleague, the junior Senator from New Hampshire [Mr. TOBEY], and will vote. I vote "yea."

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. CHANDLER]. I do not know how the Senator from Kentucky would vote if present and voting. I transfer my pair to the junior Senator from North Dakota [Mr. LANGER], and will vote. I vote "yea."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Washington [Mr. BONE], the Senator from Virginia [Mr. GLASS], and the Senator from Wyoming [Mr. O'MAHONEY] are absent from the Senate because of illness.

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senator from Texas [Mr. CONNALLY] is detained in a committee meeting.

The Senator from Florida [Mr. ANDREWS], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. CLARK], the Senator from Rhode Island [Mr. GREEN], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Arizona [Mr. HAYDEN], the Senator from Indiana [Mr. JACKSON], the Senator from Maryland [Mr. RADCLIFFE], the Senator from South Carolina [Mr. SMITH], and the Senator from Montana [Mr. WHEELER] are detained on public business. I am advised that if present and voting, the Senator from Pennsylvania [Mr. GUFFEY] would vote "yea," and the Senator from Maryland [Mr. RADCLIFFE] would vote "nay."

The Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS], the Senator from Louisiana [Mr. OVERTON], the Senator from Texas [Mr. O'DANIEL], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Mississippi [Mr. BILBO] is detained in one of the Government departments on matters pertaining to his State.

The Senator from Nevada [Mr. McCARRAN] is paired on this question with the Senator from Louisiana [Mr. OVERTON]. I am advised that if present and voting, the Senator from Nevada would vote "yea," and the Senator from Louisiana would vote "nay."

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS], the Senator from North Dakota [Mr. LANGER], the Senator from North Dakota [Mr. NYE], and the Senator from Iowa [Mr. WILSON] are necessarily absent.

The Senator from North Dakota [Mr. NYE] has a general pair with the Senator from Arizona [Mr. HAYDEN].

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The result was announced—yeas 45, nays 19, as follows:

YEAS—45

Aiken	Gerry	Revercomb
Austin	Gillette	Shipstead
Ball	Hatch	Taft
Barkley	Hawkes	Truman
Bridges	Hill	Tunnell
Burton	Johnson, Colo.	Tydings
Butler	Kilgore	Vandenberg
Capper	La Follette	Wagner
Chavez	Lucas	Wallgren
Cordon	McFarland	Walsh, Mass.
Danaher	Mead	Walsh, N. J.
Davis	Millikin	Weeks
Downey	Murdock	Wherry
Ferguson	Murray	Wiley
George	Pepper	Willis

NAYS—19

Bankhead	Holman	Robertson
Buck	McClellan	Russell
Bushfield	McKellar	Stewart
Byrd	Maloney	Thomas, Okla.
Eastland	Maybank	White
Ellender	Moore	
Gurney	Reed	

NOT VOTING—32

Andrews	Glass	Overton
Bailey	Green	Radcliffe
Bilbo	Guffey	Reynolds
Bone	Hayden	Scrugham
Brewster	Jackson	Smith
Brooks	Johnson, Calif.	Thomas, Idaho
Caraway	Langer	Thomas, Utah
Chandler	McCarran	Tobey
Clark, Idaho	Nye	Wheeler
Clark, Mo.	O'Daniel	Wilson
Connally	O'Mahoney	

So Mr. WILEY's amendment was agreed to.

The PRESIDING OFFICER. The question is on the final passage of the bill.

Mr. BRIDGES. Mr. President, on page 56, after line 23, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator can do that only by unanimous consent.

Mr. BRIDGES. I ask unanimous consent that I may be permitted to offer an amendment on page 56, after line 23, to clarify that section of the bill.

Mr. McKELLAR. What is the section?

Mr. BRIDGES. The National Labor Relations Board title, line 23, page 56.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Hampshire? The Chair hears none.

Mr. BRIDGES. Mr. President, I offer the amendment, in line 23 to add these words:

> The existence of an agreement or a renewal thereof between management and a labor organization on or before July 1, 1942, without complaint being filed by an employee or employees, shall, however, be prima facie evidence that the organization has not been formed in violation of such section 158.

The amendment merely clarifies the language so that there will not be any twilight zone. I think it is a sound amendment and should be agreed to.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. In title IV, page 56, at the end of line 23, it is proposed to insert the following:

> The existence of an agreement or a renewal thereof between management and a labor organization on or before July 1, 1942, without complaint being filed by an employee or employees, shall, however, be prima facie evidence that the organization has not been formed in violation of such section 158.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. BRIDGES].

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the final passage of the bill.

The bill (H. R. 4899) was passed.

Mr. McKELLAR. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representative thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McCARRAN, Mr. McKELLAR, Mr. RUSSELL, Mr. BANKHEAD, Mr. TRUMAN, Mr. WHITE, and Mr. REED conferees on the part of the Senate.

NAVAL APPROPRIATIONS—CONFERENCE REPORT

Mr. OVERTON. I submit a conference report on the Navy Department appropriations bill.

The PRESIDING OFFICER. The report will be read.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 4559) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1945, and additional appropriations therefor for the fiscal year 1944, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 8 and 9.

JOHN H. OVERTON,
ELMER THOMAS,
THEODORE FRANCIS GREEN,
DAVID I. WALSH,
STYLES BRIDGES,
RUFUS C. HOLMAN,
Managers on the part of the Senate.

HARRY R. SHEPPARD,
ALBERT THOMAS,
JOHN M. COFFEE,
JAMIE L. WHITTEN,
CHARLES A. PLUMLEY,
NOBLE J. JOHNSON,
WALTER C. PLOESER,
Managers on the part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. WHITE. Mr. President, I inquire if the report was signed by the minority members of the conference committee on the part of the Senate?

Mr. OVERTON. It was signed by all Senators in attendance at the conference.

Mr. President, I wish to make a statement about the two amendments from which the Senate conferees receded. Amendment No. 8 relates to the war aviation field in Oklahoma where oil has been discovered. The amendment which the Senate proposed was to revest the title in the original owners of the land upon their returning the purchase price and reimbursing the Federal Government for the cost of whatever improvements it had made.

Amendment numbered 9, from which we receded, was the provision that none of the funds shall be used by the Navy Department to build facilities where there are existing facilities either publicly or privately owned, which in the judgment of the Secretary of the Navy could be obtained at a reasonable cost.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

AIR ATTACK ON JAPANESE MAINLAND

Mr. PEPPER. Mr. President, I do not wish the news to become stale that our B–29's, known as our Super Fortresses, have today bombed the mainland of Japan, without paying a word of tribute to all those who have had some part in the building of the marvelous air force which is responsible for that encouraging achievement. I know of nothing more illustrative of the greatness of the American people than their ability to start with a handful of airplanes at the time they were attacked by a vicious enemy in December 1941 and be able today to accomplish such a marvelous feat.

Too great credit cannot be given to General Arnold, who has fathered and pioneered our great and incomparable air force.

Mr. REED. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. REED. I wish to invite the attention of the Senator to the fact that the B–29 airplane is made almost exclusively in Kansas. [Laughter.]

Mr. PEPPER. I am sure that the Senator from Kansas is quite proud, and justly so of that airplane.

Mr. REED. I have visited the Boeing plant at Wichita, Kans., where the B–29 is made. I have visited there several times with the approval of the Army and the courtesy of the management of the plant. The factory is a marvelous one, and it is manufacturing one of the most wonderful airplanes of the age.

Mr. PEPPER. I thank the Senator from Kansas.

To those who have been responsible for encouraging and stimulating an interest in the development of our air power, from Gen. Billy Mitchell and all who were associated with him down to Major de Seversky, we owe a great debt of gratitude. I am sure the heartfelt thanks of the millions of this country go out to those who created the magnificent fortresses of the air, and to the faithful men and women who have worked in the factories in accomplishing significant results. We are proud of their accomplishments. We know that they will rapidly hasten the crushing of the enemy and the establishment of permanent peace.

SUSPENSION OF CERTAIN REQUIREMENTS RELATING TO WORK ON TUNNEL SITES

The PRESIDING OFFICER (Mr. MURDOCK in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1479) providing for the suspension of certain requirements relating to work on tunnel sites, which was on page 1, line 5, to strike out "war" and insert "wars."

Mr. MURRAY. I move that the Senate concur in the House amendment.

The motion was agreed to.

EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS—CONFERENCE REPORT

Mr. McKELLAR. Mr President, I submit the conference report on House bill 4070, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 4070) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 30, 52, 53, 54, 55, 56, and 67.

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert the following: "newspapers and periodicals"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment amended to read as follows: "teletype news service (not exceeding $900),"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: "and not to exceed $35,000 for temporary employment of persons or organizations by contract or otherwise without regard to section 3709 of the Revised Statutes, or the Classification Act of 1923, as amended,"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert: "$2,000,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: ", and including the temporary employment (not exceeding $30,000) of persons or organizations by contract or otherwise, without regard to section 3709 of the Revised Statutes and the Classification Act of 1923, as amended"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree

to the same with an amendment as follows: In line 3 of of the said amendment, after the word "of", insert the words "more than four"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: "purchase of uniforms for guards and elevator conductors,"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 35, 57, 64, 65, and 66.

KENNETH B. MCKELLAR,
RICHARD B. RUSSELL,
THEODORE FRANCIS GREEN,
WALLACE H. WHITE, JR.,
Managers on the part of Senate.

C. A. WOODRUM,
JAMES M. FITZPATRICK,
JOE STARNES,
JOE HENDRICKS,
R. B. WIGGLESWORTH,
EVERETT M. DIRKSEN,
FRANCIS CASE,
Managers on the part of the House.

Mr. BRIDGES. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BRIDGES. What is the Senate considering at the moment?

Mr. McKELLAR. I have presented the conference report on the executive and independent offices appropriation bill. The House has agreed to the report. It is now proposed that the Senate complete action on the measure and send it to the President.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. McKELLAR. I move the adoption of the conference report.

The report was agreed to.

Mr. McKELLAR. I now ask the Chair to lay before the Senate the message from the House announcing its action on certain Senate amendments.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4070, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 15, 1944.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 35 to the bill (H. R. 4070) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1945, and for other purposes, and concur therein with an amendment as follows: In line 6 of the matter inserted by said Senate engrossed amendment, after "appropriated" insert "subject to the approval of the Chairman of the War Manpower Commission as to the availability of manpower and subject to the approval of the Chairman of the War Production Board as to the availability of critical materials."

That the House recede from its disagreement to the amendment of the Senate No. 57 to said bill and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "and accounted for as one fund to be known as the 'Tennessee Valley Authority fund 1945' ", to remain available until June 30, 1945, and to be available for the payment of obligations chargeable against the 'Tennessee Valley Authority fund, 1944,' and the Tennessee Valley Authority shall file reports every 4 months with the two Appropriations Committees of the Congress of all its receipts and expenditures."

That the House recede from its disagreement to the amendment of the Senate No. 65 to said bill and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment insert a period and the following: "Any officer or employee of the Government who uses or authorizes the use of any Government-owned motor-propelled passenger-carrying vehicle, or of any motor-propelled passenger-carrying vehicle leased by the Government, for other than official purposes or otherwise violates the provisions of this subsection shall be summarily removed from office."

That the House still further insist upon its disagreement to the amendments of the Senate Nos. 64 and 66 to said bill.

Mr. McKELLAR. Mr. President, in order to complete action on the bill I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 35, 57, and 65.

Mr. WHITE. Mr. President, it is almost impossible to know what is happening when we deal with amendments by number only. Will the Senator indicate what the amendments are?

Mr. McKELLAR. I will ask that the clerk be directed to read the House action on Senate amendment numbered 35.

The PRESIDING OFFICER. The clerk will read, as requested.

The Chief Clerk read as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 35 to the bill and concur therein with an amendment as follows: In line 6 of the matter inserted by said Senate engrossed amendment, after "appropriated" insert "subject to the approval of the Chairman of the War Manpower Commission as to the availability of manpower and subject to the approval of the Chairman of the War Production Board as to the availability of critical materials."

Mr. WHITE. Will the Senator indicate what that means?

Mr. McKELLAR. It provides for a release of certain critical war materials which have been impounded for some time. I am sure the Senator is in favor of it. I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 35.

The motion was agreed to.

Mr. McKELLAR. I now move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 57. That deals with the Tennessee Valley Authority.

Mr. MAYBANK. Mr. President, what is the amendment?

The PRESIDING OFFICER. The House action on the amendment will be read.

The Chief Clerk read as follows:

That the House recede from its disagreement to the amendment of the Senate No. 57 to said bill and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "and accounted for as one fund to be known as the 'Tennessee Valley Authority fund, 1945,' to remain available until June 30, 1945, and to be available for the payment of obligations chargeable against the 'Tennessee Valley Authority fund, 1944,' and the Tennessee Valley Authority shall file reports every 4 months with the two appropriations committees of the Congress of all its receipts and expenditures."

Mr. McKELLAR. Mr. President, the Senate conferees receded on the Tennessee Valley Authority amendment on which we had previously insisted before, and we agreed to an amendment to the House provision.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

Mr. McKELLAR. Mr. President, I now ask that the House action on the Senate amendment numbered 65 be read.

The PRESIDING OFFICER. The clerk will read.

The Chief Clerk read as follows:

That the House recede from its disagreement to the amendment of the Senate No. 65 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert a period and the following: "Any officer or employee of the Government who uses or authorizes the use of any Government-owned motor-propelled passenger-carrying vehicle, or of any motor-propelled passenger-carrying vehicle leased by the Government, for other than official purposes or otherwise violates the provisions of this subsection shall be summarily removed from office."

Mr. WHITE. Mr. President, am I correct in my understanding that the substance of that amendment involves a receding by the Senate from the penalty it provided for unlawful use of Government-owned automobiles, and substitutes therefor dismissal from office?

Mr. McKELLAR. The Senator accurately states the matter. I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 65.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

Mr. McKELLAR. Mr. President, I now move that the Senate recede from its amendments numbered 64 and 66.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

Mr. McKELLAR. As I understand, that completes action on the bill, and it will now go to the President.

The PRESIDING OFFICER. The Senator's statement is correct.

APPROPRIATIONS FOR WAR AGENCIES

Mr. McKELLAR. Mr. President, I move that the Senate proceed to the consideration of House bill 4879, making appropriations for war agencies.

Mr. RUSSELL. Mr. President, before action is taken on the motion I wish to say that there is one amendment in the bill which is supposed to go over until tomorrow, and I want some understanding about that before the Senate proceeds to consideration of the bill.

Mr. President, I wish first to have an understanding as to the item on page 10, beginning in line 3, known as the appropriation for the Committee on Fair Employment Practice, an item which has not heretofore been in the bill, and which ratifies the creation of an executive agency by the President. I wish to have an understanding that that provision shall not be considered today.

Mr. McKELLAR. Mr. President, the Senator spoke to me about that provision this morning, and, so far as I am concerned, I have no objection whatsoever to that particular item going over until tomorrow. As I understand there will be considerable discussion about it on both sides of the aisle.

Mr. RUSSELL. I ask unanimous consent that the provision be not considered before tomorrow.

Mr. WHITE. Mr. President, I want to be sure I understand the Senator's request. Is the Senator from Georgia asking that the item respecting the Committee on Fair Employment Practice go over until tomorrow?

Mr. RUSSELL. Yes. I ask that no action shall be taken on the item dealing with this agency until tomorrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? The Chair hears none, and it is so ordered.

The question now is on agreeing to the motion of the Senator from Tennessee that the Senate proceed to the consideration of House bill 4879.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

I must make an exception of the amendments in the section relating to the Committee on Fair Employment Practice, on page 10, after line 2. It is my understanding that the entire section relating to the Committee on Fair Employment Practice will go over until tomorrow, and I ask unanimous consent that those amendments be passed over.

Mr. RUSSELL. I understand that has already been agreed to.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and it is so ordered.

Mr. MAYBANK. Mr. President, I submit two amendments to the pending bill which I ask to have printed and lie on the table.

The PRESIDING OFFICER. The amendments will be printed and lie on the table.

The clerk will state the first amendment reported by the committee.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Executive Office of the President," on page 4, after line 5, to strike out:

SELECTIVE SERVICE SYSTEM

Salaries and expenses, Selective Service System: For all expenses necessary for the operation and maintenance of the Selective Service System as authorized by the Selective Training and Service Act of 1940 (50 U. S. C. App. 301); including not to exceed $400,000 for printing and binding; purchase, for replacement, of not to exceed 32 motor-propelled passenger-carrying vehicles; and, under such rules or regulations as may be prescribed by the Director of Selective Service, expenses of emergency medical care, including hospitalization, of registrants who suffer illness or injury, and the transportation, and burial, of the remains of registrants who suffer death, while acting under orders issued under the Selective Service law but such burial expenses shall not exceed $150 in any one case; $61,500,000: *Provided*, That such amounts as may be necessary shall be available for the planning, directing, and operation of a program of work of national importance under civilian direction, either independently or in cooperation with governmental or nongovernmental agencies, and the assignment and delivery thereto of individuals found to be conscientiously opposed to participation in work of the land or naval forces, which cooperation with other agencies may include the furnishing of funds to and acceptance of money, services, or other forms of assistance from such nongovernmental agencies for the more effectual accomplishment of the work; and for the pay and allowances of such individuals at rates not in excess of those paid to persons inducted into the Army under the Selective Service System, and such privileges as are accorded such inductees: *Provided further*, That the travel of persons engaged in the administration of the Selective Service System, including commissioned, warrant, or enlisted personnel of the Army, Navy, Marine Corps, or their reserve components, may be ordered by the Director or by such persons as he may authorize, and persons so traveling shall be entitled to transportation and subsistence or per diem in lieu of subsistence, at rates authorized by law: *Provided further*, That the Director of Selective Service, in prescribing per diem rates of allowance, not exceeding $7, in lieu of subsistence for officers of the Army, Navy, and Marine Corps, and of the reserve components thereof, traveling on official business and away from their designated posts of duty, pursuant to the first paragraph of section 12 of the act approved June 16, 1942 (37 U. S. C. 112), is hereby authorized to prescribe such per diem rates of allowance, whether or not orders are given to such officers for travel to be performed repeatedly between two or more places in the same vicinity, and without regard to the length of time away from their designated posts of duty under such orders.

Mr. WHITE. Mr. President, I should like to ask the Senator from Tennessee a question. As I understand, the first amendment is to strike out certain language on page 4 of the bill and transfer it to some other place in the bill.

Mr. McKELLAR. The Senator is correct.

Mr. WHITE. As I understand, there is no change in the substance.

Mr. McKELLAR. The Senator is entirely correct.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, under the heading "Executive Office of the President—Office for Emergency Management—Division of Central Administrative Services", on page 8, line 13, after "(not to exceed $50,000);" to strike out "$7,783,000" and insert "$8,356,000", and in line 14, after the amendment just above stated, to strike out the following proviso: "*Provided*, That there may be transferred from this appropriation to appropriations available to the constituent agencies of the Office for Emergency Management and to other agencies such amounts as may be necessary in connection with the transfer of functions from the Division to such agencies and funds so transferred shall be consolidated with and shall be expendable in the same manner as funds of the agencies to which functions are transferred" and insert in lieu thereof the following provisos: "*Provided*, That there may be transferred to this appropriation from appropriations available to the constituent agencies of the Office for Emergency Management and to the Office of Price Administration such amounts as may be necessary for the procurement of supplies, equipment, and services for such agencies and such Administration, and funds so transferred shall be consolidated with and shall be expendable in the same manner as this appropriation: *Provided further*, That the constituent agencies (except the War Shipping Administration) of the Office for Emergency Management and the Office of Price Administration shall not establish, in the District of Columbia or in the field, fiscal, procurement, space allocation or procurement, duplicating, distribution, communication, or other general services, wherever the Director of the Bureau of the Budget determines that the Division of Central Administrative Services can render any such service."

The amendment was agreed to.

The next amendment was, under the subhead "Office of Civilian Defense," on page 9, line 17, after the word "exceed", to strike out "$150,300" and insert "$112,725"; in line 18, after the word "exceed", to strike out "$13,000" and insert "$9,750"; in the same line, before the word "and", to strike out "$538,500" and insert "$403,875"; in line 19, before the word "for" to strike out "$461,500" and insert "$346,125", and in line 21, after the words "in all", to strike out "$1,000,000" and insert "$750,000."

The amendment was agreed to.

The next amendment was, under the subhead "Committee on Fair Employment Practice," on page 10, line 5, after the word "out", to strike out "the" and insert "any"; in the same line, after the word "functions", to insert "lawfully"; and in line 8, before the words "per annum", to strike out "$10,000" and insert "$8,000."

The PRESIDING OFFICER. Pursuant to the unanimous-consent agreement already entered into, the amendments under the subhead "Committee on Fair Employment Practice," on page 10, will be passed over.

The clerk will state the next committee amendment.

The next amendment was, under the subhead "Office of the Coordinator of

Inter-American Affairs," on page 12, line 17, before the words "of which", to strike out "$18,000,000" and insert "$16,000,000."

Mr. McKELLAR. Mr. President, at a subsequent meeting the committee voted to change the amount from $16,000,000 to $17,000,000. I therefore offer an amendment to the committee amendment, changing the amount from $16,000,000 to $17,000,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee to the committee amendment on page 12, line 17.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, under the subhead "Office of Defense Transportation," on page 14, line 10, after the word "therefor", to strike out "$18,000,000" and insert "$17,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "National War Labor Board", on page 14, line 18, after the word "exceed", to strike out "$1,000,000" and insert "$1,606,000", and in line 24, after the name "United States", to strike out "$15,000,000" and insert "$14,437,300".

The amendment was agreed to.

The next amendment was, under the subhead "Office of War Information", on page 19, line 21, after the word "than", to strike out "$2,200,000" and insert "$2,464,633"; in line 23, after the word "Director", to strike out the comma and "including book and magazine coordination sections" and insert a semicolon and "Book and Magazine Bureau; Foreign News Bureau;"; and on page 20, line 2, after the word "exceeding", to strike "$50,000" and insert "$54,428".

The amendment was agreed to.

The next amendment was, on page 29, after line 19, to insert:

INDEPENDENT EXECUTIVE AGENCIES

SELECTIVE SERVICE SYSTEM

Salaries and expenses, Selective Service System: For all expenses necessary for the operation and maintenance of the Selective Service System as authorized by the Selective Training and Service Act of 1940 (50 U. S. C., App. 301); including not to exceed $400,000 for printing and binding; purchase, for replacement, of not to exceed 32 motor-propelled passenger-carrying vehicles; and, under such rules or regulations as may be prescribed by the Director of Selective Service, expenses of emergency medical care, including hospitalization, of registrants who suffer illness or injury, and the transportation, and burial, of the remains of registrants who suffer death, while acting under orders issued under the selective-service law but such burial expenses shall not exceed $150 in any one case; $61,500,000: *Provided*, That such amounts as may be necessary shall be available for the planning, directing, and operation of a program of work of national importance under civilian direction, either independently or in cooperation with governmental or nongovernmental agencies, and the assignment and delivery thereto of individuals found to be conscientiously opposed to participation in work of the land or naval forces, which cooperation with other agencies may include the furnishing of funds to and acceptance of money, services, or other forms of assistance from such nongovernmental agencies for the more effectual accomplishment of the work; and for the pay and allowances of such individuals at rates not in excess of those paid to persons inducted into the Army under the Selective Service System, and such privileges as are accorded such inductees: *Provided further*, That the travel of persons engaged in the administration of the Selective Service System, including commissioned, warrant, or enlisted personnel of the Army, Navy, Marine Corps, or their reserve components, may be ordered by the Director or by such persons as he may authorize, and persons so traveling shall be entitled to transportation and subsistence or per diem in lieu of subsistence, at rates authorized by law: *Provided further*, That the Director of Selective Service, in prescribing per diem rates of allowances, not exceeding $7, in lieu of subsistence for officers of the Army, Navy, and Marine Corps, and of the reserve components thereof, traveling on official business and away from their designated posts of duty, pursuant to the first paragraph of section 12 of the act approved June 16, 1942 (37 U. S. C. 112), is hereby authorized to prescribe such per diem rates of allowance, whether or not orders are given to such officers for travel to be performed repeatedly between two or more places in the same vicinity, and without regard to the length of time away from their designated posts of duty under such orders.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. McKELLAR. Mr. President, on behalf of the committee, I send to the desk two amendments and ask that they be stated.

The PRESIDING OFFICER. The first amendment offered by the Senator from Tennessee on behalf of the committee will be stated.

The CHIEF CLERK. On page 30, line 2, in the committee amendment, after the word "binding" it is proposed to insert "and not to exceed $1,000,000 for expenditure through other Federal agencies, and through State agencies without regard to section 3648 of the Revised Statutes, for gathering of medical and social history information on registrants"; and on page 30, line 11, in the committee amendment, it is proposed to strike out "$61,500,000" and insert "$62,500,000."

The PRESIDING OFFICER. Without objection, the vote by which the committee amendment on page 29, after line 19, was agreed to, is reconsidered.

The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. McKELLAR] to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The next amendment offered by the Senator from Tennessee on behalf of the committee will be stated.

The CHIEF CLERK. On page 23, line 19, after the word "corporation", it is proposed to insert "including the salary of the Chairman of the Board at $10,000 per annum."

The amendment was agreed to.

Mr. BARKLEY. Mr. President, since the amendments on page 14, in the section relating to the National War Labor Board, were agreed to, I have been handed a joint letter from the Secretary of War and the Secretary of the Navy with reference to the reduction in the appropriation for the War Labor Board. It seems that the House of Representatives reduced the amount of the appropriation for the War Labor Board, and that the Senate committee reduced it still further, by a little more than half a million dollars. I do not intend to offer an amendment at this moment. I ask that the vote by which the amendments on page 14, lines 18 and 24, were agreed to, be reconsidered, so that tomorrow, after getting the facts, if I wish to offer an amendment I may do so.

Mr. McKELLAR. Mr President, will the Senator first read the letter?

Mr. BARKLEY. It is a joint letter from the Secretary of War and the Secretary of the Navy. It reads as follows:

WAR DEPARTMENT,
Washington.

Hon. ALBEN W. BARKLEY,
United States Senate,
Washington, D. C.

DEAR SENATOR BARKLEY: Because of the War and Navy Departments' strong interest in the work of the National War Labor Board, we are addressing this letter to you concerning the appropriation requested by the Board for the fiscal year 1945.

As you know, the effect of labor disputes on war production is a matter of deep concern to our departments. Industrial disputes have seriously threatened the production and distribution of items which are critically needed by the armed forces. The War Labor Board is the agency charged with the responsibility for the settlement of such disputes and its effective discharge of this responsibility is essential to the War and Navy Departments. Without its timely intervention many difficult situations which have endangered war production in the past months could not have been solved. Moreover, it prevented the development of acute situations as well as settling them. In the absence of an effectively operating and adequately staffed War Labor Board in the coming year, the ability of the Army and Navy to procure materials vitally needed by its troops will be seriously jeopardized.

For these reasons, the War and Navy Departments are deeply concerned over the prospective inability of the War Labor Board to perform its important functions if it is forced to effect any reduction in personnel. Such a reduction is now threatened by the action of the House of Representatives and the Senate Appropriations Committee in reducing the appropriation requested by the Board for the fiscal year 1945. Its request merely provided for the maintenance of personnel at existing levels, but the House of Representatives and the Senate Appropriations Committee have taken action which would necessarily result in a substantial reduction in the Board's personnel. Even assuming that the present heavy work load of the Board does not increase, any such reduction would, in our opinion, make it impossible for the Board to keep up currently with its work. There are indications that the volume of this work will increase in the coming year.

Under these circumstances, the War Department and Navy Department urge that you take steps to secure a restoration of the amounts which have been cut from the Budget estimate for the War Labor Board for the fiscal year 1945.

Sincerely yours,

HENRY L. STIMSON,
Secretary of War.
JAMES FORRESTAL,
Secretary of the Navy.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. RUSSELL. I do not recall any details of the hearings on the appropriation for this agency, but the amount which was allowed by the Senate amendment which has been approved is exactly the amount of the appropriation this agency had for the present fiscal year.

So, unless there has been an increase in the salaries of the personnel employed in that agency, it should be adequate to maintain the agency at its present level.

Mr. BARKLEY. Evidently the amount approved by the House is below the Budget estimate.

Mr. RUSSELL. Oh, yes; it is below the Budget estimate, but not below the amount the agency has had for the present year. We restored the amount to exactly the amount it has had this year. The Secretary of War and the Secretary of the Navy say that will cause a reduction of personnel. I should like to know how that could be, unless the Board has greatly increased the salaries of its employees during the year.

Mr. BARKLEY. I shall try to obtain that information by tomorrow, and I will ask that the vote on the committee amendment be reconsidered, if necessary, if I decide to offer an amendment to it.

Mr. RUSSELL. The Senator would have to ask to have the Senate reconsider its action on the bill, also.

Mr. BARKLEY. The amendment would be to the pending bill, not to the one just passed.

Mr. BILBO. Mr. President, I ask the majority leader, the Senator from Kentucky [Mr. BARKLEY], also to provide a break-down of the figure, so as to show how the money would be spent.

Mr. BARKLEY. I shall try to obtain all the information about it.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kentucky?

Mr. McKELLAR. Mr. President, what is the request?

The PRESIDING OFFICER. The request is that the vote by which the amendment on page 14, under the heading "National War Labor Board," was agreed to, be reconsidered, so that the Senator from Kentucky may offer the amendment he desires to offer.

Mr. HOLMAN. Mr. President, reserving the right to object, let me say I am in favor of the bill as it is now written, before it is further amended. Will the Senator from Kentucky explain the parliamentary situation?

Mr. BARKLEY. The situation simply will be, if my request is granted, that the vote by which the Senate committee amendment was agreed to will be reconsidered, and the amendment will still remain as a committee amendment before the Senate. I merely wish to have an opportunity, if I find it desirable to do so after I obtain the facts, to offer an amendment to the committee amendment. If I do not offer an amendment to the committee amendment it will be adopted as it is.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. McKELLAR. Mr. President, on pages 2 and 3 there is a typographical error. As the bill now reads, the parenthesis begins after the word "hire", in line 22, page 2, and ends after the word "Statutes", in line 5, page 3. However, the parenthesis should end after the word "purchase", in line 23 on page 2. I ask that the correction be made.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and it is so ordered.

Mr. McKELLAR. Also, on page 3, in line 10, after the first word in that line, the word "not", the word "to" appears. That word should be stricken out, and I so request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McKELLAR. That completes the committee amendments, with the exception of those passed over.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, under the agreement previously entered into, the bill will go over until tomorrow. Therefore, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MURDOCK in the chair) laid before the Senate messages from the President of the United States, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of committees were submitted:

By Mr. WALSH of Massachusetts, from the Committee on Naval Affairs:

Rear Admiral William S. Pye, United States Navy, when retired on July 1, 1944, to be placed on the retired list with the rank of vice admiral, pursuant to an act of Congress approved June 16, 1942; and

The following-named naval aviators of the Marine Corps Reserve to be second lieutenants in the Marine Corps, in accordance with the provisions of the Naval Aviation Personnel Act of 1940, as amended:

Richard E. Maulsby, from the 9th day of February 1942.

Alexander M. Hearn, from the 1st day of May 1942.

Frank H. Simonds, from the 18th day of July 1942.

Robert H. Barrow, a citizen of Louisiana, to be a second lieutenant in the Marine Corps from the 28th day of July 1943.

Earl F. Stanley, a citizen of Ohio, to be a second lieutenant in the Marine Corps from the 7th day of August 1943.

The below-named citizens to be second lieutenants in the Marine Corps from the 4th day of February 1944:

Grover C. Williams, Jr., a citizen of Virginia.

Gerald G. Kirby, a citizen of Florida.

Charles E. Walker, a citizen of Illinois.

Raoul J. Archambault, a citizen of Rhode Island.

By Mr. WHITE, from the Committee on Foreign Relations:

Executive D, Seventy-eighth Congress, second session, a protocol signed at London on February 7, 1944, for the United States of America, the Union of South Africa, the Commonwealth of Australia, the United Kingdom of Great Britain and Northern Ireland, Canada, New Zealand, and Norway, amending in certain particulars the international agreement for the regulation of whaling signed at London on June 8, 1937, as amended by the protocol signed at London on June 24, 1938 (Executive Rept. No. 2).

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

Mr. McKELLAR. I ask that the President be notified forthwith of the confirmation of the postmaster nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 45 minutes p. m.) the Senate took a recess until tomorrow, Friday, June 16, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 15 (legislative day of May 9), 1944:

THE JUDICIARY

UNITED STATES MARSHALS

Arthur D. Fairbanks, of Colorado, to be United States marshal for the District of Colorado. (Mr. Fairbanks is now serving in this office under an appointment which expired May 10, 1944.)

Bernard Fitch, of Connecticut, to be United States marshal for the District of Connecticut. (Mr. Fitch is now serving in this office under an appointment which expired May 16, 1944.)

Frank C. Blackford, of New York, to be United States marshal for the Western District of New York. (Mr. Blackford is now serving in this office under an appointment which expires June 24, 1944.)

Thomas N. Curran, of Maine, to be United States marshal for the District of Maine, vice John C. Utterback, resigned.

IN THE NAVY

Commodore Andrew F. Carter, U. S. N. R., to be a rear admiral in the Naval Reserve, for temporary service, to continue while serving as executive, Army-Navy Petroleum Board.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

David S. Ward, Cuba, Ala., in place of Jack Vaughan, transferred.

David R. Wyatt, Eden, Ala. Office became Presidential July 1, 1943.

ARKANSAS

Benjamin P. Davis, Altus, Ark. Office became Presidential July 1, 1943.

Canda E. Smith, Lowell, Ark. Office became Presidential July 1, 1943.

CALIFORNIA

Edward F. Schobert, Lathrop, Calif. Office became Presidential July 1, 1943.

Fred B. Rossi, St. Helena, Calif., in place of Joseph Galewsky, retired.

Charles H. Elgar, San Gabriel, Calif., in place of L. C. Murphy, resigned.

FLORIDA

Alice W. Martin, Bay Pines, Fla., in place of L. F. Baxley, removed.

IDAHO

Lawrence A. Gillett, Declo, Idaho. Office became Presidential July 1, 1943.

Jessie W. Wilson, Weippe, Idaho, in place of L. M. Pratt, removed.

ILLINOIS

Robert E. Ward, Chillicothe, Ill., in place of W. T. McCanna, deceased.

Clarence H. Lindsay, Tilden, Ill., in place of George Lyons, resigned.

IOWA

Eugene J. Halligan, Davenport, Iowa, in place of H. J. McFarland, deceased.

Achsa F. Lookabill, Hastings, Iowa. Office became Presidential July 1, 1943.

Fae A. Deitchler, Silver City, Iowa. Office became Presidential July 1, 1943.

KANSAS

Ivan R. Cordill, Bern, Kans. Office became Presidential July 1, 1943.

MISSISSIPPI

Archie Patterson, Pinola, Miss. Office became Presidential July 1, 1943.

Clara L. Wright, West Enterprise, Miss. Office became Presidential July 1, 1943.

NEBRASKA

Walter J. Baur, Dix, Nebr. Office became Presidential July 1, 1943.

NEW HAMPSHIRE

Irving Rolston, Greenland, N. H. Office became Presidential July 1, 1943.

NEW JERSEY

Fred Gordon Lowden, Leesburg, N. J., in place of G. A. Fowler, resigned.

Catherine E. Kenny, Mountain Lakes, N. J., in place of P. B. Hanlon, resigned.

NEW MEXICO

Bettie E. Jones, Corona, N. Mex., in place of R. L. Thomas, resigned.

NEW YORK

Mildred M. Jones, Hagaman, N. Y., in place of L. C. Vunk, removed.

NORTH CAROLINA

Jessie L. Shipman, Horse Shoe, N. C. Office became Presidential July 1, 1943.

Audrey Hoggard, Lewiston, N. C. Office became Presidential July 1, 1943.

OHIO

Mary I. Timko, Barton, Ohio. Office became Presidential July 1, 1943.

Homer T. Gates, Moscow, Ohio. Office became Presidential July 1, 1943.

Raymond E. Schryver, Warren, Ohio, in place of H. J. Dixon, deceased.

Harry R. Eastwood, West Richfield, Ohio. Office became Presidential July 1, 1943.

OKLAHOMA

Florence A. Davis, Goltry, Okla. Office became Presidential July 1, 1943.

Marie Eden, Kinta, Okla. Office became Presidential July 1, 1943.

Rex T. Strickland, Madill, Okla., in place of R. T. Strickland. Incumbent's commission expired June 23, 1942.

Ida M. Duke, Ninnekah, Okla. Office became Presidential July 1, 1943.

Leilah V. Walker, Spavinaw, Okla. Office became Presidential July 1, 1943.

OREGON

Fred O. Parsons, Hammond, Oreg. Office became Presidential July 1, 1943.

Isabella E. Lee, Jordan Valley, Oreg., in place of M. M. Anderson, resigned.

PENNSYLVANIA

Clarence R. Kring, Davidsville, Pa. Office became Presidential July 1, 1943.

Vernon M. Hatch, Forksville, Pa. Office became Presidential July 1, 1943.

Gertrude M. Reed, Great Bend, Pa., in place of Carrie Stephens, retired.

John Stipanovich, Harwick, Pa. Office became Presidential July 1, 1943.

Carrie Walpusk, Jenners, Pa. Office became Presidential July 1, 1943.

Ralph W. Whipkey, Ohiopyle, Pa. Office became Presidential July 1, 1943.

Pauline J. Ceryak, Tire Hill, Pa., in place of Mary Kauffman, deceased.

SOUTH CAROLINA

Anna F. Foy, Early Branch, S. C. Office became Presidential July 1, 1943.

Mattie H. Graham, Pomaria, S. C. Office became Presidential July 1, 1943.

SOUTH DAKOTA

Ilah L. Scriver, South Shore, S. Dak. Office became Presidential July 1, 1943.

TENNESSEE

Edith Caldwell, Lupton City, Tenn. Office became Presidential July 1, 1943.

Amy E. Davis, Oakdale, Tenn., in place of L. N. Alley, deceased.

TEXAS

Hazel M. Ricks, De Kalb, Tex., in place of T. B. Lenox, deceased.

VERMONT

John E. Stewart, Morrisville, Vt., in place of J. E. Stewart. Incumbent's commission expired June 23, 1942.

VIRGINIA

James B. Blake, Sandston, Va., in place of E. P. White, resigned.

WASHINGTON

Velma P. Hix, Duvall, Wash. Office became Presidential July 1, 1943.

WEST VIRGINIA

Irvin G. Bowman, Petersburg, W. Va., in place of G. L. Smith, transferred.

Benjamin F. Hall, Thorpe, W. Va. Office became Presidential July 1, 1942.

WISCONSIN

Carl W. Janssen, De Pere, Wis., in place of J. S. McHugh, removed.

John J. Burkhard, Monroe, Wis., in place of J. J. Burkhard. Incumbent's commission expired May 28, 1941.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 15 (legislative day of May 9), 1944:

POSTMASTERS

CALIFORNIA

Esther D. Willson, Bigpine.

COLORADO

James D. Wilson, Monte Vista.
Thomas H. Wand, Paonia.

KANSAS

Clarence G. Nevins, Dodge City.
J. S. Shilling, Junction City.
Helen Six, Lyons.

NEW YORK

Harold W. Becker, Catskill.
Ernest Rose, Central Valley.
Christena L. Sands, Hamden.
Graham Chapman, North Cohocton.
George P. Murphy, Roslyn Heights.
Frank C. Beams, Schenevus.
Stephen H. Keating, Waterford.

OKLAHOMA

Verdia Comer, Big Cabin.

TEXAS

Laura Harrison North, Riviera.
Hobert L. Smith, Roaring Springs.
Levi E. Baker, Shallowater.
Clyde V. Welch, Somerville.

WASHINGTON

Allison C. Presson, Buena.

WYOMING

Fred B. Borne, Hulett.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 15, 1944

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who art the Lord of life, as we contemplate Thy works, grant that our hearts may be in tune with nature and in harmony with Thy holy purpose. Speak to us and blend our words in full accord with the music of Thy love and in the strength of Thy wisdom, without which shriveled and sunken would be the world in which we live. Thou who knowest our frame, open our spiritual vision that we may behold the marvelous resources which Thou hast prepared for us.

Be pleased to crowd us this day with self-respect, self-knowledge, and self-control which lead to power and influence. We pray for the urgency of a defiant faith from which the substance of a better world can be born—showing a God who is just and good. Help us to feel the warm flames of sympathetic cooperation, breathing the spirit of the Master, and interpreting His rule of conduct. We would remember that we are debtors to a great host of brave men who are serving us that there may be fewer shackles, less guilt and misery among fallen humanity. Do Thou encourage us to be brave and open-minded men and women, deserving the great honor which our Republic has bestowed upon us. At this Capitol shrine, we pray that we may reassert and renew our obligations, work and pray for the highest good. We lift our praise to Thee, O Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

PROCESSING TAX ON COCONUT OIL

Mr. EBERHARTER. Mr. Speaker, at the request of the gentleman from North Carolina [Mr. DOUGHTON], I ask unanimous consent for the immediate consideration of the bill (H. R. 4837) to extend for an additional 2 years the suspension in part of the processing tax on coconut oil.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. REED of New York. Reserving the right to object, Mr. Speaker, and I am not going to object since I am in favor of the bill. I believe, however, that an explanation of the bill by the gentleman from Pennsylvania would be in order.

Mr. EBERHARTER. I shall be glad to make an explanation as well as I can. I may say in the first instance that this bill was unanimously reported by the Committee on Ways and Means. Its passage was recommended and even requested by Mr. Crowley, of the Foreign Economic Administration, and Mr. Marvin Jones, of the War Food Administration. It merely extends for an additional period of time the suspension of the processing tax on coconut oil. Originally a processing tax act was passed which gave a monopoly to the importation of coconut oil into this country from the Philippine Islands. Since we are unable to obtain any coconut oil from the Philippine Islands under the present military situation, there is no necessity for such an act any more. Two years ago a law was passed suspending that particular tax act, and this bill merely extends that suspension for an additional 2 years.

Mr. REED of New York. The fact is that, not being able to get this copra and coconut oil from the Philippine Islands, we are deprived of a source of glycerin, which is so essential to the war.

Mr. EBERHARTER. That is correct.

Mr. REED of New York. The extension of this act makes it possible for us to receive this essential source of war materials from sundry islands around the world where coconuts are grown.

Mr. EBERHARTER. That is exactly the situation. Nearly all of this coconut oil is used directly for war purposes. In fact, the importation of it is under the control of the United States Commercial Company, which is an agency of the Federal Government.

Mr. REED of New York. Showing the importance of this, at the present time a great appeal is being made to the housewives to save all the grease possible and turn it in for the manufacture of glycerin.

Mr. EBERHARTER. That is correct.

Mr. REED of New York. In the last World War squads of men had to go over the battlefields and collect everything that could be turned into glycerin. It is so essential that this bill should be passed without controversy.

Mr. EBERHARTER. This is a war measure and it is absolutely necessary. As the gentleman from New York has so well said, it should be passed at this time.

The SPEAKER. Is there objection to the request of the gentlemar from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc. That section 2 of the act of September 16, 1942, entitled "An act to suspend in part the processing tax on coconut oil," is amended by striking out "June 30, 1944" and inserting in lieu thereof "June 30, 1946."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INDEPENDENT OFFICES APPROPRIATION BILL, 1945

Mr. WOODRUM of Virginia. Mr. Speaker, I call up the conference report on the bill (H. R. 4070) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1945, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 4070) "making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1945, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 30, 52, 53, 54, 55, 56, and 67.

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "newspapers and periodicals"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows: "teletype news service (not exceeding $900),"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows: "and not to exceed $35,000 for temporary employment of persons or organizations by contract or otherwise without regard to section 3709 of the Revised Statutes, or the Classification Act of 1923, as amended,"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$2,000,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows: ", and including the temporary employment (not exceeding $30,000) of persons or organizations by contract or otherwise, without regard to section 3709 of the Revised Statutes and the Classification Act of 1923, as amended"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In line 3 of the said amendment after the word "of", insert the words "more than four"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows: "purchase of uniforms for guards and elevator conductors,"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 35, 57, 64, 65, and 66.

C. A. WOODRUM,
JAMES M. FITZPATRICK,
JOE STARNES,
JOE HENDRICKS,
R. B. WIGGLESWORTH,
EVERETT M. DIRKSEN,
FRANCIS CASE,
Managers on the part of the House.

KENNETH MCKELLAR,
RICHARD B. RUSSELL,
THEODORE FRANCIS GREEN,
WALLACE H. WHITE, JR.,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the further conference on the disagreeing votes of the two Houses on the amendments of the Senate remaining in disagreement to the bill (H. R. 4070) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1945, and for other purposes submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Nos. 1, 2, 3, 4, 6, and 8, relating to the Bureau of the Budget: Authorizes the purchase of newspapers and periodicals, instead of authorizing the use of $500 for such purpose, as proposed by the House, and providing for the purchase of periodicals, only, as proposed by the Senate; authorizes the use of not exceeding $900 for teletype news service, instead of eliminating such service, as proposed by the Senate, and inserting such authority without specific limitation, as proposed by the House; makes $35,000 available for temporary employment of persons or organizations without regard to section 3709 of the Revised Statutes, or the Classification Act of 1923, as amended, instead of $55,000 for such purpose, as proposed by the House, and elimination of the authorization, as proposed by the Senate; appropriates $2,000,000 for salaries and expenses, instead of $1,830,400, as proposed by the Senate, and $2,290,340, as proposed by the House; makes $30,000 available for the employment of persons or organizations without regard to section 3709 of the Revised Statutes or the Classification Act of 1923, as amended, in connection with national defense appropriations, instead of $65,000, as proposed by the House, and the elimination of such authorization, as proposed by the Senate; and limits the Bureau to the maintenance or establishment of not more than four regional, field, or other offices outside the District of Columbia, instead of prohibiting the use of any appropriations for such offices, as proposed by the Senate.

No. 14: Inserts the prohibition against the use of appropriations to the Civil Service Commission for salaries and expenses of the Legal Examining Unit in the Examining and Personnel Utilization Division of the Commission, as proposed by the Senate.

No. 29: Authorizes the purchase of uniforms for guards and elevator conductors, instead of purchase, repair, and cleaning of such uniforms, and the purchase of one passenger-carrying vehicle, in connection with public buildings and grounds outside the District of Columbia, as proposed by the House, and the elimination of such authority, as proposed by the Senate.

No. 30: Appropriates $10,581,000 for salaries and expenses, public buildings and grounds outside the District of Columbia, under the Public Buildings Administration, as proposed by the House, instead of $9,581,000, as proposed by the Senate.

Nos. 52, 53, 54, 55, and 56, relating to the Tennessee Valley Authority: Strikes out the language of the Senate, providing a direct appropriation and that revenues of the Tennessee Valley Authority be deposited in the Treasury quarterly, and restores the language proposed by the House with reference to the expenditure of such revenues.

No. 67: Strikes out the provision of the Senate with reference to the payment of salary to any person filling any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person, and with reference to confirmation by the Senate of persons paid at the rate of $4,500 or more per annum, and restores the provision of the House prohibiting the use of funds to pay any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve of such nomination.

AMENDMENTS IN DISAGREEMENT

Amendments reported in disagreement are as follows:

No. 35, relating to the release of funds heretofore appropriated to the Public Roads Administration but impounded or withheld from obligation: The House managers will recommend concurrence in the Senate amendment with an amendment.

No. 57, relating to the Tennessee Valley Authority: The House managers will recommend concurrence in the Senate amendment with an amendment.

No. 64, relating to the operation of Government-owned automobiles: The House managers will further insist on disagreement to the Senate amendment.

No. 65, relating to the operation of Government-owned automobiles: The House managers will recommend concurrence in the Senate amendment with an amendment.

No. 66, relating to the operation of Government-owned automobiles: The House managers will further insist on disagreement to the Senate amendment.

C. A. WOODRUM,
JAMES M. FITZPATRICK,
JOE STARNES,
JOE HENDRICKS,
R. B. WIGGLESWORTH,
EVERETT M. DIRKSEN,
FRANCIS CASE,
Managers on the part of the House.

Mr. WOODRUM of Virginia. Mr. Speaker, this is in effect a unanimous report, which has been submitted by your conferees. It disposes of all amendments which were in disagreement between the two Houses, and we had a total of 20 amendments in disagreement at the second conference. If the report and the subsequent motions on amendments in technical disagreement are acted upon favorably, it will dispose of the independent offices appropriation bill as far as the House is concerned, and it will go to the President for approval slightly in excess of $39,000,000 under the Budget estimates submitted to the Congress for consideration in connection with the bill.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 35: On page 29, after line 1, insert the following:

"All funds heretofore appropriated to the Public Roads Administration for the construction of roads but impounded or withheld from obligation or expenditure by any agency or official are hereby released and made available for obligation or expenditure for the purposes for which they were originally appropriated."

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WOODRUM of Virginia moves that the House recede from its disagreement to the amendment of the Senate No. 35, and agree to the same with an amendment, as follows: At the end of the matter proposed to be inserted by said amendment, and before the period, insert the following: "subject to the approval of the Chairman of the War Manpower Commission as to the availability of manpower and subject to the approval of the Chairman of the War Production Board as to the availability of critical materials."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 57: On page 52, line 19, strike out "and accounted for as one fund to be known as the 'Tennessee Valley Authority fund 1945', to remain available until June 30, 1945; and to be available for the payment of obligations chargeable against the 'Tennessee Valley Authority fund, 1944'" and insert in lieu thereof "general fund of the Treasury of the United States."

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WOODRUM of Virginia moves that the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "and accounted for as one fund to be known as the Tennessee Valley Authority fund, 1945, to remain available until June 30, 1945, and to be available for the payment of obligations chargeable against the Tennessee Valley Authority fund, 1944, and the Tennessee Valley Authority shall file reports every 4 months with the two Appropriations Committees of the Congress of all its receipts and expenditures."

Mr. WOODRUM of Virginia. Mr. Speaker, the effect of this amendment, if agreed to by the House, together with the action taken by the House in the report just adopted, will be that the so-called T. V. A. amendments of the Senate will be stricken from the bill; and in lieu thereof the provisions of the House bill will be restored. The only change is the provision in the amendment just read, which requires that T. V. A. shall file with the Committees on Appropriations of the House and Senate every 4 months a complete statement of its receipts and expenditures.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield.

Mr. RANKIN. Is that a unanimous agreement?

Mr. WOODRUM of Virginia. That is the unanimous agreement of the conferees.

Mr. RANKIN. That is on both sides of the House and the Senate.

The SPEAKER. The question is on the motion offered by the gentleman from Virginia [Mr. WOODRUM].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 64: On page 64, lines 4 and 5, after "vehicle", insert "(1)."

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House further insist on its disagreement to Senate amendment No. 64.

Mr. Speaker, the next two motions which I shall offer make the insertion of an amendment at this point unnecessary, and it is a part of our agreement with the Senate conferees that the Senate will recede from its disagreement to this amendment.

The SPEAKER. The question is on the motion offered by the gentleman from Virginia [Mr. WOODRUM].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 65: On page 66, line 2, insert "; (2) unless there shall be painted in white letters not less than 2 inches high on both sides of each motor vehicle and trailer owned or leased by the United States Government the words 'On Official Business,' and (3) unless there shall also be displayed at all times in a conspicuous place a sign designating the particular department, independent establishment, or other Federal agency which operates said vehicle. Any officer or employee of the Government who uses or authorizes the use of any Government-owned motor-propelled passenger-carrying vehicle, or of any motor-propelled passenger-carrying vehicle leased by the Government, for other than official purposes or otherwise violates the provisions of this subsection shall be summarily removed from office, and shall, upon conviction thereof, be fined not more than $1,000 or imprisoned for not more than 1 year, or both."

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment No. 65 and concur in the same, with an amendment.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. Mr. Speaker, I will explain the situation to the gentleman if he will wait until the amendment is read by the Clerk.

The SPEAKER. The Clerk will report the motion made by the gentleman from Virginia [Mr. WOODRUM].

The Clerk read as follows:

Mr. WOODRUM of Virginia moves that the House recede from its disagreement to the amendment of the Senate No. 65, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert a period and the following: "Any officer or employee of the Government who uses or authorizes the use of any Government-owned motor-propelled passenger-carrying vehicle, or of any motor-propelled passenger-carrying vehicle leased by the Government, for other than official purposes or otherwise violates the provisions of this subsection shall be summarily removed from office."

Mr. WOODRUM of Virginia. Mr. Speaker, in explanation of the action recommended by the conferees I may say the effect of this amendment is to strike out the Senate language requiring the marking of motor vehicles or trailers owned or leased by the Government and to continue the House provision, adding to it an amendment providing the penalty of removal from office of any employee who uses or authorizes the use of any such vehicle for other than official purposes.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Virginia [Mr. WOODRUM].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 66: On page 66, line 21, add the following: "and clauses (2) and (3) shall not apply to motor vehicles operated by the Federal Bureau of Investigation and the Immigration and Naturalization Service of the Department of Justice and the Secret Service of the Treasury Department."

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House further insist on its disagreement to Senate amendment No. 66.

The SPEAKER. The question is on the motion of the gentleman from Virginia.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the various motions was laid on the table.

EXTENSION OF REMARKS

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the report and the amendments.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

REPRESENTATIVE-ELECT JOHN J. ROONEY

The SPEAKER laid before the House the following communication which was read by the Clerk:

JUNE 15, 1944.

The Honorable the SPEAKER,
House of Representatives.

SIR: The certificate of election in due form of law of Hon. JOHN J. ROONEY as a Representative-elect to the Seventy-eighth Congress from the Fourth Congressional District of the State of New York, to fill a vacancy in that district, is on file in this office.

Very truly yours,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

Mr. ROONEY presented himself at the bar of the House and took the oath of office.

INSURANCE LEGISLATION

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. WALTER addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short address by a young lady at a commencement exercise.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a copy of a resolution recently adopted by the members of Local No. 21, United Federal Workers of America, C. I. O.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SPEECHES MADE IN THE LAST PRESIDENTIAL CAMPAIGN

Mr. MURPHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MURPHY. Mr. Speaker, irrespective of the merits of the political parties or their candidates in the coming Presidential contest, there is one piece of misrepresentation still being circulated by isolationists which ought to be eliminated from this campaign. Mr. Speaker, I ask unanimous consent that next Tuesday, after the regular business of the House is disposed of, I may discuss for 15 minutes before the House every speech made in the last Presidential campaign about sending our boys to foreign wars and discuss the Democratic platform, and I hope to present a fair and honest and complete picture to the Nation.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. ENGEL of Michigan. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I expect to make in the Committee of the Whole this afternoon on the War Department appropriation bill and to include therein certain tables and quotations.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SHORTAGE OF DOCTORS

Mr. MILLER of Missouri. Mr. Speaker, the country is confronted with a serious shortage of doctors. Death alone takes a toll of 4,000 each year. This does not include the casualties in action which are unknown. We face the appalling fact that the supply of doctors has been dangerously diminished and the situation is becoming alarmingly worse, and will continue so in the years to come unless we take immediate steps to remedy it.

The Selective Service Act of 1940 and its amendments make no provision for the deferment of premedical students. There are now over 6,000 students in medical schools in this country. If the draft continues to take over 3,300 of this number each year, this will leave about 2,700 to continue through school. Obviously, such a policy, if pursued, will imperil the health of the Nation. We cannot afford to run the risk of a flu epidemic such as in World War No. 1, which took more lives than were lost in battle.

Therefore, I have introduced a bill to amend section 5 of the Selective Service Act of 1940, as amended, to provide for the deferment in each calendar year of not less than 6,000 medical and premedical students.

SHORTAGE OF MEN'S UNDERWEAR

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. KEEFE. Mr. Speaker, the distinguished gentleman from Missouri [Mr. MILLER] has just called attention to a crisis which affects the whole country. I would like to call your attention to a crisis that affects one man in my congressional district. He is 6 feet 6 inches in height, weighs 260 pounds. He is affected because he cannot purchase underwear any place in the country. I received a letter from him this morning advising me that although he is not too big to buy war bonds, not too big to have served with distinction in the last World War, not too big to work diligently in a war plant and perform all the functions of citizenship, nevertheless due to a failure in our production set-up he finds himself unable to buy a suit of suitable underwear. He is faced with the crisis of being compelled to abandon underwear or to wear a mere loin cloth. To some this complaint may seem trivial when compared to other national and international problems. To the men of this country who are situated as is my friend, the problem is real and should command the immediate attention of the O. P. A. and W. P. B. I am wondering if there is any man in this House who can give me any information as to where I may go to find relief for this very deserving citizen?

Mr. MASON. Give him a pair of yours.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

EXTENSION OF REMARKS

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Pennsylvania [Mr. PRATT] may extend his own remarks in the RECORD and include a short editorial.

The SPEAKER. Is there objection?

There was no objection.

MRS. PHOEBE SHERMAN

Mr. JENNINGS. Mr. Speaker, I ask unanimous consent that the bill (H. R. 2354) for the relief of Mrs. Phoebe Sherman, a private bill, be restored to the private calendar. I have discussed the matter with both the majority and minority leaders and with the objectors.

The SPEAKER. Is there objection?

There was no objection.

MARTIN DIES

Mr. THOMAS of New Jersey. I ask unanimous consent to address the House for 1 minute and to extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOMAS of New Jersey. Mr. Speaker, Smear, Inc., headed by Walter Winchell is now frantically plugging a book just published entitled "Martin Dies" by William Gellerman. I have read this book which purports to deal objectively with the record of the Special Committee on Un-American Activities and its chairman. The book is full of bias and prejudice as would be expected after examining the author's previous literary contribution.

In 1938, Mr. Gellerman wrote a book entitled "The American Legion as Educator." It was a vicious attack upon that great patriotic body and created indignation throughout the country at the time. In the conclusion of Mr. Gellerman's book attacking the American Legion on page 266 he wrote:

> In the promotion of war and fascism in America, the American Legion has done more than its share.

Such a statement I am sure is resented by every true American and it should put everyone on notice as to the "job" he has attempted to do on a committee of this Congress through Gellerman's most recent book entitled "Martin Dies." I think it is likewise significant to note that Gellerman's book attacking the American Legion was sponsored by Prof. George S. Counts, who at that time was a member of the national executive committee of the Communist-front organization, known as the American League Against War and Fascism, whose vice president was none other than Mr. Earl Browder. This is only one of the many Communist affiliations of Professor Counts, the sponsor of Mr. Gellerman's book.

ORDER OF BUSINESS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARTIN of Massachusetts. I do this, Mr. Speaker, in order that we may obtain the program for the balance of the week. I understand there have been some changes.

Mr. McCORMACK. The War Department appropriation bill will be taken up. If that is disposed of so that other legislation may be considered today, immediately thereafter the conference report on the civil functions appropriation bill will be taken up. If time is left, the conference report on the State, Commerce, and Justice Departments appropriation bill.

It is hoped that those matters will not take long. If there is any time left, it is the intention to bring up the rule making in order consideration of the war contract termination bill. Of course, that is on the program after we have disposed of other conference reports that are pending.

Mr. MARTIN of Massachusetts. It might be possible to finish that war contract termination bill tomorrow?

Mr. McCORMACK. I hope so. In any event, if we dispose of all the conference reports that are pending, it will be the order of business tomorrow, and if not terminated, if final action is not taken by the House, then it will go over until Monday, because the deficiency appropriation bill is definitely assigned for Saturday.

Mr. MARTIN of Massachusetts. Will that deficiency appropriation bill take very long on Saturday?

Mr. McCORMACK. My best information is that it will take the greater part of the day. If it should go into the late afternoon I would not feel disposed to take up anything further, because the House has worked very hard and very effectively this week.

Mr. MARTIN of Massachusetts. It will go over until Monday then if it is not disposed of tomorrow?

Mr. McCORMACK. I think that would be better.

Mr. STEFAN. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. STEFAN. Does the gentleman know anything about the status of the bill extending the life of the Civilian Pilot Training Act?

Mr. McCORMACK. I understand that expires on June 30.

Mr. STEFAN. That is correct.

Mr. McCORMACK. It was called to my attention by my legislative clerk last night and I wrote a letter to the gentleman from North Carolina [Mr. BULWINKLE] asking him to discuss it with me, because action should be taken on that sometime next week. I am glad the gentleman brought it up, because I had that in mind. I do not know whether that can be passed by unanimous consent or not. If not, they will have to get a rule. It must be acted upon next week.

Mr. MARTIN of Massachusetts. Can the gentleman state whether the WASP bill will be taken up next week?

Mr. McCORMACK. That will be taken up next week.

EXTENSION OF REMARKS

Mr. DOUGLAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix.

The SPEAKER. Is there objection?

There was no objection.

FORMER CAMPAIGN SPEECHES

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. GROSS. Mr. Speaker, I trust that when my colleague the gentleman from Pennsylvania [Mr. MURPHY] discusses all of the campaign speeches in a day or two, he will have in mind and properly quote that speech in which the President said to the mothers of the Nation, quote:

> And while I am talking to you, mothers and fathers, I give you one more assurance. I have said this before, but I shall say it again and again and again:
>
> Your boys are not going to be sent into any foreign wars.
>
> They are going into training to form a force so strong that, by its very existence, it will keep the threat of war far away from our shores.
>
> The purpose of our defense is defense.

They are weeping over their let-down, and I trust the gentleman will quote the President properly at that time.

Mr. MURPHY. Will the gentleman yield?

Mr. GROSS. I do not yield.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

A DANGEROUS SITUATION

Mr. SUMNERS of Texas. Mr. Speaker, I want to call to the attention of the country and the responsible administrative agencies of the Government a very important and very dangerous situation developing in this country.

For several years now many influences have been at work to make the white people and the colored people of this country, especially those in the Southern States, hate each other. And now, when that result has been accomplished to an alarming degree, it is being added to by a policy to force the people of these races to work together in close proximity, with every occasion and opportunity for individual irriation and conflict which easily could spread in this attitude as the flame of a match spreads in a dry prairie.

I do not suppose anybody in this country has any doubt as to what has been done to make these races antagonistic to each other, or the effect upon that antagonism of this policy to force them to work all mixed up with each other.

Recently one of the leading newspapers in my section of the country wanted a colored paper handler and advertised for such an employee. Why not, that was what they wanted? The local agent of F. E. P. C., however, served notice on the paper that it must not print such an advertisement, that it was discriminatory on account of color.

Yesterday I had a letter from a man who wrote me that it is being insisted that the F. E. P. C. clause be included in all rental contracts made by the Government, regardless of the character of activity.

The other day in Cleveland, so an Associated Press dispatch tells us, 7 colored people were sent under armed guard into a plant producing war mate-

rial where only white people were at work. Between 12,000 and 15,000 white people walked out. The fact that these colored people were sent in under armed guard shows the racial attitude there, and that it was anticipated by those who sent these colored people in that disorder and possible disruption of plant activity would result. The plant was paralyzed for 4 days. Six hundred strikers were discharged. They were told they would not receive certificates of availability unless they could show extenuating circumstances. The activities in the plant were renewed after this experience, but the deep-seated antagonism which resulted is there yet, liable to explode at any time and possibly a repetition of what happened in Detroit last year.

Of course, the situation is difficult at best, and dangerous at best, especially in the Southern States. It should be a sobering fact that the experiment which we are trying in this country of having two dissimilar races, each retaining its identity, live in large numbers in the same communities, has never succeeded in the history of the world. Considering how short a time in the life of a nation is the time which has intervened since the War between the States, our interracial adjustment, which the white people of the South have participated in—this improvement of the status of the colored people to which both races have contributed—better schools, better facilities, better opportunities, and the big fact that this all rests upon community approval and community interest, is perhaps the outstanding achievement of its kind of all time. This is all being imperiled by a combination of short-sighted outside interference, some doubtless well-meaning people, and by a well-organized, shrewdly directed, abundantly financed, communistic influence hungry for power, antagonistic to our form of government, and deeply resentful toward the white people of the South because their communistic, alien political philosophy has never been able to make any substantial headway.

INFANTRY DAY

Mr. WEISS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WEISS. Mr. Speaker, today is Infantry Day. No unit or arm of our great military service is deserving of greater praise and recognition than G. I. Infantry Joe, nicknamed "Doughboy." He has been the backbone of every Army in every war in which this Nation of ours has been engaged, and today's global conflict is no exception. In Guadalcanal, New Guinea, Tarawa, Sicily, Anzio beachhead, Cassino, along all the beachheads in France on D-day, June 6, 1944, it was the infantryman, the foot soldier, who first landed on enemy soil and engaged in hand-to-hand combat.

This is no attempt to minimize the other arms of the service—the artillery and the mechanized forces, the Air Corps. We all recognize the fact that the infantryman is supported magnificently by the other branches of the service, but the support is behind him and above him. There is nothing in front of him but the enemy. Yet nothing—not the raking artillery nor mortar fire of the enemy—stops him. In every war, including the present, the casualties in the infantry are always the highest. Nothing we can do would ever sufficiently repay him for his unsurpassed gallantry.

Ernie Pyle, famous war correspondent and 1944 Pulitzer prize winner, knows G. I. Infantry Joe better than many of the Army generals themselves because he has lived in dugouts and in foxholes with the American soldier boy since November 7, 1942, the day he set foot on new soil. Ernie suggested a combat pay bill, which I introduced in this Congress on March 8, 1944. My bill provides for an increase of 50 percent in pay when a soldier engages in actual combat. This is comparable to existing legislation passed by this wartime Congress on June 16, 1942, giving men in the Air Corps a 50 percent increase in pay when engaged in combat or when they engage regularly and frequently in aerial flights.

The Navy pays a 20 percent increase to men serving at sea and doing foreign duty. Personnel in submarine service is entitled to a further increase of 50 percent in pay while so attached.

Why not the same consideration for Infantryman G. I. Joe?

As one of the overseas doughboys wrote me:

> It's not the money but the recognition, and I hope the war ends quickly so we can never collect a cent.

Another bill now being considered by the committee to give "expert infantrymen" and "combat infantrymen" badges will cost this Government more money than the provisions of my bill and will not meet the commendable recommendation made by Ernie Pyle which to me, to military men with whom I have spoken, and particularly to G. I. Joe himself, is the desired recognition.

Let us pay real tribute to Johnny Doughboy on Infantry Day by enacting into law the Ernie Pyle recommendation of: "Fight pay for fighting men."

EXTENSION OF REMARKS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix and include therein an interesting article which appeared in the Boston Daily Globe of yesterday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein three short editorials on the message of the President on free ports.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MORRISON of Louisiana. Mr. Speaker, I ask unanimous consent that I may address the House for 30 minutes on tomorrow after the disposition of legislative business and other special orders.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

(Mr. SAUTHOFF asked and was given permission to revise and extend his own remarks.)

Mr. HAYS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a letter.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks on the subject of the Electoral College.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in two particulars and in one to include a newspaper article.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that in extending the remarks I made in the House on day before yesterday I may include therein a short address I made some time ago.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an article from the Boston Globe written by James Morgan.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOCH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article from the Boston Globe entitled "New Tricks for an Old Dog."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

POLITICAL SPEECHES—QUOTATIONS

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I am looking forward with a great deal of interest to the speech the gentleman from Pennsylvania [Mr. MURPHY] intends to make on next Tuesday. I am certain he will quote correctly any speeches made by the President of the United States or the candidate who opposed him in the last election campaign.

I just want to call attention to the fact that the gentleman from Pennsylvania [Mr. GROSS] apparently quoting the remarks of the President attributed to the President this statement:

> We will not send our boys overseas.

What the President said was:

We will not send our boys overseas except in case of attack.

That is what the President said, not the misrepresentation of a partial quotation. I wonder if the gentleman from Pennsylvania knows we were attacked at Pearl Harbor?

BANK HOLDING COMPANIES

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. VOORHIS of California addressed the House. His remarks appear in the Appendix.]

CLOTHING DIFFICULTIES

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I take this time to make an announcement to my friend the gentleman from Wisconsin [Mr. KEEFE]. He raised a question here a while ago as to why his constituent, who is 6 feet 6 and weighs 260 pounds, could not buy a suit of underwear. There are some very definite reasons why mothers cannot purchase clothing of certain types for their babies in the cradles, and there are certain very definite reasons why this constituent cannot purchase that underwear, and if the gentleman from Wisconsin will call at my office, where I have the records, I shall be very glad to show him some of those specific reasons. We had a chance to clear some of them out of the way the last few days, but we failed to do so yesterday afternoon and our constituents are still without their underwear.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. RANKIN. Did not the gentleman from Wisconsin vote against us on it?

The SPEAKER. The time of the gentleman from Michigan has expired.

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I have three unanimous-consent requests: One to extend my own remarks; one to extend my own remarks and include an article from a Philadelphia paper; and the third to address the House for 1 minute and to revise and extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

WALTER WINCHELL

Mr. HOFFMAN. Mr. Speaker, early this year I made the statement in a letter to a newspaper friend that Walter Winchell had been stripped of his uniform. Walter said that hurt him, and he said his feelings had been injured to the extent of $250,000. He announced three or four times over the radio or in the press that he had brought suit against me for a quarter of a million dollars. If he has brought suit, I have never heard of it officially or by any service of papers upon me, so his suit did not amount to much. But here is a warning to the membership. On April 12, 1944, Winchell announced:

Some gazettes read the libel action against the Congressman too fast.

We are suing because he allegedly told a Michigan newspaper that we were stripped of our naval uniform. This is to warn anybody: Don't print it or say it again outside of Congress or your strait jacket.

Walter warning against the use of free speech by anyone other than himself.

Now, the joke is that on February 19, a year before, one of Walter's pet papers, PM—of all papers—under the caption "Winchell put out of service," printed:

The Navy stripped Winchell of his lieutenant commander's uniform yesterday to appease the one-time isolationist bloc in Congress.

Walter, if he ever sues, had better get the right defendant. Let him sue PM; then before the court will be his friend—and two of a kind.

The SPEAKER. The time of the gentleman from Michigan has expired.

WAR DEPARTMENT APPROPRIATION BILL, 1945

Mr. SNYDER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4967) making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes; and, pending that motion, I should like to have a suggestion from the gentleman from New Jersey as to time for general debate.

Mr. POWERS. May I suggest to the gentleman from Pennsylvania that we agree upon not to exceed 4 hours, the debate to be confined to the bill and equally divided between the gentleman from Pennsylvania and myself.

Mr. SNYDER. That is satisfactory to me.

Mr. Speaker, I ask unanimous consent, pending the motion, that debate on the bill be limited to 4 hours, to be confined to the bill, and to be divided equally between myself and the gentleman from New Jersey.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4967, the War Department appropriation bill, 1945, with Mr. CLARK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SNYDER. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, this bill of which we are about to begin the consideration provides General Eisenhower with his knock-out punch of the Huns.

The first round started Tuesday morning, June 6. The day of the last round we just cannot predict, but we fervently hope that it will come before the Ides of March.

I should call this the Hitler doom bill, and the bill that will soften Tojo for his doom that shortly will follow.

It is the hope of our military leadership that Germany will be out of the war before another Easter time.

This bill contains the funds for the manpower and the material necessary to conduct offensives on a scale that could accomplish such an end, and it also contains the funds for a more prolonged action, should there arise situations which might occasion delays not presently anticipated. Wars just do not always run on preestablished schedules.

The bill presently before us does not permit us to be committed as much by twenty-five billions as did the bill of a year ago, but fortunately, of the bill of a year ago, present indications are that there will be left uncommitted $33,672,971,000.

That money, this bill contemplates, shall be carried forward to help finance the 1945 fiscal-year load so that the amount of new cash we are proposing the appropriation of is $15,436,031,795.

That amount of cash, plus the carryover of unobligated 1944 money, will make available for new obligations $49,109,002,795, which is broken down for you by general objects on page 4 of our report.

The proposed total is $8,488,022,566 in excess of the estimated total of current fiscal year obligations, which may be a bit surprising.

That increase occurs principally under two heads:

1. Pay of the Army.—This bill contemplates a military force of 7,700,000 persons and the maintenance of that number throughout the year. We may expect that total number to be exceeded, because it represents effective personnel. When depletion occurs in the front-line areas there must be immediately available trained reserves to fill the gaps. That is the only way offensives may be aggressively conducted and the only way commanders may promptly follow up gains and continue to press the enemy.

Therefore, we must figure upon a full military pay-roll cost, at least. Other factors are the higher family-allowance rates and the larger number of officers and men who will be drawing pay for overseas service.

Pay is a big part of a military budget, or at least of an American military budget. It is responsible for about 25 percent of this bill.

It will interest you to know that $1,872,000,000 of the pay figure represents the Government's contribution to family allowances. This is interesting, too: In the last war the soldier's base-pay rate was $21 per month. We had the Army figure what the $50 rate means to those

who otherwise would be drawing the former rate and the difference adds up to $662,783,052.

So much for pay.

2. Ordnance.—The second and main item of increase applies to ordnance. As it has worked out, ordnance has had too much money in the past. Production facilities were overgaged, production output was undergaged, and consumption fell below the estimates. Production capacity increased through new methods and improved skill, with a consequent reduction in cost in which renegotiation had a large part. My colleague, the gentleman from Michigan [Mr. ENGEL], can enlighten you on costs. He has devoted much time to the subject.

These general considerations will have yielded by the end of this month an unobligated balance of $13,150,000,000 of prior ordnance funds.

This present fiscal year new ordnance commitments are not expected to exceed $2,213,633,222. That is because of a resurvey of programed needs, presently being met by earlier long-range orders. In 1945 it will become necessary to increase new commitments to meet needs as best as they can be projected at this time. The bill makes available roundly six billion three hundred and eighty-five million more than the amount of current fiscal-year commitments, all to be charged to the unused 1944 availability and the remaining excess of such availability we propose to use to help defray the pay of the Army cost.

That accounts in the main for the difference proposed between new 1945 availability and 1944 obligations.

Some may think, in view of our experience this year with large unused balances that we should reduce this budget rather substantially. It is our judgment that would be a most unwise procedure in view of the war situation today. True, that argument was advanced a year ago and it has turned out that we gave them thirty-three and one-half billions too much, but we have recaptured every dime of it, and I think all of us would rather have pursued the course we did than to have had it said that our forces were handicapped because the Congress did not provide funds necessary to enable them to fight an aggresive war or possibly that our forces had met with reverses owing to inadequate munitions and properly equipped troops.

There was sound basis for our action a year ago. The present hearings are replete with justifications by our highest military leaders.

And I maintain there is sound basis today for providing for contingent factors, because the Lord only knows what tomorrow may bring forth.

I like the expression of Secretary of the Navy Forrestal. He stressed the fact before the Naval Subcommittee that the next 4 or 5 months of this war would be intensely critical and that until that time had passed there would be need to plan and provide for many contingencies. He said, and I quote:

> We cannot be very precise on assumptions. We cannot assume that things will go exactly as planned. We have to assume that things may not go well.

The Deputy Chief of the War Department General Staff, General McNarney, and we have right to be thankful that he holds that great and responsible position, told us frankly that if the Allied Nations were able to force the Germans out of the war before the end of the year, this bill very probably would contain too much money. I do not know who under heaven today can give assurances of such an eventuality.

All I want to say is that whether the Germans fold up or not, it is the plan of my subcommittee to bring the department people back before us in midyear and recanvass their budget. If we find any surplus money we can recapture it, and we did this year, and I want to pay my respects to the responsible officers in the War Department for the manner in which they have conserved the money which has been available to them this present year. We have in them and General Richards, the Budget Officer of the War Department General Staff, full faith and confidence.

We have managed to effect a number of reductions in this bill. They total $241,837,905, and you will find that amount itemized, commencing on page 6 of our report.

I do not think we have done any hurt. We cannot do any real hurt, because they can appeal at any time.

Many items, you will see from the table commencing on page 16 of our report, we have not disturbed at all. That is true of all of the appropriations of the technical branches or the technical appropriations of such branches.

Aviation, of course, we have not touched. The new availability proposed is $12,610,200,000, which is about 125 millions less than obligations the present fiscal year are estimated to total.

The amount for new airplanes, including spares, is $8,859,565,925. That will provide 41,345 new planes nearly all of tactical types, or so denominated in the justifications.

Aviation is a tremendously costly component. Counting pay and technical equipment and ground facilities financed by other branches, approximately 42 percent of this bill is traceable to the air arm.

The bill includes under "Military posts" $226,995,500 for the provision of facilities of various kinds, largely in continental United States. The general nature of the projects is shown on page 10 of the report. Aviation is responsible for the greater part of it, and a great part of that is owing to the increasing number of higher powered and heavier aircraft.

The committee has reduced the military post item by $20,556,500, mostly off of the contingent fund.

We have kept the bill reasonably free of new legislative provisions. They are set out in the report commencing on page 14.

Briefly, the first one provides for relieving banks of responsibility for cashing allotment checks presented for payment without knowledge of the allottee or the allotter's death. If such relief is not given, banks simply are not going to cash checks without assurance that the allottee is alive, and that would mean much delay and would occasion a flood of complaints by allottees.

The second is a familiar proposition. It pertains to educating doctors, dentists, and veterinarians. Putting a boy aspiring to be a doctor through the preliminary stages, through the college training, and through the internship means about 4 years and 3 months. Last year the committee proposed and the House approved Army participation in such training only as to students who could complete instruction in degree-granting institutions of learning within 2 years. The provision went out in the Senate and remained out. That recommendation of a year ago was made because of the remote chance of such students being of any value to the military in this war, and, therefore, it was according preferential treatment as to military service to a certain selected group. Another year has passed. New entrants into this training would not be available for service prior to the close of the calendar year 1943.

The instant proposal does not touch students presently in the program at any stage of the program, but it will stop any further inflow. I cannot say definitely how many individuals would be effected. The plans call for a man-year increase of 3,725 but some of that number quite likely are now in the program.

The third proposition relates to land acquisition. It requires that land be leased, if it should be possible and more economical so to do, rather than purchased, in those cases where doubt prevails that the land desired will be permanently needed, the intention being that determination shall vest in the Secretary of War.

The fourth proposal, relating to section 5 of the bill consist of 3 propositions:

First. Specifically makes appropriations available for administrative expenses in occupied areas. Such expenses are being incurred today, and this is merely to forestall any questions being raised as to the propriety of incurring such expenses.

Second. Sanctions the Army's part in occupied areas prior to release to U. N. R. R. A. The bill makes $562,556,900 available for such employment, the expenditure objects being indicated on page 161 of the hearings. The discussion had the other day on the Foreign Economic Administration appropriation bill is fresh in our minds, and I see no need for further explanation.

The third clause permits the incurrence of expenses incident to investigations of one kind or another growing out of the Army's presence in foreign countries. Matters of compensation of foreign nationals, settlement of construction contracts, and subjects of that kind come up and there must be some investigation in order to arrive at mutually satisfactory settlements.

That disposes of the legislative provisions.

I wish to add that I have every reason to believe that the bill is satisfactory as to its textual content to the Committee on Military Affairs. I sent the distinguished chairman of that committee a copy of the original draft of the bill as soon as it was received from the printer and I understand he has been consulted by Colonel Moore, attached to General Richards' office.

The committee wants to cooperate with the legislative committee and is strongly averse to encroaching upon its prerogatives. If there has been any encroachment since the beginning of the war, it feels that there has been implied concurrence by such committee. Everything has been in the interest of facilitating performance of programs and policies which have legislative support and in directions, I am sure, which both committees and the Congress as a whole endorse.

Mr. Chairman, I shall not take the time of the committee to read it, but I shall include as a part of my remarks a statement showing by general objects, and by that I mean the same classification used on page 4 of our report, funds that have been available to the military establishment over the period June 30, 1940 to date. They include $196,681,959 of funds that continued available that were available prior to June 30, 1940.

I have prepared the statement from data gotten up for me by the War Department.

I want to stress the fact that the statement includes all of the money reappropriated in this bill. As I previously have stated, we are reappropriating in this bill $33,672,971,000 of prior appropriations. This bill carries new money totaling $15,436,031,795, and that is all that may be appropriately added to the total of the statement I am inserting, and that total is $185,951,185,221. The statement follows:

Pay and travel	$22,113,285,796
Subsistence	4,881,830,860
Clothing and equipage	6,865,737,992
General supplies	587,373,707
Army transportation	9,512,529,080
Signal Corps	11,153,745,565
Air Forces	60,192,083,410
Medical Department	1,663,104,189
Engineer service	16,235,940,347
Ordnance Department	41,632,048,625
Chemical Warfare Service	2,088,079,832
Expediting production	6,951,804,300
Special service schools, department expenses, and miscellaneous	2,073,621,518
Total	185,951,185,221

Mr. Chairman, I cannot conclude without expressing my keen personal regret that the country and the Congress and my subcommittee, particularly, will be deprived of the counsel and guidance of our beloved colleague the gentleman from Alabama, JOE STARNES, in shaping military budgets. He has sat next to me in drafting all of these war and pre-war measures and I have leaned heavily upon him because he is a tried and proven military man himself, and a lovable character besides.

JOE STARNES is a great American, a great patriot, and a stanch and loyal friend. I shall miss him and I know we all shall miss him, and I wish to make this public acknowledgment of the great contribution this distinguished citizen and Member of the Congress has made to the success that has attended our Army in this great global war in which we are engaged.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield to the gentleman from Texas.

Mr. MAHON. I wish to join the chairman of my subcommittee in the tribute he has paid to the gentleman from Alabama [Mr. STARNES] who has shown an unusual interest in and a great understanding of military problems by reason of his study and by reason of his actual military experience on the field of combat. The gentleman from Alabama [Mr. STARNES] served overseas in World War No. 1, receiving the Silver Star for exceptionally meritorious conduct in battle.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield to the gentleman from South Dakota.

Mr. CASE. I am glad to hear these remarks with reference to the services of JOE STARNES. I think he knows and I should like to have the RECORD show that the Members on this side of the aisle from their association with JOE STARNES on this committee share the expressions of appreciation of Joe's services, of his patriotism, and of his alert and intelligent interest in all the things for the good of the War Department and the affairs of the country, which depend in such large measure upon the success of the military effort at this time.

Mr. SNYDER. Mr. Chairman, just a few hours before General Marshall left for the other side a few days ago, he dictated the following in response to an inquiry I made of him:

WAR DEPARTMENT,
Washington, D. C., June 7, 1944.

Hon. J. BUELL SNYDER,
Chairman, House Subcommittee on War Department Appropriations,
Washington, D. C.

DEAR MR. SNYDER: In response to your request of June 6 for information as to what effect, if any, the landing in France and the proposed military operations in Europe, will have on our need for funds, I should like to call your attention to the testimony of Lieutenant General McNarney, Deputy Chief of Staff, before the subcommittee on May 9, 1944, in which he said:

"In England, United States and British troops are ready for the offensive which some of you have become impatient to see launched. Do not be disturbed, because I can assure you the operation has been carefully planned. Preparation will be thorough and execution will be by the most tried and expert leaders we could assemble.

"The estimates which we have submitted have been carefully worked out and represent our studied opinion of the funds necessary for our war effort.

"Let me make it clear that if our successes are greater than we have anticipated, the War Department will exercise all possible vigilance and return to the Treasury in the form of unused appropriations as great a sum as possible.

"On the other hand, if unforeseen difficulties and needs arise, our requirements will be increased materially and our estimates will prove inadequate. We have been conservatively optimistic in our forecasts, and I hope events will bear out our judgment."

General McNarney's statement represents my views. The estimates were drawn up in anticipation of a second front in Europe and represent our best judgment of the amount of money needed to successfully prosecute the war, not only in Europe but on the Pacific front as well.

Sincerely yours,

G. C. MARSHALL,
Chief of Staff.

Mr. POWERS. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. ENGEL].

Mr. ENGEL of Michigan. Mr. Chairman, I have been a Member of this subcommittee for 8 years. For 8 years I have served on this subcommittee with the gentleman from Alabama [Mr. STARNES]. When he leaves us this year only two Members will remain who were on the subcommittee when I became a member of it, the gentleman from New Jersey [Mr. POWERS], and our distinguished chairman, the gentleman from Pennsylvania [Mr. SNYDER].

During those 8 years the gentleman from Alabama, JOE STARNES, has worked hard and diligently. An examination of the hearings and of the RECORD during that period of time will show that there is no one either in or out of the Congress who has done more or contributed more toward preparedness, toward national defense, and toward the war effort, in a legislative way, than has the gentleman from Alabama, JOE STARNES.

No one can question the judgment of the electorate of any district, nor have I any desire to do so. We make history. The next generation will write that history. When that history is written, the historian of tomorrow, and of the next generation, will take care of the facts. He will write history as it is. A historian will have to record that the gentleman from Alabama, JOE STARNES, made an outstanding contribution to national defense and to the welfare of this Nation during the most critical times the Nation has gone through in several generations.

I want to pay my personal tribute to him. He has been on the other side of the aisle during that 8 years, but I have never seen a time when that subcommittee divided along political lines. You cannot sit across a table from a man 8 years, write bills, hold hearings, and go over controversial facts, without getting an estimate of the man's ability, of his patriotism, and of his sincerity.

And I base my statement upon that 8 years' experience during which I sat side by side with the gentleman from Alabama [Mr. STARNES] as a member of this subcommittee. I know that every Member of the minority feels as I do and expresses regret that he is leaving us at the end of this session. I sincerely hope that he will come back to us again and that I will be able to work with him once more.

Mr. Chairman, I have several matters I want to touch upon with regard to this bill. The chairman has made a very complete presentation of the facts. I do not want to duplicate or repeat what he has said. There are a number of in-

teresting items in this bill. One of these items is the Alaska Highway. The facts that I am about to state with reference to the Alaska Highway are taken from the testimony of Brig. Gen. I. D. Worsham, who has charge of the northwest division. The Alaska Highway is 1,400 miles long. It is a gravel road. The gravel was obtained in the vicinity and in the area in which the road was built. That road cost $140,000,000, or $100,000 per mile, for a gravel road. Those are the facts that are in the record. We will spend during the fiscal year ending June 30, 1945, $7,780,320 for maintenance, or $5,650 per mile for each of the 1,400 miles. In addition, the bill contains an item of $4,000,000, or approximately $2,850 per mile, for rebuilding bridges that may be washed out, for cleaning up, and for other jobs, making over $8,400 per mile that we are going to spend on that road this year. This is not included in the initial cost of $140,000,000.

One item in which I have been particularly interested in is the question of wages. I have always taken the position that men are entitled to wages commensurate with the services they render. I can see from my office window the Mellon Art Gallery. For months and months and months I watched that building rise from its foundations. It is a beautiful structure, a real temple of art, worthy of receiving the wonderful paintings which are now housed there. I marveled at the skill of the craftsmen who built that beautiful dome. I was fascinated with their work. I have always believed that the skilled craftsmen who fashioned that dome and who erected and perfected those beautiful columns are entitled to just as much credit and pay as is the architect who drew the designs.

The craftsmen who built that temple of art are entitled to wages commensurate with their services and the craftsmen who fashioned that beautiful dome are entitled to the same type of compensation as is the man who drew the plans upon the drafting board. But surely you and I can agree that the humble workman who sweeps the debris and broken stones with broom and shovel from the base of that monument is not entitled to the wages of the craftsman who fashioned that beautiful dome. I believe in good wages. I believe that wages should be determined by the type and class of services and the training of the men who render that service.

When I spoke to this House a year ago, after inspecting 47 defense plants, I read to the House advertisements regarding wages paid on the Alaska Highway. I read United States Employment Service advertisements for common labor stating that $300 a month, lodging and board, would be paid. When this bill came before the House I asked General Worsham certain definite questions. For instance, I asked him how they could pay $300 a month, room and board for common labor on that highway, since the Department of Labor had fixed the wage scale at $1.10 per hour for common labor on the project. Rate for helpers was set at $1.25 per hour; up to $1.75 an hour for skilled labor.

General Worsham testified they had practically no common labor. Nearly everybody was paid as a helper at $1.25 an hour or more. They guaranteed labor 240 hours' pay each month, which meant that a common laborer drawing helper's pay was paid $320 a month and the skilled laborer up to $420 a month. I asked General Worsham "If a man did not work a day, was he still paid his $320 or $420 a month?" His answer was, "Yes."

That is one of the reasons why the cost of the Alaska Highway was so high.

Mr. Chairman, who will pay for these excess costs? According to the Treasury Department, there are 21,600,000 individuals this year who will have incomes of $1,000 a year or less or an aggregate income of $19,200,000,000. This is an average of about $900 a year. These 21,600,000 individuals, Mr. Chairman, are paying $500,000,000 in taxes out of those incomes of $1,000 or less. In that group of 21,600,000 there are 9,260,000 individuals who are heads of families. The Labor Department tells us that the average family consists of a man, a wife, a child of 13 and a child of 8. So we have 9,260,000 individuals in this group who are heads of families, trying to support 37,000,000 Americans on incomes of $1,000 or less. They are paying taxes into the United States Treasury, out of which you must take the money to pay these people who are receiving $320 a month for common labor.

We have 7,270,000 more heads of families who are trying to support some 29,000,000 people in family groups of four on incomes from $1,000 to $1,500. They are paying taxes. These people are helping to pay these excess wages.

A second matter I want to discuss is the Canol oil project. General Worsham also had charge of that. Much has been written about it in the papers. I do not want to restate the facts which other committees have given, but I am going to turn to some of the testimony that was given before our committee. The Canol oil project so far has cost us $129,000,000. I asked for a break-down of that $129,000,000, and here is the break-down:

First. Production of oil and exploratory work, $14,240,000.

Second. Crude oil pipe line and pumping stations, $50,635,000.

Third. Access roads, 521 miles, $9,230,000.

Fourth. Refineries, $24,980,000.

Fifth. Distribution pipe lines and pumping stations, $30,315,000, making a total of $129,400,000 that has been spent on that project. This does not include the $16,000,000 we are spending to operate the plant during the coming year.

I have complete information as to production. We are paying 33 cents a barrel fixed-fee operating cost to the Standard Oil Co. of California. We are paying 20 cents a barrel royalty to the Imperial Oil Co. of Canada, which I understand is a subsidiary of the Standard Oil Co. Part of that 20 cents a barrel is supposed to go to the Canadian Government, although the testimony was that the Canadian Government was not taking any royalty now.

The major part of the investment is going to be the property of the Imperial Oil Co. of Canada and the Canadian Government. The taxpayers are not going to be reimbursed one dime. They have agreed to sell us in the future 60,000,000 barrels of oil, 30,000,000 barrels from the present reservation and 30,000,000 from a reservation which may be developed in the future on as yet unproved ground. General Worsham testified our cost was $15.90 a barrel for refined gasoline at the refinery. I read from the record:

Mr. ENGEL. How much would that be per barrel for the purpose of the record, General?
General WORSHAM. $15.9067.
Mr. SNYDER. How many gallons per barrel? A barrel does not mean anything.
General WORSHAM. That is 42 gallons.

Mr. MUNDT. Will the gentleman yield?

Mr. ENGEL of Michigan. I yield.

Mr. MUNDT. How does that compare with the price we pay for gasoline in this country?

Mr. ENGEL of Michigan. As I recall, it is about $3 a barrel at the refinery in Michigan.

Mr. CURTIS. Will the gentleman yield?

Mr. ENGEL of Michigan. I yield.

Mr. CURTIS. This $15 per barrel, of course, involves no tax whatever?

Mr. ENGEL of Michigan. That is the cost, without any tax of any kind.

Let me quote. General Worsham said this:

If we can't sell the pipe line and the refinery, its disposition will later be determined by consultation between the two countries. The oil-field drilling equipment will go to Imperial Oil, and against that we have reserved in there the possibility of 30,000,000 to 60,000,000 barrels, and Imperial will pay for the equipment $3,000,000 if we take 60,000,000 barrels.

The Imperial Oil Co. is very liberal. They are going to give us $3,000,000 for the equipment that has cost us many times that amount, provided we buy 60,000,000 barrels of oil which is going to cost us $15.90 a barrel. In other words, if we buy $960,000,000 worth of oil from them, they are willing to pay us $3,000,000 for the equipment. Again I quote:

Mr. ENGEL. We can buy from them 30,000,000 barrels of oil, which at the present time is costing us $15.90 a barrel.
General WORSHAM. That is the cost of the manufactured, refined product.
Mr. ENGEL. And it would cost us $15.90 per barrel for the refined product?
General WORSHAM. Yes; sir.

Of course, if labor cost comes down in the future, that cost may come down.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. ENGEL] has expired.

Mr. CASE. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. ENGEL of Michigan. I want to discuss next this $34,000,000,000 which the War Department has kicked back into the Treasury.

Total amount available to the War Department during the fiscal year ending June 30, 1944, is $74,284,368,869. They were able to spend $40,611,436,809, leaving an unexpended balance as of June

30, 1944, of $33,672,932,000. This is according to the statement of the Budget officer issued to me on May 5, 1944. It is my opinion that at least several billion dollars more will be found unexpended at the end of the fiscal year ending June 30, 1944. In other words, the War Department has kicked back into the United States Treasury an amount that almost equals the last two bond issues asked for by the United States Treasury Department.

The Air Corps break-down is perhaps typical. The Air Corps had available during 1944 $23,735,000,000. Their obligations were $12,735,000,000, leaving an unexpended balance of $11,000,000,000. The following is a break-down of the amount turned back to the Treasury:

First. Reduction of the Army from a maximum strength of 8,200,000 men on which the estimates for 1944 were based, to 7,700,000, its present strength. This allowed a reduction in estimated obligations for the fiscal year 1944 of approximately $2,066,767,000.

Second. Reduction in matériel requirements, $18,504,325,000.

Third. Reduction in unit prices and savings through renegotiation, $12,867,452,000.

Fourth. Savings on various miscellaneous items, $234,427,000.

Total savings and kick-back to the Treasury, $33,672,971,000.

When I speak about a reduction in unit cost I am not talking about a reduction in the cost of the manufacturer. I am talking about the difference between the unit cost which the War Department brought to the committee. For instance, the Air Corps told us in 1944, and the appropriation bill was based upon the assumption, that a B–27 Douglas bomber would cost us $318,000. We made an appropriation for each bomber at $318,000. This bill contains the same item at a cost of $211,000, or a reduction of 34 percent.

A B–24 bomber, manufactured by Ford, was reduced from $358,000 to $219,000, or a reduction of 29 percent.

A B–26 bomber was reduced from $206,000 in 1944 to $152,000 in 1945, or 26 percent. A P–61 fighter was reduced from $173,000 to $145,000, or 17 percent; while a P–47 fighter was reduced from $101,000 in 1944 to $86,000 in 1945, or 16 percent.

In the transport field we find that the large Army aerial transport, C–54, was reduced from $370,000 to $265,000, or 28 percent; the C–46 was reduced from $280,000 to $217,000, or 23 percent; while the C–47 was reduced from $116,000 to $85,000, or 26 percent.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield.

Mr. STEFAN. Does the gentleman have the figures on the B–17?

Mr. ENGEL of Michigan. Yes.

Mr. STEFAN. What are they?

Mr. ENGEL of Michigan. The B–17 last year, 1944, cost $318,000. It was reduced to $211,000 in 1945, or a reduction of 34 percent.

I asked the War Department to set out in the record a complete statement of comparison between last year's costs and this year's costs. I cannot describe the radio set in detail, but one radio set which last year cost us $110,000 was reduced to $52,998 in 1945. A second radio set which cost us $44,000 in 1944 was reduced to $15,000 in 1945, while a third set was reduced from $23,800 to $10,000.

The 105-millimeter howitzer M–7, that is the self-propelled mount, was dropped from $88,700 to $53,246; the M–1 rifle, the Garand rifle, was dropped from $70 to $35. The light armored car which cost $25,000 in 1944 was reduced to $19,000 in 1945. Medium tanks cost us $84,000 in 1944 and now cost us $58,000. A splendid job has been done in this field, and it is very encouraging.

Now I want to discuss Army transport pay. The Army is not responsible for fixing the pay of the Army transport's civilian employees. I quote as follows:

Mr. POWERS. You have no control over the amount of the bonus or the rate that is paid?

General GROSS. I have been directed to accept the War Emergency Board pay scale.

Mr. ENGEL. What is the W. S. A.?

General GROSS. The War Shipping Administration.

Mr. POWERS. All you do is obey an order that comes to you?

General GROSS. Yes. We paid less originally, but now we meet the pay scales set by the W. S. A.

Mr. SNYDER. You paid less before?

General GROSS. Yes, sir.

* * * * *

Mr. ENGEL. Do they get their subsistence in addition to their wages?

General GROSS. The men aboard ship do.

Mr. ENGEL. In other words, this overtime and bonus shown on page 624, amounting to 103 percent of their wages, does not include subsistence which they get in addition thereto; is that right?

General GROSS. That is correct.

Again I asked:

What is the average bonus?

General GROSS. That depends on the number of days actually at sea. In the Atlantic or the Pacific he gets 100 percent of his daily rate as a bonus.

Lt. Gen. Omar Bradley, who is commanding the offensive right now in the invasion of Europe, is paid $10,451 a year; General Marshall receives $11,951, which is also the pay of Admiral King, so I am informed. I asked General Gross to give me specific information on Army transport pay. I asked for the three highest and the three lowest paid men in each group from masters down to ordinary seamen. They receive base pay, bonus for overtime, subsistence, and quarters. I am inserting this information at the conclusion of my remarks in the RECORD. The first of the three highest masters or captains was paid a base pay of $5,691.04, bonus of $4,628.55, subsistence and quarters, $540; total gross pay—base pay, bonus, subsistence and quarters—$10,859.59. The man got approximately $408 more for being captain of that little ship than Omar Bradley gets for leading the invasion in Europe.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. ENGEL of Michigan. Mr. Chairman, I yield myself an additional 10 minutes.

The second man received a base pay of $5,485.96, bonus $4,763, subsistence and quarters $540—total gross pay $10,789.51, or approximately $330 more than Omar Bradley gets. The next man got $5,486 base pay, $4,531 bonus, $540 subsistence and quarters—total, $10,557. I shall from now on give the gross pay only. The three lowest paid men in this class received $9,789, $9,780, and $9,445. All the others were paid between $9,445 and $10,859 a year.

Let us take next the ship's three highest paid first officers. They received $7,401, $7,056, and $6,929 a year. The three lowest received $6,340, $4,476, and $3,762.

Chief engineers: The three highest received $9,688, $9,678, and $9,466. The three lowest chief engineers received $9,246, $8,930, and $8,893.

Chief stewards: The three highest received $7,399, $6,924, and $6,827, while the three lowest received $6,286, $6,014, and $5,879.

Chief cooks: The highest got $5,182, the next $4,998, and the third $4,835. The three lowest received $4 826, $4,793, and $4,363. In each one of these cases the bonus and overtime amounted to as much or more than the base pay.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield.

Mr. KNUTSON. When they get up into the $6,000 bracket they cease to be cooks and become chefs.

Mr. ENGEL of Michigan. But they are still called cooks on the pay roll.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield.

Mr. STEFAN. Is the gentleman referring to American transports?

Mr. ENGEL of Michigan. I am referring to American Army transports operated by the United States Army with civilian employees.

Mr. STEFAN. Operated by American skippers?

Mr. ENGEL of Michigan. Yes.

Mr. STEFAN. In the gentleman's investigation did he look into the matter of British transports which haul American troops overseas?

Mr. ENGEL of Michigan. No; I did not.

Mr. STEFAN. Is there anything in this bill providing funds for the payment of Great Britain for the transporting of our troops overseas?

Mr. ENGEL of Michigan. I did not go into that.

Mr. STEFAN. Does the gentleman know how much we are charged per man transported on those ships?

Mr. ENGEL of Michigan. No.

Mr. COLE of New York. Will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from New York.

Mr. COLE of New York. I wonder if it is the gentleman's opinion that it

might be possible to correct this situation by putting these masters, stewards, and carpenters in uniform?

Mr. ENGEL of Michigan. I asked General Gross about that and you will find in the record a statement as follows:

Mr. ENGEL. Why could we not operate Army transports the same way as the Navy operates their ships, with enlisted personnel? These are all young, able men, are they not?

General GROSS. That is a practical question.

Mr. ENGEL. A good many of these seamen are within the draft age, are they not?

General GROSS. Yes, some of them are, some of them are not.

Mr. ENGEL. A good many of these able seamen are under 38 years of age, are they not?

General GROSS. Yes, sir.

Mr. COLE of New York. The witness did not explain the reason these people could not be put in uniform?

Mr. ENGEL of Michigan. He did not.

Mr. COLE of New York. Does the gentleman have any opinion as to the reason that could not be done?

Mr. ENGEL of Michigan. No.

Mr. COLE of New York. If the Navy can do it, why not the Army?

Mr. ENGEL of Michigan. I think they can do it.

In reference to the able-bodied seamen, their base pay starts at $1,100 to $1,200 a year. It should be understood, in addition, that these men do not benefit from veterans' legislation such as we passed last week. I am going to put in the RECORD the pay of 12 able seamen, which is typical, and the pay of 12 or 13 ordinary seamen. This statement shows the base pay, overtime, subsistence, and quarters. I will give the pay they actually drew for a short period of time, less than 1 year, and project that into the full year. I can understand why the man who is married and has a family and who is drawing $1,200 a year base pay wants an extra bonus for going into the war zone when he is not covered by veterans' legislation.

Mr. Chairman, whatever may be said for the ordinary seaman and the able-bodied seaman, the master of an Army transport is not entitled to the pay of an admiral of the Navy or a lieutenant general of the Army.

Mr. COLE of New York. Will the gentleman advise us who determines what bonuses are to be paid?

Mr. ENGEL of Michigan. That is determined by the War Shipping Board. The testimony is that the War Shipping Board tells the War Department what it has to pay.

Mr. COLE of New York. The War Department has nothing to do with it?

Mr. ENGEL of Michigan. The War Department has nothing to say about what it pays. This is in no way a criticism of the War Department. The transportation service pays what it is told to pay, according to the testimony that was given in the hearings. I shall put the complete report in the RECORD for the information of the House.

Mr. Chairman, under leave to extend my remarks I include the following tables showing the pay of the civilian officers and men on Army transport service.

MASTERS—3 HIGHEST

Name	Base pay	Overtime	Bonus	Subsistence and quarters	Gross
1.	$5,691.04		$4,628.55	$540.00	$10,869.59
2.	5,485.96		4,763.55	540.00	10,789.51
3.	5,486.01		4,531.39	540.00	10,557.40

MASTERS—3 LOWEST

1.	$5,485.98		$3,763.05	$540.00	$9,789.03
2.	5,485.92		3,674.67	540.00	9,700.59
3.	5,485.93		3,419.50	540.00	9,445.13

FIRST OFFICERS—3 HIGHEST

1.	$3,403.96	$331.20	$3,126.13	$540.00	$7,401.29
2.	3,198.96	647.45	2,670.54	540.00	7,056.95
3.	3,198.96	336.91	2,853.27	540.00	6,929.14

FIRST OFFICERS—3 LOWEST

Name	Base pay	Overtime	Bonus
1. From May 1, 1943, to Apr. 30, 1944	$3,198.96	$296.13	$2,304.92
2. From Jan. 16, 1943, to Jan. 15, 1944	3,198.96	731.40	
3.	3,198.96	17.25	5.92

Name	Subsistence and quarters	Gross
1. From May 1, 1943, to Apr. 30, 1944	$540.00	$6,340.01
2. From Jan. 16, 1943, to Jan. 15, 1944	540.00	4,470.36
3.	540.00	3,762.13

CHIEF ENGINEERS—6 HIGHEST

Name	Base pay	Overtime	Bonus	Subsistence and quarters	Gross
1.	$5,160.04		$3,988.30	$540.00	$9,688.34
2.	4,955.04		4,183.29	540.00	9,678.33
3.	4,955.04		3,971.00	540.00	9,466.04

CHIEF ENGINEERS—3 LOWEST

1.	$4,955.04		$3,751.77	$540.00	$9,246.81
2.	4,955.04		3,435.58	540.00	8,930.62
3.	4,955.04		3,398.84	540.00	8,893.88

CHIEF STEWARDS—3 HIGHEST

1.	$3,184.00	$658.95	$3,016.69	$540.00	$7,399.64
2.	2,979.03	517.50	2,887.90	540.00	6,924.43
3.	2,979.08	351.32	2,957.39	540.00	6,827.79

CHIEF STEWARDS—3 LOWEST

1.	$2,979.12	$338.10	$2,429.72	$540.00	$6,286.94
2.	2,979.09	164.45	2,331.22	540.00	6,014.76
3.	2,979.12	237.48	2,122.42	540.00	5,879.02

CHIEF COOKS—3 HIGHEST

1.	$2,290.00	$370.18	$2,370.67	$252.00	$5,182.85
2.	2,190.00	443.70	2,112.83	252.00	4,998.53
3.	2,190.00	171.69	2,262.25	252.00	4,875.94

CHIEF COOKS—3 LOWEST

1.	$2,190.00	$334.05	$2,050.82	$252.00	$4,826.87
2.	2,190.00	364.23	1,986.94	252.00	4,793.17
3.	2,190.00	192.10	1,730.50	250.40	4,363.00

ABLE-BODIED SEAMEN

Name	Base pay	Overtime	Bonus	Subsistence and quarters	Gross
1. Jan. 1 to Dec. 31, 1943, projected for full year	$1,175.00	$230.78	$1,448.33	$162.40	$3,016.51
2. Aug. 10, to Dec. 31, 1943	470.00	84.17	431.66	98.70	1,084.53
Projected for full year	1,200.00	211.70	1,098.65	252.00	2,762.35
3. Mar. 26 to Nov. 30, 1943	816.67	82.02	941.13	171.50	2,011.32
Projected for full year	1,200.00	116.80	1,376.05	252.00	2,944.85
4. Jan. 1 to Dec. 31, 1943, projected for full year	1,200.00	105.82	1,363.32	252.00	2,921.14
5. July 12 to Dec. 31, 1943	563.33	39.53	514.99	118.30	1,236.15
Projected for full year	1,200.00	79.64	1,091.35	252.00	2,622.99
6. Jan. 1 to Oct. 31, 1943	1,000.00	98.17	1,101.38	210.00	2,409.55
Projected for full year	1,200.00	98.17	1,321.30	252.00	2,871.47
7. Apr. 23 to Aug. 21, 1943	396.67	37.40	146.67	83.30	664.04
Projected for full year	1,200.00	37.40	445.30	252.00	1,934.70
8. Jan. 1 to July 24, 1943	680.00	48.47	1,203.34	142.80	2,564.61
Projected for full year	1,200.00	48.47	2,299.50	252.00	3,799.97
9. Jan. 1 to Apr. 15, 1943	350.00	28.89	578.33	73.50	1,030.72
Projected for full year	1,200.00	28.89	2,007.50	252.00	3,488.39
10. Jan. 4 to Nov. 22, 1943	1,063.33	82.06	1,425.67	223.20	2,794.36
Projected for full year	1,200.00	82.06	1,613.20	252.00	3,147.36
11. Jan. 6 to Aug. 8, 1943	710.00	67.60	736.68	149.10	1,663.38
Projected for full year	1,200.00	67.60	1,255.60	252.00	2,775.20
12. May 1 to Nov. 30, 1943	700.00	78.62	1,011.13	147.00	1,936.75
Projected for full year	1,200.00	147.00	1,722.80	252.00	3,321.80

ORDINARY SEAMEN

1. Mar. 30 to June 8, 1943	$189.75	$22.53	$203.33	$43.40	$459.01
Projected for full year	990.00	116.80	1,058.50	252.00	2,417.30
2. Feb. 26 to Sept. 27, 1943	583.00	57.83	901.68	148.40	1,690.91
Projected for full year	990.00	98.55	1,543.95	252.00	2,884.50
3. Aug. 19 to Nov. 30, 1943	247.50	22.53	235.00	71.40	576.43
Projected for full year	990.00	76.65	852.20	252.00	2,150.85
4. Jan. 4 to July 26, 1943	510.30	56.08	1,128.34	142.10	1,836.82
Projected for full year	990.00	98.55	2,292.20	252.00	3,632.75
5. Mar. 16 to Aug. 8, 1943	374.00	40.81	475.01	100.10	989.92
Projected for full year	990.00	102.20	1,193.55	252.00	2,537.75
6. Jan. 28 to June 30, 1943	420.75	87.56	303.97	98.70	910.98
Projected for full year	990.00	204.40	719.05	252.00	2,165.45
7. May 19 to Nov. 30, 1943	528.00	82.45	981.16	134.40	1,726.00
Projected for full year	990.00	153.30	1,835.95	252.00	3,231.25
8. Feb. 18 to Oct. 6, 1943	834.75	83.31	1,077.05	160.30	2,155.41
Projected for full year	990.00	153.30	1,981.95	252.00	3,377.25
9. Mar. 22 to Aug. 16, 1943	373.75	60.78	431.67	95.50	1,008.77
Projected for full year	990.00	149.65	1,069.45	252.00	2,461.10
10. Apr. 21 to Oct. 31, 1943	522.50	152.41	95.00	133.00	902.91
Projected for full year	990.00	284.70	178.85	252.00	1,705.55
11. Jan. 25 to Nov. 18, 1943	797.50	75.67	1,035.01	203.00	2,111.18
Projected for full year	990.00	91.25	1,270.20	252.00	2,603.45
12. May 19 to Nov. 25 1943	514.25	40.37	964.41	130.90	1,649.93
Projected for full year	990.00	76.65	1,850.55	252.00	3,169.20

Mr. SNYDER. Mr. Chairman, I yield 35 minutes to the gentleman from Alabama [Mr. STARNES].

Mr. POWERS. Will the gentleman yield?

Mr. STARNES of Alabama. I yield to the gentleman from New Jersey.

Mr. POWERS. Mr. Chairman, this is the last time the gentleman from Alabama will speak on a War Department fiscal bill for at least 2 years. I want to say to the gentleman and I want to say to the membership of the House that we of the War Department Appropriations Committee have appreciated his service, we have appreciated his ability and we have appreciated the man, JOE STARNES, as a member of our committee during these past 10 years. Joe, we are sorry you are leaving, we are going to miss you and we hope you will return in 2 years.

Mr. STARNES of Alabama. Mr. Chairman, I am deeply grateful for the gracious words of commendation by my colleagues with whom I have served during the past 8 years on this subcommittee. I have enjoyed my experiences on the War Department Subcommittee on Appropriations more than any other experience I have had as a Member of the Congress. I have had a deep and abiding interest in national security all my life.

Let me pay my humble tribute to the members of the committee with whom I have worked during the past 8 years. They have never exhibited any show of selfishness or partisanship at any time. These men are consecrated men, earnest, and diligent in the pursuance of their duties, anxious, ready and willing to provide ample security for their Nation in war and in peace. To them I pay my tribute and to them the American people owe a debt of everlasting gratitude.

Mr. Chairman, our consideration today is directed to the Military Appropriations Act for the fiscal year 1945. At about this same time last year I had the privilege of outlining to you the War Department program for fiscal year 1944, and presenting a rather comprehensive picture of the accomplishments of this great Army of ours since the beginning of the emergency period.

STRATEGICAL PICTURE

In the past year the strategical picture has altered sharply and very much in our favor. Early June of 1943 we redeemed the Continent of Africa. Something more than the recovery of territory was implicit in that victory. American soldiers had been given their first great test against the formidable military machine of Hitler. They proved their courage and that American weapons, forged by American workmen, were the equal and in many cases the superior of anything the Germans had been able to create.

After the victory in Tunisia our north-African forces stood poised for their first attack on fortress Europe. The epic invasion of Sicily took place in early July, and in 35 days the Nazis and Mussolini's Fascist legions were defeated and retired to the Italian boot. The fall of Mussolini followed soon after, and Italy faded from the war as an enemy.

The Germans showed the most stubborn determination to defend the Italian homeland from our attacks. The Salerno landings were fiercely resisted, and although Naples soon fell to our arms, our progress toward Rome was delayed through the long months of winter.

Germany is beginning to feel the full might of the nations she has sought to destroy. Victorious Allied forces are pressing her hard in Italy. In Russia the mighty Red Army has rolled back the invader in the south, in the center, and in the north, and appears poised for another great onslaught. In the European theater the pressure which has been steadily growing against the Nazis has been finally unleashed. The length of time that will be required to achieve full victory is still a matter of conjecture, but there is no doubt as to its eventual accomplishment. For months vast fleets of American and R. A. F. planes have cruised the skies, bringing destruction to German industry, communications, and fortifications. Preparedness has been thorough; accomplishment will be equally complete and final. The armies of liberation are on the march to redeem the Continent of Europe.

In the Pacific the year has seen the beginning of our offensive against Japan. It has begun auspiciously and has already wrenched from the hands of the Nipponese many of the island conquests which they had overrun in the first 6 months following their attack on Pearl Harbor.

A year ago Guadalcanal and Papua in New Guinea were the only territories we had recovered. In a series of impressive victories since last August we have taken back the Solomons and most of New Guinea. We have taken island bases off New Guinea which now place the Philippines within reach of our bombers. We have redeemed much of New Britain and the islands which flank it. We have driven the Japs from the Gilberts and the Marshalls.

On the Pacific mainland, our first thrusts have already been made in the rugged terrain of Burma and in the north and east of that great state our Chinese allies are pushing back a Japanese expeditionary force. Yes, Japan is feeling the pressure, too. Her island naval bases of Truk and Ponape have been mercilessly pounded. Above her homeland, the Kuriles have been attacked again and again. On the other hand, the Chinese situation is giving some cause for genuine apprehension at this time. The Japanese are making their fifth attempt to take Changsha and the Chinese-held portion of the Hankow-Canton railroad. One of our main air bases in that area is at Hengyang, on the Hankow-Canton line. Should this attempt by the Japanese be successful and they take Hengyang, our airmen would be forced farther back into China's interior. The adverse effects on our strategic operations in that area are obvious. Changsha and Hengyang must, therefore, be held if at all possible.

This brief summary of the situation is in the nature of a report on the way in which appropriations of past years have prepared the way for the great assaults which will be necessary in the coming year to crush our foes across the oceans. A stupendous task has been accomplished. All the industrial might of America has been mobilized to forge the weapons and the equipment and the ships to carry an Army and its needs thousands of miles to the points of contact. Matériel in superior quality and overwhelming quantity has been provided. We are on the offensive on all fronts; the complete mobilization of our Army has been accomplished; we now have the best trained and best equipped Army which has ever honored our country on the battlefield.

In the forthcoming liberation of Europe, we can be assured that our military leaders have brought our forces to the highest peak of efficiency; that they are provided with the finest arms which any military force has ever carried; and that for those who become battle casualties there will be waiting the finest medical care and treatment which it is possible to provide. We can be sure that everything humanly possible has been done in the first place to make our effort successful, and in the second place, to get it over with as quickly as possible with the minimum losses in men and matériel. That is the picture today.

FUND REQUIREMENTS

The money we will appropriate today is for the maintenance and continued supply of the tools which we have already provided our Army to fight on the battlefield. The initial equipping is accomplished. For fiscal year 1945, $15,436,031,795 has been requested by the War Department as a new appropriation. Together with the reappropriation of $33,672,971,000 which it is estimated will be unobligated on June 30, 1944, making together a grand total of $49,109,002,795, this will finance the Army's operations during fiscal year 1945.

This budget is one-third less than the funds made available to the War Department during each of the last 3 fiscal years. Perhaps a review of the appropriations since the beginning of the emergency period would be beneficial in analyzing the present financial situation of the War Department. From an appropriation of $651,222,193 for fiscal year 1939, the appropriations reach a peak of $75,462,593,587 in fiscal year 1942, a tremendous increase from the $8,480,594,407 appropriated for fiscal year 1941. For fiscal years 1943 and 1944, the appropriations were only slightly under that for fiscal year 1942. Thus this is the first year that the Army has been able to lower substantially its request for funds below the peak years of 1942, 1943, and 1944. These huge sums were provided so that our military leaders would have the flexibility essential for their planning. They had to overcome the initial advantages of our enemies and to reach as rapidly as possible the stage of complete mobilization at which we now find ourselves. It is to their everlasting credit that they

have been able, through skillful and intelligent management, to do the job with considerably less expenditure of public funds than they had estimated and that the confidence of this Congress had made available to them.

In fiscal year 1942, we made available to the War Department $75,462,593,587 by an original and six supplemental appropriation acts during the year. Only $43,353,036,710 of this amount was actually obligated by the War Department during that year, leaving $32,109,556,877 to be reappropriated against the $74,929,563,242 estimated and made available for fiscal year 1943. Of the 1943 total $59,753,152,954 was obligated during that fiscal year, leaving $15,176,410,288 to be applied against the requirements of fiscal year 1944. It now appears that though we made available to the War Department $74,211,249,961 for use during fiscal year 1944, they will obligate only a net $40,533,378,961 of this amount, leaving to be applied against next year's requirements an estimated $33,672,971,000.

The two largest unobligated balances of funds occurred in fiscal years 1942 and 1944. The reasons are readily explainable. It was in fiscal year 1942 that we were abruptly and definitely thrust into this world conflict. At that time our armed forces barely provided a foundation on which to build the mighty war machine that we were going to need to prevent aggressors from landing on our shores and destroying our democracy. Too much cannot be said for the untiring and brilliant efforts of our military and industrial leaders when called upon overnight, as it were, to build our armed forces to a strength which could cope with the military machines built up by our enemies over many years. How far and how fast we could go at that time was very uncertain. We had to get as much as we could as fast as we could. As a result, this Congress made available to the War Department substantially all the funds requested. It was the War Department's job to place the necessary contracts with industry and start huge quantities of many thousands of items rolling off the assembly lines. All the funds made available through the supplemental appropriations were not obligated before the beginning of the new fiscal year. But we had put the whole world on notice that the American people were willing to back up our armed forces 100 percent.

The fiscal year 1944 estimates contemplated an Army of 8,200,000 men. Shortly after the beginning of the fiscal year strategic commitments permitted a reduction to a maximum of 7,700,000. This change in itself allowed a decided reduction in our total requirements for maintenance and operation. During the early part of fiscal year 1944, the effects of prior planning began to appear and requirements began to stabilize. Actual expenditure rates of men and matériel were reflected in revised estimates of requirements, stock levels were lowered, and reductions in prices through the processes of renegotiation and voluntary action on the part of manufacturers, were realized. Moreover, the near completion of the industrial mobilization of our country eliminated the need for the large reserves which up to that time had been felt necessary. Thus a large reduction in our over-all requirements became possible.

For these reasons we come to you today and say that while the War Department estimates its fund requirements for fiscal year 1945 at $49,000,000,000, it will only be necessary to appropriate $15,400,000,000 in new funds. The remainder will be taken care of by reappropriating $33,600,000,000 saved during last year.

PERSONNEL AND THE SUPPLY PROBLEM

The end of 2½ years of war finds our Army deployed in theaters of operations from the South and Southwest Pacific to the Aleutians; from Russia through Italy and north Africa to the United Kingdom; and from China, Burma, and India to Iran. There are over 3,650,000 soldiers now outside the continental United States. The strength overseas exceeds by more than 1,500,000, the peak overseas strength of the Army in World War No. 1, and is only 400,000 men short of equaling the entire strength of the Army at the close of World War No. 1. One year ago, only 1,460,000 were overseas, indicating the speed of our deployment. By the end of 1944, it is anticipated that more than 5,000,000 men, approximately two-thirds of the total strength of the Army, will be overseas.

It is almost impossible to visualize the military requirements for an Army of the present strength. A look at the way a modern army consumes its matériel, however, indicates the great requirements which will be satisfied by the appropriation bill. In 1 day's bombing attack on Bremen and Vegesack, for example, our planes dropped 2,500,000 pounds of bombs, fired 2,675,000 rounds of ammunition, and consumed 1,000,000 gallons of gasoline. Multiply this by the number of sorties flown by the Army Air Forces each day of the year and the magnitude of just this one phase of the total supply problem will be apparent. Also, consider the fact that one armored division uses more than 600 tons of ammunition and 78,000 pounds of food every day it is in action. During the last 48 days of the Tunisian campaign, 38,000,000 rounds of ammunition were fired by the Allied troops. Even during our most successful actions, the loss of weapons and supplies is terrific. Consider these figures, in connection with our whole Army on a great offensive, and you can well understand the task faced by our logistics planners and American industry. While the military campaigns and our production records have permitted many cut-backs in individual items, the total requirements show no decrease. Even a sketchy review indicates a growing demand for material.

THE ARMY AIR FORCES

Today, the United States Army Air Forces with slightly less than one-half of its total personnel of approximately 2,350,000 already overseas, has a total of more than 75,000 airplanes of all types, of which approximately 34,000 are combat type. Now, well committed overseas, it is the world's most formidable aerial striking force. In addition to building and maintaining this gigantic combat force, American industry has constructed many thousands of planes for our allies.

Quality is, more than ever, the prime consideration. All efforts are being concentrated on increasing production of the models which have proven themselves best in combat. Our airmen must have the best weapons which it is possible to provide. New methods of defense are continually being used against us. The airplanes with which we started this war would be annihilated should we attempt to use them at this time in our active theaters. The increase in defensive measures and offensive power has been tremendous.

While, as far as size goes, the Army Air Force has largely matured, their offensive activities are speedily reaching new peaks. Over 300,000 sorties were flown against the enemy in the first 4 months of this year, and over 200,000 tons of bombs were dropped on his war industries, lines of communications, airfields, fortifications, troops, and shipping. These figures equal or exceed the effort of the whole year of 1943, and are over 10 times that of the whole year of 1942. The month of May has established still further records as the air preparations for the liberation daily increased in ferocity.

Air superiority has been achieved in every war theater and is rapidly being made more decisive. Over 11,000 enemy airplanes were destroyed in 1943 and over 7,000 during the first 4 months of this year. The enemy air reaction to our bombing in every theater is decreasing. We now, more than ever, have to go down and destroy on the ground, planes which have been unwilling or unable to come up and fight in the air. Our enemies, however, are resourceful and tenacious. Only by continuing our utmost efforts can we assure ourselves that the quantitative and qualitative preponderance which has been so abundantly proved will be maintained until the last hostile war plant has been sent back to the girders or brick and mortar from which it was built, and the last enemy plane has been destroyed in the air or on the ground.

A discussion of the Army Air Forces would not be complete without a statement concerning its Air Transport Command, which had its origin May 28, 1941. This command has just celebrated its third anniversary and some of its accomplishments during that period are interesting to note. The Air Transport Command has become the largest air transport and ferrying system in the world, carrying key personnel and vital matériel to all theaters of war and bringing back strategic materials badly needed for war production. During April 1944 it flew 29,000,000 miles in the ferrying of military craft. During March 1944 it flew 20,000,000 miles in transport service—most of which was abroad. During March 1944, nearly 60,000 persons were flown to destinations abroad. Regular air routes in the

United States and abroad total 135,000 miles—more than five times around the globe. Although the Air Transport Command originally was charged with delivery of military aircraft to countries fighting for democracy, new responsibilities have been added, until today it is performing such tasks as: Transporting troops to forward bases; moving a complete field hospital to Alaska in 36 hours; flying supplies over the Hump to China; evacuating wounded from overseas to the United States; transporting bombs and ammunition in emergencies; carrying V-mail, blood plasma, and medical supplies; getting a rush shipment of grenades to Guadalcanal when they were needed desperately; bringing blockmica from India; rubber seeds from Liberia to the Western Hemisphere; and tin and tungsten from China.

The command pilots have flown over Arctic waste lands and jungles, encountering all types of weather from desert sandstorms to cold banks, thousands of feet up, which deposit large quantities of ice on a plane's wings in a few minutes. Pilots have flown into strange countries where there were only native populations and where landing and refueling conditions were uncertain. The command's own flight surgeons have been active along all routes used for ferrying purposes, seeing to it that modern medical equipment is available to all stopping points and that pestholes are eradicated.

By the end of 1943 the command had a personnel strength of more than 85,000 officers and men. Its strength now totals more than 108,000 officers and men.

Dealing in the vernacular terms of what is "hot," "less hot," and so forth, air transportation priorities is a system for determining the order of moving of personnel, cargo, and mail according to their urgency in the war effort. Campaigns may succeed or fail, depending upon receipt of supplies, important parts, mail, or key personnel. The best kind of judgment must be used to utilize the valuable space to the best advantage—there is always a greater demand than supply. Losses of planes have been extremely small in both ferrying and transport operations. In 1943 the Air Transport Command made safe delivery of 99.7 percent of all the planes it accepted for delivery, despite occasional attempts by the enemy to interfere.

ARMY SERVICE FORCES

The need for adequate supplies and equipment for an army of 7,700,000 individuals deployed over a world-wide area and operating under every conceivable condition is naturally tremendous. Requirements for ammunition, guns, tanks, and combat vehicles, the many highly developed and secret mechanisms for the task of communications, offensive, and defensive chemical-warfare devices, subsistence, clothing, and medical supplies and equipment are showing the results of actual battle experience. A review of a few of the highlights should aid in an appreciation of the commitments of the Army Service Forces.

ORDNANCE

American ordnance is winning fame on battlefields the world over. As has been explained, ordnance materials are expended very rapidly in the most successful of engagements. The fighting in Italy has been accompanied by unprecedented artillery action, actual expenditures of certain types of ammunition having exceeded anticipated rates some six times over. An urgent demand for a larger proportion of powerful artillery of great range has also come from these operations. With this also comes an increase in requirements for ammunition. On the other hand, requirements for items such as light tanks, self-propelled artillery, and 40- and 90-millimeter guns show large decreases due to reductions in the number of armored, antitank, and antiaircraft units. Two groups of rockets have been standardized and found satisfactory, one of which is fired from the famous bazooka. Ordnance demands have caused the procurement of approximately 650,000 submachine guns, 15,000,000 hand grenades, 16,000,000 75-millimeter shells, and 170,000,000 rounds of one type of antiaircraft ammunition. In addition, over 13,500,000,000 rounds of .30- and .50-caliber ammunition have been procured—enough for 100 rounds for every person in the United States.

COMMUNICATIONS

Procurement of the thousands and millions of highly secret mechanisms for the task of communications has been developed and made routine. Among the devices being purchased are not only the familiar walkie-talkie for troops, but intra-plane facilities for the largest bomber. Radar devices of proven value are being procured in large quantities and weather stations in remote inaccessible areas are being multiplied and manned by the newest mechanisms. In addition to radar, all types of communication equipment, radio, telephone, and telegraph are constantly being improved to provide our troops with the latest and best equipment.

CHEMICAL WARFARE

The character of the war to date does not include the use of toxic chemicals in munitions. In keeping with the nature and tempo of the war effort, the manufacture and storage of toxic chemicals (beyond required stock-piling) is not emphasized in next year's requirements. Incendiary bombs are being emphasized, however. The familiar 4-pound magnesium bomb has been bundled into an amiable cluster, 110 of these bombs forming a 500-pound cluster. A further development is the 100-pound and 500-pound bomb filled with a "goop" mixture. In actual performance, this bomb, on impact, explodes, scattering the flaming blobs in all directions and it is claimed that this mixture is almost unextinguishable. Another notable item is the 4.2 mortar, called in soldier's slang, the "goon" gun. This is an exceedingly well engineered weapon, firing a large shell, the filling of which is either a high explosive or white phosphorus; the white phosphorus does duty as an impressive casualty producer, for use in smoke screens, and in the jungle, for identification purposes. This is just another example of how the several components of the Army have adapted themselves to new conditions and utility.

CONSTRUCTION

The War Department's construction program is now 99 percent completed or in place, making the program for 1945 in continental United States very substantially below that for 1944. The program for overseas areas, on the whole, also is smaller but with marked difference between the various theaters, defense commands, and other bases, depending upon their individual strategic position and tactical requirements. Careful controls have been established to insure that all construction authorized should be absolutely essential for effective troop training, for the health of troops, for housing prisoners of war, or for the efficient movement of personnel and supplies. Requirements for 1945 for the Army Air Forces are principally those necessitated by the larger and heavier aircraft, such as strengthening and extending existing runways, taxiways and aprons, and the auxiliary facilities. Construction at ground-force installations will be minor and for the Army Service Forces will be confined largely to further extensions and improvements to storage and shipping facilities.

Construction in the Western Hemisphere outside continental United States and in other overseas bases which have passed their peak of activity, is practically completed. At these, only the problems of upkeep remains. In the more active theaters and in those which will become active, it will be necessary to continue new construction of airfields, roads, bridges, shipping and storage facilities, and the other adjuncts, particularly in those areas where our forces are moving forward.

QUARTERMASTER

While the peak procurement of clothing was realized in calendar year 1943, the trend of subsistence procurement will expand and be more than twice the deliveries of 1942. During 1943, the Quartermaster developed and procured more than 70,000 different items of food, clothing, and equipment, from parachute rations to nylon sleeping bags. Special rations for the combat soldier are provided to insure sustained action under highly mobilized operations. Necessary clothing and equipage to meet the ever-changing conditions of the various theaters continue to cause procurement of thousands of items in huge quantity. We must continue to design, develop, and supply our men the finest food and equipment yet devised by the mind of man. No instrument of war can compare with the well-fed and well-equipped soldier. The definitely established goal—"Enough and on time"—is being realized and we will continue to keep the American soldier the best fed, best clothed, and the best-cared-for fighting man in history.

TRANSPORTATION

During the calendar year 1943 and during the first quarter of 1944 continued progress was made in shipping men and supplies overseas. During 1943, 1,870,000 men were transported overseas. During the same year, 28,500,000 measurement tons of Army cargo were shipped. Despite the great increase in men and supplies flowing through American ports, port conditions have continued fluid. Within the United States, the War Department, during 1943, moved nearly 88 million short tons of freight by rail and motor. Transportation was arranged for ten and one-half million men during that year. Despite these tremendous totals, Army freight during the fourth quarter of 1943 was only 7.7 percent of total freight ton-miles hauled by American railroads. In May 1944, a record of almost 4,000,000 measurement tons of Army cargo were moved overseas, almost twice the tonnage moved overseas in May 1943. The peak tonnage moved overseas in World War No. 1 was in November 1918, when 829,000 measurement tons were transported. In this war it has been determined that each man overseas requires one measurement ton per month of maintenance supplies, and it takes 6 measurement tons of initial equipment for him. The supplies, of necessity, vary widely depending on the area to which they are being sent.

HEALTH OF THE ARMY

Every effort is being extended to insure a continuance of the fine health record established in the Army to date and to adequately care for battle casualties. The noneffective rate for the Army overseas and within the United States has remained constant throughout 1943 and the first quarter of 1944 at approximately 4 percent of the total strength. Of all patients admitted to hospitals and quarters overseas during 1942 and 1943, 89 percent had been returned to duty by December 31, 1943. A most important new project in the medical program this year is the procurement of penicillin, the wonder drug in combating infection and disease. It is expected that the production of penicillin will be increased within the coming year to assure that ample quantities are available for all military needs and an increased amount for civilian use. An extensive reconditioning program has been undertaken in order to insure that men returning to military duties are fully capable physically of performing the work expected of them. In addition, adequate provision for the rehabilitation of amputees, deaf, and blind have been made. It can only be hoped that the fine health record established to date can be continued and, of course, improved if humanly possible.

SURPLUS PROPERTY

With the enormous purchasing programs which it has been necessary for the War Department to initiate and maintain for the last 3 years, it is inevitable that certain individual items would be overprocured and others would be rendered surplus by reason of improvements in types of equipment and changes in types of troop units. The Baruch-Hancock report on war and post-war adjustment policies recommended that disposal of surplus property be undertaken by a surplus property administrator. Such an office has been created, and disposal of War Department property is performed in accordance with instructions issued by the Surplus Property Administrator. The intelligent handling of this very troublesome aspect of total war procurement will lessen the quantity of stocks of matériel of all kinds on hand at the end of the war for which the Army will have only a limited use and which civilian economy will be unable to absorb. That is the aim, and it is being prosecuted to the fullest extent.

CONTRACT TERMINATIONS

The stabilization of procurement of war matériel and the policy of the War Department in only buying those things for which there is a definite need have led to the adoption of a policy of terminating those contracts which cover supplies and equipment no longer needed to further the war effort. It should be remembered that contract terminations in no way signify a let-down in production needs; they merely reflect the fact that the needs of war are fluid, changing constantly as the situation continues to change. The number and face value of contracts terminated to date have been relatively small in proportion to the total. In most cases "cut-backs," change orders, and terminations are followed by orders for new and improved equipment. We may expect that the total demands of the armed forces on industry will not decline, at least, until success of our invasion of the European Continent is assured.

ARMY GROUND FORCES

The third major component of the Army of the United States is the Army Ground Forces. The broad mission of this component is to organize and train ground combat forces. Throughout the present emergency every effort has been made to provide as thorough and effective training as the situation overseas permitted. This policy enhances the chances of success in our war effort and minimizes our losses. The organization and training of new ground units should be completed in the not too distant future unless the manpower situation and other conditions require the formation of units not presently contemplated. However, the training of both commissioned and enlisted replacements must continue to meet the requirements of our expanding operations.

Schools are a vital link in building and maintaining fighting units. The capacity of the several Ground Forces schools are studied constantly in order to meet, but not exceed, the needs. As units are shipped overseas, school requirements for formed units are lowered, but, on the other hand, as the need for replacements increases, so also is there need for additional schooling for them. The net result is that the over-all capacities of schools probably will decrease during the remainder of 1944, but in 1945 the figure will increase again to near present capacities.

Supplies and equipment for the Army Ground Forces normally are furnished by the Army Service Forces. However, funds are placed directly under the control of the Army Ground Forces for civilian employees, for supplies and equipment not available from other sources, and for the field training of units in both small and large maneuvers.

The burdens which the various units of the Army Ground Forces are called upon to bear on the field of battle are well known to all of us. That they have and will continue to carry those burdens and discharge their responsibilities in a manner reflecting great credit to our country is well assured. The many reports of the heroic action of individuals and units of these forces in the present war have been a source of great inspiration to all of us. And they still have the terrifying big, decisive job to complete. It is upon the shoulders of these men now overseas, and their comrades in the United States who are scheduled to go overseas, that the fate of the final phase of over-all strategy depends.

While you must appreciate that the facts and figures which I have cited above give but a very sketchy review of the over-all task which has been accomplished by our Army and the problems which are still to be faced, I hope they will provide the basis for a more complete understanding of our situation today. Although practically the total efforts of our military leaders are being concentrated on the present period of decisive action, and the biggest battles are still ahead of us, plans are being developed for demobilization upon the partial or complete cessation of operations. This does not mean that the war is practically over. But, after winning the war we must also win the peace. There must be effective action immediately following a collapse of one or more of the Axis Powers to allow industry to reconvert to peacetime production, provide for the employment and general welfare of our veterans, and, in general, protect the civilian economy for the furtherance and improvement of American livelihood. At the same time, we must not lose sight of the now definitely established need for stand-by reserves of facilities and equipment for the production of noncommercial items necessary to provide for military security.

POST-WAR SECURITY

Let us turn now to some problems of security which should demand our attention and action in the post-war period. Under the Constitution the Congress is charged with the responsibility of providing for the common defense by raising and supporting armies; providing and maintaining a Navy, and for organizing, arming, and disciplining the militia. The size and strength of these components of our security is determined, to a large extent, by our foreign policy and our domestic situation. Therefore, the term "common defense" or "security" will be flexible and in the last analysis dependent upon the will of

the Congress acting for our people. Prudence, common sense, and recognition of our responsibility dictate action along definite and well-established lines.

PROPOSED MERGER OF WAR AND NAVY DEPARTMENTS

Does national security require a merger of the Army and Navy Departments? This question has been brought to the attention of the people recently by the proceedings of the Post-war Military Policy Committee, presided over by the distinguished gentleman from Virginia [Mr. WOODRUM]. The committee can do much good. Public discussion is always helpful. While I am opposed to a consolidation of the War and Navy Departments, I do believe in a closer and more effective coordination of the activities of these all-important agencies of defense. Our people have not been informed of the extent coordination presently prevails or that did prevail before the institution of the joint chiefs of staff. There is no better way for a layman to become acquainted with the team work that exists and is practiced by these Departments than to sit, as I have year after year, examining minutely military budgets. This brings one into contact with every phase of the military establishment.

Having followed the hearings of the Post-war Committee to the extent they have been published, I have been disappointed because the committee has not called in the men who actually do the work and who are doing a splendid job, to tell us what has been done in the way of cooperation and the elimination of duplication. These hearings before you now and hearings on Army and Navy appropriation bills for years past are replete with evidence of one service utilizing the other in matters of procurement, in matters of research and development, in joint training operations, and divers other ways.

We have unity of command in the person of the President of the United States who under the Constitution is the Commander in Chief of all our armed forces. The consolidations we need to effect economy and efficiency in operation is in the lower echelons in those agencies which build up, implement, and train military and naval forces and furnish them with their transportation, supplies, and equipment.

The complaints we hear with reference to two separate defense establishments resulting in duplication and extravagance by providing separate production, repair, storage, and research facilities; separate procurement agencies, airfields, forces of ground based airplanes, troop and cargo water transportation systems, lies at our own door. Divided jurisdiction, jealousy of powers and prerogatives of committees play an important role in bringing about the evils of which we complain. The lack of complete knowledge of service needs by the Congress due to the Budget and Accounting Act is another factor to be dealt with by the Congress.

PROBLEMS INVOLVED

The problem of post-war security will involve an army of occupation; the acquisition and use of air and naval bases in both the Atlantic and Pacific; our obligations for maintaining an international peace force; and external and internal security. These involvements will be expensive but essential. How to provide maximum security with minimum cost is our problem. Only time and experience can prove what is best.

SUGGESTED SOLUTION

First, there should be a change in the rules and procedures of the Congress to effect the establishment of a single national-defense legislative committee in each body and as a natural corollary a single national-defense appropriations subcommittee.

Secondly, legislation to provide:

First. A permanent Joint Chiefs of Staff organization clothed with necessary powers to effectuate our national defense policies.

Second. Amend the Budget and Accounting Act to require the direct transmission to Congress the estimates of the defense establishments as determined by the Joint Chiefs of Staff The Constitution specifically places the responsibility upon the Congress to provide for the support and maintenance of the Army and Navy which they create. We are not discharging that responsibility when an intermediate agency determines the submission that shall be presented and department officials are denied, by the law itself, to protest or seek restoration of budget reductions "unless at the request of either House of Congress," even in time of war.

Third. The largest air force in the world.

Fourth. A Navy incomparably greater than that of any other Nation.

Fifth. A Regular Army with a minimum of one-half million officers and men as the core of our land forces.

Sixth. Compulsory military training for a period of 1 year for every able-bodied male citizen between the ages of 18 and 21 years, the year to be selected by the trainee. Those taking a full senior high or college R. O. T. C. course to be exempted from compulsory training. Inestimable physical benefits, mental discipline, and spiritual growth would result from such training.

Seventh. Placement of trainees in the Enlisted Reserve for a period of 10 years after completion of compulsory training. This would give our country the reservoir of trained enlisted personnel so essential in modern war.

Eighth. An enlarged R. O. T. C. program to provide an officer pool. Our program of officer training during the past two decades has paid with dividends to our national security.

Ninth. That all service schools for the United States Army be available and used by Reserve and National Guard personnel.

Tenth. A National Guard with a minimum of one-half million men. In the present conflict our National Guard divisions have performed magnificently in every theater of action. In the beginning they constituted the spearhead of both defense and offense. The National Guard gives us our largest group of officers and men available for instant use by State and Nation at lowest cost.

These suggestions are offered with the hope they will be considered and adopted to provide our country with security. There must be no more Pearl Harbors! We must profit by history. We cannot gamble our birthright upon treaties and oceans. Neither can we expect that England, France or some other nation will always be able to hold back the hordes of would-be world dictators until we can mobilize our industrial and manpower resources for final victory. The complacency which was so evident prior to the present war must be avoided. God save us from impractical, idealistic, suicidal pacifism. Our armed forces must be maintained in sufficient strength and power to adequately safeguard the future of America. Through these measures we can best insure the protection of our families and our homeland against future would-be aggressors. Adequate preparedness can and will effectively discourage our potential enemies from ever again attempting to destroy our principles of government and our way of life. Eternal vigilance is the price of safety. We must be ready and willing to defend our liberties and freedoms. With this spirit and God's help we will keep our rendezvous with destiny as a free people.

Mr. POWERS. Mr. Chairman, I yield 15 minutes to my distinguished colleague the gentleman from South Dakota [Mr. CASE], a member of the committee.

Mr. CASE. Mr. Chairman, the gentleman from Alabama [Mr. STARNES] has made, I suppose, what he may think is a valedictory speech on the subject of the military policy of the country. But I hope it is not a valedictory. A message such as he has given us, expressing his faith, ought not stop with his speech on the floor today, and knowing the gentleman as I do, I am sure that it will not.

As has been said, we who have worked on the committee with the gentleman from Alabama, JOE STARNES, know that his heart is committed to the welfare of the American Republic, known as the United States. What he has said, he believes, and what he has said, he has tried to work for in the deliberations of the committee.

Mr. Chairman, the functions of an appropriation committee dealing with the War Department in time of war are somewhat difficult. On the one hand members of the committee face the possible suggestion by some people that they are overdoing the thing in giving the War Department a free hand with so much money. On the other hand they lay themselves open to the charge, as the years come on, that they were profligate with the people's money. If we do not appropriate enough, and the Army lacks in any respect at any point, then of course censure properly would be given. On the other hand, in wartime it is impossible for Members of Congress, with other duties besides that of membership on a particular committee, to know all that is going on in a global war, and certainly it is impossible for them to know what the course of the war will be. Necessarily then, the com-

mittee relies in large part upon estimates of the Chief of Staff and the fiscal officers in the War Department as to what is needed. At the same time the committee would be derelict in its duty, in my judgment, if it just said, "What do you want? Come and take it, and spend it as you will."

So, last year and again this year, we made some reductions, $378,000,000 in the bill last year, and $241,000,000 in this $49,000,000,000 bill before us.

I think I can say in all fairness that the subcommittee in its deliberations, both on the bill last year and on the bill this year, has sought to accomplish positive results, and yet to make such interrogations as would insure that the War Department knows that the country does not want money wasted or unnecessarily spent.

There is a little expression that General Marshall used when he was talking with us about the requests in this bill that I should like to pass on to the record. He was talking off the record, so this will not show in the hearings but this might well have been on the record. It was a phrase that he used when he was talking about the progress of the war. It has been helpful to me and I hope it will be helpful to the Members. He said, "The speed of this war will be its economy."

"The speed of this war will be its economy."

I pass that on to you and I hope, through you, to the people in the country, as the speed of this war this summer brings home the terrible cost of the war in lives, in casualties, and in hopes deferred or blasted as far as individuals are concerned. Yet if you think about it a little, that can be true. If we hit with the strength and the power that has been provided by the appropriations of the Congress; if we hit with the maximum capacity of the country when we have the enemy on the run, it will be cheaper than to let him slow down and catch his breath.

So if the war does move with tremendous speed this summer and brings home the costs in money and in life such as people have not anticipated, let us keep in mind that in the final analysis it is much better to win the war and get it done than to have it drag on for months and months or years and years, adding the cost of attrition to the actual cost that would otherwise come anyway.

This committee in considering this bill has, I think, had that in mind, and it has had in mind its positive responsibility to provide the necessary sinews of war and at the same time to make such investigation into the expenditures of the past year and into the proposed expenditures for the new fiscal year as would give it as much assurance as could be given that the money is needed and will be spent properly.

We have adopted in the committee, we have fostered in the Congress, certain procedures designed to accomplish that. The gentleman from Alabama spoke of the need for greater correlation in the lower echelons of the armed forces of the country, the Army and the Navy. He mentioned particularly the possibility of coordinating or even combining the Appropriation Subcommittees for the War Department and the Navy Department into a single Committee on National Defense Appropriations. The only coordination that exists today aside from the fraternal relations existing between the members of the committee and the Members of the House is the clerk of the subcommittee, Mr. John Pugh, who serves as the clerk also to the Subcommittee on Appropriations for the Navy Department. Good as he is, he cannot give every member of each committee all that he knows. So, I join with what has been said as to the value and the importance of a closer coordination and possible merging of the subcommittees that deal with appropriation of the defense arms of the country. The illustration has been used before, but it may again be in order to repeat that on the outskirts of Washington the Navy Department maintains its Anacostia flying field with its weather station; and within a stone's throw of it, so to speak, is Bolling Field, maintained by the War Department, and a weather station for the War Department. A proper coordination of our defense activities and of our expenditures in this country might eliminate many such possible duplications, and something along that line is in order. But our consideration of those things is limited because we have the war on our hands and we have the war to win.

Yet we must not admit that we are in the position of the man who never fixed his roof because he could not fix it when it was raining and did not need to when it was not.

During the presentation of previous bills, and particularly before the war was actually on us, the gentleman from Michigan [Mr. ENGEL] sought to accomplish savings through the elimination of cost-plus contracts. When that proved to be impossible, we looked for some method that would reduce excessive costs yet permit the arming of the country to go forward at top speed. In our committee, we developed the idea of renegotiation, and I was pleased to have the Under Secretary of War, Mr. Patterson, tell us that in the 2 years of the operation of the renegotiation statute, from the 28th of April 1942, to the 30th of April 1944, the savings to the country amounted to $4,700,000,000 in the expenditures of the War Department alone, $2,600,000,000 of this was recovered in cash and $2,100,000,000 was accomplished through price reductions.

The over-all savings to the country through the renegotiation statute, the Secretary told us, was $7,100,000,000, the difference between the $4,700,000,000 and the $7,100,000,000 representing savings accomplished through the programs of the Navy Department, the Maritime Commission, the Treasury, and other procurement agencies of the country.

Some people have failed to realize that in the last revenue act, where a time was set for the expiration of the renegotiation statute, that the benefits of the procedure developed through the operation of the renegotiation statute are to be continued through what is called price adjustment. If any of you have not familiarized yourselves with that I suggest you look up title VIII of the revenue law, which carries the text of the price-adjustment statute, which provides that:

> Whenever the Secretary of War deems that the price of any article or service of any kind which is required by his Department, or directly or indirectly required, furnished, or offered in connection with the war as a part of the performance or procurement of any contract with his department or any subcontract thereunder, is unreasonable or unfair, the Secretary may require the person furnishing or offering to furnish such article or service to negotiate to fix a fair and reasonable price therefor.

The benefits of price readjustment, therefore, developed through the operation of the renegotiation statute are continued through the price adjustment section of the revenue act. It is provided, of course, that if the contractor finds or feels that the price determined by the Secretary is unreasonable or unfair or unjust to him, he may appeal to the courts.

I believe the membership of the House is entitled to know that the experience in price adjustment that has been accomplished through renegotiation and through price schedules will not be lost.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. CASE. Yes; I yield to the gentleman from Nebraska.

Mr. CURTIS. Is the gentleman able to state how much of those savings through renegotiation are on contracts executed prior to the insertion in the contracts of a provision providing for a voluntary reconsideration of the contract?

Mr. CASE. I am not sure I am able to answer the question of the gentleman, even if I understand it. Does the gentleman mean how much of the savings were accomplished by voluntary reductions before the renegotiation statute was enacted?

Mr. CURTIS. As I understand it, there were many contracts for war materials executed by the Government prior to the time they began inserting in the contract a provision that they could be renegotiated and when by act of Congress we made them renegotiate. How much of these savings came about by reason of the contracts having such provision in them?

Mr. CASE. The figures I gave related to savings accomplished after the passage of the renegotiation statute.

Mr. CURTIS. But at the time of the passage of that law it was the practice to insert a provision in the contracts permitting a renegotiation, was it not?

Mr. CASE. The gentleman says after passage of the act?

Mr. CURTIS. At the time of the passage of the act.

Mr. CASE. There had been some voluntary renegotiation.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. CASE. I yield.

Mr. MAHON. Is it not true that in some contracts, for example, in the Signal Corps contracts, they for a long time have had this provision which permitted of a renegotiation between the Government and the contractor?

Mr. CASE. They may have done so. That is, such a provision could be a part of any contract if both parties wanted it. Mandatory renegotiations, however, was proposed and was adopted, as stated at the time, because there were some contractors who were unwilling to reconsider the prices even in spite of the fact that experience showed that they could produce an article at much less than was anticipated.

The CHAIRMAN. The time of the gentleman has expired.

Mr. POWERS. Mr. Chairman, I yield the gentleman 15 additional minutes.

Mr. CURTIS. Do the contracts that are now being executed for war materials contain a renegotiation clause?

Mr. CASE. The renegotiation clause expires by statute at the end of the year but it may be extended by the President for an additional 6 months. However, it does expire by statute. The new contracts that are being negotiated now, whether the contracts themselves set it forth or not, are covered by the price adjustment title in the revenue bill. Price adjustment is made a part of all contracts by this statute.

Mr. CURTIS. The termination the gentleman spoke of is a dead line upon which settlement must be reached; is that right?

Mr. CASE. Yes. In the case of 95 percent of the 1942 contracts that work is completed now.

Mr. Chairman, for a few minutes I want to discuss certain things which the committee did in going into expenditures in the past year and the indicated policies of the War Department with respect to the coming year. I am not going to take the time to do more than to refer to some of the topics that Members have expressed interest in at various times. I shall give the topics and cite some of the page references in the hearings so that the Members may see the scope of the hearings and, if they are interested, read the hearings.

Many Members have been interested in the possibilities of the helicopter and what the War Department is doing in that field. You can find testimony on that by referring to the hearings at pages 317 and 327, and following.

A great many Members have been disturbed by the publicity during the past year in reference to the parachutes that the War Department is using. The charges had been made that the War Department was derelict in failing to provide our forces with the single-point release parachute. There is quite a story on that. Testimony on that will be found at pages 340 of the hearing and following. We are getting single-point release chutes in the Army Air Forces now.

Some questions have arisen about the use or nonuse of self-sealing gas tanks in the planes of the Transport Command. Testimony on that will be found at pages 316 and following.

Probably as interesting a section of the hearings as any is that which deals with the developments in medicine and particularly in the field of preventive medicine. You will find the testimony of the Surgeon General at pages 348 and following of particular interest on that subject.

At page 366 you will find testimony about the use of the sulfa drugs and penicillin. The Surgeon General told us that at one time the medical branch was concerned about the shortage of quinine but their experience in the use of atabrine has been such they know better how to handle the dosage and today a shortage of quinine does not alarm the War Department.

I have had some correspondence about the relative slowness of promotion for officers who are overseas as compared with those who are stationed in this country, particularly in the Medical Corps. Testimony on that will be found at pages 368 and following.

A great many Members have been interested in the story of the WAC's, the Women's Army Corps. The testimony on that will be found at pages 534 and following.

Many Members have also been interested and will soon be involved in a question about the training of the WASPS, and the commissioning of women in the Army Air Forces. You will find helpful testimony on that at pages 305 and following.

Another subject that will be before the House shortly deals with the problem of the termination of contracts and the reconversion of industry. The position of the War Department will be found at pages 569 and following.

Every Member of the Congress has had a great deal of correspondence about allowances and allotments for members of the families of men and women in the service. Personally, considering the size of the job, considering the fact that the work had to start from scratch, that a new organization had to be built up, and allowances had to be worked out for between three and four million people in the armed forces at the very outset, I feel that the work performed by General Gilbert and his staff has been remarkable. It is outstanding when the size of the problem is remembered.

General Somervell has a very interesting statement on the reorganization of the War Department. At page 64 of the hearings Members will find a table which shows in graphic form the reorganization of much of the old War Department under the Army Service Forces.

Mr. CARLSON of Kansas. Will the gentleman yield?

Mr. CASE. I yield to the gentleman from Kansas.

Mr. CARLSON of Kansas. Will the gentleman from South Dakota tell us if the committee gave any consideration to the disposition of tracts of land that have been taken over by the War Department during this emergency, which will, no doubt, be disposed of some time after the war emergency is over?

Mr. CASE. Yes. The committee interrogated representatives of the War Department on that at some length. The gentleman will find that on page 571, and again at page 582 appears testimony by Secretary Patterson and by Colonel Hauseman on the disposition of realty and property. The gist of the testimony is that the War Department now has authority to dispose of real estate if it is in the interest of the war effort. I remember asking particularly whether the War Department had that authority with respect to lands that had been acquired prior to the war and under some act of Congress. The interpretation is that under the War Powers Act they do have that authority if the disposition is in the interest of the war effort.

Mr. CARLSON of Kansas. I would like to ask if any consideration was given to the thought that these lands be returned to the prior owners, and that they be given an opportunity to bid on them. Was any thought given to that subject?

Mr. CASE. I am interested in having the gentleman ask that question because it so happens that I have introduced a bill on that particular subject which does propose that a year's priority shall be given to the former owner to repurchase his land.

Mr. CARLSON of Kansas. I want to assure the gentleman that this legislation ought to come before the Congress. These owners whose property was taken away by eminent domain should have the right to repurchase the land if they so desire, at least for a limited period of time. I am pleased that the gentleman has introduced such a resolution.

Mr. CASE. I hope that legislation may be favorably considered. I may say, however, that the War Department in commenting upon that and other bills of similar character has indicated that it would be a difficult thing to administer. So I welcome the gentleman's help in the matter and will be glad to refer him to some correspondence I have had with the War Department on that subject to see if we can work out some satisfactory way administratively to handle the matter.

Mr. CARLSON of Kansas. Regardless of the administrative difficulties, this great war agency of ours that went out and took this property owes some consideration to these people who were forced from these lands. Regardless of some of the administrative difficulties I think it would be unfair not to give them the opportunity to buy the land back instead of releasing wholesale large tracts of land to corporations or to some other group to dispose of after the war. I think the gentleman's bill should have consideration, and very serious consideration.

Mr. CASE. I appreciate the gentleman's comment, because I agree with him wholeheartedly.

Related to the problem of the disposition of surplus real estate is the disposition of surplus property, and also the return of equipment and property of the

United States from abroad after the war. I think there are at least three fields in which we are going to have some serious problems arise, and which will bear watching. One is the outcome of the Canol oil project, to which the gentleman from Michigan [Mr. ENGEL] referred. Another is the rights that the United States will have in air bases and air routes which are being established for the benefit of the wartime Air Transport Command.

I asked General Reybold a question on this during our hearings. General Reybold is the Chief of Engineers, and has charge of the construction of projects.

The question I should like to ask is whether, in respect of other proposals that are in Canada, including certain depots and airports and other installations of that type, and also with respect to similar projects in what is called the South Atlantic route if guaranties have been obtained of the governments in which these projects are located that we shall have post-war access to the use of those facilities?

The record answer of General Reybold is:

I cannot answer that question, Mr. CASE.

We had some discussion of the matter, I may say, off the record, and it was apparent to me, without quoting anybody, that the War Department, and particularly the Engineers Branch of the War Department, feels that their duty is to construct these projects if they get orders to do so through the War Department, through the Commander in Chief. They do not determine policies. Their duty is to build what they get orders to build. The responsibility rests with the President and the State Department to determine the rights that we have in the post-war operation of any facilities outside of the United States. I hope the Committee on Foreign Affairs will go into this matter.

Personally I am not at all satisfied, either with respect to the Canol project or the air and sea bases being built outside of the United States, that we have any adequate guaranty to the use of those, or the salvage of any rights, after the war is over.

In conclusion let me say this: "Do not sell any part of our armed forces short, however, so far as doing the job ahead is concerned."

I have noticed lately that some people are saying, "Well, it looks as if the Air Forces are not going to do what we were told they could do in the war." As the present military movement in Europe unfolds, the real value of the strategic bombing that the Air Forces have been doing will become apparent. In World War No. 1, as we pressed the enemy back, he was still self-contained; he still had something inside the wall he had built. As this movement in Europe progresses, however, by the strategic bombing which has destroyed transportation and supply centers and as it becomes apparent how strategic bombing has destroyed the means of making war, we will see the real value of air power.

But when I say that, I do not want to minimize—in fact, I want to take this opportunity to emphasize—the part that is being played by the Ground Forces, particularly the Infantry. You will recall that General Marshall, over at the Congressional Library, told us that if we have a word of praise to give to somebody connected with the war effort, we should give it to the Infantry—the boys there in the dust, and the dirt, and the mud, out in all kinds of weather, who simply have to be there and take whatever comes. The boys who are on the ground, the boys who have to fight hand to hand at times, and really occupy the countries that have been occupied by the enemy, and then occupy the enemy's country itself—they are undergoing a hardship and a suffering and a sacrifice that is beyond compare. There is little glamor to their job; but we cannot win without them. The Infantry is still the queen of battles.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CASE. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. The appropriation for the WAC's, I understand, is contained in this bill.

Mr. CASE. That is correct.

Mrs. ROGERS of Massachusetts. Does not the gentleman feel that they have done an outstanding piece of work?

Mr. CASE. They have done an outstanding piece of work. I hope the gentlewoman from Massachusetts, who had so much to do with the institution of the Corps, will read the letter which I placed in the hearings. It was from Lt. Vera Mankinen, who was one of the first five WAC's to land in Australia, and told about the reception they had from General MacArthur, and gave General MacArthur's comment on the work of the Woman's Army Corps.

Mrs. ROGERS of Massachusetts. And they have released a great many men for active fighting.

Mr. CASE. That is right.

Mr. SNYDER. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. KERR].

Mr. KERR. Mr. Chairman, if the Committee will bear with me a few moments, I should like to present a brief accounting of the stewardship of the men composing the membership of the subcommittee which has shaped military appropriation measures over the period commencing several months before Pearl Harbor.

All of the seven members of the subcommittee today were members of the subcommittee which drafted the appropriation bill for the fiscal year which began July 1, 1941, and five of the seven were members of the subcommittee when the Germans marched into Poland on September 1, 1939.

The five are Chairman J. BUELL SNYDER, JOE STARNES, LANE POWERS, ALBERT ENGEL, and myself. The two joining us in 1941 are GEORGE MAHON and FRANCIS CASE, and I wish to say, Mr. Chairman, that it has been a genuine privilege to serve with such distinguished men.

The responsibility of this group has spread over the ante- and post-Pearl Harbor periods and the record is one, I am frank to say, of which we feel quite proud, and of which we feel the House should be quite proud, because it has followed our recommendations and thus appropriated them as its own handiwork.

We have come far since 1939, Mr. Chairman. Appropriations for the Military Establishment for the fiscal year which began on July 1, 1939, amounted to $742,125,171. The appropriations for that year made provision for an enlisted force of 165,000 men and 13,796 officers and warrant officers. At that time we possessed less than 2,320 serviceable airplanes, which was then the objective number. We were just beginning a modest measure of implementation in consequence of a newly promulgated protective mobilization plan. In fact, we were just awakening to the President's admonition that our national defense, in the light of the increasing armament of other nations, was inadequate for purposes of national security.

The year following—the fiscal year which began July 1, 1940, which date was less than a month before Dunkerque and but a few days before France surrendered, we responded to the urge to get prepared for the worst, and the appropriations for that year climbed to $5,612,684,777, and there were authorized, besides, contractual obligations to the extent of $2,913,136,397. And it was in that fiscal year that lend-lease was authorized and we became the "arsenal of democracy."

Readying ourselves for unpredictable eventualities, preparatory measures continued until Pearl Harbor, when the whole Nation responded as one to the call to arms.

The War Department, or perhaps I should say General Marshall, from that time on virtually dictated the budgets.

As of today, there has been available to the Army for obligation since July 1, 1940, the stupendous sum of $185,951,185,221. Of that sum, $35,523,958,837 has been for Army pay, travel, subsistence, clothing and equipage, and medical costs; approximately 19 percent of the total.

Of such total amount exceeding one hundred and eighty-five billions, $60,192,083,410 has been directly for aviation. I say directly, because the air arm draws on some of the other branches for certain equipment and supplies. I think it is perfectly safe to say that the total for which aviation has been responsible, directly and indirectly, would run between 45 and 50 percent.

The remainder of the one hundred and eighty-five billions has gone into implementation, into housing, into training, into expediting production, into lend-lease, and into a variety of expenses incident to the performance and accomplishment of the program as a whole. Implementation embraces tanks, armored cars, technical vehicles, guns, bombs, and all kinds of ammunition, and the myriad of articles which modern soldiers use.

From the 13,796 officers earlier mentioned, we have gone to 705,000. From

the 165,000 men, we have gone to 6,955,000. From the less than 2,320 serviceable airplanes, we have become possessed of more than 75,000, and I wish to stress the fact that they are entirely different from the planes we were building when we first started aviation expansion. They are heavier, they are higher powered, they are speedier, and their firepower and bomb capacity is unbelievable. It is an air force of such potency as to assure complete victory. It is an air force of such striking power that only an egotistical fool would insist upon his nationals facing. It is an air force that can be sustained and further expanded, should that be necessary. But, best of all, it is an air force that will save to America the lives of thousands upon thousands of her sons.

I say without hesitancy that we possess today the finest trained and equipped army in the world. As to its courage, it never will be found wanting. It already has measured up to the glorious traditions established by other forces called to arms since the birth of the Republic. It has been built up and directed by a man who has been denied personal direction in the field because we would not spare him from over-all direction from Washington, but whom history will rank with Lee, and Jackson, and Pershing, and other renowned Americans who have had the responsibility of leadership in the past.

Gen. George Marshall, a product of V. M. I., which is one of the greatest military institutions on earth, early won the admiration and support of our subcommittee, and we have gone all-out in supporting the budgets that have come to us for effectuating his plans and policies. He has manifested his appreciation on more than one occasion, the latest expression of which you will find in the hearings on this bill. That appreciation has been expressed to you, my colleagues, through us, because we are but the servants of the House, and whatever credit is due is yours and ours jointly, and I want to include, also, the membership of the House Committee on Military Affairs, because that committee has paved the way for us to act promptly and in ways that have contributed to the expedition of the program as a whole.

I feel that I am not able to pay a merited tribute to my fellow members on your subcommittee. They are all doubtless much better equipped for this important position than I am but the unanimity with which we have done our work reflects the confidence which we each have in the other and our love for the common cause we cherish above all earthly things, the preservation of that freedom transmitted to us by our forefathers, and this confidence, love, and pride embraces and will always overshadow the life and career of John Pugh, our clerk, and one of the most valuable servants that ever graced a Federal position.

The uppermost thought in this Nation is the preservation of our soldiers on every battlefield and we have the will and the means to provide every agency and instrumentality to do this and history will accord to us in our generation the honor of making every provision necessary to match their intrepid and indefinable bravery. This will still be their country when we are gone and may the ensuing peace be the realization of that peace and vision of Grady, the South's great orator, when he saw "all the nations of the world, harkening to the American drumbeat and girding up their loins, march amid the breaking of the millennial dawn into the paths of righteousness and peace."

Mr. SNYDER. Mr. Chairman, I yield 21 minutes to the gentleman from Texas [Mr. MAHON], who I think will have an historic announcement to make in his opening remarks.

Mr. MAHON. Mr. Chairman, let me thank the gentleman from Pennsylvania [Mr. SNYDER] for giving me the opportunity to make the first announcement to the House regarding the news flash of which we have just learned to the effect that the mainland of Japan has been bombed today by American bombers. I regret my inability at the moment to supply any details but I join you in hoping that further details and favorable news will be forthcoming later today. Later in my remarks I shall have more to say about our biggest bomber, the B–29, which was undoubtedly used in this attack on Japan.

Now, let me direct your attention to the measure before us. Today we come to the largest and probably the most important bill of the year—the bill that makes $49,000,000,000 available to the War Department to carry on the war for the fiscal year which begins the first of next month.

We do not know when the day of victory will arrive, but I confidently believe that the money provided herein will be the last major request of the War Department prior to the defeat of Germany and the conclusion of the European war.

WORK OF COMMITTEE

It has been the responsibility of our seven-man subcommittee on Army appropriations to conduct hearings and consider the various aspects of this bill for the past several weeks. It has been a very difficult but a very interesting assignment. General Marshall, Chief of Staff, appeared before us upon two occasions to discuss with us the war program and the various problems confronting the Army in the huge task of winning the war. We also had in attendance before our committee Gen. H. H. Arnold, Chief of the Army Air Forces; Mr. Robert Patterson, Under Secretary of War, and scores of officers having to do with the planning and the winning of the war.

The men of the Army have given our committee complete cooperation. Let me say also that our committee on War Department appropriations has fully cooperated with the War Department in the preparation of this bill and in the bills which have previously been presented. As you know, our subcommittee on War Department appropriations has presented all the major money bills for the Army throughout the war.

The fighting equipment now being used by the men of our Army in the second-front invasion was requested of our subcommittee many months ago by officials of the War Department and necessary approval was given and appropriations made by the Congress.

The war program is so huge that it is impossible for the human mind to grasp all of its ramifications. Our brave men are fighting on battle fronts throughout the world and the problem of directing their operations and supplying them with the necessities of war is big beyond description.

It would seem obvious that reports and justifications comprising 16 volumes of printed matter and the testimony of about 128 witnesses who appeared before our committee could not be reduced to such small proportions as to be put into a speech for this occasion.

EQUIPMENT AND WEAPONS OF WAR

Mr. Chairman, in this bill funds are included to feed, clothe, and provide for our 7,700,000-man Army. The warm clothing for aviators who fly in zero altitudes, clothing and equipment adequate for our men in the Far North or in the Tropics are provided herein.

Herein we provide the weapons and devices for the destruction of our enemies, the enemies of our freedom and security. The shells, the powder, high explosives, flame throwers, the bazooka, aircraft bombs from the small fragmentation bomb to the block-buster, the mightiest of heavy guns, certain secret devices, and innumerable other weapons designed for the destruction of our enemies are provided for in this bill. I might point out that our experience in Italy has demonstrated the necessity for even greater emphasis on heavy artillery, and the heavy artillery program is being expanded to meet the requirements.

Those who have attacked and defied our Nation and sought to destroy our freedom will meet the fiercest and deadliest combination that has ever been hurled against an enemy in the history of warfare. Up to the moment our enemies have only had a foretaste of what is to come, and come quickly. Brave and dauntless American boys, possessed with the finest equipment and the best weapons that the energy and genius of America can provide, are on the march, and woe be to those who oppose them during the momentous and tragic months which lie just ahead. There can be no doubt of the outcome. But it is a saddening thought that the red blood of American boys must be spilled and their lives sacrificed in order that victory may be won and the freedom and independence of our country preserved.

HEALTH AND WELFARE OF MEN IN SERVICE

Mr. Chairman, in this bill we not only provide for the weapons with which to destroy the enemies of freedom, we provide for the instruments of mercy for our own men wherever they may be. Upon request of the Surgeon General we are appropriating slightly less than one-half billion dollars for the medical and hospital department of the Army.

The drugs and surgical items provided are too numerous to mention. One of the large expenditures will be $108,000,000 for the wonder drug penicillin, a drug

which is already saving hundreds of lives of American soldiers and which has greater possibilities for the future. Drugs to combat the various diseases of the Tropics and to fight malaria in the Southwest Pacific are provided.

Parents of men in the service have every reason to be grateful for the overall efficiency of the medical and hospital department of the Army. On the whole a marvelous job has been done in preserving the health and saving the lives of the men in uniform. It has been the constant effort of this committee to see that these boys are armed and equipped in such a way as to insure the return of the greatest possible number, and in addition, to insure as far as humanly possible that they will return with strong bodies and good health to enable them to carry on in the years to come. Many details of the medical program are discussed by Maj. Gen. Norman T. Kirk in the printed hearings beginning on page 348.

Your committee makes no apology for the money provided upon the request of the Army for the education, recreation, and entertainment of enlisted men during off-duty periods. We will soon have 4,000,000 soldiers overseas. No one will begrudge the $17,926,000 provided for them in this bill for athletic equipment, only a few dollars per man. Phonographs and phonograph records, books, magazines are also provided. In testifying before our committee, General Byron, who has much to do with this program, said this:

> Morale is a lot of little things. It is the little things the soldier wants but does not happen to have at the time, and the little things that, when delivered or sold to him, convince him that the best country on earth—his country—has not forgotten him.

ITEMS IN BILL

But, Mr. Chairman, it is not possible in this brief time to discuss many of the aspects of this bill. I should like to list here some of the major items which make up the $49,000,000,000 provided for the Army by this legislation:

Pay (includes allotments for dependents)	$12,095,000,000
Air Forces	12,610,200,000
Ordnance Department (guns, ammunition, etc.)	8,599,067,600
Subsistence	2,899,251,000
Engineer Service	2,662,212,500
Signal Corps	2,540,491,075
Transportation Corps	1,850,000,000
Clothing and equipage	1,721,600,000
Chemical Warfare Service	670,000,000
Medical Department	492,204,520

The most spectacular program is the program of the Army Air Forces. General Arnold and his aides gave our committee many details of the program, but if you read the hearings you will find that much of the testimony was stricken from the record as the publication of it would give vital information to the enemy.

The Army already has 75,000 airplanes. In this bill 41,345 additional planes are provided. The type of plane ranges from our heaviest bombers, and large numbers of them, to the training planes. However, relatively few of the planes are trainers; nearly all of them are either bomber, fighter, or transport planes.

SURPRISES IN THE AIR

We are making adequate provision for additional Flying Fortresses, Liberators, medium bombers, fighters. Let me also point out that in this bill we have not failed to take note of and make additional provision for the B–29, the big brother of the Flying Fortress. The B–29 is our mightiest battleship of the air. Of its range, power, and possibilities our enemies have heard little to date, but to their sorrow they will hear much in the future.

The announcement which I made to the House a few moments ago to the effect that the first news flash had just been received regarding the bombing today of the mainland of Japan justifies the faith which we have shown in the B–29 and the public money which we have appropriated for the construction of these planes. We all anxiously await the details of the bombing and hope for good news. Of this we can be sure, the bombing today is only the beginning of what is to come.

In my judgment there is no doubt but that the enemy is due for many surprises in the air. In planes on hand and in production and in highly trained aviation personnel we far excel the enemy. But we want to maintain our advantage and we are providing $78,000,000 in this bill for the financing of further experimentation and research in aviation.

WINNING THE PEACE

Mr. Chairman, we must not only dedicate ourselves to the winning of this war—and may we hope that victory will come sooner than we can now foresee—we must win the peace also. A victory won at so dear a price must be preserved for the longest possible span of years. If that fuller hope and prayer is to be realized America must assert her position of leadership in the world.

When Congress—Democrats and Republicans—by a roll call vote last September went on record favoring active participation by America in a program to preserve peace, I spoke for and voted for the resolution then pending. In my service here my voice and my vote shall always be recorded among those who are doing what they can to help win this war and keep it won. America has never had a more difficult and tragically important assignment.

Our Christian duty requires such a policy and our selfish interest demands it.

And in the same breath it is not inconsistent to say that after victory is won America must not abandon h military might. I stand four square against any policy which would require that America crash her air power into the scrap heap and sink her Navy into the sea. We cannot ignore the lessons which this war has taught. If we are to lead in the pursuit of peace we must remain adequately strong and alert; we must be able to demand the respect of the world if we are to preserve our freedom and our position in world leadership.

Of our battle-torn flag someone once said:

> It is only a small bit of bunting,
> It is only an old colored rag,
> But thousands have died for its honor
> And shed their best blood for the flag.

For my part the blood of heroes shed for the flag must be translated into a better and more peaceful world for the generations to come. In the post-war world peace must not be just a word which we find in the dictionary. America must cooperate with peace-loving nations and translate the word peace into a living reality.

PROVISIONS FOR RETURNING SERVICEMEN

The returning veteran must not be forgotten. He has not been forgotten by this Congress. It was heartening to see the House pass, without a dissenting vote, the so-called G. I. bill, indeed not a perfect bill, but designed to provide more adequate hospitalization, employment safeguards, education, and so forth for returning servicemen. America must not only fulfill her obligations of world leadership, the Congress and the people must see to it that she fulfills her obligation to returning servicemen, assisting them to readjust themselves to civilian pursuits and cooperating with them in keeping America free—keeping America the land of opportunity for generations to come. Freedom purchased at so dear a price must be jealously guarded and preserved. And wartime restrictions on the individual and on business enterprises will not be tolerated after victory is won.

Mr. Chairman, it seems ironical that while fighting for liberty we should have to give up some of our privileges of citizenship. For example, about 11,000,000 men now in the armed services have been taken from their homes and subjected to military discipline, they have been regulated and regimented, subjected to the hazards of war, and completely deprived of their accustomed peacetime liberties.

Americans remaining at home have also been deprived of some of their privileges. In domestic matters we have not all agreed. There have been upon occasions unnecessary waste, regulation, and bungling, bordering sometimes on the ridiculous, which I emphatically condemn. For my own part I have voted my convictions, keeping in mind the welfare of my constituents and my country, not hesitating to oppose measures which seemed to be against the public interest and aggressively supporting measures which seemed to be necessary to the winning of the war. Never can we afford to forget that the winning of the war must come first.

THE WAR COMES FIRST

The full and abundant cooperation and support which the people of West Texas have given me convinces me beyond doubt that the people I represent in Congress favor such a policy of putting the war above every other consideration. That has been the course which I have unwaveringly followed and shall continue to follow.

Parents and wives and sweethearts know that nearly 4,000,000 American

soldiers and hundreds of thousands of the men of our Navy and Marine Corps are on foreign soil and distant seas with their faces and their guns toward the enemy and with the high stake of human life and freedom in the balance. Heaven forbid that we should forsake them. For my part, as a citizen and as a public official the test of my conduct shall continue to be: Will this vote, will this speech, will this policy contribute to the winning of the war and bringing weary American boys back to their homes?

I heard a Texan who fought with the gallant Thirty-sixth Division at Salerno suggest that we at home at the end of each day might well ask ourselves this question: "What have I done today to earn the right to have an American soldier die for me tonight in Italy or some other theater of this war?" Today we could substitute the beaches of France for the beach at Salerno. And, Mr. Chairman, I am not trying to be sentimental; I am simply trying to be factual.

I am unable to understand those who have taken advantage of the war to resort to profiteering in industry and those who have gone on strike against the Government, withholding the weapons of offense and defense from our men on the battle fronts. These wartime strikes have produced anxiety, anger, and disunity among our people and hurt morale among servicemen more than all other factors combined. I cannot and will not defend the weak policy which our Government has pursued with respect to wartime strikes. My voice and my vote at every possible opportunity have steadfastly been against wartime strikes and wartime profiteers.

Yet, we have every reason to rejoice that on the whole, labor and industry have done a marvelous job in producing in record time the greatest array of fighting machines and weapons ever dreamed of by a nation at war.

We can also thank heaven for the farm people of America who have fought valiantly on the home front, giving their sons to the uniform, and in spite of manpower and machinery shortages, and inadequate prices for many products, have produced the greatest abundance ever known in the history of the Nation. I pay tribute to the farmers of America.

Mr. Chairman, I think in all these matters I am speaking the language and the sentiments of the people whom I have the honor to represent.

CONGRESSIONAL SERVICE

My principal work as a Member of Congress during the last few critical years has been as a Member of the Subcommittee on Appropriations for the Army and War Department. Our committee has spent many weeks, a total of several months, in hearings on the various Army requests for support and money. General Marshall, Chief of Staff, has frequently expressed his gratitude to us for the wholehearted backing which we have given him in the greatest military assignment which America has ever undertaken. No Member of our seven-man subcommittee would claim undue credit; we have simply done our best to do the job assigned to us, a job which we have regarded as of vital importance to the winning of the war and the preservation of American liberty.

But legislative work is only a part of congressional service here. Legislative matters are more important to the Nation as a whole but there has been more joy for me in seeking to be of assistance to the many hundreds of people from my district who have called upon me through the years in a personal way for information and assistance in matters great and small. It may have been the request of a school child for a bulletin or the inquiry of an anxious mother concerning the welfare of her son overseas. I have received an average of more than 10,000 letters and requests each year from the people of the Nineteenth District of Texas. Each request has been important to someone and, while it is sometimes impossible to fully perform the service requested, I have gladly sought to render every possible assistance.

Mr. Chairman, this bill is scheduled to be passed today, and I shall not longer detain the House. The recent opening of the second front has made even more urgent the necessity for fully approving the bill as recommended by our committee. As I said in the beginning, not only is this the largest appropriations bill of the year, but we have reason to believe that the money provided herein will be the last major request of the War Department prior to the defeat of Germany and the conclusion of the European war.

Times like these demand the best service that any American can render in whatever task to which he may have been assigned. Undoubtedly, the future of America and much that we hold sacred and dear is at stake. Amid the storm clouds of war it may well again be said:

> Long may our land be bright
> With freedom's holy light,
> Protect us by thy might,
> Great God, our King.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. RANDOLPH. I would like to ask my friend from Texas this question. He is an able Member of this House, a member of the Subcommittee on War Department Appropriations, and also a genuine American.

While we are discussing appropriations for the War Department, necessary and vital appropriations for victory, I think it might be well for all of us to question why the War Department apparently can submit and have accepted a contract to do work, that work being done by a man who is not a citizen of the United States, as has occurred in the Pacific.

Hans Wilhelm Rohl is the alien who held contracts on vital defense projects. Here is a man who lived in the United States of America for 27 years without becoming a citizen. I am wondering where we could place the responsibility for the awarding of such a contract. I ask it in all good faith. I am asking myself the question.

I think there should be a determination of policy, not of the War Department alone, but an over-all policy of the Government of the United States that none of its agencies can award contracts for any work to individuals or firms who are aliens or alien-controlled to do a construction job for the United States of America. What has transpired in the Pacific defense work is tragic in its implications. There can be no proper reason for an alien having done this construction program.

Mr. MAHON. I thank the gentleman for his reference to this matter. I am not fully familiar with all the facts of the case to which the gentleman refers but on the basis of my present information, I fully share the condemnation which the gentleman has expressed. It is indefensible. The full blame rests squarely upon the War Department for any wrongfully let contract. Only the War Department has the authority to let contracts on these jobs. Of course the Congress can only legislate. The Congress can appropriate money, but Congress has no authority under the law and under the Constitution to let contracts.

Mr. RANDOLPH. Will the gentleman yield further?

Mr. MAHON. I yield.

Mr. RANDOLPH. I do it for the purpose of reference also to one Matthew L. Smith, who is secretary of the Mechanics Educational Society of America. In February 1944 this alien caused 37,000 American working men and women to leave their posts. This man holds a key position, then and now, in a strong labor organization. Smith has lived in the United States since 1927 and is not yet a citizen of this country.

In industry, in labor unionism, and in government itself, there are far too many individuals today who are accepting the privileges and profits and protection of America but who are giving no loyal code of citizenship in return. I believe the gentleman from Texas may agree with me that legislation introduced in Congress, now pending, which would cause an individual who does not diligently proceed with his citizenship to be taken into custody and deported immediately, might have merit. What would the gentleman say about that?

Mr. MAHON. I thank the gentleman for his contribution. The legislation which the gentleman from West Virginia suggests, and of which I believe he is the author, regarding the deportation of individuals under such circumstances not only has merit, it ought to be immediately considered by Congress and passed in appropriate form. A loyal American is worthy of every consideration but those who stab our country in the back and seek to undermine the foundations of our freedom have no place among us.

Of course, this Committee on Appropriations is not authorized to sponsor legislative bills. I am advised that some of the legislative provisions which we have found it necessary to have placed in this bill might possibly be objected to by the House Committee on Military Affairs.

So, of course, any legislative bill would first have to be presented and passed upon by the Committee on Military Af-

fairs of the House, a very able and distinguished committee, or other appropriate legislative committees.

Mr. WEISS. Mr. Chairman, will the gentleman yield for a question?

Mr. MAHON. I yield.

Mr. WEISS. When the gentleman spoke about the B–29's being the great brothers of the Flying Fortresses, the War Department has just issued a communique that a great task force of B–29's has just bombed the mainland of Japan, thereby officially confirming the statement made a few moments ago by my colleague from Texas.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. NORRELL. As a member of the Committee on Appropriations I want to say that under our system we are not supposed to have anything to do with the execution of our laws. We pass the laws and it is up to the executive branch of the Government to enforce them.

Mr. MAHON. That is American democracy.

Mr. NORRELL. But under the Constitution, in order that we can have economies and honesty in the affairs of certain activities of the Government, if it becomes necessary for us to use the purse strings in order to warn those people that we are not going to tolerate again instances which the gentleman from West Virginia mentioned awhile ago, I think we may have to go out on that limb.

Mr. MAHON. I thank the gentleman from Arkansas. I think we not only need to pursue that policy but we have pursued it in many instances, and I think that practice needs to grow. Congress has considerable power to enforce its demands because of its control of the purse strings, as given to us under the Constitution.

Mr. NORRELL. We all appreciate the very fine work the gentleman and his committee has done in trying to get all of the officers of the War Department to discharge their duty honestly and faithfully and conscientiously.

Mr. MAHON. On the whole, the men of the War Department have done a wonderful job in handling the war program. Of necessity there has been much haste and there have been some abuses and much unnecessary waste in certain instances, but I am speaking of the overall picture.

I have the profoundest regard and respect for General Marshall, Chief of Staff, as an officer and as a man. Those of us who have dealt directly with him have great faith in his leadership. I pay tribute to the great majority of our military leaders, and I know the gentleman from Arkansas shares these sentiments.

Mr. NORRELL. The gentleman is correct.

The CHAIRMAN. The time of the gentleman from Texas [Mr. MAHON] has expired.

Mr. SNYDER. Mr. Chairman, I have no further request for time.

Mr. POWERS. I have no further request for time, Mr. Chairman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Pay of the Army: For pay and allowances of the Army of the United States, including pay of Reserve officers and officers of the National Guard of the United States ordered to active duty under the provisions of section 37a and the fourth paragraph of section 38 of the National Defense Act, as amended; pay of civilian employees at military headquarters; allowances for quarters for enlisted men on duty where public quarters are not available; interest on soldiers' deposits; payment of life insurance premiums authorized by law; payment of exchange fees and exchange losses incurred by disbursing officers or their agents; payments to military and civilian personnel in and under the Military Establishment due to the appreciation of foreign currencies as provided by the Act of March 26, 1934, as amended (5 U. S. C. 118c), and for every object and purpose specified therein; repayment of amounts determined by the Secretary of War, or officers designated by him, to have been erroneously collected from military and civilian personnel in and under the Military Establishment; $4,174,966,295: *Provided*, That the appropriations contained in this act shall not be available for increased pay for making aerial flights by nonflying officers at a rate in excess of $720 per annum, which shall be the legal maximum rate as to such officers, and such nonflying officers shall be entitled to such rate of increase by performing three or more flights within each 90-day period, pursuant to orders of competent authority, without regard to the duration of such flight or flights: *Provided further*, That, during the continuance of the present war and for 6 months after the termination thereof, a flying officer as defined under existing law shall include flight surgeons, and commissioned officers or warrant officers while undergoing flying training: *Provided further*, That during the fiscal year ending June 30, 1945, no officer of the Army shall be entitled to receive an addition to his pay in consequence of the provisions of the act approved May 11, 1908 (10 U. S. C. 803): *Provided further*, That provisions of law prohibiting the payment of any person not a citizen of the United States shall not apply to military and civilian personnel in and under the Military Establishment: *Provided further*, That, without deposit to the credit of the Treasurer of the United States and withdrawal on money requisitions, receipts of public moneys from sales or other sources by officers of the Army on disbursing duty and charged in their official accounts, except receipts to be credited to river and harbor and flood-control appropriations and retirement deductions, may be used by them as required for current expenditures, all necessary bookkeeping adjustments of appropriations, funds, and accounts to be made in the settlement of their disbursing accounts: *Provided further*, That during the fiscal year 1945 collections which otherwise would be for credit to an appropriation of the War Department which has reverted to the surplus fund shall be covered into the Treasury as miscellaneous receipts: *Provided further*, That no collection or reclamation shall be made by the United States on account of any money paid to assignees, transferees, or allottees, or to others for them, under assignments, transfers, or allotments of pay and allowances made under authority of law where liability might exist with respect to such assignments, transfers, or allotments, or the use of such moneys, because of the death of the assignor, transferor, or allotter: *Provided further*, That no appropriation contained in this act shall be used for any expense pertaining to (1) the instruction, education, or training of class IV–E conscientious objectors in colleges, (2) the service of such conscientious objectors outside the United States, its territories, and possessions, (3) the transportation of such conscientious objectors to or from any college or any such service, or (4) the compensation of military or civilian personnel performing any services with respect to the matters set forth in (1), (2), or (3) above after the enactment of this act, except any services which may be necessary promptly to terminate any such class IV–E conscientious-objector college or foreign-service projects existing on the date of the enactment of this act;

Mr. FITZPATRICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FITZPATRICK: Page 6 line 23, after the colon insert the following: "*Provided further*, That section 212 of the act of June 30, 1932 (5 U. S. C. 59a), shall not apply to retired military personnel on duty at the United States Soldiers' Home."

Mr. SNYDER. Mr. Chairman, we accept the amendment.

The amendment was agreed to.

The Clerk read as follows:

Military posts: For construction and installation of buildings, utilities, flying fields, fortifications, and appurtenances thereto, or other facilities required for military use and for each and every object and expense connected therewith, including (a) housing, storage, interior facilities, fixed equipment, piers, roads, railroads, communications, water, sewerage, and electric systems, (b) expenses incident to the preparation of plans, the purchase and installation of equipment, (c) the employment of persons and the procurement of supplies, equipment, printing, binding, communication service, newspapers, lawbooks, books of reference, periodicals, at the seat of government and elsewhere, (d) the purchase, maintenance, repair, and operation of passenger-carrying vehicles, (e) the acquisition of land, rights pertaining thereto, leasehold, and other interests therein and temporary use thereof, and the land and interests therein, including the temporary use thereof, may be acquired and construction may be prosecuted thereon prior to the approval of the title by the Attorney General as required by section 355, Revised Statutes, as amended, and without regard to sections 1136, 3648, and 3734, Revised Statutes, as amended, (f) the settlement of claims resulting from the use and occupancy of real estate under the provisions of the act approved July 3, 1943 (31 U. S. C. 223b), (g) the payment of deficiency judgments and interests thereon arising out of condemnation proceedings heretofore instituted pursuant to specific acts authorizing particular projects, notwithstanding limitations of amounts contained in such acts, and (h) the salvage and conversion of military facilities, $81,995,500: *Provided*, That no appropriation contained in this act shall be available for the acquisition of land without the specific approval of the Secretary of War, and then only when it would be more economical to purchase than lease, if leasing be possible, in cases where doubt prevails as to the land desired being permanently needed for military purposes.

Mr. KILDAY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KILDAY: Page 32, line 8, after the semicolon, insert "Notwithstanding any other provision of law the Secretary of War shall not be authorized to lease, sell, or otherwise dispose of any land acquired or owned by the United States prior to July 2, 1940; nor shall he declare any such lands surplus for disposition by any other officer, board, or commission."

Mr. CASE. Mr. Chairman, I reserve a point of order on the amendment.

Mr. STEFAN. Mr. Chairman, is the gentleman going to explain the amendment?

Mr. KILDAY. Yes; I shall be pleased to explain the amendment.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes in support of his amendment.

Mr. KILDAY. Mr. Chairman, I have spoken to several members of the committee on both sides of the aisle. The situation arises in this form: Under date of July 2 Congress gave the Secretary of War the power to acquire lands without specific legislative authority and in that connection also gave him the authority to dispose of lands so acquired. The Second War Powers Act contains a provision for the disposition of surplus Government property. The question now arises that it is about to be asserted that under that provision, by the device of declaring lands acquired prior to July 2, 1940, all of which were acquired by specific legislative authority, by declaring them surplus then the organization headed by Mr. Will Clayton, surplus property disposition board or administration, would have the power to dispose of any land owned by the Army. There is an apparent attempt to dispose of two of the oldest military posts in the United States without any legislative authority. I take the position that should the Congress lose power to control these old military establishments, or all of the old military establishments, we lose entire control of the government of the Army and the Navy.

Inasmuch as this bill contains a great deal of legislation I felt that one more legislative provision would not detract from the bill.

Mr. POWERS and Mr. SHORT rose.

Mr. KILDAY. I must first yield to a member of the Committee on Appropriations. I yield to the gentleman from New Jersey [Mr. POWERS].

Mr. POWERS. All this amendment does is to put a little more power back into the hands of Congress.

Mr. KILDAY. That is correct. I believe there are none of us on the Military Affairs Committee or Military Subcommittee on Appropriations who realized we were giving to the Department any semblance of power to dispose of old military establishments. If they have that power there is no longer any function for either of these committees.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. CASE. Will the gentleman state the military establishments the transfer of which he believes this will stop?

Mr. KILDAY. The two cases to which I have reference are Fort Ringgold and Fort Clark on the Mexican border. Both these posts were established long before the Civil War. Fort Clark was established in 1852. It was an important cavalry post. I am not saying that the War Department is attempting to or proposing to dispose of these properties by the device of declaring them surplus. I do know that in other instances when troops have been withdrawn from stations they have been placed on a stand-by basis or a housekeeping basis. In these two instances it has been announced that they have been declared surplus. It is my—well, I had better say suspicion—it is my suspicion that the device to which I referred is about to be resorted to for the purpose of disposing of these posts.

Mr. CASE. Will the gentleman state for what purpose the Army expects to declare these posts surplus?

Mr. KILDAY. For the express purpose of selling them; and they would be sold as grazing lands, as pasture lands, for almost a nominal consideration. Those who live on the Mexican border understand the situation and know that you had better not dispose of Mexican border posts because should the time ever again arise when we needed to garrison the border it would create many difficulties. We would, if necessary, be in a far better position to reestablish military garrisons on the border, should we have to. We had better keep what we have.

Mr. ENGEL of Michigan. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. ENGEL of Michigan. I am rather sympathetic with the gentleman's viewpoint. The thing that concerns me, however, is that we have allowed the War Department to purchase a great deal of land for industrial and other purposes than the establishment of military posts.

In many cases we purchased considerably more land than we used. For instance, at Fort Knox we started to condemn on one side of Fort Knox for a tank center. Another general came in and condemned on the other side. Would this prevent the War Department from disposing of those?

Mr. KILDAY. Positively not. This provides they shall not have the right to dispose of any land owned or acquired prior to July 2, 1940, so that all of the lands that have been acquired for defense expansion prior to the declaration of war and all the lands acquired since the declaration of war are still under the absolute control of the War Department. It will only take into consideration those lands which were acquired by specific legislative authority and would prevent their sale without specific legislative authority.

Mr. CASE. I reserved a point of order, and I shall insist on the point of order, unless the gentleman will modify his amendment to provide that this shall not prevent the War Department from disposing of property where it is proposed to convert that property into Veterans' Administration facilities. I state this because of specific instances known to me where this is under way, and I cannot here on the floor be guilty of letting this thing lapse at the very time that the transfer is being completed. One such instance is at Fort Meade in South Dakota and I understand there are one or two others. The facilities are badly needed for hospitals at this time. It saves time, money, and materials to convert these Army posts where it can be done.

Mr. KILDAY. I agree with the gentleman that should be the case and I am willing to add such language as the gentleman feels would be necessary to accomplish that purpose. I think perhaps where we provide they shall not be authorized to lease, sell, or otherwise dispose of land it does not constitute a prohibition against its utilization by other Government agencies. However, I will accept whatever language the gentleman thinks is necessary.

Mr. STEFAN. The gentleman referred to stand-by fields. What does he mean by that?

Mr. KILDAY. That is a term that is used. I am not able to define it specifically. The Army does use that term. They leave housekeeping troops on the post to protect them, but it is not utilized for the garrisoning of troops.

Mr. STEFAN. Does the gentleman refer to these airports which were declared surplus and put in the standby category? Is that what the gentleman refers to?

Mr. KILDAY. There have been many of them in that category and there will be many more. Of course, we raised an Army to send out to fight and we are not going to keep these places garrisoned.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAY. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

There was no objection.

Mr. MAY. Will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Kentucky.

Mr. MAY. I did not happen to hear the reading of the amendment, but, as I understand the gentleman's remarks, it will prohibit the sale of certain properties along the Mexican border?

Mr. KILDAY. No. It would prevent the sale without legislative authority of any lands owned by the Army prior to July 2, 1940.

Mr. MAY. The effect of that would be to cover those two posts that the gentleman mentioned?

Mr. KILDAY. And all others, of course.

Mr. MAY. Yes, and all others. The gentleman recalls that no longer ago than week before last the question came up in the House Military Affairs Committee and the Army has pending now, or the War Department, a general bill which would authorize it to dispose of real estate without coming to the Congress for authority to do so?

Mr. KILDAY. It is not that broad, as I recall it.

Mr. MAY. It is unlimited in its scope, as I read it, and the committee decided as a matter of policy it would not agree to any such thing.

Mr. KILDAY. Since our action on that bill these properties have been declared surplus by the War Department. I do not know what the reason was for coming to us with that request for authority if the authority already existed.

Mr. MAY. That is what they are doing in several instances in this bill.

Mr. SHORT. Will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Missouri.

Mr. SHORT. The gentleman from Texas has correctly stated the proposition. All his amendment does is simply to keep within the control of Congress disposition of land that was acquired before 1940.

Mr. KILDAY. That is right.

Mr. SHORT. Instead of turning it over to somebody else to dispose of as they please.

Mr. KILDAY. The gentleman is correct.

Mr. SHORT. As the gentleman from New Jersey has already pointed out, that is the whole thing.

Mr. CASE. Would the gentleman be willing to ask unanimous consent to modify his amendment by adding this language: *"Provided,* That this prohibition shall not apply to nor prevent the transfer of real estate or other property to the Veterans' Administration for the care and treatment of veterans"? If he will do so I shall withdraw my reservation of the point of order against the amendment.

Mr. KILDAY. I had practically the same language written out here.

Mr. THOMASON. Does not the gentleman think it would be better to say "any other Government agency" because the usefulness of these properties might not necessarily be confined to the Veterans' Administration?

Mr. KILDAY. If you do that, they might be transferred to a Government corporation which has the power to dispose of real estate.

Mr. STEFAN. I think the gentleman from Texas is absolutely correct for the reason some of these stand-by fields have been offered to other Government agencies.

Mr. KILDAY. These stand-by fields are all temporary.

Mr. STEFAN. I know, but they have been transferred to other Government agencies. I think the gentleman is right.

Mr. KILDAY. My amendment does not cover any of those. This covers only the old military establishments as they existed prior to expansion for the war effort.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CASE. Mr. Chairman, still reserving a point of order, will the gentleman from Texas ask unanimous consent to modify his amendment?

Mr. KILDAY. Yes, Mr. Chairman; I ask unanimous consent to modify my amendment by adding the language suggested by the gentleman at the end of the amendment I offered.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. KILDAY]?

There was no objection.

The Clerk read the modified amendment, as follows:

Amendment offered by Mr. KILDAY: Page 32, line 8, after the word "purpose" strike out the semicolon, insert a colon and the following: "*Provided further,* That notwithstanding any other provision of law, the Secretary of War shall not be authorized to lease, sell, or otherwise dispose of any lands acquired or owned by the United States prior to July 2, 1940, nor shall he declare any such lands surplus for disposition by any other officer, board, or commission: *Provided further,* That this prohibition shall not apply to nor prevent the transfer of real estate or other property to the Veterans' Administration for the care and treatment of veterans."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas as modified.

The amendment was agreed to.

The Clerk read as follows:

SEC. 22. If at any time during the fiscal year 1945 the termination of the act entitled "An act to provide temporary additional compensation for employees in the Postal Service," approved April 9, 1943, or of the act entitled "An act to provide for the payment of overtime compensation to Government employees, and for other purposes," approved May 7, 1943, shall be fixed by concurrent resolution of the Congress at a date earlier than June 30, 1945, the appropriations contained in this title shall cease to be available on such earlier date for obligation for the purposes of the terminated act and the unobligated portions of appropriations allocated for the purposes of such terminated act shall not be obligated for any other purposes of the appropriation during the fiscal year 1945.

Mr. DIMOND. Mr. Chairman, I ask unanimous consent to extend my own remarks on the bill at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the Delegate from Alaska [Mr. DIMOND]?

There was no objection.

Mr. DIMOND. Mr. Chairman, the debate on this bill has been on a uniformly high plane and all of it completely admirable, representing the common determination to prosecute the war as vigorously as possible, and without stint of anything required, to a successful conclusion.

But under the circumstances it is appropriate to single out for special mention the speech, at once analytical and brilliant, of the distinguished gentleman from Alabama [Mr. STARNES].

It is my understanding that the gentleman from Alabama will not be a Member of the Seventy-ninth Congress. Without questioning the judgment of the citizens of the district which he has so ably represented in this House for many years past—and here I recall the observation of former Senator Ashurst to the effect that the people of any State or district have the indisputable right to change their Representatives in Congress "for a good reason or for a bad reason or for no reason"—my great respect and admiration, not unmixed with affection, for the gentleman from Alabama impel me to pay my own humble tribute to him.

The Members of this House who have known him for the past 7 years and more are keenly aware of the outstanding quality and value of his service, especially as a member of the Committee on Appropriations and of the subcommittee dealing with appropriations for the War Department. His high intelligence, his sincerity and devoted patriotism, coupled with his knowledge of military affairs gained as a valiant soldier in World War No. 1, have especially fitted him to deal with all matters affecting military preparation and military action. During the course of his service he had occasion to visit the Territory which I have the honor to represent in this body. His instant and commanding grasp of military problems as affecting the Territory of Alaska has been most encouraging and helpful not only to Alaska but to the Nation. The speech which he made today may well serve as a model of condensed and illuminating exposition of problems of supply and finance involving the War Department, especially since the commencement of World War No. 2.

Nor should the occasion pass without comment upon the action taken, at long last, in this bill with a view of exploration for oil in the Wide Bay area of Alaska. This bill, as I understand from a reading of the hearings, carries $1,217,000 for the Wide Bay development. Another bill will carry $1,075,000 for the same purpose. In addition the Navy Department appropriation bill embraces $1,000,000 to be used in prospecting for oil in the naval reserve which fronts on the Arctic Ocean. So, if the three bills with the sums mentioned are enacted into law the total amount available for oil exploration work in Alaska will amount to $3,292,000.

These proposals are of outstanding importance. After all, it must not be forgotten that Alaska still lies on the short line, the Great Circle route, between the main body of the United States and the main body of Japan. At this moment on Attu Island we are as near to the heart of Japan and its capital—Tokyo—as we shall be in that long-desired day when we again have possession of the city of Manila. The distances between Attu and Tokyo and between Manila and Tokyo are almost equal, namely about 1,900 miles. In the Marshall Islands and in Biak, where we are closest to Japan by land which we hold in force in the South Pacific, the distance to Tokyo is about 2,600 miles. The finding of any considerable volume of oil in Alaska is, therefore, of much consequence to our whole war effort. The so-called miracles of production which have enabled us to attain our present military status from extremely small beginnings is a sufficient indication that if oil is found in Alaska it may be brought into use at an early date. In any event, we should know whether or not there is oil in commercial quantities in Alaska. Indeed, we should have made these explorations years ago. It is impossible to recapture lost time, but from this moment on I earnestly hope and, indeed, expect that the Alaska oil projects will be carried forward without a moment's delay.

Mr. CASE. Mr. Chairman, I offer an amendment on page 62 which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CASE: Page 62, after line 22, insert a new section, as follows:

"SEC. 22a. The application to the requirements of the War Department by the reappropriation of unexpended balances of prior years shall be deemed to be a compliance with so much of paragraph (2) of subsection (c) of section 403, as amended, of the Sixth

Supplemental National Defense Appropriation Act, 1942, as reads:

"'Upon the withholding of any amount of excessive profits or the crediting of any amount of excessive profits against amounts otherwise due a contractor, the Secretary shall certify the amount thereof to the Treasury and the appropriations of his Department shall be reduced by an amount equal to the amount so withheld or credited. The amount of such reductions shall be transferred to the surplus fund of the Treasury.'"

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. CASE].

The amendment was agreed to.

Mr. CASE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I merely want to insert at this point an explanation in regard to the amendment just agreed to.

The above-quoted portion of section 403 (c) (2), as amended, of the Sixth Supplemental National Defense Appropriation Act, 1942, was inserted as an amendment in the revenue bill which recently passed. Inasmuch as amounts withheld by the War Department in connection with the renegotiation of contracts operated to reduce obligations prior to fiscal year 1945, and thereby increased the amount of unobligated funds which have been reported for reappropriation for fiscal year 1945 in lieu of a like amount of new appropriations, such reappropriation accomplishes the purposes, and thus in reality complies with the provision of section 403 (c) (2) quoted above.

The purpose of the above amendment is to avoid any uncertainty as to the availability to the War Department during fiscal year 1945 of the full amount of funds which are being reappropriated, and upon which a like reduction in the amount of new appropriations has been predicated, even though the amount reappropriated includes savings accomplished through the renegotiation of contracts.

Mr. ANDREWS of New York. Mr. Chairman, I ask unanimous consent to extend my remarks at this point with a timely observation on the text of a provision on page 7 pertaining to the allotments of pay.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ANDREWS of New York. The following provision appears on page 7 of the bill in connection with pay of the Army:

That no collection or reclamation shall be made by the United States on account of any money paid to assignees, transferees, or allottees, or to others for them, under assignments, transfers, or allotments of pay and allowances made under authority of law where liability might exist with respect to such assignments, transfers, or allotments, or the use of such moneys, because of the death of the assignor, transferor, or allotter.

The purpose of this provision is to assure continued expeditious payment of allotments to dependents and remove doubt as the liability of banks for any portion of the allotment that might be questioned because of the death of the soldier making the allotment.

There has been some expression of doubt from banks as to the advisability of their continuing to cash dependency benefits checks as freely as they have in the past. This doubt is based on the likelihood of the banks being held responsible for the amount of the check, should word be received, after the check has been cashed, that the soldier had been killed before all the money was due. If many of these cases occur, a dependent will be forced to prove the soldier is alive before the bank will cash the check. It is certain that upon occasion the allotter may have died or may have been killed on the field of battle on some date prior to the date when the check was actually signed. Any considerable delay in cashing checks for amounts made available by military personnel to their dependents would result in much complaint, not only from those whose dependents may have been killed but also from those whose dependents remain alive.

Mr. FISH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to commend the committee for including in the bill an appropriation of $552,000 for architectural and engineering services in order to build additional facilities at the Military Academy at West Point at the end of the war. The Congress in its wisdom has authorized an increase of the cadet corps at West Point, and naturally it is necessary to have additional sums of money to provide for their living quarters, and necessary facilities. We are all agreed that West Point is the greatest military academy in the world; it has been proven in other wars, and it certainly has been abundantly proven in this war. Most of the great military leaders, except General Marshall and a few others, are graduates of West Point. Congress wants to be sure that it will continue to be the greatest military academy in the world. I am strongly in favor of preparing now for this post-war expansion and building program.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Pennsylvania.

Mr. SNYDER. When our committee recently visited West Point on an inspection tour, we looked all around for Congressman FISH but could not find him. We wanted him to go along with us on that inspection trip.

Mr. FISH. I thank the gentleman from Pennsylvania and am sorry I could not attend, but I am a great believer in the Military Academy at West Point and am proud to represent the district in which it is. The artisans and skilled labor and wage earners of Newburgh, Cornwall, and Highland Falls in my district have helped in the past to construct the fine buildings and facilities at West Point and I hope after the war will continue to do so.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Missouri.

Mr. SHORT. I want to subscribe 100 percent to what the gentleman from New York has said. The present Commandant at West Point, Major General Wilby, is a particular friend of mine. He is doing an excellent job. However, I think we should go further. Since West Point is located in the East, I think we should have an East Point in the West. We need two, and not one, military academies. I mean that in all seriousness.

Mr. FISH. I just want to add to what the gentleman has said as I know Gen. Francis Wilby and have a very high regard for him. He is a great engineer officer and well qualified to handle the new building program at the Military Academy.

Mr. SHORT. I have known the general since he was a major. He is a high type gentleman, and a very efficient officer.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Texas.

Mr. POAGE. I certainly have no criticism of the gentleman's suggestion. I am for it, but when the gentleman says that it has supplied more great leaders than any other military institution, I want him to bear in mind that Texas A. and M. has furnished more officers to the United States Army and has more officers in the Army at the present time than any institution in the world.

Mr. FISH. I was talking about high-ranking officers, of course.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. Whatever the gentleman says about West Point applies equally to the Naval Academy at Annapolis, that grand institution which has given us the naval leaders to win this war.

Mr. FISH. Certainly, I believe in letting the military and the naval leaders fight this war, and if we do, we will win it speedily if not interfered with by backseat drivers at Washington.

Mr. SHORT. I do not want the gentleman from New York to forget my suggestion that we need an East Point in the West, as we have a West Point in the East.

Mr. FISH. I am not going to contend with the gentleman on that, but I want to insist that West Point be kept as the greatest military academy in the world and be given by Congress all the appropriations that are needed to maintain its high standards.

Mr. SHORT. I agree absolutely.

The Clerk concluded the reading of the bill.

Mr. SNYDER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CLARK, Chairman of the Committee of the Whole House on the state of the

Union, reported that that Committee, having had under consideration the bill (H. R. 4967) making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. SNYDER. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Chair announced that the ayes seemed to have it.

Mr. SNYDER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 357, nays 0, not voting 73, as follows:

[Roll No. 91]

YEAS—357

Abernethy	Carlson, Kans.	Ellison, Md.
Allen, La.	Carrier	Elmer
Andersen, H. Carl	Carson, Ohio	Elston, Ohio
	Carter	Engel, Mich.
Anderson, Calif.	Case	Engle, Calif.
Anderson, N. Mex.	Celler	Feighan
	Chapman	Fellows
Andresen, August H.	Chenoweth	Fenton
	Chiperfield	Fernandez
Andrews, Ala.	Church	Fish
Andrews, N. Y.	Clark	Fisher
Angell	Clason	Fitzpatrick
Arends	Clevenger	Flannagan
Auchincloss	Cochran	Folger
Baldwin, N. Y.	Coffee	Forand
Barden	Cole, Mo.	Fulmer
Barrett	Cole, N. Y.	Gale
Barry	Colmer	Gamble
Bates, Ky.	Compton	Gathings
Bates, Mass.	Cooley	Gavin
Beall	Cooper	Gearhart
Beckworth	Costello	Gerlach
Bender	Courtney	Gilchrist
Bennett, Mich.	Cox	Gillespie
Bennett, Mo.	Cravens	Gillette
Bishop	Crawford	Gillie
Blackney	Crosser	Goodwin
Bolton	Cunningham	Gordon
Bonner	Curtis	Gore
Boykin	D'Alesandro	Gorski
Bradley, Pa.	Dawson	Gossett
Brehm	Day	Graham
Brooks	Delaney	Grant, Ala.
Brown, Ga.	Dewey	Grant, Ind.
Brown, Ohio	Dickstein	Green
Brumbaugh	Dilweg	Gregory
Bryson	Dingell	Griffiths
Buck	Disney	Gross
Buffett	Dondero	Gwynne
Bulwinkle	Doughton	Hale
Burch, Va.	Douglas	Hall, Edwin Arthur
Burchill, N. Y.	Durham	
Burgin	Dworshak	Halleck
Butler	Eaton	Hancock
Camp	Eberharter	Hare
Canfield	Elliott	Harris, Ark.
Harris, Va.	McMurray	Rowe
Hart	McWilliams	Russell
Hartley	Maas	Sabath
Hays	Mahon	Sadowski
Hébert	Maloney	Sasscer
Heidinger	Manasco	Satterfield
Hendricks	Mansfield, Mont.	Sauthoff
Herter		Scanlon
Hess	Marcantonio	Schiffler
Hill	Martin, Iowa	Schwabe
Hinshaw	Martin, Mass.	Scrivner
Hobbs	Mason	Shafer
Hoch	May	Sheppard
Hoeven	Merritt	Sheridan
Hoffman	Michener	Short
Holifield	Miller, Conn.	Sikes
Holmes, Mass.	Miller, Mo.	Simpson, Ill.
Holmes, Wash.	Miller, Nebr.	Simpson, Pa.
Hope	Miller, Pa.	Slaughter
Horan	Monkiewicz	Smith, Maine
Howell	Monroney	Smith, Va.
Hull	Morrison, La.	Smith, W. Va.
Jackson	Mott	Smith, Wis.
Jarman	Mruk	Snyder
Jenkins	Mundt	Somers, N. Y.
Jennings	Murphy	Sparkman
Jensen	Murray, Tenn.	Spence
Johnson, Anton J.	Murray, Wis.	Springer
	Myers	Stanley
Johnson, Calvin D.	Newsome	Starnes, Ala.
	Norman	Stefan
Johnson, Ind.	Norrell	Stevenson
Johnson, J. Leroy	Norton	Stigler
	O'Brien, Ill.	Stockman
Johnson, Luther A.	O'Brien, Mich.	Sullivan
	O'Brien, N. Y.	Sundstrom
Johnson, Lyndon B.	O'Hara	Taber
	O'Konski	Talbot
Johnson, Okla.	O'Neal	Talle
Johnson, Ward	O'Toole	Tarver
Jones	Outland	Taylor
Jonkman	Pace	Thomas, N. J.
Judd	Patton	Thomas, Tex.
Kean	Peterson, Fla.	Thomason
Kearney	Pfeifer	Tibbott
Kee	Philbin	Tolan
Keefe	Phillips	Torrens
Kefauver	Pittenger	Towe
Kerr	Ploeser	Troutman
Kilburn	Poage	Vincent, Ky.
Kilday	Poulson	Voorhis, Calif.
King	Powers	Vorys, Ohio
Kinzer	Pracht, C. Frederick	Vursell
Kirwan		Walter
Knutson	Pratt, Joseph M.	Ward
Kunkel		Wasielewski
LaFollette	Priest	Weaver
Lambertson	Ramey	Welchel, Ohio
Landis	Ramspeck	Weiss
Lane	Randolph	Welch
Lanham	Rankin	Wene
Larcade	Reece, Tenn.	West
Lea	Reed, Ill.	Whittington
LeCompte	Reed, N. Y.	Wickersham
LeFevre	Rees, Kans.	Wigglesworth
Lesinski	Richards	Willey
Luce	Rivers	Wilson
Ludlow	Rizley	Winstead
Lynch	Robertson	Winter
McConnell	Robinson, Utah	Wolcott
McCormack	Robsion, Ky.	Wolfenden, Pa.
McCowen	Rockwell	Wolverton, N. J.
McGehee	Rodgers, Pa.	Woodruff, Mich.
McGregor	Rogers, Mass.	Woodrum, Va.
McKenzie	Rohrbough	Worley
McLean	Rooney	Wright
McMillan	Rowan	Zimmerman

NAYS—0

NOT VOTING—73

Allen, Ill.	Fay	Klein
Arnold	Fogarty	Lemke
Baldwin, Md.	Ford	Lewis
Bell	Fulbright	McCord
Bland	Fuller	Madden
Bloom	Furlong	Magnuson
Boren	Gallagher	Mansfield, Tex.
Bradley, Mich.	Gibson	Merrow
Buckley	Gifford	Mills
Burdick	Granger	Morrison, N. C.
Busbey	Hagen	Murdock
Byrne	Hall, Leonard W.	O'Connor
Cannon, Fla.		Patman
Cannon, Mo.	Harless, Ariz.	Peterson, Ga.
Capozzoli	Harness, Ind.	Plumley
Curley	Heffernan	Price
Davis	Isac	Rabaut
Dies	Jeffrey	Rolph
Dirksen	Kelley	Scott
Drewry	Kennedy	Smith, Ohio
Ellis	Keogh	Stearns, N. H.
Ellsworth	Kleberg	Stewart
Sumner, Ill.	Vinson, Ga.	White
Sumners, Tex.	Wadsworth	Whitten
Treadway	Welchel, Ga.	

So the bill was passed.

The Clerk announced the following pairs:

General pairs:

Mr. Drewry with Mr. Dirksen.
Mr. Bloom with Mr. Arnold.
Mr. Curley with Mr. Busbey.
Mr. Mansfield of Texas with Mr. Ellsworth.
Mr. Capozzoli with Mr. Allen of Illinois.
Mr. Harless of Arizona with Mr. Fuller.
Mr. Whitten with Mr. Lewis.
Mr. Buckley with Mr. Wadsworth.
Mr. Fulbright with Mr. Plumley.
Mr. Fay with Mr. Bradley of Michigan.
Mr. Fogarty with Mr. Jeffrey.
Mr. Ford with Mr. Scott.
Mr. Byrne with Mr. Gifford.
Mr. McCord with Mr. Ellis.
Mr. Heffernan with Mr. Smith of Ohio.
Mr. Peterson of Georgia with Mr. Treadway.
Mr. Keogh with Mr. Harness of Indiana.
Mr. Mills of Arkansas with Mr. Gallagher.
Mr. Kennedy with Miss Sumner of Illinois.
Mr. Bland with Mr. Rolph.
Mr. Vinson of Georgia with Mr. Stearns of New Hampshire.
Mr. Cannon of Missouri with Mr. Lempke.
Mr. Rabaut with Mr. Leonard W. Hall.
Mr. Baldwin of Maryland with Mr. Burdick.
Mr. Sumners of Texas with Mr. Hagen.
Mr. Klein with Mr. Merrow.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

EXTENSION OF REMARKS

(By unanimous consent, Mr. FLANNAGAN was granted permission to extend his own remarks in the Appendix of the RECORD.)

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include an editorial.

The SPEAKER. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Gatling, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 91. Concurrent resolution felicitating the Republic of Iceland.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1479. An act providing for the suspension of certain requirements relating to work on tunnel sites.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1764) entitled "An act to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes," agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WAGNER, Mr. BARKLEY, Mr. BANKHEAD, Mr. MALONEY, Mr. TOBEY, Mr. DANAHER, and Mr. TAFT to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4559) entitled "An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1945, and additional appropriations therefor for the fiscal year 1944, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4070) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1945, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate Nos. 35, 57, and 65 to said bill.

The message also announced that the Senate recedes from its amendments Nos. 64 and 66 to the above-entitled bill.

EXTENSION OF REMARKS

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an excerpt.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DAWSON. Mr. Speaker, I ask unanimous consent to extend my remarks and include a copy of my testimony before the Labor Committee on the F. E. P. C.

The SPEAKER. Is there objection?

There was no objection.

(By unanimous consent, Mr. SIKES, Mr. KEFAUVER, Mr. RANDOLPH, and Mr. BENNETT of Missouri were granted permission to extend their own remarks in the RECORD.)

Mr. COLMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a brief valedictory address.

The SPEAKER. Is there objection?

There was no objection.

Mr. TALBOT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a newspaper article.

The SPEAKER. Is there objection?

There was no objection.

Mr. LAFOLLETTE. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a statement I made before the Labor Committee on yesterday.

The SPEAKER. Is there objection?

There was no objection.

WAR DEPARTMENT (CIVIL FUNCTIONS) APPROPRIATION BILL 1945

Mr. SNYDER. Mr. Speaker, I call up the conference report on the bill (H. R. 4183) making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. SNYDER]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4183) making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 4.

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same.

The committee of conference report in disagreement amendments numbered 1, 2, 3, 5, 6, 7, 8, and 9.

J. BUELL SNYDER,
JOHN H. KERR,
GEORGE MAHON,
D. LANE POWERS,
ALBERT J. ENGEL,
FRANCIS CASE,
Managers on the part of the House.

ELMER THOMAS,
CARL HAYDEN,
JOHN H. OVERTON,
RICHARD B. RUSSELL,
CHAN GURNEY,
C. WAYLAND BROOKS,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4183) making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 4: Strikes out provision for the maintenance of harbor channels provided by a Federal agency other than the War Department, proposed by the Senate.

Amendment No. 10: Provides specifically for the purchase of vehicles used in the maintenance and operation of the Panama Canal, as proposed by the Senate.

AMENDMENTS IN DISAGREEMENT

Actual

Amendment No. 1, appropriating $1,859,240 for cemeterial expenses, instead of $1,224,000, as proposed by the House.

Amendment No. 3, appropriating $53,044,000 for rivers and harbors, instead of $46,800,000, as proposed by the House.

Amendment No. 5, appropriating $400,100 for flood control, general, instead of $100, as proposed by the House.

Amendment No. 7, authorizing the acquisition of mineral rights in a land area in Oklahoma needed for proceeding with the Hulah Dam and Reservoir project.

Amendment No. 8, relating to increased production of agricultural commodities that would be promoted by the use of any irrigation project or flood control or joint irrigation and flood control project.

Amendment No. 9, appropriating $26,000,000 for flood control, Mississippi River and tributaries, instead of $25,000,000, as proposed by the House.

Pursuant to clause 2, rule XX

The managers on the part of the House and Senate have agreed to recommend to their respective Houses concurrence in amendments of the Senate, as follows:

Amendment No. 2, providing for advance planning of river and harbor projects heretofore or hereafter authorized.

Amendment No. 6, providing for advance planning of flood control (general) projects hereafter authorized.

J. BUELL SNYDER,
JOHN H. KERR,
GEORGE MAHON,
D. LANE POWERS,
ALBERT J. ENGEL,
FRANCIS CASE,
Managers on the part of the House.

Mr. SNYDER. Mr. Speaker, I wish to make a brief statement. Since the war occasioned stoppage of new river and harbor and flood-control projects, except those that would contribute to the war or that needed to be proceeded with to protect work already accomplished, the House has resisted efforts to provide for particular projects not falling in such categories, because any other course would be highly discriminatory.

There are many authorized river and harbor and flood control projects awaiting to be undertaken. Each should have priority, as determined by the Chief of Engineers and according to Budget estimates presented pursuant to such determination. To pick out this or that project up here at the instance of a Member of either body and give it a preferential status over a multitude of other projects waiting to be started or prosecuted on a larger scale than Budget estimates contemplate, is grossly unfair to Members, and by Members I mean practically every Member of this body, who have authorized meritorious projects in their districts which they consider to be just as important as projects which some Member, in either body, seeks to have given a preferential status.

Four of the amendments which we have brought back in disagreement apply to projects which some Member of the Congress is seeking to have accorded preferential treatment, or to have advanced over many authorized projects in a stand-by status.

The House conferees cannot be a party to such a practice. We cannot be a party to such an injustice to so many of our colleagues, and that is why we have brought the amendments back.

I move the previous question on the adoption of the conference report.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 1: Page 3, line 3, strike out "$1,224,000" and insert "$1,859,240."

Mr. SNYDER. Mr. Speaker, in view of the statement I have just made as to the discriminatory nature of the Senate amendments adding money to the bill and inasmuch as these amendments are numbered 1, 3, 5, and 9, I ask unanimous

consent that they may be considered en bloc.

Mr. ANGELL. Mr. Speaker, I object.

Mr. SNYDER. Mr. Speaker, I move that the House insist on its disagreement to the amendment of the Senate No. 1.

Mr. ANGELL. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. ANGELL moves to recede and concur in the amendment of the Senate No. 1.

Mr. SNYDER. Mr. Speaker, I yield 5 minutes to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Speaker, in view of the shortness of the time I hope the Members will give me careful attention in the presentation of my motion.

Mr. Speaker, amendment No. 1 is an item of $1,859,240 for cemeterial expenses. Included in it is an item of $635,240 which is in disagreement. This is the amount necessary to begin the construction of a veterans' cemetery in my district. Two and one-half years ago, in fact on December 29, 1941, this House, the Senate, and the President all joined in a bill authorizing and directing the Secretary of War to build this cemetery. There are over 50,000 veterans of World War No. 1 in that territory, yet there are no burial facilities nearer than Montana and southern California.

The need for burial facilities is most important and urgent. For 2½ years after this cemetery was directed to be built nothing has been done because there are no funds. This item is the exact amount the Secretary of War stated was necessary for that purpose. I have his letter in which he said that $605,240 would be required for initial establishment, providing for the superintendent's lodge, building walks, roads, and laying out burial sections, and so forth, including for the purpose of land approximately $30,000, which is a very minor sum out of the $630,000.

The Secretary of War has had the site examined and found it to be a suitable location and exceedingly well adapted to the purpose. All the veterans' organizations in my territory have been insisting for some 5 years that these facilities be provided; namely, the Spanish-American War Veterans, the American Legion, the Veterans of Foreign Wars, the Military Order of the World War, the Gold Star Mothers, the American Legion Auxiliary, the Oregon State Guard, and many others interested in veterans' welfare. The burial of veterans is just as important as is the carrying on of the war. It is a war expense. We are providing for the burial of veterans overseas everywhere, yet there are absolutely no facilities anywhere in the vicinity of this great territory in the Pacific Northwest where any of these veterans can be laid to rest. As I say, there are over 50,000 veterans from former wars in this territory and many thousands are returning from the present war.

The Secretary of War said this in a letter to me:

The nearest burial space now available for deceased veterans of the Portland, Oreg., area is in the Custer Battlefield National Cemetery, which is within a few miles of Crow Agency, Mont., approximately 700 miles from Portland. The next nearest burial facilities are in the Golden Gate National Cemetery, San Bruno, Calif., approximately 755 miles by rail from Portland.

It is realized that the distances involved would make the interment of the remains of Oregon veterans an expensive proposition for their families, and particularly so if the members of the families desired to accompany the remains and be present at the interment.

The Secretary of War also determined the amount necessary to carry out the purposes of Public Law 388, and on September 20, 1943, wrote Senator HOLMAN as follows:

In compliance with your request for information as to the proper language to be used in an appropriation bill which you desire to introduce, as well as an estimate of the amount of funds required, you are informed that approximately $605,240 would be required for initial establishment to provide a superintendent's lodge, utility buildings, walks, roads, and to lay out and landscape burial sections. Should it be necessary to purchase land, approximately $30,000 additional would be required. Should appropriation be accomplished by increasing the amount of the Budget estimate for the fiscal year 1945 under "Cemeterial expenses, War Department," no additional language would be necessary.

I hope you, my colleagues, here today will authorize this item. It is a war expenditure to provide decent burial facilities for our soldier dead. Providing decent burials for the dead is one of the first fundamentals of a great country, a great civilization; yet we in that great territory in the Northwest have no facilities closer than 700 miles. The Congress has heretofore directed that these essential facilities be provided.

Mr. Speaker, there is a bill pending in the House for the construction of a large number of veterans' cemeteries in the various States of the Union to provide burial facilities for death casualties of World War No. 2. This, however, should not in any way stop proceedings with the construction of the cemetery pursuant to the direction of Public Law 388, passed 2½ years ago, in the Portland area by reason of the complete lack of burial facilities there and the urgency of the early construction of the cemetery, which has not only been approved by the Congress and the President but the project itself has been investigated, surveyed, and examined by the War Department and the amount fixed by the Secretary for carrying forward the construction of the cemetery. Providing decent burial for deceased war veterans in their own homeland is a war expense on a par with expenses for prosecuting the war itself.

Mr. Speaker, I include the following statement, as a part of my remarks, by the military and naval affairs committee of the Portland Chamber of Commerce:

JANUARY 12, 1944.

LET OUR HONORED DEAD REST IN THE HILLS OF HOME

A CALL TO ACTION ADDRESSED TO VETERANS' ORGANIZATIONS, CHURCHES, AND OTHER CIVIC AND PATRIOTIC BODIES IN THE NORTHWEST

You are generally familiar with the history of the effort to secure establishment and maintenance of a national burying ground in the Northwest for military dead of the Northwest. This memorandum of facts is prepared with the thought that it may assist you, and in the hope that it may stimulate you to take steps now toward bringing about Executive action to effectuate legislation already passed.

This is the law:

["Public Law 388, 77th Cong., ch. 640, 1st sess.]

"S. 793

"An act to provide for a national cemetery in the vicinity of Portland, Oreg.

"*Be it enacted, etc.*, That the Secretary of War is authorized and directed to establish and maintain, in accordance with the provisions of law governing national cemeteries, a national cemetery in the vicinity of Portland, Oreg. The Secretary is authorized to acquire by donation, purchase, condemnation, or otherwise such suitable lands as are in his judgment necessary for the establishment and maintenance of such cemetery.

"SEC. 2. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the purposes of this act.

"Approved December 29, 1941."

This is the present status of the law: Nothing has been done to carry out its clearly stated purposes. At the time the President approved the bill he wrote to the Secretary of War saying, "I am writing to you to indicate my view that under present conditions funds for land purchases should be limited to urgent defense needs and that in view of the burial space available in existing national cemeteries I would not expect that there would be a need for sending forward at any early date any estimate of appropriation under the authorization provided by this enactment."

This is the way leading journalists have felt about the matter, as indicated in editorials appearing in the Oregonian and in the Oregon Journal, of Portland.

The Oregonian said on July 3, 1942:

"Word has been received from Senator McNary that President Roosevelt, at the time he signed the bill authorizing the Secretary of War to establish a national military cemetery in Portland, sent a memorandum to the Secretary of War. In effect he stated that use of public funds for land purchases should be limited to urgent defense needs and that in view of available space in existing national cemeteries he would not expect there would be need for sending forward at any early date any estimate of appropriation under the authorization.

"The urgency in the matter as seen here is that the military cemetery site now owned by the State shall be consolidated with the national cemetery while additional suitable land for that purpose is still available.

"The State holding at Mount Scott consists of 5 acres given by Lincoln Memorial Park, formerly known as the Mount Scott Cemetery, and of 15 additional acres bought by the State. The State tract has been improved with the aid of W. P. A. labor, and together with the 195 acres proposed for Government purchase would constitute a cemetery site that has the approval and admiration of War Department officials.

"The State tract would be transferred to the Government, but there is apprehension that delay in buying the additional 195 acres may find the latter off the market, thus making the State's contribution unavailable and the alternative site, when purchased, perhaps much less beautiful and accessible, and possibly more costly.

"It is not pleasant to think about it, but the fact that there are burial plots available in other national cemeteries may be removed by the circumstance that we are engaged in global war. Whatever small consolation may be derived by having our own fallen sons laid to rest where we can visit

them in spirit and among beautiful surroundings should not be denied us to conserve the comparatively small sum now required for going ahead with the project. The land purchase calls for $30,000. It is not much to add to the billions we are spending for war purposes. And one supposes, too, that our youth when called to dangerous duty would like to know that if they must return home without the breath of life within them, they at least will return home and not to some strange and distant plot, for their eternal sleep."

The Oregon Journal said on July 2, 1942:

"To James McCarran of Scout Young Camp, Spanish War Veterans, Senator Charles L. McNary has telegraphed that the project of a national cemetery near Portland must be postponed, although the necessary enabling act has been passed 'unless the matter is shown to be urgent.' Which is to say that the Bureau of the Budget will, otherwise, withhold the $30,000 appropriation for the cemetery, in order to divert no funds that can be applied to defense.

"When the case for the national veterans cemetery near Portland is reviewed, two facts immediately stand out:

"Short of Montana or San Francisco, there is no national cemetery available as the last resting place for Pacific Northwest veterans of America's wars whose services to their country entitle them to such honored repose.

"The veterans have themselves provided a 5-acre plot in the Mount Scott district, now fully occupied by nearly 2,000 graves of veterans. The State has purchased 15 acres more to present to the Government. But the formal option upon an additional tract large enough to meet Federal requirements has expired and is continued only by quickly terminable verbal understanding.

"The initiative that led veterans to make it unnecessary that their departed comrades be laid to rest in strange soil, far removed from the visits and floral gifts of the living who loved them, does honor to the veterans, calls for companion action by the Government. The boys of this region are fighting again for their country. Some may never return. Some may come back marked for death by the wounds of war and the diseases of tropical countries. For them, too, this gentle provision should be made. Delay should be rejected. The small allotment should be made."

This is the background of facts, leading to the enactment of the law that stands awaiting executive action:

A need for a national cemetery in this region was expressed about 4 years ago by veterans' organizations. Custer Field in eastern Montana, or San Bruno, south of San Francisco, are the closest of such cemeteries, whereas there were in Oregon, Idaho, Washington, Montana, and Alaska 155,000 veterans eligible on their death to be buried in a national ground—and this survey was taken before the present war. The great numbers of our armed forces now in service will obviously increase this estimate very greatly. Already it would be probably two-and-a-half times expanded.

The State of Oregon purchased some years ago a tract within Lincoln Memorial Cemetery, on the east side of Portland, for veterans' burial. The space is nearly all used and funds are inadequate for proper maintenance as burials increase.

The Governor of Oregon in 1940 appointed a special committee which made exhaustive study, contacted the War Department, found an appropriate site, secured its inspection and approval by the then Assistant Secretary of War, Louis Johnson.

The Oregon delegation in Congress gave cooperation at every point, and simultaneously bills were introduced in House and Senate, with Public Law 388 resulting.

The ground selected and approved is approximately 200 acres in area, immediately adjoining the State Veterans' Cemetery, on a gentle slope overlooking expanse of exceptional scenic beauty. The owners have without compensation held open informally for 4 years the option given when the site was selected by the committee. They have of their own volition reduced by one-quarter the price of $40,000 that was set by the committee and contemplated by legislators when the bill was made into law. The price is less by a considerable amount than what the owners were charging when subdividing the tract previous to its selection by the cemetery committee.

The officer in charge of national cemeteries for the War Department, having inspected the selected site, commented most favorably on its advantages of location, scenic view, development possibilities, and in particular on the low cost of improvements due to the topography and cleared condition of the land. Other quartermaster officers expressed similar opinions.

This is what all citizens should ponder: A nation cannot long outlive the love of the people, and it is, therefore, important that any man who dies in veteran status should have the privilege of burial in a national ground not so far from his home surroundings that it cannot be known and visited by his kin.

This is what you can do, if you will: Make known at once, to your congressional delegation and to whomsoever in whatever ways you find appropriate, your feelings that adequate provision for burial of northwestern soldiers in a national cemetery located in the Northwest is a proper wartime action and a public duty that should by no means be postponed; and make known your support of our position that since this site has been properly selected and this Public Law 388 has been duly enacted by the Congress of the United States, there should be no further delay in the execution of its provisions.

Prepared and issued by the Military and Naval Affairs Committee of the Portland Chamber of Commerce, in conference with representatives of the following organizations and groups, at a special meeting called for this purpose:

Spanish-American War Veterans, American Legion, Veterans of Foreign Wars, Military Order of World War, Gold Star Mothers, American Legion Auxiliary, Presidents' Council, Oregon State Guard, Portland Americanization Council, Representatives of Protestant, Catholic, and Jewish faiths.

MILITARY AND NAVAL AFFAIRS COMMITTEE OF THE PORTLAND CHAMBER OF COMMERCE,
By QUINCY SCOTT, *Chairman.*
FRANKLIN WOMACK, *Secretary.*
PORTLAND, OREG., *January 11, 1944.*

Mr. SNYDER. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, I believe all Members of the House will be interested in the proposal of the gentleman from Oregon, because all Members of the House are vitally interested in the cemeterial program of the Army and of the Veterans' Administration.

Recently the War Department concluded a study and made certain recommendations with respect to the establishment of cemeteries in every State in the Union, and this report is in the hands of the Military Affairs Committee of the House. It is a matter that involves Texas; it involves all States. I think it would be very bad policy for us here at this time in the face of this report and the forthcoming action along national lines affecting all States, to pick out a single project in the State of Oregon and say that in this case we are going to appropriate $650,000 for a cemetery in Oregon.

This proposal is not in accord with the Budget; there is no Budget estimate for it. While I do not blame the able gentleman from Oregon—I can well sympathize with his interests in a project in his own State—there is no Budget estimate for this project.

We are in the midst of working out a big program involving the Nation, and we do not want to begin by setting a precedent of handling this national problem in a piecemeal manner. I appeal to you to stay with your committee on this item.

Mr. ANGELL. Will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Oregon.

Mr. ANGELL. This is not establishing a precedent. On December 29, 1941, we directed that this cemetery be built.

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. MAHON. I yield to the gentleman from New York.

Mr. ANDREWS of New York. It should be of interest to note that there is a bill before the Military Affairs Committee authorizing construction of cemeteries on a State-wide basis throughout the country. A report has been made by the War Department, but the report is not entirely favorable. One should recall that in addition to the expense of the cemetery there will be a terrific annual expense for maintenance.

Mr. MAHON. I thank the gentleman. I hope the House will wait until we can work out a Nation-wide program for cemeteries.

Mr. CRAWFORD. Will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I do not know anything about this subject, but I believe the gentleman is sound in his position. Has any similar burial establishment been provided heretofore for any State?

Mr. MAHON. It has not been provided in this bill.

Mr. CRAWFORD. The gentleman misunderstood me. Has Congress heretofore taken action on anything similar to this in the way of making an appropriation?

Mr. MAHON. None of which I have knowledge except the old established national cemeteries.

Mr. CRAWFORD. Was not the original action to which the gentleman refers prior to the time we got imbedded in the present war?

Mr. MAHON. It had its beginning prior to the time we became involved in the present war.

Mr. CRAWFORD. Why should we start out here piecemeal and mess up the whole business?

Mr. REECE of Tennessee. Will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Tennessee.

Mr. REECE of Tennessee. I understand from the gentleman from Oregon that Congress passed a bill authorizing and directing the acquisition and construction of this cemetery. I would like to have the gentleman's expression on that.

Mr. MAHON. There is no Budget estimate for this item, but there is specific legislation authorizing the project. I am not sure of the exact phraseology of the law with respect to the set-up of national cemeteries generally, but I would suspect there would be authority for the building of national cemeteries. But what we want is a national program, not a piecemeal method of handling these matters.

Mr. SNYDER. Will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Pennsylvania.

Mr. SNYDER. May I say to the gentleman from Texas that there is authority for this, but that is not the question involved here, as has been so well said. The question is whether we are going to take 1 item and turn down 25 other Members on similar requests. May I ask the gentleman from Michigan [Mr. CRAWFORD] what his question was?

Mr. CRAWFORD. I wanted to know if Congress has heretofore authorized an appropriation for this purpose?

Mr. SNYDER. Not since Pearl Harbor.

Mr. RANKIN. Oh, yes; that has been authorized.

Mr. SNYDER. Not a dollar has been appropriated since Pearl Harbor.

The SPEAKER. The time of the gentleman has expired.

Mr. SNYDER. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, I hope the motion offered by the gentleman from Oregon prevails. This appropriation has already been authorized. On December 29, 1941, this bill was approved by the President after it had been passed by both Houses of Congress. It provides—

That the Secretary of War is authorized and directed to establish and maintain, in accordance with the provisions of law governing national cemeteries, a national cemetery in the vicinity of Portland, Oreg. The Secretary of War is authorized to acquire by donation, purchase, condemnation, or otherwise such suitable lands as are in his judgment necessary for the establishment and maintenance of such cemetery.

SEC. 2. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the purposes of this act.

That bill was signed by the President on December 29, 1941.

Mr. TABER. What year?

Mr. RANKIN. Nineteen hundred and forty-one.

Mr. Speaker, the gentleman from Oregon told you that they are 700 miles from the nearest veterans' cemetery. I know it is contended that this has not been done in other States, but there is hardly a State in the South, in the East, or the Middle West that does not already have a national cemetery, because in those areas there have been battles fought. Those cemeteries have been maintained and our veterans are buried in them. I think it is wrong to bury these men so far from their homes and families. If I had a son killed in this war, I do not care where he fell, I would want him brought home for burial where his people could see his grave and take care of it in the years to come.

Mr. JENNINGS. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Tennessee.

Mr. JENNINGS. Can we do any less for a man who has given his life to his country than to afford him decent burial?

Mr. RANKIN. No; and we cannot do any less for a mother and a father than to bring that boy's remains close to that home so that they can look after his grave. The Senate put this amount in, and I presume the Senate considered it as carefully as the conferees. I am going to vote for the motion offered by the gentleman from Oregon [Mr. ANGELL].

Mr. SNYDER. Mr. Speaker, I yield 3 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE. Mr. Speaker, whatever the House wishes to do with this is perfectly all right with me, but in order to keep the record clear, since the question has been asked as to whether or not we do have national cemeteries, it so happens that I have a list of them with me and I would like to read those that are presently authorized:

Pineville, La. (Alexandria); Alexandria, Va.; Andersonville, Ga.; Greeneville, Tenn. (Andrew Johnson); Annapolis, Md.; Sharpsburg, Md. (Antietam); Fort Myer, Va. (Arlington); Leesburg, Va. (Balls Bluff); Baltimore, Md.; Fort Barrancas, Fla. (Barrancas); Baton Rouge, La.; Washington, D. C. (Battle Ground); Beaufort, S. C.; Beverly, N. J.; Springfield, Ill. (Camp Butler); Nicholasville, Ky. (Camp Nelson); Louisville, Ky. (Cave Hill); Chattanooga, Tenn.; Hopewell, Va. (City Point); Richmond, Va. (Cold Harbor); Corinth, Miss.; Indianapolis, Ind. (Crown Hill); Culpeper, Va.; Crow Agency, Mont. (Custer Battlefield); Brooklyn, N. Y. (Cypress Hills); Danville, Ky.; Danville, Va.; Fayetteville, Ark.; Salem, N. J. (Finns Point); Florence, S. C.; Fort Bliss, Tex.; Dover, Tenn. (Fort Donelson); Fort Gibson, Okla.; Richmond, Va. (Fort Harrison); Fort Leavenworth, Kans.; Maxwell, Nebr. (Fort McPherson); San Diego, Calif. (Fort Rosecrans); Fort Sam Houston, Tex.; Fort Scott, Kans.; Fort Smith, Ark.; Fort Snelling, Minn.; Fredericksburg, Va.; Gettysburg, Pa.; Richmond, Va. (Glendale); San Bruno, Calif. (Golden Gate); Grafton, W. Va.; Hampton, Va.; Jefferson Barracks, Mo.; Jefferson City, Mo.; Keokuk, Iowa; Knoxville, Tenn.; Lebanon, Ky.; Lexington, Ky.; Little Rock, Ark.; Farmingdale, Long Island, N. Y.; Baltimore, Md. (Loudon Park); Marietta, Ga.; Memphis, Tenn.; Mexico City, Mexico; West Somerset, Ky. (Mill Springs); Mobile, Ala.; Mount City, Ill.; Madison, Tenn. (Nashville); Natchez, Miss.; New Albany, Ind.; New Bern, N. C.; Perryville, Ky.; Philadelphia, Pa.; Petersburg, Va. (Poplar Grove); Zachary, La. (Port Hudson); Quincy, Ill.; Raleigh, N. C.; Richmond, Va.; Rock Island, Ill.; Salisbury, N. C.; San Antonio, Tex.; San Francisco, Calif. (Presidio); Santa Fe, N. Mex.; Richmond, Va. (Seven Pines); Pittsburg Landing, Tenn. (Shiloh); Sitka, Alaska; Washington, D. C. (Soldiers' Home); Springfield, Mo.; St. Augustine, Fla.; Staunton, Va.; Murfreesboro, Tenn. (Stones River); Vicksburg, Miss.; Wilmington, N. C.; Winchester, Va.; Elmira, N. Y. (Woodlawn); Yorktown, Va.; Louisville, Ky. (Zachary Taylor).

The space in many of these is exhausted, and, of course, as the list shows, there are many States which have none. I understand that there is pending legislation before the Committee on Military Affairs to carry out a recommendation of the War Department that 69 new national cemeteries be authorized. I personally do not know whether this one in Oregon is among those 69 or not, but the question having been asked about existing cemeteries, I thought the facts should be before the House.

Mr. SNYDER. Mr. Speaker, I yield 3 minutes to the gentleman from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. Speaker, I very reluctantly oppose the motion of the gentleman from Oregon for one reason, and one reason only, and that is there is pending now before the Committee on Military Affairs a report just recently made by the War Department in which this program of building some 69 additional cemeteries is proposed.

For some time we have had various bills before our committee urging the building of national cemeteries, and we have refused to act on those bills because this study was pending by the War Department. In my own State we had land actually bought by the State of Alabama and given to the Secretary of War under the provisions of the general statute, and the Secretary of War declined to accept the gift from the State of Alabama, based upon this study that was being made. In the study which has been laid before us just within the last few days the cemetery that was proposed for Alabama is included. I do not know whether the gentleman's cemetery is included in the report or not.

Mr. ANGELL. Mr. Speaker, will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman from Oregon.

Mr. ANGELL. I may say to the gentleman that this cemetery for which I am fighting today has been authorized and approved by Congress, and the bill has been signed by the President. The one the gentleman is speaking of is just in limbo; just proposed. I may say to the gentleman that this one is included and has been approved by the Secretary of War among those that are covered in the general bill to which the gentleman has referred. Why should we delay and throw the remains of our soldiers over the back yard and not give them decent burials?

Mr. SPARKMAN. I do not think the gentleman's statement about throwing the remains of our soldiers over the back yard is quite fair, because we are not now bringing home the bodies of our soldiers from foreign battlefields. We still have ample space to bury those who are dying in this country today.

Mr. ANGELL. Not in our section; there are no burial facilities for veterans, many of whom are dying daily.

Mr. SPARKMAN. I believe the fair, reasonable, and orderly way of proceeding with this thing would be to wait and work the program out as a whole rather than piecemeal.

Mr. SNYDER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Oregon [Mr. ANGELL] that the House recede and concur in the Senate amendment.

The question was taken; and on a division (demanded by Mr. ANGELL) there were—ayes 48, noes 101.

So the motion was rejected.

The SPEAKER. The question is on the motion of the gentleman from Pennsylvania that the House insist on its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 2: Page 6, line 2, after the word "harbors", insert the following: "for the execution of detailed investigations and the preparation of plans and specifications for projects heretofore or hereafter authorized."

Mr. SNYDER. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 3: Page 6, line 18, after the word "law", strike out "$46,800,000" and insert "$53,044,000."

Mr. SNYDER. Mr. Speaker, I move that the House insist upon its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5: Page 7, line 24, after the word "control", strike out "$100" and insert "$400,100 "

Mr. SNYDER. Mr. Speaker, I move that the House insist upon its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 6: Page 8, line 5, after the word "of", strike out "authorized flood control projects" and insert "flood control projects heretofore or hereafter authorized".

Mr. SNYDER. Mr. Speaker, I move the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 8, line 24, after the word "repealed", insert ": *Provided*, That the provision contained in the Interior Department Appropriation Act, 1942 (55 Stat. 320), concerning the acquisition of mineral rights owned by the Osage Tribe in lands to be acquired for the Hulah Dam and Reservoir project is hereby amended by adding the following: '*Provided*, That if just compensation cannot be agreed upon the Secretary of War may institute proceedings to condemn said mineral rights pursuant to existing laws: *Provided further*, That the construction of the dam may be commenced at any time after the institution of such proceedings'."

Mr. SNYDER. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

Mr. DISNEY. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

Mr. SNYDER. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. DISNEY].

Mr. DISNEY. Mr. Speaker, there is no money involved in this amendment. It involves what is known as the Hulah Reservoir in my district in Oklahoma, which is within the Osage Indian area. It is not exactly a reservation, but the mineral rights are owned by the Osage Indians. The Osage Indians retain all of their mineral rights in common. Part of the surface rights have been sold and a part of the surface rights still belong to the Indians. All of the mineral rights belong to the Indians.

Under the unusual language of the Federal procedure for the condemnation of land, condemnation of the land for the building of a reservoir, when the time comes when it can be built and when money becomes available for its building under general law cannot proceed, because the Osage Indian Tribe is a nation by itself and, besides, is under the guardianship and supervision of the Department of the Interior. So it becomes a problem of the War Department, technically the Board of Army Engineers, instituting proceedings in condemnation against the mineral rights and the surface of lands under the supervision of another department. The general law does not provide for that, so departmental legal authorities say.

This amendment permits condemnation proceedings to proceed under the particular circumstances. As I have said, there is no money involved. But condemnation proceedings will take some time.

Here is what is involved. The Indians have what the Army claims is an exaggerated idea of the value of these mineral rights. They want $1,000,000 for the mineral rights. The Army feels that the mineral rights are worth far less. Since that cannot be agreed upon, condemnation proceedings must be had to make a determination of the value of these mineral rights, and that is all that is involved here.

Mr. POWERS. If the gentleman will yield, this is purely legislation. Why does not the gentleman go to the proper committee for his remedy?

Mr. DISNEY. It is here; it is before us, and I have not heard yet in my 14 years in Congresss of an appropriation bill going through this House that did not contain some legislation, in nearly every instance.

Mr. POWERS. Of course, two wrongs do not make one right.

Mr. DISNEY. Why invoke it on me at this time under these circumstances?

I believe that is all I have to say about it. In all seriousness, now, when the time comes for the building of this project and the money is available, it ought to be done. Bartlesville, a city of 20,000, was for 3 days under flood this spring, without city water for 3 days. We ought to make progress on this, and here is the opportunity to do it. It costs no money to allow this condemnation.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. As I understand, this is a very unusual and peculiar situation, because the Osage Tribe has rights in the minerals underlying this dam.

Mr. DISNEY. Yes. If the ordinary law of condemnation could apply, there would be no difficulty. It would not be here.

Mr. MONRONEY. There would be no necessity for any legislation.

Mr. DISNEY. None at all.

Mr. MONRONEY. The condemnation could go ahead?

Mr. DISNEY. Yes.

Mr. MONRONEY. It is just that under these peculiar circumstances the Congress ought to take care of this matter and let the condemnation proceedings go ahead.

Mr. DISNEY. Yes; let the condemnation proceedings go ahead. No money for the work is involved.

Mr. SNYDER. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama [Mr. STARNES].

Mr. STARNES of Alabama. Mr. Speaker, I have a high regard for the gentleman from Oklahoma. It is with extreme reluctance that I rise to oppose his motion to recede and concur. The sole question involved is whether or not the Committee on Appropriations shall undertake to legislate on a matter that seems to be in controversy. There may be much merit to the position taken by the gentleman from Oklahoma, but the Committee on Appropriations has no information on the subject matter, as it was not presented to our committee for consideration. It is not recommended by the Bureau of the Budget. This matter should be presented to the proper legislative committee for consideration and action as it involves a change of policy in handling condemnation proceedings. Since the Appropriations Committee is not a legislative committee, I hope the House will vote down the motion to recede and concur.

Mr. SNYDER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Oklahoma that the House recede and concur in the Senate amendment.

The question was taken; and, the Chair being in doubt, the House divided, and there were—ayes 41, noes 66.

So the motion was rejected.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania that the House insist

on its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 8: On page 9, line 9, after the word "proceedings", insert a colon and the following: ": *Provided further*, That food is hereby declared to be a war necessity: *Provided further*, That whenever, during the period of the present war, the War Food Administrator determines that there exists or threatens to exist a shortage of agricultural commodities which are essential to the successful prosecution of the war, the War Food Administrator shall investigate any irrigation project or flood-control or joint irrigation and flood-control project which is under construction or the construction of which has been authorized, and for which funds have been appropriated, to ascertain if the completion of such project will increase the production of such agricultural commodities. If his investigation, in the light of the available manpower, material, and equipment, discloses that the project is feasible and the amount of increased production of agricultural commodities will warrant its completion, he shall make a finding to that effect and shall recommend, in the case of a project under the jurisdiction of the Bureau of Reclamation, Department of the Interior, to the Commissioner of Reclamation, or, in the case of a project under the jurisdiction of the Chief of Engineers, War Department, to the Chief of Engineers, that such project be constructed or completed: *Provided further*, That upon receipt of a recommendation made by the War Food Administrator, as provided herein, the Commissioner of Reclamation, or the Chief of Engineers, as the case may be, shall proceed as provided by law with the completion or construction of such project: *Provided further*, That in the case of any flood-control, irrigation, drainage, or joint irrigation and flood-control project referred to the War Production Board by the Secretary of War, the Secretary of the Interior, the Secretary of Agriculture, or the War Food Administrator, the War Production Board shall have no authority to pass on the merits of said project but shall confine its jurisdiction over said project to passing upon the questions of the availability of materials and manpower: *And provided further*, That all agencies, departments, and bureaus of the Government are authorized and directed to assist the Commissioner of Reclamation and the Chief of Engineers in all matters with respect to the completion or construction of any such project, to the end that the maximum supply of agricultural commodities may be produced at the earliest practicable date."

Mr. SNYDER. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: On page 11, line 11, strike out "$25,000,000" and insert "$26,000,000."

Mr. SNYDER. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

The motion was agreed to.

On motion of Mr. SNYDER, a motion to reconsider the votes by which action was taken on the several motions was laid on the table.

BOMBING OF TOKYO

Mr. SNYDER. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. STARNES] be permitted to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. STARNES of Alabama. Mr. Speaker, supplementing the dramatic announcement made by the distinguished gentleman from Texas [Mr. MAHON] during the course of his eloquent address on the War Department appropriation bill a few moments ago, it is now officially confirmed that American Super Fortresses flying from remote bases have successfully bombed Tokyo in a very heavy raid. It can be safely assumed that these were the new B–29's. The B–29's have in our strategic thinking made medium-range bombers of our famous Flying Fortress, the B–17, and the Liberator, the B–24, and short-range bombers of the B–25 and the B–26.

(I based this statement with reference to Tokyo upon the information furnished me by a general officer of the Army who gave me the official confirmation of the raid. I have no reason to retract it. My information was that Tokyo was one of two places bombed, the other being Yawata, as has been announced.)

The Twentieth Air Force has been organized as a strategic air force under the direct command of General Arnold, acting under the direction of the Joint Chiefs of Staff and will operate as a task force just as the mighty naval task forces are now roaming the Pacific Ocean seeking to bring the Japanese fleet out into the open and send it to Davy Jones' locker at the bottom of the sea. This is a new day in warfare. The B–29's will hasten the end of the war. The process of softening the Japanese mainland is now under way. It may be safely assumed that these planes approached Tokyo at an altitude of more than 30,000 feet and a speed of more than 300 miles per hour with the heaviest bomb loads and the greatest armaments of any airplanes in the world. The Navy Department has just announced that United States troops are landing on Saipan in the Mariannas, within 1,500 miles of Tokyo. From this point our Super Flying Fortresses will soon be carrying the war to the Japanese homeland.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. NORTON. Mr. Speaker, in thanking God for the wonderful news we have just heard, and I know we all do thank God, and in thanking the brave soldiers who made that news possible, let us also remember the men and women here at home working day and night on the assembly lines and in the factories of the Nation producing the implements of war to make this good news possible.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. MANSFIELD of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein an editorial from the Christian Science Monitor.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CONTRACT SETTLEMENT ACT OF 1944

Mr. COLMER. Mr. Speaker, I call up House Resolution 589, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1718) to provide for the settlement of claims arising from terminated war contracts, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on the Judiciary now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER], and pending that, I yield myself 7 minutes.

Mr. Speaker, at some not distant date, and the shorter the distance the better, someone is going to rise on the floor of this House and announce that the war is over, with the sudden dramatic effect of the announcement of the gentleman from Alabama [Mr. STARNES], when he announced the bombing of Tokyo. I hope that that time will not be a long way off. However, when that announcement comes we want to be ready for the events that will follow. I am sure anyone who has given a moment's thought to the effect of what that coveted moment is going to mean, realizes that when the announcement is made that the war is over over there, the telegraph wires are going to be busy going out of the

War Department to every corporation and every manufacturer in this country telling them to cease making airplanes, tanks, munitions, ships, and the other sinews of war. What is going to be the effect upon the economy of this country when that announcement is made? We have, all told, in excess of 50,000,000 people now employed in this country, most of whom are largely engaged in the manufacture of the sinews of war. When that announcement is made the wheels are going to cease to grind. Oh, it is going to be a happy day in this country when that announcement is made, but it is also going to be a great day of responsibility for the people of this country and those responsible for giving gainful employment to those thrown out of work when the wheels of industry stop turning. Now I know that is not as glamorous a subject to discuss as is the actual warfare. The Congress of the United States, you and I, have the duty to prepare for that day just as it was our duty to prepare for the day of warfare. And remember this, when that day comes—and it will come suddenly—and if we are not prepared to take up the slack in employment we may have another tragedy like Pearl Harbor, but on another front.

Mr. Speaker, at the first of this session you appointed an 18-man committee, known as the Special House Committee on Post-war Economic Policy and Planning. One of the chief purposes of this committee, we thought, was to bring about a speedy reconversion of our wartime economy to a peacetime economy when the war was over. Therefore, one of the first subjects that our committee undertook to study was that of termination of war contracts, with the thought primarily in mind of full employment at the end of the war. This committee, composed of some of the ablest Members of this House, has given months of careful, sober consideration to the subject of legislation for the termination of these war contracts. We met frequently and heard all sides of the subject, including both capital and labor. As a result of these deliberations, we recommended what we regard as a fair bill which would do the job with speed, and at the same time protect the interest of the Government. This bill was agreed upon by the subcommittee and given the unanimous endorsement of the full committee. The committee instructed the gentleman from Pennsylvania [Mr. WALTER], the chairman of the subcommittee, to introduce the bill. This committee not having legislative jurisdiction, the bill was referred to the Committee on the Judiciary where it again was given full and careful consideration and by that committee unanimously reported.

Mr. Speaker, I am trying to emphasize the importance of the speedy and final termination of these contracts when that day comes, so that the people of this country who are now engaged in that employment, and these soldier boys in whom we are so intensely interested, can secure employment once the war is won.

Mr. WHITE. Will the gentleman yield?

Mr. COLMER. I yield.

Mr. WHITE. Referring to the speedy termination of contracts, what are you going to do with the war workers?

Mr. COLMER. I am sorry; I did not get the significance of the gentleman's question.

Mr. WHITE. What do you propose to do with the war workers who are working on these contracts?

Mr. COLMER. We want to speedily terminate those contracts so that we can speedily reconvert from a wartime to a peacetime economy, and to give employment to the people thrown out of employment by the cessation of war activities, and give employment speedily to the returning soldiers.

There are two schools of thought on this matter, and we might just as well face it in the beginning. There are two schools of thought about how this should be done. One school of thought advocates that these contracts should be terminated speedily and finally, without any undue delay; without any so-called red tape; without the necessity for a prolonged preaudit. In other words, permit the people who made the contracts, the war agencies who are best familiar with those contracts, to terminate them promptly.

The SPEAKER pro tempore (Mr. O'NEAL). The time of the gentleman from Mississippi [Mr. COLMER] has expired.

Mr. COLMER. Mr. Speaker, I yield myself 5 additional minutes.

The other school of thought advocates a preaudit of all of these contracts by the office of the Comptroller General. I hope this question will be fully debated tomorrow, and I hope the Members of the House will give close attention to the advocates of both schools of thought, because we are all striving for one objective. The advocates of the other school of thought say we should have this preaudit; that we should go through and audit in excess of a million subcontracts and over a hundred thousand prime contracts. Now, that is fine. I agree with that, with but one exception. We all want to save the Government every dollar that can be saved. We want to see that the Government is fully protected, as far as possible, in the final settlement of these contracts. None of us have any interest in this matter except the common interest of the country. But I say to you, the Post-war Committee of the House, consisting of 18 Members from both sides of the aisle, representing a cross section of the country, say to you unanimously that that will so retard and slow up the reconversion that it would prove disastrous. The entire Committee on the Judiciary of the House of Representatives says that would slow up and retard the orderly conversion and speedy termination of these contracts, without a dissenting vote in that committee. That great, learned, and elderly statesman, Mr. Bernard Baruch, and his associate, Mr. John Hancock, state in their report that if you did that it would twiddle this country into a post-war panic.

The other school of thought is sponsored by the able gentleman from Kentucky [Mr. MAY] the chairman of the Military Affairs Committee of the House, and half of his committee—all splendid gentlemen. As against that you have the unanimous report of the Committee on the Judiciary of the House, and of the Post-war Committee of the House, and the additional fact that the Senate passed a similar bill without a dissenting vote.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. COLMER. Mr. Speaker, I yield myself 3 additional minutes.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman.

Mr. MAHON. Will the gentleman make clear the position of the Comptroller General with respect to these two schools of thought on this subject?

Mr. COLMER. I will be happy to do so. The Comptroller General appeared before a subcommittee of the Post-war Committee, dealing with this subject. In addition to that, the Director of the Post-war Committee and I went down and talked with the Comptroller General for some 2 hours on the subject before we came to any conclusion on the subject, and before the committee came to any conclusion.

I think it is fair to say, and if this is not true I hope some of those who talked to him may correct me later, the Comptroller General took the position that he either wanted to be into this picture fully and audit the whole thing, or he did not want to be in it at all.

Mr. ANDREWS of New York. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. ANDREWS of New York. I wonder if the gentleman would have any objection to my including in the RECORD at this point the minority views of the Committee on Military Affairs signed by 13 members, authorized under the chairmanship of the gentleman from Alabama [Mr. SPARKMAN].

Mr. COLMER. I yield for that purpose but suggest that the gentleman put them in following my remarks.

Mr. ANDREWS of New York. Following the gentleman's remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. COLMER. There are so many things about this bill I should like to call attention to if we had time.

So far as I know there is but one controversial phase of this question. I know there is going to be a lot of argument made here in the consideration of this bill just as has been made in other places that unless the Comptroller General is required to preaudit these contracts there will be fraud. I challenge that. I take the position that if that were true I would be the last person in the world to advocate the other side of the argument. Why do I say that? So far as I know I do not have a single war contractor in my congressional district who would be affected by this termination-of-contract legislation. I have but one interest in this matter—and I say now to those who belong to the other school of thought

that my mind is still open and if they can convince me of the superiority of their theory during the progress of this debate then I will join them. My chief interest is seeing that we have full employment and not a panic after the war.

The SPEAKER pro tempore. The time of the gentleman from Mississippi has again expired.

Mr. COLMER. Mr. Speaker, I yield myself 2 additional minutes.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the distinguished gentleman from Pennsylvania, a member of both the Committee on the Judiciary and the Post-war Committee, who has been largely responsible for the formulation of this legislation.

Mr. WALTER. Are the usual duties and responsibilities of the Comptroller General under existing law in anywise affected by this legislation?

Mr. COLMER. They are not, except to be augmented. The argument will be made here that we are taking the Comptroller General out of the picture. We are doing nothing of the kind. We put him in the picture even though he told us that he did not want to be in the picture unless he could be in all the way. We took the position that that was a matter for the Congress to decide, with all due deference to the able Comptroller General for whom we all have a great respect. We are not taking the Comptroller General out of the picture, we are putting him in there. We are doing more than that. After this bill passed the Senate these two committees, the Post-war Economic Planning Committee and the Judiciary Committee put every single safeguard in this legislation against fraud and corruption. Not only do we provide in this bill that if a contractor puts across a fraud or is convicted of putting across a fraud then he can be sent to jail for 10 years and be fined $10,000, but we go further and say that if a man tries to perpetrate a fraud upon this Government by submitting a false or fraudulent claim even though he does not get one red cent, we penalize him 25 percent of the amount he claims he was entitled to. That is how far we have gone to try to protect the taxpayers against fraud in this matter. In other words, we have given the Comptroller General duties in this bill that he has not heretofore had.

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. ANDREWS of New York. Mr. Speaker, I wish to insert here the minority views of 13 members of the Military Affairs Committee in opposition to a bill on this subject, which was reported by that committee. This report was drawn through the able efforts of the gentleman from Alabama [Mr. SPARKMAN] with, as I understand it, the complete approval of the War Department, and I know that these views have been confirmed by the actions of the subcommittee of the Judiciary Committee under the leadership of the gentleman from Pennsylvania [Mr. WALTER] in reporting the bill before us today. This has my earnest support.

The undersigned members of the committee are fully in accord with the view that legislation on the subject of contract termination is necessary, to unify the procedures of the procuring agencies and to give them certain powers which they now lack. However, the provisions of H. R. 3022 insofar as they relate to the Comptroller General's part in the settlement of terminated contracts are subject to the most serious objections, which have made it necessary to file this statement of additional views.

Last fall the Comptroller General proposed to this and other committees of the Congress that all settlements of terminated contracts made by the procuring agencies be submitted to the General Accounting Office for review before they became final. Since that time, a great deal of testimony has been taken on the question. Almost without exception, the witnesses, representing both governmental departments and business and professional groups, have said that the Comptroller's proposal was unsound and impracticable, that it would interfere with procurement during the war, and that it would so seriously delay reconversion when peace came that it might be responsible for a major depression.

In the face of all this testimony, H. R. 3022 not only adopts the Comptroller's proposal but goes much further. By creating a board in the General Accounting Office with jurisdiction over the policies of the executive departments relating to contract termination and property removal, it wholly distorts the position of the General Accounting Office and divides responsibility between it and the war agencies in a way which is likely to interfere disastrously both with war production and with our return to peacetime manufacture.

THE SYSTEM PROPOSED BY H. R. 3022

The principal features of the system proposed by the bill are the following:

(1) The bill creates a war contracts settlement board in the General Accounting Office. It is to have not less than three nor more than nine members, to be appointed by the Comptroller General; and it will have power to establish regulations governing the contracting agencies in any matter related to contract termination and settlement, or to property removal.

(2) When any prime contract or subcontract is terminated, the contracting agency first endeavors to agree with the prime contractor or subcontractor as to the reasonably certain elements of his claim. If an agreement is reached, the contracting agency pays the contractor 100 percent of the agreed amount, and forwards to the board the settlement agreement (which remains tentative). If the board approves or fails to act within 6 months, the agreement becomes final. If the board disapproves, it returns the agreement, with its objections, to the contracting agency, which must endeavor to negotiate a new agreement avoiding the objectionable features. The bill does not spell out what happens in the event of failure to reach a second agreement.

(3) If the contracting agency and the contractor cannot agree as to all or any part of the claim, the contracting agency must pay the contractor 90 percent of its estimate (or the contractor's estimate, whichever is lower) of the disputed items. In addition, if the contractor shows that he needs the money and can repay it, the contracting agency must guarantee a bank loan in the amount of the 10 percent remaining unpaid.

Then, in the case of prime contractors, the contracting agency, within 60 days after request, must make its findings of the amount due. Within 90 days after receipt of these findings, the prime contractor has the option to submit his claim to the board, or to a termination adjuster appointed by the board, or to arbitration, or to a Federal court. If he fails to do any of these things within this period, his sole remedy is the settlement of his claim through the General Accounting Office in the ordinary way.

The bill does not spell out what happens in the case of a subcontractor after he receives his 90-percent payment and 10-percent loan.

PROPOSED SYSTEM UNWORKABLE

The proposed system of settling terminated contracts is unworkable, for two main reasons: (1) It places a burden upon the proposed board which that board cannot possibly discharge; and (2) it effectively prevents the use of the negotiated settlement of termination claims, and will therefore indefinitely delay the settlement process.

1. The board cannot discharge its function: Sections 4 (a) and 7 (b) of the bill require the contracting agencies to endeavor to negotiate tentative settlement agreements on the termination of any prime contract or subcontract; and section 7 (b) then requires the submission of such agreements to the board for review.

The Under Secretary of War testified before this committee that the War Department alone had in effect more than 100,000 substantial prime contracts and more than 1,000,000 substantial first-tier subcontracts. The subcontracts of lower tiers, and the prime contracts and subcontracts of other agencies, would bring this to a much higher total.

No single board could effectively review settlements resulting from this vast number of contracts, in 6 months or a much longer period. Even with existing procedures, which have decentralized to field offices the authority to make final settlements, the War Department is having some difficulty keeping abreast of current terminations. The board, in practical fact, would be faced with one of three alternatives: Either it would have to allow the vast majority of cases to become final without any examination whatever; or it would have to resort to the most superficial kind of examination, which could only result in rubber-stamp approvals; or it would have to circumvent the 6 months' time limit by filing objection to settlements without any examination, holding them in suspense, and clearing up the objections over a much longer period of time. Any one of these results is highly undesirable. If the board makes no examinations or gives a rubber-stamp approval in most cases, it had better not exist at all; and if it secures the time needed for any action by extending the 6 months' period, it will create a disastrous bottle neck, which it is the very purpose of this legislation to obviate.

2. Negotiated settlements will be prevented: Section 7 (b) requires that all tentative agreements between the contractor and the contracting agency shall be submitted to the board for review; and section 7 (c) provides that if the Board disapproves any agreement, it shall be returned to the agency with the board's objections. The agency, must thereupon try to make a final agreement, with the contractor, containing (a) the original provisions so far as approved by the board, (b) new provisions meeting the board's objections, (c) and no others.

Under these rules, there will be no negotiated settlements. For a contractor would know, when he sat down across the table from a contracting officer to trade out the points on which they disagreed, that the negotiation was all to be one way. Whatever concessions the contractor might make would be

final; but whatever corresponding concessions the contracting officer might make could be taken back by the Review Board. In these circumstances, unless the contractor was desperate for immediate payment on any terms, there could be no advantage in negotiation; he would stand on his legal rights, and seek to prove to the Government's auditors that his entire claim had a valid basis. The result would be to substitute long-drawn-out auditing arguments for quick, final negotiations. Disposition of property would be held up until the Board had reviewed the case, because no prospective purchaser could be sure what price it would approve; and stagnation would result.

It was for reasons of this kind that almost every witness who has testified on this subject before this or other committees has been strongly opposed to allowing the Comptroller General to review termination settlements for any purpose beyond the discovery of fraud. There have been testimony and communications supporting this view from the Secretary of Commerce; from the Under Secretaries of War, the Navy, and the Treasury; from the Federal Reserve Board; from the National Association of Manufacturers, the United States Chamber of Commerce, the Automotive Council for War Production, the Aeronautical Chamber of Commerce, the Shipbuilders' Council of America, and various other industrial representatives; and from professional accounting sources, including the contract termination committee of the American Institute of Accountants, and the Journal of Accountancy.

More recently, objections to the Comptroller General's participation in termination settlements were strongly restated by Messrs. Baruch and Hancock in their carefully prepared report on contract termination. There is no substantial body of business or professional opinion that favors control of termination settlements by the Comptroller General.

It is no answer to these arguments to say that H. R. 3022 provides for quick payment to the contractor, on a tentative basis, of a high percentage of what the Government owes him. Even this may be doubtful, because of the extreme administrative difficulty of making direct payments to all prime contractors and subcontractors. But, assuming that quick tentative payments can be made, they are insufficient to meet the need. Prompt finality of transactions is also essential.

Property has to be sold in contract terminations. Buyers will not buy unless they can know the price with finality. If the price is subject to change 6 months later by a review board, prospective buyers will go elsewhere. Many contractors who finish their war production will have to reconvert their plants to reenter the peacetime market. They cannot and will not do this until they know finally where they stand, and how much of the money paid to them is theirs and how much the Government's. The bill does not make it clear how far prime contractors are to go in settling with their subcontractors. If this is to be done at all, a prime contractor may be able to get quick final approval of a proposed subcontract settlement; otherwise he will let his subcontractors wait for their money until the Board finishes with his case. Finality is just as important to contract termination as speed; and the system proposed by H. R. 3022 utterly fails to provide for it.

H. R. 3022 PROPOSES UNSOUND DIVISION OF AUTHORITY BETWEEN GENERAL ACCOUNTING OFFICE AND EXECUTIVE DEPARTMENTS

There is another equally fundamental reason why the proposals of H. R. 3022 are dangerous, so far as they clothe the Comptroller General with power over contract settlements.

The executive departments are now charged with the responsibility for contract termination as an integral part of their responsibility for procurement of war munitions. Section 6 (b) of the bill proposes to transfer authority over contract termination policies to a board to be established in the General Accounting Office.

This is a radical change in the relationship between the General Accounting Office and the executive departments, for it divides between them authority over war procurement. The General Accounting Office was intended to be an agency independent of the executive departments and responsible only to Congress, charged with the duty of overseeing the expenditure of public funds and reporting to Congress on these expenditures. It was never intended to be a policy-making body, nor to be vested with authority to direct the actions of the executive departments in carrying out their statutory responsibilities. It was never intended that the Comptroller General should exercise appointive authority over officials who would make rules and regulations binding upon the members of the President's Cabinet.

To change this concept, as proposed by H. R. 3022, would introduce into our form of government a wholly unsound division of responsibility for essential governmental functions. Fundamentally, the President and, under him, the heads of the executive departments are responsible for the discharge of the functions of the executive departments. They cannot do this if their activities are to be controlled by policies established, not by Congress, but by an agency independent of the Executive and not responsible to him. The proposal violates the fundamental theory of our form of government.

Such a division of authority would be unsound at any time; but, in the present state of affairs, it has two particularly dangerous aspects. During the war, it would deprive the armed services of control over an essential aspect of war procurement; and, when the war is over, it may disastrously delay reconversion to peacetime activities.

It may not be generally realized how intimately contract termination is related to the continuing procurement of other needed war supplies. At the present time, when we are still facing the major battles of this war, the War Department has already terminated a larger face value of contracts than it canceled at the end of the last war. This has happened during a period when our production schedules are still rising, and is due to the fact that the shifting needs of war changed the character and quantities of supplies that have been needed. Canceled contracts were promptly replaced by others for different materials, and this process will doubtlessly continue until the war is over. The time and method of terminating such contracts, the speed of payment, and the interim financing to be given to the contractor, are all, therefore, closely bound up with his ability to continue in war production. To divide authority in this field between the General Accounting Office and the armed services who are responsible for war procurement is unwise and dangerous.

When peacetime comes, the need for a system which will operate quickly and smoothly is no less great if we are to avoid a major depression. At that time, the personnel of the procuring agencies will alone have the necessary experience and organization to do the job promptly and efficiently; and divided authority would be just as harmful then as during the war.

SYSTEM PROPOSED IN BARUCH REPORT WILL BETTER SERVE NATIONAL INTEREST

It is very clear that H. R. 3022 proposes a dangerous experiment in divided authority which is likely to slow the settlement process down to a walk. The reason advanced for making this change in the existing system is that the public interest so requires; that the procuring agencies which made the contracts cannot be trusted to settle them; and that a third person must review each settlement to protect the public purse.

The system of contract settlement proposed by the Baruch report is far better designed to protect the true interest of the public.

The staffs of the procuring agencies consist not only of highly competent personnel of the regular staffs of the Army and Navy and other agencies, but of business and professional men recruited from the best available sources. These men have placed the contracts and administered them. They have built up a vast store of knowledge about the contractors with whom they have dealt; and they have acquired and are acquiring a fund of experience in the technique of handling contract terminations. No better qualified personnel can be found to do the job. The procedures governing contract terminations can be refined and improved so as to provide ample protection for the taxpayer's interest. The Baruch proposal is that negotiated settlements should be made by teams of experts, in which negotiators are assisted by legal, accounting, engineering, and other technical personnel; and that adequate records should be kept, which the Comptroller General and the Attorney General would be free to examine, to detect and punish fraud or collusion.

We have entrusted to the procuring agencies complete responsibility for the placement of contracts for war supplies. United States munition production has recently been running at a rate between five and six billion dollars per month. Expenditures for completed munitions of war will exceed by many times the amounts which will be involved in termination settlements. The termination of a procurement contract involves essentially the making of a new contract calling for a smaller quantity of the product and a lesser expenditure of money than the original agreement. Those whom we have trusted to do the larger job can certainly be trusted also with the smaller one.

What the Baruch report recommends is not a radical change in our established system of settling terminated contracts, but rather the improvement and perfection of the way in which the job has always been done. The contracting agencies have always exercised authority to settle the contracts that they have made. Since this war began, the War Department alone has terminated more than 19,500 prime contracts and settled 14,000 of them. The uncompleted value of the settled contracts was about $3,900,000,000, and the amount expended in settlement was about $85,000,000.

In the making of these settlements, a vast fund of experience has been accumulated; and procedures are being developed, under the recommendations of the Baruch report, for the speedy and satisfactory handling of termination claims. A uniform termination article has been announced which has for some time been required in all new contracts and which provides for the making of final negotiated settlements.

The provisions of H. R. 3022 would cut across and completely confuse existing procedures. They would cast doubt on the rights under existing contracts containing the uniform termination article; they would probably require that a different termination article be used in the future; and they introduce into the picture a new board in the General Accounting Office, whose staff, even if it could be recruited at all under existing conditions, would be completely without knowledge of the problems involved.

For the reasons given the undersigned members of the Committee cannot approve H. R. 3022 in its present form and propose to offer amendments which will effectuate the recommendations of the Baruch report.

MATTHEW J. MERRITT.
JOHN M. COSTELLO.
JOHN J. SPARKMAN.
PAUL J. KILDAY.
CLIFFORD DAVIS.
JOHN EDWARD SHERIDAN.
W. G. ANDREWS.
L. C. ARENDS.
CHARLES R. CLASON.
J. PARNELL THOMAS.
THOS. E. MARTIN.
J. LEROY JOHNSON.
CLARE BOOTHE LUCE.

Mr. FISH. Mr. Speaker, I yield myself 5 minutes.

The SPEAKER pro tempore. The gentleman from New York is recognized for 5 minutes.

Mr. FISH. Mr. Speaker, this is perhaps as important a bill as has come before this session of the Congress. Committees of the Congress have been working on similar legislation for the past 6 months, the Military Affairs Committee, the Naval Affairs Committee, and the Special Committee on Post-war Economic Policy and Planning. The House authorized the creation of this special committee to deal with the settlement of post-war problems. I have the honor to be the ranking Republican member on that committee. It has been holding sessions almost daily for the past 2 months. It has a very expert staff. It engaged Mr. Marion B. Folsom, the treasurer of the Eastman Kodak Co., of Rochester, N. Y., as its adviser and director. Mr. Folsom is a man of outstanding ability, progressive and forward looking, and has been giving his undivided time to this legislation. It comes to you with the unanimous report of the Post-war Committee; it comes with the unanimous report of the subcommittee which also held numerous meetings on this bill.

As a result of these hearings extending over many months a bill was agreed on and although we have no right to report legislation to the House, a member of that committee, a very distinguished member, the gentleman from Pennsylvania [Mr. WALTER], who is also a member of the Committee on the Judiciary, introduced a bill. It went to the Committee on the Judiciary. They considered all the bills, that from the Committee on Naval Affairs, the one from the Committee on Military Affairs, and the Senate bill as amended by Mr. WALTER. Finally the gentleman from Pennsylvania [Mr. WALTER] agreed to take his name off the bill and substitute his bill for the Senate bill; so it is really the Walter bill imposed on the Senate bill that has been reported out and is now before you with an open rule permitting any germane amendment. It is really the Walter bill recommended by the Post-war Economic Policy and Planning Committee with a few minor amendments made by the Judiciary Committee.

I wish to take this time to answer some of the criticisms in the press that there has been undue and unnecessary delay. There has been no delay whatever by any of these committees. They have given more time to the consideration, the detailed consideration of this legislation than has ever been given to any bill in the Congress in recent years. Actually three committees have been working on it for months. The following is part of an editorial which appeared in the New York World-Telegram a few days ago:

War contract cancelations and cut-backs will affect an increasing number of plants from now on. If Baruch-Hancock recommendations continue to be ignored this country will pay a heavy and needless penalty in waste of public funds, shortages of civilian goods, delayed industrial reconversion, unemployment, and adversity.

There is really no truth to that statement or to any of the loose charges that there has been any delay. All of these committees, regardless of what the Congress does—all of these committees have been trying to write constructive legislation to terminate war contracts and to solve this post-war problem affecting the employment of labor after V-day.

Behind it all is one objective, to put 11,000,000 soldiers who will return back to work and 11,000,000 additional war workers who will be demobilized out of the war factories. That is the purpose of the present legislation. Speed is of the essence. There has been no delay and will be no delay in getting this vital piece of legislation enacted into law.

Mr. Speaker, it is now before the Congress and I hope it will be passed by the House tomorrow and sent to conference, so that we will be able to get it through both the House and Senate before we leave here on the 23d of June. I admit that there has been some delay in writing legislation to dispose of surplus war supplies but that has not been the fault of the committee but rather of the administration and that bill will now have to wait until after we recess.

Mr. MAY. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Kentucky.

Mr. MAY. When we come to general debate, I will tell the gentleman who delayed it.

Mr. FISH. I do not think there has been any delay in the consideration of legislation to terminate contracts. Of course, the gentleman will have ample time to make any statement he wants in general debate.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. FISH. Mr. Speaker, I yield myself 8 additional minutes.

Mr. Speaker, I want to say a word about Mr. Bernard M. Baruch. I have known him for many years. He is one of the ablest and most experienced men in public life today. He, more than anyone else, originated the post-war economic program, particularly as it affects the cancelation and termination of contracts and disposal of surplus material with the able assistance of Mr. John Hancock. Mr. Baruch is a wise old owl if there ever was one, and has plenty of vision and foresight based on practical experience. He is known to most of us as an elderly statesman who anticipates difficulties and helps steer the ship of state away from unchartered schools of confusion and chaos. He has had experience that no one else in this country has had from the last war. He is utterly unselfish, and has no ax to grind. All he cares for is the welfare of the country and the solving of these economic problems so that the returning war veterans can be put back to work, as well as those who will be demobilized by the millions from war factories. We want to expand private industry to take care of these millions of American men and women; to give them jobs and maintain a program of expansion, employment, and prosperity. That is all he is after, and he asks nothing for himself except the thanks of a grateful country. I submit however that any criticism on his part as to delay is entirely unjustifiable, and I say that as one of his friends and admirers. I am here to state the facts in regard to the work these committees have been doing, particularly the Committee on Post-war Economic Policy and Planning, of which I am a member.

Mr. WRIGHT. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. If the million or so contracts are tied up by any process of auditing for several years, we never will get any reconversion and we never will get this reemployment that the gentleman spoke about.

Mr. FISH. That is why we have this termination-of-contracts bill before us today. We do not bring the Comptroller General in and require him to make preaudits, because we are fearful if there are preaudits, it will be interminable and might run for several years.

Mr. Speaker, I stand here without any prejudice whatever and am supporting the pending bill because I am convinced it is the soundest and best solution of the problem. The members of the subcommittee will talk about the details of this bill. I want to emphasize, however, that the Post-war Economic Policy and Planning Committee leaned over backward to make the provisions dealing with fraud and attempted fraud far more drastic than was written into the Senate bill. The members went to the extreme, as they wanted to get a bill that was workable but at the same time would protect the interests of the public and expedite the settlement of these contracts both for the prime contractor and for the subordinate contractors. This is the whole purpose of the bill. The committee has taken care of the question of fraud and attempted fraud, as will be pointed out later; therefore, I will not say anything more about it now in order to save time.

Mr. Speaker, Mr. Baruch had this to say only yesterday: "For the good of all of us, but mostly for the sake of our soldiers and sailors, let us hurry, hurry, hurry, not only in winning the war but in being ready for the peace. Delays jeopardize both of these objectives."

Mr. Speaker, the Congress, in my opinion, will pass this bill tomorrow and it will be enacted into law within a week. Perhaps Mr. Baruch has not been informed, perhaps he thinks we are going to recess for 5 or 6 weeks without acting upon this legislation. I can assure him, however, that it is the intent of the entire Congress, Republicans and Democrats alike, to get action on the bill tomorrow, so far as the House is concerned, and send the bill to the President next week. Therefore, Mr. Speaker, that criticism is not fair to the Congress. Actions speak louder than words.

I want to emphasize to the Congress that there are three major problems facing America today. One is in the immediate process of being solved. That is winning the war. We know that we will win this war. We hope and believe that we will win it in Europe this year and next year in Japan. I have just heard, and I am proud to say it, that the Twentieth Bombing Squadron has just bombed Japan. I hope they will bomb the hell out of Tokyo and Japan, as it would be retribution of justice for what the Japs did to our captured pilots who previously bombed Tokyo.

The second problem to solve is the peace. That is something we are unable to do at the present time. There is not a Member of Congress who could not talk an hour on that subject, but he would contribute nothing in the hour because we cannot solve the problem until we win the war and know the peace aims of Soviet Russia and the British Empire. If we try to solve it before then, we are merely wasting our time. We will have to know their war and peace aims first before we can reach any agreements.

The third problem before us, and this is part of it, is solving the post-war economic problems of our own country in order to preserve our free institutions, preserve private enterprise, and to employ American wage earners. That is something we can do now, and we are in the process of doing it.

I hope the House will not spend too much time trying to amend this bill and make it impossible through further delays to cancel these contracts with the speed that will be needed to convert our war industries to peacetime requirements.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. COLMER. Mr. Speaker, I yield such time as he may desire to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to insert in the RECORD, because of its worthiness and in order to permanently preserve it, the address of Archbishop Edward Mooney titled "Anti-Semitism Directly Opposed to Christian Teaching."

The archbishop deals most eloquently and forcefully with a subject of fundamental import to all Americans, Catholics and Protestants alike.

The address appears in the issue of the Michigan Catholic under date of June 8, 1944.

I ask, that notwithstanding the fact that the cost of printing may exceed the minimum under the rule, the address may be printed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. DINGELL]?

There was no objection.

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. WOLVERTON], who is a member of the committee and also the Subcommitee on Termination of Contracts.

Mr. WOLVERTON of New Jersey. Mr. Speaker, there is no question that can come before Congress at this time of greater importance than the problem of reconverting our Nation from a wartime economy to a peacetime economy.

I do not mean to infer that we have arrived at a point where it is unnecessary to continue our effort to meet every need of our armed forces. While we have made great military advancement, yet the fact remains that we are not yet victorious. There must be no let-up in our effort, either military or legislative, until final and complete victory is achieved.

But the time is at hand, and the announcement just made to the House of the successful bombing of Japan emphasizes it, that requires us to think of, and provide for, the problems that will immediately arise upon a cessation of war activities. The problems we will then face will be serious and their proper solution vital to the immediate and future welfare of our Nation. Preparation to meet them should not and cannot longer be delayed. We were unprepared when war came upon us. We must not be unprepared for peace. If we are unprepared it will result in an economic condition that will not only be serious in its consequences but could easily become chaotic.

This possibility and the need for immediate action to prepare against it has been recognized by business leaders in every line of peacetime activity and by labor leaders. All of them recognize the necessity of immediately providing appropriate legislation.

This House has already recognized the importance of the question by appointing a Special Committee on Post-war Economic Policy and Planning, a committee upon which it is my privilege to serve under the able leadership of the distinguished gentleman from Mississippi [Mr. COLMER].

This committee has worked faithfully and well to fulfill the responsibility placed upon it. We have had before us some of the most outstanding leaders of business and labor. We realize that the time is short and the need for speed is pressing. What is to be done must be done quickly or the problem will be ahead of us and its solution more difficult.

While the committee has ever been cognizant of the necessity for speed, yet it has not failed to give careful and serious consideration to the recommendations it has made and the legislation that is necessary to make its recommendations of practical value.

The legislation which this rule makes in order, namely, a plan for speedy determination of claims originating out of cancelation or termination of war contracts, is the first of a series of bills that will be offered to the House.

The bill is based upon the recommendations made and the views expressed in the Baruch-Hancock report. It is not greatly dissimilar to the bill already passed by the Senate. It has had the careful study of the special committee appointed by the House and by the Judiciary Committee of this House. It has had the unanimous approval of the special committee, and I understand with a few changes likewise has the unanimous approval of the Judiciary Committee. I therefore ask your approval of this rule and the bill that will follow.

Mr. MICHENER. Mr. Chairman, the able gentleman from Mississippi [Mr. COLMER], the chairman of the House Special Committee on Post-war Economic Policy, has just stated that he does not have a single war contract in his district and, therefore, is entirely free from local pressure in the consideration of this legislation. I am sure that local interest would not swerve the gentleman from Mississippi against what he believed to be for the best interest of the country. As chairman of his special committee, he has given great study to this whole problem and the fact that he is supporting this bill 100 percent is proof, not only of his statesmanship, but also of the merits of the legislation.

Mr. Chairman, I am just in receipt of a telegram from one of my leading constituents which reads as follows:

> Early passage of Walter contract-termination bill vitally essential to Michigan industry. Michigan, as you know, has more war contracts than any other State. Ninety-six percent of our industries has been converted to war. This legislation must be passed soon to avoid a lot of unemployment complications. I am sure you already know the importance of this measure to Michigan. The manufacturers of Michigan beseech your support.

It will, therefore, be observed that the people in my State are vitally interested in speedy war contract termination. When it is realized that approximately one-half of the total goods and services produced at the current high rate of production are for war purposes, and that about two-thirds of all persons now employed in manufacturing are engaged in war work, the over-all picture of the importance of this problem is presented.

The volume of our war production from July 1940 to the end of 1944 will total about $205,000,000,000, of which $130,000,000,000 represents the production completed by the end of 1943, and $75,000,000,000 is scheduled for completion in 1944. The number of prime contractors is somewhere between 100,000 and 250,000. The survey made in September 1943 showed that there were 105,000 contracts for $50,000 or more held by approximately 17,000 establishments and another 100,000 smaller contractors. The number of subcontracts is very large and is undoubtedly well over a million, and this includes at least 70,000 establishments, large and small.

I give these figures so that you will have some idea of the enormity of our problem.

Now, this war is going to be over some of these days and when an almost complete economy must be immediately changed from war production to peacetime production the necessity for action now is apparent. Yes, there will be difficulties regardless of any law passed or any action taken by the departments. We can only seek to reduce those difficulties to the minimum. Time is of the essence, and speed is essential if we are to avoid the business stagnation, the unemployment, and everything incident thereto which is found to follow when war contractors are directed to proceed no further with the contracts. When those notices are given by the Government chaos will prevail unless the contractors—and especially the smaller ones, including the subcontractors and all down the line—are able to settle with the Government and with the prime contractors and know just where they stand financially.

This bill aims to alleviate this situation and, in my judgment, will be most helpful. I wish it were possible for every one of you to visit just a few of Michigan's great peacetime automobile plants and see the change. All the old machinery is gone, the assembly lines have vanished, and in their place is equipment for the manufacture of war airplanes, tanks, and other implements of war. Hundreds of thousands of people are working night and day in the war industries, and just the minute word comes from Washington that this production is to cease, these plants will be idle, people will be unemployed, and a great depression is bound to settle upon the country until peacetime economy is resumed. The one purpose of this bill is to make such condition impossible and to shorten to the limit that period of dislocation that is bound to come.

Mr. Chairman, unless reconversion is accomplished speedily and with finality, we will have the longest bread lines in our history.

Numerous illustrations have been given throughout this debate to show the difficulty in terminating these contracts. To make the nature of the problem perfectly clear, I would like to make use of a very simple illustration.

When termination occurs, the Government and the contractor will find themselves in somewhat the following situation:

Let us suppose that you had contracted for the erection of a 10-story building and that when 5 stories had been more or less completed you were to tell the general contractor to stop work. You would then have to come to some agreement with him as to fair compensation for what he had done, for the materials on hand and ordered in anticipation of complete performance, and for the obligations which he had incurred to his various subcontractors and suppliers. He in turn would have to come to an agreement with his various subcontractors who had undertaken to supply the steel, the masonry, the plumbing, the heating, the lighting, the air conditioning, the woodwork, and the hundreds and perhaps thousands of other items entering into the construction of such a building. Perhaps there would be 100 or perhaps 200 subcontractors and suppliers. A settlement would have to be made with each one of these.

In arriving at these settlements, agreements would be entered into for the retention of some of the material and parts which the contractor might be able to use in his regular business and which he might be willing to retain and credit upon his claim at some agreed price; agreements for the sale of some of the material to others at a price which you, the owner, would approve; agreements that some of the material should be scrapped and the salvage value applied in the reduction of the contractor's claim; and agreements as to what parts should be turned over to you, the owner. And similar agreements would have to be entered into with subcontractors and suppliers all down the line.

Now suppose that you had contracted for a million such buildings and you were to stop work under all these contracts at different stages of completion. You would then be in a situation similar to that of the Government upon a general termination of war contracts. A similar series of settlements will have to be made with war contractors and suppliers doing over one-half of all the business of the country.

I think we are all pretty well agreed as to the objective and the efficacy of the bill. There is apparent disagreement as to the agency to be charged with the responsibility of settling these contracts. The real crux of the argument seems to be whether the Comptroller General should be required to audit all contracts and subcontracts ad infinitum before a final settlement can be had and before any of the contractors know just where they stand. The Comptroller General is a most estimable gentleman. He always does a good job, and if given these additional burdens would do a job limited only by his facilities and time. The answer is that his facilities are inadequate and that we do not want to let Rome burn while a bunch of bookkeepers and auditors fiddle over the small details in connection with these contracts.

Yes; there may be some mistakes made. There may be some unwarranted profits allowed on some of these contracts. This bill, however, places a very stiff penalty on fraud or wrongdoing on the part of the contractors in connection with the settlements. Then, we must not forget that after the settlement, the contractor is again visited by the Government tax collector and the rates are so high, and the rules and regulations so rigid, that it is just going to be impossible for these war contractors to get away with profits as was done after the last war. There are dishonest people in the world; yet, by and large, most of our contractors are honest, honorable men. This is a case where, if post-war economic catastrophe is to be prevented, we must trust somebody. This bill places limitations, standards, and guides, around these settlements, and with the fraud penalties, I have little worry about great loss on the part of the Government. Undoubtedly the Comptroller General, if given years to check up, will find some unintentional mistakes of a minor nature. However, we must not here today adopt a penny-wise, pound-foolish policy.

There is no partisan controversy here, no conflict between different branches of the Government. There must be a combined, unified cooperative effort to bring about this reconversion at the earliest possible time, and in the soundest and most practical way. While this bill is far from perfect, yet it has had unlimited study and has the recommendation of the business interests of the country, several House and Senate committees, and such disinterested students in matters of this kind as Messrs. Baruch and Hancock.

Mr. Chairman, I am pleased to support this bill as reported by the committee with no crippling amendments. If the results contemplated are accomplished the people will in the end rise up to thank us. On the other hand, if we quibble and hesitate and the bread lines come, and the unemployed walk the streets, and the manufacturers go bankrupt, we will be justly condemned. The Congress is thinking about taking a short recess and I want the record to show that I consider this legislation so vital that I shall protest against any recess until contract termination has cleared the House and the Senate and been placed on the President's desk for his signature. That is what the country wants. That's what it has a right to expect of us.

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DEWEY], a member of the subcommittee of the Post-war Economic Policy and Planning Committee that handled the contract-termination legislation.

Mr. DEWEY. Mr. Speaker, it is quite characteristic of the splendid judicial attitude of my chairman, the gentleman from Mississippi [Mr. COLMER], of the Post-war Committee, to say that he still has an open mind in regard to the matter of possible post-war audits of terminated contracts by the Comptroller General. I am frank to say that I am fully convinced and my mind is quite closed on that subject.

For a year now I have been giving a good deal of study to this situation, and I do not see how it would be possible to make a final termination unless you terminate. Hundreds of millions and billions of dollars have been expended by the procurement officers of the Government. They have done a splendid job. I know of no cases that have been brought up where there has been an accusation of anything except the honest handling of the people's money. These same procurement officers are going to terminate the contracts which they themselves have made, they have a familiarity with them and, as the gentleman from Michigan [Mr. MICHENER] has said, time is of the essence.

We have heard from Mr. Moulton of the Brookings Institution, and others who have full knowledge of such subjects, that there are in the present labor forces 65,000,000 men and women, including our soldiers, of whom there will be 11,000,000 coming back seeking jobs some day. We know that we have a tremendous public debt growing out of this war that can only be serviced if we have high and constant employment and free industry. If we are going to keep the national income sufficient to service our public debt and the other demands of Government we shall have to keep employed somewhere between 53,000,000 and 55,000,000 men and women.

We have no time following this war to search about and audit a dollar here or a dollar there. We have to again trust the abilities of those Government servants who have already made the contracts to terminate them.

This bill that has been given so much study provides adequate methods, adequate safeguards by which contracts can be terminated, the machinery that was used for the war effort moved out of the plants and peacetime machinery brought in, the business of peace recommenced, and jobs given to the returning soldiers and the present members of our labor force who wish to continue in their present pursuits.

How can this evolution be financed? What banker would want to make loans to these industries if he thought some other department of government might step in 2 or 3 years hence and post-audit the whole situation and say, "Here, there was a mistake made."

No, this is one of the greatest economic evolutions this country has had since we converted from peace to war. Now we have to take that next great step and convert from war back to peace. This bill will provide the methods and safeguard the American taxpayers, and I heartily back it. I hope it will be passed.

Mr. FISH. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I take this time to pay my respects to the gentleman from Mississippi [Mr. COLMER], who is the able and distinguished chairman of the Postwar Economic Policy and Planning Committee. As chairman of that committee he has been most cooperative and has driven the committee day in and day out to get this legislation before the House of Representatives.

May I also say a few words in regard to another member of that committee, the gentleman from Pennsylvania [Mr. WALTER], who is in reality the author of the termination-of-contracts bill. He is one of the ablest and best lawyers in the House of Representatives. He has given his undivided time for the last month to considering the details of this highly important legislation. Both of these gentlemen deserve much credit for the time, effort, and energy they have put into shaping the pending bill.

I hope the House will follow the leadership of the gentleman from Mississippi [Mr. COLMER] and the gentleman from Pennsylvania [Mr. WALTER] because they are deserving of it in every respect and have given unselfishly of their time and abilities in trying to formulate the very best and most workable bill for the Congress to adopt.

Mr. DEWEY. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Illinois.

Mr. DEWEY. As a member of the subcommittee, may I add a word in tribute to my distinguished colleague the gentleman from Pennsylvania [Mr. WALTER] on the energy he has displayed and the sound common sense he has given to all these problems?

Mr COLMER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MADDEN, for 2 days, on account of important business.

To Mr. BLACKNEY, for 4 days, on account of death in family.

PERMISSION TO ADDRESS THE HOUSE

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, the gentleman from Connecticut [Mr. MILLER] may be permitted to address the House for 40 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein some remarks I made in connection with the Bureau of Animal Industry.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

IRELAND, AN INDEPENDENT NATION

Mr. CURLEY. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes in connection with a resolution I have introduced.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CURLEY. Mr. Speaker, I preface my remarks by reading the resolution.

Joint Resolution requesting the President to use his good offices with the Prime Minister of Great Britain for the purpose of obtaining immediate and complete independence for the Irish Free State.

Whereas recent events in the European theater of war present an opportunity for a demonstration of faith in the Atlantic Charter; and

Whereas the Atlantic Charter declares that it is the national policy of the United States and Great Britain to respect the right of all peoples to choose the form of government under which they will live; and

Whereas the granting of full and complete independence to the Irish Free State would result in a definite alinement of such state, as a free and independent nation, on the side of the United Nations; and

Whereas united action by the nations favorable to the Allied cause is essential to the winning of the war and the destruction of Nazism and its Japanese counterpart: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is requested to use his good offices with the Prime Minister of Great Britain to the end that the Government of Great Britain shall immediately grant, in conformity with the provisions of the Atlantic Charter, full and complete independence to the Irish Free State.

Mr. Speaker, it must be apparent to every friend of the Allies that the neutrality of Ireland served not alone as a protection to the people of Ireland, but a safeguard to English and American troops quartered in Ireland. It must be remembered that Ireland if subjected to air attack could be destroyed almost in a day and that lacking the defensive weapons with which to combat an attack any course other than the one taken would be suicidal and indefensible.

The fact stands clearly forth that despite broken promises of independence in every crisis for 700 years; in this war as in World War No. 1 the Irish people have done their full part to make victory possible for the Allied cause.

In the present war with a population of less than 3,000,000, or about one-half as great as New York City, Ireland has furnished upward of 250,000 men in the combat service and an equal number in war industries or one-sixth of the total population.

Provided America contributed in the same proportion we would be required to furnish for combat service 11,500,000 men.

It must be understood that in addition to the 250,000 furnished by Ireland direct there are many millions of Irish descent today serving with honor and distinction from every portion of the world where her scattered sons may be found.

It has long been the contention that religious differences prevented the establishment of an Irish Republic and that the rights of the non-Catholic element of the population would not receive just consideration. The lie was given this assertion when Douglas Hyde, a Protestant, was chosen President of the Free State Government of Ireland unanimously although the population was two-thirds Catholic.

Under his brillant leadership with the return of peace and an independent republic, there is assurance of an Irish renaissance that may yet cheer, charm, and contribute to the cultural advancement of the world.

The concluding chapter is yet to be written, but so long as the destinies of Ireland continue in the hands of men as devoted and unselfish as Eamon de Valera, Cosgrave, Douglas Hyde, and countless others whose names shine out like beacons, there is a certainty that not only will a united Ireland be possible in our day, with a condition similar to that which obtains in our own country—no

North, no South, but a united land and the epitaph written that Ireland has taken her place among the nations of the world. It will indeed be a period of rejoicing for every individual with Irish blood in their veins, a rejoicing based on the knowledge that the last great advance in the far-flung movement of the handful for the freedom of Ireland has been accomplished in the same manner as was the conversion of Ireland by St. Patrick, without the shedding of a drop of blood.

The things that are beautiful, the things of the mind and heart and soul we have inherited from our race, we must bring to lay upon the altars of our new and beloved country, as our contribution to her greatness and glory.

Let us cherish the graces and virtues of the race that is ours; let us pray that peace and its noble fruitage may be the lot of the old land. The American Irish have given generously of their substance and services to Ireland in the past that she might win her right to sit in the hall of nations, free and unfettered.

Here is our country, America, with her problems calling to us for the best we have in us, and here we must help to solve them with a service that must not be divided. Our duty is here—our responsibility is here. The fate, the fortune, and future of our country and our homes are involved in the way we respond to the call of our country and our response must never be timid or faint-hearted.

I can say with pride the Irish have given America good and unselfish services in the past and that they stand ready today and always to march with her and for her into the future that lies ahead, ready to face all hazards and meet all eventualities for her security and honor unafraid.

The cradle of our race we should recall with affection and tenderness, with love and sentiment, and make her memory the inspiration for our duty and the spur for our service to the land we live in, the greatest Nation upon the face of the earth—our own United States of America.

The futility of persecution and oppression is perhaps more abundantly proven in the case of Ireland and its people than in the case of any other country or people in the history of the world. Notwithstanding a program of savagery that would shame the wild Indian of the western plains of early days, the people of Ireland have remained faithful to the teaching of St. Patrick and loyal to the principles of liberty. No darker page has ever been written in the history of the world than that which was written by Oliver Cromwell, whose sole purpose apparently was the extermination of the Irish race. The atrocious and horrible character of his infamy is forcibly brought home to a traveler who has occasion to visit the island of Haiti. With a view to the destruction of the race, Cromwell shipped 50,000 boys and girls, between the ages of 12 and 18, to the island of Haiti. Those who survived the voyage and the climate were required in the course of time to marry Negroes, constituting the population of Haiti, and a visitor even at the present day will find Negroes with skin as black as any African Negro speaking with a brogue and bearing the names Murphy, O'Brien, McCarthy, and Sullivan, and other names prominent among persons of Irish extraction.

Not content with persecution of such atrocious character as to put to shame either Nero or Herod, the Irish people were subjected to engineered famines with the result that a population at one time in excess of 12,000,000 is today less than 3,000,000. The singular feature has been that, regardless of persecution or oppression, nearly every generation has contributed to the list of martyrs and every decade has produced its group of intellectuals, not swashbucklers but courageous, gallant men who, like their forebears were not afraid to die in the sacred name of liberty and for the honor and glory of the land of their fathers. The list is exceedingly large, but on an occasion of this character we would be remiss in an obligation and duty if we failed to direct attention to those who have made luminous the pages of Ireland's history, preserving by their courage and leadership, faith and principle.

We have Rory O'Moore, 1576, and in 1641 his namesake, Roger O'Moore, and 1778 Henry Grattan, in 1798 the valiant Wolfe Tone, and 1803 the martyred Robert Emmett, followed by that great leader, Daniel O'Connell, through whose genius, without the firing of a shot, Catholic emancipation was secured for the people of Ireland; the brilliant John Mitchell in 1848, and the talented James Stevens in 1865; the parliamentary genius Charles Stewart Parnell in 1881, and the recent martyrs to Irish independence on Easter Sunday in 1916, Sheeby Skeffington, Thomas McDonough, Patrick Pearce, James Connelly, Sir Roger Casement, and others.

The persecution and oppression and war of extermination against Ireland by the British Empire has been the most potential factor to the development of liberty and free government in the world. The wild-geese followers of Sarsfield scattered throughout the world by a decree of Cromwell shed luster and made luminous the pages of the history of every land which they graced with their presence and sword. Every pledge and every promise made to the Irish people through seven centuries of control by Great Britain has been callously violated.

When the American Revolution broke out, the restrictions upon Ireland were removed and Grattan at the head of 80,000 men in open revolt was lulled into the belief that Ireland's wrongs were to be righted, but, the war over, witnessed the return of the jailer and the enactment of laws even more oppressive than those which formerly existed. During the Napoleonic wars Ireland was again promised home rule and permitted to enlist to save the Empire; and at Waterloo, the Iron Duke of Wellington, an Irishman, defeated Napoleon; and again the Irish were rewarded by the restoration of the shackles, and return to their accustomed place—Ireland.

Yes; from Waterloo to the Crimean Peninsula; from the cotton bales of New Orleans under the Irish Andrew Jackson, from Cedar Creek under the Irishman Sheridan to the field of Appomattox, under Grant; from Khartoum to Peking; from India to South Africa; from the dust of the unnumbered dead there arises like incense a demand for the absolute independence of Ireland.

There were many Americans of Irish extraction who were loud in their condemnation and protest of the insurrection in Dublin in 1916, but personally I do not believe there was justification for protest upon the part of any right-thinking American, since the insurrection in Dublin in 1916 did not differ either in purpose or principle from the insurrection in America on April 19, 1775, and men with Irish blood in their veins might well hold their heads in shame were it not for the fidelity and the courage of the group of intellectuals responsible for the revolt of 1916, which compelled the granting by the British Government of the autonomous form of government now enjoyed by Ireland.

It has been my privilege recently to visit Ireland for the first time and to marvel at the progress that has been made in a short period of 15 years. The one- and two-room houses are disappearing, giving way to modern, healthful places of habitation, and more schoolhouses have been erected in 15 years under the Free State Government than during the seven centuries of British misrule. The men constituting the Dail in Ireland are the equal if not the peers in intelligence of any legislative group to be found in the world. They are sincere, unselfish, patriotic, devoting time, energy, and talent to the welfare of the people and the land which they have been chosen to govern. They are making genuine progress and are still idealists.

We have been accustomed to regard Ireland in the past as the land of saints and scholars. Perhaps a little might be said of the artistic side of the race. It has been my privilege to visit both Trinity College and Dublin Museum and to gaze upon the Book of Kells, the most beautiful example of book illuminating ever produced in the history of the world, and produced eight centuries before the Pilgrims landed at Plymouth Rock. To gaze upon the chalice of Ardagh, the cross of Clonmacnoise, and the Bell of Patrick, the most wonderful examples of the art of the silversmith ever produced, and turned out in the seventh century. Yes, when the rest of the world was wandering down a blind alley in despair Ireland was keeping alive the torch of Christianity and civilization and culture of which we in America have been the beneficiaries.

The constructive character of Ireland's contribution to America's progress and prosperity has unquestionably been greater than that of any other race, but, unfortunately, too little attention has been given this phase of Irish progress, and too much attention has been bestowed upon other phases.

We have been prone to take such pride in the martial achievements of the Irish

as to cause the impression to become deep-rooted that in their prowess as a fighting people alone have they been of value. It is not my purpose to detract from the tremendous contribution to American history by gallant men of Irish blood, but, if possible, to clear the atmosphere of the impression that they have been purely a one-sided people. As soldiers, statesmen, poets, inventors, and orators they have been a contributing factor to human progress. As soldiers, even prior to the conception of liberty in the Colonies, they had achieved fame, and it is pleasing for American citizens of Irish blood to rejoice in those achievements which make luminous the pages of the Republic's history.

It is gratifying to know that the ember igniting Liberty's torch emanated from that distinguished Irishman, whose fiery utterances furnished the text which resulted in the Republic's birth, when, as a member of the Virginia House of Burgesses, those prophetic words were uttered: "As for me, give me liberty or give me death." Patrick Henry.

The evacuation of Boston by the British and armed resistance at Bunker Hill was in a large measure due to the ammunition and arms secured through the daring of Capt. John Sullivan in consequence of the capture of Fort William and Mary, December 11, 1774, more than 4 months before the shot was fired at Lexington and "hear 'round the world."

As Americans of Irish blood visiting our northern neighbor, Canada, it is most interesting to gaze at those rugged heights, rising almost perpendicular from the St. Lawrence, and there find inserted a bronze tablet sacred to the memory of the first general who died in the struggle for liberty, and but for whose untimely death, in all probability, Canada would today be under the American flag, General Montgomery.

Ships were necessary to combat the mighty power of England and it remained for Michael O'Brien of Machias, Maine, with his six sons, to capture an English convoy, and, in return for their signal act of gallantry, for the Continental Congress to christen the first ship of the American Navy, *Liberty*, and the second ship *Hibernia*, the first in command of Jack O'Brien, the second in command of his brother Jerry O'Brien, and the Navy in command of that dauntless hero, whose service to America has only recently received due recognition at the Capitol in Washington, the first commodore of the American Navy, John Barry.

It is pleasing to us as men of Irish blood, proud of our American citizenship, to know that the great "Father of our Country,'" Gen. George Washington, on the eve of St. Patrick's Day, 1776, placed in command of the Continental forces at Dorchester Heights, Gen. John Sullivan, and the password on that memorable occasion which marked the departure of vested British tyranny and oppression from these shores was "St. Patrick."

Much stress has been laid for nearly a century upon the contribution of the French people to American liberty, and it was indeed a tremendous contribution and one worthy of a great people, but let it not be forgotten that the Irish regiments in the service of France pleaded that they might be selected, because of an hereditary hatred of the English, to serve under Washington and that prominent among the regiments were the regiment de Dillon, the regiment de Walsh, and the regiment de Lacey, made up wholly of the descendants of that Spartan-like band known as the wild geese who, rather than serve under the conquering Cromwell, took service under the colors of France.

The most courageous document ever known in the world's history was the Declaration of Independence, and it is pleasing for us to know that Charles Thompson, an Irishman, was secretary at the first meeting of the Continental Congress and continued in that capacity until, at the close of the war, Washington tendered him his sword when liberty had been secured; that among those men who signed the Declaration of Independence 10 were of Irish blood; that 142 of the Minute Men who fought at Lexington and Concord were Irish and of those who participated in the Battle of Bunker Hill, 228 were of Irish blood; that the White House at Washington was designed by William Hogan, and is an exact reproduction of the home seat of the Duke of Leinster, near Dublin, Ireland; that the seat of our National Government was originally the farm of Daniel Carroll, brother of Charles Carroll, signer of the Declaration of Independence, who, at the conclusion of the war, tendered his farm as a seat for the American Government; that the figure of Liberty which surmounts the National Capitol was designed by the Irishman, Crawford, and that the Congressional Library with its matchless mosaics, its fairy-like colorings, its incomparable marble staircase, stands as a monument to the ability, the honesty, and the honor of its designer, an Army engineer named Casey.

Every great privation visited upon the Irish people has proven a blessing in disguise for America. Persecution and oppression in the seventeenth and eighteenth centuries furnished America with valiant sons and pure daughters, inured to poverty, born to privation, and eminently fitted for the blazing of a broad highway to progress and liberty in a new and strange land.

The famine of 1848 marked the beginning of a stream of immigration such as has seldom been witnessed in the history of any land. From 1848 to 1870, more than 2,500,000 Irish men and women came to these shores, not the infirm and the decrepit but the staunch and sturdy manhood and the wholesome and pure womanhood, the flower of Ireland, and these were the men that aided in making possible Grant's campaign in the Wilderness, Sherman's march from Atlanta to the sea, and Sheridan's master stroke at Cedar Creek. They were lovers of liberty first and Ireland second.

What a wonderful heritage is ours when we contemplate the character, the courage, and the manhood of these mighty men.

Picture the gallant Gen. Michael Corcoran on the occasion of the visit of Prince Albert to America in 1860, ordered by the Governor of New York to do escort duty with his regiment, and the manly Corcoran dashing his sword to the ground, stating "I refuse to do honor to the representatives of a government that for seven centuries has persecuted and oppressed my race," and for this utterance the Sixty-ninth Regiment disbanded by order of the Governor of New York.

Then picture Fort Sumter fired upon and the gallant American general, Corcoran, tendering the Governor of New York the services of the Sixty-ninth Regiment in defense of the Union, and this regiment later welded into that fighting machine of imperishable memory, the Irish Brigade, first under Corcoran, and later under the immortal general, Thomas Francis Meagher, adding fresh laurels on every bloody field to the Stars and Stripes of our country until, in 1864, when the fighting was most severe, historians tell us the Irish Brigade in that year captured more flags and standards than the remainder of the Union Army combined and never lost one flag or standard.

We may well say with him who honored both the land of his birth and the land of his adoption, the lamented O'Reilly:

No treason we bring from Erin—nor bring we shame or guilt,
The sword we hold may be broken, but we have not dropped the hilt.
The wreath we bear to Columbia is twisted of thorns, not bays;
And the songs we sing are saddened by thoughts of desolate days.
But the hearts we bring for freedom are washed in the surge of tears;
And we claim our rights by a people's fight, outliving a thousand years.

The chaste, humble, and Christlike life of St. Patrick and his teachings are the most treasured heritage of the Irish people. They have proven an adamantlike force in the pathway of materialism, atheism, and chaos in the life of this Republic. They stand for the purity of womanhood and for the sanctity of American home life, and there is no method by which their benefit and blessing to this Republic may be gaged.

The poet priest of the Southland Father Ryan, spoke with a voice of prophecy when he wrote the poem A Land Without Ruins.

A land without ruins is a land without memories—a land without memories is a land without history. A land that wears a laurel crown may be fair to see; but twine a few sad cypress leaves around the brow of any land, and be that land barren, beautiless, and bleak, it becomes lovely in its consecrated coronet of sorrow, and it wins the sympathy of the heart and of history. Crowns of roses fade, crowns of thorns endure, Calvaries and crucifixions take deepest hold of humanity, the triumphs of might are transient, they pass and are forgotten, the sufferings of right are graven deepest on the chronicles of Nations.

Yes, give me the land where the ruins are spread
And the living tread light on the hearts of the dead;
Yes, give me a land that is blest by the dust,
And bright with the deeds of the down-trodden just.
Yes, give me the land where the battle's red blast,
Has flashed to the future the fame of the past.
Yes, give me the land that hath legends and lays
That tell of the memories of long vanished days;
Yes, give me the land that hath story and song;
Enshrine the strife of the right with the wrong.
Yes, give me a land with a grave in each spot,
And names in the graves that shall not be forgot;
Yes, give me the land of the wreck and the tomb;
There is a grandeur in graves—there is glory in gloom;
For out of the gloom future brightness is born,
As after the night comes the sunrise of morn;
And the graves of the dead with the grass overgrown
May yet form the footstool of liberty's throne,
And each single wreck in the war path of might
Shall yet be a rock in the temple of right.

ENROLLED BILLS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2711. An act for the relief of Mrs. Mildred Maag.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1848. An act for the relief of Claude R. Whitlock, and for other purposes.

ADJOURNMENT

Mr. COLMER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 13 minutes p. m.) the House, pursuant to its order heretofore entered, adjourned until tomorrow, Friday, June 16, 1944, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

The Committee on the Merchant Marine and Fisheries will hold a public hearing Saturday, June 17, 1944, at 10 a. m., on H. R. 4968, a bill to amend section 511 (c) of the Merchant Marine Act of 1936, as amended, relative to deposit of vessel proceeds received from the United States in certain cases, and for other purposes.

Persons desiring copies of the printed hearings when available will please notify the clerk by letter.

Witnesses are requested to notify the clerk by letter at least a day in advance of the hearing of their desire to testify, in order that a list of witnesses may be prepared. Written statements for the record from persons other than witnesses should be submitted a day in advance. Amendments to be proposed during the hearing should be submitted to the reporter in duplicate.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will meet on Wednesday, June 21, 1944, at 10:30 a. m. on all resolutions providing for temporary admission of political and religious refugees.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1657. A letter from the Director, the Office of Defense Transportation, Office for Emergency Management, transmitting a copy of Budget Bureau form for quarterly estimate of personnel requirements; to the Committee on the Civil Service.

1658. A letter from the Acting Assistant Secretary, National Advisory Committee for Aeronautics, transmitting a copy of quarterly estimate of personnel requirements for the National Advisory Committee for Aeronautics for the first quarter of the fiscal year 1945, ending September 30, 1944; to the Committee on the Civil Service.

1659. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill to amend the Life Insurance Act of the District of Columbia; to the Committee on the District of Columbia.

1660. A letter from the chairman, Joint Committee on Internal Revenue Taxation, transmitting a report by the Joint Committee on Internal Revenue Taxation, dated June 15, 1944, covering refunds and credits of internal-revenue taxes for the fiscal year ended June 30, 1942 (H. Doc. No. 660); to the Committee on Ways and Means and ordered to be printed.

1661. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PRIEST: Committee on Interstate and Foreign Commerce. H. R. 4615. A bill to establish, for the investigation and control of tuberculosis, a division in the Public Health Service, and for other purposes; with amendment (Rept. No. 1644). Referred to the Committee of the Whole House on the state of the Union.

Mr. WOODRUM of Virginia: Select Committee on Post-war Military Policy. First report pursuant to House Resolution 465, Seventy-eighth Congress, by the select committee investigating post-war military policy; without amendment (Rept. No. 1645). Referred to the Committee of the Whole House on the state of the Union.

Mr. MURDOCK: Committee on the Public Lands. H. R. 5025. A bill to allow credit in connection with certain homestead entries for military or naval service rendered during World War No. 2; without amendment (Rept. No. 1646). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEA: Committee on Interstate and Foreign Commerce. H. R. 4958. A bill to amend the Transportation of Explosives Act; with amendment (Rept. No. 1647). Referred to the Committee of the Whole House on the state of the Union.

Mr. MANASCO. Committee on Expenditures in the Executive Departments. H. R. 2969. A bill to establish official checking accounts with the Treasurer of the United States for clerks of United States courts and United States marshals; with amendment (Rept. No. 1648). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JENNINGS: Committee on Claims. H. R. 2354. A bill for the relief of Mrs. Phoebe Sherman; with amendment (Rept. No. 1643). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURCHILL of New York:

H. R. 5026. A bill to provide for a national cemetery in the State of New York; to the Committee on Military Affairs.

By Mr. MILLER of Missouri:

H. R. 5027. A bill to provide for the deferment in each calendar year under the Selective Training and Service Act of 1940 of not less than 6,000 medical students; to the Committee on Military Affairs.

By Mr. SPENCE:

H. R. 5028. A bill to amend the act entitled "An act to mobilize the productive facilities of small business in the interest of successful prosecution of the war, and for other purposes," approved June 11, 1942; to the Committee on Banking and Currency.

By Mr. BELL:

H. R. 5029. A bill to assist in the internal development of the Virgin Islands by the undertaking of useful projects therein, and for other purposes; to the Committee on Insular Affairs.

By Mr. KING:

H. R. 5030. A bill to create an independent Civil Aeronautics Authority and an independent Air Safety Board, to promote the development and safety and to provide for the regulation of civil aeronautics, and to promote world leadership by the United States in aviation; to the Committee on Interstate and Foreign Commerce.

By Mr. SUMNERS of Texas:

H. R. 5031. A bill to amend the First War Powers Act of 1941; to the Committee on the Judiciary.

By Mr. DISNEY:

H. R. 5032. A bill to provide for the submission of administrative regulations and orders to the Congress, and for the approval by Congress of those which should be continued in effect; to the Committee on the Judiciary.

By Mr. KING:

H. R. 5038. A bill to create the All-American Flag Line, Inc., and to assure the United States world leadership in the field of air transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER:

H. J. Res. 297. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. HARE:

H. J. Res. 298. Joint resolution making appropriations for grants to States under the Social Security Act; to the Committee on Appropriations.

By Mr. CURLEY:

H. J. Res. 299. Joint resolution requesting the President to use his good offices with the Prime Minister of Great Britain for the purpose of obtaining immediate and complete independence for the Irish Free State; to the Committee on Foreign Affairs.

By Mr. LEA:

H. Res. 598. Resolution requesting the Secretary of Commerce, through the Administrator of Civil Aeronautics, to make a survey of the need for a system of airports and landing areas throughout the United States; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COX:

H. R. 5033. A bill for the relief of Margery Anderson Bridges; to the Committee on Immigration and Naturalization.

By Mr. HÉBERT:

H. R. 5034. A bill for the relief of the estate of Francis A. Collins; to the Committee on Claims.

By Mr. KNUTSON:

H. R. 5035. A bill for the relief of the estate of John Kraemer and the estate of Michael J. Kraemer; to the Committee on Claims.

Mr. PAGÁN:

H. R. 5036. A bill to provide for the advancement on the retired list of the Army of Pascual Lopez; to the Committee on Military Affairs.

By Mr. SMITH of Wisconsin:

H. R. 5037. A bill for the relief of Fannah A. Fuller; to the Committee on Claims.

PETITIONS, ETC.

5858. By Mr. ANDREWS of New York: Resolution adopted by the Common Council of the City of Buffalo, N. Y., opposing the enactment of Senate bill 1385 introduced by Senator Aiken, of Vermont, for the construction of the St. Lawrence seaway and power project; to the Committee on Rivers and Harbors.

5859. By Mr. AUCHINCLOSS: Petitions of residents of Long Branch, N. J. and Red Bank, N. J., petitioning Congress to adopt the Marcantonio resolution; to the Committee on Foreign Affairs.

5860. By Mr. GILLETTE: Petition of 335 residents of the Fifteenth Congressional District of Pennsylvania in opposition to House bill 2082, prohibiting the manufacture, sale, or distribution of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5861. By Mr. HOLMES of Washington: Petition of sundry citizens of Yakima, Wash., urging consideration of House bill 2082, prohibiting manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war and until the termination of demobilization; to the Committee on the Judiciary.

5862. By Mr. KENNEDY: Petition of the Chamber of Commerce of the State of New York; to the Committee on Banking and Currency.

SENATE

FRIDAY, JUNE 16, 1944

(Legislative day of Tuesday, May 9, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Thou who changest not in a world so rocked and shaken, so filled with lamentation and clamor, a world swept by the whirlwind and riven by the earthquake, we would find the peace of Thy presence and of the still, small voice. In our dire need steal Thou upon our troubled spirits like the vesper calm of lingering twilight, like the gentle dew on parched ground; commission us as the servants of Thy righteous will and fit our spirits for that high role in this time on ages telling. Save us from the tragic mistakes of the past. Make us architects of a statelier temple of humanity where no child of Thine shall be kept back from the common altar of fellowship and where all kindreds are one before Thy searching eyes. As the fires of war are quenched give us the wisdom so to build that never again in blind folly will we choose foundations which are sinking sand and walls of tinder which will prove but rubble for the devouring flame. We pray in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, June 15, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4183) making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 2 and 6 to the bill and concurred therein, and that the House insisted upon its disagreement to the amendments of the Senate numbered 1, 3, 5, 7, 8, and 9 to the bill.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4837. An act to extend for an additional 2 years the suspension in part of the processing tax on coconut oil; and

H. R. 4967. An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2711) for the relief of Mrs. Mildred Maag, and it was signed by the Acting President pro tempore.

NATIONAL SERVICE LIFE INSURANCE

The ACTING PRESIDENT pro tempore (Mr. GILLETTE) laid before the Senate a letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to liberalize certain provisions of the National Service Life Insurance Act of 1940, as amended, which, with the accompanying paper, was referred to the Committee on Finance.

FREE PORTS FOR EUROPEAN WAR REFUGEES

Mr. MALONEY. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a letter and resolution which I have received from Rabbi Abraham J. Feldman, of the Congregation Beth Israel, and Mr. Maurice Hartman, president, Hartford, Conn.

The resolution urges the establishment of "free ports," whereby temporary haven may be provided for European refugees.

There being no objection, the letter and resolution were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

THE CONGREGATION BETH ISRAEL,
Hartford, Conn., June 14, 1944.

The Honorable FRANCIS MALONEY,
The United States Senate,
Washington, D. C.

DEAR SIR: We beg to transmit to you the enclosed resolution, which has been adopted by the Congregation Beth Israel, and we bespeak your earnest support of the matter dealt with therein.

Cordially yours,

Rabbi ABRAHAM J. FELDMAN.
MAURICE HARTMAN, *President.*

America was founded by refugees—by refugees fleeing from religious persecution and racial bigotry. This great Nation, conceived in liberty, has been peculiarly sensitive to the cry of its brothers' blood wherever and whenever they have been enslaved and persecuted. Particularly because of its deep religious heritage and character, believing that men are endowed by their Creator with certain inalienable rights—among these being liberty and the pursuit of happiness, and, above all, life—America has been the traditional haven of those who have been robbed of these precious possessions.

The hour has come when America must once again rise to this, her manifest destiny, when the God who led our early founding fathers to this richly dowered land is calling upon us to "bring forth the prisoner from the prison house and those that dwell in darkness from the dungeon."

We commend the President of the United States for his leadership and vision manifested in championing the cause of the afflicted, not only by words but by forthright deeds. Especially timely has been his recent creation of the War Refugee Board, which has already evidenced its sincere determination to rescue as many as possible of those victims of nazi-ism otherwise marked out for wholesale slaughter in the plan of "free ports" advocated by the War Refugee Board, whereby temporary haven may be provided for those who would otherwise be murdered to the last man. We agree that America can do no less for these, our allies and fellow foes of nazi-ism, than we do for our enemies who, as prisoners of war, are provided with at least such temporary sojourn and security. We appeal to the conscience of America to respond immediately to this suggestion of the War Refugee Board, and we call upon our Representatives in Congress, as well as upon all our fellow citizens, to save the lives of thousands, and even hundreds of thousands, otherwise destined for mass extermination, by setting up at once such "free ports," such islands of temporary rescue, upon the free and cherished soil of America.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ELLENDER, from the Committee on Claims:

S. 1983. A bill for the relief of Mrs. Anna Runnebaum; without amendment (Rept. No. 982).

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

H. R. 3870. A bill to amend section 214 of the act of February 28, 1925; without amendment (Rept. No. 983);

H. R. 4033. A bill relating to the use of the penalty mail privilege; without amendment (Rept. No. 984);

H. R. 4517. A bill to remove restrictions on establishing post-office branches and stations; without amendment (Rept. No. 985); and

H. R. 4687. A bill relating to issuance of postal notes; without amendment (Rept. No. 986).

BILLS INTRODUCED

Bills were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. LUCAS:

S. 2005. A bill for the relief of Della O'Hara; to the Committee on Claims.

By Mr. McFARLAND (for himself and Mr. HAYDEN):

S. 2006. A bill for the relief of J. A. Davis; to the Committee on Claims.

By Mr. O'DANIEL:

S. 2007. A bill for the relief of Lum Jacobs (with accompanying papers); to the Committee on Claims.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred, as indicated:

H. R. 4837. An act to extend for an additional 2 years the suspension in part of the processing tax on coconut oil; to the Committee on Finance.

H. R. 4967. An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes; to the Committee on Appropriations.

CHANGE OF REFERENCE

Mr. THOMAS of Utah. Mr. President, House bill 4624, to consolidate and revise the laws relating to the Public Health Service, and for other purposes, came to the Senate from the House of Representatives and was referred to the Committee on Commerce. A similar bill was introduced in the Senate some months ago and was referred to the Committee on Education and Labor which has given much consideration to it. By arrangement with the chairman of the Committee on Commerce, I now ask unanimous consent that the Committee on Commerce be discharged from the further consideration of House bill 4624 and that it be referred to the Committee on Education and Labor.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Utah? The Chair hears none, and the change of reference will be made.

INVESTIGATION OF ACTIVITIES OF POLITICAL ACTION COMMITTEE OF THE C. I. O.—AMENDMENTS

Mr. TUNNELL submitted sundry amendments intended to be proposed by him to the resolution (S. Res. 298) to investigate the activities of the Political Action Committee of the Congress of Industrial Organizations (submitted by Mr. BUTLER on May 31, 1944), which were referred to the Committee on Privileges and Elections and ordered to be printed.

COMPENSATION OF TEMPORARY CLERK, COMMITTEE ON PUBLIC LANDS AND SURVEYS

Mr. HATCH submitted the following resolution (S. Res. 311), which was referred to the Committee on Public Lands and Surveys:

Resolved, That the compensation of the assistant clerk employed by the Committee on Public Lands and Surveys under Senate Resolution 245, Seventy-seventh Congress, as continued by Senate Resolution 307, Seventy-seventh Congress, shall hereafter be at the rate of $1,800 per annum, and $1,500 additional so long as the position is held by the present incumbent.

REPORT OF THE COMMISSION OF FINE ARTS (S. DOC. NO. 204)

Mr. BARKLEY. Mr. President, on the 1st of June this year the President sent to the Congress the Fourteenth Report of the Commission of Fine Arts for the period from January 1, 1940, to June 30, 1944. Heretofore those reports have been printed as Senate or House documents, including the illustrations. It is a very valuable publication. I ask unanimous consent that the report to which I have just referred be printed as a Senate document, with illustrations.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

DEMOCRACY IN ACTION—ADDRESS BY SENATOR O'DANIEL

[Mr. O'DANIEL asked and obtained leave to have printed in the RECORD a radio address entitled "Democracy in Action," delivered by him on June 15, 1944, which appears in the Appendix.]

PLATFORM ISSUES: LABOR AND INDUSTRY — ARTICLE BY WENDELL WILLKIE

[Mr. HATCH asked and obtained leave to have printed in the RECORD an article entitled "Platform Issues—Labor and Industry," written by Wendell Willkie, and published in the Washington Post of June 16, 1944, which appears in the Appendix.]

KEEP PRICE CONTROL—EDITORIAL FROM THE NEWARK EVENING NEWS

[Mr. WALSH of New Jersey asked and obtained leave to have printed in the RECORD an editorial entitled "Keep Price Control," published in the Newark (N. J.) Evening News of June 12, 1944, which appears in the Appendix.]

ACTION OF WAR LABOR BOARD WITH REFERENCE TO IDAHO POTATO HANDLERS

Mr. THOMAS of Idaho. Mr. President, a recent issue of the Idaho Daily Statesman, published at Boise, Idaho, includes in its editorial a letter from Mr. E. T. Taylor, master of the State grange, commenting on the War Labor Board's action against the Idaho potato handlers. I send the editorial to the desk and ask that it be read.

The ACTING PRESIDENT pro tempore. Without objection, the editorial will be read.

The legislative clerk read as follows:

THE GRANGE MASTER SPEAKS LOUD

The recent War Labor Board action against Idaho potato handlers has drawn this caustic editorial comment from E. T. Taylor, State grange master, in the Idaho Granger:

"Agriculture has been put into more difficulty over farm-labor matters than any other one problem.

"The draft has hit us exceedingly hard and is crippling us now in a terrific shape. Farms are being stripped of the last boy and the answer seems to be, the boy can be replaced on the farm but not in the Army.

"So the boys are going.

"Also, right now, war industries are canvassing the farm territory, running large ads in the papers, and blasting the radio time with appeals for help in war plants at wages far beyond anything the farmer can pay. The Government is paying these exorbitant wages in cost-plus contracts, and all that is left for us to do is to work harder, work longer hours, and pay and pay and pay.

"But now comes a matter that should be brought to the attention of every grange in Idaho.

"It is the prosecution by the War Labor Board of the potato handlers of Idaho, on the charge that they paid more for help than the War Labor Board said they could pay.

"In other words, with potatoes facing freezing in the late fall, the war industries taking away all of the available help at wages higher than the potato people were allowed to pay, it just simmered down to the proposition of the potato people setting back and letting the potatoes of the farmers freeze, or of their going out and getting some help to save the crops."

The enclosed statement, put out by the Idaho traffic association covers the story of servants of the farmers being prosecuted, fined, and facing imprisonment because they fought to save farmers' potatoes.

The State master is sending this out for the information of every granger in Idaho.

When things come to a pass such as this case presents, the time has come for every farmer and every farm organization to rise up and fight.

The handling of the labor situation in the United States is one of the greatest blots on our war effort. There is no use for farmers to raise produce, if and when it is raised, some Federal bureau through its bureaucrats, can destroy the farmers' year's work by rulings such as cover the case of the Idaho potato industry.

The present strike of the truckers is another case in point. Idaho farm products are spoiling in large quantities due to the fact that strikes in wartime are stopping the movement of our food products.

The farmer hasn't sabotaged the war effort.

The farmer hasn't gone on strike.

The farmer hasn't been a traitor and let our boys down.

The farmer hasn't stabbed the boys in the back and held up the movement of needed food and supplies to the front.

The farmer has done his level best.

The farmer hasn't worked 40 hours a week and got time and one-half overtime.

The farmer, his wife and his children have worked 80 hours a week while he has been lambasted, slashed, and kicked around.

Floors have been kicked out from under his hogs and chickens.

He has produced to the limit and beyond at the request of bureaus that don't know the difference between a hog and a kangaroo, and then, when the inevitable occurs—and the incompetents find themselves with a lot of produce they asked for, on their hands—then— like the War Food Administration says, "We may have misled the farmer."

Montgomery Ward, the Idaho truckers' strike, the Idaho potato handlers' arrests—

all add up to one answer. It is one and the same in each case:

American liberty is in jeopardy.

FAIR EMPLOYMENT PRACTICE COMMITTEE—NOTICE OF INTENTION NOT TO PRESS AMENDMENT

Mr. DANAHER. Mr. President, yesterday I gave notice of intention to move to suspend the rule in order that I might offer an amendment to H. R. 4879, dealing particularly with the Committee on Fair Employment Practice. Legislation on the appropriation bill could be considered only under suspension of the rule. I took that step yesterday to the end that we might protect the record, for it was my belief that should the situation on the floor as a matter of parliamentary tactics require that we seek substantive legislation with reference to the continuation of the Committee on Fair Employment Practice, I wished to be in position to do so. For certainly some 26 or 28 years I have been acquainted with Mr. Malcolm Ross, chairman of that committee. I believe him to be an honorable gentleman who has been seeking to achieve a most laudable objective.

Accordingly, I conferred with Mr. Ross at various times on the telephone yesterday with reference to the subject. I left it to his decision in the course of my last conversation with him as to whether or not I should pursue my intention to move to suspend the rule and offer the amendment which is on the desk of Senators. He has finally concluded that we need not take that step and, because I have left frankly and candidly with him the ultimate decision as to whether the amendment I contemplated would protect the objectives which he is seeking to accomplish and in which I concur, I am willing to abide by his judgment.

I make this statement to the end that my colleagues in the Senate may know that I shall not pursue the motion to suspend the rule, and therefore will not offer a substantive amendment.

I had two thoughts in mind when the matter was first canvassed, Mr. President. One was born of the fixed belief that if we are to attempt to do justice in the peace to come among the peoples of the world we very properly might begin to try to do justice among our own people. Certainly, there has been discrimination on a racial basis; there has been discrimination on the basis of creed and national origin or ancestry right here in the United States of America. Where all our citizens are presumed to have equal rights, rights which we would regard, rights which we would protect, and for the maintenance of which Mr. Ross has struggled manfully, in my judgment, through the operations of the Committee on Fair Employment Practice, all steps should be taken, so far as we can take them, to eliminate such discrimination.

Thus, Mr. President, since the Committee has hitherto functioned under Executive order only, were we to give it a statutory status at this time, there would clearly be removed from this debate whatever objections might be offered by the Senator from Georgia or others who have taken the lead in opposition to the continuation of the Committee on Fair Employment Practice as we would place its status on a legislative basis.

The second thought I had in mind with reference to the subject stems from the fact that there is before the House Committee on Labor at the present moment a bill which would place the Committee on Fair Employment Practice on a substantive or statutory ground. Since hearings are in process, in fact Mr. Ross is there testifying at this very minute, I believe, and other witnesses are also appearing, in furtherance of some such principle of legislation, if not necessarily committed to the exact details of the pending bill, I thought we might correlate a similar statutory program here with that, pursuing its legislative course through the other House. If adopted, my amendment could then go to conference and an adequate basis for continuation of the committee would be established.

The amendment which I prepared, following part of the House bill, would have permitted the transfer to the commission to be created under the statute of whatever funds might be appropriated in the pending bill to the Committee on Fair Employment Practice. Thus the functions and operations of the committee, and all unexpended balances which would be provided under House bill 4879, would be transferred to the Commission to be permanently authorized by the statute. It now appears that process can be achieved anyhow, Mr. President, if we act favorably when the House sends to us the bill upon which it is now working. Hence I need not offer the amendment, Mr. Ross feels, and I agree.

Mr. President, it seems to me that the objectives of achieving freedom from discrimination in employment practices in this country are essential to the well-being of our country. It seems to me fundamental that any lack of appreciation of these problems, and a failure to work out an adequate solution for them, will not only result in our not achieving the maximum of war production and the development of commerce throughout the country, but actually will constitute a burden upon our manpower problem.

As practical men, we cannot ignore the fact that out of our experience we know that discriminations have existed. We can not blind ourselves to the fact that among our colored people, for example, it is idle to talk of opportunity, when we educate them through the finest of our schools and then say, "Here is a job as a shoeshine boy or an elevator operator." Surely that is not to be the answer.

As practical men we know that discriminations are practiced against American citizens on the basis of their creed, or their national origin, or their ancestry. I respectfully suggest that those discriminations cannot possibly be met solely by statute, in the sense that we cannot legislate ethics into our people. But we certainly can take steps to try to remove such discriminations through the mediatory services of some such agency as the Committee on Fair Employment Practice. To that end, Mr. Ross has devoted the efforts of his committee to date. To the objectives which he would achieve I subscribe wholeheartedly.

Mr. President, since it is my duty to return to the conference committee which is considering the House and Senate versions of the Emergency Price Control Act and the Stabilization Act, I wanted to make this statement, that our colleagues might know of my views and reasons for the course I have described.

Mr. BILBO. Mr. President, will the Senator from Connecticut yield?

Mr. DANAHER. I yield the floor.

Mr. BILBO. I merely wish to make an observation about the Senator's statement with regard to Mr. Ross, who presides over the Fair Employment Practice Committee. I note the Senator's very warm and gracious words of commendation with respect to Mr. Ross' ideal to eliminate any discrimination which may seem to be evdent on account of race, creed, color, or other condition.

How does the Senator explain Mr. Ross' pursuit of his ideal to eliminate discrimination when he forms a committee and so brazenly discriminates against the white race by making the personnel of a committee of about 115, two-thirds Negroes and only one-third white, in a population where there are only 12,000,000 Negroes to about 125,000,000 whites? How does the Senator explain that conduct on his part?

Mr. DANAHER. I assume, without an intimate knowledge of the facts and of the mental processes of Mr. Ross in that respect, that he sought qualified men, that he sought those who could work among their people; that if there are colored folks who are being discriminated against, and able, qualified colored representatives can be found to work among them, it would be to the advantage of all of us.

I would believe, therefore, that he has taken men who are amply capable and competent to achieve the results which should be achieved, and which he sought to accomplish; if, therefore, he has found colored men and colored women whose services could be availed of, I assume that he turned to them to serve where need existed, that an opportunity for the betterment of such conditions might be developed.

Mr. BILBO. If the Senator, as a white man, is willing to admit that no members of his race are qualified to fill these positions, then I have nothing further to say.

Mr. DANAHER. Mr. President, never was there a more flagrant non sequitur stated on this floor. I do not admit for one moment that white men are not qualified to do that sort of thing. They are qualified and are so serving. I do say that if there are colored men who are also qualified, Mr. Ross is perfectly justified in engaging them.

Mr. BILBO. I think the Senator will find that in the long run Mr. Ross' action is quite as much discrimination as what the Senator seems to think there may be on the other side, and that it is still a question of qualification.

PEACE IS NOT A PARTISAN ISSUE

Mr. DAVIS. Mr. President, the winning of the peace, like the winning of the war, is the solemn duty of every American man and woman. It is a duty

which transcends all personal considerations. Above all, the winning of the peace is not now and should never become a question of partisan politics. Any attempt on the part of any man or any group to inject politics into this sacred and all-encompassing objective should be frowned down by the American people.

This is no time to threaten the future peace of the world by telling half-truths, by making false promises, or by attempting to recast old events into a modern setting. The era of the past is dead. We must look to the era of the future with unity of purpose and unity of action.

Mistakes of policy and action have been made by both parties in the past, but this is no time to divide our people with acrimonious debate over which party has made the more costly errors. It will take all the ingenuity and determination we can muster to win the peace, just as it is taking all the ingenuity and determination we can muster to win the war, and we must not dissipate our energies and menace our unity by resorting to vitriolic partisan battles which in the end will accomplish nothing.

Today there is scarcely a man or woman in America who is not wholeheartedly in favor of America's full participation in the creation and maintenance of a system of world peace that will put a stop to recurring wars among the nations of the world. This virtual unanimity has been reflected in the actions of the Congress and in the conduct of our major political parties. Vital war measures have passed both Houses by overwhelming majorities, and the vote has never been divided along party lines.

The Connally resolution in the Senate and the Fulbright resolution in the House of Representatives were endorsed almost unanimously by both parties. At the present time the State Department is cooperating with bipartisan committees in both Houses on the issues of peace, and, according to latest reports, substantial progress is being made. Such cooperation as this must be continued, but it can be continued only if partisan quarrels are not permitted to interfere.

During these times, when the finest of American manhood is marching resolutely into battle, when thousands of American lives are being sacrificed on the beaches of France, in the islands of the Pacific, and in the peninsula of Italy, we here at home should not break the faith.

Maintaining that faith requires that we at home unite in building up a sound system of peace in order that neither those who are now fighting nor those who will come after them shall ever again be obliged to march with the rolling drums of war.

This we must do if we are to keep faith with the millions who will return from this war in victory. This we must do if we are to keep the faith with those countless thousands who will not return, whose lives have been sacrificed in the name of humanity and in the cause of peace.

They who would raise the bitter quarrels of past political history would break this faith, and endanger the future peace and progress of all mankind.

RELATIONS WITH LATIN AMERICA—LIMITATION OF PRESIDENTIAL TERMS

Mr. BUTLER. Mr. President, hardly a day passes that some distinguished American citizen or representative from a Latin-American country does not come to my office and, in effect, confirm the reports which I filed with the Senate last December and in January. But during the time many commentators of note in this country have taken the opposite side and have made very violent statements in opposition to what I have had to say. There has been, however, a tendency of late for them to come around and agree, at least in a general way, with the reports which I made to the Senate. Only this morning Drew Pearson, in his column entitled "The Washington Merry-Go-Round," has something to say which I should like to read, Mr. President. The paragraph is as follows:

NOT SUCH GOOD NEIGHBORS

Insiders have known for some time what Dr. Hernane Tavares blasted loose last week—that good-neighbor relations with Latin America were slipping. The slip started when Sumner Welles got out of the State Department. He had a sixth sense about pan-American good will, watched the little things such as the speech Secretary Knox almost made telling Brazil how we were going to keep Brazilian bases after the war. * * * Lend-lease and Rockefeller propaganda won't buy friendship. Friendship is a job you have to work at. * * * Brazilian Foreign Minister Oswaldo Aranha has taken advantage of United States failure to lead by becoming the new leader of Latin America. He has put Brazil into the one-time position of the United States of America. * * * What gripes Latins most is talk of our keeping troops on their soil after the war. They let United States troops on their soil as a matter of courtesy but, after the war, the want 'em off. All the boats and guns in the hemisphere won't buy those bases.

Mr. President, upon the reconvening of the Senate after the recess, I shall press for public hearings upon pending resolutions to limit the tenure of the Presidency to two 4-year terms, or one of 6 years.

I consider that we have tarried too long now in submitting to the States for ratification a constitutional provision that would root out of our Government the newly sprung weed of possible permanency in the White House that can destroy representative Government.

Such action becomes particularly timely at this time when the ex-political boss of St. Louis, now chairman of the New Deal's national committee, says publicly that he would be for a fifth term for Mr. Roosevelt.

However, the proposed amendment goes far beyond the incumbent in the White House. Franklin D. Roosevelt will, perhaps, be out of office in January. But if we wish to preserve responsible government we must tie down by law the assurance that some succeeding President will not be equally ambitious to start running, as soon as he is elected to a first term, for a fourth or a fifth term.

The precedent established by President Roosevelt must be ruthlessly destroyed.

Every person who has observed the course of our history knows that too often the first term of Presidents has been used as a build-up for the traditional second term. Now, inevitably, unless Congress and the States act, many succeeding Presidents may use the first two terms to prepare for a third. And, even further, since President Roosevelt has shown by his recent anxiety his determination to remain in office as long as possible, others may feel that all precedent against limitation is gone.

Yet we read in the newspapers almost daily the statement that the courts have taken such and such a position because most of the judges are New Deal appointees. The now proven fact, that extended tenure in the White House brings the courts into subservience to the Executive, is of itself sufficient reason for limitation.

The people have been partially able to extract the Congress from the role of a "rubber stamp" for 1600 Pennsylvania Avenue. But only time can reclaim the independence of the courts where judges are appointed for life.

We of Congress, giving leadership to the States, can insure that this shall not happen again.

FELICITATIONS TO JOHN CROCKETT ON HIS EIGHTIETH BIRTHDAY ANNIVERSARY

Mr. GILLETTE. Mr. President, a citizen of my State of Iowa once said that of all that is good Iowa affords the best. I will admit that that sounds somewhat on the boastful side, but from time to time facts are brought to our attention which give some color in support of that statement, and I have risen to mention one today.

Thirty-seven years ago there came from Iowa to Washington a very fine citizen of that State, a man with a strong voice, a strong constitution, a strong and high sense of public duty, and a strong character. He was known by the name of John Crockett. He has served the Senate continuously during these 37 years. Tomorrow he will have attained the age of three score years and twenty. He is still serving the Senate faithfully. I know he is embarrassed by the fact that I have risen and mentioned his name, but 37 years of continuous service in the Senate during many administrations, a service so creditable as that rendered by Mr. Crockett, is entitled to recognition by a few words spoken on the floor.

Mr. President, I want to extend to Mr. Crockett on behalf, I am sure, of every Member of the United States Senate, past and present, in the last 37 years, our felicitations on the occasion of the eightieth anniversary of his birth, which will be tomorrow, and to express our sincere hope that he will continue to serve his country and the Senate for 37 years more.

Mr. WHITE. Mr. President, in behalf of the minority I voice complete concurrence in the words uttered by the Senator from Iowa. It happens that I have known Mr. Crockett personally for many, many years, even for long years before I came to the Senate. I have known of his great industry, his faithfulness,

his great desire at all times to accommodate and to assist Members of the Senate as they have come and gone in the years gone by. He has always been kindly, courteous, efficient, and helpful, and Members of the Senate on this side of the aisle have for him affection and great respect.

Mr. McKELLAR. Mr. President, I wish to join in the congratulations being extended to Mr. Crockett.

If I may go back for quite a long time, I will tell the Senate how I first met John Crockett. Way back in 1912 or 1913, the latter part of Taft's or the early part of Wilson's administration, I was a Member of the House and had in tow a bill I had introduced for the construction of a bridge across the Mississippi River at Memphis, which bridge is still in existence and doing good service and has been in operation ever since it was built. The Senate passed the bill; and in order to get it to the President before the adjournment of Congress it was necessary to exercise very great haste. After the bill was passed, making me the happiest man in the world, the then President pro tempore of the Senate, the Honorable James P. Clarke, of Arkansas, and himself one of the handsomest and also finest Senators I ever knew, and my warm personal friend, told me that he would have Mr. Crockett take it over to the House at once. He introduced me to Mr. Crockett from where he sat in the Vice President's chair. Mr. Crockett sat at the same front desk where he now sits. That was 33 or 34 years ago—a long time. But I have never forgotten Senator Clarke's introduction and eulogy of Mr. Crockett. Senator Martin, of Virginia, Democratic leader at that time, also praised him to me. At that time Mr. Crockett was, as he has been ever since, one of the finest-looking men I have ever seen. He wore a long Prince Albert coat, which fit him perfectly and was most becoming. I went with him, as the President pro tempore told me to do, to the office of the Secretary of the Senate, and walked over to the House with him.

Champ Clark, the father of the present Senator from Missouri, was Speaker of the House. I can see Mr. Crockett now, bowing low and addressing the Speaker in the most dignified way, "Mr. Speaker——." He could have been heard over here. His was not a harsh voice. It was magnificent. With perfect enunciation, he presented the bill to the House. His courtly manner was perfect.

From that time on, for about a third of a century, Mr. Crockett and I have been the warmest and best of friends. I have never known him to do an ungracious act or utter an improper word. He is the highest order of a gentleman at all times and under all circumstances.

I think he is one of the most faithful, efficient, and honest employees this Government has had during the 33 years I have known him. He has every good quality that a real man ought to have. I know of no good quality that he lacks. He has no bad habits. He is a man of the highest honor and integrity, a man whom I love very much. It gives me the greatest pleasure to have a word to say in his honor here today on the eightieth anniversary of his birth. I deem it a great privilege to be able to say what I have said, and to wish for him many more years of usefulness in this body. The Senate never had a worthier, higher-minded, more efficient, or better representative, and I wish him many, many more years of usefulness and service to the Senate and to our beloved country. I believe all Senators honor and respect and love him. I do in the highest degree. Personally he is one of the most lovable and delightful men I ever knew.

Mr. BARKLEY. Mr. President, it seems incredible to me that tomorrow John Crockett will celebrate the eightieth anniversary of his birth. The only way he could prove that to me would be to present his birth certificate. If he is that old, he was born before birth certificates came into fashion. Therefore he would probably never be able to prove to me that he is 80 years old.

I recall when as a young man I was elected to the House of Representatives, longer ago than I like publicly to admit. It was during the Wilson administration. There had been a landslide due to conditions which existed in 1912. The Democrats had swept the House and the Senate, both of which needed to be swept after long tenure in office of the opposition party.

John Crockett used to come over to the House and deliver messages from the Senate. As the Senator from Tennessee has said, he had then, and still has, one of the most magnificent voices with which any man was ever blessed. Whenever John Crockett presented even the most prosaic, routine, or inconsequential message from the Senate to the House, he did it with such dignity, fullness of tone, and roundness of voice that the House always broke out in applause. He was the envy of all of us young Members of the House, by reason of his magnificent voice and presence. That has been nearly 32 years ago. I believe he had then been in the service of the Senate for 5 years.

I can agree with everything good that anyone could say about him personally or officially. I have never heard any human being say ought about him that was not good. If he is 80 years old—and I have no proof to the contrary—having served the Senate for 37 years, I hope he will live to be 100 years old, and still have the magnificent voice, the charming personality, and the sterling character which he has always possessed, and will still be the Chief Clerk of the Senate.

I felicitate him upon attaining 10 years beyond the Biblical allotment of life. If he were to write a book containing all the things which he has observed and heard and come in contact with in the past 80 years I am certain that it would be a valuable historical contribution to the knowledge of the American people and of the world, and would shed much light upon the processes of legislation.

It is an honor to be associated with such a man. It is a credit to the Senate that it has retained his services for all these years, regardless of political changes in the Senate and in the administration of our Government. It makes me proud to be an American when I see such men taken at their real worth, and see their services retained by appreciative men, without regard to political distinction.

I wish for Mr. Crockett continued long life. I am really sincere when I say that I hope he will round out the century, because that is what I myself am planning to do before I "shuffle off this mortal coil." I should like to be associated with him in that century of life, which I hope in both cases may be regarded as of some use and value to the country.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names.

Aiken	Gerry	Pepper
Austin	Gillette	Radcliffe
Ball	Gurney	Reed
Bankhead	Hatch	Revercomb
Barkley	Hawkes	Reynolds
Bilbo	Hill	Robertson
Brewster	Holman	Russell
Bridges	Johnson, Colo.	Shipstead
Buck	Kilgore	Stewart
Burton	La Follette	Taft
Bushfield	Lucas	Thomas, Idaho
Butler	McClellan	Thomas, Okla.
Byrd	McFarland	Thomas, Utah
Capper	McKellar	Truman
Chavez	Maloney	Tunnell
Connally	Maybank	Vandenberg
Cordon	Mead	Wagner
Danaher	Millikin	Wallgren
Davis	Moore	Walsh, N. J.
Downey	Murdock	Weeks
Eastland	Murray	Wherry
Ellender	O'Daniel	White
Ferguson	O'Mahoney	Wiley
George	Overton	Willis

Mr. HILL. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senator from Florida [Mr. ANDREWS], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. CLARK], the Senator from Rhode Island [Mr. GREEN], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Arizona [Mr. HAYDEN], the Senator from Indiana [Mr. JACKSON], the Senator from South Carolina [Mr. SMITH], the Senator from Maryland [Mr. TYDINGS], and the Senator from Massachusetts [Mr. WALSH] are detained on public business.

The Senator from North Carolina [Mr. BAILEY] and the Senator from Montana [Mr. WHEELER] are necessarily absent.

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS], the Senator from North Dakota [Mr. LANGER], the Senator from North Dakota [Mr. NYE], and the Senator from Iowa [Mr. WILSON] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The ACTING PRESIDENT pro tempore. Seventy-two Senators having answered to their names, a quorum is present.

CONSERVATION OF FUEL

Mr. MEAD. Mr. President, I have before me a copy of a press and radio release issued recently by the Navy Department, in which appear excerpts from a letter written by the Secretary of the Navy, James Forrestal. The able Secretary of the Navy calls attention to the imminent fuel shortage which will confront the Nation during the coming winter.

On several occasions I have called attention to the fact that we are exhausting our stock pile of fuel. It is very unusual for us to be doing so at this time of the year when it is customary to replenish it. The situation indicates that the Northern States will suffer from a severe shortage of fuel, and that unless something is done about it the suffering will be serious. The Navy Department release states as follows:

Conservation of all types and kinds of fuel—solid, liquid, and gaseous—by naval shore establishments throughout the United States is imperative.

The Secretary is quoted in the release as follows:

A critical supply situation already exists, and it is anticipated that it will become increasingly difficult to meet the deficit in actual wartime demands from outside sources. This is particularly true in the States of Oregon and Washington.

In the Appalachian area (New York, Pennsylvania, Maryland, Virginia, West Virginia, and eastern Ohio) the supply of natural gas is particularly critical.

Along the Atlantic seaboard it is anticipated that during the next heating season the supply of screened or prepared sizes of bituminous and anthracite coal will be extremely short.

The release continues:

Constant coordination with the appropriate fuel agencies in Washington, and the proper selection of the most available fuel is vital, Secretary Forrestal pointed out. He also stated that all shore activities must take appropriate action immediately to place all heating and power plants in condition for efficient operation.

Mr. President, a few days ago Secretary Ickes called attention to this problem, as did also Dr. Potter, Deputy Solid Fuels Administrator for War. I hope that the Governors of the several States, the mayors of the various cities, and the heads of the Federal agencies will follow the splendid example which has already been set by the Secretary of the Navy.

I ask that the release be printed in the RECORD at this point as a part of my remarks.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

SECRETARY OF THE NAVY JAMES FORRESTAL SAYS CONSERVATION OF FUEL IS IMPERATIVE AT NAVAL SHORE ESTABLISHMENTS

Conservation of all types and kinds of fuel—solid, liquid, and gaseous—by naval shore establishments throughout the United States is imperative, Secretary of the Navy James Forrestal said in a letter to all naval shore establishments.

The Secretary stated that drastic measures to conserve fuel were necessary because of the critical shortages brought on by increased requirements for industrial power, movements of increasing quantities to the expanding theaters of war, a decrease in production in some areas and, in some instances, insufficient transportation facilities.

"On the Pacific coast the demand for oil is much greater than the producing ability of the supplying oil well areas," the Secretary's letter said. "A critical supply situation already exists, and it is anticipated that it will become increasingly difficult to meet the deficit in actual wartime demands from outside sources. This is particularly true in the States of Oregon and Washington.

"In the Appalachian area (New York, Pennsylvania, Maryland, Virginia, West Virginia, and eastern Ohio) the supply of natural gas is particularly critical.

"Along the Atlantic seaboard it is anticipated that during the next heating season the supply of screened or prepared sizes of bituminous and anthracite coal will be extremely short."

Constant coordination with the appropriate fuel agencies in Washington, and the proper selection of the most available fuel is vital, Secretary Forrestal pointed out. He also stated that all shore activities must take appropriate action immediately to place all heating and power plants in condition for efficient operation.

REGIMENTATION RAMPANT

THE FARMER

Mr. MOORE. Mr. President, a few days ago I received a letter from the president of the board of agriculture of a southwestern State. The writer of the letter is a Democrat. The Governor of his State is a well-known top-flight new dealer. The letter is a significant reaction of the farmers to the present administration's agricultural program, which has resulted in an almost complete destruction of the constitutional rights of the States. It is indicative of the deep-seated public yearning to recapture constitutional freedom and terminate once and for all totalitarian government in America. Among other things, this Democratic officeholder observes:

"There is a growing feeling in the State that the State's rights are continually and increasingly being usurped by the Federal Government. Naturally this has been helped by the war emergency, which makes it necessary for the Federal Government to step in and do things that it would not ordinarily do in peacetime, but I hear increasing complaints from the farmers as to Federal agencies not only usurping the rights of the State but also of the farmers, thereby killing their independent spirit. Hundreds of farmers have asked me personally, and have written to me saying that they wished the State had a part in administering the several agricultural programs so that they could be administered more carefully and accurately. They complain constantly about red tape."

Following are some of the suggestions which this State official tells me are coming from farmers all over his State:

First. Cotton classing, which is now being done by the Federal Government, should be done at least cooperatively with the State department of agriculture.

Second. All marketing and grading of agricultural commodities should be supervised by representatives of the individual States, who will control programs.

Third. Members of committees should be persons other than Federal employees. All county war boards should have persons on them who are not employed and paid by the Federal Government, thereby having a membership whose judgment would not be biased by Federal dictation.

Fourth. All comments finally resolve into one general feeling, namely, that where it is necessary for the Federal Government to aid financially, it ought not to necessitate controlling the fiances, but should be given to State committees and administered without Federal dictation.

Fifth. There is also a strong indication that the people feel that the United States Department of Agriculture is trying to bypass the States in carrying on agricultural programs, and that they feel that the State should be a part of every one of these programs that are necessary. They feel the only way to remedy this is to reduce the appropriations of the United States Department of Agriculture so that they will not have so many employees out in the several States.

Sixth. They also feel, and in this I heartily concur, that the United States Department of Agriculture should be a policy-making division of our Federal Government, and that it should be done in cooperation with the States' agricultural programs, leaving the administration of the States' program in the hands of the States' authorities on a cooperative basis.

This gentleman goes on to say that in his opinion:

As soon as the war is over there will be a general reaction to Federal control and a definite swing toward States' rights, and frankly—

He says—

I hope that this condition prevails.

The last report of the Joint Committee on Reduction of Nonessential Federal Expenditures, of which the distinguished Senator from Virginia [Mr. BYRD] is chairman, discloses more than 80,000 employees in the Department of Agriculture. Those employees are swarming through the States directing and ordering our rural population about in total disregard to State laws and the State agricultural programs. Every activity down to the very personal lives of the farmers of the country has been regimented to the *n*th degree. They resent it and, in my opinion, the revolt is on.

The complaint of the farmers of America, as expressed by this southwestern Democratic officeholder, can be repeated in every phase of our national life.

LABOR

Through the National Labor Relations Act the arbitrary, unfair, and discriminatory regulations and rulings of the National Labor Relations Board, backed up by a hand-picked Rooseveltian Supreme Court have operated to completely regiment the laboring man, destroy his legitimate union activities and hamstring his employer. Now, under the guise of war necessity, the War Labor

Board has delivered both labor and management into the hands of the labor racketeers. No longer in America are men free to work without paying tribute to the racketeers of labor through enforced union membership, even against the will and the desire of the individual worker.

Although it was apparent that the Congress was opposed to a National Service Act for drafting and enslaving labor, the will of Congress is of no concern to the New Deal Government and its palace guard advisers. The War Manpower Commission has now issued regulations and directives more drastic and more far-reaching than even those contained in the proposed National Service Act. The New Deal has again shown its contempt for the will of Congress and has proceeded with its usual program of legislating the law, enforcing the law, and meting out punishment for what some bureaucrat may deem to be a violation.

THE BUSINESSMAN

Under the O. P. A. and the guise of wartime emergency the American businessman and industry in general have been reduced to a state of serfdom.

During the debate on the O. P. A. bill in the Senate on last Friday, I charged that there had been a dishonest application of the Emergency Price Law, that is had resulted in a deluge of black markets, severe inflation, and was threatening to lead the country into the most serious inflationary period of its history. The Senator from Connecticut rose to defend the honesty and integrity of his personal friend, Chester Bowles. The majority leader declared that it was absurd to say there was serious inflation or that we were threatened with serious inflation.

The Senator from Connecticut apparently was content to protect Mr. Bowles but ventured no defense of the application of the price law. In fact, he admitted that there had been "some mistakes". Likewise, the Senator from Kentucky contented himself with the mere denial that there was inflation.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. MOORE. I yield.

Mr. MALONEY. Let me briefly do it now, and let me also point out that in his statement, to which the distinguished Senator referred, he said that O. P. A. should be abolished.

Mr. MOORE. I did not understand what the Senator said.

Mr. MALONEY. I was merely recalling the fact that during the course of the Senator's brief discussion the other day he advocated the abolition of the Office of Price Administration.

Mr. MOORE. I, of course, did not mean to attack the personal honesty of Mr. Bowles. I do insist, however, that the administration of the price-control law has been a miserable failure. There can hardly be a better example of a break-down in public morals than that developed under O. P. A. Mental dishonesty has pervaded the entire set-up.

The second intermediate report of the Select Committee to Investigate Executive Agencies under House Resolution 102, submitted on November 15, 1943, stated:

The committee also recognizes the necessity in the war period for the exercise of extraordinary governmental action to mobilize the economic as well as the military resources of the Nation, and to direct them toward the winning of the war.

But there are right and wrong ways to accomplish these purposes.

The right way is through the operation of the legislative, executive, and judicial functions of democratic government within the confines of constitutional limitations.

The wrong way is by the usurpation of those functions by executive agencies through misinterpretation and abuse of powers granted them by the Congress and the assumption of powers not granted.

Failure to observe this simple formula is fatal to that mutual confidence that must exist between the legislative and executive branches for the successful operation of either.

Distrust of the good faith of the executive department in interpreting the powers granted will inevitably discourage and deter Congress from delegating those powers essential to the efficient functioning of government.

The committee finds that the Office of Price Administration *has assumed unauthorized powers to legislate by regulation and has, by misinterpretation of acts of Congress,* set up a Nation-wide system of judicial tribunals through which this executive agency judges the actions of American citizens relative to its own regulations and orders and imposes drastic and unconstitutional penalties upon those citizens, depriving them in certain instances of vital rights and liberties without due process of law. This *seizure* of judicial and legislative functions of government by the Office of Price Administration is traced in detail in the following pages.

In Report No. 808, part 1, of the House Interstate and Foreign Commerce Subcommittee, pursuant to House Resolution 98, investigating O. P. A.'s regulations and restrictions on brand names and grade labeling, released in October 1943, it is said:

The official reason advanced by Office of Price Administration for the issuance of MPR 306 with its original mandatory grade-labeling provision was that such a system would be necessary to enforce the Office of Price Administration ceilings on processed foods. While witnesses before the subcommittee conceded that this enforcement reason was "superficially plausible," they contended that whoever in the Office of Price Administration was responsible for this grade-labeling requirement has no conception of the fundamental effect of such a requirement on the food economy of this country; and it was an *irresponsible* action to promulgate what amounts to fundamental marketing reform, without thoroughly investigating it and finding out whether it is a sound thing to do.

During the brief period from April 3, 1944, to May 24, 1944, the O. P. A. and the W. P. B. have issued 23 orders and press releases relaxing or promising the relaxation of certain rationing regulations. These relaxing orders and promises of relaxations include lard, frozen fruits and vegetables, shortening and salad oils, canned vegetables, butter, oleomargarine, fresh and canned meats, tires, gasoline, typewriters, stoves, clothing for children, electric ranges, ice refrigerators, cooking utensils, galvanized ware, alarm clocks, bedsprings, umbrellas, electric irons, telephones, passenger automobile production, electric fans, and other commodities in demand by civilian consumers.

These relaxing orders and promises of relaxations, coming at a time when the American public is poised for a national election, carry with them a political significance which cannot be ignored.

The public will remember that on April 4, 1944, Mr. Bowles, in a coast-to-coast radio hook-up, told the housewives of the country that—

If I were going to make a guess on the civilian supply of meat for the next few months, I'd say there would be a little less in May, June, July, and August, with a stepping up of the supply again in the fall.

On May 3, 1944, all rationed meats, except steaks and roasts, were relieved from rationing regulations. At the same time rationing regulations were removed from canned vegetables and frozen fruits and vegetables, the Department of Agriculture, through its Bureau of Agricultural Economics, was on record with a report that—

Per capita civilian supplies of canned vegetables during the 1943-44 season are indicated to be only about four-fifths as large as the quantity consumed during 1942-43.

The spectacle of empty meat counters when our stock pens and storage facilities are bulging with cattle and hogs is a national scandal. The mishandling of the feed situation has caused discontent and distrust, and his disgusted the cattlemen and farmers of the country. In recent weeks there has been a wholesale dumping of beef cattle on the market, because of the fear of the reaction of O. P. A. regulations in the cattle business.

Hundreds of our dairies have been driven out of business. Even the Secretary of the Treasury has admitted that he was forced out of the dairy business. Eggs are a glut on the market today because of this governmental effort to "stiff arm" the law of supply and demand. And, incidentally, I wonder if we have forgotten the silly regulations of the O. P. A. such as the bread-slicing order and the maximum price orders for marbles, tops, and other children's toys, which items, I understand, have recently been released from the price regulations.

It is well known that the O. P. A. has from the beginning been largely composed of "parlor pinks" and draftees from the Communist Party, the League for Industrial Democracy, and other leftist groups.

A former employee in speaking of the personnel of the Office of Price Administration has written me as follows:

From my daily contacts with many of these people for more than a year, I was driven reluctantly to the conclusion that their one aim and purpose was to set up a system of controls that would be a permanent institution, so that they would have safe berths at fat salaries as career boys in the new regimented State, for the rest of their lives. One of these young "economists," a recent graduate of the Harvard School of Business, put it very clearly in the following words:

"This war is giving us the perfect opportunity to perfect our technique of control, so that when the war is over we will have

the businessmen just where we want them and we can then continue the O. P. A. as a permanent institution."

George W. Doffing, a former price executive of the Petroleum Branch of O. P. A., when attention was called to the need for prompt action to prevent the plugging of certain oil wells and the loss of production, is quoted as having said:

A high mortality rate is expected among the small marginal producers, and that will be all to the good. A few big operators rather than a raft of small inefficient ones is a much better situation for us, from the price control viewpoint.

I do not believe that even the most ardent supporters of the emergency price law visualized the possibilities for such arbitrary action when it was originally enacted. The many safeguards and prohibitions proposed by the Congress against the use of arbitrary power by those entrusted with the application of the law offer ample proof that the act has been unwisely and improperly administered. The attempt of the Price Administration to set itself up as judge, jury, and prosecutor is sabotage of our American constitutional principles. The emergency price law, in my opinion, never extended such power to the Administrator and his deputies, and I do not believe that it was the intent of Congress to delegate such uncontrolled authority.

The black-market situation is common knowledge to every citizen. We all know that this or that commodity may be had by paying the price and becoming a participant in a bootlegging transaction. Financial authorities are appalled at the fact that in excess of $21,500,000,000 in currency is now afloat in the country. This vast amount of cash is an increase of more than 250 percent over the amount in circulation in 1940, and is $15,500,000,000 more than the $5,900,000,000 average for the 11-year period covered by the fiscal years 1930–40, inclusive.

What is the explanation of the demand for this excessive amount of currency? There are many bankers who feel that the explanation lies in the fact that we actually have on our hands a black-market economy, and black-market operations are carried on as cash transactions. Incidentlly, such transactions are not usually reported for tax purposes. I am convinced that to a large extent the price control law is responsible for this inflationary flood of currency.

The manner in which the Emergency Price Control Act has been applied by the O. P. A. has saddled upon us an army of black-market operators and bootleggers. The people resent the failure of their Government to have confidence in their patriotism. The reaction to the arbitrary and capricious application of O. P. A. regulations is psychologically the same as that which destroyed the respect of our people for the prohibition law.

UTILITIES

Regulation of our utilities, together with the destiny of hundreds of thousands of utility employees and investors, has been wrested from the States by this gargantuan central government through the machinations of the Federal Power Commission. Not only has this Commission garnered unto itself the control of the utilities of the country, but it has worked with and aided numerous New Deal agencies with communistic ideologies that have been active in destroying our utility investments and setting up a system of Government-owned and financed power projects, in competition with all private endeavor in this field of commerce.

At this time the nomination of Mr. Leland Olds, as Chairman of the Federal Power Commission, for another term is being considered by a subcommittee of the Senate Committee on Interstate Commerce. In the last few days I have received protests and statements from numerous State utility commissions flatly charging that the activities of the Federal Power Commission under Mr. Olds have been such as to destroy the power and the authority of the States to regulate their own intrastate business.

OIL

The regimentation of the all-important oil industry and its hundreds of thousands of employees and the attempt to render this great industry impotent by the maintenance of subnormal prices and through a well-organized propaganda campaign that we were running out of oil as a background for launching this country upon a program of imperialism in the field of foreign oil has been exposed on the floor of both Houses of Congress.

THE LAND GRAB

The rate at which the New Deal Government is destroying the vigor of the States by buying up the surface area of our country has been exposed by the Byrd Economy Committee and others. Already in excess of 21 percent of the surface area of the States is owned by the Central Government. Much of this land was acquired by communistic agencies of the New Deal regime. For example, the Farm Security Administration acquired almost a million acres of land in 36 States and the Virgin Islands for the purpose of creating communal farms. Over 98,000 acres of land were acquired for this purpose in Alabama, in excess of 83,000 acres in Arkansas, 82,000 acres in Georgia, nearly 61,000 acres in Minnesota, 52,000 acres in Mississippi, over 50,000 acres in Montana, nearly 70,000 acres in North Carolina, 41,000 acres in South Carolina, nearly 67,000 acres in Texas, 25,000 acres in Oklahoma, over 30,000 acres in New Mexico, and nearly 36,000 acres in Louisiana.

A similar program among the Indians was attempted by the Commissioner of Indian Affairs, and large purchases of land were made for communal Indian reservations. According to a recent statement of the chairman of the Indian Affairs Committee of the Senate the program has been a failure and distasteful to the Indians.

No segment of our people has been overlooked in the blitzkrieg of regimentation under which we have suffered during the past 11 years.

INSURANCE

An assault upon the insurance business and its sixty-odd million policyholders by the centralized New Deal Government has now been assured by a four-Judge decision of the Supreme Court of the United States, in the case of United States against South-Eastern Underwriters Association, decided June 5, 1944. It was there held that insurance transactions constitute commerce among the several States, so as to make them subject to Federal regulation under the commerce clause of the Federal Constitution and subject to the provisions of the Federal antitrust laws. Thus a 75-year precedent that insurance transactions were intrastate in character and subject to the regulations of the particular States in which such transactions were carried on was reversed and the door opened to another avenue of regimentation for the new dealers.

This is the first time in history that a minority of the Supreme Court justices has reversed an important precedent. It is the first time that a minority has assumed the responsibility of ruling on a question of constitutionality. Under the rules of the Supreme Court, four out of the nine Justices may render a decision, but in all the history of the Court the Justices have refrained from exercising that prerogative on the theory that it was improper for a minority to act on questions of such importance.

The opinion was written by Justice Douglas and concurred in by Justices Black, Murphy, and Rutledge. It is now perfectly apparent that the insurance departments of the 49 States are to be rendered powerless and the life- and fire-insurance business and the millions of policyholders are to be regulated by the New Deal bureaucracy.

For a long time it has been evident that there was a desire on the part of the new dealers to bring the insurance business under the domination of the Federal Government in order that the control of the large funds involved might be put at the disposal of the bureaucracy. The opening of this latest avenue of the destruction of State rights, in my opinion, portends the most far-reaching step in all of the history of the New Deal.

TAXATION

Over and above all this driving effort to destroy the constitutional rights of the States and render them vassals of a super-New Deal Government is the almost unbearable burden of taxation, a burden that has steadily grown year by year for the past 11 consecutive years, a burden that is so great that it is destroying the profit incentive of our people. The present rate of income and excess-profits tax in some cases amounts to confiscation. The excess-profits tax is encouraging some of our corporate enterprises to engage in foolish and unprofitable investments on the grounds that the Government is in fact paying for such foolish and imprudent expenditures if the taxable income is reduced. Such unsound course is depriving the Government of a large legitimate tax upon the wealth and income of our country, and

will in the end defeat our ability to repay the staggering national debt under which we labor, and will eventually deprive us of the ability to continue to pay the operating cost of government.

It is, of course, realized that to a large degree the national debt stems from the war, but long before the currents of war were running, the New Deal Government had launched itself upon a financial program that was destined for certain disaster. Federal expenditures rose from less than four billion in 1933 to over eight billion in 1937, or about 110 percent. Over the same period the national debt jumped from twenty-two and one-half billion to nearly thirty-six and one-half billion, or an increase of 60 percent. In this 4-year period tax collections on incomes increased from $746,000,000 to over two billion, or approximately 200 percent, while the national income increased only about 70 percent.

It is indeed a sorry spectacle to which the third administration of the New Deal has brought us. It is a discouraging travesty upon history that the American people are being asked to continue the New Deal government for a fourth term. It is disheartening to witness an administration that uses the war for political position, when the simple statement of the leader of that administration that he would not be a candidate for reelection to office would unify the unlimited strength of this great Nation for final and complete victory in this awful war. But I have confidence in the integrity and intelligence of our people to throw off the yoke of regimentation and to return to constitutional government—the greatest blueprint ever devised for self-government. The native genius of our people and the mass productive powers of our country, if and when given the freedom of action and self-government contemplated by the Constitution, can and will survive this dark page of history.

Mr. MALONEY subsequently said: Mr. President, I am prompted, largely by the speech of the able Senator from Oklahoma [Mr. MOORE] to read into the RECORD at this point a newspaper item which I think is of special interest, and which is very pleasing to me, and I believe also to the people of my State. It is an Associated Press article which appeared in the newspapers of June 11. It is dated at Springfield, Mass., and reads as follows:

SPRINGFIELD CLUB GIVES AWARD TO CHESTER BOWLES

SPRINGFIELD, MASS., June 10.—The Springfield Advertising Club has bestowed on Price Administrator Chester Bowles its William Pynchon award, presented to a Springfield native who has performed outstanding service.

The citation accompanying the award said in part that the organization believed "that the great majority of the American people feel that he has done a good job courageously and efficiently."

The award was made by the William Pynchon trustees and accepted in the absence of Bowles by his cousin, Richard Hooker, publisher of the Springfield Republican.

I should like to add—and only because of the statement of the Senator from Oklahoma—that I think this expresses the sentiment of an overwhelming majority of the American people.

THE LANDING IN FRANCE

Mr. DAVIS. Mr. President, since the morning of D-day, when the Allied soldiers stormed ashore on the seacoast of Normandy, there to wrest a beachhead from the Nazi defenders, we in America have received much news. But, it has not been the down-to-earth, eyewitness type of description which is the only type of news that can even begin to convey to us the terrific ordeal which our men underwent in order that the liberation of Europe might be realized.

There is one American correspondent who has traveled with our troops across Africa, through Sicily, and into Italy. He is now stationed with our troops on the beachhead in France. His writings, more than the writings of any other man, have served to bring home to us the real import of this war and the real suffering and hardship which our boys must undergo and are undergoing before victory may be attained.

I speak now of Ernie Pyle, whose daily column appears in many newspapers throughout the land, and whose factual, down-to-earth, descriptive writings serve to impress us fully with the bitter carnage that is war.

In today's Washington News, on the front page, in bold type, Pyle's column is entitled "This Is the Way It Was." In that column, for the first time to my knowledge, is described the bitter, almost incredible destruction which took place during the early landings on the coast of France.

Mr. President, every man and woman in America should read that column. Then he or she should ask the Almighty to watch over our boys, for truly they are engulfed in a living hell, the like of which we at home cannot imagine.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks this article by Ernie Pyle, as a tribute to the courage, tenacity, and skill of our fighting men, and as a reminder to all of us here at home that we can never begin to approach the standards of service and sacrifice of those who now carry on the fight on the far-flung battle fronts of the world.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THIS IS THE WAY IT WAS

(By Ernie Pyle)

NORMANDY BEACHHEAD, D-DAY PLUS TWO.—I took a walk along the historic coast of Normandy in the country of France.

It was a lovely day for strolling along the seashore. Men were sleeping on the sand, some of them sleeping forever. Men were floating in the water, but they didn't know they were in the water, for they were dead.

The water was full of squishy little jellyfish about the size of your hand. Millions of them. In the center each of them had a green design exactly like a four-leaf clover. The good-luck emblem. Sure. Hell, yes.

I walked for a mile and a half along the water's edge of our many-miled invasion beach. You wanted to walk slowly, for the detail on that beach was infinite.

The wreckage was vast and startling. The awful waste and destruction of war, even aside from the loss of human life, has always been one of its outstanding features to those who are in it. Anything and everything is expendable. And we did expend on our beachhead in Normandy during those first few hours.

For a mile out from the beach there were scores of tanks and trucks and boats that you could no longer see, for they were at the bottom of the water—swamped by overloading or hit by shells or sunk by mines. Most of their crews were lost.

You could see trucks tipped half over and swamped. You could see partly sunken barges and the angled-up corners of jeeps and small landing craft half submerged. And at low tide you could still see those vicious six-pronged iron snares that helped snag and wreck them.

On the beach itself, high and dry, were all kinds of wrecked vehicles. There were tanks that had only just made the beach before being knocked out. There were jeeps that had burned to a dull gray. There were big derricks on caterpillar treads that didn't quite make it. There were half-tracks carrying office equipment that had been made into a shambles by a single shell hit, their interiors still holding their useless equipage of smashed typewriters, telephones, office files.

There were LCTs turned completely upside down, and lying on their backs, and how they got that way I don't know. There were boats stacked on top of each other, their sides caved in, their suspension doors knocked off.

In this shore-line museum of carnage there were abandoned rolls of barbed wire and smashed bulldozers and big stacks of thrown-away life belts and piles of shells still waiting to be moved.

In the water floated empty life rafts and soldiers' packs and ration boxes, and mysterious oranges.

On the beach lay snarled rolls of telephone wire and big rolls of steel matting and stacks of broken, rusting rifles.

On the beach lay, expended, sufficient men and mechanism for a small war. They were gone forever now. And yet we could afford it.

We could afford it because we were on, we had our toehold, and behind us there were such enormous replacements for this wreckage on the beach that you could hardly conceive of their sum total. Men and equipment were flowing from England in such a gigantic stream that it made the waste on the beachhead seem like nothing at all, really nothing at all.

A few hundred yards back on the beach is a high bluff. Up there we had a tent hospital and a barbed-wire enclosure for prisoners of war. From up there you could see far up and down the beach, in a spectacular crow's-nest view, and far out to sea.

And standing out there on the water beyond all this wreckage was the greatest armada man has ever seen. You simply could not believe the gigantic collection of ships that lay out there waiting to unload.

Looking from the bluff, it lay thick and clear to the far horizon of the sea and on beyond, and it spread out to the sides and was miles wide. Its utter enormity would move the hardest man.

As I stood up there I noticed a group of freshly taken German prisoners standing nearby. They had not yet been put in the prison cage. They were just standing there, a couple of doughboys leisurely guarding them with tommy guns.

The prisoners, too, were looking out to sea—the same bit of sea that for months and years had been so safely empty before their gaze. Now they stood staring almost as if in a trance.

They didn't say a word to each other. They didn't need to. The expression on their faces was something forever unforgettable. In it was the final horrified acceptance of their doom.

If only all Germany could have had the rich experience of standing on the bluff and looking out across the water and seeing what their compatriots saw.

WAR BOND SALE AND DANCE UNDER AUSPICES OF CAPITOL PAGES

Mr. STEWART. Mr. President, I desire to call attention at this time to the fact that on the 19th of June the pages of the Senate and the House of Representatives will conduct another War bond and War stamp sale and dance in the new ballroom of the Shoreham Hotel. I take pleasure in making this statement, for the reason that the youngsters both on this side of the Capitol and on the other side have been lending their energies to the drive to sell War bonds and War stamps. Once before they gave a similar dance at the Shoreham Hotel. In that drive they sold several thousand dollars' worth of War bonds.

Members of the Senate on both sides of the aisle have an interest in the activities of the pages. These youngsters—I say "youngsters," although in the main they are boys of the ages of approximately 12 or 14 years, and some are a little older—constitute a group of young men of whom both Houses of Congress and the whole Nation, as a matter of fact, may well be proud.

This act on their part is a patriotic one. I think we would do well to lend whatever assistance we can to aid and encourage them in their efforts in this respect.

We have seen a number of the youngsters from this Chamber enter the armed forces during the past 2 or 3 years since the war started. We have seen, and I myself have seen in the 5 or 6 years I have been here, boys who came here as little fellows in knee pants, boys who then were approximately 12, 13, or 14 years of age, or at about that tender period of life, become old enough to be equipped with guns and join the American Army. Many of them, boys who were here even a short 2 or 3 years ago serving us in this Chamber, are now in the armed forces.

The younger ones, who because of their tender years are not yet able to join the armed forces, are making this contribution as a patriotic endeavor to help as much as they can in the war effort. I commend them for it. I hope it will be possible for the Members of the Senate not only to attend the dance which this group of youngsters is giving, but to do other things which come our way, so as to give them encouragement in their patriotic endeavor.

APPROPRIATIONS FOR WAR AGENCIES

The Senate resumed consideration of the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The clerk will state the first committee amendment passed over.

The LEGISLATIVE CLERK. On page 10, line 5, after the word "out", it is proposed to strike out "the" and insert "any."

Mr. MEAD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	Pepper
Austin	Gillette	Radcliffe
Ball	Gurney	Reed
Bankhead	Hatch	Revercomb
Barkley	Hawkes	Reynolds
Bilbo	Hill	Robertson
Brewster	Holman	Russell
Bridges	Johnson, Colo.	Shipstead
Buck	Kilgore	Stewart
Burton	La Follette	Taft
Bushfield	Lucas	Thomas, Idaho
Butler	McClellan	Thomas, Okla.
Byrd	McFarland	Thomas, Utah
Capper	McKellar	Truman
Chavez	Maloney	Tunnell
Connally	Maybank	Vandenberg
Cordon	Mead	Wagner
Danaher	Millikin	Wallgren
Davis	Moore	Walsh, N. J.
Downey	Murdock	Weeks
Eastland	Murray	Wherry
Ellender	O'Daniel	White
Ferguson	O'Mahoney	Wiley
George	Overton	Willis

The PRESIDING OFFICER. Seventy-two Senators have answered to their names. A quorum is present.

APPROPRIATIONS FOR CIVIL FUNCTIONS ADMINISTERED BY THE WAR DEPARTMENT—CONFERENCE REPORT

Mr. THOMAS of Oklahoma submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4183) making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 4.

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same.

The committee of conference report in disagreement amendments numbered 1, 2, 3, 5, 6, 7, 8, and 9.

ELMER THOMAS,
CARL HAYDEN,
JOHN H. OVERTON,
RICHARD B. RUSSELL,
CHAN GURNEY,
C. WAYLAND BROOKS,
Managers on the part of the Senate.

J. BUELL SNYDER,
JOHN H. KERR,
GEORGE MAHON,
D. LANE POWERS,
ALBERT J. ENGEL,
FRANCIS CASE,
Managers on the part of the House.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent for the present consideration of the conference report.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. WHITE. Mr. President, my attention was distracted. To what does the conference report relate?

Mr. THOMAS of Oklahoma. It is a conference report on the bill making appropriations for the civil functions of the War Department. It is a partial report. The conferees have come to an agreement on a few amendments, and there are some amendments still in disagreement. I am asking for the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4183, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 15, 1944.

Resolved, That the House recede from its disagreement to the amendments of the Senate Nos. 2 and 6 to the bill (H. R. 4183) making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes, and concur therein; and

That the House insist upon its disagreement to the amendments of the Senate Nos. 1, 3, 5, 7, 8, and 9 to said bill.

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate further insist on its amendments numbered 1, 3, 5, 7, 8, and 9, request a further conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate at the further conference.

The motion was agreed to; and the Presiding Officer appointed Mr. THOMAS of Oklahoma, Mr. HAYDEN, Mr. OVERTON, Mr. RUSSELL, Mr. BAILEY, Mr. REYNOLDS, Mr. BRIDGES, Mr. GURNEY, and Mr. BROOKS conferees on the part of the Senate at the further conference.

APPROPRIATIONS FOR WAR AGENCIES

The Senate resumed the consideration of the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 10, line 5.

Mr. RUSSELL. What is the amendment, Mr. President?

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 10, line 5, after the word "out", it is proposed to strike out the word "the" and insert "any."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. RUSSELL. Mr. President, I do not intend to object to the amendment. However, I wish to point out to the Senate that these amendments, to my mind, are absolutely futile and of no effect. When I suggested in the Appropriations Committee that the action of the committee in approving this appropriation and, therefore, giving recognition to an agency which was the creature of an Executive order and which had proceeded to exercise powers which can be conferred only by legislative action, the committee sought to throw a cloak around any violation of constitutional procedure by making it appear that it

appropriated only for any functions lawfully vested in this agency by the Executive order. Of course, the words are absolutely meaningless. The Committee on Fair Employment Practice has already adopted a method of procedure, it has already enunciated lengthy rules and regulations, it has defined the limits of its own powers, it has assumed to cite employers and organizations and labor unions of employees before it, and it has abrogated existing contracts between employers and employees. It has assumed the right to impose sanctions upon employers by withholding from such employers Government contracts. The words proposed to be inserted are nothing more than a pious hope that the committee will abandon the policy it has already adopted, and which it has asserted it intends to continue to pursue. Instead of saying it is a pious hope, perhaps I should have said it is merely a pious fraud, and affords some protection to Members of Congress who intend to vote for this item while holding their noses. When the committee asserts all these powers over an employer, they will be able to say, "Well, I voted for an amendment to confine it to the law."

It is nothing more than a fraud, and will be readily recognized as such, because the Committee on Fair Employment Practice has already outlined its procedure and defined its rules and the extent of its powers. The amendment will not limit its functions in any way whatsoever.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 10, line 5, striking out the word "the" and inserting "any."

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, on page 10, line 5, after the word "functions", to insert "lawfully."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, on page 10, line 8, to strike out the figures "$10,000" and insert "$8,000."

The amendment was agreed to.

Mr. RUSSELL. Mr. President, I desire to call up the amendment which yesterday, at my request, was ordered to lie on the table and to be printed.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 10, it is proposed to strike out all the matter appearing on that page between lines 3 to 16, inclusive, under the heading "Committee on Fair Employment Practice."

Mr. RUSSELL. Mr. President, in my opinion, the action of the Senate on this amendment will be as significant and as far reaching in its consequences as any vote which is likely to be taken in this body for a long time. I hope the amendment may be decided strictly on the merits of the issue involved. I trust that all members of the Senate will examine this question without prejudice. I earnestly pray that we may reach a decision on the basis of proper constitutional procedure, rather than of political expediency.

Not a great deal of money is involved in this amendment; only $500,000 is involved, and that is a small sum of money, as appropriations go today. But the question here involved goes to the very fundamentals of a republican form of government.

Today the American people are concerned—and they have reason for their concern—over the present trend toward a stronger centralized bureaucratic government in Washington. It has been necessary for us to delegate vast powers to the President of the United States in order to enable us to carry on the war. No one objects to the creation of agencies to implement those powers. It is expected that those powers will be recaptured by the people and by their representatives after the war has come to an end. But the question of the application of war powers is not involved in the pending amendment, as it is not involved in some other agencies which have been created by Executive proclamation.

The people have been critical of the Congress because of the assumption of powers by bureaucratic agencies which were not delegated to them. Members of Congress have stated time after time that the powers which the agencies have sought to exercise were not involved in legislation which Congress had enacted.

The method of administration of some of these powers has been irritating to the people. Many Members of Congress have complained against the tendency of the executive branch of the Government to encroach upon the constitutional powers of Congress. Fears have been expressed that the tripartite division of powers contemplated by the founding fathers with reference to the executive, the legislative, and the judicial branches of the Government was gradually being eliminated and that a large part of all powers affecting the rights, liberties, and means of livelihood of 135,000,000 people were gradually being centralized and concentrated in the executive. No person who is interested in maintaining the powers of the Congress could fail to be concerned with the authority which is being asserted by the boards, bureaus, and agencies which have been created by fiat or by proclamation. Many of those agencies were created without reference to the war effort, and were vested with broad powers without the approval of Congress ever having been given. The creation of some agencies has been necessary for the conduct of the war, but some of the powers which have been assumed by the war agencies were never contemplated by the Members of the Congress and were never enacted into law.

Mr. President, I am a Democrat. I am proud of the achievements of my party. Nevertheless I have never believed that the President of the United States was vested with one scintilla of authority to create by an Executive order an action agency of Government without the approval of the Congress of the United States. I would hold that belief were the President a Republican or a Democrat, because the idea of an action agency being created by the proclamation of one man, an agency which can go into the business of the American people and affect them in their daily lives and in their homes—as I say, the idea of such an agency being created by one man, whatever his position may be, is to me entirely repugnant and inconsistent with the whole philosophy of a democracy, a republican or any other representative form of government.

Mr. President, to combat the tendency to create action agencies by Executive order is no new move on my part. For several years I have endeavored by amendments to appropriation bills to confine the powers of agencies created by Executive orders to the functions which have been delegated to the executive branch of the Government by the Congress. I have known of no other way in which to reach those children of the executive branch of the Government. I know no way in which to do it except by the exercise of the power of the purse. I sometimes believe that the power of the purse is about the only power which still remains in the Congress of the United States.

I have offered amendments to curtail the agencies which have been created by Executive order, and for which Congress has denied appropriations. Agencies have been created which the Congress never recognized, but for which Budget estimates were submitted. Congress refused to appropriate, and yet, by an allocation of funds from some other appropriation, those agencies were kept in existence. Three years ago I offered an amendment of the kind to which I have just referred. Senators are familiar with the amendment which I offered to the recent independent offices appropriation bill, an amendment which has been agreed to by both branches of the Congress. The amendment would require each of the executive agencies to come to Congress for an appropriation if its personnel were to receive any funds from the Public Treasury.

Mr. President, the amendment which we are asked to ratify by placing upon it our seal of approval, involves an agency which was created by an Executive order. The powers this agency asserts cannot be defined by a single Member of the Senate.

This appropriation for the Committee on Fair Employment Practice provides the acid test of the sincerity of the pledges and assurances which were given by the Members of this body of their intent to restore and recapture the powers of the Congress to legislate. We shall never have before us a cleaner and more clear-cut issue between a government of law and a government by men. I use the words "acid test" advisedly, because I am well aware of the forces which are supporting this creature of an Executive order, and demanding that the requested appropriation be approved.

I recognize that if political expediency is to dictate the action to be taken here, it will be very difficult to vote against the appropriation. It has the wholehearted support of the Congress of Industrial Organizations and its political action committee. In fact, my investigation of the committee has almost caused me to conclude that it is but an adjunct of the C. I. O. It has the support of other powerful minorities in this country of whom some people stand in fear because in some States those minorities are supposed to hold the balance of political power.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WHERRY. Mr. President, the Senator is about to leave the point which he has made concerning the creation of various Government agencies by Executive order rather than by law. I should like to ask him if he is basing his objection to the agencies on the ground that no substantive law has been established to create those agencies. Is that his point?

Mr. RUSSELL. That is my substantial objection.

Mr. WHERRY. Am I to understand that if Congress approves the appropriation requested in this bill the Senator will feel that such action on the part of the Senate will be a sanction and approval of the agency under discussion, whether established by substantive law or not?

Mr. RUSSELL. During the course of my remarks I shall undertake to show the nature of the agency which we are asked to approve, and explain some of the rights and powers which it has asserted. I shall also try to explain some of the fields in which the agency has been operating. The approval of this appropriation will be an endorsement of all acts of this so-called F. E. P. C.

Mr. WHERRY. I thank the Senator. I shall wait until the Senator does so, but in the meantime I wished to bring to his attention the point I raised concerning his attitude toward the creation of agencies by Executive order.

Mr. RUSSELL. During the course of my remarks I shall refer to the creation of an action agency of the Government by Executive order. The issue is one about which I have consistently implored Congress to assert its power by discontinuing the practice of creating action agencies by Executive order by denying appropriations for their support.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MURDOCK. Does the Senator take the position that the Committee on Fair Employment Practice is acting without any legal sanction, and that its actions are in violation of law?

Mr. RUSSELL. I most assuredly take that position, and stand squarely upon it.

Mr. MURDOCK. In other words, that the Congress has never authorized the President by any law it has passed to create such an agency. Is that the Senator's position?

Mr. RUSSELL. I should like to have the Senator cite me to any statute authorizing the creation of this agency.

Mr. MURDOCK. I am merely asking for information, and this question occurs to me: If the Senator's position is correct that there is no law under which this Committee could be appointed, what has happened at the General Accounting Office? Why is it that money which is being paid for the operations of the Committee is not held up by the General Accounting Office?

Mr. RUSSELL. If the Senator will permit me to proceed, I shall show to the Senate that the Comptroller General of the United States, an agency and an official who is supposed to represent the Congress of the United States to see that all expenditures made are lawful, has ruled that this agency does not have the powers it claims, but his ruling was overridden by a letter written by the President of the United States.

Mr. MURDOCK. Will the Senator yield for one more question?

Mr. RUSSELL. Yes; I yield to the Senator from Utah.

Mr. MURDOCK. I do not want the Senator to get the idea that I am at all critical of his position; I am asking for my information exclusively; but the question occurred to me that if there is no lawful authority for this committee certainly the Congress should be protected through the instrumentality it has created, which is the General Accounting Office. I hope the Senator will touch on that.

Mr. RUSSELL. I shall be happy to read the ruling of the Comptroller General that the President's order creating this board was only directive and not mandatory, whereupon the President of the United States addressed a letter to the Attorney General which, while it was couched in very polite language, said, in effect, that the Comptroller General did not know what he was talking about, had no rights in the matter, that the President's order to the Government departments was mandatory, and the ruling of the Comptroller General should be overruled. I shall reach that subsequently in my remarks.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MAYBANK. The Senator says, as I understand, that he expects to reach in a few moments during the course of his remarks the question of the ruling of the Comptroller General. I should like to ask the Senator if he also intends to touch upon the violation of law, not only by the payment of salaries but the violation by those on the committee themselves, as they admitted in their testimony, in the case of a Dallas, Tex., newspaper, when they cited an individual in Dallas and then admitted that they did not have the right to do it. Am I correct about that?

Mr. RUSSELL. This agency has operated in a very nebulous field and has assumed that it had any necessary powers in each individual case. The agency assumed that it could tell a newspaper, though it had no statutory standing in law but was a creature of the Executive to cease advertising of a certain kind. The case arose out of an advertisement for a colored man in the folding room of the Dallas News. Then, this agency, through its regional officer, issued a citation forbidding the Dallas News from stating in advertisements whether a person who was desired for employment was white or colored. The newspaper of course defied them. An issue was made in that case by the Dallas News, and other great newspapers of the country, apprehensive lest the freedom of the press would be abridged by this creature of Executive order, rallied to the support of the Dallas News. The F. E. P. C., which is very fluid in its operations, pressing when it feels it can win and retreating when it feels it will lose, closed the matter by saying that the regional director had exceeded his authority in citing the newspaper.

Mr. MAYBANK. Mr. President——

Mr. RUSSELL. I hope the Senator will permit me to proceed for a few minutes.

Mr. MAYBANK. Very well, I shall not interrupt the Senator.

Mr. RUSSELL. Mr. President, I have said this agency has political appeal, but, divested of that political appeal and considered naked and on its merits by the Congress, it is a perfect example of government by men in absolute derogation of law and without the slightest sanction of law. The very name, the Committee on Fair Employment Practice, does not appear in any act of Congress, and I defy any Senator to show an act, other than that which the Senate is now asked to approve, that even mentions the Committee on Fair Employment Practice. The almost unlimited powers which this agency has assumed have never been defined by the Congress. Its rules and regulations and its methods of procedure do not even pretend to be based upon any legislation enacted by the Congress. It claims the authority to render decisions and the right to enforce sanctions against legitimate business in this country, by canceling Government contracts, without even permitting the person who is cited before them the right of appeal. The Committee calls an individual in and tells him what he must do, what persons in his employ he must promote, and if he does not comply, then the agency cancels his Government contract, and there is no recourse whatever for the industry or the business that has been thus cited before the F. E. P. C. The Committee operates under rules and regulations of its own making and in many cases enforces its findings by sheer intimidation on the people with whom it deals. It conforms to no legislative standards whatever. It has even asserted the right and the power to amend, to modify, and even to repeal solemn acts of the Congress which have been upon the statute books for many years.

This Committee has been functioning since 1941. For its authority to enunciate all the broad rules and regulations

it issues, to cite thousands of people before it, to prescribe how plants shall be operated, to say who shall be promoted, and whom a businessman shall employ, it depends upon Executive Order No. 9346, issued May 27, 1943, which was an amendment to Executive Order No. 8802, issued June 25, 1941.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. REVERCOMB. The Senator has made a very grave charge in that this Committee has violated and transgressed the laws enacted by Congress. Does the Senator intend to be specific on that point?

Mr. RUSSELL. Yes; if the Senator will permit me to proceed, I shall give at least two examples which, if I understand the English language, show that the effect of orders or regulations of this Committee will be to repeal an act of Congress. I shall be glad to reach that in a moment.

Now, Mr. President, I want the Senate to hear read a part of the Executive order. We are asked to legislate in this kind of fashion and approve all that has been done in the past and all that may be done in the future by this Committee, and I venture to say not a half dozen Members of the Senate have read the Executive order which the Committee claims as the source of its authority. The order has the whereases, and whereases, of course, are something with which no person could quarrel. In brief, the whereases say that it is necessary to see that the manpower in the United States is utilized, and that there should be no discrimination in employment on account of race, creed, or ancestry of the person who is seeking employment. No one could complain of that. I have never yet seen any resolution so drafted that an argument could be provoked about the whereases. A Senator could introduce a resolution and say whereas "It is highly desirable to the future welfare of the American people that poverty be abolished," and no man would controvert that statement; but if the resolution proceeded in its resolving clause to say that all the wealth of the country should be equally divided among all the inhabitants of the United States, it would be a different question. Whereases, of course, are phrased so that no person could take exception to them, and so they will meet with almost unanimous approval. But getting away from the whereases and coming down to the body of the Executive order, I will read from it:

Now, therefore, by virtue of the authority vested in me by the Constitution and statutes, and as President of the United States and Commander in Chief of the Army and Navy, I do hereby reaffirm the policy of the United States that there shall be no discrimination in the employment of any person in war industries or in government by reason of race, creed, color, or national origin, and I do hereby declare that it is the duty of all employers, including the several Federal departments and agencies, and all labor organizations, in furtherance of this policy and of this order, to eliminate discrimination in regard to hire, tenure, terms or conditions of employment, or union membership because of race, creed, color, or national origin.

Mr. President, I wish to discuss that language for a moment. This refers to a national policy, and therefore assumes the President has the right to enforce such national policy. Being merely an old-fashioned believer in democratic government, I believe that the enforcement of a national policy of this nature requires the action of the Congress of the United States in some way, shape, form, or fashion.

This refers to the Constitution and statutes as the source of the authority. I challenge any Member of the Senate to rise on this floor and cite a single statute or provision of the Constitution which gives the President the right to enforce any such national policy through such a Committee as this.

It then refers to his general powers as President of the United States and Commander in Chief of the Army and Navy. So if there is any power at all, it is what was recently called, I believe, the aggregate of powers, a nebulous, illusive thing, on which no man can put his hand, and which no man can read because it has never been written or enacted by the Congress of the United States and cannot be found in the Constitution. Enforcement of this policy is based upon powers which no man can find in written law which has been granted by the Congress through the constitutional processes.

What, then, is to be the procedure, what, then, is to be the power of this creature which the President establishes in this order?

They follow:

It is hereby ordered as follows:

1. All contracting agencies of the Government of the United States shall include in all contracts hereafter negotiated or renegotiated by them a provision obligating the contractor not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin and requiring him to include a similar provision in all subcontracts.

2. All departments and agencies of the Government of the United States concerned with vocational and training programs for war production shall take all measures appropriate to assure that such programs are administered without discrimination because of race, creed, color, or national origin.

3. There is hereby established—

Senators, this is not an act of Congress I am reading, this is an Executive order:

There is hereby established in the Office for Emergency Management of the Executive Office of the President, a Committee on Fair Employment Practice, hereinafter referred to as the Committee, which shall consist of a chairman and not more than six other members to be appointed by the President. The chairman shall receive such salary as shall be fixed by the President—

This is not a statute, I again remind Senators; this is an Executive order—

the Chairman shall receive such salary as shall be fixed by the President, not exceeding $10,000 per year. The other members of the Committee shall receive their traveling expenses and, unless their compensation is otherwise prescribed by the President, a per diem allowance not exceeding $25 per day and subsistence expenses on such days as they are actually engaged in the performance of duties pursuant to this order.

4. The Committee shall formulate policies to achieve the purposes of this order and shall make recommendations to the various Federal departments and agencies and to the President which it deems necessary and proper to make effective the provisions of this order. The Committee shall also recommend to the Chairman of the War Manpower Commission appropriate measures for bringing about the full utilization and training of manpower in and for war production without discrimination because of race, creed, color, or national origin.

5. The Committee shall receive and investigate complaints of discrimination forbidden by this order.

Shall receive and investigate complaints of discrimination forbidden by this order.

It may conduct hearings, make findings of fact, and take appropriate steps to obtain elimination of such discrimination.

I ask Senators, in all sincerity, if there could be a more general statement of far-reaching powers in any form of democracy than that. It creates a quasi court. The Constitution says that all inferior courts shall be created by the Congress, but this creates a quasi court, with general power to tell any employer in this country whom he shall or shall not employ, and what employee he shall or shall not promote, as well as to attempt to invade an employer's plant and prescribe any rule or regulation the members may think necessary to stop anything that they choose to call discrimination within the plant. Before I conclude, I shall give some illustrations along that line.

I have read how the court is established, and that the members shall take any appropriate step they see fit to enforce their rulings. No provision is made for appeal by any employer, or by any labor union which may be brought before them.

Upon the appointment of the Committee and the designation of its Chairman, the Fair Employment Practice Committee established by Executive Order No. 8802 * * * hereinafter referred to as the old Committee, shall cease to exist.

I do not know exactly why the old Committee was abolished and a new one created. Perhaps the old Committee was not diligent enough in pursuing the directives in the Executive order.

The Committee shall assume jurisdiction over all complaints and matters pending before the old Committee and shall conduct such investigations and hearings as may be necessary in the performance of its duties under this order.

No more general statement has ever appeared anywhere by any legislative body which sought to create an agency with the power to cite people before it and enforce sanctions against them. It is set forth in such general terms, which would not stand before any court in this land. The trouble about this is that it is not possible to get it to the courts I continue the reading:

Within the limits of the funds which may be made available—

That provision permits the Chairman to employ the personnel, and fix the compensation of the personnel. I shall not read it all.

I want Senators to note this language in this act or law. The members of the

committee refer to it as the law. I say it has absolutely no standing in our form of government, particularly a constitutional democracy, such as ours, because it is merely the product of the pen of the President of the United States, who has no power to legislate.

The Committee may utilize the services and facilities of other Federal departments and agencies and such voluntary and uncompensated service as may from time to time be needed.

I ask Senators to listen to that. Any social worker, or any other person who desires to work for this agency on an uncompensated basis, may have his services accepted, and he may then proceed to go into plants, or to harass employers to enforce his own ideas as to what might be a discrimination in employment. A man never sworn as an employee of the Government of the United States, a purely voluntary, uncompensated employee, is recognized here as an official of the Government, to go out and put in motion proceedings which may mean life or death to some business concern in this country.

The Committee may accept the services of State and local authorities and officials, and may perform the functions and duties and exercise the powers conferred upon it by this order through such officials and agencies and in such manner as it may determine.

Can Senators imagine a wider grant of power than that, or a wider assumption of power? The order allows the Committee to determine its procedure and to determine the method of enforcement. That power is vested in an agency that is presided over by a man whose name has never even been before the Senate for confirmation, and the Senate has never had an opportunity on earth to investigate this matter. Most of our knowledge of the Committee is gained from a few letters we have received from those groups which are supporting this agency and demanding that Congress make appropriations for its support.

This is the final grant of power, and it is even more sweeping and far reaching than the others which I have read heretofore:

The Committee shall have the power to promulgate such rules and regulations as may be appropriate or necessary to carry out the provisions of this order.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. Yes.

Mr. WHERRY. Ofttimes the power to sign Executive orders is delegated to someone. I ask the Senator, who signed this Executive order?

Mr. RUSSELL. This Executive order was signed by the President of the United States, as I said at the outset of my remarks. This, Mr. President, is the finest illustration of the creation by the Chief Executive of action agencies without the consent of Congress, that could be brought before us. Although it has political appeal, when brought into the light, and put to the test of constitutional right, and as being consonant with the tripartite powers of government in the United States, it has not a leg to stand on or even a finger with which to catch hold of anything.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from South Carolina.

Mr. MAYBANK. There is one matter to which I should like to call the Senate's attention in connection with the order which the distinguished Senator from Georgia has read, and that is that the agency itself originates complaints. The agency is a court and it is also the originator of complaints. I wish to be perfectly fair with the Committee and say that it has limited the originating of complaints to advertising. It has admittedly originated 163 complaints involving discriminatory advertisements.

Mr. WHERRY. Is that to be found in the record of the hearings?

Mr. MAYBANK. It is.

Mr. WHERRY. On what page?

Mr. MAYBANK. On page 168 of the hearings before the subcommittee of the Committee on Appropriations of the Senate. The witness stated before the Committee:

The total number of cases involving discriminatory advertisements, including those cases which the present Committee inherited from its predecessor, is 163 cases; that is, 163 initiated on the motion of a regional director.

In other words, the regional director can initiate a complaint. The complaints, however, have been limited to discriminatory advertisements.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CHAVEZ. As I understand the statement of the Senator from Georgia, it would indicate that any authority which the agency possesses comes from the Executive order.

Mr. RUSSELL. Yes. If the President has the power to create action bureaus or agencies, this agency has the power they assert. I do not believe he is authorized to create such agencies.

Mr. CHAVEZ. In other words, they have no authority whatever except as it results from the legality of the Executive order?

Mr. RUSSELL. I would not go that far, because the Executive has certain other powers which have been delegated to him by the Congress, and by asserting those powers, he can enforce the edicts of this Committee.

Mr. CHAVEZ. Does the Senator from Georgia know of any particular decision made by this committee which has been appealed to the courts for adjudication?

Mr. RUSSELL. I do not know how on earth a person would go to the courts to appeal from any agency which has no recognition or standing in law.

Mr. CHAVEZ. If the Committee has no standing in law, then appeal should be taken to the courts. Does the Senator know of any particular decision by the Committee which has been appealed to the courts?

Mr. RUSSELL. No. How on earth would one appeal from drifting smoke? This thing is not tangible. There is no way that you can lay your hands on it. The greatest lawyer that ever lived would have no method of appeal from an agency of this kind when they say, "We are going to have another agency cancel your contract," or "We will not permit the War Department to make a contract with you unless you give the committee power over your employment policies." How could an appeal be taken? A mandamus cannot be brought against the War Department to make the Department award a contract.

Mr. CHAVEZ. Of course, that cannot be done, but if the Committee is acting in an illegal manner, if it is rendering decisions which are not in accordance with the law, then it has no standing whatsoever. But as I understand, no one up to the minute has appealed any of its decisions from a legal standpoint.

Mr. RUSSELL. Of course, there is no way on earth for anyone to appeal from any of its decisions. The only appeal that can be taken is to the integrity and dignity of the Congress of the United States. There is no way for an appeal from a decision by the Committee to come into court.

Mr. CHAVEZ. The function of Congress is to pass laws, but the interpretation of the laws, or decision with respect to the legality of an Executive order, belongs to the courts, and not to the Congress.

Mr. RUSSELL. Yes, but if the Senator can inform me of any method of getting this question in the courts I shall be very happy to have him do so.

Mr. MAYBANK. In the case of the Dallas News there was an exception.

Mr. RUSSELL. The Dallas News had no contract with the Government, and they told the Fair Employment Practice Committee, "You have no standing in law, because there is no power in the Chief Executive to create an agency of your nature." In that case the Committee was forced to retreat. There are other cases, however, where they have demanded that certain practices be adopted within American business enterprises on the threat that contracts which had been awarded a company by other departments of Government would be terminated if it did not comply with the orders of this agency. The firm or person whose contract may be suspended by a Government agency has no recourse to the courts.

Mr. CHAVEZ. I agree with the Senator from Georgia that there should be legality with respect to agencies of this nature. Whether the functions of the Committee are outlined in the directive, or whether provided for in an act of Congress, they should be provided for legally. The complaint I make is that no one has appealed to the courts about any particular thing this Committee may have done, and I want to have the correct procedure followed.

Mr. RUSSELL. I do not know of any way that complaint could be made to the courts. There have been two or three cases of individuals or companies having absolutely refused to carry out the orders of this Committee, and they have been cited to the President. The President, despite the fact that he has asserted that the orders were mandatory,

has referred the cases to a second committee. There is no way that I can see to get the matter into the courts. The injured citizen is without redress.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Mississippi.

Mr. EASTLAND. The Senator stated that some of the decisions of the Committee are referred to the President, as was the railroad case. When that is done, is it the Senator's idea that the President is authorized to take over a plant for noncompliance with the order of the Committee?

Mr. RUSSELL. I was going to deal with that question in order, but I will do so now. I intended to refer to it later on in my remarks. After the Congress puts its stamp of approval on this agency there is no question in my mind that if an employer fails to comply with its orders, the Fair Employment Practice Committee intends to assert the position that the President has the power under his war powers contained in the Selective Service Act to take over the employer's business.

Mr. EASTLAND. Does the Senator know that the United States District Court for the District of Columbia in a decision in the month of April held that findings of fact by war agencies created under Executive orders of the President are not reviewable in court?

Mr. RUSSELL. I am not familiar with that decision.

Mr. CHAVEZ. Mr. President, will the Senator yield to me?

Mr. RUSSELL. Yes.

Mr. CHAVEZ. If that statement be correct, then that is the law of the land.

Mr. EASTLAND. It is utterly not the law of the land. It is the law of dictatorship. Agencies have been set up under the President's war powers. Decisions by such agencies have been referred to the President. The President, under his war powers, has sent soldiers to certain plants and taken them over. The court now holds that under such conditions the orders are not reviewable. But there is utterly no question that in the present case there existed no legal authority for setting up this agency. Congress passed the Smith-Connally Act. Under its provisions factories were taken over by the President. Congress recognized that that was legal, and specifically granted that authority under the Smith-Connally Act; but no such authority exists in this instance.

Mr. CHAVEZ and Mr. MURDOCK rose.

The PRESIDING OFFICER. Does the Senator from Georgia yield, and, if so, to whom?

Mr. RUSSELL. I yield first to the Senator from New Mexico, who was engaged in discussion with the Senator from Mississippi [Mr. EASTLAND]. Then I shall yield to the Senator from Utah. Following that, I ask Senators to allow me to complete my remarks.

Mr. CHAVEZ. Mr. President, I am not discussing the merits of the policy. However, I do say that if a court decides that it can do nothing about it, its decision is controlling, unless it is overturned.

Mr. RUSSELL. I now yield to the Senator from Utah.

Mr. MURDOCK. If I correctly understand the able Senator from Georgia, he takes the position that the agency of which he is speaking has no basis in law whatever. Am I correct in that understanding?

Mr. RUSSELL. That is correct.

Mr. MURDOCK. Then the Senator takes the position that because of that fact, if the legal rights of a citizen are violated by what he calls an unlawful agency, there is no redress or remedy by way of court action on the part of a citizen. Is that the Senator's position?

Mr. RUSSELL. That is my position. The aggrieved party cannot sue the Government. He will have his contract canceled or he can submit to the wishes of the F. E. P. C.

Mr. MURDOCK. As I understood the Senator, that was his position.

Mr. RUSSELL. This agency does not itself impose its sanctions. Under the powers delegated to it by the Executive order, it appeals to the action agencies, and they enforce its sanctions. The hearings will show that when representatives of the Committee were asked how they enforced their orders, with no standing in law and no power, they replied, "If a plant which has a contract with the War Department does not conform, we report that fact to the War Department, just as the President's proclamation instructs us to do; and when the War Department talks things over with the operators of the plant, it is usually able to compel them to conform."

That was the testimony. In answer to a question, they asserted in the hearings the right to impose the sanction of cancelation of contract by the War Department. I should like to know just what redress a citizen would have in seeking a contract if he refuses to incorporate in the contract any clause prescribed by this agency. If he refuses to incorporate in the contract the requirement submitting him to the jurisdiction of this Committee, he is not awarded the contract, and I should like to know just what recourse he would have in a court of law.

The question was raised as to where the Comptroller General had been. The Comptroller General is supposed to be the official of the Government who sees that no funds are expended without authority of law. He is supposed to be the official of government who says when the acts of Congress have been transgressed or violated by any department of government. In times past he has been considered the strong right arm of the Congress to see that the legislation enacted by the Congress was followed.

This question was submitted to the Comptroller General. What did he rule? I do not like to read all these long documents, but the Comptroller General ruled that the President's proclamation was directive and not mandatory. A case arose in Kansas City, Mo. There are many Federal agencies with offices in Kansas City, Mo. The regional office submitted to the telephone company a contract which contained all the clauses which have been recommended by this F. E. P. Committee. The company involved was the Southwestern Bell Telephone Co., of Kansas City, Mo. These contracts cover telephone service to be furnished to national agencies through the central administrative service switchboard at Kansas City, Mo., and telephone pay stations installed in leased buildings, from which the Government receives 20 percent of the collections made on calls. Due to the inclusion of the antidiscrimination clause required by Executive Order 9346—that is, the Executive order which undertook to set up this action agency—the telephone company refused to execute the necessary agreements.

The same situation has arisen with respect to various leases in which this clause has been incorporated. Those owning real estate, such as office buildings, and leasing it to Government agencies, are now required to subject themselves to the policing and authority of the Fair Employment Practice Committee before the Government will execute a lease. Certain contractors refused to incorporate such provisions in their contracts. The telephone company refused to sign such a contract.

These are the cogent parts of the Comptroller General's ruling:

> Admittedly, the matter of the inclusion in Government contracts of antidiscrimination clauses has not been the subject of specific statutory enactment.

The Comptroller General, appointed by the President, when this matter was submitted to him, said that admittedly this has never been a matter on which the Congress has taken action.

> Hence, past decisions of the accounting officers with reference to contract provisions or stipulations expressly required by acts of Congress are—at most—only indirectly applicable to the instant case.

The question was raised as to where the Comptroller General had been. Here he is. This is his ruling. He is supposed to see to it, as an officer of the Government, that nothing is done contrary to acts of Congress. He says that admittedly the requirement that these clauses be included, subjecting contractors to the authority of this Committee, has never been the subject of statutory enactment.

But the Comptroller General went further. He said:

> However, for present purposes, it will be assumed that the involved portion of Executive Order No. 9346 should be given the same effect as a statute enacted in like terms, under like conditions, and for a like purpose.

I continue to read briefly from the ruling. When I shall have concluded, I shall ask that the entire opinion be printed in the RECORD.

> Hence, there is for consideration the question of whether the section of the Executive order here involved is mandatory, in the sense that failure to comply therewith vitiates the action taken, or whether it is directory only, leaving some discretion in the various contracting agencies of the Government to mitigate literal application of the order in particular cases.

I skip two or three paragraphs which are not especially pertinent, and read the last paragraph. This is the significant paragraph in the opinion. In it is embraced the ruling by the Comptroller General:

Accordingly, it is concluded that the paragraph of Executive Order No. 9346 involving the inclusion in Government contracts of a provision obligating the contractor not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and requiring him to include a like provision in subcontracts was intended only as a directive to the contracting agencies of the Government, so that failure to include such a provision will not render void an otherwise proper contract or render objectionable otherwise proper payments thereunder.

The opinion is signed by Lindsay C. Warren, Comptroller General of the United States.

Mr. President, I ask that the letter be printed in full in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL OF
THE UNITED STATES,
Washington, October 7, 1943.

LIAISON OFFICER,
Office for Emergency Management.

MY DEAR MR. BYRNES: I have a letter of September 11, 1943, from the Director, Division of Central Administrative Services, reference FI-21, requesting decision whether contracts and leases which do not contain an antidiscrimination clause of the nature prescribed by Executive Order No. 9346, dated May 27, 1943, may be entered into and payments made thereunder in cases where the contractor refuses to execute a contract or lease containing such a clause and similar services or suitable office space cannot be secured from other sources.

Executive Order 9346, supra, provides, in pertinent part, as follows:

"In order to establish a new Committee on Fair Employment Practice to promote the fullest utilization of all available manpower and to eliminate discriminatory employment practices, Executive Order No. 8802 of June 25, 1941, as amended by Executive Order No. 8823 of July 18, 1941, is hereby further amended to read as follows:

" 'Whereas the successful prosecution of the war demands the maximum employment of all available workers regardless of race, creed, color, or national origin; and

" 'Whereas it is the policy of the United States to encourage full participation in the war effort by all persons in the United States regardless of race, creed, color, or national origin, in the firm belief that the democratic way of life within the Nation can be defended successfully only with the help and support of all groups within its borders; and

" 'Whereas there is evidence that available and needed workers have been barred from employment in industries engaged in war production solely by reason of their race, creed, color, or national origin, to the detriment of the prosecution of the war, the workers' morale, and national unity:

" 'Now, therefore, by virtue of the authority vested in me by the Constitution and statutes, and as President of the United States and Commander in Chief of the Army and Navy, I do hereby reaffirm the polic. of the United States that there shall be no discrimination in the employment of any person in war industries or in Government by reason of race, creed, color, or national origin, and I do hereby declare that it is the duty of all employers, including the several Federal departments and agencies, and all labor organizations, in furtherance of this policy and of this order, to eliminate discrimination in regard to hire, tenure, terms or conditions of employment, or union membership because of race, creed, color, or national origin.

" 'It is hereby ordered as follows:

" '1. All contracting agencies of the Government of the United States shall include in all contracts hereafter negotiated or renegotiated by them a provision obligating the contractor not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin and requiring him to include a similar provision in all subcontracts.' "

The difficulties upon which the request for decision is based are described in the submission, as follows:

"In compliance with the foregoing, this office has issued instructions requiring the incorporation of the following clause in all future contracts:

" 'ANTIDISCRIMINATION

" 'A The contractor, in performing the work required by this contract, shall not discriminate against any worker because of race, creed, color, or national origin.

" 'B The contractor agrees that the provision of paragraph (A) above will also be inserted in all of its subcontracts. For the purpose of this article, a subcontract is defined as any contract entered into by the contractor with any individual, partnership, association, corporation, estate, or trust, or other business enterprise or other legal entity, for a specific part of the work to be performed in connection with the supplies or services furnished under this contract: *Provided, however,* That a contract for the furnishing of standard or commercial articles or raw material shall not be considered as a subcontract.'

"Pursuant to these instructions, the antidiscrimination clause was incorporated in proposed contracts with the Southwestern Bell Telephone Co., Kansas, City, Mo. These contracts cover telephone service to be furnished the national war agencies through the central administrative service switchboard at Kansas City, Mo., and pay telephone booths installed in a leased building from which the Government was to receive 20 percent of the collections made on calls.

"Due to the inclusion of the antidiscrimination clause required by Executive Order No. 9346, the telephone company has refused to execute the necessary agreements. The same situation has arisen with respect to various leases in which this clause has been incorporated.

"Since telephone service in Kansas City, Mo. can be obtained only through the Southwestern Bell Telephone Co. and available office space in certain sections of the country is at a minimum, the refusal of contractors to accept contracts containing the antidiscrimination clause has caused considerable administrative difficulties."

Admittedly, the matter of the inclusion in Government contracts of antidiscrimination clauses has not been the subject of specific statutory enactment. Hence, past decisions of the accounting officers with reference to contract provisions of stipulations expressly required by act of Congress are—at most—only indirectly applicable to the instant case. (See 16 Comp. Gen.. 583, re Walsh-Healey Act of June 30, 1936, 49 Stat. 2036; 17 id. 937, 18 id. 646, and 20 id. 890, re 8-hour law of June 19, 1912, 37 Stat. 137; 15 id. 577, re Bituminous Coal Conservation Act of 1935, 49 Stat. 991; 4 id. 208, and 5 id. 376, re Heard Act of August 13, 1894, as amended, 33 Stat. 811; 12 id. 122, re statutory prohibitions against purchase of foreign products; 19 id. 516, re congressional interest stipulations; and 17 id. 37, re National Labor Relations Act, 49 Stat. 449.) However, for present purposes, it will be assumed that the involved portion of Executive Order No. 9346 should be given the same effect as a statute enacted in like terms, under like conditions, and for a like purpose.

The portion of the order relating to the inclusion of such provisions in Government contracts is addressed primarily to the contracting agencies of the Government rather than to contractors. But such fact would not be material if it be concluded that the order is of a mandatory nature; for, in that event, it would be beyond the authority of a Government officer to execute a contract or lease not containing such provisions. Nor would there be authority in this office in the audit of contract payments to make exception to the order upon the facts and circumstances of particular cases. See, in this connection, 20 Comp. Gen. 890.

Hence, there is for consideration the question whether the section of the Executive order here involved is mandatory, in the sense that failure to comply therewith vitiates the action taken, or whether it is directory only, leaving some discretion in the various contracting agencies of the Government to mitigate literal application of the order in particular cases. See *Vaughan* v. *John C. Winston Co.* (83 F. 2d 370); *Ballou* v. *Kemp* (92 F. 2d 556); *In re Hodges* (4 F. Supp. 804). When used in statutes, the word "shall" ordinarily is construed in the imperative or mandatory sense; but courts refuse to adopt that meaning when to do so would do violence to the objects and purposes of the statute as a whole. See Words and Phrases, Permanent Edition, Volume 39, page 91 et seq.

The specific purposes sought to be accomplished by Executive Order No. 9346 are clearly stated in its text; namely, to promote the fullest utilization of all available manpower and to eliminate discriminatory employment practices. These aims, it is stated, are based upon the firm belief of the President "that the democratic way of life within the Nation can be defended successfully only with the help and support of all groups within its borders." Obviously, the prime objective is the successful and unimpeded prosecution of the war. And it is in that light that the nature of the section addressed to the contracting agencies of the Government must be regarded; that is, whether intended as a mandate or as a directive.

It is to be assumed that the instances will be few in which contractors will refuse to execute contracts with the Government solely by reason of the inclusion of an anti-discrimination provision. But, in such instances, no useful purpose could possibly be served by a requirement that the Government agency involved could not consummate a contract with such individuals or firms without the provisions in question, especially if the desired service could not be procured from any other source. It seems that the most that can be accomplished by Government contracting agencies in carrying out the national policy of nondiscrimination in the employment of workers as declared by the President is to secure the assent of contractors to such provisions wherever and whenever possible. Otherwise, the net effect of the requirement would be to obstruct the activities of the several agencies of the Government with no apparent compensating benefit.

Accordingly, it is concluded that the paragraph of Executive Order No. 9346 involving the inclusion in Government contracts of a provision obligating the contractor not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and requiring him to include a like provision in subcontracts, was intended only as a directive to the contracting agencies of the Government, so that failure to include such a provision will not render

void an otherwise proper contract or render objectionable otherwise proper payments thereunder.

Respectfully,

LINDSAY C. WARREN,
Comptroller General of the United States.

Mr. RUSSELL. So, Mr. President, the Comptroller General in endeavoring to see that the powers of Congress were protected had ruled that the Executive order was merely directive, and was not mandatory. What happened? The President of the United States, when he heard of that ruling by the Comptroller General, wrote a letter to the Attorney General. I shall read from the letter, which is under date of November 5, 1943:

NOVEMBER 5, 1943.

MY DEAR MR. ATTORNEY GENERAL: You have brought to my attention the Comptroller General's opinion holding that Executive Order 9346 is directive only and not mandatory in requiring insertion in all Government contracts of a provision obligating the contractor not to discriminate against any employee or applicant for employment on account of race, creed, color, or national origin; and requiring the contractor to include similar contractual provisions in all subcontracts.

There is no need for me to reiterate the fundamental principles underlying the promulgation of the Executive order, namely, that the prosecution of the war demands that we utilize fully all available manpower and that the discrimination by war industries against persons for any of the reasons named in the order is detrimental to the prosecution of the war and is opposed to our national democratic purposes.

I realize the hesitancy of the Comptroller General to withhold payment on Government contracts in which these provisions have not been included where there is doubt as to whether the order is mandatory.

Mr. President, the Comptroller General did not say he had any doubt. His is an office established by Congress to pass on these matters. He has not expressed any doubt; he had ruled specifically that the President's order could not be mandatory in these cases.

I read further from the President's letter:

I therefore wish to make it perfectly clear that these provisions are mandatory and should be incorporated in all Government contracts. The order should be so construed by all Government contracting agencies.

The letter is signed by the President of the United States, and thereby overrules the Comptroller General, who is authorized by law to decide such questions. The letter orders all Government agencies to put into these contracts provisions which would subject employers, businessmen, and manufacturers to the whims or fancies of the Fair Employment Practice Committee, which has absolutely no legislative sanction.

Mr. WHITE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STEWART in the chair). Does the Senator from Georgia yield to the Senator from Maine?

Mr. RUSSELL. I yield.

Mr. WHITE. I have been out of the Chamber, in response to a long-distance telephone call. Consequently, I have missed a part of what the Senator from Georgia has said. But I recall that when he was reading the record it appeared that the powers claimed were said to be based upon the Constitution and upon certain statutes, many of the provisions of which, I think, relate to the powers of the Commander in Chief in time of war. What I wish to ask is whether at any time anyone seeking to justify the orders and the actions of the Committee has specified a constitutional provision or any particular statute upon which reliance is placed.

Mr. RUSSELL. Mr. President, I will answer the Senator from Maine by saying that, so far as I am advised, no person has ever undertaken to assert that any provision of the Constitution or any statutory enactment of the Congress vests any power of this nature in the President or in this Committee. Certainly he had no power, unless it was under the so-called aggregate or cumulative powers to which the Attorney General referred, to thus empower this agency.

Mr. President, if this action overruling the opinion of the Comptroller General, and ordering that all agencies of Government insert in their contracts clauses which would give this Committee jurisdiction over their employment policies, if the assumption of these powers by this Committee over employers, labor unions, railroads, and newspapers, is not legislation by an executive agency, in derogation of the powers of the Congress, then the Congress does not have any power.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MAYBANK. Has the Senator mentioned the railroads which have been cited?

Mr. RUSSELL. I intend to touch upon them before I conclude my remarks.

Mr. MAYBANK. That case not only involves an extension of powers, but, it seems to me, is an indication of sectional persecution.

Mr. RUSSELL. I intend to discuss that matter before I conclude.

Mr. President, under this preemption of legislative power this agency has asserted a great many functions and a great many powers. It has constituted itself as a quasi court. It issues processes to bring persons before it for trial. It has assumed the right to dictate and to control the policies of manufacturing concerns, newspapers, railroads, labor unions, and individual citizens. It has asserted the right to determine when individual employees of those concerns should be promoted, reclassified, or employed in the initial instance. It tells the manufacturers, the newspapers, the labor unions, and the railroads who are before it, either on the basis of a complaint it has received from an individual or, as stated by the Senator from South Carolina, on the motion of any of their employees, what they must do.

Mr. President, before Senators put their stamp of approval on this agency, before they ratify and approve all that has been done in its name, it might be well to look at some of the regulations of the agency and to see what is their effect.

A few minutes ago, the Senator from West Virginia [Mr. REVERCOMB] expressed doubt that this agency had undertaken to repeal or modify any of the acts of Congress. I respectfully invite his attention to a reading of some of the committee's rulings.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. REVERCOMB. I say to the Senator that I did not express doubt, but I called on the Senator to be specific; or, rather, I inquired whether he would be specific.

Mr. RUSSELL. Yes. Now I will be.

Mr. WHERRY. Mr. President, will the Senator state the page from which he is about to read?

Mr. RUSSELL. I am about to read from part 2 of the House hearings, at page 549.

The Committee asserted its interpretation of the Executive order. It asserted as a basis of legality that in the order creating it, it was given the power to make its own rules and regulations. It has undertaken to make its own rules and regulations for the enforcement of the Executive order.

Here is its definition of its power and its interpretation of the Executive order:

1. The words "all contracts hereafter negotiated or renegotiated" include all contracts made, amended, or modified.

It does not say so specifically, but if it has that power, it has the right to force a business or industry under other laws which we have passed for the purpose of renegotiation of contracts, to come in and renegotiate contracts so as to include this clause giving the committee power over the persons employed by the contracting party who has entered into a solemn contract with the Government.

I read further from the Committee's definition of its power and its interpretation of the Executive order:

2. A nondiscrimination provision is required in leases, grants of easements, rights of way, etc., to the same extent that it is required in other contracts.

3. The obligation to include the nondiscrimination clause exists even though the contract involves nonwar activity.

That shows how elusive the agency is and how it has transgressed any reasonable interpretation of any right it might have under any Executive order. It relies, on the one hand, on the war powers, and says, "because we are at war," but when it comes to drawing its rules and regulations under the President's Executive order, it says it has the same right over contracts involving nonwar activity that it has over those which are directly related to contracts made for war purposes.

I hope Senators will listen to this language because, to me, with the old-fashioned faith which I have in the Congress, and my belief in congressional powers, this is one of the most amazing regulations of which I have ever heard, even if it had been issued by an organization which was created by an act of Congress.

I now read paragraph 4 of the statement to which I have referred.

4. The obligation to include the nondiscrimination clause exists even though the contract is required to be awarded to the lowest bidder.

Congress has passed laws absolutely guiding the course of Government agencies in awarding contracts to the lowest bidder. This agency says that it will superimpose upon the congressional action its own provisions and conditions, and that a contract will not be awarded in accordance with the action of Congress unless the contractor follows the ruling issued by the Committee which was created under Executive order. If that is not asserting the right to modify, amend, or repeal the effect of an act of Congress, then I do not understand what it could possibly be.

I read paragraph 5.

5. The obligation to include the nondiscrimination clause exists even though the contract is between a Federal Government agency and a State agency or subdivision of a State.

Some Senators in times past have referred to their belief in some scintilla of rights in the States. Here is an agency which, without a line of congressional authority, assumes to tell a sovereign State what practices or policies it may follow before it shall be allowed to enter into any agreement with the great Union of States which is represented by our Central Government in Washington. What does the right of a State amount to when the Committee on Fair Employment Practice can tell the State what it shall or shall not do?

I now read paragraph 6:

6. The obligation to include the nondiscrimination clause does not depend on the amount of money or other consideration involved in the performance of the contract.

Mr. President, there are several remaining paragraphs which I shall not read, but I ask unanimous consent that they be printed in the RECORD at this point as a part of my remarks.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

7. The nondiscrimination provision required does not refer to, extend to, or cover the activities or business of the contractor which are not related to or involved in the performance of the contract entered into.

8. Inclusion of a nondiscrimination provision is not required in contracts the performance of which does not involve the employment of persons.

9. Inclusion of a nondiscrimination provision is not required in contracts with foreign contractors for work to be performed outside the continental or territorial limits of the United States where no recruitment of workers within the said limits of the United States is involved.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WHERRY. A moment ago the Senator stated that the agency which is now under discussion had originated the practice of filing protests and causing difficulties between contracting parties and others. To the Senator's knowledge, has the agency ever caused strikes or any difficulties in that respect?

Mr. RUSSELL. Before I conclude I shall cite one or two instances of the committee's action in regard to labor difficulties referred to by the Senator from Nebraska. I shall explain how the committee went even beyond the limits of the Executive order, broad and sweeping as it was, and involved itself in a labor strike in a very critical war industry which lasted for several weeks.

Mr. President, if this agency, which was created by an Executive order, has the powers which are asserted in these rules and regulations, of repealing and modifying acts of the Congress placed upon the statute books years ago, the Congress is an absolutely useless expense to the American people. It should adjourn sine die, and cease to exist once and for all, if an agency which was created by Executive order has the right to modify, amend, or repeal a solemn act of Congress. If the committee can overpower the Congress in anything it seeks to do Congress should cease functioning and allow the committee to take over all responsibilities. If the agency under discussion, a little creature of Executive order, can overpower an act of Congress, then Congress cannot justify its existence.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. REVERCOMB. I have listened with interest to the able discussion of the Senator from Georgia and in the presentation of his views. I, as he, have read from page 549 of the printed hearings the committee's statement of its interpretation of the Executive order. Is there any method provided for going to the courts and testing the validity of any act of the committee under the statement of its powers?

Mr. RUSSELL. That question is the same as the one which was asked by the Senator from New Mexico.

Mr. REVERCOMB. I am sorry; I did not hear the question when it was asked.

Mr. RUSSELL. If a man only followed the law prescribed by Congress and was the low bidder and was refused the contract how could he bring the Government before a court? If he followed the law of Congress but refused to follow the law of the Committee on Fair Employment Practice by declining to give them jurisdiction over his business, what recourse would he have? He cannot sue the Government.

The President has sent word through his Attorney General that such clauses are mandatory. When the Comptroller General said that there was no law for such a practice, the President told the agencies through the Attorney General that the practice was mandatory. How could a mere citizen obtain any redress in court? The Senator from West Virginia is an able lawyer. For approximately 12 years I was in the active practice of law. I know of no method of securing relief in such a case through the courts. The citizen depends on the Congress for fair treatment at the hands of his Government. In the future, if this amendment is approved, he must look to this Committee.

Mr. President, if this Committee has the power to which I have referred, it has the power to take away from an owner of an apartment house, should he have a Government contract, the right of selecting his tenants. There might be no relation whatever between his contract and his apartment house, but the Committee would have the power, apparently, to tell him it would take the contract away from him unless he allowed anyone willing to pay the necessary rent to become a tenant of his apartment house. If the Committee has such power, it has the power to cancel any provision in a deed to real estate which undertakes to place a restriction upon a person or race of people which might occupy the premises sought to be conveyed. The Committee would have the right and power to cancel contracts, and to superimpose upon the acts of Congress any requirements which it might exact. Such powers would include the cancelation of a solemn deed to land merely because it contained some clause restricting the occupancy of a property to a colored man, a white man, or a Chinaman, to the exclusion of every other race.

Mr. President, Congress cannot approve the requested appropriation without in effect abdicating. Congress cannot approve the appropriation without endorsing the right and power of the executive department of government to legislate.

Allow me to read from the pending bill the language to which I refer, and then conclude as to whether what I have stated is not true:

For all expenses necessary to enable the Committee on Fair Employment Practice to carry out any functions lawfully vested in it by Executive Orders Nos. 8802 and 9346—

And so forth. As I have already stated, when the amendments were first read, the consciences of some of the members of the Committee who were expecting to vote for this proposal needed a soporific, and therefore the language was changed so as to read: "Any functions lawfully," Mr. President, those words mean absolutely nothing. This agency has already told the Congress what it believes its powers to be under the Executive order. Congress cannot approve the appropriation without approving and endorsing every act, rule, regulation, policy, and all the procedures of this agency, and authorizing it to go even further in the future. Senators cannot wash their hands, Pilate-like, and say, "I hope the agency will do it lawfully," because the F. E. P. C. have already served notice how they will proceed.

I might point out that the Chairman of this organization stated at the hearings that the Committee assumed that each and every power they have undertaken to exercise is lawful, and, therefore, the change in the language of the amendment would have absolutely no effect on their actions.

The vote on this amendment will determine the sincerity of all those who have asserted opposition to government by bureaucracy and by Executive decree.

No Senator who really believes in the power and the right of Congress to legislate can vote to approve this assumption of legislative prerogatives by the Executive. No Senator can condemn such assumption in one instance and approve it in others. If any Senator wants to claim that he votes for this amendment because the Congress has not taken any action, then he is admitting that the Congress is impotent that it cannot act and that it is, indeed, useless, as many of our critics are asserting today. In this case when the vote comes Senators have either got to vote for constitutional government and to preserve the coordinate powers of each branch of that government, or vote in favor of the philosophy of government by men and when they do that they will admit that democracy through representative government has failed. I assert that Senators who are tempted to vote for this amendment for political reasons but still have some interest in preserving the private-enterprise system will do well to consider this matter carefully in all its aspects before voting for the amendment.

Until now this agency has had a rather tenuous grip on life; it has had to depend on allocations from the President's emergency fund for money to support it. The agency has never received any recognition whatever from the Congress. For this reason it has been treading rather softly, and when its efforts at government by intimidation have been challenged the attempt at enforcement has been cautiously made. But the whole pattern of this organization and its methods clearly demonstrate what we may expect if the Congress approves this agency and recognizes the validity of the Executive order creating it. If we shall adopt this amendment we will not only have ratified all the actions of the F. E. P. C. up to date, their rules and regulations that repeal acts of Congress, and all the policies they have adopted; but if we approve it, with the group that is in charge of it, we will have made the sky the limit and the world their field for future operations. I hope Senators will mark that prediction.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WHERRY. I should like to ask the Senator a question. Of course, I realize he is not speaking merely for the RECORD, but in all sincerity. In the event, however, that the amendment of the committee is rejected and we do not grant the appropriation after consideration of the amendment, what is to prevent the President of the United States continuing this agency as it is now being operated under the executive branch of the Government?

Mr. RUSSELL. I might say that nothing would prevent it from operating, but the amendment which on my motion was placed on the independent offices appropriation bill would prevent any members or employees of the agency from drawing any money after the 1st day of July.

Mr. WHERRY. That is, from any appropriations we might grant to the agency?

Mr. RUSSELL. Oh, no; not only from any appropriation we might grant to the agency, but from any other funds of the Federal Government.

Mr. WHERRY. Does not the Executive have funds provided by appropriations for the Executive Office?

Mr. RUSSELL. Yes; but he could not use them for the payment of the salaries of members of this Committee.

Mr. WHERRY. Is the Senator absolutely sure in his conviction that in the event this appropriation is denied the agency will not be able to use money from any other source?

Mr. RUSSELL. The amendment to the independent offices appropriation bill prevents such use of funds. Unless the President wants to discharge the Comptroller General of the United States and take over his office by force of arms there can be no way after the first of July to pay the expenses of the F. E. P. C.

Mr. WHERRY. What about borrowing the money from the R. F. C. and other organizations, as the money to pay consumer subsidies is now provided?

Mr. RUSSELL. As to the consumer's subsidies with which I am familiar, most of the funds to pay them are derived from the Commodity Credit Corporation.

Mr. WHERRY. From the R. F. C.

Mr. RUSSELL. No; from the Commodity Credit Corporation.

Mr. WHERRY. The Commodity Credit Corporation pays the subsidies, but they get the money from the R. F. C.

Mr. RUSSELL. The money is paid from the funds of the Commodity Credit Corporation which has a loan authorization, as I recall, of $3,000,000,000.

Mr. WHERRY. I am sincere about this matter. The Senator is making an able presentation, I appreciate his remarks, and I am open-minded and want to get the facts. On the question of appropriations, I am wondering if there will not be another way, despite the position the Senator takes, to circumvent it by the use of another appropriation?

Mr. RUSSELL. I will say to the Senator it cannot be done, and I shall tell him why. This agency has been in operation since 1941. The President never sent in a Budget estimate and never came before Congress asking for a dollar for this agency. It has been financed from its inception from the President's emergency fund. After the Senate approved the amendment which I offered to the independent offices appropriation bill, which the Senator from Nebraska may recall, the President, for the first time, sent in a Budget estimate, asking congressional approval for this agency. In my judgment, that is recognition that the agency could not exist after the first of July if the Senate strikes this item from the bill.

Mr. WHERRY. I thank the Senator.

Mr. RUSSELL. I thank the Senator from Nebraska for his interest and for giving me a hearing on this matter, which I regard as being fundamental. I think it is one of the most important issues which have been before the Senate in a long time. This matter is sufficiently important for every Member of Congress to look into the background and philosophy of those who are directing this organization before they issue such a blank check as is here proposed to provide it with the powers they have assumed.

Some of the members of this board and many of the field personnel in the regional offices who occupy quasi-judicial positions, some of those who serve as prosecuting attorneys in handling complaints before this board are members of organizations and groups which have been branded as subversive by the Attorney General of the United States as well as by the Dies committee. I shall not now go into the details, but I could discuss the matter for some time and mention names. Some of the members of this board and many of their field representatives have been branded as members of subversive groups by the Attorney General of the United States, or at least the groups to which they belong have been branded as subversive.

Senators would best look into the setup of this organization, and those who are administering it, before they decide that they want to entrust into their hands the future destiny of free American business and enterprise. If the powers claimed are approved, without a single legislative standard or any safeguard whatever thrown about them, when we vote the money, it is no exaggeration to say that we will have gone a long way toward nationalizing or socializing American business.

Mr. REVERCOMB. Mr. President——

The PRESIDING OFFICER (Mr. MCCLELLAN in the chair). Does the Senator from Georgia yield to the Senator from West Virginia?

Mr. RUSSELL. I yield.

Mr. REVERCOMB. Is there extant any other executive agency in the same position, exercising powers without congressional authority, without any limitation whatsoever upon the power it assumes to exercise?

Mr. RUSSELL. I do not know of any that has undertaken to haul people before it on a citation and impose sanctions on them. That is why I said at the outset of my remarks that, while this agency has political appeal, on the basis of being a pure question of government by men without sanction of law, we could never have a more clear-cut issue than is here presented. I do not know of any of the other agencies which are operating without any legislative sanction or approval which have undertaken to hale citizens before them and try them as if they were a court, force them to cancel contracts between employer and labor unions, and to prevent them from installing separate toilet facilities for two races when there is a strike over that question, when the workers have been willing, but the agency said: "No; it would be a discrimination to put up a partition."

As I stated, we will have gone a long way toward nationalization or socialization of business. All that would be nec-

essary would be for a man to bring a complaint and say, "I am capable of filling a certain position in this plant," some strategic position, some key position. If this board decides he is entitled to the position, the employer has to give it to him. The subversive groups which are here represented can infiltrate into American business, and the troubles we have had in the past will not be a circumstance to those we will have in the future.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WHITE. The Senator said that if an employee brought a complaint, certain results would follow. Is it or is it not true that a representative of the Board could initiate a complaint, that it must not necessarily be initiated by an employee?

Mr. RUSSELL. They assert that power. However, they said that they had exercised it only in some 150 cases, I think. They said they had the power, particularly in the case of advertising, that on their own volition they had the right to go into a newspaper plant, where the paper had advertised for a certain type of employee and stop such advertising on the ground it was discriminatory.

We all know that in this period, today, the right to deny a Government contract means life or death to American business. There is not a great deal of private manufacturing which can be done. Manufacturing concerns cannot secure the priorities, they cannot secure the raw materials, with which to manufacture civilian products. When there is the right to deny a contract, or the power to deny, which is asserted and enforced by this organization, that is the power of life and death over American business, American enterprise, and American industry, and every Member of the Senate knows that statement to be true. The industry and the businessman must either submit themselves to this organization and its dictates or go out of business, a choice between sudden death or slow death, it seems to me.

The right of appeal has always appeared to me to be inherent in any American system. In this case there is no right of appeal, and the action of the Congress in appropriating, with full knowledge that this organization is assuming these broad powers, will open the door to more complete domination of American business and industry than it has ever experienced in the past, or has ever dreamed of for the future. When that day comes, when, after this organization has been approved, and it is feeling the flush of congressional power, let no Senator say then, when he has a complaint for a harassed constituent that he was not warned of the consequences of his vote in voting to approve this organization and the powers it has asserted by virtue of a naked Executive order.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. I yield.

Mr. WHERRY. Does the Senator know of any specific case in which this organization has, through another Government agency, withheld priorities or material, or in some way enforced, through another office, a directive to compel the enforcement of another agency's directive?

Mr. RUSSELL. I have not made an exhaustive investigation into that. Undoubtedly, if they have any power at all under the President's order, they have that power, because he gives them the right to call on any other agency to enforce their rulings.

Mr. WHERRY. I agree with that statement.

Mr. RUSSELL. I know it is shown in the House hearings that when the question was raised of inserting in contracts the clause to which I have referred—and I think this involves renegotiation, as well as the making of the contract in the beginning—and a man refused to renegotiate and subjected himself to their jurisdiction, they went to the War Department, and the War Department, on the threat of withdrawing the contract or canceling it, forced him to put the clause in the contract.

Mr. WHERRY. Did the Senator say that was a specific case he knew of?

Mr. RUSSELL. I did not say it was a specific case. I said that it was stated that that was the procedure.

Mr. WHERRY. I wish to say to the distinguished Senator from Georgia that one of the reasons for the amendment, the new section 3, in the bill extending the Price Administration, which the Senate recently passed, was a desire to prohibit the Office of Price Administration themselves using a directive in order to get the performance of a directive in some other office. In other words, a farmer was precluded from getting gasoline if he did not sign up with the triple A. I think that power should be curtailed. I do not believe Congress should permit one agency, through a directive, to see that another directive is enforced through another agency.

Mr. RUSSELL. The Congress has never recognized this agency, as we are asked to do now. Heretofore it has had to depend on some agency which has been created by the Congress to enforce its decrees, and let me state what the record shows. I refer to page 548 of the House hearings. The director of the field service of this organization was testifying:

> If the employer has a contract with a Government agency, such as the War Department, the War Department is advised of his recalcitrance, since the employer is obligated by his war contract not to discriminate, and we ask the War Department to use its best offices to bring the employer in line.

Mr. REVERCOMB. From what page is the Senator reading?

Mr. RUSSELL. From page 548. Listen to this:

> Usually this is done without any compulsion.

Usually it is done without compulsion. Of course, a man who has a contract with the War Department will be cited before them, and the Department will say, "You have to upgrade these 400 employees and pay them $8 a week more because you are underpaying them, in view of their skill."

The man replies, "I don't think so. I am not going to do it."

The next day he finds the contracting official of the War Department at his door, who says, "Mr. Jones, we have given you a good deal of buisness, and you had better go along with the Fair Employment Practice Committee."

What is he going to do? Of course he will increase the wages. It is government by blackjack; in a way, it is government by intimidation, but it is the most thoroughly effective method of enforcement of which I can conceive.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WHERRY. Does the Senator know whether this rule has been employed with respect to a nonwar contract?

Mr. RUSSELL. I do not know that it has; but I read the regulations wherein the Committee asserts the power, and if Congress grants the appropriation and thus sanctions the power, I think the Committee will start in on nonwar contracts.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CHAVEZ. Do I correctly understand from the Senator's statement to the effect that a member of this Committee might go to a contractor who had a Government contract and say, "Either you comply with the fair employment practice or your contract will be canceled," that the Senator from Georgia does not believe in fair employment practices even by a contractor who has a contract with the Government?

Mr. RUSSELL. I believe in fair employment practices which are established by the Congress of the United States. When the Congress of the United States ever legislates in this field Senators will not hear any complaint from me about the matter of appropriations to enforce it. I believe in appropriating funds to enforce the acts of Congress, but I am bitterly opposed to appropriating funds to enforce an act which has no legal basis other than an Executive order.

Mr. CHAVEZ. Is this the first time an appropriation has been requested by an agency of the Government which was created by Executive order?

Mr. RUSSELL. This is the first time to my knowledge that such an agency as this has been involved. I will not assert it as a fact, because I have been here only 10 or 11 years, and it may have slipped by without my knowledge. I have, however, tried to keep up with matters affecting appropriations, and this is the first time to my knowledge that an agency which has assumed power to cite people before it and has endeavored to enforce compliance with its orders, ever sought an appropriation when there was no congressional authorization for the

agency. There may have been, but I do not know of any such case.

Mr. CHAVEZ. Is this the first agency created by Executive order that has requested an appropriation from Congress?

Mr. RUSSELL. Oh, no. Of course there have been a great many agencies created by Executive order which the Congress has directed the President to create, and there have been others created by Executive order which did not assert any rights over citizens, such as, for example, the agency which deals with congested areas. That agency has asserted no rights or powers. The President created an agency to coordinate the efforts of the different relief agencies in soliciting contributions for relief, but that agency has no power and no authority, and does not assert any power or authority. This is the first time to my knowledge that an agency which has asserted the power of a court to prosecute, to try and to punish the American businessman, has come to Congress and asked for an appropriation when its only basis for existence is an Executive order.

Let me read from page 559 of the hearings of the subcommittee of the Committee on Appropriations of the House:

> The CHAIRMAN. Well, now, do you have any means, does the committee have any means by which it can compel compliance in connection with private industry and unions?
>
> Mr. Ross. The final answer is "No," sir; but on the way up you have contracts in which it is mandatory for the contracting agency to see that the contractor puts a nondiscrimination clause in, and, presumably, there are sanctions that can be imposed by the contracting agency. The greatest one would be to abrogate the contract.

So the witness asserts the power to abrogate a solemn contract entered into between the Government and one of its citizens, if the citizen is not willing to permit the agency to take over his employment policies and direct whom he shall hire and what employee shall or shall not be promoted within his plant.

Mr. WHERRY. Mr. President, will the Senator yield again?

Mr. RUSSELL. I yield.

Mr. WHERRY. Was the witness Mr. Ross?

Mr. RUSSELL. Yes, the Chairman of the Committee.

Mr. WHERRY. He is the head of the organization?

Mr. RUSSELL. He is the Chairman of the Committee; yes.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BUSHFIELD. In the Senate subcommittee hearings I notice on page 168 an examination conducted by the distinguished Senator from Georgia in which this question was asked:

> I have a letter here from a manufacturer in the State of Massachusetts who complains that the United States Employment Service had requested that in advertising for help to fill positions he require that applicants bring their birth certificates with them and that when he did so he was cited by the Fair Employment Practice Committee for following an unfair employment practice.

Now there are two agencies of the Government directly opposed to each other in the orders they give, and I should like to have the Senator, if he will or can, point out to me in the statutes where this Committee has any authority to cite an industry for asking for the birth certificate of a prospective employee.

Mr. RUSSELL. As I just stated, Mr. President, I do not think they have any authority whatever over anyone. I do not think that any President of the United States who ever lived has the power, without a single line of legislation, to create an agency to examine and try an American citizen, unless there has been an act of Congress with respect to it. He cannot do it by Executive order. But the way this thing has been set up, the punishment is just as sure as if the agency had the power, and it is much more effective, because they can punish the man and deny him the right of appeal, by going through the process of letting this agency order another agency created by Congress to cancel a contract.

When the War Department cancels a contract because the manufacturer would not subject himself to this Committee, what is the individual to do? He has no right of recourse in the courts. He cannot come into the courts and sue the War Department for withholding the contracts. He is powerless. He is helpless. He is subjected to this Committee created by Executive order, without the right of appeal, which the Congress would no doubt have provided if we had set up the agency.

Mr. WHERRY. Is there a court of appeal within the Committee?

Mr. RUSSELL. There is not any court of appeal, except appeal can be taken from one of the regional offices to the Committee in Washington.

Mr. President, I assert in all seriousness that this agency has been political in its handling of its affairs. It is directly allied with political organizations in this country that are endeavoring to take over the Democratic Party and attempting to destroy the Republican Party. This agency is one of the pets of the Political Action Committee which is trying to take over the Democratic Party by sapping, undermining, and absorption, and it is attempting to destroy the Republican Party by direct frontal attack.

There is no agency that has been so active in attempting to promote the appropriations and the powers of this Committee, as the C. I. O and its subsidiaries. I have here this week's issue of the News Flash of the N. A. W. C. I. O. issued from Washington. It contains what to me is the most insulting statement I have ever seen printed in any periodical. I may say to Republican Senators in all candor that while I am a Democrat, in my judgment they are not going to get very far or get very many votes by voting for this organization, because it is a child of the C. I. O. The American Federation of Labor or its affiliates has been one of the principal targets of some of this committee's work. It is not going to support the Republican Party. This paper says it has tied all the 35 Republicans together, and it undertakes to knock all of them down at once by saying that they just rendered lip service to the poll-tax movement by supporting the constitutional amendment, and it does not credit a single Republican for voting for cloture. Some Republican Senators were so misguided as to be in favor of cloture and to be in favor of the bill, but the C. I. O. committee do not give them any credit for it. So far as this C. I. O. organization is concerned all 35 are tied together, and are to be damned together with the Southern Bourbon Senators and poll taxers.

Mr. REVERCOMB. Mr. President, will the Senator yield.

Mr. RUSSELL. Perhaps I should not have made that statement.

Mr. REVERCOMB. I simply rose to say that when that attack comes I hope the Senator from Georgia will rise to our defense.

Mr. RUSSELL. Perhaps I shall have my own hands full, as I will show before I conclude. I wish to read now from a statement by the political action committee. They say the F. E. P. C. had a narrow escape in the House.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WHERRY. Would the Senator again repeat what he said with respect to the poll-tax matter? I was distracted for a moment and did not hear his statement clearly.

Mr. RUSSELL. I said that the C. I. O. committee tied up all the 35 Republicans together, and undertook to knock all of them down at once by saying that they merely rendered lip service to the poll-tax movement by the constitutional amendment, and without crediting a single one of them with having voted for cloture. I think the Senator from Nebraska did so, but one can never tell by reading from this statement made by the Political Action Committee that the Senator did. They are all tarred with the same stick by this organization. They get no credit at all for having voted for cloture.

Mr. WHERRY. I think in all justice I should say that it was not at all a question with me of how much I could get out of the matter politically.

Mr. RUSSELL. I did not say that.

Mr. WHERRY. I am sincere in my statement. I think the way to settle the poll-tax question is by adoption of a constitutional amendment. I voted for House bill 7 in the committee and for cloture. Now that the Senator has mentioned it, let me say that the distinguished Senator from Wyoming [Mr. O'MAHONEY] made the statement in the press that I voted against his amendment in the committee and then came to the floor of the Senate and voted for House bill 7. I wish to make the matter clear. I am interested in the poll-tax measure. I believe that the poll tax should be eliminated. I am sincere in that belief. The reason I voted against the O'Mahoney amendment in the Ju-

diciary Committee was that it was a substitute for House bill 7, and the Senator from Wyoming tried to kill the bill in the committee. I wish to have that understood. I am for the constitutional amendment. I am sincere about it. There are no politics involved. But when we recur to the agency which is under discussion, we are speaking about an entirely different thing. We are speaking about creating an independent office by Executive order, without legal sanction, and circumventing the Congress. It is not a question whether this race or that race, or this creed or that creed is discriminated against. The question is, Are we to permit the Executive to establish an independent office contrary to the will of Congress and without specific congressional authority?

Mr. RUSSELL. I think the fair question is, Are we going to violate the Constitution of the United States?

Mr. WHERRY. That is correct.

Mr. RUSSELL. I thank the Senator for his statement. I wish the Senator to understand that I was not impugning the consistency of the Senator from Nebraska. I was referring to the inconsistency of the political action committee, tying all the distinguished Republican Senators together, though they differ in their convictions, and painting them all with the same brush, and condemning them all with the same breath. It was inconsistent on the part of the political action committee. It was in keeping with the action of this committee to offer a gratuitous insult to many Senators on both sides of the aisle. In discussing the F. E. P. C., the political action committee says:

> The fight now goes to the Senate Appropriations Subcommittee. This committee is loaded against F. E. P. C.

I wish that statement had been true. It developed that the political action committee had much more power in the Appropriations Committee than it had anticipated.

> This committee is loaded against F. E. P. C. The greatest pressure must be put on every Senator to appear before the committee and make public statements to save the F. E. P. C. Also ask him to demand a record vote on the floor of the Senate.

Mark well these gratuitously insulting words:

> Most northern Senators will not risk a public vote against fair employment practices for Negroes—not in 1944, anyhow.

That is a gratuitous insult to the courage and integrity of any Senator who happens to be from the North.

The political action committee does not confine its activities to Republicans. The Senator was asking about my support when the political action committee was involved in a campaign. Let me read this telegram addressed to me:

> We consider your activities against F. E. P. C. in Senate a mockery of liberty and freedom of speech.

I do not exactly understand the freedom of speech part.

> Continuance of your fight against democratic legislation will lead you inevitably to the same fate suffered by your brothers in prejudice, Messrs. DIES and STARNES—political bankruptcy.

The telegram is signed "Political Action Committee, B. I. J. U. C. Employees."

Mr. President, I may suffer political bankruptcy. I shall not like it any more than anyone else does. My will to win in a political campaign and my desire to hold exalted public office is about as strong as that of any other Member of this body; but I pray that that will to win and desire to hold public office may never be so strong as to drive me into voluntary moral bankruptcy. My position on this proposition may drive me into political bankruptcy, which will be involuntary; but if that day comes I hope I can walk out of this body with an unfettered conscience and the satisfaction of at least having done what I thought was right.

Mr. President, this F. E. P. C. is not only a political agency from that standpoint but it is a political agency because of its other operations. It was commanded by the President to go into all the Federal agencies and to see that there exists no discrimination in employment because of race or religion.

Any visitor to any of the departments of government in Washington, I care not how ardent a nondiscriminator he may be, will see plenty of evidence that the Committee has performed well the duties with which it was charged by the President. There has been no discrimination, so far as I know, against any race which belongs to a minority group. But as evidence of the political nature of this agency, when it comes to its own personnel, we find that it is overwhelmingly Negro. It has not hesitated to discriminate against the white race in its own employment policies. The Negro population of this country is slightly less than 10 percent, but the record discloses that two-thirds of the employees of this agency are Negroes. I mention that fact to show the political nature of this agency.

The record shows that this is probably the highest-paid agency in the Government. The average salary of the employees of this agency, without overtime, amounts to $3,015.40 a person. Mark that. That is the average salary in this agency, as compared with an average throughout all the civil service in all the other agencies of only $1,700—nearly twice as much.

Why is it necessary to have so many high-salaried persons in this agency, if it is not shot through and through with politics, and is not a political agency? Six of the field offices, in regions where the vast majority of the complaints have arisen, are presided over and directed by Negroes. The hearings disclose that only 44 of the more than 4,000 cases over which this agency has assumed jurisdiction have ever reached Washington for determination. Eighty-five percent of the total number of cases involved Negroes, and the overwhelming majority of them have been decided in the field by the regional offices. I say that some of the appointments are political, and I again invite Members of the Senate to look into the background of those who occupy these important positions; before they vote to perpetuate this agency.

As another evidence of the political nature of this Committee, I point to the different policies pursued in similar cases, cases which are practically identical in their nature, but which arose in different jurisdictions.

This Committee cited the Philadelphia Street Railway Co. for discrimination. The management and the labor union had a contract which had the effect of excluding Negroes from jobs as conductors or engineers. Mr. Ross and one of the Negro members of his Committee—one Webster, who I think is connected with the Pullman Car Porters Union—went to Philadelphia and conducted hearings.

The union absolutely refused to do anything about it. The Committee finally got the employer in a position where he was willing to do something, but the labor union said, "No; we have a contract, and we refuse to set aside and abrogate our contract simply because your Committee wishes us to do so."

In another case a great many railroads were cited for discrimination. The railroads had contracts with the brotherhoods which, frankly, had the effect of excluding the Negro from employment as conductor or engineer. Twenty-three railroads were cited. Although there was not a Negro conductor in the United States on any railroad line, the Committee referred to the President, and highly publicized, only the cases of 14 labor unions and 14 railroads in the Southern States which had refused to abrogate their contracts between labor and management and employ Negroes as conductors and other officers on their trains. Nothing has been done in the Philadelphia Street Railway case. That company refused, and has not yet moved, to accept a Negro as an engineer or conductor. But the southern railroads case, in which there was a similar refusal, was publicized from one end of the country to the other. This man Randolph, who is head of some committee, ran full-page advertisements publicizing the decision shortly after it was delivered, exalting the Committee's action in many daily newspapers.

The southern people and the southern railroads have been pilloried because of the contract between the railroads and the railroad brotherhoods which prevented a Negro from being employed as a conductor or an engineer. Mr. Ross testified before the committee. I asked him the question, and, evasive and clever as he was, he finally admitted that he did not know of a single railroad in the United States which had a Negro conductor. But he picked out the southern railroads in an attempt to bring to the support of his Committee all the people who are prejudiced against certain social customs which are a part of the warp and woof of southern civilization. He had the southern railroads cited to the President—although he has ignored those in other sections of the country—even

though there was not a Negro conductor or engineer on any railroad in the United States. He has ordered the cancelation of the contract with the labor unions in this order to the southern railroads to employ Negro conductors and engineers. Mr. President, it is the most nauseating political move which has ever been attempted in the United States.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WHERRY. Is Mr. Ross the head of the Fair Employment Practice Committee?

Mr. RUSSELL. Yes; and it was he who testified.

As I say, the move was simply one to pillory my people and to rally to the support of the Fair Employment Practice Committee all the extreme left-wing groups in the country who are not satisfied unless they can come into the South and tear down our social order.

In the South we have segregation. It is approved by the whites and blacks alike. The white people have pride in their race, and they want the colored people to have pride in their race. We deal fairly with the colored people in our employment practices. I do not mean to say that is true in every instance any more than it would be true in other sections. But the southern railroads employ thousands of Negro firemen, brakemen, and trainmen, whereas the other railroads of the country have few. Yet this group came into the South and tried to make a gruesome example of the southern railroads by citing them to the President. I am glad the railroad brotherhoods and the southern railroads defied this organization and told it to go ahead and do its worst.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield.

Mr. WHERRY. I am interested in the enforcement provisions. Was any finding made by the Committee in the Philadelphia Street Railway case?

Mr. RUSSELL. The Committee never determined it. It never cited it to the President. The unions refused to accept a Negro conductor. But in the southern railroads case the Committee cited the southern railroads to the President.

Please bear in mind that the Committee started with a case against 23 railroads. Involved in that case was the Pennsylvania Railroad and other railroads in this area. None of those railroads employ Negro conductors. But when the F. E. P. C. made its citation to the President, it did not cite the Pennsylvania Railroad or the Missouri, Kansas & Texas Railroad or the Baltimore & Ohio Railroad, but cited only the 14 railroads which operate in the South. I mention that as showing why the activities of this organization are abhorent to any person, black or white, who believes in fairness.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MAYBANK. With his permission, I should like to read to the distinguished Senator from page 171 of the Senate subcommittee hearings. The Senator from Georgia asked the following question in the Appropriations subcommittee:

> Senator RUSSELL. Do you mean to say that the order you issued in that case did not specifically mention the positions of engineers and conductors?
>
> Mr. ROSS. It said not to discriminate among railway engineers, conductors, firemen, and the rest. They were asked to take certain steps to begin to comply with this order, and they took no steps whatever, sir.
>
> Senator RUSSELL. That was against both the railroads and the unions?
>
> Mr. ROSS. It was.

As a matter of fact, as the distinguished Senator has said, the F. E. P. C. did not give the railroads time to do anything. It brought a case against the southern railroads, although some of the testimony shows that less than 10 percent of all the cases originated in the South.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. RUSSELL. I yield.

Mr. WHERRY. By what right did the Committee so proceed? That is what interests me. By what right did the Committee bring a case against the railroads? Upon what theory did it proceed? I should call the railroads a nonwar industry.

Mr. RUSSELL. Of course, Mr. President, the Government is using the railroads for transportation. But some of the people who are employed by the railroads filed a complaint. They had filed them in the cases of all railroads throughout the United States.

Mr. WHERRY. By what authority?

Mr. MAYBANK. By the asserted authority of the War Powers Act.

Mr. RUSSELL. Or by authority of the so-called aggregate of powers.

Mr. WHERRY. Is that stated in the complaint? Does the Committee state in the complaint under what authority it complains?

Mr. RUSSELL. There are a number of cases. The F. E. P. C., on the assumption that it was just as legal as if it had been created by a solemn act of Congress, received complaints. The F. E. P. C., on the assumption that it had the power, as I have heretofore shown, even to override an act of Congress, and on the assumption that it was just as legal as if it had been created by an act of Congress, issued a citation. I do not believe the railroad unions ever submitted themselves to the jurisdiction of the Committee.

Of course, the issuance of the citation against the railroad brotherhoods was partly political. The C. I. O. was delighted to see the railroad brotherhoods cited. The move was a political one against both the railroad brotherhoods and all of us in the South, for recently it has become popular to criticize us and to call us Bourbons and everything else.

Mr. MAYBANK. I read from the committee hearings, at the bottom of page 171:

> Senator RUSSELL. I wish you would put the order in the record.
>
> Mr. ROSS. I think there is a distinction, Senator. I might say that on the House side we put a carefully thought-out presentation of our views in the record.
>
> Senator RUSSELL. I want to get a copy of the specific order in this case, if you issued an order.

Then follows a three-page presentation entitled "Summary, Findings, and Directives."

Mr. WHERRY. I thank the Senator.

Mr. RUSSELL. Mr. President, I would be less than frank if I did not say that a thousand orders from a thousand such committees are not going to change the views of the southern people on the question of segregation. I have asserted that we deal more fairly than some other sections with the Negro in employment. An eloquent testimony to that fact, Mr. Ross himself asserted that less than 10 percent of the claims filed with him originated in the South.

Of course, when it came time to publicize a case, they picked the case of the southern railroads.

Mr. President, that action and the general tenor of the organization's movements in its efforts to make us conform to its ideas have done more to stir up bitterness and dissension in the South than anything else which has happened there for many years. This is unquestionably true. Disunity and dissension between the races have been created, rather than unity. Instead of expediting the war effort, the F. E. P. C. is impeding it. Its activities have had the effect of alienating many of the best friends the Negro has ever had and have caused bad feeling between the races.

Mr. REVERCOMB. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. I yield.

Mr. REVERCOMB. This is a matter which has puzzled me a little with respect to the southern railroads case. What pressure or what method of getting at the railroad companies did the Committee have? I can understand that when it called in one who had a war contract it might threaten to cancel his contract or to have it canceled through some other agency. How could it bring pressure to bear on the southern railroads? Why did the southern railroads submit themselves to the jurisdiction of the Committee?

Mr. RUSSELL. I do not know that they ever submitted themselves to the Committee's jurisdiction. They appeared, and protested the jurisdiction.

Mr. REVERCOMB. Why did they answer or respond, if they take the position that it is illegal?

Mr. RUSSELL. Mr. President, during the last 2 or 3 years it has been very difficult for the average American citizen and businessman to differentiate between a creature of Congress and a creature of an Executive order. When he receives a citation with the seal of the United States upon it he does not go into that matter so far.

The railroads which were cited merely appeared and protested the jurisdiction. I do not think they examined all the witnesses. The labor unions did not apply for an opportunity to examine the witnesses. When the Committee issued the order against the southern railroads,

canceling their contract with the railroad brotherhoods, the railroads flatly stated they would not comply, and the labor unions took the same position. Of course, that rather nonplussed the Committee. It had no statutory authority to proceed. Its only weapon was concelation of the contracts. In its haste and enthusiasm it had cited all the southern railroads. The contract of one railroad could not be canceled without preventing the shipment of war goods over all southern railroads. Several hundred thousand soldiers were stationed in the South, and they could not very well be moved. However, the case is still open. When it was reported to the President he did not say there was nothing the Committee could do about it. He did not undertake to enforce sanctions, but appointed an entirely new committee to consider only the case of the southern railroads. That committee is now in session, and I do not know what action it will eventually take against the southern railroads.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. REVERCOMB. Has the Attorney General advised the President, or has the President threatened to use soldiers to seize the property of the railroads which the Senator mentions?

Mr. RUSSELL. No; but in my judgment if the Congress of the United States should approve this provision and ratify all that has been done up to the present time, the next logical step would be the seizure of industrial plants and business establishments should they refuse to conform to the rulings of the Committee. I have heard that some people assert that the Committee had the right to impose sanctions of seizure of a plant under the powers which were ostensibly vested in the Committee by the statutes, by the Constitution, and by the War Powers Act.

Mr. REVERCOMB. I gathered from the reply of the Senator that the President and the Attorney General think more of the southern railroads than they do of Montgomery Ward & Co.

Mr. RUSSELL. I do not know about that. The matter arose under different circumstances, but the committee evidently though more of the railroads operating in West Virginia than they did of the southern railroads, because they cited them. Therefore, the Senator from West Virginia might have exercised some influence with the President's Committee, an influence which was not available to the Senator from Georgia or to Senators from some of the other States.

Mr. REVERCOMB. I am sure the Senator is facetious when he suggests that the Senator from West Virginia may have exercised influence with the President on this subject.

Mr. RUSSELL. Mr. President, there is one other question to which I wish to refer. The head of the agency said before the committee that he was not interested in enforcing social equality of the races and bringing about an intermingling of them. He said that he was interested only in equality of employment. In order absolutely to contradict the assertion of the Chairman of the Committee, I wish to bring to the attention of the Senate two cases. When the Chairman of the F. E. P. C. was before the subcommittee of the Senate Committee on Appropriations, the Senator from Maryland [Mr. TYDINGS] examined him in connection with a strike which had taken place at the plant of the Western Electric Co., at Point Breeze, Md., and stated as follows:

> The men who were employed there wrote me a number of times, and there may be other angles to it, but they represented to me that that dispute between the colored people and the white people arose out of the fact that there were two sets of toilets, one for the Negroes and one for the white people, and in pursuance of a directive or order, or instructions that came from your department—

The Senator from Maryland dignified it by calling it a department—

> to the management down there, a partition was torn down, so that both races used the same toilet. Then there was a strike in protest. As I got the picture, the colored people were perfectly willing that the partition be put back, provided, of course, they had as good facilities as the white workers enjoyed; the white workers were satisfied for the partition to be put back between the two toilets, but the partition was not put back, and a great many thousands of man-hours were lost over that seemingly incidental problem. Is that a correct statement of fact?

That was the way in which the Senator from Maryland presented the case. I shall not read all the language, but it seems practically undisputed that the company was perfectly willing to reestablish equal facilities of washrooms and toilets for both races, and install partitions where they had previously been installed.

The Committee issued an order that if the partitions were put back it would be an unfair employment practice. The Western Electric Co. had a contract for the manufacture of field telephones for the Army of the United States, and, because of the order which had been issued by the agency, it was subjected to a strike which lasted many weeks.

In case there be any question about it, I read into the RECORD the order, or opinion of the Committee.

> The Committee takes the position that in the circumstances of this case, where there are frequent and temporary transfers of workers from department to department, such installing of segregated duplicate facilities cannot but lead to discriminatory employment practice.

The strike took place and lasted many weeks. The Committee never changed its rules. As nearly as I can ascertain, not based on any evidence, the War Department had to have the telephones which the Western Electric Co. was manufacturing, and the Department finally told the management to put back the partition in spite of the Committee. That is how the strike was finally settled.

There is one other case which I wish to bring to the attention of the Senate.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WHITE. Before the Senator takes up another case, may I interrupt him by a question?

Mr. RUSSELL. I yield.

Mr. WHITE. Like the Senator from West Virginia [Mr. REVERCOMB] and the Senator from Nebraska [Mr. WHERRY], I am interested in the question of the power lodged in this Committee, and the question of power asserted by the committee.

On page 178 of the printed hearings appears the following colloquy between the Senator from Georgia and Mr. Ross:

> Senator RUSSELL. Did you think you had any legal right, Mr. Ross, to order a labor union and an employer to abrogate an existing contract?
>
> Mr. ROSS. That is a field where I think higher agencies have got to decide the issue. We have decided this.
>
> Senator RUSSELL. You have decided, so far as your agency was concerned, that you do have the power to set aside existing agreements between employers and labor unions.
>
> Mr. ROSS. Yes.

Am I to understand it to be the position of Mr. Ross that the Committee has or asserts power to abrogate any existing contract, the legality of which is not questioned by any authority?

Mr. RUSSELL. There is no question about it. The Committee has assumed the power to legislate and make its own rules, and serve as a court for the trial of offenders. It also assumes the power to go to a Federal agency and have a sanction imposed upon any labor union or manufacturer which does not conform to the wishes or rules of the Committee.

Mr. WHITE. And the Committee could abrogate a contract which was not otherwise challenged as to its legality?

Mr. RUSSELL. The Committee has asserted the right to force business concerns to renegotiate contracts, not altogether for the purpose of recapturing excess profits, but for the purpose of forcing the contractor to include in the contract a clause which would give the Committee power to handle the contractor's employment and personnel problems. I do not believe there has ever been anything like it in all the history of democratic government. I have never heard of any other agency, without a line of legislation to support it, assuming any such powers as have been assumed by this agency.

Mr. WHERRY. Of course, the answer of the Senator would apply to nonwar agencies as well as to war agencies, would it not?

Mr. RUSSELL. The regulations which I have heretofore read stated that the Committee claims the power to formulate rules and regulations.

Mr. President, the case to which I have referred, involving conditions which led to a strike at Port Breeze, Md., is one of the most flagrant cases of which I know, involving an attempt to impose social views upon employers and employees.

The employer wanted to stop it by putting the partitions back. The colored people said they would be satisfied if they got equal toilet and washroom facilities with the whites. The whites said they would be perfectly willing if they got

separate toilet places; so everybody was satisfied but the Fair Employment Practice Committee. They issued an order that it was a discriminatory practice to have separate though quite equal washroom and toilet facilities for the whites and blacks. You cannot wonder, Mr. President, that there are some people in this country who still do not believe in absolute social equality—and there are great numbers of them in my section of the country—who are very apprehensive about an organization of this kind. Even if any Senators believe in social equality, even if they believe in striking down all segregation, even if they believe in the repeal of States' laws which prevent the intermarriage of the races, even if they believe in the intermingling of the races, we must admit that this end should be sought in a lawful way and not by an Executive order agency assuming all powers to bring about such results. I venture to think that before we should uphold the Fair Employment Practice Committee we should uphold and defend the Constitution of the United States.

I refer now to the other case to which I want to call the attention of the Senate, a case where the Fair Employment Practice Committee has assumed the right to dictate and have thereby caused trouble and impeded the war effort in the desire to impose their peculiar ideas of a proper social order on the people of this country. Here is a letter addressed to the chairman of the special committee of the House of Representatives to investigate executive agencies. I shall not read it all, but I desire to read the pertinent portions. It is signed by John Hawk, secretary-treasurer and first vice president of the Seafarers International Union of North America. I understand that is a strong maritime shipping union made up of men who sail the seas. I quote from the letter Mr. Hawk wrote to the chairman of the House special committee:

I consider it an urgent obligation to direct the attention of your committee to a situation which is fast developing to a point where it may hamper the delivery of the cargoes so desperately needed by our fighting forces.

I have reference to the arbitrary, dangerous, and unrealistic interpretation being applied to the President's Executive order establishing the Fair Employment Practice Committee by a pair of starry-eyed fellow travelers heading the Atlantic coast district of the recruitment and manning organization of the War Shipping Administration.

These gentlemen, Mr. Craig S. Vincent, Atlantic coast representative of the R. M. O., and Mr. Frank Pollatsek, Chief of the R. M. O., office in New York, are insisting that the President's order is being violated in connection with the hiring of ships' crews—

Listen to this, Senators—

because our union requires that white seamen shall not be forced to eat and sleep in the same quarters with Negro seamen, and vice versa.

There is no discrimination.

Under this arrangement, each race irrespectful of the other's rights, just as prevails in the armed forces of our country.

Messrs. Vincent and Pollatsek are trying to compel our union—

They are trying to compel the union—

to abandon a sound and tested policy which has resulted in harmonious relationships between Negro and white members over a period of many years. This policy, which is supported by the more than 2,000 Negroes in our membership—

It will be noted that there are 2,000 Negro members of this union—

provides for a rotary hiring-hall system, fair and equitable in every way, which enables whites to share ships' quarters with whites and Negroes with Negroes.

There is not the slightest vestige of discrimination in the running of our union. In fact, a number of our officers are Negroes. The union lives up in every regard to our section of the President's order which calls for the elimination of discrimination with relation to hire, tenure, terms or conditions of employment or union membership because of race, creed, color, or national origin.

The Negro members of our union receive the same wages and voting privileges and enjoy precisely the same working conditions as our white members.

It is this particular section of the President's order which is being twisted and distorted by Messrs. Vincent and Pollatsek to conform to certain social reformist theories which they are seeking to experiment with at the expense of the American seaman and the war effort, and in defiance of the sober judgment of practical men who have spent the greater part of their lives in the maritime industry.

If the views of these two officials are permitted to prevail—

Note these words—

If the views of these two officials are permitted to prevail—and they have the enthusiastic endorsement of every Communist and sympathizer infesting the waterfront—in other ports throughout the country they inevitably would create a state of chaos in the maritime industry in a critical hour for our country. We would see a mass exodus of trained seamen to other jobs; we would see a flare-up of race hatreds, and we would pay for all this in costly delays in the shipping of supplies and equipment to our fighting fronts.

It should be pointed out here that the R. M. O., in the Atlantic coast district, is misrepresenting or concealing the facts when it recruits boys from American homes and then tries to compel them to depart abruptly from old-time family traditions to share eating and sleeping quarters on American ships with members of another race, particularly when such condition is not at all necessary and is disruptive of, rather than helpful to, the war effort.

The interpretation which Messrs. Vincent and Pollatsek are so zealously trying to read into the President's order is a flat violation of the statement of policy which our union signed with the War Shipping Administration on May 4, 1942. This statement of policy reaffirms article 3 of the service agreement signed between general shipping agents and the War Shipping Administration and states specifically: "If the general agent has contracts with unions and those contracts require, for example, preference of employment or use of union hiring halls, the agent would be required to procure men in accordance with the contracts."

What Messrs. Vincent and Pollatsek are trying so hard to do is to disturb our existing and harmonious policy with regard to this union's hiring-hall system in order to grind their own pet reformist ax. Apparently they have no concern over the inevitable consequences.

I ask that the remainder of the letter be printed in the RECORD.

There being no objection, the remainder of the letter was ordered to be printed in the RECORD, as follows:

The views of these men also run counter to the statement of principles governing wartime policy which was signed on December 18, 1941, following negotiations by representatives of the maritime industry, the maritime unions, and the Government.

In arriving at the statement of policy it was agreed that the hiring-hall system embodied in our contracts was to be respected and not interfered with in any way. The union agreed to waive its right to strike for the duration and that pledge has been lived up to faithfully. There have been no strikes or delays on our ships since the war started.

There have been repeated instances where the R. M. O. office in New York has refused to send Negroes to our hiring hall in order to be dispatched to our contracted ships. This resulted in these ships sailing undermanned. On other occasions when our hiring hall was closed for the night or over Sunday the R. M. O. deliberately dispatched Negroes to vessels with white crews, thereby arousing protests and unnecessary ill-feeling.

Our understanding is that the R. M. O. was set up for the explicit purpose of supplementing the unions and the operators in the supplying of seamen personnel in order to prevent delays in sailings.

This is clearly a situation which calls for a thoroughgoing investigation by your committee in the interests of the American seamen and the maritime industry.

The taxpayers money which is being appropriated for the running of the R. M. O. office in New York could be agent to far more useful and constructive purposes. I am sure our Congress never intended to countenance the use of Government funds to promote theories and reforms inconsistent with American traditions and with plain ordinary common sense.

Yours very truly,

JOHN HAWK,
Secretary-Treasurer and First Vice President of the Seafarers International Union of North America.

Mr. RUSSELL. So, we find the head of this labor union, which is composed of both whites and blacks who have long followed the practice of whites living with the whites and the blacks living with the blacks and having separate dining facilities, complaining because this Government agency is trying to force them to mix up the whites and the blacks, make them sleep together, and eat together. Mr. President, I assert in all sincerity that some of the acts of this Committee are sufficient to convince many people that they are more concerned in tearing down the existing social order and imposing their own ideals of social reform on the people of the United States than they are in any discrimination in employment or even in winning the great war in which we are now engaged. It is absolutely inexcusable to have a Government agency, created by Executive order, encouraging, under the guise of expediting the war effort, the continuance of a prolonged strike, as was done in Maryland, and interfering with the shipping on the high seas, so essential to supply the boys who have landed in Normandy, merely for the sake of imposing their own ideas of social reform and trying to bring about absolute equality

and an intermingling of the races, even when the races are satisfied with the conditions that obtain, as is the case in the instance of the Seafarers International Union.

Mr. WHERRY. Mr. President, will the Senator yield for one more question?

Mr. RUSSELL. I yield.

Mr. WHERRY. The Senator from Georgia has been very patient and I appreciate the time he has given to me and I do not wish to delay him; but I should like to have the RECORD made clear so far as I am concerned. I take much interest in the question at issue, and I am asking the question for information. I voted for the amendment of the Senator from Delaware [Mr. BUCK] which was offered several weeks ago to one of the appropriation bills by way of authorization for this agency. I feel personally that if a person is qualified and has the ability there should be no discrimination. That, however, is not the particular point in which I am now particularly interested. In this discussion I am amazed at the power this agency has assumed. In view of the statement the Senator is making, I should like to leave for a moment the question of race out of the discussion, and say that I am surprised that any agency would assume the authority to override the right of private contract. I cannot understand where the F. E. P. C. got such authority. A contract is entered into between two parties who are perfectly satisfied, but a third party outside the contract comes in and claims a higher authority to write into the provisions of the contract the terms it sees fit.

I should like to ask one more question. Do I understand in a decision of this kind made by F. E. P. C. there is no appeal? Is the decision of the agency final? The Senator mentioned that they brought several decisions to Washington—I think the Senator said 44 cases, if I am not mistaken. Then he mentioned also in his remarks that they were referred to the President.

Mr. RUSSELL. Only two were referred to the President.

Mr. WHERRY. Is he the final authority on appeal? The Senator did not explain that.

Mr. RUSSELL. That is what I am complaining about, that we are asked to appropriate for an agency that has no legislative standard, and no limitation except that which may be imposed by the reformers who run it.

Mr. WHERRY. I understand that clearly, but I cannot conceive of any agency overriding a right of private contract, and if they do, I cannot conceive of a person not having his day in court, that he might set up his defense. Does the Senator mean to interpret this as meaning that when a case is finally appealed to the President, he exercises the authority, and renders a decision on appeal?

Mr. RUSSELL. The person who is cited has no right of appeal to the President. The President's proclamation says that when the individual refuses to carry out the order of the F. E. P. C., the F. E. P. C. may cite him to the President; but it does not say anything about the individual having the right of appeal to the President. It is silent on that score.

Mr. WHERRY. It is a unilateral proposition?

Mr. RUSSELL. Absolutely. Being from the South, and this agency being a political question, I know that anything I might say about it would be suspect; but as many Senators know, I have for some time been working on the question of the creation of action agencies by Executive order. For the past 3 years, even before I knew there was such an agency as this, I was trying to bring these agencies under some sort of control of Congress. At the time I started on it I never conceived that any agency created by Executive order would ever assume to possess the powers this agency claims for itself, but we have it here now, and Senators may remember, when they vote, the powers they assert, and the risk they are running by entrusting American industry and business into their hands for the future.

The agency has already asserted the right to change the laws passed by Congress relating to the making of contracts. It has already asserted the right, without any act of Congress to sustain it, to cite people before it, and to use sanctions employed by other executive agencies, canceling contracts, and the like, to enforce its decrees.

In my judgment, if we put the stamp of approval upon this nebulous scheme, which has no lines of definition, which has no standards, which has no brake except its own conscience, from which there is no right of appeal, in my judgment it will likely bring about the seizure of plants in this country that are not willing to entrust questions of promotion and employment of personnel into the hands of this F. E. P. C.

I warn Senators again, in the event the Senate is so short-sighted as to approve what this agency is doing, let no man say, "I did not think they would do it"; let no man say, "I did not vote for a bill to create it," because Senators will be voting for it; instead of voting for the powers defined by the Congress, they will be voting to give this committee the right to define its own powers, as well as to enforce its own decrees.

Mr. MURDOCK. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. MURDOCK. I wish to recur to the question of the creation of the committee by Executive order. If I understood the Senator, he cited a letter from the Comptroller General. I am wondering whether he takes the position that there is anything in that letter which questions the legal authority of the President to create the committee.

Mr. RUSSELL. No; it does not question his authority to create the committee, but it says that the powers given it are directive, and not mandatory.

Mr. MURDOCK. The decision of the Comptroller General was that the regulation of this committee with reference to the inclusion of a nondiscriminatory clause in contracts was directive and not mandatory, but that was all that decision of the Comptroller General decided, was it not?

Mr. RUSSELL. Of course, the Comptroller General did not pass on the legality of the appointment of the Committee.

Mr. MURDOCK. That is what I wanted to have made clear; he did not do that at all?

Mr. RUSSELL. Not at all. Of course, the President has the right to appoint any committee he desires to appoint. He could appoint a committee under any name he chose. But the powers assumed by the Committee are the test as to whether or not there has been an invasion of the field of the National Legislature. It is not the mere fact of the appointment of the Committee.

Mr. MURDOCK. I wanted to have it made clear in my own mind that the Senator did not cite the letter of the Comptroller General as an authority on the illegality of the creation of the Committee.

Mr. RUSSELL. No, not on the legality of the creation of the Committee, but on the actions of the Committee after it was created and the powers it had assumed.

Mr. MURDOCK. I think all the Comptroller General decided was that the regulation was not mandatory, but merely directive.

Mr. RUSSELL. I imagine that after he was overruled by the President, as he was, the Comptroller General would be slow to proceed any further.

Mr. GEORGE. Mr. President, will my colleague yield?

Mr. RUSSELL. I am glad to yield to my colleague.

Mr. GEORGE. What the Comptroller General said was that this was an extralegal organization, that it had no congressional authority, and therefore he reached the conclusion that the setting up of a committee by the President to do certain things was a mere directory act, and not mandatory.

Mr. MURDOCK. If the Senator will yield to me, I have read the letter very carefully——

Mr. GEORGE. I care not whether the Senator has read it very carefully, the Comptroller General predicated his ruling on the one word "admittedly"—admittedly there was no legal authority for this organization.

Mr. MURDOCK. He said that admittedly there was no statutory authority for it.

Mr. GEORGE. Where is the authority?

Mr. MURDOCK. If the Senator will permit me to conclude my statement——

Mr. GEORGE. I did not want the RECORD confused in such a way.

Mr. MURDOCK. I do not want it confused, either, and that is why I rose.

Mr. GEORGE. The Comptroller General's ruling was founded on the definite predicate that there was no legal authority for this organization, and hence that its activities and what it may

require anyone to do with respect to a contract were purely directive.

Mr. MURDOCK. If the Senator will yield, after listening to the distinguished junior Senator from Georgia, I took the pains to call the general counsel on the question as to the legality of the creation of the committee—and I was very specific—and his answer to me was, "Of course, we have not passed on that question." He said, "The only question we have passed on is the one that is referred to in the letter."

Mr. GEORGE. Oh, well——

Mr. MURDOCK. If the Senator will permit me to conclude.

Mr. GEORGE. The President can appoint a committee on education, if he desires.

Mr. MURDOCK. I understand that, but the word "admittedly" is used in this case, that admittedly there is no statutory creation of this committee, hence the decisions of the Comptroller General with reference to agencies which are created by statute are inapplicable to this situation.

Mr. RUSSELL. Oh, no.

Mr. MURDOCK. I have the letter here.

Mr. RUSSELL. I do not care what the Senator has; the Comptroller General went further in his ruling and said that he was going to assume that the President's order had the validity of a statute, which I think was a very, very broad assumption; and then, in spite of giving it that much dignity, he held it was merely directive.

Mr. MURDOCK. May we take the time to read again what he says?

Mr. RUSSELL. Yes.

Mr. MURDOCK. This is the language to which the senior Senator from Georgia refers.

Mr. RUSSELL. I also referred to it in the course of my statement.

Mr. MURDOCK. The Senator read the letter, but the language to which the senior Senator from Georgia referred is this, if I understood him:

> Admittedly, the matter of the inclusion in Government contracts of antidiscrimination clauses has not been the subject of specific statutory enactment. Hence, past decisions of the accounting officers with reference to contract provisions or stipulations expressly required by act of Congress are—at most—only indirectly applicable to the instant case.

That is what the Comptroller General says. He does not say anything about the legality of the creation of the Committee.

Mr. RUSSELL. Of course, the President has a right to appoint a committee on anything he wishes.

Mr. MURDOCK. That is the point I wish to raise with the Senator. The letter was not cited as an authority from the Comptroller General that the creation of the Committee by the President was illegal.

Mr. RUSSELL. No. Of course, the President has a right tomorrow to appoint a committee on fish. He has a right tomorrow to appoint a committee to abolish poverty in the United States. But if that committee then undertakes forcibly to distribute the wealth of the United States among the inhabitants of the United States, that is not a function which has been authorized by the Congress, and such procedure would be illegal.

Mr. MURDOCK. I am not quarreling with the Senator's statement about that matter. I have no quarrel with what the Senator has said concerning what the Committee has done. The only reason I rose was to clear up the point of the legality of the creation of the Committee, and I think the Senator has very emphatically cleared it up.

Mr. RUSSELL. The President has a right to appoint a committee. He has a right to appoint any committee he wishes to appoint, but it is my contention that as Chief Executive of the United States he does not have the power to vest in the F. E. P. C. the powers which this agency attempts to assert. That is my position.

Mr. GEORGE. Mr. President, I merely wish to make it clear that the mere appointment of a certain number of men and calling them a committee is, of course, something that any executive officer may do. Even a private citizen may do it. But when we consider the powers which the Committee is trying to exercise, and which the Executive has given the Committee to exercise, and then read the Comptroller General's letter, there is no way to escape the conclusion that this agency is extralegal, and, therefore, decisions by the courts construing acts of agencies created under authority of the legislative branch of the Government have little or no effect.

Mr. RUSSELL. My complaint has not been that the appointment of the Committee per se was an illegal act. My complaint is that it was sought to vest in the Committee that was appointed powers which do not reside in the Executive, and that the Committee has even sought to exercise powers which were extraneous to the powers conferred by the President, and in excess of the powers sought to be conferred by the President.

Mr. MURDOCK. Mr. President, will the Senator yield again?

Mr. RUSSELL. I yield.

Mr. MURDOCK. Let us assume for the sake of the argument that the creation of the Committee was illegal and has no basis in law. Then I ask the question: Would the Comptroller General of the United States have the power to refuse the payment of the salaries of the personnel of the Committee?

Mr. RUSSELL. I do not know about that; I do not think that issue has been presented.

Mr. MURDOCK. Nor do I know, but that was a question in my mind.

Mr. RUSSELL. I do not know how that issue could be presented or how it could come up. Until this good day the Committee have been paid out of a fund which has been made available to the President of the United States for him to expend for emergency purposes.

Mr. MURDOCK. A fund appropriated by the Congress.

Mr. RUSSELL. Oh, yes; Congress appropriated an emergency fund for the President. We cannot absolve ourselves of that, and properly we should give the President an emergency fund. If he chooses to use it to pay committees of this kind, that is his responsibility; the responsibility is not that of Congress which appropriated the funds. But when we appropriate for the Committee directly, as we are asked now to do, we approve every act it has done. When we stamp with the congressional seal every rule and regulation which the Committee has adopted, when we turn the Committee into the still broader fields that it is even now viewing in anticipation of invading after the Congress gives it the proposed appropriation, then it will be our responsibility, and I say to Senators now that if they vote for the proposed appropriation, if they let the Committee continue with the powers it has already asserted, there will be many times in the future when Senators will have occasion to regret their votes by reason of actions taken by the Committee.

Mr. President, there is no doubt from the criticism we hear from the news commentators, from the criticism we read in the newspapers, from the way that the people in the country are talking today, that the prestige of Congress is just about at as low an ebb as it ever has been in the history of the Republic. Many Members of the Congress have been somewhat bewildered by the mounting tide of criticism which is directed at this body. The charge has been made that there is a deliberate scheme to belittle if not to destroy the prestige and power of the people's representatives. I have resented this drive on Congress, and through the efforts I have made, feeble though they may have been, to bring back these congressional powers into the hands of the Congress, I have sought to avoid any basis for these charges. But if we are candid, Mr. President, we must admit that we are not altogether free from blame for this criticism. Since we have been put on trial we have offered a rather poor defense, and if we approve this provision our defense will be pitiful; in fact, if we approve the agency and legislate in this haphazard way we will plead guilty to every charge that has been made, and will stand naked and defenseless in the presence of our accusers. We have done little to demonstrate the political courage and independence in recapturing the powers of Congress which the people of the Republic have the right to expect of their sworn representatives. We will not be able forever to take refuge in excuses nor to blame on others the responsibility that lies at our own door for some of the conditions.

Mr. President, if we approve in this haphazard fashion a creature of Executive order operating in these nebulous fields and asserting the vast powers that it claims to possess, if we have not the courage to defend the legislative system

of the United States by rejecting this proposal in an appropriation bill to approve these far-reaching powers, then the Congress of the United States, and more particularly the Senate of the United States, will amply deserve any criticism and all condemnation that may be heaped upon it from any source.

Mr. MAYBANK obtained the floor.

Mr. MURDOCK. I make the point of no quorum.

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Utah for that purpose?

Mr. MAYBANK. I yield to the distinguished Senator from Utah for that purpose.

Mr. MURDOCK. I make the point that there is not a quorum present.

The PRESIDING OFFICER (Mr. McFARLAND in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

During the calling of the roll,

Mr. MURDOCK. Mr. President, I suggested the absence of a quorum at the request of the Senator from New Mexico [Mr. CHAVEZ], who was not present in the Chamber. I have since talked with him, and he has stated that if the vote is to go over until Monday, and the debate is not to be closed, he does not desire to speak this evening. So I ask unanimous consent that further proceedings in connection with the call of the roll be dispensed with.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and it is so ordered.

Mr. McKELLAR. Mr. President, I wish to say to the Senator from Utah that the Senator from New Mexico [Mr. CHAVEZ] is engaged in a conference in the Appropriations Committee room.

Mr. CHAVEZ entered the Chamber.

Mr. McKELLAR. I see that the Senator from New Mexico has just entered the Chamber. He and I have both been busy all afternoon in a conference.

Does the Senator from New Mexico desire to speak this afternoon?

Mr. CHAVEZ. Mr. President, I am engaged in a conference.

Mr. McKELLAR. Under the circumstances, then, Mr. President, I shall move that the Senate proceed to the consideration of executive business.

Mr. CONNALLY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. What happened to the roll call?

The PRESIDING OFFICER. By unanimous consent, further proceedings in connection with the roll call were dispensed with.

Mr. CHAVEZ and Mr. MAYBANK addressed the Chair.

Mr. McKELLAR. Mr. President, I shall withhold my motion to proceed to the consideration of executive business.

Mr. CHAVEZ. Mr. President, it is my understanding that when the Senate takes a recess today, it will reconvene on Monday.

Mr. McKELLAR. I shall move that the Senate take a recess until 12 o'clock noon on Monday.

Mr. CHAVEZ. And the pending business will be the question which has been before the Senate this afternoon?

Mr. McKELLAR. That is true; and the Senator can speak then.

Mr. MAYBANK. Mr. President, at the conclusion of the remarks of the distinguished Senator from Georgia [Mr. RUSSELL] he yielded the floor and I was recognized. I merely wish to make one statement.

The civil-service laws and regulations of the United States Government cover the activities of the Fair Employment Practice Committee, so far as the laws of Congress with which I am familiar can cover them. Therefore, there is no need for it. It is my opinion that this is the beginning of a drive, not for fair employment practices in the Government agencies, but to take over the employment and promotion of employees in all private agencies and private business in all the States in the United States of America.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes, and that the House still further insisted upon its disagreement to the amendment of the Senate numbered 10 to the bill.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4414) making appropriations for the legislative branch and for the judiciary for the fiscal year ending June 30, 1945, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 31 to the bill, and concurred therein; that the House receded from its disagreement to the amendment of the Senate numbered 35 to the bill and concurred therein with an amendment, in which it requested the concurrence of the Senate, and that the House insisted upon its disagreement to the amendment of the Senate numbered 34 to the bill.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4899) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARE, Mr. TARVER, Mr. THOMAS of Texas, Mr. ANDERSON of New Mexico, Mr. ENGEL of Michigan, Mr. KEEFE, and Mr. H. CARL ANDERSEN were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a joint resolution (H. J. Res. 298) making appropriations for grants to States under the Social Security Act, in which it requested the concurrence of the Senate.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 298) making appropriations for grants to States under the Social Security Act was read twice by its title and referred to the Committee on Appropriations.

EXECUTIVE SESSION

Mr. McKELLAR. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. McFARLAND in the chair) laid before the Senate messages from the President of the United States, which were referred to the appropriate committees or ordered to lie on the table.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. GEORGE, from the Committee on Finance:

A. Miles Pratt, of New Orleans, La., to be collector of customs for customs collection district No. 20, with headquarters at New Orleans, La. (Reappointment.)

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

THE NAVY

The legislative clerk read the nomination of William S. Pye to be vice admiral on the retired list, when retired on July 1, 1944.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. McKELLAR. I ask that the nominations in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Marine Corps are confirmed en bloc.

That concludes the calendar.

Mr. McKELLAR. I ask that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

INTERNATIONAL AGREEMENT FOR THE REGULATION OF WHALING

Mr. WHITE. Mr. President, I invite attention to the fact that there are on the Executive Calendar two treaties reported from the Foreign Relations

Committee. I wonder if the chairman of the committee desires to proceed with their consideration this afternoon?

Mr. CONNALLY. I shall be very glad to have the Senate proceed with the consideration of the treaty with respect to which the Senator from Maine acted as chairman of the subcommittee.

Mr. WHITE. Mr. President, there is on the Executive Calendar Executive D, Seventy-eighth Congress, second session, a protocol signed at London on February 7, 1944, which amends in certain particulars an existing international agreement for the conservation of whales and the regulation of the whaling industry. I ask that it be laid before the Senate.

The Senate, as in Committee of the Whole, proceeded to consider the protocol, Executive D (78th Cong., 2d session), a protocol signed at London on February 7, 1944, for the United States of America, the Union of South Africa, the Commonwealth of Australia, the United Kingdom of Great Britain and Northern Ireland, Canada, New Zealand, and Norway, amending in certain particulars the international agreement for the regulation of whaling signed at London, June 8, 1937, as amended by the protocol signed at London on June 24, 1938, which was read the second time, as follows:

PROTOCOL

THE Governments of the Union of South Africa, the United States of America, the Commonwealth of Australia, the United Kingdom of Great Britain and Northern Ireland, Canada, Eire, New Zealand and Norway,

Being parties or signatories to the International Agreement for the Regulation of Whaling signed at London on the 8th June, 1937 (hereinafter referred to as the Agreement of 1937), and to the Protocol signed at London on the 24th June, 1938, introducing certain amendments into the Agreement of 1937 (hereinafter referred to as the Protocol of 1938); and

Desiring, in view of the fact that pelagic whaling operations in the area to which Article 7 of the 1937 Agreement applies have been interrupted for a considerable period by the existence of hostilities and in order to meet the present emergency without prejudicing the conservation of stocks of whales, to put into force by agreement such provisions as may be necessary with regard to pelagic whaling in this area when whaling operations are resumed there:

Have agreed as follows:—

ARTICLE 1

(i) The period fixed by Article 7 of the Agreement of 1937, during which factory ships or a whale catcher attached thereto may be used for the purpose of taking or treating baleen whales, shall be extended for the first season in which whaling operations are resumed in the area referred to in the said Article 7, so as to cover the period from the 24th November to the 24th March, both dates inclusive.

(ii) Each Government party to the present protocol shall give notice to the Government of the United Kingdom when whale factory ships registered under the law of any territory under its authority or otherwise under its jurisdiction engage in whaling operations in the area defined in Article 7 of the Agreement of 1937. The Government of the United Kingdom will inform the other Governments party to the present protocol of all notices received under this paragraph and shall itself similarly give notice to the other contracting Governments if whale factory ships registered under the law of any territory under its authority or otherwise under its jurisdiction engage in whaling operations in the said area.

(iii) For the purposes of paragraph (i) of this article the first season in respect of which any notice has been given under paragraph (ii) above, shall be deemed to be the first season in which whaling operations are resumed. This season is hereinafter referred to as "the first season."

ARTICLE 2

The provisions of Article 1 of the Protocol of 1938 relating to the taking of humpback whales in any waters south of 40 degrees south latitude shall apply during the first season.

ARTICLE 3

(i) During the first season, the number of baleen whales caught in the area referred to in Article 7 of the 1937 Agreement shall not exceed 16,000 blue whale units.

(ii) For the purposes of paragraph (i) of this article, blue whale units shall be calculated on the basis that one blue whale equals—

(a) 2 fin whales, or
(b) 2½ humpback whales, or
(c) 6 sei whales.

(iii) The Government of the United Kingdom shall consult all the Governments who have given notice under Article 1 (ii) of this agreement in order to arrange by co-operation and agreement the measures necessary to ensure that the total number of baleen whales caught during the first season does not exceed the number specified in paragraph (i) of this article.

ARTICLE 4

In the absence of agreement to the contrary none of the provisions of the present protocol shall operate except in the first season.

ARTICLE 5

The present protocol shall be ratified and the instruments of ratification deposited as soon as possible with the Government of the United Kingdom.

ARTICLE 6

(i) The present protocol shall be open to accession on behalf of any Government which was a party to the 1937 Agreement and has not signed the present protocol.

(ii) Accession shall be effected by means of a notification addressed to the Government of the United Kingdom.

ARTICLE 7

(i) The Government of the United Kingdom shall inform the Governments of the United States of America, Canada, Eire, Mexico, New Zealand and Norway of all ratifications of this protocol or accessions thereto.

(ii) The present protocol shall come into force as soon as ratifications or accessions have been deposited on behalf of all Governments referred to in paragraph (i) of this article and of the Government of the United Kingdom.

(iii) The ratification of or accession to the present protocol by a Government which is a signatory but not a party to the Agreement of 1937 shall not become effective until such Government becomes a party to that agreement by ratification.

In witness whereof the undersigned plenipotentiaries, being duly authorised to this effect by their respective Governments, have signed the present protocol and affixed thereto their seals.

Done at London this 7th day of February, 1944, in a single copy which shall remain deposited in the archives of the Government of the United Kingdom by whom certified copies will be transmitted to all the Governments referred to in Article 7 (i).

For the Government of the Union of South Africa:

[L. S.] DENEYS REITZ.
[L. S.] A. P. VAN DER POST.

For the Government of the United States of America:

[L. S.] LOYD V. STEERE.

For the Government of the Commonwealth of Australia:

[L. S.] S. M. BRUCE.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

[L. S.] A. T. A. DOBSON.
[L. S.] J. E. DE WATTEVILLE.

For the Government of Canada:

[L. S.] VINCENT MASSEY.

For the Government of Eire:

For the Government of New Zealand:

[L. S.] W. J. JORDAN.

For the Government of Norway:

[L. S.] BIRGER BERGERSEN.

Mr. WHITE. Mr. President, so far as I know there is no controversy with respect to this matter. The protocol was referred to a subcommittee composed of the present speaker, the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Iowa [Mr. GILLETTE]. The subcommittee gave such study as it could to the problems involved and to the previous agreements on the same subject, and joined in a report to the full committee. In turn the full committee unanimously reported the protocol favorably to the Senate.

In its over-all purpose—and I have already hinted at this—it is a conservation measure, designed to preserve and perpetuate the various species of whales which are found in the waters of the world. As I say, we regard it as a conservation measure. It is urged by all the departmental authorities having to do with the subject matter. The protocol was signed at London on February 7, 1944.

Unless there is a desire on the part of any Senator to discuss the question, I ask that the protocol be reported to the Senate.

The PRESIDING OFFICER. The protocol is before the Senate as in Committee of the Whole, and open to amendment. If there be no amendment to be proposed, the protocol will be reported to the Senate.

The protocol was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive D, Seventy-eighth Congress, second session, a protocol signed at London on February 7, 1944, for the United States of America, the Union of South Africa, the Commonwealth of Australia, the United Kingdom of Great Britain and Northern Ireland, Canada, New Zealand, and Norway, amending in certain particulars the International Agreement for the Regulation of Whaling signed at London June 8, 1937, as amended by the protocol signed at London on June 24, 1938.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the protocol is ratified.

RECESS TO MONDAY

Mr. McKELLAR. Mr. President, if there is no other business, as in legislative session, I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 40 minutes p. m.) the Senate took a recess until Monday, June 19, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 16 (legislative day of May 9), 1944:

NATIONAL MEDIATION BOARD

Frank P. Douglass, of Oklahoma, to be a member of the National Mediation Board for the remainder of the term expiring February 1, 1946, vice William M. Leiserson.

SUPREME COURT OF PUERTO RICO

Rafael Bosch, of Puerto Rico, to be an associate justice of the Supreme Court of Puerto Rico, vice Hon. Martin Travieso, elevated.

UNITED STATES ATTORNEY FOR ALASKA

Frank C. Bingham, of Alaska, to be United States attorney for division No. 2 of Alaska, vice Charles J. Clasby, resigned.

PUBLIC UTILITIES COMMISSION OF THE DISTRICT OF COLUMBIA

J. Francis Reilly, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia for the term of 3 years from July 1, 1944.

This is to correct the nomination sent to the Senate on May 29 and confirmed on June 8, 1944.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 16 (legislative day of May 9), 1944:

IN THE NAVY

RETIRED LIST

William S. Pye to be placed on the retired list, when retired on July 1, 1944, with rank of vice admiral, pursuant to an act of Congress approved June 16, 1942.

IN THE MARINE CORPS

APPOINTMENTS IN THE MARINE CORPS

To be second lieutenants

Richard E. Maulsby	Grover C. Williams, Jr
Alexander M Hearn	Gerald G. Kirby
Frank H. Simonds	Charles E. Walker
Robert H. Barrow	Raoul J. Archambault
Earl F. Stanley	

WITHDRAWAL

Executive nomination withdrawn from the Senate June 16 (legislative day of May 9), 1944:

IN THE ARMY

TO BE MAJOR GENERAL, ARMY OF THE UNITED STATES

Brig. Gen. Jay Ward MacKelvie.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 16, 1944

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord of all power and might, our failures and sins often sadden us. We pray Thee to renew a right spirit within us that our daily lives may be modeled after Thine; Thou who came not to be ministered unto but to minister. O make us more ready to extend our lengthening and protecting shadows over those who have stumbled and fallen and upon whom the sun's burning rays have fiercely beaten: "Inasmuch as ye have done it unto one of the least of these, ye have done it unto Me."

We take refuge in the hope and promise of freedom from wrong desire and peace from the fierce oppression within. Thou whose light is more than the sun and stars, whose plenitude of mercy sends the warm blood of nourishment coursing through the boundless universe, Thou art our eternal home. We pray that the Lord Jesus may be with us as our cares waste us, as the way of the world thunders at our faith and the battle goes on, leaving us sore oppressed; O we may be more than conquerors. O let us stand with the prophets who cried in the unknown land, who pled on the thunder-shaken mountain and prayed in the valley of loneliness and indecision. O fill us with Thy spirit that we may discern and have a measure of Thy royalty and be armed and guided in the path of the perfect day. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4899. An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCARRAN, Mr. McKELLAR, Mr. RUSSELL, Mr. BANKHEAD, Mr. TRUMAN, Mr. WHITE, and Mr. REED to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4183) entitled "An act making appropriations for the fiscal year ended June 30, 1945, for civil functions administered by the War Department, and for other purposes."

The message also announced that the Senate further insists upon its amendments Nos. 1, 3, 5, 7, 8, and 9 to the foregoing bill, disagreed to by the House, asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Oklahoma, Mr. HAYDEN, Mr. OVERTON, Mr. RUSSELL, Mr. BAILEY, Mr. REYNOLDS, Mr. BRIDGES, Mr. GURNEY, and Mr. BROOKS to be conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my remarks in two instances, in one to include a short editorial and in the other to include a statement received from the War Food Administration.

The SPEAKER. Is there objection?

There was no objection.

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial from the Memphis (Tenn.) Commercial Appeal.

The SPEAKER. Is there objection?

There was no objection.

Mr. POULSON. Mr. Speaker, I ask unanimous consent to extend my remarks and insert two editorials and an article in the Appendix.

The SPEAKER. Is there objection?

There was no objection.

Mr. KEAN. Mr. Speaker, I ask unanimous consent to extend my remarks and include an article by Arthur Krock on the effect of the Dirksen amendment which the House adopted on day before yesterday.

The SPEAKER. Is there objection?

There was no objection.

Mr. JEFFREY. Mr. Speaker, I ask unanimous consent to extend my remarks and include a copy of a signed statement and copies of three affidavits.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks and include a fine editorial on the flag published in the Paterson (N. J.) Evening News.

The SPEAKER. Is there objection?

There was no objection.

Mr. RODGERS of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks and include a Flag Day address written by Senator DAVIS in my congressional district.

The SPEAKER. Is there objection?

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial on Lindbergh which appeared in the Washington Times-Herald yesterday morning.

The SPEAKER. Is there objection?

There was no objection.

CALL OF THE HOUSE

Mr. SUMNERS of Texas. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Evidently no quorum is present.

Mr. COCHRAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 92]

Arnold	Bloom	Burdick
Baldwin, Md.	Boren	Cannon, Fla.
Bell	Bradley, Mich.	Capozzoli
Blackney	Brumbaugh	Carrier
Bland	Buckley	Case

Colmer	Hall,	Norton
Costello	Leonard W.	O'Connor
Courtney	Harless, Ariz.	Pace
Cox	Harness, Ind.	Patman
Cravens	Hébert	Peterson, Ga.
Dawson	Heffernan	Pfeifer
Dewey	Hoffman	Philbin
Dickstein	Horan	Plumley
Dies	Johnson,	Rabaut
Dirksen	Calvin D.	Reed, Ill.
Douglas	Johnson,	Richards
Drewry	Lyndon B.	Russell
Durham	Johnson, Okla.	Sauthoff
Ellis	Kee	Scott
Fay	Kennedy	Shafer
Fellows	Keogh	Smith, Maine
Fernandez	Kleberg	Smith, Ohio
Fitzpatrick	Klein	Smith, Va.
Fogarty	Lemke	Stewart
Ford	Lewis	Taylor
Fulbright	Luce	Torrens
Fuller	McCord	Vincent, Ky.
Furlong	McGehee	Whelchel, Ga.
Gale	Madden	Whitten
Gallagher	Magnuson	Wickersham
Gibson	Mansfield, Tex.	Wolverton,
Gifford	Marcantonio	N. J.
Granger	Merrow	Woodrum, Va.
Grant, Ala.	Mills	Wright
Hagen	Morrison, N. C.	
Hale	Murdock	

The SPEAKER. On this roll call 328 Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

LABOR DEPARTMENT AND FEDERAL SECURITY AGENCY APPROPRIATION BILL, 1945

Mr. HARE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4899) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The SPEAKER appointed the following conferees: Messrs. HARE, TARVER, THOMAS of Texas, ANDERSON of New Mexico, ENGEL of Michigan, KEEFE, and H. CARL ANDERSEN.

LEGISLATIVE BRANCH AND THE JUDICIARY APPROPRIATION BILL, 1945

Mr. O'NEAL. Mr. Speaker, I call up the conference report on the bill (H. R. 4414) making appropriations for the legislative branch and for the judiciary for the fiscal year ending June 30, 1945, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4414) "making appropriations for the legislative branch and for the judiciary for the fiscal year ending June 30, 1945, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 30 and 33.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, and 29, and agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$2,985,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 31, 34, and 35.

EMMET O'NEAL,
JOE HENDRICKS,
ALBERT GORE,
NOBLE J. JOHNSON,
WALTER C. PLOESER,
HARVE TIBBOTT,
Managers on the part of the House.

MILLARD E. TYDINGS,
THEODORE FRANCIS GREEN,
FRANCIS MALONEY,
STYLES BRIDGES,
HAROLD H. BURTON,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4414) making appropriations for the legislative branch and for the judiciary for the fiscal year ending June 30, 1945, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Nos. 1 to 21, inclusive, relating to the Senate: Appropriates for employees and other items, as proposed by the Senate.

Nos. 22 to 26, inclusive, relating to the House: Adjusts salary of one employee; makes $40,000 immediately available for Capitol buildings, and appropriates $352,960 for the Senate Office Building, as proposed by the Senate, instead of $306,955, as proposed by the House.

No. 27, relating to the United States Supreme Court: Substitutes parentheses for commas.

Nos. 28 and 29, relating to the United States Court of Appeals for the District of Columbia: Appropriates $3,370 for repairs and improvements, as proposed by the Senate, instead of $2,500, as proposed by the House.

No. 30, relating to the Court of Customs and Patent Appeals: Appropriates $114,860 for the salaries of judges and other employees, as proposed by the House, instead of $117,160, as proposed by the Senate.

No. 32, relating to salaries of clerks of courts: Appropriates $2,985,000, instead of $2,975,000, as proposed by the House, and $2,995,710, as proposed by the Senate.

No. 33, relating to the probation system: Appropriates $1,137,400 for the salaries of probation officers and their clerical assistants, as proposed by the House, instead of $1,270,040, as proposed by the Senate.

AMENDMENTS REPORTED IN DISAGREEMENT

No. 31, relating to the United States Customs Court: Provides that traveling expenses of judges of the Customs Court shall be paid upon the written certificate of the judge, as proposed by the Senate. The managers will move to recede and concur.

No. 34, relating to individual salary schedules and to the amount of $1,700,000 for miscellaneous salaries, as proposed by the Senate. The managers will move to recede and concur with an amendment.

No. 35, relating to the amount of $577,000 for traveling expenses for the judiciary, as proposed by the Senate. The managers will move to recede and concur with an amendment.

EMMET O'NEAL,
JOE HENDRICKS,
ALBERT GORE,
NOBLE J. JOHNSON,
WALTER C. PLOESER,
HARVE TIBBOTT,
Managers on the part of the House.

Mr. O'NEAL. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 31: On page 58, line 4, after "$12,500:", insert the following: "*Provided*, That traveling expenses of judges of the Customs Court shall be paid upon the written certificate of the judge."

Mr. O'NEAL. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 34: On page 60, line 6, after "for," strike out the following: "$1,327,885: *Provided*, That the compensation of secretaries and law clerks to circuit and district judges shall be fixed by the Director of the Administrative Office of the United States Courts without regard to the Classification Act of 1923, as amended, except that the salaries of the secretaries, exclusive of temporary additional compensation, and exclusive of the differential allowed for higher living costs in the Panama Canal Zone, shall correspond with those of the assistant administrative grade (grade 7 of clerical, administrative and fiscal service): *Provided further*, That the annual basic compensation of the secretary to a circuit or district judge shall not (exclusive of temporary additional compensation) exceed $3,200: *And provided further*, That the salaries of law clerks shall correspond with those of the assistant professional grade", and insert "$1,700,000: *Provided*, That the compensation of secretaries and law clerks of circuit and district judges (exclusive of temporary additional compensation) shall be fixed by the Director of the Administrative Office without regard to the Classification Act of 1923, as amended, except that the salary of a secretary shall conform with that of the main (CAF-4), senior (CAF-5), or principal (CAF-6) clerical grade, or assistant (CAF-7), or associate (CAF-8) administrative grade, as the appointing judge shall determine, and the salary of a law clerk shall conform with that of the junior (P-1), assistant (P-2), associate (P-3), full (P-4), or senior (P-5) professional grade, as the appointing judge shall determine, subject to review by the judicial council of the circuit if requested by the Director, such determination by the judge otherwise to be final: *Provided further*, That (exclusive of temporary additional compensation) the aggregate salaries paid to secretaries and law clerks appointed by one judge shall not exceed $6,500

per annum, except in the case of the senior circuit judge of each circuit and the senior district judge of each district having five or more district judges, in which case the aggregate salaries shall not exceed $7,500."

Mr. O'NEAL. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. O'NEAL moves that the House recede from its disagreement to the amendment of the Senate No. 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$1,512,885."

Mr. O'NEAL. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this is the only amendment that is in disagreement, and I do not believe it has any political implications nor is there any reason for a division along party lines. It is a question of what the House believes should be done with reference to the needs of the judiciary. I would like to state that the executive branch of the Government always has friends. Anything in which it is interested is always known to Congress because someone is around to explain it to Members of Congress, and somehow or other a full story comes to Congress in an effective way concerning any improvement in the service of a department or any appropriation which might be needed. We can take care of ourselves, the legislative branch of the Government. But I have a real sympathy for the judicial branch of the Government, because it seems that no one is interested in the problems of the judiciary and its minimum needs. For a long time they have had, in my opinion, a somewhat antiquated, inefficient set-up in the district judges' offices and in the courts in some cases which are not in line with modern methods. The judges have come to Congress many times for assistance, and for some reason or other very little aid is given to the judiciary. I am interested in this amendment, because I feel the request is fundamentally just and right and that the improvements asked for here will enable the judiciary to do a better job and will mean greater justice to all concerned. It is difficult to go through the whole testimony on this point in just 5 or 10 minutes, but I would like to give you the picture as nearly as I can in the short time at my disposal.

Mr. Speaker, throughout the entire United States there are 11 senior circuit judges and 47 circuit judges. There are 8 senior district judges and 188 district judges, making a total of 196 district judges in the judicial system. All of these judges have a secretary or stenographer. There are only 58 law clerks for its entire 196 district judges. So in the district courts throughout the country the office force is one girl or man, who may be a stenographer, helping the judge, and in only 58 of the 196 courts is there a law clerk to help the judge with the work that he does except where the law clerks serve more than one judge. In the appropriation bill as it was presented to the subcommittee at the beginning by the Budget Bureau, there was an estimate of $2,003,000 for the law clerks and secretaries to the judges. The committee cut that down to $1,327,000, and the House passed it at that amount. The controversy arises in this way: The Senate made the amount $1,700,000, and we are now making a motion to recede and concur with an amendment, not to give the $1,700,000 for the payment of clerks, but to provide $1,512,000. This is far less than the Budget recommendation of $2,003,000. This will probably provide about 40 law clerks for the 196 district judges.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. O'NEAL. I will be glad to yield.

Mr. DINGELL. Mr. Speaker, the gentleman made an interesting statement about the courts as though they were orphans, or wards of the Congress, and he referred to the number of law clerks, which is less than the number of judges by far; and seemingly only stenographers are provided in each instance, and law clerks in extraordinary instances. In how many instances, might I ask my distinguished friend from Kentucky, do we find that they have masters and special masters and all other kinds of assistants, who very frequently relieve the judge from the work he himself ought to do? Has the committee gone into that question?

Mr. O'NEAL. Of course, there are bailiffs and court clerks and court reporters and other employees in the court.

Mr. DINGELL. No; I am not speaking of that.

Mr. O'NEAL. There are a lot of people around the court, but I am speaking about the offices of the judges. That is about all they have, and they need more help.

Mr. DINGELL. Will the gentleman indulge me for just a moment for just one other question? I would like to get to the bottom of this. I do not want it to appear they are entirely destitute, because they have special masters and masters and others who are constantly at their service.

Mr. O'NEAL. On a special case there may be a master, of course.

Mr. DINGELL. They do the work of some of the judges.

Mr. O'NEAL. Of course there are masters, I think everybody knows that. But I am talking about the tremendous amount of work going on in many of the offices of the district judges.

Mr. DINGELL. I think they should be relieved; I will go along with the committee on that.

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. O'NEAL. I yield to the gentleman from Georgia.

Mr. TARVER. Mr. Speaker, in the event the gentleman's motion is agreed to by the House would the effect be to authorize an increase of salary from $3,500 a year to $5,400 a year in some cases?

Mr. O'NEAL. No; I will say to the gentleman, his information on that is a little confused. It can have no such effect, and I will explain just what it does.

Mr. TARVER. I got the information from the gentleman's clerk in the gentleman's presence just a few moments ago.

Mr. O'NEAL. Mr. Speaker, I think I can make that clear. At the present time the secretaries in the judges' offices under civil-service classification are employees at $2,600 a year, and the law clerks are $2,600 employees. Justice Stone is the head of the Judicial Conference. He and the senior circuit judge, Justice Groner, of the District Court of Appeals, form what is known as the Judicial Conference. They have had a committee from their number working on this for some time, and this is their recommendation. They recommend that they be allowed to grade these positions a little more intelligently. They want to grade their secretaries so that they will not only be in this $2,600 grade, but that the grades may run from $1,800 to $3,500. Chief Justice Stone's committee has also, through the Judicial Conference of these circuit judges, made a recommendation that the law clerks who now have a classification similar to that of civil service of $2,600 a year be allowed, subject to the approval of the judicial council, to have the law clerks paid from $2,000 up to $5,400 a year. The effect is, if you increase the amount of money which we are attempting to do in this amendment, although we have reduced it from $2,003,000 to $1,500,000, the judges will have a little more money to work with. But if you give them the right to change the rate of pay they may hire some at a greater rate of pay, which will mean the employment of fewer people. Or they may take all of them in at a lower grade and they could employ more. Probably the effect will be to put on a few more and to hire some new people who could not have been hired without it.

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. O'NEAL. I cannot yield to the gentleman right now, as I would like to get this picture clearly before the House. The gentleman from Georgia has a very mistaken idea about it.

Mr. TARVER. Mr. Speaker, I am trying to get the gentleman to clarify the situation for me.

Mr. O'NEAL. I will be glad to yield to the gentleman.

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. O'NEAL. Mr. Speaker, I yield myself 5 additional minutes.

Mr. TARVER. Will the gentleman yield to me?

Mr. O'NEAL. I yield.

Mr. TARVER. Is it not true that under the language of the gentleman's amendment it will be possible for law clerks who are now being paid $3,500 a year, top salary, to be paid $5,400 per year, resulting in an increase of $1,900 per year?

Mr. O'NEAL. That is true. It is possible that a $2,600 employee——

Mr. TARVER. Well, that is the question I asked the gentleman originally.

Mr. O'NEAL. Now, let me answer the question. The gentleman has asked a

question and I want to answer it. It is possible to increase the salaries of some. It is also possible to decrease some to $1,800.

Mr. TARVER. But it is possible to raise some of them as much as $1,900 a year?

Mr. O'NEAL. Now, if the gentleman wants to take all the time, I will be glad to let him have a reasonable amount. The effect of it is this: One judge might want a secretary who is an accomplished secretary, and may want to pay him up to $2,500 or $3,000. I do not know what you pay your stenographer, but they should let the judge decide. If he wants an expert stenographer let him have it, if he can do better work under this new arrangement of pay. If the judge wants some lawyer to make this his life work—and these may be lifetime appointments—he can say to some older lawyer, "Now, you can work up to $5,500 ultimately if you will come here and act as my law clerk." But today with law clerks getting the $2,600 grade, the situation has been that the judges had to get some young lawyer just starting the practice of law, and as soon as he had experience, which was of a great deal of value to him, he would quit and the judge had to start over again.

Justice Stone and the circuit court chief justices for years have worked on this. They say we can have a much more efficient judiciary if you will let the judge decide what type of law clerk or stenographer or secretary he wishes, subject to review by the conference. If he does not have the business to support it, if his office does not require it, the judicial conference has the power to decline the request of the judge. It is not final with the judge. But he can say to the conference, "This is what I need to carry on the work in my office, and I am asking you to give this to me." But, with only 40 new law clerks to work for 196 different judges, who only have 58 law clerks now, somebody is going to have to say "No." And it will be said. But I do know that with all this increase in important business which they are having, such as condemnation suits, the work under Selective Service, the O. P. A., and other activities, certainly a volume greater than they had before the war, and when the Chief Justice of the United States comes and states through his committee, "We need this increase for the better administration of justice", and when the senior circuit judges and every circuit judge in this country are begging and pleading for us to help them out, and with nobody else to come here to make the fight for them, in my opinion it is time this Congress gave favorable consideration to this matter. In my opinion it would be justifiable to provide them with $185,000 more in money and these new classifications so that they can administer justice better and more promptly.

Mr. HENDRICKS. Mr. Speaker, will the gentleman yield?

Mr. O'NEAL. I yield.

Mr. HENDRICKS. I think perhaps the gentleman made an error in his answer to the gentleman from Georgia [Mr. TARVER] because, according to the classification we have set up, no clerk can immediately be raised to $5,400.

Mr. O'NEAL. Oh, he starts in at the lower figure, but he can go higher. If he has been there a long time he can probably start in at one of the higher grades, and he should.

Mr. HENDRICKS. But he cannot get the $5,400 to begin with?

Mr. O'NEAL. That is the top.

Mr. HARRIS of Virginia. Mr. Speaker, will the gentleman yield?

Mr. O'NEAL. I yield.

Mr. HARRIS of Virginia. In view of the gentleman's statement of the need for law clerks by these judges, is it the purpose to provide all of them with law clerks or just some selected few?

Mr. O'NEAL. There are 196 judges; 58 law clerks are now employed. We are trying to provide them with sufficient funds to give them approximately 40 more law clerks. The Judicial Conference will say where those law clerks will be used. Some may serve two or three different circuits. Some might serve just one judge. But certainly these qualified Federal judges, who are trying to do a good job, will not try to take advantage of the Government by giving everybody a law clerk, and they could not do it if they wanted to, because we provide the money for only about 40.

Mr. HARRIS of Virginia. Then we are to understand that all judges do not require law clerks?

Mr. O'NEAL. They do not want them. Some of them do not have any desire for them.

The SPEAKER. The time of the gentleman from Kentucky has again expired.

Mr. O'NEAL. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. JOHNSON].

Mr. JOHNSON of Indiana. Mr. Speaker, this is not a new matter, I am informed. The judiciary legislation has been referred to this committee for only a very short period. I have talked to members of the committee which has previously considered this legislation, and am informed that for years and years and years the judiciary has been coming before the Committee on Appropriations with requests for advances, for additional positions and things that they believe they need. I am not in a position to say that they do or do not need this. My frank opinion is that they do not especially, at this time. Our hearings developed the fact that there is less Federal litigation now than there has been in the past. The only increase was caused by some condemnation suits and by naturalization proceedings. The Government has taken practically all the land that it will take under condemnation during this war period. Most certainly the naturalization business of the court does not require any expert law clerk or anything of the sort to attend to routine naturalization proceedings.

We have a peculiar situation, and I cannot agree with the statement of the gentleman from Kentucky [Mr. O'NEAL] that the salary increase he mentioned could not be made to $5,400, at once. The reading of this language which has been inserted by the Senate sets up classifications for the various law clerks and for the secretaries to the judges. A reading of that will disclose plainly that these classifications are to be applied as the appointing judge shall determine. The salary of the law clerk shall conform with that of a junior, and so on, setting their classification, and it can only be set aside by action of the judicial conference, in case they are displeased with what the judge has done in raising the salaries.

Now, we have this situation: In the first place, this provides for a complete reorganization, we might term it, of the help of the judiciary, as to his law clerk, and as to his secretary. The testimony before our committee is to the effect that we have now allowed for more law clerks than they now have. So there can be no necessity at this time for providing for additional law clerks, because they have not been able to fill the number of positions that are now provided for by law.

The statement is made that if we increase the salaries of the law clerks they can get more clerks; that there is a great shortage. I will admit there is a shortage of everything in this country.

There is a shortage of labor of all sorts. Seldom does a day pass but what we read or hear of some business that has been operated successfully and profitably by the owners having to close its doors because of a shortage of manpower, and here we are called upon at this time to pass permanent legislation in an effort to take care of an emergency situation such as we have due to the war.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. O'NEAL. Mr. Speaker, I yield 5 additional minutes to the gentleman from Indiana.

Mr. JOHNSON of Indiana. When we started hearings on this bill and when this was presented before the committee last year, Judge Vinson, now Director of Price Stabilization, was very much interested in getting this increase.

The gentleman from Kentucky said these judges have no one to speak for them. He is in error insofar as my experience is concerned, because I can say that I have had more people talk to me for this amendment than I have for any other item in an appropriation bill that has come before this body since I have been a member of the committee. They have good spokesmen, and they are working hard, but when Judge Vinson became Director of Stabilization he ceased to come before the committee because he then became charged with holding the line, not permitting wage increases, not permitting anything that would tend to bring on inflation. I asked Judge Biggs, while we were in the hearings, what this increase would do to the President's hold-the-line order. He smiled and said: "That is something that is giving us great concern." Why, of course, these employees got the same increase that every other Government

employee received. If we are going to raise these salaries there is no reason why we should not raise the salary of every other Federal employee. If we want to go on record here raising the salaries of over 3,500,000 employees, that is a policy to be determined by this House; but let us be realists, let us be consistent in our actions.

I believe we have a situation here that is unworkable. This language in this amendment provides for these increases in salaries to carry into effect the way the judges wish it done, and as provided it would require the full amount of money which was requested of the committee in the first instance. We have the situation where the item has been reduced about three-quarters, if I remember correctly; so we have proposed now about one-quarter of the total amount asked to put this into effect. How in the world anybody can administer this amendment without being given all the money required is more than I can understand. It could only be done by showing favoritism some place, giving some of the law clerks and some of the secretaries an increase and refusing it to the others. There could not be a general increase in compliance with the provisions of the amendment. It appears to me therefore that we ought to meet this issue squarely. If this is proper, if these judges are correct, if it is to be the policy of the Congress to grant these increases, then let us go all the way and do it right and give it to them. If it is wrong, if we ought to hold the line here and we ought not to pick out a special class and give them an increase and deny it to others, then that is another policy.

Mr. O'NEAL. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Indiana. I yield.

Mr. O'NEAL. I do not follow that argument, because they now have 58 law clerks. We provide 40 more. They are already operating with 58 law clerks for 196 judges. If that is true then perhaps we should give clerks to all of them. They now have 58; we are providing for only 40 more.

Mr. O'NEAL. That is correct, but this provides for increases in salaries.

Mr. GORE and Mr. HANCOCK rose.

Mr. JOHNSON of Indiana. I must first yield to the gentleman from Tennessee [Mr. GORE].

Mr. GORE. Would it not be more correctly stated if the gentleman said that this provides a reclassification? It is not a general increase. Under this provision if the law clerk has the necessary qualifications approved by the administrative officer of the judiciary then he might get an increase.

Mr. JOHNSON of Indiana. That is correct.

Mr. GORE. But there is no automatic salary increase as a result of this bill. For instance, before a law clerk or stenographer can get $3,800 he must comply with the rules and regulations of the Civil Service Commission and have these qualifications:

At least 5 years' experience some of which, at least 3, should be as legal secretary involving responsibility, and demonstrate the ability to take rapid dictation and have capacity for difficult and responsible assignments and duties that require the exercise of independent judgment and legal training and experience as indicated.

If a law clerk or stenographer does not meet these qualifications he would not get an increase. There would be no automatic increase to $3,800.

The SPEAKER. The time of the gentleman from Indiana has again expired.

Mr. O'NEAL. Mr. Speaker, I yield the gentleman from Indiana 2 additional minutes.

Mr. JOHNSON of Indiana. What the gentleman from Tennessee says is correct, but there is no one, surely, who questions but what these judges who are fighting so hard to get this intend to increase these salaries; of course, they do; and they could not increase them all because the amount of money is not sufficient. We are met day by day with pleas—not only here but all over the country from various boards appointed by the President—to hold the line, to stabilize conditions, to stop increases. Even the man who wants to increase the salary of a loyal, trusted employee of 50 years' service must first go to the War Labor Board to get authority to make the increase. We here in Congress can break the whole line by adopting this provision looking toward a general increase. If we grant it in this instance we know from experience we have got to make more and more exceptions. If we grant this increase we might just as well establish the policy that we are going into a general increase of salaries. Or are we going to say that this is a temporary situation brought about by the war and we are going to insist on holding this line and stop increases?

There is no doubt from the testimony of these judges that they want the law clerks to be career men; that is their idea. They wanted to fix the salaries high enough to attract lawyers to accept the position of law clerks with the idea of making it their life's work.

Mr. GORE. Mr. Speaker, will the gentleman yield further?

Mr. JOHNSON of Indiana. I promised to yield to the gentleman from New York [Mr. HANCOCK]. I yield to the gentleman from New York.

Mr. HANCOCK. Is it not true that Congress has authorized the appointment of law clerks for every district?

Mr. JOHNSON of Indiana. I do not believe it is true for every district.

Mr. HANCOCK. And the Appropriations Committee has seen fit to appropriate for only 58.

Mr. JOHNSON of Indiana. No; that is not true. The Appropriations Committee has appropriated for all law clerks that are authorized. All the positions of law clerk that are authorized are not filled. I do not know how many vacancies exist, but quite a few.

Mr. HANCOCK. The gentleman is saying the same thing: We have not filled the vacancies in the offices that have been created.

The SPEAKER. The time of the gentleman from Indiana has again expired.

Mr. O'NEAL. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. PLOESER].

Mr. PLOESER. Mr. Speaker, I believe the argument against this motion to recede with an amendment can be summed up in this way: In the first place, all these employees of the court have had the general increase that every employee of the Government has had. In the second place, it is contrary to the President's hold-the-line order; it is contrary to the professed intention of the Office of Economic Stabilization. The very man who a year or more ago came before the Appropriations Committee and asked for this, Judge Vinson, now has the job of holding the line. He did not come before the committee this year.

It was brought out in the testimony that these judges have had extreme difficulty getting employees, and it is very doubtful whether they can fill the 40 positions that would hereby be made permissible. Then why appropriate for them? I see no reason why we should make an extension at this time with this particular classification of employee because I can see readily what is going to happen: Other departments, other branches of the Government are going to come in and ask for similar exceptions.

The judges have asked for and been granted by the Senate amendment a provision which is identical to the provision in the law which provides for secretarial aid for the Members of Congress.

It is very obvious it was not thought out on any mathematical basis of need. The reason they have arrived at the $6,500 for each one of these judges is because they knew that such provision paralleled the law in regard to Members of Congress. Apparently they hoped we would not be able to say no to them because their request was similar to our own practice here, yet I see nothing parallel in the two situations. Testimony made it very plain that there was an intention to increase a number of salaries in addition to obtaining new employees. There is no need now for any of us to protest that that is not the intention when we know very plainly it is.

The House has gone on record on this before. The Appropriations Committee has gone on record on this before. Your Appropriations Committee took it out of the House bill and it has been put back in by amendment in the other body. The motion to recede and concur with an amendment is even a poor compromise. The thing it attempts to help is virtually defeated by virtue of the fact it cuts the amount of the appropriation so that accomplishment at best would fall short of the goal.

When the war is over I for one favor the Appropriations Committee reviewing this judicial situation most thoroughly. There will be the time to rearrange personnel and salaries.

My hope is that the House will defeat the motion to recede and concur with an amendment, so that a motion to further insist on the House position may be offered.

Mr. O'NEAL. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Speaker, I rise in support of the position assumed by the gentleman from Indiana [Mr. JOHNSON] in opposition to the motion offered by the chairman of the conferees.

There is involved here, as has been stated, a question of policy. My particular interest in the question is that it involves further consideration of the agricultural appropriation bill to come before the House again on Monday next and in which there is pending a proposal to increase by $996,000 the salaries of the field employees of the Bureau of Animal Industry. I say to you frankly that if the House upon consideration of this motion today decides to increase the salaries of these law clerks to Federal judges I shall abandon any opposition on my part to the proposal to increase the salaries of the field employees of the Bureau of Animal Industry because I consider the proposals to be of one piece. It is simply a question of whether or not we shall in this time of emergency undertake to give further increases beyond the 21.6 percent increase which has been granted by the Overtime Pay Act of 1943 to any particular class or type of Government employees.

If you do this then you will have scores of similar proposals coming before you in regular order and at no very distant date. You will not be able to hold the line against any of them because your action here, if justifiable, could be duplicated in scores of cases without violating the principle which you here establish if you adopt this motion today.

Mr. PLOESER. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Missouri.

Mr. PLOESER. It seems to me the gentleman has stated what I maintained a moment ago but in probably a better manner, that is, that to open this gate here is in effect permitting pressure from other Government departments for the same sort of treatment.

Mr. TARVER. It will probably cost the Government scores of millions of dollars before we get through, because every organization of Government employees will have some argument to present here to show that they should have an increase in salary. This would be the beginning of a flood of such requests if you approve this motion.

Mr. O'NEAL. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Kentucky.

Mr. O'NEAL. Does not the gentleman feel that the other Government employees are under civil service, and, therefore, get promotions in that manner, while we have to do this for the judiciary because they are not under civil service? The only way they can get new people, the only way they can get increases is for the Congress to give it to them.

Mr. TARVER. It all gets down to the question of whether or not one group of employees can come in and say that they need additional money for their services, that their services are of a character which justifies the payment of higher salaries, whether under the civil service or not. If they can convince the Congress of that and if you establish this precedent, you will have to grant other requests if similarly justified. You will not have any reason to turn them down. Or you can say, "We have already granted you a 21.6 percent increase by the Overtime Pay Act of 1943 just as we have all other Government employees and if you are not getting as much as you think you ought to have, wait until the war is over, wait until after the pressure upon the financial resources of the Government is relieved before you ask for more money." Let us suggest to them that they make a little sacrifice, that a little sacrifice be made on the part of the $3,500 employee who does not get an increase of $1,900 here proposed, that he make a little sacrifice and consider the sacrifices that are being made by the men in the armed forces and millions of other people in America today and get along on this increase of 21.6 percent that he has had in the last year and wait until after the war is over before asking for more pay.

If you grant this increase to the clerks to the district and circuit court judges today you must grant it for these field inspectors in the Bureau of Animal Industry and then next week other groups of employees will come in and if you grant this you might as well grant them all. So far as I am concerned, as I stated before, if you grant this I shall certainly withdraw any opposition which I have manifested heretofore to the proposed increase in the salaries of the field employees of the Bureau of Animal Industry.

When this came before the Appropriations Committee there was merely a salary raise proposed. Remember, this reclassification business has been brought in here by Senate amendment, patently confusing to anyone who undertakes to get at the merits of the proposition, but while the bird is here in new feathers, it is the same old bird. It is nothing in the world but an increase in salaries for these law clerks to circuit and district judges. Reclassification is mere camouflage.

The SPEAKER. The time of the gentleman has expired.

Mr. O'NEAL. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Speaker, I hope that the motion offered by the gentleman from Kentucky will be agreed to. About 8 or 9 years ago the Committee on the Judiciary considered, after holding very lengthy hearings, the advisability of providing law clerks, not for a few of the judges but for all of the judges. Thereafter on two or three occasions members of the Judiciary Committee appeared before the Appropriations Committee and sought to have that made possible—the carrying out of the provisions of the law. The Appropriations Committee felt that there were some instances, and I agreed with them, where Federal judges did not need law clerks, but bear in mind that as the business of a district increases in order to properly dispose of that business we are going to have to provide additional judges unless we are sensible and make possible relieving that judge of a great deal of routine work.

When you create a judge you have created a constitutional office. You cannot remove that judge except for misconduct on his part, but when you provide clerks for the judges you have created the sort of position that can be terminated at the very next session of the Congress.

Mr. KEFAUVER. Will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Tennessee.

Mr. KEFAUVER. The thing that concerns me is that in the bill being sponsored by gentlemen here today covering contract terminations, the judges are going to have a great deal more work to do, and it will be work that will require very careful consideration, such as accounting and analysis by very capable law clerks; so it seems to me it would be the part of wisdom, I will say of economy, to provide them with capable men to help look after the duties they are going to have under this contract-termination bill which we hope will be passed by the House today.

Mr. WALTER. The gentleman is correct. Those of you who have practiced law know full well that in order for a judge to reach a decision he has a great deal of research work to do. He has to run down the authorities, the type of work that can be done by a law clerk, and it certainly seems to me that from the standpoint of economy, if you please, we ought to agree to this amendment.

Furthermore, the clerks that are provided are appointed on the recommendation by the Administrative Office of the Courts, an office that was created by the Congress a few years ago. Before that officer makes a recommendation there is a conference. There is an annual conference of senior circuit judges at which all of the business of the courts in the circuit that they represent is discussed. At those conferences it is determined whether or not a judge is in need of a clerk, and it certainly seems to me the thing to do is to give him that help so that we do not have to create more judges.

Another thing: We are not giving raises to clerks. What we are actually doing, if this amendment is adopted, is to eliminate the unfair position these clerks now occupy. We are giving to them the same privileges that are given to all other lawyers in the Federal service that come under the civil-service law. This is not an attempt to raise salaries. This is an attempt to eliminate the discrimination that now exists against a hard-working group of Federal employees.

Mr. HARRIS of Arkansas. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Arkansas.

Mr. HARRIS of Arkansas. In fact, does it not give an opportunity for the judges to provide themselves with adequate law clerks who can do the job that they are supposed to do for them, and help out the inexperienced man, so that when he does become qualified to do that work he can go out in some other field and be employed in some law office on the outside?

Mr. WALTER. Of course, that is what is happening every day. As soon as a law clerk becomes efficient he seeks another connection and leaves, and gets a job with some firm practicing law.

Mr. O'NEAL. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. HANCOCK].

Mr. HANCOCK. When Congress passed the act a few years ago authorizing the appointment of law clerks for Federal judges, it indicated that in our considered judgment those who need them should have them. We are now told by the only competent authority to judge, the judicial conference, that a number of additional law clerks are needed. The Committee on Appropriations has the audacity, it seems to me, to veto the action of Congress and the judicial conference.

The gentleman from Missouri stated that there were no qualified men willing to accept these jobs which the judicial conference told us are needed for the proper administration of justice and he asks us why. The question answers itself, because the compensation offered is not sufficient to attract competent men.

This essentially is not a pay-increase bill, let me emphasize that again, as some of the preceding speakers have indicated. Under the present set-up, a competent or incompetent, experienced or inexperienced clerk receives the same fixed amount. There is no incentive for an ambitious young man to take a position as law clerk. His maximum is fixed before he starts. The hope of the gentleman from Kentucky, and those who agree with him, is that we can apply a scientific schedule of remuneration to the employees of the Federal courts analogous to the classifications and schedules of salary used in fixing the compensation of civil-service emp'oyees. They would start at low salaries, and if they qualify for advanced ratings, they would get increased salaries. That is intelligent. That is sound. That is the way it ought to be, and that is the only way you can attract good people. It has been intimated that the business of the Federal courts is decreasing. That is not so. Very soon you will find the courts flooded with fraud cases, both criminal and civil. You will find many cases growing out of contract termination, and I greatly fear we will have a great deal of bankruptcy and equity receiverships.

I hope, at least, that some of the gentlemen on my side will vote to concur with the gentleman from Kentucky on his motion. An adequate number of law clerks receiving reasonable compensation will improve the administration of justice. It is poor economy to deny the courts the funds they need.

Mr. O'NEAL. Mr. Speaker, I yield to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, we note with pleasure the presence in the House this morning of our former colleague, Judge John J. Fitzgerald, of New York.

Judge Fitzgerald has the remarkable record of having voluntarily retired from Congress at a time when he was unquestionably one of the three leading Members of the House, and when he could have remained in Congress for the rest of his life, had he so desired. He is, in my opinion, the greatest man who ever served as chairman of the Committee on Appropriations, from Thaddeus Stevens, the first chairman of the committee, down to the present time. He was acknowledged and considered to be, with the possible exception of James R. Mann, of Illinois, the ablest parliamentarian who ever served in this House.

Since his retirement he has been making a great deal more money, having a much better time, doing less work, and getting a great deal more comfort, satisfaction, and enjoyment out of life than he ever did in the House. He has 4 sons in the armed forces today and 16 grandchildren, a crown of glory which I envy him more than all the years and honors of his long and distinguished career.

We welcome him back to the scene of his former labors, where he rendered such eminent service to the Nation, and congratulate him that he is, to all appearances, as young today in body and in spirit as he was the day he left. [Applause.]

Mr. O'NEAL. Mr. Speaker, I yield 5 minutes to the gentleman from Florida [Mr. HENDRICKS].

Mr. HENDRICKS. Mr. Speaker, I do not know how I might proceed to impress upon the Members of this House the necessity for providing the district judges with law clerks, if they need them.

I would like to give you a little history of this. The subject was not new to the Subcommittee on Appropriations for the Judiciary. When I first went on this committee the question had been brought before us. Chief Justice Stone had appointed a committee of judges to work out this problem, and bring back a report before the Subcommittee on the Judiciary. We went downtown and met with this committee. At that time we suggested that they bring a program before us, and we gave them reasonable assurance that we would give it careful consideration. We have given it a great deal of consideration, but there is some disagreement.

I want to say that a great deal of error has crept into the debate here today. The gentleman from Indiana inferred that we had made appropriations for additional law clerks and that they have not hired those. There may be a reason for that, because under that appropriation they can only hire a law clerk for $2,600. They had no classification at the time.

The law firms of this country have been raiding the courts of the United States, taking men who are qualified, to become members in law firms. Some of these judges have admitted to us that they cannot hire law clerks, and the reason given was that as soon as one of their law clerks had served with them for a while, along would come a law firm and raid their courts and take their clerks away from them.

From some of the decisions that I have seen rendered in the past, I am certainly of the opinion that we should not take away from these judges anybody that can help them render a fair and just decision in these courts.

Let me say in regard to the appropriation that we are making, and the classification we are setting up here, and to those who contend that this is unfair to other departments of the Government, that that is not true, because under the Civil Service Act civil-service employees are automatically promoted, but it is left in the hands of the judge for whom the clerk is serving as to when he will promote him. They cannot start at any $5,400 a year. They can, if they are qualified, and the judge wishes to do so, start at $4,600 a year, I believe, and from there on they will never reach $5,400 unless they so handle themselves that their judge recommends their promotion.

We should remember one thing, that every department of this Government and every bureau, which we are usually ready to criticize, can have their men out here in the lobbies. When we were working on the O. P. A. bill the other day some of the staff of the O. P. A. were sitting right in these galleries watching and appearing very gleeful when certain amendments were defeated and downcast when others were adopted. Any other organization can do that.

I still say that the courts of this country have no representation in the Congress of the United States unless we are willing to act for them. They have no one they can send here to "politic" for them, if I may say that.

Chief Justice Stone of the Supreme Court of the United States wanted this committee to go into this matter. The committee went into the matter, and we heard them. The $185,000 is far less than the Budget recommended and far less than that committee recommended. Chief Justice Stone came to the Senate hearings and asked for this money himself.

We shall be in a very bad position if we do not provide these clerks for the courts where they need them, because due to diversity of citizenship and for other reasons the load of every court in this country is going to increase.

Mr. O'NEAL. Mr. Speaker, I yield myself the balance of the time

Mr. Speaker, in closing may I remind the House that the Chief Justice of the United States and certain ranking judges of the United States, including those of the District of Columbia, have made this request. They have been working on this matter for 2 or 3 years. To me, and to the majority of the committee, this has seemed to be a fair, logical, and reasonable request. I trust that the House will give it the support it deserves.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky that the House recede and concur with an amendment.

The question was taken; and the Chair being in doubt, the House divided; and there were—ayes 53, noes 43.

Mr. H. CARL ANDERSEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 159, nays 183, not voting 88, as follows:

[Roll No. 93]

YEAS—159

Allen, La.	Hoch	Peterson, Fla.
Anderson, N. Mex.	Holifield	Pittenger
	Howell	Poulson
Barden	Izac	Price
Barrett	Jackson	Priest
Barry	Jarman	Ramey
Bates, Ky.	Jennings	Ramspeck
Beckworth	Johnson, J. Leroy	Rankin
Bennett, Mich.		Reece, Tenn.
Bland	Johnson, Lyndon B.	Reed, Ill.
Boykin		Rivers
Bradley, Pa.	Kean	Robinson, Utah
Brooks	Kee	Rolph
Bryson	Kefauver	Rooney
Bulwinkle	Kelley	Rowan
Burch, Va.	Kerr	Sabath
Burchill, N. Y.	Kilburn	Sadowski
Byrne	Kilday	Sasscer
Chapman	King	Satterfield
Clark	Kinzer	Scanlon
Cochran	Kirwan	Schiffler
Coffee	Kunkel	Sheppard
Colmer	LaFollette	Sheridan
Compton	Lane	Simpson, Ill.
Cooley	Lanham	Simpson, Pa.
Courtney	Larcade	Smith, W. Va.
Cravens	Lea	Snyder
Crosser	Lesinski	Somers, N. Y.
Davis	Ludlow	Sparkman
Dawson	Lynch	Spence
Dingell	McCormack	Stanley
Eberharter	McKenzie	Starnes, Ala.
Engle, Calif.	McMillan	Sumners, Tex.
Feighan	McMurray	Talbot
Fellows	McWilliams	Thomas, Tex.
Fernandez	Mahon	Thomason
Forand	Mansfield, Mont.	Tolan
Gamble		Towe
Gearhart	May	Troutman
Gordon	Merritt	Vincent, Ky.
Gore	Miller, Conn.	Vinson, Ga.
Gorski	Miller, Pa.	Voorhis, Calif.
Graham	Monkiewicz	Walter
Grant, Ala.	Monroney	Weaver
Green	Morrison, La.	Weiss
Gregory	Mruk	Welch
Halleck	Murphy	Wene
Hancock	Myers	West
Harris, Ark.	Newsome	White
Harris, Va.	Norton	Wickersham
Hart	O'Brien, Ill.	Willey
Hays	O'Brien, Mich.	Worley
Hébert	O'Neal	Zimmerman
Hendricks	O'Toole	
Hobbs	Outland	

NAYS—183

Abernethy	Brown, Ohio	Curtis
Allen, Ill.	Buck	D'Alesandro
Andersen, H. Carl	Buffett	Day
	Burgin	Dewey
Anderson, Calif.	Busbey	Dilweg
Andresen, August H.	Butler	Disney
	Camp	Dondero
Andrews, Ala.	Canfield	Doughton
Andrews, N. Y.	Cannon, Mo.	Durham
Angell	Carlson, Kans.	Dworshak
Arends	Carrier	Eaton
Auchincloss	Carson, Ohio	Elliott
Baldwin, Md.	Case	Ellison, Md.
Baldwin, N. Y.	Chenoweth	Ellsworth
Bates, Mass.	Chiperfield	Elston, Ohio
Beall	Church	Engel, Mich.
Bender	Clason	Fenton
Bennett, Mo.	Clevenger	Fish
Bishop	Cole, Mo.	Fisher
Bolton	Cole, N. Y.	Flannagan
Bonner	Cooper	Folger
Brehm	Crawford	Fulmer
Brown, Ga.	Cunningham	Gale
Gathings	Kearney	Robertson
Gavin	Keefe	Robsion, Ky.
Gerlach	Knutson	Rockwell
Gilchrist	Lambertson	Rodgers, Pa.
Gillespie	Landis	Rogers, Mass.
Gillette	LeCompte	Rohrbough
Gillie	LeFevre	Rowe
Goodwin	Luce	Sauthoff
Gossett	McConnell	Schwabe
Grant, Ind.	McCowen	Scrivner
Griffiths	McGregor	Short
Gross	McLean	Sikes
Gwynne	Maas	Smith, Maine
Hall, Edwin Arthur	Maloney	Smith, Va.
	Manasco	Smith, Wis.
Hare	Martin, Iowa	Springer
Heidinger	Martin, Mass.	Stefan
Herter	Mason	Stevenson
Hess	Michener	Stigler
Hill	Miller, Mo.	Stockman
Hinshaw	Miller, Nebr.	Sumner, Ill.
Hoeven	Mott	Sundstrom
Hoffman	Mundt	Taber
Holmes, Mass.	Murray, Tenn.	Talle
Holmes, Wash.	Murray, Wis.	Tarver
Hope	Norman	Tibbott
Hull	Norrell	Vorys, Ohio
Jeffrey	O'Brien, N. Y.	Vursell
Jenkins	O'Hara	Wadsworth
Jensen	O'Konski	Ward
Johnson, Anton J.	Patton	Wasielewski
	Ploeser	Weichel, Ohio
Johnson, Calvin D.	Poage	Whittington
	Pracht, C. Frederick	Wigglesworth
Johnson, Ind.		Wilson
Johnson, Luther A.	Pratt, Joseph M.	Winstead
		Winter
Johnson, Ward	Randolph	Wolcott
Jones	Reed, N. Y.	Wolfenden, Pa.
Jonkman	Rees, Kans.	Woodruff, Mich.
Judd	Rizley	

NOT VOTING—88

Arnold	Furlong	Murdock
Bell	Gallagher	O'Connor
Blackney	Gibson	Pace
Bloom	Gifford	Patman
Boren	Granger	Peterson, Ga.
Bradley, Mich.	Hagen	Pfeifer
Brumbaugh	Hale	Philbin
Buckley	Hall, Leonard W.	Phillips
Burdick		Plumley
Cannon, Fla.	Harless, Ariz.	Powers
Capozzoli	Harness, Ind.	Rabaut
Carter	Hartley	Richards
Celler	Heffernan	Russell
Costello	Horan	Scott
Cox	Johnson, Okla.	Shafer
Curley	Kennedy	Slaughter
Delaney	Keogh	Smith, Ohio
Dickstein	Kleberg	Stearns, N. H.
Dies	Klein	Stewart
Dirksen	Lemke	Sullivan
Douglas	Lewis	Taylor
Drewry	McCord	Thomas, N. J.
Ellis	McGehee	Torrens
Elmer	Madden	Treadway
Fay	Magnuson	Wheichel, Ga.
Fitzpatrick	Mansfield, Tex.	Whitten
Fogarty	Marcantonio	Wolverton, N. J.
Ford	Merrow	Woodrum, Va.
Fulbright	Mills	Wright
Fuller	Morrison, N. C.	

So the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Keogh for, with Mr. Gifford against.
Mr. Heffernan for, with Mr. Arnold against.
Mr. Bloom for, with Mr. Taylor against.
Mr. Torrens for, with Mr. Hale against.
Mr. Celler for, with Mr. Fuller against.
Mr. Kennedy for, with Mr. Elmer against.
Mr. Delaney for, with Mr. Shafer against.
Mr. Dickstein for, with Mr. Douglas against.

General pairs:

Until further notice:

Mr. Buckley with Mr. Dirksen.
Mr. Mansfield of Texas with Mr. Powers.
Mr. Capozzoli with Mr. Blackney.
Mr. Harless of Arizona with Mr. Smith of Ohio.
Mr. Fay with Mr. Plumley.
Mr. Whitten with Mr. Scott.
Mr. Fitzpatrick with Mr. Hartley.
Mr. Fulbright with Mr. Bradley of Mchigan.
Mr. Klein with Mr. Wolverton of New Jersey.
Mr. Fogarty with Mr. Brumbaugh.
Mr. Pfeifer with Mr. Lewis.
Mr. Mills with Mr Leonard W Hall.
Mr. McCord with Mr. Merrow.
Mr Madden with Mr. Gallagher.
Mr. Rabaut with Mr. Harness of Indiana.
Mr. Peterson of Georgia with Mr. Treadway.
Mr Ford with Mr Ellis.
Mr. Philbin with Mr. Philips.
Mr. Curley with Mr. Thomas of New Jersey.
Mr. Drewry with Mr. Lemke.
Mr. Pace with Mr. Horan.
Mr. Wright with Mr. Stearns of New Hampshire.
Mr. Woodrum of Virginia with Mr. Burdick.
Mr. Bell with Mr. Carter.
Mr. Magnuson with Mr. Marcantonio.

The result of the vote was announced as above recorded.

Mr. O'NEAL. Mr. Speaker, I move that the House further insist on its disagreement to the amendment of the Senate No. 34.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 35: Page 62, line 7, strike out "$550,000" and insert "$577,000."

Mr. O'NEAL. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate No. 35 and agree to the same with an amendment.

The Clerk read as follows:

Mr. O'NEAL moves that the House recede from its disagreement to the amendment of the Senate No. 35 and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$563,500."

The motion was agreed to.

On motion of Mr. O'NEAL, a motion to reconsider the votes by which action was taken on the several motions was laid on the table.

DEFICIENCY APPROPRIATION BILL

Mr. CANNON from the Committee on Appropriations reported the following bill (H. R. 5040) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944, and June 30, 1945, and for other purposes (Rept. No. 1660), which was referred to the Union Calendar and ordered printed.

Mr. MARTIN of Massachusetts reserved all points of order against the bill.

GRANTS TO STATES UNDER SOCIAL SECURITY ACT

Mr. HARE. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 298 making appropriations for grants to States under the Social Security Act.

The Clerk read the title of the joint resolution.

Mr. TABER. Mr. Speaker, reserving the right to object, will the gentleman explain the resolution?

Mr. HARE. Under a policy of the Social Security Board it is necessary to make allocation of grants to the several States prior to the beginning of each quarter. In fact, they say it is necessary to make them before June 20 for the first

quarter of the fiscal year, and since the funds are carried in the appropriation bill now pending, it is necessary to make the funds available by special resolution. It has been handled this way annually for a number of years. It requires no extra appropriation, for the amount used will be taken out of the appropriation bill for the agency now before the committee—a bill which probably will be acted upon by the House and Senate in a few days, but not in time to make the allocation to the States for old-age assistance and to the blind, needy, and so forth.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. HARE. I yield.

Mr. H. CARL ANDERSEN. I merely wish to state that the minority members of our subcommittee are in full agreement with the gentleman from South Carolina on the issue.

Mr. HARE. I understand so; yes. The gentleman from Michigan [Mr. ENGEL], ranking minority member, is present. He can state whether there is any opposition.

Mr. ENGEL of Michigan. There is no opposition. Similar bills have been passed regularly year after year making these funds available.

The SPEAKER. Is there objection to the present consideration of the resolution?

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for making for the first quarter of the fiscal year 1945 (1) grants to States for assistance to aged needy individuals, needy dependent children, and needy individuals who are blind, as authorized in titles I, IV, and X, respectively, of the Social Security Act approved August 14, 1935, as amended; and (2) grants to States for unemployment compensation administration: *Provided*, That the obligations incurred and expenditures made for each of such purposes under the authority of this joint resolution shall be charged to any appropriations therefor in the Labor-Federal Security Appropriation Act, 1945.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STATE, JUSTICE, AND COMMERCE APPROPRIATION BILL, 1945—FURTHFR CONFERENCE REPORT

The SPEAKER. The Chair recognizes the gentleman from North Carolina [Mr. KERR].

Mr. KERR. Mr. Speaker, I call up the conference report on the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The Clerk read the statement of the managers on the part of the House.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 4204) "making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective House as follows:

Amendment Numbered 12: That the House recede from its disagreement to the amendment of the Senate Numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$3,915,000"; and the Senate agree to the same.

Amendment Numbered 13: That the House recede from its disagreement to the amendment of the Senate Numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$150,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 10.

LOUIS C. RABAUT,
JOHN H. KERR,
BUTLER B. HARE,
THOMAS J O'BRIEN
ALBERT E. CARTER,
KARL STEFAN,
Managers on the part of the House.

KENNETH MCKELLAR,
RICHARD B. RUSSELL,
TOM CONNALLY,
WALLACE H. WHITE, Jr.,
CLYDE M. REED,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the further conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendments Nos. 12 and 13: Appropriates $3,915,000 for establishment of air-navigation facilities, Department of Commerce, instead of $3,765,000, as proposed by the House, and $4,715,000, as proposed by the Senate, and provides that not to exceed $150,000 shall be available for the establishment of landing areas, instead of $950,000, as proposed by the Senate.

AMENDMENT REPORTED IN DISAGREEMENT

Amendment No. 10: Relating to the next quinquennial census of agriculture, authorized by law, and under the Department of Commerce. The managers will move to recede and concur.

LOUIS C. RABAUT,
JOHN H. KERR,
BUTLER B. HARE,
THOMAS J. O'BRIEN,
ALBERT E. CARTER,
KARL STEFAN,
Managers on the part of the House.

Mr. KERR. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows: Amendment No. 10: On page 59 of the bill after line 3 insert:

Census of agriculture: For all expenses necessary for preparing for, taking, compiling, and publishing the quinquennial Census of Agriculture of the United States, including the employment by the Director, at rates to be fixed by him, of personnel at the seat of government and elsewhere without regard to the civil-service and classification laws; books of reference, newspapers, and periodicals; construction of tabulating machines; purchase, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles; travel expenses, including expenses of attendance at meetings concerned with the collection of statistics, when incurred on the written authority of the Secretary; printing and binding; $7,250,000, to be available until December 31, 1946, and to be consolidated with the appropriation "Census of Agriculture" contained in the First Supplemental National Defense Appropriation Act, 1944.

Mr. KERR. Mr. Speaker, I move that the House recede and concur.

The Clerk read as follows:

Mr. KERR moves that the House recede from its disagreement to the amendment of the Senate No. 10 and agree to the same.

Mr. JONES. Mr. Speaker, I ask for a division of the question.

The SPEAKER. The gentleman may have that. The question is divisible.

The question is on the motion that the House recede from its disagreement to the Senate amendment.

The motion was agreed to.

Mr. JONES. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. JONES moves that the House recede from its disagreement to the amendment of the Senate No. 10 and agree to the same with an amendment as follows: At the end of the Senate amendment insert "*Provided*, That no other bureau, agency, or independent establishment of the Federal Government shall collect agricultural information or statistics from farmers or agricultural industries for a period of 2 years from the date of this act without a specific appropriation for the gathering of such statistics or information."

Mr. TARVER. Mr. Speaker, a point of order.

Mr. JONES. Mr. Speaker, will the gentleman withhold the point of order?

Mr. TARVER. Mr. Speaker, I do not see any reason why it should be withheld. The gentleman's motion is clearly out of order and I do not see any reason why the point of order should be reserved.

Mr. Speaker, I submit the point of order that the language of the proviso which is offered in the motion of the gentleman from Ohio [Mr. JONES] is not germane to the provision made in the Senate amendment under consideration; further, that the language of this proviso is legislative in character and is out of order in the consideration of an appropriation bill.

It proposes to make limitations upon the expenditures of funds not carried in this particular item of appropriation but upon funds appropriated to any other

bureau, agency, or independent establishment of the Federal Government whether funds therefor are carried in the pending bill or not.

I therefore insist that it is not germane to the Senate amendment and further that it is legislative in character.

The SPEAKER. Does the gentleman from Ohio [Mr. JONES] desire to be heard?

Mr. JONES. Mr. Speaker, I think the amendment is a limitation upon this provision in the Senate amendment and a limitation upon an appropriation bill. It limits the scope of what it may be used for and limits who may use the information.

The Senate amendment is broad and comprehensive in the subject matter it covers. It is comprehensive in the compilation and in the publishing of census and agricultural information from farmers and from agricultural industries. The sky is the limit as far as information is concerned that the Census Bureau will collect from the agricultural industries and from the farmers.

This limitation that my motion will put upon the Senate amendment merely limits the amount and how these bureaus and agencies are to use it and I think, therefore, it is germane to the Senate amendment.

Mr. TABER. Mr. Speaker, may I be heard?

The SPEAKER. The Chair will hear the gentleman.

Mr. TABER. Mr. Speaker, it seems to me that the amendment is clearly germane in that in providing for a census of agriculture it is clearly in order to provide by amendment that no other census of agriculture or the gathering of information of that same type shall be permitted in any other place. It seems to me that when we are providing for that it is clearly germane that we should do that and on that basis it would seem to me that the amendment is clearly in order.

The SPEAKER. The Chair is prepared to rule.

The Senate amendment provides for a specific amount of money for a specific purpose. The motion offered by the gentleman from Ohio [Mr. JONES] is clearly not a limitation on the expenditure of money or on the action of the Department in taking a census; therefore, the Chair sustains the point of order in that the motion is not germane.

The question is on the motion offered by the gentleman from North Carolina [Mr. KERR] that the House concur in the Senate amendment.

The question was taken; and on a division (demanded by Mr. KERR) there were—ayes 43, noes 61.

Mr. KERR. Mr. Speaker, I object to the vote on the ground a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify the absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 150, nays 185, not voting 95, as follows:

[Roll No. 94]

YEAS—150

Abernethy	Gossett	Norton
Allen, La.	Grant, Ala.	O'Brien, Ill.
Anderson, N. Mex.	Gregory	O'Brien, Mich.
Andrews, Ala.	Hare	O'Neal
Baldwin, Md.	Harris, Ark.	O'Toole
Barden	Harris, Va.	Outland
Barry	Hart	Pace
Bates, Ky.	Hays	Patton
Beckworth	Hébert	Peterson, Fla.
Bland	Hendricks	Poage
Bonner	Hobbs	Priest
Boykin	Hoch	Ramspeck
Bradley, Pa.	Holifield	Rankin
Brooks	Izac	Rivers
Brown, Ga.	Jackson	Robertson
Bryson	Jarman	Robinson, Utah
Bulwinkle	Johnson, Luther A.	Rooney
Burch, Va.	Johnson, Lyndon B.	Rowan
Burchill, N. Y.	Johnson, Okla.	Russell
Burgin	Kee	Sadowski
Byrne	Kefauver	Sasscer
Camp	Kelley	Satterfield
Cannon, Mo.	Kerr	Scanlon
Chapman	Kilday	Sheridan
Clark	King	Sikes
Coffee	Kirwan	Slaughter
Colmer	Lane	Smith, W. Va.
Cooley	Lanham	Snyder
Cooper	Larcade	Somers, N. Y.
Courtney	Lesinski	Sparkman
Cravens	Lynch	Spence
Crosser	McCormack	Starnes, Ala.
D'Alesandro	McKenzie	Stigler
Davis	McMillan	Tarver
Dawson	McMurray	Thomas, Tex.
Dilweg	Mahon	Thomason
Dingell	Maloney	Tolan
Doughton	Manasco	Vincent, Ky.
Durham	Mansfield, Mont.	Vinson, Ga.
Eberharter	May	Voorhis, Calif.
Feighan	Merritt	Walter
Fernandez	Monroney	Ward
Fisher	Morrison, La.	Weaver
Flannagan	Mundt	Weiss
Folger	Murphy	Wene
Forand	Murray, Tenn.	Whittington
Fulmer	Myers	Wickersham
Gathings	Newsome	Winstead
Gordon	Norrell	Worley
Gore		Zimmerman
Gorski		

NAYS—185

Allen, Ill.	Elston, Ohio	Jones
Andersen, H. Carl	Engel, Mich.	Jonkman
Anderson, Calif.	Engle, Calif.	Judd
Andresen, August H.	Fenton	Kean
Angell	Fish	Kearney
Arends	Gale	Keefe
Auchincloss	Gamble	Kilburn
Baldwin, N. Y.	Gavin	Kinzer
Barrett	Gearhart	Knutson
Bates, Mass.	Gerlach	Kunkel
Beall	Gilchrist	LaFollette
Bender	Gillespie	Landis
Bennett, Mich.	Gillette	Lea
Bennett, Mo.	Gillie	LeCompte
Bishop	Goodwin	LeFevre
Bolton	Graham	Luce
Brehm	Grant, Ind.	Ludlow
Brown, Ohio	Griffiths	McConnell
Buck	Gross	McCowen
Buffett	Gwynne	McGregor
Busbey	Hall, Edwin Arthur	McLean
Butler	Halleck	McWilliams
Canfield	Hancock	Maas
Carlson, Kans.	Heidinger	Martin, Iowa
Carrier	Herter	Martin, Mass.
Carson, Ohio	Hess	Mason
Chenoweth	Hill	Michener
Chiperfield	Hinshaw	Miller, Conn.
Church	Hoeven	Miller, Mo.
Clason	Hoffman	Miller, Nebr.
Clevenger	Holmes, Mass.	Miller, Pa.
Cochran	Holmes, Wash.	Monkiewicz
Cole, Mo.	Hope	Mott
Cole, N. Y.	Horan	Mruk
Compton	Howell	Murray, Wis.
Costello	Hull	Norman
Crawford	Jeffrey	O'Brien, N. Y.
Cunningham	Jenkins	O'Hara
Curtis	Jennings	O'Konski
Day	Jensen	Pittenger
Dondero	Johnson, Anton J.	Ploeser
Dworshak	Johnson, Calvin D.	Poulson
Eaton	Johnson, Ind.	Pracht, C. Frederick
Elliott	Johnson, J. Leroy	Pratt, Joseph M.
Ellison, Md.	Johnson, Ward	Ramey
Ellsworth		Reece, Tenn.
Elmer		Reed, Ill.
Reed, N. Y.	Simpson, Pa.	Towe
Rees, Kans.	Smith, Maine	Troutman
Rizley	Smith, Va.	Vorys, Ohio
Robsion, Ky.	Smith, Wis.	Vursell
Rockwell	Springer	Wasielewski
Rodgers, Pa.	Stanley	Weichel, Ohio
Rogers, Mass.	Stefan	Welch
Rohrbough	Stevenson	Wigglesworth
Rolph	Stockman	Willey
Rowe	Sumner, Ill.	Wilson
Sauthoff	Sumners, Tex.	Winter
Schiffler	Sundstrom	Wolcott
Schwabe	Taber	Wolfenden, Pa.
Scrivner	Talbot	Wolverton, N. J.
Short	Talle	
Simpson, Ill.	Tibbott	

NOT VOTING—95

Andrews, N. Y.	Fuller	O'Connor
Arnold	Furlong	Patman
Bell	Gallagher	Peterson, Ga.
Blackney	Gibson	Pfeifer
Bloom	Gifford	Philbin
Boren	Granger	Phillips
Bradley, Mich.	Green	Plumley
Brumbaugh	Hagen	Powers
Buckley	Hale	Price
Burdick	Hall, Leonard W.	Rabaut
Cannon, Fla.	Harless, Ariz.	Randolph
Capozzoli	Harness, Ind.	Richards
Carter	Hartley	Sabath
Case	Heffernan	Scott
Celler	Kennedy	Shafer
Cox	Keogh	Sheppard
Curley	Kieberg	Smith, Ohio
Delaney	Klein	Stearns, N. H.
Dewey	Lambertson	Stewart
Dickstein	Lemke	Sullivan
Dies	Lewis	Taylor
Dirksen	McCord	Thomas, N. J.
Disney	McGehee	Torrens
Douglas	Madden	Treadway
Drewry	Magnuson	Wadsworth
Ellis	Mansfield, Tex.	West
Fay	Marcantonio	Whelchel, Ga.
Fellows	Merrow	White
Fitzpatrick	Mills	Whitten
Fogarty	Morrison, N. C.	Woodruff, Mich.
Ford	Murdock	Woodrum, Va.
Fulbright		Wright

So the motion was rejected.

The Clerk announced the following pairs:

Mr. Randolph for, with Mr. Whelchel of Georgia against.

General pairs:

Mr. Furlong with Mr. Wadsworth.
Mr. Keogh with Mr. Gifford.
Mr. Mansfield of Texas with Mr. Powers.
Mr. Heffernan with Mr. Arnold.
Mr. Harless of Arizona with Mr. Smith of Ohio.
Mr. Bloom with Mr. Taylor.
Mr. Whitten with Mr. Scott.
Mr. Torrens with Mr. Hale.
Mr. Fulbright with Mr. Bradley of Michigan.
Mr. Celler with Mr. Fuller.
Mr. Fogarty with Mr. Brumbaugh.
Mr. Kennedy with Mr. Woodruff of Michigan.
Mr. Mills with Mr. Leonard W. Hall.
Mr. Delaney with Mr. Shafer.
Mr. Klein with Mr. Hagen.
Mr. Dickstein with Mr. Douglas.
Mr. McCord with Mr. Merrow.
Mr. Buckley with Mr. Dirksen.
Mr. Madden with Mr. Gallagher.
Mr. Capozzoli with Mr. Blackney.
Mr. Rabaut with Mr. Harness of Indiana.
Mr. Fay with Mr. Plumley.
Mr. Peterson of Georgia with Mr. Treadway.
Mr. Fitzpatrick with Mr. Hartley.
Mr. Ford with Mr. Ellis.
Mr. Philbin with Mr. Phillips.
Mr. Curley with Mr. Thomas of New Jersey.
Mr. Drewry with Mr. Lemke.
Mr. Wright with Mr. Stearns of New Hampshire.
Mr. Disney with Mr. Burdick.
Mr. Bell with Mr. Carter.
Mr. Magnuson with Mr. Marcantonio.
Mr. Pfeifer with Mr. Lewis.
Mr. Cox with Mr. Andrews of New York.

Mr. Sheppard with Mr. Case.
Mr. Patman with Mr. Lambertson.
Mr. Sabath with Mr. Fellows.
Mr. Gibson with Mr. Dewey.

The result of the vote was announced as above recorded.

The doors were opened.

Mr. KERR. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

EXTENSION OF REMARKS

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the Appendix of the RECORD and to include therein a newspaper article.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CARLSON of Kansas. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the Appendix of the RECORD and to include an analysis of the G. I. bill by the Veterans of Foreign Wars.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOPE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

(By unanimous consent, Mr. MILLER of Connecticut received permission to revise and extend his own remarks.)

Mr. KILBURN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a resolution.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CONTRACT SETTLEMENT ACT OF 1944

Mr. SUMNERS of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 1718) to provide for the settlement of claims arising from terminated war contracts, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 1718) to provide for the settlement of claims arising from terminated war contracts, and for other purposes, with Mr. HART in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from Texas [Mr. SUMNERS] is recognized for 2 hours; the gentleman from New York [Mr. HANCOCK] is recognized for 2 hours.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. MAY. I think there should be some agreement about the time for general debate. Of course, the rule provides that the time is to be equally divided between the chairman of the Committee on the Judiciary and the ranking minority member, as usual.

Mr. SUMNERS of Texas. Mr. Chairman, a parliamentary inquiry. Is this time taken out of the time for general debate?

The CHAIRMAN. The time has not yet been taken from the gentleman from Texas, but if it should develop into a controversy, of course, it would be incumbent upon the Chair so to do.

Mr. MAY. I want to make this statement about the matter of time and the disposition of it.

This subject of contract termination involves something like $100,000,000,000. It has been a matter of study for 18 months in the House Military Affairs Committee, and that committee reported the first bill that was reported in the House of Representatives on the subject. We made the first application to the Rules Committee for a rule several weeks ago. That application was held up to await what was suggested to be a compromise, or in the hope that there could be some compromise between the various legislative committees.

Generally speaking, war contracts ought to have come to the House Military Affairs Committee. We have studied long and hard on it, and there is an issue here, in fact two of them, which issues are as vital to this country as the question whether somebody is paid on war contracts or not. The first question is whether or not we will fade the agent of the representative of Congress and the taxpayers out of the picture by eliminating the Comptroller General of the United States.

The second question is whether or not the Congress will abdicate its functions to the executive department, over which I have heard so much complaint and argument here.

The CHAIRMAN. Does the gentleman from Texas yield time to the gentleman from Kentucky?

Mr. SUMNERS of Texas. For the purpose of continuing the statement in progress?

The CHAIRMAN. Yes. If so, how much time?

Mr. SUMNERS of Texas. No; I do not at this time yield time to the gentleman from Kentucky. I will be glad to have anything said about it by the gentleman if it is not taken out of the time for general debate.

The CHAIRMAN. Any further time consumed by the gentleman from Kentucky [Mr. MAY] will have to be deducted from the time allowed or general debate.

Mr. MAY. Will the gentleman yield for a unanimous-consent request?

Mr. SUMNERS of Texas. I yield.

Mr. MAY. Mr. Chairman, I ask unanimous consent that the general debate under the rule be extended for 2 hours, and that that 2 hours be granted to the members of the House Military Affairs Committee.

Mr. COOPER. Mr. Chairman, I make the point of order that that is not in order in Committee of the Whole.

The CHAIRMAN. The Chair will state it is without the province of the Committee of the Whole House to extend additional time which has been fixed by the House itself.

Mr. MAY. I so understood it, and I asked the chairman of the Committee on the Judiciary to raise the question while the Speaker was in the chair.

Mr. SUMNERS of Texas. The chairman of the Committee on the Judiciary did not understand any such request.

Mr. MAY. Well, I asked the gentleman right here.

Mr. SUMNERS of Texas. Well, why did you not make the request, anyway?

Mr. MAY. The gentleman said, "Never mind."

Mr. MICHENER. Mr. Chairman, a point of order. Who has the floor?

The CHAIRMAN. The time is running against the time that has been allotted, from this time on.

Mr. MAY. Will you let me have any of the time, subject to my control?

Mr. SUMNERS of Texas. I will yield myself 5 minutes at this time.

Mr. WALTER. Mr. Chairman, the distinguished chairman of the Committee on Military Affairs a moment ago stated that the legislation under consideration has been considered by his committee for a period of about 18 months. I believe this is correct. In addition to the consideration given this problem by the Committee on Military Affairs, the Committee on Naval Affairs also considered the problem, each committee, however, considering it as related to the agency that it was charged with legislating for. The Military Affairs Committee of the Senate, the special George committee of the Senate, the Post-war Planning Committee of the House, the Committee on the Judiciary of the House all considered this problem. The consideration given to the problem by all of the committees except the Committee on Naval Affairs and the Committee on Military Affairs, however, was as to the whole general problem.

At the very first session of the Post-war Planning Committee the distinguished gentleman from New York [Mr. FISH] said we should take up first things first. With that in mind the committee explored the whole problem of unwinding our economy and concluded that the first thing to consider was this question of contract termination.

It would be very difficult for me to explain to you how large this problem really is. Suffice to say, two-thirds of the people engaged in manufacture are now engaged in the war effort. Practically every manufacturer is engaged to some extent in producing those things that are necessary in the war effort. I believe the problem of terminating the contracts entered into by our Government with those people who provide jobs is the most important problem with which we are confronted today. The war is going to end quickly, we hope; no one knows when it will end. It is safe, however, to say that the war in Europe will end before the war in the Pacific, and we all hope that the end of both wars will come very quickly. But what are we going

to do when contracts are terminated suddenly? I subscribe to the old-fashioned idea that if there is to be employment for employables there must be employers.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. BULWINKLE. I wish to ask the distinguished author of the bill a few questions.

Am I correct in my understanding that this bill provides exactly the same treatment for cost-plus-fixed-fee contracts that it does for fixed-price contracts?

Mr. WALTER. Yes; the gentleman is correct in that understanding.

Mr. BULWINKLE. Then once a settlement has been reached under the bill, the General Accounting Office would have no further function to perform except, first, to determine that the payments called for by the settlement were properly made; and, second, to investigate for fraud.

Mr. WALTER. That is substantially correct.

Mr. BULWINKLE. And the third question: There would be no further audit of the contractor's costs?

Mr. WALTER. Of course not, because it is essential that the settlement be final so that the employer knows exactly where he stands when he starts making his plans for the post-war period.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield for a brief statement?

Mr. WALTER. Yes; for a very brief statement.

Mr. ANDERSON of California. The House Committee on Naval Affairs in the consideration of this important subject of contract terminations was guided largely by the excellent report of the Baruch committee. Can the gentleman tell the House whether or not that same guide was used by the House Committee on the Judiciary in reporting this bill?

Mr. WALTER. Yes; of course it was. Both the Senate committee and the Senate itself, if you please, enacted this bill by unanimous consent and followed the Baruch-Hancock report; and I may add in that connection that the House committee had the advantage of listening to the testimony of both these very distinguished gentlemen. They explained in great detail how they arrived at the conclusions they reached in this magnificent report.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. ANDREWS of New York. With reference to the remarks of the gentleman from California, the statement should also be made in this connection that 13 members of the Committee on Military Affairs in a statement of minority views on a similar bill from the Committee on Military Affairs were in general accord with the provisions of the Baruch report.

Mr. WALTER. I thank the gentleman.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. MAY. Will the gentleman from Pennsylvania request the gentleman from New York to state how many of those who signed the minority report were out of town when it was signed?

Mr. WALTER. I do not yield for that purpose.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I cannot yield further.

Mr. ANDREWS of New York. All 13 were here when they signed.

Mr. WALTER. I do not think it is fair to place the Committee on the Judiciary in a position where it must determine which half of the Military Affairs Committee was correct in its conclusions.

Mr. Chairman, in considering this legislation it is important to bear in mind the fact that if we have no legislation at all there will be cases where the Government is going to be responsible to the contractors for that percentage of the work performed up to the time of the termination. As authority for this statement I call attention to the decision of the Supreme Court in the case of *United States* v. *Corliss Steam Engine Co.* (91 U. S. 321), a case decided in 1875.

In that case the Secretary of the Navy terminated a contract before its completion. Settlement was made by the Secretary of the Navy and thereafter it was questioned. The Supreme Court held that if the Secretary had the authority to enter into that contract he had the authority to terminate it and make settlement on such terms as were just, equitable, and reasonable.

Mr. Chairman, that is the law today, because that decision has been uniformly followed by the Supreme Court in cases arising on the same question.

Mr. VORYS of Ohio. Will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. I wonder whether in the present prime contracts there are not provisions for termination which would be binding upon both parties in the absence of special legislation?

Mr. WALTER. Of course there are, but you must bear in mind that the real difficulty is to arrive at the amount to be paid without undue delay or waste of effort by the contractor or the Government. If you attempt to determine these costs and expenses exactly down to the last penny, you will require very extensive cost analysis, accounting, and auditing. Cost accounting is by no means an exact science; it involves judgment and assumptions which are a fruitful source of disputes and disagreements. Many contractors, especially the smaller ones, simply do not keep detailed cost accounting records and will not be able to submit claims on such a basis. Besides, many of the questions in these settlements depend on sound business judgment rather than accounting. For example, the allocation of inventories and settlements with subcontractors are not essentially accounting questions. Primary reliance on accounting and auditing in settling these claims would consume an excessive amount of time, effort, and expense and would create disastrous delays in completing the job.

In order to avoid this delay and its serious economic consequences, it is clear that the overwhelming bulk of settlements must be made by negotiated agreement. This means that termination claims will be settled by business negotiations conducted on the same basis as ordinary commercial transactions. Auditing and accounting will still be used, but they will be aids to sound business judgment. That is how the contracts were made in the first instance, and that is the sensible way to settle them promptly. The contracting agencies are best qualified to make such settlements. Having executed and administered the original contracts, they are familiar with conditions of their performance. To settle these claims, expeditiously, requires the services of negotiators with business experience, engineers, production specialists, property experts, auditors, and lawyers acquainted with the problems involved and working together as a team. The contracting agencies already have qualified men of these types on their staffs who are negotiating settlements of terminated contracts right now.

These negotiated settlements must be final and not subject to reopening by any other agency except for fraud. If the contracting agencies were not authorized to make final agreements for the Government, they would obviously not be able to negotiate settlements with contractors. Otherwise, they would be asking the contractor to make concessions binding on him while the Government retained the right to withdraw its concessions and agreements. Satisfactory negotiations could not be conducted on that basis.

To take care of cases where the agency and the contractor cannot agree, the bill provides for a system of appeals to local appeals boards and to the courts. This will protect contractors against arbitrary action by any agency in determining the amount due. Finally, the bill authorizes the making of advance and partial payments and loans to contractors and subcontractors to provide them with temporary financing pending the settlement of their claims.

This plan for settling terminated contracts is the keystone of the bill as passed by the Senate. Your committee is convinced that it provides the only method which will permit the job to be done expeditiously and fairly. The provisions of the substitute amendment submitted by your committee conform to this basic plan for settlements contained in the Senate bill.

The committee substitute, however, writes into the bill certain cost principles which are not in the Senate bill. This provision enumerates certain items of costs which are to be allowed or disallowed to the contractor when the contracting agency determines the amount due him without agreement. In addition, the director is to require the contracting agencies to take these cost factors into account in establishing methods and standards for settlements by agreement, to the extent he deems this practicable

without impeding expeditious settlements. In this way, your committee has sought to specify cost standards as far as that is feasible without interfering with prompt settlements. Certain members of the committee and the executive agencies objected to this provision for fear that it might impede the negotiated settlement. In proposing this provision, your committee does not intend it to have that effect, and would consider the adoption of such a provision most unwise if it were convinced that the provision would interfere with speedy settlements.

We believe that the bill will facilitate the making of fair and expeditious settlements and the prompt reconversion of industry to peacetime production after the war. That is its first objective.

Mr. Chairman, we entrusted the contracting agencies of the Government to enter into contracts totaling in excess of $200,000,000,000. Nobody insisted that the General Accounting Office participate in the letting of those contracts; nobody insisted, certainly not on the floor of this House, that those officers were not to be trusted, and I say that it comes with bad grace at this time after most of the money has been spent for us to say that we cannot trust those same men, those civilian employees, those officers in the Army and Navy, who worked so hard and performed such a magnificent service in the procurement of our munitions, to settle this final part of the contract.

Nobody knows what the area of negotiation is going to be. The best evidence that the Post-war Planning Committee had on that subject was that the debatable items would be in the neighborhood of $2,000,000,000. Let us assume that there will be fraud, let us assume that there will be some waste, I agree entirely with what Eric Johnston said when he testified before the committee. He testified it would be worth it in order to prevent the kind of panic that will necessarily follow unless we reconvert our economy promptly.

Your committee was fully convinced that it would unduly delay settlements and industrial reconversion to seek to provide such protection by requiring the audit of all claims before payment or by giving another agency authority to reopen settlements after they were made, except for fraud. At the same time, the committee is keenly alive to the necessity of providing adequate safeguards against fraud and waste of Government funds. Accordingly, it considered and included in the bill every feasible method to provide effective precautions against such abuses.

The bill contains stringent penalties against fraud. Whenever the General Accounting Office, the Director, or any agency believes that any settlement is tainted with fraud, the facts must be reported to the Department of Justice for complete investigation. Until that Department finds that no fraud exists, all payments affected by the suspected fraud must be suspended or withheld. Any fraudulent practices are subject to criminal penalties of up to $10,000 in fines or up to 10 years in prison. In addition, heavy civil penalties are imposed for fraud or attempted fraud.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. WALTER. Mr. Chairman, there is very little in controversy in this bill. We tried to put in legislation the regulations now in effect in the termination of these contracts. The only thing in controversy is participation of the Comptroller General and about that more will be said later.

We start with a statement of the objectives of the bill, and we provide for surveillance by the Congress through the filing of quarterly and interim reports. There are definitions that are as clear as it is possible to make definitions. Then we provide for an Office of Director, feeling there must be authority centered in one place. I do not like to set up more bureaus any more than anybody else does, but certainly it seems to me that in this particular case where you create the Office of Director, who will have about 30 assistants, we are not in that case setting up the sort of bureaucracy that many of us are afraid of. He has supervisory powers over the contracting agencies with respect to termination, financing, and settlements. The Director's duty is to require efficient settlement methods designed to obtain prompt settlements and adequate protection of the Government's interest. He is given extensive powers to prevent fraud and waste. He must establish policies for such supervision and review within the agencies as he deems necessary to prevent and detect fraud. He will prescribe the records to be prepared by the agencies and by war contractors and the information to be submitted to him by the agencies on their operations. Finally, he must investigate the administration of the act either through existing agencies or a special unit in his own office. Thus the Director has full authority to make certain that the contracting agencies take all necessary measures to prevent waste or fraud.

There is an Advisory Board also created, which Board consists of all the contracting agencies, the Secretary of War, the Secretary of the Navy, Secretary of the Treasury, Chairman of the Maritime Commission, Administrator of the Foreign Economic Administration, Chairman, Board of Directors, Reconstruction Finance Corporation, Chairman of the War Production Board, Chairman, Board of Directors, Smaller War Plants Corporation, and the Attorney General. The Post-war Planning Committee of the House and Judiciary Committee of the House felt that the Comptroller General ought to be on that Advisory Board, but the Comptroller General took the position he did not want to be on the Board because, he said, he was so busy he could not properly do the work required of him if he were a member of that Board. We were persuaded that if he was too busy to properly function on this Advisory Board then perhaps he ought not to be on it.

Mr. ELSTON of Ohio. Will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Ohio.

Mr. ELSTON of Ohio. Was not his position that he did not care to serve on the Advisory Board because he had no authority?

Mr. WALTER. Well, he would have as much authority on the Advisory Board as these other people who are on the Board. It was thought that, perhaps, if he were on the Board, he could persuade other members of the Board that the policies that they intended to follow were not sound, that as a result of his experience in his position he could point out things that might be done to prevent widespread fraud, if there is widespread fraud, but I do not think there is going to be. Mr. Chairman, we should not approach this question on the theory that the American people are dishonest. We should approach it on the theory that the great majority of the people are honest, and in that connection let me say that we have made it pretty unhealthy for anybody to either cheat or attempt to cheat in the settlement of their claims against the Government.

Mr. J. LEROY JOHNSON. Will the gentleman yield?

Mr. WALTER. I yield to the gentleman from California.

Mr. J. LEROY JOHNSON. As a matter of fact, is not every single negotiated settlement that we make pursuant to that law audited by the particular agency involved? In other words, Army settlements are audited by the Army auditing set-up. So there is really an audit, and a Comptroller General's audit would be a duplicate audit.

Mr. WALTER. Of course, there is an examination which forms the basis for settlement. If you have two people performing the same job, then you are going to run into the question of policy, you are going to run into interminable debate that always ensues when two governmental agencies are interested in the same question.

Mr. MILLER of Connecticut. Will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. Will this Advisory Board concern itself with anything other than finances? What I have in mind in this whole problem of reconversion is this: Let us take, for example, the aircraft industry. When they got into this war, they turned to the automotive industry. They went into high gear making airplane engines. I wonder if this Advisory Board would have the authority or would be able under this act to perhaps assist the aircraft industry, or at least to see that some arrangement can be worked out so that the automobile industry could keep some of their plants going making automobile parts or engine parts for a year or two after the war when there will be a tremendous demand for automobiles, trucks, tractors, and all the rest of it. Will that Board be able to go into that phase of it?

Mr. WALTER. I understand that already consideration is being given to that subject.

Mr. MILLER of Connecticut. That will be a big problem in different parts of the country where there are big aviation factories. In my district there is one factory employing 45,000 people at the present time which might not be able to employ more than 2,500 in the normal peacetime period.

Mr. WALTER. Of course they cannot. The gravest part of it all is that their capital is so tied up, with the unusual type of work they are now doing, that they could not stay in business longer than 5 weeks after the cessation of hostilities. If their claims are not promptly settled, and settled with such a degree of finality that any banking institution would be willing to make a loan on the basis of the settlement, how are they going to be able to again undertake their peacetime work?

Mr. MILLER of Connecticut. May I say that the particular concern referred to could not meet its pay roll 2 weeks with its total reserves today.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. HANCOCK].

Mr. HANCOCK. Mr. Chairman, the bill before us providing for the settlement of claims arising from terminated war contracts represents the conclusions of many prominent lawyers, accountants, and practical businessmen in civilian life, the Joint Contract Termination Board—consisting of representatives of the War and Navy Departments, the Maritime Commission, the R. F. C. subsidiaries, and the Foreign Economic Administration—as well as the conclusions of several Congressional committees which have studied post-war and related problems. I am not saying that these gentlemen are in complete agreement on every detail of this bill, but I believe it fairly represents the consensus of the best opinion of all. Considerable credit is due to subcommittee No. 3 of the Judiciary Committee, and its chairman, the able gentleman from Pennsylvania [Mr. WALTER] for reconciling differing views and drafting the bill in the form we are now considering.

And let me say that the country owes a great debt of gratitude to Mr. Bernard M. Baruch and Mr. John M. Hancock, the advisory unit for war and post-war adjustment policies in the Office of War Mobilization—two exceptionally able and successful men who for months have given their full time and their great abilities to the stupendous task of preparing plans for the orderly reconversion of our war economy to a peace economy and getting men back to work in normal business and enterprise.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Tennessee.

Mr. COOPER. I want to concur, Mr. Chairman, in the complimentary reference made by the distinguished gentleman to the chairman of the subcommittee of the Committee on the Judiciary, and to state that it is my honor to be a member of the Post-war Economic Policy and Planning Committee. The distinguished gentleman from Pennsylvania was chairman of a special subcommittee of our committee, and devoted long and tedious study to this subject and made splendid contributions to it. The bill which is the basis of the measure here under consideration was unanimously approved by the Post-war Economic Policy and Planning Committee.

I wish to point out the further fact, in more definite response to the question asked by the gentleman from California, that the Baruch-Hancock report was taken by our Post-war Economic Policy and Planning Committee and studied carefully and diligently. Mr. Baruch appeared before us. Mr. Hancock appeared before us several times. It was pointed out, and will be remembered, that the Baruch-Hancock report recommends rather a series of bills to take care of this problem of converting from war to peace, and the outstanding and most important of all of those measures is the bill now under consideration. Your committee followed the recommendations and suggestions that they made.

Mr. HANCOCK. There are a great many post-war problems, and this solves only one of them. But it is very important. We of the Committee on the Judiciary know how arduously and how diligently the gentleman from Pennsylvania worked to reconcile divergent views, and to draft a bill on which we, in our committee, could all agree, and I think we are here unanimously in support of the bill as it is written, with minor amendments.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from California.

Mr. ANDERSON of California. As I understand, the bill that is now before the House does not contain any provision for the disposal of any surplus Government materials or surplus Government commodities, but deals strictly with the termination of war contracts.

Mr. HANCOCK. It deals with the disposition of termination inventories and not with what we know as surplus war supplies. That will come in another bill. There are recommendations in the Baruch-Hancock report on that very subject.

Mr. ANDERSON of California. That is just exactly what I was going to refer to. It will be taken care of in separate legislation.

Mr. HANCOCK. This bill is the first step to take care of post-war business problems, and I think the most important.

Mr. COOPER. Mr. Chairman, will the gentleman yield further?

Mr. HANCOCK. I yield to the gentleman from Tennessee.

Mr. COOPER. A special subcommittee of your Post-war Economic Policy and Planning Committee is now diligently working on that very subject of disposition of surpluses. The whole committee met with the Senate committee, and other chairmen today, and heard Mr. Clayton speak on that very subject of disposition of surplus properties. That is the next bill proposed to be considered under the Baruch-Hancock report.

Mr. HANCOCK. Then there are some post-war labor problems. That subject is also receiving a great deal of study and attention.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Michigan.

Mr. MICHENER. The Baruch-Hancock report can be divided into four segments, can it not, and this is one of the segments?

Mr. HANCOCK. This is one of the segments, and I think the one that requires immediate action.

Mr. MICHENER. That is it.

Mr. HANCOCK. One of the problems in preparing for peace—and it is only one—is the establishment of a fair and uniform procedure for terminating war contracts. That is an immediate problem. It is here now. We are told that 20,000 war contracts have already been canceled and we are optimistic enough to anticipate that many times that number can be terminated before the year is out. The report of the House Special Committee on Post-war Economic Policy and Planning informs us that the number of prime contracts is estimated at from 100,000 to 250,000 and that the number of subcontracts may run well over a million. Many of the contracts were hastily and loosely drawn. Some contain termination clauses and some do not. Prompt congressional action is needed to establish a uniform policy for settling termination claims.

The bill as passed by the Senate and as revised by the Committee on the Judiciary closely follows the pattern set forth and recommended in the Baruch report of February 15. It has two primary objectives: First, the expeditious and final settlement of claims; second, protection of the Government's interest against fraud.

There is no dispute between those interested in the subject as to the desirability of the two objectives but some gentlemen place more emphasis on one than the other. There are those who believe that the Government cannot be adequately protected unless the settlement of claims is placed under the jurisdiction of the Comptroller General with complete audit of accounts before final determination and payment. The impracticability of this course is apparent if prompt final settlements are to be made. According to the Baruch report, over $50,000,000,000 of the current annual production represents strictly war goods. Their manufacture will almost entirely cease when peace comes, and we must return speedily to the production of civilian requirements or the consequences will be disastrous. To audit the claims arising from the termination of contracts representing such a tremendous volume of war business would require a vastly increased staff of trained personnel in the General Accounting Office, probably more than can be recruited, and it would take years to accomplish.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I do not yield to enter into a discussion. I will yield for a question and not an argument.

Mr. MAY. Does the gentleman know how much personnel the War Department has in training now for the purpose of terminating these contracts?

Mr. HANCOCK. No; I have no idea, but I know that the contracting agencies, all of them, have a substantial group of men who have been engaged in the business of making contracts, and they are better able to unmake them than any other group of people you can find. The Comptroller General would have to recruit an army of men to do all this auditing, and where he would find them. I do not know. I do not believe there are enough capable men to do a complete audit in the whole world.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from New York.

Mr. ANDREWS of New York. On the problem of auditing, is it not a fact that probably three out of four of these contracts have been renegotiated to death and they have been audited to death? The very people who have done that know a good deal more about it than the people in the Comptroller General's office.

Mr. HANCOCK. The gentleman is correct.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Nebraska.

Mr. CURTIS. Is there anything in this bill that extends Government control of raw materials into the post-war period?

Mr. HANCOCK. Only that provision with reference to the disposition of what are known as termination inventories. I wish the gentleman would withhold these technical questions until the gentleman from Iowa takes the floor. He was the ranking man on the subcommittee which wrote this bill and is thoroughly familiar with it. He will explain it in detail, and is better qualified to answer these detail questions than I am.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Tennessee.

Mr. COOPER. I think the proper answer to the question of the gentleman from Nebraska is "No."

Mr. HANCOCK. As modified by that provision with reference to the disposition of what are known in the bill as termination inventories.

Mr. THOMASON. Mr. Chairman, will the gentleman yield for a question that is not technical?

Mr. HANCOCK. I yield to the gentleman from Texas.

Mr. THOMASON. Is there any reason why the Comptroller General could not secure the necessary help as well as the War Department? The reason I ask that question is that when we had under consideration yesterday the Military Establishment appropriation bill carrying forty-odd billions of dollars, I note, on page 569 of the printed hearings, where Under Secretary of War Patterson said that they were wanting 10,000 employees to be taken through one of their schools down at the War College. He also said they had secured 1,000 officers and enlisted men for this work. Inasmuch as the Comptroller General of the United States has a going concern of 12,000 employees, and we have authorized up to 15,000, can the gentleman tell me why 1,000 soldiers and 10,000 new employees should be taken on by the War Department to do this work, when there is already an agency specially provided for it?

Mr. HANCOCK. It is not proposed to audit all these claims except where necessary when there is evidence of fraud.

The Baruch report points out that speed in shifting productive capacity from war to peace is the most effective defense against the two greatest dangers of the post-war period—unemployment and inflation; that—

> If the working capital of manufacturers remains frozen in unpaid Government work, they will lack the money to start up their businesses afresh; to buy new materials and new equipment, to pay their workers.
>
> Business would be at a standstill; workers and returning servicemen would walk the streets, while the Government was figuring how to pay what it owed.
>
> Our country's position today is such that if war terminated suddenly most of the factories in this country would be shut and there would be unemployment of the worst kind. Of course, the war will not end tomorrow, but "peace jitters" already are cutting into production. Removing all uncertainties as to the Government's policy on settling terminated contracts is needed for the immediate conduct of the war.
>
> Any course, such as proposed recently by the Comptroller General, would quibble the Nation into a panic. The Comptroller's suggestion, as we understand it, was that he review every settlement before payment and that no payment be final until approved by him. Pending this audit, the Comptroller proposed that advances and loans be made; but the amounts would be entirely inadequate to keep business and jobs going. If such an audit before payment were decreed, no war contractor would know where he stood, prime contractors would be unable to pay subcontractors, banks would be reluctant to make adequate loans, billions in working capital would be frozen. The delays in settlement could force many concerns into bankruptcy. It would mean unemployment by audit.

Without in any way disparaging the value of the functions performed by the General Accounting Office or the high character and ability of the Comptroller General, I believe the arguments I have just read prove conclusively the inadvisability of placing the settlement of war contracts in his hands.

It will be the responsibility of the General Accounting Office under this bill to determine, after final settlement, whether payments have been made in accordance with the terms of settlement, to investigate settlements when there is evidence of fraud and to transmit his findings to the appropriate agencies so that they may take such action as the facts warrant to recover damages and punish offenders. He is also directed to make recommendations to Congress for amendments to the law if he finds it is not adequate to achieve the objectives of the bill or to protect the interest of the Government. Heavy penalties are prescribed for fraudulent practices and there are other safeguards.

Mr. ELSTON of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Ohio.

Mr. ELSTON of Ohio. The gentleman indicated that if the General Accounting Office were to review settlements the contractors would not get their money for a long period of time. Is the gentleman not aware of the fact that the bill reported by the House Committee on Military Affairs provided that the review must take place within a period of 6 months and that the contractors shall receive their money immediately?

Mr. HANCOCK. That would be a direction absolutely impossible of fulfillment, as all these advisers who are qualified to know what they are talking about tell us.

Mr. ELSTON of Ohio. If the General Accounting Office could not find the time within a period of 6 months to make a complete audit, how is it going to be possible for the War Department or the Navy Department to make a sufficient audit to make a settlement immediately?

Mr. HANCOCK. It is not intended that there be a complete audit. The intention and the hope is that we shall continue as we have been doing. Ninety percent or ninety-nine percent of these contracts will be settled by agreement. If there is any evidence of fraud, that will be reported to the Comptroller General, who will conduct an investigation and give his findings to the Attorney General and to the contracting agencies. There are very heavy penalties prescribed for fraud or for violation of the law.

The bill establishes the Office of Contract Settlement and a Director thereof whose duty it shall be to insure uniform and efficient contract settlement by general orders and regulations and by general supervision of the Government agencies entrusted with the authority to make settlements. This bill also creates an Advisory Board consisting of the heads of the various departments and agencies chiefly concerned with contract settlement, with whom he is directed to advise and consult.

The actual work of negotiating termination settlements will rest with the contracting agencies of the Government which made the contracts. The personnel of these agencies either participated in letting war contracts or in administering them. They are more familiar with the terms of these contracts and the business methods of the companies with whom they are made than any other group could hope to be and therefore better qualified to reach fair and expeditious settlements.

An effort may be made to amend this bill by placing war contract termination under the control of the Comptroller General. I hope any such effort will be defeated. It seems to me the program

proposed in the bill is better designed to effectuate its purposes than any other that has been suggested.

Mr. HULL. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Wisconsin.

Mr. HULL. I am not very familiar with this bill, but I have read about the report of the Committee on Military Affairs with reference to a certain Colonel Wyman. I am wondering if this bill would protect the people, the taxpayers, especially, from having Colonel Wyman make any termination agreement or settlement with that German gentleman who is mentioned in the report.

Mr. HANCOCK. After the exposé, I should hope not.

Mr. GRANT of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Indiana.

Mr. GRANT of Indiana. I should like to get back for just a moment to this 6-month period within which the Comptroller General said he would be able to complete these audits.

Mr. HANCOCK. We know that is fiction. It is ridiculous on the face of it.

Mr. GRANT of Indiana. What is more, that time could not even begin to run until such time as the Comptroller General had before him a complete file such as satisfied his own desires in the matter, and months and months and months might elapse before he got all the material together, with six copies of everything that he might want, and all that would be before the 6-month period would begin to run.

Mr. HANCOCK. We know from our observation of the operations of the Accounting Office that they look for 10-cent and 5-cent items. It takes months to audit a small claim. Multiply that by a million claims. If you must withhold final settlement until there is a complete audit, this job will never be done and normal business will never be resumed.

It is the considered opinion of practically everybody that I know who has given this any thought, with the exception of some members of the Committee on Military Affairs, that this job can best be done by the contracting officers subject to the general direction of the Office of Contract Termination and subject to prosecution for fraud if the Comptroller General finds there is fraud.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Pennsylvania.

Mr. WALTER. May I call the attention of the gentleman to the fact that the General Accounting Office file exceptions July 1, 1942, to March 31, 1944, with the Navy Bureau of Supplies and Accounts in 715 cases. Three in which there were adjustments in amounts under $25; 1 between $25 and $50; and 4 over $50, amounting to $569.67.

Mr. HANCOCK. It would not pay for the time of the employees who did the job. Here is a classic example of how the Accounting Office works. In one case an agent of the Government had to make an inspection of an airport some place in the Middle West. He took a taxicab which cost, I think, $2.50. The Comptroller General's office objected to it, because he could have taken the bus, and the bus fare was 50 cents. So the agent said, "All right; reduce that $2.50 item to 50 cents." The Comptroller General said, "I cannot do that, because you did not ride on the bus."

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield.

Mr. THOMASON. I would like to cite a "classic" case or two. The gentleman from Wisconsin, I believe, just mentioned the famous Rohl case in Honolulu. Last October the Comptroller General of the United States brought to the Committee on Military Affairs 270 cases amounting to many millions of dollars. I have made an abstract of a few of them. The very first one of them which I now turn to, in which he made a recovery after auditing these contracts, was against the Baldwin Locomotive Works for $574,629. I turn to another case against the Baldwin Locomotive Works where the Comptroller General recovered $476,393 and another one against the Consolidated Vultee Aircraft Corporation for $9,972,308. There are many cases like these I could cite you, but time does not permit now. If you will give some of the members of the Committee on Military Affairs the opportunity they will give you the style of these contracts, the numbers of them, and exactly what the Comptroller General of the United States did, and the vast sums he recovered and they will not be chicken feed or "classic cases." I make no charge that these contracts were tainted with fraud. The fact remains that but for the Comptroller General and his vigilance this money belonging to the taxpayers would not likely have been recovered.

Mr. HANCOCK. The fact remains, it takes a long time to audit a claim, large or small.

It is hoped and believed by the advocates of this measure that more than 90 percent of the war contracts will be canceled and finally settled by agreements between the Government contracting agencies and the private contractors. When an agreement cannot be reached, then the contracting agency shall make a determination of the amount due the contractor which shall be final and conclusive unless the contractor elects to appeal or bring suit as provided in the bill.

When a determination is made without agreement, it is the opinion of the majority of the Committee on the Judiciary that a formula for reaching a just settlement should be included in the bill. The House bill—section 6 (d)—is much more specific in this respect than the Senate bill and this is the principal difference between the two. The House bill sets forth in some detail the methods and standards to be followed in making allowances for the costs attributable to terminated contracts. The Director may make them applicable to settlements by agreement at his discretion and they are not made mandatory in settlements by determination. The committee was careful to provide that the enumerated items of cost should be considered rather than that they should be allowed and the subsection contains the following paragraph:

> The failure specifically to mention in this subsection any item of cost is not intended to imply that it should be allowed or disallowed. The Director may interpret the provisions of this subsection (d) and may provide for the inclusion or exclusion of other costs in accordance with recognized commercial accounting practice.

It is not the purpose of the committee to hold the Government agents to a rigid set of standards, but we have deemed it wise to establish certain flexible guideposts to clarify uncertainties and doubts in the minds of contracting agencies and contractors as to allowable and nonallowable cost items.

The provisions of subsection (d) are practically identical with the termination clause recommended by the Baruch report for inclusion in war contracts now being made.

In this connection let me just quote briefly from the report of Messrs. Baruch and Hancock in recommending the termination clause in the contracts now being made:

> The cost statement is based upon the recognition only of those costs that are properly allocable to the contract and only to the extent that they are quantitatively reasonable for the performance of the whole contract. In determining these costs recognized accounting practices are to be used. The cost statement goes further to clarify some of the uncertainties that have arisen in the minds of contractors as to which costs are properly allocable to the contract and which are definitely excluded.
>
> In bringing the drafting of this termination article and cost statement to decision and conclusion our thinking has been that the interests of both contractors and the Government will be best served by a clear definition of their mutual rights and obligations and by preparing the ground for prompt settlement on the basis of those rights and obligations.

With that conclusion we agree, with the further observation that the standards set forth in the House bill will greatly aid the courts in rendering judgment on such claims arising from terminated war contracts as may reach them.

I expect an effort will be made to amend the bill by striking out subsection (d) of section 6. In my judgment, such a motion should be defeated.

As I look at it, those are the two principal matters in dispute which you will be called upon to decide. I hope very much we will not try to tear this bill to pieces and rewrite it on the floor of the House. We had a rather unpleasant and unsuccessful experience within the last 7 days in trying to do that with the O. P. A. bill.

In making these remarks, I have confined myself to the most controversial features of the bill. I will leave to others better qualified than myself the task of giving a detailed explanation of it. There are provisions for advance notice of cancelation, for interim financing, for removal and storage of termination inventories, in order to facilitate the resumption of peacetime manufacturing and minimize unemployment. This bill

is the first step, and a long one, in a coordinated effort to anticipate and solve the problems which will confront us when the victory we pray for is won.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 10 minutes to the distinguished chairman of the Committee on Military Affairs, the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Chairman, at the end of the First World War the Congress of the United States, because of the existence of unsettled contracts in the amount of approximately $7,000,000,000, set up the Comptroller General's Department. That legislation was completed in 1921, 3 years after the termination of the war. General Clay, of the War Department, testified before the Committee on Military Affairs of the House within the last 30 days that until the 15th day of October 1918, there had been no steps whatsoever taken toward the termination of war contracts, less than 30 days before the armistice. Yet they say that the Comptroller General's Office was responsible for the delay, when as a matter of fact, it was not in existence and had to be organized in October 1921, 3 years after the war had ended.

The argument is heard that the Comptroller General will delay the matters involved and in order to answer that argument the Committee on Military Affairs of the House, which has studied this question closely for 18 months, has written into the bill which we reported a provision which requires the Comptroller General to complete the termination of every contract submitted to him within 6 months after the notice of termination is given. We provide that unless he does complete it, the agreement reached between the contractor and the Government shall be final. I would like to say here and now, and I want this statement subjected to criticism and answered right now, if anybody can answer it: Has there been any Member in this House during this Congress or in the last 10 years, who has stood up and fought more strongly and more consistently for the system of free enterprise than I have? I have fought for it when gentlemen on both sides of this House who are opposing this proposal now, have been throttling it by their votes in this House.

You can point it out in a hundred instances. You know what it is. I am here today to say that if I thought the Comptroller General would delay these settlements I would not be in favor of putting him in it except for one fact and that is this: Every dollar in money that has been let out on contracts comes out of the pockets of the taxpayers of this country. They have only two representatives in Washington, that is the Congress of the United States and its agent, the Comptroller General; and that department has been functioning in the interest of the taxpayer.

Mr. ELSTON of Ohio. Will the gentleman yield?

Mr. MAY. I yield.

Mr. ELSTON of Ohio. The Comptroller General testified before our committee that he could settle all these cases in 6 months' period of time.

Mr. MAY. He did. That is the reason why we wrote into the bill that he should do it. Now, I want some of these gentlemen who are so earnest about keeping the Comptroller General out of this picture to tell the House what they are afraid of. Who is afraid to have the light turned on? Why so much opposition to the studying of this question, and proper auditing?

When my committee received the bill from the War Department with a request that they be given authority, it contained 16 lines. When I referred it to a subcommittee with direction that they study it, and we decided we would consult the Comptroller General and all of the departments concerned, then they began to abandon their request and undertook to get us to even abandon the legislation. I wonder why? I will tell you why. When they settle a contract they send the Comptroller General a letter like that, with not an item, not an invoice, except to say that they agreed upon some amount, whatever it is. I have here a stack of them and an envelope full, which involve only about a hundred and twenty-five million dollars. The evidence before our committee showed there are outstanding today from $75,000,000,000 to $100,000,000,000 in contracts.

I ask you, when you go back to your districts and your constituents ask you, "Why did you set up the Office of Comptroller General, which has been in existence for 24 years, to audit the account of the little clerk in the department, to audit the account of the man who does work for the Government out in the country, and then when you come to settling with the opulent rich war contractors, about 60 or 80 of whom control 90 percent of all the business, you kick the Comptroller General out of the picture?" how are you going to answer that? When they say, "You went down into my pocket for the highest income taxes that were ever levied by any Congress in the history of the world, and you go down into the pockets of the workingmen to get the money, why are you going to turn it over to these big war contractors with billions in their treasuries?" How are you going to answer those questions? The departments have terminated $14,000,000,000 worth of contracts already, contracts amounting to $14,131,709,000. But let us see if these corporations which have had this business are going "broke." You know, I am one of those who believe that when a man makes profit he ought to lay up some of it for working capital; some of it for a rainy day. Here is a list contained in the Truman report, not the House Military Affairs Committee report, but here is a list of different corporations, and I want to show you what they made in 1942. I have a dozen or more by name, but I will just refer to them by number, for I suspect some of them might not want their neighbors to know.

In 1942 one company, which had had a deficit of $70,000 in pre-war years, made $11,400,000.

Mr. ANDREWS of New York. Will the gentleman yield right there?

Mr. MAY. No; I do not yield.

Just a moment. Out of that $11,400,000, after renegotiations and taxes they had $1,765,000 left. Now, do you not think they ought to be able to go into post-war or peacetime business? They made more in 1943 than they did in 1942. Here is another one that had an average of $850,000 profits in pre-war years. They made $19,000,000, 25 times what they made at any other time. After taxes and renegotiations they had $3,500,000. Are they not able to go into business and convert?

Then there is another one here. I will not read all of them, but here is one that ought to be interesting. This is in the home town of one of the members of the Military Affairs Committee of this House but I will not name the member. They averaged $48,855 annual profits before the war, and during 1942 they made $5,403,583 or 583 times what they made before. They had a profit of $3,500,000 left after taxes and renegotiations. There is a long list of them here. Poor things; how concerned are some Members of this House for these unfortunates, these orphans of industry.

Mr. HANCOCK. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON of California. Mr. Chairman, the legislation before the House, S. 1718, as amended, is "must" legislation. This is the first step to be taken by Congress following the outline of the very excellent report on war and post-war adjustment policies submitted by Bernard M. Baruch and John M. Hancock, on February 15, 1944.

Four separate committees of the House of Representatives have held long hearings on the subject of contract termination. Each committee has submitted a report, and, although the reports vary, the general objectives are the same.

As pointed out in the Baruch report, speed is of the essence. All of us hope and pray that hostilities in both theaters of war will be successfully ended at the earliest possible date. However, even prior to the end of the war, the United States will be confronted with the problem of terminating many thousands of war contracts that are now in effect. If we desire to avoid economic chaos, it is incumbent upon the Congress to pass this proposed legislation speedily and without crippling amendments.

Personally I am pleased to note that S. 1718 deals solely with the subject of contract termination. When a similar bill was under consideration in the House Committee on Naval Affairs it included a provision dealing with the disposal of surplus Government commodities and materials. It is my opinion that this subject should be dealt with in separate legislation and the fact that the Judiciary Committee of the House agrees with me is gratifying.

The disposal of surplus Government commodities, as was pointed out in the Baruch report, is the second important step to be taken in order to avoid tremendous economic dislocations in the post-war period. This job is now being handled rather efficiently by Mr. W. L.

Clayton under Executive order. As soon as possible this Executive order should be replaced by statute, but I am still firmly of the opinion that this is a matter for consideration in another bill.

In addition to the two points already mentioned, we must give ample consideration to the human side of demobilization. None of us desires to ever again see disabled servicemen selling apples on the street corners. I do not want to have the Government forced into a position where it must adopt another "make work" program similar to the old W. P. A. I want to see private industry in this country in a position to insure jobs not only for those who are now serving on war fronts all over the world, but jobs for those who are now employed in war industries. The prompt settlement of war contracts and orderly method of disposing of surplus Government material and the preservation of free private enterprise will guarantee the results that we are all seeking to achieve.

I intend to support the pending bill, and I trust that it will speedily be enacted into law.

Mr. HANCOCK. Mr. Chairman, I yield 20 minutes to the gentleman from Iowa [Mr. GWYNNE].

Mr. GWYNNE. Mr. Chairman, in the First War Powers Act we gave certain contracting agencies broad powers to make contracts for the manufacture of war equipment. Under those powers those agencies went out and made over 100,000 prime contracts and subcontracts running into the millions. Practically every one of those contracts contained a provision that it could be canceled by the Government. Some had a very complicated provision. Later contracts, as I understand, contained what is known as the uniform termination article. In any event, however, whether any provision is made for termination or not, the courts have held that any contract of this character with the Government is subject to termination.

Due to the success of our arms the day is rapidly arriving when we will need to terminate contracts wholesale. The purpose of this bill is simply to set up machinery, and to lay out the general procedure for the termination and settlement of those contracts. All I wish to do is to make a brief outline of what is in this bill. In order to do that I would like not to follow the bill as it begins on page 53, but I would like to take a concrete case and follow it right through from beginning to end.

Suppose, for example, we have X corporation which has made a contract with the War Department for the manufacture of 1,000 tanks at $10,000 each. General Marshall decides that when we have received 500 tanks that will be enough. Therefore he reports that to the War Department and they cancel or terminate the contract.

There was some objection about the manner in which the Brewster contract was canceled. We have tried to remedy that a little by calling upon the contracting agencies to give such advance notice as may be reasonable of the termination of these contracts. We do not, however, propose that the contractor shall continue making war equipment when it is no longer needed. What we do provide in the bill is that the contracting agency shall be diligent, shall look ahead and see what they need and what they do not need and then give such advance notice as they can and as will be reasonable. This notice, however, is to be given not by the Director of Contract Settlement but by the contracting agencies. They can terminate the contract in whole or in part or they can direct a suspension of operations for a certain period of time, paying whatever damages there is for that suspension. If they suspend the contract for more than 30 days the contractor may elect to consider it terminated and proceed accordingly.

The day this big contract is terminated there will be in the plant of the contractor, let us say, 25 completed tanks. Under the bill and under the contract all acceptable items will be taken by the Government and paid for under the contract. There would also be in the plant a great mass of material, a great mass of castings and parts in various stages of manufacture which the contractor had bought and partly machined to make the other 500 tanks. The problem is to get that out of the plant so he can go back to the manufacture of automobiles. The bill, in that connection, on page 78, provides that the contractor will furnish a termination inventory which will be a list of all these articles that he has accumulated which are allocable to the contract, that is, which were there for the purpose of being put into the tanks he did not build. He furnishes that list to the contracting agency. Within 60 days thereafter the agency must arrange either for storage of the material or remove the material. If the Government fails to do so the contractor may remove it, may store it at the risk of the Government after giving the Government due notice. That gets the material out of the plant. Now we come to the really serious problem of how we are going to settle with this contractor. Obviously if we had a contract for 1,000 tanks at $10,000 apiece we could not settle for 500 tanks at $10,000 apiece. There might be cases where the man is in a business, like that of making shoes, where that would be a fair way to settle his contract, but where he is making tanks he has, of course, expended a great deal in preliminary research and engineering intending to spread it over the entire contract. So we provide very elastic standards for the contracting agency to settle this contract.

A great deal has been said about auditing and about the Comptroller General. Mr. Chairman, this is in no sense an auditing problem. If you had all the auditors in America and could get them in the Comptroller's office you would not proceed very far under this bill in the settlement of this problem because it is not an auditing problem; it is, after all, a settlement problem. So these people representing the contracting agencies—and I might say they now have in these various agencies some 30,000 skilled people who have had experience in the making of contracts and who are now being trained to settle them.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield at that point?

Mr. GWYNNE. For a question as to that particular feature of the bill, that is all.

Mr. VORYS of Ohio. Yes. The gentleman has mentioned these 30,000 people being trained in these schools. I noted in the Baruch report that representatives of business are going to the same schools. I wonder if the gentleman will comment as to whether that is a wise thing, to have representatives of business and Government both trained in the same schools on this subject?

Mr. GWYNNE. As I understand what is being done is this: The Government now has 30,000 more or less trained personnel in the contracting agencies. They are engineers, business experts, accountants; they have helped make these contracts; they are the ones who will now settle them. Schooling will be given these 30,000 and others so they may go out in teams and settle these contracts.

How are we going to settle them? Here is about what we intend to do: Here is X Corporation whose contract has now been terminated. A team goes out from the War Department and sits down with the owner and they settle their problem just like you settle a lawsuit. For example, here is a bunch of half-made castings; perhaps the Government wants part of them. All right, they settle that. Here is another bunch of castings. Maybe the contractor can use them; that is settled. Here is another bunch that somebody else can use and here will be a great pile of stock that was very valuable when it was needed as component parts of the tanks but now that the tanks are no longer needed are just so much junk. They must arrive at some cost or price to put on that. That is what it amounts to. It is not an auditing job; it is not an accounting job.

We have, however, provided certain standards or guide posts for the settlement of these contracts. You will find them beginning on page 62. In this respect the House bill differs from the Senate bill. What we have tried to do here, Mr. Chairman, is the same thing that a railway company tries to do when they have a crossing accident. In such a case the legal staff of the railway company will call together its experts, its adjusters, and send them to the scene of the accident. They would be guided by certain rules laid down by their employer and by certain laws: they would know what elements of damage were to be considered. They would know, if an automobile were destroyed, the reasonable market value of the automobile that could be recovered in court. If there were personal injuries, hospital bills, doctors' bills, and so forth, a reasonable amount could be allowed for these items. In that way the railway company figures up what the plaintiff is entitled to. The company may set a figure of $10,000. The plaintiff does the same thing but arrives at a figure of

$15,000. Quite often, just as a business proposition they settle it for $12,500. That is exactly what we hope will be done under this bill. We want to settle these contracts and get these plants back to civilian production. We want to see applied business principles of give and take and make settlements which will be fair to both Government and contractor.

Mr. JENKINS. Mr. Chairman, will the gentlemar yield?

Mr. GWYNNE. On that particular point, that is all.

Mr. JENKINS. That is what I want to talk about. If the gentleman has stated accurately that this is not an auditing problem then, of course, we ought to proceed to pass this bill; but if it is an auditing problem then it is a different proposition. I should like to help the gentleman in his argument, if I may, by this suggestion.

Mr. GWYNNE. I regret, but my time is so limited I cannot yield further.

Mr. JENKINS. But just this point: The Government departments must conform to certain requirements in letting contracts, requirements which have been approved by the General Accounting Office. In the case of these contracts the General Accounting Office has not approved all of them.

Mr GWYNNE. That is right.

Mr. JENKINS. That makes a difference; if that be so the General Accounting Office would not be called upon necessarily to audit them when they are terminated.

Mr. ELSTON of Ohio. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I hope the gentleman will let me proceed. I want to get into a very important part of the bill.

Mr. ELSTON of Ohio. I do not have any time. This is the only way I can get time.

Mr. GWYNNE. We permit the payment of interest at 2½ percent beginning 30 days after the contract is terminated.

Many Members have asked about subcontractors and the effect the bill has on them. There are millions of subcontractors going down in tiers, sometimes as low as six or seven tiers.

After the last war we passed an act in which we provided, as I recall it, that no settlement would be made with a prime contractor until he had furnished a certificate showing that he had settled with all of the subcontractors or that the subcontractor was satisfied to look only to the prime contractor. We do not go that far in this bill because we are advised that that provision slowed up the proceedings after the last war.

In general, here is what we do for the subcontractors. You understand, there is no privity of contract between the Government and the subcontractor, therefore, fundamentally and normally the prime contractor will settle with the subcontractor in accordance with the terms of his contract. However, the bill provides that those settlements will be gone into only insofar as is necessary to protect the public interest. There might be cases where it would be a protection to the Government and everybody if the Government would settle directly with the subcontractors. If you gentlemen have had experience in building a house in States where they have very definite mechanics liens laws, you will know what I am talking about. So the bill provides that the contracting agencies may in those kinds of cases, where the public interest will be protected, settle directly with the subcontractor and buy his claim against the contractor.

Mr. KEFAUVER. Will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from Tennessee.

Mr. KEFAUVER. The gentleman is very insistent on giving further protection to the subcontractor. Has not the gentleman stated a little incorrectly the present bill providing that the Government may settle directly? Is it not made mandatory when there is any question about the solvency of the contractor?

Mr. GWYNNE. I was coming to that. That is correct, thanks to the diligent efforts of the gentleman from Tennessee [Mr. KEFAUVER] when the subcommittee was exploring for additional ways to protect subcontractors.

In addition to the provision that the contracting agency may settle, there is an additional provision put in by the Judiciary Subcommittee that in cases where the contracting agency has reasonable ground to believe that the prime contractor is insolvent, it is made mandatory on the contracting agency to supervise the payment so that the subcontractor will be protected in that instance. They will try to follow the payments down and take care of the subcontractor.

Mr. MAY. Will the gentleman yield?

Mr. GWYNNE. No; I cannot yield. I will be glad to yield when I get through with a discussion of the bill. I think a little explanation of this bill might be interesting.

The bill also provides for interim financing. It was realized by the committees writing this legislation that many of the contractors have a lot of money tied up in these contracts. So the bill provides if application is made to the Government, within 30 days, loans will be made or loans will be guaranteed. Loans will be made up to 100 percent for all completed, acceptable items, and up to 90 percent of the cost of what the contractor has in storage and the things that have been accumulated to go into that part of the contract not yet completed. The loan will be liquidated at the time of settlement. If the contractor is overpaid, or if he does not make provision for settlement, the overplus bears interest at the rate of 6 percent. The settlement thus made between the contracting agency and the contractor is final except in about three cases. First, where the parties agree otherwise. Second, in cases of renegotiation. You understand, all of this settlement is subject to be renegotiated. And, third, it is not final and conclusive if evidence of fraud is later discovered.

So far we have been talking about the case where there has been an agreement made between the contracting agency and the contractor.

If there is no agreement, what right then does the contractor have? In that situation, the bill provides that the contracting agency shall then give the contractor findings setting out the amount the agency claims to be due and setting out the basis of its decision. The contractor then may do one of three things. First, he may apply for arbitration. If the contracting agency agrees to it, the case is then arbitrated in accordance with the Federal arbitration laws, which you will find in title XII of the Code, which provides, putting it briefly, that the proper court, which in this case would be the Federal district court or the Court of Claims, will appoint one arbitrator who will have power to subpena witnesses and to decide the case. That is one thing the contractor may do. Or he may appeal to a special court of appeals set up in this bill. This court of appeals will sit throughout the country and may sit in panels depending on the size of the case they have before it. They may decide the case on its merits. However, the contractor is not bound by the decision of that special court. He may appeal from their decision to either the Court of Claims or to the Federal district court. That is the second thing. First, there is arbitration; second, the special appeal court and the right to go therefrom to the regular courts, and, third, he may go directly to the courts. He may sue in the courts. If the amount involved is less than $10,000 he may sue in his own Federal district court and if the amount is over $10,000 he may sue in the Court of Claims.

I want to touch one other thing and that has to do with the General Accounting Office. After that I shall be glad to yield for some of the questions that have been indicated.

What part does the Accounting Office play in this plan? No duties heretofore conferred upon this Office have been taken away from it. On the contrary, we add three very important duties. First, it is the duty of the Comptroller General to see that payment is made in accordance with the terms of the settlement. Second, he may observe and investigate these settlements as they are going through the mill, and if he thinks, for example, that the War Department has not adopted procedure that properly protects the country he may report that to the Congress.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SPRINGER. Mr. Chairman, I yield the distinguished gentleman from Iowa 5 additional minutes.

Mr. GWYNNE. Mr. Chairman, he may recommend other procedure which will protect the Government. The next thing and the most important is, if he believes that any settlement has been induced by fraud he shall report that fact to the Attorney General. The Attorney General is required to investigate and, in the meantime, payment will be held up.

In this bill we have some very drastic penalties for fraud. Let me call your attention to them. In the first place, the running of the statute of limitations is suspended for 3 years after the war.

That is, it ceases to run from the date the bill becomes effective until 3 years after the war; then it runs on until completion.

There are no penalties for innocent mistakes in this legislation. This bill is written in accordance with the old-fashioned criminal rules. We provide that any person who falsely, knowingly, and fraudulently makes a claim against the Government that he knows is fraudulent is subject to the following penalties, and here is what they are: First, he may be required to pay the United States 25 percent of the amount that he fraudulently sought. That is, in case he sought a certain amount and did not get it, he is required to pay 25 percent of that amount. Second, he is required to pay back any amount that he has fraudulently obtained. Third, he is required to pay $2,000 for each act. That is to cover cases where there would be a small amount involved. Next, he is required to pay double the amount of damages incurred by the Government, and next he has to pay the costs. The provisions of section 80, of 18 United States Code, are made to apply, which provides, in substance, that if any person makes a false and fraudulent claim against the Government he may be fined up to $10,000 or put in jail not to exceed 10 years.

Mr. Chairman, there are a lot of things about the bill I would like to mention, but I will yield at this time for questions.

Mr. ELSTON of Ohio. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from Ohio.

Mr. ELSTON of Ohio. The gentleman made the statement that under this bill no authority now vested in the Comptroller General has been taken away from him.

Mr. GWYNNE. That is my understanding; yes.

Mr. ELSTON of Ohio. Section 16 (a) very specifically provides that the Comptroller General's authority is confined to determining certain things after final settlement. At the present time the Comptroller General has more authority than that.

In section 18 (a) there is a provision that the Director has authority to indicate what records shall be transmitted to the General Accounting Office. Under that language he could transmit to the General Accounting Office just such records as he saw fit and deprive the Comptroller General of the authority he now has to examine any records of any department.

Mr. GWYNNE. Let me say in answer to that, that the general purpose of the Comptroller General has not been changed. His duty is to see that money is expended in accordance with the way under which it is appropriated. Here we are going about making business settlements; therefore it is not a function of the Comptroller General.

Mr. POULSON. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from California.

Mr. POULSON. Is it not true that the substance of this bill is that the settlements are made on the basis of opinion and not on actuarial or actual science, and the accounting profession does not attempt in any way to go into offering opinions? That is the fundamental principle of accounting.

Mr. GWYNNE. That is exactly right. What we need here are men of business judgment; not just auditing ability.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. As to this Appeals Board, I see in the report on page 25 it says that the decision of the Board is final and conclusive and not subject to review.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 8 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, except for bills providing the sinews of war, I undertake to say that this is the most important bill that will probably come up for consideration at this session. I regard the gentleman from Iowa who has just preceded me as one of the most able lawyers in this House. Since hearing him I can appreciate the technicalities and complexities in this proposed bill.

Many compliments have been passed around, in which I join, to our distinguished colleague from Pennsylvania [Mr. WALTER] and my good friend the gentleman from Mississippi, the chairman of the Post-war Economic Policy and Planning Committee [Mr. COLMER]. But I would like to pay a compliment to the chairman of my committee, and especially the gentleman from Ohio [Mr. ELSTON], and the gentleman from North Carolina [Mr. DURHAM] who for more than a year have given careful study to this very legislation. I hope the gentleman from Ohio is going to have some time to discuss his views of the duties and powers of the Comptroller General of the United States.

When this legislation was first introduced, I decided that I would read some of the so-called Graham report, which was the report of a congressional committee set up following the last war. The scandals and the disgraceful contracts of that war were many. I then decided I would read some of the testimony in the famous Nye investigation of the munition makers and their contracts. We have spent many millions of dollars in this war, and I join with you in passing the best and soundest bill possible to avert any major scandals in this war.

I inquired about the legislative history of legislation that followed the so-called Graham report—and I invite you to read it, as I see some Members before me who were here then—and Congress, almost with one accord, rose up and said, "We need somebody to represent the taxpayers of the country." The result was that they passed the General Accounting Act, and they put a fine, able, courageous man in office. I believe his name was John R. McCarl. I hold no brief for the present Comptroller General. He has not discussed this bill with me, nor I with him. I am sure he has made no recommendations or urged any particular bill be passed to any Member of this body. Lindsay Warren needs no defense from any Member of this Congress, because his integrity and ability are beyond question.

The Comptroller General today has 12,000 employees, with an authorization and appropriation for 3,000 more. It is the only independent agency of the Government that reports direct to the Congress of the United States, and through the Congress of the United States to the taxpayers of the United States. I undertake to say now, and I will use my friend from Iowa [Mr. GWYNNE] as a witness, that this bill, if passed in its present form, will take from him many of the powers he now has. So far as war contracts are concerned he will become a mere figurehead. Some have criticized him because he does not want to sit on the proposed board. He is an independent agent of the Congress, and he has no business sitting on any board. No man ever served in this House who has a higher regard for his public duties than he.

I believe I asked my distinguished colleague from New York [Mr. HANCOCK] awhile ago if he had read the hearings on the military appropriation bill we passed yesterday, which provides employment for 10,000 additional persons in this work. We have had five training schools down at the War College. I do not know how many majors or colonels they have, but as I understand it, all employees are in uniform. In addition to that, they took a thousand men in uniform out of the service. The General Accounting Office has been a going concern for 24 years. It was established to do this very kind of work. Now that they have highly important work to do it is proposed to just make them so much window dressing.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Pennsylvania.

Mr. WALTER. If the Comptroller General is so busy now that he needs 3,000 additional men, how could that organization possibly undertake to do this job?

Mr. THOMASON. I will say that the Comptroller General is no busier or as busy, probably, as some of the high officials of the War Department, but when he came before our committee he said he could and would terminate contracts in 6 months. That is shown in the hearings of the Committee on Military Affairs and I do not believe he ever makes idle statements before committees.

I repeat that he has 12,000 men in his service now who have been trained in this particular work, and I cannot understand such solicitude for the contractors when Mr. Warren is our immediate representative and in a position to deal fairly with both the contractors and the taxpayers. There can be no collusion or favoritism with him.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from New York.

Mr. ANDREWS of New York. How long does the gentleman suppose it will take Mr. Warren and his crowd to do this work?

Mr. THOMASON. He will do it just as quickly as anybody else. He said he could and would, and I believe him.

Some statement was made here about some chicken feed cases, or perhaps classic examples. If I had the time I would like to read you the record in at least a hundred cases where large sums of money have already been recovered by Mr. Warren. They are on file in the office of my colleague the gentleman from Kentucky [Mr. MAY]; 270 cases that had been picked out at random last October and left with the Committee on Military Affairs, amounting to many millions of dollars. Why throw the Comptroller General out of the window and set up another bureau when there has been so much complaint about new bureaus? We have heard much talk about bureaucracy. Here we have the Comptroller General with a functioning staff of 12,000 employees, and you propose to establish another bureau. The record would indicate that we now have in the War Department 11,000 men in uniform engaged in this very work. You propose by this legislation to appoint a new Director and set up a new bureau. You set up a director with $12,000 salary, with all the help he wants.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Georgia.

Mr. VINSON of Georgia. Did not the gentleman's committee do that also?

Mr. THOMASON. No; we did not set up a director. We said that the Comptroller General of the United States could set up courts within his Office to handle these cases and take care of the appeals. We gave him more authority, but we created no new offices.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Pennsylvania.

Mr. WALTER. The gentleman has talked about these cases of fraud.

Mr. THOMASON. No, I never said they were frauds. I do not care what you call it. The Comptroller General recovered vast sums of money.

Mr. WALTER. Gross negligence, or mistakes, or whatever they are. The gentleman talks about these cases where the Government stood to lose a lot of money. I call the gentleman's attention to the fact that after those cases were selected the Under Secretary of War, than whom there is not a finer citizen in this land, requested permission to appear before the gentleman's committee to refute those charges, and was given that opportunity. On the 21st of October 1943, he pointed out that the facts disclosed that in 99.9 percent of the cases submitted to his Department——

Mr. THOMASON. I cannot yield any longer, because you cut us down so on time you would not even give my friend from Ohio [Mr. ELSTON] any time.

I join with my friend in saying that there is no finer or more honorable man or more able man in or out of the Government than the Under Secretary of War, Mr. Patterson. I count him one of my good friends. I would trust him about anything. Nevertheless, I say that is no justification for throwing out the Comptroller General of the United States, who is the immediate and direct representative of this Congress, and also a very able and honorable man.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Iowa.

Mr. MARTIN of Iowa. I tried to get the General Accounting Office to give us in the Committee on Military Affairs a list of the items that Lindsay Warren presented to us that the Accounting Office had dug up without military assistance. I have never yet got that list.

Mr. THOMASON. I do not know about that. Mr. Warren came before the committee and put 270—I quote from the record—memoranda of contracts on the chairman's table and said that he had picked them at random. They run into many millions of dollars. He recovered several millions. He will recover more if you will give him the authority.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. VINSON], chairman of the Committee on Naval Affairs.

Mr. VINSON of Georgia. Mr. Chairman, I am glad to have an opportunity to speak briefly in support of S. 1718.

The Naval Affairs Committee devoted almost 3 months to the study of the subject of contract termination. We held extensive hearings on all phases of the problem. As a result I introduced H. R. 4382 which related to the termination of the contracts of the Navy Department, and later introduced an improved version, namely, H. R. 4469. It finally became clear from the testimony that the contract termination problem of all the agencies of the Government should be covered by a single statute, and H. R. 4469 as reported out was a general bill with a scope similar to S. 1718. As the result of the study made by the Naval Affairs Committee and of the work done in preparing these bills, I think I have acquired sufficient background to justify me in making a few comments to the House.

In the first place let me say that I have no pride of authorship whatever and that my sole interest is in making sure that a sound and workable contract termination bill is enacted before Congress recesses. S. 1718 is such a bill. There is hardly a measure on our calendar which is more important. If, as we all pray, this country and our allies should gain an early victory in Europe, and if a contract termination bill has not been passed, when a flood of terminations are unloosed, Congress would have a very serious responsibility for the disaster which would result. I am not predicting that the European phase of the war will be over soon, but that is a possibility for which we must prepare.

I am not going to compare S. 1718 with my bill because my bill is not before you and I do not wish to discuss a matter of purely academic interest. Let me say only that I have studied the provisions of the pending measure very carefully and I consider it a very well-considered and excellently drafted bill. In several places I believe I see signs that the draftsmen incorporated various provisions from H. R. 4469, and the bill is all the better for that. As S. 1718 now stands, it grants to the executive agencies all the necessary powers to handle the problems of contract termination, and at the same time lays down congressional standards which will guide the administrators and give the public assurance that the standards of administration will not be subject to administrative whim but rest on the foundation of a solid congressional mandate.

There is only one respect in which I believe the bill is defective and feel compelled to offer an amendment. Unlike my bill, the pending measure contains no provision which would require administrative review of settlements involving large amounts. So far as the requirements of this bill are concerned, the individual contracting officers of the various agencies have unlimited discretion. Any one of them could commit the Government to pay a million dollars or, for that matter, a hundred million dollars without anyone else in the Department checking on his judgment. I know that as a practical matter the Army and Navy will check and double check on all substantial payments before they are made. However, I do not believe that Congress will have fulfilled its duty if it does not insist as a statutory matter that settlements involving large amounts must be reviewed within the agency before the Government is committed.

In my bill (H. R. 4469) there is a provision that agreed settlements of fixed price supply contracts involving $50,000 or more shall not be binding on the Government unless approved by a settlement review board established within the agency concerned, or if disapproved by the board, unless approved by the head of the cognizant bureau. If the settlement involves $100,000 or more, under my bill it would not be binding unless approved by the head of the Bureau which made the contract, and if a million dollars was involved the settlement would have to have the personal approval of the Secretary of the Department. I am told that in the War Department, because of its highly decentralized procurement system, it is not feasible to require the approval of bureau chiefs or of the Secretary in the case of large settlements, and I am willing to eliminate these requirements. But reviews by special boards can be had in the field and reviews by such boards of settlements of substantial size I consider to be a minimum requirement. Accordingly, I am sending up to the desk an amendment which incorporates this proposal.

The procedure which would be required by this amendment is already in effect. Justice Byrnes on May 2 issued a directive which provides that no proposed settlement of a prime contract or a subcontract for an amount exceeding $50,000 shall be binding on the Government unless the proposed settlement has been approved by a settlement review board, established within the agency, or if disapproved by such a board, until approved by the head of the procuring agency or such representative as he may designate for that purpose. However, I do not think that the question whether or not to prescribe such reviews should be left entirely within the discretion of the executive agencies. If it is sound to require that settlements be reviewed, that requirement should be stated in the statute.

With this one exception, I am wholeheartedly in favor of the bill. I cannot too strongly urge that the House pass the bill promptly, and above all that it be passed without amendments, which would defeat the entire purpose of the legislation. In particular, I want to impress upon the House the danger which would be involved in amending the bill to make any final settlement contingent upon the approval of the Comptroller General. In view of the vital importance of this issue and the fact that there is so much misunderstanding of what it involves, I should like to devote my remaining time to discussing the proper function of the Comptroller General in termination settlements.

This is a matter which was taken up at great length in the hearings before the Naval Affairs Committee. We heard the Comptroller General and the Assistant Comptroller General, and we got the viewpoint of the procuring agencies. We also heard the neutral viewpoint of the professional accountants through the testimony of the chairman of the contract termination committee of the American Institute of Accountants. As a result of these hearings I think we have a balanced picture of the situation, and there is no question in my mind that Congress would be making a terrible mistake if it gave the Comptroller General any more than a post-audit function in connection with contract settlements.

S. 1718 provides that the procuring agencies shall have authority to make final settlements, that those settlements shall not be subject to prior approval by the Comptroller General or subject to reopening by him, unless the settlement was induced by fraud. With the addition of a requirement for internal administrative review, along the lines I have just discussed, these provisions are sound. Indeed, if they are changed there is no point to passing this bill because it would not make possible fair and expeditious settlements.

There are two reasons why I am unalterably opposed to requiring the approval of the General Accounting Office before a settlement becomes final, or what amounts to the same thing, permitting the General Accounting Office to reopen settlements except, as I have said, where a settlement was induced by fraud. My first objection is that the result would be such delay in settlements as to invite a break-down of our settlement machinery with the danger of bringing on an economic crisis. My second objection is that requiring approval of the Comptroller General would result, in the long run, in a waste of public money. Yes; I believe that if the Comptroller General must approve settlements, or has the power to reopen them, the amounts paid would be larger than if the responsibility for making settlements is left with the procuring agencies. I believe I can demonstrate that is the way it would work out in practice.

First let me take up the question of the delays which would result if settlements were made or approved in the General Accounting Office. You have probably heard a lot of claims made as to the amount of time required by the General Accounting Office to pass on contract settlements. Here are some statistics on the actual facts of the case, which will throw some light on these claims. The testimony before the Naval Affairs Committee includes an analysis of all the exceptions received by the Navy Disbursing Office in Washington for the 15 months from July 1, 1942, through September 30, 1943. A total of 7,044 exceptions were received in this period. Some of the exceptions related to disbursements made in 1940, some to disbursements made in 1941, and the remainder to disbursements made in 1942. The average time required to take the exceptions on the 1940 disbursements was 22½ months—almost 2 years. The average time required on the 1941 disbursements was 14⅔ months, and on the 1942 disbursements, 12⅓ months. The average time required on all 7,044 vouchers for all 3 years was over 14 months. Now, gentlemen, this was not the time that the General Accounting Office took to approve these disbursements. This was the time required to take exceptions to the disbursements. Many months more will be required to clear up these exceptions. Remember, in most of these cases the exceptions were simply on the ground that there was not sufficient data. In the light of these figures how can anyone claim that the General Accounting Office can be counted on to clear settlement agreements within any reasonable time?

The Comptroller General, in his testimony before the Naval Affairs Committee, claimed that he could review these agreements within 6 months, but the catch is that the 6-month period would begin to run only after he received what he considered to be an adequate supporting file. If, as I am certain would happen, his organization got bogged down, they would be compelled to do one of two things. Either they would rubber-stamp the claims, after months of delay, which would make the whole procedure a farce, or they would simply take wholesale exceptions to all the settlements on the ground that the supporting data was inadequate, and it is anybody's guess how many months or years would be required to clear up those exceptions.

Now let me discuss the question whether the Comptroller General would save the Treasury any money if he had the right to review settlements before they became final. Some Members of the House may have an exaggerated opinion as to the savings which have been accomplished by the Comptroller General's office in the past. Occasionally there has been some sensational newspaper publicity about a disallowance of a few hundred dollars for the purchase of a set of false teeth or some similar item, and only rarely does the matter-of-fact and sensible explanation catch up with the sensational charges which were broadcast. Some figures from the hearings before the Naval Affairs Committee will illuminate this subject for the Members of the House. No discussion of single items will be helpful in deciding this broad question. Instead let us take the over-all results of the work of the General Accounting Office.

There was presented to our committee an analysis of all the General Accounting Office's exceptions to the disbursements of the Navy Department which were received by that Department from July 1, 1942, through March 31, 1944, a total of 21 months. These figures were practically current as of the time the testimony was introduced. In that period the General Accounting Office took a total of 7,518 exceptions covering both fixed-price and cost-plus-a-fixed-fee contracts.

Of this total, 6,422 exceptions, or more than 85 percent, were purely technical. They related to such matters as missing cross-references, misplaced signatures, and so forth—Government red tape, in other words. That left a total of 1,096 exceptions, or less than 15 percent, which related to adjustment of payments, that is, which involved the question of the number of dollars to be paid by the Government. The total of all these adjustments was less than $150,000, or an average of less than $150. In fact, almost two-thirds involved adjustments of less than $25. Of the total adjustments of $150,000, the testimony before our committee showed that the Navy's own control procedures would have revealed approximately half, so that the Comptroller General can claim credit for only $75,000 of savings. Now we have to compare that with the amount of money paid out in the period in which these vouchers were issued. The vouchers covered the 21 months from April 1, 1941, to December 31, 1942. In that period the Navy issued 500,000 vouchers involving $11,000,000,000. The recovery attributable to the General Accounting Office was therefore less than 1 cent for each $1,800 paid out by the Navy Department. Does this testimony indicate that it would be profitable to risk a business depression and wholesale unemployment of labor by requiring a Comptroller General review of settlements before they are permitted to become final?

Perhaps some of you have the impression that the executive departments are not sufficiently scrutinizing the claims which they pay. Yet in the same period in which the General Accounting

Office shaved $75,000 from the Government's payments to contractors, the Navy Cost Inspection Service disallowed more than $49,000,000 of contractors' costs, more than 600 times the recovery attributable to the General Accounting Office.

These facts may seem startling to some of you but they have not been controverted. On the basis of these facts we are entitled to believe that the procuring agencies would do a creditable job if we do not tie their hands, that a good deal of the criticism of their work has been based on a few exceptional cases which have been given wide publicity. I am satisfied that what is required in order to get further protection for the Government is to adopt my amendment which would require reviews within the departments for large settlements, rather than to make the actions of the procuring agencies subject to the approval of the General Accounting Office and thus lead to a division of responsibility and that inevitable "buck passing" which occurs when you divide up responsibility.

I said a moment ago that in my opinion if settlements could not be made final until approved by the Comptroller General, the settlements would cost the Government a great deal more money than if the procuring agencies are allowed to continue to make final settlements. Here is the reason. The procuring agencies are the only ones familiar with the operations which have taken place under a contract and are the only ones in position to drive a reasonably good bargain in settlement. If a contractor knows that the Department with which he is dealing is in position to make a binding commitment, he will frequently be willing to make substantial concessions in order to wind up his claim, get his payment, and be able to turn his attention to the business of peacetime production. However, if he knows that the Department cannot make a firm commitment to him, he would be foolish to make his best offer to the Department. Instead, when he puts in a claim the sky will be the limit. With the responsibility divided between two agencies, and with the Department unable to make any firm counter offers, in many cases he would get what he has asked for. The statistics which I have cited demonstrate that you could not depend on the General Accounting Office to prevent excessive claims. The exceptions taken by that office are for the most part based on technical details, rather than on differences in business judgment which might result in substantial dollar savings. If the Departments refused to pay the claims on the ground that they were too high, the contractor would simply go to court. You would only add the cost of litigation to the amount which the Government owes and the delays would run into years and years ahead.

I shall not stress the effect of the delays in litigation on the economy of the country if a great many settlements were held up in this way. I think without laboring the point that the House will appreciate how ill we can afford to drive contractors to litigation solely because Congress has failed to grant the necessary authority to reach sound negotiated settlements.

The failure of Congress to give the Departments authority to make final settlements may be expensive to the Government in another way. If you divide responsibility, if you create a situation where whenever anything goes wrong the Departments would blame the Comptroller General, and the Comptroller General would blame the Departments, you must expect a lowering of morale and a failure on the part of the Government's representatives to bargain as vigorously as is necessary to protect the Governments' interest. In the long run the only way to protect the Government is by securing able people and establishing an effective administrative system. When you divide responsibility you make it more difficult to secure able people and you have an unsound administrative system.

I hope the Members of the House will not conclude from what I have said that I think the Comptroller General does not have a useful function with respect to termination settlements. On the contrary, there is a very important part of the job that he can do. The Naval Affairs Committee was very much impressed with the testimony given on behalf of the American Institute of Accountants, which is the national association of the professional certified public accountants in this country. The association took the position that a contract settlement should be audited in exactly the same way that the financial affairs of private business corporations were audited. The association was strongly opposed, on principle, to giving accountants or auditors, whether for private business or for the Government, any administrative or managerial authority. They took the position that only delay, confusion, and harm would result if the auditors considered it their function to duplicate the work and attempt to challenge the business judgment of the administrative agencies, or the legal interpretations of their counsel, on every transaction. The true function of the auditor, they said, was to check up on procedures and to help set up a sound and workable system of financial controls. In other words, the auditors should not compete with the administrative agencies and duplicate their work but should help them to do a good job by suggesting improvements in operating procedures.

The witness for the association said that any certified public accountant would recoil at the thought of reviewing the administrative judgment of the organization he was supposed to audit, or of having a veto power on the exercise of discretion by the management, or of having the right to reopen transactions which had been settled by the management in the exercise of honest business judgment.

Now the question is asked, what good does it do to have an audit after the transaction is closed? We are told that this is like locking the barn after the horse is stolen. Yet that is exactly the kind of audit which private corporations find so helpful. In my opinion such comments show a lack of understanding of the purpose of an audit. The statistics I gave you showed that the system of reviewing the judgment of administrators by the General Accounting Office has put that Office many months behind in its work. In truth, the system now is one in which the Comptroller General does not find out what has happened until months or years after the transactions are over. I question whether the right of recourse against disbursing officers years after the event offers more than a theoretical remedy. On the other hand, by the universally accepted technique of professional public accountants, there is a continuing process of sample auditing of individual transactions in the field, there is a close scrutiny of settlement procedures and the settlement staff, there is a continuing and current appraisal of the over-all soundness and effectiveness of the financial controls of the organization, and there is continuing improvement in procedures and efficiency. That is the kind of contribution which has helped our industries to run their affairs so well, and that is the kind of contribution the Comptroller General should make in the handling of termination settlements.

Naturally, where fraud is found, the settlement should be opened up and the guilty parties severely punished. S. 1718 so provides. I would oppose, however, any broadening of the language which would give the General Accounting Office the right to reopen settlements because of differences of opinion on business or legal matters. The suggestion has been made that the Comptroller General should have the right to reopen settlements where he finds that gross carelessness existed. That sounds plausible, but the effect would be to bring the General Accounting Office in by the back door, with a veto power on every transaction, because whenever it disagreed on a matter of law or fact it could say that anyone who disagreed was grossly careless.

The General Accounting Office provisions go to the heart of this bill. Let me urge again that you reject any amendment which would require the General Accounting Office to approve any settlement before it became final or which would permit the reopening of settlements honestly made.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. MAY. That certainly shows he did not delay anything, but that he expedited it, even though the amount was large.

Mr. VINSON of Georgia. Mr. Chairman, I just pointed out that the average of delay on exceptions has been over 22 months.

Mr. HANCOCK. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. GRANT].

Mr. GRANT of Indiana. Mr. Chairman, this bill has already been explained so well in detail by previous speakers that there is not a great deal more to add.

The gentleman from Georgia [Mr. VINSON], chairman of the Naval Affairs Committee, on which I am privileged to serve as a member, has correctly stated that the provisions pertaining to the General Accounting Office go to the very heart of this bill. It has been stated many times during this debate that speed, and more speed, is the very essence of any solution to this tremendous problem of canceled war contracts. There are many of us who feel that if, after the processes of termination have been completed in the several departments, that there then must be a further audit and an approval by the Comptroller General; that then in many cases the train will be gone and private industry will not be able to survive the long period of waiting which will inevitably follow.

What will this mean? It will mean no jobs for our millions of American workers, including the millions and millions of men in uniform who will be coming back some of these days—soon we hope—looking for jobs in private industry and who do not want to come back to a job working for the Government. And if our American standard of living is to endure, we must make certain that they do not come back to a dole. Every reasonable effort must be exerted to make certain that private industry will be able to speedily convert to civilian production to make jobs for Americans.

The machinery for the settlement of terminated war contracts is but the first of several steps which must be taken before this job can be considered done. The pending bill is a good one and very closely resembles a bill on this subject that we reported out from the Committee on Naval Affairs.

I hope that we may have speedy enactment of the pending legislation and express the further hope that we may have speedy action on the other pressing problems which come to us in the period of rehabilitation and reconstruction which inevitably follows war.

Mrs. LUCE. Mr. Chairman, as a member of the Military Affairs Committee who signed the minority report on H. R. 3022, sent to the Rules Committee on March 20, I arise now in general support of S. 1718, dealing with the same great problem of contract termination. The recommendations of the minority report are embodied, in all essentials, in the bill before us.

For more than 7 months Congress has been considering the problem of the settlement of terminated war contracts.

The same ground has been turned over so often by so many committees that it is clearly time to stop ploughing and to start planting. I know I speak for most of the Republicans in the House when I say we welcome the chance to vote at last on this vital legislation.

Contract-settlement legislation has long been urgently needed as a war measure. I am told that the War Department has already canceled 20,000 war contracts, and the Navy another 4,000. Today these terminations are not being settled quickly enough—even the procurement agencies admit this. The organization within the agencies is not adequate; nor does it have adequate legislative authority.

Today's cancelation job is like a spring shower compared to the cloudburst of cancelation that will flood American industry the hour that Germany's defeat is inevitable.

If the job of cancelations is going too slowly today, what will happen when the really big job hits the country?

Mr. Chairman, those of us who have had some opportunities to study this legislation in committee are not being alarmists when we say that if this contract-settlement legislation is not enacted swiftly so the proper administrative program is well under way before Germany's defeat, we face what Churchill would call a "most melancholy situation" on the home front. Not only will our return to civilian production be hamstrung, but the war against Japan will be hindered by the widespread subsequent dislocations in industry. That will mean a longer war and therefore a longer casualty list.

Already uncertainty regarding contract settlement has sent peace jitters through some industries, which are understandably reluctant to take on new war orders for fear all their assets may be frozen in these contracts when the war suddenly ends. How much greater will be the peace jitters after Germany's defeat?

Several hundred million dollars of materials, inventories, machine tools, and so forth, are today tied up in terminated war contracts. Much of this is usable—even if only as scrap. But it cannot be moved into the production lines, until the terminated contracts are settled. All such materials become idle resources. Idle, they will inevitably tie up war-manpower, which should be released in a rapid and orderly fashion for other pressing purposes.

The hundreds of millions of dollars in such materials now tied up will swell into the billions after there are large-scale contract cancelations. In some cases, these things may make the difference between whether a given industry is allowed to go back to civilian production, or whether it stays, marking time, out of business, while the workers stay out of jobs.

I may have followed this question of contract settlement more closely than others because it is a prosper-or-bust matter for the district which I represent. A large part of my district consists of the city of Bridgeport. Bridgeport is a city that has gone all-out for the war. We face the necessity of making tremendous adjustments with the collapse of Germany on the X-day which none of us can predict.

By far the greater portion of Bridgeport factories are producing for war contracts; the majority of our workers are in war industries.

We produce bazooka guns, machine guns, radar, parachute webbing, small-arms ammunition, antiaircraft searchlights, electrical equipment, firearms, airplanes, airplane equipment and instruments, cartridge cases, naval valves, gages, and so forth. To produce these things, Bridgeport manufacturers converted from the manufacture of typewriters, dictaphones, machine tools, steam gages, electrical supplies, brass fittings, brake linings, and other articles for civilian use. How much unemployment there will be in Bridgeport after Germany's defeat, and after Japan's defeat, will be decided in good measure on how quickly these manufacturers can go back to the production of their normal peacetime products.

The same holds true, of course, for all war-industry centers, for all of Connecticut, for Detroit, Chicago, Cleveland, Birmingham, New Orleans, everywhere. Farmers, as well, will suffer the repercussions of faulty termination. Most of the produce from the farms of Fairfield County is sold in Bridgeport. If workers are jobless, they will eat less, and our farmers will find it more difficult to market their abundant crops.

What stands in the way of industry's shifting from war to peace production?

First. There is the physical problem of clearing Government war work out of the way to make room for new peacetime work, of moving out machines, materials, partly finished parts, work in progress.

Second. There is the problem of freeing the working capital which the manufacturer has tied up in the war contract, so he can buy new materials and equipment and pay his workers.

It is these two questions, how to get Government work out of the plant so new peace work can come in and how to pay the manufacturer what the Government owes him, that are taken care of in the contract-settlement legislation before us.

It is the small businessman who needs this legislation most—not the big fellow. Most small businessmen doing war work are subcontractors or sub-subcontractors. I know that is true of Bridgeport, where we have lots of little companies as well as large corporations represented. These little manufacturers do not have a contract directly with the Government. They make things which they sell to a prime contractor who deals directly with the Government.

The present method of settling war contracts resembles a bucket brigade. That is, the Government settles with the prime contractor. The prime contractor then passes payments on to his subcontractor, who in turn passes the bucket down the line to other subcontractors and suppliers. Many small businesses in Bridgeport—and this is true of the whole country—are way at the end of a long bucket line.

There is no authority at present to permit the Government to settle with these subcontractors directly. Legislation is needed for this.

In the Baruch-Hancock report, a number of specific measures were set forth to speed settlements of the claims of subcontractors, including a way of settling subcontracts even before the

prime contract is settled. Legislation is needed for this.

Legislation is needed to permit a new revolutionary type of settlement that has been proposed, the so-called company-wide type of settlement. At present, each individual contract is settled individually and all of the work done on that contract must be followed through contract by contract. The company-wide type of settlement would call for all of the claims of any company being merged into a single claim and being settled on that basis. Obviously, if a workable administrative plan is developed for this type of settlement, it would speed and simplify the whole problem. There is no legislative authority at present for making such settlements even on an experimental basis.

Another vital need is the establishment of a system of interim loans—T loans, according to the Baruch-Hancock report—which all contractors, both prime and subs, will be able to get from their local banks while they are awaiting settlement. There are bound to be some delays in settlement, even at best. Here again, the need for such loans is greatest on the part of the small manufacturer, whose never very sizable liquid assets are tied up in war contracts.

There can be no question as to who else besides small businessmen, will suffer if this legislation is not passed immediately—it will be workers and returning service men and women who will find themselves jobless—for business big or little cannot survive long delays in settlement and keep up employment.

Of course, many other problems besides the settlement of terminated war contracts are involved in reconversion. There are great human problems which certainly are of first importance and for which our preparations still are inadequate. I am wholly in accord with Congressman CELLER'S additional views on these matters as embodied in the report from the Committee on the Judiciary to accompany S. 1718 as amended.

There are also the problems of making credit more readily available to small business, of properly stimulating post-war housing, of planning and engineering a shelf of needed public-works projects as insurance against possible depression, of taxes, the disposal of surplus Government property—and many others. All of these things, particularly the human problems, as noted by the gentleman from New York [Mr. CELLER], are of great importance and it is no credit to the Democratic leadership of this House that so little vigorous leadership in planning has been given on them. The need for vigorous planning and national leadership on these question has been long apparent.

With contract settlement the situation differs in this important sense—what needs to be done is known and here presented in S. 1718. If we can legislate on this matter today, and we should do so—certainly before this Congress recesses for the political conventions.

There is substantial agreement as to the legislation before us among most of the groups who have been studying the problem.

All of the procurement agencies have approved the bill before us in most particulars. There is no reason for further delay in the passage. I know—and I am sure I voice the sentiments of many in this Chamber—that I do not want any responsibility for not having this legislation enacted promptly.

In the course of the discussions on this matter, I have noticed several bits of confusion and I would like to try to straighten those points out.

As a matter of perspective, I think it is important that the Congress realize that this legislation is really an enabling act for the program of contract settlement set forth in the Baruch-Hancock report.

In this sense, I believe this bill breaks tradition. This is, I believe, the first time in this administration that Congress has been given a detailed administrative program in advance of a request for legislation. Generally, the practice followed has been to point out that a crisis or emergency exists—as indeed when has one not existed since the New Deal came to power?—The administration spokesmen then point out how complicated the problem caused by the crisis is, and then ask Congress for broad legislative authority to do almost anything the administration may desire to do about it later.

On this matter, however, we had a plan of administrative action set forth by the Baruch-Hancock report. We know exactly how the authority granted in this legislation is supposed to be used.

What was the essential purpose of this legislation, and of the Baruch-Hancock program?

The answer is to save the Government—which is the people—millions of dollars. That is the whole point of contract termination.

None of the problems of contract settlement would arise if we allowed all war contracts outstanding to be completed. If we did that, however, we would produce billions of dollars of things that were no longer needed and which would have to be given away or destroyed. This would be a tremendous waste of money and resources. The idea of contract termination is to break off the contract as soon as it is clear the stuff is no longer needed; to pay for the work that is begun; and to stop work on what has not been started.

All of the problems of settlement come from this fact—that the Government has broken off the contract in the middle.

This is an important point, because in committee many proposals have been made which would strip the procurement agencies of their authority to settle these contracts, and yet would continue these procurement agencies in full and final responsibility if the contracts were not canceled. In effect, if Congress were to enact such a bill—and I have in mind H. R. 3022 against which I voted when it was before the Military Affairs Committee—Congress would be saying to the procurement agencies, "We have every confidence in you to spend all these billions, to make contracts as you see fit, but when you cancel a contract to save money, then your every act must be subject to review."

If the Government does terminate a war contract, at its own convenience, it must repay the manufacturer the costs that he already has incurred plus a reasonable profit. This is provided for in the contract. It is something the manufacturer could get by going to court. All that is proposed under this legislation is that the Government determine what it owes quickly—and that it pay what it owes quickly.

This legislation will not give anything away to the manufacturer. It is not a bonus bill for business. It simply provides machinery for the Government to pay what it owes—no more—but quickly. This speed is certainly in the public interest.

The rights of the contractor on termination are set forth in the contract itself. My colleagues will remember last January the Uniform Termination Article worked out by Mr. Baruch and Mr. Hancock. That set forth the rights of the contractor and the whole contract settlement program is built around it. This article provides that the contractor will get only the actual costs that he has incurred plus a reasonable profit. On work that he has not begun and on which no costs have been incurred, he gets nothing—no costs, no profit. This provides for stiffer treatment of war contractors than after the last war.

Moreover, after the last war there was no 85 percent excess-profits tax; no renegotiation. The money paid out in settlements is subject to both the tax and renegotiation.

This is anything but careless treatment of the taxpayers' money. I think I can understand how some persons have received false impressions on this matter. Because so much emphasis is placed on the need for machinery to make payments quickly, some people have naturally jumped to the conclusion that the bill provided for generous payments.

How to determine what the Government owes is not, unhappily, a simple mathematical problem. Precisely because the contract is canceled in the middle, the work in process rests in every stage from raw materials to parts almost finished. To require a detailed audit for every settlement of war contracts would require dozens of years. Only through settlements by negotiation can the job be done without disastrous unemployment.

And as far as I know, no one has suggested that these negotiations with the contractors be handled by a new organization instead of the procurement agencies. It is universally agreed that the procurement agencies are the best ones to do the negotiating. They know the contracts, know the manufacturers, have the organization and experience, and their negotiators, as I have seen in the Chicago and Detroit ordnance districts, work in teams and not as lone individuals.

This brings me to the one really controversial issue before the House—the role of the General Accounting Office in regard to these negotiated settlements.

All of us want to prevent scandal and fraud. All of us are anxious to protect the public interest and prevent the wasteful expenditure of Government money. There can be no absolute guaranty against abuse and even fraud, if only because of the magnitude of the job. Something like 200,000 prime contracts will have to be settled; more than a million subcontracts. Some mistakes are bound to be made in operations of that size.

The essential problem before Congress—and I believe I am stating this issue reasonably—is one of weighing the safeguards that are proposed against the risks of delays and to strike a proper balance. This is what has been done in the bill now before us.

For one major reason I am opposed to the proposal to require every terminated war contract to be reviewed by the Comptroller General with no payment final until this review is made. I am opposed to it because the risks and costs of the delays in settlement that would result are overwhelmingly greater than any possible savings there could be to the Government. In dollars alone the cost to the Government would be greater. If contract settlements are delayed, the pressure to continue the production of unnecessary goods will be greater. Contracts will not be canceled as promptly. After the last war I am informed a billion dollars of unneeded war goods were produced, and in this war the sum will be infinitely greater. In addition, there will be the dollar costs of unemployment benefits, the loss of tax revenues, and, of course, the general economic losses to the whole country of wages and business.

Without finality of settlement, subcontractors cannot be paid promptly enough. This would mean bankruptcies whose effects would snowball as they rolled down the bucket brigade line of subs.

Without finality, there could be no effective clearing of plants. Manufacturers would insist that the Government keep everything and this stuff would have to be moved into warehouses. The handling charges would be heavy, and once taken to warehouses much of this stuff would never come out in time to be sold.

The bill before us preserves the idea of finality of settlement—of negotiating these settlements once and for all except for fraud. It seems to me that the assumption which this bill makes—that the majority of American businessmen are honest—is the proper one. The assumption of those who favor the idea that every contract must be reviewed by the Comptroller General seems to be that the vast majority of businessmen in America—and the negotiators themselves are crooked. I feel this to be a strange view to hold of American business, and I believe that it is held by no important group in the United States of America except new dealers and demagogs.

When my committee made its trip to Detroit and Chicago ordnance districts, I was impressed by the fact that the negotiation on the part of the Government was not done by one man, but by teams. This team idea is now a central feature of the whole contract settlement program. These teams are made up generally of five or six men, each with their assistants. They all work together and file a written report. The final decision is left to a contracting officer, since there must be one man to decide, but where this contracting officer departs from the findings of the team, he must give his reasons in writing. This, it seems to me, is a tremendous safeguard against fraud or collusion. Equally important, it is a protection to each individual team member so that he can exercise his own independent judgment with courage.

Many other safeguards are provided, such as requiring contractors to keep records for 5 years, but there is one which is worth special mention. In this bill a Director of Contract Settlements is to be named by the President and confirmed by the Senate. This Director is given the authority to prescribe the safeguards that must be followed by all of the procurement agencies. This means that the Director can provide for additional safeguards if they become necessary. This Director is given the responsibility of keeping in constant balance the essential problem of obtaining quick settlement while protecting the Government. It provides for the necessary flexibility that is indispensable in any such operation.

It is interesting to note that all of the witnesses who appeared before all of the committees of Congress that have studied this problem, both in the House and the Senate, not one important witness, as far as I know, was in favor of the idea of having these settlements reviewed by the General Accounting Office, and all of the witnesses that testified on this point stressed the importance of speed and finality in making these settlements. These witnesses included representatives of all the major business organizations, small businessmen, medium-sized ones, the professional groups concerned, the American Federation of Labor, the Committee for Economic Development, the Massachusetts State Post-war Planning Committee—in short, all of the groups who have been studying the problems of reconversion and post-war adjustments.

The issues seem clear enough and the answers as given by many able colleagues on this floor today are equally clear. It is time to vote.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 6 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, the basic issue in termination falls in about three categories.

First. What shall the contractor whose orders have been terminated be required to do to satisfy the Government that he has actually incurred the cost he claims?

Second. The method whereby the Government will supervise the program, which is purely an administrative problem.

Third. Provisions for financing the contractors during the termination period.

We all know that our post-war economy must be built on a high percentage of employment if we hope to furnish a market for our goods and, to be sure, no one wants to go back to W. P. A. employment.

The coming days of demobilization will be difficult for millions of people. Millions of men and women will have to take up new forms of work and the adjustments of our economy to a peacetime basis will bring a multitude of stresses and strains, and labor should not be called upon to bear all the sacrifices and strains.

Every thoughtful American today knows that full employment is a bulwark against all issues. Above all we must demonstrate that we can keep our economy moving and not become static as we did in the thirties.

Some time prior to June 1943 an endeavor was made by the sponsors and framers of the original H. R. 3022 to attach the substance thereof as a rider to the Army appropriation bill for the fiscal year 1944. This endeavor was discouraged, and properly so, by the chairman of the Committee on Military Affairs, whereupon the original H. R. 3022 came before the committee for hearing June 23, 1943. That draft sought to grant large authority to the Secretary of War "in connection with the termination of War Department contracts, under such regulations as he may prescribe and without regard to any provision of law relating to the making of contracts for advance or partial payments to contractors with the War Department."

The draft was tabled almost immediately, and another was substituted which extended the authority to the other purchasing departments. This substitute also contained the clause, obnoxious to some members of the committee, "without regard to any provision of law." From that time to the present the chief point at issue has been whether or not those agencies which had negotiated the contracts were to have the plenary powers in effecting their terminations which are set forth in Procurement Regulations No. 15—PR-15.

Hearings held on H. R. 3022 from June 23 to October 27, 1943, cover more than 600 printed pages. At length, on March 20, 1944, the final revision was introduced accompanied by Report No. 1268.

So, out of more than a year's study and the hearing of testimony from every available source in the field of industry, certain principles have emerged forming the point at issue with respect to the settlement of terminated war contracts.

First and foremost is the question of finality and whether or not upon the meeting of the minds of the contracting officer acting for the department or agency of the Government he represents, and the contractor, there shall thereupon be an end to every question relating to that particular terminated contract

except for a possible post-audit to determine only whether there has been fraud or overpayment of the settlement as agreed; or, on the other hand, whether such settlements shall be reviewable as an entirety by a Government agency responsible to Congress, and hence to the taxpayer, to determine before that settlement becomes a finality, whether or not the amount paid to the contractor was excessive, whether the agreement is fraught with questionable practice, or whether there has been any other irregularity.

This is undoubtedly a fundamental question and open to almost endless argument in many directions; but a careful analysis of all the testimony on the part of industry shows clearly that expediency, based very likely upon war emergency hysteria, has been largely responsible for urging the principles of finality upon the conclusion of negotiations between the contracting officer and the contractor. It is a fear of being caught by a shortage of funds to carry on business. Admittedly, it is a good reason. It should be considered, however, that once the principle is established that a contracting officer of a Government agency shall be the final arbiter of how much a contractor should be paid, that all checks against his discretion, his action, his favoritism, or prejudice, shall be eliminated or never provided, then you have thrown wide the vaults protecting the resources of the Treasury and let loose upon industry an uncontrolled power which conceivably could determine its very existence.

There is absolutely nothing in the Baruch plan which provides for such a check, but on the other hand says, page 6:

> The review powers of the Comptroller General should be limited to fraud, with every administrative aid of all the agencies in the detection of fraud. This is in addition to his determining whether settlement payments are made in accordance with the settlement agreement.

To aid in the detection of fraud, it recommends:

> That written reports and full records be kept by the Government negotiators of the bases of settlement; also, the contractors to keep their records for at least 3 years.

It recommends that the Comptroller be added to the Joint Contract Termination Board. It states on page 10 that the major objectives requiring legislation in connection with contract termination are met by Senate bill 1718 prepared by the committees of Senators GEORGE and MURRAY.

Associated intimately with this question of finality, and probably responsible largely for the insistence upon it, is the essentiality of payment of the amount of the settlement claim to the contractor in full, this being based principally upon the relation of the capital structure of industrial plants to the enormous sums involved in war contracts. This has been adequately met by H. R. 3022 because it distinctly provides that the items which are susceptible of immediate termination as to value shall be paid 100 percent; that those items which are subject to variation shall be paid to the extent of 90 percent; and that as to the balance, the Government shall guarantee a loan.

In determining the amount of the claim to be so paid, the Government shall select whichever is the lesser, that estimated by the contracting officer or that estimated by the contractor. It provides, in addition, that the record of the company desiring a loan shall be such as to give reasonable expectation that the loan will be paid. It cannot be said that this is not a wise precaution, because there are thousands of concerns which have sprung up during the emergency and which have no background whatever to support a Government-guaranteed loan.

This provides everything in the way of immediate cash payment that is suggested in the Baruch report, page 8. Additionally, it expedites to a greater degree than the Baruch report, getting cash into the hands of the contractor to the extent of 100 percent because it provides for Government guaranty of loans at once and of the amount needed in full, instead of requiring the contractor to attempt to get a special type of loan.

CONTRACTS TERMINATED

The General Accounting Office submitted 19 typical cases of terminated contracts totaling $12,100,450.96. These terminations were referred to the General Accounting Office for audit and review after the amount of settlement had been determined and approved by the contracting officer of the services involved. The material submitted to the General Accounting Office seems to be a copy of the termination contract, containing the terms of settlement and in some cases exhibits setting forth in itemized detail material and supplies involved in the transaction.

In the majority of contracts reviewed the following clause is inserted:

> Payment in full compensation to the contractor for the uncompleted portion of the contract, including, without limitation, a reasonable allowance for profit or anticipated profit.

The material furnished for audit purposes does not contain the necessary details and figures to enable anyone to determine the basis on which the amount of settlement was determined and certainly no facts explaining what part of the settlement is considered profit or anticipated profit.

If the General Accounting Office has the authority to audit and review the terms and detailed figures of the terminated settlements it should be provided with all facts and figures on which the settlement is based. Forms are provided by the War Department on which the contractor lists a summary of the proposal for settlement including inventories, direct and indirect overhead, administrative expense, settlements with subcontractors, calculation of profit or anticipated profit, and many other details pertinent to the settlement. Without these facts presented for review it is impossible to make an audit of any terminated contract. Another item of importance is the valuation of inventories—raw material, work in progress, and finished goods. Who does the appraising and how are the values determined? How much of the inventory can be diverted to other contracts held by the contractor? There are many detailed questions which must be answered in order to audit and review these contracts.

A brief summary of the contracts submitted for examination follows:

Agfa Ansco division of General Aniline & Film Corporation, Binghamton, N. Y., $502,480.89. Dated October 30, 1943.

This contract provides that the contractor shall deliver to the Government the materials and items set forth in appendixes A and B which are attached to the contract, but no values are given. Settlement is given as a lump sum including profit for work actually done. No details given for basis of settlement.

American Radiator & Standard Sanitary Corporation, Louisville, Ky., $115,000. Dated May 1, 1943.

Included in this settlement is the sum of $25,147.89 for machine tools and equipment to be delivered to the Government as itemized plus $89,852.11 for all its expenses chargeable to the uncompleted portion of the contract. These are the only figures furnished.

Auto-Ordnance Corporation, Bridgeport, Conn., $267,991.94. Dated June 8, 1943.

Payment in full for completed supplies called for by the contract, $187,991.94, plus payment in full compensation for the uncompleted portion of the contract including a reasonable allowance for profit or anticipated profit, $80,000. No further details supplied.

Buffalo Arms Corporation, Buffalo, N. Y., $4,621,727.77. Dated November 1, 1942.

No details except lump-sum settlement.

Curtiss-Wright Corporation, Caldwell, N. J., $1,059,195.17. Dated March 28, 1944.

No details except lump sums for all of the contractor's costs, expenditures, liabilities, commitments, and work done pursuant to the terminated portions of the contracts.

Dalmo Victor Co., San Francisco, Calif., $124,205.62. Dated May 5, 1943.

This contract called for 6,240 airplane smoke tanks to cost $301,392. Only 110 were delivered, for which $5,280 was paid to contractor. A list of small supplies were turned over to the Government for the settlement price of $124,205.62, including allowance for profit or anticipated profit.

Diecasters, Inc., Ridgefield, N. J., $107,922.89. Dated April 29, 1943.

The above amount to be paid upon delivery to the Government of supplies listed but not valued and for the uncompleted portion of the contract, including allowance for profit or anticipated profit.

Eureka Vacuum Cleaner Co., Detroit, Mich., $760,908.32. Dated October 17, 1943.

No details for audit. Full compensation for uncompleted portion of contract, including allowance for profit or anticipated profit.

International Harvester Co., Chicago, Ill., $196,765.70. Dated August 23, 1943.

Payment in full compensation to contractor for uncompleted portion of contract, including allowance for profit or anticipated profit. No details for audit.

Iron Fireman Manufacturing Co., Portland, Oreg., $594,999.50. Dated April 27, 1943.

Settlement stipulates $528,412.43 full compensation to contractor for terminated portion of contract including allowance for profit or anticipated profit plus $66,586.97 for costs incurred after the termination notice for the protection of Government property and other expenses in connection with settlement. Attached to contract is schedule of raw materials, rough parts stock, tools and patterns, fixtures, jigs and tools, and finished parts to be delivered to the Government but not valued. Not sufficient details for an audit.

Jamestown Metal Equipment Co., Inc., Jamestown, N. Y., $194,558.65. Dated August 11, 1943.

Payment in full compensation to contractor for uncompleted portion of contract plus allowance for profit or anticipated profit. List of tools to be delivered to the Government is attached to contract but not valued. No details for audit.

Kilgore Manufacturing Co., Westerville, Ohio, $141,437.15. Dated July 9, 1943.

Lump-sum agreement for termination. No details for audit.

Knapp-Monarch Co., St. Louis, Mo., $136,414. Dated February 19, 1943.

List of machinery to be delivered to Government attached to contract but not valued. Settlement to cover contractor's cost, expenditures, liabilities, commitments, and work done. No details for audit.

Midwest Manufacturing Co., Galesburg, Ill., $1,100,211.98. Dated August 31, 1943.

No details for audit. Contract specifies payment in full for supplies called for in contract which have been completed $984,141.71 and payment in full compensation for the uncompleted portion of the contract $116,070.27.

Minneapolis-Moline Power Implement Co., Minneapolis, Minn., $225,406.32. Dated October 16, 1942.

Attached to this contract is schedule E, showing itemized termination claims. This is the only termination agreement with supporting schedules to the claim. It could be audited, provided information as to value of inventories are submitted.

Oliver Farm Equipment Co., Chicago, Ill., $625,825. Dated October 20, 1943.

Lump-sum settlement. No details for audit.

Oliver Farm Equipment Co., Chicago, Ill., $581,500. Dated January 12, 1944.

Lump-sum settlement. No details for audit.

Seeger Refrigerator Co., St. Paul, Minn., $585,001.69. Dated August 30, 1943.

Payment in full compensation to contractor for the uncompleted portion of the contracts, including reasonable allowance for profit or anticipated profit. No details for audit.

L. R. Teeple Co., Portland, Oreg., $128,862.37. Dated June 12, 1943.

List of items to be delivered to Government included in contract but not valued. Payment in full compensation to contractor for uncompleted portion of contract, including allowance for profit or anticipated profit.

EXAMPLES OF QUESTIONABLE PRACTICES AND TRANSACTIONS F GOVERNMENT DEPARTMENTS AND AGENCIES IN CONNECTION WITH THE PROSECUTION OF THE WAR EFFORT WHICH HAVE BEEN OBJECTED TO AND/OR CORRECTED BY THE GENERAL ACCOUNTING OFFICE

PART I. DOUBTFUL EXERCISE OF AUTHORITY FOR THE PURPOSE OF CIRCUMVENTING OR OVERCOMING OBJECTIONS OF THE GENERAL ACCOUNTING OFFICE

Payment to cost-plus-a-fixed-fee contractor of a fixed daily allowance for each employee in a travel status was objected to by the General Accounting Office because the contract authorized reimbursement to the contractor only for the actual amount paid to employees as travel allowances, not to exceed a fixed daily amount.

Subsequently a supplemental agreement was entered into with the approval of the contracting officer specifically providing for payment to the contractor of a fixed daily amount for each employee in a travel status without regard to the amount paid by the contractor to the employee.

Inasmuch as the supplemental agreement providing for payment of such amounts was entered into pursuant to authority conferred on the contracting agency by the First War Powers Act, 1941, and Executive Order 9001, this office was precluded from further questioning the payments.

Many other contracts of this department were likewise modified to effect this same purpose.

Reimbursement to a cost-plus-a-fixed-fee contractor for the cost of law services, professional-trade manuals, and periodicals was questioned by the General Accounting Office because reimbursement for such expenses was not authorized under the terms of the contract. Subsequent to this action the contract was supplemented with the approval of the contracting officer to specifically provide that such expenses were to be allowable items of cost.

Inasmuch as the supplemental agreement providing for reimbursement of the expenses was entered into under authority conferred on the contracting agency by the First War Powers Act, 1941, and Executive Order No. 9001, this office was precluded from further questioning the payment.

Reimbursement to a cost-plus-a-fixed-fee contractor for losses aggregating $75,593 incurred in the operation of cafeterias and private dining rooms was questioned by the General Accounting Office because reimbursement for such losses was not authorized under the terms of the contracts. Subsequent to this action the contracts were supplemented with the approval of the contracting officer, retroactive to the date of the original contracts, specifically to provide that such losses were to be allowable items of cost.

Inasmuch as the supplemental agreements providing for reimbursement of such expenses were entered into pursuant to the First War Powers Act, 1941, and Executive Order No. 9001, this office was precluded from further questioning the payment.

Subsequent to the date of execution of the supplemental agreements, the contractor filed a reclaim for the amount of the cafeteria losses which had previously been refunded. Since the contracts, as modified, provided for reimbursement of such expenses, the reclaim was allowed.

PART II. ERRONEOUS ACTIONS OF CONTRACTING OFFICERS OF THE VARIOUS CONTRACTING AGENCIES WHICH WERE QUESTIONED BY THE GENERAL ACCOUNTING OFFICE, RESULTING IN RECOVERY OF AMOUNTS ERRONEOUSLY EXPENDED OR SAVINGS OF AMOUNTS ERRONEOUSLY OBLIGATED

A cost-plus-a-fixed-fee prime contractor was reimbursed, with the approval of the contracting officer, for the entire amount of the purchase price paid to a subcontractor for gun mounts purchased on a lump-sum or fixed-price basis.

The General Accounting Office objected to the reimbursement because the rough castings from which the mounts were made had been furnished to the subcontractor by the prime contractor without cost, notwithstanding that the subcontractor's lump-sum bid price included the cost of castings, and the cost of castings actually furnished to and used by the subcontractor had previously been reimbursed to the prime contractor by the Government.

As a result of this objection, the cost of the castings furnished to the subcontractor aggregating $476,394 was recovered by the Government.

A contracting officer approved an amendment to a contract shifting from the contractor to the Government the duty of inspecting the work without a corresponding reduction of the contractor's compensation.

The General Accounting Office questioned the action of the contracting officer on the basis that the amendment was without consideration, since the original contract price included compensation to the contractor for the inspection work. As a result of this action by the General Accounting Office the contract price was reduced $97,020.

Contracting officer approved reimbursement to a cost-plus-a-fixed-fee contractor for increased costs under an amendment to a purchase order providing for an increase in the unit price of bayonets to cover increased production.

The General Accounting Office objected to the reimbursement of the increased costs for the reason that the records disclosed, not only that production was not increased, but that deliveries did not comply with the delivery schedule as set forth in the original purchase order. As a result of this objection $19,000 was recovered by the Government.

Contracting officer approved reimbursements to a cost-plus-a-fixed-fee contractor for commissions ranging from 3 to 75 percent paid to certain individuals and concerns acting as defense brokers and middlemen in the procurement of expendable tools for use on work under cost-plus-a-fixed-fee contracts.

A contracting officer approved payment to a lump-sum contractor of the full contract price notwithstanding the fact that Government-owned materials and parts were furnished to it for use in the performance of the contract.

The General Accounting Office objected to the payments because the contract did not provide that such materials and parts were to be furnished without cost. As a result of this objection over $10,000,000 has been recovered by the Government.

A contracting officer approved for reimbursement to a cost-plus-a-fixed-fee contractor the cost of certain materials, supplies, and services which actually were utilized by the contractor on other work.

The General Accounting Office objected to the payment and, as a result, an aggregate of $30,820 was recovered by the Government.

Seventy-five thousand dollars covering compensation to the contractor for services

performed at its home offices during February, March, and April 1942 was paid to the contractor with the approval of the contracting officer.

The General Accounting Office objected to the payment because the contract provision authorizing payment for such services at a rate of $25,000 per month for each calendar month of operation had been amended to provide that the payments should begin with the month of May 1942. As a result of this objection the erroneous payment of $75,000 was recovered by the Government.

A cost-plus-a-fixed-fee contractor was reimbursed, with the approval of the contracting officer, for the cost of lecture courses in human engineering including instructions to the contractor's employees on how to improve their memory. The General Accounting Office objected to the reimbursement on the grounds that the expense was not allowable under the contract and was not a proper charge against the Government and as a result the cost of the course, aggregating approximately $23,000, was recovered by the Government.

A contracting officer approved payment to a contractor without taking advantage of discount offered under the terms of the contract. The discount due at the time General Accounting Office questioned the transaction was $220,819.43, representing 1 percent on the price of materials of contractor's own manufacture used on the contract work and was collected from the contractor as a result of action initiated by General Accounting Office. The terms of the contract required that such materials be furnished by the contractor at prices and conditions not less favorable than those offered third parties and it was determined that a discount of 1 percent offered to third parties had not been offered to the Government. Not included in the amount stated above are additional large sums representing savings accruing to the Government by reason of the fact that subsequent to the office action the contracting officer is now obtaining a discount on all transactions.

A contracting officer approved reimbursement to a cost-plus-a-fixed-fee subcontractor for salary paid to one of its corporate officers.

The General Accounting Office objected to the payment because under the terms of the subcontract salaries of corporate officers were not reimbursable. As a result of this objection the amount of the erroneous payment aggregating $9,925 was recovered by the Government.

A contracting officer approved payment to a contractor for $26,399 reserved under the terms of a contract to cover an assessment against the contractor for late deliveries under the contract.

The General Accounting Office objected to the payment because the contractor did not comply with the delivery schedule offered by him and, therefore, the assessment was proper. As a result of this objection the amount of the erroneous payment was recovered by the Government.

A contracting officer approved reimbursement to a cost-plus-a-fixed-fee contractor for payment to a lump-sum subcontractor of the entire amount of the contract price notwithstanding the fact that Government-owned dynamite had been furnished by the prime contractor to the subcontractor for use in the performance of the subcontract.

The General Accounting Office objected to the reimbursement because the lump-sum contract price was fixed on the basis of the cost of the dynamite being paid by the subcontractor. As a result of this objection the aggregate amount of $27,646 was recovered by the Government.

A representative of a contracting officer approved reimbursement to a cost-plus-a-fixed-fee contractor for bonus payments to its employees. Upon presentation of vouchers claiming reimbursement for such payments, a field representative of the General Accounting Office advised the disbursing officer that reimbursement of the amounts paid was not authorized under the terms of the contract. The disbursing officer presented the vouchers to the Comptroller General for a formal decision as to their allowability and the decision was to the effect that the claimed reimbursement was not authorized. As a result of that decision the reimbursement was not made by the disbursing officer and the cost of the bonuses aggregating $263,146 was saved the Government.

Mr. HANCOCK. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. REECE].

Mr. REECE of Tennessee. Mr. Chairman, one of the major responsibilities of this Congress is to provide for the conversion of industry which is now engaged in the production of war materials to civilian production when the war ends, and the bill before the House is one of a series of bills for this purpose.

This is a bill of greatest importance, and it comes to the House after mature consideration, with a unanimous report from the Judiciary Committee and also the Post-war Committee, of which I have the honor to be a member.

As the gentleman from Mississippi said, when the war ends it is likely to end suddenly and we must be prepared for the reconversion of our war economy to a peacetime economy if economic chaos is to be avoided. The termination of war contracts is the first thing for which provision should be made.

The prime concern of this bill for the settlement of war contracts is to provide jobs on civilian production as quickly as possible when the war contracts have been terminated.

The factor of speed is the heart of this problem. If we allow the transition from war production to peace production to drag on, we are in for a period of unemployment, unrest, and depression. If the legislation which we enact should tend to delay rather than speed that transition, we shall have a responsibility to bear for the economic chaos that may ensue.

No one is more sensitive than I to the necessity of giving the Government a fair settlement in the negotiations for the termination of war contracts. I want to see rules for the administration of settlements so framed that there will be a minimum of negligence in the negotiations. I want to see fraud severely punished as it deserves. The bill so provides.

I do not regard speed of settlement, which is of prime importance, as inconsistent with adequate protection of the Government against fraud. But, frankly, if I had a choice between saving the Government a few million dollars by delaying settlements and speeding up settlements at the cost of an additional few million—even if for the sake of argument there were such a choice—I say to you frankly that it would be worth that additional amount to get millions of citizens, including our 10,000,000 soldiers, back to peacetime jobs.

We have had a controversy, with sincere differences of opinion, over how far the Comptroller General's office should be brought into the settlements of war contracts. His right to review Government payments on war-contract settlements to see that payments are in accord with the terms of settlement and to see that there is no fraud in connection with settlements, is not questioned. He has always had that right.

So far as the origin of contracts is concerned, the Comptroller General had no part in the procurement nor in setting the terms of the contracts. The contracts were let by the Army and the Navy and the other procurement agencies. The Comptroller General 's office has not been a party to the changes in designs which necessitated changes in terms, nor to the cut-backs or termination of the contracts. These tasks have been performed by the trained staffs of the procurement agencies which have acquired an intimate knowledge of the contracts and the problems connected with them. Twenty thousand of these men, schooled in the contracts and the problems of contract termination, are required by the contracting agencies to carry on the negotiations of settlement.

Now the Comptroller General—and I yield to no one in my regard for the man who presently occupies the office—suggests that at this late date he will enter the picture, will recruit a staff despite the acute labor shortage, will train them in the Government contracts and, after terms of settlement have been made between contractor and procurement agency, the settlement will be held in abeyance until the Comptroller General's staff has had a chance to see whether the Government got as much out of the settlement as it could.

Can we not visualize the time that this duplication of effort will require? The early contract settlements with the Army and Navy have taken, on the average, from 4 to 6 months—far too long. Capital has been tied up. The opportunities to reconvert have been delayed. We have properly urged the procurement agencies to gather speed in the making of settlements as their experience with settlements increases. They have made and are continuing to make progress in this direction. This bill impresses upon them the necessity for increasing speed in settlement, for uniformity, for simplification, for advance payments—all with the object of minimizing delays.

A certain amount of freedom of negotiation is deliberately allowed for the purpose of coming to a speedy settlement under clearly defined rules of procedure. If the contractor can know that the disposition of his claim with the negotiating officer will be final, he will be prepared to go a long way in meeting the Government's requirements in order to get his claims settled. But suppose that the contractor knows that his settlement with the negotiating officer is to be in a state of suspense—that its terms may be changed after review and postaudit by the G. A. O.—where does he then stand? What bank will make him a loan for

working capital based on a contingent settlement that may be overthrown by the G. A. O. because it did not agree with the judgment of the negotiating officer? What negotiating officer will take a chance on anything except the strictest terms of settlement, lest his judgment be challenged by an outside agency like the G. A. O.?

Can we not see that both contractor and contracting officer will be dealing with each other at arm's length; that instead of a give-and-take with the object of speedy settlement, we shall get a dragging out of the negotiations in the first place and then the months of review as the settlement cases pile up awaiting the audit of the Comptroller General?

Meanwhile, billions of dollars of contractors' inventories must be held in suspense awaiting the final release of the G. A. O. Payments to contractors must be held up awaiting final release after post-audit by the G. A. O. Clearance of inventories and equipment, retooling and reinvestment for civilian production must be held while cases are awaiting review by the G. A. O.

And what will we gain by that? Of the $10,000,000,000 of war inventory now held by contractors $2,000,000,000 are in finished goods for which the contract price is definitely fixed so that payments can be made at once. A great part of the goods in process is on an invoice basis at costs previously fixed so that they too may be settled without dispute. The rate of profit on fixed costs as well as on raw materials and goods in process has been fixed under the uniform termination clause.

If the war were to end suddenly while production was at its maximum we may have an area of allowable claims covering as much as one and a half billion dollars. The rules for these allowable claims are pretty definite. But we grant that inside of this total of a billion and a half, there will be room for some debate and for negotiation and for compromise. The results of a strictly meticulous, detailed settlement as compared with a reasonably liberal settlement within the established rules, as I have said, might conceivably make a difference of a hundred million dollars—possibly a little more—to the Government.

But what price shall we be paying for that? First and most important we shall be paying for it in unemployment. The 11,000,000 workers whose livelihood has depended on war contracts have represented a monthly pay roll of two and a half billion dollars—at least 10 times and more likely 20 times, the amount we could save by a meticulous post-audit on top of the regular negotiated settlements.

It is clear to me, and I hope it is to you gentlemen, that if any sizable fraction of this monthly pay roll is held up as a result of an insistance upon delaying the finality of settlements by detailed post-audit, then I repeat we shall be sharing in the responsibility for depression, for industrial unrest and for increasing suffering on the part of millions of workers, not to mention the businessmen who in good faith allowed their plants to be commandeered for war work and who are prepared to resume civilian production as soon as settlements are completed.

To me it is clear that the human side of this problem is the primary one, and that everything we do in the passage of this bill must be directed toward reconversion and reemployment. Speedy final settlements are vital to this end.

Mr. HANCOCK. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I believe I can discuss this bill without becoming emotional. It is a bill which was worked out by the subcommittee of the Committee on the Judiciary of the House. As a member of the Judiciary Committee I, along with the whole committee, made a careful study of the bill. From my study of it, from the analysis made by the able gentleman who had its preparation in charge, and from hearing and reading the testimony of Mr. Baruch, Mr. Hancock, and others, I am convinced it is a good bill. There has been an intimation here that this bill might become a vehicle for, or the shield and buckler of, those who want to raid the Treasury and perpetrate fraud and I have almost been led to believe that some of the gentlemen who talked on that subject had just about gotten in the frame of mind of the old fellow who said to his friend: "Bill, there are just two honest men on earth, you and me, and I doubt you about half the time."

Let us see what this bill does. It sets up the machinery for the speedy termination of contracts and settlements of matters involved and for the interim financing of those who have been engaged in the performance of war contracts. It is designed primarily to accomplish the challenging need of the hour, and that is to see that there is no lag—that there is no interruption in employment in this country. This bill is vital to the preservation of our system of free enterprise by freemen. It is vital in that, in my opinion, it will enable industry to shift in the least possible time to a peacetime production and to retain on the pay roll the millions of men and women who are now engaged in war industry and to afford employment to the boys and girls in our armed forces when they come back from the war they are now fighting.

Let us see if it opens the door to fraud. It provides for the creation of the office of contract settlement, which shall be headed by the director of contract settlement. The act provides that he shall be selected and appointed by the President of the United States and confirmed by the Senate. Everybody knows what my politics is, but I would be the last person in the world to stand on this floor or elsewhere and say or intimate that the President would appoint to a position of this importance a man whose honesty might be questioned, and I would not venture the assertion for 1 minute here or elsewhere that the Senate of the United States would place the stamp of its approval on anyone except an honest man of great ability to perform this great task.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. No; I cannot yield; I have too little time.

Mr. BROOKS. I have no time at all.

Mr. JENNINGS. That is not my fault, my friend. If I had charge of the time, I would give it to the gentleman, but I do not have any spare time.

The bill goes further and provides for the setting up of a contract settlement advisory board with which the director shall advise and consult. Listen as I read the list of those who are to compose this board. The board shall be composed of the director, who shall act as its chairman, the Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, the Chairman of the Maritime Commission, the Administrator of the Foreign Economic Administration, the Chairman of the Board of Directors of the Reconstruction Finance Corporation, the Chairman of the War Production Board, the Chairman of the Board of Directors of the Smaller War Plants Corporation, and the Attorney General, or any alternate or representative designated by any of them. Can it be said for one moment, does anybody really believe, that such a set-up as that would sanction or condone fraud? Then in addition to that, the latter part of this measure suspends the running of the statute of limitations for a period of 3 years after the cessation of hostilities in favor of any person who might offend against the drastic provisions of this law to prevent fraud or imposition upon the Government.

It has been well said, and I want to reiterate it, that time is of the essence in this matter. Everyone who has kept abreast of the times knows that the first great problem when we got into this war was to shift our economy to a wartime basis of production. Miracles have been accomplished in that great task. The efforts of management, ownership, the men who perform the work in our great factories and in our great shipbuilding plants have been translated into armament that is now in the hands of every one of our allies, in addition to our own armed forces, and their efforts, their contribution is extended to every battlefront in the world. While we are going downstream on a great flood tide of production on an income of more than $140,000,000,000 a year everything looks rosy; but when this war ends this Government and our people will be met with the most challenging problem that ever any people faced on this earth, the problem of maintaining a free economy, the problem of keeping our people at work, the problem of taking care of these boys and girls who come back from the battlefronts. I have talked to hundreds of them, and in all they say there is a note of wistfulness, a note of anxiety, and inquiry: "What will we come back to? What chance will we have for a job when we come back? What sort of life will lie before us?"

I say, therefore, that this is a challenging question; it is a question of supreme importance, it is a question about which the people are, you might say, justly impatient; but it is a question that could

not be solved overnight. The time of decision has now come. We must write upon the statute books a measure that will set up machinery, that will provide yardsticks, that will provide methods by which we can shift our economy to one of peacetime production. Our people need automobiles, they need trucks, they need tractors, they need household effects, they need all of the implements of peacetime industry, and I believe that the genius of the American people is such that the resourcefulness of the American people is such that if we afford them a modus operandi, a method by which they may turn the efforts and energy of the capital and labor of this country into the proper channels just as speedily as possible, we will not have millions of unemployed men and women in this country when the war is over. Let us pass this measure. In so doing we will have taken a long step forward in the path that leads to readjustment, and that will assure jobs and prosperity to all our people.

The magnitude of the problem, the urgent need of the prompt enactment of this measure is apparent when we keep in mind these facts:

The Federal Government now has in force contracts with from 100,000 to 200,000 prime contractors who are manufacturing war materials. These prime contractors, in turn, have entered into more than 1,000,000 subcontracts. This year these concerns will produce $75,000,000,000 worth of war materials. There is now in process of fabrication and manufacture more than $10,000,000,000 in value of war materials. More than 10,000,000 men and women are engaged in this war work. When the war with Germany or Japan ends, or when it ends with both of them, the Government will no longer need these war materials. Fortunately, the contracting agencies of the Government—the War Department, the Navy Department—have trained and experienced men who have made these contracts, and who have kept and are now keeping daily supervision over their performance. These men know the details of these matters. They are in a position speedily, honestly, and efficiently to close out and make just and equitable settlements with the contractors. They can do this promptly. When this is done, the industrial plants of the country can be retooled for the production of the goods our people and the people of the world so badly need. If this transition can be made in from 60 days to 6 months, if these men in charge of our industrial plants can get the money due them on the contracts they are performing, our people can be kept at work, the returning members of our armed forces can get jobs, and this country can be saved.

These matters cannot await a hair-splitting audit, lasting from 6 months to 6 years. A workman gets hungry in less than 24 hours. And the industry of this country may well be wrecked in 6 months. This well-considered measure, along with others now being considered, will insure continued employment of our people and the salvation of our industrial system. Its speedy enactment is imperative.

Mr. SUMNERS of Texas. Mr. Chairman, I yield myself 1 minute for the purpose of supplementing the statement just made by the distinguished gentleman from Tennessee. It is provided in section 16 that the General Accounting Officer may examine any of these settlements which have been made after they have been made and if fraud is detected then it becomes his duty to cite that fact to the Department of Justice in order that prosecution may be had.

Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. Chairman, this legislation that we now have before us is just about as important for the economic stability of this country after the war and in the closing days of the war as any legislation that may come before us. There is one thing I want to mention before I get into a discussion of this legislation and I would like the particular attention of the gentleman from Texas [Mr. THOMASON] and the gentleman from Kentucky [Mr. MAY] to this statement.

I have heard both the gentleman from Kentucky, the esteemed and able chairman of the Committee on Military Affairs, and the gentleman from Texas [Mr. THOMASON], the ranking member of that committee, make the statement that the Budget and Accounting Act grew out of the frauds and scandals involved in the settlement of World War No. 1 contracts. I was not here, I did not participate in the debates at that time, but a month or so ago I called the legislative reference department of the Congressional Library and talked with the Director. I told him that I had heard that statement made on several different occasions, and that I would like very much for his service to go back and check the debate and check the reports in connection with the enactment of that legislation, and let me know if that were true. Several days ago I received a call from the Congressional Library, and I was told that had been done and so far as they could determine there was no connection between the two. I simply report that for what it may be worth.

With reference to the statement that the gentleman from Texas [Mr. THOMASON] made, calling to our attention exceptions made by the Comptroller General to the payment of certain items, I am not going to discuss the statement, but may I say that there is a printed copy of the hearings had before the Military Affair Committee, and I invite your reading of the statement of Under Secretary of War Patterson regarding these items which commence on page 251 of the hearings. You will find a complete answer to every bit of the charge that has been made.

Mr. Chairman, the contracts that have been awarded in this war run I suppose somewhere between two hundred and three hundred billion dollars. We in the Congress gave to the various procurement agencies the right to make those contracts. If anybody had come in and said: "We are going to insist that the Comptroller General sit in on the making of those contracts, that he audit the accounts and the payments before they are made under those contracts, that he sit in on the various stages where those contracts are changed, modified, or where they are completely discharged," everyone would have said: "That is foolish. We are not going to permit it."

We let them go along and make those contracts. If the contract is completely finished, we let them pay up and the Comptroller General has nothing to do with it except to check to see that the payments are made in accordance with the terms of the contracts. If there are any modifications to be made in the contract they can go ahead and make them. The settlement or termination of a contract is not anything in the world except a modification of the contract itself. There may not be 5 percent of the contract left unfinished. It may be a contract involving a hundred million dollars; we let them spend $95,000,000 without any control or veto power in the Comptroller General; yet because there is $5,000,000 unsettled, we come in and say: "You must protect the taxpayers by bringing in the Comptroller General." It just simply does not make sense.

The cash outlay in the settlement of these contracts is not a tremendous sum. Let us assume that when the time comes to cut off the contracts there are unfinished contracts to the extent of a hundred billion dollars and I think most estimates place it at some point between seventy-five and one hundred billion dollars. It does not mean that much money is going to be paid out. As a matter of fact, the experience in the settlement of these contracts so far has been that only 2 percent is paid on the unfinished contract value. Out of $3,900,000,000 of unfinished contracts $85,000,000 cash was paid out. That is the history of the first 14,000 settlements by the War Department.

We let them pay tremendous sums of money in the full discharge of these contracts, but when the final date comes and only 2 percent remains to be paid, we say that the taxpayers of this country must be protected by inclusion of the Comptroller General, giving him some authority that he has never had before.

Let us suppose that the Comptroller General is brought into the picture. Where is the Comptroller General going to get his help? According to the testimony on page 615 and page 618 of the hearings held by the Committee on Military Affairs, Mr. Yates of his office said that they were going to get them from the armed services and from the various procurement agencies that were using those people now. Let me ask you a simple question: Why is it that the Comptroller General can use those same persons and there is honesty, integrity and protection of the taxpayers; yet when those same people function for the Navy, for the Army, for the Maritime Commission, for the R. F. C., for the Treasury Department or for a dozen other agencies, the taxpayers need to be protected? Honest, when they are

working for the General Accounting Office—not to be trusted when they are working for anybody else. I believe it violates the very fundamental philosophy of life to the effect that people are inherently honest and do not want to cheat the Government.

Mr. COLMER. Will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman from Mississippi.

Mr. COLMER. I have been very much impressed with the gentleman's able statement with reference to the use of these servants of the agencies to terminate these contracts. As I say, I was especially impressed with that statement. Is it not a fact that if somebody were going to be dishonest in terminating these contracts, the man wearing the naval uniform or the Army uniform as a member of one of the armed forces would have more to lose than the civil-service fellow because the Army and Navy man would be kicked out of the service? In addition to losing his job, he would be given a dishonorable discharge.

Mr. SPARKMAN. I think the gentleman is absolutely correct.

Mr. Chairman, I have just one further point. This matter has been studied by seven different congressional committees and let me name them to you very quickly: The Post-War Committee over in the Senate, Senator George's committee, the Murray subcommittee of the Senate Committee on Military Affairs, the full Committee on Military Affairs of the Senate, the Judiciary Committee of the House, the Naval Affairs Committee of the House, the Military Affairs Committee of the House, and the Post-War Committee of the House, headed by the able gentleman from Mississippi [Mr. COLMER].

Every single one of those committees came out with the recommendation along the line of this bill that we are considering today, with the exception of the Committee on Military Affairs, and 13 Members, exactly one-half of that committee, recommended the same thing.

I do not know anything that can speak more forcefully than this. I think it is a simple matter of getting these contracts terminated, settled, the property out of the plant, the claims paid off, and an absolute finality that people can rely upon.

Mr. HANCOCK. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, as we discuss this pending measure, there are three things that appeal to me perhaps as forcibly as any others in connection with it. First, we are very anxious, and it is absolutely necessary, that we have a speedy settlement of these terminated contracts; second, to my mind, it is absolutely essential that we have a complete and final settlement of these contracts as quickly as possible; and the third point that appeals to me in this connection is that the first two which I have mentioned are essential in order that we may have a continuity of employment for the employables of this country. With those three observations at the outset, it appears to me that this pending legislation is of the utmost importance; it is important that it should be enacted as speedily as possible in order that we may have a guidepost and a standard by which these terminated contracts may be settled.

The problem of terminating war contracts and making settlement of those terminated contracts is one of our most important problems. It is of the utmost importance that this legislation be passed as quickly as possible. In order that these guideposts and these standards may be established, which will aid materially in establishing uniformity in making settlements under terminated contracts, I desire to call to the attention of the Members these further observations on this measure.

The bill that came to us from the other body was entirely without any standard. There were no guide posts set up in that measure. As a matter of fact, in order to have uniformity, in order that these settlements may pursue a certain, definite, and a well-defined course, it is essential, in my opinion, that some standards and some guide posts be set forth. This we have done in the pending measure. These standards are not set forth as a hard and a fast rule, but they are sufficiently liberal to grant ample latitude in negotiating and completing such settlements.

I think perhaps I can refer to some of those standards and guide posts which are set forth on page 62 of this bill, and which are to be observed and followed in making these settlements.

First, "a reasonable cost of settling and paying termination claims under terminated subcontracts." That is one item which must be taken into consideration. The second one is "the cost of items of termination inventory." That was discussed to some extent just a little while ago by my distinguished colleague from Iowa [Mr. GWYNNE]. Third, "allowance for depreciation at appropriate rates on buildings, machinery, and equipment." Fourth, "general experimental and research work, to the extent consistent with an established pre-war program." Fifth, "cost of engineering and development." Sixth, "loss on special facilities acquired solely for the performance of the contract." Seventh, "rentals under leases clearly shown to have been made for the performance of the contract." Eighth, advertising expense to the extent consistent with a pre-war program or to the extent reasonable under the circumstances. Ninth, "interest on borrowings." The other items, which are embraced in the bill, will be found in the subsequent paragraphs.

Those guide posts have been set up for the purpose of outlining a charted course which should be followed, and which should bring about uniformity in making settlements of these terminated contracts.

I would like to call the attention of the committee to the provision contained on page 65 of this measure. There the measure sets forth items which are not to be included as elements of cost. I might mention those just very briefly. First, "losses on other contracts or from sales or exchanges of capital assets." Second, "expense of conversion of the contractor's facilities to uses other than the performance of the contract which is under settlement." Third, "expenses due to the negligence or willful failure of the contractor to discontinue with reasonable promptness." Fourth, costs incurred in respect to facilities, materials, or services purchased or work done in excess of the reasonable quantitative requirements of the entire contract. Other items are mentioned in the pending bill. These standards will be found to be helpful, I am confident, in maintaining a uniform system of making such settlements.

In other words, we have attempted to set up a liberal standard, or standards, or a series of guideposts, which will permit those who are negotiating and attempting to make settlement of these terminated contracts as nearly uniform as possible, and as speedily as possible, in order to make certain the continuity of the operation of these affected plants and to assure the continuity of employment of the employables in this country.

Much has been said in connection with this particular legislation regarding the position of the Comptroller General of the United States with respect to it. While I was not present with the distinguished Subcommittee No. 3, of which my distinguished colleague from Pennsylvania [Mr. WALTER] is the distinguished chairman, may I say that he, and his subcommittee, have done a splendid job with respect to this legislation. I wish to commend the chairman and his subcommittee for their long and faithful service on this measure and upon the presentation of this bill to the House. I was informed before this measure came before the House that the distinguished Comptroller General made the statement that "he did not want to be a party to any preinvestigation prior to the settlement of the termination contracts." In that situation let us see what his connection is with respect to these terminations and settlement has gone through the appeals with respect to the Comptroller General.

On page 94 of the bill, which relates to the prerogatives of the Comptroller General, we find that after settlement has been made—either by agreement, and it can be done voluntarily on the part of those representing the Government and on the part of those representing the contractors, or the contractors themselves, and even where the settlement has gone through the Appeals board which is provided by this measure—the Comptroller General has the right and the power to make a complete review, if he sees fit to do so. He has the authority provided in this bill, and that which is now provided by law.

Let us see what the provision in this measure is with respect to his authority in that examination or review which is made. Remember, this is after the settlement has been made. He has the right, first, "to ascertain and determine whether the settlement payments to the war contractor were made in accordance with the settlement"; and, second, "he has the right to ascertain and determine whether the records transmitted to it, or

other information, warrant a reasonable belief that the settlement was induced by fraud."

May I say to the committee, it is the hope that this measure will be passed speedily by the House in order that the continuity of employment may continue, and in order that the men returning from service may find employment which they will seek upon their return.

Mr. Chairman, as we discuss this highly important legislation today, I am constrained to urge the members of the committee that this measure be passed, while it may not be perfect, and while it may require amendments in the future to clarify its provisions, and while it may require amendments to cure existing ills in the measure, but that can best be detected and determined after a fair trial of this measure is had. It is my belief that this measure, which comes from the Judiciary Committee of the House, as the bill was practically rewritten by that committee, is by far the best measure presented on the subject of contract termination.

One last thought I wish to leave with the Members before this debate closes is this: When we terminate contracts, and make settlements thereunder, we do not need any special audit; that procedure is not that which requires an audit; that procedure requires the exercise of good and sound business judgment on the part of businessmen; that accomplishment requires the employment of men who are schooled in business and who know values; that plan of settlement between the Government and the war contractors requires the exercise of experience and knowledge gained in the business world. After the settlement has been accomplished, and some facts and evidence is available, then the Comptroller General has the full authority to act by determining whether the settlement has been made in accordance with existing law and with the agreement so made, or the decision rendered, and, also, whether any fraud or collusion has intervened which would viciate the settlement so made. Ample provision is made in the pending bill for the Comptroller General to advise the proper authorities, in the event fraud is discovered, and for the proper authorities to take such action as the facts may warrant.

Again, Mr. Chairman, I desire to urge that there is a demand for legislation upon this subject now. It is the hope of our committee that this legislation, when passed by both bodies, and signed by the President, will aid in the settlement of the war contracts which have been terminated speedily and without delay, and that such settlements will be final and conclusive. When that is done very little disturbance will result, and our plants will continue to operate and the workers will be assured a continuity of employment, and the progress of the trades in civil life will not be hampered by reason of the change from a war economy to a peace economy. I am convinced that is the wish and the will of every Member in the House.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. SPRINGER] has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 8 minutes to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, there can be no doubt but that the personality of our friend Hon. Lindsay Warren, the Comptroller General, is involved in the consideration of this bill to a very marked extent. Of course, most of us served with Mr. Warren here in the House. We all admire him. We have complete confidence in his integrity and his ability. Those of us who oppose his connection with the termination of contracts certainly mean no reflection upon him.

My colleague the gentleman from Texas [Mr. THOMASON] referred to the cases which Mr. Warren reported to our committee. It is true that he came with a large number of cases which on his original statement would indicate that there had been very loose management in the payments made on contracts by the War Department. However, when Judge Patterson, the Under Secretary of War, came before the committee he made statements with reference to the cases referred to by Mr. Warren, and with the explanation made by Mr. Patterson, and which was never denied by Mr. Warren, it is evident that the loose management was apparent only.

I want to cite to you from the hearings of the Committee on Military Affairs on this legislation that 99.95 percent of the exceptions which the General Accounting Office took to the War Department payments were, upon examination by the General Accounting Office, withdrawn. That disallowances by the General Accounting Office at the time of those hearings were running but 10 cents per $1.000 of expenditure under the War Department contracts; further, that 90 percent of the money amount of the cases submitted by the Comptroller General represented either items subsequently allowed by him or items brought to light by the War Department itself in its regular audit and which were in the process of correction before they came to the attention of the Comptroller General.

One of the items which the Comptroller General cited to the committee was the suspension of $21,000,000 on a cost-plus contract. The Under Secretary stated:

> The fact is that before this item was submitted to the committee the General Accounting Office had received information which has led it to withdraw its objections to the payments under this subcontract.

Notwithstanding the fact that Mr. Warren detailed that as one of the flagrant cases in which payments were suspended, it was later admitted that the objection to that item had been withdrawn by the General Accounting Office.

I say to you that the primary thing in connection with this legislation is to have a speedy termination of contracts. If we do not, the economy of this Nation will be completely wrecked. The men who have been connected with the contracts from the beginning are in possession of the information which must be used to terminate the contracts. If the General Accounting Office is to come into the picture without any knowledge of the matters involved in the contract and then make the necessary investigations and reviews of what has transpired before, there is bound to be interminable delay.

There is no reason to say that in a case in which the contracting officers have the right to grant the larger contract they should not have the right to make the smaller contract. These terminations constitute in fact a new contract, a novation in law. There is a contract for a larger number of articles, and the contracting officer then makes an agreement for a smaller number. No one has ever contended that the General Accounting Office should be involved in the original grant of the contract, but when the smaller contract comes along we have the statement that that Office should have some connection with it.

It is also to be borne in mind that "the contracting officer" is a term, a designation used for a large number of people. It is true that the contract is actually signed on behalf of the Government by an individual officer. However, in the negotiation of the contract it has been processed through no less than 22 or 23 hands. Involved in the award of the contract are the engineers, the lawyers, the production experts, and all that sort of thing. They all confer on it, they process the matter through, and at the conclusion of the process it is signed by the contracting officer. Those are the men who must handle these terminations, those are the men who live with the contract and follow it through, and those are the men who should be given the power and the right to terminate these contracts, because they can do so quickly.

If you were to go to Detroit and Chicago and look at the automobile factories there, as we did, you would see that the production lines have been completely destroyed. The machines necessary for the production of automobiles and other items as well have been withdrawn from those plants and the Government's property is in them. It is essential that that property of the Government be removed at once so that we can begin production of civilian items. There is not one of these contractors that does not carry inventories many, many times its capital. If there is delay for a matter of weeks only you are going to wreck each one of those companies, because they are not in a position to carry inventories which vastly exceed their capital.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Kentucky.

Mr. MAY. Of course, the gentleman understands that in the committee bill we reported it is provided that when notice of termination is given the Government must get its property off the floors of the contractors within 60 days.

Mr. KILDAY. That is not going to help the situation when you have your

contractor with an inventory many times his capital, and force him to carry that inventory while the Comptroller General studies the question anew in order to come to the conclusion that he is going to make.

The point in this is that there is no auditing function involved, there is not a particle of auditing function in the termination of the contract, no more so than in the award of the original contract; therefore, the Comptroller General should not have a part in it.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Louisiana.

Mr. BROOKS. I have a profound respect for the gentleman's ability and level-headedness.

Mr. KILDAY. I thank the gentleman.

Mr. BROOKS. Will the gentleman advise me, however, about this? Even after the contract is settled and payment is made, under your bill you are unwilling to give a complete audit of these matters?

Mr. KILDAY. These settlements must be made promptly and they must be finally made.

Mr. BROOKS. Even after the money has been paid, why is it your bill opposes a complete audit?

Mr. KILDAY. The point is that the settlement must be final. The manufacturer is not going to be able to go to his bank and finance his operations unless that bank knows just exactly where he stands financially. This is an emergency situation. If the Government is going to be able to come along later and take half of his capital on the claim that the contract termination was not done in accordance with what the Comptroller General feels should have been the termination, he is not going to be able to go to any financial institution in the United States and finance his new civilian operation.

Mr. GWYNNE. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Chairman, I am pleased that we at last have this legislation before the House for consideration. Too much delay has already been experienced. With favorable war progress reports coming in daily from all sectors of the battle fronts, we are now aware that the Allies are definitely on the road to victory and that within the not too far future, we await the day when complete victory will be ours. When that time arrives, our problems at home will be emphasized and we will be confronted with difficulty upon difficulty. Passage of this legislation will be one weapon to help speed up solution of some of the conversion problems when it immediately becomes both necessary and desirable to make the shift from war-contract production to peacetime production.

The Military Affairs Committee of the House had many days of hearings on H. R. 3022, a bill dealing with the subject matter now under debate. We gave consideration and careful study to the many knotty problems that attach themselves to speedy contract termination. A subcommittee, of which I was a member, visited plants where there already had been cancelations of contracts and there, through first-hand information, we were truly able to visualize the immense conversion problems that face all industry now actively engaged in war production. Likewise, we spent hours in the office of some of the procurement agencies responsible for effectuating the termination of contracts. They likewise called our attention to the terrific difficulties confronting them and gave evidence to prove that if contracts were to be quickly terminated there must be a certain degree of confidence placed in our contracting officers and that their hands could not be tied too tightly.

In reporting H. R. 3022, our committee differed particularly as to the part the Comptroller General was or is to play in the picture. The Comptroller General's Office is a creation of Congress. We established the Office in order to maintain a check on Government financial affairs. Everyone recognizes the value of the operation and efficiency of this agency. The great difference of opinion as to when and how the Comptroller General's Office should actively enter into deliberations of the matter of canceling contracts was the bone of contention in our committee. The bill as finally reported favored active participation by the Comptroller General in settlement of all contracts. Thirteen members of our committee filed a minority report setting forth the argument that it would be physically impossible for the Comptroller General to enter into all contract-termination settlements and would very definitely slow up final settlements. Quick determination, I believe, is the crux of this whole matter and is vitally necessary if we expect to have rapid conversion and leave industry in a financial position where they can carry on and speedily convert to peacetime production.

We have in this legislation before us, Mr. Chairman, permitted the Comptroller General to post-audit these contracts. That is as it should be. As in the case of individuals, I firmly believe that 95 percent of our businessmen are sincere, trustworthy, and honest. I cannot believe that they deliberately want to defraud the Government. If in the post-war audit fraud is detected, both fines and jail sentences are provided. Those who attempt to defraud the Government will, we hope, in every instance be caught and severely punished.

Passage of this bill will, Mr. Chairman, make possible the quick termination of contracts with honest and just settlements in the large majority of cases. Congress, I am sure, wants to be fair to the war contractor while at the same time desires to pave the way for as short a transition period from war to peacetime production as can be had. Affirmative action on our part in regard to this bill will help solve the problem of any possible long drawn out accumulative unemployment.

Just how important this contract termination and conversion ties into the whole post-war economy can be best understood from figures made available by the Senate Special Committee on Post-War Economic Policy and Planning. I quote:

> Estimates as to the total number of people employed and available for employment today, including the armed forces, vary from sixty-one and one-half to sixty-three million. There is no real difference in these figures, as they reflect seasonal changes, so that the larger figure may be taken as the total number of people ready, willing, and able to work.
>
> Estimates of the number that likely will withdraw from the labor force, including those who will return to school or college, those who will retire because of old age or because, like many women, they would not have been in the labor force but for the war, range from four to five million. The higher figure is more likely to be correct. On the other hand, it must be remembered that additions to the labor force are normally around 750,000 a year.
>
> In order to fix a terminal point for calculating the labor force, certain assumptions as to time must be made. Those assumptions may or may not be correct and a difference of 1 year in them would make a difference of 750,000 people.
>
> If it be assumed that the war in Europe will end this year; that the war in Asia will continue for a year thereafter; and that a year and a half will be consumed in demobilizing the armed forces to their post-war strength—estimated at from two to three million—there will be between fifty-seven and fifty-eight million people in the post-war civilian labor market.
>
> The highest employment this country ever reached prior to 1941 was approximately 46,000,000 people. This figure includes everyone gainfully employed. It was reached only three times—in 1929, 1937, and 1940.
>
> Today, with a manpower shortage, approximately 1,000,000 are unemployed, and this seems to be the irreducible minimum.
>
> After making allowance for frictional unemployment, in order to attain full employment in the post-transition period, jobs must be found for somewhere between fifty-four and fifty-six million people.
>
> Estimates as to the size of the working forces during any stage of the transition period are more difficult. That figure will depend on factors that hardly can be foreseen and to a large extent will depend on the intelligence with which the reductions in war production are planned and put into effect.
>
> Today approximately 50,000,000 people are employed, outside the armed forces. Overtime work is estimated to be equivalent to the work of an additional 5,000,000 people.

Right there we are at the root of this whole problem. Unless contracts are speedily terminated and unless conversion to peacetime production is reduced to a minimum, we face possible catastrophic results particularly as it applies to unemployment. Widespread unemployment is the thing we must avert.

At this time I want to pay tribute to industry for the unparalleled feat they have accomplished in turning out such huge production of wartime materials. Industry has and is answering the challenge laid down to them calling for unprecedented production. With passage of this legislation I trust we can help smooth the way toward allowing them to readjust their factories and plants to the end that a minimum of trouble will be experienced and their productive efforts can and will shortly be directed

with full steam ahead for the peacetime output of goods.

Mr. GWYNNE. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON of New Jersey. Mr. Chairman, the pending bill to provide for the settlement of claims arising from terminated war contracts is of prime importance if we are to have an orderly transition from war production to that of peace production.

CONTINUITY OF EMPLOYMENT NECESSARY

To change from a war economy to a peacetime economy will be far more difficult than was the change from a peacetime to a war economy. In no particular will this be more readily noticeable than in the field of employment.

As we entered into war production the demand was for workers. As our production program gained momentum the cry was for more and more workers. At last even the lure of high wages failed to produce the necessary manpower. Driven almost to desperation, in an endeavor to find sufficient workers, Government agencies adopted all sorts of rules, regulations, and requirements to provide an adequate working force to keep production at the high level made necessary by our ever-expanding military and naval activities.

With the close of the war the demand for the articles and weapons of war will come to an end. Cancelation of war contracts will then be immediately made. With the cancelation of these contracts there will naturally come an immediate cessation in war production. When war work stops there will be at once thousands, yes, millions of workers out of a job. Where can they go to get a job? They cannot return immediately to former peacetime activities, for all such, generally speaking, have been closed out in the war effort.

What about the returning soldiers? We have promised them their old jobs back again when they have returned. While it is true that they, under a plan of demobilization may be gradually returned to civilian life, yet, every mother's son of them, as soon as the war is over, will want to get out of the Army as soon as they can. They will be impatient until they are discharged. The pressure on Congress to demobilize quickly will be terrific. And, when they are discharged, early or late, we add millions more to the millions of workers already unemployed who are seeking employment.

You may say the picture I have painted is dark. I know it is. But it is not any darker than the actual conditions will be unless we do something about it.

This bill now before us is one of the steps that will help prevent such a picture of distress and misery from becoming a certainty. Of course, other legislation will be necessary to supplement it. These further steps are now the subject of study and consideration by the House Special Committee on Post-war Economic Policy and Planning, under the able leadership of the distinguished Member the gentleman from Mississippi [Mr. COLMER]. Additional legislation will be presented as fast as careful consideration and study will permit.

OTHER PROBLEMS TO BE SOLVED

As an indication of the broad field of study being covered by the committee, to meet the various problems that must be solved if we are to have an orderly and stable transition from war to peace, and continuity of employment, I mention the following as among the subjects that must of necessity be considered:

First. The demobilization of civilians and servicemen from the war effort and the measures which will expedite their reemployment.

Second. Measures to care for the unemployed during the interim of reconversion to peacetime pursuits.

Third. The cancelation of war contracts and means of paving the way for early resumption of peacetime production and an expanding post-war industry.

Fourth. The disposition of war surpluses and of Government-owned industrial plants.

Fifth. The modification and removal of wartime controls.

Sixth. The place of public works and construction during the transition and in the post-war period.

Seventh. The financing of post-war reconversion and expansion.

Eighth. The relation of tax policies to post-war expansion.

Ninth. The restoration of balance in the Nation's post-war economy—between the areas of the country expanded during the war and the areas reduced during the war, between agriculture and urban industry, between small and large business; between available goods and available purchasing power.

Tenth. The cooperation of the United States in the restoration of international trade.

TIME IS OF THE ESSENCE

We are all deeply conscious of the need for speed in dealing with these matters. Already disturbing problems, connected with them, are upon us. Thousands of contracts have already been canceled. They represent millions of dollars and affect thousands of employees. If we are not vigilant and aggressively active in meeting the situation, we will be overwhelmed before we know it. Should there be a cessation of hostilities before we have set up the machinery for dealing with these problems we will be caught in a downward swirl that will not be good for the welfare of our Nation and its people. The need is already here. The responsibility is ours. We must meet it now. Not sometime in the future. To delay or temporize will be to fail and bring chaos to our economic system.

The House Special Committee on Post-war Economic Policy and Planning in making this bill the first subject for consideration did so because it seemed to be the first and most necessary thing to do to make possible continuity of employment as we change from war to peacetime production.

OBJECTIVES OF THE ACT

The objectives of the act are:

First. To facilitate maximum war production during the war, and to expedite reconversion from war production to civilian production as war conditions permit.

Second. To assure to prime contractors and subcontractors, small and large, speedy and equitable final settlement of claims under terminated war contracts, and adequate interim financing until such final settlement.

Third. To assure uniformity among Government agencies in basic policies and administration with respect to such termination settlements and interim financing.

Fourth. To facilitate the efficient use of materials, manpower, and facilities for war and civilian purposes by providing prime contractors and subcontractors with notice of termination of their war contracts as far in advance of the cessation of work thereunder as is feasible and consistent with the national security.

Fifth. To assure the expeditious removal from the plants of prime contractors and subcontractors of termination inventory not to be retained or sold by the contractor.

Sixth. To use all practicable methods compatible with the foregoing objectives to prevent improper payments and to detect and prosecute fraud.

SURVEILLANCE BY CONGRESS

To assist the Congress in appraising the administration of this act and in developing such amendments or related legislation as may further be necessary to accomplish the objectives of the act, the appropriate committees of the Senate and the House of Representatives shall study each report submitted to the Congress under this act and shall otherwise maintain continuous surveillance of the operations of the Government agencies under the act.

In January, April, July, and October of each year, the Director shall submit to the Senate and House of Representatives a quarterly progress report on the exercise of his duties and authority under this act, the status of contract terminations, termination settlements, and interim financing and such other pertinent information on the administration of the act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

UNDERLYING PURPOSE OF ACT

The underlying purpose of this bill is to provide speedy settlements of amounts due from the Government upon cancellation of contracts to the end that such moneys may be quickly available to be utilized in starting peacetime production. If millions of dollars are held indefinitely in the hands of the Government, the private enterprise, to which it is due, is handicapped in proceeding with its reconversion program. This naturally produces a lag in employment.

When this condition arises, and is multiplied by the thousands of businesses similarly situated, it does not take long for it to reach serious proportions.

PROTECTION AGAINST FRAUD

To achieve speedy settlements and at the same time provide every reasonable safeguard to protect the Government from improper claims and unwarranted payments, the bill provides standards to be observed and applied in the settlement of claims arising out of terminated war contracts. The penalties for fraud, and even attempts to obtain improper amounts from the Government, are extremely severe both from a civil and criminal standpoint. Every conceivable safeguard consistent with the objectives of the act has been provided. The powers, duties, and authority of the Comptroller General under present law have not been changed. Under the terms of this bill he has lost no right or privilege now held by him to detect fraud. In fact, in some particulars doubtful or uncertain rights have been confirmed or strengthened. We all realize that no law, however severe, has yet been able to stop wrongful acts, not even the death penalty for first-degree murder, but so far as is humanly possible this bill by its provisions has made it not only difficult but certainly poor business for anyone who should attempt to defraud the Government.

INTERIM FINANCING

Aside from providing a procedure that will encourage and facilitate speedy settlements of claims, it also makes provision for interim financing pending the settlement of the claim that is being processed. This feature of the bill will prove of great benefit in promoting the underlying objectives of the act. Without this provision private industry, particularly small business, would be greatly handicapped in obtaining credit or loans to immediately commence its peacetime activities. Without this provision the claimant would be required to await the receipt of the amount due him. Even with all the other provisions of this bill to facilitate early settlement of claims, there might conceivably be a lapse of time that would seriously interfere with the ability of the claimant to carry on his peacetime activities as soon as it is hoped he will be able to do. Any lag or interference with business going "full steam ahead" will be reflected in unemployment. The one thing most necessary in the post-war period, particularly, immediately after the shutting down of war industries, is to provide employment. This provision for interim financing is one of the most essential in the whole bill, and will undoubtedly prove of great value in assisting private industry to provide employment.

REMEDIAL PROVISIONS

A further feature of the bill that deserves approval is that relating to the rights of claimants. A procedure has been set up that will, in my opinion, give any claimant every reasonable right to obtain justice without going into court with the consequent expense and delay, yet if the claimant does not wish to avail himself of such procedure there is nothing in this bill to prevent him from going into court to establish any right that he feels belongs to him—or such claimant may avail himself of the procedure provided in the act, designed for speedy settlement of his claim, and if not satisfied may then go into court. No existing remedy that a claimant now has under the law is taken from him, but in addition thereto he is given an opportunity to avail himself of a settlement procedure that can facilitate his settlement if he so desires. This is fair and just to all parties concerned, Government and claimant.

SUBCONTRACTORS PROTECTED

The bill also provides for the protection of subcontractors, where full justice requires that they be paid when the financial status of the prime contractor may prevent, or for some moral or equitable reason the subcontractor is entitled to be paid. The plight of the subcontractor has in some cases been pathetic. Many subcontractors were urged to enter into war production, auxiliary to some prime contractor whose credit status they did not know. In many instances these were small manufacturers who cannot afford to go unpaid. If they do, then employment suffers. Their capital does not permit their continuing in business. There are many illustrations, of varying kinds, that might be given to support the propriety of this provision. Suffice it to say it seemed not only sound and just but also necessary that some provision should be made to apply equitable, as well as legal, principles to the settlement of claims of subcontractors. They responded to the call of their country, they produced as requested, and they are entitled to be paid.

CONCLUSION

In conclusion, permit me to call to your attention the conditions that resulted from the sudden cancelation of the Brewster contracts. Immediately there was a cry of despair from the workers. Fortunately in this instance the Navy was able to find other work that could be done by the plant and the workers were put back to work. This was possible because there was appropriate war work that could be assigned to them. But, if the cancelation of the Brewster contract had come as a result of the ending of the war, then there would not have been an opportunity to give additional war work. The result would then be that the workers would be in the ranks of the unemployed. Therefore, it can be readily seen how important it is to facilitate, by every means possible, an orderly and quick transition from war work to peacetime production that there be continuity of employment.

This bill is one of the steps toward the fulfillment of such a program. It deserves, and I trust will have, the support of this House.

Mr. GWYNNE. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, the aviation industry of the United States is vitally interested in the war contract bill, and this industry together with all America is thrilled at the remarkable performance turned in over Japan yesterday by our boys in the new but already famous American B–29 bombers. These mighty instruments of war are now our No. 1 offensive weapon for both land and sea attack. They are well described as "the paralyzers." They will knock out the enemy and speed victory for our fighting forces. The B–29's are powered by the tried and true Wright Cyclone engines, which top in speed and durability anything the world has ever seen. I rise to say with no little pride that these engines are designed and constructed by my friends and neighbors in Paterson, N. J.

Let me tell the House about a most interesting coincidence that happened in Statuary Hall this afternoon. With a group of my constituents I was touring the old House of Representatives and I literally bumped into the distinguished gentleman from Kansas [Mr. REES] doing the same thing with a group of Kansans. I was standing on that bronze plate that marks the spot where John Quincy Adams of old had his desk and where, as you know, he was fatally stricken. The gentleman from Kansas said to me, "CANFIELD, let us show our friends and our constituents just how the whispering gallery functions."

The Kansans remained by my side and the gentleman from Kansas [Mr. REES] paced off 15 steps with my New Jerseyites and he said, "Go ahead. CANFIELD." With a dramatic effort I whispered, "Mr. REES, the young men standing alongside of you are domiciled in Paterson, N. J., in my district. They helped construct those Wright Cyclone engines that powered the B–29 bombers that bombed Tokyo and other cities of Japan yesterday."

"Well," replied the distinguished gentleman from Kansas, "that is very fine, Congressman. Let me tell you this, the folks standing alongside of you are domiciled in Wichita, Kans. They are constituents of mine. Wichita, Kans., is the home of the Boeing Corporation which made the planes that carried those Wright Cyclone engines over the Jap isles."

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. REES of Kansas. Mr. Chairman, permit me to say that was an unusual instance and I just want to say that the people of Kansas and of Wichita, especially, are honored in having the air capital of the Midwest at Wichita.

Mr. CANFIELD. The East salutes the West and the West salutes the East and we all salute our boys and those bombers.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. SUMNERS of Texas. Mr. Chairman, at the request of the gentleman from Florida [Mr. SIKES], to whom time has been assigned, I yield 6 minutes to the gentleman from Ohio [Mr. ELSTON].

Mr. ELSTON of Ohio. Mr. Chairman, I appreciate, of course, the courtesy of my distinguished friend from Florida [Mr. SIKES] in yielding me this time. At

the outset I want to make it clear that I am in complete accord with everything that has been said this afternoon with respect to the necessity of passing legislation which will guarantee the prompt settlement of war contracts and provide continuity of employment. I have no objection to most of the provisions of the bill before us today and I am as hopeful as anyone that a satisfactory contract-termination bill will be passed without delay. I hope, however, the present bill will be amended to conform to some of the provisions of the bill recently reported to the House by the Committee on Military Affairs. Much has been said in this debate about the part the Comptroller should take in the settlement of war contracts. In the few minutes that I have I shall discuss that phase of the question. Actually that is the only matter in serious controversy. The bill before us gives the Comptroller virtually no authority. In fact, I believe it takes from him authority he already possesses. In this connection it may be interesting to know what the Comptroller General himself thinks of the settlements that are now being made. Let me read a letter which he sent to me on May 6, 1944. It is as follows:

MY DEAR MR. ELSTON: At the request of Chairman MAY, I am enclosing herewith merely a few examples of questionable practices and transactions of war agencies which have been objected to or corrected by the General Accounting Office. As I have previously stated, there are literally hundreds of such cases that could be cited. You will recall that I placed 270 of them in the record when I testified before your committee last October.

Now, Mr. Chairman, I hope you will listen to this paragraph because it represents the opinion of one who should know whereof he speaks. His letter reads further as follows:

I am also sending you 14 photostatic copies of termination settlements that have been sent by war agencies to the General Accounting Office. No supporting data or other information accompanied these settlements. This office has requested that such information be sent in, and it has been refused us. I have previously stated and again repeat that the audit function of the General Accounting Office of these settlements, whether it be for $1,000,000,000 or $100, can under the terms of the Murray, Vinson and Kefauver bills, be consumated by a 10-year-old boy in 10 seconds. would be possible for any of these termination settlements to reek with fraud, and I think you will agree that on the record I am enclosing you, which is all we have, it would be impossible for fraud to be detected.

With best wishes,
Sincerely,

LINDSAY C. WARREN,
Comptroller General of the United States.

Mr. Chairman, I wish I had the opportunity to comment more fully on the documents to which Mr. Warren refers. These meager statements were all that were sent to the General Accounting Office. I challenge anybody to indicate how fraud could be detected in a document of this kind consisting at most of only a page or two of writing, without the semblance of any supporting evidence. If this practice is to continue there would be no limit to the fraud and irregularities that might occur.

The bill before us today does not, as my friend from New Jersey indicated a few moments ago, continue all the functions of the General Accounting Office. I submit to you that it takes from that Office much of the authority it now possesses. Let us refer for a moment to section 16 (a) of the bill. You will there find a provision that the Comptroller General cannot act until after final settlement has been made. And at the beginning of that section you will observe the words "any other provision of law notwithstanding." This obviously includes all of the laws now on the statute books from which the General Accounting Office derives its authority.

Now let me refer to section 18 (a). That section gives to the Director, whoever he may be, the authority to say what evidence shall be submitted to the Comptroller General, for the section says:

He—

Meaning the Director—

shall prescribe (1) such records to be prepared by the contracting agencies and by war contractors as he deems necessary in connection with such settlements and interim financing, and (2) the records in connection therewith to be transmitted to the General Accounting Office.

Consequently, if this remains in the bill, the Comptroller may continue to receive just such documents as he has referred to in his letter. In other words, a bureau head will have the power to pass on how much evidence the Comptroller General will be permitted to consider. I believe in the interest of all taxpayers the Comptroller General should be afforded all possible opportunity to detect fraud and other irregularities.

Mr. WALTER. Will the gentleman yield?

Mr. ELSTON of Ohio. I am sorry. I only have a few minutes.

Mr. WALTER. The gentleman is making an incorrect statement and I would like to call his attention to the specific provisions of the law.

Mr. ELSTON of Ohio. The gentleman can do that on his own time. I gave my interpretation of this section and the gentleman cannot construe it as he sees it. The report of your committee indicates that the section would do what I have stated.

I, too, have great faith in the honesty and integrity of those in our contracting agencies who are now settling contracts. But that is no reason to divest the General Accounting Office of its authority. It would be a dangerous precedent. Congress has set up the General Accounting Office for the purpose of detecting fraud wherever it may be. If this House is going to pass a bill depriving the General Accounting Office of full opportunity to detect not only fraud, but irregularities and gross carelessness, I submit we have made a serious mistake. These defects in the present bill can be corrected by amendments which will be offered. The bill of the Military Affairs Committee not only provided for prompt and full settlement with all war contractors but it protected the taxpayer as well. No honest contractor need fear the General Accounting Office. A dishonest contractor should have his actions reviewed.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. ELSTON] has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, the Congress unquestionably realizes that contract termination is one of the most important matters now pending. Two factors are of particular moment, speed in reconversion to peacetime processes, and safety in handling of public funds. Both may be determined by the legislation which we write.

Many war contractors have expanded their facilities to such an extent that cancelation of war contracts without immediate partial payments and speedy settlement of their claims would impede the Nation's rapid reconversion to full employment in peacetime pursuits. The Nation is now geared largely to war production. It cannot suspend war production overnight without very serious dislocations unless an adequate, sensible, speedy plan for contract termination settlements is in operation.

The Military Affairs Committee, after many months of study, offered an adequate, sensible, and speedy plan for contract termination. That plan is not before us. The Committee on Rules has seen fit to place another plan before the House. With all respect for the able gentleman who reported it, I do not think it has had the benefit of the careful study given our bill. However, I admit readily that it provides for speedy settlements, and I do not question its objectives. It does not contain one safeguard which to me is highly important. By eliminating the Comptroller General almost completely from the contract termination picture and granting him only a casual review of the final, condensed proceedings, this measure makes the contracting agencies the judge of their acts. They award the contracts. They settle the contracts. They are virtually the sole judges of both acts and all that goes between.

I prefer to see the Comptroller General, the one agent of Congress in all the maze of Government offices, given a voice in charting a safe course through the dangerous waters of contract termination.

We are offering an amendment, taken from the bill written by the Committee on Military Affairs, to insure a review of these important settlements by the Comptroller, to bring an independent agency into the picture. Adoption of this amendment will not delay contract settlements.

As the bill before us now reads, the contracting officer would possess complete power to deal with contract terminations as he saw fit. The board set up in the bill for supervision and review is largely inconsequential in effect, and, in my opinion, it has but little value. The

contracting officer is answerable only for fraud, and proof of fraud, we know, is almost impossible to establish in any court. After the horse is gone it is a little late to start to worry about it. The Comptroller can help us keep the horse.

At this point I wish to quote from a statement made before our committee by the Comptroller General, Hon. Lindsay Warren:

> You should not permit the war contracting agencies to make final settlement for war contract termination claims. There should be a review of such large and important settlements by an independent agency. The Congress has such an independent agency. It is the General Accounting Office; its head, the Comptroller General, is the agent of Congress. It is the only truly independent office in the entire Government whose duties pertain to the checking of Government expenditures. It has no friends to reward or enemies to punish. We are strictly nonpolitical. Careful and efficient administrators in the Government welcome our audits and our inspections and give us full cooperation. It is only those who desire no restraint and who try to circumvent the Congress who desire to escape our supervision. The enormity of the task has been fully considered and the possibility of establishing with adequate funds a special staff equipped to do the job has also been considered. We can and will do this termination job if it is the will of Congress. We will have no alibis if we fail.

Mr. Chairman, I am convinced that the vast majority of contractors and contracting officers are actuated by honorable motives. But just as a petroleum scandal will besmirch an entire administration, so can the weakness of a very few officials cast suspicion upon the entire structure of contract-termination settlements. I seek protection for that vast majority in whom no breath of scandal should taint, and I seek protection for the taxpayer who must pay the bill down through the generations.

I fail to understand why the various departments should desire to undertake the sole responsibility of contract-termination settlements. I can understand the Comptroller General's solicitude for taxpaying America. It is a solicitude which I, too, share, and for that reason I favor the lodgment of final authority in contract-termination settlements in the Office of the Comptroller General, the General Accounting Office. That is the purpose for which that Office was created.

Mr. HANCOCK. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I wish to say further with reference to the statement of the distinguished gentleman from New Jersey [Mr. CANFIELD] concerning the great B–29 bombers, from the war plants of Wichita, Kans., that a great deal of justifiable praise has been given to the magnificent performance of the super flying fortress of the air, manned by well-trained daring men of America.

Mr. Chairman, citizens of Kansas are proud of her great air capital, Wichita. The people of Wichita, and especially the thousands of employees in her factories, take justifiable pride in producing the giant super fortress that is destined to take such an effective part in bringing Japan to her knees.

Mr. Chairman, of course the people of Kansas, as well as those of other parts of the country are interested in the legislation dealing with termination-of-war contracts. It is a problem that is going to chaHenge the best-trained minds dealing with this subject. The success with which contract termination is handled will determine largely the ability of this country to pass through the transition of a wartime economy to a peacetime one. This is one problem in which industry, labor, and all classes and people from all walks of life are very much concerned. The solving of this problem will test the ability and strength of our system of free enterprise.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. JACKSON].

Mr. JACKSON. Mr. Chairman, I was very much interested in the remarks made by my distinguished friends from New Jersey [Mr. CANFIELD] and Kansas [Mr. REES] about the superfortresses. For the sake of the record, I think it should be pointed out at this time that the Boeing Co. which built the Flying Fortress and the superfortress has its home plant in Seattle, Wash.

The truth is that in 1936 the first Flying Fortress was made out in Seattle, and since that time the rest of the country has seen the great work that has been done by this company. They now have branch plants in several States.

Mr. CANFIELD. The distinguished gentleman should have been with us in the whispering gallery this afternoon.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 7 minutes to the gentleman from California [Mr. VOORHIS].

The CHAIRMAN. The gentleman from California [Mr. VOORHIS] is recognized for 7 minutes.

Mr. BREHM. Will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. BREHM. I just wanted to make this remark that if it had not been for the Wright Brothers at Dayton, Ohio, you people would not have anything to crow about concerning the airplane factories in your districts.

Mr. WORLEY. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. WORLEY. No matter where these planes may have been manufactured, they could not have gone to Tokyo without Texas gasoline. Then, of course, while no information has been released, I dare say that about 90 percent of the flyers who went on this raid were from Texas, as usual.

Mr. VOORHIS of California. Mr. Chairman, I have enjoyed this discussion. I come from that section which is the cradle of the aircraft industry, Los Angeles, Calif., where, before the war, over 50 percent of all the aircraft in this country was constructed. I am glad to find the rest of the Nation is becoming as air-minded as our section of the country has been for many, many years.

Mr. Chairman, the bill before us today is one which is difficult for me to follow and one over which I have worked and pondered a great deal. As I see the fundamental question it is this: There is only one thing which is more important than the speedy termination of contracts in order that liquid funds may be in the hands of manufacturers so that they can continue production. That one thing which is more important is the continuous flow of consumer purchasing power, which is after all fundamental to all production, and which, in my judgment, has got to be the subject of almost immediate legislation, which I think will be even more fundamental than the bill now before us.

I am not going deeply into the details of the bill that is before the House today, except to say that in discussing it in the Post-war Committee it seemed to me there were two principles involved. The first of those was that the bill was to be framed in such fashion as to make possible the speediest possible action and as much finality of action as possible with regard to the termination of the contracts.

In the second place, there should be provided very severe penalties indeed for anyone who did not play fair in the matter. My personal opinion was that some of those penalties should have been even more severe than they are in the bill, but as the bill stands, there is a penalty of 25 percent of the excess amount that might be claimed under fraudulent or wrong circumstances even though the man never collected it. I think that should have been 100 percent. At least it is 25 percent. But for a parliamentary tangle I think it might have been different. However, the man who does succeed in collecting by fraudulent means or other wrongful means, more than he is rightfully entitled to, would under this bill be penalized not only 10 years imprisonment or a $10,000 fine, but also civil damages equal to triple damages, plus $2,000 as I read the bill.

Those penalties are pretty severe. I think they should be. I do not think they are a bit too severe. The thing which, it seems to me, saves the bill is this principle that you are going to try to effect speedy termination and you are going to attempt to make your penal provisions so severe that if anybody tries to take advantage of the fact that Congress has attempted to make speedy termination possible, we are going to deal with him in accordance with his crime.

I want to turn now, if I may, to another phase of this problem, and to forecast a couple of amendments which I propose to offer to the bill. It is presumed by this time that the effect upon American economy of the war has been to vastly strengthen the aggregation of capital, industry, and power, and correspondingly to place smaller scale business in a relatively disadvantageous position.

I have before me some charts of what happened in the metal manufacturing, where we find that in 1939, 22 percent of metal products were produced by firms

employing 2,500 or more people, whereas in 1943, 55 percent of all metal products were produced by those large concerns. Of course, there were corresponding reductions in the percentage of metal products put out by the small concerns.

There is not much we can do about the effects of the war, but there are things we can do about what is going to happen in the reconversion period, and unless we take positive action to see to it that not only is small business protected but that definite, creative effort is put forth to place small business in a more advantageous position, I do not think it is going to happen.

The question is whether the reconversion period will further fasten monopoly upon our Nation or whether it will strengthen small firms and promote free enterprise. Small business has got to be in position to go ahead. I think it should be permitted to reconvert before big business, and Mr. Donald Nelson before the Committee on Post-war Planning the other day agreed with that statement. I hope it is going to be carried out, but small business will not be able to do this unless provisions for the financing of small business in this difficult period are definite and clear.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield the gentleman from California 1 additional minute.

Mr. VOORHIS of California. I thank the gentleman. I merely want to say that I have made only the introduction to my speech about my amendments, but I will present them to the committee tomorrow and I assure you they are very good amendments.

Mr. GWYNNE. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON of Kansas. Mr. Chairman, every one of the last few speakers has made a statement that he had some connection with the B–29 bombers; consequently I want the RECORD to show that I was present when the first one rolled off the line at Wichita, Kans.

Mr. Chairman, the pending legislation is most vital to our post-war reconversion of industry. The termination of contracts is but one phase of a multiple problem. Congress should immediately enact legislation dealing with these several phases. It is our duty to enact legislation that will cut red tape and bring about reconversion of industry from war to peacetime production. Various bills have been and are now being considered dealing with war production, reconversion, post-war adjustments, expansion of foreign trade, taxation, agricultural problems and social security.

The problem of post-war taxation is most important and in my opinion it is the basic problem affecting permanent post-war production and employment. The termination of contracts, the disposition of surplus property and other items that have been mentioned are of immediate concern and action must be taken at once. However, we must not conclude that these are the only problems. A tax program that will furnish incentive for investment and full employment should also have immediate consideration. A tax program that will provide investment incentive is most essential if we are to continue the enterprise system which has made America great.

We secure production and employment either through the use of private capital or the other alternative of Government loans and employment. I fully realize that we cannot change our present tax legislation during the war emergency. However, we should be in a position to assure the country of a tax program that will provide every incentive for investment capital. Either private capital furnishes the money for the expansion of our industry or the Federal Government must. I contend it would be most unfortunate if we retain a tax burden that prevents the full use of private capital. Our prosperity demands high volume of production and low taxation. High volume and low taxes will furnish employment for the millions of our men and women who are working in the factories today, and our returning veterans. If we cannot secure this the only alternative will be a Government-financed program of W. P. A., P. W. A., and other alphabetical agencies that we want to forget.

Under existing tax legislation we reward debt capital, that is, corporations and individuals are penalized for placing their money into venture or risk capital. I think I can best illustrate this by specific cases.

Let us take 10 individuals who have an annual income of $50,000 each. They decide to form a one-million-dollar corporation, each of them investing $100,000. Let us assume that the corporation had a very successful year and they made $100,000 on their investment. Let us assume also that this corporation paid only the normal tax of 40 percent, and did not have excess profit or other taxes to pay. There would remain $60,000 to be distributed among the 10 individuals. This sounds like a 6-percent return on the investment and might be considered very good. What actually happens is this. As these individuals were in the $50,000 income-tax bracket the Federal Government would take 75 percent of the $6,000 for personal income taxes. There would remain $1,500 for each individual, or 1½ percent on the investment. Should these individuals live in a State where State income taxes apply, their return would be reduced further. Certainly, you cannot expect our citizens to risk their capital in private enterprise on the present tax structure. Should these individuals be in the $100,000 income class and make the same investment their return would be only $720. Should they be in the $25,000 income-tax bracket their return would be $2,190, or 2.19 percent. The return on the War bonds at present is 2.9 percent. Surely no individual would care to risk his money for a return of 2.19 percent when he is assured of a 2.9 percent return on Government bonds.

Someone will probably ask what tax bracket a citizen must be in to secure the same return as his investment in Government bonds on the corporation I first mentioned. The tax tables show that the income must be about $14,000. Most everyone will agree that a 4-percent return on invested capital is not excessive, yet under existing tax laws a citizen cannot afford to make such an investment in private business if his taxable income is as much as $5,000 a year. The present tax structure must be changed immediately at the conclusion of the war in order to keep our people employed in private industry. This is also a job for Congress and it is my hope that we take early action on this important matter.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 7 minutes to the gentleman from California [Mr. J. LEROY JOHNSON].

Mr. J. LEROY JOHNSON. Mr. Chairman, I realize the hour is late and that as a new Member, perhaps I should not take up your time. But I participated in every single hearing on this subject before the Committee on Military Affairs and also visited four separate termination offices to try to understand something about this problem. I became convinced from attending those hearings and visiting those offices and going over matters with the termination officers that the only way to solve this problem was to eliminate long complicated audits and get a speedy and final termination of this entire matter by negotiated settlements. Sometimes, in order to understand how complicated things can be, illustrations are of great value. I want to cite to you one case to show what this auditing would mean if we went into it in the way that the Comptroller General wants to go into it. The Lockheed Aircraft Co. of Los Angeles in the year ending October 1, 1943, in order to transact their business, handled over 50,000,000 pieces of separate memoranda and papers. Think of that. Furthermore, in the Chicago ordnance district office they told me that if the contracts with the Ordnance Department alone in that district were terminated at that time it would take one-third of all the warehouse space in Chicago to take care of the property on hand on these unfinished contracts. We can multiply this situation thousands and thousands of times in our manifold war production program.

The people I am thinking of and want to see relieved are not the big contractors who have the cushion of lots of money and resources, I am thinking about 1,000,000 small contractors who have got to get a quick settlement in order to reconvert to civilian economy, or they will go bankrupt.

The same company I mentioned in Los Angeles in October 1943, had 4,650 separate subcontractors providing materials and various kinds of work for them; so you can see how complicated this thing could be. Do you not realize that in this war we had to change our

military ideas entirely from what we learned in 1918? I say that in order to fight the problem we are going to have when the actual military battles are over, when we come to fighting the economic war that faces us we must revise our ideas on how to handle these matters.

Also I want to point out that every single settlement we make in the termination of these contracts has already been audited by the Army, by the Navy, by the Maritime Commission, and so forth, and what the Comptroller General would be doing would be merely to go over what has already been completely checked and audited. Also, do you realize that checking the books unearths very few fraud cases? Mention was made today of a colonel in Hawaii whom it was claimed defrauded the Government of a good many thousands of dollars. If the Comptroller General is so competent that he can catch and detect all fraud why did he not pick up that case? You know the answer. The answer is that men who deal in fraud and subterfuge are able to hide their tracks and no auditing in the world will ever take care of those situations. The gentleman from Georgia [Mr. VINSON] pointed that out very clearly.

Furthermore, let me point out another problem, namely, that in the settlement of these complicated contracts a part of it is a factual settlement—there is so much material on hand that the man has bought, cost of his premises, and so forth. The testimony showed that this might amount up to as much as $25,000,000,000. The other factor is the value of the intangibles. The factors entering into that determination, the judgment, the determination, the opinion, of the negotiating officer as to what shall be allowed for obsolescence, for depreciation, for unused leases, for partially used new buildings, and so forth; and that resolves itself down to that intangible thing we call the opinion of those men.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield.

Mr. MAY. The gentleman does not mean to say that the House would authorize the Comptroller General to audit the opinions of anybody, does he?

Mr. J. LEROY JOHNSON. He is going to audit the whole account, as I see it under the provisions of the bill H. R. 3022, for it provides that he shall audit the entire transaction and the allowances to the contractor before final and complete settlement is made. I asked the question of one of the witnesses if that meant they were giving their judgment on whether or not the settlement was a fair one. I think he said "Yes."

Mr. MAY. The gentleman does not mean to say this bill authorizes him to audit the judgment of anybody?

Mr. J. LEROY JOHNSON. Yes; he audits the whole business.

Mr. MAY. How does he do that?

Mr. J. LEROY JOHNSON. He audits the whole claim and as to whether or not the settlement proposed to be made is O. K., and the payment on settlement include certain intangible factors that are based on the judgment and opinion of the negotiating parties.

Why is this problem so big? Here is why it is so big. Over 50 percent of the American industrial machine is geared into war work. Over 50 percent of the industrial workers are engaged in war industry. If we do not get this turned over quickly, if the contracts are not settled, if the warehouses do not take care of the surplus material, then these men cannot go to work because the employers have not been paid for their war contracts and will not have the money to put their employees to work in order to provide the civilian demands that will be made of the very industries now in war production. If we do not get the war contracts settled, then we cannot quickly turn our men into the production of civilian goods for our ordinary civilian economy and get the men back to work. That is why I say this bill presents the best possibility of rapidly turning over our war machine and our war economy into civilian economy, thereby retaining employment for the millions and millions of men now working in the war industries.

Mr. CRAWFORD. Will the gentleman yield.

Mr. J. LEROY JOHNSON. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Does this bill provide that the Comptroller General may audit the termination of a contract after a tentative termination, we will say, has been made and settlement arrived at? Can he, as the result of an audit, go back and open up that case in the absence of fraud?

Mr. J. LEROY JOHNSON. No. This bill provides, in section 16, that after final settlement he may audit as to whether or not the settlement payments to the war contractor were made in accordance with the settlement and whether the record transmitted about it warrants a reasonable belief that fraud exists. That is as far as he should be allowed to go.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HANCOCK. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. J. LEROY JOHNSON. Mr. Chairman, in determining whether there is fraud I believe that he should have that field to himself.

Mr. CRAWFORD. So do I.

Mr. J. LEROY JOHNSON. He may ask for supporting evidence any available records or facts from the respective Departments involved—War, Navy, Maritime Commission, or what not—and also from the contractor. The reference I made to settlement by the Comptroller General was in reference to the bill that it is proposed to present as an amendment to this bill which gives the final say to him; therefore makes all settlements of the War Department, and the other 22 agencies, merely tentative until the Comptroller General passes upon the particular claim. In the Lockheed plant last October the Comptroller General was 12 months behind in settlement. They had $128,000,000 worth of contracts and there were $62,000,000 worth of claims still pending for which that company had not been paid. This illustrates how his cumbersome machinery, which was not intended for this kind of a job, cannot do the work, and why I believe the present bill will do the work.

Mr. DURHAM. Will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield to the gentleman from North Carolina.

Mr. DURHAM. Have those accounts ever been submitted to the General Accounting Office?

Mr. J. LEROY JOHNSON. Yes. That is what Mr. Shaw said.

Mr. CRAWFORD. Can the Comptroller General, under the bill the gentleman is now discussing, reopen a case after settlement for any purpose other than fraud?

Mr. J. LEROY JOHNSON. I do not think he can; no.

Mr. CRAWFORD. Does the gentleman know of any way to more quickly destroy American industry than to permit him to do so?

Mr. J. LEROY JOHNSON. No.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 8 minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, I want to reiterate one thing that has been said here this afternoon; that is, I want prompt, efficient, and fair settlement of every terminated contract as prompt as it can be settled, but in doing so, Mr. Chairman, I want an honest, fair settlement made of each terminated contract.

I have heard a great deal said in reference to the emergency, the need of prompt termination, and the need for an orderly and proper transition into peacetime endeavor in order to maintain employment in the peace that follows this war. With all of that, I agree wholeheartedly. But I likewise feel that no settlement is fair to the United States of America that is not properly considered before the settlement is made. I would like to hear more said about the rights of the taxpayer and the rights of the Government in this discussion today.

Mr. Chairman, the Comptroller General's Office was set up after about 4 years of almost continuous debate in the House and in the Senate of the United States. I have gone back and reviewed the CONGRESSIONAL RECORDS, which indicated the reasons in the minds of the authors of this measure and the reasons in the minds of the Members of the House and Senate at the time this act was passed. Anyone who takes the trouble to go back and refresh his mind, if he was serving at that time, he will remember and read those hearings for the first time, he will see the very reason and purpose of putting in the Comptroller's office was to take care of a situation like this. I have here comment after comment from the newspapers throughout the United States in 1919, 1920, 1921, and succeeding years as to the great scandals that occurred in connection with war contracts during the last war. In that same period the debates in Con-

gress were paralleling the headlines in the newspapers—all with one purpose, the setting up of a budget bureau to prevent waste and extravagance, and the General Accounting Office to prevent fraud and wrongdoing against the Government and the taxpayer.

Now, after years of debate which culminated in the establishment of the Comptroller General's Office for the one purpose of checking accounts before payment is made, we come here and some of us speak for and support a bill which cuts him off from the opportunity to fully check into these terminated contracts, either before or after settlement.

Mr. WALTER. Will the gentleman yield?

Mr. BROOKS. I am sorry, I have not time.

Mr. WALTER. The gentleman is misstating the bill.

Mr. BROOKS. Mr. Chairman, the time to reach fraud and wrongdoing is at the time the wrongdoing occurs. If I were a contracting officer in the War or Navy Department, the Maritime Commission, or any other of the 27 contracting agencies terminating these contracts, I would encourage and hope for some one like the Comptroller General's Office sitting in on the proceedings and advising me in reference to the termination of these contracts. I would welcome this preaudit, if you want to call it that, this preexamination, if you want to call it that, as a protection to me as an honest contracting officer trying to do a good job in efficiently terminating contracts for the Government and the people of the United States.

Mr. J. LEROY JOHNSON. Will the gentleman yield?

Mr. BROOKS. I yield to the able and distinguished gentleman from California.

Mr. J. LEROY JOHNSON. Does the gentleman believe that mere auditing will ever detect a substantial fraud?

Mr. BROOKS. I may say to my good friend in answer to his question that after years of debate the House and Senate decided that the establishment of the Comptroller General's Office was the way to handle the job. That office has been running for 24 years and I think it has been run as an efficient organization and has established confidence in Government financing and accounting.

I think that the establishment of the office at the time it was set up back there in the early twenties resulted in restoring public confidence in the Government of the United States.

Mr. J. LEROY JOHNSON. Was it not primarily designed to furnish a guide for Congress, and an orderly procedure for having accounting, so that the Congress could go in and see how they were paid, and not primarily to catch fraud?

Mr. BROOKS. The gentleman's opinion differs from my conclusions. To my mind, the reason the Comptroller General was not given full power to go in and check and examine these accounts before payment was made is that this office was established too late to prevent the great troubles arising out of the last war. The frauds and the scandals had all been completed, and it was too late to give the Comptroller General the power to prevent what had already occurred.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Washington.

Mr. JACKSON. I wonder if the existence of the General Accounting Office is not some deterrent to Government agencies spending money, and if they are not more careful about spending it because they are being checked on.

Mr. BROOKS. That was the very purpose for which it was created and for the purpose of protecting the Government and the taxpayers against fraud, waste, extravagance, and all of those things, and especially at that time to restore and reestablish confidence in Government accounting methods.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 7 minutes to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. HANCOCK. Mr. Chairman, I yield the distinguished gentleman an additional 5 minutes.

The CHAIRMAN. The gentleman from Tennessee [Mr. KEFAUVER] is recognized for 12 minutes.

Mr. KEFAUVER. Mr. Chairman, as has been said so many times this afternoon, I doubt if any legislation presented during this term will be of greater importance than the bill we are now considering. There are many aspects of the matter of reconversion which are crying for attention. There is this matter of settling terminated war contracts. There is also the problem of disposing of surplus property which the Army and the Navy and other agencies may have on hand now and when the war is won. Then there is the task of taking care of the human aspects of reconversion, of furnishing some additional unemployment benefits, or some provisions to take care of people who may be thrown out of work, and who are unable to take care of themselves or to find employment.

Of course, another feaure of the problem of looking after and giving the best break possible to returning war veterans has been taken care of to a considerable extent, under the G. I. bill of rights. I was disappointed that it was not possible, under the legislative set-up we are here presented with, to the include in this bill a title to handle the disposition of surplus property, and also that we could not include provisions in this bill to take care of the human aspects of reconversion and demobilization. But the legislative program had developed so that contract termination came up first. Most complete hearings have been had on this aspect of the problem. Hearings are still being held on the unemployment features and on the matter of disposing of surplus property, and I am not certain that the Committee on the Judiciary has jurisdiction of those aspects of reconversion. We would not have been within our rights in placing titles in this bill to take care of some features that we do not have jurisdiction of. As for me, however, I think legislation dealing with the human elements along the lines of the Kilgore bill should be passed at the earliest possible time.

During my time in Congress perhaps more testimony has been taken on this matter than any I have known of. Testimony has been taken before the Committee on Military Affairs over a period of a year and a half. Hearings have been held by the Committee on Naval Affairs. Of course, testimony has been taken by the Post-war Economic Policy and Planning Committee. They have all had important and well-qualified witnesses appear before them. The subcommittee of the Committee on the Judiciary participated in hearings with the Committee on Military Affairs of the Senate over a long period of time. The very distinguished, able Member, and lawyer, the gentleman from the State of Iowa [Mr. GWYNNE] and I sat with the Committee on Military Affairs of the Senate in these hearings. I think it is well that all of these hearings have been held. Although this may be a very technical and difficult problem, one involving many delicate points of law, the Members of the House generally, by virtue of the fact that so many committees have participated in the consideration of the question, are unusually well versed with all the angles involved and have great knowledge of the problems presented.

I feel in a great and involved matter of this kind, that instead of having so many hearings before so many committees, and instead of having the Comptroller General, the Secretary of War, the Under Secretary of War, Mr. Hancock, and other public officials appear before all of the committees, it would be very useful in a great issue of this nature if they could appear and explain the questions involved in contract termination before all of the Members here on the floor of the House. It would certainly save these busy executives much time. All of the Members could then be currently advised, the passage of the legislation would be expedited and a better result would be attained. Would it not be helpful if many months ago Mr. Warren, Mr. Baruch, Mr. Stimson, and others had been permitted to discuss with the whole membership the importance of and the intricate points involved in contract termination? It would certainly save everybody a lot of time and save a lot of wrangling and a lot of jealousies in the committees. However, we have no procedure set up to do that. This is an instance where a personal appearance of an executive on the floor, before all of the Members of the House, could certainly do a great deal to acquaint the Members of the House with the problems involved. Sometime, if we are to have responsive government, a procedure of this kind will be inaugurated. It must be done.

Mr. JACKSON. I understand that our distinguished colleague has a resolution pending which would amend the rules of the House to take care of that situation.

Mr. KEFAUVER. The gentleman is correct. There is a resolution pending, House Resolution 327, before the Rules Committee, and although I have made request dozens of times of the chairman of the Rules Committee for a hearing, and other Members have expressed

great interest in the resolution, and have also asked permission to testify, the chairman of the Rules Committee has the matter locked up tight, and we cannot even get a hearing before that distinguished committee. The will of the House, in my opinion, is being thwarted by the refusal of the Rules Committee to act. We cannot even get a chance to present our case.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Kentucky.

Mr. MAY. In view of the fact that there has been a great deal of confusion engendered in the procedure here by the appointment of the Post-war Economic Policy and Planning Committee and others, and the fact that the House Committee on Military Affairs for more than 100 years has been the war policy committee, does not the gentleman think it would have been better from the beginning to have allowed that committee, that handles all war legislation, to consider the subject instead of scattering it around over the Congress?

Mr. KEFAUVER. I will say to the gentleman from Kentucky, if there was ever a piece of legislation introduced in the Congress that involved the legal rights of the government of industry and of the individuals concerned, it has not been called to my attention. And if there was legislation that had intricate legal questions involved in it, it is this legislation. If a bill of this kind is not to be referred to the Judiciary Committee, then I do not know what function the Committee on the Judiciary has to perform. This legislation involves the legal rights, obligations, and duties of government, corporations, and individuals. It defines the jurisdiction of courts in connection therewith. It fixes penalties. No one can question the correctness of this bill being referred to the Committee on the Judiciary. No other committee could possibly have jurisdiction.

I do want to say, however, that the gentleman's committee held excellent hearings on the subject, which are of value to the Members of Congress. I read the hearings. They did a great job in considering the problem.

I think I should also say that the chairman of the Committee on Naval Affairs has demonstrated a very generous spirit in not quibbling about the jurisdiction of the committee that has the legislation under consideration. The chairman and the members of the Committee on Military Affairs have also demonstrated an admirable spirit in that connection, and are perfectly willing to discuss the bill on its merits without regard to any dispute between the committees.

I was present when legislation on this subject was first before the Committee on Rules and I intended to make a statement if I had been given an opportunity. I intended to tell the members of the Rules Committee that I thought that this was a matter over which the Committee on the Judiciary should have jurisdiction but that certainly the passage of legislation was the paramount consideration and that in any event the House should pass a bill at an early date regardless of which committee it came from.

Mr. ROLPH. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from California.

Mr. ROLPH. The gentleman from Tennessee has given this subject a great deal of study, and I have been particularly interested in his remarks. May I ask him how this legislation will affect small business? In the San Francisco Bay area there are many firms that are vitally interested in this matter because many of them are small concerns that have been active in the war effort. I would appreciate it very much if the gentleman would elaborate on that point.

Mr. KEFAUVER. I shall be glad to try to elaborate on it.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Louisiana.

Mr. BROOKS. In reference to what the gentleman has just mentioned, may I say that this legislation has been touched upon and worked upon by fully six committees of the House and Senate, and has developed from 17 lines to a bill that now has some 96 pages. Perhaps its varied course through the several committees has helped the bill.

Mr. KEFAUVER. I agree with the gentleman. It is fortunate that so many committees could have all of these excellent witnesses before them, because it has acquainted many more Members of the House with the problems than if they had appeared before only one committee. But it would have acquainted many more Members with the problems if they could have appeared before the whole House and in a general sort of way told all the Members of the House about the facts and the paramount necessity of early and intelligent legislation on the subject.

Mr. BROOKS. However, it has resulted in a tremendous duplication of effort.

Mr. KEFAUVER. That would have been avoided if the plan I am proposing had been followed.

The gentleman from California has asked about the small-business features of this bill, and that has been a matter of great concern to me, I may say to the gentleman. Of course, the bill provides that a small contractor or a subcontractor or any contractor may get a settlement. The bill as it passed the Senate made it only permissive to the contracting agency to make settlements with the subcontractors, and the section was rewritten so as to make it mandatory upon the contracting agency to see that the money got to the subcontractor in the event there was good reason to believe that because of insolvency or for some other reason the subcontractor might not be paid.

Also, the bill as to the little fellow has been strengthened by giving the Smaller War Plants Corporation some additional jurisdiction to make interim financing loans and guaranties. The bill as it passed the Senate did not give the Smaller War Plants Corporation that authority. I personally would like to have seen them given more authority, but we did the best we could in writing in the provision I have just described. The bill is not perfect. There are many questionable provisions. I do not think it strong enough even with the amendments to give the little fellow the protection he needs. On March 13, 1944, I introduced H. R. 4392 which contained cost standards, required an audit where the contractor's books were unreliable, and my bill contained many other features for the protection of the Government and of the small contractor. Many of the provisions of my bill have been adopted by the committee and incorporated in this bill. Others have not been included. But this is a fairly satisfactory measure. In conference it can be and probably will be strengthened.

The CHAIRMAN. The Clerk will read the bill for amendment.

Mr. MAY. Mr. Chairman, it was my understanding that when general debate was concluded this evening the Committee would rise. I have an important amendment which I expect to offer at the end of the reading of the first section. For that reason I ask that the reading of the bill go over until tomorrow morning.

Mr. COOPER. The amendment will be just as much in order tomorrow morning as it is now.

The CHAIRMAN. The gentleman will have the opportunity to offer the amendment at the proper time.

The Clerk will read.

The Clerk read as follows:

OBJECTIVES OF THE ACT

SECTION 1. The Congress hereby declares that the objectives of this act are—

(a) to facilitate maximum war production during the war, and to expedite reconversion from war production to civilian production as war conditions permit;

(b) to assure to prime contractors and subcontractors, small and large, speedy and equitable final settlement of claims under terminated war contracts, and adequate interim financing until such final settlement;

(c) to assure uniformity among Government agency in basic policies and administration with respect to such termination settlements and interim financing;

(d) to facilitate the efficient use of materials, manpower, and facilities for war and civilian purposes by providing prime contractors and subcontractors with notice of termination of their war contracts as far in advance of the cessation of work thereunder as is feasible and consistent with the national security;

(e) to assure the expeditious removal from the plants of prime contractors and subcontractors of termination inventory not to be retained or sold by the contractor;

(f) to use all practicable methods compatible with the foregoing objectives to prevent improper payments and to detect and prosecute fraud.

Mr. SUMNERS of Texas. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HART, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee,

having had under consideration the bill (S. 1718) to provide for the settlement of claims arising from terminated war contracts, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. JACKSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein certain quotations.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MORRISON of Louisiana. Mr. Speaker, I have a special order to address the House today for 30 minutes. I ask unanimous consent that in lieu of that I be permitted to address the House tomorrow for 30 minutes at the conclusion of the legislative program of the day and following any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

EXTENSION OF REMARKS

Mr. MORRISON of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a report in connection with House Resolution 16. This exceeds the limit, and I have an estimate that it will cost approximately $100, but I ask that notwithstanding that fact it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. MYERS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances and include therein two newspaper articles.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DILWEG. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by Maj. O. W. Clark, Assistant Administrator of the Veterans' Administration, before the members of the Touchdown Club on June 13, 1944.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. WASIELEWSKI. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a resolution adopted by the Common Council of the City of South Milwaukee.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD briefly on four different subjects.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HANCOCK. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today and include some quotations from the Baruch report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an article by Mr. Frank C. Waldrop appearing in this morning's issue of the Washington Times-Herald.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HALE, for 10 days, on account of official business.

To Mr. CHIPERFIELD, for an indefinite period, on account of illness in family.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MAY. Mr. Speaker, reserving the right to object, I would like to inquire of the gentleman from Massachusetts [Mr. McCORMACK] what the order of procedure or business will be tomorrow.

Mr. McCORMACK. Mr. Speaker, the first order of business will be the deficiency appropriation bill, after which, if that is disposed of in time, debate will continue on the war contract termination bill.

Mr. MAY. What time has been determined on for the appropriation bill, or what time is expected to be consumed?

Mr. McCORMACK. I am unable to answer that, but my information is that it will probably be around 3 hours. I cannot say exactly what the time will be. It will be in excess of 2 hours.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 3476. An act to approve a contract negotiated with the Klamath drainage district and to authorize its execution, and for other purposes;

H. R. 4771. An act to amend the part of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes," approved June 4, 1920, as amended, relating to the conservation, care, custody, protection, and operation of the naval petroleum and oil-shale reserves;

H. R. 4833. An act to extend, for two additional years, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar; and

H. J. Res. 286. Joint resolution providing for operation of naval petroleum and oil-shale reserves.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 51 minutes p. m.), the House, pursuant to its previous order, adjourned to meet tomorrow, Saturday, June 17, 1944, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

The Committee on the Merchant Marine and Fisheries will hold a public hearing Saturday, June 17, 1944, at 10 a. m., on H. R. 4968, a bill to amend section 511 (c) of the Merchant Marine Act of 1936, as amended, relative to deposit of vessel proceeds received from the United States in certain cases, and for other purposes.

Persons desiring copies of the printed hearings when available will please notify the clerk by letter.

Witnesses are requested to notify the clerk by letter at least a day in advance of the hearing of their desire to testify, in order that a list of witnesses may be prepared. Written statements for the record from persons other than witnesses should be submitted a day in advance. Amendments to be proposed during the hearing should be submitted to the reporter in duplicate.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will meet on Wednesday, June 21, 1944, at 10:30 a. m., on all resolutions providing for temporary admission of political and religious refugees.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1662. A letter from the Administrator of Veterans' Affairs, transmitting a draft of a proposed bill to liberalize certain provisions of the National Service Life Insurance Act of 1940, as amended; to the Committee on World War Veterans' Legislation.

1663. A letter from the Coordinator of Inter-American Affairs, Office for Emergency Management, transmitting a copy of the estimates of the number of employees required for this Office during the period ending September 30, 1944; to the Committee on the Civil Service.

1664. A letter from the Executive Director, War Refugee Board, Executive Office of the President, transmitting a quarterly estimate of personnel requirements for the War Refugee Board for the quarter ending September 30, 1944; to the Committee on the Civil Service.

1665. A letter from the officer in charge, the American Battle Monuments Commission, transmitting a copy of the quarterly estimate of personnel requirements for the American Battle Monuments Commission for the quarter ending September 30, 1944; to the Committee on the Civil Service.

1666. A letter from the Director, the Office of Censorship, transmitting a copy of the

quarterly estimate of personnel requirements for the Office of Censorship for the quarter ending September 30, 1944; to the Committee on the Civil Service.

1667. A letter from the Chairman, Board of Investigation and Research, transmitting the estimate of personnel requirements for the quarter ending September 30, 1944; to the Committee on the Civil Service.

1668. A letter from the Administrative Assistant to the Secretary, Department of Commerce, transmitting the estimates of personnel requirements for the various ceiling units of the Department of Commerce for the quarter ending September 30, 1944; to the Committee on the Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON of Missouri: Committee on Appropriations. H. R. 5040. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944, and June 30, 1945, and for other purposes; without amendment (Rept. No. 1660). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEA: Committee on Interstate and Foreign Commerce. House Resolution 598. Resolution requesting the Secretary of Commerce, through the Administrator of Civil Aeronautics, to make a survey of the need for a system of airports and landing areas throughout the United States; without amendment (Rept. No. 1661). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. PATTON: Committee on Claims. H. R. 2688. A bill for the relief of Clarence H. Miles, Mrs. Mollie Miles, and Hardy Miles, a minor; with amendment (Rept. No. 1649). Referred to the Committee of the Whole House.

Mr. RAMEY: Committee on Claims. H. R. 2827. A bill for the relief of Ida M. Rutherford; with amendment (Rept. No. 1650). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. H. R. 3285. A bill for the relief of Mrs. Rose Poisson; with amendment (Rept. No. 1651). Referred to the Committee of the Whole House.

Mr. RAMEY: Committee on Claims. H. R. 3727. A bill for the relief of Miss Violet DeGroot; with amendment (Rept. No. 1652). Referred to the Committee of the Whole House.

Mr. RAMEY: Committee on Claims. H. R. 3791. A bill for the relief of the estate of Charles Noah Shipp, deceased; with amendment (Rept. No. 1653). Referred to the Committee of the Whole House.

Mr. PATTON: Committee on Claims. H. R. 3996. A bill for the relief of F. L. Gause, Rosalind Gause, and Helen Gause; with amendment (Rept. No. 1654). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 4014. A bill for the relief of Mrs. Ruby Winsch; without amendment (Rept. No. 1655). Referred to the Committee of the Whole House.

Mr. SAUTHOFF: Committee on Claims. H. R. 4049. A bill for the relief of Alfred F. Ross; without amendment (Rept. No. 1656). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. H. R. 4111. A bill for the relief of Louis Beckham; with amendment (Rept. No. 1657). Referred to the Committee of the Whole House.

Mr. SAUTHOFF: Committee on Claims. H. R. 4305. A bill for the relief of Henry Clay Walker; without amendment (Rept. No. 1658). Referred to the Committee of the Whole House.

Mr. SAUTHOFF: Committee on Claims. H. R. 4380. A bill for the relief of Mabelle E. Olive; with amendment (Rept. No. 1659). Referred to the Committee of the Whole House.

Mr. RAMEY: Committee on Claims. S. 1461. An act for the relief of Frederick G. Goebel, without amendment (Rept. No. 1662). Referred to the Committee of the Whole House.

Mr. RAMEY: Committee on Claims. S. 1465. An act for the relief of Dr. A. R. Adams; without amendment (Rept. No. 1663). Referred to the Committee of the Whole House.

Mr. RAMEY: Committee on Claims. S. 1483. An act for the relief of Marino Bello; without amendment (Rept. No. 1664). Referred to the Committee of the Whole House.

Mr GREEN: Committee on Claims. S. 1731. An act for the relief of Helen Halverson; without amendment (Rept. No. 1665). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1763. An act for the relief of the Square D Co.; without amendment (Rept. No. 1666). Referred to the Committee of the Whole House

Mr. GREEN: Committee on Claims. H. R. 2345. A bill for the relief of Mrs. May Holland; with amendment (Rept. No. 1667). Referred to the Committee of the Whole House.

Mr. PATTON: Committee on Claims. H. R. 3463. A bill for the relief of Donna May McNulty; without amendment (Rept. No. 1668). Referred to the Committee of the Whole House.

Mr. STIGLER: Committee on Claims. H. R. 3465. A bill for the relief of Archie Berberian, Kurken Berberian, and Mrs. Osgetel Berberian; with amendment (Rept. No. 1669). Referred to the Committee of the Whole House.

Mr. RAMEY: Committee on Claims. H. R. 4080. A bill for the relief of certain former employees of the United States Court for China; with amendment (Rept. No. 1670). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4631. A bill for the relief of John L. MacNeil; without amendment (Rept. No. 1671). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and a joint resolution were introduced and severally referred as follows:

By Mr. DONDERO:

H. R. 5039. A bill to incorporate the Moms of America; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 5041. A bill to amend the Veterans Regulations; to the Committee on Invalid Pensions.

H. R. 5042 (by request). A bill to amend the Life Insurance Act of the District of Columbia; to the Committee on the District of Columbia.

By Mr. CHAPMAN:

H. J. Res. 300. Joint resolution to provide for the erection of a tablet in the Arlington Memorial Amphitheater; to the Committee on Military Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to enact legislation to make trucks available to the farmers for the purpose of maintaining and augmenting the Nation's food supply, and for other purposes; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHAPMAN:

H. R. 5043. A bill for the relief of Kentucky-Illinois Hemp Corporation; to the Committee on Claims.

By Mr. GIFFORD:

H. R. 5044. A bill for the relief of Osborne E. McKay; to the Committee on Claims.

H. R. 5045. A bill for the relief of the Tobey Hospital; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5863. By Mr. MICHENER: Petition transmitted by C. W. Shipman, Monroe High School, Monroe, Mich., and signed by 72 music students of Monroe, urging the enactment of legislation that will prevent interference with the broadcasting of noncommercial programs, when presented by academically accredited, tax-exempt educational institutions not in competition with professional talent; to the Committee on Interstate and Foreign Commerce.

5864. By Mr. SUNDSTROM: Resolution proposing an amendment to the Constitution of the United States, relating to taxes on incomes, inheritances, and gifts; to the Committee on Ways and Means.

5865. By Mr. THOMAS of New Jersey: Petition of sundry citizens of the Borough of Maywood urging support of Senator Hawkes' bill, S. 1737, providing for payments to States and their political subdivisions as compensation for loss of revenue occasioned by the acquisition of real property by the Government for military purposes; to the Committee on Banking and Currency.

5866. By Mr. WILLEY: Petition of sundry citizens of the State of Delaware favoring House bill 2082, prohibiting the manufacture, sale, or distribution of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5867. By the SPEAKER: Petition of various real estate owners, banks, and agents of New York City, petitioning consideration of their resolution with reference to the inequities in the rent-control section of the present Emergency Price Control Act; to the Committee on Banking and Currency.

HOUSE OF REPRESENTATIVES

SATURDAY, JUNE 17, 1944

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord, forbid that we should ever disfigure Thy truth by anger, impatience, unwise zeal, or self-confidence. Help us to walk among men as walked the good Samaritan, in the same discernment, condemning carnal elements and living in the mood of our Saviour with His vision of a better world. We pray Thee that thoughtless and unwise criticism may be subdued and that all our citizens, in the bonds of unity, may struggle against every form of oppression.

Most merciful Father, as we look upon our generation with its tragedies of broken lives and homes, we pray that we may not be content and at ease. As man is swirled about in the whirlpools of disaster and death through the madness of unspeakable conflict, O keep us free from supineness and indifference; may they not darken our claims of peace and freedom—

"O risen Lord, O Shepherd of our dead
Whose cross has bought them, and whose star has led
In glorious hope their proud and sorrowing land,
Commits her children to Thy gracious hand."

Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. MANSFIELD of Montana. Mr. Speaker, I have three unanimous-consent requests to make. I ask unanimous consent to extend my remarks in two instances and to include with one of them newspaper quotations and in the third to include an editorial from the Boston Globe.

The SPEAKER. Is there objection?

There was no objection.

Mr. KEE. Mr. Speaker, I ask unanimous consent to extend my remarks and include therewith a news item published in the Roanoke (Va.) Times.

The SPEAKER. Is there objection?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my remarks in two instances, in one to include a short letter from the Postmaster General and in the other an editorial on the electoral college.

The SPEAKER. Is there objection?

There was no objection.

Mr. McKENZIE. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial from the Ouachita Citizen.

The SPEAKER. Is there objection?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks and include an article by Raymond Moley.

The SPEAKER. Is there objection?

There was no objection.

A COALITION TICKET

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. MASON. Mr. Speaker, Jim Farley is a political martyr. He is today one of the biggest men in the country regardless of party. He has placed his country's welfare ahead of party interest or personal ambition. It takes a big man to do that. America was the land of opportunity for Jim's Irish forebears, and Jim has not forgotten. Big Jim is familiar with America's baseball parks, its sports, and its political machines—and loves them. Jim is still old-fashioned enough to believe in the Constitution. This lovable Irishman has now set an example to other Jeffersonian Democrats by resigning as chairman of the New York State Democratic Committee in order that he might be free to fight against a fourth term, and, if possible, prevent the Hillman communistic alliance from taking over the Democratic Party. If Bricker is selected to head the Republican Party, the best running mate he could select would be Big Jim Farley, a true-blue American. A coalition ticket such as this would provide a clean-cut division between conservatives and radicals. It would mean that internationalists and left-wingers would remain New Dealers, and all conservatives and nationalists would find a home in the Republican Party.

EXTENSION OF REMARKS

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter.

The SPEAKER. Is there objection?

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a newspaper editorial.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix and include therewith a speech by the Assistant Secretary of Commerce.

The SPEAKER. Is there objection?

There was no objection.

FEEDER AIR-LINE SERVICE

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I have received permission to place in the Appendix of the RECORD a speech delivered by Mr. William A. M. Burden, Assistant Secretary of Commerce. I call attention to this address which you will find available for reading tomorrow. Many of my colleagues are interested in the development of airports and feeder airline services to their communities. Mr. Burden's subject matter is such that I believe it will aid Members in discussing intelligently the problems with their own constituencies.

Mr. Speaker, I again call attention to H. R. 5024, a measure which I have presented for the consideration of the House in connection with a Nation-wide airport program.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. JOHNSON of Oklahoma. I desire to congratulate the gentleman on this effort; also to congratulate him on his foresight in leading the battle in this House for better defense in the air and for adequate airports and for the air-mail pick-up and air-line growth to reach the smaller communities of our Nation.

Mr. RANDOLPH. I thank the gentleman, and I also take occasion to commend him for his effective efforts for aviation development.

The SPEAKER. The time of the gentleman has expired.

EXTENSION OF REMARKS

Mr. MORRISON of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article appearing in the Washington Times-Herald.

The SPEAKER. Is there objection?

There was no objection.

Mr. MORRISON of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks and include an article by Bradley Taylor, a member of the American Legion of Wisconsin.

The SPEAKER. Is there objection?

There was no objection.

AND NOW FINLAND

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

[Mr. KNUTSON addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a patriotic address made at a session of the Kansas Legion.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LENGTH OF 1-MINUTE SPEECHES

Mr. HOFFMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. On June 12 the gentleman from Illinois [Mr. SABATH] had permission to address the House for 1 minute and extend his remarks in the RECORD. Then he placed in the RECORD remarks which consisted of 600 words. It is my understanding that the rule with regard to insertions "at this point" in 1-minute speeches limits them to 300 words. I am just inquiring so I may govern myself accordingly.

The SPEAKER. The Chair has many times instructed the reporters and the Government Printing Office to that effect, but once in a while something like this gets through.

Mr. HOFFMAN. They have cut my remarks right along and trimmed them down. I just wondered if the rule applied to everyone.

The SPEAKER. There is no rule about it.

Mr. HOFFMAN. It is just a directive?

The SPEAKER. It is a custom the Chair has been following; that is all.

EXTENSION OF REMARKS

Mr. TALLE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter dealing with the 4-H Clubs under O. P. A.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a poem from the Washington Post of today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an article.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SECOND DEFICIENCY APPROPRIATION BILL, 1944

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5040) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944, and June 30, 1945, and for other purposes.

Pending that, if it is agreeable to the gentleman from New York, I should like to ask unanimous consent that general debate be limited to 2 hours, be confined to the bill, half to be controlled by the gentleman from New York and half by myself.

Mr. TABER. Mr. Speaker, reserving the right to object, and I shall not object to the length of time, but in view of the experience I had the last time I consented that the debate be confined to the bill I shall have to object to that part of the request.

Mr. CANNON of Missouri. Then, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, half to be controlled by the gentleman from New York and half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5040, the second deficiency appropriation bill, 1944, with Mr. BULWINKLE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON of Missouri. Mr. Chairman, I yield myself such time as I may consume.

The CHAIRMAN. The gentleman from Missouri is recognized.

Mr. CANNON of Missouri. Mr. Chairman, the Committee on Appropriations submits what we hope will be the last general appropriation bill for the session and for the Congress. It is compiled largely in response to the enactment of new laws recently passed by the Congress and signed by the President, the total amount submitted in implementation of new laws aggregating $1,867,000,000 in direct appropriations and contract authorizations. The bill carries about $29,000,000 in actual deficiencies and about $5,500,000 in judgments and adjudicated and audited claims. We have an appropriation of $177,750,000 for the Office of Price Administration which ordinarily would have been included in the national war agencies bill but which was delayed and is carried in this bill due to the fact that it was necessary to wait for the enactment of the legislative bill continuing that agency for another year.

Mr. MAY. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. CANNON of Missouri. With pleasure.

Mr. MAY. I should like to inquire as to the procedure for today in the House. I understood the gentleman to say when the House resolved itself into the Committee of the Whole that general debate on this bill would probably consume 2 hours. That means we should be through with general debate about 1:15 p. m. I understand that the bill that was pending at the conclusion of business yesterday dealing with the termination of war contracts is to follow the consideration of this deficiency bill. If this be true it would be safe if we were back here at 1:30 for the purpose of offering amendments, would it not?

Mr. CANNON of Missouri. The gentleman from Kentucky is an experienced legislator and statesman and as chairman of one of the great committees of the House has been dealing with these procedures for many years. I have great confidence in his judgment in such matters.

Mr. MAY. The gentleman is rather extravagant in his views.

Mr. CANNON of Missouri. But not in his appropriations.

Mr. Chairman, our Budget estimates aggregated $2,608,992,191.15. The committee revised that amount downward in making its recommendation to the House and submits a bill which recommends appropriation of funds consisting of the following amounts: New direct appropriations, $232,483,058.92; contractual authority involving future appropriations, $1,855,000,000—partly estimated—and reappropriations or extension of existing funds, $507,682,476.10, a total of $2,595,165,533.02, and a decrease in the Budget requests of $13,826,656.13. Most of these items, of course, are small items occurring in the departments which must be taken care of at this time before the fiscal year closes on the 30th of this month. There are perhaps four items in the bill which attract particular interest and which invite special mention: The appropriation for the Office of Price Administration, the appropriation for war housing, the provision of funds for the Navy, and the appropriation for the civil functions activities of the War Department.

Because there has been so much recent interest in the appropriations for O. P. A. due to the long discussion which has just closed on the floor of the House I present in detail the Budget estimate and the action and recommendation of the committee on the Budget estimate. It is understood, of course, that this bill and this debate have nothing to do with matters of the policy, the advisability, or the expediency of any provision in connection with the administration of the price-control law which the House has just extended and sent to the Senate. Those questions will be determined by that law as finally enacted.

We deal here only with implementation of the law. Necessarily we were unable to anticipate the exact provisions of the law as eventually enacted and for that reason, at the time we held our hearings, we had to proceed on the assumption that the bill would be in general terms and provisions of law about as it stands largely in the form in which administered in 1944.

The President, in recommending an appropriation of $182,252,000 for the Office of Price Administration for the fiscal year 1945, increased the amount above the amount appropriated for 1944 by $12,752,000. About $8,350,000 of this increase was necessary to carry the organization of the Office of Price Administration as it will exist on June 30, 1944, and $4,405,000 was asked for additional enforcement personnel to cope with black-market operations and a small additional personnel in the accounting department in connection with price determinations.

In order to get the matter properly before the Committee I submit here a chart which shows, first, the full-time employment on May 15, at which time the Office of Price Administration was employing 58,848 persons at an annual salary expense of $132,190,000. They require for the coming year, 1945, in addition to these full-time employees, temporary employees whose salaries will aggregate $2,190,000. We had more temporary employees in 1944 and we spent more money on their salaries than in

1945. But with the full recruitment of full-time employees, the Office of Price Administration was of the opinion that it could get along with a reduced expenditure for temporary employment and for that purpose reduced their request to $2,190,000 for 1945.

Between May 15, 1944, when we were given these figures, and June 30, 1944, they expect to recruit by filling of vacancies and otherwise an additional 152 persons with salaries totaling $435,000 a year. This would give them on June 30, 1944, a total of 59,000 full-time employees at an expense of $134,815,000. But in order to strengthen their enforcement and accounting staffs they went carefully through their entire organization and in order to strengthen the enforcement staff, felt they could dispense with 829 employees at a salary expense of $2,412,000, making a net balance of 58,171 employees at a salary expense of $132,403,000.

That is for personnel. They estimated in addition, that in 1945 they would require for other expenses of administration $45,444,000. This cost would include the ration banking expense of $15,000,000, printing for rationing such as ration books and other material, $4,000,000, ration tokens, travel, rent, and the expense other than salaries of 5,500 local boards, the district offices, the regional offices, and the central office. The total for 1945 on the basis of organization as of June 30, 1944, for salaries and other objects of expenditure as outlined is $177,847,000. This is the amount that would be needed to keep the O. P. A. operating in the fiscal year 1945 on a basis of its organization as it will exist on June 30, 1945, less the estimated saving of 829 employees indicated.

Now come the additional employees as requested by the department. It was felt that in order to control the black-market situation, which of course means adequate enforcement of the law, it would be necessary to ask for 1,239 more employees for enforcement and 80 more employees for accounting, at an annual salary expense of $3,585,000 and $250,000, respectively. There was asked also $570,000 for the travel, rent, and other expenses of the additional personnel. These three items make a total of 1,319 positions and $4,405,000. This amount added to the $177,847,000 required to carry the present organization in the fiscal year 1945 made a total budget request for that year of $182,252,000.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Your chart shows for 58,171 employees salaries amounting to $132,405,000. Down below there are shown 58,171 employees, and estimated salaries, $171,847,000.

Mr. CANNON of Missouri. That is not all salary. That is combined salaries of $132,403,000 and other administrative expenses of $45,444,000.

Mr. ROBSION of Kentucky. What are those administrative expenses that amount to $45,444,000? What administrative expenses are there that runs into that amount of money?

Mr. CANNON of Missouri. It involves the cost of operating a huge organization stretching across the entire country. We have such items in there as printing the rationing books and blanks, about $4,000,000, the expenses of the ration banking system of $15,000,000, the ration tokens, travel, communications, rent, and all expenditures involved in administration which, I may say, have in the opinion of the Committee on Appropriations been pared to a minimum.

Mr. ROBSION of Kentucky. I know how carefully the gentleman's committee looks into those matters. You felt that all of those items of administrative expenses totaling $45,444,000 have been fully justified?

Mr. CANNON of Missouri. Apparently they were well justified; but the committee, out of an abundance of caution and in order to encourage the strictest economy, decided to cut even from this close estimate the substantial amount of $4,502,000.

In other words, we accepted their program and approved it. We approved the appointment of additional enforcement officers and auditors, but we said, "We believe that by the enforcement of rigid retrenchment you can do the job a little better, more economically." Although we saw no particular point at which we could say the situation warranted the making of specific cuts, we nevertheless cut $4,500,000 from the total amount and asked them to do the same amount of work which they had justified at $182,252,000 for $177,750,000. We believe that by tighter economy and better administrative management they can find within the amount we have allowed sufficient funds with which to hire the additional enforcement and accounting personnel which they say they need. Certainly the "black markets" should be broken up, and the committee believes the funds can be found within the amount allowed to get additional people to do it.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. Can the gentleman tell us the nature of the employment of those 152 new employees shown on the chart, additional full-time employees, to be added May 15 to June 30, 1944?

Mr. CANNON of Missouri. Yes. The building up of so extensive and widespread organization as this requires time. They had to find men qualified for this exceptional work. Under the present stringency of manpower it was impossible to do that overnight. They expect to add to their full-time employees between May 15 and June 30, 1944, the 152 which have already been authorized and which will take the place to some extent of temporary employees.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. I notice on page 7 of the bill this item: "Including expenses of in-service training of employees, including salaries and traveling expenses of instructors; not to exceed $55,000 for the employment of aliens."

Can the gentleman tell us just what the employment of those aliens consists of, and what the traveling expenses of instructors has to do with the O. P. A.?

Mr. CANNON of Missouri. In this particular instance these aliens are principally Canadians with whom it is necessary for us to keep in constant touch in order to administer the law.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. I note from the chart, to which the gentleman is referring, that the number of temporary employees is not set forth. Does the gentleman have those figures?

Mr. CANNON of Missouri. The figures are available in the hearings. Some were employed for a few days, some were employed for a few weeks, and so it was not considered practical or essential to report the exact number because of the varied periods of employment.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Colorado.

Mr. CHENOWETH. I would like to ask the distinguished gentleman if there is any possibility of a trend toward a more voluntary cooperation and enforcement of this law rather than constantly building up this tremendous machine which we now see in O. P. A.

Mr. CANNON of Missouri. The number of voluntary employees runs into the hundreds of thousands, and the department reports that it has had very gratifying cooperation on the part of such voluntary employees, and expects to continue to employ them.

For a detailed discussion of that feature of the bill the gentleman will find, in response to his inquiry, at the bottom of page 373 of the hearings the number of these Office of Price Administration employees employed at $1 per year, and those without compensation, which will give him the exact number of persons employed under this status. There are over half a million volunteer and unpaid workers.

Mr. CHENOWETH. I think the gentleman misunderstood my question. I suspect I did not frame it correctly. Could not O. P. A. adopt a policy that would permit of a more voluntary cooperation on the part of the public, and in so doing enable them to dispense with thousands and thousands of these full-time paid field investigators and auditors and accountants and the other groups that are constantly harassing and embarrassing the merchants of this country?

Mr. CANNON of Missouri. In the first place, it would be impossible to adopt a more liberal policy in this respect. O. P. A. has adopted and followed the wide-open policy of employing any and all who may be of service in their program at any time, without any limitation whatever. We could not have a more

liberal policy in that respect. In the second place, the gentleman refers to auditors, and employees of that character.

Mr. CHENOWETH. I am referring particularly to investigators.

Mr. CANNON of Missouri. They are not available today on that basis, but we do employ all we can. I am glad to say that the report we have here is a unanimous report of the committee. Every member of the Committee on Appropriations, both the majority and the minority, approved this report. We found no employee included in this recommendation to the House from the Committee on Appropriations who could be dispensed with. As a matter of fact, we have recommended $4,500,000 below what they maintain is the absolute minimum with which they say they can administer the law; with which they can close the "black markets," and administer the Office of Price Administration effectively.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Pennsylvania.

Mr. GROSS. If I read that correctly, the gentleman is asking for 490 additional employees and for $47,437,000 additional funds. Is that consistent? It looks like the increase of money is not consistent with the increased employees you are asking for.

Mr. CANNON of Missouri. The gentleman has not stated the situation correctly. It is set out clearly in the report.

Mr. COLE of Missouri. Mr. Chairman, if the gentleman will yield further, I notice with reference to these 152 additional full-time employees, that the average salary would amount to about $2,900 per year. What is the nature of their duties that they can average and command that much salary?

Mr. CANNON of Missouri. I will say to the gentleman that if he will go through the personnel of the Office of Price Administration he will find that a surprising number of these employees, gave up salaries larger, in some instances several times larger, than they are now getting in O. P. A. We have men all through the organization here who were getting more money before they joined O. P. A., and could get more money if they would leave O. P. A. For example, Mr. James F. Brownlee, Deputy Administrator for Prices, receives $8,000 a year from the Government. He gave up a business connection with a salary of $125,000 a year to do this work for the Government. Mr. John S. Clement, also in the Price Division, received $30,000 a year in private employment before coming to the O. P. A. Mr. James G. Rogers, Deputy Administrator, at $8,000, earned $20,000 a year before coming to the Government. Mr. Jerome M. Ney, Assistant Deputy Administrator in Charge of Rationing gets $8,000 a year and before he came to the Government he got $24,000 a year. There is a list commencing on page 341 of the hearings on this bill setting forth the key men in O. P. A., with their Government salaries, their connection and earnings in private life, and a sketch of the experience of each. When we thoughtlessly talk about bureaucrats we must remember that many of these men have given up their businesses and have come here at personal sacrifices to do what they could to assist the Government in the war period. The Government needs their experience and business training and while we do not always agree with their decisions and interpretations we must accord to them the same patriotic impulses and desires to render public service that we reserve for ourselves.

Mr. WOODRUM of Virginia. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Virginia.

Mr. WOODRUM of Virginia. Would the gentleman also recall the fact that in this particular group to which the gentleman refers they are adding some investigators, and that the committee felt the O. P. A. would be wise in carefully choosing men who were going out to contact these merchants, believing they ought to be men of some discernment and some ability. That accounts for the high level of salaries.

Mr. CANNON of Missouri. The committee had to take into consideration the fact that these men should be not only men of ability and discernment, but men of experience and tact and exceptional common sense, because they necessarily deal with very delicate situations. We had to have men of high caliber, and we got them at what are considered comparatively low salaries. As I have said, that question was considered by the entire committee, and this is the recommendation of every member of the committee from both sides of the aisle.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. I wonder if O. P. A. will use the same discretion and discernment in the selection of new employees that they have been using in the past.

Mr. CANNON of Missouri. It is to be hoped that the O. P. A., like every other governmental agency will, as their work becomes organized and routine becomes established, be able to get men even better adapted to the duties of their respective offices.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Pennsylvania.

Mr. GROSS. Did I correctly understand the gentleman to say that these men were getting $2,900 because you needed people of experience and common sense? That was the gentleman's remark a moment ago, as I understood it. I have contacted quite a few of these investigators who did not have any knowledge or common sense. Probably the O. P. A. has changed its policy in the selection of personnel.

Mr. CANNON of Missouri. Of course, that is a matter of judgment. Strange to say, the judgment even of Members of Congress sometimes varies. However, it was approved by the unanimous judgment of all members of the subcommittee and the committee en banc.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. I know the gentleman has given many hours of study to the entire O. P. A. program. Would the gentleman care to express his opinion or that of the committee as to the possibility of eliminating the O. P. A. after the war is over? Or will it be one of those agencies that must of necessity continue?

Mr. CANNON of Missouri. The Committee on Appropriations has nothing to do with that question. That question relates to matters of policy which the gentleman and his colleagues in the House determined the other day definitely, conclusively, and very authoritatively when they passed the bill authorizing this appropriation.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Colorado.

Mr. CHENOWETH. Do the gentlemen of the Committee on Appropriations feel that the present O. P. A. structure is the most efficient and desirable that we could have for the enforcement of this law? I refer particularly to the regional offices, which duplicate in many ways the functions of the State offices.

Mr. CANNON of Missouri. That was the opinion of the Committee on Appropriations, and that is the unanimous recommendation of the committee to the House.

Mr. CHENOWETH. You feel that both are necessary?

Mr. CANNON of Missouri. Yes. It is about as efficient as could be devised and it is being administered as effectively as possible under the circumstances. However, in order to be certain that there should not be a single extra dollar provided anywhere, we cut $4,500,000 from what was considered by O. P. A. to be the minimum with which the law could be effectually enforced.

May I now turn to the question of war housing. We were asked to appropriate, under title I of the Lanham Act, $15,000,000 for war housing from July 1 to October 31, 1944, but, in view of the fact that we have passed the peak of production and there is a general decline in housing demands in the industrial centers, the committee, while deeming it inadvisable to appropriate new money for housing, did provide for the purpose $7,500,000 from money which had been previously appropriated and which was still unexpended. It is the belief of the committee that this reappropriation makes ample provision for war housing.

The largest item in the bill is the provision for the Naval Establishment. In response to laws enacted the last week of May, we recommended contractual authority in the amount of $55,000,000 for the Navy to supply facilities for the production of ordnance. In compliance with the law of May 31, 1944, we authorized the expenditure of $1,800,000,000 for landing craft. This was merely a matter of military need and expediency, and the

representatives of the Navy justified the expenditure.

The President's emergency fund, a fund which has always been provided for the Presidency in time of war, is provided for in this bill through the reappropriation of the unexpended balance in that fund. This is the fund always provided for the President for emergency or confidential war projects. It was provided for President McKinley in the Spanish-American War, for President Wilson in the First World War, and for President Roosevelt at the outbreak of the Second World War. The fund was taken care of in this instance by the reappropriation of an unexpended balance of $72,000,000. No new money is recommended. The amount provided is comparatively the smallest amount ever for the President for that purpose in any recent American war.

The committee recommends for the War Department civil-function activities, $4,250,000 for 3 oceangoing dredges. In 1939 the Department had 23 of these dredges, which constitute indispensable equipment for the Engineering Branch of the War Department. Today we have available for that purpose only 15. In view of the fact that it takes 15 months to build one of these dredges, that means that we shall have, instead of the 23 which were in use in 1939, 18 in late 1945 or 1946, if this appropriation is agreed to, not taking into consideration any which may be returned by the Army.

Under the act of May 29, 1944, we also provide $12,000,000 for the repair of levees destroyed by recent floods throughout the United States, floods which have broken all records for volume of water and area of inundation.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. Referring back to the President's emergency fund, did I understand the gentleman correctly that this is the smallest emergency fund that has ever been appropriated for a President in wartime?

Mr. CANNON of Missouri. Comparatively, in the history of American warfare. The first provision of $50,000,000 was made in 1898 for President McKinley for the Spanish-American War. That war only lasted about a year. The magnitude of this war compared to that war justifies the statement that $72,000,000 for this next year for the President's emergency fund comparatively is the smallest amount provided for that purpose. We felt that the special needs for emergency appropriations were no longer as urgent as they had been in the early stages of the war, when agencies had to be initiated promptly and frequently and in absolute secrecy. For that reason, we reported a decreased amount for the fund in this bill.

Mr. RIZLEY. The gentleman is referring, of course, to the emergency fund that is appropriated for in this appropriation bill this year. The gentleman does not mean to leave the impression that the emergency fund heretofore appropriated to the President in wartime is the smallest that has ever been appropriated during wartime?

Mr. CANNON of Missouri. No. The amount which we appropriate today is not a new appropriation, it is merely a reappropriation; and it is $72,000,000. Out of a total appropriation of $631,533,000 for that purpose since June 11, 1940.

Now Mr. Chairman, I come to the last and most important provision of the bill. This provision is a committee amendment which was added in the full committee after the bill had been reported by the subcommittee. It appears on page 55, line 3, section 303, which reads as follows:

> The President shall direct the Bureau of the Budget to maintain a continuous study of appropriations and contract authorizations granted for the national defense, war agencies, and the prosecution of the present wars for the purpose of submitting for the consideration of Congress, when the state of the wars make such action possible, a list showing the condition of the balances of each of such appropriations and contract authorizations together with his recommendations for the repeal of such of those funds or portions thereof as are deemed no longer required for the purposes for which they were granted.

I have no desire to make any prophecy as to the close of the war, even if I had information on which to base such a prophecy. But common prudence requires that we prepare for the future in a practical and methodical way. It is generally believed by many in a position to judge that the European phase of the war will end this year. Elementary precaution directs attention to the general belief that the German Army will collapse not later than the first or second week of September, and possibly sooner, and that the complete and unconditional surrender of the Nazi government will follow before Christmas, if not before. In view of that prospect and of the fact that Members of Congress will shortly leave Washington and we do not now know when there would be another appropriation bill to which such a provision could be attached, it becomes necessary for us to make plans at this time, and provision in this bill for the salvage of any recoverable amounts of money which have been appropriated for the war. Accordingly, the committee recommends this section providing for a continuous check upon all sums appropriated for the war agencies and for the war program, in order that we may keep in constant touch with all unexpended balances of appropriations which have been provided for the war. Of course, we recognize and we accept the basic military maxim that regardless of the prospect for peace, in order to observe every precaution where such vast and vital interests are involved, we continue to appropriate as if we expected the war to continue indefinitely. That is axiomatic in military science. That is the policy which we have followed, and must follow—and shall continue to follow—until the actual collapse of all armed opposition to the military forces of the United States. Under that long-established rule of modern warfare we must continue to appropriate money as appropriated in this bill, as if the war were certain to continue beyond the opening of the next Congress. At the same time, common prudence requires that we make provision for the recovery of every dollar which can be reclaimed and recalled whenever the war ends, expectedly or unexpectedly.

We have a comparatively recent historical precedent for this procedure. Although there was general belief on the part of the military commanders and on the part of the Congress in the fall of 1918 that the close of the First World War was imminent, notwithstanding that general belief, on the 4th day of November 1918 Congress made a large appropriation for the prosecution of the war. It was especially large in view of the limited expenditures of that war as compared with the expenditures for this war, totaling $6,500,000. The Armistice came just a week later, November 11, 1918. Thereupon the Committee on Appropriations proceeded to take up and repeal appropriations and authorizations aggregating over $15,000,000,000, at that time a sum representing more than 25 percent of the total war appropriations and contract authorizations for the First World War. In keeping with that very laudable precedent, we recommend this section in order to provide for a similar salvaging of every possible dollar at the close of this war, whether it comes early or late. The section directs that the President inform the Congress of the condition of the balances in the war appropriations when the state of the war makes it possible to prepare such information and to accompany that information with his recommendations as to what funds can be reclaimed. Of course, it remains for Congress to act on his recommendation; to reclaim it all, or to reclaim part of it, or to reclaim more of it, whatever we think can be, at that time, covered into the Treasury.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield on that point? I would like to ask him one question.

Mr. CANNON of Missouri. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Mr. Chairman, I guess the gentleman's committee considered the matter of leaving it entirely to the discretion of the President as to when and how he would report; is that right?

Mr. CANNON of Missouri. He is to begin the study immediately.

Mr. ROBSION of Kentucky. I mean to investigate and report to Congress.

Mr. CANNON of Missouri. He is to begin immediately the study of the subject, in order to be ready to report at any time he considers proper.

Mr. ROBSION of Kentucky. Well, it is in the discretion of the President as to when he will report.

Mr. CANNON of Missouri. Certainly.

Mr. ROBSION of Kentucky. You thought it was not wise to fix any time at all?

Mr. CANNON of Missouri. That would be a matter which could not be fixed now because no one is sufficiently gifted to be able to look into the future and tell when the war will end. But there can be no

question that when the war does end we will all know about it. There will be universal recognition of the cessation of hostilities and the President will thereupon as promptly as possible report to the Congress.

Mr. ROBSION of Kentucky. Did the gentleman express the opinion that the German Armies would likely collapse by September?

Mr. CANNON of Missouri. I did not express an opinion. I referred to the general consensus of opinion on the subject in many authoritative quarters.

Mr. ROBSION of Kentucky. I might say I have inquired, since we secured our beachhead in Normandy, of 75 or 80 Members, and I assume perhaps 50 percent of them feel that the war will close before Labor Day, and all but 4 expressed the opinion that the war would come to an end in Europe this year.

Mr. CANNON of Missouri. I am glad to have that corroboration although I regret to say Members of Congress have in many instances proven notoriously bad oracles when prophesying as to the progress and conclusion of the war.

Mr. WALTER. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Yesterday the House rejected a proposal that would have provided law clerks for some of the judges. I wonder whether or not the committee accepted the same sort of economy when they provided salaries for so many of the alleged lawyers that are connected with the O. P. A.

Mr. CANNON of Missouri. This committee did accept exactly that same attitude and economy. We practiced precisely that kind of economy on the O. P. A.

Mr. NORRELL. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Arkansas.

Mr. NORREL. I think we should prevent this money being expended in any way except for the things we have appropriated it for, but with reference to the close of the war, I talked with General Somervell yesterday morning. He did not know when the war with Germany would be over. He said the peak of our production would end when Germany collapsed. However, he would not make any prophecy as to that date. Certainly a man is getting away out on a limb, whether he is a Member of Congress or a civilian or a military man, when he predicts the war is going to be over by any particular time. I hope it is over before Labor Day, but certainly nobody knows. It may go on for a year or so. I just want the record to show that as far as I am concerned I do not know when it is going to be over, and I want to keep on appropriating the necessary funds in order to win the war.

Mr. CANNON of Missouri. That is the orthodox military position and that is the policy Congress is following in making appropriations. We are providing every dollar the military and naval authorities consider necessary for the indefinite prosecution of the war. At the same time, with the prospect ahead of us that there may be a diametrical change brought about by the successful termination of the war at any time between now and the first of the year, it is deemed advisable to make provision for such contingency. It would certainly be a very costly mistake not to be prepared for such a development if it came, whether expectedly or unexpectedly, and this is our last opportunity.

Mr. ZIMMERMAN. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to my colleague from Missouri.

Mr. ZIMMERMAN. Some people have complained that we appropriate more money than the Army and Navy expend, but when we consider the fact that we have been in Italy many months and we have not as yet taken Italy in this European war, it seems to me one would be an optimist to believe that we are going to make more rapid progress in carrying on this invasion in France and in Germany than we have in Italy, and that we cannot afford to slacken our efforts to appropriate every dollar that may be necessary to win this war.

Mr. CANNON of Missouri. That is precisely the position of every member of the Committee on Appropriations and upon that theory we have reported this and other bills, providing ample funds to carry on the war indefinitely.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to my friend from Minnesota.

Mr. AUGUST H. ANDRESEN. I understand you have increased the amount for enforcement officers for the O. P. A. The only reason I question that is this, that approximately 85 percent of all food, including meats, has been taken off the ration list. The only ration points required now are for beefsteaks and beef roasts.

Mr. CANNON of Missouri. In answer to the gentleman, the Committee on Appropriations considered that situation and inquired minutely into prospects for cancelation of rationing regulations and imposition of rationing on additional commodities and concluded that, in our opinion, this amount was necessary. Of course, much depends on the progress of the war. But this is the considered and unanimous judgment of the committee.

Mr. Chairman, I reserve the balance of my time.

Mr. TABER. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this bill represents a total of appropriated funds amounting to $232,000,000, and a continuation of contract authority and other items involving about $2,200,000,000. The contract authority proposition is entirely in connection with the Navy and landing craft, and reappropriations and that sort of thing.

The Budget estimates in cash are reduced $21,000,000. For all practical purposes that $21,000,000 is a complete saving.

The item for the Office of Price Administration is in here at $177,750,000. That is a cut of $4,500,000 from the Budget estimate.

Mr. AUGUST H. ANDRESEN. How much over last year?

Mr. TABER. Approximately $8,000,000 above the current fiscal year. One hundred and fifty-five million dollars was included in the war agencies bill for O. P. A. We had to add over $14,000,000 for the Overtime Pay Act.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. TABER. I yield.

Mr. AUGUST H. ANDRESEN. I read an item in the paper which said they were going to put on 125 additional enforcement officers to stop the black market in meat.

Mr. TABER. Instead of that, it is over 1,000. Quite a little over 1,000.

Mr. AUGUST H. ANDRESEN. I would like to point out to the gentleman, which he, no doubt, already knows, that the first week in May, the Office of Price Administration removed about 85 percent of the meat from the ration list.

Mr. TABER. That is correct.

Mr. AUGUST H. ANDRESEN. So the only meats on the ration list are steaks and beef roasts. It seems to me that with 85 percent of all food ration-free, there should not be any need for additional enforcement officers.

Mr. TABER. There is considerable need for enforcement officers. On the other hand, I have been in hopes that there would be a little different type of management of enforcement. The trouble with enforcement is that it is under the control of Tom Emerson, Deputy Administrator in charge of enforcement. We cannot expect fair administration out of him, nor can we expect to know what is going on; there is not any question about it but what things that are turned over to him and statements made by him to the Administrator will not check up too closely.

Mr. AUGUST H. ANDRESEN. This Emerson to whom the gentlemen referred as the enforcement officer is one of the men who instituted the kangaroo courts, as I understand it.

Mr. TABER. Oh, yes; he did; that is true.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. CANNON of Missouri. It might be recalled that we were given to understand that in all likelihood meats would go back on the ration list. Under those circumstances, of course, it would be necessary to have funds in order to continue the inspections.

Mr. TABER. It is true that O. P. A. told us that. On the other hand, when we had the war agencies bill up we were told by Colonel Olmstead, who has charge of buying the food for the Army and the Navy, the Commodity Credit Corporation, and Lend-Lease that the crop of little pigs was bigger than it ever had been and that he was not sure that the prices were going to hold up; he was not sure but what there would be an

overabundance of supply in the pork line. Lambs, of course, he did not get into, nor did he touch on veal. On the other hand, they do not buy much of that sort of thing.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield at that point?

Mr. TABER. I yield.

Mr. AUGUST H. ANDRESEN. Just a moment ago the gentleman from Missouri said that O. P. A. predicted meats would go back on the ration list within a short time. He also predicted that the war with Germany would be over, that Germany would crack in September. I want to venture the prediction that meats will not be back on the rationing list until after November 7.

Mr. TABER. I do not know how that will be, but they have enough to do if they would enforce the gasoline regulations. If they would it would be better for all of us, and all of us might perhaps have a crack at the gasoline now going into the black market.

Mr. AUGUST H. ANDRESEN. I believe that will be taken care of before November 7. About October 1 we will see an increase in the gasoline allowance on A cards.

Mr. TABER. That might result.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. PLOESER. I think it is only fair to observe that this business of policing rationing and price fixing is an enormous job. On the other hand I think it is only fair to observe that O. P. A. itself has created many conditions under which black markets grew. It follows naturally then that it needs enforcement officers to watch the very conditions they create by mismanagement. I think the enormous black market in meat is a direct creation of the Office of Price Administration. They could eliminate it and all need for enforcement officials if they would correct their methods of administration in price fixing and in rationing. So we have a vicious circle: First they create a black market through disbursing the normal practices of business; then they need enforcement officers to whip those people who participate in the black market. As one grows the other grows, and it is a vicious chain of events.

Mr. COLE of New York. Mr. Chairman will the gentleman yield?

Mr. TABER. I yield.

Mr. COLE of New York. In connection with the possibility that gasoline rationing might be relaxed before November, may I say to the gentleman that if there is any relaxation it will be in violation of assurances given to the Committee on Naval Affairs when the Elk Hills oil reservation was allowed to be opened. They assured that committee that there would be no relaxation.

Mr. TABER. We were told in the newspapers, either last night or this morning, that gasoline rationing for the period beginning August 8 and running through to the 8th of November would be just the same as it has been. I do not know what they will do.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. DONDERO. Will the gentleman advise the House whether or not the foreign countries are making a larger contribution of gasoline and petroleum products for the war effort which may make it possible to relinquish some of the rationing of gasoline for domestic use in the United States?

Mr. TABER. There is not enough gasoline and petroleum products under the control of the United Nations at this time outside of the United States so that we could feel any appreciable increase by contributions from other sources.

Mr. HOLMES of Washington. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. HOLMES of Washington. I should like to make this observation, that one of the most important arguments made by O. P. A. in support of their program of subsidies was that it would obliterate the black market. They seemed to think that subsidies would alleviate the complex problems obtaining in the meat situation; yet now they are asking for a thousand or more additional law-enforcement officers to handle the black market in meat. Naturally, we do not want black markets, but I just wanted to make that observation.

Mr. TABER. I believe I should perhaps tell the House exactly what makes the worst situation in meat. When they put in rationing they issued an edict which required every slaughterer to get a certificate showing that his meat had been inspected. That put out of business nine-tenths of the local slaughterers in communities under 50,000. It was formerly the practice of the local slaughterers operating on a small scale, usually without any help, to slaughter their meat and supply it. They were required to maintain certain sanitary standards, but they did not have official inspection. The result was that no inspection was provided by any governmental agency and these people were put out of business, because, in order to have their meat inspected, they had to carry it anywhere from 25 to 150 miles and back. The cost of this operation was prohibitive. It created the black market and they sustained the black market in meat. That is the picture of just what the facts are with reference to the black-market situation in meat and how it has been created and maintained. We had no business increasing the inspection requirements unless we provided the facilities of inspection. This was not the time to try to do that kind of operation, and it never is the time to put people out of business without making it possible for them to do what a Government bureau says they should do.

I want to get into some other phases of the bill and, as I have none too much time, I cannot yield further until I finish what I have to say about O. P. A.

There is an item in the bill of $2,500,288 for information and propaganda purposes which they do not need.

It is made up as follows:

Agricultural relations adviser	$18,527
Congressional adviser	25,860
Labor adviser	67,900
Racial adviser	9,312
O. W. I. adviser	40,000
Information: propaganda to all sorts of groups	2,340,689
Total propaganda	2,500,288

When I asked them how much they were using for that purpose, and stated it was over $2,000,000, they told me it was $67,000 a year. So I called off the items at page 34 of the justification totaling $2,500,288 that they are spending for this sort of thing. Just to show you there was a justification for our cut, there is a good big piece of it. They evidently did not want to have the facts stated or they would have answered the question correctly when I asked them. The question appears on page 338 of the hearings.

They have a great number of people on their roll who either have not an business being there or are drawing excessive salaries. Let me give you an illustration.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TABER. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, there is a fellow by the name of Tom Tippett, page 370, in the Rent Control Office who formerly was with the W. P. A. and the N. Y. A. at $3,200 a year. He seems to have come over to the Rent Branch and jumped from $3,200 to $5,600, then he was jumped up to $6,500. He is the fellow who was formerly editor of the Daily Worker. His qualifications for that kind of job were absolutely nil. There is no justification for that sort of business.

Here is a fellow, Paul S. Mitchell, who is a senior price analyst, page 371 of the hearings. He jumped from $2,600 in July 1942 to $4,600 by rather rapid stages.

Here is another fellow by the name of George Gerwing, page 370, head of the Field Relations Section, who jumps from $3,600 in 1942 to $5,600 now. I am not going to give you the intermediate stages because it takes too long. Here is a fellow by the name of Bartholomew Valosio, page 369, who started in in 1941 at $1,200 and is now up to $3,800 in the Information Department, Editorial Division, Media Branch, whatever that means.

Here is Stanley Jackson, who jumped from $2,500 to $4,600 in 2 years. He is in the Editorial Division, News Branch.

Here is William R. Auman, who jumped from $3,800 to $5,600 since March 1942.

Here is Dorothy Friedenhagen, page 366, who jumped from $2,900 in the Federal music project to senior administrative officer, director of voluntary services, $4,600.

Mr. HOLMES of Massachusetts. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. HOLMES of Massachusetts. Are those basic salaries?

Mr. TABER. Oh, yes. They get the bonus besides.

Here is another one, 28 years old, who started in in 1940 at $1,620 and he is now up to $3,800 a year.

Mr. Chairman, I have here a list that it would take me three-quarters of an hour to go through and analyze the salary increases that are just as ridiculous, which indicates one of the reasons why it would be very easy to cut down on a lot of these people in the O. P. A. and why it is possible to make a reduction in the Budget estimate.

Mr. KEEFE. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. KEEFE. The statement of the gentleman is exceedingly interesting as to the increases in salaries that have been made in the Office of Price Administration to certain beneficiaries. I am wondering if the action of the subcommittee in any way reflects a disposition to curtail such practice as increasing the salary at the rate to which the gentleman has referred?

Mr. TABER. I think it was a very contributing factor.

Mr. KEEFE. In making the cut below the Budget estimate?

Mr. TABER. Yes.

Mr. KEEFE. Is there any way by which a cut in a general appropriation below the Budget estimate could in any way prevent the practice to which the gentleman has referred, without specific reference to the practice in the report or without somewhat curtailing the activities of the heads of departments who jump these employees so rapidly by grade promotions?

Mr. TABER. The only possible way we could do it would be by a limitation prohibiting salary increases. Of course, these people go before the Civil Service Commission with the recommendation that these increases be made and they have these people classified. They are not strictly civil-service appointments; on the other hand, the salary rates are cleared through the Civil Service Commission.

Mr. KEEFE. Is it true that the department itself, the O. P. A. works with the Civil Service Commission in establishing the grade or salary for a certain position and that they may build up the so-called work of that particular position by action administratively in the O. P. A. so as to throw it in the higher salary grade and that by doing that they are constantly effecting promotions and salary increases clearly within the provisions of existing law?

Mr. TABER. That is true, and that is what they have done. Frankly, that has been one of the things that has destroyed the confidence on the part of a great many of us in their methods of operation.

Mr. KEEFE. May I ask the gentleman: Under existing civil-service law, is there anything the Congress can do in appropriation bills to strike out the practice and to curtail it or curb it?

Mr. TABER. The only way we could do it is to provide that no person might be advanced from one grade to another more often than once in a year or 2 years, or that no one might be advanced at all. I would hate to freeze them down to that. The only way would be by limiting the number of grades anyone might be advanced or by limiting the number of times they might be given promotions.

Mr. KEEFE. Does not the gentleman believe, in view of the fact this same situation is found to a greater or less extent in many of the agencies of Government, that the whole practice is a matter that ought to be investigated by the proper legislative committee in order to determine whether or not organic legislation is necessary in connection with the civil service which will curb this sort of practice that has become prolific in Government?

Mr. TABER. I think there should be an investigation.

Mr. LAMBERTSON. Will the gentleman yield?

Mr. TABER. I yield to the gentleman.

Mr. LAMBERTSON. When they presented to us the case of a young lady who had gone from $1,800 in a little while to $4,600, graded as a transportation expert, I challenged them on the proposition, and somebody said that she was not a transportation expert. What I have stated before, what the gentleman from Wisconsin [Mr. KEEFE] and the gentleman from New York [Mr. TABER] have been emphasizing, is that there is a scandal in the Government everywhere today on these change of grades and raises in salaries. Something should be done about it.

Mr. TABER. Without its being done on the merits.

Mr. LAMBERTSON. It is one of the scandals of the New Deal. By means of this bureaucracy they raise their salaries week after week and give them a new classification under the doctrine of the Civil Service Commission.

Mr. TABER. That is true.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Illinois.

Mr. BUSBEY. I would like to advise the distinguished gentleman that on last Monday, June 12, I revealed on page 5812 of the RECORD a rather complete history of three of these individuals, namely, Tom Tippett, Tom Emerson, and Shad Polier, and their complete record of activities. As to the O. P. A. dictating to the Civil Service Commission, I am not surprised at that at all, because in my speech in the case of Tom Tippett, I cited where they had written a long opinion as to the reasons why he should be ineligible for employment on any Federal pay roll, and then within a couple of months, due to pressure from somebody, probably in the O. P. A., the Civil Service Commission reversed its findings. So, I say the Civil Service Commission is not as alert as it should be, and it is being dictated to by other agencies of this Government.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. TABER. Mr. Chairman, I yield myself 6 additional minutes.

Mr. LAMBERTSON. Mr. Chairman, will the gentleman yield further?

Mr. TABER. I yield to the gentleman from Kansas.

Mr. LAMBERTSON. Further to emphasize the point, Jerry Kluttz, who writes freely in the interest of the Federal employees, predicted a few weeks ago that in the absence of any general policy to raise salaries, there was a determination on the part of the Federal employees that they were going to put it over; that in order to get this raise, they would put over a change of grades.

Mr. TABER. I think that is probably so. The thing that bothers me the most about O. P. A., however, is this: The Congress has provided that there shall be no operation resulting in grade labeling. In connection with the fixing of prices on canned fresh fruits and vegetables they have now decided on fixing the prices on Agricultural Marketing Administration grades which are not in general use, and are only in use by less than 5 percent of the industry. That is, in my opinion, a direct and deliberate violation of the law engineered by Tom Emerson. I believe it is time that the heads of the O. P. A. took charge of running the O. P. A. instead of taking dictation from such a man as Tom Emerson.

Frankly, I have gone along with what I believe is a very liberal appropriation for the administration of O. P. A., $177,000,000, and provided them with money for additional enforcement, because I want to see that those fellows have plenty of opportunity to do a decent job. But I want to say to those people, unless they obey the law and pay some attention to what its provisions are, that they are going to continue to make a failure of their job. Things are running up in price in a great many cases because of a good many of their operations. Many of their subsidies have increased demand and upset the economic situation on these articles. Why the O. P. A. cannot make up its mind to run the thing on a businesslike basis, get rid of an enormous number of these so-called economic analysts and economists who do not know what it is all about, and get some lawyer in charge who would try to do the job as a lawyer, realizing the necessity of relying upon those things which have been in general use in the regular trades of this country for years, I do not know. If they do not do those things, they are going to continue to violate the law, and we will have to put enforcement officers after them to try and make them obey the law, as well as to have them put enforcement officers on the job ferreting out black markets.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. One reason why some of these men down in O. P. A., the economists to whom the gentleman has referred, are disregarding the law, is that they are more interested in bringing about reforms in the country to socialize our economy; so therefore they have consistently disregarded the laws and intent of the Con-

gress in this respect, and in many other cases.

Mr. TABER. Let me ask the gentleman a question. How in the world did the gentleman ever come to call that a reform? It is a reactionary, degrading process.

Mr. AUGUST H. ANDRESEN. I call it a reform, because these people are interested in destroying our American system of business and setting up something new, according to some——

Mr. TABER. Operating under an alias.

Mr. AUGUST H. ANDRESEN. Yes; and none of them have had any business experience themselves.

Mr. TABER. That is right.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, this is the final appropriation bill to be passed in the fiscal year 1944. As of passing interest, I may mention I am informed that Appropriation Committee reporters during this session of the Congress have typed no less than 35,000 pages of hearings, in addition to some 46,000 pages during the preceding session of this Congress.

The bill carries, as has been pointed out, in appropriations, reappropriations, and contract authorizations, an over-all total of well over $2,595,000,000 reflecting a decrease as compared with Budget recommendations of over some $13,826,000.

I shall, if time permits, comment briefly on three items in the bill.

OFFICE OF PRICE ADMINISTRATION

As far as appropriations are concerned, the largest item in the bill is $177,750,000 for the O. P. A. The Budget estimate amounted to $182,252,000 as compared with $169,500,000 in the present fiscal year, or an increase of something under $13,000,000. Roughly speaking, the Budget estimate reflected a $15,000,000 increase for personnel and a $2,000,000 reduction in other obligations.

The Budget break-down showed an increase in man-years from 55,764 to 61,048, or 5,284 additional man-years. The agency's statement of personnel increase in terms of positions as compared with June 30, 1944, is 490 net.

Roughly speaking, also the record shows that O. P. A. has some 325,000 voluntary workers, and in addition to that some 60,000 paid workers, or a total of 385,000 workers.

There are about 3,800 workers in the Washington office, about 19,000 in the regional, district, and rent area offices, and about 36,000 with the local boards.

If you break that down a little further, you will find in the 8 regional offices something under 3,500 people, or about 430 per office; in the 93 district offices something over 12,000 people, or about 130 per office; in the 244 rent area offices something over 3,100 people, or about 13 per office; and in the 5,000 local boards some 36,000 people, or about 7 per office, these figures being limited to paid personnel. As compared with the present fiscal year, the Washington office shows a decrease of 130 man-years, while the regional, district, and rent area offices on the one hand and the local boards on the other hand show increases of 3,009 and 2,461 man-years, respectively.

I do not believe it is necessary to make any extended comment with reference to the O. P. A. It has been thoroughly discussed in connection with the bill to extend its life, now in conference. We are all familiar with its glaring faults in the past.

Personally, I have always believed that the original law was fundamentally unsound. Personally, I believe that the administration of the law has been even worse, and oftentimes without justification.

All of us, I know, receive letters continually reflecting the sentiment at home in this connection. Only yesterday I received a letter from a leading citizen in my district, whom I know well, personally, from which I quote, in part, as follows:

JUNE 14, 1944.

Congressman WIGGLESWORTH,
Washington, D. C.

DEAR CONGRESSMAN: If you wish to do a great service for your constituents, and the whole American people, and gain their everlasting gratitude, please introduce a bill in Congress to abolish the whole Office of Price Administration.

They are a nuisance and a menace to the whole Nation.

As you know, I meet and talk with a great many and I know my feeling in this matter is endorsed 100 percent.

The views expressed are typical of many received from those dealing directly with the O. P. A.

You will find, as has been pointed out, that the O. P. A. requests additional personnel for enforcement purposes, 1,239 in its investigating force, bringing the total to 6,776, and 80 in its accounting force, bringing that total to 889. The agency emphasizes in this connection the 3,000,000 establishments selling price-controlled goods at this time and the 14,000,000 rental living quarters now under the control of the agency.

Compliance with proper and lawful regulations, Mr. Chairman, is, of course, important. I do not believe, however, that compliance can be brought about by compulsion. There are not enough enforcement agents in America to bring about compulsory compliance. One of the great mistakes, in my judgment, that O. P. A. has made in the past has been the mistake of trying to bring about compliance through compulsion with regulations, whether those regulations have in fact been lawful or unlawful. Compliance is possible only in respect to regulations which are fair, regulations which are within the law, regulations which will command the voluntary support of patriotic Americans.

The gentleman from New York [Mr. TABER] has referred to the matter of informational work by O. P. A. You will find a detailed statement of this work on page 425 of the hearings. O. P. A. requests a personnel force of 495 at a cost of $1,391,567 as compared with $1,352,500 in the present fiscal year.

Among other publicity during the current year you will find some 38,000 press releases, magazine articles, radio scripts every week from Washington and from all regional and district offices, advertisements for newspapers, car cards, posters, motion-picture shorts, news reels, sound slide films, and other publications—a tremendous output, much of which would seem to be without justification.

You will find despite changes in personnel and procedure that there is still room for enormous improvement and simplification.

You will find despite the tremendous appropriation which the Congress made available to the agency for the current fiscal year, $169,500,000, almost every division of work under O. P. A. is calling for an increase.

Improvements have been made. The picture presented this year is better than that of a year ago. Some of the changes in the pending law should be helpful.

But, Mr. Chairman, we still have seven to eight different agencies in the field of price control using some six different methods of control. We still have a system which is inflicting great individual hardship in the various fields of its operation. We still have in operation a law which in my judgment was fundamentally unsound at the outset, a law which is subject to all the abuses of superregimentation.

Proper price control is of course vital in view of the menace of inflation. Under the present law, responsibility for decent administration falls squarely on the shoulders of Chester Bowles and those upon whom he sees fit to rely. It is to be hoped that they will profit from the blunders which this agency has made in the past.

WAR HOUSING

Now a word in respect to the war housing item which is carried in the bill. The total war housing program to date, private and public, amounts to something over $6,000,000,000; $4,000,000,000 or thereabouts from private sources and about $2,295,000,000 from public sources.

Of the public funds made available in the amount of $2,295,000,000, $1,392,000,000, or thereabouts, has been provided under title I of the so-called Lanham Act. You will find a break-down of those funds on page 229 of the hearings. It shows roughly as of April 30, 1944, appropriations of $1,392,000,000, allotments of $1,384,000,000, obligations of $1,309,000,000, and expenditures of $1,177,000,000; leaving an unallotted balance of $7,451,000 and an unobligated balance of about $83,000,000. The last two figures were subsequently reduced to $4,131,000 and $74,000,000, or thereabouts.

Progress to date, as appears on page 257 of the hearings, includes 659,932 units under public management and 82,685 units under public construction, a total of 742,637 units.

This breaks down into about 546,000 family units, 154,000 dormitory units, and 42,000 stop-gap units.

The record reflects a very wide variation in unit costs, with an average of $4,434 per permanent unit. The record also reflects the claim of 76 percent occupancy. In New England the figure is estimated by those in a position to know at not more than 66 percent.

The great bulk of war housing work has, of course, been done. Much of it I am afraid has been done very badly. In New England it has been specifically charged, among other things:

First. That construction has been undertaken far in excess of possible occupancy, often over the repeated protests of local officials.

Second. That sites have been selected without reasonable attention to cost, convenience, desirability, health, or safety.

Third. That unit costs have been unconscionably high on many projects.

Fourth. That structural design and equipment has been unsuited to the climate and to the needs of potential tenants.

Fifth. That faulty designs have caused large expenditures through contract extras and change orders.

Sixth. That F. P. H. A. officials have ignored and rejected suggested changes in specifications which were obviously necessary.

Seventh. That specifications have been ignored by contractors due to the lack of proper supervision by the F. P. H. A.

Eighth. That millions of dollars of the taxpayers' money have been squandered on unwarranted and unwanted projects considered unfit to live in by the war workers for whom they have been constructed.

Mr. Chairman, the justification by this Agency was far from satisfactory. There may be a case for some further temporary construction presently, but no case was made, in my opinion, for further permanent construction at this time.

The committee has denied the request for $15,000,000 made by the Agency, in large measure for permanent construction. It has authorized the transfer of $7,500,000 already appropriated for temporary construction and has limited the use of that $7,500,000 to construction of a temporary character. As the report indicates, in addition to the $7,500,000, there is some money available in the form of an unexpended balance, probably $2,000,000, and the possibility of further funds through the rescission of allocations or changes in the type of construction which has already been programed. I think the sum made available by the committee is ample.

PRESIDENT'S EMERGENCY FUNDS

In conclusion, Mr. Chairman, I want to refer once again to the emergency funds of the President.

Since June 11, 1940, the Congress has made available funds of this character amounting to $631,533,000. A year ago there was a balance outstanding of $113,000,000. Since that time $41,000,000 have been expended, leaving a balance of some $72,000,000 unexpended. The majority of the committee have recommended the reappropriation of this $72,000,000.

These funds, as the members of the committee know, were made available for emergencies, or highly confidential matters, in connection with the national defense and the war effort. I have repeatedly called attention on the floor of this House to the use of these funds for other and unauthorized purposes. I regret to report that the record indicates that this practice continues.

A statement showing the allocation of these funds during the fiscal year 1944 will be found on pages 213 and 214 of the committee hearings. Included you will find allocations for the Committee for Congested Production Areas, which was eliminated from the war agencies bill by this House recently; for the War Refugee Board; for The National Archives; for the Agricultural Research Administration; for a population census in certain congested areas by the Department of Commerce; for the Department of the Interior for decentralization; for the Labor Department for the administration of the Davis-Bacon Act; and for other items of similar character.

The great majority of the items listed, Mr. Chairman, are not emergency in character and are not important in terms of the national defense or the war effort. The great majority of them could easily have been presented to the Committees on Appropriations of the House and of the Senate under normal procedure. The great majority of them should have been so presented.

Mr. Chairman, I cannot understand the continued and repeated use of these funds for unauthorized purposes. I submit that if further funds are to be made available they should be made available only on the definite understanding that they will be used for authorized purposes and for authorized purposes only.

Mr. Chairman, I yield back the balance of my time.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, the people of the Seventh Congressional District of Minnesota have proved to the Nation and to the world that they are wholeheartedly backing up the attack upon the aggressor nations.

During the Second, Third, and Fourth War Loan drives the small village of Clara City, Chippewa County, was the first in the Nation to meet its quota, and as a result received national recognition for its efforts.

In the Fourth War Loan drive next to Clara City, Hancock, in Stevens County, won second place in the State, followed by Lake Benton Village, in Lincoln County, for third place.

Following up the great record of Clara City in these three War Loan drives, Lake Benton Village has now taken first place in the Nation in the Fifth War Loan drive. Lake Benton oversubscribed its quota 17 days before the opening gun on June 12.

Mr. Chairman, I am proud of the record of my congressional district in the War Loan drives. It proves the determination of our people that the boys on the front will be backed to the limit.

Lake Benton Village, in southwestern Minnesota, is at the far end of the lake upon which my home farm is located. You Members of the House will pardon me if I feel a certain degree of pride in the accomplishment of this small village near my own home community, and I am sure that the congratulations of the Nation go out to the people of Lake Benton, who were the first in the Nation to subscribe their quota in the Fifth War Loan drive.

Mr. Chairman, I quote from an article published in the Lake Benton News of June 15:

ACCOMPLISHMENT PRAISED—LAKE BENTON WIDELY PUBLICIZED—LOCAL BOYS IN SERVICE READ OF CITY'S "OVER THE TOP" RATING IN SOUTH PACIFIC; NORTH AFRICA

Lake Benton beat the entire Nation to the punch in the Fifth War Loan drive by oversubscribing its quota 17 days before the opening gun on June 12. That's news for eager ears and eyes on every battle front.

And our bond-selling victory, under the chairmanship of Dr. L. A. Norden has not gone unheralded as the news is wending its way across the Nation, the continent, and the world. Lake Benton, "that little village in southwestern Minnesota", takes its place as a leader in War-bond-sales activity.

Latest and most distant points in which our record has been hailed are reported this week as home folks receive letters from our men on the world's battle fronts.

Sgt. Edward Lorenzen, stationed in New Caledonia, has the following to say about the triumph in a letter to his sister, Mrs. Maurice Enke:

"My, what a job you folks are doing in the bond drive. Not only the national newspapers do you make, but also the international. Lake Benton rated space in our South Pacific Daily on the bond drive. Congratulations, and an orchid to each of the participants—it must have been quite a task. From the deep South, I'll say—Ah'm mighty proud."

And from the "other side of the world" comes the following news received by the Charles Nordmeyer family from the twins, Pfc. Richard and Pfc. Ralph from somewhere in the European area:

"Lake Benton was mentioned the other day in one of the papers printed over here as being one of the first towns in the United States to be over its quota in the Fifth War Bond drive. We were surprised and pleased when we came across this news-giving article."

So that, folks, is positive proof that Lake Benton is famous over the entire world for its leadership in the Fifth War Loan drive.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that on page 11 the numbering of the lines be corrected.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, I ask that the Clerk read the bill.

The Clerk read as follows:

OFFICE OF PRICE ADMINISTRATION

Salaries and expenses: For all necessary expenses of the Office of Price Administration in carrying out the provisions of the Emergency Price Control Act of 1942, as amended by the act of October 2, 1942 (50 U. S. C. App. 901), and the provisions of the act of May 31, 1941 (55 Stat. 236), as amended by the Second War

Powers Act, 1942 (50 U. S. C. App. 622), and acts amending or supplementing such acts, and all other powers, duties, and functions which may be lawfully delegated to the Office of Price Administration, including expenses of in-service training of employees, including salaries and traveling expenses of instructors; not to exceed $55,000 for the employment of aliens; not to exceed $30,000 for the temporary employment of persons or organizations, by contract or otherwise, without regard to section 3709, Revised Statutes, or the civil-service and classification laws; contract stenographic reporting services without regard to said section 3709; witness fees; printing and binding (not to exceed $1,635,800, which limitation shall not apply to the printing of forms, instructions, regulations, and coupon books incidental to the rationing of commodities); not to exceed $25,000 for test purchases of commodities, services, or ration currency for enforcement purposes, authorization in each case to have approval prior to purchase of the Administrator or the regional administrator in the region in which the purchase is contemplated; traveling expenses (not to exceed $7,250,000), including reimbursement, at not to exceed 3 cents per mile, of employees for expenses incurred by them in official travel in privately owned automobile within the limits of their official stations, and expenses of appointees from point of induction in continental United States to their first post of duty in the Territories and return; hire of motor-propelled passenger-carrying vehicles; fiscal year 1945, $177,750,000: *Provided*, That no part of this appropriation shall be used for the compensation of any officer, agent, clerk, or other employee of the United States who shall divulge or make known in any manner whatever to any person the operations, style of work, or apparatus of any manufacturer or producer visited by him in the discharge of his official duties, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any questionnaire, report, return, or document, required or requested to be filed by order or regulation of the Administrator or to permit any questionnaire, report, return, or document or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law; nor for any person who shall print or publish in any manner whatever, except as hereinafter provided, any questionnaire, report, return, or document or any part thereof or source of income, profits, losses, expenditures, or methods of doing business, appearing in any questionnaire, report, return, or document: *Provided further*, That the foregoing provisions shall not be construed to prevent or prohibit the publication or disclosure of studies, graphs, charts, or other documents of like general character wherein individual statistics or the source thereof is not disclosed or identified directly or indirectly nor to prevent the furnishing in confidence to the War Department, the Navy Department, or the United States Maritime Commission, such data and information as may be requested by them for use in the performance of their official duties: *Provided further*, That no part of this appropriation shall be available for making any subsidy payments: *Provided further*, That no part of this appropriation shall be used to enforce any maximum price or prices on any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity, including milk and its products and livestock, unless and until (1) the Secretary of Agriculture has determined and published for such agricultural commodity the prices specified in section 3 (a) of the Emergency Price Control Act of 1942, as amended by Public Law No. 729, approved October 2, 1942, as amended; (2) in case of a comparable price for such agricultural commodity, the Secretary of Agriculture has held public hearings and determined and published such comparable price in the manner prescribed by section 3 (b) of said act as amended; and (3) the Secretary of Agriculture has determined after investigation and proclaimed that the maximum price or prices so established on any such agricultural commodity, including milk and its products and livestock, will reflect to the producer of such agricultural commodity a price in conformity with section 3 (c) of said act as amended: *Provided further*, That such maximum price or prices shall conform in all respects to the provisions of section 3 of Public Law No. 729 approved October 2, 1942, as amended: *Provided further*, That any employee of the Office of Price Administration is authorized and empowered, when designated for the purpose by the head of the agency, to administer to or take from any person an oath, affirmation, or affidavit when such instrument is required in connection with the performance of the functions or activities of said office: *Provided further*, That no part of this appropriation shall be directly or indirectly used for the payment of the salary or expenses of any person who directs the formulation of any price policy, maximum price, or price ceiling with respect to any article or commodity unless, in the judgment of the Administrator, such person shall be qualified by experience in business, industry, or commerce; but this limitation shall not apply to the Administrator or Acting Administrator as the case may be, in considering, adopting, signing, and promulgating price policies, maximum prices, or price ceilings formulated and prepared in compliance herewith: *Provided further*, That none of the funds appropriated in this act shall be used to pay the salary or expenses of any person fixing maximum prices for different kinds, classes, or types of a commodity which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use.

Mr. MARCANTONIO. Mr. Chairman, I offer an amendment, on page 11, line 10.

Mr. TABER. Mr. Chairman, I make a point of order that the amendment comes too late. The Clerk has read beyond that place.

The CHAIRMAN. The Chair wishes to state to the gentleman that the Chair is partly responsible for this because the gentleman was sitting in his seat ready to offer the amendment but did call the attention of the Chair to the misnumbering of the lines, and the Chair called him to tell him that would be done so that he need not offer it at that time.

The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. MARCANTONIO: On page 11, line 10, after the word "herewith", strike out the colon, insert a period, and strike out all the remainder of line 10, and down to and including line 15.

Mr. MARCANTONIO. Mr. Chairman, this language which I seek to strike out was placed in this bill for only one purpose. That purpose is to prohibit grade-labeling activity on the part of the O. P. A. It is language which is gratuitous. It is legislation. It does not belong in an appropriation bill, and it is in keeping with a practice which is developing in this House, of slipping through, on an appropriation bill, legislation which is against the best interests of the consumers.

The gentlemen who inserted this language in this appropriation bill had ample opportunity to debate this question the other day when we had the O. P. A. legislation before the House. That was the time for them to have raised the issue, and that was the place and the time when this subject should have been discussed. It was not done then, obviously for the purpose of avoiding genuine and full debate on the question. It is now being slipped in on an appropriation bill. How it was done in the Appropriations Committee, the members of the Appropriations Committee themselves can say. I do not believe I am violating any confidence when I say that the subcommittee which had this appropriation bill did not put this language in it. This language was put in by the full committee itself.

We are now aiming at the housewives of this country. We are forcing them to buy, by mislabeling, inferior quality goods, and forcing them to pay for better quality goods. The only protection that the housewives and consumers of this country can have against the purchasing of inferior quality brands which have been mislabeled, is by empowering the O. P. A. to set up a grade-labeling program. This proviso prohibits such grade-labeling program. This proviso ties the hands of the O. P. A. and thereby legalizes the cheating, exploitation, and robbing of American housewives.

Mr. WOODRUM of Virginia. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. WOODRUM of Virginia. The O. P. A. has said emphatically in the hearing before the Appropriations Committee that they did not have a grade-labeling program. Now, the gentleman says this stopped it.

Mr. MARCANTONIO. No. The gentleman misconstrues my words. It prevents the O. P. A. from entering into a grade-labeling program. Is that not correct?

Mr. WOODRUM of Virginia. That may be correct, but they say they do not have a grade-labeling program.

Mr. MARCANTONIO. Simply because they do not have it is no reason why O. P. A. should be prohibited from entering into a grade-labeling program.

Mr. WOODRUM of Virginia. The canners say that they not only have a grade-labeling program but they will carry it into effect despite the mandate of Congress.

Mr. MARCANTONIO. That is a debatable issue. What the canners say I submit is not binding. This prohibition is for the benefit of the canners and against the interests of the consumers. I submit, and I think the gentleman will agree with me, that that question should have been raised when the O. P. A. legislation was before us, instead of slipping it through here on an appropriation bill. There is much debate to be had on the question of grade labeling. I believe the consumers overwhelmingly demand a grade-labeling program from O. P. A. The consuming public wants it. The housewives want it. Here you prohibit the O. P. A.

from entering into a grade-labeling program. The gentleman will agree there is no question as to that.

Mr. McCORMACK. Will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. McCORMACK. I hope the gentleman will not confuse this limitation with grade labeling. As I understand, it has nothing to do with grade labeling, and the Administrator is prohibited by law from requiring grade labeling.

Mr. MARCANTONIO. If the gentleman will read the report of the committee itself——

Mr. McCORMACK. I am reading from a letter that Mr. Bowles sent me.

Mr. MARCANTONIO. Let me read the report. This is what the committee says. Let us take the language of the committee.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MARCANTONIO. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Will the gentleman yield further?

Mr. MARCANTONIO. I yield.

Mr. McCORMACK. While this proviso does not, in my opinion, relate to grade labeling, it does have a serious effect—it would have a disastrous effect upon the operation of price-control legislation in that it will prevent maximum prices being placed upon inferior grades of products, and it will only allow one price to be made. This is more far reaching than the canner's situation as I understand it.

Mr. MARCANTONIO. It goes far beyond it, I agree.

Mr. McCORMACK. While I cannot agree with the gentleman's argument on grade labeling, on the other ground that this will have a disastrous effect upon the operation of price-control legislation, the argument is based on sound grounds. For example, let us take alcohol. There are 60 different qualities of alcohol. There is pure alcohol, alcohol with water in it, denatured alcohol. Yet, under this proviso some of them may not be in general use, but they can only set one price. It will apply to inferior grades of foodstuffs.

Mr. MARCANTONIO. Permit me to make one other observation.

Mr. McCORMACK. Just this thought and I am through: If it is to meet the objection of the canners, whether there is a case or not for those who think there is a case they ought to confine it to the canners; but in its present form it is so far-reaching it is going to be disastrous in its effect upon the price-control legislation that we have just completed considering.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MARCANTONIO. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MARCANTONIO. Aside from the reasons the majority leader has adduced against this prohibition, which I seek to strike out, may I also point out to the majority leader this statement which appears on page 7 of the report referring to the proviso:

> Otherwise the language of the appropriation except for mechanical changes to make the appropriation conform to the language generally applicable to war agencies remains unchanged from that of the fiscal year.

This proviso is not in the law. The Appropriations Committee is writing it into the law and it is being legislated by means of this appropriation act. This language aims at the consuming public. It is definitely aimed at grade labeling, and, as the gentleman from Massachusetts has pointed out, it is so far reaching that it is going to have the most disastrous effect upon the whole price-control program.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment grows out of an attempt on the part of O. P. A. to violate the law. The amendment is necessary so that if anything should happen that O. P. A. should be extended by a simple resolution or something of that kind we shall have some protection against illegal operations on their part.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. TABER. Not now.

Mr. Chairman, these operations that have been referred to by the gentleman from New York will not be affected; that is, almost every single one of those things will not be effected in the way he has described. O. P. A. is needlessly alarmed. If they want to go along in any kind of reasonable way in connection with their operations they should be allowed to. I have no desire to hamper or hamstring them, but we must not permit them to extend grade labeling to anything they want just according to their own ideas.

Mr. WOODRUM of Virginia. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WOODRUM of Virginia. Under this amendment, if it is adopted, O. P. A. could still attempt to establish grades that are in general use.

Mr. TABER. Absolutely.

Mr. WOODRUM of Virginia. This amendment would merely prevent them from setting up special grades in special categories, which is what the canners are objecting to.

Mr. TABER. That is exactly it.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 20 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Chairman, I seek recognition on the amendment.

The CHAIRMAN. The gentleman from Massachusetts is recognized.

Mr. McCORMACK. Mr. Chairman, my purpose in rising is for the purpose of supplying information for the RECORD, and for the Members, so that when this bill reaches the other body the information may be available.

My friend the gentleman from New York [Mr. TABER] is sincere in his statement that there is no desire to hamper or hamstring price-control legislation. I accept that as representing the thoughts of my friend from New York. I feel that the amendment offered by the gentleman from New York [Mr. MARCANTONIO] is a proper one. If this limitation went further than was desired by those who had something in mind they thought they should legislate upon then, with this information in the RECORD the other body can change it and it can be corrected in conference.

I have a letter here from Chester Bowles, which I will place in the RECORD. When we go back into the House I will ask unanimous consent to insert this letter. Mr. Bowles states that this amendment would have a very harmful effect upon the operation of price-control legislation. He states in part:

> I am sorry to say that it is going to be necessary to burden you with a long letter. The simple truth, however, is that the proposal touches upon such a complex problem that it cannot be explained briefly. Something of what is involved is indicated by the fact that more than three-fifths of the outstanding maximum price regulations, to be exact, 322, make use in some way of specifications or standards, and that the validity of at least 70 of these would be put into question if the proposed rider became law. First of all, let me make perfectly clear that the proviso has nothing whatever to do with grade labeling. The Administrator is now prohibited by law from requiring grade labeling, and no price regulation as long as the prohibition remains in the law. The proviso deals with the fundamental question of how you go about describing the commodity for which a maximum price is being established. Obviously a maximum price does not have any meaning unless the article to which it applies is actually identified. Therefore it is impossible to do this without making use of specifications or standards.

Further in the letter he refers to the fact that the trade itself has come to the point of asking that O. P. A. establish specifications or standards. This is likely to affect poultry, eggs, and egg products, dressed hogs, wholesale pork, chickens, beef and veal carcasses, wholesale lamb and mutton carcasses, and cuts at wholesale and retail all down the line.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I shall be very pleased to yield.

Mr. TABER. Does the gentleman think it is possible that there are no standards in the market in general use for any of those things? It would seem to me that that is entirely impossible. I know those things are graded.

Mr. McCORMACK. I am not sufficiently conversant myself to take issue with the gentleman. All I know is that the man who is charged with the administration of the law informs me in a letter that this proviso would make it impossible to have effective price control except in the price for the top quality. I do not believe anyone wants that. The statement I have just made is based upon what was told me by a gentleman for

whom I have the highest respect, Mr. Field, who is the general counsel of O. P. A. That last statement is not in the letter, but Mr. Field told me that in his opinion "it will be impossible to make effective price control except in prices for the top quality."

If this proviso in its present form is enacted into law it will hamstring O. P. A. No one wants that.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. PLOESER. They refer there to various meat cuts. The industry itself has certain standards; there is nothing new about that.

Mr. McCORMACK. I have no doubt about that, but there are many things that must be identified.

Mr. PLOESER. They obviously do not know definitely what they are talking about.

Mr. McCORMACK. The fact is this proviso was not reported out by the subcommittee; it was adopted by the full committee. This proviso was considered by the Committee on Banking and Currency and rejected, as I understand.

Mr. TABER. If the gentleman would yield, Mr. Chairman, it was in the bill as it passed in exactly this language.

Mr. McCORMACK. My statement is based upon information, and my only purpose is to put these facts in the RECORD so that if the amendment of the gentleman from New York is not adopted the other body will have the information for consideration. If they make any changes, the matter can be ironed out in conference.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Minnesota is recognized for 3 minutes.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, at the beginning, when O. P. A. was under the control and administration of Leon Henderson, socially minded policy makers began a reform program to fix standards and specifications and to require compulsory grade labeling, according to the O. P. A. standards and specifications, of virtually all food commodities. This action on the part of Leon Henderson and his successors led to the passage of legislation in Congress last year which prohibited O. P. A. from putting into operation wholesale compulsory grade labeling or doing away with trade names or brands or to create new specifications and standards unless such standards were in general use.

The language in the bill simply seeks to compel the O. P. A. to live up to existing law.

The items mentioned by the gentleman from Massachusetts, the majority leader, as being under new specifications of O. P. A., like honey, poultry, eggs, pork, beef, veal, sausage, all of them have general commercial specifications and standards in the trade. What O. P. A. wants to do is to set aside those general standards for all commodities.

Again I say the language in the bill which the gentleman from New York [Mr. MARCANTONIO] seeks to strike out simply provides and requires that the O. P. A. shall live up to those general standards and specifications used in the commercial trade.

To make myself crystal clear, let me repeat that the problem dealt with by this proviso in the bill has to do with the use of standards or specifications in pricing. For example, the O. P. A. insists on using so-called A. M. A. grades to control the ceiling prices for processed fruits and vegetables. These A. M. A. grades are not in general use in the canning industry in the regular commercial selling of canned foods, which is what "general" means. Yet, the O. P. A. insists that they should be used, and that processors, to protect themselves, should have Government inspectors at their plants to grade goods on these A. M. A. grades.

I am convinced this requirement violates the intent of the so-called Taft amendment against compulsory grade labeling, and so forth, which Congress enacted last July. I definitely believe it violates section 2 (h) of the price-control law because it requires changes in customary business methods. The O. P. A. lawyers do not think so. Therefore, this proviso in the bill is necessary to again make clear the intent of Congress in this part of the Taft amendment. It will stop this imposition of grades and specifications which are not those commercially used.

Mr. Chairman, I hope the amendment offered by the gentleman from New York [Mr. MARCANTONIO] to strike out this provision of the bill will be defeated. If it is not defeated it will cause chaos in many industries. It seems to me that during this trying time, when every industry is striving to produce an abundance of essential products for the Nation's war effort, the O. P. A. should cooperate for results, rather than to continue its policy of harassment against industries which are doing a splendid job under great difficulties. If policy making officials of the O. P. A. continue their present policies to circumvent laws and congressional intent, the result can only be a demoralization of industry and sharp curtailment in production of essential products.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, I have sat here during the past week and listened to the discussion of the O. P. A. bill that was then pending before the House. Of course, everyone subscribes to the need for an Office of Price Administration. Personally, I have only asked two things of the O. P. A. First, that they follow the letter of the law and come somewhere near following the spirit of the law, and, second, that they not allow themselves to be sidetracked into a lot of rather questionable fields that the Congress itself never intended them to enter. Most of the troubles of the O. P. A. are the result of the fact they did not follow the spirit of the law. I think 50 percent of the criticism that I listened to last week would not have been mentioned on the floor of this House if the people in charge of the O. P. A. had a little higher concept—I do not know that "higher" is the right word, but had a little better concept of human nature and also the fact that all of the knowledge of the world is not concentrated in a few people they might be able to hire to work for the O. P. A.

Today we are brought up to the question of grade labeling. If I am not right I am willing to be corrected, but I feel, and I have always felt, when we passed the Price Control Act, we expected O. P. A. to accept the established grades in the future, and recognize grades that have been in existence for 50 years or more. That is a lot different question than to give at this time someone the power to go ahead and offer another and much broader grade-labeling program. I think if we let the trade follow the grades that have been in effect during the years, this situation can be handled correctly.

I know of an example which I shall give. It does not happen to be in my district. It concerns Swiss cheese. The O. P. A. said: "We can have but one price on Swiss cheese." The gentlemen from Wisconsin [Mr. SAUTHOFF and Mr. SMITH] represent the Swiss-cheese district. Their districts produce around 65 percent of all the Swiss cheese produced in America. But they have been in hot water for 6 months because the O. P. A. states: "We can only have one price and one grade on Swiss cheese." Anyone who knows anything about that industry realizes that for years there have been established grades of Swiss cheese. The man who is making the cheese cannot always make one certain grade because there are so many factors involved in its manufacture. The product has always had a grading in accordance with the quality of the product.

Mr. SAUTHOFF. Will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Wisconsin.

Mr. SAUTHOFF. The gentleman knows the agricultural situation in our State better than anyone I know of, and I think he will agree with me when I say that the meddling and interference of O. P. A. in the cheese industry, particularly in connection with Swiss cheese, has resulted in the folding up of about 200 factories in our State, and turning them over to the big dairy interests, the monopoly controlled businesses in that particular line.

Mr. MURRAY of Wisconsin. I may say in answer to the gentleman that Wisconsin produces about 20 percent of all milk that was delivered as fluid milk to factories in the United States last year.

We have seen the producer obtain a fixed price of about 20 cents per pound for his cotton but the cotton dresses here doubled in price in many instances.

The consumer has not had his price protected even though the producer has been placed under complete control.

If the O. P. A. would spend a little more time and energy on trying to meet the food problems that arise during this war, and less time on inconsequential, questionable edicts, much better and acceptable contributions to the war-food program would be made.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, about 6 months ago I wrote a news letter, which I do every week, regarding grade labeling. Within 2 or 3 days after that grade labeling letter reached Arkansas I received a letter from a housewife and she asked me this question: "Do you mean to tell me that a department of our Government in Washington would attempt to put into effect any such scheme or concoction as grade labeling against the housewives' judgment in selecting and purchasing the type of goods and brands she has always purchased?"

I said to her in reply that it was absolutely true. Mr. Chairman, you have not been able to see many in the O. P. A. or in the Government who would come out in the open and say that they were trying to put into effect any kind of a grade-labeling scheme. Only a short time ago, however, I saw in the paper where a gentleman from a department down here was retiring and he stated that he had gotten through most of the proposals he wanted while he was in the service except one thing, grade labeling. He was retiring from the service. That is the only time I believe I have seen in print actually that a member of the bureaucracy here in Washington has come out in the open and in print and said they were trying to put across grade labeling and standardization.

What does grade labeling mean? A housewife has been going to the store and getting Campbell's soups. She knows what Campbell's soup is. She knows all about it. She prepares the menus and she knows exactly the type of menu her husband and her family like when they sit down at the table. Under this grade-labeling scheme she will go to the store and get Government grade A, Government grade B, or Government grade C vegetable soup. That is all that need be put on the can. Now, I am a lover of good soup, but I want to know the brand, not what a Government taster says. I want the right to pass judgment on the foods I buy or the drugs and clothing I purchase. When it comes time in America that you have to reach up on the shelf and get grade A or grade B, then the time has come for the Appropriations Committee to act as is being done here and prohibit the O. P. A. from engaging in grade labeling. I would never have thought that it would become necessary for the Appropriations Committee to put in a proviso prohibiting standardization on the part of a Government bureau.

Mr. OUTLAND. Will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from California.

Mr. OUTLAND. The particular amendment that has been added to the appropriation bill in this connection has nothing to do with the matter that the gentleman is bringing up now.

Mr. GATHINGS. Mr. Chairman, I will not yield further for a speech. I heard in the debate a moment ago from members of the committee itself that it was their intention that the provision written in by the Appropriations Committee apply to canners. If some of the departmental dreamers here in Washington have their way, grade labeling would be applied to foods, drugs, and clothing.

Mr. Chairman, grade labeling is socialistic. Grade labeling is not needed in our country. It places greatly increased powers in the hands of the Central Government and takes away from the individual citizens and housewives their God-given right of free choice and independent action. I congratulate the Appropriations Committee in inserting the prohibition of the use of the funds appropriated for O. P. A. to be used by it for furthering this un-American grade-labeling scheme. We need less government by bureau and by all means freedom from Government directives and decrees when this war is over. I hope that the amendment by the gentleman from New York [Mr. MARCANTONIO] will not be agreed to.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Chairman, I ask for a vote on the pending amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MARCANTONIO].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VURSELL: Page 8, line 13, strike out "$177,750,000" and insert in lieu thereof "$169,500,000."

Mr. VURSELL. Mr. Chairman, my amendment simply provides that we give the O. P. A. for their over-all picture only the same amount of money they had last year, which was $169,500,000. That would reduce the amount of the bill brought in by the committee, and, in my judgment, it would not hurt the feelings of many of the members on the committee and would save the country $8,250,000, which is quite a sizeable fund—a fund that we might need some day to build hospitals for the boys coming back to this country—the boys who are overseas trying to save this country. I do not think that the Members want to let this bill go to the country without raising their voices and without an opportunity to hold the amount down to what it was before. I want the people of my district to know that it is my judgment if the O. P. A. cannot hold prices down and do a respectable job of enforcement with $169,500,000, I am not willing to trust them to do it with $177,750,000. I want the Nation to know that I am opposed to giving the O. P. A. more money at this time. Shortly we will have to vote. We should have an hour, in my judgment, to discuss this item, and in an hour we could save $8,250,000. I know there are many Members interested in it, and since the purpose and intent of this Congress was misrepresented to the people of the Nation the other night by Administrator of O. P. A. Chester Bowles with references and innuendoes that should not have been directed to the people of the Nation, I do not think this Congress should supinely shirk from its duties because of any danger of false impressions being given to the country regarding the object of the Congress in its desire to hold the price line. I think that this will give a proper rebuke to that sort of national lobbying by one whose salary we appropriate. We are asked today to give him $8,250,000 more than he received before he made that speech the other night over the radio, which speech was not justified on the facts, and a direct and unfair slap against the Congress of the United States.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. VURSELL].

The question was taken; and on a division (demanded by Mr. VURSELL) there were—ayes 51, noes 73.

So the amendment was rejected.

Mr. PLOESER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PLOESER: Page 7, line 21, after the semicolon, strike out "contract stenographic reporting services without regard to said section 3709."

Mr. PLOESER. Mr. Chairman, this is a very simple amendment. It merely strikes out the provision which exempts the O. P. A. from following the normal practice of Government agencies when using stenographic reporting services, as differentiated from normal stenographic services. The usual practice is to ask for bids, and the lowest bidder gets the job. The wording in this bill would exempt the O. P. A. from the necessity of following the general practice in the Government. My amendment strikes out that exception so that they will do business the same way everybody else has to do business.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. What is the purpose of putting that exception in?

Mr. PLOESER. I do not know.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, this provision is indispensable to

the adequate administration of this law, for the reason that competent stenographic service of this character can now be secured only with the greatest difficulty, and to refuse to include this provision would mean that in some instances it would be difficult to provide clerical service for a hearing and give both the defendant and the Government an opportunity to have an adjudication of their case under customary procedure.

There has been no objection to this procedure, and no reason therefor has developed in the operation of this provision in the other services to which it has been applied, because invariably the cost of the stenographic service is standardized and the customary schedule has been adhered to. There have been no instances of abuse of any kind, so the only effect of denying this provision which has been made in all similar bills up to this time would be to interfere with the ordinary administration of the law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. PLOESER].

The question was taken; and on a division (demanded by Mr. PLOESER) there were—ayes 45, noes 65.

So the amendment was rejected.

The Clerk read as follows:

SEC. 303. The President shall direct the Bureau of the Budget to maintain a continuous study of appropriations and contract authorizations granted for the national defense, war agencies, and the prosecution of the present wars for the purpose of submitting for the consideration of Congress, when the state of the wars make such action possible, a list showing the condition of the balances of each of such appropriations and contract authorizations together with his recommendations for the repeal of such of those funds or portions thereof as are deemed no longer required for the purposes for which they were granted.

Mr. CANNON of Missouri. Mr. Chairman, among the notable changes in administrative procedure of the Committee on Appropriations made during the present Congress is the standardization of the qualification of appointees to the clerical staff of the committee. Since the establishment of the Committee on Appropriations vacancies on its staff have been filled by the chairman and no appointee has ever been removed by any succeeding chairman. This method of filling vacancies has been singularly successful. But as the work of the committee has increased in recent years and the burden on the staff has grown correspondingly, it was felt that men should be selected who have had previous experience in budgeting and a more intimate knowledge of departmental routine in order to be prepared to take over the duties devolving upon them from the beginning rather than having to go through long periods of apprenticeship and probation.

With this in view a special subcommittee was appointed to study the matter and draw up tentative standards of qualification and submit them to the committee. This report when submitted to the committee was approved and the subcommittee was directed to prepare a final draft of requirements, qualifications and procedure which was adopted by the unanimous vote of the Committee on Appropriations on June 16, 1944, as follows:

COMMITTEE STAFF

REPORT OF THE SPECIAL SUBCOMMITTEE ON COMMITTEE STAFF SUBMITTED TO THE COMMITTEE EN BANC JUNE 16, 1944

The special subcommittee appointed by the chairman pursuant to the authority of the committee at its meeting on April 26, 1944; to consider the subject of establishing minimum requirements for appointments to the committee staff, a system of promotion for staff members, and other aspects of a program for staff improvement, submits the following recommendations:

1. That the chairman be authorized to appoint a Standing Subcommittee on Committee Staff Personnel to consider all applicants and their qualifications and make recommendations to the chairman for appointment by him in accordance with the standing rules of the House.

2. That in the consideration of applicants and the making of such recommendations the subcommittee shall be guided by, but not limited to, the following minimum requirement qualifications for applicants as additions to the staff for positions of clerk and assistant clerks assigned to subcommittees:

(a) They should be 25 years of age or older.

(b) They should have a degree in law or accountancy or the equivalent of either or both in education and experience.

(c) They should have had at least 3 years' experience in budget work in Federal, State, or municipal government, or equivalent experience in private enterprise.

(d) The minimum entrance salary for applicants with the foregoing qualifications shall not be less than $3,800.

3. That the subcommittee consider and report on the advisability of changing the designation of positions of clerk of the committee and assistant clerks assigned to subcommittee to titles more descriptive of the type of service rendered and specifications of the work.

4. That the subcommittee consider and report on the subject of a scale and plan of automatic salary advancement for committee staff with a view to retention of experienced and trained personnel and offering of inducement to experienced and trained personnel to join the staff with assurance of salary advancement commensurate with departmental opportunity.

Pursuant to the authorization thus conferred, the chairman of the committee thereupon appointed a standing subcommittee on committee staff personnel, consisting of the three ranking majority members and the three ranking minority members of the Committee on Appropriations.

The responsibilities of the Committee on Appropriations have expanded with the expanding activities of the Federal Government. It exercises what amounts in some respects to veto powers, and has on occasion nullified enactments by denying funds with which to instrument them when changing conditions warranted reconsideration. It follows that the committee requires on its staff men of exceptional ability and training. In my opinion, Mr. Marcellus C. Sheild, the clerk of the Committee on Appropriations, has a more comprehensive knowledge of the fiscal affairs of the Nation than any man living. I do not think anyone would challenge that statement. He has probably rendered greater service to the Nation in the financing of the war than any one member of the Cabinet. In order to secure succession to this position of men as nearly qualified as the present incumbent, the committee has adopted this departure in a long-established procedure dating back to 1865.

The Clerk concluded the reading of the bill.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker, having resumed the chair, Mr. BULWINKLE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 5040) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944, and June 30, 1945, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the bill and the amendment thereto to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO PRINT

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection?

There was no objection.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1479. An act providing for the suspension of certain requirements relating to work on tunnel sites; and

S. 1808. An act to authorize temporary appointment as officers in the Army of the United States of members of the Army Nurse Corps, female persons having the necessary qualifications for reappointment in such corps, female dietetic and physical-therapy personnel of the Medical Department of the Army (exclusive of students and apprentices), and female persons having the necessary qualifications for appointment in such department as female dietetic and physical-therapy personnel, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 2711. An act for the relief of Mrs. Mildred Maag.

EXTENSION OF REMARKS

Mr. TABER. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. PLOESER] be permitted to extend his remarks in the Appendix of the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made on this bill and to include a letter.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CARLSON of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include an article which recently appeared in the Country Gentleman, entitled "Program for Farm Stability," by our colleague the gentleman from Kansas [Mr. HOPE].

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Minnesota [Mr. O'HARA] may revise and extend his remarks in the Appendix of the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the Appendix of the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. O'KONSKI. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances on two subjects and to include in one an article and in the other a statement.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CONTRACT SETTLEMENT ACT OF 1944

Mr. SUMNERS of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 1718) to provide for the settlement of claims arising from termination of war contracts, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 1718) to provide for the settlement of claims arising from terminated war contracts, and for other purposes, with Mr. HART in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose last evening section 1 of the bill had been read. Are there any amendments to be offered to section 1 of the bill?

Mr. MAY. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MAY: Strike out all of the committee substitute and insert the following as a substitute for the same:

"OBJECTIVES OF THE ACT

"SECTION 1. The Congress hereby declares that the objectives of this act are—

"(a) to facilitate maximum war production during the war, and to expedite reconversion from war production to civilian production as war conditions permit;

"(b) to assure to prime contractors and subcontractors, small and large, speedy and equitable final settlement of claims under terminated war contracts, and adequate interim financing until such final settlement;

"(c) to assure uniformity among Government agencies in basic policies and administration with respect to such termination settlements and interim financing;

"(d) to facilitate the efficient use of materials, manpower, and facilities for war and civilian purposes by providing prime contractors and subcontractors with notice of termination of their war contracts as far in advance of the cessation of work thereunder as is feasible and consistent with the national security;

"(e) to assure the expeditious removal from the plants of prime contractors and subcontractors of termination inventory not to be retained or sold by the contractor;

"(f) to use all practicable methods compatible with the foregoing objectives to prevent improper payments and to detect and prosecute fraud.

"SURVEILLANCE BY CONGRESS

"SEC. 2. (a) To assist the Congress in appraising the administration of this act and in developing such amendments or related legislation as may further be necessary to accomplish the objectives of the act, the appropriate committees of the Senate and the House of Representatives shall study each report submitted to the Congress under this act and shall otherwise maintain continuous surveillance of the operations of the Government agencies under the act.

"(b) In January, April, July, and October of each year the Director shall submit to the Senate and House of Representatives a quarterly progress report on the exercise of his duties and authority under this act, the status of contract terminations, termination settlements, and interim financing and such other pertinent information on the administration of the act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

"DEFINITIONS

"SEC. 3. As used in this act—

"(a) The term 'prime contract' means any contract, agreement, or purchase order heretofore or hereafter entered into by a contracting agency and connected with or related to the prosecution of the war; and the term 'prime contractor' means any holder of one or more prime contracts.

"(b) The term 'subcontract' means any contract, agreement, or purchase order heretofore or hereafter entered into to perform all or any part of the work, or to make or furnish any material to the extent that such material is required for the performance of any one or more prime contracts or of any one or more other subcontracts; and the term 'subcontractor' means any holder of one or more subcontracts.

"(c) The term 'war contract' means a prime contract or a subcontract; and the term 'war contractor' means any holder of one or more war contracts.

"(d) The terms 'termination', 'terminate', and 'terminated' refer to the termination or cancelation, in whole or in part, of work under a prime contract for the convenience or at the option of the Government (except for default of the prime contractor) or of work under a subcontract for any reason except the default of the subcontractor.

"(e) The term 'material' includes any article, commodity, machinery, equipment, accessory, part, component, assembly, work in process, maintenance, repair, and operating supplies, and any product of any kind.

"(f) The term 'Government agency' means any executive department of the Government, or any administrative unit or subdivision thereof, or any independent agency or corporation owned or controlled by the United States, in the executive branch of the Government, and includes any contracting agency, but does not include the General Accounting Office.

"(g) The term 'contracting agency' means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, the Smaller War Plants Corporation, and the War Production Board.

"(h) The term 'termination claim' means any claim or demand by a war contractor for fair compensation for the termination of any war contract and any other claim under a terminated war contract, which regulations prescribed under this act authorize to be asserted and settled in connection with any termination settlement.

"(i) The term 'interim financing' includes advance payments, partial payments, loans, discounts, advances, and commitments in connection therewith, and guaranties of loans, discounts, advances, and commitments in connection therewith and any other type of financing made in contemplation of or related to termination of war contracts.

"(j) The term 'Director' means the Director of Contract Settlement.

"(k) The term 'person' means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

"(l) The term 'termination inventory' means any materials (including a proper part of any materials common to two or more contracts), properly allocable to a terminated war contract, except any machinery or equipment subject to a separate contract specifically governing the use or disposition thereof.

"DIRECTOR OF CONTRACT SETTLEMENT

"SEC. 4. (a) There is hereby established the Office of Contract Settlement which shall be headed by the Director of Contract Settlement. The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $12,000 per year, and shall serve for a term of 2 years.

"(b) In order to insure uniform and efficient administration of the provisions of this act, the Director, subject to such provisions, by general orders or general regulations—

"(1) shall prescribe policies, principles, methods, procedures, and standards to govern the exercise of the authority and discretion and the performance of the duties and functions of all Government agencies under this act; and

"(2) may require or restrict the exercise of any such authority and discretion, or the performance of any such duty or function, to such extent as he deems necessary to carry out the provisions of this act.

"(c) The exercise of any authority or discretion and the performance of any duty or function, conferred or imposed on any Government agency by this act, shall be subject to such orders and regulations prescribed

by the Director pursuant to subsection (b) of this section. Each Government agency shall carry out such orders and regulations of the Director expeditiously, and shall issue such regulations with respect to its operations and procedures as may be necessary to carry out the policies, principles, methods, procedures, and standards prescribed by the Director. Any Government agency may issue such further regulations not inconsistent with the general orders or regulations of the Director as it deems necessary or desirable to carry out the provisions of this act.

"(d) The Director may, within the limits of funds which may be made available, employ and fix the compensation of necessary personnel in accordance with the provisions of the civil-service laws and the Classification Act of 1923 and make expenditures for supplies, facilities, and services necessary for the performance of his functions under this act. Without regard to the provisions of the civil-service laws and the Classification Act of 1923, he may employ certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and contract with certified public accounting firms and qualified firms of engineers in the discharge of the duties imposed upon him and in furtherance of the objectives and policies of this act. The Director shall perform the duties imposed upon him through the personnel and facilities of the contracting agencies and other established Government agencies, to the extent that this does not interfere with the function of the Director to insure uniform and efficient administration of the provisions of this act.

"(e) All policies, principles, methods, procedures, and standards when prescribed by the Director pursuant to subsection (b) of this section, and all regulations when issued by any Government agency, pursuant to subsection (c) of this section, shall be published in the Federal Register.

"(f) There is hereby created a Contract Settlement Advisory Board, with which the Director shall advise and consult. The Board shall be composed of the Director, who shall act as its Chairman, and of the Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, the Chairman of the Maritime Commission, the Administrator of the Foreign Economic Administration, the chairman of the board of directors of the Reconstruction Finance Corporation, the Chairman of the War Production Board, the chairman of the board of directors of the Smaller War Plants Corporation, and the Attorney General or any alternate or representative designated by any of them. The Director shall request other Government agencies to participate in the deliberations of the Board whenever matters specially affecting them are under consideration.

"SEC. 5. (a) There shall be in the General Accounting Office a War Contracts Settlement Board (hereinafter called the 'Board') which shall consist of not less than three and not more than nine members, who shall be appointed by the Comptroller General of the United States. The Comptroller General shall designate one of the members as chairman.

"(b) There shall be in each State not less than one War Contracts Settlement Regional Board (hereinafter called 'Regional Board'), consisting of three members, who shall be appointed by the Comptroller General of the United States. The regional boards shall function under the supervision, directions, and control of the Board.

"(c) The Board shall have exclusive authority to prescribe the forms and evidence to be submitted to it or to the regional boards in support of termination claims. It shall prescribe the practice and procedure to govern proceedings before it and the regional boards and may distribute and assign the work of a regional board to any other regional board, as it deems necessary or desirable, or may itself act in such matters in which event its action will have the same effect as though taken by a regional board. The Board is authorized to prescribe such rules and regulations as it may deem necessary to carry out its duties and authority under this act. The Board and regional boards shall have power to administer oaths to witnesses, to make such investigations, hold such hearings and conferences, and require by subpena the attendance of witnesses and the production of books, papers, documents, and other records, as deemed necessary."

"(d) To facilitate the performance of the duties imposed by this act on the Board and the regional boards, the Comptroller General is hereby authorized to employ at the seat of government and elsewhere such personal services as he may deem necessary. All appointments which the Comptroller General is authorized to make under this act may be made without regard to the civil-service laws and regulations, at rates of compensation to be fixed without regard to the Classification Act of March 4, 1923, as amended, and shall terminate not later than 2 years after the close of the present war. Any civilian employee of the United States Goverment having a classified civil-service status who is appointed to a position created for the purposes of this act shall not lose his civil-service status by reason of such appointment, and shall be restored to his former position or to a position of like seniority, status, and pay upon termination of his services under such appointment. Notwithstanding the provisions of any other law, retired officers of the Army, Navy, and Marine Corps shall be eligible for appointments to positions created for the purposes of this title without loss of retired status, but the payment of salary and retired pay to such persons shall be subject to the provisions of section 212 of the act of June 30, 1932, as amended (5 U. S. C. 59a).

"(e) All settlements authorized or required to be made by any contracting agency under this act (whether by agreement or by determination without agreement) shall be tentative only and shall not be binding on the United States until such settlement, together with all required supporting data, has been submitted to the appropriate regional board and has become final and conclusive as provided in subsection (f) or section 13, as the case may be.

"(f) Whenever a contracting agency has made a settlement, authorized or required by this act, by agreement, it shall forthwith submit such settlement, together with all required supporting data, to the appropriate regional board for approval by it or by the Board. Such settlement shall become final and conclusive on all parties thereto 6 months after its submission to the regional board for approval, unless within such 6 months, the Board or the regional board disapproves such settlement and so notifies the contracting agency and the war contractor. If the regional board or the Board disapproves such settlement under this subsection, it shall prepare a statement of its objections thereto and transmit such statement to the contracting agency and the war contractor with its notification of disapproval. Thereupon the contracting agency shall endeavor to make a final agreement with the war contractor containing the provisions to which the Board or regional board, as the case may be, did not make objection, provisions which meet the objections of the Board or regional board to the previous settlement, and no others.

"SEC. 6. (a) It is the policy of the Government, and it shall be the responsibility of the contracting agencies and the Director, to provide war contractors with speedy and fair compensation for the termination of any war contract, in accordance with and subject to the provisions of this act. Such fair compensation for the termination of subcontracts shall be based on the same principles as compensation for the termination of prime contracts.

"(b) Each contracting agency shall establish methods and standards, suitable to the conditions of various war contractors, for determining fair compensation for the termination of war contracts on the basis of actual, standard, average, or estimated costs, or of a percentage of the contract price based on the estimated percentage of completion of work under the terminated contract, or on any other equitable basis, as it deems appropriate. To the extent that such methods and standards require accounting, they shall be adapted, so far as practicable, to the accounting systems used by war contractors, if consistent with recognized commercial accounting practice.

"(c) In establishing, pursuant to subsection (b), the standards, methods, and bases for negotiating with respect to and for settling claims of war contractors, the following general factors with respect to costs to be allowed and disallowed in the settlement shall be considered in the case of fixed-price supply contracts, other than contracts under which the purchaser is not obligated to accept articles or services except as he may need or desire, and to the extent appropriate in the case of other contracts: *Provided*, That costs shall be allowed only to the extent reasonably necessary for the performance and settlement of and properly allocable to, the contract or contracts involved, and without duplication of any costs:

"(1) Full payment at the contract price shall be allowed for all completed items accepted by the contracting agency.

"(2) The reasonable cost of settling and paying termination claims under terminated subcontracts, including the claims which are common to the terminated contract and to other work of the contractor.

"(3) The cost of items of termination inventory.

"(4) An allowance for depreciation at appropriate rates on buildings, machinery, and equipment, and other facilities, including such amounts for obsolescence due to progress in the arts and other factors as are ordinarily considered in determining depreciation rates, but not including any amount for loss of the type covered by subparagraph (7).

"(5) General experimental and research expense to the extent consistent with an established pre-war program, or to the extent related to war purposes.

"(6) Costs of engineering and development and of special tooling, if the contractor protects any interests of the Government by transfer of title or by other means deemed appropriate by the contracting agency.

"(7) Loss on special facilities acquired solely for the performance of the contract, or the contract and other war contracts, to the extent authorized by regulations of the Director, on condition that the contractor protects the interests of the Government by transfer of title to the facilities or by other means deemed appropriate by the contracting agency.

"(8) (i) Rentals under leases clearly shown to have been made for the performance of the contract, or the contract and other war contracts, covering the period necessary for complete performance of the contract and such further period as may have been reasonably necessary; (ii) costs of reasonable alteration of such leased property made for the same purpose; and (iii) costs of restoring the premises, to the extent required by reasonable provisions of the lease; less (iv) the residual value of the lease; provided that the contractor has made reasonable

efforts to terminate, assign, or settle such leases or otherwise reduce the cost thereof.

"(9) Advertising expense to the extent consistent with a pre-war program or to the extent reasonable under the circumstances.

"(10) In no event shall the aggregate of the amounts allowed under paragraphs (5), (6), (7), (8), and (9) exceed the amount which would have been available from the contract price to cover these items, if the contract had been completed, after considering all other costs which would have been required to complete it.

"(11) Interest on borrowings.

"(12) Reasonable accounting, legal, clerical, and other expenses necessary in connection with the termination and settlement of the contract and subcontracts thereunder, including expenses incurred for the purpose of obtaining payment from the Government only to the extent reasonably necessary for the preparation and presentation of settlement proposals and cost evidence in connection therewith.

"(13) Storage, transportation, and other costs incurred for the protection of materials acquired or produced for the contract or in connection with the disposition of such materials.

"(14) Such other items which the public interest and fair and equitable dealing require should be treated as costs.

"Costs of nonrecurring nature which arise from unfamiliarity with the products in that initial stages of production, such as high direct labor and overhead costs, including training, costs of excessive rejections, and similar items, shall be appropriately apportioned between the completed and terminated parts of the contract.

"The following shall not be included as elements of cost:

"(i) Losses on other contracts, or from sales or exchanges of capital assets, fees, and other expenses in connection with reorganization or recapitalization, antitrust or Federal income-tax litigation, or prosecution of Federal income-tax claims or other claims against the Government (except as provided in paragraph (12) above); losses on investments; provisions for contingencies; and premiums on life insurance where the contractor is the beneficiary.

"(ii) The expense of conversion of the contractor's facilities to uses other than the performance of the contract.

"(iii) Expenses due to the negligence or willful failure of the contractor to discontinue with reasonable promptness the incurring of expenses after the effective date of the termination notice.

"(iv) Costs incurred in respect to facilities, materials, or services purchased or work done in excess of the reasonable quantitative requirements of the entire contract.

"(v) Costs which, as evidenced by accounting statements submitted in renegotiation under the Renegotiation Act, were charged off during a period covered by a previous renegotiation if a refund was made for such period or to the extent that such charging off is shown to have avoided such refund.

"The failure specifically to mention in this subsection any item of cost is not intended to imply that it should be allowed or disallowed. The Director may interpret the provisions of this subsection (c) and may provide for the inclusion or exclusion of other costs in accordance with recognized commercial accounting practice.

"Where the small size of claims or the nature of production or performance or other factors make it impracticable to apply the principles stated in this subsection (c) to any class of settlements which are subject to this subsection (c), the contracting agencies may establish alternative methods and standards for determining fair compensation for that class of termination claims. The aggregate amount of compensation allowed in accordance with this subsection (excluding amounts allowed under paragraphs (12) and (13) above) shall not exceed the total contract price reduced by the amount of payments otherwise made or to be made under the contract.

"(d) In order to carry out the objectives of this act, termination claims shall be settled by agreement to the maximum extent feasible.

"(e) Each contracting agency shall allow and pay interest on the amount due and unpaid from time to time on any termination claim under a prime contract at the rate of 2½ percent per annum for the period beginning 30 days after the date fixed for termination and ending with the date of final payment, except that (1) if the prime contractor unreasonably delays the settlement of his claim, interest shall not accrue for the period of such delay; (2) if interest for the period after termination on any advance payment or loan, made or guaranteed by the Government, has been waived for the benefit of the contractor, the amount of the interest so waived allocable to the terminated contract or the terminated part of the contract shall be deducted from the interest otherwise payable hereunder, and (3) if after delivery of findings by a contracting agency, the contractor appeals or sues as provided in section 13, interest shall not accrue after the thirtieth day following the delivery of the findings on any amount allowed by such findings, unless such amount is increased upon such appeal or suit. In approving, ratifying, authorizing, or making termination settlements with subcontractors, each contracting agency shall allow interest on the termination claim of the subcontractor on the same basis and subject to the same conditions as are applicable to a prime contractor.

"(f) Where any war contract does not provide for or provides against such fair compensation for its termination, the contracting agency either before or fater its termination, shall amend such war contract by agreement with the war contractor, or shall authorize, approve, or ratify an amendment of such war contract by the parties thereto, to provide for such fair compensation.

"(a) Whenever any contracting agency is satisfied of the inability of a war contractor to meet his obligations it shall exercise supervision or control over payments to the war contractor on account of termination claims of subcontractors of such war contractor to such extent and in such manner as it deems necessary or desirable for the purpose of assuring the receipt of the benefit of such payments by the subcontractors.

"(b) The Director shall prescribe policies and methods for the settlement as a group, or otherwise, by any contracting agency of some or all of the termination claims of a war contractor under war contracts with one or more (1) bureaus or divisions within a contracting agency, (2) contracting agencies, or (3) prime contractors and subcontractors, to the extent he deems such action necessary or desirable for expeditious and equitable settlement of such claims. After consulting with the contracting agencies concerned, the Director may provide for assigning any war contractor to a contracting agency for such settlement, and such agency shall have authority to settle, on behalf of any other contracting agency, some or all of the termination claims of such war contractor.

"(c) Any contracting agency may settle directly termination claims of subcontractors to the extent that it deems such action necessary or desirable for the expeditious and equitable settlement of such claims. Any contracting agency undertaking to settle the termination claim of any subcontractor shall deliver to the subcontractor and the war contractor liable to him written notice stating its acceptance of responsibility for settling his claim and the conditions applicable thereto, which may include the release, or assignment to the contracting agency, of his claim against the war contractor liable to him; upon consent thereto by the subcontractor, the Government shall become liable for the settlement of his claims upon the conditions specified in the notice.

"(d) Any contracting agency may make settlements with subcontractors in accordance with any of the provisions of this act without regard to any limitation on the amount payable by the Government to the prime contractor.

"(e) If any contracting agency determines that in the circumstances of a particular case equity and good conscience require fair compensation for the termination of a war contract to be paid to a subcontractor who has been deprived of and cannot otherwise reasonably secure such fair compensation, the contracting agency concerned may nevertheless pay such compensation to him.

"INTERIM FINANCING

"SEC. 8. (a) It is the policy of the Government, and it shall be the responsibility of the contracting agencies and the Director, in accordance with and subject to the provisions of this act, to provide war contractors having any termination claim or claims, pending their settlement, with adequate interim financing, within 30 days after proper application therefor.

"(b) Each contracting agency shall, to the greatest extent it deems practicable, make available interim financing through loans and discounts, and commitments and guaranties in connection therewith, in contemplation of or related to termination of war contracts. Where interim financing is made by advance payments or partial payments, it shall, insofar as practicable, consist of the following:

"(1) An amount equal to 100 percent of the amount payable, at the contract price, on account of acceptable items completed prior to the termination date under the terms of the contract, or completed thereafter with the approval of the contracting agency; plus

"(2) An amount equal to 90 percent of the cost of raw materials, purchased parts, supplies, direct labor, and manufacturing overhead allocable to the terminated part of the war contract; plus

"(3) A reasonable percentage of other allowable costs, including administrative overhead, allocable to the terminated war contract not included in the foregoing; plus

"(4) Such additional amounts, if any, as the contracting agency deems necessary to provide the war contractor with adequate interim financing.

"(5) In lieu of the costs referred to in clauses (2) and (3) of this subsection, where a detailed ascertainment of such costs is not suitable to the conditions of any war contractor and is apt to cause delay in the obtaining of interim financing by him, that portion of such interim financing shall be equal to an amount not greater than 90 percent of the estimated costs which are allocable to the terminated part or parts of the war contract or group of war contracts, and are ascertained in accordance with such methods and standards as the director shall prescribe.

"(6) There shall be deducted from the amount of such interim financing any unliquidated balances of advance and partial payments theretofore made to such war contractor, which are allocable to the terminated war contract or the terminated part of the war contract.

"(c) The director shall prescribe (1) the types of estimates, certificates, or other evidence to be required to support such interim financing; (2) the terms and conditions upon which such interim financing shall be made, including the use of standard forms for agreements with respect to such interim financing to the extent practicable; (3) the

classes of cases in which such interim financing shall be refused; and (4) such methods of supervision and control over such interim financing as he deems necessary or desirable to assure adequate and speedy interim financing to subcontractors of the war contractor.

"(d) The obligation to pay and penalty imposed and to repay an interim financing made or assumed by the United States under this act shall constitute a debt due to the United States within the meaning of Revised Statutes, section 3466 (31 U. S. C., sec. 191).

"(e) Any contracting agency may allow any advance payments, previously made or authorized by it in connection with the performance of a war contract, to be used for payments and expenses related to the termination settlement of such contract, upon such terms and conditions as it deems necessary or appropriate to protect the interest of the Government.

"(f) No interim financing shall be made by any contracting agency under this act unless the terms of such financing provide for the liquidation by the war contractor of all loans, discounts, advance payments, or partial payments thereunder not later than the time of final payment of the amount due on the settlement of the termination claim or claims of the war contractor involved or such time thereafter as the contracting agency deems necessary for the liquidation of such interim financing in an orderly manner.

"SEC. 9. (a) Any contracting agency may make advance or partial payments to any war contractor on account of any termination claim or claims, and may authorize, approve, or ratify any such advance or partial payments by any war contractor to his subcontractors, upon such conditions as it deems necessary to insure compliance with the provisions of subsection (b) of this section.

"(b) Where any such advance or partial payment is made to any war contractor by any contracting agency or by another war contractor under this section, except a final payment on a partial settlement, any amount in excess of the amount finally determined to be due on the termination claim shall be treated as a loan from the Government to the war contractor receiving it, and shall be payable upon demand together with a penalty computed at the rate of 6 percent per annum, for the period from the date such excess advance or partial payment is received to the date on which such excess is repaid or extinguished. Where the advance or partial payment was made by a war contractor and authorized, approved, or ratified by any contracting agency, the war contractor making it shall not be liable for any such excess payment in the absence of fraud on his part and shall receive payment or credit from the Government for the amount of such excess payment.

"SEC. 10. (a) Any contracting agency is authorized—

"(1) to enter into contracts with any Federal Reserve bank, or other public or private financing institution, guaranteeing such financing institution against loss of principal or interest on loans, discounts, or advances or on commitments in connection therewith, which such financing institution may make to any war contractor or to any person who is or has been engaged in performing any operation deemed by such contracting agency to be connected with or related to war production, for the purpose of financing such war contractor or other person in connection with or in contemplation of the termination of one or more such war contracts or operations;

"(2) to make, enter into contracts to make, or to participate with any Government agency, any Federal Reserve bank or public or private financing institution in making loans, discounts, or advances, or commitments in connection therewith, for the purpose of financing any such war contractor or other person in connection with or in contemplation of the termination of such war contracts or operations.

"(b) Any such loan, discount, advance, guaranty, or commitment in connection therewith may be secured by assignment of, or covenants to assign, some or all of the rights of such war contractor or other person in connection with the termination of such war contracts or operations, or in such other manner as the contracting agency may prescribe.

"(c) Subject to such regulations as the Board of Governors of the Federal Reserve System may prescribe with the approval of the Director, any Federal Reserve bank is authorized to act, on behalf of the contracting agencies, as fiscal agent of the United States in carrying out the purposes of this act.

"(d) This section shall not limit or affect any authority of any contracting agency, under any other statute, to make loans, discounts, or advances, or commitments in connection therewith or guaranties thereof.

"ADVANCE NOTICE

"SEC. 11. (a) In order to facilitate the efficient use of materials, manpower, and facilities for war and civilian purposes, each contracting agency—

"(1) shall provide its prime contractors with notice of termination of their prime contracts as far in advance of the cessation of work thereunder as is feasible and consistent with the national security without permitting unneeded production or performance;

"(2) shall permit the continuation of some or all of the work under a terminated prime contract whenever the agency deems that such continuation will benefit the Government or is necessary to avoid substantial injury to the plant or property.

"(b) Whenever a contracting agency hereafter directs a prime contractor to cease or suspend all or a substantial part of the work under a prime contract, without terminating the contract, then, unless the contract provides otherwise, (1) the contracting agency shall compensate the contractor for reasonable costs and expenses resulting from such cessation or suspension, and (2) if the cessation or suspension extends for 30 days or more, the contractor may elect to treat it as a termination by delivering written notice of his election so to do to the contracting agency, at any time before the contracting agency directs the price contractor to resume work under the contract.

"(c) The Director shall have no authority under this act to regulate or control the classes of contracts to be terminated by the contracting agencies.

"REMOVAL AND STORAGE OF MATERIALS

"SEC. 12. (a) It is the policy of the Government, upon the termination of any war contract, to assure the expeditious removal from the plant of the war contractor of the termination inventory not to be retained or sold by the war contractor.

"(b) Any war contractor may submit to the contracting agency concerned or to any other Government agency designated by the Director, one or more statements showing the materials which such war contractor claims to be termination inventory under one or more war contracts and desires to have removed by the Government. Such statements shall be prepared in such form and detail, shall be submitted in such manner, through the prime contractor or otherwise, and shall be supported by such certificates or other data, as may be prescribed under this act.

"(c) Within 60 days after the submission of any such statement by a war contractor, or such shorter period as may be prescribed under this act, or within such longer period as the war contractor may agree, the Government agency concerned (1) shall arrange, upon such terms and conditions as may be agreed, for the storage by the war contractor on his own premises or elsewhere of all such claimed termination inventory which the war contractor does not retain or dispose of, except any part which may be determined not to be allocable to the terminated war contract or contracts, or (2) shall remove from the plant or plants of the war contractor all of such claimed termination inventory not retained, disposed of, or stored by the war contractor or determined not to be allocable to the terminated war contract or contracts.

"(d) Upon the failure of the Government so to arrange for storage by the war contractor or to remove any termination inventory within the period specified under subsection (c) of this section, the war contractor, subject to regulations prescribed under this act, may remove some or all of such termination inventory from his plant or plants and may store it on his own premises or elsewhere for the account and at the risk and expense of the Government, using reasonable care for its transportation and preservation. If any war contractor intends so to remove any claimed termination inventory, he shall deliver to the Government agency concerned written notice of the date fixed for removal and a statement showing the quantities and condition of the materials so to be removed, certified on behalf of the war contractor to have been prepared in accordance with a concurrent physical inventory of such materials. Such notice and statement shall be delivered at least 20 days in advance of the date fixed for removal and may be delivered before or after the expiration of the period specified under subsection (c) of this section. If the Government agency fails to check such materials, at or before the time of their removal by the war contractor, a certificate of the war contractor specifying the materials shown on such statement which were so removed, and filed with the Government agency concerned within 30 days after the date fixed for removal, shall constitute prima facie evidence against the United States as to the quantities and condition of the material so removed and the fact of their removal.

"(e) Nothwithstanding any other provisions of law, but subject to subsection (h) of this section, the contracting agency concerned or the Director, or any Government agency designated by him, on behalf of the United States, may, by the exercise of any contract rights or otherwise, acquire and take possession of any termination inventory of any war contractor, and any materials removed by the Government or stored for its account under subsections (c) and (d) of this section, even if such materials are finally determined not to constitute termination inventory. With respect to any such materials, the Government shall be liable to any war contractor concerned only for their return to such war contractor or for their disposal value at the time of their removal or for the proceeds realized by the Government from their disposal, at the election of the Government agency concerned, unless the Government agency and the war contractor agree or have agreed on a different basis. Any amount so paid or payable to a war contractor for materials allocable to a terminated war contract shall be credited against the termination claim under such contract but shall not otherwise affect the amount due on the claim, unless the Government agency concerned and the war contractor agree or have agreed otherwise. Any materials to which the Director takes title under this section shall be delivered for disposal to any appropriate Government agency authorized to make such disposal.

"(f) No contracting agency shall postpone or delay any termination settlement beyond the period specified in subsection (c) of this section for the purpose of awaiting disposal by the war contractor or the Government of any termination inventory reported in accordance with subsection (b) of this section.

"(g) Whenever any war contractor no longer requires, for the performance of any war contract, any Government-owned machinery, tools, or equipment installed in his plant for the performance of one or more war contracts, the Government agency concerned, upon written demand by the war contractor, and within 60 days after such demand or such other period as may be prescribed under this act, and upon such conditions as may be so prescribed, shall remove or provide for the removal of such machinery, tools, or equipment from such plant, unless the Government agency concerned and the war contractor, by facilities contract or otherwise, have made or make other provision for the retention, storage, maintenance, or disposition of such machinery, tools, or equipment. The Government agency concerned may waive or release on behalf of the United States any obligation of the war contractor with respect to such machinery, tools, or equipment upon such terms and conditions as the agency deems appropriate. Upon the failure of the Government so to remove or provide for removal of any such machinery, tools, or equipment, the war contractor, subject to regulations prescribed under this act, may remove all or part of such machinery, tools, or equipment from his plant and may store it on his own premises or elsewhere, for the account and at the risk and expense of the Government, using reasonable care for its transportation and preservation.

"(h) Nothing in this act shall limit or affect the authority of the War Department, Navy Department, or Maritime Commission, respectively, to take over any termination inventories and to retain them for their use for any purpose or to dispose of such termination inventories for the purpose of war production, or to authorize any war contractor to retain or dispose of such termination inventories for the purpose of war production.

"(i) Nothing in this section shall be construed to prevent the removal and storage of any termination inventory by any war contractor, at his own risk, at any time after termination of any war contract to which it is allocable.

"APPEAL

"SEC. 13. (a) Whenever any war contractor has submitted a termination claim, in substantially the form prescribed under this act, to the contracting agency responsible for settling it, and such claim has not been settled by agreement with the contracting agency, or only a part of such claim has been so settled, the contracting agency shall prepare written findings of the amount determined by it to be due on such claim or the unsettled part thereof, shall transmit such findings, together with all supporting data, to the Board, and transmit by registered mail a copy of such findings and data to the contractor. Such findings and data shall be transmitted to the contractor by the contracting agency within 60 days after the date of his demand therefor.

"(b) Within 90 days after the mailing of the findings of the contracting agency to the war contractor under subsection (a), the war contractor may, at his election—

"(1) submit his claim or the unsettled part thereof to the Board or appropriate regional board, and if aggrieved by the decision thereof, within 90 days after the making of such decision bring suit against the United States as provided in paragraph (2); or

"(2) bring suit against the United States for such claim, or such part thereof, in the Court of Claims or in a United States district court, in accordance with subsection (20) of section 24 of the Judicial Code (U. S. C., 1940 ed., title 28, sec. 41 (20)).

"(c) Any proceeding under subsection (b) of this section shall be governed by the following conditions:

"(1) If a war contractor does not initiate proceedings in accordance with subsection (b) within 90 days after the mailing to him of the findings by the contracting agency, he shall be precluded from submitting his claim or the unsettled part thereof to the Board or regional board, and shall be precluded from bringing suit for such claim or part thereof against the United States until after the audit and settlement thereof by the General Accounting Office in the manner provided by law.

"(2) Notwithstanding any contrary provision in any war contract, the Board, the regional board, and the court shall not be bound by the findings of the contracting agency, but shall treat such findings as prima facie correct, and the burden shall be on the war contractor to establish that the amount due on his claim exceeds the amount allowed by the contracting agency. The Board, regional board, or court may increase or decrease the amount allowed by the contracting agency.

"(3) When a war contractor has initiated such proceedings by one method under subsection (b) of this section, he shall, except as provided in subsection (b) (1), be precluded from initiating proceedings by any other method thereunder.

"(d) (1) Any determination made under this section by the Board or regional board shall, if made within 6 months after the termination claim concerned is submitted to the Board or regional board, as the case may be, be final and conclusive upon the Comptroller General of the United States, the General Accounting Office, and all officers and agencies in the executive branch of the Government. If such determination is not made within such 6 months, the findings of the contracting agency with respect to the termination claim concerned shall be final and conclusive upon the Comptroller General of the United States, the General Accounting Office, and all officers and agencies in the executive branch of the Government.

"(2) For the purposes of this section, the Chairman of the Board may divide the Board into divisions of not less than three members each and the Board may sit and act by such divisions.

"COURT OF CLAIMS

"SEC. 14. (a) For the purpose of expediting the adjudication of termination claims, the Court of Claims is authorized to appoint not more than 10 auditors and not more than 20 commissioners in addition to those provided for by the act of February 24, 1925 (ch. 301, 43 Stat. 964), as amended by the act of June 23, 1930 (ch. 573, 46 Stat. 799), and the provisions of said act shall apply to such additional commissioners in all respects as if they had been appointed thereunder without limitation as to nature of duties which they may be called upon to perform.

"(b) The Court of Claims, on motion of either of the parties, or on its own motion, may summon any and all parties with legal capacity to be sued to appear as a party or parties in any suit or proceeding of any nature whatsoever pending in said court to assert and defend their interests, if any, in such suits or proceedings, within such period of time prior to judgment as the Court of Claims shall prescribe. If the name and address of such party in interest is known or can be ascertained by reasonable diligence, and if he resides within the jurisdiction of the United States, he shall be summoned to appear by personal service; but if such party resides outside of the jurisdiction of the United States, or is unknown, or if for any other good and sufficient reason appearing to the court personal service cannot be had, he may be summoned by publication, under such rules as the court may adopt, together with a copy of the summons mailed by registered mail to such party's last known address. Upon failure so to appear, any and all claims or interests in claims of any such person against the United States, in respect of the subject matter of such suit or proceeding, shall forever be barred and the court shall have jurisdiction to enter judgment pro confesso upon any claim or contingent claim asserted on behalf of the United States against any party who, having been duly served with subpena, fails to respond thereto, to the same extent and with like effect as if such party had appeared and had admitted the truth of all allegations made on behalf of the United States. Upon appearance by any party pursuant to any such notice or subpena, the case as to such party shall, for all purposes, be treated as if an independent proceeding had been instituted by such party pursuant to section 145 of the Judicial code, as amended, and as if such independent proceeding had then been consolidated, for purposes of trial and determination, with the case in respect of which the notice or subpena was issued, except that the United States shall not be heard upon any counterclaims, claims for damages, or other demands whatsoever against such party, other than claims and contingent claims for the recovery of money hereafter paid by the United States in respect of the transaction or matter which constitutes the subject matter of such case, unless and until such party shall assert therein a claim, or an interest in a claim, against the United States, and the Court of Claims shall have jurisdiction to adjudicate, as between any and all adverse claimants, their respective several interests in any matter in suit and to award several judgments in accordance therewith.

"(c) The jurisdiction of the Court of Claims shall not be affected by this act except to the extent necessary to give effect to this act, and no party shall recover judgment on any claim, or on any interest in any claim, in said court which such party would not have had a right to assert if this section had not been enacted.

"PERSONAL FINANCIAL LIABILITY

"SEC. 15. Whenever any payment is made from Government funds to any war contractor or other person as an advance payment on any termination claim, or pursuant to any loan, guaranty, or agreement for the purchase of any loan, or any commitment in connection therewith, entered into by the Government, no officer or other Government agent authorizing or approving such payment or settlement, or certifying the voucher for such payment, or making the payment in accordance with a duly certified voucher, shall be personally liable for such payment, in the absence of fraud or gross negligence on his part. In settling the accounts of any disbursing officer the General Accounting Office shall allow any such disbursements made by him notwithstanding any other provisions of law.

"DEFECTIVE, INFORMAL, AND QUASI CONTRACTS

"SEC. 16. (a) Where any person has arranged to furnish or furnished to a contracting agency or to a war contractor any materials, services, or facilities related to the prosecution of the war, without a valid contract, relying in good faith upon the apparent authority of an officer or agent of a contracting agency, written or oral instructions, or any other request to proceed from a contracting agency, the contracting agency shall pay such person fair compensation therefor.

"(b) Whenever any formal or technical defect or omission in any prime contract, or in any grant of authority to an officer or agent of a contracting agency who order any

materials, services, and facilities might invalidate the contract or commitment, the contracting agency (1) shall not take advantage of such defect or omission; (2) shall amend, confirm, or ratify such contract or commitment without consideration in order to cure such defect or omission; and (3) shall make a fair settlement of any obligation thereby created or incurred by such agency, whether expressed or implied, in fact or in law, or in the nature of an implied or quasi contract.

"RECORDS, FORMS, AND REPORTS

"SEC. 17. (a) The Director shall establish policies for such supervision and review within the contracting agencies of termination settlements and interim financing as he deems necessary and appropriate to prevent and detect fraud and to assure uniformity in administration and to provide for expeditious settlements.

"(b) The Director shall require the Government agencies performing functions under this act to prepare such information and reports regarding terminations of war contracts, settlements of termination claims, and interim financing, as he deems necessary to assist him in appraising their operations or to assist him or other Government agencies in performing their functions under this act, and may prescribe the terms and conditions upon which such information and reports shall be made available to other Government agencies. The Director may require any Government agency to furnish such information under its control as he deems necessary for the performance of his functions under this act, but any such agency, in its discretion, may furnish any such information deemed by it to affect the national security only to the Director himself.

"(c) The Director, by regulation, shall provide for making available to any interested Government agency such advance notice and other information on cut-backs in war production resulting from terminations or failures to renew or extend war contracts, as he deems necessary and appropriate.

"(d) The Director shall make such investigations as he deems necessary or desirable in connection with termination settlements and interim financing. For this purpose he may utilize the facilities of any existing agencies and if he determines that the facilities of existing agencies are inadequate, he may establish a unit in the Office of Contract Settlement to supplement and facilitate the work of existing agencies. He shall report to the Department of Justice any information received by him indicating any fraudulent practices, for appropriate action.

"PRESERVATION OF RECORDS; PROSECUTION OF FRAUD

"SEC. 18. (a) It shall be unlawful for any person willfully to secrete, mutilate, obliterate, or destroy, or cause to be secreted, mutilated, obliterated, or destroyed—

"(i) any records of a war contractor relating to the negotiation, award, performance, payment, interim financing, cancelation or other termination, or settlement of a war contract of $25,000 or more; or

"(ii) any records of a war contractor and any purchaser relating to any disposition of termination inventory in which the consideration received by any war contractor or any Government agency is $5,000 or more, until (1) 5 years after such disposition of termination inventory by such war contractor or Government agency, or (2) 5 years after the final settlement of such war contract, or (3) 5 years after the termination of hostilities in the present war as proclaimed by the President or by concurrent resolution of the two Houses of Congress, whichever applicable period is longer.

"As used in this subsection, the term 'records' includes, but is not limited to, books, ledgers, checks and check stubs, pay-roll data, vouchers, memoranda, correspondence, inspection reports and certificates. Any corporation violating any provision of this subsection shall be fined not more than $50,000 and any natural person violating any provision of this subsection shall be fined not more than $10,000, or imprisoned for not more than 5 years, or both: *Provided, however,* That the Director, by regulation, may authorize the destruction of such records upon such terms and conditions as he deems appropriate, which may include the making and retaining of photographs or microphotographs. Photographs or microphotographs of any records made in compliance with such regulations of the Director shall have the same force and effect as the originals thereof would have and shall be treated as originals for the purpose of admissibility in evidence.

"(b) The first section of the act of August 24, 1942 (56 Stat. 747; title 18, U. S. C., Supp. II, sec. 590a), is amended to read as follows:

"'The running of any existing statute of limitations applicable to any offense against the laws of the United States (1) involving defrauding or attempts to defraud the United States or any agency thereof whether by conspiracy or not, and in any manner, or (2) committed in connection with the negotiation, procurement, award, performance, payment for, interim financing, cancelation or other termination or settlement, of any contract, subcontract, or purchase order which is connected with or related to the prosecution of the present war, or with any disposition of termination inventory by any war contractor or Government agency, shall be suspended until 3 years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress. This section shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by provisions of existing law.'

"(c) (1) Every person who makes or causes to be made, or presents or causes to be presented to any officer, agent, or employee of any Government agency any claim, bill, receipt, voucher, statement, account, certificate, affidavit, or deposition, knowing the same to be false, fraudulent, or fictitious or knowing the same to contain or to be based on any false, fraudulent, or fictitious statement or entry, or who shall cover up or conceal any material fact, or who shall use or engage in any other fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any benefit, payment, compensation, allowance, loan, advance, or emolument from the United States or any Government agency in connection with the termination, cancelation, settlement, payment, negotiation, renegotiation, performance, procurement, or award of a contract with the United States or with any other person, and every person who enters into an agreement, combination, or conspiracy so to do, (1) shall pay to the United States an amount equal to 25 per cent of any amount thereby sought to be wrongfully secured or obtained but not actually received, and (2) shall forfeit and refund any such benefit, payment, compensation, allowance, loan, advance, and emolument received as a result thereof and (3) shall in addition pay to the United States the sum of $2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the costs of suit.

"(2) The several district courts of the United States, the District of Columbia, the several district courts of the Territories of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall, wheresoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct.

"(d) The provisions of section 35–A of the Criminal Code (18 U. S. C., sec. 80) shall apply to any statement, representation, bill, receipt, voucher, roll, account, claim, certificate, affidavit, or deposition made or used or caused to be made or used for any purpose under this act or under any regulations pursuant to this act.

"GENERAL PROVISIONS

"SEC. 19. (a) Each contracting agency shall have authority, notwithstanding any provisions of law other than contained in this act, (1) to make any contract necessary and appropriate to carry out the provisions of this act; (2) to amend by agreement any existing contract, either before or after notice of its termination, on such terms and to such extent as it deems necessary and appropriate to carry out the provisions of this act; and (3) in settling any termination claim, to agree to assume, or indemnify the war contractor against, any claims by any person in connection with such termination claims or settlement. This subsection shall not limit or affect in any way any authority of any contracting agency under the First War Powers Act, 1941, or under any other statute.

"(b) Any contracting agency may prescribe the amount and kind of evidence required to identify any person as a war contractor, or any contract, agreement, or purchase order as a war contract for any of the purposes of this act. Any determination so made that any person is a war contractor, or that any contract, agreement, or purchase order is a war contract, shall be final and conclusive for any of the purposes of this act.

"(c) There are hereby authorized to be appropriated such sums as may be necessary for administering the provisions of this act.

"(d) All policies and procedures relating to termination of war contracts, termination settlements, and interim financing, prescribed by the Director of War Mobilization or any contracting agency, in effect upon the effective date of this act, and not inconsistent with this act, shall remain in full force and effect unless and until superseded by the Director in accordance with this act, or by regulations of the contracting agency not inconsistent with this act or the policies prescribed by the Director.

"(e) Nothing in this act shall be deemed to impair or modify any war contract or any term or provision of any war contract or any assignment of any claim under a war contract, without the consent of the parties thereto, if the war contract, or the term, provision, or assignment thereof, is otherwise valid.

"(f) The Smaller War Plants Corporation is hereby directed—

"(1) to disseminate information among small business concerns with respect to interim financing, termination settlements, removal and storage of termination inventories pursuant to the provisions of this act and the regulations of the Director; and

"(2) to assist small business concerns in connection with the securing of interim financing and the preparation of applications for such interim financing, the effecting of termination settlements, and the removal and storage of termination inventories, and to make interim loans and guaranties, in order to assure that small business concerns receive fair and equitable treatment from prime contractors and intermediate subcontractors in connection with the termination of war contracts.

"OTHER FUNCTIONS OF THE DIRECTOR

"SEC. 20. In addition to his other functions under this act, the Director shall—

"(a) promote the training of personnel for termination settlement and interim financing by contracting agencies, war contractors, and financing institutions;

"(b) collaborate with the Smaller War Plants Corporation in protecting the interests of smaller war contractors in obtaining fair and expeditious termination settlements and interim financing.

"(c) promote decentralization of the administration of termination settlements and interim financing by fostering delegation of authority within contracting agencies and to war contractors, to the extent he deems necessary and feasible;

"(d) consult with war contractors through advisory committees or such other methods as he deems appropriate.

"USE OF APPROPRIATED FUNDS

"SEC. 21. Any contracting agency is authorized—

"(a) to use for interim financing, the payment of claims, and for any other purposes authorized in this act any funds which have heretofore been appropriated or allocated or which may hereafter be appropriated or allocated to it, or which are or may become available to it, for such purposes or for the purposes of war production or war procurement;

"(b) to use any such funds appropriated, allocated, or available to it for expenditures for or in behalf of any other contracting agency for the purposes authorized in this act;

"(c) to determine by agreement, joint estimate, or any other method authorized by the Director, the part of any expenditure made pursuant to subsection (b) hereof to be paid by each contracting agency concerned and to make transfers of funds between such contracting agencies accordingly. Transfers of funds between appropriations carried upon the books of the Treasury shall be made by the Secretary of the Treasury in accordance with joint requests of the contracting agencies involved.

"DELEGATION OF AUTHORITY

"SEC. 22. (a) The Director may delegate any authority and discretion conferred upon him by this act to any Deputy Director, and may delegate such authority and discretion, upon such terms and conditions as he may prescribe, to the head of any Government agency to the extent necessary to the handling and solution of problems peculiar to that agency.

"(b) The head of any Government agency may delegate any authority and discretion conferred upon him or his agency by or pursuant to this act to any officer, agent, or employee of such agency or to any other Government agency, and may authorize successive redelegations of such authority and discretion.

"(c) Any two or more Government agencies may exercise jointly any authority and discretion conferred upon each of them individually by or pursuant to this act.

"(d) Nothing in this act shall prevent the Director from exercising any authority conferred upon him by any other statute.

"APPLICABILITY

"SEC. 23. (a) This act shall become effective 20 days after the date of its enactment. With the exception of the provisions of paragraphs (b), (c), (d), and (e), of section 12, and of sections 6, 7, 8, 9, 10, and 13 this act shall be applicable in the case of any terminated war contract which has been finally settled at or before the effective date of this act. In the case of any war contract terminated on or after the date of the enactment of this act, termination claims thereunder shall not be settled by any contracting agency otherwise than pursuant to this act.

"(b) Nothing in this act shall limit or affect any authority conferred by the act of March 11, 1941 (55 Stat. 31), as amended, or acts supplemental thereto.

"SEC. 24. Subject to policies prescribed by the Director, any contracting agency may exempt from some or all of the provisions of this act (a) any war contract made or to be performed outside the continental limits of the United States or in Alaska, or (b) any termination inventory situated outside of the continental limits of the United States or in Alaska, or (c) any modification of a war contract pursuant to its terms for the purpose of changing plans or specifications applicable to the work without substantially reducing its extent.

"SEPARABILITY OF PROVISIONS

"SEC. 25. If any provision of this act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

"SHORT TITLE

"SEC. 26. This act may be cited as the 'Contract Settlement Act of 1944.'"

Mr. MAY (during the reading of the amendment):

Mr. Chairman, in view of the fact that this amendment is very lengthy and the amendment being a substitute in the form of the bill reported by the Committee on Military Affairs of the House, to avoid the reading of it, which would consume a great deal of time, I ask unanimous consent that the further reading of the amendment be dispensed with and that I may be permitted to have 15 minutes' time in which to explain the differences in the two bills.

The CHAIRMAN. The gentleman from Kentucky [Mr. MAY] asks unanimous consent that the further reading of the amendment which he has offered be dispensed with, and that he have 15 minutes of time in which to explain the provisions of the amendment. Is there objection?

Mr. WALTER. Mr. Chairman, reserving the right to object, and I shall not object, is this the bill which appeared in the RECORD several days ago?

Mr. MAY. Mr. Chairman, it is the same bill with the necessary changes in the Walter bill, to conform to the principal objectives of the bill of the Committee on Military Affairs of the House, to give the Comptroller General some authority in the consideration of these matters.

Mr. WALTER. Mr. Chairman, I withdraw my reservation of objection.

Mr. SUMNERS of Texas. Mr. Chairman, reserving the right to object, and I shall not object, I understand the gentleman is going to explain the main points of difference between his amendment and the bill that is pending before the House now?

Mr. MAY. Mr. Chairman, that is my purpose; yes, sir.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

There was no objection.

Mr. MAY. Mr. Chairman, the primary purpose of this amendment is to give the Comptroller General an effective place in the contract termination program by providing that the settlements made by contracting agencies shall not become final and binding upon the United States until they have been audited and approved by boards which would operate under the direction and supervision of the Comptroller General. This would not affect the right of contracting agencies to make substantial interim payments pending approval of the settlements.

Other minor changes are necessary in the pending bill in order to make the provisions thereof consistent with the functions and authority which it is proposed to place in the Comptroller General. Specifically, the material changes which would be made in the pending bill S. 1718 are as follows:

Section 6 (c) of the pending bill, which provides that settlements of contracting agencies shall be final and conclusive, would be eliminated since it is inconsistent with the authority which the Comptroller General would have to audit and approve settlements.

The authority which would be given to the Comptroller General under the bill as proposed to be amended will be found in sections 5 and 13, pages 8 and 32, respectively, of the committee print.

Section 7 (a) of the pending bill would be eliminated. This subsection authorizes contracting agencies to approve, authorize, and ratify settlements with subcontractors upon such evidence, terms, and conditions as it desires and to authorize war contractors to make such settlements without review by contracting agencies. This, also is inconsistent with the authority of the Comptroller General to approve settlements and require such evidence as he deems necessary.

Section 8 (g) of the pending bill would be eliminated. This authorizes contracting agencies to settle claims arising out of interim financing upon such terms and conditions as it deems proper. If such authority were granted, the very purpose of having the Comptroller General approve settlements of termination claims could be defeated by contracting agencies in settlement of interim financing claims,

Section 13 of the pending bill would be eliminated entirely. This section relates to appeals, it does not fit with the provisions proposed with respect to the Comptroller General, and is replaced by section 13, page 32 of the committee print.

Section 15 (b) of the pending bill would be eliminated. It authorizes contracting agencies to accept and rely upon such certificates of war contractors as it desires. Simply by accepting and relying upon such certificates the contracting agencies could completely defeat the purposes of giving the Comptroller General effective authority to audit and approve settlements. Settlements could be based entirely on such certificates.

Section 16 of the pending bill, relating to the General Accounting Office

would be eliminated since sections 5 and 13 in the committee print make all the necessary provisions with respect to that office.

All but the first sentence of section 18 (a) of the pending bill would be eliminated. The eliminated part authorizes the Director of Contract Settlement to prescribe the records which would be presented to the Comptroller General. The Comptroller General should have such authority and it is so provided in the proposed substitute bill.

Section 18 (e) of the pending bill would be eliminated since such authority, with respect to reporting frauds, and so forth, already exists, on a broader scale, and need not be restricted as provided therein.

Section 20 (f) would be eliminated as contrary to public policy since it would more readily make possible collusion and fraud.

Mr. COOLEY. Will the gentleman yield?

Mr. MAY. I yield.

Mr. COOLEY. Unless the gentleman's proposal is adopted, what part will the Comptroller General play in the consummation of the termination of these contracts?

Mr. MAY. He will play the part authorized under the Walter bill by section 16, which says that "after final settlement"—and I want you to get those three words—"after final settlement," he shall be able to find out whether the settlement payments to the war contractor were made in accordance with the settlement, and second, whether the records transmitted to it, that is to the Comptroller General, or other information, warrant the reasonable belief that the settlement was induced by fraud.

Mr. COOLEY. In other words, the Comptroller General would not participate unless he discovered fraud in the conclusion of the contract?

Mr. MAY. After settlement; yes, sir.

Mr. COOLEY. After settlement has been made?

Mr. MAY. Final settlement at that. It is stated in the report of the Committee on the Judiciary that his functions are confined to this authority after final settlement.

Mr. COCHRAN. Will the gentleman yield?

Mr. MAY. I yield briefly.

Mr. COCHRAN. In other words, it provides for a post-audit rather than a pre-audit?

Mr. MAY. That is right.

Mr. COCHRAN. The Comptroller General does not enter the picture until final settlement is made, and then he makes a post-audit?

Mr. MAY. That is right.

Mr. COCHRAN. And if he finds that the contractor was overpaid he must collect the money from the contractor, whereas if he made a pre-audit they could deduct that from the final settlement?

Mr. MAY. That is right.

Mr. COCHRAN. That is the law today?

Mr. MAY. Yes.

Mr. BROOKS. Will the gentleman yield?

Mr. MAY. I yield.

Mr. BROOKS. And he only enters for two purposes then?

Mr. MAY. He is restricted to those two purposes, of determining whether the settlement payments to the contractor were made in accordance with the settlement, and secondly, whether the records transmitted to him, or other information, warrant reasonable belief that fraud had been perpetrated.

Mr. KEFAUVER. Will the gentleman yield?

Mr. MAY. I am sorry. I do not yield now.

Mr. KILDAY. Will the gentleman yield to me?

Mr. MAY. I am sorry, I cannot yield. I only have a little time to discuss this question that has been presented, that the House substitute bill will delay termination of war contracts. That argument is not correct. The House bill is more liberal in its provisions relating to termination of contracts than the Senate bill, except that the Senate bill is much more liberal on kicking the Comptroller General clear out of the picture. What I mean to say by that is this: the House bill provides that it is the policy of the Government that notice of termination shall be given at the earliest possible or practicable date. That within 60 days after notice is given, the termination of the contract shall proceed, and that no longer than 6 months is allowed for final audit and completion of the claims after they have been agreed upon by the contracting agency and the contractor. It is limited to that, and unless the Comptroller General completes his audit, and unless he has certified the amount within 6 months after that date, the settlement becomes final and the money has to be paid to the contractor.

There is another feature of our bill that is more liberal than the other bill and that is this: I want the House to get the idea that I got yesterday when the gentleman from New York, in charge of the time on the minority side—I suppose I should call it Republican side now, because both sides are about equally divided—the gentleman from New York was very much concerned because he said he did not want the Government to have its hands in business all the time; that he did not want to tie the hands of industry with the Government at its throat. What they do in the Walter bill is to provide that any loans that are to be made are to be made by the contracting agencies, and that enables the War Department, the Navy Department, and 27 other agencies that are designated by Executive order, to make these loans, whereas the House Military Affairs Committee, discovering and knowing that there were about $60,000,000,000 of idle money in the commercial banks of this country, provided that these loans should be guaranteed by the Government and financed by private institutions, to the extent of 10 percent, which is the remainder after paying them cash 90 percent.

Mr. WALTER. Will the gentleman yield?

Mr. MAY. I yield.

Mr. WALTER. I do not think the gentleman has read the bill that he proposes to amend, because we have provided in it that the commitments by the Government may be used as a basis for loans by private institutions. We were very, very careful to consider that particular phase of the financing.

Mr. MAY. Through the Federal Reserve System, which is a Government agency.

Mr. WALTER. Or any other bank.

Mr. MAY. Yes; but we provide that they may be gotten from the Department only when they cannot be obtained from private sources. That is the way we managed to take the hand of the Government off of the throats of the people of this country.

The President, by Executive order, has extended this power to negotiate and settle contracts to 27 other agencies, including every executive agency that has had anything at all to do with the procurement of materials for war purposes.

I feel that the House of Representatives is going to do today the very thing that is going to raise an issue in this country that may be a vital issue to the future of the country. I am not one of those who believe that the war contractors who are making millions of dollars out of their present contracts, who have made millions of dollars since the war started, are going to go broke at the end of the war unless they have declared dividends and paid salaries and absorbed profits so as to keep the Government from getting them under the Renegotiation Act, and the assessment of taxes.

I read yesterday a part of a list of 12 corporations that have made from 100 to 580 percent in 1 year. It is my view that if those men are operating those plants as they should they ought to be able to have enough money at the end of the war to proceed to convert to peacetime business. That is the problem here. I want to point out one other thing, and I want you to let this go into your minds and think it over. Where does this money go when you allow it to go to the contractors? It goes into the treasuries of the big business concerns, about 65 or 70 of whom have received 90 percent of the war contracts. It does not go into the pockets of the laboring people. After the war is over and the second war starts, that is, those representing the laborers and the big business interests, you will find there will be many an argument and many difficulties, and instead of the workingmen and the returning soldier being given these funds that you are going to give to the war contractors they will be in the treasuries of those contractors, and instead of paying higher wages they will be asking for a reduction in wages. So these funds will not go, as a matter of fact, to the people about whom you are constantly concerned and about whom I am constantly concerned along with you.

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. MAY. I yield.

Mr. ANDREWS of New York. I am sorry that in the statement the gentleman placed in the RECORD he did not show the capitalization of those companies, their losses in prior years, their

reserves today, and the sinking funds with which they must approach the reconversion period.

Mr. MAY. I would like to do that if I had it, but I do not have it. I would like to do another thing. I would like to put in with those things the amount of capital they have set aside, that is, the amount of profits they have set aside as working capital, so we can find out whether as a matter of fact they are getting ready to convert to peacetime business. I, of course, hope they are laying up ample reserves out of their own war profits.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. THOMASON. In that connection is it not true that in the case of a great many of these companies that make such tremendous profits, about 90 percent of their capital was money they got from the Government, money they borrowed from the Government on a shoestring?

Mr. MAY. Oh, my goodness alive. I happen to know of a renegotiated settlement made day before yesterday with a man who did not have a dollar when he went in but came out with $105,000. That has happened in hundreds of contracts. Besides the Government advances 30 percent of the contract price to start most of them in business.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. KILDAY. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. KILDAY. I should like to have the attention of the gentleman from Kentucky for a minute. As I understand it, the gentleman has just offered as a substitute for the committee bill the document which appeared here as a committee print dated June 17, 1944, and headed, "Containing a substitute to the committee amendment to S. 1718 here proposed on behalf of the Committee on Military Affairs." Is that correct?

Mr. MAY. That is right.

Mr. KILDAY. Do I understand the gentleman purports to be acting for the Committee on Military Affairs in offering this as a substitute?

Mr. MAY. I am offering it in my own behalf.

Mr. KILDAY. The gentleman is offering this as an individual; is that correct?

Mr. MAY. Yes; and on behalf of the committee, of the committee membership that reported the bill.

Mr. KILDAY. It is true that the Military Affairs Committee has never authorized or directed the gentleman to offer this on their behalf? Is that correct?

Mr. MAY. There has not been a formal meeting of the Committee on Military Affairs to authorize it, but the group of members that voted the bill out and authorized its report directed me to do this.

Mr. KILDAY. It is also true, is it not, that this bill was never considered by the Military Affairs Committee in any type of meeting. Is that correct?

Mr. MAY. I did not get the question.

Mr. KILDAY. Is it not true that this bill the gentleman has offered as a substitute has never been considered by the Military Affairs Committee in any sort of meeting?

Mr. MAY. This is the substance of the bill reported by the House Military Affairs Committee, offered as a substitute for the Walter bill with certain things stricken out of the Walter bill and certain things added to the Walter bill so as to make it conform to that provision of the House bill which was reported as the committee bill relating to the Comptroller General.

Mr. KILDAY. Very well; now, the bill that the Committee on Military Affairs reported was H. R. 3022.

Mr. MAY. Yes.

Mr. KILDAY. And it consisted of 25 pages, whereas the bill the gentleman has offered as a substitute here contains 50 pages. Is that correct?

Mr. MAY. That is correct, but I may say——

Mr. KILDAY. All right; the gentleman has answered the question I asked.

Mr. MAY. Yes.

Mr. KILDAY. Is it not also correct that in the bill the Committee on Military Affairs reported there was no such thing as the director of contract settlement? Was there?

Mr. MAY. There was a provision——

Mr. KILDAY. Just answer yes or no, please.

Mr. MAY. I will answer as I want to.

Mr. KILDAY. Mr. Chairman, I do not yield for a speech.

Mr. Chairman, I think it is evident that my statement is correct.

Mr. MAY. I do not answer yes or no, either; I have been on the witness stand before.

Mr. KILDAY. Mr. Chairman, I think it is quite evident what is transpiring here. This subject has been considered by men in and out of governmental affairs for a period of months and years. It has received the careful and conscientious consideration of many men—military, naval, and civilian. It has been considered by the committee of the Senate; it has been considered by the Committee on Naval Affairs of the House; it has been considered by the Committee on Military Affairs of the House, by the Post-war Economic Policy and Planning Committee of the House, and it has been considered by the Judiciary Committee of the House. Every committee which has considered this bill has reported substantially as has the Committee on the Judiciary the bill which we are now considering. The only people who have taken any position comparable to that of the gentleman from Kentucky is a handful of members of the Committee on Military Affairs. It is true that the report which I signed was signed by 12 other members of the Committee on Military Affairs. That is exactly one-half of our committee; we have 26 members. Thirteen of those members joined in a report which was in accordance with the views of the Committee on the Judiciary. How many of the others conformed to what would be called the majority report no one knows, because it is signed by no one. Only those of us who have filed additional views have stated our position.

Nobody knows anything about this substitute which the gentleman from Kentucky has offered. I do not know where it came from. I have here in my hand a bill I just picked up from the table. It shows the material which has been imported into it vastly in excess of the amount of material contained in the bill reported by the Military Affairs Committee. One of my colleagues on yesterday made a speech here against the creation of the office of director of contract settlement. This bill which I now understand is offered on his behalf does not contain provisions for 1 director of contract settlement but for 49 such offices—the national one and at least 1 in each State.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. KILDAY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. MAY. Reserving the right to object, will the gentleman yield for a question?

Mr. KILDAY. I will yield; yes, notwithstanding the fact my chairman refused to yield to me I will gladly yield to him.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas that he may proceed for 5 additional minutes?

There was no objection.

Mr. KILDAY. Mr. Chairman, I yield to the gentleman from Kentucky.

Mr. MAY. The gentleman understands this was an amendment I was offering on my own behalf.

Mr. KILDAY. Yes; I just wanted to make sure that everyone else understood that this was an amendment offered by the gentleman from Kentucky and that it is not offered on behalf of the Military Affairs Committee.

Mr. MAY. And I had 100 copies printed for the convenience of the membership.

Mr. KILDAY. Yes; but I just wanted to make sure that the statement at the top was not understood by the membership to mean that it says that it is offered on behalf of the Military Affairs Commitee, but that it is offered by the gentleman from Kentucky on his own responsibility.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. FISH. Will the gentleman further emphasize that no department and no agency of the Government have endorsed this proposal, whereas they all have endorsed the pending bill, and three committees of the House likewise.

Mr. KILDAY. I do not know just where this came from; nobody knows; we have not been told. There is some very nice printing in here, whoever wrote this bill did a nice job of drafting. Apparently the bill reported out of the Military Affairs Committee was worked over, but who did this I do not know.

I regret that in the discussion of this question so much heat has been developed for it is one of the most important questions this Congress will ever be called upon to discuss, it affects the life of this Nation. The economy of this Nation is going to be completely wrecked unless we adopt the correct system of contract termination. There is nothing involved here about saying somebody made too much money out of a contract; I am in favor of taking it all away from them by taxation, the proper way to do it. The thing that concerns me here is to provide employment for 7,000,000 men who will return from the Army and 3,300,000 men who will come back from the Navy, provide places for them when the war is over. They are entitled to a job in industry and not a dole or W. P. A. Unless industry is able to reconvert from their wartime production to peacetime production this cannot come about. All the countries of Europe for 10 years have been putting all their resources into war materials and for almost five years have been destroying everything they have. There will be a crying need for every type of civilian equipment when the war is over, and the nation that gets into production first is going to get the markets of the world. When the war ceases we have got to have ready a system under which these war contracts will be terminated—a system under which industry can quickly go back to making automobiles, washing machines, typewriters, vacuum cleaners, everything of that kind. You are not going to do that if you tie up these termination settlements over a long period of time; that is not going to solve this problem. This is a problem that means the careful consideration of every man who sits in the Congress of the United States.

I think it should receive that calm consideration and it did receive that consideration from all of your committees. All of them have agreed upon a bill substantially in accordance with this bill, except this small group of the Military Affairs Committee which insists on offering this substitute that no one has ever considered in or out of meeting.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KNUTSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, first of all, I want to compliment the Judiciary and associate committees for having handled a very difficult and ticklish problem in an able manner. The product of the committee's labor shows a thorough understanding of this very important prob'em which will become increasingly important each day. I am so well satisfied with the work that the committees have done that I would be loath to see any amendments adopted that may in any way change the character of this legislation. Mr. Chairman, we cannot expect to legislate on such a matter on the floor of the House. These committees have held exhaustive hearings and certainly the members thereof are more familiar with this legislation and the needs of the country at this particular time than are we who have not even read the hearings.

Mr. WOODRUFF of Michigan. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Michigan.

Mr. WOODRUFF of Michigan. I think it is only fair to the House to say that the gentleman now addressing the Committee was here during the time when the contracts were settled following the First World War. He was a Member of this great deliberative body and the experience he gained at that time well fits him to speak with authority on this particular question.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I was here, too, after the other war. The Graham committee was appointed and after an exhaustive investigation they developed so much corruption and fraud it induced the House and the Congress to pass an act that created the Office of Comptroller General. One of the things that disturbs me about this whole matter is that the men who made the contracts and the contractors alone make the settlement. I would like to see some disinterested agency sit in on the proposition.

Mr. KNUTSON. I have only read this bill once, but as I read it, in my opinion, the interests of the Government are fully protected. I am sure the committee has not overlooked that very important phase of this question. Certainly, it has taken cognizance of the Government's interests. I am not speaking against this particular amendment nor any amendment, neither have I reference to any amendment that may be offered. I do think, Mr. Chairman, that on an important measure such as we have before us at this time we should go very, very slow in adopting amendments on the floor of the House that have not been examined by the committee and that probably no witness has testified on.

Mr. COOPER. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Tennessee.

Mr. COOPER. I am sure the gentleman will also emphasize the fact that six committees have considered this bill. Five of them have approved it and half of the sixth committee has approved it. It is doubtful whether any measure coming before this House has received the thorough, careful, and painstaking consideration that this bill presented by the Judiciary Committee has received.

Mr. KNUTSON. I am sure of that.

Mr. MAY. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Kentucky.

Mr. MAY. The gentleman, of course, heard me say yesterday, and also the gentleman from North Carolina [Mr. DURHAM], that the Committee on Military Affairs of the House had made a careful study of this matter for more than a year. The hearings are in print. The War Department was represented, the Comptroller General was there, everyone who had an interest in it and wanted to appear, big business as well, appeared before that committee. Does the gentleman doubt that the Committee on Military Affairs has given careful consideration to it?

Mr. KNUTSON. Do I doubt that the gentleman's committee has given careful consideration to it?

Mr. MAY. Yes.

Mr. KNUTSON. Why, certainly not. The Committee on Military Affairs of the House is one of the most careful and respected committees of this House and I pay tribute to the able and popular chairman of that committee.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROOKS. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Kentucky [Mr. MAY].

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana [Mr. BROOKS]?

There was no objection.

Mr. BROOKS. Mr. Chairman, I rise for the purpose of speaking on behalf of the matter of getting the Comptroller General into this bill at the time the contract termination is being negotiated and keeping him in there until the contract is finally terminated and the money paid. Anyone who has reviewed the debates in this Congress in the early twenties, immediately after the last World War, will recollect that for a period of several years this Congress gave exhaustive thought and attention to the matter of the scandals arising out of the last war. As a result of almost 4 years' debate, there came out of the Congress the organization now known as the Comptroller General's Office. It came as a result of the shocking scandals of the last war in connection with contract terminations.

The headlines of the newspapers of those days paralleled the debates in the Congress, and I have asked for this time to read a few of the headlines, some of which you may recall. Some of them will refresh your memory concerning deeds which were representative and concerning which, especially so far as this phase of them is concerned, we do not look back upon with pleasure. I am going to read now from some headlines appearing in newspapers largely between the years 1920 to 1922.

I read first from the Louisville Times of April 24, 1920:

Calls United States robber roost in attack on profiteering.

Senator CAPPER says corporations' profits range from 20 to 200 percent. Flays sugar gamblers.

I read next from the San Francisco Examiner of December 22, 1920, the following headline:

United States officials linked to coal profiteering. Wholesaler charges group of Government men profited by $600,000 in one big deal.

Rail chief and Army officer also accused in executive session of Senate probers.

Next I desire to read, Mr. Chairman, from the San Francisco Examiner of

December 23, 1920, the following headline:

United States gouged by coal barons.

From the headlines of the New Orleans Times-Picayune, April 13, 1922, I read:

War contracts yield millions, Weeks admits—

That was Secretary Weeks—

Secretary says audit reveals some cases of fraud.

Then again, from the New Orleans Times-Picayune, May 3, 1922, we have the headline:

Wartime fraud charges ordered pressed for trial—Legislative and executive government branches take action.

Then in the New Orleans Times-Picayune, May 23, 1922, we find the headline:

Charges of fraud laid by Caraway upon Daugherty.
Arkansan says jury would convict United States Attorney General. Morse case again aired in Senate.
Taft's confidence betrayed in freeing shipbuilder, is allegation.

Then coming down to the Times-Picayune of June 1, 1922, we find the headline:

Democrat has hand in war fraud inquiry. Former Senator Thomas sworn in to assist grafter hunt.

Then from the Times-Picayune of June 2, 1922, I quote—and this seems very down to date:

Partisan storm breaks in House over war frauds. Fury rages after Rules Committee blocks probe plans. Democrats resent Republican charge. Garrett and Campbell are cheered in bitter exchanges.

Then from the Times-Picayune of June 22, 1922, we find:

War fraud jury calls for books of Orleans bank.
Financiers of other cities also wanted in probe of lumber deals.

Then, Mr. Chairman, the Christian Science Monitor of Boston, Mass., under date of August 16, 1922, carries the headlines:

War fraud cases require new law.

That is the law we are referring to.

Mr. Daugherty urges changes in legislation affecting the summoning of witnesses.

Here is the September 3, 1922, headline in the Washington Post:

War profiteering told by Legion's magazine. Series of articles will deal with instances; spoiled meat mentioned first.

Washington Evening Star headline dated September 3, 1922:

Legion paper hits war profiteering. "Who Got the Money," is title of article on United States expenses.

From the Washington Post, October 6, 1922, I quote, Mr. Chairman, from the headlines:

Government suit charges air fraud. Seeks to recover $2,408,267 from Dayton plane company under contracts. Blames former officials. Bill claims fixed sum was paid to operate movie and amusement park.

Here is the Washington Evening Star, October 7, 1922, headline, and I quote:

Thirty officers involved in auto sales fraud. Government ready to press charges in Camp Holabird disclosures.

Then there is the Washington Evening Star of October 17, 1922, in which the headlines read:

Grand jury to probe war frauds complete. Chief Justice McCoy instructs members regarding their duties under the law.

Washington Post, October 17, 1922, headline:

"War frauds" inquiry to be resumed today. Chemical Foundation case first to be considered by new grand jury.

Next in the Washington Post of November 24, 1922, and I quote:

War contractor settles. Daugherty recovers $670,000. Full amount of Government claim.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Kentucky.

Mr. MAY. As I recall the debate yesterday, the gentleman from Texas [Mr. THOMASON] referred to war-contract frauds during the last World War. He was followed by the gentleman from Alabama [Mr. SPARKMAN] who said that he had asked the Legislative Reference Service of the Congressional Library to furnish him with facts about it, but they could not find any. I wonder what they were reading about at that time.

Mr. BROOKS. These are the actual headlines in the newspapers published at the very time that this Congress was debating the question whether or not we should establish the Comptroller General's Office. My interest in the matter is to see that the Comptroller General's Office that was established by this Congress to take care of war wastes, extravagance, and frauds is not set aside at the first time when we are again called upon to terminate contracts totaling vast sums of money.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Pennsylvania.

Mr. WALTER. In view of what has been said concerning war frauds 20 years ago, I think the House might be interested in knowing what the present situation is. I read from a letter that I just received from the Assistant Attorney General in charge of war frauds, in which he says:

The Department has not as yet received any references from any of the interested agencies or any preliminary information from any source indicating fraud or crime in connection with termination of contract agreements.

Mr. BROOKS. I am very happy that the gentleman brought that up because that was the situation in the last war. The frauds did not become known until after the war was over, after the contracts were settled and the money paid, and the defaulters gone.

What we want to do now is to have the Comptroller sit in on the termination transaction before the payment is made and thereby save the taxpayers of the United States millions of dollars and prevent the frauds and extravagances of the last war in termination of contracts. I am trying to save our people a repetition of their experiences following the last war. It is far better to have the Comptroller in his official capacity prevent the wrongdoing and the extravagances than it is to try after the money is paid to recover the money and to punish the culprit. The bill as presently drawn is merely closing the door after the horse is gone.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Chairman, as my distinguished colleague the gentleman from Texas [Mr. KILDAY] has just stated, and as everybody knows, when this war ends, the producing machinery of the country engaged in war activities quits, people go off the pay roll until we can turn to peacetime production. About two-thirds of our machinery is in war production. To avoid paralysis we will have to turn production machinery from war to peacetime production quickly. These manufacturers who have war contracts in various degrees of completion will have their assets largely tied up in incompleted articles. That will be especially true of small plants. The Government must stop their war production. The Government will owe them money. Hundreds or thousands of contractors will be in that situation. Time will be a major factor. The slow paces of Government settlement would imperil the whole economy. Everybody agrees to that. How to settle with these contractors speedily so that we do not become paralyzed before the conversion can be made has concerned the whole country for months. The Baruch committee has been working at it; so has the Naval Affairs Committee, the Military Affairs Committee, the Colmer special committee, and, finally, the Judiciary Committee, which has reported out this bill.

These committees all came to substantial agreement except the Military Affairs Committee which divided equally, so we are advised. What we do in this bill is to establish one agency with broad powers with reference to the machinery through which the settlements are effected. The director is selected exactly as the Comptroller General is selected by the President of the United States with the approval of the Senate, before he can go into action. The responsibility and the power is given to him to guide and control the working out of these settlement arrangements so as to be fair to the contractors and protect the Government consistent with the speed necessary to prevent industrial paralysis and prevent widespread unemployment.

It is provided that the Comptroller General can investigate any of these transactions, and it is his duty to report any frauds that he detects to the Attorney General. I was here during World War No. 1. Benefiting by that

experience, I suggested to the Attorney General 2 or 3 years ago that there should be established in the Department of Justice a special department to prosecute war frauds. In an article by the Attorney General appearing in Collier's last February the Attorney General states:

As a result of a suggestion from Congressman HATTON W. SUMNERS, of Texas, chairman of the House Judiciary Committee, who was very much concerned with our experiences in the last war (he became a Member of Congress in 1913), I set up a war frauds unit in the Department of Justice in February 1942.

That department has done excellent work.

The Judiciary Committee reported legislation extending the statute of limitation as to these war frauds so that those guilty of such fraud would not escape because of the confusion incident to the war.

The committees feel that all the safeguards have been provided consistent with the necessity to get these matters settled quickly, so that peacetime production can begin.

Effecting these settlements is not any ordinary auditing job. Whoever is trained in the job of auditing is not necessarily trained in the job of doing rapid-fire conversion of this war producing machinery into peacetime machinery. It requires somebody who can go into these plants, familiar with their operation, where there may be hundreds or possibly thousands of various things in different stages of completion and negotiate a fair settlement. Just imagine someone who has been trained to audit things going into one of these plants and taking each one of these little pieces and figuring out what percentage of it has been produced. It is not an easy thing to do. There will be frauds, no doubt. We have incorporated in this bill heavy penalties for false statements. The fraud and conspiracy penalties are heavy. More committees of the House have studied and worked on this matter than on any other which I recall. They are in great degree in agreement.

Mr. Chairman, I hope that we can conclude this debate soon. The issue on this amendment is clearcut. I hope we can agree very quickly to conclude the debate and have a vote on this amendment.

Mr. POULSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. POULSON. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

Mr. THOMASON. Reserving the right to object, Mr. Chairman, may I say to my friend from Texas that this is the heart of the bill. This determines the issue, in effect.

Mr. COOPER. That was debated all day yesterday.

Mr. THOMASON. I have never seen quite such anxiety and solicitude to hasten to conclude the debate on a bill that has already been stated by my colleague from Texas and others to be the most important bill that has been before the House this session, so I object, Mr. Chairman.

Mr. SUMNERS of Texas. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 35 minutes.

The motion was agreed to.

Mr. WALTER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WALTER. I understand that the gentleman from California [Mr. POULSON] was recognized for 5 minutes. In view of the fact that that would mean that only seven Members could speak if they all had the same length of time, I think the Chair before fixing the time for anyone ought to determine how many Members were on their feet.

The CHAIRMAN. The gentleman from California had been recognized before the time was fixed.

Mr. COLMER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLMER. Has the time been allotted, Mr. Chairman?

The CHAIRMAN. No allotment of time under the motion has been made.

Mr. POULSON. Mr. Chairman, there are a few things that I have learned here in Congress and one of them is that you should know something about the subject being discussed before you speak here on the floor of Congress. I think I have a fair knowledge of this subject from my practical experience.

Speaking as a certified public accountant I think it asinine and unsound to require accountants of the General Accounting Office to negotiate the terms and conditions of a termination of a contract. In the first place, the true science of accounting calls for the reporting of what has happened and not what should happen; the checking of the transactions to see that the requirements of the contract have been lived up to and not what these requirements should be. Ethical accounting definitely does not cover the field of forecasting. While individual accountants might have the technical or general knowledge to pass on these subjects in as qualified a manner as some of the individuals in the contracting department, it is because of the fact that they are personally possessed of that ability and not because accountants are trained for that purpose. I have a high respect for Mr. Lindsay Warren and know that in the General Accounting Office they have some of the best talent in the country but this job of adjusting the problems involved in the termination of contracts does not in my opinion come within the scope of the duties of an auditor.

The factors involved in the termination of a contract are many, too many to mention under the short time allotted me, but I do want to point out that they are principally factors which do not come under the technique of accounting as they are intangible.

The gentleman from Georgia [Mr. VINSON], chairman of the Naval Affairs Committee, brought out yesterday the fact that the General Accounting Office is in arrears 14 months at the present time and with the added duties of assuming this additional duty it is no doubt they would be in arrears many more months. What happens then; we have defeated the purpose of this bill—speedy reconversion to peace-time production.

Remember this delay definitely discriminates against the type of contractors whom we should be interested in helping; namely, those who do not have the large resources and who have most of their profits and many times their entire assets tied up in these unpaid claims awaiti g adjustment. The result would be that the money "sharks" would be able to prey on these unfortunate individuals or companies and in the long run they would not be able to reconvert into peacetime production.

There is more room for demagoguery on this subject than on the proposition that the War and Navy Contracting Departments are unfair or even dishonest. In fact we have a greater protection in allowing one agency to terminate these contracts and then allowing the General Accounting Office to follow up with their general post-audit. At this point I certainly advocate that the Auditor General be instructed to still continue his audits but that these settlements not be held up until this audit is made.

The penalties are still stiff enough for the protection of the public against fraud and the like, and the General Accounting Office still has the authority to check for that. In fact is it not safer to have the General Accounting Office checking on the procurement divisions of the various departments rather than have the General Accounting Office checking on themselves, where they have made the termination agreements? In other words, let us proceed on the basis of efficiency and have a real system of checks and counter checks.

I am proud of my profession and I want it to still stay on that high plane which it holds today and that means it must confine its activities to that of reporting facts and detecting fraud. Under no circumstances should it enter the field of adjusters. By all means it should not forsake its duty of protecting the public and it should continue to ferret out those who have dishonestly profited from this war. To do that it must keep its hands clean of any job of a trader, adjuster, or compromiser.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. POULSON. I yield to the gentleman from California.

Mr. HINSHAW. The gentleman is a certified public accountant. I think he is making a very fair statement concerning the relationship between accountants and the termination of contracts.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. POULSON. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. I appreciate the very clear statement the gentleman has made on this subject. I call his attention to the fact that there are 2,000,000 subcontractors, little men who have no privity with these big contractors who have been mentioned today. Unless those men can get their money and be freed from the contracts they have and be ready to go back into business, there will be thousands of men who cannot get employment.

Mr. POULSON. The real purpose of this bill is to save those people.

The CHAIRMAN. The time of the gentleman from California has expired.

The CHAIRMAN. The Chair desires to state that seven Members have indicated their desire to speak on this amendment. No Member of the committee appears on this list.

Mr. WALTER. I was standing, Mr. Chairman.

The CHAIRMAN. The gentleman from Pennsylvania desires to be added to the list and the gentleman from Tennessee. That makes nine Members.

Mr. SPARKMAN. Mr. Chairman, may I suggest that the list be read?

Mr. THOMASON. Mr. Chairman, does that mean that after the time is set, 6 or 8 or 10 more Members can come in and be included on the list?

The CHAIRMAN. The time was not set without these gentleman having originally indicated their desire to speak on the amendment.

Mr. THOMASON. I believe I am well within the facts when I say that when the time was set there were seven Members standing, and those of us who think there ought to be fair and liberal debate on this important measure objected. Now at least four or five more Members are on their feet. Certainly the members of the committee are entitled to time, but now others who are not members of the committee and who have not given the question the study the Committee on Military Affairs has given it want to be heard. I do not desire to cut them off, but I say that is hardly fair to those of us who objected.

The CHAIRMAN. The Chair desires to say, first of all, that the name of the gentleman from Pennsylvania should have been added to the list at the time, making it eight Members. The Chair will recognize none except those whose names appeared on the list at the time the motion of the gentleman from Texas was adopted.

Mr. THOMASON. Mr. Chairman, is another unanimous-consent request in order at this time?

The CHAIRMAN. The gentleman will state it.

Mr. THOMASON. Mr. Chairman, I ask unanimous consent, in all fairness to everybody on this measure, that the time be extended to 1 hour.

The CHAIRMAN. The gentleman from Texas [Mr. THOMASON] asks unanimous consent that time for debate on this amendment and all amendments thereto be extended to 1 hour. Is there objection?

Mr. WALTER. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from California [Mr. ANDERSON] is recognized for 4 minutes.

Mr. ANDERSON of California. Mr. Chairman, as a member of the Naval Affairs Committee of the House, I heartily endorse the bill reported by the Committee on the Judiciary and I intend to support it and vote against the substitute offered by the gentleman from Kentucky [Mr. MAY]. I yield to no Member of the House in my high regard for the man who presently heads up the office of the Comptroller General. But I, like many other Members, encounter frequent exasperation in dealing with the General Accounting Office on claims against the Government. For the information of the House, and as an example of their frequently unreasonable and unrealistic attitude, I would like to read into the RECORD an opinion of the Court of Claims reported on a debt against the United States. This opinion was rendered on September 26, 1941.

The opinion is as follows:

[Copy of an opinion rendered in the Court of Claims, as reported in LXIX Washington Law Reporter 964, September 26, 1941]

DEBTS DUE BY THE UNITED STATES

Belcher, Executrix, v. *the United States,* No. 45,258 in the Court of Claims. Opinion of Jones, judge:

In 1935 and 1936 the defendant, through its authorized agent, purchased from Thomas N. Belcher, who was engaged in the mining and marketing of coal under the name of Bevier Milling and Mining Co., 100,325 tons of coal, at an agreed price of $2 per ton. The coal was delivered in accordance with the terms of the purchase agreement and used for furnishing heat for the post office building at Central City, Ky. The Fourth Assistant Postmaster General certified approval of the contract. Defendant has not paid for the coal. The vendor died subsequently, and his widow, as executrix, instituted this suit to recover the contract price.

The essential facts are as simple as that.

The excuse for not making payment is stated by the Acting Comptroller General in a letter that is singularly free from any suspicion of logic.

It states that after the contract had been completed, the vendor borrowed money at the bank; that the note was signed by T. N. Belcher and George L. Wallace, the then postmaster, and that since the vendor received the proceeds of the note he has been paid in full. The fact that the bank demands payment of the note, and that the defendant used the coal and made payment to no one are small items that appear to have been overlooked.

The bank was apparently amazed at the intricacies of the line of reasoning set out in the Comptroller's letter; it suggested that there must be some misunderstanding, since the bank had merely made a loan, but the General Accounting Office stood its ground in a second letter of denial.

We confess that we are also just a little surprised at the contents of the letter. It has neither pattern nor syllogism, but it certainly has point.

This method of settling Government obligations is so novel that, if reduced to practice, it should be patentable. It would solve many national problems. The holder of a Government obligation at one time or another is usually in need of money. He borrows money at the bank, and, ergo, the Government's obligation is settled.

If this obligation were a large one it would be bad enough. But when it is for an amount so small that the value of the time and expense of litigation will eat up its substance, it is indefensible. That a just government, or any responsible officir thereof, would pursue a course that would make such action necessary is almost incredible. It is one of those strange things that sometimes appear in the processes of free government.

It is to be regretted in the circumstances that we have no jurisdiction to allow interest or attorney's fees.

The defendant received the coal that had been purchased at a price which the Fourth Assistant Postmaster General conceded was very low. It used the coal. It has not paid the bill.

The plaintiff is entitled to recover the sum of $200.65.

It is so ordered.

Madden, Whitaker, and Littleton, Judges, and Whaley, Chief Justice, concur.

Now, Mr. Chairman, If we adopt the substitute offered by the chairman of the Military Affairs Committee, which literally authorizes interminable delays in the settlement of terminated war contracts, we are apt to throw this entire cuntry into an economic tail spin.

Let us look at some of the reasons why the substitute should not be adopted:

First. The financial records and statements of contractors as a whole are more reliable than they were at the end of the last war, due to the following factors:

(a) Tremendous increase in ability of accounting personnel of contractors; now including thousands of graduates of comprehensive accounting courses given by numerous schools and universities, also many individuals with several years of experience in public accounting practice.

(b) Contractors have been required to submit more reliable statements due to constantly increasing investigations and exactitude required by rules, regulations, or requirements of the collector of internal revenue, the Securities and Exchange Commission, and other Government agencies as well as of private investors and credit grantors.

Second. Due to the improvements in the accounting procedures and systems of internal control of contractors as a whole, public accountants have considered it permissible to resort more and more to reviews and test checks in lieu of complete detailed audits. Accounting representatives of Government agencies, other than the Comptroller General, have considered it permissible and advisable to make similar changes in their procedures in examining costs under cost-plus-fixed-fee Government contracts, but have been severely handicapped in so doing by the necessity of perusing numerous vouchers and records in order to assure themselves that the detailed documentary evidence requirements of the Comptroller General are complied with. Any attempt to apply such requirements to records underlying negotiated settlements of fixed price supply contracts would result in chaos.

Third. A current perusal of a contractor's proposal by competent accounting and technical personnel of a contracting agency is far better than a complete mechanical postaudit after the production lines, physical inventories,

and many of the contractor's employees have disappeared. Many of the more serious exceptions taken by the contracting agencies result from current observation and discussion, not from mechanical postauditing. Delayed postauditing will be impractical in cases where substantially all of the contractor's accounting personnel have been discharged.

Fourth. The review of a contractor's proposal will be made by a group of individuals representing the contracting agency or the higher-tier contractor. Such individuals will cooperate with each other in making the review. They will be subject to supervision by superiors. Their work will be subject to review by their superiors and by the contracting officer or his representative. Larger claims will be subjected to examination by special review boards. Contracting officers or their representatives must sign the settlement agreements, but the action of a contracting officer will be much less independent and more restricted in negotiating a settlement agreement than it was in negotiating the original fixed-price contract. Due to the number and various duties of the individuals participating in a negotiated settlement, the contracting agencies should be able to develop ample procedures for satisfactory internal checks and control in connection therewith.

Fifth. Due to the numerous intangible factors entering into a negotiated settlement, meticulous accuracy in accounting matters is not essential and would seriously delay the settlements. Minor errors, if any, detected in a postaudit by the Comptroller General, would not change the negotiated settlement amount.

Sixth. The contracting agencies have exhausted the available supply of experienced accountants. Their staffs of accountants and technical inspectors are experienced in procurement activities and are being trained in termination procedures. The Comptroller General could not build up a sufficient staff of accountants, much less train them, within the time limit at which termination settlements must become final in order to avoid costly delays in current procurement and in reconversion of industry. He has no staff of technical inspectors and his examination would be limited to a mechanical postaudit. The work of the Comptroller General in reviewing payments under cost-plus-fixed-fee prime contracts is far behind actual payments. It is probable that he would be years behind in reviewing the termination settlements of the more numerous fixed-price prime contracts and the indeterminate but huge number of underlying subcontracts.

Seventh. There have been few financial scandals in connection with procurement activities and the amounts involved are insignificant in relation to the amount of the total procurement program. This indicates that the financial representations of contractors together with the examinations being made by the contracting agencies can be relied upon. The Government's interests are being adequately protected and, therefore, Congress would be justified in relieving the Comptroller General of the obviously impractical task of making postaudits of all negotiated settlements under terminated fixed price supply contracts. No audits or series of audits could guarantee the detection of every type of irregularity. In most cases the contracting agencies will have to resort to formula settlements in respect of fraudulent claims, and such settlements will be subject to postaudit by the Comptroller General. The Comptroller General should be permitted, but not required, to make postreviews of any or all termination settlements for fraud, and this is properly provided by S. 1718.

The CHAIRMAN. The time of the gentleman from California has expired.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. THOMASON. Mr. Chairman, I wish I had time to read the facts in a few of the cases I have here. I would start in first, I think, on account of its freshness, with the Rohl case in Honolulu. Then I would bring in some of the other 270 cases which the Comptroller General of the United States brought before our committee. They are in the committee room now. He has in many of those cases, and they were picked at random, recovered many, many millions of dollars, and when he presented the contractors with the facts they paid, and paid promptly. I did not tell you about a case out in Utah at an Army base where a lot of batteries were sold for $6,000 and they were soon thereafter resold by the outfit which bought them for $40,000. I could go up into New York State and show you one of those cases where a man went out and bought some land at $40 an acre and turned around and sold the property for $400 an acre. I am here to say on my responsibility that those 270 cases show the need for auditing and supervision by some independent agency. No man on earth can read those cases and say that the best interests of the taxpayers of America had been protected. I cannot quite understand all this solicitude for big contractors and all this haste and anxiety on this important measure.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. KILDAY. Does not the gentleman realize that in every instance to which he refers the job or the contract was subject to audit by the General Accounting Office and it was under constant audit?

Mr. THOMASON. Please do not take up my time talking about technicalities. The gentleman had extra time given him to speak. Here it is proposed to put the contractor on one side of the table and the representatives of War or Navy Departments on the other side of the table. They are the ones who made the contract. The contractor naturally wants to get all the money he can out of his contract. Here you have the contracting officer of the Army and Navy who made the contract and consequently who have some pride of authorship. Perhaps they have gotten pretty well acquainted with each other sitting down at that table and have become intimate friends with many social contacts. When the contract is terminated, it is terminated, and the man who heads the office which your predecessors and mine in this House have said should check on expenditures of the taxpayers' money and the money of the Government of the United States, does not have one word on earth to say about it and no authority to do anything about it. I repeat what I said yesterday, that he is the only man in the Government today who speaks as an independent representative of this Congress and of the taxpayers of this country. The attitude of some is just beyond my understanding. The Comptroller General has nothing to say in the matter. Why not be frank and proceed to abolish the General Accounting Office? You can take the terms of this bill and the Comptroller General is just so much "window dressing." He can sit around the table, look and listen, but there is nothing he can do when he sees the Government being skinned.

I do not believe you can defend that action before the taxpayers and the people of America. I am here seeking to defend the dignity and the duties of the Comptroller General's Office as an independent agent and representative of Congress and the taxpayers of the country. Under the terms of this bill he can sit in but do nothing about it unless there is fraud, and you lawyers know that is a hard thing to prove. All the Comptroller General can do is to report the matter.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. BATES of Massachusetts. Does not the bill provide a post-audit by the Comptroller General?

Mr. THOMASON. Oh, sure, after the horse is stolen, there is no use to lock the barn door.

Mr. BATES of Massachusetts. In case of fraud he can take action.

Mr. THOMASON. Oh, sure, you know what fraud is; I assume, being a good lawyer, you know how hard it is to prove.

Mr. BATES of Massachusetts. I am not a lawyer at all, but common sense tells us that is the only sensible procedure.

Mr. THOMASON. But it is the old story of locking the door after the horse is stolen. The money is gone, the settlement is made, and the whole matter just as well be forgotten. Uncle Sam will hold the sack, as usual.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Miss SUMNER of Illinois. Mr. Chairman, can the gentleman explain that which nobody has explained yet, why it is so difficult for a man who has a contract and the money due, of course, is not definite, to go to a bank and get himself a loan?

Mr. THOMASON. Mr. Chairman, may I say to the gentlewoman from Illinois, under the terms of this bill if a contract is closed, if the job is complete, he gets every cent of his money and if it is not

complete he gets 90 percent of his money and a 10 percent loan from the Reconstruction Finance Corporation. I contend the Comptroller General has the same facilities for getting this job done promptly as the war agencies. He has no interest except the public interest and nobody to serve except the taxpayers.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, the first bill that was placed before a committee of Congress on the subject of contract termination came from the War Department to the Committee on Military Affairs, and it consisted of 16 lines. In substance, that bill said that notwithstanding any other provision of law, the Secretary of War should have the right to deal with contract terminations as he saw fit. Substantially that is the bill that is before you today. A great many words have been added. A great many provisions have been written into the bill. I want it understood that I do not question the motives of any person who helped write the bill that is now before us. All of us here today are trying to prepare a speedy and simple method of terminating contracts. We know that reconversion of American industry to peacetime pursuits at the earliest moment following the war may mean the difference between depression and sound economy. But the fact remains that in substance, in the bill now before us, the heads of the various departments shall have the power to deal with contract terminations as they see fit, notwithstanding any other provision of law. I fail to see the wisdom or the necessity for such a broad grant of power.

Under this bill the contracting officer as the agent of his respective departmental head is all-powerful. He is accountable only for fraud, something very difficult to establish in the courts under any circumstances, something almost impossible to establish under the abbreviated type of reports which are now being filed with the Comptroller, and which presumably will continue to be filed with him if this legislation is adopted. In the words of the Comptroller General, a 10-year-old boy can complete his check on this abbreviated report in 10 seconds and have nothing when he gets through with it. That is what we are proposing to continue in effect. It has been said here that the contracting officers placed the contracts, that they did so effectively, that they are familiar with the contracts, and therefore should terminate them. Yes, we used contracting officers to award these contracts, and under what conditions were they awarded? We were under the stimulus of necessity to provide material of war. The contracting officers went out and found facilities for manufacturing war equipment wherever they could. They said to the operators of those plants, "You must make goods for the war effort. Expand your facilities all that conditions will permit. Turn out all the goods you can. Never mind the cost. The Government will reimburse you for all costs and assure you of a profit in addition." That is what happened. The contracting officers were given a job to do and they did it, and in the process they became neither supermen nor suspects, both of which they have been portrayed here today.

It would be ridiculous to say that contracting officers are not to be trusted to terminate contracts. The very great majority of them have done good work under trying conditions and they will continue to do so under whatever legislation this Congress enacts. But some men are weak, whether they are contracting officers or contractors. Why should not there be safeguards; first, for the protection of the taxpayers, the people of this country, and next for the protection of the good names of the great majority of contracting officers and contractors themselves? We are dealing with billions upon billions of dollars. It represents the hard-earned tax money of generations to come. We shall be derelict in our duty if we do not provide safeguards for this extremely important process. There is no simpler or more direct way of providing safeguards in the process of contract termination than by making the Comptroller General a party to it. Our amendment does simply that. It does not mean delay. We have heard about delays, delays, delays. The ruinous effects of delays in termination settlements has been the theme song of those who seek the defeat of our amendment. But no one has produced actual evidence to show that here will be delays if the Comptroller is made a party to the process. We have had many words, but no proof. The Comptroller General says there will be no delays.

Actually there need be no delays. Let us look at the machinery of contract-termination settlements. Someone must examine the records of every contractor. Presumably the contracting agent and the contractor both will do so. If the agent of the Comptroller is permitted to sit in as contract settlements are being negotiated, or to spot-check at will, he will have ample opportunity for preaudit checks at the same time the settlements are agreed to between the contracting officer and the manufacturer. There may be some saving of personnel if the Comptroller is eliminated from the picture. I am not sure of it, for in my experience, Government agencies hire everybody in sight regardless of which one is to do the job. At present I understand that thousands of men are being taken from the armed forces for training by the War Department for contract-termination work in addition to the employment of civilians.

Mr. BROOKS. Will the gentleman yield?

Mr. SIKES. I yield.

Mr. BROOKS. Under the terms of that bill if he does not adjudicate it in 6 months it becomes final anyway, and payment is made.

Mr. SIKES. That is correct. I want the Comptroller in this picture because he can insure needed safeguards. I see nothing in our amendment which necessarily means delays.

Mr. MAY. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Florida [Mr. SIKES] has expired.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, I have been working on this problem for about 18 months. Five of us on the Military Affairs Committee started the struggle about a year and a half ago. We became hopelessly deadlocked. We took it to the full committee. They, in turn, became hopelessly deadlocked. Now, we have a couple of other committees in the House to pull us out of the deadlock in which we find ourselves.

I have been very much opposed to the May amendment. I am approaching this subject from the viewpoint of an accountant. I was especially interested in the comments of the gentleman from California [Mr. POULSON], who is a certified public accountant. That happens to be one of my occupations, although I am not a certified public accountant.

Mr. Chairman, it was my privilege to serve as a member of the special subcommittee of the Committee on Military Affairs which has had the matter of contract cancelation under study and consideration for the past 18 months. During our study of this question many fundamental differences of opinion have arisen in the matter of determining how best to handle the settlement of canceled contracts. This issue finally resolved itself down to the question of whether or not the Comptroller General should be given complete jurisdiction of the settlement of canceled contracts or whether he should be relieved of all responsibility in connection with the settlement of canceled contracts, or whether he should continue to serve in this field to the extent provided in the Budget and Accounting Act.

The particularly large expenditures involved in our participation in the war with Germany in 1918, resulted in a movement for a closer scrutiny of executive accounts which culminated in the Budget and Accounting Act of 1921. Two principal purposes were embodied in the Budget and Accounting Act, the first purpose was to create an expeditious and uniform and reliable yearly auditing of expenditures in the Federal Government independent of executive influence and control. The second principal purpose was to create an agency to control expenditures in the executive departments which would guard against and prevent fraud and waste of Federal funds by passing on all matters relating to the receipt, disbursement, and application of these funds.

It is my belief that the Comptroller General should continue to function under the authority and responsibility given him under the Budget and Accounting Act as he has a very real and important function to perform under the provisions of the Budget and Accounting Act as it is now operating.

The great question before us at this time is whether the duties, responsibilities, and power of the Comptroller General shall be extended into a field that

has heretofore been placed within the jurisdiction of the executive branch of government, namely, the determination of policies and the administration of the law in the actual settlement of canceled contracts.

As an accountant I have been very much inclined to follow the views of the American Institute of Accountants as to the limitations of an accountant or auditor in dealing with the matter of settlement of canceled contracts and as to the practicability and desirability of any such extension of the powers of the Comptroller General to approve all termination settlements before they become final. On the first point let me quote an editorial from the November 1943 issue of the Journal of Accountancy:

It should be understood by all concerned, however, that no amount of auditing could determine with precision the exact amount of a fair settlement. There are many elements of judgment involved in estimating costs properly attributable to a partly completed contract. Material and labor costs may be estimated with relative accuracy, but allocation and joint costs and indirect expenses (such as overhead, depreciation, engineering and development, obsolescence, experimental and research expense, and other costs) is one of the most complex of accounting problems and inevitably involves an element of opinion which no amount of auditing can eliminate. * * *

A requirement that the Comptroller General audit the costs of contractors in termination settlements would make the General Accounting Office the most disastrous bottleneck in history. Where would he get the manpower? * * *

All informed students of this subject agree that speed in settlements of terminated contracts is essential to prompt reconversion of industry to peacetime production after the war. Delay may induce unemployment and raise the gravest economic and social problems.

And I quote here also the provisions of a resolution adopted by Council of the American Institute of Accountants meeting at New York, May 9, 1944, when they approved the provisions of the bill, S. 1718, as follows:

Whereas certain proposed legislation before the House of Representatives would provide for participation by the General Accounting Office in decisions as to amounts to be paid to war contractors whose contracts have been terminated for the convenience of the Government; and

Whereas such participation by the General Accounting Office would inevitably lead to delay in settlements and duplication of audits or accounting reviews which in any event would have to be conducted by the procurement agencies, and sufficient trained personnel is not available to do the extra work;

Whereas sound business practice has demonstrated that the person responsible for audit of completed transactions should have no share of responsibility for the administrative decisions governing such transactions: Be it

Resolved, That the Council of the American Institute of Accountants assembled in regular meeting May 9, 1944, urges Congress to enact legislation providing:

(1) That the procurement of agencies have the responsibility for settlement of terminated war contracts, and that their settlements once made be final and binding except for fraud.

(2) That the General Accounting Office, by tests and samples, in accordance with generally accepted auditing practice, make post-audits of the records of the completed termination settlements at the offices of the procurement agencies to the extent necessary to satisfy it as to both whether or not fraud existed, and whether or not the procedures followed by the procurement agencies in termination settlements were functioning properly, with adequate safeguards; reports of the findings of the General Accounting Office to be submitted periodically to the proper administrative authorities and to Congress.

(3) That the Comptroller General have no participation in settlements by the procurement agencies, either with or without a vote, because he would thereby be disqualified from making an independent audit of decisions in which he had himself participated: And be it further

Resolved, That the Council of the American Institute of Accountants approves the provisions of Senate bill 1718 relating to this subject, which appears to be wholly in conformity with the principles outlined in this resolution.

In addition to the views of the American Institute of Accountants I wish to call your attention to a paragraph in the statement of the 13 members of the Military Affairs Committee that was placed in the CONGRESSIONAL RECORD by the gentleman from New York [Mr. ANDREWS] on Thursday, as follows:

Almost every witness who has testified on this subject before this or other committees has been strongly opposed to allowing the Comptroller General to review termination settlements for any purpose beyond the discovery of fraud. There have been testimony and communications supporting this view from the Secretary of Commerce; from the Under Secretaries of War, the Navy, and the Treasury; from the Federal Reserve Board; from the National Association of Manufacturers, the United States Chamber of Commerce, the Automotive Council for War Production, the Aeronautical Chamber of Commerce, the Shipbuilders' Council of America, and various other industrial representatives; and from professional accounting sources, including the contract termination committee of the Amercan Institute of Accountants, and the Journal of Accountancy.

I have tremendous respect for the report on war and post-war adjustment policies published by Bernard M. Baruch and John M. Hancock, advisory unit for war and post-war adjustment policies, Office of War Mobilization, February 15, 1944, and the recommendations of these gentlemen are strongly in support of the views I followed on the matter of settlement of canceled contracts.

If you will turn to page 32 of the House Report No. 1590, submitted to the House by the Committee on the Judiciary to accompany the bill, S. 1718, as amended, now before us, you will find the following statement of Mr. Hancock before the Committee on the Judiciary quoted:

The ability to apply standards of business judgment as distinct from strict accounting principles is at the heart of the negotiated settlement.

In conclusion, let me state again that my own view of this important issue is that the provisions of the bill S. 1718, as amended by the Committee on the Judiciary, should be adopted without any change calculated to extend the duties and jurisdiction of the Comptroller General beyond the duties and jurisdiction contemplated in the Budget and Accounting Act.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, it is very unfortunate that this argument has come up and that there is so much feeling about it, because it may be construed to involve a person for whom every Member of this House of Representatives has the highest respect. We all admire and have the greatest regard for the Comptroller General. We are here dealing with a matter that may effect the economic life of this Nation, and there are two main purposes that we want to attain.

The first purpose we want to accomplish is to get these contracts terminated and get the industries back to work, in order that people may have employment, so we will not have millions and millions of men and women on the relief rolls, and the Government will not have to spend billions and billions of dollars in taking up the slack in employment.

The second objective, and it is of equal importance, is that the interest of the Government be protected to the fullest extent possible commensurate with the great job we have to do. Mr. Chairman, if we could have 6 or 8 months, or a year or 2 years to settle all these contracts, could industry reconvert and reemploy the thousands of people who are going to be dislocated without having to have the money from their terminated contracts I would be in favor of giving the entire job to the Comptroller General. But we know that is not the case. The job must be done quicker than that. The testimony shows that unless these people are paid fairly quickly many of them are not going to be able to get back into civilian production.

I have a high regard for the United States Senate. The United States Senate passed this bill, S. 1718, unanimously. They apparently felt that the interests of the Government were sufficiently protected in the legislation that went through the Senate; but, Mr. Chairman, the bill we are considering today is much stronger in the protection it gives to the Government against fraud or negligence, and it has many more safeguards to prevent any industry or person from getting an unjustifiable claim allowed against the Government. It is much stronger. I believe everybody realizes that. I think the bill we have before us today is as good a balance as we can get to meet those two objectives that we are trying to reach: First, quick termination and reconversion; and, second, protecting the interest of the Government. I say the bill we have before us is much stronger in protecting the interest of the Government than the Senate bill, because this bill, in the first place, provides certain standards that are to be considered when the contracting agencies make a settlement; there are certain things that cannot be allowed; there are certain items of cost that shall be taken into consideration as allowable claims.

On page 97 of the hearings you will find a letter from Mr. Warren in which he states that these standards will be a great protection and benefit to the Government in the termination of contracts. That is one point that was added to the Senate bill.

Furthermore, the duties and the supervisory capacity of the Comptroller General under this bill are much more meaningful and potent than they were in the Senate bill. If you will examine the section about the Comptroller General, you will find it provides that if he believes that any contract was terminated by virtue of any fraud, he has the right to stop any payments under that contract or apply by way of set-off any amount the contractor may have coming to him from some other contract.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

The CHAIRMAN. The gentleman from Alabama [Mr. SPARKMAN] is recognized for 4 minutes.

Mr. SPARKMAN. Mr. Chairman, the matter we have before us is the substitute offered by the gentleman from Kentucky as opposed to the bill that has been worked out very carefully by the Judiciary Committee. This substitute comes here as the offering of one individual. It is a very complicated bill, 50 pages long, and has never received the consideration of any committee. Just bear that in mind in voting for or against this substitute. Furthermore, I cannot possibly believe those 13 members of the Military Affairs Committee who did not sign the additional views—I never heard all 13 of them say they were for the bill itself that the committee reported out, but we certainly know that 13 were opposed to it—I cannot believe that they would stand for this substitute. It is hard for me to believe that the gentleman from Texas [Mr. THOMASON] could possibly endorse it because yesterday he debated very strongly against this committee bill on the ground that it set up a director at $12,000 salary. This substitute sets up a director at $12,000 salary. I cannot possibly believe that the gentleman from Ohio [Mr. ELSTON] could stand for it because of his strong argument yesterday and his repeated arguments against the establishment of another bureau, yet this bill, in addition to setting up an agency in Washington sets up another agency in each one of the 48 States. Could you have a bigger bureau than that? And listen: The gentleman who offered the amendment that was finally written into the bill which was reported out by the Military Affairs Committee, was the gentleman from Indiana [Mr. HARNESS]. His greatest opposition was to this director and this board. He and those who voted with him did not want another agency. They did not want any more bureaucracy, and yet here is a substitute amendment—I am talking about this substitute not about any individual amendment, but this substitute which is offered for this whole bill—here is all of that bureaucracy in it against which they cried so loudly.

Reference was made to remarks I made yesterday about the Congressional Library Legislative Reference Service, saying they had found no connection between the establishment of the Budget and Accounting Office under the General Accounting Act and the termination of contracts following the last war. Nothing has been read to you from the debates or reports on those bills. I know nothing about them and said so yesterday. What I told you was that the Legislative Reference Service of the Congressional Library reported to me, and that is all I know. They said they found no connection, and I am inclined to believe it for this reason: Mr. Lindsay Warren—and goodness knows we all hold him in very high esteem—said before our committee that he had no power now in the termination of war contracts. If the Budget and Accounting Act had been made for the purpose of meeting those frauds in the last war, why did it leave him out of the termination of war contracts? It did and he has not been in it. We are not trying to take him out; just remember that when they say we are trying to shut him out of the picture, we are not. We are just saying that he ought not to be put into something he has never been in; and there is no need of his being put in now.

It was stated that our allowing these various agencies to make contracts spending three hundred billions without the Comptroller General's being in it was necessary under the stress and strain of the emergency of war. Let me tell you that some people have not yet realized the stress and strain that is coming under the emergency of getting back to peace and getting the wheels of production turning in order to give us economic stability in this country.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

The Chair recognizes the gentleman from Mississippi [Mr. WINSTEAD] for 4 minutes.

Mr. WINSTEAD. Mr. Chairman, I had not intended making any statement concerning this legislation, but it disturbs me to hear the discussion all day yesterday and today. I regret very much to see some feeling between members of the committee on which I serve. We all agree that we must have a speedy reconversion into peacetime production.

As a member of the Committee on Military Affairs I attended practically all the hearings on contract termination. I want to say here and now that I voted for the bill reported out by the Committee on Military Affairs. I am not necessarily sold on that bill; I am not necessarily sold on the amendment offered by the gentleman from Kentucky [Mr. MAY] here this afternoon. But there is one point I should like to make at this time. If I understand the bill the Committee on Military Affairs reported out it provides that if the Comptroller General does not take action within 6 months the termination of the contract effected by the War Department is binding. Here is the point: Either we put the Comptroller General in this picture or we do not. For 2 months I was opposed to putting the Comptroller General in this picture, but when Lindsay Warren came before our committee I was convinced that he was one man in America who has the courage to stand up to the War Department or any agency of this Government and if he found something that needs correction would have the courage to point it out and seek to correct it.

There has been a great deal said about honesty. We do not question the honesty of the people of this country, but all of us know that we have very liberal spenders of Government funds at this particular time and the War Department is no exception. If Lindsay Warren had the power to go in there and settle these contracts within a short period of time I would want to see the War Department or some other agency have the right to check on that. I believe in the check-and-balance system of government. I am questioning no particular individual or department. I am thinking of the system itself.

Mr. Chairman, we have had certain cases referred to here. Some referred to the Pearl Harbor case Some referred to other cases. If we do not check these accounts, when this war is over and these boys we are all talking about return home for jobs, they are going to consider more what condition we left this country in and how we have protected the funds of this country than they will the fellow who waves the flag and hollers for bonuses for the soldiers. If this amendment will not do what I would like to see done, offer it and I will support it. How in the name of God can any of us stand up here and take the Comptroller General out of this picture completely if the time is limited to 6 months for him to take action or not take action when we agreed to pay them in full in complete settlement of the agreed amount, 90 percent of disputed amounts, and with a 10 percent guaranteed loan on the remainder?

Mr. COLMER. Will the gentleman yield?

Mr. WINSTEAD. I yield to the gentleman from Mississippi.

Mr. COLMER. The gentleman argues that under the amendment the Comptroller General would have to do all of this auditing in 6 months; is that correct?

Mr. WINSTEAD. That is what I thought it intended.

Mr. COLMER. I understand it does that. Will the gentleman tell us how the Comptroller General can audit over a million subcontracts and 100,000 prime contracts in 6 months and not result in a lot of chaos?

Mr. WINSTEAD. I cannot, but he will have the privilege of auditing any particular contracts or spot checking and that will hold a club over the heads of all contracting officers and contractors. This provides a safeguard where billions of dollars are involved.

The CHAIRMAN. The time of the gentleman has expired.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Chairman, during the course of this debate so many argu-

ments have been advanced that are without foundation that I wonder what the real interest in this legislation is that has been displayed by the people who suggest the General Accounting Office ought to have more authority than it has ever had. On yesterday the distinguished gentleman from Texas [Mr. THOMASON] pointed out a number of atrocity cases. But let us look at the record. All of these cases were called to the attention of the Committee on Military Affairs by Lindsay Warren and subsequently the Under Secretary of War appearing before that committee testified as follows:

The General Accounting Office has made no exceptions to 99.9 percent of the vouchers submitted to it by the War Department for audit in the 4 months ending with August 1943.

But the record is even better than these figures indicate.

The majority of suspensions by the General Accounting Office are merely temporary until further supporting documents are submitted and do not involve any real question as to the propriety of the payment.

The second fact is this:

Aside from the item called to the attention of the War Department, the disallowances by the General Accounting Office have currently totaled less than 10 cents per thousand dollars of expenditures under War Department contracts.

Then the Under Secretary of War proceeded to show that in every one of the cases called to the attention of the Committee on Military Affairs by the Comptroller General, there was a complete explanation and that subsequent to the objections filed by the Comptroller General the General Accounting Office approved the claims.

I do not know what the real opposition is to this bill, as I said before, but I do know that the argument advanced yesterday that we were setting up a new bureaucracy no longer prevails because the gentleman from Kentucky [Mr. MAY] has multiplied the bureaucracy in this amendment he has offered many times over; therefore I cannot understand the argument that if personnel from the War Department is used in the General Accounting Office there will be no fraud. Imagine anything as ridiculous as that. These men walk out of the War Department, take off their horns, walk into the General Accounting Office, and immediately there is a halo over their heads.

Mr. BATES of Massachusetts. Will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. The members of the Committee on Naval Affairs gave many months' study to this problem of termination of contracts and they agree with the bill reported to the House by the Committee on the Judiciary.

Mr. WALTER. Mr. Chairman, the gentlewoman from Illinois [Miss SUMNER] asked a question that was not answered. The answer to the question whether settlement cannot be discounted or a loan made on the settlement is just this: There is no degree of finality to a settlement if the General Accounting Office after the settlement has been made can object to the allowances made. That being the case, no banking institution is willing to make a loan on a commitment that is not a final settlement.

Mr. KEEFE. Will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Is it not a fact that today we have in the renegotiation practice and procedure a situation where representatives of the contracting agencies of the Government sit on opposite sides of the table and agree or attempt to agree upon renegotiation?

Mr. WALTER. Yes.

Mr. KEEFE. In that situation the Comptroller General's office is not at all represented?

Mr. WALTER. Of course not. Furthermore, one of the objections to the renegotiation law and also to the contract-termination law is that the war contractor will be dealt with unfairly. The history has been that the Government's representatives have been very harsh in their treatment of the contractor.

Mr. KEEFE. May I ask this question: Is it not a fact—at least it is in the district I come from—that there is no complaint that the representatives of the contracting agencies are dealing so leniently with industry that you may say it indicates possible collusion or fraud? Just the contrary is indicated, even though those who made the contracts are negotiating at arm's length with each other across the table.

Mr. WALTER. Of course, that is the fact. Also all of this talk about swollen war profits has no place in this debate because that is a situation that may be dealt with in another manner.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

Mr. MAY. Mr. Chairman, I rise for the purpose of making a unanimous-consent request. The gentleman from Illinois [Mr. SABATH], chairman of the Rules Committee, was told by me when this came up that I would let him know. He wanted time. I sent for him but the page did not find him. I have finally got him here. I ask unanimous consent that the gentleman may have 5 minutes to debate this matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

Mr. BATES of Massachusetts. Mr. Chairman, I object.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. MAY] to section 1 of the bill.

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. SUMNERS of Texas. Mr. Chairman, the gentleman from Kentucky [Mr. MAY] saved a lot of time for us by submitting a unanimous-consent request that his amendment be printed in the RECORD. I now ask unanimous consent that the entire bill be printed in the RECORD and that it may be open to amendment at any place in the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

Mr. MAY. Mr. Chairman, reserving the right to object, I would like to inquire of the gentleman from Texas if it is the purpose of the Committee to undertake to complete this bill today?

Mr. SUMNERS of Texas. We want to go just as far as we can, I will say to the gentleman from Kentucky. I think probably the entire membership of the House will participate in that hope.

Mr. MAY. I think that would be an unintelligent way of handling the matter, for the reason that if we eliminate the reading of the bill, we will not know what the section is all about. I object to the unanimous-consent request.

The Clerk read as follows:

SURVEILLANCE BY CONGRESS

SEC. 2. (a) To assist the Congress in appraising the administration of this act and in developing such amendments or related legislation as may further be necessary to accomplish the objectives of the act, the appropriate committees of the Senate and the House of Representatives shall study each report submitted to the Congress under this act and shall otherwise maintain continuous surveillance of the operations of the Government agencies under the act.

(b) In January, April, July, and October of each year, the Director shall submit to the Senate and House of Representatives a quarterly progress report on the exercise of his duties and authority under this act, the status of contract terminations, termination settlements, and interim financing and such other pertinent information on the administration of the act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

DEFINITIONS

SEC. 3. As used in this act—

(a) The term "prime contract" means any contract, agreement, or purchase order heretofore or hereafter entered into by a contracting agency and connected with or related to the prosecution of the war; and the term "prime contractor" means any holder of one or more prime contracts.

(b) The term "subcontract" means any contract, agreement, or purchase order heretofore or hereafter entered into to perform all or any part of the work, or to make or furnish any material to the extent that such material is required for the performance of any one or more prime contracts or of any one or more other subcontracts; and the term "subcontractor" means any holder of one or more subcontracts.

(c) The term "war contract" means a prime contract or a subcontract; and the term "war contractor" means any holder of one or more war contracts.

(d) The terms "termination," "terminate," and "terminated" refer to the termination or cancelation, in whole or in part, of work under a prime contract for the convenience or at the option of the Government (except for default of the prime contractor) or of work under a subcontract for any reason except the default of the subcontractor.

(e) The term "material" includes any article, commodity, machinery, equipment, accessory, part, component, assembly, work in process, maintenance, repair, and operating supplies, and any product of any kind.

(f) The term "Government agency" means any executive department of the Government, or any administrative unit or subdivision thereof, any independent agency or any corporation owned or controlled by the United

States in the executive branch of the Government and includes any contracting agency.

(g) The term "contracting agency" means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, the Smaller War Plants Corporation, and the War Production Board.

(h) The term "termination claim" means any claim or demand by a war contractor for fair compensation for the termination of any war contract and any other claim under a terminated war contract, which regulations prescribed under this act authorize to be asserted and settled in connection with any termination settlement.

(i) The term "interim financing" includes advance payments, partial payments, loans, discounts, advances, and commitments in connection therewith, and guaranties of loans, discounts, advances, and commitments in connection therewith and any other type of financing made in contemplation of or related to termination of war contracts.

(j) The term "Director" means the Director of Contract Settlement.

(k) The term "person" means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

(l) The term "termination inventory" means any materials (including a proper part of any materials common to two or more contracts), properly allocable to a terminated war contract, except any machinery or equipment subject to a separate contract specifically governing the use or disposition thereof.

(m) The term "final and conclusive," as applied to any settlement, finding, or decision, means that such settlement, finding, or decision shall not be reopened, annulled, modified, set aside, or disregarded by any officer, employee, or agent of the United States or in any suit, action, or proceeding except as provided in this act.

Mr. COCHRAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take the floor for the purpose of being enlightened as to whether or not there are any exceptions in this bill in reference to the post audit of contracts. No one seems to indicate that there are any exceptions. The reason I ask that question is this: I know of two instances in my own vicinity where the Government owns every inch of the ground, every one of the buildings, every machine in the shops, and every tool. They are tremendous plants. One is the largest small-arms ammunition plant that the world has ever known. The other one is 25 miles away from my district and is a very large plant. It manufactured DNT and TNT. The Government built both plants and leased them to two corporations. In both instances the corporation was the subsidiary of a large corporation. The DNT and the TNT plant is closed entirely. The only people left out there, as I understand, are the guards. The other plant was formerly operating night and day, but it reached its objective; in other words, the Army had a sufficient amount of ammunition that it needed, so it curtailed production. They are only manufacturing now what is needed to put into storage to take the place of the ammunition that is being withdrawn and sent abroad.

I would like to ask the gentleman from Pennsylvania, when neither of the plants will be subject to reconversion, when the contract is terminated why any harm would result if the contractor should be subject to a preaudit before final settlement?

Mr. WALTER. Of course, in the case the gentleman is talking about, the contract is between the Government and a private individual to do certain things, to make certain ammunition. There is an understanding with the war contractor as to the extent of the supplies required. The people that go to work in that plant know full well that it is not a permanent thing, and they know that when the supplies are furnished to the Government, that will be the end of the need for that plant.

Mr. COCHRAN. What I asked the gentleman was this, in view of the fact that there is no opportunity for jobs in those plants, because there will be no reconversion, why should there not be a preaudit before final settlement? He did not answer.

Mr. WALTER. That is probably a cost-plus-fixed-fee contract. Unquestionably it was. As the work was being done, there was a continuous audit made by the General Accounting Office in order to determine the cost of the material covered by that contract.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Texas.

Mr. THOMASON. Of course, there should be a preaudit. May I add that if the so-called Walter bill in its present form passes, the Comptroller General passes out of the picture, and has nothing in the world to do with the contractor's agreement, and the termination agreement as made by the contractor and the representative of the War Department is final.

Mr. WALTER. If the gentleman will yield, the statement just made by the gentleman from Texas is not the fact. The General Accounting officer will participate in the settlements of these claims to the same extent that he participates in the settlement of all claims. He will not, however, be placed in the position where he can use his judgment.

Mr. COCHRAN. I have always felt the Comptroller General, whose office was created to protect the Treasury, should never be removed from the picture in arriving at the final settlement. I call attention to a class of contractors whose corporation was created solely to carry out a Government war contract that will pass out of existence when the war ends. A class that has no idea of continuing in business after the war ends. I submit it would be no hardship if in such cases final payment was withheld until the Comptroller General completed his preaudit. Then if it is found there is money due the Government it can be withheld from the 10 or 20 percent due. That seems to be sound. You provided for a postaudit of transportation charges made under the Land Grant Railroad Act and it is estimated when the Comptroller General gets through he will show several hundred million dollars in overpayments. We can collect that by withholding from future payments.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. COCHRAN. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. THOMASON. If the gentleman will yield further, I will agree with my friend from Pennsylvania that by his magnanimity the Comptroller General will have a seat at the table, but he will not have one speck of authority.

Mr. COCHRAN. Mr. Chairman, if there are two such plants, one in my own district and one within 25 miles of my district, how many more are there throughout the United States?

Assume that 80 or 90 percent has been paid to the contractor. Cannot we wait before we pay the final 20 or 10 percent until there has been a preaudit? What objection could there be to that in cases where there is absolutely going to be no reconversion of the plant? This, you say, is to expedite conversion to make jobs, but in these cases there will be no jobs. The only jobs there will be will be the watchmen, because you are not going to reconvert the plant. Probably in time the plants will be sold.

According to what you say, the Comptroller General will have authority where there is fraud. Suppose he finds what might be termed unethical business practices. Unethical business practices cannot stand up in court as fraud, but under ordinary conditions in preauditing contracts for the Government the Comptroller General has always seen that unethical business practices were taken in consideration, as he should.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Kentucky.

Mr. MAY. May I say to the gentleman that the investigation we have been conducting discloses that there are a good many cases of that kind, and in many of the instances it is in the name of a subsidiary that is insolvent to begin with.

Mr. COCHRAN. I am just calling the matter to the attention of the House and to those in charge of the bill. Where there are two such situations, one in my district and one 25 miles away, there must be hundreds throughout the United States. We should allow at least a preaudit of the last 10 or 20 percent due the contractor before we make the final settlement. The way to do it is to give the Comptroller General the authority.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. J. LEROY JOHNSON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield to the gentleman from Ohio.

Mr. BREHM. The question came up in my mind as to what assurance the gentleman from Missouri has that these plants to which he has referred may not

be reconverted or turned over to a different type of industry?

Mr. COCHRAN. My reason for believing that is that the Government owns them both. One of them cost over $100,000,000 and the other cost nearly $100,000,000. Who is going to buy them?

Mr. BREHM. That is no answer to my question.

Mr. COCHRAN. Why is it not an answer?

Mr. BREHM. The subsidiary of which the gentleman speaks can still reconvert and utilize this property by agreement with the Government and perhaps afford employment to thousands in the post-war period.

Mr. WASIELEWSKI. Mr. Chairman, will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield to the gentleman from Wisconsin.

Mr. WASIELEWSKI. Can the gentleman tell us whether or not the contracts that are prematurely terminated are subject to renegotiation?

Mr. J. LEROY JOHNSON. I do not know. I wanted to discuss another matter.

Mr. Chairman, the reason I take this time is that I have an amendment to the next section that I consider very important, an amendment that will strengthen this bill. I should like you to have that amendment in mind when the section is read.

Section 4 of this bill gives the director of contract settlement certain supervisory powers, but he has no power to participate in the actual settlement of these contracts himself. This law if adopted will relegate to the contracting agency and to the contractor the complete power to negotiate and settle the contract. The result is that you have two contending and partisan factions there that are trying to arrive at a just settlement of a contract.

The gentleman from Tennessee mentioned the fact that the two fundamental basic purposes of this bill are to get speedy settlements and also to get just settlements. When I say "just" I mean just settlements to the contractors and just settlements to the Government.

This is a situation that might confront you. You might have a very shrewd, capable contractor dealing with Army officers or Navy officers or marine officers who have not had experience in contracting in the particular work that the contractor is doing. I am fearful that in some instances these contractors will outwit, they will outbargain, they will outmaneuver the Government, and get too much money.

On the other hand, there are in the Army and the Navy all kinds of personalities, and the men that negotiate these contracts have the life and death of the contractors in their control. If the contracting officer is stubborn, he might simply offer a settlement that was absolutely unreasonable, and the contractor could do nothing but accept it or else go into court. On the other hand, there might be a Government agent representing the taxpayers of this country who would be liberal, his own money not being at stake, and he could say $250,000 as easily as $200,000, with the result that too much liberality might be indulged in.

I have talked this matter over with Army contracting officers, and I have talked it over with district termination officers, and a good many of them agree with me that they would welcome some governmental agent there to help share their responsibilities to arrive at a fair and just settlement. The agent of the director of contract settlement would be the man to help them arrive at a balanced settlement.

My amendment proposes to give the Director of Contract Settlement the right, at his discretion, to appoint someone to participate in those negotiations. I know some of the gentlemen here know from experience in lawsuits that opinion as to what should be paid, as to what the value of a property is, varies as widely as the two poles of the earth. There has to be someone to bring these people together on an equitable basis.

Mr. GWYNNE. Mr. Chairman, will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield to the gentleman from Iowa.

Mr. GWYNNE. Does not the gentleman think that can now be done under this bill?

Mr. J. LEROY JOHNSON. I do not. As I read the bill, it does not give him that authority. I want to write that into the bill specifically so the director will not only have the power to make procedures uniform but will have the power to participate in the settlement arrived at. Incidentally, he might get information about something that is going on in one of these negotiations that is not just right, and he could enter the case. I appreciate that if he does enter the case the contract settlement cannot become final until he agrees to it, and he has to agree to it within 30 days of the time the contractor and the Government have agreed on the settlement.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield to the gentleman from Tennessee.

Mr. COOPER. I am sure the gentleman has a very worthy motive and purpose to serve, but it strikes me that the observation made by the gentleman from Iowa is quite true. How can this director do his job as he is required to do it under this bill unless he does that very thing?

Mr. J. LEROY JOHNSON. The only way I can answer the gentleman is by saying that the language of the bill, in my opinion, does not give him that power and he cannot, under this bill as written, do the job we want him to do. I challenge the gentleman to show me any specific language that does give him that power.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I renew my request, and ask unanimous consent that the remainder of the bill be considered as read and be printed in the RECORD at this point, with the understanding that it is open to amendment at any place in the bill.

Mr. MAY. Reserving the right to object, am I correct in understanding that as we go through the bill the section numbers will be called so that Members can offer amendments if they desire?

Mr. SUMNERS of Texas. That is a good suggestion.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The remainder of the bill is as follows:

DIRECTOR OF CONTRACT SETTLEMENT

SEC. 4. (a) There is hereby established the Office of Contract Settlement, which shall be headed by the Director of Contract Settlement. The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $12,000 per year, and shall serve for a term of 2 years.

(b) In order to insure uniform and efficient administration of the provisions of this act, the Director, subject to such provisions, by general orders or general regulations—

(1) shall prescribe policies, principles, methods, procedures, and standards to govern the exercise of the authority and discretion and the performance of the duties and functions of all Government agencies under this act; and

(2) may require or restrict the exercise of any such authority and discretion, or the performance of any such duty or function, to such extent as he deems necessary to carry out the provisions of this act.

(c) The exercise of any authority or discretion and the performance of any duty or function, conferred or imposed on any Government agency by this act, shall be subject to such orders and regulations prescribed by the Director pursuant to subsection (b) of this section. Each Government agency shall carry out such orders and regulations of the Director expeditiously, and shall issue such regulations with respect to its operations and procedures as may be necessary to carry out the policies, principles, methods, procedures, and standards prescribed by the Director. Any Government agency may issue such further regulations not inconsistent with the general orders or regulations of the Director as it deems necessary or desirable to carry out the provisions of this act.

(d) The Director may, within the limits of funds which may be made available, employ and fix the compensation of necessary personnel in accordance with the provisions of the civil-service laws and the Classification Act of 1923 and make expenditures for supplies, facilities, and services necessary for the performance of his functions under this act. Without regard to the provisions of the civil-service laws and the Classification Act of 1923, he may employ certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and contract with certified public accounting firms and qualified firms of engineers in the discharge of the duties imposed upon him and in furtherance of the objectives and policies of this act. The Director shall perform the duties imposed upon him through the personnel and facilities of the contracting agencies and other established Government agencies, to the extent that this does not interfere with the function of the Director to insure uniform and efficient administration of the provisions of this act.

(e) All policies, principles, methods, procedures, and standards when prescribed by the Director pursuant to subsection (b) of this section, and all regulations when issued by any Government agency, pursuant to subsection (c) of this section, shall be published in the Federal Register.

CONTRACT SETTLEMENT ADVISORY BOARD

SEC. 5. There is hereby created a Contract Settlement Advisory Board, with which the Director shall advise and consult. The

Board shall be composed of the Director, who shall act as its Chairman, and of the Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, the Chairman of the Maritime Commission, the Administrator of the Foreign Economic Administration, the chairman of the board of directors of the Reconstruction Finance Corporation, the Chairman of the War Production Board, the chairman of the board of directors of the Smaller War Plants Corporation, and the Attorney General or any alternate representative designated by any of them. The Director shall request other Government agencies to participate in the deliberations of the Board whenever matters specially affecting them are under consideration.

SEC. 6. (a) It is the policy of the Government, and it shall be the responsibility of the contracting agencies and the Director, to provide war contractors with speedy and fair compensation for the termination of any war contract, in accordance with and subject to the provisions of this act. Such fair compensation for the termination of subcontracts shall be based on the same principles as compensation for the termination of prime contracts.

(b) Each contracting agency shall establish methods and standards, suitable to the conditions of various war contractors, for determining fair compensation for the termination of war contracts on the basis of actual, standard, average, or estimated costs, or of a percentage of the contract price based on the estimated percentage of completion of work under the terminated contract, or on any other equitable basis, as it deems appropriate To the extent that such methods and standards require accounting, they shall be adapted, so far as practicable, to the accounting systems used by war contractors, if consistent with recognized commercial accounting practice.

(c) Any contracting agency may settle all or any part of any termination claim under any war contract by agreement with the war contractor, or by determination of the amount due on the claim or part thereof without such agreement, or by any combination of these methods. Where any such settlement is made by agreement, the settlement shall be final and conclusive, except (1) to the extent otherwise agreed in the settlement; (2) for fraud; (3) upon renegotiation to eliminate excessive profits under the Renegotiation Act, unless exempt or exempted under that act; or (4) by mutual agreement before or after payment. Where any such settlement is made by determination without agreement, it shall likewise be final and conclusive, subject to the same exceptions as if made by agreement, unless the war contractor appeals or brings suit in accordance with section 13 of this act.

(d) Except as provided below, the methods and standards established under subsection (b) of this section for determining fair compensation for termination claims which are not settled by agreement shall allow the costs incurred by the contractor which are reasonably necessary for the performance of the contract, and are properly allocable to the terminated part of the contract under recognized commercial accounting practices, including the direct and indirect manufacturing, selling, and distribution, administrative, and other proper costs, and such allowance for profit on the preparations made and work done for the terminated part of the contract as is reasonable under the circumstances, plus interest on the termination claim in accordance with subsection (f) of this section.

In particular, in any such settlement made by determination without agreement, the following costs shall be considered to the extent they are properly allocable to the terminated part of the contract:

(1) The reasonable cost of settling and paying termination claims under terminated subcontracts, including the claims which are common to the terminated contract and to other work of the contractor.

(2) The cost of items of termination inventory.

(3) An allowance for depreciation at appropriate rates on buildings, machinery, and equipment, and other facilities including such amounts for obsolescence due to progress in the arts and other factors as are ordinarily considered in determining depreciation rates, but not including any amount for loss of the type covered by subparagraph (6).

(4) General experimental and research expense to the extent consistent with an established pre-war program, or to the extent related to war purposes.

(5) Costs of engineering and development and of special tooling, if the contractor protects any interests of the Government by transfer of title or by other means deemed appropriate by the contracting agency.

(6) Loss on special facilities acquired solely for the performance of the contract, or the contract and other war contracts, to the extent authorized by regulations of the director, on condition that the contractor protects the interests of the Government by transfer of title to the facilities or by other means deemed appropriate by the contracting agency.

(7) (i) Rentals under leases clearly shown to have been made for the performance of the contract, or the contract and other war contracts, covering the period necessary for complete performance of the contract and such further period as may have been reasonably necessary; (ii) costs of reasonable alteration of such leased property made for the same purpose; and (iii) costs of restoring the premises, to the extent required by reasonable provisions of the lease; less (iv) the residual value of the lease; provided that the contractor has made reasonable efforts to terminate, assign, or settle such leases or otherwise reduce the cost thereof.

(8) Advertising expense to the extent consistent with a pre-war program or to the extent reasonable under the circumstances.

(9) In no event shall the aggregate of the amounts allowed under paragraphs (4), (5), (6), (7), and (8) exceed the amount which would have been available from the contract price to cover these items, if the contract had been completed, after considering all other costs which would have been required to complete it.

(10) Interest on borrowings.

(11) Reasonable accounting, legal, clerical, and other expenses necessary in connection with the termination and settlement of the contract and subcontracts thereunder, including expenses incurred for the purpose of obtaining payment from the Government only to the extent reasonably necessary for the preparation and presentation of settlement proposals and cost evidence in connection therewith.

(12) Storage, transportation, and other costs incurred for the protection of materials acquired or produced for the contract or in connection with the disposition of such materials.

Costs of nonrecurring nature which arise from unfamiliarity with the product in the initial stages of production, such as high direct labor and overhead costs, including training, costs of excessive rejections, and similar items, shall be appropriately apportioned between the completed and terminated parts of the contract.

The following shall not be included as elements of cost:

(i) Losses on other contracts, or from sales or exchanges of capital assets, fees and other expenses in connection with reorganization or recapitalization, antitrust or Federal income-tax litigation, or prosecution of Federal income-tax claims or other claims against the Government (except as provided in paragraph (11) above); losses on investments; provisions for contingencies; and premiums on life insurance where the contractor is the beneficiary.

(ii) The expense of conversion of the contractor's facilities to uses other than the performance of the contract.

(iii) Expenses due to the negligence or willful failure of the contractor to discontinue with reasonable promptness the incurring of expenses after the effective date of the termination notice.

(iv) Costs incurred in respect to facilities, materials, or services purchased or work done in excess of the reasonable quantitative requirements of the entire contract.

(v) Costs which, as evidenced by accounting statements submitted in renegotiation under the Renegotiation Act, were charged off during a period covered by a previous renegotiation if a refund was made for such period or to the extent that such charging off is shown to have avoided such refund.

The failure specifically to mention in this subsection any item of cost is not intended to imply that it should be allowed or disallowed. The Director may interpret the provisions of this subsection (d) and may provide for the inclusion or exclusion of other costs in accordance with recognized commercial accounting practice.

Where the small size of claims or the nature of production or performance or other factors make it impracticable to apply the principles stated in this subsection (d) to any class of settlements which are subject to this subsection (d), the contracting agencies may establish alternative methods and standards for determining fair compensation for that class of termination claims. The aggregate amount of compensation allowed in accordance with this subsection (excluding amounts allowed under paragraphs (11) and (12) above) shall not exceed the total contract price reduced by the amount of payments otherwise made or to be made under the contract.

(e) In order to carry out the objectives of this act, termination claims shall be settled by agreement to the maximum extent feasible and the methods and standards established under subsection (b) of this section shall be designed to facilitate such settlements. To the extent that he deems it practicable to do so without impeding expeditious settlements, the Director shall require the contracting agencies to take into account the factors enumerated in subsection (d) above in establishing methods and standards for determining fair compensation in the settlement of termination claims by agreement.

(f) Each contracting agency shall allow and pay interest on the amount due and unpaid from time to time on any termination claim under a prime contract at the rate of 2½ percent per annum for the period beginning 30 days after the date fixed for termination and ending with the date of final payment, except that (1) if the prime contractor unreasonably delays the settlement of his claim, interest shall not accrue for the period of such delay, (2) if interest for the period after termination on any advance payment or loan, made or guaranteed by the Government, has been waived for the benefit of the contractor, the amount of the interest so waived allocable to the terminated contract or the terminated part of the contract shall be deducted from the interest otherwise payable hereunder, and (3) if after delivery of findings by a contracting agency, the contractor appeals or sues as provided in section 13, interest shall not accrue after the thirtieth day following the delivery of the findings on any amount allowed by such findings, unless such amount is increased upon such appeal or suit. In approving, ratifying, authorizing, or making termination settlements with subcontractors, each contracting agency shall allow interest on the termination claim of the subcontractor on the same

basis and subject to the same conditions as are applicable to a prime contractor.

(g) Where any war contract does not provide for or provides against such fair compensation for its termination, the contracting agency, either before or after its termination, shall amend such war contract by agreement with the war contractor, or shall authorize, approve, or ratify an amendment of such war contract by the parties thereto, to provide for such fair compensation.

SEC. 7. (a) Where, in connection with the settlement of any termination claim by a contracting agency, any war contractor makes settlements of the termination claims of his subcontractors, the contracting agency shall limit or omit its review of such settlements with subcontractors to the maximum extent compatible with the public interest. Any contracting agency (1) may approve, ratify, or authorize such settlements with subcontractors upon such evidence, terms, and conditions as it deems proper; (2) shall vary the scope and intensity of its review of such settlements according to the reliability of the war contractor, the size, number, and complexity of such claims, and other relevant factors; and (3) shall authorize war contractors to make such settlements with subcontractors without review by the contracting agency, whenever the reliability of the war contractor, the amount or nature of the claims, or other reasons appear to the contracting agency to justify such action. Any such settlement of a subcontract approved, ratified, or authorized by a contracting agency shall be final and conclusive as to the amount due to the same extent as a settlement under subsection (c) of section 6 of this act, and no war contractor shall be liable to the United States on account of any amounts paid thereon except for his own fraud.

(b) Whenever any contracting agency is satisfied of the inability of a war contractor to meet his obligations it shall exercise supervision or control over payments to the war contractor on account of termination claims of subcontractors of such war contractor to such extent and in such manner as it deems necessary or desirable for the purpose of assuring the receipt of the benefit of such payments by the subcontractors.

(c) The Director shall prescribe policies and methods for the settlement as a group, or otherwise, by any contracting agency of some or all of the termination claims of a war contractor under war contracts with one or more (1) bureaus or divisions within a contracting agency, (2) contracting agencies, or (3) prime contractors and subcontractors, to the extent he deems such action necessary or desirable for expeditious and equitable settlement of such claims. After consulting with the contracting agencies concerned, the Director may provide for assigning any war contractor to a contracting agency for such settlement, and such agency shall have authority to settle, on behalf of any other contracting agency, some or all of the termination claims of such war contractor.

(d) Any contracting agency may settle directly termination claims of subcontractors to the extent that it deems such action necessary or desirable for the expeditious and equitable settlement of such claims. In making such termination settlements any contracting agency may discharge the claim of the subcontractor by payment or may purchase such claim, and may agree to assume, or indemnify the subcontractor against, any claims by any person in connection with such claim or the termination settlement. Any contracting agency undertaking to settle the termination claim of any subcontractor shall deliver to the subcontractor and the war contractor liable to him written notice stating its acceptance of responsibility for settling his claim and the conditions applicable thereto, which may include the release, or assignment to the contracting agency, of his claim against the war contractor liable to him; upon consent thereto by the subcontractor, the Government shall become liable for the settlement of his claims upon the conditions specified in the notice.

(e) Any contracting agency may make settlements with subcontractors in accordance with any of the provisions of this act without regard to any limitation on the amount payable by the Government to the prime contractor.

(f) If any contracting agency determines that in the circumstances of a particular case equity and good conscience require fair compensation for the termination of a war contract to be paid to a subcontractor who has been deprived of and cannot otherwise reasonably secure such fair compensation, the contracting agency concerned may nevertheless pay such compensation to him.

INTERIM FINANCING

SEC. 8. (a) It is the policy of the Government, and it shall be the responsibility of the contracting agencies and the Director, in accordance with and subject to the provisions of this act, to provide war contractors having any termination claim or claims, pending their settlement, with adequate interim financing, within 30 days after proper application therefor.

(b) Each contracting agency shall, to the greatest extent it deems practicable, make available interim financing through loans and discounts, and commitments and guaranties in connection therewith, in contemplation of or related to termination of war contracts. Where interim financing is made by advance payments or partial payments, it shall, insofar as practicable, consist of the following:

(1) An amount equal to 100 percent of the amount payable, at the contract price, on account of acceptable items completed prior to the termination date under the terms of the contract, or completed thereafter with the approval of the contracting agency; plus

(2) An amount equal to 90 percent of the cost of raw materials, purchased parts, supplies, direct labor, and manufacturing overhead allocable to the terminated part of the war contract; plus

(3) A reasonable percentage of other allowable costs, including administrative overhead, allocable to the terminated war contract not included in the foregoing; plus

(4) Such additional amounts, if any, as the contracting agency deems necessary to provide the war contractor with adequate interim financing.

(5) In lieu of the costs referred to in clauses (2) and (3) of this subsection, where a detailed ascertainment of such costs is not suitable to the conditions of any war contractor and is apt to cause delay in the obtaining of interim financing by him, that portion of such interim financing shall be equal to an amount not greater than 90 percent of the estimated costs which are allocable to the terminated part or parts of the war contract or group of war contracts, and are ascertained in accordance with such methods and standards as the Director shall prescribe.

(6) There shall be deducted from the amount of such interim financing any unliquidated balances of advance and partial payments theretofore made to such war contractor, which are allocable to the terminated war contract or the terminated part of the war contract.

(c) The Director shall prescribe (1) the types of estimates, certificates, or other evidence to be required to support such interim financing; (2) the terms and conditions upon which such interim financing shall be made including the use of standard forms for agreements with respect to such interim financing to the extent practicable; (3) the classes of cases in which such interim financing shall be refused; and (4) such methods of supervision and control over such interim financing as he deems necessary or desirable to assure adequate and speed interim financing to subcontractors of the war contractor.

(d) The obligation to pay any penalty imposed and to repay any interim financing made or assumed by the United States under this act shall constitute a debt due to the United States within the meaning of Revised Statutes, section 3466 (31 U. S. C., sec. 191).

(e) Any contracting agency may allow any advance payments, previously made or authorized by it in connection with the performance of a war contract, to be used for payments and expenses related to the termination settlement of such contract, upon such terms and conditions as it deems necessary or appropriate to protect the interest of the Government.

(f) No interim financing shall be made by any contracting agency under this act unless the terms of such financing provide for the liquidation by the war contractor of all loans, discounts, advance payments, or partial payments thereunder not later than the time of final payment of the amount due on the settlement of the termination claim or claims of the war contractor involved or such time thereafter as the contracting agency deems necessary for the liquidation of such interim financing in an orderly manner.

(g) Any contracting agency may settle, upon such terms and conditions as it deems proper, any claim or obligation due by or to the Government arising from or related to any interim financing made, acquired, or authorized by it. Any interim financing made, acquired, or authorized by any contracting agency before the effective date of this act shall be valid to the extent it would be authorized under the provisions of this act if made after its effective date.

SEC. 9. (a) Any contracting agency may make advance or partial payments to any war contractor on account of any termination claim or claims, and may authorize, approve, or ratify any such advance or partial payments by any war contractor to his subcontractors, upon such conditions as it deems necessary to insure compliance with the provisions of subsection (b) of this section. Each contracting agency shall make final payments from time to time on partial settlements or on settlements, fixing a minimum amount due before complete settlement, or as tentative payments before any settlement of the claim or claims.

(b) Where any such advance or partial payment is made to any war contractor by any contracting agency or by another war contractor under this section, except a final payment on a partial settlement, any amount in excess of the amount finally determined to be due on the termination claim shall be treated as a loan from the Government to the war contractor receiving it, and shall be payable upon demand, together with a penalty computed at the rate of 6 percent per annum, for the period from the date such excess advance or partial payment is received to the date on which such excess is repaid or extinguished. Where the advance or partial payment was made by a war contractor and authorized, approved, or ratified by any contracting agency, the war contractor making it shall not be liable for any such excess payment in the absence of fraud on his part and shall receive payment or credit from the Government for the amount of such excess payment.

SEC. 10. (a) Any contracting agency is authorized—

(1) to enter into contracts with any Federal Reserve bank, or other public or private financing institution, guaranteeing such financing institution against loss of principal or interest on loans, discounts, or advances

or on commitments in connection therewith, which such financing institution may make to any war contractor or to any person who is or has been engaged in performing any operation deemed by such contracting agency to be connected with or related to war production, for the purpose of financing such war contractor or other person in connection with or in contemplation of the termination of one or more such war contracts or operations;

(2) to make, enter into contracts to make, or to participate with any Government agency, any Federal Reserve bank or public or private financing institution in making loans, discounts, or advances, or commitments in connection therewith, for the purpose of financing any such war contractor or other person in connection with or in contemplation of the termination of such war contracts or operations.

(b) Any such loan, discount, advance, guaranty, or commitment in connection therewith may be secured by assignment of, or covenants to assign, some or all of the rights of such war contractor or other person in connection with the termination of such war contracts or operations, or in such other manner as the contracting agency may prescribe.

(c) Subject to such regulations as the Board of Governors of the Federal Reserve System may prescribe with the approval of the Director, any Federal Reserve bank is authorized to act, on behalf of the contracting agencies, as fiscal agent of the United States in carrying out the purposes of this Act.

(d) This section shall not limit or affect any authority of any contracting agency, under any other statute, to make loans, discounts, or advances, or commitments in connection therewith or guaranties thereof.

ADVANCE NOTICE

SEC. 11. (a) In order to facilitate the efficient use of materials, manpower, and facilities for war and civilian purposes, each contracting agency—

(1) shall provide its prime contractors with notice of termination of their prime contracts as far in advance of the cessation of work thereunder as is feasible and consistent with the national security without permitting unneeded production or performance;

(2) shall permit the continuation of some or all of the work under a terminated prime contract whenever the agency deems that such continuation will benefit the Government or is necessary to avoid substantial injury to the plant or property.

(b) Whenever a contracting agency hereafter directs a prime contractor to cease or suspend all or a substantial part of the work under a prime contract, without terminating the contract, then, unless the contract provides otherwise, (1) the contracting agency shall compensate the contractor for reasonable costs and expenses resulting from such cessation or suspension, and (2) if the cessation or suspension extends for 30 days or more, the contractor may elect to treat it as a termination by delivering written notice of his election so to do to the contracting agency, at any time before the contracting agency directs the prime contractor to resume work under the contract.

(c) The Director shall have no authority under this act to regulate or control the classes of contracts to be terminated by the contracting agencies.

REMOVAL AND STORAGE OF MATERIALS

SEC. 12. (a) It is the policy of the Government, upon the termination of any war contract, to assure the expeditious removal from the plant of the war contractor of the termination inventory not to be retained or sold by the war contractor.

(b) Any war contractor may submit to the contracting agency concerned or to any other Government agency designated by the Director, one or more statements showing the materials which such war contractor claims to be termination inventory under one or more war contracts and desires to have removed by the Government. Such statements shall be prepared in such form and detail, shall be submitted in such manner, through the prime contractor or otherwise, and shall be supported by such certificates or other data, as may be prescribed under this act.

(c) Within 60 days after the submission of any such statement by a war contractor, or such shorter period as may be prescribed under this act, or within such longer period as the war contractor may agree, the Government agency concerned (1) shall arrange, upon such terms and conditions as may be agreed, for the storage by the war contractor on his own premises or elsewhere of all such claimed termination inventory which the war contractor does not retain or dispose of, except any part which may be determined not to be allocable to the terminated war contract or contracts, or (2) shall remove from the plant or plants of the war contractor all of such claimed termination inventory not retained, disposed of, or stored by the war contractor or determined not to be allocable to the terminated war contract or contracts.

(d) Upon the failure of the Government so to arrange for storage by the war contractor or to remove any termination inventory within the period specified under subsection (c) of this section, the war contractor, subject to regulations prescribed under this act, may remove some or all of such termination inventory from his plant or plants and may store it on his own premises or elsewhere for the account and at the risk and expense of the Government, using reasonable care for its transportation and preservation. If any war contractor intends so to remove any claimed termination inventory, he shall deliver to the Government agency concerned written notice of the date fixed for removal and a statement showing the quantities and condition of the materials so to be removed, certified on behalf of the war contractor to have been prepared in accordance with a concurrent physical inventory of such materials. Such notice and statement shall be delivered at least 20 days in advance of the date fixed for removal and may be delivered before or after the expiration of the period specified under subsection (c) of this section. If the Government agency fails to check such materials, at or before the time of their removal by the war contractor, a certificate of the war contractor specifying the materials shown on such statement which were so removed, and filed with the Government agency concerned within 30 days after the date fixed for removal, shall constitute prima facie evidence against the United States as to the quantities and condition of the material so removed, and the fact of their removal.

(e) Notwithstanding any other provisions of law, but subject to subsection (h) of this section, the contracting agency concerned or the Director, or any Government agency designated by him, on behalf of the United States, may, by the exercise of any contract rights or otherwise, acquire and take possession of any termination inventory of any war contractor, and any materials removed by the Government or stored for its account under subsections (c) and (d) of this section, even if such materials are finally determined not to constitute termination inventory. With respect to any such materials, the Government shall be liable to any war contractor concerned only for their return to such war contractor or for their disposal value at the time of their removal or for the proceeds realized by the Government from their disposal, at the election of the Government agency concerned, unless the Government agency and the war contractor agree or have agreed on a different basis. Any amount so paid or payable to a war contractor for materials allocable to a terminated war contract shall be credited against the termination claim under such contract but shall not otherwise affect the amount due on the claim, unless the Government agency concerned and the war contractor agree or have agreed otherwise. Any materials to which the Director takes title under this section shall be delivered for disposal to any appropriate Government agency authorized to make such disposal.

(f) No contracting agency shall postpone or delay any termination settlement beyond the period specified in subsection (c) of this section for the purpose of awaiting disposal by the war contractor or the Government of any termination inventory reported in accordance with subsection (b) of this section.

(g) Whenever any war contractor no longer requires, for the performance of any war contract, any Government-owned machinery, tools, or equipment installed in his plant for the performance of one or more war contracts, the Government agency concerned, upon written demand by the war contractor, and within 60 days after such demand or such other period as may be prescribed under this act, and upon such conditions as may be so prescribed, shall remove or provide for the removal of such machinery, tools, or equipment from such plant, unless the Government agency concerned and the war contractor, by facilities contract or otherwise, have made or make other provision for the retention, storage, maintenance, or disposition of such machinery, tools, or equipment. The Government agency concerned may waive or release on behalf of the United States any obligation of the war contractor with respect to such machinery, tools, or equipment upon such terms and conditions as the agency deems appropriate. Upon the failure of the Government so to remove or provide for removal of any such machinery, tools, or equipment, the war contractor, subject to regulations prescribed under this act, may remove all or part of such machinery, tools, or equipment from his plant and may store it on his own premises or elsewhere, for the account and at the risk and expense of the Government, using reasonable care for its transportation and preservation.

(h) Nothing in this act shall limit or affect the authority of the War Department, Navy Department, or Maritime Commission, respectively, to take over any termination inventories and to retain them for their use for any purpose or to dispose of such termination inventories for the purpose of war production, or to authorize any war contractor to retain or dispose of such termination inventories for the purpose of war production.

(i) Nothing in this section shall be construed to prevent the removal and storage of any termination inventory by any war contractor, at his own risk, at any time after termination of any war contract to which it is allocable.

APPEAL

SEC. 13. (a) Whenever the contracting agency responsible for settling any termination claim has not settled the claim by agreement or has so settled only a part of the claim, (1) the contracting agency at any time may determine the amount due on such claim or such unsettled part, and prepare written findings indicating the basis of the determination, and deliver a copy of such findings to the war contractor, or (2) if the termination claim has been submitted in the manner and substantially the form prescribed under this act, the contracting agency, upon written demand by the war contractor for such findings, shall determine the amount due on the claim or unsettled part and pre-

pare and deliver such findings to the war contractor within 90 days after the receipt by the agency of such demand. In preparing such findings, the contracting agency may require the war contractor to furnish such information and to submit to such audits as may be reasonably necessary for that purpose. Within 30 days after the delivery of any such findings, the contracting agency shall pay to the war contractor at least 90 percent of the amount thereby determined to be due, after deducting the amount of any outstanding interim financing applicable thereto.

(b) Whenever any war contractor is aggrieved by the findings of a contracting agency on his claim or part thereof or by its failure to make such findings in accordance with subsection (a) of this section, he may, at his election—

(1) appeal to the Appeal Board in accordance with subsection (d) of this section; or

(2) bring suit against the United States for such claim or such part thereof, in the Court of Claims or in a United States district court, in accordance with subsection (20) of section 24 of the Judicial Code (28 U. S. C. 41 (20)), except that, if the contracting agency is the Reconstruction Finance Corporation, or any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, or any corporation owned or controlled by the United States, the suit shall be brought against such corporation in any court of competent jurisdiction in accordance with existing law.

(c) Any proceeding under subsection (b) of this section shall be governed by the following conditions:

(1) When any contracting agency provides a procedure within the agency for protest against such findings or for other appeal therefrom by the war contractor, the war contractor, before proceeding under subsection (b) of this section, (i) in his discretion may resort to such procedure within the time specified in this contract or, if no time is specified, within 30 days after the delivery to him of the findings; and (ii) shall resort to such procedure for protest or other appeal to the extent required by the Director, but failure of the contracting agency to act on any such required protest or appeal within 30 days shall operate as a refusal by the agency to modify its findings. Any revision of the findings by the contracting agency, upon protest or appeal within the agency, shall be treated as the findings of the agency for the purpose of appeal or suit under subsection (b) of this section. Notwithstanding any contrary provision in any war contract, no war contractor shall be required to protest or appeal from such findings within the contracting agency except in accordance with this paragraph.

(2) A war contractor may initiate proceedings in accordance with subsection (b) of this section (i) within 90 days after delivery to him of the findings by the contracting agency, or (ii) in case of protests or appeal within the agency, within 90 days after the determination of such protest or appeal, or (iii) in case of failure to deliver such findings, within 1 year after his demand therefor. If he does not initiate such proceedings within the time specified, he shall be precluded thereafter from initiating any proceedings in accordance with subsection (b) of this section, and the findings of the contracting agency shall be final and conclusive, or if no findings were made, he shall be deemed to have waived such termination claim.

(3) Notwithstanding any contrary provision in any war contract, the Appeal Board or court shall not be bound by the findings of the contracting agency, but shall treat such findings as prima facie correct, and the burden shall be on the war contractor to establish that the amount due on his claim or part thereof exceeds the amount allowed by the findings of the contracting agency. Whenever the Appeal Board or court finds that the war contractor failed to negotiate in good faith with the contracting agency for the settlement of his claim or part thereof before appeal or suit thereon, or failed to furnish to the agency any information reasonably requested by it regarding his termination claim or part thereof, or failed to prosecute diligently any protest or appeal required to be taken under subsection (c) (1) (ii) of this section, the Appeal Board or court (i) may refuse to receive in evidence any information not submitted to the contracting agency; (ii) may deny interest on the claim or part thereof for such period as it deems proper; or (iii) may remand the case to the contracting agency for further proceedings upon such terms as the Appeal Board or court may prescribe. Unless the case is remanded, the Appeal Board or court shall enter the appropriate award or judgment on the basis of the law and facts, and may increase or decrease the amount allowed by the findings of the contracting agency.

(4) Any such proceedings shall not affect the authority of the contracting agency concerned to make a settlement of the termination claim, or any part thereof, by agreement with the war contractor at any time before such proceedings are concluded.

(d) (1) The Director shall appoint an Appeal Board, composed of such number of members as he deems necessary from time to time to hear appeals under this section. The members of the Appeal Board shall be qualified and experienced attorneys, engineers, accountants, or persons possessing sufficient business experience or professional skill. He shall, without regard to the provisions of the civil-service laws and the Classification Act of 1923, appoint and fix the compensation and term of office of the members of the Appeal Board.

(2) Panels of one or more members may act for the Appeal Board and shall sit from time to time in localities throughout the country, reasonably convenient for war contractors having proceedings before them. A panel of one member of the Appeal Board may hear any appeal whenever (i) the amount in controversy in the appeal is $25,000 or less; or (ii) the amount in controversy exceeds $25,000, but the war contractor taking the appeal fails to demand a panel of three members at the time of filing his appeal. If the war contractor is aggrieved by the decision of the Appeal Board or panel (other than an order remanding the case to the contracting agency under subsection (c) (3) (iii) of this section), then within 90 days after such decision he may bring suit on the claim or unsettled part thereof in accordance with subsection (b) (2) of this section. Such suit shall proceed as if no appeal had been taken under subsection (b) of this section. Upon failure of the war contractor so to sue within such period, the decision of the Appeal Board or panel shall be final and conclusive.

(3) The Director or, if authorized by him, the Appeal Board shall prescribe the practice and procedure to govern proceedings for the Appeal Board. The Appeal Board or any panel thereof shall have power to administer oaths to witnesses and to compel by subpena the attendance of witnesses, and the production of books, papers, documents, and other records. All provisions of law (including penalties and provisions relating to self-incrimination) applicable with respect to subpenas issued under the Federal Trade Commission Act shall be applicable with respect to subpenas issued by the Appeal Board insofar as such provisions are not inconsistent with the provisions of this act.

(e) The contracting agency responsible for settling any claim and the war contractor asserting the claim, by agreement, may submit all or any part of the termination claim to arbitration, without regard to the amount in dispute. Such arbitration proceedings shall be governed by the provisions of the United States Arbitration Act to the same extent as if authorized by an effective agreement in writing between the Government and the war contractor. Any such arbitration award shall be final and conclusive upon the United States to the same extent as a settlement by agreement under subsection (c) of section 6.

(f) Whenever any dispute exists between any war contractor and a subcontractor regarding any termination claim, either of them, by agreement with the other, may submit the dispute—

(1) to the Appeal Board in accordance with subsection (d) of this section;

(2) to a contracting agency for mediation or arbitration whenever authorized by the agency or required by the Director.

Any award or decision in such proceedings shall be final and conclusive as to the parties so submitting any such dispute and shall not be questioned by the United States in settling any related claim, in the absence of fraud or collusion.

COURT OF CLAIMS

SEC. 14. (a) For the purpose of expediting the adjudication of termination claims, the Court of Claims is authorized to appoint not more than 10 auditors and not more than 20 commissioners in addition to those provided for by the act of February 24, 1925 (ch. 301, 43 Stat. 964), as amended by the act of June 23, 1930 (ch. 573, 46 Stat. 799), and the provisions of said act shall apply to such additional commissioners in all respects as if they had been appointed thereunder without limitations as to nature of duties which they may be called upon to perform.

(b) The Court of Claims, on motion of either of the parties, or on its own motion, may summon any and all parties with legal capacity to be sued to appear as a party or parties in any suit or proceeding of any nature whatsoever pending in said court to assert and defend their interests, if any, in such suits or proceedings, within such period of time prior to judgment as the Court of Claims shall prescribe. If the name and address of such party in interest is known or can be ascertained by reasonable diligence, and if he resides within the jurisdiction of the United States, he shall be summoned to appear by personal service; but if such party resides outside of the jurisdiction of the United States, or is unknown, or if for any other good and sufficient reason appearing to the court personal service cannot be had, he may be summoned by publication, under such rules as the court may adopt, together with a copy of the summons mailed by registered mail to such party's last known address. Upon failure so to appear, any and all claims or interests in claims of any such person against the United States, in respect of the subject matter of such suit or proceeding, shall forever be barred and the court shall have jurisdiction to enter judgment pro confesso upon any claim or contingent claim asserted on behalf of the United States against any party who, having been duly served with subpena, fails to respond thereto, to the same extent and with like effect as if such party had appeared and had admitted the truth of all allegations made on behalf of the United States. Upon appearance by any party pursuant to any such notice or subpena, the case as to such party shall, for all purposes, be treated as if an independent proceeding had been instituted by such party pursuant to section 145 of the Judicial Code, as amended, and as if such independent proceeding had then been consolidated, for purposes of trial and determination, with the case in respect

of which the notice or subpena was issued, except that the United States shall not be heard upon any counterclaims, claims for damages or other demands whatsoever against such party, other than claims and contingent claims for the recovery of money hereafter paid by the United States in respect of the transaction or matter which constitutes the subject matter of such case, unless and until such party shall assert therein a claim, or in interest in a claim, against the United States, and the Court of Claims shall have jurisdiction to adjudicate, as between any and all adverse claimants, their respective several interests in any matter in suit and to award several judgments in accordance therewith.

(c) The jurisdiction of the Court of Claims shall not be affected by this act except to the extent necessary to give effect to this act, and no party shall recover judgment on any claim, or on any interest in any claim, in said court which such party would not have had a right to assert if this section had not been enacted.

PERSONAL FINANCIAL LIABILITY

SEC. 15. (a) Whenever any payment is made from Government funds to any war contractor or other person as an advance, partial, or final payment on any termination claim, or pursuant to any loan, guaranty, or agreement for the purchase of any loan, or any commitment in connection therewith, entered into by the Government, no officer or other Government agent authorizing or approving such payment or settlement, or certifying the voucher for such payment, or making the payment in accordance with a duly certified voucher, shall be personally liable for such payment, in the absence of fraud on his part. In settling the accounts of any disbursing officer the General Accounting Office shall allow any such disbursements made by him notwithstanding any other provisions of law.

(b) For the purpose of making termination settlements or interim financing any Government agency is authorized to rely upon such certificates of war contractors as it deems proper and to permit war contractors and other persons to rely upon such certificates without financial liability in the absence of fraud on their part.

THE GENERAL ACCOUNTING OFFICE

SEC. 16. (a) Any other provision of law notwithstanding, the function of the General Accounting Office with respect to any termination settlement made, authorized, ratified, or approved by a contracting agency shall be confined to determining, after final settlement, (1) whether the settlement payments to the war contractor were made in accordance with the settlement, and (2) whether the records transmitted to it, or other information, warrant a reasonable belief that the settlement was induced by fraud. For this purpose the General Accounting Office shall have the authority to examine any records maintained by any contracting agency or by any war contractor relating to any termination settlement.

(b) Whenever the General Accounting Office believes that any settlement was induced by fraud, the Comptroller General of the United States shall report all of the facts relating thereto to the Director, to the Department of Justice, and to the contracting agency concerned. Upon receipt of such report (1) the Department of Justice shall make an investigation to determine whether such settlement was induced by fraud, and (2) until the Department of Justice notifies the contracting agency that in its opinion the facts do not support the belief that the settlement was induced by fraud, the contracting agency, by set-off or otherwise, shall withhold, from amounts owing to the war contractor by the United States under such settlement or otherwise, the amount of the settlement, or the portion thereof, which, in the opinion of the General Accounting Office as stated in its report, was affected by the fraud. In any such case the Department of Justice shall take such action as it deems appropriate to recover payments made to such war contractor. The General Accounting Office shall not suspend credit to any disbursing officer on any disbursements made by him under such settlement in the absence of fraud on his part.

(c) The Comptroller General may investigate the settlements completed by eath contracting agency for the purpose of reporting to the Congress from time to time on—

(1) whether the settlement methods and procedures employed by such agency are of a kind and type designed to result in expeditious and fair settlements in accordance with and subject to the provisions of this act and the orders and regulations of the Director;

(2) whether such methods and procedures are followed by such agency with care and efficiency; and

(3) whether such methods and procedures adequately protect the interest of the Government.

If in any such report the Comptroller General shall find that the settlement methods and procedures fail to meet the foregoing standards, he shall make suggestions and recommendations to such agency for the improvement of such methods and procedures and to the Congress for any additional legislation needed to carry out the policies of this act. At least 30 days before filing any such report with the Congress, the Comptroller General shall deliver a copy thereof to the agency concerned and the Director, and shall forward to the Congress together with such report any comments of such agency with respect thereto.

(d) The jurisdiction of the Comptroller General of the United States shall not be affected by this act except to the extent necessary to give effect to the specific provisions thereof.

DEFECTIVE, INFORMAL, AND QUASI CONTRACTS

SEC. 17. (a) Where any person has arranged to furnish or furnished to a contracting agency or to a war contractor any materials, services, or facilities related to the prosecution of the war, without a valid contract, relying in good faith upon the apparent authority of an officer or agent of a contracting agency, written or oral instructions, or any other request to proceed from a contracting agency, the contracting agency shall pay such person fair compensation therefor.

(b) Whenever any formal or technical defect or omission in any prime contract, or in any grant of authority to an officer or agent of a contracting agency who ordered any materials, services, and facilities might invalidate the contract or commitment, the contracting agency (1) shall not take advantage of such defect or omission; (2) shall amend, confirm, or ratify such contract or commitment without consideration in order to cure such defect or omission; and (3) shall make a fair settlement of any obligation thereby created or incurred by such agency, whether expressed or implied, in fact or in law, or in the nature of an implied or quasi contract.

(c) Where a contracting agency fails to settle by agreement any claim asserted under this section, the dispute shall be subject to the provisions of section 13 of this act.

(d) The Director shall require each contracting agency to formalize all such obligations and commitments within such period as the Director deems appropriate.

RECORDS, FORMS, AND REPORTS

SEC. 18. (a) The Director shall establish policies for such supervision and review within the contracting agencies of termination settlements and interim financing as he deems necessary and appropriate to prevent and detect fraud and to assure uniformity in administration and to provide for expeditious settlements. For this purpose he shall prescribe (1) such records to be prepared by the contracting agencies and by war contractors as he deems necessary in connection with such settlements and interim financing; and (2) the records in connection therewith to be transmitted to the General Accounting Office. He shall seek to reduce the amount of record keeping, reporting, and accounting in connection with the settlement of termination claims and interim financing to the minimum compatible with the reasonable protection of the public interest. Each contracting agency shall prescribe forms for use by war contractors in connection with termination settlements and interim financing to the extent it deems necessary and feasible.

(b) The Director shall require the Government agencies performing functions under this act to prepare such information and reports regarding terminations of war contracts, settlements of termination claims, and interim financing, as he deems necessary to assist him in appraising their operations or to assist him or other Government agencies in performing their functions under this act, and may prescribe the terms and conditions upon which such information and reports shall be made available to other Government agencies. The Director may require any Government agency to furnish such information under its control as he deems necessary for the performance of his functions under this act, but any such agency, in its discretion, may furnish any such information deemed by it to affect the national security only to the Director himself.

(c) The Director, by regulation, shall provide for making available to any interested Government agency such advance notice and other information on cut-backs in war production resulting from terminations or failures to renew or extend war contracts, as he deems necessary and appropriate.

(d) The Director shall make such investigations as he deems necessary or desirable in connection with termination settlements and interim financing. For this purpose he may utilize the facilities of any existing agencies and if he determines that the facilities of existing agencies are inadequate, he may establish a unit in the Office of Contract Settlement to supplement and facilitate the work of existing agencies. He shall report to the Department of Justice any information received by him indicating any fraudulent practices, for appropriate action.

(e) Whenever any contracting agency or the Director believes that any settlement was induced by fraud, the agency or Director shall report the facts to the Department of Justice. Thereupon, (1) the Department of Justice shall make an investigation to determine whether such settlement was induced by fraud, and (2) until the Department of Justice notifies the contracting agency that in its opinion the facts do not support the belief that the settlement was induced by fraud, the contracting agency, by set-off or otherwise, shall withhold, from amounts owing to the war contractor by the United States under such settlement or otherwise, the amount of the settlement, or the portion thereof, which, in its opinion, was affected by the fraud. In any such case the Department of Justice shall take such action as it deems appropriate to recover payments made to such war contractor.

PRESERVATION OF RECORDS; PROSECUTION OF FRAUD

SEC. 19. (a) It shall be unlawful for any person willfully to secrete, mutilate, obliterate, or destroy, or cause to be secreted, mutilated, obliterated, or destroyed—

(1) any records of a war contractor relating to the negotiation, award, performance, payment, interim financing, cancelation or other termination, or settlement of a war contract of $25,000 or more; or

(ii) any records of a war contractor and any purchaser relating to any disposition of termination inventory in which the consideration received by any war contractor or any Government agency is $5,000 or more,

until (1) 5 years after such disposition of termination inventory by such war contractor or Government agency, or (2) 5 years after the final settlement of such war contract, or (3) 5 years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress, whichever applicable period is longer.

As used in this subsection, the term "records" includes, but is not limited to, books, ledgers, checks and check stubs, pay-roll data, vouchers, memoranda, correspondence, inspection reports, and certificates. Any corporation violating any provision of this subsection shall be fined not more than $50,000 and any natural person violating any provision of this subsection shall be fined not more than $10,000, or imprisoned for not more than 5 years, or both: *Provided, however*, That the Director, by regulation, may authorize the destruction of such records upon such terms and conditions as he deems appropriate, which may include the making and retaining of photographs or microphotographs. Photographs or microphotographs of any records made in compliance with such regulations of the Director shall have the same force and effect as the originals thereof would have and shall be treated as originals for the purpose of admissibility in evidence.

(b) The first section of the act of August 24, 1942 (56 Stat. 747; title 18, U. S. C., Supp. II, sec. 590a), is amended to read as follows:

"The running of any existing statute of limitations applicable to any offense against the laws of the United States (1) involving defrauding or attempts to defraud the United States or any agency thereof whether by conspiracy or not, and in any manner, or (2) committed in connection with the negotiation, procurement, award, performance, payment for, interim financing, cancelation or other termination or settlement, of any contract, subcontract, or purchase order which is connected with or related to the prosecution of the present war, or with any disposition of termination inventory by any war contractor or Government agency, shall be suspended until 3 years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress. This section shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by provisions of existing law."

(c) (1) Every person who makes or causes to be made, or presents or causes to be presented to any officer, agent, or employee of any Government agency any claim, bill, receipt, voucher, statement, account, certificate, affidavit, or deposition, knowing the same to be false, fraudulent, or fictitious or knowing the same to contain or to be based on any false, fraudulent, or fictitious statement or entry, or who shall cover up or conceal any material fact, or who shall use or engage in any other fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any benefit, payment, compensation, allowance, loan, advance, or emolument from the United States or any Government agency in connection with the termination, cancelation, settlement, payment, negotiation, renegotiation, performance, procurement, or award of a contract with the United States or with any other person, and every person who enters into an agreement, combination, or conspiracy so to do, (1) shall pay to the United States an amount equal to 25 percent of any amount thereby sought to be wrongfully secured or obtained but not actually received, and (2) shall forfeit and refund any such benefit, payment, compensation, allowance, loan, advance, and emolument received as a result thereof, and (3) shall in addition pay to the United States the sum of $2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the costs of suit.

(2) The several district courts of the United States, the District of Columbia, the several district courts of the Territories of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall, wheresoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct.

(d) The provisions of section 35–A of the Criminal Code (18 U. S. C., sec. 80) shall apply to any statement, representation, bill, receipt, voucher, roll, account, claim, certificate, affidavit, or deposition made or used or caused to be made or used for any purpose under this act or under any regulations pursuant to this act.

GENERAL PROVISIONS

SEC. 20. (a) Each contracting agency shall have authority, notwithstanding any provisions of law other than contained in this act, (1) to make any contract necessary and appropriate to carry out the provisions of this act; (2) to amend by agreement any existing contract, either before or after notice of its termination, on such terms and to such extent as it deems necessary and appropriate to carry out the provisions of this act; and (3) in settling any termination claim, to agree to assume, or indemnify the war contractor against, any claims by any person in connection with such termination claims or settlement. This subsection shall not limit or affect in any way any authority of any contracting agency under the First War Powers Act, 1941, or under any other statute.

(b) Any contracting agency may prescribe the amount and kind of evidence required to identify any person as a war contractor, or any contract, agreement, or purchase order as a war contract for any of the purposes of this act. Any determinatin so made that any person is a war contractor, or that any contract, agreement, or purchase order is a war contract, shall be final and conclusive for any of the purposes of this act.

(c) There are hereby authorize to be appropriated such sums as may be necessary for administering the provisions of this act.

(d) All policies and procedures relating to termination of war contracts, termination settlements, and interim financing, prescribed by the Director of War Mobilization or any contracting agency, in effect upon the effective date of this act, and not inconsistent with this act, shall remain in full force and effect unless and until superseded by the Director in accordance with this act, or by regulations of the contracting agency not inconsistent with this act or the policies prescribed by the Director.

(e) Nothing in this act shall be deemed to impair or modify any war contract or any term or provision of any war contract or any assignment of any claim under a war contract, without the consent of the parties thereto, if the war contract, or the term, provision, or assignment thereof, is otherwise valid.

(f) Any contracting agency shall authorise or direct its officers and employees to advise, aid, and assist war contractors in preparing and presenting termination claims, in obtaining interim financing, and in related matters, to such extent as it deems desirable. If the officer or employee receives therefor no benefit or compensation of any kind, directly or indirectly, from any war contractor, such advice, aid, or assistance shall be treated as part of his official duties and shall not constitute a violation of section 109 of the Criminal Code (18 U. S. C. 198) or of any other law.

(g) The Smaller War Plants Corporation is hereby directed—

(1) to disseminate information among small business concerns with respect to interim financing, termination settlements, removal and storage of termination inventories pursuant to the provisions of this act and the regulations of the Director; and

(2) to assist small business concerns in connection with the securing of interim financing and the preparation of applications for such interim financing, the effecting of termination settlements, and the removal and storage of termination inventories, and to make interim loans and guaranties, in order to assure that small business concerns receive fair and equitable treatment from prime contractors and intermediate subcontractors in connection with the termination of war contracts.

OTHER FUNCTIONS OF THE DIRECTOR

SEC. 21. In addition to his other functions under this act, the Director shall—

(a) promote the training of personnel for termination settlement and interim financing by contracting agencies, war contractors, and financing institutions;

(b) collaborate with the Smaller War Plants Corporation in protecting the interests of smaller war contractors in obtaining fair and expeditious termination settlements and interim financing.

(c) promote decentralization of the administration of termination settlements and interim financing by fostering delegation of authority within contracting agencies and to war contractors, to the extent he deems necessary and feasible;

(d) consult with war contractors through advisory committees or such other methods as he deems appropriate.

USE OF APPROPRIATED FUNDS

SEC. 22. Any contracting agency is authorized—

(a) to use for interim financing, the payment of claims, and for any other purposes authorized in this act any funds which have heretofore been appropriated or allocated or which may hereafter be appropriated or allocated to it, or which are or may become available to it, for such purposes or for the purposes of war production or war procurement;

(b) to use any such funds appropriated, allocated, or available to it for expenditures for or in behalf of any other contracting agency for the purposes authorized in this act;

(c) to determine by agreement, joint estimate, or any other method authorized by the Director, the part of any expenditure made pursuant to subsection (b) hereof to be paid by each contracting agency concerned and to make transfers of funds between such contracting agencies accordingly. Transfers of funds between appropriations carried upon the books of the Treasury shall be made by the Secretary of the Treasury in accordance with joint requests of the contracting agencies involved.

DELEGATION OF AUTHORITY

SEC. 23. (a) The Director may delegate any authority and discretion conferred upon him by this act to any Deputy Director, and may delegate such authority and discretion, upon such terms and conditions as he may prescribe, to the head of any Government agency

to the extent necessary to the handling and solution of problems peculiar to that agency.

(b) The head of any Government agency may delegate any authority and discretion conferred upon him or his agency by or pursuant to this act to any officer, agent, or employee of such agency or to any other Government agency, and may authorize successive redelegations of such authority and discretion.

(c) Any two or more Government agencies may exercise jointly any authority and discretion conferred upon each of them individually by or pursuant to this act.

(d) Nothing in this act shall prevent the Director from exercising any authority conferred upon him by any other statute.

APPLICABILITY

SEC. 24. (a) This act shall become effective 20 days after the date of its enactment. With the exception of the provisions of paragraphs (b), (c), (d), and (e), of section 12, and of sections 6, 7, 8, 9, 10, and 13 this act shall be applicable in the case of any terminated war contract which has been finally settled at or before the effective date of this act.

(b) Nothing in this act shall limit or affect any authority conferred by the act of March 11, 1941 (55 Stat. 31), as amended, or acts supplemental thereto.

SEC. 25. Subject to policies prescribed by the Director, any contracting agency may exempt from some or all of the provisions of this act (a) any war contract made or to be performed outside the continental limits of the United States or in Alaska, or (b) any termination inventory situated outside of the continental limits of the United States or in Alaska, or (c) any modification of a war contract pursuant to its terms for the purpose of changing plans or specifications applicable to the work without substantially reducing its extent.

SEPARABILITY OF PROVISIONS

SEC. 26. If any provision of this act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SHORT TITLE

SEC. 27. This act may be cited as the "Contract Settlement Act of 1944."

The CHAIRMAN. Are there any amendments to section 3?

Mr. McLEAN. Mr. Chairman, I move to strike out the last word and ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. McLEAN. Mr. Chairman, Dr. William Thornwall Davis passed away yesterday morning. Although he was not a Member of the Senate or House of Representatives, in his early life he was an attaché of the Senate, and was so much a part of the activities of Congress and his life reflects so much credit upon his early association here, that a word of appreciation in this presence is appropriate.

It was while he was engaged as a Senate employee in 1897 and subsequent years that I came to know him, and the intimacy there formed has continued over the years, and I have been proud of his advancement and the position he has attained as one of our leading ophthalmologists. I loved him as a friend and adviser.

During his early life at the Senate he discharged faithfully the duties assigned to him, and during his leisure hours devoted himself to study, earning the degree of doctor of medicine at George Washington University. After graduation he joined the Army Medical Corps, and became a part of its development under the program of the great general, Leonard Wood. He served in the Moro campaign in the Philippines, the insurrection in Cuba, and the San Francisco earthquake disaster. He served in the Medical Corps in World War No. 1, and has since been a valued consultant in its development.

He was highly regarded as a private practitioner, but always had time to give to the interest of his country.

Dr. Davis was a consulting ophthalmologist at Garfield, Columbia, Gallinger, Casualty, and George Washington Hospitals. Since 1920 he had served as a professor of ophthalmology at George Washington University from which he received his medical degree in 1901. He held a similar position at the Army Medical School with the rank of major during the First World War. In 1941 when selective service was getting under way, Dr. Davis served as a member of the advisory board.

Born in Little Rock, Ark., Dr. Davis was a nephew of the late Senator Joseph C. Blackburn, Democrat, Kentucky. In addition to George Washington, Dr. Davis studied at the Army Medical School, the University of Vienna in 1906, the Royal Ophthalmic Hospital in London. His internship was served at Garfield Hospital.

Dr. Davis served in the Army Medical Corps from 1902 to 1913, first as a lieutenant and later as a captain. He served with Gen. Leonard Wood in the Moro campaign, and was surgeon under Gen. Frank McCoy in the Datto Ali campaign.

A fellow of the American College of Surgeons, Dr. Davis held membership in the American Medical Association, Southern Medical Association, American Academy of Ophthalmology and Otolaryngology, the Pan-American Medical Association, and the Academy of Medicine, Washington. He maintained his private office at 927 Farragut Square.

He was also a member of the board of directors of the Washington Loan & Trust Co., of the Military Order of the Carabao, Spanish-American War Veterans, American Legion, Rotary Club, Masons, and Phi Sigma Kappa, G. W. U. chapter. He belonged to the Army and Navy, Metropolitan, and Chevy Chase Clubs.

Dr. Davis leaves his wife, Mrs. Renee Tolson Davis, and four sons, Dr. William J. G. Davis, of Cleveland, Ohio; Maj. Roger Has Brouck Davis, stationed at Wright Field, Dayton, Ohio, with the Army Air Forces; First Lt. Rene S. Davis, United States Army, stationed at Camp Gruber, Okla.; and Akin Thornwall Davis, a premedical student at George Washington University.

The CHAIRMAN. Are there any amendments to be offered to section 3?

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word and ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Chairman, the unveiling of a portrait yesterday of SCHUYLER OTIS BLAND, unfolds for the future the vision, the courage, and the strength of character of the honored and honorable gentleman who for over a quarter of a century has given unflinching and unfailing effort in the maintenance and development of our American merchant marine. Words proclaiming this memorable occasion, a fitting tribute to the gentleman from Virginia, are but trite expressions of a truism. No tribute can adequately express the force of his industrious ability in guarding over this important committee as it has studied and provided the legislation which has made possible the glory which follows our American flag merchant fleet. American flag vessels circle the globe and carry with them, wherever the harbor or port of call, the imprint of the sagacity and wisdom of those who, with, and under the leadership of Judge BLAND have made our foreign trade and national security the rock upon which our Nation stands as the protective liberator of liberty.

SCHUYLER BLAND, as he is known to his innumerable friends on both sides of the House of Representatives and Senate of the United States, was elected to Congress, the sixty-fifth session, on July 2, 1918. Only nine Members of the House and three Members of the United States Senate have longer periods of continuous service in the legislative branch of our great Government. His skill as a legislator, ability as an administrator, and sympathetic understanding of the science of government and the needs of his country have gained for him the friendship of President and citizen. He has won the respect and admiration of his colleagues irrespective of party throughout his long and distinguished career. Coming to the House Merchant Marine and Fisheries Committee during the raging of World War No. 1 from a district, which at that time included one of the most prominent and important ports of embarkation of our armed forces, Newport News, Va., studded as it was and is with shipyards and teeming as it was and is with lore of the sea, Judge BLAND, as former president of the bar association of that city and vice president of the bar association of the Commonwealth of Virginia, was especially adapted by experience, association, and training to bring to Congress and America liberal ideas of the future possibility of our maritime greatness and the executive friendly capacity to effectuate the sound principles upon which our maritime industry has grown to greatness. The Shipping Acts of 1920 and 1928 and the Merchant Marine Act, 1936, as amended, the magna carta of our merchant navy, are in great measure the considered judgment of Congress under his forceful direction and kindly, gentle, and understanding leadership.

The path of the development of our merchant fleet from approximately three and one-half million tons in foreign trade

in 1939 to a tonnage, United States owned, operated, or controlled of over 40,000,000 dead weight as of this day has not ever been smooth. Pre-war days held disappointment, discouragement, and frustration. But never did my colleague and friend of the years lose heart or allow his dreams of an American merchant marine, second to none, become dimmed or destroyed. A deep student of trade practices, principles, and opportunities, both foreign and domestic, he has succeeded in helping ever keep the American merchant marine on an even keel. Meeting the problems of finance and shipyard, shipowner, merchant seamen, stevedoring, and education of management and labor, with brilliance, the gentleman from Virginia, Judge BLAND, today has under his jurisdiction the Coast Guard, Bureau of Lighthouses, Coast and Geodetic Survey, marine hospitals, and Panama Canal. He is a member of the Board of Visitors of the Coast Guard Academy at New London, Conn., and of the United States Merchant Marine Academy, Kings Point, Long Island, and by appointment of the President, a member of the Goethals Memorial Commission. In the full blossom of the beauty of his work, he stands, not as admiral, Congressman, or legal guide, but as the man of his century who has given our citizens complete confidence that the future of our Nation through his great Americanism and industry will be protected by an adequate merchant marine, now and in the future when victory is ours.

I, with the members of his committee, and many of his friends were proud to take part in those exercises, honoring not only a colleague and a friend, but an outstanding legislator, and a great American.

The CHAIRMAN. Are there any amendments to section 4 of the bill?

Mr. J. LEROY JOHNSON. Mr. Chairman, I offer an amendment to section 4, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. J. LEROY JOHNSON: On page 58 of the printed bill, following line 9, add the following subsection to section 4 (b) of the bill:

"(3) May designate someone, not a member of any agency involved, to represent him to participate in the negotiations for the settlemen of any terminated contract, and no settlement, in cases where such a person is designated by the Director to participate, shall be binding and final unless approved by him. The Director's approval or disapproval of such settlements shall be made within 30 days of the date when the agreement for settlement is made by the agency and the contractor."

Mr. J. LEROY JOHNSON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and also that I may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. J. LEROY JOHNSON. Mr. Chairman, amplifying what I said a moment ago, we find in section 4 that the Director of Contract Settlements is given certain powers. But I see no power except the power to provide by procedure to increase efficient administration of the provisions of this law. Also, in the act I find no provision that specifically gives him any power to participate in the actual negotiations in the termination of war contracts. That means, as I read the act, that the complete determination of what shall be paid in the event of a settlement is the agreement between the contractor and the particular governmental agency. Now, in my opinion, that is the weakest spot in this bill.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield to the gentleman from Tennessee.

Mr. KEFAUVER. Mr. Chairman, I wonder if the gentleman has examined subsection (e) on page 90, which gives the war contractor the right, with the agreement of the Director, to submit the claim to arbitration? Is that the same thing that the gentleman advocates?

Mr. J. LEROY JOHNSON. No; it is not the same thing. That would be a very cumbersome method, in my opinion, although that might help the situation. Here is what I want: I want him not to be an arbitrator, but I want this man who is supposed to unify this procedure and produce efficient administration to have the power to actually participate in these negotiations that will result in the settlement in those cases where he thinks it is necessary.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield.

Mr. VINSON of Georgia. May I call the gentleman's attention to page 58 on which will be found subsection (c) of section 4, which says:

The exercise of any authority or discretion and the performance of any duty or function conferred or imposed on any Government agency by this act, shall be subject to such orders and regulations prescribed by the director pursuant to subsection (b).

Mr. J. LEROY JOHNSON. Yes, but that does not give him the power to do that.

Mr. VINSON of Georgia. He has complete authority to do everything that the gentleman from California is complaining about.

Mr. J. LEROY JOHNSON. I must respectfully differ with the gentleman from Georgia, much as I admire him, because I think it only gives him power to lay down the rules whereby the Government agents and the war contractors can arrive at a settlement, but it does not give him any power to himself participate in that negotiation.

Mr. VINSON of Georgia. If he has the authority to lay down the rules for an officer or an employee of his to do a certain thing, he also has the basic and fundamental right to say he will do it himself.

Mr. J. LEROY JOHNSON. I do not believe he has the right to appoint anybody or himself to take part in the actual negotiations for settlement. That is why I offered this amendment to give him the power to participate in the settlement.

Mr. ANGELL. Mr. Chairman, will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield.

Mr. ANGELL. If it is true that the bill already gives him that authority, then there can be no objection to this amendment.

Mr. VINSON of Georgia. Mr. Chairman, I have no objection to it so far as I am concerned, but I am satisfied it is already taken care of. This would merely fortify it, so far as I am concerned.

Mr. J. LEROY JOHNSON. Mr. Chairman, I appreciate that statement. The only reason I advocate this is because my reading of the bill did not give me the impression that he had the authority.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield.

Mr. IZAC. I may not be able to help the gentleman any but it might be pertinent to call attention to the fact that the Committee on Naval Affairs had already put such a provision in our bill for the Comptroller General to sit in. That, of course, is not in this bill. Whether it is right or not to have the Comptroller General instead of the representation of the man you have in mind, I do not know. But I do think we were trying to get the Comptroller General to sit in in some way, and that has not been considered, of course, by the House. That bill was not given a rule and therefore we cannot bring it in.

Mr. J. LEROY JOHNSON. The point I want to make is this, that apparently there is no specific provision authorizing what I am advocating. A great many people felt that some person like the Comptroller General should be in this bill as a check and safeguard of the taxpayer. We determined we should not place the Comptroller General there because he might unduly delay the settlement of these contracts, but here we give the contract settlement director the power, where he thinks it is necessary, to put a man into the negotiations. He sits at the table. He has the information available to the contracting agent. You know and I know there are going to be a great many unbalanced settlements. We are not talking about a few million dollars. We are talking about the expenditure of $25,000,000,000 that may be handed out to contractors just by two men sitting across the table trying to agree. I want to try to get a specific provision in this bill, and I think my amendment does it, whereby the Congress and the public can have some assurance that there is one individual at that table who is not a biased individual, who is not representing one side or the other, but who is there trying to arrive at a fair settlement; fair for the taxpayer and fair for the contractor. I believe my provision would not delay the work but would help it, and would help arrive at balanced settlements.

Mr. WALTER. Will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield.

Mr. WALTER. Does not the gentleman agree that the director is the third person in the settlement?

Mr. J. LEROY JOHNSON. No; I do not. The director is only to make procedure, to make the rules of the game, but he cannot participate and help the settlements to be arrived at. That is the weakness of this bill.

Mr. BROOKS. Will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield.

Mr. BROOKS. I think there is a great deal to what the gentleman has to say. That is the reason we arrived at the conclusion that the Comptroller General should sit in, because he is an established official already set up. I think some third independent party ought to sit in.

Mr. J. LEROY JOHNSON. I thank the gentleman for his comments.

Mr. BATES of Massachusetts. Will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield.

Mr. BATES of Massachusetts. This third party is going to sit in, in an advisory capacity; but would he have any actual determination?

Mr. J. LEROY JOHNSON. No; not in an advisory capacity, but as a participating party to the settlement. Where this agent of the contract settlement director sits in, then under my amendment the amount arrived at as a settlement cannot become final unless the director of the contract settlement department agrees to it within 30 days. In other words, he has the power of veto and is the safeguard against bad settlements we have been looking for. The reason I give him that veto power is that I think he is a dispassionate individual, appointed by the President, to facilitate the settlements, but the law they have given us only talks about procedural things and gives him no real power. I want him to have some substantive right to help determine these cases, and see that equity is done to both the Government and the contractors.

Mr. BATES of Massachusetts. In other words, you want to give this man absolute veto power over the termination of a contract?

Mr. J. LEROY JOHNSON. Only in those cases where he may determine to enter, in case he feels he cannot acquiese in the proposed settlement.

Mr. BATES of Massachusetts. The bill from the Naval Affairs Committee did not contain any such provision as that. It permitted the Comptroller General to sit in in an advisory capacity, but not with the power of veto. I think your bill would stop settlements.

Mr. J. LEROY JOHNSON. I do not think so; it would help make more balanced and fair decisions.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield.

Mr. VORYS of Ohio. Under this bill, is this not possible, that the director of contract termination could lay down the rules and regulations for the termination of contracts but would not have the power to interfere and stop the termination when some Government employee was not abiding by the rules which he laid down?

Mr. J. LEROY JOHNSON. That is exactly it. It is not only a possibility but a probability in many cases.

Mr. BATES of Massachusetts. The gentleman's amendment centers responsibility for final termination in this one director who is created by this law, and whose appointment will be ratified by the Senate.

Mr. J. LEROY JOHNSON. In other words, the President's personal agent is there to supervise this settlement and see that they are equitable. He should have veto power. He can stop any skulduggery going on in that particular case, and it would be an assurance to Congress of fair and just settlements.

Mr. FOLGER. Will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield.

Mr. FOLGER. If the director was sitting there at the table and made objection, his objection would not be valid under this bill?

Mr. J. LEROY JOHNSON. The gentleman is correct. He would only be a figurehead and have no power to help shape the settlements into just settlements.

Now, there is one other matter that you should think over. A great many of the items that are settled in these cases are intangible items. They are not material on hand. They are not buildings that we can appraise. They are unexpired rentals, amortization of buildings, depreciation, and all the things that you gentlemen who are lawyers and who have sat in rate cases are familiar with in which there is a great variance of opinion, depending on the viewpoint of the person rendering the opinion. I want somebody in there to bring the parties together and to harmonize the views of the Government agent and the contractor, so as to give balance to the settlement agreement. That is what is meant on page 57, when they want him to produce efficient administration of this problem. You give the contract settlement director great responsibility, but you do not give him the power necessary to effectively carry out his responsibility.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. GWYNNE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the statement made by the gentleman yesterday indicated that he had a very complete knowledge of the problem we have before us. The objective he has in mind, of course, is a good one. In fact, we thought it was a good one and we put it into the bill. I am confident it is in there. I trust this amendment will not be adopted.

Now, notice the set-up. We have a director of contract settlements. We have the contracting agencies who will be out on the firing line. Over them, with great power is this director. He has tremendous powers under this bill. This director is in the position of General Marshall. As set out in paragraph 1, he plans the general campaign. Then, as set out in the next paragraph, he may require or restrict the exercise of any authority given to these contracting agencies from any source in any manner that he desires. If the director feels it is advisable to require every single settlement to come to him for approval, he may do so. If he thinks the contracting agencies should set up review boards to pass on any settlements or to pass on settlements above a certain amount, he may do that.

Mr. Chairman, I suggest that we should be very careful about putting in amendments of this character. We have given the director definite responsibility. We have given it to him in general terms and in terms that no court can misconstrue. This bill will be the basis of much litigation. I believe I can say this honestly, that it has been as carefully considered by several committees of this House as any bill we have had here for sometime. I hope we will not load it up with amendments that are designed to do something that is already provided for in the bill, and which will only result in difficulties in the conference.

Mr. J. LEROY JOHNSON. What specific provision in the law gives him the power that I want to give him?

Mr. GWYNNE. Paragraph 2, for instance.

Mr. HANCOCK. Will the gentleman yield?

Mr. GWYNNE. I yield.

Mr. HANCOCK. Not only section 5, but the opening words of section 6.

Mr. GWYNNE. There is no question but what this director is the commander in chief, and can modify, as I understand the bill, any regulation issued by a contracting agency to the extent that he deems it necessary. He is not an impartial man sitting in here. He is the boss.

Mr. VORYS of Ohio. Will the gentleman yield?

Mr. GWYNNE. I yield.

Mr. VORYS of Ohio. Is the only objection to the amendment that it is redundant, and is already provided for?

Mr. GWYNNE. That is the objection I have to it.

Mr. VORYS of Ohio. Then those of us who feel that it may not be specifically provided for would be voting for an amendment which, in our judgment was not redundant, but was a purpose that should be expressed in the bill?

Mr. GWYNNE. Yes. And here is the opinion of the rest of us. We believe you are voting for an amendment which adds nothing and may some day subtract something. Every time you start putting in specific provisions, when the whole field is covered, you run the risk of some court concluding that you had in mind something that you did not intend yourself. That is the danger of this type of amendment.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield.

Mr. BATES of Massachusetts. Page 58 sets forth very clearly:

The Director, subject to such provisions, by general orders or general regulations—

(1) Shall prescribe policies, principles, methods, procedures, and standards to govern the exercise of the authority and discretion and the performance of the duties and functions of all Government agencies under this act; and

(2) May require or restrict the exercise of any such authority and discretion, or the performance of any such duty or function, to such extent as he deems necessary to carry out the provisions of this act.

Mr. GWYNNE. That is correct.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield for a suggestion?

Mr. GWYNNE. I yield.

Mr. SUMNERS of Texas. And one of those powers which the Director has is to put somebody in there where those contracts are being negotiated if he feels it is his responsibility to do so.

Mr. GWYNNE. In fact he has the power where he thinks it desirable to settle a lot of contracts in a group, or if he thinks he can settle all the contracts of one contractor in a group he may do so.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. SABATH. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from Illinois is recognized for 4 minutes.

Mr. SABATH. Mr. Chairman, I believe the amendment of the gentleman from California is in the right direction, but I feel it does not go far enough to safeguard and to protect the interests of the taxpayers and our Government. We have a real duty to perform in voting a bill that provides for and will authorize the settlement of contracts involving twenty-five to fifty millions of dollars of the people's money.

I want it plainly understood that this is before you not because the Committee on Rules did not wish to report the bill of the Committee on Military Affairs. As a matter of fact the Committee on Military Affairs had applied for a rule long before either the Committee on the Judiciary or the Committee on Naval Affairs; but the Committee on the Judiciary in conjunction with the Select Committee on Economic and Post-war Planning that was created had agreed to the amendment of the Senate bill by inserting the bill of the Judiciary Committee, which carries many provisions of the bill reported by the Committee on Naval Affairs. To save time and bring about earlier action the Committee on Rules granted the rule on this bill because it amended the Senate bill, and, after acting on it we can go to conference on the Senate bill. Many of the Members felt that the Military Affairs Committee was entitled to the rule, and had it not been for the facts I have mentioned the rule would have been granted on the bill proposed originally and reported by the Military Affairs Committee.

This is important legislation. I was here during the last war and saw some things done against which I feel we must safeguard to prevent their recurrence. You have a duty to perform the same as I. Many avaricious contractors have been dealing with some of the men they placed in the various contracting offices. I fear these men will perhaps be a little too lenient in the interest of their own firms. I mean the contracting officers of the War and Navy Departments and other war agencies, and consequently I feel that the men to settle these contracts should be strong honest-to-God men, who will impartially adjudicate these contracts. We have such men. We do not need to create another agency or office to accomplish this. The Comptroller General should have that power and should not be deprived of this duty. What are we afraid of? Are we afraid of giving him the power to sit in and check to see whether these contractors are entitled to the amount of money covering their contract? There is nothing to be feared on the question of time. He can do it with the experienced personnel he has and he can engage additional employees just as quickly and speedily as any other organization that may be set up.

I feel the amendment that will be offered by the gentleman from Texas giving the Comptroller General jurisdiction to sit in on the adjustment of these contracts should, in the interest of the taxpayers and in the interest of honesty and square dealing, be adopted. Then and not until then will you have done your full duty in protecting the rights of your Government and the people.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield.

Mr. MAY. I have been trying to get some of the proponents of this bill to answer the question as to what difference it makes to the taxpayer whether his money is lost by fraud, mistake, or theft, but I have been unable to get an answer.

Mr. SABATH. It is lost anyway regardless of how it is lost.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I am sorry, I haven't the time.

Mr. WALTER. I should like to answer the gentleman's question.

Mr. SABATH. I do not want to impose longer on the House. We are desirous of completing this bill today if possible. I shall therefore take no more time but in closing urge favorable consideration of this amendment and the amendment that will be offered by the gentleman from Texas.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not going to even strike out the last word, but rise for the purpose of making a statement to my good friend the gentleman from Pennsylvania [Mr. WALTER] in reference to a statement he made a while ago in argument. He inquired as to what was the interest of those who were favoring the Comptroller General amendment. I am sure he did not mean to imply by that that because we were advocating the protection of the taxpayer and the safety of the taxpayer's funds in our efforts here that those of us who were supporting that proposal had any personal interest in the matter.

Mr. WALTER. I do not, of course, feel that the gentleman has a personal interest in the matter; I am rather resentful of the intimations that the gentleman is the only one interested in safeguarding the taxpayers of this country.

Mr. MAY. I made no such intimation.

Mr. WALTER. I am just as much interested as the gentleman and I have in my humble way done everything I possibly could in order to work that out having in mind the fact that we must provide work quickly for our people when these contracts are terminated.

Mr. MAY. I have not questioned the gentleman's purpose; I have just raised the question as to why the gentleman questioned ours. I wanted to know. I think the gentleman ought to strike that out of his remarks.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. J. LEROY JOHNSON) there were—ayes 23, noes 62.

So the amendment was rejected.

The CHAIRMAN. Are there other amendments to section 4?

Are there amendments to section 5?

Are there amendments to section 6?

Mr. McCONNELL. Mr. Chairman, I offer an amendment to section 6:

The Clerk read as follows:

Amendment offered by Mr. McCONNELL: On page 60, line 18, after the word "act", insert "giving priority to contractors whose facilities are privately owned or privately operated."

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. McCONNELL. I yield to the gentleman.

Mr. SUMNERS of Texas. If we accept the amendment, will the gentleman yield back his time?

Mr. McCONNELL. I will be glad to.

Mr. SUMNERS of Texas. Mr. Chairman, I am advised by the gentleman from New York [Mr. HANCOCK], and other gentlemen, that the committee will accept the amendment.

Mr. McCONNELL. Mr. Chairman, this amendment is offered to meet a situation that could arise in the months to come.

It has been stated on the floor of this House that a rapid settlement of a terminated war contract is essential. The bill itself calls for speedy and fair compensation to war contractors for the termination of any war contract. With that idea, I am in complete accord. However, I can visualize a period of severe competition among the various groups for quick settlements.

Should a contest for settlement arise between Government owned and operated plants and privately owned and operated plants, priority should be given to the private plants. If this amendment is adopted, I believe it will aid private industry at a time when rapid reconversion is vital.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. McCONNELL.]

The amendment was agreed to.

Mr. VINSON of Georgia. Mr. Chairman, I offer an amendment to section 6, and I may state to the gentleman from Texas that I am in the same trading mood.

The Clerk read as follows:

Amendment offered by Mr. VINSON of Georgia: At the end of subsection (c) of section 6, change the period to a colon, and add the following: *"Provided*, That no settlement agreement hereunder involving payment to a contractor of an amount in excess of $50,000 (or such lesser amount as the Director of Contract Settlement may from time to time determine) shall be permitted to become binding upon the Government until the agreement has been reviewed and approved by a settlement review board of three or more members established by the contracting agency in the bureau, division, or other unit of the contracting agency having cognizance of such settlement, or in the event of disapproval by the settlement review board, unless approved by the head of such bureau, division, or other unit. The sole function of settlement review boards shall be to determine the over-all reasonableness of proposed settlement agreements from the point of view of protecting the interests of the Government. In determining, for purposes of this section, whether review is required because of the size of the amounts involved in any settlement agreement, no deduction shall be made on account of credits for property chargeable to the Government or for advance or partial payments, but amounts payable under such settlement agreement for completed articles of work at the contract price and for the discharge of the claims of subcontractors shall be deducted."

Mr. MAY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Will the gentleman yield for a parliamentary inquiry?

Mr. VINSON of Georgia. I yield to the gentleman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. MAY. Where is this amendment offered?

Mr. VINSON of Georgia. It follows subsection (c) of section 6, page 61.

Mr. MAY. At the end of line 24?

Mr. VINSON of Georgia. Line 24, yes.

Mr. WALTER. Mr. Chairman, we will accept the amendment. As I understand it, the amendment merely carries out or expresses in law the procedure now being followed in the termination of contracts?

Mr. VINSON of Georgia. I may say to the Committee that is all it does. It merely carries out the departmental regulations set up by Justice Byrnes under date of May 2 that on all amounts over $50,000 there shall be a departmental review board and three or more men will be designated to pass on the determination of the judgment of the contracting officers. In other words, it protects the officer in his judgment and fortifies it with the opinion of the review board.

There is nothing in this bill that requires a review at all. Under the bill as drafted the contracting officer and the contractor reach a determination as to the amount, which is final and conclusive. It may involve $100,000 or it may involve $50,000,000. I offer an amendment which provides that all over $50,000 must be reviewed by a review board. It will not delay the matter at all because the same thing is being done by Executive order. Where an Executive order is being carried out we should at least put it into the law.

Mr. WALTER. Does not the amendment contemplate the erection of these review boards in the several ordnance districts?

Mr. VINSON of Georgia. Oh, yes; all over the country.

Mr. WALTER. It is not to be centralized in Washington?

Mr. VINSON of Georgia. It is decentralized, so it meets the objection of the War Department in connection with their consideration.

Mr. BROOKS. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Louisiana.

Mr. BROOKS. I want to compliment the gentleman on being willing to go along with a safeguard of this sort.

Mr. VINSON of Georgia. I am willing to go along on every safeguard, and that is what this amendment does. It is predicated on saving the Government money.

Mr. BROOKS. Does not the gentleman feel it would be a far superior safeguard if the Comptroller General was put in there?

Mr. VINSON of Georgia. Of course, I do not.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from North Carolina.

Mr. DURHAM. Will the gentleman give us the number of this regulation and tell us which one it is?

Mr. VINSON of Georgia. It is the regulation issued by Justice Byrnes on May 2 relating to review boards on amounts over $50,000.

Mr. GWYNNE. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Iowa.

Mr. GWYNNE. There is no review required under this bill. The Director does have authority to establish review. He might want to establish review in one type of case at $50,000, and he might want to establish a different type of review at $25,000. Would the gentleman's amendment interfere with or prohibit the Director from making additional provisions with reference to that matter?

Mr. VINSON of Georgia. No; because the Director, according to the language of the bill, has such latitude of discretion now. All I am trying to do is to write into the law that which is being done today in order to safeguard the paying out of the money.

Mr. GWYNNE. I think the idea of review is a good one.

Mr. VINSON of Georgia. I thank the gentleman for accepting the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. VINSON].

The amendment was agreed to.

Mr. GRANT of Indiana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, one of the very, very important of the many stages of conversion and reconversion from war to peacetime economy is the question of cost incident to reconversion. In the bill reported by the Naval Affairs Committee a title was added on reconversion and the costs incident thereto. I fully appreciate it is a very nebulous thing, hard to put your finger on, but nonetheless the expense is there and in connection with that I rise to ask a question of the committee. In connection with subsection 12–2, under section 6 pending, this bill wisely lists the items of cost that shall be included in the consideration of the termination of the contract. It also states that certain items shall be included as elements of cost. Then subsection 12–2 states this:

The expense of conversion of contractors' facilities to uses other than the performance of contracts.

May I ask the gentleman from Iowa [Mr. GWYNNE] if it is his understanding that this language would include the word "reconversion"?

Mr. GWYNNE. It is my understanding it does not refer to reconversion. That prohibits an allowance for an item of conversion of the plant to some purpose other than the performance of the contract. As I understand it, this bill does not prohibit nor require reconversion.

Mr. GRANT of Indiana. This bill does not specifically include the item of reconversion as an element of cost, neither does it specifically exclude it. Is it the opinion of the gentleman that the language of the bill as written is broad enough to cover the costs of reconversion when in such cases the office of contract settlement determines that they ought to be included?

Mr. GWYNNE. I may say to the gentleman it is my understanding that the bill would allow in a proper case the expense of reconversion. We talked to representatives of various departments on that subject and asked them what their attitude might be. They pointed out that in some of the early contracts it was specifically provided that the expense of reconversion should be included. Later that was allowed as an element or was figured as an element when the contract was let. So the complete answer to the gentleman is that conversion may be allowed, if it is a proper item.

Mr. GRANT of Indiana. I thank the gentleman.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any other amendments to section 6 of the bill? Are there any amendments to section 7 of the bill?

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: Page 71, after line 13, insert a new subsection as follows:

"(g) Smaller War Plants Corporation is hereby authorized and directed to purchase the claims of subcontractors in the following cases:

"(a) Where a prime or higher tier subcontractor has become bankrupt or a court has taken jurisdiction of its assets under the terms of chapter 10 of the Bankruptcy Act.

"Smaller War Plants Corporation shall pay fair compensation as described in section 6 (a) above for all claims so purchased by it without regard to the amount which it may ultimately collect thereon.

"Unexpended funds in the hands of Smaller War Plants Corporation may be used for the purchase of claims as herein set forth."

Mr. VOORHIS of California. Mr. Chairman, this is an amendment which I really think the committee ought to be ready to accept. I worked on this bill as a member of the Post-War Economic Policy and Planning Committee, and one of the things that we discussed the most was the problem of subcontractors. I think I can fairly state the situation by saying that everybody recognized it was the toughest part of the problem, and that nobody seemed to have any very complete answer to it. The bill, as you will note, on page 70, subsection (d), provides that the Director or any contracting agency may directly terminate claims of subcontractor and may purchase such claims. That is rather nebulous reading, depending upon the circumstances. The fellow that I am concerned about here is, first of all, the small businessman, because under the amendment it is limited to subcontractors; and, in the second place, the man who, at the direction of the Government, undertook to perform subcontract work for a prime contractor, where he did not have the chance that he normally would have had to examine the credit standing and dependability of the prime contractor.

Under any ordinary circumstances we might assume that anybody that takes a subcontract ought himself to be responsible for having reasonable assurance that the prime contractor would make good on it. But a lot of times the subcontractors have been urged by Government agencies—or actually directed by them—to take subcontracting work when it was necessary for the war.

There are going to be some instances inevitably, where some prime contractors are going to go broke. My amendment applies to such cases. It says that where that happens, where the prime contractor goes bankrupt or a court has taken jurisdiction over his assets, then the Smaller War Plants Corporation is hereby authorized and directed to purchase the claims and to pay for those claims a fair amount, and then thereafter do the best it can to collect upon them. I know a lot of people are going to say, "That is going to cost a lot of money." I do not believe that it will. As a matter of fact, the total amount of manufacturing claims in bankruptcy in the United States in normal times is between two and three hundred million dollars.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Kentucky.

Mr. MAY. I think the gentleman has a good amendment. I call his attention to the fact that in the bill that the committee reported, we prohibited settling with the prime contractor until he made settlement with the subcontractor.

Mr. VOORHIS of California. I thank the gentleman very much for that contribution. I can honestly say I believe that my approach here may be as good as that approach, if not a little bit more direct. Not all of the manufacturers are engaged in war activity. Furthermore, it is probable that more manufacturers are in a better financial condition today than under normal circumstances. It is doubtful, therefore, that the total amount of claims of subcontractors against bankrupt prime contractors will amount to over $100,000,000.

Let us see what the net effect of this amendment would be. If you are concerned about this legislation for the purpose of urging speedy conversion, if you are interested in it in order to try to secure continuous employment, then it seems to me that nothing is quite so important as to give reasonable assurance to the subcontractor that he is going to get his money when he has performed his part of the obligation, instead of leaving the whole matter of protection of the subcontractor in the discretion of the contracting agencies and the Director.

Mr. WALTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if the amendment proposed by the gentleman from California applied to the contracts placed by the Smaller War Plants Corporation, perhaps the committee could support such an amendment. After all, this amendment applies to every contract placed by a small war contractor—that is, the contractor employing fewer than 500 people. The result will be that the Smaller War Plants Corporation will be perpetuated forever, because it would take the place of the contractor in settling claims with the Government. In seeing to it that the small contractor, the subcontractor, was compensated in case of the solvency of his bond contractor, the committee, after the gentleman from Iowa [Mr. GWYNNE] and the gentleman from Tennessee [Mr. KEFAUVER] had given months of study to that proposal, provided for direct settlement, and then went a step further and provided that in those cases where the prime contractor was insolvent, then the settlement could be made directly with the subcontractor, even in cases where payments had already been made.

It seems to me that as much protection has been given to the subcontractor as it is possible to give without making it necessary for this temporary agency to continue operation for many years after the cessation of hostilities. It seems to me that we ought to get rid of those temporary agencies as quickly as we possibly can. If this amendment is adopted the subcontractors are not going to make an attempt to be compensated by their prime contractors. They will go right directly to the Smaller War Plants Corporation. They will have to set up agencies all over the United States to handle these thousands upon thousands of claims.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from California.

Mr. VOORHIS of California. This applies only in case the prime contractor goes bankrupt.

Mr. WALTER. In case of the prime contractor going into bankruptcy, I respectfully call my colleague's attention to paragraph (b) of section 7, wherein it is provided "Whenever any contracting agency is satisfied of the inability of a war contractor to meet his obligations it shall exercise supervision or control over payments" to the extent that the sub and the sub all the way down to the lowest is paid. That is different from the Senate bill. The Senate bill made it purely discretionary. We felt that it should be mandatory upon the contracting officer to pay the claim of the subcontractor where his prime contractor is insolvent.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. It seems to me the language the gentleman has just read in subparagraph (b) on page 69, plus (f) on page 71, completes the transaction.

Mr. WALTER. Exactly.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from California.

Mr. VOORHIS of California. May I say that I hold no brief for the Smaller War Plants Corporation as such, but I do believe some agency is needed to do this job on behalf of small business. I do not know of any better one to select.

Mr. WALTER. The interests the gentleman seeks to protect, we feel, are adequately protected under the language of the bill.

Mr. KEFAUVER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been sympathetic all the way through with the problem of the small subcontractor. I think there is some merit in the presentation that is made by the gentleman from California.

As the gentleman from Pennsylvania pointed out, some of us on the committee insisted that in certain circumstances the contracting agency would have to see that the money got down to the subcontractor or to the lower tier subcontractor. Also we wrote another provision in the back of the bill that does give the Smaller War Plants Corporation some additional authority.

It seems to me that this amendment with an amendment might be a worthwhile thing. I know the Smaller War Plants Corporation has handled subcontracts in two ways. In the first place, it has gone out and taken contracts in its own name and then has sublet the

contracts to hudreds of people. In those situations, I think under subsection (d) they would have a right to buy the claims of those subcontractors if the prime contractor was in default. But there is another class of cases where the Smaller War Plants Corporation has played a part, and that is, it has gone in and gotten some garageman or some small fellow to ask for a contract and has kind of fathered him in getting that contract and in performing it.

Therefore, I believe that if the gentleman from California would be willing to accept an amendment to say that where the Smaller War Plants Corporation had a part in placing the contract it might purchase the contract in the event of the insolvency of the prime contractor, that would give protection to all the people the Smaller War Plants Corporation had induced to take contracts, and they should have that protection, in my opinion.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from California.

Mr. VOORHIS of California. I am willing to accept that amendment to my amendment.

Mr. KEFAUVER. I wonder if the Committee would think that might meet the objective we have set here.

Mr. Chairman, I am going to offer an amendment to the pending amendment so that the first sentence will read as follows:

Smaller War Plants Corporation is hereby authorized and directed to purchase the claims of subcontractors where the Smaller War Plants Corporation participated in placing same, in the following cases.

A lot of these little fellows are going to be in a bad fix where they have been induced to take a subcontract by the Smaller War Plants Corporation when they find they do not have any protection from the Smaller War Plants Corporation when the prime contractor goes bankrupt.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 7 minutes, 5 minutes of that time to be allotted to the gentleman from Illinois [Mr. SABATH].

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SABATH. Mr. Chairman, I feel that the amendment offered by the gentleman from California [Mr. JOHNSON] if amended as proposed by the gentleman from Tennessee [Mr. KEFAUVER] would be an effort in the right direction to protect the little fellow. I fully realize and appreciate the unfortunate situation where the small contractor or the subcontractor has suffered and how he has been taken advantage of. I do not feel that the prime contractors, the big contractors, need a great deal of protection from Congress. They are able to take care of themselves and they have done so. Whenever I hear people speak of the immediate need for this legislation for the purpose of aiding reconversion, such elicits a broad smile from me. I read only a few days ago a report by the Securities and Exchange Commission showing the great surpluses, reserves, and profits that have been accumulated in the last 3 years by these contractors. Their cash position has increased by 300 percent, so that today the available, ready cash of not all but most of the companies is more than $40,000,000,000. As I pointed out a few days ago, their cash position is nearly three times as great as it was in 1940. In view of that fact I do not fear that these large industries will need the aid of the Government. They have taken care of themselves.

As to reconversion, they have been doing it and preparing for it for a year and a half at Uncle Sam's expense. They have been changing and improving and developing new machinery for production of civilian goods, including many new articles, that will be ready for the market the moment there is no further need for war materials. They do not need our advice nor aid nor assistance. They have always been able to take care of themselves. The truth is there is no such need as is stressed. But the little subcontractor, the small man, does need your protection. For that reason, as I said before, I am ready and willing to vote for the amendment offered by the gentleman from California as proposed to be amended by the gentleman from Tennessee.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Does not the gentleman feel that the subcontractor is adequately protected by the provisions in paragraph (f) at page 71, under which there may be a payment and even a second payment in the event of the insolvency of the prime contractor?

Mr. SABATH. Where there is a just, proved claim, I hope that will be done; but I am fearful that the contractors will try to get all the money they can, regardless of merit, in every conceivable manner. I do believe that justice should be done to the little fellow and that the big fellows should be properly and effectively restrained from gouging the Government. What we should do is try in every possible way to preserve and safeguard the rights of the taxpayers. I believe this could have been done if the amendment offered by the gentleman from Texas [Mr. THOMASON] had been adopted and the Comptroller General had been given authority to say how much and whom should receive the amounts that would be agreed to by the various contracting officers of the different departments. Nobody should be allowed to audit his own acts, especially when there is a monetary consideration.

In conclusion, let me remind the gentleman from Georgia [Mr. VINSON], chairman of the Committee on Naval Affairs, and the gentleman from Pennsylvania [Mr. WALTER], who reported S. 1718 from the Committee on the Judiciary and which is the same as the Naval Affairs bill, with a few slight changes, that they and the other members of their respective committees should not forget that at this time there is pending one suit covering 365 contractors and involving more than $600,000,000, which contractors have overcharged and taken advantage of the Navy's contract adjustment officers. Notwithstanding that we are going to authorize the same adjusters to agree as to what amounts the contractors shall receive on cancelation of their contracts. And what applies to Navy overpayments that have already come to life applies to War Department and Maritime Commission contracts. Consequently, once more, I urge that you realize the necessity of having some responsible person of experience and proved honesty and in whom we have complete confidence, like Mr. Warren, the Comptroller General of the United States, to sit in with veto power before any payments of the millions shall be doled out to the contractors. I mean all contractors who have done business with the Government, whether constructing buildings, ships, tanks, airplanes, ordnance material or any other party who will come in with shrewd lawyers and accountants and try to mulct the Government. If within a year or two—remember this—if within a year or two it becomes necessary to institute criminal proceedings to punish offenders and civil actions to recover money, do not blame that condition upon the administration. The blame will be chargeable to yourselves because you will have failed in your duty to prevent these frauds.

A few moments ago when I urged the adoption of the amendment to authorize the Comptroller General to have a real voice in the adjustment of claims, I inadvertently stated that these contracts involve from $25,000,000 to $50,000,000 when I meant they involve from $25,000,000,000 to $50,000,000,000, and, perhaps, $75,000,000,000.

The CHAIRMAN. Does the gentleman from Tennessee desire to offer an amendment to the amendment offered by the gentleman from California?

Mr. KEFAUVER. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. KEFAUVER to the amendment offered by Mr. VOORHIS of California: In the second line, after the word "subcontractor" insert the following: "where the Smaller War Plants Corporation participated in placing the same."

The CHAIRMAN. The gentleman from Tennessee [Mr. KEFAUVER] is recognized for 2 minutes.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield.

Mr. DURHAM. The amendment offered by the gentleman does not cover anything except where the Smaller War Plants Corporation subcontracted; is that correct?

Mr. KEFAUVER. It covers those cases, under the bill as it now stands,

where the Smaller War Plants Corporation took a contract in its own name or a procurement, and let it out to a group of subcontractors. It gives a right to purchase those claims for the protection of the subcontractors in the event of bankruptcy. But there are many cases where the gentleman well knows that they did not actually take the prime contract and let out the subcontracts, but where they forced the purchasing agency to let those out to the small fellows and then they went and induced the small fellow to take the contract, where they acted as a go-between without actually taking the contract in their own name. This would give them a right, in the event the little fellow could not get his money under those circumstances from the prime contractor, to purchase the claim of the small or lower tier contractor, in order to give them protection.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield.

Mr. WALTER. Does not the gentleman feel under the law as written it is possible for the Smaller War Plants Corporation to take an assignment of the claim?

Mr. KEFAUVER. In answer to the gentleman, I am afraid that such an interpretation would mean that the contracting agency could only purchase or take an assignment of the claim that was let by him. That is, I do not think, as it is now written, that the Navy could purchase a subcontract claim of the Army or that the Maritime Commission could purchase a subcontract claim of the Navy. So I believe this is really a protection for the small fellow who was induced to go into business by the Smaller War Plants Corporation and is entitled to protection.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. KEFAUVER] has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Tennessee [Mr. KEFAUVER], to the amendment offered by the gentleman from California [Mr. VOORHIS].

The question was taken; and on a division (demanded by Mr. KEFAUVER), there were—ayes 28, noes 70.

So the amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from California [Mr. VOORHIS].

The amendment was rejected.

The CHAIRMAN. Are there any other amendments to be offered to section 7 of the bill?

Are there any amendments to be offered to section 8 of the bill?

Are there any amendments to be offered to section 9 of the bill?

Are there any amendment to be offered to section 10 of the bill?

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last word.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield for a question which I wish to direct to the Chair?

Mr. VOORHIS of California. I yield.

Mr. SUMNERS of Texas. Mr. Chairman, are there any proposed amendments on the Clerk's desk with regard to this section?

The CHAIRMAN. The Chair is advised and will state to the gentleman from Texas that no other amendments to the present section are at the Clerk's desk.

Mr. SUMNERS of Texas. In view of that situation, Mr. Chairman, may I submit a unanimous-consent request that at the termination of the time allotted to the gentleman from California [Mr. VOORHIS], all debate on this section and amendments thereto be concluded?

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. VOORHIS of California. Mr. Chairman, I am sorry to take this time so late on Saturday afternoon, but I feel in duty bound to do it. As I have explained previously this afternoon, I am a member of the Committee on Post-war Policy and Planning, which voted to report this bill. These amendments that I have prepared for this afternoon were, it is true, prepared after our committee had disposed of the bill. But I believe that any Member of the House will at least share with me this concern. I think each one will at least share with me a deep concern over the extent to which big industry has gotten bigger and more powerful and more all-pervading in America during this war. That same process can go on to a greater extent in the period of reconversion unless we look out and provide against it.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I am glad to yield, although I have hardly begun my statement.

Mr. VURSELL. Mr. Chairman, I want to ask the gentleman if he feels his fight the other evening against the little oil companies helped to reduce the power of the big businesses and the big oil companies.

Mr. VOORHIS of California. Mr. Chairman, I certainly do, because that fight was not against the little oil companies at all, in spite of the gentleman's implication. I stated in my remarks the other evening that allowing an increase in the price of oil and every derivative product thereof, which not a single, major integrated company needs for one single, solitary moment in view of their increasing profits would be primarily to the advantage of the majors and not the independent crude producers. The small, independent, high-cost producers of crude oil do need, in some instances, a higher return. But the provision which I opposed would have resulted in giving the major companies more money to use to squeeze out the independents and buy them out. Furthermore, the answer to that problem is precisely the one suggested in the bill which I myself introduced and the same answer that was proposed by Judge Fred Vinson, the economic stabilizer, that nothing has been done about it because the major companies have blocked it. That answer is the same one applied to high-cost copper mines and in many other industries—namely, to give to the high-cost, crude-oil producer an increased return for his crude oil and to guarantee him that if he produces that oil he is not going to lose money during this war period.

Mr. VURSELL. Mr. Chairman, will the gentleman yield further?

Mr. VOORHIS of California. I am sorry I cannot yield any further. I do not want to talk about oil during this 5 minutes. I want to talk about small business. Perhaps I should yield to the gentleman, but after all he introduces a completely extraneous subject here.

With regard to the bill before us, whether or not it is put in this bill or some place else, I am convinced that if we are to meet the problems of small business in this reconversion period we are going to have to have some device to give small business something like the same credit opportunities that big business enjoys. Small business, in some instances, cannot get any credit at all, and when they do get it, inevitably they have to take it on less favorable terms and at higher rates of interest than big business can get. The amendment which I have prepared would set up a program of guaranteeing 40 percent of loans of not to exceed $50,000 made by banking institutions to small business in the period of reconversion, and for reconversion purposes. It seems to me that the committee is in such a frame of mind that at this time I am convinced that my amendment might not get the hearing I would like to have it get. I understand there is other legislation which may come before the House in the near future, in which this amendment might be inserted.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. Yes.

Mr. WALTER. Does not the gentleman feel that the problem he has in mind is adequately dealt with? We discussed it at the meeting which the gentleman attended and we felt that this provision in section 10 adequately dealt with the problem.

Mr. VOORHIS of California. I will say to the gentleman, I know I was there and we did discuss it, but I do not feel we believed it really adequately dealt with it. I know that my feeling was that we sort of hoped that section might deal with it. We hoped they would be able to work out something that would go a certain distance toward dealing with it. But it is my opinion that the scope of this problem is such that unless you can get the ordinary banking institution to participate in the job on a major scale, and unless we can take positive action to improve the credit opportunities of small business the problem of small business will not be met.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. COSTELLO. Mr. Chairman, I offer an amendment to section 11.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: On page 78, line 5, add the following:

"3. Shall provide prime contractors, and prime contractors shall provide affected subcontractors with that notice of cancelation by telegram, and confirmation thereof with instructions by registered mail, such notice to be effective upon receipt of the telegram."

Mr. COSTELLO. Mr. Chairman, the sole purpose of this amendment is to provide a specific method whereby notice of termination of contract shall be given. As it is now, no specific method is provided, and oral termination of contract can be given to a contractor. All I am doing by this amendment is to specify that telegraphic notice shall be sent to the contractor, and that to be confirmed by registered mail subsequently, giving details and instructions regarding that termination.

I cannot see that the amendment will do any harm to the bill. I think it will do a great deal of good. For that reason I think it should be adopted so that all contractors would know definitely the manner in which the contract is to be terminated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. COSTELLO].

The amendment was agreed to.

The CHAIRMAN. Are there any other amendments to be offered to section 11?

Are there any amendments to be offered to section 12?

Are there any amendments to be offered to section 13?

Mr. HANCOCK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK: On page 88, line 25, after the word "Board" strike out the period, insert a colon, and the following: "*Provided*, No member shall receive compensation in excess of $10,000 per annum or be appointed for a term longer than 2 years."

Mr. HANCOCK. Mr. Chairman, as a member of the Committee on the Judiciary, I plead guilty to carelessness in not correcting in committee a section of the bill which authorizes the Director of Contract Settlement, without regard to the provisions of the civil-service law or the Classification Act of 1923, to appoint and fix the compensation and term of office of the members of the appeal board. That means the sky is the limit. It authorizes the Director to appoint members to the appeal board for life and to pay them unlimited salaries.

By this amendment I simply limit the term of office to 2 years, which is the term of office of the Director, and provides that their compensation shall not be in excess of $10,000 a year.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. HANCOCK].

The amendment was agreed to.

The CHAIRMAN. Are there any other amendments to section 13?

Are there any other amendments to section 14?

Mr. WALTER. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. WALTER:

On page 92, line 10, after the word "address" insert "the Court of Claims may, upon motion of the Attorney General, in any suit or proceeding where there may be any number of parties having possible interests therein, notify such parties to appear to assert and defend such interests."

In line 17, strike out the word "subpena" and insert "summons."

In line 21, after the word "such" insert "summons or."

After the word "notice" strike out "or subpena."

On page 93, line 1, before the word "notice" insert "summons or."

And in line 2 strike out the words "or subpena."

Mr. WALTER. Mr. Chairman, this amendment follows the usual Court of Claims provision with respect to the service of notice to people who have an interest in the claim.

The other amendments are merely corrections to the language of the bill.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. Are there any other amendments to section 14?

Are there any amendments to section 15 of the bill?

Are there any amendments to section 16?

Mr. THOMASON. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. THOMASON: Beginning on page 94, strike out all of section 16 and insert:

"GENERAL ACCOUNTING OFFICE

"SEC. 16. Notwithstanding any other provision of this act, all settlements authorized or required to be made by any contracting agency under this act (whether by agreement or by determination without agreement) and all payments authorized or required to be made to any war contractor which (except for this section) would be final, shall be tentative only, and shall not be binding on the United States until the settlement, together with all required supporting data, has been submitted to the General Accounting Office and approved by the Comptroller General of the United States. Any settlement submitted to the General Accounting Office under this section which has not been disapproved by the Comptroller General within 6 months after such submission shall, for the purposes of this section, be considered as having been approved by him."

Mr. THOMASON. Mr. Chairman, I will not take all the time allotted to me, because that has been quite thoroughly discussed yesterday and today. But, as I see it, this goes to the very heart of this problem.

Objection was raised to the substitute offered by the gentleman from Kentucky [Mr. MAY] because it was long and cumbersome and also because, although it gave the Comptroller General some authority in this matter, it set up a director in every State. A careful reading of my amendment will disclose that although this does refer the matter to the Comptroller General, yet the termination agreement will be tentative only, and shall not be binding on the United States until the settlement, together with all required supporting data, has been submitted to the General Accounting Office and approved by the Comptroller General of the United States. But you will note that it also has this proviso:

Any settlement submitted to the General Accounting Office under this section which has not been disapproved by the Comptroller General within 6 months after such submission shall, for the purposes of this section, be considered as having been approved by him.

As I see it we come back to the original contention that thus far in this bill there is no single independent agent or representative of the Government even consulted on the termination of these contracts. I repeat that the parties are interested parties. I repeat that the contractor certainly has a selfish interest. I am not attacking the integrity or honesty of anybody. I also undertake to say that the representatives of the different agencies who let the contracts have some pride of authorship. And I am not attacking their integrity of course. But I think I have convinced the House of the hundreds of contracts that the Comptroller General has already presented to the Military Affairs Committee, showing where there has been excess charges, gross negligence and in some cases fraud. I just come back to my original proposition. I am not questioning the good motives of anybody else, but it does just seem to me that the Congress of the United States, having set up the General Accounting Office, it is no time to take away from him, if you please, some of the powers he now has, when he is needed more than ever before in the history of the Government. My hat is off to the fine work that has been done by the General Accounting Office ever since it was created by the Congress.

I happen to be a member of the joint committee as set up by Congress some years ago to investigate the Tennessee Valley Authority.

I had the good fortune at that time to see a lot of the late Mr. McCarl, the then Comptroller General. When I noted what he had done, the savings of money to the taxpayers of this country that he had accomplished, and when I know what Mr. Warren is trying to do, that is what causes me to feel a little resentful that you even take away from him some of the power he now has, try to cripple some of the other provisions of this bill. To me it is just common sense to say that the very man created by the Congress to do a particular job should now when the need for his services is greatest have his powers continued and not diminished.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. CASE. Would a settlement by reason of the expiration of the 6 months' period be binding should it later develop that there has been fraud?

Mr. THOMASON. No; I do not believe that in that event the Comptroller

General could be estopped from going into the case.

As I understand it, if the Government agency and the contractor agree on the termination of a contract and the papers have been sent to the Comptroller General and he sees no evidence of any kind of overpayment, gross negligence, fraud, misconduct, or what not, then the contract shall be deemed finally terminated.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. THOMASON. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. THOMASON. The Comptroller General has found in many cases already where there have been gross overpayments. He has already saved the Government hundreds of thousands of dollars. I say he ought to be permitted to continue his work.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. FOLGER. I ask the gentleman if the policy of the Congress is not fully indicated in creating the Accounting Office when it uses this language:

> All claims and demands by the Government of the United States or against it shall be settled and adjusted in the General Accounting Office.

Mr. THOMASON. That is what I think; but I think I see some evidence on the part of some people to abolish this Office.

Mr. ROBSION of Kentucky. Mr. Chairman, I rise in support of the amendment, and ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The gentleman from Kentucky is recognized for 10 minutes.

Mr. ROBSION of Kentucky. Mr. Chairman, Senate bill 1718 before us provides for the settlement of claims arising from terminated war contracts. The Seventy-eighth Congress has considered many very important bills. None is of more importance than the bill before us. Can we all fully comprehend its far-reaching provisions? It cannot be such a simple problem as some of its advocates would have us believe. Up to the present time there have been let by the various agencies of the Government war contracts totaling more than two hundred billion. If this war should continue another year, it is likely there will be additional contracts involving at least fifty billion more. Many of these contracts will have been terminated and others will be terminated before the war ends, but I think we can safely say that contracts that will not be terminated or settled before the war ends will total more than two hundred billion. There are between one hundred thousand and two hundred and fifty thousand prime or principal contractors and more than a million subcontractors. The war supplies covered by these contracts were furnished by more than seventy thousand individuals or business concerns of various kinds. We have nearly fifty-five million workers in this country—more than two-thirds, or about thirty-five million of these workers are engaged in war production. It can be seen at once what a very comprehensive and complicated problem it is to write a law dealing with all of these individuals and firms, thirty-five million workers, and involving more than two hundred billion, in changing from production of munitions of war to consumer-goods production for peacetime.

Industry, agriculture, labor, commerce, and communications have been scrambled together and geared to meet the requirements of carrying on a global war. The people of this country have never been so disrupted in their social and economic life as they are today. How to unscramble our economic and social life and get back to a peacetime economy presents a most staggering problem.

The purposes of this act are stated in section 1–A and other subsections—to facilitate maximum war production during the war and to expedite reconversion from war production to civilian production as war conditions permit; B, to assure prime contractors and subcontractors, small and large, speedy and equitable final settlement of claims under terminated war contracts, and to provide adequate interim financing until such final settlement.

The paramount duty of the Congress and the American people is to win the war as speedily as possible. There must be no let-up in all such war production as may be necessary to bring a speedy victory to ourselves and our allies. The Government insists that war contractors speed ahead. The war will likely terminate abruptly, and from the termination of the war the Government will halt war production abruptly. Many of these contractors and subcontractors will have a just and equitable claim against the Government. The problem would be much easier if we knew when the war would close and we could make more definite preparations to meet the economic shock, but there is quite a difference of opinion as to when the war will end in Europe. Since it has become reasonably certain that we can and will hold our beach heads and continue our progress on the western front in Europe, I have interviewed approximately 75 to 80 Members of the House individually, and have put the question squarely to them as to when the war will end in Europe. I was surprised at the responses I received. I talked with Democrats and Republicans and members of various important committees of the House. These included some members of the Naval, Military, and Foreign Affairs Relations Committees of the House. There was one member who fixed the end of the war in 30 days and quite a number by July 4. A greater number fixed it at 60 days or before Labor Day. An overwhelming majority of those with whom I talked fixed the end of the war before November 15. Only four believed that the war in Europe would continue into 1945. These optimistic opinions are reflected in the press, radio, and among high officials in governmental circles here and in Europe.

In view of the progress made by the Allied armies closing in on Germany from the south through Italy and the Balkans, and the Russians on the east through the Balkans, Poland, and Finland, and the English, the Americans, French, and other Allied armies from the west, the Germans must soon be convinced of the hopelessness of their chances of winning the war. We are all praying and hoping that these predictions will materialize. Yet, the fact remains that no one knows when the war will end. In the meantime there can be no let down in our efforts in supplying war materials and munitions to prosecute the war with accelerated rather than reduced speed. We feel that those charged with the war production must constantly be on the alert to terminate war contracts just as soon as they may be done in safety to our country, and convert the various plants into peacetime production.

JOBS AND CONSUMER GOODS

Today there is a great demand, amounting to tens of billions worth of peacetime consumer goods of every kind and character. Some of these war plants and their materials on hand can readily be turned into the production of consumer goods but many of them will require time to convert their plants from war production to consumer goods production. The program provided for in this bill is intended to expedite that conversion, and when these prime and subcontractors have sustained a real loss on account of not being permitted to carry on their contracts and use their war materials in making war munitions, they will receive just and equitable consideration and settlements of such claims. Prompt conversion of these plants and materials to peacetime production must not be delayed in order that jobs may be available for the 35,000,000 or more workers engaged in war production and the millions of American service men and women who will be coming home to take up normal peacetime pursuits. There need not be and must not be an economic collapse following the war. The American people have tens of billions to spend for essential peacetime requirements. In making proper conversion, we will provide for the needs of the American people and at the same time provide jobs for the millions of workers at salaries and wages in keeping with the high standard of American living.

THE COMPTROLLER GENERAL AND GENERAL ACCOUNTING OFFICE

I became a Member of the House soon after the close of World War No. 1. The radio and press day by day, as well as Members of the House and Senate, disclosed many frauds. The Republicans were in control of the House and Senate. The Graham committee was appointed. After weeks of investigation this committee made a report that shocked the

country. This led to the passage of an act creating the General Accounting Office and providing for the appointment of the Comptroller General who would hold the office for a period of 15 years. This was an agency and officer responsible alone to the Congress. He could not be removed by the President. His term of office was 15 years. He could be free from political influences. It was the duty of the Comptroller General and his office to investigate and pass upon the legality of all claims presented against the United States Government. The Comptroller Generals have been outstanding and capable men. It is difficult to say how much money this office and the Comptroller Generals have saved our country. The present Comptroller General is the Honorable Lindsay Warren, a man of unusual ability and of the highest character, who served many years in the House.

My objection to the bill before us is that it eliminates the General Accounting Office and the Comptroller General in investigating and passing on the claims that will be presented against the Government involving more than one million contracts and more than two hundred billion in war contracts. It creates a new bureau, headed by a Director, whose salary is $12,000 a year, giving him authority to appoint those under him. We are told there are now being assembled and trained at least 30,000 men and women. The only limitation is that this Director cannot pay more than $10,000 a year to any one person. There is no telling how many more thousands may be employed by this Director. Of course, the President will appoint one of his New Deal friends and this New Deal Director will appoint all of these other thousands of officers and employees under him and fix their salaries and, no doubt, practically all of these will be new dealers.

Now, under this bill, the contractors and this Director and his group will settle the claims arising under these contracts. This Director has the power to set up an advisory board made up of certain members of the Cabinet and others. There we will have the contractors and the persons with whom they made the contracts passing on these settlements. It will be no less than human nature for the officials representing our Government to approve what they have done. I think there should be some disinterested person to sit in on these settlements. I think the Comptroller General or his representative should be a member of that advisory board. In fact, it seems to me that it would be only fair to the taxpayers of this country that the Comptroller General should have some say in approving these settlements which must involve billions. I think it has been made quite clear that such an arrangement would not delay the adjustment of these claims and the conversion of these war-production plants into peacetime production.

I don't like the idea of creating a new bureau with tens of thousands of officeholders placed upon the backs of the American people. There are already about 3,250,000. I shall continue to vote and make every effort possible to have this work performed by the General Accounting Office under the leadership of the Comptroller General, and it is proposed in amendments now before us that if the Comptroller General fails to approve any settlement within 6 months, it shall be considered as closed. I may vote for this measure because of the great necessity of there being a set-up to handle these war contracts when the war closes. I am strongly of the opinion there will be a change of administrations, that will do justice to the claims of each and every contractor, eliminate any fraudulent claims, and to prevent this Bureau from becoming one of the greatest and most powerful in the Government and at the same time protect the taxpayers of the country.

PROTECT AMERICAN PEOPLE

Before the end of this war millions and millions of American citizens will have sacrificed in one form or another and hundreds of thousands of them will have given their lives and more than a million will have sacrificed their health, and tens of thousands of others will have lost their businesses in winning this war. Now those who have remained behind the lines and have had Government contracts should not be permitted to get rich out of this war. One part of our population should not be permitted to take all of the profits while the other part sacrifices. Each of us should be willing to bear our full share of the sacrifice. I have as much faith in the average businessman and supplier of war materials and munitions and our public officials as any other Member of Congress.

In our haste in settling these claims we should not close our eyes to the fact that some men and some concerns have accumulated great wealth in this war as well as the other World War. Some concerns have made more than 1,000 percent profit and many others more than 100 percent profit. The accumulated sworn testimony before the Truman committee, the Committees on Military and Naval Affairs has shown conclusively that there are a number of companies and their officials and some of our own public officials who have been indicted and convicted for furnishing defective war equipment for our armed services and who have made enormous profits out of this war under the cost-plus and the percentage basis contracts.

The Military Affairs Committee, in a recent report, tells the story of one Col. Theo. Wyman, who had charge of the secret and important defenses at Pearl Harbor, on or about January 1, 1941, who let contracts to a German alien for one hundred and twenty-five million. This German alien and his associates agreed to put in certain alarm devices at Pearl Harbor within 6 months. He delayed, and these important defenses were not installed at the time of the attack on Pearl Harbor on December 7, 1941. If these had been installed, officers and men at Pearl Harbor would have been warned in ample time to have avoided that terrible assault, the destruction of our fleet, our bombers, planes, and the death of nearly 4,000 American officers and men. For more than a year there had been bitter feeling between the United States and Germany as well as Japan, yet this German alien was given the contract for this important and highly secret work. It appeared that no one but this German alien and his associates could secure a contract from Colonel Wyman. On the night of the attack on Pearl Harbor Colonel Wyman spent the night at the home of this German alien, drinking and carousing, and he appeared after the assault began without being properly dressed. Instead of being court-martialed, he was awarded the Distinguished Service Cross. General Short and Admiral Kimmel had full charge at Pearl Harbor. The administration has consistently resisted their being court-martialed.

PRIVATE ENTERPRISE AND JOBS

I desire to see this conversion made as speedily as possible to provide the 55,000,000 or more of American workers and also our service men and women with jobs in private enterprise. In fact, the Government cannot furnish jobs for sixty or more million men and women after the war. This alone must be accomplished by private enterprise. I am anxious to see all of these enterprises now controlled by the Government and engaged in war production take up the job of peacetime production as private enterprises, provide real, honest-to-god American jobs, with real wages in keeping with the American high standards of living as they must be furnished by private enterprise. The system of Government doles cannot provide the jobs and American workers should not be subjected to the humiliation of the dole job system. These contract settlements should be made speedily and equitably in the interest of promoting private enterprise, but we must also remove the shackles placed on private enterprise by the powerful bureaucracy built up under this administration, and we must fix our tax rates so as to encourage the investments of our people in productive private enterprise. The American people will not put their capital and their savings into job-producing private enterprises if they must assume all the risks and see a wasteful bureaucracy take away all of the profits. If the American people are given a fair opportunity, I have every reason to hope with a great demand for consumer goods and services our country can and will experience a substantial boom after the war. The American people and private enterprise must be freed from the bonds of this overgrown "tax and spend" bureaucracy that now has the Nation in its clutches.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

Mr. CRAWFORD. Mr. Chairman, reserving the right to object, I do not know that I can add anything to this debate, but there have been 15 or 20 who spoke in favor of the amendment. I would like 3 minutes in opposition to the amendment.

Mr. SUMNERS of Texas. Mr. Chairman, I modify the request and ask unanimous consent that all debate on this section and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Chairman, I had hoped and I have waited for some member of the committee or some Member of the House to rise in opposition to the amendment now pending. I have never accused anybody of wrongdoing or misappropriation of Government funds. I have no thought in mind that any Government official might misappropriate or not satisfactorily adjust these contract terminations afterward. Yet I happen to be a member of a subcommittee that has investigated reports which came down from the General Accounting Office. I have failed yet to find one of those reports incorrect.

It is passingly strange that here in this picture there is a determined effort to prohibi the General Accounting Office from taking any part whatsoever in the termination and the readjustment of these contracts other than through an audit after the contract has been readjusted and terminated.

It has been my pleasure to have known the present Comptroller General of the United States practically all of his life and all of my life. He is fair, just, and fearless in his everyday life and in his public life. He has gained the respect of this Nation by calling to the attention of the Nation the reckless manner in which certain contracts have been let. There are Members on my left who have taken his reports and spoken here in the House and who in the coming campaign will speak and take this administration down the country, you might say, for some of these transactions. I will not call the gentlemen names, but you will hear them either in the latter part of this Congress, and if not then, certainly in the next.

Why is there such a determined effort made here? Why is there this effort to keep the General Accounting Office out of the picture? It is a puzzle to me. I know of no one who has participated in fraud or stealing, but if this law passes it reminds me of an old song I used to hear, Go Feather Your Nest. The boys will feather their nests under this arrangement.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, if I understand the pending amendment correctly, it would create a situation wherein no contract could be finally determined until the Comptroller General had the privilege of auditing all papers in connection therewith, and provided that he must do that thing within 6 months. There has been a lot said here about the Congress being interested in this, the contractor being interested, the Comptroller General representing the Congress being interested, but I want to expand that thought by saying that there are at least 55,000,000 pay-rollees who will be interested. They are the backbone of American industry. All of the people who have any money invested in the private-enterprise system of the United States will be interested. Each day that we delay determining final settlement of these contracts, as, no doubt, has been pointed out on the floor of the House today, awaiting an audit by the Comptroller General, we can add to the taxpayers of this country a burden of many, many dollars. I think it was Mr. Baruch who made the remark to the effect that each hour or each day you delay will represent the cost of the Civil War. So I do not want any delay myself. I want the pay-rollees of this country to go back into industry and to go back on the industrial pay rolls and in the productions of the goods and services which our people may enjoy before there is a social revolution started in the United States. In my opinion, the most effective way on earth to start this revolution is to delay settling these contracts and keep these factories closed, keep production from occurring, and give radical leaders a chance to go around and whip up hatred against the private-enterprise system. We can afford to do a lot of things rather than scramble our whole industrial enterprise into one omelet to await a 6-month audit by the Comptroller General of the United States.

Mr. GRANT of Indiana. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Indiana.

Mr. GRANT of Indiana. There has been a lot of talk about this 6-month audit, but the 6 months would not begin to run until the Comptroller General had the opportunity to look at the files and decided that the file was such he would like to start work on it. At pages 17, 10, and 11 of the hearings before the Committee on Naval Affairs I asked those questions of the Comptroller General, that is, as to when that time would begin to run within which he felt he could complete these audits, and he finally said that the time should begin to run when they finally sent down the proper records, which might be many months after the 6 months.

Mr. HANCOCK. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from New York.

Mr. HANCOCK. I think the report of the Baruch committee summarizes the argument against the proposal now pending in these words. It says in effect: "The proposal of the gentleman from Texas would result in unemployment by audits."

Mr. CRAWFORD. That is what it would mean, at the expense of the taxpayers of the United States, because the Government would have to feed those people who are not employed. The soundest thing this Congress can do is to leave nothing undone so as to permit the free-enterprise system to put people back on the pay rolls and protect business and industry when this war is over.

Mr. JENNINGS. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Tennessee.

Mr. JENNINGS. The act now under consideration charges the Comptroller General with the duty of auditing all of these settlements, and if he has any reasonable ground for believing that any fraud has been committed or that any offense against the Government has been committed, he immediately notifies the Department of Justice and that Department goes after the fellow who is thought to be guilty; is that not true?

Mr. CRAWFORD. That is true.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, this amendment contains within its own language the two grounds which condemn it. Every committee and every responsible Government agency which has worked on this problem has emphasized two things which must exist in contract termination. The first is that it shall be final, and, second, that it shall be promptly done.

This amendment provides that all contract terminations shall be tentative only. It then provides that they shall remain tentative until approved by the Comptroller General. There has been some emphasis placed upon the fact that the Comptroller General is given only 6 months within which he shall act upon the case submitted to him. I do not care when the time begins to run on that 6 months. I do know that the record of the Comptroller General's Office indicates that it will take from 14 to 17 months for the average audit of the type that he insists upon. I know that 6 months is totally inadequate for a detailed audit of this great number of contracts.

Then what is the situation that confronts you? Either within the 6-month period he is going to make a perfunctory audit, which will amount to nothing, which will be of no advantage to the Government, or he is going to be forced to reject the claim and send it back to the contracting agency with which it originated, in order to secure the time within which to conduct an adequate audit. Time is of the essence of the entire matter. Even a 6-month delay is destructive of the economic security of this Nation. Recurrent 6-month periods would be fatal. Therefore the amendment would result in a defeat of everything we have been attempting to accomplish by legislation for contract termination. It would entirely upset the economic system of the country. No manufacturer, small or large, would know where he stood. He would be unable to get financing for civilian industry. As the gentleman from Michigan [Mr. CRAWFORD] has said, during that period of time we would have unemployment in this country.

This is the very heart of all we have worked on over these many months. Should the amendment offered by my colleague from Texas be adopted, I say that you are going to defeat everything

we have ever hoped to accomplish. I have stated before that the personality of our friend, the Honorable Lindsay Warren, is in the consideration of this bill to a marked degree. I served here with Lindsay Warren, as did most of the rest of us. I have the highest regard for him. The gentleman from North Carolina [Mr. BONNER], who preceded me, was associated with him for many years, and I concur in his estimate of the man. But that is not the question involved here. I do not believe there would be very much of a case here for a detailed audit by the Comptroller General if it were not for the personality of Lindsay Warren. The question does not turn on Lindsay Warren. We all respect and admire him. He is the auditor for the Government. But he is not the contracting officer for the Government and he was never supposed to be the contracting officer for the Government. He exercises an auditing function, and he does not make the contract, so he should not terminate the contract.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from North Carolina.

Mr. BONNER. Why did the gentleman so vigorously oppose the Johnson amendment to appoint a third arbitrator in the settling of these claims?

Mr. KILDAY. I do not know who so vigorously opposed it. I did not speak against the Johnson amendment. I do know that no provision of that kind was considered by the Committee on Military Affairs when the matter was before it. I do not know whether it was considered by the Committee on the Judiciary or by the Post-war Economic Policy and Planning Committee, but I do know that this is not the kind of legislation you can write on the floor. It is a matter that is entirely too big to be written on the floor. It is a subject that has received the careful attention of a great many people. Only a very small minority have ever contended that it constituted an auditing function which should be controlled by the Comptroller General.

The CHAIRMAN. The time of the gentleman from Texas has expired. All time has expired.

The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. THOMASON) there were—ayes 33, noes 97.

So the amendment was rejected.

The CHAIRMAN. Are there any other amendments to be offered to section 16 of the bill?

Are there any amendments to be offered to section 17 of the bill?

Are there any amendments to section 18 of the bill?

Are there any amendments to section 19 of the bill?

Mr. SATTERFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SATTERFIELD: Page 104, after line 23, insert:

"(e) It shall be unlawful for any person who, as a commissioned officer of the Army or the Navy, or officer or employee of the United States, has at any time during the period beginning December 7, 1941, and ending 6 months after the termination of hostilities in the present war as proclaimed by the President, been assigned to duty by either the War or the Navy Department, or employed in any agency of the Government, and in such assignment or employment been engaged on behalf of the United States in procuring or assisting to procure supplies, materials, construction work, or services for the Government, or who was prior to the termination of hostilities engaged in the settlement or adjustment of contracts or agreements for the procurement of supplies, materials, construction work, or services for the Government, within 2 years next after his discharge or other separation from the service of the Government to accept or to solicit employment in the presentation, or to aid or assist for compensation in the prosecution, of claims against the United States arising out of any contracts or agreements for the procurement of supplies, materials, construction work, or services for the Army, the Navy, or any other agency of the Government which was pending or entered into while the said officer or employee was associated therewith. A violation of this provision shall be punished by a fine of not more than $10,000 or imprisonment for not more than 1 year, or both. Subsection (j) of the Renegotiation Act shall cease to have any effect with respect to any period beginning after the date of the enactment of this act."

Mr. SATTERFIELD. Mr. Chairman, the gentlemen in charge of this bill on both sides of the aisle are fully conversant with this amendment, and I hope it is the pleasure of the Committee to accept the amendment.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SATTERFIELD. I yield to the gentleman from Georgia.

Mr. VINSON of Georgia. I could not catch the reading of the amendment with reference to the renegotiation feature. Would the gentleman please explain it?

Mr. SATTERFIELD. The purpose of this amendment, or the reason for it, is to reenact legislation that has been on the books since 1872. Last year when we passed the 1943 Revenue Act there was a section in it, as you remember, on renegotiation. Within that part of the revenue act there was written certain language that partially abrogated the old general statute which was a prohibition against these employees and officers of the armed services representing their clients or aiding or abetting the doing of that sort of thing. The drafting bureau felt that the way to do this would be to repeal that section of the Renegotiation Act which was included in the revenue act so as to keep the record clear and reenact the law which had been on the books since 1872.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. SATTERFIELD. I yield to the gentleman from California.

Mr. IZAC. Would this in any way weaken the renegotiation provision?

Mr. SATTERFIELD. No.

Mr. VINSON of Georgia. It would strengthen it.

Mr. SATTERFIELD. That is right.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SATTERFIELD. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Does this apply merely to contracts or negotiations with which the specific officer was concerned?

Mr. SATTERFIELD. That is right. It renegotiates exactly in the language of the old statute. The revenue act, I said, partially abrogated it. The inhibition formerly was for 2 years after the cessation of hostilities. In the Revenue Act which we passed last year it was cut down to 6 months and restricted to just a few departments. My amendment puts it back to the 2-year inhibition period and makes it apply to any department, to the officers of the armed forces engaged in the procurement, and the employees engaged in the same activity.

Mr. SUMNERS of Texas. Mr. Chairman, we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to section 19 of the bill?

Are there amendments to section 20 of the bill?

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last word.

The one absolute requirement, the one thing upon which all else will depend in the post-war period in our country is full employment of our people. For upon such full employment will directly depend the opportunity of returning veterans to secure jobs. Eleven million men will simply not be able to get jobs in a country where there is a depression or large-scale unemployment, even though absolute preference be given them. Nor will the jobs be any good under those circumstances. Such a condition simply cannot be permitted to take place.

Therefore other considerations have to take second place and this, I believe, is the justification for a bill such as the committee has reported. In spite of certain recognized dangers in connection with it, as has been said, it is worth risking some loss in order to secure speed of settlement and to do this one thing to work toward full employment.

By the same token, however, I hope Members who today will vote for this bill involving the billions of dollars of contract termination with the possibility of some loss to the Government, will not completely change their attitude when some of us are attempting to secure a fraction of the funds involved here for such things as school-lunch programs, social-security expansion, or things of that sort. For however good a job we may do on contract termination, there is no guaranty of full employment and prosperity involved in it. To put industry in a position to employ people does not mean that industry will do so unless there is a full market for its goods. That is the fundamental thing and always will be.

Prosperity does not trickle down from the top. It surges up out of the purchasing power of the mass of people.

The CHAIRMAN. Are there amendments to section 21 of the bill?

Are there amendments to section 22 of the bill?

Are there amendments to section 23 of the bill?

Are there amendments to section 24 of the bill?

Are there amendments to section 25 of the bill?

Mr. DURHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this bill provides under section 6 (c) that any contracting agency may settle a termination claim and that a settlement so made by agreement with the contractor shall be final and conclusive, with certain exceptions, or if made without agreement with the contractor that it shall be final and conclusive subject to appeal or suit by the contractor. The need for prompt disposition of termination claims is recognized in order not to disrupt post-war economy but there appears neither reason nor sound basis to authorize the contracting agencies to make a final and binding settlement, prior to audit or review by an independent agency of the Government, particularly when other provisions of the bill would authorize substantial interim or advance payments prior to final disposition of termination claims. Granting of such authority undoubtedly would result in the hurried, careless, and inefficient making of claim settlements prejudicial to the Government's interest, would result in millions of dollars of the taxpayers' money being wasted, which could be avoided by an independent audit or review of settlements prior to the making of final payments, and would open the door to fraud and collusion on the part of unscrupulous contracting officers and contractors.

Under section 7 (a) of the bill contracting agencies would be authorized to approve settlements of contractors with subcontractors "upon such evidence, terms, and conditions as it deems proper," and, when satisfied with the reliability of the war contractor, may authorize such contractor to make settlements with subcontractors without review. Settlements so approved or authorized would be final and conclusive. These provisions are subject to the same criticism as the provisions of section 6 (a), mentioned above. The authority which would be granted appears to be absolutely unnecessary and entirely too broad and dangerous.

Section 15 (a) provides that no officer or Government agent authorizing or approving a payment or settlement, or certifying the voucher for such payment, or making the payment in accordance with a duly certified voucher, shall be personally liable for such payment in the absence of fraud on his part. Thus a settlement or payment could be authorized, approved, or made in the most negligent and inefficient manner, short of fraud, which would be final and conclusive upon the Government and for which the guilty party would have complete immunity from liability. Bearing in mind the complete authority which other sections of the bill would give contracting agencies this section is all the more repugnant to recognized concepts of care and responsibility. It well may be doubted that any reasonable basis exists for granting such authority. Fraud is extremely difficult of proof and it is even more difficult to set aside a completed transaction on the ground of fraud. Since settlements approved and payments made would not be subject to audit until after the transactions had been completed there appears all the more reason to place a greater responsibility on approving and paying officers. Certainly the least that could be expected is that they should be personally liable, not only for fraud but also for gross carelessness or inefficiency.

Section 15 (b) appears to make the foregoing comments all the more apt. Under said section contracting agencies would be authorized, in making termination settlements or interim financing, to rely upon certificates of war contractors, and to authorize war contractors and other persons to rely upon such certificates, without financial liability in the absence of fraud on their part. Thus, all a contractor would need do would be to furnish a certificate as to its costs, etc., which could be accepted by the contracting officer without any examination or verification whatever and a settlement made on the basis of such certificate would be final and conclusive upon the Government in the absence of fraud, which it would be most difficult to establish under the provisions of the bill. Conceding negligence and inefficiency in the preparation or acceptance of such a certificate which would result in an increased cost to the Government, nevertheless, in the absence of established fraud, the Government would be bound and the parties involved would escape liability. It could hardly be argued, in view of the tremendous scope of operations which would be conducted under the program, that the Government could not lose millions, and perhaps billions of dollars simply through reliance on certificates of unscrupulous, greedy, or careless contractors, subcontractors, and so forth. If certificates are to be authorized, it would not appear that there should be anything short of a complete verification and audit of such certificates.

Under section 18 of the bill the Director of Contract Settlement is authorized to prescribe the records in connection with termination settlements which shall be transmitted to the General Accounting Office and he is directed to reduce the amount of record keeping, reporting, and accounting in connection with the settlement of termination claims to the minimum. He could confine the records to be submitted to the General Accounting Office simply to the bare termination agreement without any supporting papers. Thus, though the General Accounting Office is authorized under section 16 (a) (b) of the bill to examine settlements to see whether the amount paid was in accordance with the settlement agreement, and whether the records transmitted to it warrant a reasonable belief that the settlement was induced by fraud, such authority could be rendered completely ineffective merely by the Director limiting the records to be furnished to that agency to such a minimum that it would be impossible to detect fraud.

Section 16 (c) of the bill appears to be both unnecessary and undesirable. It is unnecessary in view of the broad authority conferred upon the Comptroller General under sections 312 and 313 of the Budget and Accounting Act, 1921 (42 Stat. 25, 26). It is undesirable because it tends to restrict the authority which the Comptroller General now has. The said section would authorize the Comptroller General to investigate settlements for the purpose of determining whether settlement methods and procedures are designed to result in expeditious and fair settlements; whether the methods and procedures are followed by the contracting agencies with care and efficiency; and whether such methods and procedures adequately protect the interest of the Government. And suppose he finds that the settlement methods and procedures fail to meet the required standards? He is to report the matter to Congress with suggestions and recommendations for additional legislation. And just how effective would that be to remedy a situation found to be deficient?

The termination program would be progressing and the need would be immediate. Nevertheless, before reporting the matter to the Congress the Comptroller General would be required to make suggestions and recommendations to the agency involved for the improvement of the methods and procedures followed. And then, at least 30 days before filing a report with Congress, the Comptroller General would be required to submit a copy thereof to the agency concerned, and the Director. After the lapse of at least 30 days the report could go to Congress accompanied by the comments of the agency involved. In the meantime the termination program would have proceeded toward completion. We may assume that the reports filed with the Congress would be turned over to the committees which sponsored this bill. In that event the difficulty of obtaining different legislation would be rather obvious, particularly since it is apparent the contracting agencies would support the procedures and methods which had been followed. On the other hand, if the reports be turned over to other committees, even in that event there is no assurance that they would be acted upon promptly, having regard for normal legislative procedures and the fact that the reports of the Comptroller General and the contracting agencies undoubtedly would not be harmonious. The simple matter of getting legislation is a slow and difficult procedure, and the fact that the additional legislation, if obtained, would not serve any useful purpose after the termination program is completed needs no emphasis. Section 16 (c) of the bill is almost meaningless, from a practical and effective standpoint, because the harm will have been done and the termination program will be almost over—depending on the course and speed of coming events—before the procedure provided therein could be productive of any worth-while results.

Section 20 (f) is entirely too broad, is unnecessary, and only makes more possible collusion and fraud between Government agents and contractors.

Under section 23 (a) (b) the Director of Contract Settlement is authorized to delegate his authority to the heads of Government agencies, who, in turn, are authorized to redelegate it to any officer, agent, and employee of their respective agencies. Thus, the limited control over the program which the bill would give to the Director could be delegated and redelegated right back to the various contracting officers and thus render ineffective, wholly or in part, the purposes contemplated by the bill in the establishment of the Office of Contract Settlement.

The CHAIRMAN. Are there any amendments to be offered to section 26 of the bill?

Mr. NORRELL. Mr. Chairman, I move to strike out the last word.

Mr. NORRELL. Mr. Chairman, we have about finished consideration of the bill regarding termination of war contracts (S. 1718) in the Committee of the Whole House on the state of the Union. I have supported several amendments to the bill. I think these amendments should have been adopted. Practically all were defeated. No useful purpose could be served at this time by discussing all of the defeated amendments, however, I do want the record to show that I am not entirely satisfied with this bill. I think the most important amendment offered and for which I voted was the amendment submitted by the gentleman from Texas [Mr. THOMASON] beginning on page 94, striking out all of section 16 and inserting the following language:

SEC. 16. Notwithstanding any other provision of this act, all settlements authorized or required to be made by any contracting agency under this act (whether by agreement or by determination without agreement) and all payments authorized or required to be made to any war contractor which (except for this section) would be final, shall be tentative only, and shall not be binding on the United States until the settlement, together with all required supporting data has been submitted to the General Accounting Office and approved by the Comptroller General of the United States. Any settlement submitted to the General Accounting Office under this section which has not been disapproved by the Comptroller General within 6 months after such submission shall, for the purpose of this section, be considered as having been approved by him.

If the Government makes the advancements to the war contractors as provided in the bill the contractors certainly should be able to finance the operations for a period of 6 months, during which time the Comptroller General's Office could properly audit all such claims. I do not believe that final settlement should be made with any contractor until and after a thorough and complete audit has been made by the Auditorial Department of the United States Government. I am not willing for final settlements to be made without an audit by the General Accounting Office. It would be unwise to permit these claims to be held up indefinitely by the General Accounting Office. However, 90 percent of all undisputed claims could be paid before such audit and the balance could be held back until the claims can be audited by the Comptroller General's Office. The amendment of the gentleman from Texas [Mr. THOMASON] provides that such audit shall be made within 6 months after such submission of the claims to the General Accounting Office. Payments of all disputed claims, of course, should be suspended pending an audit within a period of 6 months.

It is true that the bill provides that in case of fraud the General Accounting Office shall make audits of such fraudulent claims, if any exist; however, sometimes it serves no useful purpose to audit a fraudulent claim after full and final payment has been made. Criminal liability would, of course, exist, but it might be impossible to recover the funds, and, if recoverable, the Government would have to go to great effort and expense. I take the position that an audit should be made within the 6 months' time provided by the Thomason amendment, not that anybody may be dishonest, not solely because of possible fraud, but also because it is possible to correct mistakes and a general audit will save money in many ways especially preventing fraud, mistakes, and theft. I regret sincerely that the Thomason amendment was not adopted, and I feel that this Nation may sustain enormous losses because of the failure to properly safeguard the interest of the Government, the taxpayers, and war contractors, in the termination of these contract.

The CHAIRMAN. Are there any amendments to section 27 of the bill?

The question is on the committee substitute as amended for the bill, S. 1718.

The committee substitute as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. HART, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (S. 1718) to provide for the settlement of claims arising from terminated war contracts, and for other purposes, pursuant to House Resolution 589, reported the same back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, and was read the third time.

Mr. MAY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MAY. I am, Mr. Speaker.

Mr. MARTIN of Massachusetts. Mr. Speaker, I understood the vote on the bill was going to go over until Monday. Is it not better to have the whole proceedings go over? I do not want to have to make the point of order that a quorum is not present.

The SPEAKER. The gentleman can offer his motion to recommit and have it pending.

Mr. MARTIN of Massachusetts. I do not want to take any action that would prevent the gentleman from making the motion to recommit at this time, but we had understood that the vote was not going to be taken this afternoon and consequently were not prepared for this stage of the proceedings. Of course, the right to make a motion to recommit belongs to the minority if we care to exercise it.

Mr. MAY. Nobody claimed it, and I have made the motion to recommit.

Mr. MARTIN of Massachusetts. If that is the case, Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Will the gentleman withhold the point of order a moment?

Mr. MARTIN of Massachusetts. Certainly, Mr. Speaker.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the further consideration of this bill be postponed until Monday next.

Mr. MAY. I object, Mr. Speaker.

The SPEAKER. Is there objection? The Chair hears none.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday at 11 o'clock.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman tell us the program for Monday?

Mr. MAY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman from Massachusetts yield for a parliamentary inquiry?

Mr. MARTIN of Massachusetts. I yield, Mr. Speaker.

Mr. MAY. Mr. Speaker, what motion is pending?

The SPEAKER. The gentleman from Massachusetts has asked unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock on Monday, and the gentleman from Massachusetts [Mr. MARTIN] has reserved the right to object.

Mr. MAY. Mr. Speaker, the gentleman from Massachusetts [Mr. McCORMACK] made a unanimous-consent request to which I objected, and I never withdrew my motion.

The SPEAKER. The Chair certainly did not hear the gentleman. The gentleman from Massachusetts [Mr. McCORMACK] made the request that further proceedings on the bill be postponed until Monday.

Mr. MAY. I made an objection, Mr. Speaker, and I repeat it now.

The SPEAKER. Did the gentleman object at that time?

Mr. MAY. I certainly did.

Mr. MARTIN of Massachusetts. Will the gentleman tell us what he objected to?

Mr. MAY. I objected to the unanimous-consent request made by the gen-

tleman from Massachusetts that the bill go over until Monday.

The SPEAKER. If the gentleman says that he objected, the Chair accepts it, of course.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1945

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a conference report and statement on the bill (H. R. 4679) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes.

The SPEAKER. Is there objection?

There was no objection.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 48 minutes p. m.) the House adjourned until Monday, June 19, 1944, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will meet on Wednesday, June 21, 1944, at 10:30 a. m., on all resolutions providing for temporary admission of political and religious refugees.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McGEHEE: Committee on Claims. S. 1881. A bill to provide for reimbursement of certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of fire at the naval advance base depot, Port Hueneme, Calif., on January 12, 1944; without amendment (Rept. No. 1672). Referred to the Committee of the Whole House on the state of the Union.

Mr. BELL: Committee on Insular Affairs. H. R. 5029. A bill to assist in the internal development of the Virgin Islands by the undertaking of useful projects therein, and for other purposes; without amendment (Rept. No. 1673). Referred to the Committee of the Whole House on the state of the Union.

Mr. BATES of Massachusetts: Committee on Naval Affairs. H. R. 4405. A bill to amend the act approved March 7, 1942 (Public Law 490, 77th Cong.), as amended, so as to more specifically provide for pay, allotments, and administration pertaining to war casualties, and for other purposes; with amendment (Rept. No. 1674). Referred to the Committee of the Whole House on the state of the Union.

Mr. HÉBERT: Committee on Naval Affairs. H. R. 4991. A bill to remove restrictions on transfers of small craft to other American republics in furtherance of the war effort; with amendment (Rept. No. 1675). Referred to the Committee of the Whole House on the state of the Union.

Mr. BELL: Committee on Insular Affairs. Third interim report pursuant to House Resolution 159. Resolution regarding problems of Puerto Rico; without amendment (Rept. No. 1676). Referred to the Committee of the Whole House on the state of the Union.

Mr. LESINSKI: Committee on Invalid Pensions. H. R. 4999. A bill to increase the service-connected disability rates of pension for certain Regular Establishment veterans and veterans of wars prior to World War No. 1; with amendment (Rept. No. 1677). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McMILLAN:

H. R. 5046. A bill to permit the Metropolitan Police Force of the District of Columbia to obtain certain information from the War Manpower Commission and the United States Employment Service; to the Committee on the District of Columbia.

H. R. 5047. A bill to amend the United States Employees' Compensation Act of September 7, 1916, so as to permit an award of compensation for death, and payment of burial expenses, without regard to the lapse of time between the injury and death; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUFFETT:

H. R. 5048. A bill for the relief of the estate of Cecile H. Burgett, deceased; to the Committee on Claims.

By Mr. McCORD:

H. R. 5049. A bill for the relief of Walter S. Faulkner; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 5050. A bill for the relief of Sam D. Moak; to the Committee on Claims.

H. R. 5051. A bill for the relief of Clifton L. Holmes; to the Committee on Claims.

By Mr. McMILLAN:

H. R. 5052. A bill for the relief of Elisha Mack Rabon, Mrs. E. S. Gasque, and Dottie Elaine Gasque; to the Committee on Claims.

By Mr. VURSELL:

H. R. 5053. A bill for the relief of Mrs. Maud M. Wright and Mrs. Maxine Mills; to the Committee on Claims.

By Mr. WASIELEWSKI:

H. R. 5054. A bill for the relief of Paul Stanik; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5868. By Mr. HART: New Jersey State Senate resolution proposing amendment to the Constitution of the United States relative to taxes on incomes, inheritances, and gifts; to the Committee on the Judiciary.

5869. By Mr. ROLPH: Resolution No. 2 of the California Senate, relative to release of trucks for sale to farmers; to the Committee on Agriculture.

5870. Also, resolution No. 3 of the California Senate relative to the production of commercial blue poppies; to the Committee on Agriculture.

SENATE

MONDAY, JUNE 19, 1944

(Legislative day of Tuesday, May 9, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Father of all, whose righteous laws condemn and at last break whatsoever bars Thy children from abundant life, we thank Thee for the legions of the uncoerced who, making tyranny tremble, in Thy name are marching to blast a way for all Thy children to escape tribulation. They march to build a highway to a realm and a reign of peace and good will, to a kingdom of human rights where mouths shall not cry for bread, where hands and feet shall not be shackled, where speech shall not be silenced, where eyes shall not be bandaged, where minds shall not be darkened, and learning shall not be distorted by lies which hide the light of truth.

Humble our spirits by the revelation of the dark pit from which mankind is being rescued at so great a cost. Saved from such a hell make us not content with things as they are and have been as we strive to bring in a new heaven and a new earth. We seek not the salvation which will leave us unchanged, for we have missed the mark and come short of the glory. Save us from the fatal folly of being unwilling to pay the price of better things. Destroying the worst things and dreaming of the better things in these days of agony and anguish, treading the wine press of sorrow and sacrifice, even though we walk through the valley of the shadow of death fearing no evil may Thy rod and Thy staff comfort us. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, June 16, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On June 15, 1944:

S. 1281. An act for the relief of Rebecca A. Knight and Martha A. Christian; and

S. 1849. An act for the relief of Muskingum Watershed Conservancy District.

On June 17, 1944:

S. 1416. An act for the relief of Mrs. Judith H. Sedler, administratrix of the estate of Anthony F. Sedler, deceased; and

S. 1682. An act to provide for the payment of compensation to certain claimants for the taking by the United States of private fishery rights in Pearl Harbor, island of Oahu, Territory of Hawaii.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 5040) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944, and June 30, 1945, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

S. 1479. An act providing for the suspension of certain requirements relating to work on tunnel sites;

S. 1808. An act to authorize temporary appointment as officers in the Army of the United States of members of the Army Nurse Corps, female persons having the necessary qualifications for reappointments in such corps, female dietetic and physical therapy personnel of the Medical Department of the Army (exclusive of students and apprentices), and female persons having the necessary qualifications for appointment in such department as female dietetic or physical-therapy personnel, and for other purposes;

H. R. 4070. An act making appropriations for the Executive office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1945, and for other purposes; and

H. R. 4559. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1945, and additional appropriations therefor for the fiscal year 1944, and for other purposes.

NOTICE OF HEARING ON NOMINATION OF RAFAEL BOSCH TO BE ASSOCIATE JUSTICE OF THE SUPREME COURT OF PUERTO RICO

Mr. HATCH. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a routine public hearing has been scheduled for the 27th day of June 1944, at 10:30 a. m., in the Senate Judiciary Committee room, upon the nomination of Rafael Bosch, of Puerto Rico, to be an associate justice of the Supreme Court of Puerto Rico, vice Hon. Martin Travieso, elevated. At the indicated time and place all persons interested in the nomination may make representations. The subcommittee consists of Senators McFARLAND, chairman; KILGORE; and BUSHFIELD.

FINLAND

Mr. VANDENBERG. Mr. President, I wish, briefily, to speak of Finland. I deeply regret the undisclosed necessities which have required the State Department to dismiss the Minister of Finland, for activities said to be "inimical to the United States." I do not know the details of the evidence upon which the State Department has presumed to act. I stand by my own Government in such matters in time of war. But I cannot find it in my heart to believe that Hjalmar Procope, a gallant Finnish patriot, is guilty of anything which does not stem solely from distraught anxiety for his beleaguered homeland and from complete devotion to the harassed lifeblood of the magnificent Finnish democracy to which he has given his rich fealty. This may not excuse his unnamed acts. I do not know. But it leaves me morally certain, in the absence of proof to the contrary, that he has never harbored so much as one vagrant thought that was consciously hostile to our own United States, at least as an entity separate and apart from our major allies. Unfortunately, however, that may become an untenable discrimination in time of naked war.

The grim evolution of global war precipitates a constant procession of relentless crises which have to be met as the hard requirements of the bitter hour demand. Free Finland is the supreme victim of this cruel ritual. It was only a few years ago that this now dismissed Minister was rightly acclaimed above all other diplomats among us as the high favorite of our devoted affections—not alone for himself but for the brave young Republic which he symbolized. I recall many a thrilling ovation which the American heart appropriately poured out to him and to his intrepid, fearless people. Upon more than one sympathetic occasion this Congress has given unprecedented recognition to courageous Finland. Only 24 hours before his recall, this Minister once more paid Finland's debt installment, inherited from World War No. 1, still uniquely faithful to her undefiled word even in the midst of new and desperate travail. That is not the act of an enemy. For the sake of history and, perhaps, for the sake of belated justice in the post-war world to come, I cannot forget these things, amid the bewildering contradictions of this crashing conflict.

But the cruel vicissitudes of war pitifully tossed Finland to the unkind fates. Finland found herself impaled upon the goring horns of an imponderable dilemma—with her hereditary Russian enemy upon the one hand, and her ruthless German neighbor upon the other. The ominous narrows between ancient Scylla and Charybdis could not have been more treacherous. Unable to avoid both, she had to make her fateful choice. It has brought her into tragic collision with the cause of the United Nations—a cause which, so far as we are concerned, must be supreme and compelling and exclusive above all else. Britain and Russia are at war with her. We are not. Admittedly it is an anomaly—just as it is anomalous that we and Britain should be at war with Japan while the great U. S. S. R. is not.

We have found a way to prevent this latter situation from interfering with our United Nations liaison—and, of course, it is to our everlasting common advantage. Our Russian ally is an indispensable tower of superb military strength—and the reciprocal values are mutual. I deeply wish that the means could also have been found to solve the bloody Finnish riddle. I do not mean that the situations are comparable. But I do mean that the great body of American public opinion, still reluctant to classify democratic Finland as any sort of a foe to us, except perhaps vicariously, prayed for a composition of the Finnish war; and it is obvious that our own Government, which does not even now break relations with Finland even though dismissing her Minister, still clings tenuously to this same realistic view.

Finland's pilots have not been free from error in charting her course through these tumultuous seas. It would have been a miracle if they were. Certainly it is a tragedy that the recent peace terms—though much too harsh and impracticable in spots—could not have been pursued to a reasonable conclusion.

But we must face things as they are. The war against Germany must be fought with every weapon at our command. Her satellites—willing or otherwise—cannot expect to escape unscathed. Those who are not for us are, in net effect, against us. But, though it may be dismissed as wishful thinking at this late hour, I would still hope that the great voice and power and authority of the Government of the United States could still intervene to compose a permanent armistice upon these unequal Finnish battle fronts; and then, come what may, I would hope that the official voice of America, in proper time and place, will speak out for a reincarnated post-war Republic of Finland which may carry on once more in what has been and can be again one of the world's greatest adventures in proud, effective, enlightened, self-sufficient democracy. I take it, Mr. President, that this would vindicate the human aspirations voiced to the world in the Atlantic Charter. I make this statement lest we forget.

BOARD OF VISITORS TO THE MERCHANT MARINE ACADEMY

Mr. RADCLIFFE. Mr. President, the able chairman of the Committee on Commerce, the Senator from North Carolina [Mr. BAILEY] has requested me to announced that pursuant to law, he has appointed as members of the Board of Visitors to the United States Merchant Marine Academy the Senator from Ohio [Mr. BURTON] and the Senator from Maryland [Mr. RADCLIFFE].

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore (Mr. GILLETTE) laid before the Senate the following letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATES OF APPROPRIATIONS, ETC.

Communications from the President of the United States, transmitting supplemental estimates of appropriations, etc. (with accompanying papers); to the Committee on Appropriations and ordered to be printed as follows:

A supplemental estimate of appropriation for the legislative branch, Library of Congress, fiscal year 1945, amounting to $130,000 (S. Doc. No. 205);

Draft of a proposed provision relating to existing appropriations for the Veterans' Administration, fiscal year 1944 (S. Doc. No. 206).

A supplemental estimate of appropriation for the legislative branch, United States Senate, fiscal year 1944, amounting to $2,494.83 (S. Doc. No. 207);

Estimates of appropriations submitted by the several executive departments and independent establishments to pay claims for damages to privately owned property, amounting to $7,950.82 (S. Doc. No. 208);

Estimates of appropriations to cover claims allowed by the General Accounting Office, and for the services of the several departments and independent establishments, amounting to $869,501.97 (S. Doc. No. 209);

A schedule of judgments rendered by the Court of Claims, submitted by the Treasury Department, amounting to $1,815,439.70 (S. Doc. No. 210);

A record of judgment rendered against the Government by district courts, as submitted by the Department of Justice through the

Treasury Department, amounting to $5,837.94 (S. Doc. No. 211);

An estimate of appropriation submitted by the Public Roads Administration, Federal Works Agency, to pay claims for damage to roads and highways of States, amounting to $14,701.69 (S. Doc. No. 212);

An estimate of appropriation for the Treasury Department to pay a certain claim allowed by the General Accounting Office, covering a judgment rendered by a district court, amounting to $62.95 (S. Doc. No. 213);

An estimate of appropriation to pay claims for damages by collision or damages incident to the operation of vessels of the Navy, amounting to $11,836.76 (S. Doc. No. 214);

An estimate of appropriation for the War Department to pay claims for damages to or loss or destruction of property or personal injury or death, amounting to $112,218.40 (S. Doc. No. 215);

An estimate of appropriation to pay a claim for damages by collision or damages incident to the operation of vessels of the United States Coast Guard, amounting to $82.50 (S. Doc. No. 216);

A supplemental estimate of appropriation for the legislative branch, United States Senate, fiscal year 1945, amounting to $15,450 (S. Doc. No. 217);

Supplemental estimates of appropriations for the Civil Service Commission, fiscal years 1944 and 1945, amounting to $4,180,000 (S. Doc. No. 218);

Draft of a proposed provision pertaining to existing appropriations for the War Department for river and harbors, for improvement of the Withlacoochee River, Fla. (S. Doc. No. 219);

A provision relating to a judgment rendered by the District Court for the District of Columbia, together with an estimate of an indefinite appropriation to pay interest (S. Doc. No. 220); and

Supplemental estimates of appropriations amounting to $460,300 for the Post Office Department, fiscal year 1944 (S. Doc. No. 221).

Report of the Near East Relief

A letter from the Comptroller of the Near East Relief, transmitting, pursuant to law, a report of the Near East Relief for the year ended December 31, 1943 (with an accompanying report); to the Committee on Printing.

Report of the Reconstruction Finance Corporation

A letter from the Chairman of the Board of the Reconstruction Finance Corporation, transmitting, pursuant to law, a confidential report of the operations of the Corporation for the month of March 1944 (with accompanying papers); to the Committee on Banking and Currency.

Personnel Requirements

Letters from the Secretary of State, the Administrative Assistant to the Secretary of Commerce, the Director of the Office of Strategic Services, and the Executive Secretary of the Office of Scientific Research and Development, transmitting, pursuant to law, estimates of personnel requirements for their respective departments and offices for the quarter ending September 30, 1944 (with accompanying papers); to the Committee on Civil Service.

Disposition of Executive Papers

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of the Departments of War (9), Navy (3), Interior, and Agriculture; Administrative Office of the United States Courts (U. S. District Court) for the Western District of Wisconsin, Federal Security Agency, Office of Price Administration (2), and War Manpower Commission which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate by the Acting President pro tempore, and referred as indicated:

A joint resolution of the Legislature of California; to the Committee on Banking and Currency:

"Senate Joint Resolution 2

"Joint resolution relative to the release of trucks for sale to farmers

"Whereas the farmers of this State are in dire need of trucks for farming purposes; and

"Whereas there exists a great number of trucks frozen in the possession of dealers, on which interest charges are accumulating at the rate of 1 percent a month; and

"Whereas this situation results not only in depriving the farmers of the ability to purchase said trucks and put them to use in maintaining and increasing the food supply so essential to the war effort, but also in an unwarranted increase in the price of said trucks, if and when they are released for sale, by the amount of the accumulated carrying charges: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Office of Price Administration be, and is hereby, memorialized to cause the release of such trucks for sale to farmers for agricultural purposes without further delay; and be it further

"Resolved, That if the Office of Price Administration fails to make available to farmers these idle trucks, the Congress of the United States be, and it is hereby, memorialized to enact such legislation as may be necessary to make such trucks available to the farmers for the purpose of maintaining and augmenting the Nation's food supply; and be it further

"Resolved, That copies of this resolution be transmitted forthwith by the secretary of the senate to the President and Vice President of the United States, the Speaker of the House of Representatives, the Members of the Congress of the United States from the State of California, and the Honorable Chester M. Bowles, Director of the Office of Price Administration."

A joint resolution of the Legislature of California; to the Committee on Finance:

"Senate Joint Resolution 3

"Joint resolution relative to the production of commercial blue poppies

"Whereas the commercial blue poppy has been grown for many years in California for the production of seed for food purposes, such seed being utilized as spices, condiments, and for bakery products, and has come to be known as the edible blue poppy; and

"Whereas the policy of the State of California has been established by legislation in the Health Safety Code to provide for the growing of edible blue poppy as an agricultural crop under permit from the State division of narcotics as a safeguard against any possible conflict or confusion with the illicit production of opium; and

"Whereas the covenants and agreements with foreign governments are silent relative to the growth of poppies as an agricultural crop for food purposes: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Congress of the United States be memorialized to enact legislation recognizing the importance of the production of edible blue poppy seed for food uses and permitting the production of this currently important food crop under such Federal supervision as may be necessary to prevent illicit use of the edible blue poppy; and be it further

"Resolved, That the Secretary of the Treasury and the Federal Office of Narcotic Enforcement be memorialized to take such steps as may be possible in the absence of Federal legislation to permit the harvesting of edible blue poppy seed for food uses to the end that this highly important crop be not lost to the Nation at this time when the need for food is so great; and be it further

"Resolved, That the secretary of the senate be hereby directed to forward copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and to each Member of the House of Representatives from California in the Congress of the United States, to the Secretary of the Treasury and to the Chief of the Federal Office of Narcotic Enforcement."

A resolution by the Central Labor Union of Orange County, Santa Ana, Calif., favoring the extension and strengthening of the Emergency Price Control Act; ordered to lie on the table.

RATES CHARGED BY THE LAND-GRANT RAILROADS

Mr. CAPPER presented a letter from the secretary of the Topeka (Kans.) Chamber of Commerce, together with a resolution adopted by the board of directors of that chamber of commerce, which were referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

TOPEKA CHAMBER OF COMMERCE,
Topeka, Kans., June 15, 1944.

Senator ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPPER: The enclosed resolution, which has to do with the Boren bill, was formally passed at the regular meeting of the board of directors of the Topeka Chamber of Commerce on June 13, 1944. This is being sent to you at the request of the board.

Respectfully,

WILLIAM R. WRIGHT,
Secretary.

Be it resolved by the board of directors of the Chamber of Commerce of Topeka, Kans., That we endorse the Boren bill (H. R. 4184) providing for repeal of land-grant rates, which bill passed the House of Representatives of the United States Congress by a vote of 236 to 16, and which is now pending before the United States Senate; be it further

Resolved, That copies of this resolution be forwarded to Hon. ARTHUR CAPPER and Hon. CLYDE M. REED, United States Senators from Kansas.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THOMAS of Oklahoma, from the Committee on Appropriations:

H. R. 4967. A bill making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes; with amendments (Rept. No. 967).

By Mr. O'MAHONEY, from the Committee on Appropriations:

H. R. 4861. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes; with amendments (Rept. No. 988).

By Mr. ELLENDER, from the Committee on Education and Labor:

S. 1978. A bill to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended; without amendment (Rept. No. 989).

By Mr. MALONEY, from the Committee on Public Buildings and Grounds:

H. R. 340. A bill to authorize the Legislature of the Territory of Alaska to grant and convey certain lands to the city of Sitka, Alaska, for street purposes; without amendment (Rept. No. 990);

H. R. 3306. A bill to authorize the conveyance of Harrison Park in the city of Vincennes to Vincennes University; without amendment (Rept. No. 991);

H. R. 4623. A bill to authorize the use of space in the old post-office building in Portland, Oreg., by the State of Oregon for its use as a museum for relics from the battleship *Oregon*, together with all other historical documents, objects, and relics of Oregon and the old Oregon Country held by the State for public display; without amendment (Rept. No. 992); and

S. J. Res. 8. Joint resolution authorizing the erection of a statue of Leif Erickson in the District of Columbia; with amendments (Rept. No. 995).

By Mr. WALSH of Massachusetts, from the Committee on Naval Affairs:

S. 1964. A bill to reimburse certain aviation cadets and former aviation cadets for property lost or damaged as the result of a fire at Carroll College, Helena, Mont., on January 8, 1944; without amendment (Rept. No. 993); and

S. 1974. A bill to amend section 1442, Revised Statutes, relating to furlough of officers by the Secretary of the Navy; without amendment (Rept. No. 994).

ENROLLED BILL PRESENTED

Mr. TRUMAN (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that on June 16, 1944, that committee presented to the President of the United States the enrolled bill (S. 1848) for the relief of Claude R. Whitlock, and for other purposes.

GRANTS TO STATES UNDER SOCIAL SECURITY ACT

Mr. McKELLAR. Mr. President, I report favorably from the Committee on Appropriations, without amendment, House Joint Resolution 298, making appropriations for grants to States under the Social Security Act. The joint resolution reads:

Resolved, etc., That there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for making for the first quarter of the fiscal year 1945 (1) grants to States for assistance to aged needy individuals, needy dependent children, and needy individuals who are blind, as authorized in titles I, IV, and X, respectively, of the Social Security Act approved August 14, 1935, as amended; and (2) grants to States for unemployment compensation administration: *Provided*, That the obligations incurred and expenditures made for each of such purposes under the authority of this joint resolution shall be charged to any appropriations therefor in the Labor-Federal Security Appropriation Act, 1945.

The reason for urging the passage of the joint resolution at this time is that the money must be available beginning the 20th of June. Mr. HARE stated in the House of Representatives:

> Under a policy of the Social Security Board it is necessary to make allocation of grants to the several States prior to the beginning of each quarter. In fact, they say it is necessary to make them before June 20 for the first quarter of the fiscal year, and since the funds are carried in the appropriation bill now pending, it is necessary to make the funds available by special resolution.

The joint resolution carries out the purpose stated by Representative HARE. I ask that, without interfering with the pending business, the joint resolution be immediately considered, so that it may be passed at this time. It is identical with a similar measure passed last year for the same reason.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Tennessee for the immediate consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

LOAN OF KITCHEN EQUIPMENT TO BOY SCOUTS

Mr. AIKEN. Mr. President, some 500 Boy Scouts of America expect to enter the annual summer camps at Painted Post, N. Y., tomorrow. Unfortunately, the kitchen stove at the camp is no longer usable. The Soil Conservation Service has a stove at that place which it is willing to lend these boys, but legislation is required before it can lend the stove to the Boy Scouts.

On June 13 the House of Representatives unanimously passed a measure which would permit the Soil Conservation Service to lend the stove to these boys, who expect to enter camp tomorrow. The Senate Committee on Agriculture and Forestry has unanimously approved the bill. The War Food Administration does not disapprove the loan.

I report favorably from the Committee on Agriculture and Forestry House bill 4659, and ask unanimous consent that the Senate proceed to the consideration of the bill. I have spoken to the Senator from Tennessee [Mr. McKELLAR] and the Senator from Maine [Mr. WHITE] about the matter.

Mr. McKELLAR. It will not displace the pending business.

Mr. AIKEN. I ask unanimous consent that the bill be taken up at this time.

The ACTING PRESIDENT pro tempore. The bill will be reported by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4659) to authorize the Soil Conservation Service to lend certain equipment.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Vermont that the pending business be temporarily laid aside for the consideration of the measure just reported?

There being no objection, the Senate proceeded to consider the bill.

Mr. RUSSELL. Mr. President, I did not catch the remarks of the distinguished Senator from Vermont. I am wondering whether the bill enunciates any policy as to all the equipment of the Soil Conservation Service.

Mr. AIKEN. No; it does not set forth any policy at all. I would not recommend entering upon too much legislation of this kind. The bill was introduced in the House in April, and the letter to the War Food Administration regarding the measure unfortunately was lost somewhere, so that no reply was received until early June. The bill does not set forth any policy regarding the lending of equipment belonging to the Department of Agriculture.

Mr. RUSSELL. What equipment is involved in the measure?

Mr. AIKEN. A kitchen stove, principally.

The ACTING PRESIDENT pro tempore. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

ADDITIONAL COPIES OF HEARINGS BEFORE SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM

Mr. TRUMAN. Mr. President, from the Committee on Printing, I ask consent to report an original resolution authorizing the printing of additional copies of hearings before the Special Senate Committee to Investigate the National Defense Program, and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 312) was received, considered, and agreed to, as follows:

Resolved, That 1,000 additional copies of part 21 and each subsequent part of the hearings held before the special committee of the Senate authorized and directed to make a study and investigation of the operation of the national defense program be printed for the use of said committee.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RUSSELL:

S. 2008. A bill for the relief of Herman Philyaw; to the Committee on Claims.

By Mr. MURRAY:

S. 2009. A bill to amend the Servicemen's Readjustment Act of 1944; to the Committee on Finance.

By Mr. WHERRY:

S. 2010. A bill to amend the Internal Revenue Code to allow the deduction of certain circulation expenditures, and expenditures in defense of or perfecting property rights or title; to the Committee on Finance.

By Mr. THOMAS of Utah (for Mr. REYNOLDS):

S. 2011. A bill to provide that temporary appointments as commissioned or warrant officers in the Army of the United States of enlisted men or warrant officers of the Army of the United States on active duty shall be deemed to have been accepted upon the dates

such appointments are made, and for other purposes; to the Committee on Military Affairs.

By Mr. BURTON:

S. 2012. A bill authorizing the retirement of Porter Blake Womer as a lieutenant commander, United States Navy; to the Committee on Naval Affairs.

(Mr. WAGNER introduced Senate bill 2013, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

Mr. TYDINGS. Mr. President, the Senator from Nevada [Mr. McCARRAN] is absent. In his absence he has requested that I introduce a bill in his name. I ask unanimous consent to introduce the bill for appropriate reference.

The ACTING PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred.

By Mr. TYDINGS (for Mr. McCARRAN):

S. 2014. A bill to create the National Capital Metropolitan Water Administration, and for for other purposes; to the Committee on the District of Columbia.

(Mr. GEORGE introduced Senate bill 2015, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. WHEELER:

S. 2016. A bill authorizing the issuance of a patent in fee to Mary P. Hanson;

S. 2017. A bill authorizing the issuance of a patent in fee to Rose Bear Cloud; and

S. 2018. A bill authorizing the issuance of patents in fee to the heirs of Lucky Horse Singer and Ambrose Singer; to the Committee on Indian Affairs.

By Mr. GERRY:

S. 2019. A bill to establish the grade of admiral of the fleet of the United States Navy, and for other purposes; to the Committee on Naval Affairs.

AUTHORIZATION OF CERTAIN TRANSACTIONS BY DISBURSING OFFICERS

Mr. WAGNER. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to authorize certain transactions by disbursing officers of the United States, and for other purposes, which I ask may be appropriately referred. In connection with the bill I ask to have printed in the RECORD a letter from the Acting Secretary of the Treasury with reference to the proposed legislation.

Mr. President, the world-wide distribution of our armed forces has given rise to perplexing problems involving the exchange of foreign currencies, and the transmittal of funds. It is essential, in order to meet the requirements of our armed forces, that enabling legislation be enacted which will authorize such exchange transactions as may be necessary to meet the exigencies of the present situation.

Under this bill disbursing officers of the United States would, subject to regulations prescribed by the heads of their respective departments, and, in the case of departments other than the Treasury, prescribed with the concurrence of the Secretary of the Treasury, be authorized for official purposes or for the accommodation of military, naval, and civilian personnel of the United States Government, and of contractors and authorized nongovernmental agencies operating with the armed forces of the United States, to cash and negotiate checks, drafts, bills of exchange, and other instruments, and to conduct exchange transactions involving United States and foreign currency, and coin, checks, drafts, bills of exchange, and other instruments. The bill provides that any gains in the accounts of disbursing officers resulting from operations thereunder shall be paid into the Treasury as miscellaneous receipts. Also, it authorizes the appropriation of such amounts as may be necessary to adjust any deficiencies in the accounts of disbursing officers which may result from such operations.

The ACTING PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred and the letter presented by the Senator from New York will be printed in the RECORD.

The bill (S. 2013) to authorize certain transactions by disbursing officers of the United States, and for other purposes, was read twice by its title and referred to the Committee on Banking and Currency.

The letter presented by Mr. WAGNER in connection with the bill is as follows:

JUNE 13, 1944.

The PRESIDENT, UNITED STATES SENATE,
Washington, D. C.

MY DEAR MR. PRESIDENT: There is transmitted herewith a proposed bill to authorize certain transactions by disbursing officers of the United States, and for other purposes, which is designed to permit disbursing officers of the United States to conduct exchange transactions essential to the activities of the armed forces.

The world-wide distribution of our armed forces has given rise to perplexing problems involving the exchange of foreign currencies and the transmittal of funds. It is essential, in order to meet the requirements of our armed forces, that enabling legislation be enacted which will authorize such exchange transactions as may be necessary to meet the exigencies of the present situation. To illustrate the necessity for legislation of this character the following more detailed statement is made:

American troops, serving in overseas theaters, are, as a rule, paid in the local currencies of the countries in which they are located. There is practically no need in those theaters for United States currency. Personnel arriving there require a means by which they can exchange United States currency in their possession for local currency. Also, personnel departing from the theaters must be able to dispose of local currency which they have accumulated, and to obtain in exchange therefor either United States currency or the currency of the country to which they are moving.

Military personnel, in large numbers, are ordered to travel by air over the Air Transport Command routes, and, in compliance with such orders, pass through many foreign countries. Frequently it becomes necessary for them to depart from countries upon very short notice, and as a result they accumulate holdings of several foreign currencies. It is essential that a means be provided whereby they can exchange these accumulations of foreign currency. Otherwise they may sustain substantial losses.

Casualties returned to this country for hospitalization frequently have in their possession foreign currency which they have received from disbursing officers in overseas theaters. Unless the foreign currency can be exchanged for United States currency through official channels it must be converted through commercial agencies which ordinarily results in a substantial loss to the holder.

Military personnel leaving this country for overseas theaters of operations require authorized means of carrying personal funds other than in cash and must have assurance that the mediums which they use will be accepted in the overseas theaters. Authority is needed for disbursing officers of the armed forces to issue Treasury checks to military personnel in exchange for currency and to cash Treasury checks, postal money orders, bills of exchange, and similar instruments.

Large sums of United States currency have been accumulated by the enemy. It is essential that every precaution be exercised to prevent the return of any of this currency to the United States. Unless adequate provisions are made for military personnel to make their legitimate exchange transactions through official channels they will likely be forced into the black market, thereby making it increasingly difficult to prevent the return of United States currency held by the enemy.

In general, the considerations which render enactment of the proposed legislation necessary to meet the requirements of the armed forces apply with equal strength to the necessity of including within the scope of such legislation civilian personnel of the United States many of whom at the present time are required to travel in foreign countries and are stationed at many posts throughout the world. Similar considerations also apply with respect to personnel of contractors and of authorized non-governmental agencies, including the American Red Cross, operating with the armed forces of the United States.

It is impossible for existing commercial facilities to meet the requirements of the situation. In the interest of morale it is therefore of prime importance that means be authorized whereby military personnel and civilian personnel of the United States Government and of authorized nongovernmental agencies operating with the armed forces will be able to exchange currencies without loss and to convert personal funds into types of negotiable instruments which may be cashed by them without charge or discount.

Under this bill disbursing officers of the United States would, subject to regulations prescribed by the heads fo their respective departments, and, in the case of departments other than the Treasury, prescribed with the concurrence of the Secretary of the Treasury, be authorized for official purposes or for the accommodation of military, naval, and civilian personnel of the United States Government, and of contractors and authorized nongovernmental agencies operating with the armed forces of the United States to cash and negotiate checks, drafts, bills of exchange, and other instruments, and to conduct exchange transactions involving United States and foreign currency and coin, checks, drafts, bills of exchange, and other instruments. The bill provides that any gains in the accounts of disbursing officers resulting from operations thereunder shall be paid into the Treasury as miscellaneous receipts. Also, it authorizes the appropriation of such amounts as may be necessary to adjust any deficiencies in the accounts of disbursing officers which may result from such operations.

The proposed legislation was informally discussed with representatives of the War Department and Navy Department. Since it was felt that the bill concerned matters of over-all fiscal policy, it was agreed that the

proposed legislation should be transmitted to the Congress by the Treasury Department. It will be appreciated if you will lay the proposed legislation before the United States Senate. A similar communication is being addressed to the Speaker of the House of Representatives.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this proposed legislation to the Congress.

Very truly yours,

D. W. BELL,
Acting Secretary of the Treasury.

NATIONAL SERVICE LIFE INSURANCE

Mr. GEORGE. Mr. President, I ask unanimous consent to introduce a bill to liberalize certain provisions of the National Service Life Insurance Act of 1940, as amended. In connection with the bill I ask that a statement from General Hines relating to the matter be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred and the statement presented by the Senator from Georgia will be printed in the RECORD.

The bill (S. 2015) to liberalize certain provisions of the National Service Life Insurance Act of 1940, as amended, was read twice by its title and referred to the Committee on Finance.

The statement of General Hines is as follows:

VETERANS' ADMINISTRATION,
Washington, June 15, 1944.

The PRESIDENT OF THE SENATE,
The Capitol, Washington, D. C.

SIR: There is transmitted herewith draft of a proposed bill entitled "A bill to liberalize certain provisions of the National Service Life Insurance Act of 1940, as amended," with the request that the same be introduced and considered for enactment at the earliest practicable date.

Experience gained in administration of the act, and developments resulting from amendatory legislation enacted during the period of the war, demonstrate the desirability of further amendments.

Section 1 of the bill would amend subsection (j) of section 602 of the National Service Life Insurance Act to provide that in any case in which the reserve of a contract of converted national service life insurance, together with dividends accumulated thereon, exceeds the aggregate amount paid in installments to any or all persons within the permitted class of beneficiaries, the difference between such amounts shall be paid to the estate of the insured unless the estate of the insured would escheat under the laws of his place of residence, in which case no payment would be made. Under the provisions of existing law no payments of national service life insurance in force at the date of the insured's death may be made in case the insured is not survived by any person within the permitted class of beneficiaries even though there are persons in being who are entitled to his estate under the provisions of his will or under the laws of descent and distribution of his place of residence. In certain cases the designated beneficiary will predecease the insured after he has carried insurance over a considerable period of time and there will be no one within the permitted class of beneficiaries living at the time of the insured's death. In such cases, it is believed that the reserve of the converted policy, which represents the amount paid as premiums in excess of the amount required for the protection afforded, together with any accumulated dividends, should be paid to the estate of the insured except where the estate would escheat.

Section 2 of the proposed bill would amend subsection (3) (A) of section 602 (d) of the National Service Life Insurance Act, effective as of October 8, 1940. Under subsection (3) (A) as now enacted, one who became totally disabled subsequent to October 8, 1940, and prior to April 20, 1942, as the result of injury or disease incurred in line of duty, which disability continued without interruption for 6 months or more, was granted $5,000 gratuitous insurance under certain circumstances and premiums due thereon were waived until 6 months after termination of total disability or until April 20, 1943, whichever was the earlier date. If death occurred before total disability continued 6 full months, no insurance can be deemed to have been granted, or if the disabled person for some reason such as mental incompetency could not apply for waiver of premiums prior to April 20, 1943, his insurance protection ceased. The amendment proposed in section 2 of the bill would grant relief in cases in which death occurs within the required 6-month period and would extend the time for making application for continuance of waiver of premiums until 1 year after the date of enactment of the bill.

Section 3 of the bill would add a new subsection (r) to section 602 of the National Service Life Insurance Act to prevent lapse of insurance in a case in which an insured is not entitled to waiver of premiums on account of total disability because death occurred prior to the continuance of such total disability for 6 months. Under existing law, waiver cannot be granted unless a total disability continues for 6 months.

Section 4 of the bill proposes an amendment of subsection (5) of section 602 (d) of the National Service Life Insurance Act to permit application for insurance payments under subsections (2) or (3) of section 602 (d) to be filed within 5 years after the date of death of the insured. Under the provisions of subsection (5) as now enacted claim must be filed with 1 year after the death of the insured or 1 year after July 11, 1942, whichever is the later date. The Veterans' Administration has been required to deny insurance benefits because application was not timely filed in cases in which the insured's death was not announced by the service departments until more than 1 year after death had occurred. The need of this amendment is apparent.

Sections 5 and 6 of the bill would amend section 602 (h) (1) and section 602 (h) (2) of the National Service Life Insurance Act of 1940 to authorize the election of a refund life income in lieu of the mode of payments now provided. Under the provisions of section 602 (h) (1) if the beneficiary is under 30 years of age at the time the contract matures the insurance is payable in 240 installments, and payments will terminate after such payments are completed even though the beneficiary may continue to live many years thereafter. Under the provisions of section 602 (h) (2) if the beneficiary is 30 years or more of age at the time of the insured's death, insurance is payable in 120 installments certain with such payments continuing throughout the remaining lifetime of the beneficiary. In case a widow having a minor child, who is entitled to payments as provided in section 602 (h) (2), dies after having received one or more installments of insurance, payments under the contract will cease after payment of 120 installments has been completed even though the total amount of the installments paid or payable is less than the face value of the policy and even though the child is too young to be capable of self-support at the time payments expire. The proposed amendments will authorize the payment of the full face value of the insurance in every instance and will also insure an income throughout the lifetime of the first beneficiary under the policy. In most instances insurance payments would continue until the child is self-supporting.

The following tables show the number and amount of the monthly guaranteed installments purchased by $1,000 on the basis of the American Experience Table of Mortality at 3 percent under a life annuity plan and the number and amount of the guaranteed installments for 120 months certain as provided in section 602 (h) (2) at the ages stated:

Refund life income

Age	Number of guaranteed installments	Amount of each installment	Sum of guaranteed installments
6	309	$3.24	$1,001.16
10	304	3.29	1,000.16
15	296	3.38	1,000.48
20	288	3.48	1,002.24
25	277	3.62	1,002.74
30	265	3.78	1,001.70
40	235	4.26	1,001.10
50	199	5.04	1,002.96
60	158	6.34	1,001.72
70	116	8.64	1,002.24

PAYMENTS FOR 120 MONTHS CERTAIN UNDER SECTION 602 (H) (2)

6	120	$3.40	$408.00
10	120	3.45	414.00
15	120	3.54	424.80
20	120	3.65	438.00
25	120	3.79	454.80
30	120	3.97	476.40
40	120	4.50	540.00
50	120	5.39	646.80
60	120	6.81	817.20
70	120	8.51	1,021.20

Section 7 of the bill would amend subsection 602 (n) of the National Service Life Insurance Act of 1940 to authorize the beneficiary to make application for waiver of premiums in the event an insured dies after having been continuously disabled for 6 or more months without having made application for a waiver which could have been granted upon his application. It is provided that the Administrator shall not grant waiver of premiums becoming due more than 1 year prior to receipt in the Veterans' Administration of application for the same, except that in any case the Administrator finds that failure to make timely application was due to circumstances beyond the control of the insured, or of the beneficiary if the insured is dead, an application may be accepted at a later date. It is also provided that if the failure to submit evidence of the existence or continuance of total disability was due to circumstances beyond the control of the applicant, such evidence may be accepted at a later date.

Under existing laws waiver of premiums cannot be granted except upon application by the insured. In certain cases it appears that failure to make timely application was due to the mental incompetency of the insured and in case the insured died without filing application, waiver could not be granted on application made by the beneficiary. The proposed amendment would authorize application for waiver by the insured for a longer period than 1 year after the commencement of total disability and such cases, in the event of the insured's death, would authorize application for waiver of premiums to be made by the beneficiary.

Enactment of the provisions of the proposed bill would authorize payment of many meritorious claims which must now be denied under the provisions of existing law and as many of the persons who will be benefited under the proposed bill are in needy circumstances the need of early consideration of the proposed legislation is apparent.

Advice has been received from the Bureau of the Budget that there would be no objection by that office to the submission of this proposed legislation to the Congress for its consideration.

Respectfully,

FRANK T. HINES,
Administrator.

HOUSE BILL REFERRED

The bill (H. R. 5040) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944, and June 30, 1945, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS

Mr. O'MAHONEY submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4861) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes, the following amendment, namely: Under the heading "Courts" following the paragraph for the Juvenile court", insert the following paragraph:

"For a psychiatric service for the Juvenile Court of the District of Columbia, $10,100: *Provided*, That the Board of Commissioners of the District of Columbia is authorized to obtain said psychiatric service for the Juvenile Court of the District of Columbia from the United States Public Health Service, and, at the request of the Board of Commissioners, the Surgeon General is authorized to detail the necessary medical and other personnel, not to exceed one psychiatrist, one psychologist, and one nurse, for this purpose: *Provided further*, That the amount herein appropriated shall be transferred to the United States Public Health Service for reimbursement for the medical and other personnel so detailed."

Mr. O'MAHONEY also submitted an amendment intended to be proposed by him to House bill 4861, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. O'MAHONEY (for Mr. NYE) submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is the intention of Mr. NYE to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4861) making appropriations for the Government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes, the following amendment, namely: Under the heading "Public Works," and in the paragraph for "Department of Vehicles and Traffic (payable from highway fund)," strike out the figure "$405,000," and insert in lieu thereof "$405,800," and at the end of said paragraph, insert the following proviso: "*Provided further*, That the employee of the Department of Vehicles and Traffic who is charged with the immediate responsibility for, and exercises supervision over, the issuance of tags and certificates of title and the registration of motor vehicles and trailers shall hereafter be known as the Registrar of Titles and Tags, and so long as the present incumbent of the position for which a designation is hereby provided continues to hold such position it shall be classified in grade 9 of the clerical, administrative, and fiscal service under the Classification Act of 1923, as amended."

Mr. O'MAHONEY (for Mr. NYE) also submitted an amendment intended to be proposed by Mr. NYE to House bill 4861, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

INVESTIGATION OF HYDROELECTRIC POWER DEVELOPMENT AND IRRIGATION PROJECTS—LIMIT OF EXPENDITURES

Mr. McFARLAND (for himself and Mr. HATCH) submitted the following resolution (S. Res. 313), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditures of the Committee on Irrigation and Reclamation under Senate Resolution 155, Seventy-eighth Congress, agreed to June 26, 1943, as amended by Senate Resolution 304, Seventy-eighth Congress, agreed to June 5, 1944 (relating to an investigation with respect to the need for development of irrigation projects and with respect to the supply and distribution of hydroelectric power), is hereby increased by $10,000.

INVESTIGATION OF CERTAIN ACTIVITIES OF SECURITIES AND EXCHANGE COMMISSION AND THE POST OFFICE DEPARTMENT

Mr. PEPPER (for himself and Mr. ANDREWS) submitted the following resolution (S. Res. 314), which was referred to the Committee on the Judiciary:

Resolved, That the Senate Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized, and directed to make a full and complete study and investigation of the activities of the Securities and Exchange Commission and Post Office Department, or any representative thereof, with a view of determining whether (a) said agencies, or their representatives, are exceeding the power and authority vested in them; (b) whether the activities of said agencies, through their representatives, are crippling and hampering the effectiveness of the Municipal Bankruptcy Act, as amended, heretofore enacted by Congress; and (c) whether or not the activities of said agencies, through their representatives, are unfairly resulting in undermining the credit of the taxing units of the State of Florida.

The committee shall report to the Senate as soon as practicable the result of its study and investigation, together with its recommendations.

For the purpose of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-eighth Congress of the United States, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, and make such investigations, to administer such oaths, to take such testimony, and to incur such expenditures as it deems advisable. The committee is authorized to utilize the services, information, facilities, and personnel of the departments and agencies of the Government. The expenses of the committee, which shall not exceed $ shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

AMERICA'S OPPORTUNITY—ADDRESS BY SENATOR BURTON

[Mr. BURTON asked and obtained leave to have printed in the RECORD an address entitled "America's Opportunity," delivered by him at the fifty-seventh annual convention of the Oregon Newspaper Publishers' Association, at Eugene, Oreg., June 17, 1944, which appears in the Appendix.]

DEVELOPMENT OF THE ST. LAWRENCE RIVER—ADDRESS BY SENATOR AIKEN

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an address on the development of St. Lawrence River, delivered by Senator AIKEN before the Lions and Rotary Clubs, of Rutland, Vt., on May 8, 1944, which appears in the Appendix.]

ADDRESS BY SENATOR WHEELER AT ECONOMIC LEADERSHIP CONFERENCE, NEW YORK CITY

[Mr. WHEELER asked and obtained leave to have printed in the RECORD the address delivered by him at the Economic Leadership Conference and dinner, sponsored by the American Tariff League, at New York City, on June 15, 1944, which appears in the Appendix.]

ADDRESS BY WHEELER McMILLEN AT ECONOMIC LEADERSHIP CONFERENCE DINNER, NEW YORK

[Mr. WHEELER asked and obtained leave to have printed in the RECORD the address delivered by Wheeler McMillen, editor in chief, Farm Journal, at the Economic Leadership Conference and dinner, New York City, on June 15, 1944, which appears in the Appendix.]

A SERIOUS REVERSAL ON THE FARM FRONT—ARTICLE BY SENATOR LA FOLLETTE

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an article entitled "A Serious Reversal on the Farm Front," written by Senator LA FOLLETTE and published in the Progressive of June 19, 1944, which appears in the Appendix.]

WHAT SHALL WE DO ABOUT OIL?—ADDRESS BY J. C. HUNTER

[Mr. CONNALLY asked and obtained leave to have printed in the RECORD an address entitled "What Shall We Do About Oil?" delivered by J. C. Hunter, of Abilene, Tex., which appears in the Appendix.]

PLATFORM ISSUES; TARIFF AND TRADE, AND FOREIGN POLICY—ARTICLES BY WENDELL WILLKIE

[Mr. HATCH asked and obtained leave to have printed in the RECORD two articles on platform issues, one entitled "VI. Tariff and Trade," and the other "VII. Foreign Policy," written by Wendell Willkie, and published in the Washington Post of June 17 and 18, respectively, which appear in the Appendix.]

SERVICE OF DISABLED AMERICAN VETERANS ORGANIZATION—ADDRESS BY WILLIAM E. TATE

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a radio address entitled "Why Disabled Veterans Need D. A. V. Service," delivered by William E. Tate, special claims officer, Disabled American Veterans, on May 29, 1944, which appears in the Appendix.]

WANTED: 3,000,000 JOBS—ARTICLE BY REX L. NICHOLSON

[Mr. MURDOCK (for Mr. McCARRAN) asked and obtained leave to have printed in the RECORD an article entitled "Wanted: 3,000,000 Jobs," written by Rex L. Nicholson, managing director, Builders of the West, Inc., of San Francisco, which appears in the Appendix.]

IRRIGATION AND NAVIGATION IN THE MISSOURI RIVER BASIN—EDITORIAL FROM ST. LOUIS GLOBE-DEMOCRAT

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD an editorial entitled "T. V. A. Not the Answer," published in the St. Louis Globe-Democrat of June 12, 1944, which appears in the Appendix.]

DISUNITY AT HOME—LETTER FROM FRANK COLBY TO HIS SON

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD a letter on the subject of disunity at home, written by Frank Colby to his son and published in the Washington Sunday Star of June 18, 1944, which appears in the Appendix.]

APPROPRIATIONS FOR THE LEGISLATIVE BRANCH AND THE JUDICIARY—CONFERENCE REPORT

Mr. TYDINGS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4414) making appropriations for the legislative branch and for the Judiciary for the fiscal year ending June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 30 and 33.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, and 29 and agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,985,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 31, 34, and 35.

MILLARD E. TYDINGS,
THEODORE FRANCIS GREEN,
FRANCIS MALONEY,
STYLES BRIDGES,
HAROLD H. BURTON,
Managers on the part of the Senate.

EMMET O'NEAL,
JOE HENDRICKS,
ALBERT GORE,
NOBLE J. JOHNSON,
WALTER C. PLOESER,
HARVE TIBBOTT,
Managers on the part of the House.

Mr. TYDINGS. Mr. President, I move that the conference report be agreed to.

The motion was agreed to.

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4414, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 16, 1944.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 31 to the bill (H. R. 4414) making appropriations for the legislative branch and for the judiciary for the fiscal year ending June 30, 1945, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 35 to said bill, and concur therein with an amendment, as follows: In lieu of the sum inserted by said amendment insert "$563,500."

That the House insist upon its disagreement to the amendment of the Senate numbered 34 to said bill.

Mr. TYDINGS. Mr. President, I move that the Senate concur in the amendment adopted by the House to Senate amendment No. 35.

Mr. WHITE. Will the Senator give us a brief explanation?

Mr. TYDINGS. Certainly. There is a difference of $12,000.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Maryland.

The motion was agreed to.

Mr. TYDINGS. Mr. President, I move that the Senate recede from its amendment numbered 31, to which the House objected.

The ACTING PRESIDENT pro tempore. The question is on the motion of the Senator from Maryland.

The motion was agreed to.

CONTINUANCE OF FUNDS FOR COMMITTEE FOR CONGESTED PRODUCTION AREAS IN THE CHARLESTON (S. C.) AREA

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I have received from J. Dougal Bissell, president of the Charleston Chamber of Commerce, requesting that funds be provided to continue the operation of the Committee for Congested Production Areas. The funds to continue the operation were omitted from the Budget estimate, but an amendment has been offered to the pending bill by the Senator from Michigan [Mr. VANDENBERG] to provide the necessary funds. Thousands of newcomers to the industrial war plants in the Charleston area have been greatly aided by the Committee for Congested Production Areas. Those who work in that area express their appreciation for what has been done for them and hope that the work will be continued. The same is true of the Charleston businessmen.

The letter expresses high regard for Mr. J. Clark Johnstone, the committee's representative assigned to the Charleston area. I do not know Mr. Johnstone personally. I wish to say that I hope the amendment will be adopted so this very fine wartime activity in the congested Charleston area may be continued.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CHARLESTON CHAMBER OF COMMERCE,
Charleston, S. C., June 13, 1944.

Hon. BURNET R. MAYBANK,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MAYBANK: We have the information that funds to continue the operation of the Committee for Congested Areas was omitted from the Budget.

You probably are aware that the committee's representative assigned to the Charleston area, Mr. J. Clark Johnstone, has rendered very helpful services and the board of directors at our last regular meeting unanimously recommended that sufficient funds be allocated to this committee to continue the work as long as the need exists.

Cordially yours,

J. DOUGAL BISSELL,
President.

APPROPRIATIONS FOR WAR AGENCIES

The Senate resumed the consideration of the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the junior Senator from Georgia [Mr. RUSSELL] to strike out on page 10, lines 3 to 16, inclusive, under the heading, "Committee on Fair Employment Practice."

Mr. EASTLAND. Mr. President, the junior Senator from Georgia [Mr. RUSSELL] made a very outstanding speech on Friday last concerning the pending amendment, and I feel that it is in reality unnecessary further to argue the question. No sectional issues are involved here. The Chairman of the Committee on Fair Employment Practice has testified that only 10 percent of the complaints arose in the South; but I submit, Mr. President, that the questions involved go to the very roots of our system of government, and if this organization, with the power that it claims, and with the power that it exercises, is ratified by the Congress of the United States by the passage of this appropriation, then the United States is no longer a constitutional democracy, but our Government is a dictatorship in name and in fact.

The Chairman of the Committee, Mr. Ross, testified before the special Smith committee of the House that there was no legislative authority for the setting up of the Fair Employment Practice Committee, that it was set up solely by Executive order under the war powers of the President. That is by the war powers which are alleged to be granted to the Executive by the Constitution. In this state of the case it is certainly important to examine the President's war powers to see if the President of the United States had the power under the Constitution to set up this Committee, and to authorize it to engage in activities in the fields that were assigned to the Committee. The war powers of the President are set out in section 2 of article II of the Constitution of the United States, which provides:

The President shall be Commander in Chief of the Army and Navy of the United States, and of the militia of the several States, when called into the actual service of the United States; he may require the opinion, in writing, of the principal officer in each of the executive departments, upon any subject relating to the duties of their respective offices, and he shall have power to grant reprieves and pardons for offenses against the United States, except in cases of impeachment.

In that section we find in the Constitution the description of the war powers of the President.

The President—

And I read again—

shall be Commander in Chief of the Army and Navy of the United States and of the militia of the several States when called into the active service of the United States.

These are the war powers of the President. These are the war powers conferred upon the Executive by the Constitution. These powers are in addition to the war powers which Congress confers by statute. However, there is no statutory authority by the Congress to create this committee.

The Congress of the United States is also granted certain war powers in article 1 of the Constitution, and I read them:

To define and punish piracies and felonies committed on the high seas, and offenses against the law of nations.

To declare war, grant letters of marque and reprisal, and make rules concerning captures on land and water.

To raise and support armies, but no appropriation of money to that use shall be for a longer term than 2 years.

It will be noted that it is the duty of the Congress to raise and to support armies of the United States. Further it is the duty of Congress—

To provide and maintain a Navy.

To make rules for the government and regulation of the land and naval forces.

To provide for calling forth the militia to execute the laws of the Union, suppress insurrections, and repel invasions.

To provide for organizing, arming, and disciplining the militia, and for governing such part of them as may be employed in the service of the United States, reserving to the States respectively, the appointment of the officers, and the authority of training the militia according to the discipline prescribed by Congress.

And further, the Congress of the United States is authorized later in that section of article I of the Constitution to legislate to bring those things about.

The question we face today is that of comparing the war powers of the Congress of the United States with the war powers of the Chief Executive of the United States to see who controls the civilian activities of the United States in time of war, who controls the civilian activities of the American people, the President of the United States or the Congress.

Many years ago a very noted case was decided by the United States Supreme Court. I refer to *Fleming* v. *Page* (9 How. 603, 13 Law Ed. 276). In that case Chief Justice Taney, in discussing whether Tampico was to be considered annexed as a part of the United States while occupied by American troops in the Mexican War, said:

But this can be done only by the treaty-making power of the legislative authority, and is not a part of the power conferred upon the President by the declaration of war. His duty—

Now, mark this—

His duty and his power are purely military. As Commander in Chief he is authorized to direct the movements of the naval and military forces placed by law at his command, and to employ them in the manner he may deem most effectual to harass, conquer, and subdue the enemy.

But the Supreme Court of the United States, Mr. President, has held that the war powers of the President conferred upon him by the Constitution of the United States were purely military, to command the Army and Navy of this country, and to employ them in the manner that he may deem most effectual to harass and conquer and subdue the enemy. The Chief Executive without legislative authorization has no power in time of war over the civilian war effort.

In the case of *Ex parte Milligan* (4 Wall. 2, 18 Law Ed. 281) counsel for Milligan put his finger on the war powers of the President, and I quote a view that was adopted in that noted case by the Supreme Court of the United States:

To command an army, whether in camp or on the march or in battle, requires the control of no other persons than the officers, soldiers, and camp followers. It can hardly be contended that, if Congress neglects to find subsistence, the Commander in Chief may lawfully take it from our citizens. It cannot be supposed that, if Congress fails to provide the means of recruiting, the Commander in Chief may lawfully force the citizens into the ranks. What is called the war power of the President is nothing more than the power of commanding the armies and fleets which Congress causes to be raised. To command them is to direct their operations.

That was the doctrine enunciated by the Supreme Court of the United States in that noted case. The war power conferred by the Constitution upon the President of the United States as Commander in Chief is nothing more than the power of commanding the armies and fleets of this country and the camp followers who follow that army in its march of conquest.

Mr. HOLMAN. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. HOLMAN. I take it, then, that it is the Senator's contention that there is a limit to the war powers of the President of the United States.

Mr. EASTLAND. There certainly is.

Mr. HOLMAN. That is encouraging.

Mr. EASTLAND. Mr. President, the war powers of the President of the United States unless granted by act of Congress are purely military and do not extend to giving him control of the civil life of this country behind the lines. The war powers of the President of the United States do not, under these decisions, give him authority to direct the civilian war effort behind the lines of combat. They do not give him control of American industry or of American labor. Control of these is vested in the Congress. Under the Constitution the war powers of Congress are superior, in their fields, to the war powers of the President. I read the war powers which the Constitution has placed in the Congress:

To provide for the common defense.

To provide and maintain a navy.

To make rules for the government and regulation of the land and naval forces.

To declare war.

To grant letters of marque and reprisal, and make rules concerning captures on land and water.

To define and punish piracies and felonies committed on the high seas, and offenses against the law of nations.

The Congress is authorized "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof."

Frequently as I said the Congress of the United States, by legislation, delegates war powers to be exercised by the President, as we did when we enacted the Smith-Connally Act. But in this instance there is no legislative authority for the creation of this agency. The Chairman of this Committee frankly testified to that effect before the Smith committee in the House of Representatives. The agency is purely the creation of the executive branch of the Government. In the first place, the President of the United States has no legal or constitutional authority to establish this agency.

Mr. President, as the Senator from Georgia so well showed on Friday last, here is an agency set up by Executive order which has organized itself into a quasi court which assumes the power to subpena American citizens before it, which has assumed the power to try them, which has assumed the power to inflict punishment—punishment which comes very near to being blackmail, which coerces and intimidates the business interests and labor unions of the United States, and all by directive.

There are additional powers which the Committee claims to have. The Senator from Georgia showed that under the Constitution, inferior courts—and in reality this Committee is a quasi court—are created by the Congress of the United States and not by the Chief Executive. That this agency has not been created by Congress, but by Executive order. That the agency claims the further power of nullifying contracts, some of which have been negotiated under the power of the Congress of the United States—nullifying contracts which the Supreme Court of the United States has no authority to nullify or to disregard, but which the courts of our country are under a solemn obligation to uphold. The Committee has further assumed the power to repeal laws passed by the Congress of the United States.

Let us consider the Southeastern Railroad case. A few years ago Congress passed the Railway Labor Act. It was a great charter which guaranteed to railroad workers the right to organize and the right to bargain collectively. To bargain by representatives of their own choosing. In that act the Congress of the United States provided that when any class of railroad labor, such as firemen, should choose an organization as its bargaining agent, that organization should be the sole bargaining agent for every fireman or every worker of that class. The Supreme Court of the United

States, in construing that act—and I quote from the decision in the case of the *Virginian Railway* v. *System Federation* (300 U. S., 515), held that—

> When railroad labor selected its bargaining agent, it was the duty of the railroads to bargain with that agent, and with no other.

Subsequently, a majority of the railroad firemen selected the Brotherhood of Locomotive Firemen and Enginemen as their representative. They came to the city of Washington and negotiated an agreement. The agreement was negotiated under the Railway Mediation Board which was set up by Congress for that purpose. The law provides that that agreement shall be binding. The Congress of the United States said that such an agreement, when negotiated, should be binding upon all parties. The agreement known as the "Washington agreement" was concluded in 1941. In December of last year the F. E. P. C. ordered the Brotherhood of Locomotive Firemen and Enginemen and the railroads to nullify that agreement. I read from section 2 of that order:

> The Committee directs that the carriers referred to herein and the Brotherhood of Locomotive Firemen and Enginemen forthwith—

Note the use of the word "forthwith"—

> set aside the agreement dated February 18, 1941, and known as the Southeast Carriers Conference Agreement or Washington agreement.

What kind of government is this? This Committee ordered the railroads and the labor organization forthwith to nullify the agreement they had reached under a law of Congress, an agreement which a statute enacted by the Congress declared would be valid and binding. Mr. President, that is an attempt by this agency to repeal one of the great laws passed by Congress for the protection of American labor. The Committee actually claims the authority to repeal the laws of the land. There is not a court in the United States with power to nullify that contract. The Supreme Court of the United States could not order the parties to nullify the contract or to set it aside. In fact it is the duty of the courts to uphold that contract. But here is an agency created by Executive order, with no authority of Congress behind it, which comes in and tells those parties forthwith to set aside that agreement, and to negotiate a new agreement under terms and conditions which the agency specifies should go into the contract.

Then let us consider the Philadelphia Transit case. There was an agreement between the labor organizations and the employers which set up certain terms and conditions which were valid and binding on the parties. But this agency came in and ordered those parties forthwith to nullify that agreement, and to negotiate a new agreement, and further to incorporate terms and conditions in the new agreement which this Committee said should be incorporated therein. The employer and the union were ordered to nullify an agreement which was binding and enforceable, at the complaint of one of the parties thereto, in any court of jurisdiction in this country. In other words, this communistic Committee has assumed the authority to nullify contracts. Can anyone tell me that when the Congress places its stamp of approval on such an agency as this one Congress is not placing its stamp of approval upon a dictatorship in the United States? But in the railroad case how were they to enforce the Committee's directive?

The Senator from West Virginia [Mr. REVERCOMB] asked the Senator from Georgia [Mr. RUSSELL] how the F. E. P. C. or the Federal Government could enforce its order to the railroads. This man Ross, the head of the Committee, went to New York last fall, and there was interviewed by the Daily Worker, the official Communist Party organ. Ross said, in answer to a question, that President Roosevelt, acting under his wartime powers, and as ultimate authority in the enforcement of the Fair Employment Practice Committee directives, can take over and operate railroads, provided those railroads refuse to obey the directives of this agency.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. McCLELLAN. What is the date of that statement?

Mr. EASTLAND. December 22, 1943.

Mr. McCLELLAN. Who was then head of the F. E. P. C.?

Mr. EASTLAND. Mr. Malcolm Ross, the present Chairman.

Mr. McCLELLAN. Did he give that statement to the press?

Mr. EASTLAND. No; not to the decent press—to the Communist press. I submit he was in his element in the city of New York.

Mr. President, the fifth amendment to the Constitution provides that there shall be no taking of private property without due process of law. But what does that matter to this agency? It attempts to nullify contracts protected by the courts of this country. A threat was made by the Chairman of the Committee that the President of the United States, to enforce the Committee's edict, would take over and operate the railroads. That would be dictatorship. If the Congress cannot put an end to such procedure, Mr. President, I submit, in all sincerity, that our Republic is dead.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. McCLELLAN. While I do not believe that any Member of the Senate agrees that this Committee is vested with any such authority or power, even under the directive of the President creating it, as is contended by the Committee, the information which the Senator from Mississippi has just given with respect to the character of the statement issued by the head of this Committee to the Communist press clearly indicates to the people of this Nation what the Committee will do, and what it intends to do if it can obtain power to do it. Just as certainly as we place our legislative stamp of approval upon this measure, we set in motion a very dangerous procedure, and establish in the hands of the irresponsible a power dangerous to the future of America.

Mr. EASTLAND. I thank the Senator from Arkansas.

Mr. President, the Senator from Georgia has stated that many of the high officials of this agency are members of subversive organizations. Within a few minutes I shall read into the RECORD the names of the organizations with which these men are identified, and their background. There is no doubt that the hearts of those men today march under the red flag of communism. There is no doubt in my mind that they believe in the doctrine of communism, and that they are followers of Karl Marx. I wish to state their background at this point, because it is important in connection with the subject with which I am dealing.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. OVERTON. Before the Senator reaches that phase of the question under consideration, I should like to ask him to give me his opinion with reference to the assumed or actual powers of this Committee. From the statement made by the Senator from Georgia I understood that the Committee exercises power and authority of preferring charges.

Mr. EASTLAND. That is correct.

Mr. OVERTON. Therefore, it acts in the capacity of a grand jury and a prosecuting attorney.

Mr. EASTLAND. The Senator is correct.

Mr. OVERTON. The Committee also resolves itself into a court and passes on the question of whether, in the Committee's belief, there has been any violation of its pronouncements and regulations. It passes upon the charges which the Committee itself has preferred. Am I correct in my understanding?

Mr. EASTLAND. The Senator is correct.

Mr. OVERTON. I further understand that no appeal is provided from any decision made by the Committee. There is no provision in the Executive order for an appeal. Of course, none has been made by Congress, because no act of Congress has been passed with reference to the Committee. Therefore, when it renders a decision the Committee renders it upon its own charges. Its decision is final, from which no appeal lies. Is that correct?

Mr. EASTLAND. The Senator is correct.

Mr. OVERTON. I thank the Senator.

Mr. EASTLAND. Mr. President, I have stated that the head of this Committee made a statement to the Communist press in the city of New York that the President of the United States could take over the railroads and operate them because the Committee's order had been violated. In that regard I further state that, in substance, Ross so testified before the Smith committee of the House of Representatives. He said that the final source of authority was the President, and that the President could take over private business in this country and operate it if a violation of the orders of this Committee had taken

place. It was contended by some Members of this body that the President of the United States had no authority to take over a war plant in the case of a strike which had stopped the production of vital war materials. I do not believe he had such authority in the absence of congressional authorization. We recognized the President had no such authority because we specifically granted it in the Smith-Connally Act. We recognized then that the right of the President to take over plants in the event of a strike before congressional authority had been given him was illegal.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. MURDOCK. Is it the Senator's statement that while the Smith-Connally bill was being debated on the floor of the Senate there was any implication that the previous actions of the President in taking over property had been illegal?

Mr. EASTLAND. That is my recollection.

Mr. MURDOCK. Does the Senator recall an amendment which was offered upon that very point, and voted down on the ground that the Senate did not wish to take any action which would imply that the President had acted illegally?

Mr. EASTLAND. That is correct. We did not deem it wise to take action which would imply that the President's acts in the premises were illegal.

Mr. MURDOCK. Yes.

Mr. EASTLAND. But, as I remember, there was considerable contention on this floor that taking over plants by the President without congressional mandate was illegal.

Mr. MURDOCK. I am sure the Senator is correct in what he says. But the ultimate action of the Senate, which I believe was controlling, was not to adopt the amendment, because we did not wish to tell the people of the country that we thought that what the President had done previous to the passage of the act was illegal.

Mr. EASTLAND. However, we did specifically grant authority to the President in the Smith-Connally Act to take over plants in case of a discontinuance of operations due to labor disputes.

Mr. MURDOCK. The Senator is correct.

Mr. EASTLAND. If the President already had such authority, why was it necessary for Congress to write it into the law?

Mr. MURDOCK. I think it was because the President had power which was derived directly from the Constitution. But that does not mean that Congress cannot implement such authority by legislative enactment. Certainly the Senator does not take the position that, without the Smith-Connally Act, the President could not take over a plant in the United States if, in the successful prosecution of the war, in his judgment it was necessary to take over the plant?

Mr. EASTLAND. I certainly do take that identical position, and Congress recognized it when we granted the authority in the antistrike bill.

Mr. MURDOCK. I disagree with the Senator.

Mr. CHAVEZ. Mr. President, will the Senator from Mississippi yield to me?

Mr. EASTLAND. I yield to the Senator from New Mexico.

Mr. CHAVEZ. When the Montgomery Ward case arose the opinion was expressed that the authority for taking over the Montgomery Ward plant at Chicago was based upon the Smith-Connally Act; but the official interpreter of the laws of the United States stated that, irrespective of the Smith-Connally Act, the President still had authority to take over the Montgomery Ward plant.

Mr. EASTLAND. Who stated that?

Mr. CHAVEZ. Attorney General Biddle.

Mr. EASTLAND. Mr. President, I do not desire to discuss the Attorney General's opinion.

Let me ask what other powers does this agency claim. Today it exercises the power to tell business whom it shall hire, who shall work and who shall not work, and whom it shall promote. By exercising such powers this Government agency substitutes its own judgment as to the qualifications of a given worker for the judgment of the management, the men who are responsible for the operation of the business. This power deprives management of the control of its business. Management cannot longer pass upon the efficiency of an employee. This means the taking over of American industry by a Government board. This has been the Communist aim all the time. That is what the C. I. O. and what Mr. Sidney Hillman have longed for, namely, to deprive management of the control of the business of the country and set themselves up instead.

Mr. President, when a governmental agency exercises the power to tell any business whom it shall hire, when it exercises the power to tell any business who shall work in the industry and whom it shall promote, when it exercises the power to say what worker is qualified for a certain job, then management has been destroyed, and that is what the Communist Party and the C. I. O. have been interested in and what they have been attempting to do for many years. Furthermore, with such power in a Government agency the right of free enterprise in America is dead, and, so far as labor unions are concerned, the right of the working men to bargain collectively to enter into binding contracts has also been destroyed.

As I have stated in discussing such claimed power, it is certainly important to look behind the scenes in order to ascertain the background of the men who exercise it. Who are the men who constitute this Committee and administer its functions? But, first, how does the Committee enforce its decrees? First by intimidation and coercion, by calling on other governmental agencies to cancel war contracts between a business complained of and the Government of the United States. It even goes further than that, and, as the distinguished junior Senator from Georgia [Mr. RUSSELL] showed on Friday, the agency even claims power over nonwar industry in this country by intimidation and coercion and by the claimed power to take over private business and operate it in violation of the Constitution of the United States. This is the way its decrees are enforced and this is purely dictatorship.

Mr. President, who is it to whom the Congress is asked to grant this power by validating this agency, by making this appropriation? I shall cite some facts showing the background of these people as compiled by the very distinguished Member of the House of Representatives from the first district of my State. The committee is composed of Malcolm Ross, Chairman, Boris Shishkin, Milton P. Webster, Sara Southall, John Brophy, Charles Horn, and Charles H. Houston.

Who is John Brophy? Brophy has a long list of affiliations with the Communist-front activities. In August 1938 he wrote an article for a publication called Equal Justice, the official organ of the International Labor Defense, which was cited by Attorney General Biddle as subversive. In 1937 Brophy sent greetings to the National Negro Congress, which organization was also branded by the Attorney General as subversive. He has been affiliated with a large number of other activities which have been branded as subversive by the Dies House Committee on Un-American Activities.

Another member of the committee is Boris Shishkin, who was connected with the Washington Book Shop, located at Seminary Hill, Alexandria, Va., according to the records of the Committee on Un-American Activities. The Washington Book Shop is known to be a Communist-front organization, and was also branded by the Attorney General of the United States as subversive.

Another member of the committee is Charles H. Houston. Houston has a long record of affiliations with Communist-front movements which have been branded as subversive by the Attorney General of the United States as well as by the House Committee on Un-American Activities.

Now take the operational section. The director of operations is Will Maslow. Maslow has been connected with the Consumers National Federation, which was cited as being subversive by the House Committee on Un-American Activities in its report of March 29, 1944. He has also been a contributor to a publication called Health and Hygiene, which was founded as an extension of the Communist Daily Worker.

Another member is Emanuel Bloch, who is shown by the records of the House Committee on Un-American Activities to have addressed the Citizens Committee to Free Earl Browder on March 16, 1942, which committee was cited as subversive by the Attorney General of the United States. Bloch was also one of the sponsors of another organization, the National Federation for Constitutional Liberties, which was found to be subversive by the Attorney General of the United States. Another member of the operational section is Eugene Davidson, who has been connected with at least four

activities which have been branded as subversive by the Attorney General of the United States.

I come now to the New York regional office. It is to the regional offices, the records show that those against whom complaints have been filed must appeal, or before which they must appear whenever interfered with or imposed upon by the Fair Employment Practice Committee.

Here is the personnel of that office. The head is Edward Lawson, who signed the Communist Party petition in New York in 1942, according to the records of the House Committee on Un-American Activities, and was a participant in the All-Southern Negro Youth Conference, which was affiliated with the National Negro Conference, which latter organization was cited as subversive and communistic by the Attorney General of the United States.

The other examiner is Samuel Risk. Risk was also a signer of the Communist petition in New York in 1939–40, according to the records of the House Committee on Un-American Activities.

Then there is the Philadelphia regional office. The head of that office is a man named James G. Fleming. According to the report of the House Committee on Un-American Activities, he is a guest lecturer of the Philadelphia School of Social Science and Art, which is a successor to the Philadelphia Communist Workers School.

Then there is the Washington regional office. One of the members is Theophilus J. Houston. Houston is listed by the Committee on Un-American Activities as a discussion leader of the National Negro Congress, which has been cited as subversive by the Attorney General of the United States.

Now we come to the Cleveland regional office. The regional director is William T. McKnight. McKnight is listed as being a member of the Lawyers' Guild, which was cited as subversive by the House Committee on Un-American Activities in its report of March 29, 1944.

Then there is Lillian B. Walker, who is listed as one of the signers of the petition of the Communist Party in Ohio in 1940, when Earl Browder was running against President Roosevelt. Here is a Communist who in 1940 supported Earl Browder against the present occupant of the White House.

Mr. CHAVEZ. Mr. President——

The PRESIDING OFFICER (Mr. WALSH of New Jersey in the chair). Does the Senator from Mississippi yield to the Senator from New Mexico?

Mr. EASTLAND. I yield.

Mr. CHAVEZ. I believe I could agree with the Senator from Mississippi in many instances on the record he has just announced to the Senate if we could only be consistent. We all know that Mr. Browder ran for President of the United States against President Roosevelt in 1940, but we also know that within the last few months Mr. Browder has endorsed the President of the United States. Has the Senator heard a single Democrat disown that endorsement?

Mr. EASTLAND. Mr. President, that is strictly a political question. What I am discussing is the communistic background of people who attempt to exercise the life-and-death sentence over American industry.

Mr. CHAVEZ. Will the Senator yield again?

Mr. EASTLAND. I yield.

Mr. CHAVEZ. I heard the Senator state that practically every member of the President's Committee on Fair Employment Practice, as he read the list, has been declared subversive by the Attorney General of the United States.

Mr. EASTLAND. That is correct.

Mr. CHAVEZ. If that be the case, why does the Senator feel that the President would appoint them to positions such as these?

Mr. EASTLAND. The President's motives in appointing these people are his own. I am at a loss to understand the ability of these Communists to secure important Federal appointments. However, I know nothing about the President's motives and would not make a statement as to what his motives were in making the appointments. I think they are bad appointments, terrible appointments, and I am not going to cast a vote to appropriate one dollar to enable them to carry on their nefarious designs upon American industry and labor, and, further, I am not going to cast a vote to give those people control of American industry and the legitimate labor unions of this country.

Mr. CHAVEZ. I agree with the Senator that they are bad appointments, but he is not after the appointees; he is trying to reach the fundamentals of the appropriation which is designed to assure fair employment practices, irrespective of who the personnel might be carrying out the functions of the committee.

Mr. EASTLAND. I understand.

Mr. CHAVEZ. I would not appoint a single one of these people.

Mr. EASTLAND. These Communists—and I state advisedly that they are Communists—if given this appropriation, will use it, in my judgment, to displace management and control American industry, and it is my responsibility as a Senator from the State of Mississippi, as I conceive my duty, to protect the business and labor of this country from communism.

Now I come to the Chicago office. One of the members is Minnie L. Bell, colored, who is listed as being a member of the American League for Peace and Democracy, which is known to be a Communist front organization, and which was cited as being subversive by the Attorney General of the United States.

Mr. President, there are people who, to say the least, are members of subversive organizations, organizations branded as subversive and un-American by the Attorney General of the United States, who administer this program. The Congress of the United States is asked to place its stamp of approval upon them, and to give them the right to say who shall work, who shall not work, and who shall be promoted, in American industry. This Committee can, as I stated, substitute its judgment for the judgment of the management of a factory as to the qualifications of a certain worker for a certain job. That is the perfect avenue for Communist infiltration and ultimate domination of the trades-union movement of America, for historically labor and management are both parts of a whole and make up the great industrial empire of the Nation.

Behind this whole program, the driving force, the crowd that is putting on the heat for its passage, is the C. I. O. I understand that John L. Lewis recently stated that Sidney Hillman and Philip Murray must play ball with communism or die, and I intend to read Mr. Hillman's record, as compiled from an authoritative source, to show the Congress of the United States the danger here, because in the last analysis Hillman will have great and controlling influence over this Committee and over the administration of the program.

Hillman was born on March 23, 1887, in Zagare, Lithuania, where his father was a merchant. He was educated in the seminary there, and came to the United States at the age of 20. In New York City Hillman became acquainted with Morris Hillquit and Leon Trotsky. Yes; Sidney Hillman was an associate of Leon Trotsky when Trotsky lived in this country, before the Communist revolution in Russia.

About that time Hillman became a member of the Socialist Party.

In 1910 Hillman marshaled his followers in a successful strike against Hart, Schaffner & Marx, and in the agreement which followed the winning of the strike he represented his organization as business agent or deputy from 1911 to 1914.

Hillman's policy was rather clearly indicated in an editorialized statement which appeared in the March 9, 1917, issue of the Advance. I quote from Hillman's statement:

We have unfurled the crimson banner—

The crimson banner—

of the Amalgamated Clothing Workers of America for the tens of thousands of workers who rally around it. It is bearing a message of hope and salvation for the workers. Our banner will never be furled before we reach the goal—the emancipation of the working class.

Mr. President, if that is not a statement in words used by Communists the world over, used by Trotsky, used by Lenin, used by Karl Marx, I cannot conceive of such a thing.

In 1922 Mr. Hillman went to Russia, and I wish to read what Pravda said on October 6, 1922, Pravda being the Communist Party's publication. It published an interview with Hillman, and this is what they said, in part:

Comrade Hillman—

They speak of him as comrade, a Communist—

Comrade Hillman expressed his confidence that the Russian-American Industrial Corporation is but the first step toward a really practical help of the international proletariat to Soviet Russia, and that this corporation will play a great economic and political role in the future.

He failed in that instance, but today we find the C. I. O. Political Action Committee, which under his command is attempting to communize this country.

What did Hillman mean by "the corporation"? Hillman's assistance to Russia took a tangible turn in his taking over of the Russian-American Industrial Corporation in 1922. This organization sent out a prospectus stating that it had obtained a concession from the Bolshevist government, and it offered stock of the corporation at $10 a share, and in the trial of Alexander Krasnotchekoff in Moscow it was declared that Hillman's company, the Russian-American Industrial Corporation, was indebted to the Commercial & Industrial Bank of Moscow, and this provided the connection of the Russian-American Industrial Corporation with Soviet finances.

On that trip to Russia in 1922 Mr. Hillman visited Italy. In Italy at that time the Communist Party had taken over the industrial system of that country. Hillman went to Rome, and here is a statement which Hillman made about that trip published in the official proceedings of the 1922 convention of the Amalgamated Clothing Workers of America. I now read from Mr. Hillman's statement:

In Rome—

Said Hillman—

I was doubly welcome. The secretary of the Metal Workers' Union gave me a letter, the only key to open the gates of the factory.

As I said, the Communists in Italy at that time had taken over Italian industry. Listen to this. I read further from Mr. Hillman's statement:

With my Italian comrades—

Said Hillman—

I landed in front of the factory, which looked attractive.

Now, listen to why it looked attractive—

Because of the fine red flag which adorned the building and the Red sentinel who was keeping watch.

Is Hillman not a Communist? He said that factory was attractive because of the red flag of communism and because a Communist sentry kept watch over another man's property. I read further from Mr. Hillman's statement:

I stayed for lunch with the members of the factory council. The council then took me through the factory. The first thing that attracted my attention was a series of inscriptions on the walls, including the Soviet emblem.

I read that sentence again:

The first thing that attracted my attention was a series of inscriptions on the walls, including the Soviet emblem.

There is the most powerful political figure outside of public office in America today. There is the driving power behind the drive to have adopted the provision of this bill dealing with the Fair Employment Practice Committee, and to turn American industry over to the Fair Employment Practice Committee. There is a man who controls that Committee. Why, he is just as much a Communist as Stalin himself, and I think the United States today, Mr. President, is much closer to dictatorship from the Communist C. I. O. than the people of this country generally realize. Are these suitable people to administer this program? Should this great power be delegated to these individuals? Do you not know they will take over American business and American labor?

What does this agency do? It states first that it can appoint a great number of volunteer workers, and send them out to go into factories with the full power and force of the American Government behind them. Men who have the power of the Government behind them, but who have utterly no responsibility, go into industrial plants, stir up strife and discord, file complaints, and set in motion machinery that would deprive a company of its property. If this is not the most vicious system we have had in this Government in many years I cannot describe it. The Committee can cite an individual, bring him before the Committee under subpena, it can try the individual, make a finding of fact, cost him his Government contract, cost him his business, close him up, and the individual has no right of appeal to the courts. The very elemental safeguards of American justice and fair play and a square deal are missing there. There is no review in the courts. The individual has no day in court. He has no chance to tell his own story. Sometimes, as testified before the House committee, the Fair Employment Practice Committee holds secret sessions where the blessed light of the sun cannot shine in, and then tries just common ordinary blackmail by telling the individual that, "If you do not sign on the dotted line, if you do not abrogate or nullify this contract which you have solemnly entered into with your Government, or with your employees, we are going to cancel it, we are going to take your factory, we are going to deprive you of your property—all without due process of law."

Mr. President, what does the fifth amendment of the Constitution of the United States amount to if an executive agency can deprive legitimate businessmen of this country of those great rights therein granted them, on such a hearing as is granted by the Committee, with no right of appeal, with no right to testify, without fixed legal standards and the elemental safeguards which freemen require?

Mr. President, I submit that the Congress of the United States does not have the constitutional authority to permit this agency to operate, and by that I mean, as the Senator from Georgia [Mr. RUSSELL] stated, that when the Congress passes the provision in question, and grants the appropriation requested, it validates this agency and places congressional sanction upon it. We do not possess that authority, and I am going to read certain sections of the order creating the Committee.

5. The Committee shall receive and investigate complaints of discrimination forbidden by this order. It may conduct hearings, make findings of fact, and take appropriate steps to obtain elimination of such discrimination.

What could be more sweeping than that? But listen; this is section 7:

7. Within the limits of the funds which may be made available for that purpose, the Chairman shall appoint and fix the compensation of such personnel and make provision for such supplies, facilities, and services as may be necessary to carry out this order. The Committee may utilize the services and facilities of other Federal departments and agencies and such voluntary and uncompensated services as may from time to time be needed.

Listen to this:

The Committee may accept the services of State and local authorities and officials, and may perform the functions and duties, and exercise the powers conferred upon it by this order through such officials and agencies and in such manner as it may determine.

What is sought to be done? Under the terms of the order the Committee could delegate legislative authority to State officials, to volunteers, and to outsiders. Further, the order provides that it may exercise these functions in such manner as it may determine.

Mr. President, the legislative branch of the Government does not have authority under the Constitution of the United States arbitrarily to delegate legislative authority. Under the Constitution, we must place safeguards around that authority. We must set up certain procedure and certain rules of decision, and we can confer power over individuals in this country only in express terms. To do otherwise would violate article I of the Constitution, which provides that the legislative power resides in the Congress, and would also violate the fifth amendment to the Constitution.

In that connection, I read from a very noted decision of the United States Supreme Court, in the case of *Wichita Railroad & Light Co.* v. *Public Utilities Commission* (260 U. S., p. 48), in which the court said:

In creating such administrative agency, the legislature, to prevent its being a pure delegation of legislative power, must enjoin upon it a certain course of procedure and certain rules of decision in the performance of its function. It is a wholesome and necessary principle that such agency must pursue the procedure and rules enjoined, and show a substantial compliance therewith, to give validity to its action.

That principle has been violated in this case, and for that additional reason this whole thing is unconstitutional. In addition, as I stated a few moments ago, there is no right of appeal. There is no recourse to the courts. Recently the United States District Court for the District of Columbia, in the case of Jenkins Brothers against National War Labor Board, held that in matters of finding of fact by an executive agency, the aggrieved party, the party against whom the directive is issued, does not have the right of recourse to the court to test the correctness of the finding of fact. Mr. Justice Bailey, in an opinion rendered on April 27, 1944, ruled that the court would not go into the questions of fact set forth in the proclamation as a foundation for his action.

Mr. President, the whole success of our system of government depends upon respect by the legislative branch of the government for the powers conferred by the Constitution on the executive department; and likewise the success of our democracy, and our lives as a free people, depend upon respect for and reliance by the executive upon the congressional arm of government. Dictatorship is born in any country under conditions such as arise here. I state in all sincerity that if this agency is permitted to live, exercising the life-and-death control which it now exercises over American industry and the workingman, the American Republic is dead, our democracy is gone, and we live under dictatorship in the United States.

Consider the organizations and individuals behind this drive. Take Sidney Hillman. Take the C. I. O. Mr. President, if we enact this provision into law we feed those organizations. We make them strong. Let me tell my Republican colleagues that they are out to destroy the Republican Party. They are out to drive everyone of you from public life. A monster has arisen. If we validate this Committee, it will become the most powerful bureau in the American Government. Hearings have been held in the House on the subject of creating a permanent organization of this kind. Let us refuse this appropriation, adopt the pending amendment, and then, if we should unwisely consider a permanent F. E. P. C., safeguards can be written into the law. We can write limitations which will protect the people of this country, preserve American liberty, and prevent our country from drifting down the road to dictatorship and totalitarianism from which no nation in our generation has ever yet taken and returned.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. RUSSELL. I ask unanimous consent to have read at the desk a brief news item appearing in the New York Times of June 18, 1944.

The ACTING PRESIDENT pro tempore. Without objection, the article will be read.

The legislative clerk read as follows:

ROOSEVELT SIGNS ELK HILLS OIL BILL—APPROVING INCREASED OUTPUT AT NAVY REQUEST, HE OBJECTS TO POWERS GIVEN TO CONGRESS—CALLS THESE "EXECUTIVE"—LONG ESTABLISHED AND SOUND PRINCIPLES OF GOVERNMENT ARE UPSET BY MEASURE, HE SAYS

WASHINGTON, June 17.—President Roosevelt signed today the bill to permit increased oil production from the Navy's Elk Hills reserve in California, but stated his objections to provisions in the measure which, he contended, would vest the Congress with "what amounts to executive powers over the administration of the naval petroleum reserves."

He approved the bill because he had been told by James V. Forrestal, Secretary of the Navy, that there was immediate need for legislation "to deal with the problems of drainage and current production from the naval petroleum reserves."

In approving the legislation the President did not wish to be understood as expressing approval of all its provisions.

WARNING ON EMERGENCIES

"On the contrary," he said, "I regret to say that in several places this act departs from principles of government which have been long established and which are in my opinion, fundamentally sound. I feel it is my duty to express my concern lest this departure be continued in future legislation.

"The provisions of the act to which I have reference would vest the Congress with what amounts to executive powers over the administration of the naval petroleum reserves.

"This legislative assumption of executive functions takes form in two requirements—first that the Secretary of the Navy, even with the approval of the President, may produce petroleum from these reserves only in the quantities from time to time specified by the Congress, and, secondly, that the Secretary may not condemn lands or enter into joint or unit contracts, or other contracts or leases, without prior consultation with the Naval Affairs Committees of the Congress.

"The first requirement, in addition to being objectionable from the standpoint of principle, was apparently drafted without proper cognizance being taken of the fact that an emergency necessitating a sharp increase in production might arise during a recess of the Congress.

"The second requirement I would have considered unwise enough if it had merely placed the executive function of advising and consulting on contracts and leases in the hands of the two Houses of the Congress. But to go further and to delegate, as it were, this function to two committees of the Congress is, in my opinion, to disregard principles basic to our form of government.

"Efficient and economical administration can be achieved only by vesting authority to carry out the laws in an independent executive and not in legislative committees. This act, in my opinion, impinges deeply upon this fundamental principle of good government embodied in the Constitution."

Mr. RUSSELL. In this statement issued by the President upon signing the bill relating to the naval oil reserves, he strongly implies that he would have vetoed the measure as an encroachment upon the powers of the executive branch of the Government but for the pressing need for some legislation on the subject. The President complains against a provision which would require the Secretary of the Navy to consult with two committees of Congress before taking certain specified action as disregarding principles basic to our form of government. I do not understand that the Secretary is bound to follow any advice he may receive from the committees. The President is therefore vigorously asserting the rights of the executive branch of the Government and protesting any interference with the prerogatives of the executive department. The President is entirely within his rights in protesting any invasion of the executive branch of the Government by legislative action. I shall undertake to sustain him in protecting the prerogatives of the executive department.

I insist, Mr. President, as a member of the legislative branch of the Government that, paraphrasing the language of the President, the action creating the Fair Employment Practice Committee by Executive order without consulting the Congress or securing any legislation authorizing such an agency is also a great departure "from principles of government which have been long established and which are fundamentally sound." There is no more firmly established principle in our form of government than that no American citizen shall be tried or penalized by any department of the executive branch of the Government—or the judicial department, for that matter—without direct congressional authority. As I undertook to point out on Friday, this agency is asserting the right to cite and try American citizens; to cancel legal contracts between employers and labor unions; to force labor unions to accept members of these organizations against the wishes of a majority of the membership; to require management or employers to accept the services of persons designated by this F. E. P. C. as well as to reclassify and upgrade employees found by this F. E. P. C. to be entitled to such reclassification or upgrading, without any action on the part of the Congress. This F. E. P. C. further asserts the right to cancel contracts between the citizen and the Government, and otherwise impose sanctions upon citizens of this country who do not conform to its illegal decrees and edicts.

Certainly, Mr. President, the executive branch of the Government cannot complain of congressional interference with executive functions and at the same time condemn any action by the Congress of the United States in denying an appropriation to an action agency of Government asserting these vast powers, which has no authority other than those conferred by Executive order. If the Congress wishes to assert its right and power to legislate, we must defeat this appropriation. To refuse to do so would be good reason for criticism. The executive department shows its alertness and aggressiveness in protecting its rights. Those who advocate this appropriation would have the legislative branch of the Government supinely approve and endorse encroachments upon its authority to legislate by ratifying in an item of appropriation all of the acts, rules, and regulations of this agency, which has not one line of statutory authority to support it nor one constitutional provision as basis for its existence. That would be the effect of our action if we approve this item in this appropriation bill.

I hope that the President's statement in signing this bill may lead us to some reclarification of the powers properly belonging to each of the three branches of Government. We should start now by defeating this appropriation.

I thank the Senator from Mississippi for yielding.

Mr. EASTLAND. Mr. President, I thank the Senator from Georgia for his observation.

As I said, there is no congressional authority for the establishment of this Committee, and the President of the United States lacks the authority under his war powers to create it.

Mr. MURDOCK. Mr. President, I make the point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Robertson
Ball	Hill	Russell
Bankhead	Holman	Shipstead
Barkley	Johnson, Calif.	Stewart
Bilbo	Johnson, Colo.	Taft
Brewster	Kilgore	Thomas, Idaho
Burton	Lucas	Thomas, Okla.
Bushfield	McClellan	Thomas, Utah
Butler	McFarland	Truman
Byrd	McKellar	Tunnell
Capper	Maloney	Tydings
Chavez	Maybank	Vandenberg
Connally	Mead	Wagner
Cordon	Millikin	Wallgren
Danaher	Moore	Walsh, Mass.
Davis	Murdock	Walsh, N. J.
Eastland	Murray	Weeks
Ellender	O'Mahoney	Wheeler
Ferguson	Overton	Wherry
George	Pepper	White
Gerry	Radcliffe	Willis
Gillette	Reed	
Gurney	Revercomb	

Mr. HILL. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senators from Nevada [Mr. MCCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senator from Florida [Mr. ANDREWS], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. CLARK], the Senator from Rhode Island [Mr. GREEN], the Senator from Pennsylvania [Mr. GUFFY], the Senator from Arizona [Mr. HAYDEN], the Senator from Indiana [Mr. JACKSON], and the Senator from South Carolina [Mr. SMITH] are detained on public business.

The Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS], and the Senator from Texas [Mr. O'DANIEL] are necessarily absent.

The Senator from California [Mr. DOWNEY] is absent on official business for the Senate.

Mr. WHERRY. The Senator from Vermont [Mr. AUSTIN], the Senator from Illinois [Mr. BROOKS], the Senator from North Dakota [Mr. LANGER], the Senator from North Dakota [Mr. NYE], and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent attending the wedding of his daughter.

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The PRESIDING OFFICER. Sixty-seven Senators having answered to their names, a quorum is present.

Mr. CHAVEZ. Mr. President, I dislike very much to disagree with some of my colleagues. I have listened attentatively to the junior Senator from Georgia [Mr. RUSSELL] and to the junior Senator from Mississippi [Mr. EASTLAND]. I wish I could agree with them in their analyses of the pending amendment. I know that other Members of this body have views contrary to mine, but knowing them as I do, I am sure that they will accept my remarks in the spirit in which they are meant, even though they may be contrary to the views held by them.

Mr. President, the question relating to the item of $500,000 for the President's Committee on Fair Employment Practice goes further than the question of the amount of money which we are asked to appropriate. The item goes to the very fundamentals of our Government. It goes to the very origin of the creation of the Republic. It goes even to the background of the creation of the Republic. Mr. President, either we shall have a republic for all of us, or our Government will be a failure. The reason I am interested in the item having to do with the Committee on Fair Employment Practice is because I want the United States to belong to all of us, and not to a few.

Who is the American citizen, and why is he an American citizen? To what is he subject? The American citizen—and I do not mean the manufacturer only, or the so-called businessman; I mean all of us—is subject to two things. He is subject to duties and responsibilities, and he is subject to rights. Unless rights go along with duties, the functions of the Government as it was created cannot successfully be performed. The American citizen must die, if necessary, in the defense of his country. The American citizen has the duty to pay his share of the cost of Government. But the American citizen is entitled basically to all the rights accorded by the laws of his country.

So, Mr. President, in this particular instance we are merely returning to fundamentals. How was this country created and why was it created? In order to take care of business only? No. In order to take care of a few citizens only? No. It was created for all. The first step which was taken by the creators of the American Nation resulted from abuses such as the Committee on Fair Employment Practice is attempting to correct. They were abuses on the part of the mother country, and the men then living within the Thirteen Colonies decided that they were freemen and declared their independence. They framed and promulgated the Declaration of Independence. I hope to prove by that very instrument which was drafted and imbedded in the minds of the people of the continental United States long before the existence of the Committee on Fair Employment Practice why the American people revolted against England.

Mr. President, why did the people revolt? The answer to that question was stated very clearly in the Declaration of Independence. Why did we go to war against England? Why did we initiate the Constitution which made it possible for us to be here today? I will endeavor to state why.

The men who drafted the Declaration of Independence uttered the truth. I have a copy of the Declaration of Independence before me. As I proceed step by step it will be my purpose to endeavor to convince Members of the Senate that it would be in keeping with the initial steps of our Government were we favorably to act upon the item now in controversy.

Those who wrote the Declaration of Independence said:

We hold these truths to be self-evident, that all men are created equal—

Of course, that did not mean social equality. That did not mean that someone must ask me to go to his home tonight and have something to eat with him. That expression, Mr. President, meant equality of opportunity under the law and under the Constitution.

that they are endowed by their Creator—

Not by the Members of the United States Senate, Sidney Hillman, or someone else, but by the Creator—

with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness.

That was the first declaration of freedom, the first enunciation of freedom as we should have it today. It was the first step. We did not have a government at that time, but only some men who wanted to be free.

Following the Revolutionary War the men who fought it and their followers got together to form a government. I think I know the history of this country; I believe I know the philosophy underlying the creation of this Government, and I believe I know for what we are fighting for today. After the Declaration of Independence the men who had fought against England, who had declared themselves independent, formed a government and wrote a constitution in which I believe and which I think should be followed in every instance, whether it be for the protection of property or for the protection of the individual. In my opinion, humanity is more important than property.

Why did the founders of our country frame a constitution? The reason is set forth in the preamble to that noble instrument. I shall read the preamble. Those who wrote it did not say, "We the businessmen," or "We the members of the C. I. O.," or "We the members of the United Mine Workers," or "We the members of the Democratic Party," or "We the members of the Republican Party." No; they said:

We the people of the United States—

All of us—

in order to—

What?

in order to form a more perfect union, establish justice—

Is there anything unjust in having in these United States fair employment practices?

insure domestic tranquillity, provide for the common defense—

How can the common defense be provided for unless every citizen of the Nation is treated equally under the law and is accorded the same equality of opportunity?

promote the general welfare.

Is the general welfare promoted when Jim Jones, doing a piece of work in an industry engaged in the war effort or in

everyday life, but who happens to be of a certain color—I am referring to actual work; I am not talking about social equality; I am talking about sweat and blood and suffering and the creation of wealth—is paid one wage while Tom Brown, doing the same class of work, laboring the same hours, creating the same wealth for these United States, is paid more than Jim Jones is paid? Is that one of the things for which the people of the Colonies revolted against England? Is that what they enunciated in the Declaration of Independence? I think not, although I may be mistaken.

And secure the blessings of liberty to ourselves and our posterity—

How can liberty be assured to ourselves and our posterity if one class of people have economic liberty and all the people have political liberty, but another class of people have economic slavery? Can such a situation be reconciled with the fundamentals of the American Government? In that light, it cannot be proved to me that the item in the bill for the Fair Employment Practice Committee is not correct.

do ordain and establish this Constitution for the United States of America.

Mr. President, a few days ago the President of the United States, the Commander in Chief of the Army and Navy, sent to the Congress of the United States a message. It was dated June 12, 1944. Amongst the things that the President said at that time—and I quote from his message—were:

This Nation is appalled by the systematic persecution of helpless minority groups by the Nazis. To us—

To our country—

the unprovoked murder of innocent people simply because of race, religion, or political creed is the blackest of all possible crimes. Since the Nazis began this campaign many of our citizens in all walks of life and of all political and religious persuasions have expressed our feeling of revulsion and anger. It is a matter with respect to which there is and can be no division of opinion amongst us.

I am referring now to the message the President sent to this body with reference to people in foreign lands who have suffered under tyranny. I agree with that message. We should take note of it, and do everything possible to relieve the situation that is called to our attention by that message.

As Americans who believe in the Constitution and love our Government and want it to continue as it was created, how can we justify within our own country such practices as now prevail, although not under the law or the Constitution, when we condemn with the President those responsible for the sufferings of strangers? How can it be justified? How can we justify paying one person more than another for the same class of work because management, poor management, says that one man should receive less because of his color? Let me say, Mr. President, when the Jap goes forth to attack our men with his bayonet, seeking to cut the throat of an American soldier, he practices no racial discrimination and shows no racial favoritism whatsoever. He will kill the American boy who has a German name; he will kill the American with a Mexican name; he will kill the American Negro; he will kill the American with an Irish name; there is no racial discrimination in him when it comes to killing. But in this country, where we are supposed to be fighting for the things we love and for the freedom of mankind, we find the ugly head of racial and economic discrimination come to the fore.

Mr. President, this item in this bill, in my opinion from the standpoint of the Government itself, from the standpoint of international policy, is the most important item that has appeared in any bill or any appropriation. I know that there is opposition in certain quarters to this appropriation, and to the continuation of F. E. P. C. I believe that such opposition is based upon a misunderstanding of the fine work being done by F. E. P. C.

I assure those Senators who have a view contrary to mine that I am not interested in the personnel of the Committee. If I had had my way, I would not have had one of them on the committee, from what I know about those whose names have been read; but I am interested in the work of the committee. I did not have anything to do with the appointments; I was not consulted at all; but I favor the philosophy, the true-blue Americanism, in the functioning of the Committee.

I feel confident that I can convince my colleagues of the merits of the appropriation for the agency mentioned, and I want those who are kind enough to listen to me hear what I am about to say.

It so happens that in the field of racial discrimination, yes; racial prejudice, in our economic system, I am thoroughly familiar with the experiences of the Mexicans and Latin Americans, particularly in the southwestern section of our country. This discrimination is not confined to citizens of the Republic of Mexico or to citizens of Latin extraction from the other Latin-American countries, but it also involves citizens of the United States of several generations, persons who are descendants of Spanish colonials who arrived in New Mexico and the Southwest as far back as the sixteenth century; citizens of the United States who have ever been loyal to this country since New Mexico was annexed in 1848, and whose patriotism cannot be questioned. The War Department's records will show that they have participated with distinction in the wars of our country, and have made singular contribution to the martial record of the Republic for almost a hundred years.

Only a few years after New Mexico became a part of the United States, the War between the States began. New Mexico did its full share in that war in the interest of the Union, and many of its citizens also sided with the Confederacy. Whether for the Union or for the Confederacy, they did their duty as they understood it at that time.

They prepared the ground for and participated fully in the efforts of the Government to control what in those days were considered as savage tribes.

They participated in the war against Spain, and the muster rolls of Teddy's Rough Riders contain many a name of Spanish derivation.

Thousands of those Americans who took part in the First World War, and many who are now lying in American cemeteries in France, were of Spanish colonial extraction. In this war they are found in every branch of the various services and in every theater of operations: In India, Burma, and the Pacific, in Africa, Italy, and the beach heads of France.

I mention these things to prove that these Americans of the Spanish southwest have not asked for the right of equality of opportunity as a gift, but, as is just and proper, they have purchased this privilege with their sweat and blood.

The people of the country know of Joe Martinez at Attu. Recently in the advance on Rome, Private Aguilar, of Brownsville, Tex., walked into the American lines with 18 or 20 German prisoners.

There are Senas on missions for the Air Corps in the Pacific, and as paratroopers in the same area. There are literally hundreds of the same stock of American boys now prisoners of the Japanese in the Philippines, themselves planting the rice upon which they subsist in order that you and I, Mr. President, may continue to relish the proverbial "three squares a day."

Does anyone think that at Bataan or Corregidor, when our men were acting under the orders of General Wainwright, the Japanese made any differentiation as to whom they were about to kill, whether they were of Mexican ancestry, from New Mexico, or Irish ancestry, from Brooklyn, or the best Anglo-Saxon stock of the country, from Georgia? They did not. They killed all they could, and, as I have said, those who are still alive are planting rice at this time. There is no differentiation as to racial stock in the prison camps in the Philippine Islands.

Another virtue of these Americans of Spanish or Mexican extraction is outstanding. Never, since they became citizens of this country, have they interfered with the policies of our country in matters affecting the United States with relation to the republics of Latin America. This can scarcely be said of any other racial group within our borders. Has anyone ever seen a Spanish name in a list of saboteurs? While it is true that they have the same racial, religious, and historical background as the peoples of Latin America, they have never petitioned our Government, or otherwise insisted that this country should do certain things in matters affecting their mother country or countries of similiar racial stock. How does this compare with the activities of other minority groups in this country with reference to their mother countries?

That discrimination against the American of Spanish or Mexican extraction has prevailed in the Southwest, and

prevails today, is known to all. I can say that it is not as rampant today as it has been in the past. Official sanction is not being given to discrimination. But it does exist, especially in the lines of economic endeavor, and, because this is true, I want the F. E. P. C. to continue in operation.

In my opinion, the activities of the F. E. P. C. in trying to adjust cases of discrimination which come to its attention have done more to bring about actual good will in Latin America than the many millions spent by the Coordinator's Office, by lend-lease agencies, or by the former Board of Economic Warfare combined.

I know the reaction of Latin Americans to the abuse of Latins, and no matter how many millions are spent below the Rio Grande we will not bring about good will amongst the people of those countries toward the United States unless their citizens and American citizens of the same origin are treated in keeping with the ideals and traditions which we so proudly proclaim as part and parcel of the American way of life.

We may spend millions of dollars in Mexico, but when one of their legislators is denied food in a restaurant in a southwestern country town these millions are worse than wasted. Other millions, even billions of dollars, might be spent in other Latin-American countries, but when the cadets we bring here, and who are our guests in our Air Corps camps, are denied the privilege of swimming in a public swimming pool, the millions of dollars are again worse than wasted.

It all goes back to the ancient truism that the finest and the most valuable things in life cannot be purchased with money, simply because they are not for sale. Thus, when the same Latins know that in the copper mines of the southwest Jim Brown gets $6.90 while Jose Gonzales gets $3.60 for the same class and type of work, do not count on the efficacy of the millions of dollars which are spent in an effort to buy good will.

When the Latin-American knows that citizens of Puerto Rico, whose sons in the present war number some 65,000, are denied jobs in war industry or the right to pick the citrus fruits of Florida because labor groups object, the millions of dollars which have been spent since 1941 will have been tossed to the winds of wasted effort.

The Latin-American public is keenly alert to these conditions, and their negative effect upon inter-American relations is becoming more marked every day. In Mexico, public opinion is overalert to the treatment which Mexicans receive in our country. It may surprise some Senators to learn that only recently there has been set up by the Chamber of Deputies of the Republic of Mexico, a committee for the purpose of keeping the attention of the Mexican Congress focused on discrimination against Mexicans in the United States. This sensitivity of national dignity is just as present in the other republics of Latin America, and the recognition of these circumstances by Axis agents has afforded them opportunities to stir up ill feeling on the part of Latin-Americans toward the United States.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. RUSSELL. I was interested in the Senator's statement that a certain committee had been set up in Mexico. Do I correctly understand that the committee was set up by the parliamentary body of Mexico, or was it set up by the President of Mexico?

Mr. CHAVEZ. It was set up by the parliamentary body of Mexico.

Mr. RUSSELL. That is entirely beside the question I have raised here.

Mr. CHAVEZ. The point I make is that the Fair Employment Practice Committee deals in many instances with matters affecting Mexican citizens in such a way that the little money spent by the Committee is of more help to the goodwill efforts of this country than all the money we are spending through the Coordinator's office. How would we feel if matters were reversed. Suppose Mexico gave us everything she had for the war effort, but at the same time let us assume that the Senator from Georgia [Mr. RUSSELL] and I were to endeavor to go to Mexico—I am speaking of individuals now, for what is happening affects individuals—and we were told "No; we will not let the Senator from Georgia or the Senator from New Mexico come into Mexico because they are Americans." We would strongly resent such treatment. It is such minor matters that the Committee is trying to adjust, and adjustment of them is of great help in the effort which is being made toward the establishment of friendly relations between this country and Latin America.

Mr. RUSSELL. Does the Senator from New Mexico state that the Fair Employment Practice Committee is trying to adjust matters of that nature? I understood the Chairman of the Committee to contend that the Committee invaded only the field of economics and the economic relations of the various races of people.

Mr. CHAVEZ. Oh, yes; that is correct. Before I conclude I wish to call the Senator's attention to a couple of business concerns in this country in connection with which the Committee did some work. My friend the junior Senator from Mississippi spoke of the poor businessman whom he is trying to defend. That is all very well, but I want the poor businessman to do what is right also.

Let me show how far this situation extends. The Axis Powers are ever on the alert to try to take advantage of an isolated case of abuse in order to use it for their purposes. In this connection it is singularly pertinent to call the attention of the Senate to an address delivered by me in Spanish to Latin America, via short wave, on February 11, 1942. I have been donating my time throughout the war period to the Coordinator's office and have been making short-wave talks to Latin America. In this particular instance, on February 11, 1942, I made an issue of our oft-vaunted boast that the United States of America is a land in which men from every nation may find opportunities to live in peace and under justice. Scarcely were my words received by the Nazi stations than the Ministry of Propaganda of the German Reich issued a statement that the Nazis knew and know about the atmosphere of social and economic discrimination which pervades our country as a whole. They are the same facts which have been verified by our own social and governmental agencies.

But, as I stated before, the Fair Employment Practice Committee, with a very limited fund provided from the President's fund, has done outstanding work trying to correct these abuses, thereby notifying our Latin-American friends that no official sanction will be given to either discrimination or abuse of racial minorities in our economic system. By that I do not mean social equality; merely equality of opportunity economically.

Please believe me, Mr. President, when I state that this Committee is worth more to the people of the United States, to the interests of peace in the future, unless it is desired to use the big stick, to the interests of commerce between people of the different countries, than all the other agencies put together.

I call attention now to a few instances of unfair employment practices which have come to the notice of the Government. I call them particularly to the attention of the Senator from Georgia, because I am going to show how poor business concerns such as the Dutch Shell Oil Co. and the Sinclair Oil Co. are affected. I shall call attention to some of the so-called complaints that have come to my attention and the attention of the Committee and the Government inasmuch as they affect international relations.

A report dated June 3, 1944, from the President's Committee on Fair Employment Practice incorporates an extract from a communication received from the Nonferrous Metals Commission. Having to do with the wage differentials in common labor rates paid to Mexicans and Anglo-Americans for the same work performed, this report states:

> So that it will be thoroughly understood that the problem of discrimination encountered in the instant case is not peculiar to the subject companies or the mining industry, it is well that we consider the problem generally. Carey McWilliams, an outstanding authority in the field, has written, "It has been pointed out, ad nauseam, that the Mexican migrant is ill-housed, ill-clothed, and ill-fed. His children are retarded in the schools and in many areas they did not even attend schools. From every point of view, Mexican migratory workers (most of whom are fairly recent immigrants) constitute a definite disadvantaged, submerged class of our society.
>
> "They are the victims of a well organized caste system which dooms them to restricted types of employment, visits upon them a complex and comprehensive system of social discrimination, and makes for chronic maladjustment. This system, moreover, tends by its very nature to be self-perpetuating."

Reports are constantly coming to me of social and economic discrimination against Mexicans and Latin Americans,

and almost every Western and Southwestern State is the stage upon which these un-American dramas are being acted. They all point to the unfair treatment of these groups through the application of discriminatory wage scales by every type of private enterprise.

We have in this city the headquarters of the Pan American Union. The Pan American Union is supported by the countries of Latin America, by the United States, and by Canada. The idea is to try to get along basically. Among the personnel of the Pan American Union is a Mexican who appeared before the House Labor Committee the other day and gave some testimony.

Ernesto Galarza, chief of the labor section of the Pan American Union, in a statement before the House Labor Committee on June 2, 1944, observed that—

> Next to Negroes, this group represents one of the largest so-called minorities in this country. It is probable that if all persons having some degree of identification with Hispanic and Indo-hispanic culture—economically, socially, linguistically—are included, the total size of this group would not be far from 2,500,000.

They are here. The majority of them are citizens of this country. They participate in the every-day life of this country. They go to war for this country. They die for this country. At election time we try to persuade them to vote for our side; but in the economic field or in Government enterprise they are set aside.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. MAYBANK. The Senator is arguing about the economic disadvantage which I regret exceedingly seems to exist among certain groups because, perhaps of race. The Senator will agree with me, will he not, that there is also an economic disadvantage to certain sections?

Mr. CHAVEZ. That is correct. That is why I wish to have a revision of freight rates in the South.

Mr. MAYBANK. Not only that; but an economic disadvantage exists in pay rates. For example, in New York the wage scale is much higher than in Charleston or Mobile.

Mr. CHAVEZ. That is correct; but that is not the point. The point is that discrimination exists because of race. A man is not placed on a certain job because he happens to be of Italian ancestry or Irish ancestry. The point I am trying to make is that if there is a job to be done, there should be no discrimination against men because of race.

Mr. MAYBANK. The Senator is making the point that there is an economic discrimination in wage scales because of race.

Mr. CHAVEZ. That is correct.

Mr. MAYBANK. Can we not also agree that there is a discrimination in wage scales as between various sections?

Mr. CHAVEZ. That is correct.

Mr. MAYBANK. There is a discrimination as between various sections in wage scales in the Government service.

Mr. CHAVEZ. Not for the same type of work. We have the Classification Act, and if a person is CAF-2, he receives CAF-2 wages.

Mr. MAYBANK. I did not mean that. The discrimination to which I refer is in Government navy yards in different sections.

Mr. CHAVEZ. There is no question about it. But if Jim Jones is a machinist, and working at the navy yard for $8 a day, why should Tom Smith, working on the next machine, doing the same class of work, be paid only $6 a day?

Mr. MAYBANK. Does not the Senator agree with me that in navy-yard work, whether it be done in New England, in the South, or on the west coast, there should be an even scale of pay? In levying taxes, Congress calls upon each and every one to pay the same rate of taxation on a given income.

Mr. CHAVEZ. That is correct. The point I am trying to make is that if the boy from the Southwest, the boy from the Northwest, the boy from the Northeast, and the boy from the Southeast go together and work for $50 a month, and die on the beaches of Normandy, their brothers should be entitled to equal wages for the same class of work.

Mr. MAYBANK. Why are not men in various sections of the country entitled to the same pay? The military pay is the same in all sections. Why should individual Government pay in New England be higher than individual government pay in the Southeast, in factories? The Army pay is the same in all sections.

Mr. CHAVEZ. Whenever the Senator comes forward with a proposal to pay wages in the South as high as those paid in New England, I shall be for it.

Mr. MAYBANK. I appreciate the Senator's attitude. I do not wish to be misunderstood as drawing a comparison between New England and the South. I merely mean that in the larger navy yards in the Northeast the pay is considerably above that in my section.

Mr. CHAVEZ. That is correct.

Mr. Galarza further said:

> In spite of his lowly social position, the contribution of the Mexican to the development of certain parts of this country, especially the Southwest, has been notable. Former Vice President John N. Garner recognized this fact in his testimony before a Senate committee in 1928, when he said: "The seasonal Mexicans in our territory do a kind of labor that no others are willing to do * * *. I can mention two counties down there on the border that have increased in taxing value in the past two decades from $3,000,000 to $88,000,000. That increase would not have been brought about if we had had an immigration quota to apply to Mexico."

My point is that we should do the decent thing, the American thing.

This contribution of the Mexican workers, however, has produced nothing but unfair-labor practices. It has not protected them from a type of economic discrimination which falls into four main classifications: (1) refusal of employment; (2) withholding of opportunities; (3) refusal of promotions according to seniority and ability; and (4) payment of lower wages for the same work as performed by Anglo-Americans.

During the summer of 1942, the War Department, under contract, started the construction of what is now Camp Hale, at Pando, Colo., Pando being a short distance from the city of Leadville. The Army, of necessity, wanted the camp completed as soon as possible. Hundreds, even thousands, of citizens flocked to the construction projects for the purpose of contributing their effort on behalf of the war.

Hundreds of citizens of Colorado, New Mexico, and Utah, whose ancestors were residents of those areas, obtained employment; but lo and behold, one day I received a telegram from a citizen of my State by the name of Juan Romero, at that time actually a member of the New Mexico State Legislature, but who had been working at this Army construction camp, to the effect that he and over 500 others had been dismissed at the instance of the construction colonel and Mr. Platt Rogers, the contractor—one of the poor businessmen we hear about—simply because they were supposed to be Mexicans.

They were no more Mexicans than is the Senator from New York [Mr. WAGNER] or than I am. So far as citizenship is concerned, they were no more Mexicans than are any of the Senators listening to me. They were American citizens, but they did not have English-sounding names. Their brothers could have been dying in Japan, in Burma, in Africa, in China, or elsewhere. They were dismissed at the instance of the construction colonel and Mr. Platt Rogers, the contractor, simply because they were supposed to be Mexicans.

Sometime ago the Congressional Medal of Honor was awarded to a boy from my section of the country who died at Attu. His name was Joe Martinez. The Congressional Medal of Honor is not awarded indiscriminately. A man must do something on the heroic order in order to receive such an award. That boy died at Attu. We should examine the records of the War Department. Some boys who were told to go would not go. But this so-called Mexican, from Colorado, did go. With a gun on his shoulder, he took the whole impact of the Japanese bullets. Nevertheless, his brother or his uncle or some other relative of his could not get a job in the war effort at Pando, Colo., because his name is Martinez. We give Martinez a medal for dying, but we refuse a job to his relative or to his friend. Then we complain, and we wish to cut out an appropriation, because a committee selected by the President is attempting to rectify such an un-American condition.

I do not take things of that type lying down. I took up the matter with General Marshall, with the Chief of Army Engineers, who was in charge of the construction, with the senior Senator from Colorado [Mr. JOHNSON] and with the junior Senator from Colorado [Mr. MILLIKIN] in whose States the camp is located, with the Governor of Colorado, who happened to be a Republican at the time, and with the F. E. P. C. I received the full cooperation of all concerned. That was as it should be. An investigation was immediately made, and the matter was found to be so discriminatory, so unfair, and so un-American

that the persons who had been dismissed were placed back at work within several days.

Can anyone still tell me that we do not need some agency of government to carry out such functions of government and to try to preserve the things which were created through the instrumentality of the Declaration of Independence and the Constitution, and for which our boys now are dying?

Again in talking about good will, let me ask whether Senators believe that all the millions of dollars we spend below the border can convince the people of the Latin-American countries that we are their friends, if such a thing as the one which occurred at Camp Hale, Colo., is tolerated or allowed to continue?

Permit me to cite other cases:

On November 24, 1943, I complained to the Chairman of the F. E. P. C. about a discriminatory advertisement which had appeared in the Albuquerque Morning Journal of November 19. That advertisement stated that Anglo girls were wanted for fountain and restaurant work. What did the Committee do? It did not go down there and use the Army to drive or force people to do certain things. It merely went there, talked over the matter, and said, "See here, these girls do not have to be of Anglo-American stock. Our people are composed of representatives of various races," including Sidney Hillman, whether we like it or not.

As a result of that action by the Committee, the advertisement was discontinued. American girls of Latin extraction were hired by the party charged, which was the Engineers Exchange of Albuquerque, N. Mex.

Now let us consider the poor people who are unable to take care of themselves without the help of the Senate. Workers at the Humble and Sinclair Oil Cos. need our help. Do Senators have any doubt about that? When Mexico, under her laws, did certain things, the Humble Oil Co. and the Sinclair Oil Co. wanted our help, and they complained that they were being mistreated. We are supposed to go there, to protect their so-called rights. We are supposed to go there and to use the strong arm of the United States—and our Government has a strong arm—to protect their so-called rights, regardless of whether those rights were obtained by means of arson, murder, or robbery. We are supposed to protect them. But in their dealings in this country, what do they do to the so-called poor Mexicans? Those companies, the Humble Oil Co. and the Sinclair Oil Co., say we are abusing them because we want them to do the right thing by some poor laborers. Workers at the Humble Oil Co. and the Sinclair Oil Co., in Texas, filed complaints with the F. E. P. C. Those complaints were a part of a number of charges filed against those two companies and against the Shell Oil Co. The Committee was able to adjust the specific complaints. All the Committee did was go down there and talk about the matter with the companies. The Committee succeeded in adjusting the specific complaints against the Humble and the Sinclair Oil Cos., but is still attempting to correct the discriminatory policies of the Shell Oil Co. The Shell Oil Co. has been using those practices in this country. The Shell Oil Co. is also a foreigner; it is not an American company. It is doing business here through the tolerance of this Government and through the tolerance of the American people. Merely because a committee of the President is attempting to obtain fair employment practices on the part of that company, we are told that we are driving business to perdition.

All Members of the Senate will recall the early 1920's. All of us recall what the oil companies did to us, unbeknown to us until the late Senator Walsh of Montana developed in this body what those oil companies were doing. Of course, because a little, two-by-four committee of the President wants them to pay the correct and proper wages, to treat a human being with the dignity to which he is entitled, we are told that we are driving those poor business people to perdition. Mr. President, it is too pathetic.

In all those cases, company practices prevented Mexican workers from obtaining opportunities to hold better paying and more skilled jobs. In anything as deep-seated as the discriminatory practices encountered, it would be foolish to say that all the problems in connection with the Humble Oil Co. and the Sinclair Oil Co. have been finally adjusted, although the specific complaints have been taken care of.

When we talk about good will, we must not forget the treatment received by Mexican workers. We might give the Office of the Coordinator of Inter-American Affairs $20,000,000. We gave that office $43,000,000 last year. But I can tell you, Mr. President, how it all goes to waste.

Mexican workers encountered difficulty in obtaining employment at the Dallas plant of the North American Aviation Co. Those individuals were qualified workers who were unable to obtain clearance for employment because they were still citizens of Mexico, although they had been living in the United States for a number of years. It is important to keep in mind that such persons were subject to the draft, and could be called for military service. Therefore, in all fairness, they should have had an opportunity to obtain employment. Dr. Carlos E. Castaneda, who was then Acting Regional Director in the Committee's Dallas office, succeeded in obtaining clearance for those workers, and approximately 50 men were employed as a result of his efforts.

Currently, the committee is investigating complaints of wage and occupational discrimination against Mexicans in the copper industry. So far, the investigation has included the following communities: In Arizona, Winkleman, Globe, Clifton, and Phoenix; in New Mexico, Santa Rita; and in Texas, El Paso.

Of course, one cannot blame the Government for responsibility in individual cases. Many of these instances of discrimination are caused by individual citizens, businessmen, corporations—yes—and even unions; but it is the duty of the Federal Government, in my opinion, to adjust such abuses, especially in wartimes.

Mr. President, let me inform my fellow Senators about the people of Latin America. I think I know them. I happen to be of Spanish extraction. I think I know their virtues and their failings, their feelings, and the psychological reactions of Latin Americans. I know their individuality, their characteristics, their emotions, their racial and religious background. Good will cannot be bought from a person of Spanish or Latin extraction. More can be done by a kind word, by decent treatment, by fair play, than by all the millions of dollars which may be spent. Courtesy and personal dignity constitute the keystone of their culture. A recognition of fair play and common decency in our treatment of our neighbors is all that is necessary. A recognition of the dignity of the human being, the dignity of birth, and the glory of death will bring about good will. I respectfully submit this thought to my fellow Members of the Senate, with the hope that it may contribute to the affirmative side of the argument on the merits of the item involved in the F. E. P. C. appropriation. I would consider myself unfaithful to the duties of my office and to my obligations as a citizen of this Republic were I not to support without qualification the appropriation making possible the continuance of the present Committee on Fair Employment Practice.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. RUSSELL. I regret that I was called from the Chamber once or twice during the remarks of the able Senator from New Mexico. I wonder if the Senator touched upon the constitutional aspects of the question with respect to the right or power of the President to establish an agency with powers which this agency claims to possess.

Mr. CHAVEZ. I may answer the Senator in this way: The interpretation of the Constitution is rather peculiar. I have heard arguments in this body to the effect that a certain piece of proposed legislation might be constitutional or might not be constitutional. I have heard lawyers, in whom I had confidence, argue that the particular provision now being discussed is constitutional, and I have heard other highly respected Members give an entirely different interpretation of the law. I have no opinion with regard to it.

Mr. RUSSELL. Of course, the Senator knows that we do not have legislation before us. A question as to constitutionality of legislation would not be germane.

Mr. CHAVEZ. The Senator is correct. However, I do know that, due to the emergency itself, we have given the President certain war powers. Whether we had a right to do so is beside the question.

Mr. RUSSELL. Which one of the war powers does the Senator believe has been exercised in creating this agency?

Mr. CHAVEZ. I have no ideas with regard to it, one way or the other.

Mr. RUSSELL. The agency was created in June 1941, which was before we were involved in the war and before we had granted to the President any war powers.

Mr. CHAVEZ. The Senator is correct. Up to this particular point that authority has not been questioned. I understood the Senator from Georgia so to tell me last week, when I asked him during the debate if anyone had questioned the authority of the Committee to act.

Mr. RUSSELL. The Senator from New Mexico is a lawyer, and, of course, he knows that a citizen cannot sue his Government without its consent. I do not know how the question of legality may be questioned when no citizen may go into court and sue a department of his Government for having imposed sanctions.

Mr. CHAVEZ. I recall that only a few weeks ago we had before us the matter which arose in Chicago involving the taking over by the Government of the Montgomery Ward plant. I was one of those who believed that possibly the Government did not have the authority for doing what it had done. However, the Government took over the plant. I questioned the authority of the Government to take over the Montgomery Ward plant, but it was taken over. There was subsequently some adjudication which caused me to believe that possibly I had been wrong and that the Government, after all, had the necessary authority.

Mr. RUSSELL. I do not believe there is any similarity between the issues involved in the case of seizing the Montgomery Ward plant and the right of the Government to seize a business by virtue of a citizen refusing to obey the rules of an agency not created by an act of Congress.

Mr. CHAVEZ. It is all a matter of opinion. There are some very good lawyers in the other House, and some of them are of the impression that the provision under discussion is legal. The members of the committee approved the provision, 14 to 6. Evidently they felt there was some authority for the provision.

Mr. President, there should be little necessity for elaborating on the reasons supporting the continuance of the President's Committee on Fair Employment Practice. Aside from the practical aspects of the matter, the same moral, social, economic, intellectual, and patriotic arguments could be summoned to sustain the unyielding Americanism of this appropriation which could be resorted to for purposes of upholding the provisions of our Declaration of Independence, our Constitution, and our Bill of Rights. Certainly, there is not a scintilla of moral error in the constitutional provision that every American citizen is guaranteed the certainty of these freedoms under law which will contribute to his enjoyment of life, liberty, and the pursuit of happiness.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article recently appearing in the press entitled, "Good Neighbors," written by Virginia Prewett.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOOD NEIGHBORS

(By Virginia Prewett)

MINORITY PROBLEMS

One of the most significant results of the American people's increased interest in New World relations in the last year or two is realization that something must be done about our Spanish-speaking minorities, the Mexican-Americans and the colonial Spanish of the Southwest.

War has made this problem more acute, as it has complicated every social and economic task the Nation faces. As yet no comprehensive official program has been launched to make a long-term attack on this specific maladjustment in the Nation's life, yet it is unfair and untrue to say, as extremists do say, that indifference continues and nothing is being done.

The fact is that as we fight a war spread out all over the earth and burn midnight oil over the coming peace, the American people still have attention and energy to take up this problem.

Scattered aid in economic difficulties has in the recent past been given by W. P. A., C. C. C., N. Y. A., Soil Conservation, and like programs. Yet official policy makers have recognized that the fundamental cure can only begin when the Anglo-Americans of the Southwest themselves consciously attack the prejudices barring the Spanish-speaking minorities from full share in the American heritage. The C. I. A. A. has been able to get a very modest sum to back a move in this direction and the results are heartening.

TEXAN SOLUTION

The State of Texas has organized a Good Neighbor Commission with three Anglo-American and three Mexican-American members. Subcommittees are being set up in Texas cities and towns. Made up of representatives of the local chamber of commerce, the American Legion, and civic bodies, these committees will attack the problem direct by going to local establishments and explaining the need for nondiscrimination.

Educational campaigns through films, the radio, and the press will bring the need before the whole Anglo-American community. Ways will be found to bring Mexican-Americans into community activities.

The University of Texas and the whole State school system is cooperating fully in the educational campaign. This influence can scarcely be overestimated.

In New Mexico, where Spanish colonials make up a large part of the population, the State university has received a grant for a State-wide program. A field worker has canvassed many towns to find out what each one's biggest problem is.

LOCAL COMMITTEES

Local committees have been set up and given partial financial aid in meeting their main need. Where juvenile delinquency was the first headache, recreational facilities have been provided for young Hispanos. In Pecos, for example, where Anglo-American and Hispanic-American juvenile gangs used to wage war on each other, they now go to each other's juke-box dances.

Very small Hispanic-American communities have done such things as put in a well for the school. It has been found that these communities, once shown the way, develop their own leadership and go forward toward solving other problems.

California's situation has been worsened by war shifts in population. Today the Southern California Council of Inter-American Affairs, with an advisory committee of Mexican-Americans, is hard at work. An outstanding achievement resulted this spring when the council asked industries, labor organizations, the W. M. C. and U. S. E. S. to compile data on the Mexican-American as a vocational worker.

The survey revealed that Mexican-Americans in industry have as good or better records on attendance, technical performance, up-grading and taking advantage of opportunities than Anglo-Americans. This directly explodes the old theory that "Mexicans are lazy" and "don't want to work" so long used against the Mexican-American worker. This idea comes from experience with Mexican-American farm workers who are in fact listless and hopeless in the face of a rigid system of peonage that they cannot get out of. When given a chance, this survey proved, the Mexican-American is as alert and enterprising as anybody.

COLORADO'S PROGRAM

In Colorado, where four southern counties are heavily Hispanic, a program like the one in New Mexico is being set up. Denver has a very live inter-American center. When zoot-suit troubles involving the Mexican-American colony broke out in Denver this spring over 100 of the city's most prominent citizens got together and formed the Denver Unity Council. They have set up a permanent committee to investigate, and where possible, correct "situations involving discrimination or denial of legal rights on racial or religious grounds to anybody."

A clearing house for immediate action on all such incidents has been created. Study of minority group needs in housing, recreation, and health care has been undertaken.

The task of solving our Spanish-speaking minority problem is tremendous and it will take time and sustained effort to make headway. But a start is being made, and a start at the present time is great progress.

Mr. CHAVEZ. I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Funds for F. E. P. C." published in the Washington Evening Star of May 31, 1944.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FUNDS FOR F. E. P. C.

The Fair Employment Practice Committee, in some respects the most controversial of the war agencies created by Executive order, crossed one hurdle in its fight for survival when the House, by a four-vote margin, approved an appropriation of $500,000 for the agency, thereby exempting it from the death sentence which otherwise would have been imposed under the Russell amendment to the independent offices appropriation bill. A still higher hurdle in the form of Senate opposition remains, however, and if this proves insurmountable, the F. E. P. C. probably will go out of existence on January 1.

There are compelling reasons why the Senate should not permit this to happen. The fundamental purpose of the F. E. P. C. is to eliminate forms of discrimination which stand between minority groups, Negroes especially, and the realization of their legitimate economic aspirations. For the most part this program has been pitched on a note of wartime necessity for full utilization of labor, but this imparts a quality of impermanence to the effort which is unrealistic and harmful. For the undeniable fact is

that there will be more need after the war than there is now for an intelligent effort to strike down the artificial handicaps that discrimination imposes on Negroes and other minorities in the job market.

At the moment, however, the problem is to keep the F. E. P. C. from passing out of existence this year. Unfortunately, the committee has made errors of judgment and these mistakes have inflamed some segments of public opinion against it. But these mistakes should not blind one to the fact that this agency, relying largely on methods of persuasion, has been able to do a great deal of good work.

Approximately 3,000 complaints of discrimination had been docketed by the F. E. P. C. as of the first of this year. Nearly 1,000 of these cases were closed by January 1, about one-third of them representing satisfactory adjustments. The others listed as closed were dismissed for lack of jurisdiction or other reasons. If that is not a sensational record it is at least an unexpectedly good one for an agency which has to work in a field that has so many explosive possibilities.

On the record, and in good conscience, this is plainly a program which should be continued. There are Senators, of course, who are not in sympathy with what the F. E. P. C. has been doing and who are skeptical of what it proposes to do. But this is a matter which should be settled in perfecting a bill to give the F. E. P. C. a permanent legislative status on which the House Labor Committee begins hearings tomorrow. Nothing constructive could be accomplished, but serious harm would be done, by permitting the agency to die for lack of funds while legislation to give it whatever powers Congress thinks it should have is under consideration.

Mr. CHAVEZ. I further ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Fair Practices," published in the Washington Post of June 13, 1944.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FAIR PRACTICES

There is a simple yet very vital issue involved in the current fight over funds for the Fair Employment Practice Committee. The issue is this: Shall economic opportunity in America be limited on grounds of race, creed, color, or nation of origin? There can be no doubt as to how the American people, or their representatives in Congress, would settle this issue if it were stated in these real terms. Unfortunately, however, the issue has been distorted and obscured—imbued with wholly irrelevant emotional overtones and linked with complex questions of interracial relations. Some of this confusion has stemmed from misunderstanding. Some of it has been intentionally obscurantist in purpose.

The F. E. P. C. has as its sole function the elimination of unwarranted discriminatory practices in the employment of American workers. It is not concerned with abstract questions of social equality between races. It is not attempting—and has never attempted—suddenly to make over the mores of any section of the United States. It is not trying to do away with segregation or any of the manifestations of Jim Crowism—however repugnant these may be to democratic principles. As the Committee Chairman, Malcolm Ross, phrased it in testimony before the House Labor Committee the other day, "The mass of the American people can do as they please in their private lives but when it comes to earning a living, someone else with the hire-and-fire power offers the terms and conditions under which a man can earn his bread."

Race prejudice is an ugly factor in American life. Nevertheless it is a real factor and needs to be faced. The F. E. P. C. did not create race prejudice—as some of its critics have irresponsibly suggested. It is simply a mechanism for counteracting the effects of race prejudice in the economic sphere. As such it performs a service which is indispensable to the freedom of minority groups and invaluable to the welfare of the American economy as a whole.

During the progress of the war, the F. E. P. C. has done much to integrate the skills and energies of minority elements into our production program. We should have had fewer tanks, and planes, and landing ships for D-day if workers had been barred from industry through discrimination. In the course of the past 10 months, the F. E. P. C. has ended 26 work stoppages in vital production fields which had their origin in unfair employment practices; 3 of them were serious strikes in the steel industry. Its orderly, understanding approach to labor problems of this nature will be needed more than ever when we encounter the problems of demobilization and reconversion. For in this period discrimination can create chaos. If whole classes of men are denied an opportunity to earn a living because of the color of their skin, they will become desperate and dangerous.

The House has voted an appropriation of half a million dollars to carry on the F. E. P. C.'s work. The Senate Appropriations Committee, despite an unfavorable subcommittee report, has recommended the approval of this sum. Today the Senate as a whole will begin discussion of it. We hope that the discussion will be concerned with the real issue—not with bugbears conjured up to obfuscate it. We cannot deny to citizens of the United States equality of economic opportunity.

Mr. CHAVEZ. I also ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, an article by the Associated Press entitled "Officials Challenge Charges of Strained United States-Latin relations." The article deals with remarks which had been made by Dr. Hernane Tavares De Sa, which appeared recently in one of the local newspapers.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OFFICIALS CHALLENGE CHARGES OF STRAINED UNITED STATES-LATIN RELATIONS

Officials here today questioned the assertion of a Brazilian educator that United States relations with Latin America have been deteriorating for months because of political, economic, and personal relationships, but Senator BUTLER, Republican of Nebraska, who toured South America last summer and returned highly critical of the good-neighbor policy, said he indorsed the educator's statement 100 percent.

Speaking before the International Education Assembly at Frederick, Md., yesterday, Dr. Hernane Tavares De Sa, who is on leave from the University of São Paulo while employed in the adviser's office of the Coordinator of Inter-American Affairs, scored the succession of big and small blunders by the United States, and said that politically, Latin Americans do not know and they fear what will be done after the war with Brazilian bases now being used by this Government.

Officials here emphasized that the war has caused economic disruption in all countries, and they said it was doubtful if any one country could be blamed for the economic dislocation of another.

BUTLER MENTIONS HIS REPORT

The Brazilian Embassy said Dr. Tavares in no way presented the views of the Brazilian Government.

Senator BUTLER said that Dr. Tavares' statement "confirms the main point I attempted to make in my report to the Senate after a 20,000-mile trip through Latin America last summer."

Senator BUTLER also expressed agreement with Dr. Tavares' assertion that United States propaganda has "backfired."

Dr. Tavares said United States short-wave broadcasts were "addressed to 12-year-old morons, where, as a matter of fact short-wave sets are owned only by people of some means who rely more on the British Broadcasting Co. because of higher standards."

"I would like to repeat what I said in my report to the Senate," Senator BUTLER said in this connection, "that we are making a terrible mistake in not treating those people as our equals. They even excel us in many respects."

ROCKEFELLER OUT OF TOWN

Nelson Rockefeller, Coordinator of Inter-American Affairs, was out of town and his office would make no comment.

Other officials, who requested anonymity, were sharply critical of the Brazilian's statement that the situation he described had been "very carefully kept out of the press in this country." They pointed out that Senator BUTLER's attack on the administration's Latin-American policy had been widely published, as well as recent reports of unrest, such as the revolts in El Salvador, Ecuador, and Bolivia.

As for his personal-conduct criticism, Dr. Tavares said United States officials sent to Latin America were "not carefully selected," that they "spent too much money" and many became "rowdy and drunk in the best casinos."

"Really, it is a minor thing," Dr. Tavares commented, "but these few give an impression of the United States all out of proportion to their numbers. The pity of it all is that Brazil is one Latin-American country where there existed general good will and a sympathetic attitude toward the United States even before the good-neighbor policy."

WIDE EXCHANGE OF STUDENTS URGED

He recommended an exchange of students "by the thousands" and of teachers as a vital part of relations with Latin-American countries, saying that "those who have lived in the United States for a year are your friends, no matter what the rest of their country may think, because they know the Americans."

Although Dr. Tavares was unsuccessful in his attempt to obtain a commitment from the assembly to invite Argentine representation to the next session, the representatives of 32 Allied Nations attending recommended that the executive committee consider inviting all nations.

Of the Argentine people, he said that "90 percent are out of sympathy with the regime." Dr. Tavares indicated he planned to leave his post of special adviser shortly and planned a Nation-wide lecture tour in October in an effort to better relations.

Mr. CHAVEZ. Mr. President, in order to carry out further the general idea, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Plain Boys From United States Are Edisons of Air," appearing recently in the local press.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PLAIN BOYS FROM UNITED STATES ARE EDISONS OF AIR

(By Franklin Banker)

A United States Bomber Station in England.—Young "Edisons" by the dozens—they've invented more than 50 percent of their equipment—make the service squadron of this American bomber base one of the best in any theater of war.

These G. I. mechanics, electricians, and welders had to be "Edisons," for when they shipped here from the United States a year ago the things they didn't have outnumbered the things they had. Yankee ingenuity filled the gap.

These Eighth Air Force repairmen perform "major operations" on bombers when they return riddled by enemy bullets and sometimes have to crash-land. A plane is hauled into their hangar when its damage is too severe for the regular ground crew to fix.

These young geniuses have utilized everything so thoroughly that in 12 long months of the aerial war only two of their many battle-wrecked bombers had to be junked.

Although those two were junked, not a bolt was wasted. All the usable parts went into repairs for other bombers.

TIN CANS FOR PATCHES

In the pioneer months they patched up bullet-perforated fuselage with sheet metal made from tin cans. It wasn't possible to ship all the supplies they needed across the sub-infested Atlantic.

Staff Sgt. Robert M. Kinsall, Omaha, Ill., rigged up his own still when one broke down. Bombers had to have distilled water for their batteries.

They built their own pit for testing propellers, and their own overhead track to haul the heavy "props" around.

Once there was no time to wait for certain vital plane parts, so Staff Sgt. Ferdinand Yontis, Alexandria, Pa., dug up his own apparatus, melted down old parts, and cast them into the ones needed. This trick has been passed along to boys at other stations.

THEY FIX ANYTHING

Of all the tens of thousands of parts to a bomber, there's nothing this squadron can't fix.

The boss, 32-year-old Capt. Charles R. Lewis, Chicago, was an aeronautical engineer in peacetime. He could tell you enough of the inventions of his boys to fill a book.

"These boys are the most competent in the world," he declared. "They'll work 72 consecutive hours and pass up meals and furloughs to get our bombers back into battle.

"They won't go home with medals on their chests, but they'll know they had a great part in winning the war.

"And look who they are." He pointed to a roll call—Prosynchak, Hogan, Lacroix, Kalkbrenner, Rodriguez, and just plain Jones.

"That's America," he said. "That's the stuff Hitler will never lick."

Mr. CHAVEZ. I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a short statement entitled "End of Intolerance for United States Minorities Demanded by Ickes," which appeared recently in the press.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

END OF INTOLERANCE FOR UNITED STATES MINORITIES DEMANDED BY ICKES

NEW YORK, June 6.—Secretary of the Interior Harold L. Ickes said last night the deliverance of the people of Europe must be accompanied by elimination of hate and intolerance for minorities at home.

"Here in the United States we cannot ignore the stark cold fact that we have a racial problem of significant proportions," he said at a testimonial dinner give Prof. Albert Einstein by the American Fund for Palestine Institutions.

"What good does it do," asked Mr. Ickes, "to send armies to Rome, Berlin, and Tokyo to 'liberate,' as we say, the inhabitants of those countries while denying people of those same extractions the liberation they have sought in this country"

Declaring "we make certain our own eventual defeat so long as we tolerate intolerance," Mr. Ickes continued.

"The Soviet Union has apparently solved its racial and ethnic problems, after generations of conflict, but not on the basis of a mere negative idea of racial 'tolerance.'

"It has done the job simply and directly on the principle that a man is a man and that he must rise or fall on the basis of his own character and ability.

"To talk of 'tolerance' for a man like Professor Einstein, or for the thousands of other outstanding Jews, Catholics, Negroes, and other minority peoples of this country is to imply that we permit them to live and work and associate with us on sufferance; that they are a burden which we bear in as genteel and Christian a spirit as possible. That, of course, is arrant nonsense."

Mr. CAPPER. Mr. President, I intend to support the request of the President, and the recommendation of the Bureau of the Budget, for an appropriation of $500,000 for the Committee on Fair Employment Practice. The President has created this Committee to insure that discrimination against the colored man shall not be practiced in employment in any industries connected with the war effort.

I believe sincerely and strongly that the appointment of this Committee, for the purposes named in the Executive order creating it, should be recognized and legalized by the Congress through making the appropriation recommended. Therefore I must vote against the amendment to strike this appropriation from the pending House bill. I realize the technical arguments advanced in support of the motion to strike the appropriation from the bill, but it seems to me that the main issue involved here goes deeper than legal technicalities.

I have devoted a good deal of my efforts as a publisher, as Governor of Kansas, and as a United States Senator from Kansas, toward obtaining for the colored man the equality of opportunity and the equality of treatment that the people of the United States have tried to accord him through the thirteenth and fourteenth amendments to the Constitution.

I am supporting the appropriation for the F. E. P. C. for the same reason I supported the measure to abolish the poll tax as a prerequisite for voting, while admitting the force of some of the constitutional arguments made against that proposed legislation.

The fact remains that the poll-tax laws in several States were written and have been enforced to deprive the Negro of the right of suffrage supposedly guaranteed him by the Constitution.

It also is a fact that there exists an unjustified discrimination against the Negro in many sections of industry, when it comes to employment.

The Congress has not hesitated to force the responsibilities of citizenship upon the Negro. When the draft laws operate, they recognize the equality of races. When it comes to employing men and women in industries, in the war industries, and in occupations related thereto, I believe we should be consistent. A race of people subject to the draft on an equality with the white man should also be accorded equality in obtaining employment to help prosecute the war on the home front.

In all my time in the Senate, I always have supported recommendations of the President, no matter who the President was or to what party he belonged when I felt he was right. In this instance I believe the President is right in attempting to end discriminations in employment due to race or color, and accordingly, in order to be consistent, I must support this appropriation.

APPROPRIATIONS FOR THE DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE

Mr. McKELLAR. Mr. President, I will ask the Chair to lay before the Senate the message of the House of Representatives announcing its action on a certain amendment to House bill 4204.

The PRESIDING OFFICER (Mr. WALSH of New Jersey in the chair) laid before the Senate a message from the House of Representatives announcing its action on a certain amendment of the Senate to House bill 4204, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 16, 1944.

Resolved, That the House still further insist upon its disagreement to the amendment of the Senate numbered 10 to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes.

Mr. McKELLAR. I move that the Senate still further insist upon its amendment numbered 10, ask a further conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate at the further conference.

Mr. WHITE. Mr. President, will the Senator indicate what the amendment is which is still in controversy?

Mr. McKELLAR. I will ask the clerk to read the amendment.

The legislative clerk read as follows:

Census of Agriculture: For all expenses necessary for preparing for, taking, compiling, and publishing the quinquennial census of agriculture of the United States.

Mr. McKELLAR. That is all that is necessary.

Mr. WHITE. I merely wanted to know what the amendment was.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to; and the Presiding Officer appointed Mr. McCARRAN, Mr. McKELLAR, Mr. RUSSELL, Mr.

BANKHEAD, Mr. CONNALLY, Mr. WHITE, and Mr. REED conferees on the part of the Senate at the further conference.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House further insisted upon its disagreement to the amendments of the Senate Nos. 1, 3, 5, 7, 8, and 9 to the bill (H. R. 4183) making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes; agreed to the further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SNYDER, Mr. STARNES of Alabama, Mr. KERR, Mr. MAHON, Mr. POWERS, Mr. ENGEL of Michigan, and Mr. CASE were appointed managers on the part of the House at the further conference.

APPROPRIATIONS FOR WAR AGENCIES

The Senate resumed the consideration of the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes.

Mr. MEAD. Mr. President, I shall hurry along with my statement, and I hope I shall be able to point out that the F. E. P. C. is a very useful agency, that it was properly created, that its powers are wholly persuasive, that it has been fairly administered, and that it has a good performance record. I know there are those who are opposed to the task this agency is performing; they are opposed to the agency as it is now constituted, and they would be opposed to the agency if it were constituted by law. I know there are those who favor the work this agency is doing, but oppose the manner in which the agency was created. Then, there are those who favor the agency and its work and who are able consistently to go along with the agency as it has been set up by the President.

Mr. President, to realize the necessity that prompted the President to create this agency we would have to go back to the dawn of the manpower problem. It will be recalled that early in 1941 when we realized that an emergency was upon us it then became necessary for our own security to prepare to strengthen the military services of our country. It will be recalled that at that time there were drives by radio and in the press in an endeavor to spur productivity, industrial output, and the emergency program generally. It will be recalled that even before Pearl Harbor the President, under his emergency powers as Commander in Chief, took over a Los Angeles utility. Furthermore, he took over a large aviation plant, which indicated the approach of the acute manpower problem. Emergency methods were then adopted. Over-age men as well as thousands of women who never saw the inside of an industrial plant, even children in high school and grammar school, were employed in occupations in connection with the Nation's defense effort. But, Mr. President, all this failed to meet the requirements of industry and as a result the Nation was not sufficiently geared to meet the productivity which was required.

The Federal Government then addressed a questionnaire to the war goods manufacturers of the country, asking how many of them had new jobs open—open to Negroes. Fifty-one percent of all that were questioned had jobs both for skilled and unskilled labor, but they could not employ Negroes, and they gave as their answer, "employment policy."

Mr. President, Pearl Harbor came and with it congressional authorizations beyond the imagination of man for the production of war material and equipment, the like of which the world had never before visioned. Then and only then the President, in the acute emergency, the most serious crisis in all the history of our country, was called upon to take necessary action. He created the Fair Employment Practice Committee in order that every available man and woman and child who wa eligible otherwise might become a part of the great war-producing machinery of the Nation. Millions of our citizens until that time could not make their full contribution. There were factories and industries and machines of all kinds; there were millions of workers and yet there was a discriminatory labor policy that kept them miles apart. So, Mr. President, this agency was created. It was created in one of the darkest periods of our country's history. It was organized at a time when we were contemplating going beyond the shores of America to import men and women from outside to help in the emergency at a time when we were denying some of our own people the opportunity to work for the war effort.

Mr. President, what is the record of the Fair Employment Practice Committee? I read the record, and I read the hearings and the debates in the House of Representatives. First of all, what does the Executive order cover? I now read from the last Executive order of the President the following:

> Now, therefore, by virtue of the authority vested in me by the Constitution and statutes, and as President of the United States, and Commander in Chief of the Army and Navy, I do hereby reaffirm the policy of the United States that there shall be no discrimination in the employment of any person in war industries or in Government by reason of race, creed, color, or national origin, and I do hereby declare that it is the duty of all employers, including the several Federal departments and agencies, and all labor organizations, in furtherance of this policy and of this order, to eliminate discrimination in regard to hire, tenure, terms or conditions of employment, or union membership because of race, creed, color, or national origin.

Mr. President, I should say again, so that we may have firmly in mind the limitations placed upon this Committee, that they are, as the President said, "In regard to hire, tenure, terms or conditions of employment, or union membership because of race, creed, color, or national origin."

Then he calls upon all contracting agencies of the Government to cooperate with the Committee, and he concludes by stating:

> There is hereby established in the Office for Emergency Management of the Executive Office of the President a Committee on Fair Employment Practice, hereinafter referred to as the Committee, which shall consist of a chairman and not more than six other members to be appointed by the President. The Chairman shall receive such salary as shall be fixed by the President not exceeding $10,000 per year. The other members of the Committee shall receive necessary traveling expenses and, unless their compensation is otherwise prescribed by the President, a per diem allowance not exceeding $25 per day and subsistence expenses on such days as they are actually engaged in the performance of duties pursuant to this order.
>
> The Committee shall formulate policies to achieve the purposes of this order and shall make recommendations to the various Federal departments and agencies and to the President which it deems necessary and proper to make effective the provisions of this order. The Committee shall also recommend to the Chairman of the War Manpower Commission appropriate measures for bringing about the full utilization and training of manpower in and for war production without discrimination because of race, creed, color, or national origin.
>
> The Committee shall receive and investigate complaints of discrimination forbidden by this order. It may conduct hearings, make findings of fact, and take appropriate steps to obtain elimination of such discrimination.

Mr. President, this Committee has only persuasive powers, advisory powers, and consultative powers, and I believe the record from which I shall now read will convince anyone that the Committee has carried out its responsibilities in a very fair manner.

The pamphlet which I shall have printed with my remarks is now 4 months old. From July 1, 1943, to April 3, 1944, F. E. P. C. handled 4,435 cases, including among these the 1,016 which were pending as of July 1, 1943, when the new Committee was formed. During this period it has received 3,419 new cases and has closed 2,286. Almost 40 percent of these have been closed in a satisfactory manner. The others were closed for lack of jurisdiction, insufficient evidence, lack of merit, or withdrawal by complainant. These last 4 categories, nevertheless, represent allegations of discrimination which would have remained as continuing disputes had they not been subjected to a careful examination by a third party. In spite of a large number of closings, F. E. P. C.'s case load has continued to grow, and now stands at 2,149 pending cases. It is also interesting to note that during 1943 and 1944, F. E. P. C. has participated in the settlement of 25 work stoppages which occurred for racial reasons.

I ask that a pamphlet prepared by the Division of Review and Analysis of the F. E. P. C. be printed at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. MEAD. In that connection, Mr. President, they have made a worth-while contribution to the war effort. Only two of all the thousands of cases heard have been referred to the President. As I have said, they aided in the settlement of some 25 strikes. They were commended by the War Department; they were commended by big industrial corporations,

such as the Jones-Laughlin Steel Co.; they were commended by governments, including the Mexican Government. They were supported by the American Federation of Labor, by the C. I. O., and by a number of leading church organizations.

Mr. President, the whole production program, which was at stake, has been lifted immeasurably as a result of the successful efforts of the Committee to bring together millions of men and women who are filling skilled and unskilled positions—our own citizens, many of them made eligible to fight under the Selective Service Act, but denied the right to work under employment policies.

Mr. President, our advocacy of the rights of the minority groups has helped us immeasurably, as has been pointed out in the debate. It has helped in Central and South America and elsewhere throughout the world. Its effect on our prestige has been most salutary.

To destroy this agency now, after it has been started in the midst of this global war, in which we are carrying the torch for the "four freedoms," advocating the rights of minorities everywhere, would, in my judgment, leave America in a most embarrassing position. It would be inconsistent with our traditions. It would be inconsistent with the votes of Members of the Senate who have this week, and last week, voted for an agency created by Executive order, created to make its contribution, just as this agency was created, for increased productivity, for increased unity, and for increased teamwork in this country, and I shall take time, if necessary, to read the names of the 15 agencies created by Executive order for which we have voted appropriations here in the Senate, and which in most cases we have never questioned the right of the Executive to create. Nor has anyone, to my knowledge, questioned the legality or the illegality of these agencies. It would be inconsistent, I believe, if we were to single out this agency and deny it funds while allowing the others to go through without opposition on our part.

Now, Mr. President, what have we done in that connection? We have supported the Office of Censorship, created by Executive Order 8985, dated December 19, 1941. We supported the appropriation for the Petroleum Administration for War, created by Executive Order 9276. We supported the appropriation for the Office of Strategic Services, created by Executive Order 9312.

There is much other data which I shall not take time to read, but which I shall make part of my remarks so that others may read them if they so desire.

We supported the Central Administration Services, created by the liaison officers of the Office for Emergency Management pursuant to a letter from the President dated February 28, 1941.

We supported the Office of Civilian Defense created within the Office for Emergency Management by Executive order 8757; the Office of Coordinator of Inter-American Affairs, created by Executive order 8840; the Office of Defense Transportation created by Executive order 8989; the Office of Scientific Research and Development created by Executive order 8807; the Office of War Information created by Executive order 9182; the Office of War Mobilization created by Executive order 9347; the War Production Board created by Executive order 9024; the War Relocation Authority created by Executive order 9102; and the War Shipping Administration created by Executive order 9054.

Mr. President, I wish to place in the RECORD some information which I believe will be helpful in our determination of the question whether there is legality, authority, constitutional support for, or some congressional policy consistent with the action taken by the President in creating the agency in question. I point out in that connection that in my judgment it would be inadvisable, after we have supported appropriations for these other agencies, to make a determined fight now on this one agency while appropriations for the other agencies were permitted to go through this body and with our support.

Mr. RUSSELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Georgia?

Mr. MEAD. Yes; I yield.

Mr. RUSSELL. I have listened with great interest to the reading of the list by the Senator from New York. Of course, some of those agencies were created directly to implement acts of Congress which had been passed since the outbreak of the war; but aside from that I should like to ask the Senator from New York if he can specify any one of the long list of agencies he has read which, without being predicated upon as an act of Congress, claims the authority to cite American business before them, and to compel American business, through the threat of sanctions, or through the denying of contracts, to follow employment practices prescribed by the Fair Employment Practice Committee.

Mr. MEAD. Mr. President, in that connection I shall refer to the record of the proceedings of the House and to a very interesting statement by a representative of the minority party who has had more opportunity for investigation than I. I trust this statement will, at least, leave the thought that in the policies oftentimes approved by the Congress, and in the Constitution of the country itself, and in the authority conferred upon the President in the War Powers Act, there exists at least a reason sufficient to satisfy us that this agency has a right to the appropriation which is now pending before us.

The matter was brought up in the House and Representative VORYS of Ohio explained that he was opposed to appropriations for purposes not authorized by law. It was troubling him, as it has been troubling my distinguished colleague from Georgia and other Senators in this Chamber. He said:

> But since the discussion of this particular section on fair-employment practices began I have been looking into the books a little bit.

Mr. President, not being a lawyer I am leaning on the legal minds of my colleagues, and I find support for the pending provision in its approval by the other House. I find further support for it in the approval by a majority of the Senate Committee on Appropriations. And I find still further support for it in the approval we have given these other agencies without too much difficulty in the past—in fact, to some of them only last week. Representative VORYS proceeds to say, after explaining that he has made some inquiry:

> I find that under the fourteenth amendment there is a requirement that no State shall "deny to any person the equal protection of the laws." Section 5 of that amendment provides that Congress shall have power to enforce the provisions of this article.
>
> On May 31, 1870—

Representative VORYS goes on—

> 74 years ago—the first one of the civil rights statutes was passed. Let me read it to you—

He says to his colleagues of the House, and he quotes from the law:

> All persons within the jurisdiction of the United States shall have the same right in every State and Territory to make and enforce contracts, to sue, be parties, give evidence, and to the full and equal benefit of all laws and proceedings for the security of persons and property as is enjoyed by white citizens, and shall be subject to like punishment, pains, penalties, taxes, licenses, and exactions of every kind, and to no other (8 U. S. C., sec. 41).

Then Mr. VORYS continues:

> This 74-year-old law is very broad. It guarantees equal security under the law, for all races, and would bar almost every conceivable form of economic racial discrimination.

Then he continues:

> I find since 1933 that the Congress has enacted for relief, public works, and other provisions, 24 different requirements forbidding discrimination because of race, color, or creed. I find that since the national defense program started, Congress has enacted, for instance, in the Selective Service Act, and I quote:
>
> "There shall be no discrimination against any person on account of race or color"—
>
> September 16, 1940.

Mr. President, before I continue to read from the remarks of our colleague, Mr. VORYS, in the House, let me say that any Senator who voted for the Selective Service Act which prohibits discrimination because of race, color, or creed will find it difficult, in my judgment, to vote against the pending appropriation, which prevents discrimination because of race, color, or creed in connection with getting jobs to support the men who are over there fighting for us on the battle fronts of the world.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. MEAD. I have not concluded reading from the statement by Mr. VORYS.

Mr. RUSSELL. But the Senator has gone off into another question and made the statement that he did not see how any Member of the Senate could vote against this "legislation." I merely wish to point out that this is not legislation. This is an appropriation bill.

Mr. MEAD. Sometimes we refer to appropriations as legislation. We pass legislation in the form of appropriations, but I will stand corrected. This is an appropriation. Nevertheless, it still is going to be difficult for Senators to vote against this iten., which protects a man in his job, when previously they voted to enlist that man in the service for if he were not here to assume a job in one of our industrial factories, he could be over there fighting to defend our country and its security.

Mr. VORYS continued:

In the defense public-works appropriation, June 28, 1941, was the requirement—

And this is an appropriation—

"Public works shall be provided on the basis of need and in determining need no discrimination shall be made on account of race, creed, or color."

That was the policy of the Congress at that time when there was only an appropriation item before Congress. Mr. VORYS continued:

During the war period there has been a provision for training of defense workers. I quote:

"No trainee under the appropriations provided for * * * shall be discriminated against because of sex, race, or color."

That is the policy laid down by the Congress again and again. Representative VORYS continued:

We enacted this October 9, 1940, and again on July 1, 1941, and again in 1942.

The Congress would not have provided for training defense workers without discrimination as to color if they had not expected those defense workers to be hired after they were trained without discrimination under the general laws for war contracts that Congress enacted.

Thus the Executive had and has, I submit, the duty, the obligation of executing the laws that Congress has enacted under the constitutional provisions of the fourteenth amendment.

The Executive could point out these laws to all of the agencies and authorize and direct them to prevent discrimination, but instead of that the Executive has appointed one Committee, without any coercive power, with only persuasive power, to enforce these provisions. There may have been abuses of that power. There may be places where this Committee is not functioning properly, but from the records of the hearings I find that the result is that at the present time only about 7 percent of Negroes are employed in war industries, although the population figure is about 10 percent.

The Representative from Ohio was speaking about the comparative percentage of the Negroes to the white population of the United States. He added:

I find that in only two cases have they taken the most drastic action the Committee can take, and that was to refer the matter to the Chief Executive. They say that all they are doing is to make sure that war contractors carry out an antidiscrimination provision in war contracts, which the Executive has the right, and probably the duty to insert, to carry out the fourteenth amendment as implemented repeatedly by Congress.

I should remind my colleagues that Mr. VORYS explained at the very beginning of his remarks that he found it difficult to vote for appropriations for agencies created by Presidential directive. He said:

If we want to look into this thing on its merits, this would be one instance where the Executive is executing laws which the Congress itself has enacted over a period of 74 years; 24 of these laws in the last 10 years and a great many of them in the past few years during the war emergency period. Therefore, I cannot see where this argument comes from that there is no authorization in law for the work of the F. E. P. C. This is simply an appropriation to see to the carrying out of laws we have made. Laws against discrimination do little good on the books. To be effective, they must be carried out in action. That is what this Committee is for. In my judgment this is not comparable to a number of other agencies that have sprung up without any authority in law. If this agency is abusing its powers we should limit it, but not destroy it.

Mr. President, I find in the CONGRESSIONAL RECORD, on page 5050, in the statement by Representative VORYS of Ohio, an argument which to my mind lays the groundwork for the consistency of performance which I believe the Congress should show in passing upon appropriations of this character.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. MEAD. Yes; I yield.

Mr. RUSSELL. I can well appreciate the reasons why the Senator should make it perfectly clear that the legal opinion which he is reading is not his own. I am quite sure that if the Senator had stated his own legal opinion, he would not have argued any farfetched idea that we can predicate the legality of this agency on the fourteenth amendment to the Constitution. That argument is incomprehensible to me. I thought that every lawyer in the United States who had been able to obtain a license to practice knew that the fourteenth amendment to the Constitution imposed limitations on the powers of the several States. The fourteenth amendment is directed against the States. I wish to read five lines from it. This is the heart of it:

No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws.

The fourteenth amendment is a limitation upon the powers of the States, and I am amazed that any Member of the House of Representatives or anyone else should assert the fourteenth amendment as the basis for the legality of this Executive order. I am all the more amazed because the last section of the fourteenth amendment provides as follows:

The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.

The constitutional provision does not say that the Chief Executive of the United States may issue a proclamation to enforce the fourteenth amendment. It specifically provides that the Congress of the United States shall have the power to see that no State deprives any citizen of any right by virtue of discriminatory laws. The fourteenth amendment to the Constitution of the United States was never considered as other than a limitation upon the powers of the States. Any lawyer who can issue an opinion that this amendment to the Constitution of the United States, clearly imposing limitations on the powers of the sovereign States authorizes the action of the Executive in creating an agency of this kind by Executive order, has only my sympathy. Any other clause or provision of the Constitution would be just as applicable.

Mr. MEAD. Mr. President, I know nothing about the merits of the legal attainments of the Member of the House whose statement I have quoted. I therefore would not wish even to attempt to compare his legal ability with that of my distinguished colleague from Georgia.

Mr. RUSSELL. It is not a question of legal ability. Anyone who can read the fourteenth amendment—he does not have to be a lawyer—can see that it provides that no State shall take such action as is forbidden. I do not understand that this Committee has ever claimed that it was created to repeal or interpret any State law. It is a Federal agency, and it is not proposing to protect the citizen against State legislation, but merely to protect him against what is alleged to be discrimination by individual employers.

Mr. MEAD. I inferred from what the Senator said about any lawyer in the United States arriving at that conclusion——

Mr. RUSSELL. Frankly, I am amazed that any lawyer in the United States should voice the opinion that the fourteenth amendment gave the President any power to create such an organization as this.

Mr. MEAD. I know little about the legal merits of this question. However, from the lawyers in both Houses, from the action of the committees in both Houses, and from what we have done in the matter of 15 other agencies created by Executive order, it seems to me that we are going out of our way and reaching into the clouds, as it were, for some reason or excuse to destroy one particular agency at this time. That course does not recommend itself to me as being consistent.

Mr. President, before I conclude this observation, let me say that evidently Representative VORYS of Ohio gave some thought to this question. In addition to that portion of the Constitution which has been the subject of discussion, he also cited some 24 laws enacted by the Congress in the past 10 years which placed the Congress on record in favor of policies similar to the policy set forth in this item in the appropriation bill.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. MEAD. I am glad to yield.

Mr. REVERCOMB. I have listened with interest to the very able argument

of the Senator from New York. I may say I am quite in accord with the general purpose of providing equality of opportunity to work and equality of employment. I shall not go into the matter of the legality of the particular agency here involved. I wish to ask the Senator for information. I am very much concerned with this point, and should like to obtain any enlightenment on it which the Senator can provide or any explanation of it. Is not the agency one which has no limitation whatsoever on its power? Is it not an agency which may act without restraint upon the subject matter involved?

For instance, in the testimony given by Mr. Ross, I notice that he was asked the following question:

> You have decided, so far as your agency was concerned, that you do have the power to set aside existing agreements between employers and labor unions.

The answer was "Yes."

Does that mean that after a labor union and an employer have entered into an agreement of employment, and have fixed the terms of employment, if in the contract there is something which this agency feels is not right or, in its judgment, is not fair, the agency may, without restraint, interfere, and may terminate the contract? I find that the head of the agency has said the agency does have such power.

That strikes me as a very dangerous thing. I care not with what subject the agency deals. I care not what the problem may be. However good the purpose, however good the motive in creating the Committee, it seems to me it has unlimited power, is the sole arbiter of what it thinks is right or wrong, and from its decisions, if I am correctly informed, there is no appeal.

I should like to have the views of the able junior Senator from New York upon that matter.

Mr. MEAD. Mr. President, before I direct my attention to the question presented by the able junior Senator from West Virginia, I wish to ask unanimous consent to have printed in the RECORD at this point a statement on the constitutionality of the F. E. P. C. I trust it will receive the attention of the Senate. In it will be found quotations from amendments to the Constitution, cases before the courts, extracts from decisions in which Mr. Chief Justice Stone and Mr. Associate Justice Murphy have rendered opinions, and extracts from the decisions of the Supreme Court in the case of Perkins against Lukens Steel Co. and in the case of Myers against United States. They clearly recognize, as is indicated in the memorandum, that the President may delegate his administrative powers. The memorandum contains many other interesting observations on the constitutionality of the F. E. P. C. I ask unanimous consent that the memorandum may be printed at this point in the RECORD, as a part of my remarks.

Mr. RUSSELL. Mr. President, does the brief also advert to the fourteenth amendment?

Mr. MEAD. No; I do not believe so. The brief is very general. It covers a number of articles of the Constitution and a number of laws enacted by Congress, attributed to those articles, other than the fourteenth amendment.

Mr. RUSSELL. I shall be very happy to read it.

The PRESIDING OFFICER. Is there objection?

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

CONSTITUTIONALITY OF F. E. P. C.

It has been claimed that it has no standing in our form of Government, because it is merely the product of the pen of the President of the United States, who has no power to legislate.

To understand the creation of this agency, it is necessary to go back to 1940, when we began to change our economy from a peacetime to a wartime arsenal. Negroes were denied the right to make the munitions of war, while at the same time they were being drafted to fight for our country. As late as 1942, Negroes constituted only 3 percent of the employees in war production. This was the result of a long history of exclusion of Negroes from the production lines of industry.

Faced with the dire necessity of using every available man to produce the weapons of war, and with the continued practice of exclusion of Negroes in vital industries in the Nation, the President, on June 25, 1941, created a Committee on Fair Employment Practice in order to insure the maximum utilization in war industries and in Government of all available manpower, regardless of race, creed, color, or national origin. Thousands of complaints had descended from groups which had been shut out of war production. These indicated clearly that a huge segment of our population was in great danger of being disaffected from support of our struggle against Hitler. The President, therefore, instructed his Committee to receive all these complaints, to sift them, and to attempt to adjust them. He also gave the Committee authority to hold hearings and to take appropriate steps to eliminate the discrimination.

As Chief Executive of the United States, the President is vested with the executive power (Constitution, art. II, sec. 1, cl. 1). He takes an oath that he will faithfully execute the office of President of the United States and will, to the best of his ability, preserve, protect, and defend the Constitution of the United States (Constitution, art. II, sec. 1, cl. 7). "He shall take care that the laws be faithfully executed" (Constitution, art. II, sec. 3).

It would seem to follow from these constitutional mandates that the President, as Chief Executive, is authorized to proclaim as a policy of the United States, arising from the innate character of the American people, implicit, if not express, in the Declaration of Independence, in the Constitution of the United States and amendments thereto, and in the bills of rights in various State constitutions, a doctrine of immunity of the workers of the land from discrimination because of race, creed, color, or national origin, and to direct that all contracting agencies of the Government shall insert a provision in all Government contracts, to be included in subcontracts, which shall maintain the policy which he has proclaimed.

The policy of nondiscrimination contained in Executive Orders 8802 and 9346 is not a new one. During the past 10 years the Congress itself has outlawed discrimination because of race, creed, or color in legislating for unemployment relief, public-works projects, the Civilian Conservation Corps, civil-service classification acts, the training of civilian aircraft pilots, the National Youth Administration, the Selective Training and Service Act, the training of defense workers, the building of public works necessary to the defense program, and the Cadet Nurse Corps for Government and civilian hospital service.

Other Government agencies have likewise adopted principles and practices of nondiscrimination. The National War Labor Board a year ago announced in the Southport Petroleum Co. case the principle of "equal pay for equal work." It directed the elimination of a colored wage rate which was lower than the white race for identical work.

On several occasions the Supreme Court has spoken out against discrimination. In *New Negro Alliance* v. *The Sanitary Grocery Co.*, Mr. Justice Roberts, speaking for the Court, said:

"The desire for fair and equitable conditions of employment on the part of persons of any race, color, or persuasion, and the removal of discrimination against them by reason of their race or religious beliefs is quite as important to those concerned as fairness and equity in terms and conditions of employment can be to trade or craft unions or any form of labor organization or association. Race discrimination by an employer may reasonably be deemed more unfair and less excusable than discrimination against workers on the ground of union affiliation."

And in Hirabayashi against the United States, Chief Justice Stone stated:

"Distinctions between citizens solely because of their ancestry are by their very nature odious to a free people whose institutions are founded upon the doctrine of equality. For that reason legislative classification of discrimination based on race alone has often been held to be a denial of equal protection."

Mr. Justice Murphy, concurring in the same case, said:

"Distinctions based on color and ancestry are utterly inconsistent with our traditions and ideals. They are at variance with the principles for which we are now waging war. We cannot close our eyes to the fact that for centuries the Old World has been torn by racial and religious conflicts and has suffered the worst kind of anguish because of inequality of treatment for different groups. There was one law for one and a different law for another. Nothing is written more firmly into our law than the compact of the Plymouth voyagers to have just and equal laws."

Pronouncement of policies by Presidents is a long-established practice. While differing in kind, yet based on a similar authority, are such Presidential proclamations as that of Flag Day, the pronouncement of the "four freedoms" in the Atlantic Charter, and, more remotely, the declaration of the Monroe Doctrine. There is sufficient moral and patriotic justification to sanction the declaration of a policy of nondiscrimination against workers because of their race, creed, color, or national origin.

The power of the President to prescribe terms and conditions in a Government contract has been clearly recognized by the Supreme Court in *Perkins* v. *Lukens Steel Co.* (310 U. S. 113, 127).

"Like private individuals and businesses, the Government enjoys the unrestricted power to produce its own supplies, to determine those with whom it will deal, and to fix the terms and conditions upon which it will make needed purchases."

Although the Perkins case dealt with wage provisions to be inserted in Government supply contracts pursuant to the Public Contracts Act (49 Stat. 2036, U. S. C., title 41, sec. 35), there is nothing in the opinion which would limit the application of the quotation to provisions or conditions provided by statute, or which would prevent the President, in absence of congressional restrictions, from prescribing terms and conditions of a con-

tract, at least when such terms and conditions are reasonable.

In time of war and of labor shortage, the powers of the President, not only as Chief Executive but as Commander in Chief of the Army and the Navy of the United States (Constitution, art. II, sec. 2, clause 1), would seem to emphasize the President's power and to reaffirm the reasonableness of his direction in the present instance.

Nor is it any less certain that the President, as Chief Executive, may instruct the proper departments and agencies of the Government to assure that training and vocational programs shall be administered without discrimination because of race, creed, color, or national origin. In time of war his power to do this becomes even more obvious and his direction to prevent such discrimination, more reasonable.

As to the formation of the Committee on Fair Employment Practice and the enumeration of its functions, it would seem manifest that in time of peace the President, as Chief Executive, would be empowered to establish such a committee. The Committee is not a contracting agency of the Government. Its duties are investigatory and advisory. In pursuance of the policy declared by the President, it makes recommendations to achieve the purposes of the order. It is difficult to perceive wherein the President can be said to have transcended his power as Chief Executive by providing that such investigations, declarations of policy, and recommendations shall be carried on for him by the Committee on Fair Employment Practice.

The case of *Myers* v. *United States* clearly recognizes that the President may delegate his administrative powers (272 U. S. 52, 117):

"The vesting of the Executive power in the President was essentially a grant of the power to execute the laws. But the President alone and unaided could not execute the laws. He must execute them by the assistance of subordinates. This view has since been repeatedly affirmed by this Court (*Wilcox* v. *Jackson*, 13 Peters 498, 513; *United States* v. *Eliason*, 16 Peters 291, 302; *Williams* v. *United States*, 1 How. 290, 297; *Cunningham* v. *Neagle*, 135 U. S. 1, 63; *Russell Co.* v. *United States*, 261 U. S. 514, 523). As he is charged specifically to take care that they be faithfully executed, the reasonable implication, even in the absence of express words, was that as part of his Executive power he should select those who were to act for him under his direction in the execution of the laws."

When the powers of the President as Commander in Chief are added to those of Chief Executive, and when the function of investigation by the Committee on Fair Employment Practice is that of encouraging the fullest utilization of the Nation's manpower for the successful prosecution of the war, it is further difficult to perceive wherein this activity constitutes an unconstitutional exercise or delegation of powers by the President.

The argument that the item appropriating $500,000 to the F. E. P. C. should be stricken from the war agencies appropriation bill because the President had no authority to create F. E. P. C. should be examined in the light of the language of the First War Powers Act, enacted by Congress December 18, 1941. Title I of that act, among other things, authorizes the President "to make such redistribution of functions among executive agencies as he may deem necessary, including any functions, duties, and powers hitherto by law conferred upon any executive department, commission, bureau, agency, governmental corporation, office, or officer, in such manner as in his judgment shall seem best fitted to carry out the purposes of this title (secs. 601–605 of this appendix), and to this end is authorized to make such orders as he may deem necessary."

Executive Order 8802 was issued by the President June 25, 1941, prior to the enactment by Congress of the First War Powers Act. It is to be noted from the language above that in passing the First War Powers Act, Congress recognized the existence of executive agencies. Moreover, the language above quoted indicates that Congress recognized the existence of executive agencies with functions, duties, and powers which had not been conferred by congressional act. The War Powers Act speaks of the "redistribution of functions among executive agencies * * * including any functions, duties, and powers hitherto by law conferred."

No question was raised when the First War Powers Act was enacted as to the authority of the President to create F. E. P. C. or any of the other executive agencies which existed at that time. On the contrary, their existence was recognized and the President was expressly authorized to redistribute their functions.

It is clear from the above that the attack now being made on F. E. P. C. as distinguished from other executive agencies is not based upon the belief that the President had no power to create F. E. P. C.; rather it is based upon the fact that F. E. P. C. function is objectionable to those who would destroy it.

If the argument is sound that the President had no power to create F. E. P. C. it should be advanced against all other Executive order agencies.

Only a few days ago the Senate approved a huge appropriation for the War Manpower Commission. This agency was likewise created by Executive order (No. 9139, of April 18, 1943). It concerns itself with the maximum utilization of manpower. Like the F. E. P. C., it seeks to eliminate discrimination in employment based upon race, creed, color, or national origin. It has no specific statutory authority. Unlike F. E. P. C., it has vast coercive powers. It can shut off an employer's labor supply, it can require him to hire solely through the United States Employment Service, it can forbid a man from working in essential industry unless he complies with its regulations.

There are other agencies in this very war agencies appropriation bill which have no more statutory authority than the F. E. P. C. In fact, 13 of the 17 agencies were created by Executive order. Some of these agencies exert rights over American citizens. Among these agencies are the Coordinator of Inter-American Affairs, the Office of Civilian Defense, the Central Administrative Services, the Petroleum Administration for War, the Office of Defense Transportation, the Office of War Information, the Office of War Mobilization, the War Relocation Authority.

Mr. BILBO. Mr. President, will the Senator yield to me?

Mr. MEAD. I am pleased to yield.

Mr. BILBO. Does the Senator object to stating the name of the author of the memorandum?

Mr. MEAD. No; this is my own, gathered from the testimony, the hearings, and the record thus far established with reference to this legislation.

Mr. President, under the terms of the Executive order it is prescribed:

The Committee shall formulate policies to achieve the purposes of this order and shall make recommendations to the various Federal departments and agencies and to the President which it deems necessary and proper to make effective the provisions of this order.

In fact, any of the recommendations made by the F. E. P. C. to other agencies are merely advisory. Its recommendations may or may not be followed by the other Government agencies, and there is no authority in Executive Order 9346 or in any law or statute which could force any other governmental agency to obey any recommendation of the F. E. P. C. to withhold contracts, priorities, and so forth, from any private person. That is my understanding.

I wish to quote further:

The F. E. P. C. has no enforcement power. Its findings and directives are merely advisory, and the President's actions or nonactions stem from his own constitutional powers as President and Commander in Chief and not from any alleged power under the provisions of Executive Order No. 9346.

Mr. REVERCOMB. Mr. President, let me inquire from what the Senator is reading.

Mr. MEAD. I am reading from information gathered from the statements made by members of the board of the F. E. P. C., by Members of Congress, and by others at the hearings before the House and Senate committees. If the Senator will read the hearings and the congressional debates he will find that on several occasions it has been stated that the Committee's power is advisory and consultative, and that it has no power under the Executive order to force any Government agency to obey any recommendations made by it to withhold from any private person contracts, priorities, and so forth. The authority exercised stems from the authority of the Chief Executive, the Commander in Chief, to whom F. E. P. C. cases are finally referred, if they progress that far. But in all the history of the F. E. P. C. only two cases have ever reached the President of the United States.

Mr. REVERCOMB. Mr. President, will the Senator yield further?

Mr. MEAD. Yes; I am glad to yield.

Mr. REVERCOMB. I take it that the Senator is reading from a summary or a résumé which he has made from the testimony in this case. However, I wish to direct the Senator's attention to page 178 of the hearings before the Senate subcommittee of the Committee on Appropriations. At that hearing the following question was addressed—I have previously referred to this matter, but I wish to ask the Senator about it again—to Mr. Ross, who is a member of this Committee:

You have decided, so far as your agency was concerned, that you do have the power to set aside existing agreements between employers and labor unions.

His answer was "Yes."

In the face of that statement, which is a statement from a member of the Committee himself, that he has the power to set aside agreements——

Mr. RUSSELL. Mr. President, he is the Chairman of the Committee, and is the only full-time member.

Mr. REVERCOMB. In the face of that statement, how can it be said that he does not have that power, when he has said he does have it?

I am asking for information, in order to be enlightened on this subject.

Mr. MEAD. I have not had an opportunity at this moment to read the testimony which preceded the statement just quoted or the statements which followed it, but I am sure it was a part of the hearings and I take it for granted that the

statement was made by the Chairman of the Committee, but if the able Senator will read the Executive order he will find that the Committee does not have the authority which is expressed by the Chairman in that particular instance, and I reiterate that, to my satisfaction, the record indicates such to be the case. On appeal to the President by the F. E. P. C., the President may, under the law, exercise his authority, which is only his authority, and which is not the authority of the Committee itself.

Mr. REVERCOMB. Mr President, will the Senator further yield?

Mr, MEAD. Yes; I am glad to yield.

Mr. REVERCOMB. Upon the same subject, I have before me, on page 549 of the hearings before the House subcommittee of the Appropriations Committee, an order or statement issued by the agency itself. It says:

> The obligation to include the nondiscrimination clause exists even though the contract involves nonwar activity.

It was my understanding that this was an agency established by the President as a war measure for the duration of the war, dealing with war emergencies, as a part of his office. If that be so, then how can that agency assume unto itself the power to issue an order of the kind which has been discussed here, and go into every contract in which the Government may be interested, involving even the leasing of grazing land in the West? How can the Committee assume unto itself the power to issue orders dealing with all kinds of contracts?

I may say to the able Senator from New York that the purpose of the provision may be a very good one. I believe that an employer is foolish and wrong if he discriminates on account of race or creed. But shall we finance an agency which assumes powers of the kind under discussion, with which, apparently, it was never lawfully endowed? How far will it be permitted to go without restriction?

Instead of the agency being one to establish fair relations between persons, the danger is that without limitation of its authority it may seize power to act unfairly. Apparently the Committee has already done so, because its Chairman has said that it has the right to terminate, if you please, a contract entered into between an employer and a union of employees. That is going pretty far. Why cannot the whole objective be attained by the passage of a proper law containing proper restrictions? Why must we consent to giving carte blanche power without restrictions to an agency upon any subject? I ask the question in order to be advised.

Mr. MEAD. Mr. President, I shall hurry on because I had intended to conclude my remarks before now. I will admit that the Chairman of the Committee made the statement to which the Senator from West Virginia has referred; but I will not admit that the Committee has gone so far as one might be led to believe from the observations which my distinguished colleague from West Virginia has made.

I may say that the House committee, before which the statement referred to was made, was perfectly satisfied with the record which had been made by the F. E. P. C. Particularly did it single out the Chairman of the Committee on Fair Employment Practices for commendation. As arguments are found in the record against the stand which I am taking, I find reasons sustaining my position from what the House Appropriations Committee collectively said after all the testimony was in from all the witnesses for and against the appropriation. Allow me to quote it.

The Appropriations Committee, in reporting the national war agencies bill for 1945 commented on the testimony of Chairman Malcolm Ross, and added:

> The record is a clear, fair, dispassionate discussion of a democratic policy of national scope and importance that deserves the earnest perusal and consideration of the House.

That is taken from the report of the House Appropriations Committee when it reported the bill.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. MEAD. Yes; I yield.

Mr. BUSHFIELD. A short while ago I understood the distinguished Senator from New York to say that there was no power within the Committee to do some of the things which it has been alleged the Committee has done, and I wish to invite his attention to paragraph 4 of the President's order on page 524 of the printed hearings, part II. It states as follows:

> The Committee shall formulate policies to achieve the purposes of this order and shall make recommendations to the various Federal departments and agencies and to the President which it deems necessary and proper to make effective the provisions of this order. The Committee shall also recommend to the Chairman of the War Manpower Commission appropriate measures for bringing about the full utilization and training of manpower in and for war production without discrimination because of race, creed, color, or national origin.

That is the language of paragraph 4.

I now read paragraph 5:

> The Committee shall receive and investigate complaints of discrimination forbidden by this order. It may conduct hearings, make findings of fact, and take appropriate steps to obtain elimination of such discrimination.

If the Committee does not have the power to take steps necessary to eliminate the conditions which the Committee calls unfair labor practices, how can the distinguished Senator say that under this order there is no power for the Committee to do anything?

Mr. MEAD. Mr. President, I have already said, and I repeat, that the Committee's powers are advisory and consultative. The Committee considers complaints and takes them up with the agencies involved. As a last resort, it takes them up with the President. In all cases but two, some determination was arrived at without referring the matters to the President. After the complaints are considered, taken up with the agencies of Government which are involved, or with the President, then the agencies, or the President, or the labor organizations, or the industry itself, finding that some error has resulted from a policy which was invoked, makes correction and the Committee acts in an advisory and consultative capacity.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. MEAD. Mr. President, I wish further to reply by again quoting from the debates and hearings held in the House. I am perfectly satisfied that my distinguished colleague may have in mind that this agency has power or it has no power. I am merely making the point that from reading the record I believe the agency has persuasive power. It is of a consultative advisory nature. I believe that in this emergency the President had a right to establish this Committee, and I cannot find it in my heart to vote against the F. E. P. C. after I voted for 15 other wartime agencies without a murmur.

Mr. BUSHFIELD. Mr. President, will the Senator yield.

Mr. MEAD. And so, Mr. President, as a foe of discrimination because of race, creed, or color, and as one who has offered such amendments here on the floor in the matter of civil-service legislation, I cannot allow this debate to pass without registering my approval of this appropriation, and my commendation for the good work accomplished thus far by the Committee.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. BUSHFIELD. I believe that we are all in accord with the Senator from New York in our opposition to discrimination along the lines which have been suggested. I am bringing up the question of whether the President had or did not have the power which it is claimed he had. I ask the Senator only to define for me, if he can, or will, the words "take appropriate steps to bring compliance with its orders."

Mr. MEAD. The language means to take the matter up as a consultative or mediation group with the parties in interest, with the agencies of Government, and with the President of the United States. That is my answer.

Mr. McCLELLAN, Mr. REVERCOMB, and Mr. WHERRY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New York yield; and if so, to whom?

Mr. MEAD. I yield for a brief question. I trust, however, in view of the fact that I hope to complete my statement shortly that Senators will not read extensively from the record. I have already read from the hearings and the debates in the House, and I am perfectly satisfied with the record that has been made. I merely state my views for the information of my colleagues. But they are my views, and I know that there are Members of the Senate who are fundamentally opposed to this agency, and they will vote against it while I shall continue to support it.

I know that there are others who are opposed to the setting up of agencies by Presidential directive, but I hope, in

view of the fact that many of my colleagues have voted for other agencies, that I may convince them they ought not to single this one out and make it an exception to the rule. I now yield to my distinguished colleague from West Virginia for a question.

Mr. REVERCOMB. I thank the Senator from New York for the very able statement of his views. In arriving at the fairness of setting up an agency of this kind, this question occurs to me: If the agency makes a decision that there has been a discrimination, and there is a differing on that decision, then could the person who felt that the agency had done wrong go to the court and have it corrected? I do not believe he could, under the agency's powers as they now exist, and if he could not, that is wrong.

Mr. MEAD. In the first place, Mr. President, there are those who believe this agency is illegal. If it is illegal, what would prevent anyone from going into court and having his side of the case heard? If it is legal, its powers are advisory and consultative, and if it takes drastic action in cases within its authority, why cannot that be rectified? It occurs to me that if I believed this agency was illegal, then I should also believe that any citizen of the United States could challenge its legality. That seems to follow logically.

Mr. McCLELLAN and Mr. WHERRY addressed the Chair.

THE PRESIDING OFFICER. Does the Senator from New York yield, and if so, to whom?

Mr. MEAD. I must yield, first, to my distinguished colleague from Arkansas.

Mr. McCLELLAN. In line with the discussion with respect to the powers of the Committee, I should like to ask a question of the able Senator from New York. The President has stated that the order creating the Committee is mandatory rather than directive, overruling the Comptroller General with respect to that point. When the Committee makes a finding that there have been discriminations under the authority vested in it, according to the terms of the order, and then proceeds to make recommendations to other agencies of the Government to enforce the order by the imposition of sanctions, or whatever course it may take, I should like to ask the Senator from New York is that merely directive or is it mandatory?

Mr. MEAD. I will say to my distinguished colleague that a while ago I spoke on the question of sanctions and enforcement. I concluded by saying that the F. E. P. C. has no enforcement power. Its findings and directives are advisory, and I say again that the President's actions or nonactions stem from his own constitutional power as President, as Commander in Chief, and not from any alleged power under the provisions of his Executive order setting up this Committee.

It should be noted that the F. E. P. C.—and this I take from a fair reading of the record—is primarily concerned with removing discriminatory employment practices in war-related and governmental activities. It does not engage in the placement of labor, nor does it commend anyone to hire Negroes or other minority group of citizens unless a particular person or group of persons have been aggrieved by discriminatory treatment and the parties charged are asked to hire or place on a preferential list the qualified complainant. It imposes no quotas, and has no jurisdiction over allegedly discriminatory practices in education, housing, the armed forces, social relationships, or in public or private places or conveyances.

With minority groups of this country totaling more than 30,000,000 people, the continued existence of this agency, I believe, is to protect the full utilization of the Nation's manpower at this time. That is what it is for; that is as I read the record, and that is why I am defending the Committee.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. MEAD. I am glad to yield.

Mr. RUSSELL. The Senator just stated that it only related to war contracts. That statement is itself directly controverted by the official rules filed by the Committee. I refer the Senator to page 549 of the House hearings, and to the rules drafted by the Committee for its own guidance, which have the practical effect of law.

Mr. MEAD. I think there is a misunderstanding. I did not say it related only to war contracts; I said "discriminatory employment practices in war-related and governmental activity."

Mr. RUSSELL. War-related activity?

Mr. MEAD. War-related activity and governmental activity.

Mr. RUSSELL. What does the Senator mean by the words "governmental activity"?

Mr. MEAD. Any official activity of the Government, the employment problem of any agency of the Government, and the contracts of any agency of government having to do with or related to the war effort.

Mr. RUSSELL. The rule I was going to advert to is as follows:

> The obligation to include the nondiscrimination clause exists even though the contract involves nonwar activity.

That is one of the rules and regulations prescribed by the Fair Employment Practice Committee for its administration. I should also like to know how the Senator can explain the action of this Committee in citing newspapers before it and whether or not newspapers are held to be a war activity.

Mr. MEAD. I will say that I read of the newspaper controversy, and that was discussed during the able Senator's discussion of the proposal, and I think it was very well handled at that time.

Now, Mr. President, I desire to proceed with my statement.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. MEAD. I yield for a question.

Mr. WHERRY. Relative to the question asked by the Senator from Arkansas [Mr. McCLELLAN] as to the enforcement of sanctions, paragraph 4 of the Executive order reads:

> The Committee shall formulate the policies to achieve the purposes of this order and shall make recommendations to the various Federal departments and agencies and to the President which it deems necessary and proper to make effective the provisions of this order.

It has been stated several times on the floor of the Senate that sanctions were used and that the Committee withheld priorities on contracts in order that the nondiscrimination clause might be enforced.

I noted with interest the Senator's discussion of that question this afternoon. Does he know of any specific case in which this agency has withheld priorities or has enforced a sanction of some sort, or whether under recommendation to another agency, such agency has somehow enforced a sanction?

Mr. MEAD. No, Mr. President; this agency has no right to withhold priorities. Priorities are within the province of another agency of the Government. This Committee merely takes the matter up with the other agency of the Government. If the agency finds it has any authority to exercise it, then uses its own judgment in the exercise of that power. The Committee does not exercise any priorities' authority whatsoever.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. MEAD. I shall be glad to yield.

Mr. WHERRY. What the Senator said as to priorities is true, but I am asking does he know if there has been a recommendation by this Committee to another agency to exercise such authority?

Mr. MEAD. I did not understand that the Senator used the word "recommendation" of this Committee to any other agency.

Mr. WHERRY. That is what the Committee would do, as I interpret the order. It could recommend. I am asking for information. If the Senator knows of a case I should be glad to have him inform me. Does he know whether or not this Committee has made the recommendation to another agency that has the authority to enforce, for example, the withholding of priorities?

Mr. MEAD. No; I do not. A complete reading of the record does not reveal, to my way of thinking, that they have.

Mr. WHERRY. It has been contended that that is true, and certainly that is one of the things that is vital in acting on these appropriations.

Mr. MEAD. I am sorry that it is so contended, because I am contending that that is not so; so we are at loggerheads again. I maintain that that is an authority which does not rightfully belong to them.

Mr. WHERRY. I am not at loggerheads with the Senator at all. I am merely asking him the questions because it has been contended on the floor that that recommendation has been made. If the Senator, in his investigations, or in the hearings, can point out a place where this agency has made recommendations to an agency which had the authority, and withheld priorities, or enforced some other sanction——

Mr. MEAD. A reading of the RECORD and the debates in the House reveal, so

far as I am concerned, that the agency has not exercised such authority.

Mr. President, I must hurry along, and I hope I shall be able to conclude my observations in a few moments.

I believe that the continuation of this Committee resulting from our approval of the appropriation will result in improving the skill and the productivity of our people throughout the United States. States with large manpower reserves, but where limited industrial output exists, will find an increasing prosperity developing within their borders if they encourage the program that is set out under this appropriation.

Mr. President, as I stated in the beginning, this is a war manpower measure, it is consistent with the principles upon which our Government is founded, it is in keeping with our selective-service policy, it is what we have already done in 15 other cases. Our advocacy of the rights of minority groups has helped us in our relations with other countries, and it will continue to help us at the council tables when the foundations of the peace are laid after the war.

Several of the States are now setting up permanent agencies to carry forward this work, and it will be very helpful to us, and to the States which carry on this activity, if the appropriation is continued.

As I stated a moment ago, it is inconsistent to make a determined fight on this agency and this agency alone. I admit that the debates in the Senate and in the House may have brought out some weaknesses, but what new agency of government has not developed some weaknesses? What new agency of government has not profited by the debates in the House and in the Senate, and by the hearings before the House and Senate committees? The debates, in my judgment, will have a salutary effect, and we should continue this agency by supporting this appropriation, and then legislation should follow in its wake. The House Committee on Labor is considering a permanent measure; we will be able to consider it before the end of the next fiscal year, and I believe that as a result of these debates, and as a result of the hearings we have held, we will improve the administration of the agency, and we will be very proud of our work.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. MEAD. I am glad to yield.

Mr. BILBO. I wish to say, first, that the Senator must be an optimist if he thinks that Congress will ever make this Committee a permanent agency of Government. What I wish to ask is, will the Senator kindly put into the RECORD the names of the States which have already organized State fair employment practice committees?

Mr. MEAD. Yes; I shall do so. I have a list of them, made up of New York, New Jersey, Illinois, Nebraska, Minnesota, Kansas, and Pennsylvania.

Mr. MURDOCK. Will the Senator yield?

Mr. MEAD. I am glad to yield.

Mr. MURDOCK. Senators say they are in thorough accord with the purpose of the Committee, that is, to eliminate discrimination on the basis of race, creed, color, or national origin. If they believe in the principle of the Fair Employment Practice Committee in existence now, whether legally or illegally, under the new order, since May 27, 1943, money out of the Treasury of the United States has been paying the salaries and expenses of the agency, and the money was appropriated by the Congress of the United States. If we believe in the principle of nondiscrimination in contracts made with the Government, the only agency which we have up to date to enforce that nondiscrimination is the one created by the President, and what harm can come by continuing that Committee under the present set-up until Congress takes action to create such a Committee by legislation?

Mr. MEAD. I believe the only harm will come if we destroy this agency by action now taken by the Senate. I agree with the able Senator from Utah that if we continue the experience of this Committee until the legislation can become a reality, we will be making progress along proper lines.

Now, Mr. President, I shall hurry through, and I shall ask permission to insert in the RECORD at this point a statement on the Philadelphia Transportation Co. case.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

PHILADELPHIA TRANSPORTATION CO. CASE

The Philadelphia Transportation Co. case has been cited for the proposition that the F. E. P. C. has set aside or abrogated contracts between management and labor unions.

This company, engaged in the business of transportation in a vital war center, was confronted with a terrible shortage of platform employees. Despite this critical need, the company, aided and abetted by the unaffiliated union which at that time represented the employees (subsequently this union lost its right as collective-bargaining agent for the employees in an election under the Pennsylvania State labor relations act), refused to employ Negroes on the platforms.

After investigation, protracted negotiations which were unavailing, and public hearing after due notice, the Committee issued directives recommending to the company and the union that they cease their discriminatory practices.

Contrary to the impression created, the Committee did not order the abrogation of any contract. There was a provision in the contract between the company and the union incorporating the rules and customs of the company in the contract.

Uncontradicted testimony disclosed, and the Committee found, that this provision had nothing to do with the hiring of Negroes, but merely referred to the usual company rules concerning punching time clocks, length of runs, etc.

All the Committee did was to recommend to the parties, in the light of the uncontradicted testimony, that they do not construe this clause which referred to extraneous matters entirely so as to restrict the employment of Negroes.

Subsequent history—the company and the new union, a C. I. O. affiliate, which was designated by the Pennsylvania State Labor Relations Board as the collective-bargaining agent for the employees, have entered into collective bargaining with a view to signing a new contract. The Committee has been informed that the negotiations are proceeding without friction and the chances are bright for the hiring of Negroes as platform men.

The new union is the bargaining representative in New York City in the New York City Transit System, which employs some 900 Negroes in platform jobs. These men are competent and outstanding employees. No complaint has been received since they have been working, a condition which has prevailed for the past several years.

Mr. MEAD. Mr. President, I also wish to file a statement on the personnel employed by the F. E. P. C.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PERSONNEL

It is said that the personnel is overwhelmingly Negro—it has not hesitated to discriminate against the white race in its own employment policies. I mention that fact merely to show the political nature of this agency.

Eighty percent of the complaints received by the Committee affect discrimination in employment against Negroes. Skilled handling of problems involving Negroes precludes any argument that it is illogical or improper to hire many Negroes on its staff. The assignment of specific quotas for representation of the various minority groups on its staff would have impaired, if not defeated, its responsibility under the Executive order to eliminate discrimination in employment in government.

George M. Johnson, a Negro, is the Deputy Chairman of the F. E. P. C. After Mr. Johnson testified in the lower House committee hearings, one of the committee members described him as "one of the ablest men ever to appear" before that body. Mr Johnson holds the degrees of A. B., LL. B., and J. S. O. from the University of California. He was engaged in the practice of law and served as tax counsel for the California State Board of Equalization for 7 years. In 1940 he was appointed professor of law at Howard University. He joined the Committee's staff in the fall of 1941 as assistant executive secretary and is on leave from his teaching post. He was general chairman of the Student Institute of Pacific Relations, a member of the Berkeley Committee on Race Relations, lecturer for the Mills College Institute of International Relations, June 1941. He has been a member of the race relations department of the Federal Council of Churches of Christ in America. He was chairman of the joint council for the Southern Pacific Railroad (Pacific Lines) and the dining-car cooks' and waiters' union, and is a member of the national legal committee of the National Association for the Advancement of Colored People.

Mr. Theodore A. Jones, the administrative officer of the F. E. P. C., is a native of Colorado with a bachelor of science degree in accounting from the University of Illinois. His thesis for the degree of master of business administration from Northwestern University is now pending. He was commended by the Bureau of the Budget and the House Committee on Appropriations for his excellent preparation and presentation of the F. E. P. C. and his fine work in fiscal management and budgetary planning and control.

The qualifications of these men are representative of the attainments in scholarship and expertness in the field of race relations of the other Negroes on the staff of F. E. P. C.

It is apparent that Negro field examiners inspire confidence among Negro workers and are able to control their actions. Specifically, these examiners have been successful in satisfactorily adjusting 25 work stoppages in

war plants affecting 181,791 workers and costing 185,581 man-days lost to the war.

Quick action by F. E. P. C., which was called into the situation by management or union or Army or Navy Government officials after the situation had gotten out of hand, prevented the loss of thousands of additional man-days and averted major strikes in such plants as Carnegie-Illinois Steel, Jones & Laughlin Steel, Dravo Corporation, Youngstown Sheet & Tube, Illinois Ordnance, Bethlehem Steel Building, Republic Oil Refining, and others.

Government and management officials have acknowledged the services of F. E. P. C. in smoothing industrial relations where racial aspects are involved.

Mr. W. A. Hughes, Director of Industrial Personnel, Army Service Forces, War Department, testified before the House Labor Committee a few days ago. He stated:

"The Executive orders as they stand now seem to be functioning successfully in war plants and have in all probability been a factor in increasing labor supplies which have been helpful."

Mr. MEAD. Mr. President, in this connection I wish to say that Mr. George M. Johnson, who is the Deputy Chairman, and a Negro, testified before the House committee, and one of the committee members describes him as one of the ablest men ever to appear before that body.

Mr. President, I have the names of a number of others of the personnel in the statement I have submitted.

Mr. BILBO. Will the Senator yield at that point?

Mr. MEAD. I am glad to yield, but this will all be in the RECORD.

Mr. BILBO. Since the Senator is submitting a list of the personnel of the present set-up of this organization, I should like to hear him make some observations on the very patent and gross discriminations the Committee itself has made against the white race, by employing two-thirds Negroes and only one-third whites.

Mr. MEAD. Mr. President, that statement has been placed in the RECORD on a previous occasion by those who have participated in the House debates. Perhaps a very large percentage of the complaints brought to the attention of the Committee are complaints of discrimination against the colored race, and of necessity, in the investigation of the complaints, the board has seen fit to employ a fairly substantial percentage of colored men and women, who are in perhaps a better position to obtain all the facts and assemble all the data upon which the board acts. But, as I stated, that is already in the RECORD. I have read it thoroughly, and I cannot see that there is any discrimination, when one considers the character of the work. If we take the complaints, the percentage of complaints, we will find that there has not been discrimination, and if there has been, we have on the statute books, in the civil-service laws of the country, prohibitions against discrimination.

Mr. RUSSELL. Will the Senator yield?

Mr. MEAD. I am glad to yield.

Mr. RUSSELL. I merely wish to point out the inconsistency of the agency in that regard. They stated that a majority of the cases did involve colored people, and for that reason they assigned Negroes to investigate and prosecute them, but it developed in the course of the testimony that the second largest number of cases involved religious discrimination against Jews. I asked Mr. Ross if he appointed Jewish examiners to go into all the Jewish claims, and he said that he did not. It seems to me that this agency is unfair in that matter, because they insisted upon having Negro examiners to go into the Negro cases, but did not assign Jewish examiners to go into cases that involve discriminations against Jews.

Mr. MEAD. I do not know about that.

Mr. President, I now wish to place in the RECORD another statement in answer to the statement made that this agency is dominated by the C. I. O. The C. I. O. has no desire to dominate the Committee. This agency has been commended by Mr. William Green, the president of the American Federation of Labor, in the following words:

> Legislative representative of American Federation of Labor will appear before Appropriations Committee of the United States Senate urging favorable action upon appropriation for Fair Employment Practice Committee. Will do all we can to secure favorable action by Congress of United States.

Mr. President, several charges have been made against the F. E. P. C.; one that it is concerned with all problems involving Negroes; another that it aggravates the race problem; still another one that with many Negroes on its staff it is exclusively concerned with the Negro problem. I ask that a statement concerning those charges may be made a part of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE FALSE CHARGES AGAINST F. E. P. C.

Certain misconceptions concerning the F. E. P. C. have been prevalent. Chief among these are the charges that—

F. E. P. C. IS CONCERNED WITH ALL PROBLEMS INVOLVING NEGROES

F. E. P. C. is concerned solely with removing discriminatory employment practices in war-related and governmental activity. Contrary to popular belief, the Committee does not have jurisdiction in a case merely because the party charged is engaged in interstate activity. Similarly, it has no jurisdiction over allegedly discriminatory practices in education, housing, the armed forces, and social relationships, nor in public or private places or conveyances, nor is it concerned with political controversies such as voting rights.

F. E. P. C. PROMOTES THE EMPLOYMENT OF NEGROES, ATTEMPTS TO ENFORCE QUOTAS, AND FORCES THE EMPLOYMENT OF CERTAIN PERSONS

F. E. P. C. has no power to channel, direct, or place labor, which is the legitimate function of the War Manpower Commission. F. E. P. C. action is limited to the removal of discriminatory employment practices. It acts only on signed complaints. It does not request anyone to hire Negroes or any other minority group of citizens. It imposes no quotas. It is only in cases where a particular person or group of persons have been aggrieved by discriminatory treatment that the parties charged are asked to hire or place on a preferential list the qualified complainant. Cases are dismissed on merits where it appears that the employer was justified in refusing to hire or upgrade an applicant not properly qualified.

F. E. P. C. IS AGGRAVATING THE RACE PROBLEM

The large number of satisfactory adjustments achieved by the Committee contradict this charge. F. E. P. C. inherited a problem it did not invent, and without its services in this field some other mechanism would have had to be established to meet the discontent arising when a man's twin impulses of earning a living and serving his country are frustrated.

WITH MANY NEGROES ON ITS STAFF, F. E. P. C. IS EXCLUSIVELY CONCERNED WITH THE NEGRO PROBLEM

As the minority subject to most widespread discrimination, it is natural that the Negro minority should produce the largest proportionate number of skilled experts in this difficult field. While four-fifths of the cases before F. E. P. C. involve discrimination against Negroes, the sizable remainder are concerned with discriminatory practice against Jews, Mexican-Americans, and other minority groups. Negroes represent a tenth of the Nation's manpower. Minority groups in this country total more than 30,000,000 people, F. E. P. C. protects the full utilization of the Nation's manpower in war activities.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. MAYBANK. The Senator has placed in the RECORD the recommendations of several labor organizations of the Fair Employment Practice Committee. Does the Senator have any endorsements of the Committee from the various railway brotherhoods?

Mr. MEAD. I have here a recommendation from John P. Frey, of the metal trades department of the American Federation of Labor. I have another from Mr. George Googe, long top A. F. of L. organizer south of the Potomac. He says:

> Race discrimination in our unions in the South has decreased 50 percent in the last 12 years. Give us 12 years more and there won't be any.

Mr. MAYBANK. Mr. President, will the Senator further yield?

Mr. MEAD. I yield.

Mr. MAYBANK. Does the writer say that the F. E. P. C. brought that about?

Mr. MEAD. No; he does not. Mr. Frey says that he went to Chattanooga, Tenn., a great many years ago and straightened out a situation there. As the result the colored metal workers are now members of the organization he represents.

Mr. MAYBANK. The question I previously asked the Senator from New York was whether any of the railway brotherhoods had endorsed the F. E. P. C.?

Mr. MEAD. I thought I had one such endorsement, but I do not have it before me now.

Mr. MAYBANK. Was it a railroad brotherhood?

Mr. MEAD. I would not make that statement; I do not know. It occurs to me that one of the railroad organizations commended the record of the Committee. I do not wish to make that as a statement of fact in the RECORD until I have it before me.

Mr. BARKLEY. Mr. President, will the Senator yield to me for a moment?

Mr. MEAD. Yes; I yield.

Mr. BARKLEY. I dislike to interrupt the Senator from New York, but I am compelled to leave the Chamber. I wonder if there is any chance of agreeing to an hour at which a vote may be taken on the pending question?

Mr. MEAD. Mr. President, I am practically through with my statement.

Mr. BARKLEY. I wonder if we could agree on some hour tomorrow when a vote could be taken.

Mr. MEAD. Mr. President, I am ready to yield the floor. I merely make a final appeal for approval of this appropriation.

Mr. RUSSELL. If the Senator from New York will be good enough to yield to me——

Mr. MEAD. I am very glad to yield.

Mr. RUSSELL. The Senator from New York has placed in the RECORD the position taken by the American Federation of Labor and other organizations. I wonder if the Senator placed in the RECORD a report by the executive council of the American Federation of Labor?

Mr. MEAD. I have some matter relating to the American Federation of Labor before me.

Mr. RUSSELL. I wish to point out that the American Federation of Labor, while it very strongly endorses the policies of this Committee as it relates to the employer, is very bitterly opposed to its policies with respect to labor unions.

Mr. MEAD. On that point I wish to say that I have a recommendation by the executive council of the American Federation of Labor at its sixty-third convention held in October of 1943, and I ask that it be placed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

In October 1943 the executive council of the American Federation of Labor at its sixty-third convention stated:

"The direct and wholehearted participation of the representatives of the American Federation of Labor in the work of the Fair Employment Practice Committee has been based on the recognition of the fact that race discrimination in war employment is inconsistent with the Nation's foremost objectives in war for the survival of democracy. Such discrimination is not only contrary to our basic institutions, but is also a threat to national unity during and after the war."

Mr. RUSSELL. Mr. President, simply to make the RECORD complete I wanted to show that the American Federation of Labor did not endorse all that this Committee has attempted to do, because the A. F. of L. was very much opposed to the policy of the Committee with respect to labor organizations.

Mr. MEAD. Mr. President, I now yield the floor.

EXHIBIT 1

THE PRESIDENT'S COMMITTEE ON FAIR EMPLOYMENT PRACTICE—ITS BEGINNING AND GROWTH

Early in the defense program it became evident that full mobilization of American manpower was going to be a major problem. An important aspect of the over-all manpower picture concerned the integration of minority groups into the war effort, and in July 1940 there began a series of measures to prevent discrimination in essential industry.

The National Defense Advisory Commission established an office in its Labor Division to facilitate the utilization and training of Negro workers and later reached an agreement with the American Federation of Labor and the Congress of Industrial Organizations by which they accepted responsibility for removing barriers against such workers. This was followed by announcement by the United States Office of Education of a nondiscrimination policy in the expenditure of Federal funds for vocational training for defense. In October 1940 Congress, in appropriating money for defense training, forbade discrimination against trainees because of sex, race, or color.

Special letters and instructions were issued by various Government officials during the next 6 months. For example, in January 1941 the Administrator of the Federal Works Agency established a regulation prohibiting discrimination in employment in the construction of defense-housing projects. In a memorandum on June 12, 1941, to William S. Knudsen and Sidney Hillman, co-directors of the Office of Production Management, President Roosevelt emphasized the need for unity. "No nation combating the increasing threat of totalitarianism can afford arbitrarily to exclude huge segments of its population from its defense industries," he said. "Even more important is it for us to strengthen our unity and morale by refuting at home the very theories which we are fighting abroad."

On June 25, 1941, in response to growing protest that the steps taken had not proved adequate, the President issued Executive Order 8802 and appointed the Committee on Fair Employment Practice to enforce it. The order stated that it was the duty of employers and of labor organizations "to provide for the full and equitable participation of all workers in defense industries, without discrimination because of race, creed, color, or national origin." According to 8802, the Committee was to "receive and investigate complaints of discrimination in violation of the provisions of this order and * * * take appropriate steps to redress grievances which it finds to be valid." It was also empowered to make recommendations to Government agencies and to the President.

The first Chairman, Mark Ethridge, publisher of the Louisville Courier-Journal, and five other members, serving without compensation, were appointed by President Roosevelt on July 18, 1941. Lawrence Cramer, former Governor of the Virgin Islands, was called from teaching at Harvard University to become executive secretary. Originally the Committee functioned within the Labor Division of the Office of Production Management. On January 26, 1942, when O. P. M. was abolished, the Committee was transferred to the War Production Board: Dr. Malcolm McLean, president of Hampton Institute, became Chairman in March 1942, and in July of the same year the Committee was transferred as an "organizational entity" to the War Manpower Commission.

By the beginning of 1943 it was apparent that a reorganization was necessary to enable the Committee on Fair Employment Practice effectively to carry on its duties. The staff, at maximum, had consisted of 13 officers and 21 clerical and stenographic employees, a number far too small to investigate thoroughly the numerous complaints being received by the Committee. Under Executive Order 9346, issued on May 27, 1943, a new Committee, with a full-time Chairman, was set up as an organizationally independent agency.

The new order enlarged upon 8802, while repeating its basic principles. It stated clearly that it was the duty of all employers, including Federal agencies and labor organizations, "to eliminate discrimination in regard to hire, tenure, terms or conditions of employment, or union membership because of race, creed, color, or national origin." Contracting agencies of the Government were required specifically to include a nondiscrimination provision in all subcontracts, as well as in all contracts as required by 8802. The Committee's powers to conduct hearings and make findings of fact, to promulgate rules and regulations, and to take appropriate steps to obtain elimination of such discrimination were mentioned in detail. Msgr. Francis J. Haas, dean of the school of social sciences at Catholic University and well-known labor mediator, was appointed Chairman of the new Committee and served until nominated bishop of Grand Rapids on October 7, 1943. Malcolm Ross, author and former Director of Information of the National Labor Relations Board, who had been deputy chairman, was named his successor by President Roosevelt on October 18, 1943.

At the present time, the President's Committee on Fair Employment Practice has, exclusive of the Chairman, 6 members who represent labor and management equally. The paid staff numbers 113 workers, 60 of whom are in the field. The national office in Washington, D. C., has 4 divisions: Field Operations, Administrative, Legal, and Review and Analysis. In addition, there are 9 regional offices, each with a director in charge, and 2 additional suboffices, 1 in Detroit in region V and 1 in Los Angeles in region XII.

DUTIES AND JURISDICTION

Responsibility for fair-employment practice rests, actually, with the individual employer, union, or Government agency. In interpreting and enforcing Executive Order 9346 the Committee, which is an administrative agency, first must determine how, when, and by whom discrimination is practiced; and second, must take appropriate steps to eliminate such discrimination.

Definition of complaints and complainants

F. E. P. C. has jurisdiction over complaints of discrimination because of race, creed, color, national origin, or alienage. The category of noncitizens was not included in Executive Order 8802. A statement by the President, in January 1942, however, brought aliens within the scope of the Committee's responsibilities.

Whether because of race, creed, color, national origin, or alienage, discrimination may take many different forms. It may be direct by the employer against an employee, as in the case of refusal to hire. A member of a minority group may be employed and later subjected to inferior working conditions. Failure to utilize the minority workers at their highest skill level, early and unwarranted dismissal, and unequal pay for equal work are additional types of direct discrimination.

Less direct discrimination in employment may be practiced by unions, training institutions, and employment agencies. Most of the complaints against unions charge refusal to accept for membership, to issue work permits, or to handle grievances, including disputes over seniority and upgrading. There also may be segregation into local auxiliaries in which the Negro worker is denied the right to vote, to bargain collectively, or to participate equally in business negotiations. Complete denial of training and, in addition, unequal facilities where segregated schools exist are the chief charges against training institutions. Discriminatory want ads and job specifications sent to employment agencies frequently prevent non-white, Jewish, and alien complainants from obtaining war jobs.

Basis of the Committee's authority

The functions performed by the Committee are carried out for and in the name of

the President. The authority delegated to the Committee stems from two Presidential prerogatives: first, the constitutional power of the President, as administrative head of the executive branch of the Government, to direct the operation and administration of all Federal agencies; and second, his power as Commander in Chief to take all administrative action necessary to assure adequate supplies for the armed forces of the United States. Pursuant to his authority under the former, the President has empowered the Committee to investigate discrimination on the part of Government agencies, Government-sponsored training programs, and private industries involved in the performance of Government contracts. The President's power as Commander in Chief underlies his delegation of authority to the Committee to investigate discrimination in all essential war industries.

Agencies within the jurisdiction of the Committee

Thus, the jurisdiction of the Committee under Executive Order 9346 extends to three categories of complaints alleging discriminatory employment practices:

1. Complaints against all agencies of the Federal Government.

2. Complaints against all employers (and the unions of their employees) having contractual relations with the Federal Government, regardless of whether such contracts pertain to the war effort, and

3. Complaints against all employers (and the unions of their employees) engaged in industries essential to the war effort, whether or not they have contractual relations with the Government.

The Committee's jurisdiction over complaints against Federal agencies has never been challenged. But questions have been raised regarding the kinds of Government contracts contemplated by the order and as to whether or not the inclusion of the order's "nondiscrimination clause" in such contracts is mandatory. The latter question has been answered in the affirmative by the President. In defining the kinds of Government contracts contemplated by the order, the Committee has ruled that the "nondiscrimination clause" must be included in all contracts made, amended, or modified which call for the employment of persons. Such inclusion does not depend upon the amount of money involved, and is required even though the contract does not involve war activity.

The Committee's jurisdiction over "war industries," which no contract is involved, has been challenged in several cases. The Committee has issued no comprehensive definition of what it regards as war industries. It accepts as a general guide the War Manpower Commission's List of Essential War Industries, but it reserves to itself the right to determine in each case whether the party charged is an "essential war industry" within the meaning of the order. The Committee has ruled that steamship lines, railroads, telephone and telegraph companies, and local street-railway systems in vital industrial areas are essential war industries within the meaning of the order.

The Committee also has ruled that its jurisdiction extends to all private educational institutions which receive Federal funds for the support and maintenance of their war training programs.

Agencies not within the jurisdiction of the Committee

Contrary to popular belief, the Committee does not have jurisdiction in a case merely because the party charged is engaged in interstate activities. F. E. P. C. has no power to deal with privately owned, privately operated plants, which do not hold Government contracts or subcontracts, and which are not engaged in activities essential to the war effort even though they may be engaged in interstate or foreign commerce. Also excluded from the Committee's jurisdiction are retail stores and local enterprises such as beauty parlors, law offices, specialty shops, etc., which do not hold Government contracts and which are not engaged in services essential to the war effort.

The Committee has no jurisdiction over the armed forces.

PROCEDURE

A case requiring investigation by the President's Committee on Fair Employment Practice is (a) a signed complaint (b) against a named employer, union, or Government agency (c) alleging discrimination (d) relating to employment, placement, or training (e) because of race, color, creed, national origin, or alienage. Information pertaining to discriminatory advertisements, placement orders, or application forms may be acted upon by a staff member upon his own cognizance. In addition, evidence of violation of Executive Order 9346, referred to the Committee by another Government agency, may constitute a case.

Method of investigation—Customary steps

All cases are docketed in the regional office of the area in which the alleged discrimination has occurred. If a complaint comes under the jurisdiction of the Committee, investigation of its validity is begun. Further information from the complainant may be obtained and collateral investigations undertaken, after which contact is made with the party charged by a Fair Practice examiner. If an employer or union official, thus reminded of his responsibilities under Executive Order 9346, acts to eliminate discriminatory practices in accordance with the recommendations of the examiner and the regional director, the case is closed. Most of the 359 cases satisfactorily adjusted in the 6 months' period from July 1 to December 31, 1943, represent this kind of disposition.

Should a case prove unadjustable at the regional level, the Regional Office can refer it to the Director of Field Operations in Washington. At both the regional and national levels, there is frequent negotiation with the War Manpower Commission or with the contracting agencies of the Government. In some troublesome situations a senior Fair Practice examiner is sent from the Washington office to effect a satisfactory disposition of the case. Referral to the full Committee and the scheduling of a public hearing result only after all other methods of settlement have been employed unsuccessfully.

Hearings

The decision to hold a hearing is not automatic. It is made only after the members of the committee have agreed upon such action. The purpose of the public hearings is to determine the existence of discrimination, the duties of employers, and the rights of employees under Executive Order 9346.

Hearings conducted by the President's Committee on Fair Employment Practice are informal, fact-finding proceedings. They are not limited by the legal rules of evidence and procedure. The full Committee sitting as an impartial body, may hear the case or may authorize its chairman to appoint a hearing commissioner for the purpose of conducting the hearing. In other instances, a panel of Committee members may be designated. A number of concerns from the same industry or local area may be investigated at one time.

In the majority of the 11 public hearings held by the Committee since its inception, more than 1 company or 1 union has been involved.

Ample notice of the hearing and of the specific charges is given to the party charged. Parties may appear in person or be represented by counsel and may examine and cross-examine the witnesses. The Committee may request the party charged to present material, but it has no power to subpena witnesses or records.

The full Committee reviews the stenographic record of the proceeding before rendering its final decision and entering its findings. At this time it takes corrective measures, which include recommendations and directives to the parties charged and recommendations to Federal agencies and to the President of the United States to eliminate whatever discriminatory practices have been revealed.

The elimination of discrimination

In most instances, F. E. P. C. staff members are able to bring about the adjustment of specific complaints without formal reference to the Committee. Satisfactory disposition is achieved when the party charged complies with the requests of these executives that it take certain positive steps to correct present discriminatory practices or to guard against their future occurrence. Beyond the settlement of the immediate grievance, such implementation usually consists of written notices and instructions to personnel officers, placement agencies, training institutions, and labor unions that the party charged will employ persons solely on the basis of their qualifications and without regard to their race, creed, color, or national origin.

The Committee's directives usually advise the parties charged to issue formal instructions to their own personnel officers and employment agencies that the recruitment, training, and placement of workers will be carried on without discrimination.

In addition, the Committee has at times directed companies to hire persons who have been discriminated against or to reinstate workers who have been dismissed for discriminatory reasons. One such instance occurred in December 1942, following a hearing which involved charges brought by seven members of Jehovah's Witnesses. The Committee directed that "the company take immediate steps to offer reinstatement to the seven complainants and to offer them reemployment with full seniority rights they would have enjoyed had they been continuously employed."

The Committee consistently has expressed its conclusions regarding methods of carrying out the purposes of the Executive orders by means of the well-known administrative procedure of issuing directives. Power to issue directives is implied in Executive Orders Nos. 8802 and 9346. Under Executive Order No. 8802 the Committee "shall take appropriate steps to redress grievances." The corresponding clause in Executive Order No. 9346 authorizes it to "take appropriate steps to obtain elimination of * * * discrimination." The Committee's authority to issue directives springs from these phrases.

Should the Committee's directives be defied, such violation can be referred to the proper contracting agency, including the War Department, the Navy Department, or the Maritime Commission. The contracting agencies may cancel or refuse to renew war contracts. Ultimately noncompliance is certified to the President of the United States.

The Committee can also bring such cases to the attention of the Chairman of the War Manpower Commission. A formal agreement, executed by the two agencies in August 1943, defines the respective responsibilities of F. E. P. C. and W. M. C. in enforcing the Government's nondiscrimination policies concerning the training, placement, and utilization of manpower. In addition, the War Manpower Commission, in carrying out its employment-stabilization program, may penalize violators of the program's clause prohibiting discriminatory hiring and referral practices. Sanctions may be invoked at both the regional and national level. Most

of them are available at any stage of negotiations when the intent of the party charged not to comply becomes clear.

The War Manpower Commission, through the United States Employment Service, may refuse to service noncomplying employers, or may issue certificates of availability to workers against whom discriminatory policies have been practiced. It may refuse the employer clearance for the recruitment of workers outside of his labor market if he imposes discriminatory hiring specifications. It may issue certificates of availability to the workers of a noncomplying employer. Also, in accordance with W. M. C. policy, employees who quit in protest over the employment of minority workers may be denied certificates of availability to other employment.

Finally, the President may act under his dual authority as administrative head of the executive branch of the Government or as Commander in Chief of the armed forces to enforce committee directives.

SCOPE OF ACTIVITIES

Complaints received and investigated

As of July 1, 1943, F. E. P. C. had pending 1,016 cases. During the 6 months' period between that date and January 1, 1944, 1,950 new cases were docketed. During the same period 989 cases were closed, leaving the committee's January 1 case load at 1,957. More than one-third of the cases closed represented satisfactory adjustments. Dismissal because of lack of jurisdiction over the complaint or because of insufficient evidence accounted for 244 of the closings. In addition, 256 cases were closed on merits, 123 were withdrawn by the complainant, and 7 were dismissed for other reasons. The 630 cases in these last 4 categories represent allegations of discrimination which would have remained as continuing disputes had they not been subjected to a careful examination by a third party.

F. E. P. C. public hearings number only 11. Of these, 6 were held under the auspices of the old Committee, before the issuance of Executive Order No. 9346. A number of companies and unions were involved, and compliance has been largely good. Certain companies have been especially cooperative. At this writing, the new Committee has conducted 5 public hearings: Two were based upon charges of discrimination because of creed and involved the Dow Chemical Co. in Midland, Mich., and the Northwest Mining and Exchange Co. in Du Bois, Pa. The railroad hearings in Washington, D. C., the boilermaker's hearings in Portland, Oreg., and San Francisco, Calif., and the case of the Philadelphia Transportation Co. in Philadelphia involved charges of racial discrimination.

Distribution of complaints by race, creed, color, national origin, alienage

Race and Color

For the most part in the United States, Negro labor has been disproportionately concentrated in unskilled, domestic, and agricultural occupations. According to the 1940 census, Negro men comprised 60.2 percent of all males in domestic service and Negro women constituted 46.6 percent of all women employed in this field. Colored men formed 21 percent of the males employed as laborers; colored women composed 26.9 percent of such laborers. (Farms and mines not included.) Negro men were 21 percent of all farm laborers and foremen. It can be seen how disproportionately the Negro is concentrated in the lower work brackets, when it is considered that Negro males constitute 10.3 percent of the total male working population, and that women form 18.9 percent of the total female working population.[1]

During World War No. 1, and for a decade thereafter, Negroes made significant occupational gains in such industries as iron, steel, meatpacking, shipbuilding, and automobile manufacturing. The depression seriously hampered these gains and in 1940, Negroes constituted a smaller proportion of the workers in mining, manufacturing, transportation and communication, than they had in 1910.[2] A survey by the Bureau of Employment Security of the Social Security Board issued in September 1941, revealed that Negroes would not be considered by industry for 51 percent of 282,245 job openings expected to occur by February 1942.[3]

The Tolan committee, in 1941, found that nine A. F. of L. unions still had constitutional provisions barring Negroes from membership, along with the railway brotherhoods. In addition, numerous unions continued to discriminate against Negro workers, excluding them by tacit consent and constitutional ritual, and, by segregating them into auxiliaries.

Since 1941 the Negro has made considerable advances in the field of industrial employment. In January, according to the War Manpower Commission, nonwhite workers now constitute 7.2 percent of the total 15,000,000 war workers in firms reporting to the United States Employment Service. This shows a good trend. In the beginning of 1942 it was estimated that nonwhite workers constituted only 3 percent of the employees in war industries. By September 1942 the figure was 5.7 percent, in January 1943 6.4 percent, and in March 1943 6.7 percent.[4] Negroes have secured significant employment opportunities in shipbuilding, aircraft, blast furnaces, steel works, rolling mills, tanks, communication equipment, explosives, and ammunition.

No reliable data is available on the utilization of nonwhite workers in skilled and semiskilled occupations. Most observers agree that Negroes are being both placed and upgraded to skilled and semiskilled operations in many plants at a startling rate. The W. M. C. has revealed that for the last quarter of 1943 14.8 percent of nonwhite placements were in other than unskilled occupations. The number of Negroes in operations other than unskilled in industry is perhaps much higher than this figure would indicate, since the usual tendency is to upgrade Negroes from unskilled jobs rather than to take newcomers from the outside at the high levels of employment.[5]

Negroes have also made considerable gains in the Federal civil service. The 1938 report by L. J. W. Hayes showed that Negroes composed 8.4 percent of Federal employees in Washington, and that 90 percent were in custodial jobs.[6] In contrast, a study by the Division of Review and Analysis of F. E. P. C., involving a sample which covered 1,957,858 Government employees, showed that 12.5 percent of these workers were colored. According to this study, in the departmental service Negroes composed 18 percent of the total personnel. A large number, 50 percent or more in some agencies, were employed in the clerical, administrative, fiscal category, although in the field service most Negroes were still in custodial classifications.

In general, however, the better utilization of the Negro is spotty and is concentrated in certain industries, in certain areas, and even in some cases, is limited to specific corporations. There are many industries where the full utilization of nonwhite workers is of critical importance to the war production effort. Among these are the local transit industry, the air-frame industry, the cotton-textile industry in the South, the jute-spinning industry, the rayon fiber and rayon textile industry, the antifriction-bearing industry, and the shipbuilding industry where they are already highly utilized.

The practices of organized labor have not kept pace with the increased employment of the Negro. Today 13 unions exclude Negroes by constitutional provisions, 5 exclude by tacit consent, 1 by ritual, and 9 afford only segregated auxiliary status to Negroes.[7]

Creed

Charges of discrimination because of creed comprised nearly 10 percent of the complaints received by the Committee during the July-December 1943 period. Most of them came from Jews. Members of this group frequently have been barred from employment through discriminatory want ads or specifications to employment agencies. Application forms on which religion must be designated further such discrimination. Training schools, realizing that Jewish graduates may be hard to place, in many cases have refused to admit them.

Orthodox Jews, Seventh-day Adventists, and others who regard Saturday as their Sabbath constitute a problem because of the working schedules to which most industries geared to the demands of war production now adhere. Absenteeism related to such practice often has led to dismissal, although many plants and agencies have managed to work out satisfactory arrangements for Sabbatarians.

National origin and alienage

Discrimination because of national origin alone accounted for 5 percent of the complaints docketed by the Committee between July 1 and December 31, 1943. Some foreign-born citizens have been denied employment simply because an employer doubts their loyalty. On the other hand, certain groups, largely Spanish-American in origin, have to contend with discrimination of the same type which faces American Negroes. This is especially true in sections of the far West and Southwest.

The problem of placing noncitizens in war jobs is a troublesome one. During the 6 months' period mentioned above discriminatory acts against aliens constituted almost 7 percent of F. E. P. C.'s docketed cases. Most discrimination of this kind arises from overcautiousness in employers engaged in war production. Sections in two acts of Congress, passed in 1926 and 1940, forbade the employment of aliens in the performance of aeronautical, secret, restricted, or confidential contracts without the written consent of the Secretary of the Department concerned. Although the latter act has expired and the 1926 act covers only aeronautical contracts, the War and Navy Departments and the Maritime Commission continue to require written consent for the employment of aliens on such classified contracts.

Any employer not engaged in work of this kind violates Order 9346 when he refuses to employ qualified and available aliens. It is also a violation for a contractor engaged in the execution of a secret, restricted, confidential, or aeronautical contract to neglect or refuse to apply to the Secretary of War or Navy for permission to employ needed and qualified aliens.

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[1] U. S. Census, Population, The Labor Force, Volume III, Washington, D. C.; U. S. Government Printing Office; pp. 88 and 89

[2] Weaver, R. C., "The Employment of Negroes in War Industries," Journal of Negro Education, Washington, D. C., Howard University Press, Summer 1943; pp. 386-387.

[3] Bureau of Employment Security, Social Security Board, Labor Supply and Demand in Selected Defense Occupations Through the Period May-November 1941, Washington, D. C., Federal Security Agency; September 1941.

[4] Weaver, R. C., op. cit., p. 391.

[5] Reports and Analysis Service, Placement Activities, Washington, D. C., War Manpower Commission, December 1943.

[6] Hayes, L. J. W., The Negro Federal Government Worker, Washington, D. C., master's thesis, Howard University, 1941.

[7] Northrup, H. R., Organized Labor and Negro Workers, The Journal of Political Economy. Chicago, University of Chicago Press, June 1943 (p. 208).

The number of complaints received by the former committee from aliens proved the existence of confusion among employers and applicants alike. In March 1943 discrimination against aliens still comprised F. E. P. C.'s second largest group of complaints. A series of steps has served to alleviate the situation. On July 11, 1942, President Roosevelt issued a clarifying statement, setting forth the official position on the employment of noncitizens and outlining procedures to be followed in hiring them. This was reaffirmed on June 7, 1943, in a joint statement by the Secretary of War, the Secretary of the Navy, the Attorney General, and the Chairman of the Maritime Commission.

According to section 205 of the Independent Office Appropriations Act, approved June 26, 1943, aliens who are nationals of any of the United Nations may now be employed by the Government agencies whose appropriations are provided by this act.

In recent months the paper work and the time needed for clearance of applications have served as the chief obstacles to the employment of aliens. The President's Committee has made recommendations toward the simplification and shortening of application forms. At this time the Provost Marshal General has brought about decentralization of the investigation and clearance of alien applications. This process should reduce considerably the time required for clearance.

As a war agency, the President's Committee on Fair Employment Practice is concerned with bringing about the fullest utilization of all available manpower for the fight against the Axis. Its functions are the direct expression of Government policy and are aimed at eliminating discriminatory practices, which, in the present emergency, tend seriously to impair workers' morale and national unity. The current need for labor does not allow for the continuance of habits which bar qualified workers from employment and prolong the day of victory.

Mr. BARKLEY. Mr. President, I wish to inquire whether we may not reach some agreement on voting at some hour tomorrow. Any hour suits me.

Mr. BILBO. I have no objection to that, provided I am given an hour.

Mr. BARKLEY. The Senator would have my consent to having an hour. I should like to have the time for voting fixed at 4 or 5 o'clock.

Mr. BILBO. Tomorrow?

Mr. BARKLEY. Yes; tomorrow.

Mr. RUSSELL. The thing which disturbs me is, How shall we confine the debate to the subject under consideration? Some Senators may obtain the floor and make lengthy speeches on some unrelated matter and thereby deprive other Senators who wish to discuss the pending question of an opportunity to do so.

Mr. BARKLEY. That is the chance we always take unless by unanimous consent we can limit the debate on the amendment and have the time divided between Senators on both sides of the question.

Mr. McKELLAR. Mr. President, there are two or three Senators who wish to speak on the question, and if we continue debate on the subject, I believe we can get to a vote before 4 or 5 o'clock tomorrow.

Mr. BARKLEY. I hope so. The trouble is that every fresh day brings forth some fresh subject. I do not wish to shut any Senator off.

Mr. RUSSELL. I wish to make the RECORD clear that those who are opposed to striking this item from the bill have occupied practically all the time today.

Mr. BARKLEY. That is true with respect to today, but that was not true the previous day.

Mr. RUSSELL. On the previous day the amendment did not come before the Senate until about 2:30 in the afternoon, and the question was debated for about 2 hours.

Mr. BARKLEY. I think the time up to now has been pretty fairly equally divided.

Mr. McKELLAR. Mr. President, I think the time has been well spent, too. I do not think there is necessity at this time to fix a time for voting. So far as I am concerned, I should object to fixing the time until Senators on both sides of the question have had a reasonable opportunity to discuss it, and then I shall urge very strongly that a time be fixed for taking the vote.

Mr. BARKLEY. I am not pressing the matter. I thought perhaps it was worth while trying to fix the time for a vote.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHITE. In view of what the Senator from Tennessee has said about the situation, I suppose it is useless to attempt to reach any agreement at this time, but I cannot help impressing on those Members of the Senate I am now facing, that Members on this side of the aisle have a sort of a rendezvous with destiny in a few days.

Mr. BARKLEY. I do not know whether it is a rendezvous or——

Mr. WHITE. Well, I am simply grabbing an expression out of the air.

Mr. BARKLEY. It may be a slaughterhouse. We cannot tell.

Mr. WHITE. Well, we have high hopes.

Mr. McKELLAR. Mr. President, inasmuch as the Senator from Maine has referred to me, I will say that I am doing everything humanly possible to get the pending bill through the Senate this week. I have an idea that it can be gotten through the Senate more quickly by letting it go along until tomorrow, and permit as many Senators as wish to speak this afternoon to speak, but let us for heaven's sake try to reach a conclusion of the measure quickly. I hope it will be voted on tomorrow because we have to finish about two bills a day in order to complete necessary action this week.

Mr. BARKLEY. I will say to the Senator from Tennessee that, in addition to the appropriation bills to which he refers, there is other legislation pending. The bill affecting the Office of Price Administration, extension of the Stabilization Act, has yet to become law. As everyone knows the present O. P. A. law expires the 30th of this month. We certainly cannot even consider taking any recess, even for a convention, with that law about to expire and with no action taken to extend it. The conferees have been working on it ever since it was referred to them in an effort to get together. They have not yet completed their work. We hope to have it completed tomorrow. There are other matters which ought to be disposed of quickly.

Mr. RUSSELL. I hope the Senator from Kentucky will include the bill providing for continuation of the present rate of interest by the Federal land bank.

Mr. BARKLEY. Yes; that is one of the many other measures which I think we ought to dispose of. Before we get ready to take a recess—if we are to take one—there are a good many things which need attention at once. It is urgent that we do not delay longer.

Mr. MAYBANK. Mr. President, I invite the attention of the Senator from Kentucky to the fact that some time ago a bill was passed in the House dealing with an order issued by Mr. Eccles in connection with the banks. It should certainly be considered by the Senate before any long recess is taken.

Mr. BARKLEY. That bill is still in committee. It has not been acted upon by the committee. Hearings have not been held upon it.

Mr. MAYBANK. That may be true, but it is extremely embarrassing to the bankers of the United States and to those who are suffering not to know how their business stands. I hope that before we take any long recess—I am not suggesting a recess for the Republican convention, but I am in thorough agreement with the distinguished minority leader that such a recess should be taken—we should determine whether or not the bankers of the United States are to be kept in ignorance as to how their business stands, after a bill has been passed unanimously by the House of Representatives. I shall insist upon consideration of that bill.

Mr. WHITE. Mr. President, I should like to say a word further about the situation. I am in complete agreement with the Senator from Kentucky that there are other pieces of legislation than the matter now pending before us which must be disposed of before a recess is taken. I have no desire to criticize the debate on the pending bill. I think it has been germane to the bill, and has been carried on in good spirit. I think there has been no uncalled-for discussion. I have been disappointed that it has taken so long. I had hoped that we might dispose of the bill this afternoon.

We might as well be perfectly frank about the situation. It so happens that Members on this side of the aisle had hoped they might leave here tomorrow, at least temporarily, for a day or two. I had hoped that the situation might be such that they could leave with propriety. It seems to me that we should make every effort to hasten the disposition of this bill. If we cannot agree now as to a time for the final vote, I hope it will be understood that we will remain in session until at least 6 o'clock this evening, and make that much of a contribution to the termination of the debate and the passage of the bill.

Mr. McKELLAR. That would be entirely satisfactory to me.

Mr. BARKLEY. I think that would be a very proper contribution to winding up the debate.

Mr. McKELLAR. That is entirely satisfactory to me.

I hope we can vote on the bill before 2 o'clock tomorrow afternoon. I see no reason why we cannot.

Mr. DAVIS. Mr. President, more than half a century ago I first began work in the iron and steel mills of the great Commonwealth of Pennsylvania.

During my years of labor in the mills I have seen men from almost every nation come to this country and accept employment in those same mills.

I have worked side by side with some of those men, and I know that in many cases the discriminations practiced against them made it virtually impossible for them to obtain employment. I have seen men shunted from town to town and from city to city—denied all employment because of their activities in behalf of the advancement and security of their fellow workers.

Mr. President, no American should be discriminated against. America is a free land, where all men should be treated as free citizens. I shall vote in favor of an appropriation for the F. E. P. C., in order that America and its citizens may always remain free.

Mr. SHIPSTEAD obtained the floor.

Mr. BILBO. Mr. President, will the Senator from Minnesota yield to me to make an observation while the Senator from New York [Mr. WAGNER] is present?

Mr. WAGNER. Mr. President——

Mr. BILBO. I should like to make an observation while the Senator from New York is present.

Mr. WAGNER. Mr. President, I should like to make an observation.

Mr. SHIPSTEAD. Mr. President, if there is to be any controversy, I shall not yield. I understand that the Senator from New York wishes to file a report.

Mr. WAGNER. Yes.

Mr. SHIPSTEAD. I yield for that purpose.

Mr. WAGNER. Mr. President, I ask unanimous consent that during the recess of the Senate I may be permitted to submit the report of the conference on the O. P. A. bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

Mr. BILBO. Mr. President, will the Senator from Minnesota yield to me so that I may make an observation to the Senator from New York [Mr. WAGNER]?

Mr. SHIPSTEAD. Mr. President, in my experience an observation in the Senate may require a long time.

Mr. BILBO. I shall require less than 1 minute. May I have the Senator's permission.

Mr. SHIPSTEAD. Does the Senator say 1 minute?

Mr. BILBO. I shall require less than 1 minute.

Mr. SHIPSTEAD. I am glad to yield with that understanding.

Mr. BILBO. Mr. President, I join with the Senator from South Carolina [Mr. MAYBANK] in making a very special request of the Senator from New York, who is chairman of the Committee on Banking and Currency, that if possible he adopt the hearings before the House Committee on the Federal Reserve regulation known as regulation Q. I have heard from practically every banker in the State of Mississippi. This is a very important and urgent matter with them. It is vital to their very life. Early action is very desirable. I trust that the Senator may see his way clear to adopting the hearings before the House committee, so that the Senate may act upon the bill one way or the other.

That is all I wish to say.

Mr. MAYBANK. Mr. President, will the Senator from Minnesota yield so that I may make a very brief statement in connection with what the Senator from Mississippi [Mr. BILBO] has said?

Mr. SHIPSTEAD. I shall be glad to yield for a moment.

Mr. MAYBANK. Again I wish to call attention to the banking bill which is pending before the Committee on Banking and Currency. I do not know whether it is necessary to have a recess of the Senate for more than 10 days. That seems to me to be a very long time. I again insist that before any recess for longer than 10 days is taken, the people of my section and the people of the entire country who are suffering should know whether or not they are to continue to suffer under the orders of Mr. Eccles.

DISCLOSURE OF SECRET DIPLOMATIC CORRESPONDENCE

Mr. SHIPSTEAD. Mr. President, let me say in the beginning that I do not rise to interfere with the progress of the bill before the Senate. I do not intend to discuss the pending bill. I intend to refer to a matter which in my opinion is of such great importance that it ought to be called to the attention of the Congress of the United States. It deals with a newspaper dispatch from London, England, which has passed through the British censor. It deals with the debate in the Parliament of Great Britain. That debate was participated in by members of the three parties represented in the British Parliament, and it is of such a grave character that it reflects upon the integrity not only of the Government of the United States, but also, to some extent, upon the integrity of the Government of Great Britain. I am amazed that the British censor should pass it, but because the British censor has passed it, I assume that it has the imprimatur of the British Government.

We hear much gossip, and many stories have been peddled around for years, and no one has said anything about them; but because the Parliament of a foreign government has officially taken cognizance of it, it seems to me to be the duty of the Congress of the United States also to take cognizance of it, since it reflects upon the integrity of our own Government.

I wish to read the dispatch for the RECORD. It is a dispatch from London, passed by the British censor, on June 16. The headline reads as follows:

Commons told F. D. R. pledged aid before war—M. P. says Churchill got promise.

At that time Mr. Churchill was not Prime Minister. He was a private citizen. I read from the dispatch:

LONDON, June 16.—President Roosevelt promised Prime Minister Churchill before Britain entered the war that America would come to her aid. This accusation was made today in the House of Commons by John McGovern, an independent Laborite.

In a debate on regulation 18–B, in which the minister of home security is given authority to detain in prison without trial any person he suspects to be dangerous to the war effort, McGovern asked whether the reason for the continued detention of Capt. A. H. M. Ramsay, a member of Parliament, was that he might make sensational disclosures about pre-war negotiations between Churchill and Roosevelt.

McGovern linked the detention of Ramsay to the arrest of Tyler Kent, American embassy clerk, whose mother, a resident of Washington, D. C., has been fighting for his release for 4 years. Kent was sentenced to 7 years' imprisonment in camera on a charge of disclosing embassy secrets. He was a code clerk and had access to diplomatic correspondence.

I quote the words of the member of Parliament, Mr. McGovern:

"I have been told that Captain Ramsay is not in because he is a Fascist," McGovern said, "but because Tyler Kent took copies of letters from a diplomatic bag between the Prime Minister and the President of the United States. The Prime Minister was soliciting military aid in the event this country was going to war and preparations were made and promises given by the President of the United States through the diplomatic bag."

That was done when the present Prime Minister was not Prime Minister.

I continue to quote the words of the member of Parliament:

I am told that while the present Prime Minister was First Lord of the Admiralty under the late Neville Chamberlain—

That was when the present Prime Minister was head of the British admiralty, and when Chamberlain was Prime Minister and head of the British Government—

he still was carrying on this campaign behind the back of his Prime Minister—

I am quoting the words of a member of the British Parliament—

engaging in the exchange of letters through the diplomatic bag in order to find out the strength of American support and whether America could be depended upon to come into the war.

That was before Winston Churchill was Prime Minister. At that time he had the status of a private citizen.

I quote further from the words of the Member of the British Parliament:

It is said that if Ramsay were released—

Ramsay was a member of Parliament, and is now in jail—

it would be extremely dangerous and difficult for him to be going around substantiating these things and stating that they are true, and therefore that he is being held because the Prime Minister does not want him to be liberated.

So we have this controversy, with a member of Parliament held in jail without a trial or a hearing, under a directive known as 18–B.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I will, if the Senator wishes to ask a question.

Mr. WHEELER. I was going to say that my understanding of the matter is that Ramsay was put in jail under one of the war powers.

Mr. SHIPSTEAD. That is correct.

Mr. WHEELER. But Tyler Kent is an American citizen who was working for the American Embassy in London. He was charged in a British court, and was tried in a secret British court for stealing from the American Embassy or, rather, for embezzling certain papers and for showing certain correspondence or cablegrams between Mr. Churchill and President Roosevelt. For that he was tried in a British secret court, and was sent to jail.

Mr. SHIPSTEAD. That is correct.

Mr. WHEELER. Mrs. Kent came to see me some time ago. I may state that she is from a very respectable Virginia family, and her husband served for a long time in the Consular Service. She came to see me, and told me her son was charged and tried, and was put in jail for 7 years. I was unable to believe that an American boy connected with the American Embassy could be tried in a secret British court, under the protocol and under the laws of the United States. So I wrote a letter to Secretary Hull, asking him how it was that an American boy could be tried in a secret British court for stealing, or embezzling, or getting hold of papers which went through the American Embassy. I received no answer to that letter. Because of the fact that Mr. Joseph P. Kennedy was at that time American Ambassador to Great Britain, I sent him a copy of the letter.

As I said, I received no response to my letter. But the State Department did send Mr. Shaw, of the State Department, to see me.

It seems, according to information which has been verified, that the boy got hold of certain cablegrams and made photostatic copies of them, as I understand, and showed them to other persons. I understand that he showed them to a Russian woman.

Mr. SHIPSTEAD. And to a member of Parliament, Mr. Ramsay.

Mr. WHEELER. Yes; he also showed them to a member of Parliament.

Of course, that was a very serious thing. No one would uphold Kent in what he did.

I cannot understand how an American citizen could be tried in a British secret court. I understand that our State Department paid a lawyer to help defend him. But our State Department, in so doing, was hiring someone to defend the boy against the charge of having done something against the American Embassy. The boy is still in jail. What would happen if we should arrest a member of the British Embassy here and endeavor to try him in an American secret court? Of course, the British Government would immediately protest, and we would not try him in a secret or a public court.

Mr. SHIPSTEAD. He would be sent back to England to be tried under the laws of England.

Mr. WHEELER. He would be sent back to be tried in England. That is what aroused my interest in the matter. I received no reply from Mr. Kennedy, although he did call me on the telephone.

My understanding is that no foreigner is allowed to use the American code. It is my understanding that at the time under discussion Mr. Churchill was the First Lord of the Admiralty in Mr. Chamberlain's cabinet. He could not use the British code. In other words, he would not dare to use the British code, if the information which came to me from Mrs. Kent is correct.

Mr. SHIPSTEAD. He could not use the code without the consent of Chamberlain.

Mr. WHEELER. No; and, of course, he would not use it to send the kind of a message which was sent. So he was permitted to use the American code, which, in my judgment, as I understand the law, is not to be used by any foreigner. I may be entirely wrong about it. However, I received no satisfactory answer as to why this American boy was tried in a British secret court. I cannot understand why our State Department or our Government permitted it. The boy had been in the diplomatic service for a long time. He had been in Russia for some time. He was taken out of Russia because, as I understand, he became very anti-Communist there, and was transferred to London. He went to Russia, as I understand, with Mr. Bullitt, and was then employed in London as a code clerk. He was decoding messages which passed between Mr. Churchill and Mr. Roosevelt. He then made copies of the messages, and very foolishly showed them to a member of Parliament, and also to a Russian woman.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. BUSHFIELD. Does the Senator have any information with regard to how Mr. Churchill obtained possession of our code?

Mr. WHEELER. As I have already said, I do not know how he obtained possession of it, or how anyone would be permitted to have the code. When Mrs. Kent, who is a very fine lady, whose husband was in the Consular Service for many years, and of whom everyone speaks very highly and says that she is a lady of excellent reputation, came to me and told me the story, I said that there was nothing which I could do except to inquire from the State Department and endeavor to ascertain how the boy was tried. I received no letter from the State Department, but Mr. Shaw came to see me and told me that they were very much worried because of the fact that the Russian woman had obtained the information which the boy had decoded. I believe the Russian woman was a white Russian, and fear had been expressed because she was believed to be opposed to the Communists, and that she might convey the information which she had received to Hitler and his gang. Reprehensible as it was for the boy to have done what he did, there still is no answer to the question as to why he should have been tried in a British secret court.

Mr. SHIPSTEAD. The question is, Was the secret code of the Diplomatic Service used for the benefit of Mr. Churchill who was not the head of a foreign government?

Mr. WHEELER. At the time the member of Parliament, Mr. Ramsay, made some statement or some inquiry in Parliament, he was immediately taken out of Parliament and put into what amounted to a concentration camp. He was tried, but he was taken away under the War Powers Act, and has been away for 3 or 4 years. The question relating to the situation is now before Parliament, and, as the Senator from Minnesota has said, a discussion has taken place on the floor of Parliament between Members of that body. A report of the discussion was sent out reflecting upon our Government, the President, and certainly upon Mr. Churchill. It reflects upon our State Department. The British let the report go out through the censor. The report arrived in this country and was published in newspapers here.

Frankly, I think the entire matter should be gone into. I think the Judiciary Committee of the Senate should find out how an American boy could be tried in a British secret court for having done something against our own Embassy.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. WHERRY. Does the Senator from Montana care to express an opinion as to what legality there could be for the British court to take jurisdiction in this case?

Mr. WHEELER. I have never found out. The boy was a code clerk. My understanding is that he made photostatic copies of certain information and took them to his room. So what he did was stealing or embezzling from the American Embassy. The American Embassy is within the jurisdiction of the United States and not the British Government. The American Embassy in England does not come under the jurisdiction of the British Government any more than does the British Embassy here in the United States come under our jurisdiction.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. CONNALLY. I do not wish to interrupt the Senator at this point, but when he concludes I expect to make a statement with regard to this matter.

Mr. SHIPSTEAD. I continue to quote from the honorable member of Parliament who stated:

> It is said that if Ramsay were released it would be extremely dangerous and difficult for him to be going around substantiating these things and stating that they are true, and, therefore, that he is being held because the Prime Minister does not want him to be liberated.

The news article continued as follows:

> In the course of the debate Minister of Home Security Herbert Morrison, whose duty it is to enforce regulation 18–B, disclosed that since it was put into force 1,829 persons

have been detained without trial. The maximum at any one time was 1,428 in August 1940. He said that releases had reduced the number to 429 last July and cut the number to 226 by May 31.

The long debate was opened when Irving Albery, Conservative, moved that the regulation be reconsidered and enforcement be taken from Morrison.

Morrison has charge of the regulation and imprisonment of these people.

Albery asked that a special tribunal be given power to determine whether in the case of Ramsay the house was not being unwisely deprived of the services of one of its members, and if the electors of Ramsay's constituency were not being deprived of representation. He questioned whether the regulation is not "dangerous to the constitution of the country."

Albery's motion was supported by Commander Archibald Southby, another Conservative. He charged that under 18–B there is no judicial safeguard for the liberty of the citizen against acts of the executive power and contended that detainees should have a public trial "at the earliest possible moment."

Geoffrey Mander—

Geoffrey Mander, I understand, was secretary to the present Prime Minister, Winston Churchill, before he became Prime Minister, and therefore must have had knowledge of these things. The article continues—

a Liberal, defended regulation 18–B, but urged that a committee of the house be selected to go into the question of expelling Ramsay from its membership.

MORRISON SILENT ON CHARGES

At this point McGovern took the floor and told of conversations he said he had with Ramsay before the war. He added that his conclusion was that "Ramsay ought rather to be in a mental institution than in a criminal place of detention."

Security Minister Morrison refused to discuss the charges against Ramsay, saying that if he did so he would have to disclose information which might be of value to the enemy "about what I know about the enemy's espionage service and information about the British security service as well." He made no mention of McGovern's Roosevelt-Churchill charge.

Mr. HOLMAN. Mr. President——

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Does the Senator from Minnesota yield to the Senator from Oregon?

Mr. SHIPSTEAD. I yield.

Mr. HOLMAN. I am perturbed about another element of this discussion. As I understand, the Senator has disclosed that our President, Mr. Roosevelt, assured Mr. Churchill that if England became involved in the war and needed our help, our country would go to the rescue of England. Was that coincident with the time when Mr. Roosevelt was telling American mothers and fathers that American boys would never be sent into foreign wars?

Mr. SHIPSTEAD. I can only speak from memory, Mr. President. It must have been before that statement was made, because this refers to a time prior to when Winston Churchill was Prime Minister.

Mr. HOLMAN. Let us get that straight.. He assured England that the United States would come to the rescue of England if England became involved in war, and subsequent to that time assured American mothers and fathers that their boys would never be sent overseas in conflict?

Mr. SHIPSTEAD. I cannot speak by the record as to that, except from what is revealed in the debates in the House of Commons of Britain, participated in by members of all three political parties in Britain. This refers to a time when the present Prime Minister was not Prime Minister, when he was in the minority, had the status of a private citizen.

I do not know very much about English law, but in the United States if a private citizen undertakes to negotiate with a foreign government, not going through the State Department, he is violating the law of the land. A private citizen in Britain may negotiate with a foreign government, under the laws of Britain, for aught I know. But that of itself is not so important as the fact that this is an official debate, in the Parliament of an Allied government, and that it passed the censorship to the people of the United States. I think that is significant. It is not gossip, it is official, and therefore I felt it my duty to call it officially to the attention of the Congress of the United States, because it is a reflection on the integrity of the Government of the United States, whatever the British people may think of the reflection on their present Prime Minister.

I am not saying this is true, I am only calling it to the attention of the Senate that an official parliamentary body of an Allied government has made these reflections upon the integrity of the Government of the United States. I do not know what can be done, as we are about to adjourn, but it seems to me important that a committee of the Senate, either the Judiciary Committee or the Foreign Relations Committee, should take some cognizance of the matter. We cannot afford to ignore it, as we can afford to ignore gossip in the newspapers. Here is an article, passed by the British censor, which therefore must have the imprimatur of the British Government, for what purpose I cannot say.

Mr. CONNALLY. Mr. President, I regret very much that the distinguished Senator from Minnesota should pay so much attention to a mere hearsay statement of a member of the House of Commons. It will be recalled that in the quotation the Senator stated in several places that this member of the House of Commons—I forget his name—made the statement, "I have been told so and so and so," or, "It is understood so and so and so and so and so and so."

The Senate cannot afford to accept as facts statements of that character and have an impression created on the floor of the Senate, such as the implication drawn by the Senator from Oregon [Mr. HOLMAN] when he asked the question, "Mr. Churchill did so and so and Mr. Roosevelt did so and so," already assuming as facts this gossip and this talk.

The fact that it passed the British censor does not bear much significance because statements made on the floor of the House of Commons are public property, there is general knowledge as to what is said and what occurs there. I see no reason why they should not pass it and let us hear about it. If they had not, I doubt not the Senator from Minnesota would have been on the floor denouncing the British Government for keeping this information from us, not allowing us to know about this transaction supposedly occurring between Mr. Churchill, when he was Lord of the Admiralty, and President Roosevelt.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. SHIPSTEAD. We do not get Hansard, the record of the debates in the British Parliament, as soon as we get newspaper reports passed by the British censor. There is nothing here to indicate that any member of the Parliament denied the charges that were made by the honorable member who discussed the matter. It was discussed as a fact. No question was raised as to the facts in the case. The only question was, "What are we to do about it?"

Mr. CONNALLY. The Senator says no one denied some statement. Does the fact that no one denied it make it true?

Mr. President, since this matter has arisen on the floor, let me say that I have had some contacts with the legal officer in the Department of State, and I find this to be the case about this matter: Young Kent was an employee of the American Embassy. He became involved with a little group in England, member of Parliament Ramsay, a Russian woman, and others who were conspiring to violate and did violate English law. It was not alone a breach of trust to the Government by which he was employed, but in his activity in connection with this group in England he was violating the British law, the Defense of the Realm Act. The British have laws dealing not only with the extraction of documents, but the conveying of information concerning the documents to British citizens, and in that way the young man violated the British law.

The State Department says that the British Government before prosecution submitted the documents to the United States Government, and before the prosecution was begun our Government examined the documents and concluded that Kent ought to be prosecuted, and waived his diplomatic immunity. If we had desired we could have invoked diplomatic immunity in this case and perhaps have prevented it from being prosecuted in the British courts.

But here was a conspiracy. One prong of it was a boy working for the American Embassy; another prong was a member of the British Parliament; and a third prong was a person from Russia.

All of them were engaged in enterprises which under the British law were inimical to the safety of the British realm. Why not try them all in the same jurisdiction where the facts were available, where the crime was committed, especially when our Government, knowing the facts, was willing that that course should be pursued? That is my answer to these charges.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Montana?

Mr. CONNALLY. I yield.

Mr. WHEELER. I do not know what the charge was, but my understanding is that young Kent was charged with stealing from the American Embassy.

Mr. CONNALLY. That was not the only charge. Stealing, it was felt, was one offense, and using the object of the theft for other purposes was another offense.

Mr. WHEELER. His mother tells me that he was charged with stealing from the American Embassy; that that was the formal charge that was placed against him. If that was the formal charge placed against him, as Mrs. Kent says it was, then our Government certainly should not have permitted him to be charged with stealing something from America and turning him over to Britain, to be tried in a British secret court.

Mr. CONNALLY. I am not aware what Mrs. Kent knows about it. I do not suppose she knows anything except what her son wrote her, or something of that kind. I am talking about the official records as disclosed by the Department of State.

Mr. WHEELER. If the Senator will pardon me, that is what I should like to see—the official records. I should like to know what they are. I wrote to the State Department and asked how the boy could be tried in England. They did not answer my letter and say that this man was charged with a conspiracy to violate British law. They did not say that he was not charged with stealing. What I should like to see is the records of the State Department themselves, because it makes a vast difference whether he was charged with stealing from the American Embassy or was charged with some crime under British law by reason of which the State Department waived diplomatic immunity.

Mr. CONNALLY. That is exactly what I said, that the British tried him for violating the British law, for conspiring with British citizens and others within the jurisdiction of the British court. It is all very well for one to beat his breast and say, "We will try Americans in an American court," but we find a man in this instance who was conspiring, and under the British law he was found to be guilty. I have no tears to shed for him because of the court in which he was tried so long as he received a fair trial and if he did not receive a fair trial I assume our diplomatic representatives would take appropriate action. They said they appointed counsel to advise with him and to be with him and help defend him. What more can be asked?

Mr. President, I regret the political tinge that the Senator from Oregon tried to interject into this matter. We are in a great war. This is not an individual war of President Roosevelt. It is not an individual war of Mr. Winston Churchill. It is not an individual war of Mr. Stalin or of Chiang Kai-shek. It is a war of all the people of these four great countries. Why do we in the midst of it have to have these slings and slurs constantly cast at Mr. Churchill. I hold no brief for Mr. Churchill. Why do we have to have these slings continually at the President of the United States? I have never been an unconditional supporter of the President in his domestic policies; but I have favored his foreign policies, and I expect to continue to follow them so long as they go along the course they have taken in recent years.

Mr. President, this war is not helped, it is not aided, its successful prosecution is not furthered, its cause is not advanced by things of this sort—picking up a newspaper somewhere and reading that John Smith said that Bill Jones told him that the Widow McCafferty told him that Mr. Roosevelt told Churchill before ever he was Prime Minister that we were going to help him militarily. I do not know whether Mr. Churchill invoked the President's aid. Everyone in this Chamber knows that Mr. Roosevelt could not send a soldier, he could not send a dollar of military supplies to Mr. Churchill or his Government or any other government until the Congress of the United States authorized such action.

Mr. President, why can we not have unity until the war is over? Why cannot we stop this sniping and shooting behind the lines? Why can we not do away with sabotage until this struggle is over? When it is, then turn loose your dogs of war, bring on your political organizations and your militaristic groups representing this faction and that faction. But in the name of common sense, during time of war let us remain united.

Mr. President, I repeat, I do not hold any brief for Mr. Churchill. I never saw him in my life until he visited in the United States. I had some slight contact with him here. But the world will never forget the Churchill of the dark and gloomy days when the life of Britain—and when I say the life of Britain, perhaps the life of many other countries in the world—was hanging by such a brittle thread during the evacuation of Dunkerque, in the midst of that awful tragedy and that terrible catastrophe, when the British Army was thrown out upon the sea without arms and without protection, when his land was harried by bombs and by the Luftwaffe, when death and destruction and fire and ravage were sweeping over London and the south of England, when in his desperation he gave utterance to those great words—and they were great words—that England would not surrender, but that "we will fight them on the land, we will fight them on the sea, we will fight them on the beaches, as long as British courage and British resistance can survive."

Mr. President, that is Mr. Churchill in essence. He is a Britisher and I am an American. Of course, he stands for his own country as I stand for my own country. But we are engaged now in a great joint enterprise. That joint enterprise is to save the civilization of the world from a heartless, and conscienceless, and cruel, and crafty, and desperate world conception of aggression and military tyranny. I strike hands with Mr. Churchill. I strike hands with Mr. Stalin. I strike hands with Chiang Kai-shek. I strike hands with the leaders of all the other United Nations. God bless them. May God give strength to their arms and length to their swords, in order to help us in this tremendous world struggle, which we hope will eventuate in a just and equitable peace and the creation of an instrumentality in the years to come which will decrease the danger of wars and undertake to put a halter upon cruel military aggressors and set up a rule of law and rectitude, as against the cruel and mighty forces of tyranny and military despotism.

Mr. SHIPSTEAD. Mr. President, I pay tribute to the Senator from Texas. He is a great orator. He is a great statesman. I am very fond of him. He is chairman of the Foreign Relations Committee of the Senate. He possesses powers which I did not know he had. He has the power of divination. He stated that since I began my remarks he had consulted the State Department about the facts in this case. As a matter of fact, he could have done so only by the power of divination, because he has been in his seat in the Senate since the very beginning of my remarks. I am glad to pay tribute to his powers of divination, which only add to my admiration for the Senator from Texas.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. CONNALLY. Let me say to the Senator that very reluctantly I tore myself away from his entertaining address and consulted the State Department over the telephone while he was engaged in answering interrogatories from the other side of the Chamber. I returned to the Chamber so speedily, in order to hear the other remarks of the Senator, that he did not observe my absence.

Mr. SHIPSTEAD. The Senator must have anticipated my remarks. That adds to his reputation as a very astute statesman. I pay my respects to the Senator from Texas.

Mr. CONNALLY. I thank the Senator.

Mr. SHIPSTEAD. Mr. President, I brought this matter to the attention of the Senate because of the official communications which have come from the British Parliament, and which have been passed by the British censor. I had heard of such things, as many other Senators have heard of them; but, of course, we cannot pay any attention to gossip. This, however, is not gossip. It is official. No one on the floor of the House of Parliament of Great Britain denied the statements which were made by members of the three parties represented in the Parliament. Because the British censor passed the information to the United States, I naturally came to the conclusion that the British Government wanted the American people to know about it. Otherwise, it would not have permitted it to pass the censor.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. CONNALLY. I merely wish to thank the eminent Senator from Minnesota for his very generous, laudatory, extravagant, and expansive remarks on the Senator from Texas.

Mr. SHIPSTEAD. The Senator from Texas has always had my admiration.

While we may disagree, I know that he is a great patriot and a great orator, and that he is very conscientious in his concern for the welfare of the United States. While we may disagree at times, I never question his patriotism.

Mr. CONNALLY. I thank the Senator.

Mr. WHEELER. Mr. President, I fully subscribe to what the Senator from Minnesota has said about the distinguished Senator from Texas.

Because of the article which was read, quoting members of the British Parliament, the Senator from Texas seemed to think that I was criticizing Mr. Churchill. Let me say that those who are criticizing Mr. Churchill are not the Senator from Minnesota and the Senator from Montana.

Mr. SHIPSTEAD. I did not criticize Churchill. He is a great British patriot.

Mr. WHEELER. Those who are criticizing Mr. Churchill are members of the British Parliament. They are the ones who are criticizing, and they are the ones who are reflecting upon the President of the United States.

It is all very well for Senators to say that we must not say anything against Mr. Stalin; that we must agree with everything Mr. Stalin does, everything Gen. Chiang Kai-shek says, and everything Mr. Churchill says. Some would even say that we must agree with everything de Gaulle says, and that in the Senate of the United States we must not criticize any of our allies.

The press of Russia, which is controlled by the Russian Government, does not hesitate for one second to criticize the British. It does not hesitate to criticize Americans. But we must remain silent, although we are the people who have made it possible for the Russian Government to survive. We must not criticize them. We must sit quietly in our seats and let the British, the Russians, and everyone else criticize us.

Certainly I admire Stalin. I admire him from the standpoint that he is for Russia first. He is looking out for the Russian interests. I do not admire him for the things he has done, because, in my judgment, there is not a more ruthless dictator in the world than Mr. Stalin. I think of him as a ruthless dictator—and I know something about it—just as I think of Hitler and his gang as ruthless dictators.

I cannot take to my breast a dictator and praise him when he is my friend, any more than I can praise him when he is my enemy. To me a cruel dictator who sends thousands of people to concentration camps and to the salt mines of Siberia is a ruthless, cruel dictator, and no man in the history of the world has ever been more ruthless than has Mr. Stalin. The fact that he happens to be on our side at the present time does not change his complexion to me.

The British press has criticized us, but we in America must not say anything. If we do, we are looked upon as being unpatriotic. We must not criticize anyone. We must not criticize the waste and extravagance of Government. If we do, we are not patriotic.

Mr. President, I believe that the Senator from Texas [Mr. CONNALLY] is a great patriot; but I do not permit anyone to place his patriotism and love of country on a higher level than the love I have for my country. I resent criticism by persons who have been in this country only a short time of the patriotism of those whose people have lived here for generations. I resent the activities of those who are hired to smear Members of Congress because they do not vote 100 percent with any President of the United States, no matter who he may be.

No one is going to succeed in keeping me from criticizing Mr. Churchill if I think he is wrong. I may say that I am a great admirer of Mr. Churchill's. I think he is a great statesman. But let me ask why it is that today some persons praise Mr. Stalin and say he is a great man. They do so because of the fact that he is for Russia only. He has said he is thinking of the Russian borders. He has made the statement that all he asks is that Russia get back her territory.

What has he said and what has he permitted to be said about the Germans in the Russian official press? He said he wants a strong Reich, a strong Germany. He does not want to see Germany destroyed. That statement appeared in the official press which is owned and controlled by the Russians.

I cannot understand those who admire Mr. Churchill because of his statement, "I did not become the King's first minister in order to liquidate the British Empire." They admire him for saying that. They admire Stalin because he is for Russia. But they smear Americans who think of this country before they think of any other country in the world.

I do not know any other country in the world. I do not like to boast, but I say to you that my people came to this country because they were persecuted as Quakers. They came here in 1634 and located on the shores of Massachusetts. My only interest, Mr. President, is that I wish to see this Government preserved so that my children and their children and grandchildren may have the same opportunities that I had, as a poor boy, to come up the ladder from poverty to a place of ordinary means and a position in this body.

I resent having anyone question a person's patriotism because of the fact that he is for his own country first.

I have no apologies to make. I am proud of the fact that I am for my country first. Some persons may try to make others believe that I did everything I humanly could do and everything I honorably could do to keep this country out of war. I have no apologies to make for it.

When the Senator from Texas says the President of the United States could not give away anything until the Congress of the United States voted it, I wish to call attention to the fact that he did. He gave away the destroyers. Congress did not pass any act to that effect. But all that is water over the dam; it has been done.

I am not criticizing anything which has been done. We are in the war. Immediately after Pearl Harbor, I said I wanted to do everything in the world I could do to help win the war. I know there are certain groups who are trying to smear everyone who wanted to keep America out of this war. Before Russia was attacked, many of those persons were on my side. But immediately after Russia was attacked they followed the Russian line, not the American line. Then, almost overnight, the war became, instead of an imperialistic war, a war to save humanity. Are they good Americans? Are they interested in America, or are they interested in Russia? I say to those who love Russia more than they love the United States and to those who love England more than they love the United States and to those who love Germany or Italy more than they love the United States, "For God's sake, go back there and live there." The only reason why they came here to live is because here they have liberties and opportunities which they could not have in any other country in the world. But if one calls attention to the fact that the British are criticizing us, he is immediately told, "You must not stir up anything; you must not criticize them. We must have unity."

Mr. President, possibly the Republicans should dissolve their party, and should not hold a convention. I am not sure that that would not be the right thing to do. But any time we have only one party in this country we shall have what is had in Russia, in Germany, and in Japan; we shall have fascism in the United States of America.

I say that whether we are in a war or whether we are not in a war it is the duty of the Members of the Congress of the United States to criticize their Government, to criticize their Army if it is wrong, to criticize their Navy if it is wrong, to criticize Congress if it is wrong, to criticize even the Commander in Chief, if you please. That is what democracy means. It is only out of the welter of debate that the truth emerges. When we stop that in this country, Mr. President, our democratic Republic will be gone.

Mr. BILBO. Mr. President——

Mr. CONNALLY. Mr. President, will the Senator bear with me for a moment?

Mr. BILBO. Yes.

Mr. CONNALLY. Let me say that I made no attack on the patriotism of the Senator from Minnesota, and no attack on the patriotism of the Senator from Montana.

Mr. WHEELER. I appreciate that fact.

Mr. CONNALLY. I think they are both patriotic citizens concerned with the interests of our country. But the Senator from Montana has said we say we must not criticize. I do not object to criticism. If I did, I would leave the Senate. I may leave it anyway, but not tomorrow. But, Mr. President, if we have the right to criticize, we have the right to defend against criticism, have we not? Is there anything which requires that we manacle our hands or

that we keep quiet when we hear statements which are unauthorized being made?

Let us see what the Senator from Minnesota read. The article he read has just been handed to me. It is the whole basis of the recent discussion. I will not read the entire article. The Senator from Minnesota started this whole matter.

Mr. SHIPSTEAD. I have read the article to the Senate.

Mr. CONNALLY. Yes. The article says:

President Roosevelt promised Prime Minister Churchill before Britain entered the war that America would come to her aid. This accusation was made today in the House of Commons by John McGovern, an independent Laborite.

Did he support that statement with any facts? Let us see what his facts are? There is a quotation, and then he is reported to have said, "I have been told."

Mr. President, anyone could tell a person anything he wanted to tell. One of the doorkeepers at one of the doors to this Chamber could tell me that the British had surrendered. That would not make it true, would it? I could be told that the Russians had captured Berlin. That would not make it true. I could rise on the floor of the Senate, and could say, "I have been told that Berlin has been captured."

I read further from the article:

"I have been told that Captain Ramsay is not in because he is a Fascist," McGovern said, "but because Tyler Kent took copies of letters from a diplomatic bag between the Prime Minister and the President of the United States. The Prime Minister was soliciting military aid in the event this country was going to war and preparations were made and promises given by the President of the United States through the diplomatic bag."

He has been told all that.

Mr. SHIPSTEAD. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I will yield in a moment.

The member of the House of Commons said he was told all that. He did not say where he had obtained the information. But he has charged that President Roosevelt promised Churchill he would furnish aid to Britain.

Now, Mr. President, let me say a few further words, and then I shall yield.

The quotation continues:

It is said that if Ramsay were released—

And so forth. "It is said." There is another chunk of proof. A notarial seal is on that. That is sworn to. "It is said." Of course, it has been said here today. But that does not make it so.

I continue to read from the quotation:

It is said that if Ramsay were released it would be extremely dangerous and difficult for him to be going around substantiating these things and stating that they are true, that therefore that he is being held because the Prime Minister does not want him to be liberated.

The quotation starts with the words, "It is said." Now, let us see what he subsequently says. Later on this fellow Ramsay is shown as being in need of mental care instead of being in jail.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. HATCH. I have been waiting for the Senator to say, "they say." Does that language appear in what he is reading?

Mr. CONNALLY. No; that would involve at least two persons. This language involves only one. If it were to state "they," it would be different. It might be that each one would corroborate the other. But the language is "It is said." Therefore it is so. [Laughter.]

When the Senator from Minnesota turns on his radio at night and listens to the different commentators, I wonder how he digests them all and gets them all in harmony.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. SHIPSTEAD. I may say to the Senator that I pay little attention to the debates in the Congress. I pay a very great deal of attention to the debates in the House of Commons They are not so flamboyant as we are here. I do not mean to say that we are too flamboyant, but after many years of reading the reports of the proceedings in the British House of Commons, I have come to admire their frankness and their limitation on hyperbole, which I find sometimes to exist in the Senate of the United States. No; not in the Senate. I mean in another House, but it is not permissible to reflect on another House, and so I merely say that I have taken considerable cognizance of the sincerity and accuracy of Hansard.

If the Senator will permit me——

Mr. CONNALLY. I permit the Senator.

Mr. SHIPSTEAD. I may say that about 3 years ago Lord Woolton, Minister of Food in England, made a very frank report on how Britain had received $800,000,000 worth of food from the United States, sold it to the people for $500,000,000, and put the money into the treasury.

When I explained that situation to the Senate—and I obtained the information from Lord Woolton's report in Hansard—I was questioned about the honesty of the report. I receive more information about this war from the reports of the British House of Commons than I do from the RECORD of the Congress of the United States, and I admire the British for their frankness.

Mr. CONNALLY. Mr. President, along the line I was suggesting with reference to how the Senator from Minnesota digests the adverse communiques broadcast over the radio every night, I may say that we have heard broadcasters say that some person says this or that. When the Senator gets through with them all I do not know how he arrives at any conclusion as to what was accurate and what was not.

For example, last night we were all distressed and alarmed because of the announcement which came blaring over the radio that former Chief Justice Charles Evans Hughes was critically ill at his home in Washington. We all respect Mr. Hughes. We have great admiration for him. He is one of the greatest jurists of the country. What about him? It is said that Mr. Hughes is dangerously ill. I read from today's issue of the Washington Star:

HUGHES CORRECTS RADIO REPORT OF "GRAVE ILLNESS"

NEW YORK, N. Y., June 19.—Former Chief Justice Charles Evans Hughes last night denied a radio report that he was "gravely ill."

Declaring he "never felt better," Mr. Hughes called the Blue Network to correct the statement, which had been made by Walter Winchell on his regular Sunday night program.

The network interrupted its coast-to-coast hook-up to make the correction.

Yet, Mr. President, it was said by the radio announcer that Mr. Hughes was dangerously ill. Whom shall we believe?

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. CONNALLY. Not just now.

Whom does the Senator wish to believe? Does he wish to believe what was said by the radio announcer, or what was said by Mr. Hughes himself?

I now yield.

Mr. WHEELER. The Senator from Texas has said that since the debate started he called the State Department.

Mr. CONNALLY. The Senator from Montana could have done so at any time between the time Mrs. Kent talked to him and now, if he had wanted to do so.

Mr. WHEELER. Oh, no. I wrote the State Department when Mrs. Kent came to see me and told me about the boy.

Mr. CONNALLY. The State Department does not have to answer a letter, but when the Senator calls the State Department on the telephone I guarantee that he will receive a reply.

Mr. WHEELER. I wrote them a letter and they did not answer it.

Mr. CONNALLY. Of course it is hard to get a telephone conversation into the newspapers, but it is possible always to get a letter in. [Laughter.]

Mr. WHEELER. The letter has been referred to, and now the Senator quotes the State Department, and says that somebody in the State Department said——

Mr. CONNALLY. It was Mr. Hackworth. I will get his full name in a moment.

Mr. WHEELER. I know Mr. Hackworth, but I was quoting Mrs. Kent——

Mr. CONNALLY. Who knows nothing about it.

Mr. WHEELER. Oh, yes, she does. Make no mistake about it. She knows a great deal more about it than the Senator thinks she knows.

Mr. CONNALLY. She would have to if she knows anything.

Mr. SHIPSTEAD. But did not the Senator from Montana talk with Mr. Shaw?

Mr. WHEELER. Yes.

Mr. SHIPSTEAD. What did he say?

Mr. CONNALLY. I shall have to wait until the Senator concludes.

Mr. WHEELER. I do not wish to quote a private conversation which I had with Mr. Shaw. He came from the State Department to my office to see me. He did not say whether the boy had been tried for stealing from the American

Embassy. He told me some of the facts, and I do not propose to say what he told me about the facts. I merely say that I cannot understand the situation. Frankly, the mere fact that Mr. Hackworth has said that the boy was tried under the War Powers Act does not mean that he was not tried for stealing from the American Embassy, or for embezzling, which, perhaps, he was guilty of doing. But after Mrs. Kent said he had been charged with stealing from the American Embassy, the State Department did not deny it when I asked them about it.

Mr. SHIPSTEAD. If the boy had been guilty of stealing from the State Department he could have been tried under American law.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. HATCH. I ask the Senator from Texas to yield to me in order that I may make the observation that only a few days ago on the floor of the Senate, in reply to the Senator from New Hampshire [Mr. BRIDGES], I accidentally happened to say something about the President of the United States and his intentions with respect to international cooperation. I was excoriated for my statement. I was denounced on the floor of the Senate, because I happened to have the temerity to read from the Republican platform adopted in 1940.

Mr. CONNALLY. The Senator should have been "sent up" for it. [Laughter.]

Mr. HATCH. I was accused of injecting partisan politics into the debate on the floor of the Senate.

Mr. CONNALLY. Let my last comment be deleted.

Mr. HATCH. Oh, no; leave it in.

Mr. CONNALLY. I refer to what I just said.

Mr. HATCH. I object to that being taken out, because what I was going to say was that all I demanded was that parties and candidates express their honest convictions. I did not care what their convictions were, they might have been extremely isolationist; they might have been extremely nationalistic; they might have been exceedingly internationalistic, but whatever they were, I asked that candidates speak the truth.

What I said was based upon the written record of parties and of history. I have not indulged in gossip; I have not indulged in rumor; and if the Senate of the United States desires at this late hour, at 10 minutes before 6 in the afternoon, to go into vague and indefinite discussion based upon rumor and gossip, let me say that I hope no one will ever again accuse me of engaging in partisan political discussion.

Mr. SHIPSTEAD. Will the Senator from Texas yield to me?

Mr. CONNALLY. Very briefly. I am anxious to conclude.

Mr. SHIPSTEAD. There have been many discussions of lack of patriotism and loyalty to the United States. I come from a family who came to the United States in 1867, from a country which had a parliamentary form of government long before there was one in the United States. The moment they became citizens, they became loyal to the United States, and preached loyalty to their children.

Mr. CONNALLY. No one has attacked the loyalty of the Senator from Minnesota or of his grandfather.

Mr. SHIPSTEAD. I regard highly my oath of office to support the Constitution of the United States, and I am willing to protect the Constitution and my Government. When it comes to patriotism, I do not desire to reflect upon anyone who came over in the *Mayflower*, or who settled in Texas. Patriotism means loyalty to country, love of country, and of the flag and of the Constitution. Since I came to the Senate I have tried to support the Constitution of the United States according to my oath. I desired to make this statement because there is a great deal of talk in the Senate about patriotism. The only real patriotism is loyalty to the Constitution.

Mr. CONNALLY. Mr. President, I wish to absolve myself of any imputation that I have in anywise reflected on the patriotism of the Senator from Minnesota. I explicitly said I thought he was patriotic, a great citizen, and a great Senator. I do not think anything is to be gained by attacking people's motives in relation to patriotism. I want this Chamber to remain always a free forum of debate. If I cannot meet debate in the open field, I do not deserve to win. Let Senators attack anyone they desire to, but when they do so, let them present some proof, some evidence, something more than "I just heard somebody say."

For the information of the Senator from Montana, let me say that the man I consulted was Mr. Green H. Hackworth, of the State Department.

Mr. WHEELER. I know Mr. Hackworth very well, and I respect him as a very high-class, able citizen.

Mr. CONNALLY. And one who knows what he talks about.

Mr. WHEELER. Yes; but the Senator still has not answered the question, because he did not say Mr. Hackworth stated whether or not Kent was charged with stealing from the American Embassy.

Mr. CONNALLY. I will tell the Senator what Mr. Hackworth said. He said the man stole the stuff. It is not always the theft of an article that makes the act a great crime, but what one does after he gets it. This man took this matter out of the Embassy files and turned it over, with photostatic copies, to a member of the House of Commons, who was charged with activities which imperiled the safety of the British Realm. He communicated them to a Russian woman, presumably a spy, and it was for this misuse of these papers that he violated British law.

Mr. SHIPSTEAD. Will the Senator yield?

Mr. CONNALLY. Let me draw a conclusion. Suppose someone steals the automobile of Lord Halifax in Washington. Would any Senator say, "Oh, we cannot try him here; we have to send him to England for stealing Lord Halifax's automobile"?

Mr. WHEELER. Mr. President——

Mr. CONNALLY. Wait a moment. Let me get through. I have been interrupted so much—and I do not mind interruptions—that it is going to be difficult for me to know when I read the RECORD, when I was talking and when someone else was talking.

Suppose after the man steals Lord Halifax's automobile, he puts it into a pool with automobile thieves, or suppose he drives it and runs over some American citizen and kills him. Do Senators think we could not try him in our courts? Have we to say, "He is a diplomat. He is all covered over with sanctity. We cannot bring this murderer to the bar of our courts. We have to send him to England." If that were proposed, the Senator from Montana would tear up three shirts denouncing it. [Laughter.] The idea of Great Britain demanding that a murderer who killed one of my constituents—or especially a constituent of the Senator from Montana—being sent back to England, defying our courts! Why should he not be prosecuted here, where he committed the crime, where the witnesses are, and where the devilment took place?

The State Department says the British tried Kent only for a violation of British law. If, when his term expires, Senators want him tried again here, for stealing from the American Embassy, well and good, but the British tried him only for violating their law, in defense of the Realm, and it was for the use of these papers after he abstracted them in conspiracy with a member of Parliament and with others.

Mr. SHIPSTEAD. Will the Senator yield for a question?

Mr. CONNALLY. I yield.

Mr. SHIPSTEAD. The Senator has been very kind. I do not know whether the man stole anything or not; I do not know anything about that.

Mr. CONNALLY. They say he did. "It is said" he did.

Mr. SHIPSTEAD. That is not the gravamen of the situation. The question is, Did Churchill, as a private citizen, communicate with the President of the United States in the secret code of the State Department?

Mr. CONNALLY. I do not know.

Mr. SHIPSTEAD. That has been charged. I am not saying it is so, but I get that——

Mr. CONNALLY. From somebody saying it.

Mr. SHIPSTEAD. From members of the Parliament of the British Government. They are official.

Mr. CONNALLY. It was not official. I have read what the member of Parliament said.

Mr. SHIPSTEAD. I venture to say there is not a man on the floor of the United States Senate who would make the assertion that a private citizen of the United States would communicate in secret code with the British Government unless he knew what he was talking about.

Mr. CONNALLY. The Senator may think so.

Mr. SHIPSTEAD. And I do not believe any member of the British Parliament would make such a statement.

Mr. CONNALLY. Of course, if the Senator wants to take that extreme view, very well, but let us see what they say about this question.

Geoffrey Mander, a Liberal, defended Regulation 18–B, but urged that a committee of the House be selected to go into the question of expelling Ramsay from its membership.

At this point McGovern—

He was the one who made the speech, he was the man upon whom the Senator from Minnesota relies. He is the one who said, "It is said."

At this point McGovern took the floor and told of conversations he said he had with Ramsay before the war.

That is, the member of the House of Commons.

He added that his conclusion was that "Ramsay ought rather to be in a mental institution than in a criminal place of detention."

There was something wrong with him if he either should have been in the penitentiary or in an asylum. There is bound to be something wrong with him. It is not for me to go into the details of scientific, psychiatric distinctions.

Mr. SHIPSTEAD. If the Senator will yield, that is the opinion of that particular honorable Member.

Mr. CONNALLY. The Senator said just a while ago that no man would make the statement on the floor of the House of Commons or here unless he knew the facts.

Mr. SHIPSTEAD. Mr. President, I am not trying to convict any Member of the British Parliament, but will the Senator please remember that the man who was secretary to Churchill when he was First Lord of the Admiralty stated that he could not testify because it would reveal information with respect to espionage that he thought would not be for the public interest. So he would not deny it.

Mr. CONNALLY. But he could not affirm it.

Mr. SHIPSTEAD. No.

Mr. CONNALLY. There we are. It is not affirmed and it is not denied, and of course this individual would not do it. Everyone knows that in the chancellory of every great country there are confidential communications which cannot with propriety be blazoned to the world. We have a conference over there now about the conduct of this war. Would Senators want the newspapers to carry headlines the morning following a conference saying, "The Americans and British forces will on day after tomorrow attack the beachhead between Le Havre and Cherbourg"?

Mr. SHIPSTEAD. Will the Senator yield?

Mr. CONNALLY. Permit me to finish my thought first. Would Senators want the newspapers to say that Mr. Stalin and Mr. Roosevelt and Mr. Churchill held a conference yesterday at Teheran and print exactly everything that was said at that conference, what policies were adopted, where they were going to strike next, and what the peace terms were going to be? In that event, how far would we get with our diplomacy? I will tell the Senate. We would simply get stuck in the mud.

Mr. SHIPSTEAD. I am making no accusations.

Mr. CONNALLY. I thank the Senator.

Mr. SHIPSTEAD. I am presenting what is an official debate in the House of Commons.

Mr. CONNALLY. Well, so is this an official debate, and I hope they do not read it over in England. All this is an official debate.

Mr. SHIPSTEAD. I presented the matter for the information of the Senate of the United States. I am not saying that what was said is true, but it was such a grave matter, being of an official character, that it ought to be called to the attention of the Congress of the United States, because it comes from the British House of Commons.

Mr. CONNALLY. I do not see any harm in calling it to the attention of Congress, but I think the Senator, when he comes into court, ought to come in with some evidence or some proof. A friend of the member of the House of Parliament in question says he is crazy, that he ought to be in the asylum. Another friend says, "it is said," and that is all he has.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. HATCH. All I wish to say to the Senator from Texas is that we all know the Secretary of State, Mr. Cordell Hull. Mr. Hull would not sacrifice the liberty of any American citizen at home or abroad. I think that is a correct statement; is it not? And the Senator from Texas has said that these matters were referred to the Secretary of State.

Mr. McKELLAR. I will back the Senator in the statement he has made respecting Mr. Cordell Hull.

Mr. HATCH. And the Secretary waived diplomatic immunity because this man violated the laws of the country in which he was serving. There has never been a greater protector of individual liberty, of the right of trial by jury, than the British people. There has never been a greater protector of American liberty than our own Secretary of State. The Senator from Minnesota may quote someone in the British Parliament, but he can never convince me that Cordell Hull unjustly waived the rights of an American citizen.

Mr. SHIPSTEAD. I am not trying to convince the Senator of anything.

Will the Senator yield to me for a moment?

Mr. HATCH. I do not have the floor.

Mr. SHIPSTEAD. According to the record the young man was tried in secret chamber, in camera. He was not tried by jury. I am not accusing the Parliament of anything.

Mr. HATCH. I think the Senator is speaking of something of which he knows nothing.

Mr. WHEELER. No; he was tried in a secret British court. There is no claim otherwise, and the State Department will so advise the Senator.

Mr. SHIPSTEAD. He was tried in camera.

Mr. CONNALLY. Let me say that that is no doubt true. All violations of the Defense of the Realm Act are tried in secret, because diplomatic correspondence and transactions would have to be revealed if a public trial were had.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. SHIPSTEAD. The question is not whether this man committed an ordinary crime. The question is, Did he reveal and did he give to a private citizen of Britain, who made use of it, the secret code of the Department of State of the United States? I am not saying that he did.

Mr. CONNALLY. I am not saying that he used the code. I do not know. But he did have photostatic copies made of certain diplomatic correspondence, and he conveyed that to a member of the House of Commons and to a woman spy of Russia.

Mr. President, I have trespassed too long upon the time of the Senate. I wish to thank the Senator from Minnesota for his kindness in furnishing me these newspapers.

Mr. President, I hope no Senator will deduce from anything I have said any criticism of the Senator from Minnesota or of the Senator from Montana. I am perfectly willing that there be the fullest and the freest debate. I was only contending that we should not here in this great forum give currency over the radio and through the news columns to any statement for which we ourselves cannot vouch, and we ought not to make a statement unless we know it to be true, or unless we have what we think is adequate proof. Let not charges be based on "it is said," on hearsay, on rumor, on gossip, and on the filmy clouds of conversation and deduction and wishful thinking, but let the charges be made upon the basis of fact.

Mr. SHIPSTEAD. I have made no accusation. The only reason I brought the matter to the attention of the Senate was because it came from an official source, from the Parliament of Great Britain, an ally of ours. The debate was participated in by members of three parties in the British Parliament. No one arose on the floor of Parliament to deny the things which were said. I have no personal interest in the matter; but, because a great parliament of a great government engaged in the debate, and some of its members uttered sentiments reflecting upon the Government of the United States, I thought we ought to take some cognizance of the matter, that it ought to be brought to our attention for what it is worth, and if the Congress sees fit to do something about it, very well, that is up to the Senate and up to the House. But I will not stand here silent when members of a foreign parliament make such statements as were made, when members of various parties represented in it agree to the same statements, and whether they are based on

fact or not, they all agree that there is something in these transactions. The man in question is in jail, and it is charged that he was not tried according to law. Here is a member of Parliament tried under a war regulation. He was a collaborator with the young man working for the State Department of the United States. This matter is so important that I did not think we as a Congress could let the official debate continue without a recognition of it. It is up to the Congress to do what it wishes about it. It is for the Congress to decide whether it wishes to do anything about it. However, I was firmly and conscientiously of the opinion that it must be called to the attention of the Senate. I have no personal interest in the matter.

Mr. BILBO. Mr. President, I think it is extremely regrettable that it became necessary in this discussion to listen to such a severe denunciation of the head of the Russian Government on the floor of the United States Senate, when Russia is at the present time our very helpful ally in the World War. Without her help the issue might be in doubt. She has just finished a campaign sacrificing more than 8,000,000 Russian lives in order that the tyrants whom we are fighting may be destroyed.

APPROPRIATIONS FOR WAR AGENCIES

The Senate resumed the consideration of the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes.

Mr. BILBO. Mr. President, I have been waiting for about 2 hours to deliver my speech on the amendment of the Senator from Georgia [Mr. RUSSELL] to the pending appropriation bill. It is evident that it is too late to begin my remarks.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. CONNALLY. I think the Senator ought to thank us, because if his speech goes over until tomorrow, he will have a better gallery, a better press, and more listeners on the floor of the Senate.

Mr. BILBO. Secretly, I am gratified.

Mr. President, I ask unanimous consent that I may obtain the floor at the beginning of the session tomorrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. McKELLAR. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. STEWART in the chair) laid before the Senate messages from the President of the United States, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. BANKHEAD, from the Committee on Agriculture and Forestry:

Charles Franklin Brannan, of Colorado, to be Assistant Secretary of Agriculture, vice Grover B. Hill.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of A. Miles Pratt to be collector of customs for customs collection district No. 20, with headquarters at New Orleans, La.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the calendar.

Mr. McKELLAR. I ask that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

DISTRICT PUBLIC UTILITIES COMMISSION—NOMINATION OF J. FRANCIS REILLY

Mr. BILBO. Mr. President, on June 8 the Senate confirmed the nomination of J. Francis Reilly to be a member of the Public Utilities Commission of the District of Columbia. His place of residence was stated in the nomination as being the State of Maryland. In fact, he is a resident of the District of Columbia. The Senate having no authority to make the proper change, in the nomination, the President has sent to the Senate a corrected nomination of Mr. Reilly, properly stating his residence as being in the District of Columbia.

I therefore ask unanimous consent for the present consideration of the nomination, with a view to its confirmation without reference to the Committee on the District of Columbia, which has already considered the question.

Mr. WHITE. Mr. President, my attention was diverted, and I did not hear the request. Does this relate to the confirmation of a nomination?

Mr. BILBO. This is a nomination which has already been confirmed. A new nomination has been submitted, because the address of the nominee was inaccurately stated in the nomination previously confirmed.

Mr. WHITE. As I understand, this is a case in which there was a mistake as to the residence, and this nomination is only for the purpose of correcting the error.

Mr. BILBO. That is correct.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination? The Chair hears none, and the nomination will be stated.

The legislative clerk read the nomination of J. Francis Reilly, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BILBO. I ask unanimous consent to enter a motion to reconsider the vote confirming the previous nomination, and move that the President be requested to return the resolution of notification to the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi? The Chair hears none, and the motion to reconsider the vote confirming the previous nomination will be entered.

The question is on agreeing to the motion of the Senator from Mississippi that the President be requested to return the resolution of notification to the Senate.

The motion was agreed to.

RECESS

Mr. McKELLAR. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 15 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, June 20, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 19 (legislative day May 9), 1944:

UNDER SECRETARY OF THE NAVY

Ralph A. Bard, of Illinois, to be Under Secretary of the Navy.

REGISTER OF LAND OFFICE

William Riddell, of Montana, to be register of the land office at Billings, Mont. (Reappointment.)

UNITED STATES PUBLIC HEALTH SERVICE

The following-named for appointment and promotion in the regular corps of the United States Public Health Service:

TO BE ASSISTANT SURGEONS EFFECTIVE DATE OF OATH OF OFFICE

Frederic C. Bartter	David F. Bradley
Leon A. Heppel	Joseph E. Maurer
Francis S. Schwarz	Rheim M. Jones
Griffith E. Quinby	William R. Rosanoff
Robert J. Huebner	Warren S. Kennison
James K. Norman	

TO BE PASSED ASSISTANT SURGEON EFFECTIVE DATE OF OATH OF OFFICE

Luther L. Terry

SURGEON TO BE TEMPORARY SENIOR SURGEON EFFECTIVE JUNE 1, 1944

Edwin Gantt Williams.

PASSED ASSISTANT SURGEON TO BE TEMPORARY SURGEON EFFECTIVE JUNE 1, 1944

James Barclay Donaldson

ASSISTANT SURGEON TO BE TEMPORARY PASSED ASSISTANT SURGEON EFFECTIVE JUNE 1, 1944

Joseph P. Kesler

SENIOR SURGEONS TO BE MEDICAL DIRECTORS EFFECTIVE DATES INDICATED

Joseph W. Mountin, July 17, 1944.
Ralph E. Porter, July 15, 1944.

IN THE MARINE CORPS

Brig. Gen. Clifton B. Cates to be a major general in the Marine Corps, for temporary service, from the 1st day of February 1944.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

To be first lieutenants with rank from July 1, 1944

Second Lt. William Allen Daniel, Air Corps (temporary lieutenant colonel).

Second Lt. Robert Gabel Emmens, Air Corps (temporary lieutenant colonel).
Second Lt. Franklin H. MacNaughton, Air Corps (temporary lieutenant colonel).
Second Lt. William John Kennedy, Air Corps (temporary major).
Second Lt. John Bailey Henry, Jr., Air Corps (temporary lieutenant colonel).
Second Lt. Harry MacCulloch Pike, Air Corps (temporary lieutenant colonel), subject to examination required by law.
Second Lt. Kenneth Walter Northamer, Air Corps (temporary lieutenant colonel).
Second Lt. Jack Gillespie Milne, Air Corps (temporary major).
Second Lt. Luther Henry Richmond, Air Corps (temporary lieutenant colonel).
Second Lt. William Frank Savoie, Air Corps (temporary major).
Second Lt. Carver Thaxton Bussey, Air Corps (temporary lieutenant colonel).
Second Lt. Glenn Smith Finley, Jr., Cavalry (temporary major).
Second Lt. Philip Wendell Constance, Ordnance Department (temporary major).
Second Lt. Lindsey Hartford Vereen, Air Corps (temporary lieutenant colonel).
Second Lt. Charles David Sonnkalb, Air Corps (temporary lieutenant colonel).
Second Lt. Carl Erwin Drewes, Ordnance Department (temporary major).
Second Lt. James Wyatt Newsome, Air Corps (temporary lieutenant colonel).
Second Lt. James Raymond Lyons, Air Corps (temporary major).
Second Lt. Harry Hunt Towler, Jr., Air Corps (temporary major).
Second Lt. Nathan Bourne Hays, Air Corps (temporary major).
Second Lt. Russell Keith Brock, Air Corps (temporary major).
Second Lt. James William Guthrie, Air Corps (temporary major).
Second Lt. Quinter Paul Gerhart, Air Corps (temporary major).
Second Lt. Robert Wiygul Burns, Air Corps (temporary lieutenant colonel).
Second Lt. James Collins Bagg, Quartermaster Corps (temporary captain).
Second Lt. James Willard Guest, Field Artillery (temporary major).
Second Lt. Harold Broudy, Coast Artillery Corps (temporary captain).
Second Lt. Arnold Beverly Addlestone, Ordnance Department (temporary major).
Second Lt. Joseph Lowery Amell, Jr., Field Artillery (temporary captain).
Second Lt. Allan Gardner Pixton, Field Artillery (temporary lieutenant colonel).
Second Lt. Joseph Ruane McGuire, Field Artillery (temporary major).
Second Lt. Henry John Amen, Air Corps (temporary lieutenant colonel).
Second Lt. William Elmer Zins, Air Corps (temporary major).
Second Lt. Grover Cleveland Brown, Air Corps (temporary colonel).
Second Lt. Albert James Moye, Air Corps (temporary major).
Second Lt. Harry James Sands, Jr., Air Corps (temporary lieutenant colonel).
Second Lt. David Warren Hassemer, Air Corps (temporary lieutenant colonel).
Second Lt. Robert Brown Coen, Air Corps (temporary major).
Second Lt. Ralph Leslie Michaelis, Air Corps (temporary colonel).
Second Lt. Arthur Clarke Perry, Air Corps (temporary major).
Second Lt. Frank Leslie Nims, Air Corps (temporary major).
Second Lt. Robert Haynes McCutcheon, Air Corps (temporary lieutenant colonel).
Second Lt. Charles McDonald Parkin, Jr., Corps of Engineers (temporary major).
Second Lt. Keith Philip Fabianich, Infantry (temporary captain).
Second Lt. Herman Richard Schell, Infantry (temporary captain).
Second Lt. Alexis Michael Gagarine, Infantry (temporary first lieutenant).
Second Lt. Harland Glen Wood, Coast Artillery Corps (temporary major).
Second Lt. John Carl Sparrow, Quartermaster Corps (temporary captain).
Second Lt. Arthur McMurrough Murphy, Infantry (temporary captain).
Second Lt. Donald Heck, Signal Corps (temporary major).
Second Lt. Albin Felix Irzyk, Cavalry (temporary major).
Second Lt. Richard James Darnell, Infantry (temporary major).
Second Lt. Lewis Warner Fogg 3d, Corps of Engineers (temporary captain).
Second Lt. Gordon Lowell Chambers Scott, Corps of Engineers (temporary captain).
Second Lt. Ray C. Conner, Ordnance Department (temporary lieutenant colonel).
Second Lt. Peter Leon Urban, Coast Artillery Corps (temporary major).
Second Lt. James Erwin Crosby, Jr., Air Corps (temporary major).
Second Lt. Robert Eldon Phelps, Infantry (temporary captain).
Second Lt. Morris Cowan Stout, Field Artillery (temporary captain).
Second Lt. James Moore Boyd, Air Corps (temporary captain).
Second Lt. Douglas Hugh Sullivan, Field Artillery (temporary captain).
Second Lt. Glen Carl Long, Infantry (temporary major).
Second Lt. Alvin Ethelbert Cowan, Infantry (temporary major).
Second Lt. Fred Allan Pierce, Jr., Infantry (temporary major), subject to examination required by law.
Second Lt. Jeff William Boucher, Corps of Engineers (temporary major).
Second Lt. Gerald Elbert Gowell, Cavalry (temporary major), subject to examination required by law.
Second Lt. James Miller Hustead 2d, Field Artillery (temporary captain).
Second Lt. Zebulon LaFayette Strickland, Jr., Coast Artillery Corps (temporary captain).
Second Lt. Leonard Shirley Wilhelm, Infantry (temporary major).
Second Lt. Jean Albert Jack, Air Corps (temporary lieutenant colonel).
Second Lt. Wilburt James Irwin, Field Artillery (temporary major).
Second Lt. Robert Arnold Martin, Cavalry (temporary captain).
Second Lt. Thomas John Sharpe, Field Artillery (temporary major).
Second Lt. Joe Vandiver Langston, Infantry (temporary major).
Second Lt. Reuben Eugene Wheelis, Quartermaster Corps (temporary captain).
Second Lt. John Herbert Savage, Ordnance Department (temporary major).
Second Lt. Frederick John Wells, Corps of Engineers (temporary captain).
Second Lt. Karekin Gaspar Arabian, Chemical Warfare Service (temporary captain).
Second Lt. Rawlins Murrell Colquitt, Jr., Coast Artillery Corps (temporary major).
Second Lt. Charles Edward Tennesson, Jr., Field Artillery (temporary major).
Second Lt. Lloyd LeRoy Hanes, Infantry (temporary major).
Second Lt. Jules Maurice DuParc, Coast Artillery Corps (temporary major).
Second Lt. William Bernard Pohlman, Jr., Coast Artillery Corps (temporary major).
Second Lt. Leon Francis Kosmacki, Field Artillery (temporary captain), subject to examination required by law.
Second Lt. Benjamin Alan Swartz, Field Artillery (temporary captain).
Second Lt. George Alexander Clayton, Infantry (temporary major).
Second Lt. Robert Alroy Olson, Air Corps (temporary captain).
Second Lt. Richard Boyd Bullock, Infantry (temporary captain).
Second Lt. John William Paxton, Corps of Engineers (temporary major).
Second Lt. Warren Earl Walters, Infantry (temporary captain), subject to examination required by law.
Second Lt. Rudolph Kermit Brunsvold, Infantry (temporary major).
Second Lt. James William Sutherland, Jr., Infantry (temporary major).
Second Lt. John Arthur Benner, Coast Artillery Corps (temporary major).
Second Lt. Edwin Herbert Garrison, Air Corps (temporary captain).
Second Lt. John William O'Neill, Air Corps (temporary captain).
Second Lt. William Franklin LaHatte, Coast Artillery Corps (temporary major).
Second Lt. Harry Kelly Thomson, Field Artillery (temporary major), subject to examination required by law.
Second Lt. William Donald Ward, Coast Artillery Corps (temporary captain).
Second Lt. George Ira Taylor, Field Artillery (temporary captain).
Second Lt. Harry Vaughn Beck, Infantry (temporary captain).
Second Lt. Robert Clare Foulston, Jr., Infantry (temporary captain).
Second Lt. Chester Henry Bigger, Field Artillery (temporary captain).
Second Lt. James Victor Sanden, Field Artillery (temporary major), subject to examination required by law.
Second Lt. John Wesley Simmons, Infantry (temporary captain).
Second Lt. James Lester Ballard, Jr., Infantry (temporary captain).
Second Lt. Laurence Arthur Madill, Infantry (temporary captain).
Second Lt. Donald Henry Janz, Coast Artillery Corps (temporary major).
Second Lt. Frank Selden Holcombe, Infantry (temporary major).
Second Lt. Burt Lunney Mitchell, Jr., Infantry (temporary captain).
Second Lt. William Fredrick Cathrae, Field Artillery (temporary major).
Second Lt. Floyd Allison Soule, Infantry (temporary captain).
Second Lt. James Francis McCarthy, Jr., Air Corps (temporary captain).
Second Lt. Henry Van Middleworth, Infantry (temporary major), subject to examination required by law.
Second Lt. James Penquite Mulcahy, Field Artillery (temporary major).
Second Lt. Elmer Hugo Almquist, Jr., Field Artillery (temporary major).
Second Lt. John Logan Schutz, Infantry (temporary major).
Second Lt. William Marks Hutson, Coast Artillery Corps (temporary captain).
Second Lt. Owen Beall Knight, Field Artillery (temporary captain).
Second Lt. Henry Price Tucker, Infantry (temporary major).
Second Lt. Hugh Woodrow Benson, Coast Artillery Corps (temporary captain).
Second Lt. Wilson Freeman, Field Artillery (temporary major).
Second Lt. William Neville Sloan, Jr., Quartermaster Corps (temporary major).
Second Lt. Andrew Peach Rollins, Jr., Corps of Engineers (temporary lieutenant colonel).
Second Lt. Max George Hensel, Infantry (temporary captain).
Second Lt. Gordon B. Cauble, Signal Corps (temporary major).
Second Lt. John Farley Splain, Coast Artillery Corps (temporary major).
Second Lt. Arthur Wendell Gunn, Field Artillery (temporary captain).
Second Lt. Chester Elwood Kennedy, Cavalry (temporary major).
Second Lt. William E. Feeman, Corps of Engineers (temporary major).

Second Lt. James William Haley, Infantry (temporary captain).
Second Lt. Eugene Philip Palmer, Coast Artillery Corps (temporary captain).
Second Lt. Robert Charles Barthle, Signal Corps (temporary captain).
Second Lt. Joseph Theodore McQuaide, Corps of Engineers (temporary captain), subject to examination required by law.
Second Lt. Bernard Paul Haley, Infantry (temporary captain).
Second Lt. Arthur John Howland, Field Artillery (temporary captain).
Second Lt. Burton Bryant Chandler, Cavalry (temporary captain).
Second Lt. Edward Bernard Jennings, Corps of Engineers (temporary major).
Second Lt. Otho Eugene Holmes, Infantry (temporary major).
Second Lt. Robert Usher Gaines, Jr., Air Corps (temporary first lieutenant).
Second Lt. Francis Loring Douglass, Infantry (temporary captain).
Second Lt. Leo Bond Jones, Field Artillery (temporary major).
Second Lt. Maxie Thurmond, Cavalry (temporary captain).
Second Lt. Byron Mark Kirkpatrick, Corps of Engineers (temporary major).
Second Lt. Louis Edward Aull, Field Artillery (temporary major).
Second Lt. Charles Edward Mosse, Air Corps (temporary captain).
Second Lt. Albro Lefils Parsons, Jr., Corps of Engineers (temporary captain).
Second Lt. Ernest Samusson, Jr., Infantry (temporary captain).
Second Lt. William Barker Wootton, Jr., Infantry (temporary captain).
Second Lt. William Robertson Desobry, Infantry (temporary major).
Second Lt. James Turner Skipworth, Infantry (temporary captain).
Second Lt. Hubert Walter Gillespie, Jr., Field Artillery (temporary major).
Second Lt. Edmund Louis DuBois, Coast Artillery Corps (temporary captain).
Second Lt. Harold Ralph Rock, Infantry (temporary captain).
Second Lt. William Albert Becker, Field Artillery (temporary major).
Second Lt. Edward August Huwaldt, Field Artillery (temporary major).
Second Lt. Charles Frederick Ostner, Field Artillery (temporary captain).
Second Lt. Richard Johnson Binnicker, Jr., Field Artillery (temporary captain).
Second Lt. Toma David Harris, Jr., Cavalry (temporary captain).
Second Lt. Eugene Francis Lawrence, Coast Artillery Corps (temporary captain).
Second Lt. Robert Blaine Wells, Infantry (temporary captain).
Second Lt. Daniel Seward LaShelle, Infantry (temporary first lieutenant).
Second Lt. George Lindsay Disharoon, Jr., Infantry (temporary major).
Second Lt. George Eugene Bostwick, Air Corps (temporary first lieutenant).
Second Lt. Quentin Roosevelt, Field Artillery (temporary captain).
Second Lt. John Michener Wilson, Infantry (temporary captain).
Second Lt. John Taylor Newman, Signal Corps (temporary captain).
Second Lt. Bliss Leon Mehr, Air Corps (temporary captain).
Second Lt. Thomas Eugene Watson, Jr., Chemical Warfare Service (temporary first lieutenant).
Second Lt. Donald Dean Dunlop, Infantry (temporary major).
Second Lt. Joseph Gorrell Kearfott Miller, Field Artillery (temporary captain).
Second Lt. Joseph Douglas Mitchell, Infantry (temporary first lieutenant).
Second Lt. Charles Warren Adcock, Coast Artillery Corps (temporary captain).
Second Lt. Ernest Lee Wehner, Field Artillery (temporary captain).

To be first lieutenants with rank from July 18, 1944

Second Lt. Joseph Theodore Materi, Coast Artillery Corps (temporary captain).
Second Lt. William Victor Downer, Jr., Coast Artillery Corps (temporary captain).
Second Lt. William Warren Neely, Coast Artillery Corps (temporary captain).
Second Lt. Thomas Bennett Mechling, Coast Artillery Corps (temporary major).

MEDICAL CORPS

To be colonels

Lt. Col. Leland Elder Dashiell, Medical Corps (temporary colonel), with rank from July 4, 1944.
Lt. Col. George William Reyer, Medical Corps (temporary colonel), with rank from July 4, 1944.
Lt. Col. Oscar Thweatt Kirksey, Medical Corps (temporary colonel), with rank from July 6, 1944.
Lt. Col. Byron Johnson Peters, Medical Corps, with rank from July 13, 1944.
Lt. Col. Joseph Rogers Darnall, Medical Corps (temporary colonel), with rank from July 15, 1944.
Lt. Col. Leland Oliver Walter Moore, Medical Corps, with rank from July 23, 1944.
Lt. Col. Henry William Meisch, Medical Corps (temporary colonel), with rank from July 24, 1944.

To be lieutenant colonel

Maj. Berna Thomas Bowers, Medical Corps (temporary colonel), with rank from July 25, 1944.

To be majors

Capt. Frank Anthony Minas, Medical Corps (temporary colonel), with rank from July 1, 1944.
Capt. Henry Schuldt Murphey, Medical Corps (temporary colonel), with rank from July 1, 1944.
Capt. Carl Robert Darnall, Medical Corps (temporary lieutenant colonel), with rank from July 1, 1944.
Capt. George Merle Powell, Medical Corps (temporary lieutenant colonel), with rank from July 1, 1944.
Capt. Charles Henry Morhouse, Medical Corps (temporary colonel), with rank from July 1, 1944.
Capt. John Lemoin Crawford, Medical Corps (temporary colonel), with rank from July 1, 1944.
Capt. Claude Cordray Dodson, Medical Corps (temporary lieutenant colonel), with rank from July 1, 1944.

To be captains

First Lt. James Lee Royals, Medical Corps (temporary major), with rank from July 1, 1944.
First Lt. Robert Hicks Holmes, Medical Corps (temporary major), with rank from July 1, 1944.
First Lt. William Henry Anderson, Medical Corps (temporary major), with rank from July 1, 1944.
First Lt. Robert Patrick Campbell, Medical Corps (temporary major), with rank from July 1, 1944.
First Lt. Walter Cecil Twineham, Medical Corps (temporary major), with rank from July 1, 1944.
First Lt. William Holmes Crosby, Jr., Medical Corps (temporary major), with rank from July 1, 1944.
First Lt. Edward Kernaghan Mills, Medical Corps (temporary major), with rank from July 1, 1944.
First Lt. John Charles Benson, Jr., Medical Corps (temporary major), with rank from July 1, 1944.
First Lt. Milton Omar Beebe, Jr., Medical Corps (temporary major), with rank from July 1, 1944.
First Lt. Edward Lloyd Seretan, Medical Corps (temporary major), with rank from July 1, 1944.
First Lt. Winston Clarkson Hainsworth, Medical Corps (temporary major), with rank from July 1, 1944.
First Lt. John Joseph Maloney, Medical Corps (temporary major), with rank from July 1, 1944.
First Lt. Frederic John Hughes, Jr., Medical Corps (temporary major), with rank from July 1, 1944.
First Lt. Charles Bullard Hooker, Medical Corps (temporary major), with rank from July 1, 1944.
First Lt. Wilson Gordon Brown, Medical Corps (temporary captain), with rank from July 1, 1944.
First Lt. Abraham Chartock, Medical Corps (temporary major), with rank from July 2, 1944.
First Lt. Andrew Carroll Offutt, Medical Corps (temporary captain), with rank from July 2, 1944.
First Lt. William Morrow Webb, Medical Corps (temporary captain), with rank from July 2, 1944.
First Lt. Jess Franklin Gamble, Medical Corps (temporary lieutenant colonel), with rank from July 3, 1944.
First Lt. James Archer Orbison, Medical Corps (temporary captain), with rank from July 5, 1944.
First Lt. Dan Crozier, Medical Corps (temporary major), with rank from July 9, 1944.
First Lt. Adolph David Casciano, Medical Corps (temporary captain), with rank from July 12, 1944.
First Lt. Julian Marlow Sether, Medical Corps (temporary captain), with rank from July 12, 1944.
First Lt. William Gregory Thalmann, Jr., Medical Corps (temporary captain), with rank from July 12, 1944.
First Lt. William John Brown, Medical Corps (temporary major), with rank from July 12, 1944.
First Lt. Edward Henry Vogel, Jr., Medical Corps (temporary captain), with rank from July 12, 1944.
First Lt. Courtland Stillings Jones, Jr., Medical Corps (temporary captain), with rank from July 12, 1944.
First Lt. James Park Dewar, Jr., Medical Corps (temporary major), with rank from July 12, 1944.
First Lt. LeRoy Otten Travis, Medical Corps (temporary major), with rank from July 12, 1944.
First Lt. Edward Jenner Whiteley, Medical Corps (temporary major), with rank from July 12, 1944.
First Lt. Welland Angel Hause, Medical Corps (temporary captain), with rank from July 14, 1944.
First Lt. Harold Mendez Jesurun, Medical Corps (temporary major), with rank from July 17, 1944.

DENTAL CORPS

To be colonels

Lt. Col. John Samuel Ross, Dental Corps, with rank from July 4, 1944.
Lt. Col. Elmer Henry Nicklies, Dental Corps (temporary colonel), with rank from July 13, 1944.

To be major

Capt. John Kenneth Sitzman, Dental Corps (temporary colonel), with rank from July 9, 1944.

To be captains

First Lt. Victor Clifford Tisdal, Jr., Dental Corps (temporary captain), with rank from July 1, 1944.
First Lt. Edwin Howell Smith, Jr., Dental Corps (temporary captain), with rank from July 1, 1944.
First Lt. Julius Calvin Sexson, Dental Corps (temporary captain), with rank from July 1, 1944.

First Lt. Frank Archer Mitchell, Dental Corps (temporary captain), with rank from July 1, 1944.

First Lt. Joseph Robert Gibson, Dental Corps (temporary captain), with rank from July 1, 1944.

First Lt. Richard James Farrell, Dental Corps (temporary captain), with rank from July 1, 1944.

First Lt. Albert Rhoades Buckelew, Dental Corps (temporary captain), with rank from July 1, 1944.

First Lt. George Nicholas Schulte, Dental Corps (temporary major), with rank from July 7, 1944.

First Lt. Norbert Corbin Kephart, Dental Corps (temporary captain), with rank from July 8, 1944.

First Lt. Russell Henry Augsburger, Dental Corps (temporary captain), with rank from July 31, 1944.

VETERINARY CORPS

To be colonel

Lt. Col. Harry Lawrence Watson, Veterinary Corps (temporary colonel), with rank from July 18, 1944.

PHARMACY CORPS

To be first lieutenant

Second Lt. Charles Joseph Mrazek, Jr., Pharmacy Corps (temporary captain), with rank from July 6, 1944.

CHAPLAIN

To be colonel

Chaplain (Lt. Col.) Mariano Vassallo, United States Army (temporary colonel), with rank from July 19, 1944.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 19 (legislative day of May 9), 1944:

PUBLIC UTILITIES COMMISSION OF THE DISTRICT OF COLUMBIA

J. Francis Reilly to be a member of the Public Utilities Commission of the District of Columbia for the term of 3 years from July 1, 1944.

COLLECTOR OF CUSTOMS

A Miles Pratt to be collector of customs for customs collection district No. 20, with headquarters at New Orleans, La.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 19, 1944

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, our Father, who art willing and able to supply our many needs, we pray that in all our thoughts and toils during the day we may have the constant inspiration and confident companionship of Thy presence.

May we daily live by that standard of the better self which Thou hast revealed in the Christ, our Lord, and may the social order which we are seeking to build be in conformity unto His ideals of brotherhood and good will among men.

Grant that in our prayers we may remember more frequently and fervently all who are giving themselves so sacrificially for those blessings which we are privileged to enjoy.

To Thy name shall be the praise and the glory. Amen.

The Journal of the proceedings of Saturday, June 17, 1944, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, one of its clerks, announced that the Senate had passed without amendment a bill and a joint resolution of the House of the following titles:

H. R. 4659. An act to authorize the Soil Conservation Service to lend certain equipment; and

H. J. Res. 298. Joint resolution making appropriations for grants to States under the Social Security Act.

The message also announced that the Senate further insists upon its amendment numbered 10 to the bill (H. R. 4204) entitled "An act making appropriations for the Departments of State, Justice, and Commerce for the fiscal year ending June 30, 1945, and for other purposes," disagreed to by the House; asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCARRAN, Mr. McKELLAR, Mr. RUSSELL, Mr. BANKHEAD, Mr. CONNALLY, Mr. WHITE, and Mr. REED to be the conferecs on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4414) entitled "An act making appropriations for the legislative branch and for the judiciary for the fiscal year ending June 30, 1945, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate No. 35 to the foregoing bill and that the Senate recede from its amendment No. 34 to said bill.

The message also announced that the Acting President pro tempore has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of the Interior.
3. Department of the Navy.
4. Department of War.
5. Federal Security Agency.
6. Office of Price Administration.
7. War Manpower Commission.
8. Administration Office of the United States Courts (U. S. District Court for the Western District of Wisconsin).

EXTENSION OF REMARKS

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein an editorial which appeared in this morning's Washington Post on the O. P. A. bill now in conference.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATIONS 1945

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4183) making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes, with Senate amendments thereto; disagree to the Senate amendments, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. SNYDER]? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. SNYDER, Mr. STARNES of Alabama, Mr. KERR, Mr. MAHON, Mr. POWERS, Mr. ENGEL of Michigan, and Mr. CASE.

EXTENSION OF REMARKS

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. BOYKIN] be permitted to extend his remarks on two subjects, in one to include a newspaper article and in another a radio address.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include a speech I made at the Democratic State convention in Indianapolis on Friday, June 16, 1944.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. O'BRIEN of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short quotation.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. KILDAY. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the disposition of business on the Speaker's desk, I be permitted to address the House for 15 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. MORRISON of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article on the St. Lawrence seaway power project in the Labor Record of New Orleans, La.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, sometime ago I secured an estimate from the Public Printer on the cost of including in the RECORD certain communications to the Congress of the United States by Mr. Rollo Ellis, a citizen of California. I find it would take five pages of the RECORD. Since that time, Mr. Speaker, I have succeeded in arranging to cut the matter down to about half its former length. It will still exceed two pages, but, nevertheless, I ask unanimous consent to print it in the RECORD.

The SPEAKER. Notwithstanding and without objection, it is so ordered.

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article by Mark Sullivan.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a speech I made in Philadelphia on June 15, 1944.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that I may have permission to address the House for 20 minutes on Wednesday next after the conclusion of other business.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain resolutions.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent that after the regular business today I be permitted to address the House for 10 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent that I be permitted to address the House after the regular order of business on Wednesday next for 15 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Miss STANLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address by Chancelor Samuel P. Capen, of the University of Buffalo, to the class of 1944.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks by printing an address by my colleague the gentlewoman from New York [Miss STANLEY].

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include a statement of another in the Appendix.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. SMITH of Maine. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech delivered by me at the White House on June 14.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ANTON J. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McGREGOR. Mr. Speaker, I make the point of order that no quorum is present.

The SPEAKER. Will the gentleman from Ohio temporarily withdraw his point of order as there are other Members who wish to be recognized to extend their remarks?

Mr. McGREGOR. Mr. Speaker, I withdraw the point of order.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article from the New York Times.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MURPHY. Mr. Speaker, I ask unanimous consent that the time allotted to me on a special order for tomorrow may be increased from 15 minutes to 30 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain tables which I have compiled.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WRIGHT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Will the gentleman from Pennsylvania temporarily withdraw his point of order as there are other Members who desire to be recognized to their extend their remarks?

Mr. WRIGHT. Yes, Mr. Speaker.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COFFEE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therewith a resolution which I am introducing today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Miss STANLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an editorial which appeared in the New York Times on June 16, 1944.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein two telegrams.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

The SPEAKER. The gentleman from Ohio [Mr. McGREGOR] and the gentleman from Pennsylvania [Mr. WRIGHT] make the point of order that there is no quorum present. Evidently there is no quorum present.

Mr. RAMSPECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 95]

Arnold	Grant, Ind.	Morrison, N. C.
Baldwin, Md.	Hagen	Murdock
Blackney	Hale	Myers
Boren	Hall,	O'Connor
Boykin	Edwin Arthur	Patman
Bradley, Mich.	Hall,	Peterson, Ga.
Bradley, Pa.	Leonard W.	Pfeifer
Brumbaugh	Harless, Ariz.	Phillips
Buckley	Harris, Va.	Plumley
Burchill, N. Y.	Hébert	Rabaut
Burdick	Heffernan	Reece, Tenn.
Cannon, Fla.	Heidinger	Reed, N. Y.
Capozzoli	Johnson,	Richards
Chiperfield	Calvin D.	Rivers
Cox	Kennedy	Rooney
Dickstein	Keogh	Rowe
Dies	Kilburn	Russell
Disney	Klein	Shafer
Douglas	Lane	Sheridan
Drewry	Lemke	Simpson, Pa.
Elmer	Lewis	Smith, Va.
Fay	Luce	Stearns, N. H.
Ford	Lynch	Stewart
Fulbright	McCord	Sumner, Ill.
Fuller	McLean	Taylor
Furlong	McMurray	Thomas, N. J.
Gallagher	Magnuson	Torrens
Gavin	Mansfield, Tex.	Treadway
Gibson	Merrow	Wadsworth
Gifford	Miller, Mo.	White
Gordon	Miller, Pa.	Whitten
Granger	Mills	Woodrum, Va.

The SPEAKER. Three hundred and thirty-seven Members have answered to their names. A quorum is present.

On motion of Mr. RAMSPECK, further proceedings under the call were dispensed with.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow morning at 10 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object—and I shall not object, because I appreciate it is necessary to come in early if we are to finish our business—will the gentleman tell us what the program will be?

Mr. McCORMACK. I will be glad to. The first order of business will be final action on the war contracts termination bill, after which bills on the Consent Calendar will be called. Then there are several bills that we expect may be passed by unanimous consent.

There are from two to four suspensions to be called, which will depend on what action is taken when two of the bills from the Consent Calendar are called.

Two of the bills to be called up under suspension are bills reported by the Committee on Foreign Affairs; one, H. R. 4311, authorizing the appointment of two additional Assistant Secretaries of State; the other, H. R. 4282, relating to the sale of buildings and grounds.

Then there is the civilian pilot training bill to extend an act which expires June 30, also a bill reported by the Committee on Interstate and Foreign Commerce relating to tuberculosis. After that the agricultural conference report will come up.

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Georgia.

Mr. TARVER. I was advised last week that the agricultural appropriation conference report would follow immediately the calling of the Consent Calendar, and that that was a definite arrangement. I have so advised many gentlemen who are interested in that report. I am surprised to hear the gentleman say, if I understand him correctly, that action thereon has been postponed until action is had on some four or five different items of legislation.

Mr. McCORMACK. I am sure the gentleman from Georgia will appreciate the fact that it is the practice, if not the rule, that motions to suspend the rules follow the call of the Consent Calendar. In announcing this program I do not think any statement I have made is inconsistent with what the gentleman understood and what the gentleman has just stated, because the agricultural conference report will immediately follow any bill on which the Speaker recognizes a Member to move to suspend the rules.

Mr. TARVER. I think it is clearly evident from the gentleman's statement that we cannot hope to get up the conference report on the agricultural appropriation bill until late in the afternoon today, if at all, if you are going to have four or five suspensions of the rules, after the Consent Calendar is called, before you take up that report. I am wondering if it would not be better—if you are not going to take it up until late in the afternoon when there is no quorum here and when the point of no quorum may be made, and if the agreement made last week will not be carried out—that the conference report on the agricultural appropriation bill go over until tomorrow.

Mr. McCORMACK. With all due respect to the gentleman's observation about the agreement last week not being carried out, or being carried out, the gentleman from Massachusetts feels that the agreement is being carried out, and the gentleman will not enter into a dispute on that.

The SPEAKER. The gentleman from Georgia may be, and I think is, quoting a conversation he had with the present occupant of the chair. I told the gentleman that the conference report would come up immediately after the Consent Calendar. I think I then said to him, "if there are no suspensions." At that time the Chair did not know that matters of such urgency would come up as would require suspension of the rules. The Chair does not think the gentleman will have to wait until late in the afternoon to get action.

Mr. TARVER. I am not raising any question in regard to what the leadership may determine as to the proper schedule of business of this House.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

Mr. TARVER. I am simply taking the position, Mr. Speaker, that if this report is not to be reached until late in the afternoon, it ought to go over until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONTRACT SETTLEMENT ACT OF 1944

The SPEAKER. When the House adjourned on last Saturday the so-called contract-termination bill had been ordered to be read a third time, and was read the third time.

The question is on the passage of the bill.

Mr. DWORSHAK. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DWORSHAK. I am, Mr. Speaker.

The Clerk read as follows:

Mr. DWORSHAK moves to recommit the bill to the Committee on the Judiciary for further study.

The SPEAKER. The question is on the motion to recommit.

Mr. MAY. Mr. Speaker, I make the point of order that the motion to recommit comes too late. In support of that motion I desire to call the Chair's attention to the proceedings of last Saturday as set forth in the RECORD at page 6140. At that time, under the rule, the Chair announced that the third reading of the bill was in order, and I rose and was recognized for the purpose of making a motion. At that time I presented a motion to recommit, which contained a provision that the bill should be recommitted to the Committee on the Judiciary, with instructions to that committee to report the bill back forthwith with what is known as the Thomason amendment relating to the Comptroller General. The amendment was attached to the motion. The Chair at that time inquired whether or not I was opposed to the bill. I qualified to make the motion by saying that I was against the bill. I repeat that. I am still against it. I make the point of order that since under the rule only one motion to recommit is in order the motion of the gentleman from Idaho comes too late.

The SPEAKER. The gentleman from Kentucky received recognition, and he said he intended to offer a motion to recommit. The Chair asked him if he qualified as opposed to the bill, and he said he was opposed to it.

The motion to recommit was never offered. The Chair did not recognize the gentleman to offer a motion to recommit, and the gentleman from Massachusetts said that if any further proceedings were had, he would call for a quorum. The Chair sees no motion to recommit published in the RECORD, and it certainly would have been published in the RECORD if the gentleman had offered it.

Mr. MAY. Mr. Speaker, may I interrupt the Speaker, in all due respect, to call attention to the Speaker's language as of last Saturday, which reads as follows, and I quote from the RECORD:

The bill was ordered to be read a third time, and was read a third time.

Mr. MAY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MAY. I am, Mr. Speaker.

Mr. MARTIN of Massachusetts. Mr. Speaker, I understood the vote on the bill was going to go over until Monday. Is it not better to have the whole proceedings go over? I do not want to have to make the point of order that a quorum is not present.

The SPEAKER. The gentleman can offer his motion to recommit and have it pending.

The SPEAKER. But the gentleman did not; that is the answer. When there are Members on the minority side who qualify, the right to offer a motion to recommit passes to the minority. That is the rule.

Mr. MARTIN of Massachusetts. Mr. Speaker, I may say that at that time we had no opportunity to make the motion to recommit.

The SPEAKER. The question is on the motion to recommit.

Mr. COOPER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The question was taken; and on a division (demanded by Mr. MAY) there were—ayes 20, noes 189.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. McCORMACK, Mr. WALTER, and Mr. MAY demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 326, nays 21, not voting 83, as follows:

[Roll No. 96]

YEAS—326

Abernethy	Fenton	McGregor
Allen, Ill.	Fernandez	McKenzie
Allen, La.	Fish	McMillan
Andersen, H. Carl	Fisher	McWilliams
Anderson, Calif.	Fitzpatrick	Maas
Anderson, N. Mex.	Flannagan	Madden
Andresen, August H.	Fogarty	Maloney
Andrews, Ala.	Folger	Martin, Iowa
Andrews, N. Y.	Forand	Martin, Mass.
Angell	Fulmer	Mason
Arends	Gale	Merritt
Auchincloss	Gamble	Michener
Baldwin, Md.	Gathings	Miller, Conn.
Baldwin, N. Y.	Gavin	Miller, Nebr.
Barden	Gearhart	Monkiewicz
Barrett	Gerlach	Monroney
Barry	Gilchrist	Morrison, La.
Bates, Ky.	Gillette	Mott
Bates, Mass.	Gillie	Mruk
Beall	Goodwin	Mundt
Beckworth	Gordon	Murphy
Bell	Gore	Murray, Tenn.
Bender	Gorski	Newsome
Bennett, Mich.	Graham	Norman
Bennett, Mo.	Grant, Ala.	Norrell
Bishop	Grant, Ind.	Norton
Bland	Green	O'Brien, Ill.
Bloom	Gregory	O'Brien, Mich.
Bolton	Griffiths	O'Brien, N. Y.
Bradley, Pa.	Gross	O'Hara
Brehm	Gwynne	O'Neal
Brooks	Halleck	O'Toole
Brown, Ga.	Hancock	Outland
Brown, Ohio	Hare	Pace
Bryson	Harness, Ind.	Patton
Buck	Harris, Ark.	Peterson, Fla.
Buffett	Hart	Pfeifer
Bulwinkle	Hartley	Philbin
Burch, Va.	Hays	Phillips
Burgin	Hébert	Pittenger
Busbey	Hendricks	Ploeser
Butler	Herter	Poulson
Byrne	Hess	Powers
Camp	Hill	Pracht
Canfield	Hinshaw	Price, C. Frederick
Cannon, Mo.	Hobbs	Priest
Carlson, Kans.	Hoch	Ramey
Carrier	Hoeven	Ramspeck
Carson, Ohio	Hoffman	Randolph
Carter	Holifield	Rankin
Case	Holmes, Mass.	Reed, Ill.
Chapman	Holmes, Wash.	Rees, Kans.
Chenoweth	Hope	Richards
Church	Horan	Rivers
Clark	Howell	Rizley
Clason	Jackson	Robertson
Clevenger	Jarman	Robinson, Utah
Cochran	Jeffrey	Robsion, Ky.
Coffee	Jenkins	Rockwell
Cole, Mo.	Jennings	Rodgers, Pa.
Cole, N. Y.	Jensen	Rogers, Mass.
Colmer	Johnson, Anton J.	Rohrbough
Compton	Johnson, Ind.	Rolph
Cooley	Johnson, J. Leroy	Rowan
Cooper	Johnson, Lyndon B.	Russell
Costello	Johnson, Ward	Sabath
Courtney	Jones	Sadowski
Cravens	Jonkman	Sasscer
Crawford	Judd	Satterfield
Crosser	Kean	Scanlon
Cunningham	Kearney	Schiffler
Curley	Kee	Schwabe
Curtis	Keefe	Scott
D'Alesandro	Kefauver	Scrivner
Davis	Kelley	Sheppard
Dawson	Kerr	Short
Day	Kilday	Sikes
Delaney	Kinzer	Simpson, Ill.
Dewey	Kleberg	Slaughter
Dilweg	Knutson	Smith, Maine
Dingell	Kunkel	Smith, Ohio
Dirksen	LaFollette	Smith, Va.
Dondero	Lambertson	Smith, W. Va.
Doughton	Landis	Smith, Wis.
Eaton	Lanham	Snyder
Eberharter	Larcade	Somers, N. Y.
Elliott	Lea	Sparkman
Ellis	LeCompte	Spence
Ellison, Md.	LeFevre	Springer
Ellsworth	Lesinski	Stanley
Elston, Ohio	Ludlow	Starnes, Ala.
Engel, Mich.	McConnell	Stefan
Engle, Calif.	McCormack	Stevenson
Feighan	McCowen	Stigler
Fellows	McGehee	Stockman
		Sullivan
		Sumner, Ill.
Sumners, Tex.	Vorys, Ohio	Wickersham
Sundstrom	Vursell	Wigglesworth
Taber	Wadsworth	Willey
Talbot	Walter	Wilson
Talle	Ward	Winstead
Tarver	Wasielewski	Winter
Thomas, Tex.	Weaver	Wolcott
Tibbott	Weichel, Ohio	Wolfenden, Pa.
Tolan	Weiss	Wolverton, N. J.
Towe	Welch	Woodruff, Mich.
Troutman	Wene	Worley
Vinson, Ga.	West	Wright
Voorhis, Calif.	Whittington	Zimmerman

NAYS—21

Bonner	Johnson, Okla.	Murray, Wis.
Durham	King	O'Konski
Dworshak	Kirwan	Poage
Gossett	Mahon	Sauthoff
Hull	Manasco	Thomason
Izac	Mansfield, Mont.	Vincent, Ky.
Johnson, Luther A.	May	Whelchel, Ga.

NOT VOTING—83

Arnold	Granger	Miller, Mo.
Blackney	Hagen	Miller, Pa.
Boren	Hale	Mills
Boykin	Hall, Edwin Arthur	Morrison, N. C.
Bradley, Mich.	Hall, Leonard W.	Murdock
Brumbaugh	Harless, Ariz.	Myers
Buckley	Harris, Va.	O'Connor
Burchill, N. Y.	Heffernan	Patman
Burdick	Heidinger	Peterson, Ga.
Cannon, Fla.	Johnson, Calvin D.	Plumley
Capozzoli	Kennedy	Pratt, Joseph M.
Celler	Keogh	Rabaut
Chiperfield	Kilburn	Reece, Tenn.
Cox	Klein	Reed, N. Y.
Dickstein	Lane	Rooney
Dies	Lemke	Rowe
Disney	Lewis	Shafer
Douglas	Luce	Sheridan
Drewry	Lynch	Simpson, Pa.
Elmer	McCord	Stearns, N. H.
Fay	McLean	Stewart
Ford	McMurray	Taylor
Fulbright	Magnuson	Thomas, N. J.
Fuller	Mansfield, Tex.	Torrens
Furlong	Marcantonio	Treadway
Gallagher	Merrow	White
Gibson	Michener	Whitten
Gifford	Miller, Nebr.	Woodrum, Va.
Gillespie		

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Taylor for, with Mr. Burdick against.

General pairs:

Mr. Woodrum of Virginia with Mr. Reed of New York.

Mr. Keogh with Mr. Miller of Missouri.

Mr. Peterson of Georgia with Mr. Plumley.

Mr. Whitten with Mr. Elmer.

Mr. Kennedy with Mr. Kilburn.

Mr. Rabaut with Mr. Treadway.

Mr. Buckley with Mr. Arnold.

Mr. Drewry with Mr. Calvin D. Johnson.

Mr. Heffernan with Mr. Rowe.

Mr. Mansfield of Texas with Mr. Lewis.

Mr. Celler with Mr. Shafer.

Mr. Lane with Mr. Hale.

Mr. Lynch with Mr. Blackney.

Mr. Harless of Arizona with Mr. Fuller.

Mr. Fay with Mr. Simpson of Pennsylvania.

Mr. Fulbright with Mr. Merrow.

Mr. Klein with Mr. Gifford.

Mr. Mills with Mrs. Luce.

Mr. Capozzoli with Mr. Thomas of New Jersey.

Mr. McCord with Mr. Miller of Pennsylvania.

Mr. Dickstein with Mr. Douglas.

Mr. McMurray with Mr. Gallagher.

Mr. Burchill of New York with Mr. Edwin Arthur Hall.

Mr. Sheridan with Mr. Bradley of Michigan.

Mr. Torrens with Mr. Lemke.

Mr. Boykin with Mr. McLean.

Mr. Rooney with Mr. Heidinger.

Mr. Cannon of Florida with Mr. Stearns of New Hampshire.

Mr. Gibson with Mr. Leonard W. Hall.

Mr. Cox with Mr. Chiperfield.

Mr. Magnuson with Mr. Brumbaugh.

Mr. Disney with Mr. Gillespie.

Mr. Myers with Mr. Joseph M. Pratt.

Mr. Boren with Mr. Hagen.

Mr. Murdock with Mr. Marcantonio.

Mr. FULMER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. SUMNERS of Texas. Mr. Speaker, I move that the House insist upon its amendment to the Senate bill and ask for a conference with the Senate

The motion was agreed to; and the Chair appointed the following conferees: Mr. SUMNERS of Texas, Mr. WALTER, Mr. KEFAUVER, Mr. HANCOCK, and Mr. GWYNNE.

GENERAL LEAVE TO EXTEND

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their own remarks in the RECORD on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the other special orders, the gentleman from Michigan [Mr. ENGEL] may address the House for 40 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on today, after the conclusion of the legislative business and other special orders that may have been entered, I may address the House for 10 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. LANDIS] may extend his own remarks in the RECORD on two subjects and include editorials.

I also ask unanimous consent that the gentleman from South Dakota [Mr. MUNDT] may extend his own remarks and include an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my own remarks on the subject of Finland and to include an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and include as a part thereof a brief by William R. McMasters on national old-age pensions.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF PRICE CONTROL ACT—PERMISSION TO FILE CONFERENCE REPORT

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the conferees on the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes, may have until midnight tonight to file a conference report.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and include therein a speech I recently delivered.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HÉBERT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and include therein an article by Francis Bryson in the New Orleans Item.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the calendar.

EXPEDITING PAYMENT FOR LAND ACQUIRED DURING WAR PERIOD

The Clerk called the first bill on the calendar, S. 919, to expedite the payment for land acquired during the war period.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMPLIANCE WITH STATE INSPECTION LAWS

The Clerk called the next bill, H. R. 3405, making certain regulations with reference to fertilizers, feeds, nursery stock, or seeds that may be distributed by agencies of the United States.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AMENDING PUBLIC LAW 537, SEVENTY-SEVENTH CONGRESS, APPROVED MAY 2, 1942

The Clerk called the next bill, H. R. 2908, to amend Public Law 537, Seventy-seventh Congress, approved May 2, 1942.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CREATING THE WAR SHIPPING FIELD SERVICE

The Clerk called the next resolution, House Joint Resolution 182, to create the War Shipping Field Service.

Mr. BLAND. Mr. Speaker, I ask unanimous consent that this resolution may be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ABOLISHING JACKSON HOLE NATIONAL MONUMENT

The Clerk called the next bill, H. R. 2241, to abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943, and to restore the area embraced within and constituting said monument to its status as part of the Teton National Forest.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. BARDEN. Mr. Speaker, reserving the right to object, this bill has been on the calendar for some time. A minority report has been signed. I understand there were seven votes against reporting this bill out of the committee. I can see no advantage in its remaining upon the calendar, but I am not going to insist upon my objection if the gentleman from Missouri is really serious in asking that it be passed over.

Mr. COCHRAN. Mr. Speaker, I will join the gentleman in objecting right now.

I object to the bill.

Mr. BARDEN. Mr. Speaker, I object.

EXEMPTING CERTAIN OFFICERS AND EMPLOYEES OF THE NATIONAL WAR LABOR BOARD FROM CERTAIN PROVISIONS OF THE CRIMINAL CODE

The Clerk called the next bill, H. R. 4349, to exempt certain officers and employees of the National War Labor Board from certain provisions of the Criminal Code.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXEMPTING CERTAIN OFFICERS AND EMPLOYEES OF THE OFFICE OF SCIENTIFIC RESEARCH AND DEVELOPMENT FROM CERTAIN PROVISIONS OF THE CRIMINAL CODE

The Clerk called the next bill, H. R. 4446, exempting certain officers and employees of the Office of Scientific Research and Development from certain provisions of the Criminal Code.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXEMPTING CERTAIN OFFICERS AND EMPLOYEES OF THE WAR DEPARTMENT FROM CERTAIN PROVISIONS OF THE CRIMINAL CODE AND REVISED STATUTES

The Clerk called the next bill, H. R. 4468, to exempt certain officers and employees of the War Department from certain provisions of the Criminal Code and Revised Statutes.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CRIERS AND BAILIFFS IN UNITED STATES COURTS

The Clerk called the next bill, H. R. 4065, further defining the number and duties of criers and bailiffs in United States courts and regulating their compensation.

Mr. COLE of New York. Mr. Speaker, reserving the right to object, will the gentleman from Pennsylvania [Mr. WALTER] explain the purpose and effect of this bill?

Mr. WALTER. Mr. Speaker, the bill is intended to correct a bad situation that prevails now in the United States courts with respect to attendants to judges. This provides for bailiffs and criers; in other words, general all-around attendants to the judges. The judges now have attendants. They are, however, compensated only when the judge is actually holding court. When he is in chambers he has no attendant, no messenger. In other cases the United States marshal makes the assignment of a deputy marshal if one is available. The attention of the Committee on the Judiciary was called to the fact that in some cases marshals would not make assignments with the result that the judges do not have any attendants at all and in some instances are compelled to open court themselves. I forget what the exact amount is but it will require an additional expenditure in the neighborhood of $40,000 or $50,000 annually.

Mr. HARNESS of Indiana. How many new employees will be taken on?

Mr. WALTER. No new employees. It will mean that those employees who are lent by the marshal and are now serving in this capacity will continue to serve but will be compensated on an annual instead of on a per diem basis when the judge is sitting.

Mr. HARNESS of Indiana. Is there any real necessity for this thing now to increase the cost of administering this Government by some $40,000 or $50,000 a year?

Mr. WALTER. Oh, yes; the Committee on the Judiciary was unanimously of the opinion that these attendants ought to be provided.

Mr. COLE of New York. Mr. Speaker, I withdraw my reservation of objection.

Mr. HARNESS of Indiana. Mr. Speaker, I object.

The SPEAKER pro tempore [Mr. RAMSPECK]. The gentleman from Indiana objects.

The Clerk called the next bill, H. R. 4282, to amend the act entitled "An act for the acquisition of buildings and grounds in foreign countries for use of the Government of the United States of America," approved May 7, 1926, as amended, to permit of the sale of buildings and grounds and the utilization of proceeds of such sale in the Government interest.

Mr. PRIEST. Mr. Speaker, there is an understanding that the gentleman

from New York [Mr. BLOOM] will ask for recognition to consider this bill under a suspension of the rules. I therefore ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

APPOINTMENT OF TWO ADDITIONAL ASSISTANT SECRETARIES OF STATE

The Clerk called the next bill, H. R. 4311, to authorize the appointment of two additional Assistant Secretaries of State.

Mr. COLE of New York. Mr. Speaker, an agreement has been reached with the chairman of the Committee on Foreign Affairs to limit the effect of this bill to the duration of the war plus 2 years. The effect of the bill therefore will be that these two additional secretaries will serve only for the duration of the war plus 2 additional years.

Mr. HARNESS of Indiana. Mr. Speaker, reserving the right to object, I should like to ask the gentleman from New York if he can see any real necessity for creating two new offices in the Department of State when we do not require similar officials in the War Department of the Navy Department.

Mr. COLE of New York. That was the question I raised 2 weeks ago when this bill was called up. I doubted the necessity for these two additional secretaries, but apparently the matter has been thoroughly considered by the Committee on Foreign Affairs and in their opinion they feel these two additional secretaries are necessary.

Mr. FISH. Has it been considered by the House?

Mr. HARNESS of Indiana. I object, Mr. Speaker.

AMENDMENT TO ACT ENTITLED "AN ACT TO EXPEDITE THE PROVISION OF HOUSING IN CONNECTION WITH NATIONAL DEFENSE"

The Clerk called the next bill, H. R. 4728, to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940 (54 Stat. 1125) as amended, is amended by inserting after the word "it" in the last proviso of said section 3 the phrase ", as a claimant agency under the controlled materials plan established pursuant to subsection (a) of section 2 of the act entitled 'An act to expedite national defense, and for other purposes,' approved June 28, 1940 (54 Stat. 676), as amended,", and by deleting the words "for persons engaged in national defense activities" from the last proviso of said section 3.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALLOWANCES FOR MILEAGE OF GRADUATES OF THE UNITED STATES MILITARY ACADEMY

The Clerk called the next bill, S. 1669, to clarify the law relative to allowances for mileage of graduates of the United States Military Academy and transportation of their dependents on assignment to their first duty station and to the mileage allowance of persons entering the United States Military Academy as cadets.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That officers graduated from the United States Military Academy when traveling under competent orders to the first station to which they are permanently assigned for duty shall receive the mileage allowance authorized by law for officers of the Army traveling under competent orders without troops, for the distance actually traveled under such orders, not to exceed the distance by the shortage usually traveled route from their homes or from West Point, N. Y., as may be designated in their orders, to such first duty stations. The orders mentioned in the first sentence of this section shall be deemed to involve a "permanent change of station" as those words are used in the fifth paragraph of section 12, Pay Readjustment Act of 1942 (act of June 16, 1942; 56 Stat. 365), and the rights of the officers concerned shall be governed by the provisions of that paragraph with respect to the transportation of their dependents and household effects. That portion of the act of August 9, 1912 (37 Stat. 252; 10 U. S. C. 744), which reads as follows: "*Provided further*, That hereafter a graduate of the Military Academy shall receive mileage as authorized by law for officers of the Army from his home to the station which he first joins for duty," is hereby repealed. The provisions of this section shall be effective as of January 19, 1943: *Provided*, That no person shall suffer, by reason of the enactment of this act, any reduction in any allowance or compensation which he has been paid or to which he was entitled immediately prior thereto.

SEC. 2. A person entering the United States Military Academy as a cadet shall receive a mileage allowance at the rate of 5 cents per mile for all travel which he actually performs, and which he certifies he has actually performed, while proceeding to the United States Military Academy for admission as a cadet, not in excess of the distance by the shortest usually traveled route between the place which he certifies was his actual permanent place of abode or home, school, or Army station at the time such travel was commenced and the United States Military Academy. All payments to such persons for travel to the United States Military Academy made on or after June 1, 1940, to the extent that they involve questions as to the place from which payment of mileage was authorized, are hereby approved, ratified, and confirmed.

With the following committee amendment:

Page 3, line 9, after the word "Academy", insert the following: "*Provided*, That a person discharged from the armed forces to enter the United States Military Academy shall receive a mileage allowance at the rate of 5 cents per mile for travel performed not in excess of the distance by the shortest usually traveled route between the place of discharge as certified by him and the United States Military Academy: *Provided further*, That no travel allowance shall be payable under this section for travel performed outside the continental limits of the United States."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADJUSTMENT OF DEBTS OF INDIVIDUAL INDIANS, ASSOCIATIONS OF INDIANS, OR INDIAN TRIBES

The Clerk called the next bill, H. R. 2654, to authorize the Secretary of the Interior to adjust debts of individual Indians, associations of Indians, or Indian tribes, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CASE. Mr. Speaker, reserving the right to object, when this bill on the calendar and the following bill were called 2 weeks ago I asked to have them passed over without prejudice in order that amendments might be prepared to them to meet the objections which I raised.

In the first instance, H. R. 2654, as reported, it appeared to me, would permit the Secretary of the Interior to expend tribal funds for the purchase of lands without the consent of the tribe. In the other bill, H. R. 3345, it appeared to me there was no requirement that the Secretary of the Interior have the written approval of the Indian or tribe concerned when he leased lands. The bill plainly requires the Indian to have the approval of the Secretary of the Interior when he makes a 25-year lease, but the rule should work both ways. If the Secretary is going to lease an Indian's lands, a tribe's lands, he should have a written power of attorney from the allottee or tribe giving consent. I may say that in the absence of the gentleman from Montana [Mr. O'CONNOR], chairman of the committee, due to illness, I have conferred with the clerk of that committee and also with the ranking minority member. We have prepared amendments on these points that are satisfactory to both of them. These amendments are at the desk, and with the understanding they will be presented I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized in his discretion to adjust or cancel charges of the Government of the United States existing as debts against individual Indians, associations of Indians, or Indian tribes, which have accrued or shall accrue from the use of funds held in trust for Indian tribes, whenever he shall determine that any such debt is uncollectible in whole or in part, or that in equity and good conscience, repayment should not be enforced: *Provided*, That no debt incurred from tribal funds shall be adjusted or canceled without the consent of the tribe involved, expressed through a resolution of the governing body thereof or otherwise.

SEC. 2. The Secretary of the Interior may accept from individual Indians conveyances of land or interest therein to the United States in trust for the tribe of which they are members, in partial or full settlement of debts resulting from the use of tribal funds or funds appropriated by Congress for the benefit of Indians, whenever he may determine that such debts are otherwise uncollectible: *Provided*, That if in any case the value of the land or interest therein exceeds the debt, the Indian may be paid the difference from any unobligated tribal funds belonging to the tribe for whose benefit the conveyance is made, or from any public appropriations available to the Indian Service for the purchase of land for Indian tribes.

Mr. CASE. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CASE: Page 2, line 17, strike out the period, insert a colon and the following: "*And provided further*, That unobligated tribal funds shall not be expended for this purpose without the consent of the tribe legally expressed."

Mr. CASE. Mr. Speaker, I may say that all this does is to require that if the Secretary expends private funds for the purchase of land in the adjustment of certain debts he shall have the consent of the tribe legally expressed to use tribal funds for that purpose.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from South Dakota.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEASING OF INDIAN LANDS

The Clerk called the next bill, H. R. 3345, to authorize the leasing of Indian lands for business, and other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CASE. Mr. Speaker, as I stated, the same situation prevails here. We have an amendment at the desk that has been prepared in consultation with the clerk of the committee and the ranking minority member.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any other provisions of law, any restricted Indian lands may be leased for (1) public, religious, educational, or business purposes; (2) the use and benefit of enterprises operated by Indian groups; or (3) other beneficial purposes, for periods not to exceed 25 years under such rules and regulations as the Secretary of the Interior may prescribe.

SEC. 2. Such leases may be made by the individual Indian owner of the land or by the authorized representatives of the tribe or group of Indians to whom the land belongs, subject to the approval of the Secretary of the Interior or his authorized representative. Restricted allotments of deceased Indians, when the heirs or devisees cannot agree on a lease, may be leased for them in the manner prescribed by the act of July 8, 1940 (54 Stat. 745, ch. 554). No lease shall be made by or on behalf of any tribe organized in accordance with the act of June 10, 1934 (48 Stat. 984), for a longer period than is authorized by the tribal constitution or charter. Nothing contained in this act shall be construed to repeal any authority to lease restricted lands which any Indian, Indian tribe, or official of the Department of the Interior would have in the absence of this act.

Mr. CASE. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CASE: Page 1, line 3, after the comma, insert the following: "With the consent in writing of the individual Indian, association of Indians, or Indian tribe concerned."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPROPRIATION OF AMOUNTS RECEIVED FROM THE SERVICES OF CONSCIENTIOUS OBJECTORS FOR EXPENDITURE BY THE SELECTIVE SERVICE SYSTEM

The Clerk called the next bill, H. R. 3199, to authorize the appropriation for expenditure by the Office of Foreign Relief and Rehabilitation Operations, of certain amounts received from services of conscientious objectors.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BROOKS. Mr. Speaker, reserving the right to object, this bill would allow the families of conscientious objectors the same allotment substantially as that paid by the Government to families of soldiers and sailors in the Army of the United States. It allows payments in accordance with the Allotment Act and under many rules and regulations of the Allotment Act and amounting to the same sums as the compensation paid to families of our servicemen.

I have received a letter from Francis M. Sullivan, executive director, national legislative committee, as well as a resolution passed at the 1943 convention of the American Legion, held at Omaha, both of which go on record against the payment of public funds to the families of conscientious objectors as being against the best interest of the Nation.

Mr. COLE of New York. Will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from New York.

Mr. COLE of New York. Of course, the gentleman realizes these funds are not public funds. They are the earnings of the individuals involved.

Mr. BROOKS. I disagree with the gentleman. They have been collected by the Government and are Government funds. It is proposed that they be paid out by the Army finance office as part of the Army set-up to these families of conscientious objectors.

Mr. COLE of New York. Not at the present time.

Mr. BROOKS. Under your bill they will be paid out by the Army finance officer as allotments to the families of conscientious objectors.

Mr. COLE of New York. That is true, but these funds are the earnings of the individual. The money is being kept in the Federal Treasury as a separate fund and some solution must be reached by the Congress at some time for the disposal of these funds. My own idea was first that the funds should be used for foreign relief, but the Committee on Military Affairs thought differently. They thought there was some obligation on the part of the Government to take care of the families of these men who are in the camps, and the money should be used for those purposes.

Mr. BROOKS. Some day the Government may have to work out some disposition of these public funds. These funds, however, do not represent clear earnings at all. It does not mean that the Government has not expended money in taking care of these camps and in taking care of these objectors in these camps which have been set up for them. I do not believe our people want to pay under a similar set-up to that under which we pay allowances to the families of soldiers and sailors, and for the same amount of allowance to these families of conscientious objectors; and that is what the bill does.

Mr. COLE of New York. The gentleman is making an unfair statement of the situation because the dependents of these people are not placed on the same basis as the dependents of the ordinary person in the service. To be entitled to these funds the family must show that it is in actual need, which is not true of the ordinary person in the service.

Mr. BROOKS. May I interrupt right there. If the gentleman will read the Allotment Act he will find that the same basis is used excepting for wives of servicemen. You must establish need in order to pay an allotment to the families of the soldiers and sailors. The same identical basis is used here.

Mr. COLE of New York. The gentleman realizes that if an individual in this category of conscientious objector has dependents, people who are completely dependent upon him, then they will not be taken into these camps; they will be allowed to remain in their civil life, and I am quite sure the gentleman does not want that to happen.

Mr. BROOKS. The situation has been handled very well under the present set-up by the agencies that are now handling them. These agencies are doing a fine job in handling the situation and I am willing to let them go along on that basis.

Mr. COLE of New York. I suggest that the gentleman use his talents toward finding some solution for the disposal of these funds.

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the letter to which I referred and the resolution of the national convention of the American Legion be inserted at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana [Mr. BROOKS]?

There was no objection.

The letter and resolution follow:

THE AMERICAN LEGION,
NATIONAL LEGISLATIVE COMMITTEE,
Washington, D. C., June 12, 1944.

Hon. OVERTON BROOKS,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN: Confirming our telephone conversation of this morning, I am taking the liberty of forwarding to you herewith copy of Resolution 425 adopted at the Omaha national convention held in September, 1943, concerning conscientious objectors.

You will note the last resolving clause of our resolution places the American Legion in opposition to payment of compensation to conscientious objectors or to members of their families.

Sincerely yours,

F. M. SULLIVAN,
Executive Director National Legislative Committee.

RIGID DISCIPLINE DEMANDED IN CAMPS FOR CONSCIENTIOUS OBJECTORS

Resolution 425

Whereas the proper classification of conscientious objectors and persons pretending to be conscientious objectors constitutes one of the serious problems of the war; and

Whereas the American Legion believes that constitutional religious freedom was not designed nor intended to permit any citizen to shirk his obligation to his country in time of national peril: Now, therefore, be it

Resolved, That the American Legion, in national convention assembled in Omaha, Nebr., this 22d day of September 1943, favors a public policy that will respect the religious principles of the sincere conscientious objector, but that will prevent the slacker from evading military service; and be it further

Resolved, That we commend those local selective service boards which have given strict and careful interpretation to the selective service laws, and have thereby prevented the misuse of the law by slackers and intended evaders of military service, and that we call upon all local boards in the Nation to examine carefully the religious background of the conscientious objections of all registrants so that no would-be slacker may be aided by them to evade military service; and be it further

Resolved, That the American Legion urge the adoption of rigidly enforced discipline and war requirements in all camps or elsewhere employed for conscientious objectors; and be it further

Resolved, That we oppose the payment of any public compensation to conscientious objectors or to members of their family.

Mr. BARDEN. Mr. Speaker, further reserving the right to object, without giving any consideration whatever to the conscientious objectors themselves and without any regard for their comfort or care, how do we escape some responsibility for their wives and children when in distress and need if the Government is going to collect the funds for the work performed by these conscientious objectors? How are we going to escape some responsibility for seeing that at least a portion thereof may be returned to his dependents who are proven to be in need and who might be suffering? How are we going to escape that responsibility? I doubt if it is a good answer to say that charity will take care of them—after all, the little children could not choose their father.

Mr. BROOKS. I am not prepared to accept any responsibility. My contention is that this is a matter of charity, which should be handled as it is at the present time—on a charity basis. I fully agree with the resolution of the American Legion, which says, in effect, that setting up allotment payments to families is encouraging those who would not actually be conscientious objectors to try to take advantage of the law.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BROOKS, Mr. SIKES, and Mr. KEAN objected.

OPERATION OF NAVAL PLANTATIONS OUTSIDE THE CONTINENTAL UNITED STATES

The Clerk called the next bill, S. 1634, to provide for the management and operation of naval plantations outside the continental United States.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized, under such regulations as he may prescribe, to manage, operate, maintain, and improve plantations and farms outside the continental limits of the United States, directly by the United States or under such lease, contract, or other arrangement as he may find suitable and in the interest of the United States, for the purpose of furnishing food and food products to the armed forces of the United States and the personnel thereof, and to civilians serving with the armed forces: *Provided*, That no land shall be acquired for the purpose: *Provided further*, That except for the plantation at the Naval Operating Base, Trinidad, British West Indies, no plantation or farming operations shall be undertaken by the Secretary of the Navy without the prior approval of the Naval Affairs Committees of the Senate and the House of Representatives, and thereafter similar approval for the continuance of any plantation and farming operation, including the operation of the plantation at Trinidad, shall be obtained annually on or before June 30 of each year: *Provided further*, That statements relating to each operation showing the receipt and expenditure of money, data on production, and recommendations for the continuance or abandonment of each project, shall be made by the Secretary of the Navy as of December 31 of each year: *And provided further*, That notwithstanding the foregoing provisions, commanding officers, pursuant to the authority contained in this act, may undertake local gardening projects for the purpose of furnishing fresh vegetables to messes, whenever the production of vegetables is considered practicable and fresh vegetables are not otherwise available and funds are administratively allocated to the costs of a garden project.

SEC. 2. Appropriations for the subsistence of naval personnel shall be available for any and all expenditures necessary in the management, operation, maintenance, and improvement of any such plantation or farm: *Provided*, That equipment, material, and supplies required therein may be purchased without regard to section 3709 of the Revised Statutes and other laws applicable to purchases by governmental agencies.

SEC. 3. Food and food products and other property incidental to the operation of any plantation or farm may be sold under such regulations as may be issued by the Secretary of the Navy without regard to the provisions of other law relating to the sale of Government property, and all funds and moneys received or accruing from such sales shall be deposited in the Treasury to the credit of miscellaneous receipts: *Provided*, That surplus production over the amount furnished or sold to the armed forces of the United States and the personnel thereof, and to civilians serving with the armed forces, may only be sold outside the continental limits of the United States.

SEC. 4. All persons employed directly by the United States, and their heirs, shall be governed as to compensation for disability or death from personal injury sustained while in the performance of duty, by the act approved September 7, 1916 (39 Stat. 742, 5 U. S. C. 751 ff.), as amended: *Provided*, That only American citizens, employees of the United States, shall be entitled to benefits under the civil-service laws and other laws of the United States relating to the employment, work, compensation, rights, benefits, or obligations of civilian employees of the United States.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That hereafter the appropriations for the subsistence of naval personnel shall be available for any and all expenditures necessary in the management, operation, maintenance, and improvement of any plantation or farm, on land subject to naval jurisdiction outside of the continental United States, for the purpose of furnishing food and food products to the armed forces of the United States: *Provided*, That equipment, material, and supplies required therein may be purchased without regard to section 3709 of the Revised Statutes, and other laws applicable to purchases by governmental agencies: *Provided further*, That only American nationals, employees of the United States, shall be entitled to benefits under the civil-service laws and other laws of the United States relating to the employment, work, compensation, rights, benefits, or obligations of civilian employees of the United States: *Provided further*, That surplus production over the amount furnished or sold to the armed forces of the United States and to civilians serving with the armed forces may only be sold outside the continental limits of the United States: *And provided further*, That no land shall be acquired under this authorization.

"SEC. 2. This act shall remain in effect until the termination of the present war and for 6 months thereafter."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE HATCH ACT CONCERNING MUNICIPALITIES IN ALASKA

The Clerk called the next bill, H. R. 330, to amend section 16 of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, reserving the right to object, this bill is one of the many attempts to weaken the Hatch Act. It is true it only applies to railroad workers in Alaska. I note in the committee report it says "in harmony with the views of the Attorney General." I am a little suspicious of the views of the Attorney

General. I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

ALASKAN INTERNATIONAL HIGHWAY COMMISSION

The Clerk called the next bill, H. R. 4625, to extend the existence of the Alaskan International Highway Commission for an additional 4 years.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, the purpose of this bill is to extend the life of the Alaskan International Highway Commission, but it does so by extending the terms of the members of the Commission from a term of 6 years to a term of 10 years. I feel that it is a mistake to extend the term of an incumbent after he has been appointed. I have submitted an amendment to the persons interested, and it has been accepted by them, the effect of which would be to extend the Commission, but not the term of office of the members of the Commission.

I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the terms of the members of the Alaskan International Highway Commission appointed pursuant to the provisions of the act entitled "An act to create a Commission to be known as the Alaskan International Highway Commission," approved May 31, 1938, shall be 10 years in lieu of 6 years as provided by such act, as amended and supplemented by the act entitled "An act to extend the existence of the Alaskan International Highway Commission for an additional 4 years, and for other purposes," approved June 11, 1940.

Mr. COLE of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York:

On page 1, line 3, strike out the words "terms of the members" and insert "existence."

On page 1, line 4, strike out the word "appointed" and insert "created."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FEDERAL CROP INSURANCE ACT

The Clerk called the next bill, H. R. 4911, to amend the Federal Crop Insurance Act.

Mr. KEAN. Mr. Speaker, this bill is obviously too important for the consent calendar. Therefore, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

EXTENSION OF CIVILIAN PILOT TRAINING ACT OF 1939

The Clerk called the next bill, S. 1432, to extend the Civilian Pilot Training Act of 1939.

Mr. PRIEST. Mr. Speaker, it is my understanding that the gentleman from North Carolina [Mr. BULWINKLE] will be recognized later to move to suspend the rules and pass this bill. Therefore, I ask unanimous consent that the bill be passed over without prejudice.

Mr. STEFAN. Reserving the right to object, Mr. Speaker, this bill extends the Civilian Pilot Training Act which expires on June 30, at the end of this fiscal year. It is a very important bill. I am very much disturbed because the committee has written an extension of only 1 year into the bill. I think it should have been 5 years. In order to give the Members of the House some information regarding the reasons why the act should be extended, Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include therein a letter and a table bearing on the situation.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. STEFAN. Mr. Speaker, I think the Civilian Pilot Training Act of 1939 should be extended for these reasons:

First. To make our Nation secure.

In order to maintain our place in the air and to insure protection in any period of emergency, an opportunity to acquire a sound working knowledge of flying techniques should be made available each year to new groups of young people possessing aptitude for such training.

Second. To add protection to our young men of today.

In this air age, with civil aviation pressing vigorously forward, constant effort must be made to improve flight techniques and skills. A successful pilot is essentially self-confident and is at ease in the air. This sense of confidence and ease cannot be acquired over a brief period. The development of flight training and related special technical skills required to make safe flying possible should, therefore, begin at the high-school level.

It goes without saying that the lives of many of our able seamen in the Navy today have been saved due to their ability to take care of themselves in the water when their ships have been sunk. The same holds true for the Air Forces where, no doubt, lives have been saved because the pilot feels at home in the air. To become accustomed to water and to become an expert swimmer requires training over an extended period of time. The same holds true to become at home and at ease in the air.

Third. To control and guide the enthusiasm of our youth in the field of aviation by offering flight training through high schools and colleges.

It has been recognized that our young people are definitely aviation-minded, and we believe that their spontaneous and lively interest should be channeled into the classroom. Continued and growing familiarity of our coming generations with aviation and its problems is of great importance to our national health and security. This would be encouraged and developed by the indoctrination of high school and college students for the air through controlled training in actual flight.

Fourth. The past record of civilian-pilot training justifies continuation of this worthy activity.

During the 5 years of its operation, about 400,000 trainees received approximately 11,250,000 hours of flight instruction. One hundred and eight thousand two hundred and ninety-nine of these trainees were given 3,897,085 hours of flight training as civilians during the first 3 years. This group of trainees comprised a large nucleus of the present combat pilots. The Army and Navy Air Forces also relied to a large extent on the men in this group to obtain the flight instructors necessary to expand their training.

During the past 2 years, approximately 290,000 trainees, on active duty or in the reserve, received about 7,350,000 hours of flight instruction. During the past year, each Army aviation cadet and each Naval aviation cadet received his first flight training from C. A. A. War Training Service.

Fifth. To enable civil aviation to be represented in post-war flight-training plans.

Sixth. To air-condition America—to keep it first on land, on sea, and in the air.

Now that young men are being called to active duty with the armed services on reaching their eighteenth birthday, it seems highly desirable that those showing aptitude for aviation should, in the period of their school training, be given an opportunity to obtain elementary flight instruction. It will reduce the attrition rate and give trainees more time to assimilate the vast amount of knowledge required to become proficient pilots. Since training under C. A. A. War Training Service will be decentralized, its effect in air-conditioning an already air-conscious Nation will be far reaching.

DEPARTMENT OF COMMERCE,
CIVIL AERONAUTICS ADMINISTRATION,
C. A. A. WAR TRAINING SERVICE,
March 30, 1944.

To: Executive Director of Training.

From: Chief, Evaluation, Trainee, and Material Accounting Section.

Subject: Disposition of men enlisted in the Army Air Corps Enlisted Reserve for the purpose of receiving pilot training under the supervision of C. A. A.-War Training Service.

1. From August 1942 to February 1943, the number of names submitted to the Military Personnel Division of the Army Air Forces for further training as glider pilots was 5,444.

2. From September 1942 to June 1943, the number of names submitted to the Military Personnel Division of the Army Air Forces for further flight training as liaison pilots was 2,158.

3. During August and September 1942, the number of names of cross-country course graduates submitted to the Military Personnel Division of the Army Air Forces for assignment as pilots to the air lines was 1,017.

4. In February 1943 the number of names of Link instrument course graduates submitted to the Military Personnel Division of the Army Air Forces for assignment as pilots with the air lines was 111.

5. From September 1942 to September 1943 the number of names of flight officer course graduates submitted to the Military Personnel Division of the Army Air Forces for assignment as pilots with the air lines was 251.

6. From October 1942 to October 1943, the number of names of secondary instructor course graduates submitted to the Training Command of the Army Air Forces for further training as Army instructors was 2,932.

7. From August 1942 to September 1943, the number of names submitted to the Military Personnel Division who were eliminated from further flight training by C. A. A.-War Training Service was 2,809.

8. During June 1943 the number of names submitted to the Military Personnel Division of the Army Air Forces who had not received flight training was 1,981.

9. During June 1943, the number of names submitted to the Military Personnel Division of the Army Air Forces as men who elected a discharge from the Army Enlisted Reserve rather than activation. The offer of discharge was contained in letters dated May 29, 1943 and June 11, 1943, 1,682.

10. During June 1943, the number of names submitted to the Military Personnel Division of the Army Air Forces who elected call to active duty rather than activation. This offer was contained in letter dated May 29, 1943, 303.

11. From May 1943 to July 1943, the number of names submitted to the Military Personnel Division of the Army Air Forces who had qualified as aviation cadets prior to activation. This offer was contained in the letters of May 29, 1943, and June 11, 1943, 995.

12. From July 1943 to September 1943, the number of names submitted to the Military Personnel Division of the Army Air Forces for activation was 8,121.

a. The number who elected and qualified as aviation cadets was 1,294.

b. The number found qualified only for ground duty in the Army Air Forces was, 1,049.

c. The number discharged from the Army Air Forces was 227.

d. The number unreported at the basic training centers of the Army Air Forces or unclassified by the Army Air Forces was 327.

e. The number found qualified for further flight training under the supervision of C. A. A.-War Training Service was 5,224.

13. Total Army Enlisted Reservists enrolled for pilot training under the supervision of C. A. A.-War Training Service was 27,804.

A. Number found qualified for further pilot training on active duty under the supervision of C. A. A.-War Training Service, 5,224.

1. The number of men on active duty who completed secondary instructor course and reported to the Flying Training Command of the Army Air Forces at Brooks Field, Tex., was 723.

2. Number of men on active duty eliminated from further pilot training was 301.

3. The number of men who were in training as of January 15, 1944, when the Army Air Forces discontinued the instructor program was 4,200.

B. Number of former students, as of March 15, 1944, for whom assignments had been made by the Army Air Forces (all offered air crew, glider, gunnery, and technical training if qualified), 4,687.

1. Qualified for aviation cadet training, 974.

2. Qualified for glider pilot training, 651.

3. Qualified for technical training, 2,618.

4. Assigned as specialists, 310.

5. Discharged, 5.

6. Deceased, 1.

7. Disposition undetermined (due to hospitalization, emergency furlough, physical examination. Further information will be furnished), 128.

A. D. HARVEY.

Civil Aeronautics Administration pilot training service (civilian pilot training—war training service), general statistics, July 1, 1939 to Mar. 31, 1944

	Fiscal 1940	Fiscal 1941	Fiscal 1942	Fiscal 1943	Fiscal 1944	Fiscal 1940 to 1944 inclusive
Appropriations:						
Civilian pilot training	$4,000,000	$37,000,000	$25,000,000	$72,000,000	$29,400,000	$167,400,000
Special funds from Congress			2,000,000	3,715,000	1,805,782	7,520,782
Army working funds				6,486,605	24,535,080	31,021,685
Navy working funds				26,027,818	40,659,940	66,687,758
Inter-American working funds					725,000	725,000
Total	4,000,000	37,000,000	27,000,000	108,229,423	97,125,802	273,355,225
Hours flown	371,000	2,168,725	1,857,860	3,648,950	[1] 3,192,458	[1] 11,238,993
Number of trainees [2]	10,231	57,972	40,096	111,140	[1] 178,323	[1] 348,962
Enrollment by courses:						
Civilian pilot training:						
Elementary	10,197	47,276	26,845			84,318
Secondary	84	8,019	9,394			17,497
Cross country			7,288			7,288
Commercial		3,565				3,565
Instructor		7,131	5,963			13,094
Total	10,281	65,991	49,490			125,762
Army Air Corps enlisted Reservists:						
Elementary				12,166		12,166
Secondary				10,345	[1] 2,329	[1] 12,674
Elementary cross country				1,101		1,101
Cross country				5,005	[1] 3,046	[1] 8,051
Link instrument				2,321	[1] 3,074	[1] 5,395
Flight officer				422		422
Elementary instructor				1,890		1,890
Enrollment by courses:						
Secondary instructor				2,855	[1] 2,431	[1] 5,286
Preglider				5,219		5,219
Liaison				2,720		2,720
Elementary instructor standardization				158		158
Secondary instructor standardization				12		12
Commercial pilot qualifying				120		120
Total				44,334	[1] 10,880	[1] 55,214
Naval officers, aviation cadets, and enlisted men (on active duty after Dec. 15, 1942):						
Elementary				33,904	[1] 25,879	82,908
Elementary extracurricular				556		556
Intermediate				5,703	[1] 20,726	[1] 26,795
Secondary				5,350		5,350
Secondary extracurricular				70		70
Cross country				395		395
Link instrument				14		14
Secondary instructor				532		532
Special flight officer				1,393	[1] 176	[1] 1,569
Marines				451		451
Total				48,368	[1] 46,771	95,139
Army Air Corps aviation cadet candidates (flight indoctrination program for air crew; all on active duty)				49,491	[1] 140,107	189,598
Grand total	10,281	65,991	49,490	142,193	[1] 197,758	465,713

[1] Fiscal year 1944 includes first 9 months only.
[2] Calendar year 1943, 207,233.
[3] On active duty after Sept. 1, 1943.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee that the bill be passed over without prejudice?

There was no objection.

STUDY OF MULTIPLE TAXATION OF AIR COMMERCE

The Clerk called the next bill, H. R. 4935, to provide for a study of multiple taxation of air commerce, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Civil Aeronautics Board shall consult with the appropriate authorities of the several States, Territories, and possessions, and subdivisions thereof, with a view to the development of means for eliminating and avoiding, as far as practicable, multiple taxation of persons engaged in air commerce and their employees, by States, Territories, and possessions, and subdivisions thereof, and other taxation by States, Territories, and possessions, and subdivisions thereof, which has the effect of unduly burdening or unduly impeding the development of air commerce. The Board shall report to Congress, within 180 days after the day on which this act is enacted, the results of its consultations with such authorities, together with such recommendations as it deems advisable, including recommendations for legislation by the Congress if such legislation appears necessary or appropriate.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BULWINKLE. Mr. Speaker, on account of the decision of the Supreme Court of the United States in the Northwest Airlines, Inc., against The State of Minnesota, which was decided by the Supreme Court on the 15th day of May, 1944, I introduced in the House of Representatives the pending bill, H. R. 4985, which calls for a conference between the Civil Aeronautics Board and the appropriate authorities of the various States in regard to the subject of State and local taxation as affecting air commerce. This bill is identical with section 11 of H. R. 3420.

The bill H. R. 3420 was the result of almost 10 months' study by the House Interstate and Foreign Commerce Committee, and was reported by that committee late last October upon a vote of 17 to 9. The bill was then presented to the Rules Committee with a request for a rule which would permit full consideration by the House of the important issues involved in the legislation. Up to this time the Rules Committee has not granted a rule.

As time has passed since the request was first made of the Rules Committee, events have made the need for this legislation even more clear than it was when the bill was reported. The decision of the Supreme Court, handed down May 15, 1944, is the latest occurrence justifying the action of the majority of the committee in urging the passage of this important legislation. This decision, as stated, entitled "Northwest Airlines, Inc., against The State of Minnesota," involves the question as to whether the State of Minnesota has the constitutional power to levy a personal property tax upon all of the flying equipment owned by Northwest Airlines notwithstanding that the equipment is operated through seven other States. The Supreme Court held, speaking through Mr. Justice Frankfurter, that the State of Minnesota did have such power. Anyone who has studied our air transportation system and is thoroughly familiar with its operations will immediately recognize the tremendous significance of this decision. It points the way to the drastic impairment of the future air transportation in this country, by means of burdensome and multiple taxation by the States and other units of Government. In order that all Members of the House may see the significance of this opinion, I will explain it in full detail.

The litigation began in the year 1939. Northwest Airlines based its personal property tax return for 1939 on the number of its planes in Minnesota on tax day, May 1, 1939. As you know, Northwest Airlines' airplanes operate constantly through eight States, Illinois, Wisconsin, Minnesota, North Dakota, Montana, Idaho, Washington, and Oregon. The State taxing authorities of Minnesota disagreed with the tax return filed by Northwest and assessed a tax on the value of all the airplanes owned by the company. Northwest carried the matter to the Supreme Court of Minnesota, urging that any such attempt by Minnesota to tax all of its airplanes was a violation of the due process clause of the Federal Constitution, and constituted an unconstitutional burden upon interstate commerce.

In making this contention Northwest pointed out that it would be possible for every State into which Northwest operated to impose a personal-property tax upon its aircraft and argued that such burdensome, multiple taxation was clearly unconstitutional. The Minnesota Supreme Court disagreed and held that the tax levied was valid. The case was brought to the United States Supreme Court on certiorari, and the air line made the same contentions before that Court. On Monday, May 15, the decision of the United States Supreme Court was handed down. Four opinions were written by the Court. Mr. Justice Frankfurter wrote the majority opinion, Mr. Justice Black and Mr. Justice Jackson concurring in separate opinions. Chief Justice Stone filed a vigorous dissent and was joined by Justices Roberts, Reed, and Rutledge. Justice Frankfurter's decision held that all of Northwest's airplanes could be taxed in Minnesota but he did not hold that Minnesota had the exclusive power to tax Northwest's airplanes. Mr. Justice Jackson, who concurred in the majority decision, was fully cognizant of the effect upon interstate air transportation of this element in the Frankfurter opinion. In fact, Mr. Justice Jackson revealed in his opinion such a complete grasp of air transportation that I shall take the liberty of quoting to the House from his opinion. He pointed out:

> We are at a stage in development of air commerce roughly comparable to that of steamship navigation in 1824 when *Gibbons* v. *Ogden* (9 Wheat. 1) came before this Court. Any authorization of local burdens on our national air commerce will lead to their multiplication in this country. Moreover, such an example is not likely to be neglected by other revenue-needy nations as international air transport expands.
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> * * * * *
>
> Students of our legal evolution know how this Court interpreted the commerce clause of the Constitution to lift navigable waters of the United States out of local controls and into the domain of Federal control. *Gibbons* v. *Ogden* (9 Wheat. 1) to *United States* v. *Appalachian Electric Power Co.* (311 U. S. 377). Air as an element in which to navigate is even more inevitably federalized by the commerce clause than is navigable water. Local exactions and barriers to free transit in the air would neutralize its indifference to space and its conquest of time.

In seeking to determine a proper basis for State taxation of these instrumentalities of interstate commerce, Justice Jackson analyzed the relationship between air transportation and the States. He said:

> Congress has recognized the national responsibility for regulating air commerce. Federal control is intensive and exclusive. Planes do not wander about in the sky like vagrant clouds. They move only by Federal permission, subject to Federal inspection, in the hands of federally certified personnel and under an intricate system of Federal commands. The moment a ship taxies onto a runway it is caught up in an elaborate and detailed system of controls. It takes off only by instruction from the control tower, it travels on prescribed beams, it may be diverted from its intended landing, and it obeys signals and orders. Its privileges, rights, and protection, so far as transit is concerned, it owes to the Federal Government alone and not to any State government.
>
> Congress has not extended its protection and control to the field of taxation, although I take it no one denies that constitutionally it may do so. It may exact a single uniform Federal tax on the property or the business to the exclusion of taxation by the States. It may subject the vehicles or other incidents to any type of State and local taxation, or it may declare them tax-free altogether. Our function is to determine what rule governs in the absence of such legislative enactment.

In reaching his final conclusion Justice Jackson reluctantly concurred with the majority but held that if Minnesota could tax all of Northwest's aircraft at their full value no other State could impose any property tax with respect to them.

Chief Justice Stone also pointed out that Justice Frankfurter's opinion would permit Minnesota to tax all of Northwest's aircraft and permit all of the other States through which Northwest operates to impose additional taxes with respect to the same aircraft. He took the position that any such taxation was clearly a burden upon interstate commerce and that the decision of the majority was not in any respect supported by previous decisions handed down by the Supreme Court.

As a result of this decision the situation of our air-transport system is critical. Chief Justice Stone has made it amply clear that under the majority decision Northwest's flying equipment can be taxed again and again by the States through which Northwest operates. Now let us consider what the application of that doctrine would do to the rest of our air-transportation system. As compared to others Northwest Airlines is a small air line. It operates through only 8 States. Thus its equipment may be taxed only 8 times. However, American Airlines operates through 23 States. Thus its equipment can be taxed 23 times. Transcontinental and Western Air, Inc., operates through 15 States and its equipment may be taxed 15 times. Eastern Airlines operates through 17 States and its equipment may be taxed 17 times. I am sure I do not have to elaborate on the effect of such destructive multiple taxation upon the financial integrity of our air lines.

Members of the House who are interested in the development of air transportation may inquire as to what steps the Federal Government can take to alleviate this situation. They may ask whether the Federal Government is powerless to protect the instrumentalities of interstate commerce from repeated State exactions. My answer is that the Congress does have power to protect interstate commerce. Moreover, if the Congress fails to take action in this

matter and see to it that no such multiple taxation takes place we will have shirked our responsibility under the commerce clause of the Constitution. We will be permitting interstate commerce to be subjected to enormous financial burdens without lifting a hand.

The Interstate and Foreign Commerce Committee has been fully aware of this problem for almost 2 years. I have personally been watching the progress of this litigation since it began. The Interstate and Foreign Commerce Committee tried to make plans to deal with this critical situation when it arose. Up to the present time we have been prevented by the Rules Committee from even presenting the matter to Congress. H. R. 4985, introduced on June 2, as well as section 11 of the Lea aviation bill, H. R. 3420, contains a provision which would require the Civil Aeronautics Commission to consult with the authorities of the States, Territories, and possessions with a view to the development of means for eliminating and avoiding, so far as practicable, the multiple taxation of air commerce. The Commission is required to report to Congress as soon as possible the result of its consultations, with recommendations for legislation if such legislation appears necessary or appropriate. The committee contemplates that through cooperative action between the Federal and State governments methods could be developed, and implemented by both Federal and State legislation, to prevent the multiple taxation which this decision of the Supreme Court makes possible. If this bill had not been placed on cold storage by the Rules Committee a study by the Civil Aeronautics Commission would undoubtedly have been under way and Congress could have looked forward to action on the subject within a short time.

The theory upon which the Constitution is based is that each State may legislate independently and not only with respect to purely local matters but also in a large number of instances with respect to interstate activities. The draftsmen of the Constitution were wise in anticipating that this independent action on the part of the States in dealing with matters of national concern would many times bring about results adverse to the national interest. Consequently, Congress was given the power to protect interstate commerce from such burdens. The Congress, however, has failed in its responsibility for many years. The courts have sometimes undertaken this responsibility, but in the past few years the Supreme Court in a number of decisions has refused to hold invalid burdensome State legislation and has said specifically that it is the responsibility of Congress to protect interstate commerce, not that of the courts. The court has said that if Congress wishes to proscribe particular State legislation it should do so specifically. In the tax decision handed down in the Northwest Airlines case, Mr. Justice Black in effect stated in a concurring opinion that the responsibility of protecting Northwest Airlines and others similarly situated against multiple taxation rested with Congress. His views on this subject should be quoted. He said:

The differing views of members of the Court in this and related cases illustrate the difficulties inherent in the judicial formulation of general rules to meet the national problems arising from State taxation which bears in incidence upon interstate commerce. These problems, it seems to me, call for congressional investigation, consideration, and action. The Constitution gives that branch of government the power to regulate commerce among the States, and until it acts I think we should enter the field with extreme caution.

Mr. Justice Frankfurter also mentioned this point in saying:

In response to arguments addressed also to us about the dangers of harassing State taxation affecting national transportation, the concurring judge below adverts to the power of Congress to incorporate air lines and to control their taxation. But insofar as these are matters that go beyond the constitutional issues which dispose of this case, they are not our concern.

Mr. Justice Jackson pointed to the difficulties of applying to this new form of transportation the old judicial theories applying to surface means and said:

It seems more than likely that no solution of the competition among States to tax this transportation agency can be devised by the judicial process without legislative help.

May I not say in closing that it is vitally necessary for the welfare of the Nation, both in national defense and in Congress, that commercial aviation and private flying be developed. This can only be done by legislation, and it is necessary, I say again, that both in the domestic as well as the international field that Congress consider aviation for the future.

ERADICATION OF THE MEDITERRANEAN FRUITFLY IN THE STATE OF FLORIDA

The Clerk called the next bill, H. R. 2542, for the relief of certain claimants who suffered losses and sustained damages as the result of the campaign carried out by the Federal Government for the eradication of the Mediterranean fruitfly in the State of Florida.

Mr. COLE of New York. Mr. Speaker, this bill involves the expenditure of $10,000,000, entirely too large a sum to be considered on the Consent Calendar. Therefore, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

COMPENSATION FOR USEFUL SUGGESTIONS OR INVENTIONS

The Clerk called the next bill, S. 1232, to provide equitable compensation for useful suggestions or inventions by personnel of the Department of the Interior.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized to pay cash rewards, subject to such regulations as he shall prescribe, to officers and employees of the Department of the Interior, who, in the course of their employment, and subsequent to November 17, 1942, make suggestions or inventions which are of such a nature that their adoption would result in improved technological or scientific processes or methods, or in improvements in the administration or operations of the Department of the Interior. The amount expended for the payment of such rewards during any 1 fiscal year shall not exceed $20,000 in the aggregate and shall not exceed $1,000 to any one person, unless a greater amount is specifically appropriated for a named person in an exceptionally meritorious case. For the purposes of this act, the Secretary of the Interior is authorized and directed to set up in the Department a Board of Awards, the proceedings of which shall be available to the public.

With the following committee amendment:

At the end of the bill insert the following: "Nothing in this act shall be taken or construed as amending or modifying the present patent and trade-mark laws as they now exist or may hereafter be amended."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF SECOND WAR POWERS ACT, 1942

The Clerk called the next bill, H. R. 4949, to amend the Second War Powers Act, 1942.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 1501 of title XV of the Second War Powers Act, 1942, approved March 27, 1942 (56 Stat. 176), the provisions of section 901 of title IX of that act granting free mailing privileges to members of the military and naval forces of the United States shall continue in effect until the first day of the first month which begins at least 6 months after the termination of hostilities in the present war. "Termination of hostilities in the present war" shall mean the date proclaimed by the President as the date of such termination, or the date specified in a concurrent resolution of the two Houses of Congress as the date of such termination, whichever is the earlier.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FIXING FEES FOR CERTAIN CLASSES OF MAIL

The Clerk called the next bill, H. R. 4780, to fix the fees for domestic insured and collect-on-delivery mail, special-delivery service, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Reserving the right to object, Mr. Speaker, this bill makes some rather substantial changes in the postal rate covering various types of mail matter. For the information of the House, I think the bill should be explained by some member of the committee so there will be no misapprehension or misunderstanding.

Mr. BURCH of Virginia. This bill does make changes in the postal fees on special postal services. I may say for the benefit of the gentleman that this entire bill is recommended by the Post Office Department, after the expert ac-

countants who were employed some months ago have given careful study to the matter. This bill has a unanimous report from the Committee on the Post Office and Post Roads, it has the recommendation of the Post Office Department, and it is also recommended by the special accountants.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Nebraska.

Mr. STEFAN. How much will this bill increase the special-delivery rate, which is now 10 cents?

Mr. BURCH of Virginia. The present rate on special delivery on not to exceed 2 pounds is 10 cents. This bill increases it to 13 cents.

Mr. STEFAN. Thirteen cents will then be the normal rate on all special-delivery articles over how many ounces?

Mr. BURCH of Virginia. All up to 2 pounds.

Mr. STEFAN. How much money will that bring in in additional revenue?

Mr. BURCH of Virginia. $3,286,000. The special-delivery carriers are now paid more than 10 cents for each article. The rate of 10 cents does not meet that expense.

Mr. STEFAN. Will this $3,000,000 go to the special-delivery carriers?

Mr. BURCH of Virginia. It is nothing more than trying to meet expenses.

Mr. STEFAN. Instead of collecting 10 cents, the special-delivery carrier will receive 13 cents for everything up to 2 pounds?

Mr. BURCH of Virginia. No. The special-delivery carrier now gets 10.35 cents, I believe. This bill is an effort to make the special-delivery service self-sustaining. As it is now, there is a deficit of $3,286,000.

Mr. COLE of New York. One of the provisions of this bill is to increase the postage on special-delivery from 10 cents to 13 cents on articles under 2 pounds.

Mr. BURCH of Virginia. Up to 2 pounds.

Mr. COLE of New York. It also makes a readjustment of the rates on insured mail.

Mr. BURCH of Virginia. Yes. The rates on insured mail have been decreased. The investigators decided that where we now have a 5-cent charge up to $5, to make that rate 3 cents would make it more attractive to the public and therefore considerably increase the business.

Mr. STEFAN. Mr. Speaker, will the gentleman yield further?

Mr. COLE of New York. I yield.

Mr. STEFAN. How is that going to affect parcels received by farmers who do a lot of mail-order business?

Mr. BURCH of Virginia. It reduces the expense. If you want to send anything of value up to $5, the rate will be 3 cents, whereas the regular fee now is 5 cents.

Mr. STEFAN. The gentleman's committee has gone into this matter very carefully. Will this be a burden on the farmer, who does a lot of mail-order business?

Mr. BURCH of Virginia. It will help him.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. As I understand, the Revenue Act of 1943 increased the fees for indemnity on insured mail by 100 percent. The result of that has been that the Post Office Department has been losing business right along to private industry. The purpose of this bill is to recapture that business to the Post Office Department.

Mr. COLE of New York. Mr. Speaker, I withdraw the reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraphs (a) and (b) of section 211 of title II of the Act entitled "An Act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925 (43 Stat. 1069), as amended, are further amended to read as follows:

"SEC. 211. (a) The fee for insurance shall be 3 cents for indemnification not to exceed $5, 10 cents for indemnification not to exceed $25, 15 cents for indemnification not to exceed $50, and 25 cents for indemnification not to exceed $200. Whenever the sender of an insured article of mail matter shall so request, and upon payment of a fee of 4 cents at the time of mailing, or of 7 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail matter, showing to whom and when the same was delivered, which receipt shall be returned to the sender and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 27 cents at the time of mailing by the sender of an insured article of mail matter, a receipt shall be obtained for such insured mail matter, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for registered or insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the Postal Service.

"(b) The fee for collect-on-delivery service for domestic third- and fourth-class mail shall be 20 cents for collections and indemnity not to exceed $5, 30 cents for collections and indemnity not to exceed $25, 40 cents for collections and indemnity not to exceed $50, and 60 cents for collections and indemnity not exceeding $200. The fee for notifying the sender or his representative of inability to deliver a collect-on-delivery article shall be 5 cents."

SEC. 2. The fees for collect-on-delivery service for sealed domestic mail matter of any class bearing postage at the first-class rate shall be equal in each case to the fee charged for collect-on-delivery service for domestic third- and fourth-class mail.

SEC. 3. The fees for collect-on-delivery service for registered sealed domestic mail of any class bearing postage at the first-class rate and the limits of indemnity for the loss, rifling, or damage thereof in the mails, shall, in addition to postage and any other required additional fees, be as follows:

Amount collectible and limit of indemnity payable	*Fee, including registration*
From $0.01 to $10	40 cents
From $10.01 to $50	55 cents
From $50.01 to $100	75 cents
From $100.01 to $200	$1.00

When indemnity in excess of $200 is desired, the fees for domestic registered collect-on-delivery mail, shall, in addition to postage and any other required additional fees, be as follows:

Amount of indemnity	*Fee, including registration*
From $200.01 to $300	$1.05
From $300.01 to $400	1.10
From $400.01 to $500	1.15
From $500.01 to $600	1.20
From $600.01 to $700	1.25
From $700.01 to $800	1.30
From $800.01 to $1,000	1.40

SEC. 4. Section 2 of the act entitled "An act to provide for the special delivery and the special handling of mail matter" approved March 2, 1931, ch. 372 (46 Stat. 1469), is amended to read as follows:

"SEC. 2. To procure the most expeditious handling and transportation practicable and the immediate delivery of mail matter at the office of address, special-delivery stamps shall be affixed thereto, in addition to the regular postage, in accordance with the following schedule: Matter weighing not more than 2 pounds, if of the first class, 14 cents; if of any other class, 17 cents; matter weighing more than 2 but not more than 10 pounds, if of the first class, 20 cents, if of any other class, 25 cents; matter weighing more than 10 pounds, if of the first class, 25 cents, if of any other class, 35 cents: *Provided*, That under such regulations as the Postmaster General may prescribe, ordinary postage stamps of equivalent value may be accepted in lieu of the special-delivery stamps herein specified."

SEC. 5. Sections 404, 406, and 408 of the Revenue Act of 1943 are hereby repealed and section 407 of said act is amended to read as follows:

"SEC. 407. Receipts on registered mail.

"The fees for obtaining receipts for registered mail shall be increased by 33⅓ percent, computed, if the amount of such increase is not a multiple of 1 cent, to a multiple of 1 cent next above such amount."

With the following committee amendments:

Page 2, beginning in line 22, strike out the rest of the page and the first two lines on page 3 ending with "$200", and insert the following: "The fee for collect-on-delivery service for domestic third- and fourth-class mail shall be 15 cents for collections and indemnity not to exceed $2.50; 20 cents for collections and indemnity not to exceed $5; 30 cents for collections and indemnity not to exceed $25; 40 cents for collections and indemnity not to exceed $50; 50 cents for collections and indemnity not to exceed $100; 55 cents for collections and indemnity not to exceed $150; and 60 cents for collections and indemnity not exceeding $200."

Page 4, line 14, strike out "14" and insert "13."

At the end of the bill insert the following:

"SEC. 6. This act shall take effect on the 1st day of the second month following the month of its enactment."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMERGENCY OFFICERS' RETIREMENT BENEFITS

The Clerk called the next bill, H. R. 1948, to amend the act of July 15, 1940, pertaining to emergency officers' retirement benefits.

Mr. COLE of New York. Mr. Speaker, this bill has an adverse report from both the War Department and the Bureau of the Budget. Therefore, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PUBLIC HEALTH SERVICE

The Clerk called the next bill, H. R. 4615, to establish for the investigation and control of tuberculosis a division in the Public Health Service, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PRIEST. Mr. Speaker, it is my understanding the gentleman from North Carolina [Mr. BULWINKLE] will ask to be recognized and move to suspend the rules and consider this bill later. Therefore, Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. PRIEST]?

Mr. COCHRAN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Tennessee whether the motion will be to move to suspend the rules and pass the bill as is, or with an amendment.

Mr. PRIEST. I am not sure. If the gentleman from North Carolina [Mr. BULWINKLE] makes the motion, I cannot speak for him as to what his motion will be. But I am certain it will be to suspend the rules and pass the bill.

Mr. COCHRAN. Mr. Speaker, this bill is very loosely drawn. It is wide open. It provides $10,000,000 for the first year and any amount deemed necessary thereafter.

Mr. PRIEST. Of course, that would be a subject, may I say to the gentleman, for the Appropriations Committee. We cannot decide exactly here how much might be necessary, but it will have to come before the Committee on Appropriations of the House and of the Senate.

Mr. COCHRAN. I agree with the gentleman as to the purpose. It is an excellent objective. But you are making a mistake in not limiting the amount after the first year.

Mr. PRIEST. I might say to the gentleman, in answer to that question, that the formula proposed in this bill for grants to States is identically the same as that in the present venereal-disease-control program and exactly the same formula as that in section 6 of the Social Security Act, and that it has the approval of the State Association of Public Health Offices.

Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. SMITH of Ohio. Mr. Speaker, reserving the right to object, as stated by the gentleman from Missouri [Mr. COCHRAN] this bill carries an initial $10,000,000 of appropriations and provides for additional appropriations each year. This is a very far-reaching and important measure, and I do not believe that it should be considered in the short time that is contemplated here. Therefore I will have to object to its present consideration.

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

HOMESTEAD RIGHTS FOR VETERANS OF WORLD WAR NO. 2

The Clerk called the next bill, H. R. 5025, to allow credit in connection with certain homestead entries for military or naval service rendered during World War No. 2.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That any person who has served or may serve in the military or naval forces of the United States for a period of at least 90 days during World War No. 2, and is honorably discharged, and who makes homestead entry subsequent to such discharge, shall have the period of his military or naval service, not exceeding 2 years, construed to be equivalent to residence and cultivation upon the land for the same length of time. Credit shall be allowed for 2 years' military or naval service (1) if such person is discharged on account of wounds received or disability incurred in the line of duty, or (2) if such person is regularly discharged and subsequently is furnished hospitalization or is awarded compensation by the Government on account of such wounds or disability. No patent shall issue to any such person who has not resided upon his homestead and otherwise complied with the provisions of the homestead laws for a period of at least 1 year.

SEC. 2. In the case of any person who would be entitled to a homestead under the provisions of this act, his widow, if unmarried, or, in the case of her death or marriage, then his minor orphan children by a guardian duly appointed and officially accredited at the Department of the Interior, shall be entitled to all the benefits enumerated in section 1 of this act. An entry made by such widow or guardian shall be subject to the provisions contained in said section 1, respecting compliance with the provisions of the homestead laws for a period of at least 1 year.

SEC. 3. Where a person entitled to the benefits of section 1 or 2 of this act makes homestead entry and dies before completing title, leaving a minor orphan child, or minor orphan children, patent shall issue to such minor or minors upon proof showing such facts, without any proof as to compliance with the law in the matter of residence, cultivation, or improvements.

SEC. 4. For the period of 10 years following the date of the enactment of this act, on the revocation of any order of withdrawal, the order of revocation shall provide for a period of not less than 90 days before the date on which it otherwise becomes effective, in which persons of the classes entitled to credit for military or naval service, under the provisions of this act, shall have a preferred right of application under the homestead or desert-land laws, or the act of June 1, 1938 (52 Stat. 609; 43 U. S. C., sec. 682a), subject to the requirements of applicable law, except as against the prior existing valid settlement rights and preference rights conferred by existing laws, or equitable claims subject to allowance and confirmation.

SEC. 5. The Secretary of the Interior is hereby authorized to make such rules and regulations as may be necessary to carry the provisions of this act into full force and effect.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLERKS OF UNITED STATES COURTS AND UNITED STATES MARSHALS

The Clerk called the next bill, H. R. 2969, to establish official checking accounts with the Treasurer of the United States for clerks of United States courts and United States marshals.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 23 of the Permanent Appropriation Repeal Act, 1934 (48 Stat. 1236; U. S. C., title 31, sec. 725v), approved June 26, 1934, be, and the same is, hereby amended to read as follows:

"(a) Moneys in, or payable into, the registry of any United States court, in the discretion of the court, may be deposited in official checking accounts with the Treasurer of the United States, subject to disbursement on order approved by the court.

"(b) All fees and other moneys other than moneys referred to in subsection (a) hereof, received by clerks of the United States courts and United States marshals shall be deposited in official checking accounts with the Treasurer of the United States, subject to disbursement by such clerks and marshals. At the close of each accounting period the earned portions of such fees and collections accruing to the United States shall be deposited into the Treasury of the United States to the credit of the appropriate receipt accounts. The provisions of this subsection shall not apply in the Territory of Alaska, or in the Virgin Islands, or to the United States Court for China."

SEC. 2. Section 19 of the Permanent Appropriation Repeal Act, 1934 (48 Stat. 1232; U. S. C., title 31, sec. 725r), approved June 26, 1934, is hereby amended by striking therefrom the parenthetical clause reading as follows: "(including clerks and marshals of the United States district courts)."

With the following committee amendments:

On page 2, line 3, strike out the word "moneys" and substitute in lieu "collections." On page 2, line 13 and line 14, after the word "Islands", strike out the comma, insert a period, and strike out "or to the United States Court for China." On page 2, line 18, strike out the words "striking therefrom" and insert in lieu the word "changing"; and after the word "clause" insert "in the proviso therein to" and strike out the word "reading" and insert the word "read." On page 2, line 19, strike out the word "including" and substitute in lieu the word "excluding."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. PRIEST. Mr. Speaker, that concludes the call of all bills eligible for consideration at this time.

DIEMER ADISON COULTER

Mr. SPARKMAN. Mr. Speaker, at the last call of the Private Calendar, H. R. 2150, a bill for the relief of Diemer Adison Coulter and Frances Andrews Coulter, was recommitted to the Committee on

Claims at the request of the gentleman from Indiana [Mr. SPRINGER].

Mr. Speaker, I ask unanimous consent that the bill H. R. 2150 be restored to the Private Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

NATIONAL DEFENSE ACT

Mr. ANDREWS of New York. Mr. Speaker, by direction of the Committee on Military Affairs and the majority and minority leaders I ask unanimous consent to take from the Speaker's desk, S. 1157, a bill to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing such training of State and Territorial military forces as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. HARNESS of Indiana. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from New York to explain what the bill purports to do.

Mr. ANDREWS of New York. Mr. Speaker, this bill simply authorizes the Secretary of War to extend to State Guard units and similar units in some Territories certain instructions having to do with the protection of vital installations.

Mr. HARNESS of Indiana. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. ANDREWS]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 61 of the National Defense Act of June 3, 1916, as amended, be further amended to read as follows:

"SEC. 61. (a) No State or Territory Puerto Rico or the Canal Zone shall maintain troops in time of peace other than as authorized in accordance with the organization prescribed under this act: *Provided*, That nothing contained in this act shall be construed as limiting the rights of the States and Territories and Puerto Rico and the Canal Zone in the use of the National Guard within their respective borders in time of peace: *Provided further*, That nothing contained in this act shall prevent the organization and maintenance of State or Territorial police or constabulary.

"(b) Under such regulations as the Secretary of War may prescribe for the organization, standards of training, instruction, and discipline, the organization by and maintenance within any State or Territory or Puerto Rico or the Canal Zone of such military forces other than a National Guard as may be provided by the laws of such State or Territory is hereby authorized while any part of the National Guard of the State or Territory or Puerto Rico or the Canal Zone concerned is in active Federal service: *Provided*, That under such regulations as the Secretary of War may prescribe for the organization, standards of training, instruction, and discipline, the organization by and maintenance within the Virgin Islands of the United States of such military forces as may be provided by the laws of the Legislative Assembly of the Virgin Islands is hereby authorized: *Provided further*, That such forces shall not be called, ordered, or in any manner drafted, as such, into the military services of the United States; however, no person shall, by reason of his membership in any such unit, be exempted from military service under any Federal law: *Provided further*, That the Secretary of War is authorized in his discretion and under such regulations as he may prescribe to use appropriations for the Military Establishment for any expenses of the United States incident to the training of the military forces authorized by this subsection except for pay, subsistence, medical care and treatment, and transportation of members of such military forces between their homes and the places of performance of such training: *And provided further*, That the Secretary of War, in his discretion and under regulations determined by him, is authorized to issue, from time to time, for the use of such military units, to any State or Territory or Puerto Rico or the Virgin Islands or the Canal Zone, upon requisition of the Governor thereof, such arms, ammunition, clothing, and equipment as he deems necessary. The provisions of this subsection shall terminate upon the expiration of 6 months after the termination of the present war, or at such earlier time as the Congress by concurrent resolution, or the President by proclamation, may designate."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SAUTHOFF. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a resolution passed by the city of Manitowoc.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SAUTHOFF. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an analysis and tables of votes prepared by W. L. Forrest.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERSONAL EXPLANATION

Mr. MARCANTONIO. Mr. Speaker, on the roll call on the passage of th war contracts bill I was in the building, but did not hear the bells. Consequently, I am not recorded on that bill. If I had voted, I would have voted in the affirmative.

INCREASING PENSIONS FOR CERTAIN REGULAR ESTABLISHMENT VETERANS AND VETERANS OF WARS PRIOR TO WORLD WAR NO. 1

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4999) to increase the service-connected disability rates of pension for certain Regular Establishment veterans and veterans of wars prior to World War No. 1, and I ask that the same may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. LESINSKI]?

Mr. FISH. Mr. Speaker, reserving the right to object, may we have an explanation of what this bill does?

Mr. LESINSKI. Mr. Speaker, the purpose of this legislation is to grant the same 15 percent increase of pension for service-connected disability to peacetime veterans and veterans of wars prior to World War No. 1 not included in Public Law No. 312, approved May 27, 1944, as was granted by that act to the service-connected disabled veterans of World War No. 1, World War No. 2, and veterans entitled to wartime rates under Public Law No. 359, Seventy-seventh Congress, approved December 19, 1941, for service on or after September 16, 1940.

The enactment of H. R. 4999 will maintain the former relationship between the wartime and peacetime service-connected disability rates, materially affected by the enactment of Public Law No. 312, and will establish uniformity between those entitled to wartime service-connected disability rates. All service-connected disabled veterans are uniformly in need of the increase, and denial to the groups included in this bill works an injustice.

HISTORY OF THE LEGISLATION

For the past two Congresses there have been several bills referred to your committee which have for their purposes the increasing of the rates of pensions of peacetime veterans to 80 percent and 100 percent of the rates of pensions received by wartime veterans for similar service-connected disabilities.

Your committee held hearings on June 8 and 14 on H. R. 919, H. R. 1005, H. R. 1014, and H. R. 4999. The bill, H. R. 4999, was introduced at the request of the Veterans of Foreign Wars, and when General Hines appeared before the committee on June 14 he reported favorably on H. R. 4999, as it will grant to peacetime service-connected disabled veterans and service-connected disabled veterans of wars prior to the World War the same increase of 15 percent granted to other service-connected disabled veterans as provided by Public Law No. 312, Seventy-eighth Congress, approved May 27, 1944.

COST OF THE BILL

The Veterans' Administration, in its report to your committee which is included in House Report No. 1677, states that it is estimated approximately 40,100 veterans of the Regular Establishment and 1,100 veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, or a total of 41,200 veterans, would be entitled to the increased rates provided by the bill at a cost of approximately $2,424,000 for the first year.

EXPLANATION OF THE AMENDMENTS

Both amendments were placed in the bill at the suggestion of the Veterans' Administration.

The first amendment was deemed advisable because identical language was used in section 1 of the act of May 27, 1944, Public Law 312, Seventy-eighth Congress, which increased by 15 percent the rates of compensation or pension payable for service-incurred disabilities to veterans of the World War and the Global War and certain veterans entitled to wartime rates under Public Law No. 359, Seventy-seventh Congress, approved

December 19, 1941, for service on or after September 16, 1940. This partcular amendment will insure interpretation of the particular restriction uniformly with the identical restriction in Public Law No. 312.

The second amendment has for its purpose the avoiding of injustices. Section 3 of Public Law No. 312 made the increases provided by that act effective the first day of the first month following the passage of the act. Public Law No. 312 was approved May 27, 1944, and the increases were effective June 1, 1944. The increases for the remaining service-connected disability group not covered by Public Law 312 and for whom this bill affords relief should be effective the same date and that is the purpose of this amendment.

Mr. FISH. Where did this bill come from?

Mr. LESINSKI. The bill comes from the Committee on Invalid Pensions.

Mr. FISH. It is now being considered direct on the floor of the House?

Mr. LESINSKI. No. I asked unanimous consent to take it from the Speaker's desk.

Mr. FISH. Did not a similar bill come from the other House committee?

Mr. LESINSKI. No. The other committee considered only World War No. 1 and World War No. 2. This is all prior to World War No. 1. It takes in 40,111 veterans of regular organizations, which means the Army and the Navy, and 1,100 veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, or a total of 41,200 men who were not under that 15-percent increase. All we are asking is to unify the pensions of all veterans prior to World War No. 1, and give them the same type of increase.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. ROBSION of Kentucky. The gentleman says it covers 40,000 or more veterans, granting them a 15-percent increase? Is that what the bill provides?

Mr. LESINSKI. A 15-percent increase; the same as World War veterans got, during this time of high cost of living.

Mr. ROBSION of Kentucky. Is this approved?

Mr. LESINSKI. It has the green light from General Hines.

Mr. ROBSION of Kentucky. Is it approved by the veterans' organizations of the Regular Establishments?

Mr. LESINSKI. Yes, sir.

Mr. ROBSION of Kentucky. And of the Boxer Rebellion?

Mr. LESINSKI. Yes, sir.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the monthly rates of pension for service-connected disability, exclusive of special awards and allowances, payable under laws administered by the Veterans' Administration to veterans not included in section 1 of Public Law No. 312, Seventy-eighth Congress, approved May 27, 1944, are hereby increased by 15 percent effective as of the 1st day of the month following the passage of this act.

With the following committee amendments:

On page 1, line 4, after the word "allowances" insert "fixed by law."

On page 2, line 2, after the word "of", strike out "the month following the passage of this act" and insert "June 1944."

The committee amendments were agreed to.

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ROBSION of Kentucky. Mr. Speaker, the Committee on Pensions of the House held hearings and investigated H. R. 4999 now before us for consideration, and which was unanimously reported favorably by the Pension Committee. This bill provides for an increase of 15 percent of the compensations or pensions now payable for service-incurred disabilities to soldiers and sailors of the Regular Establishment, and to soldiers and sailors of the Spanish-American War, Philippine Insurrection, and Boxer Rebellion. In fact, it includes veterans of the Regular Establishment and veterans of wars prior to World War No. 1, and applies solely and only to veterans who are drawing pensions or compensations by reason of service-connected disabilities received in line of duty.

The Veterans' Administration report to the committee states that it is estimated that approximately 40,100 veterans of the Regular Establishment and 1,100 of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, or a total of 41,200 veterans, would be entitled to the increases provided in this bill and at a cost of approximately $2,424,000 for the first year. This bill has been approved by the Veterans' Administration, by the organization of the veterans of the Regular Establishment, and by the United Spanish War Veterans. This increase is based upon the increased cost of living and the very great need of the veterans for this increase.

A motion has been made to suspend the rules and to pass this bill. This motion should be adopted by the unanimous vote of the House.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING CIVIL SERVICE RETIREMENT ACT

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1475) to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended, with Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

After line 11 insert:

"SEC. —. Nothing contained in the second paragraph of section 2 of the act entitled "An act to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to certain employees in the legislative and judicial branches of the Government", approved July 13, 1937, as amended, shall be construed to prevent the deduction and withholding from the basic salary, pay, or compensation of any employee with less than 7 years of service, whose salary or any part thereof is paid by the disbursing officer of the Senate, of sums required to be deducted and withheld by section 10 of the Civil Service Retirement Act, approved May 29, 1930, as amended, if such employee shall have given notice in accordance with section 3 of the Civil Service Retirement Act, approved May 29, 1930, as amended, of his desire to come within the purview of such act. This section shall take effect as of January 24, 1942."

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. RAMSPECK]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman make a brief explanation of the Senate amendment?

Mr. RAMSPECK. Yes; the amendment deals only with employees of the United States Senate. It removes the provision now in the Retirement Act, which requires Senate employees to wait 7 years before they can participate in the Retirement Act.

Mr. MARTIN of Massachusetts. The only change is relative to Senate employees?

Mr. RAMSPECK. That is correct. It has been passed on by the committee unanimously.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

NIGHT DIFFERENTIAL FOR CERTAIN EMPLOYEES

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3891) to provide night differential for certain employees, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 6, after "paid", insert "in respect of their regular workweek of 40 hours and except when in leave status."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this amendment?

Mr. RAMSPECK. The effect of this amendment is to make certain that the night differential applies only to the basic pay for 40 hours, and does not apply to the overtime which is now being paid under the War Overtime Act.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. RAMSPECK]?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

PREFERENCE EMPLOYMENT FOR VETERANS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4115) to give honorably discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 7, strike out "honorably" and insert "on active duty."

Page 2, line 8, after "States", insert "and have been separated therefrom under honorable conditions and."

Page 2, lines 13 and 14, strike out "and the husbands of such service-connected disabled ex-servicewomen."

Page 2, line 17, strike out "honorably" and insert "on active duty."

Page 2, line 20, strike out all after "authorized)", down to and including "ex-servicewomen" in line 25 and insert "and who were separated therefrom under honorable condition."

Page 2, line 25, and page 3, line 1, strike out "honorably discharged."

Page 3, line 1, after "served", insert "on active duty."

Page 3, line 4, after "authorized)", insert ", and have been separated therefrom under honorable conditions."

Page 4, lines 14 and 15, strike out "in the service of the United States."

Page 5, line 5, after "of", insert "a."

Page 8, line 15, strike out "rating" and insert "ratings."

Page 11, line 11, after "eligibles", insert ", except of 10-point preference eligibles."

Page 12, line 19, after "apply", insert "to any position in or under the legislative or judicial branch of the Government or."

The SPEAKER. Is there objection to the request of the genteman from Georgia [Mr. RAMSPECK]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, this seems like rather extended Senate amendments. Will the gentleman please explain the effect of those amendments?

Mr. RAMSPECK. This is the veterans' preference bill, which was passed in the House and in the Senate without a dissenting vote, as far as I recall, except one vote in the House.

The only substantive amendment made by the Senate was to eliminate the provision of the bill which would have given preference to widowers of women who served in the armed services. The other amendments are technical amendments. Where the House bill read "honorably discharged" the Senate substitutes "served under honorable conditions."

Mr. MARTIN of Massachusetts. The Senate amendment eliminates the preference for widowers of women in the armed services?

Mr. RAMSPECK. Yes. These amendments were considered by the Civil Service Committee.

Mr. MARTIN of Massachusetts. Is that a proper amendment to consider the day after Father's Day?

Mr. RAMSPECK. There was some difference of opinion about that in the committee. The gentleman from Indiana [Mr. LAFOLLETTE] made very vigorous defense of his amendment. The majority of the committee thought we should get through with this bill and accept the Senate amendments.

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, is this an amendment to the bill that is supposed to give preference to returning veterans?

Mr. RAMSPECK. That is correct.

Mr. HOFFMAN. I notice the returning veterans have to get cards under these security-of-membership contracts in order to hold a job. They may have to pay the C. I. O. Political Action Committee that dollar for political purposes unless we take proper action. Is there anything in there that will exempt the boys from that?

Mr. RAMSPECK. This bill relates to Government service only. No Government employee is ever required to join a union or pay any dues to a union.

Mr. HOFFMAN. But where they have Government money on these war contracts they have to come across. Does not this apply to that at all?

Mr. RAMSPECK. This does not apply to that at all.

Mr. HOFFMAN. You mean you just give the veterans preference in Government jobs?

Mr. RAMSPECK. That is all this bill does.

Mr. HOFFMAN. How do you distinguish between Government jobs and jobs which have Government money?

Mr. RAMSPECK. The Civil Service Committee has no jurisdiction over the question the gentleman has raised.

Mr. HOFFMAN. The President has this railroad out there in Illinois. He has had it for a couple of years. Do the veterans have preference for jobs on that? They should have.

Mr. RAMSPECK. No; they are not civil-service employees.

Mr. HOFFMAN. I would like to know, if we can, who is contributing to that political fund.

The SPEAKER. Now, if these matters are going to take time they will simply have to go over.

Mr. HOFFMAN. Then I think we ought to take some time and consider them.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. HOFFMAN. I think I will object for the present. The veterans should be taken care of, not required to pay for jobs.

The SPEAKER. Objection is heard.

AMENDING SECTION 12 (b) OF THE ACT OF MAY 29, 1930

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4292), an act to amend section 12 (b) of the act of May 29, 1930, as amended, and consider the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Line 4, after "following" insert "the word 'employees' where it appears at the end of."

Line 5, strike out "except that" and insert ": *Provided further*, That."

Mr. RAMSPECK. I also offer an amendment.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. RAMSPECK. This is only a technical amendment. The Senate put in the word "employees", instead of "employee"; and I am offering the amendment to change that.

The other Senate amendment makes no change in the substance of the act at all; it is just language.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the Senate amendments, as follows:

Line 4, after "following", insert "the word 'employees' where it appears at the end of."

Line 5, strike out "except that" and insert ": *Provided further*, That."

The SPEAKER. The Clerk will report the amendment offered by the gentleman from Georgia.

The Clerk read as follows:

Amendment offered by Mr. RAMSPECK: Amend the amendment of the Senate No. 1 by striking out the word "employees" and inserting in lieu thereof the word "employee."

The amendment was agreed to.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

COMPUTATION OF INTEREST ON CONTRIBUTIONS TO CIVIL-SERVICE RETIREMENT FUND RETURNED TO EMPLOYEES UPON THEIR SEPARATION FROM THE SERVICE

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4320) relating to the computation of interest on contributions to the civil-service retirement fund returned to employees upon their separation from the service, with Senate amendments, and agree to the Senate amendments.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, may we have an explanation?

Mr. RAMSPECK. These amendments do not change the effect of the bill at all.

Mr. MARTIN of Massachusetts. They make no change in the text?

Mr. RAMSPECK. No.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the Senate amendments, as follows:

Line 7, after "month", insert "in the total service of an officer or employee."

Line 7, strike out all after "disregarded" down to and including "month" in line 9.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

AMENDMENT OF MISSING PERSONS ACT OF MARCH 7, 1942

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4405) to amend the act approved March

7, 1942 (Public Law 490, 77th Cong.), as amended, so as to more specifically provide for pay, allotments, and administration pertaining to war casualties, and for other purposes.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, do I understand this is the bill that provides that the pay of persons missing in action shall be continued until their fate is determined?

Mr. VINSON of Georgia. Mr. Speaker, this is an administrative amendment clarifying the Missing Persons Act.

Mr. MARTIN of Massachusetts. How does it clarify it?

Mr. VINSON of Georgia. It clarifies it in a great many respects; for instance, in reference to civil employees of a department, it defines what constitutes a civil employee of the department instead of a temporary employee or an hourly employee. It also permits a department to determine that the death of an employee occurred on the day it happened instead of the date on which they get the report of the death.

The bill is unanimously recommended by the Navy Department, the War Department, and is reported by the Naval Affairs Committee with a very magnificent report prepared by the gentleman from Massachusetts [Mr. BATES].

Mr. MARTIN of Massachusetts. Was the action of the committee unanimous?

Mr. VINSON of Georgia. It was reported unanimously. If there are any questions, I ask that the gentleman from Massachusetts [Mr. BATES] explain them.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman from Massachusetts yield that I may ask a question?

Mr. MARTIN of Massachusetts. I yield.

Mr. ROBSION of Kentucky. I have a number of people from my district who have been carried as missing in action for more than 2 years in this war. They get the same report all the time, with nothing done about it. Their parents are carrying insurance, and so on, and supporting the dependents. Is there anything in this bill that would bring about a quicker determination so that persons, such as I refer to, who are lost in battles at sea in the Pacific will not be just carried as "missing in action"?

Mr. BATES of Massachusetts. Mr. Speaker, the very purpose of the bill, of course, is more specifically to provide for pay, allotments, and administration pertaining to war casualties. It has no direct relation to the question raised by the gentleman from Kentucky except to provide that where a man is missing for more than a year the Department, unless they have some evidence that the man may be alive, determines that he is dead. If, however, there is some doubt in the mind of the Department that the man be dead—and that may be the case to which the gentleman from Kentucky [Mr. ROBSION] refers—they continue him on the pay roll until such time as they reasonably feel that the man is dead. A finding of presumptive death is then entered.

The War Department and the Navy Department have received reports of men who have been prisoners in Japan for a period as long as 24 months.

Mr. ROBSION of Kentucky. But in these cases where the men were killed in actual battle, at Guadalcanal and other places in the Pacific——

Mr. BATES of Massachusetts. I can speak with some knowledge of that situation because I had a member of my own family killed at Guadalcanal. It was several months after he and some of his comrades were killed before actual notice of his death came to the Navy Department.

Mr. ROBSION of Kentucky. The men I have in mind were killed in 1942, and no action has been taken yet.

Mr. BATES of Massachusetts. Where the determination can be made by the Department it is being made as rapidly as possible. Where there is doubt about a man's death they continue him in a missing status.

The purpose of this bill is to amend Public Law 490 of the Seventy-seventh Congress so as to more specifically provide for pay allotments and administration pertaining to war casualties.

The object of these amendments is to clearly define and prescribe more equitable periods of entitlement to pay and allowances of persons within the purview of the act; adjustment of accounts of such persons in connection with their pay and alowances and allotments; to eliminate questions of inequitable recoveries; and to confer and clarify departmental authority to make conclusive determinations required for effective and equitable administration.

More than 2 years have now passed since the basic act was passed by Congress, and during this period of 2 years there have been unusual developments in the extent and character of land, sea, and air operations. There have been unanticipated situations and circumstances surrounding the absences of personnel and pertaining to the fiscal entitlements of absent and deceased personnel and their dependents.

To meet the present anticipated conditions during the war and post-war period, there is a need of a more definite fixing of responsibility upon the War and Navy Departments, along with authority to meet these responsibilities by prompt and conclusive determinations. There is also a need for clear and equitable provisions for the guidance of the Departments and of the accounting officers in such matters as entitlement to pay and allowances, payment of allotments, collection of overpayments, preparation and settlement of accounts.

This bill is designed to meet such needs as have arisen and as are anticipated in such manner as to insure the considerate and equitable treatment by their Government of those citizens who, as either members of the armed forces or as dependents of such members, suffer the hazards of war conveyed by now familiar terms, such as missing in action, prisoner of war, killed in action.

The basic act has been very effective in wartime casualty administration. It was to a large extent based upon more or less normal war experiences, and upon the expectation that our enemies would observe international agreements and conditions. It was enacted in the early days of the war; the Battle of the Java Sea had just been fought; Bataan and Corregidor were still holding.

With more than 2 years of experience in the administration of the basic act the departments have had ample opportunity to consider desirable and necessary changes based upon unusual developments in the extent and character of the present war. The departments are now fully cognizant of the changing problems involved in casualty administration. Long delays must be expected in receiving reports of prisoners of war. Belated reports of casualties will arise in many cases.

H. R. 4405, if enacted, would do away with certain inequities which have arisen; would enable the departments effectively and equitably to meet the conditions of the war which have developed. In general, this bill amends the Missing Persons Act by making certain necessary clarifications; by more definitely prescribing entitlements in regard to pay and allowances, allotments of pay, and the accounts of missing or deceased persons. It confers the necessary authority for the administrative and conclusive departmental determinations which are required for effective and equitable administration.

Section 1 of the bill amends section 1 of the act by redefining the term "civilian employee" of a department for the purposes of the act, by adding to the present definition the clause "exclusive of part-time or intermittent employees, or native labor casually hired on an hourly or per diem basis."

Section 1 of the bill also restates the meaning of the term "dependent" as used in the basic act. The amended definition of dependent is clarifying without changing the substance of the present law which has proved satisfactory. The present law refers to a section of the United States Code which has now been repealed. This is remedied in the amendment by a direct enumeration of the individuals embraced in the term "dependent."

Section 2 of the bill amends section 2 of the act. This section contains the basic provision of H. R. 4405. It removes the doubt which has risen in regard to entitlement to pay and allowances in the case of the death of a person missing, missing in action, interned in a neutral country, or captured by the enemy. This section provides entitlement to pay and allowances from the date of death up to the date of receipt of evidence of death in the department concerned.

This provision would abolish certain discriminations existent under the present law which are detrimental to morale. Under the present law it has been held that when evidence of death is received, no pay and allowances can be credited for any period subsequent to the actual date of death. A and B are reported as missing in action April 1, 1943. On January 1, 1944, the department concerned receives word that A in fact died on April 1, 1943. In the case of B, no report of death is received, with the result that he is found presumptively to have died as of April 2, 1944. In regard to A's widow, a holding that there can be no

credit of pay and allowance subsequent to April 1, 1943, and that allotments for her support paid between April 1, 1943, and January 1, 1944 will be charged against any balance in A's account as of April 1, 1943, may well encumber her with serious financial problems. But B's widow has been vested by action under section 5 with the right to accrued pay and allowances up to April 2, 1944, because under the present law in findings of presumptive death made under section 5, determination of pay credits and of allotments is as of the day following the expiration of an absence of 12 months. This is without reference to any date on which the death may have occurred. This discrimination must not continue.

Section 3 of the bill amends section 3 of the act. Under the present law only voluntary allotments for the support of dependents and for the payment of insurance premiums are continued when word is received that a person is missing. Furthermore, it is only for these purposes that increases in allotments or new allotments can be registered in the case of a missing person. Experience has proved that allotments for War bonds and for savings should in many cases be continued. Section 3 provides for the increased authority to continue worthwhile allotments and for the registration of new allotments.

Section 4 of the bill amends section 4 of the act and provides the needed flexibility by adding the necessary authority to initiate, discontinue, increase, or decrease allotment payments in the case of persons in an absent status.

Section 5 of the bill amends section 9 of the act. This section adds a number of provisions which are designed to permit a more efficient, equitable, and expeditious administration. The experience to date has demonstrated the need for many determinations of administrative and fiscal matters arising in the broad field of casualty administration. In order to facilitate good administration these determinations must be prompt, equitable, and conclusive. Section 5, if enacted, would permit such an administration.

The second provision of this section is of considerable importance. The first part of this provision deals with allotments paid for periods between death and the receipt of a report thereof in those cases in which section 2 extends entitlement to pay and allowances to such interim, that is, in regard to persons in an absent status. Inasmuch as pay is credited for the interim, it might reasonably be concluded that allotments from such pay would not be collectible as overpayments. It is highly desirable that this be so, and the proposed amendment would insure it. Under such circumstances it is equitable and proper that allotment payments be charged against the pay between death and receipt of report thereof. Hence, the provision contains no provision against such a charge.

The second part of this provision deals with all other death cases in which allotment payments are made for any period subsequent to the termination of pay credit, the payments being due to delays in receipt of evidence of death. It will generally apply to cases of some delay in getting a report of death with no prior missing status. Section 2 of the bill does extend credit of pay and allowances to such interim. It is believed more practicable and equitable to make the allotment payments for such an interim noncollectible and to insure against their being charged to the account of the deceased person, thereby depriving the heirs of the amounts so paid. The provision has been drawn to accomplish this.

Section 6 of the bill amends section 10 of the basic act. It makes no change other than to give the authority to the department concerned to determine the fact of dependency in all 6 months' death gratuity cases. Under the existing law authority exists for conclusive determinations for dependents not designated by the serviceman, but does not do so for those designated by him. Uniformity is highly desirable.

Section 7 of the bill adds a new section 16 to the basic act and provides a short title, "The Missing Persons Act."

Section 8 of the bill fixes the effective date of the amendments which is the same as the effective date of the basic act, September 8, 1939. Such retroactive effectiveness is deemed necessary.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to provide for continuing payment of pay and allowances of personnel of the Army, Navy, Marine Corps, and Coast Guard, including the retired and reserve components thereof; the Coast and Geodetic Survey and the Public Health Service, and civilian employees of the executive departments, independent establishments, and agencies, during periods of absence from post of duty, and for other purposes," approved March 7, 1942 (56 Stat. 143; 50 U. S. C., Supp. 1001), as amended Dec. 24, 1942 (56 Stat. 1092; 50 U. S. C., Supp. 1001), is amended by striking out section 1 (c) thereof and substituting the following:

"(c) the term 'dependent' as used in this act includes a lawful wife, unmarried child under 21 years of age. It includes also a dependent mother, father, stepchild, adopted child, or such dependent as has been designated in official records, or an individual determined to be dependent by the head of the department concerned, or subordinate designated by him."

SEC. 2. That section 2 of such act is amended to read as follows:

"SEC. 2. Any person who is in active service and who is officially determined to be absent in a status of missing, missing in action, interned in a neutral country, captured by any enemy, beleaguered or besieged shall, for the period he is officially carried or determined to be in any such status, be entitled to receive or to have credit to his account the same pay and allowances to which he was entitled at the beginning of such period of absence or may become entitled thereafter, and the entitlement to pay and allowances shall terminate upon the date of receipt by the department concerned of evidence that the person is dead or upon the date of death prescribed or determined under provisions of section 5 of this act: *Provided*, That such entitlement to pay and allowances shall not terminate upon expiration of term of service during absence and in case of death during absence shall not terminate earlier than the dates herein prescribed: *Provided further*, That there shall be no entitlement to pay and allowances for any period during which such person may be officially determined absent from his post of duty without authority and he shall be indebted to the Government for any payments from amounts credited to his account for such period."

SEC. 3. That section 4 of such act is amended to read as follows:

"SEC. 4. When circumstances are deemed to justify such action in the interests of a person entitled to receive or be credited with pay and allowances under section 2 of this act, in the interests of the dependents of such person, or in the interests of the Government, the head of the department concerned, or such subordinates as he may designate, may direct the initiation, continuance, discontinuance, increase, decrease, suspension, or resumption of payments of allotments from the pay and allowances of such person, subject to the provisions of section 6 of this act."

SEC. 4. That section 9 of such act is amended to read as follows:

"SEC. 9. The head of the department concerned, or such subordinate as he may designate, shall have authority to make all determinations necessary in the administration of this act, and determinations so made shall be conclusive as to death or finding of death, as to any other status dealt with by this act, and as to any essential date including that upon which evidence or information is received in such department or by the head thereof. The determination of the head of the department concerned, or of such subordinate as he may designate, shall be conclusive as to whether information received concerning any person is to be construed and acted upon as an official report of death. When any information deemed to establish conclusively the death of any person is received in the department concerned, action shall be taken thereon as an official report of death, notwithstanding any prior action relating to death or other status of such person. If the 12 months' absence prescribed in section 5 of this act has expired a finding of death shall be made whenever information received, or a lapse of time without information, shall be deemed to establish a reasonable presumption that any person in a missing or other status is no longer alive. Payment or settlement of an account made pursuant to a report, determination, or finding of death shall not be recovered or reopened by reason of a subsequent report or determination which fixes a date of death except that an account shall be reopened and settled upon the basis of any date of death so fixed which is later than that used as a basis for prior settlement. Determinations are authorized to be made by the head of the department concerned, or by such subordinates as he may designate, of entitlement of any person, under provisions of this act, to pay and allowances, including credits and charges in his account, and all such determinations shall be conclusive: *Provided*, That such accounts shall not be charged or debited with any amount that any person in the hands of an enemy may receive or be entitled to receive from, or have placed to his credit by, such enemy as pay, wages, allowances, or other compensation. When circumstances warrant reconsideration of any determination authorized to be made by this act the head of department concerned, or such subordinate as he may designate, may change or modify a previous determination. The period of entitlement of a payee to allotments paid from pay and allowances of any person shall be the period of the person's entitlement under the provisions of section 2 of this act to receive

or have credited such pay and allowances except to allotments for unearned insurance premiums. The head of the department concerned, or such subordinate as he may designate, may waive the recovery of erroneous payments or overpayments of allotments to dependents when recovery is deemed to be against equity and good conscience. In the settlement of the accounts of any disbursing officer credit shall be allowed for any erroneous payment or overpayment made by him in carrying out the provisions of this act, except sections 13, 16, 17, and 18, in the absence of fraud or criminality on the part of the disbursing officer involved, and no recovery shall be made from any officer or employee authorizing any payment under such provisions in the absence of fraud or criminality on his part."

SEC. 5. That section 10 of such act is amended to read as follows:

"SEC. 10. The determination of the fact of dependency under the provisions of this act, the determination of the fact of dependency for the purpose of payment of all death gratuities as authorized by law, and the determination of the fact of dependency under the provisions of any and all other laws providing for the payment of pay, allowances, or other emoluments to enlisted men of the Army, Navy, Marine Corps, and Coast Guard of the United States where such payments are contingent upon dependency, shall be made by the head of the department concerned, or by such subordinate as he may designate, and such determination so made shall be final and conclusive: *Provided*, That the act of June 4, 1920 (41 Stat. 824), as amended (U. S. C., title 34, sec. 943), is hereby amended by deleting the word 'actually' in the first proviso."

SEC. 6. This act shall be effective in all respects as provided in section 15 of the act of March 7, 1942 (Public Law 490, Seventy-seventh Congress).

With the following committee amendment:

The Clerk read as follows:

Strike out all after the enacting clause and insert the following:

"That the act entitled 'An act to provide for continuing payment of pay and allowances of personnel of the Army, Navy, Marine Corps, and Coast Guard, including the retired and Reserve components thereof; the Coast and Geodetic Survey and the Public Health Service, and civilian employees of the executive departments, independent establishments, and agencies, during periods of absence from post of duty, and for other purposes,' approved March 7, 1942 (56 Stat. 143), as amended December 24, 1942 (56 Stat. 1092; 50 App. U. S. C., Supp. III, 1001-1017, inclusive), is amended by changing subsection (a) (3) of section 1 thereof to read as follows: '(3) civilian officers and employees of departments during such time as they may be assigned for duty or serving outside the continental limits of the United States or in Alaska, exclusive of part-time or intermittent employees or native labor casually hired on an hourly or per diem basis'; and by changing subsection (c) of section 1 thereof to read as follows:

"'(c) the term "dependent" as used in this act includes a lawful wife, unmarried child under 21 years of age. It includes also a dependent mother, father, stepchild, adopted child, or such dependent as has been designated in official records, or an individual determined to be dependent by the head of the department concerned, or subordinate designated by him.'

"SEC. 2. That section 2 of such act is amended to read as follows:

"'SEC. 2. Any person who is in active service and who is officially determined to be absent in a status of missing, missing in action, interned in a neutral country, captured by an enemy, beleaguered or besieged shall, for the period he is officially carried or determined to be in any such status, be entitled to receive or to have credited to his account the same pay and allowances to which he was entitled at the beginning of such period of absence or may become entitled thereafter, and entitlement to pay and allowances shall terminate upon the date of receipt by the department concerned of evidence that the person is dead or upon the date of death prescribed or determined under provisions of section 5 of this act: *Provided*, That such entitlement to pay and allowances shall not terminate upon expiration of term of service during absence and in case of death during absence shall not terminate earlier than the dates herein prescribed: *Provided further*, That there shall be no entitlement to pay and allowances for any period during which such person may be officially determined absent from his post of duty without authority and he shall be indebted to the Government for any payments from amounts credited to his account for such period.'

"SEC. 3. That section 3 of such act is amended to read as follows:

"'SEC. 3. For the period that any person is entitled under section 2 of this act to receive or be credited with pay and allowances, such allotments as may have been executed prior to the beginning of his absence, including allotments for the purchase of United States savings bonds, may be continued, except as otherwise herein provided, and notwithstanding any expiration of a period for which an allotment had been executed. In the absence of an allotment or when an allotment is insufficient for any purpose authorized by the head of the department concerned, such new allotments or increases as circumstances are deemed to warrant may be authorized by the head of the department concerned, or such subordinate as he may designate, payable during any period of the absent person's entitlement to pay and allowances under section 2 of this act: *Provided*, That the aggregate of all allotments in effect, from pay and allowances of an absent person, does not exceed the amount of pay and allowances such absent person would be permitted to allot under regulations of the department concerned: *Provided further*, That any premium paid by the Government on insurance issued on the life of a person, which is unearned by reason of being for a period subsequent to the date of death of such person, shall revert to the appropriation of the department concerned.'

"SEC. 4. That section 4 of such act is amended to read as follows:

"'SEC. 4. When circumstances are deemed to justify such action in the interests of a person entitled to receive or be credited with pay and allowances under section 2 of this act, in the interests of the dependents of such person, or in the interests of the Government, the head of the department concerned, or such subordinates as he may designate, may direct the initiation, continuance, discontinuance, increase, decrease, suspension, or resumption of payments of allotments from the pay and allowances of such person, subject to the provisions of section 6 of this act.'

"SEC. 5. Section 9 of such act is amended to read as follows:

"'SEC. 9. The head of the department concerned, or such subordinate as he may designate, shall have authority to make all determinations necessary in the administration of this act, and for the purposes of this act determinations so made shall be conclusive as to death or finding of death, as to any other status dealt with by this act, and as to any essential date including that upon which evidence or information is received in such department or by the head thereof. The determination of the head of the department concerned, or of such subordinate as he may designate, shall be conclusive as to whether information received concerning any person is to be construed and acted upon as an official report of death. When any information deemed to establish conclusively the death of any person is received in the department concerned, action shall be taken thereon as an official report of death, notwithstanding any prior action relating to death or other status of such person. If the 12 months' absence prescribed in section 5 of this act has expired, a finding of death shall be made whenever information received, or a lapse of time without information, shall be deemed to establish a reasonable presumption that any person in a missing or other status is no longer alive. Payment or settlement of an account made pursuant to a report, determination, or finding of death shall not be recovered or reopened by reason of a subsequent report or determination which fixes a date of death except that an account shall be reopened and settled upon the basis of any date of death so fixed which is later than that used as a basis for prior settlement. Determinations are authorized to be made by the head of the department concerned, or by such subordinate as he may designate, of entitlement of any person, under provisions of this act, to pay and allowances, including credits and charges in his account, and all such determinations shall be conclusive: *Provided*, That no such account shall be charged or debited with any amount that any person in the lands of an enemy may receive or be entitled to receive from, or have placed to his credit by, such enemy as pay, wages, allowances, or other compensation: *Provided further*, That where the account of any person has been charged or debited with allotments paid pursuant to this act any amount so charged or debited shall be recredited to such person's account in any case in which it is determined by the head of the department concerned, or such subordinate as he may designate, that payment of such amount was induced by fraud or misrepresentation to which such person was not a party. When circumstances warrant reconsideration of any determination authorized to be made by this act the head of the department concerned, of such subordinate as he may designate, may change or modify a previous determination. Excepting allotments for unearned insurance premiums, any allotments paid from pay and allowances of any person for the period of the person's entitlement under the provisions of section 2 of this act to receive or have credited such pay and allowances shall not be subject to collection from the allottee as overpayments when payment thereof has been occasioned by delay in receipt of evidence of death, and any allotment overpayments subsequent to such period, the payment of which has been occasioned by delay in receipt of evidence of death, shall not be subject to collection from the allottee or charged against the pay of the deceased person. The head of the department concerned, or such subordinate as he may designate, may waive the recovery of erroneous payments or overpayments of allotments to dependents when recovery is deemed to be against equity and good conscience. In the settlement of the accounts of any disbursing officer credit shall be allowed for any erroneous payment or overpayment made by him in carrying out the provisions of this act, except sections 13, 16, 17, and 18, in the absence of fraud or criminality on the part of the disbursing officer involved, and no recovery shall be made from any officer or employee authorizing any payment under such provisions in the absence of fraud or criminality on his part."

"SEC. 6. That section 10 of such act is amended to read as follows:

"'SEC. 10. The determination of the fact of dependency under the provisions of this act, the determination of the fact of dependency for the purpose of payment of all 6 months' death gratuities as authorized by law, and the determination of the fact of

dependency under the provisions of any and all other laws providing for the payment of pay, allowances, or other emoluments to enlisted personnel in the Army, Navy, Marine Corps, and Coast Guard of the United States where such payments are contingent upon dependency, shall be made by the head of the department concerned, or by such subordinate as he may designate, and any such determination so made shall be final and conclusive."

"'SEC. 7. That such act is amended by adding at the end thereof a new section to read as follows:

"'SEC. 19. This act may be cited as the "Missing Persons Act'."

"SEC 8. The foregoing amendments to such act shall be effective in all respects as provided in section 15 of the act of March 7, 1942 (56 Stat. 147), as amended (56 Stat. 1093; 50 App., U. S. C., Supp. III, 1015), and payments under the retroactive provisions of such amendments are authorized to be paid from appropriations currently available."

Amend the title so as to read: "A bill to amend the act approved March 7, 1942 (56 Stat. 143), as amended (56 Stat. 1092; 50 App., U. S. C., Supp. III, 1001-1017 inclusive), so as to more specifically provide for pay, allotments, and administration pertaining to war casualties, and for other purposes."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REMOVING RESTRICTIONS ON TRANSFERS OF SMALL CRAFT TO OTHER AMERICAN REPUBLICS IN FURTHERANCE OF THE WAR EFFORT

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4991) to remove restrictions on transfers of small craft to other American republics in furtherance of the war effort.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman explain what the bill does?

Mr. VINSON of Georgia. Mr. Speaker, this bill provides for the transfer to South American republics of ships of a thousand tons and under as compensation.

Mr. MARTIN of Massachusetts. As a sale or gift?

Mr. VINSON of Georgia. For compensation.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman from Massachusetts yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. BATES of Massachusetts. But only after such time as our own people have had the right and opportunity to purchase the vessels by auction or sale.

Mr. VINSON of Georgia. If any ship has been turned back by our own Government provision is made that the original owners or American citizens may have the right to repurchase before they are transferred.

Mr. MARTIN of Massachusetts. Is the bill unanimously reported?

Mr. VINSON of Georgia. Yes.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That every act heretofore enacted providing for lease of vessels in accordance with the act of March 11, 1941 (55 Stat. 31), as amended, notwithstanding any provision thereof which would permit disposal in accordance with the act of March 11, 1941, only by temporary lease or would require title to remain in the United States, shall be construed as if also specifically authorizing the sale, transfer of title to, exchange, lease, or loan of small vessels within its purview to other American republics for the purpose of aiding the war effort and the defense of the Americas.

SEC. 2. As used in this act, the term "small vessel" means a vessel of not more than 1,000 gross tons (determined in accordance with the provisions of sec. 77, title 46, of the United States Code) and includes, among other small vessels, patrol craft, mine craft, and other vessels and boats of the Navy, but shall not include any vessel whose use or conversion for use as a commercial vessel for the transportation of passengers or freight for hire is, in the opinion of the Secretary of the Navy, feasible in view of customary commercial practices in the United States.

With the following committee amendments:

Page 2, line 5, insert the following proviso: "*Provided*, That no vessel within the purview of such act of April 29, 1943, as amended, formerly used in the commercial fisheries or industries related thereto, shall be disposed of under this act until offered first to the owner from whom acquired and then at public bid, for use in the fisheries or in industries related thereto, as provided in such act."

Page 2, add a new section 3 as follows:

"SEC. 3. No sale or transfer of title to any vessel under this act shall be made by the Secretary of the Navy without prior consultation in regard thereto with the Naval Affairs Committees of the Congress."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PHILIPPINE INDEPENDENCE

The SPEAKER. The Chair recognizes the gentleman from Missouri [Mr. BELL].

Mr. BELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 93 declaring the policy of the Congress with respect to the independence of the Philippine Islands, and for other purposes, and I send to the desk a suggested amendment.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will report the suggested amendment for information.

The Clerk read as follows:

Page 4, line 7, after the word "authorized", insert "after proclaiming that constitutional processes and normal functions of government had been restored in the Philippine Islands and."

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman from Missouri explain just what this legislation does?

Mr. BELL. Mr. Speaker, this bill was passed by the Senate some time ago. As is sometimes done, the resolution carries several whereas clauses setting forth reasons supporting the action.

Mr. MARTIN of Massachusetts. The gentleman will strike out the "whereases"?

Mr. BELL. It provides further that the President of the United States may have authority to advance the day of independence to an earlier date than July 4, 1946, as provided in a previous act.

It also provides that the President shall have the right to retain and acquire such bases in the Philippines as are necessary for the mutual defense of the Philippines and the United States.

Mr. MARTIN of Massachusetts. Is there any outline as to how those bases will be established?

Mr. BELL. The Tydings-McDuffie Act provided that military and naval bases might be acquired. At that time air power had not developed in the way it has now and it was felt that the language of the original act was not quite broad enough to meet this need of modern warfare. It was for the purpose of broadening the law to meet that need that this bill was drawn.

Mr. MARTIN of Massachusetts. Are you going to make these agreements before we let the Philippines go or afterward?

Mr. BELL. The act provides that, after consultation with the President of the Philippines, the President of the United States may select these bases, acquire them, and retain them.

Mr. MARTIN of Massachusetts. What I am trying to get at is this. It is probably a good idea to get them before you let the Philippines go rather than try to get the bases afterward.

Mr. BELL. That is what the act provides.

Mr. MARTIN of Massachusetts. I understand one reason for this legislation is that it might combat the Japanese propaganda that they are giving liberty to the Philippine people at this time?

Mr. BELL. Already the Japanese Government has set up a puppet government over there and has proclaimed the independence of the Philippines. Of course, we all know that is not genuine and that it is not for the benefit of the Philippines but is merely war propaganda on the part of Japan. This bill will let the Filipino people know that just as soon as we are able to drive the Japs out they will have their complete independence.

Mr. FISH. Mr. Speaker, reserving the right to object, may I ask the gentleman if there is anything in this bill that will help the American prisoners in the Philippines who have been suffering barbarous treatment at the hands of the Japanese in the deplorable prison camps there?

Mr. BELL. I think it will be beneficial in that respect, for it will clarify in the minds of the whole Philippine people that our purpose is to give them complete independence just as soon as possible. It will mean that when our troops invade any part of the Philippine Islands we will have the united support, we hope, of all the Filipinos instead of having possibly

some of the puppet government's people fight us.

Mr. FISH. All of the American people are united in hoping for a day of retribution of justice against the inhumane treatment of American prisoners in the Philippines. It might help if we can put the fear of God into Japanese officials and let them know we are on our way to the Philippines and intend to punish those who are guilty of murdering American soldiers.

Mr. BELL. I think the bill will shorten the war. It should save thousands of American lives, and it will give us bases that will be needed for the mutual protection of the United States and the Philippine Islands.

Mr. BATES of Massachusetts. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. How does the Delegate from the Philippine Islands feel about this?

Mr. BELL. He is in favor of it. Vice President Osmeña, of the Philippines, called me on the telephone stating he, too, is satisfied with this bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. BELL]?

There being no objection, the Clerk read the Senate joint resolution, as follows:

Whereas, on December 7, 1941, while the people of the Philippine Islands were peacefully engaged in achieving for themselves their complete political independence in the manner mutually agreed upon by the Government of the United States and the people of the Philippine Islands, which independence was to become fully effective July 4, 1946, the Japanese in a wholly unprovoked, wantonly treacherous, and surprise attack on the people of the Philippines and of the United States, did by military invasion interrupt these orderly and mutually agreeable processes for complete independence of the Philippines; and

Whereas the American and Filipino troops made a valiant and courageous defense to the aggression of the Japanese invader and were overwhelmed only by the surprise and superior numbers and equipment of the enemy; and

Whereas the Japanese are now in possession and control of the land, peoples, business, communication, and institutions of the Commonwealth of the Philippines, and because of these circumstances the Filipino people are denied the free use and employment of the processes and political institutions jointly established by the Government of the United States and the Commonwealth of the Philippines for the transaction of private and public business and for the maintenance of liberty, law and order, and justice in the Philippine Islands; and

Whereas by this possession and invasion the Japanese have attempted to frustrate the free processses to independence in the Philippines by substituting therefor their own puppet government which was conceived in intrigue, born in coercion, and reared primarily for the purpose of Japanese selfishness and aggrandizement and not to achieve the independence and freedom of the Filipino people; and

Whereas the Government of the United States has solemnly guaranteed to the people of the Philippine Islands the right to be completely free and independent and to select by a free ballot, without any kind of inducement or coercion whatsoever, those who shall hold the elective offices in such government and exercise the power and authority thereof, which solemn guaranties have been temporarily made impossible of fulfillment due to the wantonly treacherous and surprise attack on the free people of the Philippine Islands; and

Whereas, because of the valiant resistance by the Philippine people, which is even now continuing while the invader occupies parts of the Philippines, and because of the long and unbroken record of loyalty of the Filipino people, both to the cause of complete independence for themselves and to the sovereignty of the United States while they have been under our flag, and because they have abundantly demonstrated their will to independence through the processes mutually agreed upon by the people of the Philippines and the Government of the United States, and their will to resist all outside invasion and encroachment, which seek to destroy or set aside their march to independence, and because they have abundantly proved their capacity to govern themselves in an enlightened, progressive, and democratic manner: Now, therefore, be it

Resolved, etc., That it is hereby declared to be the policy of the Congress that the United States shall drive the treacherous, invading Japanese from the Philippine Islands, restore as quickly as possible the orderly and free democratic processes of government to the Filipino people, and thereupon establish the complete independence of the Philippine Islands as a separate and self-governing nation.

SEC. 2. After negotiation with the President of the Commonwealth of the Philippines, or the President of the Filipino Republic, the President of the United States is hereby authorized by such means as he finds appropriate to withhold or to acquire and to retain such bases, necessary appurtenances to such bases, and the rights incident thereto, in addition to any provided for by the act of March 24, 1934, as he may deem necessary for the full and mutual protection of the Philippine Islands and of the United States.

SEC. 3. In order speedily to effectuate the policy declared in section 1, the President of the United States is hereby authorized, after consultation with the President of the Commonwealth of the Philippines, to advance the date of the independence of the Philippine Islands by proclaiming their independence as a separate and self-governing nation prior to July 4, 1946.

SEC. 4. Meanwhile the resources of the United States, both of men and materials, are pledged for continued use to redeem the Philippines from the invader and to speed the day of ultimate and complete independence for the people of the Philippine Islands.

With the following committee amendment:

Page 4, line 3, strike out the words "full and."

The committee amendment was agreed to.

Mr. BELL. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BELL: After the word "authorized", page 4, line 3, insert the following: "after proclaiming that constitutional processes and normal functions of government have been restored in the Philippine Islands and."

The amendment was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

House Resolution 590 was laid on the table.

A motion to reconsider was laid on the table.

FILIPINO REHABILITATION COMMISSION

Mr. BELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 94, establishing the Filipino Rehabilitation Commission, defining its powers and duties, and for other purposes.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. BELL]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this resolution?

Mr. BELL. Mr. Speaker, the purpose of Senate Joint Resolution 94 is to amend the Tydings-McDuffie Act of 1934 in order to broaden the powers of the Filipino Rehabilitation Commission which was created at that time.

Mr. MARTIN of Massachusetts. The Commission mentioned is now in existence?

Mr. BELL. The members of the Commission have not yet been appointed. They must be appointed under the terms of that act between now and July 4 of this year. The purpose of this act is to broaden the powers of that Commission, which is to consist on the American side of three Members of the House, three Members of the Senate, and three to be appointed by the President. Then nine members are to be appointed by the President of the Philippine Islands, which will make it an 18-man Commission.

Mr. MARTIN of Massachusetts. Just how are these powers broadened?

Mr. BELL. At the time the Tydings-McDuffie Act was passed in 1934 we did not at that time expect the present war. During the war there will be much damage done in the Philippine Islands and there many changes will take place. The purpose for broadening the powers of the Commission is so that it may consider all phases of the problems in returning the Philippines to normalcy and recommend to the Congress legislation to work out those questions arising out of the war. In other words, the act provides that the Commission may investigate matters affecting post-war economy, trade, finance, economic stability, and rehabilitation of the Philippine Islands, including matters regarding damage to private property and to persons caused by the enemy's attack and occupation.

Mr. MARTIN of Massachusetts. It is just simply to take care of extra war problems and to study the whole situation?

Mr. BELL. The gentleman is correct.

Mr. McCORMACK. Mr. Speaker, reserving the right to object, I may say that the Vice President of the Philippines, Mr. Sergio Osmeña, has spoken to me on two occasions and he has conveyed to me very strongly the necessity for passage of the resolution which was agreed to a few minutes ago and this one.

I have a press release of Mr. Osmeña which reads as follows:

There are pending before this committee two Senate Joint Resolutions—Nos. 93 and 94. While this committee is actually considering Senate Joint Resolution No. 93, I will, in the course of my statement, also make references to Senate Joint Resolution No. 94, because these two resolutions are closely related and constitute a single program.

These two resolutions amend the Philippine independence law of March 24, 1934, in order to achieve the following objectives: (a) Permit the advancement of the date of independence prior to July 4, 1946, and provide for the security of the Philippines and the mutual protection of the United States and the Philippines; and (b) enlarge the scope of the Philippine-America Commission provided for in section 13 of the Independence Act, so as to include relief, rehabilitation, and other post-war problems. These amendments are necessary, timely, just, and beneficent.

Forty-five years of association with the United States made it possible for the Filipino people, thanks to America's liberal Philippine policy, to develop and prove their capacity for self-government. Not only did America foster self-government in the Islands, but, in 1934, in accordance with her commitments, she granted them independence, to be effective on July 4, 1946. The 10-year transition period was provided for to enable the Filipino people to orderly prepare themselves for the responsibilities of complete independence. It was while we were peacefully engaged in these preparations that Japan struck suddenly and without warning.

Japan attacked the Philippines because the American flag was there, and the Filipino people resisted the invasion in defense of that flag and of their country. They knew that the legal responsibility for defending the islands was America's alone as the sovereign power. Nevertheless, they willingly bore the brunt of the bloody defense, discharging their obligations to America, to themselves, and to the entire freedom-loving world. They were aware of the overwhelming power of the enemy, yet they fought side by side with their American comrades in arms to the bitter end, because they knew that any nation that aspires to freedom, however weak, must show its readiness and fitness to fight, suffer, and die for it.

It is in recognition of this heroism and gallantry, of the sacrifices which the Filipino people have made and until now are making for the cause of freedom and out of loyalty to America that Senate Joint Resolution 93 has been presented to the Congress. In substance it authorizes the advancement of independence prior to July 4, 1946, and provides for the security of that independence and the mutual protection of the United States and the Philippines. If it is passed, as I hope it will be passed, there will be no need for the Filipino people to wait for 1946. The President of the United States, under the provisions of this resolution, may proclaim and recognize Philippine independence as soon as the enemy is expelled from Philippine soil.

Senate Joint Resolution 94, on the other hand, is a sister resolution which must be passed in order to help a war-ravaged Philippines regain strength and establish an economic foundation that will contribute to the stability of the independence that is being advanced by Senate Joint Resolution 93. The manifold problems caused by this war were not in existence when the Philippine independence law of 1934 was passed. Necessarily, the scope of activity of the Philippine-American Commission has to be enlarged, and so enlarged as to include matters "affecting post-war economy, trade, finance, economic stabilization, and rehabilitation of the Philippines." In the solution of these post-war problems vitally affecting the welfare both of the United States and of the Philippines, it is only fitting that Filipino representatives should sit in conference with representatives not only from the executive branch of the United States Government but also from Congress.

As to how this proposed legislation will affect the conduct of the war may be determined by appraising its effect on the mind of the Filipino people. To ascertain this, we have to trace not only the history of this legislation but also the background of Philippine-American relationship.

It is interesting to note that in the development of American policies in the Philippines, whether under a Republican or a Democratic administration, the usual procedure has been for the Executive to first make the pronouncements and then for Congress to approve them.

While America, in declaring war against Spain in 1898, went to Cuba with a definite purpose, as announced in the Teller resolution, she went to the Philippines, however, only as an incident to the Cuban War with no definite objective except to destroy the power of the enemy in the Far East. Only when the question arose as to what to do with the Philippines did President McKinley decide to send the Schurman Commission to investigate conditions in the Philippines and to submit recommendations.

With the Filipinos in arms against the United States, the initial government in the occupied area necessarily had to be a military one. This did not continue for long, however. Upon the return of the Schurman Commission to the United States and the submission of its report, the President appointed a second commission, presided over by Judge Taft, for the purpose of substituting civil government for military administration as soon as conditions in the islands permitted. Thus, even while military operations were still going on throughout the Philippines, the legislative power of the government was already in civilian hands—the commission—although the Executive power continued to be exercised by the military Governor until July 4, 1901, when a civil regime was inaugurated.

For almost 3 years (1898–1901) the American regime was essentially of a military character, not only because the head was for some time a military officer but also because the powers of government, even after the installation of Mr. Taft as the first civil governor, were drawn from the President of the United States as Commander in Chief of the Army and Navy.

Congress did not pass the first organic act for the Philippines, the Cooper law, until July 1, 1902. But when Congress acted, not only did it incorporate in the law the recommendations of the Executive based on the reports of the first and second Philippine Commissions but it also specifically confirmed and ratified the actions and policies of the Executive.

The promise contained in the Cooper law—that an elective assembly as the lower house of the legislature was to be established upon the completion of the first census and the restoration of public order—was fulfilled in 1907, and McKinley's pronouncements that America had come to the Philippines as a trustee, not for the purpose of self-aggrandizement but for the benefit and freedom of the Philippines, was faithfully kept by the succeeding Presidents—Theodore Roosevelt and William H. Taft.

When Woodrow Wilson became President in 1913, he not only followed the course laid down by his predecessors but, considering the time opportune, went further in the policy of Filipinization of the government and came out openly for Philippine independence. He then went to Congress for authorization and confirmation of his policies. Here again the Executive pronouncements were confirmed by Congress with the passage of our second organic law, the Jones law, which promised independence to the Philippines, and provided for the abolition of the American Commission and the establishment in its place of an elective senate.

Having promised self-government and freedom to the Philippines, America permitted the Filipinos, step by step, to assume the responsibilities of government until, in the language of Secretary Baker, "only the tenuous connection of the Governor General" as "the connecting link between the American people and the Filipino people" remained. Congress, after being satisfied that the Filipino people had developed through practice and experience in self-government not only national unity but also political capacity and responsibility, passed in 1934 the Independence Act granting the promised independence to the Philippines, effective July 4, 1946.

When on December 8, 1941, Japan attacked the Philippines, the Filipino people, who were already in control of their government under the Commonwealth regime, spontaneously rising as one man, fought by the side of the United States to ward off and resist the invasion. It was in the midst of our valiant struggle on Bataan and Corregidor when the President, as the head of the American Government and as the Commander in Chief of the Army and Navy, publicly acknowledged the bravery and loyalty of the Filipino people and made this solemn promise: "I give to the people of the Philippines my solemn pledge that their freedom will be redeemed and their independence established and protected." The President of the Philippines, who led our people so resolutely throughout the whole struggle, upon receiving this proclamation and accepting it for the Filipino people, caused its distribution throughout the islands.

The American people know how the Filipino soldiers and the Filipino people in general responded to this appeal of the Commander in Chief; how bravely, heroically, and loyally they fought under the Stars and Stripes in spite of overwhelming odds. Even now, almost 2 years after the fall of Bataan and Corregidor the Filipinos are still resisting the enemy in the mountains of Luzon, Visayas, and Mindanao.

Keenly aware of this continuing loyal stand of the Filipino people, the President of the United States, on the forty-fifth anniversary of the first landing of the American forces in the Philippines, reiterated to them the pledge he made on December 28, 1941, when the Commonwealth Government was still in Corregidor. Significantly he added: "We shall keep this promise just as we have kept every promise which America has made to the Filipino people—I give to the Filipino people my word that the Republic of the Philippines will be established the moment the power of the Japanese enemy is destroyed. You will soon be redeemed from the Japanese yoke and you will be assisted in the full repair of the ravages caused by the war." And he ended his address with this appeal: "I call upon you, the heroic people of the Philippines, to stand firm in your effort—to stand firm against the false promises of the Japanese just as your fighting men and our fighting men stood firm against their barbaric attacks."

These addresses of the President to the Filipino people were reported by him in a message to Congress, dated October 6, 1943, wherein he recommended the enactment of such legislation as, in the judgment of Congress, may fulfill the pledges made to the Filipino people.

With this unbroken chain of well-established precedents, the Filipino people expect with reason that the measures recommended by the President will be approved by Congress. The difference, if any between the

situation now and that prevailing when the Cooper bill and the Jones bill were under consideration is that in the latter the policies initiated by the Executive were new. Nevertheless, the Congress gave to those policies legislative sanction. In this case, nothing entirely new is proposed. The basic policy of freedom and collaboration established by Congress in the Independence Act and accepted by the Filipino people is maintained intact in the pending legislation, and the changes suggested to meet the present situation will have only the effect of supplementing what Congress, in its wisdom and in the exercise of its constitutional authority, has already decided upon.

There is still another point which will lead the Filipinos to believe that Congress will not withhold its approval to the pending measures. These measure amend the independence law which was originally recommended to Congress by the President himself. There were some misgivings in the minds of the Filipino people when the law was passed, but they accepted it because of the promise made by the President that if there were any inequalities in the law they would be duly corrected later. Some economic provisions to which those inequalities refer have already been adjusted by Congress. It was my privilege to be here at that time as the head of a mission that presented to Congress the views of the Philippine Commonwealth. It is now my hope and the hope of the Filipino people that these amendments to the independence law which have a direct bearing on the effective prosecution of the war will be approved by Congress. When this legislation is approved by Congress, the Executive pronouncements will acquire added strength and the policies embodied therein will achieve legal efficacy and permanence.

What effect will the approval of this legislation have on the Filipino people? Without hesitation, I say that it will have a most salutary effect. It will give the Filipino people added reason for renewed faith in America. It will reassure them that America's purpose in this war is not only to free the Philippines of the enemy, and advance the date of independence as soon as possible, but also to provide for the permanence of their independence. Such a policy cannot be taken as a departure from the policy to which Congress has already been committed under the provisions of the Philippine Independence Act of 1934. The proposed legislation is simply a reaffirmation of the grant of Philippine independence and a just reward to the Filipinos for their bravery and loyalty and a public recognition of their fitness and readiness for independent nationhood. It is not a backstep; it is a forward step toward the goal already agreed upon between the American and the Filipino peoples.

The Filipino people are informed of the pronouncements made by the President of the United States, including his message to Congress recommending the advancement of the date of independence, and of the addresses by the President of the Philippines. They are also informed of the passage by the Senate of the resolutions now pending in the House. There is in the preamble of the Senate Joint Resolution 93 a very significant statement which reads: "Whereas because of the valiant resistance by the Philippine people, which is even now continuing while the invader occupies parts of the Philippines, and because of the long and unbroken record of loyalty of the Filipino people, both to the cause of complete independence for themselves and to the sovereignty of the United States while they have been under our flag, and because they have abundantly demonstrated their will to independence through the processes mutually agreed upon by the people of the Philippines and the Government of the United States, and their will to resist all outside invasion and encroachment, which seek to destroy or set aside their march to independence, and because they have abundantly proved their capacity to govern themselves in an enlightened, progressive, and democratic manner." The concurrence of the House to this statement already made by the Senate will place Congress on record, for the first time in this war, as giving recognition to the bravery and loyalty of the Filipino people and "to their capacity to govern themselves in an enlightened, progressive, and democratic manner."

But this is not all. Throughout the world, especially in Asia and in Central and South America, this legislation will likewise have a far-reaching effect. At a time when conflicting ideologies are fighting for survival it is essential that the United States, as one of the leading nations in the United Nations group, come out now with something unequivocal and definite in the direction of freedom. The peoples of Asia, who have been searching for justice and freedom, will find consolation, hope, and encouragement in this noble action of the American people. To the 21 Central and South American republics, who have once and again expressed deep sympathy and affection for their sister nation in the Far East, the advancement of Philippine independence and the assurance that its blessings will be lasting will prove to them once again America's sincerity and good faith and the workability of the principles of the Atlantic Charter and of the good-neighbor policy.

As a war measure, the pending legislation is of transcendental importance. It will not only bring hope and encouragement to the 18,000,000 Filipinos who are now under the heel of the invaders, but also strengthen the foundation of American solidarity and of international peace and good will.

In closing, I would like to express my sincere thanks to the chairman and members of this committee for the opportunity afforded me to express my view on Senate Joint Resolutions, 93 and 94. I touched upon Senate Joint Resolution 94 only slightly and I did not discuss the administrative and other phases of Senate Joint Resolution 93 because other witnesses here present will discuss those subjects. I consider the passage of these two resolutions of vital importance to the welfare of our two peoples, and I respectfully urge the committee to report them favorably.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. BELL]?

There being no objection, the Clerk read the Senate joint resolution, as follows:

Resolved, etc., That the first paragraph of section 13 of the act of March 24, 1934, as amended, is amended to read as follows:

"SEC. 13. There shall promptly be held a conference of representatives of the Government of the United States and the Government of the Commonwealth of the Philippines, such representatives on the part of the Government of the United States to consist of three United States Senators appointed by the President of the Senate, three Members of the House of Representatives appointed by the Speaker of the House, and three persons appointed by the President of the United States, and on the part of the Philippines to consist of nine representatives to be appointed by the President of the Commonwealth of the Philippines; the said Commission to be known as the Filipino Rehabilitation Commission, subject to the following conditions and with the following powers and duties:

(a) The members of the Commission shall be appointed not later than 15 days after the passage of this act. Within 10 days thereafter the ranking member of the Senate appointees and the ranking member of the Filipino appointees shall jointly call a meeting of the Commission to be held in the Capitol of the United States for the purpose of organization. In case of death or resignation of a member, such vacancy shall be filled by the original appointing power.

(b) The Commission shall investigate all matters affecting post-war economy, trade, finance, economic stability, and rehabilitation of the Philippine Islands, including the matter of damages to public and private property and to persons occasioned by enemy attack and occupation.

(c) To formulate recommendations based upon such investigations and for future trade relations between the United States and the independent Philippine Republic when established and to consider the extension of the present trade relations or otherwise for a period of years to replace the period of occupancy by the Japanese of heretofore agreed on trade relations, and to consider if in addition thereto other time for trade adjustments is required for the reestablishment of trade relations as provided for in the original Independence Act.

(d) The Commission is authorized to employ expert legal and clerical assistance, to establish offices in the Philippine Islands and in the United States, and to make rules and regulations for the transaction of its business pertinent to the provisions of this act.

(e) The Commission shall make annual reports to the President of the United States and to the Congress, and to the President and the Congress of the Philippines, and more frequently if so desired, and make such recommendations from time to time as it deems necessary to carry out the purposes and intents of this act.

(f) The Commission is authorized to fix the salary of all necessary expert and clerical assistance, to provide for travel and other expenses incident to its labor, and to do all other things pertinent to this act. The annual compensation of the United States members of this Commission, other than those holding official positions under the United States Government, shall be $10,000 per annum. The compensation of the Philippine members of the Commission shall be determined by the Government of the Philippine Commonwealth. The United States, as herein provided, shall compensate the members of the Commission who represent it, and the Commonwealth of the Philippines, or the Filipino Republic, as the case may be, shall compensate the members of the Commission appointed by it or them. Otherwise, the expenses of the Commission shall be equally borne by the United States and the Commonwealth of the Philippines, or the Filipino Republic, as the case may be.

SEC. 2. For the purpose of carrying on its duties, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary.

With the following committee amendments:

Page 1, strike out lines 3 and 4 and insert in lieu thereof the following: "That section 13 of the act of March 24, 1934, as amended, is hereby further amended by striking out the proviso and inserting in lieu thereof the following."

Page 1, line 8, strike out "Sec. 13."

Page 2, line 7, after the word "Philippines;", insert the following: "Each appointee shall serve at the pleasure of his appropriate appointing authority."

Page 3, line 4, after the word "present," insert "or hereafter agreed upon."

Page 3, line 6, strike out "replace" and insert "make adjustments for."

Page 3, line 7, after the word "Japanese", strike out the balance of line 7 and all of lines 8 and 9 and insert "in order to establish."

The committee amendments were agreed to.

Mr. COLE of New York. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: Page 4, line 4, after the words "shall be", insert the words "on a per diem basis at the rate of."

Mr. COLE of New York. Mr. Speaker, the effect of my amendment is this: The three civilian members of the commission instead of being paid an annual salary of $10,000 a year will be paid at the per diem rate of $10,000 a year.

Mr. WELCH. Will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from California.

Mr. WELCH. The Committee on Insular Affairs has carefully considered the amendment just offered by the gentleman from New York [Mr. COLE] and it was approved by the committee.

The SPEAKER. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

The amendment was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "Joint resolution to amend section 13 of Philippine Independence Act, as amended, establishing the Philippine Rehabilitation Commission, defining its powers and duties, and for other purposes."

House Joint Resolution 591 was laid on the table.

A motion to reconsider was laid on the table.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I just made and to include therein a statement given by the Honorable Sergio Osmeña, Vice President of the Philippines, before the House Committee on Insular Affairs on March 22, 1944.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD with reference to the two resolutions just passed.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. WELCH]?

There was no objection.

Mr. WELCH. Mr. Speaker, these resolutions were reported unanimously by the Senate Committee on Insular Affairs and Territories, and they were also passed unanimously by the Senate. They have also been approved by the two departments of government involved—the War Department and the Navy Department.

We should approve legislation of this nature which has been recommended by these departments, which are no doubt in close collaboration with General MacArthur, Admiral Nimitz, and other Pacific commanders on such matters.

The Filipinos themselves, as a whole, are good people, but they are highly emotional and are therefore more subject to propaganda influences. This is their history over a long period of time. When Admiral Dewey destroyed the Spanish Fleet in Manila Bay, before departing for Cuba to complete the job, he left arms and ammunition with the Filipinos with which to protect themselves against the Spaniards. Through Aguinaldo's influence they were brought to believe that the American people intended to subjugate and enslave them. This brought about the uprising when the very guns left by Dewey were used against American soldiers. Many lives were lost, and some of those men suffer to this day from tropical diseases incurred in that campaign. Many more would have been lost were it not for the daring feat of General Funston which brought about the capture of Aguinaldo.

I refer to the fact that the Japanese are a cunning and resourceful people. It will be recalled that it was only a short time after they overran the Philippine Islands that they were successful in setting up a puppet government which is, no doubt, spreading the same type of propaganda Aguinaldo and his followers fostered 46 years ago. Undoubtedly these facts played an important part in the basis for the departments' recommendations. General MacArthur and Admiral Nimitz do not want to be placed in the position of having to struggle through the same conditions again and put down another insurrection.

If legislation as set forth in these resolutions will minimize that possibility, we should speedily enact them and give the responsibility to the State, War, and Navy Departments, which have all the facts.

EXTENSION OF REMARKS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BATES of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KUNKEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances, in one to include a radio speech delivered by me on Sunday, and in the other an article on the subject of maternity aid in the State of Pennsylvania.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances, in one to include an article from the New York Times, and in the other a letter from the Governor of the State of California as well as a resolution of the State legislature.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. D'ALESANDRO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial from the Baltimore News.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances, in one to include an address by Judge Marvin Jones, recently made in Boston, Mass., and in the other a letter recently received from Chester Bowles.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that tomorrow, after the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF CIVILIAN PILOT TRAINING ACT OF 1939

Mr. BULWINKLE. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1432) to extend the Civilian Pilot Training Act of 1939, as amended.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 7 of the Civilian Pilot Training Act of 1939, as amended, is amended by striking out the date "July 1, 1944" in the second sentence of such section and inserting in lieu thereof the date "July 1, 1945."

The SPEAKER. Is a second demanded?

Mr. WOLVERTON of New Jersey. Mr. Speaker, I demand a second.

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BULWINKLE. Mr. Speaker, this bill extends the Civilian Pilot Training Act for 1 year. The Committee on Interstate and Foreign Commerce received the bill from the Senate and struck out all after the enacting clause which extended the period for 5 years and also provided for a $30,000,000 appropriation. We felt since this was a civilian pilot training program we should have at least 1 more year to consider what should be done as to the continuation of this very worthy program.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from New York.

Mr. TABER. This is the picture, as I understand. The civilian pilot training program was merged with the military training a year or two ago, and it has been going along on that basis. The Civil Aeronautics Administration came before

the Deficiency Appropriation Subcommittee on the 6th of June and asked for an appropriation of $560,000 to liquidate that activity. No funds were carried in the regular State, Justice, and Commerce bill for any activity beyond July 1.

In the bill that was passed on Saturday we provided $560,000 for the liquidation of that activity, nothing being said in any way about anything being contingent. I understand they came before the gentleman's committee a day or two afterward and asked for this extension without going into the other situation. I understand also that no money is asked for next year.

I just do not understand that way of doing business. I do not understand why there would be any point in extending it as long as there is to be no money. It looks to me like an awfully funny performance. I wonder if the gentleman could explain it.

Mr. BULWINKLE. I may say to the gentleman, after reading the hearings, which I knew nothing about, and I do not think any member of our committee knew about, they asked for $560,000 or $570,000, whatever it was, for liquidation of the War Training Service program.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from Nebraska.

Mr. STEFAN. In explanation to the gentleman from New York, the $560,000 the C. A. A. asked for in the deficiency committee was for the purpose of liquidating the W. T. S. program, which terminates at the end of this fiscal year. That does not affect the C. P. T. Act. It is true that everything in C. A. A. went to war when we entered war. On June 30 of this year all the civilian training program, in the Army, so far as the C. P. T. is concerned, is liquidated except some advisory program with schools. That liquidation work will perhaps run over the fiscal year. While the program ends June 30, it will take perhaps 2 or 3 months to liquidate the program.

Before Pearl Harbor, the Army and the Navy did not have sufficient pilots. The C. P. T. had ready then a large reservoir of pilots from which the Army and Navy drew. That program was justified as proven in the time of our need. Let us continue the act under which this proved program operated.

It would be a mistake to wipe out the C. P. T. Act right now. It will be necessary in the post-war period when aviation will become so important. Civilian aviation is being fought, I know, in certain circles for the purpose of destroying civilian aviation in our country. We cannot afford to allow this to happen. I believe this House will make a mistake if it will not continue the C. P. T. Act. In this act we provide no money, but we keep the framework of the civilian pilot training program. I would like to see it extended 5 years instead of 1 year.

Mr. BULWINKLE. I, for one, Mr. Speaker, would not be willing to cut this program out entirely until further study is made. The civilian pilot training program was one of the greatest that we passed, as far as aviation is concerned, in this House. As the gentleman has just now stated, if it had not been done, I do not see how our civilian air force could have succeeded as it did in this war. I sincerely hope that the House will not be willing to cut it off entirely.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this situation presents a rather peculiar picture. This civilian pilot training program was merged entirely with the war picture. They came before us and asked for $560,000 to liquidate it, just a couple of weeks ago, and only Saturday that money was provided.

We are told that we ought to extend that proposition but that it will not cost any money. That is what they come and tell me. If we do not provide any money, there will be no set-up for it. If we do provide money, it is going to be a different proposition, perhaps.

On the other hand, there are going to be hundreds of thousands of pilots coming back from the war, and a great many of them are going to want to go to work flying airplanes. A great many of them have been flying transport planes, and they are fully qualified to go right ahead with civilian aviation, wherever it is.

Just how an extension of this proposition is going to work any good without any money being provided to carry it along is beyond me. It looks to me just like an extension of life without any life. I do not like that way of approaching the problem, nor do I like that way of handling the Government's business. I want to see aviation in its proper place in days to come, but I want to remind the House that that kind of a front extension does not amount to anything and does not get anywhere. It is just window dressing, and I do not believe in window dressing in Government.

Mr. LEA. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from California.

Mr. LEA. Is it not true that without this legislation there will be no authority for an appropriation for this purpose?

Mr. TABER. That is true; but if it is not going to cost anything, why should we extend this and authorize an appropriation, if there is not going to be one asked?

Mr. LEA. Because we have a post-war program that the Nation will probably want to take care of. We have institutions in the country prepared to give these courses. It seems to me it would be very unfortunate to cut off the authorization before we determine our post-war program.

Mr. TABER. We could not go ahead with such a program until after the war is over.

Mr. LEA. Congress might see fit, of course, to resume it earlier.

Mr. TABER. What would the gentleman have us do? The Army and the Navy are doing all of the pilot training that is being done right now. The schedule of this organization calls for liquidation of the Army operation the 1st day of July and the Navy operation the middle of August.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Nebraska.

Mr. STEFAN. I am afraid the gentleman does not know the full details regarding the civilian aviation program.

Mr. TABER. I am afraid the gentleman is not telling it exactly right, because I do know about it. The gentleman told me today that this would not cost anything. How is there going to be anything if it does not?

Mr. STEFAN. In the first place, the approximately $500,000 is for the liquidation of the W. T. S. program and has nothing to do with the C. P. T. Act as such.

Mr. TABER. The gentleman knows that the war activity is all the civilian pilot training that is going on presently.

Mr. STEFAN. No. The House has already passed a bill providing C. A. A. with funds to advise colleges and schools in civilian aviation. That appropriation was passed here only a short time ago. It was in the regular supply bill for the Department of Commerce.

Mr. TABER. That is all merged with the military and naval operations.

Mr. STEFAN. No; it absolutely is not. It is for advisory aviation work in our schools and colleges.

Mr. TABER. That is going on under these people at this time.

Mr. STEFAN. The gentleman knows of this appropriation because he keeps well posted on all appropriation bills.

Mr. TABER. That is all they have.

Mr. STEFAN. In the bill making appropriations for the State, Justice, and Commerce Departments, passed by this House, is money for advisory service to the C. A. A. to be used to help schools and colleges in civilian aviation.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield 2 additional minutes to the gentleman from New York.

Mr. TABER. How much money is there for that? I could not find it in the report.

Mr. STEFAN. I do not have the bill before me.

Mr. TABER. I have the report here. I could not find anything.

Mr. STEFAN. Has the gentleman the report for the appropriations for the State, Justice, and Commerce Departments?

Mr. TABER. I have that right in front of me, and there is nothing there for that particular purpose.

Mr. STEFAN. The gentleman will find in there money for the development of landing areas, also money for the C. A. A., which is to be used for advisory work with schools in civilian-aviation studies in the schools of the country.

Mr. TABER. That operation is all covered without this bill.

Mr. STEFAN. It is not in the deficiency bill.

Mr. TABER. It is not in the deficiency bill.

Mr. STEFAN. It is in a bill which was reported by a Subcommittee on Appropriations which has been working on

Department of Commerce appropriations.

Mr. TABER. The gentleman is getting the thing mixed a little bit.

Mr. STEFAN. I do not feel that is the case. I am referring to two separate appropriations.

Mr. TABER. All there is to it is that this civilian pilot training program goes out the 1st of July. On the other hand, there seems to have been $60,000 appropriated for advisory service to schools and colleges. That is all right. But none of us knows what is going to be desirable for a program after the war is over. We do not know how we are going to approach it. We do not have the slightest idea. If we extend this act on that basis, we are making a false motion, that is all.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Speaker, I think if there is one thing of high importance that this Congress and any committee can take credit for in connection with preparation for war, long in advance of the Pearl Harbor disaster, it is the institution of the civilian pilot training courses in the schools and colleges of the United States. Way back in 1939 we originated and passed the Civilian Pilot Training Act, and in 1940 we were training these young men to become pilots, giving them preliminary training which enabled the Civil Aeronautics Administration to have available, already selected, those who were able to fly when war came.

We are told that the wash-outs in the C. P. T. courses averaged between 10 and 15 percent, perhaps 13 percent. Then when war was declared and as war came on many, many, many of these young men, tens of thousands of them, went on into the Army and the Naval Air Forces of the United States. The wash-out of those who came into the Army and Naval Air Forces from the C. P. T. courses averaged about 10 percent. In contrast to that, those whom the Army took in directly from civil life and gave training to from the very beginning washed out as high as 40 percent. Hence, the C. P. T. program proved to be a great saving of both manpower and money.

All of this indicates two items of significance. First, that perhaps greater care and more patience was taken with these young men when they were in the C. P. T. course, and, second, that they were not pushed quite so hard in primary training. Hence, through C. P. T. many young men were saved from being washed out, and many of those saved became some of our very best flyers.

As time has gone on the War Department and the Navy Department have built up training facilities and have at the same time decreased the numbers of those training. Consequently, they feel that they now have enough space available to carry on the program without utilizing further the C. P. T. facilities.

We believe this C. P. T. program should be continued for 1 year in order that we may find out where we are to go from here. Post-war we may need to train young men who are able to become pilots on short order, and train many of them. We do not know about that today. We hope that will not be necessary. On the other hand, everyone knows that the Army Air Forces will not take on pilots for combat purposes who are over 26 years of age, and consequently we may need to maintain a continuing pool of partly trained young flyers. We think it will be necessary, perhaps, to carry this C. P. T. program on into the future. To throw it over now, until we know something of what the future will bring, would be unwise. The majority of the Committee on Interstate and Foreign Commerce, and I believe a very large majority, feel that this undertaking should be carried on.

WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATIONS—1945

Mr. SNYDER. Mr. Speaker, I ask unanimous consent that the conferees on the bill (H. R. 4183) making appropriations for the fiscal year ended June 30, 1945, for civil functions administered by the War Department, and for other purposes, may have until midnight to file a conference report.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is there a minority report to be filed?

Mr. SNYDER. No; there is not.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. SNYDER]?

There was no objection.

EXTENSION OF CIVILIAN PILOT TRAINING ACT OF 1939

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA. Mr. Speaker, I think it would be a serious mistake not to extend the life of the civilian pilot training program for at least the time which has been recommended by the committee. It happens that I was a member of the subcommittee which considered the matter of the extension and I believe I can say it is the unanimous feeling of the subcommittee that this program should be extended at least 1 year. There were some who felt it should be extended for 2 years, and some who felt it should be extended for even a longer period of time. But the importance of the situation is that the civilian pilot training program has done a tremendous amount of good in its lifetime. The good that it has done cannot be measured, particularly in this war situation. We would not be properly considering the needs for the future if we were to cut it off now simply because the Army and Navy say they have their own program. It would be giving very little thought and very poor consideration to matters of future national defense. We would be giving very poor consideration to the matter of future needs of civilian aviation if we were to cut it off now.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. O'HARA. I yield.

Mrs. ROGERS of Massachusetts. Is it not true that the United States had the finest commercial civilian pilots and commercial aviation of any country in the world before the war?

Mr. O'HARA. I have always understood they were so considered.

Mrs. ROGERS of Massachusetts. I think they were the finest. Also it was very important to develop these airports all over the country.

Mr. O'HARA. That is true.

Mr. BREHM. Mr. Speaker, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. BREHM. I know it was also true that the percentage of boys who had received this training and then washed out was almost nil.

Mr. O'HARA. I thank the gentleman for his contribution.

I would like to say in connection with the statement of the gentleman from Ohio that if many of these boys who have been washed out in such large numbers, particularly by the Army Air Corps, had had some of the civilian pilot training before they went in, they would have unquestionably qualified for pilot training. But under the policy of the Army of washing them out when they were very new in their training or very new in certain phases of the training, it resulted in many of them being rather recklessly eliminated.

Mr. BREHM. That is very definitely true.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. O'HARA. I yield, gladly.

Mr. STEFAN. Mr. Speaker, I thank the gentleman for yielding to me for an observation. I have put in the RECORD another table and some additional information regarding the present status of the civilian pilot training program and also the record of what civilian pilot trainees have done. Previously I put in the RECORD nearly 1,000 names of graduates of these schools who have been decorated from one to six times in the present war. I believe that the membership of the House should know and should be on notice that the money being appropriated in the deficiency appropriation bill for the liquidation of one particular service, in my opinion, has nothing to do with the civilian pilot training because it liquidates a program of the Army and the Navy, which is absolutely foreign to the civilian pilot training program.

Mr. O'HARA. I want to say to the gentleman I agree with him entirely in his statement that the eliminated program he speaks of has nothing to do with this program. Neither does the extension of this bill mean an appropriation. That is up to the Committee on Appropriations.

Mr. STEFAN. That is correct. Mr. Speaker, I want to qualify another statement I have made in connection with another appropriation bill which came from a subcommittee of which I happen to be a member. That appropriation bill makes appropriation for the State, Justice, and Commerce Departments and contains an appropriation for the C. A. A. In that appropriation was a certain amount of money some of which was to be and is to be used for civilian pilot training in an advisory capacity to advise schools and colleges that are now

setting up programs for civilian pilot training for the post-war period.

Mr. HARNESS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. Mr. Speaker, I would like to ask the gentleman from Nebraska if it is not a fact that this civilian pilot training that was originally set up was the basis for the W. P. C. program which now is being liquidated?

Mr. STEFAN. Partially.

Mr. HARNESS of Indiana. Thousands of the pilots now in combat service were trained by the instructors who were working under this program in the W. P. C.

Mr. STEFAN. There is no question about that.

Mr. O'HARA. I think over 100,000 pilots were trained by this training instructor nucleus that we had.

Mr. HARNESS of Indiana. Yes, and this is the same organization which the War Department and the Navy Department now is abolishing and there are some 5,000 or 6,000 instructors and trainees that are being let out.

Mr. STEFAN. They will be taken care of then in another bill that is coming up later on?

Mr. HARNESS of Indiana. I hope so, when the WASP bill comes up.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Mr. Speaker, for what purpose would the civilian pilot training program be continued? What does the committee contemplate in recommending its continuance?

Mr. O'HARA. Mr. Speaker, we do not know what may be the needs in the future, may I say to the gentleman from Mississippi. I certainly do not want to be in a position where we are shutting the door on our civilian pilot training program and just saying that we have no need for it. I do not know whether we will need it. But we felt there had not been sufficient information before the committee to justify us in taking the position of saying that we do not need it. In the interest of safety we do not think that would be wise.

Mr. WHITTINGTON. Then it is the sentiment of the committee to leave it to the Committee on Appropriations?

Mr. O'HARA. That is right.

The SPEAKER. The time of the gentleman has again expired.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield to myself such time as may remain.

The SPEAKER. The gentleman from New Jersey is recognized for 1 minute.

Mr. WOLVERTON of New Jersey. Mr. Speaker, the purpose of this bill is to extend for 1 year the Civilian Pilot Training Act of 1939. Without the passage of this bill the activities under the existing act must cease on June 30, 1944.

In my opinion the results that have been attained during the years that this program has been in existence are too important to be suddenly cut off. No one will deny that the pilot training, given under the civil pilot training program, was of tremendous help to the Army and Navy upon the outbreak of this war. Deserved commendations have been extended to those in charge of the program, by both Army and Navy officials.

Now, that these service branches have taken over the training of pilots, and, on account of the great number of pilots that will be available when the war is over, it may be that there will be no real need to justify a civilian pilot training program.

At the present time conditions are not normal. What may, or may not, be necessary will be more clearly developed within the next year. The extension of the act for that length of time can do no harm and it may be helpful in providing for a sensible liquidation of the activity or to enable it to be taken over entirely by the military services or to otherwise continue. However, the service that has been rendered in the past has been so important that I am not willing by my vote to entirely eliminate it at this time.

The Appropriations Committee can, by its study of the subject, ascertain whether there is need for its operation this coming year and can act accordingly. This bill merely permits the program to continue if the Appropriations Committee finds it is advisable to appropriate funds. I urge support of the bill.

Mr. BULWINKLE. Mr. Speaker, I yield such time as he may desire to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Speaker, one of the most constructive measures which Congress passed for preparing ourselves for the actual prosecution of this terrible air war was the enactment in 1939 of the Civilian Pilot Training Act.

Personally I believe the act, beyond its expiration date of June 30, should be continued for 5 years. This committee, having heard the witnesses who came before it, recommends an extension of 1 year. The measure will, of course, go to conference with the Senate, which has made it 5 years. An equitable measure of 2 or 3 years is hoped for by those who sincerely believe in this vital C. P. T. work.

Mr. Speaker, I ask unanimous consent to extend at this point in the RECORD my statement, or parts of it, made before the Subcommittee on Aviation of the Interstate and Foreign Commerce Committee, June 6, 1944.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RANDOLPH. Mr. Chairman and members of the subcommittee, you are properly hearing this morning the reasons to be advanced why it is believed advisable to continue the Civilian Pilot Training Act of 1939 beyond the expiration date of that measure, which closes its legislative authority on July 1.

There are several bills pending before your committee which attempt in one way or another to bring about a continuation of that program. H. R. 4181 is a measure which I have sponsored which would continue the act, but would in addition use the language you will find on line 5 of the first paragraph, which sets forth the fact, as I see it, that it be necessary to select at least 25 percent of those to be trained who come from the age bracket of 16 and 17.

I believe that feature is highly important, and for that reason the bill which I would present is different in that respect from these others which are pending before your committee.

I believe that it would be unwise to allow the Civilian Pilot Training Act to lapse without the Congress of the United States giving most careful attention to what has been done under civilian pilot training and what can be done in the future under this program.

You gentlemen are well aware that the Senate has already passed a 5-year extension of the act, and I believe that even now to stop this program might injure the war effort.

Some one might say, "We have enough pilots," and our Army forces have indicated that there is no reservoir needed from civil training, but I do not believe that during this period of war that proper pilot training should be discontinued. I believe that even during this time of war it might be harmful, in fact, I believe it would be tragic to scuttle the act, the authority by Congress, at least, to carry on the program. It would have a bad effect on peacetime aviation development, around which I think the future growth of America will revolve to a great extent.

I have no desire to continue a lengthy statement, Mr. Chairman, before your committee, but I will ask the privilege of revising and extending my remarks. I know the limitations under which you are working. I express only my personal appreciation for the courtesy which you have given me this morning.

Mr. BULWINKLE. Are there any questions?

Mr. WOLVERTON. Mr. RANDOLPH, when you extend your remarks, I think it would be very helpful if you would amplify on the statement that you have made that to stop this program might injure the war effort, or, as you otherwise stated it, that it would be harmful to stop the program. This committee certainly would not want to do anything that would be harmful to the war effort. On the other hand, I would be very much interested in knowing in what particular you think the stopping of this particular program would be harmful to the war effort.

Mr. RANDOLPH. I will be glad, Mr. WOLVERTON, to do that. I think your observation is a good one, and I will extend my remarks on that particular point.

Mr. LEA. Why do you suggest that 25 percent should be within the age limit 16 and 17 in your bill?

Mr. RANDOLPH. I believe, Mr. Chairman, that this age bracket, 16 and 17, is not being called into service in the Army or the Navy, or any of the armed branches of the United States. Enlistments, of course, by 17-year-olds are going forward, but under our selective-service system we do not dip lower than 18 years. I do feel that the age bracket of 16 and 17 is a very important reservoir for pilots, and I believe that this period of 16½ years of age, with proper ground-school instruction, can make it possible at the age of 17 or slightly under to give training to a segment of our youth certainly forming a backlog of pilots for the actual war which is going now into its more crucial stages. Certainly, as I said, these lads will be important to the aviation development and the future of the United States.

I believe that group, sir, contains this reservoir of pilots, and I think we ought to state within the bill itself, in extending the life of the C. P. T., that at least 25 percent of those trained should come from this age group.

Mr. LEA. Looking at it from the long-time peace viewpoint, what would you say was the importance, if any, of this age limitation?

Mr. RANDOLPH. I would apply what I have said for the war period to the peacetime era. I believe that we have a responsibility in the air age, if you desire to call it that, in

which we are to live, that certainly the instruction, if it is to be carried on by the Government of the United States, should give special attention to this age bracket of which I have just spoken. We can train much more easily the youth of our land in the theory and actual practice of flight than we can train older men and women. That has been proven over and over again—that this group, 16, 17, 18, and 19, took to this subject of aviation; they embraced it, it becomes a part of them, and I think we ought to give at least partial emphasis by law to the training of this group.

The CHAIRMAN. Well, it would give the advantage of a longer period of usefulness?

Mr. RANDOLPH. Yes, sir; that is correct. It would prepare him earlier, and I believe he is the type of person who, doing it at that age, will stay with it. In other words, the investment which the Federal Government might make in his training, will be returned as a dividend in the years ahead, possibly from the standpoint of being useful in time of conflict.

Mr. HINSHAW. May I ask, Mr. Randolph, whether you agree with the idea that the civilian pilot-training program has been a screen through which has passed thousands of those who have thereby proved themselves eligible for further training in the military effort?

Mr. RANDOLPH. I am glad you make that observation, because I certainly agree with you very, very much. We know that in 1938 when General Arnold assumed command of our armed Air Forces, there were only about 1,300 officers in that entire organization. We do know it has grown repeatedly, and we certainly know where the C. P. T. got those thousands and thousands of pilots who have certainly proven their worth in the bombing of Tokyo itself, and in all the engagements and missions which have taken place before and since that time.

Mr. HINSHAW. Thousands of them had been screened through before the war effort began in earnest and were available?

Mr. RANDOLPH. Yes, sir. I think in the over-all history of this war, when it is written, and when people look at it objectively, that we shall pay a great tribute to those who administered and carried forward the C. P. T. program, and I think this Congress, and especially this committee, which originated and brought to passsage the act of 1939, will have on the credit side of the sheet something for which it can well be proud.

Mr. HINSHAW. I take it you also agree with the idea that for the defense of our country in the future it may be necessary to have a reserve of young pilots ready to be trained in the military, if not already trained?

Mr. RANDOLPH. I do, and I believe the C. P. T. has done a magnificent, a safe and efficient job of training, and I do not believe now, in a war that is spearheaded by air attack, we should discontinue this program. I believe it would be harmful to the war effort and would certainly not be in keeping with the planning of America for peace and for possible fighting in the future.

Mr. HINSHAW. You agree that the C. P. T. has been in the past one of the greatest contributions to the war effort we have had?

Mr. RANDOLPH. I do; and when you have the training of pilots only in a concentration of large Army Air Force schools or contract schools aviation knowledge is restricted. But on the other hand, when we had the C. P. T. we were using hundreds of smaller fields and communities all over America. We diffused aviation and brought it close home to the people of all this country. That is something of value which we cannot adequately evaluate today. We spread this training, this development of pilot instruction, and I think the people of America are for a continuing program. They like to see their dollars spent fairly close to home, and I think they have a right to expect it to be used where they can see it actually at work. I think that is one of the greatest contributions of the C. P. T.—the diffusion of the program.

Mr. HARLESS. It stimulated aviation and made our youth anxious to go into it before the war and during the war, because they had received this instruction?

Mr. RANDOLPH. I think your observation is correct. I think that has been a noteworthy contribution of C. P. T.

Mr. BULWINKLE. We thank you, Mr. RANDOLPH.

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD by inserting a memorandum from the Assistant Secretary of Commerce, together with my other remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

OFFICE MEMORANDUM

UNITED STATES GOVERNMENT,
June 19, 1944.

To: Hon. ALFRED L. BULWINKLE.
From: William A. M. Burden.
Subject: Appropriation for liquidation of present C. P. T. organization and extension of C. P. T. Act.

The $562,000 item, approved by Budget and presented to the Appropriations Committee, is designed to liquidate the present training program being conducted by C. P. T. for the military and is a distinct and separate matter from the extension of the C. P. T. Act.

The extension of the C. P. T. Act is purely an enabling measure so that congressional approval of civilian training as a policy may be on the statute books. The authorization of a new civilian-pilot-training program when conditions permit would, of course, have to receive congressional approval through the Appropriations Committees. There is, therefore, nothing inconsistent in providing for using a small portion of the unexpended balance of the 1944 C. P. T. appropriation for the liquidation of the present program being carried out for the military and at the same time extending the enabling act permitting civilian training in principle.

W. A. M. B.

The SPEAKER. The question is on the motion to suspend the rules and pass the Senate bill as amended.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

PUBLIC HEALTH SERVICE

Mr. BULWINKLE. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 4615) to establish, for the investigation and control of tuberculosis, a division in the Public Health Service, and for other purposes, as amended.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby established in the Public Health Service a Division of Tuberculosis Control, to be under the charge of a commissioned officer of the Public Health Service to be detailed for such purpose by the Surgeon General of the Public Health Service. The powers and functions granted by this Act shall be exercised through the Division of Tuberculosis Control.

SEC. 2. To enable the Surgeon General of the Public Health Service (1) to make studies, investigations, and demonstrations with respect to developing more effective measures of prevention, treatment, and control of tuberculosis; (2) to assist, through State health authorities, by grants and as otherwise provided in this act, States, counties, health districts, and other political subdivisions of States in establishing and maintaining adequate measures for the prevention, treatment, and control of tuberculosis, including construction, maintenance, and operation, and the training of personnel for State and local health work; (3) to control the spread of tuberculosis in interstate traffic; and (4) to meet the cost of pay, allowances, and traveling expenses of commissioned officers and other personnel of the Public Health Service detailed to assist in carrying out the purposes of this act, and for the administration of this act, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1945, the sum of $10,000,000 and for each fiscal year thereafter a sum sufficient to carry out the purposes of this act.

SEC. 3. (a) For each fiscal year, the Surgeon General of the Public Health Service, with the approval of the Federal Security Administrator, shall determine the total sum from the appropriations made pursuant to section 2 which shall be available for allotment among the several States. He shall, in accordance with regulations, from time to time make allotments from such sums to the several States on the basis of (1) the population, (2) the size of the tuberculosis problem, and (3) the financial need of the respective States. Upon making such allotments the Surgeon General shall notify the Secretary of the Treasury of the amounts thereof.

(b) The Surgeon General, with the approval of the Federal Security Administrator, shall from time to time determine the amounts to be paid to each State from the allotments to such State, and shall certify to the Secretary of the Treasury the amounts so determined, reduced, or increased, as the case may be, by the amounts by which he finds that estimates of required expenditures with respect to any prior period were greater or less than the actual expenditures for such period. Upon receipt of such certification, the Secretary of the Treasury shall, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, make payment in accordance with such certification.

(c) The moneys so paid to any State shall be expended solely in carrying out the purposes specified in section 2, as the case may be, and in accordance with plans presented by the health authority of such State and approved by the Surgeon General.

(d) Money so paid shall be paid upon the condition that there shall be spent in such State for the same general purpose, from funds of such State and its political subdivisions, an amount determined in accordance with regulations.

(e) Whenever the Surgeon General, after reasonable notice and opportunity for hearing to the health authority of the State, finds that, with respect to money paid to the State out of any appropriation under section 2, there is a failure to comply substantially with either (1) the provisions of this Act, (2) the plan submitted under subsection (c), or (3) applicable regulations, the Surgeon General shall notify such State health authority either that further payments will not be made to the State from appropriations under such section or, in his discretion, that further payments will not be made to the State from such appropriations for activities in which there is such failure, until he is satisfied that there will no longer be any such failure. Until he is so satisfied the Surgeon General shall make no further certification for payment to such

State (or limit payment to activities in which there is no such failure) from appropriations under such section.

(f) All regulations and amendments thereto with respect to grants to States under this Act shall be made after consultation with a conference of the State health authorities.

(g) Funds appropriated under section 2, in addition to being available for payments to States, shall also be available for expenditure by the Surgeon General in otherwise carrying out this Act, including expenditures for printing and binding of the findings of investigations.

SEC. 4. As used in this Act, the term "State" means a State or the District of Columbia, Hawaii, Alaska, Puerto Rico, or the Virgin Islands; and the term "regulations" means regulations prescribed by the Surgeon General of the Public Health Service with the approval of the Federal Security Administrator.

The SPEAKER. Is a second demanded?

Mr. WOLVERTON of New Jersey. Mr. Speaker, I demand a second.

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BULWINKLE. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Speaker, before going into a brief presentation of this bill I would like to express my very deep personal appreciation, an appreciation which I believe is shared by the full membership of this House, for the very fine work done by the gentleman from North Carolina [Mr. BULWINKLE] in the field of public health. He has been very diligent in looking into legislation of that sort and I am sure we all appreciate it.

Mr. Speaker, the bill now before us provides that the Surgeon General of the Public Health Service be enabled to make certain studies, investigations, and demonstrations with respect to developing some more effective measures of preventing and of treating tuberculosis. Fifty years ago tuberculosis was the leading cause of death in the United States. Fifty years ago 200 people per each 100,000 of our population died annually as a result of this disease. Today that figure has been reduced to 42 persons per 100,000 annually. That has been brought about, as we know, as a result of continued studies in methods of controlling the spread of this disease, and in treating the disease itself. There is still much room for improvement. We look at the situation today with some little alarm because recent statistics indicate that since we went to war there has been a gradual increase in some sections in the death rate, and certainly the declining death rate has come to a stop or has leveled off. It is not declining any further.

We learned also in subcommittee hearings on this bill that the Army is now discharging 500 soldiers per month with tuberculosis in one stage or another. We learned that 57,000 people died last year in this country as a result of this disease.

Briefly, the bill before us would authorize the office of Public Health, with the approval of the Federal Security Administrator, to conduct surveys, to conduct experiments, to gather information through those experiments that would be of great assistance not only to the Public Health Service but which, in turn, might be passed on to State, county, and city health services throughout the Nation.

The Public Health Service is authorized to do that service for the States. It is authorized further to make certain grants-in-aid to the States under the same formula that now exists with reference to the venereal-disease program, and under the same formula that has prevailed largely with reference to funds under title VI of the Social Security Act. This bill carries an appropriation of $10,000,000 for the fiscal year ending June 30 next year, and it provides for authorization of appropriation thereafter as may be needed.

Mr. JENSEN. Will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Iowa.

Mr. JENSEN. Is it proposed by this bill that the Federal agencies who handled this program will cooperate with the American Medical Association and its members in carrying on these experimentations?

Mr. PRIEST. It is not written into the bill that they shall cooperate, but the American Medical Association, through its house of delegates, approved this bill in subcommittee hearing. They are strongly for it. The entire record of their association in tuberculosis work over the years, with the Public Health Service, has been one of very fine cooperation.

Mr. JENSEN. According to that, then, there must not be any danger that there is any socialization of medicine mixed up in this legislation?

Mr. PRIEST. I can assure the gentleman from Iowa that there is no semblance of socialized medicine mixed up in this legislation. It has the approval, as I previously stated, of the American Medical Association. It has been approved by the State Association of Public Health Officers, whose witness appeared before the committee and approved it without any reservation or any suggestion of amendment. It was approved by the National Tuberculosis Association and various other State and local associations, medical associations, and antituberculosis associations. I am sure there is nothing in it that tends in any degree toward socialized medicine.

The SPEAKER pro tempore (Mr. COOPER). The time of the gentleman from Tennessee has expired.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, this bill has been given unanimous support by the various public health agencies and interests of the country, all of whom have been helpful in preparing this legislation. Perhaps this measure has the most universal approval of any bill that has come before this session of Congress.

As was so ably stated by the gentleman from Tennessee [Mr. PRIEST] this bill has the endorsement of the Public Health Service. It has the endorsement of the various State and local health authorities, such as the State health boards and municipal health officials. It has the endorsement of the American Medical Association. It provides for the type of service the great central government in Washington should render for the people, because it will furnish to the great masses of our citizenship, and also to the medical practitioners of the country, information and assistance that will mean much in the fight to stamp out tuberculosis in America.

This measure calls for a primary appropriation of $10,000,000 for the first year. Thereafter the annual expenditure will be fixed by the Appropriations Committee of this House in the first instance, later, of course, subject to the approval of the House. The appropriation has been set at $10,000,000 for the first year for the reason that during that time it will be necessary to set up the system and the machinery, as it were, for the operation of this new service. It will be necessary to purchase certain equipment. For instance, today, as a result of recent inventions and scientific developments, a portable machine can now be taken from place to place and as many as a hundred different individuals X-rayed for tuberculosis each hour. Just think of it. A hundred an hour. The machine is almost automatic in the way it operates. It is not necessary to have highly skilled technicians to adjust it for each individual, but almost automatically a perfect photograph of each patient's chest is taken so that it can easily be ascertained whether or not any incipient tuberculosis is present.

Each of these machines for this service costs about $6,000. Already some industries are using this machine to a great extent. Every individual called for induction into our armed forces is X-rayed by one of these machines. Once this work is carried out so every school child in America is properly X-rayed and diagnosed, it will be possible to catch tuberculosis in the incipient stage, cure it, and practically stamp it out. This, in my opinion, will be one of the best investments ever made by the Congress of the United States. Certainly such an investment in public health and in disease prevention will pay returns of a hundred, yes, a thousand fold. I am strong in my support of this measure. I am hoping it will be endorsed and passed by this House by a unanimous vote.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. BULWINKLE. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, just a few weeks ago we passed about two dozen authorization bills for the eradication of all kinds of pests and to cure diseases of cattle and hogs. Certainly if we can pass legislation of that sort we can pass this bill. I asked a few questions when this bill was considered on the

Consent Calendar. I have always objected to legislation drawn as this bill is drawn. I do not believe the House should pass this bill without putting a limitation upon the amount of appropriations. The first year's limitation is $10,000,000 in this bill but thereafter there is no limitation whatsoever. The committee should have limited the appropriation in future years; that is the proper way to legislate. This thing of saying it is up to the Appropriations Committee does not take care of a matter of this character at all. That is the way I view it. In reading over the report it is very evident we are going to be required to stimulate the States to activity. At least 26 States in this Union according to this report have practically no tuberculosis-control organization. Just think of that. Twenty-six States of the Union according to the report.

The State of California according to this report, a State that I believe has made more money out of this war than any other State in the Union and I have said so before—just think of the great State of California having 600 persons waiting for sanitarium care and yet they have 350 vacant beds but are not going to use those vacant beds to take care of these people until this legislation passes. Have not the States any responsibility any more? I have heard from my State in reference to this bill. Whenever we have any kind of Federal-aid bill I will hear from my State, I will hear from the State organization that is going to get some part of the money.

I am going to vote for the bill but I hope in the future when bills of this character come in a limitation will be placed on the money that can be appropriated and not make the sky the limit as is done in this bill.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. The time of the gentleman from Missouri has expired.

Mr. COCHRAN. I will yield if the gentleman will get me time.

Mr. BROWN of Ohio. I have no time.

Mr. BULWINKLE. Mr. Speaker, I yield 1 additional minute to the gentleman from Missouri.

Mr. COCHRAN. I yield.

Mr. BROWN of Ohio. Is it not true that the Congress could change the limit at any time?

Mr. COCHRAN. Yes; it is very true, but let me tell you that in my nearly 20 years of service here I have never seen a limit changed except to be changed upward.

Mr. BROWN of Ohio. If the gentleman has been here for the last 20 years, he has seen many strange things happen.

Mr. COCHRAN. I certainly have. I have heard many people here on the floor preach about States' rights and "let me alone." I have heard the gentleman from Ohio do so, too, but in this instance the gentleman says, "Give me, give me, give me."

Mr. BROWN of Ohio. We are still chanting States' rights and expect to take care of the gentleman's State of Missouri if this legislation is passed.

Mr. COCHRAN. And if the Bureau does not administer this law to the satisfaction of the gentleman from Ohio [Mr. BROWN], he will be the first one to yell "Bureaucrats."

The SPEAKER pro tempore. The time of the gentleman from Missouri has again expired.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Speaker, I should like to say to the gentleman from Missouri that the 350 vacant beds, of course, must be filled by charity patients. We have a number of sanatoria in California, and I am sure that many people from Missouri are occupying beds in California sanatoria because California is one of the best places in the world for one to be cured of this dread disease, tuberculosis. I am sure that the gentleman himself, were he ever to acquire this dread disease, would want to come to California immediately, as so many from his State have already done.

Mr. Speaker, at this moment, a trio of distinguished gentlemen, Mr. Lloyd W. Brooke, Capt. E. Crawford May, and Dr. Carl R. Howson, trustees of the Hastings Foundation, are preparing a scientific research project to be instituted in my own congressional district, for the purpose of studying tuberculosis control. Two lines along which increased research appears needed are:

(a) Nutrition in relation to resistance.

(b) Improved drug and similar methods of treatment.

One of the experiments which the Hastings Foundation intends to make is in the nature of studying two groups of patients—one receiving a standard, well-balanced sanatorium diet, and the other the same diet, supplemented with vitamins and other accessory food substances in accordance with careful study of the nutritional status of the patient.

It is expected that this research project will yield valuable results. It will be under the watchful eye of the scientific research staffs of the California Institute of Technology and the physicians of the Huntington Memorial Hospital, while no doubt the Veterans' Administration, the Public Health Service, and military establishments will be keenly interested.

Mr. Speaker, the problem of tuberculosis control throughout the world has increased greatly in importance, due to the terrible ravages of the war upon the populations of the world, particularly in Europe and Asia. Tuberculosis is so easily transmitted to children, and awareness of that transmission may not come for many years afterward. I trust that the projects which will be conducted under the bill presently before us will assist in finding tuberculosis cases early, and in the prevention of the transmission of this disease to children. May God speed the day when tuberculosis is eradicated completely.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield 4 minutes to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Speaker, there are many States in the Union that spend more money for the eradication of tuberculosis in animals than they do for the eradication of the same disease in human beings. In most of the States if they find a dairy cow with tuberculosis they kill the cow, but you cannot very well do that with a human being. I think this legislation is a step in the right direction. Some 57,000 die each year in the United States from tuberculosis. We know the cause of the disease, we know the treatment for it, we know how to prevent it. It is a wonder to me that the communities have not recognized long before this the importance of preventing tuberculosis. I have the feeling that no one with an active open case of tuberculosis has a right to broadcast infection to others, yet that is being done all over the United States.

In the earlier days the Army in inducting men into military service took miniature X-ray film of their chests. I do not know whether they still continue to do it or not, but a continuation of this work will uncover many cases of tuberculosis that can be isolated and the disease cured.

Tuberculosis is more than a health problem, it is an economic problem. After every war tuberculosis has increased and great numbers of new cases show up. It is a great burden to the States. Many States now have their sanitaria filled with tuberculosis cases and it is a great economic burden upon them. I am also convinced that tuberculosis can be eliminated in the next 50 years if it is properly handled under the United States Public Health Service, the people who fill these sanitaria cured, and the sanitaria no longer needed for this purpose.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. MASON. The gentleman says it has been a great burden on the States to take care of tubercular patients. I ask the gentleman whether or not when Uncle Sam takes care of them he does not reach right back into the States to get the taxes to take care of it, and if the burden does not rest on the States in its ultimate aspect in any event.

Mr. MILLER of Nebraska. I think that is correct; on the other hand we must realize that we are still a long way from having effective control of tuberculosis with 26 States not having organizations for that purpose. Operations under this bill will uncover thousands of cases of tuberculosis that we do not know exist. It is going to fill these 350 vacant beds in California, and fill her sanitaria also, and they may need many more beds; but even so the bill will be well worth the cost if we finally eradicate this dread disease for today it is claiming 57,000 lives a year in this country, causing an untold amount of misery and suffering and expense.

Mr. HINSHAW. Will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from California.

Mr. HINSHAW. The gentleman is a very distinguished physician. I am sure he will tell the House that persons who contract tuberculosis generally contract it before becoming 14 years of age, but

it may not show up until years afterwards.

Mr. MILLER of Nebraska. That is correct. Most of the disease of tuberculosis comes in the younger life and the problems of tuberculosis and its cure must be completely understood. When you start out to eradicate disease it may take years to accomplish. You do not do it overnight.

Mr. DONDERO. Will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Michigan.

Mr. DONDERO. How many States in the Union have a program to take care of their people who become afflicted with tuberculosis?

Mr. MILLER of Nebraska. I do not know.

Mr. DONDERO. The State of Michigan does take care of its tubercular patients.

Mr. MILLER of Nebraska. There is one thing in the bill that may happen. I notice an amendment whereby the Virgin Islands and Puerto Rico are taken in, as well as some other Territories. I do not know whether the House realizes or not, but the tuberculosis rate in those Territories is very high.

Mr. BULWINKLE. That was in the House bill.

Mr. MILLER of Nebraska. The incidence of tuberculosis in those areas is very high. The money involved in this bill is going to be appropriated to certain Territories on the basis of the number of tuberculosis cases and the incidence of the disease in those Territories. Some of the Territories are going to get more money than some of the States which might need help.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr KEEFE. Mr. Speaker I want to record myself as vigorously in favor of the adoption of the pending legislation. The program submitted in H. R. 4615 is similar in all of its aspects to the present program carried on by the Public Health Service in its venereal disease control program. Anyone who is familiar with the work of the Public Health Service and that program I am sure will realize that with the same force applied to the eradication of tuberculosis in the United States of America we will soon have that dread disease under control.

Mr. Speaker, this is a Federal-State program, administered entirely by the State health service. It is not a Federal program, and it is not a socialization of medicine. It is the splendid outline of a program by which if the States themselves meet a fair share of the burden the Federal Government steps into the picture in cooperation with them to carry on a coordinated program to fight tuberculosis. Tuberculosis cannot be isolated in the States of Wisconsin, Illinois, Minnesota, or North Dakota. These germs and the carriers of those germs go from State to State and from place to place. It is a Federal program and it is a thing which all of us are concerned with.

I am glad that the Committee on Interstate and Foreign Commerce has seen fit to bring to the Congress of the United States this authorization legislation which when the appropriation is provided by the Appropriations Committee will make it possible to intensify and carry on the work which is now being done under a little appropriation of $250,000.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BULWINKLE. Mr. Speaker, I yield 1 minute to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Speaker, I desire to be recorded in favor of the pending bill. It is a move in the right direction and, as the gentleman who just preceded me stated, it is a Nation-wide matter, one that cannot be handled individually by the various States.

While I was a member of the State Legislature of Oregon I sponsored a program of this sort in my own State. From the study I made at that time and from the study I have made since I know it is a Nation-wide problem, one which the Federal Government certainly can enter into with propriety, one that can be endorsed even by those of us who are insistent on cutting down Federal activities where the States are in position to handle them. The white plague which this bill seeks to stamp out is no respecter of State lines. When the men and women in our armed forces return there will be need for renewed efforts in saving them from the inroads of this dread disease from contacts in the tropics.

Mr. BULWINKLE. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Speaker, whenever I go into the small clinic in my home town of Tyler, Minn., I see there a small plaque which calls attention to the fact that Lincoln County, Minn., was the first tuberculosis free county out of the 3,072 counties in the United States. I am deeply interested in seeing that this worth-while work continues and feel that this bill is one of the most humane suggestions brought forward by this session of the Congress. I have urged in the Subcommittee on Labor and Federal Security of the Committee on Appropriations that sufficient money be provided to eradicate tuberculosis once and for all time. Tens of thousands of people will be alive 20 years from now because of the eradication of tuberculosis and we cannot measure that in terms of dollars. I hope that this bill will pass unanimously.

Mr. BULWINKLE. Mr. Speaker, I yield such time as he may desire to the chairman of the Committee on Interstate and Foreign Commerce [Mr. LEA].

Mr. LEA. Mr. Speaker, I am very much in favor of this bill. All over the span of the younger portion of life in this country tuberculosis is the greatest hazard even at the present time. It is a curable disease now in most cases, yet there are several hundred thousand people in the United States who die annually from tuberculosis and whose lives could be saved by proper administrations.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield 1 minute to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am heartily in favor of this bill because I realize that proper attention and care means the saving of a life in many cases involving tuberculosis.

Mr. Speaker, I hope the House will pass more legislation also having to do with the attempted control of cancer. The death rate from cancer is second only to that of heart disease in this country. Federal legislation becomes a necessity. Because I realized this necessity I introduced a bill to provide for grants to States in connection with the eradication of cancer.

The gentleman from North Carolina [Mr. BULWINKLE] and the members of the Interstate and Foreign Commerce Committee have done a very marvelous work in connection with cancer and they realize that in many instances cancer can be cured. It is a matter of education, early diagnosis, and treatment. I hope there will be early consideration and passage of my bill, H. R. 661. The death rate of heart disease cases is 324 per 100,000 persons, the death rate of cancer cases is 125 per 100,000 persons, and the death rate of tuberculosis cases is 41 per 100,000 persons. The yearly average of persons dying of cancer is 150,000. Many of these cases could be saved with prompt and adequate care.

Mr. BULWINKLE. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, not only do I heartily favor this bill but I am particularly gratified that the benefits of the bill are extended to Puerto Rico.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Speaker, while I am in favor of this bill, I note under section 2 some of this money may be used for construction purposes. Having been interested in the subject of tuberculosis for over a quarter of a century and realizing the very splendid hospital and sanitarium facilities we have in Massachusetts, I hope that not too much of this money will be spent for construction but will be used to educate the authorities of the various States in their responsibility to construct these sanitariums, then let the Federal Government assist in the maintenance of those sanitariums.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Speaker, this disease must be attacked on a broad base, and every effort made to eradicate the disease from our country. Local and State support of eradication measures have shown results, but this is a national problem and must be so considered. I wish to be recorded in support of this legislation and look forward to the day when this plague is abolished from the face of the earth.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield such time as he may

desire to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Speaker, a motion has been made to suspend the rules and pass H. R. 4615, providing a division in the Public Health Services for the investigation and control of tuberculosis, and for the Federal Government to cooperate with the States in the prevention, treatment, and control of TB. I rise in support of the motion. This is one activity in which the Federal Government can and should take a leading part in cooperation with the States. This disease has been called the great white plague. While we have in the years reduced the number afflicted with this disease, we have not yet controlled it. Many thousands of our soldiers and sailors of the present war have been discharged on account of TB, and many more thousands have been rejected for service in our armed forces because of the presence of TB. TB is not a disease of local concern or even State-wide concern. The Nation, as a whole, is interested in the control of the spread of this disease. The TB germ and the spread of these germs cannot be controlled by local prevention alone. Our people are on the move and those with TB are thrown in contact daily in places far removed from their own localities and their own States. In order to eradicate this disease, we must pool the knowledge, experience, and the funds of the Federal Government, the State, county, and city governments.

The children and the youth of the land are the main targets for this dread disease. Our Government, in cooperation with the States, expends millions in an effort to control and eradicate TB in our livestock. What excuse can we find for the Federal Government failing to give like help to the babies, the youth, and the men and women of our country. This proposal meets the hearty approval of the American Medical Association, the medical associations of the States, and the public-health officers of the Nation, the States, counties, and cities. I doubt if we could expend Federal funds for any purpose that would meet more general popular approval than the expenditure of these funds in an organized effort to control, and, in the course of years, eradicate tuberculosis. It has been made perfectly clear that this action has no relation whatsoever to the so-called movement for socialized medicine. While the Federal Government will aid in this great movement, these activities will be under the direction and control of the respective States. Feeling that this is a step that will greatly benefit the American people generally, I am happy to give it my support.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. SCOTT].

Mr. SCOTT. Mr. Speaker, every community in this country is very much concerned over the number of traffic deaths that are occurring. Tuberculosis annually kills a great many more of our people than occurs in traffic accidents. Fifty years ago tuberculosis was the greatest cause of death in this country, the rate being 200 per 100,000. The rate of death today is 42 per 100,000 people living in the country who die as the result of an attack of tuberculosis.

It is now the second highest cause of death. We are advised that if this program is enacted into law and followed through, in the opinion of the Surgeon General, it will be possible not merely to diminish and to continue to diminish the effects of tuberculosis but to eradicate entirely, within the course of one generation, the ravages of the white plague.

I hope that the distinguished chairman of the subcommittee, with whom I have the honor to serve, the gentleman from North Carolina, in cooperation with the Surgeon General, for whom we all have so high regard, will carry out the proposal which I know has been under discussion, and that is that an opportunity will be given to all Members of Congress to have an X-ray taken with this marvelous machine so as to publicize throughout the country that the way to end tuberculosis is to catch it early and to have everybody examined. We believe, and the Surgeon General believes, that if the people of this country can be educated to have a prompt and early examination, the fight to end tuberculosis will be very much expedited.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield 1 minute to the gentlewoman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Speaker, I have not had time to read the hearings. I suppose all of us realize the necessity for eradicating tuberculosis or we would not be giving money every Christmas toward that cause. However, I do not believe it has been explained in this debate why we need all this expenditure. We all give money at Christmas time. Has that program fallen down?

Mr. BULWINKLE. Mr. Speaker, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield to the gentleman from North Carolina.

Mr. BULWINKLE. May I say to the gentlewoman from Illinois that the money which is given at Christmas does not nearly begin to take care of this situation. With over a million cases of tuberculosis in the United States and with over 57,000 deaths every year, they do not receive enough money and they do not get down to the roots of it. They do not have sufficient funds to go down into the counties and photograph people's lungs to see whether they have tuberculosis or not.

Mr. MASON. Mr. Speaker, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield to the gentleman from Illinois.

Mr. MASON. They do go down into the counties. They do take these X-rays in the schools of our county, and they have been doing it for 10 years.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. GILLIE].

Mr. GILLIE. Mr. Speaker, I am pleased to hear the prediction made here on the floor that tuberculosis will be completely conquered within the next 50 years. In view of the great progress made during recent years against this and other diseases and plagues which formerly cut into our livestock production, I find this statement easy to believe. This prediction will not come true, however, unless we meet our responsibilities in the fight against animal diseases. Today we have an opportunity to meet one of these responsibilities by providing an appropriation for the reclassification of employees in the Bureau of Animal Industry. Such provision will go a long way toward ensuring the continued efficient functioning of our Bureau of Animal Industry which has contributed in such large measure to the record against animal diseases which has been made. Not many years ago it was hazardous for any country to accumulate livestock enough to serve as a dependable balance wheel for the total food supply. Animal plagues almost invariably appeared to destroy the surplus. Discoveries of cures and preventive measures against diseases, coupled with international quarantines, however, have resulted in our ability to raise even the vast quantities of livestock necessary to meet the needs of our country at war.

Our research scientists and veterinarians in the Bureau of Animal Industry have worked ceaselessly and under difficult conditions to bring this country up to its present level of disease-free livestock production. Their efforts have prevented the importation of diseased animals and have made it possible for us to gain control over such dread diseases as contagious pleuropneumonia, the tick disease, paraplasmosis, foot-and-mouth disease, and many others. When the war is over, it will be possible for us to provide the rest of the world with the best bloodlines for the reestablishment of disease-free herds and flocks in other countries.

No small part of the credit for our progress against these diseases and in building up our tremendous livestock production goes to those veterinarians and lay inspectors in the Bureau of Animal Industry, for whose reclassification we are today seeking the necessary appropriation. As I have said before, if we are to keep up our record in the fight against disease, it is essential that we see to it that the Bureau of Animal Industry is able to retain the highly trained and skilled personnel necessary to the efficient functioning of the Bureau. Only by such means can we successfully accomplish the goal of complete eradication of tuberculosis from our country.

Mr. BULWINKLE. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, I think it is important that this legislation be passed at this time, because we face an emergency. Tuberculosis is one of the diseases that always runs rampant in time of war. We will have five to eight million war veterans returning from countries where tuberculosis is raging. There will be a high incidence among them. They will be scattered all over the United States, members of their families will become infected. During and

after a war there is extensive moving about of populations with increased opportunity for spreading the disease. At the present time we have no way in most States of quarantining tuberculosis patients and bringing them under strict control, whether they be ex-soldiers or civilians. This is an economic measure as well as a humanitarian and public health measure. Now is the time to deal with it when an ounce of prevention can save the expenditure later of pounds for cure. In the long run we will save the Nation money by authorizing this appropriation today.

Mr. WOLVERTON of New Jersey. Mr. Speaker, the purpose of the bill is to enable the Surgeon General of the Public Health Service, first, to make studies, investigations, and demonstrations with respect to developing more effective measures of prevention, treatment, and control of tuberculosis; second, to assist States, counties, health districts, and other political subdivisions of States through State health authorities, in establishing and maintaining adequate measures for the prevention, treatment, and control of tuberculosis; third, to control the spread of tuberculosis in interstate traffic.

The bill would establish a Division of Tuberculosis Control in the Public Health Service. It would authorize an annual appropriation of $10,000,000 for studies in tuberculosis control, grants to States, control of tuberculosis in interstate traffic, and administrative expenses of the division.

Payment to the States would be made on the basis of population, the size of the tuberculosis problem and financial need. State contributions would be required in accordance with the regulations of the Surgeon General. Approval of State plans would be required.

The problem of tuberculosis control is acute. Sixty thousand tuberculosis deaths occur each year in this country, one-half of which are among persons between 20 and 45 years of age. In the age group 15 to 35, tuberculosis is the principal cause of death. In the age group 20 to 34, 1 in every 6 deaths among white persons and 1 in every 3 deaths among Negroes is due to tuberculosis.

The facilities and personnel of local tuberculosis clinics are overtaxed. The armed forces' induction and examining stations have refused and reported back to local health departments over 100,000 young men and women between 21 and 35 years of age. Over half of the States are unable to provide the necessary expert medical care and supervision for the treatment of these cases. Unless something is done to protect these persons against this insidious disease, young mothers and fathers and industrial workers will continue to contribute the major share of the deaths from tuberculosis each year.

If this bill were enacted, a real attack could be made on tuberculosis by, first, expanding small-film X-ray case finding on a Nation-wide scale to the entire adult population; second, by providing facilities and professional personnel throughout the country which are accessible to the major part of our population for supervision and treatment of ambulatory patients with early tuberculosis; and, third, by studies and investigations into newer methods of control of the disease. There is in particular an urgent need to study the effect on tuberculosis of some of the new chemotherapeutic agents, such as the sulphone derivatives. It will also be possible to make special studies of the application of electronics to the newly developed small-film equipment in order to still further simplify the method and increase its efficiency and decrease its already low cost.

Funds would be granted to State health authorities to assist them in establishing and improving local tuberculosis control offices. At the present time 26 of the 48 States have no full-time tuberculosis control officer and scarcely any professional personnel, clinic facilities, or field nursing services. Other States need to have their case-finding and follow-up programs greatly augmented in order to meet their local problems. Professional personnel will have to be trained for State and local work. Whenever possible, attempts would be made to use qualified persons who have recovered from tuberculosis and are ready to be rehabilitated. Graduates from the Cadet Nurse Corps will be a valuable source of new workers in the nursing aspects of the program.

The major share of the appropriation requested would be used to control the spread of tuberculosis among war workers and their families who have migrated from one community to another, and are not eligible, because of State residence requirements, for clinic and sanatorium care. The States have requested Federal assistance for the care and hospital treatment of these tuberculous workers and their family members who have broken down on the job. It is estimated that from six to seven millions dollars will be needed during the coming year to meet this special problem.

Tuberculosis is one of those diseases which are important not only from a public-health standpoint, but also from an economic view. Once the disease has become actively advanced, the patient is disabled either continuously for a long period of time, or death intervenes. Early diagnosis and treatment is an economy to the family in which the disease occurs and to the community which must bear the burden of support if the family is broken up for long periods by disability, or permanently by death.

Tuberculosis is a preventable cause of death. Recent developments now make it possible within a few years' time to locate at a moderate cost practically every case of tuberculosis in the population. The importance of widespread use of mass radiography everywhere in the country cannot be overemphasized. Having found the cases, careful clinical study, medical supervision, and treatment must be provided for those needing such care. By these means we can stop the human and economic waste of chronic disability and premature and unnecessary deaths from tuberculosis in the United States.

I strongly recommend the enactment of the proposed legislation.

I would like to bring to the attention of the House at this time what I consider a very worth while, as well as strong, endorsement of this legislation. I consider it important enough to bring to the attention of the House because of the experience and ability of the person who expresses the views. It is in the form of a letter addressed to the Committee on Interstate and Foreign Commerce, which has jurisdiction of the subject matter, by J. Lynn Mahaffey, M. D., director of health of the State of New Jersey. In endorsing the pending legislation, he said:

I write to seek your vigorous and wholehearted support of H. R. 4515, to establish, for the investigation and control of tuberculosis, a division in the Public Health Service, and for other purposes.

Since the discovery of the tubercle bacillus as the causative agent of tuberculosis, much has been accomplished to eradicate this disease, which, since the beginning of time, has probably been the greatest killer of mankind. When it is considered that today our tuberculosis death rate approximates 44 per 100,000 population, as compared with 200 per 100,000 at the beginning of the century, and that for the past 15 or 16 years this disease has lost first place as a destroyer of human life and now takes seventh place, we realize how much has been accomplished. However, much still remains to be done.

There are over 50,000 tuberculosis deaths in these United States every year and for every death it is estimated that there are about 10 active cases of the disease, or approximately 500,000 cases. When we consider that at least 50 percent of these cases are to be found between the ages of 15 and 49—probably the most productive years of the average individual's life—some small idea is obtained of the magnitude of the problem that remains. Today it must also be realized that in wartime we are faced with all of the unfavorable circumstances, such as overcrowding, overwork, and concentration of workers, which tend to increase the spread of infection, and that the last world conflict sent tuberculosis rates soaring in the nations of Europe and brought about a slight rise even in this country. Alarming increases are again noted throughout Europe and no one can predict how extensive the damage will be.

Another problem will be the return of our troops from abroad. We are hearing a great deal about the danger from tropical diseases. Actually, the most common disease in most tropical regions is tuberculosis, because of the lack of elementary hygiene, poor housing, inadequate diet, contaminated food, and swarming flies. Our fighting men will return and will bring back tuberculosis. The problem of the tuberculous veteran is also concerned in this legislation for which I seek your support.

With the rapid advances in X-ray technique for discovering the unknown cases, with our modern methods of diagnosis and treatment, and our most complete knowledge of this disease, we hopefully look to the future as an era in which we can forecast its eventual eradication. For some time those who are engaged in the field of public health have realized that in order to broaden the attack to bring about that happy day of eradication, we have been sorely in need of more funds and a central bureau to coordinate and direct our efforts on a national level.

The bill for which favorable action is sought proposes just that, and, in my opin-

ion, if enacted, would have an inestimable and lasting benefit to the citizens of this country.

In conclusion, permit me to say that endorsements of similar character have come from numerous medical associations, medical practitioners, welfare groups, and public authorities, both State and local.

As a member of the Committee on Interstate and Foreign Commerce, which conducted hearings on the bill and unanimously recommended its passage, I urge the membership of the House to likewise approve it.

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent that all Members who so desire may have 5 legislative days in which to extend their remarks in the RECORD on this bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER. The question is on the suspension of the rules and the passage of the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

EXTENSION OF CIVILIAN PILOT TRAINING ACT OF 1939

Mr. BULWINKLE. Mr. Speaker, I move that the House insist on its amendment to the bill (S. 1432) to extend the Civilian Pilot Training Act of 1939, ask for a conference with the Senate and appoint conferees.

The motion was agreed to.

The SPEAKER appointed the following conferees: Messrs. BULWINKLE, LEA, BECKWORTH, WOLVERTON of New Jersey, and HOLMES of Massachusetts.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1945

The SPEAKER. The unfinished business is the conference report on the Department of Agriculture appropriation bill, 1945. The gentleman from Georgia [Mr. TARVER] asked and received unanimous consent that amendments 9 to 14, inclusive, be considered en bloc, and moved that the House insist on its disagreement to those amendments. The gentleman from Indiana [Mr. GILLIE] has a motion pending that the House recede and concur.

Mr. TARVER. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON of Kansas. Mr. Speaker, I sincerely hope that I may have the attention of the House for just 2 minutes. The House has just passed, practically unanimously, a bill authorizing $10,000,000 for the study and, I might add, the beginning of a federally supported program for the elimination of tuberculosis in this Nation. Let us remember that the first and basic step in this elimination is the stamping out of bovine tuberculosis. During the past few years we have made great progress in arresting this disease. Much credit is due the veterinarians in our animal-husbandry departments, both State and National.

We have now before us a motion offered by the gentleman from Indiana [Mr. GILLIE] which, if approved, will increase the salary of a few veterinarians and inspectors in the Bureau of Animal Industry and the Meat Inspection Service. This increase has been approved by the Bureau of the Budget. The classification has been approved by the Civil Service Commission. It will benefit a group of individuals—3,349, to be exact—that did not have the benefits of increase in pay when other classified employees received higher classifications.

I sincerely hope this committee will vote for this increase. It is only fair, and if it were not for the fact that it has the approval of these groups, I would not be here pleading for it today. We should vote this additional money to a group of individuals who protect the health of our citizens through animal and meat inspection. It is a fair amendment and should be adopted.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. CARLSON of Kansas. I yield to the gentleman from Texas.

Mr. LANHAM. In view of the great importance of the health of the people in peacetimes and the peculiar qualifications of these men who tentatively have been promised this classification, and in view of the necessity of keeping them in the service, is it not simply a matter of economy to recede and concur and grant these classifications as proposed in the Senate amendment?

Mr. CARLSON of Kansas. I share the views just expressed by the gentleman from Texas. It is a matter of economy. The present average pay of these 3,449 officials is $2,573. If we adopt the Senate amendment, and I sincerely believe it should be approved, their average pay will be $2,862, the average increase being $289. The persons affected have been underpaid for many years. They are the lowest paid large professional group in the Department of Agriculture. In the interest of the health and well-being of this Nation I urge you to support the motion offered by the gentleman from Indiana [Mr. GILLIE].

Mr. TARVER. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, here we are not passing upon just this question as to whether or not these people should be given a raise in pay, we are passing upon the question of whether or not the Classification Act should be amended. If these people are to have an increase in pay, they should be allowed to appeal to the Civil Service Commission from the classification they are in and ask for a change in grade, have it allowed by the Civil Service Commission, as provided in the Classification Act, and then they would be entitled to the money.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Georgia.

Mr. RAMSPECK. I understood that that is what had happened. Am I wrong in that?

Mr. TABER. I did not understand that they had done anything like that. The gentleman from Georgia can tell us about that.

Mr. CARLSON of Kansas. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Kansas.

Mr. CARLSON of Kansas. As I understand, the Civil Service Commission has approved this classification. I sincerely hope it will be adopted.

Mr. DIRKSEN. If the gentleman will yield, may I answer the gentleman from Georgia by saying that the gentleman is right. We have not made provision by way of funds to carry out this classification.

Mr. RAMSPECK. But the Classification Division, acting under the Classification Act, has approved it.

Mr. MASON. Yes; but we have not furnished the funds to do it.

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Georgia.

Mr. TARVER. The Civil Service Commission has no jurisdiction over the salaries of these field employees. It has submitted some recommendation with reference to the reclassification of such employees, and has done that recently. The statement which has been circulated among the Members of the House by some of the Members with reference to that reclassification having been in effect for years and the Congress having failed to appropriate the money is incorrect.

Mr. TABER. Then there has not been a reclassification of these people?

Mr. TARVER. The Civil Service Commission has no authority by reclassifying field employees to bring about an increase in their salaries.

Mr. TABER. It is a straight operation of a raise on the part of the Congress.

Mr. TARVER. That is right.

Mr. TABER. If we do that, we have to go down the line and give a raise to overybody else that comes along.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield further?

Mr. TABER. I yield.

Mr. RAMSPECK. I think we ought to get this straight.

Mr. TABER. I think so.

Mr. RAMSPECK. The gentleman from Georgia is correct in that the Classification Act does not apply to field employees. Although the Congress has passed an act authorizing the President to extend it to the field service, he has not yet acted under that authority. But I do not think it is fair to say that this is just a raise of salaries, because it is an effort to apply the Classification Act to these employees.

Mr. TABER. This is a case of Congress taking it upon itself to go ahead and grant a raise. If we grant a raise there, we have to grant one all the way down the line, and we cannot stop with any of them. All of them are just as much entitled to a raise as this group. If we are going to do that, there will not be any end to raises as far as the field

employees are concerned. I do not think that ought to be done in any such a way. I think we ought not to have a mass raise of salary, and that is what this will result in because these people are not in any diffefent position than the rest of the field employees of the Government. So I hope the motion will not be agreed to.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. TARVER. Mr. Speaker, there was some discussion of this proposal a few days ago. It is not my purpose to undertake to repeat the arguments which I undertook to advance on behalf of the conferees at that time. There are, however, many Members of the House now present who were not on the floor at that time.

This is a proposal to increase the salaries of 2,472 employees of the Bureau of Animal Industry beyond the level which was fixed by the Overtime Pay Act of 1943. Under that act these employees received salary increases amounting on the average to $452 per annum per employee.

There is no substantial difference between this proposal and several other salary raise proposals which have been recently rejected. The House on last Friday rejected a proposal for increases in the salaries of the law clerks of the district and circuit Federal judges. The Deficiency Committee in a bill that was brought in and passed by the House on Saturday refused to approve the applications for increases in salary of some two or three other organizations of Government employees.

So far the House has held the line. The House has not embarked upon the policy of raising the salaries of any particular group or groups of Federal employees beyond the levels provided by the Overtime Pay Act of 1943. But if you should adopt the motion offered by the gentleman from Indiana [Mr. GILLIE] and approve this increase of practically a million dollars, $996,000, for the purpose of affording increases which will average about $400 each to all of these field employees of the Bureau of Animal Industry, according to simple calculation you will have established a precedent which, in my judgment, will rise to plague you in the not very distant future. I do not see how you can do that and refuse the applications of these various other groups of employees for similar treatment.

Remember that not all of these employees by any means are the professional veterinarian class in whose behalf the appeals have been made strongly to each of the Members of the House through propaganda from throughout the United States and through petitions of lobbyists who have been buttonholing you and me around the Capitol. Only about 800 of these 2,472 employees are veterinarians. The remainder of the employees are unskilled employees. They have had no professional training. Their requirements for qualification from the standpoint of ability are not higher than those of many scores of thousands of other employees in the Federal service. Yet it is proposed here to grant all these employees this very substantial increase, as well as the veterinarians.

The appeal has been very largely based on the idea that these men are going to leave the Government service and desert the important work of meat inspection for our armed forces unless their salaries are raised. It seems to me inconceivable that men who are being paid from $2,000 to $4,800 a year, which is true in the cases of these veterinarians, and who are carrying on very vital and essential work in the war program, and who have had a raise of $452 each on the average during the last year or so, should say, "We are not going to carry on this essential work unless we are given a still further salary increase beyond the increases which have been granted to all types of Federal employees."

As I sought to point out the other day, the men who are in the armed services, who are fighting in France today at $50 a month, cannot quit their work in an effort to secure further compensation from the Federal Government. They are not threatening or desiring to do it. Why should not these men have the same rule applied to them that is sought to be applied by the War Manpower Commission to all other types of labor in the United States? They are trying to keep that labor in occupations where it is most essential, where it is most greatly needed. When men seek to leave an occupation which is regarded as essential in order to transfer to another where they can secure greater compensation they are not permitted to do it unless they get a certificate of availability from the United States Employment Service. But here it is said that these men are going to retire from the work in which they are engaged, willy-nilly, without anybody's consent, and go to other jobs which will pay them more, unless the Congress raises their salaries.

I do not believe they will do it. So far as leaving the Federal service is concerned, I pointed out the other day that in the Social Security Board, out of 10,000 employees, they have lost 6,600 employees. You will find these facts set out in the hearings on the Labor-Federal Security Agency appropriation bill. Two thousand five hundred of them were lost to the armed services. They did not secure any salary raise. Four thousand one hundred of them were lost to other jobs where their compensation was greater than they were being paid by the Social Security Board. Now are we going to embark upon a policy of saying that in order to retain these employees in the Federal service we are going to raise everybody's salary to the point where they will be induced to remain in the Government work which they are carrying on? If we are not going to do that, then we had better not adopt this motion of the gentleman from Indiana because the effect of it, as I have said, will be to establish a precedent. It will make it very difficult for us to refuse other demands of like character. I certainly hope that the Congress in the consideration of this matter, despite the personal appeals which have been made to them from their own States, and I know they have been made because they have been made to me, by letters, telegrams, long-distance telephone calls, and lobbyists coming around and interviewing you at your office and elsewhere and urging that this class of employees receive special consideration.

I hope that despite these appeals you may apply the same treatment to these men that you applied to the law clerks in the Federal district and circuit courts, the same treatment that was applied by the Deficiency Committee to two or three different types of Government organizations which came before them seeking salary raises, and that you may say that until Congress considers raising all salary levels in the Federal Government by further legislation, which, in my opinion, ought not to be done, at least not during the period of this war, we are not going to take care of a particular class, notwithstanding the insistency of their appeals. Nothing has happened since you rejected this proposal overwhelmingly when this bill passed the House except the steady, insistent, and selfish lobbying that has been going on. Have you changed your minds on that account?

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. Mr. Speaker, I have been impressed by the argument of the gentleman. But the thing that makes me doubt his position is that the Office of Personnel of the Department of Agriculture has felt these men have been improperly and unfairly classified. In connection with this statement, I wish to call attention to a memorandum upon the subject which has been brought to my attention:

From: James B. Burns, national president, American Federation of Government Employees.

Subject: Reclassification of veterinarians and meat inspectors of the Food Distribution Administration and Bureau of Animal Industry.

This memorandum is handed to you at the suggestion of Mr. William C. Hushing, chairman of the legislative committee of the American Federation of Labor.

Under date of March 23, 1944, I telegraphed you, urging that you support the proposal to restore the budget item which was included in the Department of Agriculture appropriation bill, providing funds for reclassification of the positions of veterinarians and meat inspectors under the Bureau of Animal Industry and Food Distribution Administration.

The effort which was made on the floor of the House to have the item restored resulted in a refusal to restore it by the small vote of 50 to 32.

The matter then went to the Senate. There both the Appropriations Committee and the Senate itself voted unanimously to restore the item. The bill then went to conference, and it is my understanding that at a preliminary meeting of the conferees, with several absentees, an agreement was reached that this matter would remain in disagreement and be reported to the House for further action. It is also my understanding that at a meeting of the conferees held yesterday, a poll of the conferees was not

taken because of the previous agreement. The conference report was filed in the House yesterday.

For years these employees have been improperly and unfairly classified, and the proposed reclassification is based on careful studies by the Office of Personnel of the Department of Agriculture, which Department, as well as the Civil Service Commission and the Bureau of the Budget, have fully approved the proposal, because they recognized that years of experience, study, and training have combined to give these employees capability and efficiency that have won world-wide praise; that the food supply of the people must be in safe hands. These employees must be retained on their jobs and meat-inspection positions must be made attractive enough to bring into the service the type of men needed to maintain present standards. As you well know, these inspectors and veterinarians are responsible for safeguarding the quality of meat products shipped to our fighting forces and to our allies, as well as those available for home consumption.

The Department advises that there are many vacancies in this force, which cannot be filled because of the inability of the Department to persuade qualified people and graduates of the different veterinarian colleges to accept positions under their present classification.

All of the above, including the Department's views concerning the necessity for this reclassification is fully set forth in the presentation made to the Senate Appropriations Committee by the representatives of the Department of Agriculture and the War Food Administration. Particular reference is made to the communication sent to the Senate committee by War Food Administrator Marvin Jones.

In view of the foregoing, we earnestly and respectfully urge you to support the effort which will be made on the floor of the House to restore this budget item by receding and concurring in the Senate amendment.

JAMES B. BURNS.

Mr. TARVER. The Office of Personnel of the Department of Agriculture has had before them for 10 years and more the question of reclassifying these men in the field service in the Bureau of Animal Industry and they have not done anything about it until within the last few months. Now, reclassification is just a dodge. It is nothing in the world but camouflaged effort to bring about an increase in salary. That is all it amounts to. If you adopt the motion to recede and concur in the Senate amendment you are simply voting for an increase in salary amounting to a million dollars a year to one particular group of employees of the Federal Government who have been able to bring pressure to bear upon the Congress to have their salaries raised.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Indiana [Mr. GILLIE] that the House recede and concur in the Senate amendment.

The question was taken; and on a division (demanded by Mr. TARVER) there were—ayes 78, noes 31.

Mr. TARVER. Mr. Speaker, I object to the vote on the ground there is no quorum present and I make the point of order that there is no quorum present.

The SPEAKER. Evidently no quorum is present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 255, nays 80, not voting 95, as follows:

[Roll No. 97]

YEAS—255

Allen, Ill.	Goodwin	Murphy
Allen, La.	Gordon	Murray, Wis.
Andersen, H. Carl	Gorski	Myers
Anderson, Calif.	Gossett	Newsome
Anderson, N. Mex.	Grant, Ala.	Norman
Andresen August H.	Grant, Ind.	O'Brien, Ill.
Andrews, Ala.	Green	O'Brien, Mich.
Andrews, N. Y.	Griffiths	O'Brien, N. Y.
Angell	Gross	O'Hara
Arends	Gwynne	Outland
Barrett	Hale	Patton
Barry	Hall	Peterson, Fla.
Bates, Ky.	Hancock	Philbin
Beckworth	Harness, Ind.	Phillips
Bender	Harris, Ark.	Pittenger
Bennett, Mich.	Hart	Ponge
Bennett, Mo.	Hays	Poulson
Bishop	Hébert	Pracht,
Bloom	Hendricks	C. Frederick
Bolton	Hess	Pratt,
Bradley, Pa.	Hill	Joseph M.
Brehm	Hinshaw	Price
Brooks	Hobbs	Ramey
Brown, Ga.	Hoch	Ramspeck
Brown, Ohio	Hoeven	Rankin
Bryson	Holifield	Reed, Ill.
Buffett	Holmes, Mass.	Rees, Kans.
Bulwinkle	Holmes, Wash.	Rivers
Busbey	Hope	Rizley
Butler	Horan	Robinson, Utah
Byrne	Howell	Rockwell
Camp	Hull	Rodgers, Pa.
Canfield	Izac	Rogers, Mass.
Carlson, Kans.	Jackson	Rolph
Carrier	Jarman	Rowan
Carson, Ohio	Jenkins	Sabath
Carter	Jennings	Sadowski
Case	Johnson, Anton J.	Sasscer
Celler	Johnson, J. Leroy	Sauthoff
Chapman	Johnson, Lyndon B.	Scanlon
Chenoweth	Johnson, Ward	Schiffler
Church	Jones	Schwabe
Clason	Jonkman	Scott
Clevenger	Judd	Scrivner
Cochran	Kearney	Sheppard
Coffee	Keefe	Short
Cole, Mo.	Kelley	Sikes
Compton	Kilday	Simpson, Ill.
Costello	King	Slaughter
Cravens	Kinzer	Smith, Maine
Cunningam	Kirwan	Smith, Wis.
Curley	Kleberg	Snyder
Curtis	Knutson	Sparkman
D'Alesandro	Kunkel	Spence
Davis	LaFollette	Springer
Day	Lambertson	Stanley
Dilweg	Landis	Starnes, Ala.
Dingell	Lanham	Stefan
Dirksen	Larcade	Stevenson
Dworshak	LeCompte	Stockman
Eberharter	LeFevre	Sullivan
Elliott	Lesinski	Talbot
Ellis	Ludlow	Talle
Ellison, Md.	Lynch	Thomas, Tex.
Ellsworth	McConnell	Thomason
Elston, Ohio	McCormack	Tibbott
Engle, Calif.	McCowen	Tolan
Feighan	McGehee	Troutman
Fellows	McGregor	Vincent, Ky.
Fenton	McKenzie	Voorhis, Calif.
Fernandez	McWilliams	Vursell
Fisher	Maas	Wadsworth
Fitzpatrick	Madden	Weaver
Flannagan	Manasco	Weichel, Ohio
Fogarty	Mansfield, Mont	Weiss
Gale	Marcantonio	Welch
Gallagher	Martin, Iowa	Wene
Gamble	Martin, Mass.	West
Gavin	Mason	Wickersham
Gearhart	Michener	Willey
Gerlach	Miller, Nebr.	Wilson
Gilchrist	Morrison, La.	Winter
Gillespie	Mott	Wolfenden, Pa.
Gillette	Mruk	Wolverton, N. J.
Gillie	Mundt	Woodruff, Mich.
		Worley
		Wright
		Zimmerman

NAYS—80

Abernethy	Baldwin, N. Y.	Beall
Auchincloss	Barden	Bland
Baldwin, Md.	Bates, Mass.	Bonner
Buck	Jeffrey	Robsion, Ky.
Burch, Va.	Johnson, Ind.	Rohrbough
Burgin	Johnson, Okla.	Russell
Clark	Kean	Satterfield
Colmer	Kee	Smith, Ohio
Cooley	Kerr	Smith, W. Va.
Cooper	McLean	Stigler
Courtney	Mahon	Sumner, Ill.
Crawford	Maloney	Sundstrom
Dewey	May	Taber
Dondero	Miller, Conn.	Tarver
Doughton	Miller, Pa.	Taylor
Drewry	Monkiewicz	Vinson, Ga.
Durham	Monroney	Vorys, Ohio
Engel, Mich	Murray, Tenn.	Walter
Folger	Norrell	Ward
Forand	O'Konski	Wasielewski
Gathings	O'Neal	White
Gore	Pace	Whittington
Graham	Plocser	Wigglesworth
Gregory	Powers	Winstead
Hare	Priest	Wolcott
Herter	Randolph	Woodrum, Va.
Hoffman	Robertson	

NOT VOTING—95

Arnold	Gifford	Merritt
Bell	Granger	Merrow
Blackney	Hagen	Miller, Mo.
Boren	Hale	Mills
Boykin	Hall,	Morrison, N. C.
Bradley, Mich.	Edwin Arthur	Murdock
Brumbaugh	Hall,	Norton
Buckley	Leonard W.	O'Connor
Burchill, N. Y.	Harless, Ariz.	O'Toole
Burdick	Harris, Va.	Patman
Cannon, Fla.	Hartley	Peterson, Ga.
Cannon, Mo.	Heffernan	Pfeifer
Capozzoli	Heidinger	Plumley
Chiperfield	Jensen	Rabaut
Cole, N. Y.	Johnson,	Reece, Tenn.
Cox	Calvin D.	Reed, N. Y.
Croser	Johnson,	Richards
Dawson	Luther A.	Rooney
Delaney	Kefauver	Rowe
Dickstein	Kennedy	Shafer
Dies	Keogh	Sheridan
Disney	Kilburn	Simpson, Pa.
Douglas	Klein	Smith, Va.
Eaton	Lane	Somers, N. Y.
Elmer	Lea	Stearns, N. H.
Fay	Lemke	Stewart
Fish	Lewis	Sumners, Tex.
Ford	Luce	Thomas, N. J.
Fulbright	McCord	Torrens
Fuller	McMillan	Towe
Fulmer	McMurray	Treadway
Furlong	Magnuson	Whelchel, Ga.
Gibson	Mansfield, Tex.	Whitten

So the motion to recede and concur was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Arnold for, with Mr. Reed of New York against.

Mr. O'Connor for, with Mr. Miller of Missouri against.

Mr. Elmer for, with Mr. Whitten against.

General pairs:

Until further notice:

Mr. Peterson of Georgia with Mr. Plumley.

Mr. Kennedy with Mr. Kilburn.

Mr. Rabaut with Mr. Treadway.

Mr. Heffernan with Mr. Rowe.

Mr. Mansfield of Texas with Mr. Lewis.

Mr. Lane with Mr. Hale.

Mr. Harless of Arizona with Mr. Fuller.

Mr. Fay with Mr. Simpson of Pennsylvania.

Mr. Fulbright with Mr. Merrow.

Mr. Klein with Mr. Gifford.

Mr. Mills with Mrs. Luce.

Mr. Capozzoli with Mr. Thomas of New Jersey.

Mr. Dickstein with Mr. Douglas.

Mr. Burchill of New York with Mr. Edwin Arthur Hall.

Mr. Sheridan with Mr. Bradley of Michigan.

Mr. Torrens with Mr. Lemke.

Mr. Cannon of Florida with Mr. Stearns of New Hampshire.

Mr. Rooney with Mr. Heidinger.

Mr. Gibson with Mr. Leonard W. Hall.

Mr. Cox with Mr. Chiperfield.

Mr. McCord with Mr. Calvin D. Johnson.

Mr. Buckley with Mr. Shafer.
Mr. McMurray with Mr. Eaton.
Mr. Delaney with Mr. Fish.
Mr. Magnuson with Mr. Hartley.
Mr. Keogh with Mr. Blackney.
Mr. Bell with Mr. Cole of New York.
Mr. Merritt with Mr. Towe.
Mrs. Norton with Mr. Jensen.
Mr. O'Toole with Mr. Brumbaugh.
Mr. Disney with Mr. Reece of Tennessee.
Mr. Pfeifer with Mr. Hagen.
Mr. Somers of New York with Mr. Burdick.

The doors were opened.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. PRIEST). The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 17: Page 29, line 2, after "639", insert the following: "of which (notwithstanding the above limitation upon buildings) not to exceed $10,000 may be expended for the construction of a building at the Houma (La.) station."

Mr. TARVER. Mr. Speaker, I move that the House recede and concur in Senate amendment No. 17.

The motion was agreed to.

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks at a point just before the roll call vote on the first amendment and include therein a statement from the American Federation of Government Employees.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 25: Page 25, line 38, strike out "258,470" and insert in lieu thereof "$283,470."

Mr. TARVER. Mr. Speaker, I move that the House insist on its disagreement to Senate amendment No. 25.

Mr. HOLMES of Washington. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. HOLMES of Washington moves that the House recede and concur in Senate amendment No. 25.

Mr. TARVER. Mr. Speaker, I yield 5 minutes to the gentleman from Washington [Mr. HOLMES].

Mr. HOLMES of Washington. Mr. Speaker, I make this preferential motion to recede and concur in the Senate amendment raising the appropriation for the eradication of barberry from $258,470 to $283,470.

I make this preferential motion on the basis that there is a heavy infestation of barberry in the eastern section of the State of Washington, one of the greatest wheat-growing sections of the United States.

Barberry comes into this picture in a very important way because it acts as a host plant for the creation and growth of spore of the fungi that causes black stem rust in wheat. In the present Federal program there are already 17 States included. We are asking for this money to bring the State of Washington into the program. These spores are windborne. They respect no geographic boundaries. They are spreading rapidly.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. HOLMES of Washington. I yield to the gentleman from Tennessee.

Mr. JENNINGS. How much acreage is there in Washington in this affected area?

Mr. HOLMES of Washington. Several hundred thousand acres of wheat are located in this affected area. One county alone this last year lost anywhere from 140,000 to 200,000 bushels of wheat. We have lost in eastern Washington, throughout the Palouse country in the past 5 years, through the infestation of black-stem rust, more than a million bushels.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. HOLMES of Washington. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I might say to the gentleman that this barberry eradication should go in all spring wheat areas as well as the areas to which the gentleman has referred.

Mr. HOLMES of Washington. I appreciate the gentleman's contribution, because out in our State, if we would start this particular program now, we would not be penny-wise and pound-foolish.

Mr. JENNINGS. Mr. Speaker, if the gentleman will yield further, how much does the gentleman estimate would be saved in production in bushels of wheat if he gets this small item he is asking for?

Mr. HOLMES of Washington. It would contribute to the saving of at least 300,000 bushels of wheat annually in the eastern section of the State. I think that the wisdom of granting this $25,000 increase to the appropriation would be a piece of money that would be very well spent in view of the food program.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. HOLMES of Washington. I yield to the gentleman from New York.

Mr. TABER. I understand that this is a cooperative program in which the States contribute a certain amount. Can the gentleman tell us whether or not the State of Washington is prepared and ready to contribute its quota to match this $25,000 requested here?

Mr. HOLMES of Washington. The director of agriculture, Mr. Arthur Cox, wired in that the State of Washington is in a position to appropriate matching funds for this $25,000 appropriation and to carry it out along with the other States that are in this program to further the eradication of barberry infestation in that section of the State.

Mr. TARVER. Mr. Speaker, the Congress has always made provision for programs of this type in general terms applicable to the country as a whole. We have the Dutch elm disease eradication program. We have numerous other programs for the eradication of various pests throughout the country. But this is the first time, so far as I have observed, where the Senate has added an appropriation for one particular county in one particular State. This appropriation of $25,000, in addition to the Budget estimate, you may observe from the report of the Senate committee, is intended for application in Whitman County, Wash.

It seemed to our subcommittee that it would be an extremely bad precedent to begin making appropriations for particular counties in a program of this sort. We may reasonably anticipate if we do this that there will be a great number of counties in various parts of the United States that will come in and ask for special appropriations for their counties only.

We gave the full Budget estimate for barberry eradication; every dollar that the Budget said was necessary to carry on the national program. That money is available for use in Whitman County, Wash., just as it is available for use in any county in Idaho or Montana or anywhere else where the barberry pest may flourish. It seems to us that it would be an extremely bad precedent to undertake to deal with one specific county in a particular State and say that as to that particular county we would go $25,000 above the Budget and direct that that expenditure be made in Whitman County, Wash.

Mr. HOLMES of Washington. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Washington.

Mr. HOLMES of Washington. The reason the gentleman mentions Whitman County in the State of Washington is that that county was named as having the highest degree of infestation in the eastern part of the State.

Mr. TARVER. No. The Senate committee said that $25,000 was intended for expenditure in Whitman County. The gentleman did not present this matter to the department and request that it be presented to the Budget. That of course is the regular procedure. If there is an emergency condition in the county of Whitman in the State of Washington, it ought to have special consideration. The gentleman may still present the facts to the Budget, and, if justified, an estimate can be procured and sent over to deal with the situation before the season for the eradication of barberry in the early part of next year begins. I trust the gentleman will pardon me for quoting him. I am sure he will recall his statement to me this morning, that the reason he had not presented it to the Budget and had not requested the department to present the matter to the Budget for consideration was that his State had only decided some 2 or 3 weeks ago that it would match the appropriation if made. That is right, is it not?

Mr. HOLMES of Washington. Partially. The State some time before that had made the arrangements for the matching of the funds; I will admit not at the time I appeared at the hearings before the House Committee on Appropriations.

Mr. TARVER. The gentleman explained to me the failure to present it to the Budget by saying that the State had decided only some 2 or 3 weeks ago to match the money. Is not that right?

Mr. HOLMES of Washington. I did not say that the State had decided only 2 or 3 weeks ago to match the money.

Mr. TARVER. When did the State decide it?

Mr. HOLMES of Washington. It was in the interim between my appearance before the House committee and my appearance before the Senate committee.

Mr. TARVER. That was only some short while ago.

Mr. HOLMES of Washington. About 2 months ago.

Mr. TARVER. Yes. So, if there has been a failure to present the matter through the regular channels to the Budget, that failure has been occasioned by the failure of the State of Washington to take action in the matter itself. The gentleman can now go to the Department and ask the Department to go to the Budget and ask that it send over a special estimate, if one be necessary in its judgment, for the special work desired in Whitman County, Wash.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I think in fairness to the gentleman from Washington it ought to be said that the Department of Agriculture when commenting on the Senate increase said that this was an infested area, that there was a real menace to wheat culture at the present time.

Mr. TARVER. There is no question about that. The Department can use any part of this money which is carried in the bill, $258,000 plus, that they want to in Whitman County, Wash. There is no reason why they should not do it. Here we are asked to appropriate one-tenth as much money for Whitman County, Wash., as is made available by the bill to the entire 17 States, I think it is, in the United States where the barberry pest exists. It seems to me that would be an exceedingly bad precedent to set.

Mr. HOLMES of Washington. I call the attention of the gentleman to the statement of the Department of Agriculture at the House hearing that the two-hundred-and-fifty-eight-thousand-odd dollars was not sufficient to expand the program to additional geographical territories.

Mr. TARVER. Yet they have a perfect right to use any part of that money they may desire in that territory, and they have the right to go to the Budget and ask for more money. We gave them all they said they wanted.

Mr. HORAN. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Washington.

Mr. HORAN. The State of Washington was not in that list of 17 States that have this eradication program. Would the committee accept a deficiency appropriation request later on?

Mr. TARVER. My committee does not handle deficiency appropriations, but, as I say, all Budget requests for dealing with this pest have been granted heretofore. If the gentleman from Washington and his colleague will go through the regular course and present the matter to the Budget, I think they may be assured of a sympathetic hearing according to their needs.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from New York.

Mr. TABER. Is it not true that this $258,000 is allocated to the various States which had prior to the time of the submission of the Budget estimate arranged to cooperate with the Department of Agriculture, and that a new State coming in with an emergency situation, unprepared to contribute, would be out of luck? That is the picture that is presented.

Mr. TARVER. No, it is not allocated to any particular State or section by law. If it has been allocated by the Department, the Department has a perfect right to change its allocations. There is nothing obligatory in the allocations which have been made by the Department.

Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, it is possible that the Members of the House may be interested in the administration of this fund—in the Department's procedure in the eradication of this pest, the modus operandi, as reported at first hand by a farmer in my State. This farmer, who owns a farm in northern Missouri, reports on the method of handling this work, and incidentally the method of spending the money which we are appropriating for this purpose, as follows: He said that one day a Government man drove up in an automobile and introduced himself as an employee of the United States Department of Agriculture engaged in the eradication of barberry. He asked if the farmer had any barberry on his farm. The farmer replied that he believed there was a bush up in the west pasture and directed him to the field. The Government man went up and found it and looked it over. The farmer took for granted that as he was engaged in barberry eradication and this was a small bush, he would dig it up. But he took no action except to make a notation in a book he carried and got in his automobile, and drove away.

The farmer had forgotten about the matter until about 2 weeks later when a pick-up truck drove up with a driver and two other men and told him they had a report that there was a barberry bush on his farm and they had come to dispose of it. The farmer was by this time so interested in the bush that had caused so much attention that he walked up through the pasture and showed them the bush, supposing they would dig it up this time and get rid of it. But they had brought along a bag of salt and salted the bush and wrote down some kind of a report and got back in the truck and drove away. The treatment was effective. At least the bush died, the farmer was certain he had heard the last of his now famous barberry bush.

But about a month later another Government man drove into his place and said he understood a barberry bush had been destroyed on the farm, and he was there to check up on it. He directed the man up to the pasture, and presently he came back and said yes, the bush had been destroyed, and sat down on a bench under the shade of a tree in the yard and wrote out a report and then got in his automobile and drove away. When asked if the bush had ever done any damage the farmer said he did not know; that he had never heard of it doing any damage, but it was certainly dead now and had been written up three times.

It took five men, two automobiles, and one pick-up truck, and an unestimated amount of Government money to get that one bush, and with highly problematical advantages, if any, although the farmer seemed to be much impressed with the efficiency of the Department of Agriculture. As he said, when they did anything, they did it right.

I received a letter last year from a constituent who wrote that he had been up in Montana to visit a cousin who lived up there. He wrote that his cousin had a wonderful job with the Government driving over the country looking for barberry bushes. He wanted me to get him the same kind of a job. He said it was a grand job, as all his cousin had to do was drive around and look for barberry bushes, and the Government paid his expenses and a good salary. He was so certain that I could get him a job like that which would permit him to quit farm work and take to the road, that it was with real regret that I had to write and disillusion him.

All the men who hold these jobs, and the office men who direct them, seem to be strongly in favor of large appropriations for this purpose, and, in view of their enthusiasm, it is to be regretted that conditions and results secured do not warrant increased appropriations for the purpose. We have a war on our hands and our funds for local and nonmilitary purposes are more limited than they were when this campaign was undertaken some 8 or 10 years ago. We have the greatest public debt in the history of this or any other country. Every dollar of the money provided by this amendment must be borrowed and adds to that debt. It must be taken out of the money we are asking the people to pay for bonds in the Fifth War Loan drive. I am a farmer and I favor every legitimate farm appropriation that will help win the war. But such an appropriation as this is absolutely unjustifiable from any point of view.

After years of study of the situation on the part of the committee there is no ground on which to base a belief that the expenditure of this additional money will add a bushel of wheat to next year's crop. But even if it did it is inexpedient at this time. Happily, there is no prospect of a shortage in wheat production. We had a report from the Department of Agriculture last week estimating a wheat crop for 1944 in excess of 1,000,000,000 bushels. We are growing the greatest crop of wheat this year ever produced in the United States. Under the circumstances, with the greatest wheat supply in prospect ever

produced, and the war nearing its concluding phase, I cannot conceive of anyone asking the House to override the committee in its carefully considered opposition to the expenditure of further funds for such a purpose.

Mr. Speaker, this amendment is an astonishing proposal. It is for a single county in the United States, an unheard of appropriation. It is extravagance and waste pure and simple. There is no Budget estimate for it. The entire committee and the subcommittee which has studied this subject for years reported against it unanimously. No agronomist will testify that its expenditure will produce a single additional bushel of wheat during the war. We are already so deep in dept it will take generations to pay us out, and we are borrowing money from every conceivable source to support our expenditure of $7,000,000,000 a month to win the war. I trust the House will support the committee against all such unprecedented, unwarranted, and untenable expenditures.

Mr. TARVER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington.

The question was taken; and on a division (demanded by Mr. HOLMES of Washington) there were—ayes 93, noes 71.

Mr. CANNON of Missouri. Mr. Speaker, I object to the vote on the ground no quorum is present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Two hundred and two Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members and the Clerk will call the roll.

The question was taken; and there were—yeas 189, nays 132, not voting 109, as follows:

[Roll No. 98]

YEAS—189

Allen, Ill.	Coffee	Gross
Andersen, H. Carl	Cole, Mo.	Gwynne
Anderson, Calif.	Compton	Hancock
Andresen, August H.	Cunningham	Harness, Ind.
Angell	Curtis	Hart
Arends	Day	Hendricks
Auchincloss	Dewey	Herter
Baldwin, N. Y.	Dilweg	Hess
Barrett	Dingell	Hill
Beall	Dirksen	Hinshaw
Bender	Dworshak	Hoeven
Bennett, Mich.	Elliott	Hoffman
Bennett, Mo.	Ellis	Holmes, Mass.
Bishop	Ellison, Md.	Holmes, Wash.
Bolton	Ellsworth	Hope
Brehm	Elston, Ohio	Horan
Brown, Ohio	Engel, Mich.	Howell
Buck	Engle, Calif.	Hull
Buffett	Fellows	Izac
Busbey	Fenton	Jackson
Butler	Fish	Jeffrey
Canfield	Gale	Jenkins
Carlson, Kans.	Gallagher	Jennings
Carrier	Gamble	Johnson, Anton J.
Carson, Ohio	Gavin	Johnson, Ind.
Carter	Gearhart	Johnson, J. Leroy
Case	Gerlach	Johnson, Ward
Chapman	Gilchrist	Jonkman
Chenoweth	Gillespie	Judd
Church	Gillette	Kearney
Clason	Gillie	Keefe
Clevenger	Goodwin	King
Cochran	Grant, Ind.	Kinzer
Colmer	Griffiths	Kirwan
Cooley	O'Brien, N. Y.	Kleberg
Cooper	O'Hara	Knutson
Costello	O'Konski	LaFollette
Courtney	Patton	Landis
Cox	Peterson, Fla.	Larcade
Cravens	Phillips	LeCompte
Crawford	Pittenger	LeFevre
Curley	Poulson	Lesinski
D'Alesandro	Powers	McConnell
Drewry	Pratt, Joseph M.	McCowen
Durham	Price	McGregor
Eberharter	Ramey	McKenzie
Feighan	Rankin	McWilliams
Fernandez	Reed, Ill.	Maas
Fisher	Rees, Kans.	Mansfield, Mont.
Fitzpatrick	Rivers	Marcantonio
Flannagan	Rizley	Martin, Iowa
Folger	Robsion, Ky.	Martin, Mass.
Forand	Rockwell	Michener
Gathings	Rodgers, Pa.	Miller, Nebr.
Gordon	Rogers, Mass.	Miller, Pa.
Gore	Rolph	Morrison, La.
Gorski	Sauthoff	Mott
Gossett	Schiffler	Mruk
Graham	Schwabe	Mundt
Grant, Ala.	Scott	Murray, Wis.
Green	Scrivner	Norman
Gregory	Short	O'Brien, Mich.
Hare	Simpson, Ill.	Pracht.
Harris, Ark.	Smith, Maine	C. Frederick
Hays	Smith, Wis.	Rabaut
Hébert	Snyder	Reece, Tenn.
Hobbs	Sparkman	Reed, N. Y.
Hoch	Springer	Richards
Holifield	Stanley	Robinson, Utah
Jarman	Starnes, Ala.	Rooney
Johnson, Lyndon B.	Stefan	Rowe
Johnson, Okla.	Stevenson	Sabath
Jones	Stockman	Shafer
Kean	Sumner, Ill.	Sheridan
Kee	Taber	Sikes
Kelley	Talbot	Simpson, Pa.
Kerr	Talle	Slaughter
Kilday	Tibbott	Smith, Va.
Kunkel	Troutman	Somers, N. Y.
Lambertson	Vorys, Ohio	Stearns, N. H.
Lanham	Vursell	Stewart
Ludlow	Wadsworth	Taylor
McCormack	Wasielewski	Thomas, N. J.
McGehee	Welchel, Ohio	Torrens
McLean	West	Towe
McMillan	White	Treadway
Madden	Wickersham	Vinson, Ga.
Mahon	Wigglesworth	Welch
Maloney	Willey	Whelchel, Ga.
Manasco	Wilson	Whitten
May	Winter	
Miller, Conn.	Wolcott	
Monkiewicz	Wolfenden, Pa.	
Monroney	Wolverton, N. J.	
Murphy	Woodruff, Mich.	
Murray, Tenn.		
Myers		

NAYS—132

Abernethy	Gathings	Newsome
Allen, La.	Gordon	Norrell
Anderson, N. Mex.	Gore	O'Brien, Ill.
Andrews, Ala.	Gorski	O'Neal
Baldwin, Md.	Gossett	Outland
Barden	Graham	Philbin
Barry	Grant, Ala.	Ploeser
Bates, Mass.	Green	Poage
Beckworth	Gregory	Priest
Bland	Hare	Ramspeck
Bloom	Harris, Ark.	Randolph
Bonner	Hays	Robertson
Bradley, Pa.	Hébert	Rohrbough
Brooks	Hobbs	Rowan
Brown, Ga.	Hoch	Russell
Bryson	Holifield	Sadowski
Bulwinkle	Jarman	Sasscer
Burch, Va.	Johnson, Lyndon B.	Satterfield
Burgin	Johnson, Okla.	Scanlon
Camp	Jones	Sheppard
Cannon, Mo.	Kean	Smith, Ohio
Celler	Kee	Smith, W. Va.
Clark	Kelley	Spence
Cochran	Kerr	Stigler
Colmer	Kilday	Sullivan
Cooley	Kunkel	Sumners, Tex.
Cooper	Lambertson	Sundstrom
Costello	Lanham	Tarver
Courtney	Ludlow	Thomas, Tex.
Cox	McCormack	Thomason
Cravens	McGehee	Tolan
Crawford	McLean	Vincent, Ky.
Curley	McMillan	Voorhis, Calif.
D'Alesandro	Madden	Walter
Drewry	Mahon	Ward
Durham	Maloney	Weaver
Eberharter	Manasco	Weiss
Feighan	May	Wene
Fernandez	Miller, Conn.	Whittington
Fisher	Monkiewicz	Winstead
Fitzpatrick	Monroney	Woodrum, Va.
Flannagan	Murphy	Worley
Folger	Murray, Tenn.	Wright
Forand	Myers	Zimmerman

NOT VOTING—109

Andrews, N. Y.	Dondero	Hartley
Arnold	Doughton	Heffernan
Bates, Ky.	Douglas	Heidinger
Bell	Eaton	Jensen
Blackney	Elmer	Johnson, Calvin D.
Boren	Fay	Johnson, Luther A.
Boykin	Fogarty	Kefauver
Bradley, Mich.	Ford	Kennedy
Brumbaugh	Fulbright	Keogh
Buckley	Fuller	Kilburn
Burchill, N. Y.	Fulmer	Klein
Burdick	Furlong	Lane
Byrne	Gibson	Lea
Cannon, Fla.	Gifford	Lemke
Capozzoli	Granger	Lewis
Chiperfield	Hagen	Luce
Cole, N. Y.	Hale	Lynch
Crosser	Hall, Edwin Arthur	McCord
Davis	Hall, Leonard W.	McMurray
Dawson	Halleck	Magnuson
Delaney	Harless, Ariz.	Mansfield, Tex.
Dickstein	Harris, Va.	Mason
Dies	Merritt	Morrison, N. C.
Disney	Merrow	Murdock
	Miller, Mo.	Norton
	Mills	O'Connor
		O'Toole
		Pace
		Patman
		Peterson, Ga.
		Pfeifer
		Plumley

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Reed of New York for, with Mr. Peterson of Georgia against.

Mr. Fuller for, with Mr. Keogh against.

Mr. Taylor for, with Mr. McMurray against.

Mr. Burdick for, with Mr. Pfeifer against.

Mr. Douglas for, with Mr. Lane against.

Mr. Magnuson for, with Mr. Kennedy against.

Mr. Kilburn for, with Mr. Byrne against.

Mr. Calvin Johnson for, with Mr. Heffernan against.

Mr. Elmer for, with Mr. Buckley against.

Mr. Merrow for, with Mr. Capozzoli against.

Mr. Miller of Missouri for, with Mr. Dickstein against.

Mr. Hale for, with Mr. Rooney against.

Mr. Arnold for, with Mr. Fay against.

Mr. Rowe for, with Mr. Delaney against.

Mr. Halleck for, with Mr. Lynch against.

General pairs:

Mr. Somers of New York with Mr. Dondero.

Mr. Vinson of Georgia with Mr. Eaton.

Mr. Robinson of Utah with Mr. Andrews of New York.

Mr. Harless of Arizona with Mr. Blackney.

Mr. Fulbright with Mr. Heidinger.

Mr. McCord with Mr. Mason.

Mr. Fogarty with Mr. Welch.

Mr. Smith of Virginia with Mr. Plumley.

Mr. Doughton with Mr. Chiperfield.

Mr. Bates of Kentucky with Mr. C. Frederick Pracht.

Mr. Crosser with Mr. Shafer.

Mr. Pace with Mr. Simpson of Pennsylvania.

Mr. Boykin with Mr. Thomas of New Jersey.

Mr. Fulmer with Mr. Hagen.

The doors were opened.

The result of the vote was announced as above recorded.

COMMITTEE ON MILITARY AFFAIRS

Mr. MAY. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs of the House may sit during the sessions of the House on tomorrow and the day following. In explanation of this request, may I say that we have two or three small bills which the war Department is urging to be considered before recess. We are not quite through the hearings. It is my purpose to sit while the House is in session for just a few minutes.

The SPEAKER. Usually objection has been made to committees sitting while bills are being read for amendment or while conference reports are being considered by the House. But the Chair will put the gentleman's request. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, in view of the statement made by the Speaker, which represents the policy of the House, may I ask the gentleman if he will amend his request and ask that the committee may

sit while general debate on any bill is going on in Committee of the Whole? That would be more agreeable and would conserve the practice that has been consistently adhered to.

Mr. MAY. Mr. Speaker, I would be very happy to do that except for one thing. The committee is called to meet at 10 o'clock tomorrow morning and the House will meet at the same hour. I am hopeful that we can get through with General White's testimony in about 15 minutes. If I should agree that the committee would sit only during general debate that might not take place on a bill for an hour and a half after we met.

Mr. McCORMACK. There are reasons why we have this practice which has been strictly adhered to that no committee be given permission to sit while the House is considering a bill in the amendment stage or while a conference report is before the House. There are sound, practical reasons why that practice exists and has been strictly adhered to. Could not the committee meet at 9:30?

Mr. MAY. The members have been notified that the committee will meet at 10 o'clock, in the belief that we would have an hour before the House met. I may say to the gentleman that if my request is not granted, and even if it is, it may happen that the bills will have to go over until after the recess. One of them is vitally important in the respect that General White is urging it as a morale builder for the infantry forces on the battle front.

Mr. McCORMACK. I appreciate that the gentleman did not know that the House was going to meet tomorrow morning at 10 o'clock when he made arrangements for his committee meeting. We are hopeful, however, that we will be able to dispose of all business and take a recess the latter part of the week. I do not want to agree to anything which will constitute a precedent. I have no objection, if it is agreeable to the gentleman from Massachusetts, and it is not to be considered as a precedent. Would not the gentleman modify his unanimous consent request for the committee to sit between 10 and 11 o'clock tomorrow?

Mr. MAY. I will agree to that.

Mr. McCORMACK. I do not want that to be considered as a precedent for the future insofar as unanimous-consent requests may be made for committees to sit while the House is considering a bill in its important stages, or a conference report.

Mr. MAY. Personally, I do not want to be captious or contentious. I will modify my request that the committee may sit between 10 and 11 o'clock tomorrow morning.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, has the gentleman consulted the ranking minority member of that committee?

Mr. MAY. No; I have not been able to find him.

Mr. MARTIN of Massachusetts. The gentleman has not consulted any of the minority members of the committee?

Mr. MAY. No. There are several of them present. If any one of them objects, I shall withdraw the request.

Mr. MARTIN of Massachusetts. Mr. Speaker, I do not feel that I can permit the request to go through under the circumstances.

Mr. MAY. Mr. Speaker, I withdraw the request.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE APPROPRIATION BILL—1945

Mr. KERR. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes, further insist on disagreement to Senate amendment No. 10, and agree to a further conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. KERR]?

There was no objection, and the Speaker appointed the following conferees on the part of the House: Messrs. RABAUT, KERR, HARE, O'BRIEN of Illinois, CARTER, STEFAN, and JONES.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL—1945

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 27: Page 42, line 15, strike out "at a total cost not to exceed $15,000" and insert the following: ": *Provided*, That the cost of erecting any one building shall not exceed $7,500, and the cost of alterations to any one building in a fiscal year shall not exceed $500 or 2 percent of the cost of the building as certified by the Secretary, whichever is greater."

Mr. TARVER. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Mr. TARVER moves that the House recede from its disagreement to the amendment of the Senate No. 27, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment, insert the following: ": *Provided*, That the cost of erecting any one building shall not exceed $7,500, and the cost of alterations to any one building shall not exceed $500 or 2 percent of the cost of the building as certified by the Secretary, whichever is greater."

The SPEAKER. The question is on the motion offered by the gentleman from Georgia [Mr. TARVER].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 54, line 25, after the word "Columbia" insert a colon and the following: *"Provided*, That the Secretary may authorize expenditures not to exceed $1,000,000 from this appropriation for preventing and suppressing forest fires on critical areas of national importance without requiring an equal expenditure by the State and private owners."

Mr. TARVER. Mr. Speaker, I move that the House recede and concur in Senate amendment No. 40 with an amendment.

The Clerk read as follows:

Mr. TARVER moves that the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In the fourth line of the matter proposed to be inserted by said amendment before the word "critical" insert the word "extremely."

The motion was agreed to.

Mr. TARVER. Mr. Speaker, I ask unanimous consent that consideration of Senate amendment 41 be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 43: Page 59, line 18, after the figures "$200,000: insert upon authorization or approval of the War Food Administrator, travel expenses to and from their homes or regular places of business in accordance with the Standardized Government Travel Regulations not to exceed $20,000, including travel in privately owned automobiles of persons employed intermittently away from their homes or regular places of business as consultants and receiving compensation on a per diem when actually employed basis."

Mr. TARVER. Mr. Speaker, I move that the House recede and concur in Senate amendment No. 43.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 48: Page 62, line 10, after the parentheses, insert "; and the method that is now used for the purposes of Commodity Credit Corporation loans for determining the parity price or its equivalent for ⅞-inch Middling cotton at the average location used in fixing the base loan rate for cotton shall also be used for determining the parity price for ⅞-inch Middling cotton at such average location for the purposes of this proviso: *Provided further*."

Mr. TARVER. Mr. Speaker, I move that the House recede and concur in Senate amendment No. 48.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 52: Page 64, line 5, after the word "inclusive", insert ", and, in addition, $12,500,000 for making additional payments on an acreage and pound basis for harvesting seeds of grasses and legumes determined by the War Food Administrator to be necessary for an adequate supply of such seeds."

Mr. TARVER. Mr. Speaker, I move that the House recede and concur in Senate amendment No. 52.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 53: Page 64, line 9, after the word "Provided" strike out down to and including the word "further" in line 17, as follows: "That no part of said appropriation or any other appropriation in this act

shall be used for incentive or production adjustment payments, except for soil-conservation and water-conservation payments and payment of acreage allotment commitments on commodities as defined in the Agricultural Adjustment Act of 1938, as amended, and as enumerated and set forth in the '1944 Agricultural Conservation Program' bulletin, dated February 9, 1944."

Mr. TARVER. Mr. Speaker, I move that the House recede and concur in Senate amendment No. 53 with an amendment.

The Clerk read as follows:

Mr. Tarver moves that the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows:

"Restore the matter stricken out by said amendment, amended to read as follows:

"'That, excepting the foregoing item of $12,500,000, no part of said appropriation or any other appropriation in this act shall be used for incentive or production adjustment payments, except for soil-conservation and water-conservation payments and payment of acreage allotment commitments on commodities as defined in the Agricultural Adjustment Act of 1938, as amended, and as enumerated and set forth in the "1944 Agricultural Conservation Program" bulletin, dated February 9, 1944: *Provided further,* "

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 59: Page 67, line 5, after the word "producers" insert "*Provided further,* That the War Food Administrator is authorized and directed to make payments on Irish potatoes and commercial truck crops for fresh consumption under the 1943 agricultural conservation program with respect to any farm if the War Food Administration determines that the producer would have been eligible for such payments except for the failure of such producer, because of negligence of an officer or agent of the Federal Government, to file on or before June 30, 1943, Form ACP-140, and such payments shall be made out of funds appropriated for the purposes of section 32 of the act entitled 'An act to amend the Agricultural Adjustment Act, and for other purposes,' approved August 24, 1935 (49 Stat. 774)."

Mr. TARVER. Mr. Speaker, I move that the House recede and concur in Senate amendment No. 59.

The motion was agreed to.

Mr. TARVER. Mr. Speaker, I ask unanimous consent that consideration of Senate amendment No. 60 be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 63: Page 72, line 22, insert the following:

"EXPORTATION AND DOMESTIC CONSUMPTION OF AGRICULTURAL COMMODITIES

"To enable the Secretary to further carry out the provisions of section 32, as amended, of the act entitled 'An act to amend the Agricultural Adjustment Act, and for other purposes,' approved August 24, 1935, and subject to all provisions of law relating to the expenditure of funds appropriated by such section, during the fiscal year ending June 30, 1945, funds appropriated by or for the purposes of section 32 of said act shall be available to the Secretary for the maintenance and operation of a school milk and lunch program under clause (2) of said section 32 in a sum not exceeding $50,000,000: *Provided,* That such funds shall be available for such purposes during the fiscal year 1945 without regard to the requirement therein relating to the encouragement of domestic consumption but no part of such funds shall be available to defray the expenses of any activity heretofore carried on by the Work Projects Administration."

Mr. TARVER. Mr. Speaker, I move that the House recede and concur in Senate amendment No. 63 with an amendment.

The Clerk read as follows:

Mr. TARVER moves that the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following:

"EXPORTATION AND DOMESTIC CONSUMPTION OF AGRICULTURAL COMMODITIES

"Not exceeding $50,000,000 of the funds appropriated by and pursuant to this section may also be used during the fiscal year ending June 30, 1945, to provide food for consumption by children in nonprofit schools of high-school grade or under and for child-care centers through (a) the purchase, processing, and exchange, and the distribution of agricultural commodities and products thereof; or (b) the making of payments to such schools and centers or agencies having control thereof in connection with the purchase and distribution of agricultural commodities in fresh or processed form and, when desirable, for the processing and exchange of such commodities and their products; or (c) by such other means as the Secretary may determine: *Provided,* That funds appropriated for the purposes of this program shall be apportioned for expenditure in the States, Territories, possessions, and the District of Columbia in accordance with school enrollment and need, as determined by the Secretary, except that if program participation in any State does not require all funds so apportioned, the Secretary may reapportion such excess funds to such other States in consideration of need, as he may determine: *Provided further,* That benefits under this section to schools or child-care centers shall in no case exceed the cost of the agricultural commodities or products thereof delivered to the school or child-care center as established by certificates executed by the authorized representative of the sponsoring agency: *Provided further,* That such sponsoring agency shall maintain accounts and records clearly establishing costs of agricultural commodities or products furnished in the program and that such accounts and records shall be available for audit by representatives of the Department of Agriculture: *Provided further,* That these funds may be used for, or to make payments in connection with, the purchase of such agricultural commodities and for exchanging, distributing, disposing, transporting, storing, processing, inspection, commission, and other incidental costs and expenses without regard to the provisions of section 3709 of the Revised Statutes and without regard to the 25 percent limitation contained in this section: *Provided further,* That not more than 2 percent of the funds made available under this amendment shall be used to provide food for children in child-care centers. The amount of funds used in any State during any fiscal year under this paragraph shall not exceed the total amount otherwise furnished for the same purpose by or on behalf of the State and local school authorities and other sponsoring agencies in such State including the value of donated services and supplies, as certified by the respective schools, care centers or agencies having control thereof."

Mr. TARVER (interrupting the reading of the amendment). Mr. Speaker, in view of the fact that the language is practically the same as that contained in the Pace bill, H. R. 4278, relating to the school-lunch program, as amended by the House on June 1, 1944, I ask unanimous consent that the further reading of the amendment may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Georgia.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read, as follows:

Senate amendment No. 65: Page 79, line 22, insert the following:

"LOANS, GRANTS, AND RURAL REHABILITATION

"To enable the Secretary through the War Food Administration to continue to provide assistance through rural rehabilitation and grants to needy farmers in the United States, its Territories, and possessions, including (1) farm debt adjustment service, and making and servicing of loans and grants under this and prior laws, (2) loans to needy individual farmers, (3) grants, and (4) liquidation as expeditiously as possible of Federal rural rehabilitation projects under the supervision of the War Food Administration, $28,265,000, which sum shall be also available for necessary administrative expenses incident to the foregoing, including personal services in the District of Columbia and elsewhere; not to exceed $57,000 for compensation of experts without regard to the Classification Act of 1923, as amended; purchase of lawbooks, books of reference, periodicals, and newspapers; purchase, operation, and maintenance of motor-propelled passenger-carrying vehicles; and printing and binding: *Provided,* That the War Food Administrator shall transmit to the Congress semiannually a progress report with respect to the liquidation of Federal rural rehabilitation projects, under his supervision, showing by name and by States all dispositions of such projects, or parts thereof, together with the amounts of Federal funds expended in the process of liquidation, and any losses incurred in the use of such funds.

"In making any grant payments under this act the Secretary is authorized to require with respect to such payments the performance of work on useful public projects, Federal and non-Federal, including work on private or public land in furtherance of the conservation of natural resources, and the provisions of the act of February 15, 1934 (5 U. S. C. 796), as amended, relating to disability or death compensation, and benefits shall apply to those persons performing such work: *Provided,* That this section shall not apply to any case coming within the purview of the workmen's compensation law of any State, Territory, or possession, or in which the claimant has received or is entitled to receive similar benefits for injury or death.

"For additional funds for the purpose of making rural rehabilitation loans to needy individual farmers, who are unable to obtain credit elsewhere at comparable rates for the area where such loan is proposed to be made, the Reconstruction Finance Corporation is authorized and directed to make advances to

the Secretary upon his request in an aggregate amount of not to exceed $96,710,000. Such advances shall be made (1) with interest at not to exceed the rate of 3 percent per annum payable semiannually; (2) upon the security of obligations acceptable to the Corporation heretofore or hereafter acquired by the Secretary pursuant to law; (3) in amounts which shall not exceed 75 percent of the then unpaid principal amount of the obligations securing such advances; and (4) upon such other terms and conditions, and with such maturities, as the Corporation may determine. The Secretary shall pay to the Corporation, currently as received by him, all moneys collected as payments of principal and interest on the loans made from the amounts so advanced or collected upon any obligations held by the Corporation as security for such advances, until such amounts are fully repaid. The amount of notes, debentures, bonds, or other such obligations which the Corporation is authorized and empowered to issue and to have outstanding at any one time under the provisions of law in force on the date this act takes effect is hereby increased by an amount sufficient to carry out the provisions of this paragraph.

"None of the moneys appropriated or otherwise authorized under this caption ('Loans, grants, and rural rehabilitation') shall be used for (1) the purchase or leasing of land or for the carrying on of any land-purchase or land-leasing program; (2) the carrying on of any operations in collective farming, or cooperative farming, or the organization, promotion, or management of homestead associations, land-leasing associations, land-purchasing associations, or cooperative land purchasing for colonies of rehabilitants or tenant purchasers, except for the liquidation as expeditiously as possible of any such projects heretofore initiated; or (3) the making of loans to any individual farmer in excess of $2,500; or (4) the making of loans to any cooperative association; or (5) the making of loans for the payment of dues to or the purchase of any share or stock interest in any cooperative association (except for medical, dental, or hospital services) or for any expenditure other than that deemed necessary, in the discretion of the Administrator, for the production of agricultural commodities.

"The Secretary of Agriculture may expend funds administered by him as trustee under the various transfer agreements with the several State rural rehabilitation corporations only for purposes for which funds made available under this caption may be expended, and the limitations applicable to such funds shall also be applicable to the expenditure of such trust funds by the Secretary of Agriculture.

"The appropriation and authorizations herein made under the heading 'Loans, grants, and rural rehabilitation, shall constitute the total amount to be available for obligation under this heading during the fiscal year 1945 and shall not be supplemented by funds from any source.

"No part of the appropriation herein made under the heading 'Loans, grants, and rural rehabilitation' shall be available to pay the compensation of any person appointed in accordance with the civil-service laws."

Mr. TARVER. Mr. Speaker, I move the House recede and concur in Senate amendment No. 65 with an amendment.

Mr. TABER. Mr. Speaker, that amendment is highly controversial.

Mr. TARVER. If the gentleman thinks it is controversial, I should be glad to ask unanimous consent that it be passed over.

Mr. TABER. I think the next one is also controversial.

Mr. TARVER. In that case, Mr. Speaker, I think perhaps we had better desist from further efforts today and take these matters up tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, if I may take just a minute to remind the House, tomorrow, when action on this conference report is resumed, we will take up the guayule amendment, and the Farm Security, Farm Tenant, and Farm Utilities amendments; is that correct?

Mr. TARVER. Yes; I think that is correct.

EXTENSION OF REMARKS

Mr. MORRISON of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. MORRISON of Louisiana. Mr. Speaker, since only 1 hour will be alloted to debate on the WASP bill I think that Members of this House are entitled to know the real facts concerning the controversy between the WASPS and the C. A. A.-W. T. S. programs. Every man that was taken in the C. P. T.-C. A. A.-W. T. S. program was given the understanding that he would receive a commission in the Army Air Forces. Whereas most of these promises were made by the C. A. A., the Army acquiesced in them and these men at considerable self-sacrifice trained and instructed thousands of the flyers who are now being decorated for their outstanding acts of bravery in combat zones all over the world. Had these men chosen some other branch of the armed forces at the time they started in this program, all would be officers today with the rank of lieutenant up. Many were offered commissions in the Navy.

A. A. F. officials say the Air Force is now large enough and instead of the Army Air Forces taking these men in, the A. A. F. has decided to let these thousands go into the walking army and thereby lose the value of the skill and experience of these men who have anywhere from 200 hours to 4,000 hours of flying time. Instead of utilizing these men, which number approximately 7,500, the A. A. F. plan to spend $100,000,000 in the training of 5,000 WASPS, who when finished will not be able to perform as many services of flying in the Air Forces as the C. A. A.-W. T. S. instructors and trainees can do at this time, or could do with very little additional training. In other words, it is a duplication that will cost the taxpayers over $100,000,000.

The WAC's, WAVES, SPARS, and MARINES were given military status by Congress, who authorized their mobilization. However, 1,000 WASPS are in the process of being trained without any authorization from Congress. It has been a glamorous but unnecessary duplication and many men with ability have been sitting idle for weeks, while some with 1,000 hours or more are existing on unemployment insurance.

The Army is very concerned for some reason about this WASP program. Miss Cochran recently stated, "If the war lasts long enough we will probably use women pilots for noncombat duties in some theaters of war." Not that those in the WASP program are not sincere and patriotic, because the girls really think there is a job for them to do and most of them are very conscientious about it.

The program for women flyers as originally started by the WAFS, where approximately 100 of the finest women flyers in America were utilized for ferrying, did a wonderful job. These were experienced and the cream of the crop, having 500 hours or more of flying time. At one time General Arnold made the statement, "I am not going to gum up the Air Forces with 200 women pilots." But evidently he has done an about face as he is now pressing for the mobilization of not 200 women flyers but 5,000. The flying requirements for women when the program was first started was 500 hours and this has gradually been dropped until today the WASPS have as their requirement only 35 hours of either solo or dual time, with age limit from 18½ years to 35. The WASPS are perhaps the most super-duper and glamorous of all programs. Magazines have played them up and even the movies contributed a picture in their behalf. Their natty and stylish uniforms were tailored on Fifth Avenue in New York and cost over $500 for each WASP. Not long ago several news writers traveled to Camp Davis, N. C., to see the WASPS at work towing targets for anti-aircraft forces. Two girls, one of whom burned to death, were killed at this work.

There is absolutely no need for girl pilots in the Army at this time and there are thousands of men pilots at this moment unacceptable for combat who are begging for an opportunity to fly in the ferry command. When one of the WASPS were told they were to receive a commission as major, she promptly said, "Not me. What would my brother think who is bombing Berlin each night? He is only a lieutenant and yet you are trying to make me a major. I prefer not to have the commission."

At one flying field some of the officers of the A. A. F. always cracked a smile whenever a WASP's name was called for flying and they refused to take more than five WASPS in this airport, giving as their reason that they were oversupplied.

If the WASPS themselves knew the situation as it actually exists there would be no more WASP program. Only 30 percent of the WASPS want to be actually militarized, but here is the catch—when they were questioned by the A. A. F. they were given the choice of being militarized or resign, so naturally they were forced to agree to militarization and the Army assumes therefore that 93 percent want militarization. One WASP is quoted as saying that Jacqueline Cochran openly brags that she has General

Arnold behind her in anything she wants as far as the WASPS are concerned. There are at least 10,000 C. A. A.-W. T. S. pilots who would require little or no training to do any kind of ferry work. Today many of the W. T. S. trainees are peeling potatoes in the Regular Army and some are existing on unemployment insurance.

At present the WASPS have two fears, both of them are very hush-hush. One, that they will be militarized, and the other that they will be forced to work as instructors. That is the one great fear and the one thing that the WASPS would despise the most; as one WASP put it—there is no glamour sitting in a plane for 6 hours a day trying to teach some inexperienced kid how to fly a ship. However, women instructors like Irene Crum with 2,500 hours, Ruth Chalmers with 3,500 hours, and Dot Lemon with 5,000 hours, who are as skilled as any women pilots in the world, have done a great job in instructing and training men pilots.

One thing unusual about the WASP is that unlike the WAVES or WAC's there is no noncommissioned personnel and it is understood that the WASP is to be an elite corps with no privates, no corporals, and no sergeants. It is very unusual that the Army should train civilian employees as there has been no legal authority given the A. A. F. for the training of these WASPS. The reason given is the fact that the high command of the A. A. F. consider the WASPS as professionals and the comparison has been made to such professional people as doctors who require 7 years of schooling, nurses who require 4 years of training, and WASPS by comparison who require only 27 weeks.

There is a ruling that no woman is eligible to join the WAC if she has any children under 18, yet there is no provision in this connection as far as the WASPS are concerned. If a WASP washes out 2 weeks before graduation she is a complete loss. However, if a WAC does not get a commission she goes back to her place as a sergeant, corporal, or private and her use to the armed service is continued. The area in which the WASPS can serve has never been defined. General Arnold in his testimony before the Military Affairs Committee of the House stated:

> We haven't as yet sent any women in active combat theater and there is no intention that we will.

However, the Secretary of War in a letter to the Comptroller General stated:

> It is also contemplated that the (WASP) services may be required in foreign countries in the near future.

Perhaps the irony of the whole WASP program is that many instructors of the W. T. S. program with 2,000 hours or more in the air who have now been relegated to the unimportant position as members of the air crew, may probably clean the windshield and service the plane for a glamorous WASP who has only 35 hours of actual flying time. The C. A. A.-W. T. S. trainees say they have been given a raw deal as they were all promised a commission and expected to fly in the Army Air Forces. Gen. Henry H. Arnold in his testimony before a congressional committee stated that these men had the C. A. A. brand on them. From that it can evidently be taken that a C. A. A. brand is something that is undesirable and not wanted. However, General Arnold stated:

> The Army Air Forces did not have sufficient instructors to train 2,400 pilots a year. To build another Randolph Field to handle 500 pilots a year would take 5 years.
>
> The idea was criticized as being against precedence, but heads of our civilian flying schools were called in by the Army Air Forces. They were to get ready to teach huge classes in primary flight. The Army Air Forces could offer them no contracts at the time to justify change-overs of their programs, but the flying schools immediately prepared to help handle the pilots. The figure was raised to 12,000 pilots a year, and later to 30,000.
>
> We could not possibly have trained so many airmen so quickly without these schools. Today, our pilot training rate has left these earlier goals far behind.
>
> The classes which they have started as part of the C. A. A.'s peacetime program to build up a large number of civil pilots became the prime supply for air cadets. They were also called upon to train the instructors, and later in the program they furnished a 10-hour flying indoctrination course for air-crew students. In all, the program has cost some $288,000,000. It has turned out 373,956 pilots—108,349 civilians and 265,607 for the armed forces. Since 1941, when its name was changed to War Training Service, it has been devoted exclusively to the training of military and naval personnel.

Continuing further, General Arnold states:

> In the 19 years prior to 1941 the Army Air Forces trained less than 7,000 pilots.

And General Arnold tells us that when the Japanese hit us—

> Our combat aircraft strength was little better than a corporal's guard of some 3,000 planes, of which only 1,157 were actually suited for combat service.

A prominent author in a leading aviation article states:

> Months before the Nazis fell on Poland the civilian pilot-training program was under way, turning out pilots, not military pilots, but skilled airmen ready to be taught the tricks of fighting in the air.
>
> By Pearl Harbor, within less than 3 years the number of licensed civilian pilots in this country had jumped from less than 25,000 to more than 100,000. At the same time the number of civilian planes more than doubled, rising from 12,000 to almost 25,000, with a corresponding stimulus to the aircraft manufacturing industry.
>
> More than 65,000 of these pilots were graduates of the civilian pilot-training (W. T. S.) courses offered at more than 600 colleges and flying schools throughout the country.
>
> By the summer of 1941, 6 months before Pearl Harbor, they (civilian pilot-training graduates) were streaming into the armed forces at the rate of 1,000 a month. Bear in mind that at the beginning of 1941 the Army Air Forces had approximately 6,000 pilots, with some 7,000 cadets in training.
>
> By the end of the year the Army had perhaps 20,000 flyers who had reached or passed the training received by the 65,000 civilian pilot-training graduates. The Navy had perhaps 10,000 such pilots * * *; this great reservoir of civilian pilot-training graduates immeasurably speeded up the building of our now incomparable air forces.

There are some who I am sure will agree that the C. A. A. is not such a bad brand, as Maj. Joe Foss, who shot down 26 Jap planes, Capt. Richard Bong, who shot down 21 Jap planes, and Capt. Walker Mahurin, who shot down 12 Nazi planes, all were C. P. T.-C. A. A. trained men.

Three-fourths of the famous American Eagle Squadron which fought with the R. A. F. in winning the crucial Battle of Britain were American boys whose first taste of flying came from small civilian flying schools.

Nineteen of the seventy-nine men who slashed at Tokyo with General Jimmy Doolittle were products of the C. A. A. contract schools.

Six of the nineteen members of the Navy squadron in the Battle of Midway that shot down 27 enemy planes were C. P. T. graduates. So were 5 of the 12 crew members on the 3 ships that recently came back to Washington after the amazing raid of the Ploesti oil fields.

Talking about medals:

The total is 672, broken down as follows: 5 Medals of Honor, the highest and most rarely awarded decoration conferred by the United States; 10 Distinguished Service Crosses, 51 Navy Crosses, 121 Silver Stars, 250 Distinguished Flying Crosses, 30 Purple Hearts, 4 Navy and Marine Corps Medals, and 354 Air Medals, all awarded to C. A. A.-W. T. S.-C. P. T. trained men. The only member of the WASPS to receive a medal was taught by a C. P. T. instructor.

That is a partial record of the role that these trainees have played in the war.

Here is a statement of General Arnold before the House Military Affairs Committee:

> Gentlemen, for some time it has been apparent that there is a serious manpower shortage.
>
> Right at this moment the Army is short over 200,000 men; in spite of the fact that certain of our fighting units have been demobilized, that we made savings wherever possible in our overhead, we have replaced older men wherever we could for younger men.
>
> There is still a shortage of men in certain key industries.
>
> So this problem that we are facing today is more than just a local problem for the Air Forces. It is a problem that affects the fighting forces of the United States, and we must provide fighting men wherever we can, replacing them by women wherever we can; whether that be in the factories, ferrying aircraft across the country, towing targets for ground troops to shoot at, or any place where we can release men and make available the younger men to actually do the fighting.

Now read what the Ramspeck committee says:

> 5. The alleged manpower shortage given as a reason for the recruiting and training of inexperienced personnel was not, as claimed, being alleviated, but instead was being further confused and aggravated.
>
> If it is necessary at this stage of the war to embark upon this costly and experimental program, then this Nation, insofar as manpower is concerned, is in worse position than any of our allies, and apparently any of our enemies. Fortunately, the evidence presented during this inquiry demonstrates that the implied condition is neither actual nor probable.

Since these 3,713 pilot-instructor trainees are now military personnel, their disposition and utilization is not within the jurisdiction of the Committee on the Civil Service. However, the dispersal and assignment of this group is of interest for the reason that these pilots are not now being used for the purpose for which they were trained. There has been considerable complaint that the assignment of these men has been negative. Information has been submitted that in many cases duties assigned are trivial and demoralizing. This is not in accordance with the expressed policies of the War Department as to utilization of personnel.

It is a matter of resolute obligation for this committee to point out that proper utilization of the training and skills of these 5,882 civilian pilot instructors alone would ameliorate the need for the recruiting and training of additional WASPS, and to suggest that in the group of 3,713 pilot instructor trainees will be found additional potential service pilots.

The inquiry and the consideration of this committee were not concerned with and do not resolve any question pertaining to the use of women as aviators.

It is definitely the concern of this committee that the current proposal contemplates the recruiting of inexperienced personnel. It is also definitely the concern of this committee that this inexperienced personnel must be trained at great outlay of public funds at a time when there is already available a sufficient supply of potential service pilots. This available personnel consists of civilian pilot instructors, who for several years have been training pilots for the armed forces. These men have had thousands of air-hours and a wealth of experience. The experience and capabilities of these instructors should be fully utilized before any consideration is given to the recruiting and training of inexperienced personnel.

This is not a question of the utilization of male or female personnel, but is a question of the utilization of experience and capabilities before resorting to the use of inexperience and costly training. If a supply of trained women pilots presently existed, and there was a shortage of men pilots, this committee would unhesitatingly insist that the trained women pilots be fully utilized before inexperienced men were recruited for training.

The reasons advanced for this diversion and dissipation of manpower trained for a specialized purpose is not acceptable to this committee. Army Air Forces is now requesting that additional millions be spent on recruiting and training inexperienced personnel to perform the functions for which these men are now, or could quickly be qualified. It is stated by the War Department that the transitional training necessary to further qualify these men for the hotter and heavier ships can be accomplished at a fraction of the cost contemplated in the proposed program.

If the number of WASPS were increased, as proposed, to 2,500, the estimated training cost alone would be $50,000,000.

If, as indicated the WASP program were ultimately increased to 5,000, the cost would be $100,000,000 of public funds.

Public funds are made up of the war stamps of school children, the taxes of the farmer, the savings of the wage earner, deductions from the pay envelope of the laborer, and the earnings of industry.

Congress is the custodian of these public funds, and it is with the full realization of this responsibility that the Committee on the Civil Service presents the following:

CONCLUSIONS AND RECOMMENDATIONS

The proposal to expand the WASPS has not been justified. Therefore, it is recommended that the recruiting of inexperienced personnel and their training for the WASPS be immediately terminated.

Here again I quote General Arnold when testifying in behalf of the WASP program:

At the present time we have 534 women pilots.

We use them in our Air Transport Command where they can fly all types of airplanes from the factories to the modification centers, to all the depots, and to other destinations within the United States.

These women fliers are of the caliber such that they can fly, some of them, all types of airplanes. Others are working up to that category.

The numbers that can fly all types of aircraft will, in my opinion, vary, just the same as it does with men pilots.

For instance, we have very few men pilots who can fly all types of airplanes.

We are also using the WASPS to tow targets for the ground troops to shoot at, for airplanes to shoot at. And there is an ever-increasing demand for operations of that character.

We are using them in our weather wing as utility pilots.

We have started tests to see to what extent we can use them to replace men in our training command to replace the young men that we have as instructors in the training command and make them available to our fighting units.

It is not beyond all reason to expect that someday all of our Air Transport Command ferrying within the United States will be done by women.

Now here is what the Ramspeck committee says:

The young women being recruited for training at public expense as WASPS are civilians, graduate WASPS are civilians and operate under the protection of the civil service, and, finally, to a major extent, the overwhelming protest registered with the Congress is from civilians and taxpayers.

(a) After a year of operations, only 3 of the 285 WASP pilots with Air Transport Command are qualified in class 5 (4-engine bombers and transports). It is our information that all 3 of the top-flight WASPS were qualified aviators with more than a thousand hours each before they joined the original WAFS. It is understood that another WASP pilot of long experience is eligible for this class 5 rating. Of the 532 WASP pilots, apparently less than 1 percent are qualified to handle this type of equipment.

(b) An additional 11 WASPS are qualified in class 4; five of these are original WASPS and the other six had 200 or more hours of flying before they joined the WASPS.

(c) While 96 WASP pilots can handle the twin-engine transport and cargo ships in class 3, this group is said to be in varying stages of proficiency, inasmuch as a number only recently qualified and admittedly need more flying hours.

(d) One hundred and seventy-five of the 285, or 60 percent, are in classes 1 and 2, and are qualified to handle only relatively light planes. It is said to take 30 to 60 days for transition from class 1 to class 2, and 3 to 4 months, or longer, to successfully complete transition from class 1 to class 3. A substantial number of candidates for the higher ratings experience difficulties in making the transition, and officers in charge of WASP operations state that there is a lack of sufficient experience upon which to base an estimate of probable results.

ELIMINATES TOTAL LOSS

Authoritative sources are definite in their opinion that a large percentage of the WASPS will never qualify to pilot the faster of heavier class 3, 4, or 5 ships. Increasing apprehension over this situation was expressed.

It was also called to the attention of the committee that any elimination of WASPS or trainees represents a total loss to the taxpayer. Army Air Forces cadets found not qualified as pilots are given an opportunity to qualify in other capacities. Eliminees in the WASP program do not qualify for other services.

In the Army Air Forces' estimate of $12,150.70 for each WASP graduated there has been provided $1,703.44 for eliminees. On this basis, with 541 graduates, taxpayers in this country have paid to date $860,237.04 for eliminees alone. No part of this loss is retrievable. It is a total loss.

For 2,500 graduates this figure becomes $3,558,600. Whether the program is civilian or an elite officers' corps, this loss is the same—a total loss.

The statement was repeatedly made that if the fast-fighter and heavy-bomber load increased it would be necessay to depend upon already qualified male-pilot personnel. It was bluntly stated by operation officers that with the exception of the few WASPS pilots in class 4 and class 5, and a relatively few additional WASP eligibles, or soon to be, for upgrading to these classes, no great confidence was felt in the ability of hastily trained girls to successfully withstand this strain. It was pointed out that under present plans only 75 WASP graduates could be expected from Sweetwater a month; that a substantial number of these would never qualify for the hotter ships; and that, because of lack of confidence and reluctance to impose too heavy a burden upon inexperienced air personnel, there was a tendency to overwork the more experienced WASP pilots or to shift the assignments to seasoned male pilots. This was not an isolated viewpoint, but the directly stated or strongly implied opinion of officers who have had immediate contact with the problem and who express grave doubt as to the outcome of an expanded WASP program with its inevitable product of less-experienced pilots.

Before the Military Affairs Committee, Congressman ELSTON of Ohio asked the following question:

General, you do not intend to lower the standards for the WASPS any below the same standard you require of men.

General Arnold said:

That is correct. And to show you why we are sticking to those standards and that the girls can meet them I will give you a case of one of our WASPS who quite recently was awarded the first Air Medal that any woman pilot has received. The award was for flying during a period of 5 days a P–51, two P–47's, a C–47, delivering all of them to their destination, covering distances in excess of 8,000 miles, which involved flying from Long Beach, Calif., to Evansville, Ind., to San Pedro, Calif., back to Fort Wayne, Ind., and back to San Pedro, Calif., all in 5 days.

This medal corresponds with the same medal that is given Army fliers who have completed 25 missions in combat in the Mediterranean and Pacific and 50 missions in the European theater. Only 2,000 have been given out. This WASP who received this medal does not even like to talk about it and refuses to wear it. Evidently she feels that she did not deserve it and that it was for publicity and glamour purposes only.

Here is what the Ramspeck committee said in their report.

QUALIFICATION DISCRIMINATIONS

The training and operations of WASPS brings into focus a related situation of

definite interest to this committee. The standards for acceptance for training as service pilots differ for men and women.

In the case of the WASP recruit, the standards have been lowered to 35 air hours (dual or solo). Accepted WASP recruits are given 6 months' training of approximately only 200 hours. The graduate WASP is qualified to operate a class 1 plane. It should be kept in mind that the WASP graduate has approximately only 235 air hours.

In view of the above scant requirements, it cannot be understood why a qualification of 1,000 or more hours, 200 of which must be in planes of 200 or more horsepower, is required and insisted upon as a prerequisite to acceptance of the now available male instructors.

This situation becomes more confused when it is understood that many of these civilian instructors could be qualified to fly the heavier and hotter ships with a minimum of transitional training and a significant saving in expense and, more importantly, time. The average civilian instructor can be fully qualified to operate the class 4 and 5 planes months ahead of the WASP recruits now available.

It is not understood why the qualification for both men and women should not be identical, and why the proven experience of this available male personnel is not being utilized. It is impossible to escape the conclusion that this discrimination attempts to demonstrate that the millions of dollars of public funds, spent with the approval and at the insistence of the War Department, to train these civilian instructors has been unwise and unavailing. This committee must reject such reasoning.

Further quoting General Arnold:

The military control (of the WASP) is essential as we increase numbers. I expect, if I can, to get enough to replace every man qualified for overseas service whose permanent duty is flying in the United States and get all of these qualified men out of the United States and get them overseas.

This is what the Ramspeck committee says:

It is suggested to the Army Air Forces that there may be found the required additional personnel given as the need for expanding the WASP program, through a careful analysis and proper utilization of the following available groups of trained and partially trained air personnel:

1. Civilian instructors now released, or to be released, through curtailment of the Army Air Forces primary training schools.

2. Civilian instructors now released, or to be released, through the liquidation of the Civil Aeronautics Administration War Training Service program.

3. Instructor-trainees of the Army Air Forces, either wholly or partially trained for the Army Air Forces by the Civil Aeronautics Administration War Training Service training program, who, notwithstanding this costly and highly technical training, have been returned to the walking army or to ground crews or assigned other duties having no relation to the training for which millions of dollars of public funds have been spent.

4. Student trainees of the Civil Aeronautics Administration War Training Service program who, at varying stages of their training, have been returned to other duties not connected with the purposes for which they were trained, and who, with transitional training, would be more quickly made available than new recruits.

5. Army Air Forces commissioned instructor personnel of the Air Forces Training Command now released for other assignments because of the curtailment of the cadet training program. Many of these instructors, because of over age, or for other reasons, will not be assigned to combat duty.

6. Commissioned personnel of the Army Air Forces returning from combat areas who have either completed their missions or, having been wounded or otherwise battle-marked, are nevertheless qualified for service pilot duties.

7. Noncommissioned personnel of the Army Air Forces whose experience and performance merits consideration for pilot or transitional training, and whose services would be more quickly available than those of new recruits.

8. Recently commissioned Army Air Forces pilot personnel who desire and need further air hours and experience before being sent to combat or foreign operational duty.

9. Army Air Forces personnel now assigned to administrative duties in the United States and elsewhere who, although in flight pay status, are actually engaged in administrative, consulting, liaison, and contact duties for which payment of flight pay was not contemplated and which, in many cases, could well be done by nonflying officers, Air-WAC's, or civil-service personnel. It is the opinion of the committee that the above categories contain an abundance of pilot personnel susceptible to immediate utilization at less expense than would be possible under the contemplated expansion of the WASP program.

Further quoting General Arnold:

We don't consider we owe them (instructors) anything, because they were offered a chance to join the Reserve and did not take advantage of it. And now when they see they are likely to be drafted, they want to come in, and it is too late.

Further quoted from General Arnold:

Because the fundamental principle on which we are working is that we are trying to take care of every man for whom we have any obligation whatsoever, and in that way we will put them into our Air Force machine wherever they will fit.

But the Ramspeck committee says that the screening was prejudicial and I quote from page 11 of committee report, which is entitled "Techniques Used in Screening Instructors."

Reports received by the staff indicated that the approach made by 45 boards set up to screen civilian instructors of discontinued programs did not consider the experience of those being "screened." A study of the certificate of acceptance reveals that the civilian instructors and reservists were given three major opportunities:

(a) Discharge from enlisted Reserve Corps.

(b) Continuance in the Reserve Corps for training and duty with the Army Training Command.

(c) Called to active duty in the Army Air Forces.

The staff stated that this is an elimination technique and does not give proper consideration to training, ability, or experience. Any figure purportedly gathered from this technique invites careful scrutiny. The chance to qualify appears prejudicial. The results of this classification should be reviewed in detail on the basis of House Resolution 16, directing investigation of the effects of such policies and practices upon the war effort.

General Arnold further stated:

In connection with the WASP bill we are waiting now, holding over certain of our decisions pending the passage or nonpassage of this bill. From our point of view with the present terrific manpower shortage we should use every means we can to put women in where they can replace men. This bill will help not only to do that but will also make far more effective the employment of the present WASPS that we have in our service.

Chairman MAY. In other words, the legislation is an emergency proposition?

General ARNOLD. It is an emergency proposition as far as I am concerned.

Ramspeck committee report:

If it is necessary at this stage of the war to embark upon this costly and experimental program, then this Nation, insofar as manpower is concerned, is in worse position than any of our allies, and apparently any of our enemies. Fortunately, the evidence presented during this inquiry demonstrates that the implied condition is neither actual nor probable.

1. The proposal to expand the WASPS has not been justified. Therefore, it is recommended that the recruiting of inexperienced personnel and their training for the WASPS be immediately terminated.

2. That the use of the WASPS already trained and in training be continued, and provision be made for hospitalization.

3. There exist several surpluses of experienced pilot personnel available for utilization as service pilots. Therefore, it is recommended that the service of these several groups of experienced air personnel be immediately utilized.

The certificate of acceptance makes no provisions for the experience of these instructors and trainees as would pertain to transitional training and it is further to be noted that these instructors and trainees were not organized so that they might pool their abilities and make a positive suggestion to the A. A. F. as they did in the beginning of the C. A. A. program.

When one considers that the Navy had a similar program to the Army Air Forces C. A. A.-W. T. S. program, it is very strange that the Navy gave a commission to every instructor and trainee as agreed upon, whereas the Army Air Forces has done just the opposite.

There is bound to be a reason. One official stated as a basis of his reason the following:

The Navy is not interested in anything but building a powerful air force to win the war, but some individuals in the Army are not only interested in building a powerful air force to win the war but they evidently intend to try to take over civilian aviation when this war is over.

PERMISSION TO ADDRESS THE HOUSE

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent that on Wednesday next, at the conclusion of the legislative program of the day and following any special orders heretofore granted, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. ANDERSON of New Mexico. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered at a testimonial dinner tendered to Senator GUY M. GILLETTE and Representative Will Rogers, Jr.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ELECTION TO COMMITTEE

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution (H. Res. 604) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That ELLSWORTH BUCK, of New York, is hereby elected to the Committee on Merchant Marine and Fisheries.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances and to include therein a letter and a table from the Department of Agriculture.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JENNINGS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and further to extend my remarks and include therein a magazine article.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

(Mr. POULSON asked and was given permission to extend his remarks in the RECORD.)

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address I recently delivered before the Executives Club in Chicago.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PROGRESS OF RANGE CONSERVATION

Mr. ROCKWELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ROCKWELL. Mr. Speaker, during recent years it has been my privilege annually to report to this House on the progress of range conservation conducted by the Grazing Service in the 10 Western States. I desire to continue that custom.

On June 28, 1934, the President approved an act of Congress:

To stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes.

This act placed the unregulated public domain under Federal control and authorized the Secretary of the Interior to establish grazing districts out of the unreserved public domain, regulate their occupancy and use, establish a service to administer grazing districts, issue or cause to be issued grazing permits to qualified applicants, and do any and all things necessary to accomplish its purpose.

Secretary Ickes chose as first Director of Grazing, Farrington R. Carpenter, of Hayden, Colo. Carpenter with characteristic enthusiasm threw his energies into the job and outlined a plan of local policy-forming advisory boards to assist the Government in its multiple objective. His successor, Richard H. Rutledge, very ably carried on these fundamental principles of democracy on the range. In May 1944 the third Director of Grazing, Clarence L. Forsling, of Ogden, Utah, assumed the stewardship of the Grazing Service. Under his direction, I am sure that the Grazing Service will continue, in the future, as an outstanding conservation agency to render service to the stock industry of the West. In my opinion, the success of the Grazing Service in bringing order and stability to the public domain is due in large part to the advisory board system. Congress included this policy as a fundamental part of grazing district administration by amendment of the act of 1939. The advisory boards furnish the contact between the range users and the administration and recommend action based on common knowledge and years of livestock experience. In these 10 years, through such cooperation, a number of far-reaching adjustments and sound policies have been developed.

The main objectives of the Grazing Act are to protect, develop, and use the range for the benefit of the land itself, as well as for those who are dependent upon it. Since the public range is a vital part of the ranching business, as well as of the economy of the entire West, its rehabilitation and use are integral parts of a long-time program.

The Taylor Grazing Act is based on the fundamental principle of cooperation. It brought an end to range wars in the West and devised ways and means of settling range difficulties around the council table. I think it is fitting that we should celebrate this tenth anniversary of range conservation by paying tribute to those who visualized its possibilities and carried on in the face of strong opposition in many quarters. To those who labored for it in Congress, other public officials, livestock producers, and those who have been charged with carrying out the intent of Congress on the ground, much credit is due.

There is no State in the West more keenly alive to the need for range control than is my own State of Colorado. For many years prior to this act the stockmen of my district worked for some kind of public-domain regulation. We attempted to stop overgrazing and waste of the public range by enactment of an adjudication law. Our efforts were ineffective because legally the State had no control over the public lands. Despite our Colorado law, a citizen could exercise his Federal homestead right and file on 640 acres in the heart of a choice grazing area. As a consequence, range abuse continued. The migratory practices that an open range encouraged could not be stopped by local legislation. But in the end our efforts were rewarded, for we succeeded in focusing wide attention on the public-domain question.

The Hoover committee studied the public-domain problem and in 1931 recommended that all portions of the unreserved and unappropriated public domain be placed under responsible administration or regulation for the conservation and beneficial use of its resources. The many years of effort on the part of stockmen, State officials, and other public men who understood the West, resulted in the Taylor Grazing Act of 1934.

There is a spot near my home called American Flats, lying high in the shadow of the Rocky Mountains. It is a paradise of summer grazing land, with clover, grass, and flowers in profusion during the short growing period. Before the Taylor Act became law, it seemed that half of the sheep herds from the winter deserts of eastern Utah and western Colorado would make a spring race for this area. The competition was so keen that certain men would employ strong-arm methods to gain a foothold. Some even would send advance guards to pitch camps and hold the range until the sheep arrived. It was not unusual to find a band of sheep on each square mile, aggregating about 60,000 head, to grub the forage from an area smaller than the District of Columbia. Here they stayed until snow drove them back to the lower valleys. A few years of this and the natural thing happened. Sheep came off the range in poor condition. Some died from poisonous weeds. This land was included within a grazing district in 1935. The advisory board recommended that a reasonable number of livestock be grazed on this land, and the Grazing Service began to make adjustments. At the present time, only about half the former number are allowed to graze this area. I have been told that, despite this reduction in numbers, it produces more pounds of fat lambs now than formerly.

I have cited one extreme example of the adjustments being made on the 142,000,000 acres of public range in 10 Western States. This Federal range is now in 60 grazing districts, each with an advisory board to counsel with and assist the district grazier, and many of the former practices of abuse and waste have been corrected.

One of the principal aims of the Taylor Grazing Act is to keep the range on a high level of production. So the old-time policy of free homesteads, irrespective of whether the land was suitable for building a home, the period of free range, and unrestricted use came to an end in 1934, and a period of reconstruction was underway.

As a cornerstone of proper land use, the Taylor Grazing Act recognizes the relationship between public and private

lands as a basis for an all-inclusive land-use program in which the users themselves have a voice. As a result, the 22,000 licensees and permittees on the Federal range comprise a tremendous force in range conservation. At the same time, they continue to push production of food and fiber to the full extent of their ability, consistent with wise use of ranch and range.

One of America's chief war problems is that of food production for our military and civilian needs and for our allies. Meat is a food item which gives nourishment and strength in comparatively compact amounts. Successful war is waged by young strong men with husky appetites. They must be warmly and adequately clothed. The livestock producers on the western ranges are alive to their responsibility for producing meat and wool. With many of their top hands riding jeeps and flying bombers instead of riding broncos, the oldtimers and the young folks of the range country are carrying on without overtime pay. There are no headlines telling about strikes and the 40-hour week on the range.

Recently one of the advisory boards expressed the position of the livestock industry in these words:

Be it resolved, That as the progress and duration of the war make necessary additional and greater sacrifices in the lives of all, we stand ready to subordinate all to the prosecution and winning of the war, and with this high resolve we pledge full cooperation.

Ten years ago it was said by many in high places that the complex land pattern of the public-land States would operate to defeat a sensible administration of the Taylor Grazing Act. Today we hear nothing of that sort. With the cooperation of States and private land owners, these problems are being overcome by exchange of land, exchange of use, and many other means, for proper land use.

The western stockmen know that it is wise to keep more grass than stock on the range. They are aiding the Grazing Service to avoid the errors of range abuse made during the first World War. There can be no stronger testimony for the future of the public range. When the time comes for our boys to return and resume peaceful work, they will find that the public lands have been taken care of and that the natural resources have been managed well to contribute an important share to better living conditions in our western communities.

The SPEAKER. Under a previous order of the House, the gentleman from Connecticut [Mr. MILLER] is recognized for 40 minutes.

PROPOSED MODIFICATION OF H. R. 4915

Mr. MILLER of Connecticut. Mr. Speaker, last August, during the summer recess, the highway commissioner for the State of Connecticut, Mr. William J. Cox, arranged for a meeting of the Connecticut delegation in Congress. At this meeting Commissioner Cox discussed at quite some length the highway needs for the State of Connecticut, but more particularly the suggested four-billion-dollar-road-building program being considered by the National Association of Highway Officials. Also a good deal of time was devoted to a discussion of section 21 of the Federal Highway Act of 1921.

The section 21 formula apportioned Federal aid on the basis of one-third population, one-third according to area, and one-third according to post road mileage. It was soon apparent to those attending this meeting that, to put it mildly, the section 21 formula was not an equitable one by which Federal aid should be distributed.

Since last August I have spent every possible minute studying the road needs of the country, and in trying to work out a fair and equitable formula for the distribution of Federal funds, a formula that would distribute the money where the road needs were the greatest. During the past 8 months I have conferred with State highway officials, with members of the House Committee on Roads, and with Member of the House from those States which have an acute highway problem. During this study my attention was directed to the report of a committee or commission composed of some of the most competent men in the field of highway construction, appointed by President Roosevelt some time ago. This commission's recommendations may be found in the report on Interregional Highways, House Document No. 379, Seventy-eighth Congress, second session. I urge every Member of the House interested in this problem to secure a copy of this document.

This interregional highway report represents, so far as I know, the only comprehensive, Nation-wide, factual analysis of our highway problems. The report is a fair and well-balanced evaluation of the important facts that have been developed by the various highway departments through their State-wide highway planning surveys, and the vision shown in the straightforward approach to, and courageous attack on, the great problems we face in providing adequate highway facilities, form the sort of accomplishment to have been expected from the able and experienced men who served on the Interregional Highway Committee and on its staff.

Any post-war highway program that does not face squarely the highway needs so forcefully brought out in the report, would be short-sighted, inadequate, and wasteful of public funds. The report represents years of study by capable, practical men. It bears the signatures of men in the soundness of whose views we all have—and are entitled to have—confidence.

When Federal aid was initiated by the act of 1916, it was recognized that the essential need was—to use an overworked expression—to "get the motorists out of the mud." It was not immediately recognized, but it soon was, that efforts in this direction, to be effective, must be selective. It was recognized that the essential need of the country, at that time, was the development of an integrated system of surfaced main highways, connecting our States, cities, and counties with passable roads. This job, by and large, has been done and done well. The main interstate and intercounty routes throughout the country, comprising the Federal-aid primary system, are now pretty largely surfaced roads. Only 6 percent of the mileage remains unsurfaced, and this 6 percent undoubtedly carries but a small fraction of 1 percent of the traffic served by the Federal-aid system.

However, while the development of this integrated system of surfaced roads has been accomplished over the years since 1916, the motor transportation picture has changed tremendously. Motor-vehicle registrations have increased tenfold, and motor-vehicle travel in even greater—much greater—ratio. As a result, there have been great changes in the nature of the most urgent problems connected with the provision of adequate highway facilities.

I will not take the time of the House this afternoon to quote further from this report, but I again urge all those interested to take the time necessary to read this report.

After further conferences with interested groups, I had prepared and introduced H. R. 4170 in the House—a bill to implement the interregional report. About this same time, the House Committee on Roads commenced hearings on H. R. 2426 which authorized the appropriation of $3,000,000,000 to become available at the rate of $1,000,000,000 a year for each three successive post-war years. This bill provided that the Federal share, payable on account of any project provided for by the funds made available by this act, should not exceed 75 percent of the cost; the remaining 25 percent to be paid by the several States.

This was a new departure as, in the past, the Federal Government had provided only 50 percent of the cost of building Federal-aid highways. I have yet to hear any good reason advanced for departing from the 50–50 formula. Certainly, when this war comes to an end, the treasuries of the 48 States are going to be in better shape than is the Federal Treasury. In addition to that, it is a well-known fact that whoever pays 75 percent of the cost of any given program is going to be in a pretty strong position to dictate all the terms of the program.

The bill, H. R. 2426, continued the old formula for distribution of funds, that is, one-third on population, one-third on area, and one-third on post-road mileage. In the bill which I introduced on February 10, H. R. 4170, I proposed that we retain the old 50–50 matching provision. By retaining that provision, we could authorize the appropriation of $2,000,000,000 of Federal funds and, with the 50–50 matching provision, still have a $4,000,000,000 program as proposed in H. R. 2426. Instead of the one-third, one-third, one-third provision, it was provided in H. R. 4170 that the $2,000,000,000 should be distributed as follows: $600,000,000 a year for the 3-year total of $1,800,000,000 on the basis of the ratio which the estimated number of persons that will be demobilized from the military and industrial service in each State bears to the total estimated number of

persons to be demobilized in all of the States. Such estimates of demobilization to be based on the figures reported in the July 1943 issue of the Monthly Labor Review of the Bureau of Labor Statistics, United States Department of Labor.

Further, $200,000,000 a year for a 3-year total of $600,000,000 in accordance with the provisions of section 21 of the Federal Highway Act of 1921, and finally, $200,000,000 a year for a 3-year total of $600,000,000 on the basis of the ratio that the total motor-vehicle registration in each State bears to the total motor-vehicle registration in all of the States.

For the next few minutes I would like to discuss the old section 21 formula contained in H. R. 2426 and, with a little different weighting, the formula contained in the bill recently reported by the House Committee on Roads; namely, H. R. 4915. You will recall the factors that make up the section 21 formula are area, population, and post-road mileage.

Most people recognize that area, in itself, has no significance even in relation to road mileage, except as the area is densely covered with roads or sparsely covered with roads, which in the end can be measured—if you will—by the road mileage itself.

There are, however, some persons who have stoutly maintained that area is a valid factor in measuring road needs. It is interesting, therefore, to take two regions of equal area in order to see what variation they show in respect to factors which are obviously and admittedly related to road needs. There are 8 States in the Rocky Mountain census area which have about 29 percent of the area of the United States and consequently would get 29 percent of such part of any Federal authorization as is based on area. There are 26 States in the census, east of the Mississippi River, which, by chance, have an area almost identical with that of the 8 States in the Rocky Mountain region. To the extent that a formula is based on area, these 26 States would receive the same amount of Federal aid as would the 8 States in the Rocky Mountain region. How do other characteristics of the two regions compare?

Only 4 percent of the motor-vehicle traffic in the United States is developed on the road systems of the 8 States. According to the States' own estimates of immediate road needs, the 8 States have but 6 percent of the total needs of the country. It is further significant that they have been contributing but 4 percent of the motor-vehicle imposts that are drawn from the motorists of the country. On the other hand, the equal area from the Mississippi River east develops 62 percent of the motor-vehicle traffic, claims 59 percent of the highway needs, and provides 64 percent of the Federal motor-vehicle imposts.

So much for area as far as being the basis of distributing Federal funds for road-building purposes is concerned.

At first glance, road mileage would seem to be a reasonably fair measure of road need. Examination shows that this is not the case, however. According to the section 21 formula—a mile of road is a mile of road. There are great differences in the cost of a mile of road. Now what causes these differences? It is not that New Jersey, Massachusetts, and Connecticut are more extravagant than South Dakota, Wyoming, and Nebraska, where reports indicate highway costs are much lower. Various factors account for the difference in cost. Ruggedness of terrain, severity of climate, unit costs of labor and materials—all play a part. Much the greatest factor in producing the cost differences, however, is the different job that different roads have to do. As an illustration, the annual average daily traffic on an average mile of the New Jersey State highway system, as determined by the planning survey, was 6,300 vehicles a day. The annual average daily traffic on an average mile of the New Mexico system was approximately 160 vehicles a day.

The road that has to be built to carry even the average New Jersey traffic is an entirely different sort of facility than that required to carry less than 200 vehicles a day. The differences are even more extreme in the case of a road that carried an annual average daily traffic of 40,000 vehicles a day, as some miles of New Jersey roads do. This explains the difference in Federal aid per mile costs and reveals the weakness of using road mileage as a fair basis for the apportionment of Federal-aid funds.

Population is probably a closer measure of road needs than area or road mileage, but it is not a direct measure or even a very close measure. It is my understanding that the alleged justification for using population as a basis for allocating Federal funds is the supposed correspondence between population and the amount of road use. There are, however, much more accurate measures of road use than population. Gasoline consumption is one, and perhaps the most accurate. Automobile registration is another. Again considering Statewide areas, road need—which we may define as the potential usefulness of correcting road deficiencies—is probably as well measured by road use as in any other way. But population is a very uncertain measure of road use, certainly far from the best available measure and therefore a poor factor in inclusion of an apportionment formula.

For a few minutes let us consider two other bills introduced during the present session of Congress in an effort to secure legislation that would provide a sound post-war road-building program. On April 18 of this year, the gentleman from New Jersey [Mr. WENE] introduced H. R. 4628, which was referred to the Committee on Roads. Mr. WENE'S bill modified H. R. 4170 because of certain testimony brought out in the hearings on H. R. 2426, but his bill was still introduced to implement the interregional highway report. In addition to continuing the 50–50 matching provision, this bill authorized an appropriation of $2,010,000,000 to become available at the rate of $670,000,000 a year for each 3 successive post-war years. After making deductions for administration, research, and investigations, as provided by the Federal Highway Act of 1921, the sums authorized were to be apportioned among the States in two parts. Part I, $400,000,000 yearly on the basis of the ratio which the motor vehicle registrations in the counties traversed by the interregional highway system in each State bears to the total motor vehicle registrations in the counties traversed by the interregional highway system in all States. Such motor vehicle registrations to be taken from table numbered 7 on pages 29, 30, and 31 of the Interregional Highway Report, House Document No. 379, Seventy-eighth Congress, second session. Part II, $270,000,000 a year in accordance with the basis of apportionment provided in section 21 of the Federal Highway Act of 1921.

After lengthy hearings on H. R. 2426, the House Committee on Roads finally reported out H. R. 4915, introduced on June 1, by the chairman of the Committee on Roads, the distinguished gentleman from Utah [Mr. ROBINSON]. This bill authorized an appropriation of $1,500,000,000 to become available at the rate of $500,000,000 a year for each 3 successive post-war fiscal years. The sums authorized for each 3 successive post-war years to be apportioned are as follows: (a) $225,000,000 for projects on the Federal-aid highway system, either inside or outside of municipalities; and (b) $125,000,000 for projects on the principal secondary and feeder roads, including farm-to-market roads, rural free delivery mail and public school bus routes, either outside of municipalities or inside of municipalities of less than 10,000 population; and (c) $150,000,000 for projects on the principal highways in urban areas on the Federal-aid highway system.

In addition to the sums I have mentioned, this bill also authorized an appropriation for, first, for forest highways the sum of $25,000,000 for the first post-war year and a like amount for each of the second and third post-war years; and second, for forest development roads and trails the sum of $12,500,000 for the first post-war year and a like amount for each of the second and third post-war years.

And in another section—section 10—there is authorized to be appropriated the sum of $12,750,000 to become available at the rate of $4,250,000 a year for each 3 successive years for the construction and maintenance of parkways, to give access to national parks and national monuments, or to become connecting sections of a national parkway plan, over lands to which title has been transferred to the United States by the States or by private individuals. Needless to say, there are no matching provisions involved in these latest authorizations.

It appears to many Members of the House and some State highway commissioners with whom I have talked that the distribution of Federal funds, as provided for in H. R. 4915, is decidedly unfair. From a purely selfish viewpoint, the taxpayers of such States as Massachusetts, New Jersey, Connecticut, New York,

Pennsylvania, Michigan, Illinois, California, and others would be better off to build their own roads and do away with the whole Federal-aid program. However, these same people are perfectly willing to make a reasonable contribution toward building good roads in other parts of the country where the road needs are greater than the ability of the various State treasuries to meet the need.

We also see the value in preparing a sound road building program now that will provide millions of men with jobs during the demobilizing period. If such a program is adopted at this time, the various States can make the necessary survey and plans and be ready to put it into operation on very short notice. Manpower will be available in abundance and I am told that road-building machinery and necessary material will also be available upon cessation of hostilities.

In an effort to bring the various schools of thought together, we propose a modification of H. R. 4915. In the interest of avoiding confusion insofar as possible, it will be proposed that the provisions of H. R. 4915 be adopted, except as follows:

First. The Federal authorization is made to total $2,010,000 for the 3-year period—exclusive of $140,250,000 additional provided for forests and post roads and trails. This, with the basis provided for matching Federal funds with State funds, reestablishes the $4,000,000,000 road construction program that was originally proposed. All the testimony before the committee indicated the need of at least that amount of road improvements, and developed the ample ability of the highway departments and of road contractors and equipment producers to execute such a program.

Second. The funds allocated for urban improvements are apportioned to the States on the basis of their urban populations, as recommended to the committee by the Public Roads Administration, the American Association of State Highway Officials, the American Road Builders Association, the American Municipal Association, the New York Port Authority, and many other witnesses before the committee.

Third. The formula established in 1916 for rural road improvements is recognized as having been well adapted to meeting the road needs of that day. Therefore, it is recognized that neither it, nor any minor modification of it, can properly meet the very different rural road deficiencies of today, as these deficiencies were reported to the committee by the Public Roads Administration and other agencies. A part of today's needed improvements is the continued surfacing of unimproved roads, but another important rural road need is the reconstruction or supplementation of existing routes to give them adequate capacity in keeping with the great increase in their use since they were built. It is proposed to meet the first of these rural needs by apportioning to the States 40 percent of the total authorization according to the historic section 21 formula, while meeting the second rural road need by apportioning 30 percent of the total authorization according to the use made of the road systems of the several States as measured by the motor vehicle registrations of the States.

Therefore, the provision of H. R. 4915 that the total authorization be apportioned one-half according to population; one-fourth according to area, and one-fourth according to post-road mileage is replaced by a provision that 30 percent of the authorization be apportioned according to urban populations, while 40 percent be apportioned according to section 21, and 30 percent according to the motor vehicle registrations of the different States.

The table attached shows the comparative apportionments to the States—exclusive of forest and park funds—as would be obtained under H. R. 4915, as now written, and as would obtain under the proposed modification.

Post-war highway program—Proposed Federal apportionments to States

[Total dollars in 3 years]

State	Under bill H. R. 4915	Under proposed modification, H. R. 4915 [1]
Alabama	31,905,000	30,360,000
Arizona	17,970,000	15,320,000
Arkansas	25,140,000	21,380,000
California	65,190,000	125,370,000
Colorado	23,835,000	25,660,000
Connecticut	11,895,000	25,240,000
Delaware	7,500,000	6,230,000
Florida	21,780,000	29,080,000
Georgia	37,725,000	38,100,000
Idaho	15,765,000	14,140,000
Illinois	67,440,000	115,900,000
Indiana	37,320,000	54,420,000
Iowa	35,835,000	42,180,000
Kansas	34,155,000	36,620,000
Kentucky	29,280,000	29,860,000
Louisiana	23,625,000	26,920,000
Maine	12,345,000	13,420,000
Maryland	14,640,000	25,000,000
Massachusetts	27,060,000	61,200,000
Michigan	49,530,000	83,180,000
Minnesota	38,955,000	48,120,000
Mississippi	26,610,000	22,360,000
Missouri	44,715,000	57,220,000
Montana	24,900,000	21,400,000
Nebraska	26,655,000	27,480,000
Nevada	15,045,000	11,500,000
New Hampshire	7,500,000	8,730,000
New Jersey	26,205,000	57,480,000
New Mexico	20,220,000	16,440,000
New York	92,940,000	189,300,000
North Carolina	37,455,000	38,300,000
North Dakota	19,095,000	16,460,000
Ohio	59,760,000	101,140,000
Oklahoma	32,715,000	35,100,000
Oregon	22,065,000	24,720,000
Pennsylvania	74,595,000	123,780,000
Rhode Island	7,500,000	13,420,000
South Carolina	20,805,000	20,640,000
South Dakota	20,010,000	17,460,000
Tennessee	32,475,000	34,080,000
Texas	90,690,000	104,100,000
Utah	14,505,000	13,980,000
Vermont	7,500,000	6,200,000
Virginia	28,710,000	32,440,000
Washington	23,115,000	31,500,000
West Virginia	17,925,000	18,500,000
Wisconsin	36,420,000	49,900,000
Wyoming	15,090,000	12,420,000
Hawaii	7,500,000	
District of Columbia	7,500,000	27,020,000
Puerto Rico	10,860,000	
Total	1,500,000,000	2,000,000,000

[1] Modified by increasing total appropriation to $2,000,000,000 and apportioning to the States as follows: 40 percent according to sec. 21 of Federal Highway Act, 30 percent according to urban populations, and 30 percent according to motor vehicle registrations of the States.

Further, to show the unequitable provisions of H. R. 4915, I have had a few charts prepared showing the different treatment cities of the same size in different parts of the country will receive under the language of the committee bill.

Let us compare Bakersfield, Calif., with Reno, Nev. According to the 1940 census, Bakersfield had a population of 29,252, whereas the population of Reno was 21,317. Reno is the only city in Nevada that would qualify for Nevada's share of funds to be appropriated in urban areas. Therefore, Reno would receive $4,400,000, while Bakersfield's share of the urban funds would be only $130,000.

Norwich, Conn., with a population of 23,652, would have available its share amounting to $74,000, while Cheyenne, Wyo., with a population of 22,474, would receive $1,610,000.

I will run through 10 or 12 other illustrations on the charts I have had prepared, as follows:

Bakersfield, Calif. (population, 29,252), $130,000, versus Reno, Nev. (population 21,317), $4,400,000.

Norwich, Conn. (population 23,652), $74,000, versus Cheyenne, Wyo. (population 22,474), $1,610,000.

Moline, Ill. (population, 34,608), $135,000, versus Fargo, N. Dak. (population, 32,580), $2,130,000.

Hagerstown, Md. (population, 32,491), $135,000, versus Boise, Idaho (population, 26,130), $1,160,000.

Medford, Mass. (population, 63,083), $140,000, versus Jackson, Miss. (population, 62,107), $1,780,000.

Saginaw, Mich. (population, 82,794), $395,000, versus Little Rock, Ark. (population, 88,039), $2,720,000.

Perth Amboy, N. J. (population, 41,242), $113,000, versus Sioux Falls, S. Dak. (population, 40,832), $2,290,000.

Auburn, N. Y. (population, 35,763), $92,000, versus Albuquerque, N. Mex. (population, 35,449), $2,320,000.

Mansfield, Ohio (population, 37,151), $164,000, versus Butte, Mont. (population, 37,081), $2,000,000.

Johnstown, Pa. (population, 66,688), $274,000, versus Phoenix, Ariz. (population, 65,414), $3,370,000.

Warwick, R. I. (population, 23,757), $101,000, versus Burlington, Vt. (population, 27,686), $1,090,000.

At this point I am including a chart showing the Federal post-war highway program on the basis of dollars per demobilized person under H. R. 4915; the proposed modification, as well as under H. R. 4628:

Federal post-war highway program: dollars per demobilized person under various proposals

State	H. R. 4915	Proposed modification	H. R. 4628
Nevada	1,504	1,150	761
Wyoming	848	698	478
Montana	642	552	387
New Mexico	604	491	356
Arizona	538	459	423
South Dakota	509	444	298
Idaho	461	414	304
North Dakota	476	410	301
Nebraska	272	281	201
Colorado	256	276	241
Utah	270	260	234
Vermont	288	238	192
Minnesota	183	226	222
Iowa	184	217	188
Oregon	171	191	209
Florida	140	187	218
Texas	161	184	172
Oklahoma	171	183	170
Delaware	213	181	161
New Hampshire	156	181	164
Kansas	155	167	148
Missouri	126	161	158
Arkansas	188	159	119
Maine	146	159	176
Georgia	153	155	126

Federal post-war highway program: dollars per demobilized person under various proposals—Continued

State	H. R. 4915	Proposed modification	H. R. 4628
North Carolina	151	155	138
Kentucky	150	153	134
South Carolina	154	152	135
Wisconsin	110	150	132
Mississippi	178	149	107
Tennessee	140	147	139
Rhode Island	80	142	142
New York	66	134	120
Louisiana	115	131	121
Illinois	74	127	145
Massachusetts	55	125	134
Virginia	108	121	113
California	62	118	169
West Virginia	114	118	91
Alabama	122	116	96
Washington	83	115	133
Ohio	63	107	122
Indiana	72	103	117
Pennsylvania	61	101	108
New Jersey	43	94	107
Maryland	50	86	93
Michigan	45	78	98
Connecticut	36	76	103

NOTE.—This shows the total allocation of funds to each State in relation to the estimated military and industrial demobilization as reported in July 1943 Monthly Labor Review.

And, finally, I am attaching a chart showing the relation of apportionments under various proposals to motor-vehicle usage in the several States. It will be noted that under H. R. 4915, Nevada's ratio is practically 7 to 1, while in the case of California, the ratio is about one-half to 1:

Federal post-war highway program: Relation of apportionments under various proposals to motor-vehicle usage in the several States[1]

State	H. R. 4915	Proposed modification	H. R. 4628
Nevada	6.97	5.96	2.62
Wyoming	3.74	2.31	1.57
New Mexico	3.53	2.15	1.55
Montana	2.83	1.82	1.27
Arizona	2.78	1.78	1.63
Utah	2.19	1.58	1.41
South Dakota	2.25	1.47	.98
North Dakota	2.27	1.47	1.0[illegible]
Delaware	2.24	1.45	1.19
Idaho	2.09	1.41	1.19
Mississippi	2.06	1.30	.92
Alabama	1.78	1.27	1.05
Arkansas	1.98	1.26	.94
Colorado	1.49	1.20	1.05
Georgia	1.54	1.17	.95
Rhode Island	.87	1.16	1.15
Tennessee	1.45	1.14	1.07
New York	.74	1.14	1.01
Nebraska	1.44	1.11	.81
Massachusetts	.65	1.10	1.18
Vermont	1.78	1.10	.89
Louisiana	1.25	1.07	.98
New Hampshire	1.22	1.06	.95
Maine	1.27	1.04	1.14
Kentucky	1.35	1.03	.89
Kansas	1.28	1.03	.91
Oklahoma	1.26	1.02	.94
Missouri	1.04	1.00	.98
Texas	1.15	.99	.91
Oregon	1.17	.99	1.07
North Carolina	1.28	.98	.87
Illinois	.76	.98	1.12
Virginia	1.15	.97	.90
West Virginia	1.22	.94	.73
Pennsylvania	.75	.93	.99
Minnesota	.69	.92	.89
Florida	.91	.91	1.06
South Carolina	1.22	.91	.80
Wisconsin	.86	.89	.78
Iowa	1.00	.88	.76
Maryland	.68	.87	.93
Washington	.85	.87	1.09
Ohio	.69	.87	.99
Indiana	.80	.85	.96
New Jersey	.82	.85	.96
Michigan	.67	.85	1.06
Connecticut	.80	.79	1.06
California	.59	.73	1.03

[1] Based on motor-vehicle registrations for 1941 as reported by the Public Roads Administration.

In closing, may I comment on the appropriations carried in H. R. 4915 for the building of forest highways, roads, trails, et cetera. I am convinced the situation with regard to funds for forest highways and the significance of other public lands are not recognized in their proper perspective in the proposed Federal post-war highway program.

H. R. 4915 provides $25,000,000 a year for forest highways and $12,500,000 for forest-development roads. The average over the past 8 years has been $7,750,000 and $3,625,000, respectively. But, the big question, What is it for?

The conception is general, I believe, both among highway officials and members of the Roads Committee, that forest highways and forest-development roads are tied up intimately and almost solely with the Federal interest in our national forests. However, while this may be true of forest-development roads, it is not true of forest highways. In the western region of the country, 41.4 percent of the forest highways are also on the Federal-aid system. Thus 78.8 percent are important highways.

Mr. C. F. Granger, Assistant Chief of the United States Forest Service, said, in hearings before the Roads Committee in 1940:

The forest highway system is that part which, while necessary to the forests, is of greater value for general public travel or local public travel; the forest development system includes the roads and trails needed primarily for the protection, development, and utilization of the forest resources.

In the Federal Highway Act of 1921, forest highways were defined as "of primary importance to the State, counties, or communities within, adjoining, or adjacent to the national forests." From the foregoing, it is obvious that, whereas the forest-development funds—$12,500,000 a year—may be primarily for the Federal interest in our national forests, the forest highway authorization—$25,000,000 a year—is in large part an expansion of the Federal-aid program on a 100-percent basis, no matching with States or local funds being required. And, it represents a real expansion for many States.

The following shows how important an extra aid is to several States:

Annual totals, Federal funds under H. R. 4915

State	Federal aid apportionment	Forest highway	Total
Arizona	$5,844,000	$1,458,500	$7,302,500
California	21,245,000	3,573,000	24,818,000
Colorado	7,757,000	1,836,250	9,593,260
Idaho	5,114,000	2,577,000	7,691,000
Montana	8,093,000	2,008,750	10,101,750
Nevada	4,895,000	455,750	5,350,750
New Mexico	6,542,000	1,025,750	7,567,750
Oregon	7,204,000	3,369,250	10,573,250
Utah	4,720,000	841,750	5,561,750
Washington	7,471,000	1,722,500	9,193,500
Wyoming	4,898,000	1,109,250	6,007,250
Total	83,783,000	19,977,750	103,760,750

Idaho gets a 50-percent increase over its basic Federal-aid apportionment. Oregon gets almost as much.

A few States get an extra $20,000,000 a year, as shown in the table above, under the guise of the development of our national forests. This they get on a 100-percent basis, there being no requirement for matching with State funds. They are not required to match regular Federal-aid apportionments dollar for dollar, when other States do, because of the proviso "that in the case of any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 percent of the total area of all lands therein, the Federal share shall be increased in each of the 3 post-war years by a percentage equal to the percentage that the area of all such lands in such State is of its total area." The most striking example under this provision is Nevada, which will put up just less than 15 cents of State funds for each dollar of Federal funds when most other States are matching dollar for dollar. Utah will match 31 cents on the dollar, Arizona 39 cents, and other Western States in increasing amounts.

There have been special authorizations for highways through public lands. The significance of these may be shown by a quotation from the 1939 Annual Report of the then Bureau of Public Roads, now Public Roads Administration:

Special authorizations and appropriations have been made by Congress for the survey, construction, reconstruction, and maintenance of main roads through unappropriated or unreserved public lands, nontaxable Indian lands, and Federal reservations other than the forest reservations, where such land is more than 5 percent of the total area of the State. There are 14 of these Federal-land States, all of them west of the Mississippi River. The percentage of such lands in the several States varies considerably and reaches a maximum of approximately 73 percent in Nevada.

The construction of highways across these relatively large areas that do not contribute to State revenues imposes a serious burden on State highway funds.

The Federal-land highways differ from the forest highways and the Federal-aid highways system. Federal-land funds may be expended on roads which are on the Federal-aid system or on main roads not on the Federal-aid system. Contributions from the States are not required to be used in conjunction with Federal-land funds, but cooperative funds from the States may be used. Federal-land funds are sometimes expended under the supervision of State highway departments, following Federal-aid procedure, and sometimes under the detailed supervision of this organization.

Authorizations for the construction of roads in public lands have been made by eight congressional acts, passed up to the end of the fiscal year 1939. Authorizations have been made available for each fiscal year from 1931 through 1941, with the exception of 1932 and 1937, and total $23,000,000. The authorization for 1939 was $2,500,000; for 1940, $1,000,000; and for 1941, $2,000,000.

As indicated in the above, these funds are for main roads, Federal-aid or otherwise. While it may be noted that "cooperative funds from the States may be used," the reports of Public Roads indicate that less than 10 percent of the cost of projects has been paid from other than public lands funds.

The character of the routes upon which these funds are expended and their importance to the States is indicated by the following description in the 1938 Public Roads Annual Report:

The Flagstaff-Fredonia Highway is 73 miles in length, and is a part of the U. S. Route No. 89, a heavily traveled north-south highway.

A bituminous surfacing was placed on this route for a distance of 46 miles. At the close of the fiscal year 26 miles of the route were being improved with bituminous surfacing.

The Ely-Tonopah Highway, in Nevada, a Federal-land route 102 miles in length, is part of U. S. Route No. 6, which carries traffic directly across the State. Three Federal-land projects on this route were completed. A gravel surfacing was converted to bituminous surfacing for a distance of 37 miles, and 9 miles were graded and gravel surfacing placed preparatory to constructing a bituminous surface.

In the apportionment of regular Federal-aid funds to the States, area has been a factor and will be a factor under H. R. 4915. Thus, forest areas do double or treble duty for the States in which they are located. They draw forest development funds—12½ million dollars a year—as they probably should. They draw forest highway funds of $25,000,000 a year to be used primarily for the "State, counties, or communities within, adjoining, or adjacent to the national forests." And the forest areas provide a basis through their area for allocation of regular Federal-aid funds to the States in which they are located.

Other public land will likewise do double duty. Funds have been and possibly will continue to be authorized directly for Federal aid and other main highways within their confines. Yet, these areas draw huge amounts of Federal-aid funds under any formula for apportionment which includes area. For example, Utah, with 53 percent of its area coming under the unappropriated public lands, and so forth, classification, gets $1,850,000 a year under H. R. 4915, for regular Federal aid as a direct result of the inclusion of this public-lands area in the formula for apportionment. Nevada gets $3,370,000 and Arizona gets $2,080,000.

All of the above ignores the national-park areas which are a responsibility of the Federal Government. It might be mentioned that the States in which they are located have not suffered roadwise from having the parks. Not only has the Federal Government built the roads within the parks, but it has financed approach roads outside of the park areas.

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein certain tables.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

EXTENSION OF REMARKS

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a report of the American Legion foreign relations committee to the national executive committee of the American Legion.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein certain correspondence on the money question.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey [Mr. CANFIELD] is recognized for 10 minutes.

CREATION OF OFFICE OF SENATOR AT LARGE IN THE SENATE OF THE UNITED STATES FOR EX-PRESIDENTS OF THE UNITED STATES

Mr. CANFIELD. Mr. Speaker, "They managed things better at Rome, gathering into their senate all the fame and experience, all the wisdom and skill, of those who had ruled and fought as consuls and praetors at home and abroad." Thus wrote James Bryce 50 years ago of the failure of the American people to take advantage of the peculiar abilities of their ex-Presidents.

From time to time there has been discussion about this subject but little has been done. I rise now to introduce a simple bill "to create the office of Senator at Large in the Senate of the United States for ex-Presidents of the United States." I had thought that a constitutional amendment might be necessary to accomplish this purpose, but House legislative counsel who has explored the problem most fully for me advises that the bill I have introduced will accomplish my purpose, namely, to provide that every person who has served—whether before or aften enactment of this act—as President of the United States shall thereafter during the remainder of his life, except during any period in which he holds an office which would make him ineligible to serve as a Member of either House of Congress, be eligible to hold an office of Senator at Large in the Senate of the United States, which office is hereby created for that purpose.

The bill provides that such persons shall qualify for such office by taking the oath of office prescribed for Senators, and shall have, with respect to the Senate, rights, privileges, salary, and allowances accorded by law to the Delegates from the Territories of the United States with respect to the House of Representatices, except that he first shall be entitled to the same number of clerical assistants at the same rates of compensation as a Senator would be entitled to who is not chairman of a standing committee of the Senate and is from the most populous State and, second, shall have the same mileage allowance as a Senator.

The House legislative counsel advises that the Congress has the power to create this office as it had the power to create the office of Delegate from Alaska and Delegate from Hawaii.

John Albert Vieg, assistant professor of government at Iowa State, recalls that Bryce thought that State pride would place an insuperable barrier to the idea of giving ex-Presidents a seat in the Senate. Occasionally, he went on to say, other writers have remarked on the unhappy contrast between the majesty of the chief magistracy and the unstateliness of the position of a former Executive.

Presidents are in the nature of things outstanding leaders of public opinion. They rate high in their ability to voice with force and accuracy the views and aspirations of a great number of their fellow citizens. Congress is itself the Nation's official sounding board of public opinion.

Twice we have been entirely without retired Executives—from 1799 to 1801 and from 1875 to 1877. There have never been more than four except in the year 1861–62 when Van Buren, Fillmore, Tyler, Pierce, and Buchanan "stood around unable to be of use to a nation that had never been in a worse way for sound advice." This is quoted from Milton S. Mayer in the March 1933 issue of the Forum.

The average number of living ex-Presidents in the first half of the Republic's existence was under three. The average for the past 75 years is well below two. It is a fact that our ex-Presidents do not live long. Back in 1908, Dr. Woodrow Wilson, of Princeton, referred to a President as "the most heavily burdened officer in the world." Emerson spoke well when he said that a President pays dearly for a White House. It is a tough job, and tough as it has always been, it is a tougher job today than it ever was before. "But its brutality succeeds in killing outright only a few of the men who undertake it." Except for William H. Harrison, Polk, Taylor, Lincoln, Garfield, Arthur, McKinley, Wilson, and Harding, every President has survived his term long enough to have to face the problem of "And now what?"—and without any help from the people.

"There is no place in the United States for an ex-President" Mr. Hayes told a friend shortly after the inauguration of his successor. "If I could go into any of the great business enterprises of the country I would hardly fit, and the country would not think it proper, so I am devoting my life to delivering lectures before schools, academies, and colleges."

John Quincy Adams was the only man who has been able to forget that he was once President. When his friends came to him and asked him if he would be willing to go to the lower House of Congress as Representative from the old Plymouth District, he was able to also forget that he had been United States Senator, Minister to the Court of St. James's, and Secretary of State, and he replied that he would serve as selectman of the town of Quincy if he could be useful. For 12 of his 18 years in Congress he was the only ex-President alive; yet that period remains the golden age of ex-Presidents. He stood alone, without a party and without a friend—"Old Man Eloquent"—and battled for abolition. On a single day in 1840, while the House roared for his expulsion and threats of assassination poured in on him from his enemies, the 73-year-old warrior insisted that more than 500 petitions be read into the RECORD. And 8 years later the man who had spent 55 years in the service of his country dropped dead on the floor of the House—still serving.

When Grover Cleveland and Benjamin Harrison went back to the practice of law, the people were shocked that Presidents should wrangle for a living. When Jefferson, Madison, Monroe, Jackson, and Grant died in dignity and poverty the people did not complain.

The Nation owes its ex-Presidents something just as it owes, and pays, its ex-soldiers something.

In 1906 Charles Francis Adams wrote to John Bigelow:

> The plan of graduating ex-Presidents directly into the Federal Senate for life is one that has long been a favorite theory of mine. We have lost absolutely the value of the ripe experience, the great abilities and strong sense of patriotism of such men as Washington, John Adams, Jefferson, Madison, Monroe, Jackson, Van Buren, Grover Cleveland, and Benjamin Harrison. In more than one instance, too, these eminent citizens were cut off from public utility at the maturity of their powers and during the best years of their lives as counselors; while, in more than one case, they themselves have been not only without occupation, but practically without means—objects, almost, of public charity; in the cases of Jefferson and Monroe, indeed, actually so.

Reporting for the Christian Science Monitor, October 22, 1943, Roscoe Drummond wrote that Governor Dewey, of New York, then attending the Mackinac meeting of the Republican Post-war Advisory Council expressed himself as favoring a constitutional amendment providing that ex-Presidents be made Senators at Large without a vote, as my bill provides. The Governor, however, would go further than my bill and would include Vice Presidents as well as candidates for President who have received the second highest number of votes in the electoral college in any Presidential election. According to Mr. Drummond, Governor Dewey cited the arresting fact that if the British system were the same as ours, Winston Churchill would probably have disappeared from public life 20 years ago. "For 150 years," Mr. Drummond quoted Governor Dewey, "men have discussed the necessity of bringing into the Government the ablest men in the country, and yet we have ignored the most obvious means to that end."

It is to be noted that in the bill I present the Senators at Large would not have a vote, thus assuring every State equal voting representation in the Senate. Governor Dewey was described as saying that this would not diminish their great influence in any way.

The SPEAKER. Under a previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

LIBERATION OR CONQUEST

Mr. HOFFMAN. Mr. Speaker, are we fighting a war to preserve the American Government; to enable people throughout the world to choose their own form of government? Or is this a war of conquest? Some folks are beginning to wonder just what it is all about.

Long ago, we were told by the President that our frontier was on the Rhine, meaning that, in order to defend our own country, we would be required to fight battles across the sea.

Then came the statement that we were fighting for the "four freedoms" to liberate subject people. That was followed by Churchill's statement that the British were fighting to preserve the British Empire and, inferentially, his thought was to extend it.

We know now that, after our troops—and I do not mean the troops of the Allied Nations, but I mean American fighting men—drive the Japs out of the former British and Dutch possessions in the South Pacific islands and military bases which the Japs had taken from the British and the Dutch, the British and the Dutch move in and reestablish themselves on their former possessions won for them by American blood.

We are beginning to wonder, when we see the Finnish diplomatic representatives handed their passports right after Russia has renewed her offensive to overrun Finland, as Americans went in on the western front at her demand, whether Russia is not using the opportunity to bring within her domain territory which she desires for the extension of her empire.

The diplomats of Finland, the only nation in the world which has attempted wholeheartedly to pay her obligation incurred to us in the former war, are told to get out of America and we furnish the nation which is overrunning her muntions of war, while, at the same time, other people, victims of the war, designated as refugees, are given safe haven here in the United States.

Some 5,000,000 of our men are fighting or supporting the fighting in other lands. Some 800,000 refugees have been admitted to this country. Just how far are we to go in exchanging fine young Americans for refugees?

With Sidney Hillman's Committee for Political Action of the C. I. O. meeting here in Washington, forming a national organization and announcing that the President must have a fourth term, and with the administration using its power to further the interests of the C. I. O. and its political cohorts, we are also wondering whether the frontier is on the Rhine, or whether the battle for the preservation of American independence, for a constitutional form of government, is being fought here on the banks of the Potomac.

Is this war a war to establish the freedom of subject peoples throughout the world? Is it a war for the preservation of the independence of America? Or is the war being fought to, as was advocated by Henry Wallace, remake America; establish a form of government advocated by Sidney Hillman, still apparently clinging to and bent upon grafting here upon the American system the destructive ideologies of Russia, the land of his birth?

Until the coming of the New Deal, Americans have always been free, but Hillman's idea is that no one should be permitted to hold a job until he pays tribute to the C. I. O.

It is time that Americans teach Hillman and his crew that New York City is not the Capital of America; that the rest of the country will not be ruled by him and his communistic associates.

It is time that we do have a little lend-lease of refugees. It might not be such a bad idea, if those who want to establish here in America a new Russia, were sent back to Russia, to the land from which they came.

If Americans believing in the independence of our country must fight a battle here at home, the best thing that could happen to us is that we begin it without further delay.

Sidney Hillman and his C. I. O. political action committee have thrown down the gauntlet. The people's Representatives here in Congress should pick it up and carry the fight to a bitter end. No quarter should be asked and none should be given, as this country cannot be half republic, half dictatorship, no more than it could remain half free, half slave.

It is time that Congress assert itself, compel the executive department to tell us what has been going on.

An article from the Washington Times-Herald of this morning, which is attached hereto and marked "Exhibit A," tells in news form the story which was related to me by Mrs. Kent more than 2 years ago, when her son was imprisoned in Great Britain because she said he disclosed information which she alleged showed that President Roosevelt and Winston Churchill were then carrying on a correspondence, the purport of which was to involve us in the present war.

I was unable at that time to get accurate information as to the fact, but, if the story is false, the facts should be spread upon the record. No harm could possibly be done to the military effort. But, if the story is true, if the facts substantiate it, it might blast the New Deal, the fourth term campaign, out of existence.

EXHIBIT A

WAR INTRIGUE CHARGE FACES SENATE PROBE—ROOSEVELT-CHURCHILL "DEALINGS" DUE AIRING

(By Walter Trohan)

Charges in the British House of Commons that President Roosevelt was dealing with Winston Churchill behind the back of Prime Minister Chamberlain are expected to be aired in Congress during the week.

Senator SHIPSTEAD (Republican), of Minnesota, said he was aware of the debate in the House of Commons which disclosed Mr. Roosevelt's purported promise to Churchill, then First Lord of the Admiralty, that the United States would come to the aid of Britain.

STUDY PROMISED

The Senator said the Senate should study the report that the Chief Executive and the British leader were dealing unofficially 4 years ago.

Senator WHEELER (Democrat), of Montana, said he was aware of the 4-year fight Mrs. Anne H. P. Kent, a resident of Washington, and mother of Tyler Kent, a clerk in the American Embassy at London, has been making for the release of her son.

Kent, although an American citizen of diplomatic status, was sentenced to 7 years' imprisonment by a British court on a mysterious charge. He was a code clerk and allegedly had access to communications exchanged between President Roosevelt and Churchill.

CAPTAIN ALSO ARRESTED

According to the story unfolded in the House of Commons, Capt. A. H. M. Ramsay, a member of Parliament, was also arrested and imprisoned. John McGovern, an Independent Laborite member of Parliament, said that Ramsay was being held because he might make sensational disclosures of prewar negotiations between Mr. Roosevelt and Churchill.

Mrs. Kent explained at her home here yesterday that she had positive evidence from her son that he intercepted communications between the President and Churchill, as charged in Parliament.

She displayed a cryptic cablegram from her son, which, she said, showed beyond doubt that he had intercepted code messages in the interests of keeping America at peace.

LETTER DISCLOSED

Mrs. Kent disclosed that she had written to President Roosevelt and Members of Congress demanding justice for her son. She released a letter to Senator DANAHER, Republican of Connecticut, in which she detailed her son's story. The letter read, in part:

"October 1939, contrary to all custom, courtesy of American embassy codes was extended to Winston Churchill, the then First Lord of the British Admiralty, in order that he might send his first cable to President Roosevelt, which read, in effect:

"'I am half American, and the natural person to work with you. It is evident we see eye to eye. Were I to become Prime Minister of Britain we could control the world.'

MANY NOTES EXCHANGED

"Six weeks later Mr. Roosevelt cabled through our embassy code to Mr. Churchill for more particulars. Then during the winter of 1939–40 several hundred cables were exchanged between these two. These cables were all decoded by Tyler Kent, clerk in the American Embassy in London. Young Kent's patriotism was so thoroughly aroused he determined to return to America and place before the Senate evidence of this shocking intrigue. However, his youth and inexperience led to easy frustration of his plans.

"For 2 years I have been endeavoring to learn the truth of my son's case in which I was hampered and misled in every possible way by the State Department officials. A passport to leave this country was refused me, but I was finally able to send someone in my place. This man recently returned after interviewing my son, his London attorney, and many other parties."

Mrs. Kent said she is thoroughly convinced that her son was railroaded to prison to hide behind the scenes dickering between the President and Churchill which neither the American nor the British people would have tolerated. She said she is prepared to so testify before Congress.

PROBE NOW SOUGHT

In her search for justice for her son she said that she had received many sympathetic hearings from Members of Congress, but all said they preferred not to imperil friendly relations at this time. Now that the British have made the matter public, she said, she has hopes Congress will probe the matter thoroughly.

Young Kent is a descendant of Americans who made their home in this country before the Revolution. Men of his family fought in the Revolution, the War of 1812, the Civil War and the Spanish-American War. His father was in the consular service for 20 years, and the son followed his father's footsteps.

WANTS AMERICAN LAW

"There is no shadow of a doubt of his Americanism," Mrs. Kent declared. "If he were not serving the best interests of his country as he saw them, a mother would know. I am asking merely for justice.

"It is most amazing that an American should be tried in British courts for an offense which was not against American law. As I see it he was tried only because he loved America more than his career or the country in which he is stationed. I have no wish to get bitter, because the question is so close to my heart, but I do think that as an American I have a right to plead for due process of law—American law."

EXTENSION OF REMARKS

Mr. ROWAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DILWEG, for June 20, 21, and 22, on account of official business.

To Mr. WASIELEWSKI, for June 20, 21, and 22, on account of official business.

To Mr. ROONEY (at the request of Mr. BYRNE), to attend a funeral.

ENROLLED BILLS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4070. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1945, and for other purposes.

H. R. 4559. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1945, and additional appropriations therefor for the fiscal year 1944, and for other purposes.

ADJOURNMENT

Mr. COSTELLO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 55 minutes p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, June 20, 1944, at 10 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will meet on Wednesday, June 21, 1944, at 10:30 a. m., on all resolutions providing for temporary admission of political and religious refugees.

COMMITTEE ON THE PUBLIC LANDS

There will be an executive session of the Committee on the Public Lands on Wednesday, June 21, 1944, at 10: 30 a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1669. A letter from the Attorney General transmitting a report stating all of the facts and pertinent provisions of law in the cases of 133 individuals whose deportation has been suspended for more than 6 months under the authority vested in him, together with a statement of the reason for such suspension; to the Committee on Immigration and Naturalization.

1670. A letter from the Executive Secretary, Office of Scientific Research and Development, Office for Emergency Management, transmitting a copy of the estimate of personnel requirements for the Office of Scientific Research and Development during the quarter ending September 30, 1944; to the Committee on the Civil Service.

1671. A letter from the Director, Office of Strategic Services, transmitting a quarterly estimate of personnel requirements for the Office of Strategic Services; to the Committee on the Civil Service.

1672. A letter from the third vice president, Panama Railroad Company, transmitting on behalf of the United States offices of the Panama Railroad Company, quarterly estimate of personnel requirements for the quarter ending September 30, 1944; to the Committee on the Civil Service.

1673. A letter from the Chief of Office, the Panama Canal, transmitting data in connection with the presonnel requirements of the Washington office of the Panama Canal for the quarter ending September 30, 1944; to the Committee on the Civil Service.

1674. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

1675. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies; to the Committee on Disposition of Executive Papers.

1676. A letter from the Secretary of War, transmitting a draft of a proposed bill to provide that temporary appointments as commissioned or warrant officers in the Army of the United States of enlisted men or warrant officers of the Army of the United States on active duty shall be deemed to have been accepted upon the dates such appointments are made, and for other purposes; to the Committee on Military Affairs.

1677. A letter from the Chairman, War Production Board, transmitting the twelfth bimonthly report of the Smaller War Plants Corporation for the period from April 1, 1944, through May 31, 1944; to the Committee on Banking and Currency.

1678. A letter from the Comptroller, Near East Relief, transmitting a report of the Near East Relief, for the year ending December 31, 1943; to the Committee on the Judiciary.

1679. A letter from the Attorney General, transmitting a draft of a proposed bill to amend the Federal Firearms Act; to the Committee on Interstate and Foreign Commerce.

1680. A letter from the Chairman, Reconstruction Finance Corporation, transmitting the report of the Reconstruction Finance Corporation for the month of March 1944; to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. VINSON of Georgia: Committee on Naval Affairs. S. 1173. A bill to provide for staying judicial proceedings against the United States in time of war, on claims for damages caused by vessels of the Navy, or

for towage or salvage services to such vessels, when the Secretary of the Navy certifies that the prosecution of such proceedings would endanger the security of naval operations or interfere therewith, and to authorize the settlement and payment of such claims, and for other purposes; with amendment (Rept. No. 1681). Referred to the Committee of the Whole House on the state of the Union.

Mrs. SMITH of Maine: Committee on Naval Affairs. S. 1894. An act to provide for the transportation to their homes of persons discharged from the naval service because of under age at time of enlistment; with amendment (Rept. No. 1682). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on the Merchant Marine and Fisheries. H. R. 4968. A bill to amend section 511 (c) of the Merchant Marine Act of 1936, as amended, relative to deposit of vessel proceeds received from the United States in certain cases, and for other purposes; with amendment (Rept. No. 1683). Referred to the Committee of the Whole House on the state of the Union.

Mr. SABATH: Committee on Rules. House Resolution 593. Resolution providing for the consideration of H. R. 4901, a bill to authorize and direct the sale of Moore Air Field; without amendment (Rept. No. 1679). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ABERNETHY: Committee on Claims, H. R. 2180. A bill for the relief of Diemer Adison Coulter and Frances Andrews Coulter; with amendment (Rept. No. 1684). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CANFIELD:

H. R. 5055. A bill to create the office of Senator at Large in the Senate of the United States for ex-Presidents of the United States; to the Committee on the Judiciary.

By Miss STANLEY:

H. R. 5056. A bill to amend the National Labor Relations Act, so as to make it an unfair labor practice to discriminate against any employee, in the rate of compensation paid, on account of sex; to the Committee on Labor.

By Mr. KEFAUVER:

H. R. 5057. A bill to authorize the continued operation of certain airport traffic-control towers by the Civil Aeronautics Administration; to the Committee on Interstate and Foreign Commerce.

By Mr. ENGLE of California:

H. R. 5058. A bill to provide for the issuance of grazing permits for livestock in the national parks and national monuments; to the Committee on the Public Lands.

By Mr. VINSON of Georgia:

H. Res. 599. Resolution providing for the consideration of H. R. 4991, a bill to remove restrictions on transfers of small craft to other American republics in furtherance of the war effort; to the Committee on Rules.

By Mr. COFFEE:

H. Res. 600. Resolution urging on behalf of the United States House of Representatives a diplomatic break with Franco (Fascist) Spain, and extension of lend-lease to the guerrilla armies of the Spanish Republic underground; to the Committee on Foreign Affairs.

By Mr. VINSON of Georgia:

H. Res. 601. Resolution providing for the consideration of H. R. 4405, a bill to amend the act approved March 7, 1942 (Public Law 490, 77th Cong.), as amended, so as to more specifically provide for pay, allotments, and administration pertaining to war casualties, and for other purposes; to the Committee on Rules.

H. Res. 602. Resolution providing for the consideration of S. 1173, a bill to provide for staying judicial proceedings against the United States in time of war, on claims for damages caused by vessels of the Navy, or for towage or salvage services to such vessels, when the Secretary of the Navy certifies that the prosecution of such proceedings would endanger the security of naval operations or interfere therewith, and to authorize the settlement and payment of such claims, and for other purposes; to the Committee on Rules.

By Mr. JARMAN:

H. Res. 603. Resolution, authorizing the printing of a revised edition of the Rules and Manual of the House of Representatives for the Seventy-ninth Congress; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOUGHTON:

H. R. 5059. A bill for the relief of Mrs. Zelma Inez Cheek; to the Committee on Claims.

By Mr. GEARHART:

H. R. 5060. A bill for the relief of Clyde H. Palmer; to the Committee on Claims.

By Mr. MORRISON of Louisiana:

H. R. 5061. A bill for the relief of James Leon Keaton; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5871. By Mr. ANDREWS of New York: Resolution, adopted by the Bailey-Delavan Businessmen and Taxpayers Association, Inc., protesting against the enactment of legislation for the development of the St. Lawrence seaway and power project; to the Committee on Rivers and Harbors.

5872. By Mr. FITZPATRICK: Petition of Teamsters, Chauffeurs, and Helpers Union, Local No. 816, New York City, urging the passage of the Fay bill (H. R. 4319) and Weiss bill (H. R. 4501) which measures provide time and a half overtime for postal employees; to the Committee on the Post Office and Post Roads.

5873. By Mr. GRAHAM: Petition of the Pomona Grange, No. 65, of Lawrence County, Pa., favoring the removal of sugar from the rationing list; to the Committee on Agriculture.

5874. Also, petition of the Economy Grange, No 2013, of Beaver County, Pa., urging the enactment of Senate bill 1882 and House bill 4715, to advance postal salaries to conform to the increased cost of living; to the Committee on the Post Office and Post Roads.

5875. By Mrs. NORTON: New Jersey State Senate resolution, proposing an amendment to the Constitution of the United States relative to taxes on incomes, inheritances, and gifts; to the Committee on Ways and Means.

5876. By Mr. ROLPH: California Senate Resolution No. 4, urging that the Colorado River treaty be not ratified by the Senate Committee on Foreign Relations; to the Committee on Foreign Affairs.

5877. Also, California Senate Resolution No. 5, in reference to access road to Golden Gate Bridge; to the Committee on Interstate and Foreign Commerce.

5878. Also, California Senate Resolution No. 7, in reference to, and urging passage of, House bill 4184, land-grant railroads; to the Committee on Interstate and Foreign Commerce.

5879. By the SPEAKER: Petition of the Central Labor Union of Orange County, Santa Ana, Calif., petitioning consideration of their resolution with reference to the renewal of the Emergency Price Control Act; to the Committee on Banking and Currency.

5880. Also, petition of the secretary, Potomac Synod of the Evangelical and Reformed Church, petitioning consideration of their resolution with reference to repeal of the Asiatic Exclusion Act; to the Committee on Immigration and Naturalization.

5881. Also, petition of various real-estate owners, banks, and agents of New York City, petitioning consideration of their resolution with reference to the inequities in the rent-control section of the present Emergency Price Control Act; to the Committee on Banking and Currency.

5882. Also, petition of the fifty-third continental congress of the National Society of the Daughters of the American Revolution petitioning consideration of their resolution with reference to enforcement of immigration and naturalization qualifications, etc., to the Committee on Immigration and Naturalization.

SENATE

TUESDAY, JUNE 20, 1944

(Legislative day of Tuesday, May 9, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Edward Hughes Pruden, D. D., pastor, First Baptist Church, Washington, D. C., offered the following prayer:

Our gracious Heavenly Father, God of our fathers and our God, we thank Thee that from one generation to another Thou hast been revealing Thy power and love to all the sons of men, and that as we stand today confronted by all the uncertainty and tragedy of this hour we do not stand alone, for we have put our trust in Thee.

We are grateful that the Presiding Officer of this body has landed safely at his destination in China, and we would pray Thy richest blessings upon him as he engages in his important mission. Wilt Thou give the leadership and wisdom of Thy Holy Spirit to this body today as they face the significant issues before them. Bless our Nation and all the nations of the earth, that in due season every heart and every mind may be brought into subjection to the will of Jesus Christ, our Lord, through whom we pray. Amen.

THE JOURNAL

On request of Mr. GEORGE, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, June 19, 1944, was dispensed with, and the Journal was approved.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore (Mr. GILLETTE) laid before the

Senate the following letters, which were referred as indicated:

REPORT OF THE TEXTILE FOUNDATION

A letter from the Chairman of the Textile Foundation, transmitting, pursuant to law, the annual report of the board of directors of the Textile Foundation for the year ended December 31, 1943 (with an accompanying report); to the Committee on Commerce.

REPORT OF SMALLER WAR PLANTS CORPORATION

A letter from the Chairman of the War Production Board, transmitting, pursuant to law, the twelfth bimonthly report of the Smaller War Plants Corporation for the period April 1, 1944, through May 31, 1944 (with an accompanying report); to the Committee on Banking and Currency.

DISPOSITION OF EXECUTIVE PAPERS

Two letters from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents on the files of the Departments of the Treasury, War (6), Justice (2), Navy (2), Interior (2), and Agriculture (7); Selective Service System (2), Civil Service Commission, and Administrative Office of United States Courts (United States District Court, District of Maryland) which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A joint resolution of the Legislature of California; to the Committee on Foreign Relations;

"Senate Joint Resolution 4

"Joint resolution relating to the statutory compact between the United States and the State of California, evidenced by the Boulder Canyon Project Act and the California Water Limitation Act, and opposing ratification of the treaty between the United States of America and the United Mexican States, signed at Washington, D. C., February 3, 1944, and pending before the Senate of the United States, on the ground that such treaty would constitute a breach of the said compact.

"Whereas the United States of America and the State of California heretofore entered into a certain statutory compact, which compact was made in the manner following:

"The Boulder Canyon Project Act (45 Stat. 1057) provided that if, in consideration of the passage of said act, California should within 6 months adopt an act limiting her use of Colorado River water to certain quantities, and if California and certain other States should ratify the Colorado River Compact, then said Project Act and all the provisions thereof should become effective, but otherwise should not become effective.

"California did, within said time, expressly in consideration of the passage of said Project Act, adopt such a Limitation Act (Calif. Stats. 1929, 38), and did ratify the Interstate Compact, known as the Colorado River Compact (Calif. Stats. 1929, 37), all in precise conformity to the requirements of the Project Act. The President thereupon proclaimed the Project Act effective; and

"Whereas California by the adoption of said Limitation Act did subject herself, her lands and people to a drastic reduction of the amount of water of the Colorado River otherwise available for use in California, and did by the adoption of said Ratifying Act subject herself, her lands and people to the burdens imposed by the Colorado River Compact; and

"Whereas said Boulder Canyon Project Act contains the following provisions, a part of said statutory compact, which were intended to protect and safeguard the availability to California of the quantity of water to which California limited herself, to wit, provisions: (1) That the water of the Colorado River to be conserved by Boulder Dam should be used "exclusively within the United States"; (2) that no person should have the use of the water conserved by Boulder Dam, except by contract made by the Secretary of the Interior on behalf of the United States; and (3) that such contracts should be for permanent service; and

"Whereas the Secretary of the Interior, on behalf of the United States, has entered into contracts authorized by said Project Act with public agencies of the State of California for the delivery to them, for domestic and irrigation uses, of large quantities of water of the Colorado River conserved by Boulder Dam and for other rights and benefits authorized by the Project Act; and

"Whereas said Limitation Act and said Ratifying Act were adopted by California and said contracts were entered into by California's public agencies in absolute reliance upon the full performance and observance by the United States of the above-mentioned protective provisions of the Project Act and this legislature declares that it would not have adopted said Limitation Act nor said Ratifying Act, nor would said contracts have been executed by said public agencies, had not said Project Act contained said protective provisions; and

"Whereas there is pending before the Senate of the United States a treaty, signed February 3, 1944, between the United States of America and the United Mexican States, whereby the United States would guarantee to Mexico delivery annually and in a certain prescribed manner of a quantity of the water of the Colorado River, which quantity cannot be delivered to Mexico in such manner without delivering to her water conserved by Boulder Dam; and

"Whereas said treaty, if ratified, would impair the ability of the United States to render permanent service of water under said California contracts and otherwise perform said contracts; and

"Whereas said treaty, if ratified, would create a right in water conserved by Boulder Dam, by means other than by contract with the Secretary of the Interior; and

"Whereas said treaty, if ratified, would make it impossible for the Secretary of the Interior to fulfill the contracts which he has executed on behalf of the United States under the authority of the Project Act and would make it impossible for the United States to observe and perform its obligations under said statutory compact, to wit, the above-mentioned protective provisions of said Project Act; and

"Whereas said treaty, if ratified, would cause the consideration for the adoption by California of said statutory compact to fail and said statutory compact would be thereby breached by the United States: Now therefore be it

"*Resolved by the Senate and Assembly of the State of California, jointly*, That the Legislature of the State of California urgently represents to the President and the Senate of the United States that the ratification of the pending treaty would constitute a breach of the solemn statutory compact entered into between the United States of America and the State of California and evidenced by the above-mentioned statutes, to the great and irreparable damage of California; and be it further

"*Resolved*, That said legislature urges that the pending treaty be not ratified; and further urges that in any treaty that may be entered into between the United States of America and the United Mexican States, the rights of the State of California under said statutory compact and the contractual rights of her public agencies be fully protected; and be it further

"*Resolved*, That the Governor is hereby requested to transmit certified copies of this resolution to the President of the United States, the Secretary of State, the Secretary of the Interior, the Vice President of the United States as President of the Senate, the chairman and each member of the Committee on Foreign Relations of the Senate, also to each of the Senators and Representatives from California in the Congress of the United States."

By Mr. CAPPER:

A letter in the nature of a memorial from the Fredonia (Kans.) Chamber of Commerce, remonstrating against the enactment of Senate bill 1161, to amend and extend the provisions of the Social Security Act; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RADCLIFFE, from the Committee on Banking and Currency:

S. 1947. A bill to amend the National Housing Act, as amended; without amendment (Rept. No. 996).

By Mr. SHIPSTEAD, from the Committee on Agriculture and Forestry:

H. R. 702. A bill to permit the prepayment of the purchase price of certain housing sold to individuals by the Farm Security Administration, and for other purposes; with amendments (Rept. No. 997).

By Mr. BYRD, from the Committee on Naval Affairs:

H. R. 3976. A bill for the relief of Charles L. Kee; without amendment (Rept. No. 998).

By Mr. WAGNER, from the Committee on Banking and Currency:

S. 2004. A bill to amend the act entitled "An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes", approved June 11, 1942; with an amendment (Rept. No. 999).

By Mr. GILLETTE, from the Committee on Agriculture and Forestry:

S. Res. 309. Resolution to investigate conditions prevailing in the production, processing, distribution, and marketing of agricultural commodities; with amendments, and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DANAHER:

S. 2020. A bill for the relief of Capt. Francis Scott Bradford; to the Committee on Claims.

By Mr. HATCH:

S. 2021 (by request). A bill to create a board to be known as the National Symphony Orchestra Trust Fund Board, to define the duties of said board, and for other purposes; to the Committee on the Judiciary.

By Mr. McKELLAR:

S. 2022. A bill to safeguard the activities of the Office of Censorship; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. 2023. A bill to permit Federal employees to serve as election officials; to the Committee on the Judiciary.

By Mr. WHEELER:

S. 2024. A bill authorizing the issuance of a patent in fee to J. W. Mulligan;

S. 2025. A bill authorizing the issuance of a patent in fee to Bull Shows and Horse; and

S. 2026. A bill authorizing the issuance of a patent in fee to Richard Pickett; to the Committee on Indian Affairs.

By Mr. THOMAS of Oklahoma:

S. 2027. A bill authorizing conveyance of the Seger Indian School to Colony Union Graded School District No. 1, Colony, Okla.; to the Committee on Indian Affairs.

By Mr. WALSH of Massachusetts:

S. 2028. A bill to amend the Naval Reserve Act of 1938, as amended, so as to permit foreign service of members of the Women's Reserve under certain conditions; to the Committee on Naval Affairs.

INVESTIGATION OF THE ALCOHOLIC-BEVERAGE INDUSTRY—LIMIT OF EXPENDITURES

Mr. MURDOCK (for Mr. McCARRAN) submitted the following resolution (S. Res. 315), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditures under Senate Resolution 206, Seventy-eighth Congress, first session, agreed to November 16, 1943 (relating to the investigation of the alcoholic-beverage industry), is hereby increased by $25,000.

THE PUBLIC HEALTH—EDITORIAL FROM THE AMERICAN JOURNAL OF PUBLIC HEALTH

Mr. MURRAY. Mr. President, we are all aware of the great advances which have occurred in the health of the American people since the beginning of this century. Life has been made more secure. Living has been freed from many of the ailments which used to harm and cripple. A vast amount of human suffering has been prevented. Premature deaths have been greatly reduced, and the security of American families has been vastly increased.

Much remains yet to be done. With wise leadership and strong support from government and the public, our health leaders can bring even greater blessings for the future.

It is a source of great pride to all who have had responsibilities for the public welfare and the public health that they have helped to make this a healthier country than it used to be. A small group, however, has incorrectly and mistakenly claimed that the credit for these accomplishments belongs wholly or largely to the individual physician or to the private practice of medicine on a fee-for-service basis. Such extravagant claims have been repeatedly made by certain medical spokesmen, more interested in attacking and vilifying the social security bill (S. 1161) introduced by the distinguished senior Senator from New York [Mr. WAGNER] and myself than in correctly stating the facts for public education.

A brief analysis of this subject, stating the facts authoritatively, has just appeared in the American Journal of Public Health, the official publication of the American Public Health Association. It is in the form of an editorial entitled "Who Killed Cock Robin?"

I ask unanimous consent to have this revealing editorial printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From American Journal of Public Health for June 1944]

WHO KILLED COCK ROBIN?

The reduction of the death rate by approximately 40 percent during the first 4 decades of the present century is one of the most significant events in human history. In such an achievement, there is glory enough for all. Health officers, public-spirited private practitioners, engineers, nurses, laboratory investigators, social workers, educators, have all participated in the task.

To claim the fruits of victory for one individual professional group is therefore unwarranted. To associate them with a particular sector of one profession operating on a particular economic plan is still more unjustifiable. Yet this is what has been attempted in the flood of propaganda literature issued by the publicity staff of the National Physicians Committee for the Extension of Medical Service and distributed on a vast scale through the medium of certain agencies in the drug trade. The committee states that it has printed 20,000,000 copies of one of these leaflets, which claims that the achievements of the past years have been accomplished by American doctors operating under the American system; and it is obvious that, by the American system, is meant the private practice by individual physicians on a fee-for-service basis—since the entire flood of this propaganda is directed against any further participation by Government in the development of more adequate medical care. Such an argument obviously raises the question whether American doctors practicing on the particular system which the national committee prefers, or on the equally American plan of official public service, deserve a major share of credit for our reduced death rates. As Governor Smith used to say: "Let's look at the record." The pertinent points of this record are indicated in the following table:

Changes in mortality, 1900–40

	Death rate per 100,000		Percent reduction	Actual deaths, 1940	Deaths which would have occurred in 1940 at 1900 rates	Number of lives saved per year
	1900	1940				
Typhoid and paratyphoid fevers	35.9	1.1	97	1,443	47,173	45,736
Diphtheria	43.3	1.1	97	1,457	56,896	55,439
Diarrhea and enteritis	133.2	10.3	92	13,573	175,025	161,452
Measles, scarlet fever, and whooping cough	34.8	3.2	91	4,300	45,727	41,427
Tuberculosis	201.2	45.9	77	60,428	264,377	203,949
Pneumonia and influenza	180.5	70.3	61	92,525	237,177	144,652
All other causes	1,126.1	944.5	16	1,243,543	1,479,695	236,152

In this table are shown the actual results accomplished between 1900 and 1940 in the reduction of mortality from the five causes of death with which the organized health forces of the community have been concerned, and also the corresponding reduction in pneumonia and influenza, where responsibility has been shared between the public-health officer and the private physician. The last line of the table includes the changes in mortality from all other causes taken together. Many of these have also come within the scope of the public-health program.

It will be noted that typhoid fever and diphtheria mortality rates have been reduced by 97 percent. The results accomplished in the case of typhoid fever have been due to the work of the engineer, to purification of the public water supplies, improvement in sanitary conditions, and to epidemiological control and immunization programs, conducted by health officers. In the case of diphtheria, administrative control, and the use of antitoxin and later toxoid, are responsible for the accomplishment. The basic discoveries in these fields were made by men like W. H. Park working in public-health laboratories, and introduced by health officers like Hermann M. Biggs, often in face of vigorous opposition from the practitioner.

Diarrhea and enteritis of infants have been reduced by 92 percent through the pasteurization of milk supplies, under the leadership of public-health authorities, and through the establishment by boards of health and visiting-nurse associations of well-baby clinics for the instruction of mothers. Here again the initiative came primarily from the organized health forces representing the public interest.

The group of infectious diseases of childhood, measles, scarlet fever, and whooping cough, have shown a 91-percent reduction in mortality, due in large part to vigorous and energetic epidemiological control on the part of public-health authorities. Tuberculosis, which has been cut down by 77 percent, represents the result of a program carried on in nearly all its phases through the leadership of public-health departments, public-health clinics, and publicly maintained sanatoria. Here again, it should be recalled that the introduction of the first program for the reporting of tuberculosis was strenuously opposed by the medical profession.

In the case of pneumonia and influenza the practicing physician deserves a lion's share of the credit. Even here, however, it should be pointed out that the basic discoveries in regard to serum treatment and the use of sulfa drugs were made by salaried physicians in the employ of public-health laboratories and foundations and universities, rather than by private practitioners.

It seems certain that the organized public-health profession rather than the private medical practitioner is responsible for a major part of the gains which have been made during the past 40 years.

It is no doubt true that the "Other causes" of death listed in the last line of the table are much more difficult to control than those which the Public Health Administrator has so successfully attacked; but it may be hoped that a sound system of prepayment which will make good medical care available to the lower economic half of the population, now woefully lacking in such services, would produce notable results in the reduction of many other causes of death than those which have so far been successfully attacked.

AGRICULTURAL EXTENSION SERVICE—ADDRESS BY HON. JAMES F. BYRNES

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an address by

Hon. James F. Byrnes, Director of War Mobilization, at a luncheon meeting June 19, at the Department of Agriculture, of Extension Service workers who have been with the Service for a period of 10 years or more, which appears in the Appendix.]

ADMITTANCE OF EUROPEAN REFUGEES—ARTICLE BY WESTBROOK PEGLER

[Mr. HOLMAN asked and obtained leave to have printed in the RECORD an article entitled "Westbrook Pegler Remarks: 'Roosevelt's "Thousand Refugees" Mere Sample,'" which appears in the Appendix.]

THE BONDS BETWEEN THE UNITED STATES AND THE UNITED KINGDOM—ADDRESS BY M. E. BATHURST

[Mr. HATCH asked and obtained leave to have printed in the RECORD an address on the subject of the bonds between the United States and the United Kingdom, delivered by Mr. M. E. Bathurst, legal adviser to the British Embassy, before Kappa Beta Pi, Women's International League Honor Sorority, on June 17, 1944, at Washington, D. C., which appears in the Appendix.]

INTERNATIONAL LAW—ADDRESS BY H. S. HALLO

[Mr. GEORGE asked and obtained leave to have printed in the RECORD an address by H. S. Hallo, first secretary of the Netherlands Embassy, delivered before Kappa Beta Pi, Women's International League Honor Sorority, which appears in the Appendix.]

APPROPRIATIONS FOR WAR AGENCIES

The Senate resumed the consideration of the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Georgia [Mr. RUSSELL] to strike out lines 3 to 16, inclusive, on page 10, as amended. The Senator from Mississippi [Mr. BILBO] has the floor.

Mr. BILBO. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	Reed
Ball	Gurney	Revercomb
Bankhead	Hatch	Robertson
Barkley	Hill	Russell
Bilbo	Holman	Shipstead
Brewster	Johnson, Calif.	Stewart
Burton	Johnson, Colo.	Taft
Bushfield	Kilgore	Thomas, Okla.
Butler	Lucas	Thomas, Utah
Byrd	McClellan	Tunnell
Capper	McFarland	Tydings
Chavez	McKellar	Vandenberg
Connally	Maloney	Wagner
Cordon	Maybank	Wallgren
Danaher	Mead	Walsh, Mass.
Davis	Millikin	Walsh, N. J.
Eastland	Murdock	Weeks
Ellender	Murray	Wheeler
Ferguson	O'Mahoney	Wherry
George	Overton	White
Gerry	Pepper	Willis
Gillette	Radcliffe	

Mr. HILL. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senators from Nevada [Mr. MCCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senator from Florida [Mr. ANDREWS], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. CLARK], the Senator from Arizona [Mr. HAYDEN], the Senator from Indiana [Mr. JACKSON], the Senator from South Carolina [Mr. SMITH], and the Senator from Missouri [Mr. TRUMAN] are detained on public business.

The Senator from California [Mr. DOWNEY] is absent on official business for the Senate.

The Senator from North Carolina [Mr. BAILEY], the Senator from Texas [Mr. O'DANIEL], and the Senator from North Carolina [Mr. REYNOLDS] are necessarily absent.

Mr. WHERRY. The Senator from Vermont [Mr. AUSTIN], the Senator from Illinois [Mr. BROOKS], the Senator from Delaware [Mr. BUCK], the Senator from New Jersey [Mr. HAWKES], the Senator from North Dakota [Mr. LANGER], the Senator from North Dakota [Mr. NYE], the Senator from Idaho [Mr. THOMAS], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Iowa [Mr. WILSON] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senator from Wisconsin [Mr. WILEY] is absent attending the wedding of his daughter.

The ACTING PRESIDENT pro tempore. Sixty-five Senators have answered to their names. A quorum is present.

Mr. RUSSELL. Mr. President——

The ACTING PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Georgia?

Mr. BILBO. I yield.

Mr. RUSSELL. I appreciate the courtesy of the Senator from Mississippi in yielding to me while the junior Senator from New York [Mr. MEAD] is on the floor.

Yesterday, in the course of the remarks of the Senator from New York, he inserted in the RECORD a great deal of written material. A few minutes ago I happened to read some of this material inserted in the RECORD by the Senator during his address. In this matter the Senator took occasion to reflect upon my sincerity and my integrity. He did not make the statement openly on the floor—I was present and listened to his remarks—but he reserved it for the matter which he inserted in the RECORD and which was not read or discussed publicly.

Mr. MEAD. Mr. President——

Mr. RUSSELL. I wish now to read from page 6244 of the daily RECORD.

The ACTING PRESIDENT pro tempore. The Senator from Mississippi has the floor.

Mr. MEAD. May I ask for the page number again?

Mr. RUSSELL. Yes; I shall read now. It is page 6244. In a long and rather elaborate brief on the constitutionality of the creation of the agency which is under discussion the Senator made this statement:

> This entire constitutional argument is a smoke screen to hide the real issue. The real issue is the race issue, as all of us know. For, if the Senator from Georgia is so perturbed about Executive order agencies, why has he kept silent about other agencies similarly created?

And on page 6245 I read the following sentence:

> This demonstrates the insincerity of the so-called constitutional opposition to the F. E. P. C.

I shall not, Mr. President, discuss the ethics of the action of a Member of this body in referring in such terms to another Member of the body by insertion in the RECORD rather than a statement on the floor. The decency of such procedure must be decided by each Member for himself.

Mr. MEAD. Mr. President, will my colleague yield?

Mr. RUSSELL. Yes.

Mr. MEAD. Mr. President, not being a lawyer——

Mr. RUSSELL. I wish the Senator would let me proceed for a few minutes. I do not wish to become involved in a legal discussion.

Mr. MEAD. I do not think it will be necessary for us to proceed with this discussion if the Senator will allow me the privilege of explaining just how that matter got into the RECORD and also give me the opportunity to withdraw it.

Mr. RUSSELL. Mr. President, the Senator from New York was asked on the floor yesterday who prepared that statement, and he stated that he prepared it himself.

Mr. MEAD. I said it was compiled at my instance, from hearings, debates, and discussions upon this subject, and I am sure the Senator from Georgia will agree with me that if he finds anything objectionable, and I do now from the very slight——

Mr. RUSSELL. It is not only objectionable to me, but I assert that it is absolutely untrue and without any basis in fact, and I shall proceed to show that the accusation is absolutely false.

Mr. MEAD. I assure the Senator that it is absolutely agreeable to me to have it removed from the permanent RECORD.

Mr. RUSSELL. I shall proceed because the Senator was asked yesterday to give the author of the memorandum, and he made this statement:

> This is my own statement.

That was the Senator's statement on the floor yesterday, that it was his own statement.

Mr. MEAD. In further explanation I want to say to my distinguished colleague, whom I never meant in the slightest to injure in any way, that I had a complete review of all the RECORD debates and discussions made, and of course in doing so one should take out a large number of words and a large amount of data that have been compiled, and I must agree that I did not go over it all very carefully, or would never have left anything in the RECORD that would have disturbed my colleague, and I assure him that I shall take it out of the permanent RECORD.

Mr. RUSSELL. I do not care what the Senator does about taking it out of the permanent RECORD. I intend to show for the permanent RECORD that the statement is absolutely without foundation in fact.

Mr. MEAD. I join my colleague in saying that. It was not my intention to say anything to disturb my colleague.

Mr. RUSSELL. It is not a question of the Senator's colleague being disturbed. It is a question of the fact. I shall undertake to show that I have been interested in bringing many Executive agencies under the control of the Congress. It is not any new movement with me, and this statement which the Senator vouched for yesterday is absolutely without any foundation in fact.

Mr. MEAD. I assume the responsibility for it, Mr. President, because I ordered a compilation of everything available on this question since it arose, and I put it all together, and I am sorry that I did not read it over more carefully. But I want to assure the Senator that so far as I am concerned, I shall take the whole speech out if it hurts him in the slightest. I can see where that reference does him an injustice, and I want to assure him that it will come out of the permanent RECORD at my instigation.

Mr. RUSSELL. The statement does not hurt me, because it is not true. I shall try to place facts in the RECORD. The record of the Congress and of the Committee on Appropriations for some years will show that this is no new movement on my part to combat agencies that have been created by Executive order.

Mr. MEAD. I realize that, and I want to assure the Senator now that he has my fullest cooperation in the revision of anything in that statement that in any way does him an injustice. I will go as far as I possibly can to right any wrong that he may decide has been caused by that statement.

Mr. RUSSELL. I have not asked and I shall not ask that anything that the Senator has incorporated in the RECORD be revised or withdrawn. I merely wish to point out, Mr. President——

Mr. MEAD. Mr. President——

The ACTING PRESIDENT pro tempore. Does the Senator from Mississippi yield further, and if so, to whom?

Mr. BILBO. I yield, Mr. President, until the Senators settle the question.

Mr. RUSSELL. Mr. President, the question of congressional control over executive agencies is not a new one. This is not the first time it has arisen in the Senate. I have before me the journal and the permanent records of the Senate Committee on Appropriations, which I have just sent for. At the meeting of the Committee on Appropriations which was held on May 26, 1943, the following appears from the permanent journal of the Senate Committee on Appropriations:

Emergency fund for the President: Senator MCKELLAR called attention to the proviso under this item. Senator RUSSELL moved that the proviso be deleted, and that there be inserted in lieu thereof a new proviso. The language deleted and inserted on the adopted of Senator RUSSELL'S motion is as follows:

Then follows the language deleted as follows:

Provided, That no part of the funds continued available by this paragraph shall be allotted to or expended for the National Resources Planning Board or the Farm Security Administration, or for any of the functions of either said Board or said Administration.

The language inserted is as follows:

Provided, That no part of the funds continued available by this paragraph shall be allotted to or expended for any of the functions of any agency of Government for which appropriations have been duly made by the Congress, or for the functions of any agency for which estimates have been submitted by the Budget and for which Congress has failed to make appropriations: *Provided further*, That this limitation shall not apply to allotments or allocations made to the War Department or the Navy Department.

I might recite some of the history of that amendment. It had appeared in the hearings before the committee that Budget estimates had been submitted for the operation of an agency of government that had been created by Executive order. Congress had refused to appropriate for the maintenance of that agency. The agency had been continued in existence by the allocation of moneys from the President's emergency fund, and that fund was the subject of consideration in the Committee on Appropriations. It had seemed to me, Mr. President, that it was in violation of the fundamental rights of the Congress to undertake to carry on an agency with funds appropriated for emergency purposes when the Congress had refused to appropriate after request had been duly submitted for funds for the support of such an agency. That amendment was somewhat altered, but in final form it prevented the allocation of funds for any function or project. I may read, so as to make the record complete, the amendment as it came from the conference and was enacted into law.

That no part of such fund shall be available after June 30, 1943, for allocation to finance a function or project for which function or project a Budget estimate of appropriation was transmitted pursuant to law during the Seventy-eighth Congress and such appropriation denied after consideration thereof by the Senate and House of Representatives or by the Committees on Appropriations of both bodies.

Mr. President, that was the language of the final enactment of the deficiency bill which was passed by Congress in 1943 and approved by the President. The amendment was considered before the issuance of the last Executive order of the President creating the Fair Employment Practice Committee.

Mr. President, the record of the Congress for this year shows that I was the author of an amendment to the independent offices appropriation bill which sought to go further in curtailing the action of the executive department in assuming functions which I regard as belonging to and being inherent in the right of the legislative body. This bill was reported by the committee in March of this year. I shall not read all of the proceedings in the committee, but I shall ask to have inserted in the RECORD section 213 of the independent offices appropriation bill, an amendment which related not only to the F. E. P. C. but to any number of executive agencies of Government. This amendment prohibited the transfer of any funds by the Executive for the maintenance of any agency created by Executive order which had been in existence for more than 1 year and for which the Congress had never made appropriations or had not specifically approved by legislative action. That amendment was the subject of some debate. It was finally approved by the Senate. It was approved by the House, and is in the independent offices appropriation bill which has gone to the President.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

SEC. 213. After January 1, 1945, no part of any appropriation or fund made available by this or any other act shall be allotted or made available to, or used to pay the expenses of, any agency or instrumentality including those established by Executive order after such agency or instrumentality has been in existence for more than 1 year, if the Congress has not appropriated any money specifically for such agency or instrumentality or specifically authorized the expenditure of funds by it. For the purposes of this section, any agency or instrumentality including those established by Executive order shall be deemed to have been in existence during the existence of any other agency or instrumentality, established by a prior Executive order, if the principal functions of both of such agencies or instrumentalities are substantially the same or similar. When any agency or instrumentality is or has been prevented from using appropriations by reason of this section, no part of any appropriation or fund made available by this or any other act shall be used to pay the expenses of the performance by any other agency or instrumentality of functions which are substantially the same as or similar to the principal functions of the agency or instrumentality so prevented from using appropriations, unless the Congress has specifically authorized the expenditure of funds for performing such functions.

Mr. RUSSELL. Mr. President, no Member of the Congress has been more diligent in his attempt to assert the right of the Congress to legislate in creating agencies than has the Senator from Georgia.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter from the Comptroller General of the United States to a Member of the House of Representatives listing 40 or 50 executive agencies which the Comptroller General says may be affected by this amendment to the independent offices appropriation bill, of which amendment I was the author.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL OF
THE UNITED STATES,
Washington, May 31, 1944.

Hon. JAMES M. FITZPATRICK,
House of Representatives.

MY DEAR MR. FITZPATRICK: Reference is made to your informal request for the following information:

1. A list of the Government agencies operating at present under Presidential Executive order.

2. A list of the Government agencies operating on funds set aside by the President—such as the Committee on Fair Employment Practice.

It is understood that this information is desired in connection with consideration of the possible effect of Senate amendment No. 68 to the independent offices appropriation bill, 1945, H. R. 4070. Said amendment, in

the bill as passed by the Senate, is as follows:

"SEC. 213. After July 1, 1944, no part of any appropriation or fund made available by this or any other act shall be allotted or made available to, or used to pay the expenses of, any agency or instrumentality including those established by Executive order after such agency or instrumentality has been in existence for more than 1 year, if the Congress has not appropriated any money specifically for such agency or instrumentality or specifically authorized the expenditure of funds by it. For the purposes of this section, any agency or instrumentality including those established by Executive order shall be deemed to have been in existence during the existence of any other agency or instrumentality, established by a prior Executive order, if the principal functions of both of such agencies or instrumentalities are substantially the same or similar. When any agency or instrumentality is or has been prevented from using appropriations by reason of this section, no part of any appropriation or fund made available by this or any other act shall be used to pay the expenses of the performance by any other agency or instrumentality of functions which are substantially the same as or similar to the principal functions of the agency or instrumentality so prevented from using appropriations, unless the Congress has specifically authorized the expenditure of funds for performing such functions."

I have been unable, in the time available for the compilation of the information you desire, to have an exhaustive search made. However, there appears in the Senate hearings on the bill referred to above, H. R. 4070, commencing on page 509, a letter dated February 28, 1944, from the Bureau of the Budget, furnishing, in response to a request of Senator RUSSELL, information as to agencies established by Executive order or in any other manner than by specific legislation, and as to the method by which the expenses of those agencies were financed. The two lists which follow were obtained from that source, to which reference may be made for further details. Said letter included data with respect to a considerable number of agencies originally established by Executive order, but now financed mainly by direct appropriation. In view of the purpose of your inquiry, and of the fact that these agencies are operating at this time not only under Presidential authority, but pursuant to specific annual appropriations, such agencies are not included in the lists below.

The following list shows those Government agencies operating at present under Executive orders or letters of the President, or pursuant to direction or approval of the President:

Agencies in the Executive Office of the President: Committee for Congested Production Areas; Liaison Office for Personnel Management; agencies in the Office for Emergency Management: Board of War Communications, Committee on Fair Employment Practice, Foreign Economic Administration (some constituent agencies), Office of Alien Property Custodian; agencies in the Office of War Mobilization: Retraining and Reemployment Administration, Surplus War Property Administration.

American Commission for the Protection and Salvage of Artistic and Historic Monuments in War Areas.

Committee to Investigate Racial Discriminations in Certain Fields of Railroad Employment.

Federal Interdepartmental Safety Council.

Federal Real Estate Board.

Agency in Federal Works Agency: Federal Fire Council.

Interdepartmental Committee to Consider Cases of Subversive Activities on the Part of Federal Employees.

Interdepartmental War Savings Bond Committee.

President's Committee for Education of Men Demobilized From the Armed Forces.

President's War Relief Control Board.

War Refugee Board.

Agency under Department of Commerce: National Patent Planning Commission.

Agencies under Department of the Interior: Coal Mines Administration, Puerto Rico Legislative Committee.

Agency under Department of Labor: Wage Adjustment Board.

The following list shows those Government agencies operating on funds allocated by the President:

Liaison Office for Personnel Management.

Committee for Congested Production Areas.

Committee on Fair Employment Practice.

Foreign Economic Administration (some constituent agencies).

American Commission for the Protection and Salvage of Artistic and Historic Monuments in War Areas.

Committee to Investigate Racial Discriminations in Certain Fields of Railroad Employment.

President's Committee for Education of Men Demobilized From the Armed Forces.

President's War Relief Control Board.

War Refugee Board.

Coal Mines Administration.

Puerto Rico Legislative Committee.

Wage Adjustment Board (in part).

Of these agencies, now financed by funds allocated by the President, appropriations for the following are included in pending bills:

Committee on Fair Employment Practice (National War Agency appropriation bill, 1945, H. R. 4879).

President's War Relief Control Board (State Department appropriation bill, 1945, H. R. 4204).

In addition, estimates for appropriations for the following agencies have been submitted to the Congress:

Committee for Congested Production Areas (H. Doc. No. 488).

American Commission for the Protection and Salvage of Artistic and Historic Monuments in War Areas (H. Doc. No. 568).

Foreign Economic Administration (H. Doc. No. 566).

While the full effect of the amendment in question may not be determined definitely from the facts now of record in this office, the following corporations, as instrumentalities of the Government, might be affected in some manner by the provision as passed by the Senate:

American President Lines, Ltd.

Cargoes, Inc.

Colonial Mica Corporation.

Defense Homes Corporation.

Federal National Mortgage Association.

Federal Subsistence Homesteads Corporation.

Panama Railroad Company.

Puerto Rico Cement Corporation.

Tennessee Valley Associated Cooperatives, Inc.

United States Spruce Production Corporation.

War Emergency Pipelines, Inc.

War Hemp Industries, Inc.

War Materials, Inc.

Warrior River Terminal Company.

Defense Supplies Corporation.

Metals Reserve Company.

Petroleum Reserves Corporation.

Rubber Development Corporation.

Rubber Reserve Company.

United States Commercial Company.

Institute of Inter-American Affairs.

Institute of Inter-American Transportation.

Inter-American Educational Foundation, Inc.

Inter-American Navigation Corporation.

Prencinradio.

I trust that the foregoing will serve the purpose of your inquiry.

Sincerely yours,

LINDSAY C. WARREN,
Comptroller General of the United States.

Mr. RUSSELL. Mr. President, not only is the charge which has been made unfair and untrue, but it is directly controverted by the records of the Congress. I have only this to say: If all the matter which was inserted at such great length by the Senator from New York has no more basis in fact than the charge printed in the RECORD, but not stated on the floor, which questions my sincerity in attempting to recapture all the powers of Congress which may have been assumed by the other coordinate branches of this Government, it is not worthy of the Senator. Neither is it worth while for any person to read or credit.

Mr. MEAD. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. MEAD. I have noted the brief references to my distinguished colleague, the junior Senator from Georgia, and I am taking them out of the permanent RECORD. I agree that in the past he has indicated an opposition to agencies of this character, and I wish to say so publicly in the Senate.

I also wish to have it understood that I gathered together all the information I could bearing upon the constitutional question, and because I did not wish to take the time of the Senate, I, therefore, asked the Senate to allow me to have it made a part of the RECORD. In the hurry of last evening I did not read it all over as carefully as I might have done. I assure the Senator that I am interested now only in a vote on this question and in making sure that there is nothing in the RECORD which would be in the slightest degree objectionable to the Senator, because I do not believe such a charge is warranted, and I wish to be as fair as I possibly can under the circumstances. It is only just that I should treat my colleague fairly.

Mr. RUSSELL. Mr. President, I appreciate the desire of the Senator from New York to be fair. I assumed, on reading this matter, which I saw only about 30 or 40 minutes ago, that the Senator from New York had not prepared the brief. It presents a very able constitutional argument for this unconstitutional—from my viewpoint—agency. Certainly the man who prepared it exhausted every recourse in an attempt to find some scintilla of authority for it. But when the Senator from New York stated, in response to a question from the Senator from Mississippi, that the remarks were his own, I could only assume that the Senator had deliberately stated in the RECORD something that was not based on fact.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the bill (S. 1157) to amend section 61 of the National Defense Act of June 3, 1916,

as amended, for the purpose of providing such training of State and Territorial military forces as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 1232. An act to provide equitable compensation for useful suggestions or inventions by personnel of the Department of the Interior;

S. 1634. An act to provide for the management and operation of naval plantations outside the continental United States; and

S. 1669. An act to clarify the law relative to allowances for mileage of graduates of the United States Military Academy and transportation of their dependents on assignment to their first duty station and to the mileage allowance of persons entering the United States Military Academy as cadets.

The message further announced that the House had passed the following joint resolutions of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. J. Res. 93. Joint resolution declaring the policy of the Congress with respect to the independence of the Philippine Islands, and for other purposes; and

S. J. Res. 94. Joint resolution establishing the Filipino Rehabilitation Commission, defining its powers and duties, and for other purposes.

The message also announced that the House had passed the bill (S. 1432) to extend the Civilian Pilot Training Act of 1939, with an amendment; that the House insisted upon its amendment, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BULWINKLE, Mr. LEA, Mr. BECKWORTH, Mr. WOLVERTON of New Jersey, and Mr. HOLMES were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the bill (S. 1718) to provide for the settlement of claims arising from terminated war contracts, and for other purposes, with an amendment; that the House insisted upon its amendment, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. WALTER, Mr. KEFAUVER, Mr. HANCOCK, and Mr. GWYNNE were appointed managers on the part of the House at the conference.

The message also announced that the House still further insisted upon its disagreement to the amendment of the Senate numbered 10 to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes; agreed to the still further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. RABAUT, Mr. KERR, Mr. HARE, Mr. O'BRIEN of Illinois, Mr. CARTER, Mr. STEFAN, and Mr. JONES were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 1475. An act to amend further the Civil Service Retirement Act approved May 29, 1930, as amended; and

H. R. 3891. An act to provide night differential for certain employees.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4320) relating to the computation of interest on contributions to the civil-service retirement fund returned to employees upon their separation from the service.

The message further announced that the House had agreed to the amendment of the Senate No. 2 to the bill (H. R. 4292) to amend section 12 (b) of the act of May 29, 1930, as amended, and that the House had agreed to the amendment of the Senate No. 1 to the bill and concurred therein with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2654. An act to authorize the Secretary of the Interior to adjust debts of individual Indians, associations of Indians, or Indian tribes, and for other purposes;

H. R. 2969. An act to establish official checking accounts with the Treasurer of the United States for clerks of United States courts and United States marshals;

H. R. 3345. An act to authorize the leasing of Indian lands for business, and for other purposes;

H. R. 4405. An act to amend the act approved March 7, 1942 (56 Stat. 143), as amended (56 Stat. 1092; 50 App. U. S. C., Supp. III, 1001–1017, inclusive), so as to more specifically provide for pay, allotments, and administration pertaining to war casualties, and for other purposes;

H. R. 4615. An act to establish, for the investigation and control of tuberculosis, a division in the Public Health Service, and for other purposes;

H. R. 4625. An act to extend the existence of the Alaskan International Highway Commission for an additional 4 years;

H. R. 4728. An act to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended;

H. R. 4780. An act to fix the fees for domestic-insured and collect-on-delivery mail, special-delivery service, and for other purposes;

H. R. 4935. An act to provide for a study of multiple taxation of air commerce, and for other purposes;

H. R. 4949. An act to amend the Second War Powers Act, 1942;

H. R. 4991. An act to remove restrictions on transfers of small craft to other American republics in furtherance of the war effort;

H. R. 4999. An act to increase the service-connected disability rates of pension for certain Regular Establishment veterans and veterans of wars prior to World War No. 1; and

H. R. 5025. An act to allow credit in connection with certain homestead entries for military or naval service rendered during World War No. 2.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 2654. An act to authorize the Secretary of the Interior to adjust debts of individual Indians, associations of Indians, or Indian tribes, and for other purposes; and

H. R. 3345. An act to authorize the leasing of Indian lands for business, and other purposes; to the Committee on Indian Affairs.

H. R. 2969. An act to establish official checking accounts with the Treasurer of the United States for clerks of United States courts and United States marshals; to the Committee on Expenditures in the Executive Departments.

H. R. 4405. An act to amend the act approved March 7, 1942 (56 Stat. 153), as amended (56 Stat. 1092; 50 App. U. S. C., Supp. III, 1001–1017, inclusive), so as to more specifically provide for pay, allotments, and administration pertaining to war casualties, and for other purposes; and

H. R. 4991. An act to remove restrictions on transfers of small craft to other American republics in furtherance of the war effort; to the Committee on Naval Affairs.

H. R. 4615. An act to establish, for the investigation and control of tuberculosis, a division in the Public Health Service, and for other purposes; and

H. R. 4728. An act to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended; to the Committee on Education and Labor.

H. R. 4625. An act to extend the existence of the Alaskan International Highway Commission for an additional 4 years; to the Committee on Foreign Relations.

H. R. 4780. An act to fix the fees for domestic insured and collect-on-delivery mail, special-delivery service, and for other purposes; and

H. R. 4949. An act to amend the Second War Powers Act, 1942; to the Committee on Post Offices and Post Roads.

H. R. 4935. An act to provide for a study of multiple taxation of air commerce, and for other purposes; to the Committee on Commerce.

H. R. 4999. An act to increase the service-connected disability rates of pension for certain Regular Establishment veterans and veterans of wars prior to World War No. 1; to the Committee on Pensions.

H. R. 5025. An act to allow credit in connection with certain homestead entries for military or naval service rendered during World War No. 2; to the Committee on Public Lands and Surveys.

CLAIMS ARISING FROM TERMINATION OF WAR CONTRACTS

Mr. MURRAY. Mr. President, a message has just been received from the House, relating to Senate bill 1718, the war contract termination bill. The House has requested a conference. I should like to have the message laid before the Senate at this time, because the conferees on the part of the House are here in the corridor, waiting to hold a conference on the bill.

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives insisting on its amendment to the bill (S. 1718) to provide for the settlement of claims arising from terminated war contracts, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MURRAY. I move that the Senate disagree to the amendment of the House, agree to the conference asked by the House on the disagreeing votes

of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The ACTING PRESIDENT pro tempore. The question is on the motion of the Senator from Montana.

The motion was agreed to; and the Acting President pro tempore appointed Mr. MURRAY, Mr. JOHNSON of Colorado, Mr. WALLGREN, Mr. GURNEY, and Mr. REVERCOMB conferees on the part of the Senate.

EXTENSION OF CIVILIAN PILOT TRAINING ACT

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives insisting upon its amendment to the bill (S. 1432) to extend the Civilian Pilot Training Act of 1939, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. RADCLIFFE. Mr. President, I move that the Senate disagree to the amendment of the House, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. RADCLIFFE, Mr. MEAD, and Mr. BREWSTER conferees on the part of the Senate.

INDEPENDENCE OF THE PHILIPPINE ISLANDS

The ACTING PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 93) declaring the policy of the Congress with respect to the independence of the Philippine Islands, and for other purposes, which were, on page 4, line 2, to strike out "full and", and on page 4, line 6, after "authorized", to insert "after proclaiming that constitutional processes and normal function of government have been restored in the Philippine Islands and."

Mr. TYDINGS. Mr. President, I should like to say that the joint resolution which has for its purpose the possible acceleration of the date of ultimate Philippine independence is one of the measures which we have just considered, to which the House made minor amendments. At the time the joint resolution was introduced in the Senate by me it was as a result of a conference with various members of the President's Cabinet, members of the Army and Navy, and members of the Filipino Cabinet, in which the President of the Philippines, President Manuel Quezon, took a leading part, as did the Vice President, Mr. Osmeña.

However, in order that, so far as the joint resolution is concerned, there may be no misunderstanding of it, its intention was not to postpone, in the face of any contingency, the date for independence as set forth in the Tydings-McDuffie Act, but only if circumstances permitted it to come before that ultimate date this joint resolution would be effective insofar as that feature of the act is concerned.

In order that my own position in that respect may be clear, let me quote just one paragraph from a letter I wrote to President Manuel Quezon attempting to clarify what I thought was the situation. It is as follows:

Delegate ELIZALDE also spoke to me in reference to Senate Joint Resolution 93, which I personally feel should be passed by the House. I have been informed of your misgivings concerning this legislation, but I can assure you that it is my personal opinion that Senate Joint Resolution 93 does not authorize the postponement of independence beyond July 4, 1946.

Which was the date fixed in the Tydings-McDuffie Act—

The passage of this resolution will put you in a most favorable position. If the United States forces should recapture the Philippines before 1946, independence would be advanced. If the occupation should be retarded beyond July 4, 1946, independence would nevertheless be a reality on the date provided by the Tydings-McDuffie law. Such was my understanding in the conferences held in connection with and prior to the introduction of this resolution.

Thus it will be seen from the letter, as I am sure it will appear from the law, that in no case would Philippine independence come later than July 4, 1946, and if our military ventures in the Philippines make it possible to give the Filipinos independence prior to that date, it will be accorded to them prior to that date, but in neither event does the law have in mind postponing ultimate independence beyond July 4, 1946.

Mr. President, I move that the Senate concur in the amendments of the House.

The motion was agreed to.

FILIPINO REHABILITATION COMMISSION

The ACTING PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 94) establishing the Filipino Rehabilitation Commission, defining its powers and duties, and for other purposes, which were, on page 1, to strike out lines 3 and 4 and insert "That section 13 of the act of March 24, 1934, as amended, is hereby further amended by striking out the proviso and inserting in lieu thereof the following"; on page 1, line 5, to strike out "SEC. 13"; on page 2, line 4, after "Philippines", to insert "each appointee shall serve at the pleasure of his appropriate appointing authority"; on page 2, line 24, after "present", to insert "or heretofore agreed upon"; on page 2, line 25, to strike out "replace" and insert "make adjustments for"; on page 3, line 1, to strike out all after "Japanese", down to and including "of", in line 4, and insert "in order to reestablish"; on page 3, line 23, after "be", to insert "on a per diem basis at the date of", and to amend the title so as to read: "Joint resolution to amend section 13 of Philippine Independence Act, as amended, establishing the Filipino Rehabilitation Commission, defining its powers and duties, and for other purposes."

Mr. TYDINGS. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

NAVAL PLANTATIONS OUTSIDE THE CONTINENTAL UNITED STATES

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill from the Senate (S. 1634) to provide for the management and operation of naval plantations outside the continental United States which was, to strike out all after the enacting clause and insert:

That hereafter the appropriations for the subsistence of naval personnel shall be available for any and all expenditures necessary in the management, operation, maintenance, and improvement of any plantation or farm, on land subject to naval jurisdiction outside of the continental United States, for the purpose of furnishing food and food products to the armed forces of the United States: *Provided*, That equipment, material, and supplies required therein may be purchased without regard to section 3709 of the Revised Statutes, and other laws applicable to purchases by governmental agencies: *Provided further*, That only American nationals, employees of the United States, shall be entitled to benefits under the civil-service laws, and other laws of the United States relating to the employment, work, compensation, rights, benefits, or obligations of civilian employees of the United States: *Provided further*, That surplus production over the amount furnished or sold to the armed forces of the United States and to civilians serving with the armed forces may only be sold outside the continental limits of the United States: *And provided further*, That no land shall be acquired under this authorization.

SEC. 2. This act shall remain in effect until the termination of the present war and for 6 months thereafter.

Mr. WALSH of Massachusetts. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

APPROPRIATIONS FOR WAR AGENCIES

The Senate resumed the consideration of the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on the amendment of the Senator from Georgia [Mr. RUSSELL] to strike out on page 10, lines 3 to 16, inclusive, as amended.

Mr. BILBO. Mr. President, I am glad to have yielded to my colleagues for this discussion. I promise the Senate not to consume much time. I had seriously considered the advisability of not speaking at all, because I discovered, in association with my colleagues, that the die had already been cast. Their minds seemed to me to have been made up, and it seemed to me that we might as well proceed to a vote. However, in order to keep the record straight, I have decided to make a few observations.

I wish to begin by referring to the June 13 issue of the Washington Post. Senators know this newspaper. They know who owns it and who fixes its policies. It is our good friend Eugene Meyer, together with his good wife. We are not surprised at the things we sometimes see in this newspaper. In fact, whatever I see in it does not disturb me.

The Washington Post for June 13 contains an editorial under the heading

"Fair practices." It reads in part as follows:

Unfortunately, however, the issue has been distorted and obscured—imbued with wholly irrelevant emotional overtones and linked with complex questions of interracial relations.

In conclusion the editorial says:

The House has voted an appropriation of half a million dollars to carry on the F. E. P. C.'s work. The Senate Appropriations Committee, despite an unfavorable subcommittee report, has recommended the approval of this sum. Today the Senate as a whole will begin discussion of it. We hope that the discussion will be concerned with the real issue—not with bugbears conjured up to obfuscate it. We cannot deny to citizens of the United States equality of economic opportunity.

With this introduction I wish to state that I am convinced that a great many of my colleagues have not stopped to analyze the real meaning of this piece of legislation. There has been no attempt to "obfuscate" the issue, as the Post says. The line of discussion up to date has dealt with the legal and constitutional aspects. I think it is pretty well agreed that there is no constitutional ground upon which this appropriation could be made; that the President has exceeded his authority and powers under the Constitution; and that this agency cannot be constitutionally approved. The reason it is going to be approved is that it was conceived and brought forth in the political mind. The purpose of it is political, from beginning to end, as I propose to show.

A few years ago a Member of the House facetiously remarked that many times we vote for bills, and the next day we buy the newspapers to see what we voted for. That remark was only facetious, but there may be a suggestion of truth in it. For example, the other day we voted $909,500 for the support of Howard University, in the city of Washington. The only ground upon which we could appropriate that much of the taxpayers' money would be on the general ground of public welfare. There is certainly no authority for it, unless we stretch the Constitution, as Thomas Jefferson did when he purchased the Louisiana Territory. The appropriation cannot be justified. In the reconstruction days following the Civil War, under the leadership of Thaddeus Stevens, Charles Sumner, and others of their kind who were embittered against the South and were trying to rejuvenate the black race, the idea of establishing Howard University for the higher education of the Negro was conceived, and Congress has continued from year to year to make appropriations for the support of this institution, spending nearly $1,000,000 a year for it.

Nearly all the States in the Union in which there is a Negro population have established educational institutions for the Negroes. In Mississippi we have a very fine Negro college, supported by the State. That is all right; it should be done. But the Congress of the United States spends the taxpayers' money for only one university in America, and that is Howard University. It is exclusively for the Negro race, not for the members of the white race. That cannot be justified. It must be excused simply on the broad ground that it is good for the public welfare. But when we voted for that appropriation the other day I dare say not many Senators knew what is being done at Howard University.

I wish to read to the Senate a write-up on some of the things which are happening there:

Speaking on a program which included remarks by Representative HAMILTON FISH, of New York—

All Members of the Senate know him—

Representative HAROLD KNUTSON, of Minnesota—

He is well known—

Representative WILLIAM A. ROWAN, Edgar G. Brown—

Of local fame—

Rev. Walter H. Brooks, Benjamin Crowson, and a splendid address by Dr. Charles R. Drew, Spingarn Medal winner and the first director of the American Blood Bank, who in giving the story of blood and blood plasma said that there is no difference between colored and white peoples' blood, Prof. William Leo Hansberry—

Note that name, please—

famous anthropologist of Howard University presented interesting discoveries to a thrilled interracial audience at the monthly banquet-forum of the Institute on Race Relations held at the Asbury Methodist Church, 11th and K Streets NW, Washington, D. C., last Thursday, April 27, 1944.

The Asbury Methodist Church is the same place at which was held a mass meeting during which there was adopted a resolution asking me to resign as chairman of the Senate Committee on the District of Columbia. I imagine about the same kind of crowd was present there when the meeting I am now referring to was held.

I read further from the résumé:

Professor Hansberry, who was introduced by Tomlinson D. Todd, the President of the Institute on Race Relations, gave a vivid picture of early African civilizations. He also presented in a clear style the migration of the population in the Sahara region of Africa (and now the Sahara desert) to Europe and Asia, when this region started drying up and turning into a huge desert. As a result of climatic conditions, Negro-type people bleached out in Europe and became the white people. To substantiate this early migration he stated, "skeletons of the Negroid type have been found in several European and Asiatic countries."

In his discourse, the speaker enumerated 3 reasons for the collapse of the African civilizations. This collapse, "which occurred in the fifteenth, sixteenth, and seventeenth centuries, was caused by (1) the slave trade carried on by the Arabs; (2) the continuous drying up of the Sahara region; (3) the European slave trade which lasted 250 years.

"Since a race of people is judged by its past achievements," he stated, "it is important that information about Africa's contribution to civilization be assembled and put into the language of the layman or average man."

In other words, the Congress of the United States is paying the taxpayers' money for the support of a university at which the professor of anthropology is teaching American Negro youth that the white man descended from the Negro. I do not know whether Senators like that idea or not. It is news to me. Senators may wish to know why so many outbreaks have been occurring—and I shall deal with them directly—among the younger generation of Negroes. It is because of the dissemination into their minds of this kind of doctrine or teaching. Dr. Hansberry demonstrates and proves to a class of young Negroes that, because a Negro-type skeleton was found somewhere in northern Europe, all the white people have migrated from Africa or have descended from the Negroes, and that the reason they are white is that they went north and bleached out. Mr. President, certainly such teaching makes the young Negro feel he is the beginning and the end of all races and of all things. The outbreaks which I shall mention in a few minutes have been occurring as a follow-up on the question of discrimination.

Mr. President, I have brought to the attention of the Senate the matter of the teaching of anthropology at Howard University by Dr. Hansberry to prove that frequently when we are doing things we do not know what we are doing. I do not think any Senator on the floor would relish the idea that he was paying out the taxpayers' money to support a university which was permitting the professor of anthropology at that university to teach this kind of doctrine, namely, that the white man descended from the Negro, merely because an African skeleton happened to be found in northern Europe. Dr. Hansberry does not let his mind go free, or he would at once understand that the white man had gone down to Africa and gotten an African, carried him back into Europe, and used him there as a slave, as we did in this country before the Civil War. I cannot help it if that Negro died in northern Europe. All reputable anthropologists and ethnologists agree that the human race is divided into three classes, namely, the white, black, and brown. This is the first time I have known of any professor in a university advancing the idea that the white race ascended from the black race.

It is true that prejudices exist here and there between the races. We do not like the Japs, and we are not infatuated with the Chinese. When I say "we," I do not mean to include Miss Pearl Buck, but I am referring to the rest of us. The Chinese belong to an entirely different race. I have no hatred against the Negro. I can make that statement truthfully, and I think my personal record will prove that I have no hatred for him. For 8 years I was Governor of the only State in the Union in which there were more Negroes than whites. I had no trouble with them. I treated them fairly and squarely. I tried to give them a break in life, and afford them opportunities for education. When I thought that a job had been "put up" on a Negro in the courts I was free in my use of the pardoning power in order to adjust the situation. There were only a few cases of lynching during my tenure of office. Once in awhile a rape occurred, and no

power of any Governor could have stopped the administration of immediate justice—liquidating the rapist. However, I can say that there were fewer cases involving the breaking down of law in Mississippi than in New York State. It is a matter of official record that there is, on an average, a killing of at least one Negro every night in Harlem, New York. Yet, that locality is the source of a great deal of the clamor with reference to race prejudice and race discrimination.

Behind the bill under consideration is the fundamental idea advanced by A. Philip Randolph, Judge Hastie, Judge Wilkins, of the N. A. A. C. P., and Walter White, of the N. A. A. C. P., that any form or type of segregation is a discrimination. The committee for which we are asked to appropriate $500,000 of the people's money is married to the one idea that segregation of any sort is discrimination. The Supreme Court has held repeatedly that segregation wherein both parties are given equal treatment is not discrimination. But in the midst of the war the persons to whom I have referred are determined to carry on and prosecute their campaign to eliminate all types of segregation.

Many persons in this country are coddling and playing up to the Negro in order to secure his vote. Personally, or in any other way, I am not interested in the Negro voting. The Negro does not vote in my State, and he is not going to vote within a long, long time. Congress may pass all the anti-poll-tax legislation it wishes to pass, but the Negro is not going to vote in my State at this time. I suggest that if any of them wish to vote they can move to New York or Pennsylvania, in either of which States they will possibly find a more congenial atmosphere.

I hold in my hand a signed statement of A. Philip Randolph. He takes credit for bringing about the appointment of the Committee on Fair Employment Practice, and points to it as an achievement in connection with his famous "On to Washington" movement, which took place in 1941, when he organized 200,000 Negroes, and proposed to march on the city of Washington and demand all the things which the Negro, through the N. A. A. C. P. and other organizations, are demanding today. It has been freely charged that the President made a trade with Randolph in order to prevent his march on Washington, and that he issued for Randolph the famous Executive Order No. 8802.

Mr. President, I shall take the time of the Senate to read into the RECORD what Randolph says about this proposition. It is headed "Why Should We March?" and reads as follows:

Though I have found no Negroes who want to see the United Nations lose the war, I have found many who, before the war ends, want to see the stuffing knocked out of white supremacy and of empire over subject peoples. American Negroes, involved as we are in the general issues of the conflict, are confronted not with a choice but with the challenge both to win democracy for ourselves at home and to help win the war for democracy the world over.

There is no escape from the horns of this dilemma. There ought not to be escape. For if the war for democracy is not won abroad, the fight for democracy cannot be won at home. If this war cannot be won for the white peoples, it will not be won for the darker races.

Conversely, if freedom and equality are not vouchsafed the peoples of color, the war for democracy will not be won. Unless this double-barreled thesis is accepted and applied, the darker races will never wholeheartedly fight for the victory of the United Nations. That is why those familiar with the thinking of the American Negro have sensed his lack of enthusiasm, whether among the educated or uneducated, rich or poor, professional or nonprofessional, religious or secular, rural or urban, north, south, east, or west.

That is why questions are being raised by Negroes in church, labor union, and fraternal society; in poolroom, barbershop, schoolroom, hospital, hair-dressing parlor; on college campus, railroad, and bus. One can hear such questions asked as these: What have Negroes to fight for? What's the difference between Hitler and that "cracker" Talmadge of Georgia? Why has a man got to be Jim Crowed to die for democracy? If you haven't got democracy yourself, how can you carry it to somebody else?

What are the reasons for this state of mind? The answer is: Discrimination, segregation, Jim Crow. Witness the Navy, the Army, the Air Corps; and also Government services at Washington. In many parts of the South, Negroes in Uncle Sam's uniform are being put upon, mobbed, sometimes even shot down by civilian and military police, and on occasion lynched. Vested political interests in race prejudice are so deeply entrenched that to them winning the war against Hitler is secondary to preventing Negroes from winning democracy for themselves. This is worth many divisions to Hitler and Hirohito. While labor, business, and farm are subjected to ceilings and floors and not allowed to carry on as usual, these interests trade in the dangerous business of race hate as usual.

When the defense program began and billions of the taxpayers' money were appropriated for guns, ships, tanks, and bombs, Negroes presented themselves for work only to be given the cold shoulder. North as well as South, and despite their qualifications, Negroes were denied skilled employment. Not until their wrath and indignation took the form of a proposed protest march on Washington, scheduled for July 1, 1941, did things begin to move in the form of defense jobs for Negroes. The march was postponed by the timely issuance, June 25, 1941, of the famous Executive Order No. 8802, by President Roosevelt. But this order and the President's Committee on Fair Employment Practice, established thereunder, have as yet only scratched the surface by way of eliminating discriminations on account of race or color in war industry. Both management and labor unions in too many places and in too many ways are still drawing the color line.

If we read the record of proceedings under Dr. Ross, it will be found that the Committee is delving into every department of the Government. Today Mrs. NORTON, in the other House, is working hour after hour in an attempt to have passed through the House a bill to make the Committee permanent, and to include within its jurisdiction every organization and every business activity in the country which, under the definition of the Supreme Court, comes under interstate commerce. Then, as Randolph says, he will begin to scratch the surface and more than scratch the surface.

I wish to say to some Senators who are planning to vote for this appropriation and to give life to this movement they had just as well get ready to select one of these mulattoes or high-brown or yellow girls as their stenographer, because Dr. Ross and his organization will be serving notice on them, when he becomes fixed and permanent in his position, that Senators are discriminating against the colored girls of the Nation; that Senators ought to have Negro girls in their offices, and they had just as well get ready for it. It is coming, and I assure them that when they get one all the B. O. powders on earth will not dissipate the odoriferous aroma they will find permeating their offices day by day.

When A. Philip Randolph got his Order No. 8802 in a trade with the President not to bring his Negroes on to Washington, what did they do? What has this Committee done for the District of Columbia? Go down into the departments and it will be made plain. Before this took place there was some semblance of segregation in all the departments. But what did they do? They proceeded at once to visit all the departments of the Government in Washington, tear out the partitions that separated the eating places of the whites and the blacks, and throw them all together at the same table. Then they tore out the partitions separating the closets, the rest rooms, and the wash rooms in all departments, and forced all employees to use the same rest rooms. That is what has been taking place as the result of this order, of this Committee, of this movement.

Some of my colleagues may have schooled themselves to tolerate or endorse forcing the white women in the departments to use the same toilet facilities used by the colored employees, but I have not yet reached the point where I think it is proper for the United States Congress to support legislation and appropriate the tax money to foster and perpetuate an organization that is engaged in this kind of business, of forcing white girls from all over the Nation—I am not speaking solely of white girls from the South—not only to eat with the Negro, in violation of all their conceptions and ideals of the relationship between the two races but forcing them to use the same toilets. There are all sorts of disorders taking place between the whites and the blacks in the departments because of the enforcement of the order doing away with the segregation of the races insofar as the eating places and the toilet facilities in the departments are concerned.

It is to meet this situation squarely with direct action that the March on Washington Movement launched its present program of protest mass meetings. Twenty thousand were in attendance at Madison Square Garden, June 26; 9,000 in the City Auditorium of St. Louis, August 14. Meetings of such magnitude were unprecedented among Negroes. The vast throngs were drawn from all walks and levels of Negro life—businessmen, teachers, laundry workers, Pullman porters, waiters, and red caps; preachers, crapshooters, and social workers; jitterbugs and Ph. D.'s. They came and sat in silence, thinking, applauding only when they considered the truth was told, when

they felt strongly that something was going to be done about it.

The March on Washington Movement is essentially a movement of the people. It is all Negro and pro-Negro, but not for that reason anti-white or anti-Semitic, or anti-Catholic, or anti-foreign, or anti-labor. Its major weapon is the nonviolent demonstration of Negro mass power. Negro leadership has united back of its drive for jobs and justice. "Whether Negroes should march on Washington, and if so, when?" will be the focus of a forthcoming national conference. For the plan of a protest march has not been abandoned. Its purpose would be to demonstrate that American Negroes are in deadly earnest, and all out for their full rights. No power on earth can cause them today to abandon their fight to wipe out every vestige of second class citizenship and the dual standards that plague them.

A community is democratic only when the humblest and weakest person can enjoy the highest civil, economic, and social rights that the biggest and most powerful possess. To trample on these rights of both Negroes and poor whites is such a commonplace in the South that it takes readily to anti-social, anti-labor, anti-Semitic, and anti-Catholic propaganda. It was because of laxness in enforcing the Weimar Constitution in republican Germany that nazi-ism made headway. Oppression of the Negroes in the United States, like suppression of the Jews in Germany, may open the way for a Fascist dictatorship.

By fighting for their rights now, American Negroes are helping to make America a moral and spiritual arsenal of democracy. Their fight against the poll tax, against lynch law, segregation, and Jim Crow, their fight for economic, political, and social equality, thus becomes part of the Global War for freedom.

In other words, A. Philip Randolph, the organizer and the head of the on-to-Washington movement, which gave birth to the Fair Employment Practice Committee, which is under discussion—and he takes full credit for getting it as a result of his efforts to invade Washington with 200,000 Negroes en masse—does not hesitate. He says very frankly that one of the things the Negro is fighting for in this war and in this campaign and this Committee is social equality between the whites and the blacks. It will be found that some of the Negro agitators and some of the Negro speakers and preachers say, "Oh, no; we do not want social equality; we want our economic rights; we want our political rights." They lie. Back in the heart of every Negro in America who is behind movements of this kind is the dream of social equality and intermarriage between whites and blacks. They boast of the fact. Dr. Franz Boas, the great anthropologist of Columbia University, boasts of the fact that the intermarriage and the mingling of the two bloods would bring about a better race. On that theory there have been books written—The Yellow Race. That is their dream; that is their hope; that is what they are fighting for.

The Negro gets an economic square deal as much as could be expected. He is given a chance to work, unless he fails to join a union. Of course, now, if he does not pay his lodge "poll tax" and his monthly dues and his initiation fee, he can starve and go to hell so far as the C. I. O. and the other unions are concerned, because they demand payment of the poll tax before a man can work—and work is a greater right than is voting.

Members of the Senate ought to know where the Fair Employment Practice Committee came from. It was born through the activity of A. Philip Randolph, who organized the movement "On to Washington," and the President made a trade with him, I am informed, and issued the famous Executive Order 8802.

Things were not getting along very well, and they organized a committee headed by Mr. Mark Etheridge, who is now connected with the old Louisville Courier in Louisville, Ky. Then they had Dr. McLean as head of it, and finally they reorganized again and made Dr. Ross the head of it, and it is the present organization we are now considering.

Mr. President, it has been charged freely many times that instead of this Committee being of real benefit to the war effort and unity, it is sowing the seeds of discord, and bringing about disruptions, bringing on strikes and conditions of that kind. I wish to read a paragraph from PM, the issue of Sunday, June 18, last Sunday. From New Orleans, La., comes this special:

New Iberia authorities conceal story of worst anti-Negro flare-up in years.

Four leading Negroes of New Iberia were sorely beaten and forced to leave that part of Louisiana.

Let me read the background of this:

The seeds of this instance of race persecution were planted, according to the victims, when a committee of Negroes, led by Hardy as representatives of the N. A. A. C. P.—

That is Walter White's organization. By the way, I presume all Senators have read in the New York Times and other newspapers that Walter White celebrated his twenty-fifth anniversary in the Roosevelt Hotel a few nights ago, and the leading actors at the celebration were Mrs. Eleanor Roosevelt and Wendell L. Willkie. A collection was taken up, and Mr. Willkie gave the N. A. A. C. P. a nice little check for $5,000. There is no record of Mrs. Roosevelt making any contribution, except what she had to say.

I continue reading from the dispatch:

The seeds of this instance of race persecution were planted, according to the victims, when a committee of Negroes, led by Hardy as representatives of the N. A. A. C. P., asked that a welding school for Negroes be established, shortly after the opening of a similar school for whites by the War Manpower Commission and the United States Department of Education.

Listen to this:

Local efforts of the Negro committee met with failure, it is said, and the committee then contacted the F. E. P. C. office in Dallas, Tex.

And the next Monday morning they opened a welding school for the Negroes, the riot broke out, and the Negroes had to leave town.

Mr. President, that indicates exactly what this organization is doing. They are so extreme, they are so radical, that instead of letting the white man and the black man work out their own salvation when they are forced to live side by side, as they have been doing, agitators and long-haired social workers, like Dr. Ross, are sowing the seeds of discord throughout the country, and they are using this instrument of government to bring about trouble.

Now let us see about some more trouble that has been happening as a result of all this coddling and these political appeals to the Negroes. I read from the New York Times:

PASSENGER ON B. M. T. TRAIN SHOT FOR OBJECTING TO ROWDY ACTS OF EIGHT YOUNG NEGRO HOODLUMS

Eight Negro hoodlums, 15 to 17 years old, terrorized more than a hundred passengers on a Brighton Beach Line B. M. T. subway train bound from Coney Island to Franklin Avenue, Brooklyn, last night, and when one of the passengers objected they felled him with a blow and, while he was lying prostrated, shot him twice.

The youths escaped at the Park Place Station before police radio cars reached the scene. Their victim, John Montero, 29 years old, of 1683 University Avenue, the Bronx, was taken to Jewish Hospital, suffering from bullet wounds of the left wrist and the left hip. His condition was not dangerous, it was said at the hospital.

Listen to this:

The Negro youths boarded the eight-car train, some sections of which were crowded, at the Prospect Park Station, shortly before 9 p. m. They began running through the cars yelling:

"This is D-day for the colored folks, white trash get off."

Pushing passengers about and rough-housing them, the boys made themselves obnoxious, and when the train stopped at the Botanical Gardens Station a number of the passengers got off, to wait for the next train. The gang continued its rowdyism, seeking to annoy the passengers.

As the train approached the Park Place Station, Mr. Montero told the boys to quiet down, that their conduct was beyond endurance. One of the boys took a swing at him, hitting him in the jaw. He fell to the floor. Before the other passengers could see what was happening, two revolver shots rang out, the bullets finding a mark in Mr. Montero's prone body.

Police of the Grand Avenue Station are investigating.

I read an article entitled "Editorials of Note," which quotes from the Columbus Commercial-Dispatch, as follows:

EDITORIALS OF NOTE

From the Columbus Commercial-Dispatch the following incident where the races are mixed in New York City shows the dangers of such a system even in northern communities:

NEW YORK, May 11.—Police reported that 25 white and 25 Negro girls fought for almost half an hour in the cafeteria of Brooklyn Girls High School today and that 4 pupils were injured, 1 seriously.

Rose Gallop, 16, Negro, was arrested on a charge of third-degree assault on complaint of Albert Levine, a white teacher, who said she assaulted him when he told her to stay in line just prior to the disturbance.

Police told this story:

"White girls defending the teacher's action, and Negro pupils, taking the side of the Gallop girl, argued and then fought with chairs, dishes, fists, and fingernails as weapons.

"Edna Farnsworth, principal, and Alice Garvey, her assistant, attempted unsuccessfully to restore order, then called police.

"Fifteen uniformed policemen and 10 detectives responded and quelled the disturbance."

This is just one instance of the consequences of the violation of the basic, fundamental system of race segregation.

Segregation is the only basis on which the two races can live in peace and harmony and it is inescapable.

No right-thinking person wants to deny Negroes their economic and civil rights.

They are entitled to fair and just treatment.

They are entitled to live in peace and to enjoy the economic and civil rights of free people.

But racial differences must be recognized and wise and just and reasonable segregation is the only solution of the problem.

This is fundamentally true and inescapable, all the agitation of troublemakers to the contrary notwithstanding.

That, Mr. President, is another instance of LaGuardia government and coddling from Washington of the young promising American Negro.

I read from another newspaper article, as follows:

BOY TELLS HOW 10 YOUTHS BEAT WOMAN ON TROLLEY

An eyewitness related today that at least 10 Negro boys and girls kicked and punched a woman passenger into unconsciousness in a wild purse-snatching melee aboard a Brooklyn trolley last night and escaped by leaping through the windows of the car, leaving behind razors and knives.

The incident, which occurred in a Tompkins Avenue trolley shortly after the car left its terminal at Empire Boulevard and Prospect Park, was described by a 16-year-old boy, also a passenger, who asked that his identity be withheld because he feared attempts at reprisal.

Fifteen Negro youths were rounded up by police with guns drawn after the disturbance.

Police said one open razor and seven knives were found in the car.

Principal victim of the attack was Ruth Upham, 25, of 1096 Park Avenue, Brooklyn, an insurance broker and student at Columbia University Teachers College.

"Miss Upham was standing in front of me," the eyewitness told a reporter. "I was seated. First, they started to shout and push. Purse snatching came next. She was knocked onto me, and I tried to shield her face from punches.

SAW RAZOR, KNIVES

"They jabbed and kicked and punched her. There must have been 10 or more. As the trolley car neared the station (the Empire Boulevard police station, where the motorman halted the car and summoned police), Negroes in the rear started to jump out of the windows, apparently afraid to be caught with weapons.

"When the trolley was cleared I saw at least one open straight-edge razor and two knives on the floor. Other articles were everywhere."

Miss Upham, who had a laceration over the left eye and was limping from what, she said, was a severe back injury, she said: "I was knocked out before we got to the station house and when I woke up I was on a bench in the police station."

Miss Upham said she lost count of the blows rained on her after receiving between 40 and 50.

She said she had attended the baseball game with a group of friends at Ebbets Field and was on her way to Manhattan for dinner when the disturbance broke out. She said a $5 bill was missing from her purse when she recovered it.

The facts set forth in this article are too disgusting to read further.

Mr. President, this is some of the fruit of the plantings by certain race coddlers in the minds of the Negro. A doctor at Howard University said that the white man descended from the Negro. This is only an example of what is taking place and what is going to take place. Right here in Washington we are headed for trouble. Practically two or three times a day I have callers from among the citizens of the District who think I can give them relief, who complain about the methods being pursued by a number of Negro real-estate agents and some unethical and unprofessional white real-estate agents who do not belong to the real-estate board in the District of Columbia—they are too sorry specimens to be licensed—who are engaged in an assiduous campaign of trying to break up the white districts in the city of Washington. Their scheme is to manipulate until they can buy one house or one lot in the center of a white block, and the minute that is done—sometimes they move the Negroes in after night—then the value of the real estate in that block at once drops from 10 to 15 or 20 percent under the market. The people who have spent their lives trying to accumulate money to build a home in which to live in the Capital of the Nation are now face to face with this menace because of the preaching that segregation is discrimination, and there is a concerted move on to break up white sections throughout Washington.

I listen to these cases day after day, and the situation is very regrettable. I wish there was something I could do about it. But unless there is a covenant in the deed, there is no law by which a Negro can be prevented from buying a lot or a home in the middle of a white block. I do not know of any way to reach the situation. Of course if this were done in the South I would know how to handle it. But Washington, as Senators know, while sometimes called a southern city, is on the borderline, and I am convinced, as I have said, and that is one of the reasons why I am opposing suffrage for the District, that there is a concerted movement to drive the white people out of Washington into Virginia and Maryland, and to flood the town with Negroes, so in case the citizens of Washington are given the right to vote there will be a Negro administration in the Nation's Capital. That is the dream of the black cabinet here in Washington.

Mr. President, I now want to read an open letter written by a man who is in the publishing business in Washington, a very fine gentleman whom I have had the pleasure of meeting. The letter is addressed to Mrs. Franklin D. Roosevelt, to Senator THEODORE G. BILBO, to the president of Howard University, to the Secretary of the Washington Real Estate Board, to the secretary of the District of Columbia Real Estate Commission, to the secretary, Federation of Citizens Associations, to the secretary, Federation of Civic Associations, to Representative JENNINGS RANDOLPH, to the editor, Afro-American, the editor of the Evening Star, the editor of the Times-Herald, the editor of the Washington Post, the editor of the Washington Daily News, and the editor of the Bulletin. I do not know what newspaper the last one is. The letter is as follows:

PARK VIEW CITIZENS' ASSOCIATION,
Washington, D. C.

DEAR MADAM AND SIRS: This is an open letter to the people of Washington, inspired by what is without question a definite injustice being done colored people by certain unscrupulous, unethical white and colored real estate dealers operating in what is known as Park View.

The observations I am about to bring to the attention of the people of Washington have been gathered by me as chairman of the housing commitee of the Park View Citizens' Association through close contact with the residents of my community and conversations with certain real-estate operators of our city.

We—and when I say we, I mean the reasonable-thinking members of my association—hold no grudge against the colored people, nor do we feel that the time is too soon that the right-thinking, properly prepared colored person should not enjoy equal opportunity—let this be a matter of record. We do object, however, to being forced to vacate our homes in favor of colored people who are being promoted by selfish real estate dealers. Dealers who have no other motive but to enrich their own treasuries at the expense of the colored man by—

1. Selling him old houses at two and three times their original price. Houses that sold for $3,800 when brand new 30 years ago have been recently resold to colored for $9,000 and more. Houses that were patched up to look completely renovated but that very shortly will need new roofs, new porches, new plumbing, and many other expensive repairs.

2. By encouraging a colored man to locate in a block solidly inhabited by white and then alarming the rest of the white inhabitants by telling them the whole block is going colored and that they had better sell while the prices are high. The white residents are becoming irritated, cussing the Negro because of this unscrupulous promotion, when, in fact, the trouble lies with the unethical real-estate man, and we mean unethical real-estate man—for not one known real-estate man who is a member of the Real Estate Board is taking advantage of the colored man by selling houses to him in our community at unfair prices.

(We are glad, however, to report that there are a number of real-estate dealers, not members of the board, who have not exploited the colored man, and have told us that they have no intention of operating in our community as long as such transaction would create any ill will among the races.)

3. By moving these colored people into these homes under the cover of darkness and destroying self-respect, they would have if they wait a very little while longer when a more propitious time comes for the whites to turn over this neighborhood through ethical real-estate men who will bring them in by the front door in broad daylight with the full sanction of their white fellow citizens.

4. By causing us to have to conduct court litigation to hold our homes. This we regret, for this move is not against the colored man, but is our only valid defense against this unethical, antisocial promotion of which both races are victims.

There are a number of elderly couples who have owned houses in Park View for many years, as well as many mothers and wives of servicemen who are overseas. When your sons and husbands and brothers and sisters—and our sons and husbands and brothers and sisters—settle this conflict of wrong thinking overseas and our families can return to normal conditions, the community development for the colored man can be made without cheating the Negroes and without unnecessary racial antagonism.

Now, as at no other time, let us reasonable-thinking people bind ourselves together against those who would interfere with our progress and our economic welfare. It is not the race to which we belong that counts—but the important thing is how we conduct ourselves.

Sincerely,

A. WALTER COLLIER.

This abuse is going on throughout the city. I receive many reports every day. These Negroes are willing to pay $2,000 or $3,000 in excess of the market value of the property in order to carry out their scheme to drive the white people from the white sections of Washington so that they may take possession of them. I know of no way for those people to get any relief except by taking the proposition into their own hands and giving the matter their personal attention.

Mr. President, we have already voted to support a university which is teaching the Negroes of the country that the white man descended from the Negro. Now we are face to face with voting for a proposal to permit an organization which is not practicing what it is preaching to go into every business establishment and industry in America and say who is to be employed and who is to be dismissed. It is even going into the unions themselves. This is only the beginning of this character of legislation. This is only the entering wedge. Behind it all is the drive of A. Philip Randolph to force social equality, to force the intermingling of the races, and do away with segregation in Washington and throughout the entire Nation. I am sure the good people of Washington are not in favor of doing away with segregation, because they are opposed to having white children and black children attend the same schools, and having the white children taught by Negro teachers, as is done in Pennsylvania. I know the people of Washington do not want that. The people of Washington have always stood for the dual system of public schools, and I think they will continue to stand for it. I do not believe that the public wish to see their hotels, restaurants, and cafes shared by whites and Negroes. The poor white girls in the departments, who must work for a living, are compelled to use the same toilet facilities, the same cafeterias, and the same dining rooms with Negroes. They cannot help themselves. The only way out is for them to make their department white or to catch a train and go home.

This situation cannot continue. There will be an end to such conditions in Washington. There will be an end to unscrupulous Negro real-estate agents, with some influence behind them, trying to break up white sections in the District of Columbia. The people are not going to stand for this kind of "monkey business" always. They cannot be blamed.

The Committee which we are asked to support is a great political asset. I was amused at the Senator from New York yesterday when I asked him to explain why it is, if the Committee is to do away with discrimination, that, with 12,800,000 Negroes in the United States out of a population of 134,000,000, in the personnel of this organization there are 113 employees, about 80 percent of them Negroes, and the remainder whites. He explained it by saying that so many cases of complaints were arising because of discrimination against the Negro that Negroes were employed to make the investigations. Then he was quietly reminded that the next largest list of complaints related to discriminations against the Jews. Upon examination I find that there is not a Jew in the whole list of 113 employees. This is the only Government organization with which I am familiar which has no Jews in its personnel.

I found my good old friend, Rabbi Wise, trying to persuade the House to perpetuate this damnable Committee. He was pleading for its permanent establishment to protect minority races. Rabbi Wise is the last man in the world who should complain about discrimination against minority races under the Roosevelt administration. Mr. Morgenthau operates the financial part of the Government. A very splendid Jew from New York, Barney Baruch, is shaping all the policies of the administration, especially the post-war policies. Jimmy Byrnes was appointed Director of War Mobilization, and yet he sends for Barney Baruch to come down and fix things up. A Committee on Post-war Planning was created in the House. It sends to New York for Barney Baruch to come down and tell it what to do. He is running the show. We are now being urged to enact legislation which he has fathered and suggested.

When it comes to the departments, there is no lack of the Jewish nationality in the departments. I think Rabbi Wise is the last man in the world who ought to be complaining against discrimination against minority races, when his nationality has received more consideration at the hands of the present administration than any other nationality in the United States.

Many persons fail to distinguish between division of races and division of nationalities. The Pole, the Jew, the Italian, and the German all belong to the white race. The Negro belongs to the black race, and the Chinese and Japanese belong to the Mongolian race.

I do not think I shall ever make another speech on the floor of the Senate without closing with the statement that there is only one way to save the country from disturbing influences, disunity, and mob violence such as that to which I referred in New York, which resulted from the coddling of the Negro in New York by Mayor LaGuardia and the politicians, who have led the Negro to believe that D-day for the Negro in New York has arrived, and that he is coming into his own. The only solution is to follow the suggestion, the wish, and the prayer of 2½ million Negroes whose names and addresses I have in my office, asking Congress to provide a way for their resettlement in their fatherland, West Africa. That is the only permanent solution. So long as we continue the present arrangement, and so long as the Negro is a political factor, we shall continue to have bloodshed, riots, race troubles, and other disturbances and we shall have this kind of damn-fool legislation. The only solution to all of it is to give the Negroes an opportunity to be resettled in the richest country on earth.

The other day I noticed that my good friend Mrs. Roosevelt took a shot at my proposal—not by name—but indirectly. She said she did not understand how these things could be done. In other words, she is opposed to the plan. We are continually passing resolutions looking to the creation of a home for the Jews in Palestine.

I do not claim any credit for the campaign to resettle the Negroes in West Africa. President Monroe started it, Jefferson encouraged it, Madison and Abraham Lincoln and President Grant were for it. When 2½ million persons—Negroes—request the Congress to give them that relief, that opportunity, and that break, I do not see why Mrs. Roosevelt or anyone else should object to it. Of course, she did not understand my ultimate plan. If I can succeed eventually in resettling the great majority of the Negroes in West Africa—and I propose to do it—I might entertain the proposition of crowning Eleanor queen of Greater Liberia.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The question is on agreeing to the amendment of the Senator from Georgia [Mr. RUSSELL], striking out, on page 10, lines 3 to 16, as amended.

Mr. GEORGE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	Reed
Ball	Gurney	Revercomb
Bankhead	Hatch	Robertson
Barkley	Hill	Russell
Bilbo	Holman	Shipstead
Brewster	Johnson, Calif.	Stewart
Burton	Johnson, Colo.	Taft
Bushfield	Kilgore	Thomas, Okla.
Butler	Lucas	Thomas, Utah
Byrd	McClellan	Tunnell
Capper	McFarland	Tydings
Chavez	McKellar	Vandenberg
Connally	Maloney	Wagner
Cordon	Maybank	Wallgren
Danaher	Mead	Walsh, Mass.
Davis	Millikin	Walsh, N. J.
Eastland	Murdock	Weeks
Ellender	Murray	Wheeler
Ferguson	O'Mahoney	Wherry
George	Overton	White
Gerry	Pepper	Willis
Gillette	Radcliffe	

The PRESIDING OFFICER. Sixty-five Senators having answered to their names, a quorum is present.

Mr. GEORGE. Mr. President, the debate with reference to the amendment to strike from the pending appropriation bill the item for the support of the Fair Practice Committee—a term which I shall use for the sake of brevity—has been exhaustive. In a comprehensible speech my colleague the junior Senator from Georgia [Mr. RUSSELL] covered the ground and the arguments in this matter in a very forceful and effective manner. So, from the standpoint of the presentation of facts, the issue has been very

clearly presented to the Senate. Other Senators have discussed the issue, and have added much by way of information to the arguments which have been submitted against the amendment.

With all due respect to those who oppose the amendment, I wish to say that the creation of this committee, or its continuation, is as wholly inexcusable as any piece of legislation could be. It is true that we are asked to appropriate only $500,000—a half million dollars—in order to continue the agency in existence for another year. Five hundred thousand dollars is not a large sum, but it seems to me that we have arrived at a time when every Member of this body should feel bound to ask himself whether he is justified in throwing away a half million dollars. At the very best it would be a waste of public moneys, because the Committee has done no good and will accomplish no good. It has created disturbances. We know that it is in existence, but its actual constructive contribution to the peace, happiness, and welfare of the people of this country is negligible. No one can put his hand upon any of the Committee's work and say that it has been a constructive contribution, either to the war effort or to the peace effort of the American people.

Mr. President, allow me to preface what I am about to say with the broad statement that I should be entirely ashamed of myself if I were willing to deny to any man, whether he be white or black, or of any national origin, full, fair, and equal compensation for work similarly performed. I should also be ashamed of myself if I were willing to deny to a woman equal compensation for equal and similar work done by her. In other words, I do not think there can be or should be any discrimination in the employment, or in the compensation, of men because of their race, creed, condition, or previous condition. The question is solely one of the competency of the workman. That statement applies as between men and women who are in competitive enterprise, and who are seeking employment anywhere within this Government, or anywhere within our society.

Allow me to ask this question: Do the conditions to which I have referred represent the objectives of this Committee? Was it organized for the purpose of procuring equal pay for the same work performed, without regard to race, color, or creed? That is the ostensible statement of the purposes of the Committee. Is it true? During the debate Senators heard statements made by those who fathered the Committee, those who promoted it, and those who fostered it. Those statements clearly showed that a far different purpose was involved in the establishment of the Committee.

During the past several years a number of somewhat similar legislative proposals have been made in this body. There were antilynching bills and anti-poll-tax bills. We have seen the Fair Practice Committee brought into existence by Executive order. Has the relationship between the Negro and his white fellow citizens in America improved during the past 10 years? Has it improved in the last 5 years? Where is there an honest man who can say on his conscience that racial relationships have improved as the result of the repeated effort here to legislate on different phases of the relationships existing between the Negro or other minorities and the white people of this country?

We have heard a great deal about the good-neighbor policy. I think the good-neighbor policy, properly interpreted, has been a great achievement of the present Secretary of State and of the President of the United States, but it would be a blessing if the good-neighbor policy could be translated and applied within these United States so as to establish the right relationship between business and Government and between all classes of our society.

Within the last 5 or 10 years a deeper schism has been driven into American life than during any comparable period in the history of this Republic. Deeper racial prejudices, deeper class prejudices, wider divisions of our people into classes have taken place before our eyes day by day, week by week, and month by month. There is no more certain way to destroy this Republic, there is no more certain way to destroy free government than to divide the American people into classes.

Has such a process been going on? Mr. President, you know and I know that it has. It is easy enough to say that it has not been going on, but it has been. It is not necessary to discuss the motive or the reason why it has been going on. There are in America today class divisions deeper than they have ever been before. Are we contributing anything to the permanency of this Republic or to American civilization by such a course as that? The legalization of the Fair Practice Committee is on a level with various other interferences with race and class relationships that have occurred in this body during the last several years. Either we will call a halt to that movement, or we will register the rapid downfall of free government in America.

I do not need to discuss with the Senate or in its hearing what has happened in every other country of the globe within the last 10 or 15 years; that is, any country that laid any claim to anything like free government. In every one of them there can be noted the division of the people into classes; in every one of them there can be found the separation of the people into classes and groups, whether racial minorities or what not. There has been the same effort to divide into classes free peoples or those people struggling for freedom. Hitler is not the only man who has preached the doctrine of divide and conquer and destroy. Free government in America can be destroyed by dividing the people into classes. Not only can it be done, but we have made great progress toward the destruction of the homogeneity of the people of this country, which has meant so much for our liberty.

Has any antilynching bill, has any anti-poll-tax bill, has any fair-employment-practice bill promoted better race relationships in this country? To ask the question is to answer it. We can give away the $500,000, throw away half a million dollars to continue a group of people in a useless office. But that is not half the story and it is not the bad part of the story.

Oh, it may be said, this Committee has not occasioned any trouble. It has not occasioned any trouble? When this Committee announced its purpose to open offices in Georgia, in the city of Atlanta, the mayor and council of that great city solemnly petitioned the President of the United States not to permit them to come there. Do you think, Mr. President, that the people of the city of Atlanta did not know what they were doing? Do you think there was not a reason for that official act? Are we going to set ourselves up here and say we know what is better for the people of Denver, of Atlanta, or St. Louis, or any other American city than the people of those cities know? If the American Congress does not cease the pernicious meddling into local and racial problems, a meddling that never can accomplish any good, there will be created far worse race relationships than now exist.

I am telling the Senate the truth, Mr. President. I am saying that the members of this Fair Practice Committee who have haunted these galleries like vultures to watch our action and to compel our votes to give them a half million dollars of money of the American taxpayer, have done nothing to promote better relations between the whites and the black people. Let me repeat, I would be ashamed of myself as an American citizen and as a Member of this body if I did not positively favor the payment of equal wages and salaries for equal work by whites and blacks alike, by men and women alike. But the Fair Practice Committee is not going to bring that about, and that is not its main purpose. Its main purpose is to attempt to establish something like social and economic equality.

Why do they tear down the partitions between lavatories, equal facilities for the whites and the blacks? Why do they remove partitions in the restaurants and cafes in every Government office and place of business in the country? Why, if the economic equality of the races is at stake, is that done?

The very fact that the Committee is more concerned about partitions in lavatories and facilities, forcing white men and white women and Negro men and Negro women to eat together shows that it is not the desire to obtain fair compensation for the Negroes for the same kind, quality, and character of work that is the primary motive and purpose of this Fair Practice Committee.

Mr. President, I am trying to state the facts as they are, and not theory. Think of responsible officials of a great city in the South, a city whose leaders have tried to promote proper relations between the Negroes and the whites, and have done fairly well with the job over a long period of time, who are experienced in handling the problems we have to face and have to handle, solemnly petitioning an agency of this Government and the President of the United States not to establish an office in the city of Atlanta.

Those are facts. They cannot be argued away, they cannot be rubbed out. And what happens? The Committee employs its great ability, its energies, in removing partitions between the facilities already erected for the accommodation and use of the whites and blacks alike.

If anyone desires to go to the trouble of examining some things which are going on now in America among the maritime laborers, among the crews on our merchant vessels, I think he would understand a little better what this proposal means. There must not be separate quarters in the ship, but all minorities and all races must live together in the ship. The ship is the home of the merchant seaman, it is where he eats, it is where he sleeps. It is his home as he sails the high seas. Yet the Fair Practice Committee stands guard above the ship, the home of the merchant seamen of America, and says, "You must sleep together in bunks one above the other. You cannot occupy separate quarters in your own home."

Will anyone tell me that is done for the economic betterment and improvement of the Negro race? There may be a political motive, but there is not behind it any real desire to obtain equal compensation for equal work, not at all. That is not the driving force back of it.

I do not know how long I shall remain a Member of the Senate; I have grown old in public service; but I say now to gentlemen on the other side of the aisle, that they will never advance the cause of America by lending their sympathy or their votes to anything that drives a wedge between groups of American citizens, or anything which attempts to regulate the intimate affairs of people in communities far removed from Washington.

Oh, but it is said the Fair Practice Committee is limited to activities within governmental agencies. Yes; under the Executive order, in a general way; but the Committee has been quick to declare its purpose to extend its jurisdiction into private enterprise. We do not have to resort to conjecture; we do not have to resort to speculation, to find out what the meaning back of the Fair Practice Committee and of this effort to retain it is. If we go over to the other House, we find bills there now to create it as a permanent agency. The distinguished junior Senator from Connecticut [Mr. DANAHER], a Senator whose character and ability I hold in the highest esteem, left nothing to conjecture, nothing to supposition, nothing to speculation. When the pending amendment was first taken up for consideration, he offered here an amendment to put the Fair Practice Committee on a permanent basis.

Mr. HOLMAN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. HOLMAN. A few minutes ago the distinguished Senator addressed his remarks to Members of the Senate on this side of the aisle. As one of the Senators on this side of the aisle I am very much in sympathy with the viewpoint the Senator is taking, but I do wish to remonstrate, and to say that the genesis of all this racial and class distinction originates in the White House, not on this side of the aisle.

Mr. GEORGE. I appreciate the Senator's personal attitude. I did not mean to exonerate this side of the aisle at all. With profound regret I am obliged to confess that many of these matters to which I have adverted had their origin on the Democratic side of the Chamber.

I was saying that we do not have to resort to speculation; we do not have to go to conjecture. One of the leading Members of the Senate offered an amendment—now happily withdrawn, but only temporarily withdrawn—to make permanent the Fair Practice Committee. What did he propose to do? I am not criticizing the Senator from Connecticut. I am merely saying that that is precisely the ultimate purpose back of the particular proposal now pending. He proposed to extend the jurisdiction of the Fair Practice Committee to every labor union which has five members, and to every employer engaged in interstate or foreign commerce, and under the elastic definition of the Supreme Court of the United States at this hour, that means everybody who is doing anything.

Did not the Supreme Court hold that the farmer in his field was engaged in interstate commerce if he was producing, not something to be shipped outside his State but something to be consumed within his State, because the consumption of the supply of the commodity or product within his State took something away from the general supply of that product in the United States?

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. McCLELLAN. Since the able Senator has referred to the amendment which, when the pending bill was first taken up, the Senator from Connecticut announced he intended to offer, which would make this Committee a permanent agency, that amendment being the bill now pending in the House of Representatives, I call the Senator's attention to section 2 of that amendment. According to my interpretation—and I wonder if the interpretation of section 2 by the Senator from Georgia is the same as mine—if it were adopted and should become law we would have the Fair Employment Practice Committee set up permanently and it would have jurisdiction over the States of the Nation to tell them whom they should employ, whom they should promote, and whom they should discharge. My interpretation is that it would extend the jurisdiction that far. I ask the Senator from Georgia if that is not his interpretation of section 2 of the proposed amendment?

Mr. GEORGE. I am inclined to think that in certain instances at least it would be extended to a political subdivision, whether a State or a city, but I was not referring to that proposal for the purpose of discussing its merits or demerits. I was referring to it as positive proof of the ultimate purpose of those who favor the appropriation to continue the Fair Practice Committee, because already legislation has been offered to convert the Fair Practice Committee into a permanent agency of the Government.

Mr. REED. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. REED. I interrupt the distinguished Senator from Georgia, for whom I have a profound admiration, only for the purpose of keeping the record straight. I may remind the Senator from Georgia that the Supreme Court decision to which he referred not only held that goods consumed within the State went into interstate commerce, but that opinion went so far as to apply that finding to goods and agricultural commodities consumed on the farm where they were raised.

Mr. GEORGE. The Senator from Kansas is quite right. That was on the theory that they subtracted somewhat from the total supply, and did affect perhaps the flow of the product across State lines.

Mr. REED. And I may remind the Senator from Georgia that the Supreme Court which so held is a court, seven members of which belong to the party of the distinguished Senator from Georgia, and were named by the present occupant of the White House.

Mr. GEORGE. I believe the statement to be historically true, but I hold no brief for the Supreme Court as now constituted. I am saying very frankly that the ultimate purpose of those who drive to make the Fair Practice Committee a permanent agency of government is disclosed by the very legislation which they are offering in both Houses of the Congress at this time, and that purpose, unquestionably, as disclosed by the language which they have employed, is to give the Fair Practice Committee jurisdiction over every employer who engages and uses the services of five persons in any enterprise within any State in the Union, under the construction given to interstate commerce by the Supreme Court of the United States.

Mr. REED. Mr. President, will the Senator from Georgia permit me to interrupt him again?

Mr. GEORGE. Yes; I am glad to yield.

Mr. REED. I may say to the Senator from Georgia that if the doctrine laid down by the Supreme Court is followed to its logical and ultimate conclusion, it will destroy every possible distinction between State and interstate commerce in this country, and result in absolute destruction of every form of local government.

Mr. GEORGE. I do not think there is any question about that; I have never been in disagreement with the distinguished Senator from Kansas on that point.

Mr. President, I do not want to repeat, and I do not want to delay the Senate unduly on this vote. So far as I know the Fair Practice Committee has not promoted better relations between whites and blacks anywhere in this country.

The Fair Practice Committee has not confined itself nor has it directed its energies to the equalization of compensation for like work in point of quantity and quality by members of the different races or by minorities. I know that the agitation here and the things which have been said here have not promoted better feeling and harmony in the country. I know that they have done nothing to make us a better and stronger America. I know, Mr. President, that they will not.

But now I come to what I believe to be the most important part of this discussion. The motivating force back of the Fair Employment Practice Committee, of those who want to create it, of those who want to make it permanent, of those who want to use it, is to do what? It is to take one more important step toward the control of private industry, private business, big or little, in the United States.

What is ownership of business? Ownership of business consists of the exercise of certain rights and powers over business. What is ownership of property? It consists primarily of certain rights and power over the property, the power to handle it, the power to dispose of it, the power to control it. What do the bills which have been introduced to make the Fair Practice Committee permanent propose to do? They propose to say, not merely to the Government, not merely to Federal agencies, but in the field of private business that the employer cannot say whom he shall employ, whom he shall promote, or how long he wants the employee to work for him. What is that but communism? What is that but a long step toward communism, at least the stripping of the private owner of the elemental rights over his own property and over his own business? That is the serious aspect of this proposal. And some of the organizations back of the Fair Practice Committee are not at all disturbed or confused. They know precisely where they want to go and how to get there.

Mr. President, if the Fair Practice Committee should regulate the hiring and firing of people in Government agencies that would be a different story. If the business which they propose to regulate was a business affected with a public interest, that might be another story; but the legislative proposals to make it permanent do not distinguish between business affected with a public interest and purely private business, such as the operation of a small business college, the operation of a local telephone exchange, or even the operations of a farm where the farmer employs more than five persons. Everything is included. The ultimate aim and the driving power behind the Fair Practice Committee is to strip owners of private rights in private property, and to convert the present economic system into a communistic or national socialistic system.

Mr. President, I am not trying to use nice language or pleasing words. I am trying to tell the truth. We have made great progress in the past few years toward national socialism or communism. This provision would be a major step toward the destruction of our present system of economy, a step toward the denial of the rights of property in the private holdings of the American citizen.

Many persons in this country believe that this proposal, if supported, will gain many votes in the November election. Perhaps it will. I would not say that it would not result in gaining votes in the November election; but I will say that it will not get many votes in the elections in 1946 or 1948, or thereafter, if America abandons the strong downward drift toward national socialism. I believe that the American people will abandon it. Mark my words.

The poor colored man, who is loved and respected by decent white men in the South, has been made a political football before. He has been promised many things before and he has received only crusts of bread. He can be made a political football again, and perhaps the proposal now before the Senate will get votes. Perhaps Members of Congress who vote to continue the Fair Practice Committee will add to the votes which they will receive in November; but it will not be for long, because the little American businessman, the little man who operates a small shop, the little man who operate a farm, the little man who has his herd of cattle on the western plains, every little merchant, every little manufacturer, every little miner, and the owner of every little private enterprise will have a fair practice committee, made up of God only knows whom, saying to him, "You cannot hire that man; you must employ this man. You cannot promote that man. You must promote the other man, because he belongs to a minority."

What is the essence of freedom in America? Under the American system of government, under the concept of our Constitution, and under the living language in the old Declaration of Independence, every man is the center of a circle in which he is supreme, so long as that circle does not infringe upon the like rights, privileges, powers, and prerogatives of his fellow citizens. In these latter days it is proposed to say, "Oh, no; you are not supreme with regard to your own little business. You may not hire and fire in your private business, in your store, or your meat market, if you employ five persons or more." Next year it will be three persons, two persons, or perhaps even one. We say to the little businessman, "You may not hire or fire. You may not control your own business enterprise. The Fair Practice Committee will tell you whom you may hire and whom you may fire, what you may do with your own business, and how to manage and conduct it." That is denying the right of private property by taking away one of the elemental attributes of ownership of property.

There will be some who will say that southern Democrats—the term "southern Democrats" has become an odious term in many places and to many persons—ought not to be making such speeches as we have been making with regard to the Fair Practice Committee. Mr. President, the time has come when we in the South, who have had long, bitter, and painful experience in trying to solve our own problems, must insist upon the right to say, when it is proposed that the Federal Government invade a field which it ought never to attempt to invade, "That is going too far. We will be critical of it, and we will stubbornly resist it."

It is not the purpose of the Committee on Fair Employment Practice to see to it that a colored man in Georgia who receives $5 for the same job for which a white man is paid $10 is protected. Not at all. That is not it. If that is the purpose, why is it necessary to have a staff of carpenters to tear out the partitions which we, as a result of our painful experience, have found to be conducive to better and more stable relations between the races?

If the Senate were to say to the Committee on Fair Employment Practice, "This day we will vote not to continue an organization the avowed and announced purpose of which is to extend its intermeddling into the private business of the citizens, into business that never has been thought of as being affected with a public interest, but which is purely private," the Senate would render the Nation a great service.

I love my country. I would give my life for it. But this country cannot survive if the class hatreds, class distinctions, and class divisions which have made such remarkable progress in the past several years are hurried along to their final conclusion. Remember this: Long after I have left this desk, if America lives, it will because we will not be afraid of any organization but will be willing to stand up and be counted against any proposal to do what this proposal is ultimately intended to do, to wit, communize America by taking away the elemental, primary rights of owners in the management and control of their private property, and vesting that authority in a Federal bureau in Washington. When Senators return home the businessmen in their States are not going to think they have done a very remarkable job by voting for this proposal. Do not think so for a moment. I have already conceded that it may affect the results in the November election. But the businessmen, from the farmers and merchants and sawmill operators and turpentine producers all the way up through the processors, large and small, are going to understand what this thing means. They know how far management has been liquidated and how far private control over business has been taken away. They know who is responsible. It will not get anyone any votes after the November election.

Do Senators wish to liquidate management wholly? Do they wish to liquidate the private owner wholly? Do they wish to say to him, "I do not care what you think about it. We say whom you must hire, whom you must fire, and whom you must promote."

Do not let anyone argue with you that, "the bill does not go that far, and none of the proposals go that far." They do go just that far. Whenever a Federal instrumentality can say that an employer cannot refuse a certain man a job, they necessarily say that another man cannot have the job. If they say the employer

cannot refuse promotion for a certain group, they necessarily say that the other group cannot have the promotion.

Treat the Negro right. Give him equal pay for equal work. Give the women equal pay for equal work. Do that in a proper way. Do not now take a long step in the liquidation of private property, in the liquidation of our economy, by saying that we will through Government exercise the right and power to say who shall be employed in private business.

COMPENSATION FOR USEFUL SUGGESTIONS OR INVENTIONS BY INTERIOR DEPARTMENT PERSONNEL

The PRESIDING OFFICER (Mr. WILLIS in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1232) to provide equitable compensation for useful suggestions or inventions by personnel of the Department of the Interior, which was, on page 2, line 8, after "public," to insert "Nothing in this act shall be taken or construed as amending or modifying the present patent and trade-mark laws as they now exist or may hereafter be amended."

Mr. HATCH. Mr. President, in explanation I may briefly say that the House amendment provides that nothing in the Senate bill shall be construed as repealing or modifying the patent or trademark laws. Nothing is contained in the bill which would do anything of that nature. Therefore, the House amendment would not change or affect the purpose or the meaning of the Senate bill. It would do no good and it would do no harm.

Mr. WHITE. Mr. President, the Senator from New Mexico was good enough to speak to me about the amendment, and I can see no objection to it.

Mr. HATCH. Mr. President, I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

APPROPRIATIONS FOR WAR AGENCIES

The Senate resumed the consideration of the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia [Mr. RUSSELL], to strike out, on page 10, the paragraph relating to the F. E. P. C., being lines 3 to 16 of the bill, as amended.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Chavez	Guffey
Ball	Connally	Gurney
Bankhead	Cordon	Hatch
Barkley	Danaher	Hill
Bilbo	Davis	Holman
Brewster	Eastland	Johnson, Colo.
Burton	Ellender	Kilgore
Bushfield	Ferguson	Lucas
Butler	George	McClellan
Byrd	Gerry	McFarland
Capper	Gillette	McKellar
Maloney	Revercomb	Wagner
Maybank	Robertson	Wallgren
Mead	Russell	Walsh, Mass.
Millikin	Shipstead	Walsh, N. J.
Murdock	Stewart	Weeks
Murray	Taft	Wheeler
O'Mahoney	Thomas, Okla.	Wherry
Overton	Thomas, Utah	White
Pepper	Tunnell	Willis
Radcliffe	Tydings	
Reed	Vandenberg	

The PRESIDING OFFICER. Sixty-four Senators having answered to their names, a quorum is present.

Mr. LUCAS. Mr. President, yesterday Hon. Edward J. Kelly, mayor of the city of Chicago, proclaimed June 25, 1944, as F. E. P. C. Day in that great metropolitan center.

Among other things, the proclamation called upon management and labor in all segments of the population to strive, out of respect to the members of the American fighting forces, to establish in factories and other places of business the principle of equality of opportunity to all races and creeds.

Mr. President, I concur in the noble sentiments expressed by the mayor of Chicago in his forthright proclamation. I submit that during a period when manpower bottlenecks are constantly impeding the war effort job discrimination is indefensible. The Senator from Illinois maintains that if industry is interested in finding the right men for the right jobs there must exist an equal opportunity for all, regardless of race, creed, color, or national origin.

In conclusion, I may say that at no time in the history of America has it been so necessary to carry on the fight for the principles to which I have referred as it is at this very moment while we battle the totalitarian forces around the world.

Mr. McCLELLAN. Mr. President, I have debated in my own mind the advisability of making any remarks regarding the pending amendment. Practically all phases of the issue raised by the proposed legislation have been substantially covered in very able addresses made by other Members of this body. Certainly, if the very forceful presentation made in the able addresses of the Senators from Georgia and in the addresses of other Senators who have spoken is not persuasive and cannot influence the Members of this body, I could neither hope nor expect by anything I might say to cause any Senator to change his opinion regarding this proposed legislation. But, Mr. President, I am unwilling to remain silent and let the permanent records of this body show that, in an hour of danger to my country and to its Government and to every liberty guaranteed to the citizenship of this Nation and to the individual under the Constitution, I failed to rise and express myself in protest against legislation of this character.

Mr. President, it is not necessary to reiterate the discussion that has been had here regarding the practices of this Committee and the procedures it has pursued in the past as disclosed by the hearings; but I think someone ought to name this Committee for what it is. In the Executive order creating it, it is called a Fair Employment Practice Committee. That is a misnomer. It ought to be called the "Unfair Employment Practice Committee." I say that on its record. Whatever was intended to be accomplished by the creation of the thing in the beginning I do not know; but certainly the record of its conduct discloses the most flagrant example of race discrimination this Nation has ever witnessed. The very instrumentality that is given the name of being "fair" proceeds in the selection of its own personnel in a more discriminatory manner than any other agency of the Government, so far as I know, and more discriminatory than the the industries and businesses it expects to reform.

The statements I have heard made in justification of the action of this Committee in employing a far greater number of Negroes than whites to conduct its affairs, namely that it is because it gets most of its complaints from the Negroes is very significant to me.

Mr. President, every complaint that comes from the Negro is also a complaint against a white man. Yet their conception of being fair is to load the Committee and all of its divisions and its regional offices throughout the Nation with more colored employees than white employees, notwithstanding that the Negro population of the Nation is only about 10 percent of the total population.

Mr. President, let no one ever again refer to this Committee as fair. It is not fair; it is prejudiced. It is not useful; it is a public nuisance. It has no asset or value; it is a public liability to race relationships and unity here at home.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield to the Senator from Mississippi.

Mr. EASTLAND. The Senator referred to the discrimination against the white race by the F. E. P. C. Is it not a fact that in all the Government departments in the city of Washington the white race is discriminated against and that we have in fact today a Government of minority groups, who control this country, who control both major political parties, and who are trying to destroy our system of government and to communize the United States?

Mr. McCLELLAN. In answer to the able Senator from Mississippi, I would say that a good many of us are reluctantly coming to that conclusion.

Mr. EASTLAND. In other words, a white person, a member of the Caucasian race is today discriminated against, imposed on, and humiliated in the Government departments in the city of Washington.

Mr. McCLELLAN. Mr. President, I am not familiar with the personnel of all the governmental agencies, but I do say that when in any governmental agency white women and Negro women are compelled to sit side by side, to use the same toilet facilities, to use the same accommodations, and are compelled to such association even to the extent of eating at

the same table, it is an encroachment upon the constitutional liberty of both the races when they desire or when either desires to be segregated.

Mr. EASTLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. TYDINGS in the chair). Does the Senator from Arkansas yield further to the Senator from Mississippi.

Mr. McCLELLAN. I yield.

Mr. EASTLAND. The conditions the distinguished Senator from Arkansas mentions of course are obnoxious to white people, but is it not much worse that white girls should be forced to work and take dictation from a group of burr-headed Negroes and Negro supervisors in the departments?

Mr. McCLELLAN. It would be exceedingly bad if my daughter were requested to do it, but I do not think she will ever have to.

Mr. President, after all, personal liberty if it has any meaning at all, gives a man the right of choice—the choice of association, the choice of affiliation in organizations, the choice of places to work, the choice of political opinions and convictions. Liberty grants the choice to pursue happiness according to the dictates of conscience.

Yesterday when I heard an able Senator, in discussing this matter, refer to the Declaration of Independence, to the unalienable rights guaranteed to the individual, to the right of life, liberty, and the pursuit of happiness, I could not help wondering, since when was it not the right for the individual citizen in a government of free men to make a choice of who his associates shall be, or since when has it ceased to be an unalienable right of American employers to choose who shall work for him, who is entitled to promotion, who is worth what he pays for the services rendered to him?

Mr. President, in these unalienable rights there are reciprocal benefits and reciprocal privileges. The right to work, the right to seek work, the right to contract for wages, and the right to strive for merited promotion, are among the unalienable rights referred to in the Declaration of Independence. But there is also involved and embraced the right and privilege of the other party to make a decision as to whom he shall employ, what the services are worth, and when the employee is entitled to promotion.

It was stated here yesterday by the able Senator from New York that we should be consistent as we vote on this proposal. He pointed out that Congress has approved other agencies created by Executive order, and has made appropriations to finance the carrying on of their duties. I intend to remain consistent, and I desire to call the attention of my colleagues now to the fact that if they intend to remain consistent, if they intend to vote for the pending appropriation and expect to remain consistent, then in a few days, or at some date not far in the future, we are going to be asked to consider one of these bills, particularly House bill 3986, which the Senator from Connecticut a few days ago gave notice he intended to offer as an amendment to the pending bill.

Mr. President, the able Senator from Georgia, who preceded me, pointed out that such permanent legislation was going to be sought. Those who vote for this appropriation in my judgment place themselves under a measure of obligation to consider favorably and to vote for permanent legislation of this character.

It is definitely shown by the hearings, by the testimony of the Chairman, and of members of the Committee now under discussion, that it is their intent to carry this authority far beyond anything connected with the war effort. They do not intend that this operation shall be only temporary. The objective is not merely to aid the war effort. That is not what is involved here, and I say, Mr. President, there has not been enough trouble in the way of discrimination in the Nation anywhere in the war effort, because of the shortage of manpower, to justify the existence of any such agency, and there will not be in the future.

Let us see if we are to go all the way with this proposal. I intend to remain consistent. I shall vote against the proposal now, tomorrow, and every other time this measure or any other bill comes before the Senate which in my judgment is unconstitutional. But waving that aside, assuming it to be constitutional, any bill which I think seeks to destroy the liberty to which every man is entitled I shall oppose.

I am not particularly concerned about business, any more than I am concerned about the laboring man or about the farmer, but I do want the farmer to have the right to employ whom he desires to employ, I want the businessman to have the right to employ whom he wishes to employ. I want him to retain the right of judgment and decision as to who merits promotion. Do Senators desire to surrender that right? Are they ready today to abolish that right and let this agency, or any other agency so constituted and having like authority, whether by Presidential order or directive, or through permanent legislation, say to them as United States Senators what the color of their employees shall be, which one they will make their secretary, which one shall be a clerk? Are you ready to go that far? Do you want this Committee to tell you, Mr. Senator, you must employ a Negro secretary? Are Senators ready to have the Federal Government say to their States, and to the taxpayers of their States, "As you tax your people and as you collect the money, we set up an agency in Washington, D. C., to tell you whom you shall employ in your State government to administer the business of State government"?

While the able Senator from Georgia was discussing this matter, I asked for his interpretation of section 2 of House bill 3986, which is intended to be made permanent legislation if its enactment can be brought about. I wish to call attention to this, not that it is the pending measure, but it casts a shadow of approaching events. It is an indication to us, it is a warning to everyone as we vote on the proposed appropriation, as to what is yet to come.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MAYBANK. Has the Senator had an opportunity to read the section referring to Government employees in the Territories, in the agencies connected with the Federal Government?

Mr. McCLELLAN. I have read the bill, and I shall read the section to which the Senator from South Carolina refers.

Mr. MAYBANK. I should like to have the Senator's comment on that section.

Mr. McCLELLAN. I shall show what the effects of the proposed legislation would be. Of course, it is said, "We are not considering it now. We can amend it and revise it." Of course we can, but the safest thing to do is to act now. If we kill this appropriation, we will not have to deal with permanent legislation on this subject. We can end the matter now.

Let me point out what is proposed. First I shall read section 1:

The Congress finds——

Are Senators ready to make a finding; are they ready to sit in judgment?

The Congress finds that the practice of denying employment opportunities to, and discriminating in employment against, properly qualified persons by reason of their race, creed, color, national origin, or ancestry, foments domestic strife and unrest deprives the United States of the fullest utilization of its capacities for production and defense, and burdens, hinders, and obstructs commerce.

Are we ready to make that decision here and now? As has been ably stated by the senior Senator from Georgia today, whenever a measure is introduced which undertakes to deal with this problem it causes greater dissension, greater unrest, and greater disturbance between the races. Such legislation serves to agitate and breed race troubles. If this matter was left alone, if our people were allowed to have their liberty and to exercise it, we would not have the tenseness which today exists over the racial question. The question will solve itself if left alone. The intelligent peoples of both races will be able to work to a solution.

Let me remind Senators that when an effort is made to inject into the discussion of racial problems or into proposed legislation the issue which some are now trying to inject, when an effort is made to legislate so as to compel—and that is what they are leading to and this is the beginning of the drive to compel the intermingling of the races, to compel amalgamation of the races, you are going to destroy something mighty fine in this country, and the day will come when you will regret the action. I do not think, however, it is going to happen. I think Americans will wake up in time, and when we get past this approaching campaign in which some few individuals hope to gain political advantage by reason of this sort of legislation, I think we will take a more sober view of the question, and that our better judgment will prevail.

Mr. President, I read further from the bill that is intended to make the committee a permanent one by legislation. I read from House bill 3986:

It is hereby declared to be the policy of the United States to eliminate such discrimination in all employment relations which fall within the jurisdiction or control of the Federal Government as hereinafter set forth.

And it is set forth aplenty. Listen to section 2. The section does not miss anyone except an employer who employs less than five individuals. It covers the whole field. I read section 2:

SEC. 2. The right to work and to seek work without discrimination because of race, creed, color, national origin, or ancestry is declared to be an immunity of all citizens of the United States which shall not be abridged by any State or by an instrumentality or creature of any State.

Listen to this language:

Which shall not be abridged by any State or by an instrumentality or creature of any State.

What about an agency of State government, Mr. President? It is proposed that we pass a law which would say that the sovereign States of this Nation cannot have any policy with respect to whom they shall employ and whom they shall promote and whom they shall discharge unless it comes under the jurisdiction and subject to the final decision of the Fair Employment Practice Committee created by the Congress of the United States. Are we ready to set up and create agencies of that character to pass judgment on the activities of the States? It can be said, and sometimes it can be justified, that when the Federal Government is making an appropriation or contributing part of the cost to any activity carried on by a State, then it is appropriate for the Government to have something to say about it. But the proposed legislation goes beyond that. The State itself could not employ anyone if the Committee decided such employment was unfair or discriminated in any way, it would have the power to issue orders against the States.

The Senator from South Carolina asked a question concerning another section of the bill. I think he referred to subsection (c) of section 4, and I now read it:

(c) This act shall apply to the employment practices in the United States and of every Territory, insular possession, agency, or instrumentality thereof, except that paragraphs (3) and (f) of section 10, providing for petitions for enforcement and review, shall not apply in any case in which an order has been issued against any department or independent agency of the United States; but in any such case the Fair Employment Practice Committee established by section 5 of this act may petition the Attorney General of the United States for the enforcement of such order, and it shall thereupon be the duty of the Attorney General to take such measures as may secure obedience to any such order. Every official who willfully violates any such order shall be summarily discharged from the Government employ.

Section 4 (a) and (b) of the bill, referring to the scope of it, is as follows:

SEC. 4. (a) This act shall apply to any employer having in his employ more than five persons, who is (1) engaged in interstate or foreign commerce; (2) under contract with the United States or any agency thereof; or (3) performing work, under subcontract or otherwise, called for by a contract to which the United States or any agency thereof is a party.

(b) This act shall apply to any labor union which has five or more members in the employ of one or more employers covered by the preceding paragraph.

Mr. President, when did a citizen of our country lose his right to determine which society he shall join, which organization he shall affiliate with, and whether he may choose to keep that organization confined to those possessing certain qualities or certain qualifications of eligibility? Are we ready in this country to take the position that white people can no longer have a society or an organization of their own? Are we ready to surrender and throw away the right to keep segregated, if we want segregation? I have no dislike, I have no hatred, and no prejudice against the Negro race. We have lots of Negroes in my State. I have never had any cause to build up a feeling of hatred or resentment against the Negro. But, Mr. President, I do claim the right for myself, and I want that right retained for my people, for my State, and for my family, to organize into a society, if we may, or to have churches if we may, or to have schools if we may, for white people only, and to give the same rights to Negroes.

If the bill to which I refer should pass in its present form, Mr. President, this Unfair Practice Committee in Washington could tell the school boards of my State that they must, if employing more than five teachers, employ at least one Negro, or two Negroes, as the case may be. If it can do that, Mr. President, it will not only be an encroachment upon the rights of the States, but it will be one of the most damnable things that ever happened to this country, and I am speaking mildly of it when I use that term.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. EASTLAND. The distinguished Senator from Arkansas stated that he thought the white people should be permitted to have an organization of their own. I quite agree with the distinguished Senator in that statement.

The Senator further stated that he had no prejudice against any race. Again I agree with the Senator from Arkansas. I have no prejudice in my heart against any man because of his race, creed, or color. But, Mr. President, I go further than does the distinguished Senator from Arkansas. I am of the opinion that we should have segregation in all the States of the United States by law. What the people of this country must realize is that the white race is a superior race, and the Negro race is an inferior race. Social equality is growing in this country, and in addition to teaching the white race the importance of racial purity, we must prevent racial intermingling by law.

Mr. McCLELLAN. I thank the Senator from Mississippi. It is not necessary to establish the fact that the white race is a superior race. That is not the question. Every right I claim for the white race, every right I claim for my own people, I gladly and willingly accord to the Negro race. I think the Negro, as well as the white man, should have the right to have his own church and his own school, and to exclude others if he so desires. Can we not do that in this country and be left alone? Why this agitation?

The truth is that the freedom and constitutional rights of the people of America are being sold down the river for a mess of political pottage. That is what is happening. Somebody will rue this day. By such legislation they are heading this Government toward communism. We cannot keep freedom if we continually grant authority to some board to regulate the inalienable rights of the people themselves, rights which the people have retained; they have not delegated the power to the President of the United States or to the Congress to change or abolish.

This is serious. It does not involve merely an appropriation of $500,000. No one would ever miss that. The public debt will be so great that $500,000 will not be worth mentioning in comparison. But, Mr. President, we can destroy the liberties of the people by the appropriation of far less money, or without the appropriation of a dollar.

Under the Executive order of the President, the Committee on Fair Employment Practice is authorized to accept the services of volunteer workers. To begin with, those who volunteer for such service are usually prejudiced. They have a motive. They volunteer their services with designs. They try to find a victim for the Committee on Fair Employment Practice to harass and intimidate. Let no one say that this Committee does not intimidate. We are in the midst of a war. Everyone knows that the Chief Executive has been given by the Congress greater powers than any other President was ever given in the history of this Nation. The people know, from the operations of agencies which the Congress has authorized, the strength of the Government, and its power to invoke sanctions and reprisals when directives and Executive orders are not obeyed.

Imagine one of the volunteers going out to investigate a situation. He would say, "If you do not do as you are directed, we will make certain recommendations." That is what is being done today. There is a veiled threat and intimidation. The one whose activities are under investigation is told, "If you do not do what the Committee in Washington decides is fair and nondiscriminatory, we will make a recommendation to the War Manpower Commission." In the Executive order the Committee is directed to make such recommendations.

What is the effect of such recommendations? What sort of recommendation would be made to the War Manpower Commission? The Committee would recommend to the War Manpower Commission that the employer be sent no

more employees. The War Manpower Commission would send an order to the United States Employment Service, and the employer would get no more employees.

A representative of the Committee might go to the War Production Board and say, "This man has a Negro working for him, but he will not promote him. We have decided that that Negro ought to be promoted. So, until he promotes him, we recommend that you take away the employer's priorities. We will compel him to do it." The man in business is helpless. A man against whom that sort of a recommendation is made, and against whom a Government agency operates in that fashion, is defenseless. He must either submit or cease operations.

When the able Senator from New York [Mr. MEAD] was discussing this question yesterday I asked him what the effect of the Executive order was. When the directive was issued by the President creating this Committee, the Comptroller General ruled that the order was directive and not mandatory. That was his interpretation of it, and he wrote an opinion to that effect. Then what occurred? The Attorney General took the question up with the President of the United States, who wrote a letter in reply stating that the order was mandatory. With that letter from the President of the United States staring every Government agency in the face, when this Committee recommends to any other agency that it take certain steps against one of its victims who, in the opinion of the Committee, is discriminating or failing to obey some of its orders or mandates, that recommendation becomes mandatory, and the other Government agencies must carry it out.

That is the way this Committee is now operating. It is operating by intimidation, coercion, and threat. Such fear is instilled into employers that it is said that many complaints are adjusted before they reach the Committee. That is possibly true, because of the threats which are made. Any small businessman knows that he must yield or suffer the consequences of injury.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield to the Senator from South Carolina.

Mr. MAYBANK. I hesitate to interrupt the distinguished Senator because I am enjoying very much his most excellent remarks on private employment and intimidation by the Committee on Fair Employment Practice. With his permission, I should like to read a portion of House bill 3986, which it is hoped will eventually be enacted into law. This language relates to violation of the law by any Government official, agency, or instrumentality thereof. It reads as follows:

> But in any such case the Fair Employment Practice Commission established by section 5 of this act may petition the Attorney General of the United States for the enforcement of such order, and it shall thereupon be the duty of the Attorney General to take such measures as may secure obedience to any such order. Every official who willfully violates any such order shall be summarily discharged from the Government employ.

I should like to ask the distinguished Senator from Arkansas if he will comment a little more on the details of the legal complications of this section.

Mr. McCLELLAN. Mr. President, I will say to the Senator from South Carolina that I have already commented on that. Possibly he was temporarily absent from the Chamber at the time. I have expressed my belief that this legislation, with this section in it, together with others I have read, simply sets up a dictatorship committee in Washington to control the affairs of business throughout this Nation.

Mr. President, we have either one or another of two things: Either we have free private enterprise or we have a totalitarian government. Make no mistake about that. People talk about the sacredness of property, and say we stress that to the extent of magnifying property rights above human rights.

Let me tell you that they are equal; they are the same. We cannot destroy property rights without destroying human rights—the right to the pursuit of happiness, the right to life, the right to liberty. We cannot take man's property away from them, except by due process of law, without destroying human rights. There is no country in the world today, there never has been, and there never will be, in which men who are denied the right of ownership and enjoyment in the use of property are not also denied the liberties of which we of America have boasted and been proud.

Mr. President, I know there are those who are ready to say and who will say—in fact, I would not be surprised to read such statements in some publication tomorrow—that I have made a pro-Fascist speech today in the Senate. But let me say to you that if what I am trying to defend and what the able Senators from Georgia and other Senators have been trying to defend on this floor, in connection with this fight, is fascism, it has been fascism ever since the days of the Declaration of Independence, and those who wrote that document were Fascist. If that is fascism, then make the most of it. I do not care what smear terms some publications may use. I shall not be deterred in doing my duty to my country because some Communist wants to becloud the issue by yelling fascism.

But I say to you, Mr. President, it is not fascism. However, the very thing being done here in the attempt to take away the liberties of our people, liberties guaranteed to them under the Constitution, is a long step in the direction of dictatorship and fascism.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MURDOCK. I am sure the Senator does not imply that any of his colleagues sitting here listening to his very eloquent speech would classify it as a pro-Fascist speech or anything of that kind.

Mr. McCLELLAN. I do not think the Senator is justified in inferring such from my remarks, because in my statement I especially referred to some publications.

Mr. MURDOCK. I am very glad to have the Senator make that statement. I may disagree with the Senator, as I frequently do; but I always accord him credit for the sincerity which I am sure he accords me. If I did not have the greatest respect and admiration for the able Senator in the presentation of his views, I would not sit here as I do.

Mr. McCLELLAN. The Senator simply failed to hear me say that I would not be surprised if certain publications would charge, tomorrow, that I had made a pro-Fascist speech today. Of course, I know the Senator. I served with him in the House of Representatives, and I have served with him here. Although we sometimes disagree on legislation we always are respectful to each other.

Mr. President, in this connection I say that I wish to see the Negroes, the Jews, the Mexicans, and people of any other races which might be considered have the same rights and the same equal opportunities that I have and you have. But in doing that I do not wish to be compelled to surrender the right of liberty which is mine. It is not necessary that I surrender that right. By legislation of this character an attempt is being made to destroy a multitude of privileges, rights, and liberties of the American people, in order to grant one little benefit here and there, as some may think, to some Negro, or to someone else who has not been promoted as fast as this Committee may think he should have been. But, in my judgment, that is simply straining at a gnat and swallowing a camel.

I say to the Senate that legislation of this sort is destroying America. America has had something to be proud of. All the liberties we have enjoyed have made their contribution to the building of the greatest country in the world. Think of this war. Where would the cause of freedom be if it were not for America? It would already be trailing in the dust and in defeat. No one would dare deny that. Why has America been of such great aid to the cause of freedom in this war? It is because of her power, because of her productive capacity.

What gave us that productive capacity? It was not legislation of this character. Such legislation never on earth would make a contribution to the power and productive capacity of America. We never before have had such legislation.

What gave America her power and productive capacity? They came about as a result of the right of men in America to be free, to have the right of choice, the right of decision, the right of free, untrammeled, uncoerced judgment, the right to pursue life and liberty as we choose.

Legislation of the character proposed will destroy some of those rights and privileges. It will harm America. The young men who today are giving their lives on the fields of battle are not dying to preserve America so that it can be made over again. They are not dying for that reason. Any man, no matter who he may be—I do not care whether

he is a United States Senator, President of the United States, a member of an unfair practice committee, or the head of any organization—who attempts to take advantage of the war in order to try to drive through these harmful policies, who attempts to force such legislation at this time, in the name of the war, in my humble judgment does a disservice to and commits injury to those who are fighting on the fields of battle.

We all know there is room for improvement in many respects. But if reform is needed so badly, let me state whom I wish to see have a part in it. I want to see the boys who are saving this country have something to say about it. Let us put off these wild schemes of reform and so-called social gains until they get back home. Then let us see if those who have faced the shot and shell, those who have seen their buddies die in battle, want to change America.

I am not going to change it and take the responsibility for trying to reform and make over this Government while they are dying to preserve it. They love it well enough now, as it is, and as it has been. They go beyond the call of duty hour after hour, and give their lives for something that is precious to them; namely, their way of life. Are we going to change it while they are away? Does any Senator wish to tell them when they come home that if he employs more than five persons he must come to Washington and get a Negro to sanction and approve his employment policies. I am not going to vote to turn this country over to the Negroes, who are less than 10 percent of our population nor to Communists.

I have never had any trouble with the Negroes. I have represented them in the courts, and I have prosecuted them in the courts. I have seen a white jury turn a Negro defendant loose, and convict a white man as an accessory because they gave the colored man the benefit of the doubt that possibly he was influenced by the white man who should have protected him.

No condition exists in my State, Mr. President, which would warrant this unjust encroachment on my people. It cannot be justified.

I conclude with the statement that in order to be consistent, Senators who will vote for this appropriation should vote for permanent legislation of this character. No condition has been shown to exist which would justify the proposal merely as a war measure. If Senators vote to appropriate money to continue the activities of the present Committee, which seeks to expand its jurisdiction and tenure of life beyond what it possesses today under an Executive order, in order to be consistent, they should vote for legislation making the Committee permanent. I shall remain consistent and vote against this and any similar measure. Other measures of this nature may be proposed in the future, and I may not be able to learn of them in time to inform myself of their consequences if enacted into law. But I shall vote against this measure and against every other measure, Mr. President, which undertakes to sabotage the Constitution and destroy the liberty of our citizens. That is what the proposed measure would do, and that is what it is designed to do. In its ultimate consequences and goal, the hope and ambition of its sponsors is eventually to force an amalgamation of the races. That is the goal toward which it is headed. We are asked to take a step in that direction, and if we take one step we will later take another, and go on down the road. The conditions which will result in America will not be wholesome or healthy for black or white, North or South, East or West.

Today is the day on which a final vote will be taken on the amendment. This is D-day and the H-hour for us.

We must make the decision as to whether we are ready now to give our sanction to the procedure and unfair practice which is now being followed in our Government. Mr. President, I shall vote to strike the appropriation for this Committee from the bill.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia [Mr. RUSSELL] to strike out lines 3 to 16, inclusive, as amended, on page 10 of the bill.

Mr. HILL. Mr. President, the proposed amendment of the Senator from Georgia [Mr. RUSSELL] has been extensively debated, but I do not wish a vote to be taken upon the amendment before I speak briefly in urging its adoption.

I am opposed to the Committee on Fair Employment Practice. In the first place, we all know that its establishment was never authorized by the Congress of the United States. The Congress not only never authorized or established the Committee, but it never had any intention that any money appropriated out of the Federal Treasury should be used for the operation or maintenance of such an agency of the Government as the Committee on Fair Employment Practice.

On previous occasions no opposition was voiced to the appropriations, out of which funds were used by this agency, because no Senator ever dreamed that any part of such funds would be used for the establishment of such an agency as this Committee. Congress in no way ever gave consent or approval to the establishment of this particular agency. It has no foundation in law. There is no basis for it in any statute, and the powers of the agency are indefinite. No limit has been placed upon its powers. From a reading of the testimony before the House and Senate Committees on Appropriations it would seem that the members of the Committee on Fair Employment Practice have arrogated unto themselves unlimited power, and believe that they can do anything which they desire to do under the Executive order bringing the Committee into being.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. MURDOCK. Does the Senator take the position that in the creation of this Committee the President of the United States acted unlawfully, and without a basis in law?

Mr. HILL. I certainly take the position that he had no power to establish the Committee, and that the Committee now has no lawful place in our Government. The Senator knows that the way in which the Committee should have been established was by the enactment of a statute by the Congress of the United States. I know of nothing in the War Powers Act which in any way comprehended, anticipated, or looked toward the creation of such an agency as the Committee on Fair Employment Practice.

Mr. MURDOCK. Mr. President, will the Senator further yield to me?

Mr. HILL. Of course, I realize that the President could create a committee under the War Powers Act, but he has no power to delegate to it such powers as have been exercised by this Committee.

Mr. MURDOCK. The thing which is so astounding to me is that Senators take the position on this floor that the President of the United States acted unlawfully in the establishment and creation of this Committee. I have no quarrel with statements which have been made in criticism of the actions of the Committee. But when Senators rise on the floor of the Senate in time of war such as now and when by a declaration of war Congress has placed upon the President of the United States as Commander in Chief of the Army and Navy the responsibility of prosecuting the war to a successful conclusion, and take the position that the President has acted unlawfully in the creation of this Committee more effectively to mobilize the manpower of the country, I am unable to understand their attitude.

Before they make a declaration on the floor of the Senate that the President has acted unlawfully in this matter I ask Senators to examine the grant of power under the Constitution to the executive department and compare it to the grant of power to the legislative department. What will they find? They will find that the grant of executive power is substantially in the following language: "The executive power shall be vested in a President of the United States." That is very broad and comprehensive language.

Mr. HILL. Mr. President, I do not wish to interrupt the Senator. I wish to yield to him for a question, but not for a speech. When I shall have finished my remarks, which will not be very lengthy, the Senator may make a speech.

Mr. MURDOCK. I wish merely to say that we must look to the Constitution as well as to statutory law in determining the powers of the Executive. Now as to the grant of legislative power in the Constitution we find it to be in most restrictive language, to wit: "All legislative powers herein granted should be vested in a Congress of the United States." I call particularly to the Senator's attention the words "herein granted."

In my opinion especially in time of war, this distinction between those two grants of power under the Constitution, should be taken cognizance of in the debate. To me in a national emergency and crisis such as this when the President has devolved upon him the very

preservation of the Nation Congress should proceed very cautiously in denying or curtailing his functions and powers.

Mr. HILL. Mr. President, in war or not in war, the President has power only which the Constitution gives him, and which the Congress by the enactment of statutory legislation gives to him. I know of no provision of the Constitution of the United States which gives to the President the power to set up this Committee and to attempt to give to the Committee the authority which it is now seeking to exercise. I know of no provision in any statute passed by the Congress which gives such power to the President of the United States. There are definite inhibitions and definite limitations on the power of the President in time of war as well as in time of peace. As I have said, the only power the President can exercise is the power that is given to him by the Constitution or by statutes passed by the Congress.

Mr. President, if the Fair Employment Practice Committee had been created by an act of Congress, as it should have been, if it was going to be set up at all, no doubt its powers would have been defined; no doubt there would have been some limit on the field within which the Committee could act. But, as the matter now stands, the power of the Committee is not defined, there is no limit on its power, no inhibition established. As I have said, the Committee seems to arrogate unto itself whatever power it sees fit to take.

Furthermore, Mr. President, there lies no appeal from a decision by the Committee. This question has been discussed by other Members of the Senate; but if there is any one thing that is fundamental in our American system of government it is the right of appeal, and if there is any one case where such right should exist and be safeguarded, it is where the powers sought to be exercised are not clearly defined. In this instance we find an agency seeking to exercise power which is in no way defined and from the decisions of which there is no right of appeal.

This Committee was established, Mr. President, on the basis that it would help promote the war effort. Instead of helping the war effort, certainly, so far as the section of the country from which I come is concerned, it has proved definitely harmful. It has caused irritation; it has bred resentments; it has created bitterness. Instead of making for unity, instead of making for all-out effort on the part of our people, it has divided them. That which should be our first consideration is the war effort, the production of the things needed for the war effort, the production of iron and steel, of aluminum, of sulfur, and all the other many materials which go into the implements our soldiers across the seas need and must have for the winning of this war. Our first thought should be the production of the guns, the tanks, the planes, and other implements of warfare. If they are to be produced in the best possible way, in the most efficient way, and in the shortest possible time, then we must have team play—the best possible team play, the best possible cooperation and harmony among those charged with the responsibility of carrying on the work of production.

Mr. GILLETTE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Iowa?

Mr. HILL. I yield.

Mr. GILLETTE. I ask the Senator to yield because I wish to refer to an interruption that came from the Senator from Utah [Mr. MURDOCK] when he mentioned the provision of the Constitution which reposed the legislative power in the Congress and referred to the phrase "the legislative power herein granted." I hope the Senator from Alabama will bear with me while I refer to the section of the Constitution referring to "legislative power herein granted." It is section 8, article I of the Constitution, and reads:

> To make all laws which shall be necessary and proper for carrying into execution the foregoing powers—

Which are listed—

> and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

That is the legislative power.

Mr. HILL. I want to thank the Senator for his contribution. The language of the Constitution is clear, specific, and definite; there can be no question about the fact that the Congress alone can legislate, and that the President cannot, because he happens to be the Chief Executive, create agencies and set up instrumentalities of the Government except as he is authorized to do so by the Congress of the United States. There can be no question about that.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from Utah.

Mr. MURDOCK. Does the Senator take the position that the war powers of the President come exclusively and must come exclusively from statutory law?

Mr. HILL. They come either from the Constitution of the United States or from the statutes. The President has no power at all except the power which may be given him by the Constitution or by statutes passed by the Congress.

Mr. MURDOCK. That is the point I desired to make in calling the matter to the attention of the Senate. Inasmuch as the able Senator from Iowa, as I understand him, has taken some issue with the statement I made, will the Senator from Alabama yield to me to read from a decision by Chief Justice Taft on this very question? It is very brief and right to the point.

Mr. HILL. How late is the decision? I imagine the decision is 20 years old and it may have been set aside by this time. However, I yield; I want to be courteous to my friend, the Senator from Utah.

Mr. MURDOCK. In my opinion, the part of the decision which I shall read is very pertinent to the present discussion. I quote from the decision in Myers versus the United States, written by Chief Justice Taft:

> The difference between the grant of legislative power under Article I to Congress, which is limited to powers therein enumerated, and the more general grant of the executive power to the President under Article II, is significant.

That is the language of Chief Justice Taft in the Myers case. That is the point I want to make when Senators challenge a right of the President such as he has exercised in the creation of this Committee in time of war when we have devolved upon him the responsibility of carrying it on to successful conclusion. My point is that before we accuse him of acting unlawfully in setting up, as he has done in this case, a committee for the better mobilization of the manpower of the country, we must have in mind not only the constitutional grant of power to the Executive but also any statutory law that may be enacted to implement the broad grant of executive power in the Constitution. I thank the Senator for his courtesy.

Mr. HILL. I cannot agree with the distinguished Senator from Utah. I know of no grant either in the Constitution or in the statutes giving to the President the power to set up such an agency as the Fair Employment Practice Committee.

Mr. President, as I stated, our first consideration at this time, our paramount consideration, should be to do that which will contribute most to our war effort. As I have said on many occasions, it will not be enough to win the war; we must win it in the shortest possible time, and save every life we possibly can.

Time and again we have been reminded by those responsible for our war production and by those responsible for our military operations that our battle front rests squarely on the home front, that what we can do in carrying war to our enemies and in bringing about their destruction and their defeat depends upon what we do here on the home front, how well we supply our men, with what rapidity we send them the implements of warfare which they must have in order to do the job assigned them.

Mr. President, as I have said, this agency, instead of contributing to the war effort, instead of being helpful to it, instead of stimulating it, instead of doing something constructive for the war effort, brings about the irritations, the resentments, the bitterness to which I have referred, and therefore it has proved definitely harmful to our war effort. As an agency harmful to the war effort, as an agency breeding discontent and resentment among our people I hope the Congress will not put an end to it, refuse this appropriation and let us be done with a bad committee.

Mr. CONNALLY. Mr. President, I shall detain the Senate for only a few moments. The pending amendment has been very thoroughly debated, and I know it would be difficult to add anything to the information of the Senate on the subject. I shall vote against the provision providing for the F. E. P. C.

Mr. President, it seems to me that the very spirit of this provision is wholly out of line with what we have always heretofore conceived to be the relation as between our people with respect to matters of employment. It is said the desire is to prevent discrimination. After all, who is to decide whether discrimination is being practiced—this agency, or the man who does the employing, whose money is used to pay for the employment, and who is to be served by the particular character of the services of the employee? Or is the question of discrimination to be determined by some outsider, some governmental functionary on a Government salary? How is he better advised as to the qualifications of a particular applicant to fit the requirements of the position which he seeks, than the man who owns the business, the man who offers the position, the man who wants the services of the employee in a business with which he is entirely familiar?

It seems to me that the freedom and the liberty of action of the employer is as much to be consulted as that of the employee. My own experience is that the best way to instill confidence as between the employee and the employer is to let these forces have their natural play, and not have an employee who feels that his tenure is not dependent upon his employer, but is dependent upon the exercise of some governmental force or some governmental compulsion to put him and keep him in his job.

Mr. President, the experience of every Government department, and of Senators and others, shows that if we employ someone under pressure from outside sources, the relationship between us and the employees is never good. The employee feels that he can go around us, and may appeal to some higher authority.

Like most governmental agencies, the agency here concerned wants to spread its jurisdiction. In my own State of Texas the F. E. P. C. had an experience which I shall briefly call to the attention of the Senate. The Dallas News, one of the great newspapers of the State, inserted in one of its advertising columns an advertisement that the newspaper itself wanted an employee, a colored man, for some sort of work in the press room, folding papers, or something of the kind. The F. E. P. C. communicated with the Dallas News and, on the ground that the newspaper was discriminating, said, "You cannot use that kind of an advertisement. You cannot specify whether you want colored or white." Probably they kept some good colored man out of a job for which he was suited.

The Dallas News resisted, and such a hubbub was created over the incident that the Committee finally withdrew its interference, and admitted that it was in error and that a newspaper was not such an essential industry in the war situation as to justify invoking the jurisdiction of the F. E. P. C. So it withdrew. But it did not want to withdraw. It wanted to stretch its jurisdiction into every avenue of life and of industry. It wanted to exercise governmental compulsion and governmental power as to the employment terms affecting everyone, everywhere, in every industry throughout the land.

Mr. President, I am not so much concerned about discrimination on the color line. We in the South have never discriminated against the colored race as to employment. There are certain types of employment for which they are superior, and for which we would prefer them to white employees. On the other hand, there are other kinds of employment in which we prefer the whites. If we leave the matter to the employees and to the employers themselves, we will never have serious difficulty in the South. But if we intrude the arm of the Government, the mailed fist, into these relationships, we shall breed dissession, we shall breed trouble.

I wish to say to some of those who today wear the cloak of purity, and express high interest in others, that by the enactment of legislation of the character now proposed they are going to cause the very thing they are pretending to want to prevent.

Mr. President, I know of no law of Congress which ever authorized the establishment of the organization under discussion. I wrote to a man in my State in April, before all the disturbance and noise about this matter arose, that I knew of no law authorizing the establishment of the agency. He wanted my advice; he did not follow it after he got it, but he wanted it. I told him that if I were in his position I would go right on running my business as I always had, and would ignore this concern. But under the threat of Government penalties and Government compulsion, he wrote them a note, "I will not run any more advertisements like this." That man had a small manufacturing plant, and he placed an advertisement in a newspaper saying that he wanted six white women to do certain kinds of work. This agency went after him like a swarm of bees and forbade the use of such an advertisement, and thereby probably kept several women out of employment who perhaps needed employment and who could perform the duties and would better than others suit the requirements of the position to the employer.

Mr. President, no law existed which authorized the establishment of this agency when it was created, and the best proof of that is that we now have before us a proposal to make the Committee legal. If it were legally constituted all the time why would there be need for a new law respecting it? It is proposed to enact a law providing for the legalizing of something which was contended to be legal and legally authorized all the time. Of course, nothing in the Constitution authorizes the establishment of this Committee. There is no statute providing for it.

So, Mr. President, I shall vote "nay" on the proposal.

Mr. RUSSELL. Mr. President, the Senator from Texas means that he favors the motion to strike from the bill the language dealing with the Committee?

Mr. CONNALLY. I mean I shall vote against the appropriation. So, Mr. President, I shall vote to strike out of the bill the proposal with respect to the Committee.

Mr. WHITE. Mr. President, I make the point of no quorum.

The PRESIDING OFFICER (Mr. WALSH of New Jersey in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	Radcliffe
Ball	Gurney	Reed
Bankhead	Hatch	Revercomb
Barkley	Hill	Robertson
Bilbo	Holman	Russell
Brewster	Johnson, Colo.	Shipstead
Burton	Kilgore	Stewart
Bushfield	Lucas	Taft
Byrd	McClellan	Thomas, Okla.
Capper	McFarland	Thomas, Utah
Chavez	McKellar	Tunnell
Connally	Maloney	Vandenberg
Cordon	Maybank	Wagner
Davis	Mead	Wallgren
Eastland	Millikin	Walsh, Mass.
Ellender	Murdock	Walsh, N. J.
Ferguson	Murray	Weeks
George	O'Mahoney	Wherry
Gerry	Overton	White
Gillette	Pepper	Willis

The PRESIDING OFFICER. Sixty Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL] proposing to strike out the paragraph relating to the Committee on Fair Employment Practice, as amended, being lines 3 to 16, inclusive, on page 10.

Mr. BALL. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. CHANDLER]. I transfer that pair to the junior Senator from Illinois [Mr. BROOKS] who, if present, would vote as I intend to vote. I am therefore at liberty to vote. I vote "nay."

Mr. ELLENDER (when his name was called). I have a pair with the senior Senator from Maryland [Mr. TYDINGS] who, if present, would vote "nay." If I were at liberty to vote I would vote "yea."

Mr. WHITE (when Mr. LANGER's name was called). I have been requested by the Senator from North Dakota [Mr. LANGER] to announce that he is unavoidably absent on Federal business, and that if present he would vote "nay."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the junior Senator from California [Mr. DOWNEY] and will vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senators from Nevada [Mr. MCCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senator from Florida [Mr. ANDREWS], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Kentucky [Mr. CHANDLER], the Senator from

Idaho [Mr. CLARK], the Senator from Missouri [Mr. CLARK], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from Indiana [Mr. JACKSON], the Senator from South Carolina [Mr. SMITH], the Senator from Missouri [Mr. TRUMAN], the Senator from Maryland [Mr. TYDINGS], and the Senator from Montana [Mr. WHEELER] are detained on public business.

The Senator from California [Mr. DOWNEY] is absent on official business for the Senate.

The Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS] and the Senator from Texas [Mr. O'DANIEL] are necessarily absent.

I also announce the following pairs: the Senator from North Carolina [Mr. BAILEY] with the Senator from Missouri [Mr. CLARK]; the Senator from Arkansas [Mrs. CARAWAY] with the Senator from Missouri [Mr. TRUMAN]; the Senator from South Carolina [Mr. SMITH] with the Senator from Indiana [Mr. JACKSON]; the Senator from Florida [Mr. ANDREWS] with the Senator from Nevada [Mr. MCCARRAN]; and the Senator from Texas [Mr. O'DANIEL] with the Senator from Delaware [Mr. BUCK]. I am advised that, if present and voting, the Senator from North Carolina [Mr. BAILEY], the Senator from Arkansas [Mrs. CARAWAY], the Senator from South Carolina [Mr. SMITH], the Senator from Florida [Mr. ANDREWS], and the Senator from Texas [Mr. O'DANIEL] would vote "yea," and the Senators from Missouri [Mr. CLARK and Mr. TRUMAN], the Senator from Indiana [Mr. JACKSON], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Delaware [Mr. BUCK] would vote "nay."

I further announce that, if present and voting, the Senator from Rhode Island [Mr. GREEN], the Senator from California [Mr. DOWNEY], the Senator from Montana [Mr. WHEELER], and the Senator from Wisconsin [Mr. LA FOLLETTE] would vote "nay."

The Senator from Arizona [Mr. HAYDEN] has a general pair with the Senator from North Dakota [Mr. NYE]; and the Senator from Virginia [Mr. GLASS] has a general pair with the Senator from Vermont [Mr. AUSTIN].

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES], who is absent because of illness, has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from North Dakota [Mr. NYE], who is necessarily absent, has a general pair with the Senator from Arizona [Mr. HAYDEN].

The Senator from Delaware [Mr. BUCK], who would vote "nay," is paired with the Senator from Texas [Mr. O'DANIEL], who would vote "yea."

The Senator from Vermont [Mr. AUSTIN], who is necessarily absent, has a general pair with the Senator from Virgina [Mr. GLASS].

The Senator from Illinois [Mr. BROOKS], the Senator from Connecticut [Mr. DANAHER], and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent. These Senators would vote "nay" if present.

The Senator from New Jersey [Mr. HAWKES], the Senator from North Dakota [Mr. LANGER], the Senator from Oklahoma [Mr. MOORE], the Senator from Idaho [Mr. THOMAS], and the Senator from Iowa [Mr. WILSON] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent attending the marriage of his daughter. If present, he would vote "nay."

The result was announced—yeas 21, nays 39, as follows:

YEAS—21

Bankhead	George	Maybank
Bilbo	Gurney	Millikin
Brewster	Hill	Overton
Bushfield	Holman	Robertson
Byrd	Johnson, Colo.	Russell
Connally	McClellan	Stewart
Eastland	McKellar	White

NAYS—39

Aiken	Hatch	Shipstead
Ball	Kilgore	Taft
Barkley	Lucas	Thomas, Okla.
Burton	McFarland	Thomas, Utah
Butler	Maloney	Tunnell
Capper	Mead	Vandenberg
Chavez	Murdock	Wagner
Cordon	Murray	Wallgren
Davis	O'Mahoney	Walsh, Mass.
Ferguson	Pepper	Walsh, N. J.
Gerry	Radcliffe	Weeks
Gillette	Reed	Wherry
Guffey	Revercomb	Willis

NOT VOTING—36

Andrews	Downey	Nye
Austin	Ellender	O'Daniel
Bailey	Glass	Reynolds
Bone	Green	Scrugham
Bridges	Hawkes	Smith
Brooks	Hayden	Thomas, Idaho
Buck	Jackson	Tobey
Caraway	Johnson, Calif.	Truman
Chandler	La Follette	Tydings
Clark, Idaho	Langer	Wheeler
Clark, Mo.	McCarran	Wiley
Danaher	Moore	Wilson

So Mr. RUSSELL's amendment was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had receded from its disagreement to the amendments of the Senate numbered 5, 7, 9, 10, 11, 12, 13, 14, 17, 25, 31, 41, 43, 48, 52, 59, 66, and 71 to the bill (H. R. 4443) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes, and concurred therein; that the House receded from its disagreement to the amendments of the Senate numbered 27, 40, 53, and 63 to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate; that the House receded from its disagreement to the amendment of the Senate numbered 65 to the bill and concurred therein with amendments, in which it requested the concurrence of the Senate; that the House insisted upon its disagreement to the amendment of the Senate numbered 60 to the bill, asked a further conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TARVER, Mr. CANNON of Missouri, Mr. SHEPPARD, Mr. WENE, Mr. LAMBERTSON, Mr. DIRKSEN, and Mr. PLUMLEY were appointed managers on the part of the House at the conference.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution and they were signed by the Acting President pro tempore:

H. R. 1475. An act to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended;

H. R. 4320. An act relating to the computation of interest on contributions to the civil-service retirement fund returned to employees upon their separation from the service;

H. R. 4659. An act to authorize the Soil Conservation Service to lend certain equipment; and

H. J. Res. 298. Joint resolution making appropriations for grants to States under the Social Security Act.

APPROPRIATIONS FOR WAR AGENCIES

The Senate resumed the consideration of the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes.

Mr. RUSSELL. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 10, at the end of line 16, it is proposed to insert the following: *"Provided*, That no part of the funds herein appropriated shall be used to pay the compensation of any person to initiate, investigate, or prosecute any complaint against any defendant where such defendant does not have the same right to appeal an adverse decision of the Committee on Fair Employment Practice to the President of the United States, or to refer said complaint to the President of the United States for final disposition, as is asserted by or allowed the said Committee on Fair Employment Practice in cases where persons complained against refuse to abide by its orders."

Mr. RUSSELL. Mr. President, the nature of this agency is transformed by the vote which has just been taken. Heretofore the organization has been the President's Committee on Fair Employment Practice. By the majority vote which has just been had in this Chamber it now becomes the Congress' Committee on Fair Employment Practice. Up until this hour it has been the child of the executive branch of Government. The legislative branch has now adopted it, and has undertaken to give it legality.

Certainly, Mr. President, if we are going to confirm in this manner all the acts of the Committee on Fair Employment Practice and all the rules and all the regulations which have been promulgated by it, the least we can do is to preserve an essential right of every American citizen, namely, the right to appeal from an adverse decision which may destroy such citizen.

Under the regulations which now are in force, which provide for the procedure in the Committee, the Committee has the right to refer or to cite to the President of the United States any defendant who refuses to carry out its orders. The amendment merely would allow a defendant who has been cited before the Com-

mittee—without, as I still insist, any authority of law—to have the same right of appeal which is allowed to the Committee.

Of course, Senators can vote against providing any right of appeal. They can vote to give the Committee all the powers it has asserted are vested in it by the Executive order. But I shall ask that we have a yea-and-nay vote on the question whether an individual who has been cited before the Committee shall be denied the right of appeal, shall have his contracts canceled, and shall have other sanctions imposed against him, although the Committee itself, if that person refuses to act, has a right to appeal to the President of the United States.

I ask for the yeas and nays on the amendment which provides that right.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MALONEY. I should like to have a clear understanding of the amendment, before the vote is taken. The Committee on Fair Employment Practice has no right to cancel contracts. The Senator has said contracts can be canceled only through some other agency of Government.

Mr. RUSSELL. That is correct.

Mr. MALONEY. Does the Senator contend that if the War Department cancels a contract, the man who had the contract has a right to appeal to the President of the United States?

Mr. RUSSELL. That is what I am seeking. I say that if the War Department is to cancel a man's contract because he does not conform to a ruling or order which has been issued by the Committee on Fair Employment Practice, certainly that man, the defendant, should have the right to appeal.

Under the procedure which now obtains, the Executive order provides that if a person refuses to conform, before sanctions are employed the Committee has a right to cite the defendant to the President of the United States. In two cases the Committee has cited defendants to the President.

The amendment provides that if the Committee arbitrarily and without good reason proposes to cancel a contract, a party to the contract shall have a right to appeal.

Mr. MALONEY. Mr. President, I am inclined to be in accord with what I think is the Senator's purpose. But I am wondering whether by the amendment he would not direct that a party to almost any canceled war contract might have the right to appeal to the President.

Mr. RUSSELL. I do not think so. The amendment provides that if the committee arbitrarily attempts to impose some unfair order or regulation upon a party to such a contract, he may have the right of appeal to the President. At the present time such a person is absolutely without any recourse. He cannot go into the courts. Of course, it would be a futile thing to give him the right to come to the Congress, inasmuch as the Congress has already vested these powers in the Committee on Employment by the vote just had. There should be a right of appeal somewhere before a citizen suffers loss due to arbitrary action.

As I have said before, the matter of the cancelation of contracts is a question of life and death with American business today. The Committee on Fair Employment Practice, having been given congressional sanction, can practically eliminate an industry if it wishes to do so, and a party to a contract has absolutely no right of appeal from the Committee's decision.

Mr. MALONEY. Does the Senator think his amendment makes it clear that persons engaged in war work, and subject to the cancelation of contracts, can appeal only if the difficulty arises as the result of action taken by the Committee on Fair Employment Practice?

Mr. RUSSELL. Oh, yes. Such persons could appeal only when a government department or agency has canceled a contract, and when the party to the canceled contract, or the defendant, contends that some action on the part of the Committee on Fair Employment Practice has been arbitrarily directed against him.

Mr. MALONEY. The Senator has made that point clear; has he?

Mr. RUSSELL. I am sure it is clear. Of course, the effect of the amendment is that some rules to provide for an appeal must be established. That is its effect. The only way we can bring that about is by way of a limitation upon the appropriation. With this limitation imposed I am sure the F. E. P. C. will provide some method of appeal to those who contest its powers and orders.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BARKLEY. Under the present practice, as I understand it, if a person or corporation proceeded against refuses to carry out an order of the Committee, the Committee may appeal to the President. Is that true?

Mr. RUSSELL. Yes.

Mr. BARKLEY. The Committee itself cannot cancel contracts, and does not do so, under the regulations. But the War Department or some other department which has a contract may do so, as I understand the situation. Is that correct?

Mr. RUSSELL. That is correct.

Mr. BARKLEY. If the department which has the contract which has been recommended for cancelation by the Committee—I suppose the Committee can do that—itself refuses to cancel the contract, then the Committee can take that matter to the President; is that true?

Mr. RUSSELL. That is correct.

Mr. BARKLEY. What the Senator is seeking to accomplish, as I understand the amendment, is that when the department involved has canceled the contract, a party to the contract can appeal to the President, if the department canceled the contract as a result of a recommendation of the Committee, but not of any other agency.

Mr. RUSSELL. That is correct.

Mr. President, I ask that the amendment be agreed to.

Mr. BARKLEY. Mr. President, unless the amendment involves something which does not appear on the surface, I personally do not believe any injustice would result to the Government by reason of allowing a person whose contract is canceled as a result of action by the Committee to take up the matter with the President. I would object to providing the right of appeal to the President in the case of a contract which was canceled as a result of action by some other agency. But in a case in which the contract is canceled as a result of some regulation of the Committee on Fair Employment Practice, I am inclined to think such a provision might be made.

Mr. RUSSELL. I thank the Senator.

Mr. CHAVEZ. Mr. President, if the amendment, as it is worded, provides for an appeal to the President, such as the appeal the Committee would have, I do not believe anyone would object to it at all.

May the amendment be read again?

The PRESIDING OFFICER. Without objection, the amendment will be read again.

The CHIEF CLERK. On page 10, at the end of line 16, it is proposed to insert: "*Provided*, That no part of the funds herein appropriated shall be used to pay the compensation of any person to initiate, investigate, or prosecute any complaint against any defendant where such defendant does not have the same right to appeal an adverse decision of the Committee on Fair Employment Practice to the President of the United States, or to refer said complaint to the President of the United States for final disposition, as is asserted by or allowed the said Committee on Fair Employment Practice in cases where persons complained against refuse to abide by its orders."

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield.

Mr. BARKLEY. I think it is unfortunate that the amendment has to be offered by way of a limitation on an appropriation. But it cannot be offered otherwise except by a suspension of the rule, which would require a favorable vote of two-thirds of the Senate.

The language in the amendment, "to initiate, investigate, or prosecute any complaint," in cases in which the right of mutual appeal does not exist, in order to be effective would result. I suppose, in an amendment or a modification of the rules of the committee.

Mr. RUSSELL. Of course, I stated frankly to the Senator from Connecticut, that the effect of the amendment would be to force the establishment of some method of appeal. If the members of the committee do not do that, they cannot draw their salaries.

Mr. BARKLEY. Of course, none of the appropriation could be used for the purpose for which it was intended, otherwise.

Mr. RUSSELL. That is correct.

Mr. BARKLEY. I myself would prefer to vote straight out on the question of providing for an appeal to the President, rather than to vote for it in this way. But I realize that we could do that

only by a two-thirds vote on the question of suspension of the rule.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The question is on agreeing to the amendment of the Senator from Georgia, adding certain language on page 10, at the end of line 16.

The amendment was agreed to.

Mr. RUSSELL. Mr. President, I offer the amendment which I send to the desk, and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. After line 16, on page 10 of the bill, it is proposed to insert the following: *"Provided further,* That no part of this appropriation shall be used to pay the compensation of any person to initiate, investigate, or prosecute any proceeding against any person, firm, or corporation which may result in seizure or operation of any plant or other property of such person, firm, or corporation by Federal authority for the failure to abide by any rule or regulation of the Committee on Fair Employment Practice, or for failure to abide by any order passed by the Committee on Fair Employment."

Mr. RUSSELL. Mr. President, the amendment speaks for itself. During the course of the debate it developed that the chairman of this Committee had asserted the right of the Committee to cause the taking over of any plant when the owners thereof did not comply with an order of the Committee. The amendment makes it clear that no industry, or any person having business with the Government, shall have its plant taken over for failure to conform to any rule of the Committee. The Government would still have the right to cancel the man's contract. But certainly neither this Committee nor any other agency of the Government should have the authority to order a plant to be seized merely because the owner had not carried out the Committee's rules in the absence of any legislative standards imposed by the Congress upon the Committee.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BARKLEY. I am not aware of any case in which the Committee itself has attempted to take over any plant. I had not been apprised of the fact that it had asserted such right. I have been absent in an attempt to help write an O. P. A. bill and have not been present during all the debate.

Allow me to ask the Senator a question. Suppose that as the result of an order issued by the Committee to cease and desist in the case of any discrimination which it has the right to consider, the plant which was involved refused to carry out the order of the Committee, and as a result a strike took place involving the production of war material. Would the proposed amendment deprive the President of the right to take over the plant under laws already enacted?

Mr. RUSSELL. It would not deprive the President of any right conferred by existing law. If such plant were closed by a strike he is authorized by substantive law to seize the plant.

Mr. BARKLEY. I am not certain about it, because the language of the amendment includes, I believe, the phrase "resulting from any order," and so forth, of this Committee. I certainly do not feel that we should deprive the President of the right to seize a plant for any reason which ourselves have specified in the laws which we have enacted.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CONNALLY. Is it not true that all the amendment would do would be to provide a penalty for not observing the rules of the Committee, but that confiscation would not take place?

The case cited by the Senator from Kentucky would involve a different proposition. After certain things took place if a strike should result in a war plant, the strike law would apply.

Mr. BARKLEY. I can very well visualize a case in which the Committee itself had ordered a plant to cease a discrimination which it had found to exist. If the plant refused to obey the order of the Committee, the Committee could then appeal to the President.

Mr. RUSSELL. Mr. President, I wish to be candid with Senators. I do not want any Senator to be misled in voting on the proposal. I did not have time to have the amendment printed. It occurred to me very early this morning while I was thinking of some safeguards to suggest in connection with this provision.

Mr. BARKLEY. The hour intimated by the Senator from Georgia is a very late one for a Member of this body to be out. [Laughter.]

Mr. RUSSELL. The purpose of the amendment, whether the language would accomplish it or not, is completely to divest this Committee of the right to set any machinery in action which would take over any industrial plant.

Mr. BARKLEY. I should like to have the amendment reread. When it was read by the clerk I caught some language which made me believe that if anything should happen which was the result of an order of the Committee the plant might not be taken over even if what had occurred should result in a strike by the employees, or a refusal to carry out the orders of the Committee.

The PRESIDING OFFICER. The amendment will be restated.

The CHIEF CLERK. After line 16, on page 10 of the bill, it is proposed to insert the following: *"Provided further,* That no part of this appropriation shall be used to pay the compensation of any person to initiate, investigate, or prosecute any proceeding against any person, firm, or corporation which may result in seizure or operation of any plant or other property of such person, firm, or corporation by Federal authority for the failure to abide by any rule or regulation of the Committee on Fair Employment Practice, or for failure to abide by any order passed by the Committee on Fair Employment."

Mr. BARKLEY. I think there could be no doubt about the interpretation of the amendment that even the President himself could not, under present law, take over a plant because of a strike resulting from the nonobservance of an order issued by the Committee.

Mr. RUSSELL. The Senator knows that a statute cannot be repealed by limitation of an appropriation. Only the power may be limited of the organization for which the appropriation is made. The language in the proposed amendment could not in any way repeal the powers of the President to take over any plant.

Mr. BARKLEY. The amendment refers to the taking over of a plant by the Federal authority.

Mr. RUSSELL. Yes.

Mr. BARKLEY. The President has Federal authority.

Mr. RUSSELL. Of course he has.

Mr. BARKLEY. The language seems to me, although the Senator may not have so intended it, to be broad enough to be interpreted as meaning that none of the money may be used to investigate, initiate, or otherwise to proceed against any plant which would result in taking over a plant by Federal authority. I can very well understand how there could arise a situation in which a war plant might be involved in a strike growing out of activities of this committee, or the failure of the company involved to carry out the recommendations or orders of the committee. If war production were involved I certainly would not wish to vote for an amendment which would take away from the Federal authority which now exists the right to take over a plant in the event that a strike should result from the controversy.

Mr. RUSSELL. I can see no basis whatever for the assertion——

Mr. BARKLEY. Even if there were a likelihood of the occurrence which I have stated, the money could not be spent under the amendment for the purpose referred to.

Mr. CONNALLY. Mr. President, I wish to submit that the construction which the Senator from Kentucky fears would not be possible under the language of the amendment. The amendment says in part:

> Any proceeding against any person, firm, or corporation which may result in seizure or operation of any plant or other property of such person, firm, or corporation—

That language is followed by an assertion, which is not necessary, of the words "by Federal authority."

For what?

> For failure to abide by any order passed by the Committee on Fair Employment.

In other words, the amendment applies to a seizure, not because of a strike, not because of something that happens later on; the amendment herely prohibits the seizure of a plant as a penalty for violating some rule of the committee. That is what it is intended to do, is it not?

Mr. RUSSELL. That is exactly what I intended, that is the purpose of the amendment, and I thought it was perfectly clear.

Mr. CONNALLY. I do not see how any other construction can be placed upon it, because it says "which may result in the seizure or operation of any plant or other property of such person." For what? For failure to abide by the committee's rule. If it is for something else, for a strike later on, that is a wholly different matter, and has no relation whatever to this particular amendment.

Mr. BARKLEY. Let me analyze the language of the amendment of the Senator from Georgia a little further. It reads:

Provided further, That no part of this appropriation shall be used to pay the compensation of any person to initiate, investigate, or prosecute any proceeding against any person, firm, or corporation which may result in the seizure or operation of any plant or other property of such person, firm, or corporation.

How can anyone who starts out to investigate one of these cases know in advance whether it might result in the seizure of property, and if he starts out innocently, under the orders of the Committee, to investigate a complaint, and later on the plant should be taken over, how could he be stopped from proceeding merely on the fear that it might result in the seizure of the plant? I do not see how anyone, under this language, would feel justified in making any kind of an investigation, because he could not project his mind far enough into the future to see what some other agency might do. It applies to every person who would undertake anywhere to investigate a complaint. If the Senator is going to try to limit the taking over of any plant, it seems to me it should be by the Committee itself, not by any other Federal agency, because the complaint the Senator makes against the Committee is that it asserts the right; not that it has ever taken over a plant.

Mr. RUSSELL. I do not think the Committee has made a formal declaration that it had the right to take over a plant. According to a newspaper account read in the course of the debate—though not by me—the chairman asserted that if the 14 railroads which had been cited to the President did not conform to their order, the President of the United States was going to take the railroads over. I think that when we legislate in this haphazard fashion and impose upon American industry or business the penalty of losing contracts with the Government in this time, when that is certainly a very extreme penalty, we should not go further and say, "We not only are going to take your contract away from you, but are going to take your plant away from you, if you do not come in and conform to the orders of this agency," which has no legislative standards, the powers of which Congress has never defined, other than by the unlimited grant of power the Senate approved by the vote a few moments ago. I do not believe it is fair, from what I know of the Committee and some of its actions in the past, that the Committee should have the right to set in motion action which would eventuate in the seizure and operation of private business in this country. The penalty of losing a contract is certainly a very stiff penalty.

Mr. BARKLEY. I should like to ask the Senator another question. I do not know the basis upon which the Chairman of the Committee made the assertion, if he did make it, that the President would take over 14 railroads simply because they did not obey the orders of the Committee. That would be a matter up to the President, even if he had the power to do it. It is inconceivable to me that anyone could predict that the President would take over the railroads under any circumstances except those already outlined in the law, under which he took them over a few months ago because of a threatened strike, not because of the disobedience of an order of somebody which had been issued, but as a war measure, because a strike threatened to interfere with transportation. Fortunately, that matter was settled, and the railroads were operated by the Government but a few days.

Mr. RUSSELL. The Senator knows that the question of a strike is not involved in the railroad case originated by F. E. P. C. There has been no strike as the result of the President's order. There has been an absolute refusal on the part of the railroad brotherhoods and the railroads, which have an existing contract, to conform to the order of the F. E. P. C., that they cancel their contract. The labor union said, "We are not going to cancel the contract," and the railroads said, "We are not going to cancel the contract," and the matter has now been referred to the President of the United States.

Certainly, Mr. President, the power to take away from those railroads any Government business should be a sufficient penalty, when it is asserted by as nebulous an organization as the one under consideration.

There is nothing in the amendment which would repeal any substantive law, and the Senator from Kentucky is familiar with the rule which has been uniformly followed, that a limitation on an appropriation applies only to that appropriation.

Mr. BARKLEY. Yes; I appreciate that.

Mr. RUSSELL. And not to any other law. We cannot by a limitation on an appropriation bill repeal the Smith-Connally Act, we cannot repeal the Second War Powers Act, or any other act, we cannot repeal the amendment I offered to the selective-service law, giving the President power to take over businesses in certain cases. The President could still take over the railroads in the event there was any strike, but I do not think we should turn this agency loose to go around threatening to take over private business if such business or industry refuses to submit to its dictates. The penalty of cancelation of their contracts is certainly severe enough. This should be made perfectly clear in the rules and regulations promulgated by this organization. The President has given them unlimited power to promulgate all rules and regulations they think necessary, and I think the Congress, in passing on this matter, should say, "You cannot promulgate a rule that is going to result in taking over private industry in this country for failure to conform to any order the F. E. P. C. may issue as to employment policies of any individual or corporation that is engaged in business in his country."

Mr. BARKLEY. The difficulty which confronts me is that we might create a fear in the mind of some of the employees of this committee, in going out and starting an investigation, lest later on, if the controversy they were investigating, or the discrimination, if one were found to exist, resulted in a strike in a plant, the committee itself, or the person involved, might be charged with having expended money unlawfully, because later on something happened which could not be foreseen, and therefore the law was violated.

Mr. RUSSELL. Mr. President, this committee can promulgate any rule or regulation it sees fit to promulgate, under the terms of the President's Executive order. I shall read the last provision of the order. After ordering that the F. E. P. C. may do this, that and the other, try cases, and so forth, it then says:

The Committee shall have power to promulgate such rules and regulations as may be appropriate or necessary to carry out the provisions of this order.

Let them promulgate a rule which will make it absolutely clear that they are not asserting the right to take over plants or to be the motivaing factor behind the action of any other agency of the Federal Government in taking over private industry in this country for refusing to obey their decrees, and they will have absolved themselves from this limitation. Is it asking too much, when they claim the power to take a man's contract away from him, to say that this committee shall adopt a rule that they are not going to take away his plant, too, unless he subjects himself to their whim and fancy?

We all know it would have to be a very extreme case before the President would interfere with the action of the Committee in reaching a decision, but when we say they man take a man's contract away from him, we should not go further and say they can take his business away unless he is willing to conform to any rule or regulation which this Committee might promulgate, or any order which might be issued.

I certainly think that business in this country is entitled to the protection at least of not having physical properties taken away at the behest of this agency. We have approved the claim of right to take a contract away from business, and I am not offering any amendment which would deny the right to have contracts canceled and I do not propose to do so, but I do think the Senate should approve an amendment which would prevent this Committee from setting in motion any power which would result in taking away the private property of any person, firm, or corporation in the United States.

Mr. MEAD. Mr. President, I hesitate to prolong the discussion. I am not sure what the consequences of the adoption of the pending amendment would be. It occurs to me however that its adoption would be taking somewhat hasty action at this late moment. It occurs to me also that the amendment would limit and restrict the power of the Chief Executive. The amendment therefore ought to be considered later on in connection with the bill which has already been introduced in the House and in the Senate dealing with this subject. I hope, Mr. President, that we will set aside the amendment at this time.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. MAYBANK. It seems to me the Senator from Georgia has quite as much right to offer an amendment to the proposed $500,000 appropriation for the committee and to have it acted upon at this time in connection with the pending measure, as the Senator from Connecticut [Mr. DANAHER] had to propose an amendment to the pending legislation in the form of the bill now in the House, but which he withdrew a day or so ago.

Mr. MEAD. Mr. President, we are merely dealing with an appropriation for an agency which is already in existence. The legislation introduced by the junior Senator from Connecticut [Mr. DANAHER] has been referred or will be referred to a Senate committee dealing with such legislative matters, and not to the Committee on Appropriations. It can be considered by such a committee, and we will have ample opportunity to present our views. So I hope the amendment will be passed over until we consider the proposed legislation introduced by the junior Senator from Connecticut or some similar bill.

Mr. RUSSELL. Mr. President, I merely wish to say that I think we have taken rather hasty action here in approving of all the rules and regulations that have been issued without any of the Members of this body being apprised as to what they were. If the Senate does not wish to adopt my amendment, which merely provides that the Committee on Fair Employment Practice cannot put in motion the machinery to take over a man's enterprise, without in any way curtailing the right to cancel his contract, it has the right to do so. I feel that I have some responsibility to offer these amendments and to try to see that there is some kind of safeguard or some legislative standard, and any that we may impose will be mild enough because I know how Senators feel about the matter. I certainly think the very least the Congress can do is to make a declaration that we do not believe that any person should be deprived of his private property, his mill, or his factory or his store simply because he refuses to obey an order issued by this agency. Certainly such a penalty would be too extreme.

Mr. BARKLEY. Mr. President, I do not wish to discuss the amendment. I simply rose to urge Senators to remain a little later than usual, if necessary, in order to dispose of the pending bill. A number of appropriation bills are as yet undisposed of. There is important legislation which it is necessary to be disposed of, and I hope Senators will not be in a hurry to leave the Chamber until we have disposed of the pending bill and other matters that the Senator from Tennessee [Mr. MCKELLAR], as acting chairman of the Appropriations Committee, is anxious to bring before the Senate and have disposed of. I do not care to delay a vote on this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL]. [Putting the question.] The Chair is in doubt.

Mr. RUSSELL. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the junior Senator from California [Mr. DOWNEY] and will vote. I vote "nay."

The roll call was concluded.

Mr. DAVIS. I have a general pair with the junior Senator from Kentucky [Mr. CHANDLER]. I transfer that pair to the junior Senator from Wisconsin [Mr. WILEY], and will vote. I vote "nay."

Mr. HILL. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senators from Nevada [Mr. MCCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senator from Florida [Mr. ANDREWS], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. CLARK], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from Indiana [Mr. JACKSON], the Senator from South Carolina [Mr. SMITH], the Senator from Maryland [Mr. RADCLIFFE], the Senator from Missouri [Mr. TRUMAN], the Senator from Maryland [Mr. TYDINGS], and the Senator from Montana [Mr. WHEELER] are detained on public business.

The Senator from California [Mr. DOWNEY] is absent on official business for the Senate.

The Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS] and the Senator from Texas [Mr. O'DANIEL] are necessarily absent.

The Senator from Alabama [Mr. BANKHEAD] is detained in a committee meeting.

I also announce that the Senator from South Carolina [Mr. SMITH] is paired with the Senator from Indiana [Mr. JACKSON]; and the Senator from Florida [Mr. ANDREWS] is paired with the Senator from Nevada [Mr. MCCARRAN]. I am advised that if present and voting, the Senator from South Carolina and the Senator from Florida would vote "yea," and that the Senator from Indiana and the Senator from Nevada would vote "nay."

I am advised that if present and voting, the Senator from Rhode Island [Mr. GREEN], the Senator from California [Mr. DOWNEY], and the Senator from Wisconsin [Mr. LA FOLLETTE] would vote "nay."

I further announce that the Senator from Virginia [Mr. GLASS] has a general pair with the Senator from Vermont [Mr. AUSTIN]; and the Senator from Arizona [Mr. HAYDEN] has a general pair with the Senator from North Dakota [Mr. NYE].

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES] has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from North Dakota [Mr. NYE] has a general pair with the Senator from Arizona [Mr. HAYDEN].

The Senator from Delaware [Mr. BUCK] has a pair with the Senator from Texas [Mr. O'DANIEL].

The Senator from Vermont [Mr. AUSTIN] has a general pair with the Senator from Virginia [Mr. GLASS].

The Senator from Ohio [Mr. TAFT] is necessarily absent. If present he would vote "yea."

The Senator from Illinois [Mr. BROOKS], the Senator from North Dakota [Mr. LANGER], the Senator from New Hampshire [Mr. TOBEY], the Senator from Idaho [Mr. THOMAS], the Senator from Iowa [Mr. WILSON], the Senator from New Jersey [Mr. HAWKES], the Senator from Oklahoma [Mr. MOORE], and the Senator from Connecticut [Mr. DANAHER] are necessarily absent.

The result was announced—yeas 27, nays 25, as follows:

YEAS—27

Bilbo	Gerry	Maybank
Butler	Gillette	O'Mahoney
Byrd	Gurney	Overton
Connally	Hatch	Reed
Cordon	Hill	Revercomb
Eastland	Holman	Russell
Ellender	Johnson, Colo.	Stewart
Ferguson	McClellan	Wherry
George	McKellar	White

NAYS—25

Aiken	Lucas	Tunnell
Ball	McFarland	Vandenberg
Barkley	Maloney	Wagner
Burton	Mead	Wallgren
Capper	Murdock	Walsh, Mass.
Chavez	Murray	Walsh, N. J.
Davis	Pepper	Willis
Guffey	Thomas, Okla.	
Kilgore	Thomas, Utah	

NOT VOTING—44

Andrews	Downey	Reynolds
Austin	Glass	Robertson
Bailey	Green	Scrugham
Bankhead	Hawkes	Shipstead
Bone	Hayden	Smith
Brewster	Jackson	Taft
Bridges	Johnson, Calif.	Thomas, Idaho
Brooks	La Follette	Tobey
Buck	Langer	Truman
Bushfield	McCarran	Tydings
Caraway	Millikin	Weeks
Chandler	Moore	Wheeler
Clark, Idaho	Nye	Wiley
Clark, Mo.	O'Daniel	Wilson
Danaher	Radcliffe	

So Mr. RUSSELL'S amendment was agreed to.

Mr. RUSSELL. Mr. President, I offer another amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Georgia will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following: *"Provided further,* That no part of the funds herein appropriated shall be used to pay the compensation of any person employed by said Committee on Fair Employment Practice who issues or attempts to enforce any rule, regulation, or order which repeals, amends, or modifies any law enacted by Congress."

Mr. RUSSELL. Mr. President, I am sure there can be no controversy over this amendment. At the very least there should be a limitation on the powers of the Committee prohibiting it from asserting the power to modify, amend, or repeal any act of Congress. That is all this amendment provides. No person shall be paid from this appropriation if he attempts to pursue any proceeding which would amend, modify, or repeal any act of Congress.

Mr. BALL. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BALL. Does the Senator know of any case in which the Committee has asserted such authority?

Mr. RUSSELL. In my judgment, it asserts that authority when it undertakes to compel the low bidder on a contract required to be let in accordance with statutory law to conform to requirements other than those imposed by the Congress. That is a question which would have to be determined by another Government authority; but, in my judgment, when F. E. P. C. undertakes to review, change, or alter acts of Congress in the matter of letting contracts by superimposing upon the congressional act some requirements of its own, that amounts to a modification or repeal of an act of Congress. I do not believe that any creature of Congress—now that we have adopted the Committee on Fair Employment Practice—should have the authority or power to do anything in derogation of a solemn act of Congress. That is the purpose of the amendment.

Mr. BALL. Mr. President, will the Senator further yield?

Mr. RUSSELL. I yield.

Mr. BALL. Is it the Senator's contention that the section in the President's Executive order ordering procurement agencies to insert a clause in Government contracts requiring no discrimination because of race, color, or creed is a violation of any act of Congress?

Mr. RUSSELL. That is a matter of opinion. In my opinion, it is, in the case of contracts required by law to be let to the lowest bidder. Congress has enacted a law which very specifically and carefully deals with the question of awarding contracts to the lowest bidder. As I understand, there is nothing in that act which would require the contractor to submit himself to the orders of the Committee on Fair Employment Practice before being awarded a contract on a low bid. Some other authority may rule differently, but in my judgment that is an action of an agency which would have the effect of modifying or repealing an act of Congress.

Mr. BALL. Then, is it the purpose of the Senator's amendment to take away from the Committee any right to apply pressure through a procurement agency on any corporation having a Government contract, to correct what the Committee considers to be a bad practice?

Mr. RUSSELL. No; that is not a fair statement, because 85 or 90 percent of the contracts now being awarded are being let on some other basis than that of the lowest bidder. The amendment would not prevent the Committee from applying any other pressure that might be at its disposal to force a contracting party to submit himself to this agency. However, it would provide that the Committee may not establish a new requirement which goes beyond those prescribed by Congress in making a contract to be awarded to the lowest bidder. According to my interpretation, it is confined to that class of cases.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL].

The amendment was agreed to.

Mr. RUSSELL. Mr. President, I have one further amendment. I do not care to discuss it at length. I assume that this amendment will be controversial. However, I wish to offer it and have a vote on it.

The PRESIDING OFFICER. The amendment offered by the Senator from Georgia will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following: *"Provided,* That no part of the funds herein appropriated shall be used to pay the compensation of any person who initiates, investigates, or prosecutes any proceeding against an employer and a labor union to amend or abrogate an existing contract between such employer and such labor union."

Mr. RUSSELL. Mr. President, I do not care to belabor the subject. I discussed it at some length last Friday. A reading of the amendment will make its purpose perfectly clear. The purpose is to make sure that this agency has not the authority to disturb or abrogate an existing contract between two private contracting parties. That is the effect of it. If a contract expires, or if no contract is in being, the agency could proceed. I wish to be perfectly fair to all Members of the Senate. The purpose of the amendment is to deny to the Committee on Fair Employment Practice the right to repeal or modify an existing contract which is not otherwise illegal, entered into in good faith between a labor union and an employer.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CHAVEZ. I can go along with the Senator from Georgia on many things, but I will not go along with him in supporting an amendment which has for its purpose carrying out the caprice of any labor union when it is engaged in doing something which is un-American.

Mr. President, I have been carrying the torch for labor unions for years, but some of them are just as bad as any businessman or any corporation which dares to oppress the one who toils. I will not vote for any amendment to preserve the sanctity of a contract which to my mind represents an un-American effort by a labor union to use discrimination. I know something about labor unions. As I have said, in my State I have dared to speak in their favor when no one else would do so, when it was unpopular to speak in their favor. But I know of some labor unions which are just as un-American as some of the large corporations which are oppressing those who sweat and toil. I know of some labor unions which would not permit an Italian to belong to them. I know of some labor unions which would not permit persons of some other nationalities to belong to them. I know of some unions which would not let your son or my son be an apprentice to a carpenter or to a machinist. I will not vote for an amendment which would not limit such activities by labor unions which have been just as subversive of the rights of Americans as have the activities of anyone else who could oppress labor.

Mr. MURDOCK. Mr. President, I wish to make the brief observation that in my opinion the Senate very bravely marched up the hill by voting for the appropriation for the Committee, and in my opinion, the Senate, by means of what I think are these rather subtle amendments, is voting to march down the hill.

Mr. RUSSELL. Mr. President, I wish to make it clear that the amendment would not in anywise limit the power of the Committee to deal with a labor union as such or an employer as such. It would prevent the Committee from asserting the power to abrogate a contract already in existence.

I do not care to argue the question. As I have stated heretofore, that is the purpose of the amendment. I hope it will have that effect if it is adopted by the Senate.

I may say, in answer to the remarks of the Senator from Utah, that these amendments were frankly designed to provide some modest limitations on the power of the Committee.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MURDOCK. It seems to me that the distinguished Senator from Georgia has gone so far afield from the two small sections of the President's order that he simply does not recognize what we are legislating upon. At least, I cannot see any application or any relationship at all between the Senator's amendments and the order of the President.

If the Senator will indulge me a little further, I should like to read the two parts of the order which are at all important. The first is:

> All contracting agencies of the Government of the United States shall include in all contracts hereafter negotiated or renegotiated by them a provision obligating the contractor not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin.

The order also would require the contractor to include a similar provision in all subcontracts.

The other part is as follows:

All departments and agencies of the Government of the United States concerned with vocational and training programs for war production shall take all measures appropriate to insure that such programs are administered without discrimination because of race, creed, color, or national origin.

The amendments which the Senate has adopted, after voting the appropriation, have to do with the seizure of plants and the taking over of businesses which have nothing at all to do, in my opinion, with the Executive order promulgated by the President.

Why we should march up the hill and appropriate $500,000, and then turn around, by means of amendments, and march down again is hard for me to comprehend.

Mr. RUSSELL. Mr. President, I regret that I cannot assume responsibility for the inability of the Senator from Utah to see the purpose of the amendments. But if he has marched up the hill, and if the amendment does not mean anything, its adoption will not mean that the Senate is marching down the hill. If no one proposed to take over private plants under the powers this Committee is asserting, the amendment could not hurt a thing on earth. It could not injure the Committee in its work in any way at all.

But every amendment I have offered has been directed at some specific action the Committee has been taking, as disclosed by the hearings in the House and in the Senate. I have not offered the amendments merely for the pleasure of offering them. I am apprehensive lest this agency might undertake to have plants seized by Federal authority in this country, in cases in which employers refuse to submit themselves to the dictates of the Committee. If the Committee has no such intention, the amendment cannot hurt it in the slightest degree.

Mr. MURDOCK. Mr. President, will the Senator further yield?

Mr. RUSSELL. I yield.

Mr. MURDOCK. I certainly do not wish to charge my distinguished friend, the Senator from Georgia, with ever offering an amendment which is not effective and which has no purpose. What I wish to charge him with is offering amendments which will destroy the effect of the action taken by the Senate earlier today.

Mr. RUSSELL. Mr. President, I thank the Senator for the compliment he pays me when he says the effect of the amendment will be to destroy the power of the F. E. P. C.

Mr. MURDOCK. The Senator's very purpose in offering the first amendment was to destroy the Committee. The Senator has not been successful in that respect.

In my opinion the Senator has been successful in greatly curtailing and, I think, destroying the activities of the Committee, by what has been adopted by way of amendment.

Mr. RUSSELL. I hope the amendments will curtail the activities of the Committee so that it will not be able to seize private enterprise in this country. I hope it will have that effect.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from New Mexico.

Mr. CHAVEZ. My objections to the pending amendment are fundamental. There is no doubt whatever in my mind as to what the Senator from Georgia has in mind with reference to trying to prevent the committee from doing something which he thinks should not be done. I am positive of that. But the amendment will effect a situation which I shall now describe. In my State the Government has a contract for the building of an air base. The contractor who is building the air base has a contract with a union to furnish labor on the Government contract.

The viciousness of the pending amendment, as I see it, is that the unions have not and will not permit an American citizen go to work on the air base unless he first pays tribute to the union. That is the kind of contract the Senator's amendment would protect.

Mr. RUSSELL. Oh, no; the Senator misunderstands the effect of the amendment.

Mr. CHAVEZ. That is the way I understand the Senator's amendment.

Mr. RUSSELL. But the Senator misinterprets the amendment.

Mr. CHAVEZ. Possibly I do. Everything which has been said against unions during the debate has been said about the C. I. O. But I know other unions which would not permit a person to do a little work in connection with the war effort unless he belonged to that particular union.

The Senator's amendment would protect a contract by which it would be necessary for a poor citizen of this country to pay tribute to a union. Unless he paid tribute to the laborer's union or the carpenter's union, he could not work. I think the F. E. P. C. should take care of a matter of that kind.

Mr. RUSSELL. No, Mr. President; the amendment has nothing to do with a matter of that kind. The F. E. P. C. has no right to declare an open shop anywhere, so far as I know. If it did have such a right, it would run head-on into the War Labor Board.

Mr. CHAVEZ. But the amendment would protect the closed shop. I do not think the closed shop should be permitted in plants working in the war effort.

Mr. RUSSELL. I do not have any war industry in mind. I might say I had in mind a contract which has been entered into on a basis of years—I do not recall how many—between the southern railroads and the railroad brotherhoods. I have also some ideas that the question involved here is rather fundamental. I have always thought that a contract which was otherwise legal was something which should not be set aside for any light reasons, but that there should be sound and substantial reasons for the cancelation or setting aside of a contract.

All Senators know how they are going to vote on this question. I shall not discuss it further. The amendment would not have the effect stated by the Senator from New Mexico. It would only preserve the sanctity of existing contracts. That is its effect.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL].

SEVERAL SENATORS. Vote.

Mr. MEAD. Mr. President, again I invite the attention of my colleagues of the Senate to this rather extraordinary performance. More than ever I believe that these legislative amendments should be taken up in their regular order before a legislative committee, when an appropriate bill is under consideration. This is no time for the consideration of amendments which are as far-reaching as the amendments which we are considering.

I agree with the junior Senator from Utah [Mr. MURDOCK], who explained that we voted for the appropriation for the Committee on Fair Employment Practice, and gave it a substantial majority. We then turned around and voted against the same Committee.

Mr. President, I say this is an extraordinary performance on the part of the Senate. In my judgment, this Committee will be unable to take any action during the life of an existing contract. The proposal, I believe, would prevent consideration of all cases where contracts are in effect. Even if the employees should request the Committee the pending proposal would prevent any action of the Committee to correct what admittedly is an injustice should a party to the contract hold contrary views.

Mr. President, I believe we should be consistent with our original position, and if we are in favor of this Committee we should give it a chance to function.

Mr. RUSSELL. Mr. President, I wish to correct one statement of the Senator from New York. He said that the Committee would be prevented from operating even if it were invited to do so. The amendment provides that the Committee cannot initiate any proceeding.

Mr. MEAD. Mr. President, I still believe that in a case where one party to the contract insisted on carrying out the provisions of the contract the Committee would be without jurisdiction.

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL]. [Putting the question.] The Chair is in doubt.

Mr. LUCAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the junior Senator from California [Mr. DOWNEY], and will vote. I vote "nay."

The roll call was concluded.

Mr. DAVIS (after having voted in the negative). Announcing the transfer of my pair as on the previous vote, I will allow my vote to stand.

Mr. HILL. I announce that the Senator from Washington [Mr. BONE] and

the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senators from Nevada [Mr. MCCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senator from Florida [Mr. ANDREWS], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senators from Missouri [Mr. CLARK and Mr. TRUMAN], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from Indiana [Mr. JACKSON], the Senators from Maryland [Mr. RADCLIFFE and Mr. TYDINGS], the Senator from South Carolina [Mr. SMITH], and the Senator from Montana [Mr. WHEELER] are detained on public business.

The Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS] and the Senator from Texas [Mr. O'DANIEL] are necessarily absent.

The Senator from California [Mr. DOWNEY] is absent on official business for the Senate.

I am advised that if present and voting, the Senator from Rhode Island [Mr. GREEN], the Senator from California [Mr. DOWNEY], and the Senator from Wisconsin [Mr. LA FOLLETTE] would vote "nay."

The Senator from South Carolina [Mr. SMITH] is paired with the Senator from Indiana [Mr. JACKSON]; and the Senator from Florida [Mr. ANDREWS] is paired with the Senator from Nevada [Mr. MCCARRAN]. I am advised that if present and voting, the Senator from South Carolina and the Senator from Florida would vote "yea", and that the Senator from Indiana and the Senator from Nevada would vote "nay."

I also announce that the Senator from Virginia [Mr. GLASS] has a general pair with the Senator from Vermont [Mr. AUSTIN]; and the Senator from Arizona [Mr. HAYDEN] has a general pair with the Senator from North Dakota [Mr. NYE].

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES] has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from North Dakota [Mr. NYE] has a general pair with the Senator from Arizona [Mr. HAYDEN].

The Senator from Delaware [Mr. BUCK] has a pair with the Senator from Texas [Mr. O'DANIEL].

The Senator from Vermont [Mr. AUSTIN] has a general pair with the Senator from Virginia [Mr. GLASS].

The Senator from Ohio [Mr. TAFT], the Senator from Illinois [Mr. BROOKS], the Senator from North Dakota [Mr. LANGER], the Senator from New Hampshire [Mr. TOBEY], the Senator from Idaho [Mr. THOMAS], the Senator from Iowa [Mr. WILSON], the Senator from New Jersey [Mr. HAWKES], the Senator from Oklahoma [Mr. MOORE], and the Senator from Connecticut [Mr. DANAHER] are necessarily absent.

XC——396

The result was announced—yeas 22, nays 31, as follows:

YEAS—22

Bankhead	Gurney	Reed
Bilbo	Hill	Revercomb
Butler	Holman	Russell
Byrd	Johnson, Colo.	Stewart
Connally	McClellan	Wherry
Eastland	McKellar	White
Ellender	Maybank	
George	Overton	

NAYS—31

Aiken	Guffey	Thomas, Okla.
Ball	Hatch	Thomas, Utah
Barkley	Kilgore	Tunnell
Brewster	Lucas	Vandenberg
Burton	McFarland	Wagner
Capper	Maloney	Wallgren
Chavez	Mead	Walsh, Mass.
Davis	Murdock	Walsh, N. J.
Ferguson	Murray	Willis
Gerry	O'Mahoney	
Gillette	Pepper	

NOT VOTING—43

Andrews	Glass	Robertson
Austin	Green	Scrugham
Bailey	Hawkes	Shipstead
Bone	Hayden	Smith
Bridges	Jackson	Taft
Brooks	Johnson, Calif.	Thomas, Idaho
Buck	La Follette	Tobey
Bushfield	Langer	Truman
Caraway	McCarran	Tydings
Chandler	Millikin	Weeks
Clark, Idaho	Moore	Wheeler
Clark, Mo.	Nye	Wiley
Cordon	O'Daniel	Wilson
Danaher	Radcliffe	
Downey	Reynolds	

So Mr. RUSSELL's amendment was rejected.

Mr. RUSSELL. Mr. President, I now desire to call up an amendment which I had printed a few days ago.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 10, line 16, after the figures "$500,000"', it is proposed to insert a colon and the following: "*Provided*, That not more than 25 percent of the part of this appropriation which is used for the payment of compensation for personal services shall be used for the payment of compensation of persons who are members of any race comprising less than 15 percent of the total population of the United States, according to the 1940 census."

Mr. RUSSELL. Mr. President, I do not care to discuss the amendment. In my remarks on Friday last relating to the proposal before the Senate I pointed out that under the order of the President, the agency involved was to go into the Federal departments and see that there was no discrimination in employment on account of race, color, creed, or ancestry. In my opinion the Committee has been most successful in carrying out the provision of the President's order.

It developed, however, that more than two-thirds of the personnel of the agency were Negroes. Certainly an agency which was established to prevent discrimination should not discriminate in such a manner as that. The Negro population of the United States is slightly less than 10 percent of the total, and, as I stated, approximately 66 percent of the employees of this agency are Negroes. This amendment would allow 25 percent Negroes, which is two and a half times the percentage of the Negro population according to the last census.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL].

Mr. RUSSELL. I ask for the yeas and nays.

The yeas and nays were ordered, and the Legislative Clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I repeat the transfer of my pair as on the last vote, and will vote. I vote "nay."

The roll call was concluded.

Mr. DAVIS. I have a general pair with the junior Senator from Kentucky [Mr. CHANDLER], which I transfer to the senior Senator from Ohio [Mr. TAFT], who would vote as I am about to vote. I am therefore free to vote. I vote "nay."

Mr. HILL. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senators from Nevada [Mr. MCCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senator from Florida [Mr. ANDREWS], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senators from Missouri [Mr. CLARK and Mr. TRUMAN], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from Indiana [Mr. JACKSON], the Senators from Maryland [Mr. RADCLIFFE and Mr. TYDINGS], the Senator from South Carolina [Mr. SMITH], and the Senator from Montana [Mr. WHEELER], are detained on public business. I am advised that if present and voting, the Senator from Arkansas [Mrs. CARAWAY] would vote "yea."

The Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS], the Senator from Iowa [Mr. GILLETTE], and the Senator from Texas [Mr. O'DANIEL] are necessarily absent. I am advised that if present and voting, the Senator from North Carolina [Mr. BAILEY] would vote "yea."

The Senator from California [Mr. DOWNEY] is absent on official business for the Senate.

I am advised that if present and voting, the Senator from Rhode Island [Mr. GREEN], the Senator from California [Mr. DOWNEY], and the Senator from Wisconsin [Mr. LA FOLLETTE] would vote "nay."

The Senator from South Carolina [Mr. SMITH] is paired with the Senator from Indiana [Mr. JACKSON]; and the Senator from Florida [Mr. ANDREWS] is paired with the Senator from Nevada [Mr. MCCARRAN]. I am advised that if present and voting, the Senator from South Carolina and the Senator from Florida would vote "yea," and that the Senator from Indiana and the Senator from Nevada would vote "nay."

I also announce that the Senator from Virginia [Mr. GLASS] has a general pair with the Senator from Vermont [Mr.

AUSTIN]; and the Senator from Arizona [Mr. HAYDEN] has a general pair with the Senator from North Dakota [Mr. NYE].

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES] has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from North Dakota [Mr. NYE] has a general pair with the Senator from Arizona [Mr. HAYDEN].

The Senator from Delaware [Mr. BUCK] has a pair with the Senator from Texas [Mr. O'DANIEL].

The Senator from Vermont [Mr. AUSTIN] has a general pair with the Senator from Virginia [Mr. GLASS].

I announce the necessary absence of the Senator from Ohio [Mr. TAFT], the Senator from Illinois [Mr. BROOKS], and the Senator from Connecticut [Mr. DANAHER]. These Senators would vote "nay."

The Senator from North Dakota [Mr. LANGER], the Senator from New Hampshire [Mr. TOBEY], the Senator from Idaho [Mr. THOMAS], the Senator from Iowa [Mr. WILSON], the Senator from New Jersey [Mr. HAWKES], the Senator from Oklahoma [Mr. MOORE], and the Senator from Wyoming [Mr. ROBERTSON], and the Senator from Wisconsin [Mr. WILEY] are necessarily absent.

The result was announced—yeas 15, nays 37, as follows:

YEAS—15

Bankhead	Eastland	McKellar
Bilbo	Ellender	Maybank
Butler	George	Overton
Byrd	Hill	Russell
Connally	McClellan	Stewart

NAYS—37

Aiken	Hatch	Thomas, Okla.
Ball	Holman	Thomas, Utah
Barkley	Johnson, Colo.	Tunnell
Brewster	Kilgore	Vandenberg
Burton	Lucas	Wagner
Capper	McFarland	Wallgren
Chavez	Maloney	Walsh, Mass.
Cordon	Mead	Walsh, N. J.
Davis	Murdock	Weeks
Ferguson	Murray	Wherry
Gerry	O'Mahoney	White
Guffey	Pepper	
Gurney	Revercomb	

NOT VOTING—44

Andrews	Glass	Reynolds
Austin	Green	Robertson
Bailey	Hawkes	Scrugham
Bone	Hayden	Shipstead
Bridges	Jackson	Smith
Brooks	Johnson, Calif.	Taft
Buck	La Follette	Thomas, Idaho
Bushfield	Langer	Tobey
Caraway	McCarran	Truman
Chandler	Millikin	Tydings
Clark, Idaho	Moore	Wheeler
Clark, Mo.	Nye	Wiley
Danaher	O'Daniel	Willis
Downey	Radcliffe	Wilson
Gillette	Reed	

So Mr. RUSSELL's amendment was rejected.

Mr. MAYBANK. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

Mr. BARKLEY. Mr. President, will the Senator from South Carolina yield to me for a moment?

Mr. MAYBANK. I yield.

Mr. BARKLEY. Only 52 Senators voted on the last yea-and-nay vote. That is only two more than a quorum. I know how important it is that Senators be elsewhere now and then, but I urge Senators to remain on the floor in order that we may conclude action on the pending legislation before we recess today. Certainly final action on the measure ought not to go over until tomorrow, in view of the legislative situation, and I am sure it will not be a great hardship on Senators to remain so that we shall not find ourselves without a quorum.

The PRESIDING OFFICER. The amendment offered by the Senator from South Carolina will be stated.

The CHIEF CLERK. On page 10, line 16, after "$500,000" it is proposed to insert a colon and the following: *"Provided*, That the Committee on Fair Employment Practice shall make a study of wages payable in plants owned or operated by any department or agency of the Government, and in the event it finds there is any discrimination in wages paid in such plants as between different sections or areas of the country, the committee shall so advise the departments or agencies concerned and it shall thereupon be the duty of such departments or agencies to remove such discrimination against any section or area."

Mr. MAYBANK. Mr. President, I do not think it is necessary to say anything concerning the amendment. It speaks for itself.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

Mr. MAYBANK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	Pepper
Ball	Gurney	Reed
Bankhead	Hatch	Revercomb
Barkley	Hill	Russell
Bilbo	Holman	Stewart
Brewster	Johnson, Colo.	Thomas, Okla.
Burton	Kilgore	Thomas, Utah
Butler	Lucas	Tunnell
Capper	McClellan	Vandenberg
Chavez	McFarland	Wagner
Cordon	McKellar	Wallgren
Davis	Maloney	Walsh, Mass.
Eastland	Maybank	Walsh, N. J.
Ellender	Mead	Weeks
Ferguson	Murdock	Wherry
George	Murray	White
Gerry	O'Mahoney	Willis

The PRESIDING OFFICER. Fifty-one Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK].

Mr. MAYBANK. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). Repeating my announcement on the last vote, I transfer my pair with the Senator from New Hampshire [Mr. BRIDGES] to the Senator from California [Mr. DOWNEY] and will vote. I vote "nay."

The roll call was concluded.

Mr. DAVIS (after having voted in the negative). Announcing my general pair with the junior Senator from Kentucky [Mr. CHANDLER], I transfer that pair to the junior Senator from Wisconsin [Mr. WILEY], and allow my vote to stand.

Mr. HILL. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from California [Mr. DOWNEY] is absent on official business for the Senate.

The Senator from Florida [Mr. ANDREWS], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senators from Missouri [Mr. CLARK and Mr. TRUMAN], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from Indiana [Mr. JACKSON], the Senators from Maryland [Mr. RADCLIFFE and Mr. TYDINGS], the Senator from South Carolina [Mr. SMITH], and the Senator from Montana [Mr. WHEELER] are detained on public business.

The Senators from Nevada [Mr. MCCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS], the Senator from Iowa [Mr. GILLETTE], and the Senator from Texas [Mr. O'DANIEL] are necessarily absent.

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES] has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from North Dakota [Mr. NYE] has a general pair with the Senator from Arizona [Mr. HAYDEN].

The Senator from Delaware [Mr. BUCK] has a pair with the Senator from Texas [Mr. O'DANIEL].

The Senator from Vermont [Mr. AUSTIN] has a general pair with the Senator from Virginia [Mr. GLASS].

The Senator from Ohio [Mr. TAFT], the Senator from Illinois [Mr. BROOKS], the Senator from Connecticut [Mr. DANAHER], the Senator from North Dakota [Mr. LANGER], the Senator from New Hampshire [Mr. TOBEY], the Senator from Idaho [Mr. THOMAS], the Senator from Iowa [Mr. WILSON], the Senator from New Jersey [Mr. HAWKES], the Senator from Oklahoma [Mr. MOORE], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from Wisconsin [Mr. WILEY] are necessarily absent.

The result was announced—yeas 17, nays, 34, as follows:

YEAS—17

Bilbo	Hill	Murdock
Chavez	Kilgore	Murray
Eastland	McClellan	Pepper
Ellender	McFarland	Russell
George	McKellar	Stewart
Hatch	Maybank	

NAYS—34

Aiken	Guffey	Tunnell
Ball	Gurney	Vandenberg
Bankhead	Holman	Wagner
Barkley	Johnson, Colo.	Wallgren
Brewster	Lucas	Walsh, Mass.
Burton	Maloney	Walsh, N. J.
Butler	Mead	Weeks
Capper	O'Mahoney	Wherry
Cordon	Reed	White
Davis	Revercomb	Willis
Ferguson	Thomas, Okla.	
Gerry	Thomas, Utah	

NOT VOTING—48

Andrews	Downey	Overton
Austin	Gillette	Radcliffe
Bailey	Glass	Reynolds
Bone	Green	Robertson
Bridges	Hawkes	Scrugham
Brooks	Hayden	Shipstead
Buck	Jackson	Smith
Bushfield	Johnson, Calif.	Taft
Byrd	La Follette	Thomas, Idaho
Caraway	Langer	Tobey
Chandler	McCarran	Truman
Clark, Idaho	Millikin	Tydings
Clark, Mo.	Moore	Wheeler
Connally	Nye	Wiley
Danaher	O'Daniel	Wilson

So Mr. MAYBANK's amendment was rejected.

Mr. VANDENBERG. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 29, after line 19, it is proposed to insert:

COMMITTEE FOR CONGESTED PRODUCTION AREAS

Salaries and expenses: For all expenses necessary to enable the Committee for Congested Production Areas to carry out the functions vested in it by Executive Order 9327, including travel expenses (not to exceed $48,000); printing and binding (not to exceed $2,550); purchase of newspapers and periodicals (not to exceed $600); the employment of State, county, or municipal officials and employees, with or without compensation; and the temporary employment of persons or organizations, by contract or otherwise, without regard to section 3709 of the Revised Statutes and the civil service and classification laws (not to exceed $15,000); $669,000.

Mr. RUSSELL. Mr. President, the amendment offered by the distinguished senior Senator from Michigan is not yet in order. We have not concluded action on the section which is now pending, as I understand.

Mr. VANDENBERG. I made inquiry at the desk and was advised that my amendment is in order.

Mr. RUSSELL. I did not make any point of order against it. I merely understood that consideration of the amendments in the section now before the Senate had not been concluded.

The PRESIDING OFFICER. The Chair understands that all the committee amendments have been disposed of, except for the one which was reconsidered. So the amendment of the Senator from Michigan is in order.

Mr. MAYBANK. Mr. President, will the distinguished senior Senator from Michigan yield to me for a moment?

Mr. VANDENBERG. For what purpose?

Mr. MAYBANK. For the purpose of first suggesting that I am in thorough agreement with the amendment of the Senator from Michigan, and I am glad he offered it. But there are pending two amendments which I have had printed and which have been on the desks of Senators for 3 days. I am certain the Senator from Michigan would not object to having me call up one of those amendments. One of them is similar to the amendment of the Senator from Georgia [Mr. RUSSELL], which was rejected by a vote of 22 to 31. And, of course, I shall not request that it be considered. But the other relates to volunteer workers. I shall ask that it be considered.

Mr. VANDENBERG. Mr. President, I am sure the Senator will not object to having my amendment considered at this time, because it relates to the same matter.

Mr. McCLELLAN. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. If we now proceed to consideration of the amendment of the Senator from Michigan, which is not applicable to the section we have been considering, then that section of the bill is open to further amendment; is it not?

The PRESIDING OFFICER. The paragraph relating to F. E. P. C. will be open to further amendment.

Mr. McCLELLAN. The paragraph we have been considering will be open to further amendment, after the amendment of the Senator from Michigan has been disposed of; will it not?

The PRESIDING OFFICER. That is correct.

Mr. VANDENBERG. Mr. President, the Committee for Congested Production Areas was organized in April 1943 to assist communities in which the influx of war workers had created innumerable problems. The Committee has finished its labors in several of the congested areas in which the problem has ceased to exist. But the problem still exists, emphatically exists, and exists to such a degree that the continued service of the Committee for Congested Production Areas is absolutely indispensable in 13 congested war production centers, namely, Seattle, Wash.; Portland, Oreg.; San Francisco, Calif., Los Angeles, Calif., San Diego, Calif.; Beaumont, Tex.; Mobile, Ala.; Key West, Fla.; Charleston, S. C.; Knoxville, Tenn.; Muskegon, Mich., Detroit, Mich., at Willow Run; and Hampton, near Norfolk, Va. I think the testimony as to each of those congested areas is universal that it is absolutely indispensable to war production that the work of the Committee for Congested Production Areas shall proceed at those points. I know nothing about the sufficiency of the funds which are suggested. I make no pretense of having any information that the amount which is sought to be appropriated is the correct amount, except that it is the amount of the Budget estimate.

I am simply urgently requesting that the matter go to conference. I shall be completely content with any decision the conference makes after it confronts the facts. The trouble is that the case has not had an adequate hearing either in the House or in the Senate. In the Senate, in particular, I think there is a total lack of information. I think the members of the Appropriations Committee would be the first ones to concede that there is a total lack of information regarding this utterly indispensable function.

Therefore, Mr. President, I have offered the amendment in the form which I understand is recommended by the Bureau of the Budget, and I am asking the Senator from Tennessee [Mr. McKELLAR] to take it to conference for conclusive consideration there, because I am totally confident he will find that the amendment is necessary to the war effort beyond any peradventure.

Mr. McKELLAR. Mr. President, let me say to the Senator that in the committee——

Mr. REED. Mr. President, will the Senator yield to me?

Mr. McKELLAR. I yield.

Mr. REED. Before the Senator from Tennessee commits himself, I desire to make a suggestion or two.

Mr. McKELLAR. Certainly.

Mr. REED. The Senator from Michigan has made a powerful appeal in the absence of all information. As a matter of fact, there was nothing before the Appropriations Committee which carried any conviction that this appropriation was necessary in any way. The requested appropriation is not unlike half a dozen other matters of the same kind. The Secretary of Labor appeared before the committee and requested an appropriation of $551,000 for a purpose not totally different from that contemplated by the amendment of the Senator from Michigan. That occurred half a dozen times. The Appropriations Committee turned down all such requests.

There was no information before the committee which would justify this appropriation in any degree. If the Senator from Tennessee, who is indefatigable in the discharge of his duties as acting chairman of the Appropriations Committee—and I agree with the Senator from Michigan in his statement to that effect the other day—wishes to take the matter to conference, I have no objection. But at the same time it should be pointed out that the conferees will give the matter very close examination, so as to determine whether there is any necessity for the requested appropriation.

Mr. VANDENBERG. Mr. President, if the Senator from Kansas will permit me to say so, I completely disagree with the statement he made in respect to the presentation of the evidence to the committee in the first place, because I think an adequate statement was made. But if it was not made, I am prepared to call to their feet, on the floor of the Senate, Senators from every one of the 13 communities, to have them assert that it is indispensable to the war effort that this activity should proceed. I do not retract that statement in any single phase.

Mr. HOLMAN. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. HOLMAN. In substantiation of the statement of the Senator from Michigan, let me say that I have received from Portland, Oreg., a number of telegrams to the same effect as that indicated by the Senator from Michigan.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. WHITE. I have the impression, and I ask whether it is a fact, that a subcommittee of the House Committee on Naval Affairs gave very thoughtful consideration to this matter and to related

subjects. I recall that one of the Members of the House of Representatives talked to me at some length, and very earnestly, in behalf of such a proposal as the one the Senator from Michigan has advanced. However, I have no knowledge beyond that.

Mr. REED. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. REED. I do not wish to be understood as undertaking to assert that there is no congestion in any of those areas. As a matter of fact, there is congestion in a number of areas. If we are going to consider the influx of war workers as related to the size of the community, I should point out that my own home town in Kansas would furnish a shining illustration of that situation. At one time the war workers engaged in construction projects there were almost equal to the normal population of the town.

What I say is that there are a number of agencies which have been set up either by Executive order or by action of the departments to take care of these intangible, elusive, mysterious, and more or less nebulous coordinations of the various war efforts. So far as I know, all of them get at least formal support from the departments concerned with their production, and generally without very much knowledge on the part of the departmental officials as to the work they actually do.

Mr. VANDENBERG. Mr. President, there is nothing intangible and nothing elusive about the work done by this Committee in the area with which I am familiar. The city of Muskegon, Mich., which is the source of my particular interest in the matter at the moment, has received $40,000,000 of new war contracts within the last 3 months. Of necessity the work is concentrated at that point, and it is a very serious question whether the work can continue successfully unless there be a substantial and effective coordination of uncoordinated municipal efforts at the moment at that particular point, and a coordination of many governmental agencies serving the situation. Representatives of the city of Muskegon testify to me that in respect to these contracts it is indispensable to the war effort that the work of the Committee for Congested Production Areas at that point, at least, shall continue. There is nothing elusive about it, and there is nothing which does not challenge the approval of constructive thought.

Mr. McKELLAR. Mr. President, the only testimony which was brought before the committee about this matter was the testimony of Mr. Corrington Gill. The subcommittee, by a divided vote, rejected the proposal, and when it reached the full committee it was rejected by another divided vote. The President has written a letter calling attention to the same facts to which the Senator from Michigan has adverted. For that reason I see no objection to taking the amendment to conference, and we will give it the best consideration we can give it under the facts in our possesison.

Mr. VANDENBERG. That is all I can ask of the Senator, and that is what I am asking.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. VANDENBERG].

The amendment was agreed to.

Mr. BARKLEY. Mr. President, there is an amendment on page 14, in line 24, which was heretofore reconsidered. At the time I got the Senate to reconsider the vote on the amendment on June 15 I placed in the RECORD a joint letter from the Secretary of the Navy and the Secretary of War urging the restoration of the appropriation, not to the figures in the House provision, but to the Budget estimate, which amounted to $15,596,000. That amount represents a little more than a million dollars in excess of the amount carried by the amendment, but it does not represent any increase in employment.

The reason for needing more money for the coming fiscal year, without any increase in personnel, is that the work of the National War Labor Board entails more overtime, for which the Board is obligated to pay. When overtime is disregarded, the amount asked for is less than is available for the current year. The letter from the Secretary of the Navy and the Secretary of War—and I also have a letter from Mr. Davis, Chairman of the National War Labor Board—asked for $15,596,000, which is only sufficient to enable the agency to preserve its present personnel and pay overtime, which it will be required to pay this year in an amount which is greater than that paid last year because of conditions which then existed.

I have conferred with the Senator from Tennessee, the acting chairman of the committee, and I therefore move, on page 14, line 24, to strike out the figures "$14,437,300" and insert in lieu thereof "$15,250,000." That is a little more than $300,000 less than the Board, the War Department, and the Navy Department feel will be necessary for this year, but in view of the action of the House and the committee I hope the Senator from Tennessee will agree to the amendment.

Mr. McKELLAR. Mr. President, this matter was not considered in the committee on the basis referred to by the Senator from Kentucky, but it was considered on the basis of an increase to 2,543 in the number of employees this year over last year. As I read from the report of the Budget Bureau the number of employees last year was 2,240, and now the number is 2,543, or an increase of approximately 300 employees. The Senator will find that that is the reason why an increased appropriation is requested.

Mr. BARKLEY. I have a letter from Mr. Davis, the Chairman of the National War Labor Board, which I shall not take time to read, which breaks down the amount of the appropriation recommended by the Bureau of the Budget. Later I shall ask to have the letter printed in the RECORD as a part of my remarks, for the benefit of the conferees. The letter states that the requested increase in funds is not because of an increase in the number of persons employed, but because of an increase in the amount of overtime necessary to be paid due to the longer hours which the present personnel will work.

Mr. McKELLAR. Mr. President, the increase of approximately a million dollars will hardly pay for 300 extra employees. I wish the Senator would reduce the amount to $15,000,000.

Mr. BARKLEY. I hope the Senator will accept my amendment. The difference between $15,000,000 and $15,250,000 is rather inconsequential.

Mr. McKELLAR. I know it is, but I would not want to give the Senator any encouragement as to what the conference will do, and therefore I think it would be better to compromise the whole thing here, without taking it to conference. If the Senator insists upon it, I shall take it to conference under those circumstances.

Mr. BARKLEY. I hope the Senator will take it to conference and do the best he can with it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky to the committee amendment on page 14, line 24.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the letter from the Chairman of the National War Labor Board, to which I previously made reference, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL WAR LABOR BOARD,
Washington, D. C., June 15, 1944.

Hon. ALBEN W. BARKLEY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR BARKLEY: This afternoon you were asked by Senator GEORGE on the floor of the Senate about the National War Labor Board's request for additional funds for the fiscal year 1945 appropriation, in view of the fact that the Board does not propose to increase its present level of personnel during the coming fiscal year. I would like to supply you with the pertinent information regarding this inquiry.

The National War Labor Board requested Congress to appropriate $15,596,000 for the fiscal year 1945. Of this amount, $1,904,883 was requested to cover overtime payments required by law. For the fiscal year 1944 Congress appropriated $14,437,300 for the Board's operations. Of this amount, only $346,000 was appropriated for overtime payments. Actually, the Board's overtime payments for the fiscal year 1944 exceeded $346,000, but the Board was able to absorb the difference in view of the fact that the Board was not able to recruit personnel, because of the tight labor market, up to the authorized number until several months after the beginning of the fiscal year. However, we are now fully recruited and could not, during the coming fiscal year, absorb overtime payments from lapsed funds on the same basis as last year.

This can be explained in the following figures:

Congress appropriated for 1944, $14,437,300.

This included the following amount for overtime payments, $346,000.

The rest of the overtime payments which the Board was obligated by law to pay was absorbed from lapsed funds for personnel we were not able to recruit at the beginning of the fiscal year.

This year we requested Congress to appropriate $15,596,000.

This is designed to include the following sum for overtime payments, $1,904,883.

Thus, the actual amount requested for 1945, less overtime, is $13,691,117.

This sum is to be compared with the following sum which was appropriated last year, not including overtime, $14,091,300.

In other words, our request for this year is less by the following amount than appropriated last, with overtime payments excluded, $400,183.

This fact was pointed out by me at the hearing before the House Appropriations Committee. The pertinent testimony, which appears on page 236 of the transcript of hearings before the House Appropriations Committee, was as follows:

"Mr. DAVIS. Yes, sir; I would be glad to do those things. I would like to say that approximately $2,000,000 of this $15,596,000 is for the purpose of overtime payments which we did not have to make last year, and which by act of Congress we have to make this year. One million nine hundred and four thousand eight hundred and eighty-three dollars is for the overtime payments.

"The CHAIRMAN. You were given $346,000. Now, you absorbed the difference, did you?

"Mr. DAVIS. Yes, sir; that is right.

"The CHAIRMAN. And you will make every effort to absorb as much of it as possible this year, I take it?

"Mr. DAVIS. Yes, sir; that is right, but actually, taking into account that approximately $2,000,000 for overtime payments, our appropriation, the net appropriation of $13,700,000 is less than we had last year applicable to our actual running expenses, aside from overtime. Do you see what I mean? We are asking here for a total really of $13,700,000 in comparison with last year when we asked for $14,091,000. That is almost exactly $500,000 less."

In addition, you were asked on the floor of the Senate for the break-down for the $15,596,000 which the National War Labor Board requested in 1945. The transcript of hearings before the House subcommittee of the Committee on Appropriations, page 293, includes the enclosed table which contains the necessary information.

Yours sincerely,

WILLIAM H. DAVIS,
Chairman.

	Number of employees as of Mar. 15	Cumulative obligations as of Mar. 31	Estimated obligations, fiscal year 1944	Proposed number of employees, 1945	Estimated expenses, 1945
Personal services:					
Per annum	2,369	[1] $4,533,214	[1] $6,204,493	2,337	$8,135,680
Per diem		763,639	1,045,162		1,097,060
Travel		698,665	951,898		1,000,000
Transportation of things		3,698	4,367		4,800
Communication services		216,050	307,805		282,400
Rents and utility services		329,170	458,362		440,400
Printing and binding		27,769	36,970		31,300
Miscellaneous contractual services		162,618	259,659		224,200
Supplies and materials		133,318	158,023		93,500
Equipment		92,670	107,235		23,400
Special projects		4,226,773	4,903,326		5,041,000
Total		11,187,884	14,437,300		14,403,760
Overtime					1,190,540
Additional pay for foreign services					1,700
Total, departmental and field	2,369	11,187,884	14,437,300	2,337	15,596,000

[1] Includes overtime.

Excerpt from hearings before the Subcommittee on Appropriations, House of Representatives, Tuesday, Mar. 28, 1944, p. 293.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. MAYBANK. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

Mr. President, I should like to say with reference to the amendment that I do not think the people should be working for the Government unless they are on the pay roll and unless they take an oath of office. It is not my purpose to ask for a year-and-nay vote, but I ask the Chair to put the question.

Mr. BARKLEY. Does the Senator's amendment mean that if there is someone, either now in this agency, or who might be willing to serve it without compensation, he would be denied the opportunity of doing so?

Mr. MAYBANK. That is correct, insofar as looking into and bringing cases against private business or Government agencies is concerned. Very frankly, I believe that the compensation could be small, it might be only a few dollars, so long as the oath of office is taken.

Mr. BARKLEY. One of the glories of the conduct of the American people in this war is that in all branches of the service so many persons have been willing to render service to the Government without pay.

Mr. MAYBANK. To that I thoroughly agree.

Mr. BARKLEY. That applies to the ration boards, to the O. P. A., to the Selective Service, to many departments of the Government which are engaged in war activities, and it is one of the things which I think is to the credit of the American people. When the war is over, and we ascertain the number of people who have been willing to do the best they could, and render service without compensation, it will be a very creditable and to some extent an amazing record.

Mr. MAYBANK. If the distinguished majority leader will yield to me on that point, I thoroughly agree with him, and I am happy the Senator brought out that point. My mind goes back to the great work the Senate of the United States did in preparing this country for war. The Senator mentioned the Selective Service. A law was passed suggesting that the governors of the States appoint, and submit in a constitutional manner to the President of the United States, the names of those to serve on the draft boards, the names of doctors, the names of all who would have to do with the proceedings and activities of the boards.

Likewise under the O. P. A. regulations, the governors of the States were asked to suggest defense counsel. They were constitutionally appointed. They were appointed by the governors of the States, or by the President of the United States, upon the recommendation of one or the other. I am happy that in my short span of life I have been associated with so many volunteers, not only those who volunteered on the ration boards, but others.

When the Congress of the United States by the law it passed asked the governors of the States to submit to the President not only the names of those to serve on the Selective Service boards, but the names of those who volunteered in war work, the governors did so. I thoroughly agree with the distinguished Senator from Kentucky. I had no idea of suggesting an amendment which would in any way reflect on the service to this country in time of war of any individual, and I know that the majority leader did not mean to infer that my amendment would do that.

Mr. BARKLEY. Of course, I did not mean that. The point is, why deny people, who are willing an opportunity to serve in connection with the committee now under discussion, any American who is willing to serve without compensation, when we are not taking such action as to any other activity?

Mr. MAYBANK. Very frankly, the general police powers of this country and of any State, as the Senator knows, are entirely different from those affecting volunteers on ration boards or in the selective service. While I am not asking for a yea and nay vote, I am conscientious in believing that the United States Government has sufficient money to pay those who are supposed to go around and look into complaints of some businessman, or someone else.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina.

Mr. MAYBANK. One moment, Mr. President. The majority leader brought up the subject of the volunteer work being done by the people of this country, and I am happy he did so. I want to have the record clear. My thought in connection with this is that where investigations under this Committee with police power are ordered, a committee for which $500,000 is appropriated, they should be undertaken by paid workers or those who have taken the oath of office. We need volunteers to assist in the war effort, but to turn the police powers of the Government of the United States over to individuals who have not taken the oath of office, and who are responsible to

no one except some member of the Fair Employment Practice Committee who may appoint them, is a mistake.

Mr. BARKLEY. I do not wish to delay a vote. I merely raised the question because it seems to me a little unusual that, inasmuch as in all the other agencies, the people are permitted to render service without charging for it, we should make it impossible for anyone to render service in connection with the agency under discussion without paying them.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina [Mr. MAYBANK]. [Putting the question.]

Mr. EASTLAND. I ask for a division.

On a division, the amendment was rejected.

Mr. PEPPER. Mr. President, I ask unanimous consent that I may move to reconsider the vote by which an item was agreed to, and I should like leave to make a brief explanation. It pertains to the appropriation for Federal and State cooperation through the Office of Civilian Defense.

The House of Representatives reduced the appropriation for the Office of Civilian Defense from $4,700,000 for the year 1944 to $1,000,000 for the year 1945. However, the House committee stated in its report, on page 11, as follows:

> In making the decrease of $139,000 in the Budget estimates, the committee feels that it has provided the irreducible minimum for a Federal program of leadership in civilian defense considering the lessened danger of attack, but viewing the home-front activities which are carried on by State and local councils and their contribution to the war effort. All danger of coastal attack of some character is not definitely past, and those regions are entitled to and should continue to receive attention.

Mr. President, as I have said, in this item the House of Representatives provided $538,500 for the Federal-State cooperation program for civilian defense. That is a part of the civilian-defense activity in which the volunteer work of all citizens is coordinated through State and local councils by the Federal Government, through the Office of Civilian Defense.

As I have said, the House of Representatives cut $100,000 from a Budget estimate of $638,000, but the House committee said, in making the cut, that that was, in its opinion, the irreducible minimum, in fairness to the public interest being served by this agency.

The Senate Committee on Appropriations took action, which has been ratified already by the Senate, cutting another 25 percent off the appropriation, bringing it down to $403,000. I know that the officials of the Civilian Defense Agency, and persons from several States, have contacted a number of Senators, and it is felt that a grave injustice will be done to this volunteer program, which embraces 11,000 local councils and 11,000,000 citizen volunteers working through the program.

So, Mr. President, I ask unanimous consent that the Senate reconsider the vote by which the figure $403,875, which is the committee amendment, was agreed to, on page 9, line 18, of the pending bill, so that we may have a vote, not a record vote, but a vote, on whether the Senate would like to concur in the House item, which the House said provided the irreducible minimum.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

Mr. McKELLAR. Mr. President, I shall not object to the Senator's request to reconsider the vote, but I appeal to the Senate in this matter not to vote these sums back into this appropriation bill.

The House allowed a million dollars, in all, for the Office of Civilian Defense. We all know what that is. There is not one one-thousandth of the danger there was when this organization was started. We have gradually reduced the appropriation from year to year, as the danger has passed. At present we are not doing much more than keeping the skeleton of the organization, and retaining some people in office. The committee thought a reduction from a million dollars to $750,000 was a very modest cut.

I do not think there was a member of the committee who did not agree respecting the several amendments aggregating $250,000. I am willing that the Senator from Florida shall have unanimous consent to reconsider the vote by which the committee amendment was adopted, but when a vote is taken on the question I beseech the Senate not to provide for $250,000 additional to be spent absolutely uselessly. As a matter of fact, I think the amount of $750,000 provided for the Office of Civilian Defense is too much.

Mr. REED. It is too much; yes.

Mr. McKELLAR. But if there is any evidence that can be brought forth to justify that amount it can be brought to the attention of the conferees.

Mr. REED. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. REED. I join with the Senator from Tennessee in the statement he has just made.

Mr. McKELLAR. I thank the Senator.

Mr. REED. Of course, as a matter of courtesy to the Senator from Florida, if he wants a reconsideration of the vote by which the amendment was agreed to, it should be granted him. There is nothing left of the O. C. D. except a glorified boondoggling proposition. Instead of giving the O. C. D. $750,000 we ought to cut it down to $250,000 and tell them to wind up their work quickly. The country is no longer in danger of invasion. We no longer need black-outs. The O. C. D. was overexpanded to begin with, even at a time when there was an element of danger, which has now disappeared. It is now silly to continue these appropriations when there is no need for them. I believe a further cut should be made in the appropriation instead of stopping with the moderate cut which has been made.

Mr. McKELLAR. I agree with the Senator from Kansas thoroughly.

Mr. PEPPER. Mr. President, I ask unanimous consent that the vote by which the committee amendment on page 9, line 18, to strike out "$538,000" and to insert "$403,875" was agreed to, be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote by which the committee amendment was agreed to is reconsidered.

The question now is on agreeing to the committee amendment.

Mr. PEPPER. Mr. President, I should like to say a word now in opposition to the committee amendment. I wish to thank all Senators, and especially the able Senator from Tennessee, for his courtesy. The able Senator is in error, however, when he says that I am asking that the appropriation be increased by $250,000. I only wish to restore the House appropriation respecting the Federal-State cooperative program, and not to restore even to the House item that part of the appropriation dealing with the preservation of property. There was a cut of about $39,000 by the Senate committee respecting the preservation of the Federal property owned by the O. C. D., but we will let that pass. I address myself only to the substitution of the House figure of $538,500 on page 9, line 18, for the Senate figure of $403,875.

Mr. McKELLAR. Is that the only item respecting which the Senator asks for a reconsideration of the vote?

Mr. PEPPER. That is all.

Mr. McKELLAR. Exactly the same situation applies to this item that applied to other amendments. The House figure ought not to be allowed. The amount of $403,875 which the Senate committee allowed is more than sufficient to do the work, and I hope the Senate will vote down the proposed amendment of the Senator from Florida.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. The vote by which the amendment was agreed to having been reconsidered, the matter is now before the Senate, as I understand, in the form in which it came from the Senate Committee on Appropriations. The committee amendment reduced the appropriation. Therefore the vote is on the committee amendment, and there is no amendment being offered to it, as I understand.

Mr. McKELLAR. Then, if that be the case, I move the adoption, if I may, of the amendment as reported by the Senate committee, of $403,875. Those who believe the Senate committee was correct in presenting that figure will vote "yea." I hope the majority of the Senate, if not all Members present, will vote "yea."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 9, line 18, to strike out "$538,500" and insert "$403,875."

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. McCLELLAN. Mr. President, I merely wish to make this statement. The hour is late. A good many Senators have already left the Chamber. I assume we will be unable to obtain a yea-and-nay vote on the final passage of the bill.

Mr. President, I favor all the appropriations contained in the bill except the one for the continuation of the F. E. P. C. I cannot vote for the bill with that appropriation in it. I wish the RECORD to show that I still oppose the appropriation for the F. E. P. C., and shall vote accordingly.

Mr. EASTLAND. Mr. President, I want the RECORD to show that I favor all the appropriations contained in the bill except the appropriation for F. E. P. C., and, therefore, because that appropriation is now in the bill, I shall vote against the entire bill.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (H. R. 4879) was passed.

Mr. McKELLAR. I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. NYE, Mr. HOLMAN, and Mr. BROOKS conferees on the part of the Senate.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS—AUTHORITY TO FILE CONFERENCE REPORT

Mr. WAGNER. Mr. President, the conferees have agreed upon a report to be made as a result of the conference on the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes. The report probably will not be ready for another hour or two, and I ask unanimous consent that I may file the report during the recess between now and tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

[Mr. WAGNER subsequently submitted the conference report on the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes. For conference report see p. 6420 of the RECORD of the House proceedings.]

DEPARTMENT OF AGRICULTURE APPROPRIATIONS—CONFERENCE REPORT

Mr. THOMAS of Oklahoma obtained the floor.

Mr. RUSSELL. Mr. President, if the Senator from Oklahoma does not object I should like to dispose of the conference report on the agricultural appropriation bill. I do not think it will take more than 2 or 3 minutes.

Mr. THOMAS of Oklahoma. I yield for that purpose.

Mr. RUSSELL submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4443) "making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 22, 24, 33, 37, 50, 51, 54, 55, 57, 67, and 69.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 8, 18, 19, 20, 21, 23, 28, 29, 34, 35, 36, 38, 42, 44, 45, 47, 56, 58, 64, and 68, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,160,552"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,375,236"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment, insert the following: "*Provided*, That the cost of erecting any one building, except head houses connecting greenhouses, shall not exceed $2,500, and the cost of alterations to any one building shall not exceed $500 or 2 per centum of the cost of the building as certified by the Secretary, whichever is greater, but in no event to exceed $2,500"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "$353,639"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert: "$25,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "$951,611"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "$506,348"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "$71,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment, insert the following: "*Provided further*, That no part of this appropriation shall be used for agricultural wage stabilization with respect to any commodity unless a majority of the producers of such commodity within the area affected have requested the intervention of the Administrator of the War Food Administration"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "(or in the case of perishable fruits and vegetables if there is danger of deterioration or of accumulation of stocks)"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "$350,000"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows: ": *Provided further*, That in the State of Missouri where the State has established a central State agency authorized to enter into agreements with the United States or any of its agencies on policies and general programs for the saving of its soil by the extension of Federal aid to any soil conservation district in such State, the agreements made by or on behalf of the United States with any such soil conservation district shall have the prior approval of such central State agency before they shall become effective as to such district"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "$25,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 5, 7, 9, 10, 11, 12, 13, 14, 17, 25, 27, 31, 40, 41, 43, 48, 52, 53, 59, 60, 63, 65, 66, and 71.

RICHARD B. RUSSELL,
CARL HAYDEN,
M. E. TYDINGS,
JOHN H. BANKHEAD,
GERALD P. NYE,
ARTHUR CAPPER,
Managers on the part of the Senate.

M. C. TARVER,
CLARENCE CANNON,
HARRY B. SHEPPARD,
ELMER H. WENE,
EVERETT M. DIRKSEN,
Managers on the part of the House.

Mr. RUSSELLL. I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4443, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 20, 1944.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 5, 7, 9, 10, 11, 12, 13, 14, 17, 25, 31, 41, 43, 48, 52, 59, 66, and 71 to the bill (H. R. 4443) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 27 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert "*Provided*, That the cost of erecting any one building shall not exceed $7,500, and the cost of alterations to any one building shall not exceed $500 or 2 percent of the cost of the building as certified by the Secretary, whichever is greater."

That the House recede from its disagreement to the amendment of the Senate numbered 40 to said bill and concur therein with an amendment as follows: In line 4 of the matter inserted by said Senate engrossed amendment after "on" insert "extremely."

That the House recede from its disagreement to the amendment of the Senate numbered 53 to said bill and concur therein with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "That, excepting the foregoing item of $12,500,000, no part of said appropriation or any other appropriation in this act shall be used for incentive or production adjustment payments, except for soil-conservation and water-conservation payments and payment of acreage allotment commitments on commodities as defined in the Agricultural Adjustment Act of 1938, as amended, and as enumerated and set forth in the '1944 Agricultural Conservation Program' bulletin, dated February 9, 1944: *Provided further*."

That the House recede from its disagreement to the amendment of the Senate numbered 63 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert:

"EXPORTATION AND DOMESTIC CONSUMPTION OF AGRICULTURAL COMMODITIES

"Not exceeding $50,000,000 of the funds appropriated by and pursuant to this section may also be used during the fiscal year ending June 30, 1945, to provide food for consumption by children in nonprofit schools of high-school grade or under and for child-care centers through (a) the purchase, processing, and exchange, and the distribution of agricultural commodities and products thereof; or (b) the making of payments to such schools and centers or agencies having control thereof in connection with the purchase and distribution of agricultural commodities in fresh or processed form and, when desirable, for the processing and exchange of such commodities and their products; or (c) by such other means as the Secretary may determine: *Provided*, That funds appropriated for the purposes of this program shall be apportioned for expenditure in the States, Territories, possessions, and the District of Columbia in accordance with school enrollment and need, as determined by the Secretary, except that if program participation in any State does not require all funds so apportioned, the Secretary may reapportion such excess funds to such other States in consideration of need, as he may determine: *Provided further*, That benefits under this section to schools or child-care centers shall in no case exceed the cost of the agricultural commodities or products thereof delivered to the school or child-care center as established by certificates executed by the authorized representative of the sponsoring agency: *Provided further*, That such sponsoring agency shall maintain accounts and records clearly establishing costs of agricultural commodities or products furnished in the program and that such accounts and records shall be available for audit by representatives of the Department of Agriculture: *Provided further*, That these funds may be used for, or to make payments in connection with, the purchase of such agricultural commodities and for exchanging, distributing, disposing, transporting, storing, processing, inspection, commission, and other incidental costs and expenses without regard to the provisions of section 3709 of the Revised Statutes and without regard to the 25-percent limitation contained in this section: *Provided further*, That not more than 2 percent of the funds made available under this amendment shall be used to provide food for children in child-care centers. The amount of funds used in any State during any fiscal year under this paragraph shall not exceed the total amount otherwise furnished for the same purpose by or on behalf of the State and local school authorities and other sponsoring agencies in such State including the value of donated services and supplies, as certified by the respective schools, care centers, or agencies having control thereof."

That the House recede from its disagreement to the amendment of the Senate No. 65 to said bill and concur therein with amendments as follows: In the first paragraph of the matter inserted by said amendment strike out "$28,265,000" and insert "$26,000,000"; and in the third paragraph of the matter inserted by said amendment strike out "$96,710,000" and insert "$67,500,000."

That the House insist upon its amendments to Senate amendments Nos. 27, 40, 53, 63, and 65; and insist upon its disagreement to the amendment of the Senate No. 60 to said bill and ask a further conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. RUSSELL. I move that the Senate concur in the amendments of the House to the amendments of the Senate Nos. 27, 40, 53, 63, and 65.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia.

The motion was agreed to.

Mr. RUSSELL. Now I move that the Senate further insist on its amendment No. 60.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia.

The motion was agreed to.

Mr. RUSSELL. I move that the Senate agree to the conference requested by the House, and that the Chair appoint conferees on the part of the Senate at the further conference.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia.

The motion was agreed to; and the Presiding Officer appointed Mr. RUSSELL, Mr. HAYDEN, Mr. TYDINGS, Mr. BANKHEAD, Mr. SMITH, Mr. NYE, and Mr. CAPPER conferees on the part of the Senate at the further conference.

APPROPRIATIONS FOR THE MILITARY ESTABLISHMENT

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate proceed to the consideration of House bill 4967, the Military Establishment appropriation bill.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4967) making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMAS of Oklahoma. Mr. President, I should like to make a very brief statement in connection with the pending bill. It is the bill which carries funds to support the Military Establishment for the next fiscal year. The bill contains appropriations of almost $50,000,000,000. It was passed by the House last Thursday. The Senate committee commenced hearings on Friday, held hearings on Friday and Saturday, reported the bill to the full committee on Monday, and the bill was reported to the Senate on the same day.

There are only about four slight amendments recommended by the Senate committee. One amendment reduces the appropriation in the sum of $1,217,000. That is caused by striking out of the bill funds for wildcatting for oil in Alaska. The Interior Department bill as passed by the House carried a sum to enable that Department to wildcat for oil in Alaska. The Senate subcommittee, the full committee, and the Senate struck out the item. That action has been approved by the conference committee, and the report has been approved by the House. We expect the conference report to come to the Senate this afternoon or tomorrow. The subcommittee on Interior Department appropriations having stricken the amount for the Interior Department to wildcat for oil in Alaska, the subcommittee on the War Department appropriations likewise refused to approve an appropriation for the War Department to wildcat for oil in Alaska.

Mr. President, I ask permission to have printed in the RECORD at this point as a part of my remarks a very brief statement explaining somewhat in detail the amount of money carried by the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The amount of money carried in the bill is $49,107,785,795, or a reduction of $1,217,000 below the amount approved by the House of Representatives.

The item is made up of two parts. One, an unexpended balance in the sum of $33,672,971,000 was reappropriated and the sum of $15,434,814,795 in new money is appropriated in the act and the sum of the carryover plus the sum of new money makes the total of $49,107,785,795.

For the fiscal year 1943 the Congress appropriated the sum of $74,903,515,893 to carry on the many activities of the War Department and the bill covering the fiscal year of 1944 carried the sum of $74,211,249,961; hence, the bill now pending before the Senate carries a sum of $25,103,464,166 less than the appropriations for the current fiscal year and the sum of $25,795,730,098 less than the sum appropriated for the 1943 fiscal year.

Notwithstanding the fact that the Army is now built up to approximately the maximum number, the cost of conducting the war during the 1945 fiscal year should be something like $25,000,000,000 less than the expenses incurred during either the present fiscal year or the previous fiscal year.

An estimate has been made showing that 97 cents out of every tax dollar goes for war. An examination into expenditures further

shows that we are getting more value for each dollar now than we received right after Pearl Harbor and this is because of the following facts:

First, early in the war the Congress enacted legislation providing for the renegotiation of all war contracts. Information has been made available that by the end of the present fiscal year the Government will have recovered, through renegotiation, a sum of approximately $3,500,000,000.

Another reason for the reduction in the amount of the pending appropriations is the fact that the economies in Army camps have been such as to reduce the cost of each soldier's upkeep approximately $36 per man. Most of the savings have resulted from the elimination of waste, from closer buying of equipment, and from redesigning and improving the wearing qualities of uniforms and clothing generally.

It is obvious that in order to train our vast Army that we had to purchase land, construct and equip camps of every kind, and now that the land has been paid for and the camps have been constructed and equipped, additional outlays for such purposes are not necessary.

The lands acquired have been paid for, the buildings erected have been paid for, the equipment in place has been paid for, and the efficiency of the workers in the factories permit of mass production on a more uniform basis so that the supplies needed by the Army are not costing as much as during the first and second years of the war.

At one time during the early planning for the war it was decided to raise and equip an Army of 8,200,000, but later these figures were revised, and the number of 7,700,000 were agreed upon. The reduction of the number in the armed forces amounted to approximately 6 percent, hence the appropriations reflect a reduction of much more than 6 percent.

The military strength of the Army is divided approximately as follows: Officers, 675,000; warrant officers, 30,000; nurses, 40,000; and enlisted men, 6,955,000.

At the present time there is an estimated number of 3,657,000 men outside the United States, and by December 31 of this year it is planned to have 5,000,000 men either on foreign battlefields or on foreign soil ready to take their places on the several fighting fronts.

The following facts are taken from the hearings. It requires some 5 pounds of food per day to serve each of our soldiers abroad; hence, the item of food costs, which includes transportation, is one of the major items of expense.

The bill carries the sum of $562,000,000 for the purpose of supporting the civilian population of the liberated countries. It is not planned that we shall feed all of the population in the coutries which are conquered and to be conquered. However, the plans are made to provide the liberated peoples who are in need of food the sum of 2,000 calories per day. The estimate for our own soldiers is 3,750 calories per day, so that the food to be made available to the needy in the conquered countries is scarcely more than one-half of the rations estimated necessary for the soldiers of our Army.

The bill carries the sum of $4,300,000,000 for lend-lease to be expended under the jurisdiction of the War Department. This sum of money is to be distributed roughly as follows: 64 percent to Great Britain, 26 percent to the U. S. S. R., 4 percent to China, and 6 percent to all other countries. The total sum reappropriated, together with the new funds, making the total of $49,107,785,795, is broken down substantially as follows:

Pay and travel	$12,685,000,000
Subsistence	2,899,251,000
Clothing and equipage	1,721,600,000
General supplies	681,000,000
Transportation Corps	1,850,000,000
Signal Corps	2,540,491,075
Air Forces	12,610,200,000
Medical Department	492,204,520
Engineer Service	2,662,212,500
Ordnance Department	8,599,067,600
Chemical Warfare Service	670,000,100
Expediting production	800,000,100
Special service schools, Department expenses, and miscellaneous	896,758,900

The amount recommended for the 1945 fiscal year is some $243,054,905 below the amount recommended by the Budget.

Mr. THOMAS of Oklahoma. As I have stated, the bill carries appropriations of a little less than $50,000,000,000. Of that sum, $15,434,814,795 is new money and $33,672,971,000 is carry-over. It may be wondered why such a large sum was carried over. That is explained in the hearings and is also explained to some extent in the statement I have submitted. The War Department is now costing less than it formerly cost. When the war started we had to buy land on which to build camps. We had to construct buildings on the land and provide equipment for the buildings. We had to induct a large number of men into the Army. That expense has already been taken care of. The land is paid for, the buildings are constructed, the equipment is in place, and in the main the expenses are taken care of, so from now on the expenses of the War Department will probably grow smaller rather than larger because of the facts which I have just related.

As I have stated, the bill carries an appropriation of approximately $15,000,000,000 of new money and approximately $33,000,000,000 of carry-over money, making a total in excess of $49,000,000,000.

Only four amendments have been reported by the committee. At the present time, if the War Department desires to bring back from abroad some of our servicemen who have become worn out from fighting or flying planes, there is no provision of law which authorizes the Department to bear any of the expense of bringing them back; so the Senate committee recommends an amendment providing that the War Department may use these funds, within its discretion, to bring back from the fighting fronts such soldiers as the Department may think merit being brought back for rehabilitation and rest. That is the first amendment reported by the committee. We shall come to it in a few moments.

In connection with the second amendment reported by the committee, let me say that the House placed a prohibition in the bill denying the War Department the opportunity of continuing the education of medical and dental students. If that provision should remain in the bill, those two classes of students would be denied further assistance. It is the opinion of our committee that the War Department should maintain medical and dental students in the colleges so that when the war is over we shall have at least that additional supply of young doctors and dentists, to take the place of those who have been away, many of whom will be retired from service.

The third amendment reported by the committee has to do with the Alaska oil wildcatting, which I have briefly explained.

The fourth amendment reported by the committee deals with a provision inserted by the House preventing the War Department from leasing or selling any of the land which it now possesses. We think that provision goes entirely too far. We think that the antileasing provision should not be incorporated in the bill. Under the terms of the provision as it came from the House, the War Department could not transfer to the Navy any of the lands which it has. At the present time the War Department desires to transfer, and is actually transferring, land from its domain to the use of the Navy.

Those are the four amendments which the committee recommends. There is one further amendment which may be offered from the floor, which the War Department favors. Some time ago the Congress placed a prohibition in the War Department appropriation bill denying the right of the War Department to employ artists in making pictures of war scenes and things of that character in the war areas. The prohibition is carried in this bill.

The War Department is entirely agreeable to refraining from commissioning any more men and assigning them to the battle areas to paint pictures. The Senate committee is willing to have the restriction apply so far as further commissions are concerned, but the War Department very much desires to permit the personnel in the regular war establishment to continue to make paintings if they so desire. We have the promise of the Secretary of War, in a formal letter which I shall place in the RECORD, that if this prohibition is removed the Department will not commission any new members from civilian life to engage in this painting work; but the Department would like to have the present personnel of the Army, either enlisted men or officers, enjoy the privilege of painting. I understand that there are a great many very competent painters in the Army. That amendment will probably be offered from the floor. If so, I shall be glad to accept it. Later I shall place in the RECORD the authority for accepting the amendment, namely, a letter from the Secretary of War.

Those are the amendments which the committee has reported. If there are any questions, I shall be very glad to answer them if I can.

The PRESIDING OFFICER. The clerk will state the first amendment reported by the committee.

The first amendment reported by the Committee on Appropriations was, under the heading "Finance Department; Finance Service, Army" on page 10, line 4, after the word "personnel", to insert "all necessary expenses of travel to enable military personnel stationed abroad

to visit places in the United States, its Territories and possessions, for the purpose of recuperation, rehabilitation, and recovery."

The amendment was agreed to.

The next amendment was, under the heading "Quartermaster Corps—Quartermaster Service, Army", on page 21, line 17, after the numerals, to strike out "*Provided*, That no appropriation contained in this act shall be available for any expense incident to educating persons in medicine (including veterinary) or dentistry if any expense on account of their education in such subjects was not being defrayed out of appropriations for the Military Establishment for the fiscal year 1944 prior to June 7, 1944."

The amendment was agreed to.

The next amendment was, under the heading "Corps of Engineers—Engineer Service, Army", on page 31, at the beginning of line 3, to strike out "$1,800,217,000" and insert in lieu thereof "$1,799,000,000."

Mr. FERGUSON. Mr. President, I realize that the hour is late, but I feel that it is necessary to make a statement in relation to this particular item.

There is included in this item an amount for the Canol project in Canada.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. HATCH. Are we about to consider that question?

Mr. FERGUSON. I understand that this is the amendment in which that item is included.

Mr. THOMAS of Oklahoma. The item to which the Senator refers is on page 31, line 3.

Mr. FERGUSON. As I understand, that is the amendment now under consideration.

The PRESIDING OFFICER. That is true.

Mr. FERGUSON. I am informed by the Chair that that is the amendment which we are now considering. I wish to call attention to some figures included in that item. I think that before we vote on this question we should know at least what is included in the item so far as it relates to the Canol project.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. HATCH. I am looking at the clock. It is now 10 minutes after 7. I do not know just what is included in this amendment. I do not know just what the Senator from Michigan has in mind, but surely at this late hour there is no opportunity to discuss or understand the amendment. Why is it necessary that we work on and on without knowing just what we are doing?

Mr. WHITE. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. WHITE. Of course, I suppose all of us are anxious to get away, because we have been in continuous session for more than 7 hours. But if this bill is to be passed tonight, it must be obvious that there will be no other opportunity for the Senator from Michigan to present his views with respect to the pending amendment.

Mr. McKELLAR. And it is the last amendment, I think.

Mr. BARKLEY. It may be that if the Senator from Michigan can express his views, that will clear up the situation with regard to the item, so that we shall be in a position to vote on it.

Mr. WHITE. Yes. We may be able to dispose of the bill very speedily if the Senator from Michigan has an opportunity to conclude his statement.

Mr. FERGUSON. Mr. President, I shall do my very best to make my statement as brief as possible. Included in the bill is an item which I should like to discuss on the floor of the Senate. It is an item of $16,439,688 for maintenance and operation of the Canol project. The appropriation includes $8,066,158 for maintenance of that project, and $3,373,530 for operation.

Last year the Truman committee made an investigation of this particular project. They found it was costing approximately $134,000,000, not including many items of Army services in connection with the project, which would run into many additional million dollars. The committee made no particular objections to the part of the project which involved a service line from Skagway into Whitehorse, and then to operate along the air fields; but the committee did make serious objection to the building of the pipe line and to a road from Whitehorse to Norman Wells and to the refinery at Whitehorse. It is in relation to that item that I wish to speak at this time.

We find that in connection with the "refinery, access roads crude line oil field," there is an operation item of $6,326,540. For the maintenance in that connection the item is $5,705,920, making a total of $12,032,460.

The distribution lines and the flight strips are the ones to which the committee made no objection. There is an appropriation of $2,046,990 for their operation. For maintenance there is an appropriation of $2,360,238, or a total of $4,407,228.

We find that the item of $12,032,460 is made up as follows: For maintenance of production facilities at Norman Wells, $708,070; for operation, $2,843,720.

A pipe line was built and at the same time a road was constructed alongside the pipe line, to enable repairs to be made to the pipe line, and so forth. That road is 528 miles long. We find in this requested appropriation an item for repairs to a highway which is to be used only for the purpose of repairing the pipe line which is 597 miles long. The item is $2,694,010.

We find that for repairs during the coming year to a crude-oil pipe line 597 miles long, from Whitehorse to Norman Wells, there is an item of $1,334,740. We find that for the operation of that line alone there is an item of $1,167,540. We find that for repairs or maintenance of the refinery at Whitehorse there is an item of $969,100. We find that for operation of that refinery there is an item of $2,315,280. For maintenance, we find a total item of $5,705,920; and for operation, a total item of $6,326,540.

From the foregoing it would appear that $16,439,688 is requested for the Canol project, of which $12,032,460 is for operating and production facilities, and $4,407,228 for distribution facilities. We all wish to know approximately how much oil it is expected will be produced as a result of that expenditure. We learn from the War Department that the figures are merely for expected production. There is no guaranty that such a quantity of oil will ever be obtained.

By the way, up to the present time no 100-octane gasoline has been refined from the oil obtained from this project. Some may say that it is desired to obtain oil for our fleet in the Pacific, and that the fleet may be supplied with oil produced from these wells.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. KILGORE. The Senator will remember that from the analysis of the oil production in that region it appears that absolutely no oil for the fleet is produced. The oil produced is very volatile and is only suitable for gasoline of various qualities. The wells do not produce oil suitable for use by the fleet; is not that correct?

Mr. FERGUSON. Yes. I am glad the Senator from West Virginia has brought out that fact. Not one drop of this oil will be used for the fleet in the Pacific.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. OVERTON. The junior Senator from Missouri [Mr. TRUMAN] is a member of the committee, but he raised no objection to this item. No one before the committee raised any objection to the item, so far as I know.

Mr. BALL. Mr. President——

Mr. KILGORE. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Michigan yield, and if so, to whom?

Mr. FERGUSON. I yield first to the Senator from Minnesota.

Mr. BALL. Mr. President, I was on the subcommittee. The question whether any funds for the Canol project were included came up in the subcommittee. In the subcommittee it was my understanding that there were no funds for the Canol project.

Mr. KILGORE. Mr. President, will the Senator yield to me?

Mr. FERGUSON. I yield.

Mr. KILGORE. Let me say to the Senator from Louisiana, in answer to his statement, that the facts which have just been stated by the Senator from Michigan were not divulged at that time. In the meeting they were withheld from the Senator from Missouri as being secret. As has been stated by the Senator from Minnesota, there was no statement that any money for the Canol project was included in the item. It was only in the last few days that we obtained the information that money for the Canol project was contained in the item. At the time of the committee hearing such information was highly secret.

Mr. McKELLAR. Mr. President, if the Senator will permit me to say a word, let me say that all the information is contained in the House hearings, and the

matter is explained in the House hearings.

Mr. FERGUSON. Mr. President, I wish to call the attention of the Senate to the quantity of oil and gasoline which will be produced from these wells:

One hundred octane gasoline, 112,895 barrels.

Eighty octane motor gasoline, 351,080 barrels.

Diesel oil, 134,000 barrels.

Fuel oil, 93,800 barrels.

The foregoing is an estimate of the amount of oil which might be produced, and which it is expected will be produced. Request is made for an expenditure of more than $12,000,000 in order to produce it.

If the Government of the United States purchased a similar quantity of oil at Los Angeles, Calif., it would pay for it, at present rate, $2,568,997. Let us say that at the present time there is a shortage of oil on that west coast. The same amount of oil could be obtained from Aruba and all the freight and all other expenses paid for $3,267,893. We could purchase the oil in Aruba, and could send it to Alaska—and there is a pipe line from Skagway into these airfields—for approximately one-fifth of what it will cost the United States Government to produce the same amount of oil from the Canol project.

There are some who will say there is a shortage of oil; but when we compare the quantity of oil which will be produced from this field with the quantity of oil produced in the United States we find that it is so small that it cannot be figured. We produce 5,000,000 barrels of oil a day in the United States, and we are talking about the few thousand barrels involved in this project. It is this expenditure which was not explained to the committee that I wish to call to the attention of the Senate. It is the inclusion of this item under the Corps of Engineers that the people of this country ought to know about, and they should also know that we are asked to spend $12,000,000 in order to produce oil which we could buy and ship to that region at a cost of $3,000,000.

Mr. President, while realizing the lateness of the hour, I still thought it was my duty to call to the attention of the Senate the inclusion of this item in the lump sum appropriation.

We know what happened when the first appropriation came before us. Instead of calling for $134,000,000 the Army called for an expenditure of about $75,000,000. After a thorough investigation the Truman committee has found that there has been spent approximately $134,000,000 plus millions of dollars wasted in machinery and in equipment in connection with this project. Today we are unable to obtain lumber from our forests because the necessary machinery is not available; and yet along that highway in Canada there are thousands of trucks and machines which could be used in the forests here in the United States.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. CONNALLY. Is it not a fact that the pipe line and refinery are our property? Does the Senator propose that we go away and leave them and not maintain them?

Mr. FERGUSON. I believe that at this time, in view of the figures involved, the property should not be used. It could be used in the case of any emergency.

Mr. CONNALLY. Does the Senator know that we have made an agreement with the Canadian authorities whereby we receive 60,000,000 barrels of oil as may be needed from time to time?

Mr. FERGUSON. Mr. President, if there are 60,000,000 barrels of oil in that field, we have made a new arrangement. After the Truman committee investigated this matter the State Department and the Canadian authorities made a new agreement which is very good, but is not good enough to justify the expense to which we have been put, not only in manpower but in cash and bonds which have been sold here in the United States.

Mr. President, there has not been included in this item the actual cost of the oil.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. McKELLAR. I may say to the Senator that I voted against this item when it first came up. The Senate committee outvoted me, and the Senate outvoted me afterward. The project became the property of the United States and contracts were entered into. Under those circumstances I do not see how we could give it up without suffering a severe loss. I think we should go ahead with it to the extent provided in the pending bill. I do not see how we can abandon it at this late hour. I wish to say to the Senator that I had the same view which he has, and I voted against it in the first instance.

Mr. REED. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. REED. No matter what view is taken, or how we may vote, this is a matter involving not only a great deal of money, but the question of whether we have followed sound business practices in the development of the project.

Suggestions have been made that information has been withheld. The chairman of the committee left town last night. I think the matter should be discussed more fully than is possible this evening, and therefore I call attention to the fact that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. McKELLAR. Mr. President, it is perfectly apparent that no quorum is present, and unless we can pass this bill tonight we shall have to allow it to go over until tomorrow. If Senators feel that it should not be passed tonight, I feel compelled to move a recess until tomorrow.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. WHITE. May it be understood that if we adjourn or recess now the Senator from Michigan shall have the floor when the Senate reassembles tomorrow?

Mr. McKELLAR. There is no question about that.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. O'MAHONEY. I have listened with a great deal of attention to what the Senator from Michigan has said, and I am aware of the fact that during the past several months there have been many discussions in the Truman committee and elsewhere with respect to this appropriation. What I wish to say, Mr. President, is that I do not know how it is possible to fight a war economically.

I was present in the Appropriations Committee when this project was first undertaken. I know that there were prolonged discussions concerning it. There was a long off-the-record discussion, and in authorizing the expenditure of public funds for the purposes of this project we knew that we were authorizing the production of oil at an extraordinarily high price. The question was not one of whether we should make a good business arrangement for the production of the oil. The question which was presented to us was whether we should obtain a supply of oil at a point where it was needed very gravely. It was said that the whole west coast was in danger of attack from Japanese contingents. We did not know what the next month would bring forth. The Japs had moved into the outlying Aleutian Islands. There was no question that if we were to defend our western coast and carry on the war we must have this project. So the committee and the Congress authorized it.

With respect to the continuance of the project, I understand that the matter was fully discussed in the House committee. The Government of the United States, with the full knowledge of the Congress, and with the full approval of the Joint Chiefs of Staff, approved this project. We have invested in it approximately $129,000,000. The proposal here is to expend about fifteen and one-half million dollars in order to carry out our obligation to the Government of Canada.

I can see no reason why we should undertake to prevent that operation at this hour of the night.

My feeling is that there is plenty of opportunity for the Truman committee, or the Military Affairs Committee, or the Appropriations Committee, later on to point the finger at any of these operations if there is anything wrongful in them.

Mr. REED. Mr. President, I rise to a point of order.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). The Senator will state it.

Mr. REED. I make the point of order and call attention to the fact that a quorum is not present——

Mr. McKELLAR. I hope the Senator will not do that.

Mr. REED. I do not wish to press the point of order, but it is not debatable. What the Senator from Wyoming is saying will have its proper place tomorrow. It is really debate upon the merits of the

matter. All I am seeking is that we shall have an opportunity to hear a full and complete explanation.

The PRESIDING OFFICER. What is the Senator's point of order?

Mr. REED. I shall withhold it.

Mr. BARKLEY. The Senator is about to make the point of order that a quorum is not present, and if he does that, of course, it automatically will take the Senator from Michigan off the floor and force a recess until tomorrow.

Mr. REED. I am withholding the point, but I do not want to waste time in debate, not even on the part of the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Michigan yielded to the Senator from Wyoming.

Mr. O'MAHONEY. If I may conclude my remarks, they were all intended to develop the simple question whether or not we are going to act upon this bill this evening. I believe we should. I believe this question should not be raised here and now. I believe the appropriation bill should be passed.

Mr. REED. If the Senator from Wyoming is going to insist on continuing, I insist upon my point of order that a quorum is not present.

The PRESIDING OFFICER. The Senator from Michigan has the floor.

Mr. REED. I had the floor, was recognized——

The PRESIDING OFFICER. The Senator from Michigan yielded to the Senator from Wyoming.

Mr. BARKLEY. Mr. President, no Senator can intrude on another Senator's time and make a point unless the Senator having the floor yields for that purpose.

The PRESIDING OFFICER. That applies to all Senators in the Senate. The Senator from Michigan has the floor, and he has yielded to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, my only point is to determine whether or not the Senator from Michigan intends to proceed with this matter. I feel that the best interests of the Government will be served by the passage of the appropriation.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield?

Mr. FERGUSON. I yield to the Senator from Kansas.

Mr. REED. A point of order is always in order. I make a point of order that a quorum is not present.

Mr. BARKLEY. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. BARKLEY. I think there will be no difficulty about this situation. I should like to have a few postmasters confirmed.

Mr. HATCH. A parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Michigan yield for that purpose?

Mr. FERGUSON. I yield.

Mr. HATCH. I merely wish to ask what the parliamentary situation is.

The PRESIDING OFFICER. The Senate is considering the committee amendment on page 31.

Mr. BARKLEY. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield to the Senator from Kentucky.

Mr. BARKLEY. I ask unanimous consent that when the Senate resumes its session tomorrow the Senator from Michigan may be entitled to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WAGNER, from the Committee on Banking and Currency:

Ivy W. Duggan, of Mississippi, to be Governor of the Farm Credit Administration for the unexpired term of 6 years from June 15, 1940, vice Albert G. Black.

By Mr. WALSH of Massachusetts, from the Committee on Naval Affairs:

Ralph A. Bard, of Illinois, to be Under Secretary of the Navy.

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

Sundry officers for promotion in the Regular Army; and

Sundry officers for temporary appointment and/or promotion in the Army of the United States, under the provisions of law.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Several postmasters; and

Raymond E. McCanse to be postmaster at Mount Vernon, Mo., in place of Robert Stemmons, resigned (reported adversely).

The PRESIDING OFFICER (Mr. MURDOCK in the chair). If there be no further reports of committees, the clerk will state the nominations on the calendar.

DEPARTMENT OF AGRICULTURE

The legislative clerk read the nomination of Charles Franklin Brannan to be Assistant Secretary of Agriculture.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

Mr. McKELLAR. I ask unanimous consent that the President be notified immediately of all confirmations of today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. McKELLAR. As in legislative session, I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 7 o'clock and 33 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, June 21, 1944, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 20 (legislative day of May 9), 1944:

DEPARTMENT OF AGRICULTURE

Charles Franklin Brannan to be Assistant Secretary of Agriculture.

POSTMASTERS

CONNECTICUT

Frank B. Leslie, New Canaan.

HAWAII

Charlotte M. Keala, Kamuela.
Jacinth T. Correa, Wailuku.

IOWA

Evelyn L. Earing, Lonerock.

MASSACHUSETTS

Irene S. Leary, East Pepperell.

NEW HAMPSHIRE

Helen M. Lowell, East Rochester.

NEW YORK

Frederick A. Glynn, Craryville.
Clifford Veeder, Marilla.
Thomas F. Gray, Niagara Falls.
Richard S. Allen, Round Lake.
Helen J. Dygert, Russell.
Walter I. Nash, Sandlake.
Floyd D. Doolittle, Sidney.

RHODE ISLAND

Ralph Scotland, Jr., Oakland.

SOUTH DAKOTA

Jane Dunn, Elkton.
Marie E. Hoven, Fort Pierre.

TENNESSEE

Edith Caldwell, Lupton City.
Amy E. Davis, Oakdale.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 20, 1944

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou ever-blessed Master, as we face the stern realities of these days, we pray that we may not be forced by the motive of duty alone, but by the urgency of love to God and man. Thou who art our sovereign friend, from whom earth's greatest souls have borrowed their finest gifts, bless us with the spirit of brotherhood without discord and with an understanding which brings wise decisions. O put purpose and resolution into all our lives that will help us to a well-ordered ministry of our responsibilities, despising injustice, smiting falsehood, and consumed with a passion to destroy prejudice and enhance personal worth.

Most gracious Lord, correct any false estimates of life and infuse Thy Biblical truth into all minds: "Heaven and earth shall pass away, but my word shall not pass away." Pity any whose hearts may have grown bitter and whose souls are closed to the great, wide needs of the world. Grant that our devotion to our

daily tasks may be so strong and our spirit so courageous, our fidelity and truth so impelling that criticism or derision cannot defeat. Thou who art at the hearthstone of every humble heart and whose hand is ever lifted to bless and not to smite, we pray that every surrender we make may be a revelation of our dear Redeemer. In His name. Amen.

The Journal of the proceedings of yesterday was read and approved.

WAKE UP, AMERICA

Mr. BUSBEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. BUSBEY addressed the House. His remarks appear in the Appendix.]

JAPANESE PROBLEM

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PHILLIPS. Mr. Speaker, I hold in my hand and am about to file with the House a petition from my district, which petition is signed by over 400 men and women; I figure it to be nearer 450 signatures. The petition asks for serious consideration of the Japanese problem and protests against the apparent beginning of a return of the Japanese to California. I call attention to it because this is a problem which should have the very serious consideration of the people in the East who do not understand the problem which California faces.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS. Yes; I yield.

Mr. RANKIN. Not only are they going to return the Japanese to California, if they remain in this country, but the chances are the F. E. P. C. will try to make you accept them on terms of equality. That is what they are up to now.

Mr. PHILLIPS. I thank the gentleman.

The SPEAKER. The time of the gentleman from California has expired.

EXTENSION OF REMARKS

Mr. KUNKEL. Mr. Speaker, I have two unanimous-consent requests; first, to extend my remarks in the RECORD on the subject of veterans' legislation, and, second, to extend my remarks on the subject of railroad-retirement legislation.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE WELSH FAMILY

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GROSS. Mr. Speaker, I was much impressed the other night while listening to the radio to hear tribute paid to an employee of the Standard Oil Co. who was honored by General Eisenhower for the services of this man's children in the armed forces. Then I wondered how many parents with large families have all their sons and daughters in the service of the country.

Then, over the week end it came to my attention that I had such a case right in my own congressional district in the town of Spring Grove.

I refer to Mr. and Mrs. George W. Welsh, who have five children in the service of our country. Mr. Welsh has had 44 years of continuous employment in the leading plant in Spring Grove, the P. H. Glatfelter Co., paper manufacturers. Mr. Welsh holds the honor among the mill employees of having the most children in the armed forces. They are Lt. Col. Spurgeon Welsh, Petty Officer (3d cl.) William Welsh, Pvt. Kenneth Welsh, Sgt. Ross Welsh, and Nurse Cadet Vera Welsh.

Of course, there may be many fathers just like George Welsh who have five or more children in the service, but I am proud, and the community of Spring Grove is proud, of a father like this.

UNITED STATES MARITIME COMMISSION

Mr. HARNESS of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include in my remarks a letter that I have addressed to our colleague the gentleman from Virginia [Mr. BLAND] relative to a report from Admiral Land, of the Maritime Commission.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. HARNESS of Indiana addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. BENNETT of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include two letters.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WEISS. Mr. Speaker, I have two unanimous-consent requests; in the first instance to extend my remarks and to include therein a newspaper editorial and in the second instance to extend my remarks and include a resolution of the Slovak Society.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. FISHER. Mr. Speaker, I ask unanimous consent that, after the disposition of all legislative business on the Speaker's table and other special orders heretofore entered, I may have permission to address the House for 20 minutes today and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PREFERENCE EMPLOYMENT FOR VETERANS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4115) to give honorably discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 7, strike out "honorably" and insert "on active duty."

Page 2, line 8, after "States", insert "and have been separated therefrom under honorable conditions and."

Page 2, lines 13 and 14, strike out "and the husbands of such service-connected disabled ex-servicewomen."

Page 2, line 17, strike out "honorably" and insert "on active duty."

Page 2, line 20, strike out all after "authorized)", down to and including "ex-servicewomen" in line 25 and insert "and who were separated therefrom under honorable conditions."

Page 2, line 25, and page 3, line 1, strike out "honorably discharged."

Page 3, line 1, after "served", insert "on active duty."

Page 3, line 4, after "authorized)", insert ", and have been separated therefrom under honorable conditions."

Page 4, lines 14 and 15, strike out "in the service of the United States."

Page 5, line 5, after "of", insert "a."

Page 8, line 15, strike out "rating" and insert "ratings."

Page 11, line 11, after "eligibles", insert ", except of 10-point preference eligibles."

Page 12, line 19, after "apply", insert "to any position in or under the legislative or judicial branch of the Government or."

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. RAMSPECK]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. CELLER] may be permitted to extend his remarks in the Appendix of the RECORD, and include an article on the electoral college.

The SPEAKER. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SIKES. Mr. Speaker, I ask unanimous consent that after the conclusion of the business today and any other special orders heretofore entered I may address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

WOOL PRODUCTION

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILL. When we were discussing the appropriation for U. N. R. R. A., I took the floor and did the best I knew how to explain what was happening to the wool producers of this country. Now I learn that the Commodity Credit Corporation is charging from one and one-eighth cents per pound up to two and four-fifths cents per pound for grading domestic wool. I enclose a table showing the total charges for grading this wool.

The following tabulation shows the total charge made with respect to all wool purchased by Commodity Credit Corporation through May 13, 1944:

Type of wool	Quantity purchased (pounds)	Rate per pound	Service and appraisal charge
		Cents	
Shorn wool (grease)	220,370,217	1⅛	$2,479,164.04
Pulled wool (grease)	26,160,128	1⅛	294,301.44
Shorn wool (scoured)	2,737,418	2½	76,647.04
Pulled wool (scoured)	25,696,452	1¾	449,087.91
Total	274,964,215		3,299,801.33

When Alexander Johnston, Chief of the Wool Division of the War Food Administration, appeared before our committee he testified, and I quote—pages 71–72, hearing:

Mr. JOHNSTON. We have a particular test here which I will tell you about in a moment; I will give you the results of that. Two men in eastern Colorado, or western Kansas, I don't remember the exact spot, had a clip amounting to 50 bags and as it was being sheared one man took the even-numbered bags and the other took the odd-numbered bags, and they shipped it to the handler at two different spots under each man's name, you understand; and when the estimates of shrinkage came back on that wool one was 70 percent and other was 74 percent. The 74 percent wool was valued at $1.15 and the 70 percent wool was valued at approximately 5 cents more per pound that one fellow received above the other.

This [indicating on chart] is an average variation.

To give you the results in another way, on these 88 clips 54.5 percent of the core tests were within 1 percent of the actual shrinkage of the 10 bags, and of the appraisers only 25 percent, which is a little more than twice as great.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1945—CONFERENCE REPORT

The SPEAKER. The Clerk will report the next amendment in disagreement, Senate amendment No. 41.

The Clerk read as follows:

Amendment No. 41, page 58, line 10, after the word "projects", strike out the words "including the cost of progressive and final liquidation of all of said project during the fiscal year 1945."

Mr. TARVER. Mr. Speaker, I move that the House further insist upon its disagreement to the Senate amendment No. 41.

Mr. ANDERSON of California. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. ANDERSON of California moves to recede and concur in Senate amendment No. 41.

Mr. TARVER. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON of California. Mr. Speaker, I sincerely trust that the House will recede and concur in Senate amendment No. 41, which makes it possible to continue the emergency guayule rubber project.

When the Department of Agriculture appropriation bill originally passed the House the House Appropriations Committee appropriated the sum of $3,952,585, but also provided for the complete and final liquidation of the project during the next fiscal year. At that time, however, the House committee had not had an opportunity to consult with Bradley Dewey, Rubber Director, nor did it have an opportunity to consider the report that has since been filed by the Poage committee, a special subcommittee of the House Committee on Agriculture. The Poage committee has visited California and Texas, made a thorough inspection of the emergency guayule rubber project, and has unanimously recommended that it be continued. This view of the subcommittee has been concurred in by the full Committee on Agriculture.

It seems to me that there are a couple of fundamental policies involved that are going to be decided when we vote on this question. One is, Are we going to always continue to be dependent upon foreign sources for our entire supply of crude rubber? The other is, Do we believe in getting some return on our investment prior to liquidating a project of this kind?

Up to the present time some $45,000,000 has been appropriated, of which approximately $33,000,000 has been spent. We have now 32,000 acres of potential crude rubber in the field which, if harvested in an orderly fashion, following the 5 or 6 year liquidation program that has been advocated by the Forest Service, will yield us between 25,000 and 30,000 tons of crude rubber. It seems to me that we should get this return on our investment before we think of liquidating this project.

Up to the present time we have only produced some 440 long tons of crude rubber. It is good rubber. The Navy Department says so. The Rubber Director says so. The rubber factories, the rubber companies who use it, tell us it is good rubber. We do not need to worry about the fact that guayule does not produce rubber products which we need. We know it is excellent for mixing with synthetic rubbers in order to manufacture rubber products that are vital to the war effort.

The argument is advanced that we will not have enough rubber from guayule to be important to the war effort. That is neither here nor there. We need crude rubber. Our inventory is dropping rapidly. If the Members will refer to that letter which I mailed them last Saturday, together with a copy of a letter from the Rubber Director, you will find that our inventory of crude rubber will be down to the very low figure of about 50,000 tons by the end of this calendar year. The Rubber Director says that to him it is unthinkable that we would liquidate any potential source of crude rubber under those conditions. I heartily agree with him. I do hope the House will vote to sustain the motion I have offered to recede and concur in Senate amendment No. 41.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield gladly.

Mr. PHILLIPS. It would be well to say that in terms of money and in simple language the amount involved in this appropriation will bring back, by harvesting the present crop, about three times the appropriation?

Mr. ANDERSON of California. Yes. I would like to point out that if the project is liquidated next year, the cost of the very small amount of rubber obtained will be in the neighborhood of $3 a pound. If we go through an orderly program of liquidating during the next 5 or 6 years we will reduce that cost to about 53 cents a pound, which is considerably less than we are now spending for the small amount of rubber that we get from South America.

Mr. Speaker, in my humble judgment the Senate has taken the proper course and the House should concur. If we had followed the excellent advice of General Eisenhower in 1930 we would not have been caught with our rubber pants down on December 7, 1941.

We can and should take a farsighted view of the rubber situation and move now to protect our country from future shortages and from the domination of the powerful British-Dutch rubber monopoly. All of us hope that the war in the Pacific will be speedily and successfully terminated and that our former sources of crude rubber will again become available. However, I do not share the beautiful optimism of those who seem to think that the rubber plantations will be left intact and ready to produce by the Japanese.

The United States is spending millions of dollars annually on research and experimentation in various fields of endeavor. Why not spend some of this money in an attempt to develop a critical product that is so essential to our domestic economy?

Under leave to extend my remarks, I wish to include the following letter from the Rubber Director:

WAR PRODUCTION BOARD,
Washington, D. C., June 17, 1944.

DEAR MR. CONGRESSMAN: I am informed that the conferees report on the appropriation bill for the Department of Agriculture for the fiscal year ending June 1945, may be under consideration shortly. I feel that Members of the House of Representatives should be advised of my recent testimony before various committees of the Congress.

I do not take any position on guayule as a commercial post-war crop but, as Rubber Director, I believe I would be derelict in my duty if I were to allow to pass without protest a decision that at this time would liquidate any supplies of crude rubber, whether growing in American fields, or in warehouses, as a result of operations in the jungles of South and Central America.

* * * In the meantime, we will be draining down our stock pile which is also too low today. We are down today to less than 115,000 tons of crude. We will be down to 55,000 tons by the end of the year. So, there is no question about the fact the we need crude rubber.

In view of the facts expressed above I sincerely trust that the House of Representatives will vote to adopt the Senate version of the section pertaining to the emergency rubber project. I am told that this would necessitate the House taking action to agree with the Senate on amendment No. 41.

Sincerely yours,

BRADLEY DEWEY,
Rubber Director.

The SPEAKER. The time of the gentleman from California has expired.

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent that I may extend my remarks and include therewith a letter which I received from Mr. Bradley Dewey, Rubber Director.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. TARVER. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Will the gentleman not yield me 5 minutes?

Mr. TARVER. Several Members have indicated a desire to speak in behalf of this motion, and, so far as I know, I shall take the only time in opposition to it. It seems to me that if the gentleman would be satisfied with 2 minutes, that would be sufficient.

Mr. POAGE. Of course, I will take whatever time the gentleman gives me, but the gentleman told me 10 days ago that I would be given 5 minutes. I did anticipate that is what I would have.

Mr. TARVER. If the gentleman is under the impression that I made such a statement to him I will yield him 5 minutes.

Mr. POAGE. Does not the chairman recall making that statement, because I asked him for 10 minutes and he said he would give me 5 minutes.

Mr. TARVER. I do not remember that. If the gentleman says I promised him 5 minutes I will yield him 5 minutes.

The SPEAKER. The gentleman from Texas is recognized for 5 minutes.

Mr. POAGE. Mr. Speaker, I will attempt to consume as little time as possible in calling the attention of the membership to the one question I think is involved in this guayule program. That is whether we are going to continue an important national insurance policy or whether we are going to let our insurance lapse for failure to pay the annual premium. I look upon our existing guayule acreage as the best and only insurance that we as a nation have against a complete lack of natural rubber. Possibly we will never need it. We hope we will not need it. We hope the war will be over; we hope our scientists will soon be able to produce synthetic rubber that will serve satisfactorily for all purposes without the admixture of any natural rubber. Unfortunately, we have no such synthetic rubber today. Just this morning I took a tire down to have it recapped. Much more important, you simply cannot build the tires needed for our B–29's and other heavy equipment with any synthetic rubber yet produced. It may be that next week someone will discover a new type of synthetic rubber, but I do not want to make our soldiers and sailors rely on such an uncertain event. We hope we never need to use an ounce of this guayule rubber; but, Mr. Speaker, I carry insurance, and so do most of the Members. At the same time, I never bought an insurance policy on which I wanted to collect. This Government may not have to use this guayule rubber, but just as surely as you need your life- and fire-insurance policies, just so surely does this Government need the insurance afforded by this 33,000 acres of guayule that the gentleman from Georgia would plow up. Unless the gentleman can give us some better guaranty as to the length of the war or the progress of future scientific development than he has been able to do, I think we would do well to pay the premiums on our rubber-insurance policy for another year.

The gentleman from Georgia would have us follow the bookkeeping of a man who would plant an apple orchard and at the end of 20 months go out and balance his books and determine he had spent a great deal more money planting his apple orchard than he had taken in in the production of apples from that orchard. That is exactly what we have in the case of guayule. We have a shrub that requires approximately 4 years for the minimum cycle of production. We knew it required that long when we planted it. We know that we cannot produce apples at the end of the first year. We knew we could not produce guayule at the end of 20 months in any appreciable quantities. I am not, therefore, very deeply impressed when the gentleman from Georgia tells us that the guayule project has not paid a profit. He will doubtless tell you that we have spent approximately $30,000,000. That is correct. We have spent that much on the natural-rubber projects of the United States. He will tell you that we have produced but a small quantity of guayule rubber. That is likewise correct. But nobody expected us to produce guayule rubber at the end of 20 months. We have actually done far better than we had a right to expect. We have our nurseries. We have our fields planted with 33,000 acres of guayule about 20 months old. If we leave it there approximately that much longer, we should be able to harvest from 25,000 to 30,000 tons of natural rubber just like this sample which I have here. I want the Members to notice that this is natural rubber. It is not synthetic rubber. We will be able to harvest natural rubber from that guayule which the conferees would have us plow up. We have produced substantial amounts of rubber already from the small acreage of old shrub which we bought from the Intercontinental Rubber Co., and we are today receiving very substantial shipments of guayule rubber from the wild shrub of old Mexico. Private companies own the Mexican guayule. They are not planning to plow any of it up. On the contrary, they are planting greatly increased acreages.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield.

Mr. ANDERSON of California. I wish the gentleman would bring out the fact that General Eisenhower, who is now leading the invasion, some years ago recommended guayule as a stand-by source of rubber for this country.

Mr. POAGE. I was just going to mention that very thing. I want to call attention to the fact that back in 1930, when General Eisenhower was a major in the United States Army, he was appointed to carry on a survey of the possibilities of the establishment of a reliable source of native rubber. After an exhaustive study of the subject he reported that guayule was the only practical source of native rubber in the United States, and recommended that we plant 400,000 acres of guayule. He pointed out that if we did that we would have insurance against exactly the situation that did develop.

The membership has seen the letter referred to by the gentleman from California written by the Rubber Director. As late as June 17, 1944, Hon. Bradley Dewey, the Rubber Director, said:

I believe I would be derelict in my duty if I were to allow to pass without protest a decision that at this time would liquidate any supplies of crude rubber * * *. We will be down to 55,000 tons (of crude rubber) by the end of the year. So, there is no question about the fact that we need crude rubber. In view of the facts above expressed, I sincerely trust that the House of Representatives will vote to adopt the Senate version of the section pertaining to the emergency rubber project.

In the face of such statements from those who know best about our needs and our supplies of rubber, I simply cannot vote to destroy this much-needed commodity even if I were to admit the authenticity of the gentleman from Georgia's system of bookkeeping whereby he charges all of the cost of planting an orchard to the second year's production to find whether or not the orchard was profitable.

Mr. Speaker, we are faced with a situation where we simply do not have enough natural rubber to guarantee us the successful termination of this war. Until we have the positive assurance—and I do not believe the chairman of the committee can give us that assurance, I do not believe the House itself can give us that assurance—but until we have the positive assurance that we are going to have all the natural rubber we need to make our synthetics useful, we cannot afford to let this guayule project lapse. Bear this in mind, that most of the synthetic rubber is not today useful unless it is mixed with some natural rubber. The Rubber Director tells us that our stock pile of natural rubber is getting very small and he is not able to assure us that next year and the following year there will be enough to mix even the minimum needed percentage of natural rubber with our synthetic rubber to make it useful. We have a great investment in synthetic plants. Unless we have a minimum quantity of natural rubber to mix with the synthetics we lose much of their usefulness. And remember that it is entirely possible that the 25,000 or 30,000 tons of natural rubber that those acres of guayule will produce may well make a quarter of a million pounds of synthetic rubber useful.

Mr. Speaker, I do not believe this House cares to take the tremendous responsibility of saying that we are going to stop this work, destroy it here today because perchance it is going to cost us two to five million dollars a year to keep it going. We have spent $30,000,000 on it. It seems to me that it would be very poor economy to scrap it just before it gets old enough to produce rubber in commercial quantities. I do not question the fact that the Appropriations Committee has gone into the matter of costs. I do not question that the cost per pound is high, but where can they get a reliable source of natural rubber at a lesser cost? All costs of war are high, but the highest war costs are those that result from an inadequate supply of needed equipment and supplies. No equipment is more vital than rubber. No supplies can flow by land, sea, or air without rubber. We simply cannot afford to be without it.

Mr. TARVER. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Speaker, it is very nice to hear the gentleman from Texas talk about that insurance policy, but we do know and are being told that we are getting toward the end of the war. We voted something along that line yesterday. Churchill thinks the war in Europe will end this year. The best military authorities say so.

There is nothing substantial in this program that will make the rubber available to us before the end of this war. We are not going to get any substantial help from it in prosecuting the war, and when the war is over we are going to have plenty of rubber from the East Indies. So what is the use of spending money on a program that will be of no use to us in the war effort, that will not be available to us until the war is over, and when it is over we shall not need it? That is the whole thing.

Mr. TARVER. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Speaker, I am supporting the amendment offered by the gentleman from California. Perhaps the guayule program should be curtailed, but it should not be abandoned. We must have rubber, and since the Japs have seized most of the natural rubber in the world, we must provide synthetic rubber, and also encourage the growth and processing of the native guayule. I am one of those who believe that Congress should give encouragement and support to the development of all our own natural resources, so that we may not be dependent upon any foreign country for the necessities of life we must have.

I represent the extreme western district of Texas. Much of mine is a semiarid country. In the so-called Big Bend of Texas and especially in and about Alpine, Marathon, Sanderson, and Fort Stockton, there is a considerable amount of guayule growing in its native state. There would be much more if the ranchers and landowners were given some encouragement to take care of and cultivate these plants to maturity. All experts now admit that the guayule plant has great value as a rubber producer. If the entire program is killed the incentive is gone.

After the last war a factory was built in my district, at the town of Marathon. It was a success until native rubber was imported at such a low price the company went broke. I think there are great possibilities in this field, and I beg you to vote for the amendment.

Mr. TARVER. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, just to get the situation clearly in mind, it is important to note that at the time we first authorized this guayule project it began with 60,000 acres. The War Food Administration claimed that too much lush acreage was being taken out of cultivation of food crops, and it was reduced to 31,000 acres.

When this bill was before the House we provided substantially $3,900,000 to put the guayule project on a liquidation basis and finally take it out of business. The Senate restored another million and a half to keep it going for another year on a maintenance basis and for the operation of an additional rubber mill.

I am going to support the motion offered by the gentleman from California [Mr. ANDERSON] to keep this project alive. I am doing so not because I have high hopes that guayule is going to give us the basis for a permanent rubber project—I do not believe that as a matter of fact, but with our crude-rubber stock pile, according to Col. Bradley Dewey, reduced to 55,000 tons by the end of the year, I do not believe we can take that chance. I am willing to abide by what Colonel Dewey says about it. He came before various committees of the House and Senate and made a real plea that this thing be kept going for a little while. That is one reason I am going along. The other reason is this: We are carrying on some rubber-development efforts in Brazil and in South America. We have now expended $81,000,000 in Latin America for rubber; $61,000,000 of that is in Brazil. The best calculations would indicate that this rubber will cost us $1 per pound. Rubber from guayule may cost us that much, maybe a little more, but we cannot take the chance not to have this guayule available to us. We should go along with the project on a maintenance basis for another year.

I may say in reply to the observation of my good friend and associate, the gentleman from Kansas [Mr. LAMBERTSON] that while there is every evidence that the victory will be won this year, yet it is a contingency. Our synthetic-rubber projects are getting on a good basis. This year we will be on a basis of about 864,000 tons annual production of synthetic rubber, but, as the gentleman from Texas [Mr. POAGE] pointed out, a certain amount of natural rubber has to be mixed with it, either from guayule or some other type of natural rubber in order to give it that resiliency and tensile strength in order to make it resist heat and friction. So my suggestion is that we should perhaps go along with this motion to recede and concur and give this project another chance, even though we may not believe it will prove the basis of a permanent rubber establishment in this country. It is in a sense an insurance project, and it is far better, in the light of our war needs of rubber, to be safe than sorry.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. TARVER. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Speaker, in the past there were many who did not believe that wheat, corn, sweetpotatoes, or blackstrap molasses could be used as a basis for synthetic rubber; however, you have been convinced that it could be and has been used effectively.

I am sure both you and I would prefer that this war end soon. I have some very close relatives in New Guinea and many other places. Not long ago four servicemen wrote their wills in blood. Their plane went down and they were captured by our enemy. They were injured and later they died. If we fail to provide the natural rubber that is essential to the production of synthetic rubber tires and your son or brother or any of our other servicemen lose their lives, when a tire blows out because it cannot stand the terrific pressure and heat, then you and I will be to blame.

We hope the Japs will leave some of those rubber bearing trees; we also hope there will not be a Jap left in that area, but in getting rid of the Japs we know that many, if not all, of the trees will be completely destroyed, too.

In my opinion and according to the agricultural men who are carrying on this project, it will increase in value in the next 12 months at least as much as the appropriations we make this year. I have no interest in it other than an interest in our country and servicemen. I am one of the four Members of Congress who went to California to investigate the guayule rubber program. There were two Republicans and two Democrats. Every one of us is a pretty close penny pincher, but we came back with a unanimous report and recommendation that this guayule rubber project should be continued as previously planned by the House Agricultural Committee.

I urge you to support the amendment offered by the gentleman from California [Mr. ANDERSON].

Mr. SIKES. Will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Florida.

Mr. SIKES. The gentleman realizes, does he not, that even if the war should end in Europe this year, and we certainly hope and pray it will, this will not open the rubber plantations in the Pacific?

Mr. WICKERSHAM. The distinguished gentleman from Florida is correct. There is not enough rubber, with all the rubber we are getting, to meet the essential needs much less all of the pressing demands. Furthermore, Bradley Dewey, the Rubber Director, has pointed out that the need for rubber immediately following the war will be greater than it is now. The president of the

Goodrich Rubber Co. has stated the same thing.

Mr. TARVER. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. JOHNSON].

Mr. ANTON J. JOHNSON. Mr. Speaker, I happen to be one of those four Members of Congress who made a very searching and thorough investigation of the guayule project in California and the Southwest. Ordinarily we are quite interested in our own districts, in getting things for our own district, but guayule has no place in the Midwest, where I live. Therefore my interest is national in this problem.

We had some very interesting witnesses before us from the large rubber companies and every one insisted that this should be maintained for the present at least and for the next few years. We had men from the research departments, from the Navy Department, technicians, technical men, and rubber experts, all of whom said it is necessary that we maintain this guayule rubber project for the next couple of years anyway. They gave us some very pertinent reasons for continuing this project, which reasons I cannot reveal at this time on account of their military nature.

You talk about the cost of this. May I pay a little tribute here to the Forestry Service, under the very able direction of Mr. Paul Roberts, Rubber Director out there. They have done a very marvelous job. They have reduced the old process cost of the Intercontinental Rubber Co. many millions of dollars. They have just developed a continuous process in place of the old batch method, saving many, many thousands of dollars. In 1942 they employed 3,000 Mexicans out there to do hand weeding. In 1943 they only employed 300 to do the same job. They have also developed a process for destroying the weeds with an oil spray which does not hurt the guayule plant.

Mr. TARVER. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Speaker, I hope the membership of this body will support the motion offered by the gentleman from California. Approximately 2 years ago it was my privilege to join with a subcommittee of a standing committee of this House which studied synthetic rubber. Testimony indicated the need for a synthetic rubber development in the United States.

Mr. Speaker, 1,800 pounds of rubber go into the construction of a 10-ton tank, more than 2,000 pounds go into the building of a Flying Fortress, and 150,000 pounds of rubber go into the fabricating of a warship. Rubber is a basic product in the material of fighting this mechanized conflict.

No one can say today during this debate, regardless of the utterances of Mr. Churchill, that this terrible struggle will end this year or next year. As Members of this legislative body we should do all that we can to see that there is a continuous flow of rubber products for the successful prosecution of the hard fighting yet to come.

I disagree vigorously with any man or any group in America who says now, as they have been saying, that after we have built our synthetic rubber industry in this country, when the war is over we should scrap it. I believe this Congress in its wise deliberations will deal with that problem sensibly at the proper time.

We must never again become dependent on foreign sources for rubber. No monopoly should exist, as it did prior to our entrance into the battle, when this country had no alternative but to buy from the British and Dutch. We paid the price, whatever it was at the time, for the rubber products or crude rubber shipped here from abroad. We can improve, and if necessary expand, our synthetic production to insure adequate supplies for the duration of the war, and for the increased peacetime consumption.

Mr. TARVER. Mr. Speaker, I yield such time as he may desire to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Speaker, I desire to announce that due to the limitations imposed by the House in reference to the meeting of the House Military Affairs Committee today, at the request of the War Department I have called a meeting of that committee for 9 o'clock tomorrow morning. I hope that all members will be on hand at 9 o'clock tomorrow morning at that meeting.

Mr. TARVER. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. OUTLAND].

THE GUAYULE APPROPRIATION

Mr. OUTLAND. Mr. Speaker, when this House voted to strike from the agricultural appropriation bill the funds to carry the guayule project on to completion and orderly liquidation, several of us on this floor pointed out that such a step, in our judgment, was an error. Not only had the Office of the Rubber Director stated that we still faced an acute rubber shortage in this country but, at the time the appropriation was cut out, a special subcommittee of the House Committee on Agriculture had been authorized to investigate the whole guayule situation and was planning an inspection trip to the experimental station at Salinas, Calif.

What is the situation today? Let us review that situation briefly. The Senate committee, after checking the facts, decided that it was a wise course to reinsert the funds for continuation of the guayule work and for its orderly liquidation over a period of years, as provided in the original appropriation bill. The Office of the Rubber Director remains of the opinion that we continue to face a rubber shortage, and certainly the tons which will be made available from this experiment should be harvested. Finally, the special subcommittee of the House Agricultural Committee has visited the project, has made a thorough study into the whole situation, and has come to the unanimous conclusion that the appropriation for guayule should be retained. Certainly, on the basis of all the evidence we have, including the recommendation of our own subcommittee, we should reinsert this appropriation.

It is needless for me to recite the history of the guayule program again to the membership of this House. That has been done several times on this floor, by the distinguished gentleman from California [Mr. ANDERSON], by myself, and by others. However, there are two or three points of special importance to which I should like once more to direct your attention.

The guayule project was an experiment. The need for knowledge about all aspects of it was tremendous. The scientific work which has taken place thus far has been in a sense preliminary to any later raising and processing of the shrub. Because of this fact, expenses have been higher than one would logically expect them to be from this point on. It is not fair, therefore, to judge the cost of producing guayule on the basis of the scientific groundwork which has thus far been laid. Experiments are continuing at the large station at Salinas; experiments in new strains and in new extraction processes which will provide the basis for lower and lower costs and for more profitable methods of production. Certainly it would be foolish suddenly to terminate this work, after we have already invested millions of dollars in it, just when the benefits of all the preliminary work are about to be realized.

We do not know how long this war is going to continue, especially the far eastern phase of it. It was from the Far East that the major portion of our natural rubber was obtained before Pearl Harbor. How long it will be before we can again get a normal supply from that source is problematical. Is it not common sense to hang on to what we have and to what will soon be available through guayule production? Is it not common sense also to carry through to completion the experimental work so that in case of future emergencies we shall have the knowledge necessary for providing a domestic rubber reserve?

This is a matter which is by no means limited to a single district or to a single State; it is Nation-wide in its importance and in its implications. I hope very sincerely that this House will follow the recommendations of our own subcommittee and the example of the Upper House and will restore the funds for guayule to the appropriation bill.

I thank the gentleman from Georgia, the distinguished chairman of the subcommittee, for granting me the time to make this brief statement.

LOS ANGELES, CALIF., *June 13, 1944.*

GEORGE E. OUTLAND,
House Office Building,
Washington, D. C.:

Believing that if at all possible America should never again find itself facing a shortage of strategic raw materials such as natural rubber, may I urge you to vigorously oppose amendment 41, emergency rubber of agricultural appropriation bill which provides final liquidation of the guayule rubber project by June 30, 1945. This is in disagreement with Senate version which contemplates continuation of project. House

amendment 41 also in disagreement with House approved amendment 42 emergency rubber appropriating $5,420,000 for expenditure in fiscal 1945 including the erection of one additional mill in 1945 and contemplates continuing the project and extracting the rubber over the next several years from the shrubs now in the plantations.

Nation's best informed rubber experts agree that shortage of natural rubber becoming more acute daily and that varying percentages of natural rubber necessary as mixture with synthetic to produce numerous essential rubber items. Guayule only available source for natural rubber production in America and with continued research which has already produced surprising results it would seem probable that natural rubber from guayule can be produced in America during post-war period at costs no higher than average of importations. During post-war period American agriculture likely to face most serious overproduction problems yet experienced when will greatly need tremendous expansion of new industries like guayule rubber. Indeed, abandonment and liquidation of this project during next fiscal year as specified in House approved amendment 41 might well prove national disaster if Pacific war long continued or certainly during post-war slump.

I am wiring you as a substantial farmer having studied and been interested in this guayule project for years. I am also manager of California Walnut Growers Association, one of Nation's largest farm cooperatives.

CARLYLE THORPE.

Mr. TARVER. Mr. Speaker, I yield 6 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, when the war opened we were unexpectedly short of many critical materials, one of which was rubber, because we had expected to be able to hold the East Indies.

This proposition first came before a subcommittee of the Appropriations Committee having to do with deficiencies and that committee, although appreciating the importance of developing a local source of crude rubber, was dubious about the expenditure of the enormous sum of money which would be required, with the prospects of so small a return in actual crude rubber tonnage. The committee would have rejected it even in that distressed time had it not been that one member of the committee at that time called attention to the fact that no one knew how long this war would last. Many men were saying it would be a 10-year war. Some said it might last a generation and, as he said, we might be referring 5 or 6 years from now to the current year as one of the early years of the war.

Upon the prospect of a long war, something like the chilling possibility of even a 10-year war, and only on that prospect, this committee finally agreed to start this ill-advised project. It was a great mistake. Practically every dollar we have put into it has been lost or wasted. Every dollar beyond liquidation we put into it from now on will be utterly wasted.

We are nearing the closing days of the war. We are going to have all the crude rubber we will need by next year.

As a result of our experience with this project the next time this matter came before the subcommittee they voted unanimously against giving it another penny.

Of course, we expect wastage in war, but this huge wastage at this time is unwarranted and unjustified. Not only did the Subcommittee on Deficiencies vote unanimously after a long study of over 2 years of this matter against appropriating a dollar for the purpose, but it was then referred to another subcommittee, the Subcommittee on Agriculture, under the jurisdiction of my good friend the distinguished gentleman from Georgia [Mr. TARVER], one of the most level-headed men who ever sat in this Congress. It was again given an impartial study.

We did not take into consideration the interest of some one section of the country or some individual district or some particular industry. We took into consideration the interest of the United States and the United States Treasury, and that committee also voted unanimously against putting another dollar into this program.

My friends, you will shortly be on your way to the hustings to give an account of your stewardship. Many of you will decry what you will term extravagant expenditure, high taxes, unnecessary Government activities, and bureaus, and your undying opposition to all of them. No one can go out and criticize unnecessary Government expenditure when he has voted for this unnecessary expenditure. No one can denounce large Government pay rolls when this amendment means more employees on the Government pay rolls in a useless waste of money. No one can complain about high taxes when this amendment will unnecessarily increase taxes. No one can condemn a multiplicity of Government activities when this amendment means continuing an unnecessary Government activity. If you expect to do any preaching in your campaign this fall now is the time to practice what you preach. And if there is any disposition to dispute that, you have the unanimous report of two different committees, both Democrats and Republicans, all of them testifying to the fact.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Kentucky.

Mr. MAY. How did the thing get up to the floor of the House then?

Mr. CANNON of Missouri. Another body put it in.

Mr. TARVER. Mr. Speaker, I yield myself 10 minutes.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from California.

Mr. ANDERSON of California. I would just like to point out for the information of the gentleman who previously addressed the House that, as far as my congressional district is concerned, there is not 1 acre of guayule in it, so I hope my attitude is as national as that of the gentleman from Missouri.

Mr. TARVER. Mr. Speaker, I have no interest in this matter other than the interest of every American citizen in our trying to do whatever is necessary to win the war, and at the same time conserving the financial resources of the Nation and preventing wasteful expenditures wherever that is possible.

The emergency rubber project has so far expended about $45,000,000. So far there have been processed 440 short tons of rubber. We are assured that if this program is continued in accordance with the motion made by the gentleman from California they will be able to process 700 short tons of rubber in the fall and winter of this year. You will find that information set out on pages 570 and following of the House committee hearings.

If you will examine those hearings—and I trust you may have the opportunity to do so before you vote to continue this wasteful expenditure—you will find that very little hope is offered for the production of rubber from this project to aid in the war program or, indeed, for several years after the probable end of the war by the experts who have testified before our subcommittee in regard to this matter.

The most optimistic prediction, as I recall—and the predictions have not always been in accord, even those made by the experts—is that if we continue the program for 7 years, ending in 1951, we will be able to secure by this expenditure of something over $5,000,000 a year, if we have good luck, 10,000 tons of rubber during the whole 7-year period, at an expenditure, in addition to the $45,000,000 which has already been spent, of about $35,000,000, or $3,500 a ton, or $1.75 a pound, for the rubber which it is hoped by the most optimistic might be recovered in the further prosecution of the program.

The estimate of the cost of producing rubber per pound has varied from $3, according to testimony given by Mr. Caswell before the deficiency subcommittee a couple of years ago, to estimates as low as 27 cents per pound by the most optimistic; that is, 27 cents per pound plus whatever may be obtained from the sale price of the rubber, which, of course, would run the price, according to this optimistic prediction, up to 50 or more cents per pound.

In 1932 natural rubber was being imported into this country and sold at 3 cents per pound. Guayule rubber contains 77 percent of the efficiency and value of this imported rubber. Of course, the 1932 prices were very low and probably much lower than would obtain under ordinary conditions. However, it is apparent, I think, that this is not an industry that can be maintained after the war, because the cost of the production of the rubber from guayule is so much greater than the cost of the importation of the much superior natural rubber that it would be impossible for such an industry to carry on in this country, unless the plan which has been formulated by some of the interested people, of having the Government guarantee the price of American-produced rubber at a level which will enable that rubber to compete with imported rubber, even though the cost of the imported rubber be only a fraction of the American-produced rub-

ber, is consummated. That is what they have in mind, to have the Government subsidize an American guayule rubber-producing industry. Some of the farmers in California have indicated their willingness to participate in this guayule program if they are subsidized in that way.

One thing is clearly apparent. The farmers of California have not been interested in the program as at present carried on. They demanded last year that the program be abandoned and that all of this fertile land which has been diverted to the production of the guayule shrub be restored to agriculture.

Mr. Jeffers, who was then Director of the emergency rubber-project set-up, transmitted his recommendation to the Congress that the program should be abandoned for the time being and the land restored to the farmers from whom it had been taken by purchase or by lease, for the production of essential agricultural commodities, and agreed that there was no excuse for the labor that was being used in the guayule-production project and the machinery which was being used being diverted from other uses more essential to the war.

Remember that last year they had first sent over an estimate of $56,000,000 for this project, but when Mr. Jeffers changed his mind and decided to turn these lands back to agriculture, they voluntarily reduced that estimate to $13,000,000, estimating that much because they thought they might not be able to turn back all of the 60,000 acres of land involved. They did, however, turn back 28,000 acres, leaving 32,000 acres still under Government control and use. Sixteen thousand acres of that 32,000 acres is irrigated land. Some of it, according to the hearings, is worth $800 per acre. It is exceedingly valuable land for agricultural production.

As I have pointed out, there is no chance of this program being of any benefit as far as the war effort is concerned. I think the backers of this project realize that fact. They are hoping that some kind of an industry may be set up which will be of use to agriculture after the war.

It is significant that after this program had been virtually abandoned last year they decided to engage in a different sort of activity. They have bought about 200 experimental plots in California, Texas, Arizona, and New Mexico. Apparently they located each of those plots close to a live chamber of commerce. The result has been that a tremendous interest has grown up in these several States in the attempt to develop an industry which might be of service to agriculture after the war.

I believe those who are leading the farmers and business bodies of those States to believe that that is possible are doing them a disservice instead of a service. I think that anyone who reads the hearings in relation to this subject matter must come to the conclusion that it is an absolute impossibility that any such industry should flourish after the war, and, further, that if it is carried on now it will be of very limited if any benefit whatever to the war program and certainly not of sufficient benefit to justify the expenditures involved.

If you want to continue to spend these large sums of money without appreciable result so far as the war program is concerned, that of course is your affair. I am merely expressing the views of the majority of the conferees in the hope that further wastage of funds in this activity may be prevented.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from California.

Mr. ANDERSON of California. The gentleman, as I understood him, made the statement to the House from the hearings before his committee that on the basis of $5,000,000 a year for the next 7 years the estimated return of rubber would be only 10,000 tons.

Mr. TARVER. I think that is probably a somewhat optimistic prediction.

Mr. ANDERSON of California. I have the figures the gentleman had before his committee, and they can be found in the hearings. At a steadily decreasing expenditure which will be less than $5,000,000 next year, less than $3,000,000 2 years hence, and down to $2,000,000 6 years hence, the estimated return in crude rubber will be 29,000 tons. I am sure the gentleman wants to be fair and does not desire to leave the wrong figures before the House.

Mr. TARVER. I want to be fair, but I was giving to the gentleman the consensus of the experts who testified before our committee. I do not recall that any of the several witnesses who appeared insisted that 29,000 tons of rubber could be recovered. My recollection is, as I stated, that 10,000 tons was the more optimistic prediction.

Let me point this out. In order to recover 350 tons of rubber you have to set up a $500,000 mill. The estimate which is sought to be approved here contemplates the purchase of another mill. They have one with which they can process 350 tons. If you provide this money, they propose to build another one at a cost of $500,000 with which they can process an additional 350 tons.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. TARVER. Mr. Speaker, I yield myself 4 additional minutes.

For every annual capacity production of 350 tons of rubber you will have to provide an additional mill at a cost of $500,000.

It is all right to say we need rubber. Of course, we need rubber. General Eisenhower in 1930—he was then a major of Infantry—made some investigation of the guayule rubber industry. His report is of no advantage as far as the present situation is concerned. In his report he points out that:

> The officers detailed on this inspection are not technically trained in rubber production. The inspection was for the purpose of gaining first-hand information of conditions as they now exist and impressions as to personalities—

And so forth. In his further report you will find that the general, then major, said that we ought to provide for a source of raw rubber in the event of possible trouble with Japan. He quoted almost entirely from officials of the Intercontinental Rubber Co. as to the prospects of this guayule experimentation, but he did recommend that it be continued. It was continued for 12 years by the Intercontinental Rubber Co. after that. They made a failure of it, then they got out and sold it to the Government at a big price. Now we are advised that they would not consider buying it back on any terms at all. They have washed their hands of it; they have gotten through with it.

The experimentation has been done. Everything that can be learned about making rubber from guayule has been learned. If on account of the activities of these chambers of commerce in California, Texas, New Mexico, and Arizona you want to continue a program here which offers no hope to them and less hope to the Nation, at an expense of some $5,000,000 plus per year, that of course is your responsibility. I am simply giving you my views as gathered from the evidence to which I have listened in connection with this matter.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Does the evidence taken before the gentleman's committee indicate what the cost of production of synthetic rubber is at the present time?

Mr. TARVER. It does, but I am unable to quote exactly the cost. It is of course very much less than the cost of the production of guayule rubber.

Mr. KEEFE. Did the evidence indicate what the cost of production of natural rubber that is being imported now from South America is in comparison with the cost of production of guayule rubber?

Mr. TARVER. Yes. That cost is very high, I may say to the gentleman, but so far as the war is concerned and war usage, it would not be a question in my mind of the cost of rubber which may be utilized during the war, but the point is that you cannot get any rubber out of this project to amount to anything during the war; 700 tons for this year, none last year, 440 tons in the winter of 1942–1943. There is no prospect of satisfying the need for rubber at any price out of this program.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from New York.

Mr. TABER. According to the way the hearings look to me, there are about 440 tons of rubber that might be harvested in the coming fiscal year. Is that about right?

Mr. TARVER. No. Four hundred and forty tons were harvested the first year of the program, none last year, and 700 tons will be harvested this fall and winter if we provide $500,000 to provide another mill.

Mr. TABER. Seven hundred tons would be 1,400,000 pounds. If $3,000,000 were appropriated, that would be a little over $2 a pound.

Mr. TARVER. It is more than $3,000,000, I may say to the gentleman from New York, because they are planning on using the $2,000,000 unexpended balance in addition to that, making the amount that they propose to use something over $5,000,000.

Mr. TABER. The amount that is directly appropriated would be $3,000,000, would it not?

Mr. TARVER. That is right. There is an unobligated balance of $2,000,000 which is available for expenditure, making the total amount in order to get 700 tons of rubber something over $5,000,000. I may say that with the appropriation as we carried it in the House bill they contemplated using the mill they have now and processing 325 tons, so we would get only 375 tons additional by the adoption of the gentleman's motion as far as this coming year is concerned.

The SPEAKER. The time of the gentleman from Georgia has again expired.

Mr. TARVER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from California [Mr. ANDERSON] to recede and concur in the Senate amendment.

The question was taken; and on a division (demanded by Mr. TARVER) there were—ayes 108, noes 20.

Mr. TARVER. Mr. Speaker, I object to the vote on the ground no quorum is present, and make the point of order there is no quorum present.

The SPEAKER. Evidently no quorum is present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 300, nays 43, not voting 87, as follows:

[Roll No. 99]

YEAS—300

Abernethy	Burchill, N. Y.	Dilweg
Allen, La.	Busbey	Dingell
Andersen, H. Carl	Butler	Dirksen
	Byrne	Drewry
Anderson, Calif.	Camp	Dworshak
Anderson, N. Mex.	Canfield	Eaton
	Carlson, Kans.	Eberharter
Andresen, August H.	Carrier	Elliott
	Carson, Ohio	Ellis
Andrews, Ala.	Carter	Ellison, Md.
Andrews, N. Y.	Case	Elsworth
Angell	Chapman	Elston, Ohio
Arends	Chenoweth	Engle, Calif.
Auchincloss	Church	Feighan
Baldwin, N. Y.	Clark	Fenton
Barrett	Clason	Fernandez
Barry	Clevenger	Fisher
Bates, Ky.	Cochran	Fitzpatrick
Beckworth	Coffee	Flannagan
Bender	Cole, Mo.	Fogarty
Bennett, Mich.	Cole, N. Y.	Fulmer
Bennett, Mo.	Compton	Gale
Bishop	Costello	Gallagher
Blackney	Cox	Gamble
Bland	Cravens	Gathings
Bloom	Crosser	Gavin
Bolton	Cunningham	Gearhart
Bradley, Pa.	Curley	Gerlach
Brehm	Curtis	Gilchrist
Brooks	D'Alesandro	Gillespie
Brown, Ga.	Davis	Gillette
Brown, Ohio	Dawson	Gillie
Bryson	Day	Goodwin
Buck	Delaney	Gordon
Bulwinkle	Dewey	Gore
Gorski	Lesinski	Rowan
Gossett	Luce	Rowe
Graham	Ludlow	Russell
Grant, Ala.	McConnell	Sabath
Grant, Ind.	McCowen	Sadowski
Gregory	McGehee	Sasscer
Griffiths	McGregor	Satterfield
Gross	McKenzie	Sauthoff
Gwynne	McMillan	Scanlon
Hall, Leonard W.	Maas	Schiffler
	Madden	Schwabe
Hancock	Mahon	Scott
Hare	Manasco	Scrivner
Harness, Ind.	Mansfield, Mont.	Shafer
Harris, Ark.		Short
Hart	Marcantonio	Sikes
Hartley	Martin, Iowa	Simpson, Ill.
Hays	Martin, Mass.	Simpson, Pa.
Hébert	Mason	Smith, Maine
Hendricks	Merritt	Smith, Wis.
Hess	Michener	Somers, N. Y.
Hill	Miller, Conn.	Sparkman
Hinshaw	Miller, Nebr.	Spence
Hobbs	Miller, Pa.	Springer
Hoch	Morrison, La.	Stanley
Hoeven	Mott	Starnes, Ala.
Hoffman	Mruk	Stefan
Holifield	Mundt	Stevenson
Holmes, Mass.	Murphy	Stigler
Holmes, Wash.	Murray, Tenn.	Stockman
Hope	Murray, Wis.	Sullivan
Howell	Myers	Sumner, Ill.
Hull	Newsome	Sumners, Tex.
Izac	Norman	Talle
Jackson	Norton	Thomas, N. J.
Jarman	O'Brien, Mich.	Thomas, Tex.
Jeffrey	O'Brien, N. Y.	Thomason
Jenkins	O'Hara	Tibbott
Jennings	O'Konski	Tolan
Jensen	O'Toole	Troutman
Johnson, Anton, J.	Outland	Vincent, Ky.
	Patton	Vinson, Ga.
Johnson, Ind.	Peterson, Fla.	Voorhis, Calif.
Johnson, J. Leroy	Philbin	Vorys, Ohio
	Phillips	Vursell
Johnson, Lyndon B.	Pittenger	Wadsworth
	Poage	Walter
Johnson, Ward	Poulson	Ward
Jones	Powers	Wasielewski
Jonkman	Pracht, C. Frederick	Weaver
Judd		Welchel, Ohio
Kearney	Pratt, Joseph M.	Weiss
Kee		Welch
Keefe	Priest	Wene
Kefauver	Ramey	West
Kelley	Ramspeck	Wickersham
Keogh	Randolph	Willey
Kilday	Rankin	Wilson
King	Reed, Ill.	Winstead
Kinzer	Richards	Winter
Kirwan	Rivers	Wolcott
Kleberg	Rizley	Wolfenden, Pa.
Kunkel	Robertson	Wolverton, N. J.
Lane	Robsion, Ky.	Woodruff, Mich.
Lanham	Rockwell	Worley
Larcade	Rodgers, Pa.	Wright
Lea	Rogers, Mass.	Zimmerman
LeCompte	Rolph	
LeFevre	Rooney	

NAYS—43

Bates, Mass.	Kerr	Rohrbough
Beall	Knutson	Sheppard
Buffett	Lambertson	Slaughter
Burgin	McCormack	Smith, Ohio
Cannon, Mo.	McWilliams	Smith, W. Va.
Celler	Maloney	Snyder
Cooper	May	Sundstrom
Courtney	Monkiewicz	Taber
Crawford	Monroney	Talbot
Doughton	Norrell	Tarver
Durham	O'Brien, Ill.	Whittington
Folger	O'Neal	Wigglesworth
Forand	Ploeser	Woodrum, Va.
Johnson, Okla.	Rees, Kans.	
Kean	Robinson, Utah	

NOT VOTING—87

Allen, Ill.	Chiperfield	Fuller
Arnold	Colmer	Furlong
Baldwin, Md.	Cooley	Gibson
Barden	Dickstein	Gifford
Bell	Dies	Granger
Bonner	Disney	Green
Boren	Dondero	Hagen
Boykin	Douglas	Hale
Bradley, Mich.	Elmer	Hall, Edwin Arthur
Brumbaugh	Engel, Mich.	
Buckley	Fay	Halleck
Burch, Va.	Fellows	Harless, Ariz.
Burdick	Fish	Harris, Va.
Cannon, Fla.	Ford	Heffernan
Capozzoli	Fulbright	Heidinger
Herter	McLean	Price
Horan	McMurray	Rabaut
Johnson, Calvin D.	Magnuson	Reece, Tenn.
	Mansfield, Tex.	Reed, N. Y.
Johnson, Luther A.	Merrow	Sheridan
	Miller, Mo.	Smith, Va
Kennedy	Mills	Stearns, N. H.
Kilburn	Morrison, N. C.	Stewart
Klein	Murdock	Taylor
LaFollette	O'Connor	Torrens
Landis	Pace	Towe
Lemke	Patman	Treadway
Lewis	Peterson, Ga.	Whelchel, Ga.
Lynch	Pfeifer	White
McCord	Plumley	Whitten

So the motion to recede and concur was agreed to.

The Clerk announced the following pairs:

Until further notice:

General pairs:

Mr. Buckley with Mr. Miller of Missouri.
Mr. Disney with Mr. Taylor.
Mr. Capozzoli with Mr. Calvin D. Johnson.
Mr. Mansfield of Texas with Mr. Reed of New York.
Mr. Dickstein with Mr. Arnold.
Mr. Harless of Arizona with Mr. Engel of Michigan.
Mr. Fay with Mr. Elmer.
Mr. Whitten with Mr. Plumley.
Mr. Torrens with Mr. Brumbaugh.
Mr. Fulbright with Mr. Fuller.
Mr. Heffernan with Mr. Treadway.
Mr. Mills with Mr. Kilburn.
Mr. Kennedy with Mr. Halleck.
Mr. McCord with Mr. Dondero.
Mr. Lynch with Mr. Merrow.
Mr. Peterson of Georgia with Mr. Fish.
Mr. Klein with Mr. Douglas.
Mr. Rabaut with Mr. Bradley of Michigan.
Mr. Pfeifer with Mr. Heidinger.
Mr. McMurray with Mr. Gifford.
Mr. Magnuson with Mr. Towe.
Mr. Baldwin of Maryland with Mr. LaFollette.
Mr. Sheridan with Mr. Hale.
Mr. Bell with Mr. Reece of Tennessee.
Mr. Murdock with Mr. Stearns of New Hampshire.
Mr. Pace with Mr. Hagen.
Mr. Furlong with Mr. Fellows.
Mr. Barden with Mr. Horan.
Mr. Luther A. Johnson with Mr. Lemke.
Mr. Boykin with Mr. Herter.
Mr. Cannon of Florida with Mr. Burdick.
Mr. Burch of Virginia with Mr. Landis.
Mr. Colmer with Mr. Chiperfield.
Mr. Cooley with Mr. McLean.
Mr. Granger with Mr. Lewis.
Mr. Smith of Virginia with Mr. Edwin Arthur Hall.

The doors were opened.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 60: Page 67, line 18, beginning with the words "*Provided further*", strike out the balance of line 18 and lines 19 to 25, and page 68, strike out lines 1 to 17, inclusive.

Mr. TARVER. Mr. Speaker, I move that the House further insist upon its disagreement to Senate amendment numbered 60.

The Clerk read as follows:

Mr. TARVER moves that the House further insist on its disagreement to Senate amendment No. 60.

Mr. COCHRAN. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. COCHRAN moves that the House recede and concur in Senate amendment No. 60.

Mr. LAMBERTSON. Mr. Speaker, I ask for a division of the question.

The SPEAKER. The gentleman may have that.

Mr. TARVER. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, there is not an individual in my congressional district affected by this amendment. I am simply trying to help out in a very difficult situation.

When this matter came before the House I analyzed the amendment and came to the conclusion that it denied to the people of the Agricultural Department the right of free speech and the right of petition. I concluded that the amendment and the Harness amendment should not be in the bill. There is not another appropriation bill which carries an amendment of this character nor one that ever did.

I consulted the Comptroller General to find out if my analysis was correct. I took the position that they could not pay the Department of Agriculture employees unless there was a clearance every month in the form of a statement or affidavit that the employee had not violated the provisions of this amendment. It must be remembered, Mr. Speaker, that the employees of the Department of Agriculture are subject to the Hatch Act and also subject to the Corrupt Practices Act. Mr. Warren, Comptroller General, wrote a letter to the chairman of the committee in the Senate, advising him that it was his opinion that if the amendment stayed in the bill the disbursing officer would be required to have a clearance from every official and employee of the Department monthly.

Mr. HARNESS of Indiana. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. The gentleman certainly does not condone the action of these Triple A people out in the field who are trying to force the farmers to join programs they do not want to join in order to be deferred from the draft or to get any kind of rationed articles. Does the gentleman condone that practice?

Mr. COCHRAN. I will answer the gentleman in this way: I will do everything in my power to assist the gentleman and other Members of this House to bring about the discharge of any employee who is guilty of any of the charges that were made on this floor.

Mr. HARNESS of Indiana. How are you going to do it any other way than we have provided in this bill? This has acted as a deterrent. You have not heard these complaints since we inserted this amendment in the bill.

Mr. COCHRAN. You can do it under the Hatch Act.

Mr. HARNESS of Indiana. No. You cannot reach them under the Hatch Act.

Mr. COCHRAN. Then place them under the Hatch Act. I will repeat what I said. I will do anything that I can to prevent any employee of the Department of Agriculture guilty of the charges that were made on the floor engaging in that kind of conduct and I will insist that they be discharged if they do. That answers the gentleman's question. But the gentleman has tried to meet this situation in a way that he is punishing 99 percent of the employees of the Department of Agriculture for the act of 1 percent. I understand this amendment was not recommended by the subcommittee. It was put in by the full committee when it considered the bill.

Mr. DIRKSEN. The gentleman is entirely mistaken.

Mr. COCHRAN. I accept the correction. The gentleman should know. I do know that some members of the subcommittee are not in favor of this amendment and never were in favor of the amendment.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from New York.

Mr. TABER. The Harness amendment was put in on the floor, because the House knew that it had to be done.

Mr. COCHRAN. I agree with the gentleman; it was put in on the floor, but the original amendment was not put in on the floor. It was put in by the full committee.

Mr. TABER. It was put in by the subcommittee.

Mr. COCHRAN. All right, by the subcommittee. In any event, you place an amendment in this bill that is found in no other appropriation bill, and never was contained in any other appropriation bill. If any Member has a solution, I am perfectly willing to withdraw the motion.

As I said before, there is not a single individual in my district who is affected by this amendment. I am just trying to help out. I know the Comptroller General is greatly disturbed by this amendment. He told me he was.

Mr. HARNESS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. We have had the Hatch Act in effect for how many years now?

Mr. COCHRAN. I do not know, but several years.

Mr. HARNESS of Indiana. It has been on the statute books for at least 2 or 3 years, and yet this practice has been indulged in. We have proved it on the floor of this House. You cannot depend on the Hatch Act to stop it. This is the only means of stopping it, and if we leave this amendment in the bill, it will be stopped.

Mr. COCHRAN. Is the gentleman going to require 99 percent of the employees of the Department of Agriculture to make an affidavit every month in order to get their pay?

Mr. HARNESS of Indiana. I would rather have every employee of the Department of Agriculture make an affidavit every month than to permit them to continue to impose upon the farmers of the country as they have in the past.

Mr. COCHRAN. I heard the speech of the chairman of the Committee on Appropriations who stated that two employees of the Department had visited his district. Does the gentleman mean to tell me that the Appropriations Committee, with the chairman at the head of it, could not go to the Department of Agriculture and get the Secretary to stop the practice?

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Georgia.

Mr. RAMSPECK. May I say to the gentleman from Indiana that in my judgment, if what he says is true and has happened, it is the fault of the management of the agency, and that this amendment should be directed to the head of the agency, and he ought to be fired if he does not stop it. Do not deprive the employees of their rights simply because the management of the agency has failed to curb one or two employees who may have done wrong.

Mr. COCHRAN. It is my purpose now to analyze this amendment.

First, it prohibits any employees of the Department of Agriculture from engaging in any political activity or lobbying activity—including but not limited to making or soliciting contributions to campaign funds of political parties or to any organization, association, corporation, or individual for the purpose of aiding or influencing the election or defeat of any candidate for political office.

This goes so far that if an individual had a brother or sister employed by the Department of Agriculture and he or she was a candidate for any political office from constable up, it does not have to be a Federal office, that individual is prohibited from lending the relative any financial support or asking any individual to vote for the candidate. The activity would be confined solely to the vote of the employees.

Second. Further analyzing the part of the amendment that I have quoted, no official or employee of the Department of Agriculture could attend a Jackson Day or a Lincoln Day dinner, or any kind of a meeting where any part of the cost would divert to a political party, or to any organization or association that would be actively engaged in politics.

No official or employee of the Department would be permitted, under other provisions of this amendment, to contribute an article or write a letter to any newspaper or other publication expressing his or her views in reference to any candidate for any political office.

Further, there is a provision that prevents any employee of the Department taking any action whatsoever in reference to any legislation pending in Congress, be it an appropriation or any other kind of legislation.

There is another provision that prevents any employee from visiting a Member of Congress or talking to a Member of Congress over the telephone in reference to any matter in which he or she might be interested.

If this is not denying the right of petition to the officials and the employees of the Department, I do not know what the language means. The amendment is

so worded that unless a Member of Congress or a committee of Congress requested information from an individual in the Department, or the Department itself, the information could not be furnished.

The Harness amendment relates solely to per diem employees and provides that no part of the money can be used to pay them if personally, or by letter, he or she demands that a farmer join the A. A. A. program as a condition of draft deferment or for the granting of a priority certificate for any rationed article or commodity.

In view of what has been said by various Members of Congress relative to the activity of those in control of the A. A. A. program, I would not offer any objections to that proviso, but I do object to the general language that was placed in the bill by the committee, which covers every official and employee of the Department.

I cannot see how the House of Representatives can place such restrictions upon 99 percent of the employees of the Department of Agriculture simply to reach 1 percent whom they accuse of activities which the Harness amendment proposes to prohibit.

Freedom of expression and the right of petition are guaranteed by the Constitution and the House of Representatives should not attempt by legislation to set aside these guaranties.

Mr. TARVER. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Speaker, I voted for this amendment when it was offered to the bill, and I see no reason for changing my views. Let me say to the gentleman from Missouri that the Hatch Act has not done the business. It was necessary to write this provision into the act in order to correct an evil that has been growing by leaps and bounds. Within the month I have had letters from farm constituents complaining that they could not get an allocation of sufficient gasoline, nor could they get tires, unless they agreed to join the Triple A and the program for crop control.

There is no question but what this provision should stay in the bill. If we vote to take it out, then we lay ourselves open to censure by those who believe that this Government should not be run by petty bureaucrats and crackpots.

Mr. TARVER. Mr. Speaker, I yield 6 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, the proviso for placing a restriction on political activities and lobbying activities on those who are on the Federal pay roll, particularly in the Department of Agriculture, was inserted in this bill by the subcommittee. It was approved by the full committee. It was approved by the action of the House.

The bill went to the Senate. This item was stricken from the bill by the Senate Committee on Agricultural Appropriations. It was reoffered on the Senate floor by Senator DANAHER in slightly revised form. It was voted down on the floor of the Senate—if I may trespass on the rules long enough to get this story before the House—on the 17th day of May, by probably a strict party vote, at least so the RECORD indicates. That is the whole story about this amendment.

Should it remain in the bill or should it be deleted? The chairman of our subcommittee offers a motion that the House further insist on its disagreement. That is the thing we should do. The gentleman from Missouri [Mr. COCHRAN] proposes that we recede and concur. In my judgment that is the thing we should not do.

If we are going to preserve clean politics and develop an atmosphere where we get away from pernicious political activities on the part of any person who has a vested interest in the Federal pay roll because he has a job, then there must be a restriction, similar to that proposed by the subcommittee.

The gentleman says that the Hatch Act applies. That statement was also made in another body. But let me point out to you that on the 6th day of January 1941, Mr. Mastin White, then Solicitor of the Department of Agriculture, said:

> It is the opinion of this office, therefore, that the officers, committee members, and employees of the county agricultural conservation associations are not officers or employees of the United States within the meaning of section 9 of the Hatch Act.
>
> From this it would appear that the Hatch Act does not apply to all persons who serve in agricultural functions.

That is the Solicitor's opinion; not mine.

It occurs to me that there ought to be an interdiction on those political activities. We have restrictions, of course, on lobbying the Congress on appropriations, and that sort of thing. That act was put on the books long ago and it is known as the Antilobby Act. It was enacted after the First World War, when a rather surcharged pay-roll lobby attempted to persuade the Congress on every piece of legislation that came along. Too often it is freely violated. There have been some violations.

Here is a photostatic copy of a letter which our investigators obtained from the files of the Department of Agriculture pertaining to the dismissal of Mr. Schooler, regional director of the Agricultural Adjustment Administration for the west central region. He was fired by Chester Davis for those activities. In my office, too, is a file of photostats that we obtained from the Department of Agriculture which indicates many abuses, many meetings, many telegrams sent at Government expense, that seek either to persuade Congress to a course of action, or go into some kind of political activity against Members of this body.

If we are going to preserve clean politics, then obviously those who have that vested interest in the pay roll should, to some degree, at least, be restricted from operating as sort of a great governmental political machine. I know of no other way to do it effectively in the light of this opinion of the Solicitor of the Department of Agriculture in 1941 than to retain this interdiction in the present bill.

That is the whole story in a nutshell. I hope that the proposal offered by the gentleman from Missouri [Mr. COCHRAN] will not prevail. I trust that the motion made by the gentleman from Georgia, Judge TARVER, chairman of the subcommittee, will prevail, and that the House will insist, and that we get some kind of action on this problem.

An examination of the legislation which has been enacted over the years with respect to elections and the exercise of the voting right indicates the same common pattern, namely, the preservation of the voting right free from influence, domination, interference, or coercion. In fact, the language of the Hatch Act speaks of the right to choose officials without interference. The original Corrupt Practices Act under which candidates for Federal office must file statements of receipts and expenses and the inhibitions against contributions by corporations chartered under Federal law are all designed to keep our elections free and representative and uninfluenced by some dominating influence. In the light of that pattern, why should those who have an interest in the Federal pay roll and in the perpetuation of the administration which provided them with a job not come under some reasonable restriction so that pressure in the form of political activity cannot be exercised to influence the course of an election? This is the very theory of the Hatch Act and since it is impossible for this House to legislate in an appropriation bill, no other course is available than to provide a restriction on the appropriations whereby those engaged in such political activities are prevented from drawing pay out of the Federal Treasury.

When all is said and done, they are the recipients of public funds and, therefore, have no fair right to engage in that type of political activity which, by the letter and spirit of the Hatch Act, has been outlawed. They have their choice. They can leave the Federal pay roll if they like and become politically active. It does not restrict their right to vote; it does not restrict their right to talk politics privately and freely; but political activities in the accepted sense as interpreted by the Civil Service Commission are restricted. That is what this, in fact, does.

Mr. CARLSON of Kansas. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Kansas.

Mr. CARLSON of Kansas. I think this amendment is for the protection of a large group of people who do not care to be forced into political activity, which they have been, and I do not think that is an idle statement.

Mr. DIRKSEN. The gentleman is exactly right. It is oftentimes so easy for one in a position of authority to impress his will on his subordinates. We can protect those people on the pay roll by preserving this interdiction. When the first vote comes on the motion of the gentleman from Missouri, I hope that it will

be voted down and that we will maintain the committee's position.

Mr. TARVER. Mr. Speaker, I yield one-half minute to the gentleman from Kentucky [Mr. SPENCE].

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942

Mr. SPENCE. Mr. Speaker, I ask that the conferees on the part of the House have until midnight tonight to file a conference report on the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1945

Mr. TARVER. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. O'TOOLE].

Mr. O'TOOLE. Mr. Speaker, I am very proud to say that when the Hatch Act was before this House I voted against it and spoke against it. I thought at that time that it was one of the most peculiar pieces of demagoguery and hypocrisy that had ever been brought into this body. There is not a man in this body that some time or another in addressing the Kiwanis Clubs or high school graduation exercises has not said it is the duty of every citizen to participate in the politics of this country. Yet you would cut off a large segment of our population from taking part in the body politic. Why not cut out the farmers, who receive subsidies and other moneys from the Government? Why not cut out those people who work on the roads, who also receive their checks from the United States Treasury? Let us not adopt a holier-than-thou attitude. Let us be practical and give to every American citizen the right to have an active say in his own Government.

Mr. TARVER. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. HARNESS].

Mr. HARNESS of Indiana. Mr. Speaker, I doubt if there is a single man or woman in this House who will condone the practice of some of the Triple-A agents in the field of saying to the farmers of this country, "If you want draft deferments or if you want a rationed article or commodity, you must join the Triple-A program whether you believe in it or not." That is reprehensible, and you agree with me when I say that. This amendment will stop that practice. If you want to protect this Triple-A program and the honest men and women who are participating in it, you had better go along with this amendment.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Illinois.

Mr. DIRKSEN. May I say for clarification that when the Senate struck out the so-called antilobby provision it also struck out the amendment offered by the gentleman from Indiana on the floor, which he refers to at the present time.

Mr. HARNESS of Indiana. That is right.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Missouri.

Mr. COCHRAN. Is this confined to the Triple A program?

Mr. HARNESS of Indiana. Yes.

Mr. COCHRAN. Then why does not the gentleman offer a motion to recede and concur with an amendment and apply it to the Triple A alone?

Mr. HARNESS of Indiana. This applies to the Triple A program in the Agricultural appropriation bill. It is the only way that I know you can reach it.

Mr. COCHRAN. On the other hand, you are penalizing every other employee.

Mr. HARNESS of Indiana. You are not penalizing anyone unless they violate the law. My good friend, the gentleman from Georgia [Mr. RAMSPECK], awhile ago said, "Why do you want to penalize all of the employees of the Agricultural Department?" This does not do that at all. It is not going to penalize a single individual unless he indulges in the practice that we are denouncing here today.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Georgia.

Mr. RAMSPECK. If the gentleman will make his amendment apply the Hatch Act to the people whom the gentleman from Illinois [Mr. DIRKSEN] says are not covered, I will vote with him, but he is applying this penalty, which goes far beyond the Hatch Act as I understand it, to a group of people who the gentleman does not even claim have attempted to violate any regulation at all.

Mr. HARNESS of Indiana. The gentleman is such an astute lawyer that he knows that statement is incorrect. He knows that this does not apply to anyone except that small group throughout the country who have been violating the law. The Triple A program has agents in every county in the United States. In the 10 counties that I represent, every county has an organization of the Triple A. Most of these men are good, honest, conscientious people who would not indulge in this practice. We have a few, however, in my district and in other districts, who have been forcing the Triple A program on unwilling farmers who apply for draft deferment and rationed farm machinery or gasoline. These are the men we want to reach by this amendment. We have taken it up with the heads of the agencies, as the gentleman from Missouri suggested awhile ago. They appear to be helpless in the matter. They say, "We did not know this was going on, but how are we going to stop it?" This amendment will stop it, and I hope you will vote down the motion offered by the gentleman from Missouri.

Mr. TARVER. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Speaker, the average man working for increased food production, and I do not care whether he is an A. A. A. man or any other man with an Agricultural Extension position, does not care to be mixed up in partisan politics. He may have his opinions and he is entitled to them just as much as anyone here has to his political opinions. The great majority of these men do not want to be involved in partisan politics. The reason I supported this measure when it was here on the floor before is that from my observation I am convinced that the little fellow does not care to be in politics. He has been following bad advice from a superior or from superiors.

Mr. Dodd has made every effort to prevent politics in his department. Mr. Evans, the A. A. A. Administrator before Mr. Dodd, was also opposed to political activities. A few men have no doubt become involved in political activities and have not cooperated with other Federal agencies working for increased food production.

What do you suppose is the reason given for noncooperation?

The answer every time—and I believe them, for they are men I have known—was that they got the order from on high, so they should not be criticized for doing something they had orders to do.

If you pass this amendment, these little fellows that are out in the byways and the byroads on the farms will not be forced by anyone in a higher office to do things and carry on political activities they do not want to carry on and in which they know they should not be engaged. For that reason, I hope we maintain the position the House took when this agricultural appropriation bill was up for consideration before.

Mr. TARVER. Mr. Speaker, I yield 6 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, may I be permitted to say just a word for those Members of the House who are unfortunate enough to serve on the Committee on Appropriations? And may I say they have been particularly unfortunate in the last 2 years? Their task—always a difficult one—has been especially difficult during the War Congress when all nonwar expenditures were necessarily being reduced or discontinued. It is much easier to give everybody the appropriations they want. It is much more pleasant to be a good fellow and say, "Why, certainly, we will report out your appropriation. How much do you want?" than it is to be a grouch and be always saying, "No, we have to save some of the taxpayers' money. We cannot appropriate everything there is in the Treasury. We must somewhere at some time in some way exercise just a little economy."

That is the primary issue in this amendment. It was the elementary and unavoidable necessity of retrenching nonwar expenditures and reducing nonmilitary appropriations that brought about the situation giving rise to this provision in the bill.

The war has entirely changed our national fiscal system. Before the war when the United States was the richest nation on earth, with enormous resources and vast revenues and the American people entertained a great and growing interest in the social phases of government, we appropriated for all departments an ever-increasing flood of funds and contractual authority. Each year appropriations were higher and expenditures more lavish for innumerable new activities until the totals reached stupendous sums of money.

And every new agency and each additional activity created and financed grew like proverbial trees from little acorns. Each agency and every employee reached out constantly for more money, more authority, wider jurisdiction, more employees, and additional prerogatives. Government budgets mushroomed and pyramided and skyrocketed.

Even before the war we had begun to realize that this could not go on forever; that there must be a limit somewhere; but no stopping place could be found and taxes and expenditures raced each other until we were brought suddenly up against the necessity of diverting all energies and resources to arming the Nation for war. The first war need was money. And the first casualties of the war were the nonwar expenditures. Every expenditure not directly contributory to the war program was cut to the bone.

Of all the departments which had enjoyed rapid growth and expansion the Department of Agriculture was probably the most favored. And naturally when it became necessary to retrench civil expenditures the budget of the Department of Agriculture was decreased in proportion to its previous expansion. The total appropriation for the Department of Agriculture at its highest was in excess of $1,000,000,000 per annum. In cash appropriation it is now about half that amount. We made the cut regretfully, but it was inevitable. In the greatest war in history, with the survival of our form of government at stake, guns and planes and tanks and ships came first.

But the employees in the Department did not take kindly to the reduction in their appropriations and the curtailment of their activities. They not only protested but they organized and they organized for political activity.

They sent three men over my district, Victor M. Robb, Paul Dubboert, and one other whose name I have forgotten. These three men traveled over my district on Government pay and at Government travel expense and contacted the agricultural committeemen of the district. They told them I was working against the farmers' interest; that I was trying to destroy the A. A. A. and the F. S. A.; that I was the greatest enemy of the farmer had in Congress.

Such efforts at political activity originating here in Washington—these three men said they were acting under orders from their superiors—strike at the foundation of representative government. They threaten the most jealously guarded prerogative of the Congress, the control of the national purse strings. Whenever a Government department or bureau or other agency can threaten or coerce or intimidate Members of Congress to the extent of dictating their own appropriations, our form of government is in danger. And that is exactly what they were trying to do. These men did not know me personally. I never saw them to my knowledge. I had had no correspondence with them. They were civil-service employees of the Department of Agriculture. Their only information was secured from an order issued by someone here in the Department of Agriculture in Washington to proceed, at Government expense, to bring political influence to bear on me at home to force me to increase departmental appropriations.

The power of such a political organization can be understood when it is remembered that these men have represented the Government in making loans and grants of Federal money to a large part of the people of the average congressional district. They appeal to the beneficiaries of their largess and to their hope of future loans and grants. No more potent political machine can be devised.

As explained when this provision in the bill was last before the House, I did not draw it. I did not suggest it. But as it is now under consideration I give you my own experience for what it is worth. It is of no personal consequence to me. The people at home know, and the Members of this House know, my attitude toward agriculture. And the efforts of these three industrious gentlemen fell on barren soil. But that was not their fault. It was not the fault of the organization here in the Department which directed their efforts. This paragraph in the bill will discourage such activities, will protect Congressmen when they consider it necessary to reduce expenditures or deny new appropriations.

This provision has the unanimous approval of the subcommittee and the whole Committee on Appropriations. The gentleman from Georgia, Judge TARVER, told me just now that he put the question but did not vote for it. He did not vote against it. An attempt was made to take this clause from the bill when it was last before the House. Another attempt is now being made to take it from the bill. To take it from the bill would be to encourage Government employees to organize and intimidate Members of Congress and dictate the amount of the funds which will be turned over to them for their expenditure. And no department of the Government has ever yet been given as much money as it wanted.

I ask the Members to support the subcommittee and the Committee on Appropriations; to support the action of the House when it passed this bill and to support the managers on the part of the House on the conference committee. This proposition has received an overwhelming majority every time it has been voted on at every stage of its consideration. I trust the House will vote down the motion of the gentleman from Missouri [Mr. COCHRAN] and support the committee.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. TARVER. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. JEFFREY].

Mr. JEFFREY. Mr. Speaker, the practices which this amendment is designed to curb are current today. Last Friday I placed in the RECORD a written statement signed by 63 Montgomery County, Ohio, farmers, which states affirmatively over their signatures that representatives of the A. A. A. had suggested to them openly that it would be easier to obtain deferments for their sons, and that they would get greater allowances of gasoline with which to operate their farms and farm equipment, if they joined this organization. With that statement I placed in the RECORD 3 affidavits, signed by some of these farmers who used the names of the A. A. A. representatives who were guilty of these practices. They appear on page A3073 of the Appendix of the RECORD. It is high time that this House affirmatively and definitely stopped these practices.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. TARVER. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Speaker, I just want to make my position on this matter perfectly plain. I voted for the Hatch Act and I still believe that any employee of this Government who expects to make a career of the Government service must give up some political rights. I would be perfectly willing to have the Hatch Act extended, or an amendment added to this bill which provided that any employees who are not covered by the Hatch Act, as alleged by the gentleman from Illinois [Mr. DIRKSEN] be covered by it. But the objection which I have to the provision under discussion is that it is undertaking to legislate on an appropriation bill about a matter, the jurisdiction of which belongs to the legislative committees; that it is penalizing employees of the Department of Agriculture who are not involved in the matter. The Committee on Appropriations has a staff and has the funds with which to hire investigators. If any such things have happened as have been alleged here, why do they not investigate it and why do they not present the names of the guilty parties to the Secretary of Agriculture for dismissal from the service? That is the procedure which ought to be followed by the Committee on Appropriations instead of bringing in a blanket indictment against some thirty-odd thousand employees and presenting an administrative problem which the Comptroller says cannot be worked out. That is the orderly procedure and that is what this House ought to do.

Mr. TARVER. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, this problem came up before one of the committees of which I am a member, in

connection with O. P. A. regulations. We discussed the matter with the top officials of the Office of Price Administration, who, in turn, made their own investigation and found that these very things of which we are complaining had been happening, following which they issued definite orders against the continuation of such practices, but they have been continued, notwithstanding, in many instances.

So there is sufficient evidence these practices have been followed and are still occurring regularly in the United States.

Mr. HARNESS of Indiana. Will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. HARNESS of Indiana. I would like to say to the gentleman and to the gentleman from Georgia [Mr. RAMSPECK] that I turned over to the Secretary of Agriculture at least 50 complaints with the names of the individuals, and as far as I know, nothing has ever been done about it.

The SPEAKER. The time of the gentleman from Ohio [Mr. BROWN] has expired.

Mr. TARVER. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I have yielded myself this time in order that I may endeavor to make clear for the RECORD my individual position. Members of the House will understand that in offering the motion to insist upon disagreement to the Senate amendment I was acting by direction of the House conferees, as is my duty. However, there is nothing contained in legislative ethics which will prevent me expressing my individual opinion. My fellow conferees have not hesitated to do that in the consideration of several matters in connection with this conference report, and strange as it may seem, in connection with one of the votes on an amendment in disagreement, I was the only member of the House conferees who voted to sustain the position of the House conferees. So at this time I desire to explain my position personally, and not as chairman of the conferees, with regard to the pending motion.

I fear this disagreement between the House and Senate over this political amendment may delay the enactment of the Agricultural Department appropriation bill. I do not believe the Senate will recede from the attitude which it has assumed, and has assumed by a very considerable majority. The question, therefore, presents itself——

Mr. TABER. Will the gentleman yield?

Mr. TARVER. I cannot yield at this time. I will yield later. The question presents itself as to whether or not we should persist in the difference of opinion between the two bodies over this amendment which, in my judgment, is of minor importance, and thereby delay and perhaps make impossible the enactment before the proposed recess of the Congress of the Department of Agriculture appropriation bill.

In my judgment it would be better for each of the bodies to yield something on this question rather than to bring about that result.

As far as I am individually concerned I voted against the Hatch Act. I did not approve of the Hatch Act at the time of its passage and I do not approve of it now. I do not believe that Government employees should use the time for which they are paid by the Government in any sort of political activity or in endeavoring to solicit the making of appropriations by the Congress. That latter type of activity has been for years expressly prohibited by law, and is a criminal offense. That law is applicable to all Government employees. But, when a Government employee has finished the discharge of his duties his time is his own, and I do not feel that he should be prohibited from the expression of his opinion on any political question which might exist or be under discussion in his locality.

I seem to remember a few years ago when the Republicans were in power that the outstanding exponents of Republican doctrines in my district were the Republican postmasters, both when on duty and when off duty. They were agitating on behalf of Republican principles and Republican candidates. It has only been since the Democrats have assumed charge of the Government that it has been made a crime or an offense justifying removal from office for an employee of the Government to take any interest in political matters.

Mr. CELLER. Will the gentleman yield?

Mr. TARVER. Not at this time.

As far as the Harness amendment is concerned, if the facts upon which that amendment is based can be shown, those facts should be dealt with in some way, because that amendment was based on the idea that while men were engaged in the performance of their duties they were making representations which were unauthorized in order to force the farmers of the country to go into the farm program. I do not agree with the statement that those charges have been proven. Except for the submission of a few postal cards and letters to the House of Representatives, they have not been proven. I feel there ought to be some way to deal with offenders of that type, if they do exist. And perhaps there may be a few in the country somewhere. There should be some way of dealing with them otherwise than by putting a restriction on this bill that would require the submission of a certificate every month by every employee of the Department of Agriculture as to his not having been guilty of this practice, before he can be paid his monthly salary.

I have submitted this motion to insist on disagreement with the Senate amendment. I do not intend to vote for my own motion, because I have a right to disagree with the attitude taken by the House conferees. I believe the House should recede from its position in this matter and let this bill go to the White House, as it will in a day or so if the motion of the gentleman from Missouri shall be agreed to. But, if you prefer to stay here and fight all summer over what is purely a political question, of course, that is a matter of your own judgment.

Mr. TABER. Will the gentleman yield?

Mr. TARVER. I yield.

Mr. TABER. Does not the gentleman feel that if we have a roll call and go on record very definitely against proceeding under this amendment, the Senate will realize the importance of it and will yield?

Mr. TARVER. On the contrary I do not believe the Senate will yield on this amendment as at present written, in any event. I hope the Senate will not. I opposed the Harness amendment as strongly as I could when it was adopted in the House. I believe its adoption in its present form is exceedingly unwise, but if the House should further insist, if it should adopt my motion to insist on disagreement with the Senate amendment, it is my hope that we may be able to work out some modified form of this language which might meet the approval of both bodies. I think the simplest and fairest way to deal with the matter would be to agree to the motion of the gentleman from Missouri [Mr. COCHRAN]. I do not believe there is any reason for applying a different rule to the employees of the Department of Agriculture from that applied to employees in all the other different branches of the Government.

Mr. CELLER. Will the gentleman yield?

Mr. TARVER. I yield.

Mr. CELLER. It is significant to note that the Department of Justice reports with reference to the Hatch Act that grand juries refused to bring true bills and petit juries refused to convict. There have only been five convictions, three resulting in suspended sentence, one resulting in 1-cent fine and 1 hour in custody of the marshal, and only one case ended with the imposition of a fairly significant sentence. Those are the only five convictions which were had during the whole period of the life of the Hatch Act.

Mr. TARVER. Of course, we cannot repeal the Hatch Act here, but it does seem to me, since you have the Hatch Act on the books, and since you have on the books a statute making it illegal for the time of a Government employee on duty to be used in soliciting appropriations from the Congress or in political activity whether on duty or not, that that should be sufficient, unless you want to apply a different rule to all other employees of the Government than to the employees of the Department of Agriculture.

Mr. CASE. Will the gentleman yield?

Mr. TARVER. I yield.

Mr. CASE. How would the gentleman be able to take this back to conference to work out a modification, which he suggests, unless we vote down the preferential motion?

Mr. TARVER. I say in my judgment the House ought to adopt the motion, but if it does not adopt that motion, then I hope we may be able to work out in conference, some modified form of the language of the two provisions which are here in dispute, which will meet with the approval of both bodies. I think the best way to end the matter would be to adopt the motion of the gentleman from Missouri.

The SPEAKER. The time of the gentleman from Georgia, [Mr. TARVER] has expired.

Does the gentleman from Kansas insist on his request that the question be divided?

Mr. LAMBERTSON. Yes, Mr. Speaker.

The SPEAKER. The question is: Shall the House recede from its disagreement to the amendment of the Senate No. 60?

The question was taken; and on a division (demanded by Mr. TARVER) there were—ayes 50; noes 137.

Mr. TABER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 123, nays 219, not voting 88, as follows:

[Roll No. 100]

YEAS—123

Allen, La.	Gordon	O'Brien, Ill.
Anderson, N. Mex.	Gore	O'Brien, Mich.
Barden	Gorski	O'Neal
Barry	Gossett	O'Toole
Bates, Ky.	Grant, Ala.	Outland
Beckworth	Green	Patton
Bland	Gregory	Peterson, Fla.
Bloom	Hare	Price
Bonner	Harris, Ark.	Priest
Bradley, Pa.	Hays	Ramspeck
Brooks	Hendricks	Randolph
Brown, Ga.	Hoch	Rankin
Bryson	Holifield	Richards
Bulwinkle	Izac	Robinson, Utah
Burchill, N. Y.	Jackson	Rooney
Burgin	Jarman	Rowan
Camp	Johnson, Lyndon B.	Sadowski
Capozzoli	Kee	Sasscer
Celler	Kefauver	Scanlon
Chapman	Kelley	Sikes
Clark	Kerr	Smith, W. Va.
Cochran	King	Snyder
Coffee	Klein	Somers, N. Y.
Colmer	Lane	Sparkman
Cooley	Lesinski	Spence
Cooper	Lynch	Sullivan
Courtney	McCormack	Tarver
Crosser	McGehee	Thomas, Tex.
D'Alesandro	McKenzie	Vincent, Ky.
Davis	McMillan	Voorhis, Calif.
Dawson	Madden	Walter
Dingell	Mahon	Ward
Doughton	Maloney	Wasielewski
Durham	Manasco	Weaver
Eberharter	Marcantonio	Weiss
Fernandez	Merritt	Wene
Fitzpatrick	Murphy	Whittington
Flannagan	Murray, Tenn.	Wickersham
Fogarty	Myers	Winstead
Folger	Norrell	Worley
Forand	Norton	Zimmerman

NAYS—219

Abernethy	Carlson, Kans.	Feighan
Andersen, H. Carl	Carrier	Fellows
Anderson, Calif.	Carson, Ohio	Fenton
Andresen August H.	Carter	Fisher
Andrews, Ala.	Case	Fulmer
Andrews, N. Y.	Chenoweth	Gale
Angell	Church	Gallagher
Arends	Clason	Gamble
Auchincloss	Clevenger	Gathings
Baldwin, Md.	Cole, Mo.	Gavin
Baldwin, N. Y.	Cole, N. Y.	Gearhart
Barrett	Compton	Gerlach
Bates, Mass.	Costello	Gilchrist
Beall	Cox	Gillespie
Bender	Cravens	Gillette
Bennet, Mich.	Crawford	Gillie
Bennett, Mo.	Cunningham	Goodwin
Bishop	Curtis	Graham
Blackney	Day	Grant, Ind.
Bolton	Dewey	Griffiths
Brehm	Dilweg	Gross
Brown, Ohio	Dirksen	Gwynne
Buck	Drewry	Hall, Leonard W.
Buffett	Dworshak	Hancock
Burch, Va.	Eaton	Harness, Ind.
Busbey	Elliott	Hartley
Butler	Ellis	Hess
Canfield	Ellison, Md.	Hill
Cannon, Mo.	Elston, Ohio	Hinshaw
	Engle, Calif.	Hobbs
Hoeven	Mason	Schwabe
Hoffman	May	Scott
Holmes, Mass.	Michener	Scrivner
Holmes, Wash.	Miller, Conn.	Shafer
Hope	Miller, Nebr.	Sheppard
Howell	Miller, Pa.	Short
Hull	Monkiewicz	Simpson, Ill.
Jeffrey	Monroney	Simpson, Pa.
Jenkins	Morrison La.	Slaughter
Jennings	Mott	Smith, Maine
Jensen	Mruk	Smith, Ohio
Johnson, Anton, J.	Mundt	Smith, Wis.
Johnson, Ind.	Murray, Wis.	Springer
Johnson, J. Leroy	Newsome	Stanley
Johnson, Okla.	Norman	Stefan
Johnson, Ward	O'Brien, N. Y.	Stevenson
Jones	O'Hara	Stigler
Jonkman	O'Konski	Stockman
Judd	Philbin	Sumner Ill.
Kean	Phillips	Sundstrom
Kearney	Pittenger	Taber
Keefe	Ploeser	Talbot
Kilday	Poage	Talle
Kinzer	Poulson	Thomas, N. J.
Kleberg	Powers	Thomason
Knutson	Pracht, C. Frederick	Tibbott
Kunkel	Pratt, Joseph M.	Troutman
Lambertson	Ramey	Vinson, Ga.
Lanham	Reed, Ill.	Vorys, Ohio
Larcade	Rees, Kans.	Vursell
Lea	Rizley	Weichel, Ohio
LeCompte	Robertson	Welch
LeFevre	Robsion, Ky.	West
Ludlow	Rockwell	White
McConnell	Rodgers, Pa.	Wigglesworth
McCowen	Rogers, Mass.	Willey
McGregor	Rohrbough	Wilson
McWilliams	Rolph	Winter
Maas	Rowe	Wolcott
Mansfield, Mont.	Russell	Wolfenden, Pa.
Martin, Iowa	Satterfield	Wolverton, N. J.
Martin, Mass.	Sauthoff	Woodruff, Mich.
	Schiffler	Woodrum, Va.
		Wright

NOT VOTING—88

Allen, Ill.	Hale	Miller, Mo.
Arnold	Hall, Edwin Arthur	Mills
Bell	Halleck	Morrison, N. C.
Boren	Harless, Ariz.	Murdock
Boykin	Harris, Va.	O'Connor
Bradley, Mich.	Hart	Pace
Brumbaugh	Hébert	Patman
Buckley	Heffernan	Peterson, Ga.
Burdick	Heidinger	Pfeifer
Byrne	Herter	Plumley
Cannon, Fla.	Horan	Rabaut
Chiperfield	Johnson, Calvin D.	Reece, Tenn.
Curley	Johnson, Luther A.	Reed, N. Y.
Delaney	Kennedy	Rivers
Dickstein	Keogh	Sabath
Dies	Kilburn	Sheridan
Disney	Kirwan	Smith, Va.
Dondero	LaFollette	Starnes, Ala.
Douglas	Landis	Stearns, N. H.
Elmer	Lemke	Stewart
Engel, Mich.	Lewis	Sumners, Tex.
Fay	Luce	Taylor
Fish	McCord	Toian
Ford	McLean	Torrens
Fulbright	McMurray	Towe
Fuller	Magnuson	Treadway
Furlong	Mansfield, Tex.	Wadsworth
Gibson	Merrow	Weichel, Ga.
Gifford		Whitten
Granger		
Hagen		

So the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. McMurray for, with Mr. Hart against.

Mr. Byrne for, with Mr. Taylor against.

Mr. Rabaut for, with Mr. Brumbaugh against.

Mr. Keogh for, with Mr. Miller of Missouri against.

Mr. Buckley for, with Mr. Reed of New York against.

Mr. Dickstein for, with Mr. Hale against.

Mr. Fay for, with Mr. Elmer against.

Mr. Delaney for, with Mr. Fuller against.

Mr. Heffernan for, with Mr. Calvin D. Johnson against.

Mr. Pfeifer for, with Mr. Engel of Michigan against.

Mr. Kennedy for, with Mr. Arnold against.

Mr. Sabath for, with Mr. Landis against.

Mr. Torrens for, with Mr. Kilburn against.

Mr. Furlong for, with Mr. Halleck against.

General pairs:

Mr. Whitten with Mr. Plumley.

Mr. McCord with Mr. Dondero.

Mr. Peterson of Georgia with Mr. Fish.

Mr. Magnuson with Mr. Towe.

Mr. Bell with Mr. Reece of Tennessee.

Mr. Murdock with Mr. Stearns of New Hampshire.

Mr. Pace with Mr. Hagen.

Mr. Luther A. Johnson with Mr. Lemke.

Mr. Boykin with Mr. Herter.

Mr. Cannon of Florida with Mr. Burdick.

Mr. Granger with Mr. Lewis.

Mr. Smith of Virginia with Mr. Edwin Arthur Hall.

Mr. Curley with Mr. Allen of Illinois.

Mr. Fulbright with Mr. LaFollette.

Mr. Harless of Arizona with Mr. Wadsworth.

Mr. Mills with Mr. Treadway.

Mr. Kirwan with Mr. McLean.

Mr. Mansfield of Texas with Mrs. Luce.

Mr. Disney with Mr. Merrow.

Mr. Sumners of Texas with Mr. Douglas.

Mr. Gibson with Mr. Gifford.

Mr. Sheridan with Mr. Heidinger.

Mr. Tolan with Mr. Horan.

Mr. Hébert with Mr. Bradley of Michigan.

Mr. Boren with Mr. Chiperfield.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. COOPER). The question is on the motion offered by the gentleman from Georgia that the House insist on its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 65: Page 79, line 22, insert the following:

"LOANS, GRANTS, AND RURAL REHABILITATION

"To enable the Secretary through the War Food Administration to continue to provide assistance through rural rehabilitation and grants to needy farmers in the United States, its Territories, and possessions, including (1) farm debt adjustment service, and making and servicing of loans and grants under this and prior laws, (2) loans to needy individual farmers, (3) grants, and (4) liquidation as expeditiously as possible of Federal rural rehabilitation projects under the supervision of the War Food Administration, $28,265,000, which sum shall be also available for necessary administrative expenses incident to the foregoing, including personal services in the District of Columbia and elsewhere; not to exceed $57,000 for compensation of experts without regard to the Classification Act of 1923, as amended; purchase of lawbooks, books of reference, periodicals, and newspapers; purchase, operation, and maintenance of motor-propelled passenger-carrying vehicles; and printing and binding: *Provided*, That the War Food Administrator shall transmit to the Congress semiannually a progress report with respect to the liquidation of Federal rural rehabilitation projects, under his supervision, showing by name and by States all dispositions of such projects, or parts thereof, together with the amounts of Federal funds expended in the process of liquidation, and any losses incurred in the use of such funds.

"In making any grant payments under this act the Secretary is authorized to require with respect to such payments the performance of work on useful public projects, Federal and non-Federal, including work on private or public land in furtherance of the conservation of natural resources, and the provisions of the act of February 15, 1934 (5 U. S. C. 796), as amended, relating to disability

or death compensation, and benefits shall apply to those persons performing such work: *Provided*, That this section shall not apply to any case coming within the purview of the workmen's compensation law of any State, Territory, or possession, or in which the claimant has received or is entitled to receive similar benefits for injury or death.

"For additional funds for the purpose of making rural rehabilitation loans to needy individual farmers, who are unable to obtain credit elsewhere at comparable rates for the area where such loan is proposed to be made, the Reconstruction Finance Corporation is authorized and directed to make advances to the Secretary upon his request in an aggregate amount of not to exceed $96,710,000. Such advances shall be made (1) with interest at not to exceed the rate of 3 percent per annum payable semiannually; (2) upon the security of obligations acceptable to the Corporation heretofore or hereafter acquired by the Secretary pursuant to law; (3) in amounts which shall not exceed 75 percent of the then unpaid principal amount of the obligations securing such advances; and (4) upon such other terms and conditions, and with such maturities, as the Corporation may determine. The Secretary shall pay to the Corporation, currently as received by him, all moneys collected as payments of principal and interest on the loans made from the amounts so advanced or collected upon any obligations held by the Corporation as security for such advances, until such amounts are fully repaid. The amount of notes, debentures, bonds, or other such obligations which the Corporation is authorized and empowered to issue and to have outstanding at any one time under the provisions of law in force on the date this act takes effect is hereby increased by an amount sufficient to carry out the provisions of this paragraph.

"None of the moneys appropriated or otherwise authorized under this caption ('Loans, grants, and rural rehabilitation') shall be used for (1) the purchase or leasing of land or for the carrying on of any land-purchase or land-leasing program; (2) the carrying on of any operations in collective farming, or cooperative farming, or the organization, promotion, or management of homestead associations, land-leasing associations, land purchasing associations, or cooperative land purchasing for colonies of rehabilitants or tenant purchasers, except for the liquidation as expeditiously as possible of any such projects heretofore initiated; or (3) the making of loans to any individual farmer in excess of $2,500; or (4) the making of loans to any cooperative association; or (5) the making of loans for the payment of dues to or the purchase of any share or stock interest in any cooperative association (except for medical, dental, or hospital services) or for any expenditure other than that deemed necessary, in the discretion of the Administrator, for the production of agricultural commodities.

"The Secretary of Agriculture may expend funds administered by him as trustee under the various transfer agreements with the several State rural rehabilitation corporations only for purposes for which funds made available under this caption may be expended, and the limitations applicable to such funds shall also be applicable to the expenditure of such trust funds by the Secretary of Agriculture.

"The appropriation and authorizations herein made under the heading 'Loans, grants, and rural rehabilitation, shall constitute the total amount to be available for obligation under this heading during the fiscal year 1945 and shall not be supplemented by funds from any source.

"No part of the appropriation herein made under the heading 'Loans, grants, and rural rehabilitation' shall be available to pay the compensation of any person appointed in accordance with the civil-service laws."

Mr. TARVER. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. TARVER moves that the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows:

In the first paragraph of said amendment, strike out the sign and figure "$28,265,000" and insert in lieu thereof "$26,000,000."

In the third paragraph of the amendment, strike out the sign and figure "$96,710,000" and insert in lieu thereof "$67,500,000."

Mr. TARVER. Mr. Speaker, I yield 10 minutes to the gentleman from Kansas [Mr. LAMBERTSON].

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present. This is a very important matter and a quorum should be present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. TARVER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 101]

Andrews, N. Y.	Hale	Merrow
Arnold	Hall,	Miller, Mo.
Auchincloss	Edwin Arthur	Mills
Bell	Halleck	Morrison, N. C.
Boren	Hare	Mundt
Boykin	Harless, Ariz.	Murdock
Bradley, Mich.	Harness, Ind.	Murray, Tenn.
Bradley, Pa.	Harris, Va.	O'Connor
Brumbaugh	Hart	O'Konski
Buckley	Hartley	Patman
Burdick	Hébert	Peterson, Ga.
Byrne	Heffernan	Pfeifer
Cannon, Fla.	Heidinger	Phillips
Chiperfield	Herter	Plumley
Cooley	Holifield	Rabaut
Crosser	Jennings	Reece, Tenn.
Dawson	Johnson,	Reed, N. Y.
Delaney	Calvin D.	Rizley
Dies	Johnson,	Robinson, Utah
Dirksen	J. Leroy	Sheridan
Disney	Johnson,	Smith, Ohio
Dondero	Luther A.	Smith, Va.
Douglas	Kennedy	Snyder
Elmer	Keogh	Stearns, N. H.
Engel, Mich.	Kilburn	Stewart
Fay	Kirwan	Taylor
Fish	LaFollette	Tolan
Ford	Landis	Torrens
Fulbright	Lemke	Towe
Fuller	Lewis	Treadway
Furlong	Luce	Wadsworth
Gale	McCord	Wheichel, Ga.
Gibson	McLean	White
Gifford	McMurray	Whitten
Granger	Magnuson	
Hagen	Mansfield, Tex.	

The SPEAKER pro tempore (Mr. COOPER). Three hundred and twenty-one Members have answered to their names. A quorum is present.

Further proceedings under the call were dispensed with.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1945—CONFERENCE REPORT

The SPEAKER pro tempore. The gentleman from Kansas [Mr. LAMBERTSON] is recognized for 10 minutes.

Mr. LAMBERTSON. Mr. Speaker, this is the first time we have talked about Farm Security this year. A year ago you remember the trouble we had when we asked for a rule. The Committee on Agriculture went to the Rules Committee and asked that we not have a rule waiving points of order.

We have been legislating for a great many things for years that we had no authority for. Let me say incidentally right here, we have not yet had authorization for 40 different things that we passed in March. The Pace bill is not a law yet. Now, when this year came around we went into hearings on agriculture, and just before we brought our bill to the House we had the Pace bill which did authorize many of these projects—all but Farm Security.

That was left out because there was going to be a special bill dealing with that from the Cooley subcommittee. About 15 months ago they started their investigation and I understand that only last Saturday did the committee report a bill. That is the first Cooley bill that has been reported out of the whole Committee on Agriculture authorizing Farm Security. There is nothing in the law yet that has authorized it. The Pace bill went to the Senate. We did not put anything in the House appropriation bill for Farm Security; the Senate did; they put in $97,000,000 for new loans with $28,000,000 for administration the day the Pace bill conference was agreed to. The Pace bill came back here and once or twice the Pace bill conference committee report was withdrawn from the House and taken back in to conference. I was trying to follow it as well as I could, keeping in touch with the chairman. I happened to be off the floor one afternoon, June 1, and it was brought in here 2 days before both whip notices said it was going to be called up and after a point of order was sustained against the conference report. The Clerk read the Farm Security amendment which did not mention Farm Security by name. Nobody said it was Farm Security, nobody asked what it was. At the time the Clerk read it nobody said anything and the Speaker put the motion and it was carried. More was said for congressional pensions than F. S. A. That was the first authorization Farm Security ever had in its whole existence and that was secured without one Member's saying one word for it or anybody's asking a question as to what it contained.

The school lunch was the next amendment read and it was discussed an hour and passed. It concealed Farm Security.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. LAMBERTSON. I yield.

Mr. AUGUST H. ANDRESEN. I was on the floor at the time that provision was up for consideration. I did not say anything about it. There was probably a good reason why many other Members did not say anything about it, particularly members of the Committee on Agriculture. As the gentleman knows, the Committee on Agriculture through a subcommittee, called the Cooley committee, conducted an investigation of the Farm Security Administration having in mind to ascertain some of the facts regarding Farm Security, particularly with reference to communistic activities and projects. The Cooley committee reported a bill to the full committee. This bill created a new organization called the Home Farmers' Loan Corporation, setting up a tremendous corporation with

nearly a billion dollars' worth of assets. A good many of us on the committee felt we were not in favor of creating such a corporation at this time and would not support it until there was a complete revamping of the whole farm credit structure, which the committee is going to undertake. So we thought it best to permit the continuance of Farm Security for another year with appropriations so there would not be any lapsing of time in the operation of this type of direct lending.

I want to point out to the gentleman that I believe the appropriation for land purchases and administrative expense is far in excess of what it should be; the amounts are excessive. For instance, last year Farm Security spent around $28,000,000 to administer about $100,000,000, going to pay salaries and traveling expenses, automobile upkeep, and so forth. The people who are to be benefited are not getting anything out of this appropriation. So there was a curtailment of the administrative activities.

But, getting back to the point to which the gentleman has referred, let me say that if the Farm Security could be continued for another year with adequate appropriations to take care of maximum needs I believe it would be satisfactory, because we believe that inside of another year we shall be able to establish a division in the Farm Security Administration to take care of this credit for rural farmers who are not able to get credit elsewhere.

Mr. LAMBERTSON. I thank the gentleman. Last spring we were promised this Cooley bill and we thought we should have our day in court here where the whole matter of authorization could be thrashed out without there being involved any question of funds, but we were denied everything that had been promised us. It was left out of the first Pace committee bill because it was feared it would make a controversial matter. We were expecting it in a separate bill and I looked forward to it with a lot of interest because we were going to have a real show-down on it. The fact is we have not had it at all. The gentleman from Virginia [Mr. FLANNAGAN], called up a conference report the other day and the House concurred in an amendment. Nobody asked what the amendment was, either. It seems the House just dropped into a lethargy. On the other hand, that last amendment was a very vital socialized medicine amendment and nobody asked a word about it: under that set-up the people cannot even choose their own doctor. That amendment they offered and it was agreed to by the House without anybody's seeking to modify it.

I just want to show you what has happened to Farm Security, how it was eased along. The Senate put it in. The House conferees without any authority from the House yielded. The House itself had left it entirely out, expecting an authorization bill. But it was brought back in this way and was authorized. The Pace committee yielded to the Senate, when they were helpless before their own larger committee.

I am opposed to the whole proposition of Farm Security. It should be liquidated. It was born of Tugwell; it has been communistic all through. The last Administrator, Mr. Baldwin, before the present one, now is the assistant director of the C. I. O. Political Action Committee with Sidney Hillman. A man who used to be the head of N. Y. A. went into the Farmers' Union as an organizer, an organization I used to be proud of and was an active member of and held offices in, but which is dominated nationally today by the same influence, the C. I. O. You got this letter the other day telling you what you ought to do about this Farm Security. They want to put back the Senate figures. The C. I. O. did not do so well in Maine yesterday. I understand our good colleague was renominated 10 to 1 against the C. I. O. candidate who opposed him in the Republican primary; so we should not be worried about that.

In this letter they are concerned about the returning soldier to the farms—they are interested only in driving the farm wedge.

Another thing: We provided for the liquidation of 150 communistic projects in Farm Security. They said our mandate would be carried out. My chairman will probably say something about that, because he knows it is true that they have not been liquidated. Our orders have not been carried out. They do not intend to liquidate any communistic project, although they got extra money to do it. There is a new man connected with this outfit, a former colleague of ours, an outstanding fellow, but I cannot understand why we have not had some liquidation in the last year or more under the authorization of the Congress. It just shows their determination to do this thing. We know how they handled the labor proposition for the farmers a couple of years ago, how the C. I. O. got their fangs into that thing and mussed it up with Farm Security hanging onto it. This thing was put through as a twin of W. P. A. when the farmers needed help and everybody else needed jobs. I think it is perfectly ridiculous now.

The SPEAKER pro tempore. The time of the gentleman from Kansas has expired.

Mr. TARVER. Mr. Speaker, I yield 5 additional minutes to the gentleman from Kansas.

Mr. LAMBERTSON. The next amendment provides $20,000,000 to buy farms for tenant farmers in a period of war and inflation—$20,000,000 to buy land. Not a dollar should be spent to encourage anybody to buy land at this time at inflated values. They talk about rehabilitation. Nobody needs rehabilitation today out here on these farms. They are doing pretty well as they are. The only argument they have left under the present war situation is to produce more food. I deny that it has this result. I have not time to go into that. I do not think it provides a bit more food to make these rehabilitation loans to farmers.

Mr. ANTON J. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. LAMBERTSON. I yield.

Mr. ANTON J. JOHNSON. We are likely to get confused on this. Rehabilitation was part of our basic law under the Bankhead-Jones Farm Tenant Purchase Act. That and rehabilitation loans are a part of our basic law. It comes under the Bankhead-Jones Purchase Act.

Mr. LAMBERTSON. Yes.

Mr. ANTON J. JOHNSON. It is part of our basic law.

Mr. LAMBERTSON. There never was a law for the other part of it.

Mr. ANTON J. JOHNSON. I will say, however, that much of it has been maladministered. To that extent I agree with the gentleman.

Mr. LAMBERTSON. The Bankhead-Jones matter is a land-purchase proposition. There was no legal authority and there never was any law passed that created these other things that have been set up by Executive order and carried on for years. The only authorization has been this left-handed authorization which we gave it on June 1.

Mr. Speaker, I am in the position of opposing the gentleman's motion to recede with an amendment, which provides for a lesser sum. I am opposed to extending the whole proposition now, including the pernicious activities of the C. I. O. associated with Farm Security, which runs through the whole proposition.

Let us have a show-down on this proposition today. Let us vote against the thing that will even reduce, then try to sustain the position of the House that we have not authorized anything for this purpose and maintain our position.

Mr. COOLEY. Will the gentleman yield?

Mr. LAMBERTSON. I yield to the gentleman from North Carolina.

Mr. COOLEY. I want to call the gentleman's attention to the fact that the House Committee on Agriculture has recently reported a bill which we hope to bring before the House at some time in the early future. In that bill we have provided for an expeditious and orderly liquidation of all of the objectionable projects which have been administered by the Farm Security Administration and we have likewise provided for abolishment of all of the Federal lending agencies which are engaged in making direct loans to low-income farmers.

Mr. LAMBERTSON. But you have been 15 months getting it done and selling it to the Agriculture Committee.

Mr. COOLEY. I grant that we have been several months in preparing the bill but I think that the gentleman should be willing to go along in a reasonable way with these low-income farmers until Congress has an opportunity to consider and adopt basic legislation. That is all the gentleman from Georgia has in mind doing, that is, holding the agency together and protecting the interests of the Government as well as these low-income families pending final determination by the Congress.

Mr. LAMBERTSON. I understand the committee the gentleman speaks of had hearings all last summer, and traveled all over the country at considerable ex-

pense. Here it is the following June and only last Saturday they brought a bill in.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. LAMBERTSON. I yield to the gentleman from California.

Mr. VOORHIS of California. It was not the fault of the Cooley committee that it was so long in bringing out a bill.

Mr. LAMBERTSON. It was the fault of the Committee on Agriculture which made the complaint about lack of authorization before the Rules Committee. The Cooley committee was denied support from the Agricultural Committee up until last Saturday when they reported this bill. There is no more excuse for rehabilitating people today in wartime, when jobs are plentiful and wages good. Prices are good. A chairman of our Appropriation Committee used to say if the House of Representatives is not going to hold things down, if it is not going to watch the Federal Treasury, who is going to do it? If you Members who are going into the campaign shortly, Republicans and Democrats alike, maintaining that you are for abolishing bureaus, pray tell me when you are going to begin if you do not begin on Farm Security? That is one that is due to go.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. TARVER. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, I can agree with so much that has been said by my genial associate from Kansas [Mr. LAMBERTSON]. There is, however, a different situation with which we must contend at the moment. Farm security has outstanding hundreds of millions of dollars in loans. That is money which belongs to the taxpayers of the United States of America that has been loaned to Farm Security clients. Those funds must be administered. We can throw Farm Security out of the window today, but if we do, this function of administering those loans, collecting the principal and interest installments thereof, must be handled by some agency of the Government. You might transfer it to the Farm Credit Administration, but that would require legislation, and that is not before us today. We can either maintain F. S. A. for another year or create a new agency to perform this function.

What is before us is simply this: It is a proposal to carry this operation on for one more year, and in carrying it on for another year, we have undertaken to cut down the administrative funds and to reduce the loan fund as well.

Let me give you a picture of what has been done, in economizing on this operation in recent years.

I believe I can address myself to this with some modesty because the House knows quite well that I have been a very consistent critic of Farm Security Administration. I have opposed many of its activities from the very outset as one of the tragic creatures of an Executive order. It has floundered around the wilderness of Washington without legislative authority and here in all its nakedness today we see what happens when with such facility a huge organization is created by a stroke of the pen in the form of a Presidential order. So we have to wrestle with the problem.

I have undertaken to get these funds reduced over the years. In 1942 their administrative funds were in round figures $71,000,000. In 1943 it had dropped from $71,000,000 to $42,000,000. In 1944 it dropped from $42,000,000 to $30,000,000. In 1945 we finally agreed on $28,500,000, but in conference we cut that down another $2,500,000. So we are going to report by action of the conference committee $26,000,000 for grants, rehabilitation funds and so forth. That is a reduction from $71,000,000 in 1942 to $26,000,000 for the fiscal year 1945. Frankly, therefore, we have made some progress in that field. I can agree that even more progress can be made in the interest of efficiency and economy.

Let us consider for a moment this question of loans. In 1942 we authorized F. S. A. to make $120,000,000 in loans. Then the battle began. I tried to get that reduced on occasions by $30,000,000 but did not succeed. In 1943, however, it dropped to $97,500,000. In 1944 the committee reduced the loan authorization by $30,000,000 to $67,500,000. When the Department of Agriculture went before the Bureau of the Budget this year for its fiscal 1945 estimates it asked for $125,000,000 for loan funds. The Budget Bureau sliced that to $97,500,000, which is a reduction of approximately $27,500,000. When it came to our subcommittee in the House we reduced it another $30,000,000 to $67,500,000. Another very great deliberative body, which is a part of the coordinate legislative structure, in its composite wisdom decided that should be increased by $30,000,000.

When we went to conference, the F. S. A. item caused considerable discussion between House and Senate and for a time it appeared that agreement or compromise was impossible. At long last, an agreement was reached. I think we came out with some glory to ourselves, because we reduced the administrative funds another $2,500,000 and we reduced the loan fund by $30,000,000. The motion that will be made by the gentleman from Georgia, Judge TARVER, in pursuance of our agreement will be to concur with an amendment reducing the administrative fund to $26,000,000 and the loan fund to $67,500,000.

Now, a word or two about the Farm Security operation generally. I hope before you go home for recess that you will secure a very interesting document. It is House Report No. 1430, Union Calendar No. 492. It is a report submitted by the committee under the chairmanship of the gentleman from North Carolina [Mr. COOLEY] and is dated May 9, 1944. The reason this is so interesting to me is because through the years my genial friend from North Carolina and I have been respectively protagonist and antagonist on this whole Farm Security matter, and for that matter in the field of farm tenancy. He was a very worthy foe on this floor.

My friend, the gentleman from North Carolina [Mr. COOLEY], and I used to debate on this floor as to how much or how little Farm Security should have. He used to chide me in reference to statements I would make about this agency. So it is interesting to read the Cooley report. It carries assertions that I never would have dared to have made on this floor about the Farm Security Administration. As an example, for instance, I read to you from this report:

> The Farm Security Administration was financing communistic resettlement projects, where the families could never own homes or be paid for all that they made or for all the time they worked, and was supervising its borrowers to the extent of telling the borrower how to raise his children, how to plan his home life and, it is strongly suspected in some cases, how to vote. Some families were "kept on the Government" indefinitely, while other families that were willing to work just as hard and do their best to pay their debt, would not get any help from the Government at all.

Further in this report it says:

> It is dangerous to the continuation of the essential features of the Farm Security Administration program to let the entire operation continue as heretofore.

The report continues:

> By legal interpretations placed upon certain language contained in the several appropriation acts providing funds for the agency, the officials of the Farm Security Administration continued to operate an ever-expanding land-acquisition program under which it illegally acquired title to and possession of hundreds of thousands of acres of farm land, a very large part of which is not now occupied or in cultivation.

In this report it says:

> Families have been colonized, regimented, and supervised to an extent which cannot possibly be justified.

In this report it says:

> They (Farm Security Administration) established, maintained, and operated communities and villages in rural and suburban areas; built and maintained streets, roads, and highways; shops, stores, and warehouses; hotels and inns; recreational halls and community houses and playgrounds and other places of amusement. They built power plants and water systems. They built hospitals and rest homes, sewage-disposal plants and irrigation systems.

And so forth. I did not say that. The committee that was authorized by this House to make a thorough investigation has finally probed the situation and given the intolerable facts not only to the Congress but to the country as well. I am glad that job is done, and I take off my hat to the gentleman from North Carolina, HAROLD COOLEY, for coming up with such a great, courageous report.

There is one other matter I want to allude to. It was brought by my friend the gentleman from Kansas [Mr. LAMBERTSON]. He spoke of the provision in the Pace bill relating to medical care. I quite agree with the gentleman from Kansas about it. Here is the language. It astounded me, I am frank to say, and I am very much disturbed about this language in the present bill. It talks about medical care, and then it says:

That no part of such sums—

Meaning the sums that are appropriated for loans, grants, and rural rehabilitation—

be available for the promotion or aid of any program of medical care which prevents the patient from having the services of any practitioner of his own choice so long as State laws are complied with, except that this provision shall not be applicable to the promotion or aid of a program of medical care where a majority of the participants within the program group elect to confine their choice of practitioners to a list of available licensed practitioners selected by them.

When they make an agreement with a group of medical practitioners, everybody in the group who would get the advantage of this low-cost care must have one of the doctors on whom the group has agreed. What has become of the "four freedoms"? It is, of course, easy to say he can go outside and find a doctor of his choice and pay him. True; but this program is being set up for low-income families so that they might have the benefit of low-cost medical care. You put a collective tag on it and say it is all right if you take the doctor that the group selects for you. When this right of the choice of a practitioner is limited, and when an individual can obtain low-cost medical care only if he abides by the selection of practitioners, have we not ventured well into the field of social medicine? That is what the gentleman was referring to.

That item, however, is not in issue in the pending bill, and I allude to it only because it will become of increasing interest in the days ahead.

I hope the Members will support the motion of the gentleman from Georgia, because it is the best we can do under the circumstances. It will then become the responsibility of the Committee on Agriculture to report a legislative bill dealing with the Farm Security Administration. I hope that it will occur in the near future and that the rather loose farm-credit structure which has developed in recent years can be coordinated and made more effective from the administrative standpoint.

Mr. TARVER. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, I thank the gentleman from Illinois for his kind and gracious words concerning the work of the select committee investigating the Farm Security Administration. That committee is composed of Mr. FLANNAGAN, of Virginia; Mr. ZIMMERMAN, of Missouri; Mr. PACE, of Georgia; Mr. HOPE, of Kansas; Mr. ANTON JOHNSON, of Illinois, and Mr. Ross RIZLEY, of Oklahoma.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. With such an indictment coming from the gentleman's committee representing the membership of the House, why should we not immediately start to liquidate such a program?

Mr. COOLEY. I am glad the gentleman asked that question. The reason I am taking the floor at this time is to say that this committee has worked diligently in connection with its authority under House Resolution 119. We visited typical projects in all sections of the country, and we conferred with officials in county, State, and regional offices.

In the bill which we reported last Saturday we have provided for the immediate liquidation of every objectionable project which has been administered by Farm Security.

Mr. BATES of Massachusetts. When will that bill be reported?

Mr. COOLEY. The bill is now before the Committee on Rules, and I assume that the Chairman of the Committee on Rules will accord us an opportunity to appear for the purpose of requesting a rule at some date in the near future. I had hoped that we might get the bill out before the recess, but I doubt it very much. Every member of the committee is anxious for an early consideration of the measure so that we may correct all of the evil practices which have been carried on by Farm Security in the past.

Mr. BUSBEY. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. BUSBEY. May I ask the gentleman if the committee found any traces of political activity on the part of the administrators in the various regions, in connection with the Farm Security program.

Mr. COOLEY. It was difficult for us to single out anything that could be called political activity, but such accusations have been made against the agency in the past, as the gentleman knows, and for us to find that any of the personnel of F. S. A. had engaged in political activities was a very difficult thing to do.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I think the gentleman should be complimented for his efforts to bring out the facts, but I do think it should appear in the RECORD that though some of this money has not been too well spent, which nearly everyone will agree with me on, yet the rural people did receive, in many cases, much benefit from the money that was spent in a correct manner, and at the same time that these few dollars were being spent for these rural people, our city cousins were building homes costing on the average from $4,900 to $6,900.

Mr. COOLEY. I think the gentleman is entirely correct. Although much money has been wasted by the agency, I think that the farm people have received some benefit from it.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. SHORT. Can the gentleman inform the House what percentage of these loans have been repaid? Has the gentleman any figures on that?

Mr. VOORHIS of California. I have figures on that.

Mr. COOLEY. The gentleman from California [Mr. VOORHIS] says that he has the figures. Of course, they differ in different sections of the country. Collections in some parts of the country have been better than in other sections.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from California.

Mr. VOORHIS of California. The over-all payments for the United States as a whole on the production loans or the rehabilitation loans are 86.7 percent. The Bankhead-Jones loans are over 99 percent.

Mr. Speaker, will the gentleman yield further?

Mr. COOLEY. I yield to the gentleman from California.

Mr. VOORHIS of California. What is talked about concerning Farm Security most of the time are certain things about which many Members have objected, which the gentleman's bill, as he has pointed out, would end. But I would like to hear some debate on the main work of making loans to enable poor farm families to continue.

Mr. COOLEY. I would like to have an opportunity to debate that proposition, but my time is limited. I would like to say this on behalf of the committee, that we have conscientiously tried to stop the land-acquisition program.

I know that every member of the committee has opposed the Federal Government's going into the land business. This agency, in many instances, without any authority of law has acquired and has control of approximately 2,000,000 acres of farm land in America. All the members of the select committee are opposed to further acquisitions of farm land by the F. S. A., and we are sure that no other lands will be acquired. I hope that the bill we have recommended will be considered at an early date.

Mr. TARVER. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, the good thing about the Tarver amendment that has been offered is that it is not so bad as the Senate amendment. On the other hand, I do not believe we ought to go on with the Farm Security Administration at all. I believe it ought to be immediately liquidated.

The amendment offered by the gentleman from Georgia presents this picture: $67,500,000 for new loans, so-called rehabilitation loans, and $26,000,000 for expenses. This means administrative expenses totaling 39 percent. The set-up this year is $67,500,000, with $30,786,000, or 45 percent, for expenses. That is the kind of picture it presents, to loan $67,500,000 with $26,000,000 of expense.

Someone asked about the amount of loans that had been repaid. The total loans as of December 31 last were $809,000,000. The repayments were $443,000,000. The 86 percent comes in this way, that 86 percent of the amount of the matured principal has been repaid, but the way that has been brought about, as appears from all sorts of investiga-

tions, is that they have made new loans to the borrowers to cover these maturities. That is the way they keep the percentages of collections up. It is one of the most ridiculous things. You cannot tell very much about the way these things go, but on page 972 of the hearings on the Department of Agriculture appropriation bill there appear the operations of this set-up on the farm tenancy business, and I am going to read you the figures as to two States:

New Jersey: Maturities, $19,000. Payments on principal, $8,800. Amount of principal and interest in default, $989. Anybody subtracting $8,800 from $19,000 gets a little over $10,000.

New York: $114,000 maturities. Payments on principal, $69,000. Then over in the column of delinquencies is $4,600. So that you cannot tell a thing from the reports of this agency. That is the kind of an agency I do not like to see continued.

In my district they have people running around soliciting farmers to take loans of that kind, which the farmers do not want. They are a menace. They went to one fellow last year and asked him to take a loan to put in fresh vegetables. They told him he would not have to pay it if he did not get a good crop. He did not get any crop, due to weather conditions, and they came around and annoyed him to death for 3 or 4 months trying to collect it, when they had represented to him that they would not ask for it. That is the way they have done business. That is the reason I do not like to have that kind of an organization running around loose. It is a menace to the American Government to have that kind of an approach.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I think that particular practice has traveled all over the country, but we cannot hold the Farm Security Administration accountable for that particular practice because they were handling it for the Regional Agricultural Credit Corporation in connection with those nonrecourse loans.

Mr. TABER. Nobody has to conduct that kind of an operation unless he wants to. I do not condone it and I do not approve of it, and I do not intend to vote for it.

Mr. TARVER. Mr. Speaker, I yield myself 5 minutes.

Mr. COOLEY. Mr. Speaker, will the gentleman yield for a brief observation?

Mr. TARVER. I yield to the gentleman from North Carolina.

Mr. COOLEY. In connection with the observation made by the gentleman from New York regarding the administration cost, may I call the attention of the House to the fact that this agency is administering assets of the value of approximately $1,000,000,000?

Mr. TARVER. I had intended to do that. If the gentleman will wait until I can conclude my remarks, if he then feels there is anything I have omitted to mention, I shall be very glad to yield to him.

Mr. COOLEY. I shall be very glad to do that.

Mr. TARVER. Mr. Speaker, I think I have been as critical of the conduct of the affairs of the Farm Security Administration as any Member of this House. An examination of the hearings of the Committee on Agricultural Appropriations for the last several years will disclose that fact. I have participated with my fellow members of that subcommittee in the attempted correction of some of these practices which we regard as bad practices. You will find some of the limitations, which have brought about some corrections, included in the amendment which we are asking the House to approve at this time.

We have attempted to bring about the liquidation of all these so-called cooperative projects, which now number 151. Some progress, but not enough progress, has been made along that line.

There are many particulars in which the administrative activities of those who have been in charge of the Farm Security Administration work could be legitimately and properly criticized. However, after all is said, it seems to me that the person who approaches the consideration of this subject in an impartial way must recognize the fact that this organization has accomplished a great deal of good for the low-income farmers of the United States. It is the one organization of the Department of Agriculture which is devoted to the interests of the poor man. In my judgment, it ought to be shorn of those things which have brought about justified criticism by the enactment of appropriate legislation by Congress when the legislative bill from the Committee on Agriculture comes before us for attention. But in the meantime we are faced with a practical situation, requiring dealing in an intelligent way with a very great problem of the Government.

The Government has outstanding loans made under the Farm Security Administration at this time of approximately $385,000,000, if my recollection of the evidence is correct, and of the administrative expense which was provided by Congress for the present fiscal year, something over $23,000,000, was provided for the administration and the collection of loans which had already been made, and only slightly in excess of $4,000,000 was provided for administrative expenses for the purpose of making new loans. We have by this proposed amendment which I have offered by the direction of my conferees proposed to reduce the administrative expenses still further, to $26,000,000 from a total of $28,000,000-plus which has been estimated by the Budget, and only a minor portion of that $26,000,000 will be available for the purpose of making new loans. Most of it will be for the purpose of administering loans already made and for looking after the interests of the Government and insuring their collection.

The gentlemen of the House will probably remember some time ago we announced in the House that we had postponed the conference with the Senate on the Agricultural Department appropriation bill until the House took action on the Pace bill to determine what disposition it desired to make of the school-lunch question and of the Farm Security Administration question and that we would feel bound by the action of the House, whatever it might be, and that if the House declined to approve either of those programs, we should, of course, decline to bring in a recommendation that an appropriation be made for them; yet, on the other hand, if the House approved these programs, we would consider that as an instruction to us to take action on the conference committee in accordance with the action which had been taken by the House. So on June 1 the House considered the Pace bill and considered the amendments to the Pace bill and adopted amendments authorizing for 1 year the school-lunch program and the Farm Security Administration program. So we brought in the exact language which the House had approved on June 1 for this school-lunch program with the exact authorization which the House had approved. On yesterday, without objection, this House approved our amendment proposing to authorize that program exactly as the House had approved it on the 1st day of June. We have done the same thing with regard to the Farm Security Administration program. You authorized without any dissenting voice on the 1st day of June in connection with the Pace bill the continuance of this program as it has been carried on for the present fiscal year for another year.

Now the Senate had provided funds largely in excess of those which had been made available for the present fiscal year, but in accordance with what we conceived to be the instruction of the House, we insisted that those funds be reduced to amounts available for the present fiscal year and in the case of administrative expenses we insisted on a further cut below the amount of funds made available for the present fiscal year. We have brought this matter before you in substantially the way in which you approved it on the 1st day of June, and we think without regard to how you feel about the Farm Security Administration or what should be done with it, you should approve the action of your subcommittee in doing exactly what you in effect instructed us to do. All of the members of our subcommittee, both Republicans and Democrats, have approved this action, with the exception of the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Kansas.

Mr. LAMBERTSON. The difference between the approval of the Farm Security Administration on June 1 and the lunch program was that the lunch program was talked about for an hour and the Farm Security item was put over and nobody asked questions on it in particular.

Mr. TARVER. No; the Farm Security Administration provision was not slipped over. I was present in the House. Was the gentleman from Kansas [Mr. LAMBERTSON] present?

Mr. LAMBERTSON. No; I was not.

Mr. TARVER. Then the gentleman from Kansas [Mr. LAMBERTSON] is not in a position to say it was slipped over. The gentleman from Kansas [Mr. HOPE], who is the ranking Republican member of the Committee on Agriculture, was present and was sitting at the table where the gentleman is standing now. The matter was called up and no Member of the House who was present saw fit to object to the adoption of the amendment adopted in the Pace bill and which we have proposed here in accordance with what we construe to be the will of the House. Of course, if the gentleman had objections to that amendment he had the right to be present and raise those objections.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. As the gentleman knows, I favor the continuation of the Farm Security for a year, pending complete investigation of the Farm Credit structure, with the hope that we can consolidate all these agencies under one head. But in looking over the figures that the committee has submitted here for land-purchase the thought occurs to me that really, this is no time to put these farm tenants on high-priced land.

Mr. TARVER. Oh, but we do not carry a thing in this bill for the purchase of land, that is, for the Farm Security Administration, except in the farm tenant land-purchase program, which is a different item. There is not a dollar of this money that can be used for the purchase of land.

Mr. AUGUST H. ANDRESEN. Of course, the Farm Security Administration is administering the farm tenant land purchases.

Mr. TARVER. That is true, but that is another item. That is not this item of the bill. That item has already been agreed to. In fact, the House had in the bill when it passed the House, the $15,000,000 for the farm tenant land-purchase program and this item does not provide anything for the purchase of land, but on the contrary it has an express inhibition against the use of this money for the purchase of land. I call the gentleman's attention to this language:

"None of the moneys provided or authorized under this caption, 'loans, grants, and rural rehabilitation' shall be used for (1) the purchase or leasing of land or for the carrying on of any land-purchase or land-leasing program."

Not a dollar of this money, if it is approved by the House, can be used for the purchase of land.

Mr. AUGUST H. ANDRESEN. I agree with the attitude of the committee, and I want to compliment the committee for taking that position.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. TARVER. Mr. Speaker, I yield myself another minute in order to answer the inquiry of the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Speaker, I would like to inquire how many farmers is it estimated that the Farm Security Administration aids or has aided, say in the past fiscal year, approximately?

Mr. TARVER. I do not know the current figures, but it is something in the neighborhood of a million farmers since the beginning of the program. I think there are about 376,000 at the present time. And they are the poorest farmers in the United States. Unfortunately the poorer farmers are in the majority, at least in my part of the country, and I think perhaps that is true of the gentleman's district also.

Mr. ROBSION of Kentucky. The administrative expenses have been cut over $2,500,000?

Mr. TARVER. That is, below the Senate bill.

Mr. ROBSION of Kentucky. Yes; and you have cut the Senate's proposal of loans from $97,000,000 down to $67,000,000?

Mr. TARVER. That is correct, to $67,500,000.

Mr. ROBSION of Kentucky. Are any members of the gentleman's committee, on the conference committee of the House, opposed to the gentleman's motion as he has submitted it?

Mr. TARVER. None, except the gentleman from Kansas [Mr. LAMBERTSON], as I understand it. So far as the amount involved is concerned, may I say to the gentleman, while the Pace amendment authorized the appropriation in such amounts as might be thought necessary by Congress, at the same time the language of the amendment seemed to indicate that Congress desired the program carried on for the next fiscal year substantially as it had been carried on for this fiscal year. It is largely for that reason that we did not consent to recommend additional money.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Georgia [Mr. TARVER] to recede and concur in the Senate amendment, with an amendment.

The question was taken; and on a division (demanded by Mr. LAMBERTSON) there were—ayes 133, noes 22.

So the motion was agreed to.

The SPEAKER pro tempore [Mr. COOPER]. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 66: On page 84, line 11, strike out "$750,000" and insert "$1,500,000."

Mr. TARVER. Mr. Speaker, I move that the House recede and concur in Senate amendment No. 66.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 71: On page 86, line 23, after the figures, insert: "which sum shall be borrowed from the Reconstruction Finance Corporation in accordance with the provisions of section 3 (a) of said act and shall be considered as made available thereunder; and the Reconstruction Finance Corporation is hereby authorized and directed to lend such sum in addition to the amounts heretofore authorized under said section 3 (a) and without regard to the limitation in respect of time contained in section 3 (c) of said act; and the amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions hereof."

Mr. TARVER. Mr. Speaker, I move that the House recede and concur in Senate amendment No. 71.

The motion was agreed to.

Mr. TARVER. Mr. Speaker, I move to reconsider the various votes by which action has been taken in connection with the conference report, and lay that motion on the table.

The motion was agreed to.

Mr. TARVER. Mr. Speaker, I ask unanimous consent that the House insist upon its disagreement to the amendment of the Senate numbered 60 and upon its amendments to the amendments of the Senate numbered 27, 40, 53, 63, and 65, that a further conference with the Senate be requested, and that the Speaker appoint the conferees on the part of the House.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. TARVER]? [After a pause.] The Chair hears none and appoints the following conferees: Mr. TARVER, Mr. CANNON of Missouri, Mr. SHEPPARD, Mr. WENE, Mr. LAMBERTSON, Mr. DIRKSEN, and Mr. PLUMLEY.

EXTENSION OF REMARKS

Mr. BENNETT of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article.

The SPEAKER. Is there objection?

There was no objection.

(By unanimous consent, Mr. WINTER was granted permission to extend his own remarks in the RECORD.)

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD, and also to extend my remarks in the RECORD and include an article by Westbrook Pegler.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include therein a luncheon address at the Inter-American Bar Association by Col. William C. Rigby. I have an estimate from the Government Printing Office that this article will cost $182.

The SPEAKER. Notwithstanding and without objection, the extension may be made.

There was no objection.

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix and to include an editorial from the Oil City Derrick.

The SPEAKER. Is there objection?

There was no objection.

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to extend my own re-

marks in the RECORD on the shortage of oil.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDERSON of New Mexico. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection?

There was no objection.

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent to extend my remarks and include a speech delivered by Mr. Shaughnessey, of the Department of Immigration and Naturalization, on I Am an American Day.

The SPEAKER. Is there objection?

There was no objection.

(By unanimous consent, Mr. SULLIVAN, Mrs. LUCE, and Mr. JOHNSON of Indiana were granted permission to extend their own remarks in the RECORD.)

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a short poem.

The SPEAKER. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two different subjects and to include in each certain excerpts.

The SPEAKER. Is there objection?

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a resolution.

The SPEAKER. Is there objection?

There was no objection.

Mr. MUNDT. Mr. Speaker, General Saunders, who led the B–29 raid on Japan recently, is a citizen of South Dakota, of whom we are all very proud. I ask unanimous consent to insert a newspaper article telling of his activities.

The SPEAKER. Is there objection?

There was no objection.

Mr. JUDD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD with regard to House Joint Resolution 93, which was passed yesterday.

The SPEAKER. Is there objection?

There was no objection.

Mr. TIBBOTT. Mr. Speaker, I ask unanimous consent to extend my remarks and include an address by the Governor of Pennsylvania, Hon. Edward Martin.

The SPEAKER. Is there objection?

There was no objection.

Mr. MYERS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech delivered at Atlantic City on Sunday last.

The SPEAKER. Is there objection?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein certain excerpts.

The SPEAKER. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the amendments of the House to a bill and joint resolutions of the Senate of the following titles:

S. 1634. An act to provide for the management and operation of naval plantations outside the continental United States;

S. J. Res. 93. Joint resolution declaring the policy of the Congress with respect to the independence of the Philippine Islands, and for other purposes; and

S. J. Res. 94. Joint resolution establishing the Filipino Rehabilitation Commission, defining its powers and duties, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1432) entitled "An act to extend the Civilian Pilot Training Act of 1939"; agrees to the conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RADCLIFFE, Mr. MEAD, and Mr. BREWSTER to be conferees on the part of the Senate.

The message also announced that the Acting President pro tempore has appointed Mr. BARKLEY and Mr. BREWSTER members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agency:

1. Department of Justice.
2. Department of War.
3. Selective Service System.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1718) entitled "An act to provide for the settlement of claims arising from terminated war contracts, and for other purposes"; agrees to the conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MURRAY, Mr. JOHNSON of Colorado, Mr. WALLGREN, Mr. GURNEY, and Mr. REVERCOMB to be the conferees on the part of the Senate.

The message also announced that the Acting President pro tempore has appointed Mr. BARKLEY and Mr. BREWSTER members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of the Interior.
3. Department of Justice.
4. Department of the Navy.
5. Department of the Treasury.
6. Department of War.
7. Administration Office of United States Courts (U. S. District Court, District of Maryland).
8. Civil Service Commission.
9. Federal Works Agency.
10. Selective Service System.

DEPARTMENT OF INTERIOR APPROPRIATION BILL, 1945—CONFERENCE REPORT

Mr. JOHNSON of Oklahoma. Mr. Speaker, I call up the conference report on the bill (H. R. 4679) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes; and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4679) "making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 35, 36, 38, 43, 45, 46, 47, 62, 63, 64, 70, 71, 72, 73, 75, 76, 77, 78, 79, 85, 86, 96, 97, 98, 99, 100, 101, 104, 106, 107, 110, 111, 114, 122, 123, 124, 125, 126, 129, 131, 132, 139, 140, 141, 142, 143, 144, 145, 146, 151, 152, 153, 154, 157, 158, 161, 162, 163, 164, 165, 167, 168, 170, 171, 172, 173, 174, 180, 181, 182, 185, 188, 194, 195, 197, and 206.

That the House recede from its disagreement to the amendments of the Senate numbered 15, 21, 34, 37, 49, 67, 68, 81, 83, 87, 90, 91, 102, 103, 105, 108, 121, 137, 177, 179, 187, 199, 200, 201, and 208, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7 and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$115,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$8,500"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$3,813,540"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$45,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$175,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$302,130"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows:

In lieu of the sum proposed insert: "$79,930"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$132,953"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$212,827"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$132,953"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$212,827"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$345,780"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$10,500"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$39,900"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$39,200"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$39,900"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$39,200"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$89,600"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "not exceeding $21,650 for construction and equipment of a dormitory building at the Denehotso Day School on the Navajo Indian Reservation;"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "and on the Fort Apache Reservation, Arizona, $3,066,940"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$320,000"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$1,444,250"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$85,650"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$200,000"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$950,000"; and the Senate agree to the same.

Amendment numbered 109: That the House recede from its disagreement to the amendment of the Senate numbered 109, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$450,000"; and the Senate agree to the same.

Amendment numbered 112: That the House recede from its disagreement to the amendment of the Senate numbered 112, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$3,075,000"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$4,321,000"; and the Senate agree to the same.

Amendment numbered 117: That the House recede from its disagreement to the amendment of the Senate numbered 117, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$500,000"; and the Senate agree to the same.

Amendment numbered 118: That the House recede from its disagreement to the amendment of the Senate numbered 118, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$750,000"; and the Senate agree to the same.

Amendment numbered 119: That the House recede from its disagreement to the amendment of the Senate numbered 119, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$1,250,000"; and the Senate agree to the same.

Amendment numbered 120: That the House recede from its disagreement to the amendment of the Senate numbered 120, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$15,000"; and the Senate agree to the same.

Amendment numbered 130: That the House recede from its disagreement to the amendment of the Senate numbered 130, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$875,000"; and the Senate agree to the same.

Amendment numbered 134: That the House recede from its disagreement to the amendment of the Senate numbered 134, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$170,000"; and the Senate agree to the same.

Amendment numbered 135: That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$23,750"; and the Senate agree to the same.

Amendment numbered 136: That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$1,700,000"; and the Senate agree to the same.

Amendment numbered 147: That the House recede from its disagreement to the amendment of the Senate numbered 147, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$797,595"; and the Senate agree to the same.

Amendment numbered 148: That the House recede from its disagreement to the amendment of the Senate numbered 148, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$90,000"; and the Senate agree to the same.

Amendment numbered 149: That the House recede from its disagreement to the amendment of the Senate numbered 149, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$7,000"; and the Senate agree to the same.

Amendment numbered 150: That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$1,024,480"; and the Senate agree to the same.

Amendment numbered 159: That the House recede from its disagreement to the amendment of the Senate numbered 159, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$657,640"; and the Senate agree to the same.

Amendment numbered 160: That the House recede from its disagreement to the amendment of the Senate numbered 160, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$50,000"; and the Senate agree to the same.

Amendment numbered 175: That the House recede from its disagreement to the amendment of the Senate numbered 175, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$200,000"; and the Senate agree to the same.

Amendment numbered 176: That the House recede from its disagreement to the amendment of the Senate numbered 176, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$1,106,278"; and the Senate agree to the same.

Amendment numbered 178: That the House recede from its disagreement to the amendment of the Senate numbered 178, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$317,540"; and the Senate agree to the same.

Amendment numbered 183: That the House recede from its disagreement to the amendment of the Senate numbered 183, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$865,000"; and the Senate agree to the same.

Amendment numbered 184: That the House recede from its disagreement to the amendment of the Senate numbered 184, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "334,900"; and the Senate agree to the same.

Amendment numbered 186: That the House recede from its disagreement to the amendment of the Senate numbered 186, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: ", $610,675"; and the Senate agree to the same.

Amendment numbered 189: That the House recede from its disagreement to the amendment of the Senate numbered 189, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$5,155,548"; and the Senate agree to the same.

Amendment numbered 190: That the House recede from its disagreement to the amendment of the Senate numbered 190, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$900,000"; and the Senate agree to the same.

Amendment numbered 192: That the House recede from its disagreement to the amendment of the Senate numbered 192, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$6,085,548"; and the Senate agree to the same.

Amendment numbered 193: That the House recede from its disagreement to the amendment of the Senate numbered 193, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$825,000"; and the Senate agree to the same.

Amendment numbered 198: That the House recede from its disagreement to the amendment of the Senate numbered 198, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$1,250,000"; and the Senate agree to the same.

Amendment numbered 204: That the House recede from its disagreement to the amendment of the Senate numbered 204, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$100,000"; and the Senate agree to the same.

Amendment numbered 205: That the House recede from its disagreement to the amendment of the Senate numbered 205, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"SEC. 8. Not to exceed a total of $40,000 of the appropriations contained in this Act shall be available for expenditure for long distance telephone tolls, and not to exceed a total of $40,000 shall be available for expenditure for telegrams and cablegrams, and the savings effected thereby in the items "communication services", as set forth in the Budget estimates submitted for such appropriations shall not be diverted to other use and shall be covered into the Treasury as miscellaneous receipts."

And the Senate agree to the same.

Amendment numbered 207: That the House recede from its disagreement to the amendment of the Senate numbered 207, and agree to the same with an amendment, as follows: In line 1 of the matter inserted by said amendment, strike out "9", and insert in lieu thereof "9a"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 39, 40, 41, 42, 82, 84, 88, 89, 93, 94, 115, 116, 127 128, 133, 138, 155, 156, 166, 169, 191, 196, 202, and 203.

JED JOHNSON,
JAMES M. FITZPATRICK,
MICHAEL J. KIRWAN,
W. F. NORRELL,
ALBERT E. CARTER,
ROBERT F. JONES, (except as to amendments 106, 108, 109, 117, 118, 119, 120, 121, 130, 134, 135, 136, and 138),
BEN F. JENSEN,
Managers on the part of the House.

CARL HAYDEN,
KENNETH MCKELLAR,
ELMER THOMAS,
JOSEPH C. O'MAHONEY,
DENNIS CHAVEZ,
RUFUS C. HOLMAN,
CHAN GURNEY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4679) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

No. 1: Appropriates $1,222,420, for salaries, Office of the Secretary, as proposed by the House, instead of $1,306,480, as proposed by the Senate.

No. 2: Appropriates $224,843 for personal services, Office of the Solicitor, instead of $243,900, as proposed by the Senate.

No. 3: Appropriates $115,580 for personal services, Division of Territories and Island Possessions, as proposed by the House, instead of $155,580, as proposed by the Senate.

Nos. 4, 5, 6, 7, and 8, relating to the Grazing Service: Provides $25,000 for purchase of automobiles, as proposed by the House, instead of $30,000, as proposed by the Senate, appropriates $977,740 for salaries and expenses, as proposed by the House, instead of $1,041,000, as proposed by the Senate, corrects the total for the "Salary and expense" item, as proposed by the House; appropriates $115,000 for range improvements, instead of $105,000, as proposed by the House, and $125,000, as proposed by the Senate; and appropriates $8,500 for leasing grazing lands, instead of $8,000, as proposed by the House, and $9,000, as proposed by the Senate.

No. 9: Appropriates $200,000 for the Petroleum Conservation Division, as proposed by the House, instead of $214,000, as proposed by the Senate.

Nos. 10, 11, and 12, relating to soil and moisture conservation operations: Provides $100,000 for departmental personal services, as proposed by the House, instead of $105,000, as proposed by the Senate; provides $4,000 for purchase of motor vehicles, as proposed by the House, instead of $5,000, as proposed by the Senate; and appropriates $1,200,000 for such purpose, as proposed by the House, instead of $1,300,000, as proposed by the Senate.

Nos. 13 and 14, relating to fire protection of forests: Authorizes the use of $8,000 for personal services in the District of Columbia, as proposed by the House, instead of $10,000, as proposed by the Senate; and appropriates $525,000 for such purpose, as proposed by the House, instead of $530,000, as proposed by the Senate.

No. 15: Appropriates $54,775.82 for payment of awards, war minerals claims, under the act of May 18, 1936, as proposed by the Senate.

No. 16: Appropriates $164,000 for contingent expenses, as proposed by the House, instead of $168,000, as proposed by the Senate.

Nos. 17 and 18: Strikes out the proposal of the Senate authorizing membership payments to certain societies or associations which issue publications to members, and appropriates $500 for purchase of books, as proposed by the House, instead of $2,500, as proposed by the Senate.

No. 19: Appropriates $200,000 for printing and binding, as proposed by the House, instead of $205,000, as proposed by the Senate.

Nos. 20 and 21, relating to the Bonneville Power Administration: Authorizes the use of $3,813,540 of the unobligated balance of construction funds for operation, maintenance, and so forth, of the project, instead of $3,686,540, as proposed by the House, and $3,940,540, as proposed by the Senate; and authorizes the use of $485,000 of construction funds for the construction of a transmission line from the Grand Coulee Dam to Brewster, Washington, as proposed by the Senate.

Nos. 22 and 23, relating to the High Commissioner to the Philippine Islands: Appropriates $98,160 as proposed by the House, instead of $115,675, as proposed by the Senate, of which $5,200 shall be available for expenditure in the discretion of the High Commissioner, as proposed by the House, instead of $10,000, as proposed by the Senate.

No. 24: Appropriates $290,000 for salaries and expenses, Office of Fishery Coordination, as proposed by the House, instead of $300,000, as proposed by the Senate.

Nos. 25 and 26, relating to the Solid Fuels Administration for War: Appropriates $4,669,200 for this Administration, as proposed by the House, instead of $5,025,000, as proposed by the Senate; and strikes out the proposal of the Senate to appropriate $700,000 for fuels conservation.

GENERAL LAND OFFICE

No. 27: Appropriates $850,000 for personal services in the District of Columbia, as proposed by the House, instead of $871,000, as proposed by the Senate.

No. 28: Appropriates $20,000 for traveling expenses of employees, as proposed by the House, instead of $24,000, as proposed by the Senate.

No. 29: Appropriates $500,000 for surveying public lands, as proposed by the House, instead of $530,000, as proposed by the Senate.

No. 30: Appropriates $370,000 for salaries and expenses, Branch of Field Examination, as proposed by the House, instead of $376,000, as proposed by the Senate.

No. 31: Appropriates $174,000 for salaries and expenses of land offices, as proposed by the House, instead of $175,200, as proposed by the Senate.

No. 32: Appropriates $300,000 for timber operations on the Oregon & California grant lands, as proposed by the House, instead of $303,500, as proposed by the Senate.

No. 33: Appropriates $45,000 for range improvements on public lands, instead of $40,000, as proposed by the House, and $50,000, as proposed by the Senate.

No. 34: Appropriates $4,852.54 for payment to the department of forestry, Oregon, for fire-protection work, as proposed by the Senate.

BUREAU OF INDIAN AFFAIRS

No. 35: Appropriates $798,175 for departmental salaries, as proposed by the House, instead of $828,175, as proposed by the Senate.

No. 36. Appropriates $41,800 for travel expenses of departmental employees, as proposed by the House, instead of $47,500, as proposed by the Senate.

No. 37. Appropriates $321,000 for maintaining law and order on Indian reservations, as proposed by the Senate, instead of $315,040 as proposed by the House.

No. 38. Appropriates $182,000 for repair and improvement of agency buildings, as proposed by the House, instead of $187,000, as proposed by the Senate.

No. 43. Appropriates $504,000 for preservation of timber on Indian lands, as proposed by the House, instead of $524,000, as proposed by the Senate.

No. 44. Appropriates $175,000 for timber-sale expenses, instead of $170,000, as proposed by the House, and $180,000, as proposed by the Senate.

No. 45. Appropriates $681,000 for agriculture and stockraising, as proposed by the House, instead of $706,000, as proposed by the Senate.

No. 46. Strikes out the proposal of the Senate to appropriate $22,500 for expenses of the National Indian Institute of the United States.

No. 47: Appropriates $100,000 for development of water supply, as proposed by the House, instead of $108,800, as proposed by the Senate.

Nos. 48, 49, and 50, relating to miscellaneous irrigation projects: Appropriates $302,130 for such projects, instead of $274,630, as proposed by the House, and $309,000, as proposed by the Senate; provides $25,000 for the White

Narrows project, as proposed by the Senate, and makes $79,960 available for administrative expenses, instead of $77,460, as proposed by the House, and $86,830, as proposed by the Senate.

Nos. 51, 52, 53, 54, and 55, relating to the San Carlos project, Arizona: Appropriates $345,780, for operation and maintenance, instead of $307,360, as proposed by the House, and $384,200, as proposed by the Senate.

Nos. 57, 58, 59, 60, and 61, relating to the Colorado River Indian Reservation, Ariz.: Appropriates $89,600 for operation and maintenance, instead of $84,600, as proposed by the House, and $94,600, as proposed by the Senate.

No. 62: Appropriates $35,000 for protection of project works, as proposed by the House, instead of $36,000, as proposed by the Senate.

Nos. 63 and 64, relating to construction and repair, Indian irrigation projects: Appropriates $100,000 for surveys, investigations, and expenses, as proposed by the House, instead of $103,750, as proposed by the Senate, and corrects the total of appropriations for such projects, as proposed by the House.

Nos. 65, 66, 67, 68, 69, 70, 71, 72, 73, and 74, relating to Indian education: Strikes out the proposal of the Senate to make appropriations for the support of Indian schools available for construction and inserts a specific provision providing for a dormitory building at the Denehotso Day School on the Navajo Reservation; appropriates $6,066,940 for the support of such schools, instead of $6,000,000, as proposed by the House and $6,230,040, as proposed by the Senate, of which $41,750 is provided for school facilities, including construction, for the Navajo Indian Reservation, $3,000 is for operation of Kinishba ruins on the Fort Apache Reservation, Ariz., as a museum, and $22,190 is for the transfer to gratuity appropriations of the same amount provided in the House bill as a tribal-fund appropriation; appropriates $320,000 for lease, repair, and improvement of school buildings, instead of $300,000, as proposed by the House, and $340,000, as proposed by the Senate; appropriates $193,405 for operation of the Sherman Institute, Riverside, Calif., as proposed by the House, instead of $211,155, as proposed by the Senate; corrects the total of nonreservation boarding-school items, as proposed by the House; and appropriates $1,444,250 for education and relief purposes for natives in Alaska, instead of $1,400,000, as proposed by the House, and $1,488,500, as proposed by the Senate.

No. 75: Appropriates $3,202,700 for general support and administration of Indian property, as proposed by the House, instead of $3,283,625, as proposed by the Senate, the amount appropriated including $5,225 for a special attorney for the Osage Indians, as provided in the bill as passed by the House.

Nos. 76, 77, 78 and 79, relating to general support and rehabilitation: Appropriates $500,000, as proposed by the House instead of $700,000, as proposed by the Senate, $35,000 for administrative expenses, as proposed by the House, instead of $46,000, as proposed by the Senate, $24,000 for departmental personal services, as proposed by the House, instead of $32,000, as proposed by the Senate, and restores the provision of the House that not to exceed $100,000 shall be available for rehabilitation purposes.

No. 80, relating to reindeer in Alaska: Appropriates $85,650, instead of $75,000, as proposed by the House, and $96,300, as proposed by the Senate.

Nos. 81, 83, 85, 86, 87, 90, 91 and 92, relating to the support and administration of Indian property from tribal funds: Appropriates $8,500, including not to exceed a $500 gift to the American Red Cross, from funds of the Cherokee Indians, North Carolina, as proposed by the Senate; removes the limitation of $72,380 on the purchase of cattle by the Klamath Indians, as proposed by the Senate; strikes out the proposal of the Senate to make $2,500 available for an attorney for the Colville Indians, Washington; appropriates $118,400 for Menominee Indians, Wisconsin, as proposed by the Senate, instead of $114,400, as proposed by the House; provides $10,000 for repairs to the Choctaw Chapter House, as proposed by the Senate; and appropriates $200,000 for support of the Osage Agency, Okla., instead of $213,700, as proposed by the House, and $173,980, as proposed by the Senate.

No. 95, relating to construction and repair of roads and bridges: Appropriates $950,000, of which $50,000 is recommended for further work on the Maverick Springs Road, Wyoming, instead of $900,000, as proposed by the House, and $1,100,000, as proposed by the Senate.

BUREAU OF RECLAMATION

Nos. 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, and 113, relating to appropriations from the reclamation fund: Appropriates $95,000 for salaries and expenses, as proposed by the House, instead of $1,761,000, with authority granted the Secretary to determine what part thereof should be nonreimbursable, as proposed by the Senate; restores the amounts recommended by the House under the heading "Administrative provisions and limitations"; authorizes the use of $350,000 of power revenues for operation of Parker Dam, as proposed by the Senate, instead of $340,000, as proposed by the House; authorizes the use of $400,000 for operation of the Shasta Dam, Central Valley project, from power revenues, as proposed by the Senate, instead of $385,000, as proposed by the House; appropriates $99,000 for the Boise project, Idaho, as proposed by the House, instead of $100,000, as proposed by the Senate; authorizes the use of $135,000 from power revenues for operation of the power system on the Kendrick project, Wyoming, as proposed by the Senate, instead of $125,000, as proposed by the House; appropriates $200,000 for the operation and maintenance administration, as proposed by the House, instead of $220,000, as proposed by the Senate; appropriates $250,000 for the Palisades project, Idaho, as proposed by the House, instead of $200,000, as proposed by the Senate; appropriates $2,250,000 for continuation of construction on the Deschutes project, Oregon, as proposed by the Senate, instead of $1,250,000, as proposed by the House; appropriates $450,000 for general investigations, instead of $400,000, as proposed by the House, and $500,000, as proposed by the Senate; appropriates $125,000 for administrative expenses, as proposed by the House, instead of $150,000, as proposed by the Senate; and corrects the totals appropriated from the reclamation fund.

No. 114: Appropriates $950,000 from power revenues for operation of the Boulder Canyon project, as proposed by the House, instead of $968,000, as proposed by the Senate.

Nos. 117, 118, 119, and 120, relating to the Colorado River development fund: Appropriates $1,250,000 for such purpose, of which $500,000 is made available for investigations of projects in the four States of the upper division, and $750,000 is available for the comprehensive plan for utilization of waters of the Colorado River, in lieu of the respective amounts recommended by the House and the Senate; and authorizes the use of not to exceed $15,000 for personal services in the District of Columbia in connection therewith.

No. 121: Authorizes the use of an unexpended balance for construction of that part of the Davis-Phoenix transmission line, Arizona, from Parker Dam to Phoenix, as proposed by the Senate.

Nos. 122, 123, 124, 125, 126, 129, 130, 131, and 132, relating to construction from general fund appropriations: Restores the provision of the House relating to the Central Valley project, California, appropriating $960,200, together with the unexpended balance heretofore available for transmission-line construction which is allocated to other construction features of the project, instead of an appropriation of $3,495,200, as proposed by the Senate; strikes out the proposal of the Senate to appropriate $750,000 for the Kings River project, California, appropriates $1,437,000 for the Colorado-Big Thompson project, Colorado, instead of $1,237,000, as proposed by the Senate; appropriates $4,300,000 for the Boise project, Idaho, Anderson Ranch, as proposed by the House, instead of $4,040,000, as proposed by the Senate; appropriates $700,000 for the Yakima project, Washington, as proposed by the House, instead of $600,000, as proposed by the Senate, appropriates $375,000 for general investigations, including investigations in connection with Missouri Basin projects, instead of $375,000, as proposed by the House, and $3,950,000, as proposed by the Senate; and appropriates $325,000 for administrative expenses, as proposed by the House, instead of $375,000, as proposed by the Senate.

Nos. 134, 135, 136, and 137, relating to water conservation and utilization projects: Appropriates $1,700,000 for such purpose, instead of $1,400,000, as proposed by the House, and $2,000,000, as proposed by the Senate, and provides $170,000 for surveys, investigations, and administrative expenses, and $23,750 for personal services in the District of Columbia, instead of the amounts recommended, respectively, by the two Houses; and strikes out the proposal of the House relating to the transfer of functions heretofore performed by the Department of Agriculture to the Interior Department.

GEOLOGICAL SURVEY

Nos. 139, 140, 141, 142, 143, 144, 145, and 146, relating to the Geological Survey: Appropriates $1,180,360 for topographic surveys, as proposed by the House, instead of $1,250,000, as proposed by the Senate; appropriates $177,000 for investigation of mineral resources of Alaska, as proposed by the House, instead of $1,252,000, as proposed by the Senate; and appropriates $350,340 for printing and binding, as proposed by the House, instead of $368,000, as proposed by the Senate; and corrects the total of such items, as proposed by the House.

BUREAU OF MINES

Nos. 147, 148, 149, 150, 151, 152, 153, 154, 157, 158, 159, 160, 161, 162, 163, 164, 165, 167, and 168, relating to various items under the Bureau of Mines: Appropriates $797,595 for operating mine rescue cars and investigations, instead of $772,595, as proposed by the House, and $822,595, as proposed by the Senate; appropriates $1,024,460 for the coal mine inspection service, instead of $936,270, as proposed by the House, and $1,527,880, as proposed by the Senate; and provides $90,000 for personal services in the District of Columbia and $7,000 for the purchase of passenger-carrying vehicles, instead of the respective amounts recommended by the House and Senate; appropriates $575,000 for enforcement of Federal Explosives Act, as proposed by the House, instead of $600,000, as proposed by the Senate; appropriates $250,000 for protection of mineral resources, as proposed by the House, instead of $300,000, as proposed by the Senate; appropriates $435,000 for mineral mining investigations, as proposed by the House, instead of $440,000, as proposed by the Senate; appropriates $657,640, for oil and gas investigations, of which $7,640 is to restore a reduction in that amount by the House, and $50,000 is provided to determine how the quality of base stocks for aviation gasoline can be improved, instead of $600,000, as proposed by the House, and $1,187,640, as proposed by the Senate; ap-

propriates $762,000 for mining experiment stations, as proposed by the House, instead of $772,000, as proposed by the Senate; appropriates $160,000 for maintenance of buildings and grounds at Pittsburgh, Pa., as proposed by the House, instead of $168,100, as proposed by the Senate; appropriates $575,000 for economics of mineral industries, as proposed by the House, instead of $590,750, as proposed by the Senate; and appropriates $2,900,000 for investigation of deposits of critical minerals, as proposed by the House, instead of $3,000,000, as proposed by the Senate.

NATIONAL PARK SERVICE

Nos. 170, 171, 172, 173, and 174, relating to the National Park Service: Appropriates $407,165 for salaries, as proposed by the House, instead of $413,000, as proposed by the Senate; appropriates $24,000 for general expenses, as proposed by the House, instead of $25,000, as proposed by the Senate; appropriates $171,820 for national monuments, as proposed by the House, instead of $199,000, as proposed by the Senate; appropriates $441,000 for national military parks, battlefields, and monuments, as proposed by the House, instead of $460,000, as proposed by the Senate; and appropriates $133,000 for administration of recreational demonstration areas, as proposed by the House, instead of $158,000, as proposed by the Senate.

FISH AND WILDLIFE SERVICE

Nos. 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 192, 193, 194, and 195: Appropriates $200,000 for general administrative expenses, instead of $196,100, as proposed by the House and $206,700, as proposed by the Senate; appropriates $1,106,278 for propagation of food fishes, instead of $1,097,555, as proposed by the House, and $1,115,000, as proposed by the Senate; appropriates $562,500 for investigations respecting food fishes, instead of $547,265, as proposed by the House; appropriates $317,540, for fishery industries, instead of $277,540, as proposed by the House, and $342,540, as proposed by the Senate; appropriates $99,260, as proposed by the Senate, instead of $92,420, as proposed by the House, for fishery market news service; appropriates $126,150 for fur-resources investigations, as proposed by the House, instead of $133,450, as proposed by the Senate; appropriates $193,715 for biological investigations, as proposed by the House, instead of $243,715, as proposed by the Senate; appropriates $865,000 for control of predatory animals, instead of $815,000, as proposed by the House, and $1,000,000, as proposed by the Senate; appropriates $334,900 for protection of migratory birds, instead of $322,400, as proposed by the House, and $347,400, as proposed by the Senate; appropriates $150,000 for enforcement of Alaska game law, as proposed by the House, instead of $156,530, as proposed by the Senate; appropriates $610,675 for maintenance of mammal and bird reservations, instead of $590,675, as proposed by the House and $666,675, of which $36,000 was for the purchase of land in Humboldt County, Nev., as proposed by the Senate; provides that $40,000 of the 1944 unexpended balance shall continue available in 1945 for work in the Wichita Mountains Refuge, as proposed by the Senate, appropriates $58,330, for migratory bird conservation refuges, as proposed by the House, instead of $63,330, as proposed by the Senate; corrects the totals for salaries and expenses and for the Fish and Wildlife Service; appropriates $900,000 for Federal aid in wildlife restoration, instead of $800,000, as proposed by the House, and $1,300,000, as proposed by the Senate; makes $825,000 available for departmental personal services; and restores the language of the House, providing for "purchase" of motor vehicles, instead of the "exchange", as proposed by the Senate.

TERRITORY OF ALASKA

Nos. 197, and 198: Appropriates $1,000,000 for construction and repair of roads, as proposed by the House, instead of $1,180,000, as proposed by the Senate; and appropriates $1,250,000 for continuation of construction of the Richardson Highway, instead of $1,000,000, as proposed by the House, and $1,500,000, as proposed by the Senate.

TERRITORY OF HAWAII

Nos. 199, 200, and 201: Appropriates $22,560, for expenses of the office of the Governor and the Secretary, as proposed by the Senate, instead of $21,600, as proposed by the House.

VIRGIN ISLANDS

No. 204: Appropriates $100,000 for defraying the deficit of the municipal government of St. Croix, instead of $70,000, as proposed by the House, and $140,000, as proposed by the Senate.

MISCELLANEOUS

No. 205: Limits the use of funds for telephone tolls to $40,000, and telegrams and cablegrams to $40,000, instead of a limitation of $25,000 in each instance, as proposed by the House, and elimination of the section, as proposed by the Senate.

No. 206: Corrects a section number.

No. 207: Prohibits the use of funds appropriated in the act for any purposes in connection with the Jackson Hole National Monument.

No. 208: Strikes out the proposal of the House prohibiting the use of funds to pay the salary of any male person between the ages of 18 and 30 physically qualified for military duty, with certain exceptions.

AMENDMENTS IN DISAGREEMENT

The following amendments are reported in disagreement:

No. 39: Purchase of improvements on lands, Havasupai Indian Reservation, Ariz. The House managers will recommend concurrence in the Senate amendment.

No. 40, relating to purchase of land, Fort Peck Reservation, Mont.: The House managers will recommend concurrence in the Senate amendment.

No. 41, relating to purchase of land, Flathead Indians, Mont.: The House managers will recommend concurrence in the Senate amendment.

No. 42, relating to the purchase of land, Eastern Band of Cherokee Indians, North Carolina: The House managers will recommend concurrence in the Senate amendment.

No. 82, relating to payment of rewards for theft of Indian cattle, Klamath Reservation, Oreg.: The House managers will recommend concurrence in the Senate amendment.

No. 84, correcting a total.

No. 88, relating to funds for an audit of the books of the Menominee Indian Mills: The House managers will recommend concurrence in the Senate amendment.

No. 89, correcting a total.

No. 93, relating to expenses of tribal officers, Shoshone and Arapaho Tribes, Wyoming: The House managers will recommend concurrence in the Senate amendment.

No. 94, relating to fulfillment of the Atoka agreement with Choctaw-Chickasaw Nations of Indians. The House managers will recommend concurrence in the Senate amendment.

No. 115, relating to report on expenditures incurred in operating Boulder Dam: The House managers will recommend concurrence in the Senate amendment.

No. 116, relating to work on the Colorado River front including the vicinity of Needles, Calif. The House managers will recommend concurrence in the Senate amendment with an amendment.

No. 127, relating to the Tucumcari project, New Mexico. The House managers will recommend concurrence in the Senate amendment with an amendment.

No. 128, relating to the Lugert-Altus project, Oklahoma. The House managers will recommend concurrence in the Senate amendment with an amendment.

No. 133, correcting a total.

No. 138, relating to the Fort Peck project, Montana: The House managers will recommend concurrence in the Senate amendment with an amendment.

No. 155, relating to anthracite investigations: The House managers will recommend concurrence in the Senate amendment with an amendment.

No. 156, relating to synthetic liquid fuels: The House managers will recommend concurrence in the Senate amendment with an amendment.

No. 166, relating to raw material resources for steel production: The House managers will recommend concurrence in the Senate amendment with an amendment.

No. 169, relating to processes for recovery of waste metals: The House managers will recommend concurrence in the Senate amendment.

No. 191, relating to the payment of overtime in connection with Federal aid in wildlife restoration funds: The House managers will recommend concurrence in the Senate amendment.

No. 196, relating to reimbursement for the cost of supplies, Fish and Wildlife Service: The House managers will recommend concurrence in the Senate amendment.

No. 202, relating to salaries and expenses of the Governor, Virgin Islands: The House managers will recommend concurrence in the Senate amendment with an amendment.

No. 203, relating to the agricultural experiment station, Virgin Islands: The House managers will recommend concurrence in the Senate amendment with an amendment.

JED JOHNSON,
JAMES M. FITZPATRICK,
MICHAEL J. KIRWAN,
W. F. NORRELL,
ALBERT E. CARTER,
ROBERT F. JONES (except as to amendments 106, 108, 109, 117, 118, 119, 120, 121, 130, 134, 135, 136, and 138),
BEN F. JENSEN,
Managers on the part of the House.

The SPEAKER. The gentleman from Oklahoma is recognized.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I feel it is unnecessary for me to make an extended statement at this time with reference to the action of the conferees, but I do think the Members of the House would like to know about what action was taken concerning the 203 amendments in dispute between the two Houses. I believe the House would also like to know whether or not we are under Budget estimates or over the Budget estimates, so I will give just a few figures and then yield briefly to the ranking minority member and other members of the committee who wish to make brief statements.

Mr. Speaker, as recommended by the House conferees the bill totals $103,293,796.36. This is a reduction in the Budget estimate of $12,080,599. This the conferees feel is a very satisfactory showing.

The net reduction in the bill as it was passed by the Senate is more than $20,000,000, to be exact, $20,389,549.

The net increase in the bill over the amount it carried as passed by the House is $15,000,000, but in that connection it should be remembered that after the bill

left the House more than $18,000,000 of Budget estimates went to the Senate.

The Senate has receded on 103 out of a total of 208 amendments. That is something very unusual, it is unusual for them to recede on half as many amendments, and we feel we have made an excellent showing in persuading them to yield completely on 103 amendments. The House receded on only 25 amendments. We have agreed to 56 Senate amendments with amendments. Twenty-four amendments remain in disagreement.

I believe this is all I have to say at this time except to state again that members of the committee on this side of the aisle are deeply grateful to the minority members for the fine patriotic service they are rendering in connection with this bill. There was no partisan politics of any kind in connection with this bill. We worked in harmony and the result shows what can be done by way of economy when a committee really works together.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I shall be pleased to yield to my distinguished friend from West Virginia.

Mr. RANDOLPH. I thank the gentleman. Is it appropriate for the gentleman to discuss at this point the attitude of the conference committee on the item I shall direct attention to briefly?

Mr. JOHNSON of Oklahoma. I prefer that we discuss the various amendments as we reach them. I believe I know some of the things the gentleman refers to for there are one or two things in which he is tremendously interested. I might say that I believe that members of the committee are sympathetic with what the gentleman from West Virginia is doing and trying to do for the war effort.

Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. CARTER], ranking minority member of the subcommittee.

Mr. CARTER. Mr. Speaker, the chairman of the subcommittee, the distinguished gentleman from Oklahoma, has made a very fair statement in regard to this bill. As he told you, the Senate receded on 103 of the amendments they offered to this bill. This is a record, so far as I know. On a number of other amendments they receded with amendments.

I have helped write a number of Interior Department appropriation bills during the time I have served on the Appropriations Committee but it seems to me the bill we are now considering comes nearer meeting what I believe the Interior Department appropriation bill should be than any with which I have ever had anything to do. Had I had my way entirely certain items in the bill would have been cut further, but you who serve on conference committees know that no one individual can have his own way about these things; that it is often a matter of compromise; but on the whole I believe this is a very good bill.

There are some 24 items that are still in disagreement. They will be taken up individually later. So far as the conference report itself is concerned, Mr. Speaker, I shall vote for its adoption and then express myself on the separate items as we take them up.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield 5 minutes to the gentleman from Alaska [Mr. DIMOND].

Mr. DIMOND. Mr. Speaker, I desire to make an inquiry about Senate amendments Nos. 141 and 142, under which it was proposed to appropriate $1,075,000 for exploration of the oil resources of Alaska. The item was inserted in the bill in the Senate, but in the conference the Senate receded and upon adoption of the conference report in its present form it will not be in the bill. If the distinguished chairman of the subcommittee or anyone else cares to comment upon it I shall be pleased to have information. I suggest that inasmuch as Alaska lies on the direct line, you might say, upon the advanced line, or the fighting line between the United States and Japan, it may be of the highest national importance to find out whether there is any oil in Alaska and how much oil is there so we may make use of it in the current war emergency, because we all know that if oil is found in quantity it takes comparatively little time to develop it. At the present time all the oil used in Alaska and the Aleutians must be hauled from the States to and through Alaska and out into the Aleutians and so on toward Japan as we proceed in that direction. It would be helpful to the war effort if we could develop some oil in Alaska; and that is the proposition, to at least explore and find out what oil there is and how much there is, if any. In the hearings in connection with another bill which was recently passed it was indicated—and this is said without criticism—that the United States Government had spent up to date $12S,000,000 in attempting to make use of some oil in the Mackenzie River valley in Canada at a place called Norman Wells. That oil must be hauled about 600 miles to Whitehorse, where it is refined, then hauled or piped another 111 miles to the seaport of Skagway for use along the coast of Alaska or further west.

The proposal in this Senate amendment is to make explorations for oil, where oil is indicated by the engineers at several places along the coast of Alaska, and it would supplement the effort now being made or about to be made by the Navy in the Arctic region in Alaska.

Mr. JENSEN. Will the gentleman yield?

Mr. DIMOND. I yield to the gentleman from Iowa.

Mr. JENSEN. The gentleman would like to know why the committee having to do with the Interior Department appropriation bill did not permit this appropriation for the investigation of oil in Alaska. It is a rather long story, but I will make it as short as I possibly can.

In this House we recently turned down an amendment to one of our bills to raise the price of crude oil about 35 cents a barrel. Just as long as the Congress insists on not giving the oil producers in this Nation, the small oil producers in this Nation, where we know the oil is and where it is already flowing in the lower producing fields, I for one, as a member of the Interior Appropriation Committee, will insist that we do not go outside of the confines of the United States and spend a lot of money to get oil and to make investigations, because we can get all the oil we want right now in this war period, and we would be getting it if we will pay a fair market price instead of doing what the administration wants to do—pay subsidies for the production of every conceivable thing. The committee is certainly in favor of spending some money in due time for drilling and in investigating for oil and minerals in Alaska, which the gentleman represents so efficiently; but we do insist that we first get the oil that is already available here. We know where it is. It would not cost a dime to investigate. Certainly the membership of this committee would not be justified in spending millions and millions of dollars to look up new oil wells when we know we have them right here and they are ready to go.

Mr. WHITE. Will the gentleman yield?

Mr. DIMOND. I yield to the gentleman from Idaho.

Mr. WHITE. The gentleman from Iowa does not take the position that he is opposed to the development of Alaska and our insular possessions, does he?

Mr. JENSEN. No.

Mr. WHITE. How are you going to find out where the oil is if you do not look for it?

Mr. JENSEN. We have the oil right here.

Mr. WHITE. The gentleman is contending we should not look any further.

Mr. JENSEN. After the war is over, or if the war lasts longer than we anticipate it will, why, of course, then possibly we will have to look for it, but I do not think so. We have all the oil we need right here today on the mainland, but they will not let it be produced; they will not let the wildcat wells or the low-producing wells produce because they cannot produce at the price they are allowing.

Mr. WHITE. The gentleman's opposition is to going to foreign countries, but he is not opposed to developing our own insular possessions?

Mr. JENSEN. Of course I am not, and if the gentleman had been listening to me he would have heard me say that.

Mr. MANSFIELD of Montana. Will the gentleman yield?

Mr. DIMOND. I yield to the gentleman from Montana.

Mr. MANSFIELD of Montana. I want to congratulate the Delegate from Alaska for standing up so ably for the Territory he represents. While I have a good deal of sympathy for what the gentleman from Iowa has said, I feel that Alaska is a part of the United States and that it is up to the Congress to do what it can to bring about the exploration and development of the natural resources which it has. Alaska does have oil resources which we will very likely need in our war with Japan. We can spend a hundred million dollars to develop Canadian properties, but when it comes to spend-

ing a million dollars for the development of our own properties we are up against something that cannot seem to be overcome. I would suggest to the House that it give serious consideration to bringing Alaska into the family of States, and at the earliest opportunity pass the bill granting her statehood.

Mr. CASE. Will the gentleman yield?

Mr. DIMOND. I yield to the gentleman from South Dakota.

Mr. CASE. May I ask the gentleman about this proposal, because it is related to an item of something over a million dollars in the appropriation bill for the War Department which passed this House a few days ago and is now pending in the Senate. Do I understand that the money that was provided in this bill was for geological work in connection with that project?

Mr. DIMOND. It was to be given to the Geological Survey under the jurisdiction of the Department of the Interior to explore and develop oil in other parts of Alaska, not, as I understand, the particular area to which the War Department is giving attention.

Mr. CASE. It is not related to the Wide Bay project?

Mr. DIMOND. No. I understand it does not cover the Wide Bay project. Some part of this money may have been intended for use at Wide Bay, because the Department of the Interior still has title to all of the lands in the Wide Bay area. Only the surface has been placed in a military reservation. This is an integral part of the plan to explore for oil in that part of the world, which is important to us now.

Mr. CASE. If there is any particular need for doing anything in connection with oil in Alaska at this time, it would seem to me it should be related to the war effort. If oil can be produced near a logical center, that is one thing. The general exploratory purpose is something quite different. May I ask the gentleman, from his own knowledge in Alaska, what is the most likely spot for producing oil?

Mr. DIMOND. I am not an engineer, Mr. Speaker, and I can only guess. I would say the most likely part is the Arctic, and the Navy Department is attempting explorations there, but that is something like 800 miles from the southern coast, and I think it is invaluable to find out how much oil is there because there is no great difficulty in getting it to the coast provided we want to spend the time and money to do it. The areas that are sought to be explored by the Geological Survey under the amendment put in the bill by the Senate are right on the seacoast, where any oil produced is immediately available. They are on a direct line between the United States and Japan. In view of the shortage of shipping, and I can say to the gentleman that the shortage is still acute, I think it would promote the war effort if this exploration could be made. Oil on the coast of Alaska would be of high value for present military purposes—perhaps invaluable.

Mr. CASE. Let us settle one thing. This particular project is not necessarily related to or dependent upon the project that was provided in the War Department appropriation bill?

Mr. DIMOND. I understand that to be the case, although I am not able to give a categorical answer to the question.

Mr. NORRELL. Will the gentleman yield?

Mr. DIMOND. I yield to the gentleman from Arkansas.

Mr. NORRELL. Mr. Speaker, I want the RECORD to show that this committee would be just as willing to recommend an appropriation of money for geological surveys and the discovery of oil in Alaska as it would in the continental United States. It is the position of the committee that public funds should not be expended for these purposes anywhere, either in continental United States or in our insular possessions until the small oil companies have an opportunity to spend their own private funds for geological surveys and for the exploration of oil. The committee does not mean to draw a line of demarcation between Alaska and continental United States.

Mr. DIMOND. Mr. Speaker, I appreciate the gentleman's position, but all of this land in Alaska is reserved by the Government and no private individual can explore it.

If the land were available for private exploration and development under the Oil Leasing Act, or under any other law, the case would be different. But for the protection of the public interest, and to insure, if possible, a supply of oil for the Army and Navy, all of the potential oil land of Alaska has been placed in reserve except for a few acres privately owned, from which no production is now being had. Virtually all of Alaska which gives promise of oil is in reserve. Hence, if any exploration is undertaken, the work must be done by some arm of the Government. Wisely, I think, the Navy is proceeding with some oil exploratory work in the immense oil reserve on the Arctic coast. The Army is proposing to do some work at Wide Bay and funds for that purpose were carried in the War Department appropriation bill which recently was passed by the House. The sum, $1,075,000, carried in the amendment under discussion is largely intended for explorations at Yakataga and at Katalla and at Iniskin, although it may be that some part of it is intended for use at Wide Bay, and a part of it was earmarked for northern Alaska, as indicated in the justification of request for appropriation made to the Senate Subcommittee on Appropriations.

For national defense purposes this work should have been done years ago. In support of the successful prosecution of the war it ought to be done now. Nor should there be delay because all of the oil in the States has not been exhausted. Surely, if we go to Norman Wells, and are even planning to go to Arabia to get oil, it is the part of common sense and wisdom to at least see if we have any oil in an area which is just as much a part of the United States as any of the States and which is closer to Japan than any other oil-producing area under our control in all the world. No one knows how long the war with Japan will last nor what its demands will be. Considering the strategic position of Alaska it may well be that the discovery and development of oil in the Territory will be not only true economy but a substantial contribution to victory. I offer, Mr. Speaker, as a part of my remarks, a copy of the printed record of the hearing on this subject before the subcommittee of the Senate Committee on Appropriations held on May 12, last.

HEARING BEFORE SUBCOMMITTEE OF SENATE COMMITTEE ON APPROPRIATIONS

GEOLOGICAL SURVEY

(Statements of William E. Wrather, Director; Philip S. Smith, Chief Alaskan Geologist; William B. Heroy, Foreign Production Division, Petroleum Administration for War; Michael Straus, Assistant Secretary, Department of the Interior)

Mineral resources of Alaska

Amount of Supplemental Estimate

Senator HAYDEN. We have a supplemental estimate in the amount of $1,075,000 under the item "Mineral resources of Alaska."

Mr. STRAUS. Mr. Wrather, Director; Dr. Smith, of the Alaskan Branch; and Mr. Heroy, of the Foreign Production Division of the Petroleum Administration for War, are here in connection with this item.

Senator HAYDEN. I believe I will include at this point the justification prepared by the Department in connection with this item.

(The justification referred to follows:)

"MINERAL RESOURCES OF ALASKA

"(Estimate, $177,000+$1,075,000 in Senate Document No. 196; act, $150,000+$20,000 overtime)

"(P. 67, lines 9 and 10)

"(1) Page 67, line 9, strike out '$177,000' and insert '$1,252,000', to allow supplemental estimate of $1,075,000 in Senate Document No. 196.

"(2) Page 67, line 10, strike out '$60,000' and insert '$150,000', to allow an increase of $90,000 in the limitation on personal services in the District of Columbia, as recommended in Senate Document No. 196.

"(1) The purpose of the first amendment is to include $1,075,000 for an oil-exploration program in Alaska as a part of the budget for 1945.

"War demands have resulted in a very heavy drain on petroleum supplies in the Pacific area. In fact, California production even now is unable to meet immediate demands adequately. It is anticipated that requirements in the Pacific will increase rather than decrease.

"In the circumstances it would be of great help if Alaska were self-sustaining in regard to petroleum products, and would be even better if the Territory were able to contribute to requirements outside of Alaska. At present, all petroleum products used in Alaska must be shipped there.

"This situation has long been predicted by the Department of the Interior and on November 16, 1942, Mr. Ickes, as Petroleum Coordinator for War, presented to the President a proposal that the Government undertake to develop oil production in the Alaskan area. This proposal contained the following paragraphs:

"'The strategic importance of Alaska becomes more and more evident as the war goes forward. The relative proximity of the Territory, and especially of the Aleutian Peninsula, to Japan and Asia, and its location in relation to the circumpolar and transpolar air routes that undoubtedly will be utilized to an increasing degree, emphasize the importance of developing indigenous sources of petroleum and petroleum products in that area. Liquid fuels and other petroleum products must now be brought from California by tank ship, and this at a time when

the many other essential demands on such shipping can be met only with the greatest difficulty. Obviously, if Alaska could be made anywhere nearly self-sufficient so far as oil is concerned, it would be a highly advantageous development.

"'The reasons for the failure of private enterprise adequately to explore the oil potentialities in Alaska are basically economic, and are not due to inferior geological prospects. The promising areas are remote from the large consuming centers, supplies and equipment must be transported over considerable distances, and, due to the rigors of the climate, exploratory operations can be conducted during only a limited portion of the time and then only at a relatively high cost. Undoubtedly the oil possibilities of the Territory would long since have received more active attention by oil companies had not the physical and financial deterrents been so great. Any serious exploration for oil by private interests is in any case impractical under presently existing conditions.

"'Fully realizing the importance of the discovery of petroleum in Alaska to the conduct of the war, this office has made an exhaustive review of the available data bearing on the subject. The Geological Survey of the Department of the Interior and the private-oil companies which have carried on exploration and development activities in the area have furnished us the material resulting from their experience. It is our belief that the exigencies of the situation and the prospects for successful exploration are sufficiently great to justify a program of substantial character.'

"The strategic importance of lands in Alaska that may contain significant petroleum resources is further illustrated by Public Land Order 82, issued January 22, 1943, which withdraws certain tracts in Alaska from sale, location, selection, and entry under the public-land laws, including the mining laws, and from leasing under the mineral-leasing laws, and reserves the minerals in such tracts under the jurisdiction of the Secretary of the Interior, for use in connection with the prosecution of the war. The lands withdrawn include all of the areas that are regarded as being most likely to contain petroleum deposits of value, and obviously the lands were withdrawn with petroleum in mind.

"Since the letter from the Petroleum Coordinator for War to the President in November 1942, and since the issue of Public Land Order 82 in January 1943, the Pacific petroleum situation has become more acute and the need for geological investigations on which any intelligent drilling for oil must be based, is more pressing now than before.

"In spite of the President's approval of the proposal of the Petroleum Coordinator for War, repeated attempts to get this urgent program under way have so far been unsuccessful. Another Alaskan field season is at hand and the small start that the Geological Survey has been able to make on oil investigations within its present budget will have to be almost completely abandoned unless funds are made available to carry the petroleum-exploration program through the fiscal year 1945.

"The program in the fiscal year 1945 is for investigations in the five areas that seem, on the basis of earlier Geological Survey work, to hold the best possibilities of containing significant petroleum reserves. These areas include:

Yakataga	$367,900
Katalla	359,000
Iniskin	47,950
Alaska Peninsula	184,070
Northern Alaska	79,800
Administration	36,280
Total	1,075,000

"The principal objectives of the program are: (1) to determine as rapidly as possible justified locations for test wells and to drill such information wells; (2) to study and map the geologic features of as much as possible of the five areas in sufficient detail to constitute an adequate basis for the location of subsequent test wells; (3) to appraise the possibilities of the five areas as sources of petroleum; (4) to plan future investigations that may be needed in areas contiguous to those studied in detail; and (5) to correlate and integrate the information obtained in order to be in a position to guide the development of any oil pools that may be discovered.

"The scope and objectives of the program have been carefully worked out in the Geological Survey and the work in each area has been planned in considerable detail. However, because of the conditions under which the work will be performed, it is impossible to forecast specific estimate details. For instance, as planned, a large amount of the actual labor in the field will be done by contract but, if suitable contracts cannot be entered into, because of military exigencies, priorities, etc., it may become necessary for the Geological Survey to supply additional personnel, equipment, and materials, and contract for its use. In this event many of the items in the estimate will have to be adjusted.

"The personnel provided in the estimate will be used mainly in the diverse professional and technical phases of the work, which is contemplated in about a dozen field projects. The travel item is relatively large because of the high cost in Alaska of special boat and plane travel. 'Transportation of things' includes the movement into remote areas by plane and boat of a large amount of such equipment items as tractors, drills, casing, etc.

"The ratio between other contractual services and equipment and some other items cannot be estimated accurately because all the various situations which will arise cannot be predicted. Other contractual services include such items as the drilling of 38,000 feet of holes and a considerable amount of geophysical work for geologic information. The drilling will include perhaps as many as 50 holes which will be distributed in several of the areas to be investigated. In general, a large amount of the physical work of geologic drilling and similar work has been estimated as contractual. Some of the large items of equipment for the work such as some of the drills, prime movers, etc., have been estimated in the equipment item. Consequently, the actual carrying out of the job may involve either larger equipment and pay-roll costs and lower contractual costs or vice versa.

"Budget details of the proposed expenditures under this item are as follows:

Personal services, departmental:

Man-years:	
1 principal scientist, P-6	$5,600
2 senior scientists, P-5	9,200
2 assistant scientists, P-2	5,200
1 junior scientist, P-1	2,000
2 assistant clerk-stenographers, CAF-3	3,240
Overtime pay	4,146
Total	29,386

Personal services, field:

3 senior scientists, P-5	9,200
18 associate scientists, P-3	57,600
8 assistant scientists, P-2	20,800
11 junior scientists, P-1	22,000
24 temporary employees	60,000
Overtime pay	35,519
Additional pay for foreign service	15,000
Total	220,119
Total personal services	$249,505
Travel	70,000
Transportation of things	40,000
Communication services	2,000
Rents and utility services	5,000
Other contractual services	508,495
Supplies and materials	50,000
Equipment	150,000
Total	1,075,000

"The purpose of the second amendment is to increase the limitation on personal services in the District of Columbia in accordance with the increased estimate."

Senator HAYDEN. We will be pleased to have further verbal justification in addition to what has been placed in the record in writing.

Exploration for oil

Mr. STRAUS. I will offer just a brief justification. This is for the exploration of Alaska for oil. In this connection the Navy and the Army have an agreement with the Interior, each undertaking a share of it. The Navy is going to operate on the petroleum reserve in Alaska, the Army is going to operate in the Wide Bay area, and the Geological Survey, at the request of the services, is going to operate in other areas in Alaska, all of which is Government land.

Need for oil

The need for oil is the driving motive at the present time, and the necessity of the Government doing this is because private enterprise cannot and does not and will not do it at this time.

I will ask Dr. Wrather and Mr. Heroy to supplement that statement as they see fit.

Mr. WRATHER. This item covers the geological exploration for oil in Alaska which is clearly a function of the Geological Survey. While we are desperately struggling to find oil to service the war in the Pacific, it has been increasingly apparent in recent months that additional sources of supply are badly needed in that general area, and we anticipate that the demand for oil in the Pacific will be greater as time proceeds.

While we are tapping every known source of oil to meet the demands of the Navy and the Army, Alaska remains practically untested, and yet it is recognized to have possibilities for oil production. Surface indications of oil are numerous, and throughout the years the Geological Survey has made certain progress on this investigation, but the limited appropriations available have been scarcely sufficient to more than scratch the surface in such a large and undeveloped territory.

It becomes increasingly urgent that the Geological Survey should perform its obvious function and proceed with the geological exploration which must precede any actual drilling for oil. We are anxious to get at the job and are submitting this request so we can undertake exploration during the coming season on a more comprehensive scale than has been possible in the past.

When work could be started

Senator HAYDEN. If this money were made immediately available, how soon could you go to work?

Mr. SMITH. We are starting with the regular funds, the balance from the 1944 appropriation to send certain parties in the field so that we will have a small nucleus.

You might say we will be immediately available to go ahead on the larger program should the funds be granted.

Indications that oil will be found

Senator HAYDEN. You state that there are surface indications that oil will be found. Those are encouraging, are they?

Mr. WRATHER. There are encouraging indications. In an area along the south coast of Alaska and in another considerable area on the north coast, surface indications exist which indicate that oil may be present. The

final story will never be told until drilling is done and we must make a thoroughgoing geological study in order to indicate the best prospective areas.

Senator HAYDEN. The Geological Survey has in other parts of the country been successful in indicating to drillers a good place to put a hole in the ground and find out whether there is oil?

Mr. WRATHER. Yes, sir; that is the function of the Survey.

Senator HAYDEN. You believe that you can repeat the performance in Alaska to a satisfactory end?

Mr. WRATHER. I wouldn't guarantee the discovery of oil, but I will say we will make the best possible geological investigation.

Senator HAYDEN. What further statement do you wish to make?

Supplying of oil to Northwest area

Mr. STRAUS. I think Mr. Heroy would very briefly state the position in supplying oil to the Northwest section of the country at the present time and the difficulties that the Petroleum Administration for War, which he represents, has in that task.

Mr. HEROY. Senator, as you know, during the early stages of the war, the military situation in Alaska was such that it was impracticable to do anything there in the way of oil development. The situation, of course, has improved now where it does seem feasible to go in there and do certain things that couldn't be done earlier. As regards the supply on the Pacific coast, California is producing at the present time about 825,000 barrels a day of oil which is just about the very maximum which can possibly be done in that area. Everything is being strained to the utmost to get that amount of oil out. In spite of that fact, we are drawing on storage in California to meet the military situation about 80,000 barrels a day of crude oil, so that if the total production in California were 900,000 barrels a day, we wouldn't be any more than breaking even and we are greatly concerned about the shortage of oil on the Pacific coast at the present time, and everything is being done to increase the production in California itself.

Demands for oil in North Pacific

There are going to be large demands for oil in the North Pacific as we look ahead, we feel quite sure, and anything that can be done over a period of a year's time to bring in additional oil up there will be most helpful.

At the present time, for instance, in British Columbia there is a shortage of oil, and we are now planning to bring oil from western South America up to British Columbia in tankers to take care of that situation. So that we have in the North Pacific a very acute situation and we, therefore, feel that anything that can be done to add to the supply there and to cut off this deficiency will be very helpful.

How oil would be gotten out of Alaska

Senator HAYDEN. Now, the particular area that you believe it is desirable to explore is so situated that, if oil were found, it would not be difficult to get it to the seaboard?

Mr. HEROY. That is right. These areas in which Dr. Smith proposes to do most of his work are located very close to the coast on the south coast of Alaska, and if promising prospects were developed there, as we feel quite sure they will be, in several of these areas it will be a relatively simple matter.

Senator HAYDEN. It wouldn't be similar to the experience in northwestern Canada?

Mr. HEROY. In northern Alaska it would take a pipe line 800 miles long to bring it to the coast, but in no instance here would it take a pipe line more than 20 or 25 miles long to put the oil right on the coast, a thing that could be done within a few weeks, so that the oil would be immediately accessible for the war program if any were developed as a result of this work. Yes; I would like to make that very clear: That this is stuff that is right close to transportation.

Senator HAYDEN. Are there any further statements with regard to the matter?

Mr. WRATHER. Dr. Smith, do you have anything further to say?

Dr. SMITH. No, sir.

Preparatory study of project

Dr. WRATHER. We have worked over this budget very carefully, Senator. It has been in progress since last fall. First, we undertook to review all the accumulated information in the files of the Geological Survey bearing on the subject and in the light of this information appraise the gaps where additional work was needed. We have gone into this in considerable detail even to the point of the location of the areas in which field parties are to be placed. Some of the geologists are now proceeding to the field as the weather permits, and others will follow along as fast as possible. Of course, we will not be able to get the full force into the field until we are assured of how much money we will have available for the enterprise. There are limitations in manpower which, of course, are present in everything one tries to do these days, but we think we can carry the program forward as outlined.

Mr. STRAUS. One other statement, Senator. This is part of the three-way attack on the problem. The Congress has recently provided the Navy with a larger amount, I think, a million and a half dollars, to engage in an operation on the naval petroleum reserve on which no petroleum has been produced to date.

Development near coast line

Senator HAYDEN. That is located where?

Mr. STRAUS. On the north coast.

Senator HAYDEN. That is way up by Point Barrow?

Mr. STRAUS. Yes, sir; that is correct.

Senator HAYDEN. In that instance, if oil were discovered, it would not be far from ocean transportation?

Mr. STRAUS. Yes, sir. It is a difficult season up there, but it is close to the ocean.

Senator HAYDEN. If the oil were taken out of the well during the wintertime, it could be taken out when navigation opened and made available?

Mr. STRAUS. Yes; the reserve is very large geographically, but small in comparison with the other parts of Alaska which will be explored by the Survey.

The Army's participation—and this is by agreement and encouragement of the Army—is a drilling program at Wide Bay, the Wide Bay area in Alaska. That is what the Army is going to seek to do in the exploration of Alaska, and the Geological Survey is undertaking the part that has just been described.

Senator HAYDEN. Speaking of Wide Bay would indicate again that it was a development comparatively near the coast, and we would not be embarrassed by long transmission lines.

Mr. WRATHER. Directly on the coast, Senator.

Senator HAYDEN. I think that makes a satisfactory report.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and to include therein the brief hearings had before the Senate Committee on Appropriations on this subject.

The SPEAKER. Is there objection to the request of the gentleman from Alaska [Mr. DIMOND]?

There was no objection.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 39: Page 22, line 9, insert the following:

"Purchase of improvements on lands, Havasupai Indian Reservation, Ariz.: For the purchase of improvements on exchanged lands as authorized by and in accordance with the provisions of the act of March 4, 1944 (Public Law 246), $11,100: *Provided*, That title to any improvements so purchased shall be taken in the name of the United States in trust for the Indians of the Havasupai Reservation."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 40: Page 23, line 7, insert the following:

"Purchase of land, Fort Peck Reservation, Montana (tribal funds): For the purchase of land and improvements thereon for the Indians of the Fort Peck Reservation, Mont., $25,000, payable from funds on deposit to the credit of the Fort Peck Indians: *Provided*, That title to any land and improvements so purchased shall be taken in the name of the United States in trust for the Fort Peck Indians."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 41: Page 23, line 14, insert the following:

"Purchase of land, Flathead Indians, Montana (tribal funds): For the purchase of land and improvements thereon for the Indians of the Flathead Reservation, Mont., $38,000, payable from funds on deposit to the credit of said Indians: *Provided*, That title to any land and improvements so purchased shall be taken in the name of the United States in trust for the Indians of the Flathead Reservation."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 42: Page 23, line 21, and insert the following:

"Purchase of land, Eastern Band of Cherokee Indians, North Carolina (tribal funds): For the purchase of land and improvements thereon for the Eastern Band of Cherokee Indians, North Carolina, $2,500, payable from funds on deposit to the credit of said Indians: *Provided*, That title to any lands and improvements so purchased shall be taken in the name of the United States in trust for the Eastern Band of Cherokee Indians."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 82: Page 49, line 18, strike out "$216,045" and insert the following: "$223,670, of which not to exceed $1,200 shall be available until expended in units of $300 for standing rewards for information leading to the apprehension and conviction for the theft or killing of any Indian cattle (tribal and individual) on the Klamath Reservation, of any person or persons under rules and regulations adopted by the Klamath Cattle Committee and approved by the Commissioner of Indian Affairs, and."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 84: Page 50, line 6, strike out "$217,045" and insert "$224,670."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 88: Page 51, line 14, after the words "Indian Affairs", insert the following: "*Provided further,* That not to exceed $10,000 shall be immediately available for an audit of the books, accounts, and operations of the Menominee Indian Mills by a certified public accountant or firm of accountants under a contract to be entered by said accountant or firm of accountants with the Menominee Tribe acting by its advisory council and approved by the Secretary of the Interior."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 89: Page 51, line 22, strike out "$544,325" and insert "$558,950."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. JOHNSON of Oklahoma moves that the House recede from its disagreement to the amendment of the Senate No. 89, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$556,450."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 93: Page 54, line 17, insert the following:

"Expenses of tribal officers and other purposes, Shoshone and Arapaho Tribes, Wyoming (tribal funds): For the current fiscal year the Secretary of the Interior, or such official as may be designated by him, is hereby authorized to pay out of any joint tribal funds of the Shoshone and Arapaho Indians of the Wind River Reservation, Wyo., in the Treasury of the United States the following salaries and expenses:

"To the chairman, secretary, and interpreter of the Shoshone and Arapaho Joint General Council and members of the Shoshone and Arapaho Joint Business Committee, or other committees appointed by the Joint General Council, when engaged on joint business of the tribes, a sum of not to exceed $8 per diem for attendance to cover salary and all expenses; to such official delegates of the Shoshone and Arapaho Tribes who may carry on the joint business of the tribes in Washington or Chicago a per diem of not to exceed $10 in lieu of salary and expenses: *Provided,* That the rate of per diem shall be fixed in advance by the Joint General Council or by the Joint Business Committee if authorized by said Joint General Council: *Provided further,* That the official delegates of said tribes, carrying on business in Washington or Chicago shall also receive the usual railroad and sleeping-car transportation to and from Washington or Chicago: *And provided further,* That the length of stay of the official delegates in Washington or Chicago shall be determined by the Commissioner of Indian Affairs. The Secretary or his designate is also authorized and directed to expend from said joint tribal funds of the Shoshone and Arapaho Indians with the consent of the Joint Business Committee, not exceeding $1,500 per annum for pay of game and fish wardens to be appointed by the Joint Business Committee, for patrolling the lakes, streams, and hunting areas of the Wind River Reservation: *Provided,* That receipts derived from fishing and hunting licenses and permits and from fines shall be deposited into the Treasury of the United States to the credit of the tribes pursuant to the provisions of the act of May 17, 1926 (44 Stat. 560): *Provided further,* That all the aforesaid pay and expenses for all purposes shall not exceed in the aggregate $7,500 per annum."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as folows:

Senate amendment No. 94: Page 56, line 24, insert the following:

"Fulfillment of Atoka agreement with Choctow-Chickasaw Nations of Indians: That pursuant to the provisions of the treaty between the United States and the Choctaw-Chickasaw Nations of Indians, known as the Atoka agreement, and the supplemental agreements thereafter made and the laws enacted by the Congress, the Secretary of the Interior is hereby authorized and directed to enter into a contract on behalf of the United States for the purchase from the Choctaw and Chickasaw Nations of Indians in Oklahoma for all the present right, title, and interest of said Indians in the land and mineral deposits reserved from allotment in accordance with the provisions of section 58 of the act entitled 'An act to ratify and confirm an agreement with the Choctaw and Chickasaw Tribes of Indians, and for other purposes,' approved July 1, 1902. The Secretary shall cause such contract to be executed on behalf of said Indians by the principal chief of the Choctaw Nation and the governor of the Chickasaw Nation, and shall then submit such contract to said Indians for their approval. If and when such contract has been approved by said Indians, the Secretary shall submit the contract to the Congress for its ratification: *Provided,* That the approval of such contract by the said Indians shall be through a special election called and held pursuant to rules and regulations to be promulgated by the said Secretary of the Interior: *And provided further,* That before the said rules and regulations are promulgated they must be submitted to and approved by both the principal chief of the Choctaw Nation and the governor of the Chickasaw Nation. Such contract shall not be binding upon any of the parties thereto until it shall have been ratified by the Congress.

"Upon the approval of such contract by the Congress—

"(a) The amount of the purchase price fixed in such contract when appropriated shall be placed to the credit of the Choctaw and Chickasaw Nations of Indians on the books of the Treasury of the United States, and thereafter such proceeds shall be distributed to such Indians in pursuance with the terms and provisions of such contract and shall be exempted from attorney fees and other debt contracted prior to the passage and approval of this act; and

"(b) The Secretary shall cause a proper conveyance to be executed by the principal chief of the Choctaw Nation and the governor of the Chickasaw Nation conveying all right, title, and interest of said Indians in such lands and mineral deposits to the United States, and thereupon, all such right, title, and interest shall vest in the United States.

"The appropriation of such sum as may be necessary for making the payments to such Indians pursuant to section 2 (a) of this act is hereby authorized. There is also authorized to be appropriated the sum of $20,000 to be expended under the direction of the Secretary of the Interior, to defray the expenses of negotiating the contract and holding of the election authorized by section 1 hereof, including the making of such appraisal or appraisals as may be deemed necessary.

"The land and mineral deposits when acquired hereunder shall become part of the public domain subject to the applicable public land mining and mineral leasing laws. The coal deposits acquired hereunder may be leased in accordance with the provisions relating to coal of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437), as amended. The asphalt deposits acquired hereunder may be leased by the Secretary of the Interior through advertisement, competitive bidding, or such other methods as he may by general regulations prescribe, and in areas not exceeding 640 acres each. Leases for such asphalt deposits shall be conditioned upon the payment by the lessee of such royalty as may be fixed in the lease, not less than 25 cents per ton of 2,000 pounds of marketable production, and upon payment in advance of a rental of 25 cents per acre for the first calendar year or fraction thereof; 50 cents per acre for the second, third, fourth, and fifth years, respectively; and $1 per acre per annum thereafter during the continuance of the lease, such rental for any lease year to be credited against royalties accruing for that year. Leases for such asphalt deposits shall be for a period of 20 years, with preferential right in the lessee to renew the same for successive periods of 10 years upon such reasonable terms and conditions as may be prescribed by the Secretary of the Interior, unless otherwise provided by law at the expiration of such periods. All asphalt leases issued hereunder shall be subject to such further terms and conditions, not inconsistent herewith, as may be incorporated in each lease or prescribed by general regulations adopted by the Secretary of the Interior prior to the issuance of the lease, including convenants relative to mining methods, waste, period of preliminary development, initial investment, and minimum production. The Secretary of the Interior is authorized to

modify or amend as to area any asphalt lease issued hereunder upon application of the lessee if he finds such modification or amendment to be to the best interests of the United States and of the lessee. The general provisions of sections 1, 27, 29 to 34, inclusive, 37, and 38 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437), as amended, shall apply to asphalt leases issued under the provisions of this act, sections 1, 34, and 37 thereof being amended to include deposits of asphalt acquired hereunder, and section 27 thereof being amended to provide that no person, association, or corporation shall take or hold more than 2,560 acres under asphalt lease at any one time. The entire net income from coal and asphalt leases issued under this act shall be deposited in the general fund of the Treasury of the United States."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from New York.

Mr. TABER. This amendment authorizes the acquisition from a group of Indians of a lot of coal and so-called asphalt lands. It seems to me that we ought to have some information as to what it would cost and if there is any reason why we should do it. We are rather embarking upon a considerable undertaking, it seems to me. I would like to have the gentleman explain the amendment.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I think the gentleman's request is reasonable, and I will be glad to give him the information. I will say that the gentleman from Oklahoma [Mr. STIGLER] is quite familiar with the Atoka agreement on which this amendment is based, and a little later I shall ask him to give the House more detailed information.

I do not intend to go into the merits of this item at length. As I indicated a moment ago, I do want to point out that Senate amendment No. 94 relates to the Atoka agreement entered into by the Government of the United States and the Indians involved in 1898. May I say that this amendment, if adopted, will not at this time commit the Federal Government to any expenditure of funds other than the cost of submitting the agreement to the Indians through a special election. I want to make that clear. It will give the Choctaw and Chickasaw Indians and the Government of the United States an opportunity to get together, negotiate, and if possible settle, this perplexing problem which has been pending in one form or another since 1898.

Briefly, the amendment authorizes the Secretary of the Interior to enter into negotiations with authority to make a contract for the purchase of 379,000 acres of coal and asphalt lands from the Choctaw and Chickasaw Indians of Oklahoma. The contract must be submitted to the Indians for their approval at a special election, and upon its approval by the Indians it must be submitted to the Congress for ratification. It does not commit this Congress to pay any specific sum for these valuable coal lands. But by the passage of this pending amendment the Congress will demonstrate that it is willing to keep faith with these two great tribes of Indians. It will then be up to the Department of the Interior and the Indians to see whether or not they can get together on a price that is fair and reasonable.

Since all the opposition apparently comes from the Republican side of this Chamber let me call attention to the fact that you gentlemen are going to meet in Chicago in a few days to write another platform in which you will "view with alarm" as you did in 1940, in 1936, and to some extent in 1932. Without any desire to be presumptuous, let me suggest that before you write another platform that you read the one you wrote 4 years ago in which you solemnly promised the Indians to assist in every way to wind up their affairs. In fact, both Democratic and Republican platforms made similar promises in this respect.

Some Indians in Oklahoma, judging from the vote, assumed your party really meant what you said then. By your stubborn opposition here today some Indians might get the idea that you are generous with campaign promises at election time but weak on performance when the occasion arises to put those promises into action. This is an opportunity to assist those two Indian tribes in winding up their affairs and at the same time keep faith with them. The amendment specifically provides that the contract shall not be binding upon any of the parties thereto until it shall have been ratified by the Congress.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from Ohio.

Mr. JENKINS. I am not opposed to this because I am not as well posted on this as I might be, but I am wondering why the Committee on Appropriations is called upon to submit agreements between the Indians and the United States. Is not that outside the purview of the activities of the Committee on Appropriations?

Mr. JOHNSON of Oklahoma. May I say to the gentleman that theoretically it may be outside the purview of the activities of the Committee on Appropriations, but the gentleman has been here a long time, he is a very able and distinguished member not only of his party but of the Congress, and a member of a great committee, and I think if he has observed as closely as I believe he has, he knows that there are very few annual appropriation bills that come in here that are not literally loaded down with legislation. This is not an exception to the rule. Theoretically it might be argued that the Committee on Appropriations should not be called upon to enact legislation, but actually that committee does. Especially is this true since Pearl Harbor. The gentleman must admit that is correct.

Mr. JENKINS. I have heard of that before.

Mr. JOHNSON of Oklahoma. And he will hear it many times in the future before this war is over. If the gentleman insists we should hew to the line at all times and under all circumstances and not permit legislation on appropriation bills, I might go along with him, but no one knows better than he that this Congress is not adhering to that rule. He knows, too, that we will not do it in the future. The gentleman knows that very well. Let us not confuse the real issue here by a mere subterfuge. Let us be perfectly frank, realistic, and practical.

Mr. JENKINS. I do not propose to raise a point of order about it, but this is what I had in mind. If it is of such importance that the Committee on Appropriations feels constrained to submit this thing to the Indians to be passed upon by them, then what is the next step? What in the natural sequence will be the next thing?

Mr. JOHNSON of Oklahoma. Of course, the gentleman knows a point of order would not now be in order. Answering the gentleman I will say the next step would be for the Interior Department and the Indians to attempt to get together and submit the matter to tribes in question to see if an agreement can be reached. Before you vote on this I want Members to know that these lands are very valuable involving several millions of dollars. We are told that there is not only a potential shortage of coal but that in the next few months there is going to be an actual shortage of coal.

I weigh my words when I say there is sufficient coal in this area in Oklahoma to fire every ship that floats the sea. I feel sure I am not exaggerating the facts when I say that. There is a tremendous amount of coal in that area. It is almost unlimited, and most of it is of high grade. It is reasonable to assume, considering the coal shortage, that the Government of the United States would want some or all of that coal and might need it badly before this time next year. If the Indians get together with the Department of the Interior on a reasonable price, and that is submitted back to the Congress of the United States, then there will be sufficient time to say, "This is too much" or "This is not enough." Why haggle over that now?

Mr. JENKINS. As I understand, the Committee on Appropriations has not committed itself or the Congress of the United States to pay any special price for this.

Mr. JOHNSON of Oklahoma. That is correct.

Mr. JENKINS. It has not committed itself in any contract with these Indians or anyone else that the Government should operate these mines and mine this coal.

Mr. JOHNSON of Oklahoma. That is correct; but may I add that the Atoka agreement speaks for itself.

Mr. JENKINS. Then anyone who is in the coal business can look at what we do today and say, "The Government and the Congress are not bound in the least by implication, or otherwise, to mine or produce any coal."

Mr. JOHNSON of Oklahoma. I think, too, that is a fair assumption. The gentleman will be perfectly consistent to vote for this amendment today and a year from now or later use his own judgment as to whether a contract that may be entered into is fair and reasonable either to the United States or to the two tribes of Indians concerned.

Mr. JENKINS. I should not be opposed to the Government's buying coal land if it wants to, but I should be opposed to the Government's going into the coal business, mining and producing coal.

Mr. JOHNSON of Oklahoma. The gentleman has made his position perfectly clear.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from New York.

Mr. TABER. Is it a fact that this same proposition was once previously before the Congress, and was not an authorization passed similar to this and then repealed after they found they had gotten into a mess over it?

Mr. JOHNSON of Oklahoma. I am glad the gentleman has mentioned that. There have been a number of acts passed with reference to this subject during the past 46 years.

I may say to the gentleman that another legislative body at the other end of this Capitol has passed almost unanimously a bill proposing to do this very thing.

Mr. TABER. Is it not a fact that the Atoka agreement was made under that old bill, and that after the agreement was entered into Congress repealed the authority?

Mr. JOHNSON of Oklahoma. The Atoka agreement was made back in 1898. It is true, I believe, that Congress went back on that agreement. But when Congress practically repudiated a solemn agreement entered into by the Government of the United States and the Choctaw and Chickasaw Tribes, such action was not to the credit of the Congress of the United States. It will be recalled that this Government also told the Indians in another treaty that they should never be moved as long as grass grew and as long as water ran, but we did not keep that agreement with the Indians. The way some of the Indians have been treated is a shame and a disgrace to the Nation. But the fact that Congress has not kept its agreements with all other Indian tribes is no reason why Congress should repudiate and refuse time after time to keep its promises and obligations with reference to the Atoka agreement.

Mr. TABER. Someone would say that we were not keeping our agreement, probably, if the Congress refused to ratify the agreement the Secretary of the Interior might make. That is what I am disturbed about in connection with this. It seems to be something where someone heretofore has thought that when we got into it were getting the Government in wrong. Now if we go ahead and authorize the Secretary of the Interior to make a contract with these Indians, we are going to get the Indians all stirred up with the idea that they are going to get something. Then if the Congress does not agree to it afterward we will be in trouble. That is the way it looks to me.

Mr. JOHNSON of Oklahoma. I appreciate what the gentleman has said. The gentleman knows that I do not always agree with the Secretary of the Interior by any manner of means, but in many ways he has proved himself to be an able and fearless administrator. Whether we like him or not I think it is fair to say that he can be depended on in a matter of this kind to protect the rights of the Indians as well as the Federal Government. I repeat, this is simply giving an opportunity to work out the sale of these valuable coal lands to the satisfaction of the Indians and to the Government that may be needed very badly during the next year or two if this war continues that long.

Mr. CASE. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from South Dakota.

Mr. CASE. I note on page 58 that the proposed language includes these words:

> Such contract shall not be binding upon any of the parties thereto until it shall have been ratified by the Congress.

Mr. JOHNSON of Oklahoma. Yes; I have pointed that out.

Mr. CASE. I recognize that. At the same time, on page 57 there appears this language:

> The Secretary of the Interior is hereby authorized and directed to enter into a contract on behalf of the United States for the purchase from the Choctaw and Chickasaw Nations of Indiana in Oklahoma—

And so forth.

Mr. JOHNSON of Oklahoma. That is also correct. I have called it a tentative contract because that is all it could be when we tied this string to it that it must be ratified by both the Congress of the United States and also by the Indians. Keep in mind that these Indians are not going to give away one of the finest coal fields in all the world.

Mr. CASE. I notice that it also states that:

> If and when such contract has been approved by said Indians, the Secretary shall submit the contract to the Congress for its ratification.

It seems to me perfectly clear that under the language here proposed the contract will not be binding until it has been ratified by both parties. With the gentleman's long experience in dealing with the Indians, I am sure he will agree that it will be important in the explanation of this to the tribe that attention be called to that, otherwise some of the Indians will read the portion that speaks of authorizing the Secretary of the Interior to enter into a contract and take the meaning which was suggested by the gentleman from New York and understand that the Secretary has been authorized to act on behalf of the United States.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I now am going to ask my good friend, the distinguished and able Member from Oklahoma [Mr. STIGLER], who has been a very active and able Member for several weeks, and yet who is so modest and retiring that he has not yet uttered a word, so far as I know, on the floor of this House, to make a statement about this matter and to answer any questions that any member of the House may want to ask.

Mr. BENDER. Mr. Speaker, will the gentleman yield first?

Mr. JOHNSON of Oklahoma. I yield.

Mr. BENDER. When was this treaty made?

Mr. JOHNSON of Oklahoma. In 1898.

Mr. BENDER. Did not the Congress reverse itself later?

Mr. JOHNSON of Oklahoma. Yes; I understand it did. Congress has reversed itself many times on many occasions. It may not be a credit to the Congress of the United States that it has reversed itself, but it has done so, and it may reverse itself in the future. We do not know about that. We do know we made a solemn agreement with these Indians, and the least we can do today is to give them an opportunity to attempt to sell this land at a fair and reasonable cash price.

Mr. Speaker, I now yield 10 minutes to the gentleman from Oklahoma [Mr. STIGLER].

SALE OF COAL AND ASPHALT DEPOSITS OF CHOCTAW AND CHICKASAW NATIONS OF OKLAHOMA

Mr. STIGLER. Mr. Speaker, being a freshman in this great body, I rise on this occasion with a great deal of apprehension and reluctance. But the importance of it to my people and to my State demands that I break the ancient custom and tradition of the House that a freshman should be seen and not heard. Therefore I ask your sympathetic indulgence while I present my views on this amendment.

First, may I give you a little of the history with reference to this legislation? Before doing so, however, I desire to thank and congratulate the distinguished gentleman from Oklahoma [Mr. JOHNSON] for the valuable assistance he has rendered in connection with the amendment. He deserves the thanks of every Choctaw and Chickasaw. May I say further, Mr. Speaker, that he has proven to be a true friend everywhere of all Indians. I also wish to thank his committee for permitting me to appear before them.

The Choctaw-Chickasaw Tribes of Indians are located principally in the southeastern and southern part of Oklahoma. They occupy an area of approximately 21 or 22 counties in our State. I happen to be a duly enrolled member of the Choctaw Tribe of Indians, and am part Chickasaw. My tribe came from the State of Mississippi. They gave up their land in Mississippi at the insistence of the Unted States Government for lands in the then Indian Territory, now Oklahoma. We received a patent in fee to them from our Government, probably two of the few tribes in the United States which have so received title to their lands. My people came to Indian Territory around 1830. As time went on white people migrated to the Indian Territory and within a very short while insistent requests and demands were made by them upon the Federal authorities to cause this Indian Territory to become a State of the Union.

Due to that pressure Congress passed an act in 1893 creating a Commission, which became known later as the Dawes Commission, and Senator Dawes, who had been a Member of the United States Senate, became Chairman of that Commission. The purpose of that Commission was to cause the land, which was owned at that time in common by the two tribes, to be allotted to them individually and the balance of the surplus land sold to white settlers. Reluctantly but due to much high pressure, the Choctaws and Chickasaws finally acceded to the request of the Government and proceeded to permit the machinery to be set up to make these allotments in severalty. That caused the act of June 1898, commonly known as the Atoka agreement, to be enacted by the Congress of the United States. The act was voted upon at a special election by the two tribes and ratified. It contained plans for the allotment of lands and final settlement of affairs. It further provided that the coal and asphalt land and deposits should remain and be the common property of the two tribes, of which at that time there were approximately 445,000 acres. That was reserved and set aside from allotments. No individual member of the Choctaw-Chickasaw Nation could allot any portion of this land. In the same section of that act authority was given to the Secretary of the Interior to lease these mineral lands for 30 years to anyone who desired a lease thereon. Many leases were given. Fifteen cents a ton was paid as royalty for all coal mined and 60 cents a ton for the asphalt mined. We had something like 3,000 acres of asphalt land. We still own that number of acres of asphalt land. Today there are approximately 370,000 acres of coal land which we own in common, and it is practically the only land that the two tribes own in common. The Indians became very dissatisfied with the leasing provisions of this law. They sent their representatives to Congress to petition the proper authorities for relief.

As a consequence of their efforts the supplemental agreement of July 1, 1902, was enacted into law by Congress. This supplemental agreement was ratified by my people on September 25, 1902. Section 59 of that agreement contained a positive provision that the Secretary of the Interior would sell the coal lands within 3 years from September 25, 1902. But what happened? Long before that time passed, by a provision attached to an appropriation bill approved on April 21, 1904, Congress took these coal lands off the market until their further direction, contrary to the provisions of this supplemental treaty. That, however, was not the first evidence of Congress breaking faith with its Indian wards. There was nothing done with reference to the sale of these lands, in keeping with the treaty of July 1, 1902, until February 19, 1912, when Congress passed an act authorizing the sale at public auction of the surface lands overlying the coal and asphalt deposits leased and unleased, the sale to be by tracts.

Then in 1918, on February 4, Congress passed an act authorizing the Secretary of the Interior to sell at public auction the tribal coal and asphalt deposits, under rules and regulations prescribed by him. Many tracts were sold and today we have authority to sell these coal lands if we could find a buyer. But they have such a great value that there is no private individual who wants to invest that much money. The taxes would be too enormous. As a consequence the Choctaws and Chickasaws are here again today asking Congress to authorize the Secretary of the Interior to negotiate with the tribal officials for the sale of these deposits to our Government. Our people have been coming here for more than 40 years asking Congress to keep its word—a solemn pledge it made in 1902.

I want to go back just a moment, if I may, to the period from 1904 to 1912, and call your attention to an act of Congress which was enacted on April 26, 1906. The title of that act is "An act providing for the final disposition of the affairs of the Five Civilized Tribes in the Indian Territory", which tribes are the Creeks, Cherokees, Seminoles, Choctaws, and Chickasaws of Oklahoma. Section 13 thereof again postponed the sale of both the leased and unleased coal and asphalt lands and deposits until the then existing leases should expire, or until such time as might be otherwise provided by law.

As embodied in the title, the purpose of that act was to wind up the affairs of the Five Civilized Tribes of the Choctaw and Chickasaw Tribes. Accordingly the tribes, believing in our Government, kept faith by dissolving their tribal governments and turning their affairs over to the Secretary of the Interior for final disposition. And since April 26, 1906, the Choctaws and Chickasaws have been coming to Washington every year, parking at the doors of various committees, asking Congress to pass appropriate legislation to help the two tribes wind up their affairs so they could stop the tribal expense to which they have been and are subjected today.

All this amendment does is to permit negotiations to be carried on between the Secretary of the Interior and the two tribal officials, the principal chief of the Choctaw Nation and the governor of the Chickasaw Nation, for the sale of our coal and asphalt lands. It only authorizes them, if you please, to negotiate for the sale of the mineral rights in these 370,000 acres. There is no appropriation; there is no commitment made by Congress, but it simply authorizes those three people to get together and see if they can agree upon a price to carry out the solemn agreement that was made in June 1898 and July 1, 1902. After the negotiations have been concluded, the contract is then submitted to the members of the two tribes.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. STIGLER. That contract will be submitted to the members of the two tribes for their approval through a special election. They either approve or reject the price agreed upon by their representatives. After they have had an opportunity to vote and the contract is approved, it is then submitted to Congress for its approval. If the Congress approves the agreement, then and then only is an appropriation made. We are here today asking Congress to keep faith with our people to whom a solemn promise was made some 40 years ago, that they would sell these coal lands. What could be more fair? Surely that is not asking too much, if one believes in keeping a solemn obligation.

I want to emphasize what the distinguished gentleman from Oklahoma [Mr. JOHNSON], chairman of the subcommittee who handled this bill, said, when he made the observation that both political parties are committed to help wind up the affairs of the Indians in Oklahoma and provide for a final settlement. I have before me the platform of the two parties. They are very definite and certain about it. Since 3 years have passed, we are asking again that both parties help carry out that pledge. Surely by your action this afternoon you are not going to send word back to the Indians of Oklahoma that the language contained in your party platforms of 1940 is nothing but an empty gesture. For you the test is here. You have an opportunity to prove where your party stands and I refuse to believe you will be found wanting.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. STIGLER. I gladly yield.

Mr. JENKINS. I would like to ask the gentleman about the nature of this coal. You say there are about 360,000 acres. How far below the surface is it, and what is the grade and quality of the coal?

Mr. STIGLER. The coal is bituminous and semibituminous and of various grades and quality, consisting mainly of low-volatile bunker coal for steamship use, high-grade domestic coal, railroad steam coal, high-grade blacksmith and coking coal. It is in seams, averaging 4 feet thick, with an average dip of from 10° to 15°. There are several beds of this coal. It ranges in depth all the way from 4 feet down to where it is necessary to sink shafts to extract the coal.

Mr. JENKINS. Has there been any coal taken out of that vicinity?

Mr. STIGLER. Oh, yes.

Mr. JENKINS. How is it done? By steam shovel?

Mr. STIGLER. By stripping, steam shovels, and by shafts.

Mr. JENKINS. What proportion of this is asphalt territory? You say a certain percentage of it is asphalt?

Mr. STIGLER. The coal deposits of the Choctaw and Chickasaw Tribes are within the Choctaw Nation and on June 30, 1942, amounted to a total of approximately 378,117.08 acres. These deposits extend from the northeast corner to the southwest corner of the old Choctaw Nation. In area they are about 125 miles in length and vary in width from 5 to 15 miles. They lie in six counties of the

State, namely, Atoka, Coal, Pittsburg, Latimer, Le Flore, and Haskell. The tribal asphalt deposits consist of five tracts, aggregating 3,040 acres.

Mr. JENKINS. Where is the coal shipped that is mined there?

Mr. STIGLER. To St. Louis and other places.

Mr. JENKINS. Most of it is strip mining?

Mr. STIGLER. Oh, no. A lot of it is strip mining, but some of it is by shafts and slopes. Today we are shipping coal all over the United States.

Mr. JENKINS. But your State is a big State. Is it the same grade and quality of coal that you referred to? When you say you are shipping coal, that is over about Muskogee. That would be in mountainous country, where they would have a different grade and different quality of coal, naturally. Is your coal in this vicinity you are talking about the same kind of coal, or do you have two or three different veins of coal?

Mr. STIGLER. Most of it is smithing coal. It is not anthracite coal.

Mr. RIZLEY. Mr. Speaker, will the gentleman yield?

Mr. STIGLER. I yield.

Mr. RIZLEY. If I understand my colleague from Oklahoma correctly, the amendment proposed by the other body, which we are now attempting to incorporate in the bill, does not carry any appropriation.

Mr. STIGLER. None whatsoever.

Mr. RIZLEY. It is simply an amendment which authorizes the Secretary of the Interior to carry on negotiations with those two tribes, and then the tribes must submit this to a vote amongst themselves. Then whatever arrangement may be reached, provided your people agree to the matter, must all be submitted back to the Congress for further consideration?

Mr. STIGLER. The distinguished gentleman is correct.

Mr. RIZLEY. And that is all the amendment provides?

Mr. STIGLER. It is simply an enabling act. We are not committing or binding the Congress in any way whatsoever, as far as money is concerned.

The SPEAKER. The time of the gentleman has expired.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California [Mr. CARTER].

Mr. CARTER. Mr. Speaker, it was due to the persistent effort of the gentleman from Oklahoma [Mr. JOHNSON] that this matter is before the House this afternoon. The gentleman from Oklahoma has certainly worked hard to bring this matter before the House.

One of the things wrong with this matter today is that the proposal we are considering is a matter of legislation and not an appropriation matter. This bill should be before the Committee on Indian Affairs rather than before the Committee on Appropriations. It was not submitted to the House subcommittee, but was put on in the Senate, where they often put on legislative matters.

Mr. RIZLEY. Will the gentleman yield for an observation?

Mr. CARTER. I yield for a question.

Mr. RIZLEY. I agree wholeheartedly with what the gentleman says, that this legislation should originate before a legislative committee.

Mr. CARTER. Well, let us put that principle into practice right now.

Mr. RIZLEY. I found out not long ago, when we had this fair-employment practice question up here, as well as some other things, that we are rather inconsistent about these things. Here are these two Indian tribes who apparently have a treaty or some agreement with the Government, and they simply want to carry on further negotiations. It does not cost one dime of money. This thing we took on the other day costs a half million dollars. This matter does not cost a dime. I think we should be consistent about these things. If we are going to make that iron-clad rule, I will go along with the gentleman, but since we have not, let us deal fairly with these Indians.

Mr. FERNANDEZ. Will the gentleman yield?

Mr. CARTER. I yield.

Mr. FERNANDEZ. The Indian Affairs Committee considered this very bill, I believe. At least the provisions were quite similar if not the same, and the bill was reported out favorably, as I remember it. I was wondering what became of it. It was considered in our committee.

Mr. CARTER. Mr. Speaker, I decline to yield further at this time. I am not a member of the Committee on Indian Affairs and regret I cannot inform the gentleman. But I want to say that legislative matters are thrust into these bills occasionally. There is no doubt but what the gentleman from Oklahoma is correct, they should not be there. The House subcommittee has not had a hearing on this matter. The gentleman from Oklahoma [Mr. STIGLER] did appear and made a very clear statement in regard to this matter to the House committee, but we told him very frankly that this was a matter of legislation and that it should come into the House through the proper legislative committee; and that is what I am recommending at this time.

Mr. JOHNSON of Oklahoma. Mr. Speaker, the gentleman from Oklahoma [Mr. RIZLEY] has answered the speech of the gentleman from California. I cannot answer it further.

I move that the House recede and concur in the amendment.

The SPEAKER. The question is on the motion to recede and concur.

The question was taken; and on a division (demanded by Mr. CARTER) there were—ayes 38, noes 23.

So the motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 115: Page 73, line 2, after the word "Secretary," insert ": *Provided*, That on or before June 1, 1946, the Secretary shall report to the Congress on expenditures incurred and revenues received in the construction, operation, and maintenance of Boulder City, together with his recommendations for allocation and adjustment of such expenditures and revenues between the construction, operation, and maintenance of the Boulder Canyon project and other Federal activities; and that such expenditures from the Colorado River Dam fund prior to such allocation and adjustment, under this or other appropriation acts heretofore or hereafter enacted, shall be without prejudice to the rights, if any, of power contractors to have adjustments, with respect to such expenditures, made to accord with the substantive provisions of the Boulder Canyon Project Adjustment Act."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate No. 115 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 116: Page 73, line 23, strike out "$50,000" and insert "to be immediately available, $350,000, of which not to exceed $100,000 may be expended for the purchase of lands subject to seepage or overflow and improvements thereon: *Provided*, That the expenditure of any moneys for the purchase of said lands and improvements or for remedial or other necessary works for the protection of public or private property in or near the city of Needles, Calif., shall not be deemed a recognition of any obligation or liability whatsoever on the part of the United States: *Provided further*, That any moneys received by the United States as reimbursement in accordance with contracts heretofore entered into under the authority of the act of December 21, 1928 (45 Stat. 1057), as amended, and ratified by the act of August 30, 1935 (49 Stat. 1028), for work in or near said city of Needles, shall be covered into the Treasury as miscellaneous receipts."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. JOHNSON of Oklahoma moves that the House recede from its disagreement to the amendment of the Senate No. 116 and concur therein with an amendment as follows:

"In line 2 of said amendment, strike out '$350,000' and insert '$340,000.'"

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 127: Page 77, line 5, insert "Tucumcari project, New Mexico, $2,250,000."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. JOHNSON of Oklahoma moves that the House recede from its disagreement to the amendment of the Senate No. 127 and agree to the same with an amendment as follows: "In lieu of the sum named in said amendment, insert '$2,500,000.'"

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 128: Page 77, line 6, strike out "$545,000" and insert "$945,000."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. JOHNSON of Oklahoma moves that the House recede from its disagreement to the

amendment of the Senate No. 123, and agree to the same with an amendment as follows:

"In lieu of the sum proposed insert '$1,045,000.'"

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 133: Page 78, line 4, strike out "$8,642,200" and insert "$17,642,200."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. JOHNSON of Oklahoma moves that the House recede from its disagreement to the amendment of the Senate No. 133 and agree to the same with an amendment as follows:

"In lieu of the sum proposed insert '$12,142,200.'"

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 138: Page 78, line 11, insert:

"Fort Peck project, Montana: For construction of transmission lines, substations, and other facilities as may be required by the Bureau of Reclamation, as authorized by the act of May 18, 1938 (16 U. S. C. 833), $800,000, to be immediately available and to remain available until expended, which amount shall be available for personal services in the District of Columbia (not to exceed $12,000) and for all other objects of expenditure as specified in this act under the head 'Administrative provisions and limitations' appearing under the caption 'Bureau of Reclamation,' but without regard to the amounts of the limitations therein set forth."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. JOHNSON of Oklahoma moves that the House recede from its disagreement to the amendment of the Senate No. 138, and agree to the same with an amendment, as follows:

"In line 4 of said amendment, strike out '$800,000' and insert '$400,000.'"

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 155: Page 88, line 7, insert:

"Anthracite investigations: For all expenses necessary to conduct inquiries and scientific and technologic investigations concerning the mining, preparation, treatment, and use of anthracite coals; including temporary employment by contract or otherwise, without regard to the civil-service and classification laws, of engineers, scientists, architects, or firms or corporations thereof necessary to design and construct the buildings and plants; purchase of special wearing apparel and equipment for the protection of employees while engaged in their work; and other items otherwise properly chargeable to the appropriation 'Contingent expenses, Department of the Interior,' purchase not to exceed $4,500, operation, maintenance, and repair of passenger-carrying automobiles; and not to exceed $6,500 for personal services in the District of Columbia, $131,000: *Provided*, That of this amount $50,000 shall be available for the purchase of land and the construction and equipment of a laboratory building as authorized in the act approved December 18, 1942 (Public Law 812, 56 Stat. 1056), only upon the fulfillment of the condition that an equal amount shall be contributed for the same purpose by State or local organizations: *Provided further*, That the Secretary, through the Director of the Bureau of Mines, is authorized to accept buildings, equipment, and other contributions from public or private sources."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate and concur in same with an amendment.

The Clerk read as follows:

Mr. JOHNSON of Oklahoma moves that the House recede from its disagreement to the amendment of the Senate No. 155, and agree to the same with an amendment, as follows: "In lieu of the matter proposed by said amendment, insert:

"'Anthracite investigations: For all expenses necessary to conduct inquiries and scientific and technologic investigations concerning the mining, preparation, treatment, and use of anthracite coals; including purchase of special wearing apparel and equipment for the protection of employees while engaged in their work; and other items otherwise properly chargeable to the appropriation "Contingent expenses, Department of the Interior"; purchase, not to exceed $3,000, operation, maintenance, and repair of passenger-carrying automobiles; and not to exceed $6,500 for personal services in the District of Columbia, $81,000: *Provided*, That the Secretary, through the Director of the Bureau of Mines, is authorized to accept buildings, equipment, and other contributions from public or private sources.'"

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 156: Page 89, after line 5, insert the following:

"Synthetic liquid fuels: For all expenses without regard to section 3709, Revised Statutes, necessary to carry into effect the act authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil shales, agricultural and forestry products, etc., approved April 5, 1944 (Public, No. 290), including construction and acquirement of camp and laboratory buildings and equipment, personal services in the District of Columbia and elsewhere, purchase of books of reference and periodicals, purchase of special wearing apparel or equipment for the protection of employees while engaged in their work, purchase, maintenance, and operation of passenger-carrying automobiles, printing and binding, and purchase in the District of Columbia and elsewhere of items otherwise properly chargeable to the appropriation 'Contingent expenses, Department of the Interior,' $8,000,000, to remain available until expended: *Provided*, That these funds may be utilized to provide transportation between the proposed plants and related facilities and communities that provide adequate living accommodations, of persons engaged in the operation and maintenance of these plants; and for transportation to and from schools of pupils who are dependents of such persons, which transportation shall be by methods which the Office of Defense Transportation shall find to be most advantageous and efficient: *Provided further*, That pursuant to agreements approved by the Secretary and the Office of Defense Transportation, the transportation equipment available to the Bureau of Mines may be pooled with that of school districts and other local or Federal agencies for use in transporting persons engaged in operation and maintenance of these plants, pupils who are dependents of such persons, and other pupils, and in the interest of economy the expenses of operating such equipment may be shared: *Provided further*, That in addition to the amount herein appropriated the Secretary of the Interior is hereby authorized to enter into contracts for additional work not exceeding a total of $22,000,000 during the period covered by the aforesaid act, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof and appropriations hereafter made for the construction and operation of demonstration plants to produce synthetic liquid fuels shall be considered available for the purpose of discharging the obligations so created."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment.

The Clerk read as follows:

Mr. JOHNSON of Oklahoma moves that the House recede from its disagreement to the amendment of the Senate numbered 156, and agree to the same with an amendment, as follows:

"In line 9 of said amendment, after the word 'Columbia', insert '(not exceeding $90,000).'

"In line 12 of said amendment, after the word 'purchase', insert '(not exceeding $15,000).'

"In line 16 of said amendment, strike out the sum '$8,000,000', and insert '$5,000,000.'

"And in line 34 of said amendment, after the word 'shared', insert a period and strike out the remainder of the paragraph."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Speaker, as I understand it, the conference committee, which has gone into this matter carefully and has conferred with the Senate conference committee, believes that the amount of $5,000,000 is sufficient at this time to begin the program of the development of the synthetic liquid fuels industry of this country. Is that correct?

Mr. JOHNSON of Oklahoma. The gentleman is correct. It is enough to make the plans and get started on the program.

Mr. RANDOLPH. Will the gentleman tell the membership of the House what the position of the Bureau of Mines, speaking through its Director, R. R. Sayers, is as to the amount which you have agreed is sufficient?

Mr. JOHNSON of Oklahoma. The committee talked to Dr. Sayers before we reached a final agreement. He is very enthusiastic about the proposed program, he is very sympathetic with it, he feels it is essential, but I think I am violating no secret when I say that while he never asked us to cut the appropriation he believes this is sufficient to make a good start.

Mr. RANDOLPH. One further observation. I believe that the House by almost unanimous vote and the Senate likewise passed this measure believing that we needed in this country to supplement our natural petroleum resources by the development of a liquid fuels industry. The House expected its Appropriations Committee at the proper time or times to provide the necessary funds to in an orderly fashion carry forward

this program. I am sure that the committee will want at future times to take care of any necessary funds whi h must be provided if this program is to be successful.

Mr. JOHNSON of Oklahoma. I may say to the gentleman that the membership of the committee is sympathetic with the program. It is hoped that this war might be over within a few months, although we do not know. It may be several months or years. The committee feels that it would be better for the Bureau of Mines to start with this particular amount, and come back next year, make a showing as to what it has done and what it proposes to do, and then either this Congress or the succeeding Congress will be in a better position to decide how much is needed to continue the program. I assure the gentleman there is no disposition on the part of any member of the committee to try to curtail this program.

Mr. COOLEY. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from North Carolina.

Mr. COOLEY. Will the entire amount provided in this item be used for the production of liquid fuels from coal and oil shale?

Mr. JOHNSON of Oklahoma. The gentleman from West Virginia [Mr. RANDOLPH] as author of this legislation is more familiar with what is proposed than I am. He can probably answer the question.

Mr. COOLEY. I understood that the basic legislation authorized an appropriation for two purposes; one for the purpose of conducting experiments with regard to coal and oil shale and the other with agricultural and forestry products.

Mr. JOHNSON of Oklahoma. That is correct.

Mr. COOLEY. As I understand it, the Interior Department will use this entire amount in connection with the experiments on coal and oil shale and nothing is provided for the agricultural and forestry products. Can the gentleman give me any information on that?

Mr. JOHNSON of Oklahoma. This committee, of course, is not in any position to make an appropriation for the Department of Agriculture. I am sympathetic with the suggestion made by the gentleman that the Department of Agriculture might be interested in promulgating the program, but we are not in position to make an appropriation to that Department.

Mr. COOLEY. The basic legislation would clearly indicate that it was to be a joint program between Agriculture and Interior. Apparently nothing is being done for Agriculture in this item.

Mr. NORRELL. May I say that the language of this appropriation bill is as follows: It is synthetic liquid fuel from coal or oil shale, agricultural and forestry products. So it is my position that the Bureau of Mines ought to carry out the basic law of the land.

Mr. COOLEY. I agree with the gentleman they ought to do it, but I am wondering if Agriculture has been given any part of this fund.

Mr. JOHNSON of Oklahoma. I believe I have the answer to the gentleman's question. On page 638 of the Interior Department appropriation hearings over in the Senate, at the bottom of that page, Senator O'MAHONEY asked First Assistant Secretary Straus this question:

> Let me first ask if you have had conferences with the Department of Agriculture respecting the provision of the bill referring to the Agricultural Department?
>
> Mr. STRAUS. We had several conferences with the Department of Agriculture respecting the part of the bill with reference to agricultural sources of liquid fuel, and we hope to work those out satisfactory to both Departments.

Further on he says, "But those are the principal ones that we plan in the initial part of the program."

I believe that answers the question.

Mr. COOLEY. I think that is in contemplation in the initial part of the program, but I just wonder if Interior would not take all this money and leave Agriculture out entirely.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield for an observation?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. During the debate in the House it was clearly indicated that there was no disposition on the part of the Members who might especially be interested in coal or in oil shale or in agriculture or forestry products to set them apart as the most important subjects to be experimented with in the carrying forward of demonstration plants. There was unanimity of opinion here that all of these substances would be investigated and that the demonstration plants would operate on a broad scale.

The Department of Agriculture has indicated its desire to cooperate with the Department of the Interior in laying out this broad basis by which the Congress can accomplish the purpose expressed in the legislation. You will recall that coal and oil shale, forestry and agricultural products were specifically mentioned and also the use of the language "and other substances." There was no disposition either, when the House passed the act or now, when the Committee on Appropriations brings in this initial sum of money, to set one substance as against the other in importance. We must leave it to some determining body to develop this program.

Mr. COOLEY. Who will develop it?

Mr. RANDOLPH. The United States Bureau of Mines. That is our basic legislation.

Mr. NORRELL. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from Arkansas.

Mr. NORRELL. I think it is the disposition of this committee in recommending the expenditure of this money that agricultural and forestry products be considered along with coal and oil shale. Certainly it is within the jurisdiction of the Department of the Interior to make a proper test not only of coal, but of timber, for example.

Mr. COOLEY. Mr. Speaker, if the gentleman will permit me to interrupt, the basic legislation contemplates that the Secretary of Agriculture will have control of the program dealing with agricultural and forestry products.

Mr. NORRELL. I think the gentleman is in error about that.

Mr. COOLEY. I think the act says, "under the jurisdiction of the Secretary of Agriculture."

Mr. NORRELL. The basic act says:

> Any activities under this act relating to the production of liquid fuels from agricultural and forestry products shall be carried out in cooperation with the Department of Agriculture and subject to the direction of the Secretary of Agriculture.

Mr. COOLEY. That is right. But the Department of the Interior has to cooperate with the Secretary of Agriculture. The point is that the Secretary of the Interior will have to initiate the program, and if he fails to initiate a program for agricultural and forestry products then we will not have one.

Mr. NORRELL. The evidence before the committee is that the Bureau of Mines is cooperating perfectly with the Department of Agriculture. May I say at this time, Mr. Speaker, that I, for one, on this committee, am anxious that coal and agricultural and forestry products all be included in this test. We have all three in my State and I am anxious that they all be treated alike.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from Ohio.

Mr. JENKINS. I would like to take a little time, if I may, to try and bring out a little further the point raised by the distinguished gentleman from North Carolina [Mr. COOLEY] who inquired with reference to the position of agriculture in this scheme.

When the House passed this original bill, of which the distinguished gentleman from West Virginia [Mr. RANDOLPH] was the author, we passed a bill to do one thing, and that was to make liquid fuel. Under that bill the power and authority to carry on this work was given to the Department of the Interior. In order to make liquid fuel, it was understood, impliedly at least, that the liquid fuel would be made out of coal, primarily. Later it developed that it would be well to include oil shale, and later agricultural and forestry products such as sawdust were discussed. In the discussion we got to the place where we decided that we would give a fair test to oil shales, and then we decided to give a test to the agricultural products, such as corn, and also the products of lumber, such as sawdust and things of that sort. But regardless of how many groups were included that would make no difference when it comes to the jurisdiction of the Committee on Appropriations. When Congress passed the law providing for the construction of these plants and authorized the appropriation of $30,000,000 for that purpose and put the construction of the plants under the jurisdiction of the Department of the Interior then the Appropriations Committee was authorized to appropriate that amount if it wished to do so. That is why some of us rather disagreed with the action of the Committee on Appro-

priations. That committee in this bill appropriates $5,000,000 toward the fulfillment of this program. It does not earmark this money in any way. The agricultural interests of the country might say, "Why not spend that money on our activities." The coal-mining industry might say, "Why not spend that money on our activities," and the same will be true as to the oil-shale interest. For that reason I think it would have been better and wiser for the Appropriations Committee to have retained the Senate's language and appropriated $8,000,000 and stipulated that the remainder of the $30,000,000 should be held under contract obligation and paid as ordered by the Secretary of the Interior as needed.

The Senate amended the House bill as I have just stated but the conferees have modified the Senate's plan and it might be difficult for the Bureau of Mines of the Interior Department to spend this $5,000,000 agreed upon by the conferees in a manner to give coal, oil-shale, and agricultural products exactly the same consideration. If the $30,000,000 had been appropriated and $25,000,000 held back until the work was far enough along to justify its expenditure that would have enabled the Bureau of Mines to spend the money more economically than if the money was paid out in uncertain installments.

While I think the Senate plan would have been preferable to the plan now before us I am glad to say that I have consulted with the Bureau of Mines and they tell me that they think they can adjust this matter and work it out. They can use the $5,000,000 and use it wisely and in the furtherance of the provisions of the law providing for the construction of these plants. The Bureau of Mines will give proper consideration to coal, agriculture, and oil shale, because it cannot in fairness discriminate between them. This is a three-way proposition. Congress voted on a three-way program and not on a one-way program. Coal, oil-shale, and agricultural products shall each be considered.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from North Carolina.

Mr. COOLEY. If such a provision were put into law, does not the gentleman believe that we should earmark it and provide that not more than one-half or two-thirds of the money should be spent on any one experiment?

Mr. JENKINS. I do not think it should, for several reasons. These men who are to construct and operate these plants are scientific men, and it might develop that they would need but $2,000,000 to develop coal, whereas they might need a great deal more to develop agriculture. The officials of the Bureau of Mines should be given discretion to act. We showed that we had confidence in them when we gave the Department of the Interior and the Bureau of Mines the power to locate and construct and operate these plants. They were supposed to consult with the agricultural authorities. But the law does not stipulate that this $30,000,000 must be divided equally among coal, oil shale, and agricultural products. But if we are going to scatter this money out among too many bureaus and subheads we are going to lose the very purpose of the legislation. Although I have not consulted with the coal industry or the oil-shale industry or the agricultural interests, I feel sure that all these interests are willing to forego any advantage that might accrue to them respectively and abide by the decision of the Bureau of Mines as to whether they are to have 33⅓ percent of the amount appropriated or some other amount that might be fair under all the circumstances. We are now approaching the day when Congress is planning to take a recess, and I think it would be wise for us to accept the amendment recommended by the conferees. We can do this and serve notice on the Appropriations Committee that we will be back within a short time, showing that we have made a good start and asking for more money to carry out the program that Congress has approved.

Mr. COOLEY. In the Senate amendment they did not restrict the Secretary of Agriculture in obligating the $22,000,000. He could have obligated it all to coal and oil shales and left agriculture out entirely.

Mr. JENKINS. The gentleman means, did not restrict the Secretary of the Interior.

Mr. COOLEY. That is what I meant to say.

Mr. JENKINS. We did not. When Congress passed the legislation we did not restrict him. I suggested, in dealing with the agricultural feature which was put in after the original bill was drawn, that those in authority who carry out the purposes of the law should consult with the agricultural authorities so that we could get the very best results. As I have already stated, I feel that under the law passed by this House a few months ago we are bound to consider coal, oil shale, and agricultural products.

Mr. COOLEY. The gentleman does agree that agriculture should have its fair share of this money.

Mr. JENKINS. Yes; but if the gentleman suggests that we divide it or earmark it in three equal shares I do not agree to that. It may be that agriculture should have more than its one-third share. And on the other hand, it might be that agriculture should have a smaller proportion. The law provides that the Bureau of Mines should proceed to experiment in the making of liquid fuel out of these three sources, but it does not provide that equal amounts should be spent on each group.

Mr. COOLEY. The gentleman may be correct.

Mr. JENKINS. Personally I think that experimentations on coal have been pretty well made. The most uncertainties with this program will come from oil shale and agricultural products, and not from coal. My judgment is that it might be that the agricultural interests will get more money than the coal interests, although coal was the principal basis for the whole program.

Mr. COOLEY. Just so agriculture gets its fair share; I think we will be satisfied then.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. JENKINS. I yield to the distinguished gentleman from Iowa.

Mr. JENSEN. The gentleman knows that our committee, the Subcommittee on Interior Department Appropriations, cannot appropriate for the Department of Agriculture. We can appropriate only for the Department of the Interior. Naturally, we still expect that the Committee on Agriculture will make certain recommendations to the Congress. We left $25,000,000 in this authorization. Certainly the Committee on Agriculture, working in conjunction with the Subcommittee on Agricultural Appropriations, will work out some kind of a plan to give an appropriate sum of money for experimentation on agricultural products. I for years have recommended that we have such experimentation and that we make many things out of agricultural products. I want the Congress and the people to know that our subcommittee did not think we were foreclosing on agricultural products, because we cannot appropriate for the Department of Agriculture, we can appropriate only for the Department of the Interior.

Mr. JENKINS. I think we are getting a little misunderstanding here. When the gentleman from Iowa says they cannot appropriate for the Department of Agriculture, he does not quite mean that. He means that the subcommittee of the Committee on Appropriations dealing with the Department of the Interior would not invade the prerogatives of the Subcommittee on Agricultural Appropriations, but at the same time this bill we hold in our hands is not a bill from one branch of the Committee on Appropriations, it is a bill from the whole committee. The Subcommittee on Agricultural Appropriations is just a subcommittee of the whole Committee on Appropriations.

Mr. JENSEN. I want the gentleman to understand that our subcommittee cannot appropriate for the whole committee. We can appropriate only for such things as deal with the Interior Department.

Mr. JENKINS. When the gentleman referred to the fact that his subcommittee cannot appropriate for the Department of Agriculture he did not mean that we would have to wait for action by the House Committee on Agriculture, he was referring to the subcommittee of the Committee on Appropriations dealing with the Department of Agriculture.

Mr. JENSEN. Working in conjunction with the Committee on Agriculture.

Mr. JENKINS. We all agree. I well understand the gentleman. What he means is that the Appropriations Committee is divided into several subcommittees, each of which deals with appropriations to some special departments of the Government. For instance, the subcommittee of which the gentleman is a member deals with appropriations for the Department of the Interior, and

since the law providing for the construction of these three plants provides that the plants must be constructed by the Department of the Interior, it is only natural that the gentleman's subcommittee is the proper subcommittee to consider the appropriations for these plants. But the gentleman must agree that even if the Bureau of Mines should decide that one of these three plants should be constructed to manufacture liquid fuels from agricultural products, still it would be up to his subcommittee on Interior appropriations to make appropriations for that plant just the same as if it were a plant to make liquid fuel from coal, and, besides, the gentleman will agree that the actions of any subcommittee of the Appropriations is the action of the full Committee on Appropriations when it finds expression in the form of a bill being considered on the floor of this House.

Mr. FENTON. Mr. Speaker, will the gentleman yield?

Mr. JENKINS. I yield to my friend the gentleman from Pennsylvania.

Mr. FENTON. Are there not already in existence four experimental laboratories in the Department of Agriculture for finding new uses for excess agricultural crops?

Mr. JENKINS. Yes. I think the gentleman is absolutely right That is my understanding of it, but I do not know the full extent of that activity.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, may I ask the gentleman if we are clear that agriculture can expect to participate in the fund that is provided in this bill? The chairman of the subcommittee in charge of the bill says that in this bill we cannot appropriate any funds for agriculture, and then we are told that agriculture will participate. Let us get it clear. Will agriculture participate in the money provided here, or will it not?

Mr. JOHNSON of Oklahoma. I think I can answer the question.

Mr. JENSEN. Let us get this clear.

Mr. JOHNSON of Oklahoma. I repeat that this committee, of course, has no authority whatever to appropriate a dollar directly to the Department of Agriculture. The gentleman knows that. But in a joint matter of this kind, wherein agricultural officials will be called in and wherein officials say that they are conferring directly with agricultural officials, indirectly it might be said that we are appropriating to the Department of Agriculture.

Mr. COOLEY. Let me ask the gentleman the direct question: Is it the gentleman's intention that agriculture participate in this money?

Mr. JOHNSON of Oklahoma. Absolutely.

Mr. COOLEY. I am very glad to have that in the RECORD, and hope that agriculture will get at least part of it.

Mr. JOHNSON of Oklahoma. I should like to see agriculture participate in this program.

Mr. JENSEN. Of course, the investigations will be carried on under the supervision of the Bureau of Mines of the Department of the Interior.

Mr. COOLEY. Yes, but I do not want the Department of the Interior to claim the entire fund.

Mr. JENSEN. I am perfectly in agreement with the gentleman.

Mr. COOLEY. I am glad to hear that.

Mr. JENSEN. I hope we can bring in an appropriation bill here soon, even before we adjourn, or if not, shortly after we reconvene, that will make some money available out of this authorization to carry on more experiments on farm products.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from California.

Mr. CARTER. I think the gentleman can be assured that legally agriculture can be taken into consideration under this appropriation.

Mr. COOLEY. I am very glad to have that assurance.

Mr. CARTER. If the gentleman will refer to page 89 of this bill he will find that this synthetic-liquid-fuel experimentation is being carried on under Public, 290, which I believe was a bill introduced by the gentleman from West Virginia. This appropriation is made—

> For all expenses without regard to section 3709, Revised Statutes, necessary to carry into effect the act authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil shales, agricultural and forestry products, etc., approved April 5, 1944 (Public, No. 290).

Mr. COOLEY. I am glad that all the members of the committee seem to be in accord with reference to the use of this fund.

Mr. NORRELL. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Arkansas.

Mr. NORRELL. I thoroughly agree with the gentleman's position with reference to agricultural products. It was my idea in advocating the elimination of the $22,000,000 committal provision of this bill and the elimination of the $3,000,000 of current funds that we would give the departments an opportunity to start the program and make them report to us at the end of this fiscal year. Then next year, when we go to pass on the appropriation requests, we can see if we are satisfied with it. If agriculture has not been properly treated, I for one will be against the program as it stands today. I want agricultural products considered along with coal, and all of them treated fairly and alike.

Mr. COOLEY. I am very glad to hear the gentleman say that.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I reiterate, Mr. Speaker, what I previously stated this afternoon. I am sure it was the consensus of opinion of the Members of the House that when we passed the liquid fuels legislation we made no differentiation between the substances to be used. We believed in a broad base for a synthetic liquid fuel program in this country. Today or tomorrow will be no time for any of us, regardless of our particular sections or interests, to attempt to break down or to retard the orderly and effective development of the synthetic fuel industry in the United States. Our country's resources, whatever they may be, must be an insurance against the draining of our petroleum pools. Let us use them wisely for the future. Certainly we, as Members, whether from agricultural or mining sections, can join in the confidence previously expressed in the ability and judgment of the personnel of the United States Bureau of Mines. They will, I am sure, do a constructive and beneficial task for America's future.

Mr. COOLEY. It is the gentleman's understanding, then, that this fund will be used for the general purposes provided in the law?

Mr. RANDOLPH. I so stated. There need be no conflict in the accomplishment of this worth-while work.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. ROCKWELL. Mr. Speaker, will the gentleman from Oklahoma yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from Colorado.

Mr. ROCKWELL. Do I correctly understand that Senator O'MAHONEY and the others in the Senate have agreed that they will accept this amendment if it is passed by the House?

Mr. JOHNSON of Oklahoma. I may say to the gentleman that the conferees of the Senate have indicated very clearly that they will agree to this amendment.

Mr. JENSEN. In fact, they did agree to the amendment.

Mr. JOHNSON of Oklahoma. They did agree to it, and they will agree to it officially perhaps today or tomorrow.

The SPEAKER. The question is on the motion offered by the gentleman from Oklahoma.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 166: Page 93, line 9, insert the following:

"Investigation of raw material resources for steel production (national defense): For all expenses, without regard to section 3709, Revised Statutes, necessary to enable the Bureau of Mines to develop individual deposits of minerals useful in the steel industry the existence of which is known, and concerning which preliminary geological or other reports are available from State mineral agencies, previous investigations of the Bureau of Mines, or other sources; to conduct geophysical surveys, surface and subsurface exploration on such deposits; to conduct laboratory, pilot plant, and demonstration-plant tests to establish methods for utilizing more fully the products of such deposits; including the purchase or lease of land or buildings; mineralogical explorations for and development of sources of ferrous, nonferrous, or nonmetallic minerals useful in alloying or coating by plating or otherwise of iron and steel to reduce or eliminate corrosion, and the research and development of commercial processes therefor; construction of buildings to house laboratories, pilot plants, or demonstration plants; procurement of necessary materials,

ores, and equipment; travel expenses; purchase, not to exceed $75,000, operation, maintenance, and repair of passenger-carrying automobiles; not to exceed $150,000 for temporary employment of engineers, architects, or firms or corporations thereof, by contract or otherwise, without regard to civil-service and classification laws, necessary to carry out the provisions of this appropriation; printing and binding; purchase in the District of Columbia, or elsewhere of furniture and equipment, books of reference and periodicals, and purchase of special wearing apparel of equipment for the protection of employees while engaged in their work; purchase in the District of Columbia and elsewhere of other items otherwise properly chargeable to the appropriation 'Contingent expenses, Department of the Interior'; and not to exceed $120,000 for personal services in the District of Columbia, $6,000,000: *Provided*, That the Secretary of the Interior, acting through the Director of the Bureau of Mines, is hereby authorized to accept buildings, equipment, and other contributions from public or private sources and to carry out the projects in cooperation with other agencies, Federal, State, or private."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in the Senate amendment, with an amendment.

The Clerk read as follows:

Mr. JOHNSON of Oklahoma moves that the House recede from its disagreement to the amendment of the Senate numbered 166, and agree to the same with an amendment as follows:

"In line 20 of said amendment, strike out '$75,000' and insert '$35,000.'

"In line 22 of said amendment, strike cut '$150,000' and insert '$75,000.'

"In line 34 of said amendment, strike out '$120,000' and insert '$50,000.'

"In line 35 of said amendment, strike out '$6,000,000' and insert '$3,000,000.'"

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield.

Mr. COOLEY. Is it the purpose of the committee to continue the investigations which are authorized by this item?

Mr. JOHNSON of Oklahoma. Yes.

Mr. COOLEY. In other words, the Senate authorized $6,000,000 and the House is insisting on cutting it down to $3,000,000?

Mr. JOHNSON of Oklahoma. That is correct.

Mr. COOLEY. Does the gentleman feel that $3,000,000 is all that can well be spent at this time on this particular work?

Mr. JOHNSON of Oklahoma. I will say to the gentleman, more than that might efficiently be spent. On the other hand, the committee is recommending the full amount of the Budget estimate, which is 50 percent more than was used for this purpose last year. Again I might say to the gentleman that before the committee acted we called into consultation Dr. Sayers, who was very complimentary as to what the committee had done last year. There is no disposition on the part of this committee to unduly curtail the splendid activities of the Bureau of Mines in this connection. It is a great work. It has done a good job.

Mr. COOLEY. And if further funds are needed in the future, I understand the gentleman is in sympathy with the idea of providing those funds?

Mr. JOHNSON of Oklahoma. Absolutely, if the need is demonstrated.

Mr. WELCH. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from California.

Mr. WELCH. Mr. Speaker, the Committee on Steel Shortage, of which I am a member, is appreciative of the splendid cooperation on the part of the distinguished chairman of the Subcommittee on Interior Appropriations, the gentleman from Oklahoma [Mr. JOHNSON].

Mr. JOHNSON of Oklahoma. I thank the committee.

Mr. Speaker, I will say that the members of my committee feel very kindly and very appreciative for what the distinguished gentleman has done in this connection. He has made a valuable contribution to the war effort. It has been more than many of us realize.

Mr. WELCH. It will be recalled a deposit of tungsten was discovered in North Carolina as a result of the $2,000,000 made available last year.

Mr. JOHNSON of Oklahoma. That is correct.

Mr. WELCH. The estimated value of this deposit is over $15,000,000. Mr. Speaker, can we anticipate the committee will make further appropriations for pilot borings and explorations until the quantity and quality of iron ore and other critical mineral deposits in this country have been fully determined?

Mr. JOHNSON of Oklahoma. Mr. Speaker, I think I can say to the gentleman without committing other members of the committee, that as long as the Bureau of Mines continues to use funds for this purpose to such good advantage, as it has in the past, there is no question but what the attitude of this committee will be extremely sympathetic and that funds will be available, just so long as the present splendid showing is continued.

Mr. WELCH. I thank the gentleman.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Oklahoma [Mr. JOHNSON] to recede and concur in the Senate amendment with an amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 169: On page 101, at line 5, insert:

"Development of processes for recovery of waste metals (national defense): The appropriation under this head in the First Supplemental National Defense Appropriation Act, 1944, is hereby made available for the same purposes and under the same conditions until June 30, 1945."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The SPEAKER. The question is on the motion of the gentleman from Oklahoma [Mr. JOHNSON].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 191: On page 116, line 10, after the word "Act", insert ": *Provided further*, That the limitation in said Act upon the amount available for administrative expenses is hereby waived to the extent necessary to provide for overtime or additional compensation pursuant to the War Overtime Pay Act of 1943."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The SPEAKER. The question is on the motion of the gentleman from Oklahoma [Mr. JOHNSON].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read, as follows:

Amendment No. 196: On page 117, line 13, after the word "land", insert "Reimbursements for the cost of supplies and materials and the transportation and handling thereof issued from central warehouses authorized to be established by the act of June 24, 1936 (16 U. S. C. 667), may be credited to the appropriation current at the time supplies and materials are allotted, assigned, or issued, or at the time such reimbursements are received."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The SPEAKER. The question is on the motion of the gentleman from Oklahoma [Mr. JOHNSON].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read, as follows:

Amendment No. 202: On page 122, line 15, strike out "$208,375" and insert "$216,000, to be expended under the direction of the Governor."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in the amendment of the Senate, with an amendment.

The Clerk read, as follows:

Mr. JOHNSON of Oklahoma moves that the House recede from its disagreement to the amendment of the Senate numbered 202, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "$208,375, to be expended by and under the supervision and direction of the Governor."

The SPEAKER. The question is on the motion of the gentleman from Oklahoma [Mr. JOHNSON].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read, as follows:

Amendment No. 203: On page 22, line 17, insert:

"For salaries and expenses of the agricultural experiment station and the vocational school in the Virgin Islands, including technical personnel, clerks, and other persons; scientific investigations of plants and plant industries, and diseases of animals; demonstrations in practical farming; offical traveling expenses; fixtures, apparatus, and supplies; clearing and fencing of land; and other necessary expenses, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles, $47,260."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in the amendment of the Senate, with an amendment.

The Clerk read, as follows:

Mr. JOHNSON of Oklahoma moves that the House recede from its disagreement to the amendment of the Senate numbered 203, and agree to the same with an amendment, as follows:

"At the end of the matter inserted by said amendment, and before the period, insert a comma, and the following: 'to be expended by and under the supervision and direction of the Governor.'"

The SPEAKER. The question is on the motion of the gentleman from Oklahoma [Mr. JOHNSON].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the various motions on the conference report was laid on the table.

WAR DEPARTMENT CIVIL APPROPRIATION ACT, 1945

Mr. SNYDER. Mr. Speaker, I call up the conference report on the bill (H. R. 4183), making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. SNYDER]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 4183) making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 5, and 8.

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

In lieu of the sum proposed insert "$51,344,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 7.

J. BUELL SNYDER,
JOE STARNES,
JOHN H. KERR,
GEORGE H. MAHON,
FRANCIS CASE (except as to No. 7),
Managers on the part of the House.

ELMER THOMAS,
JOHN H. OVERTON,
RICHARD B. RUSSELL,
CHAN GURNEY,
C. WAYLAND BROOKS,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 1, 3, 5, 7, 8, and 9, to the bill (H. R. 4183) making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1, relating to cemeterial expenses: Appropriates $1,224,000, as proposed by the House, instead of $1,859,240, as proposed by the Senate.

Amendment No. 3, relating to rivers and harbors: Appropriates $51,344,000, instead of $46,800,000, as proposed by the House, and $53,044,000, as proposed by the Senate, the increase being intended for employment as follows:

Gulf Intracoastal Waterway	$1,620,000
Missouri River, mouth to Sioux City	2,924,000

Amendments Nos. 5 and 8, relating to flood control (general): Appropriates $100, as proposed by the House, instead of $400,100, as proposed by the Senate, and strikes out the matter inserted by the Senate with regard to the promotion of the production of agricultural commodities essential to the prosecution of the war which would be facilitated by the prosecution of irrigation projects or flood control or joint irrigation and flood control projects.

Amendment No. 9: Appropriates $26,000,000, as proposed by the Senate, instead of $25,000,000, as proposed by the House, for flood control, Mississippi River and tributaries.

AMENDMENT IN DISAGREEMENT PURSUANT TO CLAUSE 2, RULE XX

The managers on the part of the House and Senate have agreed to recommend to their respective Houses concurrence in the amendment of the Senate as follows:

Amendment No. 7, authorizing the acquisition of mineral rights in a land area in Oklahoma in order to permit work to go forward on the Hulah Dam and Reservoir project.

J. BUELL SNYDER,
JOE STARNES,
JOHN H. KERR,
GEORGE MAHON,
FRANCIS CASE (except as to No. 7),
Managers on the part of the House.

Mr. SNYDER. Mr. Speaker, I yield 10 minutes to the gentleman from New Jersey [Mr. POWERS].

Mr. POWERS. Mr. Speaker, I am definitely opposed to this conference report. My colleague the gentleman from Michigan [Mr. ENGEL] is likewise definitely opposed to the conference report. He is not present to speak against it today due to the fact that he is out of Washington on official business for the War Department of a nature which I cannot mention.

If the membership would refer to the RECORD of February 16, 1944, page 1777, when the civil functions, War Department, bill passed the House, they will find that after we reached the river and harbor items I made a short statement. I want to read that statement now for the benefit of the House.

This is from the RECORD of February 16, 1944:

Mr. POWERS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, now that the Clerk has read up to the item "United States Soldiers' Home" the entire portion of the bill dealing with rivers and harbors and flood-control items has been read. I want to say to the Members that this is the first time within my memory of 12 years' service in Congress that a civil functions War Department bill has been read under the 5-minute rule without some Member trying to amend the bill and place therein either a river-and-harbor or a flood-control project within his district or State. Mr. Chairman, I have no criticism of that practice. Many of these projects approved by the War Department engineers are worthy and in time all of them, of course, will be included in our bill, but it has been the policy of the committee and the policy of the engineers to include no projects during this time of emergency which do not definitely relate to the war effort and which are not definitely helpful to the war effort.

I rise at this time to thank the membership for the attitude they have taken and to guarantee as far as I personally am concerned that when we go to conference with another body, if any river-and-harbor or flood-control projects are added to this bill in that body which have not been sent down by the Bureau of the Budget, I for one will definitely oppose them and will not come back with my signature on the conference report if any of those projects are agreed to. I say this, I hope, in all kindness, but certainly in all fairness, because if the Members of this House who have worthy projects refrain from trying to put them in this bill at this time I see no reason why another body should be allowed to load up the bill with projects of a similar type. I do not know whether I am speaking for the chairman or other members of the committee, but I do know I am speaking for myself. If the chairman or any other member of the committee cares to make a statement either for or against what I have said, I think the additional assurance might give the House a little more hope than we have on the usual appropriation bill that goes to another body which is so economy-minded in the public and in the press but which, in the vernacular, puts on an appropriation bill "everything but the kitchen sink."

Mr. Speaker, that is exactly what has happened in another body. The other body has added to this bill in actual cash $5,544,000 covering three individual projects. I am not going to argue the merits of the projects. They are all meritorious. By the same token, a number of other projects, hundreds of millions of dollars' worth of them, which are in the various districts and States of the membership of both Houses, are also meritorious. But I see no reason in the world why certain Members of another body should just reach out and take a project in which they are interested and put it into one of these bills, and the rest of the membership suffer because they cannot get their projects. It has been done for a great number of years. I hope that by voting down this conference report we can stop that practice and stop it forever.

Mr. SNYDER. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conferenec report.

The question was taken; and (on a division demanded by Mr. POWERS), there were—ayes 37, noes 42.

Mr. SNYDER. Mr. Speaker, I object to the vote on the ground that there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 208, nays 134, not voting 88, as follows:

[Roll No. 102]

YEAS—208

Abernethy	Gearhart	O'Brien, Ill.
Allen, La.	Gordon	O'Brien, Mich.
Andersen, H. Carl	Gore	O'Brien, N. Y.
Anderson, N. Mex.	Gorski	O'Hara
Andrews, Ala.	Gossett	O'Neal
Baldwin, Md.	Grant, Ala.	O Toole
Barden	Green	Outland
Barry	Gregory	Pace
Bates, Ky.	Hare	Patton
Beckworth	Harris, Ark.	Peterson, Fla.
Bell	Hart	Philbin
Bennett, Mo.	Hays	Pittenger
Bishop	Heffernan	Ploeser
Bland	Hendricks	Poage
Bloom	Hess	Price
Bonner	Hobbs	Priest
Bradley, Pa.	Hoch	Ramspeck
Brooks	Hoeven	Randolph
Brown, Ga.	Holifield	Rankin
Bryson	Izac	Richards
Buffett	Jackson	Rivers
Bulwinkle	Jarman	Robertson
Burch, Va.	Jenkins	Robinson, Utah
Burchill, N. Y.	Jennings	Rolph
Burgin	Jensen	Rooney
Byrne	Johnson, J. Leroy	Rowan
Camp	Johnson, Lyndon B.	Russell
Cannon, Mo.	Johnson, Okla.	Sabath
Capozzoli	Jonkman	Sadowski
Carlson, Kans.	Judd	Sasscer
Carrier	Kearney	Satterfield
Case	Kee	Scanlon
Celler	Kefauver	Schwabe
Chapman	Kelley	Scrivner
Clason	Keogh	Sheppard
Cochran	Kerr	Short
Coffee	Kilday	Sikes
Cole, Mo.	King	Simpson, Ill.
Cole, N. Y.	Kirwan	Slaughter
Cooley	Lane	Smith, W. Va.
Cooper	Lanham	Snyder
Costello	Larcade	Somers, N. Y.
Courtney	Lea	Sparkman
Cravens	Lesinski	Spence
Crosser	Lynch	Starnes, Ala.
Cunningham	McCormack	Stefan
Curley	McGehee	Stigler
Curtis	McKenzie	Stockman
D'Alesandro	McMillan	Sullivan
Davis	Madden	Sumners, Tex.
Dawson	Mahon	Talle
Delaney	Manasco	Thomas, Tex.
Dickstein	Mansfield, Mont.	Thomason
Dingell	Marcantonio	Tolan
Doughton	Martin, Iowa	Vincent, Ky.
Drewry	May	Vinson, Ga.
Eberharter	Merritt	Voorhis, Calif.
Elliott	Miller, Nebr.	Vursell
Engle, Calif.	Monroney	Walter
Feighan	Morrison, La.	Ward
Fernandez	Mott	Weaver
Fisher	Mundt	Weiss
Flannagan	Murphy	Wene
Fogarty	Murray, Tenn.	West
Folger	Myers	White
Forand	Newsome	Whittington
Furlong	Norrell	Wickersham
Gale	Norton	Winstead
Gathings		Woodrum, Va.
		Worley
		Wright

NAYS—134

Allen, Ill.	Butler	Gerlach
Anderson, Calif.	Canfield	Gilchrist
Andresen, August H.	Carson, Ohio	Gillespie
Andrews, N. Y.	Carter	Gillette
Angell	Chenoweth	Gillie
Arends	Church	Goodwin
Auchincloss	Clevenger	Graham
Baldwin, N. Y.	Compton	Grant, Ind.
Barrett	Crawford	Griffiths
Bates, Mass.	Day	Gross
Beall	Dewey	Gwynne
Bender	Dworshak	Hall, Leonard W.
Bennett, Mich.	Eaton	Hancock
Blackney	Ellis	Harness, Ind.
Bolton	Elston, Ohio	Hartley
Brehm	Fellows	Hill
Brown, Ohio	Fenton	Hinshaw
Buck	Gallagher	Hoffman
Busbey	Gamble	Holmes, Mass.
Holmes, Wash.	Miller, Conn.	Simpson, Pa.
Hope	Miller, Pa.	Smith, Maine
Horan	Monkiewicz	Smith, Ohio
Howell	Mruk	Smith, Wis.
Hull	Murray, Wis.	Springer
Jeffrey	Norman	Stanley
Johnson, Anton J.	O'Konski	Stevenson
Johnson, Ind.	Poulson	Sumner, Ill.
Johnson, Ward	Powers	Sundstrom
Jones	Pracht, C. Frederick	Taber
Kean	Pratt, Joseph M.	Talbot
Keefe	Ramey	Thomas, N. J.
Kinzer	Reed, Ill.	Tibbott
Kunkel	Rees, Kans.	Troutman
Lambertson	Rizley	Vorys, Ohio
LeCompte	Robsion, Ky.	Wadsworth
LeFevre	Rockwell	Welchel, Ohio
Luce	Rodgers, Pa.	Welch
McConnell	Rogers, Mass.	Wigglesworth
McCowen	Rohrbough	Willey
McGregor	Rowe	Wilson
McWilliams	Sauthoff	Winter
Maas	Schiffler	Wolcott
Martin, Mass.	Scott	Wolfenden, Pa.
Mason	Shafer	Wolverton, N. J.
Michener		

NOT VOTING—88

Arnold	Gifford	Mansfield, Tex.
Boren	Granger	Merrow
Boykin	Hagen	Miller, Mo.
Bradley, Mich.	Hale	Mills
Brumbaugh	Hall, Edwin Arthur	Morrison, N. C.
Buckley	Halleck	Murdock
Burdick	Harless, Ariz.	O'Connor
Cannon, Fla.	Harris, Va.	Patman
Chiperfield	Hébert	Peterson, Ga.
Clark	Heidinger	Pfeifer
Colmer	Herter	Phillips
Cox	Johnson, Calvin D.	Plumley
Dies	Johnson, Luther A.	Rabaut
Dilweg	Kennedy	Reece, Tenn.
Dirksen	Kilburn	Reed, N. Y.
Disney	Kleberg	Sheridan
Dondero	Klein	Smith, Va.
Douglas	Knutson	Stearns, N. H.
Durham	LaFollette	Stewart
Ellsworth	Landis	Tarver
Elmer	Lemke	Taylor
Engel, Mich.	Lewis	Torrens
Fay	Ludlow	Towe
Fish	McCord	Treadway
Fitzpatrick	McLean	Wasielewski
Ford	McMurray	Welchel, Ga.
Fulbright	Magnuson	Whitten
Fuller	Maloney	Woodruff, Mich.
Fulmer		Zimmerman
Gavin		
Gibson		

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Miller of Missouri for, with Mr. Taylor against.

Mr. Pfeifer for, with Mr. Dondero against.

Mr. Rabaut for, with Mr. Gifford against.

Mr. Fitzpatrick for, with Mr. Engel of Michigan against.

Mr. Elmer for, with Mr. Fuller against.

Mr. Fay for, with Mr. Knutson against.

Mr. Heidinger for, with Mr. Landis against.

Mr. Buckley for, with Mr. Hale against.

Mr. Arnold for, with Mr. Reed of New York against.

Mr. Kennedy for, with Mr. Gavin against.

Mr. Calvin D. Johnson for, with Mr. Kilburn against.

Mr. Klein for, with Mr. Halleck against.

Mr. McMurray for, with Mr. Douglas against.

Mr. Torrens for, with Mr. Burdick against.

Mr. Peterson of Georgia for, with Mr. Brumbaugh against.

General pairs:

Mr. Whitten with Mr. Plumley.

Mr. Magnuson with Mr. Towe.

Mr. Murdock with Mr. Stearns of New Hampshire.

Mr. Luther A. Johnson with Mr. Lemke.

Mr. Boykin with Mr. Herter.

Mr. Granger with Mr. Lewis.

Mr. Smith of Virginia with Mr. Edwin Arthur Hall.

Mr. Fulbright with Mr. LaFollette.

Mr. Mills with Mr. Treadway.

Mr. Kleberg with Mr. McLean.

Mr. Disney with Mr. Merrow.

Mr. Hébert with Mr. Bradley of Michigan.

Mr. Boren with Mr. Chiperfield.

Mr. Harless of Arizona with Mr. Phillips.

Mr. McCord with Mr. Dirksen.

Mr. Sheridan with Mr. Ellsworth.

Mr. Wasielewski with Mr. Fish.

Mr. Tarver with Mr. Reece of Tennessee.

Mr. Cox with Mr. Woodruff of Michigan.

Mr. Fulmer with Mr. Hagen.

Mr. ROLPH changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 8, line 4, after the word "repealed", insert the following: "*Provided*, That the provision contained in the Interior Department Appropriation Act, 1942 (55 Stat. 320), concerning the acquisition of mineral rights owned by the Osage Tribe in lands to be acquired for the Hulah Dam and Reservoir project is hereby amended by adding the following: '*Provided*, That if just compensation cannot be agreed upon the Secretary of War may institute proceedings to condemn said mineral rights pursuant to existing laws: *Provided further*, That the construction of the dam may be commenced at any time after the institution of such proceedings.'"

Mr. SNYDER. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE. Mr. Speaker, this is the single amendment of the civil functions bill remaining in disagreement. It is amendment No. 7 as added by the Senate.

It proposes to permit condemnation proceedings in connection with some mineral rights on Indian lands in Oklahoma. The appropriation for the so-called Hulah Dam and reservoir has been previously approved by the Congress. Some difference of opinion has arisen between the War Department and the Indian tribe as to the value of the land that would be flooded. The engineers of the War Department have estimated that the land and the mineral rights might be worth at some point between $35,000 and $100,000. The Indians contend that the rights are worth at least $1,000,000.

The language proposed by the Senate amendment would permit the matter to go into the courts for condemnation. Nothing was brought before the conference that in my opinion justifies sending this to condemnation at the present time. While it is true that the courts would presumably protect the rights of the Indians, yet there was no evidence that there had been any great effort made to achieve reconciliation between the parties to see what could be done by negotiation. Consequently, in signing the conference report I noted my exception to this amendment. I feel that if condemnation is to be authorized, it should be done only after due consideration in a legislative bill, rather than by appearing here in an appropriation bill.

Mr. SNYDER. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. JOHNSON].

Mr. JOHNSON of Oklahoma. Mr. Speaker, in answer to what my distinguished and able friend has said, may I give you a brief history of this amendment.

The Hulah Reservoir was authorized along with the Fort Supply, Optima, and Great Salt Plains project. These were all a part of the comprehensive plan for control of floods on the Arkansas and Mississippi Rivers. The project was not constructed because of difficulty in acquisition of Indian-owned lands and mineral rights.

Congress authorized the Department of the Interior and Department of War to agree upon a fair value of the mineral rights. This cannot be accomplished in that the Interior Department appraisers have set a fictitious value of approximately one million dollars on these properties, while the War Department have found the values to be approximately fifty thousand dollars.

Amendment No. 7 of the civil functions appropriations bill for the War Department will give the Army engineers the right to condemn these mineral rights in the same manner as they acquire like property from private ownership.

We do not expect immediate action on this project, but this question of acquisition of mineral rights must be settled before the project can ever be constructed, and we feel that this should be among the first of the flood-control projects to be constructed in Oklahoma.

As I have indicated, the differences between the War Department and the Department of the Interior are so wide that the procedure of condemnation is the only realistic way out of the situation. It is fair and it is reasonable. Nobody can object to condemnation proceedings on the part of the War Department. That Department is not going to pay a dollar more for this land than is necessary. We all know this is the American way of doing things.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

AID TO THE PHYSICALLY HANDICAPPED

Mr. SABATH. Mr. Speaker, I call up House Resolution 230 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Committee on Labor, acting as a whole or by subcommittee or subcommittees appointed by the chairman of said committee, is authorized and directed (1) to conduct thorough studies and investigation of the extent and character of aid now given by the Federal, State, and local governments and private agencies to the physically handicapped, (2) to study and investigate the diffusion within the United States of such aid to the physically handicapped, (3) employment opportunities for the physically handicapped, and all other questions in relation thereto which would aid the Congress in any necessary remedial legislation.

The said committee or any subcommittee is authorized to obtain and use for statistical purposes only, confidential information (a) from the record of the Selective Service System, (2) records from the War Manpower Commission, and (3) from the records of the Bureau of the Census subject to the restrictions of 46 Statutes at Large 25, section 11 (U. S. C. 13: 211).

For the purposes of this resolution, the said committee or any subcommittee thereof is hereby authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed or has adjourned, to hold hearings, to require the attendance of such witnesses, and the production of such books or papers or documents or vouchers by subpena or otherwise, and to take such testimony and records as it deems necessary. Subpenas may be issued over the signature of the chairman of the commitee or subcommittee, or by any person designated by him, and shall be served by such person or persons as the chairman of the committee or subcommittee may designate. The chairman of the committee or subcommittee, or any member thereof, may administer oaths to witnesses.

That the said committee shall report to the House of Representatives during the present Congress the results of their studies, inquiries, and investigations with such recommendations for legislation or otherwise as the committee deems desirable.

Mr. SABATH. Mr. Speaker, upon the urgent request of many Members, especially the gentleman from Pennsylvania, the Committee on Rules has reported favorably the resolution which has just been read. I believe that it is necessary that this resolution be adopted so that the Committee on Labor may be given the power to make a thorough investigation with regard to matters that should be of interest to every man who is interested in those who have been disabled.

The resolution provides that the Committee on Labor is authorized and directed, first, to conduct thorough studies and investigation of the extent and character of aid now given by the Federal, State, and local governments and private agencies to the physically handicapped; second, to study and investigate the diffusion within the United States of such aid to the physically handicapped; third, employment opportunities for the physically handicapped, and all other questions in relation thereto which would aid the Congress in any necessary remedial legislation.

Mr. Speaker, for the information of the House, I wish to say that I have received a very large number of communications, telegrams, and resolutions from nearly every section of the United States favoring the passage of this worthy resolution.

The gentleman from Pennsylvania [Mr. KELLEY] who sponsors this resolution is known to the membership as a sincere, able, and fair-minded gentleman. As an employer of those engaged in the most hazardous industry, he is familiar with the condition of those who have become physically handicapped and as he stated to me just this morning, it is his aim in life to be of service to them. I know that he, as chairman of the investigating subcommittee, having been informed he will be so named, will obtain information from all sources, which will materially aid the Congress and serve as a guide in passing on future legislation in behalf of the physically handicapped. As it is now, our Government is spending millions, and the States, cities, counties, and private institutions are also spending large sums, and I therefore feel that there should be coordination to effectively render assistance to the physically handicapped. To attain that end, I have the utmost confidence that under the gentleman's leadership the needed and required information will be obtained that will assist in unifying and coordinating all these worthy activities, which will serve as a tremendous help to the hundreds of thousands of our physically handicapped citizenry.

Mr. Speaker, the object of the proposed investigation is of deepest interest to me. Over 37 years ago I introduced a bill in this House providing for workingmen's compensation, realizing then that industry would rehabilitate machinery and facilities and the railroads their locomotives, cars, and the upkeep of their roadbeds, but the thousands of men who made possible the operation of our industries and the running of our railroads were ignored and neglected. True, they had the right at that time to sue, but invariably it was years before they could obtain compensation or before anything was done for them. At the time I introduced my bill the principle of workingmen's compensation was not known in the United States and it required several years' effort on my part to show the necessity of such legislation and the benefits that would inure not only to the maimed and crippled but to the industries and railroads as well. Today I am happy that the workingmen's compensation laws have been enacted not only by our Federal Government but by nearly every State in the Union. Therefore it is with the greatest feeling and pleasure that I have offered this resolution which is broad in scope and the results which will be obtained through investigation and study are bound to be of tremendous aid to the physically handicapped and will serve, I hope, to bring about greater expansion in our vocational education and in general will be a step in the right direction to safeguard the greatest asset we possess, namely, human lives and labor. Consequently I hope the House will give this worthy resolution its unanimous approval.

Mr. Speaker, I now yield 30 minutes to my colleague the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I do not believe anyone on this side has any objection to this resolution. It merely permits the Committee on Labor to investigate the extent and character of aid that is now being given throughout the United States to the physically handicapped.

Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Speaker, we are properly giving a great deal of attention to the problems involved in the rehabilitation and reconversion of industry to peacetime production. This is taking the form of legislation already passed and under consideration by various congressional committees. House Resolu-

tion 230 now under consideration provides in some degree for similar problems as they relate to human interest. Specifically it deals with the human rights of physically handicapped individuals. Human rights are above property rights and we should give them fair consideration, as we are giving to property rights. This resolution carries that purpose into effect and should be passed today.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. KELLEY].

Mr. KELLEY. Mr. Speaker, the purpose of this resolution is to authorize a study by the Committee on Labor designed to explore the problem of unemployment of physically handicapped, of whom it is said there are 25,000,000 in the United States, and to provide a means whereby Congress itself may be possessed of the requisite knowledge to deal with that problem. One fact is very clear, in making the investigations, as far as I have gone, and that fact is this, that there is an astonishing lack of knowledge on this subject. There are something like 18 different governmental agencies that have something to do with the physically handicapped. Two-thirds of the information relating to the physically handicapped, and the various agencies that are active in this country, is now in the States or in the municipalities and it would be necessary to go outside the realm of the Federal Government to obtain this information. There is not, in the files of any Federal agency, the necessary information to enable Congress to deal with the problem, nor is there to be found a complete digest of all laws or regulations, Federal, State, or local, affecting the problem of the physically handicapped. Before Pearl Harbor it was estimated that 800,000 people became physically handicapped each year. The rehabilitation agencies could take care of 30,000 of them a year. That is, they were rebuilding and rehabilitating 30,000 a year, approximately. That is the best information we can get. So you see there were 770,000 individuals who were left to shift for themselves.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. KELLEY. Yes; I will be glad to yield.

Mr. ROBSION of Kentucky. Did I understand the gentleman to say there were 25,000,000 physically handicapped people in the United States?

Mr. KELLEY. That is the nearest estimate we have; yes. That includes amputees, cardiacs, victims of infantile paralysis, the deaf and the hard of hearing, the blind and all the categories of the physically handicapped.

Mr. ROBSION of Kentucky. I wonder if the gentleman could give us an estimate as to how many of that 25,000,000 are unable to work and support themselves.

Mr. KELLEY. It is only an estimate of what are termed "shut-ins" or those who are helpless, and the estimate is 3,000,000 people.

Mr. ROBSION of Kentucky. I thank the gentleman.

Mr. RANDOLPH. Mr. Speaker, will the gentleman from Pennsylvania be kind enough to yield?

Mr. KELLEY. Yes; I will be glad to yield.

Mr. RANDOLPH. I believe also that there are approximately 16,000,000 physically handicapped individuals who fall between the ages of 15 and 64. I believe also that we must, in the future, provide for the conservation of our manpower in the industrial establishments of the United States. Many of these men who will come back as deserving veterans after the conflict is over, can with proper training and with proper supervision be used in the labor market. If we allow them to shift for themselves they will be unable to fit themselves into our peacetime day-by-day economy. I think the gentleman's resolution will be helpful and productive of a better understanding of this group of persons who can be useful workers if they are assisted toward that end. For many years I have been especially interested in full opportunity for the blind. It is encouraging to know of the contribution of these people to our war effort.

Mr. KELLEY. The gentleman is correct and I thank him.

Now since Pearl Harbor the number of people who become physically handicapped each year has been tremendously increased over the 800,000 figure. It has been increased by casualties due to the war on the active battle fronts, and it has also been increased by the increased tempo of industries as a result of the war. There is no estimated figure now as to how many people are going to become physically handicapped annually. There are two aspects of the problem. One is that of humanitarianism, and I do not think there is any dispute about that. The other is the aspect of utility. Here is a vast reservoir, as the gentleman from West Virginia so well stated, and today with the great manpower shortage, this enormous reservoir can be drawn upon by the Nation. I believe this resolution and the results of this investigation will be of great benefit to the physically handicapped and to the Nation.

The distinguished majority leader, the gentleman from Massachusetts [Mr. MCCORMACK] is much interested in the welfare of the physically handicapped. It is a subject which is close to his heart. He has devoted his time and effort to the success of this resolution. I, as well as are the physically handicapped people, am grateful to him.

The distinguished gentleman from Georgia [Mr. RAMSPECK] joined with the majority leader in promoting the success of this resolution.

I am also informed that the resolution has the approval of the distinguished minority leader, the gentleman from Massachusetts [Mr. MARTIN].

Mr. Speaker, I yield back the balance of my time.

Mr. WEISS. Mr. Speaker, will the gentleman yield for a question?

Mr. KELLEY. Yes; I will be glad to yield.

Mr. WEISS. I want to say to the gentleman from Pennsylvania that Mrs. Clements, representing 13,000 physically handicapped people in my district, heartily supports this resolution.

Mr. KELLEY. I thank the gentleman.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. KELLEY. Yes; I will be glad to yield.

Mr. COCHRAN. The investigation, of course, will bring out a great deal of information. The letter I put into the RECORD recently from Mr. McNutt, went into details with reference to what the States were doing concerning those who are disabled and physically handicapped. I followed that up recently by placing in the RECORD a statement written by the president of the Mines Equipment Co., of St. Louis, which showed they had at least 6 blind persons working in their factory manufacturing articles for the Navy and the Army, and some of them were inspectors. I also placed in the RECORD another statement by a St. Louis corporation that had been employing the physically handicapped for 20 years.

If this committee could work out a way to induce industry throughout the country to do what those firms are already doing, it would be really beneficial. As I understand it, is this for the purpose of bringing in legislation extending Federal aid to the States or trying to work out a program of legislation for the benefit of industry in the United States to assist the physically handicapped?

Mr. KELLEY. The purpose will be to formulate a program to assist the physically handicapped to the end that they may be profitably employed.

The SPEAKER. The time of the gentleman has expired.

STATE, JUSTICE, AND COMMERCE APPROPRIATIONS—1945

Mr. KERR, from the Committee on Appropriations, submitted a conference report and statement on the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce for the fiscal year ending June 30, 1945, and for other purposes, for printing in the RECORD.

AID TO THE PHYSICALLY HANDICAPPED

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Mr. Speaker, the purpose of this amendment is all right. I think there are a great many Federal agencies and State agencies investigating the physically handicapped. I think there is one difficulty, though, in defining what a physically handicapped individual might be, and what we should do for him. The author of the resolution speaks about 25,000,000 people in the United States being physically handicapped. I dare say that if the 435 Members of the House of Representatives were carefully screened you would find a great number of heart, kidney, liver, and glandular difficulties, and so forth, and even some amputations, as we have in the House. We might be physically handicapped but we do not want any sympathy or any particular attention from the Federal Government nosing into our business.

On the other hand, we have in the United States quite a number of babies born every year that are physically handicapped. The Children's Bureau has a very careful record of those individuals who have physical handicaps, up to 21 years of age. The purpose of the resolution is good and the only difficulty I see is that there ought to be some definition, some circumscribing and outlining of just what a physically handicapped person might be, whether you are going to take in the cardiacs, kidneys, livers, and so forth. If you do, you have an immense amount of work on your hands that you will never finish. I think it would be better for the committee that goes to work on this if they would keep their investigations limited to the visible physical handicaps, the hard of hearing, loss of eyes, loss of an arm, loss of a leg, or some deformity of a physical nature, and not go into the more intricate details of your heart, your kidney, your liver, or your glands.

Mr. HARE. Will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. HARE. I think the gentleman has raised a very important point in connection with the resolution, which is commendable and with which I am in sympathy. But I can see the possibility of enlarging the activities we have already provided. For instance, under the Social Security Act, we have provided grants to the States in aid of crippled children. That does not apply to those who might have some physical handicap, but to those who are crippled and unable to perform any kind of work. The same is true of the vocational rehabilitation provision under the Social Security Act. I think it is quite important, if we are going to make an investigation, to make a survey and determine the physically handicapped throughout this country. It is an enormous problem.

The SPEAKER. The time of the gentleman from Nebraska [Mr. MILLER] has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. CARSON].

Mr. CARSON of Ohio. When I first came to Congress a year ago last January, I was very much surprised to find that nothing had been done regarding legislation for the physically handicapped in this country. We have heard this afternoon that there are over 25,000,000 of those people in this country. We hear every day of the manpower shortages. On March 22, 1943, I introduced in this House a joint resolution which only stipulated one particular thing. That was that in order to effectively prosecute the war by utilizing to the fullest practical extent the services of persons who are physically handicapped, and in order to formulate a comprehensive and effective program for recruiting, registering, and employing such persons, there would be established in the United States Employment Service a division to be known as the Division for the Physically Handicapped. That is all my resolution provided. I only asked that there be provided in the United States Employment Service a department or division known as the Division for the Physically Handicapped.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. CARSON of Ohio. I yield.

Mr. COCHRAN. The gentleman said at the outset of his remarks that he was surprised to find that nothing had been done for the physically handicapped.

Mr. CARSON of Ohio. I was.

Mr. COCHRAN. Did not the gentleman know that the Social-Security law made such a provision, and that we make an annual appropriation to the States?

Mr. CARSON of Ohio. Will the gentleman answer a question for me? This has been before the House in many, many different bills. I found hearings before the Committee on Education, hearings before the Committee on Labor for the last 5 or 6 years.

Mr. COCHRAN. Yes; but we have got laws.

Mr. CARSON of Ohio. You have laws, but you have a conflict of laws. That is the trouble. You have a manpower shortage on one side and you have 25,000,000 physically handicapped on the other side. Why do you not utilize them in the way they can be utilized? I am in favor of this resolution, because it does get a start at doing something.

Let me bring to the attention of the House a letter which I think may clear up the question asked by the gentleman from Missouri [Mr. COCHRAN]. I have a letter addressed to me on April 15, 1943, from the honorable chairman of the Committee on Labor, Mrs. NORTON, which encloses a letter from War Manpower Commissioner McNutt. In that letter Mr. McNutt says:

> We are in agreement with the general objective of House Joint Resolution 103, which proposes to set up within the United States Employment Service a division for the physically handicapped.
>
> The Commission recognizes that qualified physically handicapped persons should have a part in the administration of any program that concerns them.

That is from the War Manpower Commissioner. The Civil Service Commission have gotten mixed up between rehabilitation and placement of labor. That is where the difficulty is now. Many of these people do not need rehabilitation at all. Many of them are not only qualified but extremely anxious to do their part on the home front. As a practical proposition it seems to me imperative that the services of the physically handicapped be utilized immediately, especially in this period of national emergency. Many of these people could be given additional training while working at some essential occupation. There is a vital need for planning and executing a truly national program on behalf of the physically handicapped. We save scrap but continue to scrap men.

Further answering the gentleman from Missouri [Mr. COCHRAN] I find that there is now pending in the House of Representatives H. R. 2536 which is the fourth of a series of vocational rehabilitation bills which have received the careful consideration and study of the Committee on Education. H. R. 5906 was introduced on October 23, 1941. On August 13, 1942, H. R. 7484 was introduced and extensive hearings were held toward the close of the Seventy-seventh Congress. In January 1943, H. R. 699 was introduced and again many hearings were held with specialists from all groups of the handicapped, State administrators of rehabilitation, State educational officers, representatives of private agencies, and the disabled themselves testifying. In addition to these hearings, executive sessions of the committee were held over a period of nearly 3 months; and as a result of the careful deliberations of the Committee on Education, headed by the most capable gentleman from North Carolina [Mr. BARDEN] H. R. 2536 was introduced and printed, and the entire committee approved both the bill and the report.

Under the above circumstances it seems to me that it was unnecessary to appoint a committee solely for the purpose of investigation of the program for the physically handicapped, as contained in House Resolution 230. However, since these worthy people have experienced so much difficulty in securing a definite program, I am in favor of this resolution as it will be a step in the right direction.

All that is asked by the physically handicapped is that unfair discrimination be removed and that they be given the right of equal employment with the nonhandicapped, provided, of course, that the handicapped otherwise possesses the qualifications for the position. It is imperative that we immediately plan a national program to provide a cushion against the unhappy days of post-war chaos and possible unemployment and want which a large number of these people have experienced in the past. They are patriotic in the extreme, many having sons, brothers, or even fathers in the armed forces, and they liberally subscribe to all war activities.

I am proud of being an honorary member of Lodge No. 1 of the American Federation of Physically Handicapped, of Washington, D. C.

The American Federation of the Physically Handicapped has as its head Paul A. Strachan, who is an excellent gentleman and a great leader. The vice president of this organization is Jesse E. Gross, of Canton, Ohio—my home town—whom I have known for many years and who is one of our leading citizens. I have personally for over 20 years been interested in the welfare of the physically handicapped. Through my efforts there has been set up in my congressional district an employment agency for the physically handicapped, which, among other things, has been instrumental in placing nearly 40 blind people in the Timken Roller Bearing plant and in the Hoover Suction Sweeper plant. It has also inaugurated a training program with capable men in charge to aid and train those who are disabled.

In speaking of the 25,000,000 physically handicapped in the United States, it was not my intention to convey to you the impression that all of these are handicapped by the loss of limbs, as this figure includes all physical handicaps, such as the loss of sight of an eye or partial loss

of hearing. In a survey made by Columbia University it was disclosed that industrial injuries affecting the eye occur at the rate of 1,000 per day, and that 20 percent of the total injuries occurring in industry result in permanent or partial deafness. Many additional statistics could be quoted showing development of incipient pulmonary diseases, including tuberculosis, silicosis, and various bronchial affections, as well as cardiac ailments and other diseases, as a result of accident or injury or improper working environment in industry.

I sincerely hope the resolution will be adopted and that said committee will, as soon as practicable, complete its investigation and report to the House of Representatives during the present Congress the results of their study, inquiry, and investigation, which will result in proper legislation being enacted to establish a truly national program for the physically handicapped.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I had always supposed there were Government agencies that were looking after this kind of work. Perhaps they are not. I do know that the Ford Motor Co. is carrying on this kind of a study and also taking care of many who are physically handicapped by providing work. Do I understand the gentleman from Missouri [Mr. COCHRAN] has no objection to the appointment of another investigating committee? Apparently not.

Mr. COCHRAN. I will say to the gentleman I am not controlling the House.

Mr. HOFFMAN. All right. Usually the gentleman opposes the creation of new committees. There are two good things about this resolution. One is the purpose, and the other is that it is introduced by the gentleman from Pennsylvania [Mr. KELLEY] who will probably head it.

Now, let us take a look at it. I would like to offer an amendment later on if that was possible. Let me read: "The Committee on Labor, acting as a whole or by subcommittee or subcommittees." Note the words "or subcommittees." The Labor Committee and one subcommittee ought to be enough. We do not want several committees traveling all over the country on this.

Then down in lines 14 and 15 you will notice that the committee is given the power; and these subcommittees are given the power—there may be a half dozen of them under the resolution—they are given the power to subpena witnesses, hold hearings anywhere in the United States, call in the companies and business houses and have them produce their books. I assume the chairman of the committee will appoint one committee and not have a half dozen, but we ought to be sure about it.

I notice the chairman is nodding her head. I know the gentleman from Missouri [Mr. COCHRAN] does not want a half-dozen committees running all over and calling in factory heads and asking them to produce their books while they are in war production.

Mr. COCHRAN. This is a resolution. The gentleman will not have an opportunity to offer an amendment unless the Committee on Rules will yield to him for that purpose.

Mr. HOFFMAN. Will the chairman of the Committee on Rules [Mr. SABATH] yield for the purpose of offering an amendment?

Mr. SABATH. I do not know yet. I will have to think it over.

Mr. HOFFMAN. It is going to be passed in a few minutes. All right; if you want to appoint a half-dozen committees, let the Labor Committee do it. I cannot prevent it, but one committee should be enough.

Mr. COCHRAN. You have appointed a whole lot of committees that are going around here, but this one might result in doing some good for some disabled people.

Mr. HOFFMAN. It might.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, I will refrain from any comment on the colloquy that just ensued.

I think this resolution is a very important resolution. We read in the newspapers recently that in the invasion of France, around 3,200 were killed. Over 15,000 were wounded. There is no doubt in my mind that a great many of those 15,000 will come back physically handicapped. Many more have already come back, and the ensuing days will bring thousands of those people back who will be physically handicapped, with legs and arms shot off, blind, hard of hearing, and all different things.

Mr. COLE of Missouri. Will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. COLE of Missouri. The bill we just passed takes care of all that.

Mr. HOLIFIELD. There is more to taking care of this situation than just appropriating money. There is a comparatively new science known as occupational therapy which has been developed in recent years. It started sometime after the last war. This science is developing very rapidly. These registered occupational therapists are coming out of these schools, and they are in great demand. Quite a few of them are working at Walter Reed. Quite a few of them are in St. Elizabeths Hospital. I have visited those different sections. There is no doubt in my mind that this resolution will bring to one central point a great deal of information on this subject, not only to those who are in civilian life who are handicapped but also information which can be applied to taking care of the wounded who come back from this war.

I am, therefore, supporting this resolution. I do not think we could make a mistake in bringing this type of information to a focal point and restoring the usefulness toward society of all this great mass of people both in the civil and military ranks.

The SPEAKER. The time of the gentleman from California has expired.

Mr. SABATH. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Speaker, first of all I want to say this resolution is offered by a Member of this House who has five sons in the fighting services of this country. I want to take my hat off to him. In the second place, I am very much in favor of this resolution for this one reason: The handicapped people of this Nation do not want a pension or a stipend, what they want most of all is rehabilitation to the point where they can take a normal place in the productive life of this country. They want an opportunity to get back on their feet in order that they may go to work like other people. A lot of work has been done by various groups throughout this country to aid the handicapped. We all know of the excellent work that has been done with the blind in certain small communities. What this study ought to do is to bring into focus the work that has been done to put handicapped people in a position to take their place normally in society and show us how to continue that effort in order that we may apply that work on as large a scale as possible to accomplish this great result.

The SPEAKER. The time of the gentleman from California has expired.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Speaker, I take great pleasure in supporting this resolution. The question was first called to my attention some months ago by Mr. Paul Strachan, who has interested himself in it and is working with physically handicapped groups.

I think there is no finer person in this House to head this inquiry than the gentleman from Pennsylvania [Mr. KELLEY], He has been both an employee and an employer in an industry which is very hazardous, the mining of coal.

It is my hope that out of this inquiry will be developed means by which the physically handicapped will need less aid from the Federal Government and will be better enabled to maintain themselves because they will find occupations in the business interests of this country, will be brought to the stage where they can be used, as many of them have been during this war emergency. I am glad to see this resolution brought up and I am quite sure that under the direction of the gentleman from Pennsylvania [Mr. KELLEY] it will be a job well done and one that will be of great value to the people of this country.

Mr. Speaker, I yield back the balance of my time.

Mr. SABATH. Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman has 12 minutes remaining if he desires to use it.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentlewoman from New Jersey [Mrs. NORTON].

Mrs. NORTON. Mr. Speaker, I do not think 3 minutes is necessary to get a vote on this very worthy resolution. I am very happy that it has finally reached the House after having been introduced more than a year ago. It is a very worthy resolution and one I am sure you will all join the gentleman from Pennsylvania [Mr. KELLEY] in endorsing.

Mr. ROLPH. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield.

Mr. ROLPH. I am very much interested in this resolution and very much in favor of it, but I am wondering if the gentlewoman will explain to the House just how the local agencies will be brought into this legislation.

Mrs. NORTON. That, of course, would have to be done by legislation after the investigation has been completed.

Mr. ROLPH. This committee will cooperate with local agencies?

Mrs. NORTON. It will cooperate fully. We are hoping that out of this investigation, which I am sure will be conducted on a very high plane, we shall enact legislation that will be of great assistance to the physically handicapped persons.

Mr. EBERHARTER. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield.

Mr. EBERHARTER. I wish to endorse everything the gentlewoman from New Jersey has said, and all the gentleman from Georgia [Mr. RAMSPECK] has said with respect to this resolution. The gentleman from Pennsylvania is to be congratulated on introducing the resolution. I hope it will have the support of every Member of the House and I believe we shall find from the work of this committee that good legislation will be presented to us so as to carry out its recommendations.

Mrs. NORTON. I thank the gentleman very much for his contribution.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield.

Mr. MURRAY of Wisconsin. I wish to call the gentlewoman's attention to the fact that farming is one of the most hazardous occupations in this country according to insurance reports. I should like to ask if my good friend and colleague from New Jersey would take it upon herself to pay particular attention to the accidents that have happened in the past in the rural areas particularly because I assure her that many serious accidents have happened there but many a farmer continues his work despite the loss of an arm or a hand. Thousands are doing it all over the country today.

Mrs. NORTON. I am sure that when we reach the stage of considering legislation the gentleman from Wisconsin [Mr. MURRAY] will give the Committee on Labor the benefit of his very good advice.

Mr. COLE of Missouri. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield.

Mr. COLE of Missouri. While we are considering this very worthy resolution of investigation will the gentlewoman tell us what it will cost?

Mrs. NORTON. I could not say, but I am sure it will be as modest a sum as possible commensurate with the amount of work involved.

Mr. Speaker, I sincerely hope this resolution will be adopted unanimously. I believe every Member is just as much interested in helping the physically handicapped as is the gentleman from Pennsylvania [Mr. KELLEY], and the chairman of the Committee on Labor.

The SPEAKER. The time of the gentlewoman from New Jersey has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. CARSON] for the purpose of extending his remarks.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT OF FEMALE PILOTS AND AVIATION CADETS IN ARMY AIR FORCES

The SPEAKER. The Chair recognizes the gentleman from Missouri [Mr. SLAUGHTER].

Mr. SLAUGHTER. Mr. Speaker, I call up House Resolution 563 providing for the consideration of H. R. 4219, a bill to provide for the appointment of female pilots and aviation cadets in the Air Forces of the Army.

The Clerk read the resolution as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4219) to provide for the appointment of female pilots and aviation cadets in the Air Forces of the Army. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Military Affairs, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order any amendment offered by direction of the Committee on Military Affairs relating to the appointment or commissioning of officers in the Army of the United States. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SLAUGHTER. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and yield myself such time as I use.

The SPEAKER. The gentleman from Missouri is recognized.

Mr. SLAUGHTER. Mr. Speaker, this rule makes in order the consideration of the bill H. R. 4219, the so-called WASP bill, concerning which there has been considerable discussion. The WASP bill provides in substance that female pilots who are now in the Army and who have a civil-service status shall be taken into the Army proper, not in the WAC's but in the Army Air Corps, just as nurses and doctors are taken in.

There is no question but what there is a shortage of pilots, although there may be some difference of opinion as to the proper method in which this shortage should be met; nevertheless, the Army, and when I say the Army, I mean General Arnold, General Giles, and the Secretary, Mr. Stimson, are strongly in favor of this bill and have recommended and asked for its passage.

Mr. Speaker, approximately 500 women have been trained for this service and perhaps as many more are in the course of training at the present time. While they enjoy merely a civil-service status, they are flying all the ships that the Army has at the present time within the continental limits of the United States, with the exception of the very largest ships. While they have done a splendid work, according to the Army and according to those persons who are informed, there are very definite drawbacks to the present arrangement, not only from the standpoint of the Army, but of the women themselves. For instance, these female pilots come into various Army posts and after they ground their ships there are no facilities for taking care of them. They are not permitted to go into the officers' clubs; they are not permitted to buy from the post exchange; they are not permitted to go into certain portions of the Army reservation; and, although they are doing work identical with that of the Army flyers, they are not eligible for certain benefits, including insurance. The Army, on the other hand, complains that while these women who enjoy a civil-service status are doing this highly important work, the Army does not have the necessary and essential control over them which it should. In other words, while they are closely connected with the Army, in truth and in fact they are completely outside so far as authority is concerned, and for that reason the Army through General Arnold is urging the passage of this bill.

There has been one objection raised, which is totally erroneous, and that is that this bill would create another Women's Army Corps.

Mr. HARNESS of Indiana. Will the gentleman yield?

Mr. SLAUGHTER. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. If I understand it correctly, this rule makes in order the Brooks bill?

Mr. SLAUGHTER. I am coming to that.

Mr. HARNESS of Indiana. H. R. 4269 or any other amendment relating to the same subject matter as the Brooks bill.

Mr. SLAUGHTER. That is, if it is offered by the Committee on Military Affairs, according to the rule.

Mr. HARNESS of Indiana. Does the rule limit the offering of amendments to the committee bill?

Mr. SLAUGHTER. It is my recollection that it does. I do not have a copy of the rule in front of me.

Mr. HARNESS of Indiana. Then am I to undertsand that no Member of the House, even a member of the Committee on Military Affairs, could offer an amendment to the so-called Brooks bill?

Mr. MAY. Will the gentleman yield?

Mr. SLAUGHTER. I yield to the gentleman from Kentucky.

Mr. MAY. I would like to explain that my understanding of the rule is that it makes in order any amendment authorized by the House Military Affairs Committee and not subject to a point of order. Any other amendment, as I understand it, can be offered by any Member who wishes to do so, but it is subject to any point of order that might lie against it.

Mr. HARNESS of Indiana. I want a member of the Rules Committee to interpret this rule for me. As I understand it, the Brooks bill, H. R. 4269, is made in order because the Military Affairs Committee has authorized and directed the chairman to offer it as an amendment. Is any other Member of the House or the committee permitted to offer an amendment pertaining to the same subject matter to the so-called Brooks amendment?

Mr. SLAUGHTER. I may say to the gentleman that the wording of the rule is unambiguous on that point. It states:

> It shall be in order to consider without the intervention of any point of order any amendment offered by direction of the Committee on Military Affairs relating to the appointment or commissioning of officers in the Army of the United States.

Mr. HARNESS of Indiana. But suppose the Military Affairs Committee has not directed any other amendment to be offered, then is it in order?

Mr. MAY. No.

Mr. HARNESS of Indiana. I would like to have that question answered.

Mr. BROOKS. It is my understanding that an amendment to H. R. 4269—that is, a committee amendment—might be offered; is that correct?

Mr. SLAUGHTER. That would be my understanding.

Mr. HARNESS of Indiana. I have an amendment I want to offer to the Brooks bill. That amendment will not be offered by the chairman of the Military Affairs Committee. I want to know whether this rule will shut me out of offering that amendment.

Mr. ALLEN of Illinois. The bill states further:

> At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments—

And so forth.

Mr. HARNESS of Indiana. This rule says: "any amendment by direction of the Committee on Military Affairs." Now, will that shut out any other amendment?

Mr. MICHENER. Will the gentleman yield?

Mr. SLAUGHTER. I yield to the gentleman from Michigan.

Mr. MICHENER. What part of the rule is it the gentleman questions?

Mr. HARNESS of Indiana. I am not questioning any part of it. I merely want to clarify the situation so there will be no doubt as to the possibility of offering an amendment to the committee amendment.

Mr. McCORMACK. Will the gentleman yield?

Mr. SLAUGHTER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. If I understand the gentleman's question correctly, the gentleman would like to know, assuming the committee offers an amendment and it is offered by direction of the committee, which amendment if offered by a Member would not be germane to the pending bill, could the gentleman offer an amendment to the committee amendment?

Mr. HARNESS of Indiana. No, that is not my question at all. I will direct the gentleman's attention to the rule, page 1, line 11, where it is stated:

> It shall be in order to consider without intervention of any point of order any amendment offered by direction of the Committee on Military Affairs relating to the appointment or commissioning of officers of the Army of the United States.

Now, I have an amendment to the committee amendment. Is that in order if it is not authorized by the committee?

Mr. McCORMACK. Of course, I would not undertake to state what the ruling of the Chair might be on a given amendment but, in my opinion, an amendment which would be germane to the committee amendment would be in order. It would be in the second degree. If it is germane, my own personal opinion is, if it is germane to the amendment offered by the committee, then I think any Member could offer an amendment to it.

Mr. MICHENER. There is no question in the world about that. This rule makes in order an amendment to the bill. That amendment would be subject to amendment or perfecting amendment before it is offered, under the general rules of the House.

Mr. McCORMACK. To an amendment in the second degree, and germane.

Mr. MICHENER. Under the general rules of the House.

Mr. McCORMACK. Under the general rules of the House, yes, that would be my personal opinion.

Mr. MICHENER. The gentleman is right.

Mr. HARNESS of Indiana. I wonder if the gentleman will permit another observation. The thing that disturbs me about the wording of this rule is the waiving of points of order only to an amendment offered by direction of the Committee on Military Affairs. The amendment that I propose to offer is germane to the committee amendment but it may not be germane to the WASP bill. My amendment has not been authorized by the Military Affairs Committee.

Mr. SLAUGHTER. If I understand the gentleman correctly, his amendment will go to the amendment to be offered known as the Brooks amendment, is that right?

Mr. HARNESS of Indiana. That is right.

Mr. SLAUGHTER. Of course, I can only speak as an individual, but my interpretation would be the same as that of the majority leader who just spoke. It is a matter that will have to be passed upon by the chairman when the time comes, but it would be my personal feeling that the Brooks amendment, being in order, the gentleman's amendment would be in order. The gentleman appreciates the fact that this is purely a personal opinion.

Mr. COSTELLO. Mr. Speaker, will the gentleman yield?

Mr. SLAUGHTER. I yield to the gentleman from California.

Mr. COSTELLO. Any amendment that might be offered by any Member of the House to this amendment offered by the committee, and which would be germane to this amendment, unquestionably would be in order. In other words, if the gentleman from Indiana desires to offer an amendment to an amendment offered by the chairman of the committee, or at the direction of the committee, and his amendment is germane to that amendment, unquestionably the Chairman of the Committee of the Whole will hold it in order.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. SLAUGHTER. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. I would like to have this point definitely understood by the Members of the House. The gentleman gives as his reason for offering the resolution that it will make in order the consideration of H. R. 4219 which, in substance, the gentleman says, will permit taking these female pilots into the armed services, for the reason that there is a shortage of pilots. Is that right?

Mr. SLAUGHTER. Yes.

Mr. BATES of Massachusetts. In what branch of the service is there a shortage of pilots?

Mr. SLAUGHTER. May I say to the gentleman that I can only base my opinion and statement on the statement of General Arnold, the head of that branch of the armed forces, together with the Secretary of War. I think we must assume—at least I assume, so far as I am concerned—that they know what they are talking about. I anticipate the argument that the gentleman is about to make, and I wish the gentleman would withhold it, because I am going to take up the question of the Brooks bill in just a moment, which I assume the gentleman is going to mention as an argument against the WASP bill; is that correct?

Mr. BATES of Massachusetts. I was just wondering whether or not the gentleman is of the opinion that there is a shortage of pilots not only in the Army but also in the Navy. What information does the gentleman have about that?

Mr. SLAUGHTER. I am frank to say to the gentleman I am not prepared to answer that question.

Mr. BATES of Massachusetts. I will answer that a little later.

Mr. SLAUGHTER. I was about to say a few moments ago that one argument which has been raised against this bill is totally erroneous, and that is, if this bill is passed, it would create what would be in effect another branch of the Women's Army Corps. The very contrary is the case, because as matters now stand these women of civil-service status are set off in sort of a group by themselves. This bill, if it passes, will absorb this group and amalgamate them and bring them into the Regular Army Air Corps.

Furthermore, before they are taken into the Army each and every one of these civil employees will have a chance to enlist; in other words, they will not be taken in automatically. If they do not want to go in, they will not be coerced. It is purely a voluntary matter with them.

We come now to the amendment which I anticipate will be offered, which is the Brooks bill.

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. SLAUGHTER. I yield to the gentleman from Florida.

Mr. SIKES. I believe the gentleman stated that these trainees would be given an opportunity to go into the military organization or not to go in, as they saw fit. I believe that was the gentleman's statement, was it not?

Mr. SLAUGHTER. That is correct.

Mr. SIKES. As a matter of fact, they will have an opportunity to go in or to get out of the service; one or the other. Either they will give up their present work or they will take a military status. That is the condition, is it not?

Mr. SLAUGHTER. May I say to the gentleman that I do not think it would be particularly practical to pass this bill to bring them into the Army and still leave this group of civil-service employees, or at least a portion of them, which is one of the things this bill seeks to eliminate. I may say to the gentleman that he is perfectly correct in his statement.

Mr. SIKES. They do not have much choice in it.

Mr. O'HARA. Mr. Speaker, will the gentleman yield?

Mr. SLAUGHTER. I yield to the gentleman from Minnseota.

Mr. O'HARA. How many thousands of young men taking the Air Corps flight training have been washed out by the Army Air Corps?

Mr. SLAUGHTER. I was just going to come to that, if the gentleman will allow me to proceed.

The Brooks bill seeks to do justice to the young men who have taken part in the war-training-service program which was conducted by the Civil Aeronautics Authority. I am not going into the details of it, because there are gentlemen here who can explain it far better than I.

At the time this program was started under the authority of the Civil Aeronautics Authority, young men flocked into this training program. They paid all of their own expenses, except board and lodging which the Government furnished. Finally Congress provided that they would be paid $50 a month for 8 months. Before that relief was given, many of them had dipped into their own resources in order to take this training which was so essential to provide pilots for our armed forces and for the services connected with it. On January 15 of this year that training program was suspended, with the result that thousands of these men, some of them having as many as two, three, and even four thousand hours of flying experience, were left stranded, so to speak. In other words, the program was cut off.

They have no chance of getting a commission. The Brooks bill, as I understand it, provides in substance, that those members of this service who have had this training under the Civil Aeronautics Authority will be commissioned as second lieutenants in the Army, provided they are accepted on the basis of a physical examination, or on the basis of such other tests and qualifications as the Army may require.

Mr. ALLEN of Illinois. Mr. Speaker, in his usual excellent manner the gentleman from Missouri has thoroughly explained this bill. There is no objection on this side to the adoption of the rule, and I have had no requests for time.

Mr. SLAUGHTER. Mr. Speaker, I yield 10 minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Speaker, I have asked for this time this evening, in spite of the lateness of the hour, to explain the situation which has arisen. It is one in which I think everybody is interested. I doubt that during the last few months any particular bill affecting individuals has brought as many inquiries to the Congress as has the bill regarding the disposition of the pilots trained under the Civil Aeronautics-W. T. S. program.

May I briefly, in the time allotted me, give you just a little bit of the history behind this program and especially the object of the proposed amendment? The amendment, Mr. Speaker, is designed to take care of the trainees who have entered the Civil Aeronautics-War Training Service program and who are still in service and have not been commissioned in the Army. Those men are now on the ground, so to speak. They are serving in the ranks, mostly as privates on the ground. It is the object of this amendment to make sure that those men who have been trained by the Civil Aeronautics-W. T. S. program are given an opportunity to use in the armed services the flight training that they have previously received. The amendment which will be offered will, in effect, give these men who have finished the first four courses in the C. A. A.-W. T. S. program commissions as second lieutenants or as flight officers in the air forces.

Mr. Speaker, when this program was instituted the Government was called upon to assemble some 25,000 men to take the Civil Aeronautics-W. T. S. program. Radio announcements were put out on all the radio stations in the country, urging men interested in flying to enter the Civil Aeronautics-W. T. S. program and do their part for the Nation toward winning the war. The Army cooperated with the Civil Aeronautics Authority in this program. They called on patriotic organizations like the American Legion to join and help recruit these men.

These men were recruited for the purpose of supplementing the Regular Army flying instructional program, which at that time was being run to its very capacity. Every Air Forces training school at that time was filled to capacity. These flyers were recruited and trained by the Civil Aeronautics Authority as a force additional to the Army Air Forces training program.

Mr. J. LEROY JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from California.

Mr. J. LEROY JOHNSON. Is it not a fact that in the ads for these flyers it was pointed out and stated specifically that they were not required to be of as good physique as the combat flyers, and that they could enter the service even though they had some minor handicap?

Mr. BROOKS. That is correct. They were also promised when they entered that if they qualified at the end of their training they would be commissioned as second lieutenants.

Mr. J. LEROY JOHNSON. Does the gentleman's amendment, if adopted, assure that these men, when they apply for their commissions, will be taken in on exactly the same physical standards as those on which they entered the service?

Mr. BROOKS. My bill does not seek to set their physical standards. The idea of the committee amendment is to tell the Army Air Forces that we think those men who have trained over a period of 18 months and who were certainly impliedly promised commissions should receive the commissions they were promised when they complete the course.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. The same thing applied to the boys in the A. S. T. P. program. Over 112,000 of them were taken out of the program entirely and put into the ground forces. Many of the boys who were in the Civilian Pilot Training program were also taken out and put in the ground forces. Does the gentleman subscribe to the statement made by the gentleman from Missouri that there is a shortage of pilots in this country, and, if so, where?

Mr. BROOKS. I do not recall exactly what the gentleman from Missouri had to say, but if the gentleman will allow me to proceed I will be very happy to answer his question in the course of my explanation.

Mr. BATES of Massachusetts. Is there a shortage of pilots, and why is it necessary to go into a female pilot training program at a cost of $100,000,000 or more?

Mr. BROOKS. There is a shortage of certain types of pilots, especially combat pilots.

Mr. STEFAN. Mr. Speaker, will the gentleman yield for a correction?

Mr. BROOKS. I yield to the gentleman from Nebraska.

Mr. STEFAN. I believe the gentleman was in error in saying that there was an enrollment of 26,000 in the W. T. S. program. The enrollment was 27,804.

Mr. BROOKS. I thank the gentleman. The men that were originally enrolled were sent to training camps throughout the Nation. Most of them were housed in Army housing and were fed by the Army and given uniforms. That is about the extent of the obligation of the Army. Individually, these men had to take care of their own expenses, and it cost them personally a great deal of money. After some 8 or 10 months of training the situation appeared so unfair to the Congress that we passed a bill authorizing the payment of $50 a month for those trainees for a period of 8 or 10 months, but those who trained the 18 months have never been paid for the full extent of their training.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to the distinguished gentleman from Kentucky, chairman of the Military Affairs Committee.

Mr. MAY. Will the gentleman discuss the actual situation with respect to what the Army has undertaken to do in order to make these Civil Aeronautics trainees available to the Military Establishment in the way of screening them and rescreening and screening again?

Mr. BROOKS. I shall be very happy to do this.

Beginning with a number that ranged above 25,000, the Army has screened and trained and rescreened and retrained these men. They screened and trained them until on May 1, 1943, there were 12,335 trainees remaining in the program. They went through additional courses and came out, with a rescreening which left 7,374 trainees. Out of the group that were trained the Army released from service a large number and commissioned practically 1,000 at that time. Following that, some 4,684 were actually inducted into active service in the Army and sent to basic training schools. Those men were kept in the training schools from the middle of the summer of 1943 until February 15, 1944, when all of those schools were closed, leaving almost 5,000 trainees in the camps with incompleted courses and without commissions in the Army, which they had certainly impliedly been promised.

As to this group of 5,000, we have taken that matter up with the War Department, and the War Department has agreed to accept for cadet training 1,049 of this group. It has said it would take 968 for technical training, discharge 70 for physical disability, and dispose of 33 more for physical reasons. This leaves a balance of some 3,000 trainees who are actually in the ranks, and many of those men have hundreds and thousands of flying hours to their credit.

Mr. Speaker, the other day I talked to a young man from the District of Columbia who had 1,100 flying hours. He was a trainee in that program, yet he was serving as a member of the ground forces, as a soldier in the ranks. I talked to another man who had over 2,000 flying hours. It seemed to me when I talked to that young man, who had a college education, that he was well able to do a much finer service for the Army than to remain in the ground forces as a foot soldier in the ranks.

I understand that some of these men have up to 3,000 hours of flying time, yet they are not being used as fliers at the present time. The object of this amendment is to make sure that they are used as fliers and commissioned officers in the war program of the Army Air Forces.

Mr. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, when the application for the rule was made there was division and some opposition to the bill as it was drafted. An agreement was finally made and a pledge has been given that the Committee on Military Affairs will agree to offer the Brooks amendment, which was satisfactory. I hope the committee will do so, because that was the understanding before the rule was granted on this bill. With that amendment, I believe all the interests will be taken care of.

Mr. HARNESS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. Does not the gentleman understand that the Brooks bill or the so-called committee amendment is merely a gesture toward these men, that unless you go further and require the military forces to maintain the same physical standards they had when these men enlisted, they are out?

Mr. SABATH. We understood that with the Brooks amendment all opposition has been satisfied. I can state to the House that it has been agreed that that amendment will be offered and supported by the committee. That is what I want to bring home.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Kentucky.

Mr. MAY. Let me say to the chairman of the Committee on Rules that I never make an agreement with my committee or anybody else that I do not keep. It was understood that this Brooks bill, or the provisions of it as offered by the gentleman from California [Mr. COSTELLO], in the House Committee on Military Affairs, would be offered, and I am going to yield to the gentleman from Louisiana [Mr. BROOKS] for the purpose of offering it.

Mr. SABATH. I am satisfied the gentleman always keeps his word. That is the reason we reported the rule.

Mr. SLAUGHTER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. DINGELL) there were—ayes 58, noes 46.

So the resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO PRINT

Mr. SABATH. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the Kelley resolution may revise and extend their remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DELORES LEWIS

Mr. McGEHEE submitted a conference report on the bill (H. R. 1313) for the relief of Delores Lewis, for printing in the RECORD.

EDDIE T. STEWART

Mr. McGEHEE submitted a conference report on the bill (H. R. 1411) for the relief of Eddie T. Stewart, for printing in the RECORD.

EDWARD E. HELD AND MARY JANE HELD

Mr. McGEHEE submitted a conference report on the bill (H. R. 2625) for the relief of Edward E. Held and Mary Jane Held for printing in the RECORD.

MAVIS NORRINE COTHRON ET AL.

Mr. McGEHEE submitted a conference report on the bill (H. R. 3390) for the relief of Mavis Norrine Cothron and the legal guardian of Norma Lee Cothron, Florence Janet Cothron, and Nina Faye Cothron, for printing in the RECORD.

MILDRED B. HAMPTON

Mr. McGEHEE submitted a conference report on the bill (H. R. 1412) for the relief of Mildred B. Hampton, for printing in the RECORD.

LOUIS COURCIL

Mr. McGEHEE submitted a conference report on the bill (H. R. 243) for the relief of Louis Courcil, for printing in the RECORD.

REV. C. M. McKAY

Mr. McGEHEE submitted a conference report on the bill (H. R. 544) for the relief of Rev. C. M. McKay for printing in the RECORD.

REV. JAMES T. DENIGAN

Mr. McGEHEE submitted a conference report on the bill (H. R. 3538) for the relief of Rev. James T. Denigan, for printing in the RECORD.

MRS. JULIA BUBY

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2855) for the relief of Mrs. Julia Buby, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$5,475.86" and insert "$7,975.86."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

MRS. EVA M. DELISLE

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the

Speaker's table the bill (H. R. 3102) for the relief of Mrs. Eva M. Delisle, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$5,335.75" and insert "$3,335.75."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

G. F. ALLEN

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3661) for the relief of G. F. Allen, chief disbursing officer, Treasury Department, and for other purposes, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 24, strike out "account" and insert "accounts."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

MRS. VOLA STROUD POKLUDA

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 272) for the relief of Mrs. Vola Stroud Pokluda, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 5, strike out "$1,500" and insert "$1,000."

Page 1, line 6, strike out "$2,500" and insert "$1,000."

Page 1, line 8, strike out "$5,000" and insert "$4,000."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

PAUL J. CAMPBELL

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1220) for the relief of Paul J. Campbell, father of Paul M. Campbell, a minor, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, lines 5 and 6, strike out "Paul J. Campbell, of East St. Louis, Ill., the sum of $2,000; to pay."

Page 1, line 7, strike out "$3,000" and insert "$3,500."

Amend the title so as to read: "An act for the relief of the legal guardian of Paul M. Campbell, a minor."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

EUGENE HOLCOMB

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1588) for the relief of the legal guardian of Eugene Holcomb, a minor, with a House amendment thereto, and that the House recede from its amendment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

O. W. JAMES

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2303) for the relief of O. W. James, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

On page 1, line 6, strike out "$500" and insert "$660."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

FEDERAL CROP INSURANCE ACT

Mr. SABATH, by direction of the Committee on Rules, submitted the following privileged resolution (H. Res. 605) on the bill (H. R. 4911) to amend the Federal Crop Insurance Act (Rept. No. 1689), which was referred to the House Calendar and ordered printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4911) to amend the Federal Crop Insurance Act. That after debate, which shall be confined to the bill and shall continue not to exceed 2 hours to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

COMMITTEE ON EDUCATION

Mr. SABATH, from the Committee on Rules, submitted the following resolution (H. Res. 592) for printing in the RECORD:

Resolved, That the Committee on Education is authorized and directed—

(a) To make a study of the effect upon colleges and universities throughout the United States of (1) reduction in enrollment and in faculties as a result of service by students and faculty members in the armed forces of the United States or in other war activities, and (2) recent curtailment and prospective further curtailment of Army and Navy training programs in such colleges and universities, with a view to determining means by which such effects may be alleviated.

(b) To formulate, as soon as practicable, for consideration by the House, such legislation as the committee deems appropriate for the purpose of alleviating such effects.

SEC. 2. For the purposes of this resolution, the committee (a) may employ and fix the compensation of such experts and such clerical, stenographic, and other assistants as it finds necessary; (b) may, with the consent of the head of any department or agency of the United States, utilize the services, facilities, and personnel of such department or agency; and (c) may request such information and assistance as it deems desirable from individuals, organizations, and agencies, both within and outside of government.

EXTENSION OF REMARKS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an editorial from the Evening Star on free ports.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KEOGH. Mr. Speaker, on last Wednesday I obtained unanimous consent to extend my remarks in the RECORD. I have been advised by the Public Printer that the extension exceeds the limit and that it will cost $130. Notwithstanding, Mr. Speaker, I ask unanimous consent that the extension may be made.

The SPEAKER. Notwithstanding and without objection, the extension may be made.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SIKES. Mr. Speaker, I ask unanimous consent that the time allotted to me today under a special order may be assigned to me for tomorrow.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 10 o'clock a. m.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MARTIN of Massachusetts. Reserving the right to object, what will be the order of business tomorrow.

Mr. McCORMACK. The first order of business will be the conference report on the State, Justice, and Commerce Departments appropriation bill. I may say that from day to day conference reports will take precedence, so that any announcements will have to be considered in connection with that.

The conferees on the O. P. A. have agreed, I understand, but the Senate must act first. If the Senate acts on

the conference report, of course then we will take it up.

It is the intention now that following the State, Commerce, and Justice Departments bill the resolution in relation to campaign activities will be taken up.

Mr. MARTIN of Massachusetts. That will probably be later tomorrow? It would not be during the early hours?

Mr. McCORMACK. The State, Commerce, and Justice Departments bill will be taken up first. Then, of course, the WASP bill will be taken up under general debate. Then we have the insurance bill which we want to act upon before this week is finished.

Then the program will be followed as has been heretofore announced.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

WARS ARE WON WITH GOLD

Mr. ROLPH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ROLPH. Mr. Speaker, the International Monetary Conference is scheduled to meet in Bretton Woods, N. H., July 1, 1944. The opening date is less than 2 weeks ahead. Two Members of the House, Representatives BRENT SPENCE and JESSE P. WOLCOTT, have been appointed by the President as members of the American delegation. Gold will figure largely in the discussions, and it is about gold that I desire to speak this afternoon.

In October 1942, the War Production Board declared gold mining as nonessential. Limitation Order L 208 was issued, and as a result of this order, serious conditions have developed in every mining section of California. So as to be accurately informed as to the effect of the order in every area, I wrote to the California Division of Mines, and as part of my remarks I will attach a letter from State Mineralogist Walter Bradley dated San Francisco, May 21, 1943, together with reports from district engineers located at Redding, Sacramento, and Los Angeles. All these letters tell the same story. Far-reaching, severe hardship in each community.

Back of the order was an idea that men would move from gold mines to copper mines. While it is strange how widely the estimates vary as to those employed in gold mines, some authorities setting the figure at 3,500 while others claim 12,000, all agree the number that eventually sought employment in the copper mines was disappointing. Less than 500 actually applied.

Mr. Speaker, the mines should be allowed to reopen, not only for the gold itself, but also to preserve the mining properties. These properties are national assets. Unless one has had the privilege of going down a mine shaft it is difficult to understand how rapidly mining properties deteriorate unless the mines are constantly worked. The drifts fill with water and the timbers are crushed beyond repair. If allowed to go on for any length of time the whole mining property may be permanently in peril.

Mr. Speaker, this Nation may very well, sooner or later, be glad for all the gold it can get. In the War between the States the credit of the Federal Government was protected by the gold and silver received from the mines of California and Nevada.

In the deliberations next month at Bretton Woods, gold reserves will be one of the major topics. One authority writes "Wars are fought with metals but wars are won with gold." The California Senate a few days ago unanimously adopted Senate Resolution 28, which reads as follows:

Whereas it has become reasonably apparent to the Senate of the State of California that even if current legal restrictions governing the gold mines of California were removed by the President of the United States through Executive order, it would be impracticable for most if not all of these gold mines to resume operations because, on the one hand, they are compelled by existing laws and regulations to sell their gold bullion product to the United States Mint at a fixed price of $35 per ounce, and on the other hand, would be required to pay costs for labor and materials required in operation which in the aggregate would exceed the return for their bullion; and

Whereas the current price of gold bullion was fixed by Executive order of the President dated January 31, 1934, under the provisions of an act of Congress empowering the President to reduce the standard weight and fineness of the gold dollar by not to exceed 50 percent, and under the terms of said act of Congress, as subsequently extended in time limitation, the President has to date exercised said authority only to the extent of fixing said gold dollar weight at 15 5/21 grains, whereas 50 percent of its former weight would be 12.9 grains, equal to a maximum value of $41.34 per ounce for gold of nine-tenths fineness; and

Whereas it is currently reported that the free market price for gold in India, North Africa, and Asia Minor has fluctuated between $40 and $70 per ounce, and that mines in British Dominions are enjoying that price for their product; and

Whereas a majority of the Members of the Senate of the State of California believes that restoration of the ability of American gold mines to produce gold at the earliest moment consistent with war manpower demands, is essential to the preservation of the local economies of the districts in which they are located (including 19 counties of California), to post-war employment opportunities for miners and prospectors, to the maintenance of an adequate national currency backing of gold, and to the stabilization of international money exchanges on a basis that will permit of the free resumption of international trade after the war; now, therefore, be it

Resolved by the Senate of the State of California, That the President be memorialized to exercise his authority to reduce the gold content of the United States gold dollar to 12.9 grains of the nine-tenths fineness, and thereby to increase the mint price for newly mined gold bullion to $41.34 per ounce; and be it further

Resolved, That the President and through him, the Secretary of State of the United States be memorialized to take such steps and enter into such negotiations as will make free markets for gold in foreign countries available to American gold producers, and will remove current legal restrictions on the export of newly mined gold to such markets by American producers; and be it further

Resolved, That the President and Congress be memorialized to lift the current legal restrictions on the production of gold in this country at the earliest moment consistent with the national safety and war manpower requirements; and be it further

Resolved, That the President and Congress be memorialized to provide in post-war international exchange stabilization agreements, for a gold medium for settlement of balances and such currency ratios as at the same time will stabilize the American dollar in terms of foreign currencies and will make possible an early resumption of trade between the United States and foreign countries; and be it further

Resolved, That the secretary of the senate be hereby directed to forward copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and to each Member of the House of Representatives from California in the Congress of the United States.

Delegates from abroad will be thinking of gold as is evidenced by an article from the pen of John S. Piper, financial editor of the San Franciso News. The subject concerns Britain's agreeing to a raise in the price of gold as disclosed by Prime Minister Smuts of South Africa. The article is particularly timely. Quoting it in full:

In a speech to the South African parliament at Capetown, Prime Minister Jan Smuts disclosed that the British Government has agreed to raise the price of gold. A Reuter's dispatch said the General Smuts explained that the step would be taken to counteract the black markets in Egypt and in India.

In his speech, the premier said that in those countries black market gold is selling for £14 to £15 ($60.30) an ounce. The fixed Government price is £8 8s. This is equivalent to the Bank of England rate of $33.31.

SOUTH AFRICAN UNION WANTS BENEFIT OF PRICE

Mr. Smuts continued:

"The South African Union Government is alive to the situation. It has suggested to the British Government that South Africa get some benefit from the rise in price. The British Government has no objection to this. It is prepared to meet the Union Government regarding its wishes for an increase in the price of the metal."

The prime minister added that negotiations are in progress as to the best methods of arriving at a suitable arrangement.

WILL DEMAND FREE GOLD MARKET

A Dow-Jones dispatch from London reveals that Col. Charles Frampton Stallard, South African minister of mines, told the Capetown Parliament earlier this week that after the war the country will refuse to take payment for its gold in any artificially fixed quantity of international currency. Instead, he said, the Government will demand a free gold market.

Jan Frederick Hofmeyr, minister of finance and education, supported Mr. Stallard's arguments.

The two leaders made these points:

1. As to the Keynes and White international currency plan, the union is noncommittal.

2. If either the unitas (the currency under the White plan) or the bancor (the Keynes plan unit) is established, South Africa will refuse to sell gold for any fixed quantity thereof, and will demand the highest price it can get in a free market.

WANT HARD MONEY

Colonel Stallard said that the free market price of gold is 340 shillings ($68.42) (the

British Treasury's fixed price is 168 shillings).

"If an arbitrary paper money is established," he continued, "we won't sell our gold for any fixed quantity of this paper money. We will want the highest price we can get. A free market for gold is a requirement for South Africa.

"The people of the world would sooner have hard sovereigns than paper money. The increased sales of diamonds and of land prove they want something more solid than bank balances."

San Francisco Chamber of Commerce has been much concerned about the gold situation.

Under date of October 1, 1943, the chamber wrote in part:

Cognizant of the part which gold has played in the history of San Francisco and California and in the making of the West, but mindful of the international situation and the post-war era, the San Francisco Chamber of Commerce advocates the use of gold and its free exchange as a monetary standard in any international currency stabilization plan to be supported by the United States.

While the chamber of commerce is primarily concerned at this time with the foundation which will be afforded for the world's post-war economy, it is of interest to note that whereas approximately $51,000,000 in gold was produced in California in 1940, the State's production this year probably will not reach 10 percent of this amount. No other industry, as such, has been so adversely affected in cooperating in the war effort and we are hopeful that gold mining may make a strong comeback in the peaceful future.

Any steps which it may be possible for you to take to defend and support gold as an international monetary standard and its free exchange will be deeply appreciated.

I also quote a resolution adopted by the San Francisco Chamber on September 23, 1943:

Whereas—

(a) The gold mining industry in the Western States of the United States and throughout the world has been directly reflected in the growth and development of San Francisco;

(b) Some agencies, national and otherwise, are seeking to minimize the importance of gold in the world economy;

(c) The efforts of the victors in World War No. 2 will have been futile unless they result in a healthy world economy and means to facilitate world trade;

(d) The stabilization of the currencies of the world will be essential to a wholesome world economy and international trade; and

(e) The soundness of a world monetary standard will measure the success or failure of any stabilization plan: Now, therefore,

Be it, and it hereby is, resolved, That—

1. The San Francisco Chamber of Commerce shall advocate the use of gold and its free exchange as a monetary standard in any international currency stabilization plan supported by the United States Government;

2. The San Francisco Chamber of Commerce shall endeavor to secure the support of all other interested agencies for gold as an international monetary standard;

3. Copies of this resolution shall be sent to the United States Treasury Department and California's Representatives in Congress with the request that they endorse gold as a final measure of value for world currencies and its free exchange;

4. The importance of the gold-mining industry to the economy of California, the Western States, the Nation, and the world at large shall be widely publicized.

Mr. Speaker, I now submit detailed correspondence regarding gold mining in California:

STATE OF CALIFORNIA,
DIVISION OF MINES,
San Francisco, May 21, 1943.

Congressman THOS. ROLPH,
House of Representatives,
Washington, D. C.

DEAR MR. ROLPH: Answering your letter of the 10th instant, relative to the effect of the War Production Board order closing the gold mines in California; I am enclosing statements from our District Mining Engineers at Redding, Sacramento, and Los Angeles. These will give you a close-to-the-scene picture of the effects better than any summary which I might write from here. They are in the field and in direct touch with those mining communities.

Trusting that this will assist you, I am,

Very truly yours,

WALTER W. BRADLEY,
State Mineralogist.

STATE DIVISION OF MINES,
Redding, Calif., May 15, 1943.

Mr. WALTER W. BRADLEY,
State Mineralogist,
San Francisco, Calif.

DEAR MR. BRADLEY: In reply to your inquiry concerning the effect the War Production Board order closing gold mines had in this district: Gold mining was the sole support of many small communities in this district and the closing order has just about made "ghost towns" of them.

French Gulch has no pay roll since the Washington and St. Jude quartz mines and the French Gulch dredge were shut down.

Many families have moved away from Weaverville, and some small businesses have closed since the Junction City dredge had to suspend operations. It carried the largest pay roll in the community.

There were five gold dredges operating on the Klamath River between Yreka and Happy Camp that were able to keep operating in spite of the draft and the migration of most of the younger men to the war industries. They were employing older men with families who had their homes in the communities and recruited from dredges closed for inability to get needed repair parts. The loss of employment will work a severe hardship on these men and their families and the loss of their wages will be felt by many of the merchants.

The Thurman gold dredge which operated on Clear Creek south of Redding employed about 20 men and the loss of that pay roll can be felt even in a city as large as Redding.

I have mentioned only the pay roll loss and direct loss of employment, but there are many other losses to the communities when their main industry is shut down. It means less money for the merchants and less employment in their stores, the loss of income through royalties to landowners, loss through depreciation of machinery and equipment, etc.

I am often asked for my opinion as to when the gold mines can start again. I wish I had some encouragement to offer them.

Very truly yours,

J. C. O'BRIEN,
District Mining Engineer.

STATE DIVISION OF MINES,
Sacramento, Calif., May 14, 1943.

Mr. WALTER W. BRADLEY,
State Mineralogist,
San Francisco, Calif.

DEAR MR. BRADLEY: This will acknowledge receipt of your letter of May 13 asking for a brief statement of the effect of the War Production Board order closing the gold mines in California.

The effect of the order has not been the same in all communities. Some of them that were dependent on gold mining alone are rapidly approaching the condition of "ghost towns"; for instance, Amador City. A place like Jackson has other industries like lumbering in the vicinity and, hence, is not hit so hard. Grass Valley is near Camp Beale, a military camp, and many persons connected with Camp Beale live there. Then again the mines at Grass Valley are being maintained and kept pumped out, and this gives work to quite a few mining people.

The real hardship, as I see it, falls on the persons who own deep gold mines. They are faced with the decision of whether to allow the mines to fill with water, which means that some of the workings may cave and that the expense of reopening them may be prohibitive, or whether to keep them pumped out and properly timbered so that the workings will not cave. This maintenance is extremely expensive, and no arrangement has been made by the War Production Board to give any relief on the matter. As the order of the War Production Board has changed many of these properties from ones that were producing good income to ones that are running up large bills of expense, the order amounts to a confiscation of property without compensation. I believe that something should be done about this matter of maintenance; otherwise many of the gold mines are likely to fill with water and cave to the extent that it will not be possible to reopen them. Of course, towns that were dependent entirely on gold mining have suffered a tremendous depreciation in property value.

Very truly yours,

CHARLES V. AVERILL,
District Mining Engineer.

STATE OF CALIFORNIA,
DIVISION OF MINES,
Los Angeles, May 15, 1943.

Mr. WALTER W. BRADLEY,
State Mineralogist,
San Francisco, Calif.

DEAR SIR: The effect of the War Production Board closing gold mines in California resulted in closing all gold-silver mines, large and small, in southern California and the employees leaving the gold mining districts for employment in defense plants in Los Angeles, plants at Las Vegas, Nev., or on construction work on Army camps in various areas in southern California. Very few of the miners sought employment in the copper districts, a limited number going to mines in tungsten-producing districts, such as Bishop, Darwin, and Atolia.

The following is a brief outline of the mines producing gold and silver that suspended operations due to the closing order of the War Production Board:

IMPERIAL COUNTY

Madre-Padre Mines situated in the Cargo Muchacho Mining District, Ogilby, Calif.; operated by the Holmes & Nicholson Mining & Milling Co.; 50-ton cyanide plant. Fifty men were employed.

Tumco Mines Co. (Sovereign) operated Sovereign, Golden Queen and Gold Crown Mines in Cargo Muchacho District, Ogilby, Calif.; 35-ton cyanide plant. Twenty men were employed.

Mary Lode Mine, Glamis District, Glamis, Calif. Shipped high grade ore. Six men were employed.

Desert Gold & Aluminum Corporation (gold placer); 150-yard concentration plant. Twenty men were employed.

INYO COUNTY

Ballarat district, Panamint Mountains:

Cecil R. Mine and 5 small gold mines shipping ore to Burton Bros., Inc., Rosamond, Kern County, and to Kelly Gold-Silver Mines, Red Mountain, San Bernardino County.

Ruth Mine, Argus mining district; Burton Bros., Inc.; 150-ton cyanide plant. Forty men were employed.

Orondo Mine. Orondo Mining Co., Los Angeles, Calif. In Argus mining district; 100-ton cyanide plant. Twenty men were employed.

Keane Wonder Mine. In Chloride Cliff mining district; 100-ton cyanide plant completed when closing order forced suspension of operation. Thirty men were employed.

Delnorte-Skidoo Mines. Skidoo mining district in Panamint Mountains, Skidoo, Calif.; 30-ton amalgamation and cyanide plant. Thirty men were employed.

KERN COUNTY

Big Blue Mine, Cove mining district, Kernville; Kern Mines, Inc.; 150-ton flotation plant; 100 men were employed.

Mojave mining district, Mojave, Calif. The largest producer of gold and silver was especially hard hit by the closing order. The following mines suspended operations:

Cactus Queen Mine, Cactus Mines Co., Mojave, Calif.; 150-ton flotation and cyanide plant; 150 men employed.

Golden Queen Mine, Mojave, Calif.; Golden Queen Mining Co.; 500-ton cyanide plant; 400 men were employed.

Tropico Mine, Rosamond, Calif., Burton Bros., Inc.; 100-ton cyanide plant operated also as a custom mill, the largest in southern California; 50 men were employed.

Standard Mine, Mojave, Calif.; Standard Mining Co.; 50-ton mill; 20 men were employed.

Yellow Rover Mine, Mojave, Calif., A. J. Bruce; 10 men were employed; 20-ton mill.

Lodestar Mine, Mojave, Calif.; Lodestar Mining Co.; shipping ore to Golden Queen Mill; 150 men were employed.

Randsburg-Atolia mining districts:

Black Hawk Mine, Ernest Stevens, lessee, Randsburg, Calif.; 25-ton amalgamation and cyanide plant; 10 men were employed.

Butte Lode, Rand mining district, Randsburg, Butte Lode Mining Co.; 10-stamp mill; 10 men were employed.

G. B. Mine, Rand mining district, Randsburg, Bert Wegman, operator; 10 men were employed

King Solomon Mine, Rand mining district, Johannesburg, King Solomon Mines Co.; 100-ton amalgamation and flotation plant; 30 men were employed.

Yellow Aster Mine, Rand mining district, Randsburg, Calif., Anglo American Mining Corporation, Ltd.; 1,100-ton cyanide plant operating Yellow Aster Mine tailings; 50 men were employed.

LOS ANGELES COUNTY

Governor Mine, Acton, Calif., Governor Mining Co.; 125-ton amalgamation and flotation plant; 50 men were employed.

MONO COUNTY

Gold Crown Mine, Benton district, Robert G. Jones, Benton, Calif.; 150-ton cyanide and flotation plant operated as custom mill; 50 men were employed.

Log Cabin Mine, Mono Lake district, Leevining, Calif., Log Cabin Mines Co.; 100-ton cyanide plant; 40 men were employed.

Monte Christo Mine, Mammoth Lakes district, Mammoth post office, Monte Christo Mining Co.; 25 men were employed. Ore shipped to Jones mill at Benton, Calif.

Standard Mine, Bodie mining district, Bodie, Calif. Roseklip Mines Co., Bodie; 250-ton cyanide plant; 50 men employed.

RIVERSIDE COUNTY

Mission Mine, Misson Mining Co., Pinto Basin district; 25-ton cyanide plant; 10 men were employed.

Golden Bee Mine, Pinto Basin district; post office, Twenty-nine Palms. Shipped ore to Gold Crown mill, Dale district; also to Burton Bros., Inc., custom mill, Rosamond, Kern Co.; six men were employed.

SAN BERNARDINO COUNTY

Burcham Mine, Burcham Mines, Inc., Calico mining district. Large tonnage of gold, silver-lead ore developed. Planned to install 200-ton mill; 25 men were employed.

Gold Crown Mine (supply), in Dale mining district; Gold Crown Mining Co.; 50-ton cyanide plant, which also operated as a custom plant for small mines in Dale mining district; 30 men were employed.

Gold Mountain Mine, Big Bear district; Gold Mountain Mining Co.; 50-ton flotation plant; 15 men were employed.

Goldstone Mining & Milling Co., Barstow district; 100-ton cyanide plant. Were milling ore from Goldstone district; 20 men were employed.

Goldstone Mine, Dale district, shipped ore to Gold Crown Mining Co.; 10 men were employed.

Holcomb Valley Placer, Holcomb mining district, Big Bear Lake; Holcomb Valley Placer Co. Ten men were employed.

Kelly Mine, Rand mining district, Red Mountain; Kelly Gold & Silmer Mines. Shipped high-grade ore to American Smelting & Refining Co.'s smelter, Selby, Calif.; also operated a custom mill, flotation, and cyanide plant, capacity 100 tons. Forty men were employed.

Morning Star Mine, Mescal mining district, Cima, Calif.; E. P. Halliburton, Inc. Fifteen men were employed on development work. Planned to install 500-ton cyanide plant. Developed 500,000 tons of ore, with average value of $7 per ton.

Sulphide Queen Mine, Mountain Springs, Sulphide Queen Mining Co.; 100-ton cyanide plant. Thirty men were employed.

Telegraph Mine, Solo mining district, Baker, Calif.; Telegraph Mines, Inc.; 30-ton cyanide plant. Fifteen men were employed.

Valley View Mine, Ivanpah mining district, Ivanpah, Calif.; Valley View Mining Co.; 75-ton flotation plant. Thirty men were employed.

Vulcan Mine, Ship Mountain mining district, Cima, Calif.; Vulcan Mining Co. Fifteen men were employed.

SAN DIEGO COUNTY

Eagle Nest Mine, Long Valley, Pine Valley, Calif.; Long Valley Mining & Milling Co.; 25-ton flotation plant. Fifteen men were employed.

Ranchito Mine, Julian mining district, Julian, Calif.; Ranchito Mining Co.; 5-stamp mill. Six men were employed.

In addition to above-mentioned mines that were producers, there were a large number of smaller mining properties that were under development which were forced to suspend operations.

Yours very truly,

W. B. TUCKER,
District Mining Engineer.

EXTENSION OF REMARKS

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the Appendix and include therein three newspaper articles with regard to Washington, Iowa.

The SPEAKER. Is there objection?

There was no objection.

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include two editorials.

The SPEAKER. Is there objection?

There was no objection.

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short statement and also an additional statement by Drew Pearson.

The SPEAKER. Is there objection?

There was no objection.

Mr. PRIEST. Mr. Speaker I ask unanimous consent to extend my remarks in the RECORD and include an article written by the gentleman from Arkansas [Mr. HAYS].

The SPEAKER. Is there objection?

There was no objection.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, in view of the fact that the House is convening at 10 o'clock tomorrow morning, the Committee on Immigration and Naturalization had scheduled a hearing on the free port, besides a number of bills introduced by Members of Congress. I desire to state that the meeting will be called off and will be set down when the Congress convenes again, at which time we will be glad to hear any Member who wishes to be heard.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SCOTT, for the remainder of the week, on account of official business.

To Mr. PHILLIPS, for the balance of the week, on account of official business.

To Mr. LAFOLLETTE (at the request of Mr. HORAN), for Tuesday and Wednesday, on account of illness.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include therein a splendid article written by Mr. William T. McCarthy, assistant United States attorney in Boston, entitled "A Prosecutor's Viewpoint on Narcotic Addiction." This article is estimated to cover two pages at a cost of $104. I ask unanimous consent that, notwithstanding, it may be inserted in the RECORD.

The SPEAKER. Notwithstanding and without objection, the extension may be made.

There was no objection.

The SPEAKER. Under previous order of the House the gentleman from Pennsylvania [Mr. MURPHY] is recognized for 30 minutes.

POLITICAL PROPAGANDA

Mr. MURPHY. Mr. Speaker, during the past several months I have had occasion to speak to boys from back home who have returned from the battlefields in Africa and Italy. They informed me that Goebbels would nightly broadcast by way of the German radio in an attempt to discredit the morale of the American soldiers in an assertion to the effect that a promise had been made that they would not be sent into foreign wars. At the time, I was so much interested that I decided to investigate the entire problem. Recently I have traveled through parts of New England and I

learned that there was an attempt on the part of some to use that line of propaganda among some of the people in that region in the hope that they would create a lack of confidence in the war effort.

More recently, I have heard in the city of Washington references made to these words in various forms to the effect that a promise was made that our boys would not be sent into foreign wars; others that a promise was made to our boys that they would not be sent overseas.

The other day on the floor of this House in this distinguished body, I heard the alarming statement made by a distinguished Member of the House, said statement to the mothers and fathers of America, "They are weeping over their let-down and I trust the gentleman will quote the President properly at that time."

We are all familiar with recent history. The American people know that one of the reasons why France collapsed was that when the safety of the state was imperiled politics were not adjourned.

Mr. Speaker, I am convinced personally that propaganda is being used in America by those interested in other than politics in an attempt to break the hearts of the American mothers and fathers and to imperil the proper conduct of the war. I pray God, Mr. Speaker, that no one interested in politics would ever place political advantage above the desire to win the war and to win a just peace at the earliest possible date, and I make no accusations of anyone in politics striving for that particular end.

The fact is, however, that appeals to the emotions, the use of catch words, slogans, and phrases sometimes tend to create confusion of counsel, public indecision, political paralysis, the possibility of a state of panic, and through all of this the danger that sound national policies might come to be viewed with skepticism.

In his very excellent book on Frontiers of American Culture, James Truslow Adams, commences his book with the following:

> I once knew a fine old Scot who loved to argue and who had all the mental tenacity and clarity of his race. When settling down for an evening's delight in logic the discussion never got beyond a few sentences before he would exclaim, "Define your terms, mon! Define your terms!"

I propose to define my terms and I propose to discuss the exact language as it appears in the RECORD.

But first may I review for the RECORD some of the history of the war from 1931 up to 1941.

Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD and include a brief résumé of the incidents from the invasion of Manchuria by Japan down to and including the attack on Britain in 1940.

The SPEAKER pro tempore (Mr. PRIEST). Without objection, it is so ordered.

There was no objection.

The matter referred to follows:

1931, Japan invaded Manchuria. League of Nations protested, but nothing more.

1935, Italy invaded Ethiopia. The powers protested. League of Nations voted sanctions against Italy but penalties were not enforced. The King of Italy was proclaimed Emperor of Ethiopia.

In the midst of the Ethiopian crisis, Hitler tore up one of the clauses of the Versailles Treaty by sending German troops on March 7, 1936, into the Rhineland, which the treaty had demilitarized. The League condemned the action, but nothing else.

In July 1936 civil war broke out in Spain. The Fascists were supported by Germany and Italy, the Loyalists by Russia.

Meanwhile, Germany was rearming. Hitler was stating his next demand would be the last one.

In March 1938, Austria was seized.

In the summer of 1938, Hitler threatened Czechoslovakia, demanding the Sudetenland. Russia was ready to go to war to save the Czechs.

At Munich on October 1, 1938, the Sudetenland was ceded to Germany. On March 14, 1939, the Nazis occupied Czechoslovakia.

March 22, 1939, Memel land was annexed.

Next Germany struck at Versailles again, seeking the Free City of Danzig and the Polish Corridor.

Poland was invaded on September 1, 1939, putting into action the modern theory of blitzkreig. By September 17, 1939, only Warsaw still held out, soon to fall.

April 9, 1940, Denmark and Norway were invaded. The former was quickly overrun in a few hours. Norway held out for 2 months. A nation of 3,000,000 previously at peace for 126 years.

At dawn on May 10, blitzkreig came to the West, with an attack on the Low Countries, in a campaign of less than 6 weeks' duration.

As 1939 gave way to 1940, people talked of the war of nerves, the phony war, while the Germans prepared in the West wall and the French dallied behind the Maginot line.

The campaign in France was highlighted first with the Battle of the Meuse, which was crossed in four days. Later came the battle of the channel ports. On May 21, 1940, the Nazis reached the sea.

The last phase of the battle of France began on June 5 along the Somme.

June 10, 1940, Italy entered the war, attacking hard-pressed France from the south. June 14 the Germans entered Paris.

By June 24 the fighting was at an end.

Remember the railway car on the siding in the forest of Compiegne, where the Germans signed the armistice on November 11, 1918. The same railway car, a museum piece since that time, saw the French on June 22, 1940, sign an armistice with the Germans.

The fall of Norway put Nazi planes at Stavanger, 390 miles from Edinburgh, 330 miles from Scapa Flow.

The fall of The Netherlands gave the Germans air bases 135 miles from Norwich, 155 miles from London.

The fall of France brought the Germans within 26 miles of Dover.

Then followed the Battle of Britain. On August 8, 1940, the aerial blitzkrieg, due to continue for 2 months, got fully under way. First a large-scale daylight raid, which appeared as a prelude to invasion. Ports and industrial cities were pounded for 10 days.

Next came the second phase of another fortnight's duration. This time ports suffered less than airfields and inland industrial cities.

In September the aerial attacks reached a vast climax. In one day alone the Germans lost 185 planes, pounding London by day and by night.

The assault fell off until by the end of October it had lost its blitz qualities.

More than 14,000 civilians in London were killed. The British claimed to have destroyed 2,375 of the invader's planes. The bombing continued for months, but the threat of immediate invasion had been lifted.

Let me put it another way. From the War in Maps;

Since Hitler came to power, January 1933, he has dominated or invaded 15 countries:

1. Austria, March 1938.
2. Czechoslovakia, October 1938–March 1939.
3. Poland, September 1, 1939.

(Britain and France declared War September 3.)

4. Denmark, April 1940.
5. Norway, April 1940.
6. Luxembourg, May 1940.
7. Netherlands, May 1940.
8. Belgium, May 1940.
9. France, June 1940.
10. Hungary, November 1940.
11. Rumania, November 1940.
12. Bulgaria, March 1941.
13. Yugoslavia, April 1941.
14. Greece and Crete, April–June 1941.
15. Soviet Russia, June 1941.

Stettinius, in his excellent book on lend-lease, reviews recent years as follows:

"September 1939 Germany invades Poland. Britain and France declare war on Germany.

"November 1939 arms embargo lifted to permit purchase of weapons in United States by Britain and France.

"June 1940 Dunkerque. France falls. United States sends guns to defend Britain against invasion.

"September 1940 destroyers for bases deal with Britain—the forerunner of lend-lease.

"March 1941 Lend-lease enacted. $7,000,000,000 appropriated for aid to countries resisting aggression.

"June 1941 Germany attacks the Soviet Union. United States and Britain pledge material aid.

"October 1941 Nazis open drive on Moscow. Billion dollar Soviet aid program approved by President.

"December 1941 Japs attack Pearl Harbor. United States declares war on Japan, Germany, and Italy.

"February 1942 first of 12 mutual-aid agreements signed, providing for reserve lend-lease aid to United States.

"April 1942 Burma Road cut by Japanese. Air route from India replaces last land route into China.

"March 1943 Lend-Lease Act extended by votes of 407–6 in the House and 82–0 in the Senate.

"May–July 1943 Allies pool men and equipment. Axis driven from Africa. Invasion of Europe begins."

Mr. MURPHY. I also ask unanimous consent that I may place in the RECORD at this point by way of review of the years from 1933 up to the present time, a review set forth in an excellent book called Rendezvous With Destiny, by J. B. S. Hardman.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The matter referred to follows:

March 4, 1933: Franklin D. Roosevelt is inaugurated as President of the United States. "In the field of world policy," he says on this occasion, "I would dedicate this Nation to the policy of the good neighbor—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors."

December 28, 1933: Stating that probably 90 percent of the people in the world are content to settle their problems peaceably, the President warns that unless the other 10 percent can be persuaded "to do their own thinking and not be led," peace is insecure.

January 16, 1935: The President asks that the Senate consent to membership of the United States in the World Court, which

action would enable this country "to throw its weight into the scale in favor of peace." The Senate rejects the proposal.

August 18, 1935: In a personal message to Mussolini, President Roosevelt urges negotiation and peaceful settlement with Ethiopia, warning that hostilities would touch off serious conflicts.

August 31, 1935: The President approves neutrality legislation passed by the Congress and providing for an arms embargo against any nation, aggressor or victim, engaged in conflict. In signing it, the President observes that the "inflexible arms-embargo provisions might drag us into war instead of keeping us out."

November 11, 1935: President Roosevelt emphasizes that our primary purpose is to keep out of war, but warns that we cannot "build walls around ourselves and hide our heads in the sand."

January 3, 1936: The President warns the Congress that the "tragedy of general war" is a possibility and that the United States must engage in adequate defense if it is to avoid attack and embroilment.

January 8, 1937: The President directs the Navy Department to proceed with the construction of two replacement battleships.

October 5, 1937: Mr. Roosevelt, in his "Quarantine" address at Chicago, calls attention to the world situation as one to cause grave concern; "the epidemic of lawlessness" is spreading.

January 28, 1938: The President recommends to the Congress the strengthening of our national defense. Recommendation adopted.

September 26, 1938: In a personal message to Adolf Hitler, the President urges peaceful negotiation of Hitler's claim to the Sudetenland, Czechoslovak territory. Hitler replies that if the Sudetenland is not handed over to Germany, he will take it by force.

January 4, 1939: The President asks Congress to appropriate half a billion dollars for Army and Navy equipment.

April 14, 1939: In messages to Hitler and Mussolini, the President requests assurances that their armed forces will not attack any of the independent nations of Europe and the Near East. No reply.

May 27, 1939: Secretary Hull, with the approval of the President, urges the Congress to remove the arms embargo "which gives aid to the aggressor and denies it to the victim." No action taken.

June 7, 1939: The President approves a $100,000,000 appropriation for the acquisition of strategic materials to supply the defense needs.

August 25, 1939: The President sends a second message to Hitler, again urging peaceful settlement of German-Polish dispute.

November 4, 1939: The arms embargo is repealed, carrying out, in substance, the program urged by the President on May 27.

April 29, 1940: The President sends a message to Mussolina in the hope of keeping Italy out of the war.

May 16, 1940: President Roosevelt calls for a program providing 50,000 military and naval planes, and requests appropriation of $1,000,000,000 to improve and expand Army and Navy equipment and increase production facilities to supply Army and Navy needs. He subsequently announces that we will extend all possible aid to the opponents of the Rome-Berlin Axis.

September 3, 1940: The United States transfers 50 overage destroyers to Great Britain in exchange for 99-year leases to naval and aircraft bases in the Atlantic.

December 19, 1940: The President states that it is clear the Nazis intend to enslave the whole of Europe and then to use the resources of Europe to enslave the rest of the world. We must, he says, be the great "arsenal of democracy."

May 27, 1941: President Roosevelt proclaims the existence of an "unlimited national emergency."

July 7, 1941: The President announces that by agreement with Iceland, American forces have been established on the island.

August 14, 1941: President Roosevelt and Prime Minister Churchill meet at sea, they draw up certain common principles on which they base their hopes for a better future for the world. These become known as the Atlantic Charter.

October 9, 1941: The President asks the Congress to modify the Neutrality Act to enable us to arm our flag ships and to deliver lend-lease materials in our own vessels. Favorable action is taken.

October 27, 1941: Referring to the sinking of United States ships by Nazi submarines, the President declares that we wished to avoid shooting but the shooting has begun and "history has recorded who fired the first shot * * *."

December 8, 1941: Following the Japanese attack at Pearl Harbor, President Roosevelt appears before a joint session of the Congress, calling for a declaration that a state of war exists between the United States and Japan. Both Houses act immediately with only one dissenting vote.

December 11, 1941: A joint session of the Congress, in response to a message from President Roosevelt, passes a resolution declaring that a state of war exists between the United States and Germany and the United States and Italy. This action followed the declaration of war against the United States by Germany and Italy, made earlier the same day.

January 6, 1942: The President, in his message to the Congress, states that for the year 1942 "we must raise our sights all along the production line": 60,000 planes; 45,000 tanks; 20,000 antiaircraft guns; 8,000,000 tons of merchant shipping.

April 27, 1942: Mr. Roosevelt, stressing that the cost of living is rising and that "the time definitely has come to stop the spiral," presents a 7-point stabilization program: Reduction of personal and corporate profits; ceilings on prices and rents; stabilization of wages and farm prices; War-bond purchases; rationing; reducing credit buying; paying off of debts.

Mr. MURPHY. Again may I quote for the RECORD some of the declarations of our esteemed and beloved President down through the years from 1932 up to and preceding the election campaign of 1940.

Mr. Speaker, I also ask unanimous consent, because of the lateness of the hour, that I may extend in the RECORD at this point a summary prepared by me of the declarations of President Roosevelt on the question of war and peace, commencing with 1932 down to the present time.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The matter referred to follows:

Annual message to Congress January 3, 1936: "Since the summer of that same year of 1933 the tempers and the purposes of the rulers of many of the great populations in Europe and Asia have not pointed the way either to peace or to good will among men. Not only have peace and good will among men grown more remote in those areas of the earth during this period but a point has been reached where the people of the Americas must take cognizance of growing ill will, of marked trends toward aggression, of increasing armaments, of shortening tempers—a situation which has in it many of the elements which lead to the tragedy of general war.

"The evidence before us clearly proves that autocracy in world affairs endangers peace and that such threats do not spring from those nations devoted to the democratic ideal."

Address at Chautauqua, N. Y., August 14, 1936: "I am more concerned and less cheerful about international world conditions than about our immediate domestic prospects. * * *

"We must remember that so long as war exists on earth there will be some danger that even the nation which most ardently desires peace may be drawn into war. In spite of every possible forethought, international relations involve of necessity a vast uncharted area. In that area safe sailing will depend on the knowledge and the experience and the wisdom of those who direct our foreign policy. Peace will depend upon their day-to-day decisions."

Letter to Representative DOUGHTON, chairman of the Ways and Means Committee, January 21, 1937 (source, Financial Chronicle, vol. 144, p. 544, January 23, 1937): "In the present unfortunate state of world affairs we dare not in justice to ourselves relax our effort or abate the vigor of our leadership in a world-wide movement for durable peace through economic prosperity."

Address at dedication of Outerlink Bridge, Chicago, Ill., October 5, 1937 (source, Washington Star, October 5, 1937, p. A-8): "The political situation in the world, which of late has been growing progressively worse, is such as to cause grave concern and anxiety to all the peoples and nations who wish to live in peace and amity with their neighbors. * * *

"The situation is definitely of universal concern. The questions involved relate not merely to violations of specific provisions of particular treaties; they are questions of war and peace, of international law and especially of the principles of humanity."

Navy Day letter to Secretary Swanson, October 27, 1937 (source, Washington Post October 27, 1937, p. 6): "We are at peace with all the world and for that we are thankful. We as a Nation have no plans of conquest; we harbor no imperial designs. War will be avoided by all honorable means."

Radio address from the White House June 24, 1938: "Copperhead" speech, discussing those who wish peace at any price.

Annual message to Congress January 3, 1938 (H. Doc. No. 456, 75th Cong. 3d sess., p. 1): "In spite of the determination of this Nation for peace it has become clear that acts and policies of nations in other parts of the world have far-reaching effects, not only upon their immediate neighbors but also on us.

"I am thankful that I can tell you that our Nation is at peace. It has been kept at peace despite provocations which in other days, because of their seriousness, could well have engendered war. The people of the United States and the Government of the United States have shown capacity for restraint and a civilized approach to the purposes of peace."

Defense message to Congress January 28, 1938: "It is our clear duty to further every effort toward peace but at the same time to protect our Nation."

Message of Chancelor Hitler and President Eduardo Benes September 26, 1938: "The fabric of peace in the Continent of Europe if not throughout the rest of the world is in immediate danger.

"* * * The supreme desire of the American people is to live in peace."

Address at Gettysburg Battlefield, Pa., July 3, 1938: "Lincoln was Commander in Chief in this old battle; he wanted above all things

to be Commander in Chief of the new peace. He understood that battle there must be; that when a challenge to constituted government is thrown down, the people must in self defense take it up; that the fight must be fought through to a decision so clear that it will be accepted as being beyond recall."

Thanksgiving Day proclamation, November 19, 1938: "We have lived in peace and understanding with our neighbors and have seen the world escape the impending disaster of a general war."

Annual message to Congress, January 4, 1939: "A war which threatened to envelop the world in flames has been averted; but it has become increasingly clear that world peace is not assured."

Message to Hitler and Mussolini, April 4, 1939, advocating settlement of disputes by peaceful means.

Graduation address at United States Military Academy, West Point, N. Y., June 12, 1939: "We seek peace by honorable and pacific conduct of our international relations; but that desire for peace must never be mistaken for weakness on the part of the United States."

Address on the one hundredth anniversary of the Virginia Military Institute, Lexington, Va., November 11, 1939: "We have never had the illusion that peace and freedom could be based on weakness. * * * The only object of arms is to bring about a condition in which quiet peace under liberty can endure."

Radio address before Pan American Governing Board, April 15, 1940: "This cooperative peace in the Western Hemisphere was not created by mere wishing and it will require more than mere words to maintain. In this association of nations whatever touches any one of us touches us all. We have only asked that the world go with us in the path of peace. But we shall be able to keep that way open only if we are prepared to meet force with force if challenge is made against us. * * * All this is not of mere academic interest. We know that what happens in the Old World directly and powerfully affects the peace and well-being of the New. It was for this very reason that we have adopted procedures that enable us to meet any eventuality.

"At Buenos Aires we agreed that we would consult should our peace be threatened. At Lima we agreed to stand together to defend and maintain the absolute integrity of every American nation from any attack, direct or indirect, from beyond the seas. At Panama we worked out means for keeping war away from our hemisphere. I pray God that we shall have to do no more than that; but should it be necessary I am convinced that we should be wholly successful."

Six hundred and fifty-eighth press conference, Hyde Park, N. Y., July 5, 1940. "Four freedoms" discussed: "There are certain freedoms. The first I would call 'freedom of information' * * * you will never have a completely stable world without freedom of knowledge, freedom of information."

Statement on the adoption of peacetime universal selective service, September 16, 1940: "Universal service will bring not only greater preparedness to meet the threat of war, but a wider distribution of tolerance and understanding to enjoy the blessings of peace."

New York Times, May 27, 1940, reported the talk of Franklin D. Roosevelt on radio on May 26, 1940, on State of Our Defense: "There are some among us who were persuaded by minority groups that we could maintain our physical safety by retiring within our continental boundaries—the Atlantic on the east, the Pacific on the west, Canada on the north, and Mexico on the south. I illustrated the futility, the impossibility, of that idea in my message to the Congress last week. Obviously a defense policy based on that is merely to invite future attack.

"* * * There is an added technique for weakening a nation at its very roots, for disrupting the entire pattern of life of a people. It is important that we understand it.

"The method is simple. First, discord. A group—not too large—a group that may be political is encouraged to exploit their prejudices through false slogans and emotional appeals."

Address at drawing of numbers for conscription, November 1940—quotation of then Bishop, now Most Rev. Archbishop Francis J. Spellman: "'But we really can no longer afford to be moles who cannot see, or ostriches who will not see, but some solemn agreements are no longer sacred and vices have become virtues and truth synonymous of falsehood. We Americans want peace, and we shall prepare for a peace but not for a peace which definition is slavery or death."

December 30, 1940, Franklin D. Roosevelt, New York Times, speech of December 29, 1940: "Never before since Jamestown and Plymouth Rock has our American civilization been in such danger as now."

May 16, 1940, address of Franklin D. Roosevelt to Congress: "The element of surprise which has ever been an important tactic in warfare has become the more dangerous because of the amazing speed with which modern equipment can reach and attack the enemy countries."

Fireside chat on national security, White House, December 29, 1940: "The Nazi masters have made it clear that they intend not only to dominate all life and thought in their own country, but also to enslave the whole of Europe, and then to use the resources of Europe to dominate the rest of the world.

"* * * In other words, the Axis not merely admits but proclaims that there can be no ultimate peace between this philosophy of government and our philosophy of government. * * *

"Every realist knows that the democratic way of life is at this moment being directly assailed in every part of the world. * * *

"We know that enduring peace cannot be bought at the cost of other people's freedom."

Radio address proclaiming unlimited national emergency, Washington, May 27, 1941: "We must not be defeated by the fear of the very danger which we are preparing to resist. Our freedom has shown its ability to survive war, but it would never survive surrender."

Introduction to the Public Papers and Addresses, 1939 volume, July 10, 1941: "I think that historians will record the fact that ever since 1933 the United States and its Government has persistently and actively sought to prevent this conflict and to preserve peace in the world. This search for peace was the very keystone of our entire foreign policy. It was dictated not only by a natural humanitrian desire to prevent bloodshed and horrors of war, but also by a realistic appreciation that any European war would be a definite danger to our own peace and security and to the welfare of the entire Western Hemisphere and the rest of the world. * * *

* * * * *

"In my annual message to Congress on January 4, 1939, I pointed out that all about us undeclared wars were raging, deadly armaments were growing, and new aggression was being threatened. Although we in the United States wanted peace it was obvious that no nation can be safe in its will to peace so long as any other powerful nation refuses to settle its grievances at the council table. I therefore urge upon Congress the necessity of increased national defense to protect ourselves against attack.

"During 1939 and on April 14 on behalf of the American people I again sent a message to Hitler and Mussolini suggesting another approach to the solution of the problem of avoiding war and preserving the peace of the world.

* * * * *

"As our information indicated that the prospects of war were becoming imminent, on August 24, 1939, I sent another message to the European powers in the interest of peace—this time to Hitler, King Victor Emmanuel, and President Moszicki of Poland. On the following day I sent a second letter to Hitler. These were, of course, all unavailing, and war was begun on September 1."

Introduction to the Public Papers and Addresses, 1940 volume, July 17, 1941: "By the beginning of 1938 this had become so clear to us that the matter of national defense became one of predominant concern. Thereafter, although not relenting in the efforts to promote world peace the United States began to pay prime consideration to build up its national defense.

"* * * By the fall of 1940 the twofold purpose of arming ourselves to the teeth and at the same time helping Great Britain and the other democracies had become the aim of the vast majority of American people."

Radio address on freedom of the seas, September 11, 1941. "We have sought no war with Hitler. We do not seek it now but neither do we want peace so much that we are willing to pay for it by permitting him to attack our naval and merchant ships while they are on legitimate business."

Mr. MURPHY. Now the statement has been made that the President made a promise during the 1940 campaign that our boys would not be sent to "foreign wars." What is a "foreign war"? Certainly it is not an "American war."

Is there any red-blooded American who would do anything but want to help in every possible way to bring about the successful outcome of this war? Mr. Speaker, this is our war, this is your war, it is America's war from the President on down to the most humble citizen.

Mr. Speaker, I assert and I will prove that there was no promise made in the 1940 campaign relative to America's war which has not been kept to the letter. I make this statement of my efforts to prepare myself to make this address; I have gone to the following sources: First, I read all the campaign speeches of President Roosevelt in the last campaign; next, I read all of the campaign speeches of Mr. Willkie in the last campaign. Secondly, I made an examination, study, and reading of the newspapers covering that period, particularly the New York Times, the Washington Post, the Washington Star, the Christian Science Monitor, magazines, the commercial and financial chronicles, and particularly the magazine Newsweek and United States News. I read the Rendezvous With Destiny, by Mr. J. B. S. Hardman, and, incidentally, I have a fondness for that book because it was printed in my home town, Scranton, Pa. Third, the public papers and addresses of Franklin D. Roosevelt, five volumes published by Random House; four volumes published by Macmillan; the White House releases, and the files in the Library of Congress.

What were the statements during the campaign referring to war? First, I read from the Republican platform on national defense in 1940:

We declare for the prompt, orderly, and realistic building of our national defense to the point at which we shall be able not only to defend the United States, its possessions, and essential outposts from foreign attack, but also efficiently to uphold in war the Monroe Doctrine. To this task the Republican

Party pledges itself when entrusted with national authority.

What did the Democratic platform say on the subject? It said this:

The American people are determined that war, raging in Europe, Asia, and Africa, shall not come to America.

We will not participate in foreign wars, and we will not send our Army, naval or air forces to fight in foreign lands outside of the Americas, except in case of attack. We favor and shall rigorously enforce and defend the Monroe Doctrine.

The direction and aim of our foreign policy has been, and will continue to be, the security and defense of our own land and the maintenance of its peace.

On July 26, 1940, the President was reported in the United States News as having made his speech of acceptance on July 19, from the White House and from that I quote the following:

United States News, July 26, 1940, speech of acceptance of Franklin D. Roosevelt on July 19 from the White House: "Because there are self-appointed commentators and interpreters who will seek to misinterpret or question motives, I speak in somewhat personal vein; and I must trust to the good faith and common sense of the American people who accept my own good faith and do their own interpreting.

"* * * The task of safeguarding our institutions is two-fold. One must be accomplished if it becomes necessary by the armed defense forces of the Nation.

"* * * I do not regret my consistent endeavor to awaken this country to the menace for us and for all we hold dear.

"I have pursued these efforts in the face of appeaser fifth columnists who charge me with hysteria and warmongering. But I felt it my duty to arouse my countrymen to the danger of the new forces loose in the world.

And again:

"All that I have done to maintain the peace of this country and to prepare it morally, as wel as physically, for whatever contingencies may be in store, I submit to the judgment of my countrymen.

"The American people must decide whether these things are worth making sacrifices of money, of energy, of self."

On September 11, 1940, the President made an address at Constitution Hall at Washington, D. C., before the International Brotherhood of Teamsters, Chauffeurs, Stablemen, and Helpers. In that address he said among other things the following:

In all of these plans for national defense, only those who seek to play upon the fears of the American people, discover an attempt to lead us into war. The American people will reject that kind of propaganda of fear, as they have rejected similar types which are "occasionally" spread forth near election time. They know that against the raging forces loose in the world today the best defense is the strongest preparedness, fighting men and equipment in front, and fighting industry and agriculture behind the lines.

Weakness in these days is a cordial invitation to attack. That's no longer a theory; it's a proven fact, proved within the past year.

I hate war, now more than ever. I have one supreme determination—to do all that I can to keep war away for these shores for all time. I stand, with my party, and outside of my party as President of all the people, on the platform, the wording that was adopted in Chicago less than 2 months ago. It said:

"We will not participate in foreign wars, and we will not send our Army, naval or air forces to fight in foreign lands outside of the Americas, except in case of attack."

On October 7, 1940, Newsweek reports that Franklin D. Roosevelt during the week previous had made two speeches, one at the dedication of the Recorder of Deeds Building and the other at the opening of the Washington Airport.

On October 12, 1940, the President made an address on hemisphere defense, at Dayton, Ohio, which he spoke inter alia, as follows:

We are building a total defense on land and sea and in the air, sufficient to repel total attacks from any part of the world. Forewarned by deliberate attacks of the dictators upon free peoples, the United States for the first time in its history has undertaken the mustering of its men in peacetime. Unprecedented dangers have caused the United States to undertake the building of naval and air forces sufficient to defend all the coasts of the Americas from any combination of hostile powers.

The clear facts have been stated over and over again. The country wants no war with any nation. The American republics are determined to work in unity for peace, just as we work in unity to defend ourselves from attack.

* * * We aim to defend ourselves. The strongest reason for that is that it is the strongest guaranty for peace.

On October 19, 1940, the President declined an invitation to speak three times in the Middle West, stating that he was unable to get away because things had happened with such rapidity in the international field:

Events which had been a constant threat to the security of the country.

On the 23d of October President Roosevelt spoke in Wilmington, Del. On that occasion he spoke of Abraham Lincoln and the Liberty League.

That night in Philadelphia the President talked in Convention Hall, and I should like to quote parts of his talk on that occasion:

Since July hardly a day or a night has passed when some crisis, or some possibility of crisis, in world affairs has not called for my personal conference with the Secretary of State or other officials of the Government.

With every passing day has come some urgent problem in connection with our swift production for defense and our mustering of the resources of the Nation.

Truthful campaign discussion of public issues is essential to the American form of government, but willful misrepresentation of fact has no place during election time or at any other time.

I make the charge now that these falsifications are being spread for the purpose of filling the minds and hearts of the American people with fear. They are used to create fear by instilling in the minds of the people doubt of each other, doubt of their Government, and doubt of the purposes of their democracy.

Mr. Speaker, along that same line the other day the distinguished gentleman from Michigan [Mr. HOFFMAN] brought on the floor of this House a question in regard to the Kent charges and the Ramsay charges in the Parliament of England. The headline in the Washington Times-Herald reads, "Full F. D. reply to Kent charges asked in the House."

Mr. Speaker, the incident referred to at that time had reference to the time when the honorable and distinguished Winston Churchill was connected with the Admiralty in England.

I would like to give the answer now to that charge in the words of our beloved President Roosevelt uttered on October 23, 1940, in Convention Hall, Philadelphia:

The worst bombshell of fear which Republican leaders have let loose on this people is the accusation that this Government, without the knowledge of the Congress or of the people, has secretly entered into agreements with foreign nations. They even intimate that such commitments have endangered the security of the United States, or have pledged the participation of the United States in some foreign war. It seems almost unnecessary to deny such a charge. But so long as the fantastic misstatement has been made, I must brand it for what it is.

I give you this most solemn assurance: There is no secret treaty, no secret obligation, no secret commitment, no secret understanding in any shape or form, direct or indirect, with any other government, or any other nation in any part of the world, to involve this Nation in any war or for any other purpose.

The desperation of partisans who can invent secret treaties drives them to try to deceive our people in other ways.

Mr. McCORMACK. Will the gentleman yield?

Mr. MURPHY. I yield to the distinguished gentleman, the revered majority leader from Massachusetts.

Mr. McCORMACK. May I call attention to the fact that a very distinguished Governor of this country, a Republican who is being seriously considered for the nomination of President, at one time openly advocated an alliance with England, which, of course, no Democrat had ever thought of advocating.

Mr. MURPHY. I thank the gentleman for his contribution.

The President at Philadelphia said further:

Tonight there is one more false charge—one outrageously false charge—made to strike terror into the hearts of our citizens. It is a charge that offends every political and religious conviction that I hold dear. It is the charge that this administration wishes to lead this country into war.

This charge is contrary to every fact, every purpose of the past 8 years. Throughout these years my every act and every thought has been directed to the end of preserving the peace of the world, and more particularly, the peace of the United States—the peace of the Western Hemisphere.

As I saw the war coming, I used every ounce of the prestige of the office of President of the United States to prevent its onset.

When war came, I used every ounce of the prestige of the office to prevent its spread to other nations. When that effort failed, I called upon the Congress, and I called upon the Nation, to build the strong defenses that would be our best guaranty of peace and security in this hemisphere.

To Republicans and Democrats, to every man, woman, and child in the Nation I say—your President and your great Secretary of State are following the road to peace.

We are arming ourselves not for any foreign war.

We are arming ourselves not for any purposes of conquest or intervention in foreign disputes. I repeat again that I stand on

the platform of our party: "We will not participate in foreign wars and we will not send our Army, naval or air forces to fight in foreign lands outside of the Americas, except in case of attack."

After the Philadelphia talk on October 25, 1940, to the New York Herald Tribune Forum, the President wrote:

We are preparing for the defense of the two American continents, and of the oceans that are the highways of those continents, and we are doing so in a mode of determination but unafraid and resolute in our will to peace.

Mr. Speaker, the next speech by President Roosevelt was made on October 28, 1940, at Madison Square Garden, New York City, and I would like to quote from that speech as follows:

I am asking the American people to support a continuance of the type of affirmative realistic fight for peace. The alternative is to risk the future of the country in the hands of those with this record of timidity, weakness, and short-sightedness, or to risk it in the inexperienced hands of those who in these perilous days are willing recklessly to imply that our boys are already on their way to the transports.

And, again, the President answered charges that our defense was so slow that we would not be able to meet threats from abroad, and stated further as follows:

As early as 1933 the storm was gathering in Europe and Asia. Year by year I reported the warnings of danger from our listening posts in foreign lands, but I was only called an alarmist by Republican leaders and by a great part of the Republican papers.

Thereafter our President outlined our preparations for defense.

Mr. Speaker, I call attention to the President's remarks made at Hartford, Conn., on the afternoon of his Boston speech. The Christian Science Monitor, a great American newspaper, of October 30, 1940, stated that the President spoke about the insurance-fear program and said:

The result of that effort (defense) is to make the United States strong enough in order to defend itself from attack from the outside, and you should know, too, that we aim to defend only against attack from the outside.

The same evening the President made his Boston speech, and I would like to quote from that address, as follows:

I repeat: Our objective is to keep any potential attacker as far from our continental shores as we can.

* * * unprecedented dangers require unprecedented action to guard the peace of America against unprecedented threats.

And again:

And while I am talking to you mothers and fathers, I give you one more assurance.

I have said this before, but I shall say it again and again and again.

Your boys are not going to be sent into any foreign wars.

They are going into training to form a force so strong that, by its very existence, it will keep the threat of war far away from our shores.

The purpose of our defense is defense.

And again:

We are telling the world that we are free—and we intend to remain free and at peace.

Mr. Speaker, the President had quoted the Democratic platform in Washington, he had quoted the Democratic platform in Philadelphia, he said at Hartford that we were aiming to defend only against attack from the outside, yet the statement is made on the floor of this House that the mothers and fathers of America are weeping because, in effect, they have been "sold out" by the President of the United States. I say those remarks should be apologized for in this RECORD and before the House.

Mr. Speaker, the President made a speech at Buffalo, N. Y., on November 2, 1940, in which he said:

We believe too equally that in arming against any possible attack we are going to preserve our democracy from being endangered by any other form of government. * * * I hope and I believe that this administration will be able to keep this country at peace during the next 4 years.

At Erie, Pa., after leaving Buffalo, the President stated:

We believe that in turning out airplanes we are helping in the defense of America against any possible aggression from overseas. More than that, in creating that safety for us, we are preventing any other form of foreign government from coming to these shores.

The President spoke at Pittsburgh and at Akron, Ohio. At Akron, Ohio, the President said:

I am confident that in the future we shall be able to avoid being brought into war by attack by someone else on the Americas. The best way to avoid an attack is to be ready to meet one.

The President also spoke in Brooklyn, N. Y., at the Brooklyn Academy of Music, on November 1, 1940, and stated:

I am fighting to keep this Nation prosperous and at peace. I am fighting to keep our people out of foreign wars and to keep foreign conceptions of government out of the United States.

The President spoke at Cleveland, Ohio, on November 2, 1940, his fifth and last campaign speech.

What did he say there?

The first purpose of our foreign policy is to keep our country out of war. At the same time we seek to keep foreign conceptions of government out of the United States.

* * * The second purpose of this policy is to keep war as far away as possible from the shores of the entire Western Hemisphere. Also our policy is to give all possible mutual aid to the nations that still resist aggression across the Atlantic and Pacific Oceans.

We make it clear that we intend to commit none of the fatal error of appeasement.

Finally on the eve of election day, Franklin D. Roosevelt talked to the Nation and ended his talk with a prayer.

May I say, Mr. Speaker, I have prepared an outline of the speeches made by Mr. Willkie in that campaign, commencing with the nomination speech by Representative HALLECK, the distinguished gentleman from Indiana and a gentleman for whom I have the greatest of love and respect; later referring to the speech at Coffeyville, Kans., later referring to the remarks of Mr. Willkie at Chicago when he said, "I will never send an American boy to fight in any European war." I refer to his speech in Illinois where he spoke about the "Sold down the river" incident, relating to Czechoslovakia. I refer to the time that Mr. Dewey introduced Mr. Willkie on October 7, 1940, when he, Mr. Willkie, said, "I want to say to you that if we do not prevail this fall this way of life will perish." I also refer to the remarks of Mr. Willkie in Chicago on November 7, 1940, when he said:

If his—the President's—promise to keep our boys out of foreign wars is no better than his promise to balance the Budget they're already almost on the transports.

I refer also, Mr. Speaker, to the speech of Mr. Willkie at Elwood, Ind. I refer to the speech of Mr. Willkie at St. Louis in which he said:

We may perhaps take comfort in the fact that Japan is very far away. And likewise we may perhaps also take comfort in the recent intimation by the Japanese Foreign Office that the New Alliance is not really aimed at the United States. We deeply hope that that is right.

I refer to Newsweek of October 21, 1940, relating to the remarks made Mr. Willkie in Boston:

To begin with we shall not undertake to fight anybody else's war. Our boys shall stay out of European wars.

Again I refer to the remarks of Mr. Willkie quoted in the Commercial and Financial Chronicle, November 9, 1940, in which they speak of him making a Nation-wide address on the eve of election, quoting in part as follows:

I promise, as I have promised many times before, not to send your husbands and sons and brothers to death on a European or Asiatic battlefield.

I will avoid bringing about a condition of affairs that will make war necessary. And I will never take this country into war until your representatives in Congress declare it.

At this point I insert in detail those remarks.

Nominating speech by Representative CHARLES A. HALLECK. Spoke of Willkie personally and of freedom of life and freedom of enterprise.

Willkie opened campaign at the baseball park in Coffeyville, Kans., September 26, 1940.

Newsweek, September 23, 1940, page 16, reported that Willkie, at Chicago, after Franklin D. Roosevelt's speech to the Teamsters' Union in Washington, said:

I will never send an American boy to fight in any European war.

On Saturday in down-State Illinois, Willkie misspoke on the "sold down the river" Czechoslovakian incident.

Newsweek, October 7, 1940, page 18, tells of Mr. Dewey introducing Willkie, when the latter said:

I want to say to you that if we do not prevail this fall, this way of life will perish.

Newsweek, November 7, 1940, reported that in Chicago after hearing the statement of Franklin D. Roosevelt on September 11 that he was doing all he could to keep war away from these shores for all time, said:

If his promise to keep our boys out of foreign wars is no better than his promise to balance the Budget, they're already almost on the transports.

Speech accepting the nomination at Ellwood, Ind., August 17, 1940—Vital Speeches of the Day:

No man is so wise as to foresee what the future holds as to lay out a plan for it. No man can guarantee or maintain peace. Peace is not something that a nation can achieve by itself. It also depends on what some other country does. It is neither practical nor desirable to adopt a foreign program committing the United States to future action under unknown circumstances.

FOREIGN POLICY GUIDE

For instance, we must not shirk the necessity of preparing our sons to take care of themselves in case the defense of America leads to war.

Speaking of aiding opponents of force and in preparing ourselves:

I am in agreement with these two principles. I do not understand them as implying military involvement in the present hostilities.

Gentlemen, one of the outstanding statements made in America by a great statesman was the speech of Wendell Willkie, from which I now quote—Willkie's loyal opposition speech, Armistice Day, November 11, 1940:

In the campaign preceding the election serious issues were at stake. People became bitter. Many things were said which in calmer moments might have been left unsaid or might have been worded more thoughtfully.

But we Americans know that the bitterness is a distortion, not a true reflection of what is in our hearts. I can truthfully say that there is no bitterness in mine. I hope there is none in yours.

We have elected Franklin D. Roosevelt President. He is your President. He is my President. We, all of us, owe him the respect due to his high office. We give him that respect. We will support him with our best efforts for our country. And we pray that God may guide his hand during the next 4 years in the supreme task of administering the affairs of the people.

Mr. Willkie to the Women's National Republican Club, Hotel Astor, New York, January 8, 1941:

We will, however, stay out of the war, in my judgment, if the men of Britain are supported to the utmost and immediately.

Everyone in America knows that on the eve of Pearl Harbor a message was sent by the President of the United States to Emperor Hirohito, urging the Emperor to listen to reason, and I quote—message to Emperor Hirohito of Japan December 7, 1941:

Almost a century ago the President of the United States addressed to the Emperor of Japan a message extending an offer of friendship of the people of the United States to the people of Japan. That offer was accepted, and in the long period of unbroken peace and friendship which had followed, our respective nations, through the virtues of their peoples and the wisdom of their rulers have prospered and have substantially helped humanity.

* * * * *

Developments are occurring in the Pacific area which threaten to deprive each of our Nations and all humanity of the beneficial influence of the long peace between our two countries. These developments contain tragic possibilities.

The people of the United States believing in peace and in the right of nations to live and let live have eagerly watched the conversations between our two governments during the past months. We have hoped for a termination of the present conflict between Japan and China. We have hoped that a peace of the Pacific could be consummated in such a way that the nationalities of many diverse people could exist side by side without fear of invasion, that unbearable burdens of armaments could be lifted for them all, and that all peoples would resume commerce without discrimination against or in favor of any nation.

* * * * *

I am certain that it will be clear to your Majesty, as it is to me, that in seeking these great objectives, both Japan and the United States should agree to eliminate any form of military threat. This seemed essential to the attainment of the high objectives. (From the New York Times, December 8, 1941.)

May I say by way of interpolation that it was this Congress that declared war against Germany and Italy, and it was Japan who declared war against this Nation. All this Congress was asked to do was to recognize that situation, that a state of war existed, and anyone who says that we should not have gone to war on that occasion, I say that he better look at himself before the American flag and look at himself in the mirror.

Mr. Speaker, it is a privilege to address this distinguished body. I hope that the facts I have inserted in the RECORD, which I claim are clear, unequivocal, and uncontradictable, may be sufficient to prevent in the future any misstatement as to any alleged false promise by the President of the United States, the Commander in Chief. Gentlemen, let America get on with the war. There is work to be done; a war to be won, and a peace to be won, and a great future to be built.

The SPEAKER pro tempore. Under previous order of the House the gentleman from Texas [Mr. FISHER] is recognized for 20 minutes.

FAIR EMPLOYMENT PRACTICE COMMITTEE

Mr. FISHER. Mr. Speaker, it has just been announced that the Senate has today concurred in the action of the House wherein this body recently, by a vote of 123 to 119, appropriated the sum of $500,000 to pay the salaries and expenses of the Fair Employment Practice Committee during the next fiscal year.

In view of this action, this would seem to be an appropriate time to call the attention of the House to the pending Scanlon-Dawson-LaFollette bills, which would make the Fair Employment Practice Committee, known as the F. E. P. C., a permanent agency of our Government. Hearings on these proposals are now being conducted by the House Committee on Labor, of which I am a member. These bills, if enacted, would, in my judgment, constitute a revolutionary departure from the traditional American system of free enterprise and are so far-reaching that they would indeed be a severe blow at our democratic system of Government. I shall with fairness and candor point to some of the vices which the passage of such a measure would involve.

Since the pending bills provide for a continuation of practically the entire F. E. P. C. set-up as it now is, it is necessary to make some brief references to the existing agency, its personnel, and some of its activities. The gentleman from Georgia [Mr. GIBSON] and the gentleman from Mississippi [Mr. RANKIN] have both recently done a real service to the country by exposing certain facts dealing with the personnel of the F. E. P. C. and the past subversive records of many members of its staff. I shall, by way of summary, repeat and supplement some of those disclosures and then proceed to discuss the pending bills.

EXISTING F. E. P. C. HAS RETARDED WAR EFFORT

The existing F. E. P. C. was created by Executive order a year ago as a temporary wartime agency, presumably intended to aid in solving certain problems pertaining to the distribution and use of manpower in industries engaged in war production. However, this agency in the manner of its operation has in fact actually retarded the war effort. Instead of confining itself to the task of aiding in the solution of certain manpower difficulties, it has busied itself in attempts to break down traditional and time-tested segregation practices between Negroes and whites.

One of the very first things this bureau did after its creation was to attack 22 railroad companies and the 4 brotherhood unions that operate them, for alleged discrimination against Negroes. The F. E. P. C. contended that conductors, engineers, and all other such specialized classes of employees should include Negroes, whether the railroad companies and the unions wanted them and found them to be adaptable in such specific positions or not. This was done even though the railroads and the unions had valid contracts inconsistent with the demands of the F. E. P. C. Finally, 12 of those railroads—the 12 that happened to be in the South—were cited to the President of the United States for discrimination in the respects referred to. It is significant that even though the other railroads have not to this day employed Negro conductors or engineers, they were not cited to the President.

Was that a service calculated to solve for the railroad companies in wartime a manpower problem? It was not. There you have an example of a bureau in Washington, without having on its staff a single executive who had ever operated a railroad or worked on one undertaking to dictate methods of employment and practices contrary to the good business judgment and experience of the companies and the unions. To force such changes in wartime could but cause discontent, irritation and slow-downs and thereby retard the war effort.

NONSEGREGATION PRACTICES CAUSED STRIKES

Mr. Speaker, I wonder how many people realize the amount of industrial unrest that has been caused by racial troubles resulting in many instances in lack of regard for proper segregation safeguards. I do not have the figures up to the present time, but I am informed by the Bureau of Labor Statistics that

during the year 1943 there were 50 strikes in which racial issues were of major importance. The number of workers involved in these strikes was 65,232 and idleness during the stoppages amounted to 221,114 man-days.

ATTEMPTS TO FORCE SOCIAL EQUALITY CAUSED STRIKES

Three of the 50 strikes referred to resulted when white workers demanded and were not allowed to have separate toilet and sanitary facilities. I shall refer to but one, The Western Electric Co. case at Baltimore, which will serve to illustrate the policy and attitude of the F. E. P. C. with respect to social aspects of racial and segregation problems.

The Western Electric Co. was engaged in manufacturing wire and cable and had contracts with the Army and Navy. Partitions separating toilets for whites and Negroes had been removed and the employees filed a protest. A strike was threatened and the F. E. P. C. entered the picture. With a strike in the offing, what did the F. E. P. C. do to prevent it and solve the problem? That agency issued the following strike-provoking announcement:

> The Committee (F. E. P. C.) takes the position that in the circumstances of this case, where there are frequent and temporary transfers of workers from department to department, such installing of segregated duplicate facilities cannot but lead to discriminatory employment practice, and would be in violation of Executive Order 9346.

There, Mr. Speaker, is a concrete case where the F. E. P. C. held that to require separate toilet facilities for whites and Negroes "cannot but lead to discriminatory employment practices." As a result of that position and the fact that separate facilities were not provided, a strike occurred which lasted for 17 days and involved over 3,000 workers. The Government finally had to take over the plant.

Can it be said that the F E. P. C. did not there by its policy help to foment a strike that retarded the war effort and take a position in favor of a form of social equality?

THE DALLAS NEWS CASE

A number of cases could be cited wherein the F. E. P. C. has gone so far afield as to undertake to violate the constitutional right of freedom of the press by dictating to newspapers that they could not specify in their classified advertisements the color or nationality of people wanted for certain types of employment. But I shall refer in particular to the Dallas News case as an example. In that instance the News carried the following classified advertisement:

> Wanted colored man to work at night as a paper handler. Essential industry.

One Leonard M. Brin, the F. E. P. C. regional director at Dallas, acting for the agency, directed the Dallas News to desist from mentioning "whites" or "colored" in such advertisements. The News very properly challenged the legality of such a ridiculous decree, and the F. E. P. C. backed down on the ground, alone, that the newspaper was not a war industry. But by the terms of the pending bills to make the agency permanent, the war industry feature would make no difference whatever and such an order would stand.

SIXTY-FIVE PERCENT OF F. E. P. C. EMPLOYEES ARE NEGROES

Under the terms of the pending bills, the entire staff of the present agency, except for the Committee members who would have to be reappointed and confirmed, would be transferred to and would operate the permanent agency. Who are those people?

To begin with, it is important to note that of the 110 employees and Committee members, two-thirds of the total number are Negroes, and the average annual salary paid to each is $3,015—more than $1,000 in excess of what the average civil-service employee in this country receives. How does it happen, Mr. Speaker, that although Negroes comprise less than 10 percent of our population, 65 percent of the personnel of this bureau are Negroes? Is this not a case of discrimination against white people?

MANY F. E. P. C. EMPLOYEES HAVE SUBVERSIVE RECORDS

Let us take a look at the Committee. Four of the six in that group are whites, two are Negroes. One of the white men on the Committee is Boris Shishkin. He has been connected with the Washington Book Shop, found by the House Committee on Un-American Activities to be a Communist-front organization, and which was cited by the Attorney General as subversive.

Another member is Charles H. Houston, colored, who has been affiliated with a number of movements found to be subversive by the Attorney General and the House Committee on Un-American Activities.

In view of this is it any wonder that radical papers, such as PM and the Communist Daily Worker, are so outspoken in favor of F. E. P. C.?

But let us take a look at the employees of the Bureau. In the office of the chairman, including himself, there are six employees, three of whom are Negroes. In this office the associate fair practice examiner is a Negro.

In the administrative office in Washington, there are 11 employed, everyone of whom, including the administrative officer in charge, is a Negro. Their decisions and activities may effect employment practices in private industry all over America. Being all Negroes and passing primarily on Negro complaints, can they be expected to be fair and unbiased? Yet that is the kind of an outfit that would be perpetuated and clothed with almost unlimited authority if the pending bills were enacted into law. Would it not be more proper to term it the "Unfair Employment Practice Committee?"

In the office of the Operations Section of F. E. P. C. there are seven Negroes and six whites. One of the six white men is named Emanuel Bloch, classed as the senior examiner. He is the same Emanuel Bloch who on March 16, 1942, addressed the citizens' committee in the interest of having Earl Browder freed. That citizens' committee which he addressed has been branded by the Attorney General as subversive. In addition, that same man was a sponsor of the National Federation for Constitutional Liberties, found by the Attorney General of the United States to be subversive.

REVIEW AND ANALYSIS SECTION

The F. E. P. C. has what is known as the Review and Analysis Section. There are 10 employees there, 7 of whom are Negroes. The Director of that Section, John A. Davis, and his two Associate Directors, are Negroes. Marjorie Lawson, an associate director, is, according to the records of the House Committee on Un-American Activities, a member of a Communist-front organization known as the Washington Committee for Democratic Action, branded by the Attorney General as subversive.

There are two in the legal division, both of whom are Negroes. The chief counsel there is now the vice president of the Lawyers Guild, which, according to a report filed by the House Committee on Un-American Activities on March 29, 1944, is subversive.

Another branch contains hearing examiners. There are six in that branch, five of whom are Negroes.

REGIONAL OFFICES

Under the national set-up, F. E. P. C. has 11 regional offices where complaints of discrimination are received and serviced, with many being sent on to Washington for review and final action. Seven of the 11 regional directors are Negroes.

Among these is Edward Lawson, regional director in New York, drawing $5,600 per year. Who is he? He is the same Edward Lawson who signed the Communist Party petition in New York in 1942 and participated in the All-Southern Youth Conference, an affiliate of the National Negro Congress. The latter organization was found to be subversive by the Attorney General of the United States.

The field examiner, a white man, in the New York regional office, is named Samuel Risk. He also signed the Communist Party petition in New York in 1939–1940.

Is it any wonder, Mr. Speaker, that the C. I. O. and its political action committee are using every type of pressure and coercion on the Members of Congress in behalf of F. E. P. C.? Is it any wonder that the C. I. O. political action group, headed by Russian-born Sidney Hillman, supported by a board of directors including Harry Bridges and many others with Communist records, is making a fight in favor of this outfit?

PERMANENT F. E. P. C. PROPOSAL WOULD REGIMENT FREE ENTERPRISE

As a member of the House Committee on Labor, where since June 1 hearings have been held on these bills, after hearing witness after witness supporting the proposals describe the United States of America as a land of fascism and oppression, I have been made to wonder what induced so many millions of oppressed and opportunity-seeking people

to ever voluntarily come here in the first place. To listen to some of the social reformers testify, you would conclude that every immigrant to this country has been defrauded and misled.

I am made to wonder why many of these people who speak of our system of private enterprise with such bitterness and scorn do not—instead of trying to revolutionize our American way of life—seek a haven in some foreign country where the ideas of freedom and economic opportunity would be more to their liking.

I charge, Mr. Speaker, that the effect of the creation of a permanent F. E. P. C., as has been proposed, would be to completely revolutionize the traditional American system of free enterprise. It would substitute in its place a system of tyrannical regimentation. It would, by the use of bureaucratic coercion and intimidation, place this bureau in a position to stifle individual initiative in this country. It would deprive American businessmen who create jobs of that freedom of choice in the selection of employees, which right has been the backbone of the success of our competitive system of free enterprise. It would take from employers the right to exercise sound business judgment in choosing workers, upon the soundness of which judgment depends in many instances whether a business is a success or a failure. Especially would that be true of small businesses.

America, Mr. Speaker, is a land of keen competition. Because men are constantly putting to use better business acumen in selecting, training, classifying, and replacing, if need be, employees who are found to be more loyal and who will produce more than others, we have made progress and achieved a high standard of living. That is the way in which we have made progress. That is the American way. The proposed F. E. P. C. would stifle that traditional method.

Under our system every person, black or white, has a chance to show his worth in the field of activity where he is better able and more suited to work and produce. It is true that there is not in this country that brand of economic equality that there is in Russia. The Russians have their own system and they have a right to choose their own system. But does the fact such a system may be satisfactory to the people of Russia mean that we in America, under a democratic system of government, should adopt a plank from Russia's economic system with respect to the equality of economic opportunity? It is also true there is not in this country state socialism and governmental paternalism as there has been in Germany. Yet the proposed F. E. P. C. is a bold step in that direction. Ours is a system of competition, a system of hard work where as a general rule you get the job and keep it or get another or a better one if you are suited for the job and can deliver the goods. I prefer that system. But the F. E. P. C. bills would change that and allow an employee to depend on a bureau in Washington rather than efficiency to hold his job or secure a promotion.

WHAT A PERMANENT F. E. P. C. COULD DO

Mr. Speaker, the proposed permanent F. E. P. C. would be operated by a commission of six men, each receiving $10,000 per year.

That commission would have the power to legislate by making rules and regulations that would have the force and effect of law, and which by the terms of the pending bills would hardly be assailable by Congress. This is another bold attempt to allow a bureau to usurp legislative functions and break down the separation of the powers of the three branches of our Government. This is a bold attempt to subject our people to a government of men rather than of laws.

F. E. P. C. COULD SEARCH WITHOUT PROBABLE CAUSE

Another assault on the Constitution by these bills is the provision, clearly unconstitutional, which would give to this bureau, acting itself or through an agent, the blanket authority, with no hint of need for probable cause or even a search warrant, to enter an office or a place of business and there make copies of private papers, where the individual whose place is searched has been the object of a complaint by a disgruntled job seeker claiming discrimination. If objection should be made to the demands of the intruder, such could be classified as "interference," and by the terms of these bills, subject the one who objected to imprisonment for a year and a fine of $1,000.

F. E. P. C. COULD WRECK A BUSINESS

By the terms of these bills a man employing as many as five people and engaged in interstate commerce—and the Supreme Court has held most businesses are—may have but scant freedom of choice in selecting another clerk. Suppose, for example, one is engaged in a ladies ready-to-wear business, within the scope of these bills, and advertises for a clerk. What could happen? Suppose a Negro woman and a white woman should apply. Suppose the man hires the white woman and the disappointed Negro woman complains to the F. E. P. C. that she has been discriminated against because of her color. The store operator denies discrimination and says he hired the white woman because she is acceptable to his customers, whereas the Negro woman would not be and, if employed, would probably cause his business to be a failure.

Now, who would pass on that issue? Who would decide if there were discrimination? Who would resolve the contest? Would it be for a jury in a local court to decide the question of whether that man's business investment would be a failure? Oh, no. That question of fact under these bills would be finally resolved by the six members of the F. E. P. C. sitting in Washington. Oh, but they say that action could be reviewed by a Federal circuit court of appeals. That is true, but appellate courts give much credance to fact-finding agencies that see and hear the witnesses Moreover, in the State of Texas, for example, such an appeal would have to be taken to the nearest circuit court, which sits in New Orleans. Such an appeal would take much money and time, and the harassed businessman would probably be broke long before he could hope for a review, with perhaps a thousand cases ahead of his. If the F. E. P. C. should hold the Negro was discriminated against, these bills provide the bewildered employer could be ordered to pay her back wages from the date she applied for the job.

Yes, Mr. Speaker; these is contained in these bills the death knell for the traditional American right to use one's own good judgment and common sense, even in a small business, in the selection of employees.

REFORMERS ARE DOING DISSERVICE TO NEGROES

It is true the Negroes were brought here without their consent from the dark jungles of Africa. During the past 75 years tremendous economic progress has been made for them and by them in the South where most of them live. There they are, in the main, happy and content. Free schools have been provided. Working opportunities to fit their social status and abilities have been afforded them. Even now, with the Negroes comprising less than 10 percent of our population, 7.2 percent of workers in war industries are Negroes. No race has made so much progress in so short a time.

But now we have the outside influences creeping in and trying to do by propaganda, force, and coercion what only time, education, and experience can hope to do—that is, the further elevation of the Negro's standard of living and economic progress. Much of that agitation is undoubtedly Communist-inspired. Many of them seek to force social equality upon the South and to outlaw the time-tested methods of orderly progress.

These agitators and their fellow travelers are not realistic and don't want to be. They are doing a decided disservice to the colored people of the South. Under the guise of preventing discrimination they are undertaking to array the black against the white, and in their ruthless methods can but arouse racial hatreds and bitterness, which can only work to the disadvantage of the colored race.

MUST BE REALISTIC IN DEALING WITH NEGRO PROBLEM

I say again, they are not realistic. Many of them view with contempt the reality of the fact that there is a natural God-made social barrier that separates the two races. Abraham Lincoln recognized that fact. and said so in no uncertain terms. While there are occasional exceptions, the Negroes in general are simply not qualified for doing what these social reformers who are supporting these bills would by force of law have them do. As proof of that deficiency on the part of the great majority of colored people, we need but to examine the records of the National Selective Service. Of the first 3,000,000 men examined for selective service, the records show that out of each 1,000 Negroes examined, 176.7 were afflicted with syphilis, while but 11.7 out of each 1,000 white men were so afflicted; 36.5 Negroes out of that 1,000 were afflicted with other venereal diseases, while but 3.4 whites were so disabled.

Of each 1,000 Negroes examined, 108.9 were disabled because of mental and educational deficiency and mental diseases, while out of a similar number of whites only 53.8 were unacceptable for a like reason.

These conditions are unfortunate and corrective measures should be taken, but they are nevertheless real. And a Negro-dominated bureau in Washington cannot by orders and decrees remove those and many other impediments and practical problems that militate against an arbitrarily imposed coequal, and uniform treatment of the Negro and the white.

WHAT ABOUT THE CONSTITUTION?

Mr. Speaker, what has become of the American Constitution? What has become of the due-process clause that is supposed to mean something and protect people's property rights in this country? What has happened to the constitutional protection against unreasonable searches and seizures? What has become of the sanctity of contract rights about which the Constitution speaks? When has the constitutional freedom of the press become such a mockery? When has there been a change from the constitutional requirement that the Congress—not a bureau such as the F. E. P. C.—shall do the legislating for the government of the people?

F. E. P. C. IS ATTEMPT TO CREATE NEW ORDER IN AMERICA

In these pending bills to make F. E. P. C. permanent, Mr. Speaker, in the altruistic name of legislating against discrimination, a bold attempt is made—and I am not referring to the authors of the bills—by one fell swoop to revolutionize the American system of competitive free enterprise.

Here is an attempt to substitute force and governmental paternalism for common sense, business acumen, and experience.

Here is an attempt to bypass and nullify every segregation law in the land and to virtually prohibit others from being enacted.

Here is an attempt to force upon the American people a new order and exchange private initiative for bureaucratic compulsion.

Here is an attempt, while our gallant men are away on the beach heads of Normandy and in Saipan, and on a hundred other battle fronts, struggling and giving their lives for the survival of freedom, liberty, and the American way of life, to uproot those basic pillars of American democracy.

PERMISSION TO ADDRESS THE HOUSE

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, we have had the pleasure this evening of listening to a very masterly and, I might say, masterful address by my colleague the gentleman from Pennsylvania [Mr. MURPHY]. We, of Pennsylvania, feel very proud of him for devoting his extraordinary talents and his ability in gathering this tremendous amount of research in order to collate all these facts which he presented to us this afternoon. I particularly want to compliment the gentleman for the masterly manner in which he delivered that address. I think it is a great contribution to the welfare of this country.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter received by me from Hon. Paul V. McNutt, under date of June 8, 1944.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on tomorrow, Calendar Wednesday, be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1475. An act to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended;

H. R. 4320. An act relating to the computation of interest on contributions to the civil-service retirement fund returned to employees upon their separation from the service;

H. R. 4659. An act to authorize the Soil Conservation Service to lend certain equipment; and

H. J. Res. 298. Joint resolution making appropriations for grants to States under the Social Security Act.

BILLS PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 4070. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1945, and for other purposes; and

H. R. 4559. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1945, and additional appropriations therefor for the fiscal year 1944, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 48 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, June 21, 1944, at 10 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will meet on Wednesday, June 21, 1944, at 10:30 a. m., on all resolutions providing for temporary admission of political and religious refugees.

COMMITTEE ON THE PUBLIC LANDS

There will be an executive session of the Committee on the Public Lands on Wednesday, June 21, 1944, at 10:30 a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 or rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JACKSON: Committee on the Merchant Marine and Fisheries. Interim report pursuant to House Resolution 52. Resolution continuing investigation of plate fractures on welded ships. (Rept. No. 1685). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on the Merchant Marine and Fisheries. H. R. 3704. A bill to provide pay and allowances for temporary members of the Coast Guard Reserve during periods of disability resulting from injuries sustained, or disease contracted, in active service during the present war, and for other purposes; with amendment (Rept. No. 1686). Referred to the Committee of the Whole House on the state of the Union.

Mr. SABATH: Committee on Rules. House Resolution 605. Resolution for the consideration of H. R. 4911, a bill to amend the Federal Crop Insurance Act; without amendment (Rept. No. 1689). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 592. Resolution authorizing a study by the Committee on Education of the effect of certain war activities on colleges and universities; without amendment (Rept. No. 1688). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MANASCO:

H. R. 5062. A bill to authorize certain transactions by disbursing officers of the United States, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. RANDOLPH:

H. R. 5063. A bill to prohibit any Government agency from contracting with an alien or with any corporation, partnership, or other business association any officer of which is an alien; to the Committee on the Judiciary.

By Mr. CASE:

H. R. 5064. A bill to provide pensions for certain widows of veterans of the Spanish-American War, including the Philippine Insurrection and Boxer Rebellion; to the Committee on Pensions.

By Mr. RANDOLPH:

H. R. 5065 (by request). A bill to require examination and laboratory tests for syphilis, gonorrhea, and tuberculosis of all applicants for marriage licenses before the issuance thereof in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SASSCER:

H. R. 5066. A bill to permit Federal employees to serve as election officials; to the Committee on the Judiciary.

By Mrs. SMITH of Maine:

H. R. 5067. A bill to amend the Naval Reserve Act of 1938, as amended, so as to permit foreign service of members of the Women's Reserve under certain conditions; to the Committee on Naval Affairs.

By Mr. MAY:

H. R. 5068. A bill to provide that temporary appointments as commissioned or warrant officers in the Army of the United States of enlisted men or warrant officers of the Army of the United States on active duty shall be deemed to have been accepted upon the dates such appointments are made, and for other purposes; to the Committee on Military Affairs.

By Mr. CLASON:

H. R. 5069. A bill to remove certain discriminations against Government employees in the payment of overtime compensation; to the Committee on the Civil Service.

By Mr. HOLIFIELD:

H. R. 5070. A bill prescribing new postal rates for air mail other than the first-class; to the Committee on the Post Office and Post Roads.

By Mr. MANASCO:

H. R. 5071. A bill to amend the act of February 14, 1931 (46 Stat. 1103) entitled, "An act to permit payments for the operation of motorcycles and automobiles used for necessary travel on official business on a mileage basis in lieu of actual operating expenses"; to the Committee on Expenditures in the Executive Departments.

By Mr. KEFAUVER:

H. R. 5072. A bill to create a board to be known as the National Symphony Orchestra Trust Fund Board, to define the duties of said Board, and for other purposes; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COOPER:

H. R. 5073. A bill for the relief of L. Wilmoth Hodges; to the Committee on Claims.

By Mr. FARRINGTON:

H. R. 5074. A bill for the relief of Mrs. Gabriela Redondo Ayson; to the Committee on Immigration and Naturalization.

By Mr. HOLIFIELD:

H. R. 5075. A bill for the relief of John Bell; to the Committee on Claims.

By Mr. PHILLIPS:

H. R. 5076. A bill for the relief of the persons named; to the Committee on Claims.

By Mr. SASSCER:

H. R. 5077. A bill for the relief of Judge N. Singleton; to the Committee on Claims.

By Mr. SATTERFIELD:

H. R. 5078. A bill for the relief of Thomas A. Butler; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5883. By Mr. BRYSON: Petition of Rev. W. W. Sylvester and 32 other citizens of Brentwood, Md., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war, to the Committee on the Judiciary.

5884. Also, petition of Mary Henderson and 40 other citizens of Baltimore, Md., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war, to the Committee on the Judiciary.

5885. Also, petition of Josephine B. Crook and 30 other citizens of Lebanon, N. Y., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5886. Also, petition of Mrs. C. E. Morris and 40 other citizens of Louisville, Ky., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5887. Also, petition of Charles L. Thomas and 46 other citizens of Staunton, Ind., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by pronibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5888. Also, petition of George C. Cassens and 59 other citizens of Rockland, Maine, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5889. Also, petition of Esther Bothswell and 53 other citizens of Fergus Falls, Minn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5890. Also, petition of Mabel B. Hall and 53 other citizens of Utica, N. Y., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5891. Also, petition of Dr. E. H. Stahly and 51 other citizens of Northville, Mich., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5892. Also, petition of Thomas N. Todd and 47 other citizens of Winchester, Ky., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5893. Also, petition of Grace E. Staton and 40 other citizens of Lincoln, Nebr., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5894. Also, petition of Adeline G. Porter and 39 other citizens of Albion, N. Y., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5895. Also, petition of Cora Redick and 53 other citizens of Spencerville, Ohio, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5896. Also, petition of Dr. C. I. Armstrong and 25 other citizens of Houghton, N. Y., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5897. Also, petition of Eulalie Aldrich and 39 other citizens of Castile, N. Y., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5898. Also, petition of Mrs. E. B. Snyder and 40 other citizens of San Francisco, Calif., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5899. By Mr. GAVIN: Petition of Joe Henretta, of Bradford, Pa., and 634 other citizens against the Bryson bill, H. R. 2082, and any bill like it, prohibiting the manufacture, sale, or distribution of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5900. By Mr. HEIDINGER: Resolution from Local Union No. 152, Progressive Mine Workers of America, Harrisburg, Ill., signed by Harry Gee, president, and Dennis Moore, recording secretary, petitioning the Congress to amend the Social Security Act to the end that any person working in a covered industry, who becomes completely disabled, shall, upon proper proof of such disability, receive the same benefits for the remainder of life as if such person had reached the age required for retirement; to the Committee on Ways and Means.

5901. By Mr. LECOMPTE: Petition of Carolyn Bennett and numerous citizens of Mount Ayr, Iowa, in the interest of House bill 2082, to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war, by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war and until the termination of mobilization; to the Committee on the Judiciary.

5902. By Mr. PHILLIPS: Petition of W. M. Adair, and 488 other citizens requesting necessary action and endeavor in order to keep the Japanese and people of Japanese parentage, who have been removed from southern California, from returning; to the Committee on Military Affairs.

5903. By Mr. HALLECK: Petition of sundry citizens of Kosciusko County, Ind., in opposition to the May bill (H. R. 3947) providing universal military or naval tra ining for all male citizens; to the Committee on Military Affairs.

5904. Petition of sundry citizens of Milford, Ind., and vicinity, in opposition to the May bill (H. R. 3947) providing universal military or naval training for all male citizens; to the Committee on Military Affairs.

5905. By Mr. ROLPH: California Senate Resolution No. 28, relating to the market and price paid for newly produced gold; to the Committee on Banking and Currency.

5906. Also, California Senate Resolution No. 27, relating to continued deferment of boners in meat-packing industry; to the Committee on Military Affairs.

5907. Also, California Senate Joint Resolution No. 1 asking 160-acre limitation be removed in Central Valley; to the Committee on Flood Control.

SENATE

WEDNESDAY, JUNE 21, 1944

(Legislative day of Tuesday, May 9, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, whose spirit searcheth all things and whose love beareth all things, for this hallowed moment turning from our divisive loyalties and our party cries we would bow humbly in a unity of spirit, realizing our oneness in Thee. In the sincerity and truth with which we deeply desire to open our hearts to Thee, so we would broaden our sympathies with our brothers, Thy other children.

Forgive us for praying that Thy kingdom might come and then, by our own selfish stubbornness, barring the way when it has sought to come through us. Deliver us from the hypocrisy of giving lip service to the golden goals of Thy kingdom as if we looked for it without in others and not in our own hearts. Grant us a fundamental fealty to the common good, expressing itself in divergent attitudes and convictions which are the glory of our national heritage, yet putting above all partisan advantage the weal and welfare of the commonwealth to which we solemnly pledge our supreme allegiance. With the wrecks of nations which have broken Thy law of love smoking in ruins before our eyes, let the purifying stream of Thy mercy cleanse our national life lest our destruction be determined and we go the way of the nations that have forgotten God. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, June 20, 1944, was dispensed with, and the Journal was approved.

STATEMENT BY OLIVER LYTTELTON, BRITISH MINISTER OF PRODUCTION

Mr. LUCAS. Mr. President, from the time of our entry into the war and even before I supported measures on the floor of the Senate which I thought were helpful to the people of England in their struggle for liberty. At no time during this world crisis have I ever raised my voice against any military or naval strategy; neither have I joined issue with any man in the diplomatic corps or the Parliament or any man high in public life in England upon any statement that has been made. In fact, what I have said has always been in praise of the English people in their battle against tyranny.

But, Mr. President, sometimes circumstances alter all occasions. On last evening when I read in the press the statement made by Oliver Lyttelton, the British Minister of Production, I confess that I was not only shocked but greatly disappointed to learn that a man standing so high in the official life of Britain could make such a miserable mistake.

Oliver Lyttelton, in speaking before the Chamber of Commerce of America, said in his original remarks that—

> Japan was provoked into attacking the United States at Pearl Harbor. It is a travesty on history ever to say that America was forced into the war.

Mr. President, regardless of any correction or additional interpretation, regardless of the fact that Mr. Lyttelton may say that what he said was a matter of expression and not of intention, the original words will cling to all peace-loving Americans as one of the most incredible and stupefying statements that have been uttered by any man high in public life of the Allied Nations. Anyone who has the slightest knowledge of oriental history knows that Japan deliberately prepared herself for world conquest. She planned to attack this country and did, just as she planned to, and attacked other countries in the past. She knew that under no circumstances would we make unjustifiable concessions to her in the southwest Pacific and the Far East which might imperil our security in the years to come.

Had the statement of Mr. Lyttelton originated from the bureaus of Axis propaganda, we would have thought little or nothing of it. In fact, we might expect such utterances from radio Tokyo or radio Berlin. It is the job of the Axis propagandists to probe for a weak spot or a soft spot in American emotion. We all know that the only hope of the Nazis and the Japs is to divide and conquer. It is with the deepest regret that I am constrained to say that the statement made by Oliver Lyttelton strikes a hard blow at unity which is so vital to a complete and early victory. What Lyttelton said must have given Hitler and Tojo renewed hope in their desperate attempt to exploit what little discontent there is in this country over the progress and conduct of the war.

Mr. President, I commend the Secretary of State, Cordell Hull, for his rebuke of Lyttelton for the ugly slur that was placed against this Nation, but as a United States Senator I go even further: I say that those who have control of the British Government at this hour cannot afford to permit such an irresponsible character to continue in high public office for the good of the Allied cause. For the sake of continued unity, for the sake of continued success on the battlefields and on the sea lanes of the world, in the interest of saving the lives of American boys, the resignation of Lyttelton should be requested.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had receded from its amendment to the bill (S. 1588) for the relief of the legal guardian of Eugene Holcomb, a minor.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 2303. An act for the relief of O. W. James;

H. R. 2855. An act for the relief of the estate of John Buby;

H. R. 3102. An act for the relief of Mrs. Eva M. Delisle; and

H. R. 3661. An act for the relief of G. F. Allen, chief disbursing officer, Treasury Department, and for other purposes.

The message further announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 272. An act for the relief of Mrs. Vola Stroud Pokluda, Jesse M. Knowles, and the estate of Lee Stroud;

H. R. 1220. An act for the relief of Paul J. Campbell, the legal guardian of Paul M. Campbell, a minor; and

H. R. 4115. An act to give honorably discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4183) making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes, and that the House receded from its disagreement to the amendment of the Senate numbered 7 to the bill, and concurred therein.

The message further announced that the House had receded from its disagreement to the amendment of the Senate numbered 10 to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945,

and for other purposes, and concurred therein with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4679) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 39, 40, 41, 42, 82, 84, 88, 93, 94, 115, 169, 191, and 196 to the bill and concurred therein; that the House receded from its disagreement to the amendments of the Senate numbered 89, 116, 127, 128, 133, 138, 155, 202, and 203 to the bill and concurred therein severally with an amendment, in which it requested the concurrence of the Senate, and that the House receded from its disagreement to the amendments of the Senate numbered 156 and 166 to the bill and concurred therein each with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 1157) to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing such training of State and Territorial military forces as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories, and it was signed by the Acting President pro tempore (Mr. GILLETTE).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

H. R. 4215. A bill to extend to the custodial-service employees of the Post Office Department certain benefits applicable to postal employees; with an amendment (Rept. No. 1000).

By Mr. HATCH, from the Committee on Public Lands and Surveys:

H. R. 3524. A bill to provide for the establishment of the Harpers Ferry National Monument; without amendment (Rept. No. 1001);

H. R. 4095. A bill confirming the claim of Robert Johnson and other heirs of Monroe Johnson to certain lands in the State of Mississippi, county of Adams; with an amendment (Rept. No. 1002); and

S. Res. 311. Resolution increasing the compensation of the temporary clerk to the Committee on Public Lands and Surveys; without amendment, and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

By Mr. GEORGE, from the Committee on Finance:

H. R. 4837. A bill to extend for an additional 2 years the suspension in part of the processing tax on coconut oil; with amendments (Rept. No. 1003); and

H. R. 4881. A bill to amend the Internal Revenue Code, the Narcotic Drug Import and Export Act, as amended, and the Tariff Act of 1930, as amended, to classify a new synthetic drug, and for other purposes; without amendment (Rept. No. 1004).

By Mr. WALSH of Massachusetts, from the Committee on Naval Affairs:

H. R. 4405. A bill to amend the act approved March 7, 1942 (56 Stat. 143), as amended (56 Stat. 1092; 50 App. U. S. C., Supp. III, 1001–1017, inclusive), so as to more specifically provide for pay, allotments, and administration pertaining to war casualties, and for other purposes; with amendments (Rept. No. 1005).

By Mr. WHERRY, from the Committee on Claims:

S. 1717. A bill for the relief of Luella F. Stewart; without amendment (Rept. No. 1006); and

S. 1995. A bill for the relief of Fred A. Dimler and Gwendolyn E. Dimler, his wife; without amendment (Rept. No. 1007).

By Mr. TUNNELL, from the Committee on Claims:

S. 1226. A bill for the relief of Charles T. Allen; with amendments (Rept. No. 1008);

H. R. 1963. A bill for the relief of G. H. Garner; with amendments (Rept. No. 1009);

H. R. 2965. A bill for the relief of Ross Engineering Co.; without amendment (Rept. No. 1010); and

H. R. 3929. A bill for the relief of Katherine Scherer; with an amendment (Rept. No. 1011).

By Mr. ROBERTSON, from the Committee on Claims:

H. R. 2151. A bill for the relief of Elizabeth Powers Long; without amendment (Rept. No. 1012);

H. R. 2333. A bill for the relief of Mrs. Samuel M. McLaughlin; without amendment (Rept. No. 1013);

H. R. 3481. A bill for the relief of J. William Ingram; without amendment (Rept. No. 1014); and

H. R. 4528. A bill for the relief of L. M. Feller Co. and Wendell C. Graus; without amendment (Rept. No. 1015).

By Mr. ELLENDER, from the Committee on Claims:

H. R. 2006. A bill for the relief of Mrs. Hagar Simpson, Mrs. Nat Price, Jr., and Griffin Bros. Clinic; with amendments (Rept. No. 1016);

H. R. 2530. A bill for the relief of John M. O'Connell; without amendment (Rept. No. 1017);

H. R. 3280. A bill for the relief of William Dyer; without amendment (Rept. No. 1018);

H. R. 3281. A bill for the relief of the estate of Nelson Hawkins; without amendment (Rept. No. 1019);

H. R. 3539. A bill for the relief of the estate of Carlos Pérez Avilés; without amendment (Rept. No. 1020);

H. R. 3586. A bill for the relief of Mrs. John Andrew Godwin; without amendment (Rept. No. 1021);

H. R. 3636. A bill for the relief of Josephine Guidoni; without amendment (Rept. No. 1022); and

H. R. 4197. A bill for the relief of Mr. and Mrs. John Cushman; without amendment (Rept. No. 1023).

By Mr. MALONEY (for Mr. WALSH of New Jersey), from the Committee on Commerce:

H. R. 4041. A bill to amend the act relating to the construction and maintenance of a bridge across the Missouri River at or near Nebraska City, Nebr.; without amendment (Rept. No. 1025).

By Mr. WALLGREN, from the Committee on Commerce:

H. R. 4935. A bill to provide for a study of multiple taxation of air commerce, and for other purposes; without amendment (Rept. No. 1026).

By Mr. THOMAS of Utah, from the Committee on Education and Labor:

H. R. 4624. A bill to consolidate and revise the laws relating to the Public Health Service, and for other purposes; with amendments (Rept. No. 1027).

ENROLLED BILLS PRESENTED

Mr. TRUMAN (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that on June 19, 1944, that committee presented to the President of the United States the following enrolled bills:

S. 1479. An act providing for the suspension of certain requirements relating to work on tunnel sites; and

S. 1808. An act to authorize temporary appointment as officers in the Army of the United States of members of the Army Nurse Corps, female persons having the necessary qualifications for reappointments in such corps, female dietetic and physical therapy personnel of the Medical Department of the Army (exclusive of students and apprentices), and female persons having the necessary qualifications for appointment in such department as female dietetic or physical-therapy personnel, and for other purposes.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LUCAS:

S. 2029. A bill to provide for the planning of rural electrification projects, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. EASTLAND (for Mr. McCARRAN):

S. 2030. A bill to improve the administration of justice by prescribing fair administrative procedure; to the Committee on the Judiciary.

By Mr. ELLENDER:

S. 2031. A bill for the relief of Lt. (T.) P. J. Voorhies; to the Committee on Claims.

POLITICAL ACTIVITIES AND FEDERAL CORRUPT PRACTICES ACTS (S. DOC. NO. 222)

Mr. GREEN. Mr. President, last March a special Senate committee was appointed to investigate the campaign expenditures of all the candidates for the office of President and Vice President of the United States in 1944. Such procedure was in accordance with a custom previously established. In accordance with such custom the committee has also issued a summary of existing legislation relating to political activities, especially contributions. A pamphlet has been prepared by the present committee, containing these laws, and a summary of them, which the committee asks to have printed as a Senate document, and therefore I ask unanimous consent that the pamphlet be so printed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MANPOWER IN THE WAR EFFORT

Mr. MAYBANK. Mr. President, recently, in connection with navy-yard operations and other manpower problems, there have been several visits to Washington by representatives of various unions and representatives of navy yards and other Government activities.

I ask unanimous consent to have printed in the RECORD a letter which the distinguished Secretary of the Navy has written to Mr. McNutt, Administrator of the War Manpower Commission. I may say that the letter has been sent to several of the committees.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE NAVY,
Washington, June 12, 1944.

Hon. PAUL V. MCNUTT,
Administrator, War Manpower Commission, Washington, D. C.

DEAR PAUL: In this note I want to say two things:

1. Admiral Robinson tells me that your handling of the July 1 referrals under the War Manpower plan has been extremely well done. In view of the fact that you get rocks mostly, rather than roses, I want to take the opportunity of reporting this fact.

2. I have just been told also that Lawrence Appley is leaving, and I want to tell you how highly the services, and particularly the Navy, have valued his work. He has been consistently constructive and helpful, and his going will be a real loss.

In due course you will probably hear squawks and complaints, but I find that the record of those is more or less automatic, whereas we frequently fail to take note of the things well done. This is a minor effort in that direction.

Sincerely yours,

JAMES FORRESTAL.

P. S.—I am sending a copy of this letter to the members of the various committees in Congress concerned with manpower.

PREVENTION OF ACCIDENTS—ADDRESS BY SENATOR BARKLEY

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address on the subject of accident prevention in the United States delivered by Senator BARKLEY at the Film Safety Awards Committee luncheon at Washington, D. C., on June 8, 1944, which appears in the Appendix.]

PROBLEMS OF THE POST-WAR WORLD—ADDRESS BY SENATOR MCCARRAN TO THE CALIFORNIA LEGISLATURE

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD an address on problems of the post-war world delivered by Senator MCCARRAN on June 9, 1944, before a joint session of the California Legislature, which appears in the Appendix.]

AMERICA ON THE MOVE—ADDRESS BY SENATOR MCCARRAN

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD an address entitled "America on the Move," delivered by Senator MCCARRAN before the convention of the American Trucking Association at San Francisco, Calif., on June 7, 1944, which appears in the Appendix.]

DISCRIMINATIONS IN RAILROAD FREIGHT RATES—STATEMENT BY SENATOR STEWART

[Mr. MCCLELLAN asked and obtained leave to have printed in the RECORD an argument on the subject of discriminations in railroad freight rates, delivered by Senator Stewart before the Interstate Commerce Commission at Washington, D. C., on June 14, 1944, which appears in the Appendix.]

PREVENTION OF ACCIDENTS—ADDRESS BY COL. JOHN H. STILLWELL

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address on the subject of accident prevention in the United States delivered by Col. John H. Stillwell, president of the National Safety Council, at Hotel Statler, Washington, D. C., June 8, 1944, which appears in the Appendix.]

THE DISMISSAL OF MINISTER FROM FINLAND — ARTICLE BY CONSTANTINE BROWN

[Mr. SHIPSTEAD asked and obtained leave to have printed in the RECORD an article by Constantine Brown dealing with the dismissal of Hjalmar Procope, Minister from Finland to the United States, published in the Washington Star of June 20, 1944, which appears in the Appendix.]

APPROPRIATIONS FOR THE MILITARY ESTABLISHMENT

The Senate resumed the consideration of the bill (H. R. 4967) making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 31, line 3, striking out "$1,800,217,000" and inserting "$1,799,000,000."

Under the order of yesterday, the Senator from Michigan [Mr. FERGUSON] has the floor.

Mr. HILL. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan yield for the purpose of a quorum call?

Mr. FERGUSON. I yield.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Overton
Ball	Green	Pepper
Bankhead	Guffey	Radcliffe
Barkley	Gurney	Reed
Bilbo	Hatch	Revercomb
Brewster	Hill	Robertson
Burton	Holman	Russell
Bushfield	Jackson	Shipstead
Butler	Johnson, Calif.	Smith
Byrd	Johnson, Colo.	Stewart
Capper	Kilgore	Thomas, Okla.
Chavez	Lucas	Thomas, Utah
Clark, Mo.	McClellan	Tunnell
Connally	McFarland	Vandenberg
Cordon	McKellar	Wagner
Davis	Maloney	Wallgren
Eastland	Maybank	Walsh, Mass.
Ellender	Mead	Walsh, N. J.
Ferguson	Murdock	Wherry
George	Murray	White
Gerry	O'Mahoney	Willis

Mr. HILL. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from California [Mr. DOWNEY] is absent on official business for the Senate.

The Senator from Florida [Mr. ANDREWS], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. TRUMAN], the Senator from Arizona [Mr. HAYDEN], the Senator from Maryland [Mr. TYDINGS], and the Senator from Montana [Mr. WHEELER] are detained on public business.

The Senators from Nevada [Mr. MCCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS] are necessarily absent.

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senator from Vermont [Mr. AUSTIN], the Senator from Illinois [Mr. BROOKS], the Senator from Delaware [Mr. BUCK], the Senator from Connecticut [Mr. DANAHER], the Senator from New Jersey [Mr. HAWKES], the Senator from North Dakota [Mr. LANGER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Oklahoma [Mr. MOORE], the Senator from North Dakota [Mr. NYE], the Senator from Ohio [Mr. TAFT], the Senator from Idaho [Mr. THOMAS], the Senator from New Hampshire [Mr. TOBEY], the Senator from Massachusetts [Mr. WEEKS], and the Senator from Iowa [Mr. WILSON] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent, attending the wedding of his daughter.

The ACTING PRESIDENT pro tempore. Sixty-three Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment on page 31, line 3, striking out "$1,800,217,000" and inserting "$1,799,000,000."

Mr. FERGUSON. Mr. President, last evening I was speaking on a subject on which I wish to continue today. As we all know, each year the War Department submits to the Congress a request for an immense and staggering number of billions of dollars, and each year toward the end of the session we are told that it is necessary to rush through an appropriation about which the Congress necessarily can have little understanding, in order that the War Department may continue its most essential and necessary operations. Today we are considering a bill proposing to appropriate the staggering sum of $49,000,000,000. The bill is 64 pages long, and the Canol project presents an interesting example of how little information the War Department actually furnishes the Congress and how easy it is for War Department officials to obtain appropriations for their favored projects, whatever their merit or lack of merit may be.

A Senator diligently studying this 64-page bill would find an utterly meaningless item for the Corps of Engineers, of approximately $1,800,000,000.

If he were a member of the Appropriations Committee of the Senate and had sufficient time to do so, he could go over 10 volumes of so-called detail presented by the War Department. In all those 10 volumes he would not find one single, solitary reference to the Canol project, for which $16,439,688 is sought to be appropriated.

What he would find would be a one-line request for $34,250,000 for the Northwest Service Command, and even that would be marked "secret."

The War Department explains that it never intended to call the Canol project, the ill fame of which is known to the entire country, secret, but that there were other secret items with respect to the

Northwest Service Command which led it to classify the entire requested appropriation as secret.

If the Senator were insistent upon going into the matters referred to as secret—and we all hesitate to do so because of our great desire not to take any chance of assisting the enemy—and if the Senator were to make specific inquiry with respect to a project such as the Canol project, he would find that the War Department representatives had with them at the hearing a volume. A careful examination of that volume would disclose a half page of generalized figures with respect to the Canol project. This is what he would find upon that page:

Canol:	
Maintenance	$8,066,158
Operation	8,373,530
Total	16,439,688

Segregating the above Canol figures, the following division can be made:

	Refinery, access roads, crude line oil field	Distribution lines and flight strips
Operation	$6,326,540	$2,046,990
Maintenance	5,705,920	2,360,238
Total	12,032,460	4,407,228

The total of $12,032,460 is made up as follows:

	Maintenance	Operation
Production facilities at Norman Wells	$708,070	$2,843,720
297 miles crude pipe line to Whitehorse	1,334,740	1,167,540
528 miles service roads along pipe line	2,694,010	
Refinery at Whitehorse	969,100	2,315,280
Total	5,705,920	6,326,540

Obviously these figures are themselves mere generalizations, because they do not indicate how many thousand tons of supplies and how many thousands of men will be required for this operation, or what other operations will have to be sacrificed in order to provide the supplies and men. The Truman committee went into Canada and Alaska and made an investigation of this matter. Therefore, as a member of that committee, I am familiar with the country and the hardships to which men are subjected in order to maintain these roads and pipe lines, as well as the amount of food and equipment essential to be taken there. When we speak of spending $16,000,000 in that region, it means that there must be transported to that area many thousands of men, when we have a manpower shortage in the United States—at least, one is claimed—and a shortage of food, not only for ourselves, but for our allies.

It is proposed to spend $16,000,000 in that region in an effort to provide oil. Mr. President, the procuring of that oil is not a military secret. The Army itself hired men to write magazine articles about it. They were on the pay roll of the United States.

Even if we knew how many men and how much supplies would be required, the figures would still be meaningless unless we happened to know, as I do, and as the Truman committee knows through its detailed investigation of the Canol project, how many barrels of oil are expected to be obtained, and how much the Army is paying to obtain an equivalent quantity of oil elsewhere.

Nowhere in the reports submitted to the Congress will there be found any estimate of how much labor or material is required, or how much oil will be produced. The project is not a military project but an oil-producing project, and it cannot possibly be understood unless we know how much oil, and what kind of oil products are going to be obtained, and how much it would cost to procure the equivalent from other sources.

That is the reason why the Office of the Petroleum Administrator for War should have been consulted with respect to this project. I think it is disgraceful that the War Department should bullheadedly insist on disregarding the Government's experts on oil matters.

In December an Executive order was issued by the President of the United States naming Mr. Harold Ickes as Petroleum Administrator for War. It is significant in this particular case that when the project was started General Somervell acted upon it on the basis of a one-page memorandum. Nowhere in the history of this project can the Truman committee find that the Petroleum Administrator for War, Mr. Ickes, who is the Government's expert, was consulted. We are asked to appropriate $16,000,000. Up until today, in the preparation of the figures, those who are skilled in the production of oil, and should know what it costs to produce oil, have not been consulted.

Mr. President, why have they not been consulted? The reason is that they have not favored this project. It seems that if one does not favor a project, and may be considered a critic, he is not consulted. Only those who are "yes" men are consulted. I believe that when such appropriations are requested the Senate should require the departments of Government which may be considered critics to give us the facts. The experts in the Government should be consulted not only by the Army, but by the Senate.

The Truman committee has obtained from the War Department its estimates of how much aviation and truck gasoline and Diesel oil and fuel oil it expects to produce. Time alone will tell whether those estimates are realistic. If we vote this appropriation we take that chance.

Furthermore, those estimates include products some of which will necessarily be used to operate the Canol project. We cannot spend $12,000,000 to maintain highways, pipe lines, and other facilities for the Canol project without using large quantities of gasoline and other oil products. The oil products for which we are paying $12,000,000 for operation and maintenance are not the total production, but rather the total production less all the gasoline and oil used in connection with that portion of the Canol project. In other words, we will find that great amounts of gasoline and oil produced from those very wells will be used to maintain the wells and to keep the roads open, for they are located in territory where the temperature drops to as low as 70° below zero. The actual amount of oil products which will go to help the United States Government in the war effort will be very small.

The War Department was asked to furnish the Truman committee with information about the number of thousands of barrels of various oil products which would have to be used for the operation and maintenance of the Canol project. As yet it has not done so.

However, if we assume that every barrel of oil it is hoped to obtain is obtained, and if we assume, contrary to fact, that none of the oil is used in operation or maintenance of the Canol project, we still find, on the basis of the War Department's own figures, that we could buy an equivalent amount of products at Los Angeles and freight them to Skagway for $2,568,997. Or if we wanted to buy them at Aruba, in the West Indies, where oil supplies are more plentiful than on the west coast, we could buy them and freight them to Skagway for $3,267,893.

Up until now, so far as aviation gasoline is concerned, every gallon of gasoline has had to be sent to that northern area by water. Therefore, up until the present time, we have obtained no products for the war effort from this expenditure of manpower in an area where men have to work hard. Let me say that the records of the House show that the men who work there are guaranteed 240 hours a month, regardless of whether they work that long a time. If they work more than that, they are paid on the basis of time and a half, as the case may be. I do not criticize men who must work in temperatures ranging as low as 70 degrees below zero for wanting that much pay or for consuming the great amount of food they need. But the fact is that this project was undertaken on the basis of a one-page memorandum, and the Petroleum Administrator for War was not consulted to ascertain whether the project was a worth-while one to undertake while this country was fighting for its life. In other words, if we write off and throw away entirely the $130,000,000 investment, which is what the Canol project has cost thus far, plus another $140,000,000 for the highway—and it has been said that the highway is necessary because there are airfields which are approximately from 200 to 250 miles apart—it may be that we will save in the end. Incidentally, if it be true that the highway is necessary, then I ask the War Department why in Alaska, a territory which is owned by the United

States of America, we find no highway between Fairbanks and Nome, although they are 500 miles apart. Let me say that from Fairbanks to Bethel—and I have been to the airfield there—is a distance of approximately 500 miles, and on the trip between those two places the route crosses another airport known as McGraw. Yet no highways are built between those airfields in that country which is owned by the United States. But let me say that in Canada we find the airports linked by highways; and, Mr. President, we find that in linking them the thought is kept in mind that they are in Canada and will provide for future summer resorts—indeed, log cabins are being built. I myself have seen them. I think the time has come when, because we have battles to fight, we should not be thinking of post-war projects in Canada, but should be thinking about winning battles for America.

Mr. President, those in charge of the construction of this project on the basis of cost-plus-a-fixed-fee contract would not go to Whitehorse to live. They made their headquarters at Edmonton—which is 1,000 miles from Whitehorse—because Edmonton is a larger city. Then the United States Air Force was used to transport the executive officers back and forth over that 1,000 miles. Can we conceive of having such a thing done in time of war?

Mr. President, on the basis of cost-plus-a-fixed-fee contract they built a redwood palace. As we came from Alaska and Canada the soldiers who had worked under great hardships said to us, "Will you look over the redwood palace down at Edmonton?" It is an office building which we had erected there at a cost of $192,000. Eventually it will be turned over to the owner of the land and we will even have to spend $4,000 to put stucco on it, after the war is over. Mr. President, in order to house those who were going to help do that job, they took over a seminary, and spent $920,000 in remodeling it as living quarters for the officers and employees who were in Edmonton, doing a job on a cost-plus-a-fixed-fee contract basis, instead of going to Whitehorse or to Norman Wells, where the work was actually being performed.

Those are the things of which the general who was in charge and the Army say they are proud. It was in connection with those matters that General Somervell, the general in charge, said, in speaking about a check, "What difference did it make? They all use the same size paper." That is the kind of project we are now considering.

In other words, as I have said, if we write off and throw away entirely the $130,000,000 investment, and do not charge ourselves 1 cent of amortization or depreciation, the mere cost of operating and maintaining this refinery will be from four to five times the value of the products obtained. This is the Canol project of which the War Department states it is proud.

Although this is the detail or lack of detail which was furnished to the Congress when appropriations were requested, we all remember the publicity that was given a month or so ago when the refinery began to produce a little motor-truck gasoline, and the very lengthy fanfare with which we were told that the contracts made with Canada and the Imperial Oil had been revised so that we would have available to us a pool of 60,000,000 barrels of oil. This new contract, which deals with the production of oil for the United States, until 2 hours ago had never been furnished to the Petroleum Administrator for War, Mr. Ickes, or to his office. If they wanted to get any information, they had to obtain it from newspaper clippings or elsewhere.

So, again I say it is time for us to use every ounce of effort in the fight to win the war and and every ounce of energy and of judgment which may be available in our various departments. Criticism may be valuable, for a critical attitude may result in the prevention of considerable loss.

I wish to call attention to the fact that even with respect to that negotiation, and despite the recommendation of the Truman committee that the Petroleum Administrator for War be consulted on all points, the War Department did not even take up the question with the oil experts of the United States Government.

Of course, there is no guaranty that 60,000,000 barrels of oil can actually be obtained. The senior Senator from Texas [Mr. CONNALLY] yesterday evening called my attention to the fact that 60,000,000 barrels of oil would be obtained. We must remember that they have a proven well from which they anticipate obtaining 30,000,000 barrels of oil. They have an unproven field from which they anticipate obtaining an additional 30,000,000 barrels of oil. The latter field has not been tapped; they have no knowledge as to whether it has oil or whether it has 10,000,000, 30,000,000, 60,000,000, or any other number of barrels of oil. What we have to consider here and now is the question of what it will actually cost us to obtain those 60,000,000 barrels of oil, over and above what we would pay Canada and the Imperial Oil. I have not mentioned the 15 cents a barrel which we must pay to Canada for every barrel of oil that is taken out of there.

Under the requested appropriation it would cost us more than $4,000,000 a year merely to maintain the pipe line and its access road. It would require the limit of capacity of the pipe line for 60 years in order to transport 60,000,000 barrels of oil. If we acquired the oil for nothing, and if it cost nothing to produce it, nothing to refine it, and nothing to transport the finished products to market after they had been refined, the oil would still cost us $240,000,000.

Mr. President, I have computed that if we take into consideration all the products which have been anticipated, and consider the cost of maintenance and operation of equipment, the cost of the oil will be approximately $9 a barrel. We know what has been said on this floor relative to the price at which oil is sold in this country, and the O. P. A. will not allow the price of it to be increased 35 cents. The price is now down to approximately $1.17 a barrel. I believe that was the figure which was named. But if we compute the figures which have been given, we arrive at a cost of $9 a barrel.

The only possible justifications which have been suggested by the War Department are a shortage of tankers, a shortage of the product on the west coast, and a desire to prove up this project for future use. One tanker has been mentioned as making trips back and forth. When we are talking about one tanker, as compared to the total number of tankers in this country, it is to speak only of a small drop, as it were, compared to the amount of oil which is produced and transported by this country.

The argument that this field should be proved up for future use does not mean much. I do not believe that very many people will be interested in paying $12,000,000 a year for maintenance and operation of this kind of a project. The true meaning of the item is that we do not even yet know anything about operations in this area, and we may find our hopes for the production of oil vastly greater than the actualities will warrant.

Mr. President, I do not present these facts with the idea that the Senate today should delete the requested appropriation. I understand that the Joint Chiefs of Staff have assumed responsibility for handling the funds, and I do not desire in any way to preclude them from obtaining what they ask for, because we want to win the war. But, Mr. President, the responsibility which they agree to assume is one for which they will have to answer after the veil of secrecy has been lifted. I, for one, am now giving notice that when that veil of secrecy shall have been lifted I shall want to know, in behalf of the people of this country, and in a detailed way, why those to whom I have referred assumed such responsibility at such a critical time.

Next year we may have a similar request made to us to continue this boondoggling project. I think we should scrutinize any such request in great detail. I have referred to the Canol project at considerable length because I desired to call to the attention of the Senate the fact that we know very little about the actual use to which the War Department intends to place the $49,000,000,000 which it has requested of the Congress.

Mr. President, so far as strategy is concerned, and so far as guns and cannon are concerned, we want the War Department to get everything it needs; we feel the same about supplies; but we believe that the War Department should consult every available expert in regard to the matters involved, and that it should be willing to consider facts in connection with a project of this nature, which is not a military secret at all, and which has nothing to do with the military program except in its use of many of our soldiers and our civilian population.

Last year, when the War Department made a similar request, several Members of the Senate called attention to the fact that we knew very little about the project for which the money was to be used. It was stated this year that reliable information would be furnished on which

we could act. The whole Canol project grew out of a one-page memorandum from General Somervell, who was anxious to preserve paper, and the congressional authorization was for an item of $25,000,000, which was buried in one of the huge appropriation bills. That $25,000,000 item has since grown to $134,000,000 for the purpose of construction, and we are now being requested to appropriate more than $16,000,000 for operation and maintenance. The request is one which we may receive each year for the next 60 years if we are to obtain the 60,000,000 barrels of oil of which the War Department is so proud.

Mr. THOMAS of Oklahoma subsequently said: Mr. President, earlier today the junior Senator from Michigan [Mr. FERGUSON] discussed at some length the so-called Canol project in Canada and Alaska. I do not desire to make any reply to the statement submitted by the junior Senator from Michigan, but I do ask permission to have printed in the RECORD immediately following the address of the junior Senator from Michigan, a letter from the Under Secretary of War, Mr. Patterson, which states the viewpoint of the Army with respect to the matter discussed by the junior Senator from Michigan.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

WAR DEPARTMENT,
OFFICE OF THE UNDER SECRETARY,
Washington, D. C., June 21, 1944.

Hon. ELMER THOMAS,
United States Senate,
Washington, D. C.

DEAR SENATOR THOMAS: In the consideration of H. R. 4967, the Military Establishment appropriation bill, some objection was made on the floor of the Senate last night to that part of the Engineer Service appropriation providing for the operation and maintenance of the Canol project during the ensuing fiscal year. The total appropriations sought for such operation and maintenance, exclusive of the operation and maintenance of the distribution lines between Skagway, Whitehorse, Fairbanks, and Watson Lake, is $13,235,608, which includes the production of crude oil at Norman Wells, operation and maintenance of the crude pipe line from Norman Wells to Whitehorse and the operation and maintenance of the refinery at Whitehorse, as well as the road from Norman Wells which parallels the pipe line and the maintenance of flight strips along the Mackenzie River.

While the Truman committee criticized our undertaking of this project, it did not recommend that it be abandoned but stated that the decision as to whether the project should be abandoned should be made by the War Department in the light of whether equitable arrangements could be completed with Canada and Imperial Oil, Ltd., for suitable rights in the project. Such new arrangements have been made whereby in addition to obtaining oil for the war at a greatly reduced price, we have obtained an option to obtain up to 60,000,000 barrels at a net price of 15 cents a barrel, plus cost of production, for post-war use. The completion and operation of Canol has been determined by the Joint Chiefs of Staff to be a military necessity.

The project is now in full operation except for the final stage of manufacturing 100-octane gasoline and this also will be in operation in a few weeks.

It is idle to contend that the petroleum products, including 100-octane gas, could be obtained more cheaply on the Pacific coast where our supply is inadequate or from Aruba. We have neither tankers for its transportation to Skagway nor 100-octane gasoline in sufficient supply. The greatly stepped-up Air Force operations in support of our troops in Normandy is taxing our supply of aviation fuel to the limit, not to mention demands in other theaters throughout the world.

The Canol project will supply 100-octane gas and other petroleum products, where needed, along the Alaskan Highway and for airplanes being transported to theaters of operation. The project has been completed in light of the considerations left to our determination by the report of the Truman committee. After we have completed Canol, in pursuance of that report's recommendation, it would be folly not to make use of these facilities in supporting our Army.

To abandon use of this means of obtaining aviation and other fuel, where needed, after all that has been done to date to assure this necessary supply, should be unthinkable.

I hope that the Senate will follow the action of the House of Representatives where the matter was fully considered in committee by authorizing the inclusion of the item in our appropriation bill.

Yours sincerely,

ROBERT P. PATTERSON,
Under Secretary of War.

THE WAR AND PEACE AIMS

Mr. WHERRY. Mr. President, on the floor of the Senate during the past few days I heard the distinguished Senator from New Mexico [Mr. HATCH] speak extensively on the subject of a nonpartisan foreign policy. At the outset I should like to say that I am not a member of the Foreign Relations Committee. On that committee the minority in the Senate have a member who is amply able to represent us admirably when and where it is necessary to do so, and to express the viewpoint of our party on foreign policy. But after a brief discussion with many persons, as well as the distinguished Senator from New Mexico, I wish to say to him that I cannot leave the Senate Chamber and return to Nebraska unless I express an observation, and I wish to thank him for bringing the matter to my attention.

Since the morning of June 6, at 3:31 o'clock, millions of American homes have become shrines of prayer. The hearts of all men who love liberty and who look for justice quicken with our own, as the first sharp thrust of invasion settles into the steady rhythm of a gigantic offensive. The English Channel, the high European skies, and the fertile fields of France, have all become broad highways bearing our forces onward. Each stone and tree, and each hamlet and village left behind by our advancing troops has become a historic milepost on the road to victory.

The magnitude of this undertaking staggers the imagination. Long months of sacrifice, sweat, and toil, long hours of study, and self-discipline, long nights of waiting, tedious days of preparation—all have gone into this unprecedented operation.

We, whose lot it has been to participate only indirectly in this military venture, marvel at the energy, the ingenuity, and the courage which have made it possible. At this very moment our admiration knows no bounds, and our gratitude no words.

These, our boys—our fathers and brothers, our husbands and sons, and all who are carrying the shock of battle to the enemy side by side with our stanch Allies—bear with them our fervent prayers and our fondest hopes. Long since, they have earned our undying praise for the glory they have already brought upon themselves. As they go into the jaws of hell there is no uncertainty, no fear. But courage, heroism, and grim determination are the order of the day. Such are our fighting men. Such have our fighting men been, since this tragic war began.

Whence comes such devotion to duty, such unflinching heroism, such gallantry, and such overwhelming strength? Our own Secretary of State answered this question in his speech of June 20, 1940, at Harvard University when he said:

> Men will defend to the utmost only things in which they have complete faith. Those who took part in the struggle by which freedom was won for this Nation would have found its hardships unbearable if they had not been imbued with transcendent faith in the things for which they fought.

Mr. President, these men and boys of ours know far better than we how futile their striving would be as an end in itself. They are sustained by a faith in their American heritage, which has found its way into the very blood they are now pouring out on the altar of freedom.

The stakes for which they are risking their bodies, their minds, and their lives are unspoiled by cynicism or despair. They have left with us the sacred task of guarding and protecting this heritage, looking to us to keep it undefiled.

What is more, Mr. President, these fighting men of ours desire to crown their victory at arms by sharing this undefiled heritage with others. I cannot bring myself to believe they will be satisfied with any other outcome of the sacrifices they have already made and will continue to make.

Is it not well for us to remember that these men who are now enduring the tortures of the damned will be far more conscious of, and sensitive to, the needs of their fellow beings who have similarly suffered than many of us who have been entrusted with the task of crowning their military triumphs with peace? I shudder to think of the utter disillusionment that will follow this war in the hearts and minds of its veterans if they come to discover that we have failed them in these tasks which they desire fulfilled above all others.

Mr. President, let me remind you and my fellow Americans of these things, neither in the spirit of censure nor of antagonism. This is no time for bickering or dissension. America confronts the most critical hour in her history. The very fate of the human family is at stake. This is not the time to loose partisan thoughts or intentions in our midst. But it could happen again that, in spite of the tremendous difficulties and obstacles our armed forces have been compelled

to overcome, our tasks—the tasks which they have placed squarely in our hands to complete—may turn out to be more difficult than theirs. It is of this grave possibility, Mr. President, to which I wish to call attention.

Ideals and principles, whether moral, intellectual, spiritual, or political, are far more easily talked about than achieved. The price that would have to be paid by posterity for our failure is nowhere better expressed than in the words of our Secretary of State, who warned us on November 1, 1938:

> The world is at a crossroads. But its power of choice is not lost. One of the roads that wind into the future is that of increased reliance upon armed force as an instrument of national policy. So long as the construction of armaments for such a purpose continues to be the center of national effort in some countries, a policy of arming inescapably becomes a universal evil.
>
> Other nations find themselves compelled to divert to preparation for self-defense an increasing part of their substance and their effort. All this requires—in varying degrees, but in all countries alike—ever greater sacrifice of what mankind universally has regarded as a central objective of civilization and progress—namely, a rising level of national welfare and of well-being of the individual.
>
> All this imposes—again in varying degrees, not in all countries alike—a growth of autarchy, an ever more complete regimentation of national life, an impairment of personal liberty, a lowering of every standard of material, cultural, and spiritual existence. If the nations continue along this road, increasingly strewn with the wreckage of civilized man's most precious possessions, they will be marching toward the final catastrophe of a new world war the horror and destructiveness of which pass human imagination.
>
> The other of the two roads is that of ever-increasing reliance upon peaceful processes and upon the rule of law and order in the conduct of relations among individuals and nations.

There is no way for us to escape this choice. Certainly we cannot blame the Nazis or the Fascists for the mental, moral, and spiritual weakness of their opponents. The responsibility for the decision lies squarely on our shoulders. But I submit, Mr. President, that intelligent action is dependent upon access to the truth.

Moral strength is developed only in the exercise of responsibility, and spiritual insight cannot function in a vacuum. If we who are charged with the task of keeping our American ideals uncompromised and of sharing them with other peoples are faithful in carrying out those obligations we must then have more facts placed in our possession.

We would be false to our trust if in this critical hour we did not continue to insist that the gravity of the task that confronts us demands a frank and honest statement from our President as to what commitments he has made in our name.

What hope does he hold out to our men who are now fighting and dying on the battle fronts that their most fervent prayers will be answered? What plans have been made to insure the recognition of the inalienable rights of life, liberty, and the pursuit of happiness? What, indeed, are our boys even now fighting to secure for America, and for the suffering peoples of Europe? Until we know the answers to these questions we shall be unable to make a wise choice between the alternatives Mr. Hull so ably has presented.

Mr. President, on May 23 there was delivered on the floor of the Senate by the senior Senator from New Hampshire [Mr. BRIDGES] a direct appeal to our President to break his silence with respect to our war and peace aims and to broadcast them to the suffering people of the world, and, more particularly, to the citizens of the United States. I want at this time to identify myself with this appeal.

It has always been my understanding of the American tradition that when world currents of violence, greed, duplicity, or immorality swirled threateningly around the heads of our statesmen they refused to swim with the current.

In 1823, when America was only a weak stripling of a nation, with a population of only 7,000,000, Alexander I, the Czar of all the Russias, conqueror of Napoleon, addressed an ultimatum to the United States, declaring his intention of making the northern Pacific a Russian sea, excluding America from any rights in that vast area. Yet, John Quincy Adams forwarded a communication to Alexander I in which he said, in effect:

> This continent is no longer open to colonization by any foreign power.

This communication not only led to 120 years of peace with Russia, but also was later incorporated into the Monroe Doctrine, and has determined our foreign policy down to very recent years.

What if the obstacles to peace are dangerous and difficult to overcome? Are the American people engaged in this war merely to set up graver obstacles in the future, to be overcome only by an even more costly and hazardous resort to arms? What the American people are fighting for now is peace and freedom for all peoples. This is the task they have placed in the hands of their loved ones. They demand no less now from their statesmen.

A full-page Memorial Day tribute to our Nation's heroes appeared in the Potters Herald, of East Liverpool, Ohio, on May 25, 1944, from which I quote:

> It is fitting and proper that 1 day a year be set aside to honor those brave men and women who have given their lives for their country.
>
> This year, however, we feel the urge to do more than the usual flag waving and speech making. As thinking citizens, we believe that wars can be prevented. We see no logic or reason why thousands of our finest citizens must be called upon every generation to pay with their lives for the selfishness, greed, and blunders of a few stupid men in high places. History teaches that it requires far greater statesmanship to prevent wars than to fight them.
>
> Proud are we to be citizens of this great country. We would not be worthy of this citizenship if we did not raise our voices on this Memorial Day to insist that our leaders not only continue to bend every effort to bring this present war to a successful conclusion, but to plan now for a just and lasting peace.

Mr. President, at least the American people want to go on record, even though all hell has finally broken loose in the midst of men, though the spirit of man temporarily moves in the primitive field of brute and beast, that they have not surrendered their fight to keep alive the ideals of truth, goodness, justice, and liberty.

Mr. President, what are our peace aims? What commitments have been made?

God help us if in this dark hour we continue to leave our own people unenlightened, or the suffering peoples of Europe without a promise for the future.

Mr. HATCH. Mr. President, I have listened with a good deal of interest to what the Senator from Nebraska has said, and I find nothing in his remarks with which to disagree. What he has said is exactly what I have been urging.

I remind the Senator that responsibility for whatever peace is to be made or whatever is done by this country rests not alone upon the shoulders of the President of the United States, not alone upon the shoulders of the Secretary of State. This body is an equal partner in formulating and putting into effect any policy which may be determined upon.

I hope to hear the vigorous voice of the Senator from Nebraska raised here on the floor of the Senate stating his own peace aims, because he has his responsibility, and stating how far he is willing to go in an organization of the nations of the world to make an enduring and lasting peace, and to preserve it. I have some faith in the Senator from Nebraska, and I think he may do that. I hope he will.

APPROPRIATIONS FOR CIVIL FUNCTIONS OF THE WAR DEPARTMENT—CONFERENCE REPORT

Mr. THOMAS of Oklahoma submitted the following report:

> The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 4183) making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:
>
> That the Senate recede from its amendments numbered 1, 5, and 8.
>
> That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same.
>
> Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$51,344,000"; and the Senate agree to the same.
>
> The committee of conference report in disagreement amendment numbered 7.
>
> ELMER THOMAS,
> JOHN H. OVERTON,
> RICHARD B. RUSSELL,
> CHAN GURNEY,
> C. WAYLAND BROOKS,
> *Managers on the part of the Senate.*
>
> J. BUELL SNYDER,
> JOE STARNES,
> JOHN H. KERR,
> GEORGE MAHON,
> FRANCIS CASE (except as to No. 7),
> *Managers on the part of the House.*

The report was agreed to.

INTERIOR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. THOMAS of Oklahoma submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4079) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 35, 36, 38, 43, 45, 46, 47, 62, 63, 64, 70, 71, 72, 73, 75, 76, 77, 78, 79, 85, 86, 96, 97, 98, 99, 100, 101, 104, 106, 107, 110, 111, 114, 122, 123, 124, 125, 126, 129, 131, 132, 139, 140, 141, 142, 143, 144, 145, 146, 151, 152, 153, 154, 157, 158, 161, 162, 163, 164, 165, 167, 168, 170, 171, 172, 173, 174, 180, 181, 182, 185, 188, 194, 195, 197, and 206.

That the House recede from its disagreement to the amendments of the Senate numbered 15, 21, 34, 37, 49, 67, 68, 81, 83, 87, 90, 91, 102, 103, 105, 108, 121, 137, 177, 179, 187, 199, 200, 201, and 208, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$115,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$8,500"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,813,540"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$45,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$175,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$302,130"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$79,960"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$132,953"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$212,827"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$132,953"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$212,827"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$345,780"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$10,500"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$39,900"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$39,200"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$39,900"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$39,200"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$89,600"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: "not exceeding $21,650 for construction and equipment of a dormitory building at the Denehotso Day School on the Navajo Indian Reservation"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "and on the Fort Apache Reservation, Arizona, $6,066,940"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$320,000"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,444,250"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$85,650"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$200,000"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$950,000"; and the Senate agree to the same.

Amendment numbered 109: That the House recede from its disagreement to the amendment of the Senate numbered 109, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$450,000"; and the Senate agree to the same.

Amendment numbered 112: That the House recede from its disagreement to the amendment of the Senate numbered 112, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,075,000"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$4,321,000"; and the Senate agree to the same.

Amendment numbered 117: That the House recede from its disagreement to the amendment of the Senate numbered 117, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$500,000"; and the Senate agree to the same.

Amendment numbered 118: That the House recede from its disagreement to the amendment of the Senate numbered 118, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$750,000"; and the Senate agree to the same.

Amendment numbered 119: That the House recede from its disagreement to the amendment of the Senate numbered 119, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$1,250,000"; and the Senate agree to the same.

Amendment numbered 120: That the House recede from its disagreement to the amendment of the Senate numbered 120, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$15,000"; and the Senate agree to the same.

Amendment numbered 130: That the House recede from its disagreement to the amendment of the Senate numbered 130, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$875,000"; and the Senate agree to the same.

Amendment numbered 134: That the House recede from its disagreement to the amendment of the Senate numbered 134, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$170,000"; and the Senate agree to the same.

Amendment numbered 135: That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$23,750"; and the Senate agree to the same.

Amendment numbered 136: That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,700,000"; and the Senate agree to the same.

Amendment numbered 147: That the House recede from its disagreement to the amendment of the Senate numbered 147, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$797,595"; and the Senate agree to the same.

Amendment numbered 148: That the House recede from its disagreement to the amendment of the Senate numbered 143, and agree to the same with an amendment as

follows: In lieu of the sum proposed insert "$90,000"; and the Senate agree to the same.

Amendment numbered 149: That the House recede from its disagreement to the amendment of the Senate numbered 149, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$7,000"; and the Senate agree to the same.

Amendment numbered 150: That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,024,480"; and the Senate agree to the same.

Amendment numbered 159: That the House recede from its disagreement to the amendment of the Senate numbered 159, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$657,640"; and the Senate agree to the same.

Amendment numbered 160: That the House recede from its disagreement to the amendment of the Senate numbered 160, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$50,000"; and the Senate agree to the same.

Amendment numbered 175: That the House recede from its disagreement to the amendment of the Senate numbered 175, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$200,000"; and the Senate agree to the same.

Amendment numbered 176: That the House recede from its disagreement to the amendment of the Senate numbered 176, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,106,278"; and the Senate agree to the same.

Amendment numbered 178: That the House recede from its disagreement to the amendment of the Senate numbered 178, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$317,540"; and the Senate agree to the same.

Amendment numbered 183: That the House recede from its disagreement to the amendment of the Senate numbered 183, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$865,000"; and the Senate agree to the same.

Amendment numbered 184: That the House recede from its disagreement to the amendment of the Senate numbered 184, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$334,900"; and the Senate agree to the same.

Amendment numbered 186: That the House recede from its disagreement to the amendment of the Senate numbered 186, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following, "$610,675"; and the Senate agree to the same.

Amendment numbered 189: That the House recede from its disagreement to the amendment of the Senate numbered 189, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$5,185,548"; and the Senate agree to the same.

Amendment numbered 190: That the House recede from its disagreement to the amendment of the Senate numbered 190, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$900,000"; and the Senate agree to the same.

Amendment numbered 192: That the House recede from its disagreement to the amendment of the Senate numbered 192, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$6,085,543"; and the Senate agree to the same.

Amendment numbered 193: That the House recede from its disagreement to the amendment of the Senate numbered 193, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$825,000"; and the Senate agree to the same.

Amendment numbered 198: That the House recede from its disagreement to the amendment of the Senate numbered 198, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,250,000"; and the Senate agree to the same.

Amendment numbered 204: That the House recede from its disagreement to the amendment of the Senate numbered 204, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$100,000"; and the Senate agree to the same.

Amendment numbered 205: That the House recede from its disagreement to the amendment of the Senate numbered 205, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"SEC. 8. Not to exceed a total of $40,000 of the appropriations contained in this Act shall be available for expenditure for long distance telephone tolls, and not to exceed a total of $40,000 shall be available for expenditure for telegrams and cablegrams, and the savings effected thereby in the items "communication services", as set forth in the Budget estimates submitted for such appropriations shall not be diverted to other use and shall be covered into the Treasury as miscellaneous receipts."

And the Senate agree to the same.

Amendment numbered 207: That the House recede from its disagreement to the amendment of the Senate numbered 207, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment, strike out "9", and insert in lieu thereof "9a"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 39, 40, 41, 42, 82, 84, 88, 89, 93, 94, 115, 116, 127, 128, 133, 138, 155, 156, 166, 169, 191, 196, 202, and 203.

CARL HAYDEN,
KENNETH MCKELLAR,
ELMER THOMAS,
JOSEPH C. O'MAHONEY,
DENNIS CHAVEZ,
RUFUS C. HOLMAN,
CHAN GURNEY,
Managers on the part of the Senate.

JED JOHNSON,
JAMES M. FITZPATRICK,
MICHAEL J. KIRWAN,
W. F. NORRELL,
ALBERT E. CARTER,
ROBERT F. JONES (except as to amendments 106, 108, 109, 117, 118, 119, 120, 121, 130, 134, 135, 136, and 138),
BEN F. JENSEN,
Managers on the part of the House.

The report was agreed to.

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4679, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 20, 1944.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 39, 40, 41, 42, 82, 84, 88, 93, 94, 115, 169, 191, and 196 to the bill (H. R. 4679) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 89 to said bill and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment insert "$556,450."

That the House recede from its disagreement to the amendment of the Senate numbered 116 to said bill and concur therein with an amendment as follows: In line 2 of the matter inserted by said Senate engrossed amendment strike out "$350,000" and insert "$340,000."

That the House recede from its disagreement to the amendment of the Senate numbered 127 to said bill and concur therein with an amendment as follows: In lieu of the sum named in said amendment insert "$2,500,000."

That the House recede from its disagreement to the amendment of the Senate numbered 128 to said bill and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment insert "$1,045,000."

That the House recede from its disagreement to the amendment of the Senate numbered 133 to said bill and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment insert "$12,142,200."

That the House recede from its disagreement to the amendment of the Senate numbered 138 to said bill and concur therein with an amendment as follows: In line 4 of the matter inserted by said Senate engrossed amendment, strike out "$800,000" and insert "$400,000."

That the House recede from its disagreement to the amendment of the Senate numbered 155 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert:

"Anthracite investigations: For all expenses necessary to conduct inquiries and scientific and technologic investigations concerning the mining, preparation, treatment, and use of anthracite coals; including purchase of special wearing apparel and equipment for the protection of employees while engaged in their work; and other items otherwise properly chargeable to the appropriation 'Contingent expenses, Department of the Interior'; purchase, not to exceed $3,000, operation, maintenance, and repair of passenger-carrying automobiles; and not to exceed $6,500 for personal services in the District of Columbia, $81,000: *Provided*, That the Secretary, through the Director of the Bureau of Mines, is authorized to accept buildings, equipment, and other contributions from public or private sources."

That the House recede from its disagreement to the amendment of the Senate numbered 156 to said bill and concur therein with amendments as follows:

In line 9 of the matter inserted by said Senate engrossed amendment, after "Columbia" insert "(not exceeding $90,000)";

In line 12 of the matter inserted by said Senate engrossed amendment, after "purchase" insert "(not exceeding $15,000)";

In line 16 of the matter inserted by said Senate engrossed amendment, strike out "$8,000,000" and insert "$5,000,000"; and

In line 34 of the matter inserted by said Senate engrossed amendment, after "shared" insert a period and strike out the remainder of the paragraph.

That the House recede from its disagreement to the amendment of the Senate numbered 166 to said bill and concur therein with amendments as follows:

In line 20 of the matter inserted by said Senate engrossed amendment, strike out "$75,000" and insert "$35,000";

In line 22 of the matter inserted by said Senate engrossed amendment, strike out "$150,000" and insert "$75,000";

In line 34 of the matter inserted by said Senate engrossed amendment, strike out "$120,000" and insert "$50,000"; and

In line 35 of the matter inserted by said Senate engrossed amendment, strike out "$6,000,000" and insert "$3,000,000."

That the House recede from its disagreement to the amendment of the Senate numbered 202 to said bill and concur therein with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert "$208,375, to be expended by and under the supervision and direction of the Governor."

That the House recede from its disagreement to the amendment of the Senate numbered 203 to said bill and concur therein with an amendment as follows: At the end of the matter inserted by said amendment before the period, insert "to be expended by and under the supervision and direction of the Governor."

Mr. THOMAS of Oklahoma. I move that the Senate agree to the amendments of the House to the amendments of the Senate Nos. 89, 116, 127, 128, 133, 138, 155, 156, 166, 202, and 203.

The motion was agreed to.

POST-WAR PLANNING AND POLICIES

Mr. McCLELLAN. Mr. President, for quite some time much has been said, a lot has been written, and a little done with respect to planning the course and the policies our Government shall pursue in the aftermath of the present war.

But few among us have ever seriously doubted that our arms would ultimately triumph on the field of battle. Our successes, although many times amounting to only comparatively small gains in this great conflict, have constantly stimulated our faith, and reassured us that we could and would develop the strength and power to administer a crushing defeat to all our enemies. If there was ever any justification for doubt regarding the final outcome of our military efforts, the recent matchless achievement in the history of wars consummated by the United Nations in the successful invasion of Europe should serve and does serve to dispel completely any thought of failure in the hearts and minds of the most timid and skeptical of our people. The landing of our troops on the beaches of occupied France marked the beginning of the decisive and inglorious defeat of Hitler and all the satellite countries of Germany. We are now on the road to Berlin. The day of judgment for tyrannical aggressors and would-be world conquerors draws closer as the battle lines are extended, and as we move steadily onward toward the heart of Nazi Germany.

However, with the certainty of ultimate military victory firmly established we are not rid of all the doubts and fears that have troubled our hearts regarding the attainment of a lasting peace. It is not too early to think about it or to plan for it. We have already taken the first step. The Connally resolution passed by the Senate and the Fulbright resolution passed by the House of Representatives express the hope and aspirations of the American people, and assert our willingness as a Nation to assume our responsibility of leadership in collaboration with the Government of the United Nations in the creation of an international organization to the end that peace may be made secure and perpetuated for many generations to follow.

The mechanics of peace, however, will not be readily discovered nor can they be easily applied to all of the conditions and complications that will necessarily arise in the post-war world. An economic struggle will follow this war. That appears inevitable. Commerce, transportation, communications, and business and economic relationships between countries and governments will tremendously expand, and new frontiers of trade and enterprise will appear which different countries and peoples will desire to embrace and will seek to attain. In this field of opportunity we shall be blind and unrealistic if we do not expect and anticipate competition, the keenest and most difficult of which we shall encounter among some nations which are now our allies, and who, like us, now fight to remain free. We are allies today in a common cause, in the cause of humanity, in defense of and for the survival of our civilization. In the world of economics tomorrow we shall be competitors.

The writing of the peace treaty will challenge the ingenuity and statesmanship of all who participate in its formulation. That document must serve as the foundation and the basis for the future security of a permanent peace. Assuming that the peace treaty as such and the international organization that we hope to establish will be predicated on principles and fundamentals equally as sound for world security as the Declaration of Independence and the Constitution of the United States proved to be for the building of this great Nation, still the job will not be finished. That achievement standing alone will not be sufficient. Establishing peace will be a great accomplishment within itself, but preserving the peace of the world will be a continuous job which will require endless effort and perseverance. The price of permanent peace is not the mere writing of a just treaty. It involves the cost of eternal vigilance for the enforcement of its provisions and for the protection and attainment of its continuous objectives.

In the twenty-odd-year interim between World War No. 1 and the present war some foreign powers were actively engaged in planting in this country many foreign-born ideas and isms. This was done for the purpose of softening the American people and influencing and shaping public opinion here along lines that would be of material benefit to them and harmful to us. They sought to make us complacent with respect to our own security while they feverishly prepared for our destruction. Surely they failed. At least, they did not succeed, but it cannot be successfully contended that they made no headway, or that to some degree they did not impair our strength, retard our preparedness, and affect our ability to make adequate defense before serious injury could be inflicted upon us. Because we were lulled into complacency and a false sense of security we were caught off balance and dealt some heavy blows before we could regain our equilibrium and get ready to defend ourselves in this mortal conflict. Because we were not ready and not adequately prepared, because we were not as alert and realistic about world conditions as we should have been, we failed to sense the impending danger and failed to prepare to meet it. Today we are having to pay for that mistake by the expenditure of billions and billions in values of the wealth of our material resources and with the blood and lives of hundreds of thousands of our finest young manhood.

Mr. President, this must never happen again. Whaever treaty we may write, whatever formula for peace may be adopted, it must not involve nor require America to disarm. We shall not sink our battleships, scrap our merchant marine, nor barter away our great air fleet and surrender bases that will be necessary for our use again should another Hitler arise or should any power ever enter upon another war of aggression against us.

Mr. President, there are other "isms" and propaganda that will be planted and used in this country to influence us in the shaping of our post-war policy with respect to international commerce in the future, and I refer particularly to air transportation. Today America leads all countries of the globe in developments and attainments in the field of aviation. Aviatıcn will play an important part, it will be a major factor in world commerce when this war ends. There will be strong competition in this field of enterprise. Nation will strive against nation for advantages if not for control of the commerce of the air. This is or should be recognized by every intelligent citizen. It is therefore imperative that we be concerned about our national policy with respect to international air transportation. I doubt whether anyone is prepared at this hour to anncunce just what our national policy should be in this respect. It must yet be studied and developed. But no one with vision or foresight can contemplate the future without being concerned about it and without being anxious that our Government, and its leaders and statesmen who formulate our national and international policies, give it immediate thought and discuss it with the view of being prepared to establish a policy that will insure us our rightful place in this character of world commerce. This problem is of growing importance and every American has the right and duty not only to discuss it but to express his or her thoughts and views to their representatives in the National Congress and to the executive officials of the Nation who have a responsibility connected with the foreign policy of our Government. In this connection, the Congress has a serious and demanding obligation. In no small way, in my opinion, is the future prosperity, safety, and security of our Nation involved, and it is the solemn duty of the Congress to accept and meet intelligently and courageously this responsibility. We must give the subject study and endeavor to arrive at sound conclusions, and make effective the policy that will best serve our country and afford it the greatest measure of protection in the future.

Sometimes we hear disturbing rumors, and particularly so here in Washington, regarding secret agreements being made with other governments with respect to post-war policies and obligations of our country. It is intimated that some of these are made without congressional deliberations, sanction, or approval. Perhaps these rumors are unfounded. I hope all of them are without foundation of fact, but it is a part of our responsibility here in Congress to make certain that there is and shall be no trading away of American rights, no matter how sincere the purpose or how honest the motives may be of those who would undertake to obligate our Government, until and unless the matters involved have first been made public and fully cognizant to the Congress and to the American people.

It is divulging no military secret when we face the fact and frankly admit that there are many differences of opinions between leaders of the Allied Nations with respect to post-war policies and spheres of influence which are expected and intended to be established in the post-war world. I doubt that there is anyone in our Government today who knows and can give us assurance as to what will be the post-war policies of Stalin and Churchill, or of other leaders of major powers in the United Nations. Our statesmanship and the courage of our leaders are challenged by this situation. We shall certainly be faced in the peace era with new problems which we have not yet had an opportunity to study, with some we do not yet know about and which will be so entirely new, complicated, and far reaching that they can be potentially of great danger to our country and its future security.

Theories and idealistic suggestions are interesting as subjects of study and entertainment, but in facing these problems and undertaking to meet and solve them, we cannot afford to be anything other than most realistic, intelligent, and patriotic in our endeavor to find their proper and rightful solution.

As an example of confused thinking, misleading information, and conflicting statements, our attention has been called to a somewhat recent press dispatch from London which stated that Lord Beaverbrook announced in the House of Lords that Great Britain now favors the American-sponsored plan of freedom of the air, having reluctantly abandoned a Canada backed post-war plan for central international control of post-war civil aviation, following United States opposition. Lord Beaverbrook is reported to have said that the American plan for fixing standards and rates was based along the lines of the four freedoms of the air, namely, according to his interpretation, (1) the right to fly, (2) the right to land, (3) the right to set down passengers, mail, and cargo and (4) the right to pick them up, anywhere in the world.

What Lord Beaverbrook may have meant by the expression "American sponsored" plan of freedom of the air, I do not know. I am not advised of any officially recognized or established American plan as yet. If there is one that is authentic and bearing official sanction, I know nothing about it. Apparently then, Lord Beaverbrook must have had in mind some scheme devised and possibly defined by some individual or by some particular group in America. If so, it is certainly misleading to refer to it as "the American plan." In my judgment, informed opinion is now beginning to crystallize along lines which are much different from the so-called "four freedoms of the air."

Those who have made a careful study of this situation have discovered that the so-called "four freedoms," the right to fly, the right to land, the right to set down passengers, mail, and cargo, and the right to pick them up anywhere in the world, has implications which extend far beyond and mean far more than freedom of the air. Such a policy would certainly involve the surrender and relinquishment of the ownership of air space above our own country. That concept of freedom of the air, as expressed by Lord Beaverbrook, would simply mean that the commercial aircraft of any country in the world would be entitled to fly to any inland point or air base in the United States, to pick up or discharge passengers, mail, and cargo, and to carry on an air commerce business into, in and out of this country, and make use of local and domestic airports in direct and destructive competition with the enterprise of our own domestic air lines and commerce.

Moreover, if that broad conception of freedom of the air were to be adopted without qualification we would have no jurisdiction over foreign airplanes operated within the borders of our own country—not even with respect to safety regulations, precautions, and traffic control.

I understand that Lord Beaverbrook's statement in the House of Lords was made following a conference in London by a representative of our State Department, Adolf Berle, Jr., United States Assistant Secretary of State—with representatives of the British Government. The details and conversations of that conference, so far as I know, have never been made public.

However, the Secretary of State has given assurances that these conversations were merely exploratory and that they in no way committed this Government to any particular policy or course of action. Therefore, I do not intend that my remarks shall be construed as criticism of the conversations that took place, nor do I necessarily intend to raise a point of controversy with Lord Beaverbrook over his interpretation or his application of the freedom of the air theory, but I do point out that such occurrences and such utterances as may have emanated from this conversation on the important subject of international air-transportation policy can only add confusion rather than contribute to clarification of this issue.

Mr. President, the consequences that can ensue as a result of policies we may ultimately adopt are of such great significance as to command sober thinking and diligent study, in the hope that no mistake will be made, and that our interest as a government and as the leading Nation in the field of aviation and the future security of our country will be adequately protected.

The Congress has not been unmindful of this problem. A Senate Commerce Committee subcommittee under the leadership of the senior Senator from Missouri [Mr. CLARK] has been conducting extensive hearings in an endeavor to establish the facts and to get a cross-section of opinion from the best informed with respect to international air transportation and what the policy of our Government should be in the post-war period. This subcommittee is giving this subject much time and most careful study. I am informed it has had many competent and expert witnesses before it, including executives or representatives of all of our American air lines. In all probability, this committee will be able soon to make a report and give us the benefit of the information it has obtained and of its conclusions and recommendations.

It is obvious that very controversial questions are involved. For this reason I understand that the subcommittee's hearings have been held in executive sessions, with the view that all witnesses might, therefore, be able to speak freely and frankly on the subject without incurring the risk of misinterpretations in the publication of their ideas during the intermediate period of their presentation. This subject is of such complexity and importance that I know this committee has had a heavy task in studying the details of various theories which may have been advanced and recommended. It is exercising the utmost care to avoid reaching conclusions in haste, in a sincere effort to develop the facts, to serve as the basis for future congressional action.

Since this committee will likely soon report to the Congress, it appears to me that no one should be influenced at this time by any foreign propaganda or by any statements or information that may be given out by any prejudiced persons or groups or by any self-serving interests.

Unfortunately, there may be many interests, some for purely selfish reasons, endeavoring to shape or influence national policy with respect to this matter who are not giving adequate thought, primary concern, or consideration to the welfare of our country as a whole. No particular air-line agency, group, association, or corporation should be favored as such. The welfare, development, success, further expansion, or prosperity of any particular air line in America as such is not of first importance. Superseding their interest is the future safety and security of our country. Our national policy must be formulated with that as our paramount objective.

I recognize that sharp contention has arisen among our domestic companies over air policy with respect to foreign commerce. Some want this field of enterprise thrown wide open to all existing and established commercial air-transport systems. Others hold to the view that one large over-all company, owned and participated in by all of our

domestic aviation interests, can best compete with foreign commercial aviation and thus can operate more efficiently and secure for us a greater share of the world's air-transport business. Mr. President, this controversy will be resolved by whatever policy our Government establishes and pursues. We should not be primarily concerned about the welfare or advantages of any special interest or particular air-transport system. Our country and its welfare must come first. We must determine, if we can, which of these methods of approach in creating a national policy will, when in operation, afford the greatest protection from the standpoint of national security and which will produce for our country the maximum amount of foreign air commerce. When we know the answer to this, then our course will be clear and our duty compelling.

Foreign commerce during the past half century has greatly increased in importance. In the next quarter of a century that importance will be greatly accentuated and multiplied. Therefore, every American activity even remotely affecting our future foreign commerce should be dealt with in the soundest possible manner. In this connection, I am convinced that our policy should embrace plans that will result in a far greater percentage of our future foreign commerce being carried on American bottoms and in American planes than ever before in the history of our country.

Why should we not carry a substantial part of our own exports and imports? Any post-war plans and policies of our Government should provide for this. In 1922 approximately 50 percent of our foreign commerce was carried on American ships. According to charts and records of the United States Department of Commerce that percentage continuously declined until in 1939 it was below 25 percent. Think of this country transporting less than one-fourth of its own foreign trade. Shall we permit that to occur again? If we, through lack of vision or courage, fail to provide for and secure for American air lines our rightful share of air commerce in the post-war era we shall be derelict in our duty, and the future economy and welfare of our country will greatly suffer on account of such failure.

As the greatest Nation in the world and as the leader in the field of aviation, it is our solemn duty to prepare now to secure for our people our fair share of the anticipated increase in international commerce in the post-war world. We will have the greatest number of trained aviators the largest number and the finest quality of airplanes. We will have greater capacity for their production and better facilities for their maintenance and operation than any other country in the world. Shall those who are now engaged in this great and growing industry and who are receiving this training and being equipped for such a career and this character of labor come home following the war to find our country unprepared and apparently little interested in giving them the opportunity that they will so richly deserve? If we are to take our rightful place in post-war aviation and commerce those who now are keeping our bombers and fighter planes flying in this fight for freedom will not come home when the war is over and find they have to join the ranks of the unemployed. We must make it possible for a substantial number of them, at least, and for many American families to gain their livelihood from such activities, and we should continue to train a fair percentage of our youth to engage in this field of endeavor.

We have a standard of living to maintain. It can be maintained if we shall only continue to exercise the same ingenuity of thought and effort which have attended the growth, development, and prosperity America has enjoyed in the past.

Mr. President, the subject I am now discussing is not insignificant or of indifference to the great masses of our people. Many of them are giving this problem serious thought, and are making it the object of study and concern. The leadership of some of the great labor organizations of our country are vitally interested in this problem. Quite naturally, the executives and leaders of those organizations have undertaken to visualize the situation, particularly as to how it will involve and affect wage levels and standards of living. Their interest and the welfare of their members, as well as the interest and welfare of all laboring people, whether members of labor organizations or not, should be considered. It is both wise and expedient that labor leaders, labor organizations, and the laboring man, whether in or out of a union, should give thought to what our post-war policy should be regarding air transportation. Post-war standards of living are of paramount importance to the laboring man, as well as to all of the rest of us. From expressions which come from the leaders of those organizations, it is apparent they are looking not only to their own immediate interests, but are thinking in terms of the welfare of this Nation as a whole. For example, Mr. Alvanley Johnson, grand chief engineer of the Brotherhood of Locomotive Engineers, and Mr. A. F. Whitney, president of the Brotherhood of Railway Trainmen, issued a joint statement regarding national policy on aviation, and I take the liberty of quoting from it:

> That the post-war development of international air commerce will have a far-reaching effect upon our world society and the future of America is regarded as a major post-war certainty by nearly everyone. We believe that the time has come when our Government should assume a leading part in the shaping of America's future international and domestic air-transport policy. We believe that there should be a thorough public discussion of this important problem, and that its solution should not be left entirely to diplomatic negotiations. The people of the United States should move now to formulate and establish a comprehensive policy.
>
> The present war has seen the development of air power as a third major branch of the military. Nations heretofore have competed principally in the building up of armies and navies. We have now three-dimensional warfare. If the United Nations fail to establish the machinery to secure world peace, then a key issue in the preparation for the inevitable World War No. 3 will be that of air policy. Therefore, considerations of international air policy are not alone simple considerations of labor policy, as such, and of maximum service at minimum cost. International—and also domestic—air-transport policy is inextricably enmeshed with the issue of national safety and of war and peace.
>
> "Sovereignty of the skies" describes the system under which all international air transport has been developed.

Mr. President, I doubt if it is wise to abandon that system without careful and cautious consideration.

I continue to quote from the joint statement:

> It is established that each nation shall have full authority or "sovereignty" over the air space above its own territorial domain. Under this system, air lines carrying the American flag are now leading in the field of international air commerce. This principle means that foreign air lines cannot land, refuel, and do business in this country, or fly their planes over it, except as authorized in a specific franchise.
>
> The term "freedom of the air" would seem to imply the right of the international air carriers of all nations to fly anywhere and land anywhere and do business anywhere on the face of the earth without restriction of national boundaries. The British interests, who are now the leading exponents of the principle, have broken down the definition into three parts: First, the freedom of peaceful transit over all territories for the aircraft of all nations; second, the free access to airports and other air facilities; third, the freedom to transport international traffic, including goods and passengers, under any flag from any point of origin to any destination.
>
> In general we believe that the unsettled international situation and the unpredictable ultimate results of post-war peace plans call for a continued maintenance, in fact a "freezing," of our policy. We are therefore opposed to any relaxation of our present control of our air space. For the present we must consider complete sovereignty of the air as a necessary principle of national safety. Until the machinery of post-war peace has been designed and made operative it would be unrealistic, in fact national folly, to barter away any military and commercial protection or advantage which sovereignty now gives the United States. * * *
>
> High wage standards are essential in a highly skilled industry like air transportation. Government policy should be devoted to the support of such standards and the protection of the American carrier, maintaining them against cheap labor of foreign powers. Such a policy will react to maintain wage standards in all other forms of transportation and the American standard of living. We have, therefore, suggested in point 1 above that the Congress study this problem.
>
> It is by no means certain that the United Nations will be able to agree on a "decent and durable peace" after the Axis Powers are defeated. In any event, until such a peace is assured, the American people should not sink their Navy; junk, abandon, or sell their merchant marine; barter away our large reserves of aircraft; or in any way relinquish their present advantages in commercial aeronautics and military air power.

I should like also to call attention to a recently published statement by Mr. George Meany, secretary-treasurer of the American Federation of Labor, published in the American Federationist, in which he goes rather thoroughly into the implications of international air transportation as it may affect the future of our

country. I quote two paragraphs from his article:

In the final analysis, let us remember that the whole problem of civilian air transport in the future is inevitably tied to our future as a nation. Who flies airplanes over our country is our business. Who makes the airplanes that fly over our country, and at what wages these planes are made, is also our business. Let us in the case decide coolly and calmly for ourselves what we should do in the air-transport field of the future to protect ourselves. Let us not make such decision on an emotional basis superinduced by a slogan that sounds good to us.

Let those who are interested in avoiding unnecessary unemployment among American workers and in protecting American wage standards from the unfair competition of low-wage countries operating through Government-subsidized monopolies, avoid being carried away by "freedom of the air."

Another interesting article on this subject has been written by Dr. Arthur E. Traxler, and appeared in the December issue of International Conciliation, circulated by the Carnegie Endowment for International Peace. In the article he analyzes the various theories and recommendations advanced by certain groups and then summarizes the situation in part as follows:

Commercial air power, whether we like it or not, is going to be a spearhead instrument of national policy so long as any vestige of nationalism remains in the world political structure. To ignore this fact would be dangerous and to neglect it would be suicidal. The policy of the United States on international air transport should be one of enlightened self-interest for the immediate future, coupled with a dynamic long-term policy of international cooperation and good neighborliness.

The idea of "freedom of the air" is admirable as a long-term goal, but it is utterly impracticable under present conditions. With an International Civil Aeronautics Administration, which would necessarily work in cooperation with other international bodies, the ideology of "freedom of the air" is simply a cloak for anarchy in international air transportation. Neither the idealists nor the air-line leaders who take a realistic point of view should stand in the way of an undertaking to secure regulation of world air traffic. The fact that the voices which have been raised in favor of this so-called freedom are articulate and strong will not count in the balance when the problem is really faced and all the facts are represented in international negotiations.

The present practice of the major powers with respect to the securing of operating rights in other countries should be continued. This practice consists of the conclusion of liberal reciprocal agreements between the leading nations and the obtaining of unilateral franchises covering rights to operate air lines in other countries.

Mr. President, thousands of American boys have already given their lives in this war. Thousands upon thousands more will die on the field of battle before it shall end. They do not believe they are giving their lives in vain. They are inspired to go beyond the call of duty in deeds of daring and heroism and to sacrifice life itself in order to preserve to their country—your country and mine—and to their loved ones, and to posterity, that something that we have always regarded even more precious than the life of any individual, that something that we call freedom, that which we term "The American way of life," what the world knows and recognizes as Christian civilization. We are not fighting a war of conquest. We are not aggressors. We are defenders in this conflict, defending the precious heritage that is ours, that was bought with the price our forefathers had to pay before they could establish this land of the free and the home of the brave. We all know that our country has no desire or war aims to seize territory from, or to encroach upon or destroy, the just rights of any nation as a result of this war. It is not our purpose to take anything away from any other nation, victor or vanquished, that is rightfully theirs. We seek only a world in which the family of nations can live and survive in friendship, peace, and good will. That is our goal. God grant that we may achieve it. But, Mr. President, we, the lovers and defenders of liberty for the human race, must be on guard. We do not want to find ourselves in the position, when the smoke of battle shall have cleared away, or to take any course thereafter which would be tantamount to having acquiesced in, or, much less, of having deliberately arranged through neglect or indifference to give away to other nations anything that rightfully belongs to America, and which is vitally essential to our future posterity and national security.

We should bear in mind the statement of Prime Minister Churchill of England when he said on November 10, 1942, "I have not become the King's First Minister in order to preside over the liquidation of the British Empire."

Mr. President, we are not fighting this war with the purpose of surrendering or liquidating American sovereignty after the military victory shall have been won. Premier Marshal Stalin has repeatedly in public utterances taken a firm stand with reference to the future of his country. These two leaders of our major allies have definitely indicated to the rest of the world that they have no thought of either surrendering or impairing the national sovereignty of their countries when this war shall end, although their governments, as well as ours and others of the United Nations, must pursue a course of collaboration and united effort to maintain peace. Nevertheless, I believe as do they—and the thinking people of America agree—that the way to lasting peace should be found and can be found without the surrender of national sovereignty.

Mr. President, we are doing our full share in this war. Not only are we pouring our own blood on the field of battle, giving the lives of the bravest and best of the fair youth of our land, but we are also, by reason of our abundant resources and tremendous productive capacity, making available through lend-lease and other methods, the sinews of war in large quantities to all of our allies. We are literally taking care of and feeding hundreds of thousands, and possibly millions of refugees and liberated peoples in areas which we have retaken from the enemy.

Oh, yes, Mr. President, some of those peoples and some of those countries may soon forget our generosity, and our great effort and contribution toward their liberation when this war is over, but history cannot fail to take full account of it. We do not mind these sacrifices. I make no criticism of them. I am glad that my country is able and that our people are willing to make those sacrifices, and to make such a contribution to the needs of humanity. But, Mr. President, I also believe that in doing all those things, and as we fight in battle to achieve what is in the hearts and minds of us all as the clear, immediate objective—the winning of the war—we should not be indifferent to the welfare of our country, nor to its future security, the happiness and prosperity of our people when this war shall end. Duty and devotion to country compel diligent, intelligent, and courageous statesmanship as we undertake the solution of this tremendous and vital problem.

APPROPRIATIONS FOR THE MILITARY ESTABLISHMENT

The Senate resumed the consideration of the bill (H. R. 4967) making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes.

Mr. THOMAS of Oklahoma. Mr. President, I ask for the regular order, which is action on the pending amendment, so that we may finish the amendments on the War Department appropriation bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 31, line 3, striking out "$1,800,217,000" and inserting "$1,799,000,000."

Mr. WHITE. Mr. President, will the Chair advise me what is immediately before the Senate?

The PRESIDING OFFICER. The question before the Senate is the amendment just stated by the Chair on page 31, line 3.

Mr. WHITE. It is a committee amendment, as I understand?

The PRESIDING OFFICER. It is a committee amendment.

Mr. WHITE. Very well.

Mr. BALL. Mr. President, the junior Senator from Michigan [Mr. FERGUSON] has discussed the Canol project at some length. I understand from him that no amendment to eliminate the project from the pending bill is to be offered. I think that is a wise decision. At this late hour, obviously it could not have the consideration which it should have. However, before the amendment is adopted I desire to express my general agreement with the statement made by the junior Senator from Michigan.

I sat on the Truman committee during the whole investigation of the Canol project and while the original intent of finding new sources of oil unquestionably was sound, I think the evidence we collected demonstrated that long after the feasibility and wastefulness of the project from an economic point of view had been proved the War Department insisted on bulling it through regardless of cost. It is true that there is a tremendous amount of waste involved in fighting a war, but it seems to me that when the usefulness of a given project has been demonstrated, as it has been

demonstrated in the case of this project, there is no excuse for going on with it.

I merely want to add that, as a member of the Appropriations Committee, I hope that next year this bill will come to the Senate soon enough so that the committee may really dig into this particular item.

Mr. WILLIS. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. WILLIS. Can the Senator inform me whether there was ever a specific appropriation by the Congress for the Canol project?

Mr. BALL. I understand there was an item of $25,000,000 in an appropriation bill 2 years ago.

Mr. WILLIS. The total amount expended to date approximates what sum?

Mr. BALL. The amount is approximately $135,000,000, as I recall.

Mr. WILLIS. So it is revealed that, regardless of whether Congress makes the appropriations, these wasteful projects go on?

Mr. BALL. As the Senator knows, since the beginning of the war military appropriations have been lump-sum appropriations, with very wide latitude in the expending agencies.

Mr. WILLIS. And this shows the wisdom of giving a little more specific attention to and providing limitations on some of these appropriations.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 31, line 3.

The amendment was agreed to.

The PRESIDING OFFICER. The Clerk will state the next amendment reported by the committee.

The next amendment was, on page 31, line 3, after the amendment last agreed to, to strike out "of which $1,217,000 shall be available for obligations incurred prior to July 1, 1944."

The amendment was agreed to.

The next amendment was, on page 32, line 15, after the word "purposes", to strike out the following proviso: *"Provided further,* That, notwithstanding any other provision of law, the Secretary of War shall not be authorized to lease, sell, or otherwise dispose of any lands acquired or owned by the United States prior to July 2, 1940, nor shall he declare any such lands surplus for disposition by any other officer, board or commission: *Provided further,* That this prohibition shall not apply to nor prevent the transfer of real estate or other property to the Veterans' Administration for the care and treatment of veterans", and in lieu thereof to insert the following: *"Provided further,* That notwithstanding any other provision of law, the Secretary of War shall not be authorized to sell any military post, or reservation, nor part thereof, acquired or owned by the United States prior to July 2, 1940, nor shall he declare any such military post, or reservation, nor any part thereof, surplus for disposition by any other officer, board or commission: *Provided further,* That this prohibition shall not apply to nor prevent the transfer of real estate or other property to the Veterans' Administration for the care and treatment of veterans or to the Navy Department."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. THOMAS of Oklahoma. Mr. President, I submit an amendment correcting a total in one particular.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 35, line 4, it is proposed to strike out "$2,197,212,500" and insert "$2,195,995,500."

The amendment was agreed to.

Mr. BALL. Mr. President, I move to amend the bill on page 15, line 24, by striking out the words "military or." I offer this amendment on behalf of the Senator from South Dakota [Mr. GURNEY], who proposed it in the committee. The chairman of the subcommittee in charge of the bill, the Senator from Oklahoma, has already discussed it, and I believe is willing to accept it.

Mr. THOMAS of Oklahoma. Mr. President, the proposal came up for discussion in the committee and the committee had no objection to the amendment. Later the subject matter was referred to the Department and I have a communication from the Secretary of War of date June 20. I am glad to accept the amendment, and, following action on the amendment, I ask that the original letter sent to the committee by the Secretary of War be published in the CONGRESSIONAL RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. BALL] on behalf of the Senator from South Dakota [Mr. GURNEY].

The amendment was agreed to.

The letter ordered printed in the RECORD on request of Mr. THOMAS of Oklahoma is as follows:

WAR DEPARTMENT,
Washington, June 20, 1944.

Hon. ELMER THOMAS,
Chairman, Subcommittee on War Department Appropriations, Committee on Appropriations, United States Senate.

DEAR SENATOR THOMAS: Reference is made to your inquiry concerning the proviso of H. R. 4967 (Military Appropriation Act, 1945) beginning on page 15, line 19, and ending on page 16, line 3, which reads as follows: "*Provided,* That no appropriation contained in this act shall be available for payment to or expenditure on account of any military or civilian personnel employed outside continental United States to paint or otherwise reproduce war scenes except by means of photography, or to paint portraits, or for payment to or expenditure on account of any military personnel within continental United States who engage in decorative art projects or painting portraits to the exclusion of regular military duties"; and the effect of eliminating from that proviso the words "military or" contained in line 3 of the proviso.

The effect of the elimination of the words "military or" from line 3 of the proviso would be to remove the restriction against using military personnel outside continental United States to paint or otherwise reproduce war scenes.

Because of the scarcity of manpower, it is the policy of the War Department to utilize every available man in the Army for strictly military activities directly connected with prosecuting the war. However, there is some responsibility to those participating in this war and to those who may participate in future wars, to place on canvas the more outstanding war scenes characteristic of this global struggle. This has been done in past wars and is now being done by the Navy, the Marine Corps, and our allies in the present war.

If the words "military or" are eliminated, as has been suggested, it would permit the War Department to utilize such talent as it now has, in small numbers, to depict on canvas characteristic war scenes abroad. Under no circumstances will it permit the appointment of civilians to a commissioned status or will it accept civilians for induction solely for these purposes.

Sincerely yours,

HENRY L. STIMSON,
Secretary of War.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 4967) was read the third time and passed.

Mr. THOMAS of Oklahoma. I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. THOMAS of Oklahoma, Mr. HAYDEN, Mr. OVERTON, Mr. RUSSELL, Mr. TRUMAN, Mr. REYNOLDS, Mr. BRIDGES, Mr. GURNEY, and Mr. BROOKS conferees on the part of the Senate.

STATEMENT BY OLIVER LYTTELTON, BRITISH MINISTER OF PRODUCTION

Mr. SHIPSTEAD. Mr. President, there is an old definition of diplomacy which has been recognized all over the world as the most classic of all, given a long time ago by Clausewitz, who said that diplomacy is merely an extension of politics. Consequently, while it has been admitted to be true that diplomacy is an extension of politics, under the euphonious name of "diplomacy," international politics is naturally an extension of national politics, and a reflection of national politics. Clausewitz has also been quoted as saying that war is an instrument of politics. National politics may be designated, again, as a difference of opinion which comes to the top as a reflection of the thought of the people of a nation. International politics, usually called diplomacy, is, therefore, a matter of conflict of opinions and politics in international affairs.

It has been said that diplomats have their ways in clouds and darkness, but try to do things well. Their duty is to try to carry into action the policies of those in control of a nation's foreign politics.

It is an established opinion among men who understand politics—which I

do not pretend to do—that the best policy in politics is to say as little as possible. However, there are times when a man must speak whether it is diplomatic or politic to do so.

I have much sympathy for the man who is quoted in the newspapers today. He is the Minister of Production in Great Britain, and a cabinet officer, Oliver Lyttelton, who is quoted as having made a speech at the American Chamber of Commerce in London in which he said, "It is a travesty of history to say that America was forced into the war."

The Senator from Illinois [Mr. LUCAS], for whom I have high regard, this morning asked for Mr. Lyttelton's resignation. I am a human being, or I hope I am, and I think the honorable gentleman should be excused. He is not a politician, he is not a diplomat, and for that reason I think we can excuse him. I assume he was in the navy establishment when the present Prime Minister was Lord of the Admiralty, so I believe that the castigation and statement of the Senator from Illinois, to the effect that he should resign, was a little severe.

Evidently Mr. Lyttelton wanted to compliment the Government of the United States for its assistance to Great Britain, and so he said, "It is a travesty of history to say that America was forced into the war."

When, according to the press, the consternation the statement aroused in the United States and also in Britain was called to his attention, he turned diplomat. A few hours later he changed his statement, and said that what he really meant was to compliment the Government of the United States for coming into the war as early as it did.

I wish to express my feeling of sympathy for this man, who has made a mistake, an honest mistake. Had he been a diplomat or a politician, he perhaps would not have made the statement. We have to make allowances for people. He evidently had not been trained in politics or in diplomacy.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. BARKLEY. I am informed that in the Parliament today Mr. Lyttelton, who is the subject of the comments of the Senator, and who is quoted as having made the speech yesterday, commented upon his remarks of yesterday, and made a very comprehensive apology for what he said, and practically told the Parliament that his continuance in office was entirely within their hands, that he did not resign, but he admitted he had made a serious mistake, and that it was up to the Parliament to determine whether he should remain in office. It was an honorable acknowledgment of a serious error of judgment in making the statement he did make.

Mr. SHIPSTEAD. I have no doubt that the gentleman is a very honorable gentleman, and spoke what he thought was the truth, and evidently he came to the conclusion that he should not have said it. It was a mistake any human being could have made. Even some Senators sometimes make such mistakes, although we do not always admit it.

In view of the retraction he made, in the circumstances under which he made it, I do not think we should demand his resignation. He may be of great service to His Majesty's Government, and evidently not having been trained as a politician or a diplomat, like all human beings, talked "out of turn" even if he told the truth.

However, I should like to have the entire report of this incident, as printed in the New York Times, including the statement of refutation by Secretary Hull, printed in the RECORD. I think Secretary Hull is entitled to have his statement in the RECORD. I have always had the highest regard for our Secretary of State, and he cannot be blamed because all diplomats and all members of foreign cabinets may not be as discreet as he is. I certainly do not want to cast any reflection on our Secretary of State, or on his honor, or his magnificent capacity for silence, which was not emulated by Mr. Lyttelton.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HULL AGAIN DENIES WE INCITED JAPAN—UNPARALLELED STATEMENT ISSUED DESPITE LONDON MINISTER'S RETRACTION OF CHARGE

WASHINGTON, June 20.—Secretary of State Cordell Hull declared tonight that an assertion by Oliver Lyttelton, British Minister of Production, today that the United States had provoked Japan to attack Pearl Harbor was "entirely in error as to the facts and fails to state the true attitude of the United States."

The United States, Mr. Hull said, was actuated by the "single policy of self-defense" and Japan's attack was "unprovoked."

[The United Press quoted the British Minister as follows: "Japan was provoked into attacking the Americans at Pearl Harbor. It is a travesty on history ever to say that America was forced into the war. Everyone knows where American sympathies were. It is incorrect to say that America was ever truly neutral, even before America came into the war on an all-out fighting basis."]

Mr. Lyttelton made his remark as an extemporaneous interpolation in a prepared address he was delivering before the American Chamber of Commerce in London. Subsequently an official addition was made to his extemporaneous remark to the effect that Japan was distinctly the aggressor nation.

This addition, in the nature of a qualification, was not regarded here as changing essentially the point of his original remark, nor as a retraction of that remark.

When Secretary Hull had satisfied himself of the accuracy of the report of Mr. Lyttelton's address, which was directed in main to the theme of lend-lease, he issued his statement. It was intended to set the record straight from the American standpoint. It also reflected the considerable indignation in the State Department over the British Minister's remark.

HULL STATEMENT

The statement follows:

"Unfortunately the statement of the British Minister of Production is entirely in error as to the facts and fails to state the true attitude of the United States both during the earlier stages of military preparation for world conquest by Germany and Japan and during the later aggressions by these two countries.

"This Government from the beginning to the end was actuated by the single policy of self-defense against the rapidly increasing danger to this Nation. The aid given to Great Britain and other countries who were resisting conquest was, in the words of the Lend-Lease Act, 'vital to the defense of the United States.'

"Japan for years had notoriously pursued a program of the widest conquest. In 1931 she seized Manchuria; in 1937 she invaded China; in 1940 she entered Indochina, and finally in 1941 she launched the unprovoked attack on the United States at Pearl Harbor."

HULL ACTION UNPARALLELED

The repudiation of Mr. Lyttelton's assertion was unprecedented in this war. Never before has a high official felt called upon to repudiate flatly an utterance of a ranking and responsible official of an Allied government.

Moreover, the fact that the qualification issued in London was not considered as disposing of the matter sufficiently for Mr. Hull to consider a statement unnecessary indicated that further clarification of the incident might be in order.

Mr. Lyttelton has the reputation of being an official who would not ordinarily blunder. One theory is that he may have thought he was paying the United States a compliment by making the point that this country was not a cringing nation before the Japanese imperialists.

Whatever the explanation, it would be regretted if Japan took the incident as a gesture toward her from her former ally, Britain, which, Tokyo might believe, was thinking of the first two decades of this century, when the two Empires stood together in the Far East against czarist Russia.

Secretary Hull's first reaction to the London report revealed that he would check its accuracy and that then something might be said here. When he held his press conference at noon he said he had just heard of the remark and so must reserve his views.

HULL DENOUNCED JAPAN'S NOTE

His statement this evening recalled to many his denunciation of the Japanese note handed him as Pearl Harbor was under attack on December 7, 1941. Upon reading the note Mr. Hull denounced it to the Japanese envoys, Admiral Kichisaburo Nomura and Saburo Kurusu, as containing infamous falsehoods and distortions.

Last year the State Department issued its White Book on the diplomacy of the Pacific in the decade from 1931 to 1941 to show how Japan had long been bent upon aggression and would not stop at war.

Members of Congress reacted instantly to Mr. Lyttelton's remark.

Representative SOL BLOOM of New York, chairman of the House Committee on Foreign Affairs, was emphatic in his comment.

"If it is correct that Mr. Lyttelton made this statement," Mr. BLOOM said, "he does not know what he is talking about, and if he really did say what he is quoted as having said, he is a very dangerous man to have occupying the position he occupies today.

"I can hardly believe that any sane person who knows anything about the situation would ever make a statement of this kind, for there is absolutely no truth in it."

Representative CHARLES A. EATON, of New Jersey, ranking Republican member of the House Foreign Affairs Committee, said:

"We could no more have escaped getting into this war than a ship can escape the water it is sailing in. Japan and Germany got us into the war and the only way we can get out of it is to defeat them both."

HALIFAX REPORTED PERTURBED

WASHINGTON, June 20.—The British Information Service would not comment on Minister Lyttelton's remarks, but it was understood that Viscount Halifax, British Ambassador, was so perturbed by his statement

that he telephoned 10 Downing Street, home of Prime Minister Churchill, and asked for a full report. It was emphasized in British circles here that the issue was of such importance that any reaction must come from London.

Mr. Lyttelton authorized his secretary to say that he did not dispute the published version of his statement, but that he had made his remarks as an aside and phrased them badly, a London dispatch said.

MINISTER EXPLAINS REMARKS

(By John MacCormac)

LONDON, June 20.—British Minister of Production Lyttelton made a luncheon speech today intended to cement Anglo-American relations, then had to amend it because of interpretation placed upon his remarks. What he meant to say was that the United States long before it was attacked by Japan was morally against the Axis, but what he was reported to have said was that America behaved in such a way that she provoked Japanese attack on Pearl Harbor.

Tonight the Minister of Production issued a written clarification of his remarks. The vexatious passage in his luncheon speech was not incorporated in the prepared text.

Long after his speech had been delivered and reported Mr. Lyttelton said he would like to have included in it the following paragraph to clarify the "obvious misunderstanding":

"I wish to make the point that the Americans did not wait until they entered the war before showing where their sympathies lay, and the aid they gave Britain will always be remembered with the liveliest sense of gratitude. This aid was, of course, directed to the war against Germany and could not be regarded as provocation by a peace-minded Japan. But the Japanese aggressor chose to regard it as provocation and made the unjustified, treacherous attack at Pearl Harbor."

Mr. SHIPSTEAD. Mr. President, I also refer to an editorial from the Wall Street Journal, the edition of this morning, entitled "Calling for the Facts," and with the permission of the Senate, unless there is some pending business which the majority leader or the minority leader desires to press, I should like to read it, and I should like to have the Senate in possession of the information.

Mr. BARKLEY. I have no objection to the Senator reading it, regardless of whether there is any pending business or not. We hope to have some pending pretty soon.

Mr. SHIPSTEAD. If the reading of the article interferes with business, I will yield to the Senator for the transaction of business.

The editorial published in the Wall Street Journal under the heading "Calling for the facts" is interesting, informative, and, I believe, important. It is as follows:

CALLING FOR THE FACTS

The United Press quotes Capt. Oliver Lyttelton, a member of the British war cabinet, as saying that America provoked Japan to the attack on Pearl Harbor, the event which brought this Nation into the war as an active belligerent. "It is a travesty on history ever to say that America was forced into the war," are the words which Captain Lyttelton is represented as speaking to a luncheon of the American Chamber of Commerce in London.

An addition to the official text of the speech issued some hours after first reports of it were published puts a somewhat different aspect on the minister's remarks. However, explanations in cases of this kind do not always close the incident.

Now that the question has been raised in London—so many vital questions seem to be raised there while we are adjured to silence on this side of the water—would it not be an excellent idea to settle it once for all?

The simple way to do that is to disclose all the facts of the Pearl Harbor attack and the events which led up to it. That has never been done.

We have been told that the administration at Washington expected an attack by Japan. We have not been told why, in the light of those expectations, our fleet was lined up in the harbor like so may sitting ducks. We have never learned what particular qualifications raised the commander of that fleet to his high position. We have never learned clearly what orders he had from those Washington officials who, according to later writings, expected the attack. It would be interesting to know why the Secretary of the Navy on the very morning of December 7, 1941, issued an annual report stating that the Navy was ready and to contrast that statement with later statements of Admiral King which seem to show that the Navy was anything but ready.

Probably the great majority of American people believe, as does this newspaper, that sooner or later the Japanese meant to attack this Nation. That still leaves the question of whether or not a wiser diplomacy could have postponed the attack until we were more nearly ready.

Whatever he meant to do or say, Captain Lyttelton has raised an interesting question. The times being what they are, we should expect to hear more of it.

Mr. President, I think that when the proper time comes the Senate should take cognizance of the debates in the House of Commons, and ask ex-Ambassador Kennedy to come here and let us know whether he permitted the secret code of the Government of the United States to be used by Winston Churchill; whether that was done by the consent of our then Ambassador. I cannot believe that Winston Churchill, while Lord of the Admiralty, would connive with this man Kent, a subordinate in the American Embassy. That would be an insult to his intelligence, and he is a very intelligent man.

The Senator from Nebraska [Mr. WHERRY] earlier today made an eloquent speech in answer to the speech delivered some days ago by the Senator from New Mexico [Mr. HATCH]. I have the highest regard for both Senators. Their sincerity of purpose and desire for world peace cannot be questioned by anyone.

I shall occupy the time of the Senate for a few moments to call the attention of the Senate to what I consider is the difficulty of arriving at a just peace. It is difficult enough to obtain justice and agreement and unity in national politics, and national politics is extended into international politics. Since that is true, there must always be conflict in international politics, sometimes called diplomacy. When there is conflict, then as Clausewitz says, war becomes an instrument of national politics and of international politics. Much is said about means of attaining peace in this world. Everyone desires peace. I do not cast reflection upon anyone who disagrees with me concerning the ways of attaining peace. In my opinion there is but one way to attain a real peace, and that is by having a treaty of peace of such a nature that the people of the various countries involved can live and make a living, and be rid of exploitation by foreign nations in the matter of raw materials, markets, and so forth. The will to peace by all governments involved must be sincere, and they must be willing to work in a spirit of sincerity, in a spirit of give and take, not for the purpose of having balances of power, or having the kind of treaty of peace that permits the great and powerful nations to exploit the thousands of millions who do not have military power. Such treaties have been the cause of much trouble in the past. They are a reflection of national politics, which becomes international politics, and then war. Unless a real treaty of peace can be signed there cannot be any hope of enduring peace. Unless we have a real peace treaty signed we can be assured that men will continue to be born to battle, to slay and to be slain. Unless a real peace treaty is adopted the talk of permanent peace is but prattle, it is a dream that is half insane.

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a newspaper article containing the statement by Secretary of State Hull with reference to the supposed statement by Oliver Lyttelton, British Minister of production.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LYTTELTON'S WORDS DENOUNCED BY HULL—FORMAL STATEMENT DECLARES BRITON "ENTIRELY IN ERROR"

Secretary of State Cordell Hull last night denounced in a formal statement yesterday's remarks by the British Minister of Production, Oliver Lyttelton as "entirely in error as to the facts" and failing to state the true attitude of the United States.

Hull ordinarily does not comment on public statements, but, because of the furore raised by Lyttelton's declarations, he issued the following formal statement after Lyttelton had explained his remarks:

"Unfortunately the statement of the British Minister of Production is entirely in error as to the facts, and failed to state the true attitude of the United States both during the earlier stages of military preparations for world conquest by Germany and Japan and during the later aggressions by those two countries.

"This Government from the beginning to the end was actuated by the single policy of self-defense against the rapidly increasing danger to this Nation. The aid given to Great Britain and other countries who were resisting conquest was, in the words of the Lend-Lease Act, 'vital to the defense of the United States.'

"Japan for years had notoriously pursued the program of the widest conquest. In 1931 she seized Manchuria; in 1937 she invaded China; in 1940 she entered Indochina; and finally in 1941, she launched the unprovoked attack on the United States at Pearl Harbor."

DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. O'MAHONEY. Mr. President, I move that the Senate proceed to consider House bill 4861, the bill making appropriations for the District of Columbia.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4861) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

EXTENSION OF SUSPENSION IN PART OF PROCESSING TAX ON COCONUT OIL

Mr. GEORGE. Mr. President, I have conferred with the Senator from Wyoming [Mr. O'MAHONEY], in charge of the District of Columbia appropriation bill, and it is agreeable to him that the Senate take up for immediate consideration House bill 4837, which was unanimously favorably reported by the Senate Finance Committee earlier today. I therefore move that the pending measure be temporarily laid aside, and that the Senate proceed to consider House bill 4837.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4837) to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, which had been reported from the Committee on Finance with amendments.

Mr. GEORGE. Mr. President, this bill extends an act which was passed by the Congress a little more than 2 years ago suspending in part the duty on coconut oil and copra for a period of 2 years. That period expires on June 30. A processing tax of 3 cents was levied in 1934 on coconut oil and copra, copra being the raw material from which the oil is made. An additional 2 cents was levied on the same products not derived wholly from Philippine production or the production of our own insular possessions. The obvious purpose was to give preference to the Philippines. Actually, between 1937 and 1939 we imported 99.1 percent of all coconut oil from the Philippines, and 93.1 percent of all copra from the Philippines. So nearly all our importations came from the Philippines, and the processing tax was paid by manufacturers and users of the raw products.

It is desirable to extend this partial suspension again, because the Philippines are receiving no benefit from the processing tax, and it simply adds to the cost. Coconut oil and copra are one of the chief sources of glycerine, which is a highly necessary war product. The extension was recommended by all the appropriate agencies of the Government which were consulted, and the bill was unanimously passed by the House.

The Senate committee has added one amendment to the bill. The amendment merely corrects a typographical error in the tax simplification bill recently passed by the Congress. Persons having a gross adjusted income of at least $1,075, and not more than $1,100, according to the table printed in the bill actually signed by the President, were to pay a tax of $100, whereas the bill as it passed the House and Senate fixed the tax at $110. The amendment reported by the Senate Finance Committee is merely to correct that typographical error.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. WHITE. Do I correctly understand the Senator to say that in addition to the approval of the various governmental agencies interested in the matter, the bill comes to the Senate with the unanimous approval of the Finance Committee?

Mr. GEORGE. It does.

The PRESIDING OFFICER. The clerk will state the amendment reported by the committee.

The amendment of the Committee on Finance was, on page 1, after line 6, to insert a new section as follows:

SEC. 2. (a) Section 400 of the Internal Revenue Code, as amended, is amended by striking out, in the third column of the table contained therein, the figures "100" the second time they appear in such column and inserting in lieu thereof the figures "110."

(b) The amendment made by subsection (a) shall apply to the computation of income tax under Supplement T of chapter 1 of such Code in the case of taxable years beginning after December 31, 1943.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill H. R. 4837 was read the third time and passed.

The title was amended so as to read: "An act to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, and to correct a typographical error in the Individual Income Tax Act of 1944."

Mr. GEORGE. Mr. President, I thank the Senator from Wyoming for his courtesy.

Mr. O'MAHONEY. The Senator from Georgia is very welcome.

DISTRICT OF COLUMBIA APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4861) making appropriations for the Government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes.

Mr. O'MAHONEY. Mr. President, there is nothing controversial in this supply bill for the District of Columbia. The measure, as it passed the House of Representatives, contained an appropriation of $68,585,607. In the Senate there was added to this sum $563,441, most of which is accounted for by supplemental estimates which were submitted by the Bureau of the Budget after the House had acted. There were one or two further items—three, as a matter of fact—the largest of which was $61,779, to supply housekeeping assistance under the Health Department. I am sure that Senators will find from an examination of the report, which I ask unanimous consent to have printed in the RECORD at this point, that the recommendations of the committee should be accepted. As I say, there is nothing controversial in the bill, and I ask that the Senate now proceed to the consideration of the committee amendments.

There being no objection, the report (No. 988) was ordered to be printed in the RECORD, as follows:

The Committee on Appropriations, to whom was referred the bill (H. R. 4861) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made:

Amount of bill as passed House	$68,585,607
Amount added by Senate	563,441
Amount of bill as reported to Senate	69,149,048
Amount of regular and supplemental estimates for 1945	67,849,959
Amount of appropriations, 1944	58,127,344
The bill as reported to the Senate—	
Exceeds the estimates for 1945	1,299,089
Exceeds the appropriations for 1944	11,021,704

SUPPLEMENTAL ESTIMATES

The committee had before it for consideration in connection with the District of Columbia appropriation bill for the fiscal year 1945, the following supplemental estimates contained in Senate Document No. 200:

(1) Regulatory agencies. Department of Insurance	$6,351
(2) Public schools: Permanent improvement of grounds, as follows: Stabilization and drainage of the grounds at the Young Elementary School, Browne Junior High School, and Phelps Vocational School	110,000
(3) Fire Department: To provide funds to cover increases made under Public Law 297, approved May 5, 1944, for captains, lieutenants, and sergeants	48,000
(4) Courts: Municipal court (reallocation increases approved by the Civil Service Commission since the Budget was transmitted to Congress)	14,700
(5) Health Department:	
Glenn Dale Tuberculosis Sanatorium	19,000
Gallinger Municipal Hospital	66,184
(6) Public Welfare:	
Capital outlay, child care (site for a new receiving home and admission center for children)	30,000
Capital outlay, Juvenile Correction Service (site for National Training School for Girls and other public-welfare institutions)	58,000
(7) Public Works: Office of Municipal Architect	16,600
Total supplemental estimates	368,835

The changes in the amounts of the House bill recommended by the committee are as follows:

Increases and limitations

Regulatory agencies:	
Department of Insurance	$6,351

This increase was proposed in S. Doc. 200 for the following:

Deputy Superintendent, P–5	$4,600
Rate clerk, CAF–9	3,200
Clerk-stenographer, CAF–4	1,800
Overtime	900
Gross increase	10,500
Less 1 position to be absorbed, $3,800 plus $300 overtime	−4,100
	6,400

(This item is recommended in a supplemental Budget estimate contained in S. Doc. 200.)

Minimum Wage and Industrial Safety Board:	
1 inspector, Industrial Safety Unit, SP–6	2,000
Overtime for proposed position	300
Travel	60
Total, Minimum Wage and Industrial Board	2,360
Office of Recorder of Deeds: Salaries	4,692
Public Utilities Commission: Printing of laws of Public Utility Commission	650
Total, regulatory agencies	14,053

Public schools:	
Operating expenses:	
General administration:	
Department of school attendance and work permits:	
2 attendance officers	2,800
1 clerk, CAF–3	1,620
Clerical service room: 3 clerks, CAF–2	4,320
Statistical office: 1 clerk, CAF–3	1,620
Adjusted amount for wartime additional compensation and overtime pay	1,745
Total, general administration	12,105
General supervision and instruction:	
8 clerks, CAF–3 (10 months)	10,800
Overtime pay for 8 clerks (10 months)	2,000
Restoration of over-all reduction	12,800
Total, general supervision	25,600
Capital outlay:	
For permanent improvement of grounds, as follows: Stabilization and drainage of the grounds at the Young Elementary School, Browne Junior High School, and Phelps Vocational School	110,000

(This amount is recommended together with the unexpended balance of the appropriation of $25,000 for stabilization and drainage of the grounds of the Browne Junior High School and Phelps Vocational School contained in the District of Columbia Appropriation Act, 1944.)

(This item was recommended in a supplemental budget estimate contained in S. Doc. 200.)

For an additional amount for the construction of a new extensible 8-room elementary school building, in the vicinity of Hillside Road and Alabama Avenue SE	$45,000
Total, public schools	192,705

Recreation Department:	
Operating expenses:	
2 senior recreation directors, Sp 5	3,600
4 recreation directors, Sp. 4	6,480
1 messenger, CPC–3	1,320
Overtime	2,100
Total, Recreation Department	13,500

Metropolitan Police:

The committee recommend that the following language be stricken from the bill: "the present property clerk with the rank and pay of inspector."

The committee recommend that the following language be stricken from the bill: "with the rank and pay", and that the following be inserted in lieu thereof: "in the salary grade."

Fire Department	48,000

This proposed increase is based on a supplemental estimate included in S. Doc. 200, in order to provide funds to cover increases made under Public Law 297, approved May 5, 1944, for captains, lieutenants, and sergeants in the Fire Department.

Department of Civilian Defense:

The committee recommend that the following provision be amended as indicated:

"For all expenses necessary for carrying out the provisions of the act of December 26, 1941, to authorize black-outs in the District of Columbia, as amended, including the protective services of the Citizens Defense Corps; the employment of personal services without regard to civil-service or classification laws, and printing and binding; $100,000, to remain available until expended."

The Commissioners stated that since the passage of the bill in the House, they have received notice that it is the desire of the War Department to decrease civilian-defense activities, and they are accordingly now in process of effecting economies in expenditures for those activities, and now feel that an adequate civilian defense organization can be maintained during the fiscal year 1945 within the amount allowed by the House bill, which was a decrease of $50,000 under the Budget estimates.

However, the proposed change of language is necessary in order to include within the activities proposed to be covered by this appropriation item the civilian war services division, under the authority of an amendment to the Black-out Act approved July 13, 1943, Public Law 145, 78th Cong.

Courts:	
Juvenile court: 1 probation officer at $2,000 plus overtime	$2,300
Municipal court:	
Reallocations	14,700

Recommended in a supplemental budget estimate contained in S. Doc. 200.

1 CAF position, $1,620 per annum plus overtime	1,920
Total, municipal court	16,620
Municipal court of appeals: 3 law clerks, P–2, at $2,600 each	7,800
Overtime of the 3 law clerks at $300 each	900
Total, municipal court of appeals	8,700
Total, courts	27,620

Health Department:	
Health Department (excluding hospitals): Housekeeping assistance	61,779

(The committee recommend this amount to continue this service during the fiscal year 1945, and to provide for an increase in the number of housekeeping aides from 30 to 50.)

The committee recommend that the following language be added to the bill: ", including housekeeping assistance in cases of authentic indigent sick."

Glenn Dale Tuberculosis Sanatorium	19,000

The amount recommended by the committee, and proposed in a supplemental budget estimate contained in Senate Document 200, is for the following purposes:

3 chauffeurs, CPC–4, at $1,500	$4,500
Overtime for 3 chauffeurs	900
Rental of 3 busses, 365 days at $4.70 per day each	5,260
Maintenance of busses, 76,300 miles, at $0.11 per mile	8,404
Total	19,064
Gallinger Municipal Hospital: To increase salary of the Superintendent from $6,500 to $9,500 per annum	3,000
Repairs and improvements	66,184

The amount of $66,184 recommended by the committee is for the following purposes:

Psychopathic ward:	
(a) Painting exterior woodwork and metal work	$15,000
(b) Repair of all damaged plaster	1,250
(c) Replacement of main lobby floor with terrazo floor	3,000
(d) Sanding and refinishing wood floors	2,000
(e) Surfacing all concrete floors with asphalt tile	9,000

Health Department—Continued.
(f) Shades, draperies, pictures, furniture, etc $3,000
(g) Protection of all stairwells by screens except the administration and pediatric wings 6,000
Painting ward buildings 2 and 3 .. 15,000
Painting nurses' home and refinishing floors 12,000
Total 66,250

(This increase of $66,184 is recommended in a supplemental Budget estimate contained in S. Doc. 200.)

Total, Gallinger Municipal Hospital $69,184

Total, Health Department .. 149,963

Public Welfare:
Family welfare service: For acquisition of site for a new receiving home and admission center for children 80,000

The committee recommend that the unexpended balance of the appropriation of $121,300 for the construction of a new receiving home for children on land owned by the District of Columbia in square 2885, contained in the District of Columbia Appropriation Act, 1942, be rescinded.

This proposed appropriation and repeal of the unexpended balance referred to were recommended in a supplemental budget estimate contained in S. Doc. 200.

Juvenile correctional service:
Capital outlay: National Training School for Girls .. 58,000

The committee recommend that the following provision be added to the bill:

"Capital outlay: For the acquisition of land in the vicinity of the District Training School near Laurel, Md., as a site for the National Training School for Girls, $58,000, together with the unexpended balance of the appropriation of $42,000 for this purpose contained in the District of Columbia Appropriation Act, 1944: *Provided*, That title to said property shall be taken directly to and in the name of the United States, and in case a satisfactory price cannot be agreed upon for the purchase of said property, the Attorney General of the United States, at the request of the Commissioners, shall institute condemnation proceedings to acquire such property as may be selected in accordance with the laws of the State of Maryland, and expenses of procuring evidences of title or of condemnation, or both, shall be paid out of this appropriation: *Provided further*, That the unexpended balance of the appropriation of $40,000 for the construction of temporary buildings for the National Training School for Girls on a new site to be acquired in Maryland, contained in the District of Columbia Appropriation Act, 1944, is reappropriated and made available for repairs, alterations and improvements to existing buildings on the site to be acquired for said National Training School for Girls, including furniture and equipment and the installation of necessary utilities."

The foregoing item was proposed in a supplemental budget estimate contained in S. Doc. 200. In recommending this item, the committee does so with the understanding ing that before any commitments of any kind are made, and before the inmates in the present National Training School for Girls are transferred to some other location, a complete report on the present operation and cost of the National Training School for Girls, the proposed site to be purchased, the building program involved, the number of inmates to be housed, and all other pertinent information and data relating to the present operation and cost of the National Training School for Girls and the program planned for this institution, shall be made to the Senate and House Committees on Appropriations by the Public Welfare Board through the Commissioners of the District of Columbia within 6 months from the beginning of the fiscal year 1945.

Total, public welfare ... $88,000

Public works:
Office of Municipal Architect:
For test borings and soil investigations in connection with construction projects for which plans and specifications will be prepared by the office of the Municipal Architect 16,600

(This increase was recommended in a supplemental budget estimate contained in S. Doc. 200.)

Public Works—Continued.
Position of maintenance engineer $3,000
Total, office of Municipal Architect 19,600
Department of Vehicles and Traffic: Traffic lights 10,000
Total, public works 29,600
Total increase 563,441
Amount of bill as reported to Senate 69,149,048

The PRESIDING OFFICER. The clerk will state the amendments reported by the committee.

The first amendment of the Committee on Appropriations was, under the heading "Fiscal service," on page 5, line 10, after "(36 Stat. 967)", to insert a semicolon and "and including $10,000 for change-making purposes."

The amendment was agreed to.

The next amendment was, under the heading "Regulatory agencies," on page 7, line 23, after the words "Department of Insurance", to strike out "$41,949" and insert "$48,300."

The amendment was agreed to.

The next amendment was, on page 8, line 13, after the name "Minimum Wage and Industrial Safety Board", to strike out "$36,562" and insert "$38,922."

The amendment was agreed to.

The next amendment was, on page 8, line 18, after the words "rest room", to strike out "$157,730" and insert "$162,422."

The amendment was agreed to.

The next amendment was, on page 8, line 21, after the word "newspapers", to strike out "$107,309" and insert "$107,959."

The amendment was agreed to.

The next amendment was, under the heading "Public schools—Operating expenses," on page 9, line 16, before the words "of which", to strike out "$338,000" and insert "$350,105."

The amendment was agreed to.

The next amendment was, on page 10, line 2, after the words "schools for crippled children", to strike out "$9,754,400" and insert "$9,780,000."

The amendment was agreed to.

The next amendment was, under the subhead "Capital outlay," on page 12, after line 13, to insert:

The permanent improvement of grounds, as follows: Stabilization and drainage of the grounds at the Young Elementary School, Browne Junior High School, and Phelps Vocational School, $110,000, together with the unexpended balance of the appropriation of $25,000 for stabilization and drainage of the grounds of the Browne Junior High School and Phelps Vocational School contained in the District of Columbia Appropriation Act, 1944.

The amendment was agreed to.

The next amendment was, on page 12, after line 21, to insert:

For construction of school buildings and additions thereto, as follows:

For an additional amount for the construction of a new extensible eight-room elementary-school building, four rooms to be left unfinished, in the vicinity of Hillside Road and Alabama Avenue SE., $45,000, in-

cluding $2,345 for preparation of new plans and specifications.

The amendment was agreed to.

The next amendment was, on page 13, after line 3, to strike out:

For construction of school buildings and additions thereto, including plans and specifications, as follows.

And in lieu thereof to insert the following:

For preparation of plans and specifications for school buildings and additions thereto, as follows.

The amendment was agreed to.

The next amendment was, under the heading "Recreation Department," on page 19, line 2, after the word "binding", to strike out "$593,000" and insert "$606,500."

The amendment was agreed to.

The next amendment was, under the heading "Metropolitan Police," on page 19, line 20, after the word "services", to strike out "the present property clerk with the rank and pay of inspector"; and on page 20, line 2, after the word "detectives", to strike out "with the rank and pay" and insert "in the salary grade."

The amendment was agreed to.

The next amendment was, under the heading "Fire Department," on page 21, line 24, after the words "buildings and grounds", to strike out "$2,757,000" and insert "$2,805,000."

The amendment was agreed to.

The next amendment was, under the heading "Department of Civilian Defense," on page 22, line 14, after the word "amended", to strike out "by the act of August 6, 1942 (56 Stat. 740)."

The amendment was agreed to.

The next amendment was, under the heading "Courts," on page 23, line 3, after the words "juvenile court", to strike out "$147,300" and insert "$149,600."

The amendment was agreed to.

The next amendment was, on page 23, line 11, after the word "judges", to strike out "$341,000" and insert "$357,620."

The amendment was agreed to.

The next amendment was, on page 23, line 19, after the words "municipal court of appeals", to strike out "$57,000" and insert "$65,700."

The amendment was agreed to.

The next amendment was, under the heading "Health Department," on page 25, line 2, after the word "service", to insert a comma and "including housekeeping assistance in cases of authentic indigent sick"; and on page 26, line 2, after the word "inspectors", to strike out "$1,440,000" and insert "$1,501,779."

The amendment was agreed to.

The next amendment was, on page 26, line 15, after the word "services", to insert "rental, maintenance, repair, and operation of busses"; and in line 18, after the word "grounds", to strike out "$995,000" and insert "$1,014,000."

The amendment was agreed to.

The next amendment was, on page 27, line 3, after the word "services", to insert "one superintendent at $9,500 per annum"; and in line 20, after the word "grounds", to strike out "$2,104,316" and insert "$2,173,500."

The amendment was agreed to.

The next amendment was, under the heading "Public welfare—Family welfare service," on page 29, line 5, before the word "For", to strike out "Child care" and insert "Operating expenses, child care."

The amendment was agreed to.

The next amendment was, on page 30, after line 11, to insert:

Capital outlay, child care: For the acquisition of approximately 3 acres of land in parcel 141/68 as a site for a new receiving home and admission center for children, $30,000, and the availability for the expenditure of the unexpended balance of the appropriation of $121,300 for the construction of a new receiving home for children on land owned by the District of Columbia in square 2885, contained in the District of Columbia Appropriation Act, 1942, is hereby rescinded.

The amendment was agreed to.

The next amendment was, under the subhead "Juvenile Correctional Service," on page 33, after line 18, to insert:

Capital outlay: For the acquisition of land in the vicinity of the District Training School near Laurel, Md., as a site for the National Training School for Girls, $58,000, together with the unexpended balance of the appropriation of $42,000 for this purpose contained in the District of Columbia Appropriation Act, 1944: *Provided*, That title to said property shall be taken directly to and in the name of the United States, and in case a satisfactory price cannot be agreed upon for the purchase of said property, the Attorney General of the United States, at the request of the Commissioners, shall institute condemnation proceedings to acquire such property as may be selected in accordance with the laws of the State of Maryland, and expenses of procuring evidences of title or of condemnation, or both, shall be paid out of this appropriation: *Provided further*, That the unexpended balance of the appropriation of $40,000 for the construction of temporary buildings for the National Training School for Girls on a new site to be acquired in Maryland, contained in the District of Columbia Appropriation Act, 1944, is reappropriated and made available for repairs, alterations, and improvements to existing buildings on the site to be acquired for said National Training School for Girls, including furniture and equipment and the installation of necessary utilities.

The amendment was agreed to.

The next amendment was, under the heading "Public works," on page 37, line 11, after the word "binding", to insert "and $16,600 exclusively for test borings and soil investigations"; and in line 12, after the amendment just above stated, to strike out "$64,000" and insert "$83,600."

The amendment was agreed to.

The next amendment was, on page 46, line 20, after the word "law", to strike out "$395,000" and insert "$405,000."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. O'MAHONEY. Mr. President, by authority of the committee, I have two legislative amendments to offer. The first is an amendment providing an appropriation of $10,100 for psychiatric services for the juvenile court of the District of Columbia. Last year in the appropriation bill a legislative proposal was carried authorizing the Commissioners of the District of Columbia to utilize the services of the Public Health Service to maintain a psychiatric clinic in connection with the juvenile court. This year, however, the Budget Bureau, feeling that this was a service which ought to be carried in the District of Columbia bill, struck out of the Public Health Service estimates the amount necessary to pay the compensation of the persons who were detailed to this service.

The District bill carries an appropriation setting up in the Public Health Department a service of mental hygiene, but that provision will not operate as quickly as it should. So the amendment is designed to prevent an interruption of the service in the municipal court. There was no objection to the amendment. I send it to the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. Under the heading "Courts" following the paragraph for the "Juvenile court", it is proposed to insert the following paragraph:

For a psychiatric service for the juvenile court of the District of Columbia, $10,100: *Provided*, That the Board of Commissioners of the District of Columbia is authorized to obtain said psychiatric service for the juvenile court of the District of Columbia from the United States Public Health Service, and, at the request of the Board of Commissioners, the Surgeon General is authorized to detail the necessary medical and other personnel, not to exceed one psychiatrist, one psychologist, and one nurse, for this purpose: *Provided further*, That the amount herein appropriated shall be transferred to the United States Public Health Service for reimbursement for the medical and other personnel so detailed.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming.

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, I offer a legislative amendment which I send to the desk and ask to have stated. The amendment was offered from the floor last year by the senior Senator from North Dakota [Mr. NYE], the ranking minority member of the District of Columbia Subcommittee on Appropriations. However, it was rejected in the conference. The Senator from North Dakota requested that it be presented again, and the Senate committee endorsed his request.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. Under the heading "Public Works," and in the paragraph for "Department of Vehicles and Traffic (payable from highway fund)," it is proposed to strike out the figure "$405,000" and insert in lieu thereof "$405,800," and at the end of said paragraph, insert the following proviso: "*Provided further*, That the employee of the Department of Vehicles and Traffic who is charged with the immediate responsibility for, and exercises supervision over, the issuance of tags and certificates of title and the registration of motor vehicles and trailers shall hereafter be known as the Registrar of Titles and Tags, and so long

as the present incumbent of the position for which a designation is hereby provided continues to hold such position it shall be classified in grade 9 of the clerical, administrative, and fiscal service under the Classification Act of 1923, as amended."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming for the Senator from North Dakota.

The amendment was agreed to.

Mr. O'MAHONEY. That concludes the amendments.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill H. R. 4861 was read the third time and passed.

Mr. O'MAHONEY. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. O'MAHONEY, Mr. GLASS, Mr. OVERTON, Mr. THOMAS of Oklahoma, Mr. BILBO, Mr. NYE, Mr. HOLMAN, and Mr. BURTON conferees on the part of the Senate.

AUTHORIZATION TO FILE REPORT ON DEFICIENCY BILL—STATUS OF APPROPRIATION BILLS

Mr. WAGNER obtained the floor.

Mr. McKELLAR. Mr. President, will the Senator from New York yield to me for a moment in order that I may make a unanimous-consent request to report a bill?

Mr. WAGNER. I yield.

Mr. McKELLAR. I ask unanimous consent to be permitted to file the report on the second deficiency appropriation bill, if the committee finishes it this afternoon, so that it may be considered by the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARKLEY. Mr. President, may I ask the Senator from Tennessee what is the status of any unfinished appropriation bills at this time, either in conference or in the committee?

Mr. McKELLAR. The Interior Department appropriation bill and the war civil functions bill have both been sent to the President today. It may be possible to get the Agricultural Department appropriation bill through today, and there is a possibility that the State, Justice, and Commerce appropriation bill may be finally disposed of today. The other appropriation bills are getting along very well. The District of Columbia appropriation bill, as the Senator knows, passed the Senate a while ago. With respect to the war agencies bill, we have had a conference on that, but it has not as yet been concluded. The Labor and Federal Security Agency appropriation bill is now in conference. The Military Establishment appropriation bill has gone to conference, the conferees having been appointed. We hope to be able to report the second deficiency appropriation bill this afternoon, but hardly in time before adjournment or recess, and so I have asked permission to file the report later today. That is the situation with the appropriation bills.

Mr. BARKLEY. I thank the Senator. Does that reveal the likelihood that all the appropriation bills will be finally disposed of by Friday?

Mr. McKELLAR. I am not so sure about Friday, but unless something untoward happens, I am very hopeful that we can get them through this week.

Mr. BARKLEY. I thank the Senator.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942—CONFERENCE REPORT.

Mr. WAGNER. Mr. President, I ask unanimous consent for the present consideration of the conference report on Senate bill 1764, extending the Price Control and Stabilization Acts. Pursuant to the order entered yesterday, I submitted the report later in the day, and it is printed in the House proceedings at page 6420.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes.

Mr. WAGNER. Mr. President, I desire to explain as briefly as I can the amendments which have been under consideration, and which now are contained in the report. All Senators are aware of the fact that the stabilization extension bill, which I am reporting from conference on behalf of the managers on the part of the Senate, is the product of extended yet intensive consideration. To the protracted hearings and executive sessions of the Banking and Currency Committees of both Houses, and to the many days of debate on the floor of the House and Senate, have now been added 4 long days of deliberation by the conference committee.

The committee was confronted with the task of passing on a total of more than 40 amendments divided between the 2 bills. Very few of these were identical, most of them were important, and all of them presented technical difficulties requiring careful treatment. The House bill included the greater number of amendments, but quite a few of these gave rise to no points of controversy between the Houses or from the standpoint of the executive agencies concerned. For the most part, the work of the committee resolved itself into the business of finding the best possible solution to problems which both Houses had recognized. In this task, amendments, which directly or indirectly, would have permitted inflationary increases in rents or prices were eliminated or drastically revised. Other amendments which would have paralyzed the Price Administrator's power to enforce his regulations were similarly treated. The resulting changes were numerous, and will, I fear, make this report a long one.

The end product of a give-and-take process always leaves some people disappointed. Some Senators will, I know, be dissatisfied as to certain provisions we have changed, and other Senators will be dissatisfied with other actions. But when allowance is made for such disappointments, I hope the Senate will agree that the bill as reported is an effective measure to protect the earnings and the savings of the American people from the menace of inflation, and that it is, at the same time, a satisfactory answer to justifiable criticisms of the existing law.

Before turning to the specific provisions of the conference agreement, I should explain that the order in which they will be discussed will follow that of the bill. First, the amendments to the Emergency Price Control Act will be considered, and then the amendments to the Stabilization Act. Some of the most controversial of the matters dealt with relate to provisions of the latter act.

With respect to the termination of the two measures, the conference committee adopted the provision in the House bill fixing the terminal dates at June 30, 1945.

SECTION 2

The Senate bill had made no amendments to section 2 (a) of the Emergency Price Control Act, the basic source of authority to establish maximum prices. The conference committee has adopted three of the amendments contained in the House bill. The first of these forbids the Price Administrator from requiring the determination of costs otherwise than in accordance with established accounting methods. This amendment was agreed to because, while imposing a salutary limitation on the Administrator's discretion by denying him authority to prescribe the use of accounting methods conflicting with those methods generally established in the accounting profession, the provision does not restrict the Administrator's discretion in establishing maximum prices or in prescribing the factors to be used in calculating maximum prices.

Section 2 (a) has contained provisions requiring that the Administrator consult with representative members of the industries subject to regulation and with industry advisory committees established in such industries. The conference agreement includes two House provisions making explicit the Administrator's duty to give consideration to the recommendations of the industry members and industry advisory committees with whom he consults.

The basic provision authorizing the establishment of maximum rents contained in section 2 (b) was altered by a single clarifying amendment contained in the House bill. This amendment requires that the Administrator, in making general adjustments in the maximum rents in a particular defense rental area, shall give consideration to the general increas-

es in property taxes and operating costs which have taken place in that particular area, and not those occurring elsewhere.

The Senate conferees have accepted with minor modifications an amendment to section 2 (c) contained in the House bill, which directs the Administrator to provide by regulation for making individual adjustments in maximum rents in those classes of cases where, due to peculiar circumstances, the rent on the maximum rent date was substantially higher or lower than the rents generally prevailing in the rental area for comparable accommodations. The Senate conferees, however, declined to accept in the House bill an individual adjustment provision which would have opened the door to a flood of applications based on cost increases, and which would have been administratively unworkable and inflationary in effect. In place of this provision a substitute was devised which requires the Administrator to provide by regulation for individual adjustments in classes of cases in which a substantial hardship has resulted since the maximum rent date from substantial and unavoidable increases in taxes and costs. This will permit the Administrator to restrict, by appropriate adjustment provisions, the granting of relief to those cases which are clearly deserving.

A further change has been made in the text of section 2 (b) which makes explicit the duty existing by implication under the present law to release areas from rent control where the need for such control no longer exists. The provision makes mandatory the abolition of control in any defense rental area or portion thereof specified by the Administrator when conditions in such area are found to make rent control unnecessary in order to eliminate abnormal increases in rents and to prevent profiteering and speculative practices resulting from abnormal market conditions caused by congestion. The standards specified for decontrol are in harmony with those specified for the imposition of control, and the amendment also includes a provision authorizing the reestablishment of rent control in decontrolled areas in accordance with those standards.

The differing views with respect to the handling of the subsidy problem which were embodied in the Senate and House bills have been resolved by the adoption of the restrictions contained in both bills. The House bill had forbidden any additional commodity intended to be used as human food from being defined as a strategic or critical material with the result that no new food product may be added to those now being subsidized under the Reconstruction Finance Corporation Act. This provision does not affect existing R. F. C. subsidies nor does it curtail subsidies granted by the Commodity Credit Corporation. As it will be recalled, the Senate bill forbids all subsidy payments after June 30, 1945, unless the money required therefor has been appropriated by the Congress for such purpose. To facilitate the appropriation of moneys for subsidy purposes a further amendment has been adopted which expressly authorizes such appropriations.

The Senate conferees refused to accept the House amendment to section 2 (h) which would have denied to the Administrator the authority to compel changes in business practices in those cases in which such practices were being used as means of circumventing or evading price regulations and where evasion could not be prevented without changing such practices.

The conference agreement does amend section 2 (h) to require the Administrator to make an affirmative finding of the necessity to compel changes in business practices in order to prevent circumvention or evasion.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WAGNER. Does the Senator wish to ask a question?

Mr. WHERRY. Yes.

Mr. WAGNER. I suggest that if I may be allowed to continue I may answer the question which the Senator has in mind. I would prefer to continue with my statement relative to the different amendments. Then I shall be delighted to yield to the Senator, and to the best of my ability, answer any question that he may wish to ask.

Mr. WHERRY. I thank the Senator.

Mr. WAGNER. The conferees have adopted an amendment to section 2 (i). This amendment forbids the establishment of a maximum price for any fishery commodity below its average price in 1942. The base year had previously been 1941. The 1942 base is in line with the current pricing practice of the Office of Price Administration.

The House bill contained a paragraph forbidding the continued use in O. P. A. price regulations of the so-called highest price line limitation. The objections to this provision, which was designed to discourage shifts from lower- to higher-priced lines of goods, had come almost exclusively from retail stores, although the limitation had been applied to other distributors and to producers. The amendment, as embodied in the conference agreement, applies the prohibition only to retail sellers and thereby permits the Administrator to continue to use this method of maintaining the supply of low-priced merchandise at levels where its employment can be both effective for price control and acceptable to business.

A House amendment requiring 15 days' notice in advance of planting before any maximum price is established or lowered on any agricultural commodity, was agreed to after some revision to limit its application to crops planted annually or seasonally, and some revision relating to the manner in which the notice is to be given. This provision will become effective as to 1944 crops in major producing areas in which the normal planting season occurs after July 31, 1944.

The House conferees accepted an amendment in the Senate bill forbidding the imposition of conditions to the payment of subsidies or to purchase agreements relating to agricultural commodities, to the allocation of materials or facilities, or to the fixing of production or selling quotas for such commodities, if the conditions or penalties are not authorized by the acts (or regulations issued thereunder) applicable to such payments, contracts, allocations, or quotas. Appropriate provision is also made for the judicial review of orders violating this prohibition.

In view of the number of amendments in the House bill which were agreed to by the Senate conferees, it may not be inappropriate to remark that, in addition to insisting upon the revision of a number of the House provisions which were accepted, the Senate conferees declined to accept a number of amendments to section 2 contained in the House bill, among them being provisions exempting judicial sales and watermelons from price control. The House conferees also receded from an amendment which would have compelled the granting of individual adjustments for the correction of gross inequities.

The bill reenacts without change section 2 (j) of the present act, which was added to the act by the Commodity Credit Corporation Act of 1943. This will leave in effect the established construction of that subsection which is that the Price Administrator is authorized to make use of standards of specifications, in establishing maximum prices, in three situations and in those situations only: First, where the standards or specifications have been in general use in the trade or industry affected; second, where they have been promulgated and their use lawfully required by another Government agency; and third, when the Administrator finds that there is no practicable alternative for securing effective price control of the commodity involved. A denial of authority to use standards or specifications in any one of those three situations would seriously impair the price-control program. I make this statement as chairman of the Senate conferees because there is a statement in the report of the House managers which might be understood as being to the contrary, and I want to make clear the understanding of the Senate conferees.

SECTION 3

Section 3 of the Emergency Price Control Act contains special provisions relating to the establishment of maximum prices for agricultural commodities.

Both the Senate and the House bills had contained provisions requiring appropriate price action to be taken by the Administrator where any fresh fruits or vegetable sustained substantial reductions in yield, unusual increases in production costs, or other unusual factors resulting from hazards occurring in connection with the production and marketing of the commodity. The Senate conferees agreed to the House amendment.

SECTION 201. ADMINISTRATION

The House conferees accepted a Senate amendment to section 201 authorizing the purchase of commodities for information or evidence as to violations

of price, rent, and rationing regulations, a provision removing what had long proved a handicap to effective enforcement.

The House amendment requiring the publication in the Federal Register of the formal written directives of Government agencies or officers, issued in the exercise of supervisory or policy-making powers over O. P. A., W. F. A., and W. P. B., was agreed to by the Senate conferees. These documents embody matter of great public importance and interest and clearly merit inclusion in the official publication. An appropriate exception is made to prevent the divulging of secret military information.

SECTION 202

The Senate conferees also agreed to a House amendment to Section 202 (a) giving explicit authority to the Administration to conduct hearings in aid of the administration and enforcement of the act and to an amendment adding a new subsection (i) to section 202 which assures to any person subpenaed under the section the right to counsel and to make a record of his testimony. The House conferees agreed to the elimination of a further provision which would have required that the proceedings be public. This unusual requirement was considered incompatible with effective investigation of suspected violations.

SECTION 203. PROCEDURE

The Senate conferees accepted a House amendment withdrawing the requirement heretofore made that protests be filed within 60 days after the issuance of a regulation or after new grounds of protest had arisen. Under the amendment to section 203 (a), protests to regulations may be filed with the Administration at any time.

The Senate conferees also agreed to an amendment, added by the House bill, to the provision made in both bills for the consideration of protests to O. P. A. regulations by an administrative review board advisory to the Administrator. The House amendment makes clear that the board or any subcommittee thereof may sit outside the District of Columbia. It also provides for the issuance of subpenas upon the request of protestants and a proper showing of the need therefor. Protestants will thereby be aided in obtaining material facts for inclusion in rebuttal evidence which they are entitled to submit in writing to the board. Every protestant is also assured an opportunity for oral argument before the board and to be informed of the board's recommendations and of the Administrator's reasons for rejecting them should he do so.

Both bills contained identical provisions authorizing judicial relief wherever the Administrator may fail to act on protests within a reasonable time after filing.

SECTION 204

Both bills contained a provision, requested by the Chief Judge of the Emergency Court of Appeals, providing that two judges should constitute a quorum of the court and of each division thereof.

Both bills also contained provisions for the stay of enforcement proceedings in cases where other proceedings were pending to determine the validity of the regulations under which the enforcement cases had been brought. However, these provisions varied in certain respects. After extended and careful consideration, the conferees of both Houses agreed upon a revision. As revised, the provision agreed to provide for stays in enforcement cases where the trial court has granted leave to the defendant to file a complaint in the Emergency Court of Appeals setting forth his objections to the validity of any provision which he is alleged to have violated, provided the court finds the objection is made in good faith and there is reasonable and substantial excuse for the defendant's failure to present it in a protest to the Administrator. Where leave to complain is granted, the procedure to be followed by the emergency court is, it should be explained, analogous to that followed by it in reviewing denials of protests.

The provision also requires a stay during the pendency of any protest which had been filed by the defendant before the enforcement proceeding against him was begun if the court finds that his objections to the regulation protested have been made in good faith.

Stays are also provided for during the pendency of any judicial proceeding instituted by the defendant with respect to any protest as to which the required finding has been made or any complaint filed pursuant to leave granted by the court.

Leaves to complain may be applied for only within 30 days after arraignment in criminal proceedings—unless the court allows a longer period for good cause shown—and within 5 days after judgment in any civil or criminal proceeding. Moreover, where no leave is applied for but instead the defendant asks for a stay because of the pendency of a protest, the stay will be granted in civil cases only after judgment.

Where a stay is granted in an injunction suit, the court is expressly required to issue a temporary injunction enjoining violations by the defendant during the period of the stay.

The Price Administrator has expressed great concern lest the right accorded by this procedure be abused by defendants resorting to protests and leaves to complain as a means of deferring or even avoiding the trial of criminal cases and of staying the execution of judgment in civil proceedings. But the procedure provided in the amendment does not represent a regular method to be followed in enforcement cases. Rather, it is an exceptional procedure which has been made available to avoid the risk of injustice that existed under the original act under which a defendant who had excusably failed to file a protest within the strict time limits the act allowed, might be denied any opportunity to question the validity of the regulation which he was charged with violating. The remedial procedure prescribed by the conference committee is available only to defendants whose objections the courts find have been made in good faith, and not primarily for the purpose of delay. The committee is confident that the courts will be vigilant in administering the standard of good faith to deny stays to defendants who have not previously availed themselves of the unrestricted opportunity to protest but who have been violating regulations on the gamble that, if caught, they could then protest and secure stays of proceedings which would afford them a good chance to avoid trial or the execution of judgment.

SECTION 205

Subsection (c) is amended to require that all damage suits brought under subsection (e) shall be brought in the district or county in which the defendant resides or has a place of business, an office, or an agent.

Both the Senate and the House bills contained different amendments to subsection (e), reducing in appropriate cases the amount of damages recoverable thereunder. The original act set the damages at three times the amount of the overcharge or $50, whichever was the greater. The conference agreement is designed to provide a range of damages within which the court has discretion to determine the amount recoverable in a given case. The minimum limits of the range are the amount of the overcharge or $25, whichever is the greater. The maximum limits are three times the amount of the overcharge or $50, whichever is the greater. As under the original act, the seller is also liable for reasonable attorney's fees and costs.

As a part of the process of readjusting the provisions for damages, the conferees agreed to a substitute for the amendments proposed by both Houses which would afford defense in any civil proceeding to a defendant who showed that his violation was neither willful nor the result of failure to take practicable precautions. The substitute provision would limit the damages recoverable in the event the defendant made such a showing to the minimum range of the damages provided, namely, the amount of the overcharge or $25, whichever is greater. The amendment receded from had provided that the court might allow the amount of the overcharge to be recovered, so the conference committee's deviation from the provision as adopted is not great.

Two provisions dealing with rationing orders were agreed to. The House provision, as revised by the conferees, forbids the inclusion in orders issued under the Federal rationing legislation of provisions requiring the observance of regulations issued under the Price Control and Stabilization Acts. The Senate provision agreed to contains appropriate provisions for the expeditious review, exclusively in the Federal courts, of orders for suspensions of allocations or denying stays thereof.

AMENDMENTS TO THE STABILIZATION ACT

The Senate conferees agreed to a House amendment to section 3 making mandatory what heretofore had been regarded as a discretionary power on the part of the President to adjust the maximum prices of agricultural commodities to the extent he finds necessary to correct gross inequities. This power, which

may be exercised even where it reduces a maximum price below the highest price of the commodity between January 1 and September 15, 1942, has heretofore been exercised chiefly to effect reductions; but it must also be used to increase maximum prices wherever the President makes the appropriate finding.

The House conferees declined to accept a Senate amendment which would exempt from the operation of the act voluntary increases in wages and salaries not resulting in payments greater than $37.50 per week. This provision had been criticized not only as incompatible with the wage stabilization policy but also as likely to compel widespread increases in price ceilings.

The provision of the Senate bill making an amendment to section 8 (a) (1) increasing the loan rate on basic commodities to 95 percent of the parity price is modified by the conference agreement to provide only an increase in the rate to 92½ percent in the case of cotton.

The committee agreed to a substitute for the Senate amendment which had proposed a specific formula for the establishment of maximum prices for textile products processed in whole or substantial part from cotton or cotton yarn.

The first sentence of this amendment repeats the requirement of existing law that maximum prices for commodities processed in whole or substantial part from agricultural commodities must reflect the highest of the minimum legal standards for the price of the agricultural commodity, and adds a special requirement applicable to commodities processed in whole or major part from cotton or cotton yarn. The new requirement is that the applicable standard for such commodities should be applied separately for each major item. The requirement of reflection means that the price of the processed commodity must be such that it will not prevent the price of the basic agricultural commodity from reaching the applicable statutory standard for a maximum price on that commodity. When applied separately to particular items processed from cotton or cotton yarn, such as denims, chambrays, or ducks, this will mean that the prices of such items, separately considered, must afford a processing margin which permits producers of the item to pay that standard out of returns on that item. The purpose of confining the applicability of the separate item standard to major items is to assure that at least 80 percent by volume of the cotton consumed shall be covered, because of the belief that the objectives of this section would not be achieved if any lesser portion of the total consumption were covered. It is also designed to exclude comparatively insignificant items which would have no appreciable effect on the price of cotton.

The second sentence of the amendment is designed to achieve the objective of maintaining the prices of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of nonbasic agricultural commodities as to which public announcement has been made under section 4 (a) of the Commodity Credit Corporation Act of 1941 at levels at least as high as the higher of the two prices specified in clauses (1) and (2) of section 3 of the Stabilization Act. The amendment states that objective and directs the President to take all lawful action, such as purchase and sale or other support operations, to see that it is accomplished.

The substitute retains the original provision of the Senate amendment with respect to the method of determining the parity price for cotton.

Mr. WHERRY. Mr. President, I thank the Senator from New York for his detailed explanation of the report. I should like to ask him to refer back to section 2 (e), and particularly to the action taken which is set out on page 17 of the conference report as submitted to the House. This has to do with "Payments of subsidies to processors conditioned on proof of payments to producers in compliance with price standards."

The House amendment added to section 2 (e) of the Emergency Price Control Act of 1942 an amendment which was not adopted in the Senate. I had contemplated offering the amendment in the committee and then on the floor of the Senate, but that was not done, and the bill went to the House and there it was adopted. The amendment provided:

Provided further, That from and after the enactment of this act it shall be unlawful to pay any subsidy to the processor of any product manufactured in whole or substantial part from any agricultural commodity, unless such processor shall, before receiving such subsidy payment, submit satisfactory evidence that he has paid to the producers of such agricultural commodity, prices that are not below the price standards established by the act of October 2, 1942 (Public Law 729, 77th Cong.). Nothing in this provision shall be construed to authorize or approve the payment of any subsidy either directly or indirectly which is not authorized by existing law.

Mr. WAGNER. I think the Senator has in mind the so-called Kleberg amendment.

Mr. WHERRY. Yes. That amendment was adopted in the House because of the fact that we in the Middle West who produce livestock felt that at times in marketing the livestock the support prices had fallen below the prices established by the Administration. We felt that no maximum ceiling prices should be established by the Office of Price Administration below the support prices, that they should always reflect parity, and that processors should be compelled to certify that all the subsidies they received were reflected through the prices to the producers. That is the only way to assure the producers that they get the subsidy.

Mr. WAGNER. The conferees agreed that it was administratively unworkable as it was, and, secondly, that the Bankhead compromise, which we have accepted, really would take care of the situation.

Mr. WHERRY. I appreciate the remarks of the Senator from New York. What I should like to ask him at this time is this: In the rejection of this amendment by the conference, which had it under consideration, the following language has been used:

> This provision has not been included in the conference substitute.
>
> The fact that this amendment is omitted is not intended to indicate that the conferees are not in full sympathy with its purpose. It is believed that the objective of this amendment can best be attained by specific legislation covering this subject. However, it is also believed that the purpose of this amendment could be attained by proper administration of the present law, there being ample authority in the law to warrant such administrative action. It is intended that the directive given to the President in the amendment made by the bill to section 3 of the Stabilization Act of 1942, with respect to agricultural prices, shall be carried out to the fullest extent necessary to accomplish the purpose of this amendment.

I have quoted the exact language contained in the report.

Mr. WAGNER. That is the statement of the House managers.

Mr. WHERRY. It is the statement of the managers on the part of the House made on the House amendment which has been stricken from the bill, that is the Kleberg amendment. I ask the Senator from New York if that is not correct?

Mr. WAGNER. Yes.

Mr. WHERRY. I appreciate very much what has been done by the conferees, even though the amendment was not left in the bill. I feel it should have been left in it.

Mr. WAGNER. The Senator from Nebraska was himself very successful in his effort.

Mr. WHERRY. The Senator from New York means with respect to the regulatory amendment?

Mr. WAGNER. Yes.

Mr. WHERRY. Of course, the retention of that amendment makes it a better law, and everyone likes it better, and it will be more enforceable. What I wanted to say to the distinguished Senator from New York was that I agree that it is a question of administration. I have always agreed with that contention, and I hope that what really are the instructions on the part of the conferees will be carried into effect by the Office of Price Administration. The language in the statement by the managers on the part of the House is in reality a recommendation in lieu of the amendment. I wanted that to be made clear in the CONGRESSIONAL RECORD.

I desire to thank the conference committee for its consideration of an amendment which it finally struck out, but in the language which is found on page 17 of the statement by the managers on the part of the House they say they agree with the principle of the amendment, and they think its purposes should be effectuated.

Mr. WAGNER. I may say incidentally the conferees were unanimous in their expression on that point.

Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. SHIPSTEAD subsequently said: Mr. President, I was called out of the Senate Chamber for a few minutes, and while I was absent the conference report on the O. P. A. bill was agreed to without a record vote. I wish to have the RECORD show that I am opposed to the passage of the bill because of the lack of agricultural safeguarding provisions.

Mr. BARKLEY. Mr. President, I wish to congratulate the able Senator from New York [Mr. WAGNER], the chairman of the Banking and Currency Committee of the Senate, and chairman of the conference committee which has dealt with this very important subject, upon the skill and ability with which he has guided the conference to a consummation which I think will be generally satisfactory, notwithstanding the fact that everyone did not get what he wanted in the bill. That never happens. I think the Senator from New York and the committees of the two Houses and the conference committee have really performed a very constructive piece of work in the long consideration they have given to this legislation.

Mr. WAGNER. Mr. President, I thank the Senator for his complimentary statement, which is not deserved. If it were not for the distinguished majority leader, who is a member of the committee, and the other members of the committee, both Democrats and Republicans, I could have accomplished nothing.

Mr. BARKLEY. I wish my remarks to be construed to include, with the exception of myself, the conferees who worked on this legislation, representing both the House and the Senate, and representing both political parties.

Mr. WAGNER. I thank the Senator.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

H. R. 272. An act for the relief of Mrs. Vola Stroud Pokluda, Jesse M. Knowles, and the estate of Lee Stroud;

H. R. 1220. An act for the relief of the legal guardian of Paul M. Campbell, a minor;

H. R. 2303. An act for the relief of O. W. James;

H. R. 2855. An act for the relief of the estate of John Buby;

H. R. 3102. An act for the relief of Mrs. Eva M. Delisle;

H. R. 3661. An act for the relief of G. F. Allen, chief disbursing officer, Treasury Department, and for other purposes;

H. R. 3891. An act to provide night differential for certain employees; and

H. R. 4115. An act to give honorably discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed.

NOTICE OF CALL OF THE CALENDAR TOMORROW

Mr. BARKLEY. Mr. President, I wish to advise the Senate that tomorrow, at some convenient time, I hope we may call the calendar for consideration of bills to which there is no objection. I do not think the Senate should recess for any length of time without first calling the calendar, and I think we will find it convenient to do so tomorrow.

IRRIGATION AND RECLAMATION IN RELATION TO DEVELOPMENT OF WATERWAYS—LETTER FROM THE PRESIDENT

Mr. O'MAHONEY. Mr. President, at a meeting of the Commerce Committee today I am advised that the Senator from Louisiana [Mr. OVERTON] read a letter which was addressed to him by the President of the United States dealing with the rivers and harbors bill recently approved by that committee. The letter of the President is of great interest particularly to those who are concerned with the manner in which reclamation and reclamation projects shall be handled in this and other legislation. The matter is of such importance that I feel the letter should be printed at length in the CONGRESSIONAL RECORD. I, therefore, ask unanimous consent that the President's letter addressed to the Senator from Louisiana may be printed in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 13, 1944.

Hon. JOHN H. OVERTON,
United States Senate, Washington, D. C.

DEAR SENATOR OVERTON: I appreciate your letters of May 27 regarding the river and harbor bill and the problems that you are seeking to solve in connection with that measure and the flood-control bill. I am aware of the difficult job that you have undertaken in your work on these bills that deal with important matters of concern to many interests throughout the country and of the statesmanlike perseverance with which you and the members of the Commerce Committee have gone about the task.

The action of the committee with respect to the river and harbor bill is highly gratifying in most respects. I was particularly pleased that the California projects would be protected by your action on the river and harbor bill and suppose that this will be true in the case of the flood-control measure. I am somewhat disturbed, however, by the provision against the construction or acquisition of transmission lines that was inserted in section 6 of the river and harbor bill. I do not clearly see the necessity for this broad restriction, particularly when the Congress would always be asked to appropriate money for any transmission lines that might be planned in connection with these projects, and I foresee that it might unduly hamper the disposition of power in a beneficial manner. I hope that this problem will be given some further attention.

As you yourself recognize, moreover, the problem of the use of the waters of the Missouri River requires further consideration. In my judgment the compromise that you propose does not quite offer the solution. It is my understanding that if navigation facilities were constructed on the main stem of the river, the water required to make them useful might deplete supplies needed for irrigation.

I think that when considering that part of the country in which the laws of nature inexorably accord to the beneficial consumptive use of water a primary role, we must bow to those laws in our plans and legislation to the fullest extent compatible with the full comprehensive development of our streams for the good of the Nation as a whole. Several suggestions have been put forward in the Congress, some as amendments to the river and harbor bill, which have merit in firmly establishing the primary importance of the beneficial consumptive use of water without requiring any cession of Federal jurisdiction under the commerce clause of the Constitution. I fully agree with you, of course, that any means of solution that may be adopted must be workable and equitable. I realize the immense complexity of the problem, but I hope that you and your colleagues will find a way to work it out within the general confines of these principles.

With kindest personal regards.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate a message from the President of the United States, which was referred to the appropriate committee.

(For nomination this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WALSH of Massachusetts, from the Committee on Naval Affairs:

Commodore Andrew F. Carter, United States Naval Reserve, to be a rear admiral in the Naval Reserve, for temporary service, to continue while serving as executive, Army-Navy Petroleum Board.

By Mr. GEORGE, from the Committee on Finance:

Sundry officers for appointment and/or promotion in the United States Public Health Service.

By Mr. WAGNER, from the Committee on Interstate Commerce:

Frank P. Douglass, of Oklahoma, to be a member of the National Mediation Board for the remainder of the term expiring February 1, 1946, vice William M. Leiserson.

By Mr. HATCH: From the Committee on Public Lands and Surveys:

William Riddell, of Montana, to be register of the land office at Billings, Mont. (reappointment).

From the Committee on the Judiciary:

Herbert Wechsler, of New York, to be Assistant Attorney General, vice Hugh B. Cox;

Arthur D. Fairbanks, of Colorado, to be United States marshal for the district of Colorado;

Bernard Fitch, of Connecticut, to be United States marshal for the district of Connecticut;

Frank C. Blackford, of New York, to be United States marshal for the western district of New York;

Thomas N. Curran, of Maine, to be United States marshal for the district of Maine, vice John G. Utterback, resigned; and

Frank C. Bingham, of Alaska, to be United States attorney for division 2 of Alaska, vice Charles J. Clasby, resigned.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

DEPARTMENT OF THE NAVY

The Chief Clerk read the nomination of Ralph A. Bard, of Illinois, to be Under Secretary of the Navy.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FARM CREDIT ADMINISTRATION

The Chief Clerk read the nomination of Ivy W. Duggan, of Mississippi, to be Governor for the unexpired term of 6 years from June 15, 1940.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters on the calendar may be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the nominations in the Army may be confirmed en bloc, with the exception of the nomination of Ephraim Franklin Jeffe, under Calendar No. 1423, to be brigadier general. I make an exception in that case at the request of the Senator from Montana [Mr. MURRAY] a member of the Military Affairs Committee, and one or two other Senators who have requested that that nomination go over.

Mr. WHITE. Will the Senator again state what nomination he asks go over?

Mr. BARKLEY. The nomination of Ephraim Franklin Jeffe to be brigadier general, under Calendar No. 1423.

The PRESIDING OFFICER. With the exception of the nomination referred to by the Senator from Kentucky, the nominations in the Army, without objection, are confirmed en bloc.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be so notified.

That completes the Executive Calendar.

RAYMOND E. McCANSE—NOMINATION RECONSIDERED AND REJECTED

Mr. BARKLEY subsequently said: Mr. President, when we were considering the Executive Calendar, inadvertently the nomination of Raymond E. McCanse to be postmaster at Mount Vernon, Mo., was confirmed. I note that there was an adverse report on that nomination. I ask unanimous consent that the vote by which the nomination was confirmed be reconsidered, and that the nomination be rejected, in accordance with the report of the committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

LEGISLATIVE SESSION

Mr. BARKLEY. I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

SIGNING OF THE BILL CONTINUING THE SUGAR ACT OF 1937

Mr. O'MAHONEY. Mr. President, I call to the attention of the Senate the fact that yesterday the President of the United States attached his signature to House Bill 4833 extending the Sugar Act of 1937 for 2 additional years. The fact that the President has signed this bill will be good news to the growers of sugar beets of 20 States. This measure, which will now remain in effect until the end of 1946, has been one of the most successful laws ever enacted by Congress. Not only have the growers of sugar beets benefited but the processors as well.

The fact that the bill continuing the act was passed through both Houses of Congress within a few weeks and with practically no dissent or criticism, is itself testimony that the legislation has been an outstanding achievement of this administration in meeting the many difficult and complicated problems of the sugar industry. Certainly without it the industry could not have survived. The law has successfully balanced complicating interests involving both domestic and foreign trade.

When Representative FLANNAGAN, in the House, and the Senator from Colorado [Mr. JOHNSON] and I in the Senate, introduced the bills this year to continue the act, the proposal received support from every factor of the industry. Not only were the growers of beets in favor of the continuance of the law as expressed by the formal resolution of the National Beet Growers Association, but the refiners of sugarcane in the United States also endorsed the measure. In the House the bill had the unanimous approval of the Committee on Agriculture, and likewise in the Senate it was reported by the Finance Committee without disagreement.

In marked contrast to the attitude of suspicion and controversy which greeted the initial efforts in working out the sugar legislation of 1934, there appears to have been virtually unanimous agreement on the part of the various branches of the sugar industry and of their Representatives in the Congress that a satisfactory structure has been worked out in this very difficult matter. In 1934, despite the fact that the income of sugar growers had fallen for several years, that many processors had been operating at a loss, and that various other evils afflicted the industry, those of us who worked on this program found some branches of the industry uncertain that the program was really in their best interest. It is fortunate, indeed, that sugar producers, generally, supported the Congress and the administration in working out the sugar program which has since conferred so many benefits on sugar growers, processors, and laborers.

In addition to the value of this legislation in meeting the problems of the industry in the pre-war depression period, the administrative machinery and authority provided for under the act greatly facilitated the transition to wartime conditions, as Judge Jones, the War Food Administrator, recently pointed out.

The first beet-sugar crop marketed after we entered the war was of near record volume. Consequently, when the Axis carried out an intensive campaign of submarine warfare on the Atlantic seaboard, large quantities of beet sugar were available for marketing in the distress areas of the eastern seaboard shut off from the usually abundant offshore supplies. In the two subsequent crops sugar-beet acreage has unfortunately been reduced through a number of adverse wartime factors. It is to be hoped that the Government's support in continuing the 1937 Sugar Act will be further evidence to our growers of the administration's interest in attaining a large sugar-beet acreage.

One of the virtues of this legislation is that it has stabilized the sugar industry and has increased the returns to growers without increasing the cost of sugar to the consumer. The law is self-sustaining and although substantial payments are made to the growers of sugar beets the fund out of which they are paid is raised by a tax which operates to redistribute the profits of the industry without increasing the cost of sugar on the table or in the factory.

Mr. President, I ask to have printed in the RECORD at this point a table showing the sugar-beet payments made in 1943 in the 20 States which are affected.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

California	$2,692,129.37
Colorado	4,159,221.09
Idaho	1,627,142.85
Illinois	25,525.43
Indiana	55,613.50
Iowa	22,008.51
Kansas	100,843.42
Michigan	996,417.13
Minnesota	598,043.01
Montana	1,694,706.47
Nebraska	1,455,860.91
New Mexico	4,750.89
North Dakota	309,310.76
Ohio	301,180.12
Oregon	371,502.47
South Dakota	115,458.85
Utah	1,084,793.47
Washington	464,871.04
Wisconsin	279,564.92
Wyoming	730,720.98
Total	17,089,665.19

ALLOWANCES FOR MILEAGE OF GRADUATES OF THE MILITARY ACADEMY

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1669) to clarify the law relative to allowances for mileage of graduates of the United States Military Academy and transportation of their dependents on assignment to their first duty station and to the mileage allowance of persons entering the United States Military Academy as cadets, which was, on page 3, line 7, after "Academy" to insert, "*Provided*, That a person discharged from the armed forces to enter the United States Military Academy shall receive a mileage allowance at the rate of 5 cents per mile for travel performed not in excess of the distance by the shortest usually traveled route between the place

of discharge as certified by him and the United States Military Academy: *Provided further*, That no travel allowance shall be payable under this section for travel performed outside the continental limits of the United States."

Mr. JOHNSON of Colorado. Mr. President, I move that the Senate concur in the House amendment.

Mr. WHITE. Mr. President, will the Senator indicate generally what the House amendment is?

Mr. JOHNSON of Colorado. The bill has to do with transportation allowances to graduates of the United States Military Academy at West Point. The House amendment affects the transportation of persons who are appointed to West Point from the Army. It would provide a mileage allowance of 5 cents a mile between the place of the discharge and the United States Military Academy.

The House amendment authorizes an allowance of 5 cents a mile to a soldier discharged to enter West Point, from the place of discharge to West Point.

There are two groups involved:

First. Soldiers appointed by Senators or Representatives, who are discharged at military stations before starting for West Point.

Second. Soldiers appointed from the Army, who are sent to West Point as soldiers, and furnished transportation, and who are then discharged at West Point. The House amendment would permit this group to pay their own way to West Point and then ask for reimbursement of 5 cents a mile.

The War Department approves the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado [Mr. JOHNSON] to concur in the House amendment.

The motion was agreed to.

AUTHORIZATION FOR SPECIAL COMMITTEE TO INVESTIGATE GASOLINE AND FUEL SHORTAGES TO FILE REPORT

Mr. MALONEY. Mr. President, I ask unanimous consent that the Special Committee to Investigate Gasoline and Fuel-Oil Shortages be authorized to submit a report during the recess of the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut? The Chair hears none, and it is so ordered.

NOMINATION OF FRANK P. DOUGLASS TO BE A MEMBER OF THE NATIONAL MEDIATION BOARD

Mr. WAGNER. Mr. President, earlier in the day there was reported from the Committee on Interstate Commerce the nomination of Frank P. Douglass, of Oklahoma, to be a member of the National Mediation Board, succeeding William M. Leiserson, who has resigned. One of the members of the Board is ill, and the Board cannot function effectively until a new member is appointed to form a quorum. For that reason I ask unanimous consent, as in executive session, for the present consideration of the nomination.

Mr. WHITE. Mr. President, from what committee does the nomination come?

Mr. WAGNER. From the Committee on Interstate Commerce.

Mr. WHITE. What is it for?

Mr. WAGNER. It is the nomination of Frank P. Douglass to be a member of the National Mediation Board. One of the members of the Board is now ill. The Board has a membership of three. Therefore, the Board will be unable to conduct business unless this nomination is confirmed. Mr. Douglass was nominated to succeed Mr. William M. Leiserson, who has just resigned.

Mr. WHITE. Was the nomination reported today?

Mr. WAGNER. Yes.

Mr. WHITE. Is there some special reason for speed?

Mr. WAGNER. I have stated the reason. The Board has a great deal of business to do, and it cannot transact business without a quorum.

Mr. WHITE. It is necessary that the nomination be confirmed in order that the Board may have a quorum.

Mr. WAGNER. Exactly.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination as in executive session? The Chair hears none, and the nomination will be stated.

The legislative clerk read the nomination of Frank P. Douglass to be a member of the National Mediation Board.

The PRESIDING OFFICER. Without objection, as in executive session, the nomination is confirmed.

Mr. WAGNER. I ask that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

APPROPRIATIONS FOR DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE—CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on amendment numbered 10 of the Senate to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce for the fiscal year ending June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

The committee of conference report in disagreement amendment numbered 10.

KENNETH MCKELLAR,
CLYDE M. REED,
WALLACE H. WHITE, JR.,
TOM CONNALLY,
RICHARD B. RUSSELL,
Managers on the part of the Senate.
JOHN H. KERR,
BURTON B. HARE,
THOMAS J. O'BRIEN,
ALBERT E. CARTER,
KARL STEFAN,
ROBERT F. JONES,
Managers on the part of the House.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate the message from the House of Representatives announcing its action on a certain amendment of the Senate to House bill 4204, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 21, 1944.

Resolved, That the House recede from its disagreement to the amendment of the Senate No. 10 to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes, and concur therein with an amendment as follows: At the end of the matter inserted by said amendment, after "1944" insert "*Provided*, That none of the funds appropriated in this paragraph shall be expended for field work in connection with such census prior to January 1, 1945."

Mr. McKELLAR. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

Mr. McKELLAR. Mr. President, does that complete legislative action on the bill?

The PRESIDING OFFICER. That completes legislative action on the bill.

Mr. McKELLAR. And it will now go to the President?

The PRESIDING OFFICER. It will now go to the President.

TERM OF OFFICE OF DISTRICT ATTORNEY AND MARSHAL FOR THE CANAL ZONE

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent that the Senate proceed to consider House bill 3646, Calendar No. 971, a bill to amend section 42 of title 7 of the Canal Zone Code, which was reported from the Committee on Interoceanic Canals with an amendment.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 3646) to amend section 42 of title 7 of the Canal Zone Code.

Mr. CLARK of Missouri. Mr. President, this bill was reported with an amendment. The reason I am anxious to have it considered at this time is that it will be necessary that the amendment be considered in conference.

The bill would merely extend the term of office of the district attorney and the marshal for the Canal Zone from 4 to 8 years, to conform with the term of the United States Federal judge who is now appointed for 8 years.

The reason assigned by the Department officials and the Canal Zone authorities is that it is impossible to obtain anyone in the Panama Canal Zone itself to fill these offices, inasmuch as practically the entire population of the Panama Canal Zone consists of Government employees, and it is difficult to obtain the proper persons to go down there for so short a term as 4 years.

The committee amendment provides that the act shall take effect February 1, 1945.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. WHITE. Does the bill come before the Senate with the unanimous approval of the committee?

Mr. CLARK of Missouri. Yes.

Mr. WHITE. I understand that the occasion for requesting its present consideration is because it will have to go to conference, for further consideration there?

Mr. CLARK of Missouri. Yes; we are adding an amendment, and it will be necessary for it to go to conference. At the present time vacancies are existing in the office of the United States marshal in the Canal Zone.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri?

There being no objection, the Senate proceeded to consider the bill (H. R. 3646) to amend section 42 of title 7 of the Canal Zone Code, which had been reported from the Committee on Interoceanic Canals, with an amendment, on page 1, after line 7, to insert:

SEC. 2. This act shall take effect February 1, 1945.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. CLARK of Missouri. Mr. President, I ask that the Senate insist on its amendment, request a conference thereon with the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. STEWART, Mr. PEPPER, and Mr. BUSHFIELD conferees on the part of the Senate.

ESTABLISHMENT, MANAGEMENT, AND PERPETUATION OF KERMIT ROOSEVELT FUND

Mr. BARKLEY. Mr. President, Senate Joint Resolution 134, Calendar No. 981, which has been reported from the Committee on Military Affairs, provides for the establishment in the War Department of a board to be known as the Trustees of the Kermit Roosevelt Fund, and also provides for the management and perpetuation of that fund. The War Department desires that the joint resolution be enacted as soon as possible. Therefore, I ask unanimous consent for the present consideration of the joint resolution, so that if it is passed, there may be opportunity for its passage by the House.

The PRESIDING OFFICER. Is there objection?

Mr. WHITE. Mr. President, as I understand the joint resolution, it imposes on the War Department no obligation or burden except that of management of the fund. Is that true?

Mr. BARKLEY. That is true. It provides for the creation within the War Department of a Kermit Roosevelt fund, and for its management and perpetuation.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (S. J. Res. 134) to provide for the establishment, management, and perpetuation of the Kermit Roosevelt fund was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That there is hereby established in the War Department a board to be known as the Trustees of the Kermit Roosevelt Fund, whose duty it shall be properly to administer all money and property which hereafter may come under its control as part of the Kermit Roosevelt fund, created pursuant to section 2 hereof. The Board shall be composed of the Chief of Finance, United States Army, ex officio, and three general officers of the Army who shall be appointed to the Board and may be replaced thereon by the Secretary of War.

SEC. 2. The Board is hereby authorized to accept from Mrs. Kermit Roosevelt such money and property as she may tender, to receipt therefor on behalf of the United States, and to deposit the funds so received in the Treasury of the United States as the original corpus of a trust fund, to be known as the Kermit Roosevelt fund, which shall be used for the purpose of fostering a better understanding and a closer relationship between the military forces of the United States and those of the United Kingdom by sponsoring lectures or courses of instruction to be delivered by officers of the British Army at the United States Military Academy and elsewhere in the United States and by officers of the United States Army at Sandhurst Royal Military College and elsewhere in the United Kingdom or, should such exchange lectures prove or become impracticable or unnecessary for any reason, by such other application of the funds as the Board, with the approval of the Secretary of War, may determine. The original corpus of the fund and the income therefrom may be disbursed at the discretion of the Board in furtherance of the stated purpose, and shall be subject to investment and reinvestment as provided in section 3 hereof.

SEC. 3. The Board is also authorized to accept, receive, hold, and administer gifts, bequests, and devises of money, securities, or other property, whether real or personal, from any source, for the benefit of the Kermit Roosevelt fund, but no such gift, bequest, or devise which entails any expenditure not to be met out of the gift, bequest, devise, or the income thereof shall be accepted without the consent of Congress. Such additional sums or property shall be receipted for by the Chief of Finance and may, at the discretion of the Board and unless otherwise restricted by the terms of the gift, bequest, or devise, be administered and disbursed in the same manner as the original corpus of the fund and the income therefrom. The Board may, in its discretion, sell or exchange securities or other property given, bequeathed, or devised to or for the benefit of the Kermit Roosevelt fund, and may invest and reinvest the proceeds thereof, together with any other moneys in the fund, in such investments as it may determine from time to time: *Provided, however*, That the Board is not authorized to engage in any business, nor shall it make any investments for the account of the fund which could not lawfully be made by a trust company in the District of Columbia, except that it may make any investment directly authorized by the instrument of gift, bequest, or devise under which the funds to be invested are derived, and may retain any investments accepted by it.

SEC. 4. The income from any property held or administered by the Board, as and when collected, shall be deposited in the Treasury of the United States to the credit of the trust fund established pursuant to section 2 hereof, and it shall be and remain subject to investment, reinvestment, and disbursement by the Board for the uses and purposes set forth herein.

SEC. 5. The Board shall have all the usual powers of a trustee in respect to all property administered by it, but the members of the Board shall not be personally liable, except for misfeasance, on account of any acts performed in their trust capacity. The members of the Board shall not be required to furnish bond, and no additional compensation shall accrue to any of them on account of their duties as trustees. Within the limits prescribed by sections 2, 3, and 4 hereof the administration, control, and expenditure of this fund and its application to the purposes intended shall be according to the sole discretion of the Board, and the exercise of its discretion and authority in regard thereto and its decisions thereon, including any payments made or authorized by it to be made from the Kermit Roosevelt fund, shall not be subject to review except by the Secretary of War to whom the Board shall, on the 1st day of January each year, render a full report of its activities during the preceding 12 months. The actions of the Board shall not be subject to judicial review exceept in an action brought in the United States District Court for the District of Columbia, which is hereby given jurisdiction of such suits, for the purpose of enforcing the provisions of any trust accepted by the Board.

ADDITIONAL PAY FOR INFANTRYMEN AWARDED THE EXPERT INFANTRYMAN BADGE OR THE COMBAT INFANTRYMAN BADGE

Mr. HILL. Mr. President, I ask unanimous consent for the present consideration of Senate bill 1973, Calendar No. 982. The measure provides additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge.

Let me say to the distinguished senior Senator from Maine that the bill has been unanimously reported by the Committee on Military Affairs. General Marshall is very anxious to have the bill passed. It simply provides recognition for infantrymen, particularly those who today are out in the fox holes in the battle theaters overseas.

Mr. WHITE. Mr. President, will the Senator yield to me?

Mr. HILL. I yield.

Mr. WHITE. The majority leader has already given indication that there is to be a call of the calendar tomorrow, I think we should postpone any further unanimous-consent requests for the consideration of measures at this time.

Nevertheless, inasmuch as the Senator from Alabama was kind enough to speak to me a while ago about the bill, and inasmuch as there is another measure in which the Senator from Rhode Island [Mr. GERRY] is interested, I shall not object to the unanimous-consent request of the Senator from Alabama, and I shall not object to a similar request which I understand will be made by the Senator from Rhode Island. However, thereafter I think we should wait until the call of the calendar tomorrow.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Alabama?

There being no objection, the Senate proceeded to consider the bill (S. 1973) to provide additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge.

Mr. WHERRY. Mr. President, I should like to ask a question about the bill. Why are infantrymen singled out? I do not quite understand the purpose.

Mr. HILL. The reason why infantrymen are singled out is that today the infantryman receives, on the average, less pay than is received by the personnel of any other branch of the service, and because General Marshall is very anxious to do something to raise the morale of the infantryman, to challenge him and to let him know that he is appreciated for the tremendously important part he is playing today in the winning of the war. We have done much for other branches of the service, but to date we have done practically nothing for the infantryman.

Mr. WHERRY. What would the bill do?

Mr. HILL. It simply provides that there shall be two badges of distinction for infantrymen, one called the expert infantryman badge, and the other called the combat infantryman badge. The expert infantryman badge is won by a man who reaches a high degree of proficiency as an infantryman. An infantryman who wins that badge will receive an additional $5 a month in pay.

The combat infantryman badge is won by an infantryman who displays exemplary conduct in contact with the enemy. When he wins that badge he will receive an additional $10 a month in pay.

Mr. WHERRY. Was the bill unanimously reported from the Committee on Military Affairs?

Mr. HILL. Yes.

Mr. WHERRY. I thank the Senator.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That during the present war and for 6 months thereafter, any enlisted man of the Army assigned to the Infantry who is entitled, under regulations prescribed by the Secretary of War, to wear the expert infantryman badge or the combat infantryman badge, shall be paid additional compensation at the rate of $5 per month when he is entitled to wear the expert infantryman badge and at the rate of $10 per month when he is entitled to wear the combat infantryman badge: *Provided*, That additional compensation for both awards may not be paid at the same time.

SEC. 2. The appropriations heretofore or hereafter made for "Finance Service, Army", shall be available for carrying into effect the provisions of this act.

SEC. 3. The provisions of this act shall become effective as of January 1, 1944.

ESTABLISHMENT OF GRADE OF ADMIRAL OF THE FLEET, UNITED STATES NAVY

Mr. GERRY. Mr. President, from the Committee on Naval Affairs, I report favorably, with amendments, Senate bill 2019, providing for the establishment of the grade of Admiral of the Fleet, United States Navy, and I submit a report (No. 1024) thereon. I ask unanimous consent for the present consideration of the bill.

The PRESIDING OFFICER. The bill will be read by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2019) to establish the grade of Admiral of the Fleet of the United States Navy, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Naval Affairs, with amendments.

The amendments of the Committee on Naval Affairs were, on page 1, line 3, after the words "grade of", to strike out "Admiral of the Fleet" and insert "Fleet Admiral"; on page 2, line 1, after the word "two", to strike out the comma and "exclusive of the officer serving as Chief of Naval Operations"; after line 2, to strike out: "SEC. 2. The Chief of the Naval Operations while so serving shall have the same rank, pay, and allowances as provided for an Admiral of the Fleet of the United States Navy"; in line 7, to change the section number from 3 to 2; in line 16, after the words "grade of", to strike out "Admiral of the Fleet" and insert "Fleet Admiral"; in line 19, after the word "appointment", to insert a comma and "except as otherwise provided herein"; in line 20, to change the section number from 4 to 3; in the same line, after the word "shall", to insert a comma and "while on active duty"; after line 22, to strike out:

SEC. 5. An officer retired while serving as Admiral of the Fleet of the United States Navy, or who shall have served 1 year or more as such, may, in the discretion of the President, by and with the advice and consent of the Senate, be placed on the retired list with the highest grade or rank held by him while on the active list: *Provided*, That no increase in retired pay shall accrue as a result of such advanced rank on the retired list.

On page 3, after line 5, to insert new sections, as follows:

SEC. 4. In the discretion of the President, by and with the advice and consent of the Senate, each officer who shall have served in the grade or rank of fleet admiral shall, upon retirement or reversion to the retired list, as the case may be, have on the retired list the highest grade or rank held by him on the active list: *Provided*, That each such officer shall be entitled to retired pay equal to 75 percent of the active-duty pay provided herein for a fleet admiral: *Provided further*, That no officer of the naval service on the active or retired list shall be appointed or advanced to the grade or rank of fleet admiral except as provided in this act.

SEC. 5. This act shall be effective only until 6 months after the termination of the wars in which the United States is now engaged as proclaimed by the President, or such earlier date as the Congress by concurrent resolution may fix.

So as to make the bill read:

Be it enacted, etc., That the grade of fleet admiral of the United States Navy is hereby established on the active list of the line of the Regular Navy as the highest grade in the Navy. Appointments to said grade shall be made by the President, by and with the advice and consent of the Senate, from among line officers on the active list and retired line officers on active duty serving in the rank of admiral in the Navy at the time of such appointment. The number of officers of such grades on the active list at any one time shall not exceed two.

SEC. 2. Appointments under authority of this act shall be made without examination and shall continue in force during such period as the President shall determine. The permanent or temporary status of officers of the active list appointed to a higher grade pursuant to section 1 hereof shall not be vacated solely by reason of such appointment, nor shall such appointees be prejudiced in regard to promotion, in accordance with laws relating to the Navy. An officer appointed from the retired list to the grade of fleet admiral of the United States Navy on the active list as provided in section 1 hereof shall, upon the termination of such appointment, revert to the status held by him prior to such appointment, except as otherwise provided herein.

SEC. 3. Appointees under this act shall, while on active duty, receive the same pay and allowances as a rear admiral of the upper half, plus a personal money allowance of $5,000 per annum.

SEC. 4. In the discretion of the President, by and with the advice and consent of the Senate, each officer who shall have served in the grade or rank of fleet admiral shall, upon retirement or reversion to the retired list, as the case may be, have on the retired list the highest grade or rank held by him on the active list: *Provided*, That each such officer shall be entitled to retired pay equal to 75 percent of the active-duty pay provided herein for a fleet admiral: *Provided further*, That no officer of the naval service on the active or retired list shall be appointed or advanced to the grade or rank of fleet admiral except as provided in this act.

SEC. 5. This act shall be effective only until 6 months after the termination of the wars in which the United States is now engaged as proclaimed by the President, or such earlier date as the Congress by concurrent resolution may fix.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to establish the grade of fleet admiral of the United States Navy, and for other purposes."

USE OF CASHIER'S CHECKS IN PAYMENT FOR REVENUE STAMPS

Mr. PEPPER. Mr. President, I request the attention of the able senior Senator from Georgia [Mr. GEORGE]. I move that the Senate proceed to the consideration of Senate bill 1419, Calendar No. 829, to authorize collectors of internal revenue to receive cashier's checks of certain banking institutions in payment for revenue stamps. The bill is on the calendar, let me say, by favorable report of the Finance Committee, and I ask for its immediate consideration.

Mr. WHITE. Mr. President, will the clerk indicate what the bill is?

The PRESIDING OFFICER. The bill will be read by title, for the information of the Senate.

The CHIEF CLERK. A bill (S. 1419) to authorize collectors of internal revenue to receive cashier's checks of certain banking institutions in payment for revenue stamps.

Mr. WHITE. Is the Senator from Florida requesting unanimous consent for the present consideration of the bill?

Mr. PEPPER. I am.

Mr. WHITE. Mr. President, the bill is on the calendar. As I said just a moment ago, the majority leader has indicated that tomorrow there will be a call of the calendar. I also said a few moments ago that I would object to consideration today by unanimous consent of any other bills which are on the calendar and are in order for consideration tomorrow. Therefore, I must object to the request of the Senator from Florida.

Mr. PEPPER. Mr. President, if the able senior Senator from Maine will withhold his objection for a moment, let me say that unfortunately I shall not be able to be present in the Senate tomorrow afternoon. The bill is a matter of public interest. It is recommended by the bankers' associations. It has been favorably reported by the able Committee on Finance. The bill and two or three amendments which I have proposed to it are agreeable to the Treasury. The Senator would greatly oblige me if he would permit me to present this matter at this time.

The PRESIDING OFFICER. Did the Senator from Florida request unanimous consent for present consideration of the bill, or did he move its present consideration? The Chair understood that the Senator made such a motion.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PEPPER. Is unanimous consent necessary for the present consideration of this bill?

The PRESIDING OFFICER. A motion for its consideration is in order.

Mr. PEPPER. That is what I thought. I first made a motion for its present consideration, but I heard a reference made to unanimous consent.

However, because of the fact that I shall not be in the Senate Chamber tomorrow afternoon, I hope the able senior Senator from Maine will not object to having the bill taken up at this time.

Mr. WHITE. Mr. President, I must insist on standing where I stood a few moments ago when I announced that I would object to unanimous-consent requests for the consideration of bills which are on the calendar and are in order for consideration tomorrow.

Mr. PEPPER. Mr. President, I now move that the Senate proceed to the consideration of Senate bill 1419.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida [putting the question].

The motion was rejected.

Mr. GEORGE. Mr. President, I very much hope that this matter may be disposed of at this time. Allow me to suggest that if the Senator from Florida [Mr. PEPPER] is unable to be present in the Chamber tomorrow, amendments to the bill be considered this afternoon, and tomorrow I shall undertake to secure the passage of the bill on the call of the calendar.

Mr. WHITE. My only purpose is to keep within the rules of the Senate.

Mr. GEORGE. I understand.

Mr. PEPPER. Mr. President, I did not hear the statement of the Senator from Georgia.

Mr. GEORGE. I suggested that the Senator from Florida have his amendments to the bill presented, and after they are disposed of the final passage of the bill can wait until tomorrow. I stated that tomorrow I would endeavor to have it passed.

Mr. PEPPER. The Senator from Georgia is very kind.

Mr. GEORGE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate bill 1419, that the amendments be now considered, and that final passage of the bill be postponed until tomorrow.

There being no objection, the Senate proceeded to consider the bill (S. 1419) to authorize collectors of internal revenue to receive cashier's checks of certain banking institutions in payment for revenue stamps, which had been reported from the Committee on Finance with an amendment to the bill and an amendment to the title.

The amendment of the Committee on Finance was to strike out all after the enacting clause and insert:

That section 3656 of the Internal Revenue Code (relating to payment of taxes by check) is amended to read as follows:

"SEC. 3656. Payment by check and money orders.

"(a) Certified, cashiers', and treasurers' checks and money orders.—

"(1) Authority to receive: It shall be lawful for collectors to receive for internal revenue taxes or in payment of stamps to be used in payment of internal revenue taxes certified, cashiers', and treasurers' checks drawn on National and State banks and trust companies and United States postal money orders during such time and under such regulations as the Commissioner, with the approval of the Secretary, may prescribe.

"(2) Discharge of liability.—

"(A) Check duly paid: No person who may be indebted to the United States on account of internal revenue taxes or stamps used or to be used in payment of internal revenue taxes who shall have tendered a certified, cashier's, or treasurer's check or checks as provisional payment therefor, in accordance with the terms of this subsection, shall be released from the obligation to make ultimate payment thereof until such certified, cashier's, or treasurer's check so received has been duly paid.

"(B) Check unpaid: If any such check so received is not duly paid by the bank on which it is drawn, the United States shall, in addition to its right to exact payment from the party originally indebted therefor, have a lien for the amount of such check upon all the assets of such bank; and such amount shall be paid out of its assets in preference to any or all other claims whatsoever against said bank, except the necessary costs and expenses of administration and the reimbursement of the United States for the amount expended in the redemption of the circulating notes of such bank.

"(b) Other checks.—

"(1) Authority to receive: Collectors may receive checks in addition to those specified in subsection (a) in payment of taxes other than those payable by stamp during such time and under such rules and regulations as the Commissioner, with the approval of the Secretary, shall prescribe.

"(2) Ultimate liability: If a check so received is not paid by the bank on which it is drawn the person by whom such check has been tendered shall remain liable for the payment of the tax and for all legal penalties and additions to the same extent as if such check had not been tendered."

Mr. PEPPER. Mr. President, apropos of the amendment which has been read, and as having a bearing on the amendments which I shall offer, I should like to read a portion of a letter which I received from the Acting Secretary of the Treasury dated May 19, 1944, addressed to Hon. WALTER F. GEORGE, chairman of the Committee on Finance, United States Senate. I read from the letter for the purpose of making clearer the definition of the term "money orders" used in the amendment. The portion of the letter which I wish to read is as follows:

The most difficult problem presented by this proposal is to define with any precision what the words "money orders" mean. In addition to postal money orders, there are in common use certain instruments for the transfer of money issued by the American Express Co. and the Western Union Telegraph Co. which are referred to as "money orders." At present there is also a growing practice for banks to issue instruments having characteristics of cashiers' checks, but also bearing the name of the purchaser, which are denominated as "money orders." So far as legal authorities are concerned there is a paucity of any consideration as to what constitutes a money order, none of the reported court decisions undertaking any detailed or reliable definition of the term.

It is believed, however, that making any of the instruments in use, to which reference has been made above, acceptable in payment of revenue stamps would result in no greater loss of revenue than the acceptance of certified checks now provided for by the statute. Each of these instruments conforms to the important test that once delivered to the collector it would not be revocable by the remitter. Hence, if acceptance by the collectors could be confined to these instruments, this Department would have no objection to Senator PEPPER's proposal.

I wanted it to be understood, Mr. President, that I was keeping faith with the Treasury by making it clear in connection with the adoption of the amendments which I shall propose, that we were talking about the kind of money orders enumerated and identified in the letter from which I have read.

Mr. President, on page 2, line 15, in the committee amendment, after the word "postal", I move to amend by inserting "bank and express."

The amendment to the amendment was agreed to.

Mr. PEPPER. On the same page, line 23, after the word "check", I move to amend by striking out the words "or checks" and inserting "or money order."

The amendment to the amendment was agreed to.

Mr. PEPPER. On page 3, line 2, after the word "check", I move to amend by inserting "or money order."

The amendment to the amendment was agreed to.

Mr. PEPPER. On the same page, line 4, after the words "such check", I move to amend by inserting "or money order."

The amendment to the amendment was agreed to.

Mr. PEPPER. On the same page, line 5, after the word "paid", I move to amend by striking out "by the bank on which it is drawn."

The amendment to the amendment was agreed to.

Mr. PEPPER. On the same page, line 8, after the word "amount", I move to strike out "of such check."

The amendment to the amendment was agreed to.

Mr. PEPPER. On the same page, line 9, after the word "of", I move to amend by inserting "the bank on which drawn or upon all the assets of the issuer of said money order."

The amendment to the amendment was agreed to.

Mr. PEPPER. On the same page, line 12, after the word "bank", I move to amend by inserting "or issuer."

The amendment to the amendment was agreed to.

The committee amendment as amended was agreed to.

Mr. GEORGE. Mr. President, that disposes of all the amendments.

The PRESIDING OFFICER. Pursuant to the request of the Senator from Georgia [Mr. GEORGE], the final disposition of the bill will be postponed until tomorrow.

LOUIS COURCIL—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 248) for the relief of Louis Courcil having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$3,500" insert "$5,000"; and the Senate agree to the same.

ALLEN J. ELLENDER,
JAMES M. TUNNELL,
GEO. A. WILSON,
Managers on the part of the Senate.

DAN R. MCGEHEE,
W. A. PITTENGER,
Managers on the part of the House.

The report was agreed to.

REV. C. M. MCKAY—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 544) for the relief of Rev. C. M. McKay having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$581.10" insert "$781.10"; and the Senate agree to the same.

ALLEN J. ELLENDER,
JAMES M. TUNNELL,
GEO. A. WILSON,
Managers on the part of the Senate.

DAN R. MCGEHEE,
J. EDGAR CHENOWETH,
Managers on the part of the House.

The report was agreed to.

DELORES LEWIS—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1313) for the relief of Delores Lewis having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$369" insert "$700"; and the Senate agree to the same.

ALLEN J. ELLENDER,
TOM STEWART,
E. V. ROBERTSON,
Managers on the part of the Senate.

DAN R. MCGEHEE,
T. G. ABERNETHY,
Managers on the part of the House.

The report was agreed to.

EDDIE T. STEWART—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1411) for the relief of Eddie T. Stewart having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$1,292.50" insert "$2,000"; and the Senate agree to the same.

ALLEN J. ELLENDER,
JAMES M. TUNNELL,
GEO. A. WILSON,
Managers on the part of the Senate.

DAN R. MCGEHEE,
JOHN JENNINGS, JR.,
NAT PATTON,
Managers on the part of the House.

The report was agreed to.

MILDRED B. HAMPTON—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1412) for the relief of Mildred B. Hampton having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$487.50" insert the figures "$1,000.00"; and the Senate agree to the same.

ALLEN J. ELLENDER,
KENNETH S. WHERRY,
Managers on the part of the Senate.

DAN R. MCGEHEE,
NAT PATTON,
Managers on the part of the House.

The report was agreed to.

EDWARD E. HELD AND MARY JANE HELD—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2625) for the relief of Edward E. Held and Mary Jane Held having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$4,000" insert the figures "$4,500"; and the Senate agree to the same.

ALLEN J. ELLENDER,
JAMES O. EASTLAND,
ARTHUR CAPPER,
Managers on the part of the Senate.

DAN R. MCGEHEE,
JOHN JENNINGS, JR.,
NAT PATTON,
A. M. FERNANDEZ,
Managers on the part of the House.

The report was agreed to.

MAVIS NORRINE COTHRON AND THE LEGAL GUARDIAN OF NORMA LEE COTHRON ET AL.—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3290) for the relief of Mavis Norrine Cothron and the legal guardian of Norma Lee Cothron, Florence Janet Cothron, and Nina Faye Cothron having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered (1) and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered (2), and agree to the same with an amendment, as follows: In lieu of the figures "$3,000" insert the figures "$4,000"; and the Senate agree to the same.

ALLEN J. ELLENDER,
JAMES M. TUNNELL,
GEO. A. WILSON,
Managers on the part of the Senate.

DAN R. MCGEHEE,
LEX GREEN,
Managers on the part of the House.

The report was agreed to.

REV. JAMES T. DENIGAN—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3538) for the relief of Rev. James T. Denigan having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$5,578.85" insert the figures "$6,500"; and the Senate agree to the same.

ALLEN J. ELLENDER,
KENNETH S. WHERRY,
Managers on the part of the Senate.

DAN R. MCGEHEE,
W. A. PITTENGER,
Managers on the part of the House.

The report was agreed to.

SETTLEMENT OF CLAIMS ARISING FROM TERMINATED WAR CONTRACTS—CONFERENCE REPORT

Mr. JOHNSON of Colorado submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1718) to provide for the settlement of claims arising from terminated war contracts, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"OBJECTIVES OF THE ACT

"SECTION 1. The Congress hereby declares that the objectives of this Act are—

"(a) to facilitate maximum war production during the war, and to expedite reconversion from war production to civilian production as war conditions permit;

"(b) to assure to prime contractors and subcontractors, small and large, speedy and equitable final settlement of claims under terminated war contracts, and adequate interim financing until such final settlement;

"(c) to assure uniformity among Government agencies in basic policies and administration with respect to such termination settlements and interim financing;

"(d) to facilitate the efficient use of materials, manpower, and facilities for war and civilian purposes by providing prime contractors and subcontractors with notice of termination of their war contracts as far in advance of the cessation of work thereunder as is feasible and consistent with the national security;

"(e) to assure the expeditious removal from the plants of prime contractors and subcontractors of termination inventory not to be retained or sold by the contractor;

"(f) to use all practicable methods compatible with the foregoing objectives to prevent improper payments and to detect and prosecute fraud.

"SURVEILLANCE BY CONGRESS

"SEC. 2. (a) To assist the Congress in appraising the administration of this Act and in developing such amendments or related legislation as may further be necessary to accomplish the objectives of the Act, the appropriate committees of the Senate and the House of Representatives shall study each report submitted to the Congress under this Act and shall otherwise maintain continuous surveillance of the operations of the Government agencies under the Act.

"(b) In January, April, July, and October of each year, the Director shall submit to the Senate and House of Representatives a quarterly progress report on the exercise of his duties and authority under this Act, the status of contract terminations, termination settlements, and interim financing and such other pertinent information on the administration of the Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

"DEFINITIONS

"SEC. 3. As used in this Act—

"(a) The term 'prime contract' means any contract, agreement, or purchase order heretofore or hereafter entered into by a contracting agency and connected with or related to the prosecution of the war; and the term 'prime contractor' means any holder of one or more prime contracts.

"(b) The term 'subcontract' means any contract, agreement, or purchase order heretofore or hereafter entered into to perform any work, or to make or furnish any material to the extent that such work or material is required for the performance of any one or more prime contracts or of any one or more other subcontracts; and the term 'subcontractor' means any holder of one or more subcontracts.

"(c) The term 'war contract' means a prime contract or a subcontract; and the term 'war contractor' means any holder of one or more war contracts.

"(d) The terms 'termination', 'terminate', and 'terminated' refer to the termination or concelation, in whole or in part, of work under a prime contract for the convenience or at the option of the Government (except for default of the prime contractor) or of work under a subcontract for any reason except the default of the subcontractor.

"(e) The term 'material' includes any article, commodity, machinery, equipment, accessory, part, component, assembly, work in process, maintenance, repair, and operating supplies, and any product of any kind.

"(f) The term 'Government agency' means any executive department of the Government, or any administrative unit or subdivision thereof, any independent agency or any corporation owned or controlled by the United States in the executive branch of the Government, and includes any contracting agency.

"(g) The term 'contracting agency' means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, the Smaller War Plants Corporation, and the War Production Board.

"(h) The term 'termination claim' means any claim or demand by a war contractor for fair compensation for the termination of any war contract and any other claim under a terminated war contract, which regulations prescribed under this Act authorize to be asserted and settled in connection with any termination settlement.

"(i) The term 'interim financing' includes advance payments, partial payments, loans, discounts, advances, and commitments in connection therewith, and guaranties of loans, discounts, advances, and commitments in connection therewith and any other type of financing made in contemplation of or related to termination of war contracts.

"(j) The term 'Director' means the Director of Contract Settlement.

"(k) The term 'person' means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

"(l) The term 'termination inventory' means any materials (including a proper part of any common materials), properly allocable to the terminated portion of a war contract except any machinery or equipment subject to a separate contract specifically governing the use or disposition thereof.

"(m) The term 'final and conclusive', as applied to any settlement, finding, or decision, means that such settlement, finding, or decision shall not be reopened, annulled, modified, set aside, or disregarded by any officer, employee, or agent of the United States or in any suit, action, or proceeding except as provided in this Act.

"DIRECTOR OF CONTRACT SETTLEMENT

"SEC. 4. (a) There is hereby established the Office of Contract Settlement which shall be headed by the Director of Contract Settlement. The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $12,000 per year, and shall serve for a term of two years.

"(b) In order to insure uniform and efficient administration of the provisions of this Act, the Director, subject to such provisions, by general orders or general regulations—

"(1) shall prescribe policies, principles, methods, procedures, and standards to govern the exercise of the authority and discretion and the performance of the duties and functions of all Government agencies under this Act; and

"(2) may require or restrict the exercise of any such authority and discretion, or the performance of any such duty or function, to such extent as he deems necessary to carry out the provisions of this Act.

"(c) The exercise of any authority or discretion and the performance of any duty or function, conferred or imposed on any Government agency by this Act, shall be subject to such orders and regulations prescribed by the Director pursuant to subsection (b) of this section. Each Government agency shall carry out such orders and regulations of the Director expeditiously, and shall issue such regulations with respect to its operations and procedures as may be necessary to carry out the policies, principles, methods, procedures, and standards prescribed by the Director. Any Government agency may issue such further regulations not inconsistent with the general orders or regulations of the Director as it deems necessary or desirable to carry out the provisions of this Act.

"(d) The Director may, within the limits of funds which may be made available, employ and fix the compensation of necessary personnel in accordance with the provisions of the civil-service laws and the Classification Act of 1923 and make expenditures for supplies, facilities, and services necessary for the performance of his functions under this Act. Without regard to the provisions of the civil-service laws and the Classification Act of 1923, he may appoint a Deputy Director and may employ certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and fix their compensation, and contract with certified public accounting firms and qualified firms of engineers in the discharge of the duties imposed upon him and in furtherance of the objectives and policies of this Act. The Director shall perform the duties imposed upon him through the personnel and facilities of the contracting agencies and other established Government agencies, to the extent that this does not interfere with the function of the Director to insure uniform and efficient administration of the provisions of this Act.

"(e) All orders and regulations prescribed by the Director or any Government agency under this Act shall be published in the Federal Register.

"CONTRACT SETTLEMENT ADVISORY BOARD

"SEC. 5. There is hereby created a Contract Settlement Advisory Board, with which the Director shall advise and consult. The Board shall be composed of the Director, who shall act as its Chairman, and of the Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, the Chairman of the Maritime Commission, the Administrator of the Foreign Economic Administration, the chairman of the board of directors of the Reconstruction Finance Corporation, the Chairman of the War Production Board, the chairman of the board of directors of the Smaller War Plants Corporation, and the Attorney General or any alternate or representative designated by any of them. The Director shall request other Government agencies to participate in the deliberations of the Board whenever matters specially affecting them are under consideration.

"SEC. 6. (a) It is the policy of the Government, and it shall be the responsibility of the contracting agencies and the Director, to provide war contractors with speedy and fair compensation for the termination of any war contract, in accordance with and subject to the provisions of this Act, giving priority to contractors whose facilities are privately owned or privately operated. Such fair compensation for the termination of subcontracts shall be based on the same principles as compensation for the termination of prime contracts.

"(b) Each contracting agency shall establish methods and standards, suitable to the conditions of various war contractors, for determining fair compensation for the termination of war contracts on the basis of actual, standard, average, or estimated costs, or of a percentage of the contract price based on the estimated percentage of completion of work under the terminated contract, or on any other equitable basis, as it deems appropriate. To the extent that such methods and standards require accounting, they shall be adapted, so far as practicable, to the accounting systems used by war contractors, if consistent with recognized commercial accounting practice.

"(c) Any contracting agency may settle all or any part of any termination claim under any war contract by agreement with the war contractor, or by determination of the amount due on the claim or part thereof without such agreement, or by any combination of these methods. Where any such settlement is made by agreement, the settlement shall be final and conclusive, except (1) to the extent otherwise agreed in the settlement; (2) for fraud; (3) upon renegotiation to eliminate excessive profits under the Renegotiation Act, unless exempt or exempted under that Act; or (4) by mutual agreement before or after payment. Where any such settlement is made by determination without agreement, it shall likewise be final and conclusive, subject to the same exceptions as if made by agreement, unless the war contractor appeals or brings suit in accordance with section 13 of this Act: *Provided*, That no settlement agreement hereunder involving payment to a war contractor of an amount in excess of $50,000 (or such lesser amount as the Director may from time to time determine) shall become binding upon the Government until the agreement has been reviewed and approved by a settlement review board of three or more members established by the contracting agency in the bureau, division, regional or district office, or other unit of the contracting agency authorized to make such settlement, or in the event of disapproval by the settlement review board, unless approved by the head of such bureau, division, regional or district office, or other unit. Failure of the settlement review board to act upon any settlement within 30 days after its submission to the board shall operate as approval by the board. The sole function of settlement review boards shall be to determine the over-all reasonableness of proposed settlement agreements from the point of view of protecting the interests of the Government. In determining, for purposes of this subsection, whether review of any settlement agreement is required because of the amounts involved, no deduction shall be made on account of credits for property chargeable to the Government or for advance or partial payments, but amounts payable under such settlement agreement for completed articles or work at the contract price and for the discharge of the termination claims of subcontractors shall be deducted.

"(d) Except as hereinafter provided, the methods and standards established under subsection (b) of this section for determining fair compensation for termination claims which are not settled by agreement shall be designed to compensate the war contractor fairly for the termination of the war contract, taking into account:

"(1) the direct and indirect manufacturing, selling, and distribution, administrative and other costs and expenses incurred by the war contractor which are reasonably necessary for the performance of the war contract and properly allocable to the terminated portion thereof under recognized commercial accounting practices; and

"(2) reasonable costs and expenses of settling termination claims of subcontractors related to the terminated portion of the war contract; and

"(3) reasonable accounting, legal, clerical, and other costs and expenses incident to termination and settlement of the terminated war contract; and

"(4) reasonable costs and expenses of removing, preserving, storing and disposing of termination inventories; and

"(5) such allowance for profit on the preparations made and work done for the terminated portion of the war contract as is reasonable under the circumstances; and

"(6) interest on the termination claim in accordance with subsection (f) of this section; and

"(7) the contract price and all amounts otherwise paid or payable under the contract.

"The following shall not be included as elements of cost:

"(i) Losses on other contracts, or from sales or exchanges of capital assets, fees and other expenses in connection with reorganization or recapitalization, antitrust or Federal income-tax litigation, or prosecution of Federal income-tax claims or other claims against the Government (except as provided in paragraph (3) above); losses on investments; provisions for contingencies; and premiums on life insurance where the contractor is the beneficiary.

"(ii) The expense of conversion of the contractor's facilities to uses other than the performance of the contract.

"(iii) Expenses due to the negligence or willful failure of the contractor to discontinue with reasonable promptness the incurring of expenses after the effective date of the termination notice.

"(iv) Costs incurred in respect to facilities, materials, or services purchased or work done in excess of the reasonable quantitative requirements of the entire contract.

"The failure specifically to mention in this subsection any item of cost is not intended to imply that it should be allowed or disallowed. The Director may interpret the provisions of this subsection (d) and may provide for the inclusion or exclusion of other costs in accordance with recognized commercial accounting practice.

"Where the small size of claims or the nature of production or performance or other factors make it impracticable to apply the principles stated in this subsection (d) to any class of settlements which are subject to this subsection (d), the contracting agencies may establish alternative methods and standards for determining fair compensation for that class of termination claims. The aggregate amount of compensation allowed in accordance with this subsection (excluding amounts allowed under paragraphs (3) and (4) above) shall not exceed the total contract price reduced by the amount of payments otherwise made or to be made under the contract.

"(e) In order to carry out the objectives of this Act, termination claims shall be settled by agreement to the maximum extent feasible and the methods and standards established under subsection (b) of this section shall be designed to facilitate such settlements. To the extent that he deems it practicable to do so without impeding expeditious settlements, the Director shall require the contracting agencies to take into account the factors enumerated in subsection (d) above in establishing methods and standards for determining fair compensation in the settlement of termination claims by agreement.

"(f) Each contracting agency shall allow and pay interest on the amount due and unpaid from time to time on any termination claim under a prime contract at the rate of 2½ per centum per annum for the period beginning thirty days after the date fixed for termination and ending with the date of final payment, except that (1) if the prime contractor unreasonably delays the settlement of his claim, interest shall not accrue for the period of such delay, (2) if interest for the period after termination on any advance payment or loan, made or guaranteed by the Government, has been waived for the benefit of the contractor, the amount of the interest so waived allocable to the terminated contract or the terminated part of the contract shall be deducted from the interest otherwise payable hereunder, and (3) if after delivery of findings by a contracting agency, the contractor appeals or sues as provided in section 13, interest shall not accrue after the thirtieth day following the delivery of the findings on any amount allowed by such findings, unless such amount is increased upon such appeal or suit. In approving, ratifying, authorizing, or making termination settlements with subcontractors, each contracting agency shall allow interest on the termination claim of the subcontractor on the same basis and subject to the same conditions as are applicable to a prime contractor.

"(g) Where any war contract does not provide for or provides against such fair compensation for its termination, the contracting agency, either before or after its termination, shall amend such war contract by agreement with the war contractor, or shall authorize, approve, or ratify an amendment of such war contract by the parties thereto, to provide for such fair compensation.

"SEC. 7. (a) Where, in connection with the settlement of any termination claim by a contracting agency, any war contractor makes settlements of the termination claims of his subcontractors, the contracting agency shall limit or omit its review of such settlements with subcontractors to the maximum extent compatible with the public interest. Any contracting agency (1) may approve, ratify, or authorize such settlements with subcontractors upon such evidence, terms, and conditions as it deems proper; (2) shall vary the scope and intensity of its review of such settlements according to the reliability of the war contractor, the size, number, and complexity of such claims, and other relevant factors; and (3) shall authorize war contractors to make such settlements with subcontractors without review by the contracting agency, whenever the reliability of the war contractor, the amount or nature of the claims, or other reasons appear to the contracting agency to justify such action. Any such settlement of a subcontract approved, ratified, or authorized by a contracting agency shall be final and conclusive as to the amount due to the same extent as a settlement under subsection (c) of section 6 of this Act, and no war contractor shall be liable to the United States on account of any amounts paid thereon except for his own fraud.

"(b) Whenever any contracting agency is satisfied of the inability of a war contractor to meet his obligations it shall exercise supervision or control over payments to the war contractor on account of termination claims of subcontractors of such war contractor to such extent and in such manner as it deems necessary or desirable for the purpose of assuring the receipt of the benefit of such payments by the subcontractors.

"(c) The Director shall prescribe policies and methods for the settlement as a group, or otherwise, by any contracting agency of

some or all of the termination claims of a war contractor under war contracts with one or more (1) bureaus or divisions within a contracting agency, (2) contracting agencies, or (3) prime contractors and subcontractors, to the extent he deems such action necessary or desirable for expeditious and equitable settlement of such claims. After consulting with the contracting agencies concerned, the Director may provide for assigning any war contractor to a contracting agency for such settlement, and such agency shall have authority to settle, on behalf of any other contracting agency, some or all of the termination claims of such war contractor.

"(d) Any contracting agency may settle directly termination claims of subcontractors to the extent that it deems such action necessary or desirable for the expeditious and equitable settlement of such claims. In making such termination settlements any contracting agency may discharge the claim of the subcontractor by payment or may purchase such claim, and may agree to assume, or indemnify the subcontractor against, any claims by any person in connection with such claim or the termination settlement. Any contracting agency undertaking to settle the termination claim of any subcontractor shall deliver to the subcontractor and the war contractor liable to him written notice stating its acceptance of responsibility for settling his claim and the conditions applicable thereto, which may include the release, or assignment to the contracting agency, of his claim against the war contractor liable to him; upon consent thereto by the subcontractor, the Government shall become liable for the settlement of his claims upon the conditions specified in the notice.

"(e) Any contracting agency may make settlements with subcontractors in accordance with any of the provisions of this Act without regard to any limitation on the amount payable by the Government to the prime contractor.

"(f) If any contracting agency determines that in the circumstances of a particular case equity and good conscience require fair compensation for the termination of a war contract to be paid to a subcontractor who has been deprived of and cannot otherwise reasonably secure such fair compensation, the contracting agency concerned may pay such compensation to him although such compensation already has been included and paid as part of a settlement with another war contractor.

"INTERIM FINANCING

"SEC. 8. (a) It is the policy of the Government, and it shall be the responsibility of the contracting agencies and the Director, in accordance with and subject to the provisions of this Act, to provide war contractors having any termination claim or claims, pending their settlement, with adequate interim financing, within thirty days after proper application therefor.

"(b) Each contracting agency shall, to the greatest extent it deems practicable, make available interim financing through loans and discounts, and commitments and guaranties in connection therewith, in contemplation of or related to termination of war contracts. Where interim financing is made by advance payments or partial payments, it shall, insofar as practicable, consist of the following:

"(1) An amount equal to 100 per centum of the amount payable, at the contract price, on account of acceptable items completed prior to the termination date under the terms of the contract, or completed thereafter with the approval of the contracting agency; plus

"(2) An amount equal to 90 per centum of the cost of raw materials, purchased parts, supplies, direct labor, and manufacturing overhead allocable to the terminated portion of the war contract; plus

"(3) A reasonable percentage of other allowable costs, including administrative overhead, allocable to the terminated portion of the war contract not included in the foregoing; plus

"(4) Such additional amounts, if any, as the contracting agency deems necessary to provide the war contractor with adequate interim financing.

"(5) In lieu of the costs referred to in clauses (2) and (3) of this subsection, where a detailed ascertainment of such costs is not suitable to the conditions of any war contractor and is apt to cause delay in the obtaining of interim financing by him, that portion of such interim financing shall be equal to an amount not greater than 90 per centum of the estimated costs which are allocable to the terminated part or parts of the war contract or group of war contracts, and are ascertained in accordance with such methods and standards as the Director shall prescribe.

"(6) There shall be deducted from the amount of such interim financing any unliquidated balances of advance and partial payments theretofore made to such war contractor, which are allocable to the terminated war contract or the terminated part of the war contract.

"(c) The Director shall prescribe (1) the types of estimates, certificates, or other evidence to be required to support such interim financing; (2) the terms and conditions upon which such interim financing shall be made including the use of standard forms for agreements with respect to such interim financing to the extent practicable; (3) the classes of cases in which such interim financing shall be refused; and (4) such methods of supervision and control over such interim financing as he deems necessary or desirable to assure adequate and speedy interim financing to subcontractors of the war contractor.

"(d) In case of an overstatement by any war contractor of the amount due on his termination claim or claims in connection with any interim financing under this Act, such contractor shall pay to the United States, as a penalty, an amount equal to 6 per centum of the amount of the overstatement, but the Director may suspend or modify any such penalty if in his opinion the imposition thereof would be inequitable. Any penalty may be deducted from any amounts due the war contractor upon such termination claim or claims, or otherwise, or may be collected from the war contractor by suit. The obligation to pay any penalty imposed and to repay any interim financing made or assumed by the United States under this Act shall constitute a debt due to the United States within the meaning of Revised Statutes, section 3466 (31 U. S. C., sec. 191).

"(e) Any contracting agency may allow any advance payments, previously made or authorized by it in connection with the performance of a war contract, to be used for payments and expenses related to the termination settlement of such contract, upon such terms and conditions as it deems necessary or appropriate, to protect the interest of the Government.

"(f) No interim financing shall be made by any contracting agency under this Act unless the terms of such financing provide for the liquidation by the war contractor of all loans, discounts, advance payments, or partial payments thereunder not later than the time of final payment of the amount due on the settlement of the termination claim or claims of the war contractor involved or such time thereafter as the contracting agency deems necessary for the liquidation of such interim financing in an orderly manner.

"(g) Any contracting agency may settle, upon such terms and conditions as it deems proper, any claim or obligation due by or to the Government arising from or related to any interim financing made, acquired, or authorized by it. Any interim financing made, acquired, or authorized by any contracting agency before the effective date of this Act shall be valid to the extent it would be authorized under the provisions of this Act if made after its effective date.

"SEC. 9. (a) Any contracting agency may make advance or partial payments to any war contractor on account of any termination claim or claims, and may authorize, approve, or ratify any such advance or partial payments by any war contractor to his subcontractors, upon such conditions as it deems necessary to insure compliance with the provisions of subsection (b) of this section. Each contracting agency shall make final payments from time to time on partial settlements or on settlements fixing a minimum amount due before complete settlement, or as tentative payments before any settlement of the claim or claims.

"(b) Where any such advance or partial payment is made to any war contractor by any contracting agency or by another war contractor under this section, except a final payment on a partial settlement, any amount in excess of the amount finally determined to be due on the termination claim shall be treated as a loan from the Government to the war contractor receiving it, and shall be payable upon demand together with a penalty computed at the rate of 6 per centum per annum, for the period from the date such excess advance or partial payment is received to the date on which such excess is repaid or extinguished. Where the advance or partial payment was made by a war contractor and authorized, approved, or ratified by any contracting agency, the war contractor making it shall not be liable for any such excess payment in the absence of fraud on his part and shall receive payment or credit from the Government for the amount of such excess payment.

"SEC. 10. (a) Any contracting agency is authorized—

"(1) to enter into contracts with any Federal Reserve bank, or other public or private financing institution, guaranteeing such financing institution against loss of principal or interest on loans, discounts, or advances or on commitments in connection therewith, which such financing institution may make to any war contractor or to any person who is or has been engaged in performing any operation deemed by such contracting agency to be connected with or related to war production, for the purpose of financing such war contractor or other person in connection with or in contemplation of the termination of one or more such war contracts or operations;

"(2) to make, enter into contracts to make, or to participate with any Government agency, any Federal Reserve bank or public or private financing institution in making loans, discounts, or advances, or commitments in connection therewith, for the purpose of financing any such war contractor or other person in connection with or in contemplation of the termination of such war contracts or operations.

"(b) Any such loan, discount, advance, guaranty, or commitment in connection therewith may be secured by assignment of, or covenants to assign, some or all of the rights of such war contractor or other person in connection with the termination of such war contracts or operations, or in such other manner as the contracting agency may prescribe.

"(c) Subject to such regulations as the Board of Governors of the Federal Reserve System may prescribe with the approval of the Director, any Federal Reserve bank is authorized to act, on behalf of the contracting agencies, as fiscal agent of the United States in carrying out the purposes of this Act.

"(d) This section shall not limit or affect any authority of any contracting agency, under any other statute, to make loans, discounts, or advances, or commitments in connection therewith or guaranties thereof.

"ADVANCE NOTICE

"SEC. 11. (a) In order to facilitate the efficient use of materials, manpower, and facilities for war and civilian purposes, each contracting agency—

"(1) shall provide its prime contractors with notice of termination of their prime contracts as far in advance of the cessation of work thereunder as is feasible and consistent with the national security without permitting unneeded production or performance;

"(2) shall establish procedures whereby prime contractors shall provide affected subcontractors with immediate notice of termination; and

"(3) shall permit the continuation of some or all of the work under a terminated prime contract whenever the agency deems that such continuation will benefit the Government or is necessary to avoid substantial injury to the plant or property.

"(b) Whenever a contracting agency hereafter directs a prime contractor to cease or suspend all or a substantial part of the work under a prime contract, without terminating the contract, then, unless the contract provides otherwise, (1) the contracting agency shall compensate the contractor for reasonable costs and expenses resulting from such cessation or suspension, and (2) if the cessation or suspension extends for thirty days or more, the contractor may elect to treat it as a termination by delivering written notice of his election so to do to the contracting agency, at any time before the contracting agency directs the prime contractor to resume work under the contract.

"(c) The Director shall have no authority under this Act to regulate or control the classes of contracts to be terminated by the contracting agencies.

"REMOVAL AND STORAGE OF MATERIALS

"SEC. 12. (a) It is the policy of the Government, upon the termination of any war contract, to assure the expeditious removal from the plant of the war contractor of the termination inventory not to be retained or sold by the war contractor.

(b) Any war contractor may submit to the contracting agency concerned or to any other Government agency designated by the Director, one or more statements showing the materials which such war contractor claims to be termination inventory under one or more war contracts and desires to have removed by the Government. Such statements shall be prepared in such form and detail, shall be submitted in such manner, through the prime contractor or otherwise, and shall be supported by such certificates or other data, as may be prescribed under this Act.

"(c) Within sixty days after the submission of any such statement by a war contractor, or such shorter period as may be prescribed under this Act, or within such longer period as the war contractor may agree, the Government agency concerned (1) shall arrange, upon such terms and conditions as may be agreed, for the storage by the war contractor on his own premises or elsewhere of all such claimed termination inventory which the war contractor does not retain or dispose of, except any part which may be determined not to be allocable to the terminated war contract or contracts, or (2) shall remove from the plant or plants of the war contractor all of such claimed termination inventory not retained, disposed of, or stored by the war contractor or determined not to be allocable to the terminated war contract or contracts.

"(d) Upon the failure of the Government so to arrange for storage by the war contractor or to remove any termination inventory within the period specified under subsection (c) of this section, the war contractor, subject to regulations prescribed under this Act, may remove some or all of such termination inventory from his plant or plants and may store it on his own premises or elsewhere for the account and at the risk and expense of the Government, using reasonable care for its transportation and preservation. If any war contractor intends so to remove any claimed termination inventory, he shall deliver to the Government agency concerned written notice of the date fixed for removal and a statement showing the quantities and condition of the materials so to be removed, certified on behalf of the war contractor to have been prepared in accordance with a concurrent physical inventory of such materials. Such notice and statement shall be delivered at least twenty days in advance of the date fixed for removal and may be delivered before or after the expiration of the period specified under subsection (c) of this section. If the Government agency fails to check such materials, at or before the time of their removal by the war contractor, a certificate of the war contractor specifying the materials shown on such statement which were so removed, and filed with the Government agency concerned within thirty days after the date fixed for removal, shall constitute prima facie evidence against the United States as to the quantities and condition of the materials so removed, and the fact of their removal.

"(e) Notwithstanding any other provisions of law, but subject to subsection (h) of this section, the contracting agency concerned or the Director, or any Government agency designated by him, on behalf of the United States, may, by the exercise of any contract rights or otherwise, acquire and take possession of any termination inventory of any war contractor, and any materials removed by the Government or stored for its account under subsections (c) and (d) of this section, whether or not such materials are finally determined not to constitute termination inventory. With respect to any such materials, the Government shall be liable to any war contractor concerned only for their return to such war contractor or for their disposal value at the time of their removal or for the proceeds realized by the Government from their disposal, at the election of the Government agency concerned, unless the Government agency and the war contractor agree or have agreed on a different basis. Any amount so paid or payable to a war contractor for materials allocable to a terminated war contract shall be credited against the termination claim under such contract but shall not otherwise affect the amount due on the claim, unless the Government agency concerned and the war contractor agree or have agreed otherwise. Any materials to which the Director takes title under this section shall be delivered for disposal to any appropriate Government agency authorized to make such disposal.

"(f) No contracting agency shall postpone or delay any termination settlement beyond the period specified in subsection (c) of this section for the purpose of awaiting disposal by the war contractor or the Government of any termination inventory reported in accordance with subsection (b) of this section.

"(g) Whenever any war contractor no longer requires, for the performance of any war contract, any Government-owned machinery, tools, or equipment installed in his plant for the performance of one or more war contracts, the Government agency concerned, upon written demand by the war contractor, and within sixty days after such demand or such other period as may be prescribed under this Act, and upon such conditions as may be so prescribed, shall remove or provide for the removal of such machinery, tools, or equipment from such plant, unless the Government agency concerned and the war contractor, by facilities contract or otherwise, have made or make other provision for the retention, storage, maintenance, or disposition of such machinery, tools, or equipment. The Government agency concerned may waive or release on behalf of the United States any obligation of the war contractor with respect to such machinery, tools, or equipment upon such terms and conditions as the agency deems appropriate. Upon the failure of the Government so to remove or provide for removal of any such machinery, tools, or equipment, the war contractor, subject to regulations prescribed under this Act, may remove all or part of such machinery, tools, or equipment from his plant and may store it on his own premises or elsewhere, for the account and at the risk and expense of the Government, using reasonable care for its transportation and preservation.

"(h) Nothing in this Act shall limit or affect the authority of the War Department, Navy Department, or Maritime Commission, respectively, to take over any termination inventories and to retain them for their use for any purpose or to dispose of such termination inventories for the purpose of war production, or to authorize any war contractor to retain or dispose of such termination inventories for the purpose of war production.

"(i) Nothing in this section shall be construed to prevent the removal and storage of any termination inventory by any war contractor, at his own risk, at any time after termination of any war contract to which it is allocable.

"APPEAL

"SEC. 13. (a) Whenever the contracting agency responsible for settling any termination claim has not settled the claim by agreement or has so settled only a part of the claim, (1) the contracting agency at any time may determine the amount due on such claim or such unsettled part, and prepare written findings indicating the basis of the determination, and deliver a copy of such findings to the war contractor, or (2) if the termination claim has been submitted in the manner and substantially the form prescribed under this Act, the contracting agency, upon written demand by the war contractor for such findings, shall determine the amount due on the claim or unsettled part and prepare and deliver such findings to the war contractor within ninety days after the receipt by the agency of such demand. In preparing such findings, the contracting agency may require the war contractor to furnish such information and to submit to such audits as may be reasonably necessary for that purpose. Within thirty days after the delivery of any such findings, the contracting agency shall pay to the war contractor at least 90 per centum of the amount thereby determined to be due, after deducting the amount of any outstanding interim financing applicable thereto.

"(b) Whenever any war contractor is aggrieved by the findings of a contracting agency on his claim or part thereof or by its failure to make such findings in accordance with subsection (a) of this section, he may, at his election—

"(1) appeal to the Appeal Board in accordance with subsection (d) of this section; or

"(2) bring suit against the United States for such claim or such part thereof, in the Court of Claims or in a United States district court, in accordance with subsection (20) of section 24 of the Judicial Code (28 U. S. C. 41 (20)), except that, if the contracting agency is the Reconstruction Finance Corporation, or any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, or any corporation owned or controlled by the United States, the suit shall be

brought against such corporation in any court of competent jurisdiction in accordance with existing law.

"(c) Any proceeding under subsection (b) of this section shall be governed by the following conditions:

"(1) When any contracting agency provides a procedure within the agency for protest against such findings or for other appeal therefrom by the war contractor, the war contractor, before proceeding under subsection (b) of this section, (i) in his discretion may resort to such procedure within the time specified in this contract or, if no time is specified, within thirty days after the delivery to him of the findings; and (ii) shall resort to such procedure for protest or other appeal to the extent required by the Director, but failure of the contracting agency to act on any such required protest of appeal within thirty days shall operate as a refusal by the agency to modify its findings. Any revision of the findings by the contracting agency, upon protest or appeal within the agency, shall be treated as the findings of the agency for the purpose of appeal or suit under subsection (b) of this section. Notwithstanding any contrary provision in any war contract, no war contractor shall be required to protest or appeal from such findings within the contracting agency except in accordance with this paragraph.

"(2) A war contractor may initiate proceedings in accordance with subsection (b) of this section (i) within ninety days after delivery to him of the findings by the contracting agency, or (ii) in case of protests or appeal within the agency, within ninety days after the determination of such protest or appeal, or (iii) in case of failure to deliver such findings, within one year after his demand therefor. If he does not initiate such proceedings within the time specified, he shall be precluded thereafter from initiating any proceedings in accordance with subsection (b) of this section, and the findings of the contracting agency shall be final and conclusive, or if no findings were made, he shall be deemed to have waived such termination claim.

"(3) Notwithstanding any contrary provision in any war contract, the Appeal Board or court shall not be bound by the findings of the contracting agency, but shall treat such findings as prima facie correct, and the burden shall be on the war contractor to establish that the amount due on his claim or part thereof exceeds the amount allowed by the findings of the contracting agency. Whenever the Appeal Board or court finds that the war contractor failed to negotiate in good faith with the contracting agency for the settlement of his claim or part thereof before appeal or suit thereon, or failed to furnish to the agency any information reasonably requested by it regarding his termination claim or part thereof, or failed to prosecute diligently any protest or appeal required to be taken under subsection (c) (1) (ii) of this section, the Appeal Board or court (i) may refuse to receive in evidence any information not submitted to the contracting agency; (ii) may deny interest on the claim or part thereof for such period as it deems proper; or (iii) may remand the case to the contracting agency for further proceedings upon such terms as the Appeal Board or court may prescribe. Unless the case is remanded, the Appeal Board or court shall enter the appropriate award or judgment on the basis of the law and facts, and may increase or decrease the amount allowed by the findings of the contracting agency.

"(4) Any such proceedings shall not affect the authority of the contracting agency concerned to make a settlement of the termination claim, or any part thereof, by agreement with the war contractor at any time before such proceedings are concluded.

"(d) (1) The Director shall appoint an Appeal Board, composed of such number of members as he deems necessary from time to time to hear appeals under this section. The members of the Appeal Board shall be qualified and experienced attorneys, engineers, accountants, or persons possessing sufficient business experience or professional skill. He shall, without regard to the provisions of the civil-service laws and the Classification Act of 1923, appoint and fix the compensation and term of office of the members of the Appeal Board: *Provided*, That no member shall receive compensation at a rate in excess of $10,000 per annum nor be appointed for a term longer than two years.

"(2) Panels of one or more members may act for the Appeal Board and shall sit from time to time in localities throughout the country, reasonably convenient for war contractors having proceedings before them. A panel of one member of the Appeal Board may hear any appeal whenever (i) the amount in controversy in the appeal is $25,000 or less; or (ii) the amount in controversy exceeds $25,000, but the war contractor taking the appeal fails to demand a panel of three members at the time of filing his appeal. If the war contractor is aggrieved by the decision of the Appeal Board or panel (other than an order remanding the case to the contracting agency under subsection (c) (3) (iii) of this section), then within ninety days after such decision he may bring suit on the claim or unsettled part thereof in accordance with subsection (b) (2) of this section. Such suit shall proceed as if no appeal had been taken under subsection (b) of this section. All costs of such suit shall be borne by the war contractor unless the court awards such contractor an amount in excess of that allowed by the Appeal Board or panel. Upon failure of the war contractor so to sue within such period, the decision of the Appeal Board or panel shall be final and conclusive.

"(3) The Director or, if authorized by him, the Appeal Board shall prescribe the practice and procedure to govern proceedings for the Appeal Board. The Appeal Board or any panel thereof shall have power to administer oaths to witnesses and to compel by subpena the attendance of witnesses, and the production of books, papers, documents, and other records. All provisions of law (including penalties and provisions relating to self-incrimination) applicable with respect to subpenas issued under the Federal Trade Commission Act shall be applicable with respect to subpenas issued by the Appeal Board insofar as such provisions are not inconsistent with the provisions of this Act.

"(e) The contracting agency responsible for settling any claim and the war contractor asserting the claim, by agreement, may submit all or any part of the termination claim to arbitration, without regard to the amount in dispute. Such arbitration proceedings shall be governed by the provisions of the United States Arbitration Act to the same extent as if authorized by an effective agreement in writing between the Government and the war contractor. Any such arbitration award shall be final and conclusive upon the United States to the same extent as a settlement under subsection (c) of section 6, but shall not be subject to approval by any settlement review board.

"(f) Whenever any dispute exists between any war contractor and a subcontractor regarding any termination claim, either of them, by agreement with the other, may submit the dispute—

"(1) to the Appeal Board in accordance with subsection (d) of this section;

"(2) to a contracting agency for mediation or arbitration whenever authorized by the agency or required by the Director.

"Any award or decision in such proceedings shall be final and conclusive as to the parties so submitting any such dispute and shall not be questioned by the United States in settling any related claim, in the absence of fraud or collusion.

"COURT OF CLAIMS

"SEC. 14. (a) For the purpose of expediting the adjudication of termination claims, the Court of Claims is authorized to appoint not more than ten auditors and not more than twenty commissioners in addition to those provided for by the Act of February 24, 1925 (ch. 301, 43 Stat. 964), as amended by the Act of June 23, 1930 (ch. 573, 46 Stat. 799), and the provisions of said Act shall apply to such additional commissioners in all respects as if they had been appointed thereunder without limitation as to nature of duties which they may be called upon to perform.

"(b) The Court of Claims, on motion of either of the parties, or on its own motion, may summon any and all persons with legal capacity to be sued to appear as a party or parties in any suit or proceeding of any nature whatsoever pending in said court to assert and defend their interests, if any, in such suits or proceedings, within such period of time prior to judgment as the Court of Claims shall prescribe. If the name and address of any such person is known or can be ascertained by reasonable diligence, and if he resides within the jurisdiction of the United States, he shall be summoned to appear by personal service; but if any such person resides outside of the jurisdiction of the United States, or is unknown, or if for any other good and sufficient reason appearing to the court personal service cannot be had, he may be summoned by publication, under such rules as the court may adopt, together with a copy of the summons mailed by registered mail to such person's last known address. The Court of Claims may, upon motion of the Attorney General, in any suit or proceeding where there may be any number of persons having possible interests therein, notify such persons to appear to assert and defend such interests. Upon failure so to appear, any and all claims or interests in claims of any such person against the United States, in respect of the subject matter of such suit or proceeding, shall forever be barred and the court shall have jurisdiction to enter judgment pro confesso upon any claim or contingent claim asserted on behalf of the United States against any person who, having been duly served with summons, fails to respond thereto, to the same extent and with like effect as if such person had appeared and had admitted the truth of all allegations made on behalf of the United States. Upon appearance by any person pursuant to any such summons or notice, the case as to such person shall, for all purposes, be treated as if an independent proceeding had been instituted by such person pursuant to section 145 of the Judicial Code, as amended, and as if such independent proceeding had then been consolidated, for purposes of trial and determination, with the case in respect of which the summons or notice was issued, except that the United States shall not be heard upon any counterclaims, claims for damages or other demands whatsoever against such person, other than claims and contingent claims for the recovery of money hereafter paid by the United States in respect of the transaction or matter which constitutes the subject matter of such case, unless and until such person shall assert therein a claim, or an interest in a claim, against the United States, and the Court of Claims shall have jurisdiction to adjudicate, as between any and all adverse claimants, their respective several interests in any matter in suit and to award several judgments in accordance therewith.

"(c) The jurisdiction of the Court of Claims shall not be affected by this Act except to the extent necessary to give effect to this Act, and no person shall recover judg-

ment on any claim, or on any interest in any claim, in said court which such person would not have had a right to assert in said court if this section had not been enacted.

"PERSONAL FINANCIAL LIABILITY

"SEC. 15. (a) Whenever any payment is made from Government funds to any war contractor or other person as an advance, partial or final payment on any termination claim, or pursuant to any loan, guaranty, or agreement for the purchase of any loan, or any commitment in connection therewith, entered into by the Government, no officer or other Government agent authorizing or approving such payment or settlement, or certifying the voucher for such payment, or making the payment in accordance with a duly certified voucher, shall be personally liable for such payment, in the absence of fraud on his part. In settling the accounts of any disbursing officer the General Accounting Office shall allow any such disbursements made by him notwithstanding any other provisions of law.

"(b) For the purpose of making termination settlements or interim financing any Government agency is authorized to rely upon such certificates of war contractors as it deems proper and to permit war contractors and other persons to rely upon such certificates without financial liability in the absence of fraud on their part.

"THE GENERAL ACCOUNTING OFFICE

"SEC. 16. (a) Any other provision of law notwithstanding, the function of the General Accounting Office with respect to any termination settlement made, authorized, ratified, or approved by a contracting agency shall be confined to determining, after final settlement, (1) whether the settlement payments to the war contractor were made in accordance with the settlement, and (2) whether the records transmitted to it, or other information, warrant a reasonable belief that the settlement was induced by fraud. For this purpose the General Accounting Office shall have the authority to examine any records maintained by any contracting agency or by any war contractor relating to any termination settlement.

"(b) Whenever the Comptroller General is convinced that any settlement was induced by fraud, he shall so certify, together with all the facts relating thereto, to the Department of Justice, to the Director, and to the contracting agency concerned. Upon receipt of such certificate (1) the Department of Justice shall make an investigation to determine whether such settlement was induced by fraud, and (2) until the Department of Justice notifies the contracting agency that in its opinion the facts do not support the belief that the settlement was induced by fraud, the contracting agency, by set-off or otherwise, may withhold, from amounts owing to the war contractor by the United States under such settlement or otherwise, the amount of the settlement, or the portion thereof, which, in the opinion of the Comptroller General as stated in his certificate, was affected by the fraud. In any such case the Department of Justice shall take such action as it deems appropriate to recover payments made to such war contractor. The General Accounting Office shall not suspend credit to any disbursing officer on any disbursements made by him under such settlement in the absence of fraud on his part.

"(c) The Comptroller General may investigate the settlements completed by each contracting agency for the purpose of reporting to the Congress from time to time on—

"(1) whether the settlement methods and procedures employed by such agency are of a kind and type designed to result in expeditious and fair settlements in accordance with and subject to the provisions of this Act and the orders and regulations of the Director;

"(2) whether such methods and procedures are followed by such agency with care and efficiency; and

"(3) whether such methods and procedures adequately protect the interest of the Government.

"If in any such report the Comptroller General shall find that the settlement methods and procedures fail to meet the foregoing standards, he shall make suggestions and recommendations to such agency for the improvement of such methods and procedures and to the Congress for any additional legislation needed to carry out the policies of this Act. At least thirty days before filing any such report with the Congress, the Comptroller General shall deliver a copy thereof to the agency concerned and the Director, and shall forward to the Congress together with such report any comments of such agency with respect thereto.

"(d) The jurisdiction of the Comptroller General of the United States shall not be affected by this Act except to the extent necessary to give effect to the specific provisions thereof.

"DEFECTIVE, INFORMAL, AND QUASI CONTRACTS

"SEC. 17. (a) Where any person has arranged to furnish or furnished to a contracting agency or to a war contractor any materials, services, or facilities related to the prosecution of the war, without a formal contract, relying in good faith upon the apparent authority of an officer or agent of a contracting agency, written or oral instructions, or any other request to proceed from a contracting agency, the contracting agency shall pay such person fair compensation therefor.

"(b) Whenever any formal or technical defect or omission in any prime contract, or in any grant of authority to an officer or agent of a contracting agency who ordered any materials, services, and facilities might invalidate the contract or commitment, the contracting agency (1) shall not take advantage of such defect or omission; (2) shall amend, confirm, or ratify such contract or commitment without consideration in order to cure such defect or omission; and (3) shall make a fair settlement of any obligation thereby created or incurred by such agency, whether expressed or implied, in fact or in law, or in the nature of an implied or quasi contract.

"(c) Where a contracting agency fails to settle by agreement any claim asserted under this section, the dispute shall be subject to the provisions of section 13 of this Act.

"(d) The Director shall require each contracting agency to formalize all such obligations and commitments within such period as the Director deems appropriate.

"RECORDS, FORMS, AND REPORTS

"SEC. 18. (a) The Director shall establish policies for such supervision and review within the contracting agencies of termination settlements and interim financing as he deems necessary and appropriate to prevent and detect fraud and to assure uniformity in administration and to provide for expeditious settlements. For this purpose he shall prescribe (1) such records to be prepared by the contracting agencies and by war contractors as he deems necessary in connection with such settlements and interim financing; and (2) the records in connection therewith to be transmitted to the General Accounting Office. He shall seek to reduce the amount of record keeping, reporting, and accounting in connection with the settlement of termination claims and interim financing to the minimum compatible with the reasonable protection of the public interest. Each contracting agency shall prescribe forms for use by war contractors in connection with termination settlements and interim financing to the extent it deems necessary and feasible.

"(b) The Director shall require the Government agencies preforming functions under this Act to prepare such information and reports regarding terminations of war contracts, settlements of termination claims, and interim financing, as he deems necessary to assist him in appraising their operations or to assist him or other Government agencies in performing their functions under this Act, and may prescribe the terms and conditions upon which such information and reports shall be made available to other Government agencies. The Director may require any Government agency to furnish such information under its control as he deems necessary for the performance of his functions under this Act, but any such agency, in its discretion, may furnish any such information deemed by it to affect the national security only to the Director himself.

"(c) The Director, by regulation, shall provide for making available to any interested Government agency such advance notice and other information on cut-backs in war production resulting from terminations or failures to renew or extend war contracts, as he deems necessary and appropriate.

"(d) The Director shall make such investigations as he deems necessary or desirable in connection with termination settlements and interim financing. For this purpose he may utilize the facilities of any existing agencies and if he determines that the facilities of existing agencies are inadequate, he may establish a unit in the Office of Contract Settlement to supplement and facilitate the work of existing agencies. He shall report to the Department of Justice any information received by him indicating any fraudulent practices, for appropriate action.

"(e) Whenever any contracting agency or the Director believes that any settlement was induced by fraud, the agency or Director shall report the facts to the Department of Justice. Thereupon, (1) the Department of Justice shall make an investigation to determine whether such settlement was induced by fraud, and (2) until the Department of Justice notifies the contracting agency that in its opinion the facts do not support the belief that the settlement was induced by fraud, the contracting agency, by set-off or otherwise, may withhold, from amounts owing to the war contractor by the United States under such settlement or otherwise, the amount of the settlement, or the portion thereof, which, in its opinion, was affected by the fraud. In any such case the Department of Justice shall take such action as it deems appropriate to recover payments made to such war contractor.

"PRESERVATION OF RECORDS; PROSECUTION OF FRAUD

"SEC. 19. (a) It shall be unlawful for any person willfully to secrete, mutilate, obliterate, or destroy, or cause to be secreted, mutilated, obliterated, or destroyed—

"(i) any records of a war contractor relating to the negotiation, award, performance, payment, interim financing, cancelation or other termination, or settlement of a war contract of $25,000 or more; or

"(ii) any records of a war contractor and any purchaser relating to any disposition of termination inventory in which the consideration received by any war contractor or any Government agency is $5,000 or more,

until (1) five years after such disposition of termination inventory by such war contractor or Government agency, or (2) five years after the final settlement of such war contract, or (3) five years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress, whichever applicable period is longer.

"As used in this subsection, the term 'records' includes, but is not limited to, books, ledgers, checks and check stubs, pay-roll data,

vouchers, memoranda, correspondence, inspection reports and certificates. Any corporation violating any provision of this subsection shall be fined not more than $50,000 and any natural person violating any provision of this subsection shall be fined not more than $10,000, or imprisoned for not more than five years, or both: *Provided, however*, That the Director, by regulation, may authorize the destruction of such records upon such terms and conditions as he deems appropriate, which may include the making and retaining of photographs or microphotographs. Photographs or microphotographs of any records made in compliance with such regulations of the Director shall have the same force and effect as the originals thereof would have and shall be treated as originals for the purpose of admissibility in evidence.

"(b) The first section of the Act of August 24, 1942 (56 Stat. 747; title 18, U. S. C., Supp. II, sec. 590a), is amended to read as follows:

"'The running of any existing statute of limitations applicable to any offense against the laws of the United States (1) involving defrauding or attempts to defraud the United States or any agency thereof whether by conspiracy or not, and in any manner, or (2) committed in connection with the negotiation, procurement, award, performance, payment for, interim financing, cancelation or other termination or settlement, of any contract, subcontract, or purchase order which is connected with or related to the prosecution of the present war, or with any disposition of termination inventory by any war contractor or Government agency, shall be suspended until three years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress. This section shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by provisions of existing law.'

"(c) (1) Every person who makes or causes to be made, or presents or causes to be presented to any officer, agent, or employee of any Government agency any claim, bill, receipt, voucher, statement, account, certificate, affidavit, or deposition, knowing the same to be false, fraudulent, or fictitious or knowing the same to contain or to be based on any false, fraudulent, or fictitious statement or entry, or who shall cover up or conceal any material fact, or who shall use or engage in any other fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any benefit, payment, compensation, allowance, loan, advance, or emolument from the United States or any Government agency in connection with the termination, cancelation, settlement, payment, negotiation, renegotiation, performance, procurement, or award of a contract with the United States or with any other person, and every person who enters into an agreement, combination, or conspiracy so to do, (1) shall pay to the United States an amount equal to 25 per centum of any amount thereby sought to be wrongfully secured or obtained but not actually received, and (2) shall forfeit and refund any such benefit, payment, compensation, allowance, loan, advance, and emolument received as a result thereof and (3) shall in addition pay to the United States the sum of $2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the costs of suit.

"(2) The several district courts of the United States, the District of Columbia, the several district courts of the Territories of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall, wheresoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct.

"(d) The provisions of section 35–A of the Criminal Code (18 U. S. C., sec. 80) shall apply to any statement, representation, bill, receipt, voucher, roll, account, claim, certificate, affidavit, or deposition made or used or caused to be made or used for any purpose under this Act or under any regulations pursuant to this Act.

"(e) It shall be unlawful for any person employed in any Government agency, including commissioned officers assigned to duty in such agency, during the period such person is engaged in such employment or service, to prosecute, or to act as counsel, attorney, or agent for prosecuting, any claim against the United States, or for any such person within two years after the time when such employment or service has ceased, to prosecute, or to act as counsel, attorney, or agent for prosecuting, any claim against the United States involving any subject matter directly connected with which such person was so employed or performed duty. Any person violating any provision of this subsection shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

"GENERAL PROVISIONS

"SEC. 20. (a) Each contracting agency shall have authority, notwithstanding any provisions of law other than contained in this Act, (1) to make any contract necessary and appropriate to carry out the provisions of this Act; (2) to amend by agreement any existing contract, either before or after notice of its termination, on such terms and to such extent as it deems necessary and appropriate to carry out the provisions of this Act; and (3) in settling any termination claim, to agree to assume, or indemnify the war contractor against, any claims by any person in connection with such termination claims or settlement. This subsection shall not limit or affect in any way any authority of any contracting agency under the First War Powers Act, 1941, or under any other statute.

"(b) Any contracting agency may prescribe the amount and kind of evidence required to identify any person as a war contractor, or any contract, agreement, or purchase order as a war contract for any of the purposes of this Act. Any determination so made that any person is a war contractor, or that any contract, agreement, or purchase order is a war contract, shall be final and conclusive for any of the purposes of this Act.

"(c) There are hereby authorized to be appropriated such sums as may be necessary for administering the provisions of this Act.

"(d) All policies and procedures relating to termination of war contracts, termination settlements, and interim financing, prescribed by the Director of War Mobilization or any contracting agency, in effect upon the effective date of this Act, and not inconsistent with this Act, shall remain in full force and effect unless and until superseded by the Director in accordance with this Act, or by regulations of the contracting agency not inconsistent with this Act or the policies prescribed by the Director.

"(e) Nothing in this Act shall be deemed to impair or modify any war contract or any term or provision of any war contract or any assignment of any claim under a war contract, without the consent of the parties thereto, if the war contract, or the term, provision, or assignment thereof, is otherwise valid.

"(f) Any contracting agency may authorize or direct its officers and employees, as a part of their official duties, to advise, aid, and assist war contractors in preparing and presenting termination claims, in obtaining interim financing, and in related matters, to such extent as it deems desirable. Such advice, aid, or assistance shall not constitute a violation of section 109 of the Criminal Code (18 U. S. C. 198) or of any other law, provided the officer or employee does not receive therefor benefit or compensation of any kind, directly or indirectly, from any war contractor.

"(g) The Smaller War Plants Corporation is hereby directed—

"(1) to disseminate information among small business concerns with respect to interim financing, termination settlements, removal and storage of termination inventories pursuant to the provisions of this Act and the regulations of the Director; and

"(2) to assist small business concerns in connection with the securing of interim financing and the preparation of applications for such interim financing, the effecting of termination settlements, and the removal and storage of termination inventories, and to make interim loans and guaranties, in order to assure that small business concerns receive fair and equitable treatment from prime contractors and intermediate subcontractors in connection with the termination of war contracts.

"OTHER FUNCTIONS OF THE DIRECTOR

"SEC. 21. In addition to his other functions under this Act, the Director shall—

"(a) promote the training of personnel for termination settlement and interim fiancing by contracting agencies, war contractors, and financing institutions;

"(b) collaborate with the Smaller War Plants Corporation in protecting the interests of smaller war contractors in obtaining fair and expeditious termination settlements and interim financing;

"(c) promote decentralization of the administration of termination settlements and interim financing by fostering delegation of authority within contracting agencies and to war contractors, to the extent he deems necessary and feasible; and

"(d) consult with war contractors through advisory committees or such other methods as he deems appropriate.

"USE OF APPROPRIATED FUNDS

"SEC. 22. Any contracting agency is authorized—

"(a) to use for interim financing, the payment of claims, and for any other purposes authorized in this Act any funds which have heretofore been appropriated or allocated or which may hereafter be appropriated or allocated to it, or which are or may become available to it, for such purposes or for the purposes of war production or war procurement;

"(b) to use any such funds appropriated, allocated, or available to it for expenditures for or in behalf of any other contracting agency for the purposes authorized in this Act; and

"(c) to determine by agreement, joint estimate, or any other method authorized by the Director, the part of any expenditure made pursuant to subsection (b) hereof to be paid by each contracting agency concerned and to make transfers of funds between such contracting agencies accordingly. Transfers of funds between appropriations carried upon the books of the Treasury shall be made by the Secretary of the Treasury in accordance with joint requests of the contracting agencies involved.

"DELEGATION OF AUTHORITY

"SEC. 23. (a) The Director may delegate any authority and discretion conferred upon him by this Act to any Deputy Director, and may delegate such authority and discretion, upon such terms and conditions as he may prescribe, to the head of any Government agency to the extent necessary to the handling and solution of problems peculiar to that agency.

"(b) The head of any Government agency may delegate any authority and discretion conferred upon him or his agency by or pursuant to this Act to any officer, agent, or employee of such agency or to any other Government agency, and may authorize successive redelegations of such authority and discretion.

"(c) Any two or more Government agencies may exercise jointly any authority and discretion conferred upon each of them individually by or pursuant to this Act.

"(d) Nothing in this Act shall prevent the Director from exercising any authority conferred upon him by any other statute.

"APPLICABILITY

"SEC. 24. (a) This Act shall become effective twenty days after the date of its enactment. With the exception of the provisions of paragraphs (b), (c), (d), and (e) of section 12, and of sections 6, 7, 8, 9, 10, and 13, this Act shall be applicable in the case of any terminated war contract which has been finally settled at or before the effective date of this Act.

"(b) Nothing in this Act shall limit or affect any authority conferred by the Act of March 11, 1941 (55 Stat. 31), as amended, or Acts supplemental thereto.

"SEC. 25. Subject to policies prescribed by the Director, any contracting agency may exempt from some or all of the provisions of this Act (a) any war contract made or to be performed outside the continental limits of the United States or in Alaska, or (b) any termination inventory situated outside of the continental limits of the United States or in Alaska, or (c) any modification of a war contract pursuant to its terms for the purpose of changing plans or specifications applicable to the work without substantially reducing its extent.

"SEPARABILITY OF PROVISIONS

"SEC. 26. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

"SHORT TITLE

"SEC. 27. This Act may be cited as the 'Contract Settlement Act of 1944'."

And the House agree to the same.

JAMES E. MURRAY,
EDWIN C. JOHNSON,
MON C. WALLGREN,
CHAN GURNEY,
CHAPMAN REVERCOMB,
Managers on the part of the Senate.

HATTON W. SUMNERS,
FRANCIS E. WALTER,
ESTES KEFAUVER,
CLARENCE E. HANCOCK,
JOHN W. GWYNNE,
Managers on the part of the House.

The report was agreed to.

RECESS

Mr. BARKLEY. Mr. President, if there is no further business to be transacted at this time, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Thursday, June 22, 1944, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate June 21 (legislative day of May 9), 1944:

DEPARTMENT OF LABOR

Frieda S. Miller, of New York, to be Director of the Women's Bureau, United States Department of Labor.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 21 (legislative day of May 9), 1944:

DEPARTMENT OF THE NAVY

Ralph A. Bard to be Under Secretary of the Navy.

FARM CREDIT ADMINISTRATION

Ivy W. Duggan to be Governor of the Farm Credit Administration for the unexpired term of 6 years from June 15, 1940.

NATIONAL MEDIATION BOARD

Frank P. Douglass to be a member of the National Mediation Board for the remainder of the term expiring February 1, 1946.

PROMOTIONS IN THE REGULAR ARMY

To be colonels

Edward James Dwan, Cavalry.
John Ross Mendenhall, Infantry.
Norman Randolph, Infantry.
George Edward Stratemeyer, Air Corps.
Eustis Lloyd Hubbard, Cavalry.
Frederic William Boye, Cavalry.
Leroy Hugh Watson, Infantry.
Arthur Arnim White, Field Artillery.
John Kellher, Field Artillery.
Thomas Fenton Taylor, Infantry.
Marshall Henry Quesenberry, Infantry.
Richard Wilmer Cooksey, Cavalry.

To be first lieutenants

William Allen Daniel, Air Corps.
Robert Gabel Emmens, Air Corps.
Franklin H. MacNaughton, Air Corps.
William John Kennedy, Air Corps.
John Bailey Henry, Jr., Air Corps.
Harry MacCulloch Pike, Air Corps.
Kenneth Walter Northamer, Air Corps.
Jack Gillespie Milne, Air Corps.
Luther Henry Richmond, Air Corps.
William Frank Savoic, Air Corps.
Carver Thaxton Bussey, Air Corps.
Glenn Smith Finley, Jr., Cavalry.
Philip Wendell Constance, Ordnance Department.
Lindsey Hartford Vereen, Air Corps.
Charles David Sonnkalb, Air Corps.
Carl Erwin Drewes, Ordnance Department.
James Wyatt Newsome, Air Corps.
James Raymond Lyons, Air Corps.
Harry Hunt Towler, Jr., Air Corps.
Nathan Bourne Hays, Air Corps.
Russell Keith Brock, Air Corps.
James William Guthrie, Air Corps.
Quinter Paul Gerhart, Air Corps.
Robert Wiygul Burns, Air Corps.
James Collins Bagg, Quartermaster Corps.
James Willard Guest, Field Artillery.
Harold Broudy, Coast Artillery Corps.
Arnold Beverly Addlestone, Ordnance Department.
Joseph Lowery Amell, Jr., Field Artillery.
Allan Gardner Pixton, Field Artillery.
Joseph Ruane McGuire, Field Artillery.
Henry John Amen, Air Corps.
William Elmer Zins, Air Corps.
Grover Cleveland Brown, Air Corps.
Albert James Moye, Air Corps.
Harry James Sands, Jr., Air Corps.
David Warren Hassemer, Air Corps.
Robert Brown Coen, Air Corps.
Ralph Leslie Michaelis, Air Corps.
Arthur Clarke Perry, Air Corps.
Frank Leslie Nims, Air Corps.
Robert Haynes McCutcheon, Air Corps.
Charles McDonald Parkin, Jr., Corps of Engineers.
Keith Philip Fabianich, Infantry.
Herman Richard Schell, Infantry.
Alexis Michael Gagarine, Infantry.
Harland Glen Wood, Coast Artillery Corps.
John Carl Sparrow, Quartermaster Corps.
Arthur McMurrough Murphy, Infantry.
Donald Heck, Signal Corps.
Albin Felix Irzyk, Cavalry.
Richard James Darnell, Infantry.
Lewis Warner Fogg 3d, Corps of Engineers.
Gordon Lowell Chambers Scott, Corps of Engineers.
Ray C. Conner, Ordnance Department.
Peter Leon Urban, Coast Artillery Corps.
James Erwin Crosby, Jr., Air Corps.
Robert Eldon Phelps, Infantry.
Morris Cowan Stout, Field Artillery.
James Moore Boyd, Air Corps.
Douglas Hugh Sullivan, Field Artillery.
Glen Carl Long, Infantry.
Alvin Ethelbert Cowan, Infantry.
Fred Allan Pierce, Jr., Infantry.
Jeff William Boucher, Corps of Engineers.
Gerald Elbert Gowell, Cavalry.
James Miller Hustead 2d, Field Artillery.
Zebulon LaFayette Strickland, Jr., Coast Artillery Corps.
Leonard Shirley Wilhelm, Infantry.
Jean Albert Jack, Air Corps.
Wilburt James Irwin, Field Artillery.
Robert Arnold Martin, Cavalry.
Thomas John Sharpe, Field Artillery.
Joe Vandiver Langston, Infantry.
Reuben Eugene Wheelis, Quartermaster Corps.
John Herbert Savage, Ordnance Department.
Frederick John Wells, Corps of Engineers.
Karekin Gaspar Arabian, Chemical Warfare Service.
Rawlins Murrell Colquitt, Jr., Coast Artillery Corps.
Charles Edward Tennesson, Jr., Field Artillery.
Lloyd LeRoy Hanes, Infantry.
Jules Maurice DuPare, Coast Artillery Corps.
William Bernard Pohlman, Jr., Coast Artillery Corps.
Leon Francis Kosmacki, Field Artillery.
Benjamin Alan Swartz, Field Artillery.
George Alexander Clayton, Infantry.
Robert Alroy Olson, Air Corps.
Richard Boyd Bullock, Infantry.
John William Paxton, Corps of Engineers.
Warren Earl Walters, Infantry.
Rudolph Kermit Brunsvold, Infantry.
James William Sutherland, Jr., Infantry.
John Arthur Benner, Coast Artillery Corps.
Edwin Herbert Garrison, Air Corps.
John William O'Neill, Air Corps.
William Franklin LaHatte, Coast Artillery Corps.
Harry Kelly Thomson, Field Artillery.
William Donald Ward, Coast Artillery Corps.
George Ira Taylor, Field Artillery.
Harry Vaughn Beck, Infantry.
Robert Clare Foulston, Jr., Infantry.
Chester Henry Bigger, Field Artillery.
James Victor Sanden, Field Artillery.
John Wesley Simmons, Infantry.
James Lester Ballard, Jr., Infantry.
Laurence Arthur Madill, Infantry.
Donald Henry Janz, Coast Artillery Corps.
Frank Selden Holcombe, Infantry.
Burt Lunney Mitchell, Jr., Infantry.
William Fredrick Cathrae, Field Artillery.
Floyd Allison Soule, Infantry.

James Francis McCarthy, Jr., Air Corps.
Henry Van Middleworth, Infantry.
James Penquite Mulcahy, Field Artillery.
Elmer Hugo Almquist, Jr., Field Artillery.
John Logan Schutz, Infantry.
William Marks Hutson, Coast Artillery Corps.
Owen Beall Knight, Field Artillery.
Henry Price Tucker, Infantry.
Hugh Woodrow Benson, Coast Artillery Corps.
Wilson Freeman, Field Artillery.
William Neville Sloan, Jr., Quartermaster Corps.
Andrew Peach Rollins, Jr., Corps of Engineers.
Max George Hensel, Infantry.
Gordon B. Cauble, Signal Corps.
John Farley Splain, Coast Artillery Corps.
Arthur Wendell Gunn, Field Artillery.
Chester Elwood Kennedy, Cavalry.
William E. Feeman, Corps of Engineers.
James William Haley, Infantry.
Eugene Philip Palmer, Coast Artillery Corps.
Robert Charles Barthle, Signal Corps.
Joseph Theodore McQuaide, Corps of Engineers.
Bernard Paul Haley, Infantry.
Arthur John Howland, Field Artillery.
Burton Bryant Chandler, Cavalry.
Edward Bernard Jennings, Corps of Engineers.
Otho Eugene Holmes, Infantry.
Robert Usher Gaines, Jr., Air Corps.
Francis Loring Douglass, Infantry.
Leo Bond Jones, Field Artillery.
Maxie Thurmond, Cavalry.
Byron Mark Kirkpatrick, Corps of Engineers.
Louis Edward Aull, Field Artillery.
Charles Edward Mosse, Air Corps.
Albro Lefles Parsons, Jr., Corps of Engineers.
Ernest Samusson, Jr., Infantry.
William Barker Wootton, Jr., Infantry.
William Robertson Desobry, Infantry.
James Turner Skipworth, Infantry.
Hubert Walter Gillespie, Jr., Field Artillery.
Edmund Louis DuBois, Coast Artillery Corps.
Harold Ralph Rock, Infantry.
William Albert Becker, Field Artillery.
Edward August Huwaldt, Field Artillery.
Charles Frederick Ostner, Field Artillery.
Richard Johnson Binnicker, Jr., Field Artillery.
Toma David Harris, Jr., Cavalry.
Eugene Francis Lawrence, Coast Artillery Corps.
Robert Blaine Wells, Infantry.
Daniel Seward LaShelle, Infantry.
George Lindsay Disharoon, Jr., Infantry.
George Eugene Bostwick, Air Corps.
Quentin Roosevelt, Field Artillery.
John Michener Wilson, Infantry.
John Taylor Newman, Signal Corps.
Bliss Leon Mehr, Air Corps.
Thomas Eugene Watson, Jr., Chemical Warfare Service.
Donald Dean Dunlop, Infantry.
Joseph Gorrell Kearfott Miller, Field Artillery.
Joseph Douglas Mitchell, Infantry.
Charles Warren Adcock, Coast Artillery Corps.
Ernest Lee Wehner, Field Artillery.
Joseph Theodore Materi, Coast Artillery Corps.
William Victor Downer, Jr., Coast Artillery Corps.
William Warren Neely, Coast Artillery Corps.
Thomas Bennett Mechling, Coast Artillery Corps.

MEDICAL CORPS

To be colonels

Leland Elder Dashiell
George William Reyer
Oscar Thweatt Kirksey
Byron Johnson Peters
Joseph Rogers Darnall
Leland Oliver Walter Moore
Henry William Meisch

To be lieutenant colonel

Berna Thomas Bowers

To be majors

Frank Anthony Minas
Henry Schuldt Murphey
Carl Robert Darnall
George Merle Powell
Charles Henry Morhouse
John Lemoin Crawford
Claude Cordray Dodson

To be captains

James Lee Royals
Robert Hicks Holmes
William Henry Anderson
Robert Patrick Campbell
Walter Cecil Twineham
William Holmes Crosby, Jr.
Edward Kernaghan Mills
John Charles Benson, Jr.
Milton Omar Beebe, Jr.
Edward Lloyd Seretan
Winston Clarkson Hainsworth
John Joseph Maloney
Frederic John Hughes, Jr.
Charles Bullard Hooker
Wilson Gordon Brown
Abraham Chartock
Andrew Carroll Offutt
William Morrow Webb
Jess Franklin Gamble
James Archer Orbison
Dan Crozier
Adolph David Casciano
Julian Marlow Sether
William Gregory Thalmann, Jr.
William John Brown
Edward Henry Vogel, Jr.
Courtland Stillings Jones, Jr.
James Park Dewar, Jr.
LeRoy Otten Travis
Edward Jenner Whiteley
Welland Angel Hause
Harold Mendez Jesurun

DENTAL CORPS

To be colonels

John Samuel Ross
Elmer Henry Nicklies.

To be major

John Kenneth Sitzman

To be captains

Victor Clifford Tisdal, Jr.
Edwin Howell Smith, Jr.
Julius Calvin Sexson
Frank Archer Mitchell
Joseph Robert Gibson
Richard James Farrell
Albert Rhoades Buckelew
George Nicholas Schulte
Norbert Corbin Kephart
Russell Henry Augsburger

VETERINARY CORPS

To be colonel

Harry Lawrence Watson

PHARMACY CORPS

To be first lieutenant

Charles Joseph Mrazek, Jr.

CHAPLAIN

To be colonel

Mariano Vassallo

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

To be major generals

Robert Chauncey Macon
James Pratt Hodges
Benjamin Franklin Giles
Archibald Vincent Arnold
William Samuel Rumbough
Uzal Girard Ent
Lyman Louis Lemnitzer
Frank Seymoure Ross
John Wilson O'Daniel
Walter Leo Weible
William Benjamin Kean
William Frederic Marquat
Joseph Cowles Mehaffey
Henry Benton Sayler
Robert Boyd Williams
George Lane Van Deusen
Archer Lynn Lerch
Earle Everard Partridge
Ralph Hudson Wooten
Maxwell Davenport Taylor

To be brigadier generals

George Douglas Wahl
Alfred August Kessler, Jr.
Clesen Henry Tenney
Herbert Bishop Thatcher
Francis William Farrell
Paul Frailey Yount
John Paul Ratay
William Milton Gross
Reuben Ellis Jenkins
Donald Robert Hutchinson
Clinton Dermott Vincent
James Somers Stowell
Egmont Francis Koenig
Julius Kahn Lacey
James Edward Morrisette
Charles Henry Caldwell
Claude Birkett Ferenbaugh
Alexander Mitchell Owens
Clark Louis Ruffner
George Burgess Foster, Jr.
Charles Stricklen Shadle
Robert Marks Bathurst
Richard Condie Sanders
Walter Gilbert Layman
William Weston Bessell, Jr.
Edwin Britian Howard
Henry Cheesman Dooling
Philip Gilstrap Bruton
James Malcolm Lewis
Howard McMath Turner
William Herschel Middleswart
John Halliday McCormick
Edmund Clarence Langmead
Arthur Arnim White
LeRoy Judson Stewart
Carl Conrad Bank
Harold Chittenden Mandell
Andrew Jackson McFarland
Ernest Joseph Dawley
James Wayne McCauley
Miles Reber
Frank Andrew Henning
Donald Prentice Booth
Ralph Godwin DeVoe
John DeForest Barker
Hugh Williamson Rowan
Nicholas Hamner Cobbs
James Hobson Stratton
Harry Benham Sherman
Royden Eugene Beebe, Jr.
Isaac Davis White
Edwin Albert Zundel
Charles White Lawrence
George Senseny Eyster
Frank Fort Everest
Homer Caffee Brown
Joseph Smith
Rex Eugene Chandler
Jarred Vincent Crabb
Leif John Sverdrup
Victor Emile Bertrandias
Lawrence George Fritz

POSTMASTERS

ALASKA

Crystal S. Jenne, Juneau.

IDAHO

Lawrence A. Gillett, Declo.
Jessie W. Wilson, Weippe.

MINNESOTA

Alma H. Hoff, Dalton.

REJECTION

Executive nomination rejected by the Senate June 21 (legislative day of May 9), 1944:

POSTMASTER

MISSOURI

Raymond E. McCanse, Mount Vernon.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 21, 1944

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou our everlasting portion, so dwell in our minds and hearts that there can be no ease other than that in the unalterable performance of duty. He who bears himself faithfully in the discharge of his obligations can truly claim to keep life's rendezvous. Lead us on, for there is no higher commission available to man than that of serving the forces of sobriety, justice, and godliness. As we must accept judgment in the places we alone are filling, may we as dauntless men and women stand at our posts without fear or vacillation.

As countless of our fellow creatures are moving through the flames of indescribable hardships, may they be armed with unfaltering trust, with vision clear, and unafraid. As terror and blind hate are overbrooding this tortured world, engage us in that faith and unyielding devotion that rise in triumph over all desolation in which civilization is rocking. O have mercy upon our poor, blundering, and pitiful humanity, blinded by its lust for power and the bludgeon of force; deliver it from such illusions and let the teachings of the Holy Bible blaze before the eyes of man: "Turn us again, O Lord of hosts; cause Thy face to shine, and we shall be saved; help us, O God of our salvation, for the glory of Thy name's sake." Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Shaner, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1232. An act to provide equitable compensation for useful suggestions or inventions by personnel of the Department of the Interior.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4443) entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 27, 40, 53, 63, and 65 to the foregoing bill.

The message also announced that the Senate further insists on its amendment numbered 60 to said bill, agrees to the further conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RUSSELL, Mr. HAYDEN, Mr. TYDINGS, Mr. BANKHEAD, Mr. SMITH, Mr. NYE, and Mr. CAPPER to be conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4679) entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 89, 116, 127, 128, 133, 138, 155, 156, 166, 202, and 203 to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4183) entitled "An act making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes."

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4879. An act making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. NYE, Mr. HOLMAN, and Mr. BROOKS to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. EATON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address by my colleague the gentleman from New Jersey [Mr. AUCHINCLOSS].

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LIQUOR PRODUCTION

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BRYSON. Mr. Speaker, yesterday as guests of the War Department, Members of Congress were permitted to witness the showing of the invasion of our troops on D-day in France as portrayed by an untouched moving picture. As we watched our men of great courage walk boldly into the very jaws of death we did not realize at that moment W. P. B. was releasing the restrictions from intoxicating liquors so that 50,000,000 gallons would be made available for beverage purposes. This action on the part of W. P. B. presents a strange paradox.

Yesterday we appropriated additional moneys for continuation of the guayule rubber program, evidently so that grain now being used for the manufacture of alcohol could be used for needed human consumption. Lately we appropriated additional billions of dollars for the U. N. R. R. A. program, thus providing for the feeding of liberated people. Surely the use of necessary food materials for the manufacture of intoxicating liquors is tragic when there is such a great need for food to keep soul and body together.

What helpful contribution liquor has, is, and will make to the war program is difficult to see. In an English cocktail lounge a high-ranking Army officer, not there for prayer, is said to have divulged the vital secret of our invasion day. Our Military Affairs Committee has just revealed in an exhaustive report the reprehensible conduct on the part of a high-ranking Army officer and an erstwhile citizen of Germany as they indulged in the use of intoxicating liquors.

The people for whom I have the privilege of speaking regret and condemn the appropriation of essential substances so sorely needed to sustain life and necessary for the successful prosecution of the war to be used in the manufacture of liquor.

I urge that hearings be forthwith resumed on H. R. 2082, which is very similar in its terms to a bill that became a law during World War No. 1, providing for wartime prohibition. Congress should not recess until action is taken on this vital matter.

The SPEAKER. The time of the gentleman has expired.

EXTENSION OF REMARKS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD on two different matters: first to include an editorial which appeared in the Lynn Telegram-News of Lynn, Mass., and, secondly, to include a radio address I delivered on Sunday last at Boston.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DEWEY. Mr. Speaker, I ask unanimous consent to have printed in the Appendix of the RECORD a speech by Lord Keynes on the international monetary fund made in the House of Lords on May 23, 1944.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include therein a talk I gave in Cleveland on Father's Day.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I also ask unanimous consent to extend my own remarks on two subjects and include newspaper articles.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KUNKEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the St. Lawrence waterway and to include certain short quotations; also unanimous consent to include certain short quotations with reference to veterans' legislation and railroad retirement, on which subjects I received permission to extend my remarks in the RECORD on yesterday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. D'ALESANDRO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a report on juvenile delinquency.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

STATE, JUSTICE, AND COMMERCE APPROPRIATION BILL, 1945—CONFERENCE REPORT

Mr. KERR. Mr. Speaker, I call up the conference report on the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce for the fiscal year ending June 30, 1945, and for other purposes, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. KERR]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on amendment numbered 10 of the Senate to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

The committee of conference report in disagreement amendment numbered 10.

JOHN H. KERR,
BUTLER B. HARE,
THOMAS J. O'BRIEN,
ALBERT E. CARTER,
KARL STEFAN,
ROBERT F. JONES,
Managers on the part of the House.

KENNETH MCKELLAR,
CLYDE M. REED,
WALLACE H. WHITE, JR.,
TOM CONNALLY,
RICHARD B. RUSSELL,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the further conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

AMENDMENT REPORTED IN DISAGREEMENT

Amendment No. 10: Relating to the next quinquennial census of agriculture, authorized by law, and under the Department of Commerce. The managers will move to recede and concur with an amendment.

JOHN H. KERR,
BUTLER B. HARE,
THOMAS J. O'BRIEN,
ALBERT E. CARTER,
KARL STEFAN,
ROBERT F. JONES,
Managers on the part of the House.

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Amendment No. 10:

"Census of agriculture: For all expenses necessary for preparing for, taking, compiling, and publishing the quinquennial Census of Agriculture of the United States, including the employment by the Director, at rates to be fixed by him, of personnel at the seat of government and elsewhere without regard to the civil-service and classification laws; books of reference, newspapers, and periodicals; construction of tabulating machines; purchase, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles; travel expenses, including expenses of attendance at meetings concerned with the collection of statistics, when incurred on the written authority of the Secretary; printing and binding; $7,250,000, to be available until December 31, 1946, and to be consolidated with the appropriation "Census of Agriculture" contained in the First Supplemental National Defense Appropriation Act, 1944."

Mr. KERR. Mr. Speaker, I move that the House recede and concur in the amendment of the Senate, with an amendment.

The Clerk read as follows:

Mr. KERR moves that the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows:

"At the end of the matter inserted by said amendment and before the period, insert '*: Provided*, That for a period of 1 year after the statistics collected by such census are made available no other bureau, agency, or independent establishment of the Federal Government shall collect agricultural information or statistics obtained by said census unless authorized by statute or in pursuance to Budget estimates submitted to and approved by the Congress.'"

Mr. MURRAY of Wisconsin. Mr. Speaker, I make the point of order that this amendment is not germane.

Mr. KERR. Mr. Speaker, will the gentleman reserve the point of order?

Mr. MURRAY of Wisconsin. Yes.

Mr. KERR. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this amendment is for the purpose of taking the quinquennial census of agriculture. In 1929 Congress passed the statute which provides for this amendment. It is as follows; and it is found in title 13 of the United States Code at section 216:

There shall be in the year 1935 and once every 10 years thereafter, a census of agriculture and livestock which shall show the acreage of farm lands, the acreage of the principal crops, and the number and value of domestic animals on farms and ranges of the country. The schedule employed in the census shall be prepared by the Director of the Census and such census shall be taken as of the first day of January and shall relate to the crop year. The Director of the Census shall appoint enumerators or such agents for the purpose of this census in accordance with the provisions of chapter I of this title.

That is the provision by which this important agricultural census is to be taken.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield right there?

Mr. KERR. Yes.

Mr. McCORMACK. I understand the law which the gentleman has referred to was passed by a Congress controlled at that time by our friends on the gentleman's left, and on my right, the Republican Party, and signed by the then President who was a Republican; is that right?

Mr. KERR. I think the gentleman is correct.

This appropriation was not put in the Department of Commerce appropriation bill at the time that other matters were considered by the House committee; it had not been budgeted.

Mr. JONES. Mr. Speaker, will the gentleman yield?

Mr. KERR. I yield.

Mr. JONES. Was it not in 1935 that this census was authorized in the basic law?

Mr. KERR. I think probably the gentleman is right about that. It may have been in 1935.

Mr. JONES. And therefore it was not a Republican President who signed it?

Mr. KERR. That is correct.

Mr. HARE. Will the gentleman yield?

Mr. KERR. I yield.

Mr. HARE. I think the act was passed in 1929 with the understanding that the first agricultural census should be taken in 1935.

Mr. KERR. I am not prepared to say that the statement made by the gentleman from South Carolina [Mr. HARE] is not correct. I am rather inclined to think it is correct.

This agricultural census was first taken in 1935, 5 years after our regular 10-year census.

The amount for this census was not requested of our committee until after the committee had passed on this bill and brought it to the House for consideration. When the bill went to the Senate the Senate put this appropriation in the bill, $7,250,000, for the purpose of taking this census, by the Census Department, pursuant to the act of Congress. So when the bill went to the Senate the Bureau of the Census came to the Senate and the Senate put this appropriation in the bill. It came back to the House, and several Members in the House got hold of some interrogatories that had been gotten out by some department or bureau and read them to the House. The questions were ridiculous, as a matter of fact, and in consequence of that I assume the House felt that the Department of Agriculture was going to engage in taking the same kind of a census and probably issue the same kind of questionnaires. Let me impress

upon you that these questionnaires had nothing in the world to do with this agricultural census, and were in no way connected with this proposed work.

The SPEAKER. The gentleman has consumed 5 minutes.

Mr. KERR. I yield myself 5 additional minutes.

These questionnaires had nothing at all to do with the agricultural census. They referred to another bureau, another department of the Government. I assume they appeared so ridiculous that when the House was called upon to vote in respect to this appropriation the House voted it down. We have been back to the Senate twice, and the Senate insists that this appropriation shall go in. The truth of the business is that both the committee of the Senate and the committee of the House have received hundreds of statements from various agricultural activities and various people who are interested in farming, insisting that this appropriation be made and that Congress should adopt this report.

Mr. McCORMACK. Will the gentleman yield?

Mr. KERR. I yield.

Mr. McCORMACK. In order that the RECORD may be correct, I wanted to be sure, in view of the inquiry made by my friend the gentleman from Ohio [Mr. JONES]. I have here the United States Code, showing that section 16 of title XIII of the United States Code became a law on June 18, 1929. Chapter 28, section 16, 46 Statutes 25.

Mr. KERR. I thank the distinguished majority leader.

Mr. Speaker, this is an important matter to the agricultural interests of the country. They are very much aroused about it. It did not get in our first bill because of the fact that it had not been budgeted at that time. It went to the Senate and the Senate put it in and the Senate insists that it must remain in and that we have this census which has been provided for by law, which, as I said awhile ago, is most important. We must make this appropriation in order that this census may be taken.

Mr. FLANNAGAN. Mr. Speaker, will the gentleman yield?

Mr. KERR. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. Mr. Speaker, some time back House Resolution No. 38 was passed, directing that a study and investigation be made of the farm marketing situation. I was appointed by the chairman of the Committee on Agriculture as chairman of a special committee to set up the personnel of this investigation. There has been considerable delay in getting the matter worked out and I desire to submit to the House a full report of the work of the special committee.

Mr. Speaker, I ask unanimous consent that I may have permission to revise and extend my remarks and insert at this point in the RECORD the statement I have prepared.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HOUSE FARM MARKETING INVESTIGATION

Mr. FLANNAGAN. Mr. Speaker, on May 27, 1943, the House passed House Resolution 38, which reads as follows:

Resolved, That the Committee on Agriculture, acting as a whole or by subcommittee, is authorized and directed to make a study and investigation of the present system of marketing, transportation, and distribution of farm products from rural areas through the various marketing agencies to the ultimate consumer, as it affects farmers, the various types of middlemen, wholesalers, retailers, and consumers, with a view to ascertaining, among other things:

(a) The effectiveness of the present system of marketing, and the adequacy of present marketing facilities, with particular regard to the protection of farmers and consumers.

(b) The effect of transactions on the futures grain and cotton exchanges upon such system and upon farmers and consumers.

(c) The existence of any practices in connection with the grading, storing, processing, transporting, distributing, or marketing of farm products, which adversely affect farmers and consumers.

(d) The present and prospective development of the types and methods of transportation for farm products, and the existence, if any, of discrimination in railway freight or in motor-carrier rates on farm products in the various areas.

(e) The feasibility of establishing an up-to-date marketing and distributing system from the rural areas through local, State, and National marketing agencies under a farm cooperative program that would provide facilities for proper grading and distribution, necessary storage, and for other essential activities of an orderly marketing program.

The committee shall make a report to the House as soon as practicable after its study and investigation has been concluded, and in its report the committee shall make such recommendations as it may deem proper, including recommendations with respect to any legislative action necessary to effectuate its recommendations.

SEC. 2. For the purposes of this resolution the committee, or any subcommittee thereof, is authorized and directed to hold such hearings, to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to employ such experts and such clerical, stenographic, and other assistants, to require the attendance of such witnesses and the production of such books, papers, and documents by subpena or otherwise, to take such testimony, to have such printing and binding done, and to make such expenditures as it deems necessary. Subpenas shall be issued over the signature of the chairman of the committee, and may be served by any person designated by the chairman. Oaths or affirmations may be administered by the chairman or any member of the committee designated by him.

On June 15, 1943, under House Resolution 258, an allowance of $50,000 was made to carry on the work authorized by House Resolution 38. On October 29, 1943, the chairman of the House Committee on Agriculture appointed a subcommittee, consisting of myself as chairman, and Congressmen PACE, of Georgia, and HOPE, of Kansas, to formulate plans and secure the necessary personnel to carry the resolution into effect.

As the delay in actually getting the investigation started has caused considerable comment, I think the subcommittee should make a full and frank report to the House.

To begin with, the subcommittee, realizing not only the importance but also the magnitude of the investigation, decided that before employing the necessary personnel to assist in making the study and investigation a definite line of approach should be worked out in order to insure a complete and careful study and investigation along sane, sensible, and practical lines. While we have no idea of going off on a witch hunt, we do propose to make an honest, fearless effort to work out for the farmers of America a sane, sensible, practical, and efficient marketing system that will bring the farmer and consumer closer together. The great spread between the farm and table impoverishes the farmer and consumer alike, in that, while reducing farm prices it increases consumer prices. I think everyone will concede that every time a handling charge is added on to a farm product after it leaves the farm that the charge either comes off of the farm price or is added to the consumer price. The whole secret of an efficient farm marketing system hovers around bringing the farm and table—the farmer and consumer—closer together. If this can be done, and, in our opinion, it can, literally millions of dollars will be saved annually by the farmers and consumers of America. Most industries have worked out such marketing systems and the time is long overdue for such a system to be worked out for the farmers. My colleagues, I say it advisedly, no industry in America could stay in business if it had to operate under the same marketing system under which the farmer has been forced to operate.

Moreover, your subcommittee was aware of the fact that from time to time in the past study and investigation had been directed into this phase or the other of farm marketing, and in most cases the study and investigation resulted in just another report being filed. Your subcommittee hopes to lay the foundation for something more than just a report. Our aim is a remedy.

Then, too, your subcommittee was aware of the fact that House Resolution 38 is the first time the Congress ever directed a complete study and investigation of our entire farm marketing system with the end in view of really working out a sane, sensible, and efficient system. Such a system cannot be worked out over night. It will take, your subcommittee estimates, from 1½ to 2 years to complete the work. Of course, certain phases of the system can be worked out in much less time, and it is imperative that they should be, because it is our thought that some of them, for instance, better terminal market facilities, might be included as post-war projects.

I doubt if a more important and far-reaching study and investigation was ever directed by the Congress. Surely your subcommittee acted wisely in giving time and thought to the initial problem of the correct line of approach in tackling such a stupendous task.

The approach or set-up, as worked out by the subcommittee, is substantially as follows:

I

GENERAL SUPERVISOR

A general supervisor to head up and, under the supervision of the Committee on Agriculture, supervise the study and investigation. In order to facilitate the study and investigation, we decided that the work should also be broken down into divisions, and that at the head of each division there should be placed someone who, by training and experience, was capable of conducting the study and investigation of that particular phase of the work. Of course, all of these division heads would be under the direct supervision of the general supervisor. It is also contemplated that further subcommittees of the Committee on Agriculture will be appointed to supervise and work in close cooperation with the division heads. We want to get the whole force of the Committee on Agriculture behind the work.

II

DIVISIONS

The divisions, and the nature of the work that would come under their immediate supervision, may be briefly stated as follows:

(a) Division of shipping-point organizations, facilities, and practices: The desire of the subcommittee is to start from the farm and follow the marketing of farm products until they reach the table of the consumer. We want to find out what happens all the way down the line. Personally, and I think I express the feeling of the subcommittee, if the respective handlers are rendering a useful, efficient, and necessary service, all well and good; if they are not, but are simply leeches sucking the lifeblood of the farmer and consumer, then, so far as I am concerned, they will have to go unless they can so put their house in order as to hereafter render a useful and necessary service in an efficient manner.

Well, if we are going to follow the product from the farm all the way through, we have got to start at the shipping point. This part of the study and investigation will cover the facilities, practices and organizations at shipping points, commercial and cooperative, as they relate to the movement of agricultural products. Such functions as receiving, grading, packaging, storage and handling should, of course, be fully gone into.

(b) Transportation organizations, facilities and practices for the movement of farm products: Having started the farm product on its way, the next thing for us to do is to take a ride with the product. This phase of the study and investigation will be centered upon the movement of agricultural products from shipping points to local and primary or terminal markets. The subject is now timely because of the possibilities of changing conditions for transportation following the war. Included in the study and investigation, of course, is the speeding up of transportation to avoid loss of perishable merchandise, proper routing so as to avoid glutting the markets, and so forth. A study of freight rates on agricultural products is also important.

(c) Terminal marketing organizations and facilities for distribution and handling of farm products: Having followed the farm product to the terminal market, the next thing for us to do is to find out what happens until it finally reaches the table. This study and investigation, in the opinion of the subcommittee, should be given priority in that it is believed that the facts, when revealed, will show a need for new facilities, and these facilities could be included in the post-war projects. It is imperative that blueprints and plans for such facilities should be drawn up at the earliest possible moment so there may be a basis for legislating funds for use during the post-war period.

This study and investigation, of course, involves a review of existing organizations, facilities and practices on primary or terminal markets. This investigation, in my opinion, is going to open the eyes of many of us.

It should be kept in mind that the study and investigation should be well coordinated with State and local authorities.

(d) Wholesalers, jobbers, and retailers, and so forth, and commodity exchanges: This study and investigation involves inquiry into the margins and services of wholesalers, jobbers, commission merchants, brokers, retailers, and other middlemen engaged in the handling of farm products. Out of this study and investigation should come recommendations as to improved operations and methods, the goal being to not only decrease the cost of handling but bring about a more adequate distribution of farm products and an increase in the sales thereof. Maximum distribution will be required after the war.

Of course, the investigation, as specifically directed by House Resolution 38, will include a study and investigation of commodity exchanges. As we all know, commodity exchanges now perform certain functions in the marketing of certain farm products. The purpose of this part of the study and investigation is to find out just what these functions are, whether they are essential or not, and what effect they have upon agricultural marketing.

In this phase of the study and investigation care should be taken to solicit the cooperation of the trade factors to the end that all of those who are performing efficient services will not be harmed but will be protected from malpractices.

(e) Disposal of surplus farm products: This is another phase of the study and investigation that should be given priority. It is the surplus that has heretofore, in most cases, fixed farm prices; and for farm prices to be determined by such a yardstick has been one of the most cruel and vicious practices ever tolerated by a free people. The surplus problem after the war, in all probability, will be the No. 1 problem that the farmer is faced with. While several agencies are now dealing with surplus disposal as it directly relates to the war activities, the study and investigation should be approached from the point of view of a long-range program, so that hereafter the value of farm products will be measured by cost of production plus a reasonable profit rather than the cruel and ruthless surplus value determination.

(f) Prices and pricing of farm products and farmers' marketing organizations: In this part of the study and investigation, the purpose will be to find out the forces and factors that determine prices for various farm commodities in different markets and whether or not there are practices that unduly depress prices to the farmers on the one hand, and on the other unduly raise prices to the consumer.

This study and investigation should also cover cooperatives and other farmer-owned marketing organizations. Here is a great field that should be fully explored. Probably here is the solution to many of our marketing problems.

(g) Legal division: The services of a good lawyer familiar, in a general way, with the problems involved, and capable of interviewing witnesses before they testify in order to determine if the information they possess will be of aid to the committee in arriving at correct conclusions. It is the experience of the members of the subcommittee that too often witnesses appear before committees who have more zeal than knowledge.

Then, too, in making the study and investigation, we are going to need a lot of legal guidance.

III

ADVISORY COMMITTEE

Your subcommittee thought that it should have the benefit of the advice and counsel of the representatives of those who are directly or indirectly interested in, or affected by, the farm-marketing system. Hence, it invited these different organizations to select a representative on an advisory committee the subcommittee set up for the purpose of meeting with the Committee on Agriculture, from time to time, and making suggestions as to how the present system can be improved. All of the organizations invited to select a representative on the advisory committee have accepted and have designated their representatives. The organizations invited, and the representatives selected by them, are as follows:

United States Department of Agriculture: C. W. Kitchen, Administrator, Agricultural Marketing Administration, Washington, D. C.

Federal Trade Commission: R. E. Freer, Chairman, Washington, D. C.

Farm Credit Administration: Judge Harry D. Reed, General Counsel, Farm Credit Administration of Columbia, Columbia, S. C.

The National Grange: Albert S. Goss, president, Washington, D. C.

American Farm Bureau Federation: Edward A. O'Neal, president, Washington, D. C.

National Council of Farmer Cooperatives: Homer Brinkley, president, Lake Charles, La.

National Farmers Union: James G. Patton, president, Washington, D. C.

Southern States Cooperatives: W. G. Wysor, manager, Richmond, Va.

Cooperative League of the United States: John Carson, Washington, D. C.

National Cooperative Milk Producers Federation: Charles W. Holman, secretary, Washington, D. C.

Association of Land-Grant Colleges: H. R. Wellman, director, Giannini Foundation, Berkeley, Calif.

National Association of Commissioners, Secretaries and Directors of Agriculture: W. C. Sweinhart, president, Denver, Colo.

National Association of Marketing Officials: N. S. Nichols, president, Nashville, Tenn.

National Association of Retail Grocers: Francis Cole, of Magruder, Inc., Washington, D. C.

Wholesale Food Trade: Charles W. Irrgang, president, Fruit Auction Sales Co., Chicago, Ill.

Association of Chain Store Food Dealers: Dent Williamson, of American Stores Co., Philadelphia, Pa.

Commodity Exchanges: Fred H. Clutton, secretary, Chicago Board of Trade, Chicago, Ill.

Financial Institutions: R. M. Evans, member, Board of Governors, Federal Reserve System, Washington, D. C.

FINANCING THE STUDY AND INVESTIGATION

Realizing that the $50,000 already allowed is not sufficient to complete the study and investigation, your subcommittee, in order to guard against the study and investigation being crippled by lack of funds, held a conference with Speaker RAYBURN, Majority Leader MCCORMACK, Minority Leader MARTIN of Massachusetts, and Chairman COCHRAN of the House Committee on Accounts, at which meeting a frank and open statement was made as to the scope and extent of the study and investigation, the time and personnel it would require, the objects sought to be accomplished, and so forth, and were assured that so far as they were concerned the study and investigation would not be crippled by lack of sufficient funds. It is comforting to know that the leaders on both sides are in full sympathy with the objects and purposes of House Resolution 38.

ACCOMPLISHMENTS THUS FAR

While your subcommittee, so far, has very little to show for its efforts, it has spent a great deal of time in conference, meeting with representatives of the Federal Trade Commission, Agricultural Marketing Administration, and so forth, interviewing prospective members of the investigation staff, and so forth; and may I be permitted to call the attention of the House to the fact that the selection of the proper personnel is one of the most difficult tasks any committee ever encountered. We all realize that the success of the study and investigation will depend largely upon the character of the investigating staff. Securing the right men, especially during the emergency, is a most difficult undertaking. Many of the men whom we have interviewed simply did not measure up, others who did could not relinquish their posts during the emergency, and still others could not make the financial sacrifice of giving up a job that paid much more than the subcommittee is authorized to pay. We have, in spite of the many handicaps, made considerable progress toward setting up our staff, and I hope by the end of the recess we will be going in full swing.

Before I close, I do want to acknowledge personally, and on behalf of the subcommittee, the outstanding service Mr. F. R. Wilcox has rendered the committee. Mr. Wilcox, as many of you know, was connected with the United States Department of Agriculture for some years, and is now, and has been for some time, the efficient assistant general manager of the California Fruit Growers Exchange, Los Angeles, Calif. Without cost, and purely from patriotic motives and a deep desire to improve our agricultural marketing system, he has given freely of his time and talents. It is regretted that he is so tied up that it is impossible for him to head the investigating staff as general supervisor. I am thankful, however, that we shall continue to have the benefit of his counsel and advice.

We realize that there are many Members in the House deeply interested in the study and investigation. When we get going I know these Members will cooperate with us in every way. We want all of you to feel free to make suggestions at any time. And, of course, when we get going we shall expect you to appear before the committee and freely give your views. If those interested in agriculture will only stick together, and work together, I believe we will be able to render agriculture a great and lasting service.

Mr. MURRAY of Wisconsin. May I be heard on the point of order.

The SPEAKER. The Chair will hear the gentleman, although the Chair is ready to rule.

Mr. MURRAY of Wisconsin. Mr. Speaker, I hope that no one on either side will accuse me of being partisan or caring whether a Republican or Democrat brought this in or when or what year the legislation was passed. If it is not according to the law, it should not be in operation.

The facts are that a lot of water has gone under the bridge since either 1929 or 1935. There are many Farm Agency people on the pay roll more or less of the time, so that we can get this information not only every 5 years, but we get it every 30 days. We also have a special department in the United States Department of Agriculture that gets out this report every 30 days. The 9th day of every month you can call up and find out exactly how much milk was produced in the United States or any other agricultural information.

There is one point I want to make in connection with this. That is, that right at this time of the year, between now and the 1st of January, is a very inappropriate time to be sending around a new group of people to waste an hour or 2 hours or 3 or 4 hours of the farmer's time. This can just as well be done according to law, by allowing them to start on the 1st day of January. The farmers then have more time, and there is no reason in the world why there is any information that they will need before that time, that cannot be secured from the agencies already in operation.

Mr. KERR. Will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. KERR. The preliminary appropriation setting up this census has already been made.

Mr. MURRAY of Wisconsin. Yes; $600,000.

Mr. KERR. That will be used to set up the machinery, but the taking of the census will not be until after the 1st of January.

Mr. MURRAY of Wisconsin. Then no one should have any objection to my point of order if that is the case. The A. A. A. committeemen are in a position to obtain all needed agricultural information. They, with the crop-reporting service, have been furnishing us an up-to-the-minute picture of the agricultural situation. In the first place, most of this seven to eight million dollars could be saved the taxpayers if existing agencies that know the people and know the roads were used to secure the information. In the second place, if the Congress does decide to make this appropriation, the census should not be taken until the crop season is over. It should be postponed until January 1 anyway.

The SPEAKER. Does the gentleman insist on the point of order?

Mr. MURRAY of Wisconsin. Yes; I do, Mr. Speaker.

The SPEAKER. The Chair is ready to rule on the point of order.

On the 16th of June of this year, to the same matter contained in the Senate amendment, the gentleman from Ohio [Mr. JONES] offered a motion to recede and concur in an amendment, which is practically the same language as the motion offered by the gentleman from North Carolina today.

The Chair held at that time as follows:

The Senate amendment provides for a specific amount of money for a specific purpose. The motion offered by the gentleman from Ohio [Mr. JONES] is clearly not a limitation on the expenditure of money or on the action of the Department in taking a census. Therefore the Chair sustains the point of order in that the motion is not germane.

The Chair, of course, holds the same way today as the Chair did on the 16th of June.

The point of order is sustained.

Mr. KERR. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate No. 10 and concur therein.

The Clerk read as follows:

Mr. KERR moves that the House recede from its disagreement to the amendment of the Senate No. 10 and concur therein.

CALL OF THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 103]

Arnold	Gifford	Monkiewicz
Baldwin, Md.	Gillespie	Morrison, N. C.
Barry	Granger	Murdock
Beall	Green	Murphy
Bland	Hagen	O'Connor
Boren	Hale	Patman
Boykin	Hall,	Peterson, Ga.
Bradley, Mich.	Edwin Arthur	Pfeifer
Brumbaugh	Harless, Ariz.	Phillips
Buckley	Harris, Va.	Plumley
Bulwinkle	Heidinger	Rabaut
Burdick	Johnson,	Reece, Tenn.
Camp	Calvin D.	Rooney
Cannon, Fla.	Johnson,	Sauthoff
Celler	Luther A.	Scott
Chiperfield	Kearney	Shafer
Clason	Kennedy	Sheppard
Compton	Kilburn	Sheridan
Cox	King	Stearns, N. H.
Dies	Klein	Stewart
Dilweg	Landis	Sumner, Ill.
Dirksen	Lemke	Taylor
Disney	Lesinski	Towe
Douglas	Lewis	Treadway
Eberharter	Luce	Wadsworth
Fay	McCord	Wasielewski
Fellows	McMurray	Wheichel, Ga.
Fish	Magnuson	Whitten
Ford	Mansfield, Tex.	Woodruff, Mich.
Fulbright	Merritt	Worley
Fuller	Merrow	Wright
Gale	Miller, Mo.	
Gavin	Mills	

The SPEAKER. Three hundred and thirty-six Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

RESIGNATIONS FROM COMMITTEES

The SPEAKER laid before the House the following resignation from committee:

JUNE 20, 1944.

Hon. SAM RAYBURN,
House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I herewith submit my resignation as a member of the Committee on Coinage, Weights, and Measures.

Respectfully yours,
FRANK L. SUNDSTROM,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER laid before the House the following resignation from committee:

JUNE 20, 1944.

Hon. SAMUEL RAYBURN,
Speaker of the House of Representatives.

MY DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Banking and Currency.

Very truly yours,
ROBERT W. KEAN.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER laid before the House the following resignation from committee:

JUNE 21, 1944.

Hon. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: By this means I present my resignation as a member of the Committee on Ways and Means of the House of Representatives.

Respectfully submitted.
DONALD H. MCLEAN.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION TO COMMITTEES

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution (H. Res. 606) and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That ROBERT W. KEAN, of New Jersey, be, and he is hereby, elected to the Committtee on Ways and Means; and, be it further

Resolved, That F. L. SUNDSTROM, of New Jersey, be, and he is hereby, elected to the Committee on Banking and Currency.

The resolution was agreed to.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE APPROPRIATION BILL, 1945

Mr. KERR. Mr. Speaker, I withdraw my motion that the House recede and concur in Senate amendment No. 10, and move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. KERR moves that the House recede from its disagreement to the amendment of the Senate No. 10 and agree to the same with an amendment as follows:

On page 59, line 18, after "1944" and before the period, insert the following: ": *Provided*, That none of the funds appropriated in this paragraph shall be expended for field work in connection with such census prior to January 1, 1945."

Mr. KERR. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Speaker, the law provides that we take an agricultural census. This bill calls for the appropriation of $7,250,000 for that purpose. It will require a very large number of people to go out into the country and visit all of our farms to ask farmers many questions in order to gather this information. We know how busy the farmers are at this time. They have been plagued with all kinds of questions and have been perplexed at the numerous questionnaires which they have been required to fill out. Their sons have left the farms for war. The labor question is one which disturbs them very much. Especially at this time when they are asked to raise the food which is as important as ammunition. They have done a remarkable job of production in spite of the many handicaps which include scarcity of labor and shortage of parts, machinery, and even work clothing. When the full story of the war is written our farmers, men and women, will be numbered among those who contributed largely toward victory. I doubt the wisdom at this time of sending onto our farms thousands of census takers who could do more essential work. Of course, the law requires the census to be taken, but I am quite sure that the farmers would not care to be bothered at this particular time. They are too busy answering the call for production. There is no reason why we cannot hold the matter over for some future time. The law will remain on the statute books and the money can remain in the Treasury and when the times are better; when the farmers are not so busy and when we can really get some manpower we can take the farm census.

Many agencies of our Government are making all kinds of statistics at this very time. The O. P. A., the W. P. B., the W. M. C., and others are gathering information. Our Agriculture Department has all the information about agriculture we need right now. I can call up the Agriculture Department now and get official figures on how many people are on the farms; how many hogs, horses, and cattle we have; how many sheep, chickens, butter, cheese, corn, wheat, how much hay, and so forth. Of course, we know we do not have enough hired men and not enough machinery and parts and a lot of other things the farmer needs to continue his work to meet the demands made upon him. In my work of many, many months to get our farmers sufficient parts, repairs, batteries, overalls, work shoes, machinery, and many other things, I have found our departments pretty well equipped with statistics and figures and information which a new agriculture census would divulge. So I see no harm in holding over this gigantic task of gathering a farm census for some later date.

We have had this bill before you several times. Two times this House has voted to hold it over. We now come to you with an amendment which would not destroy the farm census act nor the gathering of the census itself. It would merely hold the work over until after January 1, 1945. This would preserve to the farmer the assurance that an agriculture census which is required by law will eventually be taken. But it would also assure him that during these busy times on the farm, he and his wife would not be bothered by a lot of people taking their valuable time to answer many questions and also it would safeguard to the Nation the use of this army of census takers in some more needy endeavor which could be directed toward the winning of the war. Therefore, Mr. Speaker, I hope the House agrees with us on this amendment which would not only save the farm census act but also assure the farmers that when manpower is available a farm census will be taken.

Mr. KERR. Mr. Speaker, I yield 5 minutes to the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Speaker, the item at issue has been in conference now for several days. First an effort was made to remove the possibility of certain Government agencies to collect information from farmers that did not appear to Members of the House to be worth while. Another objection has been that probably this census should be delayed until a more appropriate time.

It was found difficult in the first place to deal with other agencies without placing legislation in an appropriation bill,

which would be subject to a point of order. On the contrary it is felt by many a situation may arise next year in agriculture, in business, and in other activities that such information may be indispensable.

The motion that has been offered would provide for the taking of an agricultural census after January 1. One reason for the limitation is that farmers after January 1 will be in a better position to give an intelligent answer to inquiries with reference to yield and production of various crops this year and give a better idea as to acreages for 1945. Too, they could better estimate the number of livestock on hand as of January 1, 1945.

In addition, the statute providing for this census stipulated that it should be in 1945 and not in 1944. Therefore, I think the amendment is wholly in line with the purpose and intention of the statute as originally enacted. The Government and the Congress of the United States are going to be in need of this information sometime this next year, we hope, when the Congress undertakes to prescribe formulas for action in the preparation of post-war programs.

The country will need this information, because there is not a program to be established either in industry, in business, commerce, or any other activity, unless it is predicated or based upon a knowledge of the agricultural situation. We are going to want to know what the production was this year. We are going to want to know what the contemplated production is the next year. We are going to want to know the available supply of farm machinery. We will want to know the available supply of farm labor. We will want to know the available supply of every agency that enters into the production of the next year's crop and in order to do that, the information gathered from the proposed census will be indispensable. I think, therefore, the amendment should be accepted and the recommendation of the conferees approved, and the census be taken next year as contemplated by the Congress.

Mr. KERR. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. JONES].

Mr. JONES. Mr. Speaker, I expect to vote for this amendment to the amendment No. 10 in disagreement. I would like to have seen adopted the amendment which I proposed last Friday afternoon in the House, to which amendment a point of order was sustained by the Chair. I intend to file a bill embodying my amendment to stop special war agencies from taking repeated censuses without permission of Congress. I hope it will become law before next January 1, 1945, when this census will be taken.

Mr. KERR. Mr. Speaker, I yield such time as he may desire to the gentleman from New Jersey [Mr. THOMAS].

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix and include an editorial which appeared in Collier's magazine.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KERR. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion of the gentleman from North Carolina.

The motion was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON CAMPAIGN EXPENDITURES

Mr. BATES of Kentucky. Mr. Speaker, I call up House Resolution 551 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That a special committee of five be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1945, the campaign expenditures of the various candidates for the House of Representatives in both parties, or candidates of parties other than or independent of the Democratic or Republican Party, the names of persons, firms, associations, or corporations subscribing, the amount contributed, the methods of collection and expenditures of such sums, and all facts in relation thereto, not only as to subscriptions of money and expenditures thereof but as to the use of any other means or influences, including the promise or use of patronage, and all other facts in relation thereto that would not only be of public interest but would aid the Congress in necessary legislation or in deciding any contests which might be instituted involving the right to a seat in the House of Representatives.

The investigation hereby provided for in all the respects above enumerated shall apply to candidates and contests before primaries, conventions, and the contests and campaigns of the general election in 1944, or any special election held prior to January 3, 1945. Said committee is hereby authorized to act upon its own initiative and upon such information which in its judgment may be reasonable and reliable. Upon complaint being made before such committee, under oath, by any person, persons, candidates, or political committee setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after hearings on such complaints, the committee shall find that such allegations in said complaints are immaterial or untrue.

That said special committee or any subcommittee thereof is authorized to sit and act during the Seventy-eighth Congress, whether the House is in session, has recessed, or adjourned, and that said committee or any subcommittee thereof is hereby empowered to sit and act at such time and place as it may deem necessary; to require by subpena or otherwise the attendance of witnesses, the production of books, papers, and documents; to employ stenographers at a cost not exceeding 25 cents per hundred words. The chairman of the committee or any member thereof may administer oaths to witnesses. Subpenas for witnesses may be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties as prescribed by law.

Mr. BATES of Kentucky. Mr. Speaker, I withdraw that for the time being.

The SPEAKER. The gentleman from Kentucky [Mr. BATES] withdraws the resolution for the time being.

COMMITTEE ON EDUCATION

Mr. COLMER. Mr. Speaker, I call up House Resolution 592, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Committee on Education is authorized and directed—

(a) To make a study of the effect upon colleges and universities throughout the United States of (1) reduction in enrollment and in faculties as a result of service by students and faculty members in the armed forces of the United States or in other war activities, and (2) recent curtailment and prospective further curtailment of Army and Navy training programs in such colleges and universities; with a view to determining means by which such effects may be alleviated.

(b) To formulate, as soon as practicable, for consideration by the House, such legislation as the committee deems appropriate for the purpose of alleviating such effects.

SEC. 2. For the purposes of this resolution, the committee (a) may employ and fix the compensation of such experts and such clerical, stenographic, and other assistants as it finds necessary; (b) may, with the consent of the head of any department or agency of the United States, utilize the services, facilities, and personnel of such department or agency; and (c) may request such information and assistance as it deems desirable from individuals, organizations, and agencies, both within and outside of Government.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER] and reserve my time.

Mr. MICHENER. Mr. Speaker, I did not know that I was to be called upon to explain this resolution at this time. I am very happy, however, to do what I can to contribute to its early enactment.

The resolution was introduced by the gentleman from Massachusetts [Mr. MCCORMACK], the majority leader of the House, on June 12, 1944. It directs the Committee on Education—

(a) To make a study of the effect upon colleges and universities throughout the United States of (1) reduction in enrollment and in faculties as a result of service by students and faculty members in the armed forces of the United States or in other war activities, and (2) recent curtailment and prospective further curtailment of Army and Navy training programs in such colleges and universities; with a view to determining means by which such effects may be alleviated.

(b) To formulate, as soon as practicable, for consideration by the House, such legislation as the committee deems appropriate for the purpose of alleviating such effects.

SEC. 2. For the purposes of this resolution, the committee (a) may employ and fix the compensation of such experts and such clerical, stenographic, and other assistants as it finds necessary; (b) may, with the consent of the head of any department or agency of the United States, utilize the services, facilities, and personnel of such department or agency; and (c) may request such information and assistance as it deems desirable from individuals, organizations, and agencies, both within and outside of government.

In short, Mr Speaker, the resolution explains itself. Its objectives are most

laudable. The conditions of many of our colleges and educational institutions throughout the country have been vastly changed due entirely to the war. Fine, prosperous institutions of learning have had their student personnel so depleted, and their financial income so reduced, that it seems imperative that the Federal Government take cognizance of the predicament in which they find themselves. This investigation will cover the general subject and include all the schools and, as I understand, has the unanimous support of educational organizations and leaders throughout the entire country. This, of course, includes sectarian and religious schools as well as all the others. This is neither the time nor the place to enter into an academic discussion as to the benefit derived from and the necessity of proper education in a democracy. I shall therefore take no further time proclaiming truisms along that line.

I am especially pleased that this investigation is to be made by the Committee on Education which is a legislative committee familiar with the entire Federal problem, and is not a special committee selected because of some particular views its members might have concerning education. No harm can come from this investigation, while much good may result.

The Rules Committee had assurance that there was no thought of starting upon a crusade, the purpose of which might be to broaden Federal control and take away from the local communities and the States the privileges they now have concerning the local regulation of educational matters. This resolution should pass unanimously, and I hope without further argument.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SPECIAL COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

Mr. BATES of Kentucky. Mr. Speaker, I call up House Resolution 551, and ask for its immediate consideration.

The SPEAKER. The Clerk has already reported the resolution. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment. Strike out all after the word "*Resolved*" and insert:

"That a special committee of seven members be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1945, with respect to the following matters:

"1. The extent and nature of expenditures made by all candidates for the House of Representatives in connection with their campaign for nomination and election to such office.

"2. The amounts subscribed and contributed, and the value of services rendered, and facilities made available (including personal services, use of advertising space, radio time, office space, moving-picture films, and automobile and other transportation facilities) by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, to or on behalf of each such candidate in connection with any such campaign or for the purpose of influencing the votes cast or to be cast at any convention or election held in 1944 to which a candidate for the House of Representatives is to be nominated or elected.

"3. The use of any other means or influence (including the promise or use of patronage) for the purpose of aiding or influencing the nomination or election of any such candidates.

"4. The amounts, if any, raised, contributed, and expended by any corporation or labor organization, including any political committee thereof, in connection with any such election, and the amounts received by any political committee from any corporation or labor union.

"5. The violations, if any, of the following statutes of the United States:

"(a) The Federal Corrupt Practices Act.

"(b) Title 18, sections 61 to 61t, inclusive, United States Code, 1940 edition, relating to pernicious political activities, commonly referred to as the Hatch Act.

"(c) The provisions of section 9, Public Law 89, Seventy-eighth Congress, chapter 144, first session, referred to as the War Labor Disputes Act.

"(d) Any statute or legislative act of the United States, or of the State within which a candidate is seeking nomination or reelection to the House of Representatives, the violation of which Federal or State statute, or statues, would affect the qualification of a Member of the House of Representatives within the meaning of article I, section 5, of the Constitution of the United States.

"6. Such other matters relating to the election of President, Vice President, and Members of the House of Representatives in 1944, and the campaigns of candidates in connection therewith, as the committee deems to be of public interest, and which in its opinion will aid the House of Representatives in enacting remedial legislation, or in deciding any contests that may be instituted involving the right to a seat in the House of Representatives.

"7. The committee is authorized to act upon its own motion and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made to the committee under oath, by any person, candidate, or political committee, setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, the committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in such complaint are immaterial or untrue. All hearings before the committee, and before any duly authorized subcommittee thereof, shall be public, and all orders and decisions of the committee, and of any such subcommittee, shall be public.

"For the purpose of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such public hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-eighth Congress, to employ such attorneys, experts, clerical, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee shall be paid from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the committee or the chairman of any duly authorized subcommittee thereof and approved by the Committee on Accounts.

"8. The committee, or any duly authorized subcommittee thereof, may authorize any one or more persons to conduct on behalf of the committee any part of the investigation herein provided for, and for such purpose any person so authorized may hold such public hearings, issue such subpenas, and provide for the service thereof, require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, administer such oaths, and take such testimony, as the committee or any such duly authorized subcommittee, may from time to time authorize. Every person, who having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default; or who having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties prescribed by law.

"That said committee is authorized and directed to file interim reports whenever in the judgment of the majority of the committee, or of a subcommittee conducting portions of said investigation, the public interest will be best served by the filing of said interim reports, and in no event shall the final report of said committee be filed later than January 3, 1945, as hereinabove provided."

Mr. COCHRAN. Mr. Speaker, I make a point of order against the amendment on the ground that the Rules Committee has exceeded its authority, and I respectfully request to be heard on the point of order.

The SPEAKER. The Chair will hear the gentleman.

Mr. COCHRAN. Mr. Speaker, I invite your special attention to the language on page 6, beginning in line 15.

The expenses of the committee shall be paid from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the committee and the chairman of any duly authorized subcommittee thereof and approved by the Committee on Accounts.

Also to the words on page 6, lines 12 and 13, "and to make such expenditures."

Mr. Speaker, the Committee on Accounts was set up by this House in 1803, long before the Rules Committee was ever heard of. This all-powerful Rules Committee takes it upon itself to assume jurisdiction over the contingent fund of the House. Not only do the rules of the House place that jurisdiction in the Committee on Accounts, but your Committee on Accounts is subject to several statutes, specifically referring to the activities of the Committee on Accounts, and the contingent fund.

I might say the Comptroller of the Treasury years ago ruled that when the Committee on Accounts by resolution would provide for expenses from the contingent fund, no official of the Government had a right to question that expenditure.

If this precedent that the Rules Committee seeks to establish is adopted by the House, the House will lose control over its contingent fund. The language that I have read places absolutely no limitation upon the amount this select committee can spend. Vouchers are to be signed by the chairman of the select committee or any subcommittee thereof, and the only jurisdiction the Committee on Accounts has is to put its signature on the voucher and pass it along for payment.

Now, if you can do that with this select committee, you can do it with every select committee and every special committee that this House sets up. For instance, if that paragraph had been in the resolution creating the Dies committee, the expenditures would have been five or ten million dollars.

Mr. THOMAS of New Jersey. Will the gentleman yield to me?

Mr. COCHRAN. In just a minute.

Mr. THOMAS of New Jersey. The gentleman made a misstatement.

Mr. COCHRAN. I made an estimate. I am pointing out what can be done. The same applies to the other 30 committees that you have set up. You passed a resolution yesterday providing for a study by the Committee on Labor. That provision was not in there. You passed one a minute ago providing for a study by the Committee on Education, and that provision was not in the resolution. This is not the first time that the Committee on Rules tried to assume the jurisdiction of the Committee on Accounts.

The House rules provide that the Committee on Accounts shall control resolutions providing for expenditures from the contingent fund.

The Committee on Accounts looks at these questions from the standpoint of the committee being the agent of the House. When the House passes a resolution setting up a select committee, regardless of whether the members of the Committee on Accounts are for that resolution or not, the members take it that it is their duty to provide money to carry out the purposes of the resolution. In the 19 years that I have been a member of the Committee on Accounts it has never failed the House of Representatives in this respect, and I do not believe it ever will.

The practice has always been for the Accounts Committee to hold hearings and require the select or special committee to state its needs and justify its request.

If it is the desire of the House to pass this jurisdiction to the Rules Committee, then change the rules, but do not let the Rules Committee assume jurisdiction now or at any time in the future unless you do. It is time this House assert itself and serve notice on the Rules Committee to stay within its jurisdiction.

There can be waste and extravagance in the legislative branch as well as in the executive branch, and that is just what will happen if you permit committees to spend any amount they desire without limitation.

Your Accounts Committee has always been classed as stingy because we try to do what we feel you want us to do, protect the contingent fund, but we cannot do it if you let the Rules Committee have its way.

I submit, Mr. Speaker, that the Committee on Rules having taken jurisdiction which did not belong to it, the language I object to is subject to a point of order; and I hope the Chair will so hold.

The SPEAKER. Does the gentleman from Kentucky desire to be heard on the point of order? That is all that is before the House at this moment.

Mr. BATES of Kentucky. Mr. Speaker, speaking for myself personally, I have no desire to usurp any of the rights of the Committee on Accounts and I believe that is the feeling of members on both sides of the Committee on Rules. I do not know just what the procedure would be but I am quite sure we do not want to assume any of their rights or any of their responsibilities.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. To what language was the point of order made? I could not hear.

Mr. COCHRAN. I made the point of order against the entire amendment because the Committee on Rules had assumed jurisdiction that did not belong to it.

The SPEAKER. It is a question of germaneness, whether the amendment is germane to the resolution.

Mr. MICHENER. The point of order made by the gentleman from Missouri would strike out the entire amendment because a part of it was hot germane?

The SPEAKER. The gentleman from Michigan, splendid parliamentarian that he is, realizes that one part of an amendment being deficient, the whole amendment is vitiated.

Mr. MICHENER. I appreciate that. I may say this, Mr. Speaker, on the point of order, that hearings were held by the Committee on Rules and it was agreed that a certain amendment should be prepared. The amendment was prepared. I had to be on the floor in connection with other legislation and was not in the committee when this amendment was adopted.

I realize there is much truth in what the gentleman from Missouri says. This amendment would bypass the Committee on Accounts. To my knowledge that has never been done in the setting up of an investigating committee. The Rules Committee has jurisdiction over investigating committee resolutions, but the Accounts Committee has jurisdiction over the funds with which the committee operates. I have often said it is a good bit like when my little boy used to ask his mother for a new football. She would say: "Yes, John, you may have the football, but you must go to daddy and get the money." That is the way these investigations are controlled; and, personally, I could not speak in opposition to the point of order.

Mr. SMITH of Virginia rose.

The SPEAKER. The Chair is ready to rule but the Chair will hear the gentleman from Virginia.

Mr. SMITH of Virginia. Mr. Speaker, I do not wish to discuss the point of order except to say that if there is anything in the point of order it was never brought to the attention of the Committee on Rules. It was never the desire of the Committee on Rules to usurp the authority of the Committee on Accounts. I believe the language objected to is language that has been used in previous resolutions where no point of order has been raised to it.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. Certainly that question was never raised in the Committee on Rules and nobody in the Committee on Rules had any idea of trespassing upon the Committee on Accounts, because we know that the gentleman from Missouri is well able to take care of the situation.

The SPEAKER. The Chair has before it a case exactly in point, and the interesting thing about it is that it begins with the statement:

> On May 3, 1933, Mr. Howard W. Smith of Virginia, by direction of the Committee on Rules, and so forth, presented a rule.

A point of order was made against the rule and the Chair held as follows—and it is exactly on all fours with the instant case:

> The Chair thinks that the provision incorporated in section 5 of the resolution authorizing the committee to employ suitable counsel, assistants, and investigators in the aid of its investigation, and also the provision authorizing all necessary expenses of the investigation to be paid on vouchers approved by the chairman of the committee, is a matter properly within the jurisdiction of the Committee on Accounts.

That is exactly the proposition that is before the Chair at this time. The Chair could cite other precedents.

The point of order, therefore, is sustained as against the committee amendment.

Mr. SMITH of Virginia. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SMITH of Virginia. May I inquire as to what language is objected to other than on page 6 between lines 12 and 20?

The SPEAKER. I do not know that the gentleman from Missouri read it but it is the language on page 6, lines 12 and 13: "And to make such expenditures as it deems advisable;" and more particularly the language following the period in line 13 to the end of the paragraph.

Mr. COCHRAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COCHRAN. Would it be in order to move the previous question on the original resolution?

The SPEAKER. The gentleman from Kentucky [Mr. BATES] has the floor and he must yield to anyone who desires to discuss this resolution, or must yield for an amendment if one is offered at the proper time.

Mr. COCHRAN. Mr. Speaker, will the gentleman from Kentucky yield for that purpose?

Mr. BATES of Kentucky. For what purpose?

Mr. COCHRAN. For the purpose of moving the previous question on the original resolution introduced by the gentleman from New Mexico [Mr. ANDERSON], which is the same resolution that has been before this House every 2 years as long as I can remember. It is broad

enough to cover everything in the amendment.

Mr. BATES of Kentucky. Mr. Speaker, I do not yield for that purpose at this time.

Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER] and yield 3 minutes to the gentleman from Virginia [Mr. SMITH].

The SPEAKER. The gentleman from Virginia is recognized for 3 minutes.

Mr. SMITH of Virginia. For the purpose of offering an amendment.

Mr. Speaker, I offer an amendment.

Mr. COCHRAN. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. COCHRAN. The gentleman from Kentucky did not, so far as I heard, yield to anyone to offer an amendment.

The SPEAKER. Does the gentleman from Kentucky yield to the gentleman from Virginia to offer an amendment?

Mr. BATES of Kentucky. I did not yield to the gentleman from Virginia for the purpose of offering an amendment.

The SPEAKER. The gentleman from Virginia is recognized for 3 minutes.

Mr. SMITH of Virginia. Mr. Speaker, I was under a misapprehension. I thought the gentleman from Kentucky had yielded to me for the purpose of offering an amendment.

The amendment I propose to offer would simply have stricken from the resolution the language which the Chair has held to be not in order. If the gentleman from Kentucky will later in the discussion, after we clarify the situation a little bit, yield to me, it is my purpose to offer an amendment which would strike from the amendment the disputed language which has been held not to be in order.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. I understand that the amendment to be offered by the gentleman from Virginia will retain the language of the regular resolution coming out of the Committee on Rules with the one exception that the money must be authorized by the Committee on Accounts?

Mr. SMITH of Virginia. Yes.

Mr. MARTIN of Massachusetts. It would provide for a committee of seven, as reported?

Mr. SMITH of Virginia. Yes.

Mr. MARTIN of Massachusetts. I hope the gentleman's amendment prevails.

Mr. SMITH of Virginia. It will strike out the language the Speaker has held not to be in order.

Mr. MARCANTONIO. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman from Kentucky [Mr. BATES] yield for a parliamentary inquiry?

Mr. BATES of Kentucky. Mr. Speaker, I yield to the gentleman for that purpose.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. MARCANTONIO. If the gentleman from Kentucky should yield to the gentleman from Virginia for the purpose of offering an amendment, does not the gentleman from Kentucky lose control of the time?

The SPEAKER. He loses the floor.

Mr. MARCANTONIO. He loses the floor. Then how much time will be in control of the gentleman from Virginia?

The SPEAKER. One hour.

Mr. BATES of Kentucky. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, on May 17, the gentleman from New Mexico [Mr. ANDERSON] introduced House Resolution 551. That resolution introduced by the gentleman from New Mexico, with the exception of dates, is identical with resolutions that have been passed every 2 years by this House without debate.

The Anderson resolution is extremely broad, and, in my opinion, it will do everything that the amendment submitted by the Rules Committee will do. The select committee would have the power to subpena witnesses, books, and so forth. It would be permitted to go around the country and make investigations and would be required to report to the House.

The amended resolution goes into detail in reference to the powers that the committee might have. It names certain acts. I contend that the original resolution gives the committee all the power to investigate any violations under any act that is named. I see no necessity for an amendment similar to the one which was just stricken out on a point of order.

The amendment to the Anderson resolution, of course, is directed at certain groups and organizations that are exercising their constitutional rights in taking an interest in the coming election. As you will see, it specifically names labor organizations, including any political committee thereof. Labor organizations are not the only organizations that take an interest in elections. In fact, great industrial organizations have interested themselves in national and State elections for as long as I can remember. Organizations representing industry have endorsed candidates for the State Legislature of Missouri and for the Representatives in Congress from Missouri for the last 30 years or more. I know this because I have seen their endorsements opposing me. Those who do not respond to their call never receive their endorsement. I am not trying to prevent an investigation if facts warrant it, but I do not feel that any special group should be singled out and other groups not specifically named.

Mr. Speaker, in my opinion, the House will do well to follow the precedent it has followed in the past and adopt the Anderson resolution as introduced.

Mr. BATES of Kentucky. Mr. Speaker, I yield to the gentleman from Virginia [Mr. SMITH] for the purpose of offering an amendment.

Mr. SMITH of Virginia. Mr. Speaker, I offer an amendment which is on the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: Strike out all of the resolution after the word "*Resolved*" in line 1, page 1, and insert the following:

"That a special committee of seven members be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1945, with respect to the following matters:

"1. The extent and nature of expenditures made by all candidates for the House of Representatives in connection with their campaign for nomination and election to such office.

"2. The amounts subscribed and contributed, and the value of services rendered, and facilities made available (including personal services, use of advertising space, radio time, office space, moving-picture films, and automobile and other transportation facilities) by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, to or on behalf of each such candidate in connection with any such campaign or for the purpose of influencing the votes cast or to be cast at any convention or election held in 1944 to which a candidate for the House of Representatives is to be nominated or elected.

"3. The use of any other means or influence (including the promise or use of patronage) for the purpose of aiding or influencing the nomination or election of any such candidates.

"4. The amounts, if any, raised, contributed, and expended by any corporation or labor organization, including any political committee thereof, in connection with any such election, and the amounts received by any political committee from any corporation or labor union.

"5. The violations, if any, of the following statutes of the United States:

"(a) The Federal Corrupt Practices Act.

"(b) Title 18, sections 61 to 61t, inclusive, United States Code, 1940 edition, relating to pernicious political activities, commonly referred to as the Hatch Act.

"(c) The provisions of section 9, Public Law 89, Seventy-eighth Congress, chapter 144, first session, referred to as the 'War Labor Disputes Act.'

"(d) Any statute or legislative act of the United States, or of the State within which a candidate is seeking nomination or reelection to the House of Representatives, the violation of which Federal or State statute, or statutes, would affect the qualification of a Member of the House of Representatives within the meaning of article I, section 5, of the Constitution of the United States.

"6. Such other matters relating to the election of President, Vice President, and Members of the House of Representatives in 1944, and the campaigns of candidates in connection therewith, as the committee deems to be of public interest, and which in its opinion will aid the House of Representatives in enacting remedial legislation, or in deciding any contests that may be instituted involving the right to a seat in the House of Representatives.

"7. The committee is authorized to act upon its own motion and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made to the committee under oath, by any person, candidate, or political committee, setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, the committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in such complaint are immaterial or untrue. All hearings before the committee, and before any duly authorized subcommittee thereof, shall be public, and all orders and decisions of the committee, and of any such subcommittee, shall be public.

"For the purpose of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such public hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-eighth Congress, to employ such attorneys, experts, clerical, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, and to take such testimony, as it deems advisable.

"8. The committee, or any duly authorized subcommittee thereof, may authorize any one or more persons to conduct on behalf of the committee any part of the investigation herein provided for, and for such purpose any persons so authorized may hold such public hearings, issue such subpenas, and provide for the service thereof, require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, administer such oaths, and take such testimony, as the committee or any such duly authorized subcommittee, may from time to time authorize. Every person, who having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default; or who having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties prescribed by law.

"That said committee is authorized and directed to file interim reports whenever in the judgment of the majority of the committee, or of a subcommittee conducting portions of said investigation, the public interest will be best served by the filing of said interim reports, and in no event shall the final report of said committee be filed later than January 3, 1945, as hereinabove provided."

Mr. SMITH of Virginia. Mr. Speaker, the only difference between the amendment which I have just offered and the resolution reported by the Committee on Rules is that the amendment which I have offered strikes out of the committee amendment the language which the Speaker has held to be not in order. That is the only change that has been made.

I hope when the time comes that the House will support this amendment and see that we get the resolution in the language which the Committee on Rules, after careful consideration, thought was the appropriate language to meet the changed conditions and to meet the change in the Corrupt Practices Act since the last resolution of a similar character was adopted.

Mr. COX. And which amendment was accepted by the author of the original resolution.

Mr. SMITH of Virginia. I so understand.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield for an observation?

Mr. SMITH of Virginia. I yield to the gentleman from New York.

Mr. MARCANTONIO. Mr. Speaker, I think we can avoid a great deal of debate on the gentleman's amendment if the gentleman will incorporate in section 4 the same language that he has incorporated in section 2, by inserting the following language after the comma following the word "thereof," in section 4, "or any individual, individuals, or group of individuals, committee, partnership." Would the gentleman have any objection to that?

Mr. SMITH of Virginia. I do not see any objection at the moment. I will be glad to discuss it with the gentleman as soon as I yield the floor.

Mr. MARCANTONIO. In other words, if that is done you would not be singling out labor organizations.

Mr. SMITH of Virginia. Mr. Speaker, I understand that under the parliamentary rules I am recognized for an hour. I wish to yield back that time to the gentleman from Kentucky [Mr. BATES], who was so kind and gracious as to yield to me to offer this amendment.

Mr. BATES of Kentucky. Mr. Speaker, I yield 1 minute to the distinguished majority leader, the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Speaker, everyone feels, of course, that a resolution of this kind should pass. It has been passed every 2 years. The colloquy between the gentleman from New York and the gentleman from Virginia has brought about a situation which can be very easily clarified if that language in section 4 is stricken out and the language in section 2 substituted. By doing so, the committee would accomplish the same purpose.

I do not think the House wants to go out of its way to take a slap at any particular organization in this country. I would oppose it if it said "business organization" as well as "labor organization" alone.

The broad language in section 2 covers everything. Why not do the proper and practical thing by amending section 4 without any direct reference to any group in this country, and incorporate therein the broad, embracing language of section 2? By doing so the committee will have all of the authority and all of the power and all of the jurisdiction necessary.

I hope that is done. The resolution in that form will be satisfactory.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. The gentleman has in mind, I believe, the same amendment suggested by the gentleman from New York?

Mr. McCORMACK. Yes. I simply use this time to discuss the colloquy between the two gentlemen.

Mr. BATES of Kentucky. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. BRADLEY of Pennsylvania. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. BATES of Kentucky. Yes.

Mr. BRADLEY of Pennsylvania. Mr. Speaker, is it in order to offer an amendment to the amendment offered by the gentleman from Virginia?

The SPEAKER. If the gentleman from Kentucky yields for that purpose, it would be.

Mr. BATES of Kentucky. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, I desire to make my position perfectly clear. I do not oppose any investigation of any violations of any of the Federal statutes in regard to elections. Labor has nothing to fear from any investigation; in fact, the Political Action Committee of the C. I. O. has published in the press of the Nation a complete list of its income and expenditures, the manner in which the money was obtained, and the manner in which the money was expended.

My only objection to this amendment is that in section 4, after we specifically mention corporations, which have been covered by law for many years, we then go out of our way and add, "or labor organization, including any political committee thereof." If we leave that by itself, then we are passing this resolution specifically for an investigation of the political activities of labor organizations, or any political committee of any labor organization. Therefore, we are singling out labor's political activities. I think it only just that this resolution should include everybody. The gentleman from Virginia, in section 2 of his amendment, includes everybody, using the words, "any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union." I believe that that language should be repeated in section 4, with the exception of the words "corporation" and "labor organization", because these words are now in section 4. I suggest in all fairness that in line 13, following the comma after the word "thereof", we add the following language: "or individual, individuals, or group of individuals, committee, partnership", and add the words "or association." That would include everybody.

Labor has nothing to fear. Honest men have nothing to fear. Let us have this investigation, but let us not limit it to labor unions, let us apply this resolution to everybody.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. As far as I am concerned, if I am permitted to do so, I will be very happy to accept the amendment offered by the gentleman from New York, because I think it is the purpose of all of us to investigate everybody that is violating the law.

Mr. MARCANTONIO. I think that ends the argument. If the gentleman accepts that amendment, let us vote on this resolution and dispose of it. We want everybody investigated, and not single out any particular group.

Mr. J. LEROY JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from California.

Mr. J. LEROY JOHNSON. On page 4, line 2, do the words "labor union" include any committee of a union or committee of a group of unions, in the gentleman's opinion?

Mr. MARCANTONIO. It includes everybody; including any political committee thereof. "Labor organization" would constitute an international; it would constitute the entire organization, either the A. F. of L., the C. I. O., or the Railway Brotherhoods.

Mr. CELLER. Mr. Speaker, if the gentleman will yield, the word "association" would include organizations like the United States Chamber of Commerce and the National Association of Manufacturers, I presume?

Mr. MARCANTONIO. It would include everybody. Everybody who violates the law should be investigated.

Mr. BATES of Kentucky. Mr. Speaker, will the gentleman yield to me to offer an amendment?

Mr. MARCANTONIO. I yield to the gentleman from Kentucky for the purpose of offering an amendment.

Mr. BATES of Kentucky. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BATES of Kentucky to the amendment offered by Mr. SMITH of Virginia:

Page 4, line 12, strike out the word "or" and insert a comma, and after the word "organization" in the same line, insert the following: "trade or business association and any other organization."

Page 4, line 15, strike out the word "or" and insert a comma, and after the word "union", in the same line, strike out the period and insert a comma and the following: "trade or business association and any other organization."

Mr. BATES of Kentucky. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, this amendment would clarify and in fact broaden the resolution so that anyone may be investigated. However, I think the amendment should include individuals as well, and I am in favor of the amendment with that word added, so that it will include corporations, labor organizations, trade and business associations, other organizations, and individuals.

Mr. McCORMACK. The gentleman proposes to amend it so that individuals violating the law may be investigated?

Mr. SABATH. Yes; the same as a corporation, a labor union, or any organization or individual.

Mr. BROWN of Ohio. That is in section 2

Mr. SABATH. That may be, but I observe that only corporations and labor unions are mentioned in section 4, and I feel that the provision of this section should also apply to business and trade associations and to organizations and individuals who participate in political campaigns. I feel that this amendment should be supported by all who desire a full and complete investigation into campaign expenditures and contributions. It is generally known that there are many individuals who lavishly contribute to campaigns through various channels and the manner in which it is done should be ascertained and made known. My main purpose has been and is to bring to light and to prevent in the future the subscribing of tremendous contributions by corporations and various industries. We have heard little of their large contributions because all of the attacks of late have been hurled against the labor organizations who, in contrast, expend a dollar or two against the thousands and thousands of dollars contributed by the corporations and rich individuals to the Republican campaign funds. Personally, I feel that labor organizations have as much right to expend funds for political campaigns as the corporations have indirectly through the medium of various channels running into the thousands of dollars on what, I believe, is not an exaggerated ratio of $100 to $1 on the part of labor organizations.

Mr. Speaker, no labor organization or corporation has contributed a dollar to my campaigns, but I feel that the country should know the sources where the millions of dollars that are being expended by the Republican campaign committees are coming from. The country should know the source of contributions to the so-called American National Democratic Committee, composed of a few ex-Members of Congress and Senators, most of whom now if not directly are indirectly drawing large salaries from Republican corporations. Within the last 10 days I have received expensive brochures and pamphlets from numerous politically active committees and I hope that the Special Investigating Committee will investigate to ascertain who are financing them. Knowing some of the gentlemen affiliated with these committees, I know that they are not spending their own money or donating their time gratis to the Republican cause.

Mr. BATES of Kentucky. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, no fair-minded person will object to the investigation of the source of campaign funds and expenditures in our Federal elections. The principle of free choice of our people in our elections is sacred and upon this principle depends the perpetuation of our democracy. We have passed many laws for the protection of our people against fraud and excessive expenditures in our elections. I speak of laws such as the Federal Corrupt Practices Act and the Hatch Act. These are the laws of our country and should be obeyed by all.

No person, firm, association, corporation, labor organization, or group of individuals should violate the spirit of these laws. As realists, however, we are aware that loopholes in the laws have permitted certain evasions or circumventions to obtain. Under the chairmanship of Senator GUY GILLETTE, the Special Committee to Investigate Presidential, Vice Presidential, and Senatorial Campaign Expenditures, 1940, has this to say, speaking of election laws, on page 5, Senate Report 47, Seventy-seventh Congress:

By reason of express exemptions therefrom, did not prove effective in preventing enormous expenditures in the recent general election campaign as will appear from this report and testimony before this committee.

Page after page of this report gives evidence of circumvention or evasion of the spirit and in many instances the letter of the law. Both political parties and their candidates were beneficiaries of these excessive expenditures. There is no desire on my part to claim immunity or innocence on the part of either party. Let us examine two of the main methods of evasion. First, under the Federal Corrupt Practices Act, a corporation is prohibited from making campaign contributions to a candidate for public office. This prohibition was circumvented in two principal ways:

First. By the formation of an independent unincorporated association to "front" for the corporation interests; and

Second. By personal contributions from corporation executives and members of their families.

As an independent committee, separate and apart from either the Republican or Democratic Party, is permitted to legally collect and expend up to $3,000,000 under the provisions of the Hatch Act, we can readily see how wide this opened the door to campaign expenditures by "front" organizations' action on behalf of the corporation's candidates of either party. Through national and local associations, such as described, millions of dollars were expended legally for candidates whose principles were satisfactory to the great corporations.

Now let us consider the prohibition against an individual donation in excess of $5,000. This was evaded in a perfectly legal way by dividing a large contribution into less than $5,000 units and crediting the separate units to different members of the family. Thus we see some of our great industrial families with tremendous corporate possessions, donating large sums to political committees. The report shows donations as follows from these important industrial families:

The du Pont family, grand total	$186,780.00
The Pitcairn family, grand total	29,114.71
The Alfred P. Sloan family, grand total	36,000.00
The Queeny family, grand total	42,375.00
The Pew family, grand total	108,525.00
The Rockefeller family, grand total	59,000.00

The fact that the foregoing contributions were for the benefit of Republican political associations or candidates is beside the point. The point I have established by this testimony before this Senate committee is that large funds are collected and expended by organizations and individuals contrary to the spirit of the Corrupt Practices Act and the Hatch Act.

Now, Mr. Speaker, as is customary before each general election, we have a resolution to investigate the campaign collections and expenditures of the elections of 1944.

I expect to vote for this resolution, House Resolution 551. However, the language contained in section 4, which specifically refers to labor organizations, in my opinion is discriminatory. I am in favor of investigating labor organizations, providing all other types of organizations or associations participating in the 1944 elections are also investigated.

I understand that this specific term has been inserted in this resolution for the purpose of investigating the Political Action Committee which is sponsored by the C. I. O. I am perfectly willing for

this group to be investigated, but I insist that any and all organizations, individuals, groups, associations, and committees taking part in political campaigns should also be investigated. I therefore believe that the above classification designations should be incorporated into this resolution in order that fair and equitable treatment be given this subject. Under the chairmanship of the sponsor of this resolution, the gentleman from New Mexico, Mr. CLINT ANDERSON, whom I admire and respect, and the personnel of his committee, I am sure that all phases of this subject will be equitably handled, providing the amendment of the gentleman from Illinois [MR. SABATH] is adopted.

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that the amendment to the amendment be again reported.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk again read the Bates of Kentucky amendment to the Smith amendment.

Mr. SABATH. Mr. Speaker, I should like to see the word "individuals" added to that amendment.

Mr. WHITTINGTON. What is the occasion for inserting the word "individuals" in that proposed amendment?

Mr. SABATH. There are individuals who might be just as guilty as corporations.

Mr. WHITTINGTON. That is true, but that is already provided in section 2.

Mr. MARCANTONIO. What is the objection to using the same language you have in section 2 and putting it in section 4?

Mr. WHITTINGTON. But that is not the language proposed.

Mr. MARCANTONIO. If the word "individuals" is added, it will amount to the same thing.

Mr. BATES of Kentucky. Mr. Speaker, I yield one-half minute to the gentleman from Pennsylvania [Mr. BRADLEY].

Mr. BRADLEY of Pennsylvania. Mr. Speaker, I wish the gentleman from Kentucky would accept the language suggested by the gentleman from New York [Mr. MARCANTONIO]. It was more comprehensive, it covered the ground better, and it was all-inclusive. I wish the gentleman would withdraw his amendment and offer a new one containing the language suggested by the gentleman from New York.

Mr. BATES of Kentucky. The amendment I offered was agreed to by the gentleman from New York.

Mr. BRADLEY of Pennsylvania. I do not think so.

Mr. MARCANTONIO. No.

Mr. BATES of Kentucky. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Kentucky to the amendment offered by the gentleman from Virginia.

The amendment to the amendment was agreed to.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Virginia, as amended.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MANSFIELD of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances and include therein two editorials.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein excerpts from some speeches I have made.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

(Mr. HILL asked and was given permission to extend his remarks in the RECORD.)

APPOINTMENT OF FEMALE PILOTS AND AVIATION CADETS IN ARMY AIR FORCES

Mr. MAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4219) to provide for the appointment of female pilots and aviation cadets in the Air Forces of the Army.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4219, with Mr. RAMSPECK in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, the Congress has consistently authorized for the armed forces all legislation that they have justified as being needed during the present crisis. We have taken pride in attempting to do everything in our power to see that the war effort has not been hindered by a lack of supplies, matériel, or personnel. I submit that a justification is all we ask for in the instance of the present legislation, that is, justification for the authorization of the WASP program, justification for an expenditure of at least $50,000,000 and perhaps a great deal more than $50,000,000. I would like to point out to the committee that the hearings which were held by the Committee on Military Affairs on H. R. 4219 comprise a little more than 9 pages. According to the hearings the committee met at 10:30 a. m. on the morning of March 22, and heard one witness. That witness was General Arnold, certainly one of the greatest soldiers of the present war, and a man for whom we have the highest admiration. But the fact remains that the committee heard one witness on this bill. At 11:25 a. m. the committee went into executive session and reported the bill a very few minutes later. The report filed by the committee in support of the bill comprises less than three pages. I would like to point out that on June 5 a report was filed by the Committee on Civil Service concerning inquiries made on certain proposals for the expansion and change in civil-service status of the WASPS. That report is 13 pages in length. It is very complete in its study of the WASPS, with their place in the military program, and that report, gentlemen, concludes as follows:

> The proposal to extend the WASPS has not been justified. Therefore it is recommended that the recruiting of inexperienced personnel and their training for the WASPS be immediately terminated. That the use of the WASPS already trained and in training be continued and provision be made for hospitalization and insurance.
>
> There exist several surpluses of experienced pilot personnel available for utilization as service pilots; therefore, it is recommended that the service of these several groups of experienced air personnel be immediately utilized.

Those are the conclusions in the report of the Committee on Civil Service on the WASPS. All of the material cited should be carefully studied by the House.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. SIKES. Yes; I yield.

Mr. THOMASON. That is the report of the Committee on the Civil Service from which the gentleman is reading?

Mr. SIKES. That is correct. It is House Report No. 1600.

Mr. THOMASON. What was the nature and extent of that investigation?

Mr. SIKES. I have just read the title, it is "Concerning inquiries made of certain proposals for the expansion and change in civil-service status of the WASPS." The report is exhaustive and it covers fully the work of the WASPS.

Of course, we do not want to handicap the war effort and when a justification is shown for this bill I will be the first to support it. But I do not believe we are ready to say to the Congress that we know the WASPS as a military organization are needed now and that we can justify the expenditure of $50,000,000 for training of limited-service personnel. I do not use that term in a derogatory sense, because this is a fine group of ladies. They have done a splendid job. I commend them for their service to the war effort. But nevertheless, their service is going to be limited. They cannot be used in combat theaters.

On the other hand, there is a very pertinent question before us about the utilization of the C. A. A. and W. T. S. trainees and instructors. There will be much less delay in the processing of those men and the completion of the training

of those men than there can possibly be in the utilization of the WASPS, and they can serve anywhere that they are needed.

The instructors already are highly trained. The trainees are in various stages of training, but many of them are within a few hours of the completion of their course. It appears reasonable that they be utilized before we authorize an additional program.

It is only fair to state that some disposition is now being made of the C. A. A.-W. T. S. groups by the Air Forces. But likewise it is only fair to state that much of this appears to have resulted at the insistence of Members of Congress, and to some extent because the WASP program was tied up and held up to public gaze as a result of the seeming neglect of the C. A. A.-W. T. S. groups.

The C. A. A.-W. T. S. groups should have their day in court on the merits of their case, and not as we propose to bring them in today, as an appendage to the WASP bill. The entire bill should be recommitted to the Committee on Military Affairs for further study, and during the period of that study the War Department will have a full opportunity to utilize the C. A. A.-W. T. S. trainees to the greatest possible extent. Then we can consider the WASP bill on the basis of the actual need for that group alone.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. JOHNSON].

Mr. J. LEROY JOHNSON. Mr. Chairman, I do not believe there is any particular opposition to the WASP bill, but some of the incidental matters that will be raised in connection with it will arouse considerable discussion. I take this view. I myself was a flyer in the last war and flew in combat and have a little background to measure the value of these things, perhaps, a little better than the average Member of Congress. We have to rely on our military experts and leaders to determine what kind of program should be developed. While on the face of it it seemed to me and to others with whom I talked in the Committee on Military Affairs that there was no field for women pilots, after listening to General Arnold, I believe there is a field for them and they can be extremely useful. He pointed out the reasons why they are better in many particulars than the male pilots and especially the pilots known as C. A. A. pilots. As I say, I believe we must follow the advice of our military experts. This war is a little different and aviation is a little different in this war than in the last war. Of course, aviation is much more important than it was before. If the man who has the responsibility of getting results in this war says that the training of women pilots will bring the results that he wants and for which he is responsible, I am willing to take his word for it.

Mr. DINGELL. Mr. Chairman, will the gentleman yield for a question?

Mr. J. LEROY JOHNSON. I yield for a question.

Mr. DINGELL. The gentleman stated in some respects they are better than male pilots. I think the committee would be very much interested in knowing in what respect they are better in order to justify General Arnold's position.

Mr. J. LEROY JOHNSON. They can fly more types of planes, for instance, than the C. A. A. pilots. I cannot go into that matter here. If the gentleman will read the hearings he can get all that from the hearings which are only 9 pages long.

I want to say a word about the C. A. A. pilots. In my opinion that raises this question, whether or not the Army in developing a program is going to maintain its integrity. As I view the matter connected with these pilots, they were asked by the Army Air Forces to take a certain type of training and it was thoroughly understood by the Army and was published that these pilots could not pass the rigid requirements of a combat pilot, but there were many fields in which they, with their minor physical defects, could serve. Some of those men were handicapped in very minor particulars. I will just mention one and you can multiply that by any number of times you wish.

I know a boy 20 years of age who, in his younger days, had infantile paralysis. He could not pass the rigid Army test which is required for a man who is to go into combat, but he can fly a plane and passed the tests to enter the C. A. A.-C. P. T. training and he completed it. He has flown hundreds of hours. Now they come along after those men have been trained, perhaps because there is not as much work for them to do as was contemplated, and they tell us, "Well, we do not need this program. We do not need as many as we anticipated." My idea of that is this: Those men went in under the promise that they would be given Army flying work and that they would be given a rating and that most of them would become second lieutenants in the Army Air Forces. I think the Army should carry out its promise to those men.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield to the chairman of my committee.

Mr. MAY. Of course, the gentleman knows that I, as chairman of the Committee on Military Affairs, take the same position that he does about that matter and that the question was up in the committee and the committee compromised on it by accepting the Brooks amendment. That amendment is to be offered as a committee amendment to take care of that situation.

Mr. J. LEROY JOHNSON. Mr. Chairman, I am glad the chairman of my committee asked that question. Here is what I am afraid of, and perhaps my fears are not well founded, but I believe they are. These men entered under one set of physical requirements and I am fearful that now, if the Army decides to give them their commissions, it will exact higher physical requirements than those under which these men entered. I am in favor of the Harness amendment which specifically states that these men shall be commissioned and their physical requirements for a commission at the time they apply shall be identical to the requirements under which they were carried into the program. If we carry that thing through then we can do exact justice to those men, which we should do.

Now one other point, and that is this: You might say, "Well, why should we take in these men and have a surplus of pilots?"

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ANDREWS of New York. Mr. Chairman, I yield 2 additional minutes to the gentleman from California.

Mr. J. LEROY JOHNSON. The matter of whether or not those men shall be used is an administrative matter for the Army. If they cannot find places for them, they will have to retire them or discharge them or put them in an inactive status.

However, I do want the Army to keep its word with these men and commission them, and then if they cannot use them, put them on some inactive status.

Mr. SIKES. Will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield.

Mr. SIKES. The thing we want most of all is to utilize the C. A. A. and the W. T. S.

Mr. J. LEROY JOHNSON. Yes; by all means, if we can use them. I think they can be used. But if they find they cannot be used, then it is up to the Army to determine what to do with them.

Mr. MANSFIELD of Montana. Will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield.

Mr. MANSFIELD of Montana. I agree with what the gentleman says, because it is keeping faith on the part of the Government to make good the promises which it made to all these C. A. A.-W. T. S. personnel who spent their own money and had to subsist on their own incomes for a long time, and in some instances even sold their homes and businesses in order to exist. I have been receiving numerous letters from men who entered the C. A. A.-W. T. S. program under definite promises. Those promises have not been kept by the Government, and I feel that as long as the Army has fallen down on its promise it is up to us of the Congress to see that justice is done. To help achieve this I will vote for the Harness amendment to this bill.

Mr. J. LEROY JOHNSON. I agree with the gentleman.

Mr. BROOKS. Will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield to the able and distinguished gentleman from Louisiana.

Mr. BROOKS. Does not the gentleman feel that if these men cannot measure up to the qualifications required by the Air Force, they should, under the promise they received, be discharged from the service?

Mr. J. LEROY JOHNSON. No; not if they change the rules in the middle of the game. That is not fair, in my opinion. They were drawn into this service on the very basis that they could not meet certain physical requirements, and now when they are ready to get a commission I do not want the Army to increase the requirements.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, I was opposed to this bill as it was originally introduced. I am rather proud of the fact that I offered the motion at a later meeting of the Committee on Military Affairs to amend the bill by attaching to it the so-called Brooks bill to do justice by the C. A. A. flyers, with which I am in hearty accord.

I would like to have it understood that I did not oppose the original bill because I doubted that these fine women have done a good job. I am willing to support that part of the program largely because the Chief of the Air Corps, General Arnold, says that they have not only done a good job but that he needs them and must have them to do this ferrying work. I am one of those who believes that you have got to trust somebody about this war effort. I do not know of anybody anywhere who has done a finer job than General Arnold and his Air Corps. So I think we should take his advice. However, at the same time I want to be certain that we do justice to these C. A. A. men, some of whom have been mistreated, or at least misled. I therefore favor the Brooks amendment, and I expect to support the bill if that amendment is adopted. The gentleman from Louisiana [Mr. BROOKS] has devoted a great deal of study and hard work to this particular amendment and is entitled to distinct praise for it, and I am sure he has the gratitude of all that group of fine men. If that amendment which is now being offered by the Committee becomes a part of the bill, it will have my enthusiastic support. I think it is absolutely essential to the war effort. I cannot understand how we can turn down the Chief of the Air Corps, when he made it as personal as he did in his testimony. I invite a careful reading of his testimony before the committee.

Mr. MAY. Will the gentleman yield?

Mr. THOMASON. I yield.

Mr. MAY. I would like to call attention to the fact that I have here a statement which shows that of 12,335 trainees, who were classified in groups, there were a certain number who asked to be discharged and they were discharged in 1941.

Mr. THOMASON. The record discloses all of that. That is true. I think the so-called Brooks amendment certainly should be adopted. I go a little further and say that I think the amendment that will be offered later by the gentleman from Indiana [Mr. HARNESS] is deserving of considerable study for the simple reason that somebody has to set these physical standards, and if the War Department cannot do that, I think you are heading for trouble. I am not willing to say that the Harness amendment should be adopted. I would not do any injustice to any of those men, but, nevertheless, there were some who had their opportunity and failed to meet the requirements. So, to blanket them all in without requiring them to meet Army regulations would not be in the best interest of the war effort.

Mr. HARNESS of Indiana. Will the gentleman yield?

Mr. THOMASON. I yield.

Mr. HARNESS of Indiana. I wonder if the gentleman has carefully looked over the proposed amendment known as the Brooks bill?

Mr. THOMASON. I have studied it, and I have studied the amendment which will be offered by the gentleman from Indiana enough to know that you are going to blanket them all in regardless of merit and qualifications, and I do not think you should do that.

Mr. HARNESS of Indiana. We do not do that.

Mr. THOMASON. We have to have certain physical and mental standards, and you want to set aside and waive them.

Mr. HARNESS of Indiana. I think the gentleman will agree with me that what you want to do is to give these men justice, and have the same physical standards prevail today as were in effect when they were enlisted.

Mr. THOMASON. I will support any reasonable amendment along that line. The very thing I am trying to do is to see to it that they get justice.

Mr. HARNESS of Indiana. I want to call attention to this sentence that has been added to the Brooks bill. You will find that a phrase has been added "and before the termination thereof on January 15, 1944." In other words, all these men in this program who have been in since January 1944 are not covered by the committee amendment.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. IZAC. I am interested in knowing what the gentleman's position is on the WASP coming into the service.

Mr. THOMASON. I feel this way about it, that if you will do justice to these C. A. A. men who are qualified, and who have acted absolutely in good faith, then, based upon the testimony of General Arnold, who says he still needs these women, I am willing for them to also come in. General Arnold will use them all. He said they are all needed to relieve men who can enter combat service.

Mr. IZAC. But the gentleman understands that both the Army and the Navy are cutting down the whole program materially today.

Mr. THOMASON. That may be true. But when a man of the type of General Arnold tells the committee that these women are needed and must be had, I am willing to go along. The big need at present, he says, is for combat soldiers. This bill would release several thousand men for that service.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ANDREWS of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. ELSTON].

Mr. ELSTON of Ohio. Mr. Chairman, I am very much in favor of this bill, with the Brooks amendment. When General Arnold appeared before the Committee on Military Affairs in support of this bill he presented to the committee convincing evidence of its necessity and urgency. Both General Arnold and the Secretary of War, whose letter appears in the report, stressed the point that the primary purpose of the legislation is to release male pilots for combat training and assignment. This reason appears to have been overlooked almost entirely by the Civil Service Committee in its recent report and by those who are seeking to be commissioned regardless of their qualifications.

A short time ago it became quite urgent to transfer to the ground forces a great many men who had entered the service for other types of training and service. As an example, more than 100,000 students in the Army Specialized Training Program were transferred from their college training courses to active branches of the service, particularly to the Infantry. Then 36,000 men who were highly qualified for flying training were transferred in the same manner. These men, particularly the 36,000 who expected to become aviation cadets, I submit had a far greater right to complain than the C. A. A. instructors and trainees who have bombarded Members of Congress with letters. These persons were never promised a commission as they have so frequently represented. General Arnold so testified and I quote him on the subject of any promise that might be implied: "Of course, there may have been an implied promise, but the Army Air Forces never promised anybody anything. There is an implied promise, dependent upon the qualifications as long as a man signs on the dotted line, but we cannot, and never do, promise anybody anything." The most that can be claimed, therefore, is that there was an implied promise—perhaps not as much of a promise as was made to the 36,000 men who were in every way qualified for flying training, but, because of the necessities of war, were transferred to other branches.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. ELSTON of Ohio. I shall be glad to yield to my friend, the gentleman from Indiana.

Mr. HARNESS of Indiana. Does not the gentleman feel that the money we have spent in training these men amounts to something besides the promise?

Mr. ELSTON of Ohio. That I feel is beside the question. If the men are qualified they are eligible for a commission. If not qualified they would not be eligible. In either event the money spent in their training is immaterial.

Now let us examine into the actual facts. In order that I might present them to the committee I asked the Air Corps to advise me in detail and received the following information.

On January 15, 1944, when the program was terminated, there were 10,000 people in the C. A. A. project. Of this number approximately 5,000 were instructors and 5,000 were trainees. The latter, under the law, were immediately brought into the A. A. F. as soldiers. Of the 5,000 instructors approximately 1,000 lost their jobs at that time due to the curtailment of the program. Out of this

1,000 approximately one-half have already been taken into the A. A. F. Out of the remaining 500, 250 have either gone into other jobs or were found to be physically unfit. The Army Air Forces have not been able to even locate the other 250. Out of the remaining 4,000 instructors most of them still have jobs as flying instructors working in Air Force Civil Contract Schools. Three thousands five hundred are in these schools and 1,500 are in the college indoctrination program which terminates on June 30. The program for the instructors is this: All of them will be brought into the A. A. F. and then put through a school equipped for teaching in the operation of high horsepower engines. Those who qualify will go to the Air Transport Command for indoctrination in the flying of all types of airplanes. This takes 3 months and they receive commissions as second lieutenants or flight officers.

The 5,000 trainees all came into the service because of the law, they having been in the Enlisted Reserve. Approximately 1,000 of these at the present time are taking Aviation Cadet training, which will lead to commissions if they satisfactorily complete their courses. Approximately 1,600 are taking Glider Pilot training which will lead to commissions as flight officers. Approximately 2,000 are being given technical training at various schools around the country. The Senate Military Affairs Committee recently requested the Air Corps to give these men an opportunity for discharge if they wanted it and this was agreed to.

Generally speaking, the reason the Air Corps is taking the instructors into the service in the manner I have indicated is because there was no way the Air Corps could take them in without dropping present standards. It was, therefore, decided to make every effort to bring these men up to the standards of the Air Corps. Many of those who have complained that they are being unfairly dealt with never made an application to the Air Forces for duty, but instead insisted that they be given commissions regardless of their qualifications. This much is certain. If a man in the C. A. A. program can qualify today, physically and mentally, the same as other pilots, he can get into the service and obtain a commission. Instructors actually get in on an easier examination than the one required for pilots. The Air Corps has what is known as the class 1—combat examination, and the class 2—ordinary flying examination. Instructors are required to pass only the class 2 examination which is the equivalent of the airline pilot test. On the other hand, a WASP must pass the combat examination. The majority report of the Civil Service Committee stated that it was the other way around, but I am assured this statement of the committee is wholly incorrect.

The Brooks bill, I am informed, is agreeable to the Air Forces. On this point let me quote General Arnold's statement before the Committee on Military Affairs:

> Our policy is that any man who has had any flying whatsoever will be given a chance to qualify either as a pilot, a copilot, a bombardier, a gunner, or a navigator. If they cannot qualify according to our standards in one of these capacities then we offer them other training in the Army Air Forces. We cannot lower our standards because a man has had a few hours in the air. They must meet our standards.

In concluding I desire to point out that those who are now complaining that the Air Forces did not keep its promise were offered a chance to join the Reserve but did not accept the opportunity. General Arnold so testified before our committee in the following language:

> We don't consider we owe them anything, because they were offered a chance to join the Reserve and did not take advantage of it. And now when they see they are likely to be drafted they want to come in and it is too late.

I believe in a matter of this kind we should abide by the judgment of General Arnold. He has given substantial reasons why the young women now engaged in flying all types of planes and who can qualify should be commissioned in the Army rather than remain in a civilian status. I shall accept General Arnold's judgment rather than the majority report of a nonmilitary committee which, with all due respect to the committee, is attempting to deal with military problems. I concur heartily with the minority report of that committee "that the termination, the continuation, or the further development of the women's flying program is for the Army Air Forces to determine." The women who are today piloting all types of planes across the country are rendering a magnificent service to the country. They should be accorded all of the benefits of a soldier and are entitled to be commissioned as provided for in this bill.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ELSTON of Ohio. I yield.

Mr. BATES of Massachusetts. The gentleman refers to a letter from the Secretary of War in the report. I note that the report is dated February 16, 1944. Considerable change has taken place in the aviation training both in the Army and the Navy since that time. The gentleman himself stated that the discontinuance of the Army aviation training program has resulted in the dropping of some 5,000 of these instructors. This week even the Navy is going to stop recruiting boys from civilian life because of their great surplus of pilots.

Mr. ELSTON of Ohio. I should like to answer the gentleman from Massachusetts but I have no more time.

Mr. BATES of Massachusetts. I think the gentleman should be given more time because this is very important.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, I was glad to hear the speech just made by my colleague the gentleman from Ohio [Mr. ELSTON]. As I understand his views, he feels that unless these trainees and these instructors qualify mentally and physically according to the Army standards, they should be discharged from service. I wish briefly to review some of the statistics given me by the Army Air Service to show as a matter of fact that a great many of these men have been discharged already because of subnormal, physical, and mental qualifications.

Mr. MORRISON of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. If the gentleman will wait until I finish with these figures I shall be pleased to yield.

According to the statement of the War Department, as of May 1943, 995 men qualified for aviation cadet training; in July 1943, 1,049 men qualified; in March 1944, 974 more qualified; and in March 1944, in the glider group 651 qualified. This makes a total of 3,669 men who have qualified for training and for commissions in the Army Air Service.

As to the discharges, let me say that in May 1943, 1,981 men were discharged because of physical and mental deficiencies. Another 1,682 have been discharged. This makes a total of 3,663 discharges as of March 1944.

In July 1943 there were 70 more discharged for the same reason.

In March 1944 there were 5 more discharged, making a grand total discharged of 3,738.

Mr. Chairman, here is the situation: These men were taken in under circumstances where they had a right to believe they would have an opportunity to receive a commission in the Army. I call the attention of the Committee to the hearings held on House Joint Resolution 115 as of 1943, page 30, where there is reproduced a radio announcement urging enlistment for civilian pilot training in this program. In the radio announcement it is said that the men who come forward and enlist in this program will be given an opportunity to obtain a commission in the Army Air Forces as second lieutenant. I read specifically:

> In 6 to 10 months time or less if you already have some flight experience, you can qualify for one of these flying positions with the chance of a commission and pay of as much as $300 per month.

That comes from the radio announcement. So I say that if they are taken in under those circumstances and they cannot be used, then they should be discharged from the service and I think that is the Air Force program.

Mr. Chairman, recent news of the bombing of Japan has filled us in America with great rejoicing. Giant B–29 Flying Fortresses, developed under our preparedness and war program, have been used to fly from distant bases to bomb a large portion of Japan's manufacturing industry. We do not know the full extent of the damage from this bombing raid yet, but the magnificent work of the Air Forces in developing this giant bomber, building bases for it in distant China, and flying it hundreds of miles through the Chinese skies to Japan is something we can really applaud.

The Air Forces have done a magnificent job in this war. Assistant Secretary of War for Air Robert A. Lovett and Gen. Henry H. Arnold have often come before

the Committee on Military Affairs of the House, of which I am a member, and presented their plans to us. We have shaped and fashioned the War Department legislation so as to permit the remarkable results which have been achieved. In doing so, we reflect credit upon the loyal work and great ability of the Assistant Secretary for Air and upon the tireless energy and effort of its great commander, Lt. Gen. Henry H. Arnold.

During the course of our work, from time to time such men as the Under Secretary of War, Robert Patterson, Gen. George C. Marshall, Chief of Staff, and Gen. Dwight Eisenhower, as well as General Clark and General Patton, have made appearances and have worked with us upon needed legislation. I have cooperated with the War Department 100 percent in giving it the legislation which it needed in order to win this war.

Several days ago the great Army appropriations bill providing funds totaling $49,000,000,000 was voted by the House of Representatives. This bill carries the funds needed for the war program which we have been working upon. Within its provisions, the sum of $7,700,000,000 is included for food, equipment, and clothing for our soldiers. We find in its provisions heavy fleece-lined clothing for our men serving in the arctic tundras of the North, as well as light, impervious jackets for those who serve at the Equator. Provision is made for the helmet of the aviator who flies through the substratosphere, as well as for our boys who fight in the steaming jungles of the South Sea Islands.

This giant appropriation bill, which covers the funds the Army will need for the next 12 months, contains billions of dollars for general equipment of all kinds. There is money for shells, gunpowder, high explosives, flame throwers, bazookas, aircraft bombs, from the small fragmentation bomb to the mighty blockbuster, and for the brilliant-colored chemical rockets and smoke bombs of the Chemical Warfare Department. Money for heavy and light guns, for rifles, antiaircraft guns, machine guns, and certain secret weapons designed especially to destroy our enemies, is hidden within this bill. Thousands upon thousands of articles of equipment which almost baffle the imagination are necessary in modern warfare, and it has been the purpose of our legislation to see that our armies get what is necessary to destroy the enemies of America.

While I have been discussing implements of warfare, it is interesting to realize that in our appropriations, as well as in our legislation, we have provided also for weapons of mercy. Slightly less than one and a half billion dollars have been appropriated for the coming year for hospitals, medical equipment, drugs, and surgical items too numerous to mention. The magic drug, penicillin, will receive $108,000,000, and millions are to be spent upon tropical diseases. Parents and wives who have men in service should be grateful for the efficiency of the medical and hospital departments of the Army. Never before in all history has so much money been spent and such an effort been made to save the sick and wounded as is being made in this war.

It would not be fair to overlook the recognition our legislation has given to the educational, recreational, and entertainment needs of the enlisted men. Those of us who served in the last war overseas know the tremendous loneliness which grips a soldier on foreign soil under trying conditions, and we do not begrudge the $17,926,000 appropriated for these purposes for the coming year. This money will be spent to provide educational and entertainment programs, as well as general recreation. It includes money for athletic needs and phonograph records, as well as books and magazines. In all history every truly great leader has relied on the morale of his army, and without entertainment and recreation we cannot expect enlisted men to have the high morale and great efficiency needed.

Our Military Affairs Committee has enacted legislation covering the pay scale of the men in the Army, and I am proud of the fact that I served as chairman of the subcommittee which wrote this legislation. We also wrote the pay and allotment bill providing allotments for the families of servicemen. The pay bill, incidentally, gives our enlisted men the best pay of any army in the whole world.

Perhaps most spectacular of all the programs has been that of the Army Air Forces. We now have over 75,000 planes in the Army alone, the Navy Air Service being in addition to this number. Recent appropriations provide for 41,345 additional planes for the coming year. They are planes, both big and small, and are mostly fighters and bombers.

Mr. Chairman, we will win this war. The legislation needed by the War Department has been enacted and the money has been appropriated. Our plans are well laid. Our army of 7,700,000 men is organized under legislation which we have framed and given to the War Department and it is headed by capable and efficient officers. It is the best organized Army that this Nation has ever seen, and on the many fighting fronts of the world it is acquitting itself with courage, gallantry, and outstanding results.

At the same time, on the home front our production of arms and equipment has largely kept pace with our war needs. American industry and workingmen have done a truly remarkable job in fashioning the airplanes, the tanks, and the guns, much of which was entirely unfamiliar to them at the beginning of the war.

The time is coming, and we hope is not far distant, when the enemies of America will be crushed; but we must win the peace as well as the war. Recently we passed a resolution authorizing this Government to participate in world affairs to the extent of keeping the peace, which we will have won, and keeping us out of war. In the future, we must not, as a nation, scrap our air forces or sink our battleships. We must remain adequately prepared to face any condition which may arise affecting the safety of our Nation.

In this war, our people have sacrificed without stint. Hundreds of billions of dollars have been poured into the war effort and already thousands of our finest American boys have made the supreme sacrifice. We should now, as the war progresses toward its conclusion, lay the foundation for a newer and a better world. We should look forward to a new era in which the rights of freemen are assured, and the safety of our Nation is preserved.

As the poet says:

And each single wreck in the warpath of might
Shall yet be a rock in the temple of right.

One of the pieces of legislation of which we are all proud is the G. I. bill of rights for the relief of veterans of this war. This bill contains provisions which I myself helped to draft, and contains liberal stipulations, first, for the education of those veterans whose education has been interrupted; second, help for those veterans who cannot obtain jobs; and, third, provisions for the lending of money to those who desire to purchase a home or small place of business, or a farm.

One of the features of this bill which all America will applaud is the provision which takes care of hospitalization of our wounded and disabled veterans of this war. Full authorization is given to pay all disabled veterans compensation to the extent of their disabilities, and hospital facilities to take care of 300,000 men are already being provided.

Mr. Chairman, in my service here in Congress since the declaration of war, I have made a pledge to back the war effort to the utmost. Since I am a member of the Military Affairs Committee this has exacted a heavy toll of my time and energies. I am, however, proud of the record which has been made and of the results attained. For we are working and fighting for our land.

Long may our land be bright,
With freedom's holy light.
Protect us by thy might,
Great God, our King.

In the midst of these busy days, I have tried at all times to render service to the people. I have received and filled the many requests for agricultural bulletins, and for the many little services which can be rendered. I am at all times glad to hear from home and am anxious to serve the people who are carrying such a heavy burden during these times.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANDREWS of New York. Mr. Chairman, I yield 7 minutes to the gentleman from Indiana [Mr. HARNESS].

Mr. HARNESS of Indiana. Mr. Chairman, in what I say about an amendment that I propose to offer, I have no intention of minimizing the patriotic and splendid service that the women flyers are performing in piloting and ferrying our military aircraft across the country. I do believe, however, that the Air Corps in discontinuing the C. A. A.-W. T. S. program and eliminating several thousand trained flyers, who

have from 800 to 4,300 hours of actual flying time, from the Air Corps did these men an injustice.

The parliamentary situation we face, therefore, is just this: The War Department has approved the amendment that the Committee on Military Affairs has directed the chairman of that committee to offer to the WASP bill. This amendment is inadvertently referred to as the Brooks bill. It is not the original Brooks bill at all because it has been completely rewritten and changes the whole purpose of the Brooks bill. I propose to offer an amendment, therefore, to the committee amendment to do two things: First, to require the War Department to maintain the same physical standards that were in effect when these men enlisted in the Air Corps Reserve; second, to require the War Department to give such additional training as is necessary to qualify the instructors so they can meet the War Department requirements for flying officers.

Let me explain what I mean by that. I do not mean that the War Department should lower the physical or mental standards, but in justice to several thousand male pilots who have been serving as instructors and others who have been for months in training, the Air Corps should maintain, in considering these men for commissions, the same physical standards that were in effect when these men enlisted and entered upon their duties.

One of the requirements of the War Department has been that a pilot must have had 200 hours or more of flying a 200-horsepower, or higher, motor. Some of the instructors have fewer than 200 hours in flying these higher-powered motors, and my amendment would require the War Department to give them the additional training in flying the more powerful motors so that they could qualify. Bear in mind that these pilots have from 800 to 4,300 hours in flying the primary-training airplanes and may not have had the opportunity to get in the required hours in the higher-motored planes.

When this program was set up the Air Corps had two standards of physical requirements; one for combat pilots and another for noncombat flying, the latter covering the flying instructors and the ferrying pilots. The Air Corps accepted men between 18 and 27 years of age in this C. A. A.-W. T. S. program who could not pass the combat-pilot physical examination. They were made instructors or taken in as trainees. Those men between the ages of 18 and 27 years who passed the combat-pilot physical examination were accepted as cadets in the Air Corps. Some men were rejected as combat pilots because there were one or two digits of a finger missing, or because of flat feet, or disfiguring scars which in no way disqualified the men as flying officers, instructors, glider pilots, and trainees for the various flying branches. It is this group that we are trying to keep in the service, which can do the job of flying military airplanes that the WASPS are now doing.

Under existing War Department regulation, the instructor and trainee groups which were accepted under the physical standards for noncombat flyers are now being rejected because they cannot pass the combat-pilot physical examination. This does not seem fair to me. Officials of the Air Corps knew when these men were accepted as instructors and trainees that they could not pass the combat-pilot physical examination but did have the physical qualification to meet the requirement for noncombat flying. They are all qualified pilots with many thousands of hours in the air and I believe their services should be utilized.

Mr. MAY. Will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Kentucky.

Mr. MAY. I think the gentleman made a statement that perhaps may be misunderstood.

Mr. HARNESS of Indiana. I hope I did not.

Mr. MAY. The gentleman said something about an amendment that was authorized by the committee having been changed. The gentleman does not mean to say that the amendment has been changed since it was approved by the committee?

Mr. HARNESS of Indiana. I am sorry the gentleman got that impression. I did not intend to say that. What I said was that the original Brooks bill which was introduced and considered in our committee is not the amendment that the gentleman has been directed to offer. The amendment that the committee directed the gentleman to offer was written in the War Department, and approved by the War Department.

What does it do? It says that any enlisted member of the Army of the United States, on active duty status, who has satisfactorily completed, under the Civil Aeronautics Administration war training service program, and before the termination thereof on January 15, 1944, and so forth. That date was not in the Brooks bill and it would completely eliminate several thousand men who have been engaged in this program since January 15, 1944.

Mr. DURHAM. Will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from North Carolina.

Mr. DURHAM. Certainly the gentleman would not advocate taking into the Army a bunch of men who were disabled to begin with and who would immediately draw compensation?

Mr. HARNESS of Indiana. No; of course not.

Mr. DURHAM. Many of these men do.

Mr. HARNESS of Indiana. I have maintained throughout this discussion that I would not in any manner reduce the standards, either mental or physicial, but maintain the same physical standards that prevailed when these men were accepted. By doing this we will not eliminate several thousand trained pilots that the War Department has been using as instructors for several years, and who have trained thousands of combat pilots that are now serving in active theaters throughout the world. By changing the physical standards now these trained flyers will be put in the Ground Forces. Millions of dollars spent in training them will have been wasted, and I just cannot see where it makes sense.

Mr. DINGELL. Will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Michigan.

Mr. DINGELL. As a matter of fact, is it not true that if we permit the Army to change the standards now the Army will be able to circumvent the wishes of the Congress in this particular instance?

Mr. HARNESS of Indiana. Certainly. I am not objecting to them taking the WASPS into the Army, I am not objecting to them utilizing the services of the women flyers, but I do believe in simple justice and in economy. We should utilize the services of these men who have been trained, who have from 800 to 4,300 flying hours and who because of some minor defect physically were not qualified to go into the combat pilot training but were taken into this program. I do not believe they should be washed out now by requiring them to take the combat pilot physical examination.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. COSTELLO].

Mr. RANDOLPH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RANDOLPH. Mr. Chairman, I would like to inquire as to the time remaining.

The CHAIRMAN. There will be 11 minutes remaining after the gentleman from California [Mr. COSTELLO] concludes his remarks.

Mr. COSTELLO. Mr. Chairman, I think I should reply briefly to the statements that were just made by my colleague the gentleman from Indiana. He referred to the possibility of the Army Air Force changing the standards of the game after these men have been brought into the service. It is not the intention of the Army to change any standards whatever. They are not going to change any standards, but they are going to maintain them. I do not think there is a single Member in this House who would ask the Army to bring into the service men with physical defects and commission them as lieutenants when they have denied to hundreds of thousands of others who have endeavored to get into the Air Forces during the past 3 or 4 years the privilege of coming in because they had similar defects.

The fact is that the only change that has gone into the Brooks bill as originally written and as approved by the War Department is the following language:

shall when found qualified by the Army Air Forces to meet the requirements prescribed for flying officers by the Army Air Forces, be commissioned.

We have always demanded that they should do that. Any man applying for a commission should meet the regular standards. The Army is not changing them. As a matter of fact, if anything, these men are being given a class 2 investigation so that they come in as ferry

pilots and into other noncombat flying activities.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. If that statement be true, then there certainly should be no objection to my amendment, because my amendment provides that they should meet the standards of the War Department, but that the physical standards should not be raised on these men after they have once been taken in. If the gentleman says that they are not going to do that, then what is the objection to writing that into the bill?

Mr. COSTELLO. I believe the language that the gentleman refers to is that the standards shall be——

Mr. HARNESS of Indiana. The physical standards.

Mr. COSTELLO. The physical standards shall be the same as those required at the time they went into training. Remember that these men were brought into the C. A. A. program, not the Air Forces, for one purpose. They were to be trained as instructors in an expanded Army Air Forces pilot-training program. They were not coming into the Army Air Forces as pilots in any category. They were to be used as instructors, and generally instructors in civilian schools, because the Army anticipated that their losses over Europe, in the way of aviators, was going to be tremendous when they started these mass raids. To their surprise they found they were far less than anticipated, and for that reason it was incumbent upon the Air Forces to reduce the pilot-training program. For that reason it was not necessary to continue the training of these men who were going to be instructors in an expanded program. That is the reason these men have been eliminated. Any man who was to do the work of instructing solely did not have to measure up to the physical requirements that were required of men going out into combat. If the gentleman wants to change the requirements, he is going to find men in there who are suffering from eye disorders, totaling 126; 90, underweight; heart disease, 15; varicose veins, 23; hernias, 29; amputation of the left toe. There are any number of diseases and disabilities that these men suffered with and now have, and whom he would bring into the service. If you are going to give commissions to them, regardless of physical disabilities, you are going to work an injustice upon hundreds of thousands of others who will be denied the opportunity to get into the service.

Mr. MORRISON of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Louisiana.

Mr. MORRISON of Louisiana. I think a very important point that is being missed here is the fact that the Brooks bill only provides for trainees, whereas there are 5,000 instructors that would be left out. Those that are left out are taken care of in the Harness amendment.

I would also like to ask the distinguished gentleman this question: I believe if he will check up he will find that most of these pilots have been discharged either on account of poor eyesight or heart trouble, and are no longer useful for any flying activity. I am sure the gentleman will agree with this, that only men who are physically qualified should fly planes.

Mr. COSTELLO. Certainly only those who are physically qualified should fly planes, but under this amendment we could bring them all in and that is what we do not want to do. We do not want to change the physical requirements in the Army for this purpose. The amendment which Mr. Sparkman plans to offer will take care of the instructors as well as the trainees, and it should be adopted.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Idaho.

Mr. WHITE. What is it that these women are qualified for that these C. A. A. pilots cannot do?

Mr. COSTELLO. The C. A. A. pilots can qualify, probably, for many of the same jobs, but what the Army needs now is fighting men.

Mr. WHITE. And the gentleman wants to take these men out of the flying corps and put them on the ground?

Mr. COSTELLO. No.

Mr. WHITE. That is the meat of the coconut, is it not?

Mr. COSTELLO. No. If the men are qualified to fly planes, we want to put them in the Army flying planes. If they cannot qualify to fly planes, we want to put them in as Army navigators and bombardiers. We want to use every man that is qualified.

Mr. WHITE. The gentleman does not contend that these women can qualify for anything that these C. A. A. pilots cannot do?

Mr. COSTELLO. I decline to yield further to the gentleman from Idaho.

Mr. WHITE. The gentleman cannot answer the question.

Mr. COSTELLO. I simply state that these women are not going to displace any men. The Army Air Forces can use all of the 8,000 men who were instructors and trainees as combat pilots today if they were qualified, and can use them as ferry pilots. Since that number would supply merely a 2 months' program of replacement and nothing more. That is all that this whole controversy amounts to. All these instructors and trainees will merely give us a supply for a period of 2 months, and no more. You can rest assured if the Army can use these men as pilots, they certainly will do so.

Let me call your attention to this one fact. The sole purpose of this bill is simply this, to take these women who are now with the Army Air Forces in a civilian capacity and convert them into a military capacity. That is the sole purpose of the WASP bill, and nothing else. This should be done, because these women at present are denied hospitalization; they are denied insurance benefits, and things of that kind to which, as military personnel, they should be entitled, and because of the work they are doing, they should be receiving at this time. Likewise, these women then would be subject to military discipline.

May I point out that right now the Government can go out and spend $12,000 for training one of these women and, if you do not pass this bill, she can quit after she receives that training. You have spent $12,000, and you do not have anything to show for it. If we make them part of the military, we will retain them as part of the military, and they will be subject to military discipline. That is very necessary. Might I emphasize that the cost of training one of these women is no different from the cost of training a man. It is approximately $12,000 for each, whether they go through Randolph Field or whether they happen to go through the women's pilot training program. The cost is approximately the same. The cost for uniforms is the same. There is actually no difference. The casualty rate is approximately the same. There has been no difference whatsoever between the men and the women.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. What is the total number of WASPS to be trained under the bill and what is the estimated cost? None of that information has yet been given the Members, and that is the fundamental purpose of this bill.

Mr. COSTELLO. The estimated cost of training a single WASP pilot is $12,000.

Mr. BATES of Massachusetts. For the program, I mean.

Mr. COSTELLO. The program, as I understand, is to train approximately 2,500. Perhaps the gentleman's mathematics is better than mine, so just multiply 2,500 by $12,000, and you will have the answer. The figure is far from the hundreds of millions of dollars which has been stated previously on the floor. It is only $30,000,000.

Mr. BATES of Massachusetts. The reason I raise the question is this: Yesterday I asked the same question as to the need of training WASP women pilots. When General Arnold appeared before our committee he said that they were closing out these schools because they had about reached the peak. As the war goes on, a lot of other activities will be stopped.

Mr. COSTELLO. That is right. The Air Forces are leveling off the pilot-training program so that it will provide the replacements only which are needed to maintain existing strength.

Mr. BATES of Massachusetts. And this very week we are advised by the Navy that their pilot-training program is going to be substantially reduced; no more boys taken from civilian life, and those who are in the service under training now are going to be eliminated in very substantial degree.

Mr. COSTELLO. I do not know what the Navy may be planning nor how excessive their program may have been. This is part of the program of the Army

Air Forces. It is the hope of the Army Air Forces to replace the men pilots in this country with women pilots as far as possible in order that the men pilots in this country can be released and sent overseas, for active duty in combat theaters where the women will not be sent.

Mr. ANDREWS of New York. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, this bill, of course, is merely a bill to take the WASPS into the Army and to give them the benefits thereof. There have been brought into the discussion two very important considerations. The first is: What is being done or have we done or are we going to do with those persons who have contributed so materially to the C. A. A. instruction program? I think another misunderstanding on the part of a great many Members is partially due to the fact that many young men throughout the country were within that group of 36,000 to 40,000 who were transferred from the Air Corps to the Army Ground Forces. A great many Members with whom I have talked reveal instantly that their objection is first on one hand and then on the other. I think a good deal of objection harbors itself in the transfer of the 36,000 or 40,000 to the Ground Forces.

I should like to take a few minutes to picture that situation to you. As we all know, we were hopelessly unprepared for the size and magnitude of the air war we are in and the terrific development that has been brought about. General Arnold testified before the Committee on Military Affairs that in order to rush this program and develop the men who are now carrying this terrific program in Europe, in Normandy, and in the South Pacific, at one time last year we were turning out trained bomber pilots at the rate of 110,000 a year.

Some time before the air war became rampant in the Mediterranean and over Europe he had to fix a figure on which to base his entire program for the future, and that figure was set at a casualty rate of 20 percent for casualties of all types. Our experience in the African theater revealed that the casualty rate was not over 7.5 percent, and that was maintained pretty consistently throughout Italy. As against the 20 percent estimate for Europe, our casualty rate has not exceeded 13 percent up to April 1. The result is that we found ourselves in the Army Air Corps overquotaed, you might say, looking to the future supply of trained pilots. General Arnold said it was a very fortunate situation to have it that way and not the shoe on the other foot. If he had not made such preparation he undoubtedly would have heard from the Military Affairs Committees, the Congress, and from the people of the country. The Air Corps has what is known as a pipe line, starting when the men first come into the Air Corps and ending when they are turned out finally as four-motored-bomber pilots. It is a fact that in our whole officer program the Army Air Corps, the Navy Air Corps, and the Marines had the cream of the crop of the young men of this country and all the other branches of the service suffered in quality, particularly the Army Ground Forces, so often referred to as the Infantry, whereas they include the Artillery, the Engineers, the Signal Corps, and others.

We got behind on our selective-service quotas and through pressure from all over the country, some of it coming from the Congress, they said, "You shall not take the married father over such and such an age. You shall not take this man." So here were the Air Corps of the Army, the Navy, and the Marine Corps taking the best in quality of the young men between 18 and 24, with the result that within the last 6 or 8 months or a year the Army Ground Force found itself without quality in young leadership, that virile leadership which is absolutely essential to the development of strong Infantry outfits.

General Marshall felt severely the need for this type of young men coming into our regiments—and they were not there, and General Arnold recognized this need—so, with a great oversupply of young men in the original stages of the pipe line, he transferred 36,000 men to the ground forces.

You say you will not change the rules in the middle of the game? We are in war. You very often have to change the rules of the game in the middle of a war in order to win. What are we in the war for, anyway?

I have not had much complaint from the fathers of these young men when I explain the situation. These men were transferred to the ground forces because they were needed there, because young men of that mental caliber were needed to make noncommissioned officers and future officers, because it was found that our replacement regiments in this country who have not gone overseas yet were far lacking in that vital and necessary quality. That is the reason for the 36,000 being transferred.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New York. I yield to the gentleman from Idaho.

Mr. WHITE. How many of these men who are taken into the Ground Forces from the Civil Aeronautics training will go in as officers?

Mr. ANDREWS of New York. Many of them, if they can qualify. If the gentleman will be good enough to read pages 4, 5, and 6 of the hearings, he will find there a complete statement by General Arnold on the C. A. A. instructorship feature. There is a complete statement of that there.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MAY. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. SPARKMAN.]

Mr. SPARKMAN. Mr. Chairman, it has been my purpose to offer an amendment to this bill to take care of the instructors. The gentleman from Indiana has discussed the amendment which he proposes to offer, which likewise includes the instructors but goes further than my amendment. Personally, I should like very much to see these matters voted on separately in order that, in the event it should be decided by the Committee that we should not legislate on physical requirements, we still would be able to get these instructors in under this bill. There are 5,882 of these instructors. Many of them have had 2,000 or 3,000 hours of flying. They are certainly entitled to some consideration.

The gentleman from Louisiana [Mr. BROOKS] plans to put in the RECORD, I understand, a letter that was written by General Giles of the Army Air Forces to Senator JOHNSON of Colorado on June 8 of this year in which he states that it is estimated that 90 percent of these instructors can qualify.

The requirement for flying time has been set entirely too high, requiring them to have at least 200 hours of flying time in machines of 200 horsepower or above, whereas I understand that the WASPS would be eligible with only 35 hours. In my amendment I have provided that if any instructor fails to have the required amount of flying time, the Army Air Forces will afford him additional training in order that he may qualify.

The only thing I have left out of my amendment is that part relating to physical requirements, because I feel that probably we ought not to legislate in that particular respect. We have the assurance from General Giles that no discrimination will be shown against these people, and the estimate is made that at least 90 percent of them will qualify physically.

Mr. COSTELLO. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman from California.

Mr. COSTELLO. My understanding is that the War Department now is taking these officers in, and, if they have only 50 hours, they will be given additional time to make up the 200.

Mr. SPARKMAN. That will be the requirement in my amendment.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. MAY. Mr. Chairman, I yield myself the remainder of the time.

Mr. Chairman, in the 3 minutes I have remaining I am not going into the details of this legislation. I hardly think it is necessary for me to say to you whom I am addressing at this time that over a period of several years I have been here asking you to vote for one measure or another in order to carry on this war. I brought here a bill that required you to pass on the question of whether or not you would induct the young men of this country into the Military Establishment. I brought several pay bills and other bills here. In every one of those instances I was reluctant to do it until I was convinced that it was necessary that it be done.

I was out of sympathy entirely with the idea of having the WACS and the WAVES to begin with. Perhaps I have some old-fashioned notions about that. But when such men as General Marshall, General Arnold, and the Secretary of War have come to me with the statement that it is essential to the prosecution of this war that they have a certain piece of legislation, I have been

pretty consistent in following that advice. I think that is the kind of advice the House of Representatives should follow.

I today would do anything I could to make whole anyone of the Civil Aeronautics personnel who may have been disappointed, but I do not think any of them have been mistreated. A great many of them have been discharged for disability. A great many of them have been utilized. Let me say in defense of the War Department, when you talk about the retirement of these men to the Ground Forces or to the Infantry, I can tell you exactly who is responsible for that. The Military Affairs Committee of the House brought it on. We were receiving communications from all over the country, from mothers, saying that it is not fair that this young man or that young man should remain in the A. S. T. P. school somewhere, while the war was being fought, and that it would be over before they were through with their schooling. We were criticized, and the sentiment throughout the country was that it was not fair. Then we called General White before the committee, and as a result of those committee hearings that action was taken, as well as for the very valid reasons stated by the gentleman from New York.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from New York.

Mr. ANDREWS of New York. Is it not also true the A. S. T. P. program was set up partially because of the desire of Congress and of the people to help some of the poor little nonendowed colleges to get along?

Mr. MAY. I was one of the leaders trying to help the small schools of this country who are not able to finance themselves because of the wartime conditions. All of our committee were deeply concerned over the plight of the schools and colleges throughout the country. Let me point out here that unless this legislation passes with the committee amendment known and referred to as the Brooks amendment in it, as I hope it will be, there will be no relief for the group of young men known as the C. A. A. trainees. I hope the members will think before they act in haste.

The CHAIRMAN. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That for the period of the present war and for 6 months thereafter or for such shorter period as the Congress by concurrent resolution or the President by proclamation shall prescribe, there may be included in the Air Forces of the Army such female commissioned and flight officer personnel and female aviation student personnel as the Secretary of War may consider necessary. The qualifications, duties, and assignments of such personnel shall be in accordance with regulations to be prescribed by the Secretary of War. No officer shall be appointed to a grade above that of colonel and not more than one officer to that grade, and the right of commissioned or flight officers to exercise command shall be specifically limited to personnel placed under their command.

Mr. MORRISON of Louisiana. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MORRISON of Louisiana: On page 1, line 9, insert before the period a comma and the following: "but not to exceed 1,500."

Mr. MORRISON of Louisiana. Mr. Chairman, I ask unanimous consent to have 5 additional minutes in order to explain this amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. MORRISON of Louisiana. Mr. Chairman, this amendment provides that the entire membership of WASPS should not be over 1,500. The Ramspeck committee investigated the whole situation thoroughly. They said that to have a personnel in the WASPS of 2,500 members it would cost $50,000,000. At one time General Arnold said he hoped the WASPS would get up as high as 5,000. Five thousand WASPS according to the Ramspeck committee would cost $100,000,000. At the present time there are in training and in process of being trained, approximately 1,000 WASPS. This amendment gives them an additional 500 WASPS which, according to the Ramspeck committee, would cost approximately $30,000,000.

There is plenty of flying male personnel already trained in addition to this 1,500. If you Members would limit this WASP bill to 1,500, then 7,500 men, 2,500 trainees and approximately 5,000 instructors, that have from 200 hours up to 4,000 hours could be utilized with very little additional training for many things that the WASPS themselves could not do. I do not believe we as Members of this Congress should ever go on record for unlimited duplication. Fifteen hundred WASPS would cost the taxpayers more than $30,000,000, or if the program goes to 5,000 it would cost $100,000,000. Yet we have a pool of 7,500 WTS trainees and instructors who will not cost a dime more to train that can serve in the Air Force to greater advantage than the WASPS. I do think, however, that a few of the committee do not know the exact facts when they mention this 35,000 or 36,000 that were returned to the ground forces. They have nothing at all to do with these 7,500 W. T. S.-C. A. A. instructors and trainees. They number approximately 7,500 up to the present time. The Ramspeck committee made an important and thorough investigation and found that these 7,500 men have not been screened properly, that they have been screened prejudicially by the Army Air Forces, and that they have not been given a square deal nor their flying ability utilized. As an example of the method of screening here is one of the questions that were asked them. They were asked, "Would you qualify for combat duty?" Well, naturally, if they could have qualified for combat duty they would have already been in combat duty. So when they could not qualify for combat duty, because most of them were over the age of 26, but they were still good flyers and could do anything else except fly in combat duty, the War Department said: "You answered 'no' so we cannot use you in combat, so we do not want you." On the other hand, if these instructors and trainees answered, "Yes; we will qualify for combat duty," then the War Department turned around and said, "You are not eligible and therefore you are out." It is just like a politician asking you, "When did you stop whipping your wife?" These men have not been screened properly. Those are not only my words but the words of the Ramspeck committee. All this screening was prejudicial and the proper utilization of these men was far from being accomplished.

I do not believe there is a Member of this House who has gone into this matter as fully as I have. I know very few have had the enormous amount of contact with WASPS, with instructors and with trainees, as I have had. I want to go on record right here as saying I am not against WASPS. If they are essential to win this war I say we should make provision for 10,000 or 20,000 of them, but I do think that with the situation as it stands, with the facts that have been brought out that the Navy is reducing the personnel in their flying training schools, we should certainly curtail this program which I believe, and I assure you, is a duplication to the extent of at least 1,500.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of Louisiana. I yield.

Mr. THOMAS of New Jersey. Will the gentleman tell the Committee how many C. A. A. pilots are willing to go into the Army?

Mr. MORRISON of Louisiana. Everyone of the C. A. A. pilots and W. T. S. training men not only want to go into the Army, but they expected to go into the Army with a commission. They were promised a commission or a chance to get a commission as second lieutenant. They have not gotten it. They have not been given an opportunity to get it. They have gotten a raw deal and this WASP program makes it worse.

Mr. THOMAS of New Jersey. Will the gentleman also tell the Committee what pay the C. A. A. pilot has been getting?

Mr. MORRISON of Louisiana. When these C. A. A. pilots started they did not get anything except $50 a month and room and board. Many lost their homes and lost their automobiles and almost lost their wives, because when the money situation became so acute they had to go and live with their own families. After about 8 months of sweating it out these instructors were given $50 a month on a retroactive basis, which was an average of about $250. Then later Congress ordered them to be paid $150 a month as instructors at these various contract schools.

Mr. THOMAS of New Jersey. Is it not true, though, they are getting much more now as instructors than they would as second lieutenants?

Mr. MORRISON of Louisiana. No; that is not correct. Here is the way it works out with reference to the money. Today they are getting $150, but the

schools are all closing up at the end of this month. A lot of schools closed last January, and many of these instructors with 1,000, 2,000, and 3,000 hours of flying time are on unemployment insurance compensation. There are more schools that are going to close up in August. The WASPS are getting $150 a month while they are in training and $250 a month after they are commissioned.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of Louisiana. I yield.

Mr. BATES of Massachusetts. According to the evidence we received only yesterday from the Navy Department, they have a surplus of pilots and they are going to very rigidly reduce the aviation pilot training program starting next week.

Has the gentleman any knowledge that there is a shortage of pilots in the Army? Furthermore, why cannot these combat pilots, after many missions in the war area, come back here and do this work that these WASPS are being trained to do?

Mr. MORRISON of Louisiana. The testimony of the Army officials is very inconsistent. On one hand they say there is a shortage of manpower. Then when we speak of these instructors and trainees and combat pilots who have come back they say they have too many pilots. I believe they could take these 7,500 men and utilize them properly and have all the ferry pilots and training pilot instructors that they want and they would not need this WASP program. But they have already spent $20,000,000 on this WASP program and have 1,000 in the organization already. I believe if we would limit it to 1,500, perhaps that might be the best solution, provided they utilize these instructors and trainees. Here is an important point. Most of the instructors and trainees today have more training at this time, more hours in the air, than the WASPS will have when they complete their training. In other words, the WASPS will have 200 hours when they finish, and these instructors and trainees today have all the way from 200 to 4,000 hours, and they can do a lot of things that the WASPS cannot do.

Mr. SIKES. Will the gentleman yield?

Mr. MORRISON of Louisiana. I yield.

Mr. SIKES. I want to commend the gentleman for his splendid statement. Is it not true that in the early stages of the C. A. A. and W. T. S. program the trainees received no compensation?

Mr. MORRISON of Louisiana. That is correct.

Mr. SIKES. A maximum of $50 for 8 months has been given to them and many of them have served as long as 18 months, but they only received $50 for 8 months.

Mr. MORRISON of Louisiana. That is true as far as some trainees are concerned, but after they were made instructors they received $150 a month at these private contract schools.

Mr. STEFAN. Will the gentleman yield?

Mr. MORRISON of Louisiana. I yield.

Mr. STEFAN. In order to relieve the hardships which these particular instructors were experiencing, this House had to pass special legislation to get them an even break with other trainees?

Mr. MORRISON of Louisiana. That is correct.

Mr. STEFAN. They had to live at their own expense and use C. C. C. uniforms? Even the C. C. C. uniforms were hard for them to receive.

Mr. MORRISON of Louisiana. Yes; all they could get was a C. C. C. outmoded wood-tick coat that was worth probably about $10, and the WASPS are getting their uniforms tailor-made on Fifth Avenue in New York City at $500 per WASP.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. MORRISON] has expired.

Mr. VORYS of Ohio. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I started to fly 28 years ago. I flew on active duty with the Civil Air Patrol 2 years ago. I have piloted a B–24 within the past year. From my experience in flying I know that one of the most disastrous steps, as far as human life and the war effort is concerned, is for this House to attempt to write physical standards for flying, on the floor of this House. This amendment is an attempt to write physical standards by having this House——

Mr. MORRISON of Louisiana. Will the gentleman yield?

Mr. VORYS of Ohio. I cannot yield. This is an attempt to write physical standards into this bill by saying that the physical characteristics of women are such that we need just 1,500 of them.

When my dear friend the gentleman from Indiana [Mr. HARNESS] offers his amendment it will be an attempt by this House to write physical standards into this bill by requiring standards that are now outmoded. I have seen in my day many mistakes made, both in civilian and military aviation, in determining physical standards. Then they changed them. Experience proved what was needed. But if we are going to try to write physical standards by act of Congress, it will be most disastrous.

We have had hearings by a couple of committees and they have come to the conclusion that there are certain groups of pilots that are physically qualified, that the Army says are not physically qualified for military flying. Mind you, I do not say combat flying. What we are talking about in all of this is military flying of various kinds, including combat flying. Many people who do not know anything about flying think that there is something so mysterious and wonderful about being able to fly an airplane that anyone who can fly should be given a job flying in the Air Corps. Those same people do not say that just because a person can walk he is competent to go into the Infantry.

This whole situation arises from the fact that while women can fly well they are not fitted to go into the Ground Forces as combat troops. It also arises from a situation, an extremely fortunate situation, in that we builded better than we knew when we constructed our Air Force and we made allowance for greater losses than the enemy inflicted.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I do not yield at this time. This situation also arises from the fact that our enemies, through their methods of warfare, made it necessary that we have greater Ground Forces than we had expected and smaller Air Forces, in number, than we had expected. Our military needs are determined not by the desires of our men for particular branches of the service but by the demands forced upon us by our enemies, in order to overcome their resistance.

Women can qualify for flying and they cannot qualify for ground fighting. When I brought my license up to date 2 years ago I was checked out by a woman instructor. She had a C. A. A. instructor's license. It was degrading to me at that time that I had to have a woman pass on my flying qualifications when I had flown before she was born. But, as a matter of fact, I found out while on active duty that she was a very competent flyer. I have found out, on a number of airfields in the past few months, that the flying people grudgingly admit that these girls can fly and do the kind of flying that they are assigned to do, and therefore in some way release a man, to do what? Release a man some place along the line to fight in the air or on the ground. As to these 37,000 air cadets who were in training, who were promised directly or indirectly, that if they qualified in certain respects they would be taken into the Air Corps and receive commissions and as to the 110,000 in A. S. T. P. who received assurances and promises, directly and indirectly, that if they qualified they would receive commissions——

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. VORYS of Ohio. Mr. Chairman, I ask unanimous consent for 5 additional minutes.

The CHAIRMAN. Is there objection?

Mr. MAAS. Reserving the right to object, will the gentleman yield if he gets another 5 minutes.

Mr. VORYS of Ohio. Yes; I will yield.

Mr. MAAS. Then I withdraw my reservation of objection.

The CHAIRMAN. Is there objection? There was no objection.

Mr. MAAS. Will the gentleman yield?

Mr. VORYS of Ohio. Not at this point.

Mr. MAAS. If the gentleman does not mind, I will stand until he gets ready to recognize me.

Mr. VORYS of Ohio. Very well. I will finish my statement and then I will yield.

Mr. STEFAN. Will the gentleman yield for a correction on some of the figures?

Mr. VORYS of Ohio. Please let me finish my statement and then I will be glad to yield.

As to the promises that were made to various people in both the Army and the Navy that if they did certain things they would receive commissions or would receive certain assignments, I think those promises were indefensible, for no one could guarantee that our needs would

justify commissioning these persons in the exact branches they sought when they finished their training, and no one could justify issuing commissions that are not needed.

Promises have been made by recruiting officers, and official promises made which were indefensible. The fact remains, however, that the necessities of war are such that we do not dare impede the war effort to comply with promises to put people into places where they are no longer needed in the war effort. Involved in the proposed amendments to this bill is the attempt to carry out policies that the fortunes of war have determined are no longer necessary. I therefore hope that with the exception of the Brooks amendment we proceed to permit the women to get into the Army Air Forces and do the sort of flying they can so as to release men for combat service.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I now yield.

Mr. MAAS. Does the gentleman from Ohio believe we ought to spend millions of dollars training these girls to fly until those men who are already qualified to fly are absorbed into the service?

Mr. VORYS of Ohio. Who says those men are qualified?

Mr. MAAS. The C. A. A. says they are qualified. They are already flying. They have trained hundreds of thousands of persons to become pilots.

I want to ask the gentleman also if he does not believe that the physical standards required by the C. A. A. do not qualify these men to do utility flying, which is what the girls are going to do?

Mr. VORYS of Ohio. I believe that the standards to be applied by the Army will be such that we shall be able to use all from that reservoir of pilots who are qualified to do utility or any other type of flying.

Mr. ELSTON of Ohio. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. ELSTON of Ohio. The gentleman from Minnesota evidently does not realize the fact that these men in the C. A. A. program who are qualified to go out and fly these planes will be commissioned by the Air Forces if they possess the necessary qualifications.

Mr. VORYS of Ohio. That is correct.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I now yield to the gentleman from Nebraska.

Mr. STEFAN. I merely wanted to correct the gentleman's figures. He said there had been 100,000 trainees. During the past 5 years we had 400,000 trainees flying 11,230,000 miles in the civilian program.

Mr. VORYS of Ohio. The figure I referred to was 37,100 in the Air Corps who were transferred to the Ground Forces.

Mr. STEFAN. The gentleman is wrong again; the number is 27,804.

Mr. POWERS. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. POWERS. I am very, very happy to have the gentleman make the statement that the House of Representatives today is trying to write in the physical standards of the aviators for the Army. Hap Arnold is running this program for the Air Corps. He has done a damn good job. Now, let him continue to do it.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. BATES of Massachusetts. I want to ask the gentleman from Minnesota [Mr. MAAS], who perhaps is the most experienced pilot in this House, not only having World War No. 1 experience but having actual war experience in the combat areas in the South Pacific in the present war——

Mr. VORYS of Ohio. The gentleman is correct. The gentleman from Minnesota is our most experienced pilot.

Mr. BATES of Massachusetts. Let me ask the gentleman from Minnesota this question in regard to men doing the flying being performed by these women pilots: Are not men in the combat areas coming back unfit for further combat flight but perfectly capable of doing this work?

Mr. MAAS. Certainly.

Mr. VORYS of Ohio. Let me say to the gentleman from Massachusetts——

Mr. BATES of Massachusetts. I asked the gentleman if he would yield for me to ask a question of the gentleman from Minnesota. I want him to answer it.

Mr. VORYS of Ohio. I will give the answer myself. Those men who are sent back from combat flying are sent back because they are through being combat pilots. I know of instances, very tragic ones, where they have been put on test pilot work that they were not fitted for, and have been killed. Many of the men who are through with combat flying are in no shape to do this utility flying.

Mr. BATES of Massachusetts. We appreciate that, but there are hundreds who are qualified.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. WHITE. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from Idaho [Mr. WHITE] moves to strike out the last word and is recognized for 5 minutes.

Mr. WHITE. Mr. Chairman, the gentleman from Ohio [Mr. VORYS] is presenting the House with a very novel proposition, that is, that a simple amendment to limit the number of these WASPS is to be interpreted as setting up physical standards. He might just as well say that Congress, in fixing the number of cadets who could attend the Military Academy at West Point and the Naval Academy at Annapolis, thereby had fixed the physical qualifications of the appointees. I would say that is a rather far-fetched proposition.

I want to read some excerpts from the Ramspeck report, a report of the Committee on the Civil Service concerning inquiries made of certain proposals for the expansion and change in civil-service status of the WASPS. This committee made a very thorough investigation.

It has been proposed to take out these Civil Aeronautics trainees and substitute untrained women for these men, some of whom have had 5,000 hours in the air in every kind of flying, the same kind of flying these women will be trained to do at very heavy expense to the Government.

The first thing I want to ask the House is: What can these women be trained to do that these Civil Aeronautics pilots cannot do now? That is what we should like to know. Let me read you how much money has been spent on this Civil Aeronautics training program. In testimony before the committee the aggregate of all these appropriations was given as $273,359,225 for the period ending at the time that report was made, which was over 6 months ago.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WHITE. Briefly; I want to use my own time.

Mr. STEFAN. That $273,000,000 is since 1940.

Mr. WHITE. I know, but that does not come down to date; we shall have to add quite a lot of money if we are to bring the figures down to date.

Mr. STEFAN. That is the total from 1940 to date.

Mr. WHITE. Not to date but the date of that hearing.

Let me read you something about the qualifications and standards and the changes they have made:

> The age limit has been reduced from 21 years to 18½ years.
>
> Required hours in the air have been reduced from 500 to 35 hours, dual or solo.
>
> Smart uniforms, designed by John Fredericks and Carmel Bros., are furnished at Government expense. The War Department is presently encumbered with over one-half million dollars ($505,014.72) for these ensembles.

We have spent over half a million dollars already getting these WASPS uniforms, but I presume that is only a little bagatelle. I continue reading:

> Salaries of $150 monthly plus overtime are paid trainees. Upon graduation WASPS are paid $250 per month for services performed for the Army Air Forces.

There is another little item I should like to read you from page 8:

> (a) After a year of operations, only 3 of the 285 WASP pilots with Air Transport Command are qualified in class 5 (4-engine bombers and transports). It is our information that all 3 of these top-flight WASPS were qualified aviators with more than a thousand hours each before they joined the original WAFS. It is understood that another WASP pilot of long experience is eligible for this class 5 rating. Of the 532 WASP pilots, apparently less than 1 percent are qualified to handle this type of equipment.
>
> (b) An additional 11 WASPS are qualified in class 4; 5 of these are original WAFS and the other 6 had 200 or more hours of flying before they joined the WASPS.

Let me read you something about qualifications which the gentleman from Ohio stresses. The gentleman from New Jersey said they were doing a damn good job. I will say they are doing a damn good job. I read:

> The training and operations of WASPS brings into focus a related situation of definite interest to this committee. The standards for acceptance for training as service pilots differ for men and women.
>
> In the case of the WASP recruit, the standards have been lowered to 35 air hours (dual

or solo). Accepted WASP recruits are given 6 months' training of approximately 200 hours. The graduate WASP is qualified to operate a class 1 plane. It should be kept in mind that the WASP graduate has approximately only 235 air hours.

In view of the above scant requirements, it cannot be understood why a qualification of 1,000 or more hours, 200 of which must be in planes of 200 or more horsepower, is required and insisted upon as a prerequisite to acceptance of the now available male instructors.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. STEFAN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, there is much to be said for the women who are flying as civilians with our Army Air Corps. They are known as WASPS. They have done an outstanding service as transport pilots. I know that many of them are as good flyers as some of our men. Whether there should be 1,000 of them and if they should be made commissioned officers is a question which is contained in this bill and upon which the House must vote. I for one wish to commend these wonderful American women for the great service they are rendering.

The other question in the bill is that of several thousand men instructors who have also rendered great service to our Nation in time of war. I know that they have undergone real hardships and perhaps some of them have been discriminated against due to the fact that the W. T. S. program has terminated and some of them are in danger of losing their connections with flying in spite of the fact that they have had many hundreds of hours of flying experience. Whether they should all be commissioned in the Army is also a question which will come up in this debate, and I want to do my part in giving these fine men what aid I can. How they shall be commissioned and what tests they will have to pass by Army regulations will have to be determined by the Army officials charged with the prosecution of the war. I am hopeful, however, that something will be done to give these instructors some real consideration. I have talked in their behalf on this floor many times. Others want to discuss that phase of the bill. So at this time I wish to confine my remarks to the civilian aviation training because the matter has again been brought up.

The gentleman from New York has just stated that perhaps the colleges and schools where this civilian training has been going on had some mercenary motive in getting these programs. I challenge that statement because the colleges and schools were called upon at a time in our Nation's crisis to open their facilities to train these aviation students at a time when the Army needed aviators to prosecute the war. We had very few fighting pilots in the Army and Navy at that time. The colleges and schools rendered a great service, and the results have been highly gratifying. The students and graduates from these colleges and schools have become some of the outstanding heroes of this war. Previously I placed in the RECORD long lists of names of graduates from some of these colleges and schools who have won from one to nearly a dozen decorations for bravery and outstanding service to our country in this war. There is also the great value of the teaching of meteorologists, engineers, medical students, and others in these colleges and schools. Certainly the colleges and schools of our country should not be criticized.

I hope there was no attempt made by previous speakers who gave little or no credit to the civilian pilot training program. I feel I am qualified to talk about that because I have worked for half a dozen years on that program and know practically all of its details and most of its results. Because I studied closely the philosophy of the late Billy Mitchell, I determined in my mind some years before Pearl Harbor that aviation would be the solution to future wars. I worked many months on civilian pilot training programs before war came to us. As a member of the committee which deals with the appropriations for the civilian aviation activities, I fought successfully for the training of civilians in aviation. Sometimes that fight was faced with many obstacles. On this program we expended nearly $300,000,000 with amazing results. That amount of money is small compared to billions spent later. So successful was this program that before Pearl Harbor we had a gigantic reservoir of flyers from which the armed forces drew at a time when they needed flyers desperately. The flyers were there waiting for the call when it came. Just briefly here are a few facts you should have at this time when you are dealing with aviation, facts which indicate that civil aviation perhaps helped to save America at a time when the crisis came.

During the 5 years of its operation about 400,000 trainees received approximately 11,250,000 hours of flying instruction; 108,299 of these trainees were given over 3,800,000 hours of flight training as civilians during the first 3 years. This group of trainees comprises a large nucleus of the present combat pilots now in our armed services. The Army and the Navy have relied to a large extent on the men in this group to obtain the flying instructors necessary to expand their training.

During the last 2 years about 290,000 trainees on active duty or in the reserves received 7,350,000 hours of flight instruction and during the last year each Army aviation cadet and each naval aviation cadet received his first flight training from the C. A. A. war training services.

Mr. HOLMES of Massachusetts. Will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Massachusetts.

Mr. HOLMES of Massachusetts. Did the gentleman's committee make any appropriations for continuance of that service for 1945?

Mr. STEFAN. This committee made an appropriation of approximately $160,000, if I am correct in the figure, for continuation of civil aviation instruction in the colleges and the schools of our country through advice by the civilian aviation administration, and the gentleman voted for that appropriation.

Mr. MUNDT. Will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from South Dakota.

Mr. MUNDT. When the records of this war have been completed, the men who have been working in the Civil Aeronautics training program are going to rate very near the top in having developed this splendid aviation offensive which is now making the present war so successful. The gentleman from Nebraska led the successful effort long before Pearl Harbor to adopt this important preparedness program.

Mr. STEFAN. I thank the gentleman from South Dakota [Mr. MUNDT]. I recall that before Pearl Harbor he appeared before us and helped us fight for civil aviation so that if a crisis did come we would have combat pilots. The crisis did come and we were prepared with flyers. At this late date I for one want to thank the gentleman from South Dakota for his help in the civilian aviation program which was a real contribution to the conduct of the war.

WORK OF AMERICAN WOMEN

Mr. Chairman, I feel that the women pilots who are now doing such valuable work for our Army Air Corps should be commended. I hope that nothing be done here to eliminate them and that those women who are now flying transports will not only be retained but be given the rewards to which they are entitled. I have first-hand information as to their great ability, and I resent insinuations that these or other American women have not rendered tremendous service to our Nation. I could give you names of many of these women pilots who have flown combat planes and are continuing to fly these fighting planes and transports from coast to coast. I wish that the war censors could give me permission now to tell you of the individual flights of these wonderful women in delivering fighting planes to our allies from the factories to the coast.

My information is voluminous regarding the ability of these women in flying these monsters of the air through storms and clouds and making safe delivery after thousands of miles of flight. The knowledge of some of these women regarding the reading of maps and the handling of radio and their skill in emergencies are contained in many chapters of thrilling experiences of the Army Air Corps. It will be told more graphically when the war is over. That women are rendering outstanding service should not be denied, but it should be acknowledged again at this time when we are dealing with legislation affecting their future. This does not detract from the grand service which has been rendered by the instructors referred to in this debate.

It is not only in aviation that our women are helping to win this war, Mr. Chairman. In my duties as a member of the Appropriations Committee it has been part of my work to visit points of

embarkation, Army maneuvers, Army camps, air bases, quartermaster depots, ordnance concentrations, engineer concentrations, and other places where our war machine is in action.

Mr. Chairman, I have seen at one place 20,000 pieces of mechanized equipment—jeeps, half-track, tractors, and other machines en route to war—being assembled by American women for transportation to our allies and our own fighting men overseas. I have seen thousands of our women handling every piece of this equipment. I have seen them prepare this equipment for loading on freighters. I have seen them drive this huge equipment and deliver it safely. It has been my privilege to see our women working in our factories where they assemble this machinery. I have seen them help in its construction and have seen them testing and operating it, in order that it become perfect for our fighting men somewhere on the war front. I cannot say too much, Mr. Chairman, for the ability of our women. They have contributed beyond repayment in the time of our crisis.

No matter what this House membership feels about the women in our armed forces, Mr. Chairman, I feel now that we are discussing them I cannot resist in some way championing their cause. We of this Congress have seen the birth of the women of the Army Auxiliary Corps, the marines, the Navy, the Coast Guard, and our other services. They number into the many thousands and they have relieved men so that men could go into the combat services. These women of our services have left colleges, schools, professions, jobs, and homes. Their services are remarkable. Many have left highly paid positions for this patriotic work in the time of our Nation's need. And they are doing work far beyond the expectations of even those who voted against the creation of their organizations. These and the army of housewives and business and professional women have been a real challenge to our enemies and an inspiration to those who express amazement at the ability and efficiency of American women.

All of our women could not go into the services, Mr. Chairman, but a majority of them are at war whether they are in city or country. What would happen to the great Red Cross organization but for our American women who are doing such a grand volunteer work?

What about our farm women, Mr. Speaker? What would become of our food production program but for our farm women? I have seen them in the fields—the mothers and the daughters on our farms, operating mechanized equipment, tractors, hay rakes, gangplows, cultivators, mowers, binders, and other machinery, tilling the soil and helping their men to produce the food which is so badly needed to keep our armed forces and our civilian population alive. The food many hungry people in recaptured lands eat today is the result of the work done by many of the farm women of our Nation. Their men have gone to war, Mr. Chairman, but the American farm women who are not in the armed services or some essential war job are carrying on. They have and they are continuing to demonstrate that American women have answered the call and that they are efficient in whateyer work they are called upon to do.

In the homes of America, Mr. Chairman, the fires of hope are burning because the American women are making that hope live. In these few minutes allotted to me I wanted to add my word of homage to American womanhood and give thanks to the Almighty that American men honor and respect our women. For their great service I voice my appreciation and thanks.

Mr. MILLER of Connecticut. Mr. Chairman, I move to strike out the last three words.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from Kentucky.

Mr. MAY. Mr. Chairman, this amendment seeks to fix only a number and I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

There was no objection.

Mr. MILLER of Connecticut. Mr. Chairman, I rise in opposition to the amendment limiting the WASP program to 1,500 trainees. I have taken the trouble to talk with men in the War Department who have assured me, and proven to me, that they have a real need for these WASPS. They are doing a good job; they have demonstrated that they can do a good job. There is testimony that these women, apparently, are perfectly well satisfied to serve as ferry pilots. They have no desire to get away from that assignment and get transferred to something else, as many of the young men who were doing ferry piloting always seemed to want to do.

It seems to me that the House is in a bargaining mood today. We are saying to the Chief of the Air Corps: "If you want 5,000 WASPS, we will let you have them, but if you get them you have to take this other group of students and instructors that you say you do not want at this time."

I agree with those who say that a promise should be kept, but above all, a promise that may be made to any particular group about what commission they would get when they completed a certain course of training is subordinate to our over-all promise of 100 percent support of the war effort. It was unfortunate for the thousands of young men who were taking the college training program, recently cut down, that the war situation was such that they had to have young men in the infantry, that they needed them in the infantry right at that time more than they needed them in the Air Corps. So the War Department had to say to these men in the schools and colleges: "We are sorry, but our job is to win the war and the greatest contribution you can make toward winning the war is to now go into the Infantry." Most of them went in willingly.

I agree with the gentleman from Ohio [Mr. VORYS] when he stated that it would be a tragic mistake if we here in the House tried to legislate or to change the Air Corps physical standards. If there is need for these men in the Air Corps, I have confidence enough to believe that General Arnold will take them in the Air Corps but, if in the opinion of medical authorities, and it is really a medical question, these men are not fit for the Army Air Corps, then I do not want to take the responsibility of ordering the Air Corps to commission men who do not measure up to required standards.

Mr. WILSON. Will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from Indiana.

Mr. WILSON. What is there in the war effort that these WASPS can do which boys past 26, who have already been trained under the War Training Service program, cannot do?

Mr. MILLER of Connecticut. Those men can go into various other services where they are more needed today.

Mr. WILSON. These men have already been trained as pilots. They did not want them in the Infantry. They are past 26 and some of them past 30.

Mr. MILLER of Connecticut. Some are and some are not. If they cannot pass the Regular Army physical requirement we do not want them to fly.

Mr. WILSON. I know there are some past that age.

Mr. MILLER of Connecticut. There are plenty of them that could go into other branches of the service. They all had the opportunity to go into military service long ago if they wanted to accept it. If the gentleman from Indiana wants to take the responsibility of saying to the Air Corps: "You have got to take these men and use them as pilots," he may as one Member take that responsibility, but I do not want it, and I know a little bit about aviation physical standards and why they are kept high.

Mr. HARNESS of Indiana. Will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. On what authority does the gentleman make the statement that all these men had the opportunity to go into the Army?

Mr. MILLER of Connecticut. They had the same opportunity that any American citizen of military age had to go into the Army.

Mr. HARNESS of Indiana. Does not the gentleman realize every single one of these trainees and instructors we are talking about here enlisted? They enlisted in a program set up by the War Department.

Mr. MILLER of Connecticut. Absolutely, and the Air Corps does not want them. The Air Corps does not need them today.

Mr. HARNESS of Indiana. They have had hour after hour of flying, some of them thousands of hours; now the War Department does not want to utilize their services.

Mr. MILLER of Connecticut. Would the gentleman vote for an amendment that would say to the Air Corps, "You must now, because you need pilots, take into the Army and commission every licensed pilot in the United States"?

Mr. HARNESS of Indiana. Of course not, nor does anybody here contend that they should do that, nor do we try to legislate any kind of physical standards. We are not trying to do that.

Mr. MILLER of Connecticut. You are proposing to change the physical standards set up by competent Air Corps flight surgeons.

Mr. HARNESS of Indiana. No.

Mr. MILLER of Connecticut. Then I cannot read English.

Mr. HARNESS of Indiana. We propose to maintain the same physical standards that existed when these men enlisted.

Mr. MILLER of Connecticut. The standards that those men enlisted under are not the flying-cadet standards of the Army Air Corps today.

Mr. HARNESS of Indiana. They say it is.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, certainly no Member of Congress wants to interfere in any way with the proper and efficient manner with which our military leaders are handling the war effort. Those charged with the leadership of our armed forces are doing a magnificent job. It is the earnest desire of the membership of this House to support legislation they believe to be for the best interests of our country and the speedy prosecution of the war.

This bill relates to two separate problems that do not belong in the same bill. One section provides for a separate organization in the armed forces described as the WASPS. The other would require that certain men who have had civil-pilot training be granted commissions to which I think they are entitled. The amendment before the House seeks to limit the number of WASPS trainees to 1,500. These women have been taking training under civil service. About 1,000 of them have qualified as pilots and 500 more are in training. In view of a promise that these women shall be made a part of the armed forces and shall receive commissions it would be the fair thing to carry out that agreement although there was no authority from Congress. The situation is different in this respect from other women's organizations in that in other cases authorization was obtained from Congress before recruiting and training began. This legislation would give WASPS military status. I hardly understand why this matter should not have been submitted to Congress for such authority before the program was carried so far. There certainly would have been no delay if such proceeding had been followed. Why could not authority have been requested before they started out on this kind of a program? Nobody seems to answer that question.

Mr. WADSWORTH. Mr. Chairman, perhaps I can answer, if the gentleman will yield?

Mr. REES of Kansas. I yield to the distinguished gentleman from New York, who is a member of the Committee of the House and who is an outstanding authority on military matters.

Mr. WADSWORTH. The use of women for ferry piloting was an experiment, therefore authority was not asked for in the statute. It has now proven to be a success, and they want the authority to put them in the Army.

Mr. REES of Kansas. If, as has just been suggested, it is an experiment and if it was successful, why in the world did they embark on a program of spending hundreds of thousands of dollars to do this sort of thing? It seems to me the experiment was carried pretty far.

The situation has changed considerably since this experiment started. Almost the only use for this ferrying is in transporting bombers, because we are not ferrying other planes to amount to anything, so the number of ships being ferried has been reduced since this matter was presented before the Committee on Military Affairs in March.

The chief reason given for training these women is that they may take the place of men to be released for more important duty in the armed forces. It is significant that this legislation is being proposed at a time when, because of curtailment of the training program, the Army Air Forces is closing 25 primary contract schools and has canceled training programs in more than 150 colleges. This has resulted in the release of 5,800 pilot-instructors, out of which could be used some 3,700 trainees who have hundreds of hours of pilot training and should qualify by reason of training and experience to handle these planes. It is strange that pilots with as many as 1,000 hours to their credit are not permitted to qualify for these jobs when women with 35 hours of training are allowed to ferry these planes.

I am informed the program is for 2,500 women pilots, possibly 5,000. I just do not believe we ought to continue to recruit women for pilot service until we have utilized the services of men who are qualified to do the work. Under this bill you are spending between twelve and twenty thousand dollars each to train these women for 35 hours. You are going to grant them commissions. These women, while in training, are getting $150 per month. Upon completing their training they are to receive $250 per month. I realize it is difficult to pay members of the armed forces what they are worth, but the figures seem a little out of line with other members in the armed forces, either men or women. Thousands of men in the armed forces are assuming much more hazardous duties with less consideration as far as pay is concerned. After all, Mr. Chairman, there is such a thing as impeding the war effort by misuse of manpower and unnecessary expenditure of public funds. No one in this House is opposed to spending money required for the war effort, but to say that there is such a shortage of manpower that we ought to qualify 2,500 women to ferry bombers from one place to the other at the expense of twelve to twenty thousand dollars apiece does not, as I see it, make real good sense.

If it were necessary to have this training corps as a part of the Army would it not have been better to use members of the Women's Army Training Corps? Not all of these women could meet the standards, but surely some of them could.

I am informed upon good authority, and I get that authority from the officials in the Air Forces, that 90 percent of the 5,800 men qualified under the C. A. A. will be able professionally and physically to qualify for air transport training.

Mr. Chairman, I do not find any fault with the work these girls are doing, not a bit of it. They are doing their part just as all members in the armed forces are doing, but I do not think as long as we have men qualified who are not being utilized that we need to train more women. Furthermore there are hundreds of fliers who are being returned from war areas who have performed their missions overseas who would be glad to do this work. They ought to have a chance to do it.

Mr. Chairman, with respect to the men who have had hundreds or even thousands of hours of service, and who were promised commissions and are included under the second section of this bill, they ought to be recognized, but the right thing to do is to bring in separate legislation and have it passed. We ought not to tie it to legislation that deals with another group to be known as the Women's Air Service Pilots.

If I thought this legislation was for the best interests of our country and would help in the prosecution of the war, I would support it whole-heartedly, but having gone into the problem as carefully as I could, I do not think it would really help in the prosecution of the war for this Congress to enact this legislation in the manner in which it is presented.

Mr. Chairman, if you pass the WASP section of this bill and permit them to be recruited in unlimited numbers, then the men who have had hundreds of hours of flying training are not likely to have the recognition to which they are entitled. Why not utilize the services of these men so far as it may be done before expanding further the WASP program?

Mr. MAY. Mr. Chairman, I think there is a misunderstanding as to what my unanimous-consent request was. I had requested that time on this amendment be limited to 10 minutes, and I intended by that request that the time of the gentleman from Connecticut [Mr. MILLER] be included. According to the limitation, the time would now be consumed. I am not going to insist upon it, but I would like to claim, as chairman of the committee, the remaining 5 minutes for the purpose of yielding time to the gentleman from California [Mr. HINSHAW], who was on his feet at the time. I would like to have 1 minute and I yield 4 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I appreciate the courtesy of the gentleman from Kentucky.

Mr. Chairman, when our committee was considering the extension of the Civilian Pilots Training Act a while back, the gentleman from New Jersey [Mr.

WOLVERTON] presented to the committee, during the testimony of a War Department witness, a recent advertisement of the War Department published in one of his home-town papers calling for the enlistment of 17-year-old boys in the Air Corps Enlisted Reserve for the purpose of giving them preliminary or preflight training. I understand that that advertisement has been pretty well widespread throughout the United States. It is quite evident that the training need for our young men in the Air Corps is not at all abandoned. I think that one of our difficulties here is that we have a little of not exactly bad blood yet not altogether clear blood between the Civil Aeronautics Administration and the War Department.

Some time ago the War Department tried to absorb all of the activities of the civilian pilot-training course, and through the recommendation of Members of Congress and otherwise, I believe the matter wound up in what is known as the War Training Service. On the 1st of May of this year, after these 37,000 men, or whatever the number of men was, were brought in from the four corners of the world to go into flight training, the War Department apparently decided to abandon pilot training temporarily. Within 30 to 45 days after that they again decided to resume the training of pilots. In the meantime, of course, there was caused the absolute dismemberment of the C. A. A.-W. T. S. training course. As the gentleman from Nebraska just stated, the appropriations have been reduced to some low figure like $150,000; it does not amount to anything. In other words, the War Department has finally accomplished the complete or almost complete dismemberment of the C. P. T. course in the Civil Aeronautics Administration. I do not like it.

In the first place, it is well known that the civilian pilot-training course has provided a much higher character of training for these men. The wash-outs in the C. P. T. course were only 13 percent, plus 10 percent additional after they got into the regular training courses of the Army Air Forces, whereas the wash-outs in the Army itself of air cadets who had come in without previous C. P. T. or W. T. S. training were as high as 43 percent. Nevertheless, they decided to abandon that W. T. S. program. I believe it was a mistake on the War Department's part.

So far as these young men are concerned who are now in the W. T. S. instructor class, I believe it is true that they were offered an opportunity to go into flight service in the Army some time ago. You must remember that a great many of these men were originally instructors in the civilian pilot-training course and were subject to the draft. In order to keep them in as instructors they were caused to enlist in the Enlisted Reserve Corps of the Army pending some future disposition of their cases, in whichever direction they wanted to go. Now, with the dismemberment of the War Training Service course these men, as has been stated, with many hundreds and in some cases several thousand hours of flight, are left to float free and loose, practically frozen out of any chance to use their flight experience by the strict application of a set of barriers raised against them by the Army Air Forces. The Navy is using the W. T. S. instructors that had been assigned to the training of naval air cadets, as I understand.

Mr. Chairman, there may be very good reasons for the continuation of the WASP program as it is now, and I, for one, am not opposed to it. These women pilots may be, and no doubt are, doing excellent service in ferrying military planes. This legislation is not needed for the continuation of that program. This legislation is for the purpose of placing these women in the military service under the Articles of War and hence subject to military discipline, rules, and regulations, and to give them Air Corps commissions up to and including the rank of colonel. The colonelcy is, I understand, reserved and intended for Miss Jacqueline Cochran, a famous woman flier. It seems to me that we already have a Women's Army Corps, the WAC, and that the WASP group might very well be taken into the service through that organization instead of setting up a separate, exclusive organization with a new set of organization tables.

There are numbers of other women's organizations doing effective work for the Army and Navy, such as the Women's Ambulance and Defense Corps, who seek military recognition. Indeed, our women are doing splendid work in many fields in the war effort and their organizations are just as much entitled to recognition as are the WASPS. In fact, these other organizations are volunteer, whereas the WASPS receive expensive flight training free and are then paid for their work ferrying planes.

Mr. Speaker, we have the W. T. S. pilots, trainees, and instructors, already available and able to do ferrying jobs, and, above all, and in addition, we have returning combat pilots who have finished their quotas of missions. These men are already trained and able to fly, ferrying planes, and piloting transports. They insist that they have their opportunities, and I think they are at least as much entitled to those opportunities as those women who have not already qualified as pilots. These men are already trained and the saving to the taxpayers through using them would amount to many millions of dollars. I say that with every respect for the ability of women to fly, and considering men and women as units of flying ability, or simply as people.

I, too, have friends personally interested in the WASP program, and it would give me great pleasure to see these women get an opportunity to become ferry pilots. If they were my only consideration, I could favor this legislation happily.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Chairman, we are considering here an amendment that would propose a limitation of 1,500 on the number of these women pilots who could be inducted into the service. We might just as well say to the armed forces, "You can have 1,000 tanks and no more," or "You can have 5,000 airplanes and no more." It is the kind of a limitation that ought not to be voted by the House of Representatives. It must be left to the sound judgment of the commanding general of the Air Forces of this country to determine how many he must have.

We have just entered the Continent of Europe. We are only a few miles from the edge of the water and it is many hundreds of miles on to Berlin. I certainly am not in a position myself, and I do not think anybody else is, to say how many of these pilots may be needed. I therefore suggest that the House vote down this amendment.

The CHAIRMAN. The time of the gentleman from Kentucky has expired. All time has expired.

The question is on the amendment offered by the gentleman from Louisiana.

The question was taken; and on a division (demanded by Mr. MORRISON of Louisiana) there were—ayes 59, noes 68.

So the amendment was rejected.

Mr. HOBBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: Page 2, lines 1 and 2, strike out "colonel and not more than one officer to that grade" and insert in lieu thereof "captain."

Mr. HOBBS. Mr. Chairman, I believe this amendment points out a very serious defect in the set-up proposed by the pending bill. We have one colonel in the WAC's commanding at least 75,000 WAC's. This bill would constitute one colonel fo. a maximum of 2,500 WASPS, who will necessarily perform their duties separately and probably in no one station will ever muster more than a corporal's guard. So, in practically solitary glory, she would shine.

I believe that every person who earns a commission ought to be commissioned as the military authorities need them. If every one of these WASPS earns the grade of captain, they ought to be commissioned in that grade, and I believe no one who does not earn it should be commissioned. I believe that with 2,500, which is the estimated ultimate number of these WASPS, a sprinkling of captains along with the rank and file of lieutenants would be ample.

I do not pose as a military expert, but I believe this amendment would settle the whole issue here involved and do so in a far more satisfactory way than the one proposed by the bill. In all good faith, I submit that the best interest of the Army and of our Nation requires that this amendment be adopted. Therefore, I ask you to consider it very carefully and vote it "up," if you see it as I do.

Mr. COSTELLO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the amendment as offered by the gentleman from Alabama is entirely without merit. If you are going to have any sort of a military organization you must have certain differences in rank. It stands to reason that you have to have that. If the top rank here is going to be that of captain, it means that you could have only one captain in command, and all the rest of

these people would be either first or second lieutenants. It is utterly ridiculous to say that these pilots are not going to have any differentiation in grade. In order to carry out properly the duties of the office of the person who is going to command the group, she should have a rank comparable to that of others of her same station. We have already created this rank of colonel in the case of the WAC's, the WAVES, the SPARS, and the MARINES, and there is absolutely no reason why the same rank should not be created in this particular instance.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from California.

Mr. HINSHAW. I should like to know from the gentleman or any member of his committee whether it is intended to use these WASPS as a unit or a group unto themselves, or whether they are to be used individually in the ferry service and other flight departments of the Air Corps.

Mr. COSTELLO. They will largely be assigned to various duties as individuals and again as particular groups. For example, some of them are out doing the work of towing targets for the training of antiaircraft units or for the purpose of training our pilots. Others are simply confined to ferrying work, and they go out on individual missions.

But the administration of all these women pilots, whether they are handled as units or whether they are handled as individuals, has to be done by someone in authority, and that is the purpose of giving one the top rank that has been suggested in the bill, that of colonel.

Mr. HINSHAW. It does not seem to me that a group that is to be dispersed and used throughout the service should necessarily be headed by an officer of the same sex of that high a rank. It seems to me they could report to male officers of other rank and work under them in their several commands.

Mr. COSTELLO. It is very true we could, if we wanted to, make them all second lieutenants and from there on have only men handle the operations of the organization, but the fact is you have not done it for any of the other organizations. It is only proper that they have the same type of organization the other groups of women have. In order to solve the problems that might come up between the various groups as to the handling of WAC's and the handling of these WASPS, for instance, you should have women of comparable rank in charge. That is one reason why we have advanced our generals and admirals to 4-star rank, so they can have comparable rank with the personnel they meet of other armies or navies. The same is true with these groups within our service.

Mr. WORLEY. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Texas.

Mr. WORLEY. How much pay would the colonel receive under this bill?

Mr. COSTELLO. The colonel under this bill would receive the same pay as a colonel in the Army Air Force. If she is on flying status, she would be entitled to the same sum as an Army colonel on flying status. I do not think the question of the amount of the pay is in issue in this particular matter. If they are doing the work that calls for the grade and calls for the pay, they are entitled to receive it. I do not think that because a woman happens to hold a certain rank she should be discriminated against, or that she should be discriminated against in having a certain rank assigned to her because she is a woman.

Mr. ELSTON of Ohio. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Ohio.

Mr. ELSTON of Ohio. May I point out that the bill does not require the head of this organization to be a colonel, it simply says that the head of the organization shall not have a rank exceeding that of colonel.

Mr. COSTELLO. That is correct. It is the same language that has been used in creating each of the other organizations, that only one should be given that rank if one is given that rank.

Mr. Chairman, I hope the House will turn down the amendment that has been offered by the gentleman from Alabama.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was rejected.

The CHAIRMAN. The clerk will read.

The Clerk read as follows:

SEC. 2. The commissioned personnel selected directly from civil life, of which not less than 95 percent shall consist of qualified pilots, shall be appointed in the Army of the United States under the provisions of the joint resolution of September 22, 1941 (55 Stat. 728), and ordered into the active service of the United States.

Mr. O'HARA. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I think perhaps we are losing sight of some of the principles involved in this bill in the argument over whether the committee bill shall prevail, or whether it shall be subject to the amendment of the gentleman from Louisiana, and the further amendment of the gentleman from Indiana. As far as I am concerned the bill is about as unpalatable as it can be, no matter how much it is amended, because I think you are overlooking some very, very serious things. We have heard a discussion of a very serious question as to whether somebody was going to be colonel, and I think there has been some discussion of furnishing these very charming young trainees with $500 uniforms when they are commissioned. I am wondering whether we had not better think of a few other things involving the morale of our service people and particularly the splendid record which has been made by our Army Air Corps. This bill is apparently for the purpose, not of creating a WASP organization—that has already been created—but to commission these very charming young ladies who have been doing a very fine job in flying. Some of them are very able and very fine pilots. There is no question about that. But when you get down to the point where we cannot give any consideration to the thousands and thousands and thousands of fine youngsters who have been washed out because some Army pilot instructor said, "Well, he does not quite have that which is necessary for a combat pilot." He would make a very good pilot in this program, but, no, that boy must go back and become a grease monkey or a tail gunner, or something else, because his natural flying ability does not fit into this program, because we want to have the girl pilots. I am wondering what we are going to say to those boys who have been combat pilots and have been wounded, and come back, and want to keep on flying? They cannot go into combat flying because of their injuries, and perhaps because of the nervous strain they have undergone. But they can do the very things that these girls are doing. No; they cannot do that because they say, "We have to have somebody in there who is a very attractive lady pilot, who is needed in this program," because somebody thinks that they need them. Now, I do not go along with that line of thinking.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Miss SUMNER of Illinois. Mr. Chairman, if what the gentleman says is true, this thing ought to be voted down.

Mr. O'HARA. Why, this is a piece of social legislation, in my opinion, and that is all it is.

Miss SUMNER of Illinois. Has the gentleman's statement been challenged? I was not on the floor all the time. Has that statement which the gentleman has just made been challenged?

Mr. O'HARA. I repeat the statement and I challenge anybody to say it is not true right now.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. BREHM. I agree with the gentleman that this legislation is very unpalatable. I think it is time to forget the glamor in this war and think more of the gore of war.

Mr. O'HARA. I agree with the gentleman entirely, that this is not a glamor war.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. BATES of Massachusetts. Along the same line that the gentleman mentioned a moment ago about the boys being assigned to a grease-monkey job, I know of instances within only the past few days where boys have gone through complete training courses and just because they had not qualified in gunnery, they are being washed out.

Mr. O'HARA. That is right.

Mr. BATES of Massachusetts. But they are well qualified to carry on the pilot work that they may be assigned to.

Mr. O'HARA. That is right. If we could have the same tender solicitude for these boys and give them just a few more hours' training so that they would make combat pilots, we would be much better off.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Miss SUMNER of Illinois. It is not only a question that affects the boys. It

is a question of whether we are spending Government money to train people and whether those people who already have had training are not being used for the purposes for which they were trained, but are being used to do something else.

Mr. O'HARA. Let me say to the gentlewoman from Illinois, this is a question of morale, also, of the thousands and thousands of boys who are in the service who need just a little more consideration here and there instead of thinking about this type of legislation.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. BATES of Massachusetts. May I again restate the situation confronting the naval-training program? We were only notified yesterday that beginning next week, at least two-thirds of the boys who are now training, mark you, boys who are now in training, will be washed out because of no need of pilots.

Mr. O'HARA. The gentleman does not have to go just to the Navy program alone. We have had a backlog in the Army Air Corps where you have had the boys assigned back to the Infantry, and all that sort of thing.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. COSTELLO. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the preceding speaker made a statement that this was purely a social program. All I can say in response to him is that this is just as much a social program as fighting in the war is. It is just as social as being a nurse in the Army Nurse Corps. It is just as social as being a WAVE, a WAC, or MARINE, or a SPAR. If any man thinks it is just a social activity to fly an airplane, I might read right here what one of them did:

> In a period of 5 days she flew a P–51, two P–47's, and a C–47, delivering them to their destinations, covering a distance in excess of 8,000 miles. It involved flying from Long Beach, Calif., to Evansville, Ind.; to San Pedro, Calif., back to Fort Wayne, Ind.; and back to San Pedro, Calif.

If that is a social activity I hope that the young lady who did that flying had lots of time to engage in her social activities.

The whole purpose of this program is to try to relieve a few men for fighting purposes. The Army Air Forces have come before us and said that they wanted this program. There are some Members in the House who feel they are able to tell the Army that they can get along with 500 or 600 pilots and not the number they want. I, for one, would not want to try to tell the Army Air Forces when they say they want 2,500 of these WASPS, that they will be able to get along with less. I am not going to tell General Eisenhower, when he says he needs 5,000 tanks to carry on a battle, that he can get along with 500 tanks and like it. I am perfectly willing to rely upon the judgment of the men who are engineering this war. I am not going to set myself up here and state that because you give a uniform to these women pilots, just as you have given a uniform to the women nurses or to any one of all the other women's organizations, you are creating some glamorous organization or some social organization. If you like to be covered with grease, if you like to sweat out piloting an airplane through stormy weather from one coast to another and call that a social activity, very well, then vote against this bill. Then that is "social activity." But if you want to try to help to carry on the war effort, if you want to release a few more men to do some of the ferrying in combat zones and to release a few more men to do flying in the combat zones, to engage the enemy themselves, then pass this bill and release another 2,500 pilots who otherwise will have to stay in this country; 2,500 men pilots who will have to do the work in this country. Our real anxiety is to try to aid in the carrying on of the war and not to interfere with the war effort. If we thought for a moment that a program of this sort was going to interfere in any way with the war program, certainly the Committee on Military Affairs and certainly the War Department would not ask for it.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield.

Miss SUMNER of Illinois. The gentleman has not answered the question that was raised. The question was, Is there now a reservoir of men already trained to do the job without passing this bill and getting women to do it instead?

Mr. COSTELLO. The Air Forces are constantly training new pilots, as was indicated earlier in the debate here. The Air Force is enlisting men 17 years of age in order that they can build them up as an Air Force reserve.

As they turn 18 they will provide replacement reserves to take pilot training to fill in the Air Forces. We built our Air Force to its strength. We do not need to build it up to the great strength that they thought might be needed some 18 months ago. The Army Air Force thought that when they started these mass raids they would have terrific losses.

Mr. HARNESS of Indiana. Will the gentleman yield?

Mr. COSTELLO. I decline to yield, Mr. Chairman.

The Air Forces anticipated they were going to have great losses. The only thing they could base it on was the flights over Africa and Tunisia. When they went into the mass raids their losses were not far greater. The replacements were far less. They had to determine 18 months in advance what they were going to need. It takes that long to train a combat pilot. So 18 months in advance they planned to expand these civilian training schools. For that purpose the C. A. A. program was evolved in order to provide instructors in the future expansion of the Air Corps pilot training program. It was not necessary, but we did not know it until 18 months had elapsed, until we were ready to put on the mass raids over Berlin. We have been doing that. We have learned that our losses have been far less than was anticipated. We are curtailing the program now. Where we have available men who can be used as fighting men why not put them out there and end the war in a hurry? We cannot satisfy the individual desires of a few of these C. A. A. pilots to be assigned to noncombat flying duties here in the United States when they are needed in combat zones.

The CHAIRMAN. The time of the gentleman from California [Mr. COSTELLO] has expired.

Mr. IZAC. I offer a preferential motion.

The CHAIRMAN. The Clerk will report the motion of the gentleman from California.

The Clerk read as follows:

> Mr. IZAC moves to strike out the enacting clause.

The CHAIRMAN. The gentleman is recognized for 5 minutes in support of his motion.

Mr. IZAC. Mr. Chairman——

Mr. HARNESS of Indiana. Will the gentleman yield? I would like to answer the question of the gentlewoman from Illinois [Miss SUMNER].

Mr. MAY. Mr. Chairman, I reserve a point of order against the motion.

Mr. HARNESS of Indiana. The gentlewoman from Illinois asked if there had been any justification for the creation of this corps. I will say to the gentlewoman and to the membership of the House generally that if they will utilize the services of more than 2,500 male instructors who have from 800 to 4,000 hours in the air, they may not need all the WASPS they intend to bring in.

Mr. IZAC. The gentleman is absolutely right. That is one of the points I intend to bring out. My object here is to kill this bill because we do not need such a bill. It is the most unjustified piece of legislation that could be brought before the House at this late date. I know that any woman would like to have 2,500 girls under her and be a colonel. But, how about Mrs. Hobby and the other women who have 66,000 girls under them? They cannot be any higher than a colonel. Still, for 2,500 WASPS we want to make some woman a colonel. That is just one of the sidelights of this thing. There are more than 2,500 men sitting out on the beaches of California today, who have been instructing for 4 years, the finest aviators we have in this country. The Army says, "You cannot pass the examination, so out you go, but we will uniform these women and let them take your places." Is that not a fine situation? There are not only 2,500 of these men pilots and instructors, but we have several thousands of them. Everyone of us has received letters from home asking, "Why can't I get into combat service? If I am good enough to instruct the boys who do go to combat, at least let me tow the target so they can have target practice." Many of these people who are instructors have been instructing for 4 years, and they all have thousands of hours of flying. They have been able surely to get as good training as these women now towing targets and doing utility work that is necessary around the desert training camps.

Mr. BATES of Massachusetts. Will the gentleman yield?

Mr. IZAC. I yield.

Mr. BATES of Massachusetts. The gentleman speaks about letters he has received from parents back home. What about the letters he will receive starting next week when from 10,000 to 12,000 will be washed out of the Navy training program?

Mr. IZAC. It will be more than that. Seventeen thousand Navy boys will be washed out right away and you have had 36,000 Army boys washed out. Why? Because they can afford to pick and choose. They said, "This is very important training and only a few can qualify, so we will name only a few of the best to continue training and all you other boys must go into the infantry; but still we must have our 2,500 girls." Yes they want to train more girls while at the very time many excellent pilots and instructors are being denied the right to continue flying at all.

You are not going to make it any different for these women because 500 of them are already serving under civil service doing this identical utility work. No change, except the change that comes by putting on a manikin's uniform. It is not going to help the course of the war one bit, and I am sorry to see Hap Arnold lose his balance over this proposition.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MAY. I had reserved a point of order on the motion.

The CHAIRMAN. The gentleman will please state the point of order.

Mr. MAY. I reserve the point of order against the motion on the ground that it is not in proper form and does not comply with the rules of the House. The motion should read: I move that the Committee do now rise and report the bill back with instructions that the enacting clause be stricken out.

The CHAIRMAN (Mr. RAMSPECK). The gentleman from Kentucky is correct.

The Chair sustains the point of order.

Mr. BROOKS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am sure you are all aware that I have been working for several months upon the matter of helping the Civil Aeronautics-W. T. S. trainees. My interest has not been to penalize the Army Air Force or to hurt it in any way, but it has been to aid and assist the Civil Aeronautics trainees. It was with that reason in mind that I presented an amendment which is known as the committee amendment to this bill.

Mr. Chairman, I have a letter, dated June 17, 1944, from Major General Ulio, Adjutant General of the United States Army, addressed to Senator EDWIN C. JOHNSON, in reference to the matter of the disposition of these trainees under the Civil Aeronautics and W. T. S. program. I want to take this time to read one paragraph of the letter which I think is pertinent and will indicate the disposition which the Army Air Force has in mind making of this group of 5,000 trainees still in service.

I read:

It is appreciated that you have called this to our attention, and I desire to assure you that the War Department is taking steps to have each and every one of the former C. A. A.-W. T. S. trainees who have not already been offered aviation cadet training, glider pilot training, or who are not awaiting such training the opportunity to request discharge from the Army of the United States, if he so desires.

In other words, under the terms of this letter the program will be, if we give them authorizing legislation as proposed in the committee amendment, to use these men as pilots or to release them from service if they do not qualify.

I sometimes think with a certain amount of fear that it is a serious mistake for us to attempt to legislate standards and requirements for pilots, on the floor of the House of Representatives. I think it is far better, if the men are taken in and if the Air Forces find they do not qualify as pilots or flyers that they should be released from service.

In such a program with the enabling legislation that is proposed today, the Air Forces will release from service all those who do not qualify, but every last one who does qualify will be used in the flying service of the Air Corps.

By unanimous consent, the pro forma amendments were withdrawn.

The Clerk read as follows:

SEC. 3. Under such regulations as the Secretary of War shall prescribe, female aviation cadets may be appointed for pilot training in the Army of the United States and, upon successful completion of the prescribed course of training, may be commissioned as second lieutenants in the Army of the United States under the provisions of the joint resolution of September 22, 1941, or appointed as flight officers of the Army of the United States under the provisions of the act of July 8, 1942 (56 Stat. 649). Service as an aviation cadet which is terminated by discharge before completion of the prescribed course of training or before commission as a second lieutenant or appointment as a flight officer, and which is not terminated as a result of a physical disability incurred during such training, shall not be regarded as service in the armed forces within the meaning of the laws granting rights, privileges, or benefits to discharged members of the armed forces.

Mr. BROOKS. Mr. Chairman, I offer an amendment.

Mr. MAY. Mr. Chairman——

The CHAIRMAN. Is the gentleman from Kentucky seeking recognition?

Mr. MAY. Mr. Chairman, the amendment mentioned by the gentleman from Louisiana is a committee amendment which the House Committee on Military Affairs has authorized. I yield to him for the purpose of offering it.

Mr. HARNESS of Indiana. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARNESS of Indiana. Has an amendment been offered to section 3 yet?

Mr. BROOKS. I am offering a committee amendment.

The CHAIRMAN. The gentleman from Louisiana has offered an amendment to section 3. The amendment has not yet been reported.

Mr. IZAC. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. IZAC. Mr. Chairman, I have a preferential motion at the desk to strike out the enacting clause. Is it not now in order?

The CHAIRMAN. It is. Does the gentleman offer the motion?

Mr. IZAC. I offer the motion, Mr. Chairman.

The Clerk read as follows:

Mr. IZAC moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. IZAC. Mr. Chairman, I shall not take the 5 minutes. This is the motion I thought I had offered before, but I neglected to include the phrase "That the Committee do now rise."

I think this is an unconscionable bill. It should not be presented to the House at this time. I therefore ask that you support the motion I have offered.

Mr. CRAVENS. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield.

Mr. CRAVENS. If the gentleman's motion carries and this bill fails how will it be possible to preserve the opportunities we seek for these civilian trained pilots? That is the thing that concerns me right now.

Mr. IZAC. I believe that the amendment proposed by the committee as amended by the proposal of the gentleman from Indiana [Mr. HARNESS] can be brought back in a separate bill.

Mr. CRAVENS. And we can meet the problem in that way.

Mr. IZAC. That is right.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield.

Mr. BATES of Massachusetts. I read a portion of section 3 of the bill:

Under such regulations as the Secretary of War shall prescribe, female aviation cadets may be appointed for pilot training in the Army of the United States and, upon successful completion of the prescribed course of training, may be commissioned as second lieutenants.

Today we are training women pilots, yet through a naval edict we are wiping out the further training of 17,000 boys who are now in process of being trained.

Mr. IZAC. That is correct. I think the point is well taken.

Mr. Chairman, I insist on my motion.

Mr. THOMASON. Mr. Chairman, I rise in opposition to the motion.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. THOMASON. Mr. Chairman, I think I sense the temper of this Committee and I am taking these 5 minutes to beg and plead for clear straight thinking without any bias and without any prejudice. It is now 2:30 p. m. in this country and the latest press report states that our boys are marching into Cherbourg. The latest press reports also say that a mighty naval battle is now raging in the Pacific. Our boys in the Southwest Pacific are on the march. The Chief of Staff, General Marshall, Admiral King, and the Chief of the Air Corps, General Arnold, are now on the European front with the

Allied forces. Critical and dangerous days are ahead. The casualty lists are sure to bring sorrow to many an American home.

I did not favor this bill as it was originally introduced in the committee, but when I learned that several thousand C. A. A. men had not had fair treatment, I was one of those who asked the committee to reconsider and offer an amendment to include them, which was done. I ask you now to let this bill be amended as proposed, for it is the only opportunity these fine young men are going to have for fair play and fair treatment. If you strike out the enacting clause they will lose all. I predict if you kill this bill most of these experienced flyers will be privates in the infantry by the time we return from our recess.

More than that, I hold in my hand the testimony of the Chief of the Air Corps, General Arnold, whom I regard as one of the greatest men, one of the greatest soldiers, one of the greatest officers this country has ever produced. We have got to trust somebody in this terrible war; we have got to follow our military leaders if we win, and, somehow or other, I feel that General Marshall and General Arnold and Admiral King know more about this situation than we do. I trust and will follow them to the limit in military matters. The record I hold in my hand is the testimony of General Arnold before the Committee on Military Affairs and he testified these young women have done a magnificent job. They have already been trained by the Government of the United States, many of them at Sweetwater, Tex. They are expert flyers. He advises that they be transferred into the Army for military reasons as you did when you voted for the WAVES and the WAC's in order that they may ferry these planes and release 2,500 men for combat duty. These women are not to be in combat. They are to ferry planes all over this country and to ports of embarkation. I am thinking about what is for the best interests of our country, what is for the best interests of winning this war. I want to be sure I make the winning of the war my highest objective. I want to keep up my 100 percent war record.

I am a friend of the Navy and I regret to see a little evidence of feeling here upon the part of some of our friends on the Naval Affairs Committee. I am pleading for the Navy, I am pleading for the Army, and I am pleading for the Air Corps; I am pleading for unity and the backing up of all our military leaders. I want to say that if this motion prevails and we get back to the House I am not one of those who is willing to go down on the printed record as casting my vote against the advice of the Chief of our Air Corps, who has been the man that produced the greatest air fighting force in the world.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. ANDREWS of New York. While I think the motion of the gentleman from California should not prevail, I see no necessity for there being any further debate; I believe every member knows how he is going to vote and I believe we should proceed right now to vote it up or down.

Mr. THOMASON. While I am not in sympathy with everything that is in the bill, yet I am not willing to go on record as saying that the head of the greatest air power in the world should have his official request turned down. We are not military experts. Our military leaders are now on the way to a glorious victory. Our brave boys are fighting and winning on every front. The least we can do is to back them up. At least, we ought to fight fairly and meet the issue squarely. It is proposed to strike out the enacting clause. That is sometimes clever parliamentary tactics, but I plead with you to adopt the committee amendment that will do justice to these fine C. A. A. men, and then perfect and pass the bill. In that way we will take care of the men who can qualify, and we will also give General Arnold the qualified women whom he asks for. He can be depended upon to treat them all fairly, and we will be hastening the day of victory.

The CHAIRMAN. All time on this motion has expired.

The question is on the motion of the gentleman from California that the Committee rise and report the bill back with the recommendation that the enacting clause be stricken out.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 119, noes 102.

Mr. MAY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. MAY and Mr. IZAC to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 126, noes 110.

So the motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. RAMSPECK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 4219, to provide for the appointment of female pilots and aviation cadets in the air forces of the Army, had directed him to report the same back to the House with the recommendation that the enacting clause be stricken out.

The SPEAKER. The question is on the recommendation of the Committee of the Whole.

Mr. MAY. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The Clerk called the roll; and there were—yeas 188, nays 169, not voting 73, as follows:

[Roll No. 104]

YEAS—188

Abernethy	Bell	Buffett
Allen, Ill.	Bender	Bulwinkle
Andersen, H. Carl	Bennett, Mich.	Burch, Va.
Anderson, N. Mex.	Bennett, Mo.	Burchill, N. Y.
Andrews, Ala.	Bishop	Busbey
Baldwin, Md.	Bonner	Butler
Barrett	Bradley, Pa.	Byrne
Barry	Brehm	Camp
Bates, Mass.	Brown, Ga.	Cannon, Mo.
Beall	Brumbaugh	Capozzoli
	Bryson	Carlson, Kans.
	Buckley	Carrier
Carson, Ohio	Hoch	O'Brien, Ill.
Chenoweth	Hoffman	O'Brien, N. Y.
Clevenger	Holifield	O'Hara
Compton	Holmes, Mass.	O'Konski
Courtney	Hope	Pittenger
Cox	Hull	Ploeser
Cravens	Izac	Poage
Crosser	Jackson	Poulson
Curley	Jeffrey	Pracht, C. Frederick
D'Alesandro	Jenkins	Price
Davis	Jensen	Ramspeck
Delaney	Johnson, Anton J.	Randolph
Dingell	Johnson, Ward	Rankin
Drewry	Jones	Reed, Ill.
Dworshak	Jonkman	Rees, Kans.
Eaton	Keefe	Richards
Eberharter	Kelley	Rizley
Elliott	Keogh	Robertson
Ellsworth	Kerr	Robinson, Utah
Engle, Calif.	Kilday	Robsion, Ky.
Feighan	Kinzer	Rockwell
Fisher	Kirwan	Rooney
Fogarty	Kleberg	Rowe
Forand	LaFollette	Sasscer
Fulmer	Lambertson	Satterfield
Furlong	Lane	Scanlon
Gallagher	Lanham	Schwabe
Gathings	Larcade	Scrivner
Gerlach	LeCompte	Sikes
Gilchrist	Lesinski	Smith, Ohio
Gillette	Lynch	Smith, Va.
Gillie	McConnell	Smith, W. Va.
Goodwin	McCowen	Smith, Wis.
Gordon	McGehee	Somers, N. Y.
Gorski	McGregor	Springer
Gossett	McMillan	Starnes, Ala.
Graham	McWilliams	Stockman
Grant, Ala.	Madden	Sullivan
Grant, Ind.	Maloney	Sumner, Ill.
Gregory	Manasco	Sundstrom
Griffiths	Mason	Talbot
Hare	Miller, Pa.	Tarver
Harris, Va.	Monkiewicz	Tolan
Hart	Monroney	Vincent, Ky.
Hartley	Morrison, La.	West
Hébert	Mruk	White
Heffernan	Murray, Tenn.	Wilson
Hendricks	Myers	Winstead
Hess	Newsome	Wolcott
Hill	Norman	Wolfenden, Pa.
Hinshaw	Norrell	Woodrum, Va.
Hobbs		

NAYS—169

Allen, La.	Fenton	Michener
Anderson, Calif.	Fernandez	Miller, Conn.
Andresen, August H.	Flannagan	Miller, Nebr.
Andrews, N. Y.	Folger	Mott
Angell	Gale	Mundt
Arends	Gamble	Murray, Wis.
Auchincloss	Gearhart	Norton
Baldwin, N. Y.	Gore	O'Brien, Mich.
Barden	Gwynne	O'Neal
Bates, Ky.	Hall, Leonard W.	O'Toole
Beckworth	Halleck	Outland
Blackney	Hancock	Pace
Bland	Harness, Ind.	Patton
Bloom	Harris, Ark.	Philbin
Bolton	Hays	Powers
Brooks	Herter	Pratt, Joseph M.
Brown, Ohio	Hoeven	Priest
Buck	Holmes, Wash.	Ramey
Burgin	Horan	Rivers
Canfield	Howell	Rodgers, Pa.
Carter	Jarman	Rogers, Mass.
Case	Jennings	Rohrbough
Celler	Johnson, Ind.	Rolph
Chapman	Johnson, J. Leroy	Rowan
Church	Johnson, Lyndon B.	Russell
Clark	Johnson, Okla	Sabath
Clason	Judd	Sadowski
Cochran	Kean	Schiffler
Coffee	Kee	Shafer
Cole, Mo.	Kefauver	Sheppard
Cole, N. Y.	King	Short
Colmer	Knutson	Simpson, Ill.
Cooley	Kunkel	Simpson, Pa.
Cooper	Lea	Slaughter
Costello	LeFevre	Smith, Maine
Crawford	Luce	Snyder
Cunningham	Ludlow	Sparkman
Curtis	McCormack	Spence
Dawson	McKenzie	Stanley
Day	McLean	Stearns, N. H.
Dewey	Maas	Stefan
Dickstein	Mahon	Stevenson
Dondero	Mansfield, Mont.	Stigler
Doughton	Marcantonio	Sumners, Tex.
Durham	Martin, Iowa	Taber
Ellis	Martin, Mass.	Talle
Ellison, Md.	May	Thomas, N. J.
Elston, Ohio		Thomas, Tex.
Engel, Mich.		Thomason
Fellows		Tibbott

Torrens	Ward	Willey
Towe	Welchel, Ohio	Winter
Troutman	Weiss	Wolverton, N. J.
Vinson, Ga.	Welch	Worley
Vorys, Ohio	Wene	Wright
Vursell	Whittington	Zimmerman
Wadsworth	Wickersham	
Walter	Wigglesworth	

NOT VOTING—73

Arnold	Hagen	Murdock
Boren	Hale	Murphy
Boykin	Hall,	O'Connor
Bradley, Mich.	Edwin Arthur	Patman
Burdick	Harless, Ariz.	Peterson, Fla.
Cannon, Fla.	Heidinger	Peterson, Ga.
Chiperfield	Johnson,	Pfeifer
Dies	Calvin D.	Phillips
Dilweg	Johnson,	Plumley
Dirksen	Luther A.	Rabaut
Disney	Kearney	Reece, Tenn.
Douglas	Kennedy	Reed, N. Y.
Elmer	Kilburn	Sauthoff
Fay	Klein	Scott
Fish	Landis	Sheridan
Fitzpatrick	Lemke	Stewart
Ford	Lewis	Taylor
Fulbright	McCord	Treadway
Fuller	McMurray	Voorhis, Calif.
Gavin	Magnuson	Wasielewski
Gibson	Mansfield, Tex.	Weaver
Gifford	Merritt	Whelchel, Ga.
Gillespie	Merrow	Whitten
Granger	Miller, Mo.	Woodruff, Mich.
Green	Mills	
Gross	Morrison, N. C.	

So the recommendation of the Committee of the Whole House on the state of the Union that the enacting clause be stricken out was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Taylor for, with Mr. Gifford against.

Mr. Miller of Missouri for, with Mr. Kilburn against.

Until further notice:

General pairs:

Mr. Kennedy with Mr. Dirksen.

Mr. Rabaut with Mr. Elmer.

Mr. Sheridan with Mr. Heidinger.

Mr. Klein with Mr. Scott.

Mr. Voorhis of California with Mr. Reed of New York.

Mr. Whitten with Mr. Gavin.

Mr. Fay with Mr. Douglas.

Mr. Boykin with Mr. Arnold.

Mr. McMurray with Mr. Calvin D. Johnson

Mr. Pfeifer with Mr. Landis.

Mr. Mills with Mr. Kearney.

Mr. Harless of Arizona with Mr. Hale.

Mr. Merritt with Mr. Plumley.

Mr. Dilweg with Mr. Gross.

Mr. Cannon of Florida with Mr. Phillips.

Mr. Luther A. Johnson with Mr. Gillespie.

Mr. Peterson of Georgia with Mr. Woodruff of Michigan.

Mr. Murphy with Mr. Lewis.

Mr. Weaver with Mr. Fish.

Mr. Magnuson with Mr. Edwin Arthur Hall.

Mr. Wasielewski with Mr. Bradley of Michigan.

Mr. McCord with Mr. Chiperfield.

Mr. Mansfield of Texas with Mr. Lemke.

Mr. Peterson of Florida with Mr. Fuller.

Mr. Fulbright with Mr. Merrow.

Mr. Disney with Mr. Reece of Tennessee.

Mr. Boren with Mr. Sauthoff.

Mr. Gibson with Mr. Treadway.

Mr. Murdock with Mr. Hagen.

Mr. Granger with Mr. Burdick.

Mr. FLANNAGAN changed his vote from yea to nay.

Mr. CANNON of Missouri changed his vote from nay to yea.

Mr. KNUTSON changed his vote from yea to nay.

Mr. BEALL changed his vote from nay to yea.

Mr. AUCHINCLOSS changed his vote from yea to nay.

Mr. O'BRIEN of New York changed his vote from nay to yea.

Mr. CROSSER changed his vote from nay to yea.

The result of the vote was announced as above recorded.

On motion of Mr. IZAC, a motion to reconsider the vote by which the enacting clause was stricken out was laid on the table.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from New York [Mr. MRUK] have permission to extend his own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD and include an editorial from Collier's magazine in support of the Dies committee.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a letter from the United States Department of Agriculture.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

TERMINATION OF WAR CONTRACTS

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that the conferees on the part of the House may have until midnight tonight to file a conference report and statement to accompany the bill S. 1718.

The SPEAKER. Is there objection?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4837. An act to extend for an additional 2 years the suspension in part of the processing tax on coconut oil.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 4967) entitled "An act, making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Oklahoma, Mr. HAYDEN, Mr. OVERTON, Mr. RUSSELL, Mr. TRUMAN, Mr. REYNOLDS, Mr. BRIDGES, Mr. GURNEY, and Mr. BROOKS to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 4861) entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'MAHONEY, Mr. GLASS, Mr. OVERTON, Mr. THOMAS of Oklahoma, Mr. BILBO, Mr. NYE, Mr. HOLMAN, and Mr. BURTON to be the conferees on the part of the Senate.

REGULATION OF INSURANCE BUSINESS

Mr. SABATH. Mr. Speaker, I call up the resolution, House Resolution 422, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3270) to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States and that the acts of July 2, 1890, and October 15, 1914, as amended, be not applicable to that business. That after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, later on I shall yield 30 minutes to my colleague from Illinois, Mr. ALLEN. I wish to be notified when I have consumed about 7 minutes.

Mr. Speaker, this rule makes in order an extremely important piece of legislation and I feel that each and every Member should be made familiar with the intent of this bill.

This bill comes from the Committee on the Judiciary, and notwithstanding there was a minority report signed by three members of that committee against the bill, the Rules Committee felt that in view of the urgent request of that committee, a rule should be granted.

It is a very short bill but extremely important, and for the information of the House I shall read what the bill aims to do:

That nothing contained in the act of July 2, 1890, as amended, known as the Sherman Act, or the act of October 15, 1914, as amended, known as the Clayton Act, shall be construed to apply to the business of insurance or to acts in the conduct of that business or in anywise to impair the regulation of that business by the several States.

In other words, it exempts insurance companies and corporations from the Sherman and Clayton Acts. I am doing my duty as chairman of the Committee on Rules in calling up the resolution, and at the same time performing my duty in calling attention to how far reaching this bill is which the resolution makes in order. We have provided for 3 hours of general debate. After that debate the bill will be taken up under the 5-minute rule for amendment.

I fully appreciate that all of the insurance companies, or nearly all of them,

their attorneys and their agents have been extremely busy for a long while in the passage of this bill, claiming that the Federal Government should not in any way interfere with State regulation. For that reason they desire to bring about the adoption of this legislation which will bring about that result.

Of course, you are all familiar with the fact that only a few weeks ago the Supreme Court held that the insurance business is interstate business. There were about 163 companies indicted, and the Supreme Court sustained the position of the Government. I feel the adoption of this legislation will nullify the action of the Department of Justice, and may preclude prosecution, although the Supreme Court has held that it has jurisdiction and that insurance is subject to interstate commerce. I am giving you these facts so that you will know what the bill aims to do. I feel it is a dangerous procedure. I think if the framers of our Constitution did not desire to include insurance companies they would have exempted them. They have not exempted them. The Supreme Court has said that it is interstate business. Many of the insurance companies have conceded many times it is interstate commerce, and in my opinion there is no question about it. Consequently, I feel you gentlemen should have all the information on the proposed legislation before you are called upon to cast your vote.

Mr. Speaker, I do not desire to take any further time. I reserve the balance of my time and I now yield 30 minutes to my colleague, the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require and I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, the resolution now before you makes in order the consideration of H. R. 3270, to affirm the intent of Congress that the regulation of the business of insurance remain within the control of the several States and that the acts of July 2, 1890, and October 15, 1914, as amended, be not applicable to the insurance business. That after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours the bill shall be read for amendment under the 5-minute rule. The rule provides for one motion to recommit.

The purpose of the bill is clearly stated in the title, namely, to affirm the intent of Congress that the regulation of the business of insurance remain within the control of the several States, where it now exists. After extensive hearings the Judiciary Committee practically unanimously reported this bill last November. That committee had many witnesses before it. They went into this matter most thoroughly and in great detail. After hearing representatives of the Department of Justice, State officials, representatives of insurance companies, and various experts the committee concluded that regulation of insurance companies should remain under the control of the various States. It has been urged in opposition to this bill that the States do not have power to control the business of insurance effectively and to prevent excesses and unsound monopolistic practices. The hearings disclose that these allegations are not true. Not one practice or excess or abuse has been cited which the States have not adequate power to reach. The record contains letters and telegrams which make it clear that the Governors and insurance officials of the States are satisfied with the powers they possess. They are not calling on Washington for assistance. There has not been any demand by the millions of policyholders to have control in Washington. They desire that it remain under State control instead of Washington bureaucracy. The people have had enough of Government regulation. They want their insurance left alone, free of Federal meddling. They are perfectly satisfied with the present conditions. They know that the various State insurance officials are capable and trustworthy. They do not trust the Federal bureaucrats. All of us have received many letters to this effect.

All taxes are paid by insurance companies direct to the various States. Each State has an insurance commissioner who executes the laws passed by the State legislature. If there is a violation the attorney general of the State brings suit. If the company does not comply with the laws of the individual State as to rates, investments, and reserves, in fact, with everything connected with the protection of the policyholders and the solvency of the company the State under its laws can deprive them of doing business within the State. All companies must be licensed with the State and comply with the laws of the State in order to operate within the State. Is it not true that local regulation is far superior to Federal?

It has been asserted by the few opponents of this bill that it would grant an exemption of the insurance business from the antitrust laws. The bill could have no effect since the antitrust laws have never been applicable to the business of insurance and if insurance is to be made subject to those laws it should be done by an act of Congress which is the lawmaking and body fixing branch of the Government. For over 75 years the Supreme Court of the United States has repeatedly held that insurance may be regulated by the various States. For over 90 years insurance has been regulated by the States—each acting to meet local conditions and each as it deems for the best interests of its citizens. Have you, with the exception of a few new dealers, heard of any complaints against the insurance companies? Does not your files disclose that your people back home are completely satisfied with present conditions? Do we in Washington need to take over a business which was intended to be controlled by the States? If so, why?

I ask you, here and now, if Federal bureaucracy is to run the insurance business of the country, why have not they equal rights to run the various State banks? I live in northwestern Illinois, close to the State lines of Iowa and Wisconsin. It is true that certain Illinois insurance companies do business in Iowa and Wisconsin. Of course these insurance companies must be licensed to do business in Iowa and Wisconsin. If they do not follow the laws of Iowa and Wisconsin they can be sued. They can have their license revoked. Under these conditions do you believe they are not desirous of following the law? Many insurance agents in Illinois sell insurance to people in Wisconsin and Iowa if they are given that territory. Undoubtedly many insurance agents from my own district sell insurance to people residing in Iowa and Wisconsin. Insurance is not a commodity. It is not tangible. The same is true of the business carried on by State banks. Without question several State banks of my district carry on business with citizens of Iowa and Wisconsin. Banks do not sell commodities either. I would ask you, what is the difference from the Federal viewpoint, if an insurance agent of Illinois selling insurance over the immediate State lines or an agent of a bank from Illinois going over the State line and selling bank stocks, taking notes and mortgages, soliciting deposits? In both cases they are selling noncommodities. Both are doing business outside the State.

The opponents of this bill would like to have us believe that we are attempting to place the insurance companies in a select group. Of course everyone knows that many firms and establishments are doing business over State lines and do not come under the antitrust laws.

In keeping with past Supreme Court decisions, State regulation has been developed. It has been accepted by the courts, the States, the insurance business, and the public as the proper and most effective means of protecting policyholders and that after all is the important thing. Because of local conditions or preferences, the details of and practices under State regulation vary with the States; however, Federal antitrust laws are repugnant to the fundamental concept of insurance and its regulation as reflected in the general pattern of State regulation. That general pattern is here referred to as State regulation.

Although Federal antitrust laws have been in effect for more than 50 years, neither the Federal Department of Justice nor any Federal department has, until 1942, sought to apply those laws to insurance, although private individuals have unsuccessfully attempted to do so.

There can be no doubt of the fact that from a practical standpoint fire insurance should be regulated by the States. The business is local, almost neighborhood, for the great preponderance of policies are written through local agents. It is closely related to the contract and property laws of the several States. Each for itself can regulate it in what they may deem their several public interests. The States have done this in detail. Each has been able to meet any problem which arises, and each will be able to meet any future problem. They have not called for any Federal aid. There has been no public demand for interference by the

Federal Government. It is generally recognized the Federal Government could not regulate the business on a Nationwide scale and at the same time give weight to many local factors peculiar to the respective States. Every insurance man knows that loss experience and physical and economic conditions in the several States vary, and that while State regulation on the whole follows a definite pattern it should vary with the States to meet local conditions.

No one will contend that State regulation is absolutely perfect; but certainly Federal regulation would be far less perfect.

I have stated that the Committee on the Judiciary reported this bill last November and the Rules Committee voted on it in January. It may therefore well be asked why it has not been brought to the floor sooner and why it is finally brought here just at this time, when the House is occupied with pressing war measures and plans for post-war readjustment.

The answer is simple. Until recently the regulation of the insurance business was entirely in the hands of the States, as it had been for nearly a century, and the Federal antitrust laws, under decisions of the Supreme Court going back 75 years, had no application to that business. On June 5, however, the Supreme Court, by a decision of four Justices—less than a majority of the entire Court—against three, repudiated the long-established and recognized precedents and held that insurance is commerce and is subject to the antitrust laws.

The result of this decision, unless immediate action is taken by Congress, will be to nullify the entire system of State regulation and to produce chaotic conditions in the insurance business, which, under the imminent threat of criminal prosecutions, will have to adopt revolutionary changes in its methods and practices.

Not only is the insurance business itself faced with dire consequences but the public will also suffer if the situation is not promptly remedied. No system of Federal regulation is in existence—the antitrust laws represent the antithesis of regulation. As a matter of fact, I do not believe that Congress has any inclination to adopt a system of Federal regulation of insurance, but even if it should wish to take over the regulation of the business it could not possibly do so without extended consideration and careful study, and in the meantime it is essential that the existing system, that of State regulation, be preserved.

The gentleman from New Mexico [Mr. ANDERSON], speaking in this House on June 13, argued that this bill is a meaningless gesture because the recent decisions of the Supreme Court declared the business of insurance to be subject to Federal regulation. In his anxiety to give recognition to the holdings of the Supreme Court, however, he overlooked the fact that Congress still is the lawmaking body of the Nation. Admittedly, the Federal Government has power to regulate insurance if we choose to exercise that power, but it is equally clear that we, the Congress, can leave such regulation, in whole or in part, in the hands of the States.

The great majority of the people are holding us in contempt for delegating the constitutional powers of Congress. Let us once again assert ourselves.

I should like to emphasize in particular, since some question has been raised on the subject, that this bill does not in any way affect the application to insurance of the Wages and Hours Act or the Fair Labor Standards Act. Any conceivable doubt as to whether the insurance business is subject to those laws was removed by the ruling of the Supreme Court in the Polish National Alliance case, which was also decided recently. This bill does not touch the basis on which those acts rest. It does not attempt to declare that insurance is not commerce, but deals only with the Sherman and Clayton Acts and simply provides in unambiguous language that those two acts shall not apply to insurance.

In order to appreciate the seriousness of the situation which has now arisen, it is necessary to understand the manner in which the operation and regulation of the insurance business have developed in the past.

It was 75 years ago that the Supreme Court decided that insurance is not commerce and that accordingly the States had full power to regulate it. Since that time the States have built up systems of regulation, their laws have been interpreted by the courts and the machinery of administration of those laws has been developed in detail and tested over a long period.

As a result of their extended experience and study of the problems involved, the States have found that cooperation in insurance, with uniformity in price and terms of protection, is essential in the public interest.

The attempt to apply the principle of the antitrust laws is no new thing as far as insurance is concerned, for many years ago the States themselves adopted laws of a similar nature and required that insurance be governed by unrestricted competition. They learned, and the reports of numerous legislative committees and other investigating bodies clearly demonstrate this, that antitrust laws do not achieve the end desired and that the nature of the business required cooperative action and accord, subject of course to close supervision by the regulatory authorities.

Insurance is very different in character from any other type of business. In essence it is a method by which to accomplish the distribution of risk, and if that distribution is on a sound and equitable basis the contributions will be determined according to the hazards, as shown by experience, and the laws of averages—factors which are not within the control of the insuring companies.

The Federal antitrust laws, in the field in which they have been applied in the past, sever an important public interest in encouraging competition. The business of fire insurance, however, calls for a different approach. In that business the public interest lies primarily in the protection of the policyholders through the preservation of the financial soundness of the insurer.

Although it is, of course, important that insurance rates must not be excessive—and the States have full power to prevent excessive rates—it is equally important that the rates should be adequate to preserve the solvency of the insuring companies. Cut rates often result in insolvency and the result of insolvency is loss to the public who buy the insurance.

One of the last witnesses to appear in the hearings on this bill was Mr. Robert E. Dineen, superintendent of insurance of the State of New York. Let us see what he had to say on the subject. I quote:

> Our State—and by the way, when I say this I am not expressing my own views in this respect; I am merely echoing the legislative policy of our State—says legislatively the application of an antitrust provision is a blunder in the insurance business, and that is one of the worst things that could happen. Under our theory of government—and when I say our theory, I am addressing myself solely to the State of New York—we believe that rate regulation is the answer.
>
> In your colloquy today, Senator, you expressed concern—and it isn't something peculiar to you, for I think all of us feel that way—for the survival of small business. The minute you get into applying the provisions of the Sherman Antitrust Act to the insurance business and allow unrestricted competition to take place, that, in my judgment, is the most effective means that I know of to drive the small people out of the insurance business.

If it is Federal regulation that the opponents of this bill desire, and there is good reason to think that prosecutions would not have been instituted except with the idea of eventual Federal control, let them come forward frankly and make clear to us in what respects the States are in need of assistance from the Federal Government. This bill will not stand in the way, for it does not constitute a surrender of the powers of Congress. At any time we can step in and lend our aid, if and when its need is proven.

As the Chief Justice said in the dissenting opinion, I quote:

> But the immediate and only practical effect of the decision now rendered is to withdraw from the States, in large measure, the regulation of insurance and to confer it on the National Government, which has adopted no legislative policy and evolved no scheme of regulation with respect to the business of insurance. Congress having taken no action, the present decision substitutes for the varied and detailed State regulation developed over a period of years, the limited aim and indefinite command of the Sherman Act for the suppression of restraints on competition in the marketing of goods and services in or affecting interstate commerce, to be applied by the courts to the insurance business as best they may.

It is a matter of common knowledge that there are in America some persons or groups who would prefer a large scale displacement of State activities with Federal activities. There is not any question about that and this clique has worried me a great deal. Through manipulation, even before the commencement of

the war the bank deposits and life savings of your people and my people have been gradually brought to Washington under the supervision of certain individuals who were never elected to an office in their lives. Now these same individuals desire to control the insurance protection of our people. I am inclined to believe that on roll call on this bill that a large majority of the membership will say with their vote, "We have had enough of this Federal control by bureaucrats—that Congress will preserve for itself the right to displace or impair State regulation. That Congress will make certain that a disastrous situation affecting the insurance of millions of our people will not arise with the blunders of our Federal bureaucrats."

I think in fairness to the insurance policyholders, the insurance companies, which have served the public faithfully in war and peace, that we should unanimously adopt this simple measure which affirms the intent of past Congresses and past courts.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. MYERS].

Mr. MYERS. Mr. Speaker, I ask unanimous consent that tomorrow, Thursday, after disposition of business on the Speaker's table and at the conclusion of any other special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. MYERS]?

There was no objection.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes, at which time I intend to discuss an article which appeared yesterday in the Scripps-Howard newspapers of the United States and which, in my opinion, is very important insofar as the dignity and integrity of the House is concerned.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from New Mexico [Mr. ANDERSON].

Mr. ANDERSON of New Mexico. Mr. Speaker, I want to assure the House that I have little to quarrel with in the statement just made by the gentleman from Illinois. I believe firmly in the State regulation of the insurance business. I am completely opposed to Federal regulation, and yet I am violently opposed to this bill. I have a very personal and perhaps selfish reason for it. I have devoted most of my lifetime to the insurance business. I have organized a small company, and I am still its president.

The title of the bill states that it is the intent of the Congress that the regulation of the business of insurance remain in the control of the several States. If that is our object, then I say we should pass a bill that does it, and not a bill that protects some people against criminal prosecution. There is not a line in this bill that touches the regulation of insurance by the States. That is set forth only in the title. It was in the preamble, but that is all stricken out. We now find six simple lines that say that the Clayton and Sherman Acts shall not apply to insurance, and that is all there is in this bill.

In the meantime, the Supreme Court of this country has held that insurance is commerce and, therefore, under the commerce clause of the Constitution gives this Government the right to regulate the insurance business. I want to see a bill recommended to this Congress that the various States, speaking through their regular insurance commissioners, can support. I have a telegram here from the Association of Insurance Commissioners pointing out that they have set up a regular committee, headed by the insurance commissioner from Arkansas, Mr. Graves, for the purpose of drawing a decent bill which will express the intent of Congress that the regulation of the insurance business shall remain in the several States. Those are the men elected by law, representing the buyers of insurance within the various States, who tell the fire insurance companies, who tell the casualty companies, and the life insurance companies what to do in insurance matters. Each State selects the insurance commissioners to speak on insurance matters, and those people have sent me a telegram which expresses the fact that they have set up a commission and a committee to develop the facts. In the second place, they have adopted a resolution, not striking at the Supreme Court decision or asking you to pass this Walter bill, but a resolution that they want their attorneys general to try to set aside the Supreme Court decision. That is the proper way. In the meantime, they will come to you by September 1 with a bill that you will consider then and not now; a bill expressing the judgment of the insurance commissioners of this country. Most insurance companies are not afraid of the State regulation. The antitrust laws worry few concerns. You could repeal every antitrust law on our statute books, and the threat of Federal regulation would remain under the commerce clause. I am an insurance man. Most of the Members are lawyers, but you know I am right. You can repeal the antitrust laws of this country, but the threat of Federal regulation remains in effect under the commerce clause. Do not pass this bill in the meantime.

For your information, this is the telegram sent me from the president of the National Association of Insurance Commissioners:

ST. PAUL, MINN., *June 20, 1944.*

Hon. CLINTON P. ANDERSON,
House Office Building,
Washington, D. C.:

The following two statements issued by the National Association of Insurance Commissioners at Chicago last week will clearly answer your inquiry. I quote first statement:

"The members of this association, through this regularly appointed committee, have been engaged in studying the effect of the several Federal legislative proposals, pending and suggested, affecting all branches of the insurance business.

"The recent opinion of the Supreme Court makes necessary the acceleration of the work of this committee so as to arrive, if possible, at specific recommendations to be submitted to a special session of the executive committee of this association to be convened for that purpose not later than September 1, 1944.

"There is no industry in this country in which the public has a more vital stake, and, therefore, it is essential that any dislocations of the insurance business operating under the supervision of the several States flowing from this decision, be kept to a minimum.

"Consequently in the acceleration of this study the committee proposes to consult, so far as is possible, with all persons, groups, or organizations interested in this question. The proposed procedure includes executive sessions, informal conference, and public hearings throughout the Nation as the occasion may necessitate, with public announcement by the chairman prior to each such session."

I quote second statement:

"Whereas the recent decision of the United States Supreme Court in the case of the *United States of America* v. *Southeastern Underwriters Association et al.* is to the effect that the business of insurance is commerce and whereas one of the consequences of this decision is to create doubt, perplexity, and confusion with respect to orderly and effective regulation of the business under the regulatory laws of several States: Therefore be it

"*Resolved*, That this association recommends to the insurance supervisory official of each State that he request his attorney general to consider the desirability of cooperating in securing a rehearing of the case by the United States Supreme Court."

NEWELL R. JOHNSON.

STILL FURTHER MESSAGE FROM THE SENATE

A still further message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1764) entitled "An act to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes."

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and ask unanimous consent that the statement of the managers on the part of the House may be read in lieu of the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1764)

to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That this act may be cited as the 'stabilization Extension Act of 1944.'

"TITLE I—AMENDMENTS TO THE EMERGENCY PRICE CONTROL ACT OF 1942

"TERMINATION DATE

"SEC. 101. Section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out 'June 30, 1944' and substituting 'June 30, 1945.'

"AMENDMENT OF SECTION 2 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 102. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"'PRICES, RENTS, AND MARKET AND RENTING PRACTICES

"'SEC. 2. (a) Whenever in the judgment of the Price Administrator (provided for in section 201) the price or prices of a commodity or commodities have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this Act, he may by regulation or order establish such maximum price or maximum prices as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum price, the Administrator shall ascertain and give due consideration to the prices prevailing between October 1 and October 15, 1941 (or if, in the case of any commodity, there are no prevailing prices between such dates, or the prevailing prices between such dates are not generally representative because of abnormal or seasonal market conditions or other cause, then to the prices prevailing during the nearest two-week period in which, in the judgment of the Administrator, the prices for such commodity are generally representative), for the commodity or commodities included under such regulation or order, and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability, including the following: Speculative fluctuations, general increases or decreases in costs of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the commodity or commodities, during and subsequent to the year ended October 1, 1941: *Provided*, That no such regulation or order shall contain any provision requiring the determination of costs otherwise than in accordance with established accounting methods. Every regulation or order issued under the foregoing provisions of this subsection shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order. As used in the foregoing provisions of this subsection, the term "regulation or order" means a regulation or order of general applicability and effect. Before issuing any regulation or order under the foregoing provisions of this subsection, the Administrator shall, so far as practicable, advise and consult with representative members of the industry which will be affected by such regulation or order, and shall give consideration to their recommendations. In the case of any commodity for which a maximum price has been established, the Administrator shall, at the request of any substantial portion of the industry subject to such maximum price, regulation, or order of the Administrator, appoint an industry advisory committee, or committees, either national or regional or both, consisting of such number of representatives of the industry as may be necessary in order to constitute a committee truly representative of the industry, or of the industry in such region, as the case may be. The committee shall select a chairman from among its members, and shall meet at the call of the chairman. The Administrator shall from time to time, at the request of the committee, advise and consult with the committee with respect to the regulation or order, and with respect to the form thereof, and classifications, differentiations, and adjustments therein. The committee may make such recommendations to the Administrator as it deems advisable, and such recommendations shall be considered by the Administrator. Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act he may, without regard to the foregoing provisions of this subsection, issue temporary regulations or orders establishing as a maximum price or maximum prices the price or prices prevailing with respect to any commodity or commodities within five days prior to the date of issuance of such temporary regulations or orders; but any such temporary regulation or order shall be effective for not more than sixty days, and may be replaced by a regulation or order issued under the foregoing provisions of this subsection.

"'(b) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he shall issue a declaration setting forth the necessity for, and recommendations with reference to, the stabilization or reduction of rents for any defense-area housing accommodations within a particular defense-rental area. If within sixty days after the issuance of any such recommendations rents for any such accommodations within such defense-rental area have not in the judgment of the Administrator been stabilized or reduced by State or local regulation, or otherwise, in accordance with the recommendations, the Administrator may by regulation or order establish such maximum rent or maximum rents for such accommodations as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum rent for any defense-area housing accommodations, the Administrator shall ascertain and give due consideration to the rents prevailing for such accommodations, or comparable accommodations, on or about April 1, 1941 (or if, prior or subsequent to April 1, 1941, defense activities shall have resulted or threatened to result in increases in rents for housing accommodations in such area inconsistent with the purposes of this Act, then on or about a date (not earlier than April 1, 1940), which in the judgment of the Administrator, does not reflect such increases), and he shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs within such defense-rental area. In designating defense-rental areas, in prescribing regulations and orders establishing maximum rents for such accommodations, and in selecting persons to administer such regulations and orders, the Administrator shall, to such extent as he determines to be practicable, consider any recommendations which may be made by State and local officials concerned with housing or rental conditions in any defense-rental area. Whenever the Administrator shall find that, in any defense-rental area or any portion thereof specified by him, the availability of adequate rental housing accommodations and other relevant factors are such as to make rent control unnecessary for the purpose of eliminating speculative, unwarranted, and abnormal increases in rents and of preventing profiteering, and speculative and other disruptive practices resulting from abnormal market conditions caused by congestion, the controls imposed upon rents by authority of this Act in such defense-rental area or portion thereof shall be forthwith abolished; but whenever in the judgment of the Administrator it is necessary or proper, in order to effectuate the purpose of this Act, to reestablish the regulation of rents in any such defense-rental area or portion thereof, he may forthwith by regulation or order reestablish maximum rents for housing accommodations therein in accordance with the standards set forth in this Act.

"'(c) Any regulation or order under this section may be established in such form and manner, may contain such classifications and differentiations, and may provide for such adjustments and reasonable exceptions, as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this Act. Under regulations to be prescribed by the Administrator, he shall provide for the making of individual adjustments in those classes of cases where the rent on the maximum rent date for any housing accommodations is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense-rental area for comparable housing accommodations, and in those classes of cases where substantial hardship has resulted since the maximum rent date from a substantial and unavoidable increase in property taxes or operating costs. Any regulation or order under this section which establishes a maximum price or maximum rent may provide for a maximum price or maximum rent below the price or prices prevailing for the commodity or commodities, or below the rent or rents prevailing for the defense-area housing accommodations, at the time of the issuance of such regulation or order.

"'(d) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices (including practices relating to changes in form or quality) or hoarding, in connection with any commodity, and speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of the possession) in connection with any defense-area housing accommodations, which in his judgment are equivalent to or are likely to result in price or rent increases, as the case may be, inconsistent with the purposes of this Act.

"'(e) Whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store or use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof or otherwise to supply the demand therefor, or make subsidy payments to domestic producers of such commodity in such amounts and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof: *Provided*, That in the case of any commodity which has heretofore or may hereafter be defined as a strategic or critical material by the President pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, such determinations shall be made by the Federal Loan Administrator, with the approval of the President, and, notwithstanding any other provision of this Act or of any existing law,

such commodity may be bought or sold, or stored or used, and such subsidy payments to domestic producers thereof may be paid, only by corporations created or organized pursuant to such section 5d; except that in the case of the sale of any commodity by any such corporation, the sale price therefor shall not exceed any maximum price established pursuant to subsection (a) of this section which is applicable to such commodity at the time of sale or delivery, but such sale price may be below such maximum price or below the purchase price of such commodity, and the Administrator may make recommendations with respect to the buying or selling, or storage or use, of any such commodity: *Provided, however,* That, with the exception of any commodity which prior to the effective date of this amendatory proviso has been defined as a strategic or critical material pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, no agricultural commodity or commodity manufactured or processed in whole or substantial part from any agricultural commodity intended to be used as food for human consumption, shall, for the purposes of this subsection, be defined as a strategic or critical material pursuant to the provisions of said section 5d of the Reconstruction Finance Corporation Act, as amended. In any case in which a commodity is domestically produced, the powers granted to the Administrator by this subsection shall be exercised with respect to importations of such commodity only to the extent that, in the judgment of the Administrator, the domestic production of the commodity is not sufficient to satisfy the demand therefor. Nothing in this section shall be construed to modify, suspend, amend, or supersede any provision of the Tariff Act of 1930, as amended, and nothing in this section, or in any existing law, shall be construed to authorize any sale or other disposition of any agricultural commodity contrary to the provisions of the Agricultural Adjustment Act of 1938, as amended, or to authorize the Administrator to prohibit trading in any agricultural commodity for future delivery if such trading is subject to the provisions of the Commodity Exchange Act, as amended.

"'After June 30, 1945, neither the Price Administrator nor the Reconstruction Finance Corporation nor any other Government corporation shall make any subsidy payments, or buy any commodities for the purpose of selling them at a loss and thereby subsidizing directly or indirectly the sale of commodities, unless the money required for such subsidies, or sale at a loss, has been appropriated by Congress for such purpose; and appropriations for such purpose are hereby authorized to be made.

"'(f) No power conferred by this section shall be construed to authorize any action contrary to the provisions and purposes of section 3, and no agricultural commodity shall be sold within the United States pursuant to the provisions of this section by any governmental agency at a price below the price limitations imposed by section 3 (a) of this Act with respect to such commodity.

"'(g) Regulations, orders, and requirements under this Act may contain such provisions as the Administrator deems necessary to prevent the circumvention or evasion thereof.

"'(h) The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices, or methods, or means or aids to distribution, established in any industry, or changes in established rental practices, except where such action is affirmatively found by the Administrator to be necessary to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this Act.

"'(i) No maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1942.

"'(j) Nothing in this Act shall be construed (1) as authorizing the elimination or any restriction of the use of trade and brand names; (2) as authorizing the Administrator to require the grade labeling of any commodity; (3) as authorizing the Administrator to standardize any commodity, unless the Administrator shall determine, with respect to such standardization, that no practicable alternative exists for securing effective price control with respect to such commodity; or (4) as authorizing any order of the Administrator fixing maximum prices for different kinds, classes, or types of a commodity which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use in the trade or industry affected, or have previously been promulgated and their use lawfully required by another Government agency.

"'(k) No regulation, order, or price schedule issued under this Act shall, after the effective date of this subsection, require any seller of goods at retail to limit his sales with reference to any highest price line offered for sale by him at any prior time.

"'(l) Before growers' maximum prices are established or lowered for any agricultural commodity which is the product of annual or seasonal planting, the Price Administrator shall give to such growers, not less than 15 days prior to the normal planting season in each major producing area affected, notice of the maximum prices he proposes to establish therefor: *Provided,* That in no case shall this subsection require such notice to be given more than 12 months prior to the beginning of the normal marketing season in such area. This requirement may be satisfied by publication in the Federal Register, but the Administrator shall utilize appropriate means to insure general publicity to such prices in the areas affected. The requirements of this subsection shall not apply to the 1944 crop of any agricultural commodity of any major producing area in which the normal planting season occurs prior to July 31, 1944.

"'(m) No agency, department, officer, or employee of the Government, in the payment of sums authorized by this or other Acts of Congress relating to the production or sale of agricultural commodities, or in contracts for the purchase of any such commodities by the Government or any department or agency thereof, or in any allocation of materials or facilities, or in fixing quotas for the production or sale of any such commodities, shall impose any conditions or penalties not authorized by the provisions of the Act or Acts, or lawful regulations issued thereunder, under which such sums are authorized, such contracts are made, materials and facilities allocated, or quotas for the production or sale of any such commodities are imposed. Any person aggrieved by any action of any agency, department, officer, or employee of the Government contrary to the provisions hereof, or by the failure to act of any such agency, department, officer, or employee, may petition the district court of the district in which he resides or has his place of business for an order or a declaratory judgment to determine whether any such action or failure to act is in conformity with the provisions hereof and otherwise lawful; and the court shall have jurisdiction to grant appropriate relief. The provisions of the Judicial Code as to monetary amount involved necessary to give jurisdiction to a district court shall not be applicable in any such case.'

"AMENDMENT TO SECTION 3 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 103. (a) Subsection (e) of section 3 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"'(e) Notwithstanding any other provision of this or any other law, no action shall be taken under this Act by the Administrator or any other person with respect to any agricultural commodity without the prior approval of the Secretary of Agriculture; except that the Administrator may take such action as may be necessary under section 202 and section 205 to enforce compliance with any regulation, order, price schedule or other requirement with respect to an agricultural commodity which has been previously approved by the Secretary of Agriculture.'

"(b) Section 3 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"'(g) Whenever a maximum price has been established, under this Act or otherwise, with respect to any fresh fruit or any fresh vegetable, the Administrator from time to time shall adjust such maximum price in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such commodity.'

"AMENDMENTS TO SECTION 201 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 104. (a) Section 201 (c) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"'(c) The Administrator shall have authority to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere; for lawbooks and books of reference; for paper, printing and binding; and for purchase of commodities in order to obtain information or evidence of violations of price, rent, or rationing regulations or orders or price schedules) as he may deem necessary for the administration and enforcement of this Act. The provisions of section 3709 of the Revised Statutes shall not apply to the purchase of supplies and services by the Administrator where the aggregate amount involved does not exceed $250.'

"(b) Section 201 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"'(e) All agencies, offices, or officers of the Government exercising supervisory or policy-making powers over the Office of Price Administration, War Food Administration, or War Production Board, whether such powers are delegated to such agency, office, or officer by this or any other Act or by Executive order, shall exercise such powers only through formal written orders or regulations which shall be promptly published in the Federal Register, but shall not otherwise be subject to the provisions of the Federal Register Act: *Provided,* That no order or regulation shall be published in accordance with the requirements of this subsection containing information which, for reasons of military security, it is not in the public interest to divulge.'

"AMENDMENTS TO SECTION 202 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 105. (a) Section 202 (a) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"'SEC. 202. (a) The Administrator is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information as he deems necessary or proper to assist him in prescribing any regulation or order under this Act, or in the administration and enforcement of this Act and regulations, orders, and price schedules thereunder.'

"(b) Section 202 of the Emergency Price Control Act of 1942, as amended, is amended

by adding at the end thereof the following new subsection:

"'(i) Any person subpenaed under this section shall have the right to make a record of his testimony and to be represented by counsel.'

"AMENDMENT OF SECTION 203 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 106. Section 203 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"'PROCEDURE

"'SEC. 203. (a) At any time after the issuance of any regulation or order under section 2, or in the case of a price schedule, at any time after the effective date thereof specified in section 206, any person subject to any provision of such regulation, order, or price schedule may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of any such regulation, order, or price schedule may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the Administrator. Within a reasonable time after the filing of any protest under this subsection, but in no event more than thirty days after such filing, the Administrator shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the Administrator denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the Administrator has taken official notice.

"'(b) In the administration of this Act the Administrator may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 202.

"'(c) Any proceedings under this section may be limited by the Administrator to the filing of affidavits, or other written evidence, and the filing of briefs: *Provided, however,* That, upon the request of the protestant, any protest filed in accordance with subsection (a) of this section after September 1, 1944, shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the Office of Price Administration designated by the Administrator in accordance with regulations to be promulgated by him. Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpenas shall issue to procure the evidence of persons or the production of documents, or both. The Administrator shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the Price Administrator. The protestant shall be informed of the recommendations of the board and, in the event that the Administrator rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection.

"'(d) Any protest filed under this section shall be granted or denied by the Administrator, or granted in part and the remainder of it denied, within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the Administrator in disposing of his protest may petition the Emergency Court of Appeals, created pursuant to section 204, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to dispose of such protest within such time as may be fixed by the court. If the Administrator does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period.'"

"AMENDMENTS TO SECTION 204 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 107. (a) Subsection (c) of section 204 of the Emergency Price Control Act of 1942, as amended, is amended by inserting immediately after the third sentence thereof a new sentence as follows: 'Two judges shall constitute a quorum of the court and of each division thereof.'

"(b) Section 204 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"'(e) (1) Within thirty days after arraignment, or such additional time as the court may allow for good cause shown, in any criminal proceeding, and within five days after judgment in any civil or criminal proceeding, brought pursuant to section 205 involving alleged violation of any provision of any regulation or order issued under section 2 or of any price schedule effective in accordance with the provisions of section 206, the defendant may apply to the court in which the proceeding is pending for leave to file in the Emergency Court of Appeals a complaint against the Administrator setting forth objections to the validity of any provision which the defendant is alleged to have violated. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 203 (a). Upon the filing of a complaint pursuant to and within thirty days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation, order, or price schedule complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the Administrator or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b), (c), and (d) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection.

"'(2) In any proceeding brought pursuant to section 205 involving an alleged violation of any provision of any such regulation, order, or price schedule, the court shall stay the proceeding—

"'(i) during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provision;

"'(ii) during the pendency of any protest properly filed by the defendant under section 203 prior to the institution of the proceeding under section 205, setting forth objections to the validity of such provision which the court finds to have been made in good faith; and

"'(iii) during the pendency of any judicial proceeding instituted by the defendant under this section with respect to such protest or instituted by the defendant under paragraph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.

Notwithstanding the provisions of this paragraph, stays shall be granted thereunder in civil proceedings only after judgment and upon application made within 5 days after judgment. Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 205 (a) the court granting a stay under this paragraph shall issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of any provision of the regulation, order, or price schedule involved in the proceeding. If any provision of a regulation, order, or price schedule is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 204 (b), any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 203, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 205; nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under section 2 or of a price schedule effective in accordance with the provisions of section 206.'"

"AMENDMENTS TO SECTION 205 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 108. (a) The third sentence of subsection (c) of section 205 of the Emergency Price Control Act of 1942, as amended, is amended by striking out the period at the end thereof and inserting a colon and the following: '*Provided, however,* That all suits under subsection (e) of this section shall be brought in the district or county in which the defendant resides or has a place of business, an office, or an agent.'

"(b) Subsection (e) of section 205 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"'(e) If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, the person who buys such commodity for use or consumption other than in the course of trade or business may, within one year from the date of the occurrence of the violation, except as hereinafter provided, bring an action against the seller on account of the overcharge. In such action, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is the greater: (1) Such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than $25 nor more than $50, as the court in its discretion may determine: *Provided, however,* That such amount shall be the amount of the overcharge or overcharges or $25, whichever is greater, if the defendant proves that the violation of the regulation, order, or price schedule in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation. For the purposes of this section the payment or receipt of rent for defense-area housing accommodations shall be deemed the buying or selling of a commodity, as the case may be; and the word 'overcharge' shall mean the amount by which the consideration exceeds the applicable maximum price. If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, and the buyer either fails to institute an action under this subsection within thirty days from the date of the occurrence of the violation or is not

entitled for any reason to bring the action, the Administrator may institute such action on behalf of the United States within such one-year period. If such action is instituted by the Administrator, the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the Administrator, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered.'

"(c) The amendment made by subsection (b), insofar as it relates to actions by buyers or actions which may be brought by the Administrator only after the buyer has failed to institute an action within thirty days from the occurrence of the violation, shall be applicable only with respect to violations occurring after the date of enactment of this Act. In other cases, such amendment shall be applicable with respect to proceedings pending on the date of enactment of this Act and with respect to proceedings instituted thereafter.

"(d) Subsection (f) of section 205 of the Emergency Price Control Act of 1942, as amended, is amended by striking out the period at the end thereof, inserting a colon and the following: '*Provided*, That no regulation, order, license, or requirement heretofore or hereafter issued or prescribed pursuant to section 2 (a) (2) of the Act of June 28, 1940, as amended by the Act of May 31, 1941, and by title III of the Second War Powers Act, 1942, may validly contain any requirement as to the observance of any regulation, order, license, or requirement issued or prescribed pursuant to this Act or the Stabilization Act of October 2, 1942.'

"(e) Section 205 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"'(g) The district courts shall have exclusive *jurisdiction* to enjoin or set aside, in whole or in part, orders for suspension of allocations, and orders denying a stay of such suspension, issued by the Administrator pursuant to section 2 (a) (2) of the Act of June 28, 1940, as amended by the Act of May 31, 1941, and title III of the Second War Powers Act, 1942, and under authority conferred upon him pursuant to section 201 (b) of this Act. Any action to enjoin or set aside such order shall be brought within five days after the service thereof. No suspension order shall take effect within five days after it is served, or, if an application for a stay is made to the Administrator within such five-day period, until the expiration of five days after service of an order denying the stay. No interlocutory relief shall be granted against the Administrator under this subsection unless the applicant for such relief shall consent, without prejudice, to the entry of an order enjoining him from violations of the regulation or order involved in the suspension proceedings.'"

"TITLE II—AMENDMENTS TO THE STABILIZATION ACT OF OCTOBER 2, 1942

"AMENDMENTS TO SECTION 3 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

"SEC. 201. (a) The first proviso contained in section 3 of the Stabilization Act of October 2, 1942, as amended, is amended to read as follows: '*Provided*, That the President shall, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section:'.

"(b) Section 3 of such Act of October 2, 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"'On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price for any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity which will reflect to the producers of such agricultural commodity a price below the highest applicable price standard (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) of this Act.

"'The President, acting through any department, agency, or office of the Government, shall take all lawful action to assure that the farm producer of any of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of any agricultural commodity with respect to which a public announcement has been made under section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes," approved July 1, 1941, as amended (relating to supporting the prices of nonbasic agricultural commodities), receives not less than the higher of the two prices specified in clauses (1) and (2) of this section (the latter price as adjusted for gross inequity).

"'The method that is now used for the purposes of loans under section 8 of this Act for determining the parity price or its equivalent for seven-eighths inch Middling cotton at the average location used in fixing the base loan rate for cotton shall also be used for determining the parity price for seven-eighths inch Middling cotton at such average location for the purposes of this section; and any adjustments made by the Secretary of Agriculture or the War Food Administrator for grade, location, or seasonal differentials for the purposes of this section shall be made on the basis of the parity price so determined.'

"AMENDMENT TO SECTION 4 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

"SEC. 202. Section 4 of such Act of October 2, 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"'In any dispute between employees and carriers subject to the Railway Labor Act, as amended, as to changes affecting wage or salary payments, the procedures of such Act shall be followed for the purpose of bringing about a settlement of such dispute. Any agency provided for by such Act, as a prerequisite to effecting or recommending a settlement of any such dispute, shall make a specific finding and certification that the changes proposed by such settlement or recommended settlement are consistent with such standards as may be then in effect, established by or pursuant to law, for the purpose of controlling inflationary tendencies. Where such finding and certification are made by such agency, they shall be conclusive, and it shall be lawful for the employees and carriers, by agreement, to put into effect the changes proposed by the settlement or recommended settlement with respect to which such finding and certification were made.'

"TERMINATION DATE

"SEC. 203. Section 6 of such Act of October 2, 1942, as amended, is amended by striking out 'June 30, 1944' and substituting 'June 30, 1945'.

"AMENDMENT TO SECTION 8 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

"SEC. 204. Section 8 (a) (1) of such Act of October 2, 1942, as amended (relating to loans upon cotton, corn, wheat, rice, tobacco, and peanuts), is amended by striking out 'at the rate of 90 per centum of the parity price' and inserting in lieu thereof 'at the rate in the case of cotton of 92½ per centum, and at the rate in the case of the other commodities of 90 per centum, of the parity price'. The amendment made by this section shall be applicable with respect to crops harvested after December 31, 1943. In the case of loans made under such section 8 upon any of the 1944 crop of any commodity before the amendment made by this section takes effect, the Commodity Credit Corporation is authorized and directed to increase or provide for increasing the amount of such loans to the amount of the loans which would have been made if the loan rate specified in this section had been in effect at the time the loans were made.

"SHORT TITLE

"SEC. 205. Such act of October 2, 1942, as amended, is amended by adding at the end thereof a new section as follows:

"'SEC. 12. This act may be cited as the "Stabilization Act of 1942."'"

And the House agree to the same.

BRENT SPENCE,
PAUL BROWN,
WILLIAM B. BARRY,
MIKE MONRONEY,
JESSE P. WOLCOTT,
FRED L. CRAWFORD,
RALPH A. GAMBLE,
Managers on the part of the House.

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ALBEN W. BARKLEY,
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JOHN A. DANAHER,
CHAS. A. TOBEY,
ROBERT TAFT,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The House amendment struck out all of the Senate bill after the enacting clause, and inserted a substitute. The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House with an amendment which is a substitute for both the Senate bill and the House amendment, and that the House agree to the same.

All differences between the House amendment and the proposed conference substitute are explained in the following statement, except for minor clarifying changes, and incidental changes made necessary by reason of agreements reached by the committee of conference.

SHORT TITLE

The Senate bill contained a short title, the Stabilization Extension Act of 1944, to the legislation here proposed to be enacted. The House amendment contained no such provision. This provision has been included as the first section of the conference substitute.

PERIOD OF EXTENSION OF PRESENT LAW

The Senate bill provided for extending the period of operation of the Emergency Price Control Act of 1942 until December 31, 1945. The House amendment provided for extending such act until June 30, 1945. The conference substitute provides for extension until June 30, 1945.

The Senate bill provided for extending the period of operation of the Stabilization Act

of October 2, 1942, until December 31, 1945. The House amendment provided for extending such act until June 30, 1945. The conference substitute provides for extension until June 30, 1945.

AMENDMENTS TO SECTION 2 OF THE EMERGENCY PRICE CONTROL ACT OF 1942

Section 2 of the Emergency Price Control Act of 1942, which grants to the Price Administrator his basic power to establish maximum prices and maximum rents, and which contains standards and limitations applicable to the exercise of the authority to fix maximum prices and maximum rents, was amended by the House amendment in a number of respects. It was also amended by the Senate bill.

Fixing of profits: The House amendment added to section 2 (a) of the Emergency Price Control Act of 1942 a proviso as follows:

"*Provided further*, That this Act shall not be construed or interpreted in such a way as to give to the Administrator the right to fix profits where such action has no relation to price control."

This proviso has been omitted from the conference substitute. It was felt that it contained a clear and undesirable implication that the Price Administrator would have the power to fix profits where such action had a relation to price control. Apart from this implication, the provision was believed to be surplusage, since the Price Administrator does not now have the authority to fix profits, as such, under any circumstances, and will not have such authority after the enactment of the legislation here proposed.

Rent adjustments: The House amendment added to secton 2 (c) of the Emergency Price Control Act of 1942, a new sentence as follows:

"The Administrator shall provide for individual adjustments in those classes of cases where the rent on the maximum rent date for any housing accommodations is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense-rental area for comparable housing accommodations, including those cases in which there has been since the maximum rent date a substantial increase or decrease in property taxes or operating costs, or in which the rent is less than the total costs of operation, or in multiple-unit premises the rent is lower than the maximum rent generally prevailing for comparable housing accommodations in the same premises."

This sentence has been retained in the conference substitute, but it has been modified. The first part of the sentence remains the same as it was in the House amendment except for the addition, at the beginning, of the words "Under regulations to be prescribed by him,", but the latter part, beginning with the word "including", has been changed to require the Price Administrator to provide for the making of individual adjustments, under regulations to be prescribed by him, in—

"those classes of cases where substantial hardship has resulted since the maximum rent date from a substantial and unavoidable increase in property taxes or operating costs."

Discontinuance of rent controls: The House amendment added to section 2 (c) of the Emergency Price Control Act of 1942 a provision requiring the Price Administrator to abolish rent controls upon the making of certain specified findings indicating that the need for the maintenance of such controls no longer existed, but provided that such controls could be reestablished whenever in his judgment such action was necessary or proper in order to effectuate the purposes of the Emergency Price Control Act. As adopted by the House, this provision might have been subject to the interpretation that it applied only where the finding could be made with respect to an entire defense rental area, or, possibly, with respect to all defense rental areas. The provision has been included in the conference substitute, but has been modified so as to make it clear that it applies for purposes of removal of rent controls where the finding can be made with respect to any defense-rental area, or with respect to any portion of a defense-rental area specified by the Price Administrator, and a corresponding authority to reestablish rent controls where necessary is also included. The conference substitute provides for inserting this provision in section 2 (b) of the present act rather than in section 2 (c).

Payments of subsidies to processors conditioned on proof of payments to producers in compliance with price standards: The House amendment added to section 2 (e) of the Emergency Price Control Act of 1942 a proviso as follows:

"*Provided further*, That from and after the enactment of this Act it shall be unlawful to pay any subsidy to the processor of any product manufactured in whole or substantial part from any agricultural commodity, unless such processor shall, before receiving such subsidy payment, submit satisfactory evidence that he has paid to the producers of such agricultural commodity, prices that are not below the price standards established by the Act of October 2, 1942 (Public Law 729, 77th Congress). Nothing in this provision shall be construed to authorize or approve the payment of any subsidy either directly or indirectly which is not authorized by existing law."

This provision has not been included in the conference substitute.

The fact that this amendment is omitted is not intended to indicate that the conferees are not in full sympathy with its purpose. It is believed that the objective of this amendment can best be attained by specific legislation covering this subject. However, it is also believed that the purpose of this amendment could be attained by proper administration of the present law, there being ample authority in the law to warrant such administrative action. It is intended that the directive given to the President in the amendment made by the bill to section 3 of the Stabilization Act of 1942, with respect to agricultural prices, shall be carried out to the fullest extent necessary to accomplish the purpose of this amendment.

Making of subsidy payments after June 30, 1945: The Senate bill contained a provision, not included in the House amendment, adding to section 2 (e) of the Emergency Price Control Act of 1942 a new paragraph as follows:

"After June 30, 1945, neither the Price Administrator nor the Reconstruction Finance Corporation nor any other Government corporation shall make any subsidy payments, or buy any commodities for the purpose of selling them at a loss and thereby subsidizing directly or indirectly the sale of commodities, unless the money required for such subsidies, or sale at a loss, has been appropriated by Congress for such purpose."

This provision has been included in the conference substitute, but in order to remove any doubt which might exist as to authority for the making of the appropriations for use after June 30, 1945, contemplated by the provision, additional language authorizing such appropriations has been included.

Authority to compel changes in business practices established in any industry: The House amendment rewrote section 2 (h) of the Emergency Price Control Act of 1942 to read as follows:

"(h) The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, or changes in established rental practices."

In addition to inserting the words "or changes in established rental practices" the change made by the House in the existing provision was to delete the exception which permitted the Price Administrator to compel changes of the character referred to in order to prevent circumvention or evasion of any regulation, order, price schedule, or other requirement under the act. The exception is restored in the conference substitute with a change imposing a limitation on the authority of the Price Administrator which is not contained in existing law. With this change the Administrator will have authority to compel such changes only in cases where he has affirmatively found such action to be necessary to prevent circumvention or evasion of a regulation, order, price schedule or other requirement under the act.

Maximum prices in the case of fishery commodities: The Emergency Price Control Act of 1942 provides in section 2 (i) that no maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1941. The conference substitute modifies this subsection by striking out "1941" and inserting "1942."

Grade labeling and standardization of commodities: As extended by the conference substitute, the Price Control Act includes without change section 2 (j), which was added by the act of July 16, 1943, to prohibit grade labeling and to restrict the employment in pricing of specifications or standards not previously in general use. Since the managers on the part of the House, in presenting the amendment to the House last July, specifically explained its meaning and purposes, there is no reason for further congressional revision of this part of the law. As stated at the time, each of the specific prohibitions in section 2 (j) is to be applied in price control, and none of them may be disregarded. Accordingly, although other subdivisions of section 2 have been revised by the bill here under consideration, this subsection (j) has been left unchanged.

Adjustments in maximum prices and maximum rents where necessary to correct gross inequities: The House amendment added to section 2 of the Emergency Price Control Act of 1942 a new subsection (k), as follows:

"(k) The Administrator shall, without regard to the limitations contained in this Act or the Stabilization Act of 1942, adjust any maximum price or rent to the extent that it may be necessary to correct gross inequities."

This subsection has not been retained in the conference substitute.

Highest price line restriction: The House amendment added to section 2 of the Emergency Price Control Act of 1942 a new subsection (l) as follows:

"(l) Nothing in this Act shall be construed to require any person to sell any commodity or to offer any accommodations for rent, or to require any person to limit his stock of goods or sales to the highest price line offered for sale at any one time, and any rule, regulation, or order inconsistent with the provisions of this subsection shall have no further legal effect."

This provision is retained in the conference substitute with certain changes. The only substantial change which has been made, aside from changes for the purpose of clarification, is to limit it so that the prohibition against the highest price line limitation applies only in the case of sellers of goods at retail. Regulations, orders, or price schedules heretofore issued, insofar as they are inconsistent with this subsection, will become inoperative.

Property sold under court order: The House amendment added to section 2 of the Emergency Price Control Act of 1942 a new subsection (m) as follows:

"(m) No maximum price shall be fixed or maintained upon any article of property,

of whatsoever character, which is sold by any administrator, executor, trustee, receiver, or other officer of any court, which is sold under the order or decree of such court."

This subsection has not been included in the conference substitute. The committee of conference believed it unwise to completely exempt from price control all sales of the character referred to in the amendment. Most such sales are now exempt by administrative action, and, it is assumed, will continue to be, but it is considered desirable to permit the Price Administrator to continue to apply price ceilings in those exceptional cases where it is necessary to do so in order to effectuate the purposes of the act.

Notice to growers prior to planting season: The House amendment added to section 2 of the Emergency Price Control Act a new subsection as follows:

"(n) Before any maximum price ceiling is established or lowered, on any agricultural commodity, the Administrator of the Office of Price Administration, or such Federal agency as he may direct, shall give to the growers of the said agricultural commodity 15 days' notice, by newspaper or otherwise, prior to the normal planting season in the areas affected."

This subsection has been modified in the conference substitute so that it reads as follows:

"(l) Before growers' maximum prices are established or lowered for any agricultural commodity which is the product of annual or seasonal planting, the Price Administrator shall give to such growers, not less than 15 days prior to the normal planting season in each major producing area affected, notice of the maximum prices he proposes to establish therefor: *Provided*, That in no case shall this subsection require such notice to be given more than 12 months prior to the beginning of the normal marketing season in such area. This requirement may be satisfied by publication in the Federal Register, but the Administrator shall utilize appropriate means to insure general publicity to such prices in the areas affected. The requirements of this subsection shall not apply to the 1944 crop of any agricultural commodity of any major producing area in which the normal planting season occurs prior to July 31, 1944."

Exemption of watermelons from maximum price regulation: The House amendment added to section 2 of the Emergency Price Control Act of 1942 a new subsection (o) as follows:

"(o) No maximum price shall be established or maintained under this Act or otherwise, with respect to watermelons."

This subsection has not been included in the conference substitute. The committee of conference considered it undesirable to provide for an absolute exemption from price control in the case of one specified commodity.

Relief through declaratory judgment procedure in case of certain unauthorized acts of Government officers, employees, or agencies: The Senate bill added to section 2 of the Emergency Price Control Act of 1942 a new subsection as follows:

"(k) No agency, department, officer, or employee of the Government, in the payment of sums authorized by this or other Acts of Congress relating to the production or sale of agricultural commodities, or in contracts for the purchase of any such commodities by the Government or any department or agency thereof, or in any allocation of materials or facilities, or in fixing quotas for the production or sale of any such commodities, shall impose any conditions or penalties not authorized by the provisions of the Act or Acts, or lawful regulations issued thereunder, under which such sums are authorized, such contracts are made, materials and facilities allocated, or quotas for the production or sale of any such commodities are imposed. Any person aggrieved by any action of any agency, department, officer, or employee of the Government contrary to the provisions hereof, or by the failure to act of any such agency, department, officer, or employee, may petition the district court of the district in which he resides or has his place of business for an order or a declaratory judgment to determine whether any such action or failure to act is in conformity with the provisions hereof and otherwise lawful; and the court shall have jurisdiction to grant appropriate relief. The provisions of the Judicial Code as to monetary amount involved necessary to give jurisdiction to a district court shall not be applicable in any such case."

This provision is included in the conference substitute, as new subsection (m) of section 2 of the Emergency Price Control Act of 1942.

Adjustments in maximum prices for fresh fruits and fresh vegetables: The House amendment added at the end of section 3 of the Emergency Price Control Act of 1942 a new subsection as follows:

"(g) Whenever a maximum price has been established, under this Act or otherwise, with respect to any fresh fruit or fresh vegetable, the Administrator from time to time shall adjust such maximum price in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such commodity."

The Senate bill, in section 205, contained an amendment to section 3 of the Stabilization Act of October 2, 1942, dealing with the same subject matter as the House amendment above quoted, but it contained the words "including potatoes". The House provision is included in the conference substitute, the only change being that the word "any" has been inserted before the words "fresh vegetable". The adoption of the House provision rather than that of the Senate should not be construed to indicate that potatoes are not to be considered to be a fresh vegetable. That question should be determined without regard to this difference between the Senate and House provisions.

Expenditures by the Price Administrator: The Senate bill contained an amendment to section 201 (c) of the Emergency Price Control Act inserting language authorizing the Price Administrator to make expenditures "for purchase of commodities in order to obtain information or evidence of violations of price, rent, or rationing regulations or orders or price schedules". No such provision was included in the House amendment.

This provision is included in the conference substitute. It is believed that the authority to make purchases provided for by this amendment is necessary, and the Office of Price Administration has stated that similar authority is possessed by every comparable enforcement agency.

Right of person subpenaed to be represented by counsel and to make a record of testimony: The House amendment contained two amendments to section 202 of the Emergency Price Control Act of 1942.

The first amendment inserted the words "to conduct such hearings" in subsection (a) of section 202. This amendment is retained with clerical changes in the conference substitute.

The other amendment added to section 202 a new subsection as follows:

"(i) Any person subpenaed under this section shall have the right to be represented by counsel and to make a record of such study, hearing, and investigation in which he may be called upon to testify; and, upon his request, such study, hearing, and investigation, shall be public."

This subsection has been modified as it appears in the conference substitute so that it reads as follows:

"(i) Any person subpenaed under this section shall have the right to make a record of his testimony and to be represented by counsel."

It is believed that this subsection, as modified, accomplishes the principal objective intended without being subject to objections which were raised with respect to the subsection as it passed the House.

PROTEST PROCEDURE

Both the Senate bill and the House amendment made changes in section 203 of the Emergency Price Control Act relating to filing and consideration of protests setting forth objections to price and rent regulations and orders, and price schedules.

Under the present law a person affected by a regulation or order issued under section 2 may contest such regulation or order by the filing of a protest with the Administrator within 60 days after the issuance of the regulation or order. After the expiration of such 60 days there is no method by which the regulation or order may be contested except where the protest is based on grounds arising after the expiration of the 60-day period.

The Senate bill retained the 60-day period but provided that during the period of 60 days after June 30, 1944, persons affected by regulations, orders, or price schedules previously issued could file protests with the Administrator. The House amendment removed entirely the 60-day limitation provided by existing law so that a protest could be filed with the Administrator at any time either with respect to new regulations or orders, or regulations, orders, or price schedules which have heretofore become effective. The House provision eliminating the 60-day provision from present law is retained in the conference substitute.

Both the Senate bill and the House amendment proposed to add to section 203 of the Emergency Price Control Act of 1942 a proviso providing for the setting up of a board of review in the Office of Price Administration to which, upon request of the protestant, any protest is to be referred before it is denied in whole or in part. The protest is to be considered by such board of review and the protestant is to be accorded, among other things, opportunity to present evidence in writing and oral argument before the board. In the Senate bill this procedure was applicable to any protest filed after September 1, 1944. In the House amendment it was made applicable to any protest filed "within 30 days from the effective date of this amendatory proviso." The conference substitute follows the Senate bill on this point.

The House amendment contained the following sentence which was not in the Senate bill:

"Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants, subpenas shall issue for the appearance of persons, and the production of documents, or both."

This sentence has been retained in the conference substitute, but has been modified to read as follows:

"Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpenas shall issue to procure the evidence of persons, or the production of documents, or both."

The Administrator may, under this provision, decide in the first instance whether

a showing has been made that material facts would be adduced by the use of the subpena power in a particular case, but his action in so deciding would be subject to appropriate court review.

JUDICIAL REVIEW OF DENIAL OF PROTESTS

Section 204 of the Emergency Price Control Act provides the method by which denials of protests shall be subject to judicial review. The section provides for the creation of a special court to be known as the Emergency Court of Appeals to consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals, and this is the only court to which the protestant has recourse for purposes of judicial review of the action of the Administrator in denying a protest. The judgment of the Emergency Court of Appeals in any such case is subject to review by the United States Supreme Court.

The Senate bill provided for no change in the provisions of present law above referred to. The House amendment, in section 7, contained amendments to such section 204 modifying its provisions so that the protestant could have recourse not only to the Emergency Court of Appeals but also to "the appropriate district court." These amendments also struck out the provision in existing law which denied to the Emergency Court of Appeals the power to issue any temporary restraining order or interlocutory decree staying or restraining, in whole or in part, the effectiveness of any regulation or order issued under section 2, or any price schedule effective in accordance with the provisions of section 206. The amendments also modified the provisions of section 204 (d). That subsection now provides that the Emergency Court of Appeals and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals shall have exclusive jurisdiction to determine the validity of any regulation or order issued under section 2 or of any price schedule, and the amendment provided, in addition, for giving to the district courts jurisdiction to determine such question of validity.

The House amendments to section 204 above referred to have not been included in the conference substitute.

STAYS IN ENFORCEMENT PROCEEDINGS

Both the Senate bill and the House amendment amended section 204 of the Emergency Price Control Act by adding a new subsection (e) providing procedure by which enforcement proceedings under section 205 could be stayed pending determination by the Emergency Court of Appeals of the validity of the provision of the regulation, order, or price schedule, violation of which was charged in the enforcement proceeding.

The subsection as included in the conference substitute follows generally the House amendment, but there are certain differences.

Under the House amendment the defendant could apply to the court at any time prior to or within 5 days after judgment for leave to file a complaint in the Emergency Court of Appeals to test the validity of the provision of the order, regulation, or price schedule. Under the Senate bill application had to be filed within 5 days after judgment. The conference substitute permits application to be filed only within 5 days after judgment in civil cases, but in criminal cases application may be filed within 30 days after arraignment, or such additional time as the court may allow for good cause shown, or within 5 days after judgment.

Under the Senate bill the complaint had to be filed in the Emergency Court of Appeals within 30 days from the granting of leave by the lower court. This 30-day limitation was not included in the House amendment. It has been included in the conference substitute. It should be understood that this merely specifies the time within which the complaint must be filed in order that the Emergency Court of Appeals will have jurisdiction, but does not limit in any way the jurisdiction of the court to act upon a complaint filed within such 30-day period.

There has been included at the end of the last sentence of the subsection the following provision which was not contained in the House amendment: "nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under section 2 or of a price schedule effective in accordance with the provisions of section 206."

SUITS FOR DAMAGES

Both the Senate bill and the House amendment rewrote subsection (e) of section 205 of the Emergency Price Control Act of 1942, the so-called "treble damage" provision. The differences between existing law and the provision in the House amendment were explained in the report of the House Banking and Currency Committee.

By an amendment on the floor of the House the subsection was modified so that in addition to attorney's fees and costs the amount which could be recovered was the greater of the following: (1) Such amount not more than $50 or treble the amount of the overcharge, or the overcharges, whichever is greater, upon which the action is based as the court in its discretion may determine, or (2) $50. In the conference substitute this part of the subsection has been modified so that in addition to attorney's fees and costs the amount which may be recovered is (1) such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than $25 nor more than $50, as the court in its discretion may determine. Under the first clause the buyer of the commodity would be entitled, of course, to recover a minimum of the amount of the overcharge, or the overcharges, for which the action is brought.

There has been added at the end of the provision above referred to a proviso as follows:

"*Provided, however,* That such amount shall be the amount of the overcharge or the overcharges or $25, whichever is greater, if the defendant proves that the violation of the regulation, order, or price schedule in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation."

This proviso has been included at this point in lieu of the proposed new section 205 (g) which the House amendment added to present law. Such subsection (g) would have applied also in the case of criminal proceedings and suits for suspension of a license. There appeared to be no need to apply the provision to criminal proceedings because a conviction may be obtained only in cases of willful violations under the present provisions of the Act.

The Senate bill added to section 205 (e) a new sentence as follows:

"Notwithstanding any provision of this Act, the Emergency Price Control Act of 1942, or the amendment thereto of Act. October 2, 1942 (Public Law 729, Seventy-seventh Congress), all suits for civil damages shall be brought in the district or county in which the defendant against whom substantial relief is sought resides or has a place of business, or office, or agent."

No such provision was contained in the House amendment. It has been included in the conference substitute in modified form as a proviso added at the end of the third sentence of section 205 (c).

AMENDMENT TO SECTION 205 (F)

The House amendment amended section 205 (f) of the Emergency Price Control Act of 1942 by adding the following proviso:

"*Provided,* That, notwithstanding the provisions of section 301 of the Second War Powers Act, 1942, or any other law, no such license shall be suspended in any other manner, for any other cause, or for a longer period of time, than provided in this subsection, and no regulation, order, license, or requirement heretofore or hereafter issued or prescribed pursuant to any provision of law other than the provisions of this Act or of the Stabilization Act of October 2, 1942, may validly contain any requirement as to the observance of any regulation, order, license, or requirement issued or prescribed pursuant to this Act or under the Stabilization Act of October 2, 1942."

This provision has been included in the conference substitute with modifications so that it reads as follows:

"*Provided,* That no regulation, order, license, or requirement heretofore or hereafter issued or prescribed pursuant to section 2 (a) (2) of the Act of June 28, 1940, as amended by the Act of May 31, 1941, and by title III of the Second War Powers Act, 1942, may validly contain any requirement as to the observance of any regulation, order, license, or requirement issued or prescribed pursuant to this Act or the Stabilization Act of October 2, 1942."

REVIEW OF RATIONING SUSPENSION ORDERS

The Senate bill included a proposed new subsection to be added at the end of section 205 of the Emergency Price Control Act of 1942, as follows:

"(g) The district courts shall have exclusive jurisdiction to enjoin or set aside, in whole or in part, orders for suspension of allocations, and orders denying a stay of such suspension, issued by the Administrator pursuant to section 2 (a) (2) of the act of June 28, 1940, as amended by the act of May 31, 1941, and title III of the Second War Powers Act, 1942, and under authority conferred upon him pursuant to section 201 (b) of this act. Any action to enjoin or set aside such order shall be brought within 5 days after the service thereof. No suspension order shall take effect within 5 days after it is served, or, if an application for a stay is made to the Administrator within such 5-day period, until the expiration of 5 days after service of an order denying the stay. No interlocutory relief shall be granted against the Administrator under this subsection unless the applicant for such relief shall consent, without prejudice, to the entry of an order enjoining him from violations of the regulation or order involved in the suspension proceedings."

This subsection has been included in the conference substitute.

AMENDMENT TO SECTION 1 OF THE STABILIZATION ACT

The House amendment amended the first section of the Stabilization Act of October 2, 1942, so as to make it mandatory that the President exercise the authority which he now has under that act to provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities. This provision is not retained in the conference substitute.

MAXIMUM PRICES FOR AGRICULTURAL COMMODITIES AND THEIR PRODUCTS

The House amendment inserted in section 3 of the Stabilization Act of October 2, 1942, a new proviso as follows:

"*Provided,* That the maximum price so established may be charged or collected by the processor or manufacturer only when the

producer of the agricultural commodity has received, as to any agricultural commodity acquired by the processor or manufacturer subsequent to thirty days after the effective date of this amendment, approximately the higher of the prices specified in clauses (1) and (2) of this section, and upon failure of the processor or manufacturer to submit satisfactory proof thereof such processor or manufacturer may charge and collect not more than 90 per centum of the maximum price so established."

This provision is not retained in the conference substitute, as there are other provisions in the conference substitute which are designed to assure that producers of agricultural commodities receive the prices specified in this provision.

The Senate amendment added to section 3 of the Stabilization Act of October 2, 1942, a new paragraph containing a specific formula for the establishment of maximum prices for textile products processed or manufactured in whole or in substantial part from cotton or cotton yarn. This paragraph also provided that the method now used for the purposes of Commodity Credit Corporation loans for determining the parity price or its equivalent for cotton should also be used for price-control purposes. The conference substitute omits the formula which was contained in the Senate bill for fixing maximum prices for cotton textiles, but it retains the provision relating to the method of determining the parity price or its equivalent for cotton. This provision, along with the provisions which are designed to assure producers of commodities prices equal to the standards specified in the Stabilization Act, is contained in the new provisions which are added by the conference substitute at the end of section 3 of the Stabilization Act as follows:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price for any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity which will reflect to the producers of such agricultural commodity a price below the highest applicable price standard (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) of this Act.

"The President, acting through any department, agency, or office of the Government, shall take all lawful action to assure that the farm producer of any of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of any agricultural commodity with respect to which a public announcement has been made under section 4 (a) of the Act entitled 'An Act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes,' approved July 1, 1941, as amended (relating to supporting the prices of nonbasic agricultural commodities), receives not less than the higher of the two prices specified in clauses (1) and (2) of this section (the latter price as adjusted for gross inequity).

"The method that is now used for the purposes of loans under section 8 of this Act for determining the parity price or its equivalent for seven-eighths inch Middling cotton at the average location used in fixing the base loan rate for cotton shall also be used for determining the parity price for seven-eighths inch Middling cotton at such average location for the purposes of this section; and any adjustments made by the Secretary of Agriculture or the War Food Administrator for grade, location, or seasonal differentials for the purposes of this section shall be made on the basis of the parity price so determined."

LOAN RATE FOR AGRICULTURAL COMMODITIES

The Senate bill contained provisions, not in the House amendment, increasing the basic loan rate for cotton, corn, wheat, rice, tobacco, and peanuts from the 90 percent provided in existing law to a new rate of 95 percent of the parity price. This section also made a corresponding increase from 90 to 95 percent of the parity or comparable price in the case of price-supporting operations for nonbasic agricultural commodities. The conference substitute retained only so much of this provision as relates to an increase in the loan rate for cotton and provides that, in the case of cotton, the new loan rate shall be 92½ percent of the parity price.

CONTINUING INVESTIGATIONS OF THE STABILIZATION PROGRAM

The House amendment added a section to the Stabilization Act of October 2, 1942, providing that the Committees on Banking and Currency of the Senate and the House of Representatives, respectively, should be authorized to conduct investigations of stabilization activities and the effect of such activities on industry, production, renting and housing, and distribution. The conference substitute does not retain this provision.

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MIKE MONRONEY,
JESSE P. WOLCOTT,
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RALPH A. GAMBLE,
Managers on the part of the House.

Mr. SPENCE. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this is the unanimous report of the conferees on the part of the Senate and the House on S. 1764, a bill to continue the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942.

We have long labored on this legislation. I think we have brought back a conference report, while it is not perfect, that will certainly meet with the approval of the Members. We all must realize the necessity for price control and stabilization. The economic forces that produce inflation are greater now than they have been. The production of consumer goods is steadily decreasing. The purchasing power of the American people is steadily increasing. The inflationary gap widens, and as it widens, the peril increases.

We all want a law, I know, that will accomplish the purpose for which it was enacted, but we do not want to impose upon the American people any greater restrictions than are necessary for that purpose. We have made this law much less drastic than it was as originally enacted. I think the American people, by reason of their experience during prohibition and other restrictive measures, have discovered that the severity of the penalties instead of making for enforcement of the law, diminishes the chance of its enforcement. We have made the provisions in reference to price control and rent control broader in order that people might have greater opportunity for an adjudication of their complaints which were varied and continuous during the hearings. We have given them an opportunity to go into the courts. I think that is one of the things that the people, as a rule, most strenuously objected to; that is, that they did not have an opporunity to have their causes heard by the courts. Of course it is necessary in the enforcement of this act to have uniformity of decisions. It would be practically impossible to enforce this act if we had a multiplicity of decisions in all the various district courts, of which there are 85 in the United States, and 11 appellate courts. It is necessary to have one court to which these matters can be referred in order to have uniformity of decisions on the regulations and orders.

I think there has been a greater lack of knowledge in regard to the Emergency Court of Appeals than we can conceive of here. The Emergency Court of Appeals, to which an appeal lies from a decision of the Administrator, is a constitutional court. The Constitution states that the judicial powers of the United States shall be vested in one Supreme Court and such inferior courts as the Congress may from time to time ordain and establish. The only court the Constitution mandated the Congress to establish is the Supreme Court of the United States. The Emergency Court of Appeals has the same sanction of the Constitution as the district courts and all other inferior courts. It is not an O. P. A. court, it is an independent court, just as independent as the Supreme Court of the United States. Its judges are selected by the Chief Justice of the United States Supreme Court, and who is better qualified to select able justices than the Chief Justice? It is the Court over which he presides that reviews their decisions. He knows of their ability, their industry, and their knowledge of the law. He has selected three judges to preside over the Emergency Court of Appeals.

There is a special reason to have an Emergency Court of Appeals, in addition to the necessity for uniformity in decisions, because the judges must acquire technical knowledge, and the constant submission to them of the legality of orders and regulations will give them the knowledge and experience that is necessary for the efficient discharge of their duties.

The high character of these men is shown by the fact that they are appointed for life as district judges and judges of the circuit courts of appeals of the United States, at fixed salaries. The duties they perform in the Emergency Court of Appeals are without compensation, and they are onerous duties. Only men who desire to serve their country in its time of need would accept such appointments. These men have shown a high patriotic spirit and a desire to serve their country, and they have rendered most excellent service in presiding over this court.

We have given every man the right to test the constitutionality and the validity of the orders and regulations under which he may be charged. Heretofore the regulations of the O. P. A. were incontestable after 60 days. That might make for efficient administration but it

is contrary to our conception of the rights of the American citizen. To say that he has a constitutional right but that he cannot assert it after a certain time is to virtually deny him that right.

This act changed that provision. Now those charged with violations of the orders or regulations of the O. P. A. can question the legality of those orders at any time. If the defendant is brought into the district court of the United States by the Administrator and the district court has no authority to pass upon the validity of the orders and regulations of the O. P. A., that is entirely in the jurisdiction of the Emergency Court of Appeals. If it is a criminal case, within 30 days after arraignment the defendant can apply to the district court for a stay. He can file that complaint in the Emergency Court of Appeals and have a decision rendered upon the legality of the order he has been charged with violating, and can do that within 30 days after the arraignment or within 5 days after final judgment.

The person who is charged in a civil action also has the right 5 days after judgment to file his complaint before the Emergency Court of Appeals and have a decision upon the legality of the order and the district court shall grant a stay of execution pending the action in the Emergency Court. The decision of the Emergency Court of Appeals is certified to the district court, and if favorable to the defendant, judgment is rendered for him.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Under the conference report the defendant can go from the district court to the Emergency Court of Appeals to get a decision on the legality of the regulation?

Mr. SPENCE. Yes.

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Speaker, I yield myself 5 additional minutes.

Mr. ROBSION of Kentucky. Could the defendant go from the Emergency Court of Appeals to the Supreme Court of the United States?

Mr. SPENCE. Yes; he has the right to go to the Supreme Court.

Mr. ROBSION of Kentucky. Then he would go back into the district court?

Mr. SPENCE. In all those cases he has the right to apply for a writ of certiorari in the Supreme Court. But if the decision of the Emergency Court of Appeals is favorable to him, it is certified to the district court and there is a stay of proceedings or execution of judgment until the final judgment is rendered in the Emergency Court of Appeals.

Mr. ROBSION of Kentucky. If it is adverse to the defendant, he can go on to the Supreme Court?

Mr. SPENCE. He can go on to the Supreme Court because the law gives him that right.

Mr. ROBSION of Kentucky. If it is favorable to the defendant, I assume the head of the O. P. A. could go to the Supreme Court, too?

Mr. SPENCE. Yes; either one of them could apply for a writ of certiorari.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Ohio.

Mr. JENKINS. Do I correctly understand that in the conference report the committee brings back there is a provision that enables the grocery man or the individual to get into the district court himself? He cannot do it now.

Mr. SPENCE. No.

Mr. JENKINS. Then when you say you have brought back relief that is not quite true, because you are just exactly where you were before as far as the average citizen is concerned, and have made no change whatever.

Mr. SPENCE. Most of the complaints were complaints of the action of the Administrator against the individual. The court in which those complaints were brought was the district court of the United States, which could not pass upon the legality of the order or regulation under which he was charged. Now we give him an opportunity to test the legality of the regulation under which the complaint is made.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. BARRY. In answer to the gentleman's question, prior to the adoption of our amendment, or under existing law, a defendant could be indicted, prosecuted, and sent to the penitentiary without being able to set up the defense of illegality, but under our amendment the defendant who is being prosecuted criminally may now, before the trial, set up the defense of illegality.

Mr. SPENCE. That is absolutely correct.

Mr. BARRY. The Emergency Court of Appeals will pass on that, and the trial will be stayed until that is done.

Mr. SPENCE. It really obviates the complaint we heard so much about before the enactment of this act. I believe it will relieve that condition.

There is another thing. In a law such as this we need public approval for its enforcement.

I think the American people now understand the necessity of price control. I believe public sentiment is far more powerful in the enforcement of an act such as this than are heavy penalties. That has been demonstrated frequently. It was shown during the time of prohibition when we could not enforce the severe penalties provided by that law. I think this act which we have passed which has given the people greater authority to set up their defenses and has eliminated some of the heavy penalties and which has given the O. P. A. Administrator directions to remedy the complaints which were most generally made will result in the better enforcement of the law.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. Yes.

Mr. JENKINS. In line with the statement of the gentleman from New York [Mr. BARRY], what I want to know is this: Is not this a fact, you have brought back no provision which permits the individual to get into any district court by reason of his own initiative?

Mr. SPENCE. The individual initiates very few suits against the O. P. A.

Mr. JENKINS. Certainly, because he cannot do it. The law does not permit him to do so.

Mr. SPENCE. The oppressions complained of are acts of the O. P. A. which the individual complains violates his rights. I think we have given him a remedy which is general and which will result beneficially in every way.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman has expired.

Mr. SPENCE. Mr. Speaker, I yield myself 3 additional minutes.

I yield to the gentleman from New York.

Mr. BARRY. Is it not true that the judges who sit in the Emergency Court of Appeals are district judges, that is, Federal judges?

Mr. SPENCE. They are district and circuit judges.

Mr. BARRY. And they are the same type of judges who sit in the district courts?

Mr. SPENCE. And they are serving in the Emergency Court of Appeals without compensation. They are appointed for life as district judges and have assumed these arduous duties without compensation, but merely as a patriotic duty in time of war. Instead of condemning these men I think they should be highly praised for the splendid services they are rendering.

Mr. BARRY. Is it not true that the chief judge of the Emergency Court of Appeals is appointed by the Chief Justice of the United States Supreme Court?

Mr. SPENCE. All of the judges are appointed by the Chief Justice of the Supreme Court of the United States who probably knows more of their qualifications and ability than any other person because his Court is the one that reviews their decisions.

Mr. ROLPH. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. ROLPH. Mr. Speaker, I would like to ask the gentleman from Kentucky, my distinguished chairman of the Banking and Currency Committee, with whom I have been associated so pleasantly, why it is that the conferees decided to eliminate that investigating committee which we set up in the House.

Mr. SPENCE. Mr. Speaker, the conferees thought that would only bring trouble on the Committee on Banking and Currency, and would serve no useful purpose. After giving the matter consideration, I agree with them.

Mr. BARRY. Mr. Speaker, will the gentleman yield at that point?

Mr. SPENCE. Yes.

Mr. BARRY. Is it not true that some Members suggested that the Congress or the committee now has that power without passing other legislation?

Mr. SPENCE. Yes. There is no question but what the committee has the

power to investigate the activities of the O. P. A. without any special committee being created.

Mr. ROLPH. Mr. Speaker, I certainly hope the committee in the future will use and exercise that power.

Mr. SPENCE. Mr. Speaker, I do not intend to discuss the many amendments in the bill. But I think we have brought back a bill which is an excellent one. I am quite sure it is going to meet with the approval of the House. Other Members will discuss the technical features of the bill. But I think I wanted to clear up the general misconception in regard to the Emergency Court of Appeals. There has been so much misunderstanding about the Emergency Court of Appeals, many of the Members here had seemed to think it was an O. P. A. court. It is not only an independent court, but it is a splendid court, composed of splendid judges, who have only one desire and that is to do justice to the litigants who come into their court.

The SPEAKER. The time of the gentleman has expired.

Mr. SPENCE. Mr. Speaker, I yield to the gentleman from Michigan [Mr. WOLCOTT] 15 minutes.

Mr. WOLCOTT. Mr. Speaker, first I want to express on behalf of the members of the committee, and I know I can speak for all of the members of the committee, their appreciation for the cooperation which the committee has had from all the Members of Congress in the writing of this bill, and for the tolerance and understanding which the Members have had in respect to this most difficult job. We have worked for months on this. After you had enacted a bill and sent it to conference, we spent 4 days in conference. We left the Capitol one morning at 1 o'clock, after one of the most hectic and searching sessions I ever attended.

It has been said probably a thousand times on this floor that all legislation is a matter of compromise. I think that can be said more aptly in respect to this bill than any bill that I have ever known of. It is understood by those who have been so tolerant and who have such an understanding of the problems that we have not been able to satisfy everybody; we have not been able to completely satisfy ourselves, but behind all of these disputes was a wholehearted desire on the part of a large majority of the Members of Congress to give way on our private wishes and desires and demands in order that we might continue price control; in order that inflation might be avoided. I might add that we have also had in mind the situation that if we did not write a price control bill which could be signed by the President prior to June 30 of this year, in all probability we would be compelled to pass a continuing resolution without any restrictions whatsoever. Failing that, the President would have exercised the powers which he claims to have under the War Powers Act, to set up price control by Executive order. That was our dilemma and it was our purpose to subordinate all of our individual desires to the end that we would have a price control bill which, first, would give the President all of the authority which he should have to control prices, and at the same time make it possible for all aggrieved persons to have their grievances heard in a regularly constituted court of law. We have been even more successful in the accomplishment of those purposes than we had hoped we might be. In the first place the House prevailed in its position that this act should be continued for only 1 year.

I have been asked to clear up the court provisions if I could, and I will try to do so.

Any aggrieved person may have his grievance reviewed in the Emergency Court of Appeals by filing a protest with the Price Administration at any time, because again the House prevailed in its position that there should be no limitation on the time in which the validity of a regulation or order could be pleaded. So an aggrieved person can file at any time a protest with O. P. A. After it has gone through the O. P. A. machinery—and I will not cover that in detail—but we had a provision in here setting up a board to conduct these hearings and that prevailed also and after the record has been made in the O. P. A., then if the Administrator of O. P. A. refuses relief, an appeal may be taken from that decision to the Emergency Court of Appeals which, as the chairman has said, is made up of two circuit court judges and one district court judge, named to that court by the Chief Justice of the United States.

Mr. GRAHAM. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. GRAHAM. Are the two circuit court judges appointed permanently to that court and will they remain on that court, or will they go from their circuit to that court?

Mr. WOLCOTT. I understand they will devote their entire time to this court. It also provides that if the three judges ever have so much work that they cannot do the work satisfactorily, the Chief Justice may appoint individual judges to this Emergency Court of Appeals.

That is the procedure when a person himself initiates the review, but when the O. P. A. proceeds against an individual, either on the criminal side of the court or for an injunction to restrain a violation of a regulation or for civil damages——

Mr. GEARHART. Will the gentleman yield at this time?

Mr. WOLCOTT. I yield.

Mr. GEARHART. The gentleman said that a person might initiate an objection to a regulation by filing a complaint with the O. P. A. Is there anything written into the law which is not in existing law, which will compel the O. P. A. Court to act either one way or the other?

Mr. WOLCOTT. Yes.

Mr. GEARHART. Or can they avoid the necessity of a decision?

Mr. WOLCOTT. Oh, no. We had that most definitely in mind, and we provide that in respect to protests the Office of Price Administration must act within 30 days, either to grant relief, to deny relief, or to set it for hearing. If after it has been set for hearing, the protestant believes that the O. P. A. is taking an unusually long time to settle the matter, he may apply to the Emergency Court of Appeals for an order compelling the O. P. A. to make a decision within a certain time, and if the O. P. A. does not make a decision within time set by the Emergency Court of Appeals, the protest shall be considered as having been denied.

Mr. DONDERO. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. DONDERO. What happens if no action is taken on the petition of an aggrieved individual? Is that what the gentleman meant by saying that the application will be considered as having been denied?

Mr. WOLCOTT. Yes. It is considered as having been denied as a basis for his appeals to the Emergency Court of Appeals.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. ROBSION of Kentucky. If I have understood the gentleman, the law will provide two ways by which an aggrieved person may get into the Emergency Court of Appeals. He may go directly from a ruling of the Administrator of O. P. A. denying his protest or, if the Administrator proceeds against him, either criminally or in a civil action, he may go from that court to the Emergency Court of Appeals?

Mr. WOLCOTT. The gentleman is correct.

Mr. ROBSION of Kentucky. And in either instance he may appeal from that Emergency Court to the Supreme Court of the United States?

Mr. WOLCOTT. The gentleman is correct.

Mr. ROBSION of Kentucky. And the President will not appoint these judges making up the Emergency Court of Appeals, but they will be appointed by the Chief Justice of the Supreme Court of the United States?

Mr. WOLCOTT. They have been appointed by the Chief Justice of the Supreme Court and the court has been functioning now for 2 years. I think if you will read the testimony of the Chief Justice of the Emergency Court of Appeals you will be satisfied that the Emergency Court of Appeals has been doing a pretty good job and has been functioning as a regularly constituted court, under rules which the court has set up itself, so that all of the rights of all individuals are protected.

Now, may I proceed to clear up the other side of this. I have covered the situation in which the protestant himself initiates the proceeding.

Now, let us take the other case where the Administrator initiates the proceeding, either, as I have said, against a person for indictment, to restrain a violation of regulations, to suspend a license, or for civil damages. Those proceedings are started by the Administrator in any court, but for the purpose of illustration we will say the district court, because most of them will be started in the district courts. If that is a criminal action the defendant may apply to the court

for a stay of proceedings at any time within 30 days after his arraignment, for the purpose of filing with the Emergency Court of Appeals a petition to determine the validity or invalidity of the regulation or order which it is alleged he violated. Even after he has been found guilty, he still has 5 days after judgment in which to make application for a stay to allow him to go to the Emergency Court of Appeals for a decision on the question of the validity or invalidity of the regulation. That is in a criminal case.

In a civil case he may apply for a stay of judgment any time within 5 days after judgment, in order that he may petition the Emergency Court of Appeals for a decision as to whether the regulation which it is alleged he violated is valid or invalid. The only difference between the House bill and the conference report is that under the House bill he could make application for a stay of proceedings at any time during the proceedings, and go to the Emergency Court of Appeals. We took the attitude that it was of much more benefit to the Government and to the O. P. A. and to the court to stay these proceedings at any time they wanted to than it was to the defendant, but if they wanted to proceed to judgment, even though it might take weeks of time, then that was not so material. It was not any more material to the defendant than it was to the Government itself. So we gave in on that. But we did provide most definitely that at any time within 5 days after judgment in criminal and civil cases the defendant might make this application to go to the Emergency Court of Appeals to test the validity of a regulation or order. In addition to this, in criminal cases he may make application to test the validity of a regulation within 30 days after his arraignment.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. WRIGHT. What disposition was made of the amendment which the gentleman offered in regard to the kangaroo courts? Does the gentleman intend to cover that?

Mr. WOLCOTT. Yes; I will cover that later. We have therefore given all protestants, all defendants, the right to have the question of the validity of a regulation or order tested in the Emergency Court of Appeals; and that is opposed to the present procedure wherein the question of validity cannot be attacked or pleaded in any court at any time, even the Emergency Court of Appeals, if the regulation or order has been in effect for more than 60 days.

Mr. Speaker, in answer to the gentleman from Pennsylvania, we very definitely have provided against the kangaroo courts. The position of the House prevailed. The language was changed but strengthens the House bill. I have to admit that part of the language in the House bill was somewhat cumbersome and perhaps did not carry out our full intent, at least it was susceptible of an interpretation that might have partly nullified it; so in conference we got together and reworded it in such manner that there could be absolutely no question that we have outlawed the use of kangaroo courts in the enforcement of regulations, orders, and price schedules issued under the Price Control Act.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. Is there any provision in the Price Control Act whereby the Administrator of O. P. A. can provide payment of parity price to the producer in the subsidy payment set-up if he so desires?

Mr. WOLCOTT. Does the gentleman have in mind the language contained in the so-called compromise wherein the President is directed to do that?

Mr. MURRAY of Wisconsin. Yes.

Mr. WOLCOTT. Yes; I believe there is in existing law the authority to do that if he desires to do it. Under section 2 (e) of the Emergency Price Control Act we authorized the Administrator to pay subsidies to domestic producers of such commodities—that is, agricultural commodities—in such amount and in such manner and upon such terms and conditions as he determines.

It was my understanding of that that he could make as a term or a condition of the receipt of a subsidy payment that the subsidy is either passed on to the producer, or that the producer has received the benefit of it, or the processor must satisfy the Administrator before he gets the subsidy that he has paid the parity price. The term "producer" in this respect has been interpreted to include processors.

Mr. MURRAY of Wisconsin. I thank the gentleman.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. CRAWFORD. It seems to me it would be well for the gentleman to point out that the so-called "kangaroo courts" can be continued with respect to proceedings under the rationing provisions.

Mr. WOLCOTT. I thought it was generally understood when we were writing this amendment that we did not disturb that practice in respect to rationing which emanates from the War Powers Act. The complaint was that O. P. A. was using those powers to set up kangaroo courts to enforce regulations under the Price Control Act contrary to the procedure which we set up in the act, thereby circumventing and nullifying the safeguards provided for. We have protected against that.

Mr. CRAWFORD. And the rationing procedure has been sustained by the Supreme Court.

Mr. WOLCOTT. That is right.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. WHITTINGTON. At the time I first tried to get the gentleman's attention he was speaking with reference to subsidies. Does the gentleman's statement extend to subsidies of all agricultural commodities? Does this bill as finally agreed upon cover the sale of cattle as well as agricultural commodities so that cattle raisers can know they will get the prices contemplated before the subsidy is paid to the packer?

Mr. WOLCOTT. I do not know; I will say to the gentleman I do not know.

Mr. WHITTINGTON. I had in mind the Kleberg amendment when I asked that question.

Mr. WOLCOTT. I could not safely give an opinion without further study.

Mr. DONDERO. Mr. Speaker, will the gentleman yield for a further question?

Mr. WOLCOTT. I yield.

Mr. DONDERO. I notice in paragraph (c) on page 4 of the report this language:

> That the Administrator may make adjustments where substantial hardships have occurred.

Mr. WOLCOTT. With respect to rents?

Mr. DONDERO. With respect to rents. What are the people of this country to understand by "substantial hardships"?

Mr. WOLCOTT. The gentleman will have to get a law dictionary to find the answer. I do not remember the legal definition of the word "substantial," but I do know that the word "substantial" has been very clearly defined by the courts.

The SPEAKER. The time of the gentleman from Michigan has again expired.

Mr. SPENCE. Mr. Speaker, I yield 2 additional minutes to the gentleman from Michigan.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BARRY. Under present law there have been complaints that when the action finally reached the Emergency Court of Appeals the record was too meager for the court actually to pass upon the merits of the case. Under the bill now before us a provision has been inserted which will afford the protestant ample opportunity to establish a record so that if the case reaches the Emergency Court of Appeals the judges can pass upon it fully.

Mr. WOLCOTT. That is correct.

Mr. PLOESER. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. PLOESER. I observe in today's press that the White House is reported to have made the concession to the Southern States of giving the full benefits of the Bankhead amendment, or the Brown amendment which was defeated in this House and which I understand was defeated in the conference committee. After claiming that that very amendment would wreck all price control they now seem to have agreed to Executive action giving everything in the amendment for some political votes apparently for the fourth term. I just wondered if the gentleman had any comment to make on that.

Mr. WOLCOTT. Only that on the gentleman's statement of the case that action might be susceptible to such interpretation.

Mr. CASE. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. CASE. What was the reason for increasing the loan rate on cotton to 92½ percent of parity while leaving all other commodities at 90 percent?

Mr. WOLCOTT. To avoid an increase of 95 percent.

Mr. CASE. Ninety-five percent on what?

Mr. WOLCOTT. On all basic commodities. As I remember the Senate language, the 95-percent floor applied to all basic and "encouraged" commodities, but by the compromise the 92½ percent applies only to cotton.

Mr. CASE. And that amount paid off all the other commodities too?

Mr. WOLCOTT. I am not sure that I know what the gentleman means by "paid off," but the 92½ percent applies only to cotton.

WAR DEPARTMENT APPROPRIATION BILL, 1945—SENT TO CONFERENCE

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4967) making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SNYDER, STARNES of Alabama, MAHON, POWERS, ENGEL of Michigan, and CASE.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1945—SENT TO CONFERENCE

Mr. COFFEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4861) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1945, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Washington? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. COFFEE, ANDERSON of New Mexico, NORRELL, WHITTEN, STEFAN, DWORSHAK, and JENSEN.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACT OF 1942

Mr. SPENCE. Mr. Speaker, I yield 8 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Speaker, I am sorry that for the first time in this price-control consideration in all the weeks that we have had it up here politics has been brought into our discussions. May I say for the benefit of every Member of the House that there was no suggestion in the conference in any way as to the effect of this price-control bill on the campaign in November. Everyone of the 14 conferees that were there and that had studied the bill recognized the simple fact that inflation does not just ruin the Democrats, it just does not ruin the Republicans; it ruins everybody. It will ruin the country.

I think we made a good compromise in adopting the Brown amendment. You will remember the Bankhead amendment which, in my opinion, was disastrously inflationary. The House voted it down. The Senate conferees at 1:15 in the morning were still insisting on the Bankhead amendment. We told them to take it back to the Senate and see what they could do with it. We expected them to do that. They met the next morning, still wanting to compromise, still hoping we could find some ground where reasonable, honest men could work out something that would not be inflationary, something that would still help the farmers, not only the cotton farmers of this Nation but the other farmers.

The Brown amendment had been brought in about 4 o'clock. It does not help only the cotton farmers but other farmers as well. The cotton farmers in this country do not get more than one-fiftieth of the advantage that will accrue to the general level of farming under the Brown amendment.

Mr. PLOESER. Will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Missouri.

Mr. PLOESER. Is the report in the press of today true, that the O. P. A. has agreed to do everything administratively that would be required legislatively by the Brown and Bankhead amendments?

Mr. MONRONEY. I am sure I cannot tell the gentleman.

Mr. PLOESER. The gentleman reads the newspapers, does he not?

Mr. MONRONEY. No price increases are ordered in the law, and it was not intended so by the conferees.

Mr. PLOESER. Is it true that the O. P. A. said they would protect the price ceiling?

Mr. MONRONEY. I do not believe the press is writing the laws of this country. The House of Representatives and the Senate are writing the laws.

Mr. PLOESER. The press was quoting, I think, the Honorable James Byrnes.

Mr. MONRONEY. I am sure that is not the intent of the committee, because the Honorable James Byrnes was never quoted to the conferees in any way.

Mr. PLOESER. If the gentleman thought that that kind of a trade had been made, would he agree?

Mr. MONRONEY. I do not believe that kind of a trade is made because I know where the amendment originated. I know the efforts that were made to compromise this thing to give you a price-control bill that would not cause inflation and yet loosen up some the restraints that exist on normal business transactions. The bill is not perfect. This bill is a long way from being perfect, but I believe it is the best possible compromise that can be reached by the two Houses of Congress and by the public.

Mr. COOLEY. Will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from North Carolina.

Mr. COOLEY. Will the gentleman state to us how the modification in the compromise amendment would work?

Mr. MONRONEY. The modification in the compromise amendment will work so that in major categories you can take the specific price of cotton yarns and cotton goods, for example, and adjust them to cotton parity but not on every item in the cotton category.

The gentleman who proposed that amendment is going to speak later and I think he will go into that fully. The last half of the amendment is the part that gives the greatest relief to the farmers. That was not proposed by the White House, it never originated in the White House, but was brought to the conference by friends of agriculture who are Members of the House and was improved on by Members of the Senate.

Mr. PLOESER. My criticism, understand me, is not of the committee. I think the conferees have done a good job. I was against the Brown amendment.

Mr. MONRONEY. I was, too, against the original one.

Mr. PLOESER. I think you have done a good job, but I think it is cheap politics on the part of the O. P. A. and the administration to make such a trade.

Mr. MONRONEY. Does the gentleman think this committee would make such a trade?

Mr. PLOESER. I did not accuse the committee of it. The report of the press shows plainly that the White House interest in price control is only secondary to vote control.

Mr. MONRONEY. This compromise is approved by the committee representing the House and by the committee representing the Senate. It was the best possible compromise that could be reached and politics had no part in it.

Mr. BARRY. Will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from New York.

Mr. BARRY. Is there anything in this so-called Brown amendment that compels the ceiling prices to be raised?

Mr. MONRONEY. Decidedly not.

Mr. CASE. Will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from South Dakota.

Mr. CASE. Did the conferees conclude that the 92½-percent loan rate on cotton would be better than the 95-percent loan rate?

Mr. MONRONEY. We concluded it would be less disruptive of the marketing of all farm commodities and less apt to freeze farm commodities of all kinds under the loan. The 95-percent-of-parity loan was in the Senate bill on all basic commodities. This 92½ percent is on cotton only. The House conferees worked out a pretty good deal on that, because cotton is at the lowest ebb, and I believe it will help reach parity for cotton or help by starting along that way.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from South Carolina.

Mr. RIVERS. I want to get the gentleman's definite opinion as to whether or not the O. P. A. can bypass the intention of Congress, namely, to force the O. P. A. to tell the farmers what is on their mind before they plant seed.

Mr. MONRONEY. Indeed, they cannot bypass this intent.

Mr. RIVERS. There has been a question raised on that point.

Mr. MONRONEY. I do not see how the language can be made any clearer. We had to change the gentleman's language, as he knows, for tree crops which were planted long before price ceilings were ever thought of, but, so far as the idea that the gentleman had in mind, this is as tight as we could make it.

Mr. RIVERS. Under the intention of the O. P. A. as the gentleman has brought it to me, they cannot bypass the Congress by that word "intention" can they?

Mr. MONRONEY. No.

Mr. RIVERS. One other question. Some crops require the planting of seeds, for instance, tobacco, tomatoes, and other crops. Then they transplant the plant.

Mr. MONRONEY. Yes.

Mr. RIVERS. My intention was to make the O. P. A. start from the very day the seed is put in the ground.

Mr. MONRONEY. That is right. We have put a limit of 12 months on that, which is as far back as we could go in the planting season.

Mr. RIVERS. They cannot take the transplanting part of it.

The SPEAKER. The time of the gentleman has expired.

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, I simply want to observe that here is a unanimous report by Democrats and Republicans, northerners and southerners, by people who are vitally interested not only in the cotton crop but in all other crops. In my opinion, you have before you a unanimous agreement from the conferees because they believe that in this presentation made to the two bodies there is procedure put down in words which will be more acceptable to the people of this country than is the old law.

I think every member of the conference committee is fully aware that a law of this kind can never be reasonably administered without what might be said to be an overwhelming support of the people of the United States. I think it is reasonable to assume that perhaps 10 to 15 percent of the people might not go along with a measure of this kind, but if 90 percent go along, the law can be successfully administered.

As one of the conferees, I have desired all the way through to have a law which is bearable by the people of the United States. I think if the two bodies adopt this proposal that this law, as here revised, will be much more acceptable and much more bearable than has been the old law to the people of the United States. That is primarily the reason why I am going along with this proposal.

I believe, Mr. Speaker, that the people of our country, the Congress, the Administrator, and the staff of O. P. A. have all learned a lot, since the hearings opened April 12, about the problems of administration and the intricacies and miseries to the people which are all involved in such a program as the O. P. A. embraces. I was opposed to an extension of the law for 18 months because I am one who wants the whole procedure reviewed again within another 12 months' period. A law which so intimately and so terribly affects our people and their economy is one which we can well afford to spend the time and energy in reviewing once every 12 months, if necessary.

I hope that the progress with the war will be such that before another 12 months roll around our economy will change to such an extent that it will be necessary to materially alter this proposal again. That is my devout hope. I think we have some reason to believe that that may occur. I think the hearings have fully demonstrated that some kind of a control will be urged by the people of this country on into the postwar period. What that control will be, I do not know, but I think the Congress will find in the hearts and minds of the people a desire for some kind of a control fitting into our economy as best it can be made to do so.

I accept the statements of the legal minds on our committee with respect to the revised legal procedure here established, but as a layman I feel that our citizens will be recognized as having a great many more rights under this new procedure than were granted to them under the law which expires June 30. With respect to the so-called Rivers amendment, if this law is extended for only 1 year, and if the 1944 crops are already largely planted, what could you do with that amendment other than what the conference committee has recommended?

And finally, Mr. Speaker, it is my hope that the Congress has greatly benefited under the hearings and the debate and serious consideration that has been given to these questions and problems during the past 8 weeks. Every Member of this body wants this law to be a success. We want our administrators to do the right and equitable and fair thing at all times when they are dealing with the economic rights of our people. We want the law to be so bearable that it will compel the cooperation of our people with the administrators and the Congress. But if we are to expect the people to go along with the program it must at all times be a fair one, and by this I mean just as fair and equitable as strong men of great character and a keen sense of equity can make it. The Congress and the people must at all times be very vigilant when the rights of people are, even just temporarily, set aside and all in the name of war or a great national emergency. By no means do I want the general situation to develop wherein these great national emergencies will be continued, thus giving an excuse for the argument that the rights of citizens must continue to be set aside. There will come a day when strong men can no longer justify a great national emergency. There will come a day when our people will demand that those responsible either end the emergency or get off the job. Our people are long-suffering; they will go for long periods and travel long distances without too much complaint but eventually they comprehend the general objective and demand results; then the trifling must end. So now let us approve the conference report and be on our way.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Speaker, I trust the conference report will receive the unanimous vote of the House. I have been particularly interested, as you know, in those features of the report dealing with the cotton problem. There were strong differences between myself and the gentleman from Georgia [Mr. BROWN]. Since then I have conferred with him about this particular part of the report. This represents a compromise. Sometimes compromises are due to mildness of conviction, but in this case, after the House voted adversely upon the Brown amendment, we find him giving to the conference the benefit of his constructive thought on this problem in an effort to be fair to all interests. I am entirely in agreement with the views that are embodied in this part of the report. May I take advantage of this opportunity to pay tribute to the gentleman from Georgia for the fine attachment and continuous loyalty he has shown to the farmers of this country and for the contribution he has made to a compromise that I think will achieve some of his objectives, and at the same time maintain the stabilization program. I appreciate him, and appreciate the type of statesmanship that he has manifested throughout these deliberations.

WAR AGENCIES APPROPRIATION BILL, 1945

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER appointed the following conferees: Mr. CANNON of Missouri, Mr. WOODRUM of Virginia, Mr. LUDLOW, Mr. SNYDER, Mr. NORRELL, Mr. RABAUT, Mr. JOHNSON of Oklahoma, Mr. TABER, Mr. WIGGLESWORTH, Mr. LAMBERTSON, and Mr. POWERS.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Speaker, at the outset I desire to commend the conferees for as good a job, I am sure, as they could do under the circumstances. I particularly desire, as a member of the Committee on Agriculture, and one interested in agriculture, to commend the

gentleman from Georgia [Mr. BROWN] and the gentleman from Michigan [Mr. CRAWFORD] for their fine work.

In voting for the adoption of the conference report, which vote is for the extension of the Price Control Act for 1 year, I am acting with great reluctance and considerable apprehension. I have no quarrel with the basic law as an emergency measure. The principle of this law I support wholeheartedly, but, having in mind the horrible mistakes and grave injustices that have occurred in the administration of a basically sound law, I vote with much trepidation and with the sincere hope that administrative evils will be cured and other like evils avoided in the future.

While the conference substitute does not contain the specific language of the amendment I offered to the act and which was adopted by the House, let me express appreciation that the report shows that this amendment is, in reality, a part of the reported bill. By the adoption of broader language and by specifically calling attention to the fact that this broader language and the directive to the President is intended to accomplish the purpose of my amendment, the conferees have actually adopted my amendment in its broadest sense.

It is my earnest hope that the administrative agencies will promptly take such action as may be required to comply with the clear and explicit intent of the Congress as that intent is expressed in this conference report.

May I ask the committee if in their opinion the amendment offered by the gentleman from North Carolina [Mr. RIVERS] is in any way changed from the form in which it originally passed the House, with particular respect to the basic purpose that the price intended to be set be given to the producers 15 days before the crop is put in the ground?

Mr. SPENCE. The amendment was revised by the legislative counsel. He thought we could put it in better form.

Mr. KLEBERG. It is the purpose, however, to carry out the intent of the Rivers amendment?

Mr. SPENCE. Yes.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Speaker, I am sure that the Members of the House will want to know before they vote on this conference report of the action of the conference committee on the amendment which I offered and which was adopted while Senate bill 1764 was under consideration.

It will be recalled that as adopted by the House my amendment read as follows:

Section 3 of an act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, approved October 2, 1942, is amended by adding just before the first proviso in said section 3 the following: "Provided, That the maximum price so established may be charged or collected by the processor or manufacturer only when the producer of the agricultural commodity has received, as to any agricultural commodity acquired by the processor or manufacturer subsequent to 30 days after the effective date of this amendment, approximately the higher of the prices specified in clauses (1) and (2) of this section, and upon failure of the processor or manufacturer to submit satisfactory proof thereof such processor or manufacturer may charge and collect not more than 90 percent of the maximum price so established."

It will also be recalled that Section 3 of the Stabilization Act of October 2, 1942, provides that no maximum price shall be established or maintained for any agricultural commodity below a price which will reflect to the producers of such commodities the higher of either, first, the parity price, or second, the highest price received by such producers between January 1 and September 15, 1942. Then that section further provides as follows:

No maximum price shall be established or maintained under authority of this act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section:

My amendment had one single purpose and intent, that was, to make sure that the producers of agricultural commodities actually received a price equal to the higher of either the parity price or the highest price between January 1 and September 15, 1942. That this was the purpose and intent of my amendment was thoroughly explained to the House in my remarks at the time I offered the amendment on June 14, 1944, as appears on page 5906 of the CONGRESSIONAL RECORD of that date, and the clear intent and purpose of the amendment was thoroughly understood by Chairman SPENCE of the House Committee on Banking and Currency at the time the committee accepted, and the House adopted, the amendment. As I stated at that time—

It will simply bring about that which this Congress has promised, and which the law requires, the payment of parity prices to the farmers of this Nation.

After the bill was passed in the House and went to conference several of the officials of the Office of Price Administration conferred with me with regard to the administration of my amendment. They indicated that they might encounter some serious difficulties in the enforcement of my amendment with regard to some of the crops, particularly fresh fruits and vegetables, and it was suggested that with reference to some crops other agencies of the Government might more easily and effectively set up programs which would positively assure the farmers receiving parity prices. I recognized the force of their argument and I prepared the following substitute for my amendment:

SEC. —. Section 3 of an act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, approved October 2, 1942, is amended by adding just before the first proviso in said section 3 the following:

"And the President shall, through such departments, agencies and officers as he may direct, take such action as may be necessary to assure that the producers of agricultural commodities receive a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section."

Together with the following memorandum:

I have had several conferences with O. P. A. officials and they have stated that it may prove impracticable for them, under certain conditions, solely through price regulations, to assure the farmers parity prices as reflected in the ceilings of the processors and manufacturers.

They point out that with respect to some commodities this may be done more effectively, more cheaply, and with less danger of straining the stabilization program, by some other agency and through some other program; for instance, by raising the commodity loan rate, or by increasing the support price, by correcting inequities, or by adjusting ceilings, etc.

While the administration has neither recommended nor approved the proposal which I submit herewith as a substitute for my amendment, I recognize that some administrative difficultiees may be encountered in the enforcement by O. P. A. of my original amendment as adopted by the House, and an agreeable to the broader plan of making all agencies and departments available to the President in carrying out the results sought to be accomplished by the original amendment.

I should add that not a single official of O. P. A. and not one Member of Congress has questioned the correctness of the principle here involved, and all have expressed an earnest desire to accomplish the result sought by the original amendment, that is, to see and make sure that the agricultural producers actually receive the prices stipulated in clauses (1) and (2) of section 3 and as reflected in the maximum prices established for the processors and manufacturers.

STEPHEN PACE, M. C.

This substitute and this memorandum were then submitted to Senator BANKHEAD, of the Senate conferees, and to Chairman SPENCE, Mr. MONRONEY, and Mr. WOLCOTT, of the House conferees.

It will be observed that with only minor modifications the conference committee accepted and approved my substitute, the language contained in the bill as set forth in this conference report being as follows:

The President, acting through any department, agency, or office of the Government, shall take all lawful action to assure that the farm producer of any of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of any agricultural commodity with respect to which a public announcement has been made under section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes," approved July 1, 1941, as amended (relating to supporting the prices of nonbasic agricultural commodities) receives not less than the higher of the two prices specified in clauses (1) and (2) of this section (the latter price as adjusted for gross inequity)—

Appearing as the second paragraph in subsection (b) of section 201, on page 12 of the conference report.

It will be observed that the only material changes made in the substitute which I submitted to the conference committee were (1) they provide that the President "shall take all lawful action," where my substitute read "take such action as may be necessary," and (2) they limit the amendment to the basic crops and the crops with respect to which in-

creased production has been requested. The first change is immaterial, as the language means exactly the same thing, and I certainly did not contemplate that the President would take any unlawful action. The second change is immaterial, as the 6 basic crops and about 40 crops where increased production has been requested substantially cover the entire agricultural field.

The two provisions mean exactly the same thing, that is, that the farmers of the Nation are assured of not less than the higher of either the parity price or the highest price between January 1 and September 15, 1942.

In this connection it is important to notice another vital change in the law as set forth in this section 201. The present law says in substance that in fixing maximum prices of commodities processed from agricultural commodities they shall be established and maintained at a price which will reflect to the producers a price equal to the higher of the prices specified in clauses (1) and (2). Under the new language it is provided that "it shall be unlawful to establish or maintain" any price for either an agricultural commodity or a commodity processed from an agricultural commodity at a price below a price which reflects the higher of the prices specified in clauses (1) and (2). This means that any farmer or any processor or manufacturer has a right to demand and to secure ceiling or maximum prices fixed at a level which will reflect the higher of the prices specified in clauses (1) and (2), that it is unlawful for the O. P. A. Administrator to fix any price under that figure. And, then, under my amendment, it is the solemn duty and obligation of the President to see that the farmers get those prices for the raw commodities.

In addition this paragraph provides that this rule shall be "applied separately to each major item in the case of production made in whole or major part from cotton or cotton yarn." We all know that the ceiling prices on some textile goods do not reflect the parity price of cotton to the cotton farmer and are not sufficient for the processor to afford to pay the parity price to the cotton farmer. This has created an undue hardship on both the processor and the farmer. The cotton farmer does not expect the processor to pay him the parity price for his cotton unless the processor can sell his products at a price sufficient to pay the parity price. This provision will compel O. P. A. to fix ceiling prices for textile goods at a level whereby the price on each major item, and the word "each" is most important, will include the full parity price for the raw cotton and will put the processor in position to pay the farmer the full parity price for his cotton. It is then up to the President, and under this section it is the President's solemn duty and obligation, to see that the farmer gets the full parity price.

For this I have worked many years and I am happy to know that at last the law absolutely guarantees parity prices to the farmers of this Nation. Certainly that is little enough for them to receive, for present parity prices do not include the enormous increase in the cost of farm labor. But you have passed my bill, H. R. 1408, to include all farm labor in the calculation of parity prices. It is now pending in the Senate, and I hope that body will give that bill its early and favorable consideration.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. IZAC].

Mr. IZAC. Mr. Speaker, the conferees placed in the bill a rewrite of the amendment I introduced on rent control. It covers those classes of cases where a substantial hardship has resulted since the maximum rent day for substantial and unavoidable increase in property taxes or operating costs. There are three substantials in this paragraph. I am wondering what we are to believe those three substantials indicate and what interpretation will be placed on those words by the Administrator. If it is administered in justice and fairness to the tenants and the owners of property, I am sure it will be all right, but I am glad to see that the committee expects to come back 1 year from now and have an accounting from the Administrator as to how he has administered this act.

Mr. Speaker, I believe certain comments regarding the agreement reached by the conference are in order. It is very evident that unless the Administrator is trying to hide behind a subterfuge in doing justice in small rent cases he should have been willing to accept the wording of my amendment as contained in the bill which passed the House. No one knows just how the word "substantial" will be construed nor what regulations will be issued implementing the sentence which represents the modified version of my amendment.

I believe it is also pertinent to point out that in the amendment as accepted by the conference cognizance will be taken of hardship cases where there is an increase in property taxes or operating costs but not in case of a decrease. My amendment tried to be fair to both owners and tenants. The conference amendment favors just one side. It can be seen from this therefore if the owner milks the property and does not maintain it normally the resulting decrease in cost is not recognized for tenant adjustments.

Then there is the word "unavoidable" which differs from my amendment. Anyone can "avoid" increased costs if he does not maintain the property in proper operating condition. In the case of the word "hardship" I am wondering if the Administrator would try to relieve an owner from suffering a substantial loss from operating rental property or if he would expect the owner to withdraw savings or other earnings to make up this loss just to keep the rental doors open. I notice also that the provision for adjustment of inequities in multiplte-unit properties is eliminated. This was contained in my amendment and is in accordance with the law in Canada. Can it be that the Administrator is fighting a rear-guard action and trying to avoid doing what is so obviously the intent of Congress, namely, the adjusting of rents on a basis of fairness and equity?

I insist that the only time that this was before the House and the sentiment of the House could be clearly indicated was when my amendment was on the floor and received a favorable vote of 96 to 67. If the intent of Congress as conclusively shown by the debate on my amendment and the resulting vote is followed by the Administrator I am sure we will have no cause to complain. If, however, there is a deliberate attempt by the Administrator to sabotage this amendment and if the conference committee's rewording of my amendment gives the Administrator the subterfuge that he could avail himself of to defeat the intent of Congress, then I propose to the people of all the defense-rental areas that they bring such nullification to the attention of the individual Members of Congress and there will undoubtedly be a day of retribution to follow.

I await with considerable interest the regulations to be drawn up following the passage of this bill.

They have eliminated the amendment by the gentleman from Michigan [Mr. WOLCOTT] providing for adjustment of gross inequities in rents. Does that mean they will attempt to correct the slight inequities and neglect the large ones? But again what does "substantial" mean? Does it mean $2 or 5 percent? And still again what are they going to do about "comparability"? If two houses side-by-side, comparable in every respect, have differences in rental ranging from 100 percent to 300 percent, is that a case for adjustment?

Finally, Mr. Speaker, I draw attention to certain words that may mean much or little in the administration of this act—"hardship," "substantial," "unavoidable," "peculiar circumstances," "comparable," and so forth. The interpretation of these words by the Administrator will determine whether he has conformed to the will of Congress or not. Mr. Speaker, I have done the best I could to provide an administration of rent control based on fairness to the owners of property and to the renters, likewise. My thanks to those of my colleagues supporting me in these efforts. If we fail it will not be because of any failure on our part to bring to the light of day the injustices that have arisen in the past.

Mr. KUNKEL. Mr. Speaker, the conferees are to be congratulated on their splendid work on securing such satisfactory settlements of the various disagreements between the House and Senate bills. They have either eliminated entirely, or adjusted fairly, nearly all of those amendments which, in their original form, would have proved definitely crippling to the price-control program. As one who has steadily advocated and fought for real price control from the start, I am naturally elated at this.

Also, the amendment requiring that the Railway Labor Act be followed in any dispute between employees and carriers affecting wages and salaries was wisely retained. I strongly supported this amendment at all times. The Railway Labor Act is an outstanding example of fair and successful labor legislation. It has stood the test of time. Under it, employees and carriers have

secured equitable adjustments time and again without any serious arguments and with no work stoppages whatever. The cause of the threatened strike of last year was the action of the President and the Economic Stabilizer, Mr. Vinson, in disregarding and overruling this law. It was not caused by either railroad men or management. In my opinion, no strike would have occurred anyway. Railroad men are sturdy, patriotic Americans.

My great regret in connection with this report—and the one feature which makes me hesitate to vote for it—is the inclusion therein of the so-called modified Bankhead amendment. In my opinion, this is a grave error. Undoubtedly it will result in higher prices on many items of clothing and other cotton goods for the men and women of America. The Brown amendment—also a modification of the Bankhead cotton amendment—was badly defeated here in the House. No one worked harder than the distinguished gentleman from Georgia [Mr. BROWN] to find a solution that would insure parity to the cotton farmers and yet avoid raising prices. Yet I was forced to vote against his modification because I felt that despite his untiring efforts he had not found the right answer.

I have been informed by first-hand witnesses—by those participating in the conference—that to all intents and purposes the entire Bankhead amendment was practically put out of the picture by the conferees late Monday night. True, it was still in disagreement, yet it appeared that rejection was imminent and certain. Then Chester Bowles, O. P. A. Administrator, and representatives of Mr. Vinson, the so-called economic stabilizer, and of Justice Byrnes came up to Capitol Hill Tuesday morning with a new version written by O. P. A.'s general counsel, Mr. Fields. All of these men claimed that this was completely satisfactory and noninflationary. After their representations and at their direct request, as the story comes to me, the conferees finally agreed to include this O. P. A. cotton-and-cotton-goods-price-raising amendment in the bill. With the administrative agencies, which had hitherto opposed it, now ardently supporting it, this reversal was only natural. Clearly the change of position on the part of these executive agencies must have been at the instigation of, and with the approval of, the President. Many observers claim the support given this amendment by the President is all part and parcel of a political deal.

Mr. Speaker, this amendment is brand new. No one as yet has really had time to study it carefully. Yet my brief study convinces me that it will cause at least some increases in the cost of cotton goods to the consumers; almost certainly this will be so on many articles, if not upon all. You cannot increase costs without having those increases reflected in higher prices. I feel that the future will bear me out in this prediction. I cannot and do not blame the conferees for this. I place the responsibility squarely on the O. P. A. and our so-called economic stabilizers, Bowles, Fields, Vinson, and Byrnes. So, when you ladies and you men pay more for your clothes you will know that the extra and added cost taken out of your pocketbooks is due to the President and the O. P. A., because this is their doing.

There is a real need for this O. P. A. legislation. It is necessary that the Price Control Act be extended. I believe that the O. P. A. Extension Act contains so many improvements over the old one, soon to expire, that we can swallow this one really inflationary provision which the influences of the O. P. A. and the economic stabilizers have forced into the conference report, much as I dislike it and disapprove of it. So I shall vote for it despite my feeling that this modified Bankhead amendment will cause trouble. Its failings are not enough to offset the other benefits contained in the bill. I cannot, however, be gullible enough to swallow the O. P. A.'s statements, which were made to the conferees, that this cotton amendment will not be reflected in any price rise in any cotton goods.

Mr. JENKINS. Mr. Speaker, no doubt the House will adopt this conference report today and by its action will bring to a close a long and tedious conflict that has been raging in this House for some time. While the conference report does not go nearly as far as I should like to see it, still it must be said that the members of the Banking and Currency Committee on both sides of the House have striven diligently in bringing this matter along to its present status. I think that the debates, which were very searching and very illuminating in many ways, will surely bring to those who have been administering the O. P. A. realization of the fact that the country has been terribly dissatisfied with the program and with its administration in some respects. Personally, I appreciate that it has been a very difficult task and it was unfortunate that in many cases men who lacked tact and understanding were given the responsibility of enforcing this very difficult piece of legislation.

During the consideration of the bill on the floor of the House I took a somewhat active part especially with reference to those sections of the bill that pertain to the control of rents and rented property. It is only natural that we Congressmen are more especially interested in the matters with which we are familiar. In a bill of this kind that has general application all over the country, it is the duty of each and every Congressman to know how the legislation affects the districts which he has the honor and responsibility to represent. My district, not being a thickly populated area, is not confronted with any of the serious problems that come with congestions of population. However, in the application of the rent-control features of this law, no difference has been made in thinly populated areas as against congested areas. Basically rent control was supposed to apply only in congested areas where it was necessary to keep down exorbitant rents. Rents are exorbitant only where the demand is great. The demand is great only where the population is dense and the accommodations are not sufficient to meet the demands.

The members of the conference committee that have brought us this report were kind enough to give consideration to the problem which I advanced on the floor of the House in the debate by adding an amendment to the law which, while not going as far as I would wish, does go far enough to indicate to the Administrator that the Members of the House and Senate, who composed the conference committee, recognized the merit of my contention and inserted an amendment which they felt would remedy the situation. It will remedy the situation if the Administrator will fully realize what the situation is and will fully realize that the conference committee inserted that amendment in the bill especially for the purpose of remedying the situation against which I complained. The amendments to which I refer are found in subsection B of section 2 of the conference report, under the title "Prices, Rents, and Market and Renting Practices."

In the last part of section B there appears an amendment to the present law, beginning with the words "whenever the Administrator shall find," and so forth. In that portion of subsection B have been added, after the words "defense rental area", the words "or any portion thereof." This phrase has been inserted twice in that portion of subsection 2, to which I refer.

The purpose of this phrase "or any portion thereof" was to give to the Administrator the certain, definite power to release from rent-control portions of a rental area. He may have had that power before but in order to make it definite and certain this phrase was added in this subsection.

I therefore hope that the Administrator will appreciate this situation and will recognize the fact that this amendment was put into this law to meet the situation presented by me and which applies in the district which I have the honor to represent.

The basis of the trouble in my district and against which I have complained so strenuously is not the application of the Price Control Sections of the O. P. A. but the trouble comes from the fact that the O. P. A. under the law has been compelled to apply rent control in districts known as defense areas. Defense areas were not set up by virtue of the O. P. A. legislation but were set up by Presidential order and primarily for the purpose of controlling priorities. Portions of the three counties of my district for which I am asking relief were put into defense areas long before the rent-control law was passed and especially before it was administered in our section. These sections of this territory that were put in defense areas were territories in which the merchants and supply men were supposed to be benefited by reason of being permitted to secure priorities to better advantage.

I feel sure that if the merchants and supply men of these sections had known that later they would have been placed under rent control they would not have been anxious to be placed in defense areas for purposes of priority preference. After a portion of these three counties had been placed in defense areas for priorities purposes then comes along this rent-control legislation which bases its

operation as far as rent control is concerned on territories within defense areas. Rent control applies in defense-area territories regardless of whether there are any real defense plants in those territories. That would be very unfair and unreasonable in many instances. For instance, from Steubenville to Cincinnati is more than 300 miles if one is to follow the river. And although there are many larger towns in that area than any of the towns in my district, still rent control does not apply except in these three small semirural counties. The reason for this is that across the river from this territory in West Virginia lies a very large defense-area territory surrounding Charleston, W. Va. On the edge of this territory 50 miles down the Kanawha River from Charleston is located Point Pleasant, which is directly across the Ohio River from the territory in my district in which I am expressing an interest. In Point Pleasant the Government started to build a large shipyard but after expending $10,000,000 or more, the project was abandoned. In that same vicinity, the Government built what promised to be a large TNT plant but in fact only about one-sixth of it was ever put in operation.

When it was apparent that the intention of the Government was to build these large plants and to put them in operation, the housing facilities of the Government constructed 1,200 or 1,500 houses in that vicinity and private interests, with Government capital, constructed probably 500 additional houses. When the projects were abandoned at least 1,500 of these houses were never occupied. Hundreds of them were moved down the river on barges to other localities where the Government apparently needed them. It stands to reason that Point Pleasant does not need rent control when at least 1,000 or 1,500 houses were vacant and had never been occupied. If Point Pleasant does not need it, it surely must be a fact that Pomeroy and Middleport, 2 towns 10 miles from Point Pleasant and across the river in Ohio, and likewise Gallipolis, a small town in Ohio and 10 miles below Point Pleasant, would not need it. Especially is this true when it is considered that there are about 20 houses in Pomeroy that have been built by the Government that have never been occupied.

The situation as to Lawrence County is practically the same as that with reference to these other 2 counties. The Government built a defense plant 10 miles up the river from Ironton, which is the county seat of Lawrence County. Near that plant the Government has built 20 houses, not a single one of which has been occupied. The reason for this is that the number of people employed by this plant is only about 20 percent of the number that was employed to construct the plant. Many of the small number now employed live across the river in Huntington, W. Va., which is a large city, and in Ashland, Ky., which is also a large city, and many others live in the rural sections adjacent to the plant with the result that this new defense plant has made no appreciable impression on the rent problem in the city of Ironton, which for years has been well recognized as having the lowest rent of any city in the great State of Ohio.

It is my hope, therefore, that the Rent Administrator will take this legislation, especially these amendments to which I have referred, as being a mandate to him to rectify the situation I have represented as being an unnecessary burden to three of the counties which I have the honor to represent. These regulations at present extend not only to the city limits of these small cities to which I have referred, but it extends back in some cases more than 50 miles to the small rural villages which have not been in any way influenced by any defense plant built anywhere.

Mr. SPENCE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. SPENCE. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the conference report just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate insists upon its amendment to the bill (H. R. 3646) entitled "An act to amend section 42 of title 7 of the Canal Zone Code," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STEWART, Mr. PEPPER, and Mr. BUSHFIELD to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4204) entitled "An act making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 10 to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1718) entitled "An act to provide for the settlement of claims arising from terminated war contracts, and for other purposes."

EXTENSION OF REMARKS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter which a soldier sent home to his parents in Indiana.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two different places, in one to include an editorial and a statement by the Honorable E. D. Lambright, and in the other to include a speech made before the Disabled American Veterans.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the conference report just passed and include therein certain excerpts from the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. ROWE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD concerning the death of a newspaperman.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JONES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein certain extraneous matter. I have an estimate from the Public Printer that it will cost $225.40, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCHWABE asked and was given permission to extend his remarks in the RECORD.)

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on four different matters

and include therein certain excerpts and some correspondence.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the O. P. A. and on the conference report just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF SUSPENSION IN PART OF THE PROCESSING TAX ON COCONUT OIL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4837) to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

After line 6 insert:

"SEC. 2. (a) Section 400 of the Internal Revenue Code, as amended, is amended by striking out, in the third column of the table contained therein, the figure '100' the second time they appear in such column and inserting in lieu thereof the figures '110.'

"(b) The amendment made by subsection (a) shall apply to the computation of income tax under supplement T of chapter 1 of such code in the case of taxable years beginning after December 31, 1943."

Amend the title so as to read: "An act to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, and to correct a typographical error in the Individual Income Tax Act of 1944."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the Senate amendments?

Mr. DOUGHTON. Mr. Speaker, the bill, as passed by the House, extends for 2 years, until June 30, 1946, the suspension of the additional 2-cent tax of coconut oil from sources other than the Philippine Islands. The Senate agrees to the House bill with an amendment.

The Senate amendment corrects a typographical error made in the enrollment of the Individual Income Tax Act of 1944, approved by the President on May 29. In the tax table in supplement T, the alternative tax for individuals with adjusted gross income of less than $5,000, the tax, in the case of an individual whose adjusted gross income is at least $1,075 but less than $1,100 and who has one surtax exemption, appears as $100, instead of $110, as passed by both Houses. The Senate amendment corrects the error, and the Senate also amends the title.

Mr. AUGUST H. ANDRESEN. I understand the 2-cent tax is still left in the law.

Mr. DOUGHTON. It extends the time that would have expired at the end of this month and extends the time for 2 years, until June 30, 1946, except for the Philippine Islands.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. JENKINS. I understand the Senate has again exercised that prerogative of adding some sort of little, trifling amendment to the real bill about which the gentleman is speaking?

Mr. DOUGHTON. I will say to the distinguished gentleman from Ohio it was discovered there was an error made in the enrollment of the individual income tax law of 1944. That being the case it was necessary to correct that error and this was the only opportunity to do it.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that all Members who have special orders to address the House tonight be permitted to extend their remarks in the RECORD at this point, if they so desire.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COLE of New York. Mr. Speaker, several decades ago America's great poet-philosopher, Ralph Waldo Emerson, asserted that the true test of civilization is not the census nor the size of the cities nor the crops—"no, but the kind of man a country turns out." The kind of man a nation turns out was his measure of that nation's greatness. It is not the vastness of the nation's territorial domain, it is not its unlimited resources, it is not the hordes of people dwelling within its limits nor the monuments and memorials erected to the glory of its past that makes a nation strong and enduring. It is the character of its citizenry.

How revealing this statement of Emerson becomes when we look back over the ages and note the rise of such great civilizations as Egypt, Greece, and Rome, each in its turn representing the acme of the intellectual, scientific, and cultural advancement of its day, but each in its turn sinking into comparative oblivion as the force of moral disintegration and decay began to soften the character of its citizenry. Unhappily, there are a great many Americans, far too many, who today are either unmindful of the spiritual dangers which threaten our national life or are convinced that our fabulous riches and resources, our great reservoir of skilled and highly trained population, our vast stretches of fertile lands, wooded mountains and broad rivers, our lofty skyscrapers, our bank vaults jammed with gold, our scientific and technological geniuses, or our favored position as God's chosen people, will save us from the dangers and disasters which have befallen not only Egypt, Greece, and Rome, but all other earlier peoples and civilizations who failed to keep themselves morally strong.

This blind confidence and this smug complaisance are certain to lead to our slow but inevitable destruction as a great people. No nation, just as no individual, can long continue to have the finer and better material things in life unless it deserves them through the living of an honorable, honest, and a moral life. In the long run, each of us receives just about that to which we are entitled as measured by the quality of our character, the strength of our integrity, and the hardiness of our moral stamina. It is equally so with nations.

Mr. Speaker, one of the consequences of the war in which we are now engaged and which is cause for genuine alarm is the rapid growth of juvenile delinquency and the increasing waywardness of our children. War's destructive arm not only demolishes homes, factories, and cities, not only maims, blinds, cripples, and kills the best of our manhood, but even extends its blighting hand to warp the minds and hearts of our children. It is unnecessary for me to recite statistics and figures to establish the fact that moral delinquency among our youth is steadily increasing. One needs only to observe for himself as he rides the trains, visits the hotels, the cocktail bars, the places of amusement and even as he walks the streets of any of our cities, to be convinced that here is a condition which, if allowed to continue unchecked, will inevitably result in a weakening of our national character.

Already many of our larger cities have inaugurated programs looking toward a mitigation of this evil by opening and making available to the young people places of amusement and entertainment conducted under wholesome conditions and proper influences. There are other plans and programs aimed at curbing the same evil. Unquestionably, such movements are highly beneficial and have already been proven to be immensely worth while but they are not sufficient nor do they strike at the heart of the evil. It is not enough that we simply provide our children with activities which will remove them from the influences of temptation; we must go further and teach them the difference between good and evil and show them that the good way of life possesses certain rewards and that the evil way entails inevitable pains and penalties. Nor is it enough that we enact legislation proscribing certain kinds of human behavior which are generally accepted to be immoral.

I am convinced that one of the reasons why young people go astray, if not the main reason, is that they do not properly understand what is good and what is bad in the field of human behavior. We may build all the parks, playgrounds, and amusement places that money can buy, but that alone will not effectively teach this fundamental lesson.

What, then, is the best way to instill in the minds of the children a knowledge and training in the right kind of living so that they will be able to distinguish between right and wrong, so that they

will desire to choose the right instead of the wrong, and so that they will develop the habit of doing right? Certainly, we cannot legislate goodness into the hearts of our people or our children. Of course, the best place for this training is in the home. However, this requires that the parents themselves have sufficient conception of high morality to seek to implant that same influence in the hearts of their children. It must always be remembered that the children of today will become the parents of tomorrow. The plain fact of the matter is that this training is not being done in the home and it is apparent that no amount of persuasion, coercion, or legislation can cause it to be done there against the will of an indifferent parent. Especially is this true at this particular time when we are at war and many of the fathers are away at the battle fronts and the mothers away from home at work in the war industries.

Many will say that if the moral training is not done in the home, then it must be done in the church. Of course, it should be done there, and the training which children receive in the church school is of the greatest value in molding their lives toward morality and good citizenship. But again the fact remains that only a very small percentage of the children receive that type of religious training and as to those few who receive such training the amount given to them is necessarily sketchy and brief.

It is the vast majority of those who do not receive moral or religious training that is causing so much concern. If the training is not or cannot be done in the home or in the church, then there is another place where it can be done, and that is in the public school.

For well over a year, I have debated in my own mind the feasibility and practicability of adapting our public-school systems to an effective program for character training, including moral standards, ethics, temperance, good citizenship and good conduct. I have come to the definite conclusion that it both can be done and should be done. Further than this, I am likewise convinced that such a method is the most effective way of stemming juvenile delinquency and rebuilding the moral fiber of our people. Some experiments along this line have already been tried in various parts of the country and at various times in the past, but there never has been a sufficient national impetus or interest to cause the experiments to become widespread and general. At any rate, the reward, if successful, is worth the price of undertaking this experiment on a Nation-wide scale and I have just introduced appropriate legislation to accomplish this objective.

The pattern which I have used in drafting the proposal is the well-known Smith-Hughes Act of 1917 which has proven so completely successful and popular by providing for Federal aid in vocational and agricultural training and training in home economics and the industrial arts. Allocation of the Federal funds would oe made to the States based upon their population for the purpose both of training the teachers and for the teaching of subjects related to character education, including morals, ethics, temperance, good citizenship and good conduct. The teaching would be done only in the public schools of the States. Distribution of the funds and the administration of the program would be vested in a Federal Board for Character Education to be composed of the United States Commissioner of Education and four citizens appointed by the President, of outstanding achievement in the field of character education and youth training, of whom there must be at least one member for each of the Protestant, Catholic, and Jewish faiths. The various State boards of education or State education authorities would annually submit plans to the Federal board for the particular plan of character training which that State might desire, and if approved by the Federal board, would entitle the State to receive from the Federal Government sufficient funds to cover one-half of the cost of the teachers' salaries or the cost of the teachers' training. So far as practicable a preferential status would be given to the discharged members of our armed forces in the selection of the teachers who might be used in the program.

Mr. Speaker, it can be anticipated that there may arise some opposition to such a proposal as this from the religious groups of the country who may be fearful that sectarian religion will be taught under the guise of character education. Not only does the bill expressly prohibit the teaching of any sectarian religion but the Federal Board for Character Education, constituted as it is of representatives of all the major religious faiths of the Nation, would have authority to prevent such a practice. It is, of course, inevitable and proper that there shall be some close similarity between religious teachings and the teachings of character education.

Mr. Speaker, when I speak of the "character of the citizens" of a nation, I would have the term "character" include morality and religion as essential and even vital attributes. Our children may have the broadest and most thorough education in science, mathematics, and languages. They may have received the latest and most modern physical and vocational education. They may be thoroughly grounded in the humanities and the cultural fields of learning and with it all, lacking a proper training in morals and religion, be an utter failure as "the kind of man" that will insure the Nation's life and our civilization.

The enactment of this legislation will mark a forward step in education in this country and will make our public schools a more potent force than they now are in producing the kind of citizens we want and must have.

ALLOTMENT OF GASOLINE TO PROFESSIONAL PARTY BOAT FISHERMEN

Mr. AUCHINCLOSS. Mr. Speaker, a few days ago I inserted in the RECORD an editorial entitled "Chester Bowles Never Went Fishing With Us," and stated that I would discuss this important matter more fully at a later date—so I have asked for this time to explain to the Members of the House how millions of pounds of food fish are being kept from the market because the O. P. A. refuses the professional party boat fishermen sufficient gasoline to carry on their business. I will show you that the O. P. A. closes its eyes to the fact that the shortage in food fish is very real and how relief from this shortage is denied by this Government agency.

It is admitted by everyone that the production of food for our own people and the nations of the world is one of the most important matters that concerns us. Our citizens have been urged by the Administrator of the O. P. A. to grow bigger and better victory gardens than ever before, and the housewife is smothered with instructions about the canning and dehydration of foods. The formation of community canning clubs has been encouraged and the press all over America prints columns and columns about vegetable growing and the processing of food. Anyone who can have a victory garden and who does not is considered unpatriotic and a slacker. Prizes are offered for good growers, and victory gardeners are even allotted extra gasoline under certain conditions. There can be no objection to all this; it is proper that it should be so. Everyone approves of this and is proud to have a victory garden and do a good job with it. The Government says we need more food and we are all eager to produce it.

But when people want to go fishing and bring back five hundred to a thousand pounds of food fish for the market, the O. P. A. says, "No; you cannot do that; there is not enough gasoline." The intimation is also made that the fisherman might enjoy himself even if he does produce food. I feel sure that the victory gardener has a lot of pleasure, whether the O. P. A. likes it or not. Be that as it may, let us confine our discussion to the production of food and examine the food situation as it involves fish.

Mr. Charles E. Jackson, of the Bureau of Fisheries of the Department of Interior, in testifying before a recent meeting of a subcommittee of the Committee on the Merchant Marine and Fisheries, said:

> As has been stated by other witnesses, the War Food Administration has asked us for a billion pounds more than we anticipate we can produce in 1944 but that production figure which we estimated at four and a quarter billion pounds was based on the manpower situation as it applied at the end of last December.
>
> Since then, we have lost considerable manpower, so without having checked these figures very carefully, I am quite confident that we cannot even approach four and a quarter billion pounds today, as we estimated we could on December 31.

Now that is serious and a matter that demands the cooperation of every agency of government. We all know that many of the Government agencies are manned by inexperienced and incompetent people, but no one can say with any justice that the Bureau of Fisheries is in that category. The men in that Bureau are experienced men and know what they are talking about and when they go on

record that there is a shortage of a billion pounds of fish, there is just that and no other branch of the Government can deny it. I know I share my respect for the Bureau of Fisheries with all my colleagues. This shortage is due to the fact that there is a lack of manpower on account of the draft, and the Committee on the Merchant Marine and Fisheries has held hearings on that subject. Much of the information which I will present to you is taken from these hearings.

I would like to explain briefly what all these fish are used for and in a few words tell why it is important to have plenty of fish. First, it is a question of food, and by that I mean fish to eat, because in one way or another we depend on fish for our well-being. Of course, there are some people who do not like fish; there are also some people who do not like lamb chops; yet, that is no reason to question the value of fish as food. It is nourishing and satisfying food and thousands of people depend on it. Permit me to quote a resolution of the Food and Nutrition Board, which is advisory specifically to the Food Administration and to the Quartermaster Corps:

Whereas supplies of protein for both human and animal nutrition are seriously restricted in North America; and

Whereas available data indicate that fish proteins are of high biological value to man, and that fish meal can replace milk and various meat byproducts as a source of protein in the feeding of farm animals: Be it

Resolved, That the food and nutrition board of the National Research Council urges upon the proper Government authorities that everything possible be done to increase the effectiveness of our fisheries, in order that the greatest possible amount of fish may be secured for augmenting the protein supply of the North American people in wartime.

It is interesting to note that the Army and Lend-Lease take about 60 percent of our fish supply. Second, fish supply oils which are so necessary in essential industry, and the Fats and Oils Branch of the War Food Administration is interested in an increased production of fish oil. Fish oil is used for caulking compounds, alkyd resins, terneplating, and galvanizing, as well as in the tanning of leather and the manufacture of leather jackets used by the Air Corps. Fish oil is required to temper high-speed tools in factories engaged in war work—there is no substitute—also in the operation of airplanes. There is a constant demand for these oils, and it must be met to keep the war effort at an efficient level. Third, fish provides the vitamins in abundance which are so necessary to our health. The oils and secretions of certain of the food fishes find their way to the drug stores of the country in the varied and various vitamin pills offered for your rejuvenation. Permit me to quote from a letter received by the Committee on the Merchant Marine and Fisheries from Hon. Marvin Jones, Food Administrator:

Vitamin A, which is produced from the liver and viscera of the fish, is an essential element in human and animal nutrition and is required in large quantities for war activities. Because of the shortage of the vitamin, which was further aggravated by the increased demand of lend-leasing activities, it was necessary to issue an allocation order controlling the distribution to essential uses. Against an estimated production of 82 trillion units, there was allocated 138 trillion, the difference to be met from industrial and Government stocks. However, the catch to date of fish in vitamin A potency has fallen off 50 percent, as compared to the same period in 1943. Therefore, it is vitally necessary that every effort be made to increase the supply of vitamin A or sharp decreases in the quantities allocated to military and war services, lend-lease countries, and essential United States civilian uses will be caused by the deficit in the estimated availability.

In the light of that statement, is it not of supreme importance that the fish supply be augmented by every available means? Indeed, the "poor fish" is indispensable to us, and we must do all in our power to turn the threatened shortage into a surplus.

Now how can this be done? Are we to stand by and just accept this shortage without trying to do anything about it? Are we to accept defeat and quit? Or are we, as a nation, going to be constructive about it and cooperate to beat it? It is a challenge to all of us, whether we are elected representatives of the people, or appointed bureaucrats, and I am anxious that we get together and work it out. I know it can be done and some of us representatives of the people have already tried, but I am sorry to say have not got very far.

About 6 weeks ago 8 Republican Congressmen, representing the eastern seaboard States of Maine, Massachusetts, Connecticut, New York, and New Jersey, met together and were honored by having meet with us the very able and distinguished veteran statesman the gentleman from Virginia [Mr. BLAND], chairman of the Committee on the Merchant Marine and Fisheries, and the capable chairman of the Subcommittee on Fisheries of that committee, the gentleman from Florida [Mr. PETERSON]. The presence and interest of these two gentlemen added much to our deliberations. Representative party-boat fishermen from the New Jersey coast, who are professional fishermen although they are not classed as commercial fishermen, appeared before us informally. These men testified as to their experience in catching fish by taking people out to sea who wanted to enjoy a day's sport. Now, I want to emphasize right here that just because these professional fishermen are called party-boat fishermen, it must not be assumed that they "throw a party" every time they go fishing. They do nothing of the sort because it is serious business to take from 6 to 20 or more people 5, 15, or even 20 miles offshore for a day's business. All of the captains of these boats discourage the drinking of liquor and many of them forbid it on board. They cannot be bothered with that sort of thing, because their responsibilities for the safety of their passengers and crew are too great. The people who go out on these parties go out to catch fish and the popularity of the professional fishermen is determined by the amount of fish their boats bring in. I will not deny that fishermen have fun—they do—so do victory gardeners. And what is wrong with having fun, if you are able to, in this war-torn world?

Now what does the record show about the operations of these professional fishermen? Listen to the testimony of some of the men who met with the Congressmen from the eastern seaboard:

Mr. HILLMAN (member of Chamber of Commerce, Brielle, N. J.). I am from Brielle, Monmouth County, N. J. I am a member of the chamber of commerce and a party-boat operator. At the present time I operate my boats on Saturday and Sunday, carrying out 40 to 50 passengers. During the mackerel run a low estimate would yield a hundred mackerel a person. Fifty persons would amount to 5,000 pounds a day for each boat. That would be carried out throughout the season. So our conservative estimate of an average would be 100 pounds a person for 50 persons a day. Oftentimes it speeds up, but I am giving you a conservative estimate.

* * * * *

Mr. PETERSON (J. HARDIN PETERSON, Representative, Florida). Over a period of time I am satisfied that the party fishermen will result in a marked contribution to the food effort.

Mr. AUCHINCLOSS (Representative, New Jersey). There is no question about that.

Mr. PETERSON. Because the parties go out usually at the peak of the run and I do not mind telling you I have been out on a small boat with four of us when we caught a ton of kingfish in a day. I have been out several times. Of course, we will take home our 40 to 50 pounds and the rest goes on the market.

* * * * *

Mr. KING (A. Paul King, director, Board of Chosen Freeholders, Ocean County, N. J.). Power party boats of which I speak are powered with engines from 25 to 100 horsepower. They might conceivably do a good deal of profitable bottom fishing offshore within a prescribed area on 100 to 150 gallons of gasoline per month. However, the wise and maximum use of this valuable type of food fishing would be to provide wider allotments on boat fuels, based on salable catches produced, using boat registrations for the purchase of fuel under a coupon system set up by the Office of Price Administration. These power boats of cabin yacht type could well produce 300 to 500 pounds of food fish per day in line with their traditional and legitimate offshore fishing business. It is obvious that several million pounds of much needed food fish is thus available within the next few months, if sufficient boat fuel and offshore privileges are immediately forthcoming.

* * * * *

Mr. HOWELL (Brielle, N. J.). Here is the picture of a typical case of a small boat. That will answer the question which you raised. There are approximately 2,000 pounds of fish in that boat and the gasoline consumption was 15 gallons. In other words, here is a small boat that brought in 2,000 pounds of fish and it did it on 15 gallons of gas.

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Mr. PIERPONT (president, Cape May-Wildwood Party Boat Association). This is a compilation of party fishing boats of Cape May County, N. J., based on the 1941 fishing season. I use those figures because the boats have not been permitted to operate in any full season since that time. In Cape May there were 40 party fishing boats with a capacity of 1,350 and during the season they carried 54,000 passengers. In the Wildwoods, there were 47 party boats with a capacity of 1,625 and during the season they carried 65,000 passengers, so that in the county as a whole there were 162 fishing boats with a capacity of 4,271 and 170,000 passengers were carried during the entire season. Now, all

of the above are bottom fishing boats. The estimated fish caught (all used by fishermen and neighbors) was an average per person of 50 pounds of food fish, which showed that for Cape May for the season of 1941 there were 1,350 tons of fish, amounting to 2,700,000 pounds. In the Wildwoods, during the season 1941 there were 1,625 tons of fish, amounting to 3,250,000 pounds. Two cities only with less than 10,000 combined population with 87 party fishing boats produced 2,975 tons of food fish in 1941. These 87 boats consumed approximately 89,000 gallons of fuel oil or gasoline or about three-fourths of 1 gallon of fuel for each passenger taken or each 50 pounds of fish caught. These boats, when operating at capacity, would cut the average fuel per passenger to an average of one-half of one gallon of fuel for each passenger taken. Above figures are compiled on ocean fishing, principally

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Mr. HALL (LEONARD HALL, Representative, New York State). Could I break in there to say that the information you have just given confirms what my fishermen tell me out my way (Long Island), that it amounts to about 50 pounds of fish per gallon of gas.

Here we have the records of only a few of these professional fishermen from just a small section of the coast, and their records show that they are capable of producing millions of pounds of fish during the season for the commercial market. Multiply that by the number of professional party boatmen all along our coast and in the Great Lakes and a large part, if not all, of the estimated fish shortage should be made up. This industry produces 60 pounds of food per gallon of gasoline. Such a record cannot be approached by any other food producer, and the fisherman produces it in a time too short to estimate. Think it over, my colleagues; such an industry is worth encouraging.

This information was submitted to the Administrator of the O. P. A. in a letter dated May 3, 1944, signed by the following Members of the House of Representatives: Mr. HERTER, Massachusetts; Mr. CANFIELD, New Jersey; Mr. BATES, Massachusetts; Mr. HALE, Maine; Mr. HALL, New York; Mr. HARTLEY, New Jersey; Mr. COMPTON, Connecticut; Mr. PETERSON, Florida; Mr. BLAND, Virginia; and myself, requesting that those professional party boat fishermen who turned their catch into the market be classified as commercial fishermen, so they might receive the same gasoline allotment as the commercial men. Under date of May 22, Mr. Bowles replied, denying the request, first, because by classifying these professional fishermen as commercial fishermen they would be entitled to certain equipment priorities and, second, because Mr. Millard, of the War Food Administration, stated that "the contribution of the amateurs" would amount to very little and not affect any reduction in the fish shortage. Please note that we did not request any greater allotment of gasoline for the eastern seaboard. We believe there is plenty of gasoline now for all legitimate purposes, and we believe that if more gasoline were permitted for such a constructive and patriotic purpose there would be less gasoline for the black marketers. This appeared to all of us Representatives as sound reasoning as well as constructive and good management, but not to the O. P. A.

What can be done about it, I do not know. We are again addressing a letter to Mr. Bowles, renewing our request and explaining that these professional party boatmen do not want any priorities for anything—all they want is enough additional gasoline to carry on the profession in which their money is invested. When the contribution to the food supply of the country is taken into account this request is, to put it mildly, most reasonable, and to refuse it is a downright disservice to the people of the country.

I do not want to be classed as a carping critic of the O. P. A.; I want to cooperate and help make it work. We need a competent O. P. A.; without it untold harm would beset our economy. But I ask in all fairness, Why was it possible for professional party boatmen who turned their catch into the market off the Florida coast this past season to get what gasoline they needed, when the same professional fishermen on the east coast, north of Delaware Bay, are denied it? Why do the professional party-boat fishermen in the Chesapeake Bay, who turn their catch into the market, receive the gasoline they need when the New Jersey fishermen are denied it? I do not ask that these fishermen be refused this extra gas because by turning their food fish into the market they are aiding in the war effort. I do ask that these other equally patriotic and fine American citizens who are engaged in the business of fishing be given the same privileges. That is reasonable, that is sensible, and it will not deprive anyone of gas, except—and note the exception—the black marketers, and those leeches should be driven from the country.

I hope that reason will prevail in this matter and that the O. P. A. will see the light and act promptly and constructively. I beg you, my colleagues, to give it your attention and add your voices to the ever-swelling chorus of protest against the unreasonable and unfair position taken by the O. P. A. I think their attitude is largely due to lack of appreciation of the problem and I feel sure that with your constructive help this deficiency may be overcome.

INSPECTION OF ORDNANCE MANUFACTURING ESTABLISHMENTS

Mr. ENGEL of Michigan. Mr. Speaker, on March 2, 1944, I received a letter from the Secretary of War, the Honorable Henry L. Stimson, authorizing me as a member of the War Department subcommittee of the Appropriation Committee to inspect ordnance manufacturing establishments "and therein to study the production costs and inspect records." I also had authority to take copies of records and data required, subject, of course, to such safeguards as the War Department deemed necessary.

My purpose was to make a thorough study of Government-owned, company-operated powder and explosives, shell-loading, bag-loading and shell-forging plants and chemical plants. Subsequent to March 14, I visited 22 of the 58 Government-owned, company-operated plants of this type. These 22 plants were situated in 10 States, Virginia, Tennessee, Alabama, Mississippi, Kentucky, Illinois, Indiana, Ohio, Missouri, and West Virginia.

I visited 4 smokeless-powder plants, 6 TNT explosive plants, 7 shell-loading, 1 shell-forging plant, 2 bag-loading plants, and 2 chemical plants. I also inspected the chemical plants that were connected with the various powder and explosive plants. I tried to select the plants in such a way as to reflect costs and conditions both North and South, inspecting a certain percentage of the plants in both North and South.

I also obtained the following complete information covering the entire 58 Government-owned, company-operated plants from all powder and explosives, shell-loading, bag-loading, and chemical plants. By Government-owned, company-operated plants I mean plants that were constructed by the United States Army, under the supervision of the Ordnance Department, including one taken over from the British after we entered the war, which plants were all operated on a fixed-fee basis by various private corporations. The following is the information I have in my files.

First. The total powder and explosive production for the period of 1941, 1942, 1943, and the first 4 months of 1944, and the total for the entire period. I have this information broken down to show the monthly production of each type of smokeless powder and explosives, and the unit cost during that period showing the rise and fall of that unit cost.

Second. I have the name of each officer beyond the grade of major in the field ammunition director's office at St. Louis, and of the civilian supervisory personnel showing their experience and educational qualifications.

Third. The number of plants of various types and where located.

Fourth. A copy of the Ordnance Manual.

Fifth. A comparison of the total production and personnel at all ammunition plants. This includes all powder-explosive, shell-loading, and bag-loading plants.

Sixth. The guard personnel employed at all the plants from January 1943 until March 1944.

Seventh. Total personnel at all ammunition plants from January 1943 through April 1944.

Eighth. A comparison of the accident-frequency rates as compiled by the Department of Labor for the year 1942, the last date available, and the National Safety Council accident-frequency rates as of 1943. This shows the accident-frequency rates (a) of the iron- and steel-products industry, (b) all manufacturing industries, (c) industrial chemicals, (d) all explosive plants in 1943, (e) all individual Ordnance Department plants, (f) field director ammunition facilities from January to March 1944, (g) women's clothing industry.

Ninth. Comparative information as to the total production and personnel at

powder-explosive, bag-loading, shell-loading, and chemical Government-owned, company-operated plants.

Tenth. The comparison of unit cost and man-hour consumption between January 1943 and February 1944. This shows the unit cost and man-hours required to load a 4,000-, 1,000-, and 500-pound bomb, a 155-millimeter shell, a 20-millimeter shell with tracer—100 per unit, M52PD fuze—100 per unit, M20A-1 booster—100 per unit, the 105-millimeter shell, the 60-millimeter trench mortar, the 81-millimeter trench mortar, the 240-millimeter howitzer, the rocket, and other items manufactured. I also have the detailed break-down of the cost of the 12- and 16-inch projectile and propelling charge showing each item that goes to make up that cost.

Eleventh. The name and type of each Government-owned, company-operated plant and estimated total cost of each plant as of April 30, 1944.

Twelfth. The name of each explosive and chemical produced in Government-owned, company-operated plants, the name of each chemical, amount produced each year, and the unit cost of each in 1942, 1943, and the first 4 months in 1944.

Thirteenth. I also have the name of each contractor, the plant he operated, the date of initial operation, the total actual operating cost, the total production, the total fixed-fee earned and the percentage of the earned fees to actual cost up to March 1, 1944.

Fourteenth. The name and location of the plants dismantled or placed in stand-by condition.

Fifteenth. I have a great deal of other detailed information. I have gone over this mass of material carefully with War Department officials and am giving in my report to the House only such information as the War Department is willing to release at the present time. The remainder of the information, together with all my data, I shall preserve in a safe place so it may be available to any future congressional committee which may want to investigate Government-owned, company-operated powder-explosive, bag-loading, shell-loading, shell-forging, and chemical plants.

PART II. POWDER IS THE MOST CRITICAL OF ALL CRITICAL ITEMS

Powder is the most critical of all critical war items. By powder I mean both smokeless powder and explosives. The invention of powder revolutionized warfare. Without powder there can be no modern warfare. The old Civil War iron cannon setting on the court-house square is worth more than a 16-inch gun mounted on the mightiest battleship if we have powder to fire the old iron cannonball and do not have the powder to fire the 16-inch shell. All the planes in the world traveling at the speed of sound and capable of carrying tons of bombs are of no use without the explosives that will wreak havoc and destroy enemy installations. All the guns, trucks, tanks, and other wartime equipment are built to carry destruction to the enemy, but it is powder and explosives that bring about that destruction. Without powder or explosives we go back to the bow-and-arrow age.

THE ART OF MAKING POWDER

I was fascinated with the art of the powder maker. When I saw hundreds of propelling powder charges for seacoast and naval guns, each 16 inches in diameter, over 10 feet in length, weighing nearly ½ ton each, with enough power to throw a shell weighing almost 1¼ tons some 20 miles, I began to realize just what the art of powder making was. Each charge had to have an amount of powder so exact in weight, so exact in its uniform power and strength, that the gun crew can set the gun in accordance with the firing data given by the officer, aimed at a battleship miles beyond the horizon, and that powder charge will respond in each case to the gun mechanism with such exactness that it will hit that battleship.

The same is true with practically every weapon. Each weapon has to have a different type of powder, ranging in size from the small rifle powder grains used in the .30-caliber rifle up to a grain used for the 16-inch gun, which looks like a stick of candy several inches in length and over an inch in diameter. The accuracy of the gunner depends as much on the accuracy and art of the powder maker as it does upon the gun which is firing the shell. If the powder maker has made his powder too strong, or placed too much powder in the charge, it will carry over the target. If it is not strong enough, or if he placed too little powder in the charge, it may fall short and destroy his own troops in a barrage. If the fuze of the shell is faulty, the shell will be a dud and fail to explode or explode prematurely and kill our own men.

I am informed that in some cases 40 percent of enemy shells have been duds. The number of duds or premature explosions in our shells is extremely small. When I watched the inspection of 155-millimeter shells loaded with TNT, I was told that less than 15 percent of World War No. 1 shells would pass present inspection. So hats off to the powder maker.

POWDER AND EXPLOSIVES OUR GREATEST BOTTLENECK

Prior to 1939 few people knew anything about making powder as compared with the tremendous wartime demands that were developing. We had been going along with a shotgun-ammunition manufacturing capacity and were suddenly confronted with a wartime demand for tremendous quantities of powder and explosives. The first funds were received by the Ordnance Department for the construction of powder or explosive plants in July 1940, while the first large powder plant in the United States was opened by the British in December 1940.

Few men realized how great that bottleneck was during the period from 1939 to 1942. Among those who did know were the seven men, including myself, who constitute the War Department Subcommittee of the Appropriations Committee and who have charge of holding hearings on drafting and steering through the House and through conference all War Department appropriation bills. When Dunkerque came and we turned over to the British a great deal of our small quantity of TNT in reserve, those of us who knew the story were much alarmed. Those were anxious days, and when I see how the powder industry responded, I am amazed. Powder companies have been looked upon in the past as merchants of death. We now realize that they are merchants of death—death to the enemy.

NO POWDER-EXPLOSIVE PLANTS TO MEET TREMENDOUS REQUIREMENTS

Prior to 1939 there were practically no powder-explosive, shell-loading, and bag-loading plants in America as compared to our tremendous future requirements. Private industry could not expand to meet this tremendous need which would in all probability end with the war. There was only one answer. The War Department had to build plants. We not only had to build powder and explosive plants, we had to build bag-loading and shell-loading plants and various types of chemical plants, all of which are necessary to have a complete ammunition industry. There were no industries that could be changed over. We had to build new and additional plants to produce this, the most critical of all critical items. The War Department had to have powder, explosives, and ammunition. The Navy Department had to have it. England, Russia, and our allies had to be provided with powder, explosives, and ammunition. Ammunition requirements had to be met if we were to win the war. Ammunition from rifle shells to 16-inch naval shells, from hand grenades to 4,000-pound bombs. The tremendous job of changing this shotgun-ammunition manufacturing capacity to meet this tremendous wartime need for the armies and navies of our own Nation and of our allies seemed an impossible one.

WAR DEPARTMENT MAKES AMAZING RECORD

Then followed one of the most amazing records of accomplishment in the history of the industrial world. Smokeless-powder plants, TNT, and other explosive plants, shell-loading plants, bag-loading plants, and chemical plants sprang up as if by magic. Today we have 58 plants constructed at a cost of nearly two and one-half billion dollars. Determined efforts were made to build the most modern, up-to-date plants that would manufacture the most modern, up-to-date explosives and ammunition that could be manufactured.

NEW METHODS WERE INTRODUCED

New methods were introduced. TNT pilot lines were making 26,000 pounds of TNT per line per day. It was estimated that the TNT lines could be made to produce 33,000 pounds per line per day. A new method was discovered which increased the TNT production from 33,000 pounds per line per day up to as high as 86,000 and 100,000 pounds per line per day.

AMOUNT OF CRITICAL MATERIAL REQUIREMENTS WERE REDUCED

In April 1941 it required 7.61 gallons of alcohol for each 100 pounds of smokeless powder produced. Today we are producing 100 pounds of smokeless powder with 1.9 gallons of alcohol. It is estimated that 50,000,000 gallons of alcohol valued at $41,000,000 have already been released and we are saving in excess of 4,000,000 gallons of alcohol per month.

The following explosives and other chemical compounds are being produced in Government-owned, company-operated plants: toluene, N–S, xylene, C–S, TNT, INT, acetic acid, acetic anhydride, pentolite, ammonium picrate, tetryl, lead azide, picric acid, RDX composition, hexamine, ammonia, methanol, formaldehyde, ammonium nitrate, ammonia catalysts, nitric acid, oleum, sellite, nitroglycerin, dimethylaniline, diphenylamine, nitrocellulose, smokeless powder, gas reforming catalysts.

PRODUCTION MIRACLE

(a) Powder and explosive production: During the month of January 1941 we produced less than 11,000,000 pounds of powder and explosives, approximately 5 percent of which was produced by the War Department and 95 percent by private industry. In January 1944 we produced more than a quarter of a billion pounds of powder and explosives, 95 percent of which was produced by the War Department and 5 percent by private industry.

During the year 1941 we produced 375,000,000 pounds of powder and explosives. In 1942 we produced nearly 2,000,000,000 pounds and in 1943 we produced over 3,000,000,000 pounds. During the first 4 months of 1944, we produced more than twice as much powder and explosives as we produced during the entire year of 1941. Nearly 6,000,000,000 pounds of powder and explosives were produced during the years 1941, 1942, 1943, and the first 4 months in 1944.

We produced TNT so fast by a new method that we had to close down plants. Six billion pounds of smokeless powder, TNT, pentolite, RDX, rocket powder, and other explosives we dare not even mention—6,000,000,000 pounds—enough to make the heart of every Jap and German in Asia and Europe quake with fear.

(b) Artillery ammunition and bomb production: All this powder and explosives had to be loaded into shells or propelling charges. In 1941 the shell-loading, bag-loading volume was comparatively small. In 1942 we loaded 2,100,000 tons of shells and bombs of all types and 28,125,579 bag-loaded propelling charges. In 1943 we loaded 4,012,363 tons of shells and bombs, or nearly twice the tonnage we loaded in 1942, and bag-loaded 26,865,772 propelling charges.

During the first 4 months of 1944 we loaded 1,509,431 tons of shells and bag-loaded 16,235,999 propelling charges. In all 7,621,794 tons of artillery ammunition and bombs were loaded and 71,227,350 bag-loaded artillery propelling charges were produced in 28 months.

(c) Chemical production: In 1941 we had practically no War Department chemical production. In 1942 War Department plants produced 583,510,000 pounds and 67,805,000 gallons of chemicals required to make powder and explosives. In 1943 these same plants produced 1,018,403,000 pounds and 137,172,000 gallons of the required chemicals, while during the first 4 months of 1944 the War Department plants produced 386,713,000 pounds and 39,390,000 gallons of chemicals that were required in the making of powder and explosives. All of the above does not include the tremendous number of tons and gallons of these products we purchased from private industries.

Thus was written one of the most amazing chapters in industrial production, overcoming the greatest bottleneck in the most critical of all critical items.

PRICES AND COSTS AND LOW-COST PRODUCTION

Powder and explosives: The price on TNT during World War No. 1 ran from 26 cents to 55 cents per pound. TNT produced in Government-owned, company-operated War Department plants during this emergency dropped from 29 cents a pound to 15 cents to 10 cents, and we are now producing TNT for approximately 7 cents a pound. Smokeless powder was produced during World War No. 1 at the Old Hickory Plant at 41 to 62 cents a pound. Single-base cannon powder dropped from approximately 21 cents a pound in January 1943 to a little less than 17 cents, while double-based cannon powder cost was 26 cents a pound in January 1944.

Shells, bombs, and so forth: A 16-inch shell complete, including the propelling charge, cost us $1,809 in January 1943. In January 1944 it dropped to $1,430.

A 12-inch seacoast shell complete, including the propelling charge, cost $883 on January 1, 1943. It dropped to $786 on January 1, 1944. It cost 33 cents and took 0.197 man-hour to load a 60-millimeter trench mortar shell in January 1943. The same shell was loaded in February 1944 for 19 cents with 0.110 man-hour.

It cost $8.25 and took 2.848 man-hours to load a 240-millimeter howitzer shell in April 1943. It cost $5.02 and took 1.51 man-hours to load the same shell in February 1944.

It cost $142.80 and took 42.721 man-hours to load a 4,000-pound bomb in June 1943. We loaded the same bomb in February 1944 at a cost of $98.03 and with 27.948 man-hours of work.

It cost $27.28 and took 9.88 man-hours to load a thousand-pound bomb in January 1943. The same bomb was loaded in February 1944 at a cost of $16.48 with 4.31 man-hours.

It cost $19.36 and took 7.25 man-hours to load a 500-pound bomb in January 1943. The same bomb was loaded in February 1944 at a cost of $9.28 and with 3.15 man-hours.

It cost $3.05 and took 1.21 man-hours to load a 155-millimeter shell in January 1943. It cost $1.81 and took 0.567 man-hour of work to load the same shell in February 1944. While there are some slight increases in the cost of labor to load some units, the usual reason for this increased cost was changing methods of packing, type of container, and similar causes.

CHEMICAL COSTS REDUCED

Costs were reduced in Government plants as follows:

		1942	1944
Anhydrous ammonia	ton	$39.60	$28.80
Dimethylaniline	pound	.1960	.1089
Dinitrotoluene	do	.0967	.0617
Diphenylamine	do	.2459	.1755
Toluene	gallon	.3040	.1906

SOME OF THE REASONS FOR THE REDUCTION IN COST

Reduction of cost and conservation of manpower has been outstanding. It has been, in my judgment, in a large measure, due to:

(a) The excellent quality of the responsible, experienced contractors selected.

(b) The creation of integrating committees and the meeting of those committees periodically to exchange information between plants.

(c) Continuous analysis and comparison of unit costs and cost of operation of respective plants by the Field Director of Ammunition Plants. This policy created a competitive spirit, each plant trying not only to increase the efficiency, but to reduce their costs to the level of the plant which had the lowest unit cost level.

(d) The high quality of the technical knowledge available in loading units of the Field Director of Ammunition Plants.

(e) The establishment of manpower standards by skilled industrial engineers, working through administrative units aided by industrial representatives.

(f) Last and certainly of great importance was the close and effective cooperation between industry and the War Department in the operation of these plants, making available, without reservation, information of every kind and quality which industry had.

PART III. DID THE WAR DEPARTMENT OVERBUILD POWDER, EXPLOSIVE, SHELL-LOADING, AND BAG-LOADING PLANTS?

A number of TNT, shell-loading, and bag-loading plants have been closed down. It is difficult for the public to understand why, in the midst of a war, a large TNT plant such as the one at Weldon Springs, Mo., with 18 TNT lines, should be closed down. In studying the question I have arrived at the following conclusions:

First. Powder-explosives, shell-loading, and bag-loading plants are producing or could produce 140 to 160 percent of the estimated capacity.

Second. The estimates upon which the War Department based its needs proved entirely too high in view of subsequent events.

Third. These estimates were not excessive when one takes into consideration the facts and conditions as they existed at the time those estimates were made.

DETAILED FACTS REGARDING OVERBUILDING PLANTS

(a) TNT and explosives: At the beginning of our TNT production TNT pilot

lines were producing 26,000 pounds per line per day. It was estimated with the methods then known and used that TNT lines could be made to produce 33,000 pounds per line per day. Had no new methods been discovered, and had conditions remained the same, the chances are that few, if any, TNT lines would have been discontinued and we would in all probability have had to build additional TNT lines to meet the requirements. However, a new method of making TNT was discovered which increased production from an estimated 33,000 pounds per line per day to an actual production of 96,000 to 100,000 pounds per line per day.

NEW METHOD

The principal products that go into TNT are toluene, an oil product, and nitric acid, the nitric acid being the chemical that makes oil explosive. The nitric acid and toluene are mixed in large vats called nitrators containing some 10,000 pounds each. The line consists in the main of three houses—a monohouse, a bihouse, and a trihouse, the mixture running through the nitrators from house to house through a piping system.

Under the method known and used prior to the commencement of this war, the nitric acid was piped into the nitrator first and then the toluene or oil would flow slowly into the nitric acid as the mixture was made. Under this system it took 2 hours and 5 minutes for each cycle. Through research and experimentation, a method was discovered which reversed the old system—the oil was placed in the nitrator and nitric acid fed into the oil. This new system reduced the cycle from 2 hours and 5 minutes down to 35 to 45 minutes for each batch. This one change in system and method tripled the output. One TNT plant I visited originally had 12 lines producing 33,000 pounds per line per day under the old system. Now 6 lines are operating with 6 closed down, and each line produced from 96,000 to 100,000 pounds per line per day.

WELDON SPRING

Weldon Spring, Mo., was the first TNT plant erected. This plant had 18 lines. At the time the plant was erected we used a grained TNT and the Weldon Spring plant produced all grained TNT. A new method was discovered whereby we made "flaked" TNT which melted quicker and speeded up the production of the plants loading TNT into bombs and explosives. The demand for grained TNT went down. I was informed that it would have cost a minimum of $20,000 per line to convert the Weldon Spring plant into a flaking plant. Because of the change in method of production and change of conditions, we had more TNT lines than required. I believe the War Department used good judgment in closing down the Weldon Spring plant, saving the manpower and expense of operating this plant. When I visited the Weldon Spring plant they were taking apart the pipe lines, cleaning them, and placing the plant in stand-by condition so in case of emergency it could be used.

ESTIMATES WERE BASED UPON THE 1940 AND 1941 CONDITIONS

Estimates for all War Department equipment, including powder, explosives, and shells, were based upon conditions as they existed in 1940 and 1941.

(a) In 1940 and 1941 the power of Russia was unknown. When the Germans began driving Russia back, everyone expected that the German Army would capture and operate the Russian manufacturing plants just as they had captured and operated Belgium and French plants. No one outside of Russia dreamed that Russia would take the machinery and equipment out of the plants and move it back of the Ural Mountains, moving the workers with the equipment. No one dreamed that Russia would have that equipment set up and operating within 6 months.

(b) After Pearl Harbor, on December 7, 1941, the entire Nation was jittery. Japan had hurled a few shells from a submarine at the Pacific coast. It will be recalled that demands came for troops to protect every installation, every gasoline supply station, in fact, I heard it said at the time that if all these demands were complied with, it would require our entire Army to protect the installations in the United States and there would be no one left to fight the enemy outside of the United States.

Every seacoast city and some that were miles inland demanded increased protection. Thousands of antiaircraft guns were demanded and being planned. Large seacoast guns including railroad artillery were being called for. I recall it was not until early 1943 that we began to curtail and reduce planned production of 90-mm. and other antiaircraft weapons. Naturally, powder, explosives, and ammunition supplies were planned for all these weapons that were called for and never built.

(c) The estimates for requirements of Ordnance—powder, explosives, and shells—were based in part upon the demands and estimates made by our allies, the British and Russian Governments. These estimates were naturally based upon a maximum requirement of those products. When Russia found that she could move her war factories beyond the Ural Mountains and was actually operating them there, she reduced her estimates as did England, and the amount of requirements of these materials under lend-lease was materially reduced. The estimates of the War Department upon which its building program was based were in turn based upon the original requirements as given them by the British and Russia through our lend-lease authorities.

(d) When we first entered the war our forces all over the world were being driven back—always for one reason, "too little, too late." The phrase "too little, too late" was heard all over the world. In going through plants I found old posters still up, urging larger production quoting that phrase "too little, too late." We lost the Philippines, Singapore, Indochina, Java, Sumatra, Dunkerque—always "too little, too late." In view of this criticism it is impossible for me to find it in my heart to criticize the War Department for having too much ammunition or equipment on time or ahead of time. This war will never be lost by having too much powder, explosives, ammunition, and equipment. We came very near losing it by having too little.

PART IV. PERSONNEL

Despite the increase in production between January 1943 and April 1944, and because of newer and more efficient methods, the total contractor personnel was reduced from 211,744 in January 1943 to 166,743 in April 1944. The total Ordnance civilian personnel was reduced from 7,880 in January 1943 to 4,352 in April 1944, while the total military personnel was reduced from 485 in January 1943 to 250 in April 1944. The total military and civilian personnel including the contractor personnel was reduced from 220,109 in January 1943 to 171,345 in April 1944, a reduction of 48,764 or more than 22 percent. The percentage of Ordnance personnel to the total contractors' employees was reduced from 3.8 in January 1943 to 2.6 in April 1944.

PERSONAL OBSERVATION REGARDING PERSONNEL

I was much impressed by the work of the War Department personnel, both military and nonmilitary, supervising these Government-owned, company-operated plants. I found safety officers with the rank of first lieutenant, with $2,000 a year base pay, plus heat, light, and quarters, charged with the enforcement of the safety regulations of plants with thousands of employees. I found executive officers in plants producing millions of dollars worth of material, and in some cases several million dollars' worth of material monthly, with the rank of first lieutenant.

In case after case the commanding officer of plants producing a tremendous amount of material was a major drawing base pay of $3,000 per year, plus heat, light, and quarters, while the plant manager with whom he dealt across the table was being paid $12,000 a year by the Government, plus a bonus by the company out of the fixed fee. These officers have been and are doing an outstanding job. Most of the officers with whom I talked would have preferred foreign service to a job in one of these plants. I realize, of course, that the Army could not meet civilian competition as far as pay is concerned. But I do feel that the tables of organization should provide for an increase in rank for these men. In many cases officers, commissioned at the same time these men were, are in other ordnance work and have been promoted several times. I recommend that the War Department go over the tables of organization, study this problem with a view of giving these men the rank to which I believe they are entitled. While we cannot give them pay commensurate with their services, an increase in rank would give them some increase in pay.

PART V. SAFETY AND ACCIDENT RECORD

Powder and explosives are presumed to be and actually are the most dangerous

of all commodities. This commodity is supposed to explode upon the happening of a certain event. If it does not explode when that event happens, it is defective. When you are dealing with a human equation and inexperienced help, you are bound to have accidents in the handling of this commodity. Inadvertently, carelessly, or otherwise, human beings cause "that event" to happen and the powder and explosives "go off." The accident-frequency record of the powder, shell-loading, and bag-loading plants is one of the most amazing records made in the history of any industry.

Only one industry has a better accident-frequency record than the powder and shell-loading plants and that is the women's clothing industry. The iron-steel industry had 25 accidents, all manufacturing industries had 20, and industrial chemicals had 17 accidents for every 5 accidents in Government-owned, company-operated powder, shell-loading, and bag-loading plants. Our accident rate for all explosive plants in 1943 was 7, and for all individual Ordnance Department plants it was 6. The field director of ammunition plants' record in 1943 was approximately 6, and from January to March 1944, a little over 5. These records are based upon the latest data available from the Labor Department and the National Safety Council.

This amazing safety record is due to a number of things. The first is the care with which these plants were constructed. Everything was done to protect the worker. While going through one of the plants a pelleting machine making tetryl pellets exploded with 8 pounds of tetryl. Because of the care in the construction, no one was injured. These pelleting machines are in a room perhaps 8 feet square; 3 sides consist of 16-inch reinforced concrete walls. The fourth side and roof are of light construction so that the explosive can "blow" in that direction. The girl sits behind this 16-inch wall, looks through a sort of a tube in the wall at a looking glass hanging over the ceiling which reflects the machine operation. No one is allowed to remain in the room when the machine is operating. Not to exceed 10 pounds of tetryl are allowed in the room at one time. A personal inspection showed that despite the fact that this 8 pounds of tetryl ripped the 16-inch reinforced concrete wall apart, no one was injured. Care in construction in this instance saved the lives of at least 2 people.

Throughout the entire industry I found rigid rules allowing only a certain number of employees and a certain number of visitors in one room. In the shell-loading and bag-loading plants, not to exceed a certain amount of powder or explosives, usually 10 pounds, are allowed in one of the little rooms where perhaps four to six girls work with similar protective walls. These rules are rigidly enforced; when a visitor goes in, an employee steps out.

This is also true in smokeless powder plants as well as TNT plants. Construction costs of this type are naturally high, but I came away feeling that every precaution had been taken to protect the workers employed in this industry. No one should economize if it means the safety and rights of these workers. This outstanding safety record speaks for itself.

PART VI. TOTAL OPERATING COST OF POWDER, EXPLOSIVE, SHELL-LOADING, BAG-LOADING PLANTS

The following table gives an itemized statement showing the total operating cost, the total fixed-fee paid and the ratio of earned fee to actual costs of all the powder, TNT, explosives, shell-loading, bag-loading and other Government-owned, company-operated plants up to March 31, 1944:

Total cost and fixed-fee to Mar. 31, 1944

	Operating total cost	Total fee	Ratio of earned fee to cost
Shell-loading plants	$540,992,744	$12,915,669	2.4
Bag-loading plants	34,194,478	1,961,033	5.7
Miscellaneous plants	52,570,833	2,802,316	5.3
Smokeless powder	494,358,666	30,891,720	6.2
RDX—TNT	250,514,139	11,473,261	4.4
Ammonia	36,089,744	2,184,915	6.1
Fiber-container industry	50,626,933	2,101,453	4.2
Ammonium picrate plants	17,782,473	671,914	3.8
Total	1,477,130,010	65,002,287	4.4

Among the miscellaneous plants are one shell-loading plant, oil, chemical, and other plants.

I call attention to the fact that in addition to the regular companies manufacturing powder and explosives, such as du Pont, Hercules, and so forth, the companies who did this work were all old, established firms who were making a peacetime product, the sale of which depended upon the good-will that these companies had established through years of advertising costing millions of dollars. They are companies such as Goodyear Rubber, Firestone Tire, United States Rubber, Coca-Cola, Tennessee Eastman Co., Procter & Gamble, Quaker Oats, Sherwin-Williams, and so forth. These companies as a rule did not want this work. One bad explosion in a bag-loading or shell-loading plant might give them publicity which would destroy much of the good-will built up for years.

These companies took extreme care and precaution against accidents. They sometimes went far beyond the precaution taken by the old-line powder and explosive companies. All companies required a visitor to wear powder shoes or rubbers and required him to leave at the gate any matches, metal pencils, and anything of a metal nature. One company operating a bag-loading plant went so far as to make us undress, leave all our clothes outside the entrance and put on clothes furnished by them which they knew contained nothing of a metal nature. Officers of one foreign nation visited this plant. They had visited a powder plant previously where they were required to wear powder shoes and divest themselves of all metal. When they were asked to take off their clothes at this second plant, they said, "No take off pants." They were told, "No take off pants, no see plant." They did not see the plant.

Most of these companies were in the highest income bracket before they took on this additional work, which meant that any fixed-fee paid would be subject to the highest excess-profit-tax rate. In one or two cases it threw the company into a higher bracket, which wiped out all profits. When they were approached by the Army, they estimated what the fee would be. In making the estimate they were interested in knowing what they had left after taxation. A company which was in the 85 percent income-tax bracket knew that every time the Army handed it $100,000 in fees, the Income Tax Division would come along later and take away $85,000 in taxes. Had these companies been operating solely upon a profit motive, few of them would have taken the job.

RATIO OF FIXED FEE TO COST

Total cost of operating the plants up to March 31, 1944, was $1,477,130,000, while the total fixed fee of all the companies up to that date was $65,000,000 or 4.4 percent of the operating cost. If these companies average 70-percent excess-profits taxes, then $45,500,000 of the $65,000,000 in fixed fees was paid back into the United States Treasury and the net cost to the Government to produce this nearly one and one-half billion dollars worth of war material was $19,500,000 or 1.3 percent.

If these companies as a whole were in the 75-percent income-tax bracket, then they paid back into the Treasury $48,750,000, leaving a net fee of $16,250,000 or a little more than 1 percent.

One of the larger companies which was in the 85-percent-tax bracket produced over half a billion dollars' worth of products. It was paid $22,000,000 which had to be added to the top of its income and was subject, of course, to the 85-percent tax. This left the company $3,300,000 fees for operating the plant during a period of nearly 3 years, producing over a half a billion dollars in products. Company administration and other expenses, of course, had to be charged against the fee in addition to taxes. I am not defending any cost-plus-fixed-fee contracts. I am merely presenting the facts as they work out in the powder, explosive, shell-loading, bag-loading, and other Government-owned company-operated plants and as applied to old-line companies who had to add their fixed-fee on top of income profits in their regular operations.

RENEGOTIATION OF FEES

The Office of Field Director of Ammunition Plants made continual efforts to reduce the fixed fee and contractors in some instances voluntarily reduced fees prior to the expiration of the contract. I have in my files a statement showing the name of each contractor, name of the plant, the annual fee for the 12 months preceding May 1, 1944, the annual fee as renegotiated or reduced for the fiscal year ending May 1, 1944, and the annual estimated saving in fees on each contract. This statement shows

that the annual original fee for the year ending April 30, 1944, was reduced from $55,620,000 to an estimated fee of $38,650,000 for the present year beginning May 1, 1944, and the annual saving in fees for this coming year will be $16,970,000. This is assuming, of course, that the present production program will be continued.

VII. WHO SHOULD HAVE CREDIT FOR THIS OUTSTANDING RECORD OF LOW-COST PRODUCTION?

Three groups are entitled to credit for this outstanding job of production and for eliminating the greatest bottleneck in the most critical of all critical war materials.

I. Labor: While it is rather difficult to say who should be given the most credit, there is no question but what outstanding credit must go to more than 200,000 loyal workers who have been employed in the powder, explosive, shell-loading, bag-loading, and chemical plants. Without them there could have been no production. These workers as a rule came from the cities, hills, and farms of Tennessee and Kentucky, Virginia, Alabama, Illinois, Indiana, and a dozen other States. They came from the highways and byways of life. Thousands of housewives left their homes and farmers left their farms to work in these plants. Men and women who knew nothing about powder making are making this most complicated product. Men and women who have never had the first lesson in factory safety, helped to make one of the most outstanding safety records in the Nation. Some of these people drove 30 and 40 miles before and after work. Farmers milked their cows in the morning, worked all day and went back to milk them again at night and do farm work. Housewives prepared breakfast for their husbands, went to work in the factory, came back home after factory hours to do their housework and prepare plans for the next day.

Negro help: I found a great many Negro people in these plants doing fine work. In the heart of the South I found a bag-making and bag-loading line with all Negro workers doing splendid and efficient work. These people are entitled to credit.

It is difficult to understand how anyone could take these inexperienced people and train them in a short period of time to do this rather technical work. In loading powder into bags extreme care is taken to see that no bags are stained. The stain may have a chemical which might react on the powder. In one of the plants filling powder bags for 105-millimeter shells, inspectors discovered an occasional bag with a red stain. These bags were, of course, thrown out. For some time they had difficulty in determining just what caused the stain. Upon investigation they learned that some of these girls had sweethearts, husbands, or brothers in service, serving in the southwest Pacific and elsewhere. As they did their work they would think of that sweetheart, husband, or brother, kiss the bag and say, "Get me a Jap," then pass the bag on to the next worker. Occasionally lipstick would stain the bag. I asked the superintendent whether he did anything about it. He replied, "No. We would rather throw out an occasional bag than destroy the spirit we have in these plants." As I went from plant to plant visiting line after line I was more and more impressed that here was America at work. The spirit of Americanism, love of country, and the desire to serve on the part of these thousands of loyal workers who are employed in this industry did much toward making this splendid record.

II. Industry: Who are these companies who did their part in this outstanding job of low-cost production? Heading the list are the old powder companies, E. I. du Pont de Nemours & Co., the Hercules Powder Co., the Atlas Powder Co., and the Trojan Powder Co. Operating the shell-loading, bag-loading, chemical, and other Government plants we find such old companies as the Tennessee Eastman Co., Coca-Cola Co., Goodyear Tire & Rubber Co., Sherwin-Williams, and many others listed below. These companies have written powder and ammunition history during the past 30 months. They did an outstanding job not only of low-cost production but of eliminating the greatest bottleneck in the most critical of all critical items. The American people will never realize what has been accomplished. These companies have been indeed merchants of death—death to the enemy. Without their work the war could not have been carried on. Following are the names of the companies who did this job:

Industry operators of ordnance plants: Atlas Powder Co.; Atmospheric Nitrogen Corporation (Allied Chemical & Dye Corporation); Brecon Loading Co. (the Coca-Cola Co.); Certain-Teed Products Corporation; Chemical Construction Co.; Chrysler Corporation; Cities Service Defense Corporation (Cities Service Co.); Commercial Solvents Corporation; Concan Ordnance Co. (Continental Can Co.); Day & Zimmerman, Inc.; E. I. du Pont de Nemours & Co.; Ford, Bacon & Davis, Inc.; Fraser-Brace Engineering Co.; General Chemical Defense Corporation; Goodyear Engineering Corporation (Goodyear Tire & Rubber Co.); Hercules Powder Co.; Heydon Chemical Corporation; Humble Oil & Refining Co.; J. M. Service Corporation (Johns-Manville Corporation); Lansdowne Steel & Iron Co.; Lion Chemical Corporation (Lion Oil Refining Co.); Lone Star Defense Corporation (B. F. Goodrich Co.); Military Chemical Works, Inc. (Pittsburg & Midway Coal Manufacturing Co.); Monsanto Chemical Co.; National Aniline Defense Corporation (Allied Chemical & Dye Corporation); National Gypsum Co.; Nebraska Defense Corporation (Firestone Tire & Rubber Co.); Procter & Gamble Defense Corporation (Procter & Gamble Co.); Quaker Oats Ordnance Corporation (Quaker Oats Co.); Remington Rand, Inc.; Sanderson & Porter; Shell Chemical Co. (Shell Union Oil Corporation); Sherwin-Williams Defense Corporation (Sherwin-Williams Co.); Silas Mason Co.; Stewart-Warner Corporation; Tennessee Copper Co.; Tennessee Eastman Corporation (Eastman Kodak Co.); Todd & Brown, Inc.; Trojan Powder Co.; United States Rubber Co.

WAR DEPARTMENT

The third group entitled to credit comprises the officers in the War Department and particularly in the Ordnance Department who laid the plans, let the contract, selected the contractors, designed and planned the plants that made this great production possible.

We had practically no powder or ammunition manufacturing capacity prior to 1938. Our peacetime manufacturing capacity could produce only 100,000 pounds of smokeless powder and 33,000 pounds of TNT per day in 1938, in addition to small quantities of DNT and tetryl. There was no private industry for loading artillery ammunition. Only industry of this type in existence was a small volume carried out at the regular ordnance establishments.

Pre-war plans indicated completely inadequate commercial facilities for the manufacture of small-arms ammunition, smokeless powder, TNT, DNT, hydrous ammonia, toluol, dimethylaniline, diphenylamine, and so forth, and, of course, a total lack of ammunition loading facilities.

On March 30, 1937, Maj. Gen. W. H. Tschappat, Chief of Ordnance, in testifying before our subcommittee, said: "We are trying to get our loans so made as to assist industry as much as possible in case of emergency." In July 1937 special planning sections were established for speeding up the preparation of plans for the production of noncommercial but highly critical supplies.

These sections worked with our small peacetime powder and explosive industry, and from 1938 to 1939 plans and specifications were actually drawn for typical powder, shell-loading, and bag-loading plants, as well as chemical plants. These were reviewed continuously and kept up to date. Although the first funds received by the Ordnance Department for the construction of plants for the manufacture of powder and explosives were not available until July 1940, the Government-owned, du Pont-operated plant at Charlestown, Ind., produced smokeless powder in March 1941. Hercules began production of smokeless powder in April 1941 at Radford, Va. Other plants were opened and started production in rapid succession.

The result was we produced 375,000,000 pounds of powder and explosives in 1941, almost 2,000,000,000 pounds in 1942, and more than 3,000,000,000 pounds in 1943. The Chickasaw Ordnance Works, near Memphis, Tenn., was built by the British. It was commenced on June 25, 1940, under contract entered into between the Tennessee Powder Co. and the du Pont Co. This plant was completed and put in operation on December 13, 1940. I am informed that it was through the foresight and at the request of Maj. Gen. C. M. Wesson, then Chief of Ordnance, that the British built the Chickasaw plant in the United States instead of in Canada. The War Department plans, made as far back as 1938, included establishing the procurement district system for the decentralized procurement of munitions in an emergency, plus planning with private industry for its conversion to war production. These plans proved of inestimable

value in the days prior to and especially in the days succeeding Pearl Harbor.

Prior to June 1942, the War Department construction and production was under the supervision of Mr. Louis Johnson, Assistant Secretary of War—June 1937 to July 1940—and since July 1940, under the supervision of Mr. Robert P. Patterson, Under Secretary of War, with Maj. Gen. C. M. Wesson as Chief of Ordnance and Maj. Gen. C. T. Harris, Jr., as Assistant Chief of Ordnance, in charge of production. Judge Patterson has, in my judgment, been doing an excellent job. To Major General Wesson, former Chief of Ordnance, and to his former assistant, Maj. Gen. C. T. Harris, Jr., must go credit for having had great vision and foresight. They had plans and specifications ready so that construction could proceed forthwith when money became available.

After Major General Wesson retired in June 1942, Maj. Gen. Levin H. Campbell, Jr., became Chief of Ordnance, and to him goes a major part of the credit for bringing about increased production at a reduced cost. Major General Campbell has able assistants. Maj. Gen. Thomas Hayes, who has had charge of all manufacturing and production and Brig. Gen. Roswell E. Hardy, who has been in charge of the ammunition production, and Col. J. P. Harris, his assistant, all have done an outstanding job. So have Col. T. C. Gerber, Field Director of Ammunition; Lt. Col. Raymond Rebsamen, his executive officer, and John F. Daley, civilian deputy director. Colonel Gerber has been in the Army since World War No. 1 and has an excellent record. Lieutenant Colonel Rebsamen has an outstanding record as a successful businessman, while M. Daley, on leave from the du Pont Co., has been production manager of that company since 1915.

These are only a few of the many able men who have been selected by General Campbell to run the field director's office. These men, together with the commanding officers, plant managers of individual plants and their assistants, are actually operating the plants and are entitled to great credit for this outstanding job of low-cost production.

Lt. Gen. Brehon B. Somervell is commanding general of the Army Service Forces, of which the Ordnance Department is a part. It was he who selected Major General Campbell as Chief of Ordnance and it was he who, undoubtedly with Major General Campbell's advice and help, selected the able staff of officers and men who make up the Ordnance Department. Inasmuch as Lieutenant General Somervell would have been responsible for and criticized for any failure of this branch of the Army Service Forces, so he must be given his full share of credit for the outstanding record of low-cost production this branch of the service made in the powder, explosive, bag-loading, and shell-loading plants.

CONCLUSION

In conclusion may I say that I have enjoyed the work of making this survey of the powder, explosive, and ammunition industry. I have been somewhat critical at times of the War Department. It does not give me any pleasure to talk of the failures of men in Government service, particularly in times of war. I would much rather speak of their success. Wars are won by men who are successful, not by men who are failures. I have on numerous occasions pointed out how money has been wasted. It gives me a great deal of satisfaction to be able to point out this instance in which the taxpayers are obtaining value received for every dollar spent.

WHO IS THIS DEWEY'S MAN JAECKLE?

Mr. SADOWSKI. Mr. Speaker, until a couple of weeks ago I had not heard much about New York State Republican Chairman Edwin F. Jaeckle, and neither was I interested in him. But about that time I was amazed and shocked to hear that one of our colleagues, Republican Congressman JOSEPH MRUK from Buffalo, was denied endorsement by this man Jaeckle because of his, Congressman MRUK'S, nationality and religion. JOSEPH MRUK is of Polish ancestry and his religion is Catholic. Prior to his election to Congress he had served two terms as district councilman, and one term as councilman at large.

I likewise am a Catholic and of Polish ancestry, except of ccurse, I am elected on the Democratic ticket. I, like a good many of you, my colleagues, asked the question, "Who is this domineering, arrogant, autocratic dictator who dares to use the yardstick of Hitler and Goebbels in American politics; what is his background, and how did he get in power?"

So on yesterday, June 20, I read with interest and much apprehension the headline in the New York Times that J. Russell Sprague, Republican national committeeman from New York, announced at a press conference that he, Edwin F. Jaeckle, Republican State chairman, and Herbert Brownell, Jr., chairman of the Republican Campaign Committee, representing the Republican voters and the Republican organization in New York State, had arrived in Chicago to get the Republican national convention to draft Thomas E. Dewey for the nomination for President.

The reason for my interest and apprehension lies in my Americanism. I desire to have as leaders of my Nation men of character and ability, broadmindedness, and vision, untouched and untainted by the slightest suspicion of intolerance, bigotry, or provincialism. Every candidate for office, high or low, should and does jealously guard the integrity of his name by avoiding association, publicly or privately, with those who might be termed inimical to the best interests of America and by disavowing at all times any innuendo or criticism directed against his tenacity for those ideals which have made America great among the Nations of the world.

Recently it has been broadcast that Edward F. Jaeckle, State Republican chairman, is, if Thomas E. Dewey is the chosen leader of the Republicans, the Dewey designated and chosen chairman of the Republican National Committee. Jaeckle is to be the rumored chosen instrument of Republicanism in America. So again, "Who is this man Jaeckle?" I asked some of my Republican friends. They told me to examine the June 12, 1944, issue of Life, and there on page 16 I found a picture over the title, "Jaeckle Has the Kind of a Face Neither Friend Nor Foe Ever Forgets." The title of the article in Life is, "Dewey's Man Jaeckle." I learned from the article that Jaeckle has "a Mephistophelian brow, a cold eye, a large nose hooked over a jutting chin, and heavy jowls, well and expensively tailored, a bit on the showy side, born October 27, 1894." Hardly overcomplimentary, and even though perhaps quite factual, I was not completely satisfied with this word portrait, and asked further light on "Who is this man Jaeckle?" who "has had periodic meetings with banker Winthrop Aldrich and others on party finances"? Why should he be called "Dewey's Man Jaeckle," like "Robinson Crusoe's Man Friday"?

I read some further articles from New York City and Buffalo papers. What a man this Jaeckle! He grabbed off the most lucrative political plum in Erie County—the back-tax collectorship. This paid him $154,506 in fees until the legislature abolished the post. He has since built up a highly profitable law practice representing large estates, insurance companies, corporations, and the like. According to one of the newspaper articles, the Jaeckle law firm also incorporated the Nazi bund there.

JOSEPH MRUK'S voting record is practically the same as that of his Republican leader, JOSEPH MARTIN, except perhaps on the soldier-vote bill, where he voted for the short ballot, the same as I did. But this man Jaeckle says he must be purged. Ancestry and religion! And Jaeckle is a man of Prussian ancestry.

The time-old un-American principles of intolerance and bigotry again raise their vicious heads, to cause the emphatic denunciation of "that man Jaeckle" by a leading Buffalo Republican, who has stated:

> The question of race and religion now raised against JOSEPH MRUK as a Catholic of Polish ancestry is resented by me as a Congregationalist of American and German stock.

Dewey's man Jaeckle has had a chance to answer these charges. It takes but little courage for a man boasting Americanism to resent the charge of intolerance or bigotry. But Jaeckle has merely stated, "Experience has taught me that situations clarify themselves and controversy is not an aid to clarification." Such indirect ratification of a charge as important as that made against the gentleman from New York [Mr. MRUK] raises serious question in the minds of every thinking American, irrespective of party, race, or religion, of the mental qualifications which seem to be possessed by the Jaeckle whose face neither friend nor foe ever forgets. Surely the American people, whose sons are dying in defense of the idealism of America—and too many of these sons living physically and mentally permanently disabled as a result of their belief in the principles of

our constitutional Government—have a right to be free from such vicious suggestion of imperialistic and despotic thinking on the part of a man who is reportedly so close to Thomas E. Dewey that he expects to be the next national chairman of the Republican Party. Thomas E. Dewey cannot pull a Dr. Jekyll and Mr. Hyde costume over the head of the American people. Jaeckle cannot be Dr. Jekyll and Dewey—Mr. Hyde. Both are now, as result of the failure to deny or explain the story of Dewey's man Jaeckle in the Life magazine, companions in publicly expressed and published opinions. Jaeckle's thought that MRUK could not be reelected because of his nationality and religion must be shared by his master—the Robinson Crusoe district attorney who has a man Jaeckle, who so far forgets the sins against religion which have in this war merited the castigation and challenge of all right-thinking men and women of the world, that in New York he has reburnished the ancient sword of the ignorant bigot to battle the forces of tolerance in the State which hopes to boast of Dewey as the candidate for President of these United States of America.

What is there in the Constitution which would force a proposed leader of a great part of our American people to decry the fact that a man was of Polish extraction and Catholic religion and to state that his ancestry and religion are tests of availability for public office. Is Thomas E. Dewey so restricted in his imagination, so blinded by his association with his man Jaeckle, so limited in his perception of the temper of the American people that he can believe in the political wisdom of such anti-American principles of government and tyrannical condemnation of the basic philosophy of the American way of life. And yet, if he does not believe in the wickedness of such bigotry and intolerance, why does he not condemn. There is no Dewey strength in silence in face of such preposterous indifference to American truth. As goes Jaeckle, so goes Dewey.

I am a Pole by ancestry. I am a Catholic. Our Constitution never raised a question of my religion or my ancestry. The liberation of the subjugated nations of the world, including Poland, has cost the flower of American manhood, nurtured by the idealism of government by representation. The beauty of that flower is now spread on the shores and in the hearts of every nation of the world—an exhortation and a challenge to nobility and sacrifice. Has Jaeckle been so engrossed in the possibility of Republicanism that he has forgotten the import of World War No. 2? Has his mate? Have any of his mates?

On May 3, 1944, the gentleman from Massachusetts, JOSEPH W. MARTIN, minority leader of the House of Representatives, stated:

> May the Government of the Polish Republic soon be able to function in their own country and rule over the land they love because it is Polish soil. The sympathy of the civilized world is with the heroic liberty-loving Polish people.

Yes, Mr. Jaeckle; the Polish people have given of their talents to America, heroism and love of liberty. Where is the suggestion in the words of the minority leader of your party in Washington that Polish ancestry is a deterrent in the eyes of the American electorate? No, Mr. Dewey—the American people will never accept a leadership which so narrowly construes Americanism as to infer that Polish ancestry and Catholicism make a person an undesirable. Right-thinking Republicans and Democrats are openly opposed to the slur suggested in the refusal to grant approval to the gentleman from New York [Mr. MRUK] because of the incident of his birth and the practice of his religion. Poland is one of the strongest Catholic nations of the world. Are her descendants to be politically avoided? The past of our glory was not born of hypocrisy. The future of our greatness lies in the universal conviction of our citizenry that fanaticism of any nature is abhorrent. As a lawyer, Mr. Jaeckle should remember the old Biblical expression, "Thou knowest the law. How readest thou?" How readest thou the law, Mr. Jaeckle—or you, Mr. Dewey? Did you, as a prosecuting attorney, ever charge your juries that a man's ancestry or his religion determined the nature of his crime? Or having long since left the portals of the courtroom, have you forgotten the principles of truth and justice? Political action and political expediency never justify un-Christian acts. Or had you forgotten?

A citizen, of whatever race or religion, must love his country, be interested in its welfare, and respect its lawful authority. Is there any love of country or interest in its welfare, in attacking a man, or his position in society, because of his ancestry or his religion? Has anyone publicly attacked Jaeckle or Dewey on either ground? Society must find better means of implementing the common weal than by the public reference of its purported leaders to race and religion as qualifications for the right to public office. Totalitarianism—that monster of war which has been offered by the leaders of the Axis as the solution of national problems, which would subject human activity to political domination—might well tremble before publicly announcing, or, having announced, fail to denounce, any such treachery to America as is to be found in the philosophy suggested by Jaeckle. Dictatorship says, "You shall not run, Mr. MRUK, because you are of Polish ancestry and a Catholic." Is there anything more odious than a well-dressed, overbearing, presuming bigot? Where can be the virtue of the father who relies upon the unmuted mouthings of an intolerant son? Or vice versa. And yet, Jaeckle is "Dewey's Man Jaeckle." The dictatorship suggested by the action against Mr. MRUK smacks of the denial of freedom of conscience, freedom of speech, freedom of the press, freedom of ballot. It exudes the aroma of false nationality. It would exalt men at the expense of his neighbor because of parenthood. It would justify exploitation, deliberate and callous of the rights of the individual, for the whim of a leadership. It denies the hope for peace in the world—ever.

The preservation of the liberties of the American people, the continuation of our American way of life, depend on the utilization of every force of character the American people possess which will advance our idealism.

America can never afford to relax her vigilance in the political education of the common people. Any man preaching racism or religious intolerance is neither American nor an educator. He sabotages our form of Government as truly as the saboteur is our enemy. America can never allow at the controls the bigot or the fanatic, despite the plausible supercilious denial by the bigot of his professed bigotry.

The physical, intellectual and moral well-being of America will be reflected in the physique, mentality, and morality of the world. On D-day, here on the floor of this House, there was no jubilation, no sense of the winning of a battle or a war. Nothing but prayerful hope that God in His justice would lead America along the path to victory. No word of races or religion. No recrimination because of ancestry or theology. Americans all—hoping and praying to Him.

The forgetfulness of Dewey's man Jaeckle and of Jaeckle's Dewey of this fundamental concept of our Government—marks the weakness of a political movement which must be stopped before the hour becomes too late.

AUTHORIZING PRESIDENT TO REQUISITION CERTAIN ARTICLES AND MATERIALS

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1749) to amend section 3 of the act entitled "An act to authorize the President to requisition certain articles and materials for the use of the United States, and for other purposes," approved October 10, 1940, as amended, to continue it in effect and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, does the gentleman from New York [Mr. ANDREWS], the ranking minority member, know that this bill is coming up at this time?

Mr. MAY. I do not know that he does. We talked about it and agreed upon it a day or two ago.

Mr. MARTIN of Massachusetts. This is the first I have heard of this legislation and I cannot permit it to be taken up at this time unless I know something about it.

Mr. MAY. The only thing this does is to strike out the figure "1944" and insert the figure "1945" and extend the act which authorizes the President of the United States under certain conditions to requisition personal property. Those

conditions are when it could not be obtained by bargain with the owner, or if it was not otherwise obtainable. It will extend the act to June 30, 1945.

Mr. MARTIN of Massachusetts. I appreciate that the Senate bill extends the act for a year. But what I am trying to get at is to know whether this is a unanimous vote of the committee and do the minority members know it was going to be brought up at this time?

Mr. MAY. It was voted out by the committee and is on the Union Calendar, that is, the exact bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, I shall have to ask the gentleman to withdraw it at this time.

Mr. MAY. Mr. Speaker, I am asking to take up the Senate bill to keep from passing a different bill, and pass one on which the Senate has agreed.

Mr. MARTIN of Massachusetts. The gentleman would save a lot of time if he would talk to us before bringing up this bill, so we would be prepared to know what it is.

Mr. McCORMACK. May I suggest to the gentleman from Kentucky that he confer with some of the minority members of his committee, after which, if they are agreeable to the procedure, they will confer with the minority leader and the gentleman then get his clearance.

Mr. MAY. Mr. Speaker, I have already said that I talked with the gentleman from New York [Mr. ANDREWS] about it and we agreed about it.

Mr. MARTIN of Massachusetts. I do not doubt the gentleman's word at all. But I have had nobody on my side speak to me about it. I do not know what the situation is.

Mr. MAY. I am sorry.

Mr. MARTIN of Massachusetts. Mr. Speaker, we are only asking the gentleman to follow the same procedure that every other chairman follows. Perhaps an exception should be made in the case of the gentleman from Kentucky, I do not know.

Mr. MAY. Mr. Speaker, I am not going to stand here and be subjected to the criticism of following a different course than other chairmen follow. I discussed this matter at length with the gentleman from New York [Mr. ANDREWS], and we talked it over. I was to take it up at the first time I got an opportunity.

Mr. MARTIN of Massachusetts. Mr. Speaker, I have a responsibility here on the floor as well.

Mr. MAY. Mr. Speaker, if the gentleman from Massachusetts [Mr. MARTIN] desires to object, that is perfectly all right.

Mr. McCORMACK. Mr. Speaker, the gentleman from Massachusetts [Mr. MARTIN] will not be compelled to object by the majority leader because there is a certain procedure and the gentleman from Kentucky [Mr. MAY] can very easily solve the question by withholding his unanimous-consent request.

The SPEAKER. The Chair suggests that the gentleman from Kentucky [Mr. MAY] withdraw his request.

Mr. MAY. Mr. Speaker, I will withdraw my request, and somebody else will have to take it up.

LABOR AND FEDERAL SECURITY AGENCY APPROPRIATION, 1945 — CONFERENCE REPORT

Mr. HARE. Mr. Speaker, I ask unanimous consent that the conferees may have until midnight to file a conference report and statement on the bill (H. R. 4899) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

EXTENSION OF REMARKS

Mr. HULL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include certain letters.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CANAL ZONE CODE

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3646) to amend section 42 of title VII of the Canal Zone Code, with Senate amendments thereto; disagree to the Senate amendments, and agree to the conference asked by the Senate thereon.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none and appoints the following conferees: Mr. BLAND, Mr. RAMSPECK, and Mr. WELCH.

EXTENSION OF REMARKS

Mr. BLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include therein an article by the vice president of the Grace Line on an adequate post-war merchant marine.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ENROLLED BILLS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 272. An act for the relief of Mrs. Vola Stroud Pokluda, Jesse M. Knowles, and the estate of Lee Stroud;

H. R. 1220. An act for the relief of the legal guardian of Paul M. Campbell, a minor;

H. R. 2303. An act for the relief of O. W. James;

H. R. 2855. An act for the relief of the estate of John Buby;

H. R. 3102. An act for the relief of Mrs. Eva M. Delisle;

H. R. 3661. An act for the relief of G. F. Allen, chief disbursing officer, Treasury Department, and for other purposes;

H. R. 3891. An act to provide night differential for certain employees; and

H. R. 4115. An act to give honorably discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1157. An act to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing such training of State and Territorial military forces as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 1475. An act to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended;

H. R. 4320. An act relating to the computation of interest on contributions to the civil service retirement fund returned to employees upon their separation from the service;

H. R. 4659. An act to authorize the Soil Conservation Service to lend certain equipment; and

H. J. Res. 298. Joint resolution making appropriations for grants to States under the Social Security Act.

REGULATION OF INSURANCE BUSINESS

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, in my humble opinion, all this bill is, is an attempt on the part of certain defendants in an antitrust suit prosecution to get absolution for their sins. All this talk about contemplated, threatened Federal regulation of insurance companies is just a duststorm. There is nothing on the horizon whatsoever which indicates anybody seeks to have Federal control or regulation of any type of insurance company. All this talk about the destruction of States' rights is simply balderdash. In the final analysis all this bill does is to absolve from culpability and free from punishment for their wrongs, some 200 fire insurance companies who are banded together unlawfully under the guise of the South-Eastern Underwriters Association, together with some 29 other personal defendants, officers, and directing heads of the companies.

Mr. MILLER of Connecticut. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. MILLER of Connecticut. As an attorney, is it the contention of the gentleman that the passage of this bill would in any way interfere with the trial of indictments handed down before this bill was even introduced?

Mr. CELLER. It would have a very grave effect on the prosecutions because a demurrer was overruled, the demurrer having been offered by the defendant.

Remember the instant bill was introduced mainly for the purpose of putting a broomstick between the legs of the administration to prevent trial of the indictment. The decision made in the chamber will affect the trial of the case.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. RAMSPECK. The gentleman stated that the Southeastern Underwriters were banded together unlawfully. I do not think the gentleman wants that statement to remain in the RECORD.

Mr. CELLER. Yes; I do want that statement to remain in the RECORD and I want to high-light it, and I shall if given sufficient time. They were unlawfully banded together and rigged and fixed rates in a high-handed manner. Further they punished and hurt those who interfered with them. All this was contrary to law.

Mr. RAMSPECK. Why does the gentleman charge them with that when they were acting in accordance with what the law was understood to have been for 75 years?

Mr. CELLER. You cannot say, when a group of individuals get together and arbitrarily and unfairly seek to fix rates that have no relation whatsoever to the risk involved, that they are not doing that which is unlawful and which has been banned by our antitrust laws for a great many years. Just because they were not brought to book over all those years did not make them innocent. These companies doing this business in Florida, Alabama, Georgia, North Carolina, South Carolina, and Virginia had the people of those States seeking insurance by the throat, and the people there were helpless and hopeless because not one of the States had the power to reach out into all the other five States and control adequately the activities of these insurance companies.

Mr. VORYS of Ohio. Will the gentleman yield?

Mr. SPRINGER. Will the gentleman yield?

Mr. CELLER. I do not yield at this time. In a designated period there was collected from the policyholders of those six companies $1,000,000,000, and the losses paid out only amounted to $400,000,000, leaving a very handsome profit indeed, a gross profit of $600,000,000. The profits were high and the protection money was plentiful.

Let me read from the minority report, which I drafted:

> The combine fixes whatever rates it can get away with. Not only are the profits high but the protection money is plentiful. The Attorney General pointed out that 116 of the companies involved in the pending case were among the 142 which raised a fund of $446,000 in 1936 to bribe the Missouri Superintendent of Insurance and others. In fact, the present case in Georgia originated as a result of the plea of the attorney general in Missouri to the Department of Justice. He said that his efforts to prosecute companies in his State were rendered impossible because the rate-fixing conspiracies were part of a vast interstate scheme, operating as a unit and that the laws of his State, carefully conceived and properly executed, could not reach the huge combine. I would say that their activities resulted in what might be compared to a tremendous flood from some great tributaries whose waters have spread for miles and miles across many States. One individual State, apparently, cannot cope with the situation.

I say to the gentleman from Georgia [Mr. RAMSPECK] indeed these companies banded together most unlawfully. I shall subsequently attempt to outline some details of the unlawful conspiracy.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Indiana [Mr. LAFOLLETTE].

Mr. LAFOLLETTE. Mr. Speaker, I ask that I may extend my remarks at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

Mr. LAFOLLETTE. Mr. Speaker, the House of Representatives of the Congress of the United States is confronted with a decision to be made with reference to the passage of H. R. 3270, which is a bill designed to exempt the insurance business from the operations of the Federal antitrust laws. All Members of the House who have studied the question are agreed upon this statement. As I pointed out in my extension of remarks on this bill, which appears in the Appendix of the RECORD for December 9, 1943, I construe the bill as having a further intent and design, namely, that it is expressly drawn to deprive the Federal judiciary of all jurisdiction over pending litigation, specifically the litigation originally brought by the United States against the South-Eastern Underwriters Association in the United States District Court in Georgia.

I opposed the legislation originally on numerous grounds, but particularly in the belief that the words "shall be construed to apply" were particularly chosen to bring the bill within the decision of the Supreme Court in the case of Hollingsworth et al. against Virginia, decided in the February term of the Supreme Court in 1798, and reported in 3 Dallas at page 378, first limited edition, 664.

At the time the bill was introduced this case was pending in the Supreme Court of the United States, and if the construction for which I contend is correct, then, had the bill been passed before the Supreme Court ruled on the question, it was my opinion, and it is still my opinion, that the Court would have been deprived of jurisdiction in the case and would have been precluded from rendering a decision. The bill was not presented for consideration in the House until after the Supreme Court ruled on the pending case on June 5, 1944, in which ruling it upheld the Government on the two principal issues involved: First, that the business of insurance was interstate commerce within the meaning of the Constitution; and, second, that the antitrust laws, under which the indictment had been drawn against the companies, applied in the instant case and that the lower court had erred in deciding both of these issues against the Government. I am still of the opinion that any time this legislation becomes law it will deprive the Federal courts of the right to proceed with any litigation pending at the time it becomes a law. In other words, if it is passed prior to the time the Supreme Court has an opportunity to pass upon a petition for rehearing—assuming, as I think we have a right to do without engaging in a violent presumption, that such a petition will be filed—I think it would have the effect of depriving the Supreme Court of the right to consider the petition for rehearing, in which event it is proper to infer, in passing, that the insurance companies are not very hopeful as to the outcome of their petition for rehearing and therefore impliedly admit that it is their opinion that the decision of the Court will stand. But more than that, if the bill becomes a law after the petition for rehearing is passed upon, but before the case can be tried in the court below—and we must remember that the case went to the Supreme Court from a ruling upon a demurrer so that at the present time no evidence has been introduced whatsoever—then, under my construction of the language of this bill, there could be no trial of the case in the court below.

I admit that as the matter stands now, I am apparently alone among the Members of either House of the Congress of the United States in placing this extra interpretation upon this legislation. However, I think I am privileged to say that able lawyers outside of the Congress of the United States to whom my arguments on this question have been submitted are in agreement with the position which I have taken as to the additional effect of the proposed legislation which is inherent in the use of the words "shall be construed to apply."

I have made this preliminary statement particularly because I felt it necessary to make it in order to serve as a background to the arguments which I shall later propound against the passage of this legislation.

I think also that it is necessary, as a further preliminary statement, to make some observations with reference to the effect upon the power of the Congress to act upon this matter in view of the decision of the Supreme Court, which was rendered on June 5, 1944, in Case Number 354 of the October term, 1943, being the United States of America, Appellant, against South-Eastern Underwriters Association et al. As far as I am concerned, I can see no good purpose being served by debating in the Congress of the United States the correctness or incorrectness of the decision or the separate dissenting opinions of the Chief Justice, Mr. Justice Frankfurter, and Mr. Justice Jackson.

As a result of this decision, the Supreme Court of the United States has held squarely that the business of insurance is interstate commerce. In so doing, it has exercised a function given it under the Constitution to construe the Constitution and particularly to apply the meaning of the word "commerce" in the Constitution to the facts contained in the record presented to it. I decline to discuss the opinion or the dissents solely for the reason that for the Congress of the United States to debate this question now would be a vain and use-

less thing and also would introduce irrelevant issues which should not have persuasive effect upon us in deciding the question which we have to decide, namely, shall we exempt this form of interstate commerce from the application of the antitrust laws.

It would be vain because the Congress of the United States cannot now alter or in any way affect the decision of the Supreme Court that the business of insurance is commerce. This is true, because, as I have pointed out, it is the function of the Court to construe the Constitution and in determining that the business of insurance was commerce, it has exercised that function by construing the Constitution and applying its construction of the word "commerce" in the Constitution to the business of insurance. Whether we might wish to or not, we cannot now enact any legislation which would alter or change in any way this constitutional decision.

Let me make this plain—I reiterate that the Congress, by the passage of the Walter bill, cannot declare that insurance is not interstate commerce. It can, of course, declare that it will not apply the antitrust laws to this form of interstate commerce, and this is what all lawyers admit is the purpose of the Walter bill. But the Members of the House who are not lawyers or the Members of the House who are lawyers, but who have not had the time to give consideration to this matter should clearly understand as we begin to debate this legislation that the passage of the Walter bill cannot, under our constitutional form of government, reverse or alter that part of the decision of the Supreme Court which declared that the business of insurance was interstate commerce. That decision brought within the scope of congressional action the insurance business and those acts of it which constitute the doing of interstate commerce. The Congress unquestionably has the power and the right now to say that it will not make the antitrust laws applicable, to say that it will make no laws applicable; or at some future date, to say, if at some future time it decides to enter into this field, that the business should be regulated and that the only geographical and political unit which can adequately regulate it is the Federal Government. The decision which we will make in the House of Representatives upon the pending legislation, among other things, will go a long way toward pointing out the path which the Congress of the United States, as a constitutional branch of the Federal Government, will take in the future.

Although I have no intention of analyzing or discussing the decision and the dissents, I think it is proper to say that although the Court divided four to three with two Justices not sitting upon the question of whether the present antitrust laws should be construed as applying to the business of insurance, no one can read the decision of Mr. Justice Jackson, who "dissents in part," without reaching the very positive conclusion that he was of the opinion that the business of insurance was interstate commerce within the meaning of the Constitution. The decision of Mr. Justice Frankfurter is not capable of any such unequivocal statement, but I believe that I do him no injustice and place no improper construction upon his decision, when I say that I conclude that he also is of the opinion that the business of insurance is interstate commerce. The Chief Justice was of the opinion that it was not interstate commerce. A study of the decision and the opinions thus discloses that five of the Justices of the Court clearly were of the opinion that the business of insurance is interstate commerce; that it is not improper to say that six of the Justices were of the opinion that the business of insurance is interstate commerce; that one Justice held it was not; and that two Justices did not sit.

This observation is made for the purpose of tempering the enthusiasm or the wishful thinking of any people in the United States, whether they are Members of the Congress or not, that the decision made on June 5 declaring that the business of insurance is commerce as a constitutional decision or as a decision construing the Constitution will ever be set aside at any time in the future of this Republic. In other words, as Members of the Congress of the United States, we in the House of Representatives are now confronted with a fact and not a theory. The fact is that the business of insurance is now, and for all future time will be, a business with reference to which we must either legislate or not legislate, and if we choose to legislate, then we must legislate wisely and in the interest of all of the people of the United States. We cannot avoid the responsibility and it will accomplish nothing for us to either upbraid or damn the Supreme Court of the United States for placing this subject matter in our laps. Let no one think the Congress of the United States can put this responsibility behind it for all time in the future by passing the Walter bill. The Walter bill will not in any way repeal that part of the decision of the Supreme Court which declared that the business of insurance was interstate commerce; it cannot in any way lift from the shoulders of this Congress or future Congresses the responsibility of making decisions in this field.

It is only when we thus understand the true situation under which we are called upon to enact legislation that we can understand fully the significance inherent in the passage or the rejection of the Walter bill.

For the purpose of the argument which is to follow, and solely for that purpose, I shall assume that the Walter bill is not designed to affect pending litigation—although it must be at all times understood that I personally believe it does. However, it does have for its purpose the lifting of the business of insurance out from under the application of the antitrust laws generally referred to as the Sherman and the Clayton Acts. Or, putting it another way, if the Walter bill becomes law, the Congress of the United States is saying that the antitrust laws of the country shall not apply to the insurance business.

Again let us consider solely at this point whether this legislation, in the end, will be beneficial to the insurance business. The arguments made at the hearings on this legislation and the arguments contained in appendix B on pages 87 to 99 of the brief of the insurance companies in the Supreme Court are that the insurance business is not competitive. Therefore we are entitled to accept these arguments, made primarily by Mr. Edward L. Williams, the president of the Insurance Executives Association, and by the attorneys for the companies who argued the case in the Supreme Court, with whom it is proper to infer from the record—part V of the joint hearings, page 259—Mr. Williams was associated as an attorney prior to September or October 1943; we are entitled to infer then, are we not, that this is the official position at least of the insurance companies who are members of the Insurance Executives Association, which association it is also proper to infer from pages 266 to 270 of the same hearings is representative of the largest and most powerful fire insurance companies in the United States. Therefore, we are asked to pass this legislation because we are told that the business of insurance is not competitive and that this is the official position taken by the most powerful group of fire insurance companies in the United States. But, if a business is not competitive and if it affects so completely the economic life of a nation as the fire insurance business does, it must follow that the business is subject to regulation as a business which is coupled with a public interest. And indeed this is the position not only which the companies have taken over a long period of time, but which the courts of the United States, including the Supreme Court of the United States, have taken in upholding State regulation. Does it not follow therefore that if we pass the Walter bill and exempt insurance business from the operation of the antitrust laws are we not, in effect, saying, at the behest of insurance companies, the business of insurance is noncompetitive; it is coupled with a public interest and we thereby lay the background out of which, not this Congress, but subsequent Congresses of the United States, will find the authority for enacting legislation creating Federal regulation of the insurance business in some form?

Despite the position which the companies have been forced into, in my opinion, by Mr. Williams and his former law associates, I for one am not prepared to say at this time and upon the record now before the Congress that the insurance business is noncompetitive and that therefore if the Federal Government ever acts, and remember it now has the power to act and will always have that power in the future and no Congress can do anything about it, because we are the legislative branch of the Government and not the judicial branch, under the power which the Supreme Court has given it to act, it must and can only regulate the insurance business.

I am driving this point home in an attempt to point out the implications involved in the passage of the Walter bill with the hope that I might dissuade some of my colleagues from taking a

position out of which future Federal regulation is bound to arise and at a time when, in my opinion, we do not have sufficient information before us in the way of exhaustive testimony before a committee of the Congress seeking factual information with reference to the nature of the conduct of the insurance business upon which we can base an intelligent opinion. I point out, in order to avoid any implication that I am attacking unjustly the investigation conducted by the joint hearings of the subcommittees of the Committee on the Judiciary of the Congress, that the largest part of the testimony produced before that committee had to do with legal questions rather than with the production of factual information disclosing the manner in which the insurance business is conducted.

I am also not prepared to accept the action of Mr. Williams or the law firm which represented the insurance companies before the Supreme Court as representing the position of all the fire-insurance companies or all the fire-insurance agents in the United States by any means. A study of the hearings discloses that there are substantial groups of brokers and agents who do not agree with Mr. Williams that the fire-insurance business is necessarily a noncompetitive business. Also, I have in my own files evidence which discloses that small companies, both stock and fire companies, in the Middle West section of the United States are not so sure that the insurance business is not a competitive business and they also are not so sure that Mr. Williams and the companies for whom he professes to speak are not engaging in monopolistic practices in a competitive industry.

Therefore, from the standpoint of the insurance business itself, it is my very positive opinion that we do not have enough facts before us to justify us in taking a position which may drive some future Congress into the position of establishing Federal regulation of the insurance business just because one man and his former law partners have, in my opinion, given very bad advice to their clients, the insurance companies of the United States, in the attempt: First, to win a law suit and, second, to foster upon the Congress of the United States legislation which it is apparent will have the effect, if passed, of driving future Congresses into the position of regulating the insurance business rather than leaving it as a competitive business subject to the antitrust laws.

Very frankly, from the evidence that I can find in the record, I cannot form an abiding conviction that the business of insurance is either competitive or noncompetitive; and I don't believe that anyone else who studies the record dispassionately can reach a decision on this question either solely from the record which is now before the Congress of the United States and in the absence of some special information which the average Member of Congress does not have. If this is true, it seems clear to me that in any event the passage of this legislation at this time would be a premature decision made by the House of Representatives upon inadequate information.

Heretofore I have attempted to point out to the Members what they will be doing to the insurance business if they pass this legislation. I am driven to the conclusion that we are asked to pass it practically in a vacuum as far as adequate factual information is concerned. However, such a statement is not completely correct. A study of the record of the hearings would at once disclose to every Member of the Congress, as I have attempted to point out in my previous discussions of this legislation on December 9, December 15, and December 21, 1943, that under the insurance business as presently conducted, there is strong evidence to indicate that we will be passing this legislation exempting the insurance companies from the antitrust laws on a record which disclosed unexplained discriminations against agents, small businesses, between the cities of the various States and between the citizens not only of the United States but of the various States. If a man votes for this legislation on the record of the hearings which have been conducted to date, he will be exempting the insurance business from the operation of the antitrust laws in the face of evidence which at least persuasively establishes that there is a special rating bureau of the large companies in New York City known as the Interstate Rating Bureau, which grants special rates and special favors to large corporations as distinguished from small businesses and that these rates are established in such a manner that they can never be effectively reached or the evils cured by the regulatory bodie set up in the several States. Suffice it to say that it is quite apparent that they have not been. And on this sort of record in the interest of the people of the United States, without regard to any State in which they live, is any Member of Congress prepared to say that he is serving his people when he exempts the fire-insurance business from the operation of the antitrust laws at this stage of the game, when the little evidence which has been brought out before the committees indicates that not only are there monopolistic practices indulged in at present which cannot be reached by State regulatory bodies but also that there is discrimination in rates in favor of existing monopolies which definitely have a tendency to mitigate against small business? It would seem to me that he would have to quit crying publicly and in speeches about the "plight of, and any interest in, the small businessman and the dangers of monopolies and free enterprise" if, on the basis of the present record, he voted for legislation calculated to exempt the fire-insurance business from the operation of the antitrust laws. Some day the people of the United States are going to hold us accountable and ask that we prove that our acts have been consistent with our speeches and our mouthings. The problems of America cannot be solved by words; they must be solved by acts.

Finally, we are asked to pass the legislation which, if it becomes law before the case in the District Court of Georgia can be tried, will prevent the Government from ever trying that case. If the Government does not try that case, not only the Members of the Congress of the United States, not only the people of the United States, but the insurance companies themselves will never know just what acts constitute a violation of the antitrust laws and what acts do not. It is said that if we do not pass this legislation, we will have chaos. But I am inclined to believe that, if we do pass it, we will create chaos. Certainly there is enough in this record to show that chaos exists now, if by chaos we mean an unexplained discrimination in rates between small insurers and large insurers, between citizens of one State and citizens of other States, between cities of the various States of the United States, and at least a hint at discrimination against home owners by the charges made that the home owners are carrying a disproportionately high share of the losses of the whole fire-insurance business by the device of paying rates which are disproportionately high in light of the losses experienced. Certainly a trial of the case below would permit the country, and the people, and the Congress to have placed before it the evidence which the Department of Justice must produce in order to prevail in the litigation. I for one do not see why the insurance companies involved, if they feel they are in the clear, are not ready now to say to the Department of Justice: "You have been making a lot of charges; we deny them; now it is time to put up or shut up." This is the attitude which a man whose skirts are clean would always take in his own interest. But if you prevent a trial, the facts upon which this indictment is predicated will never be tested in a court of justice where their authenticity and relevancy and materiality can best be tested.

This is particularly true because last week the Rules Committee of the House denied a rule for House Resolution 382, introduced by Mr. LYNCH, of New York. The resolution called for an investigation into the conduct of the insurance business; the resolution sought to develop for the Members of the Congress of the United States facts under which we could proceed to carry out the duty which the opinion of the Supreme Court has plainly thrust upon us. We cannot even fail to legislate, in my opinion, without being able to point to facts developed at an investigation which would justify us in saying to our people, "There is no need for Federal legislation." However, the Committee on Rules reached a contrary conclusion. I have no desire to quarrel with the committee or with the members of the committee as to their decision; I merely point out that the effect of their decision, in my opinion, makes it mandatory that the Walter bill be defeated.

The Supreme Court has placed the responsibility upon the Congress of the United States of not legislating in this field or legislating; and if we are to legislate, again we have the responsibility of determining how we shall legislate. It

is the grossest abuse of the legislative function for us to avoid this responsibility by failing to seek out in some manner the evidence upon which to make our decision. Even if we choose not to act, we certainly can be charged with supinely accepting the story of the insurance companies as to what is best for the people of the United States if we fail to attempt to find the facts in some manner. Since this House, through its Rules Committee—acting under the authority which the rules of the House give to that committee—has chosen not to investigate, that action is not the sole responsibility of the Rules Committee, but it is the individual responsibility of every Member of this House because we have set up the rules, we have chosen the Rules Committee to be our agents in this matter and we are bound by its decision until such time as we attempt, by other appropriate procedure under the rules, to make other decisions. The decision made, which is binding upon each individual Member, is this: We will not investigate the manner in which the insurance business is conducted for the purpose of determining how we shall act upon the responsibility placed upon us by the ruling of the Supreme Court on June 5. We will not even attempt to get evidence to guide us in discharging that responsibility.

But there is a way open by which that evidence, at least in part, can be obtained and that is by permitting the case in Georgia to go to trial. It is my opinion that if you adopt the Walter bill you will prevent that case from being tried and thereby every Member of this House who now votes for the Walter bill, following the action of the Rules Committee, will be going home to his people with the record, from which this conclusion is properly inferable, namely: "I did not want to know anything about the way the insurance business is conducted; I do not want the people of the United States to know anything about the way the insurance business is being conducted; I did not want the House to investigate it; and I voted to keep a case in Georgia from going to trial in which evidence might have been brought out showing something about the way in which the business of insurance was conducted." If you go to your people on such a record, will you not be saying, in substance: "We accept without question the statements of the insurance business that it is being conducted properly in the interest of all of the people; you people have not any right to investigate or to expect me to investigate this claim; I believe that the insurance business should not be investigated, either by the Congress or by the courts." I do not know what other Members may wish to do, but, for myself, I do not propose to submit such a record to the people of the Eighth Congressional District of Indiana, who selected me to represent them and to act in their interest in the House of Representatives of the Congress of the United States. I at least want to say to them that I am interested in developing and finding some facts. I at least want to say to them that I am willing to do something to discharge the responsibility placed upon me as a Member of the Congress by the ruling of the Supreme Court of the United States. If the facts should disclose that there are no reasons for any Federal legislation, I am willing to adopt that policy. I hold no brief for Federal regulation in the absence of more factual information than I presently have, but I likewise see no reason, under the present record, of voting: first, blindly and without enough factual information to satisfy me as to the correctness of the position of those who seek through the Walter bill to remove the insurance business from the operation of the antitrust laws; and, second, to vote for legislation which, in my opinion, as a matter of law, will prevent the pending case from being tried and thereby, under the record which now exists in the Congress, created by the action of the Rules Committee, creating a situation where no facts can ever come to light, at least until another Congress has met.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, the gentleman from New York [Mr. CELLER] speaks of a smoke screen. I think his contention about the effect and purpose of this bill is, rather, the smoke screen.

For 75 years the courts of this country and the Congress have held and believed that the writing of insurance contracts was not commerce to be controlled by the Federal Government or under the Sherman Antitrust Act. The courts and the Congress have consistently held and believed that the regulation of such insurance was to be in the States and not in the Federal Government.

It is significant that when the States asserted the right to control fire insurance and regulate it, their efforts were resisted by the fire-insurance companies which said their business should be under Federal regulation and not State regulation. The courts held otherwise.

Bills have been introduced to bring about Federal control of insurance. Those bills have been consistently turned back by the Congress of the United States.

Now there is no Federal legislation for the control of fire insurance in the States. There is no Federal agency presently existing to regulate fire insurance. The Congress never intended that the Sherman Antitrust Act would be used as the means to bring about the indictment of people engaged in the fire-insurance business under State regulation. Now by the 4-to-3 decision the Supreme Court has reversed the rulings of 75 years, and holds that the writing of insurance is commerce.

Let me say this with particular reference to what the gentleman from New York [Mr. CELLER] has said. If this decision of the Court stands, the jurisdiction of the States to regulate fire insurance will be terminated. As a result, the Congress of the United States at this time, in the middle of a war with all the other things we have to do, will be required to enact Federal regulation.

I will read from what Chief Justice Stone said. He happened to be in the minority, but I think he knows what he is talking about:

> But the immediate and only practical effect of the decision now rendered is to withdraw from the States, in large measure, the regulation of insurance and to confer it on the National Government, which has adopted no legislative policy and evolved no scheme of regulation with respect to the business of insurance. Congress having taken no action, the present decision substitutes, for the varied and detailed State regulation developed over a period of years, the limited aim and indefinite command of the Sherman Act for the suppression of restraints on competition in the marketing of goods and services in or affecting interstate commerce, to be applied by the courts to the insurance business as best they may.

Now, if that is true, and I believe it is, what do we have before us? In this bill we are doing nothing more than acting legislatively in keeping with legislative responsibilities. The Congress of the United States can today repeal the Sherman Antitrust Act if it wants to. And the Congress, in the exercise of legislative responsibility and authority, can write an exemption into the Sherman Antitrust Act, which is exactly what this bill seeks to do.

Some people say this involves usurpation of judicial authority. I say that the decision of the Supreme Court, the four to three decision handed down on June 4 of this year, is itself, in effect, an attempt at judicial usurpation of legislative authority.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. ALLEN of Illinois. I yield the gentleman 3 additional minutes.

Mr. HALLECK. If the Congress of the United States, being the legislative branch of the Government, wants to say that the writing of insurance contracts—and we had better say all other contracts if we get to that point—is commerce, and that it is commerce which we want to regulate as an exercise of Federal authority and responsibility, then I say let the Congress make that decision. But I hold that for the Supreme Court to come along at this late date with this decision and undertake to change what has been clearly the legislative intent and judicial interpretation for 75 years, is outside the realm of proper and timely judicial action.

It is said that by this action we are going to absolve certain defendants. How guilty is a man or a group of men who are in the insurance business and who have carried on their business under State regulation, as they have for 75 years, under the consistent interpretations and decisions of the Supreme Court, and following the intent and purpose of the Congress of the United States? I say, how guilty are they of the commission of a crime under the Sherman Antitrust Act? To my mind it is not a matter of absolution of anybody.

If we are to have Federal regulation, let us approach it as a matter of legislative action and responsibility, and not as a matter of entering through the back door of the Antitrust Act, through judicial decision.

Along with Justice Jackson of the Supreme Court I hold that this is a poor

time indeed to render this decision to nullify the State regulations and to thrust upon the Federal Government the necessity for writing comprehensive legislation to cover the country. Why create another gigantic Federal bureaucracy, wrest from the States the job they have been doing, and concentrate, following the trend that has been too prevalent here lately, another great administrative responsibility in Washington? So far as I am concerned I am not for it. That is the reason I am for this rule and this bill.

Mr. VORYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Ohio.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 1 additional minute to the gentleman from Indiana.

Mr. VORYS of Ohio. In my State of Ohio every fire insurance company is required by law to belong to a rating bureau that fixes rates. Under this Supreme Court decision that action which is required by the State of Ohio would be considered as a violation of the Sherman Antitrust Act unless we take such action as is contemplated in this legislation.

Mr. HALLECK. Yes; and if the State of Ohio believes that the rates charged by these companies are too high they can refuse a license to them to do business.

Mr. PLOESER. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. PLOESER. Is it not ironical that at a time when we are trying to stabilize the economy of the country the Supreme Court should imperil some $30,000,000,000 of assets, much of which is Government bond holdings?

Mr. HALLECK. I do not want to look too far into the future but I know certain people have been irked by the fact that fire, life, and other insurance companies have enormous assets of which they have not yet been able to get hold.

The SPEAKER. The time of the gentleman from Indiana has again expired.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Speaker, it is my position that this rule ought not to be adopted by the House. I do not often take a position in opposition to a rule, but I do not believe this bill ought to be considered by the House at this late stage in the session; and, certainly, I do not believe it ought to be passed. Many arguments will be made, but in the last analysis there is no getting away from the fact that the whole language of this bill and the net purpose of it is to exempt the whole business of insurance from the operation of the antitrust laws. It is not a bill directed to the question as to whether there should be State control or Federal control, nor can that decision possibly be made except by the action of this Congress. As a matter of actual fact if the statements of the proponents of the bill as to what they want to accomplish, if the statements of the insurance companies as to what they want to have accomplished, were to be taken at face value there might be legislation passed, defining its scope of State or Federal jurisdiction over the business of insurance. But it certainly would not be this legislation. If Members of the House in a few moments of time want to take responsibility for saying that the greatest financial business in this whole Nation shall be completely free of all action on the part of the Government to prevent monopolistic practices in many cases operating to coerce the independent agent and discriminate against the small insurer, then they want to take a responsibility other than what I want to take.

As a matter of fact, the passage of this bill would be tantamount to an invitation on the part of the Congress to the insurance business to go ahead and engage in monopolistic practices; and if there is any better way to invite Federal regulation of any business than to permit that business to engage in monopolistic practices, I do not know what it is. In other words, the net effect of the action of Congress in exempting insurance from the antitrust laws will in the long run be, in my judgment, to invite a train of events which will make Federal regulation necessary.

The SPEAKER. The time of the gentleman from California has expired.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from Virginia [Mr. SMITH] such time as he may desire.

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this morning on the bill to investigate campaign expenditures and include some correspondence I had with the Attorney General.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Speaker, I had not intended to engage in this discussion, but, to my astonishment, my colleague the gentleman from New York [Mr. CELLER] has branded the men who compose the Southeastern Underwriters' Association as being engaged in an unlawful conspiracy.

I thought in this country people were still innocent until they were convicted by a court. It happens that the headquarters of the Southeastern Underwriters' Association is in the city of Atlanta, in my district. For 12 years I was a local insurance agent and I learned to know many of these men personally. I wish to assure my colleagues in the House that they are not crooks; they are as good citizens as you will find in any city anywhere in the world. They had no idea that they were engaged in any violation of the antitrust laws They were advised, of course, by their lawyers, that 75 years ago, before most of them were born or ever thought of the insurance business, the Supreme Court of the United States had held that insurance was not interstate commerce. I think therefore it is going pretty far for a Member of this House to charge those men with being guilty of a crime when the Supreme Court has not decided that. They have sent that case back to the district court to be tried on its merits and I doubt seriously whether any jury in Georgia is ever going to find them guilty of violating the antitrust laws when they were advised by their attorneys that this decision of the Supreme Court 75 years ago was still the law of the land; and it was until the Supreme Court reversed it.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. VORYS of Ohio. The gentleman is familiar with the practices of the Southeastern Underwriters?

Mr. RAMSPECK. I am.

Mr. VORYS of Ohio. Are not their practices substantially the same as is required by law in the States that establish rating bureaus for fire-insurance companies?

Mr. RAMSPECK. That is my understanding. They are following the regulations laid down by the insurance commissioners of the various States in which they operate. I do not want to get into a discussion of the merits of this bill because I have not studied it, but I do want to say to this House that the charge made by the gentleman from New York that these people involved in this case are anything else but the finest sort of citizens is not true. They are, all of them, good people.

Mr. MILLER of Connecticut. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. MILLER of Connecticut. While insurance executives may have been indicted in the gentleman's district, I am happy to hear him defending them as fine citizens. A great many of them are constituents of mine and I am very proud to consider them as friends. I resent the imputation that they are guilty before they are even tried.

Mr. RAMSPECK. We ought not to decide this question on any such statement as that.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. SABATH. Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. RUSSELL].

The SPEAKER. The gentleman from Texas is recognized for 9 minutes.

Mr. RUSSELL. Mr. Speaker, I had very much hoped that this bill would not come up at this late hour at this late date just before the recess with a very limited time for debate and consideration of a most important bill that creates a precedent unheard of heretofore in the annals of our country—3 hours of debate, and that in the hands of two who are in favor of the bill. This occurs to me as a little bit unfair. Again I say I had hoped it would not come up at this time because I feel myself not physically able, as most of the Members feel, to give to it that service I should like to and which I believe is in the interest of the 132,000,000 American people. In saying that, I am not opposed to insurance. The only stock I own in the world in any corporation is insurance stock. I am a little part owner in two insurance companies. If I had any bias in favor of either end of this question

naturally I would be in favor of the insurance companies. Having grown up under adverse circumstances, it became necessary for the protection of me and my loved ones, especially my loved ones, to rely on insurance policies for their protection. I spent most of my life's earnings for it, but I am more interested in 132,000,000 American citizens and their future welfare than I am in insurance companies and the financial standing they have at the present time. They are able to take care of themselves.

Mr. Speaker, this rule has so many angles to it that, of course, we cannot touch it. I have said this before, and I say it now, after long and mature study and consideration, we who have been engaged in the legal profession and who have studied the legal principles throughout the years past, or for any length of time, knew what the Supreme Court was going to say when this case went before it. This case that had its inception down in the State of Missouri, where Boss Pendergast connived and colluded with the then insurance commissioner to rob the poor people who were paying into the insurance companies the enormous amount of funds that they had. We will not have time to talk about that. The question whether or not it was interstate commerce has been answered by the Court a few weeks ago.

Reference has been made on the floor of this House to the three dissenters and it was felt they spoke correctly. But let us see what they said. Let us see what Chief Justice Stone said:

> This Court has never doubted, and I do not doubt, that transactions across State lines which often attend and are incidental to the formation and performance of an insurance contract, such as the use of facilities for interstate communication and transportation, are acts of interstate commerce subject to regulation by the Federal Government under the commerce clause. Nor do I doubt that the business of insurance as presently conducted has in many aspects such interstate manifestations and such effect on interstate commerce as may subject it to the appropriate exercise of Federal power.

That is what Chief Justice Stone said, with reference to the insurance business being commerce. Of course, if it is commerce, intrastate and interstate, naturally it would come under the commerce clause of the Constitution.

Associate Justice Frankfurter reiterated the stand that Chief Justice Stone took.

Then Associate Justice Jackson wrote at length a dissenting opinion and he stated in these words:

> I am unable to make any satisfactory distinction between insurance business as now conducted and other transactions that are held to constitute interstate commerce. Were we considering the question for the first time and writing upon a clean slate, I would have no misgivings about holding that insurance business is commerce and where conducted across State lines is interstate commerce and therefore that congressional power to regulate prevails over that of the State.

That is the third Justice who dissented, admitting the things that are the vitals of the question involved before us today.

This bill seeks to immune a certain business from the antitrust laws. Why single out the insurance business if their hands are clean? They are not always clean, and I happen to know a little something about this case. I am going to yield at this time to my colleague from Texas who heard one of the defendants indicted down at Atlanta make the statement confessing his guilt. This was on a railroad train not long ago. I yield to the gentleman from Texas [Mr. POAGE] to tell what the man indicted had to say.

Mr. POAGE. I simply wish to say to the House what I said to the gentleman. I did have a conversation with one of the defendants in this case. This gentleman was the head of a small insurance company with headquarters in Texas. He told me and he told the group on the train that he recognized that he and all the rest of the defendants were "as guilty as hell." These were his own words. He said, "Of course, we are guilty; we had to enter into the conspiracy to stay in business." He further stated that all of the small companies were forced to go into this conspiracy or else the large companies would put them out of business under the way they were running the business in the Southeast. That is what one gentleman who is in the insurance business in the Southeast said and that is what is going to happen to the small insurance men all over the country, if you let the larger insurance companies run high, wide, and handsome without any control of any kind and exempt them from all the restraints of antitrust laws. I am just as much in favor of the State control of insurance as anybody else, but, as the gentleman from New Mexico has explained very clearly, you have got to pass other legislation to place control of insurance in the hands of the States. All this does is to place the insurance business in the hands of the big companies that are going to control it if you repeal your antitrust laws. If you have no antitrust laws to keep them from destroying the smaller companies, they will do just that.

Mr. RUSSELL. I thank the gentleman. One of the main things they tell you about in connection with this Supreme Court decision is that we are taking the regulation of the insurance companies out of the State hands and putting it in the hands of the Federal Government.

Since this bill was introduced I have dared the proponents of it—in the terms of the country boy of long ago I double-dogged dared them—to produce one single opinion of any court that would substantiate such a statement. The fact is, Mr. Speaker, the regulations will remain as they are unless this Congress sees fit to act, and I do not believe it is going to act.

I grew up in a States' rights country, not in Connecticut. When did they adopt the policy of States' rights? It is a part of our political religion in my State, but I do not want to run off in a hysteria here under the guise of States' rights when the principle does not apply, to the injury of the people of our country. I cannot do that and I am not going to do it.

We are going to preserve State control, unless the Congress acts. Are you afraid of the law? Are you afraid of Congress?

The SPEAKER. The time of the gentleman has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 1 minute to the majority leader.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 10 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that during the remainder of this week it shall be in order to consider conference reports the same day reported, notwithstanding the provisions of clause 2, rule XXVIII, and that it shall also be in order during the remainder of the week for the Speaker to entertain motions to suspend the rules notwithstanding the provisions of clause 1, rule XXVII.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman tell us what the program is for tomorrow?

Mr. McCORMACK. I will be glad to. The conference report on the contract termination bill is ready. The conference report on the Labor-Federal Security bill will come up for consideration tomorrow. Conference reports will have precedence. Conference reports on the appropriation bill having to do with the war agencies, the lend-lease conference report, conference report on the military and the District of Columbia might be brought in during the day.

This insurance bill after adoption of the rule of course will be the legislative order of business, but it must be understood that we will give preference to conference reports.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

REGULATION OF INSURANCE BUSINESS

The SPEAKER. All time has expired on the rule.

Mr. SABATH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. MARCANTONIO and Mr. CELLER) there were—ayes 102, noes 30.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the further

consideration of this resolution be postponed until tomorrow.

Mr. MARCANTONIO. I object, Mr. Speaker.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 52 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, June 22, 1944, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, a letter from the Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies, was taken from the Speaker's table and referred to the Committee on the Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PRIEST: Committee on Interstate and Foreign Commerce. H. R. 4803. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Memphis, Tenn.; with amendment (Rept. No. 1699). Referred to the House Calendar.

Mr. MAY: Committee on Military Affairs. H. R. 4970. A bill to provide additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge; with amendment (Rept. No. 1700). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 4810. A bill to extend the provisions of the Selective Training and Service Act of 1940, as amended, to the Virgin Islands; without amendment (Rept. No. 1701). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 4466. A bill to place glider units of the Army and Navy on the same parity as to pay allowances and privileges as now given to the Air Forces of the Army and Navy and paratroops; with amendment (Rept. No. 1702). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1704. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1705. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1706. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1707. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. SPARKMAN: Committee on Military Affairs. H. R. 3187. A bill to amend section 5, Public Law 140, Seventy-seventh Congress; with amendment (Rept. No. 1709). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAY: Committee on Military Affairs. House Joint Resolution 228. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Alexander Firouz, a citizen of Iran; without amendment (Rept. No. 1703). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DONDERO:

H. R. 5079. A bill to provide vocational training and retraining programs for the occupational adjustment and readjustment of veterans returning from military service, workers demobilized from war production plants, and for other youth and for adults, that individuals and the Nation may attain economic stability and security, and to further extend the program of vocational education; to the Committee on Education.

By Mr. SATTERFIELD:

H. R. 5080. A bill prohibiting the use of the words "Army" or "Navy," or both, in the name of a mercantile establishment; to the Committee on the Judiciary.

By Mr. SUMNERS of Texas:

H. R. 5081. A bill to improve the administration of justice by prescribing fair administrative procedure; to the Committee on the Judiciary.

By Mr. VOORHIS of California:

H. R. 5082. A bill to establish a National Surplus Property Disposal Board, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. COLE of New York:

H. R. 5083. A bill to provide for the promotion of moral, temperance, and character education; to provide for cooperation with the States in the promotion of such education; and to provide for cooperation with the States in preparation of teachers of moral, temperance, character, and good-citizenship subjects; to the Committee on Education.

By Mr. HARNESS of Indiana:

H. R. 5084. A bill relating to the granting of commissions to members of the armed forces who have had training under the Civil Aeronautics Administration war training service program; to the Committee on Military Affairs.

By Mr. RAMSPECK:

H. R. 5085 (by request). A bill to provide for the extension and application of the provisions of the Classification Act of 1923, as amended, to certain officers and employees of the Immigration and Naturalization Service in the Department of Justice; to the Committee on the Civil Service.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States with regard to a constitutional amendment having to do with taxation; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Missouri:

H. R. 5086. A bill for the relief of Noel Eugene Johnson; to the Committee on Claims.

By Mr. BENNETT of Michigan:

H. R. 5087. A bill for the relief of Joseph Mario Garagiola; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5908. By Mr. HART: Memorial of Hudson County (N. J.) Bar Association, advocating passage of House Joint Resolution No. 149, to increase the salaries of judges of the United States district courts; to the Committee on the Judiciary.

5909. By Mr. LANE: Resolution of the Boston (Mass.) City Council, passed June 19, 1944, requesting legislative steps be taken by the Congress to amend the Selective Service Act to include a deferment status to persons qualified to enter and attend premedical and medical schools; to the Committee on Military Affairs.

5910. By the SPEAKER: Petition of various real estate owners, banks, and agents of New York City, petitioning consideration of their resolution with reference to the inequities in the rent control section of the present Emergency Price Control Act; to the Committee on Banking and Currency.

SENATE

THURSDAY, JUNE 22, 1944

(Legislative day of Tuesday, May 9, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou God of might and mercy, whose amazing goodness crowneth all our days, we pray that we may always yield ourselves unreservedly and in willing obedience to the persuasions and power of Thy spirit as we seek to discharge the tasks and responsibilities demanding the noblest investment of those capacities and energies with which Thou hast endowed us.

We humbly confess that again and again we place all our confidence in human ingenuity, only to find our efforts futile and fruitless. May we now gird ourselves with that divine wisdom which never errs and that strength which cannot fail.

Grant that as God-fearing men we may serve our generation according to Thy holy will and labor faithfully for the coming of that day when righteousness shall be triumphant and nations shall live together in a blessed fellowship of peace and brotherhood.

Hear our prayers for the sake of suffering humanity and in the name of Christ our Saviour. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, June 21, 1944, was

dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1593. An act for the relief of the heirs and assigns of Widow Cesaire De Blanc; and

S. 1743. An act to amend the act entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States," approved October 16, 1941, as amended, to continue it in effect.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1718) to provide for the settlement of claims arising from terminated war contracts, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4837) to extend for an additional 2 years the suspension in part of the processing tax on coconut oil.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4861) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COFFEE, Mr. ANDERSON of New Mexico, Mr. NORRELL, Mr. WHITTEN, Mr. STEFAN, Mr. DWORSHAK, and Mr. JENSEN were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON of Missouri, Mr. WOODRUM of Virginia, Mr. LUDLOW, Mr. SNYDER, Mr. O'NEAL, Mr. RABAUT, Mr. JOHNSON of Oklahoma, Mr. TABER, Mr. WIGGLESWORTH, Mr. LAMBERTSON, and Mr. POWERS were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4967) making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SNYDER, Mr. STARNES of Alabama, Mr. KERR, Mr. MAHON, Mr. POWERS, Mr. ENGEL of Michigan, and Mr. CASE were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 3646) to amend section 42 of title 7 of the Canal Zone Code; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BLAND, Mr. RAMSPECK, and Mr. WELCH were appointed managers on the part of the House at the conference.

NAVAL ACTIVITIES IN THE PACIFIC

Mr. WALSH of Massachusetts. Mr. President, I have received a communication from the Navy Department, sent to me at my request this morning in order that I may give the latest information to the Senate as to our naval activities in the Pacific. The communication is signed by Vice Admiral R. S. Edwards, Chief of Staff. It reads:

UNITED STATES FLEET,
HEADQUARTERS OF THE
COMMANDER IN CHIEF,
NAVY DEPARTMENT,
Washington D. C., June 22, 1944.

Memorandum for Senator WALSH.

Admiral Horne said you wished to have a summary of recent operations in the Pacific. Accordingly, I furnish the following information:

On June 18 enemy carrier aircraft attacked our forces in the Saipan area. At that time announcement was made that about 300 Japanese planes had been destroyed. This estimate has now been revised to 353. This attack was made at very long range (about 500 miles) apparently with the idea that the Japanese planes would land for refueling on Guam and Rota. As it turned out these fields were interdicted by our carrier aircraft which accounts for the very high Japanese losses. In this attack 1 United States battleship and 2 United States carriers received superficial damage and we lost 21 aircraft in combat. None of our ships were sunk.

Following this attack our fleet proceeded to the westward and came within air striking distance (about 300 miles) of the Japanese Fleet in the late afternoon of June 19. Our carrier aircraft were immediately launched for attack and came upon the Japanese force just before sunset. Preliminary reports, which probably will be revised later, are to the effect that the following Japanese vessels were sunk: One carrier, Hayataka class; three tankers; and the following were hit with bombs and more or less severely damaged: Three carriers, one old battleship, one cruiser, three destroyers, two tankers.

In the action on June 19 the Japanese had few aircraft in action, presumably because of the heavy losses on June 18; however, 20 of the enemy aircraft were shot down. Our losses were 49 aircraft, including a number which landed in the water at night. Search is continuing for the pilots, a number of which have already been picked up.

The remainder of the Japanese Fleet fled in the darkness in the general direction of Formosa, and could not be located the following morning.

R. S. EDWARDS,
Vice Admiral, United States Navy,
Chief of Staff.

REPORT OF COMMITTEE ON APPROPRIATIONS DURING RECESS

Under authority of the order of the 21st instant,

During the last recess of the Senate, Mr. MCKELLAR, from the Committee on Appropriations, to which was referred the bill (H. R. 5040) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944, and June 30, 1945, and for other purposes, reported it with amendments and submitted a report (No. 1028) thereon.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore (Mr. GILLETTE) laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

A letter from the Attorney General, transmitting, pursuant to law, a report stating all of the facts and pertinent provisions of law in the cases of 133 individuals whose deportation has been suspended for more than 6 months under authority vested in the Attorney General together with a statement of the reason for such suspension (with accompanying papers); to the Committee on Immigration.

PERSONNEL REQUIREMENTS

Letters from the Administrator of Veterans' Affairs and the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, estimates of personnel requirements for their respective offices for the quarter ending September 30, 1944; a letter from the Under Secretary of the Interior, transmitting, pursuant to law, a revised estimate of personnel requirements for certain offices of the Interior Department for the quarter ending June 30, 1944, and also letters from the Chief of the Budget and Procedures Branch of the Office of Strategic Services, and the Chairman of the United States Maritime Commission, transmitting, pursuant to law, revised estimates of personnel requirements for the quarter ending September 30, 1944, for their respective offices (with accompanying papers); to the Committee on Civil Service.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of the Department of Agriculture (3) and the Reconstruction Finance Corporation which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate by the Acting President pro tempore and referred as indicated:

A resolution of the Senate of the State of California; to the Committee on Banking and Currency:

"Senate Resolution 28

"Resolution relative to the market and price paid for newly produced gold

"Whereas it has become reasonably apparent to the Senate of the State of California that even if current legal restrictions governing the gold mines of California were removed by the President of the United States through Executive order, it would be impracticable for most if not all of these gold mines to resume operations because, on the one hand, they are compelled by existing laws and regulations to sell their gold bullion product to the United States mint at a fixed price of $35 per ounce, and, on the other hand, would be required to pay costs for labor and materials required in operation which in the aggregate would exceed the return for their bullion; and

"Whereas the current price of gold bullion was fixed by Executive order of the President dated January 31, 1934, under the provisions of an act of Congress empowering the President to reduce the standard weight and fineness of the gold dollar by not to exceed 50 percent, and under the terms of said act of Congress, as subsequently extended in time limitation, the President has to date exercised said authority only to the extent of fixing said gold dollar weight at 15 5/21 grains, whereas 50 percent of its former weight would be 12.9 grains, equal to a maximum value of $41.34 per ounce for gold of nine-tenths fineness; and

"Whereas it is currently reported that the free market price for gold in India, north Africa, and Asia Minor has fluctuated between $40 and $70 per ounce, and that mines in British Dominions are enjoying that price for their product; and

"Whereas a majority of the members of the Senate of the State of California believes that restoration of the ability of American gold mines to produce gold at the earliest moment consistent with war manpower demands, is essential to the preservation of the local economies of the districts in which they are located (including 19 counties of California), to post-war employment opportunities for miners and prospectors, to the maintenance of an adequate national currency backing of gold, and to the stabilization of international money exchanges on a basis that will permit of the free resumption of international trade after the war: Now, therefore, be it

"Resolved by the Senate of the State of California, That the President be memorialized to exercise his authority to reduce the gold content of the United States gold dollar to 12.9 grains of nine-tenths fineness, and thereby to increase the mint price for newly mined gold bullion to $41.34 per ounce; and be it further

"Resolved, That the President, and through him the Secretary of State of the United States, be memorialized to take such steps and enter into such negotiations as will make free markets for gold in foreign countries available to American gold producers, and will remove current legal restrictions on the export of newly mined gold to such markets by American producers; and be it further

"Resolved, That the President and Congress be memorialized to lift the current legal restrictions on the production of gold in this country at the earliest moment consistent with the national safety and war manpower requirements; and be it further

"Resolved, That the President and Congress be memorialized to provide in post-war international exchange stabilization agreements, for a gold medium for settlement of balances and such currency ratios as at the same time will stabilize the American dollar in terms of foreign currencies and will make possible an early resumption of trade between the United States and foreign countries; and be it further

"Resolved, That the secretary of the senate be hereby directed to forward copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and to each Member of the House of Representatives from California in the Congress of the United States."

A resolution of the Senate of the State of California; to the Committee on Military affairs:

"Senate Resolution 27

"Resolution relating to continued deferment of boners in the meat-packing industry

"Whereas this country now has the largest livestock population in its history; and

"Whereas in view of the military and economic situation of the world there exists the greatest need in this country's history for supplying meat both to the armed forces and to the civilian population; and

"Whereas it would be impossible to furnish this meat supply to the armed forces and to the civilian population if certain skilled workers are not available; and

"Whereas among the most needed of these skilled workers are the men, known as boners, who debone the carcasses; and

"Whereas it takes 3 years to train a boner so that he can perform his task with the speed required: Now, therefore, be it

"Resolved by the Senate of the State of California, That the President and Congress of the United States be memorialized to use their good offices with the proper authorities to continue deferments from military service of boners in the meat-packing industry; and, be it further

"Resolved, That the Secretary of the Senate be hereby directed to forward copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives and to each Senator and to each Member of the House of Representatives from California in the Congress of the United States."

A joint resolution of the Legislature of California; to the Committee on Irrigation and Reclamation:

"Senate Joint Resolution 1

"Resolution relative to memorializing Congress to enact legislation to provide that the 160-acre limitation in the Federal reclamation law shall not apply to the Central Valley project

"Whereas the Central Valley project is being constructed as a wholly Federal project under the provisions of the Federal reclamation law; and

"Whereas the Federal reclamation law provides that all acreage in excess of 160 irrigable acres in a single ownership shall not be eligible to receive water until sold by the owner under terms and conditions satisfactory to the Secretary of the Interior and at prices not to exceed those fixed by the Secretary of the Interior (sec. 423e, title 43, U. S. C.); and

"Whereas the Federal reclamation law was originally devised for the reclamation and irrigation of lands in the Great Plains region in order to open up Government-owned land for settlement and development; and

"Whereas the Central Valley project is superimposed upon an established agricultural economy and will principally affect lands already in private ownership; and

"Whereas the application of the excess-land provisions to a situation such as is presented by the Central Valley project will cause great disruption and will have results which probably were not anticipated by the Congress when it enacted such provision; and

"Whereas Representative ELLIOTT's amendment to H. R. 3961 was designed to remove this limitation as to the Central Valley project, and this amendment was favored by practically all Californians interested in the project or the area covered by it: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California, jointly, That the Congress of the United States be memorialized to enact suitable legislation to provide that the excess-land provision of the Federal reclamation law (sec. 423e, title 43, U. S. C.) shall not apply to the Central Valley project nor to lands irrigated thereby; and be it further

"Resolved, That the secretary of the senate is hereby directed to send copies of this resolution to the President and Vice President of the United States, to the Secretary of the Interior, and to each of the Senators and Representatives from California in the Congress of the United States."

A joint resolution of the Legislature of California; to the Committee on Interstate Commerce:

"Senate Joint Resolution 7

"Resolution relative to United States House bill 4184

"Whereas there is now pending before the Congress of the United States H. R. 4184, which proposes to repeal the requirement for land-grant deductions in railroad transportation charges by railroads heretofore receiving land grants; and

"Whereas the passage of said bill is being urged by the Interstate Commerce Commission, the Board of Investigation and Research created by the Transportation Act, of 1940, the National Association of Railroads and Utilities Commissioners, the Mountain-Pacific States Conference on Public Service Commissioners, the Railroad Commission of the State of California, the National Industrial Traffic League, the National Association of Shippers Advisory Boards, the Railway Labor Executives Association, the Brotherhood of Locomotive Firemen and Enginemen, the Brotherhood of Railroad Trainmen, the Brotherhood of Locomotive Engineers, and many other labor organizations and organizations of shippers; and

"Whereas the State of California is particularly interested in the establishment and maintenance of fair and equitable freight rates for railroad transportation, and in the maintenance of a sound financial structure for the railroads serving this State; and

"Whereas the ownership of freight has no relation to the cost incurred by a railroad in performing transportation services, and the transportation of Government traffic at reduced rates imposes additional costs upon all civilian shippers of freight by shifting to civilian shippers an undue portion of the whole cost of transportation, and since all shippers, both government and civilian, should share alike in defraying the cost by paying similar rates for similar services: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of California heartily approves H. R. 4184, now pending before the Congress, and hereby memorializes Congress to enact said measure; and be it further

"Resolved, That the secretary of the senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Representa-

tives in Congress from the State of California."

A joint resolution of the Legislature of California; to the Committee on Post Offices and Post Roads:

"Senate Joint Resolution 5

"Joint resolution relative to designation of the Sausalito lateral as an access road

"Whereas the Golden Gate Bridge, spanning the waters of San Francisco Bay, is an indispensable connection between the United States Army reservations at Forts Baker, Barry, and Cronkhite, in Marin County, Calif., and the Presidio of San Francisco, and between many other Military and Naval Establishments in this State; and

"Whereas without this bridge the movement of the armed forces of the United States would be seriously interrupted, and the transportation of troops, munitions, supplies, and the implements of war rendered almost impossible without the use of water transport; and

"Whereas the main northern approach to the bridge in Marin County, the so-called Waldo approach, has a steep 6-percent grade, and has been the scene of numerous slides of rock and mud during winter, which have interrupted the flow of traffic and might easily block the highway for extended periods of time; and

"Whereas the present alternative northern approach, the Sausalito lateral, which passes through winding and narrow streets in the city of Sausalito, is of limited capacity and dangerous even to slow-moving traffic; and

"Whereas it is vitally necessary to construct an extension to the Sausalito lateral to provide a low grade, fast highway, and approach to the Golden Gate Bridge, available at all times and under any weather conditions; and

"Whereas construction of such an extension would represent a tremendous saving in gasoline and maintenance on military and naval vehicles using the Golden Gate Bridge, particularly heavy-duty trucks and equipment, would assist materially in solving the traffic problem and eliminate the congestion resulting from workers driving to and from the Marinship shipbuilding yards in Sausalito, result in conserving time now wasted in negotiating the Waldo grade or traversing the present inadequate lateral, and would be in the interest of public safety and national defense; and

"Whereas its construction would facilitate naval operations for the defense of San Francisco Harbor by providing a fast route to Naval as well as Military Establishments in the area; and

"Whereas this vital extension cannot be constructed under present war emergency conditions unless it is designated as an access road under the National Defense Road Act; and

"Whereas the State senate interim committee on the Golden Gate Bridge and highway district recommended construction of this project in its report submitted to the State senate in April 1943: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Federal Works Administration and the Federal Public Roads Administration be memorialized to designate the Sausalito lateral extension approach to the Golden Gate Bridge in California as an access road under the National Defense Highway Act of 1942, as amended; and be it further

"Resolved, That the secretary of the senate forward copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Member of the House of Representatives from California in the Congress of the United States, to the Secretary of War and the Secretary of the Navy, to the War Production Board, to the Director of the Federal Works Administration, to the Director of the Federal Public Roads Administration, and to Lt. Gen. Delos Emmons, commander of the Western Defense Command of the United States Army."

A resolution adopted by the California Commandery, The Naval and Military Order of the Spanish-American War, at Santa Cruz, Calif., favoring the enactment of legislation to outlaw strikes in plants engaged in the production of war materials; to the Committee on the Judiciary.

Two resolutions adopted by the general assembly of the Puerto Rico Farmers Association, San Juan, P. R., relating to a solution of the political status of Puerto Rico and also requesting the removal from office of the Governor of Puerto Rico, Rexford G. Tugwell; to the Committee on Territories and Insular Affairs.

A telegram in the nature of a petition from the political welfare committee of Hope Lodge, Machinist Local No. 79, of Seattle, Wash., praying for the extension and strengthening of the Emergency Price Control Act; ordered to lie on the table.

Resolutions by the executive committee of the Brooklyn Savings Bank, the board of trustees of the Bronx Savings Bank, the West Side Association of Commerce, and the Empire City Savings Bank, of New York and vicinity, praying for amendment of the rent-control section of the Emergency Price Control Act so as to remove alleged inequities therefrom; ordered to lie on the table.

RESOLUTION REQUESTING NAMING OF A CRUISER AFTER FORT WAYNE, IND.

Mr. JACKSON. Mr. President, I present and ask to have printed in the RECORD and appropriately referred a resolution adopted by Fort Wayne Lodge No. 155, Benevolent and Protective Order of Elks, requesting that a cruiser be named after the city of Fort Wayne, Ind. It is one of a series of similar resolutions being adopted by various organizations at Fort Wayne, my home city.

There being no objection, the resolution was received, referred to the Committee on Naval Affairs, and ordered to be printed in the RECORD, as follows:

Whereas through the local press we have been informed that Harold Bailey of the United States Navy made the supreme sacrifice "somewhere in the South Pacific"; and

Whereas, shortly before his untimely and tragic death at sea, the same Harold Bailey did write and direct a letter to the honorable mayor of Fort Wayne, Ind., suggesting that some action be taken with officials and proper authorities in Washington, D. C., to have a cruiser named after the city of Fort Wayne; and

Whereas this young man was the son of our late and beloved brother, Harry A. Bailey, whose memory still lingers with us, and whose name is inscribed upon the tablets of love and memory within our temple; and

Whereas this lodge of Elks is in full accord with the wishes and desires of this young naval hero: Now, therefore, be it

Resolved, That in memory of this young man who gave his all on the altar of freedom, that we, the members of Fort Wayne Lodge, No. 155, of the Benevolent and Protective Order of Elks, an intensely patriotic order, through the medium of this resolution, petition the honorable mayor, Harry W. Baals, of the city of Fort Wayne; the honorable Senators from Indiana, RAYMOND E. WILLIS and SAMUEL D. JACKSON; and the Honorable GEORGE W. GILLIE, Representative from the Fourth District of Indiana, to prepare such necessary legislation as will comply with the wishes of our departed young hero, and, in doing, bring honor and distinction to the city of Fort Wayne.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RUSSELL, from the Committee on Immigration:

H. R. 4103. A bill to provide for loss of United States nationality under certain circumstances; without amendment (Rept. No. 1029).

By Mr. BUSHFIELD, from the Committee on Indian Affairs:

S. 1218. A bill to repeal the act of June 18, 1934 (48 Stat. L. 984), and the act of June 15, 1935, supplementary thereto (49 Stat. L. 378), and for other purposes; without amendment (Rept. No. 1031).

By Mr. ELLENDER, from the Committee on Claims:

H. R. 1497. A bill for the relief of the estate of J. T. Taulbee, deceased, and Mrs. Bertie Lelia Parker; without amendment.

By Mr. HATCH, from the Committee on the Judiciary:

S. 1780. A bill to exempt certain officers and employees of the National War Labor Board from certain provisions of the Criminal Code; with amendments (Rept. No. 1032).

By Mr. ANDREWS, from the Committee on the Judiciary:

S. Res. 314. Resolution to investigate certain activities of the Securities and Exchange Commission and the Post Office Department; with amendments (Rept. No. 1033), and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

RIVER AND HARBOR FLOOD-CONTROL WORKS

Mr. OVERTON. Mr. President, from the Committee on Commerce I report back favorably with amendments the bill (H. R. 4485) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, and I submit a report (No. 1030) thereon.

The ACTING PRESIDENT pro tempore. Without objection, the report will be received and the bill placed on the calendar.

HEARINGS BEFORE COMMITTEE ON COMMERCE—LIMIT OF EXPENDITURES

Mr. LUCAS. As chairman of the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably without amendment Senate Resolution 306, and ask unanimous consent for its immediate consideration.

There being no objection, the resolution (S. Res. 306) submitted by Mr. OVERTON (for Mr. BAILEY) on June 7, 1944, was considered and agreed to, as follows:

Resolved, That the Committee on Commerce, authorized by Senate Resolution 9, agreed to January 14, 1943, to send for persons, books, and papers; to administer oaths; and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject referred to said committee, hereby is authorized to expend from the contingent fund of the Senate, for the same purposes, during the Seventy-eighth Congress, $5,000 in addition to the amount of $5,000 heretofore authorized.

INVESTIGATION OF ECONOMIC AND SOCIAL CONDITIONS IN PUERTO RICO—LIMIT OF EXPENDITURES

Mr. LUCAS. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolution 305, which was submitted by the junior Senator from New Mexico [Mr. CHAVEZ]. I ask unanimous consent for the immediate consideration of the resolution.

There being no objection, the resolution (S. Res. 305) submitted by Mr. CHAVEZ, on June 6, 1944, was considered and agreed to, as follows:

Resolved, That the limit of expenditures authorized by Senate Resolution 26, agreed to January 28, 1943, authorizing a subcommittee of the Committee on Territories and Insular Affairs to investigate economic and social conditions in Puerto Rico, is hereby increased by $5,000.

SPECIAL COMMITTEE TO STUDY AND SURVEY PROBLEMS OF SMALL BUSINESS ENTERPRISES—LIMIT OF EXPENDITURES

Mr. LUCAS. I have one more resolution which, from the Committee to Audit and Control the Contingent Expenses of the Senate, I report favorably without amendment. I refer to Senate Resolution 308, submitted by the junior Senator from Montana [Mr. MURRAY]. This resolution calls for an appropriation of $25,000, and it has been recommended unanimously by the Small Business Committee, of which the Senator from Montana is chairman. I talked to the Senator from Ohio [Mr. TAFT] before he left for the Republican National Convention in Chicago, and he told me he approved the resolution.

There being no objection, the resolution (S. Res. 308) submitted by Mr. MURRAY on June 13, 1944, was considered and agreed to, as follows:

Resolved, That the limit of expenditures under Senate Resolution 298, Seventy-sixth Congress (providing for a study and survey of the problems of American small business enterprises), agreed to October 8, 1940, and continued by Senate Resolution 66, Seventy-eighth Congress, is hereby increased by $25,000.

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation four lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

ENROLLED BILL PRESENTED

Mr. REED (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that on today, June 22, 1944, that committee presented to the President of the United States the enrolled bill (S. 1157) to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing such training of State and Territorial military forces as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous sent, the second time, and referred as follows:

By Mr. WALSH of Massachusetts:

S. 2032. A bill for the relief of John R. Wall; to the Committee on Claims.

By Mr. WAGNER:

S. 2033. A bill to provide for the barring of certain claims by the United States in connection with Government checks and warrants; to the Committee on Banking and Currency.

By Mr. BYRD (for himself and Mr. CAPPER):

S. J. Res. 139. Joint resolution designating period from Thanksgiving Day to Christmas of each year for Nation-wide Bible reading; to the Committee on the Judiciary.

(Mr. CAPPER introduced Senate Joint Resolution 140, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

CONSTITUTIONAL AMENDMENT RELATING TO TERMS OF PRESIDENT OF THE UNITED STATES

Mr. CAPPER. Mr. President, I ask unanimous consent to introduce for appropriate reference a joint resolution providing for the submission of an amendment to the Constitution, which would limit the tenure of office of President of the United States to two terms.

I am thoroughly convinced that unless some such limitation is made, and observed, it is merely a question of time, and not a very long time at that, until the United States will be governed by a ruler instead of by an Executive elected to conduct the affairs of Government in accordance with the Constitution and laws duly enacted by Congress, representing the people.

More than two terms in the exalted office of President of the United States gives entirely too much power to the man who wields it. I do not expect to secure action on this joint resolution during the present Congress, but it is my hope that the next Congress will submit such an amendment to the States for ratification.

There being no objection, the joint resolution (S. J. Res. 140) proposing an amendment to the Constitution of the United States, relating to terms of President of the United States, was received, read twice by its title, and referred to the Committee on the Judiciary.

INVESTIGATION OF ACTIVITIES OF THE SECURITIES AND EXCHANGE COMMISSION AND LAWS ADMINISTERED BY IT

Mr. VANDENBERG. Mr. President, I ask unanimous consent to submit a resolution, and to make a brief statement in connection with it. In the report of the Senate Post-war Economic Policy and Planning Committee made on June 12, 1944, various post-war economic problems are listed, and the attention of the Senate is directed to the necessity for legislation upon the subject. I quote briefly from page 9 of the report:

> Equity investment: Revised taxation is not the only means of stimulating equity investment. It is strongly contended, from many sources, that the Securities and Exchange Act makes equity financing of small businesses practically impossible. That act should be examined with the view to retaining its salutary provisions and eliminating those that make the floating of new small security issues so troublesome and expensive that they are practically prohibited. The study might well be extended to all other practices that are restrictive upon the financing of new equity issues.

Mr. President, this is one of the few subjects on the calendar for post-war planning to which no attention has as yet been given, although, in my opinion, it is of basic importance. I think the testimony is highly convincing, and the experience of the country is persuasive to the thought that the existing rules and regulations of the Securities and Exchange Commission are so ponderous and even so imponderable that the formation of small corporations has practically become a financial impossibility because of the burdens involved. Since on all sides we are putting our emphasis upon the necessity of encouraging small business, I think it is very essential that a study of this particular problem should proceed with the least possible delay.

Therefore, Mr. President, I am submitting a resolution calling upon and directing the Committee on Banking and Currency to make this study as soon as possible. I feel certain that it relates in a most important and essential way to the post-war economic planning program.

I ask that the resolution be referred to the Committee on Banking and Currency.

The PRESIDING OFFICER. Without objection, the resolution will be received and referred to the Committee on Banking and Currency.

The resolution (S. Res. 316) was referred to the Committee on Banking and Currency, as follows:

> Whereas the formation of new business enterprises and the expansion of existing business enterprises, especially in the case of small business, is esential to the maintenance of a sound and prosperous economy during the post-war period and should be facilitated and encouraged by every reasonable means; and
>
> Whereas it appears that the requirements of the Securities and Exchange Commission, and of the laws administered by such Commission, impose burdens which substantially restrict the formation and financing of small business enterprises: Therefore be it
>
> *Resolved*, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation of the activities of the Securities and Exchange Commission, and of the laws administered by such Commission, with a view to providing for the revision and simplification of the requirements of such Commission and such laws in such a manner as to facilitate and encourage the formation and expansion of business enterprises, particularly in the case of small business, and, at the same time, provide adequate protection for investors. The committee shall report to the Senate at the earliest practicable date the results of its study and investiga-

tion together with such recommendations as it may deem desirable.

For the purpose of this study and investigation, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-eighth Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee under this resolution, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

TWELFTH BIMONTHLY REPORT OF SMALLER WAR PLANTS CORPORATION

Mr. WAGNER. Mr. President, I ask unanimous consent that the Twelfth Bimonthly Report of the Smaller War Plants Corporation, covering the period April 1, 1944, through May 31, 1944, be printed as a Senate document, with illustrations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDITIONAL CONFEREES ON THE AGRICULTURAL APPROPRIATION BILL

Mr. RUSSELL. Mr. President, some question has arisen as to the composition of the conferees on the part of the Senate on House bill 4443, the agricultural appropriation bill. I ask unanimous consent that the Chair add to the conferees who have heretofore been appointed on the bill the Senator from Maine [Mr. WHITE] and the Senator from Orgeon [Mr. HOLMAN].

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NOMINATION OF ERNEST JOSEPH DAWLEY TO BE A BRIGADIER GENERAL IN THE ARMY—RECONSIDERATION

Mr. CONNALLY. Mr. President, as in executive session I desire to enter a motion to reconsider the nomination of Ernest Joseph Dawley, to be a brigadier general (temporary) in the Army of the United States, which was acted upon last evening by the Senate.

The ACTING PRESIDENT pro tempore. Without objection, as in executive session, the motion will be entered.

Mr. CONNALLY. I move that the President be requested to return the notice of confirmation to the Senate.

The ACTING PRESIDENT pro tempore. Without objection, is is so ordered.

ILLINOIS FARMING IN WARTIME—STATEMENT BY SENATOR LUCAS

[Mr. LUCAS asked and obtained leave to have printed in the RECORD a statement prepared by him on the subject Illinois Farming in Wartime, which appears in the Appendix.]

LATIN-AMERICA RESENTFUL—ARTICLE BY BAINBRIDGE COLBY

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an article entitled "Latin-America Resentful," written by Hon. Bainbridge Colby, former Secretary of State, which appears in the Appendix.]

THE GRAND JOB OF OUR CENTURY—ADDRESS BY DAVID E. LILIENTHAL

[Mr. HILL asked and obtained leave to have printed in the RECORD an address entitled "The Grand Job of Our Century," delivered by David E. Lilienthal, Chairman of the Tennessee Valley Authority, at the commencement exercises at the College of the City of New York, on June 17, 1944, which appears in the Appendix.]

ADDRESS BY MARSHALL FIELD BEFORE THE CAPITAL PRESS CLUB

[Mr. LUCAS asked and obtained leave to have printed in the RECORD the address delivered by Marshall Field before the Capital Press Club at Washington, D. C., on June 21, 1944, which appears in the Appendix.]

THE DOMESTIC POLITICAL FRONT—ADDRESS BY FRANK KINGDON

[Mr. GUFFEY asked and obtained leave to have printed a radio address delivered by Frank Kingdon on June 20, 1944, which appears in the Appendix.]

INSURANCE OR DOLES—EDITORIAL FROM THE WASHINGTON POST

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an editorial entitled "Insurance or Doles," from the Washington Post of June 22, 1944, which appears in the Appendix.]

ADDRESS BY WALTER WHITE ON HIS RECENT TRIP ABROAD

[Mr. CAPPER asked and obtained leave to have printed in the RECORD a radio address on the subject of conditions affecting American Negro soldiers abroad, delivered by Walter White, executive secretary, National Association for the Advancement of Colored People, on April 30, 1944, which appears in the Appendix.]

SECOND DEFICIENCY APPROPRIATIONS

Mr. McKELLAR. I move that the Senate proceed to the consideration of House bill 5040, the second deficiency appropriation bill.

The ACTING PRESIDENT pro tempore. The question is on the motion of the Senator from Tennessee.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 5040) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944, and June 30, 1945, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. McKELLAR. I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment and that the amendments of the committee be first considered.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will state the amendments reported by the committee.

The first amendment of the Committee on Appropriations was, under the heading "Title I—General Appropriations—Legislative", on page 2, after line 2, to insert:

SENATE

To enable the Secretary of the Senate to expend from the appropriation for salaries of officers and employees of the Senate, fiscal year 1945, the necessary amount to increase to $4,100 per annum, beginning July 1, 1944, and so long as the position is held by the present incumbent, the clerkship in his office, at $3,600 per annum provided for in the Legislative Branch and Judiciary Appropriation Act for the fiscal year 1945.

The amendment was agreed to.

The next amendment was, on page 2, after line 11, to insert:

For the payment of 21 pages for the Senate Chamber, at $4 per day each, for the period July 1, 1944, to December 31, 1944, both dates inclusive, $15,456.

The amendment was agreed to.

The next amendment was, on page 2, after line 14, to insert:

Reporting Senate proceedings: For an additional amount for reporting the debates and proceedings of the Senate, fiscal year 1944, $2,494.83.

The amendment was agreed to.

The next amendment was, on page 4, after line 22, to insert:

COMMITTEE ON FEDERAL EXPENDITURES

For an amount, which is hereby authorized, to enable the Joint Committee on Reduction of Nonessential Federal Expenditures to carry out the duties imposed upon it by section 601 of the Revenue Act of 1941 (55 Stat. 726), to remain available during the existence of the committee, $10,000, one-half to be disbursed by the Secretary of the Senate and the other half by the Clerk of the House on vouchers approved by the chairman of the committee.

The amendment was agreed to.

The next amendment was, on page 6, after line 7, to insert:

LIBRARY OF CONGRESS

Books for the adult blind: For an additional sum to enable the Librarian of Congress to carry out the provisions of the act entitled "An act to provide books for the adult blind," approved March 3, 1931 (2 U. S. C. 135a), as amended, fiscal year 1945, $130,000, no part of which shall be available for payments for personal services or traveling expenses.

The amendment was agreed to.

The next amendment was, under the heading "Executive Office of the President—Office of Price Administration," on page 9, line 10, after the word "exceed", to strike out "$25,000" and insert "$100,000"; and, in line 22, after the numerals "1945", to strike out "$177,750,000" and insert "$182,252,000."

The amendment was agreed to.

The next amendment was, on page 12, line 20, after the words "types of", to strike out "a commodity" and insert "processed fruits and vegetables."

Mr. BARKLEY. Mr. President, I expect momentarily some material on that amendment. I ask that it go over.

Mr. McKELLAR. I join in the request that the amendment go over for the present. Let the clerk proceed with the amendments following it.

The ACTING PRESIDENT pro tempore. Without objection, the amendment will be passed over temporarily. The clerk will state the next committee amendment.

The next amendment was, under the heading "Independent executive agencies," on page 14, after line 9, to insert:

CIVIL SERVICE COMMISSION

For an additional amount for salaries and expenses, Civil Service Commission, fiscal year 1945, including the objects specified under this head in the Independent Offices Appropriation Act, 1945, $2,680,000, which amount, together with the appropriation to which added, shall be available for all expenses necessary for administering the Veterans' Preference Act of 1944 and the Panama Canal construction annuity fund (act of May 29, 1944, Public Law 319).

The amendment was agreed to.

The next amendment was, on page 14, after line 18, to insert:

Panama Canal construction annuity fund: For payment of annuities authorized by the act of May 29, 1944 (Public Law 319), fiscal year 1945, $1,500,000, to be immediately available.

The amendment was agreed to.

The next amendment was, under the subhead "Public Roads Administration," on page 18, line 6, after the word "in", to insert "Senate Document No. 212, and"; and in line 8, after the word "Congress", to strike out "$85,862.49" and insert "$100,564.18."

The amendment was agreed to.

The next amendment was, at the top of page 20, to insert:

VETERANS' ADMINISTRATION

Administration, medical, hospital, and domiciliary services: The appropriation for administration, medical, hospital, and domiciliary services for the Veterans' Administration, fiscal year 1944, shall be available for not to exceed $1,660,440 for traveling expenses.

The amendment was agreed to.

The next amendment was, under the heading "Department of Commerce—Office of Administrator of Civil Aeronautics," on page 23, after line 19, to insert:

Establishment of air-navigation facilities: For an additional amount for the establishment of air-navigation facilities, fiscal year 1945, including the objects specified under this head in the Department of Commerce Appropriation Act, 1945, $1,108,000: *Provided*, That said amount shall be available for the establishment of landing areas.

The amendment was agreed to.

The next amendment was, under the heading "Navy Department and Naval Establishment—Office of the Secretary," on page 30, line 4, after the word "in", to insert "Senate Document No. 214, and"; and in line 6, after the name "Congress", to strike out "$18,726.33" and insert "$30,563.09."

The amendment was agreed to.

The next amendment was, on page 31, after line 5, to insert:

BUREAU OF MEDICINE AND SURGERY

Medical Department: The appropriation "Medical Department," for the fiscal year 1945 shall be available for the manufacture or production of products by patients in naval hospitals and other naval medical facilities incident to their convalescence and rehabilitation, and ownership thereof shall be vested in the patients manufacturing or producing such products, except that the ownership of such items manufactured or produced specifically for the use of a naval hospital or other naval medical facility shall be vested in the Government and such items shall be accounted for and disposed of accordingly.

The amendment was agreed to.

The next amendment was, under the subhead "Coast Guard," on page 33, line 3, after the word "in", to insert "Senate Document No. 216, and"; and in line 5, to strike out "$550" and insert "$632.50."

The amendment was agreed to.

The next amendment was, on page 33, after line 5, to insert:

PRINTING AND BINDING

The limitation of $8,500,000 under the appropriation "Printing and binding, Navy Department," contained in the Naval Appropriation Act for the fiscal year 1945, on the amount of printing and binding executed at the Government Printing Office which may be procured with funds appropriated for the Naval Establishment, shall not apply to technical and instructional printing and publications.

The amendment was agreed to.

The next amendment was, under the heading "Post Office Department," on page 34, after line 9, to insert:

OFFICE OF CHIEF INSPECTOR

Salaries of inspectors: For an additional amount for salaries of inspectors, fiscal year 1944, $12,500.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the First Assistant Postmaster General," on page 34, line 17, after the numerals "1944", to strike out "$1,820,000" and insert "$2,131,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Fourth Assistant Postmaster General," on page 36, after line 8, to insert:

Operating force, public buildings: For an additional amount for operating force, public buildings, maintenance and operation, fiscal year 1944, including the objects specified under this head in the Post Office Department Appropriation Act, 1944, $136,800.

The amendment was agreed to.

The next amendment was, under the heading "War Department—Civil functions—Corps of Engineers," on page 40, after line 21, to insert:

The appropriations for rivers and harbors shall be available for the improvement, in the interest of national defense and subject to the approval of the Chief of Engineers, of the channel in the Withlacoochee River, Fla., between its mouth and Inglis.

The amendment was agreed to.

The next amendment was, under the subhead "Damage claims," on page 41, line 21, after the word "in", to insert "Senate Document No. 215, and"; and in line 22, after the name "Congress", to strike out "$64,456.76" and insert "$176,675.26."

The amendment was agreed to.

The next amendment was, under the heading "Title II—Judgments and authorized claims—Property damage claims," on page 43, after line 12, to insert:

(b) For the payment of claims for damages to or losses of privately owned property adjusted and determined by the following respective departments and independent establishments, under the provisions of the act entitled "An act to provide a method for the settlement of claims arising against the Government of the United States in the sum not exceeding $1,000 in any one case," approved December 28, 1922 (31 U. S. C. 215), as fully set forth in Senate Document No. 208, Seventy-eighth Congress, as follows:

Executive Office of the President:
Office for Emergency Management:
Division of Central Administrative Services, $28.35;
Federal Security Agency, $598.99;
Federal Works Agency, $277.34;
National Housing Agency, $67.05;
Department of Agriculture, $13.52;
War Food Administration, $72.50;
Department of the Interior, $574.25;
Department of Justice, $98.11;
Department of Labor, $429.20;
Post Office Department (payable from postal revenues), $525.45;
Navy Department, $5,208.32;
Treasury Department, $57.74;
In all, $7,950.82.

The amendment was agreed to.

The next amendment was, under the subhead "Judgments, United States courts," on page 44, line 23, after the word "in", to insert "Senate Documents Nos. 211 and 220, and."

The amendment was agreed to.

The next amendment was, on page 45, after line 1, to insert:

Civil Service Commission, indefinite amount to pay interest on judgment No. 18082.

The amendment was agreed to.

The next amendment was, on page 45, line 9, after the name "Treasury Department", to strike out "$372.10" and insert "$6,260.04."

The amendment was agreed to.

The next amendment was, on page 45, line 11, after the words "In all", to strike out "$22,765.19" and insert "$28,653.13."

The amendment was agreed to.

The next amendment was, on page 45, after line 23, to insert:

(c) For the payment of judgment No. 18082 rendered by the United States District Court for the District of Columbia in favor of Hattie F. Small, covering refund of retirement deductions withheld due to suit, $668.33, to be paid from the "Civil Service retirement and disability fund."

The amendment was agreed to.

The next amendment was, on page 46, line 4, before the word "None", to strike out "(c)" and insert "(d)."

The amendment was agreed to.

The next amendment was, on page 46, line 9, before the word "Payment", to strike out "(d)" and insert "(e)."

The amendment was agreed to.

The next amendment was, under the subhead "Judgments, United States Court of Claims," on page 46, line 16, after the word "in", to insert "Senate Document No. 210, and."

The amendment was agreed to.

The next amendment was, on page 46, after line 19, to insert:

Federal Security Agency, $9,827.63.

The amendment was agreed to.

The next amendment was, on page 46, line 21, after the name "Veterans' Administration", to strike out "$2,248.81" and insert "$2,558.25."

The amendment was agreed to.

The next amendment was, on page 46, line 23, after the name "Public Buildings Administration", to strike out "$5,670.65" and insert "$17,615.59."

The amendment was agreed to.

The next amendment was, on page 46, after line 23, to insert:

Department of Agriculture, $15.50.

The amendment was agreed to.

The next amendment was, at the top of page 47, to insert:

Department of the Interior:
Indians, $1,781,282.91.

The amendment was agreed to.

The next amendment was, on page 47, after line 3, to insert:

Post Office Department, $1,508.30.

The amendment was agreed to.

The next amendment was, on page 47, line 6, after the name "War Department," to strike out "$1,043.34" and insert "$11,594.32."

The amendment was agreed to.

The next amendment was, on page 47, line 7, after the words "In all", to strike out "$31,639.47" and insert "$1,847,079.17."

The amendment was agreed to.

The next amendment was, under the subhead "Audited Claims," on page 58, after line 16, to insert:

(b) For the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the Surplus Fund under the provisions of section 5 of the act of June 20, 1874 (31 U. S. C. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1941 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884 (5 U. S. C. 266), as fully set forth in Senate Document No. 209, Seventy-eighth Congress, there is appropriated as follows:

The Judiciary: For miscellaneous expenses, United States courts, $158.30.

For contingent expenses, United States Customs Court, $7.08.

For probation system, United States courts, $4.47.

For miscellaneous expenses, Supreme Court, $75.60.

For fees of jurors and witnesses, United States courts, $1.70.

Independent Offices: For salaries and expenses, United States Employees' Compensation Commission, $8.02.

For Federal Power Commission, $20.30.

For motor transport regulation, Interstate Commerce Commission, $48.09.

For youth work and student aid, National Youth Administration, $6,805.97.

For salaries and expenses, National Youth Administration, $223.33.

For salaries and expenses, public buildings and grounds in the District of Columbia, Public Buildings Administration, $622.68.

For repair, preservation, and equipment, public buildings outside the District of Columbia, Public Buildings Administration, $180.33.

For general administrative expenses, public uildings branch, Procurement Division, $3.35.

For Securities and Exchange Commission, $2.24.

For salaries and expenses, Veterans' Administration, $138.66.

Department of Agriculture: For acquisition of lands for protection of watersheds of navigable streams, $2,935.75.

For salaries and expenses, Forest Service, $2,224.55.

For salaries and expenses, Bureau of Animal Industry, $13.80.

For salaries and expenses, Soil Conservation Service, $5.46.

For control of emergency outbreaks of insect pests and plant diseases, $842.10.

For exportation and domestic consumption of agricultural commodities, Department of Agriculture, $3,242.08.

For exportation and domestic consumption of agricultural commodities, Department of Agriculture (transfer to Federal Surplus Commodities Corporation), $291.

For administration of Sugar Act of 1937, Department of Agriculture, $102.31.

For conservation and use of agricultural land resources, Department of Agriculture, $574.24.

For land utilization and retirement of submarginal land, Department of Agriculture, $10.

For salaries and expenses, Farm Credit Administration, $12.

For administrative expenses, Commodity Credit Corporation, Department of Agriculture, $8.65.

Department of Commerce: For general administration, Office of Administrator of Civil Aeronautics, $1.50.

For salaries and expenses, Weather Bureau, Department of Commerce, $264.76.

For maintenance of air-navigation facilities, Office of Administrator of Civil Aeronautics, $57.53.

For working fund, Commerce, Civil Aeronautics, $7.34.

For establishment of air-navigation facilities, Office of Administrator of Civil Aeronautics, $7.33.

For air-navigation facilities, $1.

For maintenance of air-navigation facilities, Civil Aeronautics Authority, $3.

For salaries and expenses, Civil Aeronautics Authority, $1.

Department of the Interior: For National Park Service, $86.84.

For salaries and expenses, Biological Survey, Fish and Wildlife Service, $3.

For irrigation, Indian reservations (reimbursable), $39.03.

For conservation of health among Indians, $14.09.

For Indian school support, $155.03.

For Civilian Conservation Corps (transfer to Interior, Indians), $22.69.

Department of Justice: For salaries and expenses, Lands Division, Department of Justice, $237.84.

For prison camps, maintenance, $2.63.

For miscellaneous expenses, United States courts (transfer to Justice), $8.92.

For salaries and expenses, marshals, etc., Department of Justice, $16.08.

For salaries, fees, and expenses of marshals, United States courts, $43.59.

For general expenses, Immigration and Naturalization Service, $123.28.

For support of United States prisoners, $149.16.

For salaries and expenses, Federal Bureau of Investigation (national defense), $7.25.

For contingent expenses, Department of Justice, $10.97.

For salaries and expenses, Federal Bureau of Investigation, $0.96.

Navy Department: For miscellaneous expenses, Navy, $286.40.

For Naval Reserve, $159.22.

For engineering, Navy, $731.33.

For naval training station, Newport, R. I., $1,088.43.

For maintenance, Bureau of Ships, $278,486.02.

For ordnance and ordnance stores, Navy, $72,193.47.

For pay, subsistence, and transportation, Navy, $6,859.46.

For maintenance, Bureau of Supplies and Accounts, $1,305.99.

For pay and allowances, Coast Guard (Navy), $1,234.52.

For rebuilding and repairing stations, and so forth, Coast Guard (Navy), $2,284.21.

For civilian employees, Coast Guard (Navy), $194.99.

For general expenses, Coast Guard (Navy), $36,389.09.

For aviation, Navy, $68,114

For general expenses, Marine Corps, $70.59.

Post Office Department—Postal Service (out of the postal revenues): For furniture, carpets, and safes for public buildings, Post Office Department, $5.15.

Department of State: For salaries, Foreign Service officers, $109.99.

Treasury Department: For collecting the internal revenue, $10.50.

For collecting the revenue from customs, $102.08.

War Department: For Army transportation, $53.55.

For clothing and equipage, Army, $21.12.

For working fund, War, ordnance, $378,472.80.

For National Guard, $530.31.

For Civilian Conservation Corps (transfer to War), $977.87.

Total, audited claims, section 204 (b), $869,501.97, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency and interest as specified in certain of the settlements of the General Accounting Office.

The amendment was agreed to.

The next amendment was, on page 64, line 15, after the word "in", to insert "Senate Document No. 213, and"; and in line 17, after the name "Department of Commerce", to strike out "$1,323.02" and insert "$1,385.97."

The amendment was agreed to.

The next amendment was, under the heading "Title III—General provisions," on page 66, after line 24, to insert:

SEC. 304. Notwithstanding the provisions of any other act, the Director of Selective Service is authorized to provide for the assignment of men classified IV-E to such medical and relief projects, outside the continental United States, its Territories and possessions, as the Director of Selective Service and the appropriate governmental authority having jurisdiction in such an area may approve.

The amendment was agreed to.

The next amendment was, on page 67, line 7, to change the section number from 304 to 305.

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. That completes the committee amendments, with the exception of one which was passed over at the request of the Senator from Kentucky.

Mr. BARKLEY. Mr. President, the Senator from Connecticut [Mr. MALONEY], who is a member of the committee, is familiar with the item affected by the amendment, and I think is about to present some facts to the Senate with reference to the matter.

Mr. MALONEY. Mr. President, because I was compelled to be in attendance at another extremely important meeting, I was not present when the pending bill was considered by the full Committee on Appropriations. I did not

learn until this morning of the amendment which is now under discussion.

I think it is a most unfortunate amendment. It appears to me to be an attempt on the part of the canning industry to secure a special favor by a method which is an abuse of the Senate's procedure. The industry objects to one feature of the Administrator's plan for the pricing of the 1944 pack of canned fruits and vegetables. This plan received the industry's hearty approval. I might say to the Senate that it was announced to the industry on February 14 of this year, and not until the middle of April did the industry even make known to the Administrator that it had strong objections to the particular feature of the plan which this amendment tries to invalidate.

The industry has never presented these objections in an orderly way to Congress. It did not even appear before the Senate Banking and Currency Committee while this proposal was under consideration, and the Committee on Banking and Currency held hearings lasting a long time. While the industry's representatives explained to the House Banking and Currency Committee what the objections were, they stated expressly that they did not intend to ask for an amendment to the law. This statement appears in the House hearings on page 905. Now the industry is trying to come in by the back door and slip through an amendment by a method which will prevent full exploration, with public hearings, of the questions involved.

The questions involved are complex in the extreme. The Appropriations Committee, of course, did not hold public hearings and could not possibly go into the questions thoroughly. Neither will the Senate, because of circumstances now existing, be able to do so. In these circumstances the Senate ought not to be asked to pass on the questions raised by this amendment in the bill.

Briefly, the canning industry objects to the use which the Price Administrator proposes to make of the Agricultural Marketing Administration's specifications for canned fruits and vegetables—the so-called A. M. A. grades—in pricing the 1944 pack. These grades, with minor variations, are identical with the Federal specifications which the Government in any case will be using in its purchases—which cover at least half the 1944 pack. The Price Administrator merely proposes to use the same specifications in connection with prices for commercial sales of the remainder of the pack.

The Administrator is not fixing uniform prices for each A. M. A. grade as he did last year. Instead, he has sought to meet the industry's objections to so-called flat pricing, and has devised a method by which customary price differentials between canners will be preserved to the fullest practicable extent. He has insisted, however, that each canner compute his ceiling prices in such a way as to relate them to the A. M. A. grades and to vary depending on the grade. The industry wants him, instead, to use the so-called commercial grades. These latter grades are extremely vague and for the most part are not even written down, whereas the A. M. A. grades are definite and in writing. The Administrator has taken the position that he cannot enforce prices based on the indefinite and unwritten commercial grades and that the inevitable result will be price increases by means of upgrading. He believes it is reasonable to base prices on the A. M. A. grades which are enforceable and which are substantially identical with the specifications on which the industry in any case will be making sales to the Government.

This is the decision which the Senate is now asked to overrule.

Mr. President, it seems to me almost impudent that an industry which completely abstains from making a presentation at a hearing before the Senate Banking and Currency Committee which lasted for weeks, which indicated to the Administrator that it wanted no change made in the law, should at the last moment, on an appropriation bill, attempt to change the law only a day after the O. P. A. legislation is presented in final form to the House and the Senate. I cannot believe that the Senate is going to accept an amendment under such circumstances. The adoption of the amendment will seriously impede the effort of the Office of Price Administration, and I am very hopeful that the Senate will for these reasons reject this language in all haste. I am rather surprised that it was brought to the Appropriations Committee, and sorry, as I said before, that I, for important and good reasons, was not present at the time.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. AIKEN. Will the Senator tell us what page of the bill the amendment is on?

Mr. MALONEY. In line 17 on page 12.

Mr. AIKEN. I thank the Senator.

Mr. MALONEY. I should like to say furthermore, Mr. President, that this subject was discussed in conference, where the conferees on the O. P. A. bill came to a reasonably satisfactory conclusion on the law. I do not believe that special consideration for this special group is going to be given by the Senate at the very last moment.

Mr. President, I move that the committee amendment be rejected.

Mr. McKELLAR. Mr. President, I desire to make a brief statement in connection with what the Senator from Connecticut has just stated. In the hearings, when Mr. Bowles was before the committee the following occurred:

> Senator McKELLAR. Are there any other questions, gentlemen? (No response.) Is there anything that you care to add?
>
> Mr. BOWLES. Yes, very much.
>
> In this bill as passed by the House there was an amendment on standards. Under the Taft amendment as passed last year, the O. P. A. could impose price standards on three bases: First, that the standards were in general use in the industry; second, that they were established by some other agency besides O. P. A. In other words, if other agencies established them they were all right. Third, if in the opinion of the Administrator those standards were absolutely essential to price control and price enforcement.
>
> As I understand it, the House Appropriations Committee put in an amendment which stated simply that no money could be paid for compensation to an employee of the O. P. A. working on a regulation which imposed standards which were not in common use.
>
> Mr. TABER stated to several people that he had copied that amendment from an old abbreviated version, that was in the CONGRESSIONAL RECORD 2 or 3 days before that, and it was not a complete statement.
>
> I think that what we want to maintain is the regulation we have been operating under, which is the Taft amendment. Mr. TABER, I am told, stated to several people that this was what he had intended to write in the bill. He also felt that there was a possibility that the O. P. A. would be continued by joint resolution; that if it came to an impasse on the bill there would be a joint resolution, and he wanted something in there to safeguard the standard idea. The Taft amendment, however, was written into the Emergency Price Control Act. So he need not have worried about that, because it was covered anyway. It is already completely covered.

That was the testimony given by Mr. Bowles. As the language was written into the House bill it will be seen that it applies to any commodity. What the Senate committee did by a majority vote was to strike out the words "a commodity" and insert the words "processed fruits and vegetables," which confines it to the canning industry, as the Senator from Connecticut has stated.

My own idea about the matter is that under the circumstances the language perhaps should be taken to conference. However, I am not in accord with the committee on that subject.

By quite a large majority the committee voted to adopt this amendment, which limits the provision to the canning industry, and therefore it was my duty to present to the Senate the amendment, as it was agreed to by the committee. Since that time I have received a letter from Mr. Bowles, in which he makes this statement:

> Representative TABER, who sponsored the amendment, made clear on Saturday to our general counsel, Mr. Field, that it was his intention to do no more than write into the appropriation act the restrictions of existing law. He copied the language, however, not from section 2 (j) of the Price Control Act in which the restriction appears but from an abbreviated paraphrase of the restriction which was given in the House the other day in the course of the debate on price control renewal and printed in the CONGRESSIONAL RECORD (June 12, 1944, p. 5807), as if it were the actual language of the present law.
>
> 2. The reason which prompted the effort to place the restrictions of existing law in the appropriation act was itself based upon a misunderstanding. Representative TABER indicated to Mr. Field that he was disturbed by the possibility that the Price Control Act might ultimately be extended by simple resolution and thought that in such case the present restrictions would disappear unless they were contained in the appropriation act. He made this same statement to the House on Saturday (CONGRESSIONAL RECORD, June 17, 1944, p. 6096):
>
> "The amendment is necessary so that if anything should happen so that O. P. A. should be extended by a simple resolution or something of that kind we shall have some protection against illegal operations on their part."
>
> Actually, since the restrictions of the present law are contained in section 2 (j) of

the Price Control Act itself, as amended, they would continue in force even if that act should happen to be extended by simple resolution. The impression to the contrary is probably due to the fact that section 2 (j) had its origin in a rider attached to last year's appropriation. That rider, however, was repealed by a provision in the Commodity Credit Corporation Act of 1943, which in its stead enacted section 2 (j) as an amendment to the Price Control Act.

As I recall, these facts were not before us. They have been brought to our attention since.

Mr. MALONEY. I understand that.

Mr. McKELLAR. I continue to read:

In view of these misunderstandings, it does not seem necessary to burden either you or the committee with an extended discussion of the unfortunate effects which the provision of the bill, in its present form, would have. I should hope to have the opportunity to give such a statement, however, if preliminary discussion showed any disposition on the part of the committee to approve the provision as it now stands.

The House bill is based upon the assumption that the price-control bill will be extended without amendment. Several amendments in the bills passed by the Senate and House would place upon O. P. A. a great additional burden; especially in providing a board of review and requiring individual adjustments in cases of hardship. As soon as a bill is decided upon, we shall submit to Congress an estimate of additional sums needed, if any, to administer the act which is passed.

Sincerely,

CHESTER BOWLES,
Administrator.

I feel that the Senate, in passing upon the question, should have before it these facts as they have come to me. For that purpose I have read them into the RECORD. As I have stated, the full committee overwhelmingly voted for the amendment which has been reported.

Mr. MALONEY. Mr. President, I thank the distinguished acting chairman of the Appropriations Committee for the strength he has given to the argument which I am endeavoring to make, and for pointing out to the Senate that when this amendment was adopted the Appropriations Committee was without the facts, and the benefit of the information that the acting chairman has just given to the Senate. I thank him for pointing out that the Senate committee acted under what I think might be called a misapprehension.

Mr. HOLMAN. Mr. President, will the Senator yield?

Mr. MALONEY. I yield to the able Senator from Oregon.

Mr. HOLMAN. The amendment on page 12, line 20, striking out the words "a commodity" and inserting "processed fruits and vegetables" is my own amendment, arrived at after conference with other Members. I should like to state to the Senator my reasons for offering the amendment.

The Pacific coastal region is a large fruit- and vegetable-producing area, one of the largest in the country. The production, preservation, and processing of fresh fruits and vegetables is one of our largest industries. I knew nothing about the hearings to which the Senator has referred. The first information I had on this subject came to me 2 or 3 days ago, through a long-distance telephone call from Oregon, stating that this protection was desired not to avoid regulation of prices, but to make the regulation conform with the standards created through the years in the actual conduct of the processing and preserving industries of our area.

At the hearings before the committee a canner from Virginia, on the other side of the United States, made the same representations as were made to me from Oregon. As a result I proposed, and the committee adopted, this language. The contention is that it is the application of practical methods established through generations in the fruit and vegetable preserving and processing practices, rather than theoretical rules promulgated by those who have had no practical experience in the business.

To the best of my knowledge it is not done for any sinister purpose.

Mr. MALONEY. I am very sure that so far as the able Senator from Oregon is concerned there is no sinister purpose involved. But all Senators will agree that it is most unusual for an appropriation bill to be amended as the result of a last minute telephone call from Oregon, supplemented by a telephone call from Virginia. After all, these people failed to take advantage of the opportunity, over a period of 2 months, to appear before the Senate committee which considered the O. P. A. legislation.

For a long time we have been operating under a regulation which grows out of an amendment offered by the distinguished Senator from Ohio [Mr. TAFT]. As Senators know, the Senator from Ohio had given a very great deal of attention to the problems and desires of the canning industry. With their interests in mind, and with the desire to give them every protection that was proper, there was written into the Price Control Act language giving such protection. It was Senator TAFT's proposal. The industry seemed to be completely satisfied. If I may repeat, based upon the language of the Taft amendment, the Office of Price Administration issued a proper regulation. The canners seemed to agree. They indicated no desire to change the law. I now reluctantly come to the conclusion that their action is based upon the fact that they were unwilling to put this question to a test before the committees dealing with this legislation.

Mr. HOLMAN. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. HOLMAN. I think the Senator overlooks the fact that the Pacific coast is more than 3,000 miles distant from Washington. I do not know whether the canners on the Pacific coast knew that there were hearings. I did not know that hearings were in progress.

Moreover, they are at present in the middle of the canning season; and if we now change the standards, after they have contracted with the growers to buy their fruits and vegetables on a certain established standard which has been developed through the years, and compel them to measure by another standard, they will be greatly embarrassed during the present season.

Mr. MALONEY. Mr. President, let me point out that there is no changed standard except the one advocated by the distinguished senior Senator from Oregon. The Office of Price Administration wishes to continue under existing regulations and existing law. I am rather amazed—and I should like to believe it is because of a carelessness of language, rather than of fact—that the able Senator was not aware of the hearings before the Office of Price Administration, which continued for a period of months. I certainly know the Senator is in error in assuming to believe that probably the canners did not know about it. Be sure that they knew all about it, and that they had no particular desire to appear. But more than that, in the House hearings they indicated that they wished no change in the law. I absolve the Senator from Oregon, of course; because I, like every other Senator, have full appreciation of his sincerity. Of course, Oregon or the west coast is a long distance away, but the telephone lines were not cut during the period of study by the Banking and Currency Committee of the Senate; and I say it is the height of impudence to come here with such a proposal at the last moment, as we are about to take a Senate recess, immediately after we have completed our studies of this particular problem, during a period of time when we worked past midnight in trying to adjust differences. Mr. President, in spite of our intense efforts, we did to a degree weaken the powers of the Office of Price Administration, after it had demonstrated its splendid qualifications, had reached an amazing measure of success, and had earned the applause of the great majority of the American people. We weakened its powers to some extent. After the extended and intense efforts, study, and discussion on the part of the Banking and Currency Committees of the Congress and the conferees of both Houses, we find by way of a last minute rider an attempt to upset existing law and regulations.

Members of the Appropriations Committee have told me within the hour that they did not have the facts before them, that they did not understand the situation. The distinguished acting chairman of that committee pointed out a few moments ago that the sponsor of the language in the House was acting under a misapprehension, that he did not have the true picture, and that he acted only because he understood the law was to be continued by way of a continuing resolution.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. MURDOCK. Is it not a fact that representatives of the industry did appear before the House committee, and stated expressly that they did not intend to ask for an amendment to the law? A statement to that effect is to be found at page 905 of the House hearings.

Mr. MALONEY. I thank the Senator. I referred to that a little earlier in my discussion.

Mr. MURDOCK. I beg the Senator's pardon.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. AIKEN. Does the Senator contemplate offering an amendment of his own at this point in the bill?

Mr. MALONEY. No; I merely propose to strike out the committee amendment and the House language.

Mr. AIKEN. Would the change apply to other commodities?

Mr. MALONEY. I am only asking that the entire House language be stricken out.

Mr. AIKEN. Mr. President, that is an amendment offered by the Senator from Connecticut.

Mr. McKELLAR. Mr. President, if the motion is carried, it would take the whole matter to conference. The Senator from Oregon [Mr. HOLMAN] would be one of the conferees. So every right of the people in whom he feels an interest would certainly be taken care of.

Mr. MALONEY. Mr. President, I shall conclude in a moment.

I hope that with the information the conferees have had an opportunity to obtain in the last several days, that all of them will have appreciation of the dangers involved. This matter is all-important. Unless this language is stricken from the bill it will mean a change in the regulations, a very great change in law, certain increases in prices, and another danger sign.

Mr. President, I thank the Senator, and I ask for a vote on my amendment.

Mr. BARKLEY. Mr. President, I wish to make a brief statement about this matter, and in doing so to appeal to the Senator from Oregon, for whom we all have the greatest respect and admiration, and in whose sincerity we all have confidence. As Senators know, I am a member of the Senate Committee on Banking and Currency. We held hearings for approximately 2 months on the extension of the O. P. A. We commenced those hearings in February, as I recall, and they continued for weeks. Anyone who wished to appear before the committee was given opportunity to do so. No one interested in this proposal asked to be heard before the Committee on Banking and Currency.

In the act to extend the Commodity Credit Corporation we amended the Stabilization Act by what is known as the Taft amendment, which was offered and adopted in order to protect business against unnecessary regulations in regard to standards of pricing. Pursuant to that action, the O. P. A. had issued an order or regulation under which it is now operating. So far as I know, no objection has been raised to the operation of that order. Certainly, no one came before our committee to object.

The House and the Senate passed separate versions of the extension act, and in those bills efforts were made to protect every legitimate interest which had any rightful complaint to make against the O. P. A. Both committees worked sincerely and diligently on the matter. The conferees worked day and night on it, and only yesterday they brought in a conference report which I think, under all the circumstances, is as good a report as could have been obtained from the two bills passed by the House and the Senate.

It seems to me that if the canners had any legitimate complaint they should have taken advantage of the opportunity, which was extended during 2 months of hearings, to have made it known. But they did not do so.

The amendment proposed by the Senator from Connecticut is to strike out the House language appearing on page 12, reading as follows:

Provided further, That none of the funds appropriated in this act shall be used to pay the salary or expenses of any person fixing maximum prices for different kinds, classes, or types of a commodity which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use.

I agree with the statements about the seeming impropriety of proposing such a limitation on the next day after an extension act has been passed, especially when we realize that the act was under consideration for 4 or 5 months, during which no one came before the committee to request any change in the basic law, in the Taft amendment, or in the regulations under the law. It seems to me that on the following day after we have agreed to a conference report, now to amend it by way of limitation on the appropriation—and, of course, I absolve the Senator from Oregon—would be an improper thing for the Senate to do; for now we are asked, by way of a proposed limitation on the use of this money, to amend a fundamental law to which only yesterday we agreed, and to which the House only today has agreed.

Mr. HOLMAN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HOLMAN. I wish to place one fact in the RECORD. A witness from Virginia appeared before the hearings of the subcommittee of the Appropriations Committee. I have sent for the record of those hearings. Unfortunately, they are not available; they are not yet in print.

Mr. BARKLEY. I have no doubt that such a witness appeared before the subcommittee of the Appropriations Committee. But I say that no such witness appeared before the Banking and Currency Committee.

Mr. President, it seems to me that the entire language should go to conference. I have already read the language adopted by the House. The Senate committee amendment would strike out the word "commodity", on page 12, in line 20, and would insert the words "processed fruits and vegetables."

The Senator from Oregon will be one of the conferees on the bill. I hope he will not object to the amendment offered by the Senator from Connecticut, striking out the entire language of the proviso, so that it will all go to conference, and can be threshed out there in the light of the new facts which the Congress and the conferees should have before a rider of this sort is written into the bill.

Mr. HOLMAN. Mr. President, in the interest of expediting the work, I shall comply with that request, with the understanding that in doing so I am not reversing my position on the language.

Mr. BARKLEY. Oh, I understand that. I appreciate the willingness of the Senator to work it out.

Mr. AIKEN. Mr. President, may I ask the distinguished majority leader if the provision would not have to go to conference in any event, should the committee amendment be agreed to.

Mr. BARKLEY. Not all of it would have to go. If the committee amendment were adopted all that would be sent to conference would be the substitution of the words "fruits and vegetables" for "any commodity." If we merely adopt the committee amendment, the entire provision will not be in conference.

Mr. HOLMAN. Mr. President, may I say another word in explanation?

Mr. BARKLEY. I yield, if I have the floor.

Mr. HOLMAN. The two words "any commodity" would cover scrap iron, clothing, and many items of which I have no knowledge whatever. But I do have real intimate and accurate knowledge of the fruit raising, preserving, and processing industry on the Pacific coast. I am not academic when I talk of that particular industry.

Mr. BARKLEY. No; I appreciate the truth of what the Senator from Oregon has said.

Mr. President, I hope that the amendment will be agreed to so that the conference committee may have the whole problem before it.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 12, line 20.

Mr. BARKLEY. Mr. President, a parliamentary inquiry?

The ACTING PRESIDENT pro tempport. The Senator will state it.

Mr. BARKLEY. Can the Senate vote on the pending amendment to strike out the entire language without first acting on the committee amendment?

The ACTING PRESIDENT pro tempore. In the opinion of the Chair, it cannot do so until the committee amendment has been disposed of. Then the bill will be before the Senate for further amendment.

Mr. MALONEY. I hope the committee amendment will be rejected so that we can vote upon my amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 12, line 20.

The amendment was rejected.

The ACTING PRESIDENT pro tempore. That concludes the committee amendments. The bill is before the Senate and open to further amendment.

Mr. MALONEY. On page 12, in line 17, beginning with the words "*Provided further,*" I move to strike out down to and including line 23.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Connecticut.

Mr. GEORGE. Mr. President, I am not a member of the committee having to do with the Price Control Act, but my understanding of the matter is—and I

ask to be corrected if I am in error—that the canners and other processors of commodities are afraid, based upon rumors, statements, or declarations which have been made, that the O. P. A. intends to enforce what is probably known as grade labeling.

Mr. MALONEY. Mr. President, I am unable to enlighten the Senator with regard to that point. I do not know what the fears of the canners may be. I know that they have indicated approval of the existing law and the existing regulations.

Mr. GEORGE. May I ask the Senator if the intention to which I have referred on the part of the O. P. A. is within his knowledge or information? He is a member of the committee and has had an opportunity to examine the O. P. A. Administrator.

Mr. MALONEY. Unhesitatingly, the answer is "No." I have no knowledge that any such attempt is to be made. I have no suspicion of it, and I have no reason to believe that such a program is in the minds of the O. P. A. officials.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. BARKLEY. In discussing the matter with the O. P. A. officials I received the distant impression that they propose to continue to operate under the Taft amendment and the regulations which have been promulgated under the amendment.

Mr. GEORGE. I had the impression that the operation of the so-called Taft amendment—I believe it was worked out by the Senator from Ohio last year—was agreeable to the canners. But I understood also that they were disturbed by some declarations which had been made that the O. P. A. expected to inaugurate grade labeling on a rather wide scale.

Mr. MALONEY. Such fears apparently have not reached the ears of the Senator from Ohio [Mr. TAFT]. He participated in all the hearings held on the price-control bill. He was a member of the conference committee. The matter was discussed in conference. I assume, in view of the circumstances, that had there been any fears someone would have acquainted the able Senator from Ohio with them.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. GEORGE. I should like to have some information regarding the situation.

Mr. McKELLAR. Mr. Bowles stated that the O. P. A. had already established its regulations, and that they were in operation at that time. It was also stated that there was no intention to change them. There has been no purpose to change the regulations.

Mr. BARKLEY. I may add, if the Senator will permit me, that those regulations apply distinctly to the 1944 crop which will soon go into processing.

Mr. GEORGE. I realize that the distinguished majority leader and the Senator from Connecticut are members of the committee. Those of us who are not members, and therefore unable to inquire of the Administrator with regard to his purpose, would be very glad to be informed. I am glad to have the statements made by Senators on this particular point. I believe that if the question of grade labeling were again to be raised it would be very unfortunate at this time.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. MURDOCK. I wish to read the following statement from the O P. A.

> Industry has operated for almost a year under the provisions of the Taft amendment. It has been tried and has been found to meet its purpose of protecting business from needless burdens. Grade labeling is not at issue in this discussion.

So I believe that grade labeling is not involved at all.

Mr. GEORGE. I understand that the O. P. A. may later carry on a grade-labeling program.

Mr. MURDOCK. I have been assured that it is not their intention to do so.

Mr. GEORGE. And that they propose to operate under the regulations issued in connection with the Taft amendment.

Mr. MURDOCK. That is my understanding.

Mr. GEORGE. Is not that procedure generally agreeable to the industry?

Mr. MURDOCK. That is my information.

Mr. MALONEY. Is the Senator from Georgia directing the inquiry to me?

Mr. GEORGE. Yes.

Mr. MALONEY. That is my understanding.

Mr. HOLMAN. Mr. President, may I address an inquiry?

Mr. MALONEY. If I have the floor, I yield.

Mr. GEORGE. I merely asked a question of the Senator from Connecticut.

Mr. HOLMAN. I should like to know what evidence exists indicating that the fruit-packing and preserving industry is agreeable to the action which the Senator from Connecticut desires the Senate to take. Is there any positive information which he possesses, or is he basing his remarks merely on the negative statement that the industry's willingness does not appear?

Mr. MALONEY. I understand that representatives of the industry appeared before the House committee and indicated their satisfaction with existing laws.

Mr. HOLMAN. If possible, I should like reference made to the record. I do not have the record before me.

Mr. MURDOCK. I believe that the statement made in behalf of the industry before the House committee was to the effect that the industry had some minor objections to the plan. But a subsequent statement was made as follows:

> The industry did testify before the House committee and explained its objections to the Administrator's plan. The industry's representatives, however, stated expressly that they did not intend to ask for an amendment in the law.

Mr. HOLMAN. Who represented the industry? Does it appear of record?

Mr. MURDOCK. I refer the distinguished Senator to page 905 of the printed hearings of the House committee for an answer to his question.

Mr. MALONEY. Mr. President, I hope we may have a vote on my amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Connecticut to strike out the proviso beginning in line 17, page 12.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a brief statement concerning the matter which has been under discussion.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

LIMITATION ON PAYMENT OF SALARIES TO PERSONS FIXING MAXIMUM PRICES ON PROCESSED FRUITS AND VEGETABLES BY CLASSES EXCEPT WHERE STANDARDS HAVE BEEN IN GENERAL USE

1. IMPROPER LEGISLATIVE ACTION

After full hearing, debate, and conference discussion on the substantive provisions of the Stabilization Extension Act of 1944, Congress included in the act the provisions of the Taft amendment limiting the authority of the Office of Price Administration as to grade labeling and use of grades and standards. The Taft amendment was added as section 2 (j) to the Emergency Price Control Act of 1942 in July 1943 in the joint resolution continuing the Commodity Credit Corporation. For almost a year, the Office of Price Administration has operated under the provisions of the Taft amendment. All interested persons had an opportunity to present their views to the Senate and House Banking and Currency Committees at the hearings on the Stabilization Extension Act. Neither the committees nor the Congress believed that changes should be made.

The appropriation bill, however, now contains a limitation upon the payment of salaries to persons fixing maximum prices on processed fruits and vegetables by classes except where standards have been in general use. This language severely curtails the control of prices of an important segment of the food industry. It takes from the Taft amendment only one of the grounds for action by the Administrator. By indirection it nullifies the expressed will of Congress in passing the Stabilization Extension Act with no changes in the Taft amendment. The action takes from the Senate and House Banking and Currency Committees the responsibility which was properly theirs for dealing with the substantive provisions of the act. No opportunity was given to all persons interested to present their views, nor to Congress to focus its attention upon the merits of the standards issue. Therefore, regardless of the merits, the provisions should be eliminated from the appropriation bill. If the case against the Taft amendment is strong, it should be presented in such a way that Congress will be in full possession of all the facts and arguments.

2. CLASS LEGISLATION

The appropriation bill limitation applies only to the food industry and only to a segment of that industry. If there is merit in the argument for further limitation of the Taft amendment, other persons both within and without the food industry are entitled to be heard. Congress has made every effort in the extension of the Stabilization Act to avoid class legislation. There is no reason why it should abandon its effort in dealing with the appropriation bill.

3. THE TAFT AMENDMENT HAS AFFORDED ADEQUATE PROTECTION TO INDUSTRY

The purpose of the Taft amendment in general was to prevent the imposition of needless burdens upon business. Although arguments have been presented by a limited number of persons opposing pricing by standards, industry itself has in many cases asked for such pricing. Industry has been aware that the Taft amendment affords protection against needless use of standards in the control of pricing.

CONCLUSION

Congress should not, by indirection, further limit the provisions of the Taft amendment which it has just now approved, by passage of the Stabilization Extension Act of 1944. It should not lay itself open to the criticism that it is favoring any one group. It should not, without adequate consideration, abandon the provisions of the Taft amendment, which in general have afforded industry protection against needless use of standards.

The ACTING PRESIDENT pro tempore. The bill is before the Senate and open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 5040) was read the third time and passed.

Mr. McKELLAR. I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. McKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. OVERTON, Mr. NYE, Mr. HOLMAN, Mr. BROOKS, and Mr. GURNEY conferees on the part of the Senate.

THE CALENDAR

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Senate may now proceed to the call of the calendar for the consideration of bills to which there is no objection, beginning at the end of the last call.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered, and the clerk will state the bills on the calendar.

BILLS PASSED OVER

The bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, was announced as first in order.

Mr. VANDENBERG. I ask that the bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1898) to amend section 99 of the Judicial Code, as amended so as to change the term of the District Court for the District of North Dakota at Minot, N. Dak., was announced as next in order.

Mr. VANDENBERG. Let that bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

ADVANCEMENT IN RANK OF REAR ADMIRAL EMORY S. LAND

The bill (H. R. 634) to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to the rank of vice admiral, was considered, ordered to a third reading, read the third time, and passed.

Mr. WHERRY. I inquire if Calendar No. 917, House bill 634, went over?

The ACTING PRESIDENT pro tempore. That bill was just passed.

Mr. WHERRY. The Senator from Vermont [Mr. AIKEN] would like to be heard on that bill.

The ACTING PRESIDENT pro tempore. The Chair will entertain a motion to reconsider.

Mr. WHERRY. The vote on the passage of the bill should be reconsidered and the bill should be passed over until the Senator from Vermont can return to the Senate Chamber.

The ACTING PRESIDENT pro tempore. Without objection, the vote by which House bill 634 was passed is reconsidered.

Mr. WALSH of Massachusetts. Mr. President, I am pleased that the Senator from Nebraska has taken the action he has taken, because the Senator from Vermont desired to be present when this bill was considered. He told me he intended to ask that it be passed over. That is a course of action I very much regret, for the bill has been pending for a long time and I should like to have favorable action on it; but if the Senator from Vermont were in the Chamber, he would request that it go over, and, of course, he would have that right under the rules of the Senate.

The ACTING PRESIDENT pro tempore. The clerk will state the next bill on the calendar.

BILL PASSED OVER

The bill (S. 1473) to amend the Interstate Commerce Act, as amended, was announced as next in order.

Mr. VANDENBERG. I ask that that bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

ACQUISITION OF DATA REQUIRED BY THE RAILROAD RETIREMENT BOARD

The joint resolution (H. J. Res. 227) extending the period for the acquisition by the Railroad Retirement Board of data needed in carrying out the provisions of the Railroad Retirement Acts was considered, ordered to a third reading, read the third time, and passed.

CLAIM OF ZEPHYR AIRCRAFT CORPORATION

The bill (H. R. 3596) conferring jurisdiction upon the Court of Claims of the United States to consider and render judgment on the claim of Zephyr Aircraft Corporation against the United States, was considered, ordered to a third reading, read the third time, and passed.

M. H. HARRIS

The bill (H. R. 3737) for the relief of M. H. Harris was considered, ordered to a third reading, read the third time, and passed.

J. FLETCHER LANKTON AND JOHN N. ZIEGELE

The bill (S. 1904) for the relief of J. Fletcher Lankton and John N. Ziegele was announced as next in order.

The ACTING PRESIDENT pro tempore. The Chair is advised that calendar No. 975, House bill 4707, is identical with the Senate bill just stated. Without objection, the House bill will be substituted for the Senate bill and will be now considered.

There being no objection, the bill (H. R. 4707) for the relief of J. Fletcher Lankton and John N. Ziegele was considered, ordered to a third reading, read the third time, and passed.

The ACTING PRESIDENT pro tempore. Without objection, Senate bill 1904 will be indefinitely postponed.

J. C. DREWRY

The bill (S. 1365) for the relief of J. C. Drewry was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. C. Drewry, of Ninnekah, Okla., the sum of $2,090, in full satisfaction of his claims against the United States for compensation for personal injuries sustained by him, and for reimbursement of medical and hospital expenses incurred by him, as the result of an accident which occurred when the automobile in which he was riding as a passenger was struck by a United States Army truck near Ninnekah, Okla., on January 14, 1942: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

CLAIMS OF JOHN WEAKLEY AND RELLA MOYER

The bill (S. 887) conferring jurisdiction upon the United States District Court for the Western District of Virginia to hear, determine, and render judgment upon the claims of John Weakley and Rella Moyer, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Western District of Virginia to hear, determine, and render judgment upon the claims of John Weakley and Rella Moyer, both of Luray, Va., for compensation for personal injuries and property damage sustained by them as a result of a collision between the automobile in which they were riding and a Civilian Conservation Corps truck in Luray, Va., on June 29, 1941.

SEC. 2. In the determination of such claims, the United States shall be held liable for damages, and for any acts committed by any of its officers or employees, to the same extent as if the United States were a private person.

SEC. 3. Suit upon such claims may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claims, and appeals from and payment of any

judgment thereon, shall be in the same manner as in the case of claims over which such court has jurisdiction under the provisions of paragraph "Twentieth" of section 24 of the Judicial Code, as amended.

MRS. CLARK GOURLEY

The Senate proceeded to consider the bill (S. 1709) for the relief of Mrs. Clark Gourley, which had been reported from the Committee on Claims with amendments, on page 1, at the beginning of line 6, to insert "administratrix of the estate of Clark Gourley"; at the beginning of line 7, to strike out "$10,000" and insert "$5,506.60"; in the same line, after the word "of", to strike out "her claim" and insert "all claims"; and at the beginning of line 9, to strike out "her husband", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Clark Gourley, of Gainesville, Fla., administratrix of the estate of Clark Gourley, the sum of $5,506.60, in full satisfaction of all claims against the United States for compensation for the death of Clark Gourley, who died as a result of personal injuries sustained by him in the performance of his official duties as a second lieutenant in the Florida State Guard, when the Army vehicle in which he was riding as a passenger was struck by an Army airplane during a demonstration held for the Army-Navy staff college at the Alachua Army Air Field, Gainesville, Fla., on October 27, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mrs. Clark Gourley, administratrix of the estate of Clark Gourley."

W. J. COX

The Senate proceeded to consider the bill (H. R. 2097) for the relief of W. J. Cox, which had been reported from the Committee on Claims, with an amendment to strike out all after the enacting clause, and insert:

That the Court of Claims of the United States be, and hereby is, given jurisdiction to hear, determine, and render judgment on the claim of W. J. Cox, of Roanoke, Va., against the United States for personal injuries received by him when he was struck by a United States Army ambulance on United States Highway No. 11, near Christiansburg, Va., on June 3, 1940.

SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim and appeals from and payment of any judgment thereon shall be in the same manner as in the case of claims over which the court has jurisdiction under section 145 of the Judicial Code, as amended.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act conferring jurisdiction upon the Court of Claims of the United States to consider and render judgment on the claim of W. J. Cox against the United States."

MRS. LILLIAN W. TIMMERMAN

The bill (H. R. 2769) for the relief of Mrs. Lillian W. Timmerman, mother of Ann Timmerman, a minor, deceased, was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF PROVISIONS OF SELECTIVE TRAINING AND SERVICE ACT TO THE VIRGIN ISLANDS

The bill (S. 1825) to extend the provisions of the Selective Training and Service Act of 1940, as amended, to the Virigin Islands was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 15 (b) of the act of September 16, 1940 (54 Stat. 896; 50 U. S. C. App., sec. 315 (b)), is amended to read as follows:

"(b) The term 'United States', when used in a geographical sense, shall be deemed to mean the several States, the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands."

AMENDMENT OF PAY ADJUSTMENT ACT OF 1942

The Senate proceeded to consider the bill (H. R. 1506) to further amend the pay adjustment act of 1942, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and insert:

That the Pay Readjustment Act of 1942 is hereby amended by amending section 3A thereof, as added by section 3 of the act of December 2, 1942 (Public Law 785, 77th Cong.), to read as follows:

"SEC. 3A. In computing the service for all pay purposes of persons paid under the provisions of sections 1, 3, 8, or 9 of this act, such persons, in addition to the time required to be credited by the section under which they are paid, shall be credited with full time for all periods during which they were enlisted or held commissions as officers or held appointments as cadets, as midshipmen, as aviation cadets, or as warrant officers or Army field clerks or as commissioned warrant officers in any of the services mentioned in the title of this act, or in the Regular Army Reserve, or in the Medical Reserve Corps of the Navy, the Dental Reserve Corps of the Navy, or in the Organized Militia prior to July 1, 1916, or in the National Guard, or in the National Guard Reserve, or in the National Guard of the United States, or in the Enlisted Reserve Corps, or in the Naval Militia, or in the National Naval Volunteers, or in the Naval Reserve Force, Naval Reserve, Marine Corps Reserve Force, Marine Corps Reserve, Coast Guard Reserve, and the Reserve Corps of the Public Health Service, or in the Philippine Scouts, or in the Philippine Constabulary, or in the Coast and Geodetic Survey as authorized by section 2 (b) of the act of January 19, 1942 (56 Stat. 6). The provisions of this section shall not be construed to permit any person to receive pay and allowances in excess of the maximum limitations imposed upon the total pay and allowances of his rank, grade, or rating by any of the provisions of this act, nor to modify the character of service required for advancement of commissioned warrant officers to a higher pay period."

SEC. 2 (a) The third and fourth paragraphs of section 8 of such act are each hereby amended by inserting after the word "masters" the words "and chief engineers."

(b) The sixth paragraph of section 8 of such act is hereby amended to read as follows:

"Every person paid under the provisions of this section shall receive an increase of 5 percent of the base pay of his period for each 3 years of service, not exceeding 30 years. Such service shall be active Federal service in any of the services mentioned in the title of this act or reserve components thereof; service in the active National Guard of the several States, Territories, and the District of Columbia; and service in the Enlisted Reserve Corps of the Army, the Officers' Reserve Corps of the Army, the Naval Reserve, the Marine Corps Reserve, and the Coast Guard Reserve."

SEC. 3. The third paragraph of section 9 of such act is hereby amended to read as follows:

"Every enlisted man paid under the provisions of this section shall receive an increase of 5 percent of the base pay of his grade for each 3 years of service up to 30 years. Such service shall be active Federal service in any of the services mentioned in the title of this act or reserve components thereof; service in the active National Guard of the several States, Territories, and the District of Columbia; and service in the Enlisted Reserve Corps of the Army, the Officers' Reserve Corps of the Army, the Naval Reserve, the Marine Corps Reserve, and the Coast Guard Reserve."

SEC. 4. The eleventh paragraph of section 1 and the first paragraph of section 3 of such act, as amended by the act of December 2, 1942, are each hereby further amended by inserting after the words "Officers' Reserve Corps", where such words appear in each of those paragraphs, a comma and the following: "or in the Medical Reserve Corps."

SEC. 5. The second paragraph of section 18 of such act is hereby amended by striking out the words "who is assigned or attached as a member of a parachute unit, including parachute-jumping schools, and."

SEC. 6. Section 4 of such act is hereby amended by adding the following paragraph at the end thereof:

"Notwithstanding any other provision of law, any female member of any of the services mentioned in the title of this act, or the reserve components thereof, shall be entitled to all allowances and benefits authorized in this act on account of dependents but only in the case of a husband, a child or children, or a parent or parents in fact dependent upon her for their chief support."

SEC. 7. The last paragraph of section 3 of such act is hereby amended to read as follows:

"When members of the reserve forces of any of the services mentioned in the title of this act are authorized by law to receive Federal pay, payments may include the entire amount lawfully accruing to such persons as pay, allowances, and mileage, and pay, allowances, and mileage for their return home may be paid to them prior to their departure from their last duty station incident to release from active duty: *Provided*, That any such mileage payable shall be computed from the place of release to the place from which ordered to active duty without regard to actual performance of travel."

SEC. 8. The fourth paragraph of section 10 of such act is hereby amended by changing the period at the end thereof to a colon and adding the following: "*Provided further*, That an enlistment in a branch of the regular

service within 3 months from the date of discharge from any component of such branch, other than its Regular Establishment, after not less than 1 year's continuous active service in such component or components immediately preceding the date of discharge therefrom, shall be considered a reenlistment for the purpose of payment of the enlistment allowance provided by this section; and the enlistment allowance shall be computed on the basis of the number of full years' continuous active service immediately preceding the discharge from such component."

SEC. 9. The first paragraph of section 12 of such act is hereby amended to read as follows:

"Officers of any of the services mentioned in the title of this act, including active and retired personnel of the Regular Establishments and members of the Reserve components thereof and the National Guard, while on active duty in the Federal service, when traveling under competent orders without troops, including travel from home to first station in connection with their appointment or call to active duty and from last station to home in connection with relief from active duty or discharge not the result of their own misconduct, shall receive a mileage allowance at the rate of 8 cents per mile, distance to be computed by the shortest usually traveled route and existing laws providing for the issue of transportation requests to officers of the Army traveling under competent orders, and for deduction to be made from mileage accounts when transportation is furnished by the United States, are hereby made applicable to all the services mentioned in the title of this act, but in cases when orders are given for travel to be performed repeatedly between two or more places in the same vicinity, as determined by the head of the executive department concerned, he may, in his discretion, direct that actual and necessary expenses only be allowed. Actual expenses only shall be paid for travel under orders in Alaska and outside the limits of the United States in North America."

SEC. 10. All payments heretofore made of a character authorized by section 9 of this act are hereby validated.

SEC. 11. Sections 1 to 5, inclusive, of this act shall become effective as of June 1, 1942, section 9 shall become effective as of December 22, 1942, and the other sections hereof shall become effective on the first day of the first calendar month occurring after enactment of this act. No back pay or allowances under any section of this act for any period prior to the effective date of such section shall accrue by reason of the enactment of this act, and no back pay or allowances shall accrue to any person who is not entitled to receive active or retired pay on the date of the enactment of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend further the Pay Readjustment Act of 1942."

Mr. JOHNSON of Colorado subsequently said: Mr. President, I ask that the Senate revert to Calendar 930, House bill 1506.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSON of Colorado. I understand the Senate adopted the amendment which was reported by the Committee on Military Affairs.

The ACTING PRESIDENT pro tempore. That is correct.

Mr. JOHNSON of Colorado. I desire to offer an amendment to the committee amendment. Therefore, I ask unanimous consent that the votes by which the committee amendment was agreed to and the amendment was ordered to be engrossed and the bill to be read a third time and passed, be reconsidered.

The PRESIDING OFFICER. Without objection, the votes are to be reconsidered.

Mr. JOHNSON of Colorado. I now wish to offer an amendment to the committee amendment on page 4, line 21, to strike out the words "as cadets, as midshipmen, as aviation cadets."

The ACTING PRESIDENT pro tempore. The amendment to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 4, line 21, it is proposed to strike out the words "as cadets, as midshipmen, as aviation cadets."

Mr. JOHNSON of Colorado. Mr. President, I wish to explain that amendment by saying that the Senator from Montana [Mr. WHEELER], before he left Washington, submitted an amendment to House bill 1506 which would for longevity pay purposes credit all officers appointed to the Regular Army, Navy, Marine Corps, or Coast Guard who were commissioned as second lieutenants or in higher rank with 4 years' service.

That amendment was not acceptable to the Military Affairs Committee, nor was it acceptable to the Army or the Navy. I told the Senator that I could not accept his amendment. Then he said that he could not let the bill be passed by unanimous consent, but that he would let it go through provided we struck out the provision giving longevity pay to the cadets who are attending our own academies. I agreed to that, and that is the reason why I have asked that the bill be amended as I have indicated.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the amendment of the Senator from Montana [Mr. WHEELER] to House bill 1506; also a letter dater June 21, 1944, from the chairman of the Committee on Naval Affairs [Mr. WALSH] to me.

There being no objection, the amendment and the letter were ordered to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. WHEELER to the bill (H. R. 1506) to further amend the Pay Readjustment Act of 1942, and for other purposes, viz: At the end of section 1 insert the following: *"Provided*, That all officers who have been or may be appointed from civil life to the Regular Navy, Marine Corps, or Coast Guard, in the rank of second lieutenant or its equivalent, or above, shall on the date of appointment or the effective date of this section, whichever date is later, be credited with 4 years' service for all pay purposes. Officers appointed to the Regular Navy, Marine Corps, or Coast Guard, following service in any reserve component, shall be deemed to have been appointed from civil life, except that such additional service shall be granted only where inactive reserve service is less than 4 years, and in such amount which, when added to inactive reserve service, shall not exceed 4 years: *Provided further*, That so long as classes at the Naval Academy are graduated after completion of the 3 year course, only 3 years' constructive service shall be credited to such officers appointed from civil life."

UNITED STATES SENATE,
June 21, 1944.

Hon. EDWIN C. JOHNSON,
United States Senate,
Washington, D. C.

MY DEAR SENATOR JOHNSON: I am informed the Navy Department desires, if practicable, that action be taken on H. R. 1506, an act to further amend the Pay Readjustment Act of 1942, before the proposed congressional recess.

For the past 2 years commissioned warrant officers have been prevented by law from counting warrant and enlisted service for longevity. This bill removes this disparity.

I note that the bill was reported by you on May 29, 1944, and is Order No. 930 on the Senate Calendar. I hope that you will be able to call the bill up and obtain Senate approval of this important measure before the Senate adjourns.

Sincerely yours,

DAVID I. WALSH.

Mr. JOHNSON of Colorado. Mr. President, section 1 of the bill, as amended, would permit the following services to be counted for purposes of longevity pay:

Service in the Medical Reserve Corps of the Navy.

Service in the Dental Reserve Corps of the Navy.

Service in the Coast and Geodetic Survey.

Section 2 would equalize the pay of masters and chief engineers in the Army Mine Planter Service and would authorize the counting of service in the enlisted Reserve Corps of the Army and the Officers Reserve Corps of the Army in the computation of the pay of commissioned warrant officers and warrant officers.

Under existing law masters in the Army Mine Planter Service are entitled to receive $30 or $40 per month more than chief engineers, although both are chief warrant officers and their qualifications, duties, and responsibilities are comparable. Section 2 of this bill corrects that inequitable and unfair pay treatment of chief engineers who are chief warrant officers.

Under section 3 enlisted men would be authorized to count time served in the Officers Reserve Corps of the Army.

Section 4 would clarify a ruling of the Comptroller General so that service in the Medical Reserve Corps would be counted in the computation of such commissioned officers. Such a provision was intended to authorize such computation under the act of December 2, 1942, but the Comptroller General was not satisfied that said act so provided.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON] to the committee amendment on page 4, line 21.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 1506) was read the third time and passed.

DISPOSITION OF PRIZES CAPTURED BY THE UNITED STATES

The bill (H. R. 4348) to amend the act approved August 18, 1942, entitled "An act to facilitate the disposition of prizes captured by the United States during the present war, and for other purposes," was considered, ordered to a third reading, read the third time, and passed.

TRANSFER OF GEORGETOWN COUNTY, S. C., TO CHARLESTON DIVISION, EASTERN JUDICIAL DISTRICT OF SOUTH CAROLINA

The bill (S. 1877) to transfer Georgetown County, S. C., from the Florence division to the Charleston division of the Eastern Judicial District of South Carolina was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Georgetown County, S. C., of the eastern judicial district of South Carolina, be, and it is hereby, detached from the Florence division of said district and attached to the Charleston division of said district.

PROMOTION OF OFFICERS ON RETIRED LIST OF THE ARMY

The Senate proceeded to consider the bill (S. 1100) to provide for the promotion of officers on the retired list of the Army after specified years of service on active duty, which had been reported from the Committee on Military Affairs, with an amendment, to strike out all after the enacting clause and insert:

That all retired officers of the Army below the grade of colonel who, since August 27, 1940, have performed or shall perform active service shall be permanently promoted on the retired list as follows: (a) Second lieutenants, first lieutenants, captains, majors, and lieutenant colonels whose names were borne on the promotion list prior to retirement shall be promoted to the respective grades of first lieutenant, captain, major, lieutenant colonel, and colonel immediately upon completing respectively 3 years', 10 years', 17 years', 23 years', and 28 years' service; (b) first lieutenants, captains, majors, and lieutenant colonels whose names were borne on the nonpromotion list prior to retirement, except officers of the Medical Administrative Corps, shall be promoted to the respective grades of captain, major, lieutenant colonel, and colonel immediately upon completing respectively 3 years', 12 years', 20 years', and 26 years' service; (c) officers of the Medical Administrative Corps who have been or may be retired as such in the grade of second lieutenant or first lieutenant shall be promoted to the respective grades of first lieutenant and captain immediately upon completing, respectively, 5 years' and 10 years' service: *Provided*, That any retired officer heretofore or hereafter advanced in grade either under the provisions of section 1 of the act of June 21, 1930 (46 Stat. 793) as amended by the act of June 15, 1935 (49 Stat. 377) or the provisions of the act of June 13, 1940 (54 Stat. 382) as amended by the act of July 9, 1942 (Public Law 664, 77th Cong.) shall for the purposes of promotion under this act be deemed to hold and be entitled to be promoted from the grade upon which his retired pay is computed.

SEC. 2. No service shall be credited in computing the right to promotion under section 1 hereof except active commissioned service under a Federal appointment and commissioned service in the National Guard when called out by order of the President, plus all active duty performed after retirement.

SEC. 3. Officers promoted under the provisions of section 1 hereof, and not otherwise so entitled, shall be entitled to receive retired pay computed on the basis of the grade to which they are promoted.

The amendment was agreed to.

Mr. CONNALLY. Mr. President, I should like to have some member of the Committee on Military Affairs explain the bill. Perhaps the Senator from Utah [Mr. THOMAS] can do so. Would the bill have the effect of increasing the retired pay of these officers or would it merely affect their rank?

Mr. THOMAS of Utah. I feel sure that it would not increase their pay, because their pay is reckoned on their service as officers in the regular service and not as retired officers.

Mr. CONNALLY. But the title of the bill reads:

To provide for the promotion of officers on the retired list of the Army after specified years of service on active duty.

I thought it might refer to retired officers who might be called back for temporary duty and who would then get the benefit of the additional service.

Mr. THOMAS of Utah. I am not familiar with the bill.

Mr. CONNALLY. I will ask the Senator from Colorado, although I should like to hear from both Senators for that matter. Let me ask the Senator from Colorado if the bill (S. 1100) to provide for the promotion of officers on the retired list of the Army after specified years of service on active duty would have the effect of increasing their retired pay or simply of giving them the honor of promotion.

Mr. JOHNSON of Colorado. It is intended in effect to increase their pay. It is to stabilize their longevity, and it will make some adjustments in certain conditions which at the present time discriminate against some of the men in the armed service. I have a letter which I received today from the chairman of the Naval Affairs Committee urging that this bill be enacted.

Mr. WALSH of Massachusetts. Mr. President, if the Senator will permit me, let me say that the Navy Department urges favorable action on this bill, and so does the Army.

Mr. JOHNSON of Colorado. Is the Senate considering House bill 1506?

Mr. CONNALLY. No; it is considering Senate bill 1100.

Mr. JOHNSON of Colorado. I apologize. I was told it was Calendar No. 930, House bill 1506.

Mr. CONNALLY. It is Calendar No. 936, Senate bill 1100. We have already passed House bill 1506, to further amend the Pay Readjustment Act. I suggest that the bill go over.

The ACTING PRESIDENT pro tempore. Senate bill 1100 will be passed over.

DAVID B. TURPEL

The bill (H. R. 1046) for the relief of David B. Turpel was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF PAY READJUSTMENT ACT OF 1942

The bill (H. R. 1675) to amend section 9 of the Pay Readjustment Act of 1942 was considered, ordered to a third reading, read the third time, and passed.

APPOINTMENT OF CHIEF OF CHAPLAINS TO TEMPORARY RANK OF MAJOR GENERAL

The bill (H. R. 3604) authorizing the appointment of the Chief of Chaplains to the temporary rank of major general, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

REDUCED RATE OF INTEREST ON LAND BANK COMMISSIONER LOANS

The bill (H. R. 4102) to extend for 1 additional year the reduced rate of interest on Land Bank Commissioner loans was considered, ordered to a third reading, read the third time, and passed.

ANNA CHARACK

The bill (H. R. 2469) for the relief of Anna Charack was considered, ordered to a third reading, read the third time, and passed.

PAUL H. WHITE

The bill (H. R. 3125) for the relief of Paul H. White was considered, ordered to a third reading, read the third time, and passed.

RUTH L. CLAPP

The bill (H. R. 3137) for the relief of Ruth L. Clapp was considered, ordered to a third reading, read the third time, and passed.

POSTAL TELEGRAPH-CABLE CO.

The bill (H. R. 3324) for the relief of the Postal Telegraph-Cable Co. was considered, ordered to a third reading, read the third time, and passed.

BYRON ENNIS

The bill (H. R. 3654) for the relief of Byron Ennis, was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF WILLIAM SANDLASS

The bill (H. R. 4074) for relief of the estate of William Sandlass, was considered, ordered to a third reading, read the third time, and passed.

RELEASE OF LAND GRANTED TO COUNTY OF LOS ANGELES

The bill (H. R. 905) to release all the right, title, and interest of the United States in certain land constituting a portion of the tract of land conditionally granted to the county of Los Angeles, State of California, under the act of March 24, 1933, as amended, was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF CHARLES NOAH SHIPP

The Senate proceeded to consider the bill (S. 1464) for the relief of the estate of Charles Noah Shipp, deceased, which had been reported from the Committee on Claims with an amendment, on page 1, line 7, after the words "sum of," to

strike out "$10,000" and insert "$7,500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Charles Noah Shipp, deceased, a mechanic's helper at the time of his death, the sum of $7,500, in full settlement of all claims against the United States for the death of Charles Noah Shipp, April 2, 1943, as the result of being run over by an Army tank on that date, which was being operated by a soldier in the service of the United States Army, which occurred on the right-of-way of United States Highway No. 31W, a public highway, of Hardin County, Ky., between Radcliff and Fort Knox, in Hardin County: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FRANK BAPTISTE

The bill (H. R. 2788) for the relief of Frank Baptiste, was considered, ordered to a third reading, read the third time, and passed.

DR. H. H. SMITH

The bill (H. R. 3098) for the relief of Dr. H. H. Smith, was considered, ordered to a third reading, read the third time, and passed.

WILLIAM E. WIDBY

The bill (H. R. 3674) for the relief of William E. Widby, was considered, ordered to a third reading, read the third time, and passed.

WESIX ELECTRIC HEATER CO.

The bill (H. R. 3739) for the relief of the Wesix Electric Heater Co., was considered, ordered to a third reading, read the third time, and passed.

HARRY SCHULTZ

The bill (H. R. 3977) for the relief of Harry Schultz, was considered, ordered to a third reading, read the third time, and passed.

DUFFY BROS., INC.

The Senate proceeded to consider the bill (H. R. 2576) to confer jurisdiction upon the Court of Claims to determine and render judgment for any loss suffered by Duffy Bros., Inc., which had been reported from the Committee on Claims with an amendment, on page 1, line 7, after the word "losses", to insert "(excluding any amount claimed for accrued interest thereon)."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

LESSIE C. SELMAN

The bill (H. R. 1668) for the relief of Lessie C. Selman, was considered, ordered to a third reading, read the third time, and passed.

EDWIN H. TAYLOR, JR.

The bill (H. R. 1682) for the relief of Edwin H. Taylor, Jr., was considered, ordered to a third reading, read the third time, and passed.

BROADUS D. BOLAND AND W. E. BOLAND

The Senate proceeded to consider the bill (H. R. 1755) for the relief of Broadus D. Boland, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the word "appropriated", to insert "the sums of $694.75"; at the beginning of line 6, to insert "and $225 to W. E. Boland"; on line 7, before the words "in full settlement", to strike out "the sum of $500"; on line 10, after the word "which", to strike out "he was" and to insert "they were."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act for the relief of Broadus D. Boland and W. E. Boland."

CLARENCE P. HALE, JR.

The bill (H. R. 2405) for the relief of Clarence P. Hale, Jr., was considered, ordered to a third reading, read the third time, and passed.

CHARLES W. KIRBY

The bill (H. R. 2605) for the relief of Charles W. Kirby was considered, ordered to a third reading, read the third time, and passed.

JOINT COMMITTEE TO ARRANGE FOR THE INAUGURATION OF PRESIDENT-ELECT

The concurrent resolution (S. Con. Res. 4) was considered and agreed to, as follows:

Resolved, etc., That a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President-elect of the United States on the 20th day of January 1945.

PUNISHMENT FOR VIOLATIONS OF SELECTIVE TRAINING AND SERVICE ACT

The bill (S. 1936) to amend the Selective Training and Service Act of 1940 by making it a criminal offense to possess unlawfully or to reproduce various certificates issued pursuant thereto was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 11 of the Selective Training and Service Act of 1940 (act of September 16, 1940, 54 Stat. 894, U. S. C., title 50, App., sec. 311) be, and the same is hereby, amended by inserting at the end thereof a new subsection reading as follows:

"(b) Any person (1) who knowingly transfers or delivers to another, for the purpose of aiding or abetting the making of any false identification or representation, any registration certificate, alien's certificate of nonresidence, or any other certificate issued pursuant to or prescribed by the provisions of this act, or rules or regulations promulgated hereunder; or (2) who, with intent that it be used for any purpose of false identification or representation, has in his possession any such certificate not duly issued to him; or (3) who forces, alters, or in any manner changes any such certificate or any notation duly and validly inscribed thereon; or (4) who, without lawful authority, photographs, prints, or in any manner makes or executes any engraving, photograph, print or impression in the likeness of any such certificate, or any colorable imitation thereof; or (5) who has in his possession any certificate purporting to be a certificate issued pursuant to this act, or rules and regulations promulgated hereunder, which he knows to be falsely made, reproduced, forged, counterfeited, or altered; or (6) who knowingly violates or evades any of the provisions of this act or rules and regulations promulgated pursuant thereto relating to the issuance, transfer, or possession of such certificate, shall, upon conviction, be fined not to exceed $10,000 or be imprisoned for not more than 5 years or both. Whenever on trial for a violation of this subsection the defendant is shown to have or to have had possession of any certificate not duly issued to him, such possession shall be deemed sufficient evidence to establish an intent to use such certificate for purposes of false identification or representation, unless the defendant explains such possession to the satisfaction of the jury.

SUGURDUR JONSSON AND THOROLINA THORDARDOTTIR

The bill (S. 1935) for the relief of Sigurdur Jonsson and Thorolina Thordardottir, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jon Sigurdsson as attorney in fact for his parents, Sigurdur Jonsson and Thorolina Thordardottir, of Hafnarfjohdur, Iceland, for and on their behalf, the sum of $4,070.85, in full settlement of all claims against the United States for the death of their son, Thordur Sigurdsson, who was fatally injured when shot by an enlisted soldier in the Army of the United States on November 8, 1941, at Hafnarfjordur, Iceland: *Provided*, That the claimants accept such sum in full settlement of all claims against the United States for the death of their son.

JURISDICTION OF SERVICE COURTS OF FRIENDLY FOREIGN FORCES

The bill (H. R. 3241) to implement the jurisdiction of service courts of friendly foreign forces within the United States, and for other purposes, was announced as next in order.

Mr. REVERCOMB. Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

LIMITATION OF PRODUCTION OF OPIUM

The joint resolution (H. J. Res. 241) requesting the President to urge upon the governments of those countries where the cultivation of the poppy plant exists, the necessity of immediately limiting the production of opium to the amount re-

quired for strictly medicinal and scientific purposes, was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

ALVA B. ADAMS TUNNEL, COLORADO

The bill (S. 1571) to provide that the transmountain tunnel constructed in connection with the Colorado Big Thompson project shall be known as the Alva B. Adams tunnel, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the transmountain tunnel constructed in connection with the Colorado-Big Thompson reclamation project shall hereafter be known as the "Alva B. Adams tunnel."

AMENDMENT OF SOLDIERS' AND SAILORS' RELIEF ACT

The bill (H. R. 4733) to amend section 514 of the Soldiers' and Sailors' Relief Act was considered, ordered to a third reading, read the third time, and passed.

INVESTIGATION OF SUBSTITUTES FOR COTTON AND WOOL

The Senate proceeded to consider the resolution (S. Res. 291) to investigate whether rayon and other synthetic products can be used as a substitute for cotton and wool, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate, with an amendment, on page 2, line 20, after the word "exceed", to strike out "$10,000" and insert "$5,000", so as to make the resolution read:

Resolved, That the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation with respect to the use of rayon and other synthetic products as substitutes for cotton and wool, including the extent of the use of such synthetic products and their effect upon the Nation's economy, the cost, utility, and economy of such synthetic products, the material and manpower required for their production and the effect of using such material and manpower for that purpose, the extent to which and terms upon which Government agencies have encouraged and financed the production of such synthetic products, and such other matters related to such products as the committee deems appropriate. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations as it may deem desirable.

For the purpose of this study and investigation, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-eighth Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee under this resolution, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The amendment was agreed to.

The resolution, as amended, was agreed to.

PAY ALLOWANCES AND PRIVILEGES OF GLIDER UNITS

The Senate proceeded to consider the bill (S. 1988) to place glider units of the Army and Navy on the same parity as to pay allowances and privileges as now given to the air forces of the Army and Navy and paratroops, which had been reported from the Committee on Military Affairs with an amendment, to strike out all after the enacting clause, and to insert the following:

That section 18 of the Pay Readjustment Act of 1942, as amended, is hereby amended by adding a new paragraph at the end thereof to read as follows:

"Any officer, warrant officer, nurse, or enlisted man of any of the services mentioned in the title of this act, not in flying-pay or parachute-jumping-pay status, who is required by orders of competent authority to participate in regular and frequent glider flights as an essential part of his military or naval duty and training, as defined under such regulations as may be prescribed by the President, shall receive an increase of 50 percent of their pay when in consequence of such orders they do participate in such flights: *Provided*, That such increase shall not exceed $100 per month in the case of any such officer, warrant officer, or nurse, nor $50 per month in the case of any such enlisted man."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend section 18 of the Pay Readjustment Act of 1942 to provide additional pay for personnel who are required to participate in regular and frequent glider flights."

OLIVER N. KNIGHT

The Senate proceeded to consider the bill (S. 1827) for the relief of Oliver N. Knight, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$42,178.31. Such sum represents damages", and to insert "$20,442.16, in full settlement of all claims against the United States"; and on page 2, line 3, after the word "*Provided*", to strike out "That not exceeding 10 percent of the award hereunder shall be allowed for attorneys' fees and expenses" and to insert, "That no part of the amount appropriated in the act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Oliver N. Knight, Guilford County, N. C., the sum of $20,442.16, in full settlement of all claims against the United States for the destruction of the residence of the said Oliver N. Knight and of all the money and personal property therein contained and for the death of his wife and three children, as a result of an airplane in the service of the United States Navy crashing into his residence on September 13, 1943: *Provided*, That no part of the amount appropriated in the act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

L. T. GREGORY

The Senate proceeded to consider the bill (S. 1776) for the relief of L. T. Gregory, which had been reported from the Committee on Claims, with amendments, on page 1, line 5, before the name "Gregory", to strike out "T" and insert "C"; and on line 6, after the words "sum of", to strike out "$5,000" and insert "$3,500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to L. C. Gregory, of Trousdale County, Tenn., the sum of $3,500, in full satisfaction of his claim against the United States for compensation for the death of his minor son, Cecil Gregory, who died on May 13, 1943, as a result of personal injuries sustained by him when the team of mules which he was driving became frightened at low-flying Army airplanes: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of L. C. Gregory."

Mr. GURNEY. Mr. President, I inquire what happened to Calendar 982.

The ACTING PRESIDENT pro tempore. The Chair is advised that that bill was passed yesterday.

Mr. GURNEY. I thank the Chair.

JOHN H. GRADWELL

The bill (S. 1503) for the relief of John H. Gradwell was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John H. Gradwell,

of Meriden Conn., the sum of $351.30, in full satisfaction of his claim against the United States for compensation for damage to his automobile resulting from a collision with an Army vehicle in Hamden, Conn., on January 4, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MAE EKVALL

The bill (H. R. 3649) for the relief of Mae Ekvall was considered, ordered to a third reading, read the third time, and passed.

MRS. R. D. ROBINSON

The Senate proceeded to consider the bill (H. R. 1045) for the relief of Mrs. R. D. Robinson, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the name "Miss Kay Bayne)", to insert "Chattanooga, Tenn."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ARCH A. BROWN

The bill (H. R. 4361) for the relief of Arch A. Brown was considered, ordered to a third reading, read the third time, and passed.

E. BIRD GILES AND SHERMAN BECK

The bill (H. R. 3859) for the relief of E. Bird Giles and Sherman Beck was considered, ordered to a third reading, read the third time, and passed.

MR. AND MRS. HOWARD C. BANTIN

The bill (H. R. 3724) for the relief of Mr. and Mrs. Howard C. Bantin was considered, ordered to a third reading, read the third time, and passed.

J. G. POWER AND L. D. POWER

The bill (H. R. 4458) for the relief of J. G. Power and L. D. Power, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1371) to amend an act entitled "An act for the retirement of employees in the Classified Civil Service and for other purposes," approved May 22, 1920, was announced as next in order.

Mr. O'MAHONEY. Over.

Mr. AIKEN. Mr. President, it so happens that I introduced the bill, and it was my purpose to ask that it be passed over. If the Senator from Wyoming has no objection I should like to explain why it was my purpose to ask that the bill be passed over.

This bill, introduced by me, is known as the 30-year retirement bill, which was originally objected to by the administration. However, not long ago a representative of the excutive department advised me that if it were made a post-war emergency measure the objection would undoubtedly be withdrawn, so the Civil Service Committee met, listened to the Civil Service Commission members, and to the representative of the executive department, and approved the bill, the functions of which were restricted to the duration of the war and a 3-year period thereafter.

The bill was reported unanimously by the members of the Civil Service Committee who were present at the meeting. However, after it was reported it was understood that the chairman of the Civil Service Committee of the House raised some objection to the measure, and at the request of the junior Senator from Virginia [Mr. BYRD], who was one of the members of the Civil Service Committee who voted to report the bill, it was felt advisable to ascertain what the facts are on which the House chairman is basing his objection. For that reason I intended to ask that the bill be passed over until we can find out if there is any additional information which we did not have at the time the bill was reported by the Civil Service Committee.

The PRESIDING OFFICER. The bill will be passed over.

The clerk will state the next bill on the calendar.

ATTENDANCE OF MARINE BAND AT G. A. R. ENCAMPMENT, DES MOINES, IOWA

The bill (H. R. 4825) to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Des Moines, Iowa, September 10 to 14, inclusive, 1944, was considered, ordered to a third reading, read the third time, and passed.

DONALD J. MUNSON

The bill (H. R. 2288) for the relief of Donald J. Munson, was considered, ordered to a third reading, read the third time, and passed.

LEGAL GUARDIAN OF EDWARD POLAK, A MINOR

The bill (H. R. 3301) for the relief of the legal guardian of Edward Polak, a minor, was considered, ordered to a third reading, read the third time, and passed.

MRS. WINNIE SINGLETON, ADMINISTRATRIX

The bill (H. R. 2916) for the relief of Mrs. Winnie Singleton, as administratrix of the estate of Gaylord W. Singleton, deceased, was considered, ordered to a third reading, read the third time, and passed.

P. AUDLEY WHALEY

The bill (H. R. 2511) for the relief of P. Audley Whaley, was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF THOMAS SHEA, DECEASED

The Senate proceeded to consider the bill (H. R. 3695) for the relief of the estate of Thomas Shea, deceased, which had been reported from the Committee on Claims with amendments on page 1, line 6, after the words "sum of", to strike out "$7,171.53" and insert "$5,471.53"; and at the end of the bill to add the following proviso: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendments were agreed to.

The amendments were ordered to be grossed and the bill to be read a third time.

The bill was read the third time and passed.

MRS. ANNA RUNNEBAUM

The bill (S. 1983) for the relief of Mrs. Anna Runnebaum, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,500, to Mrs. Anna Runnebaum, of Axtell, Kans., in full settlement of all claims against the United States for the death of her son, Ralph Joseph Runnebaum, who was killed in an automobile accident while in the employ of the Civilian Conservation Corps: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ISSUANCE OF POSTAL NOTES

The bill (H. R. 4687) relating to issuance of postal notes, was considered, ordered to a third reading, read the third time, and passed.

USE OF THE PENALTY-MAIL PRIVILEGE

The Senate proceeded to consider the bill (H. R. 4033) relating to the use of the penalty-mail privilege.

Mr. McKELLAR. Mr. President, by direction of the Post Office Department, I move an amendment, to substitute for section 5 on page 4 of the bill, the following new section:

SEC. 5. Sections 1, 2, 3, and 4 of this act shall not apply to the Department of War and the Department of the Navy, and their activities outside of the city of Washington, for the duration of the present war and 6 months thereafter.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ASCERTAINMENT OF REVENUES AND COST IN CONNECTION WITH SEVERAL CLASSES OF MAIL MATTER

The bill (H. R. 3870) to amend section 214 of the act of February 28, 1925, was considered, ordered to a third reading, read the third time, and passed.

REMOVAL OF RESTRICTIONS ON ESTABLISHING POST OFFICE BRANCHES AND STATIONS

The bill (H. R. 4517) to remove restrictions on establishing post office branches and stations, was considered, ordered to a third reading, read the third time, and passed.

HOUSING IN CONNECTION WITH NATIONAL DEFENSE

The bill (S. 1978) to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940 (54 Stat. 1125), as amended, is amended by inserting after the word "it" in the last proviso of said section 3 the phrase "as a claimant agency under the controlled materials plan established pursuant to subsection (a) of section 2 of the act entitled 'An act to expedite national defense, and for other purposes,' approved June 28, 1940 (54 Stat. 676), as amended," and by deleting the words "for persons engaged in national defense activities" from the last proviso of said section 3.

Mr. ELLENDER subsequently said: Mr. President, I ask that the Senate recur to Senate bill 1978, Calendar No. 1007.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ELLENDER. I now ask that the vote by which the bill was passed be reconsidered.

The ACTING PRESIDENT pro tempore. Without objection, the vote by which the bill was passed will be reconsidered.

Mr. ELLENDER. Mr. President, yesterday the House unanimously passed House bill 4728, an identical bill. I ask that the Committee on Education and Labor be discharged from further consideration of the House bill, that it be substituted for the Senate bill, and be now considered.

The ACTING PRESIDENT pro tempore. Without objection, the Committee on Education and Labor is discharged from further consideration of House bill 4728 and the House bill will be substituted for the Senate bill.

Is there objection to the present consideration of the House bill?

There being no objection, the bill (H. R. 4728) to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, was considered, ordered to a third reading, read the third time, and passed.

The ACTING PRESIDENT pro tempore. Without objection, Senate bill 1978 will be indefinitely postponed.

AUTHORIZATION FOR CONVEYANCE OF LAND TO VINCENNES UNIVERSITY

The bill (H. R. 3306) to authorize the conveyance of Harrison Park in the city of Vincennes to Vincennes University was considered, ordered to a third reading read the third time, and passed.

CONVEYANCE OF LANDS TO THE CITY OF SITKA, ALASKA

The bill (H. R. 340) to authorize the Legislature of the Territory of Alaska to grant and convey certain lands to the city of Sitka, Alaska, for street purposes, was considered, ordered to a third reading, read the third time, and passed.

USE OF OLD POST OFFICE BUILDING IN PORTLAND, OREG., AS A MUSEUM

The bill (H. R. 4623) to authorize the use of space in the old post office building in Portland, Oreg., by the State of Oregon for its use as a museum for relics from the battleship *Oregon*, together with all other historical documents, objects, and relics of Oregon and the Old Oregon Country held by the State for public display, was considered, ordered to a third reading, read the third time, and passed.

REIMBURSEMENT FOR LOSS OR DAMAGE BY FIRE AT CARROLL COLLEGE, HELENA, MONT.

The bill (S. 1964) to reimburse certain aviation cadets and former aviation cadets for property lost or damaged as the result of a fire at Carroll College, Helena, Mont., on January 8, 1944, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed $988.12, as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, certain aviation cadets and former aviation cadets for the value of personal property lost or damaged as the result of a fire at Carroll College, Helena, Mont., on January 8, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

FURLOUGH OF OFFICERS BY SECRETARY OF NAVY

The bill (S. 1974) to amend section 1442, Revised Statutes, relating to furlough of officers by the Secretary of the Navy, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1442, Revised Statutes (34 U. S. C. 228), is hereby amended by striking out the period at the end of the sentence and inserting in lieu thereof "and Marine Corps, and any officer of the Coast Guard while the Coast Guard is operating as part of the Navy. This section shall not apply to reserve officers of such organizations,", so that said section when amended shall read as follows: "The Secretary of the Navy shall have authority to place on furlough any officer on the active list of the Navy and the Marine Corps, and any officer of the Coast Guard while the Coast Guard is operating as part of the Navy. This section shall not apply to reserve officers of such organizations."

ERECTION OF STATUE OF LEIF ERICKSON IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the joint resolution (S. J. Res. 8) authorizing the erection of a statue of Leif Erickson in the District of Columbia, which had been reported from the Committee on Public Buildings and Grounds with amendments, on page 1, line 6, after the name "Leif", to strike out "Erickson" and insert "Ericsson"; on page 2, line 2, after the words "sum of" to strike out "$10,000" and insert "$20,000"; in line 3, after the word "appropriated", to insert "at any time subsequent to determination of hostilities in the present war as proclaimed by the President"; in line 7, after the words "in the", to strike out "estimation" and insert "judgment"; in line 11, after the word "memorial", to insert "including landscape treatment of the site"; and in line 12, after the word "available", to insert "by the association or committee set up under authority of section 1", so as to make the Senate joint resolution read:

Resolved, etc., That authority is hereby granted to any association or committee organized within 2 years from date of the approval of this joint resolution for that purpose to erect a replica of the statue of Leif Ericsson by A. Stirling Calder on public grounds of the United States in the District of Columbia.

Sec. 2. That for the preparation of the site and the erection of a pedestal upon which to place the said statue, under the direction of the Secretary of the Interior, the sum of $20,000, or so much thereof as may be necessary, is hereby authorized to be appropriated, at any time subsequent to the termination of hostilities in the present war as proclaimed by the President, out of any money in the Treasury not otherwise appropriated: Provided, That the site chosen and the design of the pedestal shall have the approval of the National Commission of Fine Arts: Provided further, That unless funds, which in the judgment of the Secretary of the Interior are sufficient to insure the completion of the memorial, including landscape treatment of the site, are certified available by the association or committee set up under authority of section 1 and the erection of this memorial begun within 5 years from and after the passage of this legislation, the authorization hereby granted is revoked.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution authorizing the erection of a statue of Leif Ericsson in the District of Columbia."

PROMOTION OF REAR ADMIRAL EMORY S. LAND TO RANK OF VICE ADMIRAL

Mr. TYDINGS. Mr. President, I ask unanimous consent to revert to Calendar 917, House Bill 634.

There being no objection, the bill (H. R. 634) to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to the rank of vice admiral was considered, ordered to a third reading, read the third time, and passed.

Mr. WHERRY. Mr. President, I should like to ask the distinguished Senator from Maryland if he has talked with the Senator from Vermont [Mr. AIKEN]. I was asked by the Senator from

Vermont to request that the bill go over. I do not wish to hold it up. The Senator from Vermont is not in the Chamber.

Mr. TYDINGS. Mr. President, I did not know that the Senator from Vermont wanted the bill to go over. I was absent from the Chamber on two previous occasions when it came up.

Mr. WHERRY. The Senator from Vermont wished to be heard on it.

Mr. TYDINGS. I should like to have the action of the Senate stand, and when the Senator from Vermont returns to the Chamber, if he wishes to move to reconsider the vote by which the bill was passed, I shall not interpose any objection. I am sorry I did not know about the interest of the Senator from Vermont. No advantage will be taken of him.

The PRESIDING OFFICER. The clerk will state the next bill on the Calendar.

AMENDMENT OF NATIONAL HOUSING ACT, AS AMENDED

The bill (S. 1947) to amend the National Housing Act, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 603 (a) of the National Housing Act, as amended, is hereby amended by (1) striking out "$1,600,000,000" and inserting in lieu thereof $1,700,000,000"; and (2) inserting in the third proviso after the word "except" the figure "(1)" and striking the period at the end of the third proviso and inserting in lieu thereof a semicolon and the following: "or (2) a mortgage that is given to refinance an existing mortgage insured under this title and which does not exceed the original principal amount and unexpired term of such existing mortgage."

Mr. RADCLIFFE. Mr. President, in connection with the bill which the Senate has just passed I should like to make a brief statement.

Title VI of the National Housing Act is the vehicle through which privately owned war housing is produced by private industry with private capital. It operates by Government insurance of the privately held mortgage in an amount not to exceed 90 percent of the appraised value for which an annual premium of one-half percent is charged. It operates only in localities in which the President finds that an acute shortage of housing exists or impends which would impede national war activities.

The last increase in the authorization under title VI was on October 15, 1943, in the amount of $400,000,000. The attached statement shows total commitments on one- to four-family homes under section 603 of title VI, and the rental housing projects insured under section 608 of title VI for the period October 1, 1943, through May 1944, by individual F. H. A. field insuring offices.

During that period on one- to four-family mortgages the F. H. A. issued 70,656 commitments for insurance of mortgages aggregating $343,600,000, and commitments for the insurance of mortgages on 133 large-scale rental projects aggregating $52,200,000 or a combined total under title VI of just under $400,000,000.

The bill does two things. First, it increases the present authorization of mortgages insured under title VI by $100,000,000 and, second, it will assist in the administration of the act and in the protection of the interests of the Government after the war program has been completed, by permitting a mortgage previously insured under this title to be refinanced with a new insured mortgage which does not exceed the original principal amount or unexpired term of the previously insured mortgage.

The necessity for the increase in authorization arises from two factors. At the time the present authorization was determined the amount was based upon an estimated average mortgage of $4,100 per dwelling unit. The amount of the average mortgage has been progressively increasing due to increased building costs and similar causes, so that the current amount of the average mortgage is $4,411 per dwelling unit. It was also estimated that the F. H. A. would be called upon to insure 85 percent of the total privately financed war-housing program. Actually, in the last 8 months 92 percent of all units started have been financed through the F. H. A.

As of April 30, 1944, the F. H. A. had insured or committed to insure under title VI mortgages in the aggregate amount of $1,512,952,000 chargeable against the present authorization of $1,600,000,000, leaving an unused authorization of $87,048,000. At the rate title VI commitments are being issued, this authorization will be exhausted in another 5 or 6 weeks or around June 30, 1944.

If private industry is to complete its share of war housing already programed by the National Housing Agency, it is estimated that the $100,000,000 of additional authorization will be necessary.

The provision with respect to the refinancing of insured mortgages is in no way designed to perpetuate the war housing insurance program after the termination of the war. The limitation that the refinancing mortgage cannot exceed the unexpired term or the original principal amount of the existing insured mortgage takes care of this. It is, however, in line with a similar provision contained in title II and is necessary to enable this Administration to rectify some of the deficiencies in war housing, due to restrictions on critical material, and to enable such houses to be sold after the war in competition with new structures and thus prevent many of them from being turned over to the Government.

Title VI of the National Housing Act as originally enacted on March 28, 1941, authorized the insurance of mortgages up to an aggregate amount of $100,000,000. This original authorization has been increased on four separate occasions by special acts of Congress as follows:

Effective date	Aggregate authorization	Increase
Mar. 28, 1941	$100,000,000	
Sept. 2, 1941	300,000,000	$200,000,000
May 26, 1942	800,000,000	500,000,000
Mar. 23, 1943	1,200,000,000	400,000,000
Oct. 15, 1943	1,600,000,000	400,000,000

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table bearing on the subject matter of the bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TITLE VI.—*Secs. 603 and 608—for period Oct. 1, 1943, to May 31, 1944*

Federal Housing Administration field insuring offices	Sept. 30, 1943, through May 31, 1944				Total title VI—amount of mortgages
	Title VI, sec. 603 [1]		Title VI, sec. 608 [2]		
	Number of 1–4 family	Amount of mortgages	Number of projects (rental)	Amount of mortgages	
Zone I:					
Connecticut: Hartford	696	$3,614,300	1	$2,027,300	$5,641,600
Maine: Bangor	27	395,150	5	1,516,000	1,911,150
Massachusetts: Boston	21	87,900			87,900
New Hampshire: Manchester	8	37,350			37,350
New Jersey: Newark	786	4,065,650	2	885,000	4,950,650
New York:					
Albany—combined with New York, N. Y.					
Buffalo	310	1,705,600	1	1,160,000	2,865,600
Jamaica—combined with New York, N. Y.					
New York	142	747,650	1	255,500	1,003,150
Pennsylvania:					
Philadelphia	1,391	6,883,850	1	631,600	7,515,450
Pittsburgh	637	3,641,950			3,641,950
Rhode Island: Providence	190	1,019,900			1,019,900
Vermont: Burlington	6	21,900			21,900
Total for zone I	4,264	22,221,200	19	6,475,400	28,696,600

[1] Firm commitments issued.

[2] Mortgages insured.

TITLE VI.—*Secs. 603 and 608—for period Oct. 1, 1943, to May 31, 1944*—Continued

Federal Housing Administration field insuring office	Sept. 30, 1943, through May 31, 1944				Total title VI—amount of mortgages
	Title VI, sec. 603		Title VI, sec. 608		
	Number of 1–4 family	Amount of mortgages	Number of projects (rental)	Amount of mortgages	
Zone II:					
Alabama: Birmingham	638	$2,620,350			$2,620,350
Arkansas: Little Rock	50	182,550			182,550
District of Columbia: Washington	598	3,027,800	17	5,705,600	8,733,400
Florida:					
Jacksonville	2,553	10,196,900			10,196,900
Miami	520	2,289,000			2,289,000
Georgia: Atlanta	1,451	7,053,200	1	2,071,000	9,124,200
Kentucky: Louisville	159	759,850			759,850
Louisiana: New Orleans	1,831	11,759,250	2	5,790,000	17,549,250
Maryland: Baltimore	618	3,204,950	7	8,876,300	12,081,250
Mississippi: Jackson	297	1,163,900			1,163,900
North Carolina: Greensboro	550	1,695,400	2	358,000	2,053,400
South Carolina: Columbia	471	2,232,600			2,232,600
Tennessee: Memphis	2,437	10,701,100			10,701,100
Virginia: Richmond	465	1,723,450	8	6,623,900	8,347,350
West Virginia: Charleston	56	258,600			258,600
Puerto Rico: San Juan					
Total for zone II	12,494	58,808,900	37	29,424,800	88,293,700
Zone III:					
Illinois: Chicago	3,878	20,655,300	6	857,900	21,513,200
Indiana: Indianapolis	1,112	5,691,550			5,691,550
Iowa: Des Moines—combined with Omaha, Nebr.					
Kansas: Topeka	221	1,074,500	1	1,851,600	2,926,100
Michigan: Detroit	5,287	27,567,000	2	256,000	27,823,000
Minnesota: Minneapolis	22	92,500			92,500
Missouri:					
Kansas City	620	3,218,850	2	304,000	3,522,850
St. Louis	48	263,850			263,850
Nebraska: Omaha	753	3,511,650	2	236,600	3,748,250
Ohio:					
Cincinnati—combined with Columbus, Ohio					
Cleveland	3,263	17,235,250	12	3,541,300	20,776,550
Columbus	876	4,394,350	7	752,800	5,147,150
South Dakota: Sioux Falls	3	12,900			12,900
Wisconsin: Milwaukee	484	2,685,000	1	81,700	2,766,700
Total for zone III	16,567	86,402,700	33	7,891,900	94,294,600
Zone IV:					
Arizona: Phoenix	201	859,650			859,650
California:					
Los Angeles	14,269	68,593,800	4	2,737,500	71,331,300
San Francisco	6,913	35,172,600	7	808,400	35,981,000
Colorado: Denver	339	1,787,200	8	991,000	2,778,200
Idaho: Boise	150	730,350			730,350
Montana: Helena	116	619,400			619,400
Nevada: Reno	105	467,650			467,650
New Mexico: Albuquerque	430	1,945,500			1,945,500
Oklahoma: Oklahoma City	1,781	6,097,000	1	123,700	6,220,700
Oregon: Portland	1,502	6,994,550	16	2,186,400	9,180,950
Texas:					
Dallas	1,992	8,318,000	2	792,900	9,110,900
Fort Worth	619	2,362,450			2,362,450
Houston	4,485	17,978,200	1	107,800	18,086,000
San Antonio—combined with Houston, Tex.					
Utah: Salt Lake City	1,077	5,728,400	1	137,800	5,866,200
Washington: Seattle	3,487	17,063,150	2	270,400	17,333,550
Wyoming: Cheyenne	202	1,075,550	2	224,400	1,299,950
Alaska: Juneau—closed					
Hawaii: Honolulu	63	326,300			326,300
Total for zone IV	37,331	176,119,750	44	8,380,300	184,500,050
Total for United States	70,676	343,612,550	133	52,172,400	395,784,950

Division of Research and Statistics, Federal Housing Administration.

PREPAYMENT OF PURCHASE PRICE OF CERTAIN HOUSING SOLD BY FARM SECURITY ADMINISTRATION

The Senate proceeded to consider the bill (H. R. 702) to permit the prepayment of the purchase price of certain housing sold to individuals by the Farm Security Administration, and for other purposes, which had been reported from the Committee on Agriculture and Forestry, with amendments, on page 2, line 22, after the word "agreement", to insert "having been in force for 5 years"; and on page 3, line 4, after the word "purchaser", to strike out "a warranty deed to such real estate" and insert "forthwith a quitclaim deed conveying all right, title, and interest of the United States in and to such real estate without any reservations, exceptions, conditions, or restrictions whatsoever."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to permit the prepayment of the purchase price of certain housing sold to individuals by the Resettlement Administration or the Farm Security Administration, and for other purposes."

CHARLES L. KEE

The bill (H. R. 3976) for the relief of Charles L. Kee was considered, ordered to a third reading, read the third time, and passed.

MOBILIZATION OF PRODUCTION FACILITIES OF SMALL BUSINESS

The Senate proceeded to consider the bill (S. 2004) to amend the act entitled "An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes," approved June 11, 1942, which had been reported from the Committee on Banking and Currency, with an amendment, on page 1, at the beginning of line 3, to strike out "This" and insert in lieu thereof "That", so as to make the bill read:

Be it enacted, etc., That subsection (b) of section 4 of the act entitled "An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes," approved June 11, 1942 (56 Stat. 351–357), is hereby

amended by substituting the figures "$350,000,000" for the figures "$150,000,000" wherever occurring in said subsection.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COMPENSATION OF CUSTODIAL-SERVICE EMPLOYEES OF THE POST OFFICE DEPARTMENT

The Senate proceeded to consider the bill (H. R. 4215) to extend to the custodial-service employees of the Post Office Department certain benefits applicable to postal employees, which had been reported from the Committee on Post Offices and Post Roads with an amendment, on page 3, line 19, after the word "may", to insert "during the period of the emergency and for 6 months thereafter."

Mr. McKELLAR. Mr. President, I ask that the committee amendment on page 3, line 19, be rejected.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was rejected.

Mr. McKELLAR. Mr. President, I offer the following amendment in order to correct an error in the committee amendment.

On page 3, after line 23, I move to insert the following language:

Provided further, That the provisions of the foregoing proviso shall apply to employees of the custodial service during the period of the emergency and for 6 months thereafter.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

AMENDMENT OF INTERNAL REVENE CODE, NARCOTIC DRUGS IMPORT AND EXPORT ACT, AS AMENDED, AND TARIFF ACT OF 1930, AS AMENDED

The bill (H. R. 4881) to amend the Internal Revenue Code, the Narcotic Drugs Import and Export Act, as amended, and the Tariff Act of 1930, as amended, to classify a new synthetic drug, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

CLAIM OF ROBERT JOHNSON AND OTHERS TO CERTAIN LANDS IN MISSISSIPPI

The Senate proceeded to consider the bill (H. R. 4035) confirming the claim of Robert Johnson and other heirs of Monroe Johnson to certain lands in the State of Mississippi, county of Adams, which had been reported from the Committee on Public Lands and Surveys, with an amendment, on page 1, line 8, after the name "United States of America", to strike out "to Robert Johnson, Hyman Johnson, Carrie Johnson McCrane, and to any other heirs of Monroe Johnson, deceased, all heirs of Monroe Johnson to share" and insert "to the heirs of Monroe Johnson, deceased, as such heirs may be determined."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act confirming the claim of the heirs of Monroe Johnson, deceased, to certain lands in the State of Mississippi, county of Adams."

PROMOTION OF REAR ADMIRAL EMORY S. LAND TO RANK OF VICE ADMIRAL

Mr. AIKEN. Mr. President, a short time ago House bill 634, Calendar No. 917, was passed over because I wished to make a statement when the bill was taken up, and the statement was not then prepared. I left the Chamber about 5 or 6 minutes ago, and I understand that during my absence the bill was taken up and passed, after it had been agreed that it be passed over. I do not like that way of doing business.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. TYDINGS. I was not present when the Senator objected to the bill, and I did not know that it was he who was holding up the passage of the bill. I had no disposition whatsoever to take advantage of the Senator's absence. As a matter of fact, I did not even know whether he was in the Chamber. I had been asked to aid in having the bill passed before the contemplated recess of the Senate tomorrow. I should like to have the action of the Senate stand, and at the conclusion of the call of the calendar, which is very short, I should like to have the bill taken up, so that the question can be thrashed out on its merits. Would the Senator agree to that course?

Mr. AIKEN. I understand that the bill has been passed, and I do not wish to let that action stand.

Mr. TYDINGS. I will agree that the bill may be open for consideration. I do not wish to bar the Senator in his opposition to the bill.

Mr. AIKEN. I accept the Senator's explanation, and I am very glad indeed to have it.

Mr. TYDINGS. I did not even know that the Senator was the one who had made objection to the bill.

Mr. AIKEN. I move to have the vote by which the bill was passed reconsidered at this time.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Vermont?

Mr. TYDINGS. Mr. President, reserving the right to object, I should like to ask the Senator if he would be willing to have the bill considered on its merits some time later today.

Mr. AIKEN. I am willing to discuss the matter with the Senator from Maryland.

Mr. TYDINGS. I should prefer to let the action of the Senate stand until I can be assured that we shall have a chance to discuss the bill.

Mr. AIKEN. If the Senator prefers to let the record stand as it is, granting this promotion under those conditions, he has a perfect right to do so, and undoubtedly has the votes to do it, but I do not think it would look very well on the record.

Mr. TYDINGS. The Senator misunderstands me. I do not wish to engage in any sharp practice which would deny the Senator any right he would have had if he had been present. Please believe that. But if I acquiesce in the Senator's request that the bill be put back in its former status, I should then like to have it permitted to come up and be discussed and acted upon on its merits. That is all I am requesting.

Mr. AIKEN. Mr. President, the Senator from Maryland has not given very good reasons why it should come up. Since the bill was passed over, I have been beset by lobbyists hanging around the door. I do not think that is the proper way to have action taken on a measure; I do not like that at all.

Mr. TYDINGS. Mr. President, if the Senator will yield to me I suggest that he and I talk it over, and that he withdraw his motion temporarily, and let us see if we cannot work it out so that the wishes of the Senator from Vermont will be met, insofar as I am able to meet them. I am willing to do anything I can to accommodate the Senator.

Mr. AIKEN. Mr. President, I have made a motion. I stand on the motion. Then, if the motion prevails, I will gladly confer with the Senator from Maryland. If it does not prevail, the record will stand as it is.

Mr. TYDINGS. If the Senator would like to have it in that shape, I will agree to that. Mr. President, I ask that the Senate vote down the motion.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Vermont that the vote by which House bill 634, Calendar No. 917, was passed by the Senate be reconsidered. [Putting the question.]

The Chair is of the opinion that the motion is agreed to.

Mr. TYDINGS. I ask for a division.

Mr. AIKEN. Mr. President, I make the point of order that when objection was made, the Senate had no right to act upon the bill during the call of the Consent Calendar.

Mr. BARKLEY. Mr. President, that is not a parliamentary question. The bill was called during the call of the Consent Calendar, like all other bills on the calendar, and the bill was passed without objection.

The Senator's motion to reconsider the vote by which the bill was passed, according to the announcement of the Chair, preliminarily made, has been agreed to. The Senator from Maryland has requested a division. Certainly he is entitled to a division on that motion.

Mr. TYDINGS. Mr. President, I believe very few Senators know what is being voted on. Here is all there is to it: The committee has recommended that Admiral Land be given an increased rank.

Mr. AIKEN. Mr. President, so long as I have to talk on this matter, re-

gardless of whether I am prepared to do so, I wish to have someone here to hear me. Therefore, I suggest the absence of a——

Mr. BARKLEY. Mr. President, let me ask the Senator a question. We are almost through with the call of the Consent Calendar. It seems to me we might finish with the call, and dispose of all other bills on the calendar, before the other matter is taken up. If the Senator will withhold his motion, he can make it at any time. I suggest that we finish considering the bills remaining on the calendar, and then proceed to consider the matter which the Senator has been discussing.

Mr. AIKEN. Mr. President, the bill has already been taken up. I want it taken out.

Mr. BARKLEY. Mr. President, the Senator is being clever and cute in that suggestion. All I am trying to do is to proceed in an orderly way.

Mr. AIKEN. Mr. President, who was clever and cute in having the bill taken up the moment my back was turned?

Mr. BARKLEY. The Senator from Vermont unfortunately was absent on important business, and was not in the Chamber at the time. No one objected to the bill. It stood on the same basis that any other bill stood upon. No trickery, no sharp practice, or anything else was involved in the passage of the bill.

If the Senator from Vermont desires to inject his motion now, before we have completed the call of the calendar, he may do so. But I thought we might proceed at least in an orderly way to finish consideration of bills on the calendar to which there is no objection, before taking up a motion on a matter about which the Senator from Vermont feels so keenly.

Mr. AIKEN. Mr. President, the bill has already been objected to, and has been passed over.

The ACTING PRESIDENT pro tempore. The Chair asks the Senator to suspend while the Chair makes a statement.

The Chair had put the motion of the Senator from Vermont. The Chair had announced a decision. A division was asked for. The Chair is in process of obtaining a division.

As many as are in favor of the motion of the Senator from Vermont——

Mr. WALSH of Massachusetts. Mr. President, is the question debatable?

The ACTING PRESIDENT pro tempore. It is.

Mr. WALSH of Massachusetts. I wish to say that, much as I favor the promotion of Admiral Land—and no one favors it more than I do—I would feel obliged to vote with the Senator from Vermont, because he did request that the bill be passed over. In fairness to him, I think the proper procedure is to move to take up the bill.

Therefore, on the pending question I shall vote with him. He objected, as he had a legal right to do, although he did so against my preference and against my wishes. Nevertheless, when he returned to the Chamber and found some other action taken on the bill, it became obvious that the bill should go from its original status to the end of the calendar.

Mr. SHIPSTEAD. Mr. President, I have listened to this discussion from the beginning. I think there is a misunderstanding which is deplorable. We have been doing business here for years by unanimous consent in the consideration of bills to which there is no objection.

Mr. TYDINGS. Mr. President, will the Senator yield to me for a moment? If he will do so, I shall end all the argument by withdrawing the whole thing.

Mr. SHIPSTEAD. I ask the Senator please to permit me to finish my remarks.

When the Senator from Vermont [Mr. AIKEN] was out of the Chamber, the Senator from Nebraska [Mr. WHERRY] said the Senator wished to be heard on the matter, and requested that the bill be passed over. The bill was passed over.

I do not know that the Senator from Maryland was in the Chamber at that time. I do not think he was. Therefore, he was not aware of what had occurred. When he entered the Chamber he requested that the bill be considered and passed. I was busy here with some other things, as were other Senators. It was agreed that the bill should be taken up. Then the Senator from Nebraska called the attention of the Senator from Maryland to the fact that such action was a mistake, in view of the fact that the Senator from Vermont had objected to the consideration of the bill, or at least had said he wished to be heard on that question.

The Senator from Maryland immediately rose to his feet and said he was not aware of that fact, and said, "I prefer to let it stand; and when the Senator from Vermont returns, I will yield to him," or words to that effect.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. TYDINGS. In order that no advantage may be taken of the Senator from Vermont, I ask unanimous consent that the Senate reconsider its vote on this matter. Then, at the conclusion of the call of the calendar, a motion to take up the bill will be in order.

Mr. SHIPSTEAD. Mr. President, that is what should be done.

Mr. TYDINGS. Let me repeat that I was not present in the Chamber when the previous announcement was made, and I had no knowledge at all that the Senator was opposed to the bill.

Mr. AIKEN. Mr. President, the statement of the Senator from Maryland is satisfactory to me. But I think a quorum should be present when the bill is acted upon.

The ACTING PRESIDENT pro tempore. Without objection, the unanimous-consent request of the Senator from Maryland is agreed to.

Mr. WALSH of Massachusetts subsequently said: Mr. President, in connection with consideration of Calendar 917, House bill 634, I ask unanimous consent to have printed in the RECORD the report of the committee; also various letters which I have received in connection with the bill.

There being no objection, the report (No. 904) and the letters referred to were ordered to be printed in the RECORD, as follows:

The Committee on Naval Affairs, to whom was referred the bill (H. R. 634) to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to the rank of vice admiral, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of the bill is to authorize the President to advance Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to naval constructor with the rank of vice admiral on the retired list.

The views of the Committee on Naval Affairs of the House, and Admiral Land's record during his period of active service in the Navy and as a member and Chairman of the Maritime Commission, are set forth in the following:

Rear Admiral Land was admitted to the Naval Academy as a cadet on September 9, 1898, and by an act of Congress approved July 1, 1902, the designation was changed from cadet to midshipman. He graduated from the academy in 1902.

On May 2, 1904, he was commissioned an ensign and on October 25, 1904, he was commissioned ad interim assistant naval constructor with the rank of lieutenant (junior grade). He was commissioned a naval constructor with the rank of lieutenant on October 28, 1912. On September 23, 1914, he was ordered to duty as fleet constructor, Atlantic Fleet, and he served as such until August 14, 1915, when he was ordered to the staff of commander submarine flotilla for special duty in connection with submarines.

In 1916 he was ordered to duty in the then Bureau of Construction and Repair and while so serving he was promoted to the rank of lieutenant commander and to be a temporary naval constructor, with the rank of commander.

He served during World War No. 1 as assistant naval attaché, American Embassy, London, and on the staff of the commander naval forces operating in European waters as aide for construction and repairs. For his distinguished services in this assignment he was awarded the Navy Cross and was made an honorary commander of the Military Order of the British Empire.

In 1921 he was ordered to duty in the Bureau or Aeronautics, and in 1926 he was ordered to duty as assistant chief of that Bureau, having been promoted to naval constructor with the rank of captain in 1923.

Thereafter he served on the staff of the United States Fleet as fleet constructor, and in the office of the Chief of Naval Operations.

On August 29, 1932, he was appointed chief constructor and Chief of the Bureau of Construction and Repair, with the rank of rear-admiral. He served as Chief of the Bureau until March 1933, when he was ordered to duty in the office of Chief of Naval Operations. After a short tour of duty there he was again appointed Chief of the Bureau of Construction and Repair, where he served until his retirement on April 1, 1937, upon completion of 30 years' service.

Admiral Land completed a course in naval architecture at the Massachusetts Institute of Technology and was designated as naval aviation observer (heavier than air).

In addition to the Navy Cross and the British decoration, Admiral Land was awarded the Spanish Campaign Medal and the Victory Medal (submarine clasp).

On April 16, 1937, Admiral Land was appointed as a member of the Maritime Commission and has served as Chairman thereof since February 18, 1938. He is also serving

as Administrator of the War Shipping Administration.

The committee understands that Admiral Land retired from the Navy in order to be in a position to accept the important position of Chairman of the Maritime Commission, for which position the President considered him exceptionally well fitted by virtue of his experience and outstanding ability. By so doing, Admiral Land had to forego his normal inclination of continuing his naval career which would, undoubtedly, have led to the rank which the proposed legislation would confer upon him.

The committee believes it highly desirable to advance Rear Admiral Land to the rank of vice admiral on the retired list because of his outstanding service as a member and Chairman of the Maritime Commission and as Administrator of the War Shipping Administration. The successful attainment of the immense goal, 8,000,000 tons in merchant ships in 1942, is a matter of record and the larger program for the current year involves even greater energy and responsibility. The tremendous contribution of the merchant marine in the war effort is well recognized and the conferring of this additional rank upon its head would appear justified as a merited public recognition of service.

The committee believe the great increases made in merchant-ship construction have been due, in large part, to the efficient and tireless effort of Admiral Land, and are of the opinion that his services should be rewarded by advancing him to the rank of vice admiral on the retired list.

The following letter from the Secretary of the Navy addressed to the Speaker of the House of Representatives sets forth the views and recommendation of the Navy Department on this bill. This letter is hereby made a part of this report:

NAVY DEPARTMENT,
Washington, January 5, 1943.

Hon. SAM RAYBURN,
Speaker of the House of Representatives.

MY DEAR MR. SPEAKER: There is transmitted herewith a draft of a proposed bill to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to the rank of vice admiral.

The purpose of the proposed legislation is as stated in its title.

Rear Admiral Emory S. Land was, on April 1, 1937, upon his own request, placed on the retired list of the Navy with the rank of rear admiral, which rank he held at the time as Chief of the Bureau of Construction and Repair of the Navy Department. Admiral Land, on April 16, 1937, accepted an appointment by the President as a member of the Maritime Commission and has served continuously since that time on such Commission, having been appointed Chairman thereof on February 18, 1938. He is, in addition, Administrator of the War Shipping Administration.

The importance of the merchant marine as an auxiliary of the Navy has always been recognized. The vital part, however, that it plays in the defense of the country has never been more forcefully demonstrated than in the present war. Admiral Land's outstanding services as a member, and later Chairman, of the Maritime Commission, have been of inestimable value to the country as a whole and to the Navy in particular. The immense strides recently made in merchant-ship construction have been, in a large part, due to the efficient and tireless efforts of Admiral Land.

It is believed that conferring of the additional prestige inherent in the rank of vice admiral would be of assistance in the discharge by Admiral Land of his important duties as Chairman of the Maritime Commission and Administrator of the War Shipping Administration. The Navy Department also considers that the advancement of Rear Admiral Land to the rank of vice admiral on the retired list is amply warranted by his conspicuous services and, accordingly, recommends early enactment of the proposed legislation.

The Navy Department has been advised by the Bureau of the Budget that there would be no objection to the submission of the proposed legislation to the Congress.

Sincerely yours,

JAMES FORRESTAL, *Acting.*

UNITED STATES SENATE,
May 20, 1944.

Hon. DAVID I. WALSH,
Chairman, Committee on Naval Affairs,
United States Senate,
Washington, D. C.

DEAR SENATOR WALSH: I have your letter on the subject of Admiral Land.

It is true that the Comptroller General has criticized some of the expenditures of the Maritime Commission and the War Shipping Administration, but at no time has the Comptroller General raised any question whatever of the high character of Admiral Land or the unusual service he has rendered our Government. Most of the criticisms have been submitted to the appropriate committee in the House and that committee has conducted extensive hearings and investigations. I am sure it has never found as a fact anything tending to reflect upon Admiral Land's character or the extraordinary character of his service to our Government.

With respect to every criticism I have obtained the reports from the Comptroller General and requested detailed statements of all transactions referred to in those reports from Admiral Land. I have these reports in my office. At no time have I found anything that would justify investigation or a report to the Senate or the Committee on Commerce.

The controversies have centered around matters concerning which men naturally differ. There have been very great expenditures. There has been great haste and there was necessity for great haste, and there has been most extraordinary achievement. Some of the expenditures will amaze anyone at first, but upon looking into them he will realize at any rate Admiral Land, as Chief Administrator of the Maritime Commission and as War Shipping Administrator, has been doing everything that could be done to supply this country with ships and shipping. He has had to make contracts without being able to ascertain what are reasonable and unreasonable rates. He has had to go ahead with ship repairs and also with the reorganization of shipyards with a minimum of delay. Like all others connected with the war, there have been times when it has been necessary to disregard ordinary measures of expense, but at no time has Admiral Land had any difficulty in explaining the matter in such a way that any reasonable man would sympathize with him and appreciate his achievements.

The original controversy between the Comptroller General and Admiral Land was on the subject of charter hire and the rates in one instance were higher than Admiral Land could have wished and it turned out that the hirers received considerably more than Admiral Land would have wished, but he promptly reduced the rates. At no time have the rates been as high as they were during the First World War, and now the rates are so low they are really astonishing as compared with the First World War rates.

It should be said in this connection that the achievement of Admiral Land in this World War is so much better than the achievement of a similar activity during the First World War that one is astonished when he makes a comparison. It is a great thing for a country to turn out a tonnage of new ships in 1 year equal to the entire tonnage of the British Empire prior to the Second World War. This Admiral Land has done and he has done it notwithstanding a multitude of demands and considerable vexation.

It should be said that the controversy concerning hiring rates was a controversy as to standards and that I took the view that Admiral Land took. I am glad to say the President appointed a committee of Federal judges to review this controversy and the report of the Federal judges was altogether in favor of the rates fixed by Admiral Land, and they took the legal view of the matter that he took. Moreover, one of the Federal courts has since allowed rates much higher than those allowed by Admiral Land.

It may be said further that the admiral has been governed by the constitutional requirement that no man shall be deprived of his property without just compensation, but he has been by no means extravagant measured by any standard heretofore set up by this Government. He has conferred with me frequently about his difficulty and his task. I have come to consider him as an example of a public servant, fearless, unselfish, utterly devoted to his duty, a great executive, a man of endless energy, and fitted as no other man that I know for the great task which was committed to him. I have unbounded confidence in his honesty and in his patriotism, and inexpressible admiration for him and the work that he has done.

I hope that he will receive the recognition from the Congress and the country which he so richly deserves.

With every good wish,
Very truly yours,

JOSIAH W. BAILEY.

HOUSE OF REPRESENTATIVES, U. S.,
Washington, D. C., May 23, 1944.

Hon. DAVID I. WALSH,
Chairman, Committee on Naval Affairs,
United States Senate,
Washington, D. C.

DEAR SENATOR WALSH: Pursuant to my conversation with you this morning, I shall be glad to appear at any time convenient to you in connection with the resolution pertaining to Admiral Land. You kindly advised me that it might be some day next week and that you would submit to me the charges and papers on which my testimony would be based and accorded me the privilege of having with me Mr. Zincke, who is the general counsel for the Committee on the Merchant Marine and Fisheries.

I shall be glad to have the information so as to fortify myself as much as possible on these charges. I do not know how extended the cross-examination may be, for generally speaking, I have no hesitancy in saying that nothing in the investigation of which I have a knowledge imputes moral turpitude or gross negligence to Admiral Land. Of course, with the volume of matters coming to his attention, it would be impossible for a man occupying his position to know intimately all details.

Personally, I shall be delighted to do everything I can for Admiral Land. I think that it is fortunate that we have such a man in his position. I think he is serving at a sacrifice and could make much more money on the outside than he is making. I believe that with all his faults, admitting that he has some, he has done an excellent job and we are much nearer to victory than we would have been without Admiral Land's work. If I can help in any way to secure for him what he desires, I should be delighted to have you call on me.

Mr. Zincke is at present in New York and I shall not be able to see him until he returns the first of next week to ascertain if he has made any engagements for next week. I should be delighted to help in every way I can.

Yours very sincerely,

S. O. BLAND.

Please call on me whenever I can serve you.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS—CONFERENCE REPORT

Mr. RUSSELL submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate numbered 60 to the bill (H. R. 4443) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: Restore the matter proposed to be stricken out by such amendment, amended to read as follows: ": *Provided further*, That no part of any funds available to the Department of Agriculture, the War Food Administration, or any bureau, office, corporation, or other agency constituting a part of such Department or Administration shall be used in the fiscal year 1945 for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled 'An Act to prevent pernicious political activities', approved August 2, 1939, as amended, or who has been found in accordance with the provisions of section 6 of the Act of July 11, 1919 (18 U. S. C. 201), to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels: *Provided further*, That none of the funds appropriated in this Act for the War Food Administration or any of its constituent agencies shall be paid out for the salary, per diem allowance, or expenses of any person after it is determined by the War Food Administrator that such person has, personally or by letter, demanded that a farmer join the triple A program as a condition of draft deferment or for the granting of a priority certificate for any rationed article or commodity. Hearings on charges filed with the War Food Administrator shall be held and decision made within thirty days after such charges are filed with him"; and the Senate agree to the same.

RICHARD B. RUSSELL,
J. H. BANKHEAD,
M. E. TYDINGS,
E. D. SMITH,
ARTHUR CAPPER,
WALLACE H. WHITE,
RUFUS C. HOLMAN,
Managers on the part of the Senate.

M. C. TARVER,
CLARENCE CANNON,
HARRY R. SHEPPARD,
ELMER H. WENE,
W. P. LAMBERTSON,
JOHN TABER,
Managers on the part of the House.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. RUSSELL. Mr. President, I desire to make a very brief statement in regard to this matter. The only amendment in disagreement in the agricultural appropriations bill, or the only amendment on which final action had not been completed was the so-called political activity amendment which was inserted in the bill in the House, and was stricken out in the Senate on a yea-and-nay vote.

The conferees have discussed this matter on two or three occasions. The Senate conferees had taken the position that it was unfair to single out any one department of the Government and to impose upon the personnel of that department limitations and restrictions which did not apply with uniformity to the personnel of all other departments and agencies of Government.

Mr. President, we were unable to sustain our position. The amendment which has been reported by the clerk represents a compromise of the House provision.

The Senate will recall that in the discussion of the House provision it was pointed out that the words "political activity" were rather broad. The amendment which was before the Senate originally as it came from the other House was very broad, and did not undertake to define political activities. The compromise amendment agreed to this morning does undertake to define political activities, but relates them to the terms of the Hatch Act. It provides that any person who has been found guilty of violating the Hatch Act shall not be allowed to draw, as compensation, any of the funds appropriated by the act.

The House amendment with reference to lobbying, and seeking to influence the action of Congress, undoubtedly could have been construed to prevent the right of petition. Under the amendment any person who so much as communicated with a Member of Congress on any subject, whether it related to the activities of the Department of Agriculture or not, could not receive any funds out of this appropriation providing the funds were to be used as compensation. The compromise relates the antilobbying provision specifically to the terms of the antilobbying statute, and provides that no person who has been found by his superior to have violated the terms of the antilobbying statute may receive any of the funds as compensation.

The greatest difficulty experienced in the conference was with regard to working out what has been called the Harness amendment, which undertakes to prescribe a penalty for supposed action on the part of local committeemen in intimidating farmers into participating in an agricultural program by the threat of withholding certificates for rationed commodities, or withholding recommendations regarding deferment of farm workers. Under the terms of the House provision each of the committeemen—and, indeed, all the field employees of the War Food Administration—would have been required each month to sign an affidavit asserting that they had not committed any of the acts which were prohibited by the limitations. The conferees changed the language so as to provide that no person shall receive any salary or overtime allowance, or any expense—that being the language of the original Harness amendment—when it is determined by the War Food Administrator that such person has undertaken to intimidate farmers in connection with the matters which are prohibited.

The language further provides that any charge which may be filed against any of the personnel must be determined by the War Food Administrator within 30 days following the filing of the charge. If any person were found to be guilty of malfeasance in office, or guilty of abuse of power, the amendment agreed upon would be much more effective than the original Harness amendment.

I may say, Mr. President, that the conference report was unanimous, and agreed to by all the conferees representing both parties who were present in the conference.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WHERRY. I am very much interested in this amendment. I assume that it is similar to the amendment which the Senator from Connecticut [Mr. DANAHER] submitted.

Mr. RUSSELL. No; the amendment sponsored by the Senator from Connecticut did not in any way relate to the Harness amendment. It undertook only to modify the first proviso which defined political activities. The conferees did not have a great deal of difficulty in working out that portion of it. Their greatest difficulty was in connection with the so-called Harness amendment, which related to the activities of local committeemen.

Mr. WHERRY. Would the amendment prevent sending out literature from Washington advocating participation in some program, with the understanding that if those who were solicited did not participate, certain things would take place? I did not hear all the explanation. I do not know what the Harness amendment is.

Mr. RUSSELL. It is the amendment which the Senator from Nebraska insisted upon when the subject was formerly under discussion in the Senate.

Mr. WHERRY. Is that the one?

Mr. RUSSELL. Yes. The original amendment provided that no person should receive compensation if guilty of certain alleged violations, but no provision was made for determining whether the person was guilty. The amendment agreed upon in conference provides that the War Food Administrator must make a determination within 30 days after a complaint has been filed, thereby making the language specific.

Mr. WHERRY. Was the amendment agreed to by the House?

Mr. RUSSELL. It was agreed to by all the conferees. I might say that in order to be sure that the rights of those interested in the Harness amendment were protected, the House conferees appointed a very able conferee who was not a member of the subcommittee of the Committee on Appropriations.

Mr. WHERRY. Our representation on the committee was not increased, was it?

Mr. RUSSELL. No. I think, however, that the action exceeded customary practices in such cases, because, as a rule, when a conferee is absent it is not customary to appoint someone to take his

place merely because of his absence. As a matter of fact, three members of the majority conferees on the part of the Senate were not present this morning. They did not complain against the appointment. They were glad to have the able gentleman present.

Mr. WHERRY. I wish to thank the Senator for the consideration given the matter.

Mr. RUSSELL. I am referring to the action of the House and not of the Senate.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. REVERCOMB. It was quite difficult to follow the early statements of the Senator from Georgia, because of numerous conferences taking place in the Chamber. Am I correct in my understanding that the subject to which the able Senator from Georgia addressed himself is with reference to the appropriation bill dealing with agriculture?

Mr. RUSSELL. It is.

Mr. REVERCOMB. Does the prohibition as to political activities deal with some particular agency?

Mr. RUSSELL. It does. I believe that the Senator from West Virginia was present when the matter was under discussion in the first instance. He will recall that the House had appended a long limitation to the agricultural bill which undertook to limit political activities of employees of the Agriculture Department. The amendment now under consideration is the one which grew out of that situation.

Mr. REVERCOMB. Would any political activity be prohibited?

Mr. RUSSELL. Yes; except the undefined political activity referred to in the original House provision. The conference committee sought to limit it to the political activity defined in the Hatch Act. The original language of the House amendment applied to any person who engaged in political activity, including, but not limited to, certain acts. The question was raised that such language might even prohibit a man from voting. So we undertook to resort to a statutory definition of political activity which prohibits activity in political campaigns, or the solicitation of subscriptions for any political campaign, or the solicitation of subscriptions to any publication which might be issued in connection with a political campaign.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WHITE. I wish to express my appreciation to the Senator from Georgia for the courtesy which he showed the minority in connection with this matter. It is true that originally there were two Republican conferees appointed to the conference. One of those Members was absent when the committee met. The Senator from Georgia very courteously consented to the addition of two Republican Members to act as members of the conference committee, and those Members participated in reaching a final agreement with respect to the so-called political section. The language agreed upon is, to be sure, a compromise. It does not go so far as some Members would wish it to go, but it takes a long step forward in the direction which some of us on this side of the Chamber and some on the other side of the Chamber are anxious to see taken. I feel sure that the result is the best that could be worked out, and I hope the Senate as a whole will indicate its approval.

Mr. RUSSELL. I thank the Senator for his statement. I may say that the action of the conference committee represents a compromise in that the Senate yielded considerable of its position taken by a recorded vote on a former occasion. I thank the Senator for his reference to the conferees.

I wish to say that ever since I have handled this bill my primary aim, insofar as committee operation is concerned, has been to avoid anything in the agricultural appropriation bill that might in the slightest degree partake of any partisan action. As a rule, the question of party among the membership of the subcommittee has never created a cleavage within the committee. We have proceeded on the idea that American agriculture was not a partisan matter, because there are Republican farmers and Democratic farmers and Socialist farmers. There has never been any partisanship in the committee, and I regretted very much when this matter was appended to this bill and so stated on the floor of the Senate at the time the amendment was pending—it was put in by the House—because it was calculated to draw a line of party cleavage. I hope we will never have another matter of that kind before the Subcommittee on Agricultural Appropriations.

Mr. WHERRY. I want to express my thanks to the chairman of the Subcommittee on Agricultural Appropriations.

Mr. RUSSELL. I was very happy that the Senator from Maine called my attention to it. I told him that he could name any representative he desired, and, if there were any members of the subcommittee who were absent, he could name any member of the full committee who was not a member of the subcommittee.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the bill (S. 1749) to amend section 3 of the act entitled "An act to authorize the President to requisition certain articles and materials for the use of the United States, and for other purposes," approved October 10, 1940, as amended, to continue it in effect.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 2472) for the relief of the estate of Gertrude Mullins.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3390) for the relief of Mavis Norrine Cothron and the legal guardian of Norma Lee Cothron, Florence Janet Cothron, and Nina Faye Cothron.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4899) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 2, 21, and 31 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 14 and 19 to the bill and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had severally agreed to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the following bills of the House:

H. R. 248. An act for the relief of Louis Courcil;

H. R. 544. An act for the relief of Rev. C. M. McKay;

H. R. 1313. An act for the relief of Delores Lewis;

H. R. 1411. An act for the relief of Eddie T. Stewart;

H. R. 1412. An act for the relief of Mildred B. Hampton;

H. R. 2625. An act for the relief of Edward E. Held and Mary Jane Held; and

H. R. 3538. An act for the relief of Rev. James T. Denigan.

USE OF CASHIER'S CHECKS IN PAYMENT FOR REVENUE STAMPS

Mr. GEORGE. Mr. President, yesterday, by unanimous consent, Calendar No. 829, Senate bill 1419, a bill introduced by the Senator from Florida [Mr. PEPPER], was considered and all the amendments were agreed to. The bill then went over. The minority leader has advised me that he has no objection to the final passage of the bill at this time. I ask, therefore, that the Senate recur to Calendar No. 829, Senate bill 1419.

The ACTING PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1419) to authorize collectors of internal revenue to receive cashier's checks of certain banking institutions in payment for revenue stamps.

The ACTING PRESIDENT pro tempore. The Chair is advised that all amendments to the bill were agreed to yesterday. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize collectors of internal revenue to receive certain checks and money orders in payment of taxes and for revenue stamps."

NATIONAL MONUMENT AT HARPERS FERRY

The ACTING PRESIDENT pro tempore. The clerk will state the next bill on the calendar.

The bill (H. R. 3524) to provide for the establishment of the Harpers Ferry National Monument was considered, ordered to a third reading, read the third time, and passed.

PAY AND ALLOTMENTS TO WAR CASUALTIES

The Senate proceeded to consider the bill (H. R. 4405) to amend the act approved March 7, 1942 (56 Stat. 143), as amended (56 Stat. 1092; 50 App. U. S. C., Supp. III, 1001–1017, inclusive), so as to more specifically provide for pay, allotments, and administration pertaining to war casualties, and for other purposes, which had been reported from the Committee on Naval Affairs, with amendments, on page 2, line 15, after the word "father", to insert "or unmarried dependent"; in line 16, after the word "stepchild", to strike out the comma and insert the word "or"; in the same line, after the word "child", to insert "under 21 years of age"; on page 5, line 8, after "Sec. 5", to strike out "Section" and insert "That section", and on page 7, line 18, after the word "allotment", to strike out "overpayments subsequent to such period" and insert "payments for periods subsequent to the termination, under this act or otherwise, of entitlement to pay and allowances."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. WALSH of Massachusetts subsequently said: Mr. President, in view of the interest in the laws relating to missing persons, I ask that there be printed in the RECORD in connection with the consideration of Calendar 1023, House bill 4405, the report of the committee.

There being no objection, the report (No. 1005) was ordered to be printed in the RECORD, as follows:

The Committee on Naval Affairs, to whom was referred the bill (H. R. 4405) to amend the act approved March 7, 1942 (56 Stat. 143), as amended (56 Stat. 1092; 50 App. U. S. C., Supp. III, 1001–1007, inclusive), so as to more specifically provide for pay, allotments, and administration pertaining to war casualties, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The bill clarifies and amends Public Law 490, Seventy-seventh Congress, approved March 7, 1942, as amended by Public Law 848, Seventy-seventh Congress, approved December 24, 1942.

The bill specifically—

(a) Clarifies and restates the term "civilian employee" of the Government for the purposes of the act.

(b) Clarifies and restates the term "dependent" for the purposes of the act.

(c) Provides that absent persons are entitle to pay and allowances up to the date of receipt of evidence of death in the department concerned.

(d) Broadens the authorizations for continuing in effect voluntary allotments from the pay of absent personnel, and for increasing or initiating allotments by eliminating the limitation that they be for support of dependents or for insurance premiums.

(e) Provides added authority to initiate, discontinue, increase, or decrease allotments from the pay of absent personnel.

(f) Provides that the determination made by the head of the department concerned in administering the act shall be final and conclusive.

(g) Provides that allotments paid between the date of death and the receipt of evidence of death in the department concerned, in cases of persons not previously in an absent status, are not collectible from the allottee and are not to be charged against the account of the deceased person.

(h) Provides for the determination of the fact of dependency in all 6-month death gratuity cases.

(i) Provides that the act may be cited as the "Missing Persons Act."

(j) Provides that the effective date is to be the same as the effective date of the basic act (from September 8, 1939).

The necessity for the enactment of this bill at the present time is set forth fully in the following excerpt from the House report:

"The basic act was processed through the Naval Committees of the Congress. The departments have found it very effective and important in wartime casualty administration. The act was predicated upon prior and more or less normal war experience and as far as could be foreseen at the time was adequate in its provisions. It was amended by Public Law 848 (77th Cong.), approved December 24, 1942, those amendments being brought about largely by failure of an enemy to comply with international agreements in reporting deaths and captures, which necessitated greater latitude in the continuance of absentees in a missing status.

"There has now been more than 2 years of experience in the administration of the act. During that time there have been unusual developments in the extent and character of land, sea, and air operations; there have been unanticipated situations and circumstances surrounding the absences of personnel and pertaining to the fiscal entitlements of absent and deceased personnel and their dependents.

"To meet current and anticipated conditions, including the post-war period, there is need of a more definite fixing of responsibilities upon the War and Navy Departments, along with authorizations to meet these responsibilities by prompt and conclusive determinations. There is likewise a need for clear and equitable provisions, for the guidance of the departments and of the accounting officers, in such matters as entitlement to pay and allowances, payment of allotments, collection of overpayments, preparation, and settlement of accounts.

"The amendatory legislation in H R. 4405 is designed to meet such needs as have arisen and as are anticipated, in such manner as to insure the considerate and equitable treatment by their Government of those citizens who, either as members of the armed forces or as dependents of such members, suffer the hazards of war conveyed by now familiar terms such as missing in action, prisoner of war, killed in action."

The following excerpts from the House report explain in more detail the various sections of the bill:

"SECTION 1

"Section 1 of the bill amends the present law by redefining the term 'civilian employee of a department' for purposes of the act. The amendment makes it clear that an employee 'serving' outside the United States, whether sent therefrom or locally employed, is entitled to benefits of the act if missing, captured, or interned. No distinction is made as to race, nationality, or domicile. However, the term is clearly defined not to include intermittent or part-time employees or native labor casually hired on an hourly or per diem basis. Civilian employees of contractors have been adequately provided for by other legislation. The exclusions now made seem fully justified by the concept that the act is designed to protect and insure the morale of persons in the military or naval service or in the regular employment of the Government when such service or employment outside the United States exposes them to the hazards of war.

"Section 1 of the bill also restates the meaning of the term 'dependent' as used in the act. In the present law there is reference to a section of the United States Code now repealed; the amendment remedies this by a direct enumeration of the individuals embraced in the term 'dependent.' The amendment also continues to include dependents 'designated in official records' and is made to include for all purposes a category which has been heretofore mentioned only in section 3 for allotment purposes, i. e., individuals 'determined to be dependent by the head of the department concerned, or subordinate designated by him.' In effect the amended definition of dependent is clarifying without changing the substance of the present law which has proven satisfactory.

"SECTION 2

"Section 2 of the bill amends section 2 of the act. This section, containing a basic provision of the bill, resolves all doubt or disagreement as to the period for which there is entitlement to pay and allowances in the case of the death of a person who is absent in the status of missing, missing in action, interned in a neutral country, captured by an enemy, beleaguered or besieged.

"Delays in receiving evidence of the deaths of such persons are inevitable, numerous, and protracted. The termination of the entitlement to pay and allowances as of a date of death which long antedates the receipt of such notice or the evidence thereof is a cause of hardship and discrimination; this, however, has been the controlling interpretation of the law. Relief from this obstacle to equitable administration caused a request to be submitted to the Attorney General for an interpretation. His reply counseled a conclusive determination of the controversial question by litigation or legislation, expressing a preference for the latter. Section 2 of the bill determines the question in a clear and definite manner by providing that pay credits should be continued and validated up to the date of receipt of a report or evidence of death in the department concerned.

"A report is received in the department concerned on June 15, 1944, that a person reported as missing in action on March 1, 1944, did in fact die on March 1, 1944. Section 2 of the bill would permit his account to be credited with pay and allowances through June 15, 1944, the date the report of death was received in the department concerned. Under the interpretation that has been placed upon the existing law, the entitlement to pay and allowances terminated on April 1, 1944. This was because the present law provides that—

"'Any person who is * * * missing * * * shall, while so absent, be entitled to receive or to have credited to his account the same pay and allowances to which such person was entitled at the time of the beginning of the absence or may become entitled to thereafter.'

"It has been held that, when evidence of death is received no pay and allowances can be credited for any period subsequent to the actual date of death because there was no such period during which such person was absent. Section 2 of the bill removes this difficulty by providing affirmatively that such person is entitled to pay and allowances 'for

the period he is officially carried or determined to be in' a missing status, and by specific provision that entitlement terminate upon date of receipt of evidence of death; thus a determination that a person has died may not conclude period of entitlement to pay as of the determined date of death.

"SECTION 3

"Section 3 of H. R. 4405 amends section 3 of the basic act. The present law contains two essential authorizations, both being in the nature of extension of allotment, of pay privileges, and neither intended to be restrictive of such privileges. These authorizations are (1) that the voluntary allotments executed by an individual be continued during any subsequent period of absence of such individual in a missing or other casualty status; (2) for necessary increases or granting of new allotments by the head of the department from the pay of absentees when warranted by inadequacy of the absentee's previously executed allotments. The authorizations, in conformity with the principal allotment practices at the time, described the allotments as 'for the support of dependents or payment of insurance premiums.' Since the original enactment there has been a great increase in the volume of allotments for savings, for War bond purchases, and for other financial commitments of the allotter. There have also been many meritorious requests for increases and new allotments which although definitely in the interests of the missing person would not be permitted under a rigid interpretation of the term 'for the support of dependents.'

"Experience has demonstrated the equity and the desirability of insuring all personnel that all of the allotments of pay they have been permitted to make will be continued in effect during their absence in a missing or other casualty status. Likewise there should be assurance that increases in allotments or new allotments, the necessity or desirability of which arises during a man's absence and inability to register same himself, may be granted by the head of the department when convinced they are warranted in the interests of the individual and dependents.

"The provision is retained placing as a ceiling upon the aggregate amount of all allotments in effect the maximum that the person could allot himself if he were present to do so. The ceiling is determined by department regulations which may be general regulations or special regulations applicable to these absentees, such as permitting allotment of flying pay of an absentee which for administrative reasons may not be allotable by persons on a duty status.

"Section 3 of H. R. 4405 makes no change in the basic law other than to broaden the authorizations for continuing allotments in effect, and for increasing or initiating allotments, by eliminating the limitation that they be for support of dependents or insurance.

"SECTION 4

"Section 4 of H. R. 4405 amends section 4 of the basic act. The present law authorizes the head of department, in consideration of special circumstances pertaining to the absence of a missing person, prisoner of war, or internee, to direct continuance, suspension, or resumption of payments of pay and allowances (allotments) of such person, if such action is justified in the interests of the Government, of the missing person or of a dependent. An authorization of this character is an essential corollary of the general rule stated in section 3 for continuance and granting of allotments. Its principal application hereafter will be in discontinuances, decreases, and suspensions warranted by special circumstances. There are many instances of the stopping or decrease of allotments being warranted to meet changes in the conditions that were existent at the time the allotments were executed. The present law being limited to "continuance, suspension, or resumption of payments" has been found not sufficiently flexible to insure appropriate and definite action under many of the special circumstances that arise. The amendment provides the needed flexibility by adding authority to initiate, discontinue, increase, or decrease payments.

"SECTION 5

"Section 5 of the bill amends section 9 of the act by adding thereto a number of provisions designed to permit a more efficient and expeditious administration of the act. Experience has demonstrated the necessity for amendment of the basic act in relation to those many determinations of administrative and fiscal matters that arise in the broad field of casualty administration. Such determinations in order to fully serve their purposes and to facilitate good administration must be prompt, equitable, and conclusive. They are requisite in such matters as evaluation of reports and information, the status of individuals, essential dates, appropriable debits and credits to individual accounts in casualty cases, waiver of overpayments, and facts of dependency. At present section 9 grants authority to make conclusive determinations of status, payments, and death findings. The language used 'within the scope of the authority granted by this act' throws practically all cases open to interpretation by the accounting officers as to whether accounts in casualty cases, waiver of overpayments, and facts of dependency. At present section 9 grants authority to make conclusive determinations of status, payments, and death findings. The language used 'within the scope of the authority granted by this act' throws practically all cases open to interpretation by the accounting officers as to whether within the scope of the authority granted. The bill would remove ambiguities by authorizing all determinations that the head of the department concerned finds necessary in the administration of the act.

"SECTION 6

"Section 6 of H. R. 4405 amends section 10 of the basic act. The present section confers upon the head of department, or such subordinate as he may designate, authority to make final and conclusive determinations of facts of dependency arising in the administration of this act. It confers similar authority under provisions of other laws where payments of pay and allowances to enlisted men are contingent upon dependency. The latter has no application to payments of any kind that are made to dependents or heirs.

"The amendment makes no change other than to confer similar authority to conclusively determine the fact of dependency when it is an issue in any case of payment of the 6 months' death gratuity authorized by law. Existing law already confers authority for conclusive determinations by department heads for dependents not designated by the serivceman but does not do so for those designated by him. Uniformity is highly desirable.

"SECTION 7

"Section 7 of H. R. 4405 adds a new section, numbered 19, to the basic act. It provides that the act may be cited as the 'Missing Persons Act,' this being a frequently used expression and there being an administrative need for such a short title for reference purposes.

"SECTION 8

"Section 8 of H. R. 4405 fixes the effective date of the amendments. The date is made the same as the effective date of the basic act (from September 8, 1939) stated in section 15 thereof."

The bill meets with the approval of the War and Navy Departments, the Veterans' Administration, and has been cleared by the Bureau of the Budget.

The committee are of the opinion that the present bill is essential to the orderly administration of the law governing war casualties and to the equitable and sympathetic treatment of the service men and women who suffer the hazards of war, their families, and dependents.

Some additional cost to the Government will result if the bill is enacted, but no estimate thereof is practicable. The committee are also of the opinion that the additional cost is justified in the interests of equitable treatment of our armed forces and their dependents.

CHARLES T. ALLEN

The Senate proceeded to consider the bill (S. 1226) for the relief of Charles T. Allen, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$6,000" and insert "$2,717.60"; and in line 10, after the word "May", to strike out "5" and insert "10", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles T. Allen, of Wilmington, N. C., the sum of $2,717.60, in full satisfaction of his claims against the United States for compensation for the death of his minor son, Charles Joseph Allen, who died as a result of injuries sustained when he was struck by a United States Army truck on May 10, 1942, and for reimbursement of medical, hospital, and funeral expenses incurred by him as a result of such injuries and death: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with his claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FRED A. DIMLER AND GWENDOLYN E. DIMLER

The bill (S. 1995) for the relief of Fred A. Dimler and Gwendolyn E. Dimler, his wife, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to Fred A. Dimler and Gwendolyn E. Dimler the amount of $2,030.16, in full settlement of all claims against the United States for the value of personal property destroyed by fire while stored in a Government building in Alaska: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

APPROPRIATIONS FOR THE DEPARTMENT OF LABOR, THE FEDERAL SECURITY AGENCY, AND RELATED INDEPENDENT AGENCIES—CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4899) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 5, 9, 13, 23, 24, and 25.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 4, 6, 7, 10, 15, 16, 17, 22, 26, 27, 28, 29, and 30, and agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$255,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the number proposed insert "2½"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In line 2 of the matter proposed to be inserted by such amendment after the word "out", and before the comma, insert "and completing"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$29,000,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 14, 19, 21, and 31.

KENNETH McKELLAR,
RICHARD B. RUSSELL,
WALLACE H. WHITE, Jr.,
CLYDE M. REED,
Managers on the part of the Senate.

BUTLER B. HARE,
M. C. TARVER,
ALBERT THOMAS,
CLINTON P. ANDERSON,
ALBERT J. ENGEL,
H. CARL ANDERSEN,
Managers on the part of the House.

Mr. McKELLAR. I ask unanimous consent for the immediate consideration of the report.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the report was considered and agreed to.

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain Senate amendments, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 22, 1944.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 2, 21, and 31 to the bill (H. R. 4899) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 14 to said bill and concur therein with an amendment as follows: In lieu of the sum named in said amendment, insert "$175,000."

That the House recede from its disagreement to the amendment of the Senate numbered 19 to said bill and concur therein with an amendment as follows: At the end of the matter inserted by said Senate engrossed amendment, before the period, insert "*Provided further*, That any personal property formerly belonging to the National Youth Administration and loaned to any public school, school system, or institution of higher education within any State under the provisions of Public Law 140, Seventy-eighth Congress, under the heading 'War Manpower Commission,' shall vest in, be, and become the property of such school, school system, or institution of higher education in which such property is located."

Mr. McKELLAR. I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 14 and 19.

The motion was agreed to.

Mr. McKELLAR. That completes the bill, as I understand, and it now goes to the President.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). The Chair understands that completes legislative action on the bill.

The clerk will state the next bill on the calendar.

G. H. GARNER

The Senate proceeded to consider the bill (H. R. 1963) for the relief of G. H. Garner, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$2,500" and insert "$1,250"; in line 7, after the word "for", to strike out "the loss of the sight of one eye; the said G. H. Garner having lost sight in one eye by reason of an injury in an automobile" and insert "personal injuries sustained by him as the result of an accident."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time and passed.

MRS. HAGAR SIMPSON AND OTHERS

The Senate proceeded to consider the bill (H. R. 2006) for the relief of Mrs. Hagar Simpson, Mrs. Nat Price, Junior, and Griffin Brothers Clinic, which had been reported from the Committee on Claims with an amendment on page 1, line 6, after the name "Texas", to insert "and"; and in line 8, after the word "injuries", to insert "and medical and hospital expenses."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act for the relief of Mrs. Hagar Simpson and Mrs. Nat Price, Junior."

L. M. FELLER CO. AND WENDELL C. GRAUS

The bill (H. R. 4528) for the relief of L. M. Feller Co., and Wendell C. Graus, was considered, ordered to a third reading, read the third time, and passed.

ROSS ENGINEERING CO.

The bill (H. R. 2965) for the relief of Ross Engineering Co., was considered, ordered to a third reading, read the third time, and passed.

JOHN M. O'CONNELL

The bill (H. R. 2530) for the relief of John M. O'Connell was considered, ordered to a third reading, read the third time, and passed.

KATHERINE SCHERER

The Senate proceeded to consider the bill (H. R. 3929) for the relief of Katherine Scherer, which had been reported from the Committee on Claims with an amendment on page 1, line 5, after the words "sum of", to strike out "$5,215" and insert "$2,200.85."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ESTATE OF NELSON HAWKINS

The bill (H. R. 3281) for the relief of the estate of Nelson Hawkins, was considered, ordered to a third reading, read the third time, and passed.

J. WILLIAM INGRAM

The bill (H. R. 3431) for the relief of J. William Ingram, was considered, ordered to a third reading, read the third time, and passed.

WILLIAM DYER

The bill (H. R. 3280) for the relief of William Dyer, was considered, ordered to a third reading, read the third time, and passed.

ELIZABETH POWERS LONG

The bill (H. R. 2151) for the relief of Elizabeth Powers Long was considered, ordered to a third reading, read the third time, and passed.

LUELLA F. STEWART

The bill (S. 1717) for the relief of Luella F. Stewart, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That the Comptroller General of the United States is hereby authorized and directed to credit the account of Luella F. Stewart, former postmaster at Bottineau, N. Dak., in the sum of $1,153.30, the amount due the United States on account of loss of post-office funds resulting from the failure of the Bottineau County Bank, Bottineau, N. Dak., which closed September 27, 1923.

MR. AND MRS. JOHN CUSHMAN

The bill (H. R. 4197) for the relief of Mr. and Mrs. John Cushman was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF CARLOS PÉREZ AVILÉS

The bill (H. R. 3539) for the relief of the estate of Carlos Pérez Avilés, was considered, ordered to a third reading, read the third time, and passed.

MRS. SAMUEL M. McLAUGHLIN

The bill (H. R. 2333) for the relief of Mr. Samuel M. McLaughlin, was considered, ordered to a third reading, read the third time, and passed.

MRS. JOHN ANDREW GODWIN

The bill (H. R. 3586) for the relief of Mrs. John Andrew Godwin, was considered, ordered to a third reading, read the third time, and passed.

JOSEPHINE GUIDONI

The bill (H. R. 3636) for the relief of Josephine Guidoni, was considered, ordered to a third reading, read the third time, and passed.

BRIDGE ACROSS THE MISSOURI RIVER AT NEBRASKA CITY, NEBR.

The bill (H. R. 4041) to amend the act relating to the construction and maintenance of a bridge across the Missouri River at or near Nebraska City, Nebr., was considered, ordered to a third reading, read the third time, and passed.

MULTIPLE TAXATION OF AIR COMMERCE

The bill (H. R. 4935) to provide for a study of multiple taxation of air commerce, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

REVISION OF LAWS RELATING TO PUBLIC HEALTH SERVICE

The bill (H. R. 4624) to consolidate and revise the laws relating to the Public Health Service, and for other purposes, was announced as next in order.

Mr. REVERCOMB. I ask that the bill be passed over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

Mr. THOMAS of Utah. Mr. President, I trust the Senator from West Virginia will not ask that the bill go over. I should like to make an explanation of it, if he wishes. It is a bill which is needed about as badly as any measure we can think of. It is a bill which has been worked upon for at least 2 years by a committee of the House of Representatives, and it passed the House of Representatives unanimously. It was reported from the Senate Committee on Education and Labor unanimously. It does not in any way, with the exception of the provision with respect to tuberculosis, add to the expenses of the Government. The tuberculosis section was adopted by the House of Representatives unanimously, and has been reported favorably by the Committee on Education and Labor of the Senate. There was not a single person who appeared against it in the hearings held in the House of Representatives or the hearing held in the Senate.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I am glad to yield.

Mr. REVERCOMB. I may say that I do not know what the bill contains. There is no print of it on my desk. I have not been able to find it. My docket and my book of printed bills ends with Calendar No. 1043. The title of the bill which is being discussed by the able Senator from Utah is "An act to consolidate and revise the laws relating to the Public Health Service." I certainly should want to have an opportunity to see the bill and to learn what is in it before we pass it on the Consent Calendar.

Mr. THOMAS of Utah. Of course, Mr. President, no one can object to what the Senator from West Virginia has just stated. However, the bill has been printed, it has been available, it has been studied, but the new printing, with the amendments which were added, has not been sent to the Printing Office for some reason. I do not know what the reason is.

If the Senator will look at the report, he will find that every change is noted by page and by line in the most minute detail. That was done, because there has been the closest cooperation between the Senate committee and the House committee, and every amendment submitted to our committee received the informal approval of the House committee before we considered it and before it was put into the bill.

This bill is a codification of laws which have been in existence since before the Constitution of the United States, as public-health legislation started in the Continental Congress. We now find ourselves in the war emergency, and discover conditions as they are, and realize, for example, that there has not been adequate inspection of a single boat during wartime, that our boys are coming home from all parts of the world, and we can appreciate that the risks to our country are so great that to delay action at this time is deemed hazardous by the public-health authorities.

The bill was given careful consideration by both the House committee and the Senate committee. It was carefully studied. It does not add to the law of the land, nor does it take away from the law of the land, but merely brings the law up to date, in such a way that one of the most vital and most necessary agencies of our Government may operate unhampered, at a time when our country is really imperiled. The tuberculosis provision alone shows that, and there are coming back to our country from all parts of the world men afflicted with malaria and other sicknesses.

Mr. REVERCOMB. Will the Senator yield further?

Mr. THOMAS of Utah. I yield.

Mr. REVERCOMB. I am not doubting for a moment that the able Senator has the views he expresses about the bill I do not know what is in the bill. The print is not here. I do not think any other Senators know what is contained in the bill, and I do not wish to agree to the passage of a measure without adequate consideration by the Senate, and when we do not even have a print before us.

Let me say to the Senator that there is no one in this Chamber more interested than I in looking after the public health and the welfare of the citizens of this country, and particularly those engaged in the armed service, but I must ask that the bill go over during the consideration of measures on the Consent Calendar, until I at least have an opportunity to discuss it with the Senator from Utah. That is my feeling about this subject, as it would be about any other subject of legislation.

Mr. THOMAS of Utah. I am wondering whether the Senator from West Virginia would be willing to have the bill taken up tomorrow under special order, or would consent to some arrangement. If I were not so sure that the Senator from West Virginia could find no objection, and will find no objection, I would not press it, but never has a bill been more carefully examined than has this bill by the Committee on Interstate and Foreign Commerce of the House of Representatives. I know of that study because it has been going on for over 2 years, and I introduced a companion bill, and the Senate committee has been studying it at the same time.

Mr. REVERCOMB. If the Senator will yield further, I wish to point out, from the report, that we are dealing with the codification of laws applicable to the Puolic Health Service which are the result of the accumulation over a century and a half of a great number of enactments. However meritorious the bill may be from the viewpoint of the Senator from Utah, for whose opinion I have great respect, I care not how meritorious it may be from the viewpoint of those who are managing the bill on the floor, we should have opportunity to consider it, and we should not let it pass without consideration. That is why at this time I ask that the bill go over. I wish to discuss it with the Senator from Utah or with someone else interested in the bill.

Mr. GEORGE. Mr. President, this bill is voluminous, as a document. When the bill passed the House and came to the Senate, there was some question of the committee jurisdiction, and perhaps the fact that a similar or identical bill had been introduced by the distinguished Senator from Utah was overlooked. At any rate, some question arose with the Presiding Officer of the Senate as to whether the bill should go to the Finance Committee, because it dealt with customs, or should go to the Committee on Commerce, because it was considered by the Committee on Interstate and Foreign Commerce in the House.

I looked into the bill, made some examination of it, and gave it some scrutiny to see whether it was a mere codification or clarification, and was intended to be that only, without adding new laws. I reached the conclusion that it was, just as the Senator from Utah has stated. I suggested to the Presiding Officer that the bill be referred to the Committee on Commerce, thinking that that commit-

tee was the only other committee which perhaps would have jurisdiction.

Subsequently, on the motion of the Committee on Commerce, the bill was referred to the Committee on Education and Labor, and the chairman of the Committee on Commerce brought the matter to my attention. So I have looked into the bill from time to time, and I believe the Senator from West Virginia might very well satisfy himself by tomorrow of the contents of the bill, and might conclude that it is a highly desirable piece of legislation. I hope very much the Senator can do so by tomorrow. I am sure the Senator from Utah will be very glad to enter into conference with the Senator from West Virginia.

Mr. HILL. Mr. President, I concur in what the Senator from Georgia has stated. I happen to be the chairman of the subcommittee of the Committee on Education and Labor which held hearings on the bill. What the Senator from Georgia has said is absolutely correct. This is a codification of existing law, without new matter, except the tuberculosis provision to which the Senator from Utah has called attention. The provision with reference to tuberculosis has already passed the House of Representatives in a separate bill.

As the Senator from Utah has said, the bill has been most carefully considered. The subcommittee of the House Committee on Interstate and Foreign Commerce, of which Representative BULWINKLE is chairman, gave the bill long and careful consideration, and the minority was ably represented by the distinguished Representative from Ohio, Mr. BROWN.

I know that both Representative BROWN and Representative BULWINKLE have worked for a long time on this bill. The subcommittee of the Senate committee, in giving it consideration, have kept in touch with both Representative BULWINKLE and Representative BROWN. The subcommittee of the House committee reported the bill unanimously to the full committee, the full committee reported the bill unanimously to the House, and the House passed the bill by unanimous vote.

Mr. REED. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. REED. Are we proceeding under the 5-minute rule?

Mr. HILL. Mr. President, I would not expect my friend the Senator from Kansas to ask that question. There might be some Senators whom I could expect to ask such a question, but not my friend the Senator from Kansas. If he will withhold his inquiry for a moment, I wish to urge the Senator from West Virginia to give the bill his prompt consideration, and let us see if we cannot pass the bill so it will become law before the Senate recesses. There are many impelling reasons why the measure should be passed quickly.

Mr. REVERCOMB. Mr. President, I shall insist that the bill go over, but at the same time I will give it my consideration, and will discuss it with the Senator from Utah or any other Senators interested in the passage of the proposed legislation, today if possible.

Mr. THOMAS of Utah. Mr. President, I shall request that the bill be considered tomorrow. I give notice that I will call it up tomorrow, because it is a matter on which action is necessary immediately, and I feel we are justified in requesting consideration of the measure tomorrow.

AMENDMENTS TO INTERSTATE COMMERCE ACT

Mr. REED. Mr. President, I ask unanimous consent to revert to Calendar No. 918, Senate bill 1473.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. REED. Mr. President, the senior Senator from Michigan [Mr. VANDENBERG] objected to the bill when it was reached on the calendar. He now informs me that he has no objection to consideration of the bill, and I should like to take about 2 minutes to explain the bill, and I hope there will be no objection thereafter to consideration of it.

The purpose of the bill is to place express companies on the same basis with respect to extending credit to shippers as railroad companies now are. The other provisions of the bill are mainly suggestions by the Interstate Commerce Commission for some slight modification in formal procedure. Were the Senator from Montana present he would urge the passage of the bill. However, he is not here now. I am quite familiar with the measure. I can say to the Senate that there is nothing controversial in the bill.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. REED. Certainly.

Mr. WHITE. As I understand the situation, under the present law railroad carriers are authorized to extend credit to their clients or customers, whatever the correct expression may be, and the main purposes of the bill in question are to extend the same privilege to express companies; that is, to permit them to extend charge accounts.

Mr. REED. I would not want the Senator to understand that that is all the bill provides, but I will say that that is one of the main purposes.

Mr. WHITE. There are other purposes, but that is the main purpose?

Mr. REED. The express companies will then be brought into a better situation than they now occupy with respect to filing tariffs, and so forth.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 1473) to amend the Interstate Commerce Act, as amended, which had been reported from the Committee on Interstate Commerce with amendments.

The first amendment was, in section 1, on page 2, line 5, after the word "freight", to insert "or express shipments"; and at the end of the section to add a new proviso, so as to make the section read:

That the first sentence of paragraph (2) of section 3 of the Interstate Commerce Act, as amended, is amended to read as follows:

"(2) No carrier by railroad and no express company subject to the provisions of this part shall deliver or relinquish possession at destination of any freight or express shipment transported by it until all tariff rates and charges thereon have been paid, except under such rules and regulations as the Commission may from time to time prescribe to govern the settlement of all such rates and charges and to prevent unjust discrimination: *Provided*, That the provisions of this paragraph shall not be construed to prohibit any carrier or express company from extending credit in connection with rates and charges on freight or express shipments transported for the United States, for any department, bureau, or agency thereof, or for any State or Territory or political subdivision thereof, or for the District of Columbia: *Provided further*, That the provisions of this paragraph with respect to express companies and express shipments shall not become applicable until October 1, 1944."

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 19, after the word "notice", to insert "of the suspension of a tariff or schedule"; in line 21, after the word "filed", to strike out "a" and insert "said"; and in line 24, after the word "notice", to insert "of the suspension of a joint tariff or schedule"; on page 3, line 1, after the word "filed", to strike out "a" and insert "said"; in line 2, before the word "naming", to strike out "party," and insert "party"; and in line 9, before the word "title", to insert "1940 edition", so as to make the section read:

SEC. 2. Paragraph (5) of section 16 of the Interstate Commerce Act, as amended, is amended to read as follows:

"(5) Every order of the Commission shall be forthwith served upon the designated agent of the carrier in the city of Washington or in such other manner as may be provided by law. In proceedings before the Commission involving the lawfulness of rates, fares, charges, classifications, or practices, service of notice of the suspension of a tariff or schedule upon an attorney in fact of a carrier who has filed said tariff or schedule in behalf of such carrier naming the rates, fares, charges, classifications, or practices involved in such proceedings shall be deemed to be due and sufficient service upon the carrier, and service of notice of the suspension of a joint tariff or schedule upon a carrier which has filed said joint tariff or schedule to which another carrier is a party naming the rates, fares, charges, classifications, or practices involved in such proceedings shall be deemed to be due and sufficient service upon the several carriers parties thereto. Such service of notice may be made by mail to such attorney in fact or carrier at the address shown in the tariff or schedule. The provisions in this paragraph are additional to those made in section 6 of the act of June 18, 1910 (U. S. C., 1940 ed., title 49, sec. 50)."

The amendment was agreed to.

The next amendment was to insert a new section 4, as follows:

SEC. 4. Subparagraph (c) of paragraph (7) of section 20 of the Interstate Commerce Act is amended to read as follows:

"(c) Any carrier or lessor, or person furnishing cars or protective service, as referred to in paragraph (6) of this section, or any officer, agent, employee or representative thereof, who shall fail to make and file an annual or other report with the Commission within the time fixed by the Commission, or to make specific and full, true, and correct answer to any question within 30 days from the time it is lawfully required by the Commission so to do, shall forfeit to

the United States the sum of $100 for each and every day it shall continue to be in default with respect thereto."

The amendment was agreed to.

The next amendment was, on page 4, line 15, to change the section number from "4" to "5"; on the same page in line 21, after the word "notice", to insert "of the suspension of a tariff or schedule"; in line 23 after the word "filed", to strike out "a" and insert "said"; on page 5, line 2, after the word "notice", to insert "of the suspension of a joint tariff or schedule"; and in line 3, after the word "filed", to strike out "a" and insert "said", so as to make the section read:

SEC. 5. (a) The third sentence of subsection (a) of section 221 of the Interstate Commerce Act is amended by striking out the word "registered."

(b) The last sentence of such subsection (a) is amended to read as follows: "In proceedings before the Commission involving the lawfulness of rates, fares, charges, classifications, or practices, service of notice of the suspension of a tariff or schedule upon an attorney in fact of a carrier who has filed said tariff or schedule in behalf of such carrier naming the rates, fares, charges, classifications, or practices involved in such proceedings shall be deemed to be due and sufficient service upon the carrier and service of notice of the suspension of a joint tariff or schedule upon a carrier which has filed said joint tariff to which another carrier is a party naming the rates, fares, charges, classifications, or practices involved in such proceedings shall be deemed to be due and sufficient service upon the several carriers parties thereto, but such manner of service shall not be considered as excluding service in any other manner authorized by law."

The amendment was agreed to.

The next amendment was, on page 5, line 10, to change the section number from 5 to 6.

The amendment was agreed to.

The next amendment was on page 6 to change the section number from "6" to "7"; in line 7, after the word "notice", to insert "of the suspension of a tariff or schedule"; in line 9, after the word "filed", to strike out "a" and insert "said"; in line 12, after the word "notice", to insert "of the suspension of a joint tariff or schedule"; and in line 14, after the word "filed", to strike out "a" and insert "said", so as to make the section read:

SEC. 7. (a) The third sentence of subsection (a) of section 315 of the Interstate Commerce Act is amended by striking out the word "registered."

(b) The last sentence of such subsection (a) is amended to read as follows: "In proceedings before the Commission involving the lawfulness of rates, fares, charges, classifications, or practices, service of notice of the suspension of a tariff or schedule upon an attorney in fact of a carrier who has filed said tariff or schedule in behalf of such carrier naming the rates, fares, charges, classifications, or practices involved in such proceedings shall be deemed to be due and sufficient service upon the carrier and service of notice of the suspension of a joint tariff or schedule upon a carrier which has filed said joint tariff to which another carrier is a party naming the rates, fares, charges, classifications, or practices involved in such proceedings shall be deemed to be due and sufficient service upon the several carriers parties thereto, but such manner of service shall not be considered as excluding service in any other manner authorized by law."

The amendment was agreed to.

The next amendment was on page 6, beginning in line 20, to strike out section 7, as follows:

SEC. 7. Subsection (c) of section 411 of the Interstate Commerce Act is amended to read as follows:

"(c) After January 1, 1944, it shall be unlawful for any director, officer, employee, or agent of any common carrier subject to part I, II, or III of this Act or of any person controlling, controlled by, or under common control with such a common carrier, in his or their own personal pecuniary interest, to own, lease, control, or hold stock in, any freight forwarder, directly or indirectly, unless such ownership, lease, control, or holding shall have been authorized by order of the Commission, upon due showing, in form and manner prescribed by the Commission, that neither public nor private interests will be adversely affected thereby; but this subsection shall not forbid or preclude the holding of a director's qualifying shares of stock from which no personal pecuniary benefit is derived by the holder."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLAIM OF McCULLOUGH COAL CORPORATION

Mr. TYDINGS. Mr. President, I ask unanimous consent to proceed to the consideration of Calendar 888, House bill 1519, conferring jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of the McCullough Coal Corporation against the United States. I understand the bill went over on a previous call of the calendar day because there was no one on the floor to make an explanation of it when it was reached.

Mr. WHITE. Mr. President, I am sorry to be the bearer of ill tidings, but I have been requested to ask that that bill go over if called on the calendar, and I feel impelled to do so.

Mr. TYDINGS. Mr. President, would it be asking too much of the Senator to tell me who made the request, so I may confer with him and find out what the objection is?

Mr. WHITE. The request comes from the Senator from Connecticut [Mr. DANAHER].

The PRESIDING OFFICER. Objection is heard.

J. T. TAULBEE AND MRS. BERTIE LEILA PARKER

Mr. BARKLEY. Mr. President, I ask unanimous consent for the present consideration of House bill 1497, which was unanimously reported from the Committee on Claims earlier in the day. This is a bill to compensate for the death of a citizen caused by the negligence of the War Department. It is recommended by the Secretary of War.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 1497) for the relief of J. T. Taulbee, deceased, and Mrs. Bertie Leila Parker.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

ACTION BY THE WAR DEPARTMENT TO FACILITATE VOTING BY MEMBERS OF THE ARMED FORCES

Mr. GREEN. Mr. President, the War Department has delivered to the Committee on Privileges and Elections four copies of an informal compilation entitled "Action by the War Department Through June 15, 1944, in Carrying Out the Provisions of Public Law 277, Seventy-eighth Congress," together with copies of three soldier voting posters which the Army has already published and distributed. This material was assembled by the War Department for its own uses, and copies have been made available to congressional committees for their information. I believe that this information should be made available to Members of the Senate.

The compilation records a real achievement by the War Department in the short time since Public Law 277 became effective, in taking detailed action to give effect to the new act. It augurs well for an impartial opportunity being offered to most eligible soldiers, wherever they may be stationed, to vote in the November general election.

I should like to refer specifically to some of the items included in the compilation.

(a) There are included three basic orders: a War Department Bulletin, No. 5, containing the complete text of the new law—published, incidentally, on the first day the act took effect; a War Department Circular, No. 128, explaining the new law, and a War Department Circular, No. 238, dealing with voting in the general election. These orders, issued under the authority of the Secretary of War, have a distribution down to companies and similar small units all over the world.

(b) There are also included two extremely detailed and informative War Department pamphlets, for use primarily by soldier-voting officers. One is the Overseas Manual, dated June 5, and the other is the Domestic Manual, dated June 8. These are also issued under the authority of the Secretary of War and have a similar world-wide distribution.

(c) Then there are three soldier voting posters, now in course of distribution wherever our troops may be. The first gives general information on voting. The second sets forth in exact detail the requirements for voting by State absentee ballot for each State and Territory. The third is a map of the United States, identifying for voters the geographical limits of the congressional districts. I understand that the fourth and fifth posters in the series, which deal with the nominated candidates for Federal office and with procedure for voting by Federal ballot, will be issued later when they are necessary. Data for them are received from the United States War Ballot Commission, which is charged under the law with obtaining the information.

(d) The compilation also includes the series of six War Department circulars issued from time to time during 1943 and 1944, in order to explain to soldiers the basic facts concerning the 1944 primary elections.

There are many other items of interest in the compilation, but those which I have referred to are, I think, the most informative as to the manifold steps which the Army has already taken to carry out the will of Congress. I shall be glad to make available to interested Senators the copies of this material which have been supplied to the Committee on Privileges and Elections. I believe other copies have been furnished to the Senate Committee on Post Offices and Post Roads, the Committee on Military Affairs, and like committees of the House.

The Army has certainly taken steps to see that all possible soldiers desiring to vote shall have the opportunity to do so, without coercion or pressure, and to see that all balloting material, State and Federal alike, without preference one over the other, shall be given the most expeditious air carriage compatible with military operations.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. GREEN. I yield.

Mr. WHITE. Does this compilation include only laws now on the statute books, and orders already promulgated? What I wish to find out, if the request is to be granted, is whether there is any authority for including in the compilation orders, regulations, and rules which may be issued hereafter.

Mr. GREEN. They are not in this compilation; but I have already referred to the fourth and fifth posters in the series, and other future publications which will be made available in the same way these are made available. In other words, full information will be given to the selected lists of committees.

Mr. WHITE. I could have no possible objection to having published as a Senate document—and I assume that is what the Senator requests ——

Mr. GREEN. I am not asking for anything. I am merely commenting on what has already been published.

Mr. WHITE. That partly answers my question. As I understand, it is material that has already been published.

Mr. GREEN. That is correct; and I wish to invite the attention of Senators to the fact that it has been published and is available, and to congratulate the Department on the splendid work it has done in carrying out in spirit, as well as in word and act, the intention of the Congress.

Mr. WHITE. I could have no possible objection to that. The only thing I was a little apprehensive about was whether there was included in the request—if it is a request—authority to include orders which may hereafter be issued.

Mr. GREEN. No. I reassure the Senator. On the one hand, I am not asking for anything. I am only giving information. On the other hand, if I were asking for something, it would be for the future as well as the past.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on a certain amendment of the Senate to the bill (H. R. 4443) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Acting President pro tempore:

S. 1588. An act for the relief of the legal guardian of Eugene Holcomb, a minor;

S. 1634. An act to provide for the management and operation of naval plantations outside the continental United States;

S. 1764. An act to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes;

H. R. 4837. An act to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, and to correct a typographical error in the Individual Income Tax Act of 1944;

S. J. Res. 93. Joint resolution declaring the policy of the Congress with respect to the independence of the Philippine Islands, and for other purposes; and

S. J. Res. 94. Joint resolution to amend section 13 of Philippine Independence Act, as amended, establishing the Filipino Rehabilitation Commission, defining its powers and duties, and for other purposes.

JURISDICTION OF SERVICE COURTS OF FRIENDLY FOREIGN FORCES WITHIN THE UNITED STATES

Mr. BARKLEY. Mr. President, there are three or four appropriation bills upon which action has not been completed. We are awaiting conference reports under consideration in the other Chamber. I therefore ask unanimous consent that the Senate stand in recess until some later hour in the day, subject to call.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. McFARLAND. Mr. President, there is one bill which it is very important that we dispose of before we take a recess.

Mr. BARKLEY. I am suggesting only a recess until later in the day.

Mr. McFARLAND. While we are waiting, I should like to dispose of the bill. I refer to House bill 3241, Calendar No. 972.

Mr. WHITE. Mr. President, if the request is for present consideration of House bill 3241, Calendar No. 972, I must state that I have been asked by another Senator to object, and I feel compelled to do so.

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of House bill 3241.

Mr. WHITE. Mr. President, if a motion is to be made to take up the bill, after objection has been made to a unanimous-consent request to do so, we are going to run into head winds, and will bring upon ourselves all sorts of troubles. I hope the Senator will not make that motion. I do not wish to suggest the absence of a quorum at this time, but feel that I would almost be compelled to do so if the Senator persisted in his motion.

Mr. McFARLAND. Mr. President, I consider that this bill is a very important one.

Mr. WHITE. I think it has already been reached on the call of the Calendar, and has been passed over.

Mr. McFARLAND. That is correct. It was reached on the call of the Calendar, and could not be disposed of under the 5-minute rule. But I think it can be disposed of in the course of an hour or an hour and a half.

The bill is one in which the State Department is very much interested, and on which it has requested action. The bill provides for implementing the jurisdiction of service courts of friendly foreign forces within the United States. Great Britain has already implemented jurisdiction of our courts, and has given them jurisdiction over there, where we have thousands of our men, and has asked us to do the same in the United States.

This measure has been pending for some time, and has been held up from time to time. It is war legislation, and is important to the war program. I cannot conceive that any more important legislation could be pending before the Congress.

If a quorum call is required, let us have a quorum call, and act on the bill.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kentucky?

Mr. McFARLAND. I object.

Mr. President, I move that the Senate proceed to the consideration of House bill 3241.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Radcliffe
Andrews	Green	Reed
Bailey	Guffey	Revercomb
Ball	Gurney	Reynolds
Bankhead	Hatch	Robertson
Barkley	Hill	Russell
Bilbo	Holman	Shipstead
Brewster	Jackson	Smith
Buck	Johnson, Calif.	Stewart
Burton	Johnson, Colo.	Thomas, Okla.
Bushfield	Kilgore	Thomas, Utah
Butler	Lucas	Truman
Byrd	McCarran	Tunnell
Capper	McClellan	Tydings
Chavez	McFarland	Vandenberg
Clark, Idaho	McKellar	Wagner
Clark, Mo.	Maloney	Wallgren
Connally	Maybank	Walsh, Mass.
Cordon	Mead	Walsh, N. J.
Davis	Murdock	Wheeler
Eastland	Murray	Wherry
Ellender	O'Daniel	White
Ferguson	O'Mahoney	Willis
George	Overton	
Gerry	Pepper	

Mr. HILL. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senators from Nevada [Mr. MCCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senator from Arkansas [Mrs. CARAWAY], the Senator from Kentucky

[Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Arizona [Mr. HAYDEN], the Senator from Montana [Mr. MURRAY], the Senator from Missouri [Mr. TRUMAN], and the Senator from Montana [Mr. WHEELER] are detained on public business.

The Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS] are necessarily absent.

The Senator from California [Mr. DOWNEY] is absent on official business for the Senate.

Mr. WHERRY. The Senator from Vermont [Mr. AUSTIN], the Senator from Illinois [Mr. BROOKS], the Senator from Delaware [Mr. BUCK], the Senator from New Jersey [Mr. HAWKES], the Senator from North Dakota [Mr. LANGER], the Senator from North Dakota [Mr. NYE], the Senator from Ohio [Mr. TAFT], the Senator from Idaho [Mr. THOMAS], the Senator from New Hampshire [Mr. TOBEY], the Senator from Massachusetts [Mr. WEEKS], and the Senator from Iowa [Mr. WILSON] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senator from Wisconsin [Mr. WILEY] is absent attending the wedding of his daughter.

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Seventy-three Senators having answered to their names, a quorum is present.

The question is on agreeing to the motion of the Senator from Arizona [Mr. MCFARLAND] that the Senate proceed to consider Calendar 972, House bill 3241.

Mr. WHITE. Mr. President, it has been suggested that the proposed legislation is of supreme importance. It may be, but it passed the House sometime last February, which suggests to me that its importance is being somewhat overestimated. So far as I am concerned, I have no particular interest in the bill. I believe, however, that when a call of the calendar has taken place, and objection has been made to the consideration of a measure, it is becoming to allow the matter to rest there for the time being at least. I have an interest only in protecting a Member of the Senate who asked me to have the bill go over. Having made that request, I feel that I have performed my full duty, and I have no further interest in the matter.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 3241) to implement the jurisdiction of service courts of friendly foreign forces within the United States, and for other purposes, which had been reported from the Committee on the Judiciary with amendments.

The first amendment of the Committee on the Judiciary was on page 1, line 8, after the word "section", to strike out "5" and insert "6."

The amendment was agreed to.

The next amendment was, on page 2, line 2, after the word "force", to insert "within the United States."

The amendment was agreed to.

The next amendment was, under the heading "Arrest of offenders", in section 2, on page 2, line 9, after the word "force", to insert "having service courts of appropriate jurisdiction within the United States."

The amendment was agreed to.

The next amendment was on the same page, after line 17, to insert "for trial in such service courts within the United States for such offenses as shall lie within the jurisdiction of the service courts of such friendly foreign force."

The amendment was agreed to.

Mr. REVERCOMB. Mr. President, this is a bill to implement the jurisdiction of service courts of friendly foreign forces within the United States. It is a very important measure. It is one which I had hoped would not be called up during the closing days before the recess. The bill deals with a subject which has been brought up for the first time in the history of this country. It deals with the subject of establishing a right of the service courts of a foreign nation to try their men serving in their armed services in this country, and prescribes certain powers within the Federal courts to arrest alleged offenders, and to implement the service courts.

I know that this bill has been pending in the Judiciary Committee for a long time. I wish to say, Mr. President, that it is very regrettable that a bill of such importance, and one which has been very much discussed, as well as having been given a great deal of attention by the subcommittee of which I was chairman, and by the Committee on the Judiciary, should be brought up at this time to be hastily considered.

If I may review, briefly, some history back of the bill, I may say that the proposed legislation has been requested by the British Government. Back in 1943, when we were sending thousands of American soldiers into the British Islands, there was an exchange of notes between Sir Anthony Eden on behalf of the Foreign Office of Great Britain, and Mr. Winant, Ambassador from the United States. After the exchange of notes it was agreed that Parliament would enact legislation granting to the American service courts of the Army and Navy the right to try men who had been charged with offenses against civilians. The final result was an enactment by Parliament of a British statute. I desire to call the attention of the Senate to the fact that in the statute of the British Parliament the power, the right, to try is specifically given. I want that to be remembered, because it is an important point in the consideration of this legislation.

I point out that in the bill presented to the Senate today there is no provision whatsoever granting authority to the British service courts or to other foreign service courts to exercise their jurisdiction. That is accepted as the existing thing. I have desired, and rather insisted, that the American Congress should pass a bill which would be similar to the statute enacted by the British Parliament and reciprocal with that act and the rights granted thereunder.

It arises out of an unusual situation. It arises out of what has been said, Mr. President, to be international law as recognized in this country. We know that international law is a very uncertain and unfixed kind of law with respect to some subjects. It exists only if it is enforced or if the nations involved recognize it. We have recognized it in the past, and the Supreme Court of the United States has laid down its rule, which I believe is quite an ancient one, that if an army is marching through the territory of a friendly foreign country that has permitted the army to march through it, the service courts of the army may try offending members of that army for acts they may commit in the friendly country; in other words, the civil courts are divested of jurisdiction. For instance, if a member of an army passing through a friendly territory should murder a civilian, it has been customary under the old rule that the offender be tried in the service courts.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Texas?

Mr. REVERCOMB. I am glad to yield.

Mr. CONNALLY. Is not that a policy naturally inherent to the organization of an army or a military command?

Mr. REVERCOMB. Exactly so.

Mr. CONNALLY. If the authority that controls the army cannot control its membership and cannot enforce discipline and cannot do this, that, and the other, it must soon disintegrate and cease to be an army, for it cannot function.

Mr. REVERCOMB. That is correct.

Mr. CONNALLY. Essentially, is not that a part of the whole theory?

Mr. REVERCOMB. Yes; that is the reason for it, I should say. I am not taking issue with it; I am simply stating in a very general and summary way the law we have recognized and which was recognized by some other countries prior to the existence of this Nation.

I want to point out to the Senate that, while we have great armies on British soil and we have massed troops in the territory of our other allies, with their consent, yet today there are no armies of our allies in this country in the sense that they constitute what might be called a great body of troops. I have not been able to find in the extended study and discussions that we have had on this subject any case dealing with this situation except where an army was passing through a territory. I believe one case mentioned an army stationed in the country, and other cases involved ships in harbors. We have, therefore, in this case a distinct new situation, as I see it. There is no foreign army here; there is no British Army here; there is no Russian Army here; there is no Chinese Army here. So I say that the rule of international law would hardly apply. We cannot today go to the cases that have been decided by the highest court of this land to apply the principles, because there is not an army of our allies here to whom they could be applied. If we are going to grant power to the service courts of our allies to try persons who are members of their forces, if we are to permit them within our territory to exercise, as they have done, such jurisdiction, which arises, of course, from

their own governments, I say that we have got to do the same thing the British Parliament did, and provide that right by law and declare it by statute, because it does not exist today under present circumstances and conditions.

Mr. GERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Rhode Island?

Mr. REVERCOMB. I am glad to yield to the Senator from Rhode Island.

Mr. GERRY. Is the legislation which was enacted in England designed to be effective only for the period of the war and while our troops are in England?

Mr. REVERCOMB. I may answer, yes; it is effective during the hostilities. I now have the British act before me. It is called:

An act to give effect to an agreement recorded in notes exchanged between His Majesty's Government in the United Kingdom and the Government of the United States of America, relating to jurisdiction over members of the military and naval forces of the United States of America.

The British act does not rely upon the principles of international law which I have stated, that members of a visiting friendly force shall be tried by its own court. No; it does not do that. It specifically, and with limitations, and with correctness, says that they may, under certain conditions and terms, try in their service courts the members of their armed forces.

That is what I had hoped the Senate would do, that it would be very specific in saying under what conditions the members of the armed forces of our allies might be tried by their service courts. The bill which we are now called upon to consider, I want to point out to the Senate, is what might be called a very abbreviated or bobtailed affair. It says it is to implement the jurisdiction of service courts of friendly foreign nations. It never does say that the service courts of friendly foreign nations may exercise their jurisdiction here; it merely recognizes it, gentlemen who are proposing this bill say, upon the basis of what has been known as international law.

We propose to enact a statute dealing with the arrest of offenders and with the next step, which is the attendance of witnesses. We recognize an unwritten law, and we implement it by statute.

Mr. President, I say that if we are to prevent confusion, if we are to enact a statute upon the subject, we should do it in a complete way, and we should first say, as did the British Parliament with respect to our service courts, when their service courts may try an offender. We should make the law clear.

Mr. MURDOCK. Will the Senator yield?

Mr. REVERCOMB. I am very glad to yield.

Mr. MURDOCK. Will the Senator point out in the British act where anything of an affirmative nature of that kind is found?

Mr. REVERCOMB. I believe I can. On the first page, in subsection 1, as shown on the photostatic copy of the British act known as the United States of America Visiting Forces Act of 1942, I read as follows:

Subject as hereinafter provided, no criminal proceedings shall be prosecuted in the United Kingdom before any court of the United Kingdom against a member of the military or naval forces of the United States of America.

Provided that upon representations made to him on behalf of the Government of the United States of America with respect to any particular case, a Secretary of State may by order direct that the provisions of this subsection shall not apply in that case.

Mr. MURDOCK. Will the Senator yield for a further question?

Mr. REVERCOMB. I yield.

Mr. MURDOCK. What the Senator finds, then, in subparagraph 1 of section 1 is not in the form of a grant of any kind to our service courts but merely a prohibition of criminal jurisdiction on the part of British courts so far as members of the armed forces of the United States are concerned. In other words, it negatives the jurisdiction of the British courts, but certainly does not affirm any jurisdiction in our service courts. Then it proceeds in the next paragraph or two to implement whatever jurisdiction is conferred on our service courts by our own law.

Mr. REVERCOMB. I will say to the able Senator that I could not think of language which would more clearly say that their own courts shall not exercise jurisdiction. Of course, the British Government cannot grant jurisdiction to an American service court, any more than this body can grant jurisdiction to a British service court. But it does say that the courts of Great Britain are to have no jurisdiction of criminal proceedings under certain circumstances.

Mr. MURDOCK. Will the Senator yield for another question?

Mr. REVERCOMB. I yield.

Mr. MURDOCK. Then, when the Senator says that we should, by statute, by way of reciprocity, outline distinctly the jurisdiction we are conferring, does he mean that? Is that what he wants to do?

Mr. REVERCOMB. Oh, no.

Mr. MURDOCK. I did not think so.

Mr. REVERCOMB. If I said "outline the jurisdiction," using the word "jurisdiction" as a power inherent in the court, of course, I did not mean to imply such a thing. The jurisdiction exists in the court by creation of its own government, but the right to exercise that jurisdiction in the territory of the United States must come with the consent of the United States. I think that is quite clear. I do not think there can be any debate on that subject.

I want the Senate to indicate what limitations are placed upon the exercise of jurisdiction of American service courts in Great Britain. I have here an exchange of notes which I wish to read to the Senate, and I ask the Members of the Senate present to pay particular attention, because this is a serious subject. So far as I know, we are for the first time dealing with the question of giving foreign courts the right to exercise their jurisdiction in this country, extraterritorial courts, if you please, and I say we should be very clear and explicit in granting the power. I am perfectly willing, for the duration of the war, so long as Great Britain grants to service courts of America, the right to exercise their jurisdiction over American forces in British territory, to give the same right to British service courts over their soldiers and sailors in this country, but I think it should be limited, should be clear, and should be direct. It should not be left to conjecture as to who has the power to try for an offense. That is what will be done if we enact the bill that is before us today. It is not going to be clear as to what court can try a British soldier, or a Russian soldier, or a Chinese soldier, who may, in this country, be charged with a crime against a citizen of the United States.

Let us be clear about it; let us be fair with ourselves and fair with the Allied countries. Let us not leave this matter suspended in uncertainty. Let it not be debated time after time before the courts of this country as to who has jurisdiction to try offenders. Let us be specific, as the Parliament of Great Britain was, when the Visiting Service Act was enacted. Let us grant a reciprocal right. Let us be fair with them and fair with ourselves, and define the extent to which the courts may exercise their jurisdiction within the territory of this country.

Mr. MURDOCK. If the Senator from West Virginia will yield, does he want to take the position of prohibiting jurisdiction to his State courts?

Mr. REVERCOMB. I wish to take the position that we should grant such right, and only such right, to the foreign service courts in our domain, as they have granted to us in their domain.

Mr. MURDOCK. I thought the Senator said only a few moments ago that he did not want to grant anything affirmatively.

Mr. REVERCOMB. I do not think I said anything of that kind. I said I wanted it to be clear.

Mr. MURDOCK. I ask the Senator whether he wants to prohibit the jurisdiction of the Federal courts and the jurisdiction of the State courts, as the parliamentary act prohibits the jurisdiction of the criminal courts in England. If he wants to go that far, I think he should tell the Senate. That is one of the questions, as the Senator recalls, which came before the Committee on the Judiciary. By a majority vote it was decided, I think rather emphatically, that we did not want to prohibit jurisdiction on the part of our courts, but that all we wanted to do was to implement whatever jurisdiction the foreign service courts brought with them to this country, first, by power of arrest, second, by power of dealing with witnesses, and stop there.

Mr. REVERCOMB. The Senator raises a very important question. I wish to ask him, if this bill shall be passed, who will have jurisdiction over a British soldier who commits an offense in this country—the civil courts, or the service courts, of Great Britain? Will the Senator answer that question, from his point of view?

Mr. MURDOCK. By this bill we deny no jurisdiction at all to either the Federal or the State courts of this country, but we do say to the British service courts that we will implement their power by granting the right to arrest and granting the power to subpena, and also by calling to the assistance of their service courts our courts by providing that they shall issue subpenas to facilitate the jurisdiction of their service courts. As I understand the Senator from West Virginia, he wants to deny criminal jurisdiction to the Federal and State courts of this country. The position I take is that it is not necessary to go that far, nor do I want to go that far, nor do I think Congress has the right to prohibit jurisdiction on the part of the State courts over criminal matters.

Mr. REVERCOMB. I think the Senator has made a statement at the last with which I am not inclined to disagree, about the power of Congress to stop or interfere with the State courts. We can deal only with the Federal courts. But I want the Senator to tell me, if this bill shall be passed in the form in which he has presented it, whether it does not leave us in an absolute state of uncertainty, and does not leave the courts of this country in a state of uncertainty as to who may try a member of the armed forces of a friendly foreign country for an offense committed here. I ask that question, and I want to point out that there will be a tussle, a wrestling between the civil courts of this country and the service courts of friendly nations, unless we are fair enough and direct enough to say who has jurisdiction.

The Senator makes a very appealing argument. No, he is not taking any jurisdiction away from the Federal courts of this country to try a foreign serviceman for an offense; oh, no. Then, if that is not going to be done, what is the use of passing this measure? Are we going to say to a friendly foreign service court: "Yes, you can exercise your jurisdiction"? Even that has not been stated in the bill. Its authors are quiet about that, and they say, "We are not going to take jurisdiction from our own courts."

Let me say, Mr. President, that if we are going to enact a reciprocal act, if we are going to be fair with our own courts, if we are going to be fair with the Allied governments, which have granted us this power by statutory enactment, then I say that in our statutory enactment we ought to be clear and direct on the subject, and not leave it in the realm of uncertainty, as it will be if this bill is enacted into law.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. McFARLAND. As I understand the argument the Senator from West Virginia now makes and the argument he made before the Committee on the Judiciary, he would divest our courts of what jurisdiction they may have to try these cases. The majority of the committee were unwilling to do that. The majority of the committee felt that the Federal Government had no right to divest State courts of jurisdiction.

Mr. REVERCOMB. Let us stick to Federal courts.

Mr. McFARLAND. The Senator from West Virginia asks, "What will be the result?" The result will simply be that under the amendment offered by the able Senator from Connecticut [Mr. DANAHER]—and I am sorry he is not present because he supported the proposed legislation—we would only implement such jurisdiction as the service courts may have for trial in the United States. If they have not jurisdiction we do not have to give up the defendants, we do not have to subpena witnesses, we do not have to do anything. And if they do not try the defendants, we can try them here ourselves. That is the difference. But the Senator from West Virginia would pass legislation which would divest our courts of jurisdiction. That is the only difference between the majority and the able Senator from West Virginia.

Mr. REVERCOMB. Mr. President, I will say to the Senator that I would divest our courts of jurisdiction only to the extent that the service courts have the power to try the defendants for the particular offenses that may have been committed. That is very clearly stated in the bill, but there is nothing in it divesting our courts or saying that we recognize the service court to try anything. It is an utterly useless piece of legislation.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. CORDON. Does the Senator from West Virginia understand that if this bill is enacted into law and a member of the military forces of any of the friendly nations to which the act would be applicable is tried for any particular crime by the service court of that nation and, let us say, convicted, that he may thereafter be tried for the same offense by the courts of the United States, thus being put on his trial twice, and perhaps convicted twice for the same crime?

Mr. REVERCOMB. There is no reason why it could not happen, because we are not by statute recognizing the existence of the friendly foreign-service courts. If they wanted to try a man and convict him, even after we had obtained the witnesses for them, there is nothing in the bill saying that the friendly service courts shall have exclusive jurisdiction.

Mr. President, I am very reluctant to take jurisdiction away from a court of this country, but I want to say, if we are to deal with the subject, let us be fair about it and do the same thing that Great Britain has done, or drop the matter entirely and say that we are not going to do it. Do not leave the situation in a state of uncertainty, so that when a foreign-service man in this country commits an act for which he is brought before a Federal court, the court will not know what to do with him, or whether it can try him or not.

I wish to say that, as the law exists today, I do not see how any Federal court could say that it did not have the right to try a man. It could not invoke the international rule with respect to an army passing through, nor could it invoke the international law we have recognized with respect to an army stationed in the country, because we know that no foreign army is stationed in the country and that no foreign army is passing through. There are some small groups of allied troops in this country, a few here and a few there, but there is no organized army such as the armies we have abroad on the territory of other countries.

Let us see what limitations are placed upon our exercise of jurisdiction in Great Britain. I am going to read the exchange of letters, and I hope the Senate will bear with me. They are not too long, but it is necessary to read them if we are to understand just what powers we may exercise in the British Isles. On July 27, 1942, Mr. Anthony Eden wrote John G. Winant, our Ambassador, as follows:

> YOUR EXCELLENCY: Following the discussions which have taken place between representatives of our two Governments, His Majesty's Government in the United Kingdom are prepared, subject to the necessary parliamentary authority, to give effect to the desire of the Government of the United States that the service courts and authorities of the United States forces should, during the continuance of the conflict against our common enemies, exercise exclusive jurisdiction in respect of criminal offenses which may be committed in the United Kingdom by members of those forces, and they are ready to introduce in Parliament the necessary legislation for this purpose.

That was the statement by Mr. Anthony Eden, and as the result of the statement the Visiting Forces Act was passed by the British Parliament. I may say that the Visiting Forces Act refers to this exchange of notes, and if I recall correctly, the exchange is referred to as the basis for the enactment of that legislation, and therefore the notes would construe the extent of the power exercisable under the legislation.

I continue to read the letter from Mr. Eden to Mr. Winant:

> 2. It is appreciated, however, that cases may arise where for particular reasons the American authorities may prefer that their courts should not exercise the above jurisdiction, and His Majesty's Government would accordingly propose that in any case in which a written communication to that effect is received from the diplomatic representative of the United States it should be open to the appropriate British authority to restore the jurisdiction of the courts of the United Kingdom to deal with that case.

What does that mean? The United States Foreign Service Court will deal with a criminal offense committed by an American soldier or sailor unless the American authorities step in and say, "We do not want to deal with this; we turn the case over to the British court." The British are very explicit about it.

The letter continues:

> 3. In view of the very considerable departure which the above arrangements will involve from the traditional system and practice of the United Kingdom there are certain points upon which His Majesty's Government consider it indispensable first to reach an understanding with the United States Government. I have accordingly the honor to invite Your Excellency to be so good as to lay the following inquiries and observations before your Government and to inform me of their attitude thereupon.

Commenting upon that statement, Mr. Eden, the Foreign Secretary, says that it is a great departure from the British practice to permit the service courts of a foreign nation to come on its territory and exercise jurisdiction in the case of offenses committed against British laws. I say to the Senate that it is a great departure from American history, custom, and life, to grant extraterritorial rights to the courts of a foreign nation. We exercised extraterritorial jurisdiction in China. So did Great Britain, so did France and Germany, and so did some other nations, but we did so through force. We compelled it. Today we are dealing with the subject, not through force, but through a grant, based upon considerations of reciprocity.

Continuing with the letter of Mr. Eden:

4. In the first place, the readiness of His Majesty's Government in the United Kingdom to agree to the exercise by United States service courts of exclusive jurisdiction in respect of offenses by members of their forces is based upon the assumption that the United States service authorities and courts concerned will be able and willing to try and, on conviction, to punish all criminal offenses which members of the United States forces may be alleged on sufficient evidence to have committed in the United Kingdom, and that the United States authorities are agreeable in principle to investigate and deal with appropriately any alleged criminal offenses committed by members of the United States forces in the United Kingdom which may be brought to their notice by the competent British authorities or which the American authorities may find to have taken place.

5. Secondly, His Majesty's Government will be glad if Your Excellency will confirm their understanding that the trial of any member of the United States forces for an offense against a member of the civilian population would be in open court (except where security considerations forbade this) and would be arranged to take place promptly in the United Kingdom and within a reasonable distance from the spot where the offense was alleged to have been committed, so that witnesses should not be required to travel great distances to attend the hearings.

Mr. President, that language has a very familiar ring. It sounds something like the Bill of Rights in this country. What does Great Britain demand of the American service court when it exercises its jurisdiction in Great Britain? It says that the trial shall be in open court, except when matters of security dictate otherwise; that it must take place promptly, and must take place within a reasonable distance from the spot where the offense was alleged to have been committed, so that witnesses shall not be required to travel great distances.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. CORDON. Do I correctly understand that the distinguished Senator from West Virginia takes the position that the several expressions in the note from Anthony Eden to our Ambassador are a part of the act of the British Parliament of Great Britain itself, giving jurisdiction to our service courts in Great Britain?

Mr. REVERCOMB. In reply, I call the attention of the Senator from Oregon to the fact that the statute itself says:

Whereas the notes relating to jurisdiction over members of said forces set out in the schedule to this act have been exchanged between His Majesty's Government in the United Kingdom and the Government of the United States of America—

These notes are a schedule, made a part of the act, I take it; and if they are not a part of the legislation itself, they are approved by special reference to the notes in the body of the act. I point out from the photostatic copy in my hand that the letters from which I am reading are incorporated in the official reports of the acts of Parliament, 5th and 6th George VI, chapter 31. Chapter 31 is the act of the British Parliament, and the letters exchanged between the Foreign Secretary of Great Britain and the Ambassador of the United States are a part of chapter 31 and appear within the act of Parliament. Whether they are embodied within the act itself or not, they are referred to as a schedule which is made a part of the statute; and certainly when referred to in that manner in the body of the act, they would limit and be the basis of construction of the powers and rights under the act.

Again, I wish to point out that the letter referred to in the body of the act as a schedule says that the trial of any member of the United States forces in Great Britain must be in open court, except where security considerations forbid; must take place promptly; and must take place within a reasonable distance from the place where the offense occurred.

We do not say anything like that. We say nothing on the subject. All we say to Great Britain is that "we are going to implement your service courts' jurisdiction by granting to you help in making arrests and gaining the attendance of witnesses." Not a line is proposed to be enacted, spoken, or written on the recognition by us of the British service courts or the service courts of another nation exercising jurisdiction here; and not a line is written or declared upon the limitation of the use of such jurisdiction.

Mr. President, if one of the members of a foreign force should commit an offense, and the foreign service court should take jurisdiction, what would there be to prevent the court from taking him back to the homeland to try him?

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. MURDOCK. What does the Senator construe this language to mean—

for trial in such service courts within the United States for such offenses as shall lie within the jurisdiction of the service courts of such friendly foreign forces.

Does that mean that they are to be tried in Britain, or does it specifically say that they are to be tried here?

Mr. REVERCOMB. What is the Senator reading?

Mr. MURDOCK. I am reading the amendment which was offered, I believe, by the distinguished Senator from Connecticut [Mr. DANAHER] to section 2 of the bill we are considering. I wish the Senator would point to anything in the act of Parliament which is a limitation such as he has referred to.

Mr. REVERCOMB. I shall be glad to do so.

Mr. MURDOCK. He may find some quotations from a letter; but when it comes to the enactment of the bill itself, I do not believe those limitations are in it. If they are, I have overlooked them.

Mr. REVERCOMB. Mr. President, the Senator has asked me a double-barreled question. First I shall answer the latter part of his question.

Mr. CONNALLY. Mr. President, will the Senator yield to me?

Mr. REVERCOMB. I ask the Senator to permit me to finish my reply to the questions which have been asked me, and then I shall be glad to yield to him.

Mr. CONNALLY. Perhaps what I should like to say will refer to them.

Mr. REVERCOMB. I ask the Senator to permit me to proceed to answer the questions of the Senator from Utah. Then I shall be happy to yield to the Senator from Texas.

Mr. President, I repeat what I said to the Senator from Oregon. I read from the first page of the British statute:

And whereas the notes relating to jurisdiction over members of the said forces set out in the schedule to this act have been exchanged between His Majesty's Government in the United Kingdom and the Government of the United States of America—

What are those notes? They are the letters. I have in my hand a photostatic copy of the official reports "5 and 6. Geo. 6, chapter 31." What is chapter 31? It is the British statute. Attached to it, and as a part of chapter 31—right along with the statute—is this schedule. It is a schedule to what? It is to the act itself.

Mr. MURDOCK. Mr. President, does the Senator believe the correspondence is a part of the act?

Mr. REVERCOMB. If in the body of the statute reference is made to the exchange of notes as a schedule to the statute or the act, and following that is the schedule containing those notes, I repeat that it can be considered a part of the act, or certainly it would have such force as to construe its meaning, its limitations, and its powers. That is the answer to the first question.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. MURDOCK. If, as the distinguished Senator has said, the notes are a part of the laws which are enacted subsequent to the notes, then are they not just as binding on the United States as they are upon Great Britain?

Mr. REVERCOMB. Oh, no.

Mr. MURDOCK. Why not? If they are a part of the parliamentary act——

Mr. REVERCOMB. Mr. President, this is made a part of, and is attached to, the British statute. It is not attached to the proposed American statute. That is why I am complaining. I am oppcsing the bill until it is enlarged to include provision as to just what powers may be exercised.

Mr. MURDOCK. Mr. President, will the Senator further yield?

Mr. REVERCOMB. I yield.

Mr. MURDOCK. Will not the Senator admit that in the body of chapter 31 itself there are no such limitations as the ones to which he has referred?

Mr. REVERCOMB. I will not admit that, because in chapter 31 itself is included what I have just read.

Mr. MURDOCK. Will the Senator yield for a further question?

Mr. REVERCOMB. I yield.

Mr. MURDOCK. If there are any such limitations as those to which the Senator has referred, he must find them in the notes which were exchanged prior to the enactment of chapter 31.

Mr. REVERCOMB. Those notes are referred to as a schedule, along with the statute, and as a part of chapter 31 of the official acts of the Parliament.

Mr. MURDOCK. Would the Senator desire to offer, this afternoon, an amendment referring to the same communications as schedules to this act? I see no objection to having that done, if the Senator desires to offer such an amendment.

Mr. REVERCOMB. Now we are getting somewhere, Mr. President. I should like to see them written into the body of the bill itself.

Mr. MURDOCK. The Parliament did not do that.

Mr. REVERCOMB. The Parliament put them in its act and referred to them as a schedule. They can be made a part of the act by reference, as well as by embodiment in the act.

Mr. MURDOCK. As I have said, if the Senator desires to offer an amendment providing that the notes shall be included as a part of the bill we are considering, so far as I know there will be no objection to having that done.

Mr. REVERCOMB. I shall be very glad to advise with the Senator on that matter, because certainly the limitations should be placed in the proposed act.

Mr. President, I believe the able Senator from Utah pointed out and read language from which he argued that the bill would require a trial within this country. Do I correctly understand that the Senator took that position?

Mr. MURDOCK. Very emphatically so.

Mr. REVERCOMB. Very well. Let us see what the language the Senator read deals with. If Senators will open the bill to page 2, they will find that section 2, from which the Senator read, deals with the arrest of offenders. It has nothing to do with the trial. Let me read it:

ARREST OF OFFENDERS

SEC. 2. Upon a specific or general request of the officer commanding any friendly foreign force having service courts of appropriate jurisdiction within the United States, it shall be lawful for any person in the civil, military, or naval establishments of the United States having authority to arrest, summarily to arrest any member of such force designated in such request and to deliver him to the custody of any officer of such force or to the custody of the military or naval authorities of the United States who shall deliver him forthwith to the custody of an officer of such force, for trial in such service courts within the United States for such offenses as shall lie within the jurisdiction of the service courts of such friendly foreign force.

Mr. President, if a member of a friendly foreign force is arrested by an American officer, under this language that person could be delivered to some other part of this country for trial there. But suppose the case is not one in which the American officer makes the arrest. Suppose the British or the Russian or the Chinese soldier or sailor commits an offense and is arrested by a member of his own forces. What is there to prevent that country from having custody? The United States would not have been asked to arrest him. The United States would not have been asked to try him. I say there is nothing in the bill to prevent them from taking that person any place for trial.

The part of the bill to which I have referred does not deal with the right to try. It deals only with the arrest of offenders and with the question of where the American officers may deliver offenders for trial in this country. But suppose the arrest is not made by an American officer. Then no action would be taken under section 2.

There is nothing in the pending measure which would require, as does the British act, that the offender be tried in open court. A star chamber session could be held, if such were desired. The offender could be tried behind closed doors. There is nothing in the pending bill to assure an open trial. But the British Government, in granting this right, wisely required that the trials be had in open court.

Mr. President, under the provisions of the pending bill there is no requirement that the trials shall take place promptly. Not a word to that effect is contained in the bill. If we are to recognize the right of foreign service courts to exercise jurisdiction—without any statute recognizing it, for that matter—offenders could be tried tomorrow or next year, and not an official or an agency of this Government could raise its voice in protest. The pending bill contains no provision requiring a prompt trial. But the British Government in its wisdom said there must be a prompt trial. Then it said the case must be tried near the place where the offense was committed.

In the pending bill there is no such provision. Even if the offense were committed in San Francisco, the offender could be tried in the great State of Maine. He would receive a fair trial in Maine if he were tried by a Maine court. But a Maine court would not be permitted to try him. He would be tried by the service court of a foreign nation.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. REVERCOMB. I am glad to yield to the distinguished senior Senator from Maine.

Mr. WHITE. Let me say that up to this time I have never had any experience as a defendant in the Maine courts.

Mr. REVERCOMB. I am very glad to hear that from the Senator from Maine.

But, Mr. President, this matter is a serious one. I say to the Senate that it is called upon to pass a very unusual piece of legislation. The Senate would be, by statute, implementing a right which would be recognized, but upon which there would be no statute. In other words, the Senate would be implementing a right which would be recognized under the theory of international law by written statute.

Mr. President, why are we not clear and implicit in this matter? Why do we not expressly grant the right to exercise jurisdiction?

During the course of discussions with reference to the proposed legislation representatives of the State department were before the committee. Mr. Breckinridge Long, Assistant Secretary of State, discussed this bill with us. I asked him the question, "Do you think that if we were expressly to prescribe by statute the right of a foreign service court to exercise its jurisdiction within our territory it would in anywise change the position of the Government that under international law the same right could be recognized?" His answer was that he did not think so; that since it was in keeping with the policy which we believe to be international law, it would not change our position as to what international law is.

I wish to say that the British Government was wise enough to declare the right by statute. That is what I want our Government to do, and that is the reason I must oppose the pending bill in its present form.

Let us proceed with reference to the note from Mr. Anthony Eden to our Ambassador in Great Britain:

Thirdly, His Majesty's Government propose that no member of the United States forces should be tried in the United Kingdom by a service court of the United States of America, for an offense committed by him before December 7, 1941.

There is no limitation of that kind in this bill. There is no limitation whatever as to time, if we are to permit them to exercise the right of trial over their nationals within their armed forces.

I continue to read:

Fourthly, while His Majesty's Government in the United Kingdom would not wish to make the arrangements in regard to jurisdiction over members of the United States forces in this country dependent upon a formal grant of reciprocity in respect of United Kingdom forces in the territory of the United States of America. I feel that Your Excellency will appreciate that the considerations which have convinced His Majesty's Government in the United Kingdom that the interests of our common cause would be best served by the arrangements which they are prepared to make as regards jurisdiction over American forces in the United Kingdom would be equally applicable in the case of British forces which in the course of the war against our common enemies may be stationed in territory under American jurisdiction.

Let us see what that means. Mr. Eden says that they are not going to make the passage of that law by Parliament absolutely dependent upon the

Congress of the United States passing a reciprocal law. But, it is said, they did feel that in fairness, and in justice to our common cause against our enemies, we should afford them benefits of the same kind of a law. I believe that position was proper, and it was consented to, as I shall later read, in the letter which Mr. Winant wrote to Mr. Eden.

It was said that not only should the granting of power to exercise jurisdiction be reciprocal, if we are to be fair, right, and clear so that our own courts will know what to do, but that it should also be reciprocal and alike in the limitations placed upon the service courts of the foreign nation with respect to the time within which trial may be had, with respect to the requirement that the proceedings shall be open, and with respect to the place of trial so that it shall not be far removed from the place where the offense occurred.

So in writing his letter, Mr. Anthony Eden said, in effect, "We expect you to be reciprocal." Reciprocal means that we should grant them the same right with the same limitations which they have granted.

Mr. President, the bill which we are today asked to pass contains nothing upon those subjects. It would be a bobtailed statute implementing, not a statute, but something which we recognize as an unwritten law based upon international custom. It would not hurt international law, or lessen one bit the force of international rules declared in the statute. If we are to be explicit and clear in the matter, a clear declaration should be made. That is my position here today.

I read further from the letter from Mr. Anthony Eden:

> It would accordingly be very agreeable to His Majesty's Government in the United Kingdom if Your Excellency were authorized to inform me that in that case the Government of the United States of America will be ready to take all steps in their power to insure to the British forces concerned a position corresponding to that of American forces in the United Kingdom under the arrangements which His Majesty's Government are willing to make.

The word "corresponding" as used means the same powers and the same limitations upon the exercise of the right.

> The considerations indicated in paragraph 2 above would naturally apply and His Majesty's Government would be prepared to authorize the diplomatic representative of His Majesty in the United States to notify the competent American authorities in cases where the appropriate British authorities preferred not to exercise jurisdiction.

Reading further from the letter from Mr. Eden:

> Fifthly, the proposal to insure to the United States service courts and authorities by legislation, the exclusive exercise of jurisdiction in respect of criminal offenses by members of the United States forces in the United Kingdom, is based upon the further assumption that satisfactory machinery will be devised between the competent American and British authorities for such mutual assistance as may be required in making investigations and collecting evidence in respect of offenses which members of the United States forces are alleged to have committed, or in which they are alleged to be concerned.

That has to do with the investigation and collection of evidence. The only two things with which this bill deals are the arrest of an offender and compelling the attendance of witnesses. That is all the proposed legislation would effect. It would assist in making arrests and in enforcing the attendance of witnesses. Nothing is said in the bill about a trial. There is no recognition of any power to try a person in the territory of the United States.

I read further from the letter:

> His Majesty's Government have no doubt that the United States Government will agree that it would as a general rule be desirable that such preliminary action should be taken by the British authorities, on behalf of the American authorities, where the witnesses or other persons from whom it is desired to take statements are not members of the United States forces. Conversely, His Majesty's Government trust that they may count upon the assistance of the American authorities in connection with the prosecution before British courts of persons who are not members of the United States forces where the evidence of any member of these forces is required or where the assistance of the American authorities in the investigation of the case (including the taking of statements from the American forces) may be needed.

Continuing further with the letter written by Sir Anthony Eden, I read as follows what he said on behalf of the British Government:

> 9. His Majesty's Government in the United Kingdom are prepared to extend the proposed legislation where necessary to British colonies and dependencies under their authority, other than those British territories in which are situated the United States military and naval bases leased in pursuance of the agreement of 27th March, 1941, where the question of jurisdiction is already regulated by that agreement. I accordingly propose that the foregoing paragraphs of this note, and your eventual reply, should be regarded as extending also to the arrangements to be made in the British colonies and dependencies to which the proposed legislation may be applied.
>
> 10. Finally, His Majesty's Government propose that the foregoing arrangements should operate during the conduct of the conflict against our common enemies and until 6 months (or such other period as may be mutually agreed upon) after the final termination of such conflict and the restoration of a state of peace.

Mr. President, so far as Great Britain is concerned, there is a statute that this arrangement shall be for the duration of the war or the conflict with the common enemy and for 6 months thereafter. That statement is a part of the letter; it is a part of the schedule; it is a part of chapter 31 of the official acts of the Parliament, and it is a declaration of the British Government upon the subject as to how long the arrangement shall exist.

Is there such a provision attached to the bill before the Senate; is there anything in it about a limitation of time? Is it to continue forever? The pending bill as written provides a permanent policy, so far as the subject of the legislation affects the question, that is the subject of arrest and the attendance of witnesses, for that is all the pending measure deals with.

I take this time to point out to the Senate that the bill which is proposed here is an incomplete thing, that it does not deal fully with the subject, and that it will leave us and our courts and the friendly foreign governments in an utter state of confusion as to who has the power to try an offender. I think we owe it to ourselves and to those friendly countries, in whom we recognize such a right to be explicit, to be direct and clear, if you please, upon the subject.

Now I shall read the reply made by Mr. John Winant, our Ambassador to the Court of St. James's, and directed to the Right Honorable Anthony Eden. It is a reply to Mr. Eden's letter, from which I have been reading:

> July 27, 1942—

The same date as Mr. Eden's letter—

> I have the honor to refer to your note of July 27, 1942, in which you inform me that His Majesty's Government in the United Kingdom is prepared, subject to the necessary parliamentary authority, to give effect to the desire of the Government of the United States that American authorities have exclusive jurisdiction in respect to criminal offenses which may be committed in the United Kingdom by members of the American forces. I now have the honor to inform you that my Government agrees to the several understandings which were raised in your note.

Our Ambassador to Great Britain states that the American Government through him now agrees to the understandings expressed in Mr. Eden's note from which I have been reading. I ask whether or not the pending legislation as proposed meets with any part of the agreement? I say it does not.

> In order to avoid all doubt—

Says Mr. Winant, our Ambassador, in addressing Mr. Eden:

> In order to avoid all doubt, I wish to point out that the military and naval authorities will assume the responsibility to try and on conviction to punish all offenses which members of the American forces may be alleged on sufficient evidence to have committed in the United Kingdom.
>
> It is my understanding that the present exchange of notes is regarded as constituting an agreement between the two Governments to which effect shall be given as from the date on which the necessary parliamentary authority takes effect.

The necessary parliamentary authority, following that exchange of notes, was forthcoming within the same year, on the 6th day of August 1942.

Mr. President, I am indeed sorry that there are not more Senators present to consider this very important piece of legislation. As I have said, for the first time in the history of the United States we are enacting legislation dealing with the subject of recognizing the extraterritorial courts, the military courts, of another nation, and when we do it we do it as the result of an exchange of notes made necessary by the placing of so many thousands of American troops in the British Isles. We wanted the right to try any offenders among those boys in our own courts over there. The

British Parliament, after an exchange of notes, granted that right, and granted it very explicitly, but we here are called upon to enact a bobtailed law, which does not recognize any right in the British foreign service court or the foreign service court of any other friendly nation. We rely upon that uncertain, indefinite and changeable thing called international law, which has force only when it can be enforced. We are implementing an unwritten law and an unwritten principle by a written statute. We are leaving absolutely uncertain and undefined the power of the foreign service court. We say we are going to let them proceed, but we do not say what cases they may try. We are going to have this everlasting tussle and fight between our Federal civil courts and the service courts of foreign friendly forces. Why do we not meet the question squarely and thoroughly, and be explicit about it?

Furthermore, not only is the question of the grant and the recognition of the power to try their nationals in service an important part of the right to do so, but from our viewpoint, no limitation is placed upon the foreign service court. Great Britain was not unwise in that regard. When we were given the right to exercise our jurisdiction in the British territory, they said, "You must bring the case to prompt trial. We are going to give you the right to try your own soldiers in your own courts, but you have to try them promptly, you have to try them in open court, and you have to try them not very far from the place of the offense, so that witnesses may be brought there from not too great a distance."

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. MURDOCK. That could be provided by a very simple amendment, and I am sure there would be no opposition to it, if the Senator thinks such an amendment should go into the bill.

Mr. REVERCOMB. I should be very glad to sit down with the distinguished Senator from Utah and help prepare such an amendment.

Mr. MURDOCK. I think such an amendment has been anticipated by another distinguished Senator, who has already written it, and I think he has been advised that there is no opposition to it on this side.

Mr. REVERCOMB. I am indeed delighted to hear that. We are making some headway. We may get a bill after a while.

Mr. MURDOCK. That is what we want to do, to pass the best bill we can, and if the Senator thinks the kind of an amendment he has mentioned is proper, I should not object to it.

Mr. REVERCOMB. There is much to be done to the bill yet.

Mr. President, I understand from the Senator from Utah that there will be a proposal to offer an amendment upon the subject of the time and place of trial, and trial in open court. Am I correct in my understanding that such an amendment is being prepared?

Mr. MURDOCK. I may say that the junior Senator from Oregon [Mr. CORDON] submitted what I think is a very proper amendment, one very well phrased, and which, in my opinion, would accomplish exactly what the distinguished Senator from West Virginia desires.

Mr. CORDON. Mr. President, I send to the desk a proposed amendment to the pending bill, and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 20, it is proposed to change the period to a colon and to add the following:

Provided, That the trial of any member of such friendly foreign force for an offense against a member of the civilian population shall be in open court (except where security considerations forbid), shall take place promptly in the United States and within a reasonable distance from the place where the offense is alleged to have been committed, for the convenience of witnesses.

Mr. McFARLAND. Mr. President, neither the Senator from Arizona nor the Senator from Utah has authority to accept the amendment for the committee, but we have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. CORDON].

The amendment was agreed to.

Mr. REVERCOMB. Mr. President, I wish to call to the attention of the Senate the fact that the amendment just adopted adds great force to the bill and is very helpful, but I still say that the bill should be considered further, and particularly with reference to the enactment of a clause directly defining and stating the right of the foreign service court to exercise its jurisdiction on American territory. I feel that the bill is not complete when it deals only with the idea of arrest and the attendance of witnesses, and even now, with the limitation placed on where trials are to take place, when they may take place, and that they must be in open court, the bill is still lacking in the respect that it does not declare the power of the foreign service court to exercise its jurisdiction here.

For that reason I hope the Senate will not pass the bill, that we may give further consideration to it, and enact a more complete statute which will be reciprocal, and in keeping with the rights the British Government gave to this country and to the foreign service courts of this country in dealing with our own troops.

Let us be definite, let us be certain, let us be clear on the subject. Let us be fair about it. I say that if we follow that course we will not pass this bill as it is written, and even as it is improved by the amendment which has just been adopted.

Mr. McFARLAND. Mr. President, the only thing I should like to say about the bill is that it has had careful consideration. It was considered for a long period of time by the Committee on the Judiciary of the Senate. It was considered by the House Judiciary Committee, and it was considered and passed by the House. It is not something that has been rushed through.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. REVERCOMB. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ball	Ferguson	Murdock
Barkley	Green	O'Mahoney
Bilbo	Guffey	Revercomb
Burton	Hatch	Russell
Bushfield	Hill	Stewart
Capper	Holman	Tunnell
Chavez	Jackson	Wagner
Connally	Kilgore	Wallgren
Cordon	McKellar	Walsh, N. J.
Davis	Maybank	Wherry
Ellender	Mead	White

The PRESIDING OFFICER. Thirty-three Senators have answered to their names. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. AIKEN, Mr. ANDREWS, Mr. BREWSTER, Mr. BUTLER, Mr. GILLETTE, Mr. LUCAS, Mr. MALONEY, Mr. McFARLAND, Mr. RADCLIFFE, Mr. SHIPSTEAD, and Mr. THOMAS of Utah answered to their names when called.

The PRESIDING OFFICER (Mr. HILL in the chair). Forty-four Senators have answered to their names. There is not a quorum present.

Mr. BARKLEY. Mr. President, is that the second call?

The PRESIDING OFFICER. The Chair advises the Senator from Kentucky that the second call has been had.

Mr. BARKLEY. I move that the Sergeant at Arms be directed to request the attendance of absent Senators in order to make a quorum.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will carry out the order of the Senate.

After some delay, Mr. BYRD, Mr. EASTLAND, Mr. OVERTON, Mr. SMITH, Mr. McCLELLAN, Mr. GERRY, and Mr. GURNEY entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-one Senators having answered to their names, a quorum is present.

The bill is before the Senate and open to further amendment.

Mr. REVERCOMB. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, after line 20, it is proposed to insert the following new subdivision:

The service court of any friendly foreign force, as herein defined, is hereby authorized to exercise its jurisdiction within the territorial limits of the United States during the continuance of the present hostilities, and six months thereafter.

Mr. REVERCOMB. Mr. President, the language of the amendment merely states that the United States Government recognizes the service courts of friendly

foreign nations, and that it will permit them to exercise such jurisdiction as they now have within the territories of this country. The amendment is so framed and phrased as to avoid the use of "exclusive" jurisdiction, although such right has been given us by the British Government.

Considerable objection was voiced to the idea of exclusive jurisdiction in the service courts, and therefore the word "exclusive" has not been used in the amendment. The amendment is merely declaratory by the Congress of law which we are advised by the State Department exists, and which, under the decisions of the Supreme Court of this country, we know to exist, with reference to a friendly army quartered in this country or while passing through it. Therefore, Mr. President, the amendment is merely an expression of the rule as the Government of this country has recognized it to exist under international law. If we are to enact legislation on the subject, let us be specific about it and tell the foreign service courts of friendly nations which have forces in this country that they may exercise within the territories of the United States such jurisdiction as they have with our consent.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. MURDOCK. The only observation which I wish to make is this: The amendment offered by the Senator from West Virginia is an affirmative authorization of jurisdiction. That very proposal was presented to the Judiciary Committee and was voted down. All the pending bill would do would be to implement whatever jurisdiction the service courts bring with them. The agencies of our Government which are interested in the proposed legislation, and are sponsoring it as the result of an exchange of notes between our Ambassador and Mr. Eden, are taken care of, in my opinion, by the bill before us, which implements whatever jurisdiction may reside in the service courts.

In the act passed by Parliament there were no affirmative grants of jurisdiction to our courts. There was merely a prohibition of jurisdiction on the part of the criminal courts of Great Britain. In my opinion, the amendment of the Senator from West Virginia should be voted down and the bill as now amended should be passed.

Mr. REVERCOMB. Mr. President, I can only point out to the Senate that if the language of my amendment does not represent the attitude of the Government, and if it does not provide what the foreign service courts should have, then what are we implementing? We are implementing acts dealing solely with the arrest of offenders, and the summoning of witnesses. Nothing is said in the entire bill about recognizing the right of a friendly foreign service court to exercise its jurisdiction in this country. For the benefit of Senators who were not present during the discussion had earlier in the day——

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. REVERCOMB. I will yield in a moment.

As I was about to say, for the benefit of Senators who were not present earlier in the day during the discussion concerning this bill I may say that I put a question, as I recall, to Mr. Breckenridge Long, Assistant Secretary of State, who is interested in the matter. I said, "The right of the friendly foreign service court to exercise jurisdiction in this country, under the view taken by the State Department, is under an international rule, or law, according to the views of our American Government." I asked him, "Would it in any way becloud or cast any doubt upon our position as to what international law does, or what it may be with respect to this subject, if we were specifically to declare our views through this bill, giving the right which international law already gives?" His answer was, in effect, "No; not so long as we declare our views under international law." Mr. President, that is what my amendment would do. It simply provides that the service courts of a friendly foreign force, as defined in the bill, may exercise their jurisdiction within the territories of the United States.

Mr. CONNALLY. Mr. President, is not the whole question one of permission to the foreign force to be here? We can exclude them if we desire to do so, but does not our consent to their being here carry with it incidentals, and is not one of those incidentals that the force may exercise its discipline and its control, and punish infractions on the part of its members? That being the case, why is it necessary for us specifically to provide that they can exercise their jurisdiction here? It goes back to the fundamental question of whether we shall let them be here at all. We do not have to admit them. If we permit foreign troops and foreign naval officers and naval organizations to be within the United States, the implication and the natural inference is that they can exercise their normal functions. The purpose of the bill is simply to cooperate with those functions by permitting, with our consent, of course, the summoning of civilian witnesses to attend the sessions of their service courts. As I understand, that has to be done by permission. So, in view of his erudition and attainments, I cannot understand the Senator's anxiety about this matter, I really do not see why it is necessary at all to do what he suggests.

Mr. REVERCOMB. If the Senator's view were followed out entirely upon this subject, then the British Parliament need not have passed its law recognizing the authority of our service courts, going further than what is proposed here, and saying that we should exercise exclusive jurisdiction. If the Senator's view were correct, there would be no need of any British statute, and that would be fine. But we have an anomalous situation. We say—and this is basic—just as the Senator from Texas says, that it is the position of the Government of the United States that under international law this right exists anyway, but Great Britain takes a very different view and says in the notes that it must be enacted by parliamentary statute. I say, let us follow the same course, and declare clearly in the proposed statute that they may exercise their jusidiction here. It is only fair to Great Britain, it is only fair to our own country, to be specific on the subject.

Mr. CONNALLY. Is it the Senator's insistence that we should write into the bill a provision that foreign-service courts should have exclusive jurisdiction?

Mr. REVERCOMB. Oh, no; I have left the word "exclusive" out of the language, as I stated before.

Mr. CONNALLY. It might be undesirable to require that it be exclusive.

Mr. FERGUSON. Mr. President, I wish to say a few words on the amendment. As I understand the bill before the Senate, it gives to the British courts, or courts of any other friendly country, two rights, one to bring defendants before them, and the other to produce witnesses.

Mr. REVERCOMB. Will the Senator yield?

Mr. FERGUSON. I yield.

Mr. REVERCOMB. At the beginning I wish to differ with the Senator's view. The bill does not give the British foreign service courts any rights. It deals with the arrest of offenders by our officers, and requires the attendance of witnesses through our courts. The very thing stated by the Senator is what I am trying to put into the bill, that the service courts may exercise their jurisdiction, such as they have, not exclusive jurisdiction, but we are asked to declare by statute what the service court may do, by our recognition of their right to be here.

Mr. FERGUSON. I take for granted that if this Government authorizes our law-enforcing officers to arrest and bring before British courts, or other friendly courts, either a defendant or a witness, we are giving them certain rights, and the particular section which would be added to the bill could be construed as authorizing the court to act specifically, and therefore might be considered by the courts of this country as conferring jurisdiction upon the particular foreign court. It is that which I think is dangerous.

Mr. REVERCOMB. The Senator from Michigan, who is an able lawyer, knows that our Government cannot confer jurisdiction upon a foreign government's court. The only thing it can do is to say that the foreign court may exercise the jurisdiction it derives from its own government within the territory of this country; and that is what is proposed. Further, the Senator says that it specifically does that, and he is correct in that, and we should be specific, we should not leave the matter in doubt. All this language proposes, I may say to the able Senator from Michigan, is that Congress, in words, shall declare what we have said we intended to do. Let us be direct about it.

Mr. FERGUSON. Mr. President, under the Constitution, Congress has the right to create courts inferior to the Supreme Court, and when we use language such as that proposed about a body

which is called a friendly foreign court, a service court, we are creating an inferior court. Congress has provided for court martial, both in the Army and Navy, and if we say that we hereby authorize a foreign service court to exercise its jurisdiction within the territorial limits of the United States, I think it can be well said that Congress is creating that court a court under the jurisdiction of and giving it authority from this particular body.

I do not think it is the purpose of the Congress to create a new court, or to confer any jurisdiction upon any other court to try these cases. Let us say that the foreign service court already has, by virtue of international law—and I think it has in fact—the right, if it is in this country, by virtue of our Nation permitting it to be here, to exercise such jurisdiction as it may have over its nationals while they are in this country and in the service of the friendly foreign country; but if we as a legislative body attempted to confer any jurisdiction other than that such a court has by international law, I think we would be going too far, and the question would immediately be raised, Is this a court from which an appeal can be taken to some of the local courts? Can a defendant go before the local courts and obtain a writ of habeas corpus? Has he the right to go before the Supreme Court for a writ of certiorari because the jurisdiction is not being exercised under what we call due process of law? No; that is not what we are trying to arrive at; that is not what we are trying to confer upon the foreign service courts. We are attempting to allow them to operate here and to exercise the jurisdiction they have under international law, not under United States law. I think we are only complicating matters. We are making it so that we shall have trouble with the court's jurisdiction, and for that reason I think we should vote down the amendment. If the court is to function here, aid it, yes, by bringing in the witnesses; aid it, yes, by bringing in the defendants, but not by conferring any separate jurisdiction upon it or giving it the right to operate here as a domestic court.

Mr. McFARLAND. I desire to compliment the Senator from Michigan upon his statement.

Mr. REVERCOMB. Mr. President, let me say that I can find no basis whatsoever in the language of this amendment for the remarks of the Senator from Michigan with respect to conferring jurisdiction. There is nothing in the bill which confers jurisdiction, and even if we tried to do it we could not confer jurisdiction upon a service court of a friendly foreign nation. We are without power to do so. The court derives jurisdiction from its own government. The only thing we are saying is, "You may come into this country and exercise your own jurisdiction." That is what international law provides. What is the difference between the declaration of the bill and international law? International law is only what the country involved recognizes. There is no written international law on the subject.

Mr. FERGUSON. Mr. President, if we use language which authorizes the court to exercise its jurisdiction here, we mean that the jurisdiction which it exercises is legal jurisdiction. Why should this body confer upon a British court, let us say, the right to come here and exercise its jurisdiction under its own rules and regulations, and at the same time approve that procedure? It may not be in conformity with our due process of law. We learned in this body the other day that an American was tried in a secret court in Britain for a felony committed there. We may not approve that in this country. Why should we authorize the court to exercise its jurisdiction here, thereby making its jurisdiction legal under the laws of this country?

Mr. REVERCOMB. If the foreign service court cannot exercise jurisdiction, then what is the bill all about? What are we implementing by the bill if the court cannot exercise its jurisdiction in this country?

Mr. FERGUSON. The foreign service court can exercise, if I may answer the Senator from West Virginia, its jurisdiction so far as its own country's laws provide for its own jurisdiction, but not under our laws. We want the court to exercise its jurisdiction under its own country's laws, and not under the laws enacted by the Congress.

Mr. REVERCOMB. Mr. President, just one more word. There is nothing in this measure which limits the time for the exercise of jurisdiction by these friendly foreign service courts, and I want to call the attention of the Senate and have it very clear in the RECORD that the amendment I am offering limits the right of these courts to act in this country during the existence of the present hostilities and 6 months thereafter. Unless the pending amendment shall be adopted Congress will enact a permanent law to aid friendly foreign service courts for an unlimited time.

The PRESIDING OFFICER (Mr. HILL in the chair). The question is on agreeing to the amendment of the Senator from West Virginia [Mr. REVERCOMB].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 3241) was read the third time and passed.

EXTENSION OF CIVILIAN PILOT TRAINING ACT—CONFERENCE REPORT

Mr. RADCLIFFE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1432) to extend the Civilian Pilot Training Act of 1939, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

Strike out the figures "1945" in the last line and insert in lieu thereof the figures "1946", and the House agree to the same.

GEORGE L. RADCLIFFE,
JAS. M. MEAD,
R. OWEN BREWSTER
(Per GEO. L. RADCLIFFE),
Managers on the part of the Senate.

A. L. BULWINKLE,
CLARENCE LEA,
LINDLEY BECKWORTH,
CHAS. A. WOLVERTON,
PEHR G. HOLMES,
Managers on the part the House.

Mr. RADCLIFFE. Mr. President, the Senate bill provided for an extension of 5 years. The House of Representatives reduced that to 1 year. The conferees have agreed on 2 years. I move the adoption of the conference report.

The report was agreed to.

AMENDMENT OF THE ACT OF MAY 29, 1930

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4292, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 19, 1944.

Resolved, That the House agree to the amendment of the Senate numbered 2 to the bill (H. R. 4292) to amend section 12 (b) of the act of May 29, 1930, as amended; and

That the House agree to the amendment of the Senate numbered 1 to said bill, with an amendment as follows: In line 1 of the matter inserted by said Senate engrossed amendment strike out "employees" and insert "employee."

Mr. BYRD. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 1. The amendment relates merely to a clerical error. The word "employees" should be "employee," singular.

The motion was agreed to.

CONSOLIDATION AND REVISION OF LAWS RELATING TO THE PUBLIC HEALTH SERVICE

Mr. THOMAS of Utah. Mr. President, when the calendar was called House bill 4624, Calendar No. 1045, was reached. That is the last bill on the calendar. Objection was made to consideration of the bill at the time by the Senator from West Virginia [Mr. REVERCOMB]. We have discussed the matter with the Senator from West Virginia and other Senators, and an agreement has been reached that if one of the Senate committee amendments shall be disagreed to there will be no other objections raised to the bill.

Mr. President, since the bill is one which will need House approval, and since we have worked in harmony with the House committee with respect to it, I ask unanimous consent for immediate consideration of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 4624) to consolidate and revise the laws

relating to the Public Health Service, and for other purposes, which had been reported from the Committee on Education and Labor with amendments.

Mr. REVERCOMB. Mr. President, I understand it is agreed that the committee amendment on page 64 of the bill, section 371, under the heading "Training of Nurses," shall be disagreed to.

Mr. THOMAS of Utah. That is correct, Mr. President.

The PRESIDING OFFICER. The clerk will state the amendments of the committee.

The first amendment of the Committee on Education and Labor was, in section 210, on page 14, line 13, after the word "promotion," to strike out "after not more than 2 years of service" and insert "in accordance with regulations of the President."

The amendment was agreed to.

The next amendment was, in section 215, on page 22, line 12, after the word "effects", to strike out "allotments from their pay by commissioned officers."

The amendment was agreed to.

The next amendment was in section 314, on page 30, after line 4, to insert the following paragraph:

(b) To enable the Surgeon General to carry out the purposes of section 301 with respect to developing more effective measures for the prevention, treatment, and control of tuberculosis, and to assist, through grants and as otherwise provided in this section, States, counties, health districts, and other political subdivisions of the States in establishing and maintaining adequate measures for the prevention, treatment, and control of such disease, including the provision of appropriate facilities for care and treatment and including the training of personnel for State and local health work, and to enable him to prevent and control the spread of tuberculosis in interstate traffic, and to meet the cost of pay, allowances, and traveling expenses of commissioned officers and other personnel of the Service detailed to assist in carrying out the purpose of this section with respect to tuberculosis, and to administer this section with respect to such disease, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1945, the sum of $10,000,000, and for each fiscal year thereafter a sum sufficient to carry out the purposes of this subsection.

The amendment was agreed to.

The next amendment was, on the same page, in line 25, to change the paragraph designation from "(b)" to "(c)."

The amendment was agreed to.

The next amendment was, on page 31, line 16, to change the paragraph designation from "(c)" to "(d)"; in line 18, after "subsection "(a)", to strike out the word "and"; in line 19, after "subsection (b)", to insert "and, within the limits specified in subsection (c), the total sum from the appropriation under that subsection"; and on page 32, line 1, after the word "problem", to insert "the size of the tuberculosis problem."

The amendment was agreed to.

The next amendment was, on page 32, line 6, to change the paragraph designation from "(d)" to "(e)."

The amendment was agreed to.

The next amendment was, on the same page, line 18, to change the paragraph designation from "(e)" to "(f)", and in line 20, after the word "subsection", to strike out "(a)" and insert "(a)," and in the same line, after "(b)", to insert "or subsection (c)."

The amendment was agreed to.

The next amendment was, on the same page, line 24, to change the paragraph designation from "(f)" to "(g)."

The amendment was agreed to.

The next amendment was, on page 33, line 3, to change the paragraph designation from "(g)" to "(h)"; in line 6, after the word "subsection", to strike out "(a)" and insert "(a),"; in line 7, after "subsection (b)", to insert "or subsection (c)"; and in line 10, after the word "subsection", to strike out "(e)" and insert "(f)."

The amendment was agreed to.

The next amendment was, on page 33, in line 22, to change the paragraph designation from (h) to (i).

The amendment was agreed to.

The next amendment was, on page 34, in line 4, to change the paragraph designation from (i) to (j); in the same line, after "subsection (a)", to strike out "of this section" and insert "and funds appropriated under subsection (b)"; in line 8, after the word "out", to strike out "such subsection" and insert "the respective subsections", and in line 12, after the word "by", to strike out "such subsection" and insert "the respective subsections."

The amendment was agreed to.

The next amendment was, in section 321, on page 35, after line 4, to insert the following: "and from time to time, with the approval of the President, select suitable sites for and establish such additional institutions, hospitals, and stations in the States and possessions of the United States as in his judgment are necessary to enable the Service to discharge its functions and duties."

The amendment was agreed to.

The next amendment was, in section 326, on page 41, after line 2, to strike out:

Such cost shall be at such uniform rate as may be prescribed in such regulations of the President.

And insert:

Such cost shall be at such uniform rate as may be prescribed from time to time by the President for the hospitalization of dependents of naval and Marine Corps personnel at any naval hospital, pursuant to section 2 of the act of May 10, 1943 (57 Stat. 80).

The amendment was agreed to.

The next amendment was, in section 343, on page 46, line 2, after the word "transfers", to insert:

When sentence is pronounced against any person whom the prosecuting officer believes to be an addict, such officer shall report to the authority vested with the power to designate the place of confinement, the name of such person, the reasons for his belief, all pertinent facts bearing on such addiction, and the nature of the offense committed.

The amendment was agreed to.

The next amendment was, in section 344, on page 49, line 22, to change the paragraph designation from (d) to (c) and on page 50, line 5, to change the paragraph designation from "(c)" to "(d)."

The amendment was agreed to.

The next amendment was, in section 351, on page 53, line 12, after the word "purity", to insert "and", and after the word "potency" to strike out "and efficaciousness."

The amendment was agreed to.

The next amendment was, in the same section, on page 54, line 10, after the paragraph designation "(g)", to strike out "the persons and the products to which this section is applicable shall be subject also to the provisions of the" and to insert "Nothing contained in this act shall be construed as in any way affecting, modifying, repealing, or superseding the provisions of the", and in line 14, after the word "Act", to strike out the comma and the following: "except that section 505 of such act shall not apply in the case of any virus, serum, toxin, antitoxin, or other product propagated, manufactured, or prepared pursuant to an unsuspended and unrevoked license issued under this section" and insert "(U. S. C., 1940 ed., title 21, ch. 9)."

The amendment was agreed to.

The next amendment was, in section 366, on page 59, line 19, after "(a)", to strike out "Any" and insert "Except as otherwise prescribed in regulations, any."

The amendment was agreed to.

The next amendment was, in the same section, on page 61, line 13, after the word "treaty", to strike out "or may be designated by regulation; nor, to the extent prescribed by regulations, to such of the other vessels referred to in subsection (a) hereof as may be designated in such regulations."

The amendment was agreed to.

The next amendment was, in the same section, on page 62, line 1, after the word "vessel", to insert:

The certificate required by this subsection shall be procurable from the quarantine officer, upon arrival of the vessel at the quarantine station and satisfactory inspection thereof, at any time within which quarantine services are performed at such station.

The amendment was agreed to.

The next amendment was, in section 367, on page 62, line 8, after the words "application to", to strike out "civil", and in line 9, before the word "aircraft", to strike out "civil."

The amendment was agreed to.

The next amendment was, in section 368, page 62, line 24, after the word "section", to strike out "364 or section"; in line 25, after the word "regulations", to strike out "thereunder," and insert "thereunder"; on page 63, after the word "section", to strike out "367" and insert "364."

The amendment was agreed to.

The next amendment was, on page 64, line 1, to insert the following:

PART H—TRAINING

TRAINING OF NURSES

SEC. 371. The Surgeon General is authorized to provide for training and instruction of persons in nursing and related subjects, in educational and other training institutions which have been approved by the Surgeon General as meeting standards prescribed by regulations of the President; payment for such training and instruction, and for tuition, fees and subsistence, to be made through certification from time to time by the Surgeon General, in accordance with

regulations of the President, to the Secretary of the Treasury of the name of the approved institution and the amount to be paid; and the Secretary shall make payment in accordance with such certification prior to audit or settlement by the General Accounting Office.

Mr. THOMAS of Utah. Mr. President, I ask that the amendment on page 64 be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment beginning on page 64, line 1.

The amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment beginning on page 64, line 1.

The next amendment was in section 406, on page 69, line 9, after the word "limiting" to strike out "(1)" and insert "(a)", and in line 13, after the word "or" to strike "(2)" and insert "(b)."

The amendment was agreed to.

The next amendment was in section 501, page 71, after line 24 to insert the following:

(c) Donations of $50,000 or over in aid of research may be acknowledged by the establishment within the National Institute of Health of suitable memorials to the donors.

The amendment was agreed to.

The next amendment was, in section 610, on page 82, after line 11 to strike out the following:

(b) Subject to regulations of the President, lightkeepers and assistant lightkeepers (who during their active service were entitled to medical relief at hospitals and other stations of the Public Health Service), and officers and crews of vessels of the former Lighthouse Service, who have been or who may hereafter be retired under the provisions of section 6 of the Act of June 20, 1918, as amended (U. S. C., 1940 edition, title 33, sec. 763), shall be entitled to medical, surgical, and dental treatment and hospitalization by the Public Health Service.

And to insert:

(b) Subject to regulations of the President, lightkeepers, assistant lightkeepers, and officers and crews of vessels of the former Lighthouse Service, including any such persons who subsequent to June 30, 1939, have involuntarily been assigned to other civilian duty in the Coast Guard, who were entitled to medical relief at hospitals and other stations of the Public Health Service prior to enactment of this act, and who are now or hereafter on active duty or who have been or may hereafter be retired under the provisions of section 6 of the act of June 20, 1918, as amended (U. S. C., 1940 ed., title 33, sec. 763), shall be entitled to medical, surgical, and dental treatment and hospitalization at hospitals and other stations of the Public Health Service: *Provided*, That such persons while on active duty shall also be entitled to care and treatment in accordance with the provisions of section 322 (e) of this act.

(c) For the duration of the present war and for 6 months thereafter, seamen employed on foreign-flag vessels which are owned or operated by citizens of the United States or by corporations incorporated under the law of the United States or of any State shall be entitled to the same benefits as are provided by section 322 (a) (1) for seamen employed on vessels of the United States.

The amendment was agreed to.

The next amendment was in section 611, after line 22, to insert:

The two paragraphs under the subheading "Marine—hospital establishment (customs:)" under the heading "Under the Treasury Department" in section 3689 in title XLI of the Revised Statutes of the United States;

The amendment was agreed to.

The next amendment was on page 84, line 3, to strike out "Section 3689 in title XLI, and sections" and insert "Sections."

The amendment was agreed to.

The next amendment was, on page 94, line 25, after the words "public health", to strike out "wherever they appear."

The amendment was agreed to.

The next amendment was, on page 95, at the beginning of line 1, to strike out "the second sentence of."

The amendment was agreed to.

The next amendment was, on page 95, line 16, after the numerals "228", to insert "chapter 725, 49 Statutes at Large 1827, at page 1839;".

The amendment was agreed to.

The next amendment was, on page 97, line 8, after the numerals "547", to insert "at page 548."

The amendment was agreed to.

The next amendment was, on page 98, line 7, after the word "Congress", to strike out the comma and the words "at page 4."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

The bill is before the Senate and open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 4624) was read the third time and passed.

ORDER OF BUSINESS

Mr. BARKLEY. Mr. President, the acting chairman of the Committee on Appropriations advises me that he hopes to have several conference reports ready within a short time. The conferees are at work, and it is desirable to try to dispose of the measures today. I, therefore, ask unanimous consent that the Senate stand in recess, subject to the call of the Chair. I anticipate that the call will probably come around 6 o'clock.

Mr. CONNALLY. Mr. President, there is on the Executive Calendar a convention on the Inter-American Institute of Agricultural Sciences, which I should like to have disposed of at this time.

Mr. BARKLEY. Then we might as well have an executive session.

Mr. CONNALLY. Very well.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HILL in the chair) laid before the Senate messages from the President of the United States, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WALSH of Massachusetts, from the Committee on Naval Affairs:

Brig. Gen. Clifton B. Cates to be a major general in the Marine Corps for temporary service from the 1st day of February, 1944.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

CONVENTION ON THE INTER-AMERICAN INSTITUTE OF AGRICULTURAL SCIENCES

Mr. CONNALLY. Mr. President, the first item on the Executive Calendar is the convention on the Inter-American Institute of Agricultural Sciences. The convention has been favorably reported by the Committee on Foreign Relations, and I should like very much to have it ratified at this time.

The Senate, as in Committee of the Whole, proceeded to consider the convention, Executive B (78th Cong., 2d sess.), a convention on the Inter-American Institute of Agricultural Sciences, opened for signature in the Spanish, English, Portuguese, and French languages at the Pan American Union in Washington on January 15, 1944. Signed by the United States of America on January 15, 1944, which was read the second time, as follows:

CONVENTION ON THE INTER-AMERICAN INSTITUTE OF AGRICULTURAL SCIENCES

The Governments of the American Republics, desiring to promote the advancement of the agricultural sciences and related arts and sciences; and wishing to give practical effect to the resolution approved by the Eighth American Scientific Congress held in Washington in 1940, recommending the establishment of an Inter-American Institute of Tropical Agriculture, have agreed to conclude a Convention in order to recognize the permanent status of the Inter-American Institute of Agricultural Sciences, hereinafter referred to as "the Institute," on the basis of the following Articles:

ARTICLE I

The Contracting States hereby recognize the permanent status of the Inter-American Institute of Agricultural Sciences, incorporated under the laws of the District of Columbia, United States of America, on June 18, 1942; and they agree to recognize the Institute as a legal entity in accordance with their own legislation. The Institute shall have all the rights, benefits, assets, lands, and other property to which it was or may be entitled as a corporation, and shall assume all the obligations and contracts for which it became responsible as a corporation.

The executive headquarters of the Institute shall be located in Washington, D. C. The principal field headquarters of the Institute shall be located in Turrialba, Costa Rica. Regional offices of the Institute may be maintained throughout the American Republics.

ARTICLE II. PURPOSES

The purposes of the Institute are to encourage and advance the development of agricultural sciences in the American Republics through research, teaching, and extension activities in the theory and practice of agriculture and related arts and sciences.

In furtherance of these purposes the Institute may, subject to the laws of the several countries, exercise the following powers: To develop, finance, and operate similar establishments and installations in one or more of the American Republics; to give assistance in the establishment and maintenance of organizations having similar purposes in the said Republics; to purchase,

sell, lease, improve, or operate any property in the American Republics, in accordance with the purposes of the Institute; to collaborate with the Government of any American Republic, or with any other organization or entity, and to give assistance to the same; to receive contributions and donations of money or property, both real and personal; to enter into and carry out contracts and agreements; to raise or acquire and, in any manner, dispose of all agricultural commodities and products thereof essential for experimental or research purposes; and to carry on any other business or activity appropriate to the foregoing purposes.

ARTICLE III. THE BOARD OF DIRECTORS

The representatives of the twenty-one American Republics on the Governing Board of the Pan American Union shall serve as members of the Institute, and shall be considered as members of the Board of Directors thereof. In the event that any member is unable to attend a meeting of the Board of Directors the said member or his government may designate an alternate for that purpose. The decisions of the Board shall be adopted by a majority vote of its members, which majority vote shall include the votes of a majority of the members representing Contracting States. The Board shall have, among others, the following functions:

To elect the Director of the Institute and to approve the appointment of the Secretary made by the Director.

To remove both the Director and the Secretary.

To determine the compensation of the Director and the Secretary.

To supervise the activities of the Director, who shall be responsible for carrying out all orders and resolutions of said Board.

To appoint and define the duties and compensation of an administrative committee consisting of not more than eight persons, of whom one shall be the Director of the Institute ex officio. The members of this administrative committee need not be members of the Board of Directors.

To approve the budget for the administration of the Institute to be submitted annually by the Director.

To fix the annual quotas of the Institute.

The Board shall receive an annual report from the Director upon the activities of the Institute as well as upon its general condition and financial status.

ARTICLE IV. OFFICERS

The Institute shall have a Director and a Secretary. The Director shall be elected by the Board of Directors in plenary session for a term of six years; he may be reelected one or more times. The first term of the Director under the provisions of this Convention shall begin as of the day on which this Convention enters into force.

The Secretary shall be appointed by the Director with the approval of the Board of Directors of the Institute and shall be directly responsible to the Director.

The Director and the Secretary shall hold office until their respective successors shall be chosen and shall qualify; but they may be removed by vote of the majority of the members of the Institute.

ARTICLE V. THE DIRECTOR

1. The Director under the supervision of the Board of Directors shall have ample and full powers to direct the activities of the Institute; and he shall be responsible for carrying out all orders and resolutions of said Board.

2. The Director under the supervision of the Board of Directors shall be the legal representative of the Institute; and he may legalize, with the seal of the Institute, all contracts, conveyances and other instruments which require such legalization and which in his opinion are necessary and advantageous to the operation of the Institute. In addition, he shall be authorized to take any other step necessary to validate such instruments as may be required or permitted by law. The Director may grant powers to others for all those acts which he cannot perform personally.

3. The Director, under the supervision of the Board of Directors of the Institute, shall have the power to appoint, remove, and determine the compensation of employees.

4. The Director shall prepare the budget of the Institute for each fiscal year, and submit it to the Board of Directors at least two months before the annual meeting at which it will be considered for approval.

5. The Director shall submit an annual report to the Board of Directors of the Institute two months before the annual meeting, setting forth the work of the Institute during the year and its general condition and financial status, and he shall submit to the approval of the said Board the budget and the plans for the following year.

ARTICLE VI. THE SECRETARY

The Secretary shall keep the minutes and records of the Institute, shall exercise all prerogatives and carry out all administrative duties assigned to him by the Director.

ARTICLE VII. TECHNICAL ADVISORY COUNCIL

Provision is made for the establishment of a Technical Advisory Council, as follows:

1. Each of the Contracting States may appoint an agricultural expert to be its representative in the Technical Advisory Council of the Institute. This Council shall cooperate with the Director on agricultural matters of a technical nature. The appointment of each representative shall be officially notified to the Secretary of the Institute. The members of the Council shall serve for a period of five years at the will of their respective governments, and may be reappointed one or more times.

2. The Technical Advisory Council shall meet at least once a year, under the chairmanship of the Director of the Institute, at such place as the activities of the Institute may require. The Director may call special meetings of the Council on his own initiative, whenever the best interests of the Institute may require. Notice with respect to any meeting shall be given at least two months in advance and shall state the purpose or purposes of the proposed meeting. A majority of the members of the Council shall constitute a quorum.

3. No member of the Technical Advisory Council, as such, shall receive from the Institute any pecuniary compensation for his services, although the Institute may defray traveling expenses of the members of the Council to the annual meeting.

ARTICLE VIII. FISCAL AGENT

The Pan American Union shall act as fiscal agent for and on behalf of the Institute, and as such shall receive and disburse the funds of the Institute.

ARTICLE IX. MAINTENANCE OF THE INSTITUTE

The income of the Institute for its maintenance and operation shall consist of annual quotas paid by the Contracting States, as well as of legacies, donations, and contributions which the Institute may accept. Such funds and contributions shall be used only for purposes in keeping with the character of the Institute.

The annual quotas shall be determined by the Board of Directors of the Institute provided the vote is unanimous with respect to the members representing the Contracting States. The amounts of the respective quotas shall be in proportion to the population of each Contracting State, on the basis of the latest official statistics in possession of the Pan American Union on the first day of July of each year.

The annual quota payment of each Contracting State shall not exceed one dollar United States currency per one thousand of the total population of that State. The quota payments may, however, be increased by unanimous recommendation of those members of the Board of Directors who represent Contracting States and the approval by the appropriate authorities of each of the Contracting States of the increased quota of that State.

The quotas shall be communicated annually by the Pan American Union to the Governments of the Contracting States, and shall be paid before the first of July of each year.

The quota payments of each Contracting State shall commence on the day on which this Convention enters into force with respect to that State, prorated according to the number of full calendar months remaining in the current fiscal year.

The fiscal year of the Institute shall begin on the first day of July of each year.

ARTICLE X. LANGUAGES

The official languages of the Institute shall be English, Spanish, Portuguese, and French.

ARTICLE XI. POSTAL PRIVILEGES

The Contracting States agree to extend to the Institute forthwith the domestic and international franking privilege provided in the existing inter-American postal conventions and to ask the States members of the Pan American Union which have not ratified the present Convention to grant the Institute the same postal privileges.

ARTICLE XII. EXEMPTION FROM TAXATION

Lands and buildings in the territory of any of the Contracting States of which the Institute is the legal or equitable owner and which are used exclusively for the purposes of the Institute shall be exempt from taxation of every kind, National, State, Provincial, or Municipal, other than assessments levied for services or for local public improvements by which the premises are benefited.

Furniture, equipment, supplies, construction materials, and any other articles intended for official use of the Institute shall be exempt in the territory of any of the Contracting States from every form of taxation, including but not limited to customs duties, excise and surtaxes.

All funds and other property used for the purposes of the Institute, and all contracts and other official acts of the Institute within the scope of its purposes shall likewise be exempt from taxation of every kind in the territory of each of the Contracting States.

ARTICLE XIII. MOVEMENT OF FUNDS

Each of the Contracting States shall take such measures as may be appropriate to facilitate the movement of funds of the Institute.

ARTICLE XIV. EXEMPTIONS AND PRIVILEGES FOR PERSONNEL AND STUDENTS

Each of the Contracting States agrees that it will accord to persons engaged in the work of the Institute or pursuing studies under the auspices of the Institute, such privileges with respect to exemption from taxation and other burdens affecting the entry, travel, and residence of such persons as may be appropriate under its laws and regulations.

ARTICLE XV. SIGNATURE AND RATIFICATION

1. The original of the present Convention in the English, Spanish, Portuguese, and French languages shall be deposited with the Pan American Union and opened for signature by the Governments of the American Republics. The Pan American Union shall furnish a certified copy of the present Convention to each signatory Government and to the Government of each nonsignatory State which is a member of the Union. The Pan American Union shall inform all the Governments of the States members of the Pan American Union with respect to all signatures and the respective dates thereof.

2. The present Convention shall be ratified by the signatory States in conformity with their respective constitutional procedures. The instruments of ratification shall be deposited with the Pan American Union, which shall notify all the signatory Governments of each ratification deposited and the date of its deposit.

3. The present Convention shall come into force three months after the deposit of not less than five ratifications with the Pan American Union. Any ratification received after the date of entry into force of the Convention shall take effect one month after the date of its deposit with the Pan American Union.

ARTICLE XVI. DENUNCIATION

1. The present Convention shall, subject to the provisions of Paragraph 2 of this Article, remain in force indefinitely, but may be denounced by any Contracting State by a notification in writing to the Pan American Union, which shall inform all the other Contracting States of each notification of denunciation received. After the expiration of one year from the date of the receipt by the Pan American Union of a notification of denunciation by any Contracting State, the present Convention shall cease to be in force with respect to such State, but the Convention shall remain in full force and effect with respect to all the other Contracting States.

2. In the event that the number of Contracting States should be reduced to less than five as the result of denunciations, the remaining Contracting States shall immediately consult with each other with a view to revising the present Convention and with a view to determining the future status of the Institute. If, within two years after the date upon which the number of Contracting States is reduced to less than five, as the result of denunciations, no agreement shall have been reached by the remaining Contracting States regarding the continuation of the Convention and the status of the Institute, the Convention shall, upon the expiration of six months' written notice by any remaining Contracting State, cease to be in force. In the event that the Convention should cease to be in force, the status of the Institute shall be determined by the Governing Board of the Pan American Union.

In witness whereof, the undersigned Plenipotentiaries, having deposited their full powers found to be in due and proper form, sign this Convention in the English, Spanish, Portuguese, and French languages at the Pan American Union, Washington, D. C., on behalf of their respective Governments and affix thereto their seals on the dates appearing opposite their signatures.

For Costa Rica: (s) CARLOS MANUEL ESCALANTE January 15, 1944 [SEAL]

For Nicaragua: (s) GUILLERMO SEVILLA SACASA January 15, 1944 [SEAL]

For Panama: (s) ENRIQUE A. JIMÉNEZ January 15, 1944 [SEAL]

For the United States of America: (s) CORDELL HULL January 15, 1944 [SEAL]

For Cuba: (s) AURELIO F. CONCHESO January 20, 1944 [SEAL]

For Ecuador: (s) C. E. ALFARO January 20, 1944 [SEAL]

I hereby certify that the foregoing document is a true and faithful copy of the original, with the signatures affixed thereto up to the present date, of the Convention on the Inter-American Institute of Agricultural Sciences, deposited in the Pan American Union and opened for signature by the American Republics on January 15, 1944.

Washington, D. C., January 27, 1944.

[SEAL] PEDRO DE ALBA,
Secretary of the Governing Board of the Pan American Union.

The PRESIDING OFFICER. The Convention is before the Senate as in Committee of the Whole, and open to amendment. If there be no amendment to be proposed, the Convention will be reported to the Senate.

The Convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive B, Seventy-eighth Congress, second session, a Convention on the Inter-American Institute of Agricultural Sciences, opened for signature in the Spanish, English, Portuguese, and French languages at the Pan American Union in Washington on January 15, 1944, signed by the United States of America on January 15, 1944.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the Convention is ratified.

The clerk will state the nominations on the calendar.

THE ARMY

The legislative clerk read the nomination of Ephraim Franklin Jeffe to be a brigadier general (temporary appointment) in the Army of the United States, which nomination had previously been passed over.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of Herbert Wechsler to be Assistant Attorney General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF THE INTERIOR

The legislative clerk read the nomination of William Riddell to be register of the land office at Billings, Mont.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE JUDICIARY

The legislative clerk read the nomination of Frank C. Bingham to be United States attorney for division 2 of Alaska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Arthur D. Fairbanks to be United States marshal for the district of Colorado.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Bernard Fitch to be United States marshal for the district of Connecticut.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Thomas N. Curran to be United States marshal for the district of Maine.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Frank C. Blackford to be United States marshal for the western district of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the United States Public Health Service.

The PRESIDING OFFICER. Without objection, the nominations in the United States Public Health Service are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

THE NAVY

The legislative clerk read the nomination of Commodore Andrew F. Carter, United States Naval Reserve, to be rear admiral in the Naval Reserve, for temporary service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the calendar.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

NOMINATION OF J. FRANCIS REILLY TO BE A MEMBER OF THE PUBLIC UTILITIES COMMISSION OF THE DISTRICT OF COLUMBIA

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read:

To the Senate:

In compliance with the request of the Senate of June 19, I am returning herewith its resolution of June 8, 1944, advising and consenting to the appointment of J. Francis Reilly to be a member of the Public Utilities Commission of the District of Columbia.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 22, 1944.*

The PRESIDING OFFICER. Without objection, the vote by which the nomination was confirmed will be reconsidered, and the nomination will be indefinitely postponed.

RECESS

The Senate resumed the consideration of legislative business.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Senate stand in recess, subject to the call of the Chair. The Senator from Tennessee [Mr. MCKELLAR] advises me that within 30 minutes or a little more he expects to have four appropriation bills ready for final action.

Mr. MCKELLAR. There will be three, at least, and perhaps four. I am merely

telling the Senator what I have been told.

Mr. BARKLEY. Even three would represent considerable progress.

Mr. WHITE. Mr. President, does the Senator refer to appropriation bills which will have to go to conference?

Mr. McKELLAR. Oh no. I am referring to conference reports.

The PRESIDING OFFICER. Without objection, the Senate will stand in recess subject to the call of the Chair.

Thereupon (at 5 o'clock and 25 minutes p. m.) the Senate took a recess subject to the call of the Chair.

The Senate reassembled, at 7 o'clock and 7 minutes p. m., when it was called to order by the Presiding Officer (Mr. HILL in the chair).

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the bill (S. 1826) to amend section 6 of the act of July 2, 1940 (54 Stat. 714), relating to the exportation of certain commodities, and to continue said act in effect.

The message also announced that the House had passed the bill (S. 1973) to provide additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3126) for the relief of Mary Ellen Frakes, widow of Joseph A. Frakes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4861) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 17, 20, 22, 23, 27, 28, 31, and 32 to the bill and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 21, 24, and 25 to the bill and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4967) making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 1 to the bill, and concurred therein, and that the House receded from its disagreement to the amendment of the Senate numbered 3 to the bill and concurred therein with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5040) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944, and June 30, 1945, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON of Missouri, Mr. WOODRUM of Virginia, Mr. LUDLOW, Mr. SNYDER, Mr. O'NEAL, Mr. JOHNSON of Oklahoma, Mr. TABER, Mr. WIGGLESWORTH, Mr. LAMBERTSON, and Mr. POWERS, were appointed managers on the part of the House at the conference.

The message further announced that the House had passed a bill (H. R. 3270) to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States and that the Acts of July 2, 1890, and October 15, 1914, as amended, be not applicable to that business, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 3270) to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States and that the Acts of July 2, 1890, and October 15, 1914, as amended, be not applicable to that business, was read twice by its title and referred to the Committee on the Judiciary.

APPROPRIATIONS FOR THE DISTRICT OF COLUMBIA—CONFERENCE REPORT

Mr. O'MAHONEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4861) "making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 12.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 8, 9, 10, 13, 14, 15, 16, 18, 26, 29, and 30, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$9,767,200"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$600,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$59,900"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 17, 20, 21, 22, 23, 24, 25, 27, 28, 31, and 32.

JOSEPH C. O'MAHONEY,
JOHN H. OVERTON,
ELMER THOMAS,
RUFUS C. HOLMAN,
HAROLD H. BURTON,
Managers on the part of the Senate.

JOHN M. COFFEE,
CLINTON P. ANDERSON,
W. F. NORRELL (with reservation),
KARL STEFAN,
HENRY C. DWORSHAK,
Managers on the part of the House.

Mr. O'MAHONEY. Mr. President, as I stated yesterday when the appropriation bill for the District of Columbia was before the Senate, no controversial items were involved in the bill as reported by the committee. The changes made by the Senate involve a total of approximately $531,000 more than had been appropriated by the House, and there were several minor amendments.

At the conference this morning an agreement was effected within a few hours, without any disagreement, between the Senate and the House. We feel that the conference report has the unanimous support of the Subcommittee on Appropriations for the District of Columbia.

I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4861, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 22, 1944.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 17, 20, 22, 23, 27, 28, 31, and 32 to the bill (H. R. 4861) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 21 to said bill, and concur therein, with an amendment as follows: In lieu of the sum inserted by said amendment, insert "$1,480,000."

That the House recede from its disagreement to the amendment of the Senate numbered 24 to said bill, and concur therein, with an amendment as follows: In lieu of the matter inserted by said amendment, insert "one superintendent at $8,000 per annum";

That the House recede from its disagreement to the amendment of the Senate numbered 25 to said bill, and concur therein, with an amendment, as follows: In lieu of the sum inserted by said amendment insert "$2,172,000."

Mr. O'MAHONEY. I move that the Senate concur in the amendments of the

House to the amendments of the Senate Nos. 21, 24, and 25.

The motion was agreed to.

APPROPRIATIONS FOR THE MILITARY ESTABLISHMENT

Mr. RUSSELL submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4967) "making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 5, 6, and 7, and agree to the same.

The committees of conference report in disagreement amendments numbered 1 and 3.

ELMER THOMAS,
RICHARD B. RUSSELL,
JOHN H. OVERTON,
CHAN GURNEY,
C. WAYLAND BROOKS,
Managers on the part of the Senate.

J. BUELL SNYDER,
JOE STARNES,
JOHN H. KERR,
GEORGE MAHON,
D. LANE POWERS,
ALBERT J. ENGEL,
FRANCIS CASE,
Managers on the part of the House.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4967, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 22, 1944.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1 to the bill (H. R. 4967) making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 3 to the said bill, and concur therein with an amendment as follows:

Restore the matter stricken out by said amendment, amended to read as follows: "*Provided*, That no appropriation contained in this act shall be available for any expense incident to educating persons in medicine (including veterinary) or dentistry if any expense on account of their education in such subjects was not being defrayed out of appropriations for the Military Establishment for the fiscal year 1944 prior to June 7, 1944, except that nothing herein shall interfere with compliance with the provisions of law authorizing the detail of officers and enlisted men of any component of the Army of the United States as students, observers, and investigators as contemplated by section 127 (a) of the National Defense Act, approved June 3, 1916, as amended."

Mr. RUSSELL. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 3 by striking out after the word "investigators" the words "as contemplated by section 127 (a) of the National Defense Act, approved June 3, 1916, as amended", just read by the clerk.

The PRESIDING OFFICER. The question is on the motion of the Senator from Georgia.

The motion was agreed to

RECESS

Mr. BARKLEY. Mr. President, my information from the messenger of the House is that within perhaps 10 minutes two more conference reports will be ready for the consideration of the Senate. Therefore, I again ask that the Senate stand in recess subject to the call of the Chair.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon (at 7 o'clock and 15 minutes p. m.) the Senate took a recess subject to the call of the Chair.

The Senate reassembled at 7 o'clock and 43 minutes p. m., when it was called to order by the Presiding Officer [Mr. HILL] in the chair.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes, and that the House receded from its disagreement to the amendment of the Senate numbered 5 to the bill and concurred therein with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4937) making appropriations for defense aid (lend-lease), for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration, for the fiscal year ending June 30, 1945, and for other purposes, and that the House receded from its disagreement to the amendment of the Senate numbered 2 to the bill, and concurred therein.

APPROPRIATIONS FOR DEFENSE AID (LEND-LEASE), U. N. R. R. A., AND FOREIGN ECONOMIC ADMINISTRATION—CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4937) "making appropriations for defense aid (lend-lease), for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration, for the fiscal year ending June 30, 1945, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In the matter proposed to be inserted by said amendment, insert before the sum "$43,200,000" the following "not to exceed"; and in the matter proposed to be inserted by said amendment before the word "owned" strike out the word "now"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: On page 7 of the bill, in line 10, after the words "per annum", and before the comma, insert the following "during the incumbency of the present Administrator"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$19,750,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$75,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$340,000"; and the Senate agree to the same.

The committee report in disagreement amendment numbered 2.

KENNETH MCKELLAR,
RICHARD B. RUSSELL,
M. E. TYDINGS,
RUFUS C. HOLMAN,
C. WAYLAND BROOKS,
Managers on the part of the Senate.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
JED JOHNSON,
Managers on the part of the House.

The report was agreed to.

Mr. McKELLAR. That completes the action on that bill and it will go to the President.

APPROPRIATIONS FOR WAR AGENCIES—CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4879) "making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 7, 17, 19, 20, and 21.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 8, 9, 10, 13, 14, 15, 18, 22, 23, 24, 25, 26, and 27 and agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$375,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as fol-

lows: In lieu of the sum proposed insert "$778,875"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lines 14 and 15 of the matter inserted by said amendment, strike out the words "may result in", and insert in lieu thereof the words "seeks to effect"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 5.

KENNETH MCKELLAR,
RICHARD B. RUSSELL,
M. E. TYDINGS,
RUFUS C. HOLMAN,
C. WAYLAND BROOKS,
Managers on the part of the Senate.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
JED JOHNSON,
JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,
D. LANE POWERS,
Managers on the part of the House.

Mr. McKELLAR. I move the adoption of the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on a certain amendment of the Senate to House bill 4879, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 22, 1944.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 5 to the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes, and concur therein with an amendment as follows: In the last line of the matter inserted by said Senate engrossed amendment strike out "$669,000" and insert "fiscal year 1945, $250,000, to remain available to and including December 31, 1944; and $50,000 to enable the Director of the Bureau of the Budget, in the period, January 1, 1945, to and including June 30, 1945, to liquidate such agency, including personal services in the District of Columbia, and of such sum of $50,000 the sum of $42,000 shall be exclusively for the payment of accumulated and accrued annual leave of employees of such committee; in all $300,000."

Mr. McKELLAR. I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 5.

The motion was agreed to.

LEGISLATIVE PROGRAM

Mr. McKELLAR. I understand that concludes action on the bills on which the conference reports have been submitted; is that correct?

The PRESIDING OFFICER. That completes legislative action on the bills.

Mr. BARKLEY. Mr. President, let me ask the Senator from Tennessee what appropriation bills remain to be acted upon.

Mr. McKELLAR. A mistake was made in the language of one of the amendments to the appropriation bill for the Military Establishment, and it must be returned to the House.

Action on all the other appropriation bills, except for the second deficiency appropriation bill and the appropriation bill for the Military Establishment, is completed. Action on the military appropriation bill will be completed, so I understand, when the House will agree to that amendment tomorrow.

The second deficiency appropriation bill is in conference, will be taken up in conference at 10:30 in the morning, and will be reported during the day. I hope it will be possible for the Senate to agree to the report on it. That will complete legislative action on all appropriation bills.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 46 minutes p. m.) the Senate took a recess until tomorrow, Friday, June 23, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 22 (legislative day of May 9), 1944:

DIPLOMATIC AND FOREIGN SERVICE

Col. William A. Eddy, of New Hampshire, United States Marine Corps, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia.

James P. Moffitt, of New York, now a Foreign Service officer of class 4 and a secretary in the Diplomatic Service, to be also a consul general of the United States of America.

J. William Henry, of Arizona, to be a Foreign Service officer, unclassified, a vice consul of career, and a secretary in the Diplomatic Service of the United States of America.

TERRITORY OF HAWAII

Gerald Robert Corbett, of Hawaii, to be Secretary of the Territory of Hawaii, vice Ernest K. Kai, resigned.

COLLECTOR OF CUSTOMS

William H. Burke, Jr., of Northampton, Mass., to be collector of customs for customs collection district No. 4, with headquarters at Boston, Mass., to fill an existing vacancy.

REGISTERS OF LAND OFFICE

Mrs. Belle D. Byrne, of North Dakota, to be register of the land office at Bismarck, N. Dak. (Reappointment.)

Mrs. Jessie C. Weeks, of Wyoming, to be register of the land office at Buffalo, Wyo., vice Theodore A. Wanerus.

IN THE NAVY

Capt. Robert O. Glover, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 22d day of July 1942.

Capt. Frank E. Beatty, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 31st day of January 1943.

POSTMASTERS

The following-named persons to be postmasters:

ARKANSAS

William F. Chaney, Lonoke, Ark., in place of Oscar Fawcett, resigned.

CALIFORNIA

Martha E. Lofton, Big Bend, Calif. Office became Presidential July 1, 1943.

COLORADO

Lois E. Landreth, Bayfield, Colo., in place of Lena Humiston, removed.

Arthur S. Dean, Las Animas, Colo., in place of W. H. Hardraker, resigned.

FLORIDA

Mildred K. Clark, Fruitland Park, Fla., in place of W. E. Clark, deceased.

GEORGIA

Elizabeth McL. Gibson, Grovetown, Ga., in place of Josephine Brand, resigned.

R. Pate Watson, Hawkinsville, Ga., in place of Morgan Thompson, removed.

HAWAII

Edith A. Willey, Makawao, Hawaii, in place of M. R. Medeiros, Jr., removed.

ILLINOIS

Mary E. Jaco, Woodlawn, Ill., in place of L. C. Spangler, transferred.

George E. Perrine, Zeigler, Ill., in place of W. E. Berry, removed.

INDIANA

John M. Coffin, Arlington, Ind. Office became Presidential July 1, 1943.

Oliver W. Crone, Borden, Ind., in place of W. E. Payne, removed.

Oliver W. Summerville, Burns City, Ind. Office became Presidential April 1, 1942.

Orace Oakel Welden, Francesville, Ind., in place of O. O. Welden. Incumbent's commission expired June 23, 1942.

Carl M. Buchanan, Guilford, Ind. Office became Presidential July 1, 1943.

IOWA

Frank A. Riser, Lansing, Iowa, in place of R. A. Dunlevy, deceased.

KANSAS

Florian A. Glotzbach, Paxico, Kans. Office became Presidential July 1, 1943.

KENTUCKY

Virginia P. Howard, Fountain Run, Ky. Office became Presidential July 1, 1943.

Stella Creekmore, Rockholds, Ky. Office became Presidential July 1, 1943.

LOUISIANA

Hazel D. Womack, Chatham, La., in place of C. E. Hearne, removed.

Minnie Murphey Fontane, Hessmer, La. Office became Presidential July 1, 1943.

MISSOURI

Clifton C. Thompson, Cainsville, Mo., in place of C. G. McDaniel, removed.

Mildred K. Bedell, Sumner, Mo., in place of W. E. Murphy, resigned.

MONTANA

Eugene E. Dickerson, Warm Springs, Mont. Office became Presidential July 1, 1943.

NEBRASKA

Guy H. Matteson, Sutton, Nebr., in place of C. M. Brown, deceased.

Clarence E. Henrickson, Wahoo, Nebr., in place of F. W. Weber, resigned.

NEW YORK

Ruth C. Davis, Brookfield, N. Y. Office became Presidential July 1, 1943.

Hugh A. McCargar, East Pembroke, N. Y. Office became Presidential July 1, 1943.

Joseph M. Kelly, Tarrytown, N. Y., in place of J. H. Burke, resigned.

NORTH CAROLINA

John Holman Hawley, Goldsboro, N. C., in place of R. H. Edwards, deceased.

Martha C. Newman, Milton, N. C. Office became Presidential July 1, 1943.

OHIO

Herman C. Reisdorf, Gahanna, Ohio., in place of R. L. Stygler, transferred.

Marjorie R. Heinrichs, Hamler, Ohio, in place of J. W. Ritz, deceased.

OKLAHOMA

Jesse L. Brown, Cleo Springs, Okla. Office became Presidential July 1, 1943.

Betty Brown Hunt, Dacoma, Okla. Office became Presidential July 1, 1943.

Josie Michael, Krebs, Okla. Office became Presidential July 1, 1943.

PENNSYLVANIA

Stewart A. Heffley, Boswell, Pa., in place of Stewart Heffley. Incumbent's commission expired April 9, 1940.

Jessie D. Houck, Cairnbrook, Pa., in place of G. H. Houck. Incumbent's commission expired December 9, 1941.

UTAH

Martha E. Alverson, Stockton, Utah. Office became Presidential July 1, 1943.

VIRGINIA

Frank L. Thompson, Hot Springs, Va., in place of A. W. Cameron, deceased.

WEST VIRGINIA

Arzana M. Ward, Arthurdale, W. Va. Office became Presidential July 1, 1943.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 22 (legislative day of May 9), 1944:

DEPARTMENT OF JUSTICE

Herbert Wechsler to be Assistant Attorney General.

DEPARTMENT OF THE INTERIOR

William Riddell to be register of the land office at Billings, Mont.

THE JUDICIARY

UNITED STATES ATTORNEY

Frank C. Bingham to be United States attorney for division 2 of Alaska.

UNITED STATES MARSHALS

Arthur D. Fairbanks to be United States marshal for the district of Colorado.

Bernard Fitch to be United States marshal for the district of Connecticut.

Thomas N. Curran to be United States marshal for the district of Maine.

Frank C. Blackford to be United States marshal for the western district of New York.

UNITED STATES PUBLIC HEALTH SERVICE

APPOINTMENT AND PROMOTION IN THE REGULAR SERVICE

To be assistant surgeons

Frederic C. Bartter
Leon A. Heppel
Francis S. Schwarz
Griffith E. Quinby
Robert J. Huebner
James K. Norman
David F. Bradley
Joseph E. Maurer
Rheim M. Jones
William R. Rosanoff
Warren S. Kennison

To be passed assistant surgeon

Luther L. Terry

To be temporary senior surgeon

Edwin Gantt Williams

To be temporary surgeon

James Barclay Donaldson

To be temporary passed assistant surgeon

Joseph P. Kesler

To be medical directors

Joseph W. Mountin
Ralph E. Porter

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

TO BE A BRIGADIER GENERAL

Ephraim Franklin Jeffe

IN THE NAVY

TEMPORARY SERVICE

Andrew F. Carter, to be a rear admiral in the Naval Reserve, for temporary service, to continue while serving as executive, Army-Navy Petroleum Board.

POSTMASTERS

ALABAMA

David R. Wyatt, Eden.

FLORIDA

Joel S. Field, Sanford.

ILLINOIS

Robert E. Ward, Chillicothe.
Clarence H. Lindsay, Tilden.

NEBRASKA

Walter J. Baur, Dix.

NEW MEXICO

Bettie E. Jones, Corona.

NEW YORK

Charles W. Craig, Binghamton.
Mildred M. Jones, Hagaman.

NORTH CAROLINA

Jessie L. Shipman, Horse Shoe.
Audrey Hoggard, Lewiston.

OKLAHOMA

Rex T. Strickland, Madill.

VERMONT

John E. Stewart, Morrisville.

VIRGINIA

James B. Blake, Sandston.

WISCONSIN

Carl W. Janssen, De Pere.
John J. Burkhard, Monroe.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 22, 1944

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Strong Son of God, immortal love, bathed in peace divine, bid our souls be hushed and calm; touch our hearts, for out of them are the issues of life with their sustaining affirmation that the right will prevail. O give our anxious and waiting homes songs in the night, beauty for ashes, and the garment of praise for heaviness. In their distracting confusion and silence assure them of that fellowship that hushes lamentation.

We praise Thee for our blessings of happiness and abundance, and allow no plague to come nigh our dwellings. May they be like the hearthstone in Bethany where Jesus was wont to linger and broke the bread of life. Help us to accept our burdens and limitations uncomplainingly, allowing no bitter words to escape our lips and no resentment to sting our hearts. Be Thou the liberator of him whom freedom cannot release, the great physician of him whom medicine cannot cure, and the comforter of all whom time cannot console; blessed Lord God, we thank Thee for this truth that never faileth. We beseech Thee to grant our President, his Cabinet, and all who are associated with him in authority good health and courage to carry on their most arduous duties with the riches of Thy grace. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Shaner, one of its clerks, announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1973. An act to provide additional pay for enlisted men of the Army assigned to the infantry who are awarded the expert infantryman badge or the combat infantryman badge;

S. 2019. An act to establish the grade of fleet admiral of the United States Navy, and for other purposes; and

S. J. Res. 134. Joint resolution to provide for the establishment, management, and perpetuation of the Kermit Roosevelt Fund.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1669. An act to clarify the law relative to allowances for mileage of graduates of the United States Military Academy and transportation of their dependents on assignment to their first duty station and to the mileage allowance of persons entering the United States Military Academy as cadets.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H. R. 248. An act for the relief of Louis Council;

H. R. 544. An act for the relief of Rev. C. M. McKay;

H. R. 1313. An act for the relief of Delores Lewis;

H. R. 1411. An act for the relief of Eddie T. Stewart;

H. R. 1412. An act for the relief of Mildred B. Hampton;

H. R. 2625. An act for the relief of Edward E. Held and Mary Jane Held;

H. R. 3390. An act for the relief of Mavis Norrine Cothron and the legal guardian of Norma Lee Cothron, Florence Janet Cothron, and Nina Faye Cothron; and

H. R. 3538. An act for the relief of the Rev. James T. Denigan.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 3646) entitled "An act to amend section 42 of title 7 of the Canal Zone Code," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STEWART, Mr. PEPPER, and Mr. BUSHFIELD to be the conferees on the part of the Senate.

The message also announced that the Acting President pro tempore has appointed Mr. WHITE and Mr. HOLMAN additional conferees on the bill (H. R. 4443) entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes."

DIES COMMITTEE

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, Westbrook Pegler, in his column, "Unfair Enough,"

curiously admits he has a pipe line of information directly to the Dies committee. Pegler says the C. I. O. Political Action Committee had telephone communications with members of the White House staff, and with several executive agencies, and that the Dies committee had subpenaed the phone records. Apparently telephone conversations are no longer private and personal, but why were these conversation records made available to Pegler exclusively, especially before Congress or the public had the information? Is Robert E. Stripling, chief factotum of the Dies committee, an employee of Pegler, or is it just a case of crowing roosters in the same back yard? Let Stripling and the Dies committee explain.

THE SOUTH MUST CHOOSE ITS OWN WAY

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

[Mr. SIKES addressed the House. His remarks in appear in the Appendix.]

POST-WAR HIGHWAY LEGISLATION

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein a telegram.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

[Mr. ROBINSON of Utah addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. HARRIS of Arkansas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a statement made by myself.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

(Mr. BENNETT of Michigan asked and was given permission to extend his remarks in the RECORD.)

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a resolution relating to the St. Lawrence seaway adopted by the Common Council of the City of Sheboygan, Wis.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

THE REPUBLICAN PLATFORM

Mr. RANKIN. Mr. Speaker, of course no one would expect me to offer free advice to the Republican National Committee, which now, as Shakespeare says, "stands tiptoe on the misty mountaintops," looking abroad for a plank on international policies.

If they really want to adopt a sane plank, they might read Thomas Jefferson's first inaugural address and adopt his language of "peace, commerce, and honest friendship with all nations, entangling alliances with none."

But while they are now looking abroad for political issues they might also look back home and tell the American people what they propose to do to help solve their problems in the years to come.

Four years ago you Republicans were embarrassed by having a mogul of the Power Trust foisted upon you as candidate for President. You will probably escape that calamity this time. But I should like for the Republican National Committee to tell the American people what they are going to do for the 32,000,000 consumers of electric light and power who are being overcharged more than $1,200,000,000 for electricity every year. The American people want to know. They want to know what your party proposes to do for the relief of the 26,000,000 residential consumers of electricity who paid $1,029,000,000 for $580,000,000 worth of electricity last year. Outside of the T. V. A. and the Columbia River areas they were overcharged more than 100 percent.

The 4,000,000 commercial consumers of electricity who were overcharged more than 100 percent for their electricity last year are going to want to know what you propose to do for their relief.

The millions of farmers who are begging for electricity for their homes want to know what you propose to do to help them get it.

The answers to these questions should be written into the platform.

The SPEAKER. The time of the gentleman from Mississippi has expired.

C. I. O. POLITICAL ACTION COMMITTEE

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. THOMAS of New Jersey addressed the House. His remarks appear in the Appendix.]

DIES COMMITTEE

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RAMSPECK. Mr. Speaker, I do not know anything about the C. I. O. Political Action Committee except what I read in the papers. What I am interested in about the story Mr. Westbrook Pegler published about these telephone calls, and what I am wondering about, is how he got a pipe line into the Dies committee. It seems to me a committee of Congress, set up by this House for the purposes of conducting an investigation, ought not to be furnishing information gathered under its power of subpena to a newspaperman when it has not held any hearings and has not made any report to this House. So I think instead of the gentleman from New Jersey talking about the C. I. O. Political Action Committee, he ought to tell us where Pegler got this information which is supposed to be in the files of the Dies committee.

Mr. THOMAS of New Jersey. Mr. Speaker, will the gentleman yield to me?

Mr. RAMSPECK. Yes.

Mr. THOMAS of New Jersey. The chances are Mr. Pegler got his information the same way that Pearson gets his information. If Mr. Pearson can get his information from the New Deal administration, perhaps right from either the White House or the State Department, Mr. Pegler has the same right to get the same kind of information, even though it is contrary to the New Deal.

Mr. RAMSPECK. Two wrongs do not make a right, I will say to the gentleman from New Jersey.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. McCORMACK. The reply of the gentleman from New Jersey [Mr. THOMAS] is not an answer to the question.

Mr. RAMSPECK. Why, of course, not. The House ought to know what the Dies committee has done with its information and whether it gave it to Pegler.

The SPEAKER. The time of the gentleman has expired.

Mr. DICKSTEIN. Mr. Speaker I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DICKSTEIN. In connection with an article appearing a few days ago in Mr. Pegler's column, he recites dates, places, and time of conversations, long distance conversations, on the face of which it would appear to me that someone in the Dies committee had undertaken to conduct an inquisition of information, of telling him just what transpired on long-distance telephone calls, which are supposed to be confidential. I do not know what authority the Dies committee possesses to tap telephone conversations. On the other hand, there is no evidence at all either by the Dies committee or by any member of it that any of these telephone calls were un-American. It is just casting aspersions upon decent people. It is raising an issue which is unjustifiable from the facts and the evidence.

We had occasion on the floor of the House to denounce the assumption of authority by this committee which arrogated to itself the power it never possessed.

This committee was formed to investigate un-American activities and nothing else. It was not given the power to tap telephone conversations, surely it had no right to listen in on private conversations, which had nothing to do with un-American activities. It was so definitely in bad taste and a source of abuse of power to release supposed telephone conversations to Mr. Pegler.

I do not blame Mr. Pegler for making his information public, since his job as a journalist gives him the right to publicize everything that comes to his knowledge, but I do object to a committee of this House acting beyond the scope of its authority, and indulging in wholesale wire-tapping.

The SPEAKER. The time of the gentleman has expired.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, what is involved here is most serious. The transfer of confidential information from the files of a congressional select committee to a columnist is reprehensible conduct on the part of the person or persons responsible for it. In my opinion, it involves the privileges of the House. Such conduct is a flagrant and violent abuse of the prerogatives, privileges, and rules of this House. It warrants a thorough investigation by the membership of the House. The privileges, prerogatives, and rules of the House of Representatives have been violated. I say that this House must take action, irrespective of who is involved, irrespective of whom it hurts. A select committee of this House is empowered by this House to obtain information. Then this information is surreptitiously put in the hands of a columnist. Such conduct, in my opinion, warrants thorough investigation and action. A select committee should be appointed at once to discover the guilty party.

The SPEAKER. The time of the gentleman has expired.

Mr. THOMAS of New Jersey. Mr. Speaker, let us have an investigation.

Mr. MARCANTONIO. I think we ought to have a public hearing and let the people know who is or is not guilty of this underhanded activity.

Mr. THOMAS of New Jersey. I am in favor of it.

Mr. MARCANTONIO. All right; then offer a resolution.

Mr. THOMAS of New Jersey. All right; let us have an investigation by the Dies committee.

Mr. MARCANTONIO. Oh, no. The Dies committee is involved here. The investigation must be conducted by an impartial and disinterested group appointed by the Speaker.

The SPEAKER. The Chair has already announced the time of the gentleman from New York has expired. Both gentlemen are out of order.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, the important thing before the House on this question of what the Dies committee is doing is: What are the facts. The Dies committee seizes files for facts for the protection of the public and for the welfare of the country. That is the main thing. They have no other purpose but that of serving the House. The important thing is that this man, Baldwin, who was the head of the Farm Security for years, a thing set up by the President on an Executive order, and who handled and tried to handle interstate labor for 2 or 3 years, and mussed it up, trying to give the C. I. O. labor standards to the farmer, got so unpopular that they took him out of that and sent him to Italy for a little while and then brought him back as an assistant to Sidney Hillman, with a further attempt to C. I. O. the farmers again. The evidence that Pegler gave is only a confirmation of his long-distance talk to Farm Security leaders all over the Nation.

The SPEAKER. The time of the gentleman has expired.

WIDOW CESAIRE DE BLANC

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1593) for the relief of the heirs and assigns of Widow Cesaire De Blanc, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is merely for the purpose of clearing up title to a little farm down in Louisiana.

Mr. PETERSON of Florida. Yes.

Mr. MARTIN of Massachusetts. Will the gentleman explain to the House what this bill does?

Mr. PETERSON of Florida. It is a corrective bill, for the purpose of clearing title to a small tract of land in Louisiana which was thought to have been patented as far back as 1855. They just discovered the error. The matter was gone into rather thoroughly by the committee and this bill has been unanimously reported by the Committee on Public Lands and has already passed the Senate. I have conferred with the ranking minority member before calling it up, as well as the majority leader and the chairman of the committee.

Mr. MARTIN of Massachusetts. These people have paid taxes on it all these years thinking it to be their property?

Mr. PETERSON of Florida. Yes; they thought it was their property.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That title to the following described lands, including all mineral rights therein, situated in Iberia Parish, La., which were located by Widow Cesaire De Blanc under school land warrant No. 1809, issued by the State of Louisiana on June 7, 1855, pursuant to the act entitled "An act to appropriate lands for the support of schools in certain townships and fractional townships, not before provided for," approved May 20, 1826 (4 Stat. 179), is hereby confirmed to the said Widow Cesaire De Blanc, her heirs and assigns: The north half of the southeast quarter of section 8, township 12 south, range 6 east of the Louisiana meridian.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE PRESIDENT TO REQUISITION PROPERTY FOR NATIONAL DEFENSE

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1748) to amend the act entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States," approved October 16, 1941, as amended, to continue it in effect, and ask for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, this is merely extending one of these war measures for 1 year?

Mr. THOMASON. Yes; it is for the acquisition of personal property needed in the war effort, and it has the unanimous consent and support of the committee.

Mr. MARTIN of Massachusetts. It was unanimously reported by the committee?

Mr. THOMASON. Yes; and likewise in the Senate.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the first sentence of the first section of the act entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States," approved October 16, 1941 (55 Stat. 742), as amended by the acts of March 27, 1942 (56 Stat. 176, title VI, Public Law 507, 77th Cong.), and June 30, 1943 (Public Law 164, 78th Cong.), is hereby amended by striking out the date "June 30, 1944" and inserting in lieu thereof "June 30, 1945."

SEC. 2. Section 2 of the act of October 16, 1941 (55 Stat. 742), as amended, is hereby amended by striking out the date "December 31, 1944" and inserting in lieu thereof "December 31, 1945."

The bill was ordered to be read a third time, was read the third time, and

passed, and a motion to reconsider was laid on the table.

AUTHORIZING REQUISITION OF CERTAIN ARTICLES AND MATERIALS

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1749) to amend section 3 of the act entitled "An act to authorize the President to requisition certain articles and materials for the use of the United States, and for other purposes," and consider the same.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. THOMASON].

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act to authorize the President to requisition certain articles and materials for the use of the United States, and for other purposes," approved October 10, 1940 (54 Stat. 1090), as amended by the act of July 2, 1942 (Public Law 643, 77th Cong.), is amended to read as follows:

"SEC. 3. The authority granted in this act shall remain in force until June 30, 1945, or until such earlier time as the Congress by concurrent resolution or the President by proclamation may designate."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADMINISTRATION OF JUSTICE

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, I desire to call the attention of the House to the bill H. R. 5081, which I introduced yesterday. It has a most important purpose, which is to improve the administration of justice by prescribing fair administrative procedure. This bill is the result of the labors of a committee of the American Bar Association. I understand it has been examined by other important groups. I introduced the bill now in order that the matter be brought to the consideration of the country and to suggest to the Members of the Congress that the bill be examined carefully.

CONFUSION IN THE DEPARTMENTS

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. JENKINS. Mr. Speaker, on yesterday I noticed in the newspaper where Mr. Marvin Jones, the National Food Administrator, was very much put out by the action of the War Production Board or some other Government administrative agency assuming to handle intoxicating liquor. According to the press he was really indignant because this agency had ordered that the ban should be lifted on the manufacture of whisky and that henceforth whisky would flow freely again. He felt that since whisky is made from grain that he should have been consulted about it. I agree with him that he should have been consulted. And when he stated that these orders had been issued without his having been even consulted, it brought to my mind the fact that if we had passed, as we should have done, a bill providing for one-man control of all food activities the departments would not be in that confusion today. There never was any sense in having 10 or 12 different agencies dealing with the food and feed supplies of the Nation. These are two classes of commodities on which the health and life of the people and their livestock depend. Food is also the most important of all war materials. Much confusion and chaos has resulted because of this overlapping of authority. Congress should have passed the Jenkins or the Fulmer bill, either of which would have put the control of all food and feed activities in the hands of one man. The country demanded it, and the country would have profited by it.

EXTENSION OF REMARKS

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and insert certain statistical matters about Cleveland.

The SPEAKER. Is there objection?

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection?

There was no objection.

INVESTIGATION OF CAMPAIGN EXPENDITURES

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts I present a privileged resolution (H. Res. 607) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House not to exceed $20,000 for the expenses of the select committee appointed under authority of H. Res. 551 to investigate the campaign expenditures of the various candidates for the House of Representatives in both parties.

SEC. 2. That the official committee reporters may be used at all hearings held in the District of Columbia who are not otherwise officially engaged.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. MARTIN of Massachusetts. This is the amount that has been authorized every 2 years?

Mr. COCHRAN. It is.

Mr. MARTIN of Massachusetts. Will it meet the situation as far as this year is concerned?

Mr. COCHRAN. As far as the investigation this year is concerned it will meet the situation unless something develops and if it does develop we will be in session.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INVESTIGATION BY THE COMMITTEE ON EDUCATION

Mr. COCHRAN. Mr. Speaker, I submit a privileged resolution (H. Res. 608) from the Committee on Accounts, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of conducting the study and investigation authorized by House Resolution 592 of the Seventy-eighth Congress, incurred by the Committee on Education, acting as a whole or by subcommittee, not to exceed $10,000, including expenditures for the employment of clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee thereof conducting such study and investigation or any part thereof, signed by the chairman of the committee or subcommittee, and approved by the Committee on Accounts.

SEC. 2. The official stenographers to committees may be used at all hearings held in the District of Columbia unless otherwise officially engaged.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. MARTIN of Massachusetts. This has been approved by the Committee on Accounts?

Mr. COCHRAN. Yes; the committee held a hearing this morning and heard the chairman of the committee.

Mr. BARDEN. Will the gentleman yield?

Mr. COCHRAN. I yield for an observation.

Mr. BARDEN. Mr. Speaker, I simply want to say this resolution was introduced by the gentleman from Massachusetts [Mr. MCCORMACK], and adopted by the House. Very hurriedly yesterday I attempted to make some investigation of the expense that would be incurred in making this investigation. The figures ranged anywhere from $26,000 down to $20,500. The only thing I can say is that the Committee on Education will take the amount designated by the Committee on Accounts and do the best job we can, but I certainly do not believe the Committee can do the kind of job that the House wants done on $10,000. I think it should appear in the RECORD at this point that we are apprehensive of trouble in the financial end of it.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INVESTIGATION BY THE COMMITTEE ON LABOR

Mr. COCHRAN. Mr. Speaker, I submit a privileged resolution (H. Res. 609) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of conducting the study and investigation authorized by H. Res. 230 of the Seventy-eighth Congress, incurred by the Committee on Labor, acting as a whole or by subcommittee, not to exceed $15,000, including expenditures for the employment of clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee

thereof conducting such study and investigation or any part thereof, signed by the chairman of the committee or subcommittee, and approved by the Committee on Accounts.

SEC. 2. The official stenographers to committees may be used at all hearings held in the District of Columbia unless otherwise officially engaged.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REGULATION OF THE INSURANCE BUSINESS

The SPEAKER. The unfinished business before the House is House Resolution 422.

The Clerk will report the title of the resolution.

The Clerk read the title of the resolution.

The SPEAKER. The question is on agreeing to the resolution.

Mr. CELLER. Mr. Speaker, I call the attention of the Speaker to the fact that there is no quorum present.

Mr. MARCANTONIO. Mr. Speaker, I ask for a division.

Mr. RANKIN. Mr. Speaker, I object to the vote on the ground that there is no quorum present and make the point of order that there is no quorum present.

The SPEAKER. The Chair was putting the question. Evidently no quorum is present. The roll call is automatic.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 274; nays 56; not voting 100, as follows:

[Roll No. 105]

YEAS—274

Abernethy	Clark	Gossett
Allen, Ill.	Clason	Graham
Allen, La.	Cole, Mo.	Grant, Ala.
Andersen, H. Carl	Cole, N. Y.	Grant, Ind.
Anderson, Calif.	Colmer	Gregory
Andresen, August H.	Cooley	Griffiths
Andrews, Ala.	Cooper	Gross
Angell	Courtney	Gwynne
Arends	Cravens	Hall, Edwin Arthur
Auchincloss	Crawford	Hall, Leonard W.
Barden	Crosser	Halleck
Barrett	Cunningham	Hancock
Bates, Mass.	Curley	Hare
Beall	Curtis	Harris, Ark.
Beckworth	D'Alesandro	Hartley
Bell	Dewey	Hays
Bender	Dondero	Heffernan
Bennett, Mich.	Doughton	Hendricks
Bennett, Mo.	Drewry	Herter
Bishop	Durham	Hess
Blackney	Dworshak	Hill
Bland	Eaton	Hinshaw
Bolton	Elliott	Hobbs
Bonner	Ellis	Hoch
Brehm	Ellison, Md.	Holmes, Mass.
Brooks	Ellsworth	Holmes, Wash.
Brown, Ga.	Elston, Ohio	Hope
Brown, Ohio	Engel, Mich.	Horan
Brumbaugh	Engle, Calif.	Howell
Bryson	Feighan	Hull
Buck	Fellows	Izac
Buckley	Fenton	Jarman
Buffett	Fernandez	Jeffrey
Burch, Va.	Fisher	Jenkins
Busbey	Flannagan	Jennings
Butler	Gale	Jensen
Carlson, Kans.	Gallagher	Johnson, Gamble
Carson, Ohio	Gamble	Johnson, Anton J.
Carter	Gathings	Johnson, Ind.
Case	Gerlach	Johnson, J. Leroy
Chapman	Gillette	Johnson, Okla.
Chenoweth	Gillie	Johnson, Ward
Church	Goodwin	Jones
	Gore	Jonkman
		Judd
		Kean
		Keefe
		Kefauver
		Kerr
		Kilday
		Kinzer
		Kleberg
		Knutson
		Kunkel
		Lambertson
		Lanham
		Larcade
		Lea
		LeCompte
		LeFevre
		Ludlow
		McConnell
		McCormack
		McCowen
		McGehee
		McGregor
		McKenzie
		McLean
		McMillan
		McWilliams
		Maas
		Mahon
		Maloney
		Manasco
		Mansfield, Mont.
		Martin, Iowa
		Martin, Mass.
		Mason
		May
		Michener
		Miller, Conn.
		Miller, Nebr.
		Miller, Pa.
		Monkiewicz
		Monroney
		Morrison, La.
		Mott
		Mundt
		Murray, Tenn.
		Murray, Wis.
		Newsome
		Norman
		Norrell
		O'Brien, N. Y.
		O'Hara
		O'Konski
		O'Neal
		Patton
		Peterson, Fla.
		Pfeifer
		Philbin
		Pittenger
		Ploeser
		Poulson
		Powers
		Pracht, C. Frederick
		Price
		Priest
		Ramey
		Ramspeck
		Randolph
		Rankin
		Reed, Ill.
		Rees, Kans.
		Richards
		Rivers
		Rizley
		Robertson
		Robinson, Utah
		Robsion, Ky.
		Rockwell
		Rodgers, Pa.
		Rogers, Mass.
		Rohrbough
		Rolph
		Sabath
		Satterfield
		Schiffler
		Schwabe
		Scrivner
		Shafer
		Short
		Sikes
		Simpson, Ill.
		Simpson, Pa.
		Smith, Maine
		Smith, Ohio
		Smith, Va.
		Smith, W. Va.
		Smith, Wis.
		Somers, N. Y.
		Sparkman
		Spence
		Springer
		Stanley
		Starnes, Ala.
		Stearns, N. H.
		Stefan
		Stevenson
		Stigler
		Stockman
		Sullivan
		Sumner, Ill.
		Sumners, Tex.
		Sundstrom
		Taber
		Talbot
		Talle
		Tarver
		Thomas, N. J.
		Thomas, Tex.
		Thomason
		Tibbott
		Tolan
		Torrens
		Towe
		Troutman
		Vincent, Ky.
		Vinson, Ga.
		Vorys, Ohio
		Wadsworth
		Walter
		Ward
		Weaver
		Weichel, Ohio
		Welch
		West
		Whelchel, Ga.
		Whittington
		Wickersham
		Wigglesworth
		Willey
		Wilson
		Winter
		Wolfenden, Pa.
		Woodrum, Va.
		Zimmerman

NAYS—56

Anderson, N. Mex.	Fulmer	Norton
Bloom	Furlong	O'Brien, Ill.
Bradley, Pa.	Gordon	O'Brien, Mich.
Burchill, N. Y.	Gorski	O'Toole
Burgin	Hart	Outland
Byrne	Holifield	Pace
Cannon, Mo.	Jackson	Poage
Capozzoli	Kee	Rooney
Celler	Kelley	Rowan
Cochran	Keogh	Rowe
Coffee	King	Russell
Delaney	Kirwan	Sadowski
Dickstein	LaFollette	Scanlon
Dingell	Lane	Sheppard
Eberharter	Lesinski	Snyder
Fogarty	Lynch	Voorhis, Calif.
Folger	Madden	Weiss
Forand	Marcantonio	Wene
	Myers	Wright

NOT VOTING—100

Andrews, N. Y.	Ford	Lemke
Arnold	Fulbright	Lewis
Baldwin, Md.	Fuller	Luce
Baldwin, N. Y.	Gavin	McCord
Barry	Gearhart	McMurray
Bates, Ky.	Gibson	Magnuson
Boren	Gifford	Mansfield, Tex.
Boykin	Gilchrist	Merritt
Bradley, Mich.	Gillespie	Merrow
Bulwinkle	Granger	Miller, Mo.
Burdick	Green	Mills
Camp	Hagen	Morrison, N. C.
Canfield	Hale	Mruk
Cannon, Fla.	Harless, Ariz.	Murdock
Carrier	Harness, Ind.	Murphy
Chiperfield	Harris, Va.	O'Connor
Clevenger	Hébert	Patman
Compton	Heidinger	Peterson, Ga.
Costello	Hoeven	Phillips
Cox	Hoffman	Plumley
Davis	Johnson, Calvin D.	Pratt, Joseph M.
Dawson	Johnson, Luther A.	Rabaut
Dies	Johnson, Lyndon B.	Reece, Tenn.
Dilweg	Kearney	Reed, N. Y.
Dirksen	Kennedy	Sasscer
Disney	Kilburn	Sauthoff
Douglas	Klein	Scott
Elmer	Landis	Sheridan
Fay	Mahon	Slaughter
Fish	Marcantonio	Stewart
Fitzpatrick	Merrow	Taylor
	Miller, Mo.	Treadway
	Mills	Vursell
	Morrison, N. C.	Wasielewski
	Mruk	White
	Murdock	Whitten
	Murphy	Winstead
	O'Connor	Wolcott
	Patman	Wolverton, N. J.
	Peterson, Ga.	Woodruff, Mich.
	Phillips	Worley
	Plumley	
	Pratt, Joseph M.	
	Rabaut	
	Reece, Tenn.	
	Reed, N. Y.	
	Sasscer	
	Sauthoff	
	Scott	
	Sheridan	
	Slaughter	
	Stewart	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Taylor for, with Mr. Klein against.

Mr. Dilweg for, with Mr. Sauthoff against.

Mr. Miller of Missouri for, with Mr. Fitzpatrick against.

Mr. Fulbright for, with Mr. Merritt against.

Mr. Harness of Indiana for, with Mr. McMurray against.

Mr. Canfield for, with Mr. Fay against.

General pairs:

Mr. Bulwinkle with Mr. Wolverton of New Jersey.

Mr. Cox with Mr. Reed of New York.

Mr. McCord with Mr. Kilburn.

Mr. Baldwin of Maryland with Mr. Clevenger.

Mr. Peterson of Georgia with Mr. Wolcott.

Mr. Harless of Arizona with Mr. Vursell.

Mr. Morrison of North Carolina with Mr. Scott.

Mr. Wasielewski with Mr. Hale.

Mr. Mansfield of Texas with Mr. Gavin.

Mr. Rabaut with Mr. Elmer.

Mr. Gibson with Mr. Phillips.

Mr. Murphy with Mr. Dirksen.

Mr. Disney with Mr. Arnold.

Mr. Cannon of Florida with Mr. Compton.

Mr. Hébert with Mr. Fuller.

Mr. Boren with Mr. Lewis.

Mr. Luther A. Johnson with Mr. Calvin D. Johnson.

Mr. Camp with Mr. Gillespie.

Mr. Mills with Mr. Carrier.

Mr. Dawson with Mr. Andrews of New York.

Mr. Granger with Mr. Heidinger.

Mr. Whitten with Mr. Gifford.

Mr. Slaughter with Mr. Douglas.

Mr. Kennedy with Mr. Plumley.

Mr. Bates of Kentucky with Mr. Fish.

Mr. Sheridan with Mr. Baldwin of New York.

Mr. Lyndon B. Johnson with Mr. Joseph M. Pratt.

Mr. Boykin with Mr. Landis.

Mr. Sasscer with Mr. Woodruff of Michigan.

Mr. Stewart with Mr. Hoeven.

Mr. Costello with Mr. Bradley of Michigan.

Mr. O'Connor with Mr. Treadway.

Mr. Winstead with Mr. Merrow.

Mr. Worley with Mr. Gearhart.

Mr. Murdock with Mr. Hoffman.

Mr. Green with Mr. Kearney.

Mr. Harris of Virginia with Mr. Chiperfield.

Mr. Dies with Mr. Burdick.

Mr. Hagen with Mr. Lemke.

Mr. Barry with Mr. Mruk.

The result of the vote was announced as above recorded.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1945

The SPEAKER. The Chair has a telegram from the gentleman from Vermont [Mr. PLUMLEY] resigning as a conferee on the agricultural appropriation bill.

Without objection, the resignation is accepted, and the gentleman from New York [Mr. TABER] is appointed in his stead.

There was no objection.

The SPEAKER. The Clerk will notify the Senate of this action.

CONTRACT SETTLEMENT BILL OF 1944

Mr. SUMNERS of Texas. Mr. Speaker, I call up the conference report on the

bill (S. 1718) to provide for the settlement of claims arising from terminated war contracts, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1718) to provide for the settlement of claims arising from terminated war contracts, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"OBJECTIVES OF THE ACT

"SECTION 1. The Congress hereby declares that the objectives of this Act are—

"(a) to facilitate maximum war production during the war, and to expedite reconversion from war production to civilian production as war conditions permit;

"(b) to assure to prime contractors and subcontractors, small and large, speedy and equitable final settlement of claims under terminated war contracts, and adequate interim financing until such final settlement;

"(c) to assure uniformity among Government agencies in basic policies and administration with respect to such termination settlements and interim financing;

"(d) to facilitate the efficient use of materials, manpower, and facilities for war and civilian purposes by providing prime contractors and subcontractors with notice of termination of their war contracts as far in advance of the cessation of work thereunder as is feasible and consistent with the national security;

"(e) to assure the expeditious removal from the plants of prime contractors and subcontractors of termination inventory not to be retained or sold by the contractor;

"(f) to use all practicable methods compatible with the foregoing objectives to prevent improper payments and to detect and prosecute fraud.

"SURVEILLANCE BY CONGRESS

"SEC. 2. (a) To assist the Congress in appraising the administration of this Act and in developing such amendments or related legislation as may further be necessary to accomplish the objectives of the Act, the appropriate committees of the Senate and the House of Representatives shall study each report submitted to the Congress under this Act and shall otherwise maintain continuous surveillance of the operations of the Government agencies under the Act.

"(b) In January, April, July, and October of each year, the Director shall submit to the Senate and House of Representatives a quarterly progress report on the exercise of his duties and authority under this Act, the status of contract terminations, termination settlements, and interim financing and such other pertinent information on the administration of the Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

"DEFINITIONS

"SEC. 3. As used in this Act—

"(a) The term 'prime contract' means any contract, agreement, or purchase order heretofore or hereafter entered into by a contracting agency and connected with or related to the prosecution of the war; and the term 'prime contractor' means any holder of one or more prime contracts.

"(b) The term 'subcontract' means any contract, agreement, or purchase order heretofore or hereafter entered into to perform any work, or to make or furnish any material to the extent that such work or material is required for the performance of any one or more prime contracts or of any one or more other subcontracts; and the term 'subcontractor' means any holder of one or more subcontracts.

"(c) The term 'war contract' means a prime contract or a subcontract; and the term 'war contractor' means any holder of one or more war contracts.

"(d) The terms 'termination', 'terminate', and 'terminated' refer to the termination or cancelation, in whole or in part, of work under a prime contract for the convenience or at the option of the Government (except for default of the prime contractor) or of work under a subcontract for any reason except the default of the subcontractor.

"(e) The term 'material' includes any article, commodity, machinery, equipment, accessory, part, component, assembly, work in process, maintenance, repair, and operating supplies, and any product of any kind.

"(f) The term 'Government agency' means any executive department of the Government, or any administrative unit or subdivision thereof, any independent agency or any corporation owned or controlled by the United States in the executive branch of the Government, and includes any contracting agency.

"(g) The term 'contracting agency' means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, the Smaller War Plants Corporation, and the War Production Board.

"(h) The term 'termination claim' means any claim or demand by a war contractor for fair compensation for the termination of any war contract and any other claim under a terminated war contract, which regulations prescribed under this Act authorize to be asserted and settled in connection with any termination settlement.

"(i) The term 'interim financing' includes advance payments, partial payments, loans, discounts, advances, and commitments in connection therewith, and guaranties of loans, discounts, advances, and commitments in connection therewith and any other type of financing made in contemplation of or related to termination of war contracts.

"(j) The term 'Director' means the Director of Contract Settlement.

"(k) The term 'person' means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

"(l) The term 'termination inventory' means any materials (including a proper part of any common materials), properly allocable to the terminated portion of a war contract, except any machinery or equipment subject to a separate contract specifically governing the use or disposition thereof.

"(m) The term 'final and conclusive', as applied to any settlement, finding, or decision, means that such settlement, finding, or decision shall not be reopened, annulled, modified, set aside, or disregarded by any officer, employee, or agent of the United States or in any suit, action, or proceeding except as provided in this Act.

"DIRECTOR OF CONTRACT SETTLEMENT

"SEC. 4 (a) There is hereby established the Office of Contract Settlement which shall be headed by the Director of Contract Settlement. The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $12,000 per year, and shall serve for a term of two years.

"(b) In order to insure uniform and efficient administration of the provisions of this Act, the Director, subject to such provisions, by general orders or general regulations—

"(1) shall prescribe policies, principles, methods, procedures, and standards to govern the exercise of the authority and discretion and the performance of the duties and functions of all Government agencies under this Act; and

"(2) May require or restrict the exercise of any such authority and discretion, or the performance of any such duty or function, to such extent as he deems necessary to carry out the provisions of this Act.

"(c) The exercise of any authority or discretion and the performance of any duty or function, conferred or imposed on any Government agency by this Act, shall be subject to such orders and regulations prescribed by the Director pursuant to subsection (b) of this section. Each Government agency shall carry out such orders and regulations of the Director expeditiously, and shall issue such regulations with respect to its operations and procedures as may be necessary to carry out the policies, principles, methods, procedures, and standards prescribed by the Director. Any Government agency may issue such further regulations not inconsistent with the general orders or regulations of the Director as it deems necessary or desirable to carry out the provisions of this Act.

"(d) The Director may, within the limits of funds which may be made available, employ and fix the compensation of necessary personnel in accordance with the provisions of the civil-service laws and the Classification Act of 1923 and make expenditures for supplies, facilities, and services necessary for the performance of his functions under this Act. Without regard to the provisions of the civil-service laws and the Classification Act of 1923, he may appoint a Deputy Director and may employ certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and fix their compensation, and contract with certified public accounting firms and qualified firms of engineers in the discharge of the duties imposed upon him and in furtherance of the objectives and policies of this Act. The Director shall perform the duties imposed upon him through the personnel and facilities of the contracting agencies and other established Government agencies, to the extent that this does not interfere with the function of the Director to insure uniform and efficient administration of the provisions of this Act.

"(e) All orders and regulations prescribed by the Director or any Government agency under this Act shall be published in the Federal Register.

"CONTRACT SETTLEMENT ADVISORY BOARD

"SEC. 5. There is hereby created a Contract Settlement Advisory Board, with which the Director shall advise and consult. The Board shall be composed of the Director, who shall act as its Chairman, and of the Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, the Chairman of the Maritime Commission, the Administrator of the Foreign Economic Administration, the chairman of the board of directors of the Reconstruction Finance Corporation, the Chairman

of the War Production Board, the chairman of the board of directors of the Smaller War Plants Corporation, and the Attorney General or any alternate or representative designated by any of them. The Director shall request other Government agencies to participate in the deliberations of the Board whenever matters specially affecting them are under consideration.

"SEC. 6. (a) It is the policy of the Government, and it shall be the responsibility of the contracting agencies and the Director, to provide war contractors with speedy and fair compensation for the termination of any war contract, in accordance with and subject to the provisions of this Act, giving priority to contractors whose facilities are privately owned or privately operated. Such fair compensation for the termination of subcontracts shall be based on the same principles as compensation for the termination of prime contracts.

"(b) Each contracting agency shall establish methods and standards, suitable to the conditions of various war contractors, for determining fair compensation for the termination of war contracts on the basis of actual, standard, average, or estimated costs, or of a percentage of the contract price based on the estimated percentage of completion of work under the terminated contract, or on any other equitable basis, as it deems appropriate. To the extent that such methods and standards require accounting, they shall be adapted, so far as practicable, to the accounting systems used by war contractors, if consistent with recognized commercial accounting practice.

"(c) Any contracting agency may settle all or any part of any termination claim under any war contract by agreement with the war contractor, or by determination of the amount due on the claim or part thereof without such agreement, or by any combination of these methods. Where any such settlement is made by agreement, the settlement shall be final and conclusive, except (1) to the extent otherwise agreed in the settlement; (2) for fraud; (3) upon renegotiation to eliminate excessive profits under the Renegotiation Act, unless exempt or exempted under that Act; or (4) by mutual agreement before or after payment. Where any such settlement is made by determination without agreement, it shall likewise be final and conclusive, subject to the same exceptions as if made by agreement, unless the war contractor appeals or brings suit in accordance with section 13 of this Act: *Provided*, That no settlement agreement hereunder involving payment to a war contractor of an amount in excess of $50,000 (or such lesser amount as the Director may from time to time determine) shall become binding upon the Government until the agreement has been reviewed and approved by a settlement review board of three or more members established by the contracting agency in the bureau, division, regional or district office, or other unit of the contracting agency authorized to make such settlement, or in the event of disapproval by the settlement review board, unless approved by the head of such bureau, division, regional or district office, or other unit. Failure of the settlement review board to act upon any settlement within 30 days after its submission to the board shall operate as approval by the board. The sole function of settlement review boards shall be to determine the overall reasonableness of proposed settlement agreements from the point of view of protecting the interests of the Government. In determining, for purposes of this subsection, whether review of any settlement agreement is required because of the amounts involved, no deduction shall be made on account of credits for property chargeable to the Government or for advance or partial payments, but amounts payable under such settlement agreement for completed articles or work at the contract price and for the discharge of the termination claims of subcontractors shall be deducted.

"(d) Except as hereinafter provided, the methods and standards established under subsection (b) of this section for determining fair compensation for termination claims which are not settled by agreement shall be designed to compensate the war contractor fairly for the termination of the war contract, taking into account:

"(1) the direct and indirect manufacturing, selling and distribution, administrative and other costs and expenses incurred by the war contractor which are reasonably necessary for the performance of the war contract and properly allocable to the terminated portion thereof under recognized commercial accounting practices; and

"(2) reasonable costs and expenses of settling termination claims of subcontractors related to the terminated portion of the war contract; and

"(3) reasonable accounting, legal, clerical, and other costs and expenses incident to termination and settlement of the terminated war contract; and

"(4) reasonable costs and expenses of removing, preserving, storing and disposing of termination inventories; and

"(5) such allowance for profit on the preparations made and work done for the terminated portion of the war contract as is reasonable under the circumstances; and

"(6) interest on the termination claim in accordance with subsection (f) of this section; and

"(7) the contract price and all amounts otherwise paid or payable under the contract.

"The following shall not be included as elements of cost:

"(i) Losses on other contracts, or from sales or exchanges of capital assets, fees and other expenses in connection with reorganization or recapitalization, antitrust or Federal income-tax litigation, or prosecution of Federal income-tax claims or other claims against the Government (except as provided in paragraph (3) above); losses on investments; provisions for contingencies; and premiums on life insurance where the contractor is the beneficiary.

"(ii) The expense of conversion of the contractor's facilities to uses other than the performance of the contract.

"(iii) Expenses due to the negligence or willful failure of the contractor to discontinue with reasonable promptness the incurring of expenses after the effective date of the termination notice.

"(iv) Costs incurred in respect to facilities, materials, or services purchased or work done in excess of the reasonable quantitative requirements of the entire contract.

"The failure specifically to mention in this subsection any item of cost is not intended to imply that it should be allowed or disallowed. The Director may interpret the provisions of this subsection (d) and may provide for the inclusion or exclusion of other costs in accordance with recognized commercial accounting practice.

"Where the small size of claims of the nature of production or performance or other factors make it impracticable to apply the principles stated in this subsection (d) to any class of settlements which are subject to this subsection (d), the contracting agencies may establish alternative methods and standards for determining fair compensation for that class of termination claims. The aggregate amount of compensation allowed in accordance with this subsection (excluding amounts allowed under paragraphs (3) and (4) above) shall not exceed the total contract price reduced by the amount of payments otherwise made or to be made under the contract.

"(e) In order to carry out the objectives of this Act, termination claims shall be settled by agreement to the maximum extent feasible and the methods and standards established under subsection (b) of this section shall be designed to facilitate such settlements. To the extent that he deems it practicable to do so without impeding expeditious settlements, the Director shall require the contracting agencies to take into account the factors enumerated in subsection (d) above in establishing methods and standards for determining fair compensation in the settlement of termination claims by agreement.

"(f) Each contracting agency shall allow and pay interest on the amount due and unpaid from time to time on any termination claim under a prime contract at the rate of 2½ per centum per annum for the period beginning thirty days after the date fixed for termination and ending with the date of final payment, except that (1) if the prime contractor unreasonably delays the settlement of his claim, interest shall not accrue for the period of such delay, (2) if interest for the period after termination on any advance payment or loan, made or guaranteed by the Government, has been waived for the benefit of the contractor, the amount of the interest so waived allocable to the terminated contract or the terminated part of the contract shall be deducted from the interest otherwise payable hereunder, and (3) if after delivery of findings by a contracting agency, the contractor appeals or sues as provided in section 13, interest shall not accrue after the thirtieth day following the delivery of the findings on any amount allowed by such findings, unless such amount is increased upon such appeal or suit. In approving, ratifying, authorizing, or making termination settlements with subcontractors, each contracting agency shall allow interest on the termination claim of the subcontractor on the same basis and subject to the same conditions as are applicable to a prime contractor.

"(g) Where any war contract does not provide for or provides against such fair compensation for its termination, the contracting agency, either before or after its termination, shall amend such war contract by agreement with the war contractor, or shall authorize, approve, or ratify an amendment of such war contract by the parties thereto, to provide for such fair compensation.

"SEC. 7. (a) Where, in connection with the settlement of any termination claim by a contracting agency, any war contractor makes settlements of the termination claims of his subcontractors, the contracting agency shall limit or omit its review of such settlements with subcontractors to the maximum extent compatible with the public interest. Any contracting agency (1) may approve, ratify, or authorize such settlements with subcontractors upon such evidence, terms, and conditions as it deems proper; (2) shall vary the scope and intensity of its review of such settlements according to the reliability of the war contractor, the size, number, and complexity of such claims, and other relevant factors; and (3) shall authorize war contractors to make such settlements with subcontractors without review by the contracting agency, whenever the reliability of the war contractor, the amount or nature of the claims, or other reasons appear to the contracting agency to justify such action. Any such settlement of a subcontract approved, ratified, or authorized by a contracting agency shall be final and conclusive as to the amount due to the same extent as a settlement under subsection (c) of section 6 of this Act, and no war contractor shall be liable to the United States on account of any amounts paid thereon except for his own fraud.

"(b) Whenever any contracting agency is satisfied of the inability of a war contractor to meet his obligations it shall exercise supervision or control over payments to the war contractor on account of termination claims of subcontractors of such war con-

tractor to such extent and in such manner as it deems necessary or desirable for the purpose of assuring the receipt of the benefit of such payments by the subcontractors.

"(c) The Director shall prescribe policies and methods for the settlement as a group, or otherwise, by any contracting agency of some or all of the termination claims of a war contractor under war contracts with one or more (1) bureaus or divisions within a contracting agency, (2) contracting agencies, or (3) prime contractors and subcontractors, to the extent he deems such action necessary or desirable for expeditious and equitable settlement of such claims. After consulting with the contracting agencies concerned, the Director may provide for assigning any war contractor to a contracting agency for such settlement, and such agency shall have authority to settle, on behalf of any other contracting agency, some or all of the termination claims of such war contractor.

"(d) Any contracting agency may settle directly termination claims of subcontractors to the extent that it deems such action necessary or desirable for the expeditious and equitable settlement of such claims. In making such termination settlements any contracting agency may discharge the claim of the subcontractor by payment or may purchase such claim, and may agree to assume, or indemnify the subcontractor against, any claims by any person in connection with such claim or the termination settlement. Any contracting agency undertaking to settle the termination claim of any subcontractor shall deliver to the subcontractor and the war contractor liable to him written notice stating its acceptance of responsibility for settling his claim and the conditions applicable thereto, which may include the release, or assignment to the contracting agency, of his claim against the war contractor liable to him; upon consent thereto by the subcontractor, the Government shall become liable for the settlement of his claims upon the conditions specified in the notice.

"(e) Any contracting agency may make settlements with subcontractors in accordance with any of the provisions of this Act without regard to any limitation on the amount payable by the Government to the prime contractor.

"(f) If any contracting agency determines that in the circumstances of a particular case equity and good conscience require fair compensation for the termination of a war contract to be paid to a subcontractor who has been deprived of and cannot otherwise reasonably secure such fair compensation, the contracting agency concerned may pay such compensation to him although such compensation already has been included and paid as part of a settlement with another war contractor.

"INTERIM FINANCING

"SEC. 8. (a) It is the policy of the Government, and it shall be the responsibility of the contracting agencies and the Director, in accordance with and subject to the provisions of this Act, to provide war contractors having any termination claim or claims, pending their settlement, with adequate interim financing, within thirty days after proper application therefor.

"(b) Each contracting agency shall, to the greatest extent it deems practicable, make available interim financing through loans and discounts, and commitments and guaranties in connection therewith, in contemplation of or related to termination of war contracts. Where interim financing is made by advance payments or partial payments, it shall, insofar as practicable, consist of the following:

"(1) An amount equal to 100 per centum of the amount payable, at the contract price, on account of acceptable items completed prior to the termination date under the terms of the contract, or completed thereafter with the approval of the contracting agency; plus

"(2) An amount equal to 90 per centum of the cost of raw materials, purchased parts, supplies, direct labor, and manufacturing overhead allocable to the terminated portion of the war contract; plus

"(3) A reasonable percentage of other allowable costs, including administrative overhead, allocable to the terminated portion of the war contract not included in the foregoing; plus

"(4) Such additional amounts, if any, as the contracting agency deems necessary to provide the war contractor with adequate interim financing.

"(5) In lieu of the costs referred to in clauses (2) and (3) of this subsection, where a detailed ascertainment of such costs is not suitable to the conditions of any war contractor and is apt to cause delay in the obtaining of interim financing by him, that portion of such interim financing shall be equal to an amount not greater than 90 per centum of the estimated costs which are allocable to the terminated part or parts of the war contract or group of war contracts, and are ascertained in accordance with such methods and standards as the Director shall prescribe.

"(6) There shall be deducted from the amount of such interim financing any unliquidated balances of advance and partial payments theretofore made to such war contractor, which are allocable to the terminated war contract or the terminated part of the war contract.

"(c) The Director shall prescribe (1) the types of estimates, certificates, or other evidence to be required to support such interim financing; (2) the terms and conditions upon which such interim financing shall be made including the use of standard forms for agreements with respect to such interim financing to the extent practicable; (3) the classes of cases in which such interim financing shall be refused; and (4) such methods of supervision and control over such interim financing as he deems necessary or desirable to assure adequate and speedy interim financing to subcontractors of the war contractor.

"(d) In case of an overstatement by any war contractor of the amount due on his termination claim or claims in connection with any interim financing under this Act, such contractor shall pay to the United States, as a penalty, an amount equal to 6 per centum of the amount of the overstatement, but the Director may suspend or modify any such penalty if in his opinion the imposition thereof would be inequitable. Any penalty may be deducted from any amounts due the war contractor upon such termination claim or claims, or otherwise, or may be collected from the war contractor by suit. The obligation to pay any penalty imposed and to repay any interim financing made or assumed by the United States under this Act shall constitute a debt due to the United States within the meaning of Revised Statutes, section 3466 (31 U. S. C., sec. 191).

"(e) Any contracting agency may allow any advance payments, previously made or authorized by it in connection with the performance of a war contract, to be used for payments and expenses related to the termination settlement of such contract, upon such terms and conditions as it deems necessary or appropriate to protect the interest of the Government.

"(f) No interim financing shall be made by any contracting agency under this Act unless the terms of such financing provide for the liquidation by the war contractor of all loans, discounts, advance payments, or partial payments thereunder not later than the time of final payment of the amount due on the settlement of the termination claim or claims of the war contractor involved or such time thereafter as the contracting agency deems necessary for the liquidation of such interim financing in an orderly manner.

"(g) Any contracting agency may settle, upon such terms and conditions as it deems proper, any claim or obligation due by or to the Government arising from or related to any interim financing made, acquired, or authorized by it. Any interim financing made, acquired, or authorized by any contracting agency before the effective date of this Act shall be valid to the extent it would be authorized under the provisions of this Act if made after its effective date.

"SEC. 9. (a) Any contracting agency may make advance or partial payments to any war contractor on account of any termination claim or claims, and may authorize, approve, or ratify any such advance or partial payments by any war contractor to his subcontractors, upon such conditions as it deems necessary to insure compliance with the provisions of subsection (b) of this section. Each contracting agency shall make final payments from time to time on partial settlements or on settlements fixing a minimum amount due before complete settlement, or as tentative payments before any settlement of the claim or claims.

"(b) Where any such advance or partial payment is made to any war contractor by any contracting agency or by another war contractor under this section, except a final payment on a partial settlement, any amount in excess of the amount finally determined to be due on the termination claim shall be treated as a loan from the Government to the war contractor receiving it, and shall be payable upon demand together with a penalty computed at the rate of 6 per centum per annum, for the period from the date such excess advance or partial payment is received to the date on which such excess is repaid or extinguished. Where the advance or partial payment was made by a war contractor and authorized, approved, or ratified by any contracting agency, the war contractor making it shall not be liable for any such excess payment in the absence of fraud on his part and shall receive payment or credit from the Government for the amount of such excess payment.

"SEC. 10. (a) Any contracting agency is authorized—

"(1) to enter into contracts with any Federal Reserve bank, or other public or private financing institution, guaranteeing such financing institution against loss of principal or interest on loans, discounts, or advances or on commitments in connection therewith, which such financing institution may make to any war contractor or to any person who is or has been engaged in performing any operation deemed by such contracting agency to be connected with or related to war production, for the purpose of financing such war contractor or other person in connection with or in contemplation of the termination of one or more such war contracts or operations;

"(2) to make, enter into contracts to make, or to participate with any Government agency, any Federal Reserve bank or public or private financing institution in making loans, discounts, or advances, or commitments in connection therewith, for the purpose of financing any such war contractor or other person in connection with or in contemplation of the termination of such war contracts or operations.

"(b) Any such loan, discount, advance, guaranty, or commitment in connection therewith may be secured by assignment of, or covenants to assign, some or all of the rights of such war contractor or other person in connection with the termination of such

war contracts or operations, or in such other manner as the contracting agency may prescribe.

"(c) Subject to such regulations as the Board of Governors of the Federal Reserve System may prescribe with the approval of the Director, any Federal Reserve bank is authorized to act, on behalf of the contracting agencies, as fiscal agent of the United States in carrying out the purposes of this Act.

"(d) This section shall not limit or affect any authority of any contracting agency, under any other statute, to make loans, discounts, or advances, or commitments in connection therewith or guaranties thereof.

"ADVANCE NOTICE

"SEC. 11. (a) In order to facilitate the efficient use of materials, manpower, and facilities for war and civilian purposes, each contracting agency—

"(1) shall provide its prime contractors with notice of termination of their prime contracts as far in advance of the cessation of work thereunder as is feasible and consistent with the national security without permitting unneeded production or performance;

"(2) shall establish procedures whereby prime contractors shall provide affected subcontractors with immediate notice of termination; and

"(3) shall permit the continuation of some or all of the work under a terminated prime contract whenever the agency deems that such continuation will benefit the Government or is necessary to avoid substantial injury to the plant or property.

"(b) Whenever a contracting agency hereafter directs a prime contractor to cease or suspend all or a substantial part of the work under a prime contract, without terminating the contract, then, unless the contract provides otherwise, (1) the contracting agency shall compensate the contractor for reasonable costs and expenses resulting from such cessation or suspension, and (2) if the cessation or suspension extends for thirty days or more, the contractor may elect to treat it as a termination by delivering written notice of his election so to do to the contracting agency, at any time before the contracting agency directs the prime contractor to resume work under the contract.

"(c) The Director shall have no authority under this Act to regulate or control the classes of contracts to be terminated by the contracting agencies.

"REMOVAL AND STORAGE OF MATERIALS

"SEC. 12. (a) It is the policy of the Government, upon the termination of any war contract, to assure the expeditious removal from the plant of the war contractor of the termination inventory not to be retained or sold by the war contractor.

"(b) Any war contractor may submit to the contracting agency concerned or to any other Government agency designated by the Director, one or more statements showing the materials which such war contractor claims to be termination inventory under one or more war contracts and desires to have removed by the Government. Such statements shall be perpared in such form and detail, shall be submitted in such manner, through the prime contractor or otherwise, and shall be supported by such certificates or other data, as may be prescribed under this Act.

"(c) Within sixty days after the submission of any such statement by a war contractor, or such shorter period as may be prescribed under this Act, or within such longer period as the war contractor may agree, the Government agency concerned (1) shall arrange, upon such terms and conditions as may be agreed, for the storage by the war contractor on his own premises or elsewhere of all such claimed termination inventory which the war contractor does not retain or dispose of, except any part which may be determined not to be allocable to the terminated war contract or contracts, or (2) shall remove from the plant or plants of the war contractor all of such claimed termination inventory not retained, disposed of, or stored by the war contractor or determined not to be allocable to the terminated war contract or contracts.

"(d) Upon the failure of the Government so to arrange for storage by the war contractor or to remove any termination inventory within the period specified under subsection (c) of this section, the war contractor, subject to regulations prescribed under this Act, may remove some or all of such termination inventory from his plant or plants and may store it on his own premises or elsewhere for the account and at the risk and expense of the Government, using reasonable care for its transportation and preservation. If any war contractor intends so to remove any claimed termination inventory, he shall deliver to the Government agency concerned written notice of the date fixed for removal and a statement showing the quantities and condition of the materials so to be removed, certified on behalf of the war contractor to have been prepared in accordance with a concurrent physical inventory of such materials. Such notice and statement shall be delivered at least twenty days in advance of the date fixed for removal and may be delivered before or after the expiration of the period specified under subsection (c) of this section. If the Government agency fails to check such materials, at or before the time of their removal by the war contractor, a certificate of the war contractor specifying the materials shown on such statement which were so removed, and filed with the Government agency concerned within thirty days after the date fixed for removal, shall constitute prima facie evidence against the United States as to the quantities and condition of the materials so removed, and the fact of their removal.

"(e) Notwithstanding any other provisions of law, but subject to subsection (h) of this section, the contracting agency concerned or the Director, or any Government agency designated by him, on behalf of the United States may, by the exercise of any contract rights or otherwise, acquire and take possession of any termination inventory of any war contractor, and any materials removed by the Government or stored for its account under subsections (c) and (d) of this section, whether or not such materials are finally determined not to constitute termination inventory. With respect to any such materials, the Government shall be liable to any war contractor concerned only for their return to such war contractor or for their disposal value at the time of their removal or for the proceeds realized by the Government from their disposal, at the election of the Government agency concerned, unless the Government agency and the war contractor agree or have agreed on a different basis. Any amount so paid or payable to a war contractor for materials allocable to a terminated war contract shall be credited against the termination claim under such contract but shall not otherwise affect the amount due on the claim, unless the Government agency concerned and the war contractor agree or have agreed otherwise. Any materials to which the Director takes title under this section shall be delivered for disposal to any appropriate Government agency authorized to make such disposal.

"(f) No contracting agency shall postpone or delay any termination settlement beyond the period specified in subsection (c) of this section for the purpose of awaiting disposal by the war contractor or the Government of any termination inventory reported in accordance with subsection (b) of this section.

"(g) Whenever any war contractor no longer requires, for the performance on any war contract, any Government-owned machinery, tools, or equipment installed in his plant for the performance of one or more war contracts, the Government agency concerned, upon written demand by the war contractor, and within sixty days after such demand or such other period as may be prescribed under this Act, and upon such conditions as may be so prescribed, shall remove or provide for the removal of such machinery, tools, or equipment from such plant, unless the Government agency concerned and the war contractor, by facilities contract or otherwise, have made or make other provision for the retention, storage, maintenance, or disposition of such machinery, tools, or equipment. The Government agency concerned may waive or release on behalf of the United States any obligation of the war contractor with respect to such machinery, tools, or equipment upon such terms and conditions as the agency deems appropriate. Upon the failure of the Government so to remove or provide for removal of any such machinery, tools, or equipment, the war contractor, subject to regulations prescribed under this Act, may remove all or part of such machinery, tools, or equipment from his plant and may store it on his own premises or elsewhere, for the account and at the risk and expense of the Government, using reasonable care for its transportation and preservation.

"(h) Nothing in this Act shall limit or affect the authority of the War Department, Navy Department, or Maritime Commission, respectively, to take over any termination inventories and to retain them for their use for any purpose or to dispose of such termination inventories for the purpose of war production, or to authorize any war contractor to retain or dispose of such termination inventories for the purpose of war production.

"(i) Nothing in this section shall be construed to prevent the removal and storage of any termination inventory by any war contractors, at his own risk, at any time after termination of any war contract to which it is allocable.

"APPEAL

"SEC. 13. (a) Whenever the contracting agency responsible for settling any termination claim has not settled the claim by agreement or has so settled only a part of the claim, (1) the contracting agency at any time may determine the amount due on such claim or such unsettled part, and prepare written findings indicating the basis of the determination, and deliver a copy of such findings to the war contractor, or (2) if the termination claim has been submitted in the manner and substantially the form prescribed under this Act, the contracting agency, upon written demand by the war contractor for such findings, shall determine the amount due on the claim or unsettled part and prepare and deliver such findings to the war contractor within ninety days after the receipt by the agency of such demand. In preparing such findings, the contracting agency may require the war contractor to furnish such information and to submit to such audits as may be reasonably necessary for that purpose. Within thirty days after the delivery of any such findings, the contracting agency shall pay to the war contractor at least 90 per centum of the amount thereby determined to be due, after deducting the amount of any outstanding interim financing applicable thereto.

"(b) Whenever any war contractor is aggrieved by the findings of a contracting agency on his claim or part thereof or by its failure to make such findings in accordance with subsection (a) of this section, he may, at his election—

"(1) appeal to the Appeal Board in accordance with subsection (d) of this section; or

"(2) bring suit against the United States for such claim or such part thereof, in the Court of Claims or in a United States district court, in accordance with subsection (20) of section 24 of the Judicial Code (28 U. S. C. 41 (20)), except that, if the contracting agency is the Reconstruction Finance Corporation, or any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, or any corporation owned or controlled by the United States, the suit shall be brought against such corporation in any court of competent jurisdiction in accordance with existing law.

"(c) Any proceeding under subsection (b) of this section shall be governed by the following conditions:

"(1) When any contracting agency provides a procedure within the agency for protest against such findings or for other appeal therefrom by the war contractor, the war contractor, before proceeding under subsection (b) of this section, (i) in his discretion may resort to such procedure within the time specified in this contract or, if no time is specified, within thirty days after the delivery to him of the findings; and (ii) shall resort to such procedure for protest or other appeal to the extent required by the Director, but failure of the contracting agency to act on any such required protest or appeal within thirty days shall operate as a refusal by the agency to modify its findings. Any revision of the findings by the contracting agency, upon protest or appeal within the agency, shall be treated as the findings of the agency for the purpose of appeal or suit under subsection (b) of this section. Notwithstanding any contrary provision in any war contract, no war contractor shall be required to protest or appeal from such findings within the contracting agency except in accordance with this paragraph.

"(2) A war contractor may initiate proceedings in accordance with subsection (b) of this section (i) within ninety days after delivery to him of the findings by the contracting agency, or (ii) in case of protests or appeal within the agency, within ninety days after the determination of such protest or appeal, or (iii) in case of failure to deliver such findings, within one year after his demand therefor. If he does not initiate such proceedings within the time specified, he shall be precluded thereafter from initiating any proceedings in accordance with subsection (b) of this section, and the findings of the contracting agency shall be final and conclusive, or if no findings were made, he shall be deemed to have waived such termination claim.

"(3) Notwithstanding any contrary provision in any war contract, the Appeal Board or court shall not be bound by the findings of the contracting agency, but shall treat such findings as prima facie correct, and the burden shall be on the war contractor to establish that the amount due on his claim or part thereof exceeds the amount allowed by the findings of the contracting agency. Whenever the Appeal Board or court finds that the war contractor failed to negotiate in good faith with the contracting agency for the settlement of his claim or part thereof before appeal or suit thereon, or failed to furnish to the agency any information reasonably requested by it regarding his termination claim or part thereof, or failed to prosecute diligently any protest or appeal required to be taken under subsection (c) (1) (ii) of this section, the Appeal Board or court (i) may refuse to receive in evidence any information not submitted to the contracting agency; (ii) may deny interest on the claim or part thereof for such period as it deems proper; or (iii) may remand the case to the contracting agency for further proceedings upon such terms as the Appeal Board or court may prescribe. Unless the case is remanded, the Appeal Board or court shall enter the appropriate award or judgment on the basis of the law and facts, and may increase or decrease the amount allowed by the findings of the contracting agency.

"(4) Any such proceedings shall not affect the authority of the contracting agency concerned to make a settlement of the termination claim, or any part thereof, by agreement with the war contractor at any time before such proceedings are concluded.

"(d) (1) The Director shall appoint an Appeal Board, composed of such number of members as he deems necessary from time to time to hear appeals under this section. The members of the Appeal Board shall be qualified and experienced attorneys, engineers, accountants, or persons possessing sufficient business experience or professional skill. He shall, without regard to the provisions of the civil-service laws and the Classification Act of 1923, appoint and fix the compensation and term of office of the members of the Appeal Board: *Provided*, That no member shall receive compensation at a rate in excess of $10,000 per annum nor be appointed for a term longer than two years.

"(2) Panels of one or more members may act for the Appeal Board and shall sit from time to time in localities throughout the country, reasonably convenient for war contractors having proceedings before them. A panel of one member of the Appeal Board may hear any appeal whenever (i) the amount in controversy in the appeal is $25,000 or less; or (ii) the amount in controversy exceeds $25,000, but the war contractor taking the appeal fails to demand a panel of three members at the time of filing his appeal. If the war contractor is aggrieved by the decision of the Appeal Board or panel (other than an order remanding the case to the contracting agency under subsection (c) (3) (iii) of this section), then within ninety days after such decision he may bring suit on the claim or unsettled part thereof in accordance with subsection (b) (2) of this section. Such suit shall proceed as if no appeal had been taken under subsection (b) of this section. All costs of such suit shall be borne by the war contractor unless the court awards such contractor an amount in excess of that allowed by the Appeal Board or panel. Upon failure of the war contractor so to sue within such period, the decision of the Appeal Board or panel shall be final and conclusive.

"(3) The Director or, if authorized by him, the Appeal Board shall prescribe the practice and procedure to govern proceedings for the Appeal Board. The Appeal Board or any panel thereof shall have power to administer oaths to witnesses and to compel by subpena the attendance of witnesses, and the production of books, papers, documents, and other records. All provisions of law (including penalties and provisions relating to self-incrimination) applicable with respect to subpenas issued under the Federal Trade Commission Act shall be applicable with respect to subpenas issued by the Appeal Board insofar as such provisions are not inconsistent with the provisions of this Act.

"(e) The contracting agency responsible for settling any claim and the war contractor asserting the claim, by agreement, may submit all or any part of the termination claim to arbitration, without regard to the amount in dispute. Such arbitration proceedings shall be governed by the provisions of the United States Arbitration Act to the same extent as if authorized by an effective agreement in writing between the Government and the war contractor. Any such arbitration award shall be final and conclusive upon the United States to the same extent as a settlement under subsection (c) of section 6, but shall not be subject to approval by any settlement review board.

"(f) Whenever any dispute exists between any war contractor and a subcontractor regarding any termination claim, either of them, by agreement with the other, may submit the dispute—

"(1) to the Appeal Board in accordance with subsection (d) of this section;

"(2) to a contracting agency for mediation or arbitration whenever authorized by the agency or required by the Director.

"Any award or decision in such proceedings shall be final and conclusive as to the parties so submitting any such dispute and shall not be questioned by the United States in settling any related claim, in the absence of fraud or collusion.

"COURT OF CLAIMS

"SEC. 14. (a) For the purpose of expediting the adjudication of termination claims, the Court of Claims is authorized to appoint not more than ten auditors and not more than twenty commissioners in addition to those provided for by the Act of February 24, 1925 (ch. 301, 43 Stat. 964), as amended by the Act of June 23, 1930 (ch. 573, 46 Stat. 799), and the provisions of said Act shall apply to such additional commissioners in all respects as if they had been appointed thereunder without limitation as to nature of duties which they may be called upon to perform.

"(b) The Court of Claims, on motion of either of the parties, or on its own motion, may summon any and all persons with legal capacity to be sued to appear as a party or parties in any suit or proceeding of any nature whatsoever pending in said court to assert and defend their interests, if any, in such suits or proceedings, within such period of time prior to judgment as the Court of Claims shall prescribe. If the name and address of any such person is known or can be ascertained by reasonable diligence, and if he resides within the jurisdiction of the United States, he shall be summoned to appear by personal service; but if any such person resides outside of the jurisdiction of the United States, or is unknown, or if for any other good and sufficient reason appearing to the court personal service cannot be had, he may be summoned by publication, under such rules as the court may adopt, together with a copy of the summons mailed by registered mail to such person's last known address. The Court of Claims may, upon motion of the Attorney General, in any suit or proceeding where there may be any number of persons having possible interests therein, notify such persons to appear to assert and defend such interests. Upon failure so to appear, any and all claims or interests in claims of any such person against the United States, in respect of the subject matter of such suit or proceeding, shall forever be barred and the court shall have jurisdiction to enter judgment pro confesso upon any claim or contingent claim asserted on behalf of the United States against any person who, having been duly served with summons, fails to respond thereto, to the same extent and with like effect as if such person had appeared and had admitted the truth of all allegations made on behalf of the United States. Upon appearance by any person pursuant to any such summons or notice, the case as to such person shall, for all purposes, be treated as if an independent proceeding had been instituted by such person pursuant to section 145 of the Judicial Code, as amended, and as if such independent proceeding had then been consolidated, for purposes of trial and determination, with the case in respect of which the summons or notice was issued, except that the United States shall not be heard upon any counterclaims, claims for damages or other demands whatsoever against such person, other than claims and contingent claims for the recovery of money hereafter paid by the United States in respect of the transaction or matter which constitutes the subject matter of such case, unless and until such person shall assert therein a claim, or an interest in a claim,

against the United States, and the Court of Claims shall have jurisdiction to adjudicate, as between any and all adverse claimants, their respective several interests in any matter in suit and to award several judgments in accordance therewith.

"(c) The jurisdiction of the Court of Claims shall not be affected by this Act except to the extent necessary to give effect to this Act, and no person shall recover judgment on any claim, or on any interets in any claim, in said court which such person would not have had a right to assert in said court if this section had not been enacted.

"PERSONAL FINANCIAL LIABILITY

"SEC. 15. (a) Whenever any payment is made from Government funds to any war contractor or other person as an advance, partial or final payment on any termination claim, or pursuant to any loan, guaranty, or agreement for the purchase of any loan, or any commitment in connection therewith, entered into by the Government, no officer or other Government agent authorizing or approving such payment or settlement, or certifying the voucher for such payment, or making the payment in accordance with a duly certified voucher, shall be personally liable for such payment, in the absence of fraud on his part. In settling the accounts of any disbursing officer the General Accounting Office shall allow any such disbursements made by him notwithstanding any other provisions of law.

"(b) For the purpose of making termination settlements or interim financing any Government agency is authorized to rely upon such certificates of war contractors as it deems proper and to permit war contractors and other persons to rely upon such certificates without financial liability in the absence of fraud on their part.

"THE GENERAL ACCOUNTING OFFICE

"SEC. 16. (a) Any other provision of law notwithstanding, the function of the General Accounting Office with respect to any termination settlement made, authorized, ratified, or approved by a contracting agency shall be confined to determining, after final settlement, (1) whether the settlement payments to the war contractor were made in accordance with the settlement, and (2) whether the records transmitted to it, or other information, warrant a reasonable belief that the settlement was induced by fraud. For this purpose the General Accounting Office shall have the authority to examine any records maintained by any contracting agency or by any war contractor relating to any termination settlement.

"(b) Whenever the Comptroller General is convinced that any settlement was induced by fraud, he shall so certify, together with all the facts relating thereto, to the Department of Justice, to the Director, and to the contracting agency concerned. Upon receipt of such certificate (1) the Department of Justice shall make an investigation to determine whether such settlement was induced by fraud, and (2) until the Department of Justice notifies the contracting agency that in its opinion the facts do not support the belief that the settlement was induced by fraud, the contracting agency, by set-off or otherwise, may withhold, from amounts owing to the war contractor by the United States under such settlement or otherwise, the amount of the settlement, or the portion thereof, which, in the opinion of the Comptroller General as stated in his certificate, was affected by the fraud. In any such case the Department of Justice shall take such action as it deems appropriate to recover payments made to such war contractor. The General Accounting Office shall not suspend credit to any disbursing officer on any disbursements made by him under such settlement in the absence of fraud on his part.

"(c) The Comptroller General may investigate the settlements completed by each contracting agency for the purpose of reporting to the Congress from time to time on—

"(1) whether the settlement methods and procedures employed by such agency are of a kind and type designed to result in expeditious and fair settlements in accordance with and subject to the provisions of this Act and the orders and regulations of the Director;

"(2) whether such methods and procedures are followed by such agency with care and efficiency; and

"(3) Whether such methods and procedures adequately protect the interest of the Government.

"If in any such report the Comptroller General shall find that the settlement methods and procedures fail to meet the foregoing standards, he shall make suggestions and recommendations to such agency for the improvement of such methods and procedures and to the Congress for any additional legislation needed to carry out the policies of this Act. At least thirty days before filing any such report with the Congress, the Comptroller General shall deliver a copy thereof to the agency concerned and the Director, and shall forward to the Congress together with such report any comments of such agency with respect thereto.

"(d) The jurisdiction of the Comptroller General of the United States shall not be affected by this Act except to the extent necessary to give effect to the specific provisions thereof.

"DEFECTIVE, INFORMAL, AND QUASI CONTRACTS

"SEC. 17. (a) Where any person has arranged to furnish or furnished to a contracting agency or to a war contractor any materials, services, or facilities related to the prosecution of the war, without a formal contract, relying in good faith upon the apparent authority of an officer or agent of a contracting agency, written or oral instructions, or any other request to proceed from a contracting agency, the contracting agency shall pay such person fair compensation therefor.

"(b) Whenever any formal or technical defect or omission in any prime contract, or in any grant of authority to an officer or agent of a contracting agency who ordered any materials, services, and facilities might invalidate the contract or commitment, the contracting agency (1) shall not take advantage of such defect or omission; (2) shall amend, confirm, or ratify such contract or commitment without consideration in order to cure such defect or omission; and (3) shall make a fair settlement of any obligation thereby created or incurred by such agency, whether expressed or implied, in fact or in law, or in the nature of an implied or quasi contract.

"(c) Where a contracting agency fails to settle by agreement any claim asserted under this section, the dispute shall be subject to the provisions of section 13 of this Act.

"(d) The Director shall require each contracting agency to formalize all such obligations and commitments within such period as the Director deems appropriate.

"RECORDS, FORMS, AND REPORTS

"SEC. 18. (a) The Director shall establish policies for such supervision and review within the contracting agencies of termination settlements and interim financing as he deems necessary and appropriate to prevent and detect fraud and to assure uniformity in administration and to provide for expeditious settlements. For this purpose he shall prescribe (1) such records to be prepared by the contracting agencies and by war contractors as he deems necessary in connection with such settlements and interim financing; and (2) the records in connection therewith to be transmitted to the General Accounting Office. He shall seek to reduce the amount of record keeping, reporting, and accounting in connection with the settlement of termination claims and interim financing to the minimum compatible with the reasonable protection of the public interest. Each contracting agency shall prescribe forms for use by war contractors in connection with termination settlements and interim financing to the extent it deems necessary and feasible.

"(b) The Director shall require the Government agencies performing functions under this Act to prepare such information and reports regarding terminations of war contracts, settlements of termination claims, and interim financing, as he deems necessary to assist him in appraising their operations or to assist him or other Government agencies in performing their functions under this Act, and may prescribe the terms and conditions upon which such information and reports shall be made available to other Government agencies. The Director may require any Government agency to furnish such information under its control as he deems necessary for the performance of his functions under this Act, but any such agency, in its discretion, may furnish any such information deemed by it to affect the national security only to the Director himself.

"(c) The Director, by regulation, shall provide for making available to any interested Government agency such advance notice and other information on cut-backs in war production resulting from terminations or failures to renew or extend war contracts, as he deems necessary and appropriate.

"(d) The Director shall make such investigations as he deems necessary or desirable in connection with termination settlements and interim financing. For this purpose he may utilize the facilities of any existing agencies and if he determines that the facilities of existing agences are inadequate, he may establish a unit in the Office of Contract Settlement to supplement and facilitate the work of existing agencies. He shall report to the Department of Justice any information received by him indicating any fraudulent practices, for appropriate action.

"(e) Whenever any contracting agency or the Director believes that any settlement was induced by fraud, the agency or Director shall report the facts to the Department of Justice. Thereupon, (1) the Department of Justice shall make an investigation to determine whether such settlement was induced by fraud, and (2) until the Department of Justice notifies the contracting agency that in its opinion the facts do not support the belief that the settlement was induced by fraud, the contracting agency, by set-off or otherwise, may withhold, from amounts owing to the war contractor by the United States under such settlement or otherwise, the amount of the settlement, or the portion thereof, which, in its opinion, was affected by the fraud. In any such case the Department of Justice shall take such action as it deems appropriate to recover payments made to such war contractor.

"PRESERVATION OF RECORDS; PROSECUTION OF FRAUD

"SEC. 19. (a) It shall be unlawful for any person willfully to secrete, mutilate, obliterate, or destroy, or cause to be secreted, mutilated, obliterated, or destroyed—

"(i) any records of a war contractor relating to the negotiation, award, performance, payment, interim financing, cancelation, or other termination, or settlement of a war contract of $25,000 or more; or

"(ii) any records of a war contractor and any purchaser relating to any disposition of termination inventory in which the consideration received by any war contractor or any Government agency is $5,000 or more, until (1) five years after such disposition of termination inventory by such war contractor or Government agency, or (2) five years after the final settlement of such war contract, or (3) five years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress, whichever applicable period is longer.

"As used in this subsection, the term 'records' includes, but is not limited to, books, ledgers, checks and check stubs, pay-roll data, vouchers, memoranda, correspondence, inspection reports and certificates. Any corporation violating any provision of this subsection shall be fined not more than $50,000 and any natural person violating any provision of this subsection shall be fined not more than $10,000, or imprisoned for not more than five years, or both: *Provided, however*, That the Director, by regulation, may authorize the destruction of such records upon such terms and conditions as he deems appropriate, which may include the making and retaining of photographs or microphotographs. Photographs or microphotographs of any records made in compliance with such regulations of the Director shall have the same force and effect as the originals thereof would have and shall be treated as originals for the purpose of admissibility in evidence.

"(b) The first section of the Act of August 24, 1942 (56 Stat. 747; title 18, U. S. C., Supp. II, sec. 590a), is amended to read as follows:

"'The running of any existing statute of limitations applicable to any offense against the laws of the United States (1) involving defrauding or attempts to defraud the United States or any agency thereof whether by conspiracy or not, and in any manner, or (2) committed in connection with the negotiation, procurement, award, performance, payment for, interim financing, cancellation or other termination or settlement, of any contract, subcontract, or purchase order which is connected with or related to the prosecution of the present war, or with any disposition of termination inventory by any war contractor or Government agency, shall be suspended until three years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress. This section shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by provisions of existing law.'

"(c) (1) Every person who makes or causes to be made, or presents or causes to be presented to any officer, agent, or employee of any Government agency any claim, bill, receipt, voucher, statement, account, certificate, affidavit, or deposition, knowing the same to be false, fraudulent, or fictitious or knowing the same to contain or to be based on any false, fraudulent, or fictitious statement or entry, or who shall cover up or conceal any material fact, or who shall use or engage in any other fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any benefit, payment, compensation, allowance, loan, advance, or emolument from the United States or any Government agency in connection with the termination, cancelation, settlement, payment, negotiation, renegotiation, performance, procurement, or award of a contract with the United States or with any other person, and every person who enters into an agreement, combination, or conspiracy so to do, (1) shall pay to the United States an amount equal to 25 per centum of any amount thereby sought to be wrongfully secured or obtained but not actually received, and (2) shall forfeit and refund any such benefit, payment, compensation, allowance, loan, advance, and emolument received as a result thereof and (3) shall in addition pay to the United States the sum of $2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the costs of suit.

"(2) The several district courts of the United States, the District of Columbia, the several district courts of the Territories of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall, wheresoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct.

"(d) The provisions of section 35-A of the Criminal Code (18 U. S. C., sec. 80) shall apply to any statement, representation, bill, receipt, voucher, roll, account, claim, certificate, affidavit, or deposition made or used or caused to be made or used for any purpose under this Act or under any regulations pursuant to this Act.

"(e) It shall be unlawful for any person employed in any Government agency, including commissioned officers assigned to duty in such agency, during the period such person is engaged in such employment or service, to prosecute, or to act as counsel, attorney, or agent for prosecuting, any claim against the United States, or for any such person within two years after the time when such employment or service has ceased, to prosecute, or to act as counsel, attorney, or agent for prosecuting, any claim against the United States involving any subject matter directly connected with which such person was so employed or performed duty. Any person violating any provision of this subsection shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

"GENERAL PROVISIONS

"SEC. 20. (a) Each contracting agency shall have authority, notwithstanding any provisions of law other than contained in this Act, (1) to make any contract necessary and appropriate to carry out the provisions of this Act; (2) to amend by agreement any existing contract, either before or after notice of its termination, on such terms and to such extent as it deems necessary and appropriate to carry out the provisions of this Act; and (3) in settling any termination claim, to agree to assume, or indemnify the war contractor against, any claims by any person in connection with such termination claims or settlement. This subsection shall not limit or affect in any way any authority of any contracting agency under the First War Powers Act, 1941, or under any other statute.

"(b) Any contracting agency may prescribe the amount and kind of evidence required to identify any person as a war contractor, or any contract, agreement, or purchase order as a war contract for any of the purposes of this Act. Any determination so made that any person is a war contractor, or that any contract, agreement, or purchase order is a war contract, shall be final and conclusive for any of the purposes of this Act.

"(c) There are hereby authorized to be appropriated such sums as may be necessary for administering the provisions of this Act.

"(d) All policies and procedures relating to termination of war contracts, termination settlements, and interim financing, prescribed by the Director of War Mobilization or any contracting agency, in effect upon the effective date of this Act, and not inconsistent with this Act, shall remain in full force and effect unless and until superseded by the Director in accordance with this Act, or by regulations of the contracting agency not inconsistent with this Act or the policies prescribed by the Director.

"(e) Nothing in this Act shall be deemed to impair or modify any war contract or any term or provision of any war contract or any assignment of any claim under a war contract, without the consent of the parties thereto, if the war contract, or the term, provision, or assignment thereof, is otherwise valid.

"(f) Any contracting agency may authorize or direct its officers and employees, as a part of their official duties, to advise, aid, and assist war contractors in preparing and presenting termination claims, in obtaining interim financing, and in related matters, to such extent as it deems desirable. Such advice, aid, or assistance shall not constitute a violation of section 109 of the Criminal Code (18 U. S. C. 198) or of any other law, provided the officer or employee does not receive therefor benefit or compensation of any kind, directly or indirectly, from any war contractor.

"(g) The Smaller War Plants Corporation is hereby directed—

"(1) to disseminate information among small business concerns with respect to interim financing, termination settlements, removal and storage of termination inventories pursuant to the provisions of this Act and the regulations of the Director; and

"(2) to assist small business concerns in connection with the securing of interim financing and the preparation of applications for such interim financing, the effecting of termination settlements, and the removal and storage of termination inventories, and to make interim loans and guaranties, in order to assure that small business concerns receive fair and equitable treatment from prime contractors and intermediate subcontractors in connection with the termination of war contracts.

"OTHER FUNCTIONS OF THE DIRECTOR

"SEC. 21. In addition to his other functions under this Act, the Director shall—

"(a) promote the training of personnel for termination settlement and interim financing by contracting agencies, war contractors, and financing institutions;

"(b) collaborate with the Smaller War Plants Corporation in protecting the interests of smaller war contractors in obtaining fair and expeditious termination settlements and interim financing;

"(c) promote decentralization of the administration of termination settlements and interim financing by fostering delegation of authority within contracting agencies and to war contractors, to the extent he deems necessary and feasible; and

"(d) consult with war contractors through advisory committees or such other methods as he deems appropriate.

"USE OF APPROPRIATED FUNDS

"SEC. 22. Any contracting agency is authorized—

"(a) to use for interim financing, the payment of claims, and for any other purposes authorized in this Act any funds which have heretofore been appropriated or allocated or which may hereafter be appropriated or allocated to it, or which are or may become available to it, for such purposes or for the purposes of war production or war procurement;

"(b) to use any such funds appropriated, allocated, or available to it for expenditures for or in behalf of any other contracting agency for the purposes authorized in this Act; and

"(c) to determine by agreement, joint estimate, or any other method authorized by the Director, the part of any expenditure made pursuant to subsection (b) hereof to be paid by each contracting agency concerned and to make transfers of funds between such contracting agencies accordingly. Transfers of funds between appropriations carried upon the books of the Treasury shall be made by the Secretary of the Treasury in accordance with joint requests of the contracting agencies involved.

"DELEGATION OF AUTHORITY

"SEC. 23. (a) The Director may delegate any authority and discretion conferred upon

him by this Act to any Deputy Director, and may delegate such authority and discretion, upon such terms and conditions as he may prescribe, to the head of any Government agency to the extent necessary to the handling and solution of problems peculiar to that agency.

"(b) The head of any Government agency may delegate any authority and discretion conferred upon him or his agency by or pursuant to this Act to any officer, agent, or employee of such agency or to any other Government agency, and may authorize successive redelegations of such authority and discretion.

"(c) Any two or more Government agencies may exercise jointly any authority and discretion conferred upon each of them individually by or pursuant to this Act.

"(d) Nothing in this Act shall prevent the Director from exercising any authority conferred upon him by any other statute.

"APPLICABILITY

"SEC. 24. (a) This Act shall become effective twenty days after the date of its enactment. With the exception of the provisions of paragraphs (b), (c), (d), and (e) of section 12, and of sections 6, 7, 8, 9, 10, and 13 this Act shall be applicable in the case of any terminated war contract which has been finally settled at or before the effective date of this Act.

"(b) Nothing in this Act shall limit or affect any authority conferred by the Act of March 11, 1941 (55 Stat. 31), as amended, or Acts supplemental thereto.

"SEC. 25. Subject to policies prescribed by the Director, any contracting agency may exempt from some or all of the provisions of this Act (a) any war contract made or to be performed outside the continental limits of the United States or in Alaska, or (b) any termination inventory situated outside of the continental limits of the United States or in Alaska, or (c) any modification of a war contract pursuant to its terms for the purpose of changing plans or specifications applicable to the work without substantially reducing its extent.

"SEPARABILITY OF PROVISIONS

"SEC. 26. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

"SHORT TITLE

"SEC. 27. This Act may be cited as the 'Contract Settlement Act of 1944'."

And the House agree to the same.

HATTON W. SUMNERS,
FRANCIS E. WALTER,
ESTES KEFAUVER,
C. E. HANCOCK,
JOHN W. GWYNNE,
Managers on the part of the House.

JAMES E. MURRAY,
EDWIN C. JOHNSON,
MON C. WALLGREN,
CHAN GURNEY,
CHAPMAN REVERCOMB,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1718) to provide for the settlement of claims arising from terminated war contracts, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause. The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment, and that the House agree to the same.

The differences between the House amendment and the proposed conference substitute are noted in the following statement, except for incidental changes made necessary by reason of agreements reached, and minor clarifying changes.

The House amendment added the War Production Board to the agencies defined under section 3 (g) as contracting agencies. The conference agreement retains this provision.

In addition to the accountants, engineers, appraisers, and other experts which the Director under the House amendment is authorized to employ without regard to the civil-service laws, the conference agreement adds authority to appoint a Deputy Director and authority of the Director to fix the compensation of such employees.

The conference agreement retains the House floor amendment which required review of settlements in excess of $50,000 by settlement review boards within the contracting agencies. The amendment, however, would not subject to approval of such settlement review boards any arbitration award. Minor changes of clarifying nature were made in the provision and a further provision was made that failure of the settlement review board to act upon a settlement within 30 days after its submission shall operate as approval by the board.

Section 6 (d) of the House amendment enumerated various specific items of cost to be considered, to the extent allocable, and other items to be excluded, in establishing methods and standards for settling claims not settled by agreement. The Senate bill contained no comparable provision.

The conference agreement revises this House provision to state more concisely and in more general terms the costs to be taken into account for such purpose. The conference agreement retains the enumeration in the House amendment of costs to be excluded except that item (v), dealing with costs charged off during a period covered by a previous renegotiation, is omitted to allow for flexible treatment of this item. The next paragraph of this subsection (from the House amendment) makes it clear that this omission is not intended to imply that this item should be allowed or disallowed and permits the Director to provide for the inclusion or exclusion of this and other costs in accordance with recognized commercial accounting practice.

Subsection 6 (e) of the House amendment, dealing with settlements by agreement, is retained by the conference agreement.

Section 8 (d) of the Senate bill contained a provision permitting the Director to prescribe penalties up to 6 percent for overstatements by contractors on amounts due on their claims in connection with financing, in order to protect the Government's interests. The conferees considered the provision desirable to prevent attempts to secure excessive interim financing. Accordingly, the conference agreement reinstates the provision but provides that the 6 percent penalty shall be automatic unless in the opinion of the Director the imposition thereof would be inequitable.

The House floor amendment prescribing the method for giving notice of cancelation to prime contractors and subcontractors, has been modified by section 11 (a) (2), so as to direct each contracting agency to establish procedures whereby prime contractors shall provide affected subcontractors with immediate notice of termination.

The conference agreement retains the provisions of the House amendment allowing suit in the court after resort to the appeal board, and also provides that costs of suit shall be taxed against the war contractor unless the court awards the contractor an amount in excess of that allowed by the appeal board or panel.

The House floor amendment limiting the per annum compensation of members of the appeal board to $10,000, and limiting their terms of office to 2 years, is also retained.

The provision of section 16 (a) of the House amendment specifying the authority of the General Accounting Office to examine records maintained by any contracting agency or by any war contractor relating to any termination settlement, is retained in the conference agreement. Subsection (b) has been rewritten in conference and provides that whenever the Comptroller General is convinced that any settlement was induced by fraud, he shall so certify, together with all the facts relating thereto, to the Department of Justice, to the Director, and to the contracting agency concerned. Upon receiving such certificate (1) the Department of Justice is directed to make an investigation to determine whether the settlement was induced by fraud, and (2) until the Department of Justice notifies the contracting agency that in its opinion the facts do not support the belief that the settlement was induced by fraud, the contracting agency, by set-off or otherwise, may withhold the amount of settlement or portion thereof, which in the opinion of the Comptroller General as stated in his certificate, was affected by the fraud.

The provision of the House amendment providing for a penalty of 25 percent of any amount sought to be secured by fraud, even though such amount may not actually be received, is retained in the conference agreement.

Subsection (e) of section 19 of the House amendment added to the bill a provision making it unlawful for a person who, as a commissioned officer in the Army or the Navy or as an officer or employee of the United States, has at any time during the period from December 7, 1941, until 6 months after the termination of hostilities in the present war, been assigned to duty by the War or Navy Department, or employed in any agency of the Government, and been engaged on behalf of the United States in procuring or assisting to procure supplies, materials, work, or services for the Government, or engaged in settling or adjusting contracts, from accepting or soliciting employment in presenting, aiding, or assisting for compensation in the prosecution of claims against the United States arising out of any contracts for supplies, materials, or services which were pending or entered into while the officer or employee was associated therewith. A penalty of a fine of not more than $10,000 or imprisonment for not more than 1 year, or both, was provided for any violation of the provision. Subsection (j) of the Renegotiation Act was to be noneffective after enactment of this legislation.

The conferees agreed to a substitute provision making it unlawful for any person employed in any Government agency, including commissioned officers assigned to duty in such agency during the period such person is engaged in such employment or service, to prosecute, or to act as counsel, attorney, or agent for prosecuting any claim against the United States, or for any such person within 2 years after the time when such employment or service has ceased, to prosecute, or to act as counsel, attorney, or agent for prosecuting any claim against the United States involving any subject matter directly connected with which such person was so employed or performed duty. A penalty consisting of a fine of not more than $10,000 or imprisonment for not more than 1 year or both, is provided for violations of this provision.

The Senate bill contained a provision requiring that officers and employees of con-

tracting agencies aid war contractors in preparing and presenting termination claims and obtaining interim financing as a part of their official duties, and provided that such assistance should not constitute a violation of section 109 of the Criminal Code. The House amendment qualified this provision to insure that such officers and employees may not receive any benefit or compensation, directly or indirectly from the war contractors. The substance of the provisions of the House amendment were retained in the conference agreement.

The House amendment added a provision to section 20 of the bill reiterating the authority of the Smaller War Plants Corporation to make interim loans and guaranties to small business concerns. This provision is retained in the conference agreement.

HATTON W. SUMNERS,
FRANCIS E. WALTER,
ESTES KEFAUVER,
C. E. HANCOCK,
JOHN W. GWYNNE,
Managers on the part of the House.

Mr. SUMNERS of Texas. Mr. Speaker, the Senate has already agreed to this conference report and the part of it which has just been read gives the House a fair indication of what was agreed as between the conferees.

Mr. Speaker, I move the previous question on the report.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman from Texas [Mr. SUMNERS] withdraw his motion temporarily, so that I may ask a question?

Mr. SUMNERS of Texas. Yes, Mr. Speaker. I withdraw the motion temporarily.

Mr. ROBSION of Kentucky. Mr. Speaker, I would like to know in what respect the House conferees yielded to the Senate and what changes were made in the bill as we passed it.

Mr. SUMNERS of Texas. Mr. Speaker, that would take a long time to explain in minute detail. Everything is fully explained in the statement of the managers on the part of the House.

Mr. HANCOCK. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. HANCOCK. Mr. Speaker, the bill agreed upon by the House and Senate conferees is essentially the bill as passed by the House. There is no important change except a few minor changes in phraseology, but essentially it is the bill as it passed the House overwhelmingly.

Mr. ROBSION of Kentucky. Is that the view of the chairman of the committee, the gentleman from Texas [Mr. SUMNERS]?

Mr. SUMNERS of Texas. That is my view, yes.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

LABOR-FEDERAL SECURITY AGENCY APPROPRIATION, 1945—CONFERENCE REPORT

Mr. HARE. Mr. Speaker, I call up the conference report on the bill (H. R. 4899) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies for the fiscal year ending June 30, 1945, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4899) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 5, 9, 13, 23, 24, and 25.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 4, 6, 7, 10, 15, 16, 17, 22, 26, 27, 28, 29, and 30, and agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$255,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the number proposed insert "2½"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In line 2 of the matter proposed to be inserted by such amendment after the word "out", and before the comma, insert "and completing"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$29,000,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 14, 19, 21, and 31.

BUTLER B. HARE,
M. C. TARVER,
ALBERT THOMAS,
CLINTON P. ANDERSON,
ALBERT J. ENGEL,
H. CARL ANDERSEN,
Managers on the part of the House.

KENNETH MCKELLAR,
RICHARD B. RUSSELL,
WALLACE H. WHITE, JR.,
CLYDE M. REED,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4899) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying report, as to each of such amendments, namely:

OFFICE OF THE SECRETARY OF LABOR

Amendment No. 1, salaries and expenses, safety and health program (national defense): Appropriates $169,200, as proposed by the House, instead of $213,200, proposed by the Senate.

BUREAU OF LABOR STATISTICS

Amendment No. 3, salaries and expenses: Appropriates $1,312,300, as proposed by the Senate, instead of $1,212,300, as proposed by the House.

Amendment No. 4: Provides a limitation of $1,160,000 or the amount provided in amendment No. 3, that may be expended for the salary of the Commissioner and other personal services in the District of Columbia, instead of the limitation of $1,110,000, as proposed by the House.

Amendment No. 5, salaries and expenses (national defense): Appropriates $1,510,400, as proposed by the House, instead of $1,556,185, as proposed by the Senate.

CHILDREN'S BUREAU

Amendment No. 6, salaries and expenses: Appropriates $376,600, as proposed by the Senate, instead of $367,900, as proposed by the House.

Amendment No. 7: Provides a limitation of $329,800 on the amount provided in amendment No. 6 that may be expended for personal services in the District of Columbia, instead of the limitation of $328,000, as proposed by the House.

Amendment No. 8, salaries and expenses, child labor provisions, Fair Labor Standards Act: Appropriates $255,000 instead of $250,000 proposed by the House, and instead of $260,000 proposed by the Senate.

Amendment No. 9, salaries and expenses (national defense): Eliminates $25,548 proposed by the Senate. A similar provision requesting $272,000 was eliminated from the Budget estimate by the House.

Amendment No. 10: Grants to States for emergency maternity and infant care (national defense): Extends the benefits of this program to Army aviation cadets.

Amendment No. 11: Provides that 2½ percent of the amounts allotted to the States may be used for administrative expenses instead of the 2 percent proposed by the House and the 3 percent proposed by the Senate.

WOMEN'S BUREAU

Amendment No. 12, salaries and expenses (national defense): Appropriates $55,000 as proposed by the Senate to complete within the fiscal year 1945 two studies begun under an appropriation and authority contained in the First Supplemental National Defense Appropriation Act, 1944 (Public Law 216, 78th Cong.). The House proposed to eliminate the studies entirely.

HOWARD UNIVERSITY

Amendment No. 13, salaries: Appropriates $750,000 as proposed by the House, instead of $751,500, as proposed by the Senate.

PUBLIC HEALTH SERVICE

Amendment No. 15, emergency health and sanitation activities (national defense): Appropriates $11,250,000, as proposed by the Senate, instead of $11,450,000, as proposed by the House.

ST. ELIZABETHS HOSPITAL

Amendment No. 16, salaries and expenses: Provides that payments by the District of Columbia or any branch of the Government for care of patients shall be "such amounts as shall be calculated by the Superintendent to be due for such care on the basis of a per diem rate recommended annually in advance by the Federal Board of Hospitalization and approved by the President", as proposed by

the Senate, instead of "all or part of the estimated or actual cost of such maintenance, as the case may be," as proposed by the House.

Amendment No. 17, additional amount for building for storeroom, and so forth: Appropriates $445,000, as proposed by the Senate, for an additional amount for building for storeroom, and so forth, the commencement of which is provided for under a previous appropriation.

SOCIAL SECURITY BOARD

Amendment No. 18, grants to States for unemployment compensation administration: Appropriates $29,000,000, instead of $25,000,000, as proposed by the House and $31,000,000 as proposed by the Senate. In explanation of the reduction under the amount proposed by the Senate, it is understood that a proportionate reduction will be made in the expenditures for the Washington office to conform to hose which will be necessary in the field. The conferees recognize it is particularly difficult, at this time, to estimate the necessary cost of State administrative agencies for the coming fiscal year. Victory in Europe will doubtless result in a substantial cut-back in our war production. An unprecedented volume of unemployment compensation claims may result during reconversion of war industries to civilian production. Obviously, State agencies should make reasonable preparations for this contingency. In view of the many uncertainties it is expected that the Board will make grants to the States in such a manner as not to impair the efficiency of the present operations of State unemployment compensation agencies nor to preclude these agencies from making reasonable preparations to meet impending developments.

OFFICE OF VOCATIONAL REHABILITATION

Amendment No. 20, community war services: Appropriates $1,500,000, instead of $1,350,000 as proposed by the House and $1,600,000 as proposed by the Senate.

NATIONAL LABOR RELATIONS BOARD

Amendment No. 22, salaries: Appropriates $2,125,000 as proposed by the Senate, instead of $2,000,450, as proposed by the House.

Amendment No. 23, miscellaneous expenses (other than salaries): Appropriates $478,000 as proposed by the House, instead of $500,000 as proposed by the Senate.

Amendment No. 24: Restores language proposed by the House which limits the right of filing complaints arising over agreements, or renewals thereof, between management and labor to parties to the agreement.

Amendment No. 25: Eliminates language proposed by the Senate that "The existence of an agreement or a renewal thereof between management and a labor organization on or before July 1, 1942, without complaint being filed by an employee or employees, shall, however, be prima facie evidence that the organization has not been formed in violation of such section 158."

WAR MANPOWER COMMISSION

Amendment No. 26, Apprentice Training Service: Limits the amount of appropriation that may be expended for printing and binding to $9,000, as proposed by the Senate, instead of $4,500, as proposed by the House.

Amendment No. 27: Limits the amount of appropriation that may be expended for travel expenses to $77,700, as proposed by the Senate, instead of $60,000, as proposed by the House.

Amendment No. 28: Appropriates $593,500 for Apprentice Training Service as proposed by the Senate, instead of $537,500, as proposed by the House.

Amendment No. 29, Apprentice Training Service (national defense): Limits the amount of appropriation that may be expended for travel expenses to $92,600, as proposed by the Senate, instead of $60,000, as proposed by the House.

Amendment No. 30: Appropriates $637,700 as proposed by the Senate for Apprentice Training Service (national defense), instead of $400,000, as proposed by the House.

AMENDMENTS IN DISAGREEMENT

The managers on the part of the House report the following amendments in disagreement:

Amendment No. 2, Division of Labor Standards, Department of Labor, salaries and expenses (national defense): Reappropriates $40,000 to enable the Secretary of Labor to liquidate during the fiscal year 1945 the existing organization of the Working Conditions Service. The House managers will move to recede and concur.

Amendment No. 14, visual aids for war training (national defense), Office of Education: Appropriates $207,312 for visual aids for war training. The House bill made no provision for the item. The House managers will move to recede and concur with an amendment appropriating $175,000, instead of $207,312 as proposed by the Senate.

Amendment No. 19, National Youth Administration liquidation: Reappropriates $78,000 of unexpended balances to enable the Federal Security Administrator to liquidate the affairs of the National Youth Administration. The House managers will move to recede and concur with an amendment, inserting at the end of the matter inserted by said Senate amendment, the following: ": *Provided further*, That any personal property formerly belonging to the National Youth Administration and loaned to any public school, school system, or institution of higher education within any State under the provisions of Public Law 140, Seventy-eighth Congress, under the heading "War Manpower Commission," shall vest in, be and become the property of such school, school system or institution of higher education in which such property is located."

Amendment No. 21, temporary aid to enemy aliens: Appropriates $50,000 and authorizes the transfer of an additional $50,000 from the appropriation "Salaries and expenses, War Relocation Authority," for temporary aid to enemy aliens and other restricted persons. The House managers will move to recede and concur.

Amendment No. 31, migration of workers: Appropriates $2,465,000 to enable the War Manpower Commission to provide for the temporary migration of workers from foreign countries within the Western Hemisphere, for employment in the continental United States with industries and services essential to the war effort. The House managers will move to recede and concur.

BUTLER B. HARE,
M. C. TARVER,
ALBERT THOMAS,
CLINTON P. ANDERSON,
ALBERT J. ENGEL,
H. CARL ANDERSEN,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 2: On page 4, line 16, insert:

"Salaries and expenses, Division of Labor Standards, Department of Labor (national defense): For all expenses necessary to enable the Secretary of Labor to liquidate during the fiscal year 1945 the existing organization of the Working Conditions Service, including payment of accumulated and accrued annual leave of employees separated from the Government service due to the discontinuance of this Service; such travel as may be necessary to the accomplishment of the said liquidation; and the termination of existing leases for office space an indeterminate amount to be derived from the unexpended and unobligated balance of the appropriation made to the Division of Labor Standards (national defense) in the First Supplemental National Defense Appropriation Act, 1944, approved December 23, 1943, not exceeding $40,000."

Mr. HARE. Mr. Speaker, I move that the House recede and concur in Senate amendment No. 2.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 14: On page 24, line 15, insert:

"Visual aids for war training (national defense): For all necessary expenses of the Office of Education in procuring and making available, for reproduction and use, visual-aid instructional units, consisting of motion-picture films, lantern slides, slide films, and film loops, for training in occupations essential to the war effort (each such occupation to be approved by the Chairman of the War Manpower Commission), including personal services in the District of Columbia and elsewhere; travel expenses; printing and binding; $207,312: *Provided*, That copies of slides and films shall be sold at a price sufficient to pay the whole cost of production of such slides and films."

Mr. HARE. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. HARE moves that the House recede from its disagreement to the amendment of the Senate No. 14, and agree to the same with an amendment, as follows: "In lieu of the sum proposed by such amendment, insert '$175,000.' "

The SPEAKER. The question is on the motion of the gentleman from South Carolina.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 19. On page 46, line 25, insert:

National Youth Administration liquidation: Not to exceed $78,000 of the unexpended balances of the appropriations made to the National Youth Administration in the War Manpower Commission Appropriation Act 1944, and the Second Deficiency Appropriation Act 1943, are hereby continued available until June 30, 1945, for all expenses necessary to enable the Federal Security Administrator to liquidate the affairs of the National Youth Administration, including settlement of claim for property damage accruing prior to January 2, 1944, under paragraph 20 of the National Youth Administration Appropriation Act, 1943; payment of accumulated and accrued annual leave to employees who have not liquidated such by June 30, 1944; payment of salaries and other necessary administrative expenses (including personal services in the District of Columbia and travel expenses), not exceeding $53,000, incurred during the fiscal year 1945; and payment of accumulated and accrued annual leave of the personnel employed under such amount: *Provided*, That no person shall be employed under such sum of $53,000 at a rate exceeding the rates applicable to classification grade CAF-13 or the equivalent and the amount allocated for salaries thereunder shall not exceed $36,500 and the amount for microfilming records shall not exceed $25,000:

Provided further, That the Federal Security Administrator is hereby authorized to retain such office materials, supplies, and equipment of the National Youth Administration as may be necessary in carrying out the purposes of this appropriation, and such office materials, supplies, and equipment shall not be subject to the provisions of the Second Deficiency Appropriation Act, 1943, with respect to such property, during the period of such use: *Provided further*, That said Administrator is authorized to appoint such personnel as may be required for the purposes hereof without regard to civil service and classification laws."

Mr. HARE. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. HARE moves that the House recede from its disagreement to the amendment of the Senate No. 19, and agree to the same with an amendment, as follows:

"At the end of the matter proposed to be inserted by such amendment, before the period insert ': *Provided further*, That any personal property formerly belonging to the National Youth Administration and loaned to any public school, school system, or institution of higher education within any State under the provisions of Public Law 140, Seventy-eighth Congress, under the heading "War Manpower Commission," shall vest in, be and become the property of such school, school system, or institution of higher education in which such property is located.'"

Mr. HARE. I yield 2 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Speaker, I take this time because of the fact that I think many Members would be interested in the amendment which has been agreed upon by the House and Senate conferees, which amendment has just been read.

The Members will recall that when this bill was before the House I directed attention to the problem that existed in the country growing out of the fact that the National Youth Administration had placed in various schools throughout the country personal property which was used by those various schools in the matter of training for the war effort. The personal property acquired by the N. Y. A. under previous laws passed by the Congress, in the liquidation of the National Youth Administration was given first to the Army and the Navy, and after they had turned down some of this material it was then turned over to the procurement agency of the Treasury Department. The fact of the matter is, as many Members now know, there are certain machines and machinery and tools in the various vocational and other school systems of the country which are being used today by those systems in training for the war effort. Under the provisions of this amendment the title to those items of personal property which have been turned down by the Army and Navy will be vested in those local school systems, so that they can repair them or replace them, with assurance that the machines which they now have in their school-system facilities will become the property of the local schools.

That matter was discussed at some length on the floor of the House when the bill was under consideration, and the unanimous opinion was expressed at that time that the Congress wanted this done. It has been accomplished.

Mr. CASE. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. CASE. Is there any part of the personal property formerly used by the National Youth Administration which has not been distributed to those schools or to somebody else at this time?

Mr. KEEFE. None that I know of that has not been turned over to the War and Navy Departments or to the Procurement Agency of the Treasury Department.

Mr. CASE. Is it still possible, if Procurement has some of this property, for a school to apply for that property?

Mr. KEEFE. It is entirely possible for the local systems to apply for this surplus property. This amendment is designed to transfer title to the property which is now located in the various schools of the country.

Mr. CASE. Which has already been loaned to them?

Mr. KEEFE. Which has already been loaned to them and is in their plant.

Mr. CASE. Is it a reasonable assumption that as to the property which has not been loaned, title to which is vested in the Procurement Division of the Treasury Department, a school could apply for it if it finds it could use it?

Mr. KEEFE. I know that is the fact. The answer is "Yes."

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. HARE. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 21, page 49, line 4, insert: "Temporary aid to enemy aliens and other restricted persons: For expenses necessary to enable the Federal Security Administrator to provide temporary aid, not to extend beyond the duration of the existing war and 6 months thereafter, to enemy aliens and other persons excluded from areas designated pursuant to authority contained in Proclamations Nos. 2525 of December 7, 1941, and 2526 and 2527 of December 8, 1941, and Executive Order No. 9066 of February 19, 1942, or whose normal means of livelihood has been interrupted by reasons of restrictions imposed by the Attorney General or any law or order authorizing the removal of persons whose presence may be deemed dangerous to the United States, and to the dependents of any of such persons, $50,000: *Provided*, That funds may be transferred with the approval of the Bureau of the Budget to this appropriation from the appropriation "Salaries and expenses, War Relocation Authority", in an amount not exceeding $50,000, and shall be consolidated with this appropriation and the whole administered and accounted for as one fund: *Provided further*, That the administrator may make expenditures from this appropriation, by advances or grants of funds or otherwise, to such Federal or other agencies as he may designate, expenditures by such other agencies to be without regard to section 3709 of the Revised Statutes or the civil-service and classification laws."

Mr. HARE. Mr. Speaker, I move that the House recede from its disagreement with the Senate amendment No. 21, and concur in the same.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 31: Page 67, line 12, insert: "Migration of workers: To enable the War Manpower Commission to provide, in accordance with regulations prescribed by the Chairman of said Commission for the temporary migration of workers from foreign countries within the Western Hemisphere (pursuant to agreements between the United States and such foreign countries), for employment in the continental United States with industries and services essential to the war effort, including the transportation of such workers from points outside the United States to ports of entry of the United States and return (including transportation from place of employment in the United States to port of entry of the United States in any case of default by an employer to provide such transportation to a worker, in which event the employer shall be liable to the United States for the cost thereof), cost of temporary maintenance of workers in reception centers in foreign countries and in the United States, when necessary, reasonable subsistence and emergency medical care of such workers from the time of reporting for transportation to the United States or return to the country of origin until arrival at the destination, necessary assistance to meet emergency health and welfare problems while in the United States, when such assistance is not otherwise available to such persons, and guaranties of employment while in the United States to the extent agreed upon with the foreign country from which the workers are imported, $2,465,000, of which not to exceed $123,000 shall be available for all administrative expenses necessary for the foregoing, including not to exceed $12,000 for temporary employment of administrative personnel outside continental United States, not to exceed $1,000 for printing and binding outside continental United States without regard to section 3709 of the Revised Statutes and section 11 of the act of March 1, 1919 (44 U. S. C. 111), and not to exceed $25,800 for travel expenses: *Provided*, That no transportation of workers shall be allowed hereunder unless the employer and the worker have entered into a contract for employment approved by said Chairman or his designee, and unless said Chairman certifies that reasonably adequate use is being made of local labor supply: *Provided further*, That this appropriation shall remain available after June 30, 1945, for the purpose of fulfilling guaranties and other obligations theretofore incurred with respect to such foreign workers and for all other purposes connected with the protection and ultimate return of any workers theretofore transported: *Provided further*, That no part of this appropriation shall be available for the recruitment or transportation of workers for employment in agriculture."

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. HARE. I yield.

Mr. COCHRAN. Is this a new project?

Mr. HARE. No; by no means. This project has been under way for several years.

Mr. COCHRAN. It was not in the House bill.

Mr. HARE. It was not inserted in the House bill for the reason that the justifications showed they planned to import

quite a large number of Puerto Ricans, and the committee felt that when these Puerto Ricans arrived in the United States there would be no way of deporting them because of their United States citizenship. I am sure the gentleman understands that under existing law such labor may be imported under a contract agreement between our Government and the government from which they come with the understanding that upon completion of the work for which they were specifically employed they shall be returned to the country from which they came, but Puerto Rico being a possession of the United States and Puerto Ricans brought here being citizens cannot be compelled to return. That provision was therefore eliminated by the subcommittee and not brought to the House for consideration. After the bill went to the Senate, justifications were submitted to that body to continue the policy of importing foreign labor from the Western Hemisphere under contract to return them when the work is completed. The transportation facilities of the country showed the absolute necessity for this labor, and certain mining activities in the western part of the country showed that there was a necessity for this labor upon the ground that it was essential to the war effort. For that reason the House conferees agreed to the Senate amendment.

Mr. COCHRAN. We are fully protected so that when this emergency ends these people who are going to be imported from the Western Hemisphere countries will go back to their countries and not be permitted to remain here to compete with American labor?

Mr. HARE. That is correct. If it were not correct I would certainly oppose that provision in the bill.

Mr. ENGEL of Michigan. Mr. Speaker, will the gentleman yield?

Mr. HARE. I yield.

Mr. ENGEL of Michigan. Answering the gentleman's question, I had a case in point where a war worker of this type came to this country. He had fulfilled his contract but was trying to engage in another type of work for which he was not brought into the country. The immigration officials refused to allow him to remain here. He had to go back in compliance with the contract he had signed. I understand they are enforcing this very rigidly.

Mr. HARE. The gentleman understands of course why the item for Puerto Rican labor was eliminated by the House subcommittee, but under the Senate provision these Puerto Ricans who would have been imported are not included.

Mr. ENGEL of Michigan. That is correct; and I might add that except for labor of this kind coming into the agricultural regions in my section of the country we would have lost a great part of certain field crops, sugar beets and so forth.

Mr. COCHRAN. Mr. Speaker, I want to say a few words about this subcommittee of the Committee on Appropriations—the gentleman from South Carolina, the Honorable BUTLER B. HARE, the chairman, and his associates—charged with the responsibility of considering the estimates for the Department of Labor, the Federal Security Agency, and the several other related agencies of Government that have appropriations provided in this bill in a total sum of more than $1,100,000,000. It is noteworthy that not an amendment was offered and no changes were made to the original report on the bill, and now that it has been brought back from conference with the Senate the action of this subcommittee is approved without change or amendment. The gentleman from South Carolina [Mr. HARE], the chairman, and his associates have certainly earned the commendation of this House. No one can appreciate more than the Members of this body the untiring effort that must be put into the consideration of such a bill as this, one of the most controversial of all appropriation bills, to accomplish its adoption just as the chairman and his committee proposed it. I congratulate them.

Mr. HARE. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

By unanimous consent, a motion to reconsider the votes whereby action was had on the conference report was laid on the table.

RESOLUTIONS LAID ON THE TABLE

The SPEAKER. Without objection, House Resolution 548 providing for the consideration of H. R. 4219, a bill to provide for the appointment of female pilots and aviation cadets in the Air Forces of the Army, and House Resolution 271 providing for the consideration of H. R. 2975, a bill to increase by $300,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended, and for other purposes, were laid on the table.

PACIFIC NAVAL BATTLE JUNE 18, 19, 20

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, in order that I might obtain as accurate information as possible for the House from the Navy Department as to the naval battle that has been waged the last 2 or 3 days I called up Admiral King's office and talked with Commander Kirkpatrick—and I have permission to use his name. I took down what he told me and then reread it to him to be sure that my memorandum was accurate. The information he gave me is as follows: "During the attack by enemy aircraft on our ships on June 18"—that would be June 18 Washington time, June 19 in the Far East—"during the attack by enemy aircraft on our ships on June 18 we now know that 353 enemy aircraft were shot down. Of this number 335 were shot down by our own carrier-based aircraft and 18 by guns from our ships.

"Two of our carriers and one battleship received superficial damage only"—and Commander Kirkpatrick emphasized the fact that "the damage was superficial." He further said: "In this action of June 18, Washington date, we lost 21 aircraft in combat. You will note that the enemy lost a total of 353.

"On June 19, Washington time, in the late afternoon, aircraft forces from our carriers attacked the Jap Fleet consisting of four or more battleships, five or six carriers, five fleet tankers, accompanied by cruisers and destroyers. On the basis of present information available our planes did the following damage: One Jap carrier of the Ziukaku class." Commander Kirkpatrick informed me that "this is the first-line class carrier of about 17,000 tons. One carrier of this type received three 1,000-pound bomb hits. One carrier of the Hayataka class—that is of about 12,000 tons—was sunk; another carrier of the same class, of about 12,000 tons, was seriously damaged and left burning fiercely. A smaller carrier received at least one bomb hit." I may say that these are conservative estimates.

"One battleship of the Kongo class—of around 30,000 tons—was damaged, one Jap cruiser damaged, three destroyers damaged, and one believed sunk; three tankers sunk, the other two tankers severely damaged and left burning.

"On June 19, Washington time, 15 Jap aircraft were defending the Jap Fleet. They were attacked by our aircraft and they were all shot down. That is in addition to the 353 shot down on the 18th.

"Our losses in connection with the attack on the Jap Fleet on June 19, in the late afternoon, were 49 aircraft. It is known that many of these landed at sea. The attack was made in the late afternoon as the Jap Fleet was fleeing and fleeing fast," I am informed. As I say "out of the 49 United States aircraft lost many landed on the sea, probably on their return to our carriers. They were attacking the Jap Fleet which was about 300 miles away from our fleet. Out of the 49 planes lost an undetermined number of pilots have been rescued and vigilant search is being conducted for the others.

"The engagement was broken off by the Jap Fleet, which when last seen was fleeing in the night to the westward as fast as the fleet could go through the channel between Formosa and the Philippines.

"This report came in this morning,' so the commander told me: "On June 20, Washington time, our fleet continued to the westward chasing the Japs all day but could not make contact with them."

This is another example of the heroism and the bravery of the officers and the men of the United States Navy.

LOUIS COURCIL

Mr. McGEHEE. Mr. Speaker, I call up the conference report on the bill (H. R. 248), for the relief of Louis Courcil.

The Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 248) for the relief of Louis Courcil having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as

follows: In lieu of the figures "$3,500" insert "$5,000"; and the Senate agree to the same.

DAN R. MCGEHEE,
W. A. PITTENGER,
Managers on the part of the House.

ALLEN J. ELLENDER,
JAMES M. TUNNELL,
GEO. A. WILSON,
Managers on the part of the Senate.

The conference report was agreed to.

A motion to reconsider was laid on the table.

REV. C. M. McKAY

Mr. McGEHEE. Mr. Speaker, I call up the conference report on the bill (H. R. 544) for the relief of Rev. C. M. McKay.

The Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 544) for the relief of Reverend C. M. McKay having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$581.10" insert "$781.10"; and the Senate agree to the same.

DAN R. MCGEHEE,
J. EDGAR CHENOWETH,
Managers on the part of the House.

ALLEN J. ELLENDER,
JAMES M. TUNNELL,
GEO. A. WILSON,
Managers on the part of the Senate.

The conference report was agreed to.

A motion to reconsider was laid on the table.

DELORES LEWIS

Mr. McGEHEE. Mr. Speaker, I call up the conference report on the bill (H. R. 1313), for the relief of Delores Lewis.

The Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1313) for the relief of Delores Lewis having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$369" insert "$700"; and the Senate agree to the same.

DAN R. MCGEHEE,
T. G. ABERNETHY,
Managers on the part of the House.

ALLEN J. ELLENDER,
TOM STEWART,
E. V. ROBERTSON,
Managers on the part of the Senate.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EDDIE T. STEWART

Mr. McGEHEE. Mr. Speaker, I call up the conference report on the bill (H. R. 1411) for the relief of Eddie T. Stewart.

The Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1411) for the relief of Eddie T. Stewart having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$1,292.50" insert "$2,000"; and the Senate agree to the same.

DAN R. MCGEHEE,
JOHN JENNINGS, JR.,
NAT PATTON,
Managers on the part of the House.

ALLEN J. ELLENDER,
JAMES M. TUNNELL,
GEO. A. WILSON,
Managers on the part of the Senate.

The conference report was agreed to.

A motion to reconsider was laid on the table.

MILDRED B. HAMPTON

Mr. McGEHEE. Mr. Speaker, I call up the conference report on the bill (H. R. 1412) for the relief of Mildred B. Hampton.

The Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1412) for the relief of Mildred B. Hampton having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$487.50" insert the figures "$1,000.00"; and the Senate agree to the same.

DAN R. MCGEHEE,
NAT PATTON,
Managers on the part of the House.

ALLEN J. ELLENDER,
KENNETH S. WHERRY,
Managers on the part of the Senate.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EDWARD E. HELD AND MARY JANE HELD

Mr. McGEHEE. Mr. Speaker, I call up the conference report on the bill (H. R. 2625) for the relief of Edward E. Held and Mary Jane Held.

The Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2625) for the relief of Edward E. Held and Mary Jane Held having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$4,000" insert the figures "$4,500"; and the Senate agree to the same.

DAN R. MCGEHEE,
JOHN JENNINGS, JR.,
NAT PATTON,
A. M. FERNANDEZ,
Managers on the part of the House.

ALLEN J. ELLENDER,
JAMES O. EASTLAND,
ARTHUR CAPPER,
Managers on the part of the Senate.

The conference report was agreed to.

A motion to reconsider was laid on the table.

MAVIS NORRINE COTHRON ET AL.

Mr. McGEHEE. Mr. Speaker, I call up the conference report on the bill (H. R. 3390) for the relief of Mavis Norrine Cothron and the legal guardian of Noma Lee Cothron, Florence Janey Cothron, and Nina Faye Cothron.

The Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3390) for the relief of Mavis Norrine Cothron and the legal guardian of Norma Lee Cothron, Florence Janet Cothron, and Nina Faye Cothron having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered (1) and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered (2), and agree to the same with an amendment, as follows: In lieu of the figures "$3,000" insert the figures "$4,000"; and the Senate agree to the same.

DAN R. MCGEHEE,
LEX GREEN,
Managers on the part of the House.

ALLEN J. ELLENDER,
JAMES M. TUNNELL,
GEO. A. WILSON,
Managers on the part of the Senate.

The conference report was agreed to.

A motion to reconsider was laid on the table.

REV. JAMES T. DENIGAN

Mr. McGEHEE. Mr. Speaker, I call up the conference report on the bill (H. R. 3538) for the relief of Rev. James T. Denigan.

The Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3538) for the relief of Rev. James T. Denigan having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$5,578.85" insert the figures "$6,500"; and the Senate agree to the same.

DAN R. MCGEHEE,
W. A. PITTENGER,
Managers on the part of the House.

ALLEN J. ELLENDER,
KENNETH S. WHERRY,
Managers on the part of the Senate.

The conference report was agreed to.

A motion to reconsider was laid on the table.

JONAS MULLENS

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2472) for the relief of Jonas Mullens, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 7, strike out "$5,000" and insert "$3,000."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. McGEHEE]?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

REGULATION OF THE INSURANCE BUSINESS

The SPEAKER. The Chair is going to recognize the gentleman from Pennsylvania to move that the House resolve itself into the Committee of the Whole for the consideration of the so-called insurance bill. May the Chair say also that as conference reports come in the Chair would appreciate it if the gentleman would move that the Committee rise so that the House may dispose of the conference reports.

Mr. WALTER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3270) to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States and that the acts of July 2, 1890, and October 15, 1914, as amended, be not applicable to that business.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 3270, with Mr. SPARKMAN in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 17 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Chairman, the legislation that we are about to consider is designed to restore to the status quo the position the insurance business of this Nation occupied before the Supreme Court recently legislated. I use that term advisedly, because the decision of the minority of the Supreme Court in effect repealed not only the case of Paul against Virginia, decided 75 years ago, but numerous other decisions that followed that decision right on down to the year 1933, where the case of *New York Life Insurance Co.* v. *Deer Lodge County* (231 U. S. 495) was decided.

The purpose of the bill is clearly indicated by the title, to reassert the intention which Congress had when it adopted the Sherman Act and the Clayton Act, and from which it has never deviated, that those acts shall not be applicable to the insurance business, and to make certain that the long-tried method of regulation of insurance by the several States may continue. It is a bill to call a halt to the unnecessary centralization of governmental functions and to affirm the principle that matters which primarily concern the several States and which can best be dealt with by them should be left in their hands.

When the district court judge in Georgia sustained the demurrer to the indictment found against the Southeastern Underwriters Association, and an appeal was taken to the Supreme Court of the United States, my distinguished friend, the gentleman from New York [Mr. HANCOCK] and I became interested, because we felt that the application for the writ of certiorari was an indication that somebody believed that the Supreme Court, as presently constituted, contemplated changing the law. That has happened much too often in recent years.

This bill was introduced 9 months ago in anticipation of the possibility of the decision which has now been handed down by the Supreme Court. Charges were made at that time that we were trying to interfere with judicial procedure, but that has never been our intention and, although the bill was given a rule in January, we refrained from bringing it onto the floor until the Court finally expressed itself.

I shall not go into a discussion of the act of the Congress that have been misconstrued by the Court. I do not have the time to do that. Suffice it to say that on numerous occasions the Court has not only misconstrued legislation enacted by the Congress of the United States but has contemptuously ignored very clearly expressed legislative intent. In that connection, I call your attention to the case of Lukens against Perkins.

Let us see what the Government thought of the situation when the appeal was taken. The Department of Justice, until about 2 years ago, had never so much as suggested the possibility that the insurance business might be held subject to the antitrust laws. I refer now to the brief that was filed by the United States in this case, which brief I obtained from the Supreme Court a few days ago. Listen to what the Attorney General said. If there ever was any doubt in anybody's mind about what the law was, or what the people of this country thought the law was, including, if you please, the Department of Justice, let me read from the brief of the United States on page 74:

> Nor does the fact that for many years no antitrust cases were brought against insurance companies show that *Paul* v. *Virginia* was regarded by the Department of Justice as having been incorporated into the Sherman Act. The institution of suits would have been futile until there was reason to believe that the Court no longer would adhere to the pronouncement that "insurance is not commerce."

I ask you, in all fairness, what led the Department of Justice to believe that this Court, as presently constituted, would change what everyone believed the law to be? Do not think for a moment that the sudden decision of the Department of Justice to bring criminal proceedings resulted from the discovery of evidence which had not previously been available to it, or that there were any new circumstances justifying a change in the Department's attitude. The methods of operation of the insurance business have long been a matter of public knowledge, their operations are closely regulated by the States, and their transactions are reported in great detail to the State insurance departments. Unfortunately, when the case was argued, Justices Roberts and Reed disqualified themselves. I think that was most unfortunate. If the reason could have been that either of them were financially interested in insurance companies, that was no ground for disqualification. If either of them at any time expressed an opinion as to what in their judgment the law was, that was no ground for disqualification. I think it is most unfortunate that these two great jurists and fine lawyers did not sit in the consideration of this case. I venture the guess that if they had, the law would today be what it was for all of these years. However, one of the Justices participating in the majority views should have disqualified himself.

Let us see what the Court did. By a decision of 4 to 3 they changed the law. That 4-to-3 decision in itself was improper, because Chief Justice Marshall stated many years ago that the Court should not change a decision unless that action be taken by a majority of the Court. This question of the nationalization of insurance companies—and that is what this whole thing is about—is not a new one. Let me, for a moment, call your attention to the history of insurance.

President Theodore Roosevelt twice recommended that the Congress assume control of insurance. I refer you to the message of December 6, 1904, Thirty-ninth CONGRESSIONAL RECORD, page 12, and the message of December 5, 1905, Fortieth CONGRESSIONAL RECORD, page 95. In 1866 a bill was introduced in the House providing for the creation of a national bureau of insurance in the Treasury Department. It was not passed. In 1868 a bill was introduced in the Senate proposing a national bureau of insurance. It was not passed. In 1892 a bill was introduced in the House creating the office of commissioner of insurance. It was never reported out of the committee. In 1897 a bill was introduced in the Senate providing that insurance companies doing business outside of the States of their incorporation were deemed to be engaged in interstate commerce. It was not reported out of the committee. After President Roosevelt's recommendation of 1904, Senator Dryden introduced a bill in the Senate to establish a bureau of insurance in the Department of Commerce. It was not reported out of the committee. After President Roosevelt's second recommendation, the House Judiciary Committee reported that the courts had no power to regulate insurance. Let me read briefly from the report of the Judiciary Committee of the House:

> The views of the Supreme Court have practically met the approval of the bar and businessmen of the United States as being in accord with law and common sense.

The Senate Judiciary Committee made a similar report at about that same time. In 1914 and 1915 resolutions were introduced in both the House and the Senate proposing an amendment to the Constitution. The resolutions were not

adopted. As matter of fact, they were not reported out of the committees. In 1933 a resolution was introduced for a similar constitutional amendment and it died in the committee. Today there is pending in the House a resolution offered by the distinguished gentleman from New York under which a complete and thorough investigation of this entire matter would be made.

Mr. CELLER. Mr. Chairman, if the gentleman will yield, I do not want it to be implied that I offered that resolution.

Mr. WALTER. I am referring to my distinguished friend the gentleman from New York, WALTER LYNCH.

Can there be any question in the minds of anyone as to what the intent of the Congress has always been, and, in view of the decisions, can there be any question in the minds of those people who, as the distinguished gentleman from New York [Mr. CELLER] stated yesterday, are criminals, as to what they could do? No. The law was so well settled and so well understood that no one could have any doubt as to what it was. For three-fourths of a century the policy of the Nation has been that the business of insurance should be regulated by the States and not by the Federal Government.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from New York.

Mr. HANCOCK. In this connection, I think it is well to point out that the 1940 platforms of both the Democratic and the Republican Parties were in favor of allowing the States to regulate and supervise the business of insurance.

Mr. WALTER. Yes. Since the gentleman from New York has spoken of the platforms of the political parties in 1940, may I read the provisions of those platforms? To my Democratic friends and to those Democrats who are members of the same political party I am, let me read:

> We favor strict supervision of all forms of the insurance business by the several States for the protection of policyholders and the public.

The Republican platform contains this language:

> We condemn the New Deal attempts to destroy the confidence of our people in private insurance institutions. We favor a continuance of regulation of insurance by the several States.

In that connection, let me say to both Republicans and Democrats that we were elected on platforms containing that language, and I appeal to you in this case, at least, to make an attempt to carry out the pledges of our parties.

Let us look at the case we are discussing. Under the laws of most all of the States, rating bureaus are provided for. I feel that the rating bureaus in the State of Pennsylvania are better able to determine what the rates of insurance ought to be on properties in my State than somebody sitting here in Washington. I think that the rating bureaus in the several States are in a better position, under the laws of their States, to determine that question than is anyone in Washington.

In the case of the U. S. against Southeastern Underwriters Association the defendants have been indicted for violating the Sherman Antitrust Act for complying with the laws of the States in which they were doing business. Think of it. Under the present situation, as a result of this decision, no insurance company in this land knows right now whether or not it is in the class the gentleman from New York [Mr. CELLER] spoke about yesterday. Think of the chaos.

In that connection, let me point out to you what the Chief Justice said about that:

> The Court's action in now overturning the precedents of 75 years governing a business of such volume and of such wide ramifications, cannot fail to be the occasion for loosing a flood of litigation and of legislation, State and national, in order to establish a new boundary between State and National power, raising questions which cannot be answered for years to come, during which a great business and the regulatory officers of every State must be harassed by all the doubts and difficulties inseparable from a realinement of the distribution of power in our Federal system. These considerations might well stay a reversal of long-established doctrine which promises so little of advantage and so much of harm.

Now let me read what a former Attorney General, Justice Jackson, had to say:

> The Court's decision at very least will require an extensive overhauling of State legislation relating to taxation and supervision. The whole legal basis will have to be reconsidered.

Then he goes on to say:

> A poorer time to thrust upon Congress the necessity for framing a plan for nationalization of insurance control would be hard to find.

The present bill does not, however, represent a surrender of its powers by Congress. If at some future date Congress should see fit to take over the regulation of the business itself it can do so at that time if it be desirable.

I submit that while we are in the middle of a great war we ought, at least in cases involving such great problems of national importance, to endeavor to require the status quo to be maintained. I say to you now in all seriousness that if we allow this decision to stand it will be an invitation to the Supreme Court of the United States to legislate much further than they have so presumptuously done in this particular case.

Mr. HANCOCK. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the Rules Committee has seen fit to allow but 3 hours for the debate on the bill before us—a bill of vital personal interest to millions of Americans. I have 90 minutes at my disposal. This is scarcely enough to permit one Member to develop the subject and I have many requests for time from thoughtful students of insurance and from men of extensive experience and intimate knowledge of the insurance business who are Members of this House. I regret that I cannot grant all the requests I have received.

In the few minutes I have given myself I can only make a few categorical statements which I believe I can document and prove.

Since the formation of the Republic right down to June 5, 1944, when the Southeastern Underwriters decision was handed down, contracts of insurance have not been regarded as commerce. The first case to reach the Supreme Court on this question was the famous case of Paul against Virginia in 1868, in which an agent of a Massachusetts insurance company challenged the right of the State of Virginia to regulate a foreign insurance company doing business in Virginia. The Supreme Court held in that case that insurance is not commerce, contracts of insurance are not articles of commerce, are not subjects of trade and barter, are not commodities to be shipped from one State to another, that they are local transactions and governed by local law.

I could discuss this question at length but the point is that the Paul against Virginia decision was followed in case after case and it was the established law of the land from 1868 until 1944—over 75 years. Though the question presented to the Supreme Court in most cases was the right of States to regulate or tax or license foreign insurance companies, the decisions have uniformly upheld the authority of the States.

In this connection let me call attention to the case of Lown against Underwriters Association, where in 1911 it was held by the Supreme Court of the District of Columbia that the antitrust laws did not apply to insurance. An appeal from that decision was never perfected and until the Southeastern Underwriters decision on June 5 it was the only Federal decision on that specific question.

The decisions of the Supreme Court prior to 1890 were known by the Members of Congress when the Sherman Act was passed and were mentioned in debate. The decisions prior to 1915 were known when the Clayton Act was passed and it was stated in debate that the act could not apply to insurance. Clearly, Congress did not intend that these acts should be applicable to the insurance business.

The doctrine that insurance is not commerce and not subject to Federal control has been the settled law of the land from the beginning and accepted as such by Congress, by the Department of Justice and all the other departments of Government concerned with the antitrust laws, by the States, by the insurance companies, and by the public.

The vast and intricate business of insurance—all types of insurance—has been developed under State laws. Forty-eight States have departments of insurance to regulate and control rates, investments, commissions, and the other details of the business for the benefit and protection of their citizens. There is no Federal department of insurance, no machinery to regulate it.

But a New Deal Attorney General contended that insurance is commerce and subject to the anti-monopoly laws. He indicted 197 fire insurance companies and 28 individuals for the crime of maintaining noncompetitive rates. The trial court dismissed the indictment on the strength of a long unbroken line of Supreme Court decisions. The Attorney General appealed to the New Deal Supreme Court and that Court has sustained his contentions. In effect, the highest court in the land holds that companies and individuals are criminals for obeying the laws of the States and the decisions of the Supreme Court itself.

I will not take much time to discuss the wisdom and the necessity for uniform rates in fire insurance. In every State in the Union they are approved and in many they are mandatory. Competitive rates violate the principles on which insurance is founded.

The nature of insurance calls for uniformity and a regulation of competition rather than unrestricted competition. Unrestricted competition does not concern itself with the solvency of a seller, for the ordinary commercial transaction is closed with the sale. On the other hand, the writing of an insurance policy contemplates that the insurer will be able to perform in the future, for the promise of indemnity of the insurer must be performed in the future. Therefore, the solvency of the insurer is of prime importance in insurance. It follows that adequacy of rates is even of more importance than low rates.

Furthermore, from the very nature of insurance it aims at a fair and pro rata distribution of risk according to hazard and with a rate according to hazard, experience, and the law of averages. The insurance companies cannot control the law of averages, but they must reckon with them. The public interest, as reflected in State regulation, lies in the most accurate determination possible of relative hazards and averages. Obviously, such determination, while never perfect, can best be obtained through cooperative action. Therefore, the public interest in insurance lies in encouraging cooperative action, and of necessity it tends to uniformity and the maintenance of uniformity in rates and forms of coverage. This is the fundamental theory of regulation as it now exists. It may well be urged that uniformity—the result of cooperation—tends to promote that which is reasonable competition rather than an unreasonable restraint of competition.

The Supreme Court as now constituted has assumed the power to legislate, to establish new policies of government, to ignore the doctrine of stare decisis, to find congressional intent that never existed. Unfortunately we cannot reverse the Supreme Court. The decision of the Court in the Southeastern Underwriters case stands until the Court changes its mind. As one of the Justices recently remarked, the modern decisions of the Court are like excursion tickets on the railroad—good for this day and this trip only.

It is noteworthy that the Court in this insurance case has not only broken a long line of precedents but it has broken a rule of the Court laid down by John Marshall and followed for 150 years. The decision was made by four of the nine Justices. Three dissented and two disqualified themselves. For the first time in our history, previous decisions of the Court have been reversed by a minority of the Court.

The decision rendered by such a slim margin forces Congress into immediate responsibility for supervising and regulating the insurance business of the Nation. But we are not obliged to exercise our full constitutional authority. The power of the States to control the insurance business within their States will continue so long as there is no conflict between State and Federal law.

We are now faced with a crisis of enormous proportions. Under the Court's ruling, insurance companies are subject to the Sherman and the Clayton Acts. Unless Congress moves promptly, the insurance companies will be subject to Federal prosecution and punishment for continuing long-established practices which are sanctioned if not compelled by State laws, and they will be breaking State laws if they abandon uniform rates and abolish rating bureaus.

There may be some Members here who believe with our Government's inner council that the power to regulate and control business, employment, and property of every nature and description should be centered in the Federal Government. They may wish to take advantage of the recent decision to set up a gigantic new bureau in Washington to regulate insurance. Personally, I abominate bureaucratic government and will never vote to create such a bureau. I am satisfied to have my insurance regulated by the insurance department and the laws of the State of New York.

No matter how Members may feel on that question, the pending bill should be passed. It will meet the immediate problem and help to rescue the insurance people from the intolerable condition of doubt and confusion which has resulted from the Court decision.

This bill does not give insurance business a preferred status. It merely authorizes a continuance of business practices which have always existed. It does not attempt to establish insurance as interstate or intrastate commerce. The word "commerce" is not mentioned. It does not affect labor or labor laws. It refers solely to the Sherman and the Clayton Acts.

Let me conclude by quoting a paragraph from the dissenting opinion of the Chief Justice:

> Had Congress chosen to legislate for such parts of the insurance business as could be found to affect interstate commerce, whether by making the Sherman Act applicable to them or by regulation in some other form, it could have resolved many of these questions of conflict between Federal and State regulation. But this Court can decide only the questions before it in particular cases. Its action in now overturning the precedents of 75 years governing a business of such volume and of such wide ramifications, cannot fail to be the occasion for loosing a flood of litigation and of legislation, State and national, in order to establish a new boundary between State and national power, raising questions which cannot be answered for years to come, during which a great business and the regulatory officers of every State must be harassed by all the doubts and difficulties inseparable from a realinement of the distribution of power in our Federal system. These considerations might well stay a reversal of long-established doctrine which promises so little of advantage and so much of harm. For me these considerations are controlling.

Mr. HANCOCK. Mr. Chairman, I yield 20 minutes to the gentleman from Connecticut [Mr. MILLER], and may I say that he represents the insurance capital of America, he has been in the insurance business 20 years, and he is as well qualified to discuss insurance questions as any Member of this House.

Mr. BREHM. Mr. Chairman, will the gentleman from Connecticut yield for a question which he may explain during his remarks?

Mr. MILLER of Connecticut. I yield to the gentleman from Ohio.

Mr. BREHM. Is there anything in this legislation which would jeopardize the rights of insurance workers as to their protection under the Wagner Act and the Fair Labor Standards Act?

Mr. MILLER of Connecticut. Absolutely not.

Mr. BREHM. I thank the gentleman.

Mr. MILLER of Connecticut. Mr. Chairman, may I at the outset express my appreciation to my colleague from Connecticut [Mr. TALBOT], who so generously yielded his allotted time to me that I might make a more complete statement on this bill. The gentleman from Connecticut [Mr. TALBOT] has given much study to this bill in committee.

I also appreciate the honor of leading off in the debate on the Republican side although I think the gentleman from New York [Mr. HANCOCK], author of a companion bill to the Walter bill, should have retained the honor for himself. Yesterday, during the consideration of the rule, the gentleman from Texas [Mr. RUSSELL] expressed his regret that he did not feel physically up to arguing against this bill as he would like to argue it, but I think we ought to have some concern for the physical and mental disturbances we are causing the thousands of men who are trying to carry on a necessary business, the fire insurance business, during this period of what I hope will be only temporary chaos. Personally I never feel a physical or mental strain when I argue a proposition that I believe in wholeheartedly.

The gentleman from Texas [Mr. POAGE] quoted a defendant in the Georgia case as saying on a train—if I may use his language without violating the rules of the House—that "he knew that he was as guilty as hell." There is no argument about that. If this recent interpretation of the Court stands, then everybody engaged in the fire insurance business today, everybody who carries out the laws of many of our States, to use his language again, "is as guilty as hell." Guilty of obeying State laws. It is that situation we want to try to correct here today.

Mr. Chairman, in commenting on the decision by the Supreme Court that stock fire underwriters are engaged in inter-

state commerce, Mr. David Lawrence, in a column that appeared in several newspapers on June 11, said, and I quote:

News of the case was blanketed by the invasion last week, but it remains the most sensational happening on the home front and the most devastating blow ever struck in American history by the judiciary against an orderly and responsible government, especially in time of war.

Strong words from an able writer, but they are warranted by the chaos about to be caused by the opinion of four Justices of our Supreme Court, the first time in our history that a minority of the Court decided a constitutional question.

I am not going to attempt to discuss the legal and constitutional questions involved in the bill we are now considering, H. R. 3270. Those questions will be discussed by the distinguished chairman of the House Judiciary Committee, the gentleman from Texas [Mr. SUMNERS], the author of the bill, the gentleman from Pennsylvania [Mr. WALTER], and other members of that able committee, Democrats and Republicans.

I speak today as one who has earned his livelihood in the insurance business. I speak as the representative of a great city often referred to as "the insurance center of the world," and I speak on this legislation because of its probable effect on the millions of our citizens who possess one or more insurance policies.

In some form or other insurance reaches into every home and family in the United States. Insurance is one of the largest and soundest industries that have developed here in the last 150 years. Insurance companies have been more closely regulated by the several States than any other business and I favor such close regulation by the States.

We may as well be frank about the situation. I am just as sure as I can be sure of anything I have not seen with my own eyes that there is circulating in the office of the Securities and Exchange Commission and the Attorney General's office proposals that, when put in legislative form, will propose the complete control by the Federal Government of all insurance companies in the United States—fire, casualty, and life.

I see but one safe answer to this problem and that is to adopt H. R. 3270 as quickly as possible and at least maintain status quo until such time as the Congress and the country can be informed about the situation our insurance companies now find themselves facing as a result of placing their faith in the Supreme Court of the United States.

I sincerely hope that during the debate on this important legislation no Member will inject matter not pertinent to the bill before us. It may be popular to flay big business or big insurance companies with their huge assets, assets they are holding in trust for their policyholders. Remember for each large company there are 50 very small but financially sound companies. May the day never come here in the United States when men will be condemned for no other reason than that they have been successful, that they have made money honestly, that their business has become large and strong. We are going to need a large number of successful, profitable businesses to pay for the cost of the war in which we are now engaged.

The immediate necessity for this bill arises from the fact that the Federal antitrust laws are in direct conflict with the regulation of the business by the States and with the methods of operation which insurance companies have, under State regulation, followed for many years. The need for the bill has, however, been questioned by its opponents and I will therefore try to illustrate some of the specific points of conflict which, I think, lead to the inescapable conclusion that the present system of State regulation cannot exist if the antitrust laws are applied and that, unless we act to remove the conflict, it will result in the utmost confusion, protracted litigation, and grave injury to the insurance business and the public which it serves.

The gentleman from Texas [Mr. POAGE] yesterday expressed his fear that the little fire insurance companies would be gobbled up by the big companies if this bill passes. It is the little companies that will suffer most if this legislation does not pass. Just for a moment, stop and think. How could a little fire-insurance company maintain the equipment and obtain the information that they have to have to do business successfully if they are not going to be allowed to create rating bureaus and form associations? If any Members of the House are interested I wish they would stop in my office. I would like to show them a fire-insurance map. These rating bureaus and these associations get these maps together, showing every street in every city, town, and village in every State in which their companies do business, meaning, for the larger companies, every State in the Union. A risk comes in for a fire-insurance policy on 52 Main Street, Timbuktu. They go to the file and pull out the map showing Main Street, Timbuktu, and at one glance they know every piece of property on that street, the amount of insurance on the property, the type of construction, whether it has fire-resisting shingles, or what not, and they know whether they want that risk or whether they should reinsure that risk.

I want to pose this question to those opposing this bill, which I hope in their time they will explain to the House. Just how could the fire-insurance business be conducted successfully if the companies are not going to be permitted to get together and agree on rates, forms, and the establishment of rating bureaus? How could there be reinsurance? Here, for example, as a request for a fire policy on the Empire State Building which comes to a broker or an agent, and they want an $80,000,000 policy of fire insurance on the Empire State Building. The whole transaction can be done over the telephone because of the system that has been built up over a long period of years.

If we did not have uniform rates and forms, how could such reinsurance be placed? The broker would have to contact 10, 20, 30, or 50 fire-insurance companies and ask them if they would take any part of the risk on the Empire State Building and if so, how much, and at what rate. Then he would have to try to determine the total premium for the $80,000,000 risk. It would be a practical impossibility to operate the fire-insurance business if we could not have the system which has been built up. In other words, we cannot have successfully operated fire-insurance companies under the State control we now have if those companies are going to be charged with violating the Sherman Act for doing the things that the States require them to do.

We must bear in mind, in discussing this subject, that the States have had a long experience in the regulation of insurance. They have tried out the principle of unrestricted competition which the Sherman Act requires and they have found, as shown in the reports of many State legislative committees and investigating bodies, that it does not work in a business of the special character of insurance. Their experience established that unlimited competition in fire insurance is opposed to the public interest and accordingly present-day State regulation curtails competition and encourages cooperation. As in the case of public utilities, control by governmental authorities is substituted for competition as the means of preventing excessive charges to the public.

State regulation has aimed at uniformity of premium rates so as to spread the cost of insurance, with the highest possible degree of scientific accuracy, in accordance with the hazards involved. The means chosen to accomplish that aim has been the rating bureau.

A rating bureau is an organization which is usually set up and maintained by the fire-insurance companies to establish for their members uniform fire-insurance rates. A single company cannot undertake the expense of collecting and analyzing the tremendous volume of experience data, but rating bureaus can make use of the combined experience of many companies and determine the proper rates in an efficient and economical manner.

I emphasize the subject of rates and rating bureaus because, although other phases of the insurance business are also involved in the question before us, they represent the core of the problem.

In at least five of the States, there are statutory provisions which specifically require fire-insurance companies to be members of rating bureaus. It is of interest, by the way, to note that only 2 weeks ago the President signed an act providing for regulation of insurance rates in the District of Columbia, which contains a mandatory provision for the formation of a rating bureau and requires all companies in the District of Columbia to be members of the bureau—Public Law 327, Seventy-eighth Congress.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. WALTER. Does the gentleman know whether or not the insurance companies in the District of Columbia, complying with the law which we enacted within the last few weeks, are violating the new theory of the Sherman Act as it applies to them?

Mr. MILLER of Connecticut. As a layman I cannot interpret the Sherman and Clayton Acts in any other way but that the operations which the rating bureau performs are in violation of the Sherman Act.

I think this law can only be regarded as an expression of congressional policy in favor of the system which has been followed throughout the country under State regulation.

In addition to the States which specifically require membership in rating bureaus, there are over 20 States whose statutes authorize fire-insurance companies to be members of rating bureaus. These contain varying provisions, but the general effect is the same—a statutory confirmation of the methods of fixing rates by joint action.

There are a number of States whose statutes do not contain any provisions as to rating bureaus, but in those States the methods of operation which have been developed also involve the use of rating bureaus and this procedure had received the full recognition of the State regulatory authority.

Mr. McKENZIE. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield briefly to the gentleman from Louisiana.

Mr. McKENZIE. With reference to the point the gentleman made right there, is it not a fact that these rating bureaus have established for the little man a uniformity of rate whereby the man with one little $1,000 policy, under a similar construction, gets exactly the same rate as a big organization which may be paying thousands of dollars a year and be able to put pressure on the companies? The rating bureaus are a direct protection to the little man.

Mr. MILLER of Connecticut. Certainly. They are; very definitely so.

It is apparent that the insurance companies are faced in some States with a grave predicament, since anything they may do involves the risk of violating either the State or the Federal law. Clearly the rating bureau system is outlawed if the antitrust acts are applied. Equally, clearly, the rating bureaus are required by some States, authorized by many more, and permitted by others.

Even where there is no direct conflict between the Sherman Act and the State law, compliance with the antitrust laws will completely disrupt the complicated structure on which the operations of the insurance companies are based and make impossible the cooperative methods which the States have found to be best suited to the business. If rates cannot be lawfully fixed by joint action we may anticipate a recurrence of the rate wars and cutthroat competition which the States long ago found it necessary to prevent because of resulting insolvencies, discrimination and other injuries to the public.

I wish we had time today to discuss some of the things that have been injected into the discussion of this bill, the establishment of so-called wholesale rates of fire insurances, or average rates, as they should be called. I wish we had time to discuss the functions of rating bureaus and the contribution they have made toward lowering the rates for fire insurance in this country and increasing the fire protection.

The opinion of Mr. Justice Black in the case decided last week suggested that the supposed conflict between the Sherman Act and State legislation is exaggerated, but he thereby impliedly recognized that such a conflict exists and he did not attempt to show how it can be resolved. The Department of Justice, in the brief which it filed with the Supreme Court, admitted grave doubts as to the effect on State regulation. As pointed out by the Chief Justice in his dissenting opinion:

> The Government admits that the statutes of at least five States will be invalidated by the decision as in conflict with the Sherman Act, and the argument in this Court reveals serious doubts whether many others may not also be inconsistent with that act.

Both the Chief Justice and Mr. Justice Jackson referred to the flood of litigation which must result from the Court's action in overturning the precedents of 75 years.

The disruption of rate making is typical of the consequences which would result from the nullification of State regulation. I should like to indicate briefly a few additional examples of the problems raised by the Supreme Court decision.

The fire-insurance business in this country has, as one of its outstanding characteristics, the agency system, under which one agent represents a number of companies and not only distributes the risks underwritten among them but even divides among them the underwriting of a single risk. It is difficult to see how, in the absence of remedial legislation, the agency system can continue in its present form. It is obvious that one agent cannot represent a number of companies each of which writes at a different rate and uses a different form and different terms and conditions.

Reinsurance—a very essential phase of the business—represents a clear illustration of the necessity for uniform rates and agreement upon rates in advance. If rates are not uniform and agreed upon in advance, each reinsurance transaction will involve negotiations between the insurer and all of its reinsurers, and this will involve such delay and expense as to make impossible the expeditious insurance of large risks. Apart from reinsurance in the strict sense, it is a very common practice for a number of companies each to take a portion of the same risk. This they cannot do unless the consideration is the same, both as to forms of coverage and rates.

In the case of large industrial and manufacturing plants, where the property insured may amount to millions of dollars, the risk, of course, cannot possibly be carried by a single company but must be divided among a number of them. For this purpose associations of fire-insurance companies have been formed to handle these special types of risks. By using uniform rates and coverage the members of such an association become obligated on a risk written by one of them, each member of the association automatically taking his pro rata part. The property owner obtains the protection which he needs without complication or delay. The obligation of a large number of companies is given without endless confusion and uncertainty which would result if such an arrangement had not been made.

As another example, I mention the case of tobacco and other agricultural products. A tobacco warehouseman, for example, does not know from day to day the value of the tobacco he may have on hand. An association of insurance companies has been formed to meet this situation and when a policy is issued by one of the members of the association to a tobacco warehouseman all of the members of the group are obligated. The forms used do not necessitate the specification of any exact dollar amount of tobacco but the warehouseman reports each month the sales which he has made from day to day during the previous month and the premium is determined on the basis of the amount so reported.

A similar situation exists in the cotton business and in the grain business. Because of the large concentration of risk these transactions could not be taken care of except by cooperative action on the part of the insurers.

If the structure of cooperative action on the part of insurance companies is destroyed by application of the antitrust laws, their ability to meet foreign competition will be seriously hampered. An analogy to the present situation is presented by the Marine Insurance Act of 1920 which expressly excluded marine insurance from the operation of the Sherman and Clayton Acts. The Marine Insurance Act was passed because a question had been raised as to the possible applicability of the antitrust laws to marine insurance and Congress wished to make certain that the American insurance business would be able to meet the competition of foreign companies and to take business away from them.

These are only examples of the many ways in which the antitrust laws will disrupt the insurance business. It is a complicated business, and even those who are much more familiar with it than I am are unable to foresee the full extent of the changes and adjustments which will have to be made. It is clear, however, that it would be the most reckless and irresponsible procedure to make the insurance business turn itself inside out—and that is what it will have to do in order to comply with the Sherman Act—without very careful preliminary consideration and study of how the present methods can be altered and what will take the place of those which have to be abandoned. Surely Congress is not ready to throw overboard the work, and study.

and experience of three-quarters of a century.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back 1 minute.

Mr. WALTER. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. SATTERFIELD].

Mr. SATTERFIELD. Mr. Chairman, undoubtedly the debate on the pending measure is the opening gun in a long struggle here on the home front. Since the early days of the Temporary National Economic Committee it has been apparent to those who have given any thought to the subject that the day was not far distant when the issue of Federal- or State-controlled insurance would be clearly drawn. Since legislative power is confided in the Congress and not to the courts, it is surprising that a decision of the Supreme Court of the United States upsetting precedent of 75 years should be the means of joining that issue. Those of us who are convinced that there is wisdom in vesting the States with the control of insurance are distressed to learn that four members—less than a majority of the entire high Court—have rendered a decision which, if it be unchallenged by the Congress, will result in one more surrender of the right of the States. I thought it was unfortunate that the House was engaged in debate on a resolution concerning the court martial of high officers of the Army and the Navy on the day when our armed forces were invading fortress Europe. Press dispatches reporting strikes in war plants on that very day were simple recordation of deplorable events, but the decision of the Supreme Court of the United States in the Southeastern case rendered on that day, destroying old landmarks of American constitutional law and spreading chaos and confusion throughout the country, was tragic.

No issue of greater importance, nor one involving greater consequences, has been debated before the House than the one before us.

For three-quarters of a century fire-insurance companies have been conducting their business in the States of the Union under decisions of the highest Court of the land holding that the Federal Government had no control or supervision over the business of insurance.

Down through the years unlimited rate competition proved a hard experience for the smaller companies; not having assets to attract buyers of their insurance, they relied upon selling at lower rates in order to offer competition. This led to insolvency for many companies and a resulting loss of tremendous sums to policyholders in unpaid claims and unearned premiums.

Approximately 25 years ago the insurance companies, together with the States and through the medium of rate bureaus, set up a system for the mutual protection of the companies and the policyholder.

Companies and some of the States got together and agreed upon the only preventive available, the enactment of rate-control laws such as are in force in my own State, Virginia, today.

The last 25 years has witnessed a great expansion of this system until a majority of the States are actually preserving solvency of the companies and requiring adequate rates for buyers of insurance.

That is the picture until, in October of last year, Mr. Biddle, the Attorney General, instituted criminal proceedings against a number of fire-insurance companies in Atlanta. These gentlemen had violated no law known to God or man. They were actually doing in my State exactly what the Commonwealth of Virginia, through its general assembly, told them to do. The Supreme Court of the United States, in its Southeastern decision, upsetting all precedent of that Court for 75 years, decreed that the business of insurance is interstate commerce, and the distinguished Attorney General, with more zeal than legal perception, now decrees that they are to answer a criminal charge in Atlanta.

These are the facts, and in this train of events is to be found the reason for the pending bill.

Yesterday afternoon during debate on the rule I was shocked to hear the gentleman from New York [Mr. CELLER] characterize these gentlemen in Atlanta as criminals. That was a statement which I resent. I resent it for these Georgians, and I resent it because those who are engaged in the same business in Virginia, are equally guilty under this belated, ill-considered opinion of the Supreme Court. The gentleman from New York is a member of a great committee of the House, and if injudicious pronouncements must find their way to this floor, members of the Judiciary Committee should be the very last to make them.

No harm has been done, however. On the contrary I am sure he has contributed immeasurably to the passage of the bill.

To have regaled the membership with such a scholarly statement—to have employed an appeal so marked with prejudice, and so naked of any true conception of the problem before us—is indicative of the trend of mind of those who set themselves about with fanatical zeal to destroy every vestige of the trail over which we have come so gloriously.

Mr. Chairman, undoubtedly the debate on the pending measure is the opening gun in a long struggle here on the home front. Since the early days of the Temporary National Economic Committee it has been apparent to those who have given any thought to the subject that the day was not far off when the issue of Federal- or State-controlled insurance would be clearly drawn.

Mr. Justice McReynolds in the decision of the National Labor Relations Board against Fainblatt, decided in 1939, saw clearly coming events casting their shadows before them, for in his dissenting opinion he had this to say:

> The present decision and the reasoning offered to support it will inevitably intensify bewilderment. The resulting curtailment of the independence reserved to the States and the tremendous enlargement of Federal power denote the serious impairment of the very foundation of our federated system. Perhaps the change of direction, no longer capable of concealment, will give potency to the efforts of those who apparently hope to end a system of government found inhospitable to their ultimate designs.

Since legislative power is confided in the Congress it is surprising that the Court's decision should join the issue.

Those of us who are convinced that there is wisdom in vesting the States with the control of insurance are distressed to learn that four men—less than a majority of the full Court—have rendered a decision which if it be unchallenged by the Congress will result in one more surrender of the right of the State.

I thought it unfortunate that the House was engaged in debate on a resolution concerning the court martial of high-ranking officers of the Army and Navy on the day our armed forces were invading the continent of Europe. Press dispatches on that day reporting strikes in war plants were a recordation of deplorable events, but the decision of the Supreme Court of the United States in the Southeastern case rendered on that day, destroying old landmarks and spreading confusion throughout the country—that was tragic.

The gentleman from New Mexico [Mr. ANDERSON], for whom I entertain the highest respect, will, I am informed, offer an amendment or substitute for the committee bill. He is seeking, I believe, the same goal which the Judiciary Committee bill hopes to attain in this matter. I do not feel that his measure is the answer to the Supreme Court, so sorely needed at the moment.

I know of no way in which the legislative arm may hope to avoid repetitious judicial decisions. The Supreme Court may say again in some case that the business of insurance is interstate commerce, and invoke the solicitude and loving care of the Securities and Exchange Commission, and so on.

But this I do know, that it will require very few judicial adventures of this sort to so thoroughly arouse the policyholders of this country that the fight against Federal control will be completely won. That is the answer direct to this decision.

Let us keep the nose of the camel beyond the tent. Let the Congress say the Clayton and Sherman Acts do not apply to the business of insurance.

The opinions of the minority in the Southeastern case should be listened to by the Congress with great respect. The admonition of Justice Stone must not go unheeded. The gravity of the situation is best described in the words of the Chief Justice when he said:

> It's (the Supreme Court's) action in now overturning the precedents of 75 years governing a business of such volume and such wide ramifications cannot fail to be the occasion for loosing a flood of litigation and of legislation, State and National, in order to establish a new boundary between State and National power, raising questions that cannot be answered for years to come, during which a great business and the regulatory officers of every State must be harassed by all the doubts and difficulties inseparable from a realinement of the distribution of

power in our Federal system. These considerations might well stay a reversal of established doctrine which promises so little advantage and so much harm. For me these considerations are controlling.

Opponents of this bill are saying that the supervision of insurance can be continued by the States—all that they seek is the inclusion of insurance companies under the provisions of the Sherman and Clayton Acts. To do this, manifestly the Supreme Court had to reverse itself and declare insurance to be interstate commerce or the Congress pass legislation declaring it to be interstate commerce. Once insurance is determined to be interstate commerce, all the representations and wishful thinking of the opponents of this measure to the effect that the Federal Government will not molest State supervision of insurance and will content itself with restricting its connection to the enforcement of the Sherman and Clayton Acts will be forgotten. These representations will be as completely overlooked in the years that lie ahead as the present Supreme Court overlooked the fact that the Congress has never written one line of legislation designed to take over Federal responsibility for insurance and, further, that nothing in the legislative history of the Congress suggests that the Sherman Act was intended to apply to the business of insurance.

I venture to state that if the issue could be clearly drawn before the people of this country, so clearly as to leave it to a simple yes or no as to whether or not the Federal Government should control insurance, that issue would be resolved in favor of State control overwhelmingly and speedily by the people and policyholders of the country.

I do not believe that opponents will contend that those of us who favor this measure are seeking to avoid for the insurance companies penalties under the Sherman and Clayton Acts. I certainly am against unlawful restraints, combinations, and monopolies. If the States legislate and properly administer the supervision of insurance within their borders it is not necessary to invoke the Sherman and Clayton Acts to avoid these combinations and monopolies complained of. If this is true, then we come squarely to the question of whether State regulation is adequate to handle insurance, or whether that business should be subject to the provisions of the antitrust laws. Opponents of the bill take the position that State laws are inadequate to handle the situation. A great number of fire-insurance companies have cooperated in mutual agreement—and of necessity—through the Southeastern Underwriters Association and rating bureaus, adjusting policy rates to risks, classifying insurable property either in co-insurance or in re-insurance, making appraisals of losses, and working out systems of inspection to improve protection against fires. All of this has been done with splendid success. It would be a pity indeed, after all these years, to have the Government intervene. The business of insurance involves long contracts. The fidelity of performance of those contracts will not brook intervention. For over a hundred years the business has functioned smoothly and under every sort of condition. It has a pretty good constitution, for it has survived all the diseases of adolescence and all the shocks. Why should we tamper with a system thus far proven? About the only investments I can think of today worth 100 cents on the dollar are a life-insurance policy in a good company and a Government bond. There are some who will always advocate change. Change is not always good. There are many illusions wrapped up in change. Merely to change is not to progress. What will it profit us to follow after change if in the process we miss the path along which we have come so gloriously? It is so easy to be fooled by the illusions of change.

We are moving through a period in which concentration of power at Washington is the unmistakable trend. Until recently a great many insurance companies could not believe that the concentration-of-power idea was moving in their direction. They had been consoling themselves with a line of Supreme Court decisions beginning with Paul against Virginia in 1868, in which the Court decided that a constitutional law could not be enacted that would give the Federal Government direct supervisory power over insurance companies. However, since World War No. 1 the world has been given a course in circumvention. There are several techniques, and none more effective than the "Let me advise you, brother," method. That was the suggestion of the Temporary National Economic Committee, and that is the effect of the latest Supreme Court decision on the subject. It is a case of, first advised, then embrace, and then—oh, why bother about a definition of interstate commerce! If the insurance laws made by Missouri or some other State, or the insurance commissioners of other States, do not function efficiently, while in the great majority of the States the supervision of insurance is honest and efficient, that does not justify handing over this problem to the Federal Government. The answer is plain—the answer is for Missouri and the other States to clean their own houses. If any Member of this body thinks for a moment that there is wisdom in the argument that leaving this problem to 48 States is to invite confusion and that the solution lies in establishing another bureau of the Federal Government here at Washington and charging it with the responsibility of supervising insurance, he is sadly mistaken.

Members of the House from many States in the Union can demonstrate to their colleagues honest and efficient supervision of insurance in their respective States. I know that I can do that for my native State, Virginia, and I would like to call the attention of the membership of this Committee to the effectiveness and to the great benefit which has accrued to Virginians as a result of State insurance laws properly administered. In Virginia the State corporation commission has statutory authority over the major classes of insurance written, including fire insurance on property, workmen's compensation insurance, automobile liability insurance, and fidelity and surety. The commission's authority is complete, and it has limited the expense portion and profit portion of the total premium on each class of business. From time to time the general assembly has enacted laws bringing the rates of additional classes of insurance under the control of the State corporation commission. As each act has been passed, the commission immediately has instituted a public proceeding in order to determine a formula for computing the rates for that class of insurance. These hearings before the commission have been advertised to the public and have been rather extended. The result has been that for each regulated class of insurance, a formula for computing rates has been established. These formulas establish an appropriate method for accumulating data pertaining to the loss portion of the premium and allow an amount of expense commensurate with the cost of supervising the individual class of insurance. The commission, of course, allows the companies a fair margin of profit.

The losses paid to policyholders are accumulated under three different laws, through three statistical departments. The Virginia Insurance Rating Bureau, which is a quasi public, statutory organization, has a large statistical department in connection with fire insurance. The losses on workmen's compensation insurance are compiled in the statistical division of the Industrial Commission of Virginia. The bureau of insurance of the State corporation commission has a statistical department for the compilation of automobile liability insurance data. All of these departments are large and expensive to maintain, but they more than pay for themselves in their value to the public.

The commission each year has a public hearing for each regulated class of insurance, at which time rates are readjusted, based upon losses paid during the preceding 5 years. These hearings are in the nature of a formal proceeding, and are advertised in the newspapers throughout the State, in order to give the public an opportunity to appear. Being acquainted with the formula for the rates under discussion, the representatives of the companies at that time propose for consideration new rates, adjusted in accordance with the formula, or any revision of the approved rules, regulations, and coverages which they desire. Once these revisions have been approved, all companies are required to use them, unless they have been given permission by the commission specifically to deviate therefrom.

Changes may be proposed by the companies during the interim between annual hearings. Such changes, of course, must have specific approval by administrative order of the State corporation commission before they may be placed in effect.

The commission also has complete control over the several rating bureaus, that is, Virginia Insurance Rating Bureau, Workmen's Compensation Inspection Rating Bureau of Virginia, and Virginia Automobile Rate Administrative

Bureau. In other words, the commission's supervision extends absolutely over the conduct of the regulated classes of insurance in my State.

All of Virginia's rate regulatory laws provide that, with the approval of the State corporation commission, an insurance company may vary from standard rates. In the past, all requests for variations have been for reductions from standard rates, and the commission has approved quite a number of these. In approving a request for reduction, the commission require the company to appear at a public hearing and demonstrate to the commission that it is enabled, because of lower expenses, to charge a lower rate. The commission allows a rate reduction to the company by only the amount which it has shown by evidence it can afford to reduce rates by reason of its lower expenses. The commission never allows a reduction in rates upon a showing that the company's loss experience is less than the loss portion of the standard rates; the commission believes that if the solvency of the company is to be preserved, it is unsafe to allow it to charge less in its premium for the payment of losses than has been shown as the proper figure from the combined experience of all companies operating in the State. Thus, a measure of competition as to insurance costs is preserved under our rate regulatory laws.

It would seem at first glance unreasonable not to allow individual companies to write coverages which differ from the approved standard coverages. However, from an actuarial standpoint, it would be impossible to accumulate sufficient loss experience on one company's business to determine whether or not the premium charged is proper.

I can state emphatically that these laws have been of great benefit to the public, and have proven satisfactory to the insurance companies. They have had a material effect in stabilizing the conduct of the insurance business in Virginia and have been splendidly administered by the Virginia State Corporation Commission.

I am unwilling to say that had these laws not been enacted, no reductions in rates would have been made in Virginia. However, under our Virginia laws, it has been possible to pass on to Virginia policyholders all savings due to lowered losses, which have been material during recent years. There are approximately $30,000,000 in premiums for the classes of insurance regulated in Virginia. To show how beneficial this regulation has been, for the period from 1938 through 1944 rate reduction orders resulted in cumulative savings to Virginia policyholders over this period of an estimated amount of $21,821,762. Since 1938 the following reductions have been required by the State Corporation Commission:

WORKMEN'S COMPENSATION

1938, reduction over all of 1.5 percent, amounting to approximately $44,000.

1939, reduction over all of .2 percent, amounting to approximately $6,000.

1940, reduction over all of 10 percent, amounting to approximately $350,000.

1941, reduction over all of 3.9 percent, amounting to approximately $150,000.

1942, reduction over all of 5.2 percent, amounting to approximately $286,000.

1943, reduction over all of 5.2 percent, amounting to approximately $397,000.

1944, reduction over all of 5.4 percent, amounting to approximately $351,000.

Cumulative reductions in effect during 1944, $1,233,000.

Total savings to policyholders during 6-year period, $3,113,000.

AUTOMOBILE LIABILITY

In 1938, a reduction over all of $435,000.

In 1939, a reduction over all of $500,000.

In 1940, a reduction over all of $240,000.

In 1941, a reduction over all of $275,000.

In 1942, none.

In 1943, reductions because of gasoline rationing.

In 1944, none.

Cumulative reductions in effect during 1944, $1,450,000.

Total savings to policyholders during 6-year period, $5,445,000.

Effective January 1, 1943, the commission took into consideration gasoline rationing on private passenger automobiles, and required reductions of 21 percent for A ration-card holders, 12 percent for B ration-card holders, and 2 percent for C ration-card holders. Figures on which to base estimate of additional annual savings for 1943 and 1944 will not be available before August 15.

Fire insurance

1938	$474,970
1939	-------
1940	557,799
1941	617,563
1942	312,246
1943	176,184
1944	355,000

Cumulative reductions in effect during 1944, $2,138,762.

Total savings to policyholders during 6-year period, $7,734,381.

I believe it would be well, in addition to the foregoing, to trace in detail the savings to Virginia policyholders on fire insurance from the passage of the rate regulatory act in 1928 up to the present time. The operation of this law has afforded material savings to Virginia policyholders. During 1928 there were approximately $10,000,000 in fire-insurance premiums written in Virginia. Since that time, I believe the amount of insurance carried has been somewhat stationary. A comparison of the figures indicates the material nature of the reductions in rates. Since the act was passed, it is estimated that the rate level in Virginia now is 64.81 percent of what it was on December 31, 1928. The reductions ordered have been as follows:

Effective date of reduction	Amount of reduction	Percentage reduction	Percent of 1928 rate level
Nov. 19, 1929	$834,310	8.2709	91.73
Dec. 9, 1935	172,647	2.0349	89.87
Jan. 1, 1937	546,353	6.7378	83.79
Jan. 1, 1938	474,970	5.9275	78.82
Jan. 1, 1940	557,799	7.5948	72.84
Jan. 1, 1941	617,563	6.7684	67.91
Jan. 1, 1942	312,246	4.5573	64.81
Total	3,515,888	----------	----------

In the case of these savings, it is possible to estimate them up to December 31, 1943, instead of December 31, 1942, and it is estimated that by December 31, 1943, Virginia policyholders had saved more than $21,500,000 since December 31, 1928, on fire-insurance premiums. I believe it will be obvious from the foregoing figures that Virginia policyholders are paying $3,515,888 less for this type of insurance than was the case in 1928.

One of the principal criticisms which the Federal Government has made of State regulation is that the States have found it impossible to control, under their rate regulatory laws, the rates on Nation-wide policies, since no State has extraterritorial jurisdiction over rates beyond its borders. Here is evidence again of the willingness of the States to undertake this responsibility, for the National Association of Insurance Commissioners is planning to establish a central organization which will have the authority to require that the proper rate be charged in each State which does not have an antitrust law. Since the greater majority of the States have rate regulatory laws, the establishment of such an organization should prove the solution.

State regulation is not confined to prescribing proper rates. In most States provision is made for periodic examinations of the companies, to determine their solvency, to discover improper practices, and so forth.

State insurance commissioners quite uniformly have the right to examine the books and records of any domestic insurance company, and it would appear that with 49 jurisdictions—including the District of Columbia—having this authority, a company doing business in substantially all States would be almost continuously undergoing an examination by one State or another. However, the laws of most States provide that such examinations shall be conducted, as far as practicable, in conjunction with other States, and to avoid any possibility of confusion or multiple examination the National Association of Insurance Commissioners has evolved the zone plan for conducting examinations of such companies.

Under this plan, the United States is divided into six zones, and when an examination is to be made of a company doing business in more than one zone the commissioner of the State in which the company is domiciled notifies the chairman of the committee on examinations of the National Association of Insurance Commissioners, giving him the date of the examination and a list of the States in which the company does business. Through a system of zone chairmen, one State is then designated to represent each zone, and the examiner of the State selected represents not only his own State but all other States in the zone.

This zone system of examination has been gradually developed over a period of years, and has received commendation from the companies as well as the insurance departments of the various States. It is, I feel, a tribute to State supervision that such a plan could have been put into effect so successfully upon a voluntary basis. In this way, uniformity of examination procedure and standards is obtained.

Virginia requires all fire-insurance companies to be members of a rating bureau organized pursuant to a Virginia statute which was enacted in 1928. There is a system of inspection and the insurance rating bureau cooperates by consulting owners of property giving them advice and assistance in fire prevention and fire protection. It makes suggestions to property owners with reference to improvement in construction or arrangement of their property which will secure for them a reduction in their insurance rates. They check with architects and thus assure as a benefit the acquiring of a good rating by making certain changes when the proposed building is in the blueprint stage. The rating bureau renders valuable assistance to city officials in consultation and making recommendations looking toward the improvement of the fire department and all fire defenses. Such cooperation between the rating bureau, corporation commission, and the companies' policyholders results in the reduction of insurance premiums and improvement in the risks assumed by insurance companies and brings about an all around better result for everyone concerned.

If any company incorporated and doing business in Virginia fails to cooperate in this undertaking its license is revoked. It can be driven out of the State. An insurance company knows this, and it does not dare to invite such action on the part of the Commonwealth of Virginia.

Opponents of the pending measure have contended that the States are powerless to handle this situation, and that their laws are inadequate to protect their people from rapacious insurance companies. This has not been the case in the greater part of the country.

The fact that the attorneys general of 36 States of the Union filed as friends of the Court a brief on behalf of their respective States in the Supreme Court of the United States in the Southeastern Underwriters Association appeal ought to be of great significance to Members of the House. This list comprises 75 percent of all the States. In other words, only 12 States were not contending before the Supreme Court against intervention on the part of the Federal Government in the insurance field. This brief signed by the attorneys general of 36 States concluded with this prayer, that—

> State regulation and supervision of insurance has developed on the basis of the holdings of this Court for the past 75 years that insurance is not commerce, but is a local business subject to State regulation.
>
> The business of insurance has developed and been conducted on the same basis.
>
> Congress itself, in enacting laws under the commerce clause, has done so on the basis that the business of insurance was not affected.
>
> A reversal would require the States, the insurance companies, Congress, the courts, and the public to start all over again in approaching the regulation, supervision, and conduct of the insurance business. If ever there was a set of facts which called for the application of the rule of stare decisis, such facts are now presented.

A great majority of the States are controlling and supervising efficiently this problem. If any Member will take the time to make some research in this matter he will find in each of these States that progress is being made and control is being perfected with the result that insurance companies, policyholders, and the public are getting an increasing degree of protection each year. These arrangements with the underwriters associations throughout the country are accomplishing the very thing which the Sherman and Clayton Acts are designed to bring about. It is a much better system not only because it encourages the assumption of responsibility on the part of each State but it is a better system because it is infinitely easier to reach the renegade company through the States' system by the simple device of revocation of license. Evidence of the correctness of that statement is amply borne out by the weary travail which many a Member of this body has endured as he sought to overtake injustice and wrong in the great maze of bureaus here in Washington. If it was difficult for you it will be a thousand times more difficult for citizens in remote sections of the country to press their complaints and their grievances at Washington. Obviously, if insurance commissioners in some States are lax or dishonest or incapable you are going to have trouble in those States. This happily has not been the experience in three-fourths of the States in the Union.

Aside from the question of whether or not insurance is or is not interstate commerce, aside from the question of whether or not the Sherman and Clayton Acts should apply to the business of insurance, why, I ask the House, should Members here vote against the pending measure and thus say to 36 States it does not matter to us how well you run your insurance commissions in your States, and it does not appeal to us that you are proving that State supervision and control is adequate, we are nevertheless going to make a beginning wherein the Federal Government will have some part in the handling of this matter? Cannot Members give to these States a continuing chance to prove what so many of us devoutly believe, that the States can do something for themselves and for the country without the aid or the control of Washington. I am not nearly so exercised about States' rights in this matter as I am distressed at the prospect of the Congress saying to the States "Never mind how well you are doing, never mind how sincerely you may address yourselves to the problem at hand, you cannot do it; only a new bureau at Washington can succeed." Not only are the rights of the States involved but something equally as important, and that is, the responsibility of the States is involved, and to deny to a majority of States the right to continue a responsibility which they have so cheerfully and voluntarily assumed is a monstrous thing.

The problem narrows itself down to this: there are three ways, and only three ways, that insurance companies can do business in the country. One is under strict control by the States. Another is through open and unrestricted competition, with no control exerted by any government authority. The third and last method would be under exclusive and complete control of the Federal Government.

Aside from the fact that the business of insurance is not interstate commerce, there are few who will disagree with the statement that the Federal Government could not possibly efficiently supervise and control the business of insurance throughout the country. As for unrestricted competition, every Member knows that in that direction lies insolvency for the insurance companies, a cut-throat race for low premiums, and resultant poor coverage for the policyholder. With no check on competition we would have highbinders and fly-by-night companies ruining an established and proven business. Under the system which is working so splendidly in so many of the States today, complaint can be made swiftly and directly to either an insurance commissioner of a given State or to whatever authority has been set up in that State to deal with the subject. Such a system offers convenience and a direct approach by the citizen. It does not involve any hunting of needles in the haystacks of Washington on the part of some citizen who has a very genuine grievance. Add to that the right and the power inherent in the State to bar any company from doing business in that State—power more than enough to guarantee efficient and honest insurance business in that State.

These points that I am making are not theory, they are not just ideas; they are points that have been proven over a period of years by a majority of States in the Union.

To repeat, my plea is this: Let us not here in the House bother for the moment with definitions of what is and what is not interstate commerce. Let us, instead, ask ourselves this question, "Can the States devise an adequate system under which its citizens can be protected on the one hand and insurance companies kept financially strong and virile on the other?" The answer to that question obviously is, "Yes." Moreover, this answer is not theory either—this answer is the record which insurance companies and States have made in the past. This being true, no Member of the House can justify a vote against the pending measure. If he votes for the bill, he is simply saying this, "It has been proven to me that the States can do this job. They deserve the right to continue that course." In a little while the few remaining States which have made no effort in this direction, seeing at long last that no help cometh from Washington, will resolve to do what they should have done long ago, to follow the example of their sister States.

Mr. HANCOCK. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. TALBOT].

Mr. TALBOT. Mr. Chairman, I shall support and vote for the pending bill (H. R. 3270).

For 75 years, our Supreme Court in more than 20 decisions has affirmed and reaffirmed that the business of insur-

ance is not "commerce" within the embrace of the interstate-commerce clause of the Constitution. On June 4 of this year the present Supreme Court by a decision which shocked the country, reversed its previous rulings.

Unless this Congress by immediate legislation passes the pending bill, chaos in the business world will ensue. Not only the insurance companies, but millions and millions of policyholders will be affected.

The several States have regulated the conduct of insurance for more than 100 years. The people of our great country recognize the solvency and security of an insurance policy. Now, in the middle of a war, a terrific war, we are met with this new and strange theory—that the Federal Government will bring into its clutching hands a gigantic business—to operate, manipulate, control, and eventually ruin.

Who wants this change? The insurance companies? No. The policyholders? No. Who then? Apparently the Attorney General and a few of the long-haired individuals who will change every heritage and every sound foundation, we Americans have built up over the years.

I hope the House will overwhelmingly support this legislation and keep control of insurance within the several States.

Mr. HANCOCK. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. LAFOLLETTE].

Mr. LAFOLLETTE. Mr. Chairman, I should first say that I am appreciative of the courtesy which has been shown me by the gentleman from New York [Mr. HANCOCK] and by the gentleman from Pennsylvania [Mr. WALTER] in giving me a very fair proportionate share of the time available.

I am opposed to this legislation; I am opposed to it primarily because I think it is premature, and I do not believe—I say this as a preliminary—that we shall solve this problem by a discussion of the correctness or incorrectness of the decision of the Supreme Court upon the constitutional question. For the record, I want to say that I believe the decision was correct both on the ground that the business of insurance is interstate commerce and on the ground that the antitrust laws apply.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. LAFOLLETTE. I shall be pleased to yield.

Mr. WALTER. Does the gentleman from Indiana believe that any laws other than the Clayton and the Sherman Acts are affected by this decision?

Mr. LAFOLLETTE. No; I am glad the gentleman asked me that, because there is entirely too much acrimony now about this thing. As an opponent of the bill, I am convinced that, even if adopted, the pending measure would not modify any other laws affecting the business of insurance, any laws taking away any rights of labor, because this bill, of course, cannot repeal the Supreme Court's construction of the Constitution.

That is the basis of my argument. We have a situation in which the Court has held that the business of insurance is interstate commerce. We are confronted from now on as a Congress with a fact and not a theory. I should like to say in passing that I believe I am being fair when I say on this constitutional question it is not quite correct to say that only four judges held that the business of insurance was interstate commerce. I think from reading Mr. Justice Jackson's opinion we will draw the conclusion that he was of the opinion that the business was interstate commerce. I am inclined to think that Mr. Justice Frankfurter was of the opinion that the business was interstate commerce, although I am not so positive. As to Mr. Justice Jackson, I am very positive. In any event, we have five Justices of the Supreme Court saying that the business of insurance is interstate commerce.

Mr. WRIGHT. Will the gentleman yield?

Mr. LAFOLLETTE. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. In connection with the opinion of Mr. Justice Jackson, he said if it were a case of first impression he would hold it to be interstate commerce, but by reason of the long line of decisions that insurance had been given a technical meaning which he was inclined to acquiesce in, he did say there were certain activities of the insurance companies, even though insurance itself is not interstate commerce, that affect interstate commerce, and the Federal Government should regulate only those activities. I am talking about coercion of the agents of smaller companies. I believe that is the sense of his opinion.

Mr. LAFOLLETTE. The gentleman probably has made a very proper analysis of the opinion. As I stated, I do not feel that any great benefit will be obtained by discussing further the decision.

Mr. KEEFE. Will the gentleman yield?

Mr. LAFOLLETTE. I yield to the gentleman from Wisconsin.

Mr. KEEFE. The gentleman is familiar with the decision of the Supreme Court which was rendered the very same day that this decision came down in which Justice Frankfurter wrote an opinion which involved application of the National Labor Relations law to an insurance employer. This had to do with the Polish National Alliance in the city of Chicago. Justice Frankfurter very definitely held in that opinion that the business of insurance was interstate commerce without any question of doubt and that was the full basis of the decision in applying the Polish American Alliance concern to the provisions of the National Labor Relations Act.

Mr. LAFOLLETTE. I think the gentleman is correct.

Mr. KEEFE. That case is cited in the opinion written by Justice Black.

Mr. LAFOLLETTE. That is correct.

Mr. ANDERSON of New Mexico. Will the gentleman yield?

Mr. LAFOLLETTE. I yield to the gentleman from New Mexico.

Mr. ANDERSON of New Mexico. Is it not true that the decision in the Polish National Alliance case was an unanimous vote by the Supreme Court that it was interstate commerce?

Mr. LAFOLLETTE. Yes.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WALTER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HANCOCK. Will the gentleman yield?

Mr. LAFOLLETTE. I yield to the gentleman from New York.

Mr. HANCOCK. The Polish American Alliance case was not decided on the ground that the insurance business is interstate commerce but on the ground that a strike of the employees of that company would affect interstate commerce. They made that specific distinction.

Mr. LAFOLLETTE. That is why I prefaced my statement with the remark that I do not believe we gain aanything by discussing further that opinion or whether we want to pass this legislation. The thing that I am trying to drive home is that, in my opinion, this legislation is premature. If the legislation is adopted it will prevent the trial of this very important case and when the bill is open for amendment and being discussed under the 5-minute rule I intend to offer an amendment which would prevent that.

Mr. Chairman, this case should be tried. It should be tried very quickly, because that is the best way that I know of now by which the Congress can get some facts in order to know what we should do. We find the Supreme Court has put this question in our laps. We do not have to accept the authority or the power given us by the Supreme Court and do nothing under it, or we can legislate. But, even if we do legislate, we ought to have some factual background of our own upon which to do so; otherwise we accept the bare statement of the proponents on one side, the companies, who say that nothing is wrong with the insurance companies, but, if we do, we deny the implications, at least in the testimony and in other statements of the Attorney General's office, that there is much being done which is detrimental to the policyholders. Yet we have no facts by which to judge the truth of either statement.

Throughout my discussion of this whole matter I think I am entitled to point out that I have not gone into the question of profits. I am concerned with the question of rates. If any Members have chosen to read my previous statement on this question, which I put in the RECORD, there is evidence there from which I conclude there is some discrimination in rates, that there is discrimination against the small man. If that is true, I am not prepared to say now as a Member of this Congress, without more information than is now available, that the pending legislation should be adopted at this time. If there is a trial, that trial will be the first time or provide the first method by which we can bring out into the open the charges and countercharges made by the Attorney General's department against the insurance companies. I am not convinced by any means that the Government can make a case in Georgia, but I do believe there are certain things alleged that will have to be considered. There is a charge that there is boycotting; there is the

charge that there is discrimination against agents. Those things I think this Congress ought to know something about before it adopts this legislation, and, because I think that is true, I have always opposed the legislation as premature.

Let me say one more thing in conclusion. Under our Federal system, the citizens of our country are the sovereign people. Very frankly, I object to the use of the term "sovereign State" in any respect because it is contrary to the statement made in our Declaration of Independence; it is contrary to the beliefs set forth in the ninth and tenth amendments to the Constitution that we, the people, are sovereign. The people are the ones to be best served, and we, the Members of the Congress of the United States, are not representatives of the State insurance commissioners, we are not representatives of the State Governors; we are here as Representatives of the people of the United States chosen from a particular geographical territory, to represent the people living within that territory, in the Congress of the United States. In order to carry out that function, they have delegated their sovereignty to us to do that. I do not believe that it is of any real concern of ours as to just what any State commissioner of insurance or what anybody else thinks of it. If we let the present case be tried, then what we learn from a development of the facts at the trial of the pending case will permit us to render more intelligently a service to the sovereign people of the United States, the people to whom I owe my obligation?

In other words, my point is that I think we are acting too soon. This is certainly true, since the Rules Committee refused to report the Lynch resolution for a congressional investigation of the insurance business.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HANCOCK. Mr. Chairman, I yield such time as he may desire to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Chairman, in his dissenting opinion on the celebrated insurance case which is being so thoroughly discussed during our debate today, Mr. Justice Stone said:

> It is significant that in the 50 years since the enactment of the Sherman Act the Government has not until now sought to apply it to the business of insurance and that Congress has continued to regard insurance as not constituting interstate commerce. Although often asked to do so it has repeatedly declined to pass legislation regulating the insurance business and to sponsor constitutional amendments subjecting it to congressional control.

Mr. Chairman, I, too, feel that it is highly significant that after 50 years the Government is now endeavoring to exercise Federal control over the insurance business.

There must be a reason for this change of attitude on the part of the Federal Government, Mr. Chairman. Throughout decisions of the United States Supreme Court since the decision of Paul against Virginia, which case preceded the passage of the Sherman Act by a quarter of a century the Court has consistently held in case after case that insurance is not interstate commerce. Why this abrupt change in Federal policy? Why this new type verdict from the Court? What is behind it all?

Mr. Chairman, whatever change of conditions or creeds has precipitated this new effort of the Government to gain control of the insurance business, it is not a change in the methods or attitudes of the insurance companies. No new procedures have developed in the insurance business these last few years which would give cause to this sudden about face on the part of the Supreme Court. What then has changed? I fear, Mr. Chairman, that this change of face on the part of the Court stems largely from two facts. Let me identify them clearly and concisely. The first is the fact that we now have what is generally recognized to be a "New Deal Supreme Court," in view of the fact that save for one man all of its Justices were appointed by President Roosevelt and are men known for their faithful adherence to his political, economic, and social thought patterns. The second fact is that a desire to place the Federal Government in control of the vast insurance business of the United States is in complete harmony with the New Deal formula of bringing under Federal domination more and more of the business, professional, agricultural, and personal activities of the citizens of this country. It is these two changes in both policies and personalities, Mr. Chairman, which I fear are back of the fact that after more than half a century a number of Justices of the Supreme Court, representing less than a majority of the judges, it should be kept in mind, have decided that now in the year 1944 the insurance business shcuild suddenly be considered as coming within the realm of Federal domination and control.

What next, Mr. Chairman? If the present administration should secure another 4-year lease on power extending its control over the destiny of this Republic to 16 years it is now apparent that what we have already seen happening in the insurance business will happen increasingly and irrevocably in such fields as medicine, banking, agriculture, education, business, and professional activities, generally. The drive toward totalitarianism under New Deal manipulators will not cease until it is stopped by the voters through a change of administration or until it has run its complete sorry course to the establishment of an American form of statism in this once great and free Republic.

Let us therefore, today, do what we can to delay and defeat this drive toward centralization of all Government authority in Washington with the realization that when and as we fail we are certain to see this centralized authority shifting gradually to the hands of the White House occupant since centralization of authority is always but a preliminary step toward personalization of power. After personalization of power we soon merge to the deification of the man in whom the power is personalized. Already we hear the rumors of indispensability attaching themselves to mortal men in this country which began its proud career on the assumption that all men are created equal.

What can we do today? Very little, at best, Mr. Chairman, since the ultimate verdict and the real decision will be made by the voters at their polling places next November. But this we can do. We can vote our emphatic approval of H. R. 3270, now before us and introduced by Mr. WALTER and amended by the Committee on the Judiciary. We can make the margin of our approval significant even though the legislation itself may be but a stopgap applying a temporary patch to hold back the swirling flood waters of centralized power which are certain to find another break in the dike or to work their way past this patch unless we reduce their hazards in the elections next November. We can also encourage Americans, generally, to take their heads out of the sands to see the trends which are carrying them toward complete centralization of power. Mr. Chairman, I urge the adoption of H. R. 3270 for what protection it may provide, little though I fear it is, and I hope that the trend which we may thereby help to curb for awhile may be permanently arrested in our fall elections. In the meantime, it is hoped H. R. 3270 will assure that the regulation of the insurance business will remain within the control of the several States where it now exists.

Mr. HANCOCK. Mr. Chairman, I yield 15 minutes to the gentleman from Iowa [Mr. GWYNNE].

Mr. GWYNNE. Mr. Chairman, this is one of the most important bills we have had before us for some time. At the outset may I say there are two very important things not involved in this particular legislation. This bill does not concern in any way labor laws heretofore passed by the Congress of the United States. In the second place, it does not concern in any way the suit now pending in Georgia. On the day that case was filed in the Federal district court of Georgia two great questions were before the court. First, does the Sherman Act and the Clayton Act apply to insurance? Second, if it does, have these defendants violated either one of those laws?

The Supreme Court has now held, contrary to its past decisions, that insurance is under the Federal antitrust laws because it is now claimed that insurance is interstate commerce. The other question will be sent back to Georgia for consideration by the district court and jury. If before the district court gets to that case this bill should become law, that case would in nowise be affected.

I call your attention to title I of the code, section 29, which says this, in substance:

> The repeal of any statute shall not have the effect to release or extinguish any penalty, forfeiture, or liability incurred under such statute, unless the repealing act shall so expressly provide, and such statute shall be treated as still remaining in force for the purpose of sustaining any proper action or prosecution for the enforcement of such penalty, forfeiture, or liability.

So, I say we can entirely put that Georgia case out of our consideration.

In 1869 the Supreme Court in the case of Paul against Virginia, and for 75 years thereafter in many cases, held that insurance was not interstate commerce and therefore was to be controlled by the States and not by the Federal Government. The insurance companies relied upon those decisions. The States relied upon them. Every State in this Union built up a code of laws and established a commission or committee of some kind to handle insurance in accordance with what they thought were the needs of their particular States. The Congress, too, relied upon those decisions.

When the Congress had before it for consideration the Sherman Act and the Clayton Act, the question was raised as to the effect of those statutes on insurance. The Members of the House and the Senate were assured that they would have no effect, because the Supreme Court had many times held that insurance was not interstate commerce. Had they anticipated the decision, it is very likely they might have made different antitrust provisions with respect to insurance.

There are many people in this country and in this House who, in spite of this decision, are determined so far as possible, to keep insurance under the control of the States. We believe it has been well handled there. We fear the building up of another bureau to add to this bureaucracy that is eating out our substance and threatening to destroy our liberties. Right there is involved the real serious constitutional question in this case.

If you would write on the blackboard all the powers granted to the Federal Government and put a circle around them, and then you would write over here the powers given to the States and put a circle around them, you would find that you would not have the two independent circles that I have indicated here. You would have two circles which overlap at one place. Over here on the extreme right, in the Federal circle, you would find those powers given exclusively to the Federal Government.

The right to declare war is a good example. The Federal Government alone has that power. If the Congress does not declare war, no State may do so. Over here on the left in the State circle, you will find the powers that are granted exclusively to the States. If a State should elect not to legislate in a certain field, the Federal Government under no circumstances could step in. It would simply mean that that field should be left uncultivated. When you come to this area that is common to both circles, you will find there constitutional powers that are given concurrently to both the Federal Government and to the State Governments. If the Federal Government does not exercise one of those powers, the States may exercise it. If, however, the Federal Government does move in, the State legislation becomes ineffective; it is suspended, as the courts put it, and the States, in effect, move out.

A typical example of that situation has to do with the bankruptcy laws. The Constitution provides that the Congress may enact uniform bankruptcy statutes. For many years the Congress did not act, so the various States passed bankruptcy laws which were effective and recognized in all the courts. Later, the Federal Government did pass a bankruptcy law. That immediately superseded and forced out all State legislation on that subject.

That, Mr. Chairman, gets us right down to the question we have here today; a rather narrow question and a rather simple one. For many years the States have been regulating the amount of competition or the amount of cooperation that shall be exercised by insurance companies. In their judgment they have not applied to insurance companies the same rules of unregulated competition that we wrote into the antitrust laws, and that the States themselves wrote into their own antitrust laws. On the contrary, they required a certain amount of cooperation.

In my State, for example, they require almost a uniform contract of insurance. That cooperation which the States thought desirable because it creates greater safety, now violates the Sherman Act, because the net effect of this decision is that the Federal Government is put in this concurrent field, and the Sherman Act and the Clayton Act now supersede all this legislation in the 48 States. We have chaos.

As Mr. Chief Justice Stone pointed out, this decision will in effect render impossible the enforcement of laws in at least six States and probably more. The purpose of this bill is simply to repeal the Sherman Act and the Clayton Act so far as insurance is concerned; in other words, Mr. Chairman, to take us out of that concurrent field so the State regulations may operate.

Let me say a word to those people who believe there should be Federal regulation. There are people who honestly believe that there should be Federal regulation of insurance. Nevertheless, you should vote for this bill. You now have no Federal regulation. If we decide in this Congress that we intend to go into the busines of regulating insurance, it would seem to me that the Committee on Interstate and Foreign Commerce would be the proper committee to handle it, and I believe it would take a year to build up a set of laws under which insurance could be regulated. The purpose of this bill is to prevent the chaos that exists right today. No matter how you may feel now about Federal or State control, I think you should vote for this bill.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from California.

Mr. HINSHAW. I would like to ask a question along this line. The Supreme Court now having declared the business of insurance to be interstate commerce, the enactment of the present bill in no wise precludes the Congress from ultimately passing a law for the regulation of insurance; does it?

Mr. GWYNNE. No, indeed.

Mr. HINSHAW. All it does is to relieve the situation so far as these two presently existing antitrust laws are concerned.

Mr. GWYNNE. That is correct. It is designed to prevent the chaos that now exists until the Congress decides whether it wants to move in and control the whole thing, or leave part of it to the States.

Mr. HINSHAW. If we do not pass this present bill, and no regulatory law is passed, it would leave the entire business of insurance in total confusion until some regulatory act could be passed?

Mr. GWYNNE. That is correct. It would leave that part of the business in confusion where there now exist conflicting laws, as do exist in the case of competition.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from Michigan.

Mr. MICHENER. Right along that line may I suggest to the gentleman and to the House that there is pending today before the Committee on Rules a resolution offered by the gentleman from New York [Mr. LYNCH], the purpose of which is to make a comprehensive investigation of the entire insurance field upon which may be predicated any action in the future that the House might desire to take, without causing the chaos that the present holding of the Supreme Court will undoubtedly bring about in many instances, unless this action is taken.

Mr. GWYNNE. I understand that that is true. I think it might be well for the Congress to give very serious consideration to that resolution, at the proper time.

I have no desire to criticize the Court or its decision except to say this. Rulers who bring their people bread and circuses gain the plaudits of the mob, but the only national heroes of any nation are those leaders who have brought human liberty to the people.

We set up in this country a Constitution which was skillfully designed to maintain liberty at all times, and under all circumstances, by a device of scattering the power between the Federal Government and the States. There have been times when the Congress in an excess of zeal or influenced by great passion and prejudice sweeping over the country has tried to break down the barriers and invade the rights of the States. The Supreme Court in many of those cases has stood firmly by the Constitution and protected the States and protected human liberty.

Now, I think we have come to the point, and we may as well recognize it, that as a preserver of the Constitution, as a defender of human liberty, the Supreme Court of the United States has virtually ceased to exist. If anything is to be done now to maintain our system of government and to maintain human liberty, it must be done right in this Congress.

Mr. ANDERSON of New Mexico. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from New Mexico.

Mr. ANDERSON of New Mexico. Will the gentleman explain what happens to the commerce clause of the Constitution

if this bill passes? Will not it still permit the regulation of insurance by the Government.

Mr. GWYNNE. Yes. As I point out, the commerce clause confers a power on the Congress which must be exercised concurrently with the States. The Court has repeatedly held that.

Mr. HANCOCK. Mr. Chairman, I yield to the gentleman from Illinois [Mr. HOWELL] such time as he may desire.

Mr. HOWELL. Mr. Chairman, this bill, H. R. 3270, deals with the immediate problem which has been created by the decision of the Supreme Court holding that insurance is commerce and is subject to the antitrust laws. That problem is how to resolve the conflict between the Federal antitrust laws and State regulation under which the insurance business of the country has been built up during the last century.

Another question, that of Federal regulation, has been raised by opponents of the bill—and indeed it appears clear that Federal regulation is their ultimate objective—but this latter question is one which does not have to be dealt with at this time. The urgent need is to prevent the nullification of the present system of State regulation and the disruption of the insurance business. This we can do by adopting the bill which is before us and by doing so we will not be surrendering any of our powers to establish Federal regulation if, upon due consideration, we decide that that is advisable.

The insurance business has grown, during its long history, outside of the field of the antitrust laws and has developed methods which are based on a different philosophy from that which is expressed in those laws. The States, having themselves tried antitrust and anticompact laws, and found them unsatisfactory, long ago determined that methods of cooperation and joint action were preferable for this particular type of business.

Insurance is not only a unique type of business, but it is based on principles quite different from those on which most industrial and commercial businesses are founded. Insurance is essentially a personal promise of indemnity by the insurer to the insured. It is not a commodity which is manufactured or traded in and the law of supply and demand and the rules of the market place are not applicable to it.

The day has long since passed when an insurance company bets with its assured that his house will or will not burn. No longer do company representatives or agents look at a risk and determine by hunch or by guess the amount of premium which should be paid on a fire-insurance policy covering that risk.

In the interest of uniformity and nondiscrimination the companies now pool their experience and determine as accurately as practicable the mathematical probability of loss. This experience is based on averages of premiums and losses over a period of years—generally 5 or more. If losses increase the rates must increase. If losses decrease the rates go down. This is the logical process of rate making, and is used whether a risk is in a State where rate-making methods are prescribed by law or not.

But the method of determining rates by combined action now runs up against the prohibition of the Federal antitrust laws and cannot be continued if those laws are to apply to the business of insurance. Those laws are not suited to any business such as insurance which requires actuarial processes in arriving at uniform and nondiscriminatory charges to the public. Uniformity as to rates, forms of policies, terms, and conditions is necessary in insurance but it is only possible as a result of joint action and cooperation.

Until fairly recent years, London was the insurance center of the world, and on many classes of risks, only London groups could handle such insurance. In fact, it was only fairly recently that the United States companies were able to overcome the practice of British buyers of specifying that the insurance must be placed with British companies. The situation usually arose where the concentrations of risk were—and are—so great that no one company can contemplate the risk. The natural result was that the British companies took the business. Finally, by combination, the United States companies were able to take this business and have largely supplanted the British companies in these lines. If such combinations are no longer possible, the only result will be to turn the business back to the British companies.

As an example of the importance and necessity of combined action on the part of insurance companies I may cite two examples of the enormous amounts which are sometimes involved in a single risk. I am informed that there are outstanding two policies on large war plants, on each of which 119 companies are liable. The amount in one case is $275,000,000 and in the other $195,000,000. The impossibility of handling such risks under mandatory unlimited competition is apparent.

Much has been said concerning the inadequacy of State regulation and the failure of the States to require the insurance companies to lower their rates sufficiently. I have seen no reliable statistics, however, which indicate excessive profits on the part of the insurance companies. It was pointed out in the report of the Judiciary Committee on this bill that rates have decreased over 30 percent in the last 13 years and over 40 percent in the last 25 years, and that the average underwriting profit over a period of years has been approximately 3 percent of premiums. That report also pointed out that the reasonableness of results can only be determined over a long period of time and that in addition to ordinary experience the possibility of catastrophes must be taken into account. One disaster, such as the San Francisco fire, can wipe out the underwriting profit of many years.

I mention these figures because some unwarranted criticisms of the insurance business and unreliable figures as to its profits have appeared in the more irresponsible elements of the press. As a matter of fact, however, such questions are irrelevant to the main issue which is here involved. Even if the regulation of the business by certain individual States should be shown to be not entirely adequate, that is no reason for the Federal Government to interfere and insist that east State should bring its supervision up to a standard prescribed by us. If the States are to be permitted to regulate, each of them should be permitted to regulate as it sees fit. The States and their citizens will not learn to take care of themselves if they are encouraged to rely on the Federal Government to supply each and every deficiency in the States' regulatory systems.

It is time for Congress to make clear that it does not look with favor upon attempts to place upon it the solution of problems which should be solved by the States and that it has no desire to impair the exercise by the States of functions which they are well fitted to perform. Passage of this bill will constitute a declaration that we have faith in our dual form of government and that we believe that the interests of the people can best be furthered if the State and Federal Governments carry their respective shares of responsibility, each in the field with which it is best able to deal.

Mr. HANCOCK. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I am in complete accord with the sentiment expressed by the distinguished gentleman from Iowa who just addressed the House, and I intend to support this bill upon the basis of the very able discussion of this matter by Judge GWYNNE.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 12 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, it seems to me I am rather unpopular this morning because of the remarks I made yesterday, but I want to say this: I shall continue to have my say in opposition to this bill regardless of the unpopularity of what I may say. Frequently the minority becomes the majority, and often people who come to scoff remain to pray.

The gentleman from Virginia [Mr. SATTERFIELD] said I spoke of certain of these insurance executives as criminals. I ask you to look carefully and scrutinize the RECORD of yesterday, and see whether I ever used the word "criminals." I did say that these men were unlawfully banded together, and rigged and fixed rates in a high-handed manner. Further they punished and hurt those who interfered with them. All this was contrary to law. You judge for yourselves, if those charges are true, whether or not that is or is not criminal. I want the Nation to judge, and I am quite convinced that it will term what these men did as unlawful and contrary to the spirit and letter of the Clayton and Sherman Acts.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Michigan.

Mr. MICHENER. At the time these actions were taken of which the gentleman complains, were not these men acting in exact harmony with the law of

the land as interpreted by the Supreme Court for more than 75 years?

Mr. CELLER. Because for more than 75 years they did that which is wrong does not make that wrong right.

All I can say with reference to the argument of the gentlemen in opposition is that they are seeing ghosts under the bed, especially when they say that I and those who oppose the bill are advocating Federal control of insurance companies. We advocate no such thing. I ask them to look into the Clerk's office and see if they can find a single solitary bill that seeks to place insurance companies under any kind of Federal control.

The gentleman from Pennsylvania [Mr. WALTER] speaks of the platforms of the Republican and Democratic Parties. Search those platforms and you will see that they say there should be no Federal regulation or superintendence or supervision of insurance. They do not say that malefactors and violators of the Sherman and Clayton Acts shall go unwhipped of justice. They do not say that.

But the gentleman from Pennsylvania wants fire-insurance companies to be absolved from punishment for monopoly and unfair restraint of competition, as charged by the Department of Justice.

Mention has been made here concerning a quorum of the Court. Minorities of the Court have time out of mind decided constitutional questions. The dictum of Chief Justice Marshall has been quoted, as uttered by him many, many years ago, that no constitutional question should be decided by the Supreme Court unless by a majority of the full Court, but we know that that dictum has been discarded scores and scores of years ago, and any number of constitutional questions have been decided by a majority of a quorum which may have been a minority of the full Court, and I have never heard a single complaint by any of the Members who now righteously proclaim against the action of the Supreme Court.

Congress fixed the quorum of the Court. For years it was fixed at six, and we attempted to change the quorum to five. We have repeatedly in the history of this House changed the number that shall constitute a quorum of the Supreme Court.

Much has been said about the Supreme Court reversing its former decision, the old decision of Paul against Virginia, decided away back in 1869, 75 years ago. It is nothing new for the Supreme Court to reverse itself. I read from the majority opinion of Justice Jackson in the case of Helvering against Griffiths, volume 318, page 400, where he says:

> There is no reason to doubt that this Court may fall into error as may other branches of the Government. Nothing in the history or attitude of this Court should give rise to legislative embarrassment if in the performance of its duty a legislative body feels impelled to enact laws which may require the Court to reexamine its previous judgments or doctrine. The Court differs, however, from other branches of the Government in its ability to extricate itself from error. It can reconsider a matter only when it is again properly brought before it in a case or controversy.

Then Justice Jackson cites in a footnote many important cases in the history of the land where the Supreme Court reversed itself:

> Thus *O'Malley* v. *Woodrough* (307 U. S. 277) overruled *Miles* v. *Graham* (268 U. S. 501) as to the constitutionality of taxation of salaries of Federal judges; *United States* v. *Darby* (312 U. S. 100) overruled *Hammer* v. *Dagenhart* (247 U. S. 251) as to congressional power over labor in manufacture; *West Coast Hotel Co.* v. *Parrish* (300 U. S. 379) overruled *Adkins* v. *Children's Hospital* (261 U. S. 525) and *Morehead* v. *Tipaldo* (298 U. S. 587) as to power to enact minimum wage laws. Compare also *Wright* v. *Vinton Branch* (300 U. S. 440) with *Louisville Joint Stock Land Bank* v. *Radford* (295 U. S. 555) as to farmer bankruptcy statutes; *Labor Board* v. *Jones & Laughlin Corporation* (301 U. S. 1) with *Schechter Corporation* v. *United States* (295 U. S. 495) as to commerce power; and *United States* v. *Darby*, *supra*, and *Sunshine Anthracite Coal Co.* v. *Adkins* (310 U. S. 381) with *Carter* v. *Carter Coal Co.* (298 U. S. 238) as to commerce power. See also cases cited by Mr. Justice Brandeis in *Burnet* v. *Coronado Oil & Gas Co.* (285 U. S. 393, 406–408, notes 1 and 2).

I quote Justice Brandeis in the famous *Burnet* v. *Coronado Oil & Gas Co* (407 U. S. Reports, vol. 285), which says:

> The Court bows to the lessons of experience and the force of better reasoning, recognizing that the process of trial and error, so fruitful in the physical sciences, is appropriate also in the judicial function.

Thus the Court may and should change its decisions, if the former decision be out of joint with changing times and conditions. The Court's decisions cannot be in a strait jacket, otherwise progress or advancement would be precluded.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield for a correction?

Mr. CELLER. I yield to my distinguished colleague.

Mr. SPRINGER. My colleague stated just a moment ago that the quorum of the Supreme Court has been changed from six judges to five judges. I think the gentleman from New York wants to correct that statement. There has been no change. The quorum of the Supreme Court is six judges. There has been no change.

Mr. CELLER. I accept the correction. We were in the process, or are in the process of making the change. I know there is opposition. I advocate the change.

I have a genuine respect and admiration for the gentleman from Georgia [Mr. RAMSPECK], the gentleman from Indiana [Mr. HALLECK], the gentleman from Ohio [Mr. VORYS], the gentleman from Connecticut [Mr. MILLER], and the gentleman from Virginia [Mr. SATTERFIELD], and others who have taken issue with me. But I think that these powerful fire-insurance companies have somewhat pulled the wool over their eyes. They would have us think these companies are pure as the driven snow, that they are innocent as newborn babes. But look at the record. Take time to look at the record. See what the Supreme Court itself said, in the majority opinion.

These companies "restrain interstate trade and commerce by fixing and maintaining arbitrary and noncompetitive premium rates."

Does that spell lily-white innocence or any sort of blushing-bride purity? These companies have been browbeating and boycotting nonmembers of their charmed and select circle. They have been ostracizing and coercing all nonmembers and those connected with nonmembers. The gentleman from Georgia [Mr. RAMSPECK] said these men are good and true. Of course. They are good to themselves and their dynasty; and they are true to the status quo. They have adhered to their methods for 75 years, it is said. It is time that they cleaned house. Seventy-five years of unfair methods and inequitable trade practices do not make those practices sacrosanct. It might make it, however, difficult for the malefactors to see the light.

It is interesting to note that every time an individual State tried to regulate these companies they said, in effect, "We operate across State lines. The interstate-commerce clause protects us. You cannot touch us." Now, when confronted with the same commerce clause by way of an antitrust suit they disavow their previous claims and say, "States' rights protect us. We are not within the commerce clause." When the States tried to regulate they said, "You will bring chaos." When the Department of Justice seeks to punish them under the commerce clause they again say, "You will bring chaos." It is "Heads I win and tails you lose." They play both ends to the middle. They want no control over themselves whatsoever. They want neither State nor Federal interference. They want no one to invade their private kingdom.

Let us see what happened in the various States when the State legislatures decided to effectuate some mode of control over rates and practices. In 1923, for example, the National Board of Fire Underwriters vigorously opposed a bill in the Illinois Legislature to establish a State rate-making bureau for fire insurance. The stock fire-insurance companies also opposed a bill introduced in the Louisiana Legislature in 1926 to establish a rate bureau and an insurance commission. Again, in 1929, they succeeded in defeating a bill sponsored by the Insurance Department of West Virginia to set up an audit bureau to regulate rates within that State.

In 1941, as in previous years, they were able to block the passage of the bill for State regulation of fire-insurance rating in Massachusetts. They are even now taking steps to kill a bill to be introduced in the next session of the Florida Legislature providing for a State insurance rating board.

In 1913 the New York Life Insurance Co. protested a Montana tax and urged that its business was so conducted as to be engaged in interstate commerce—see *New York Life Insurance Co.* v. *Deer-Lodge County* (231 U. S. 495).

John F. Dayton, president of the Prudential Insurance Co. of America, delivered an address on the regulation of insurance by Congress on November 22, 1904. Among other things, he stated:

> It is the opinion of qualified authorities who have given most careful consideration to this aspect of the subject * * * that under the implied and resulting powers of the

Constitution the Supreme Court would not withhold the verdict of constitutionality from an act of Congress declaring interstate insurance to be interstate commerce.

I urge that the Members read the very illuminating statement of Attorney General Biddle. See hearing before the joint committee. He provided us with a glimpse of the complaints that led the Department of Justice to act. "Even complaining about the Southeastern Underwriters Association," writes an Alabama businessman, "is a dangerous thing, since one is helpless without their underwriters." A southern insurance agent writes that the combine was threatening to close him out because his brother worked for an independent company. "I must either make my brother give up his business or I must give up mine."

A typical complaint is that from an insurance agent and adjuster from Virginia. He made three significant points:

First. The Fire Insurance Company Adjustment Bureau, Inc., owned by the large companies, has been favored to the extent of "squeezing out" many independent adjusters, and also, in several instances, independent adjusters have been threatened with complete boycott by the stock companies if they handled claims for mutual companies.

Second. The associations effectively monopolized large areas by holding separation threats over the heads of the agents there. Separation has been carried out against many Virginia agents who represented Miller's National Fire Insurance Co., a nonaffiliated company which offers 5 percent more commission.

Third. Combination and collusion between finance and insurance companies have resulted in the finance companies' monopoly of auto insurance.

As to whether insurance as now conducted by fire-insurance companies is interstate commerce, I need but refer you to the majority decision of the recent Supreme Court case, but if more is needed I give you the following:

The elements of interstate commerce in the insurance business are plentiful. Realism compels this admission. Fire-insurance companies, in the main, are large corporations with tremendous assets, doing business through agents in many States. The very character of this business itself should be sufficient to constitute interstate commerce within the meaning of the Sherman Act. The agent resides and operates in one State, the company maintains headquarters in a different State. Every risk on which the agent issues a policy is reported to the home office of the company by sending a copy of the policy through the mail to the State actuarial bureau, which forwards the copy to the home office after stamping and recording it. The agent collects premiums, forwards the money to the home office of the company, receives commissions from the company, sometimes investigates claims of losses and makes reports thereof to the company, draws on the company for the payment of losses and delivers the draft or the money to the insured. The final effectuation of all these steps is through the medium of interstate transportation. Without this medium, the great network of the insurance companies of this country would be compelled to cease operations within 24 hours.

The very fact that the attorney general of a great State like Missouri, whose antitrust laws specifically embrace insurance companies, after months of litigation in the prosecution of such companies for violation of those laws, now turns to the Federal Government for relief against them is at once proof of the inadequacy of the remedies afforded by State statutes against these sprawling octopuses whose tentacles reach out from ocean to ocean and from Gulf to Great Lakes, crossing State lines with impunity, and an eloquent pragmatic testimonial to the true interstate character of their activities.

Consider also the things which are insured. Insurance coverage is as necessary to the functioning of our vast commercial enterprises as lubricating oils to machinery. Goods, wares, and merchandise of all kinds and sizes, to the value of billions of dollars, are by day and night ceaselessly moving in the flow of foreign and interstate commerce. They are constantly subjected to damage or destruction by the elements or from human negligence or intent. Insurance affords protection to owners—shippers or consignees—against financial losses which might otherwise seriously impair their ability to remain in business and thus disrupt continuance of trade and the flow of goods.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HANCOCK. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I was somewhat surprised just a few moments ago when my distinguished colleague from New York made the grievous error of stating that the quorum of the Supreme Court had been changed from six judges to five judges. That is not the case. There has been no change and the quorum of the Supreme Court has remained, since 1860 until the present moment, at six judges.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to my friend the gentleman from New York.

Mr. HANCOCK. Was the gentleman also astonished when the gentleman from New York [Mr. CELLER] predicted that the Committee on the Judiciary would approve a bill to reduce the quorum from six judges to five judges?

Mr. SPRINGER. I was greatly surprised, may I say to my distinguished colleague the gentleman from New York, that such a statement was made. I cannot predict what any committee will do, yet I know the temper of many of the members on the Committee on the Judiciary with respect to that particular question.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to my friend the gentleman from New York [Mr. CELLER].

Mr. CELLER. I said there was in process, after the gentleman's correction, a bill with reference to reducing the quorum from six to five judges. Now there are a number of members on the committee who are in favor of that proposal.

Mr. SPRINGER. Mr. Chairman, I do not desire to be led away from this bill. I desire to proceed with the discussion of matters pertaining to this particular legislation. Under the decision of the Supreme Court, which was rendered in the Southeastern Underwriters Association case, which case relates to the prosecution of fire insurance companies and a number of individuals, under the antitrust laws, it has disturbed and confused this business. But the phraseology contained and the language embraced in that decision are broad enough to apply to every character of insurance. If there is no action taken on the part of this committee, and on the part of the House, it will not be very long before we will find life insurance, casualty insurance, and compensation insurance, as well as fire insurance, engulfed under Federal control.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to my colleague from Indiana.

Mr. HALLECK. Are there not many other types of practices outside of the insurance field which might be subjected to this same sort of action?

Mr. SPRINGER. Certainly; the gentleman is entirely correct. Many types of contracts will be affected under the decision rendered in that case. It is a broad decision and is far reaching in its effect. In my own State I want just briefly to mention some things that have been done. We have set up the machinery by which the insurance companies of every type and every class, including life insurance companies, are entirely controlled by the State insurance commissioner and his office and staff. Not only that, but in respect to fire insurance we have established the office of State fire marshal and that particular office has been established in practically every State of the Union. In other words, the entire machinery is set up respecting the insurance field. Laws have been enacted by the States to control the insurance business. In connection with the operation of these offices, and in the control of the insurance business in my own State, I want to give to the members of the committee the information that under State regulation this business has made progress, the rates have been reduced, and the people have been fully protected by having reasonable rates and we have uniform contracts which fully protect the insured.

This measure will, if passed, merely declare the intention of Congress with respect to the act of July 2, 1890, as amended, which is known as the Sherman Act, or the act of October 15, 1914, as amended, which is known and referred to as the Clayton Act.

For approximately 75 years the Supreme Court has held, when the question was presented, that the commerce clause of the Constitution does not deprive the several individual States of the power to regulate and tax specific activities of foreign insurance companies which sell policies within the territory of those States.

Let us go back and analyze just what Congress has done respecting the regulation of insurance companies. For 150 years Congress has never assumed or undertaken to regulate the business of insurance. Therefore, throughout that great span of years, in order to give the public the protection it deserved against abuses which might creep into such business, the several States have regulated the insurance business. May I say, at this point, that the several States have done an excellent job throughout the past in regulating this business in their jurisdiction. The States have, for many years, been engaged in building up a system of regulation of this business, fully protecting the people thereby, which procedure has been developed with the full acquiescence of every branch of the Federal Government. The States have discharged their duty in this respect admirably. They have appointed, and they now have, their insurance commissioners and their staffs, whose duty it is to control the operation of this business within the State, and each State has, throughout the years, enacted proper laws for the regulation and control of the insurance business. At the moment we find the several States in full command of the situation, and the people have been fully and amply protected by this course, which has long been followed in this country.

Mr. Chairman, quite recently, the Supreme Court of the United States, in the case of the United States of America against Southeastern Underwriters Association et al., handed down a decision which is significantly peculiar, in that it pretends to chart a new and novel course in the insurance business. The case referred to is the first decision rendered by our Supreme Court in which it is announced that the commerce clause of the Constitution grants to Congress the right and power to regulate insurance transactions which stretch across State lines. The case, which now charts a new course after these long years of acquiescence, is novel in that the pronouncements by the judges who participated in the decision are many and varied. From the reading of the opinion, the dissenting opinion, and the opinion which dissents in part, one is left in confusion and doubt respecting the business of insurance which is dealt with in that case. There is very little clarity in the decision when coupled with the expressed views of the dissenters, and those dissenting in part in the result.

Mr. Chairman, may I express this view respecting the situation which we face, at the present, respecting the insurance business in our country, and the control and supervision thereof by the several States which has continued unabated and uninterrupted for many, many years—which, by the mere stroke of the pen by the Supreme Court, has now been suddenly and completely changed to another and novel form. The long and continuous course of regulation and control of the fire-insurance companies, by the several States, has become so well developed, and so thoroughly established, that it is, in the parlance of the law, established with the solidarity of "a rule of property," which should not now be disturbed and the complete and well-balanced control by the several States thrown overboard. Under the State control the rights of the people have been carefully guarded and amply protected. That is the sole purpose of the regulation of these companies, and when that ample protection has been afforded, the purpose of such regulation has been accomplished. I wish to quote from an editorial appearing in the Indianapolis News, on the instant subject, in which it is stated:

> In short, the insurance companies, despite a few bad practices here and there, have done a magnificent job for the country. The prices of protection have gone progressively lower and lower. And, certainly, they have proved themselves solidly solvent. The financial independence of the firms must be maintained. Giving full control to the Federal Government is not the way of maintaining independence.

May I observe, at this point, that the Indianapolis News is an independent newspaper, with a wide circulation. That paper expresses the wish and the will of the people, generally, throughout the State of Indiana.

I wish to call to the attention of the members of the committee another very illuminating article, which appeared in the Indianapolis Star a short time ago, on this very subject. The article written by Mr. Robert Early coincides with the article above referred to, and meets the threat of the Federal Government attempting to control and dominate the equitable rates on fire insurance. The article makes the following statement:

> Regulation of fire-insurance companies by the State insurance commissioner has resulted in the complete supervision of this business. Rates have been reduced from $1.23 on each $100 of insurance 20 years ago to 60 cents on each $100 of insurance now.

Thus, throughout the years we find that the several States, by and through the State fire marshal's office, which agency has aided materially in fire prevention, and by the control and regulation of the fire-insurance companies exercised by the State insurance commissioners, the rates have been reduced, generally, and the fire insurance companies have been subjected to all proper and reasonable regulations consistent with good business practices, and the people have been protected against unusual and unreasonable rates for their protection.

As I have hereinbefore stated, the several States, by and through the proper agency, have done a magnificent job in the regulation and control of the fire-insurance business. They are now exercising that control over those companies, which has rested in the several States throughout the years. Certainly this is no time in which to change the entire system of control and regulation of the fire-insurance business. If there was any good and sufficient reason or justification for making such change—if the several States had failed in their system of control and regulation over this business—then we would have a vastly different question to discuss. However, the States have not failed in their duty in this respect. They have exercised that control and assumed the duty of regulating the fire-insurance business within the States in splendid fashion, and the people have been fully protected in the rates. Therefore, there is no good reason for changing the plan and policy of that control and regulation, at this time—in time of war—when we want unity among all of the people of this Nation—thereby disrupting and disorganizing the splendid regulation and supervision of the fire-insurance business by the several States of this Nation.

Mr. Chairman, the recent decision by the Supreme Court, cited supra, is at variance with that long and unchanged line of decisions which have universally held that insurance is not commerce. The question is here presented to this Committee to express its views upon this highly important question, as to whether in its wisdom and judgment the business of fire insurance should be governed and controlled by the commerce clause of the Constitution, or whether, as has so often and without deviation been expressed by our courts, this business shall remain, as now, under the control and supervision of the several States. Certainly we do not desire to express the view that a complete change shall be made, at this time, respecting the control and regulation of this vast business. The several States have but very little power left in their hands—let us not further deprive them of this right and power which has been exercised so well and so wholesomely.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. SPRINGER] has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 8 minutes to the gentleman from New Mexico [Mr. ANDERSON].

Mr. ANDERSON of New Mexico. Mr. Chairman, I think one thing we could use very well in this House today is a Henry Clay. I think it ought to be possible to compromise the various views we have heard on this floor. We are not too far apart. Most of us believe sincerely in State regulation of the insurance business. Most of us differ not too much in our attitude toward most of these problems today. Yet we find ourselves widely split on this bill.

I think the answer is that the bill does not do the best job of expressing the intent of Congress that could be done, and that some brilliant genius in this House ought to try to evolve a formula to which we can subscribe, because what we are all wanting to accomplish is merely this: That this matter shall be stayed as far as additional prosecutions are concerned, until the Congress has a chance to study the decisions of the Supreme Court and decide what legislation it wants to pass. I have been hopeful that something of that nature might come out of this discussion.

Let me for a moment discuss the bill before the House. Support for this bill has been obtained all over the Nation, from the insurance agents, from the

buyers of insurance, from State insurance commissioners, on the basis of what the bill originally provided. In that original bill there were several "whereases." One of those "whereases" was:

It is in the public interest that Congress affirm the intent and desire to safeguard the States in the regulation of the business of insurance.

That has been stricken out. What is left? Six simple lines that say that the business of insurance shall not be subject to the antitrust laws. Why? I do not know; but it does not matter what we say today as to whether or not the business of insurance is subject to the antitrust laws, the fact remains that the Supreme Court has held that the business of insurance is interstate commerce and affects interstate commerce, and as long as that is true you have got to repeal the commerce clause of the Constitution before you remove the threat of Federal regulation, and every lawyer in this House knows it.

Mr. COFFEE. Will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield.

Mr. COFFEE. Was that not a unanimous decision by the Supreme Court?

Mr. ANDERSON of New Mexico. Of course it was as far as affecting interstate commerce is concerned.

The gentleman from Connecticut [Mr. MILLER] made a very fine statement as to how insurance companies operate. I could not criticize a word of it, but I could criticize some of his conclusions. The gentleman asked this: "How can the fire-insurance business be conducted if fire-insurance companies cannot get together and have uniform rates?"

Let me ask him a simple question: "How does it happen that the life-insurance business of this country has been built to unprecedented heights without uniform rates?" There is not a life-insurance company in this country that writes from a uniform rating book. If you buy a policy in the New York Life or the Aetna or the Prudential, every one of them has a different rate. They are based upon mortality tables, but the individual rating is different.

Mr. PLOESER. Will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield.

Mr. PLOESER. The gentleman is in the insurance business the same as I.

Mr. ANDERSON of New Mexico. I am.

Mr. PLOESER. In his years of experience the gentleman has learned that there is a vast difference between the rating of life insurance, which is almost an exact science, and that of fire insurance, which is a long way from an exact science. He has likewise learned, I hope, that the casualty business does not, with certain possible exceptions, come into the field of an exact science; that there is still a great element of gamble.

Mr. ANDERSON of New Mexico. Precisely. What I was trying to say to this House was that that being true, it seemed to me that the whole field of insurance should be studied at one time, and not pick out an isolated prosecution of some fire companies and say that because of that we will pass one piece of legislation, which in its title says it affirms the intent of Congress, and in the six lines of the bill does not affirm the intent of Congress at all, but seeks to take some few people out from under a criminal prosecution.

The gentleman referred to the act recently passed by this House setting up a fire-insurance law for the District of Columbia, and said it was provided in that law that these companies must belong to a rating bureau. I think that law was all right. I was the author of it. I certainly cannot complain about it. I have said over and over again that I do not complain about laws of that type which require companies to belong to fire-insurance rating bureaus, provided the promulgated rates must be submitted to a public official who passes upon the justice of them before they become effective. Is that the situation in Georgia? The statement was made yesterday that it was the situation, but it is not. Companies in Georgia are not required to obtain membership and belong to rating bureaus.

The gentleman from Virginia [Mr. SATTERFIELD] made a fine statement, but the situation in his State is different. Rating bureaus are required in the State of Virginia. Companies must submit their rates to competent authority for approval, and the control within the State of Virginia is excellent. You must not compare that situation with States where such conditions do not apply.

I ask you what will be accomplished by the passage of this law? Let me tell you what may be accomplished by studying the Supreme Court decisions.

Until this year the State of New Jersey did not have the finest insurance law in the world. I hold in my hand chapter 27 of the laws of 1944 of the State of New Jersey. I do not think this law has been generally published as yet. But what type of an insurance law is that? It is a fine law, requiring the companies to have rating bureaus, requiring control over those rates in exact accordance with the decision of the Supreme Court. So long as you have within a State a well-regulated rating bureau, which sees that the public interests are protected, you will never run contrary to the Department of Justice or the Supreme Court of the United States. It is only when you step outside that field that you have trouble.

Why did we bring into this House a bill providing for the control of insurance rates in the District of Columbia? Because the record shows that over a period of 20 years the average loss on a fire-insurance policy in this District was under 28 percent. There is nobody connected with the fire-insurance business who does not know that that is too low a loss-experience record. It ought to be at least 50 percent. Therefore, the rates for a long period of time should have been reduced in the District of Columbia, but you could not do it. Why? Because the fire-insurance companies did not want to reduce the rate, and there was no statutory authority to compel them to do so.

The answer to the problem is simple. You try to get your State in line and I will try to get my State in line to regulate the insurance business, and we will not have any trouble with the Supreme Court of the United States, and we will not have any trouble with the Attorney General of the United States. I do not say that the bill which I am going to offer as a substitute is the final answer to this problem. The gentleman from Virginia [Mr. SATTERFIELD] is right in saying I would not claim it. But it has this virtue: It at least mentions the fact that Congress desires to have regulation of rates, commissions, policies, and forms by the various States.

When you go home you tell your people whether you did or did not vote for a bill that mentioned State regulation.

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

Mr. HANCOCK. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. FELLOWS].

Mr. FELLOWS. Mr. Chairman, I favor this legislation.

I can agree that this proposed bill is not as broad and effective as I wish it were. Nevertheless, it meets a present demand that something be done by Congress to prevent further assaults by the Government upon a business that through the years has been regulated and supervised by the individual States effectively and efficiently. This is a good time to prevent further action which no doubt will be taken by the Department of Justice in all parts of the country against insurance companies of all types.

Under the sanction of judicial decision, for more than 70 years, States have assumed they had the exclusive power of regulation, and, under this assurance, the States individually have built up their own insurance departments only to find that companies may be convicted of crime for following State laws, rules, and regulations.

To discuss the question of whether the Southeastern Underwriters Association may be found guilty of violating the Sherman and Clayton Acts sometime in the future contributes nothing to the question before this House. Neither is there any point in arguing whether insurance business is commerce, because the Supreme Court by a 4-to-3 decision has, for the present at least, settled that question.

I shall call in the Chief Justice and two Associate Justices of the Supreme Court to argue this case for me.

I. HAS STATE REGULATION BEEN EFFECTIVE?

Chief Justice Stone says this:

States have developed extensive and effective systems of regulation of the insurance business, often solving regulatory problems of a local character with which it would be impractical or difficult for Congress to deal through the exercise of the commerce power. And in view of the broad powers of the Federal Government to regulate matters which, though not themselves commerce, nevertheless affect interstate commerce, there can be no doubt of the power of Congress if it so desires to regulate many aspects of the insurance business mentioned in this indictment.

Mr. Justice Jackson uses these words:

The States began nearly a century ago to regulate insurance, and State regulation, while no doubt of uneven quality, today is a successful going concern. Several of the States, where the greatest volume of business is transacted, have rigorous and enlightened legislation, with enforcement and supervision in the hands of experienced and competent officials. Such State departments, through trial and error, have accumulated that body of institutional experience and wisdom so indispensable to good administration. The Court's decision at very least will require an extensive overhauling of State legislation relating to taxation and supervision. The whole legal basis will have to be reconsidered. What will be irretrievably lost and what may be salvaged no one now can say, and it will take a generation of litigation to determine. Certainly the States lose very important controls and very considerable revenues.

II. WHAT IS THE GENERAL EFFECT OF THIS DECISION OF THE SUPREME COURT?

Mr. Justice Jackson says:

The recklessness of such a course is emphasized when we consider that Congress has not one line of legislation deliberately designed to take over Federal responsibility for this important and complicated enterprise. There is no Federal department or personnel with national experience in the subject on which Congress can call for counsel in framing regulatory legislation. A poorer time to thrust upon Congress the necessity for framing a plan for nationalization of insurance control would be hard to find.

Moreover, we have not a hint from Congress that it concurs in the plan to federalize responsibility for insurance supervision.

Chief Justice Stone states:

But the immediate and only practical effect of the decision now rendered is to withdraw from the States, in large measure, the regulation of insurance and to confer it on the National Government, which has adopted no legislative policy and evolved no scheme of regulation with respect to the business of insurance. Congress having taken no action, the present decision substitutes, for the varied and detailed State regulation developed over a period of years, the limited aim and indefinite command of the Sherman Act for the suppression of restraints on competition in the marketing of goods and services in or affecting interstate commerce, to be applied by the courts to the insurance business as best they may.

And further:

But this Court can decide only the questions before it in particular cases. Its action in now overturning the precedents of 75 years governing a business of such volume and of such wide ramifications, cannot fail to be the occasion for loosing a flood of litigation and of legislation, State and National, in order to establish a new boundary between State and National power, raising questions which cannot be answered for years to come, during which a great business and the regulatory officers of every State must be harassed by all the doubts and difficulties inseparable from a realinement of the distribution of power in our Federal system. These considerations might well stay a reversal of long-established doctrine which promises so little of advantage and so much of harm. For me these considerations are controlling.

Mr. Justice Frankfurter says:

And the evidence is overwhelming that the inapplicability of the Sherman Act, in its contemporaneous setting, to insurance transactions such as those charged by this indictment has been confirmed and not modified by congressional attitude and action in the intervening 50 years. There is no congressional warrant therefore for bringing about the far-reaching dislocations which the opinions of the Chief Justice and Mr. Justice Jackson adumbrate.

III. WHO SHOULD DO THE LEGISLATING?

Mr. Justice Jackson:

The orderly way to nationalize insurance supervision, if it be desirable, is not by court decision but through legislation. Judicial decision operates on the States and the industry retroactively. We cannot anticipate, and more than likely we could not agree, what consequences upon tax liabilities, refunds, liabilities under State law to States or to individuals, and even criminal liabilities will follow this decision. Such practical considerations years ago deterred the Court from changing its doctrine as to insurance. Congress, on the other hand, if it thinks the time has come to take insurance regulation into the Federal system, may formulate and announce the whole scope and effect of its action in advance, fix a future effective date, and avoid all the confusion, surprise, and injustice which will be caused by the action of the Court.

I close with these words of Mr. Justice Jackson:

When, as in this problem, such practical and political judgments can be made by the political branches of the Government, it is the part of wisdom and self-restraint and good government for courts to leave the initiative to Congress. Moreover, this is the method of responsible democratic government. To force the hand of Congress is no more the proper function of the judiciary than to tie the hands of Congress. To use my office, at a time like this, and with so little justification in necessity, to dislocate the functions and revenues of the States and to catapult Congress into immediate and undivided responsibility for supervision of the Nation's insurance businesses is more than I can reconcile with my view of the function of this Court in our society.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. MYERS].

Mr. MYERS. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. MYERS. Mr. Chairman, I recently afforded myself the pleasure and profit of once again reading through an old letter, a very old and very endearing message which may be familiar to some of my colleagues, but which, I think, may well bear reading and rereading in these times of great decision.

It is a letter which although it was written 156 years ago, has a direct and most important bearing upon the emergency which is presented in the invasion of Europe by the armed forces of the United Nations and by preparations for the peace which will follow our inevitable victory.

That letter, Mr. Chairman, was written by Gen. George Washington to Marquis de Lafayette. It is dated, Mount Vernon, April 28, 1788.

I shall read two paragraphs of it and then after reading them I shall present the letter in its entirety for the information and guidance of the Members of this House and of all the American people.

At the time this letter was written George Washington had been under heavy pressure to permit himself to be chosen virtually unanimously as President of the United States for an indefinite term. He had made it plain he would accept no such indefinite nomination and election.

That you may know what was in his mind and in his heart, I read what he says on that subject in this frank and affectionate letter to his friend Lafayette.

In answer to the observations you make on the probability of my election to the Presidency (knowing me as you do) I need only say, that it has no enticing charms, and no fascinating allurements for me. However, it might not be decent for me to say I would refuse to accept or even to speak much about an appointment, which may never take place: for in so doing, one might possibly incur the application of the moral resulting from that fable, in which the fox is represented as inveighing against the sourness of the grapes, because he could not reach them. All that it will be necessary to add, my dear Marquis, in order to show my decided predilection, is that (at my time of life and under my circumstances), the encreasing infirmities of nature and the growing love of retirement do not permit me to entertain a wish beyond that of living and dying an honest man on my own farm. Let those follow the pursuits of ambition and fame, who have a keener relish for them, or who may have more years, in store, for the enjoyment.

Notwithstanding his earnest wish to spend his few remaining years in retirement, Washington was drafted as the only man universally deemed most capable of serving the public as President. He had led the country to a glorious victory in the Revolution, and he was the one man considered most capable of bringing peace and order into the administration of the new Republic. Can you see a parallel, my colleagues, between that emergency and the emergency that confronts us today?

He considered at some length the disunion among the States, the opposition in some States against adoption of the Constitution which he greatly favored. He examined the possibilities for establishing harmonious trade relations in foreign commerce and the possibilities of more harmonious action in the functioning of the new Republic.

Then he wrote:

There are other points on which opinions would be more likely to vary. As for instance, on the ineligibility of the same person for President, after he should have served a certain course of years. Guarded so effectually as the proposed Constitution is, in respect to the prevention of bribery and undue influence in the choice of President: I confess I differ widely myself from Mr. Jefferson and you, as to the necessity or expediency of rotation in that appointment. The matter was fairly discussed in the Convention, and to my full convictions; though I cannot have time or room to sum up the argument in this letter. There cannot, in my judgment, be the least danger that the President will by any practicable intrigue ever be able to continue himself one moment in office, much less perpetuate himself in it, but in the last stage of corrupted morals and political depravity, and even then there is

as much danger that any other species of domination would prevail. Though, when a people shall have become incapable of governing themselves and fit for a master, it is of little consequence from what quarter he comes. Under an extended view of this part of the subject, I can see no propriety in precluding ourselves from the services of any man, who on some great emergency shall be deemed universally most capable of serving the public.

And there we find, Mr. Chairman, the true sentiments of George Washington concerning the succession to the Presidency. It has been erroneously stated and universally believed that Washington originated and set in motion the tradition decreeing that no President should be permitted to serve more than two terms. This letter disproves that error.

The fact is—and all competent historians agree on this—that Washington declined a third term simply because he did not wish to remain in public office any longer, for personal reasons and not through any wish on his part to set a two-term precedent.

The letter from which I have quoted indicates his complete agreement with the decision reached at the Constitutional Convention—that is, to let a President serve any number of terms. And there is no later statement, nor any other evidence whatsoever, that Washington had changed his mind about this at some later date.

True, in the tentative draft of his Farewell Address, a bracketed insert appears, which is believed to have been written in by Madison, but which, whoever may have written it, Washington himself took out, so that no trace of that insert or the notion it was meant to communicate was incorporated into the address as actually given.

That insert states that—

> As the spirit of the Government may render a rotation in the elective officers of it more congenial with the ideas the people have of liberty and safety, I take leave of them as a public man.

A far cry, this, from any unqualified objection to a third or even a fourth term. But the very fact that Washington himself struck it out of his own speech tells us more, I think, of his true feeling on this subject than we might know if that insertion had never been suggested to him. Indeed, it lends added strength to his conviction, as expressed in the letter to Lafayette—the conviction that to put an arbitrary limit on the service that any man can render his country in time of emergency would be dangerous and undesirable.

Mr. Chairman, I now present to this House the letter of George Washington to the Marquis de Lafayette, and ask that it be included as a part of my remarks.

MOUNT VERNON, *April 28, 1788.*

TO MARQUIS DE LAFAYETTE:

I have now before me, my dear Marqs. your favor of the 3d of August in the last year; together with those of the 1st. of January, the 2d. of January and the 4th. of February in the present. Though the first is of so antient a date, they all come to hand lately, and nearly at the same moment. The frequency of your kind remembrance of me, and the endearing expressions of attachment, are by so much the more satisfactory, as I recognise them to be a counterpart of my own feelings for you. In truth, you know I speak the language of sincerity and not of flattery, when I tell you, that your letters are ever most welcome and dear to me.

This I lay out to be a letter of Politics. We are looking anxiously across the Atlantic for news and you are looking anxiously back again for the same purpose. It is an interesting subject to contemplate how far the war, kindled in the north of Europe, may extend its conflagrations, and what may be the result before its extinction. The Turk appears to have lost his old and acquired a new connection. Whether England has not, in the hour of her pride, overacted her part and pushed matters too far for her own interest, time will discover: but, in my opinion (though from my distance and want of minute information I should form it with diffidence) the affairs of that nation cannot long go on in the same prosperous train: in spite of expedients and in spite of resources, the Paper bubble will one day burst. And it will whelm many in the ruins. I hope the affairs of France are gradually sliding into a better state. Good effects may, and I trust will ensue, without any public convulsion. France, were her resources properly managed and her administrations wisely conducted, is (as you justly observe) much more potent in the scale of empire, than her rivals at present seem inclined to believe.

I notice with pleasure the additional immunities and facilities in trade, which France has granted by the late Royal arret to the United States. I flatter myself it will have the desired effect, in some measure, of augmenting the commercial intercourse. From the productions and wants of the two countries, their trade with each other is certainly capable of great amelioration, to be actuated by a spirit of unwise policy. For so surely as ever we shall have an efficient government established, so surely will that government impose retaliating restrictions, to a certain degree, upon the trade of Britain, at present, or under our existing form of Confederations, it would be idle to think of making commercial regulations on our part. One State passes a prohibitory law respecting some article, another State opens wide the avenue for its admission. One Assembly makes a system, another Assembly unmakes it. Virginia, in the very last session of her Legislature, was about to have passed some of the most extravagant and preposterous Edicts on the subject of trade, that ever stained the leaves of a Legislative Code. It is in vain to hope for a remedy of these and innumerable other evils, untill a general Government shall be adopted.

The Conventions of Six States only have as yet accepted the new Constitution. No one has rejected it. It is believed that the Convention of Maryland, which is now in session; and that of South Carolina, which is to assemble on the 12th of May, will certainly adopt it. It is, also, since the elections of Members for the Convention have taken place in this State, more generally believed that it will be adopted here than it was before those elections were made. There will, however, be powerful and eloquent speeches on both sides of the question in the Virginia Convention; but as Pendleton, Wythe, Blair, Madison, Jones, Nicholas, Innis and many other of our first characters will be advocates for its adoption, you may suppose the weight of abilities will rest on that side. Henry and Mason are its great adversaries. The Governor, if he opposes it at all will do it feebly.

On the general merits of this proposed Constitution, I wrote to you, some time ago, my sentiments pretty freely. That letter had not been received by you, when you addressed to me the last of yours which has come to my hands. I had never supposed that perfection could be the result of accommodation and mutual concession. The opinion of Mr. Jefferson and yourself is certainly a wise one, that the Constitution ought by all means to be accepted by nine States before any attempt should be made to procure amendments. For, if that acceptance shall not previously take place, men's minds will be so much agitated and soured, that the danger will be greater than ever of our becoming a disunited People. Whereas, on the other hand, with prudence in temper and a spirit of moderation, every essential alteration, may in the process of time, be expected.

You will doubtless, have seen, that it was owing to this conciliatory and patriotic principle that the Convention of Massachusetts adopted the Constitution in toto; but recommended a number of specific alterations and quieting explanations, as an early, serious and unremitting subject of attention. Now, although it is not to be expected that every individual, in Society, will or can ever be brought to agree upon what is, exactly, the best form of government; yet, there are many things in the Constitution which only need to be explained, in order to prove equally satisfactory to all parties. For example: there was not a member of the convention, I believe, who had the least objection to what is contended for by the Advocates for a *Bill of Rights* and *Tryal by Jury*. The first, where the people evidently retained every thing which they did not in express terms give up, was considered nugatory as you will find to have been more fully explained by Mr. Wilson and others: And as to the second, it was only the difficulty of establishing a mode which should not interfere with the fixed modes of any of the States, that induced the Convention to leave it, as a matter of future adjustment.

There are other points on which opinions would be more likely to vary. As for instance, on the ineligibility of the same person for President, after he should have served a certain course of years. Guarded so effectually as the proposed Constitution is, in respect to the prevention of bribery and undue influence in the choice of President: I confess, I differ widely myself from Mr. Jefferson and you, as to the necessity or expediency of rotation in that appointment. The matter was fairly discussed in the Convention, and to my full convictions; though I cannot have time or room to sum up the argument in this letter. There cannot, in my judgment, be the least danger that the President will by any practicable intrigue ever be able to continue himself one moment in office, much less perpetuate himself in it; but in the last stage of corrupted morals and political depravity: and even then there is as much danger that any other species of domination would prevail. Though, when a people shall have become incapable of governing themselves and fit for a master, it is of little consequence from what quarter he comes. Under an extended view of this part of the subject, I can see no propriety in precluding ourselves from the services of any man, who on some great emergency shall be deemed universally most capable of serving the Public.

In answer to the observations you make on the probability of my election to the Presidency (knowing me as you do) I need only say, that it has no enticing charms, and no fascinating allurements for me. However, it might not be decent for me to say I would refuse to accept or even to speak much about an appointment, which may never take place: for in so doing, one might possibly incur the application of the mora resulting from that Fable, in which the Fox is represented as inveighing against the sourness of the grapes, because he could not reach them. All that it will be necessary to add, my dear Marquis, in order to show my decided predilection, is, that, (at my time of life and under my circumstances) the encreasing infirmities of nature and the growing love of retirement do not permit me to entertain a wish beyond that of living and dying an

honest man on my own farm. Let those follow the pursuits of ambition and fame, who have a keener relish for them, or who may have more years, in store, for the enjoyment.

Mrs. Washington, while she requests that her best compliments may be presented to you, joins with me in soliciting that the same friendly and affectionate memorial of our constant remembrance and good wishes may be made acceptable to Madam de la Fayette and the little one. I am &c.

P. S. May 1st. Since writing the foregoing letter, I have received Authentic Accounts that the Convention of Maryland have ratified the new Constitution by a Majority of 63 to 11.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LYNCH].

Mr. LYNCH. Mr. Chairman, I was very well pleased when I heard the gentleman from Michigan [Mr. MICHENER] refer to the resolution which I had introduced some time ago. It gave me some encouragement, a good bit more encouragement than I had when I left the Rules Committee at the time we had a hearing on this matter.

Mr. Chairman, I am opposed to the bill now before the Committee because I believe that it is ill-advised and ill-timed. Before we go into legislation that affects a business as vast as the insurance business is in the United States we should get definite information. We have no information before us at the present time. The only way we can get that information is by having a fact-finding committee appointed to go into the entire situation and bring back a report to this Congress. In the event we pass this bill today we are doing something that we have no intention of doing; that is, covering up the abuses that have crept into the insurance field. If we pass the bill it means that we give carte blanche authority to these insurance companies, which are accused not only of establishing rates that are unfair and arbitrary but they are accused also of entering into associations one with the other, and refusing to do business with concerns that do not enter that association; they are also accused of refusing to do business with agents who happen to write insurance for firms not within the association, and it does seem to me that the Congress should not encourage any such business practices as those I have mentioned.

If we take our time on this bill we will be able to work out one that will protect State regulation, and at the same time see that these abuses are curtailed such as are alleged in the indictment in the Southeastern Underwriters case. I do not prejudge the facts in that case, I do not prejudge the men who are accused, but certainly where a complaint has been filed and where that complaint alleges facts such as are contained in this indictment, it does not seem to me that we should give clearance to all insurance companies to continue those practices, which we will do if we pass the pending bill this afternoon.

If we say that the insurance companies are not within the purview of the Sherman antitrust law, then it means that they cannot be prosecuted for the abuses which I have recounted. Therefore I think it is the sensible thing, it is the orderly thing, that we have an investigation of the facts surrounding the whole insurance business so that we will intelligently know what the situation is.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HANCOCK. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, the purpose of this bill is to reassert the intention of the Congress expressed in all legislation heretofore passed by it that the business of insurance shall not be subject to the antitrust laws and shall remain under the control of the several States of this country. It is a significant fact that every State in the Union through the governors, the insurance authorities, and the people who are directly affected by the insurance business, favor the enactment of this measure.

Mr. Chairman, it will in nowise affect the pending indictment against the Southeastern Underwriters Association and various insurance agents who are now under indictment in the District Court of Georgia, but it does challenge a tendency that is alarming to the people of this country, the avowed and expressed and repeated intent on the part of the Supreme Court of the United States to legislate by misconstruing and by misinterpreting and misapplying acts of Congress, and its efforts to amend the Constitution of the United States by bypassing it and submarining it where it suits the purpose of some of its members. In the case of the United States against Southeastern Underwriters Association it was held by the Supreme Court that the business of insurance constitutes interstate commerce.

This is a remarkable decision. It is remarkable because it is the first time in the history of the Supreme Court of this country that a minority of that Court has overturned a line of judicial decisions that have been followed for 75 unbroken years by the Court itself. It utterly disregards the doctrine of stare decisis so aptly emphasized by Abraham Lincoln in these words. Said he:

> Judicial decisions have two uses: First, to absolutely determine the case decided; and, secondly, to indicate to the public how other similar cases will be decided when they arise.

This doctrine is predicated on the principle that when the Court declares the law in a decision, and then by a long line of affirmations of the principle thus enunciated has declared that men who engage in a business, who operate under the repeated decisions of the Supreme Court, and chart their course of conduct in compliance with the holdings of the Court, and invest their money in business and follow certain business practices, upon the faith of the Court's decisions, they may do so with the assurance that overnight their business practices will not be sabotaged and declared to be criminal, resulting in their being stigmatized and libeled with an indictment that is not warranted by the law of the land.

The opinion of only four members of the Court, read by Mr. Justice Black, referred to the fact that the assets of the insurance companies of this country amount to $37,000,000,000, and that the yearly payment of premiums by those who maintain insurance on their property and on their lives amounts to $6,000,000,000 per year, and that 527,000 people are engaged in the business of insurance. He seemed to predicate his attack upon the unbroken line of decisions of the Supreme Court on the idea that the insurance business is a big business, and that therefore it ought to be overthrown. Yes; it is big because the 132,000,000 people of this country believe in it. They wish to protect their property against loss by fire and to provide for their loved ones when death comes.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. JENNINGS. What I was getting at was this: It is these great assets in the hands of these solvent insurance companies upon which Federal bureaucrats are now gazing with a jaundiced eye and toward which they are reaching with an itching palm and a grasping greed. They wish to get their hands on these billions that are held in trust for their policyholders by the great solvent insurance companies of the land.

It takes 527,000 people in private industry to carry on the insurance business. It would require a million and a half Federal bureaucrats to operate it. Under the incompetent and wasteful practices of the Federal Government these $37,000,000,000 that belong to the policyholders would be squandered. And under some Federal plan for security from the cradle to the grave we would be given a scrap of paper in exchange for the policies we now hold and which are worth 100 cents on the dollar.

The people of this country carry insurance for protection. And under State control they are getting and will continue to receive the value of their property when it burns. And when their life-insurance policies become payable either upon maturity by being paid up, or in the event of death, they are certain their loved ones will receive the amount due on them. This bill says to the Supreme Court in plain language that the Congress is determined that the Federal Government must keep its hands off of the billions of dollars the frugality and industry of the people have placed in the hands of the insurance companies to guarantee the payment of their policies when liability accrues on them.

Mr. HANCOCK. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. CLASON].

Mr. CLASON. Mr. Chairman, this legislation is not partisan by nature. It reaches into the homes of every American. Millions of our people are policyholders. Yet in my district it has received particular consideration because in Springfield, Mass., are located the home offices of several very important insurance companies. They employ many hundreds of persons and represent an important business in our community.

They are vitally interested in the future of insurance.

Likewise in our community there are hundreds engaged either as insurance brokers or agents in the handling of insurance business. Several of these people of both parties, so far as political faith is concerned, have communicated with me. One of them has set forth several reasons why he believed that this bill should be enacted into law. I would like to quote from his letter:

Those of us who are connected with insurance are deeply concerned by the recent attempts to apply the Federal antitrust laws to the fire-insurance business. Those attempts involve the rights of the States, the will of Congress, and the orderly conduct of a business built for years to conform to detailed regulation by the States, a business largely conducted by thousands of local agents.

May I remind you briefly of certain important facts regarding the regulation of insurance:

1. For over 75 years the Supreme Court of the United States has repeatedly held that insurance may be regulated by the States.

2. For over 90 years insurance has been regulated by the States, each acting to meet local conditions and each as it deems best for its citizens. (The impression in uninformed quarters that insurance is not regulated is grossly false.)

3. State regulation began prior to the enactment of Federal antitrust laws and congressional history strongly indicates that Congress never intended such laws to apply to insurance.

4. The average fire-insurance rate in the United States was $1.10 per $100 in 1910; in 1942 it was 61 cents per $100. In a little over 30 years rates have been reduced more than 40 percent and these results have been brought about under State laws.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield to the gentleman from Iowa.

Mr. JENSEN. In every State, all over the country, there are many farm mutual fire-insurance companies and town mutual fire-insurance companies. If a man living in the State of Missouri owned a farm in Iowa and had it insured with one of those farm mutual insurance companies, would that be considered interstate commerce under the decision of the Supreme Court?

Mr. CLASON. Of course, I do not know what their decision would be in the case suggested, but it is my personal opinion that they would hold that it is interstate commerce.

Mr. JENSEN. It could be assumed, at least, and quite definitely so, that it would be considered interstate commerce in a case of that kind; is that not true?

Mr. CLASON. That would be my opinion.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield to the gentleman from New York.

Mr. HANCOCK. The Supreme Court makes no distinction between stock companies and mutual companies. In this connection it might be well to state, in view of all the argument we hear about monopoly, that there are 350 stock companies doing business and 3,500 mutuals. That shows how much monopoly the fire-insurance business has.

Mr. CLASON. I appreciate the gentleman's contribution.

Mr. ANDERSON of New Mexico. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield to the gentleman from New Mexico.

Mr. ANDERSON of New Mexico. Would the gentleman state as well the percentage of premiums paid to the stock companies as against the mutual companies?

Mr. HANCOCK. Of course, most of the mutuals are small companies and take less risk. Everybody knows that.

Mr. CLASON. The letter continues:

5. As regards present State regulations, let me point out that—

(a) Every State requires a license as a prerequisite to engaging in fire-insurance underwriting.

(b) Every State has requirements aimed at maintaining the solvency of the fire-insurance companies licensed by it.

(c) Every State reserves the right to revoke or refuse any license granted by it.

(d) Twenty-seven States provide by statute for rating bureaus. Only two States, Nebraska and Iowa, prohibit them.

(e) Twenty States provide that the rates used by the fire-insurance companies be filed with State insurance departments.

(f) In 19 States fire-insurance companies may not deviate from the rates promulgated by the rating bureaus, unless a formal deviation is filed with or approved by the State insurance department.

(g) In all States comprehensive exhibits of the details of operations, including profit-and-loss computations, are required to be filed annually.

(h) In addition expert auditors employed by the States critically and in great detail periodically examine the financial condition of every fire-insurance company authorized to do business in the respective States.

(i) The States have shown great interest in encouraging uniform fire-insurance rates through antirebate and antidiscrimination statutes. At the present time 43 States prohibit rebating or giving an assured any advantage not specified in the policy. Thirty-six States forbid the making of any rate which designates unfairly between risks in the application of like charges and credits and between risks of essentially the same hazards.

You can, therefore, see that State regulation is directed at controlling competition and preventing unfair discrimination. It aims at uniform and equal treatment for equal hazards.

6. Because of the Supreme Court's decision, the following conditions seem likely to prevail:

(a) The States have found that to permit uncontrolled competition tends to result in favoritism to the strong as against the weak, and the companies which write at rates violating the laws of averages must in the end become insolvent with nothing but loss to the policyholders and to the State. In contrast, the Federal antitrust laws aim to secure unrestricted competition by prohibiting cooperative accord or action. They seek individual trading and not uniformity. The primary public interest is the protection of the policyholders through the preservation of the financial soundness of the insurer, and only by cooperative action and uniformity of rates and practices can that financial soundness be maintained.

(b) If the fire-insurance business is subject to the Federal antitrust laws, the practical result will be that if the business complies with the Federal antitrust laws it will not conform to State laws, and if it complies to State laws, it will not conform to Federal laws. No man can serve two masters, and in such a state of affairs, only chaos could result. A long period of litigation for the ultimate determination of what portion of State regulation is valid and what portion is invalid would result. During that period no effective regulation at all would be in effect. Unrestricted competition would ensue and the solvency of the companies would be jeopardized.

(c) The States have not called for Federal aid. No one will contend that State regulation is absolutely perfect, but certainly Federal regulation would be far less perfect.

7. Happily, Congress is now in a position to make certain that such a disastrous situation will never arise, by simply affirming that its antitrust laws are not applicable to insurance. By taking such action Congress would waive no power or right, it would grant no special privilege, it would remove the danger of the conflict between the States and the Federal Government and the chaotic conditions in insurance which would arise if the Federal antitrust laws were held applicable to that business.

I believe this bill is good legislation. I hope it becomes law.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I first spoke against H. R. 3270 on October 19, 1943. I have continued to study the legislation and problems surrounding it. I have received a very considerable mail regarding it. My original convictions about the bill have been strengthened and deepened. This is a bill to exempt insurance companies from the antitrust laws of the United States. More specifically it is a special "relief" bill for the fire-insurance companies, resulting from the Supreme Court decision against them in the case of United States versus Southeastern Underwriters Association.

There can be no denying the fact that passage of this bill declaring insurance companies not to be subject to the antitrust laws will have great influence upon the course of the current trial of the insurance companies who belong to the Southeastern Underwriters Association upon charges of violation of those very laws. And the evident desire to rush the legislation through in these closing days of this session bears further evidence to the fact that one reason, at least, that this bill is so much desired at this particular time is for the influence it would have, if passed, upon pending judicial decisions. If a precedent is set in this instance for passing legislation because otherwise litigation might turn out to the disadvantage of a powerful group, what is to prevent the same thing being demanded of Congress over and over again by other such groups?

Such circumstances in themselves should be enough to cause the bill to be unanimously opposed by the House. There remains the question whether it is the desire of Congress to exempt insurance—the most highly organized financial power in the land—from the antitrust laws. And if that is to be done, then we shall have taken the first fateful step, and one by one Congress will find other powerful interests asking for similar exemption which, if granted in only a few cases, will fasten monopoly irrevocably upon this once free Nation.

Naturally the insurance companies would prefer to be outside the operation of these laws. A study of the record indicates that some of their most profitable business rests upon what must be termed monopolistic practices. I believe this is established beyond reasonable doubt by the evidence collected by the Department of Justice. The size and interstate nature of the insurance business makes it difficult, if not impossible, for State regulation to be effective unless outright monopolistic practices are curbed. Therefore, if congressional sanction is given to such methods of operation—for that is actually what we would be giving them if we should pass this bill—the larger fire-insurance companies will be out of the range of any antitrust regulation, and will be able to operate as they desire, at the expense of the independent and mutual companies, the policyholders, and the independent insurance agents. At the same time, they will be able to continue to give preferential treatment to large and powerful businesses at the expense of smaller competitors. They will be able to continue to make up for smaller earnings made in States with strict insurance regulations by making much larger profits in States which have little or no regulation.

The following letter came to me from an insurance agent in West Virginia, and speaks for itself:

I have read something with reference to the stand you have taken in Congress in regard to the bill protecting insurance firms. I represent several substantial companies and happen to be broker for a certain institution handling millions of dollars' worth of insurance, and I want to assure you that not only I concur in the stand you have taken, but many, many other agents as well.

Strange as it may seem, most agents do not like to go on record in black and white for fear they will get in bad with their companies. I claim to be a citizen of the United States and am not afraid of any company. * * * We small businessmen sometimes wonder why Congress should fail in some instances to represent all the people and all businesses on equal basis. Personally, I wonder why a Congress of 1943 should presume to interpret the meaning of a Congress of 1890, in passing the Sherman antitrust law, to exempt the insurance companies from any such law. I do not expect you to pay much attention to a letter from just one agent in the United States, but I can assure you that I speak for a great group of American citizens when I say that these bills are dangerous.

From the beginning it has been stated by proponents of this bill that its passage prior to the Supreme Court decision in any of these cases was essential. Otherwise, they have insisted, if the Court should hold insurance to be commerce, immediately a chaotic condition would exist insofar as insurance regulation is concerned. The contention has been that if Congress did not pass H. R. 3270 immediately, all presently existing State laws would be meaningless, and far-reaching Federal regulation of the insurance business would appear from out of the blue.

Such, of course, is not the case. To say that Congress has the power to pass a certain kind of legislation does not mean that Congress will do so, nor that State laws in that field become of no effect. It may well be that some careful definition of the scope of State regulation of insurance and the relationship of such State regulation to Federal law—even including the antitrust laws—is called for. But we have nothing of that sort before us today nor can we have unless and until the most careful study has been given to such questions. And to say, therefore, that the answer to the problem—having in mind perhaps the debatable necessity of some framework for joint publicly supervised determination of rates—is to provide complete exemption for insurance from the antitrust laws, but not, mind you, from any other laws which Congress might pass appears to me nothing short of ridiculous. Without any further study of the question I am not prepared to say that there might not be some practices in the insurance business which could, under proper public regulation—either State or Federal—be made exempt from the antitrust laws. But two things I do know. The first is that it would be utterly wrong to do as this bill does and to give blanket exemption even as to such practices as fining and punishing agents who dare to place policies with companies that are not members of a self-appointed charmed circle, or depriving such companies of legitimate business by coercive measures upon would-be insurers with them, or artificially and privately and without adequate public check or review fix rates at levels far higher than justice or equity or sound public policy can justify. And the second thing I know is that people cannot eat their cake and have it too and that either there must be an effective enforcement of reasonable antimonopoly measures in every business or else there must be some form of effective public regulation of it. A monopoly that is a law unto itself or that makes its own law is by definition the very antithesis of everything democracy means or stands for.

The real answer to the immediate problem lies, in my opinion, in an amendment which will be offered by the gentleman from New Mexico [Mr. ANDERSON]. That amendment will leave the antitrust laws intact, will define the relationship between State regulation and those laws, and will solve the problem of any uncertainty due to the Supreme Court decision. If that amendment is substituted for the pending bill I will vote for it.

The argument that H. R. 3270 will protect States' rights to regulate insurance is utterly specious. The only thing that H. R. 3270 can do is specifically to prevent the Government from acting against monopoly in the insurance business. It can in no way prevent the decision of the judiciary as to the nature of insurance, and, therefore, it cannot in itself prevent Federal regulation of the insurance business. On the contrary its passage could easily lead to the necessity of Federal regulation. For nothing will bring such regulation so quickly as the growth of monopolistic practices in this or any other industry. On the other hand, does the recent Supreme Court decision mean that immediately all the State regulations are hereby tossed out of the window? Of course not. Let me cite Bernard C. Gavit, dean of the Indiana University school of law, and author of an authoritative work on the commerce clause of the Constitution. In a letter which the gentleman from Indiana [Mr. LAFOLLETTE] has put into the CONGRESSIONAL RECORD, Dean Gavit said:

It, of course, does not follow that if it be held that interstate insurance is interstate commerce, therefore the States will be deprived of the power to make reasonable regulations to protect local interests. Certainly until Congress undertook to enact comprehensive legislation on the subject, the several States would be free to adopt such regulations as the local situation would seem to demand.

The bogey which advocates of this bill are attempting to raise—that of abrogated States' rights, is, therefore, completely false. Only if Congress chooses to legislate can Federal regulation actually come into being. Are we finding it necessary to protect the country against ourselves?

If we thus dispose of the beclouding issue of States' rights, we can proceed to look objectively at the merits of the case. The real issue is simply this: Should the insurance business be subject to antitrust regulation?

Mr. Chairman, the antitrust laws are for the protection of the people of the United States. By passing this bill we would be putting ourselves in the unenviable position of saying to one large portion of our economy, "We think, in general, that monopoly in restraint of trade is a bad thing. The Sherman and Clayton Acts were passed to protect the people from the evil results of such practices, secure in the knowledge that Congress has specifically protected you from the consequences which would follow were any other business, interstate in nature, doing the same thing."

By enforcing antitrust laws we shall not deprive the States of regulating insofar as they see fit. We shall merely be giving the policyholders, the small businessmen, and independent insurance agents the protection which they cannot get in any other way.

The fact that the fire-insurance companies are even now engaged in the very practices which the Sherman and Clayton Acts were intended to prevent cannot, I believe, be gainsaid. The Justice Department has presented most convincing evidence that the rate-making systems of the big fire-insurance companies discriminate in favor of big chain stores; that these companies make excessive profits—of 100 percent of premiums paid in, only about 40 percent is paid out to policyholders; that so-called board companies deny insurance to people who do any business with nonboard companies; that they coerce insurance agents.

The testimony of an insurance man, Edward Moran, resident vice president of the Central Surety & Insurance Co., before the Senate Judiciary Committee, indicates some of the methods used by the fire-insurance companies, combined into underwriting associations, to enforce their rates:

Under the articles of the association of local boards in New England, the companies involved agree, first, that the rates of insurance established by the New England Fire

Insurance Rating Association shall be absolutely binding on each and every member; and second, that no member will write policies in any company represented by him, or directly or indirectly procure to be written, or accept for any other stock or mutual companies or agents, any insurance at lower rates than those established by the New England Fire Insurance Rating Association.

Violations are referred to the New England Fire Insurance Rating Association at Boston, Mass., and fines of unlimited amounts for violation of these articles are provided by the bylaws.

In other words, the fire-insurance companies, in this instance in New England, came together into an association to fix rates, and absolutely rule out any competition by forbidding that any insurance be written at lower rates. This practice has been justified in the hearings before the House Judiciary Committee on the grounds that rate fixing is necessary if the insurance business is to exist. I flatly disagree with that argument in principle. However, should it be admitted for the sake of argument that uniform rates are desirable in the insurance business, no Member of Congress who stops to think will favor uniform rates fixed by those who are to profit by collecting them. If rates must be uniform, then surely they must be set as are public-utility rates—by some public authority. So that arguments advanced on behalf of H. R. 3270 lead to exactly the opposite conclusion from the one desired by the insurance companies. For if their arguments were sound the only honest conclusion we could come to would be that Federal regulation of insurance was a necessity.

Mr. Moran also described in his testimony the method by which insurance associations enforce rate fixing upon agents. This is the same story we have heard in one form or another from agents all over the country since the introduction of H. R. 3270 raised the issue.

The method is called separation, and it operates like this: An agent may represent, among others, a company which for one reason or another withdraws from the underwriting association. The association thereupon notifies the agent that he must cease to represent any other member of the association. This constitutes a very effective big stick which the association can hold over the head of a small independent agent who has not the fighting power back of him to protest effectively.

Many members have said, "Why don't the States handle this insurance situation? We are tired of constantly drawing power into Washington—let's leave the problem where it is, in the hands of the States."

The answer is that the situation as it now exists is beyond the power of the States to control unless at the very least the antitrust laws are enforced. When the authors of the Constitution wrote into that document that Congress should have the power to regulate interstate commerce, they realized that when any business took place across State lines, any individual State would find it quite impossible to regulate that business. No matter how we may quibble about the legal interpretation of the word "commerce", it is nonetheless plain that insurance is a big business which transcends State lines. To quote from the Senate hearings again, a Maine insurance agent said:

The rates on Maine risks are determined in Boston by the New England Fire Insurance Rating Association—an interesting fact to lay down beside the allegation that insurance is local business. So when I, as an agent in Rockland, Maine, insure a Maine risk in a New Jersey company at rates sent to me from Massachusetts, it is quite a revelation to hear it contended that fire insurance is a local business.

The attorney general of Missouri has testified that his most earnest attempts to bring about regulation of the insurance companies in that State have failed. He went on to say that—

The evidence taken in the Missouri quo warranto proceedings shows that none of the 18 States within the territorial jurisdiction of the Western Underwriters Association has been effective in supervising and controlling the insurance business in the public interest. The States have no independent or disinterested medium to classify risks, prepare schedules, fix rates, promulgate rules and practices, forms, terms, and conditions of insurance contracts, independent of the insurance companies. * * * None of the 18 States has facilities to train personnel who can cope with the skilled staffs employed by organizations of the insurance companies. Regulation and supervision by the respective 18 States has, to date, functioned satisfactorily for the companies, but not for the insuring public. The fire-insurance business today is centralized to such an extent in the hands of the big insurance companies, that the police power of the respective States cannot provide effective control over the stock fire-insurance companies.

Certainly there would appear to be need of antitrust laws here.

Mr. Chairman, the people of my district and of every other district in this Nation are today paying more than they should be called upon to pay for insurance—particularly for fire insurance if they are small policyholders such as home owners. But the present situation is probably mild compared to what will be brought upon our people if by passing this bill we should deliberately invite this large business to engage to its heart's content in the practices of monopoly.

Mr. Chairman, I predict that if this Congress should pass this legislation it will go down in history as having permitted one highly organized special interest to rule it and force it to act in a manner directly contrary to the general public interest of the American people.

I do not believe this Congress will do that.

Mr. GWYNNE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. ROLPH].

Mr. ROLPH. Mr. Chairman, H. R. 3270, the bill under discussion, is a very meritorious measure and I sincerely hope it will pass today by a large majority. Speaking in behalf of the bill, I do so for those most interested, the public. The only time the average citizen needs or really pays any attention to an insurance policy is the day he suffers a loss.

The gentleman from New Mexico [Mr. ANDERSON] in his remarks yesterday introduced a letter from the president of the National Association of Insurance Commissioners, and I repeat one paragraph of this letter:

There is no industry in this country in which the public has a more vital stake, and, therefore, it is essential that any dislocations of the insurance business operating under the supervision of the several States flowing from this decision, be kept to a minimum.

May I read a paragraph or two from a letter I have received from San Francisco, written by an attorney who formerly was deputy insurance commissioner of the State of California. This letter was written in November 1943, when the three bills originally introduced were first under consideration and were before the Judiciary Committees, but were never considered on the floor.

As you know, I have recently terminated more than 7 years of service with the State of California, approximately one-half of which was in the capacity of deputy insurance commissioner of the State of California. The experience I gained in that capacity, as well as my general familiarity with governmental problems, prompts me to recommend that you give favorable consideration to S. 1362 and H. R. 3269 and 3270.

These bills are simple in themselves: They affirm that Congress has not desired, nor does it now desire, to invade the rights of the States with respect to the regulation of insurance; and that neither the Sherman Act nor the Clayton Act applies to the institution of insurance.

The gentleman from Hartford, Conn., Mr. MILLER, says he comes from the insurance capital of the United States. I have the distinction of coming from the insurance capital of the far West. San Francisco is the center for all insurance written in 14 Western States.

San Francisco owes a debt to the insurance companies that in my opinion it will never be able to repay. On April 18, 1906, the loss in San Francisco from the fire and earthquake totaled $450,000,000. Insurance companies paid into my community $250,000,000, all within 60 or 90 days. Nobody can actually grasp what $250,000,000 means, but in the debate in connection with the war-damage insurance bill, which was enacted into law on March 27, 1942, one of the witnesses testifying before the Committee on Banking and Currency said that losses from German bombings suffered by England up to that time had been $200,000,000. In other words, the loss in San Francisco was two and one-half times what it was in England, and the insurance companies paid into my city more than all the loss Great Britain suffered from German bombings.

I personally feel insurance companies were extremely liberal in the treatment of policyholders in my city at the time of the fire. Many of the contracts contained earthquake clauses, but the companies waived exemption under those clauses and paid the claims in full.

In one instance a concern had some merchandise delivered into a warehouse in San Francisco. The only memorandum was a warehouse receipt showing that this merchandise had been delivered to the warehouse. The warehouse re-

ceipt was mailed the night before the fire.

A clerk in the office of the corporation storing this merchandise telephoned the afternoon before the fire to his insurance broker asking for insurance coverage. All records were burned except the warehouse receipt received days later through the mail, but that claim was paid in full.

The gentleman from Indiana [Mr. LAFOLLETTE] brought up the question of insurance rates.

In 1907, the year following the fire, 77 companies operating in San Francisco collected $5,691,123.01 in premiums. Our population at that time was less than 400,000. In 1940, 270 companies collected in premiums $3,297,576.12. Population had increased to about 700,000.

Furthermore, the insurance contracts written in 1940 carried almost twice the liability as in 1907. In other words, the coverage was much more complete than in 1907, but the rates were down about 50 percent. These are facts. The figures show clearly rates have been drastically reduced.

The San Francisco Chronicle published an editorial entitled "Insurance" under date of June 6, 1944, and I quote it in full, as follows:

INSURANCE

The effect of the Supreme Court's decision that insurance is interstate commerce and as such subject to the control of Congress makes stringent the necessity of passing the measure now before Congress to exempt the insurance business from antitrust legislation and leave its regulation to the States.

This is a practical matter. Under the uniform rulings of the last 75 years that insurance is not interstate commerce the States have built up a full system of regulation of insurance companies. In general, over the years, the States have arrived at satisfactory regulation of this business. The effect of this new decision is to knock the system of State regulation in the head and leave no control for the time being before Congress can turn its attention to the matter. As Chief Justice Stone said in his dissenting opinion, an immense confusion must follow. He argued that nothing but harm can ensue and for no particular benefit. Justice Jackson took a similar line, finding no immediate justification for this reversal, with its inevitable dislocation of the functions of the States.

The measure now in Congress providing for specific exemption of the insurance business from Federal regulation was introduced in anticipation of just such a decision as this, with resulting chaos. It should be passed to leave the regulation of insurance with the States, most of which have it worked out in good shape. Otherwise the valuable experience of State regulation will go by the board and inevitably the subject will be approached by Congress from the political angle and we shall be in for a long period of turmoil before Federal regulation can make its way through the wringer as State regulation did in the past and settle down to common sense.

Previously in my remarks, I quoted two paragraphs from a letter addressed to me by Sidney L. Weinstock, attorney of San Francisco. Mr. Weinstock was deputy insurance commissioner of California, and I desire to quote further from his letter:

If this legislation is not enacted and the Department of Justice prevails in its appeal from a decision in the Federal District Court of Georgia to the effect that insurance is still not interstate commerce and, therefore, is not subject to these acts, an intolerable situation will result.

Congress has not provided for regulation of insurance in its many forms. Many States not only fix the rates for insurance but prescribe the forms of policies that may be used, specify the manner in which the contracts may be made, and require insurers to subscribe to organizations for purposes that in other lines of business would clearly violate the Sherman and Clayton Acts. In addition, all States have established financial requirements with which insurance companies must comply and have meticulously regulated their operations in the interests of securing solvency and the payment of the claims of their citizens.

A reversal of the precedents of the last 75 years by the Supreme Court would render ineffective much of the system of State regulation and there would be no adequate substitute.

Insurance, though not a public utility, can in some respects be compared to a public utility for the reason that the enjoyment of property and the successful functioning of business enterprises are so largely dependent upon insurance. Obviously, insurance fulfills its destiny only when it pays the claims which it has contracted to pay. Competition in offering lower rates in order to secure business has invariably resulted in inability to pay claims and insolvencies.

If the Sherman and Clayton Acts are held applicable to insurance, the State laws that have been developed over the last 100 years to secure the solvency of the insurance companies will be set at naught, for every effort to stabilize rates and underwriting practices, so that ultimately the public will pay a fair and adequate rate, will be illegal.

Mr. Chairman and my colleagues, I hope H. R. 3270 is approved by an overwhelming majority.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 7 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman—

The moving finger writes; and having writ,
Moves on; nor all your piety nor wit
Shall lure it back to cancel half a line,
Nor all your tears wash out a word of it.

Whether we like it or not, the Supreme Court, on June 5, handed down a decision against the Southeastern Underwriters that is the law of the land.

By it two points were decided:

First. The Sherman Act intended to prohibit conduct of fire-insurance companies which restrains or monopolizes the interstate fire-insurance trade.

Second. Fire-insurance transactions which stretch across State lines constitute "commerce among the several States" so as to make them subject to regulation by Congress under the commerce clause.

So I wish to devote these few minutes that have been allotted me to a commonsense—if I may be so bold as to throw that bouquet at myself—dispassionate discussion of the problem thereby caused to confront us.

Others have, more ably than I may hope to do, addressed themselves to other phases of the problem, and with their dissertations I am not here to quarrel.

The attitude I would assume with you fellow Members of the House is one of sitting together on a log on a creek bank, fishing.

One of the two points decided, to wit: That the fire-insurance business, as now conducted, is interstate commerce and, as such, is subject to regulation by Congress under the power contained in the commerce clause of the Constitution, need not here and now be discussed. For the time being, that point is settled. By judicial fiat it has been declared so to be. But, as to the other point we do have something to say. As to this point the Supreme Court says:

Since • • • Since • • • Since it is our conclusion that the Sherman Act was intended to apply to the fire-insurance business—

There is the basis of the decision on that point. There is the line of demarcation between the reasons assigned as supporting the decision on its own two points. There is the fork of the road. "Since" it is held to have been the intention of Congress that the Sherman Act, written by Congress, should apply to the fire-insurance business, Congress surely may say whether or no that was or is its intention. Congress beyond question has the right to repeal the whole Sherman Act. Why, then, may we not, a fortiori, declare what our intention is and how that law should be construed with reference to our intention? The pending bill does just that. Are we being too critical of the Supreme Court when we pass this bill? Not at all. They have their field of operation. They are supreme in their sphere. We cannot repeal their decision, no matter how much we might wish. When, however, they base a part of their opinion upon what they mistakenly assert was an intent of Congress, we certainly are under no obligation to acquiesce.

They attribute to us an intention which is not to be gathered from the four corners of the acts, the antitrust statutes, the Clayton Act, or the Sherman Act. Now, then, all we are doing, and we have a perfect right to do it, is to say, "No, with all due respect, and we bow most humbly to the mandate of your opinion, you are mistaken about one thing: It never was our intention that any act of ours should apply to the fire-insurance business, nor do we so intend now." So what we are doing is just that. We seek to declare the intention of Congress.

Now what is the need sought to be served by this bill? Let us look at the status. Remember, we are on a creek bank, just talking to each other. What is the status? Oh, friends, is it needed? My distinguished friend, the gentleman from New Mexico [Mr. ANDERSON] goes into this matter, and everything that he says is worthy of great consideration. But he does not go far enough. He fails to visualize that there is to be an inevitable hiatus in regulation. We are "right up against the gun." It is not that a year from now or 2 years from now when we have, as the Committee on the Judiciary plans to do, studied this matter in detail and seen if there is any field that should be covered by regulation from Washington—or by assistance from Washington, in aid of the States in controlling

insurance—not then, but now. What is the situation? Every State in this Union is equipped, functioning, and regulating the business of fire insurance. Everything that has been done by the Southeastern Underwriters or any other underwriting association has been done in accordance with the mandate of State law. Must they quit their field of service and leave fire-insurance companies absolutely unregulated? Nobody wants that. That is our problem. The Federal Government has never regulated them. Time and time and time again bills have been introduced here for their regulation and every one has failed of passage. So we have no Federal regulation. You have a complete and perfect coverage of State regulation, and now this surprising fiat of the Supreme Court says they are within Federal power of regulation, but not State. Therefore, the States might be considered to be flying in the face of the mandate of the Supreme Court if they continue to regulate fire-insurance companies. There is grave danger, unless something is done at once, that the insurance companies will be absolutely unregulated. So, this bill seeks to avert such danger by designating the States as regulating agencies pending full study of the situation and its needs. More detailed legislation may result. Repeal of existing Federal antitrust laws might be determined upon, though such action would be hardly conceivable. Here, however, we have before us the best suggestion for immediate legislation that has any committee approval. This bill is commended to your favor by the only committee that has studied the problem. That it will meet with the approval it deserves is beyond doubt.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield such time as he desires to the gentleman from Arkansas [Mr. CRAVENS].

Mr. CRAVENS. Mr. Chairman, every conceivable phase of the problem now before the House for consideration has been thoroughly discussed during the debate on this bill except for one possible exception. It is not my purpose to repeat what has already been said concerning the constitutional questions, and those of governmental policy which have already been considered. There is, however, one matter of grave concern which I believe ought to be considered by those who are now opposed to this bill before they finally conclude to vote against it.

No one, I believe, will refute the statement that if the Congress does not repudiate the recently discovered judicial doctrine that the business of insurance is commerce, and of an interstate nature, then the various States will lose the power, long exercised by them, to tax insurance business carried on within their respective borders. So far as I know, no one questions the rule of law that the States are powerless to tax interstate commerce. If that rule is to be applied to the business of insurance by reason of the latter being determined to be interstate commerce then the States face a drastic loss of much-needed revenue.

The Legislative Reference Service of the Library of Congress has compiled for me the latest available figures on the amount of revenue received by each State as a result of insurance taxation. I sincerely hope that each Member will carefully consider these figures before finally deciding to deprive his State of this source of very substantial revenue. The compilation referred to follows:

Insurance (gross receipts) taxes paid to States: 1942

[In thousands of dollars]

Alabama	1,173
Arizona	275
Arkansas	861
California	8,558
Colorado	870
Connecticut	4,169
Delaware	388
Florida	1,318
Georgia	1,110
Idaho	371
Illinois	7,768
Indiana	2,582
Iowa	1,823
Kansas	1,135
Kentucky	1,541
Louisiana	1,586
Maine	705
Maryland	1,504
Massachusetts	2,015
Michigan	4,780
Minnesota	2,345
Mississippi	833
Missouri	3,500
Montana	361
Nebraska	619
Nevada	81
New Hampshire	471
New Jersey	4,992
New Mexico	233
New York	16,428
North Carolina	2,112
North Dakota	300
Ohio	7,012
Oklahoma	2,205
Oregon	1,000
Pennsylvania	9,470
Rhode Island	820
South Carolina	1,148
South Dakota	316
Tennessee	1,928
Texas	3,973
Utah	412
Vermont	309
Virginia	2,133
Washington	1,831
West Virginia	1,039
Wisconsin	2,445
Wyoming	169
Total	113,022

Source: United States Bureau of the Census. State Finances: 1942. Volume 3: Statistical Compendium, p. 15.

Mr. HANCOCK. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Chairman, this debate has been unusually informative and conducted on a very high plane throughout. There has been no "small talk." This is especially because the legislation before us is of vast importance, not only to the insurance companies of the country but to every individual holder of an insurance policy and to the general economy. The two soundest securities today are the Government bond and the insurance policy, and any action on the part of the Congress that might directly or indirectly impair either of these securities at this time would amount to a national calamity. This is not a question of the insurance companies versus the people. It is a question of the insurance companies for the people.

It has been thoroughly explained that under the Constitution the Congress may in its discretion regulate interstate commerce. Of course, the Congress may state in specific language whether or not a particular activity is interstate commerce. Nevertheless under that same Constitution the Supreme Court makes the final decision as to whether or not the Congress' conclusion is the correct one.

The historic action of the Congress and the Supreme Court in exempting insurance from the Sherman antitrust law and accepting the philosophy that insurance is not interstate commerce is of vital interest in the light of the recent holding of the Supreme Court. Seventy-five years ago the Supreme Court announced that insurance was not interstate commerce, and there is not embodied in the Sherman antitrust law any exemption. For three-quarters of a century the courts of the land have in an unbroken chain of decisions followed this course. Every State in the Union has acted upon these decisions and enacted State regulatory laws. So that today every one of these States is jealously and effectively controlling the business of insurance within its border. This is a function that can be well performed right back in the States and in the interests of the people in the communities taking advantage of the benefits of insurance. The present method has worked well, is working well, and affords universal protection to those who desire insurance. It is true that great insurance companies have been developed. The greater the amount of assets of an insurance company the greater the protection to the people who purchase its policies.

It is safety, definiteness, and assurance that the company will meet its obligations if and when due which make this protection valuable. By reason of good business management, sound actuarial policies, and integrity of action, United States insurance has brought a benefit which is appreciated by all our people.

This proposed bill simply exempts insurance from the operation of the antitrust law; that is, it is a pronouncement by Congress that it does not desire to exercise its option and embark upon Federal regulation of insurance at this time. It is a reaffirmation of what the people, the insurance companies, and the courts of the land thought the law was until the Supreme Court decision rendered a short time ago.

There may be some practices in connection with the larger insurance companies that need remedying. If this be true, then a careful and thoroughgoing investigation should be undertaken by the Congress on the whole subject of insurance, before the law should be summarily changed.

I do not agree with the gentleman from New York [Mr. CELLER], when he intimates that many of the insurance companies and those engaged in the insurance business are in an unholy alliance and conspiracy to cheat the policyhold-

ers throughout the country. I condemn any such accusation.

In short, if the present holding of the Supreme Court stands, without any legislation on the part of Congress, there is nothing to prevent innumerable law suits and prosecutions of insurance companies although they have meticulously observed the law as written by the Congress and as interpreted by the Supreme Court.

In conclusion, Mr. Chairman, I am convinced that the best interests of all concerned requires the speedy passage of this bill and then if Federal regulation of insurance is contemplated, the investigation which I have suggested should be instituted at once. The status quo should be maintained until the Congress has some authentic information warranting a change in the present system. Practically all States are in favor of this legislation. They want to retain the power to regulate and control at home. They want to continue to do that which they are doing and doing well. They are bitterly opposed to more bureaucratic control from Washington. Imagine the chaos that might result unless this Congress speedily deals with this problem. As one Member, I shall look with favor upon any properly inspired investigation. If it should be developed that there is a field in which some Federal regulation is necessary, then the Congress and the country should know those facts. We are confronted with a condition today and not with a theory. Talk and speeches must give way to considered action.

Mr. ROBSION of Kentucky. Mr. Chairman, we have before us H. R. 3270. Even the casual examination of the facts and circumstances must impress everyone of the importance of this proposed legislation. Congress passed, and the President approved, what is known as the Sherman Antitrust Act of July 2, 1890, and an amendment to the Sherman Act, known as the Clayton Act, which was approved October 15, 1914. A recent decision of the Supreme Court of the United States, by a vote of 4 to 3, in our opinion, does not reflect the intention of Congress at that time or now. This decision holds that fire-insurance companies are engaged in interstate commerce and therefore they come under the Sherman and Clayton Acts. This decision is the result of an indictment urged by Attorney General Biddle in the District Court of the United States for the Northern District of Georgia, in which approximately 200 fire-insurance companies and many individual officers of these companies were indicted and charged with conspiring to violate the Sherman and Clayton Acts. Congress determines the policy of legislation. The Supreme Court merely interprets legislation passed by the Congress. The important question at issue now is, Was it the intent of Congress to include fire-, life-, and casualty-insurance companies in the Sherman and Clayton Acts and thereby declare that insurance companies are engaged in interstate commerce and subject to nationalization, regulation, or control by the Federal Government? Judge Underwood, of the district court, sustained a demurrer and ordered the indictment dismissed. Mr. Biddle, the Attorney General, took an appeal to the Supreme Court, and the Supreme Court, as I have indicated, by a vote of 4 to 3, reversed Judge Underwood and declared that it was the intent of Congress to include these fire-insurance companies within the provisions of the Sherman and Clayton Acts, and that they were engaged in interstate commerce. In view of the great importance of the question involved and to clear up this matter, H. R. 3270 was introduced in the House, referred to the Judiciary Committee, and reported favorably by that committee.

This bill in a few lines of simple language states:

That nothing contained in the act of July 2, 1890, as amended, known as the Sherman Act, or the act of October 15, 1914, as amended, known as the Clayton Act, shall be construed to apply to the business of insurance or to acts in the conduct of that business or in anywise to impair the regulation of that business by the several States.

If this bill is adopted it makes the intention of Congress crystal clear.

Some have urged that if Congress adopts this bill, it will be a slap at the Supreme Court. That does not necessarily follow. Congress declares the policy of legislation and thereby expresses the intent of Congress. Two members of the Supreme Court disqualified themselves. The other seven, headed by Justice Stone, tried this case. Four of the seven in this opinion, came to the conclusion that it was the intention of Congress to include these insurance companies within the provisions of the Sherman and Clayton Acts. The other three, headed by Chief Justice Stone, in dissenting opinions, held that Congress did not include insurance companies in the Sherman-Clayton Acts. Now, this bill merely clarifies the intent and purpose of Congress by saying that nothing contained in the Sherman or Clayton Acts shall be construed to apply to the business of insurance or to acts in the conduct of that business or in anywise to impair the regulation of that business by the several States. In other words, we say that it was not the intention of Congress, and is still not the intention of Congress, to place the insurance business of the Nation under Federal control and regulation, but insurance business remains where it has always been ever since there were insurance companies in this Nation, under the control and regulation of the several States. This is not a new question. The question is whether or not insurance companies were engaged in interstate commerce business and therefore under the regulation and control of the Federal Government or were under the control and regulation of the several States. In a very important case, Paul against Virginia, decided 1868, and found in 75 United States 168, the Supreme Court said in that case:

Issuing a policy of insurance is not a transaction of commerce * * * the making of insurance contracts are local transactions between the parties and are governed by the local law. They do not constitute a part of the commerce between the States.

The Supreme Court also held in *Hooper v. California*, 1895 (U. S. 155–648):

The business of insurance is not commerce. The contract of insurance is not an instrumentality of commerce.

The Supreme Court held to this rule—New York Life Insurance Co. against Deer Lodge County, decided in 1913, in Two Hundred and Thirty-first United States Reports, page 495; Western Life Stock and others against Bureau of Revenue and others, decided in 1938, in Three Hundred and Third United States Reports, page 250; Lown against Underwriters Association, the Supreme Court of the District of Columbia, 1915, and so on down through the years for the last 75 years the Supreme Court and State courts have universally held that the insurance business is not commerce and insurance companies are not engaged in interstate commerce and are not subject to regulation or control by the Federal Government. The insurance business—fire, life, and casualty—in the several States have been regulated by State laws and supervised by State officials. It has been estimated that there are approximately sixty billion invested in fire, life, and casualty insurance. There are many thousands of companies and nearly 600,000 people earn their support from insurance companies, and we have heard it estimated that there are perhaps 130,000,000 insurance policies in the hands of the American people. I favor this bill for what I consider a number of substantial reasons. I know of no decision of the Supreme Court in the last 50 years that has gone further to take away from the States and the people of the States their rights. This is a real invasion of the sovereignty of the States and the people of the States. I consider that a real emergency now exists and this legislation should be speedily adopted. While this case merely deals with a couple of hundred fire-insurance companies and some insurance officials, it affects all insurance, all of the people engaged in insurance business, perhaps millions of stockholders, more than a hundred million policyholders, and perhaps sixty billion of invested capital. This decision today is the law of the land, and unless Congress acts this administration and the bureaucrats may set about to involve all the insurance business of this country and federalize this great business. If the Federal Government should take over the control and regulation of all the insurance business of this country, what a tremendous bureaucracy would be built up and what a tremendous power they would have under this great investment and the people.

WERE THESE COMPANIES AND OFFICIALS CRIMINALS?

These companies and officials were operating their insurance business under the laws and under the insurance officials and insurance departments of the several States. And operating under the decisions of their highest courts and the

universal rulings of the Supreme Court for the last 75 years. The insurance companies operating in my own State and in your States under the laws, regulations issued by your insurance commissioners and the insurance departments of your States, with the approval of the highest court of Kentucky as well as the highest court of your States. I mean to say that if insurance is commerce, as held in the recent decision of the Supreme Court, then the insurance companies and their officials in every State in the Union could be indicted, as they were in the Georgia Federal Court. I am unwilling to turn over to a lot of bureaucrats here in Washington the control of the insurance business in Kentucky and other States of the Union. While mistakes are made and sometimes wrongs are committed by officials of the State charged with carrying out the insurance laws of the State, judging from what we see here at Washington, this great federalized insurance bureau would also make mistakes and commit wrongs.

Conditions vary in the several States. Insurance regulations might serve very well in one State, while they would not fit into conditions in another State. If we have federalized insurance control and regulation, with perhaps a million or more bureaucrats operating that great bureau, they, of course, would insist on uniform regulations. These regulations might destroy thousands of small insurance companies, some of which we have in Kentucky and in your States, as this administration has put out of business hundreds of thousands of small business concerns.

This recent decision of the Supreme Court is following a pattern that has been worked out by the braintrusters of the New Deal. They concentrate in encroaching upon the sovereign rights of the States and the people of the several States. They have gone far to regiment labor, agriculture, industry, and commerce. By coercion and intimidation they have taken away the rights of the people and forced them to submit to regulation and control here in Washington. It is going to require real effort and courage on the part of the American people to recover their liberties and rights after the war is over. Let us not make it possible to place the control of this great private enterprise under the control of the Federal Government. Every day I hear many speeches from Republicans and Democrats deploring and denouncing the extension of Federal control over our people and their activities and handicaps to private enterprise and the tremendous growth of an autocratic bureaucracy. We have an opportunity today to preserve State rights in this great field of private enterprise and to prevent the growth of this bureaucracy by voting for this bill. Let us restore government to the people and the sovereign rights of the States. We should act now. When the full import of this Supreme Court decision is known to the insurance people and to the holders of policies in fire, life, and casualty companies it will create chaotic conditions in this country. Let us preserve the sound financial condition of the insurance companies and promote the faith of the 130,000,000 policyholders.

Mr. BROWN of Georgia. Will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. BROWN of Georgia. As I understand it this bill is to carry out the intention of Congress?

Mr. ROBSION of Kentucky. Yes. We said that was the intention way back there when the bill was passed, and we want to make it clear and affirmative by passing this bill.

Mr. HANCOCK. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, the decision of the Supreme Court forces the Congress to place upon record affirmatively, the intent of Congress when it passed the anti-trust laws. Of course, I am supporting this bill. The pending bill should, and I believe does, affect pending litigation. If it can be construed not to affect the pending proceedings, then men in Georgia may go to jail for obeying State laws regulating insurance, a course pursued for 75 years. It would present a travesty on justice. For three-quarters of a century the courts have uniformly held that insurance is not interstate commerce within the intent and meaning of the commerce clause of the Constitution of the United States.

Mr. HANCOCK. Mr. Chairman, I yield 9 minutes to the gentleman from Missouri [Mr. PLOESER].

Mr. PLOESER. Mr. Chairman, today the great insurance industry of America is in a state of mental chaos. Tomorrow it will be in a state of financial chaos and decay unless we here in Congress have the courage and forthrightness to act with dispatch.

Today the insurance industry of the Nation holds in trust for policyholders more than forty billions of dollars. It is the plain duty of the Congress to determine that these assets which belong to the millions of policyholders are not dissipated by an orgy of ruthless rate-cutting competition which can weaken the security and dollar value of every life, fire, or casualty policy in force.

I, like millions of others have prepared a small estate for my wife and children and I do not propose to stand idly by while a little handful of ill-informed publicists, servile newspaper publishers, and power-hungry politicians prepare the road for a Federal bureaucratic domination of this great segment of free enterprise.

Transfer the control and supervision of the insurance business to money-wasting Washington under Federal bureaucracy and the erosion of insurance assets, with all of its security for the people, begins. Give such bureaucracy a few years to operate and the policyholder will have to make out an O. P. A. application to get his loan or death values.

The insurance business has been for many years under the rather able supervision of the various States. But, because of conduct in harmony with that supervision, the Supreme Court by a minority decision of four now tells the insurance underwriters that they are in violation of the Federal law. It follows, therefore, that if the Federal law is to be observed, the State laws must be violated. This has produced the chaos of which I speak.

With the break-down of all State supervision due to the Supreme Court misinterpretation of congressional intent, the insurance companies are in the position of being in violation if they continue to charge like rates. If an orgy of rate cutting should start by some of the larger companies in particular, the financial security of many of the smaller companies could be immediately impaired, with the result that policies would become lessened in value or worthless. Such an orgy of competition could easily result in depletion of policyholders' funds and in financial monopoly for the surviving companies. Both results are extremely harmful to the business and security of policyholders.

I wish to give you my reasons, after 22 years in the business of insurance, for preferring State regulation. I wish also to explain State regulation.

I have been in the insurance business in St. Louis for almost 22 years. For the past 15 years I have availed myself of every opportunity to fight for progressive forward steps in our business.

The insurance business, like the newspaper business, or any other business, has its points of stagnation. The first duty of the insurance industry is to its policyholders. Unless the insurance business—both company and agent—continues to give the best possible service to policyholders, it does not progress and deserve the confidence of the public. Progress in insurance means several things: First, constant broadening of forms—policy coverage—second, constant lowering of rates in accordance with sound competition and in keeping with sound financial structure; and, third, constant improvement in servicing of claims and engineering.

I have for years fought for the broadening of coverage. I have for years fought for the lowering of rates. I have for years fought for the programs which would lessen loss, improve security, and better educate the public in the policy coverages and in the break-down of the insurance-dollar cost.

I believe progress can be made only by constantly liberalizing coverages and constantly reducing costs. This progress is better accomplished by competition.

In the business of insurance the element of financial security to the policyholder is of first importance. It follows, therefore, that certain elements of security must be protected by regulation. I believe we are in agreement on all I have said thus far.

The question now arises, Which shall regulate, the Federal Government or the State government? Fundamentally, that is the issue in the bills now before the Congress.

After almost 22 years' experience in the business of insurance in many States, I am of the opinion that more progress,

benefiting the policyholder, will accrue from State supervision.

I do contend that competition is necessary to make progress. It may come in various forms. There is a necessary restriction of competition, called regulation, in the business of insurance. Would you prefer 48 States competing in the development of sound and proper supervision of the insurance business or one Federal Bureau making a single set of rules for the Nation? Which would be the easier to control by predatory interest? Which would be the greater deterrent to progress? My experience in the business has taught me that the various States have among themselves competed for "progress" for the interest of the public. I believe that a uniform code among the States would result in stagnation. Federal supervision would have the same effect.

The courts have held for 75 years that insurance may be regulated by the States. The public should be told this. The bills before the Congress merely reexpress what Congress has expressed before and what the courts have repeatedly held. This is important because the proposed legislation is not innovation of either idea of legislative or judicial interest.

The administration has long sought control and supervision over the insurance business—over all business—radio and the press—for that matter.

Federal supervision would destroy at least the State competition with no guarantee or expectancy of a type of supervision which would be any better than the average, or the best, of the States.

Federal supervision would likely destroy the premium tax revenue which the States now enjoy as an important part of their income—Federal invasion or usurpation of a State revenue field would probably result.

Now for the argument of States' rights. I need not make it—the President of the United States and the two political parties in convention have made it specifically on the point of insurance. The following quotation is taken from volume I, Papers of the President, page 569, dated March 2, 1930. It is taken from a speech on States' rights made by Gov. Franklin D. Roosevelt, of New York, now the President of the United States:

> As a matter of fact and law, the governing rights of the States are all of those which have not been surrendered to the National Government by the Constitution or its amendments. Wisely or unwisely, people know that under the eighteenth amendment Congress has been given the right to legislate on this particular subject, but this is not the case in the matter of a great number of other vital problems of governments, such as the conduct of public utilities, of banks, of insurance, of business, of agriculture, of education, of social welfare, and of a dozen other important features. In these, Washington must not be encouraged to interfere.

In 1940 the platform of both political parties, Democratic and Republican, declared for regulation and supervision of insurance by the several States.

I quote, first, the Democratic platform:

> We favor strict supervision of all forms of the insurance business by the several States for the protection of policyholders and the public.

I quote, secondly, the Republican platform:

> We condemn the New Deal attempts to destroy the confidence of our people in private insurance institutions. We favor a continuance of regulation of insurance by the several States.

Mr. Chairman, I have spent my life in the business of insurance. In that time I have learned that the most important thing in that business, as it relates to the welfare of its policyholders as well as to its own prosperity, is the degree of competitive progress that can be made. The first duty of every insurance company and of every insurance agent is to the policyholder, and the first element in the performance of that duty is financial security. Regardless of what rate may be charged, the most important element in an insurance contract is financial security.

Under the regulation of the States for the past many, many years, there has been added to the business of insurance an additional avenue of competition. In addition to their own efforts in the broadening of forms, in the lowering of rates, or the improvement of engineering and technical and claims services, supervision by the various States has in itself, brought to the business a competitive element, because the various States have competed among themselves for improved supervision.

Time is not permitted to go on and relate the many, many instances in which one State after the other has improved its insurance code in order to attempt to be first in the field of supervision. States not alone regulate rates but they also regulate investments. The State of New York, the State of Illinois, and many other States say to the various life insurance companies of the country, "You shall invest only a certain percentage of your assets in real estate; only a certain percentage in municipal bonds; only a certain percentage in certain types of preferred stocks."

Under this decision of the Supreme Court are we to interpret that all types of regulation are thrown out of the window and that now companies may go into various types of speculation which impair their financial security?

Now let us give a little more attention to this rate structure—and here I shall explain why I disagree with the bill introduced by the gentleman from New Mexico [Mr. ANDERSON] for whom I have great respect. I believe the gentleman from New Mexico and I want the same thing, that is, careful State supervision of insurance and a noninterference policy on the part of the Federal Government; I believe we seek the same thing.

State regulations operate pretty much in this fashion: The State department of insurance does not actually make the rate. The various State insurance codes usually prescribe that the companies themselves shall make the rates, and that they shall put on file these rates with the State through a bureau which the companies support and finance. The minute the companies band together in order to comply with such requirements under a State code they are deemed to be in combination. The companies pool their individual experiences into one great pool to determine what the actual premium should be to take care of these premium elements: Pure loss, claims expense, acquisition expense, home office expense, and some small percentage of profit. If they make that combination and make that filing with the State, the State then has the right in most cases, according to their individual codes, to say that that filing is satisfactory or that they disagree with it in part and the company or companies must bring in something else. The little individual insurance company could not begin to make a comprehensive filing. Under most State codes they are permitted to make a deviated filing if they care to. The States hold that the first element in an insurance policy is not rate but is financial security. If you expect, for example, to get a 10-cent rate in the State of Missouri on a given type of risk then you have to show the State that the rate is sufficient to maintain financial security; that you are able to assume a certain volume of risk, because after all the policyholders' welfare comes first. The minute you do that, under this decision of the Supreme Court, you are in violation of the Federal law of the Sherman and the Clayton Acts. The combination comes before the State supervision by the very nature of the State supervision, and so I must say that if the gentleman's bill were attached to or substituted for this bill before the House, it would not accomplish what he or this House wants. Although his intention is good, and I agree with it, the bill in my opinion confuses.

Mr. Chairman, I repeat that failure of the Congress to act promptly imperils the vast policyholders' reserves held in trust by the many insurance companies of the country. The grasping bureaucrats of this administration care nothing for the security of policyholders. They want to get their hands on the $3,606,227,006 of fire-insurance assets, the $2,825,000,000 of casualty-insurance assets, and the $37,200,000,000 of life-insurance assets, plus a total annual premium income in excess of $7,000,000,000. They would soon corrupt the entire insurance policyholder reserve.

Mr. HANCOCK Mr. Chairman, I yield the balance of my time to the gentleman from Pennsylvania [Mr. GRAHAM].

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 11 minutes.

Mr. GRAHAM. Mr. Chairman, 157 years ago today in the city of Philadelphia, the Convention there meeting for the purpose of adopting a Constitution, or as was stated in the Journal "for revising the Federal system of government" had come to an impasse.

The plan suggested by Edmund Randolph benefiting the larger States, had been offered; the plan proposed by James Patterson, known as the New Jersey plan favoring the smaller States had likewise been offered on June 15, and there had been no decision.

The period between June 19 and July 13 was the critical period of that Convention.

The plan of compromise known as the Connecticut plan had not yet been brought forward, so the situation seemed hopeless. Then in the closing days of June, wise, old Benjamin Franklin, the oldest delegate in the Convention, suggested that they adjourn for a while and discuss the matter in an effort to find a solution of the problem. That was done, and on the 17th day of September 1787, 38 of the deputies present signed that immortal document and thereby created the form of government under which we meet here today, the Government of the United States of America, under the Constitution.

Now, let us pause and get our bearings and find out where we stand under this Constitution, and let us examine its provisions with reference to the respective functions of the various offices and departments created by it.

If you will think for a moment on its terms, you will recall that article I, section 1, provides that:

> All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

Therefore, the Congress comes first—a fact which seems to be frequently overlooked by other branches of our Government.

Next, article II, section 1, provides that:

> The executive Power shall be vested in a President of the United States of America.

The President is named second.

Article III, section 1, provides that:

> The judicial power of the United States, shall be vested in one supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish.

Therefore, it is perfectly obvious that the Supreme Court is named last, and it is most significant that the Congress is given the power to ordain and establish inferior courts.

It, therefore, behooves Franklin Delano Roosevelt, as Chief Executive of the United States, to always remember that he in his official capacity is the creature of this self-same Constitution.

It likewise behooves the Supreme Court, under Chief Justice Harlan F. Stone and his associates, to remember that they, too, are the creatures of the Constitution.

And it behooves us, as Members of the Congress, both the Senate and House of Representatives, to remember that we likewise are creatures of the Constitution.

We are all of one equality, coordinate, independent branches of our Government, a government of limited and delegated powers, and we function—for what purpose? To carry out the expressed will of the people of the United States.

And it will be well for all three branches to remember that under the tenth amendment—

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.

In the more than 155 years since the ratification of the Constitution we have gone on in the belief that it was the function of the Congress to make the laws and to pass all necessary legislation; that it was the function of the Executive to enforce these laws, or to see that this was done; and that it was the function of the courts to interpret these laws, and not to judicially legislate.

And up until a short time ago this seemed to be the way the Government of the United States functioned.

Before leaving the constitutional phases of the pending bill, let us always keep in mind those other sections of the Constitution.

First, article I, section 8, clause 3, which provides that:

> The Congress shall have power to regulate commerce with foreign nations and among the several States and with the Indian tribes.

And article I, section 9, clause 6, provides that:

> No preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another; nor shall vessels bound to, or from, one State, be obliged to enter, clear, or pay duties in another.

Can anyone doubt after reading these two sections of the Constitution, but that the power to regulate commerce lies in the Congress, and not in the Supreme Court, or that the delegates to the Constitutional Convention clearly understood the meaning of the term "commerce" when used in the Constitution?

Now, what has happened? First of all, that we may become properly oriented, let us examine the facts in the immediate case which has led to the drawing of this bill.

In the District Court of the United States for the Northern District of Georgia an indictment was returned against 198 fire-insurance companies and 29 individuals. This indictment charged a conspiracy—to restrain and monopolize commerce in fire insurance—in violation of sections 1 and 2 of the Sherman Act—act of July 2, 1890, Twenty-sixth Statute, page 209, as amended, Fifteenth United States Code, sections 1 and 2. On January 13, 1943, the companies and individuals indicted filed a demurrer to the indictment.

On August 5, 1943, the district court sustained the demurrer on the ground that in a proceeding under the Sherman Act the conduct restrained must be interstate trade or commerce, and that the decisions of the Supreme Court held that the business of insurance was not commerce.

The opinion of the District Court for the Northern District of Georgia is reported in Fifty-first Federal Supplement, page 712.

In my judgment there was no need to draw an indictment in this case, for the same results could have been obtained by presenting a bill in equity, and the securing of an injunction to restrain the practices complained of. This was the practice followed in the case of *German Alliance Insurance Co.* v. *Kansas* (233 U. S. 389), decided in 1914, where a bill in equity was filed to restrain the enforcement of the provisions of the act of the State of Kansas.

Had this course been followed these defendants, later appellees in the Supreme Court, would not have been branded as criminals. The Department of Justice is responsible for this course of action. Everything sought to be accomplished by this method of procedure could have been obtained by the securing of an injunction and an order restraining the defendants from carrying on their business in the manner complained of. This would have given time to study the situation, to prepare legislation to submit to the legislative branch of the Government, and, then, following committee hearings and debate, suitable legislation could have been enacted, in the event that the Congress felt that such legislation was needed.

This truly would have been an exercise of the constitutional authority to regulate commerce.

On June 5 of this year the Supreme Court in a revolutionary opinion shattering the rulings and precedents of that Court, handed down an opinion reversing the District Court for the Northern District of Georgia and sustained the indictment, with the result that those indicted must now submit to trial on the charges contained in the indictment.

Realizing that if this opinion is to stand a chaotic situation will result with respect to the insurance business, there was introduced in this body, as well as in the other body, H. R. 3270, identical with H. R. 3269, introduced by Hon. CLARENCE HANCOCK, and a companion measure, S. 1362, introduced by Senators BAILEY and Van Nuys.

The purpose of the bill is clearly stated in the title. It is to affirm the intent of Congress that the regulation of the business of insurance remain within the control of the several States, where it now exists, or did until the recent decision.

This bill comes before the Congress with clean hands. Many governors of States or the insurance commissioners thereof have urged the preservation of State regulation, and in this connection it is most significant indeed that the attorneys general of 35 States, joined in the brief of the appellees as amicus curiae.

Thirty-five States total in number more than the two-thirds of the several States requisite to call a convention for proposing amendments to the Constitution, and this number 35 falls short by one of the requisite three-fourths of the several States necessary to ratify amendments to the Constitution.

Is it not safe to assume that the various governors, insurance commissioners, and attorneys general accurately represent the attitude of the people of their respective States, and in self-preservation will they not be forced to act in defense of their rights?

In short this decision will not only force the hand of Congress but also that of the several States forcing them first to propose and then to ratify an amendment to the Constitution to the effect that the business of insurance is intrastate and not interstate commerce. If this should come to pass, the cause can

be squarely laid on the doorstep of the Supreme Court.

While a Member of Congress should be extremely careful in his criticism of the action of one of the coordinate branches of our Government yet the action of the Supreme Court in this instance is so revolutionary that it may not be amiss to carefully scrutinize some of the recent decisions of that Court.

Two items in the public prints of recent date are quite significant. The first is a news article printed within the last few days, entitled, "Disagreement in Supreme Court Reaches New Peak."

According to an Associated Press count it is said that of 125 cases decided (with opinions) in the term just closed only 45 were decided unanimously, which means there was dissent in 64 percent of the cases. This constitutes a new high record in that respect.

Last year there was dissent in just under 45 percent of the cases, the year before that 35 percent. Ten years ago dissent was registered in only 12 percent of the cases.

During the last term 16 cases were decided by 5 to 4, there were 5 such cases in 1 day, last May 22.

The Associated Press count credits Justice Roberts with 37 dissents; Justice Douglas with 24; Justice Murphy with 22; Justices Frankfurter and Jackson, 20 each; Justice Black, 18; Justice Reed, 16; Chief Justice Stone and Justice Rutledge, 15 each.

According to one of his biographers, the late Justice Holmes, known as the great dissenter, dissented only 16 times in his record year.

The other is an article appearing in a great New York daily.

In an article in the magazine section of the New York Times of last Sunday, June 18, Thomas Reed Powell, professor of law, Harvard Law School, under the title, "Our High Court Analyzed," states:

Recently the Supreme Court, in holding that fire insurance is commerce, reversed what had been established constitutional law for 75 years. Then it was the insurance companies, which unsuccessfully invoked the commerce clause as a shelter against State power. Now it is the United States Department of Justice which successfully instigates the judicial somersault and gets the ruling that insurance is commerce and therefore is within the Sherman law.

Naturally, there was dissenting protest against reading the revolutionary new meaning back into a 50-year-old criminal statute passed by a Congress which could not possibly have had the clairvoyance to foresee that its words would be held to embrace what they were constitutionally forbidden to cover when uttered. Humpty Dumpty is not alone in claiming the mastery to make words mean what he chooses them to mean. The effective choosers here were a minority of the Court since with two justices not sitting, the decision received the votes of only four out of nine. Had Justice Roberts and Reed participated, the result might very well have been different.

And again he states:

If this were all, the mischief of any single somersault would decrease with time. But it is not all. The fact that judges exhibit readiness to undo the work of their predecessors in this field, whenever they would not have made the initial determination has wide repercussions. Who can tell what other landmarks will be similarly obliterated? Where shall confidence be placed?

How far will transactions become a mere gamble as to their legal results? These are questions which many lawyers are now asking. They are being asked by judges of lower courts who find their tasks increasingly puzzling.

As Mr. Justice Jackson says in protest against reversing the law on insurance, "We cannot anticipate, and more than likely we could not agree, what consequences upon tax liabilities, refunds, liabilities under the State law to States or to individuals and even criminal liabilities will follow this decison."

And again he states:

So long as courts have the last say we have judicial government, whether courts approve or condemn what others have done.

Is not the proper role of the judiciary to respect the legislative judgment and he who runs may read that the legislative intent has been, both prior to and subsequent to the passage of the Sherman and Clayton Acts, that insurance is not interstate commerce. As a matter of fact this was a decision by a minority of the Court. It came about because two members of the Court, Justice Roberts and Justice Reed, disqualified themselves and did not sit in the case.

The opinion of the four Justices reversing the precedents of 74 years was written by Justice Black and concurred in by Justices Douglas, Murphy, and Rutledge. Dissenting members were the Chief Justice and Justices Frankfurter and Jackson.

The deep significance and full import of a minority ruling of this character is set forth by Charles Warren, well-known authority on the Court and the Constitution. Writing in the New York Times, Mr. Warren shows that this decision by a minority—

On a constitutional question of vast importance * * * reverses a wise practice of the Court instituted 110 years ago in 1834 by Chief Justice Marshall, whereby the Court then voluntarily asserted it would not decide any case involving a constitutional question unless a majority of the whole Court should concur.

The Court's decision then was to defer action until a larger number of Justices were present or taking part, and thus make possible a ruling one way or the other by a majority of the full Court.

It was this position of 110 years' standing that 4 out of the 9 Justices so lightly tossed out the window on June 5.

But over and beyond that is the fact also brought out by Mr. Warren that—

Since 1789, in 155 years—

And in the—

70 decisions of the Court overruling previous cases * * * the opinion of the Court has always been concurred in by at least 6 Justices, except in 5 cases when the decision was by 5 Justices to 4 and in one when the decision was by 5 Justices to 3.

His conclusion is that—

While in less important cases there has been occasionally decisions made by a minority of the Court no decision has been made by less than a majority of the full Court in a case involving the overruling of a previous decision.

Therefore, never—that is, until this decision, when a majority consisting of 4 Justices assumed to speak for the entire Court of 9 Justices—was a decision of the Court, which had held for 74 years, upset; nor an adopted policy of the Court that had stood for 110 years set aside; and a practice of the Court that had been consistently followed for 155 years, disregarded.

The far-reaching effect of this decision now begins to emerge when we realize that this decision has reversed a decision of the Supreme Court which has held for 74 years; disregarded an adopted policy of the Court that has stood for 110 years; and abandoned a practice of the Court that has been consistently followed for 155 years.

There is one other matter to which we should direct our attention before leaving the Court and it is this, the action of the Supreme Court in placing its construction on the indictment. The district court construed the indictment, in conformity with its terms. That the Supreme Court has always considered itself bound on appeals of this character under the Criminal Appeals Act to accept the construction placed thereon by the lower court is evidenced by its opinion in a number of similar cases.

In the case of *United States* v. *Borden Co. et al.* (308 U. S. 188), which was one involving an appeal by the Government from the judgment of a district court sustaining demurrers to an indictment under the Sherman Act, the Supreme Court held that—

This Court must accept the construction given to the indictment by the district court as that is a matter we are not authorized to review (p. 193).

There are a number of other cases holding to the same effect. Therefore the statement of Mr. Justice Jackson in his dissenting opinion that "we are not sustaining an act of Congress against attack on its constitutionality, we are making unprecedented use of the act to strike down the constitutional basis of State regulation," becomes increasingly apparent.

As also the statement of Mr. Chief Justice Stone, in his dissenting opinion, that—

We are not concerned here with the power of Congress to do what it has not attempted to do, but with the question whether Congress in enacting the Sherman Act has asserted its power over the business of insurance.

And again—

The case comes here on direct appeal by the Government from the district courts' judgment dismissing the indictment. Under the provision of the Criminal Appeals Act, 18 United States Code, section 682, the only questions open for decision here are whether the district court's constructions of the commerce clause and of the Sherman Act, on which it rested its decision, are the correct ones. * * * For the particular facts to which the court below applied the Constitution and the Sherman Act we must look to the indictment as the district court has construed it. And we must accept that construction, for by the provisions of the Criminal Appeals Act the district court's construction of the indictment is reviewable on appeal not by this Court but by the circuit court of appeals.

And finally the following from the dissenting opinion of Mr. Justice Frankfurter:

But the opinion of the Chief Justice leaves me equally without doubt that by the enactment of the Sherman Act in 1890, Congress did not mean to disregard the then accepted

conception of the constitutional basis of the regulation of the insurance business. And the evidence is overwhelming that the inapplicability of the Sherman Act in its contemporaneous setting, to insurance transactions such as those charged by this indictment has been confirmed and not modified by congressional attitude and action in the intervening 50 years.

It is perfectly clear that a reading of the above excerpts from the opinions of the three dissenting Justices that they find that an unprecedented use has been made of the Sherman Act and such a use as the Congress never intended should be done when it enacted that act.

Next let us consider what has been done to the decisions of the Supreme Court for the past 74 years by this decision:

The business of insurance is one peculiarly subject to supervision and control. (*Hartford Accident & Indemnity Co.* v. *Nelson (N. O.) Manufacturing Co.*, 291 U. S. 352, p. 360, decided in 1934).

In 1943, gross-premiums taxes on insurance companies yielded 40 States an aggregate of $96,108,000 and the remaining 8 an estimated $26,892,000, making a total of $123,000,000, as shown by States Tax Collections in 1943, published by the Bureau of the Census.

In the instant matter 93 of the companies—appellees in the Supreme Court—maintain their home offices in New York, 18 in Pennsylvania, 16 in Connecticut, 10 in New Jersey, and the remainder in various other States, with 18 in the 6 Southeastern States of Alabama, Florida, Virginia, North Carolina, South Carolina, and Georgia.

These few facts give us some idea of the volume of business conducted by the insurance companies and the widespread scope of the ramifications of the insurance business.

Over 90 years ago the States began to regulate the insurance business. It had its inception in New Hampshire in 1851, in Massachusetts in 1852, and Rhode Island in 1855, when each established a board of insurance commissioners.

Therefore, in 1890, when the Sherman Act became law, 18 States had established independent insurance departments.

In 1868, the question of whether fire insurance is commerce was first presented to the Court in the now famous case of *Paul* v. *Virginia* (8 Wall., 75 U. S. 168). An insurance agent there attacked the validity of State regulation of fire insurance on two independent grounds, either of which, if upheld, would have sufficed to establish the invalidity of the regulation. The second ground—characterized by the agent as "conclusive"—was that fire insurance is "intercourse" and thus "commerce" under *Gibbons* v. *Ogden* (8 Wall. 171–174), and hence protected by the commerce clause of the Constitution from State regulation.

This Court, in ruling that the State regulation in question was not invalid on either of the grounds advanced, squarely held that:

Issuing a policy of insurance is not a transaction of commerce. The policies are simply contracts of indemnity against loss by fire, entered into between the corporations and the assured, for a consideration paid by the latter. These contracts are not articles of commerce. * * * They are not subjects of trade and barter. * * * They are not commodities to be shipped or forwarded from one State to another, and then put up for sale. They are like other personal contracts between parties which are completed by their signature and the transfer of the consideration. Such contracts are not interstate transactions, though the parties may be domiciled in different States. * * * They are, then, local transactions, and are governed by the local law. They do not constitute a part of the commerce between the States (p. 183).

In subsequent decisions the Supreme Court has repeatedly reexamined and uniformly reaffirmed that not only the contract—but the very business—of fire insurance is not commerce.

Eighteen hundred and ninety-five, *Hooper* v. *California* (155 U. S. 648):

The business of insurance is not commerce. The contract of insurance is not an instrumentality of commerce (p. 655).

Eighteen hundred and ninety-six, *Noble* v. *Mitchell* (164 U. S. 369):

The business of insurance is not commerce (370).

Nineteen hundred, *New York Life Insurance Co.* v. *Cravens* (178 U. S. 389):

That the business of life insurance is not interstate commerce is decided (p. 401).

Nineteen hundred and thirteen, *New York Life Insurance Co.* v. *Deer Lodge County* (231 U. S. 495):

Contracts of insurance are not commerce at all, neither State nor interstate (p. 510).

Nineteen hundred and twenty-seven, *Bothwell et al.* v. *Buckbee, Mears Co.* (275 U. S. 274):

A contract of insurance, although made with a corporation having its office in a State other than that in which the insurance is located, is not interstate commerce (pp. 276–277).

Nineteen hundred and thirty-five, *Colgate* v. *Harvey* (296 U. S. 404):

The business of insurance has grown to vast proportions * * *. But insurance is not commerce (p. 432).

The following are additional decisions in which the Court has ruled in accord with Paul against Virginia, that insurance is not commerce:

Ducat v. *Chicago* (77 U. S. 410); *Liverpool Insurance Co.* v. *Massachusetts* (77 U. S. 566); *Philadelphia Fire Association* v. *New York* (119 U. S. 110); *Nutting* v. *Massachusetts* (183 U. S. 553); *Northwestern Mutual Life Insurance Co.* v. *Wisconsin* (274 U. S. 132).

In *New York Life Insurance Co.* v. *Deer Lodge County* (231 U. S. 495), in particular, the Court expressly held that insurance is not commerce. The Lottery case, strongly relied upon by the Government here, was held by the Court not to be applicable.

It was urged in the Deer Lodge case that insurance is commerce because of the mode in which the business is conducted in modern times, involving the execution of contracts between people of different States, the transmission of premiums and messages across State lines, and the use of the mails. The size and magnitude of the transactions involved was stressed.

The Supreme Court, in rejecting these arguments, ruled:

A policy of insurance, the cases declare, is a personal contract, a mere indemnity, for a consideration, against the happening of some contingent event, which may bring detriment to the life or property, and its character is the same no matter what the event insured against. * * * Nor does the character of the contracts change by their numbers or the residence of the parties. * * * To accomplish the purpose there is necessarily a great and frequent use of the mails, and this is elaborately dwelt on * * * it being contended that this and the transmission of premiums and the amounts of the policies constitute a "current of commerce among the States." This use of the mails is necessary, it may be, to the centralization of the control and supervision of the details of the business; it is not essential to its character (pp. 508, 509).

In emphasizing that the size and magnitude of the transactions involved did not convert insurance into commerce, the Court said:

The number of transactions do not give the business any other character than magnitude (p. 509).

And, in conclusion:

It is contended that Paul against Virginia and the cases which follow it must be limited, as it is contended "the facts therein did limit them, to intrastate, not interstate, contracts," and that if they be not so limited the *Lottery Case* (188 U. S. 321), and *International Textbook Co.* v. *Pigg* (217 U. S. 91), cannot stand.

The basis of this contention necessarily is the insistence that the contracts in Paul against Virginia and the succeeding cases were intrastate contracts. But this is a false characterization of the contracts. The decision of the cases is that contracts of insurance are not commerce at all, neither State nor interstate (p. 510).

Therefore, we are forced to the inescapable conclusion that the Supreme Court, knowing that the States had begun to regulate insurance in 1851, 17 years before the opinion in Paul against Virginia, in 1868 determined to treat insurance as a matter to be regulated by the States and not by the Federal Government.

The decision of 1868 antedated the passage of the Sherman Act in 1890 by 22 years and the enactment of the Interstate Commerce Act in 1887 by 19 years, and the passage of the Clayton Act in 1914 by 46 years.

From the foregoing it is evident that the States began to regulate insurance at least 17 years before the opinion in Paul against Virginia, and 39 years before the Sherman Act became the law, and 63 years before the enactment of the Clayton Act.

It is likewise evident that Congress had accepted and approved the Supreme Court decisions that fire insurance is not commerce.

Congress has expressed its views repeatedly on this subject.

Congress has stated, and repeatedly acted on the assumption, that insurance is not commerce within the meaning of the Sherman Act.

When the Senate was debating the enactment of the Sherman Act, Senator

Turpie, of Indiana, specifically called attention to the fact that the word "commerce" did not include insurance in view of the ruling on that subject by the Supreme Court.

Said the Senator:

The Senator from Missouri, Mr. Vest, spoke the other day about the difficulty of defining the word "commerce," especially as contained in the phrase "interstate commerce." I recollect one judicial decision upon this subject very definitely. The Supreme Court has decided that insurance is not commerce. (21 CONGRESSIONAL RECORD, 2556.)

Congress nevertheless passed the Sherman Act in 1890 without attempting, by definition or otherwise, to include insurance therein.

Congress, subsequent to the Deer Lodge and German Alliance cases, discussed supra, reviewed its antitrust legislation, and in 1914, enacted the Clayton Act.

Congress later, in 1937, specifically amended section 1 of the Sherman Act.

Neither at the time of the enactment of the Clayton Act, nor of the amendment of section 1 of the Sherman Act, did Congress attempt to bring fire insurance within the purview of antitrust legislation. This can only be construed as:

(a) Acquiescence by Congress in the proposition that fire insurance is not commerce and is not within the purview of the Sherman Act, and

(b) The expression by Congress of an intent that fire insurance remain free of the prohibitions of that act.

See *Manhattan Properties, Inc.*, v. *Irving Trust Co.* (291 U. S. 320, 336 (1934)).

Indeed, in 1920, on the one occasion that Congress was induced to pass on the question of whether a phase of insurance was subject to the anti-trust laws, Congress declared that it was not.

Congressional recognition that insurance is not commerce is further found in the long history of attempts to obtain congressional regulation of insurance. Congress has consistently refused to regulate insurance, and has expressed the belief that it lacks the constitutional power so to legislate. The following is a brief summary of certain of this congressional history:

As early as 1866, a bill was introduced in the House providing for the creation of a national bureau of insurance as a subordinate part of the Treasury Department. This bill was not passed.

On several occasions in the more than 50 years since the enactment of the Sherman Act, further bills were introduced in Congress designed to regulate insurance. Those bills also failed of passage.

In 1892, a bill was introduced in the House to create the office of Commissioner of Insurance. That bill was never reported out of committee.

In 1897, a bill was introduced in the Senate to declare that insurance companies operating outside of the States of their incorporation were to be deemed engaged in interstate commerce. That bill was never reported out of committee.

In 1900, the House, in a bill for regulating fire insurance in the District of Columbia, adopted a clause prohibiting combinations fixing premium rates; but the bill was never approved by the Senate. It is material to point out that in legislating for the District of Columbia, Congress is not restricted by constitutional limitations on its power to regulate commerce, and has enacted regulations for the conduct of the business of fire insurance in the District restraining rather than encouraging competition as, for example, antirebate and antidiscriminatory laws.

President Theodore Roosevelt, in his message to Congress in December 1904 suggested that careful consideration be given to whether the constitutional powers of Congress with respect to commerce extended to transactions in insurance.

Shortly thereafter, a bill was introduced in the Senate by Senator Dryden, in February 1905, to establish a Bureau of Insurance in the then recently created Department of Commerce and Labor. The bill died in committee.

Again in 1905, President Theodore Roosevelt, in his message to Congress, dealt with the question of regulating interstate insurance transactions. Consideration of this portion of his message was referred to the Committee on the Judiciary of the House. The report of the Judiciary Committee stated:

The question as to the power of Congress to regulate and control insurance corporations created by the States has been squarely and fully presented to the Supreme Court of the United States, and the Court has many times held that insurance is not commerce, and that Congress has no power to regulate insurance corporations or their business. The views of the Supreme Court have practically met the approval of the bar and businessmen of the United States as being in accordance with law and common sense (p. 14).

* * * * *

If there was any doubt upon the subject, it has been dispelled by the argument made for Federal control. All at once it is voiced throughout the Nation that a way out of the difficulty has been discovered, and the happy thought is suggested that Congress can declare insurance to be commerce; and that on account of the great interests involved the Supreme Court will reverse itself and the law of the Nation and hold the legislation constitutional. The suggestion is not very complimentary to the Supreme Court that, on account of great interests involved, the tribunal would reverse its decisions for a century, absolutely wipe out and destroy the police powers of the States that have so many times been upheld by that Court (p. 18).

* * * * *

The Supreme Court has always held that the police power is a power originally and always belonging to the States, not surrendered by them to the General Government nor restrained by the Constitution, and essentially exclusive. That which belongs to commerce is within the jurisdiction of the United States, but that which does not belong to commerce is within the jurisdiction of the police power of the State, and Congress cannot impair that power (p. 19).

In answer to the foregoing resolution of inquiry the committee is of the opinion:

First. That the commerce clause of the Constitution does not confer upon Congress the power to regulate or control the business of insurance.

Second. That the Constitution does not confer upon Congress the power to regulate or control State corporations operating within the States, except so far as they may be engaged in interstate commerce (p. 25).

In 1914 and 1915, resolutions were introduced in both the House and the Senate proposing an amendment to the Constitution to the effect that "the Congress shall have the power to regulate the business or commerce of insurance throughout the United States and its Territories and possessions." The resolutions were submitted to the Committees on the Judiciary of both the House and the Senate. No report was made on the resolutions by either committee.

In 1933, Senator Robinson, of Indiana, introduced a resolution to "regulate the business or commerce of insurance throughout the United States and all territories subject to the jurisdiction thereof." That resolution died in committee.

From this congressional history it is evident that Congress never thought that the Sherman Act was applicable to the business of fire insurance. Congress rather has been of the opinion that the conduct of that business is not commerce, and has clearly shown its belief that it lacks constitutional power to regulate it as commerce.

As a sidelight upon consideration in Congress of regulatory statutes relating to insurance, it is to be noted that the 1940 platforms of both the Democratic and Republican Parties contained planks upholding State—as distinguished from Federal—regulation of insurance.

References:

First. Act of August 17, 1937, chapter 690, title VIII, Fiftieth Statutes, page 693.

Second. Act of June 5, 1920, chapter 250, 29, Forty-first Statutes, page 1000.

Third. H. R. 738, Thirty-ninth Congress, first session, June 29, 1866.

Fourth. H. R. 9629, Fifty-second Congress, first session.

Fifth. Senate bill 2736, Fifty-fifth Congress, second session.

Sixth. H. R. 9283, thirty-third CONGRESSIONAL RECORD, pages 3641, 3655, 3667.

Seventh. District of Columbia Code, 1940, sections 35–1333, 35–1334.

Eighth. Senate bill 7277, Fifty-eighth Congress, third session.

Ninth. H. R. 2491, Fifty-ninth Congress, first session, March 23, 1906.

Tenth. Senate Joint Resolution 103, Sixty-third Congress, second session; House Joint Resolution 194, Sixty-third Congress, second session; Senate Joint Resolution 58, Sixty-fourth Congress, first session.

Eleventh. Senate Joint Resolution 51, Seventy-third Congress, first session.

Twelfth. The Democratic platform contained the provision:

We favor strict supervision of all forms of the insurance business by the several States for the protection of policyholders and the public.

The Republican platform contained the provision:

We condemn the New Deal attempts to destroy the confidence of our people in private insurance institutions. We favor a continuance of regulation of insurance by the several States.

Therefore, in view of the foregoing record of the Congress with respect to the subject of insurance, first with reference to its views on the Sherman Act; next, its views in opposing any Federal legislation; and the reports of the Senate and House Judiciary Committees it is apparent that while Congress considered specific legislation directed toward the insurance business, yet it refrained from taking any action and in this manner acquiesced willingly in the decisions of the Supreme Court that fire insurance is not commerce.

We now come to the crux of the whole matter. Who shall legislate in the regulation of commerce, Congress or the Supreme Court?

The Constitution expressly provides that the Congress shall do so and a long series of laws attest that fact.

Now the Supreme Court has held that the Sherman Act encompasses that which Congress has refused to regulate by specific laws, and by its own record proves that it never intended that the Sherman Act should regulate the business of insurance.

Can this be other than judicial legislation on the part of the Supreme Court?

And by this opinion has it not forced the Congress to declare its policy and the States to defend their right to regulate the business of insurance?

As emphasized in *Kirschbaum Co.* v. *Walling* (316 U. S. 517):

> The history of congressional legislation regulating not only interstate commerce as such but also activities intertwined with it, justifies the generalization that, when the Federal Government takes over such local radiations in the vast network of our national economic enterprise and thereby radically readjusts the balance of State and National authority, those charged with the duty of legislating are reasonably explicit and do not entrust its attainment to that retrospective expansion of meaning which properly deserves the stigma of judicial legislation (p. 522).

The indictment in the instant case is the first effort by the Government to apply the Sherman Act to insurance since the act became law in 1890. The failure to do this for a period of over 50 years points unerringly to the fact that the Congress, the Department of Justice, and the courts have uniformly viewed the Sherman Act as not applying to the business of insurance but now, after a lapse of a half century the Supreme Court decides that it does.

In this connection the words of Mr. Justice Roberts in *United States* v. *Cooper Corporation et al.* (312 U. S. 600), pages 613–614 come with striking force when he states in speaking of the significance of the failure to take administrative action:

> And throughout the life of the legislation able and vigilant officials devoted to enforcement of the policy of the Sherman Act have not been wanting. In these circumstances the conviction that no right to sue has been given the Government rather than a supine neglect to resort to an available remedy, seems to us the true explanation of the fact that no such actions have been instituted by the United States.

Now, Mr. Chairman, we come to the States, and the situation in which they find themselves as a result of this revolutionary decision. Relying on the attitude of Congress that fire insurance was not interstate commerce, accepting the long line of unbroken decisions of the Supreme Court to the same effect, and depending on the inaction of the Department of Justice, the States proceeded to regulate insurance in their own manner. This involves detailed systems for regulating that business. Present day State regulation follows a definite plan of curtailing competition and seeks uniform rates in direct contrast to the unrestricted competitive demands of the Sherman Act.

State regulation and the Sherman Act are diametrically opposed to each other.

The Supreme Court has recognized the fact that the States curtailed competition and has approved of it, see the opinion of Mr. Justice Frankfurther in *Osborn et al.* v. *Ozlin et al.* (310 U. S. 53) at page 65, wherein he states:

> Government has always had a special relation to insurance. The ways of safeguarding against the untoward manifestations of nature and other vicissitudes of life have long been withdrawn from the benefits and caprices of free competition.

It is my understanding that every State has its own insurance department with laws and regulations, that every State requires a license as a prerequisite to engaging in the fire-insurance business, and that every State reserves the right to revoke or refuse any license granted by it.

In the promotion of the general program of curtailing competition, the States have established uniform fire-insurance policies, so that today 31 States prescribe standard forms of policies that must be used.

Congress in enacting legislation on this subject for the District of Columbia have evidenced complete agreement with the States in their efforts to curtail competition, eliminate discrimination and establish uniformity in premiums.

Now, as a result of this decision, the insurance companies are caught between conflicting powers of the State and Federal Government. If they conduct their business in a manner clearly lawful under the Sherman Act they will be faced with revocation of their licenses to do business in many States. On the other hand, if they comply with the State laws, they will be faced with the criminal penalties of the Sherman Act.

In a letter dated October 6, 1943, in the joint hearings before the subcommittees of the Committee on the Judiciary, Seventy-eighth Congress, first session, the insurance commissioner of the State of New Jersey has clearly stated the issue:

> If the Court should now decide that insurance is commerce or interstate trade an extremely serious situation would at once arise as the business would then be subject to the Sherman and Clayton Acts with which many of the regulatory laws of the several States, including New Jersey are in direct conflict. This would create a most deplorable situation, causing a serious disruption in the orderly conduct of this business which is of such vital interest.

Likewise, the State of Vermont, speaking through its commissioner of banking and insurance, has pointed out:

> The chaotic condition that will exist should insurance be deemed subject to the Federal antitrust laws.

Wisconsin, also speaking through its commissioner of insurance, has expressed the same views:

> To my mind, it would be anomalous in the extreme if insurance companies were compelled to follow the mandate of State statutes which call for membership in rating bureaus and combined action in the promulgation of forms and other necessary adjuncts of the business of underwriting, and yet be subject to the charge of combining and confederating under Federal antitrust laws by reason of their group observation of State statutes. Nothing short of chaos would result in the business were such a condition to obtain.

In its brief filed in the Supreme Court the Government specifically discussed 21 States, listing:

First. Five whose laws, according to the Government, clearly would be nullified if the Sherman Act be applied to fire insurance.

Second. Eleven more whose laws thus might be nullified; and

Third. Five others whose laws might be sustained.

It seems to me that the present situation is accurately depicted in the language of Mr. Justice Jackson, in *Helvering* v. *Griffiths* (318 U. S. 371) at page 402, when he states:

> We are asked to make a retroactive holding that for some 7 years past a multitude of transactions have been taxable although there was no source of law from which the most cautious taxpayer could have learned of the liability. If he consulted the decisions of this Court, he learned that no such tax could be imposed; if he read the Delphic language of the act in connection with existing decisions, it too, assured him there was no intent to tax; if he followed the congressional proceedings and debates, his understanding of nontaxability would be confirmed; if he asked the tax collector himself, he was bound by the regulations of the Treasury to advise that no such liability existed. It would be a pity if taxpayers could not rely on this concurrent assurance from all three branches of the Government.

In all honesty and fairness, have not the insurance companies, their officers and agents, in the light of the decisions of the Supreme Court for the past 74 years, the legislation in Congress for the past 50 years, the policy of the States for the last 90 years, and the attitude of the Department of Justice since 1890, a right to rely upon these and to safely feel that the insurance business was one to be regulated by the States and not by the Federal Government?

And by the same token, have not the States the same right to rely on the "concurrent assurance from all three branches of Government," that they were acting within their rights in regulating fire insurance companies, even though the laws of their several States in this respect were in conflict with the Sherman law?

Let us recognize our duty and meet it by passing this bill by an overwhelming vote, thus proving to the world that one branch of the three concurrent branches of government can be relied upon to protect the interests and rights of the people, and the several States.

Mr. SUMNERS of Texas. Mr. Chairman, a conference report is ready for con-

sideration. I move that the Committee do now rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SPARKMAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 3270, to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States and that the acts of July 2, 1890, and October 15, 1914, as amended, be not applicable to that business, had come to no resolution thereon.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carroll, one of its clerks, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H. R. 340. An act to authorize the Legislature of the Territory of Alaska to grant and convey certain lands to the city of Sitka, Alaska, for street purposes;

H. R. 905. An act to release all the right, title, and interest of the United States in certain land constituting a portion of the tract of land conditionally granted to the county of Los Angeles, State of California, under the act of March 24, 1933, as amended;

H. R. 1046. An act for the relief of David B. Turpel;

H. R. 1497. An act for the relief of J. T. Taulbee, deceased, and Mrs. Bertie Lelia Parker;

H. R. 1668. An act for the relief of Lessie C. Selman;

H. R. 1675. An act to amend section 9 of the Pay Readjustment Act of 1942 (Public Law 607) by providing for the computation of double-time credits awarded between 1898 and 1912 in determining retired pay;

H. R. 1682. An act for the relief of Edwin H. Taylor, Jr.;

H. R. 2151. An act for the relief of Elizabeth Powers Long;

H. R. 2283. An act for the relief of Donald J. Munson;

H. R. 2333. An act for the relief of Mrs. Samuel M. McLaughlin;

H. R. 2405. An act for the relief of Clarence P. Hale, Jr.;

H. R. 2469. An act for the relief of Anna Charack;

H. R. 2511. An act for the relief of P. Audley Whaley;

H. R. 2530. An act for the relief of John M. O'Connell;

H. R. 2605. An act for the relief of Charles W. Kirby;

H. R. 2769. An act for the relief of Mrs. Lillian W. Timmerman, mother of Ann Timmerman, a minor, deceased;

H. R. 2788. An act for the relief of Frank Baptiste;

H. R. 2916. An act for the relief of Mrs. Winnie Singleton, as administratrix of the estate of Gaylord W. Singleton, deceased;

H. R. 2965. An act for the relief of Ross Engineering Co.;

H. R. 3098. An act for the relief of Dr. H. H. Smith;

H. R. 3137. An act for the relief of Ruth L. Clapp;

H. R. 3280. An act for the relief of William Dyer;

H. R. 3281. An act for the relief of the estate of Nelson Hawkins;

H. R. 3301. An act for the relief of the legal guardian of Edward Polak, a minor;

H. R. 3306. An act to authorize the conveyance of Harrison Park in the city of Vincennes to Vincennes University;

H. R. 3324. An act for the relief of the Postal Telegraph-Cable Co.;

H. R. 3481. An act for the relief of J. William Ingram;

H. R. 3524. An act to provide for the establishment of the Harpers Ferry National Monument;

H. R. 3539. An act for the relief of the estate of Carlos Pérez Avilés;

H. R. 3586. An act for the relief of Mrs. John Andrew Godwin;

H. R. 3596. An act conferring jurisdiction upon the Court of Claims of the United States to consider and render judgment on the claim of the Zephyr Aircraft Corporation against the United States;

H. R. 3604. An act authorizing the appointment of the Chief of Chaplains to the temporary rank of major general, and for other purposes;

H. R. 3636. An act for the relief of Josephine Guidoni;

H. R. 3649. An act for the relief of Mae Ekvall;

H. R. 3654. An act for the relief of Byron Ennis;

H. R. 3674. An act for the relief of William E. Widby;

H. R. 3724. An act for the relief of Mr. and Mrs. Howard C. Bantin;

H. R. 3737. An act for the relief of M. H. Harris;

H. R. 3739. An act for the relief of the Wesix Electric Heater Co.;

H. R. 3859. An act for the relief of E. Bird Giles and Sherman Beck;

H. R. 3870. An act to amend section 214 of the act of February 28, 1925;

H. R. 3976. An act for the relief of Charles L. Kee.

H. R. 3977. An act for the relief of Harry Schultz;

H. R. 4041. An act to amend the act relating to the construction and maintenance of a bridge across the Missouri River at or near Nebraska City, Nebr.;

H. R. 4074. An act for the relief of the estate of William Sandlass;

H. R. 4102. An act to extend for 1 additional year the reduced rate of interest on Land Bank Commissioner loans;

H. R. 4197. An act for the relief of Mr. and Mrs. John Cushman;

H. R. 4348. An act to amend the act approved August 18, 1942, entitled "An act to facilitate the disposition of prizes captured by the United States during the present war, and for other purposes";

H. R. 4361. An act for the relief of Arch A. Brown;

H. R. 4458. An act for the relief of J. G. Power and L. D. Power;

H. R. 4517. An act to remove restrictions on establishing post-office branches and stations;

H. R. 4528. An act for the relief of L. M. Feller Co. and Wendell C. Graus;

H. R. 4623. An act to authorize the use of space in the old post-office building in Portland, Oreg., by the State of Oregon for its use as a museum for relics from the battleship *Oregon*, together with all other historical documents, objects, and relics of Oregon and the Old Oregon Country held by the State for public display;

H. R. 4687. An act relating to issuance of postal notes;

H. R. 4707. An act for the relief of J. Fletcher Lankton and John N. Ziegele;

H. R. 4728. An act to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended;

H. R. 4733. An act to amend section 514 of the Soldiers' and Sailors' Relief Act;

H. R. 4825. An act to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Des Moines, Iowa, September 10 to 14, inclusive, 1944;

H. R. 4881. An act to amend the Internal Revenue Code, the Narcotic Drugs Import and Export Act, as amended, and the Tariff Act of 1930, as amended, to classify a new synthetic drug, and for other purposes;

H. J. Res. 227. Joint resolution extending the period for the acquisition by the Railroad Retirement Board of data needed in carrying out the provisions of the Railroad Retirement Acts; and

H. J. Res. 241. Joint resolution requesting the President to urge upon the governments of those countries where the cultivation of the poppy plant exists, the necessity of immediately limiting the production of opium to the amount required for strictly medicinal and scientific purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4443) entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4899) entitled "An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 14 and 19 to the foregoing bill.

The message also announced that the Acting President pro tempore has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following department and agency:

1. Department of Agriculture.
2. Reconstruction Finance Corporation.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1945

Mr. TARVER submitted the following conference report and statement on the bill (H. R. 4443) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate numbered 60 to the bill (H. R. 4443) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows:

Restore the matter proposed to be stricken out by such amendment, amended to read as follows: ": *Provided further*, That no part of any funds available to the Department of Agriculture, the War Food Administration, or any bureau, office, corporation, or other

agency constituting a part of such Department or Administration shall be used in the fiscal year 1945 for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of section 6 of the Act of July 11, 1919 (18 U. S. C. 201), to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels: *Provided further*, That none of the funds appropriated in this Act for the War Food Administration or any of its constituent agencies shall be paid out for the salary, per diem allowance, or expenses of any person after it is determined by the War Food Administrator that such person has, personally or by letter, demanded that a farmer join the triple A program as a condition of draft deferment or for the granting of a priority certificate for any rationed article or commodity. Hearings on charges filed with the War Food Administrator shall be held and decision made within thirty days after such charges are filed with him"; and the Senate agree to the same.

M. C. TARVER,
CLARENCE CANNON,
HARRY R. SHEPPARD,
ELMER H. WENE,
W. P. LAMBERTSON,
JOHN TABER,
Managers on the part of the House.

RICHARD B. RUSSELL,
J. H. BANKHEAD,
M. E. TYDINGS,
E. D. SMITH,
ARTHUR CAPPER,
WALLACE H. WHITE, Jr.,
RUFUS C. HOLMAN,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate numbered 60 to the bill (H. R. 4443) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

The House had inserted 2 provisos, one of which prohibited the use of funds appropriated for the Department to pay the salary of any full-time employee who engages in any political or lobbying activity, and the other of which denied the use of funds to pay the salary, per diem allowance, or expenses of any person who demands that a farmer join the triple A program as a condition of draft deferment or for the granting of a priority certificate for any rationed article or commodity.

In the conference, substitute language was adopted prohibiting the use, during the fiscal year 1945, of funds available to the Department for the payment of salary or travel expenses of any person convicted of violating the so-called Hatch Act or found to have violated the provisions of the so-called anti-lobbying statute, which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

In lieu of the so-called Harness amendment, the conference agreed upon language directed against the same abuses as set forth in the orginal provision but denying the use of the funds appropriated for the War Food Administration for the salary and expenses of only such persons as are found, by the War Food Administrator, to have indulged in such abuses and directing that hearings on charges filed with the Administrator shall be held and decision made within 30 days after such charges are filed with him.

M. C. TARVER,
CLARENCE CANNON,
HARRY R. SHEPPARD,
ELMER H. WENE,
W. P. LAMBERTSON,
JOHN TABER,
Managers on the part of the House.

Mr. TARVER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report just filed on the Department of Agriculture appropriation bill and its immediate consideration, and in that connection I also ask that the statement of the managers on the part of the House be read in lieu of the full report.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. TARVER]?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

Mr. TARVER. Mr. Speaker, since the actions in the House and Senate in connection with the first conference report on the Agricultural appropriation bill, there has been left in disagreement only amendment numbered 60, the so-called political activities amendment. Subsequent to the last conference, the gentleman from Vermont [Mr. PLUMLEY] has resigned as a member of the House conferees on account of being detained on official business which prevented his attendance upon the further conference of the House and Senate conferees.

The gentleman from New York [Mr. TABER], the ranking minority member of the Committee on Appropriations, was appointed by the Speaker as conferee in lieu of the gentleman from Vermont [Mr. PLUMLEY].

The conferees today have considered the matter at issue, Senate amendment numbered 60, and have unanimously agreed upon the substitute language which is included in the report of the managers which has just been read.

I do not think, in view of the fact that the agreement is unanimous both on the part of the House conferees and on the part of the Senate conferees, that extended discussion of the matter would perhaps be desired. Unless there is some Member who desires a further explanatory statement of the recommendations contained in the report, I would be inclined to move the previous question. However, if the gentleman from Kansas [Mr. LAMBERTSON], and the gentleman from New York [Mr. TABER] desire time, I shall be glad to yield time.

Mr. LAMBERTSON. Mr. Speaker, I do not care for any time myself, unless the gentleman from New York [Mr. TABER] does.

Mr. TABER. I do not.

Mr. TARVER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. TARVER. Mr. Speaker, this completes the action on the agricultural appropriation bill, since the Senate has already approved the conference report. I ask unanimous consent to insert in the RECORD at this point a tabular statement showing the amount carried in the bill for all purposes as it passed the House, as it passed the Senate, and as it was finally agreed upon in conference.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Department of Agriculture appropriation bill, 1945

	House bill	Senate bill	As finally passed	Conference report compared with House bill, (+) or (−)	Conference report compared with Senate bill, (+) or (−)
Total of items carried in bill exclusive of Reconstruction Finance Corporation funds and corporate funds for administrative expenses	$567,995,779	$646,946,705	$644,215,905	+$76,220,126	−$2,730,800
Direct appropriations:					
(a) Nonreimbursable	515,244,192	524,016,718	551,355,918	+36,111,726	+37,339,200
(b) For loans	20,000,000	790,000	790,000	−19,210,000	
Total, direct appropriations	535,244,192	524,806,718	552,145,918	+26,901,726	+37,339,200
Transfers from permanent appropriations		90,000,000	50,000,000	+50,000,000	−40,000,000
Reappropriations	32,751,587	32,139,987	32,069,987	−681,600	−70,000
From Reconstruction Finance Corporation funds (for loans)	15,000,000	156,710,000	107,500,000	+92,500,000	−49,210,000
Authorizations from corporate funds for administrative expenses	13,658,526	15,408,526	15,408,526	+1,750,000	
Grand total of items carried in bill, including Reconstruction Finance Corporation funds and corporate funds for administrative expenses	596,654,305	819,065,231	[1] 767,124,481	+170,470,126	−51,940,800

[1] This figure compares with total 1944 appropriations for comparable items of $1,082,462,406 and total 1945 Budget estimates for this bill of $789,919,842.

Provision for loan funds in the Department of Agriculture appropriation bill, 1945

Source and class	House bill	Senate bill	Agreed to in conference[1]	Conference report compared with House bill, (+) or (−)	Conference report compared with Senate bill, (+) or (−)
From the general fund of the Treasury:					
Direct appropriations:					
Rural electrification	$20,000,000			−$20,000,000	
Water facilities, arid and semiarid areas		$790,000	$790,000	+790,000	
Total	20,000,000	790,000	790,000	−19,210,000	
Reappropriation: Farmers' crop production and harvesting loans, Farm Credit Administration (estimated)	23,000,000	23,000,000	23,000,000		
Total, from general funds	43,000,000	23,790,000	23,790,000	−19,210,000	
From Reconstruction Finance Corporation loan authorizations:					
Rural rehabilitation		96,710,000	67,500,000	+67,500,000	−$29,210,000
Farm tenancy	15,000,000	20,000,000	15,000,000		−5,000,000
Rural electrification		40,000,000	25,000,000	+25,000,000	−15,000,000
Total, from Reconstruction Finance Corporation	15,000,000	156,710,000	107,500,000	+92,500,000	−49,210,000
Grand total, loan funds	58,000,000	180,500,000	131,290,000	+73,290,000	−49,210,000

[1] Including items still in disagreement on basis of motions to be offered by House managers.

REGULATION OF THE INSURANCE BUSINESS

Mr. SUMNERS of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 3270) to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States and that the acts of July 2, 1890, and October 15, 1914, as amended, be not applicable to that business.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 3270, with Mr. SPARKMAN in the chair.

The Clerk read the title of the bill.

Mr. SUMNERS of Texas. Mr. Chairman, in 11 minutes remaining, I am going to try to be helpful to the members of the committee whose duties have made it impossible for them to be here during the general debate.

I believe it may be stated that there are two things this debate indicates we are agreed upon. One is that the decision of the Supreme Court has left the business of insurance in a very chaotic condition. There is no machinery for Federal regulation of the insurance business. The question of the power of the States to regulate insurance and the question whether or not individuals engaged in the insurance business obedient to State law are subject to Federal prosecution, make up a part of this chaotic condition.

May I say that prior to this decision of the Supreme Court the States had unlimited and sufficient power to control the business of insurance. With reference to those insurance corporations which they created, they had, of course, the power to control their respective creatures. Nobody questions that. Insurance not being regarded as interstate commerce, they could impose such conditions as they saw fit upon foreign corporations seeking to come into those States to do business.

I think it is agreed that prior to this decision, since the first decision seventy-odd years ago, the Supreme Court in an unbroken line of decisions has held that insurance is not commerce. So the business of insurance is involved and the power of the State is involved, and involved by a decision of four members of the Supreme Court, whose decision was challenged by three members of that Court.

A good deal has been said here on the floor of the House with reference to the necessity of an examination to determine what is to be done about the matter. There seems to be a general agreement that that will have to be done. Pending the putting of that machinery into operation to complete this investigation and report, the Committee on the Judiciary has brought out a bill which, in the judgment, at least of a considerable majority of that committee, does as much as the committee can do and as much as the Congress can do to hold the matter where it was before this decision was rendered. Until it can be determined, what is to be done in this disturbing situation created by the decision?

May I make an observation with reference to what I think is the most important thing involved in this whole controversy? The insurance companies can go. Your interest and my interest can disappear. But in my judgment this decision of the Supreme Court strikes at the heart of State sovereignty. The States were doing this job. They were recognized as having complete power and complete responsibility. Taking power from the States and responsibility from the States is what is destroying them. Putting that power upon the Federal Government is what is making it a great Federal bureaucracy. It can discharge this governmental overload only as a bureaucracy. If we propose to maintain democratic government in this country, we people who have been blowing about a democracy are going to have to meet this issue and begin to do it now. I do not propose to yield to the Supreme Court any power to destroy the greatest democracy that God Almighty has ever created on this earth.

At the very time when every student of American Government must recognize, if he has any sense, that we must choose between decentralizing governmental power and having government by a great Federal bureaucracy, the Supreme Court in behalf of the Federal Government lays its hand on this great business concerning which the States have demonstrated an ability to control.

Say what you please, that is the issue that is involved, and in my judgment it is as great as anything we have before us.

Of course, the States are not doing this job perfectly, but I venture to say that the States, considering the difficulties of this job, have made as much progress as this great big Uncle Sam has been making in handling its business. If the fact that governmental responsibility being handled by a governmental agency is not being perfectly done is the test, we would be cleaned out up here pretty clean. The fact that the States, if they have the power, have not yet done the job perfectly is no proof, no argument, that power ought to be taken away from them, but it is a conclusive argument why that power should stay with them until they can develop the ability and the capacity to do that job well, so that they will be able to do well the bigger job before us tomorrow if we are to preserve democratic government in this country.

There is absolutely no sense in the argument made that the States cannot do the job. If a kid falls down and cannot walk as good as his daddy, is that proof that his daddy ought to tote him the rest of his life? How do people learn to do things except by doing them? How are these States ever going to learn that job unless we keep them on the job?

I am talking horse sense. Everybody who examines life knows it. Everybody knows that the difficulties which some people have been pointing their fingers at as a reason why the sovereignty of the States should be stricken are the reason why we ought to keep them there. God Almighty in His great plans has provided difficulties to develop people, and now it is proposed to take them away.

The fact is that the Supreme Court—and we have helped, too—has been stretching and stretching these provisions of the Constitution like the interstate commerce clause and the equal-protection clause, stretching them and stretching them in order to increase Federal power until they have been stretched absolutely beyond where common sense and common honesty indicate

that language can be stretched. I am speaking the truth about it.

I am respectful of the courts, but it is time the judiciary begins to get back on its own side of the fence. It is not there to fix the public policy. This stretching of constitutional provisions, failing to hold the Federal Government within proper legislative bounds and governmental bounds—and that is us also—this stretching and stretching these provisions until they break, and then breaking through the barrier of precedents, established through 70 years, is sort of like a football team getting beyond all interference and running wild in an open field to any goal to which inclination may give direction.

God Almighty has imposed some natural laws that govern the business of judging. You can see those laws operate out on a football field as well as you can see them here. The business of judging is to know the rules of the game and to call them as they see them. That is judicial qualification, that is judical integrity. We have got to get on our jobs and attend to our part of the business. The judges of this country have to be governed by the rules that govern the business of judging. God Almighty has fixed those rules. They operate on the football field and they operate all the way up. Fixing policy is not the business of judges. Whenever anybody begins to shade his decision in order to throw the game where he wants it to go—well, you just go out on a football field and see what you think of the fellow that does it.

It is about time some spades were called spades in this country. The time has come when the Congress of the United States has to assume its responsibility as the spokesman of a sovereign people. We would be doing a great thing in America if in behalf of the people who sent us here we should determine that we are going to preserve the States of this country as the agents of general government. We have to do it. We used to talk about it as a matter of theory, but we are right up against it now. It is not a theory now. There is no more chance to preserve democratic government in this great country that lies between these two oceans unless we send back to the States the governmental power within their capacity, and strip this Federal Government down to Federal business. Then you will have sovereign States and statesmen of responsibility.

The CHAIRMAN. The time of the gentleman from Texas has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That nothing contained in the act of July 2, 1890, as amended, known as the Sherman Act, or the act of October 15, 1914, as amended, known as the Clayton Act, shall be construed to apply to the business of insurance or to acts in the conduct of that business or in any wise to impair the regulation of that business by the several States.

Mr. CELLER. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. CELLER moves that the Committee do now rise and report H. R. 3270 back to the House with the recommendation that the enacting clause be stricken therefrom.

Mr. CELLER. Mr. Chairman, there has been repeated all afternoon the statement that the Supreme Court decision interferes with the right of the States to regulate insurance companies. I humbly state that that is not a fact. That decision will not have that effect whatsoever.

In answer to those who raise a sort of a duststorm and allege the conflict between State regulation and the Sherman Act, I quote a brief statement from a recent book by John Temple Graves, of Birmingham, Ala., a well-known southern editor and an advocate of States' rights. He says very significantly:

> But what some southerners, like some Americans, overlook is that "States' rights," "local self-government," and "American individualism" are terms often profaned. As often as are those other terms—"free enterprise," "the right to work," and "freedom of the press." They are enemies, not friends, to States' rights who mean only the right of the strong against the weak, the backward-looking against the forward-looking, the chain-gang step of prejudice against the march of time. They are enemies, not friends, to the free way who cry "down with Federal bureaucracy" when all they mean is "up with the right of a few to kill liberty for all," "up with the right of the unsocial to destroy our free society."

In other words, I am under the firm conviction that the advocates of this bill willingly or unwillingly, are for the strong against the weak, and for throttling free competition as against lawful conduct are for the stand-and-deliver methods of these insurance companies as against decency and honor.

I say again there is not the slightest intention on the part of myself and others who are like-minded, to interfere with State regulations. I want the States to regulate, and I want that right to be untrammeled in every respect. But what are these State insurance companies doing? They divide the country arbitrarily into so-called underwriters' associations, and they set the boundaries of these sections of the country. An over-all underwriters' association sets up who shall or shall not be members of the sectional underwriters' association. Each association controls the State member companies, who voluntarily come in. But over and beyond that these underwriters' associations seek to control the destinies of the companies who do not want to come in, as for example, many of the great mutual companies and the fraternal associations who do not want to subject themselves to the restrictions of these insurance underwriters. Each underwriters' association exercises most effective control, without let, without hindrance, and without having any interference whatsoever, on the part of the State because the States are hopeless and helpless in the matter of rates, reinsurance, risks, employment of agents, State legislative lobbies, and the economic sanctions and punishments like separation. Now what is "separation"? We heard little of this this afternoon. I will tell you what "separation" means. Not all stock companies belong to the combinations under investigation; that is, under the investigation of the Federal Department of Justice. The independents are usually termed "nonboard" companies and are discriminated against by the organized companies. The chief instrumentation of discrimination is the enforcement of the so-called separation rule. This means, in effect, that an agent for organized companies is not permitted to represent nonboard companies as well, and that if he persists, the organized companies will withdraw from his agency. Since nonboard companies usually charge lower rates and allow larger commissions, separation is an effective means of meeting their competition and of policing the observance of agents of the controlled rate and commission structure.

It is high time that the insurance companies clean house. Even if we pass this bill, it is not the end. It will only be the beginning of a long agitation to bring about Federal control. Passage of the bill will have an effect opposite to the intention and purposes of its sponsors.

Why?

It means we put our seal of approval upon monopoly. Monopolies will bring righteous public indignation which, in turn, will force Federal control.

The wise procedure would be to bring in some constructive measure that would insure the integrity of State control but at the same time permit the Federal Government to ferret out wrongful and evil interstate combinations, monopolies and bad practices.

I should even go so far as to permit companies to come together and confer and arrange for rates but all companies should be permitted entrance to such a conference—large and small, mutual and nonmutual—all should be permitted to participate in a rate conference. No company shall be excluded. Rates must bear a sensible and fair relation to risks. There must be no boycott, no coercions, no economic sanctions. There must be open competition.

The Attorney General in his brief presented to the Court—pages 109 and 110—very properly says, as follows:

> In the first place, a cooperative statistical venture truly designed to accomplish only the purpose of providing a scientific basis for the rate structure would not be an unreasonable restraint of trade. Secondly, and even more important, the rating bureau system which is sought to be defended through the appeal to science is not engaged in the function of ascertaining the statistical probability of loss.
>
> (a) There is, of course, a large area in which insurance companies may cooperate on matters of joint interest * * * (like) joint action for more adequate supervision of risks, the study of hazards and reduction of incendiarism. The Government does not take issue with any such forms of cooperation. Nor is there any prohibition in the Sherman act against the exchange of experience by companies and their cooperation in the classification and evaluation of this experience and the compilation of statistical

data therefrom. (Cf. *Maple Flooring Assn. v. United States*, 268 U. S. 563.) It may be highly desirable for the loss experience of fire-insurance companies to be pooled and analyzed in order that the scientific basis of the industry may approach the accuracy of life insurance. A legitimate function of a joint bureau, such as the present rating bureaus, may well be the the formation of burning tables, similar to the mortality tables of life insurance, showing the probability of loss on a property with given characteristics. It may also be conceded as desirable to have such joint bureaus inspect and classify risks, both to reduce costs, and to get more uniform data for scientific rating of hazards. Classification of the risk based on such joint inspection would not mean, however, that the price charged for insuring it would necessarily be the same for all companies.

Mr. CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WALTER. Mr. Chairman, I move the previous question on the preferential motion.

The CHAIRMAN. The Chair will state that the previous question is not in order.

The question is on the motion offered by the gentleman from New York [Mr. CELLER].

The motion was rejected.

Mr. ANDERSON of New Mexico. Mr. Chairman, I offer an amendment, which I send to the desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON of New Mexico: On page 2, line 3, strike out everything after the enacting clause and insert in lieu thereof the following: "That nothing contained in the act of July 2, 1890, as amended, known as the Sherman Act, or in the act of October 15, 1914, as amended, known as the Clayton Act, shall be deemed to abridge or impair the right of any State, Territory, or possession of the United States to regulate the business of insurance with respect to licensing, discrimination, risks, rates, premiums, commissions, policies, investments, reinsurance, capital requirements, or other acts, transactions, or matters relating to the conduct of said business within said State, Territory, or possession: *Provided, however*, That nothing herein shall prevent the application of said Sherman and Clayton Acts to any contract, combination, agreement, or understanding between two or more insurance companies for making, establishing, or maintaining rates, premiums, rating methods, or commissions affecting the cost or premium of insurance where said rates, premiums, rating methods, or commissions may or are to be effective, charged, applied, promulgated, or enforced before having been filed with and expressly approved by State officials pursuant to State law."

Mr. LAFOLLETTE. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. ANDERSON of New Mexico. I yield.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. LAFOLLETTE. Mr. Chairman, does the Chair construe this amendment as an amendment in the nature of a substitute; and will the Chair construe the amendment which I have, as a correcting amendment? If this amendment is an amendment in the nature of a substitute and my amendment is a correcting amendment, should not the correcting amendment be first disposed of?

The CHAIRMAN (Mr. SPARKMAN). The Chair will state, in answer to the parliamentary inquiry propounded by the gentleman from Indiana [Mr. LAFOLLETTE], that the amendment which he proposes to offer can still be offered subsequent to the amendment which is now offered by the gentleman from New Mexico.

Mr. LAFOLLETTE. I thank the Chair.

Mr. ANDERSON of New Mexico. Mr. Chairman, these words which have just been read to you are the provisions of the bill which I introduced in March (H. R. 4444), with the exception of the lines 8 and 10, on page 2, where I have crossed out the words "or regulations". I do not want any misunderstanding about this. I do not contend that this is the last word in insurance regulation. But I say to this House that some legislation should be passed which asserts the right of the States to control the questions of risks, rates, premiums, commissions, policies, investments, reinsurance, capital requirements, and items of that nature. It is for that purpose I have insisted upon bringing this at this time to the attention of the House. If you pass H. R. 3270 as it now stands and go back home and any of your insurance friends ask you what you did to safeguard the protection of insurance by the State, you must answer them in all truth that all you did was to pass a bill which provided antitrust protection for companies now under indictment. I realize most of the Members who have spoken here today in favor of H. R. 3270 are sincerely devoted to the cause of State regulation and they are taking the only step that seems available to them to handle that problem. I think, however, it would be much better to go further and to say that the States did have a right to control risks, rates, licensing, and all the other things which the average insurance men recognize come under State regulations. I have a proviso in there that people may not like. That proviso is that if the State does not pass any rate-making regulations or if a State does not attempt to enact them, then, of course, the companies are subject to antitrust prosecution. But they are completely absolved from it if the rates are first submitted to a State authority and proved by that State authority.

That gets rid, in my opinion, of much of the objection we have heard here today. I am not trying to destroy the business of insurance. It has been my livelihood for a long time. But I am trying to say to you I think it is important at this time to recognize that the States do regulate things. That there are other things in which they are interested besides antitrust laws and we ought to put some language in there that refers to that.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield.

Mr. PLOESER. What would be done under the gentleman's amendment in the case of casualty companies where they are regulated in some States as to financial statements and as to licensing provisions and type of operation but not as to rates?

Mr. ANDERSON of New Mexico. Well, if they are not regulated by the States as to rates, then they would be subject to antitrust prosecution. But I have found very little complaint as long as those rates are publicly maintained or in some public bureau. For example, nobody can point to a single instance in which people objected to compensation rates laid down by the National Council of Compensation Insurance because, while they have been in operation there have been competitive rates from other sources also in the field and they have regulated the business of rates very well, too. What I want to say to my friend here is, I recognize, perhaps, I have taken too much time in this House in discussing this matter today, but I feel very deeply about it because I am afraid if we pass the wrong type of legislation there may be encroachment in the field of State regulation.

I have contended steadily for it. I have urged that it should be the law of this land, but as matters now stand, with the declaration that insurance is interstate commerce, unless you do pass some specific language that says this matter belongs within the States, I believe you have done the entire insurance business a great injury.

Mr. MILLER of Connecticut. Will my friend yield?

Mr. ANDERSON of New Mexico. Yes; I gladly yield to my friend from Connecticut.

Mr. MILLER of Connecticut. I use the word advisedly. Is it not your understanding that everything you want the States to do under your bill can now be done if the Federal Government does not interfere, and it will not interfere if we pass H. R. 3270?

Mr. ANDERSON of New Mexico. If the gentleman will divide that question I will agree with him. I think everything I have gotten up could be done by the States and that the Federal Government should not interfere in it, but I could not guarantee that the Federal Government would not interfere, under the ruling of the Supreme Court of the United States. I fear it might. Therefore, I have introduced the resolution which I think affirms the intent of Congress that many of these things belong within the purview of the individual States.

Mr. MILLER of Connecticut. Could the gentleman explain to me if the Federal antitrust laws apply, how can the Federal Government interfere with State regulation?

Mr. ANDERSON of New Mexico. If they do not apply they might not be able to prosecute under the antitrust laws; but what is to prevent the Securities and Exchange Commission interfering with the financial structure of a company if it wishes to do so? You explain that to me.

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I believe everybody connected with this proposed legislation has great respect for the knowledge and efforts of the gentleman from New Mexico [Mr. ANDERSON]. The gentleman stated correctly that if it were not for Federal interference, the States could take care of this job. That is correct. The gentleman is apprehensive that unless something like his bill is passed there will be some Federal interference or failure on the part of the States to do what is right. I believe it is agreed by everybody that this matter requires further examination. I believe everybody agrees with that. We are in a confused situation. What the Committee on the Judiciary has attempted to do is to bring in a very short bill to come as near as it could to seeing to it that the situation is put back as nearly as possible where it was before this unfortunate Supreme Court decision was rendered—then to see if anything further could be done.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. HOBBS. I wish to ask the distinguished chairman of the Committee on the Judiciary if, in his opinion, the bill now pending does not cover substantially the same ground as the bill offered by the distinguished gentleman from New Mexico [Mr. ANDERSON] in its concluding statement "or in anywise to impair the regulation of that business by the several States"?

Mr. ANDERSON of New Mexico. If the gentleman will yield to me, that language refers only to the operation of the antitrust laws and nothing else. It does not touch investments, policies, or forms, or anything else.

Mr. SUMNERS of Texas. Getting back to the statement I made a moment ago, there are differences of opinion among the Members of Congress as to what should be done. This short bill of a very few lines represents the judgment of a majority of the Committee on the Judiciary as to the best thing to be done in the situation, until we can make further examination and see if there is anything further that can be done.

Mr. Chairman, I ask unanimous consent that debate on this amendment now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

Mr. FERNANDEZ. Mr. Chairman, I have an amendment to the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. FERNANDEZ. I will have to object, Mr. Chairman.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FERNANDEZ. Mr. Chairman, I offer an amendment to the amendment.

The CHAIRMAN. Is this an amendment to the amendment?

Mr. FERNANDEZ. It is, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. FERNANDEZ to the amendment offered by Mr. ANDERSON of New Mexico: After the word "possession" preceding the proviso, strike out the colon, insert a comma and the following: "and nothing contained in said Sherman and Clayton Acts shall be construed to apply to the business of insurance or to acts in the conduct of that business."

Mr. HANCOCK. Mr. Chairman, I make a point of order against the amendment that it is the exact language of the resolution which the amendment offered by the gentleman from New Mexico [Mr. ANDERSON] attempts to amend. It is already in the original resolution.

Mr. FERNANDEZ. But the amendment offered by the gentleman from New Mexico [Mr. ANDERSON] is in the nature of a substitute, which strikes out the entire bill. Therefore, my amendment is in order.

The CHAIRMAN (Mr. SPARKMAN). The gentleman from New York makes a point of order against the amendment offered by the gentleman from New Mexico [Mr. FERNANDEZ], to the amendment offered by the gentleman from New Mexico, [Mr. ANDERSON]. It is true the amendment offered by the gentleman from New Mexico [Mr. FERNANDEZ], is contained verbatim in the bill H. R. 3270, but is not contained in the amendment offered by the gentleman from New Mexico [Mr. ANDERSON].

Therefore, it is in order to offer the language.

The Chair overrules the point of order.

The gentleman from New Mexico [Mr. FERNANDEZ] is recognized for 5 minutes in support of his amendment.

Mr. FERNANDEZ. Mr. Chairman, I thoroughly agree with my distinguished colleague from New Mexico that there is no reason why the House cannot get together on a bill which will clearly express what I believe the majority of this House desires with respect to the State regulation of insurance.

I say that I agree with my distinguished colleague, if the bill means what I believe he intended it to mean, and the purpose of my amendment is to make it clear that it does mean that, and that it does leave State regulation untrammeled by Federal interference.

If that was the intent, then I shall vote for his substitute. If the substitute does not carry, I shall vote for the pending bill, because, despite my respect and admiration for his logic and ability, I cannot agree with my distinguished colleague that H. R. 3270 has been so emasculated that the body of the bill does not carry out the intent expressed in the title.

The title states that this is a bill to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States. There are now no Federal statutes interfering with that control except the Sherman and Clayton Acts, which have now been held by the Supreme Court to apply to the business of insurance. The body of the bill exempts the business of insurance from the Sherman and Clayton Acts, and thereby leaves the regulation of insurance uninterfered with and in the hands of the various States, and the bill does thereby effectively carry out the intent expressed in the title thereof.

In addition to this, my distinguished colleague has overlooked the last sentence in the bill which clearly states that nothing contained in the Sherman and Clayton Acts shall be construed "in anywise to impair the regulation of that business by the several States."

Now, let us examine the substitute offered by my colleague. The proviso in that amendment in effect says that combinations, agreements, or understandings not approved by State authority are still subject to the antitrust laws. The inference is that, if they are approved, then the Sherman and Clayton Acts do not apply.

However, if you examine the whole amendment, it will be found that it does not so provide—at least not clearly—and in this respect the amendment is confusing, and, without meaning to criticize, it is somewhat misleading.

My amendment makes it clear that his substitute does leave the regulation in the hands of the States and does lift the two laws which interfere with that regulation, but permits the antitrust laws to operate for the protection of the people where there is no State regulation or State authority to pass upon or approve combinations, agreements, or understandings necessary by the very nature of the business under consideration.

The virtue of this amendment is that it tells the States—that it gives the insurance companies themselves an incentive: To seek regulation of their business at the hands of the States, and in this respect I believe it advances the very things which I believe the majority of this Congress endorses—complete regulation of the insurance business by the States.

The CHAIRMAN. All time has expired.

The question is on the amendment to the amendment.

The amendment to the amendment was rejected.

The question recurs on the amendment offered by the gentleman from New Mexico [Mr. ANDERSON].

The amendment was rejected.

Mr. LAFOLLETTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAFOLLETTE: On page 2, line 8, after the period following the word "States" insert the following: "*Provided, however*, That nothing in this act shall affect pending litigation either criminal or civil."

Mr. LAFOLLETTE. Mr. Chairman, I ask unanimous consent that I may proceed for 5 additional minutes.

Mr. GAMBLE. I object.

Mr. HANCOCK. I object.

Mr. WALTER. Mr. Chairman, I ask that the amendment may again be read for the information of the Committee.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

The Clerk again read the amendment.

The CHAIRMAN. The gentleman from Indiana is recognized for 5 minutes.

Mr. LAFOLLETTE. Mr. Chairman, I am of the opinion, based upon the language used in this act, that it is specifically designed to prevent any Federal court having jurisdiction of pending legislation once this becomes law. It was my feeling that it would have prevented the Supreme Court from passing on the question. Now that Court has ruled on the indictment, I think the language in this act will be construed to prevent the court in Georgia from trying this case. I base that upon the ruling of the Supreme Court of the United States in the case of *Hollingsworth* v. *Virginia* (3 Dallas 378, 1 L. Ed. 644), in which they held that similar language in the eleventh amendment had the effect of depriving the court of jurisdiction of cases pending before it. The eleventh amendment reads as follows:

> The judicial power of the United States shall not be construed to extend to any suit in law and equity commenced or prosecuted against one of the United States by citizens of another State or by citizens or subjects of any foreign State.

I am not alone in construing this language as meaning that it would affect pending litigation. I am of the opinion that the distinguished chairman of this committee, the gentleman from Texas [Mr. SUMNERS] is also of the same opinion. I read from page 150 of the joint hearings, as follows:

> Mr. SUMNERS. The language is almost identical with the language in the eleventh amendment to the Constitution; and the Supreme Court in that case held that the effect of it was to control the determination of the Supreme Court with reference to a pending case.

In any event, Mr. Chairman, it is not a legislative process to quash an indictment. I do not believe any of the Members who have made arguments about the law and the Constitution will say to you that it is the province of a legislative body to quash an indictment. It is the province of a court to suspend a sentence; it is even the province of the Executive to stay the execution of a sentence; but it has never been our province in the legislative branch to prevent the trial of criminals under indictment. I use the word "criminals" purely because it is a criminal case. I do not want to get into any acrimonious debate about the character of the gentlemen involved but surely this House does not at this time, even if it wants to afford the protection it say it does—and I believe in any event the passage of this bill would be premature—to go on record as saying that we want to pass legislation where there is any doubt as to whether or not it would affect pending litigation.

If I am correct in my view, this amendment should be adopted. If I am not correct in my view, if the gentleman from Texas is not correct in his view—and I believe he thinks it would affect pending litigation—what harm can be done by putting this amendment into the bill? Surely we do not want to go on record as saying that we are in favor of granting special relief from prosecution to any defendants anywhere. It is not consistent with the law; it is not consistent with our American concepts; and it is certainly contrary to all good legislative practices.

Mr. GWYNNE. Mr. Chairman, will the gentleman yield?

Mr. LAFOLLETTE. I yield.

Mr. GWYNNE. Has the gentleman read title I, section 29, of the code?

Mr. LAFOLLETTE. Yes; I am acquainted with it. And if the gentleman had read my statement previously made the gentleman would note I argued that it did not apply.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a question?

Mr. LAFOLLETTE. I yield.

Mr. DONDERO. If the pending legislation does not mean that it affects pending litigation then it means that the men in Georgia will go to jail because they obeyed the law.

Mr. LAFOLLETTE. That is the gentleman's opinion. I do not know that there is any law which says we can discriminate in favor of any defendants in a criminal case. I do not know of any law which says you can show favoritism. We should let the law take its course, I say to the gentleman from Michigan. That is my proposition. I do not believe the gentleman from Michigan himself thinks it is within the province of any legislative body to interfere with the orderly processes of the judiciary. That is my whole point.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. LAFOLLETTE. I yield.

Mr. VORYS of Ohio. Does the gentleman contend that the Supreme Court can declare the intention of Congress but that Congress cannot declare its own intention and correct it?

Mr. LAFOLLETTE. No; not at all; I am not saying that. Either the gentleman from Ohio is not paying attention to me or I am terribly stupid in not making my point clear.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HANCOCK. Mr. Chairman, I rise in opposition to the amendment and will not take more than a minute.

Section 29, title I, of the United States Code reads as follows:

> Repeal of statutes as effecting existing liabilities. The repeal of any statute shall not have the effect to release or extinguish any penalty, forfeiture, or liability incurred under such statute, unless the repealing act shall so expressly provide, and such statute shall be treated as still remaining in force for the purpose of sustaining any proper action or prosecution for the enforcement of such penalty, forfeiture, or liability.

The bill clearly refers to future transactions in my opinion, but by adopting this amendment we issue an invitation on the part of the Congress to the Department of Justice to proceed with criminal prosecutions against these gentlemen in Georgia who pursued their business under the laws of the State of Georgia and in accordance with decisions of the Supreme Court of the United States. I am not willing to make that Congressional declaration or issue that invitation to the Attorney General of the United States. If this bill is enacted into law, the pending cases ought to be nolle prossed.

Mr. CRAVENS. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield.

Mr. CRAVENS. Would it be fair in the gentleman's judgment for the Congress now to declare that it ever was its intent for people to be prosecuted under these statutes referred to and then come along and so amend it as to say: "You can go ahead and prosecute them anyway."

Mr. HANCOCK. It is all right to let the law take its course but does this Congress wish to make it more difficult for these honest men who were doing business within the law as it then existed to defend themselves, or to encourage criminal proceedings against them?

Mr. CRAVENS. I suggest that the effect of the gentleman's amendment would be as I have indicated.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that all debate on this amendment do now close.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The question was taken; and on a division (demanded by Mr. LAFOLLETTE) there were—ayes 34, noes 137.

So the amendment was rejected.

Mr. WRIGHT. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

> Amendment offered by Mr. WRIGHT: Page 2, line 1, strike out all after the enacting clause and insert the following:
>
> "1. The regulation of the rates and the business of insurance by the several States shall remain effective and lawful.
>
> "2. Nothing herein shall authorize combinations in the course of the insurance business to commit acts not required or authorized by State laws which affect or restrain interstate commerce, nor to restrict the purview of the Act of July 2, 1890 as amended, known as the Sherman Act, or the Act of October 15, 1914, as amended, known as the Clayton Act so as to exclude such combinations or acts."

Mr. WRIGHT. Mr. Chairman, I sympathize with the purpose of this legislation which we are now considering and I have a desire to support the committee bill, but in my opinion it goes too far. There are certain acts of insurance companies, illegal acts, which should be the subject of prosecution under the Sherman antitrust law and under the Clayton Act. I do not believe the making of rates is one of them.

You will notice in the first section of the amendment I have offered that the making of rates is left in the hands of the States and the right of the States to make rates and to regulate the business of insurance is affirmed. On the other

hand, even though the making of rates is the business of the States and not of the Federal Government, we have been told of certain acts of coercion and intimidation practiced by insurance companies against other insurance companies and agents which clearly fall within the historically accepted definitions of actions that are within restraint of trade. Why should not the Federal Government have the right to restrain those actions if they reach across State lines?

Mr. HANCOCK. Will the gentleman yield?

Mr. WRIGHT. I would like to yield, but I want to quote a few paragraphs from the opinion of Mr. Justice Jackson, a dissenting opinion, which in my opinion is the best law that the Court has written on this subject. He states in his dissenting opinion:

> Congress also may, without exerting its full regulatory powers over the subject, and without challenging the basis or supplanting the details of State regulation, enact prohibitions of any acts in pursuit of the insurance business which substantially affect or unduly burden or restrain interstate commerce.
>
> The antitrust laws should be construed to reach the business of insurance and those who are engaged in it only under the latter congressional power. This does not require a change in the doctrine that insurance is not commerce. The statute as thus construed would authorize prosecution of all combinations in the course of insurance business to commit acts not required or authorized by State law—

That construction, of course, will exclude Federal rate-making, which would be put under the acquiescence or approval of State law—

> such as intimidation, disparagement, or coercion, if they unreasonably restrain interstate commerce in commodities or interstate transportation. It would leave State regulation intact.

That is what I have attempted to do in my amendment.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from California.

Mr. VOORHIS of California. It seems to me that the gentleman's amendment accomplishes every legitimate purpose that the proponents of this bill contended they were trying to accomplish, but it does it without doing violence to the basic conception of the antimonopoly statutes of the country.

Mr. WRIGHT. I thank the gentleman. I share the apprehension of a majority of the committee here today that if we do not pass something now, we are going to leave the regulation of insurance in an unsettled state, in a state of doubt, but I do not believe in order to settle that doubt we should approve unlawful acts of intimidation or coercion on the part of insurance companies if such acts exist.

Mr. HANCOCK. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from New York.

Mr. HANCOCK. All the abuses that the gentleman complains of could have been taken care of by State law when the indictments were found. We have the opinion of the Attorney General of the United States for that statement.

Mr. WRIGHT. I see the gentleman's position, but I insist if insurance affects interstate commerce, it is within the Federal province, so far as the abuses are concerned, to abolish such impediments, but I am sure we should leave the rate-making power in the hands of the States.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WRIGHT].

The amendment was rejected.

Mr. VORYS of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have heard about the value of State regulation of insurance since I was a boy. That is why I was so shocked at the Supreme Court decision aimed at overthrowing State regulation, and that is why I am for this bill which remedies the action of the Supreme Court. My father was superintendent of insurance of Ohio from 1900 to 1907. During that time, the Armstrong committee made an investigation of insurance in New York State. A young lawyer won a national reputation as counsel for that investigation. His name was Charles Evans Hughes. He later became Chief Justice of the Supreme Court of the United States. My father was on the committee of State insurance officials who drafted a set of laws, based upon the results of the Armstrong investigation, to regulate insurance in the several States in the public interest. These laws were adopted in Ohio and in many other States. My father was chairman of a committee of the American Bar Association which drafted a model law for State regulation of insurance, and this proposal had a profound effect upon the insurance laws of the Nation. Due to the efforts of such men as my father, we have in this country a system of State regulation of insurance which is sufficiently uniform to avoid confusion, but which provides for local laws and regulations to meet local conditions, problems, and abuses. Under this system, the institution of insurance flourished. It is significant that insurance, the only financial institution not regulated by Federal law, went through the great depression of the thirties in better shape than any other financial institution in the country, and that the insurance companies, great and small, under State regulation, are weathering the perils of inflation in the war period.

The business of insurance, under the American agencies system, is the bulwark of private enterprise. The agent is almost always an independent businessman operating on a commission basis with his own resourcefulness and integrity, and the integrity of the company or companies he represents, as his stock in trade. The companies have the sacred trust of investing the policyholders' money wisely so as to maintain themselves in position to meet the terms of their contracts, long after the contract is made. This is the feature of the business of insurance which sets it apart from all others. It is always based upon a contract whereby the company must maintain itself in a position to carry out its contracts long after they are written and long after the policyholders have paid their money to the company. One of the problems in the regulation of insurance is to make sure that the company charges enough to remain solvent. One of the dangers affecting insurance is the company that offers too much for too little and then finds itself in a position where it cannot carry out its contracts. To meet these problems in the realm of fire insurance, Ohio and many other States require by law that companies shall belong to rating bureaus, which are closely supervised organizations of the companies themselves, to require adequate rates, to prevent discrimination, rebating, and other vicious practices. It has seemed to me that the recent decision of the Supreme Court would bring into question the validity of the action of these rating bureaus. The 75-year-old case of Paul against Virginia, which was struck down by the Supreme Court, was a case brought by a company in order to avoid the operation of State laws. With this 75-year-old bulwark of State regulation struck down, and the power of Federal regulation established, no one can tell me that State regulation will not be paralyzed. It is to prevent this dire result that this bill is needed.

For years, it has been obvious that the New Deal, having wound its tentacles of control around the financial life of the country, was seeking control of this one remaining independent financial institution, the insurance structure. The T. N. E. C. investigation was aimed in that direction, but it finally ended up by approval of our American insurance system, to the disappointment of some of its guiding spirits.

Finally, a way has been found for the Federal Government to invade this field. The President achieved the power through the Constitution and the lapse of time to pack the Supreme Court. The Attorney General brought a proceeding under the Sherman Anti-Trust Law and, although this law has been on the books for 50 years without mentioning insurance, during all of which time Paul versus Virginia has been the law of the land, four of the nine New Deal judges were persuaded to write into the antitrust law something which Congress never intended should be there. No such decision would have been thought of while Chief Justice Hughes was presiding over that once great Court.

We now have the power under the Constitution to remedy this. When we take action showing that the intent of Congress is exactly what it has been for 50 years, we are in reality not reversing a judicial decision; we are nullifying judicial legislation. The Supreme Court has power to construe the Constitution as to what is interstate commerce; it does not yet possess the power to make laws. When it attempts to exercise such power, Congress must be vigilant to nullify such judicial usurpation.

There may be States which have not taken sufficient steps to regulate the business of insurance within their borders. These States should act, and not come running to the Federal Government to protect their citizens.

In the future, we will have to face the problems created by the Court's action in opening up the field of insurance regulation to Federal supervision. Careful study may show that certain steps are needed to supplement State supervision, but we must hold fast to these principles; financial control of the companies must be kept out of the clutches of the Federal Government, and State supervision of this great private enterprise must be preserved.

The CHAIRMAN. If there are no further amendments, the Clerk will report the committee amendment.

The Clerk read as follows:

Strike out all of the preamble.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SPARKMAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 3270, to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States and that the acts of July 2, 1890, and October 15, 1914, as amended, be not applicable to tnat business, pursuant to House Resolution 422, reported the same back to the House with an amendment agreed to in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered on the bill and amendment to final passage.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

Mr. MARCANTONIO. Mr. Speaker, I ask for a reading of the engrossed bill.

The SPEAKER. The gentleman asks for a reading of the engrossed copy, which, of course, is not available.

Mr. MARTIN of Massachusetts. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MARTIN of Massachusetts. How long will it take to make the engrossed copy available?

The SPEAKER. There will not be any delay suggested by the Chair. It will probably be back before we adjourn.

Mr. CELLER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CELLER. Will it be in order at this time to offer a motion to reconsider?

The SPEAKER. It will not.

Mr. CRAVENS. Mr. Speaker, I ask unanimous consent to include a compilation of tax figures in the remarks I made in the Committee of the Whole today.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I withdraw my request for the reading of the engrossed copy of the bill.

The bill was read the third time.

Mr. LAFOLLETTE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. LAFOLLETTE. I am, Mr. Speaker.

The Clerk read, as follows:

Mr. LAFOLLETTE moves to recommit the bill H. R. 3270 to the Committee on the Judiciary for further study.

Mr. LAFOLLETTE. Mr. Speaker, on that motion I move the previous question.

The previous question was ordered.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. SUMNERS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 283, nays 54, answered "present" 1, not voting 92, as follows:

[Roll No. 106]

YEAS—283

Abernethy	Curley	Hess
Allen, Ill.	Curtis	Hill
Allen, La.	D'Alesandro	Hinshaw
Andersen, H. Carl	Davis	Hobbs
Anderson, Calif.	Day	Hoch
Andresen, August H.	Dewey	Holmes, Mass.
Andrews, Ala.	Dondero	Holmes, Wash.
Angell	Doughton	Hope
Arends	Drewry	Horan
Auchincloss	Durham	Howell
Baldwin, Md.	Dworshak	Jarman
Baldwin, N. Y.	Eaton	Jeffrey
Barrett	Elliott	Jenkins
Barry	Ellis	Jennings
Bates, Mass.	Ellison, Md.	Jensen
Beall	Ellsworth	Johnson, Ind.
Beckworth	Elston, Ohio	Johnson, J. Leroy
Bell	Engel, Mich.	Johnson, Lyndon B.
Bender	Engle, Calif.	Johnson, Okla.
Bennett, Mich.	Fellows	Johnson, Ward
Bennett, Mo.	Fenton	Jones
Bishop	Fernandez	Jonkman
Blackney	Fisher	Judd
Bland	Flannagan	Kean
Bloom	Fogarty	Keefe
Bolton	Furlong	Kefauver
Bonner	Gale	Keogh
Brehm	Gamble	Kerr
Brooks	Gathings	Kilday
Brown, Ga.	Gearhart	Kinzer
Brown, Ohio	Geriach	Kleberg
Brumbaugh	Gilchrist	Knutson
Bryson	Gillette	Kunkel
Buck	Gillie	Lanham
Buckley	Goodwin	Larcade
Buffett	Gordon	Lea
Bulwinkle	Gore	LeCompte
Burch, Va.	Gorski	LeFevre
Burgin	Gossett	Luce
Busbey	Graham	Ludlow
Camp	Grant, Ala.	McConnell
Carlson, Kans.	Grant, Ind.	McCormack
Carson, Ohio	Gregory	McCowen
Case	Griffiths	McGehee
Chapman	Gross	McGregor
Chenoweth	Gwynne	McKenzie
Church	Hall, Edwin Arthur	McMillan
Clason	Hall, Leonard W.	McWilliams
Clevenger	Halleck	Maas
Cole, Mo.	Hancock	Mahon
Cole, N. Y.	Hare	Maloney
Colmer	Harness, Ind.	Manasco
Cooley	Harris, Ark.	Mansfield, Mont.
Cooper	Harris, Va.	Martin, Iowa
Costello	Hartley	Martin, Mass.
Courtney	Hays	Mason
Cravens	Heffernan	Merrow
Crawford	Hendricks	Michener
Cunningham	Herter	Miller, Conn.
Miller, Nebr.	Robsion, Ky.	Taber
Miller, Pa.	Rockwell	Talbot
Monkiewicz	Rodgers, Pa.	Talle
Monroney	Rogers, Mass	Thomas, N. J.
Morrison, La.	Rohrbough	Thomas, Tex.
Mott	Rolph	Thomason
Mundt	Rowe	Tibbott
Murphy	Sasscer	Tolan
Murray, Tenn.	Satterfield	Towe
Murray, Wis.	Schiffler	Troutman
Newsome	Schwabe	Vincent, Ky.
Norman	Scrivner	Vorys, Ohio
Norrell	Shafer	Vursell
O'Brien, Ill.	Short	Wadsworth
O'Brien, N. Y.	Sikes	Walter
O'Hara	Simpson, Ill.	Ward
O'Konski	Simpson, Pa.	Weaver
O'Neal	Slaughter	Weichel, Ohio
Patton	Smith, Maine	Welch
Philbin	Smith, Ohio	West
Pittenger	Smith, Va.	Wheichel, Ga.
Ploeser	Smith, W. Va.	Whittington
Poulson	Smith, Wis.	Wickersham
Powers	Spackman	Wigglesworth
Price	Spence	Willey
Priest	Springer	Wilson
Ramey	Stanley	Winstead
Ramspeck	Stearns, N. H.	Winter
Rankin	Stefan	Wolcott
Rees, Kans.	Stevenson	Wolfenden, Pa.
Richards	Stigler	Wolverton, N. J.
Rivers	Stockman	Woodrum, Va.
Rizley	Sullivan	Worley
Robertson	Sumner, Ill.	Wright
Robinson, Utah	Sumners, Tex.	Zimmerman
	Sundstrom	

NAYS—54

Anderson, N. Mex.	Hull	Pfeifer
Bradley, Pa.	Izac	Poage
Burchill, N. Y.	Jackson	Rooney
Byrne	Kee	Rowan
Cannon, Mo.	Kelley	Russell
Capozzoli	King	Sabath
Celler	Kirwan	Sadowski
Clark	LaFollette	Scanlon
Cochran	Lane	Sheppard
Dawson	Lesinski	Snyder
Delaney	Lynch	Somers, N. Y.
Dingell	Madden	Tarver
Feighan	Marcantonio	Torrens
Folger	Myers	Voorhis, Calif.
Forand	Norton	Weiss
Fulmer	O'Brien, Mich.	Wene
Hart	O'Toole	White
Holifield	Outland	
	Pace	

ANSWERED "PRESENT"—1

Eberharter

NOT VOTING—92

Andrews, N. Y.	Gibson	Miller, Mo.
Arnold	Gifford	Mills
Barden	Gillespie	Morrison, N. C.
Bates, Ky.	Granger	Mruk
Boren	Green	Murdock
Boykin	Hagen	O'Connor
Bradley, Mich.	Hale	Patman
Burdick	Harless, Ariz.	Peterson, Fla.
Butler	Hébert	Peterson, Ga.
Canfield	Heidinger	Phillips
Cannon, Fla.	Hoeven	Plumley
Carrier	Hoffman	Pracht, C. Frederick
Carter	Johnson, Anton J.	Pratt, Joseph M.
Chiperfield	Johnson, Calvin D.	Rabaut
Coffee	Johnson, Luther A.	Randolph
Compton	Kearney	Reece, Tenn.
Cox	Kennedy	Reed, Ill.
Crosser	Kilburn	Reed, N. Y.
Dickstein	Klein	Sauthoff
Dies	Lambertson	Scott
Dilweg	Landis	Sheridan
Dirksen	Lemke	Starnes, Ala.
Disney	Lewis	Stewart
Douglas	McCord	Taylor
Elmer	McLean	Treadway
Fay	McMurray	Vinson, Ga.
Fish	Magnuson	Wasielewski
Fitzpatrick	Mansfield, Tex.	Whitten
Ford	May	Woodruff, Mich.
Fulbright	Merritt	
Fuller		
Gallagher		
Gavin		

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Taylor for, with Mr. Fitzpatrick against.

Mr. Reed of New York for, with Mr. Magnuson against.

Mr. Miller of Missouri for, with Mr. Dickstein against.
Mr. Calvin D. Johnson for, with Mr. McMurray against
Mr. Randolph for, with Mr. Eberharter against.
Mr. Canfield for, with Mr. Fay against.
Mr. Dilweg for, with Mr. Southoff against.
Mr. Fulbright for, with Mr. Kennedy against.
Mr. May for, with Mr. Coffee against.

General pairs:

Mr. O'Connor with Mr Douglas.
Mr. Patman with Mr. Gallagher.
Mr. Morrison of North Carolina with Mr. Chiperfield.
Mr. Stewart with Mr. Heidinger.
Mr. Peterson of Florida with Mr. Landis.
Mr. Sheridan with Mr. Lemke.
Mr. Hagen with Mr Burdick.
Mr. Klein with Mr. Elmer.
Mr. Peterson of Georgia with Mr. Dirksen.
Mr. Rabaut with Mr. Fish.
Mr. Harless of Arizona with Mr. Arnold.
Mr. Crosser with Mr. Kilburn.
Mr. Luther A. Johnson with Mr. Compton.
Mr. Vinson of Georgia with Mr. Fuller.
Mr. Whitten with Mr. Gillespie.
Mr. Mills with Mr. Joseph M. Pratt.
Mr. Gibson with Mr. Carrier.
Mr. Wasielewski with Mr. Woodruff of Michigan.
Mr. Merritt with Mr. Lewis.
Mr. Cannon of Florida with Mr. Treadway.
Mr. Bates of Kentucky with Mr. Lambertson.
Mr. Granger with Mr. Bradley of Michigan.
Mr. Murdock with Mr. Andrews of New York.
Mr. Green with Mr. Hoeven
Mr. Mansfield of Texas with Mr. Scott.
Mr. Starnes of Alabama with Mr. Reed of Illinois.
Mr. Boren with Mr. Phillips.
Mr. Hébert with Mr. Gavin.
Mr. Barden with Mr. Hale.
Mr. Cox with Mr. Gifford.
Mr. Boykin with Mr. Anton J. Johnson.
Mr. Dies with Mr. C. Frederick Pratt.
Mr. Disney with Mr. Mruk.

Mr. EBERHARTER. Mr. Speaker, I had an active pair with the gentleman from West Virginia, Mr. RANDOLPH. Had he been present he would have voted "yea." He not being present, I withdraw my vote "nay" and answer "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TRANSPORTATION OF EXPLOSIVES

Mr. LEA. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4958) to amend the Transportation of Explosives Act.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman from California explain the bill?

Mr. LEA. Mr. Speaker, this bill proposes an amendment to the Code Section with reference to the shipment of explosives on passenger trains. The present law enacted in 1909, was apparently intended primarily to apply to private shipments of explosives. It does not at all meet the requirements of the War and Navy Departments for the shipment of explosives at the present time. The object of the bill is to remove restrictions that hamper the shipment of military explosives and provide proper safeguards against improper handling or carelessness in their transportation.

The bill provides that shipments specified in this amendment shall be made only at the request of the Secretary of War, or the Secretary of the Navy; that they shall not be carried in parts of a car occupied by passengers; and that they shall be shipped under special regulations and conditions prescribed by the Interstate Commerce Commission.

The War and Navy Departments and the Office of Defense Transportation have requested this legislation.

Mr. MARTIN of Massachusetts. Is the legislation only for the period of the war?

Mr. LEA. That is all. It applies only in time of war.

Mr. MARTIN of Massachuetts. And adequate precautions will be taken for the safety of passengers?

Mr. LEA. Yes. The Interstate Commerce Commission assumes that responsibility as well as the War Department. I am proposing an amendment with reference to the exclusion of passengers from the part of the car occupied by the explosives. The amendment provides that the custodian of the explosives shall be exempted from that prohibition. Frequently the War and Navy Departments send custodians with shipments of explosives for the purpose of security and also for the purpose of preventing a revelation of secret equipment, or devices that may be under experiment for developing more effective explosives or munitions.

Mr. MARTIN of Massachusetts. The War Department has requested the legislation and the Interstate Commerce Commission has approved it?

Mr. LEA. The Office of Defense Transportation and the War Department and Navy Department have approved it. Conferences were held with representatives of the Interstate Commerce Commission in the preparation of this legislation.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 232 of the act entitled "An act to codify, revise, and amend the penal laws of the United States", approved March 4, 1909, as amended (U. S. C., 1940 ed., title 18, sec. 382), is further amended by adding at the end of the first paragraph thereof the following: "In time of war this section shall not apply to any shipment or shipments consigned by or to the military or naval forces of the United States when the transportation thereof has been requested by the Secretary of War or the Secretary of the Navy and has been authorized by the Interstate Commerce Commission under such special regulations and conditions as the Commission may prescribe; but, except as otherwise provided in this section, no explosives shall be carried in that part of a car or vehicle which is being used for the transportation of passengers for hire."

With the following committee amendment:

On page 2, line 7, strike out the words "for hire."

The committee amendment was agreed to.

Mr. LEA. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LEA: At the end of page 2, line 7, strike out the period and insert the words "other than custodians or caretakers accompanying such shipments."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STILL FURTHER MESSAGE FROM THE SENATE

A still further message from the Senate, by Mr. Gatling, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 4935. An act to provide for a study of multiple taxation of air commerce, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5040. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944, and June 30, 1945, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. OVERTON, Mr. NYE, Mr. HOLMAN, Mr. BROOKS, and Mr. GURNEY to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1432) entitled "An act to extend the Civilian Pilot Training Act of 1939."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate No. 1 to the bill (H. R. 4292) entitled "An act to amend section 12 (b) of the act of May 29, 1930, as amended."

EXEMPTING CERTAIN OFFICERS AND EMPLOYEES OF THE NATIONAL WAR LABOR BOARD FROM CERTAIN PROVISIONS OF THE CRIMINAL CODE

Mr. SMITH of Virginia, from the Committee on Rules, submitted the following privileged resolution (H. Res. 611) making in order the bill (H. R. 4349) to exempt certain officers and employees of the National War Labor Board from certain provisions of the Criminal Code, which was referred to the House Calendar and ordered to be printed:

Resolved, That, immediately upon the adoption of this resolution, it shall be in

order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of the bill (H. R. 4349) to exempt certain officers and employees of the National War Labor Board from certain provisions of the Criminal Code; that, after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule; that, at the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

EXEMPTING CERTAIN OFFICERS AND EMPLOYEES OF THE WAR DEPARTMENT FROM CERTAIN PROVISIONS OF THE CRIMINAL CODE AND REVISED STATUTES

Mr. SMITH of Virginia, from the Committee on Rules, submitted the following privileged resolution (H. Res. 612), for the consideration of H. R. 4468, a bill to exempt certain officers and employees of the War Department from certain provisions of the Criminal Code and the Revised Statutes, which was referred to the House calendar and ordered printed:

Resolved, That, immediately upon the adoption of this resolution, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4468) to exempt certain officers and employees of the War Department from certain provisions of the Criminal Code and Revised Statutes; that, after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule; that, at the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final pasage without intervening motion, except one motion to recommit.

EXEMPTING CERTAIN OFFICERS AND EMPLOYEES WITHIN THE OFFICE OF SCIENTIFIC RESEARCH AND DEVELOPMENT FROM CERTAIN PROVISIONS OF THE CRIMINAL CODE.

Mr. SMITH of Virginia, from the Committee on Rules, submitted the following privileged resolution (H. Res. 613), providing for the consideration of the bill H. R. 4446, a bill to exempt certain officers and employees within the Office of Scientific Research and Development from certain provisions of the Criminal Code, which was referred to the House Calendar and ordered printed:

Resolved, That, immediately upon the adoption of this resolution, it shall be in order to move that the House resolve itself into the Committee on the Whole House on the state of the Union for the consideration of the bill (H. R. 4446) to exempt certain officers and employees within the Office of Scientific Research and Development from certain provisions of the Criminal Code; that, after general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule; that, at the conclusion of the reading of the bill for amendment, the Committee, shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

SELECT COMMITTEE TO INVESTIGATE FARM SECURITY

Mr. SLAUGHTER, from the Committee on Rules, submitted the following privilege resolution (H. Res. 525), for printing, under the rule:

Resolved, That House Resolution 119, Seventy-eighth Congress, first session (providing for an investigation with respect to the Farm Security Administration), is amended by inserting after the second paragraph a new paragraph as follows:

"The committee is also authorized and directed to investigate the activities of the Farm Credit Administration with a view to determining what, if any, amendments to the laws administered by such Administration are necessary or desirable."

EXPORTATION OF CERTAIN COMMODITIES

Mr. THOMASON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1826) to amend section 6 of the act of July 2, 1940 (54 Stat. 714), relating to the exportation of certain commodities, and to continue said act in effect.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this legislation?

Mr. THOMASON. This is to extend for 1 more year that part of the Foreign Economic Administration Act that authorizes control of the exportation of certain commodities. That act expires on the last day of this month. The Foreign Economic Administration advises it is absolutely necessary, in order to control the exportation of certain commodities, that the act be continued for another year.

The bill has been passed by the Senate unanimously, and has been unanimously reported by the House Committee on Military Affairs.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 6 of the act of July 2, 1940 (54 Stat. 714), as amended by the act of June 30, 1942 (56 Stat. 463), is hereby amended by deleting from subsection (b) thereof the words "Board of Economic Warfare" and substituting therefor the words "Foreign Economic Administration" and by deleting from subsection (d) thereof the words "June 30, 1944" and substituting therefor the words "June 30, 1945."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SELECTIVE TRAINING AND SERVICE ACT

Mr. THOMASON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4810) to extend the provisions of the Selective Training and Service Act of 1940, as amended, to the Virgin Islands.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain what this bill does?

Mr. THOMASON. When the Selective Service and Training Act was passed it made provision for its application to the District of Columbia, Alaska, Hawaii, and Puerto Rico, but failed for some reason, probably by oversight, to include the Virgin Islands. The Governor of the Virgin Islands together with the Department of the Interior have appeared before the Military Affairs Committee stating that it is very important that they include about 2,000 able-bodied persons within the Virgin Islands. The Committee on Military Affairs has unanimously reported this bill.

Mr. MARTIN of Massachusetts. The original act has not applied to the Virgin Islands?

Mr. THOMASON. That is right.

Mr. MARTIN of Massachusetts. Have they had any part in the war effort to date?

Mr. THOMASON. Only such as has been voluntary.

Mr. MARTIN of Massachusetts. I am just wondering how the voluntary system worked out.

Mr. THOMASON. It was extended by Executive order to some extent; I do not know to just what extent. I will read briefly from the report:

Unofficial information secured by this headquarters indicates that at the present time there are some 2,000 male persons between the ages of 18 and 45 who are not United States citizens and who are residing in the Virgin Islands. Some of these persons have gone to the Islands in recent periods, but a considerable number of them have lived there for many years, owe allegiance to no other country, and under Public Law No. 640, passed on February 25, 1927, could have previously become United States citizens if they desired.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. COLE of New York. I understand the residents of Puerto Rico who are inducted in the armed forces of the United States and retained on duty in Puerto Rico are paid overseas pay. I should like to inquire if that is correct.

Mr. THOMASON. I believe the gentleman is correct, but this bill has nothing in the world to do with that.

Mr. COLE of New York. It would mean, of course, that a resident of the Virgin Islands who might be drafted into the American service and retained for military duty on his own doorstep would be paid overseas pay.

Mr. THOMASON. Frankly, I am unable to answer the gentleman's question because that is a matter that comes under the pay act.

Mr. COLE of New York. Was it ever the intention of the Committee on Military Affairs in making the allowance for overseas duty pay that such pay be given to an American national who might be recruited from an insular or Territorial possession?

Mr. THOMASON. I yield to the gentleman from Alabama, chairman of the subcommittee who handled the new pay act, to reply.

Mr. SPARKMAN. In reply to the gentleman, I think I am safe in saying it was not our intention. The way the act was worded, however, when it was finally passed made it have that effect. I may say there is a bill pending in our committee now to cure the very defect of which the gentleman speaks.

Mr. COLE of New York. I realize that.

Mr. SPARKMAN. May I say this, however. The situation with reference to the pending bill is that the Selective Training and Service Act was extended by Executive order to apply to those persons living in the Virgin Islands who are citizens of the United States. They are already in the service; but those who did not take that automatic citizenship, yet who are enjoying the benefits of living there just the same as the citizens, do not come under the Selective Service Act. The bill now pending simply extends the Selective Training and Service Act to that group.

Mr. COLE of New York. To the group of nonnationals.

Mr. SPARKMAN. The gentleman is correct.

Mr. COLE of New York. I should like to inquire with regard to the bill to which the gentleman has referred. I am not sure whether he is referring to the bill I introduced well over a year ago. I hope the committee intends to correct that situation which has cost the Government an unjustified and unwarranted amount of money.

Mr. SPARKMAN. I am sure it will receive every consideration.

Mr. HINSHAW. Mr. Speaker, reserving the right to object, if these nonnationals in the Virgin Islands, or people who are not citizens of the United States, are taken into the service do they not become entitled to American citizenship after a short time in the service even though they have already refused to accept it?

Mr. SPARKMAN. My judgment is that they would; that is my personal opinion. Certainly they would have to comply with citizenship requirements.

Mr. MARTIN of Massachusetts. How many people would be involved? Do I understand it is something like 700?

Mr. THOMASON. The official of the War Department who testified before our committee said there were approximately 2,000.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 15 (b) of the act of September 16, 1940 (54 Stat. 896; 50 U. S. C., App., sec. 315 (b)), is amended to read as follows:

"(b) The term 'United States,' when used in a geographical sense, shall be decmed to mean the several States, the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALEXANDER FIROUZ

Mr. THOMASON. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 228, authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Alexander Firouz, a citizen of Iran.

The Clerk read the title of the resolution.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the resolution?

Mr. THOMASON. I yield to the gentleman from Alabama, author of the resolution, for that purpose.

Mr. SPARKMAN. I am not the author of the resolution; it was introduced by the chairman of our committee, the gentleman from Kentucky [Mr. MAY] at the request of the State Department. This young man is a citizen of Iran. The purpose of the resolution is to permit him to receive instruction at the United States Military Academy at his own expense. It is requested by the State Department and concurred in by the War Department and the Bureau of the Budget.

Mr. MARTIN of Massachusetts. This sets no precedent; I understand we have done it in the case of other countries.

Mr. SPARKMAN. The gentleman is correct.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the resolution?

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That the Secretary of War be, and he is hereby, authorized to permit Alexander Firouz, a citizen of Iran, to receive instruction at the United States Military Academy at West Point: *Provided*, That no expense shall be caused to the United States thereby, and the said Alexander Firouz shall agree to comply with all regulations for the police and discipline of the academy, to be studious, and to give his utmost efforts to accomplish the courses in the various departments of instruction, and that he shall not be admitted to the academy until he shall have passed the mental and physical examinations prescribed for candidates from the United States, and that he shall be immediately withdrawn if deficient in studies or in conduct and so recommended by the academic board: *Provided further*, That in the case of said Alexander Firouz the provisions of sections 1320 and 1321 of the Revised Statutes shall be suspended.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 10 o'clock a. m.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING SECTION 5, PUBLIC LAW 140, SEVENTY-SEVENTH CONGRESS

Mr. THOMASON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3187) to amend section 5, Public Law 140, Seventy-seventh Congress.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what does this bill do?

Mr. SPARKMAN. Mr. Speaker, in 1941 we passed a bill providing that enlisted men of the Regular United States Army and the Philippine Scouts who had served at least 20 years and become permanently disabled by reason of such service might be retired and placed on the retired list and receive certain benefits. At that time, however, we failed, apparently through an oversight, to extend those benefits to men who had been retired under similar conditions up to that time. The pending bill brings in the earlier group.

Mr. MARTIN of Massachusetts. How many men are involved?

Mr. SPARKMAN. The War Department says that during the last fiscal year 70 people were retired. They state further that that was a rather heavy number for any one year.

Mr. MARTIN of Massachusetts. And this is requested by the War Department?

Mr. SPARKMAN. The War Department agrees to it and states that the equities are recognized.

Mr. MARTIN of Massachusetts. It comes with a unanimous report from the committee?

Mr. SPARKMAN. It does.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 5 of Public Law 140, Seventy-seventh Congress, is hereby amended by adding a colon at the end thereof and the following: "*Provided*, That this act shall apply to all former enlisted men of the Regular Army and the Philippine Scouts who have served for 20 years, or more, and who were honorably discharged therefrom for disability incurred in line of duty."

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That section 2 of Public Law 140, Seventy-seventh Congress, is hereby amended by adding a colon at the end thereof and the following: '*Provided*, That this act shall apply to all former enlisted men of the Regular Army and the Philippine Scouts who have served for 20 years or more, and who were honorably discharged therefrom by reason of becoming permanently incapacitated for active service due to physical disability in-

curred in line of duty: *Provided further*, That any former enlisted man placed upon the retired list in accordance with the provisions of the foregoing proviso shall not be entitled to receive retirement pay for any period prior to the effective date of this amendment.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADDITIONAL PAY FOR PERSONNEL REQUIRED TO PARTICIPATE IN REGULAR AND FREQUENT GLIDER FLIGHTS

Mr. THOMASON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4466) to place glider units of the Army and Navy on the same parity as to pay allowances and privileges as now given to the Air Forces of the Army and Navy and paratroops.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. THOMASON]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what does this bill do?

Mr. THOMASON. Mr. Speaker, this bill provides the same for glider troops who are in regular glider activities and gives them the same pay as is now given to paratroopers, namely, 50 percent of their base pay, with certain limitations, in no event more than $50 a month for an enlisted man nor more than $100 a month for an officer.

Mr. COLE of New York. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman.

Mr. COLE of New York. Does the bill require that the glider troops and paratroopers qualify to some extent?

Mr. THOMASON. Certainly; under regulations set up by the War Department they must qualify.

Mr. THOMAS of New Jersey. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from New Jersey.

Mr. THOMAS of New Jersey. Mr. Speaker, the gentleman from New Jersey [Mr. POWERS] who introduced this bill is engaged in a conference between House Members and Senate Members of the Appropriations Committee and has asked me to secure unanimous consent to insert his remarks in the RECORD at this point, and I make that request.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey [Mr. THOMAS]?

There was no objection.

Mr. POWERS. Mr. Speaker, in introducing H. R. 4466, it was my purpose to provide legislative means whereby recognition could be extended in the form of additional pay for the hazard confronting air-borne operations.

This extra combat and training hazard has been recognized for Air Force personnel who, under the provisions of existing law, receive 50 percent additional base pay when required to participate in frequent and regular flights.

Section 18 of the Pay Readjustment Act of 1942 also provides additional pay of $50 per month for enlisted men and $100 per month for officers assigned or attached as members of the parachute units who undertake parachute jumping as an essential part of their military duties.

To date, however, no recognition has been given military personnel assigned to glider units. Possibly this class of personnel has been overlooked inasmuch as they are essentially ground forces. In reaching their objective in combat and in training, this personnel, however, undergoes all of the hazards common to aerial operations and the additional hazard incident to flight of nonpowered aircraft still in the experimental stage of development. This type of flight also requires landings in unprepared fields where collision with natural and artificial objects is the rule rather than the exception. Furthermore, the altitude at which such operations are conducted does not permit the utilization of parachutes in the ordinary cases in emergency.

Under the circumstances, I am convinced that the Congress should take immediate action to provide necessary legal authority whereby the extraordinary patriotic duty performed by the glider-borne troops can receive at least some recognition. I, of course, do not pretend that the sacrifices of these men and women can be compensated by money alone.

I have examined the amendment offered by the Committee on Military Affairs and am in accord with its provisions.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. THOMASON]?

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the commissioned and enlisted men of the military and naval services assigned to the operation and making of flights in gliders be given the same pay allowances and privileges now granted to officers and enlisted men of the air services of the Army and Navy engaged in the flight of airplanes and paratroops.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert the following:

"That section 18 of the Pay Readjustment Act of 1942, as amended, is hereby amended by adding a new paragraph at the end thereof to read as follows:

"'Any officer, warrant officer, nurse, or enlisted man of any of the services mentioned in the title of this act, not in flying-pay or parachute-jumping-pay status, who is required by orders of competent authority to participate in regular and frequent glider flights as an essential part of his military or naval duty and training, as defined under such regulations as may be prescribed by the President, shall receive, an increase of 50 percent of their pay when in consequence of such orders they do participate in such flights: *Provided*, That such increase shall not exceed $100 per month in the case of any such officer, warrant officer, or nurse, nor $50 per month in the case of any such enlisted man.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to amend section 18 of the Pay Adjustment Act of 1942 to provide additional pay for personnel who are required to participate in regular and frequent glider flights."

ADDITIONAL PAY FOR ENLISTED MEN IN THE ARMY ASSIGNED TO THE INFANTRY

Mr. THOMASON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1973) to provide additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. THOMASON]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is an effort to stimulate or at least to give a little bit of recognition to the men who are on the fighting fronts?

Mr. THOMASON. Especially to the ground-combat troops.

Mr. SHORT. Particularly to the Infantry.

Mr. WADSWORTH. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from New York.

Mr. WADSWORTH. Mr. Speaker, I hesitate very much indeed to comment on this bill, first, because I am heartily in favor of its objective, and, second, I would not do anything to delay the conferring of a recognition of this kind in the present stage of the session of Congress. The bill applies only to men who are in the Infantry. Most certainly they deserve credit. They have demonstrated it and, incidentally, they have demonstrated some of the old fundamentals of war. It is the man who walks on the ground, on the surface of the earth with weapons of his own management, who controls the surface and therefore survives. All other arms are auxiliary to him.

With the Infantry, Mr. Speaker, go the Engineers and upon occasion the Engineers suffer very heavy casualties. They are combat troops.

Mr. HINSHAW. The Engineers frequently go on ahead of the Infantry, as far as that is concerned.

Mr. WADSWORTH. With the Infantry go the tanks in bitter battle. Infantrymen are scattered amongst the tanks. With the Infantry go the Signal Corps and upon many occasions the casualties of the Signal Corps are very heavy. There is also the Field Artillery and the Antiaircraft Artillery.

Mr. THOMASON. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman.

Mr. THOMASON. I may say there are some of us on the committee, several in fact, who raised the same objection, or, rather, made the same criticism, if you might call it that, which the gentleman from New York now makes, whereupon

General White, chief of personnel, War Department, appeared before the committee. After hearing him testify the committee agreed to an amendment to the bill which it is proposed to offer on behalf of the committee to strike out the words "assigned to the infantry" which would leave it in the combat ground troops.

Mr. WADSWORTH. The gentleman states that would make this bill applicable to the combat ground forces?

Mr. THOMASON. That is what we are assured by General White of the War Department, in whom the committee has great confidence.

Mr. WADSWORTH. I was going to propose an amendment, but perhaps I shall not offer it formally, that the words "assigned to the Infantry", be stricken out after the word "Army", in line 4 and insert the words "of the combat ground forces" so that it would read "Any enlisted man in the combat ground forces."

Mr. THOMASON. Speaking for myself only, I would be very happy to accept that amendment. I believe all of the members of the committee hav- the same viewpoint.

Mr. SHORT. That is the intention the committee had, that is, to include engineers, Signal Corps men, all of those ground forces who are in combat. There should be no distinction.

Mr. WADSWORTH. Of course, the committee intended that. However, the bill has received rather hasty consideration.

Mr. THOMASON. I would prefer the amendment suggested by the gentleman from New York rather than the one I am instructed by the committee to offer, which would strike out the words "assigned to the infantry."

Mr. WADSWORTH. You must strike out other words also.

Mr. THOMASON. There are the words in there "to wear the expert infantryman badge."

Mr. SHORT. I think the gentleman from New York should offer his amendment. The committee and the House will accept it.

Mr. THOMASON. I would be very happy to accept it, so far as I am concerned, and I think I speak for the committee.

Mr. SHORT. There will be no question about it if the gentleman offers the amendment.

Mr. WADSWORTH. If my amendment is adopted, there will still be an inconsistency in the bill because the members of the combat ground forces, who would be covered by my amendment, would still be getting an infantryman's badge. That is the trouble, the bill has been hastily put together. Must it go back to the Senate?

Mr. THOMASON. Yes. The bill will have to go back to the other body. I was about to ask the gentleman what he would think about striking out the word "infantryman" before the word "badge" and making it read "suitable badge."

Mr. WADSWORTH. That practically means the redrafting of the bill.

Mr. THOMAS of New Jersey. The real purpose of this bill is to recognize the infantry soldiers only, the combat infantry soldiers, giving combat badges to the infantry soldier. When they get the combat badge, then they are going to get $10 a month extra pay. It is to build up the morale of the Infantry and bring their pay up nearer the pay of some of the other branches of the service.

Mr. WADSWORTH. But we are leaving out the engineers.

Mr. THOMAS of New Jersey. That is very true. We are leaving out also many other branches of the service, but they are small in size in comparison to this large body of infantrymen. The purpose of it is to build up the morale of the infantry units. I would like to suggest to the gentleman from New York that if we amend the bill by striking out those three words, it will give General White some leeway and we will have passed it as the committee approved it.

Mr. WADSWORTH. In that event it will go back to the Senate for the consideration of the House amendment.

Mr. THOMASON. If we pass the amendment offered by the gentleman from New York it will have to go to the other body for conference to compose the differences.

Mr. WADSWORTH. It goes back to the other body in any event.

Mr. SHORT. We could iron it all out in a half an hour's time.

Mr. THOMAS of New Jersey. Why not let it go through as the committee suggests and then let it go to the other body?

Mr. WADSWORTH. In view of the sympathetic attitude of the members of the Committee on Military Affairs on both sides I may not offer the amendment, hoping that these little difficulties will be ironed out when we confer with the Senate.

Mr. WEISS. Mr. Speaker, reserving the right to object, this refers to the so-called incentive or qualification pay; is that right?

Mr. THOMASON. That is right.

Mr. WEISS. This is offered as a substitute for the so-called Ernie Pyle bill, is it not?

Mr. THOMASON. No.

Mr. WEISS. General White did say to the committee, I believe, that this so-called hazard pay of infantrymen who have to face the mortar and artillery fire should be in addition to the base pay.

Mr. MARTIN of Iowa. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Iowa.

Mr. MARTIN of Iowa. The committee report brings that point out.

Mr. WEISS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WEISS. Mr. Speaker, I sympathize with the task of this committee in considering increased pay for the foot soldier, the doughboy.

I do not favor the committee's proposal to enact legislation to classify infantrymen into two groups, the expert infantrymen and the combat infantrymen. The committee's proposal is to give these men incentive pay or a qualification pay, as General White informed the committee. It is my opinion that this legislation will not stimulate the morale of our infantry. Neither will it give youngsters the urge to be infantrymen. We must admit that the infantry is the most hazardous arm of all the military services. It is in the infantry that the casualties have always been the highest; it is the infantry that has always been responsible for the final drive of ultimate victory. Yet it is the infantry that receives the least recognition. General White admits that incentive pay is not equivalent to fight pay. He said fight pay should be granted in addition to incentive pay. Who is to determine what men earn combat badge? How? Will not many be overlooked? The present cost will reward millions who will never see combat; the intended objective will not be accomplished. It seems to me that this patchwork system of crumb legislation will not aid morale.

H. R. 4359, which I introduced and which is better known as the Ernie Pyle proposal, is more in accord with existing legislation in recognition of hazardous warfare, and it is heartily supported by G. I. Joe on every battle front of the world. It is heartily supported by over 70 percent of the American people, as evidenced by the Gallup poll of April 21, 1944. I am happy to follow the Pyle proposal, as this famous war correspondent and Pulitzer prize winner has lived with our boys since the day they set foot on foreign soil. He has lived with them in fox holes, in dugouts—a regular dogface. I quote Ernie Pyle:

> In my usual role of running other people's business, I've been threshing around with an idea. It's to give the combat soldier some little form of recognition more than he is getting now.
>
> Everybody who serves overseas, no matter where or what he's doing, gets extra pay. Enlisted men get 20 percent additional and officers 10 percent.
>
> Airmen get an extra 50 percent above this for flight pay. As a result, officer-flyers get 60 percent above their normal base pay and enlisted flyers, such as gunners and radio operators, get 70 percent.
>
> All that is fine and as it should be, but the idea I was toying with is, why not give your genuine combat ground soldier something corresponding to flight pay? Maybe a good phrase for it would be "fight pay."
>
> Of any 1,000,000 men overseas, probably no more than 100,000 are in actual combat with the enemy. But as it is now, there is no official distinction between the dogface lying for days and nights under constant mortar fire on an Italian hill, and the headquarters clerk living comfortably in a hotel in Rio de Janeiro.
>
> Their two worlds are so far apart the human mind can barely grasp the magnitude of the difference. One lives like a beast and dies in great numbers. The other is merely working away from home. Both are doing necessary jobs, but it seems to me the actual warrior deserves something to set him apart. And medals are not enough.
>
> When I was at the front the last time, several infantry officers brought up this same suggestion. They say combat pay would mean a lot to the fighting man. It would put him into a proud category and make him feel that somebody appreciates what he endures.
>
> Obviously no soldier would ever go into combat just to get extra fight pay. That

isn't the point. There is not enough money in the world to pay any single individual his due for battle suffering.

But it would put a mark of distinction on him, a recognition that his miserable job was a royal one, and that the rest of us were aware of it.

The Congress has already recognized hazardous warfare by enacting legislation as far back as June 8, 1913, when it granted 35 percent increase in pay to officers serving on aviation duty. In 1916 the Congress recognized the danger and hazards of submarine duty and increased the pay of these men 50 percent when so attached. More recently, on June 3, 1941, the Congress enacted a law providing a minimum additional pay of $50 to parachute troops and $100 a month extra for officers. On June 16, 1942, the Congress enacted into law legislation granting 50 percent increase in pay to men of the Air Corps when they "participate regularly and frequently in aerial flights." And on June 27, 1942, the Congress enacted a law allowing a 50 percent increase in pay to persons attached to submarines whether duty is performed in depth greater or less than 90 feet.

My bill, H. R. 4359, only amends the act of June 16, 1942, to grant this same consideration to men of the Infantry, Marine Corps, and other branches who must lead head-on to face the inevitable sniper, the artillery, and mortar fire of the enemy. Is the task of these men as hazardous as those doing submarine duty, those participating in aerial flights? Look at the casualty lists. There is the answer. While I do not want to disparage the work of the Artillery, or mechanized divisions, or the Air Corps—integral parts of our great Army—yet I do ask recognition for the daring and hazardous tasks assigned to the foot soldier. At least, let us give him equal consideration. I will read into the RECORD approximately 100 letters from some 1,000 I have received from our fighting sons in New Guinea, Guadalcanal, Africa, China, Italy, from boys on the high seas, all of them heartily in agreement with Ernie Pyle's proposal—sea and sub pay for seamen, flight pay for airmen, and, yes, fight pay for the fighting men. Thus morale will be stimulated, and the day of victory will be hastened. In the long run, thousands of lives will be saved and, in turn, billions of dollars.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That during the present war and for 6 months thereafter, any enlisted man of the Army assigned to the Infantry who is entitled, under regulations prescribed by the Secretary of War, to wear the expert infantryman badge or the combat infantryman badge, shall be paid additional compensation at the rate of $5 per month when he is entitled to wear the expert infantryman badge and at the rate of $10 per month when he is entitled to wear the combat infantryman badge: *Provided*, That additional compensation for both awards may not be paid at the same time.

SEC. 2. The appropriations heretofore or hereafter made for "Finance Service, Army", shall be available for carrying into effect the provisions of this act.

SEC. 3. The provisions of this act shall become effective as of January 1, 1944.

Mr. THOMASON. Mr. Speaker, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. THOMASON: Page 1, line 4, strike out the words "assigned to the infantry."

The committee amendment was agreed to.

Mr. WADSWORTH. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: Page 1, line 4, after the word "man" insert the following: "of the combat ground forces."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include therein the report of the committee on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMASON. Mr. Speaker, the committee report on this bill is as follows:

The Committee on Military Affairs, to whom was referred the bill (H. R. 4970) to provide additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge, having considered the same, submit the following report thereon, with the recommendation that it do pass with the following amendment:

Line 4, page 1 of the bill strike out the words "assigned to the Infantry."

The purpose of the bill is to authorize for the duration of the war and for 6 months thereafter, the payment of additional compensation to those enlisted men of the Infantry who, by attaining high, established standards of proficiency, or by exemplary conduct or performance of duty in action against the enemy, are qualified to wear the expert infantryman's badge, or the combat infantryman's badge. Enlisted men authorized to wear the expert infantryman's badge would be entitled to additional pay at the rate of $5 per month, and those qualified to wear the combat infantryman's badge would be entitled to additional pay at the rate of $10 per month.

The importance of the task assigned to the Infantry in ground operations against the enemy has been proved beyond a doubt in the course of the present war. The Infantry is the spearhead of the attack and must bear the main force of the enemy's attacks and counterattacks. Official records indicate that casualty rates of the Infantry are the highest of all the arms and services. The casualty rates among the Infantry in every combat theater are far out of proportion to the number involved. In the north African theater, including Italy, the Infantry represent 19.8 percent of the total strength, but they have suffered 70 percent of the casualties. In the Southwest Pacific, the Infantry constitutes 15 percent of the total strength, while their casualty rates represent 20 percent of the total. Furthermore, it is well known that the infantryman must endure all the hardships of the battlefield to a far greater degree than other members of our armed forces. Despite these facts, this branch of the service has not been accorded the public recognition deserved.

Recently, the War Department established the expert infantryman's badge and the combat infantryman's badge to engender esprit de corps in infantry units. The expert infantryman's badge is authorized for wear by those infantrymen who attain certain high standards of proficiency, or who perform satisfactory duty in action again the enemy. The combat infantryman badge is earned by exemplary conduct in action against the enemy. It is believed that the award of these badges will operate to increase the morale of such personnel, and will be an effective means of attaining the high standards required in the Infantry. The authorization of additional pay for those earning such awards will greatly increase the incentive to excel, both in training and in combat.

There is no intention that the proposed increase in pay will act as compensation for the hazards and hardships suffered by such persons, as such things cannot be measured by any monetary standard. Such pay will be in recognition of the importance of the infantryman. The increased pay is continuous, and does not depend upon continued participation in combat.

It is estimated that the initial annual cost of the proposed legislation will be $55,000,000, rising to a maximum of $71,000,000 annually as more men qualify for the combat infantryman's badge.

The amendment proposed by the committee is offered to permit more flexibility in the award of the expert infantryman badge and the combat infantryman badge. There are, for example, certain cavalry troops now fighting dismounted which are infantry in everything but name. The committee amendment would permit the award to these men.

There follows a letter from the Secretary of War giving certain additional information respecting the proposed legislation:

JUNE 3, 1944.

The SPEAKER,
House of Representatives.

DEAR MR. SPEAKER: There is enclosed a draft of a bill to provide additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge, which the War Department recommends be enacted into law.

The purpose of the proposed legislation is to authorize, for the duration of the war and for 6 months thereafter, the payment of additional compensation to those enlisted men of the Infantry who, by attaining certain high, established standards of proficiency, or by exemplary conduct or performance of duty in action against the enemy, are qualified to wear the expert infantryman badge or the combat infantryman badge. Enlisted men authorized to wear the expert infantryman badge would e entitled to additional pay at the rate of $5 per month, and those qualified to wear the combat infantryman badge would be so entitled at the rate of $10 per month.

Existing law (sec. 16, act June 16, 1942; 56 Stat. 359, 368) provides that, under such regulations as the President may prescribe, additional compensation at the rate of $5 per month may be paid to enlisted men for special qualification in use of arms. The payment of additional compensation under that provision of law is not now authorized by regulations. Proficiency in arms, although essential, does not of itself qualify an infantryman for modern combat, and other standards in addition thereto have been established. Demonstrated ability, or attainment of the required standards, is the basis for authority to wear one of the above-mentioned medals. The expert infantryman badge may be worn by those who attain the established

standards of proficiency or who perform satisfactory duty in action against the enemy. The combat infantryman badge is authorized for exemplary conduct in action against the enemy or for satisfactory performance of duty in action against the enemy in a major operation as determined and announced by the theater commander.

The present war has demonstrated the importance of highly trained, tough, and aggressive infantry. The decisive contribution made by such troops to success in battle is too well known to require comment. Besides being proficient in the use of arms, an infantryman must be fitted to spearhead the attack, make final assault upon hostile fortifications, bear the brunt of the enemy's blows and counterblows, and endure to the greatest degree the most extreme hardships of the battlefield. As a means of recognizing the attainment, through each individual soldier's initiative, of the high standards demanded of the present-day infantryman, and to foster esprit de corps in infantry units, the infantryman badges have been authorized.

The maintenance of high morale and pride of service, so essential to the winning of battles, is nowhere more important than in in Infantry. The casualty rates of the Infantry run highest of all the arms and services, and in every combat theater are far out of proportion to their numbers. In the north African theater, including Italy, the Infantry represent 19.3 percent of the total strength, but they have suffered 70 percent of the casualties. In the Southwest Pacific, where the Infantry are 15 percent of the total strength, their casualties are 26 percent of the total; in the South Pacific, they are one-third of the total strength but have suffered one-half the total casualties; and in all the mentioned theaters combined, while the Infantry are less than one-fourth of the total strength of the armed forces, they have suffered approximately one-half the total casualties. When to this are added the further facts that duty in the Infantry is exceptionally arduous and unremitting, that it must perforce be rendered in conditions peculiarly harsh and unpleasant, and that, for his reward, the infantryman must be content with pay rates below the average rate for all arms, and notably below the rates paid to certain noncombatant arms, the magnitude of the problem will be readily seen. It appears graphically, in part, in two charts which are attached to this letter.

The conditions in which the Infantry render service—constant exposure to extremes of temperature; going sleepless, and sleeping in rain and mud; fighting for days without relaxation from strain or lightening of the monotony—cannot be changed, and their effect must be recognized. They imperatively require the creation of incentives which will not merely help men overcome the inevitable hardship and unpleasantness, but will affirmatively build up among them that individual pride and pride of service which are essential to the highest military morale.

The proposed pay increases are not intended as money compensation for the hazards and hardships involved—such things cannot be paid for in money, and the amounts involved are too small to serve such a purpose in any event. Furthermore, any flat over-all increase of pay would have only a temporary effect as an incentive, since, once made, the increased rate of pay would soon be considered as normal. On the other hand, awarding an increase in pay only to those who have qualified for the infantryman badges by attaining certain specified standards of military excellence through their own initiative and endeavor, will be a continuing incentive for all members of the Infantry, present and future. The problem is not one of money, but of morale, and while the War Department does not now advocate an increase in pay merely because duty in the Infantry is hazardous, it does firmly believe that the award of extra pay to accompany the Infantry badges will be invaluable in fostering pride of membership in that arm of the service and will encourage the achievement of military excellence among the men who belong to it.

The proposed legislation, if enacted, will thus be a vital contribution to the maintenance of that high state of morale, discipline, and individual initiative which the Infantry must have to achieve victory in battle against a skilled and determined foe. For the foregoing reasons, the War Department urgently recommends the early enactment of the proposed measure.

It is estimated that the initial annual cost of the proposed legislation would be $55,000,000, rising to a miximum of $71,000,000 annually as more men qualify for the combat infantryman badge.

The Bureau of the Budget advises that there is no objection to the submission of this proposed legislation for the consideration of the Congress.

Respectfully,

HENRY L. STIMSON,
Secretary of War.

The proposed legislation does not amend or repeal any existing law.

Mr. HINSHAW. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HINSHAW. Does this bill now go to conference where that matter can be ironed out?

The SPEAKER. It must go back to the Senate because it was amended in the House. The Senate will concur in the House amendments or ask for a conference.

PERSONS DISCHARGED FROM THE NAVAL SERVICE BECAUSE OF UNDER AGE AT TIME OF ENLISTMENT

Mrs. SMITH of Maine. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1894) to provide for the transportation to their homes of persons discharged from the naval service because of under age at time of enlistment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Maine?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentlewoman from Maine explain the nature of this bill?

Mrs. SMITH of Maine. Mr. Speaker, many of the boys of this country get overenthusiastic and join the service before they are of age. It is not discovered for some little time, and then it takes some time to determine their correct age. The Navy wants to pay them for that time, and also return them to their homes.

Mr. MARTIN of Massachusetts. Have any distress cases been reported?

Mrs. SMITH of Maine. There have been. They estimate there will be about a thousand cases during the fiscal year at a cost of about $35,000.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

Mr. WILSON. Mr. Speaker, reserving the right to object, would this bill in any way stimulate or be an incentive to these young boys to get in and get a free ride out of this for a couple of weeks or a month and then be released and sent back home?

Mrs. SMITH of Maine. That is not expected.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That appropriations which provide for pay, allowances, and transportation of enlisted personnel of the Navy, Marine Corps, and Coast Guard, including reserve components thereof, shall be available for the payment of pay and allowances to and including the date of termination of the enlistment contract, and for the same transportation as is provided for enlisted men of the Navy under the age of 18 years discharged on the application of either of their parents or legal guardian, of any enlisted person whose enlistment contract is terminated by cancelation or discharge while under the minimum statutory or administrative age limit by reason of having falsely stated his age on his application for enlistment.

With the following committee amendments:

Page 1, line 8, strike out "the same."

Page 1, line 8, strike out "as is provided for enlisted men of the Navy under the age of 18 years discharged on the application of either of their parents or legal guardian," and insert "home."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY ELLEN FRAKES

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3126) for the relief of Mary Ellen Frakes, widow of Joseph A. Frakes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 5, strike out "$5,000" and insert "$3,500."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MANSFIELD of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include therein an editorial from Foreign Service, the monthly magazine of the Veterans of Foreign Wars.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MYERS. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole today and include therein a letter written by George Washington to Marquis LaFayette.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BURCHILL of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a statement made by Hon. James A. Farley.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in three instances and to include therein letters and correspondence.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a copy of an article relating to the Pabst Postwar Committee Award.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a copy of a bill which I have introduced.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter from former Senator Robert L. Owen.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a communication and certain extracts.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. GORDON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an exchange of letters dated January 17 between the President of the United States and the Prime Minister of Poland, His Excellency Stanislaw Mikolajczyk, prior to his departure from this country.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. BOYKIN] be permitted to extend his remarks in the RECORD and include therein an address by Lieutenant General Somervell.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

(Miss SUMNER of Illinois and Mr. BENNETT of Missouri asked and were given permission to extend their remarks in the RECORD.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a bill for the creation of a nurse corps in the Veterans' Administration, and further to extend my remarks regarding some veterans' legislation.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mr. ROLPH. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today in the Committee of the Whole and include therein a newspaper article and portions of a letter I have received.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DEWEY. Mr. Speaker, on yesterday I was granted unanimous consent to extend my remarks in the RECORD and include therein a speech by Lord Keynes, delivered on May 23. It appears that the speech will take up 2⅓ pages of the RECORD instead of the allotted 2 pages, and will cost $121.40. I ask unanimous consent that it be printed despite that fact.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by the Secretary of the Navy on yesterday.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a statement by Major Eliot.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made yesterday, and to extend my remarks and include therein an article and an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. KEARNEY] be permitted to extend his remarks in the RECORD; and that the gentleman from Wisconsin [Mr. MURRAY] be permitted to extend his remarks on two occasions and include therein certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

COMPLETION OF "FLYING WHITE HOUSE" REPORTED

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein an editorial from the Los Angeles Times.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. Mr. Speaker, this article that appeared in the Los Angeles Times, I am sure, will be of interest to every Member of the House:

While details have been suppressed on the ground of "national security," well-informed aviation and political circles know about a secret air liner produced at a southern California plant and said to have been recently delivered to the Army. It is reported that the plane is a special passenger liner for the use of President Roosevelt.

The "flying White House" is ostensibly for use of the Commander in Chief and other high-ranking officials on official trips.

Political observers believe, however, the elaborately equipped plane will see service in coming months chiefly as a means of transportation on campaign tours.

INSPECTIONS RECALLED

This feeling is based largely on the secrecy about the plane, the recollections of Mr. Roosevelt's closely guarded "nonpolitical inspection" trips during the 1942 congressional campaign, subsequent semisecret visits to military and naval establishments, and the mystery about his political intentions.

The possibility also has been suggested of course, that the special air liner will carry the Commander in Chief to various theaters of operations and more international meetings with other leaders of the United Nations.

All news about the President's personal plane has been restricted by rigid War Department orders, presumably on the ground that publicity about its construction might jeopardize Mr. Roosevelt's future safety. Informed persons have questioned, however, whether the disclosure that such a ship has been built would involve "national security."

NO ADVANCE NOTICE

Under the official censorship code for newspapers, the press has pledged voluntarily to withhold information about the Chief Executive's movements unless the facts come from an appropriate authority. This clause of the code means the White House is the only source from which such information can be obtained. Hence, no advance notice can be expected that Mr. Roosevelt is to travel anywhere in his special airliner.

Despite the vigorous efforts to hush up the fact the plane was being built, many reports have leaked out of the Southland plant where the work was done. Persons from the east coast have seen the ship, as well as hundreds of employees at the factory which carried out the secret project. Existence of the ship has been a matter of widespread comment for weeks and vague references to it have crept into print in many places.

UNUSUAL FITTINGS

According to apparently reliable sources, the President's personal plane is identical with others of its type in outward appearance and could not be distinguished easily from counterparts in use all over the globe.

The interior fittings, however, are described as highly unusual. All sorts of special comforts are provided and extraordinary attention was paid to decoration and upholstery. Part of the cabin has been arranged as an office. There are novel sleeping and seating facilities, as well as toilets and a spacious galley.

The plane assertedly was taken off a regular production line for modification and special fixtures.

Mr. Speaker, rumor in southern California has it that this is the most luxurious liner ever produced for any person or for any government, and that its cost is in excess of $1,000,000.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1945

Mr. ANDERSON of New Mexico submitted the following conference report and statement on the bill (H. R. 4861) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4861) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 12.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 8, 9, 10, 13, 14, 15, 16, 18, 26, 29, and 30, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$9,767,200"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$600,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$59,900"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 17, 20, 21, 22, 23, 24, 25, 27, 28, 31, and 32.

JOHN M. COFFEE,
CLINTON P. ANDERSON,
W. F. NORRELL (with reservation),
KARL STEFAN,
HENRY C. DWORSHAK,
Managers on the part of the House.

JOSEPH C. O'MAHONEY,
JOHN H. OVERTON,
ELMER THOMAS,
RUFUS C. HOLMAN,
HAROLD H. BURTON,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4861) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes, submit the following detailed statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1: Provides clarifying language for the $10,000 appropriated for change-making purposes, Assessor's office, as proposed by the Senate.

Amendment No. 2: Appropriates $48,300 for the Department of Insurance, as proposed by the Senate, instead of $41,949, as proposed by the House. The additional amount will be used in connection with the administration of Public Law 327 of the 78th Congress, approved June 1, 1944.

Amendment No. 3: Appropriates $38,922 for the Minimum Wage and Industrial Safety Board, as proposed by the Senate, instead of $36,562, as proposed by the House. The additional amount is to cover the salary cost of one inspector.

Amendment No. 4: Appropriates $162,422 for the Office of Recorder of Deeds, as proposed by the Senate, instead of $157,730, as proposed by the House.

Amendment No. 5: Appropriates $107,959 for the Public Utilities Commission, as proposed by the Senate, instead of $107,309, as proposed by the House. The additional $650 will be used for the printing of the laws governing the Commission's activities.

Amendment No. 6: Appropriates $350,105 for general administration, Public Schools, as proposed by the Senate, instead of $338,000, as proposed by the House. The added amount will provide for seven additional clerks in the administrative offices.

Amendment No. 7: Appropriates $9,767,200 for general supervision and instruction, Public Schools, instead of $9,780,000, as proposed by the Senate, and $9,754,400, as proposed by the House. The additional amount will cover the salary cost of eight additional clerks for the offices of the principals of elementary schools.

Amendment No. 8: Appropriates $110,000 and reappropriates $25,000 of an unexpended balance of the current year's appropriation for the stabilization and drainage of the grounds at three schools, as proposed by the Senate.

Amendment No. 9: Appropriates $45,000 as an additional amount for the construction of a new extensible eight-room elementary school building, as proposed by the Senate.

Amendment No. 10: Eliminates duplicating language.

Amendment No. 11: Appropriates $600,000 for operating expenses, Recreation Department, instead of $606,500, as proposed by the Senate, and $593,000, as proposed by the House. The added amount will provide for approximately one-half of the additional personnel contemplated in the Senate amendment.

Amendment No. 12: Restores the language contained in the House bill which provides that the present property clerk of the Metropolitan Police Department have the rank and pay of an inspector.

Amendment No. 13: Provides that not to exceed four detectives of the Metropolitan police have the salary grade of captain, as proposed by the Senate, instead of the rank and pay of captain, as proposed by the House.

Amendment No. 14: Appropriates $2,805,000 for the Fire Department, as proposed by the Senate, instead of $2,757,000, as proposed by the House. The additional $48,000 is for salary increases provided by Public Law 297, approved May 5, 1944.

Amendment No. 15: Eliminates statutory reference in connection with the Department of Civilian Defense in order that a portion of the appropriation may be expended for civilian war services, as proposed by the Senate.

Amendment No. 16: Appropriates $149,600 for the Juvenile court, as proposed by the Senate, instead of $147,300, as proposed by the House. The added amount is for the salary of one additional probation officer.

Amendment No. 18: Appropriates $357,620 for the Municipal court, as proposed by the Senate, instead of $341,000, as proposed by the House. Of the increase provided by the amendment, the amount of $14,700 is for reallocations approved by the Civil Service Commission and $1,920 is to cover the salary cost of one additional clerk. It is agreed by the conferees that the services of the present five clerk-stenographers and the additional clerk provided herein should be as equally divided among all the judges of the court as it is administratively possible to do so.

Amendment No. 19: Appropriates $59,900 for the Municipal court of appeals, instead of $65,700, as proposed by the Senate, and $57,000, as provided by the House. The additional amount will permit the employment of one law clerk, to serve equally the three judges.

Amendment No. 26: Clarifies language in title of appropriation item, as proposed by the Senate.

Amendments Nos. 29 and 30: Provides that the amount of $16,600 may be used exclusively for test borings and soil investigations and appropriates $83,600 for the Office of Municipal Architect, as proposed by the Senate, instead of $64,000 as proposed by the House. The balance of the increase, or $3,000, is for the salary of one maintenance engineer.

AMENDMENTS IN DISAGREEMENT

Amendment No. 17: Creates a psychiatric service for the Juvenile court of the District of Columbia, and appropriates $10,100 for the services of such medical and other personnel as may be detailed to the court from the United States Public Health Service, as proposed by the Senate. The managers will move to recede and concur in the Senate amendment.

Amendment No. 20: Relating to housekeeping assistance in cases of authentic indigent sick, under the Health Department, as proposed by the Senate. The conferees are agreed that this service be considered as a wartime emergency only, and that the housekeeping assistance be rendered on the basis of permits issued by the Permit Bureau of the Health Department in the same manner as required for admission to Gallinger Municipal Hospital. The Board of Commissioners of the District of Columbia is requested to make a complete study of this service during the ensuing fiscal year, and present to the appropriation committees of the House and the Senate, in connection with fiscal year 1946 estimates, such information as will tend either to establish or disprove the effectiveness and the need of this service. The managers will move to recede and concur.

Amendment No. 21: Relating to the amount of $1,501,779 for the Health Department (excluding hospitals), which includes $61,779 for housekeeping assistance. The managers will move to recede and concur with an amendment granting the Health Department $1,480,000, which will provide $40,000 for housekeeping assistance.

Amendments No. 22 and 23: Relating to the language, inserted by the Senate, providing for the rental, maintenance, repair, and operation of busses, Glenn Dale Tuberculosis Sanatorium, and to the amount of $1,014,000 provided by said amendment. The managers will move to recede and concur.

Amendment No. 24: Relating to the salary of the superintendent of Gallinger Municipal Hospital. The managers will move to recede and concur with an amendment, establishing the superintendent's salary at $8,000 per annum.

Amendment No. 25: Relating to the amount of $2,173,500 provided by said amendment for Gallinger Municipal Hospital. The managers will move to recede and concur with an amendment providing for an amount of $2,172,000.

Amendment No. 27: Relating to the acquisition of a site for a new receiving home and admission center for children and to the amount of $30,000 provided therefor; also the rescinding of an unexpended balance of an appropriation previously made for the same purpose. The managers will move to recede and concur.

Amendment No. 28: Relating to the acquisition of land for the National Training School for Girls, and to the appropriation of $58,000 and reappropriation of an unexpended balance of a previous appropriation for such school. The managers will move to recede and concur. In recommending this item, the conferees do so with the understanding that before any commitments of any kind are made, and before the inmates in the present National Training School for Girls are transferred to some other location, a complete report on the present operation and cost of the National Training School for Girls, the proposed site to be purchased, the building program involved, the number of inmates to be housed, and all other pertinent information and data relating to the present operation and cost of the National Training School for Girls and the program planned for this institution, shall be made to the Senate and House Committees on Appropriations by the Public Welfare Board through the Commissioners of the District of Columbia within 6 months from the beginning of the fiscal year 1945.

Amendments No. 31 and 32: Relating to the amount of $405,800 for the Department of Vehicles and Traffic, and to the provision, inserted by the Senate, creating the position of Registrar of Titles and Tags in this Department and providing that the salary of the present incumbent be established at C. A. F. 9, or $3,200 per annum. The managers will move to recede and concur.

JOHN M. COFFEE,
CLINTON P. ANDERSON,
W. F. NORRELL (with reservation),
KARL STEFAN,
HENRY C. DWORSHAK,
Managers on the part of the House.

Mr. ANDERSON of New Mexico. Mr. Speaker, I call up the conference report on the bill H. R. 4861, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The Clerk read the statement.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 17: On page 23, after line 10 insert the following:

"For a psychiatric service for the juvenile court of the District of Columbia, $10,100: *Provided*, That the Board of Commissioners of the District of Columbia is authorized to obtain said psychiatric service for the juvenile court of the District of Columbia from the United States Public Health Service, and, at the request of the Board of Commissioners, the Surgeon General is authorized to detail the necessary medical and other personnel, not to exceed one psychiatrist, one psychologist, and one nurse, for this purpose: *Provided further*, That the amount herein appropriated shall be transferred to the United States Public Health Service for reimbursement for the medical and other personnel so detailed."

Mr. ANDERSON of New Mexico. Mr. Speaker, I move that the House recede and concur.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 20: On page 25, line 15, after the word "service", insert "including housekeeping assistance in cases of authentic indigent sick."

Mr. ANDERSON of New Mexico. Mr. Speaker, I move that the House recede and concur.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 21: On page 26, line 15, strike out "$1,440,000" and insert "$1,501,779."

Mr. ANDERSON of New Mexico. Mr. Speaker, I move that the House recede and concur with an amendment.

The SPEAKER. The Clerk will report the motion of the gentleman from New Mexico [Mr. ANDERSON].

The Clerk read as follows:

Mr. ANDERSON of New Mexico moves that the House recede from its disagreement to the amendment of the Senate No. 21, and agree to the same with an amendment, as follows: "In lieu of the sum proposed insert '$1,480,000.'"

The SPEAKER. The question is on the motion of the gentleman from New Mexico [Mr. ANDERSON].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 22: On page 27, line 3, after the word "services" insert "rental, maintenance, repair, and operation of busses."

Mr. ANDERSON of New Mexico. Mr. Speaker, I move that the House recede and concur.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 23: On page 27, line 6, after the word "grounds" strike out "$995,000" and insert "$1,014,000."

Mr. ANDERSON of New Mexico. Mr. Speaker, I move that the House recede and concur.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 24: On page 27, line 17, after the word "services", insert "one superintendent at $9,500 per annum."

Mr. ANDERSON of New Mexico. Mr. Speaker, I move that the House recede and concur with an amendment.

The SPEAKER. The Clerk will report the motion of the gentleman from New Mexico [Mr. ANDERSON].

The Clerk read as follows:

Mr. ANDERSON of New Mexico moves that the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: "In lieu of the matter inserted by said amendment, insert the following: "'one superintendent at $8,000 per annum.'"

The SPEAKER. The question is on the motion of the gentleman from New Mexico [Mr. ANDERSON].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 25: On page 28, line 9, strike out "$2,104,316" and insert "$2,173,500."

Mr. ANDERSON of New Mexico. Mr. Speaker, I move that the House recede and concur with an amendment.

The SPEAKER. The Clerk will report the motion of the gentleman from New Mexico [Mr. ANDERSON].

The Clerk read as follows:

Mr. ANDERSON of New Mexico moves that the House recede from its disagreement to the amendment of the Senate No. 25, and agree to the same with an amendment, as follows:

"In lieu of the sum proposed insert '$2,172,000'."

The SPEAKER. The question is on the motion of the gentleman from New Mexico [Mr. ANDERSON].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 27: On page 31, line 1, insert:

"Capital outlay, child care: For the acquisition of approximately 3 acres of land in parcel 141/68 as a site for a new receiving home and admission center for children, $30,000, and the availability for the expenditure of the unexpended balance of the appropriation of $121,300 for the construction of a new receiving home for children on land owned by the District of Columbia in square 2885, contained in the District of Columbia Appropriation Act, 1942, is hereby rescinded."

Mr. ANDERSON of New Mexico. Mr. Speaker, I move that the House recede and concur.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 28: On page 34, line 8, insert:

"Capital outlay: For the acquisition of land in the vicinity of the District Training School near Laurel, Md., as a site for the National Training School for Girls, $58,000, together with the unexpended balance of the appropriation of $42,000 for this purpose contained in the District of Columbia Appropriation Act, 1944: *Provided*, That title to said property shall be taken directly to and in the name of the United States, and in case a satisfactory price cannot be agreed upon for the purchase of said property, the Attorney General of the United States, at the request of the Commissioners, shall institute condemnation proceedings to acquire such property as may be selected in accordance with the laws of the State of Maryland, and expenses of procuring evidences of title or of condemnation, or both, shall be paid out of this appropriation: *Provided further*, That the unexpended balance of the appropriation of $40,000 for the construction of temporary buildings for the National Training School for Girls on a new site to be acquired in

Maryland, contained in the District of Columbia Appropriation Act, 1944, is reappropriated and made available for repairs, alterations, and improvements to existing buildings on the site to be acquired for said National Training School for Girls, including furniture and equipment and the installation of necessary utilities."

Mr. ANDERSON of New Mexico. Mr. Speaker, I move that the House recede and concur.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 31: On page 47, line 6, strike out "$395,000" and insert "$405,000."

Mr. ANDERSON of New Mexico. Mr. Speaker, I move that the House recede and concur.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 32: on page 47, line 22, after the word "business", insert ": *Provided further*, That the employee of the Department of Vehicles and Traffic who is charged with the immediate responsibility for, and exercises supervision over, the issuance of tags and certificates of title and the registration of motor vehicles and trailers shall hereafter be known as the Registrar of Titles and Tags, and so long as the present incumbent of the position for which a designation is hereby provided continues to hold such position it shall be classified in grade 9 of the clerical, administrative, and fiscal service under the Classification Act of 1923, as amended."

Mr. ANDERSON of New Mexico. Mr. Speaker, I move that the House recede and concur.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

EXTENSION OF REMARKS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an article appearing in today's issue of the Washington Star.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article by one of the pages, Dorsey Joe Bartlett.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I would like to inquire if there are any more conference reports coming up tonight.

The SPEAKER. The Chair is informed there may be two or three conference reports. We will wait a reasonable time for them.

WARTIME DAMAGE CLAIMS

Mr. BATES of Massachusetts. Mr. Speaker, I ask for the immediate consideration of the bill (S. 1173) to provide for staying judicial proceedings against the United States in time of war, on claims for damages caused by vessels of the Navy, or for towage or salvage services to such vessels, when the Secretary of the Navy certifies that the prosecution of such proceedings would endanger the security of naval operations or interfere therewith, and to authorize the settlement and payment of such claims, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SHEPPARD. Mr. Speaker, reserving the right to object, I would like to ask the gentleman for an explanation.

Mr. BATES of Massachusetts. Mr. Speaker, this bill simply provides for a stay of judicial proceedings against the United States in time of war, on claims for damages caused by vessels of the Navy. The bill has the unanimous report of the Committee on Naval Affairs of the House, and has already passed the Senate.

If we are going to continue to permit these judicial proceedings to be taken for damages caused by war vessels, according to the Navy we are going to endanger the security of naval operations, and also interfere therewith. It has been shown in evidence in some of the claims which they have already had in the courts for adjudication that much information relative to naval operations, especially on the convoy routes, has been disclosed. The Navy Department believes it is extremely bad business to be permitted to go on, and they are asking that all claims be deferred until after the war, when these commanding officers can be called to testify.

Mr. MAAS. Will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mr. MAAS. It applies only to foreign vessels, because American registry vessels are already excluded We ought not to treat American registry vessels any different than we treat foreign vessels.

Mr. SHEPPARD. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That whenever in time of war the Secretary of the Navy shall certify to a court in which is pending a suit of the nature hereinafter defined, or to a judge of such court, that the prosecution of such suit would tend to endanger the security of naval operations in such war, or to interfere with such operations, all further proceedings in such suit shall forthwith be stayed until 6 months after the cessation of hostilities in such war, or until such earlier date as may be stated in such certificate. The suits to which this act applies are hereby defined as follows: All suits under the act approved March 3, 1925, entitled "An act authorizing suits against the United States in admiralty for damage caused by and salvage services rendered to public vessels belonging to the United States, and for other purposes" (43 Stat. 1112; 46 U. S. C. 781 ff.), wherein a claim is made for damages caused by a vessel of the Navy, or in the naval service, or for compensation for towage or salvage services, including contract salvage, rendered to any such vessel. The stay of proceedings in pending suits as provided in this section shall not operate to suspend the issuance of process to take or preserve evidence to be used in the trial of the issues of the suit, or to prevent the completion of action under the authority of similar process already issued at the time of such stay of suit: *Provided*, That if at the time of certification by the Secretary of the Navy for stay of proceedings, as provided in this section, or at any time thereafter prior to the termination of stay, the Secretary of the Navy shall file with the court an additional certificate that the issuance of such process to preserve evidence or the completion of action on process already issued would tend to endanger the security of the United States or any of the naval or military operations in such war, or to interfere with such operations, then all such proceedings for the taking or preserving of evidence to be used by either party in the trial of the issues in such suit shall be suspended until 6 months after the cessation of hostilities in such war, or until such earlier date as shall have been fixed in the certificate for stay of proceedings in such suit.

SEC. 2. Whenever in time of war the Secretary of the Navy shall certify to the court, or a judge of the court in which proceedings for the purpose are pending, that the granting of a dedimus potestatem to take depositions, or a direction to take depositions in perpetuam rei memoriam, or the taking of depositions or production of evidence pursuant to such dedimus potestatem or direction, or pursuant to any other proceeding for the purpose, in connection with or in relation to any claim against the United States on which such suit would lie, would tend to endanger the security of the United States or any of the naval or military operations in such war, or to interfere with such operations, then such dedimus potestatem shall not be granted, such direction shall not be made, and such deposition shall not be taken or evidence produced, until 6 months after the cessation of hostilities in such war, or such earlier date as may be stated in such certificate, and if prior to filing such certificate such proceedings shall have been commenced, the same shall upon filing such certificate forthwith be stayed until 6 months after cessation of such hostilities or such earlier date as may be stated in such certificate.

SEC. 3. The phrase "vessels of the Navy or in the naval service" shall include, for the purposes of this act, in addition to all vessels of the Navy, and of the Coast Guard when operating as a part of the Navy, all vessels manned by the Navy, including the Coast Guard when operating as a part of the Navy, and all vessels chartered on bare-boat charter to the Navy, or to the Coast Guard when the Coast Guard is operating as a part of the Navy.

SEC. 4. At any time while a stay is in effect under this act the Secretary of the Navy may file with such court or judge his certificate extending or shortening the time stated in his prior certificate, during which the prosecution of such suit or the taking of such deposition or production of evidence would tend to endanger the security of the United States or of such operations in time of war, or to interfere therewith. Any claimant or party deeming himself adversely affected by a stay under the provisions of this act may serve on the Secretary of the Navy at Washington, D. C., a written notice, requesting the Secretary of the Navy to reconsider the stay previously issued and to issue a further certificate. Such written no-

tice shall identify the stay then in effect by attaching a copy of the certificate of the Secretary of the Navy upon which the stay is based or by a description sufficient for its identification. The said notice shall not contain any recital of the facts or circumstances involved. Within 10 days after receipt of such notice, the Secretary of the Navy or some official designated by him, shall hold in secret a hearing at which the claimant or his representative may present such facts and arguments as he may think material with respect to the question as to whether or not a stay should be issued or maintained. Within 10 days after such hearing, the Secretary of the Navy shall file with the court in which said stay is pending, or the court in which the proceeding stayed was instituted, his further certificate stating whether the stay shall then be terminated, or for what time the stay is to continue in effect. If the Secretary of the Navy shall fail to file such further certificate, the court, upon application by such claimant or party, shall issue its order directing the Secretary of the Navy to file a certificate within the time to be specified in such order. Any certificate issued by the Secretary of the Navy shall remain in effect for the time stated therein or until it is terminated or altered by a further certificate. The filing of any further certificate under this section shall extend or shorten the time, as the case may be, during which the stay in relation to which it is made shall continue in effect, to the time stated in such further certificate, or shall terminate such stay if it be so stated in such further certificate: *Provided*, That in no case shall any stay under this act remain in force longer than 6 months after the cessation of hostilities in such war.

Any certificate issued by the Secretary of the Navy pursuant to this act may, in his discretion, be restricted, so that it stays only the taking of testimony of certain witnesses or evidence on certain subjects, in which event such proceedings as are not so stayed may continue.

Before making any certificate provided for in this act, the Secretary of the Navy shall make or cause to be made such investigation of the case to which the certificate relates as to satisfy himself that the issuance of the certificate for the purposes authorized by this act is necessary.

SEC. 5. The time during which a claimant may file suit of the nature described in section 1 upon a claim against the United States shall be computed by excluding the time during which a stay under section 2, or any extension thereof, shall be in effect as to any proceedings by or on behalf of such claimant for the taking of a deposition or the production of evidence in connection with or in relation to such claim.

SEC. 6. The Secretary of the Navy is authorized to consider, ascertain, adjust, determine, compromise, or settle claims for damages caused by vessels of the Navy or in the naval service, and for compensation for towage and salvage services, including contract salvage, rendered to such vessels, and to pay the amount of any claim so determined, compromised, or settled, and upon acceptance of such payment by the claimant, and not until then such determination, settlement, or compromise of such claim shall be final and conclusive for all purposes, any law to the contrary notwithstanding: *Provided*, That this section, as respects the determination, compromise, settlement, and payment of claims, shall be supplementary to, and not in lieu of all other provisions of law authorizing consideration, adjustment, determination, settlement, and payment of claims: *Provided further*, That no claim in excess of $3,000 shall be considered hereunder which accrued prior to September 8, 1939: *Provided further*, That all payments of claims made under this section shall be made out of the appropriation "miscellaneous expenses, Navy": *And provided further*, That the payment of any claim on which a net amount exceeding $100,000 is determined to be due from the United States, or which is compromised or settled at a net amount exceeding $100,000 payable by the United States, shall not be authorized by this section, and all claims determined, compromised, or settled hereunder at a net amount exceeding $100,000 payable by the United States shall be certified by the Secretary of the Navy to the Congress.

SEC. 7. (a) On payment of any claim determined, compromised, or settled under section 6 of this act at a net amount exceeding $3,000, but not exceeding $100,000, payable by the United States, the Secretary of the Navy within 20 days of payment shall file a report with the Naval Affairs Committees of the Senate and House of Representatives setting forth the nature of the claim, the vessel or vessels involved, the amount paid with respect thereto, the basis of the determination, compromise, or settlement, and other pertinent facts: *Provided*, That during any war the reports required under this section may omit any fact or facts disclosure of which, in the opinion of the Secretary, would be prejudicial to the national security.

(b) Subject to the proviso of subsection (a) of this section, the Secretary of the Navy shall report to the Congress, at each session thereof, all claims which have been paid under this act.

With the following committee amendments:

Page 4, line 13, after the word "stay" insert the words "or suspension, either of prosecution of suit or of the taking of testimony."

Page 6, add a new section 5 as follows:

"SEC. 5. In any case in which either the United States or a claimant against the United States in one of the cases specified in section 1 of this act has been prevented by any stay or suspension provided for in this act from examining any witness, and in any case where the United States shall establish to the satisfaction of the Court that it has refrained from instituting suit or from taking the testimony of any witness in any pending suit in order to avoid endangering the security of naval operations or interfering with such operations and where, in either of such cases, it shall appear to the satisfaction of the Court, on appropriate evidence or by agreement by counsel, that the United States or the claimant, as the case may be, is unable after reasonable efforts to secure the testimony of any such witness, the Court shall receive in evidence, in lieu of such testimony, (a) the affidavit of such witness, duly sworn to before a notary public or other authorized officer, or (b) the statement or testimony of such witness before a naval investigation, board of investigation, court of inquiry or court martial or Coast Guard investigation: *Provided*, That the use of such testimony shall not in any litigation make admissible the remainder of the said record or compel the production of the remainder of said record by the United States."

In considering such affidavit or statement or testimony, the Court shall give such weight to it as the Court thinks proper under all the circumstances of the case.

Page 7, line 18, strike out "$100,000" and insert in lieu thereof "$1,000,000."

Page 7, lines 20 and 21, strike out "$100,000" and insert in lieu thereof "$1,000,000."

Page 7, line 23, strike out "$100,000" and insert in lieu thereof "$1,000,000."

Page 8, line 3, strike out "$100,000" and insert in lieu thereof "$1,000,000."

On page 7, line 18, strike out 5 and insert 6.

On line 25, strike out 6 and insert 7.

On page 9, line 4, strike out 7 and insert 8.

The amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. O'NEAL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a statement by Hon. Wilson W. Wyatt, mayor of Louisville.

The SPEAKER. Is there objection?

There was no objection.

SECOND DEFICIENCY APPROPRIATION BILL 1945

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5040) the second deficiency appropriation bill, with Senate amendments, disagree to the Senate amendments and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none and appoints the following conferees: Mr. CANNON of Missouri, Mr. WOODRUM of Virginia, Mr. LUDLOW, Mr. SNYDER, Mr. O'NEAL, Mr. JOHNSON of Oklahoma, Mr. TABER, Mr. WIGGLESWORTH, Mr. LAMBERTSON, and Mr. POWERS.

MILITARY ESTABLISHMENT APPROPRIATION BILL, 1945—CONFERENCE REPORT

Mr. SNYDER, from the Committee on Appropriations, submitted the following conference report and statement on the bill (H. R. 4967) making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes, for printing in the RECORD:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4967) making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 5, 6, and 7, and agree to the same.

The committee of conference report in disagreement amendments numbered 1 and 3.

J. BUELL SNYDER,
JOE STARNES,
JOHN H. KERR,
GEORGE MAHON,
D. LANE POWERS,
ALBERT J. ENGEL,
FRANCIS CASE,
Managers on the part of the House.

ELMER THOMAS,
RICHARD B. RUSSELL,
JOHN H. OVERTON,
CHAN GURNEY,
C. WAYLAND BROOKS,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4967) making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 2, relating to "Welfare of Enlisted Men": Confines the inhibition against the employment of persons to paint or otherwise reproduce war scenes except by means of photography, or to paint portraits or to engage in decorative art projects to civilian personnel, as proposed by the Senate.

Amendments Nos. 4, 5 and 7, relating to "Engineer Service": Appropriates $1,799,000,000, as proposed by the Senate, instead of $1,800,217,000, as proposed by the House, the reduction applying to the project for oil drilling in Alaska.

Amendment No. 6, relating to "Military Posts": Clarifies, as proposed by the Senate, the provision proposed by the House with respect to the disposition of military real property acquired or owned by the United States prior to July 2, 1940.

AMENDMENTS IN DISAGREEMENT

Actual

Amendment No. 3, relating to new admissions into the training program as to medicine (including veterinary) and dentistry.

The House conferees will propose the restoration of the provision proposed by the House with an amendment, the purpose of which will be to insure that there will be no interference with special short training courses and post graduate instruction of non participants in the Army Specialized Training Program.

Pursuant to clause 2, rule XX

The managers on the part of the House and Senate have agreed to recommend to their respective Houses concurrence in the following amendment of the Senate:

Amendment No. 1, providing for payment of traveling expenses of personnel returning from war fronts for recuperation, rehabilitation, and recovery.

J. BUELL SNYDER,
JOE STARNES,
JOHN H. KERR,
GEORGE MAHON,
D. LANE POWERS,
ALBERT J. ENGEL,
FRANCIS CASE,
Managers on the part of the House.

Mr. SNYDER. Mr. Speaker, I call up the conference report on the bill (H. R. 4967) making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the statement.

Mr. SNYDER. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. COOPER). The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 1: Page 10, line 5, insert "all necessary expenses of travel to enable military personnel stationed abroad to visit places in the United States, its Territories, and possessions for the purpose of recuperation, rehabilitation, and recovery."

Mr. SNYDER. Mr. Speaker, I move that the House recede and concur.

The Clerk read as follows:

Mr. SNYDER moves that the House recede from its disagreement to the amendment of the Senate No. 1 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 3: Page 21, line 16, after the colon strike out the word "provided" and strike out all of lines 17 to 22 inclusive.

Mr. SNYDER. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. SNYDER moves that the House recede from its disagreement to the amendment of the Senate No. 3, and agree to the same with an amendment, as follows:

"Restore the matter stricken out by said amendment, amended to read as follows:

": *Provided*, That no appropriation contained in this Act shall be available for any expense incident to educating persons in medicine (including veterinary) or dentistry if any expense on account of their education in such subjects was not being defrayed out of appropriations for the Military Establishment for the fiscal year 1944 prior to June 7, 1944, except that nothing herein shall interfere with compliance with the provisions of law authorizing the detail of officers and enlisted men of any component of the Army of the United States as students, observers, and investigators as contemplated by Sec. 127 (a) of the National Defense Act, approved June 3, 1916, as amended.' "

Mr. CASE. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. I yield.

Mr. CASE. I should like to ask the chairman if this is the provision agreed upon in the conference this morning.

Mr. SNYDER. Strictly so.

Mr. CASE. I was wondering about the insertion of the phrase "any component of the Army of the United States." Would that permit the detailing of enlisted men in the Reserve?

Mr. SNYDER. I may say to the gentleman from South Dakota that that phrase was inserted to make certain that it included the Army of the United States as it now stands instead of only the Regular Army.

Mr. CASE. It is not intended in any way to permit the induction or enlistment of personnel which has never been in the Army and assign them immediately to a school?

Mr. SNYDER. Absolutely not; just the reverse.

The SPEAKER pro tempore. The question is on the motion to recede and concur with an amendment.

The motion was agreed to.

On motion of Mr. SNYDER, a motion to reconsider the various votes by which action was taken on the conference report was laid on the table.

EXTENSION OF REMARKS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MCCORMACK] may extend his own remarks in the Appendix of the RECORD and include therein a letter from the Governor of Massachusetts.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a resolution from citizens of my district, also an article on servicemen, veterans, and their dependents.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

(Mr. ROWAN asked and was given permission to revise and extend his own remarks in the Appendix on two subjects.)

SANCTITY OF TELEPHONE RECORDS

The SPEAKER. With the understanding that the gentleman will yield if conference reports are called up, the Chair, pursuant to the special order of the House heretofore entered recognizes the gentleman from Pennsylvania [Mr. EBERHARTER] for 30 minutes.

Mr. EBERHARTER. Mr. Speaker, on February 18, 1943, in fulfilling one of your high duties as Speaker of the House of Representatives, you appointed me to be a member of the Special Committee to Investigate Un-American Activities. Since my appointment, I have endeavored to discharge my duties as a member of that committee to the best of my ability, although I may say that the meetings of the committee have been rather infrequent. According to my files, the last meeting of the committee was on January 19 of this year.

On Tuesday, June 20, there appeared an article by Mr. Westbrook Pegler, under the caption "Fair enough," in the Washington Daily News. It is well known that this writer's column is syndicated throughout the United States, and it is assumed that the same article appeared in many of the newspapers of this country. Among others, the statement was made in the article that "long-distance telephone records subpenaed by the Dies committee have revealed a close relationship between the Political Action Committee of the C. I. O. and the following: The White House and Mrs. Roosevelt, Vice President HENRY WALLACE."

Mr. Speaker, I am not thoroughly familiar with the ethics of the newspaper profession, and I have no desire to question the right of the columnist to publish information he, himself, believes to be reliable. Perhaps he is to be commended for having made a "scoop" over the regular news-gathering agencies, such as the Associated Press, the United Press, and the International News Service, as well as hundreds of fellow columnists, commentators, and newspaper reporters who pursue their honor-

able calling in this great Capital of the United States.

But the Constitution of the United States, amendment 4 provides:

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

This is one of the most sacred privileges which we here in the United States enjoy. It is a privilege which has always been jealously guarded by the people of the country, and I believe I am not wrong in saying that the desire of the founding fathers of our Government to be free from abuses of this type and character was one of the compelling causes for the Declaration of Independence and our war for freedom.

Congress has time after time refused to permit legalization of the practice of indiscriminate wire tapping by agents, investigators, and employees of the executive branch of the Government.

You will remember that about 8 years ago a special committee of the other body, popularly called the Black lobby-investigating committee, subpenaed from the telegraph companies the telegrams which had been sent by various organizations and individuals. Nation-wide furore ensued, and practically every newspaper in the country and every publicist condemned in no uncertain terms this action on the part of that committee as being a violation of a citizen's right to be inviolate in his home and business. Not at that time, nor at any time since, have I heard a defense issued for such a practice.

But, Mr. Speaker, this subpenaing of the records of the telephone company goes much further than the action of the Black committee. You will remember at that time that no person questioned the jurisdiction of the Black lobby-investigating committee to investigate the activities of certain organizations and individuals in behalf of legislation in which they were interested. The marked distinction in this case—between these two cases—is the fact that the C. I. O. Political Action Committee has officially and publicly challenged the jurisdiction of the House special committee to investigate its activities. That challenge has not been met. It is an issue which has not yet been decided either way, and, as far as I know, the House committee has not taken any step or made any move to prepare to meet the challenge or to have the issue determined. The officials of the telephone company involved most certainly have been aware of this challenge. To assert otherwise would be too obvious.

I want it distinctly understood that I am not this afternoon making any defense of the C. I. O. Political Action Committee. I am making no finding as to whether that group are guilty or are not guilty of the accusations and charges which have been hurled against them. But the question I propound is: Why did an official or officials of the telephone company cooperate so fully and willingly with the so-called Dies committee, knowing that the accused had challenged jurisdiction and the issue still being in doubt? An explanation is due from the telephone company officials, else they will be charged, which must be met in one way or another, that they do not believe it important to keep confidential the records of their company with respect to the private affairs of the users of their lines. The news of this action on the part of the telephone company will come as a shock to its millions and millions of subscribers. Because of the peculiar nature of its services to the public it has a double duty to protect the private concerns of its consumers.

I want it known that I had no knowledge whatsoever of this nauseating procedure. Are there those who would justify the propriety of releasing to the public the information obtained by such methods? Are there those who care to justify the subpenaing of telegrams or records of telephone conversations? It has too much of an odor of keyhole peeping to suit my senses.

Mr. Speaker, is the privacy of an occupant of the White House to be violated at the whim of an individual, whether he be a Member of the House, or otherwise?

Mr. Speaker, is the sanctity of the home of the First Lady of the land to be thus lightly thrust aside? Can any Member of this body, himself, feel secure from the prying eyes of an employee of this House itself, who is armed with a subpena? Can any citizen, be he obscure or renowned, feel secure in the face of such practices as this? The people of the country will have fear, and justifiably so, at this whittling away of the guaranties provided for in our Constitution by the framers of that document. They will resent, and justifiably so, this attempted encroachment upon that sacred instrument known as the Bill of Rights. It is a dangerous practice, and if allowed to go unchallenged, may have a far-reaching effect in creating distrust and disunity. I cannot accept it, and it cannot be shaken off with a shrug of the shoulders.

Let those who will defend the practice, but I for one will never be cast in that role.

Mr. COCHRAN. Will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Missouri.

Mr. COCHRAN. This is not the first time that a member of the Committee on Subversive Activities has taken the floor as an individual member of that committee to advise the House and the country that he had absolutely no participation in connection with some activity of that committee nor did he have any knowledge of the subject matter that may have been released to the press. I have been a chairman of committees of this House for many, many years, and, in my opinion, the chairman of a committee of the House of Representatives is simply a member of that committee, although he is the presiding officer. I cannot bring myself to the point where, if I am a chairman of a committee of this House, I will take the authority without consulting my colleagues on that committee to issue an order and subpena to get the record of telephone calls. I know nothing in the rules of the House, and I think I know a little bit about the rules, which would give the chairman of a committee the right to take such action without consulting the members of his committee. We all know that in subpenaing those records the conversation that occurred over the line could not be subpenaed. It would simply be the fact that Mr. So-and-so called Mr. or Mrs. So-and-so. I think whoever is responsible for issuing that subpena without the knowledge and consent of a majority of the committee went beyond his jurisdiction. That is my own opinion.

Mr. EBERHARTER. I may say to the gentleman that since the appearance of that article I have spoken to two other members of this special committee, each of whom informed me personally that he had no knowledge whatsoever of the subpena having been issued or of this release being given to the particular columnist I mentioned. To me it seems reprehensible in the highest degree for an employee of the House itself to release information without the members of the special committee themselves knowing anything whatsoever about the matter.

Mr. COCHRAN. I may say to the gentleman it is a reflection upon every member of that committee when the information was released, and if the gentleman from Pennsylvania had not made this statement today he would have been just as much subject to criticism as any other member of the committee.

Mr. EBERHARTER. The gentleman is absolutely right, and there has for some time been a question in my mind whether I should continue to serve on that committee when practices of this sort are being indulged in.

Mr. COCHRAN. If the gentleman resigned from the committee for that reason, he would not be the first Member of this House that resigned from that committee for that reason.

Mr. EBERHARTER. I thank the gentleman.

Mr. MYERS. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Pennsylvania.

Mr. MYERS. Does the gentleman know whether the orders were given to the investigator to release this information to the press or release it to a specific individual?

Mr. EBERHARTER. As to that particular matter, I do not know whether the release was to be made to a particular columnist or to a particular individual. I notice that the date line of the article was marked "New York, June 20," so the columnist evidently wrote that story in New York City.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from New York.

Mr. MARCANTONIO. I think the added factor which is so serious, is that this information was taken out of the files of this committee and surreptitiously turned over to this columnist.

Mr. EBERHARTER. I thank the gentleman.

Mr. MARCANTONIO. There would be quite a difference. If it had been released to the press, that would have been wrong in itself, because of the nature of the subject matter involved, but the fact that it was surreptitiously given to a columnist, I believe, involves the privileges and prerogatives and the integrity of the House.

Mr. EBERHARTER. I want to say, as far as that is concerned, that I quite agree.

My personal opinion is that this matter goes to the dignity and integrity of the House itself, even of such consequence that it involves the privileges of the House.

Mr. BRADLEY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Pennsylvania.

Mr. BRADLEY of Pennsylvania. Do I correctly understand from the gentleman that an employee of the committee released the information while the chairman of the committee was absent from Washington, and without any consultation whatever with other members of the committee?

Mr. EBERHARTER. The employee who released the information certainly had no conversation with me or with two other members of the committee with whom I talked. The latest information I have is that the chairman of the committee is not in Washington, but is now in the State of Texas, and has been for some time.

Mr. BUSBEY. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Illinois.

Mr. BUSBEY. May I ask the gentleman from Pennsylvania if he got in touch with the chairman of the Special Committee to Investigate Un-American Activities regarding this article that appeared in the newspaper?

Mr. EBERHARTER. The gentleman who is chairman of the special committee, I understand, is in Texas. I did not feel like taking it upon myself to telephone to Texas in order to get the information regarding the subject. The facts speak for themselves, I think.

Mr. BUSBEY. Did the gentleman from Pennsylvania take the trouble to get in touch with Mr. Stripling, the chief investigator of the committee?

Mr. EBERHARTER. I may say in answer to the question of the gentleman that Mr. Stripling is the one who informed me that he had released the information to Mr. Pegler.

Mr. BUSBEY. Did the gentleman ask him on what authority he released the information?

Mr. EBERHARTER. I had a conversation with him about it. I do not think it was phrased exactly that way. He said, "I gave the information, and Mr. DIES knew that I was giving it out."

Let me ask the gentleman, if he will permit me, this question: Does the gentleman approve of the practice of a member of a committee issuing a subpena of this sort?

Mr. BUSBEY. The gentleman is making a speech. I am asking a question for information.

Mr. EBERHARTER. Then the gentleman does not approve of the practice, do I understand?

Mr. BUSBEY. I would just like to ask the gentleman from Pennsylvania this question.

Mr. EBERHARTER. The gentleman is a member of the special committee. Does he not like to be informed as to what is going on?

Mr. BUSBEY. The gentleman makes a reflection on the chief investigator that he or another employee of the committee did this without authority of somebody on the committee.

Mr. EBERHARTER. I am wondering whether the gentleman, who is a member of the special committee is satisfied with that type of practice and procedure. Can the gentleman answer that question? Is he satisfied with that procedure as a member of the committee?

Mr. BUSBEY. I do not know all the details about the practice and procedure, but I did take the trouble to find out all about it when I read it in the paper, and I think that if the gentleman from Pennsylvania had taken the same trouble, he could have informed the House without reflecting on any employee of the committee.

Mr. EBERHARTER. If the gentleman will inform me, what was the reason for giving this very confidential information to one particular newspaperman, if he has made inquiry?

Mr. BUSBEY. I will say to the gentleman from Pennsylvania that he seems to be an authority, from the speech he made on the floor of the House this afternoon. Let him find out the information himself the same way I did.

Mr. EBERHARTER. The gentleman is not very helpful to the Members of the House.

Mr. MURPHY. If the gentleman will yield, I might say to the gentleman that it is an obligation on the part of the gentleman who says he has the information to give it to the press of the Nation. If it is no secret, let the press of the Nation have it.

Mr. EBERHARTER. I think that it would come within the purview of his duties to inform the Members of the House as to why this information was given to one particular member of the newspaper profession.

Mr. BRADLEY of Pennsylvania. I would like to make this observation. As I understand, the gentleman from Illinois is a member of the Dies special committee.

Mr. EBERHARTER. That is correct.

Mr. BRADLEY of Pennsylvania. Then it is a sorry confession from him when he has to state on the floor of the House that he first learned of the procedure of his own committee by reading it in a newspaper.

SAVE THE JEWISH PEOPLE OF EUROPE

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, last night I witnessed the showing of the film entitled "None Shall Escape," at the invitation of the Washington Emergency Committee to Save the Jewish People of Europe, of which Mrs. Guy Gillette is chairman. This film deals with the post-war topic, namely, the punishment of the Nazi criminals.

Needless to say, I have yet to recuperate from the basically true account as depicted on the screen, a sad, grim, heroic tale. I saw a trainload of Jews—men, women, and children—marked for annihilation. Driven to desperation by the agony of persecution and death, the passengers turned on their oppressors. Although they had no weapon beyond bare hands, they battled the master race on the streets of a Polish village.

The battle raged only a few minutes. Of course, the inevitable happened. As life took leave from his body, the rabbi concluded, "We shall never die."

Next to me was seated my esteemed friend, the leading exponent in the field of rescue, Rabbi Baruch Korff, who accompanied me at my invitation. Touched by this massacre which to his knowledge is only a trickle of what takes place now, he sadly but courageously remarked, "I, as a Jew, am armed with more than complete steel, the justice of my quarrel—this is why we are destined to survive."

How right and just you are, my dear rabbi.

The fear that now besets the American people is not that we shall be overrun by the vanishing might of the Nazi and the Jap but that we shall defeat them and still lose the things for which we fought. We want no termination of this greatest of all wars in a peace that is nothing but an armistice during which time a still greater war will be prepared. None shall escape, none must escape, the guilty must be punished. The President has assured us and his assurance has been confirmed by the leaders of the other great United Nations that our arms will not be laid down until the enemy has surrendered unconditionally. That, however, is not enough. A lasting peace is not guaranteed by the complete and abject surrender of an enemy.

The game of the Nazis is devious, subtle, and clever. In the same manner as the Nazis in retreating from Russia have destroyed everything of value that they could within the territory they abandoned, so now they are seeking to destroy another asset of the United Nations more priceless than the material things that they have fired and dynamited. They are seeking to destroy and are destroying the lives of human beings with whom at least in large part lies the hope of constructing a lasting peace among the nations.

Deliberately and with foul and malevolent purpose the Nazis, as they see their

last hours approaching, are accelerating and intensifying their campaign to destroy the leaders of liberal and democratic outlook that are found within the territories that they hold. Since the beginning of their conquest the Germans have pursued this policy with the end in mind of keeping crushed peoples leaderless and in subjugation. Now they pursue it with renewed fanaticism in the knowledge that if they can succeed the way lies open to a new revival of nazism, years hence, in a Europe drained of its best mentalities and most independent spirits. All this has been part of the same program whereby political, religious and educational leaders have been shot, professional people have been deported to slave labor and death, and the Jews have been massacred with less pity than that shown by any barbarians in the records of history.

Our duty in the face of this situation is clear. We must save the remnants of the intended victims from the fate that the Nazis have chosen for them. The duty is not one to the peoples of Europe or to those who otherwise would perish, it is rather a duty which we owe to ourselves and to our posterity. I avow frankly that our ends in this matter are selfish. We must save the Jews from the slaughter camps, the men of good will from massacre, the religious leaders from death, not because they need us but because we need them.

EXTENSION OF REMARKS

Mr. MORRISON of Louisiana. Mr. Speaker I ask unanimous consent to extend my remarks in the RECORD and include therein several letters.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RECESS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that the House stand in recess subject to the call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Accordingly (at 5 o'clock and 57 minutes p. m.) the House stood in recess, subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 6:30 p. m.

LEND-LEASE, U. N. R. R. A., AND F. E. A. CONFERENCE REPORT

Mr. CANNON of Missouri submitted the following conference report and statement on the bill (H. R. 4937) making appropriations for defense aid (lend-lease), for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration, for the fiscal year ending June 30, 1945, and for other purposes.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4937) making appropriations for defense aid (lend-lease), for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration, for the fiscal year ending June 30, 1045, and for other porposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same.

Amendment Numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In the matter proposed to be inserted by said amendment, insert before the sum "$43,200,000" the following: "not to exceed" and in the matter proposed to be inserted by said amendment before the word "owned" strike out the word "now"; and the Senate agree to the same.

Amendment Numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: On page 7 of the bill, in line 10, after the words "per annum", and before the comma, insert the following: "during the incumbency of the present Administrator"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$19,750,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$75,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$340,000"; and the Senate agree to the same.

The committee report in disagreement amendment numbered 2.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
JED JOHNSON,
Managers on the part of the House.

KENNETH MCKELLAR,
RICHARD B. RUSSELL,
M. E. TYDINGS,
RUFUS C. HOLMAN,
C. WAYLAND BROOKS,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4937), making appropriations for defense aid (lend-lease), for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration, for the fiscal year ending June 30, 1945, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

No. 1: Provides, as proposed by the Senate, for the purchase of "domestic" raw wool and "domestic" cotton from Government stock piles and makes minor textual clarifications in the amendment.

No. 2: Corrects a section number.

Nos. 4, 5, and 6, relating to the Foreign Economic Administration: Fixes the salary of the Administrator, so long as the office is held by the present incumbent, at $15,000, as proposed by the Senate instead of $10,000 as proposed by the House; appropriates $19,750,000, instead of $20,000,000, as proposed by the Senate and $19,500,000 as proposed by the House, for salaries and expenses; and limits the amount which may be used for emergency or extraordinary expenses in connection with operations in foreign countries to $75,000, instead of $100,000 as proposed by the Senate, and $50,000 as proposed by the House.

No. 7: Makes $340,000 of the funds of the Export-Import Bank of Washington available for administrative expenses, instead of $325,000 as proposed by the House and $357,200 as proposed by the Senate.

AMENDMENT REPORTED IN DISAGREEMENT

The committee of conference reports in disagreement the following amendment of the Senate:

No. 2: Making not to exceed $350,000,000 of lend-lease funds, supplies, and services, available to be applied on the United States contribution to the United Nations Relief and Rehabilitation Administration when the United States Joint Chiefs of Staff certify that the state of the war will permit the utilization of such supplies, services, or funds for such contribution. The House managers will recommend that the House recede and concur in the Senate amendment.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
JED JOHNSON,
Managers on the Part of the House.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 4937) making appropriations for defense aid (lend-lease), for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration, for the fiscal year ending June 30, 1945, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, the conference report has been agreed to by the conferees of both the House and Senate. When it is disposed of there is one separate amendment to be submitted to the House.

Does the gentleman from New York desire any time on the conference report?

Mr. TABER. Not on the conference report, but I should like some time on the amendment in disagreement. Is that No. 2?

Mr. CANNON of Missouri. Yes; No. 2.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 2: Page 7, line 9: "SEC. 202. In addition to the sum appropriated by section 201 of this title, any supplies, services, or funds available for disposition or expenditure by the President under the Act of March 11, 1941, as amended (22 U. S. C. 411–419), and acts supplementary thereto, may be disposed of or expended by the President to carry out the provisions of the Act of March 28, 1944, without reimbursement of the appropriations from which such supplies or services were procured or such funds were provided: *Provided*, That the supplies, services, and funds disposed of or expended under the authority of this section shall not exceed a total value, as determined under regulations to be approved by the President of $350,000,000 and shall be charged to the amount authorized to be appropriated by said Act of March 28, 1944: *Provided further*, That the authority granted by this section shall not become effective until the United States Joint Chiefs of Staff shall have issued a certification that the state of the war permits the exercise of such authority and the utilization of lend-lease supplies, services, or funds for the purposes of section 201 of this title; and after such certification such utilization shall be upon the determination of the Administrator of the Foreign Economic Administration."

Mr. CANNON of Missouri. Mr. Speaker, I move to recede and concur.

The Clerk read as follows:

Mr. CANNON of Missouri moves that the House recede from its disagreement to the amendment of the Senate No. 2 and concur therein.

Mr. CANNON of Missouri. Mr. Speaker, this amendment does not provide for the appropriation of an additional dollar; it merely makes available for U. N. R. R. A. $350,000,000 of funds, supplies, and services already provided for lend-lease which may not be needed or used for lend-lease purposes and which may be available after we have occupied enemy territory. This provision is a precautionary one. The lend-lease funds cannot be utilized until the United States Joint Chiefs of Staff have certified that the state of the war is such that it is all right to utilize the lend-lease funds, supplies, and services for the purposes of U. N. R. R. A. Lend-lease is a war instrumentality. When the war has reached a stage at which it will not be necessary to utilize so much lend-lease for war then we will have reached the point where relief will be necessary and it is good judgment to divert what we have available at that time for lend-lease to the commitments which we will have to U. N. R. R. A. for the relief activities. It is important now that adequate provision be made for U. N. R. R. A. so that it may be prepared to meet its responsibilities in the liberated areas. This $350,000,000, if used, will be charged up as a part of our commitment of $1,350,000,000 for participation in the work of U. N. R. R. A.

Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I am not going to ask for a division of this motion, nor am I going to ask for a record vote. I simply want to call attention to the fact that in no sense is this amendment needed.

The funds provided in section 201, namely, $450,000,000, are all that are needed to provide these people with all the funds necessary for any possible operation that might come along prior to the first of the year and for some time thereafter.

There is already provided in the conference report that was last agreed to here, that on the military bill, $562,000,000 to take care of relief in the territory the Army is occupying, and that is the relief item that probably will have to be drawn on. These people would have to get in far quicker as a result of a total collapse of Germany than most of us hope for if they are going to have any substantial activity. The figures they have given us as to things they need do not check at all with information that has been given to the committee as to existing stock piles of different things or as to information I can find other places. Instead of their needing an immediate amount of $450,000,000 in cash to buy things that would be hard to get, the total of all they ask to have in the two categories would not run beyond $340,000,000. The things they could obtain at any time out of existing stock piles, commercial and governmental, assuming they had to have all these things, and that they could use them, would run perhaps $440,000,000.

With no substantial activity in sight before the end of the year they need no stock piles on these things.

There is no possibility of their having to use all of these things before the Congress will get together and have an opportunity to review them. Here is the thing that bothers me about the whole situation. It is an evidence of a desire to get hold of a great lot of money that is not needed and it tends to destroy the faith of the Congress in the organization.

I am hoping that the administration of the funds will be such that these people will not be given this money unless there is a dire need for it, because when the Foreign Economic Administration went to the Budget first they only asked for $450,000,000 and not for this transfer item. The lease-lend appropriation called for nothing which would supply these things that might be available for transfer. There must come a time when governmental agencies have a regard for the Treasury in their requests that they make. They should be careful about these things and not ask for enormous sums of money when they are not able to justify them.

Mr. Speaker, I am not going to ask for a roll call or division because I do not feel it is wise to do so at this time and I do not care to complicate the situation that they have created by doing it. On the other hand, I feel that it must be managed with great care and that these people must be called to full account for it.

The SPEAKER. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD and to include therein a table I have prepared analyzing these categories and the stock piles.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER]?

There was no objection.

The table referred to follows:

The U. N. R. R. A. have nothing to do until after the military are cleared out of any country. Therefore, they do not need so much money now. The Congress can provide it whenever they need it because stock piles exist on most things. Where they do not, it is shown in the following table:

	Category I		Category II	
	Necessary to buy	Stock piles existing	Necessary to buy	Stock piles existing
Grains				$10,000,000
Dried beans, peas, and soya products		$1,660,000		8,340,000
Canned meat				190,000,000
Canned fish		16,000,000		
Lard				57,000,000
Salt pork		34,500,000		
Milk		55,000,000		
Cheese		1,200,000		
Veterinary materials			$2,500,000	
Seed	$1,000,000			
Pesticides	3,500,000			
Fertilizer	1,335,000		665,000	
Binder twine	1,900,000			
Farm machinery	17,500,000			
Food processing equipment	8,000,000			
Fishing supplies	8,000,000			
Containers	2,500,000			
Hand tools	5,000,000			
Miscellaneous	5,000,000			
Woolen goods and garments	88,870,000			
Cotton goods and garments	22,800,000			

	Category I		Category II	
	Necessary to buy	Stock piles existing	Necessary to buy	Stock piles existing
Raw wool				$21, 700, 000
Raw cotton				43, 200, 000
Shoes and repair and raw materials therefor	$38, 250, 000			
Atabrin			$2, 910, 000	
Emergency units			6, 910, 000	
Epidemic units			5, 600, 000	
Hospital 40 beds			2, 380, 000	
Hospital, 200 beds			1, 870, 000	
Standard units			25, 720, 000	
Typhus supplement			4, 090, 000	
All other medical supplies			7, 330, 000	
Soap	7, 885, 000		4, 500, 000	
Water-system supplies	5, 000, 000			
Sewerage supplies	5, 000, 000			
Electricity supplies	8, 000, 000			
Transportation-system supplies	20, 000, 000			
Telecommunication supplies (½ for telephone, ½ for telegraph)	2, 000, 000			
Gas-system supplies	2, 000, 000			
Construction machinery, concrete mixers and concrete block equipment, blacksmith forges, anvils, tools	2, 000, 000			
Mobile repair shops (machine and welding shops)	9, 000, 000			
Construction hand tools and materials (plumbers', carpenters', and masons' construction kits)	14, 000, 000			
Semifabricated iron and steel materials (bars, flats, structurals, sidings, and sheets)	8, 000, 000			
Other miscellaneous repair materials and supplies (spare parts, tools, hardware, glass, etc.)	25, 000, 000			
Total	210, 640, 000	$108, 360, 000	129, 375, 000	330, 240, 000

Mr. TABER. May I ask the chairman of the Appropriations Committee, is there an understanding with the Foreign Economic Administration that these funds will not be transferred without consultation with the Congress?

Mr. CANNON of Missouri. We have that assurance.

Mr. TABER. There will be care exercised in this connection?

Mr. CANNON of Missouri. There are ample safeguards here. In the first place, the authority granted can become effective only on certification of the United States Joint Chiefs of Staff. Second, utilization of supplies can be made only on determination of the Administrator. And last, as the gentleman from New York [Mr. TABER] has indicated, we are assured that the ranking minority and majority Members of the House and Senate committees will be consulted preliminary to the exercise of such authority.

Mr. TABER. Mr. Speaker, that is one of the reasons why I am not going to put the House on record in connection with this matter. I do not feel that agencies should be allowed to run wild in spending money. In this case, if that understanding is lived up to, it will, I am sure, result in there being available ample funds to carry this thing on for a considerable period longer than is provided here.

Mr. CRAWFORD. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. May I ask the gentleman first the amount authorized for U. N. R. R. A.? Was that $1,350,000,000?

Mr. TABER. That is right.

Mr. CRAWFORD. Of that $1,350,000,000 how much has been appropriated?

Mr. TABER. Nothing.

Mr. CRAWFORD. Nothing has been appropriated?

Mr. TABER. No. This bill carries $450 000 000 in cash and $350,000,000 authority for transfer from lease-lend funds.

Mr. CRAWFORD. Will the $350,000,000 in that case and in the event it is transferred from lend-lease be charged against the $1,350,000,000?

Mr. TABER. Certainly it will.

Mr. CANNON of Missouri. It is so provided in the amendment itself, lines 17 to 22, of page 7:

> The supplies, services, and funds disposed of or expended under the authority of this section * * * shall be charged to the amount authorized to be appropriated by said act of March 28, 1944.

The $450,000,000 appropriated and the $350,000,000 authorized for transfer, total only $800,000,000 of our authorized quota of $1,350,000,000, whereas England has already appropriated her entire quota.

Mr. CRAWFORD. What was England's total quota?

Mr. TABER. Three hundred and twenty million dollars.

Mr. CANNON of Missouri. Each of the 44 participating nations contributes on the basis of 1 percent of its national income calculated on its income for the calendar year 1943.

The SPEAKER. The time of the gentleman has expired.

Mr. CASE. Mr. Speaker, I wish to express my appreciation to the conferees for accepting the change made in the other body by inserting the word "domestic" ahead of the words "raw wool" in the amendment which the House adopted on my motion when this bill was originally before us. This brings the provision in line with the amendment as I offered it originally in the House and is fully justified by the facts in the case.

We have large Government-owned stock piles of both foreign and domestic wool in the United States owned by Government corporations. Both of them hang heavy over the market and over the wool-growing industry. As a result of war purchases, there is in sight enough right now to meet domestic demands for from 2 to 3 years. So, it is simply good sense, as the gentleman from Tennessee, [Mr. JENNINGS] pointed out during my remarks the other day, for the Government to buy some of its own surplus of wool for that part of its contribution to U. N. R. R. A. It would be good sense, whether we contributed it out of either stock pile, the foreign held by Defense Supplies Corporation or the domestic held by Commodity Credit Corporation. But if we took it from the foreign stock pile, we would not do the most good, for when it was exhausted, more foreign wool would seek to enter the country by underbidding the price the Government already has invested in its domestic wool.

The step which the House took in accepting my modified amendment when this bill was originally before us greatly cheered the wool growers because it demonstrated that Congress is giving some heed to the situation to which attention has been so graphically drawn by the studies of the United States Tariff Commission on the subject of wool. They will be even more greatly cheered by the action of the conferees in accepting the insertion of the word "domestic." I have received letters from Mr. James H. Lemmon, of Lemmon, S. Dak., president of the National Wool Growers Corporation, and Mr. J. B. Wilson, of McKinley, Wyo., legislative chairman of the National Wool Growers Association, on both points. So, I can assure the membership of the House that action today approving the conference report with this change will be appreciated by the wool growers throughout the country. They will be glad that Congress kept our domestic economy in mind when making this contribution of wool and cotton to the relief and rehabilitation needs of the world.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

EXTENSION OF REMARKS

(Mr. RANKIN, Mr. HENDRICKS, and Mr. LAMBERTSON asked and were given permission to extend their own remarks in the RECORD.)

WAR AGENCIES APPROPRIATION BILL, 1945

Mr. CANNON of Missouri submitted the following conference report and statement on the bill (H. R. 4879) making appropriations for the war agencies for the fiscal year ending June 30, 1945, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 7, 17, 19, 20, and 21.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 8, 9, 10, 13, 14, 15, 18, 22, 23, 24, 25, 26, and 27, and agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$375,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$778,875"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lines 14 and 15 of the matter inserted by said amendment, strike out the words "may result in", and insert in lieu thereof the words: "seeks to effect"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 5.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
JED JOHNSON,
JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,
D. LANE POWERS,
Managers on the part of the House.

KENNETH MCKELLAR,
RICHARD B. RUSSELL,
M. E. TYDINGS,
RUFUS C. HOLMAN,
C. WAYLAND BROOKS,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4879), "Making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes", submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Nos. 1, 2, and 3, relating to the Office of Censorship: Makes technical corrections as proposed by the Senate.

Nos. 4 and 27, relating to the Selective Service System: Appropriates $62,500,000 as proposed by the Senate, instead of $61,500,000 as proposed by the House, and transfers the item to the point in the bill proposed by the Senate.

Nos. 6 and 7, relating to the Division of Central Administrative Services of the Office for Emergency Management: Appropriates $7,783,000 as proposed by the House, instead of $8,356,000 as proposed by the Senate, and provides, as proposed by the House, that functions and funds may be transferred from the agency to other agencies, instead of providing, as proposed by the Senate, that functions and funds may be transferred to the agency from other agencies.

Nos. 8, 9, 10, 11, and 12, relating to the Office of Civilian Defense: Appropriates $778,875, instead of $750,000 as proposed by the Senate and $1,000,000 as proposed by the House; provides that $375,000 of the total shall be available for the care of property, instead of $461,500 as proposed by the House and $346,125 as proposed by the Senate and provides for all other expenses in the amounts of the Senate amendments.

Nos. 13, 14, 15, and 16, relating to the Committee on Fair Employment Practice: Provides, as proposed by the Senate, for expenses of the Committee in carrying out any functions "lawfully" vested in it by Executive Orders; fixes the salary of the chairman at $8,000 as proposed by the Senate instead of $10,000 as proposed by the House; and then inserts the following limiting proviso: ": *Provided*, That no part of the funds herein appropriated shall be used to pay the compensation of any person to initiate, investigate, or prosecute any complaint against any defendant where such defendant does not have the same right to appeal an adverse decision of the Committee on Fair Employment Practice to the President of the United States, or to refer said complaint to the President of the United States for final disposition, as is asserted by or allowed the said Committee on Fair Employment Practice in cases where persons complained against refuse to abide by its orders: *Provided further*, That no part of this appropriation shall be used to pay the compensation of any person to initiate, investigate, or prosecute any proceeding against any person, firm, or corporation which seeks to effect the seizure or operation of any plant or other property of such person, firm, or corporation by Federal authority for failure to abide by any rule or regulation of the Committee on Fair Employment Practice, or for failure to abide by any order passed by the Committee on Fair Employment Practice: *Provided further*, That no part of the funds herein appropriated shall be used to pay the compensation of any person employed by said Committee on Fair Employment Practice who issues or attempts to enforce any rule, regulation, or order which repeals, amends, or modifies any law enacted by the Congress."

No. 17, relating to Office of Coordinator of Inter-American Affairs: Appropriates $18,000,000 as proposed by the House instead of $17,000,000 as proposed by the Senate.

No. 18, relating to the Office of Defense Transportation: Appropriates $17,000,000 as proposed by the Senate, instead of $18,000,000 as proposed by the House.

Nos. 19 and 20, relating to the National War Labor Board: Appropriates $15,000,000 as proposed by the House instead of $15,250,000 as proposed by the Senate; and limits the amount for travel to $1,000,000 as proposed by the House instead of $1,060,000 as proposed by the Senate.

Nos. 21, 22, 23, 24, and 25, relating to the Office for War Information: Makes technical corrections in the text of the appropriation as proposed by the Senate; fixes the amount for the Domestic Motion Picture Bureau at $54,428 as proposed by the Senate instead of $50,000 as proposed by the House; and fixes the limitation on the amount that may be used for the Domestic Operations Branch at $2,200,000 as proposed by the House instead of $2,464,633 as proposed by the Senate.

No. 26: Fixes the salary of the Chairman of the Board of Directors of the Smaller War Plants Corporation at $10,000 as proposed by the Senate.

Amendment No. 5, relating to the Committee on Congested Production Areas is reported in disagreement.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
JED JOHNSON,
JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,
D. LANE POWERS,
Managers on the part of the House.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 4879) making appropriations for the war agencies, and I also ask that the statement of the managers on the part of the House be read in lieu of the full report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

Mr. CANNON of Missouri. Mr. Speaker, this is a unanimous report of all of the managers on the part of the House and all the managers on the part of the Senate. There is nothing of a controversial nature in the reports. Unless someone desires to discuss it, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5: Page 8, line 3, insert the following:

"COMMITTEE FOR CONGESTED PRODUCTION AREAS

"Salaries and expenses: For all expenses necessary to enable the Committee for Congested Production Areas to carry out the functions vested in it by Executive Order 9327, including traveling expenses (not to exceed $48,000); printing and binding (not to exceed $2,550); purchase of newspapers and periodicals (not to exceed $600); the employment of State, county, or municipal officials and employees, with or without compensation; and the temporary employment of persons or organizations, by contract or otherwise, without regard to section 3709 of the Revised Statutes and the civil-service and classification laws (not to exceed $15,000); $669,000."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. CANNON of Missouri moves that the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "'Fiscal year 1945, $250,000, to remain available to and including December 31, 1944; and $50,000 to enable the Director of the Bureau of the Budget, in the period, January 1, 1945, to and including June 30, 1945, to liquidate such agency, including personal services in the District of Columbia, and of

such sum of $50,000 the sum of $42,000 shall be exclusively for the payment of accumulated and accrued annual leave of employees of such Committee; in all, $300,000'."

Mr. CANNON of Missouri. Mr. Speaker, this motion has been agreed upon by the conferees of the Senate and the House. Instead of giving the year's provision in the Senate amendment, we provide for $250,000 for 6 months' active work, ending December 31, 1944, and $50,000 after that to liquidate the agency by the Bureau of the Budget.

Mr. Speaker, unless some Member desires to be recognized, I will move the previous question.

The previous question was ordered.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

FAIR EMPLOYMENT PRACTICE COMMITTEE

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I would like to make the record clear in regard to my attitude on the conference report which has just been adopted. We have just adopted the conference report on the war agencies appropriation bill which contains the appropriation for F. E. P. C. That item had been adopted by the House and by the Senate. In the Senate certain amendments were attached to the F. E. P. C. appropriation which, in my opinion, were intended to hamstring the activities of the F. E. P. C. We had no other choice but to vote the conference report up or down. Since these Senate amendments are contained in the conference report, under the rules of the House we could not offer any amendment to strike them out. We had to vote either for the conference report or against it. As the conference report contains appropriations, and since it, in substance, contains what is required by the President's Committee on Fair Employment Practice, and since the conference report contains appropriations for so many vital war agencies, the only choice that was left to the friends of F. E. P. C. was to vote for the conference report.

However, I cannot help but note that in October there will be plenty of white people going among the Negro people beating their breasts and asking for their votes. I do not know what fate will hold for me politically on primary day, but no matter what happens on primary day, I want to assure the Negro people of this country that I am going to tell them the score and what has happened in regard to F. E. P. C. and let them know who their friends are and who their false friends are. They know their enemies who have publicly opposed F. E. P. C. The lurid story contained in the RECORD of last Tuesday they know. The spewing of race hatred in the Senate they know, but the false friends they may not know, and I propose to expose them.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, the gentleman from New York [Mr. MARCANTONIO] said they are going to let the Negroes know who their real friends are in the coming election. The real friends of the Negroes are not the demagogs who take the floor of this House and harrass the white people of this country, or who advocate this crazy, communistic F. E. P. C. that is doing so much to harass the white people of the Nation and to disturb race relations throughout the country.

This F. E. P. C. was set up without authority of the law. It should be abolished at once. I inserted in the RECORD the other day the list of people who operate this F. E. P. C. and showed that a majority of them are Negroes, and that the rest of them, as a rule, are Communists, and had been branded as Communists by both the Dies committee and the Attorney General of the United States.

So far as going out and telling the Negroes during election year what we have not done for them, I wonder if you will go and tell them what you have done to them.

The ones who are advocating this F. E. P. C. are not only doing the white people a grave injustice, but they are doing the Negroes of this country the greatest injustice of which they are capable. They are not the friends of the Negroes. They are the worst enemies the Negroes have, because they come here and advocate a communistic proposition like this, attack the white people of the South, and of the country generally, stir up race trouble, and the poor Negroes suffer as a result.

If you will let the Negroes alone and let the white people alone among whom they live, they will get along. They have done it for 300 years. Even during the last 75 years, under the pressure of the minority, radical, communistic groups from other sections, we have got along with the Negro in the Southern States. We have enabled him to live and enjoy protection—even against these radicals who come down and attempt to stir up trouble among them.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield for a question.

Mr. MARCANTONIO. The gentleman has protected them. He has protected them in their right to vote. He has protected them against discrimination on the job. He has protected them against discrimination in employment——

Mr. RANKIN. Mr. Speaker, I do not yield for a speech.

Mr. MARCANTONIO. God save them from that kind of protection.

Mr. RANKIN. Oh, I have heard the gentleman from New York attack the white people of the South before. It came with poor grace from him to question the patriotism of the white people of the southern States. If he had had his way, we would not have had any Navy, we would not have had an Army, we would not have had any air force when this war began. We might have had a few old rickety merchant ships, and they would probably have been engaged in hauling immigrants and spaghetti if he had had his way.

I am tired of these attacks on the white people of the South by men who admit that what they are bidding for is a few Negro votes in their own localities.

If President Roosevelt will investigate this F. E. P. C. thoroughly, I am sure he will abolish it; because it has done him more harm, it is doing him more harm now, it is doing his administration more harm, it is doing the Negroes of this country more harm, it is doing the white people more harm, it is doing race relations more harm than anything else of its kind that has ever been attempted.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2029. An act to establish the grade of Fleet Admiral of the United States Navy, and for other purposes; to the Committee on Naval Affairs;

S. J. Res. 134. Joint resolution to provide for the establishment, management, and perpetuation of the Kermit Roosevelt fund; to the Committee on Military Affairs.

ENROLLED BILLS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4837. An act to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, and to correct a typographical error in the Individual Income Tax Act of 1944.

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following bills:

S. 1588. An act for the relief of the legal guardian of Eugene Holcomb, a minor;

S. 1634. An act to provide for the management and operation of naval plantations outside the continental United States;

S. 1764. An act to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes.

S. J. Res. 93. Joint resolution declaring the policy of the Congress with respect to the independence of the Philippine Islands, and for other purposes; and

S. J. Res. 94. Joint resolution to amend section 13 of Philippine Independence Act, as amended, establishing the Filipino Rehabilitation Commission, defining its powers and duties, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the

President, for his approval, bills of the House of the following titles:

H. R. 272. An act for the relief of Mrs. Vola Stroud Pokluda, Jesse M. Knowles, and the estate of Lee Stroud;

H. R. 1220. An act for the relief of the legal guardian of Paul M. Campbell, a minor;

H. R. 2303. An act for the relief of O. W. James.

H. R. 2855. An act for the relief of the estate of John Buby;

H. R. 3102. An act for the relief of Mrs. Eva M. Delisle;

H. R. 3661. An act for the relief of G. F. Allen, chief disbursing officer, Treasury Department, and for other purposes;

H. R. 3891. An act to provide night differential for certain employees; and

H. R. 4115. An act to give honorably discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed.

ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock p. m.), under its previous order, the House adjourned until tomorrow, Friday, June 23, 1944, at 10 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

The Committee on Interstate and Foreign Commerce will meet at 9:30 a. m., Friday, June 23, 1944, on the daylight savings bill. Congressman McLEAN will be heard.

COMMITTEE ON FOREIGN AFFAIRS

The Committee on Foreign Affairs will meet in open session at 9 a. m., Friday, June 23, 1944, for consideration of House Resolution 610, a resolution protesting the extermination by the Nazis of minorities in Hungary and other Nazi-controlled territories.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1682. A letter from the Chairman, United States Maritime Commission, transmitting a quarterly estimate of personnel requirements for the United States Maritime Commission for the period ending September 30, 1944, revised in accordance with a request of the Bureau of the Budget; to the Committee on the Civil Service.

1683. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill to amend the Naval Reserve Act of 1938, as amended, so as to permit foreign service of members of the Women's Reserve under certain conditions; to the Committee on Naval Affairs.

1684. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 23, 1944, submitting a report, together with accompanying papers, on a preliminary examination and survey of Sammamish (Samamish) River, Wash., authorized by the Flood Control Act approved on June 22, 1936; to the Committee on Flood Control.

1685. A letter from the Administrator of Veterans' Affairs, transmitting a copy of the information furnished the Director of the Bureau of the Budget for the purpose of making a determination of the Veterans' Administration personnel requirements for the first quarter of the 1945 fiscal year; to the Committee on the Civil Service.

1686. A letter from the Under Secretary, Department of the Interior, transmitting copies of revised estimates of personnel requirements covering the quarter ending June 30, 1944, for various bureaus and offices of this Department; to the Committee on the Civil Service.

1687. A letter from the Secretary of State, transmitting a copy of the information which has been submitted to the Director of the Bureau of the Budget for his use in determining the number of employees required by this Department during the first quarter of the fiscal year 1945; to the Committee on the Civil Service.

1688. A letter from the Chairman, Interstate Commerce Commission, transmitting its quarterly estimate of personnel requirements for the first quarter of the fiscal year, beginning July 1, 1944; to the Committee on the Civil Service.

1689. A letter from the Attorney General, transmitting copies of letters addressed to the Director of the Bureau of the Budget from the War Department and various other departments, urging the extension of the proposed bill to extend for an additional 2 years the Second War Powers Act of 1942; to the Committee on the Judiciary.

1690. A letter from the Director, Selective Service System, transmitting an estimate of personnel requirements for the quarter ending September 30, 1944; to the Committee on the Civil Service.

1691. A letter from the Chief, Budget and Procedures Branch, Office of Strategic Services, transmitting a revised Bureau of the Budget Form No. A-29 on the quarterly estimate of personnel requirements for the Office of Strategic Services, quarter ending September 30, 1944; to the Committee on the Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SPENCE: Committee on Banking and Currency. H. R. 4849. A bill to amend the National Housing Act, as amended; without amendment (Rept. No. 1723). Referred to the Committee of the Whole House on the state of the Union.

Mrs. SMITH of Maine: Committee on Naval Affairs: H. R. 5067. A bill to amend the Naval Reserve Act of 1938, as amended, so as to permit foreign service of members of the Women's Reserve under certain conditions; with amendment (Rept. No. 1724). Referred to the Committee of the Whole House on the state of the Union.

Mr. COCHRAN: Committee on Accounts. House Resolution 607. Resolution providing for expenses of committee authorized by House Resolution 551, investigating campaign expenditures of Representatives; without amendment (Rept. No. 1711). Referred to the House Calendar.

Mr. COCHRAN: Committee on Accounts. House Resolution 608. Resolution authorizing the expenses of conducting the study and investigation of the effect of certain war activities on colleges and universities authorized by House Resolution 592 of the Seventy-eighth Congress; without amendment (Rept. No. 1712). Referred to the House Calendar.

Mr. COCHRAN: Committee on Accounts. House Resolution 609. Resolution authorizing the expenses of conducting the study and investigation of the extent and character of aid given by Federal, State, and local governments and private agencies to the physically handicapped authorized by House Resolution 230 of the Seventy-eighth Congress; without amendment (Rept. No. 1713). Referred to the House Calendar.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 611. Resolution for the consideration of H. R. 4349, a bill to exempt certain officers and employees of the National War Labor Board from certain provisions of the Criminal Code; without amendment (Rept. No. 1715. Referred to the House Calendar.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 612. Resolution for the consideration of H. R. 4468, a bill to exempt certain officers and employees of the War Department from certain provisions of the Criminal Code and Revised Statutes; without amendment (Rept. No. 1716). Referred to the House Calendar.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 613. Resolution for the consideration of H. R. 4446, a bill to exempt certain officers and employees within the Office of Scientific Research and Development from certain provisions of the Criminal Code; without amendment (Rept. No. 1717). Referred to the House Calendar.

Mr. SLAUGHTER: Committee on Rules. House Resolution 525. Resolution extending the powers of the select committee created to investigate the Farm Security Administration to include the power to investigate the activities of the Farm Credit Administration; without amendment (Rept. No. 1718). Referred to the House Calendar.

REPORTS OF COMMITTIES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WEAVER. Committee on the Judiciary. H. R. 4513. A bill to provide for an appeal to the Supreme Court of the United States for the decision of the Court of Claims in a suit instituted by George A. Carden and Anderson T. Herd: with amendment (Rept. No. 1725). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. IZAC:

H. R. 5088. A bill to authorize the construction of additional housing facilities for naval personnel and their dependents; to the Committee on Naval Affairs.

By Mr. LEA:

H. R. 5089. A bill to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California," approved May 18, 1928; to the Committee on Indian Affairs.

By Mr. O'BRIEN of Michigan:

H. R. 5090. A bill to extend the benefits of the act of May 29, 1944, entitled "An act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal," to certain additional civilian officers and employees; to the Committee on the Merchant Marine and Fisheries.

By Mr. PETERSON of Florida:

H. R. 5091. A bill to amend the Canal Zone Code with respect to the taxation of retirement annuities paid to certain retired employees of the Panama Canal and the Panama Railroad Company; to the Committee on the Merchant Marine and Fisheries.

By Mr. ENGLE of California:

H. R. 5092. A bill to authorize mining, milling, or smelting loans, and for other purposes; to the Committee on Banking and Currency.

H. R. 5093. A bill to provide for the relief of owners of mines required to suspend operations by reason of restrictions arising from the war effort and for suspending the enforcement of certain obligations against the operators of mines who are forced to cease operations because of the war; to the Committee on Banking and Currency.

By Mr. ANDERSON of California:

H. R. 5094. A bill to provide, in the case of wage and salary payments made in contravention of the Stabilization Act of 1942, that the lawful portion of such payments shall be allowed as costs or expenses of the employer; to the Committee on Banking and Currency.

By Mr. HENDRICKS:

H. R. 5095. A bill to provide for the erection of memorial stones in national cemeteries for certain servicemen determined to be missing or missing in action or buried at sea; to the Committee on Military Affairs.

By Mr. RAMSPECK:

H. R. 5096 (by request). A bill to amend the Classification Act of 1923, as amended, so as to authorize additional within-grade advancements as rewards for superior accomplishment; to the Committee on the Civil Service.

H. R. 5097 (by request). A bill to facilitate the recruitment of persons for Federal employment; to the Committee on the Civil Service.

H. R. 5098 (by request). A bill to amend the War Overtime Pay Act of 1943, relating to the payment of overtime compensation to Government employees, and for other purposes; to the Committee on the Civil Service.

H. R. 5099 (by request). A bill to authorize the establishment of maximum and minimum rates of pay for classes of positions within the several grades under the Classification Act of 1923, as amended; to the Committee on the Civil Service.

By Mr. REES of Kansas:

H. R. 5100. A bill to further amend the Classification Act of 1923, as amended; to clarify the meaning of references in the act to number of employees supervised and size of organization unit; and for other purposes; to the Committee on the Civil Service.

By Mr. BUSBEY:

H. R. 5101. A bill to provide a penalty for the unlawful destruction of Government records, and for other purposes; to the Committee on the Disposition of Executive Papers.

By Mrs. NORTON:

H. R. 5102. A bill to promote the principle of equal pay for equal work; to the Committee on Labor.

By Mrs. ROGERS of Massachusetts:

H. R. 5103. A bill to provide for the establishment of a permanent Nurse Corps in the Veterans' Administration; to the Committee on World War Veterans' Legislation.

By Mr. SIMPSON of Illinois:

H. R. 5104. A bill to provide for the transfer of civilian defense fire-fighting equipment to municipalities and other local subdivisions of the States; to the Committee on Expenditures in the Executive Departments.

By Mr. BLOOM:

H. Res. 610. Resolution protesting the extermination by the Nazis of minorities in Hungary and other Nazi-controlled territories; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to enact H. R. 4184 and other bills; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to use their good offices with the proper authorities to continue deferments from military service of boners in the meat-packing industry and others; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEALL:

H. R. 5105. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Mabel K. Young, the Hagerstown Hosiery Co., Inc., John R. Fisher, and the Central Insurance Co. of Baltimore; to the Committee on Claims.

By Mr. GILLESPIE:

H. R. 5106. A bill for the relief of Mrs. Eugenie U. Bolstad; to the Committee on Claims.

By Mr. GORE:

H. R. 5107. A bill for the relief of Mrs. Lillian Adams and Pleas Baker; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 5108. A bill for the relief of Fred A. Dimler and Gwendolyn Dimler, his wife; to the Commitee on Claims.

H. R. 5109. A bill for the relief of Mrs. J. W. McMurray, R. T. Latham, G. B. Cooper, L. W. Pearson, and Billups Oil Co.; to the Committee on Claims.

By Mr. O'BRIEN of Michigan:

H. R. 5110. A bill for the relief of Robert June; to the Committee on Claims.

By Mr. ROONEY:

H. R. 5111. A bill for the relief of the legal guardians of John Buchan and Lawrence Gillingham, minors; to the Committee on Claims.

By Mr. SATTERFIELD:

H. R. 5112. A bill for the relief of certain commissioned officers of the Navy, Marine Corps, and Coast Guard; to the Committee on Naval Affairs.

By Mr. SHEPPARD:

H. R. 5113. A bill for the relief of William Henry Bergmann; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5911. By Mr. POULSON: Petition of sundry citizens of Eagle Rock, Los Angeles, Calif., for an immediate hearing and speedy and favorable report on House bill 2082, prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5912. By Mr. ROWAN: Memorial of Illinois and Cook County Boards of the Ancient Order of Hibernians in America and Ladies' Auxiliary, Chicago, Ill.; to the Committee on Foreign Affairs.

5913. By the SPEAKER: Petition of the California (State) Commandery, the Naval and Military Order of the Spanish-American War, petitioning consideration of their resolution with reference to the enactment of legislation necessary to outlaw strikes in plants that are engaged in the production of war materials; to the Committee on Labor.

5914. Also, petition of the General Assembly of the Puerto Rico Farmers Association, San Juan, P. R., petitioning consideration of their resolution with reference to the immediate removal of the Governor of Puerto Rico, Rexford G. Tugwell, and others; to the Committee on Insular Affairs.

SENATE

FRIDAY, JUNE 23, 1944

(Legislative day of Tuesday, May 9, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Eternal God, our Father, who art the source of all our blessings, we rejoice that the treasury of Thy goodness is inexhaustible, grant that daily we may render unto Thee the tribute of our heartfelt praise and show forth our gratitude in lives of devotion.

When this Congress adjourns may all whom Thou hast entrusted with positions of leadership and service in the life of our Republic, during these difficult and perilous days, receive Thy benediction, "Well done, good and faithful servant."

We commend one another and all the citizens of our beloved country, wherever they may be, to Thy care and keeping. We know not what the future has in store for us, but we will trust and not be afraid, for we have the glad assurances that as our days, so also shall our strength be, and that no good thing wilt Thou withhold from those who do justly, love mercy, and walk humbly with the Lord, their God.

Hear us in the name of the Christ, our Saviour. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, June 22, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 22, 1944, the President had approved and signed the act (S. 1767) to provide Federal Government aid for the readjustment in civilian life of returning World War No. 2 veterans.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 1173. A bill to provide for staying judicial proceedings against the United States in time of war, on claims for damages caused by vessels of the Navy, or for towage or salvage services to such vessels, when the Secretary of the Navy certifies that the prosecution of such proceedings would endanger the

security of naval operations or interfere therewith, and to authorize the settlement and payment of such claims, and for other purposes; and

S. 1894. A bill to provide for the transportation to their homes of persons discharged from the naval service because of under age at time of enlistment.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 3187. An act to amend section 5, Public Law 140, Seventy-seventh Congress;

H. R. 4466. An act to amend section 18 of the Pay Readjustment Act of 1942 to provide additional pay for personnel who are required to participate in regular and frequent glider flights;

H. R. 4810. An act to extend the provisions of the Selective Training and Service Act of 1940, as amended, to the Virgin Islands;

H. R. 4958. An act to amend the Transportation of Explosives Act; and

H. J. Res. 228. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Alexander Firouz, a citizen of Iran.

STATEMENT BY PRESIDENT ON SIGNING G. I. BILL OF RIGHTS AND STATEMENT BY SENATOR WAGNER

Mr. WAGNER. Mr. President, yesterday President Roosevelt signed the Servicemen's Readjustment Act of 1944, popularly known as the G. I. bill of rights. This bill is a tremendous step forward in advancing the social security of our service men and women. On signing this bill the President issued a very informative statement which every Senator will want to read carefully, particularly because the President urges consideration of additional legislation when Congress convenes to take care of the remaining readjustment problems of veterans as well as civilian war workers. I ask unanimous consent to have printed in the RECORD as a part of my remarks the President's statement, and also an address which I delivered last night over the Mutual Network entitled "G. I. Bill of Rights for Servicemen."

The ACTING PRESIDENT pro tempore (Mr. GILLETTE). Without objection, it is so ordered.

The President's statement and the address delivered by Senator WAGNER were ordered to be printed in the RECORD, as follows:

STATEMENT BY THE PRESIDENT ON SIGNING S. 1767

This bill, which I have signed today, substantially carries out most of the recommendations made by me in a speech on July 28, 1943, and more specifically in messages to the Congress dated October 27, 1943, and November 23, 1943:

1. It gives service men and women the opportunity of resuming their education or technical training after discharge, or of taking a refresher or retrainer course, not only without tuition charge up to $500 per school year, but with the right to receive a monthly living allowance while pursuing their studies.

2. It makes provision for the guaranty by the Federal Government of not to exceed 50 percent of certain loans made to veterans for the purchase or construction of homes, farms, and business properties.

3. It provides for reasonable unemployment allowances payable each week up to a maximum period of 1 year, to those veterans who are unable to find a job.

4. It establishes improved machinery for effective job counseling for veterans and for finding jobs for returning soldiers and sailors.

5. It authorizes the construction of all necessary additional hospital facilities.

6. It strengthens the authority of the Veterans' Administration to enable it to discharge its existing and added responsibilities with promptness and efficiency.

With the signing of this bill a well-rounded program of special veterans' benefits is nearly completed. It gives emphatic notice to the men and women in our armed forces that the American people do not intend to let them down.

By prior legislation, the Federal Government has already provided for the armed forces of this war adequate dependency allowances; mustering-out pay; generous hospitalization, medical care, and vocational rehabilitation and training; liberal pensions in case of death or disability in military service; substantial war-risk life insurance, and guaranty of premiums on commercial policies during service; protection of civil rights and suspension of enforcement of certain civil liabilities during service; emergency maternal care for wives of enlisted men; and reemployment rights for returning veterans.

This bill therefore and the former legislation provide the special benefits which are due to the members of our armed forces—for they "have been compelled to make greater economic sacrifice and every other kind of sacrifice than the rest of us, and are entitled to definite action to help take care of their special problems." While further study and experience may suggest some changes and improvements, the Congress is to be congratulated on the prompt action it has taken.

There still remains one recommendation which I made on November 23, 1943, which I trust that the Congress will soon adopt—the extension of social-security credits under the Federal old-age and survivors' insurance law to all service men and women for the period of their service.

I trust that the Congress will also soon provide similar opportunities for post-war education and unemployment insurance to the members of the merchant marine, who have risked their lives time and again during this war for the welfare of their country.

But apart from these special benefits which fulfill the special needs of veterans, there is still much to be done.

As I stated in my message to the Congress of November 23, 1943:

"What our service men and women want, more than anything else, is the assurance of satisfactory employment upon their return to civil life. The first task after the war is to provide employment for them and for our demobilized workers. * * * The goal after the war should be the maximum utilization of our human and material resources."

As a related problem the Congress has had under consideration the serious problem of economic reconversion and readjustment after the war, so that private industry will be able to provide jobs for the largest possible number. This time we have wisely begun to make plans in advance of the day of peace, in full confidence that our war workers will remain at their essential war jobs as long as necessary until the fighting is over.

The executive branch of the Government has taken, and is taking, whatever steps it can, until legislation is enacted. I am glad to learn that the Congress has agreed on a bill to facilitate the prompt settlement of terminated contracts. I hope that the Congress will also take prompt action, when it reconvenes, on necessary legislation which is now pending to facilitate the development of unified programs for the demobilization of civilian war workers, for their reemployment in peacetime pursuits, and for provision, in cooperation with the States, of appropriate unemployment benefits during the transition from war to peace. I hope also that the Congress, upon its return, will take prompt action on the pending legislation to facilitate the orderly disposition of surplus property.

A sound post-war economy is a major present responsibility.

THE G. I. BILL OF RIGHTS FOR SERVICEMEN—S. 1767

(By. Hon. ROBERT F. WAGNER, of New York)

My friends, though we are deep in a crucial phase of the war, with millions of men fighting to preserve freedom and decency in the world, it is none too soon to give attention to the problems of returning servicemen and women. The Servicemen's Readjustment Act of 1944, popularly known as the G. I. bill of rights, was signed by President Roosevelt at the White House today. It is one of several laws to the development of which the American Legion and other veterans' organizations have made such a splendid contribution—all of them designed to repay, in some small measure, the brave men and women who are forging victory at the risk of their lives. But, in a larger sense, we cannot repay this debt. No money can compensate for the sacrifices that military service demands. Rather, it is for us to make the country our servicemen return to, the kind of land they fight for, a land of opportunity, security, and peace, a land where every man has a chance to work and develop to his fullest capacity.

SOCIAL SECURITY FOR VETERANS

Over a million men and women already have been discharged from active service. Every month, thousands more return to civilian life. We must make sure that the return of veterans to civilian life is so arranged that their skills and abilities are fully put to use, and rewarded They must not be placed in the position of liberating the world from aggression, only to return to a world where they cannot find real opportunities for themselves and their families.

I know, from letters I have received from servicemen, and from my son who is serving in the Air Force overseas that what they want most of all when they come back are jobs—not just any job, but constructive, useful work, at adequate wages, with good working conditions, and with opportunity for individual initiative and advancement. Next to jobs, they want a chance to better themselves through educaton and retraining. Finally, they want mustering-out pay, and social insurance protection to help them during the adjustment to civilian life, and to safeguard themselves and their families in the future.

To what extent does the G. I. bill of rights answer the needs of our veterans? It does not, of course, provide jobs. For that we must rely on the cooperation and planning of business, Government, and labor. But this bill, plus various other bills already passed by Congress, and others still pending, will help materially in creating the full employment we aim to achieve.

PENSIONS AND MEDICAL CARE

Let me mention, briefly, what is already provided for our servicemen. First of all, Congress has made provision for pensions for those disabled in combat, and in addition to national service life insurance sold at cost, has also provided pensions for the widows and orphans of those who die. It has also provided a lump-sum payment of 6 months' salary to the dependents of those who die while in the service. If a veteran

is disabled, there is available to him vocational training to prepare him for a new job. Furthermore, and this is not generally known, Congress has provided for all service men and service women, whether disabled or not, medical and hospital care at Government expense, not only while in the service but for the rest of their lives. Such medical care is provided through the Government hospitals and medical facilities of the Veterans' Administration. Moreover, Congress has also provided, under certain circumstances, disability pensions for wounded veterans and survivors' pensions for their dependents, even if the disability or death is not connected with military service. Thus, the veterans already have a large measure of social security.

CONSTRUCTION OF HOSPITALS

The very first section of the G. I. bill of rights provides additional funds for the construction and expansion of hospital facilities. The sick and wounded must be the first concern of the Nation. All of the miracles of modern medicine can be employed through these means to restore health to the men who are fighting for us on beach heads all over the world.

FEDERAL VETERANS' PLACEMENT BOARD

To help the veteran when he is ready to find a job the G. I. bill establishes an effective Veterans' Placement Service Board within the United States Employment Service. This Board consists of the Veterans' Administrator, as Chairman, the Federal Security Administrator, and the Director of Selective Service. In this way the full weight of the National Government has been placed behind the Veterans' Employment Service, under a single line of command. A veterans' employment representative, responsible to the Board, will be attached to the staff of the United States Employment Service in each State and locality. It will be his duty to see that employers are encouraged to hire veterans, that veterans register for employment, and that the laws pertaining to veterans' employment rights are enforced.

EDUCATIONAL ALLOWANCES FOR VETERANS

War interrupted the education and training of many of our young men and women. Other persons may have become rusty in their civilian skills. And many servicemen will want refresher courses after the war, so that they can adapt the skills they learned while in the services to some peacetime use. To help these veterans, the G. I. bill of rights makes it possible for anyone who has served 90 days, or who was discharged earlier for disability connected with service, to continue his education. Depending on their length of service and their age when inducted, veterans are eligible for 1 to 4 years of education or training. The G. I. bill authorizes the payment to the veteran of an allowance of $50 a month while he is receiving education or training, with an additional $25 a month if he has dependents. It also provides for paying educational institutions up to $500 for each veteran enrolled during the school year, to cover tuition, fees, books, and so forth.

I consider this education provision one of the most important parts of the G. I. bill—important not only for the veteran and his family, but for the Nation. The future of our country depends in great measure on the quality and extent of the education of our citizens. There should be a new birth of creative activity after the war—new inventions in science, new cultural developments, and, most important of all, new social inventions to harness the economic and political forces of the world, so that they will serve mankind instead of destroying him. Just as the free public-school system has been a tremendous force for democracy, this provision for the education of millions of men and women releases unlimited resources in our young people.

LOANS TO VETERANS

The G. I. bill contains two other important programs. One is a provision for loans, and the two other a provision for unemployment compensation. Under the loan provision, the Government will stand back of veterans and guarantee up to 50 percent of the amount of the money they borrow, but the amount guaranteed is limited to $2,000. The bill specifies that these loans must be used by the veterans for building homes, or investing in farms, or in business property. This is very important in helping veterans to reestablish themselves on a firm basis in civilian life.

FEDERAL UNEMPLOYMENT BENEFITS

The provision for unemployment compensation is one in which I take great pride, for I introduced it and sponsored it many months ago—along with the provision for a veterans' employment service.

Immediately after the war, we will go through a difficult period of adjustment. Industry will be converting to peacetime products. Perhaps half the regular working forces of the country will have to find their place again in peacetime enterprise. Many veterans may exhaust their mustering-out pay and educational allowance, and on registering with the Veterans' Employment Service, find that no job is immediately available. Many men entered the Army without previous regular employment. Furthermore, many veterans who had worked only a short time before the war—perhaps in unskilled work—will expect and should get more highly skilled jobs for which their training in service has qualified them. Finally, no one can guarantee that a particular job will be a continuing job. To protect servicemen during periods of joblessness, it was necessary that Congress enact Federal unemployment compensation for veterans.

STATE UNEMPLOYMENT BENEFITS INADEQUATE

Only half of the returning veterans would have had some rights under any of the 48 different State unemployment insurance systems. Those with rights would have found the benefits under the State laws too small and the number of weeks they get them too few. The G. I. bill of rights provides for a uniform amount of benefit for a guaranteed period of time. These benefits are, of course, Federal benefits, for the Congress felt that those provided under State laws were inadequate, and since all veterans have participated in Federal military service, they should all have equal rights to unemployment payments. The bill provides unemployment benefits of $20 a week up to 52 weeks.

The unemployment insurance provision also includes payments to the veteran who is self-employed, in a business, profession, or other vocation. If a veteran's income is less than $100 a month, he will be entitled to the difference between his net earnings and $100. For example, if the income from his business or profession is only $75 a month, he will be entitled to $25 unemployment insurance from the Federal Government.

These unemployment insurance provisions of the G. I. bill of rights are to be administered by the Veterans' Administrator, who may use the existing facilities of the Federal and State agencies to pay the benefits to servicemen. Unemployment benefits will become payable beginning with the week of September 4, 1944.

OLD-AGE AND SURVIVORS INSURANCE

There is one important point, however, that is not taken care of in the G. I. bill. No provision is included to protect the social-security rights of veterans under the old-age and survivors' insurance program of the Social Security Board. Unless action is taken the social security protection of servicemen will be reduced and some will lose it entirely. There will be a loss of thousands of dollars in insurance rights in the case of those who are killed in action or who die after they are demobilized and before they have built up their rights again. In such cases, widows and other dependents may find themselves with no claim at all to old-age and survivors insurance benefits. The loss will be particularly serious in the case of those who die from causes not connected with their military service shortly after demobilization. Under existing laws the families of such men may get neither veterans' benefits nor social-security benefits.

Some time ago I introduced a bill in the Senate, S. 1813, to correct this unfair situation. That bill is still pending, although Congress has taken no action on it. It would not only preserve the social-security rights service men and women had earned prior to induction, but would build up their rights in the same way as those now in civilian employment. The bill is endorsed by the various veterans' organizations. I hope that Congress will pass this bill when it reconvenes this fall.

WAGNER-MURRAY-DINGELL BILL—S. 1161

In the last analysis, veterans' legislation as such cannot guarantee the heroes of this war the security and opportunity for which they are ready to give their lives, for the security of the veteran depends on the prosperity of the whole Nation. More and more we realize that though an individual's rights must be defended, no individual can stand alone. All of us have responsibilities to each other and to the community, which we must fulfill if we are to survive as a Nation. It is not enough that we provide protection to the veteran. We must provide adequate social-security protection to his family as well. Therefore, I am urging action on other bills in Congress—notably S. 1161, known as the Wagner-Murray-Dingell bill for social security—to assure for the wives and children of veterans and for the millions of other persons in our country, insurance protection against the five major hazards of life; unemployment, sickness, disability, old age, and death. This bill would not provide a featherbed for the indolent; rather it would provide a safeguard for our system of free enterprise, which cannot function properly if large portions of the population are without income.

The welfare of the veteran is the welfare of the Nation. Though this G. I. bill of rights protects him during the transition period back to civilian life, his well-being in the long view must rest with the kind of country we build for him and for all of us, as well as the kind of relations we establish with the other nations of the world. It is only through our ability to make this earth a truly civilized planet, that we can guarantee a full measure of security to the veterans—security not only after the war, but security against all future wars.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore (Mr. GILLETTE) laid before the Senate the following letters, which were referred as indicated:

LAND ACQUISITION BY NAVY FOR SHIP REPAIR FACILITIES

A letter from the Secretary of the Navy, reporting, pursuant to law, in relation to the acquisition of land for naval ship-repair facilities; to the Committee on Naval Affairs.

PERSONNEL REQUIREMENTS

Letters from the Chairman of the Interstate Commerce Commission, the Director of the Selective Service System, and the administrative officer of the President's Committee on Fair Employment Practices, transmitting, pursuant to law, estimates of personnel requirements for their respective offices for the quarter ending September 30, 1944 (with accompanying papers); to the Committee on Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate by the Acting President pro tempore and referred as indicated:

A resolution of the House of Representatives of the Commonwealth of Kentucky; to the Committee on the Judiciary:

"Resolution repudiating House Resolution 79 of the regular session of the 1944 general assembly

"Whereas by House Resolution No. 79 of the regular session of the 1944 general assembly, application was made to the Congress of the United States to call a convention for the purpose of proposing an amendment to the Constitution of the United States relating to taxes on incomes, inheritances, and gifts; and

"Whereas such resolution was adopted by the general assembly under a misapprehension as to its true meaning, intent and purpose, and without a full consideration of the results that might obtain from such action; and

"Whereas the amendment proposed in such resolution establishes a policy with regard to taxation that is contrary to the established public policy of Kentucky, and would impose the burden of taxation upon those least able to bear it: Now, therefore, be it

"Resolved by the house of representatives of the Commonwealth of Kentucky:

"That House Resolution No. 79 of the regular session of the 1944 general assembly is hereby repudiated and the house of representatives does withdraw from the same.

"The secretary of state is directed to send a duly certified copy of this resolution to the Senate of the United States and to the House of Representatives of the United States."

A resolution by the Municipal Assembly of Aguada, P. R., endorsing a resolution recently introduced in the House of Representatives by Mr. MCGEHEE, relating to the prompt removal of Rexford G. Tugwell as Governor of Puerto Rico; to the Committee on Territories and Insular Affairs.

PROHIBITION OF LIQUOR SALES AROUND MILITARY CAMPS AND OF THE LIQUOR TRAFFIC DURING THE WAR—PETITIONS

Mr. JOHNSON of Colorado. Mr. President, I have some petitions which have been sent to me from constituents in my State.

They relate to Senate bill 860, to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States, and House bill 2082, to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war. There are 8,472 signatures on these petitions and I ask consent to present them and that they be appropriately referred, and also that there be printed in the RECORD a tabulation showing the names of places in Colorado from which the petitions have come, as well as information showing the number of petitions coming from each place.

The ACTING PRESIDENT pro tempore. Without objection, the petitions presented by the Senator from Colorado will be received and appropriately referred, and the tabulation will be printed in the RECORD.

The tabulation is as follows:

Petitions on S. 860 and H. R. 2082

Colorado:	
Akron	46
Alamosa	14
Arriba	40
Arvada	115
Ault	97
Austin	44
Bellvue	47
Berthoud	213
Boulder	555
Briggsdale	5
Canon City	118
Cedaredge	62
Center	44
Clifton	37
Colorado Springs	809
De Beque	28
Denver	1,598
Dolores	188
Dove Creek	28
Durango	94
Englewood	53
Estes Park	28
Fort Collins	101
Fleming	66
Golden	28
Grand Junction	669
Grand Valley	62
Greeley	382
Grover	55
Haxtun	80
Holyoke	202
Hooper	28
Hotchkiss	117
Jaroso	27
Kendrick	55
Kersey	26
Lakewood	10
La Junta	490
Lamar	70
La Porte	28
La Salle	62
Littleton	55
Longmont	261
Loveland	29
Mancos	20
Manzanola	8
Monte Vista	50
Montrose	55
Olathe	164
Palisade	145
Pueblo	331
Sterling	318
Weld	38
Willard	36
Wray	51
Yuma	90
Total	8,472

ORGANIZATION OF THE CONGRESS—REPORT OF THE RULES COMMITTEE

Mr. BYRD. Mr. President, from the Committee on Rules I report favorably with amendments Senate Concurrent Resolution 23, establishing a Joint Committee on the Organization of the Congress, and I submit a report (No. 1034) thereon. This is known as the Maloney resolution providing for a reorganization of the committees of the Senate and House, and providing for a recommendation to be made to both bodies.

The ACTING PRESIDENT pro tempore. Without objection, the concurrent resolution will be received and placed on the calendar.

COMPENSATION OF TEMPORARY CLERK, COMMITTEE ON PUBLIC LANDS AND SURVEYS

Mr. LUCAS. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably without amendment Senate Resolution 311 and ask unanimous consent for its present consideration.

The ACTING PRESIDENT pro tempore. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 311) submitted by Mr. HATCH on June 16, 1944, as follows:

Resolved, That the compensation of the assistant clerk employed by the Committee on Public Lands and Surveys under Senate Resolution 245, Seventy-seventh Congress, as continued by Senate Resolution 307, Seventy-seventh Congress, shall hereafter be at the rate of $1,800 per annum, and $1,500 additional so long as the position is held by the present incumbent.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. McKELLAR. Mr. President, I inquire what is the amount of the increase in compensation?

Mr. LUCAS. The amount of $300 per annum. I will say to the Senator from Tennessee that the lady is now getting $1,500 a year and it is sought to increase her compensation by $300.

Mr. HATCH. Mr. President, that is not quite correct; she receives more than that now.

Mr. LUCAS. The resolution provides for an increase from $1,500 to $1,800.

Mr. HATCH. Yes; but there is a combination of salaries. The lady has not had an increase in 4 years' time, and the resolution does increase the compensation $420 a year. That is the exact amount. I heard the Senator say she gets $1,500; she really gets $2,800.

Mr. LUCAS. The resolution states that her salary is being increased from $1,500 to $1,800 a year in the particular position she now holds.

Mr. HATCH. I think the Senator is correct, but I did not want anyone to be misled.

Mr. LUCAS. I am glad the Senator has made the statement he has.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

JAMES D. REILLY

Mr. LUCAS. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate resolution 78, and ask for its immediate consideration. I request that the clerk read the resolution.

The ACTING PRESIDENT pro tempore. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 78) submitted by the late Senator McNary on January 21, 1943, as follows:

Resolved, That the Sergeant at Arms of the Senate be, and he is hereby, authorized and directed to appoint James D. Reilly a messenger (acting as an additional assistant doorkeeper), who shall be paid at the rate of $2,400 per annum from the contingent fund of the Senate until otherwise provided by law.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution? The

Chair hears none, and, without objection, the resolution is agreed to.

Mr. LUCAS. Mr. President, did the Senator from Maine desire to say something about the resolution?

Mr. WHITE. No; I really do not. I had two reports about the resolution, one that the Senator was asking for its immediate consideration, and second that it was simply to go to the calendar. I am not going to object to it. Is the Senator asking for the adoption of the resolution?

Mr. LUCAS. I was asking for its consideration. Of course, if the Senator wants it to go to the calendar it is perfectly all right with me. Those in authority tell me that the resolution would more or less set a precedent, but it was submitted by the former minority leader, the late Senator McNary, of Oregon.

I will say to the Senator from Tennessee that this resolution was presented by the late Senator McNary; it was referred to the committee of which the senior Senator from Illinois is chairman. It authorizes and directs the Sergeant at Arms of the Senate "to appoint James D. Reilly a messenger—acting as an additional assistant doorkeeper—who shall be paid at the rate of $2,400 per annum, from the contingent fund of the Senate until otherwise provided by law."

I should like to ask the senior Senator from Tennessee whether or not this request has been presented to the Appropriations Committee.

Mr. McKELLAR. I do not recall that it has. Is the salary provided the same as that other doorkeepers or messengers are paid?

Mr. LUCAS. I am not sure about the rate at which other doorkeepers are paid. Mr. Reilly has been here a long, long time, and out of respect to the late Senator McNary, the resolution has been reported.

Mr. McKELLAR. I am not going to object to the resolution. Mr. Reilly is a very fine man and a very worthy and efficient official.

Mr. LUCAS. I was seeking the opinion of the Senator from Tennessee, because there seems to be some question about a precedent being established by the resolution.

Mr. McKELLAR. That is what I am afraid of, but I have no objection to raising the salary, if it is in conformity with other salaries for similar positions.

Mr. WHITE. Mr. President, in view of the fact that this is a matter in which the late Senator McNary was interested, I cannot find it in my heart to voice any objection to the adoption of the resolution.

The ACTING PRESIDENT pro tempore. The resolution has been agreed to.

ADDITIONAL REPORT OF SPECIAL COMMITTEE INVESTIGATING THE NATIONAL DEFENSE PROGRAM—MERCHANT SHIPPING (PT. 18 OF REPT. NO. 10)—AUTHORITY TO FILE REPORTS

Mr. KILGORE. Mr. President, on behalf of the Special Committee Investigating the National Defense Program I desire to file part 18 of Report No. 10 of the investigation pertaining to the merchant shipping program. The committee investigated the merchant ship construction and operation program, and files this report with certain recommendations, particularly with reference to the use of Liberty ships for the transportation of personnel or hospital cases, and strenuously urges that the program of all shipbuilding be amended to prevent this except in the direst emergency.

I should like to also ask unanimous consent of the Senate, inasmuch as there are two or three other reports in process of completion and almost completed, to file those reports during the recess, on behalf of the committee, when they shall have been approved by the committee.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered; and, without objection, the report submitted by the Senator from West Virginia will be received and printed.

BOUNDARY LINE BETWEEN NEW YORK AND RHODE ISLAND

Mr. HATCH. Mr. President, the Committee on the Judiciary met this morning to consider House Joint Resolution 138, which relates to the boundary line between the States of New York and Rhode Island. The two States have entered into a compact which has been approved by both of them. The joint resolution has passed the House, and the Committee on the Judiciary has authorized me to report the joint resolution favorably, without amendment, which I now do. I ask unanimous consent that the joint resolution may be considered at this time.

Mr. WHITE. Mr. President, I understand it is a formal resolution, usual in character, consenting to a compact between the two States?

Mr. HATCH. That is correct.

The ACTING PRESIDENT pro tempore. The clerk will state the joint resolution by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (H. J. Res. 138) granting the consent of Congress to an agreement between the State of New York and the State of Rhode Island and Providence Plantations concerning the settlement of the boundary line between said States.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. HOLMAN. Mr. President, I should like to ask the Senator from New Mexico if the joint resolution is not about 150 years late?

Mr. HATCH. The Senator will have to ask the Senator from Rhode Island about that.

The ACTING PRESIDENT pro tempore. The question is on the third reading of the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

INVESTIGATION OF RURAL ELECTRIFICATION ADMINISTRATION—INTERIM REPORT ON HEARINGS OF SUBCOMMITTEE OF SENATE COMMITTEE ON AGRICULTURE AND FORESTRY

Mr. SMITH. Mr. President, I ask unanimous consent to have printed in the RECORD an interim report of the subcommittee of the Senate Committee on Agriculture and Forestry on hearings on Senate resolution 197, providing for inquiry into the administration of the Rural Electrification Administration.

There being no objection, the interim report was ordered to be printed in the RECORD, as follows:

INTERIM REPORT OF THE SUBCOMMITTEE OF THE SENATE AGRICULTURE AND FORESTRY COMMITTEE ON HEARINGS ON SENATE RESOLUTION 197, PROVIDING FOR THE INQUIRY INTO THE ADMINISTRATION OF THE RURAL ELECTRIFICATION ADMINISTRATION

JUNE 23, 1944.

Your subcommittee which was appointed to consider and report on the proposals made in Senate resolution 197 to inquire into the administration of the Rural Electrification Administration, has completed the preliminary phases of its inquiry and has elected to make this preliminary report.

The Rural Electrification Administration was originally created by an Executive order by the President, and later, by enactment of law, was made a Federal agency under an administrator appointed by the President for a term of 10 years and confirmed by the Senate.

The provisions of law made the employees subject to civil service, and political activity by the Administrator and employees was prohibited by law. The Administrator was given full authority and responsibility only to the Congress. It was hoped at the time that the record of freedom from political activity and efficiency of management and operation of this agency would compare favorably with the record of T. V. A., which was also made an independent administrative agency not subjected to interference in its program and management.

So long as this policy of independence prevailed, the record of the R. E. A. was outstanding and fulfilled the highest expectations of the President, the Congress, and the people of the United States. All employees were directly responsible to the Administrator. The Administrator was responsible to the Congress.

Under the Reorganization Act of 1939, the R. E. A. was transferred to the Agricultural Department of the Federal Government. The order of transfer stated that the R. E. A. should be under the general supervision and direction of the Secretary of Agriculture. As a result, the various divisions of personnel were divorced from the R. E. A. organization and spread through the various personnel sections of the Department of Agriculture. The Administrator was deprived of authority to select his personnel. The legal department was transferred and became a part of the legal department of the Department of Agriculture. Centralization of authority and responsibility placed by the Congress in the person of the Administrator became dissipated among the various agencies of the Agricultural Department.

There is evidence that subordinates in the Department of Agriculture cooperated with subordinates in the R. E. A. and persons not employed by the Agricultural Department or the R. E. A., to undermine the authority placed by the Congress in the office and person of the Administrator.

The evidence also indicates that one source of disorganization and trouble was

the almost constant effort of some of the employees and engineers of the R. E. A. to force upon the farm cooperatives a higher cost of conductors than was desired by some of the farm cooperatives. There was considerable evidence to indicate that the products of the Copperweld Steel Co. were favored over aluminum by some of the engineers having to do with the approval of contracts. The testimony in regard to this controversy was conflicting, but the committee is of the opinion that there was more than a legitimate and ethical connection between some of the engineers and other personnel employed by the R. E. A. in relation to the selection of conductors and other construction materials.

The testimony before the committee indicates that after the local co-ops had let contracts favoring aluminum as a lower cost conductor, pressure was brought to bear by employees of the R. E. A. to have the contracts canceled and new contracts made permitting the use of a higher cost conductor.

As these practices increased, more and more dissatisfaction, controversy, and intrigue became manifest as the testimony before the committee will show. This resulted in confusion, a lowering of morale of the personnel as authority and responsibility of the Administrator was usurped by various heads and personnel of the Agricultural Department.

There can be no doubt that the Administrator of the Rural Electrification Administration, appointed by the President and confirmed in that appointment by the United States Senate, is no longer the Administrator of the R. E. A. in fact.

There can be no doubt that there is dissension among those in highest authority in the administration of R. E. A., that there is divided authority and therefore credence can be given to the reports which came to the committee of growing discord and distrust and disorganization within the R. E. A.

The Rural Electrification Administration was established by Congress as an agency responsible directly to the Congress. During the early years of the Administration, it was administered in accord with the spirit of the act and as an agency responsible to the Congress, or what is generally described as an independent agency. Throughout those years the Rural Electrification Administration gained the respect and the commendation of the Congress, as well as the people of the United States. It is fair to say that the Administration gained general approval and was singularly free from adverse criticism.

One of the most disrupting episodes causing further dissention and disorganization was the incorporation of certain private corporations for the operation of insurance companies and agencies to sell supplies and insurance to the R. E. A. cooperatives, their families, and others. The incorporators seem to have included some superintendents of local cooperatives.

Mr. Stoneman, now president of the National Rural Electric Cooperative Association, testified he was one of them. An intensive campaign was started by the officers of this organization and various employees of the R. E. A. to induce the more than 800 local cooperatives to become members of this organization. In fact, the testimony indicates that before these corporations were formed, this scheme was originated by the Deputy Administrator, Mr. Robert B. Craig, who, under oath, testified that he was willing to accept the responsibility of parentage of this scheme.

There is some testimony in the record to indicate that the importance of such an organization for political purposes was estimated and appraised. But there is no testimony showing that the R. E. A. organization itself ever engaged in political activities.

This N. R. E. C. A. organization at first seemed to have the approval of the Secretary and Assistant Secretary of Agriculture, and the Administrator. However, after some time the true purpose of this organization became apparent.

It appears that the National Rural Electric Cooperative Association, in order to start in the insurance business, had to have certain funds of the local cooperatives required by State law in various States where they intended to operate and conduct an insurance business. They proposed to obtain these funds by giving their notes to the cooperatives and so use the surplus funds of the cooperatives to start the insurance business.

When these facts came to the knowledge of the Administrator, Mr. Slattery, he wrote a letter of warning to the cooperatives, telling them to "stop, look, and listen." He also wrote a letter to the Secretary of Agriculture, Mr. Wickard, to obtain a legal opinion as to the legality of the scheme permitting the local cooperatives to use their funds for such purpose, as of course their funds were under lien to the Government of the United States for loans.

That opinion of the Solicitor seems to have ended the scheme of this group, so far as selling insurance was concerned.

The action the Administrator, Mr. Slattery, took to obtain legal advice on this scheme to use the funds of the R. E. A. seems to have precipitated an attack upon the Administrator by officials of the National Rural Electric Cooperative Association, as well as by some officials of the Department of Agriculture. Up until that time, the testimony shows, many letters by various members and officials of the National Rural Electric Cooperative had been exceedingly laudatory in their expressions of admiration for the ability and integrity of the Administrator of the R. E. A., Mr. Slattery.

It is interesting to note that when the Secretary of Agriculture was informed by the legal opinion of his Solicitor that moneys of the R. E. A. could not be used for such purposes as intended by the organizers of the National Rural Electric Cooperative Association, he warned employees of the R. E. A. to cease and desist from helping to further the scheme and joined Mr. Slattery in warning employees to have nothing to do with the N. R. E. C. A. There is evidence that thereafter certain Agriculture Department officials joined with the organizers of the N. R. E. C. A. in attempts to have Mr. Slattery removed as Administrator of the R. E. A. Pressure was brought upon the President to have him removed. This seems to have failed.

Mr. Slattery, having been appointed by the President, through the authority of a special act of Congress for a period of 10 years, and confirmed by the Senate of the United States, the question of his removal without a hearing and without the filing of specific charges presented a legal problem that the President might hesitate to undertake, even had he so desired. Emissaries from the Department of Agriculture and of the N. R. E. C. A. brought pressure to bear upon the White House to get rid of the Administrator without resorting to removal for cause and upon hearing. There is direct evidence that he was offered another position subsequently to go to Europe to study rural electrification, at his present salary, if he would resign as Administrator of the R. E. A. This he refused to do.

We have a right to assume that the rumors and charges of incompetency and mismanagement on the part of Mr. Slattery as administrator that were suddenly discovered, after he opposed the insurance activities of the N. R. E. C. A. to use the mortgage funds of the cooperatives to start their insurance companies, were carried to the President and made the basis for the request for his discharge or removal. Such action has our unqualified disapproval.

The rural electrification program has been regarded by the general public and the Congress and should continue to be regarded as a program to encourage the distribution of electric power to farmers, at reasonable cost and to make possible the building of rural electrification distribution lines.

The authority given to the R. E. A. by Congress, and the only authority, was that of granting loans or credit to various groups or organizations which might be interested in the development and building of rural electrification distribution lines and the building of such electrical production plants as necessary where reasonable rates for electric power could be obtained, and the additional authority, of course, to protect and conserve the loans made by the Government to local cooperatives.

The disintegration and demoralization of personnel in the R. E. A. since its integration into the Department of Agriculture, is an outstanding contrast to the harmony and excellency of morale that appears to have existed prior thereto, and is an indictment of the administration under the Agricultural Department.

The T. V. A. was created as an independent agency and seems to have preserved the record of administration that has won the universal praise of the American people. It has apparently not been subjected to campaigns for exploitation by outside private individuals so far as is known. It has not been accused of political activities. It seems to have been operated as a business institution undertaking a service to the people that could not be furnished by private capital. Such an institution, it was hoped, the R. E. A. would be and continue to be of service to the farmers of the United States.

The testimony of John M. Carmody, who was Administrator of R. E. A. immediately prior to the reorganization of R. E. A. is very impressive and supports in every way the idea of strict independence of the R. E. A. Mr. Carmody made an excellent administrator, but despite his zealous devotion to the work of R. E. A. and his high esteem for the program of rural electrification, he retired from his position as Administrator of the R. E. A. immediately after the Reorganization Act became effective. There can be no question as to why he retired. He made his reasons known in the testimony before the committee. He feared that the success of the R. E. A. would be impaired and the R. E. A. would be handicapped when it became subordinate to the Department of Agriculture. He anticipated the menace of "layers of authority" over R. E. A. His anticipations and fears were fully justified.

There can be no doubt of the desire and intention of Congress in enacting the legislation making the R. E. A. an independent institution and providing that the term of office of the Administrator should be for 10 years. The Congress desired to protect the administration of the R. E. A. program from all kinds of political influence, and desired to establish the R. E. A. as an agency of Government entirely free and independent of any and every influence other than that of the act itself, and the officials and employees appointed to administer the act.

As one witness before the committee emphasized, there is every reason and every obligation in a democratic form of government to divorce, in every possible way, the administration of any units of Government engaged in the administration of economic affairs or business, from the political affairs of the Government. Any other course of action is a step toward the totalitarian state.

Your subcommittee has elected, therefore, to make this preliminary report, with recommendations relating to the emergency situation within R. E. A. The rural electrification program has had such general and enthusiastic approval, and the evidence before your subcommittee raises questions about many matters of administration within R. E. A., and by grace of the influence of R. E. A. in the rural electrification coopera-

tives which deserve and even demand further study.

However, the subcommittee has labored faithfully with the limited funds and time permitted, and while we are expecting information which has been requested and will be requested from the departments concerned, the record of testimony presented before the committee now justifies a recommendation that the Rural Electrification Administration be, by law, returned to its status first assigned to it by the Congress, and this committee recommends that that be done at the earliest possible date.

E. D. SMITH.
HENRIK SHIPSTEAD.
G. M. GILLETTE.
GEORGE D. AIKEN.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH:

S. 2034. A bill to reestablish the Rural Electrification Administration as an independent agency of the Government; to the Committee on Agriculture and Forestry.

By Mr. HILL:

S. 2035. A bill to provide for the formulation of a national fertilizer policy and program; as a step in said program, to provide for adequate phosphate reserves for a phosphate plant heretofore authorized for construction at or near Mobile, Ala.; to specify certain policies for the public operation of said plant and to provide a basis for its operation by private enterprise; and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. MEAD:

S. 2036. A bill amending sections 7 (a) and 12 (b) of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Civil Service.

By Mr. RUSSELL:

S. 2037. A bill for the relief of Margery Anderson Bridges; to the Committee on Immigration.

By Mr. GEORGE (for Mr. GLASS):

S. 2038. A bill to amend the Trading with the Enemy Act, as amended, and for other purposes; to the Committee on the Judiciary.

By Mr. LUCAS:

S. 2039. A bill to permit the United States Government to use certain copyright material in furtherance of the national defense, to permit the Librarian of Congress to make and furnish copies thereof for such purpose and to make and furnish any person a copy of copyrighted material for the purpose of private research; and for other purposes; to the Committee on the Library.

By Mr. KILGORE:

S. 2040. A bill to amend the Mustering-out Payment Act of 1944 so as to provide mustering-out payments to certain persons discharged or relieved from active service in the armed forces to accept employment; to the Committee on Military Affairs.

(Mr. CAPPER (for himself and Mr. SHIPSTEAD) introduced Senate bill 2041, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

By Mr. STEWART:

S. 2042. A bill for the relief of the legal guardian of Nancy Frassrand, a minor; to the Committee on Claims.

By Mr. JOHNSON of Colorado:

S. 2043. A bill for the relief of the widow of Joseph C. Akin; to the Committee on Claims.

S. 2044. A bill granting an increase in pension to Harvey L. Frame; to the Committee on Pensions.

S. 2045. A bill to provide for the disposal of surplus Government property and plants; to the Committee on Military Affairs.

(Mr. KILGORE (for himself and Mr. WAGNER) introduced Senate bill 2046, which was referred to the Committee on Education and Labor).

By Mr. McFARLAND:

S. 2047. A bill to amend section 4 of the act entitled "An act for the continuance of construction work on the San Carlos Federal irrigation project in Arizona, and for other purposes," approved June 7, 1924, as amended; to the Committee on Irrigation and Reclamation.

By Mr. CHAVEZ (for himself and Mr. DOWNEY, Mr. WAGNER, Mr. MURRAY, Mr. CAPPER, and Mr. LANGER):

S. 2048. A bill to prohibit discrimination in employment because of race, creed, color, national origin, or ancestry; to the Committee on Education and Labor.

By Mr. MALONEY:

S. J. Res. 141. Joint resolution memorializing the name of Horace Wells; to the Committee on the Library.

(Mr. BYRD introduced Senate Joint Resolution 142 which was referred to the Committee on Civil Service and appears under a separate heading.)

By Mr. GUFFEY:

S. J. Res. 143. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

MARKETING OF, AND FAIR PRICES FOR, AGRICULTURAL COMMODITIES

Mr. CAPPER. Mr. President, 3 years ago, together with the Senator from Minnesota [Mr. SHIPSTEAD] I introduced legislation embodying a new economic principle looking toward the permanent solution of our farm problem. Then war intervened. Price-depressing crop surpluses which had plagued the farmers for 20 years suddenly turned into scarcities. The central issue of the farm problem had temporarily evaporated.

But now the war may soon be over. At least that is our prayerful hope. Farmers are beginning to recall the way American agriculture was let down after World War No. 1. "Are we going to go through that again?" they are asked. "Are America's farmers to know an oasis of prosperity only in wartime, meanwhile having to subsist in a dreary desert of depression?"

The air is full of plans these days for a better post-war world. Certainly no one is more entitled to a better world after this war than the American farmer. Happily, the export of America's peacetime crop surpluses, which averaged 15 to 20 percent of production during the 1920's, will go a long way toward creating a better, more economically stable world abroad also after this war. In the joint interest of peace and prosperity, I am, therefore, reintroducing at this time—again in company with the Senator from Minnesota [Mr. SHIPSTEAD]—the agricultural surplus exchange bill, hoping that the machinery for its operation may be set up by Congress in time to prevent a post-war depression for the American farmer.

This bill is also being reintroduced by several Members of the House of Representatives. I understand that the gentleman from Minnesota, Representative HAGEN, has had 50,000 copies of this bill printed—one for every farmer in his district. As a Senator who with his colleague represents an entire State, I cannot undertake to get a copy of this bill to every farmer in Kansas. I shall, however, be happy to send a copy of it to every farmer who writes me for it. I know that farmers as a class have the capacity to look ahead and expect their representatives in Congress to do the same.

I am making a brief explanation of the economic principles involved in this bill.

The Agricultural Surplus Exchange bill is based on the principle of the McNary-Haugen bill of the 1920's plus an added provision for the importation of an equivalent amount of foreign-produced goods in exchange for farm surpluses exported.

Based on the belief that the old McNary-Haugen export bill was "warmer" to the real solution of the farm problem than anything which has been tried since, this new bill meets two draw-backs of the old McNary-Haugen bill by the addition of a new principle.

The first of these draw-backs was the necessity of setting up a complicated two-price system, whereby the share of every farmer's crop that was sold abroad brought him one price and the share that was consumed in America brought another price. The second draw-back was the fact that the foreign nations which wanted our surpluses could not buy them at any price unless we took manufactured goods from them in payment, since they had no gold. Could a way of taking in manufactured goods from abroad in sufficient quantity to balance up the value of crop surpluses have been found, the farm problem would have been solved long ago.

This new bill attempts to do that. By a workable trade principle it renders the relatively small amount of foreign goods needed to effect surplus export literally noncompetitive with American manufactured goods.

This principle can best be explained by an illustration: Exportable crop surpluses in a year may equal $1,000,000,000 in value. One billion dollars of foreign manufactured goods will therefore have to be imported in return. Compared to the $40,000,000,000 value of American factory output, the $1,000,000,000 of foreign manufactured goods will be only 2½ percent. Since the American crop surpluses cannot be converted into dollar buying power in America—but rather depress rural cash buying power—there is no cash loss to American manufacturers in allowing the import of foreign manufactured goods up to the extent to which they can be paid for by crop surpluses. The 2½ percent really represents increased buying power for the American public over and above a 100 percent cash buying power which is left undisturbed.

But if the 2½ percent—$1,000,000,000—were spent wholly for foreign textiles, for instance, it would be hard on the American textile market. It is necessary that this extra buying power be spent proportionately for all manufactured products. Hence, by a principle known as prorated import quotas, only 2½ percent of each kind of manufactured goods is allowed to be imported into America that year in exchange for farm surpluses. Thus, every American manufacturer's American market repre-

sented by the 100 percent is practically undisturbed and the 2½ percent of imports are extra in every case and represent pure gain for the farmer and no loss to the American manufacturer.

But the American manufacturer gains, too. When the crop surpluses are out of America, crop prices will go up to parity. American farmers will be able to buy $4,000,000,000 more of American automobiles, American textiles, American paint, and so forth.

Although the tariff is lowered slightly on the incoming goods involved in this special stratum of trade, most of the present duties are collected. These duties are segregated into a special fund known as the Agricultural Export Compensation fund. The American crop exporters, who will have to sell the surplus abroad at low world prices, will be allowed to take enough additional out of this fund to be able to pay the American farmers the full American crop prices on the crops bought from them for export.

Thus, the American farmer gets the full parity price on both that part of his crop which is consumed at home and that part which is exported. It is, therefore, a one-price system—on the full parity price level—with no red tape involved as in a two-price system. Our surpluses are continuously eliminated by export with no cost to Uncle Sam and with benefit instead of loss to our manufacturers.

The plan is explained in detail in a book called The Way Out for America, written by two Minnesota economists, Charles Custer Pickert and Ralph Berland Baerman.

Mr. President, I ask unanimous consent at this time to introduce the bill and have it printed in the RECORD as a part of my remarks.

There being no objection, the bill (S. 2041) to provide adequate markets and fair prices for agricultural commodities produced in the United States; to eliminate the necessity for mandatory reductions in crop production; to provide a method for the exchange of surplus agricultural commodities for products of foreign countries on a basis mutually advantageous to agricultural and manufacturing interests in the United States, and to such foreign countries; to promote foreign trade in the interest of friendly and peaceful relations among nations, and for other purposes, introduced by Mr. CAPPER (for himself and Mr. SHIPSTEAD), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Agricultural Surplus Exchange Act."

TITLE I—EXCHANGE OF AGRICULTURAL SURPLUSES

SURPLUS EXCHANGE BOARD

SEC. 101. (a) There is hereby established an agency of the Government to be known as the Surplus Exchange Board (hereinafter referred to as the "Board"). The Board shall be composed of 11 members, who shall be appointed by the President, by and with the advice and consent of the Senate, and one of whom the President shall designate as Chairman and one as Vice Chairman. The members of the Board shall be so selected as to afford the broadest possible representation to the producers and handlers of the various types of agricultural commodities, and to industry, labor, and commerce, and to afford representation of each of the principal geographic regions of the country. Not more than six members of the Board shall be members of the same political party. Each member shall devote his full time to the business of the Board. Each of the members of the Board shall receive a salary at the rate of $10,000 per annum. Any member of the Board may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

(b) Terms of office of the members first taking office after the date of the enactment of this act shall expire, as designated by the President at the time of nomination, two at the end of each of the first 4 years after the date of the enactment of this act, and three at the end of 5 years after such date. The term of office of a successor to any such member shall expire 5 years from the date of the expiration of the term for which his predecessor was appointed, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

(c) The Board is authorized to appoint and fix the compensation of such officers and employees, and to make such expenditures, as may be necessary for carrying out its functions, in the same manner as is now provided by law for the United States Tariff Commission. The Board may delegate any of its functions to such of its officers and employees as it may designate.

(d) The Board may, with the consent of any Government agency, including any field service thereof, avail itself of the services of the officials, employees, and facilities thereof, and secure any information necessary for the carrying out of its functions. All such agencies shall make available to the Board (upon request, and wherever practicable in the form requested) any information, statistics, and data they may have available pertaining to matters relating to the functions of the Board: *Provided*, That any such information, statistics, or data may be made available in confidence if, in the judgment of the President, it is incompatible with the public interest to have them made public.

FUNCTIONS OF THE BOARD

SEC. 102. In order to carry out the purposes of this act, it shall be the duty of the Board, in accordance with the provisions of this Act and subject to its limitations, to facilitate and promote the exchange of surplus agricultural commodities produced in the United States for manufactured articles produced in foreign countries, and to regulate such exchange, with a view toward (1) providing adequate markets and fair prices for all agricultural commodities produced in the United States, (2) providing foreign countries with a means for paying for surplus agricultural commodities produced in the United States which are needed by such foreign countries, (3) providing increased income for the farm population of the United States, and expanded markets among such population for manufactured articles produced in the United States, (4) preventing imports of manufactured articles from disrupting the domestic markets of manufacturers in the United States, and (5) promoting foreign trade in a manner which will encourage friendly and peaceful relations among nations.

COMPENSATORY IMPORT QUOTAS

SEC. 103. (a) Prior to January 1 of each year, commencing with the year 1945, the Board shall establish a national compensatory import quota (hereinafter referred to as the "national quota") for such year. Such national quota shall be an amount (expressed in terms of money) which is estimated by the Board to be equal to the value (computed at world prices) of all agricultural commodities produced in the United States which will be available for sale or use in such year and will not be consumed in the United States in such year.

(b) The national quota for each year shall be allocated among foreign nations by assigning to each such nation an import quota based on the Board's best estimate of its needs for and its ability to utilize surplus agricultural commodities produced in the United States. The needs of each such nation for such commodities shall be determined solely on the basis of the extent to which agricultural commodities produced in territory subject to the jurisdiction of such nation fails to meet the needs of the population of such nation for agricultural commodities of kinds which are produced in the United States in substantial quantities.

(c) The Board may from time to time, during any year, make such increases or decreases in the national quota for such year as it deems necessary; and, in any such case, shall make a proportionate increase or decrease in the import quota assigned to each foreign nation.

(d) Whenever it appears to the Board that the import quota assigned to any foreign nation for any year will not be completely utilized, the Board shall reallocate any portion of such quota which it estimates will not be utilized by such nation among other foreign nations on the basis of the needs of such other nations and their ability to utilize increased quotas. In no event shall the import quota assigned to any nation for any year be decreased because of the failure to utilize all or any part of any import quota assigned to it for any prior year.

REGULATION OF COMPENSATORY IMPORTS

SEC. 104. (a) The Board is authorized to permit, during any year, the importation into the United States from any foreign country, under the special tariff concessions permitted in this section and in accordance with the provisions of this section, of manufactured articles having a value (computed on the basis of the import price) not in excess of the import quota assigned to such country for such year under section 103. The importation of any such article shall be permitted in accordance with the provisions of this section only upon condition that the amount paid for such article (computed on the basis of the import price) will, under regulations prescribed by the Board, be made available for paying for agricultural commodities exported from the United States and will be expended for no other purpose.

(b) The total quantity of manufactured articles of any one kind which may be imported into the United States from any foreign countries in accordance with the provisions of this section during any year shall be regulated by the Board with a view toward preventing dislocations in the domestic market for similar or competing domestic articles. For the purposes of this subsection, the Board shall establish for each year an import quota for each kind of article imported in accordance with the provisions of this section which is similar to or competitive with any domestic article. The import quota for each such kind of article shall be an amount bearing the same proportion to the estimated annual average value (on the basis of the American selling price) for the preceding 3 years of similar or competing articles produced in the United States that the national quota bears to the estimated annual average value (on the basis of the American selling price) for the preceding 3 years of all manufactured articles produced in the United States. The total value (computed on the basis of the import price) of articles of any one kind imported into the United States in accordance with the provisions of this section

(1) shall not exceed the import quota for articles of such kind during any year by more than 15 percent and (2) shall not exceed the import quotas for articles of such kind over any 3-year period by an average of more than 5 percent.

(c) The Board shall determine and fix the duty to be paid upon the importation of any article imported in accordance with the provisions of this section. The duty so fixed shall not be in excess of the amount, and shall not be less than 50 percent of the amount, of the duty and internal-revenue tax which would be payable in respect of the importation of such article if it were imported into the United States other than in accordance with the provisions of this section. The duties fixed by the Board under this section shall be fixed with a view to accomplishing the importation into the United States in accordance with the provisions of this section, during each year, manufactured articles having an import value equal to the national quota for such year, and shall be fixed at the highest rates deemed by the Board to be consistent with that purpose. The duties fixed by the Board under this section shall be in lieu of all other duties and taxes payable with respect to the importation of articles imported in accordance with the provisions of this section. Except as otherwise provided by this act, any duty fixed by the Board under this section shall be levied, assessed, collected, and paid in the same manner as a duty imposed by the Tariff Act of 1930.

AGRICULTURAL EXPORT COMPENSATION FUND

SEC. 105. There is hereby established in the Treasury an agricultural export compensation fund (hereinafter referred to as the "fund"). All duties on articles imported into the United States in accordance with the provisions of section 104 of this act shall be covered into the fund. There are also authorized to be appropriated to the fund such additional amounts as may be necessary for making the payments provided for by section 106 of this act.

PAYMENTS WITH RESPECT TO AGRICUTURAL EXPORTS

SEC. 106. (a) The Board is authorized to make payments to exporters of agricultural commodities produced in the United States for the purpose of accomplishing the export of all such commodities which are not needed to meet consumption requirements within the United States. Any money in the fund shall be available and may be used by the Board for the purpose of making such payments.

(b) Such payments shall be made pursuant to regulations prescribed by the Board. The payments made with respect to the exportation of any commodity shall be made at a rate determined by the Board to represent the amount by which the parity price or the domestic market price of such commodity, whichever is lower, exceeds the world market price of such commodity, except that—

(1) In any case in which the domestic market price of any agricultural commodity has reached parity, the Board may, if it appears to the Board that adequate funds for such purpose will be available in the fund, and that discontinuance of such payments would result in the domestic market price falling below parity, continue to make payments with respect to the exportation of such commodity at a rate determined by the Board to represent the amount by which the parity price exceeds the world market price so long as the Board deems it advisable to make such payments at such rate; and

(2) In any case in which the Board determines that an excessive production of any agricultural commodity in the United States is abnormally depressing the world price for such commodity, the Board may reduce the rate of payments made under this section with respect to such commodity for the purpose of encouraging diversion in the United States from the production of such commodity to the production of other agricultural commodities.

DEFINITIONS

SEC. 107. As used in this title—

(1) The term "agricultural commodity" means any crop produced on a farm, any animal or animal product, and any food product, except that such term does not include forest products or fur-bearing animals or any fiber product in other than an unmanufactured state.

(2) The term "manufactured article" does not include semimanufactures and does not include any agricultural commodity.

(3) The term "American selling price" means the price, including the cost of all containers and coverings of whatever nature and all other costs, charges, and expenses incident to placing the merchandise in condition packed ready for delivery, at which a domestic article is freely offered for sale to all purchasers in the principal market of the United States, in the ordinary course of trade and in the usual wholesale quantities in such market, or the price that the manufacturer, producer, or owner would have received or was willing to receive for such merchandise when sold in the ordinary course of trade and in the usual wholesale quantities in such market, or the price that the manufacturer, producer, or owner would have received or was willing to receive for such merchandise when sold in the ordinary course of trade and in the usual wholesale quantities, at the time of exportation of the like or similar imported article.

(4) The term "parity price" as applied to agricultural commodities meas (A) the price that will give the agricultural commodity the same purchasing power, with respect to nonagricultural products, as such commodity had during the period August 1909 to July 1914, as ascertained from the latest available statistics of the Department of Agriculture by the Secretary of Agriculture, except that (B) in the case of any agricultural commodity with respect to which the Secretary of Agriculture has ascertained the parity price on a different basis under any agricultural adjustment or conservation program in effect since September 31, 1932, the parity price shall be the latest such price so ascertained.

(5) The term "import price" means the price paid for an imported article by the person by whom or for whom it is imported, plus, when not included in such price, the cost of all containers and coverings, transportation (not including transportation within the United States), and all other costs, charges, and expenses (except import duties and other import restrictions) incident to the delivery of such goods in the United States.

ANNUAL REPORT

SEC. 108. The Board shall make a report to the Congress at the beginning of each regular session containing a statement of its expenditures during the past fiscal year, a summary of its activities, and such recommendations as it deems appropriate.

REGULATIONS

SEC. 109. (a) The Board is authorized to prescribe such rules and regulations as may be necessary for the exercise of its powers and the performance of its duties.

(b) Any determinations required to be made for the purposes of this title may be made by the Board on the basis of the reports, estimates, and other data and information available to the Board at the time such determination is made, and may thereafter be revised by the Board to the extent it finds revision to be necessary.

EFFECT ON PRESENT AGRICULTURAL PROGRAMS

SEC. 110. (a) Nothing in this title shall be deemed to affect or modify any existing agricultural program or any activity for the benefit of agriculture, except to the extent that such programs or activities automatically are affected by reason of the removal of surpluses of agricultural commodities and increases in the prices of such commodities.

(b) Notwithstanding the foregoing provisions of this act, agricultural commodities owned by the United States, or any agency thereof, shall not be deemed to be available for sale or use, or be sold or otherwise disposed of, except at such times and in such quantities as the Board determines that they may be sold or otherwise disposed of without interfering with the accomplishment of the purposes of this title.

TECHNICAL RESEARCH AND STUDIES IN HOUSING

Mr. KILGORE. Mr. President, on behalf of myself and the Senator from New York [Mr. WAGNER] I ask unanimous consent to introduce a bill to provide for technical research and studies in housing. In introducing this bill, the Senator from New York and I jointly request that it be referred to the Committee on Education and Labor for consideration. However, in view of the fact that the bill relates to housing of an over-all nature, and since housing legislation in the past has been considered also by the Committee on Banking and Currency, we further request that, after the Committee on Education and Labor shall have completed its study, the bill be referred to the Committee on Banking and Currency for further consideration. In view of the extensive interest of the Postwar Policy Committee in the subject, we ask unanimous consent for a Senate order that a copy be sent to the Post-war Policy Committee for informal study by the housing subcommittee headed by the Senator from Ohio [Mr. TAFT] and the entire committee under the chairmanship of the Senator from Georgia [Mr. GEORGE].

The ACTING PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred. Is there objection to the unanimous-consent request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

The bill (S. 2046) to provide for technical research and studies in housing, and for other purposes, introduced by Mr. KILGORE (for himself and Mr. WAGNER), was received, read twice by its title, and referred to the Committee on Education and Labor.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H. R. 4958. An act to amend the Transportation of Explosives Act; to the Committee on Interstate Commerce.

H. R. 3187. An act to amend section 5, Public Law 140, Seventy-seventh Congress; and

H. J. Res. 228. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Alexander Pirouz, a citizen of Iran; to the Committee on Military Affairs.

RIVER AND HARBOR IMPROVEMENTS—AMENDMENT

Mr. MEAD submitted an amendment intended to be proposed by him to the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was ordered to lie on the table and to be printed.

PRESERVATION OF FREEDOM—ADDRESS BY SENATOR WHERRY

[Mr. WHITE asked and obtained leave to have printed in the RECORD a radio address entitled "Preservation of Freedom," delivered by Senator WHERRY on June 22, 1944, which appears in the Appendix.]

THE MONTGOMERY WARD INCIDENT—ADDRESS BY SENATOR MURDOCK

[Mr. MURDOCK asked and obtained leave to have printed in the RECORD an address on the Montgomery Ward case, delivered by him June 10, 1944, which appears in the Appendix.]

THIRD ANNIVERSARY OF ENTRY OF SOVIET UNION INTO THE WAR—ADDRESS BY SENATOR PEPPER

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address delivered by him at a meeting sponsored by the Russian relief organization in observance of the third anniversary of the entry of the Soviet Union into the war, at Madison Square Garden on June 22, 1944, which appears in the Appendix.]

WOLVES IN SHEEP'S CLOTHING—ADDRESS BY SENATOR O'DANIEL

[Mr. O'DANIEL asked and obtained leave to have printed in the RECORD an address entitled "Wolves in Sheep's Clothing," delivered by him before the Union League Club, Chicago, Ill., on June 20, 1944, which appears in the Appendix.]

THE CONSTITUTION FOREVER—ADDRESS BY SENATOR O'DANIEL

[Mr. O'DANIEL asked and obtained leave to have printed in the RECORD an address entitled "The Constitution Forever," delivered by him before the American National Democratic Committee at Chicago, Ill., on June 19, 1944, which appears in the Appendix.]

REVIEW BY SENATOR GUFFEY OF THE BOOK ARITHMETIC OR REVOLUTION

[Mr. MEAD asked and obtained leave to have printed in the RECORD a review by Senator GUFFEY of the book Arithmetic or Revolution, written by Arthur Dunn, which appears in the Appendix.]

FREIGHT RATE DISCRIMINATIONS—ADDRESS BY C. E. CHILDE

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an address entitled "Freight Rate Discriminations: The Nation's Post-war Transportation Problem No. 1," delivered by C. E. Childe before the Atlanta Rotary Club, Atlanta, Ga., January 10, 1944, which appears in the Appendix.]

MESSAGE FROM GENERAL EISENHOWER ON EVE OF INVASION

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD a message from General Eisenhower to the members of the Allied Expeditionary Force on the eve of the invasion, which appears in the Appendix.]

THE B-29 FORTRESS ATTACK ON YAWATA, JAPAN—ARTICLE FROM SALT LAKE TRIBUNE

[Mr. MURDOCK asked and obtained leave to have printed in the RECORD an article entitled "Eyewitness Writer Tells of the Yawata Bomb Attack," published in the Salt Lake Tribune of June 17, 1944, which appears in the Appendix.]

ADMISSION OF EUROPEAN REFUGEES INTO THE UNITED STATES—ARTICLE BY WESTBROOK PEGLER

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article by Westbrook Pegler relating to the proposal to shelter 1,000 European refugees in the United States, which appears in the Appendix.]

RUSSIA AND POLAND

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a newspaper article entitled "Russia Warned Not To Impose Will on Poland," which appears in the Appendix.]

THE THEATERS AND WAR ACTIVITIES

[Mr. RADCLIFFE asked and obtained leave to have printed in the RECORD a statement on Theaters at War, by the Theaters Division, War Activities Committee, War Manpower Commission, which appears in the Appendix.]

THE PRESS IN A YEAR OF CRISIS—ARTICLE BY IRVING BRANT

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "The Press in the Year of Crisis," written by Irving Brant, and published in the Colorado Editor, which appears in the Appendix.]

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF BOWDOIN COLLEGE

Mr. WHITE. Mr. President, a decent regard for the truth compels me to say that although the statement which follows is made by me, the principal author is my colleague the junior Senator from Ohio [Mr. BURTON].

Mr. President, 150 years ago tomorrow, Gov. Samuel Adams, of Massachusetts, signed the act establishing Bowdoin College in the town of Brunswick and the district of Maine, which was then a part of Massachusetts.

The college was named in honor of Gov. James Bowdoin, of Massachusetts, and has added fame to his name worthy of that which his name originally brought to it.

America owes much to her colleges and it is fitting from time to time to recognize the service which they, and especially their administrative and teaching staffs, render to us. It is in this spirit that I now call the attention of the Senate to the observance tomorrow, in Brunswick, Maine, of the sesquicentennial anniversary of the life of this college, which for five generations has upheld and developed the best New England traditions of college training. I do this on behalf of three of its graduates who are members of this Senate: Senator OWEN BREWSTER, of Maine, of the class of 1909, his college roommate, Senator HAROLD H. BURTON, of Ohio, of the class of 1909, and myself, of the class of 1899.

In common with all other colleges, Bowdoin has her special claims to attention which have been earned for her by her distinguished alumni.

Unique among these claims for Bowdoin are those of the classes of 1823, 1824, and 1825. In the class of 1823 was the distinguished United States Senator from Maine, William Pitt Fessenden. Like his two Bowdoin brothers, Samuel and Thomas Fessenden, he served in Congress. Later he became a Member of the United States Senate and was appointed Secretary of the Treasury by President Lincoln. Another classmate, John Otis served in Congress, and still another, William G. Crosby as Governor of Maine. In the class of 1824 was Franklin Pierce, who served in the United States House of Representatives and Senate from New Hampshire, and later as President of the United States. In the class of 1825 were Congressmen Samuel P. Benson, Jonathan Cilley, and Cullen Sawtelle; and United States Senator James Ware Bradbury. But particularly outstanding in this famous class in the field of American literature were Nathaniel Hawthorne and Henry Wadsworth Longfellow.

From the day when Franklin Pierce entered the Senate in 1837 to the present, there has been an almost unbroken representation of the college in this body through the services of Senators George Evans, John Fairfield, James W. Bradbury, William Pitt Fessenden, William P. Frye, Charles F. Johnson, Wallace H. White, Jr., and Owen Brewster from Maine, John Parker Hale from New Hampshire, William D. Washburn from Minnesota and Harold H. Burton from Ohio.

Outstanding as a coincidence in public service was the period from 1896 to 1899 when graduates of Bowdoin College presided over the three branches of the Government on Capitol Hill. During that time, the President pro tempore of the Senate was William P. Frye of the Bowdoin class of 1850, the Speaker of the House of Representatives was Thomas B. Reed of the Bowdoin class of 1860 and the Chief Justice of the Supreme Court of the United States was Melville W. Fuller of the Bowdoin class of 1853.

In still another field of unique attainment, Admiral Robert E. Peary of the Bowdoin class of 1877 planted at the North Pole in 1909 not only the flag of the United States of America but also the banner of Bowdoin College.

Beautiful as is its campus with a foreground of historic landmarks, artistic gateways and architecturally attractive buildings and a background of its traditional whispering pines, Bowdoin graduates acknowledge their greatest debt to the college presidents and teachers who have maintained for it the highest standards of scholarship and the broadest possible perspective in their outlook upon human affairs.

This debt is acknowledged especially to President K. C. M. Sills, who has served the college in that capacity since 1918, and to his immediate predecessor, William DeWitt Hyde who served as its president for 32 years before him. This breadth of point of view and high standard of scholarship has helped in great measure to qualify the graduates of Bowdoin for the leadership so many of them have attained in fields of literature, science, religion, education, finance, medicine, law, agriculture, business, governmental and military service as well as in other lines of activity and in the everyday citizenship of America.

The offer of Bowdoin College has been put into words by President William DeWitt Hyde, and has been quoted widely

as one of the best expressions of the offer of any college at its best. It is as follows:

To be at home in all lands and all ages; to count Nature a familiar acquaintance, and art an intimate friend; to gain a standard for the appreciation of other men's work and the criticism of your own; to carry the keys of the world's library in your pocket, and feel its resources behind you in whatever task you undertake; to make hosts of friends among the men of your own age who are to be leaders in all walks of life; to lose yourself in generous enthusiasms and cooperate with others for common ends; to learn manners from students who are gentlemen, and form character under professors who are Christians—this is the offer of the college for the best 4 years of your life.

THE GREAT LAKES-ST. LAWRENCE SEAWAY AND POWER PROJECT

Mr. **FERGUSON.** Mr. President, the St. Lawrence seaway is being considered by Congress as a post-war project. I know that certain questions are being asked concerning it, and I request unanimous consent to insert in the RECORD as part of my remarks certain questions and answers which I think are very important in relation to this project, together with two letters relating to the questions.

There being no objection, the letters and questions and replies were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
June 15, 1944.

Dr. N. R. DANIELIAN,
Director, Programs and Reports Staff,
Foreign Economic Administration,
Washington, D. C.

DEAR MR. DANIELIAN: I note that on June 24, 1941, Hon. LOUIS C. RABAUT, of Michigan, had some extension of remarks in the CONGRESSIONAL RECORD consisting of certain questions and answers on the St. Lawrence seaway and power project. Secretary Jesse Jones' letter accompanying the remarks states that you prepared the answers to the questions submitted by the Congressman in your capacity as Director of the St. Lawrence Survey, Department of Commerce.

In the course of informal discussions of this subject among my colleagues, several new questions have been raised. In the light of your exhaustive studies, would you be kind enough to review these questions and give me your comments, with particular reference to changing economic conditions in the period of transition from war to peacetime production?

Sincerely yours,

GEORGE D. AIKEN.

FOREIGN ECONOMIC ADMINISTRATION,
Washington, D. C., June 22, 1944.

Hon. GEORGE D. AIKEN,
United States Senate,
Washington, D. C.

DEAR SENATOR AIKEN: In response to your request I have reviewed with care the questions and answers appearing in the extension of remarks of Hon. LOUIS C. RABAUT in the CONGRESSIONAL RECORD of June 24, 1941, as well as the additional questions you have submitted. I take pleasure in transmitting herewith the results of this review.

You will note that there are principally two changes in the conditions surrounding the construction and utilization of the St. Lawrence seaway and power project in the near future, as compared with 1941. Then, the project was advanced as an aid to the national defense effort and the shortage of shipping facilities was an important consideration in the arguments for the construction of the project. The reports of the Department of Commerce considered both the national defense and the peacetime uses of this project. A review of those reports will show that the basic conclusions are still valid during peacetime economic development as well as under conditions of national emergency.

It is hoped that after the victorious termination of the present war we are going to enjoy a protracted period of peaceful economic development. The emphasis in the accompanying discussion, therefore, is placed on the contributions that this project can make to the economic well being of the United States during the transitional period and the long-range needs of commerce and industry.

Very sincerely yours,

N. R. DANIELIAN.

QUESTIONS CONCERNING THE ST. LAWRENCE SEAWAY AND POWER PROJECT

Question 1. What is the Great Lakes-St. Lawrence seaway and power project?

Answer. This project is a joint effort by the United States and Canada to develop the boundless natural resources of the Great Lakes Basin, to provide the Middle West with a deep-water outlet to the Atlantic Ocean, and to harness the torrential flow of the St. Lawrence River for the generation of water power.

To build the seaway it is necessary to improve the St. Lawrence River between Ogdensburg, N. Y., and Montreal, Quebec. Engineering plans call for reconstruction of the canals and locks already built by Canada in the St. Lawrence River and for construction of a main navigation and power dam across the river at Barnhart Island, between Massena, N. Y., and Cornwall, Ontario. The Welland Canal across the Niagara escarpment completed by Canada in 1932 and the new lock at Sault Ste. Marie built in 1942–43 by the United States Army engineers already extend the deep-channel waterway from Duluth, Minn., to Ogdensburg, N. Y. With these additional improvements and some dredging at various points on the route, a deep waterway extending 2,400 miles from Duluth, Minn., to the Atlantic Ocean would be provided.

The electricity developed at the International Rapids section of the St. Lawrence River from this one dam will be as much as the total water-power development in the Tennessee Valley since 1933 and three times as large as the power developed at the Dnieper Dam—the pride of Russia. It is provided by the agreement of March 18, 1941, that the power resources of the International Rapids will be shared equally by the United States and Canada. Machinery is established under the proposed agreement to redevelop existing hydroelectric power facilities on the Niagara River in order to expand power production in that area.

The entire cost of the project to the United States was estimated in 1941 at about $285,000,000. Of the total cost, some $93,000,000 would be paid by New York State, which would be given control of the generation and distribution of electric power. The Federal Government's share will therefore be, roughly, $195,000,000. The Canadian Government in turn would develop the waterway in Canadian territory, at the Soulanges and Lachine Rapids.

Question 2. What will be the effect of the St. Lawrence seaway and power project upon post-war economic conditions?

Answer. This question must be answered in two stages: The transitional period when the United States must provide employment to large numbers of demobilized servicemen, as well as disemployed defense workers; and the long-run prospects when the country will have returned to peacetime production.

The St. Lawrence project will take 4 to 6 years to construct. During this period it will give employment to large numbers of skilled and unskilled workers. Estimates of the number of people required during these years have ranged from 20,000 to 100,000, the larger figure being the one most often used by the opponents of the project. Whichever figure is used, there is no doubt that the construction of this project will give much-needed employment to returning servicemen and defense workers during the period of transition from war- to peace-time employment.

The same will be true of manufacturing capacity and materials that will go into the construction of this project. Already there are signs of oversupply of basic metals and structural steel. Electrical manufacturing facilities will be available in abundance. The construction of the St. Lawrence project will make it possible to utilize materials and manufacturing facilities as well as men during the period of transition.

In the second phase, when the seaway and the power project are completed, and the economy of the United States has made the transition to peacetime production, the value of this project must be judged by its contributions to transportation needs of the midcontinent of America and the power requirements of northeastern United States.

It is a truism that the economic welfare of the United States depends upon the conditions of economic activities in the Middle West. The principal components of economic life, agricultural production, food processing, the steel industry, automotive equipment and transportation, and machinery production are mainly centered in the tributary area of the Great Lakes-St. Lawrence project. High incomes to farmers and workers and a steady rate of employment in the post-war period are essential to the well-being of the country as a whole. One of the essential factors to bring this about in the post-war period will be a vigorous foreign trade. As a result of delayed construction and willful destruction by the enemy in the course of the war, there will be foreign demands of immeasurable dimensions for large quantities of the products of the Middle West. We must be ready to supply these materials at reasonable costs upon a commercial basis. The Middle West has been handicapped in this international market because of the high freight rates to seaport. The St. Lawrence project, by opening the Great Lakes to oceangoing vessels, would bring the productive centers of the Middle West to the seaside.

A collateral advantage of this will be the utilization of a larger proportion of the merchant fleet constructed during the war at great cost to the taxpayers in the peaceful pursuit of commerce direct from the Middle West to foreign ports.

The effect of the St. Lawrence power project must be viewed in its proper time perspective. It is estimated that under conditions of rush construction it would take 36 months from the time the first spade is turned until the first generating unit is installed. Under ordinary conditions it may take longer, and, of course, it is not feasible that all of the 36 generating units will be built and installed at the same time. On the contrary, installations would be staggered over a period of years to meet the increasing demand for electricity. In other words, if the project were started, say, in June 1945, the first generating unit could be put in service in the second half of 1948. From then on it may take 6 to 10 years to install all of the 36 units. Hence, the effect of the St. Lawrence power project upon post-war economic conditions must be viewed in the light of our requirements during the period 1948 to 1958. This may appear like planning for the dim future, but it must be recognized that all large-scale projects require advance planning and long-range projection. The Boulder Dam, for instance, initiated by President Hoover in 1928, was not completed until 1942. The Grand Coulee Dam was started in 1933, but the first

generator did not come into service until 1941, and the last of the generators will not go into place probably until after 1950.

There is an advantage in this time lag in the case of the St. Lawrence project. The 3 to 4 years of construction will permit ample time to the electric industry to absorb the effects of the transition from war to peacetime production. If there is a temporary dip in the demand for electricity during this transitional period, it will certainly have passed as a result of the expansion of peacetime production.

Furthermore, St. Lawrence power will be distributed in the whole of New York State and New England. This area has been starved of cheap electric power. The effect of this during the war was to divert industry to other areas since there were no excess power resources to permit the establishment of new manufacturing plants. Whereas new power installations and manufacturing facilities were growing by leaps and bounds in other sections of the United States, industrial development in the Northeast, particularly New York State, has been slow in spite of wartime requirements, largely as a result of electric power limitations. Hence, conversion from wartime to peacetime industry will not give rise to any excess of electric capacity in the Northeast. On the contrary, when the limitations upon the production of peacetime goods is lifted, this region may find itself even more seriously pinched than during the war. Allowing 2 or 3 years for full conversion of industry to peacetime production it would appear that the St. Lawrence power will come in about the time when it will be most wanted, to permit continuing expansion of industry. This time lag will also permit other areas such as the Tennessee Valley and the Columbia River Basin to absorb their wartime generating capacity in peacetime production.

It would hardly seem necessary to argue that cheap hydroelectric energy will be needed and can be used profitably in the expansion of manufacturing during the years following 1948. The use of electricity continued to expand after World War No. 1 and even during the great depression. After this war the United States will enter a period of expanded utilization of light metals, synthetic materials, and plastics. With the development of highly ingenious electrical controls, industry more than ever before will require electric energy for automati operations. Cheap electric power such as that to be provided by the St. Lawrence project will be at the center of industrial progress.

Question 3. Could the ships constructed during this war at taxpayers' expense utilize the St. Lawrence seaway for commercial traffic?

Answer. Yes; the Maritime Commission has been constructing several types of boats—tankers, the fast C-type cargo carriers, Liberty ships, and Victory ships. All of these would fit the limiting dimensions of the St. Lawrence seaway and locks. The locks of the St. Lawrence seaway will have the following dimensions: 859 feet long, 80 feet wide, and 30 feet deep over the sills. The initial controlling depth of the channels will be 27 feet. It is generally conceded ships drawing 25 feet could safely navigate the channels. It is true that all of the Maritime Commission's emergency ships draw, fully loaded, more than 25 feet. They can all use the St. Lawrence seaway by merely adjusting the schedule of their bunker fuel and stores as between Great Lakes ports and Montreal. Such adjustments are always made by shipping lines and captains whenever they have to fit special conditions in harbors and channels. When the St. Lawrence seaway is completed it will be no more of a problem for shipping lines to go into the Great Lakes than to go into the shallow channels of the Yangtze River at Shanghai or the River Plate at Buenos Aires.

The St. Lawrence seaway will make it possible to utilize a larger proportion of our emergency merchant fleet in peacetime commerce, thereby making the merchant marine available for future emergencies. On this point one need only to quote the official report of the United States Maritime Commission endorsing the St. Lawrence seaway before the House Rivers and Harbors Committee in 1941:

"No one can foresee with accuracy the conditions that will exist when the present hostilities cease. World conditions, however, have placed beyond question the importance to the United States of maintaining access to the seas. Such access can only be assured through the maintenance of a powerful Navy, served by an adequate merchant marine.

"When the present hostilities cease it will again be necessary to provide for the assimilation of an expanded merchant marine into the normal commerce of the country. Since the ships needed for naval and military auxiliaries in time of war or national emergency can only be maintained in normal times by absorption into the Nation's foreign and domestic commerce, it is evident that any opportunity to provide for the expansion of the use of merchant vessels in normal trades is worthy of serious consideration.

"There can be little doubt but that the projected seaway would benefit oceangoing transportation in merchant vessels in both the foreign and domestic trades, since the seaway would open to such vessels thousands of miles of additional coast line and would permit them direct access to one of the most highly industrialized and agriculturally prolific regions in the United States."

Question 4. How much power will the St. Lawrence power project produce?

Answer. The St. Lawrence development will be the second largest single-dam power source in the world—both in terms of installed capacity and in terms of average annual production of electric energy, being exceeded in size only by Grand Coulee.

The comparative size of the St. Lawrence power project is indicated by the following table:

	Grand Coulee	St. Lawrence	Boulder
Ultimate installed capacity (kilowatts)	1,944,000	1,650,000	687,500
Annual average production (1,000 kilowatt-hours)	14,225,000	11,563,200	[1] 4,380,000

[1] Assuming full development at 80-percent load factor

The St. Lawrence would have a generating capacity of 2,200,000 horsepower, half of which would be made available to the United States and half of Canada. At some future date existing hydroelectric power facilities at Niagara Falls would be redeveloped to provide an additional 787,500 horsepower of capacity.

Question 5. Where will the power generated on the St. Lawrence River be distributed?

Answer. The power actually generated on the St. Lawrence would be distributed throughout an area within a 300-mile radius of Massena, N. Y., thus making it possible to supply New York City, the Buffalo industrial area, and a part of New England.

However, by shifting loads over existing and contemplated transmission lines, St. Lawrence power could be made available, in an emergency, throughout an area bounded by Chicago on the west, Washington, D. C., on the south, and Boston on the east.

The bills before Congress provide that the New York State Power Authority controlling the generation and distribution of power must make electricity available, on conditions as favorable as those offered to New York State citizens, to adjacent States such as Vermont, Massachusetts, and Connecticut. It will be up to these States to create the necessary machinery to obtain the advantages of cheap power from the St. Lawrence River.

Question 6. How will the development of St. Lawrence power affect the electric-light bills of homes, farms, and factories?

Answer. The project would substantially reduce the rates of electricity to all classes of users in the area to be served. The St. Lawrence Survey estimates that the average cost of power to farm and residential consumers would be reduced 64 percent below 1937 rates and the cost to commercial and industrial consumers 25 percent. According to the figures of the New York State Power Authority, St. Lawrence power would mean savings amounting to $25,000,000 a year to all types of consumers.

Question 7. Is steam power cheaper than St. Lawrence water power? Opponents of the seaway power project contend that it would be more economical to produce the electric energy we need by building steam-power plants than by harnessing the flow of the St. Lawrence River. Is this true?

Answer. In spite of the very great reduction in operating costs of coal-burning power plants in recent years, water power developed by publicly owned, multiple-use hydroelectric projects—such as the Tennessee Valley Authority, Bonneville, and Boulder Dam—is still the cheapest power in the United States.

According to the New York State Power Authority, the cost of power generated at the proposed dam on the St. Lawrence River will be little more than 1 mill per kilowatt-hour, including all fixed charges and operating costs. The delivered cost, including all transmission expenses, will be approximately 2.55 mills. Equivalent power from steam-electric plants in New York State would cost 5.11 mills, not including any transmission expenses. Thus St. Lawrence water power would cost only a little more than half as much as steam-generated power.

Question 8. Is the St. Lawrence project another T. V. A.?

Answer. Yes; insofar as the advantages of T. V. A. as a source of cheap power are referred to. No; insofar as the criticisms generally applied against T. V. A. are not applicable to the St. Lawrence project.

It has been mentioned already that the St. Lawrence project will supply, when completed, as much power as all of the hydroelectric developments in the Tennessee Valley area. The St. Lawrence project will supply power cheaper than any other source in the United States with the possible exception of Niagara. On the average, St. Lawrence power will cost at the station one-tenth of 1 cent per kilowatt-hour. It follows, therefore, that all of the advantages that the Tennessee Valley area has gained from the development of cheap hydroelectric power will be available in the Northeast when the St. Lawrence project is completed.

The St. Lawrence project differs from the T. V. A. in the following very important respects:

1. The navigation aspects of the St. Lawrence are very different from those obtaining in the Tennessee Valley. There is already a 14-foot deep-water navigation channel between Lake Ontario and Montreal as compared with the 9-foot channel which is being created in the Tennessee River Basin. The new waterway contemplated by the St. Lawrence project is a deep-sea waterway which will admit oceangoing vessels from the Atlantic to the Great Lakes. This project will make the Great Lakes open highways to ocean commerce as contrasted with the navigation aspects of the T. V. A. which are characteristically inland-waterway projects.

2. The St. Lawrence project does not have the regional planning aspects of the T. V. A. To be sure, rural electrification will be enhanced and industry will be stimulated

through the availability of cheap power, and these advantages will be obtained through the exercise of initiative by individual citizens of the Northeast and will not be supplied by a central Federal agency.

3. The St. Lawrence project does not include flood control and prevention of soil erosion among its purposes, as these difficulties do not exist in the St. La rence Basin. The river has an unusually even flow throughout the seasons and from year to year, making it ideal for navigation and power generation.

4. The dual purpose of the St. Lawrence project for navigation and power only eliminates the controversial question of allocation of costs. As provided by the bills, all the power installations and the powerhouse, as well as 50 percent of the cost of the main dam, are allocated to the cost of power generation. The rest—that is, 50 percent of the main dam plus the cost of the locks and dredging—are allocated to navigation.

Question 9. What does the bill provide for Niagara power?

Answer. The agreement between the United States and Canada provides that the Great Lakes-St. Lawrence Basin Commission, to be established pursuant to its provisions, will make plans and recommendations for the most equitable use of the waters of the Niagara River, with particular reference to preservation of the scenic beauty of the falls and rapids, the requirements of navigation and power. The Governments may, by exchange of notes and concurrent legislation, determine the methods by which these purposes may be obtained. Under this provision it will be possible to improve the use of the waters of the Niagara River by utilizing the full drop of 323 feet between Lake Erie and Lake Ontario, in place of the present system where private companies utilize only half the amount of potential power. The same amount of water would give almost twice as much electric power if the power stations are placed at the level of Lake Erie instead of at the foot of Niagara Falls. The Canadians have obtained the full utilization of part of the waters they divert by this means. The same thing can be achieved on the American side, providing 585,000 kilowatts of additional capacity for the Niagara-Buffalo area.

Question 10. Are opponents of the seaway correct in asserting that navigation conditions on the St. Lawrence River would be so hazardous that shipping lines would not take the risk of sending their vessels over this route?

Answer. No. Construction of the seaway would vastly improve present navigation conditions in the 183-mile section of the St. Lawrence River between the lower end of Lake Ontario and Montreal. Existing channels and canals would be enlarged and deepened, and the 22 small locks now in operation would be replaced by 8 larger ones. These and other improvements would greatly reduce hazards to shipping.

But even now, with the projected improvements still in the blueprint stage, navigation conditions on the St. Lawrence are good. The heavy volume of traffic which already passes through the shallow canals in the international section is the best proof of that. More than 8,000,000 tons of freight moved through these canals in 1938. Some 5,900 vessel trips were needed to carry this freight. About 115,000 tons of freight moved directly between Great Lakes and European ports in shallow-draft ocean freighters.

As to the assertion that ocean shipping lines would be unwilling to risk sending their vessels through the proposed seaway, the testimony of the late Robert Dollar, founder of the Dollar Steamship Lines, should be revealing. In a letter read to a subcommittee of the Senate Foreign Relations Committee during the 1933 hearings on the St. Lawrence Treaty, Mr. Dollar said:

"Ships will certainly go to the Lakes for cargo; in fact, ships will go anywhere and everywhere to get cargoes. We have big ocean-going steamers running 1,000 miles to the Yangtze River, where the current is very swift and navigation quite difficult, far more difficult than it would be going to Lake Superior from Montreal.

"When the canal is finished there is no more reason for doubting that ships will go from the ocean to the Great Lakes than there is that ships will go to any port on the Atlantic seaboard."

Question 11. How will construction of the seaway affect the cost of shipping American wheat abroad?

Answer. Wheat is a bulk commodity carrying traditionally low shipping charges by water. With construction of the seaway, the savings in shipping charges from Duluth to Liverpool, as compared with the best possible alternative route, would amount to 5.2 cents a bushel, or $1.74 a ton.

Question 12. Would savings in the cost of shipping wheat abroad mean savings to American wheat farmers?

Answer. Yes. It has been asserted that reductions in the cost of exporting wheat over the seaway merely reduce the price of wheat in the world market, and that potential savings to American farmers would thus be canceled out. This assertion is false. The price of wheat reflects all the influences at work in all the wheat-producing areas of the world. Basically, the price is determined by supply and demand, not by cost of production. Lowering the production costs of wheat farmers in the Great Lakes tributary area by lowering their transportation costs would by no means lower the world wheat price by an equivalent amount. The reduction in transportation costs would amount to a bonus for American farmers.

Question 13. Will construction of the seaway result in the dumping of foreign wheat in our domestic markets, as is claimed by opponents of the St. Lawrence project?

Answer. No. Great Lakes ports have now, and after the construction of the seaway would continue to have, the same protection against dumping of cheap foreign products that Atlantic, Gulf, and Pacific ports enjoy. The present import tariff rate on wheat is 42 cents a bushel. This tariff would be imposed at the ports of Buffalo, Chicago, or Duluth, on the Lakes, just as it is imposed now at the ports of New York, New Orleans, or Los Angeles. And the same factors which prevent the dumping of foreign wheat into our markets would prevent the dumping of other foreign goods and commodities.

Question 14. What effect will the seaway have on ocean ports like New York, Boston, Philadelphia, and Baltimore?

Answer. 1. As the eastern export center of the United States, New York stands to lose a small proportion of the foreign trade which now passes through its harbor. Some of the goods and commodities which now move through New York would undoubtedly be shipped by direct water route between Great Lakes ports and foreign countries. But the St. Lawrence survey of the Department of Commerce estimated that total diversion of foreign traffic from the port of New York would amount at most to 1,800,000 tons a year. This would represent only 1.6 percent of the 109,000,000 tons of water-borne commerce which moves through New York Harbor in an average year.

Coastal and intercoastal shipping traffic in New York Harbor would actually be increased by completion of the proposed seaway. The St. Lawrence survey estimated that about 1,000,000 tons of existing traffic of this type—3 percent of average annual coastal and intercoastal traffic in New York—would be diverted to Great Lakes ports but that this loss would be more than made up by new water-borne traffic between New York and the Middle West. With completion of the seaway, grain, cereal products, meats, dairy products, and automobiles would be shipped from the Middle West into New York Harbor, while iron and steel products, refined copper and zinc, brass, sugar, and other commodities would move from New York Harbor through the seaway into the Great Lakes region.

2. Boston, Philadelphia, Baltimore, and other ocean ports can expect substantial gains in shipping traffic if the St. Lawrence project is constructed. Boston Harbor, in fact, would be one of the chief beneficiaries of the seaway. With little danger of existing traffic being diverted, Boston stands to gain a large volume of new commerce. New England imports large amounts of raw materials and foodstuffs from the Middle West, and with completion of the seaway project these would be shipped by water from the Great Lakes into Boston Harbor. At the same time, New England shoes, machinery, fish, and other products would move from Boston Harbor to Buffalo, Cleveland, Chicago, and other ports on the Lakes. A similar increase in water-borne commerce with the Middle West could be anticipated by other port cities along our seaboard.

Question 15. How will the seaway affect the economic life of Buffalo?

Answer. The St. Lawrence survey has made an exhaustive study of the effect of the project on Buffalo's economic life. Its conclusions may be summarized as follows:

1. Buffalo will lose some of its grain transshipment traffic, but this loss will not amount to more than 700,000 tons a season—about one-fifth of the city's average annual lakewise grain receipts. Loss of grain traffic would involve the loss of the jobs of 200 workers in grain elevators and other waterfront occupations, or about one-twentieth of 1 percent of the total number of employed persons in the Buffalo area. At the same time, the loss in revenue to grain elevators is estimated at not more than $220,000 a year.

2. The possibility that Buffalo might lose its preeminent position in flour milling is remote. Flour mills will not lose their business when Buffalo becomes a deep-water port. Buffalo is an important milling center largely because it is accessibe to the sources of grain supplies and because it is close to the markets for flour along the eastern seaboard. Its advantages in these respects will be enhanced by construction of the seaway. Moreover, flour exports from Buffalo, estimated at an average of 180,000 tons during the open season, would save as much as $525,000 a year in freight charges.

3. The iron and steel, machinery, and other major manufacturing industries of Buffalo would find increased foreign and intercoastal markets for their products. Iron and steel manufactures constitute by far the largest item in shipments from the Atlantic to the Pacific coasts. Yet Buffalo accounts for only a very small proportion of this commerce. In 1937, the intercoastal trade westward in iron and steel manufactures amounted to 1,370,000 tons, of which over 1,000,000 tons originated in Middle Atlantic ports. Buffalo, however, sent only 25,000 tons to the Pacific coast. It cannot compete in west-coast markets because it suffers from a transportation disadvantage relative to steel mills located along the Atlantic coast. The situation in regard to overseas exports of iron and steel products is similar.

In the light of these facts it is obvious that construction of a deep-water outlet to the Atlantic will have an important bearing on Buffalo's steel industry, as well as on such other industries as machinery, chemicals, abrasives, aluminum, and metal alloys. Existing transportation disadvantages in reaching overseas and west-coast markets will be eliminated, and an expansion of sales in these

markets can be expected. Since these industries are among the largest employers in the Buffalo area, even a small increase in sales would involve a large number of jobs. Moreover, increased shipments of iron and steel products, machinery, and other articles would stimulate increased receipts of ore, coal, limestone, and other raw materials, thus further increasing harbor traffic.

Question 16. What will be the effect of the seaway on Great Lakes carriers? Lake shipping companies fear that if the seaway is constructed they will lose their business to foreign vessels, built and manned by cheap labor, with the result that the wages of Lake seamen, now the highest in the world, would have to be reduced. What are the facts?

Answer. Foreign vessels would not be able to carry freight between American ports on the Great Lakes because of Federal laws prohibiting freight movements of this type except in ships of American construction and registry.

In 1937 more than 87 percent of the United States water-borne commerce on the Great Lakes consisted of traffic in coal, iron ore, limestone, and unmanufactured steel—practically all destined for consumption within the tributary area. Traffic in these commodities would be largely unaffected by construction of the seaway. About 10 percent of total water-borne commerce consisted of miscellaneous products, most of which would likewise be unaffected by construction of the seaway. Less than 3 percent of the total consisted of grain and grain products, and a good part of this traffic represented domestic shipments.

In view of the nature of traffic on the Great Lakes, it is doubtful that shipping companies would have to meet foreign competition on as much as 3 or 4 percent of their present business.

Question 17. What will be the effect of the seaway upon the railroads?

Answer. The seaway will increase the freight transport capacity of the United States by not more than 10,000,000 tons annually. In a good year the railroads carry 1,000,000,000 tons of freight. If every ton of freight carried over the seaway consisted of products that otherwise would have been carried by the railroads, the diversion would amount to 1 percent of total rail freight traffic.

Actually the diversion of traffic from the railroads to the seaway shipping services would never amount to as much as 1 percent of the total rail traffic. There are two reasons for this:

1. The establishment of cheap water transportation would stimulate the shipment of some products which, because of high rail rates, are not now shipped at all, and which therefore would represent a net addition to existing traffic. That is what happened after the Panama Canal was built, and that is what would happen after construction of the seaway.

2. The growth of the population of the United States and the increases in its productivity require constant expansion of transportation facilities to handle the increasing volume of traffic. Hence, a large proportion of the water-borne commerce moving through the seaway would represent, not freight diverted from the railroads but new traffic arising out of the needs of a growing population with rising standards of living.

It is conceded by financial and industrial leaders that the United States must have an annual income of over $135,000,000,000 a year in order to give adequate employment to its working population. Railroad plant and rolling stock, on the other hand, were geared, prior to the war, to a rate of traffic based upon a national income which during the 1930's ranged between forty and ninety billion dollars a year. Since then there has been much depreciation of railroad equipment without the opportunity for replacement. Railroad managements have been able to recoup a part of the value of their property through increased revenues. After the war they will have to expand greatly their facilities for freight and passenger service. The St. Lawrence seaway would help carry the larger amount of traffic resulting from greater economic activity, during the summer peak of freight traffic.

In building the seaway we would not be harming the railroads; we would be making it possible to handle freight traffic for which carrying capacity now in existence will not be adequate.

Competition of water carriers using the seaway might force the railroads to reduce their freight rates. In this case, freight traffic carried by the railroads would increase, and it would be beneficial to the American people.

Certainly there is nothing in this situation that can hurt railroad labor.

Question 18. It is asserted that the proposed seaway will be uneconomic because it would be closed to shipping for nearly 5 months every winter due to ice in the Great Lakes. What are the facts?

Answer. The 7 months during which the seaway will be open—from the first of May to the first of December—are the months when farmers ship their crops to market and when demands for rail and other transport facilities are greatest. Thus the seaway will dovetail into our national transportation pattern, relieving the strain on the railroads during the peak period.

The St. Mary's Canal at Sault Ste. Marie, Mich., is also icebound for 5 months every winter. It can hardly be said, however, that this canal is uneconomic. The tonnage moving through it during the 7-month season exceeds the combined tonnage of the Panama and Suez Canals during a 12-month season.

Question 19. How will the seaway-power project affect coal producers? The National Coal Association representing bituminous coal producers, fears that the seaway would (1) permit British and Nova Scotian producers to invade the present Canadian market for United States coal and (2) reduce railway coal consumption in the United States. At the same time, the association fears that (3) if power is developed in upper New York State by harnessing the flow of the St. Lawrence and Niagara Rivers, instead of by building steam-generating plants, a potential market for coal will be lost. How do these fears square with the facts?

Answer. 1. The United States produces about 450,000,000 tons of coal a year. It exports an average of 11,000,000 tons of anthracite and, during peacetime, bituminous coal to Ontario and Quebec annually (not 19,000,000 tons as claimed by the coal association). The bulk of our exports to Canada—an average of 8,700,000 tons—consists of bituminous coal shipped to the Province of Ontario. That British producers would not be able to invade this market after construction of the seaway is shown by the fact that we already sell nearly four times as much bituminous coal to the Province of Quebec, east of the International Rapids, as Britain does—during 1935–39 an average of 753,000 tons, as against 193,000 tons—and Quebec is a seaport Province. If Britain cannot outsell us in Quebec now, she certainly cannot outsell us in Ontario after the seaway is built.

The only other possible source of competition for the Ontario bituminous market would be Nova Scotia. United States coal has nothing to fear from the small Nova Scotian mines, however, because the present output of these mines could not be increased more than 2,800,000 tons a year—and this probably at an increased cost.

Construction of the seaway would increase the freight capacity of the St. Lawrence canal system by 16,000,000 tons a year. About 10,000,000 tons of this capacity would be available for United States traffic, so that only 6,000,000 tons would be left for Canadian traffic. Obviously, therefore, it would be a physical impossibility for British and Nova Scotian producers to ship 19,000,000 tons of coal a year through the seaway into Ontario markets, as the coal association asserts they would do if the seaway were completed. There is no such market to invade, and American coal is cheaper in Ontario than either British or Nova Scotian coal.

2. Construction of the seaway would not reduce the amount of coal now consumed by the railroads. If the seaway is built, however, a smaller amount of new railroad facilities will be needed to provide for future transport needs. Hence, the amount of additional coal which the railroads would otherwise use might be slightly reduced. It is a reduction from an increase.

If, 25 years ago, producers of oats had opposed the manufacture of automobiles on the theory that the new gasoline buggies would displace horses and thereby reduce the market for oats, their position would have been no more absurd than the present position of the coal producers on the St. Lawrence issue. Deep-water transportation is relatively less expensive than rail transportation. Yet the Coal Association opposes the seaway and advocates the expansion of high-cost rail facilities on the ground that this would increase the market for coal. Most people will be inclined to reject this kind of reasoning. They realize that economic betterment comes from lowering prices, not from raising them.

3. The Coal Association contends that the hydroelectric power development contemplated on the St. Lawrence and Niagara Rivers would reduce the future coal market by "between 30,000,000 and 35,000,000 tons of coal annually." The association's arithmetic is bad. According to the best engineering estimates, 5,500,000 tons of coal would be required annually to generate steam power in an amount equal to proposed hydro power production on the St. Lawrence and Niagara Rivers.

It by no means follows, however, that the St. Lawrence-Niagara hydro development would destroy a potential market for some 5,500,000 additional tons of coal at some future time. Experience in the Southeastern States since the creation of the Tennessee Valley Authority strongly supports the conclusion that the development of cheap water power under public auspices has the effect of increasing the total industrial demand for electrical energy, thus increasing the market for coal and for industrial use.

Between 1934, wher T. V. A. began operations, and 1940, the amount of coal used in the generation of electric energy in the Southeastern States increased about 250 percent, whereas the increase in the United States as a whole was only 59 percent. The coal association charged in 1934 that T. V. A. was a "menace to the coal industry," but whereas only 540,000 tons of coal was used in the T. V. A. area in 1934, 1,891,000 tons was so used in 1940. There is no reason to doubt that the coal industry would be similarly affected by the St. Lawrence-Niagara development.

Far from reducing coal consumption, the St. Lawrence project would increase it. The cheap transportation and the cheap power made available in the Great Lakes Basin would stimulate industrial expansion. Growing industrial activity would mean growing markets for coal. For these reasons, it is clear that in opposing the seaway-power project the National Coal Association is opposing its own best interests.

Question 20. Is it true that the St. Lawrence project has been twice defeated in Congress?

Answer. No. The St. Lawrence project has been in Congress twice before, but has been voted on only once by the Senate of the United States. The project came before the Senate in 1932 in the form of a treaty negotiated by the then Secretary of State Henry Stimson and President Herbert Hoover. During 1933 extensive hearings were held in the Senate Foreign Relations Committee, which overwhelmingly recommended its ratification. The consideration of the treaty was delayed in the Senate until March 1934, when, after extensive debate, it failed of ratification by a vote of 46 to 42, the majority in favor of ratification but short of the necessary two-thirds vote.

The project then came before the Congress again in 1941 in the form of an agreement. The House Rivers and Harbors Committee held hearings over a period of 2 months and upon testimony of Cabinet members, the heads of war agencies, governors, mayors, and many trade, labor, and agricultural groups approved the project by a favorable vote of 17 to 8. The bill containing the St. Lawrence project was reported to the House on November 22, 1941. The Pearl Harbor disaster within 2 weeks naturally postponed consideration of long-range projects, as priority had to be given to war measures.

The truth is then that the 1934 St. Lawrence treaty failed of a two-thirds vote in the Senate, but at no time has the project been presented to the two Houses as a legislative proposal to be approved by a majority vote. It has been approved by every committee of Congress which has considered it.

Question 21. Why is the agreement method used in approving the joint construction of this project between Canada and the United States, instead of a treaty?

Answer. An international agreement, subject to majority approval of the two Houses of Congress, is a constitutional means of effecting common action between two countries. This device has been used on many and important occasions in the course of United States history. The great State of Texas was admitted into the Union by a joint resolution approved on March 1, 1845, through majority vote of the two Houses of Congress, after a treaty failed to win two-thirds vote of the Senate. Likewise, in the case of Hawaii a treaty of annexation lacked support of the two-thirds of the United States Senate. Thereafter Congress passed a joint resolution to accomplish this same purpose.

The honorable Secretary of State, Cordell Hull, himself a great authority on treaties and agreements, assures us that the agreement method is a legitimate exercise of constitutional powers, and Justice Robert Jackson has so held in an opinion which he rendered as Attorney General.

This method of approving international undertakings is also confirmed by the greatest authority on executive agreements, Dr. Wallace McClure, in his book, International Executive Agreements, published in 1941. The primary effects of the St. Lawrence seaway and power project will be domestic, and it has seemed fair to give both Houses of Congress their constitutional right to legislate in a matter of grave importance to the domestic welfare of the United States.

ADDITIONAL PAY FOR ARMY INFANTRYMEN

The ACTING PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1973) to provide additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge, which were, on page 1, line 4, after the word "man", to insert "of the combat ground forces", and in the same line, to strike out "assigned to the Infantry."

Mr. HILL. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

PAY ALLOWANCES AND PRIVILEGES OF GLIDER UNITS

Mr. HILL. Mr. President, yesterday the Senate passed Senate bill 1988, to amend section 18 of the Pay Readjustment Act of 1942, to provide additional pay for personnel who are required to participate in regular and frequent glider flights. The House yesterday passed an identical bill, House bill 4466. In order to expedite the enactment of the legislation, I ask unanimous consent that the House bill be taken up and passed at this time.

The ACTING PRESIDENT pro tempore. Is there objection to the request?

Mr. WHITE. What is the bill?

Mr. HILL. House bill 4466, which is identical with one we passed yesterday, to amend section 18 of the Pay Readjustment Act of 1942.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (H. R. 4466) to amend section 18 of the Pay Readjustment Act of 1942 to provide additional pay for personnel who are required to participate in regular and frequent glider flights; was read twice, considered, ordered to a third reading, read the third time, and passed.

Mr. HILL. I ask unanimous consent that the votes by which Senate Bill 1988, an identical bill, was ordered to a third reading, and passed be reconsidered, and that the bill be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

EXTENSION OF PROVISIONS OF SELECTIVE TRAINING AND SERVICE ACT OF THE VIRGIN ISLANDS

Mr. HILL. Mr. President, yesterday the Senate passed Senate bill 1825, a bill to extend the provisions of the Selective Training and Service Act of 1940, as amended, to the Virgin Islands. The House yesterday passed an identical bill, H. R. 4810, and I ask that the House bill be taken up and considered at this time.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (H. R. 4810) to extend the provisions of the Selective Training and Service Act of 1940, as amended, to the Virgin Islands, was read twice, considered, ordered to a third reading, read the third time, and passed.

Mr. HILL. Mr. President, I ask unanimous consent that the votes by which Senate bill 1825 was ordered to a third reading and passed be reconsidered, and that the bill be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

CHARGES OF COMMUNISM MADE AGAINST PHILIP MURRAY AND SIDNEY HILLMAN

Mr. GUFFEY. Mr. President, some days ago the senior Senator from North Carolina [Mr. BAILEY] stated on the floor of the Senate that Mr. Philip Murray, the duly elected head of the Congress of Industrial Organizations, and Mr. Sidney Hillman, chairman of the C. I. O. Political Action Committee, were both Communists.

I do not know the source of the information of the Senator from North Carolina on this point, and perhaps he himself would now find it difficult to recall the name of the particular little bird that told him this. Personally, I am somewhat surprised, because Philip Murray is an old friend of mine, of more than a quarter of a century, a fellow Pennsylvanian, and is known to me as a good American of Scotch ancestry, and a devout Christian.

Although Mr. Sidney Hillman is not one of my constituents, since he is a resident of the State of New York, I am rather surprised to hear that the Senator from North Carolina also declares him to be a Communist.

I have known Mr. Hillman also for many years and have learned to regard him as a wise, farsighted, and deeply cultured gentleman, with a skill and intelligence in labor leadership which would have earned him a great fortune had he applied the same qualities to his self-enrichment.

As a matter of fact, I am somewhat puzzled when I hear the senior Senator from North Carolina, and others who remotely resemble him, call anyone whom they dislike or fear a Communist.

I assume that the Senator does not mean that they are members of the Communist Party, because they cannot very well be members of a party which no longer exists, that party having been dissolved by its leader, Mr. Earl Browder, after he had pledged his followers to abstain from any activity which might subvert American democracy.

I doubt, naturally, that the senior Senator from North Carolina based his accusation on the files of a certain committee, three of whose members were recently and most reluctantly compelled to abandon their congressional careers because their constituents did not agree with their view that any liberal or New Deal Democrat was, by definition, a Communist.

Neither do I believe that the senior Senator from North Carolina has assumed, even unconsciously, the attitude attributed to the Nazi leader, Hermann Goering, who, when shown a secret file which proved that one of his—Goering's—private secretaries was what they called non-Aryan, indignantly retorted: "See here. I'm the man in Germany who decides who is a Jew."

I prefer to believe rather that when the senior Senator from North Carolina calls any of his fellow citizens Communists, he believes that communism is a sort of infection which can seize upon an innocent and unsuspecting man, without his knowledge or consent.

Under this interpretation, a man need never have read Karl Marx; never have visited the Soviet Union—which, by the way, is our great and valued ally in our war against the Axis; never have joined the Communist Party or even any of

those socially progressive associations of citizens which have been termed "Communist Front" organizations, and yet be a Communist.

He can, by this definition, be a devout church member, a good citizen, a substantial taxpayer, interested in electing good men and in backing good causes, and yet he can be called a Communist by the senior Senator from North Carolina.

It seems to me that, by this definition, a good many of us in this Congress cannot hope to escape.

Take myself, for example. I wonder how I can hope to escape the political ex-communication which awaits any man of whom the senior Senator from North Carolina disapproves.

In my time I have contributed to such organizations as the Single Tax Club of Pittsburgh, the American Civil Liberties Union, to the defense funds of Sacco and Vanzetti, to the fund raised for Tom Mooney, to the fund raised in connection with the Scottsboro case in Alabama, and to other groups of American citizens with a cause and purpose to improve the lot of their fellow men.

I also subscribe to PM and other militant liberal publications which have also been called communistic.

In giving them funds and in lending them the use of my name or in reading their columns, I did not for one moment pretend to agree with anything or everything they advocated, but I thought that they had good intentions, were thinking of the welfare of their country and their fellow men, and so deserved aid and encouragement.

Perhaps it was wrong of me to do so. Perhaps by so doing I, without my own knowledge or consent, became a Communist, too.

Perhaps, by this definition I ought to be expelled from this body particularly as I am also a New Deal Democrat and am standing by the President of the United States—our constitutional Commander in Chief—in this crisis, instead of joining with those Members of my party who are reactionary in their policies, whatever name they choose to take for their politics.

Indeed, some of my critics among my fellow Democrats have, themselves, a record for party irregularity which gives a peculiar and sardonic humor to their public attacks on me, a life-long and loyal member of the party founded by Thomas Jefferson and reinvigorated by modern leadership such as that of Woodrow Wilson and Franklin Delano Roosevelt.

When I read in the newspapers the statement made by the senior Senator from North Carolina about bolting the party, I recalled that some months ago I received a letter from North Carolina bearing on this subject, and I believe at this time it should be read into the RECORD.

The author of this letter is a deeply respected leader of the bar in the State of North Carolina. I do not know this gentleman personally, but on inquiry I find that he is generally regarded as the highest type of citizen, a man admired and trusted in his community and profession, and, just to avoid another of those red herrings, I would add that he is a North Carolinian born and bred and is white, that he attended the University of North Carolina at Chapel Hill, taking both the academic and law courses, and for 12 years was a member of the board of trustees of that institution.

Here is what this gentleman has written to me concerning the political record of the senior Senator from North Carolina:

DALTON & DALTON, ATTORNEY AT LAW,
Reidsville, N. C., December 11, 1943.

DEAR SENATOR GUFFEY: I have just read with much concern and interest Senator BAILEY'S and Senator BYRD'S speeches in the Senate, reported in the CONGRESSIONAL RECORD of the 7th instant, in which you are attacked most vehemently by Senator BAILEY.

Knowing something of Senator BAILEY'S political record in North Carolina, as I do, I was stung with indignation when I read his speech in which he assumed falsely to speak as one who had always been a regular, old-line southern Democrat of long years' standing.

His political record will not bear out the assumptions, inferences, and conclusions, which his speech implies. He has never been a liberal, progressive Democrat, and his record shows that he is not in sympathy in the main, with the New Deal or with President Roosevelt's policies.

He has been on nearly all sides of many public questions so far as the different parties are concerned.

When a young man, he was editor successor to his father—of the Biblical Recorder, a State Baptist paper, published in Raleigh, N. C., and while editor he wrote numerous editorials dealing with political and temperance questions.

In his recent Senate speech, he refers to himself as a southern Democrat, saying, "I would remind them that southern Democrats maintained the Democratic Party and kept it alive in all the long years of its exile," etc.

Let us see if Senator BAILEY maintained the Democratic Party and kept it alive years ago at the time he refers to.

In the November 16, 1898, issue of the Biblical Recorder, he said:

"We thank God that we have come upon a time when no party organization can carry an election in North Carolina."

In the April 26, 1899, issue of the Biblical Recorder he said:

"Party fealty is strong in our Commonwealth but there are many men not a few of them readers of this paper who will be quick to revolt against any political party that fails of representing the people or that refuses to espouse the principles they hold dear. We are not opposed to anyone being a member of a party but the editor of this paper."

In 1899 he said that he was opposed to his being a member of a party. In 1943 he glories in his past record. Claiming that he is one of those southern Democratic Senators who has "maintained the Democratic Party and kept it alive in all the long years of its exile."

In 1898 Mr. BAILEY was charged with being a Republican but he then said that he was an Independent.

The Wilmington (N. C.) Messenger in 1898, referred to Mr. BAILEY as a Republican. Upon learning of this, Mr. BAILEY wrote a letter to the editor on August 13, as follows:

"You speak of me as a young Republican. This is a mistake and may injure me. I am an Independent and always have been. Please make correction."

If the matchless, militant campaign of 1896 by the Democratic Party, conducted by the great "Commoner of the West," fell on deaf ears and left Mr. BAILEY in 1898 still an Independent in party affiliation, are you surprised today, in 1943, that he gets out of line with the New Deal principles, in the main, and with President Roosevelt's policies and now threatens to bolt the Democratic Party and form a "Southern Democratic Party" to vote as it pleases in the electoral college and to hold the balance of power in this country?

And yet, in the face of such a vacillating, changeable, and uncertain party affiliation record, Senator BAILEY has the boldness to stand up in the United States Senate and by speech leave the impression that he should be included among those southern Democrats who have always been firm in the party's faith and regular at all times in advancing the party's cause in the South and in the Nation.

Now contrast this Mr. BAILEY who, in 1900, was preaching Republican doctrines so insidiously that he actually converted Democrats into Republicans, with Mr. BAILEY, in 1943, in the Senate, when he said:

"There shall be no aspersions upon our honor, least of all, last of all, and most grevious of all, from the party we kept alive, from the party whose victories we have won, and the party which could not live 5 years without our support." (CONGRESSIONAL RECORD, December 7, 1943, p. 10456.)

I know of no man in public office today, from the South, who pretends to be a Democrat, who has had a more changeable, more variable, more irregular, or more inconsistent party affiliation record than Senator BAILEY.

He is a splendid and very able lawyer and personally I like him, but that has nothing to do with his political beliefs and party record.

As a loyal southern Democrat, who has always voted the Democratic ticket save and except in 1928, when I could not support Tammany and its nominee, Al Smith, I passed up the national box and did not vote for President—I cannot remain silent and let the impression prevail that Senator BAILEY'S action in the Senate meets with the approval of the North Carolina Democrats.

He does not speak for me and thousands of other liberal and progressive southern Democrats like me. Our State gave a 400,000 Democratic majority for President Roosevelt in the last election, and we stand ready, able, and willing to make his majority that much or more in 1944 if he runs for the fourth term, and we hope firmly that he will.

We are for him and for the New Deal. The only trouble now is that certain southern Democrats, and others, who are opposed to Roosevelt, are trying to block Federal legislation that will give the soldiers and sailors the right to vote for President in the coming primaries and election, under the false contention that States' rights are involved and that the States ought to handle it.

We know what this false contention means and what its purpose is.

Let us stay behind and support our Commander in Chief and win the war and after that a permanent peace without isolationism.

My attitude toward him was most admirably expressed by Congressman JOHN W. FLANNAGAN, Jr., when he said:

"I am one of those who believes that God still moves in the affairs of men, and that to me it was no accident but divine providence that directed the shattering of a long-established precedent and brought about the election of Franklin D. Roosevelt for a third term. America—yea, the whole world—needs Mr. Roosevelt's leadership, and as for me, today in common with the countless millions scattered over a confused and fright-stricken world, I thank God daily for supplying that leadership."

If Senator BAILEY wants to "take a little walk," he, of course, has the right to do so, but he will "walk alone," for the rank and

file of North Carolina Democrats will never walk with him.

I thank God, during these trying times of peril and unrest, that the average Southern Democrat still believes in his party from the standpoint of principle and eternal right and not from expediency.

Upon these principles it was founded, and upon them it will continue to fight and carry on.

North Carolina Democrats will not be swept off of their feet by the efforts of a certain coterie of disgruntled southern Democratic congressional leaders who are trying to turn the party and the country over into the hands of the reactionaries and predatory interests.

Their slogan seems to be: "God bless the rich; the poor can beg."

Yours very truly,

WM. REID DALTON, Sr.

I am in receipt of a letter dated June 14, 1944, from Mr. Dalton, in which he requests and urges me to read this letter into the RECORD.

I also ask to have inserted in the RECORD at this point as a part of my remarks an editorial from the Greensboro Daily News of Sunday, June 11, 1944.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NOT THE WAY

While the Daily News has long been among those who believe that the South would profit greatly by development of a two-party system, we cannot find ourselves in any sympathy with the course of defection which is being manifested by Democrats in South Carolina, Texas, and Mississippi.

The course which they are following is not calculated to gain them strength in either party, and a new party patently will not get anywhere in advancing its own presidential candidate or winning key positions in House and Senate where southern Democratic influence, for whatever it may be worth, is still strongest.

The South is not going to improve its economic, social, or political lot by formation of what is the equivalent of another secessionist party or by inauguration of a political movement which is founded upon prejudice, demagoguery, and inequity. Any realists in the States at point must recognize that the politicians who control the conventions are not the people, the voting public, who, by every election test that has yet come, are out of step with these old line party bosses who are speeking and setting essentially for themselves and what is to all appearances another lost cause.

When political realinement, of the sort that the South really needs, comes it will have to rest upon far sounder, deeper, and more rational causes than have motivated the present defections. The South is not going forward by perpetuation and aggravation of the very defects and deficiencies which have held it back. Its problems will have to be met and solved on a higher, more discerning, honest, and intelligent level.

STAY OF CERTAIN JUDICIAL PROCEEDINGS AGAINST THE UNITED STATES IN TIME OF WAR

The ACTING PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1173) to provide for staying judicial proceedings against the United States in time of war, on claims for damages caused by vessels of the Navy, or for towage or salvage services to such vessels, when the Secretary of the Navy certifies that the prosecution of such proceedings would endanger the security of naval operations or interfere therewith, and to authorize the settlement and payment of such claims, and for other purposes, which were, on page 4, line 13, after "stay," to insert, "or suspension, either of prosecution of suit or of the taking of testimony"; on page 6, after line 15, to insert:

SEC. 5. In any case in which either the United States or a claimant against the United States in one of the cases specified in section 1 of this act has been prevented by any stay or suspension provided for in this act from examining any witness, and in any case where the United States shall establish to the satisfaction of the court that it has refrained from instituting suit or from taking the testimony of any witness in any pending suit in order to avoid endangering the security of naval operations or interfering with such operations and where, in either of such cases, it shall appear to the satisfaction of the court, on appropriate evidence or by agreement by counsel, that the United States or the claimant, as the case may be, is unable after reasonable efforts to secure the testimony of any such witness, the court shall receive in evidence, in lieu of such testimony, (a) the affidavit of such witness, duly sworn to before a notary public or other authorized officer, or (b) the statement or testimony of such witness before a naval investigation, board of investigation, court of inquiry, or court martial, or Coast Guard investigation: *Provided*, That the use of such testimony shall not in any litigation make admissible the remainder of the said record or compel the production of the remainder of said record by the United States.

In considering such affidavit or statement or testimony, the court shall give such weight to it as the court thinks proper under all the circumstances of the case.

On page 6, line 16, to strike out "5" and insert "6"; on page 6, line 23, to strike out "6" and insert "7"; on page 7, line 18, to strike out "$100,000" and insert "$1,000,000"; on page 7, lines 20 and 21, to strike out "$100,000" and insert "$1,000,000"; on page 7, line 23, to strike out "$100,000" and insert "$1,000,000"; on page 8, line 1, to strike out "7" and insert "8"; and on page 8, line 3, to strike out "$100,000" and insert "$1,000,000."

Mr. TYDINGS. Mr. President, this is a bill which passed the Senate, to which the House has made minor amendments. I move that the Senator concur in the House amendments.

The motion was agreed to.

TRANSPORTATION TO THEIR HOMES OF CERTAIN PERSONS DISCHARGED FROM THE NAVAL SERVICE

The ACTING PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1894) to provide for the transportation to their homes of persons discharged from the naval service because of under age at time of enlistment, which were, on page 1, line 8, to strike out "the same"; and on page 1, line 8, to strike out all after "transportation" over to and including "guardian," in line 1 of page 2, and insert "home."

Mr. TYDINGS. Mr. President, this is a Senate bill to which the House has made some minor and clarifying amendments. I move that the Senate concur in the House amendments.

The motion was agreed to.

CONDITIONAL ADJOURNMENT OF THE CONGRESS

Mr. BARKLEY, by unanimous consent, submitted a concurrent resolution (S. Con. Res. 46), which was considered by unanimous consent and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That when the two Houses adjourn on Friday, June 23, 1944, they shall stand adjourned until 12 o'clock meridian on Tuesday, August 1, 1944, or until 12 o'clock meridian on the third day after their respective Members are notified to reassemble in accordance with section 2 of this concurrent resolution, whichever event occurs first.

SEC. 2. The President of the Senate and the Speaker of the House of Representatives shall notify the Members of the Senate and the House, respectively, to reassemble whenever in their opinion legislative expediency shall warrant it or whenever the majority leader of the Senate and the majority leader of the House, acting jointly, or the minority leader of the Senate and the minority leader of the House, acting jointly, file a written request with the Secretary of the Senate and the Clerk of the House that the Congress reassemble for the consideration of legislation.

AUTHORIZATION TO SIGN BILLS AND JOINT RESOLUTIONS DURING ADJOURNMENT

Mr. BARKLEY. Mr. President, I send to the desk a concurrent resolution, which I offer and ask to have stated.

The ACTING PRESIDENT pro tempore. The concurrent resolution will be stated.

The legislative clerk read the concurrent resolution (S. Con. Res. 47), as follows:

Resolved by the Senate (the House of Representatives concurring), That notwithstanding the adjournment of the two Houses, as authorized by Senate Concurrent Resolution 46, the Acting President pro tempore of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized to sign enrolled bills and joint resolutions duly passed by the two Houses which have been examined by the Committee on Enrolled Bills of each House and found truly enrolled.

Mr. WHITE. Mr. President, I should like to ask the Senator from Kentucky a question. I take it that this concurrent resolution and the concurrent resolution previously agreed to follow the usual form; is that correct?

Mr. BARKLEY. That is correct. They take care of any hiatus which might occur, because of the adjournment, in the ordinary proceedings of the two Houses.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (S. Con. Res. 47) was considered and agreed to.

AUTHORITY TO RECEIVE MESSAGES FROM THE HOUSE OF REPRESENTATIVES DURING ADJOURNMENT

Mr. BARKLEY. Mr. President, I ask that the order which I send to the desk be entered.

The ACTING PRESIDENT pro tempore. The order will be read.

The legislative clerk read as follows:

Ordered, That the Secretary of the Senate be, and he is hereby, authorized to receive messages from the Houses of Representatives following the adjournment of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, the order will be entered.

SUSPENSION OF THE RULE RELATING TO NOMINATIONS UNACTED UPON

Mr. BARKLEY. Mr. President, I ask that the order, which I send to the desk, be entered.

The ACTING PRESIDENT pro tempore. The order will be stated.

The legislative clerk read as follows:

Ordered, That paragraph 6 of rule XXXVIII of the Standing Rules of the Senate, relating to proceedings on nominations, be, and it is hereby, suspended with respect to nominations unacted upon, and their status shall not be affected by the adjournment of the Senate under the provisions of Senate Concurrent Resolution 46.

The ACTING PRESIDENT pro tempore. Without objection, the order will be entered.

APPROPRIATIONS FOR THE MILITARY ESTABLISHMENT

Mr. RUSSELL. Mr. President, I ask that the Senate recur to consideration of the amendment of the House to Senate amendment No. 3 to House bill 4967, being the appropriation bill for the Military Establishment.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none.

Mr. RUSSELL. Mr. President, late yesterday afternoon the Senate adopted an amendment to the amendment which was in disagreement between the two Houses. The amendment was offered to attempt to make the language conform to certain language which was offered in the conference by the House conferees.

This morning the Senator from South Dakota [Mr. GURNEY], who was greatly interested in this item, and myself talked to some members of the subcommittee on military affairs of the Appropriations Committee of the other body. It appears that no useful purpose will be served by returning to conference on this item. The question involved is the effort of the House of Representatives to discontinue A. S. T. P. training of young men who have been selected for the Medical Corps to attend medical colleges. The action of the House in this amendment would have the effect of discontinuing that training. But the House conferees would not recede from their position, and undoubtedly they will be sustained by the House. Therefore it seems that no useful purpose can be accomplished by returning the matter to conference.

Mr. President, I wish to say that I hope the War Department will not accept this action as final. It may be the policy of the Appropriations Committee of the House of Representatives, but the standing Committees on Military Affairs of the House and the Senate have never approved such legislation. I hope the War Department will immediately request the standing committees of the House and Senate to enact legislation which will clarify this very unfortunate and deplorable situation.

In view of the circumstances, however, I ask unanimous consent that the Senate reconsider its action in adopting the amendment which I offered yesterday afternoon, and that the Senate agree to the House amendment to Senate amendment No. 3.

Mr. MCKELLAR. Mr. President, if the Senator will yield, I should like to ask whether, if his request is agreed to, that will mean the final passage of the Military Establishment appropriation bill.

Mr. RUSSELL. Yes; it will mean that the bill will go to the President.

Mr. GURNEY. Mr. President, if the Senator will yield to me, so that I may make an observation, I should like to state that the Senator from Georgia and I are in agreement that the amendment of the House will prevent the sending of any more men by the Army to medical schools, and also will prevent sending men in similar categories to school for training as dentists and veterinarians.

Mr. RUSSELL. Yes; it will prevent the further training of such men for service in any branch of the medical profession or as veterinarians.

Mr. GURNEY. Also, it should be noted that the time limit is June 7, 1944. In other words, those who were in the program prior to June 7 can remain in it, and will be able to finish their courses, provided they receive proper marks.

Mr. RUSSELL. That is correct.

Mr. GURNEY. But no new students may be assigned by the Army to those three classes of schools.

I wish to join the Senator from Georgia in saying that I hope the War Department will present to Congress at the earliest opportunity a new bill authorizing the continuation of such young men in school for certainly 3 or 4 years from now. If medical training is stopped, there will ensue a serious shortage of doctors. In fact, we have such a shortage at the present time, so much so that the Army is accepting doctors even as old as 50 years of age, and is giving them commissions.

Mr. RUSSELL. I thank the Senator.

The ACTING PRESIDENT pro tempore. The Senator from Georgia has asked unanimous consent that the Senate reconsider its action in adopting the amendment to the House amendment to Senate numbered 3. Is there objection? The Chair hears none. Without objection, it is so ordered.

The question now is on agreeing to the amendment of the House to the amendment of the Senate numbered 3.

The amendment was agreed to.

RELIEF OF SAUNDERS MEMORIAL HOSPITAL

Mr. SMITH. Mr. President, I move that the Senate proceed to the consideration of House bill 1737, Calender No. 883.

The ACTING PRESIDENT pro tempore. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 1737) for the relief of Saunders Memorial Hospital.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from South Carolina.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. SMITH. Mr. President, I am sure the Senate does not understand this bill. The Saunders Memorial Hospital is in the city in which my home is located. Certain Army officers approached the superintendent of the hospital building and stated they wished to use it as a base for the airport which is located near the town. The hospital superintendent agreed. He was asked if he could vacate the building within 10 days. He replied, "I have some patients and I have a nurses' training school, and it might embarrass me to move that quickly. But in order to accommodate the Army, I will attempt it."

It is alleged, and can be proved, that the Army officers employed some of the members of the organization of the Saunders Memorial Hospital. A price and a time, which are specified in the bill, were agreed upon. After the superintendent had dissipated his whole organization, turned out his internes, moved the patients, and left the hospital, the Army officers said, "We do not want it." By that time the building had been vacated, and the organization had been dissipated. The superintendent now is left with a hospital which is standing there empty. His organization is gone. He has asked for relief. I should like to have Senators who have any doubt about the matter read the reports of the Committees on Claims of the House and the Senate. To me, this matter is the most outrageous and disastrous thing which could happen to a worthy citizen.

Mr. President, I ask for the passage of the bill.

The ACTING PRESIDENT pro tempore. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 1737) was ordered to a third reading, read the third time, and passed.

Mr. WHITE. Mr. President, I should like to make a very brief statement.

On yesterday, when unanimous consent was requested for the consideration of this bill, I objected. I did so at the instance of the Senator from Connecticut [Mr. DANAHER]. I believe that I should say in justice to him that his opposition to consideration of the bill was not one of affirmative hostility, but that it rested on his belief that he had an inadequate body of information before him in order to reach a sound judgment

concerning the matter. I wish it to be shown of record that his opposition was not because of any affirmative hostility.

NOMINATION OF ERNEST JOSEPH DAWLEY TO BE A BRIGADIER GENERAL IN THE ARMY

Mr. RADCLIFFE obtained the floor.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. RADCLIFFE. I yield.

Mr. CONNALLY. Yesterday, as in executive session, I entered a motion that the Senate reconsider the confirmation of the nomination of Ernest Joseph Dawley to be a brigadier general, temporary in the Army of the United States, and moved that the President be requested to return the notice of confirmation to the Senate. It has been returned to the Senate, and I now move to reconsider the confirmation. I entered the motion yesterday.

The ACTING PRESIDENT pro tempore. The question is on the motion of the Senator from Texas.

The motion was agreed to.

Mr. CONNALLY. Mr. President, I ask unanimous consent that the nomination be recommitted to the Committee on Military Affairs.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HILL. Mr. President, if the nomination is recommitted to the Military Affairs Committee, under the rules of the Senate it would be reported after the hour of 2 o'clock. Also, under the rules of the Senate, the nomination would go over until another day.

Mr. CONNALLY. I have merely asked that the nomination be recommitted to the Committee on Military Affairs.

Mr. HILL. Why not allow it to lie on the table?

Mr. CONNALLY. Mr. President, I withdraw my unanimous-consent request that the nomination be recommitted to the Committee on Military Affairs, and ask unanimous consent that it lie on the table.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Texas? The Chair hears none, and it is so ordered.

ADVANCEMENT OF REAR ADMIRAL EMORY S. LAND TO THE RANK OF VICE ADMIRAL

Mr. RADCLIFFE. Mr. President, when Calendar No. 917, House bill 634, was called up yesterday on the calendar, objection was raised to consideration of the bill by the Senator from Vermont [Mr. AIKEN], who expressed the desire to have an opportunity to prepare and present a statement. He informs me that he is now ready to present such a statement, and therefore has no objection to the bill coming up for consideration at this time.

I move, Mr. President, that the Senate proceed to the consideration of House bill 634.

Mr. WHITE. Mr. President, I am sorry, but I did not understand the motion of the Senator from Maryland.

The ACTING PRESIDENT pro tempore. The Senator from Maryland [Mr. RADCLIFFE] has moved that the Senate proceed to consider House bill 634. The bill will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 634) to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to the rank of vice admiral.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Maryland.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. AIKEN. Mr. President, this is a bill which I asked to have go over when it was called up yesterday, in order that I might have time in which to prepare a very short statement to deliver when the bill was subsequently taken up. I have been able to avail myself of the necessary time in which to prepare a statement, and I have no objection to the bill being considered at this time.

Mr. RADCLIFFE. Mr. President, the promotion of Admiral Land to be vice admiral is a fitting although inadequate recognition of the remarkably efficient services which he has rendered this country. The invaluable work which he has done since he has been in charge of the Maritime Commission, and also of the War Shipping Administration, has been a big and highly successful factor in our conduct of the war. He has fully earned the confidence of the people of the United States.

Many statements have been made from time to time in regard to the indispensable services of Admiral Land. These, I will not attempt even to summarize but will refer as follows merely to a few aspects of them.

MERCHANT MARINE

Ships have been outstanding in the fight against sectionalism and isolationism. No thoughtful man from Kansas or Colorado will insist that whether or not we possess a merchant marine is of no special concern to him, however much it may affect the interests of people in the maritime sections of our country. He now recognizes that much of his surplus products must be exported, otherwise the markets in this country would be flooded to the grave detriment of the people of his State and the rest of our United States. He realizes that he needs rubber as much as does the man in Maryland, and that the only way in which we were getting rubber in any large amount was by transporting it from the other side of the earth. It is true he appreciates that we are beginning to manufacture synthetic rubber in substantial quantities, but he recalls his recent grave doubts as to whether we would be able to do so, and his anxiety lest delay in obtaining real supplies of rubber be disastrous in our war operations and to civilian life. He is also well aware of the fact that if we had not been able to build ships a little faster than the submarine was sinking them, our fight for freedom against the sinister Nazi and Japanese would have been futile.

For these reasons and many others, the thinking man from Kansas and Colorado is now merchant-marine minded and he is likely to remain so. He will need this attitude of mind when we attempt to work out post-war arrangements for continued vigorous use of our shipping facilities.

I remember an incident which occurred when I was a boy living in Dorchester County, Md. A man whose home was on a shore of the Chesapeake Bay needed a boat, but he did not know where to buy one and he had little of cash. He decided to build one largely by his own labor. While he was making his plans, the waves of the Chesapeake Bay washed to his shore a cabin designed for a boat. It was practically new. Thereupon he built a boat around the cabin presented to him by the waves, thereby saving time, money and materials, and he got almost the type of boat for which he had originally planned. We will agree that he was unconventional, but certainly resourceful and practical.

The Maritime Commission and War Shipping Administration had to be just as unconventional and resourceful in their herculean task of re-creating our merchant marine because necessary materials and labor were not always available. Preemptory demands for warships and their outfittings could not be denied or delayed and yet nothing was more urgent than need for the construction immediately of a tremendously large number of merchant marine ships to serve as auxiliary to warships of the seas or the air and for the transportation of passengers and cargo. Admiral Land in building ships has utilized wisely all materials available in the conventional sense. He also has accepted gratefully whatever the waves or other fortuitous circumstances have contributed. He has also searched diligently for such flotsam and jetsam as he could salvage, to aid his building program. Most assuredly he would, like the man of Dorchester County, even build a ship around a foundling cabin if the finished product would suit his purpose and economy of time, of material and labor would be obtained. The result has been the construction in an amazingly short time of the largest merchant marine the world has ever known with ships stanchly built and highly seaworthy. The record of Admiral Land and his associates has been one of glorious and indispensable achievement.

Today we and our allies need every ship we have or which we are likely to construct in the near future. This is true although the menace of the submarine has largely faded out, temporarily at least.

Occasionally some thrifty-minded individual complains that we will not need all of these ships after the war is over; that we are heedless, extravagant, and lack foresight in building so many. However, were we to build two or three times as many ships as time may show we needed to win the war, still we cannot afford to take chances of having too few ships, thereby jeopardizing unduly the success of our war effort and the lives of the members of our armed forces. Surely we must realize if many of these ships cease to be essential after peace comes, we could better afford to scuttle them in the middle of the ocean than not

have them should we be in need. But we are not going to sink them. Since no one knows when peace will come, it follows no one can know how many ships we will require in the meantime, or how pressing will be the post-war demands upon our ships to aid a world prostrate and sick almost until death. All of our ships will be utilized and indeed obsolescence and competition will require that we continue to build new ones.

Several times in our history we have had a suitable merchant marine. After the primary need terminated each time we have stooped to the pernicious folly of discarding it. Ominous international situations 8 or 10 years ago found us again with antiquated oceangoing ships totally inadequate both in number and in physical condition. The amazing success of Admiral Land with the invaluable assistance of Admiral Vickery, Messrs. Douglas, Woodward, Macauley, Cormody, Conway, Schell, Williams, Radner, Skinner, Ackerson, and many others in recreating and operating a merchant marine under the epoch-making statute of 1936, are too well known to require any repetition. I will refer to only a few significant figures:

Dead-weight tonnage of American merchant marine, end of 1941	11,000,000
Dead-weight tonnage built Jan. 1, 1942, to Apr. 1, 1944	31,444,000
Number of ships built Jan. 1, 1942, to Apr. 1, 1944	3,052
Number of ships under control of War Shipping Administration	3,100
Number of men employed in Maritime Commission yards	616,000
Number of men employed aboard ships (add 10-percent shore reserve)	130,000
Long tons of cargo shipped out of the United States in 1943	47,000,000

There were many reasons why we had to build the Liberty ships which have served so well, but we are now able to push construction of faster ships such as the Victory.

The building of new ships and reconditioning of our old ones were indispensable, but that job was only one of our many tasks involved in the creation of an adequate merchant marine. For instance we acquired from private owners, and sometimes from other nations, almost everything in the nature of ships upon which we could lay our hands. Fortunately we are now able to return many of these ships to their former private owners, and we will settle later with the other nations for their ships of which we took possession.

We had to increase many times over the number of men and women working in shipyards, in loading and manning ships. This necessitated training of many inexperienced sailors and workers and heavy additional strains on our manpower shortage. But the range of our activities did not stop even there.

No international pooling of ships and of other war facilities in history has been so successful as that which we and our allies have been operating. During the last few years the benefits derived from that pooling have been inestimable. Instead of sending three ships partially loaded to three different ports, as previously done, we use each ship for about one-third of the route. Then naturally we found we could do even better. By careful rearrangements of our poolings we could get often two ships and sometimes one, to do the entire job instead of three, so countless economies and essential expedition followed.

It is not reasonable to expect such pooling arrangements to continue definitely in post-war days, but that fact does not give warrant for unlimited cutthroat operations which can be as disastrous among nations as among individuals. For the first time there will be both imperative necessity and the opportunity for sea-minded nations to reach world-wide arrangements by which international commerce can be spared much ruinous competition.

Then we sought successfully ways and means of getting more service out of a ship. Naturally one way was greater expedition in operations. If a ship could sail faster or lose less time in loading or in discharging cargo, obviously its usefulness was increased accordingly. Some figures on what we have accomplished in that respect are especially interesting. The average turn-around time in Atlantic coast ports was reduced from 28.3 days per vessel in January to 21.5 days per vessel in March of this year, a saving of 6.8 days. Inasmuch as 356 vessels were handled, a total saving of more than 4,200 vessel-days resulted. Added to this reduction was a saving of 1.9 days in loading, eight-tenths of a day in discharging, 314 days in repairs, three-tenths of a day awaiting convoys, and four-tenths of a day in miscellaneous factors. The advantages of such savings are too obvious to need any elucidation or emphasis.

Many more opportunities for economies of time and space were found. One of these was to load our ships more heavily. It is obvious that if a ship has a certain capacity, it can carry so much and no more cargo, but when are we actually reaching the limit in capacity? A trunk apparently full can often hold much more by skillful repacking. Our success in skilfully packing and repacking our ships has been remarkable.

Our supply of tankers due to increased needs and because of sinking by the submarine was alarmingly and dangerously inadequate. The tanker has been in peace days our chief method of transportation of oil on the Atlantic coast line carrying approximately 1,000,000 barrels a day. We had to find substitute means of transporting oil inland to the Atlantic coast, and our railroads helped greatly to solve the problem by increasing their daily transportation of oil from about 5,000 barrels to approximately 1,000,000 barrels. Pipe lines and barges are among the additional sources of transportation of oil which have been utilized.

In the face of outspoken skepticism, we found it possible to place airplanes on top of ordinary cargo ships and to find nooks and crannies in which to store oil with general cargoes. Likewise we increased the usefulness of our oil tankers by loading their decks with airplanes, assembled or boxed, and we added other commodities which ordinarily could not be carried under deck by dry-cargo ships. This increased, tremendously, of course, the importance of such additional loading. These extra burdens of the tanker really caused no substantial loss of time. During 1943 such additional cargo carried by the oil tankers amounted to 43,243,290 cubic feet, which is about the equivalent to the under-deck capacity of 91 Liberty ships.

Try to imagine the thousand and one tasks requisite in assembling a large convoy of ships to sail through submarine-infested waters. We know the gravity of the problems and our successful efforts in solving them can be described fully after the war is over.

Effective improvements in methods of harbor service, terminal contracts, and handling longshoreman labor have been made. Without sacrificing efficiency or in anywise slowing down our war program, plans were carried out by which many ports on the Atlantic coast and the Gulf of Mexico have been developed in our maritime operations. These present-day results will have especial value in post-war shipping.

Another knight has entered the list, the prize of which is world trade. I refer to the airplane now destined for a share in international commerce vastly in excess of what anyone before the war ever dreamed of. The commercial airplane will be increasingly useful, especially in the transportation of passengers and many kinds of freight. I do not mean to minimize the potentialities of the airplane, but it will never supplant the ship as the mainstay in commerce over the seas.

Already there is too much talk in this country and out of it as to who will control the post-war commerce of the world. The answer is that no nation will or should. I feel confident that the premiers of Great Britain and her Dominions in recent conferences sought no such grandiose or impossible plans. Also very recently there have been comments in this country as to the discussions in the British Parliament regarding the British Empire, and her Dominions in the field of air commerce. In this country there have been some heedless and ill-advised prognostications as to how world trade will be handled after the war.

With the coming of peace the nations which have fought successfully to preserve freedom and justice in this world will have an unprecedented opportunity to work out again plans for international understandings concerning commerce by ship and airplane. Many highly important questions unknown to our ancestors will press for solution. I refer to such matters as freedom of the air, innocent passage, and technical stops—to which list might be added the old-fashioned term "cabotage." A few years ago who would have believed that grave controversies would arise as to who had rights above the clouds? Old-fashioned theology pictured only a delectable and hallowed status for such aerial regions, but it would have been blasphemous for human voice to claim or impious for human hand to seek dominion there. If the successful nations do not avail them-

selves of this opportunity in the proper spirit of concession and cooperative effort, they may forfeit the freedom they have preserved at the cost of so much effort, treasure, and blood.

Of course we must be on the alert to protect our interests, but that does not mean that a spirit of blatant self-sufficiency and isolationism will direct our councils. After the struggles and tragedies of the present war it is inconceivable that the viewpoint will persist that nations unlike individuals cannot deal with each other without hot-headed friction, and that to be assertive to protect the interests of one's country, strife-creating discord among nations is inevitable.

The Merchant Marine Act of 1936 authorized a program of subsidies for paying differentials in cost of construction and operation as contrasted with those of competitive nations. Those wise policies underlie the many far-sighted provisions in that act, truthfully regarded as the Magna Carta of our maritime policy. Nevertheless, that act leaves many of our problems unsolved, for instance, as to monopolies and cartels. Some other seafaring nations find such combinations exceedingly advantageous, especially in meeting foreign competition. Should the same company own railroads, steamships, and airplanes subject to close public regulations? These questions are knotty ones and we cannot settle them merely by resort to historic precedents or to general concepts. We must be practical, continuously so, if we are to hold our own in world-wide competition.

Some people among the Allied Nations have not hesitated to state quite bluntly that the United States is expected to divide its ships with our allies. Probably in a measure we will, but when, how, and to what extent no one can possibly know at this moment. Efforts to settle now such questions are likely to be futile and friction-breeding. In a speech which I made in the United States Senate on last October 12, I deplored hasty and ill-advised attempts to dispose now of various international problems, instead of waiting to do so until the coming of post-war days. Little beyond careful exploratory studies and at times tentative arrangements can be done now.

We seek no dominion over other peoples, but rather the welfare and security of both the United States and of other peace-loving nations. We insist that our ships shall continue to sail the seas freely and unchallenged and to trade around about the world in friendly, if spirited competition, with other peoples. We will continue to need the dozen sea bases which we secured from Great Britain under 99-year leases, which will, I believe, become permanent holdings. Likewise we must have perpetually available to us other suitable bases in all of the oceans of the world for both our shipping and air commerce since they will be closely connected with each other. No beating of our swords into plowshares and our spears into pruning hooks, no abiding confidence in the permanency of world peace should prevent us from always realizing that our security demands that we have and retain such bases available at all times for our defense in war and for our commerce in the seven seas during peaceful days.

With unprecedented success we have under the resourceful, wise, and brilliant leadership of Admiral Land created and operated a merchant marine adequate and indispensable which will continue to serve us well. We need it and we must keep it now and also while the years come and go. This is our objective. This is our gleaming goal.

Admiral Land has fought the good fight. He fully deserves the promotion which we are now giving him.

The ACTING PRESIDENT pro tempore. The question is on the third reading and passage of the bill.

The bill (H. R. 634) was ordered to a third reading, read the third time, and passed.

Mr. AIKEN. Mr. President, I understand that during the noise and confusion which existed in the Chamber, the Chair announced that the bill was passed. I shall not move to reconsider that decision of the Chair, but I do want to make a few brief observations which I think are just as apropos after the passage of the bill as they would have been before.

Mr. President, many times I have called the attention of this Senate to acts of the Maritime Commission which I believed should have the attention of this body. I have believed that a thorough investigation of Maritime Commission affairs would have a healthy effect, not only upon this Commission but upon other commissions and agencies of the Government which have shown a tendency to stray too far from the straight and narrow path of good governmental operations and legislative authorizations.

I do not now and have not previously addressed my remarks to any individual official as a person. I do not believe in legislating for the individual, but for the office. If remarks which I have made from time to time seem to bear heavily upon any one person, it is because he happens to be occupying the office which should be held responsible for the acts of his commission or agency.

I have repeatedly called attention of this body to acts of the Maritime Commission because it is the acts of that Commission about which facts have been furnished me, principally by the General Accounting Office.

The General Accounting Office has frequently called the attention of this body to certain activities of the Maritime Commission which it considered to be either wasteful or outside the provisions of the law. Let me give three illustrations of such reports.

On June 10, 1942, the Comptroller General transmitted to the Congress "A report of irregularities in the construction by the United States Maritime Commission of certain vessels under contracts with the Tampa Shipbuilding & Engineering Co. and in the sale thereof to the Navy Department."

In this report the Comptroller General cites manipulations by the United States Maritime Commission whereby the Tampa Shipbuilding Co. was financed through the sale of hulls of several ships to the Navy at a price of $1,926,568.52 more than their value and paid for with Navy funds unauthorized for that purpose. I ask leave to insert the itemized charges of the General Accounting Office at this point.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

GENERAL ACCOUNTING OFFICE,
Washington, June 10, 1942.

The PRESIDENT OF THE SENATE.

MY DEAR MR. PRESIDENT: There is submitted herewith report of investigation by representatives of this Office of the contracts and other records of the United States Maritime Commission, the Navy Department, and the Tampa Shipbuilding & Engineering Co., and its successor, the Tampa Shipbuilding Co., Inc., relative to the partial construction of seven vessels by the said companies under contracts with the United States Maritime Commission and the sale of said vessels to the Navy Department prior to completion.

Sincerely yours,

LINDSAY C. WARREN,
Comptroller General of the United States.

REPORT OF IRREGULARITIES (1) IN THE CONSTRUCTION BY THE UNITED STATES MARITIME COMMISSION OF CERTAIN VESSELS UNDER CONTRACTS WITH THE TAMPA SHIPBUILDING & ENGINEERING CO. AND (2) IN THE SALE THEREOF TO THE NAVY DEPARTMENT

As a result of examination by the General Accounting Office of contracts and other records of the Tampa Shipbuilding & Engineering Co. (hereinafter referred to as the "old company"), Tampa Shipbuilding Co., Inc. (successor to Tampa Shipbuilding & Engineering Co., hereinafter referred to as the "new company"), Reconstruction Finance Corporation (hereinafter referred to as "R. F. C."), the Navy Department, and the United States Maritime Commission (hereinafter referred to as the "Commission"), certain matters were disclosed which are required to be reported to the Congress under the provisions of section 312 of the Budget and Accounting Act, 1921 (42 Stat. 26).

The apparent irregularities disclosed are summarized briefly, as follows:

(1) On November 14, 1940, the Commission and the new company purport to have sold to the Navy Department three uncompleted vessels, designated as hulls 34, 35, and 36, at prices aggregating $1,129,407.78 in excess of the adjusted lump-sum contract prices for the completion of said vessels;

(2) On April 16, 1941, the Commission and the new company also accomplished, in effect, a sale to the Navy Department of the new company's contracts with the Commission for the construction of, and materials on hand for, four other vessels, designated as hulls 37, 38, 39, and 40, at prices aggregating $797,160.74 in excess of the value thereof based on the adjusted lump-sum contract prices and the stated percentages of completion;

(3) In effecting each of said sales, the Commission indulged fictional or pretended sales to the new company, apparently organized for that purpose, and said new company, in the instance of each sale, consummated a contemporaneous sale which had been previously arranged by the Commission of the respective hulls to the Navy Department, notwithstanding the fact that title to such hulls, as well as the materials on hand, was vested in the Commission under existing contracts;

(4) At the time of the reorganization (November 14, 1940) the records reflected the net worth of the old company to have been

$47,012.36, whereas the same assets (after recordation of the sale of hulls 34 to 36 to the Navy Department, plus $500 paid for the stock of the new company) and liabilities were recorded on the books of the new company so as to reflect a net worth of $2,037,561.48;

(5) The net worth of the new company is represented by 10,000 shares of no-par-value stock owned by George B. Howell, president of said new company, for which he paid only $500;

(6) During the period May 21, 1938, to April 16, 1941, the R. F. C. loaned and advanced to the old company and the new company large sums of money for operating capital and plant improvements, during which period the Commission, at the demand of the R. F. C., guaranteed the debt of the companies to the R. F. C. to the extent of more than $300,000, without lawful authority;

(7) Simultaneously with the acquisitions by the Navy Department, as aforesaid, and the payment by it of the considerations therefor, the Navy Department entered into cost-plus-fixed-fees contracts with the new company for the conversion and completion of the hulls so acquired, and, with the funds paid to said new company by the Navy Department, said company's direct indebtedness to the R. F. C. was paid; the Commission received the return of progress payments made by it on account of the construction of said hulls to the dates of their acquisitions by the Navy Department, and the companies' indebtedness to two Tampa banks (Exchange National Bank and First National Bank) were paid in full;

(8) The acquisitions by the Navy Department were designed to redeem, and had the effect of redeeming, the old company from its then insolvent condition, and of redeeming the investments of the Commission, the two Tampa banks, and the R. F. C. through unauthorized expenditures of funds appropriated to the Navy Department;

(9) The only changes effected by the so-called reorganization through the organization of the new company were the restoration of the capital structure through the donation of approximately $2,000,000 appropriated moneys, and stock ownership and control for which only $500 was paid by George B. Howell, president of said new company;

(10) Expenses incident to launching vessels, including transportation, hotel expenses, gifts for sponsors, etc., aggregating $4,072.22, were, in effect, paid from public funds under the so-called reorganization plan;

(11) The Commission entered into a contract with the new company for the shifting of hull 34 from Tampa, Fla., to Mobile, Ala., after the transfer to, and acceptance of, said hull by the Navy Department;

(12) The Commission failed to determine the amount of any excess profits for recapture as required by law; and

(13) The use of funds from the Navy Department appropriation, "17X0604. Alterations to naval vessels," for the acquisition of hulls, the keels of some of which had only recently been laid, was unauthorized.

Mr. AIKEN. Mr. President, the House Committee on the Merchant Marine and Fisheries heard witnesses on this case. The Senate took no action.

On August 21, 1942, the Comptroller General reported to the Congress that on June 8, 1940, the United States Maritime Commission had sold to the Waterman Steamship Corporation, of Mobile, Ala., five old ships at an average price of $13.76 per dead-weight ton with the option to repurchase said vessels at such price and a few months later, instead of exercising that option, had purchased five older vessels from the same company for prices averaging $75 per dead-weight ton, or between five and six times as much as it had sold better vessels to this company for.

I wish to say that subsequently this option to repurchase was exercised, I think after the war had begun, though I am not sure of the date, but I have yet to learn that any adjustment was ever made in the price paid for the older vessels, which, according to the Comptroller General's report to the Congress, profited the Waterman Steamship Corporation $1,995,502.68 more than this corporation would have realized had the Maritime Commission requisitioned these ships in accordance with the provisions of the law. I ask leave to insert the itemized charges of the General Accounting Office concerning the Waterman Co.'s dealing with the Maritime Commission at this point.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

LETTERS FROM THE COMPTROLLER GENERAL OF THE UNITED STATES TRANSMITTING A REPORT OF INVESTIGATION BY REPRESENTATIVES OF THE COMPTROLLER GENERAL'S OFFICE OF THE CONTRACTS AND OTHER RECORDS OF THE UNITED STATES MARITIME COMMISSION

GENERAL ACCOUNTING OFFICE,
Washington, August 21, 1942.

The SPEAKER, HOUSE OF REPRESENTATIVES.

MY DEAR MR. SPEAKER: There is submitted herewith report of investigation by representatives of this Office of the contracts and other records of the United States Maritime Commission relating, among other things, to the sale by the Commission under sales agreement dated June 8, 1940, of five vessels from the Commission's laid-up fleet to the Waterman Steamship Corporation for the aggregate price of $596,000 (43,316 dead-weight tons), with an option to the Commission to repurchase the same vessels at said aggregate price, plus improvements made thereon by the corporation, less reasonable depreciation, and the subsequent purchase by the Commission from the corporation of five other and older vessels for an aggregate price of $3,374,700 (43,965 dead-weight tons), instead of exercising the option to repurchase the vessels sold under said agreement of June 8, 1940.

Sincerely yours,

LINDSAY C. WARREN,
Comptroller General of the United States.

GENERAL ACCOUNTING OFFICE,
Washington, August 8, 1942.

REPORT OF THE SALE BY THE UNITED STATES MARITIME COMMISSION TO WATERMAN STEAMSHIP CORPORATION OF FIVE OBSOLETE VESSELS FROM THE COMMISSION'S LAID-UP FLEET, WITH OPTION TO REPURCHASE SAID VESSELS, AND THE SUBSEQUENT PURCHASE FROM SAID CORPORATION OF FIVE OTHER SIMILAR AND OLDER VESSELS AT GREATLY ENHANCED PRICES, INSTEAD OF EXERCISING SAID OPTION

Examination by representatives of the General Accounting Office of the records of the United States Maritime Commission brings out certain matters which are required to be reported to the Congress under the provisions of section 312 of the Budget and Accounting Act, 1921 (42 Stat. 26), and which involve apparent irregularities, summarized as follows:

1. On June 8, 1940, the United States Maritime Commission (hereinafter called the "Commission") made and entered into an agreement in writing with the Waterman Steamship Corporation, of Mobile Ala. (hereinafter called the "corporation"), by which the Commission sold to the corporation five obsolete vessels from the Commission's laid-up fleet at and for the aggregate price of $596,000 (or an average price of $13.76 per dead-weight ton), with the right, at the Commission's option, to repurchase said vessels at such price, plus improvements made thereon by the corporation, less depreciation, as hereinafter shown.

2. In connection with, and as part of the consideration for, the sale of June 8, 1940, the corporation obligated itself to construct, or cause to be constructed, four new vessels to be added to the American merchant fleet, and thereafter, by an agreement dated on or about November 6, 1940, the corporation undertook the construction of four new vessels by and through its wholly owned subsidiary, the Gulf Shipbuilding Corporation, such construction to be entirely at the corporation's expense and without aid by the Commission under the Merchant Marine Act, 1936, as amended.

3. In late 1941 and early 1942 the Commission purchased from the corporation five other and older vessels at and for prices aggregating $3,374,700 (or an average of $75 a dead-weight ton), instead of exercising said option to repurchase the vessels sold under the agreement of June 8, 1940, and paid said aggregate price to the corporation.

4. In purchasing the five vessels from the corporation as aforesaid, instead of exercising the option to repurchase the vessels sold under the written agreement of June 8, 1940, the Commission laid out and expended the sum of $1,995,502.68 more than it should and would have expended had it exercised said option, without regard to reasonable depreciation of the vessels sold under said written agreement, as will more fully and clearly hereinafter appear.

5. The purchase of said vessels by the Commission from the corporation was consummated and the full purchase price of $3,374,700 was paid directly to the corporation, after it, on October 25, 1941, had applied in writing to the Commission under section 510, Merchant Marine Act, 1936, as amended, to trade in certain obsolete vessels (including some of those purchased from the corporation as aforesaid), and for a credit of the value thereof to be applied against the promised construction of eight new vessels to be added to the American merchant fleet, which application was never acted upon by the Commission.

6. The five obsolete vessels were purchased by the Commission from the corporation as aforesaid without the formality of a written agreement stating the terms and conditions of the sale, and the transaction was closed by the execution, delivery, and recording of bills of sale for the vessels, each of which instruments recited only a nominal consideration of $10.

7. After said five vessels had been purchased from the corporation as aforesaid (following said application under sec. 510, Merchant Marine Act, 1936, as amended, which was not acted upon by the Commission), and after the purchase price thereof had been paid to the corporation, the corporation attempted to establish a construction reserve fund under the provisions of section 511, Merchant Marine Act, 1936, as amended, in such manner as to enable the corporation to avoid or defer the payment of income tax on the gain or profit of, to wit, $1,995,502.68, realized by it through the sale of said five vessels to the Commission in late 1941 and early 1942, on the theory and apparent promise that said fund would be used in the construction of new vessels for addition to the American merchant marine, but a dispute has arisen between the Commission and the corporation as to the way and manner in which said so-called construction reserve fund shall be used and applied, which dispute is now pending before and is undetermined by the Commission, and which dis-

pute is now under consideration by Commissioner John M. Carmody with a view to a report by him thereon to the Commission.

8. It is claimed on behalf of the Commission that the five vessels acquired from the corporation in late 1941 and early 1942 were purchased pursuant to the proclamation of the national emergency by the President on May 27, 1941, and under the provisions of the act of June 6, 1941 (55 Stat. 242), infra, which act provides that vessels may be purchased for the emergency at such prices as the Commission "may deem fair and reasonable and in the public interest"; but that act contains no provision for the trade-in of, and the allowance of credit for, obsolete vessels against new vessels to be constructed as provided in sections 510 and 511, Merchant Marine Act, 1936, as amended, as hereinafter shown.

Mr. AIKEN. Mr. President, the House committee held hearings on this case. Majority and minority reports were made. The Senate took no action.

On June 19, 1943, the Comptroller General reported to the Congress concerning matters pertaining to the Baltimore Mail Steamship Co., wherein the Comptroller General alleged that on October 24, 1940, the Maritime Commission purchased five vessels from this company for account of the Navy and paid $2,188,257.87 in excess of the depreciated value of these ships. I ask leave to insert the itemized charges which the Comptroller General made in this case at this point in my remarks.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

GENERAL ACCOUNTING OFFICE,
Washington, June 19, 1943.

REPORT OF THE SALE BY THE UNITED STATES SHIPPING BOARD OF FIVE VESSELS TO THE BALTIMORE MAIL STEAMSHIP CO. AND THE SUBSEQUENT PURCHASE OF SAID FIVE VESSELS FROM SAID COMPANY BY THE UNITED STATES MARITIME COMMISSION FOR ACCOUNT OF THE NAVY DEPARTMENT

Examination by representatives of the General Accounting Office of the records of the United States Maritime Commission (hereinafter referred to as the "Commission") and the Navy Department (hereinafter referred to as the "Navy") brings out certain matters which are deemed proper for reporting to the Congress and are briefly summarized as follows:

1. The Government, acting through the United States Shipping Board, constructed five vessels in 1920 at a cost of $12,897,210, which were sold in 1931 (when approximately 10 years old) to the Baltimore Mail Steamship Co. for $30,000 each, or a total of $150,000, and in addition, the United States Shipping Board loaned said company $6,520,706.26 to recondition the said vessels.

2. The value of the vessels after reconditioning was $9,145,309.99, as follows:

Purchase price	$150,000.00
Construction loan by U. S. Shipping Board	6,520,706.26
Additional expenditures made by Baltimore Mail Steamship Co. for reconditioning	2,474,603.73
Total	9,145,300.99

3. The Baltimore Mail Steamship Co. operated the vessels for a period of approximately 9½ years, and it appears that the venture was a failure from its inception (despite the payment of subsidies of approximately $7,500,000 during the period) due, in part, to the enormous fees and commissions paid to holding and affiliated companies.

4. Although the company defaulted in its payments to the Government shortly after it began operations, the United States Shipping Board and its successor, the Commission, continually extended the notes until the indebtedness far exceeded the depreciated value of the vessels, which matter was reported to the Congress by the Comptroller General under date of March 3, 1938.

5. The records of the Commission show that as of June 30, 1939, the amount of $2,333,106.26 of the construction loan indebtedness was considered "doubtful or uncollectible."

6. By contract of October 24, 1940, the Commission purchased the 5 vessels from the Baltimore Mail Steamship Co. for account of the Navy and paid therefor, from funds advanced by the Navy, $7,100,000, which amount was applied as follows:

Construction loan notes secured by first-preferred mortgage held by the Commission	$5,855,776.05
Accrued interest on construction loan notes	90,917.09
Paid to Baltimore National Bank for account of notes secured by second mortgage	1,153,306.86
Total	7,100,000.00

7. The depreciated value of the vessels at the time of acquisition by the Commission (November 1940) from the Baltimore Mail Steamship Co. was $4,911,742.13 (value of the vessels after reconditioning $9,145,309.99, less depreciation for approximately 9½ years amounting to $4,233,567.86), and the payment of $7,100,000 therefor by the Commission resulted in a payment of $2,188,257.87, in excess of the depreciated value, as follows:

Amount paid from Navy funds	$7,100,000.00
Value of vessels after reconditioning	9,145,309.99
Less depreciation	4,233,567.86
Total	4,912,742.13
Amount of payment in excess of the depreciated value	2,188,257.87

8. As a result of the transactions thus consummated, the Navy absorbed and paid depreciation charges of the Baltimore Mail Steamship Co. to the extent of $2,188,257.87.

Mr. AIKEN. Mr. President, the House committee conducted hearings on this case and majority and minority reports were made. The Senate took no action.

I cite these three cases. They are three cases wherein the transactions complained of took place long before the outbreak of the war, and, therefore, cannot be excused on the ground that waste must be tolerated during wartime. There are many other cases in which facts have been presented by the Comptroller General's office either to the Congress or to individual Members of the Congress. I have reported much of this information to the Senate myself.

I would not say that the efforts of the Comptroller General to prevent illegal and wasteful expenditures by the Maritime Commission have been entirely fruitless.

It may be recalled that only about 2 years ago insurance valuations of $100 per ton were being placed upon obsolete ships. Later this amount was cut to $75 per ton. Still later it was reduced to $65 per ton, and I understand that now the valuations have been reduced to between $50 and $60 per ton for insurance purposes.

I wish to give the Maritime Commission full credit for its part in bringing about this reduction, though it is undoubtedly true that the influence of the General Accounting Office played a part.

I am willing to say now that I think the Maritime Commission has tried during recent months to bring about other improvements. If I did not think an effort was being made, I would have opposed the passage of this bill today.

I do not believe that the Maritime Commission is the only Government agency which should have the attention of the Congress, and I certainly do not absolve the Congress from all blame for conditions which we know prevail in many departments of government.

The General Accounting Office is the agency of Government responsible solely to the Congress. As I understand, its functions are to guard against illegal and wasteful expenditures of public funds and to report such matters to the Congress when they occur. The Comptroller General's office is our investigating committee, yet when it makes reports to the Congress, the Senate takes no action whatever to correct the evils reported.

If the reports of the Comptroller General are to be credited, action should be taken to correct the conditions which are complained of. If the Comptroller General's reports cannot be credited, then it is plain that that office should have a housecleaning.

How can we expect the agency of government that is directed to guard our national expenditures to do good work when Congress pays little attention to its reports? How can we expect the head of a commission or a department to exercise his full powers of resistance against profiteering contractors, if we permit profiteering on the Government to become a custom?

I am making these observations today not primarily for the purpose of castigating the Maritime Commission or its Chairman, but for the purpose of urging upon the Congress the necessity for putting Government agencies on a sound basis at the earliest possible moment, and to urge upon Congress that all agencies of government be required to submit to auditing by the General Accounting Office. Certainly no man could permit his own business to be run as some agencies of government are run and expect to remain in business. The Government of the United States is the business of all of us.

Some day, when the war is over, the people of America will demand an accounting on the stewardship of both the the executive department and the legislative branch of government. I fear they will look back with amazement and indignation upon the action of this body, which, instead of undertaking to correct some of the evils of the Maritime Commission, which have been repeatedly called to its attention by the Comptroller General, rewards the Chairman of

the Commission against whom official charges have been made, by promoting him, without any investigation, to a higher rank.

We cannot escape the responsibility which the country has placed upon us. If we do not perform our duty, we should not escape the consequences.

Mr. WALSH of New Jersey. Mr. President, as a freshman Senator, I realize that I should probably hide under my desk and avoid being seen, much less heard, especially when important matters are before this great body. However, there is a veteran Senator WALSH in the Senate, the distinguished chairman of the Committee on Naval Affairs, and he has asked me to inform the Senate that he was forced to leave Washington last night because of the critical illness of a member of his family, and thus is prevented from lending his voice and casting his vote in the interest of a man for whom he has the utmost admiration, Admiral Land.

My own knowledge of and admiration for Admiral Land, Mr. President, have not been acquired since I had the honor of coming to the Senate. My close association with Charles Edison, when he was Acting Secretary and subsequently Secretary of the Navy, gave me an intimate picture of the outstanding ability and other notable qualities of Admiral Land, first as a leading naval officer and later as the head of the Maritime Commission. Secretary Edison admired Admiral Land unqualifiedly, and has been earnestly hoping, as have thousands of other loyal supporters of Admiral Land throughout the Nation, that the admiral would receive today recognition by advancement to the rank of vice admiral, a tribute so long delayed.

It has been said that Admiral Land at times has been extravagant. Well, Mr. President, I do not know whether Admiral Land and his associates could have produced ships at a lower cost. Neither do I know whether we could or could not be conducting this war at a lower cost. But why pick on Admiral Land? When the history of this unprecedented world conflict is written, I doubt if any one of our wartime leaders will be acclaimed by posterity because of his ability as a penny pincher. Thank God that at a time of grave crisis Admiral Land was not a worshiper of accounting procedure. He destroyed some red tape, but he built ships.

Mr. President, if there is still doubt in anyone's mind as to the background, experience, or ability of Admiral Land, let him turn to the letters and reports placed in the body of the CONGRESSIONAL RECORD yesterday by the eminent Senator from Massachusetts [Mr. WALSH].

Admiral Land has done a phenomenal job. As one example, Mr. President, let it be remembered that under his superb leadership this country turned out a tonnage of new ships in 1 year equal to the entire tonnage of the British Empire prior to the Second World War. We are winning this war largely because of the work of Admiral Land. His executive direction of his gigantic job has been brilliant and he has worked indefatigably. Yes, Mr. President, it is the accomplishments of men such as Admiral Land that make Adolf Hitler realize that he should have continued hanging paper instead of people.

I hope the Members of the Senate will no consider it presumptuous for the junior Senator from New Jersey, a raw freshman, to violate the unwritten protocol by speaking out so freely. But, Mr. President, with all the enthusiasm that I possess I felt that I had to come to the Senate today to appeal to the distinguished Senator from Vermont and to the other eminent Members of the Senate to give to Admiral Land today the recognition which almost everyone in America will agree he has earned and richly deserves.

I thank the distinguished Senator from Vermont [Mr. AIKEN] for not objecting to the passage of the bill today.

Mr. GERRY. Mr. President, I wish to join with the other Senators who have already expressed their gratification at the promotion of Admiral Land to be vice admiral. The magnificent work Admiral Land has been performing for our merchant marine, his efficiency, his business ability, hard common sense, and fighting qualities have been outstanding, and have created admiration among those of us who are his friends and who have always appreciated his ability.

It seems to me that Admiral Land is a typical personification of what Annapolis can do in shaping a man into an efficient public servant, not only for the Navy but even when he gets into important business positions. We have seen how efficient these Navy men are and can become.

I merely wanted to say these few words as coming from one who knows the admiral, and who likes him and admires him. I desired to add my word of satisfaction at his promotion, and to say that I think not only the admiral is to be congratulated but the Senate and the country are as well to be congratulated on this recognition of an efficient and able public servant who is doing a great job.

Mr. McKELLAR. Mr. President, I should like to endorse what the senior Senator from Rhode Island has said about Admiral Land. The admiral is most efficient, one of the best and certainly one of the most active administrators to be found in the departments of the Government. He is thoroughly honest, outspoken, and upright, a splendid figure, and I am delighted that the honor which we have bestowed has come to him. I certainly wish him continued success in all his undertakings, and I am very happy that I voted for the bill.

Mr. BARKLEY. Mr. President, I wish to associate myself with the expressions which have been heard here about Admiral Land. As we all know, Admiral Land was called back to service in effect as a result of the emergency in which our country finds itself. Outside of the obligation of patriotism, and the moral obligation which everyone owes to his country, there was no compulsion on Admiral Land to accept this assignment.

The Admiral has done an outstanding job. Starting from almost zero, he has built up a merchant marine, and the facilities for the building of a merchant marine and for the maintenance of a merchant marine, which will, long after the war is over, reflect great credit upon the ingenuity of our people not only in a war, but their ingenuity in using the facilities war has made necessary in the extension of our trade and the cooperative effort our country undoubtedly will put forth with other nations of the earth to restore normal commerce on the high seas among the nations.

I feel personally very fond of Admiral Land and his family, and it is a happy consummation now that we see his work and his talents and his devotion recognized by this promotion. While it has been delayed somewhat, which no doubt has caused some of the admiral's friends to feel that we were not as prompt as we might have been in the recognition of his talents, I think that on the whole probably it is better that it should have happened that way than that the promotion should have been rushed through at the time it was first suggested. I am very glad of the outcome, and I congratulate the country and Admiral Land.

REPLY TO SENATOR GUFFEY'S STATEMENT CONCERNING SENATOR BAILEY

Mr. BYRD. Mr. President, I wish to make a very brief reference to an incident which occurred today on the floor of the Senate. I have been a Member of the Senate for 12 years. I have never before heard a more vindictive, and, I think, untruthful attack made upon a Senator who was absent as was made today. I have reference to the remarks made by the Senator from Pennsylvania [Mr. GUFFEY] making a personal attack upon the Senator from North Carolina [Mr. BAILEY].

Mr. President, I wish to say that the Senator from North Carolina has been absent from the floor of the Senate for some weeks because of the necessity of an operation. The Senator from Pennsylvania knew that the Senator from North Carolina was not here today when he made this attack upon him. He knew that the Senator from North Carolina had not been here for some weeks. Yet notwithstanding that fact he selected this day, when the Senator from North Carolina was absent from the floor of the Senate on account of illness, to make this contemptible and unwarranted attack upon him.

I wish to say, Mr. President, that there is nothing I could say that would add to the stature of Senator BAILEY, of North Carolina. He is one of the outstanding Members of this body. He is one of the greatest lawyers in all America. He is a great American, for whom everyone has a profound respect. There is nothing that the Senator from Pennsylvania could say which would detract one iota from the high stature of Senator BAILEY or from the great admiration which the people of the whole country have for this very distinguished southern Senator.

I rise primarily for the purpose of pointing out that this attack was made upon a Senator when he was ill. It was made upon him when he was unable to be present, so that he could not make reply. It was made in relation to certain remarks made on the floor of the

Senate by the Senator from North Carolina, not directed primarily at the Senator from Pennsylvania. The remarks were made weeks ago, and there was ample opportunity for the Senator from Pennsylvania to have made reply to the Senator from North Carolina while he was in the Senate.

I wish to say this in conclusion—it may not be parliamentary, but I wish to say it: It is said that the Senator from Pennsylvania has the political hide of a rhinoceros; but when JOSIAH BAILEY gets through with him, he will hang that hide upon the wall of the Senate; and I hope all the Members of the Senate will be present to listen, because it will be a rare exhibition.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. CHAVEZ. I do not wish to take part in the difficulties between the Senator from Pennsylvania and the Senator from North Carolina. I know that the Senator from North Carolina can take care of himself. The letter from some person in North Carolina which was read by the Senator from Pennsylvania, indicated to me that when the real test comes as to who should be regarded as a Democrat, the Senator from North Carolina can meet it. In 1928 JOSIAH BAILEY, of North Carolina, stuck to Al Smith, and that is more than can be said for the writer of the letter which was read.

Mr. GUFFEY entered the Chamber.

Mr. BYRD. I see that the Senator from Pennsylvania has returned to the Chamber. I wish to say in his presence that we southerners do not appreciate being lectured by the Senator from Pennsylvania. We intend to work out our own problems in the South in our own way without his dictation. We intend to work out our own relations with the Democratic Party in our own way. If the Senator from Pennsylvania is seeking to create disunity and destroy the Democratic Party in the South, he could do nothing more effective than his exhibition here today and his consistent abuse of southern representatives.

The Senator from Pennsylvania has the habit of attacking other Senators and then leaving the Chamber; but so long as he is now present, I wish to repeat in his presence that he made a cowardly attack today on an absent Senator who was not on the floor because of illness. He made statements which in my opinion are not in accordance with the facts. I hope the Senator from Pennsylvania will be in his seat when the Senator from North Carolina returns and makes reply to the charges which were made in his absence, at a time he was lying on a sick bed at his home in North Carolina.

Mr. President, I wish to refer to another subject——

Mr. GUFFEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. GUFFEY. I shall be glad to be present when the Senator from North Carolina answers the charges. They were not my charges. The letter which I read contained charges by a distinguished member of the bar of the State of North Carolina. Philip Murray and Sidney Hillman were charged by the Senator from North Carolina with being Communists. I think he is mistaken about those two men. I read the letter because the writer asked me to read it.

Mr. BYRD. If we are to read on the floor of the Senate charges made about Senators by others, I can read charges which have come to me about the Senator from Pennsylvania. I have a great stack of charges and true facts about him. I have letters about him from Pennsylvania and elsewhere. If he wishes to adopt the policy of reading in the Senate letters from others attacking the integrity and character of Senators, others can play that game as well as he can.

Mr. GUFFEY. Mr. President, let me say to the Senator from Virginia that I have never run away from any charges filed against me. I do not intend to run away next week, next month, or next year. I will face whatever charges the Senator wishes to make, or whatever charges the Senator from North Carolina wishes to make.

Mr. BYRD. The Senator will have an opportunity to demonstrate whether or not that is correct and the statements to be made will be based on facts and not rumors.

Mr. GUFFEY. I shall be very glad to be present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 784) to amend that part of the act of June 24, 1910 (36 Stat. 619), relating to disposition of profits from sales of ships' stores, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1432) to extend the Civilian Pilot Training Act of 1939.

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 4033. An act relating to the use of the penalty mail privilege; and

H. R. 4215. An act to extend to the custodial-service employees of the Post Office Department certain benefits applicable to postal employees.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 702. An act to permit the prepayment of the purchase price of certain housing sold to individuals by the Farm Security Administration, and for other purposes;

H. R. 3241. An act to implement the jurisdiction of service courts of friendly foreign forces within the United States, and for other purposes; and

H. R. 4405. An act to amend the act approved March 7, 1942 (56 Stat. 143), as amended (56 Stat. 1092; 50 App. U. S. C. Supp. III, 1001–1017 inclusive), so as to more specifically provide for pay, allotments, and administration pertaining to war casualties, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

S. 1232. An act to provide equitable compensation for useful suggestions or inventions by personnel of the Department of the Interior;

S. 1593. An act for the relief of the heirs and assigns of Widow Cesaire De Blanc;

S. 1669. An act to clarify the law relative to allowances for mileage of graduates of the United States Military Academy and transportation of their dependents on assignment to their first duty station and to the mileage allowance of persons entering the United States Military Academy as cadets;

S. 1718. An act to provide for the settlement of claims arising from terminated war contracts, and for other purposes;

S. 1748. An act to amend the act entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States," approved October 16, 1941, as amended, to continue it in effect;

H. R. 4183. An act making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes;

H. R. 4204. An act making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4292. An act to amend section 12 (b) of the act of May 29, 1930, as amended;

H. R. 4414. An act making appropriations for the legislative branch and for the judiciary for the fiscal year ending June 30, 1945, and for other purposes; and

H. R. 4679. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes.

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

Mr. BYRD. Mr. President, on behalf of the Joint Committee on Reduction of Nonessential Federal Expenditures, I present the regular monthly report on civil-service employees. I ask unanimous consent that it be printed in the body of the RECORD following my remarks.

The ACTING PRESIDENT pro tempore. Without objection, the report will be printed in the RECORD at the conclusion of the Senator's remarks.

(See exhibit A.)

Mr. BYRD. The total number of paid civilian employees as of April 1944, is 3,305,460, including 288,563 civilian employees of the War Department stationed outside the continental United States as of December 31, 1943. For the purpose of comparison, I will exclude civilian employees of the War Department stationed outside the continental United States. This leaves 3,016,897 civilian employees of the various departments of the Government, in accordance with direct reports made to the Joint Economy Committee by the various agencies of the

Government. I want to say that reconciliation with the Civil Service reports is not possible because these reports do not include the following: Persons on terminal leave, W. O. C. employees, and persons on leave without pay for a full month. The committee includes these employees because these persons are actually on the pay roll.

There has been a steady increase in the number of civil-service employees for the past 4 months. In January, there was a net increase of 8,951; in February, a net increase of 5,237; in March, a net increase of 13,986; and in April, as shown by the report just submitted, an increase of 19,445, making a total increase in the past 4 months of 47,619.

It should be understood that these figures do not include a single man in uniform doing clerical work, nor do they include any of the thousands of WAVES, WACS, SPARS, and so forth, who are performing clerical work.

The report just submitted shows that 30 departments and agencies, many not directly engaged in war work, have increased the number of their employees by 23,135 during the month of April, while 29 departments and agencies eliminated a total of only 3,690, making a net increase for this month of 19,445.

The report shows the increase and decrease in each agency of the Government. The Department of Agriculture, for example, now has 82,071, an increase of 2,056 for the month of April over March. In addition, the Agriculture Department has nearly 75,000 part-time employees who are not included in these figures.

The Treasury Department, in April, had 92,093, an increase of 1,723 over the previous month. The Office of War Information had 7,201, an increase of 668 over the previous month. The War Manpower Commission had 26,075, an increase of 229 over the previous month. The Office of Price Administration had 59,015, an increase of 1,173 over the previous month. The Federal Security Agency had 30,978, an increase of 98 over the previous month. The Federal Works Agency had 20,593, an increase of 199 over the previous month.

It is true that, in the period between July 1, 1943, and January 1, 1944, a reduction was made in the civilian personnel of the War Department, which has been much publicized, but an investigation, which has not yet been completed because of inability to obtain accurate information, will indicate, I am certain, that much of this reduction can be accounted for by the substitution of men and women in uniform who are doing the same work that was previously done by these civilian employees.

On June 18, 1943, the Joint Committee on Reduction of Nonessential Federal Expenditures, after a careful investigation and public hearings, recommended in a detailed report that an immediate reduction in the civilian personnel of the Federal Government could be effected, to the extent of at least 300,000 employees.

On November 22, 1943, an additional report was made indicating the methods that could be used to effect these reductions. On April 30, 1943, a year ago, there were employed under civil service in the executive branch 3,003,539, while the present employment, inclusive of the 288,563 civilians working abroad, is 3,305,460.

Mr. President, there is not a single agency of the Government that is not grossly overmanned in its civilian personnel doing clerical work. This applies to the Army and the Navy, as well as to all other branches of the Government, both at Washington and in the bureaus located in every section of the country.

With the Secretaries of War and Navy and the Chairman of the Maritime Commission advocating a national service law, with the induction into the armed services of pre-Pearl Harbor fathers and agricultural workers, it is an outstanding fact that the United States Government has signally failed to efficiently utilize the great reservoir of manpower represented in the more than 3,000,000 civil-service employees in this country.

Time and time again, on the floor of the Senate and elsewhere, I have called attention to the appalling waste of manpower in the Government service.

On September 18, 1943, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I wrote to the War Manpower Commissioner with respect to the reduction of Federal personnel, and asked this question:

> To what extent have you investigated the various Government departments so as to utilize in the fullest measure available manpower in a manner most efficient to promote the war effort?

On October 2, 1943, the War Manpower Commissioner replied as follows:

> In the field of maximum utilization of manpower in the Federal service, I rely upon the United States Civil Service Commission. The Commission will be glad to give you full details as to their work and achievements in this field.

That was 6 months ago and, as yet, no satisfactory reason has been given by either the War Manpower Commission or the Civil Service Commission as to why the necessary steps were not taken long ago to reduce the overmanned agencies of the Government, both at Washington and throughout the country. We have been at war now for a little more than 2½ years. We have mobilized our resources, both in matériel and manpower, in private employment, but the facts stand out that no real or sincere effort has been made to eliminate useless Federal employees so that every unnecessary employee can be transferred to some essential activity and those within the draft age inducted into the armed services.

Even a cursory investigation of the bureaus at Washington and the thousands of bureaus scattered throughout the country, in every State in the Union, shows that a substantial reduction in Government personnel could be made without any impairment whatsoever to the public service or any interference with the war. In fact, I am firmly convinced that such reduction would increase efficiency. It follows that it would save the taxpayers large sums of money.

In response to my letter of September 18, the War Manpower Commissioner replied that he had delegated this work to the Civil Service Commission. This Commission has failed to act effectively, and now it appears that we are faced with a constantly increasing pay roll in the civilian branches of the Federal service.

During the desperate war crisis, I think failure to perform this very vital responsibility to the people of America in utilizing in the fullest and most effective measure the Government personnel is little short of a national shame. The 3,000,000 civil-service employment is the greatest single reservoir of manpower now existing.

I am convinced that today the United States Government itself is the chief hoarder of manpower by reason of the continuance on governmental pay rolls of many thousands of employees not needed. It is true that about 50 percent of the 3,000,000 civil-service employees in this country, as shown by the itemized statement presented to Congress by the Joint Economy Committee, are directly engaged in mechancial war production, but it is likewise true that thousands and thousands of men and women in uniform who are performing clerical duties, are not included in the number of civil-service employees.

Why should not the Federal Government make the same sacrifices in the supervision of its own personnel that our Government is requiring of every citizen? It is, of course, very obvious during the emergency that in the constantly changing governmental structure it is difficult for Congress to determine exactly how many employees should be engaged in each bureau, especially by reason of the power the Executive has of making transfers of personnel from one bureau to another.

Some definite and effective action must be taken in the public interest. It has already been delayed too long in the expectation that the officials of the Government would perform this duty as a part of war mobilization.

I am today introducing a resolution providing for a reduction of 300,000 employees in the service of the Federal Government. This resolution will save the taxpayers at least $700,000,000 annually, and will release for other vital work those not needed.

It is grossly unfair to the millions of citizens who are subject to governmental direction, both in the enlistment of their personnel in the armed service and the utilization of their employees for the best interests of the country in this emergency, to have a different standard of dealing with the employees in the Federal service.

If action is not taken sooner by the administration under the power it now has, upon the reconvening of Congress I will ask the Civil Service Committee to hold hearings on this resolution, and will press for an early report to Congress

with recommendations by the committee as to mandatory reductions in the Federal personnel.

EXHIBIT A.—*Civilian employment of the executive branch of the Federal Government by departments and agencies for months of March and April 1944, showing increases and decreases in number of paid employees*

Department or agency	April 1944	March 1944	Increase	Decrease
EXECUTIVE OFFICE OF THE PRESIDENT				
Bureau of the Budget	248	255	------	7
DEPARTMENTS				
State Department	8,545	8,533	12	------
Treasury Department	92,093	90,370	1,723	------
War Department [1]	1,225,590	1,214,655	10,935	------
Justice Department	29,201	29,518	------	317
Post Office Department	352,476	349,237	3,239	------
Navy Department [2]	736,797	735,977	820	------
Interior Department [3]	40,762	40,078	684	------
Agriculture Department	82,071	80,015	2,056	------
Commerce Department [4]	29,270	29,435	------	165
Labor Department	6,114	6,031	83	------
NATIONAL WAR AGENCIES				
Committee on Fair Employment Practice	113	119	------	6
Division of Central Administrative Service	4,044	4,111	------	67
Foreign Economic Administration	5,638	5,942	------	604
National War Labor Board	3,711	3,972	------	261
Office of Alien Property Custodian	894	924	------	30
Office of Civilian Defense	684	730	------	46
Office of Coordinator of Inter-American Affairs	1,375	1,377	------	2
Office of Defense Transportation	5,141	5,083	58	------
Office of Economic Stabilization	11	10	1	------
Office of Scientific Research and Development	1,191	1,214	------	23
Office of War Information	7,201	6,533	668	------
Office of War Mobilization	36	23	13	------
Smaller War Plants Corporation	1,746	1,762	------	16
War Manpower Commission [5]	26,075	25,846	229	------
War Production Board	16,993	17,183	------	190
War Shipping Administration	5,037	4,973	64	------
Office of Censorship	12,077	12,297	------	220
Office of Price Administration	29,015	27,842	1,173	------
Office of Strategic Services	1,857	1,793	64	------
Petroleum Administrator for War	1,308	1,334	------	26
Selective Service System	23,998	23,906	92	------
INDEPENDENT ESTABLISHMENTS				
American Battle Monuments Commission	1	1	0	0
Board of Investigation and Research—Transportation	21	21	0	0
Civil Aeronautics Board	330	333	------	3
Civil Service Commission	7,498	7,372	126	------
Employees Compensation Commission	513	513	0	0
Export-Import Bank of Washington	60	60	0	0

[1] Does not include employees outside of the continental United States.
[2] Includes 10,324 employees of stations in the hands of the enemy.
[3] Now includes War Relocation Authority.
[4] Includes employees in Alaska with Civil Aeronautics Administration.
[5] Also includes Training Within Industry and the U. S. Employment Service.

EXHIBIT A.—*Civilian employment of the executive branch of the Federal Government by departments and agencies for months of March and April 1944, showing increases and decreases in number of paid employees*—Continued

Department or agency	April 1944	March 1944	Increase	Decrease
INDEPENDENT ESTABLISHMENTS—continued				
Federal Communications Commission	2,140	2,175	------	35
Federal Deposit Insurance Corporation	1,058	1,047	11	------
Federal Power Commission	663	664	------	1
Federal Security Agency	30,978	30,880	98	------
Federal Trade Commission	454	458	------	4
Federal Works Agency	20,593	20,394	199	------
General Accounting Office	11,221	11,095	126	------
Government Printing Office	7,434	7,529	------	95
Interstate Commerce Department	2,159	2,156	3	------
Maritime Commission	9,970	9,922	48	------
National Advisory Committee for Aeronautics	5,508	5,360	148	------
National Archives	357	354	3	------
National Capital Housing Authority	257	252	5	------
National Capital Park and Planning Commission	18	18	0	0
National Gallery of Art	260	264	------	4
National Housing Agency	19,183	19,780	------	597
National Labor Relations Board	679	681	------	2
National Mediation Board [6]	91	89	2	------
Panama Canal	29,538	30,305	------	767
Railroad Retirement Board	1,720	1,748	------	28
Reconstruction Finance Corporation	7,892	7,874	18	------
Securities and Exchange Commission	1,209	1,213	------	4
Smithsonian Institution	418	426	------	8
Tariff Commission	306	307	------	1
Tax Court of the United States	123	123	0	0
Tennessee Valley Authority	21,800	22,261	------	461
Veterans' Administration	50,803	50,369	434	------
Total	3,016,897	2,997,452	23,135	3,690
War Department civilian employees stationed outside of continental United States, as of Dec. 31, 1943 [7]	288,563	288,563		
Grand total	3,305,460	3,286,015		
Net increase			19,445	

[6] Also includes National Railway Labor Panel and National Railroad Adjustment Board.
[7] Reported quarterly only. Latest date for which these have been reported.

NOTE.—Employment figures now reported to the Committee include dollar-per-annum employees and without-compensation employees of the consultant-expert type who are authorized to receive per diem in lieu of subsistence.

REDUCTION OF CIVILIAN PERSONNEL IN EXECUTIVE BRANCH

Mr. BYRD. Mr. President, I ask unanimous consent to introduce a joint resolution, and request that it be referred to the Committee on Civil Service.

The ACTING PRESIDENT pro tempore. Without objection, the resolution will be received and referred as requested by the Senator from Virginia.

The joint resolution (S. J. Res. 142) providing for a reduction of civilian personnel in the executive branch of the Government, was read twice by its title, and referred to the Committee on Civil Service.

REPORT OF SPECIAL COMMITTEE ON POST-WAR ECONOMIC POLICY AND PLANNING (REPT. NO. 539, PT. 5)

Mr. GEORGE. Mr. President, from the Special Committee on Post-war Economic Policy and Planning, I submit a report relating particularly to the unemployment compensation systems. The conclusions reached by the committee have heretofore been communicated to the legislative committee concerned, to wit, the Committee on Military Affairs. But the committee now begs to submit this formal report. It contains the conclusions reached by the committee and the recommendations made, to wit:

That the employment compensation law be amended—

1. To provide for payments to Federal workers through the State unemployment agencies and under the State laws;

2. To guarantee the solvency of State unemployment compensation funds, through the setting up of a revolving loan fund, to make loans to the States at any time the compensation reserves of a State prove to be inadequate;

3. That the Unemployment Tax Act be amended, through legislation initiated in the House of Representatives, to provide for the imposition of unemployment taxes on employers of maritime workers and employers of one or more employees.

If developments prove that the unemployment compensation system as now constituted is inadequate to take care of any situation that may arise in the future, steps can then be taken to supplement it, but the integrity of that system should be preserved unless any proposed change is demonstrated to be imperative.

Mr. President, I ask unanimous consent that the report of the committee be printed in the body of the RECORD, and be printed under the rule.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

POST-WAR ECONOMIC POLICY AND PLANNING—CHANGES IN THE UNEMPLOYMENT COMPENSATION SYSTEM

This committee has held extensive hearings on the subject matter of this report. Witnesses representing business and labor organizations and agriculture were heard. The unemployment-compensation directors of 16 States appeared before the committee.

The provisions of the bills now before the Senate dealing with the subject were carfully considered.

THE UNEMPLOYMENT-COMPENSATION SYSTEM

When Congress passed the Social Security Act in 1935 it was felt that some incentive from the Federal Government was necessary in order to have unemployment-compensation systems established by all the States. That incentive took the form of a credit of as much as 2.7 percent for payments employers made under State unemployment-compensation laws against the 3-percent unemployment-compensation tax on pay rolls imposed by the Federal Unemployment Tax Act. It was also felt that differing conditions in different sections of the country made it very unwise to attempt to set up a Federal system, or to compel uniformity in the systems through Federal legislation.

The employers in each State pay taxes into the unemployment-compensation fund. The taxes from each State are segregated and constitute a fund used solely for the purpose of paying unemployment compensation within that State.

The system has been functioning in all of the States for about 8 years. There has been no serious criticism of the administration of the State laws. So far as the committee can ascertain, they have worked satisfactorily and smoothly.

THE SOLVENCY OF THE STATE FUNDS

As of May 14, 1944, the States had to their credit in the Treasury of the United States unemployment compensation funds which aggregated well in excess of $5,000,000,000. The present funds are sufficient to pay benefits, at the prevailing averages, for the maximum durations provided by various State laws, to 60 percent of all the covered workers now employed.[1] At the present time these funds are growing at the rate of more than $1,000,000,000 a year and if the war should continue through 1945, they would reach a total of $7,000,000,000. There seems little likelihood of these funds being exhausted, under existing law, unless unemployment reaches an unprecedented high over a long period.

BENEFITS UNDER STATE LAWS

The various State laws provide for unemployment-compensation payments of from 50 to 60 percent of regular wages, up to maximum payments ranging from $15 to $22 per week and for periods ranging from 14 to 24 weeks. Those benefits, both as to amount and duration, have been steadily increasing, under State enactments for the past 6 or 7 years, and there is every prospect that the trend toward improvement will continue. Futhermore, with wages at present increased by overtime payments, the average weekly benefits under unemployment compensation are rapidly approaching the maximum permitted payments in the various States. Steady employment now prevailing is also greatly increasing individual wage credits so that payments are approaching the maximum duration allowable.

By agreement the States have worked out provisions for pooling wage benefits so that a worker who moves from one State to another does not lose the benefits he has accumulated in the State of his previous residence. This makes the problem of migration of workers much less serious.

AMENDMENTS TO S. 1730 PROPOSED BY THE WAR CONTRACTS SUBCOMMITTEE OF THE MILITARY AFFAIRS COMMITTEE

The proposed amendments to S. 1730 provide for fixing the percentage of wages, the duration and the maximum benefits by Federal statute and compelling the States to meet those standards by withholding certification of State laws after December 31, 1945. This would have the effect of denying the 2.7 percent tax deduction within the States which did not meet such standards. The percentage, duration, and maximum are not specified in the latest draft of these proposals.

Under these proposals, employers of one or more would be brought within the tax provisions of the act and benefits extended to their employees.

Federal Government employees would be covered, to be paid through the State system, with reimbursement to the States of the amount of payments made.

A reinsurance fund would be set up to reimburse the States for payments made to Federal employees and to supplement State funds whenever they fell below the preceding year's collections in an amount equal to the compensation paid by it in excess of 2.7 percent of the total wages paid during a given quarter.

All administration would be through the State agencies.

S. 1893

This bill would set up a system of interim placement benefits administered by a work administrator. Those benefits would apply to ex-servicemen, Federal workers, maritime workers, agricultural workers, and employees covered by the Railroad Unemployment Insurance Act (a Military Affairs subcommittee print dated June 9, 1944, has eliminated agricultural labor).

It provides for payments to employees covered by the Railroad Unemployment Insurance Act through the Railroad Retirement Board and to the others through such agencies as the work administrator shall designate.

It also provides that if a State elects to administer interim placement benefits that they shall apply to all persons covered by the State unemployment compensation law, including, at the election of the State, employers of less than eight persons, employees of State and local government agencies, employees of nonprofit organizations, and domestic employees (a Military Affairs subcommittee print dated June 9, 1944, has omitted domestic employees).

If a State does not elect to administer the benefits, the provisions apply to everyone within that State who has earned not less than $150 in employment covered by title II of the Social Security Act providing old-age and survivors insurance benefits, during the preceding 12 months.

If a State elects to administer benefits, it shall administer those covered by the Unemployment Compensation Act of the State and the work administrator may designate it to administer the benefits to others than railroad employees.

Broadly speaking, it covers anyone working for a livelihood.

The bill provides no limit to the number of weeks during which payment shall be made. It is to be effective 30 days from the date of its enactment and is to expire 24 months after the cessation of hostilities.

Payments are to be made to ex-servicemen at the rate of $20 per week if the recipient has no dependents, $25 a week if he has one dependent, $30 a week if he has two dependents, or $35 a week if he has three or more dependents.

In the case of a civilian, the maximum benefit shall be 80 percent of his earnings, but not exceeding the amount payable to an ex-serviceman in the same situation as to dependents.

S. 1767

This bill, which has just passed the Congress, provides unemployment-compensation benefits to veterans, regardless of the number of dependents they may have, of $20 a week, for a period of 52 weeks, within the 2 years following their discharge.

THE ARGUMENT FOR LARGER BENEFITS

There was much testimony before this committee that the benefits provided under State laws are inadequate, both as to amount and duration. There was equally strong testimony that those benefits are adequate.

This conflicting testimony was based on divergent philosophies as to the purpose of unemployment compensation.

The argument in favor of larger benefits and longer duration stems from the theory that the United States owes an obligation of support, at higher than subsistence standards, to any one who is out of work. It is argued that the payment of such benefits would support the purchasing power of the Nation and tend to support the entire economy.

The argument that the present benefits are adequate proceeded on the theory that unemployment compensation could and should provide the unemployed with a minimum standard of living during periods in which it was impossible to find work and that when those benefits began to approach, in amount, the wages that the recipient could earn, unemployment compensation defeated its purpose by encouraging idleness.

The proponents of more liberal benefits argue that the Government of the United States owes the same obligation of industrial rehabilitation to those who produced goods for war as it owes to the men in our armed forces.

It was contended that the profits of business had been underwritten by the carry-over and carry-back provisions of the internal revenue act. Those provisions merely permit the averaging of tax liability over a longer period than 1 year. They make no provision for a guaranty against loss.

It was also contended that the profits of the American farmer were underwritten. In 1943 the total net agricultural income was 8.3 percent of the total national income. Compensation of employees was 71.1 percent of the national income. The assistance given to agriculture by the Congress was a measure of protection against rising wages.

It was argued before this committee that S. 1718, providing methods for the termination of war contracts and the clearing of war plants, was designed to benefit the employer and was in fact a bonus to business; that as a corollary, the employees should have a similar bonus in the form of increased unemployment compensation. S. 1718 was designed and intended as much to help the employee as it was to help the employer. Until contracts are terminated and plants cleared, the employees of those plants are without work. Providing jobs was implicit in S. 1718. It gave to the employer absolutely nothing to which he was not entitled as a matter of right. It was designed to provide that quickly so that he could get back to producing goods and providing jobs but it gave him nothing else.

The unemployment compensation directors of 16 States from all sections of the country, testified before this committee. Without exception they insisted that the unemployment compensation provisions in their States were adequate and that the benefits struck a proper balance, in the opinion of their State legislatures, between providing adequate subsistence benefits, and at the same time making employment attractive. They pointed out the difficulties they encounter when unemployment benefits approach the amount obtainable through employment.

It should be borne in mind that when lay-offs come, most benefits are likely to be calculated on the basis of take-home wages made higher by overtime. If a man works 48 hours a week for 80 cents an hour, his wage is $41.60. Based on that wage he would be entitled to the maximum benefit payable in any State. Yet if his hours were cut to 40, his wage would be only $32. At such a wage scale he might draw more while unemployed under S. 1893 than he could earn for 40 hours work. This would be equally true at any lower wage.

It is said that the requirement of registering for employment would prevent a choice between the two situations. In times of severe labor shortage, this probably would be true; but in anything less than full employment it is the diligent who find jobs. One naturally not diligent certainly would not work 40 hours a week if S. 1893 were law.

CONCLUSIONS

This committee has repeatedly recorded itself as being opposed to any action that expands or tends to expand Federal authority in fields where that authority is not essential. It feels that those functions which the States can perform as well or better than they

[1] Detailed table is attached as an appendix.

can be performed by the Federal Government should be left to the States. It is opposed to any contrary action, either temporary or permanent.

This committee is reluctant to predicate its plans for a post-war economy on the theory that any segment of the economy must necessarily be subsidized. It agrees with the State directors that there must be a definite and distinct financial advantage in employment, as against the benefits drawn on account of unemployment. With the benefits to soldiers fixed by S. 1767 at $20 a week, the Congress would not be justified in exceeding this figure for civilians.

In the case of some of the individual States, the committee feels that the benefits might well be made somewhat higher, but it does not feel that this insufficiency warrants a breaking down of the State systems by setting up a Federal standard. It points out, however, that more adequate State benefits would do much to weaken the argument for federalization of the State systems and the committee respectfully recommends that the States survey their situations in the light of the generally increased wage scales and in the light of the greatly increased reserve funds.

The evidence before the committee leaves little doubt as to the adequacy of the unemployment compensation funds to meet any probable drain on them, but because of the dislocations caused by the war, the committee feels that this adequacy cannot be left to any possible chance. The impact of worker migration, for which the States are not responsible, will not hit each with equal severity. Furthermore, while as a national average maximum benefits could be paid from present funds to 60 percent of the covered workers now employed, the funds of several highly industrialized States are sufficient to pay benefits to only 38 or 39 percent of covered workers now employed. The committee, therefore, feels that it is right and proper that the Federal Government guarantee the solvency of the State unemployment funds to each State, provided those funds are distributed in strict accordance with State law, for the period of the transition.

The committee also feels that there should be brought under the State systems all classes of workers which, within the limits of administrative possibility, can be brought under them. It is believed impracticable to cover agricultural workers and domestic employees. Certainly the Federal Government should not undertake to force State and local government employees under the act.

The committee is in favor of extending coverage to employers of one or more, instead of eight or more, as at present. It also feels that it should be extended to maritime workers of private shipping companies. These recommendations, however, can rightly be effectuated through the taxing laws and any legislation with reference to them must originate in the House of Representatives.

The committee feels that employees of the Government, including the War Shipping Administration, should be brought under the act. Government workers in arsenals and shipyards and in other Government agencies have worked and lived side by side with workers in private industry. The Government through its war contracts has paid the cost of the unemployment-compensation tax on those working for private war plants. The committee sees no reason why it should not pay it for those on its own pay roll. Many of these men gave up accumulated benefits under the State systems in order to take places in federally operated war plants and Federal war agencies and they should be placed in the same position they would have enjoyed had they been engaged in war work for a private employer. It feels, however, that payments to Federal Government employees should be based on the laws of the States in which they live so that there would be no discrimination either for or against them, as compared to their neighbors. The committee believes that it would be inappropriate for the Federal Government to pay taxes to the States but that it could be handled by means of payments to the States of the amounts paid in unemployment-compensation benefits to Federal employees.

This committee, therefore, recommends that the unemployment compensation law be amended—

(1) To provide for payments to Federal workers through the State unemployment agencies and under the State laws;

(2) To guarantee the solvency of State unemployment compensation funds, through the setting up of a revolving loan fund, to make loans to the States at any time the compensation reserves of a State prove to be inadequate;

(3) That the Unemployment Tax Act be amended, through legislation initiated in the House of Representatives, to provide for the imposition of unemployment taxes on employers of maritime workers and employers of one or more employees.

If developments prove that the unemployment compensation system as now constituted is inadequate to take care of any situation that may arise in the future, steps can then be taken to supplement it, but the integrity of that system should be preserved unless any proposed change is demonstrated to be imperative.

APPENDIX

Data and estimates supplied by State unemployment compensation agencies (through May 25, 1944)

State	A Estimated number of covered workers currently employed, December 1943 (thousands)	B State's unemployment compensation fund balance as of May 14, 1944 (thousands)	C Law's maximum weekly benefit	D Estimated average weekly check (late 1944)	E Law's maximum duration (weeks)	F Product of average check and maximum duration (D)×(E)	G Number of workers who could be paid that amount from that fund (B)÷(F) (thousands)	H Percent of covered workers who could be paid those average benefits, for that maximum duration, from that fund (G)÷(A)
Total, 50 States	30,435.8	$5,285,039					18,502.2	60.7
Alabama	432.0	[1] 51,596	$15	$14	20	$280	184.2	42.7
Alaska	[2] 35.0	6,950	16	15½	16	248	28.0	[2] 80.1
Arizona	95.0	14,440	15	14½	14	203	71.1	74.9
Arkansas	187.3	22,103	15	13	16	208	106.2	56.7
California	2,259.0	531,706	20	18½	24	444	1,197.5	53.0
Colorado	200.0	27,610	15	14	16	224	123.2	61.6
Connecticut	650.0	138,328	22	19	18	342	404.4	62.2
Delaware	100.0	13,099	18	16	20	320	40.9	40.9
District of Columbia	190.0	40,326	20	17	20	340	118.6	62.4
Florida	380.0	39,592	15	13	16	208	190.3	50.1
Georgia	500.0	60,353	18	15	16	240	251.4	50.3
Hawaii [3]								
Idaho	75.0	10,883	18	15	17	255	42.6	56.9
Illinois	2,185.0	[1] 404,423	20	17	20	340	1,189.4	54.4
Indiana	874.6	142,865	18	16½	18	297	481.0	55.0
Iowa	288.0	45,725	15	11	15	165	277.1	96.2
Kansas	270.0	29,865	15	14	16	224	177.9	65.9
Kentucky	309.4	70,256	16	12	20	240	292.7	94.6
Louisiana	405.0	55,306	18	16	20	320	172.8	42.7
Maine	182.0	27,200	18	13	16	208	130.7	71.9
Maryland	560.0	97,000	20	18	23	414	234.3	41.8
Massachusetts	1,400.0	183,338	18	17	20	340	539.2	38.5
Michigan	1,571.8	233,185	20	19	20	380	613.6	39.0
Minnesota	453.0	62,900	20	15	16	240	262.0	57.9
Mississippi	200.0	17,624	15	11½	14	161	109.4	54.7
Missouri	747.3	124,529	18	16½	16	264	471.7	63.1
Montana	80.0	13,358	15	13	16	208	64.2	80.3
Nebraska	142.5	20,302	15	13½	16	216	93.9	65.9
Nevada	38.0	7,722	15	14½	18	261	29.5	77.9
New Hampshire	110.0	17,608	18	14	18	252	69.8	63.5
New Jersey	1,300.0	[1] 328,076	18	15	18	270	1,215.0	93.5
New Mexico	56.0	7,470	15	12	16	192	38.9	69.5
New York	3,906.1	723,762	18	16	20	320	2,261.7	57.9
North Carolina	581.0	80,100	15	10	16	160	500.6	86.2
North Dakota	31.0	4,062	15	12	16	192	21.1	68.2

[1] As of Apr. 30, 1944.
[2] Apparently based on cumulative, rather than December 1943, figures. ("Spot" figures for Wyoming; column A, 39.4; column H, 58.1.)
[3] Data not available by May 25, 1944.

Data and estimates supplied by State unemp loyment compensation agencies (through May 25, 1944)—Continued

State	A Estimated number of covered workers currently employed, December 1943 (thousands)	B State's unemployment compensation fund balance as of May 14, 1944 (thousands)	C Law's maximum weekly benefit	D Estimated average weekly check (late 1944)	E Law's maximum duration (weeks)	F Product of average check and maximum duration (D)×(E)	G Number of workers who could be paid that amount from that fund (B)÷(F) (thousands)	H Percent of covered workers who could be paid those average benefits, for that maximum duration, from that fund (G)÷(A)
Ohio	2,050.0	[1]$364,152	$16	$15	18	$270	$1,348.7	65.8
Oklahoma	275.0	38,134	16	14	16	224	170.2	61.9
Oregon	316.3	52,270	15	14½	16	232	225.3	71.2
Pennsylvania	2,625.0	517,418	18	16	16	256	2,021.1	77.0
Rhode Island	239.5	55,513	18	16½	20	330	168.2	70.2
South Carolina	276.0	30,300	15	12	16	192	157.8	57.1
South Dakota	38.1	5,520	15	12	16	192	28.7	75.4
Tennessee	480.0	58,259	15	12	16	192	303.4	63.2
Texas	1,063.9	123,696	15	12½	16	200	618.4	58.1
Utah	115.0	19,244	20	18½	20	370	52.0	45.2
Vermont	60.0	9,738	15	13	18	234	41.6	69.4
Virginia	450.0	52,302	15	11	16	176	297.1	66.0
Washington	569.0	104,452	15	14½	16	232	450.2	79.1
West Virginia	375.0	54,037	18	15½	16	248	217.8	58.1
Wisconsin	650.0	130,112	20	17½	20	350	371.7	57.2
Wyoming	[1]58.5	6,230	20	17	16	272	22.9	[1]39.2

[1] As of Apr. 30, 1944.

SOLVENCY OF STATE UNEMPLOYMENT COMPENSATION FUNDS AS OF MAY 15, 1944

The above table, which is based on State figures and estimates, throws some light on the ability of the several State unemployment-compensation funds to pay the benefits promised by the respective State laws. [These figures are similar to older (June 30) data released by the Bureau of Employment Security of the Social Security Board, on November 27, 1943.]

The figures shown are the latest available State estimates of this kind. They are based on:

(a) The number of covered workers currently employed as of late December 1943;

(b) The State unemployment funds available as of May 14, 1944;

(c) The benefit provisions of State laws, as of May 15, 1944; and

(d) Each State's estimate as to its probable average benefit check ("per week of total unemployment, for late 1944, assuming that many war-production workers might then be drawing benefits").

As a very rough indicator of how heavy a percentage of unemployment each State could have, and still pay its promised benefits:

(1) The State's estimated average weekly check was first multiplied by its maximum duration, to arrive at a rough (possible) total amount of benefits per worker, which might have to be paid to an individual claimant.

(2) Assuming that such a total amount were in fact paid out to each unemployed claimant, then: To what percent of all covered workers could that much be paid before exhausting the State's fund?

(3) To answer that question, the fund's May 14, 1944, balance was divided by the above total amount "per worker," thereby showing to how many workers the fund (as of that date) could pay that amount.

(4) The resulting number of workers was stated as a percentage of all covered workers (currently employed as of late December 1943.)

So the last column of figures roughly suggests how heavy a percentage of unemployment each State could have, and still pay in full the benefits promised by its present law from the funds it already has on hand (as of May 14, 1944).[2]

[2] (1) Two main factors tend to make these percentages (in column H) rather conservative.

(a) Each State fund will have a considerably higher balance—than it now has—before much readjustment unemployment occurs; and

(b) Not all benefit claimants will receive the law's "maximum" duration.

(2) On the other hand, the number of covered workers "currently employed as of late December 1943" is lower than the cumulative number employed within a year, and does not include all potential claimants having some benefit rights.

(3) Please note, finally, that these figures are not "predictions," in any way, as to how much unemployment will in fact occur.

Mr. DAVIS. Mr. President, will the Senator from Georgia yield so that I may propound a question to him in which I believe he will be interested?

Mr. GEORGE. I yield.

Mr. DAVIS. During the debate on the bill which was recently passed by this body providing for settlement of war contracts, the statement was made that some day we might expect a bill to be reported which would provide for a solution of the human problems involved in the matter of reconversion to peacetime production. There is a widespread public interest in the human element of conversion, especially on the part of those who are laboring in the war-production centers of the Nation. I am most anxious to see effective action taken by the Senate with respect to this matter at the earliest possible date.

Mr. President, I should like to inquire whether we may expect, and when we may expect, a report on the bill, and when the bill will be presented to the Senate for its consideration.

Mr. GEORGE. Mr. President, I do not know that I can answer the question beyond saying that the report just submitted by the Special Committee on Postwar Economic Policy and Planning deals with the particular phase of the reconversion problem to which the Senator from Pennsylvania has made reference, and specifically with two or three bills now before the Military Affairs Committee of the Senate, that committee being the legislative committee which is in charge of those particular bills. The committee has before it a bill which was originally introduced by the Senator from Georgia, and the Senator from Montana [Mr. MURRAY]. The subcommittee considering the bill has proposed a means of dealing with the problem of unemployment compensation, or a phase of the problem of so-called human demobilization.

Another bill is before the committee. It was introduced by the Senator from West Virginia [Mr. KILGORE], and deals directly with the same problem.

I see no reason why some bill along the line indicated should not be considered on the floor immediately following the recess, and I am confident that the Military Affairs Committee of the Senate will report a bill to the Senate and that it can be taken up and disposed of.

Exhaustive studies have been made over a long period of time of the problems dealing with the disposal of surplus plants, surplus materials, and surplus property of the Government accumulated during the war effort. Of course, the question of demobilization of the workers, transportation of workers from the war projects where they are employed back to their homes, and compensation or similar benefits to be provided in the event of unemployment, are problems which have undoubtedly occasioned delay thus far in submitting a bill to the Senate. I see no reason why we cannot hope to have a bill reported and considered immediately after the recess of the Senate.

Mr. DAVIS. I thank the Senator.

RENUNCIATION OF AMERICAN CITIZENSHIP BY CERTAIN CITIZENS OF JAPANESE ANCESTRY

Mr. RUSSELL. Mr. President, will my colleague yield to me in order that I may bring up a matter which can be disposed of within a short period of time?

Mr. GEORGE. I yield.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the Senate proceed to consider Calendar No. 1048, House bill 4103.

Mr. WHITE. Mr. President, what is the bill?

The ACTING PRESIDENT pro tempore. The bill will be read by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4103) to provide for loss of United States nationality under certain circumstances.

Mr. RUSSELL. Mr. President, House bill 4103 was passed by the House of Representatives some time ago. It provides a method whereby persons of Japanese ancestry, but of American citizenship, may divest themselves of their American citizenship if they wish to do so.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WHITE. Is this the bill in which the Senator from Oregon [Mr. HOLMAN] has expressed an interest in the past and to which he has since withdrawn objection?

Mr. RUSSELL. I do not believe the Senator from Oregon ever interposed any objection to the bill. He suggested an amendment to the bill providing that the word "voluntarily" be inserted. The Senator was on the floor a moment ago. I have explained to him that all those methods of divesting citizenship are voluntary.

Mr. WHITE. Let me put the question in this way: So far as the Senator from Georgia is advised, does the Senator from Oregon now object to the present consideration of the bill?

Mr. RUSSELL. I believe that the Senator from Oregon is in favor of the bill.

Mr. President, I desire to make a brief explanation of the bill.

Eight methods are provided by the Nationality Act of 1940 for divesting American citizens of their citizenship. An American citizen may divest himself of citizenship by voting in an election held in a foreign country, by joining the armed forces of a foreign state, or by accepting a governmental appointment from a foreign state. Other causes or reasons are also recognized.

In this country there are many persons of the Japanese race who really possess a dual citizenship. They were born in this country and have American citizenship. Many of them have been back in Japan, and they really feel that their allegiance is to the Emperor of Japan. We are now detaining those people in relocation centers. Under the bill, if they apply voluntarily to divest themselves of their American citizenship they will be taken out of war relocation centers and interned as enemy aliens. We should certainly provide a method which would permit such Japanese to divest themselves of American citizenship if they really owe allegiance to the Japanese Emperor.

The reason I have asked to have the bill considered at this time is that we are hopeful that a number of Japanese will take advantage of the procedure outlined in the bill so that we may offer them to the Imperial Government of Japan in exchange for American citizens who are now being held in territory occupied by the Japanese.

The ACTING PRESIDENT pro temport. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 4103), to provide for loss of United States nationality under certain circumstances, was considered, ordered to a third reading, read the third time, and passed.

FUTURE WORLD PROGRAM FOR PEACE

Mr. WALLGREN. Mr. President, recently President Roosevelt stated preliminary conclusions concerning the formation and structure of an organization to protect the world from future aggression and war.

Every citizen should read and study the President's statement. The people of this Nation will be the greatest force for peace when they realize how much permanent peace possibilities depend upon them and their government.

No single subject, with the single exception of the war itself, has brought so many letters to my office. These letters indicate clearly that the people of these United States know that partisanship and individual bias dulled the perception of statesmen 25 years ago when the world groped for a just and lasting peace. They want no repetition of this failure.

Promise that the Nation will subjugate its many varied opinions in the interest of a balanced world plan promising lasting peace is found in the petition sent me by students of the State College of Washington. This farsighted petition was signed by 630 students.

Mr. President, I ask unanimous consent to have placed in the RECORD, following these remarks, President Roosevelt's statement and the petition of students of the Washington State College.

There being no objection, the statement of the President, and the petition of students of the Washington State College, were ordered to be printed in the RECORD, as follows:

The conference today with officials of the Department of State on the post-war security organization program is a continuation of conferences which have been held from time to time during the past 18 months. These conferences have enabled me to give personal attention to the development and progress of the post-war work the Department of State is doing.

All plans and suggestions from groups, organizations, and individuals have been carefully discussed and considered. I wish to emphasize the entirely nonpartisan nature of these consultations. All aspects of the post-war program have been debated in a cooperative spirit. This is a tribute to the political leaders who realize that the national interest demands a national program now. Such teamwork has met the overwhelming approval of the American people.

MUST BE JOINT TASK

The maintenance of peace and security must be the joint task of all peace-loving nations. We have, therefore, sought to develop plans for an international organization composing all such nations. The purpose of the organization would be to maintain peace and security and to assist the creation, through international cooperation, of conditions of stability and well-being necessary for peaceful and friendly relations among nations.

Accordingly, it is our thought that the organization would be a fully representative body with broad responsibilities for promoting and facilitating international cooperation, through such agencies as may be found necessary to consider and deal with the problems of world relations. It is our further thought that the organization would provide for a council, elected annually by the fully representative body of all nations, which would include the four major nations and a suitable number of other nations. The council would concern itself with peaceful settlement of international disputes and with the prevention of threats to the peace or breaches of the peace.

COURT OF JUSTICE

There would also be an international court of justice to deal primarily with justiciable disputes.

We are not thinking of a superstate with its own police forces and other paraphernalia of coercive power. We are seeking effective agreement and arrangements through which the nations would maintain, according to their capacities, adequate forces to meet the needs of preventing war and of making impossible deliberate preparation for war, and to have such forces available for joint action when necessary.

All this, of course, will become possible once our present enemies are defeated and effective arrangements are made to prevent them from making war again.

Beyond that, the hope of a peaceful and advancing world will rest upon the willingness and ability of the peace-loving nations, large and small, bearing responsibility commensurate with their individual capacities, to work together for the maintenance of peace and security.

We, representing the university students of the United States, believe that Congress should formulate certain specific policies for the peace settlement now and should include as basic the policies stated below. This petition has been initiated and circulated by Mortar Board, National Senior Women's Honorary Organization.

We recommend:

1. The Congress consider the present conflict in terms of a step in international evolution and not as an isolated event in and of itself; that post-war planning be formulated with an eye to progress and not be based upon any "back to normalcy" type of planning.

2. That all plans for the post-war world be based upon international cooperation with our enemies as well as with our allies.

(a) We believe democracies can and must cooperate closely with nations having other forms of government.

(b) We believe the peace plans regarding individual enemy nations should be based upon permanent international cooperation with no idea of vengeance.

3. That Russia and China are nations with whom post-war as well as wartime alliances will prove mutually beneficial.

(a) The fundamental aims of their Governments are similar to the democratic philosophy of the United States Government.

(b) China, Russia, and the United States by virtue of their respective geographic positions, natural resources, and common interest in the value of the individual in the state, have a natural basis for permanent cooperation.

(c) Fear of these nations, one for the other, is illogical when considered in the light of the above statements, and should not hinder our fullest cooperation with Russia and China.

(d) In the post-war United States there will be a problem of racial minorities. Close cooperation with Russia who has already solved its race problem and with China whose people constitute one of our racial minorities will help us in solving our own race problem.

4. That plans for the post-war world be centered around a council with full international representation. That the principles laid down in the Atlantic Charter be used as goals toward which the above-mentioned international council will strive.

5. That Congress prepare the people of the United States now for the continuance of

such domestic wartime restrictions after the war as will be necessary, in order that the United States may continue sending aid to other countries during the readjustment period.

RURAL ELECTRIFICATION PROJECTS

Mr. LUCAS. Mr. President, recently I introduced a bill known as Senate bill 2029, to provide for the planning of rural electrification projects, and for other purposes. I notice by the bill that it was read twice and referred to the Committee on Agriculture and Forestry. In view of the fact that the Senate has designated a special committee, of which the Senator from Georgia [Mr. GEORGE] is chairman, to study post-war planning and economic stabilization, I ask unanimous consent that a copy of the bill be sent to that committee.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

GOVERNMENTAL POLICIES ADVOCATED BY VOTERS OF WASHINGTON

Mr. WALLGREN. Mr. President, in 3 days Washington State registration books will close and those people at home who have not signed up will not be able to vote in the primary election on July 11.

The books will reopen after July 11 and remain available for signature by new residents, or by those renewing their registration. Everyone must have registered by mid-October to be eligible to cast a vote for the President and others in the November general election.

For this most important election in our history, I predict that thousands of men and women in Washington State will become registered voters before November.

Needless for me to say, I predict that a great majority of Washington State residents will vote for President Roosevelt and for the progressive Democratic candidates. I say this because I know Washington State voters to be progressive. They will compare the job to be done with the job already done toward winning the war. This comparison everywhere will favor progressive Democratic administration.

The letters sent to me here in the Nation's Capital indicate how keen is the interest in the problems of the war and of the peace to follow. Some of the things we in Washington State want might be listed as follows:

The first and foremost desire, of course, is the winning of the war unconditionally to prepare the way for a permanent peace.

Remembering that poverty anywhere threatens prosperity everywhere, we want the peace to help raise the standards of living everywhere.

Here at home we want the full employment of today continued tomorrow. We do not want monopoly interests to say that this or that war plant cannot be operated.

We know the future should mean full employment, and we want that coordination between State and Federal Government which will insure the greatest use for these war plants.

We want the farmer to benefit from full employment which will let him sell his products at profitable prices. The farmer must be protected against a price deflation as well as against the evils of inflation.

We want the farmer, through unhampered farm cooperatives and otherwise, to have a just return as compared to other segments of the population.

We want the Columbia Basin to mean new and prosperous homes for veterans and war workers.

We want Columbia River hydroelectric power to bring us peace industries after it has completed its well started job of powering war production.

We want no sabotage of the public power program by either Government or by reactionary business.

We want no war veteran to be worse off because he or she has served on the battle front in the fight for all of us at home. We want adequate compensation for disabilities.

We want certain benefits of social security for every citizen, not necessarily because he has this or that amount of money, but because he needs them, and in having them he makes the Nation stronger.

We want the full and free right of collective bargaining for labor unions continued.

We want free educational opportunities in a constantly improving educational system made available according to aptitude.

In short, we want those things which will let us live as well as human science will let us live.

We want this progress for the sake of humanity, but we want it also as a memorial to the men and women who will have given their lives that democracy and decency might continue a world force for the betterment of the common man.

DISPOSITION OF PROFITS FROM SALES OF SHIPS' STORES

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 784) to amend that part of the act of June 24, 1910 (36 Stat. 619), relating to disposition of profits from sales of ships' stores, which was, to strike out all after the enacting clause and insert:

The second proviso under the heading "Bureau of Supplies and Accounts", subheading "Provisions, Navy", in the act of June 24, 1910 (36 Stat. 619–620; 34 U. S. C. 542), is hereby amended to read as follows: "*Provided*, That hereafter a profit not to exceed 15 percent may be charged on sales from ships' stores, such profit to be expended in the discretion of the Secretary of the Navy, under such regulations as he may prescribe, for the amusement, comfort, and contentment of the enlisted force, except that the Secretary of the Navy shall cause an equitable use of such profits to be made for the welfare of officer and enlisted personnel attached to ships of the Navy and to activities outside the continental United States but not including permanent shore establishments as defined by the Secretary of the Navy, and such profit to be accounted for to the Bureau of Supplies and Accounts, Navy Department."

Mr. TYDINGS. Mr. President, for the information of the Senators who are present, I wish to say that this is a Senate bill which has passed the House with slight clarifying amendments, which do not alter the philosophy of the bill as it passed the Senate. It was originally reported unanimously from the Naval Affairs Committee of the Senate. As he is necessarily absent, the chairman of the committee has asked me if I would not make the motion to concur in the House amendments. I will not make a longer explanation, though I have one here in detail, but what I have said is explanatory of the facts in the case.

I move that the Senate concur in the amendments of the House.

The motion was agreed to.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, while we are waiting on one other appropriation bill, the second deficiency bill, which I understand the House will have here sometime within the next hour or so, I shall ask that the Senate take a recess subject to the call of the Chair, but before making that suggestion, I should like to have some nominations on the Executive Calendar confirmed. There are only a few names on the calendar. Therefore, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

James P. Moffitt, of New York, now a Foreign Service officer of class 4 and a secretary in the Diplomatic Service, to be also a consul general;

David McK. Key, of Tennessee, now a Foreign Service officer of class 3 and a secretary in the Diplomatic Service, to be also a consul general;

Robert B. Memminger, of South Carolina, now a Foreign Service officer of class 7 and a secretary in the Diplomatic Service, to be also a consul; and

Harlan B. Clark, of Ohio, now a Foreign Service officer of class 8 and a secretary in the Diplomatic Service, to be also a consul.

By Mr. TYDINGS:

From the Committee on Territories and Insular Affairs:

Gerald Robert Corbett, of Hawaii, to be secretary of the Territory of Hawaii, vice Ernest K. Kai, resigned; and

Llewellyn M. Williams, of Alaska, to be secretary of the Territory of Alaska (vice Edward L. Bartlett).

From the Committee on Naval Affairs:

Capt. Robert O. Glover, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 22d day of July 1942; and

Capt. Frank E. Beatty, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 31st day of January 1943.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The ACTING PRESIDENT pro tempore (Mr. GILLETTE). If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the postmaster nominations be confirmed en bloc, and that the President be notified.

The ACTING PRESIDENT pro tempore. Without objection, the postmaster nominations are confirmed en bloc, and the President will be immediately notified.

MARINE CORPS

The legislative clerk read the nomination of Brig. Gen. Clifton B. Cates to be major general.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confiremd.

Mr. BARKLEY. I ask that the President be notified in that case also.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

SECRETARY OF ALASKA

Mr. TYDINGS. Mr. President, there is a nomination which has lately been reported, too late for printing, the nomination of Llewellyn M. Williams to be Secretary of Alaska. Inasmuch as this is to be our last meeting before the recess, and there is a vacancy in the office, recently created, and it is important to the administration of affairs in Alaska that the place be filled, I am hopeful that the nomination may be confirmed at this time.

Mr. WHITE. Is this the nomination of Llewellyn M. Williams?

Mr. TYDINGS. That is the nomination. I should like to have the nomination confirmed, as there will be no chance tomorrow, and an officer is needed to sign certain commissions and documents.

The ACTING PRESIDENT pro tempore. Is there objection to suspension of the rule and the present consideration of the nomination of Llewellyn M. Williams, of Alaska, to be Secretary of the Territory of Alaska? The Chair hears none, and the nomination will be stated.

The legislative clerk read the nomination of Llewellyn M. Williams to be Secretary of the Territory of Alaska.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. TYDINGS. I ask that the President be immediately notified.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

There are also a number of postmasters whose nominations have been reported.

Mr. McKELLAR. All those which have been sent in and approved by the Senators from the States from which the postmasters come I ask unanimous consent to have confirmed en bloc, and the President notified.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and, without objection, the nominations are confirmed, and the President will be notified forthwith.

NAVY AND FOREIGN SERVICE NOMINATIONS

Mr. BARKLEY. Mr. President, from the Committee on Naval Affairs there have been reported several nominations for promotions; also from the Committee on Foreign Relations there have been reported today, too late to be placed on the calendar, a number of routine nominations in the foreign service. I ask unanimous consent that the nominations be now considered and confirmed.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request for the present consideration of the nominations? The Chair hears none. Without objection, the several nominations are confirmed; and, without objection, the President will be notified forthwith.

NOMINATION OF ERNEST JOSEPH DAWLEY TO BE A BRIGADIER GENERAL IN THE ARMY

Mr. REYNOLDS. Mr. President, several days ago there came to the attention of the Members of this body in executive session the nominations of a number of Army officers who had been selected for promotion. Among the nominations considered was the nomination of Ernest Joseph Dawley to be a brigadier general, for temporary service, in the Army. At that time our distinguished colleague the senior Senator from Texas [Mr. CONNALLY] requested that the nomination be given further consideration, and, in a sense, protested the promotion at that time.

I dare say that at this time the senior Senator from Texas desires an opportunity to make clear to the Members of this body why he made objection. After he shall have finished, I shall be very glad to read from reports which I have before me pertaining to the promotion which the committee had under consideration.

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read:

To the Senate:

In compliance with the request of the Senate of June 22, I am returning herewith its resolution of June 21, 1944, advising and consenting to the appointment of Ernest Joseph Dawley to be a brigadier general, for temporary appointment, in the Army of the United States.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 23, 1944.*

Mr. CONNALLY. Mr. President, I thank the Senator from North Carolina, chairman of the Committee on Military Affairs. Information—I do not know that it can be called information in the sense that it was confirmed—or reports had come to me, after the confirmation of General Dawley a few days ago, that in the operations at Salerno General Dawley was in command of an Army corps. The Thirty-sixth Division from my State, which is a very efficient division because of its long organization and training over many years as a National Guard division, spearheaded the landing at Salerno, and suffered rather heavy casualties. General Dawley was in command of the corps, and General Walker was in command of the division. The report had reached me that General Dawley had instructed the division commander to send a battalion of the Thirty-sixth Division into a certain sector on a certain mission, and that the division commander had protested that it should not be done, that it would be disastrous, and that they would suffer heavy casualties. The corps commander is said to have replied, "If you do not order them in there, I will." Of course, the corps commander being the superior officer, the division commander complied.

It was because of that transaction that I acted. It is rather well known, I think, that General Dawley was demoted at the request of General Clark. He held the temporary grade of major general at that time. I understand from the press that he was demoted from that grade back to his permanent grade of colonel, and was returned to the United States, because of the fact that he was found not to be qualified for the command of large groups or organizations in battle, but was probably equipped to perform training services and other duties. For that reason the War Department had recommended his promotion from the grade of colonel to the grade of brigadier general. He is not being restored to the grade of major general. On that account I asked that the nomination be reconsidered, and I requested the Military Affairs Committee to convene this morning and have representatives of the War Department before them for the purpose of looking into this particular transaction.

I shall be glad to have any statement from the members of the committee with respect to this particular matter.

Mr. JOHNSON of Colorado. Mr. President, General McNarney made it clear that he was speaking for General Marshall, and that what he had to say on the subject had General Marshall's full approval. He explained to us that while this general had failed in battle for one reason or another, he still was a very valuable man as a training officer; that he had been an outstanding training officer before he was assigned to the field in Italy; that the Army was badly in need of training officers of his capability; that the battle experience which he had had in Africa and Italy had increased his value as a training officer; and that it was necessary, in order fully to utilize his capabilities, that he be promoted

from the permanent grade of colonel to the temporary grade of brigadier general. It was recommended to the Senate that he be given a temporary promotion from the grade of colonel to the grade of brigadier general so that his capabilities might be fully utilized by the War Department. General McNarney made it clear to the committee that it was not the purpose to use him further in battle.

Mr. REYNOLDS. Mr. President, I wish to take advantage of the opportunity to extend my congratulations to the Senator from Texas [Mr. CONNALLY] for having interested himself personally in the welfare of the boys from Texas who were in the division concerning which he spoke. I believe that the Senator from Colorado, one of the ranking members of the Committee on Military Affairs, has explained the situation to the Senate.

As he has said, the general whose name was in question had been considered one of the finest trainers we had in the United States Army. He had been engaged for a long time in the training of our men. He had a fine record. It was reported to us that as a matter of fact he was one of the top-notchers. But, as explained to us by the Senator from Colorado, and as explained to us by General McNarney, while this general was on the battle front, he became excited, and actually, according to General McNarney's words, exhausted himself both physically and mentally in trying to do too much. As a result, as has been explained by the Senator from Colorado, his rank was reduced to that of colonel, and he was returned to the United States.

Upon his return here it was learned that his services were needed very badly in order to continue the very excellent work he had done here before he was sent overseas.

As a result of the request to the Senator from Texas, General McNarney came before the committee personally, representing General Marshall, the Chief of Staff.

In order that the RECORD may be clear, and to show that the position of the Senator from Texas is justified, I wish to read from the record:

Col. Ernest J. Dawley, Field Artillery Commandant, Tank Destroyer School, Camp Hood, Tex. Colonel Dawley was demoted on September 23, 1943, from major general. He had been admirable in all of the training and organizational phases, according to General McNair, and his demotion was determined by General Eisenhower, since we would not permit him to return officers in grade after relief. Since his return to the United States, his services have been utilized by General McNair in training commands, where his ability has been of great value. Incidentally, the reappointment to grade of brigadier general of a man who has been demoted from grade of major will have beneficial effect on theater commanders, who otherwise are reluctant to demote officers of high rank to lieutenant colonel or colonel. Dawley was merely advanced beyond his capacity.

I assume it means in battle spheres.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. JOHNSON of Colorado. I think it should be stated, furthermore, that General McNarney neither admitted nor confirmed the report about which he was questioned by the Senator from Texas as to the assignment of men in a very dangerous position. He said he had no knowledge of that particular matter, that they had many reports of that kind, and that there might be circumstances which would fully justify the assignment of men to a dangerous position in order to save the other parts of an army which had to withdraw. I think it should be stated that General McNarney neither affirmed nor denied the report.

Mr. REYNOLDS. As a matter of fact, Mr. President, that was stated a day or two ago. At any rate, in justification of the withdrawal of objection by the Senator from Texas, I wish to read briefly one paragraph from the record.

Mr. HILL. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. HILL. General McNarney testified that the position General Dawley now holds is a position ordinarily held by a major general. It is only proposed now to make him a brigadier general.

Mr. REYNOLDS. That is correct.

Mr. HILL. In other words, that shows the importance of the position he now holds. General McNarney testified that he has held it very well and has done a splendid job in it.

Mr. REYNOLDS. The Senator is correct. I thank him very much.

Mr. President, I now read from the report:

On September 20, 1943, Lt. Gen. Mark W. Clark, Commanding General of the Fifth Army, said, "General Dawley has many excellent qualities. He is a very intelligent officer and has great moral and physical courage. He is loyal, sincere, and devoted to duty, and I have no criticism to make of his attitude. However, when convinced after careful consideration I had no choice but to make this extremely painful decision in order to secure an efficient and effective corps." Colonel Dawley was demoted from major general on September 23, 1943, by General Eisenhower. He had been advanced to corps commander, a position beyond his capacity.

I believe that is in full explanation of the situation. Again I take this opportunity to thank the distinguished senior Senator from Texas for having brought this matter before the Senate.

Mr. CONNALLY. Mr. President, let me say that the testimony of General McNarney before the Committee on Military Affairs this morning was quite persuasive. He said he represented General Marshall and General Marshall's views about this matter, and that, although the War Department has no purpose of utilizing General Dawley in any armed operations in the field, on account of his having proved in battle that he was not qualified for a high command, General Marshall was extremely anxious that he be retained in the service, and be utilized for training purposes.

Mr. REYNOLDS. He also said that it would be for the betterment and the benefit of the war effort to have him so retained.

Mr. CONNALLY. Yes; he said that. He also said that the particular assignment which he now occupies is a highly important one. It is the antitank instruction school at Camp Hood, Tex. He said that General Dawley was an eminent training officer, and that his services were required to promote the war effort and to prepare the training for those at home.

All that was very persuasive, Mr. President. The records submitted by General McNarney also showed that, as to this particular instance with respect to the particular battalion, there was no direct evidence or record on either side, and it was his view that no one in the United States would have such information. He said there were many rumors about what had happened to different battalions or other organizations in those operations, but that they could not deny or affirm or substantiate such matters, and that it was possible, as was suggested by the Senator from Colorado, that in operations in which the lines were being reformed and straightened it frequently was necessary to detail a small group to hold a pivotal point as a rear guard in order to save the remainder of the Army when it was being reformed.

So, Mr. President, I shall submit the matter to the Senate.

Mr. REYNOLDS. Mr. President, the Senator has stated most clearly the testimony furnished to the committee today.

The ACTING PRESIDENT pro tempore. Has the Senator from North Carolina made a motion or a request?

Mr. REYNOLDS. We would like to have the nomination reconsidered.

The ACTING PRESIDENT pro tempore. The nomination has already been reconsidered.

Mr. REYNOLDS. I move the confirmation of the nomination.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from North Carolina.

Without objection, the motion is agreed to, and the nomination is confirmed.

Mr. BARKLEY. I ask that the President be notified forthwith of the confirmation of the nomination.

The ACTING PRESIDENT pro tempore. The Parliamentarian advises the Chair that with respect to all nominations confirmed as of today, the President will be notified, without special action on the part of the Senate.

SECRETARY OF HAWAII

Mr. BARKLEY. Mr. President, the Committee on Territories and Insular Affairs has today reported the nomination of Gerald Robert Corbett, of Hawaii, to be Secretary of the Territory of Hawaii. I ask unanimous consent that the Senate proceed to consideration of the nomination.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the clerk will state the nomination.

The legislative clerk read the nomination of Gerald Robert Corbett to be Secretary of the Territory of Hawaii.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

TUBERCULOSIS CONTROL IN CONNECTICUT

The Senate resumed the consideration of legislative business.

Mr. MALONEY. Mr. President, during the course of the call of the calendar yesterday the Senate considered and finally passed House bill 4624, a bill providing for the consolidation and revision of laws relating to the Public Health Service. In my State there was a little feeling of disturbance about the bill, because in Connecticut we have a State department of health and a State tuberculosis commission.

There was some feeling on the part of the officials of Connecticut that confusion might result because of the particular language of the bill. I have discussed the matter with officials of the United States Public Health Service, and yesterday received the assurance that we would not be hampered in our efforts to deal with tuberculosis in Connecticut, and I received a letter to that effect from the Surgeon General, Dr. Thomas Parran. I ask unanimous consent that this letter may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES PUBLIC HEALTH SERVICE,
Washington, June 23, 1944.

Hon. FRANCIS MALONEY,
United States Senate,
Washington, D. C.

DEAR SENATOR MALONEY: In compliance with your request of yesterday, I wish to inform you that I have the authority to promulgate regulations which will make it possible for State agencies, other than the health department, to participate through cooperative arrangement with the State health department, in the grants to be provided for tuberculosis control. These regulations will be set up after conference with the State and Territorial health officers, as provided in the law.

I am familiar with the excellent work which has been done in tuberculosis control in your State and naturally am anxious to see it further extended.

I appreciate very much your support of our Public Health Service bill yesterday.

With personal regards and best wishes, I am,

Very sincerely yours,
THOMAS PARRAN,
Surgeon General.

FURTHER REPLIES TO SENATOR GUFFEY'S REMARKS CONCERNING SENATOR BAILEY

Mr. OVERTON. Mr. President, I have been unable to be in attendance at the session of the Senate throughout this afternoon. I have only now entered the Chamber, and I am advised that during my absence the Senator from Pennsylvania [Mr. GUFFEY] indulged in criticism of the senior Senator from North Carolina [Mr. BAILEY], or else read a letter criticizing the Senator. I wish to record my absence during the delivery of these remarks by the Senator from Pennsylvania. I wish to add that I do not know what the criticism is. I regret that the Senator from Pennsylvania did not withhold his comments on the Senator from North Carolina until he was present in the Chamber. Everyone knows that the Senator from North Carolina is necessarily detained from attendance on the Senate on account of illness.

I content myself now with making the general observation that the Senator from North Carolina rises above any criticism that might be leveled against him by the Senator from Pennsylvania or that may come from any other source. He rises above, and needs not, my own praise. There does not walk through the pages of the history of the United States Senate any finer, better, nobler character than that of Senator JOSIAH W. BAILEY.

Mr. McKELLAR. Mr. President, I have been in and out of the Senate Chamber all day. I did not hear the criticism which has been referred to, but if there was such criticism of the Senator from North Carolina I am just as sorry as any man ever was that any Senator should have directly or indirectly made any insinuation against the Senator from North Carolina.

Mr. President, I think the Senator from North Carolina is one of the finest men who ever adorned the Senate by his presence and occupancy of a seat in this Chamber, and I regret exceedingly that any Senator should in his absence have said anything concerning the Senator from North Carolina that would reflect in the slightest way upon him or his character. I think he is one of the finest, one of the ablest, one of the best men who has ever had a seat in this body.

THE COMING COAL CRISIS

Mr. MEAD. Mr. President, I desire to call the Senate's attention to an item that was taken out of the appropriation bill for the Department of the Interior by the conferees. This is an item involving several hundred thousand dollars, and it was inserted by the Senate Appropriations Committee for the purpose of carrying on a Nation-wide program of fuel conservation under the direction of the Solid Fuels Administration for War.

Mr. President, the item was not passed upon by the House committee when the bill was first introduced, for the reason that it did not have Budget clearance at that time, but as the need for fuel conservation throughout the United States, and particularly in the Northern States, became apparent, the matter was pressed and request was made of the Bureau of the Budget for $2,006,000. The Bureau of the Budget approved an item for $700,000. It was considered by the Senate Committee on Appropriations, and the item for $700,000 for that purpose received the approval of the committee. It also received the approval of the Senate itself, but unfortunately the item was stricken out in conference.

Mr. President, that was a very necessary and a very essential item. On several occasions I have called the attention of the Senate to this matter, and I feel that it is necessary to continue my interest because I believe the Northern States will suffer seriously from a fuel shortage this winter.

It has already come to my knowledge that coal dealers have advised their customers that they will be unable to make deliveries of coal next winter in amounts even close to the already curtailed deliveries of last winter. In one case, I am told, a householder, who must rely entirely on coal for heat, was told that he could only have 50 percent as much coal as he received last year.

This is very serious, particularly in the northeastern part of the country, where a great many homes use coal for fuel. In some cases where, at the request of the Government, patriotic householders have converted their heating units from oil to coal, the hardship is even more poignant. It appears inevitable, also, that war industries will be affected, in some cases seriously.

I am informed and hope that the fuel-oil situation will probably be as good as it was last year. Much, of course, depends on events in Europe. But the new pipe lines to the East and the wartime transportation and distribution system should be able to carry the load.

The coal situation, however, is another matter. Dr. C. J. Potter, Deputy Solid Fuels Administrator for War, recently warned that we are up against the stark reality of a shortage which cannot be avoided. Bituminous coal requirements, he stated, have recently been upped from 620,000,000 tons to 626,000,000 tons, against an estimated production of 596,000,000 tons. The difference will have to be made up out of a stock pile which has already dwindled to dangerous levels.

Anthracite coal, which is so widely used in the northeast for heating homes, will be even shorter this year than it was last year. It is estimated that production will reach 57,000,000 tons, which will have to be stretched over requirements estimated at 65,000,000 tons. The 8,000,000-ton difference will have to be made up by curtailing use of anthracite coal or by substituting bituminous coal wherever possible.

I understand that the special committee, headed by the able senior Senator from Connecticut [Mr. MALONEY] has made a study of both the coal and oil situations and will report to the Senate on them soon. I am eagerly awaiting their report in the hope that they will be able to aid the Senate, the Solid Fuels Administrator, and the Petroleum Administrator for War, in finding a working solution to the problem.

I am especially regretful that the appropriation recommended by the Bureau of the Budget, which was approved by the Senate committee and the Senate, has been stricken from the bill by the conferees. Only a well-organized, Nation-wide voluntary effort will now help the situation. I wish to pay my respects to the Secretary of the Interior and to his able assistant, the Deputy Solid Fuels Administrator for War, Dr. Potter, for initiating this voluntary effort. I understand that they are conferring with manufacturers, with the radio broadcasting industry, and with the press, in

an effort to spread the gospel of conservation throughout the country.

I realize the hardship that existed in my State last winter, Mr. President, when people, almost without number, formed long lines awaiting to have their small requirements filled at a central agency. Many of them were told when they finally got to the recording official, that the coal supply was exhausted, and as a result thousands of homes were without adequate heat in the State of New York. The situation will be, in my judgment, worse this year unless something is done about it. I hope that when we return from our recess this item requested by the Fuel Administrator will be inserted in a deficiency appropriation bill, and will be approved so that this conservation effort may have an opportunity to prove its value.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, announced that the House had passed without amendment the bill (S. 1947) to amend the National Housing Act, as amended.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 1045) for the relief of Mrs. R. D. Robinson.

The message further announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 1755. An act for the relief of Broadus D. Boland;

H. R. 2006. An act for the relief of Mrs. Hagar Simpson; Mrs. Nat Price, Jr.; and Griffin Bros. Clinic;

H. R. 4095. An act confirming the claim of Robert Johnson and other heirs of Monroe Johnson to certain lands in the State of Mississippi, county of Adams; and

H. R. 4624. An act to consolidate and revise the laws relating to the Public Health Service, and for other purposes.

The message also announced that the House had agreed to the following concurrent resolutions of the Senate:

S. Con. Res. 40. Concurrent resolution authorizing the appointment of a joint committee to arrange for the inauguration of the President-elect of the United States on January 20, 1945;

S. Con. Res. 46. Concurrent resolution providing for a conditional adjournment of the two Houses; and

S. Con. Res. 47. Concurrent resolution authorizing the Presiding Officers of the two Houses to sign enrolled bills and joint resolutions after adjournment.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3646) to amend section 42 of title 7 of the Canal Zone Code.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5040) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944, and June 30, 1945, and for other purposes.

The message further announced that the House had passed a bill (H. R. 4803) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Memphis, Tenn., in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and they were signed by the Acting President pro tempore:

S. 1749. An act to amend section 3 of the act entitled "An act to authorize the President to requisition certain articles and materials for the use of the United States, and for other purposes," approved October 10, 1940, as amended, to continue it in effect; and

S. 1826. An act to amend section 6 of the act of July 2, 1940 (54 Stat. 714), relating to the exportation of certain commodities, and to continue said act in effect.

PROHIBITION OF DISCRIMINATORY EMPLOYMENT PRACTICES

Mr. MEAD. Mr. President, a few days ago when we were discussing legislation for the President's Committee on Fair Employment Practice, I promised to insert in the RECORD a list of States which have laws forbidding discriminatory employment practices. I ask unanimous consent to have the list printed in the RECORD at this point, together with some recent editorial comment on the Fair Employment Practice Committee.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

STATE LEGISLATION FORBIDDING DISCRIMINATORY EMPLOYMENT PRACTICES

The following seven States have enacted legislation forbidding discrimination in employment or in union membership based upon race, creed, or color:

NEW YORK

New York State has in recent years enacted several statutes forbidding discriminatory employment practices.

Chapter 9 of the laws of 1940 (civil rights law, sec. 43) makes it a misdemeanor punishable by fine or imprisonment for an officer or member of a labor organization to deny a person membership because of race, color, or creed, or to discriminate against a member because of race, color, or creed, in designating members to employers for employment, promotion, or dismissal. In addition, the person aggrieved is entitled to a minimum penalty of $100, recoverable in a civil suit.

Chapter 676 of the laws of 1942 (penal law, sec. 514) makes it a misdemeanor punishable by the minimum fine of $50 for any "industries engaged in defense contracts" to exclude a citizen of New York State from employment because of race, color, or creed, national origin, or previous condition of servitude. (See also civil rights law, sec. 44.) The same chapter likewise makes it a misdemeanor to exclude a citizen of the State from any "public employment," because of race, color, creed, national origin, or previous condition of servitude.

In addition, chapter 511 of the laws of 1933 (sec. 42 of the civil rights law) makes it a misdemeanor for any public utility to refuse to employ a person because of his race, color, or religion.

Chapter 158 of the Laws of 1935 (labor law section 220 (e)) requires such contract on behalf of the State or a municipality for "public work" to contain provisions obligating the contractor and his subcontractors not to discriminate "in the hiring of employees for the performance of work," under the contract by reason of race or color. A penalty is provided of $5 per day for each person so discriminated against.

Finally, the administrative code of the city of New York makes it unlawful for any employment agency to publish a help wanted advertisement restricted to persons of any race, creed, or color, unless the advertisement carries the name of the prospective employer.

NEW JERSEY

Chapter 114 of the laws of 1942 makes it a misdemeanor for any war contractor to exclude a citizen from employment by reason of race, color, or creed, or previous condition of servitude. Persons who aid or incite in the violation are likewise guilty. The chapter likewise applies to "public employment."

ILLINOIS

The act of July 21, 1941 (laws 1941, vol. 1, p. 557) makes it a misdemeanor for any "war defense contractor" to discriminate against any citizen of the State because of his race or color in hiring of employees or in "training for skilled or semiskilled employment."

NEBRASKA

Chapter 114 of the laws of 1943 makes it a misdemeanor for any person who supplies war supplies to the State or to the Federal Government to refuseto employ a qualified citizen because of his race, color, creed, religion, or national origin.

MINNESOTA

Chapter 238 of the laws of 1941 requires each contract on behalf of the State or any of its political subdivisions to contain a provision obligating the contractor and his subcontractors not to discriminate against citizens of the United States in the hiring of common or skilled labor in the performance of such contracts by reason of race, creed, or color.

KANSAS

Chapter 265 of the laws of 1941 forbids any labor organization (except those subject to the Railway Labor Act) which discriminates against any person or excludes him from membership because of his race or color to act as a collective-bargaining representative in the State.

PENNSYLVANIA

The Pennsylvania State Labor Relations Act (ch. 294 of the laws of 1937) contains a provision which in effect denies the benefit of the act to any labor organization which denies a person membership because of race, creed, or color. The Pennsylvania State Labor Relations Act is modeled upon the National Labor Relations Act.

RECENT EDITORIAL COMMENT ON F. E. P. C.

[From the St. Louis Post-Dispatch of May 27, 1944]

F. E. P. C. has been the instrument of the Federal Government in seeking to eliminate unfair employment practices on the part of any contractors doing Government business.

It is a problem of Nation-wide, not Southwide, interest and concern, because such practices encourage abuse of minorities everywhere.

The only political issue involved is whether a great democracy will blink at or try to stamp out discrimination, a crime for which we have indicted Nazi Germany.

[From the Birmingham Age-Herald of May 26, 1944]

As for the F. E. P. C., this newspaper has never considered that agency the terrible

menace some have represented it as being. There have been and are, unquestionably, problems of discrimination against minorities in this country. This discrimination obviously can make the Nation's acute wartime manpower problem more difficult. That the Federal Government should strive to mitigate such problems is an entirely understandable, if not imperative, undertaking. Not always has the F. E. P. C. acted wisely. But the general purpose underlying it is sound.

[From the Christian Science Monitor of June 5, 1944]

The Committee can stand on its own merits.. Its officials have proceeded cautiously and conscientiously in a highly charged atmosphere and have encountered remarkably little trouble. Usually it is only necessary for a Committee examiner to remind an employer or labor organization of its responsibilities under the President's order. The bulk of 744 cases satisfactorily adjusted in the past half year were handled in this manner. Only five cases have reached the stage of public hearing under the present Committee.

An adequate appropriation for the F. E. P. C. should be passed.

[From the Washington Evening Star of March 10, 1944]

For there should be such an agency, created by act of Congress and charged with the mission of working toward the removal of race prejudice, especially those prejudices which bar the Negro from economic opportunity and advancement.

[From the Washington Post of June 13, 1944]

F. E. P. C.'s orderly, understanding approach to labor problems of this nature will be needed more than ever when we encounter the problems of demobilization and reconversion. For in this period discrimination can create chaos. If whole classes of men are denied an opportunity to earn a living because of the color of their skin, they will become desperate and dangerous.

EQUIPMENT FOR AMERICAN FARMERS

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter relative to the provision of farm equipment for American farmers.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Senator ROBERT REYNOLDS,
United States Senate, Washington, D. C.

DEAR SENATOR: I was interested in the newspaper account of your investigation of farm equipment, and I certainly agree with you that the American farmer is not getting a fair break.

My business is with the wholesale hardware and mill supply people, and I can tell you from my actual experience that there is a very definite shortage of all kinds of farm-tool handles.

If you want to check on this chaotic condition, get in touch with the American Fork and Hoe Co. of Cleveland, who are the largest manufacturers of agricultural hand tools, and also with the Union Fork and Tool Co. of Columbus, Ohio. Then, check with some of the shovel manufacturers like the Ames-Baldwin-Wyoming Co. of Parkersburg, W. Va., and the Wood Shovel and Tool Co. of Piqua, Ohio.

A couple of large independent manufacturers of handles are the Bruner-Ivory Handle Co. of Hope, Ark., and Hartwell Brothers of Memphis, Tenn., or if you want to go further, check with some of the wholesale hardware houses, several representative ones being Janney-Semple-Hill & Co., of Minneapolis, Minn.; the Marshall-Wells Co., of Duluth, Minn.; Paxton & Gallagher Co., of Omaha, Nebr.; Blish, Mize & Silliman Hardware Co., of Atchison, Kans.; the W. Bingham Co., of Cleveland, Ohio; and wholesale hardware houses that you are probably acquainted with in the South. They will all tell you that they cannot get 10 percent of the agricultural handles that they want; that farmers actually are not in a position to repair their tools; there are no long shovel handles to be had, and it is too late now to do very much for this season's business.

This condition is due to several factors:

First, the enormous quantity that is going to lend-lease. I understand that the British Government has requested, for instance, one item of 3,000,000 shovel handles, which as I figure it, would be one shovel handle for every ninth person in the British Isles.

Of course, the demands of the Army, Navy, and other Departments have been enormous.

Strange as it may seem, these manufacturers can get the steel with which to make the tools but cannot get the handles.

Another place you could check, which would be a very good cross-section, would be Sears, Roebuck Co. and Montgomery Ward & Co., here in Chicago.

The handle industry was a low-paid industry and when the Government put war plants down South, the farmers and workmen stopped cutting timber and took jobs in war plants at four or five times per hour more than they had ever made before and, with the ceiling prices on handles, it has been impossible for the handle manufacturers to pay these wages and consequently they are running with a smaller force and a very inefficient force, and then the War Production Board gives high ratings to lend-lease and the armed services, so that there is nothing left for our farmers.

If there was some coordination between the O. P. A. and the War Production Board, when a condition like this becomes chaotic, then probably it could be straightened out.

What difference does it make to a farmer whether he pays 10 cents or 15 cents more per handle, if he needs it for his work?

It might make some difference if the price of sugar went up 5 cents per pound because sugar is consumed, but when a farmer buys a handle, it will last for one or two seasons and the cost is immaterial.

Actually some handle factories have closed down because they cannot operate and even break even at the ceiling prices.

I know all of these things to be absolute facts and thought you would be interested in them.

Of course, a lot of us today don't like to have our names mixed up in these matters, because of possible recriminations but in my case I happen to have a boy who is a prisoner in Germany and I want to see this war won and some of the red tape of Government done away with.

Yours truly.

HELP FOR AMERICAN CITIZENS

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, a letter I have received relative to help for American citizens.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GREENSBORO, N. C.

Senator ROBERT R. REYNOLDS.

DEAR SENATOR: At a time like this I hate to ask you to read a letter from me, but I feel like the time has come for me to write it and I do hope you will spare a few minutes on it.

I am a widow, just past 50. I have a daughter 14 years of age, she is in high school and I long for her to finish. She wishes to go on to woman's college; this I cannot do unless it is made possible by other means. Sometimes I find it hard to send her on to school now. My husband died almost 7 years ago. Since then I have not had work only keeping children, sewing, and laundry work. I am not able to stand up in a store or factory and do hard work. When I ask for office work, as that is what I did in my early years, they say I am too old, so that is how it goes everywhere. I tried hard to get in a day nursery but I had to have a college degree to work in the kitchen. In the school they want colored help.

My husband was a veteran of World War No. 1. He also carried social-security insurance. From this we do not get anything. When so much is being done for our soldiers, sailors, marines, and so much for their families; yes, and we have money here in the United States of America to send to other nations, why can't a widow and a child of a veteran of that other war know a little pleasure? There are only a few children of that war who are not self-supporting. It would not break the Government to pension those few. In the community I live are over 900 children in grade school, over 200 go to high school, and in all these I do not know of but four who are children of veterans of War No. 1.

Almost all United States Senators, State senators, our good President, and Mr. Willkie said there would be a pension for widows and orphans of War No. 1 veterans. What became of it? What became of social security? We can't help when my husband died as it was just a little while too soon, so I'm told. Soldiers' and sailors' wives across the street tell us over and over how cheap they get their groceries, of all the bonds they have, and my daughter who I have reared as near right as I know how, told me with tears in her eyes, as she was afraid I would not like it she raised her hand in school saying we had bought a bond, when we don't even have any. We can't as it is all we can do to pay taxes on our little home.

It has been 25 years since that other war was over. I worked hard in those days and did everything I could, as young wives are doing now, but I did not think it would all be forgotten so soon. I do hope you will find time to give this a little consideration. I know there is much to be done now, but these servicemen and their wives and children are young, and my life is almost spent. If I was able and could see my way I would not ask this. If I do justice by my daughter I will have to ask some aid of some kind. I, as well as the few others, will be grateful if you will introduce a bill in Congress, or I better say just mention it and see what becomes of it.

I truly thank you, Senator.

AMERICANISM

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter I have received on the subject of Americanism.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Senator ROBERT RICE REYNOLDS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Reading some of your recent speeches, it appears to me that you may be the man who will succeed in bringing Washington back to Washington. And if ever there was a time when the American people needed to follow the advice and to cling to the political philosophy of the Father of their Country—that time is now.

Your speech, delivered on the floor of the Senate and printed in the CONGRESSIONAL RECORD of March 7, 1944, revealing the amount of material scheduled to be shipped to European nations when our own farmers are "begging for farm machinery and farm equipment," should be printed as a booklet and a copy sent to every United States citizen. Maybe, then, many now-slumbering Americans would arouse themselves and demand that Washington be returned to Washington and that all the "internationalists," Communists, crackpots, and other screwballs who have been giving away things produced by the sweat of Americans and raiding our Treasury in order to make safe the treasuries of the foreign powers they love better than they do our country, be kicked out of Washington and replaced by patriotic Americans who believe in America first in war as well as in peace, and as well in the post-war world as in the pre-war world.

Your radio address—Keep America Free—delivered over Mutual Broadcasting System on February 17, 1944, was another get-Washington-back-to-Washington classic. It is to be hoped that millions heard it and were inspired by its spirit of real Americanism. We have had so much foreign propaganda poured upon us from all sources that a speech such as your Keep America Free is both refreshing and encouraging. Perhaps, after all, this great independent Republic of the United States of America will emerge safe and sound from the long, long nightmare which has not only confused but frightened the intelligent, thinking element who have been misled, misinformed, and otherwise abused by some of the leaders in whom they placed the most confidence.

But if America does emerge safe and sound from the long nightmare with which it has been afflicted, it will be because men of your courage and caliber hold firm to the wheel of the ship of state and steer it carefully through the coral reefs of communism, and other foreign isms, that even now threaten to destroy it from underneath as it rides in both troubled and treacherous foreign seas of internationalism, laden with the hopes, the riches, the very lives of the people of America.

How tremendous is the responsibility of each and every Member of the United States Senate and of the United States Congress. The welfare of more than 135,000,000 great people rests in the hands of their Senators and Congressmen. The existence of this Nation as a Christian, independent Republic is dependent in this dark hour upon the loyalty and the courage and intelligence of the Members of their two representative bodies—the House and the Senate. God help them to eliminate all thoughts of self during these dangerous hours and to fight to retain for the American people that which was founded for them by other men of courage and foresight—an independent Republic of free men and women who fought to cast from themselves the chains of European trickery, treachery, and economic slavery.

Millions of Americans, confused by foreign propaganda (much of which has been and is being spread by home-grown totalitarian-minded radicals as well as by aliens and foreign agents) look to patriots like you, Senator REYNOLDS, to lead them out of the blackness of alien intrigue back into the light of American honesty and liberty. Many millions of Americans, harassed by the rules and regulations clamped upon their daily lives by an army of stupid and inefficient bureaucrats, pray for deliverance from this un-American monster which is making them miserable of mind, but which, more seriously, is robbing them of both time and energy so badly needed to be given in full measure to America's war efforts. Most bitter of them all is the pill millions of Americans are forced to take every time leaders in whom they placed their trust and confidence show preference for the future welfare of the peoples of foreign nations (whose lives and nations to save our boys are giving their lives by the thousands) and indifference for the future welfare of America and for the people of America who are sweating and sorrowing and bleeding and dying, as well as paying most of the astronomical costs of the war, in order that liberty all over the earth, and our form of government in this part of the world, may continue to live.

Thank the good God, to whom we pray for peace and for understanding among all peoples, that there are men in our United States Senate like you to whom we can look to fight for us to preserve our American Constitution, our American independence, and all of the great principles and institutions upon which this Nation was founded and which enabled it to achieve the leadership of all other nations and, at an hour of terrible crisis, to come forward with its riches and strength to save civilization from destruction for the second time.

Thank the good God, against whom Communists and other totalitarian-minded atheists would have us turn, that there still are Americans of your intellectual stability in the United States Senate upon whom we, the American people, can depend to protect our ship of state from the scuttling gangs of aliens and alien-minded opportunists have planned for it.

Thank the good God, and His Son to whose principles it might be well for many Americans to return before it is too late for themselves and for this Christian Nation, that there still remain in the Senate of the United States men like you, Senator REYNOLDS, who have been fighting and who will continue to fight against an army of aliens and alien sympathizers and coddlers, to get Washington back to Washington.

Well, Senator, your speeches, which I have read more than once, inspired me to write the above. How does it really look there? Do you think we ever can get Washington back to Washington? I pray daily that such a thing will come to pass, that not only will the American people awaken to the dangers which confront them, but that our Senators and Congressmen, en masse, will awaken to their American responsibilities and save us from this international so-called New Deal and give us just a plain, old-fashioned American clean deal.

I noticed that your letter from a group of your friends in Hollywood got a rise out of Drew Pearson on his program of last Sunday night. Winchell's wail also sounded as though he was a bit disturbed. I have noticed with interest MARTIN DIES' attack on Winchell, Hillman, Carlson, and company. I hope he gets somewhere with it.

In the meantime keep pounding in order that your example will set other Americans to thinking and working and helping to "get Washington back to Washington." That ought to be a good slogan for the Republican Party or for a nationalist party.

With kind regards to yourself,

Most sincerely,

SUMMARY OF LEGISLATION PASSED BY SEVENTY-EIGHTH CONGRESS, SECOND SESSION

Mr. BARKLEY. Mr. President, I ask unanimous consent that there may be printed in the RECORD a summary of legislation passed by the present session of Congress, and data relating thereto.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXEMPTION OF INSURANCE COMPANIES FROM ANTITRUST LAWS

Mr. O'MAHONEY. Mr. President, during most of the present session of Congress there has been pending before the two Houses a bill to exempt the business of insurance from the antitrust laws. That bill was passed by the House of Representatives yesterday, and is now in the Senate, and has been referred to the Committee on the Judiciary.

By reason of the pendency of that measure, there has been a great deal of discussion in the press of the country, and particularly in the insurance press, in which implication has been made that those of us who oppose this legislation are desirous of bringing about Federal regulation and supervision of the insurance business as a substitute for State regulation.

Four years ago, when the Presidential campaign of 1940 was beginning, the same statement was made. I had occasion, because I happened to be the Chairman of the Temporary National Economic Committee, which had conducted a prolonged study of life insurance, to address the American Bar Association at its annual meeting in Philadelphia. In my talk to that organization I stated in words of one syllable that I was not in favor of doing away with State regulation of insurance.

I have noted with much interest that in the recent dissenting opinion of Mr. Justice Jackson of the Supreme Court in the case of United States against Southeastern Underwriters' Association et al., Justice Jackson incorporated a note in his opinion, which I desire to read. The note is No. 12, and reads as follows:

> The last agency to investigate insurance problems was the Temporary National Economic Committee. It made no recommendation of Federal control. Its chairman, Senator O'MAHONEY, after reviewing carefully the problems caused by the concentration of economic power in the hands of the insurance companies and the abuses of the business, said:
>
> "Therefore I say again that personally I would not support any law that would undertake to do away with State regulation of insurance, and there never has been suggested to me or to any member of the T. N. E. C. or to the committee as a whole any thought of doing away with State regulation or imposing Federal supervision."

I have read the conclusion of my statement, and the full address may be found on page 913 of volume 26 of the American Bar Association Journal.

Mr. President, I desire to ask unanimous consent to incorporate as a part of the RECORD at this point the recommendations with respect to life insurance which were made by the Temporary National Economic Committee, popularly called the Monopoly Committee.

There being no objection, the recommendations were ordered to be printed in the RECORD, as follows:

1. Insurance commissioners should be appointed by a responsible executive (in all cases subject, of course, to confirmation by the proper State body) and their selection should only be made with regard for the appointee's experience and qualifications.

2. The tenure of office of the insurance commissioner should be increased substantially and insofar as possible competent commissioners should be continued in office regardless of their political affiliation.

3. The salaries of insurance commissioners should if possible be substantially increased.

4. Insurance commissioners should not be obliged to undertake any duties other than

the regulation and supervision of insurance companies.

5. There should be substantial increases in the budget for insurance departments of most States.

6. The personnel of most insurance departments should be increased. The work of an insurance department should be undertaken only by full-time qualified employees whose pay is sufficient to make them conscious of their responsibilities and free from insurance company or political influence. The employment of special outside examiners should be discontinued. The development of a civil service in State insurance departments is highly desirable. Companies should no longer be required to pay the salaries of examiners. If they must be charged for examination the necessary amount should either be collected by a lump-sum charge set in advance and paid by the company directly to the State treasury or preferably be collected through an appropriate State tax.

7. State insurance supervisory officials should strengthen examination procedures particularly in respect to companies domiciled within their State. The desired improvement would include more frequent examinations in some States, more competent examiners, greater publicity to and full release of all examination reports, and the undertaking of examination which would give greater attention to the insurance operations as contrasted with the purely financial aspects of the business.

8. Closer regulation and supervision of agency practices is required. Present laws for licensing agents are all too frequently administered purely as revenue measures. Agents should be required to show more adequate training, better prospects for financial success, and greater knowledge of the life-insurance business. Furthermore, State supervisory officials should give more attention to such matters as company training courses, sales contests, compensation arrangements, etc.

9. The number of policy forms should be reduced, and greater attention given to establishing standardized policy forms or policy provisions acceptable in all States. The present confusion in this field is most undesirable.

10. State supervisory officials should more closely scrutinize activities of officers and directors and generally make more thorough checks on the competence and activities of company managements.

11. The life-insurance business should be conducted on a competitive basis, with emphasis on management efficiency rather than sales promotion. No intercompany agreements should be permitted the effect of which is to prevent any company from developing actuarily sound service and sales techniques.

12. A fundamental change in the conduct of industrial insurance should occur. Otherwise, its eventual elimination may be necessary. The primary responsibility for the change lies with the companies issuing such insurance and the States which supervise them.

[Approved without objection.]

[In addition to the above, Commissioner Sumner T. Pike, of the Securities and Exchange Commission, personally recommends a liberalization of investment laws to permit life-insurance companies to invest a relatively small percentage of their funds in common stocks which would stimulate healthier financial structures and have a wholesome effect on the economy. Accordingly, he suggests that the respective States give consideration to liberalizing their laws in this direction.]

Without interjecting the Federal Government into the general field of insurance regulation, it is possible to utilize Federal powers in a direction which will strengthen State regulation and make it more effective. There are admittedly areas where State regulation is severely handicapped by reason of the interstate character of the life-insurance business. If forthright steps are not taken now to plug the gaps where State regulation cannot do an effective job and to prevent relaxations of regulatory standards in several States such as have occurred in the past to the disadvantage of numerous policyholders, State regulation may eventually decay and all-inclusive Federal control will be required. Accordingly:

1. A Federal statute is recommended preventing life-insurance companies from using the mails, the radio, or other means or instrumentalities of interstate commerce to sell insurance in a State where they have not been lawfully admitted to do business.

2. The National Bankruptcy Act should be amended to permit any State insurance commissioner to apply to the appropriate United States district court to bring about the liquidation or reorganization of a life-insurance company. If a company should be adjudicated bankrupt, the designated Federal agency or its nominee should be appointed to act as conservator and advisor during the readjustment of the company's affairs.

3. Officers and directors of insurance companies operating in more than one State should be prohibited by Federal statute from using their positions for improper personal gain either directly or indirectly. The statute should also declare life-insurance officials not only in fact but in the eyes of the law trustees required to adhere to the strictest fiduciary standards, and appropriate civil and criminal penalties should be provided.

4. It is recommended that an appropriate committee of Congress or some designated agency of the Federal Government be directed to conduct a thorough investigation of all forms of fire, casualty, and marine insurance.

Mr. O'MAHONEY. The recommendations do not take up a great deal of space, and I shall not attempt to read them all at this time inasmuch as consent has been granted to print the full number in the RECORD.

Nowhere among the recommendations is there to be found any suggestion of doing away with State regulation of insurance. Any statements to that effect which may be current are based upon a complete misunderstanding of what the committee has done, and a complete misunderstanding, if not misrepresentation, of what I have personally said on a great number of occasions.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. HATCH. My only reason for asking the Senator from Wyoming to yield is that I shall soon be compelled to leave the Chamber. I have in mind generally what the Senator from Wyoming is about to say, and I rise at this point merely to say that the so-called insurance bill which has been before our committee—and the Senator from Wyoming and I are members of the subcommittee—has received more pressure, and there have been more efforts to force it through a committee of the Senate and through this body, than in the case of any bill which has come to my knowledge since I have been a Member of the Senate.

I do not wish to be critical at this time. Some later day I may be critical. Certainly I do not wish to criticize the authors of the bill, or the House of Representatives which passed it yesterday. Suffice it to say that I consider it the most ill-advised, the most improperly worded, and the most selfish measure which has come to my attention.

My reason for interrupting the Senator from Wyoming—he does not know what I am about to say—is that, in my opinion, the bill would have been reported by the Senate Committee on the Judiciary, and, in my opinion, it would have been passed by the Senate as it was passed by the other House yesterday, had it not been for the almost single-handed efforts of the Senator from Wyoming.

In this respect I believe the Senator from Wyoming has served his country and has justified his reelection to this body by the people of his State, if he had never taken any other action than the one which he took in connection with this matter. He has been vigorous in opposing an ill-advised and selfish bill. The point he has been making should be stressed that it is not his view, as it is not my view, and, so far as I know, is not the view of any Member of the Senate, to seek the creation of any Federal bureau for the regular control of the business of insurance.

I have just observed that the Senator from Michigan [Mr. FERGUSON] has entered the Chamber. I wish to say that he was most helpful. I believe that all of us entertained exactly the same views. There are certain vicious and obnoxious and monopolistic practices which should be curbed, but, on the other hand, there are certain very necessary agreements which should be permitted for the welfare of the insurance business and of the country. The attitude of the Senate committee, the attitude of the Senator from Wyoming, and the attitude of the Senator from Michigan is that we are certainly not going to set up Federal regulation of insurance. We believe that the vices associated with the business should be curbed, but we also believe that necessary agreements should be permitted.

The Senate committee will endeavor to frame a measure which will continue the regulation of insurance by the States but will not forfeit the right of the Congress to prohibit vicious and evil practices on the part of any business, insurance or otherwise.

I thank the Senator from Wyoming for permitting me to interrupt him, but I wished to pay him the compliment which I have paid him, because he is entitled to it.

Mr. O'MAHONEY. The Senator is very gracious.

Mr. FERGUSON. Mr. President——

The ACTING PRESIDENT pro tempore. Does the Senator from Wyoming yield to the Senator from Michigan?

Mr. O'MAHONEY. I shall be glad to yield to the Senator from Michigan, but I should like first to conclude the statement I was about to make when the Senator from New Mexico [Mr. HATCH] asked to interrupt me. Mr. President, I have asked unanimous consent to have printed in the RECORD the recommendations which were made by the T. N. E. C.

I desire to read only one or two of them, and these I select because they illustrate the purpose of the monopoly committee to sustain and strengthen State regulation rather than to undermine it. This was one of the recommendations:

A Federal statute is recommended preventing life-insurance companies from using the mails, the radio, or other means or instrumentalities of interstate commerce to sell insurance in a State where they have not been lawfully admitted to do business.

Obviously, that was a recommendation which would strengthen the State regulation.

2. The National Bankruptcy Act should be amended to permit any State insurance commissioner to apply to the appropriate United States district court to bring about the liquidation or reorganization of a life-insurance company. If a company should be adjudicated bankrupt, the designated Federal agency or its nominee should be appointed to act as conservator and adviser during the readjustment of the company's affairs.

Bankruptcy legislation, under the Constitution, is within the Federal power. The public interest in the liquidation of insolvent interstate companies can be protected by Congress and State regulation can thereby be strengthened.

3. Officers and directors of the insurance companies operating in more than one State should be prohibited by Federal statute from using their positions for improper personal gain either directly or indirectly. The statute should also declare life-insurance officials not only in fact but in the eyes of the law trustees required to adhere to the strictest fiduciary standards, and appropriate civil and criminal penalties should be provided.

Mr. President, I have only one more request.

Mr. DAVIS. May I inquire what the Senator from Wyoming was reading from?

Mr. O'MAHONEY. I was reading from the recommendations of the Monopoly Committee, the T. N. E. C.

Last Friday the editor of the Spectator, an insurance publication published in the city of New York, came to Washington to interview me with respect to this problem of insurance. I dictated a statement to him which has been printed, I am informed, in the issue of the Spectator which went to the press on Wednesday night, and which is now on the stands. I shall read the first paragraph of this statement and then I shall ask unanimous consent that the remainder of it may be printed in the CONGRESSIONAL RECORD as a part of my remarks:

Opportunity is now presented to insurance leadership to perform a great service not only for those engaged in the business and those who are the purchasers of insurance, but for all industry. If private enterprise is to be maintained after the war it can be maintained only upon the basis of the abandonment of monopolistic practices by private groups. Whenever any combination of businesses, no matter what they are, undertakes to set up a reserve within which only the members of the combination can do business and from which all others are excluded, they create the conditions which bring about a demand for the invasion of that field of business by Government.

In the insurance controversy, a false issue has been raised from the very outset by the small group of fire-insurance representatives who have advocated repeal of antitrust laws insofar as the whole business is concerned. Their effort has been to convince the country that failure to exempt insurance from the antitrust laws would put an end to State regulation. That is definitely not the case.

Mr. President, I ask unanimous consent that the remainder of the statement may be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The remainder of the statement is as follows:

In the constitution and general rules of several of the fire insurance boards, there are to be found provisions like this one taken from the constitution of the Board of Fire Underwriters of the Pacific—"No member or its representative in any capacity shall accept business, whether as reinsurance or otherwise from a company not a member of this board." No State insurance law requires any group or combination of insurance companies to make or enforce any such restrictive provision. It constitutes a denial, without authority of any State law, of the right of members to accept legitimate business and it is an obvious restraint of trade imposed by the combination on its competitors who are not members of the combine. This illustrates what can be done in the insurance field by a system which will maintain State regulation of insurance and supplement that regulation through the antitrust law, prohibiting obviously unsound practices which no State requires.

There is a vast difference between the granting of a congressional license to those who are doing an insurance business to engage in monopolistic practices in the field of interstate and foreign commerce and the enactment of a Federal law which would permit insurance companies to form such combinations and associations as are essential to the maintenance of a solvent insurance system. I would be willing myself to cooperate in the drafting of appropriate legislation to permit the insurance business to continue joint rating bureaus, underwriters associations and other groups, the function of which is to bring about helpful cooperative action. But I know that if the insurance industry should insist upon obtaining the right to indulge with impunity in combinations which are intended to restrain legitimate insurance businesses, or in conspiracies which are intended to monopolize or restrain the insurance business, the only result will be irreparable injury to the insurance business and a sharpening of the demand for all-out Federal regulation.

The trend toward big government both here and abroad, has resulted from obvious abuses in business and industry. The only way to stop that trend is for business itself to take the lead in the abolition of abuses.

I am asking the insurance industry to recognize the fact which all the publicity to date has studiously avoided—namely that the decision of the Supreme Court in the Southeastern Underwriters Association case was not directed against State regulation but against judicial authorization of insurance combinations "to coerce, intimidate, and boycott competitors and consumers." As the majority opinion forceably put it, there can be no contention that the 75 years of judicial support of State laws to regulate insurance can be interpreted as meaning "that any companies have acquired a vested right to engage in destructive business practices."

A reading of the decisions rendered on June 5, 1944, by the Court in the Polish National Alliance case and in the Southeastern Underwriters Association case, including the dissents in the latter, can leave no doubt in any open mind that the business of insurance is commerce and when carried on among the States and with foreign governments is a business which is within the commerce clause.

A unanimous Court in the Polish National case held that the business of insurance affects interstate commerce to such a degree that there can be no doubt that the Federal laws respecting labor practices apply to this business. It would have been self-contradictory if the Court at the same time had said that the same Congress which had the authority to raise the standards of labor in the insurance business did not have authority to prevent the destruction of the insurance business by monopolistic practices.

Each one of the dissenting justices clearly stated in his dissenting opinion that insurance is commerce. Chief Justice Stone in his opinion said, in the very first paragraph: "I do not doubt that transactions across State lines which often attend and are incidental to the formation and the performance of an insurance contract, * * * are acts of interstate commerce subject to regulation by the Federal Government under the commerce clause." I ask the insurance industry to take note of this sentence from the dissenting opinion of the Chief Justice. It is a warning that if monopolistic abuses are not abandoned in the industry, the time will come when this power, this Federal power, which the Chief Justice recognizes will be used to regulate insurance.

Mr. Justice Frankfurter, joining in the opinion of the Chief Justice, declared: "The relation of the insurance business to national commerce and finance, I have no doubt, affords constitutional authority for appropriate regulation of the business of insurance—certainly not to a less extent than congressional legislation touching agriculture." Finally, Justice Jackson, the third dissenter, said: "I am unable to make any satisfactory distinction between the insurance business as now conducted and other transactions that are held to constitute interstate commerce."

There is no legal justification for the contention that the application of the antitrust laws to the business of insurance destroys State regulation as the Attorney General has pointed out in his statement issued since the decisions were handed down. The question of whether or not combinations in restraint of trade are prohibited in the insurance business by the antitrust laws was never passed upon by the Supreme Court before June 5, 1944. There was, therefore, no reversal by the Court.

Congress has never used all of the power given it by the Constitution. The mere fact that it has not used a particular power does not constitute any abandonment of that power. A dual system for the regulation of insurance by the States and the prevention of monopolistic practices by the Federal antitrust laws is perfectly constitutional and perfectly reasonable. Indeed, Justice Jackson pointed this out in his dissent when he said: "Congress also may, without exerting its full regulatory powers over the subject, and without challenging the basis or supplementing the details of State regulation, enact prohibitions of any acts in pursuit of the insurance business which substantially affect or unduly burden or restrain interstate commerce."

I am confident that insurance executives who know perfectly well to what extent foreign commerce is controlled by the groups which control reinsurance can, if they will, take the lead now in the establishment of a constructive insurance system which at one and the same time will protect State regulation, maintain the insurance industry on a solvent basis, and break down the traditional restrictive practices which have served

not only to establish a tendency toward monopoly in the United States but to make it difficult for American business to compete for world trade with the business leaders of the British Empire.

Now that we are undertaking to establish world commerce in the air, it is more important than ever that the power of insurance to stimulate, maintain, and protect the foreign commerce of the United States should not be weakened.

Mr. O'MAHONEY subsequently said: Mr. President, by direction of the subcommittee of the Judiciary Committee which has been studying the insurance problem, I ask unanimous consent to have printed in the Appendix of the RECORD an important statement made by the Attorney General of the United States, Mr. Francis Biddle, to the subcommittee this afternoon. It deals with the attitude of the Department of Justice toward the insurance companies in the light of the recent decision by the Supreme Court in the Southeastern Underwriters case. It is a declaration by the head of the Department of Justice that no new action will be taken by the Department for the prosecution of any cases pending an opportunity by the State, the Congress, and the insurance companies to digest the effect of the decision of the Supreme Court.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. FERGUSON. Mr. President, will the Senator now yield?

Mr. O'MAHONEY. I yield to the Senator from Michigan.

Mr. FERGUSON. Mr. President, the subcommittee that has charge of this particular legislation met this morning and I am sure that we arrived at a better understanding as to what may be done regarding this bill. The Senator from New Mexico [Mr. HATCH] has expressed the prevailing sentiment, that none of us at that meeting this morning felt that there should be a bureau created in the Federal Government that would take over insurance. We had in mind, I am sure, and agreed, that that would not be a good thing for the insurance business. But certain things are essential, at least in the opinion of many of the States, and one is a rating bureau. Some of the States compel the insurance companies by law to have a rating bureau and others make it discretionary, as my own State, the State of Michigan, does. I believe there are two States that prohibit rating bureaus. Recently the Congress indicated its belief that a rating bureau is a good thing, because it passed and the President signed a bill providing for a rating bureau in the District of Columbia.

I, for one, have always opposed monopoly. I think that cartels and monopolies should not be permitted. However, the insurance companies in making rates find it necessary that they should have some kind of an agreement as to what is a fair rate. Under the law the States can regulate the rates. I, for one, believe—and I found agreement in the committee this morning on this point—that, as much as possible, regulation should be by the States.

However, there may be some vicious practices growing out of rating, which is believed, at least by some insurance companies, to be essential, that could not be permitted under Federal law. We do, however, find that for many years the States have had charge of the insurance business, and I for one want to say that I think many of the States have done a very poor job in regulating insurance. I think that if nothing else comes of the hearings before our committee, we may awaken in the minds of some insurance commissioners and the people back home that they ought to spend more time and effort in making rules and regulations which will eliminate any vicious practices from the insurance business. Some of them have taken for granted that if they have an insurance commissioner the business is properly regulated. I think that we here in Congress ought not only to encourage States regulating this particular business, but other businesses as well, because I believe that if regulation is needed it is better that it be done by those who are close to the people at home rather than by bureaus in Washington.

Mr. O'MAHONEY. Mr. President, if the Senator will permit me——

Mr. FERGUSON. I yield.

Mr. O'MAHONEY. It may be appropriate to remark at this point that the Convention of State Insurance Commissioners has within the week appointed a special committee to look into the matter and to make a report as I recall by the 1st of September.

Mr. FERGUSON. Mr. President, we do, however, find ourselves in this predicament: The insurance companies have the rating bureaus which can be considered, and I think rightfully considered now, a violation of the antitrust law, the Clayton and Sherman Acts. The Congress has no right even to suggest to the Attorney General what his action should be in relation to the rating bureau, for instance, and some other things which State laws require.

So the committee at about 4:30 o'clock today will have before them Mr. Biddle and afford him an opportunity to express any opinion he may entertain in order that those who are conducting this business may have a guide, or at least know the attitude of his Department while the committee is going along and investigating the bill.

I for one feel that we should work as speedily as possible, yet do as good a job as possible on the bill, so that when it reaches the floor it will have the mature judgment of all the members of the subcommittee and of the Judiciary Committee.

In the meantime, the Attorney General may advise as to what he does intend to do in relation to the Supreme Court decision, or the law as we now find it to be.

Mr. O'MAHONEY. Mr. President, I may add to what the able Senator from Michigan has very properly stated that Congress within 6 weeks has passed a bill providing for a rating bureau to be maintained in connection with the operation of insurance in the District of Columbia. That bill was known to us, the pendency of the bill was known, and considered by the members of the subcommittee, although it came out of the Committee on the District of Columbia.

I can say to the insurance industry that the fact that that bill was passed without controversy is in itself an indication that the Congress does not regard, and certainly I do not regard, the institution of a rating bureau as a monopolistic practice. Combinations can be made for wholly beneficial purposes. My whole point has always been that those combinations which the insurance industry desires to make should have a clearance from some authoritative spokesman of the public interest.

TREATMENT OF THE INDIANA CORN AND HOG FARMER

Mr. JACKSON. Mr. President, I know that my distinguished colleague the Senator from South Carolina [Mr. MAYBANK] has something to present to the Senate, and I ask him whether he desires to have me yield to him. I should be happy to defer to him to take the floor for his remarks, and I proceed at the conclusion of his remarks.

Mr. MAYBANK. I am very grateful to the distinguished Senator from Indiana, but the few remarks I have to make I shall make at the conclusion of his address.

Mr. JACKSON. Mr. President, I realize that we are in the press of business in the Senate today in an effort to arrive at a point where the Senate may safely recess, but I must take time to make at least a brief statement with reference to a situation which, unless speedy and decisive steps be taken, will prove most devastating.

Indiana, like Illinois, and your own good State of Iowa, Mr. President, and some others in the Midwest, is what is generally called a corn-hog State. That is, we in the Midwest, in our rural areas, have continually emphasized the safeguards to the family-sized farm in all our agricultural thinking. We regard the family-sized farm as the ideal unit of country life.

The Indiana farmer especially, therefore, is forced, with others, to depend for his economic survival upon the vicissitudes of the market, experiments of government honestly applied for his relief, crop rotation and diversification, weather hazards, and the like. But there are always the hogs in the field or in the lot, either many or few. No Indiana farmer is happy without the thought that he can always fall back upon his hog crop in times when he needs ready cash.

There is no more patriotic citizen in this Republic than the Indiana farmer. He has given his sons to the wars. He has sent his daughters to the industries. He has bought War bonds. In war and in peace he has prospered his country by his industry. He has honored it by his integrity, and he has strengthened it with his loyalty.

Some time ago, officers of Agricultural Adjustment Associations, managers of Rural Electrification Corporations, field agents of Production Credit Associations,

county agricultural agents, local representatives of the United States Department of Agriculture, and community leaders, all urged the Indiana farmers to maintain a high rate of pork production, and do it as a patriotic duty. These farmers were honestly assured at the time that they would receive at least the Federal War Food Administration floor prices for their hogs. Relying upon these reassurances, the farmer did what he has always done. He cooperated in good faith. He has produced for the 1943–44 market one of the country's largest hog crops.

I cannot forego the observation that you yourself, Mr. President (Mr. GILLETTE in the chair) are from a corn-hog State, and you know something of the situation in which the farmer finds himself in the Midwest, when he gets his hogs ready for the market. I know, your colleagues know, and I should want the people of your good home State to know, the long hours you have devoted to the study of this hog problem.

I also see the senior Senator from Illinois [Mr. LUCAS] in his place, and I know he has cooperated with you and his other colleagues, and myself and he, too, is to be congratulated upon his great statesmanship and his contribution to this detail, a detail that is of vital concern to the farmers of Illinois, Indiana, and Iowa.

The farmer starts to town with his truckload of that which has consumed his corn and other valuable feed. His money, Mr. President, is in his truck body as he pulls into the stockyard. In good faith he has placed it there. He is firm in the conviction that he will be paid a floor price or better for these hogs upon duly established weight classifications. But when he is ready to unload his hogs, or when he has unloaded them, he finds he is no longer the master of his own plans. He has been in error in his mental calculations as to the amount of money he will have in his pocket when he pulls his truck out empty. He finds that he is the victim of circumstances beyond his control, and apart from his prudent, honest expectations. He can take his hogs back home, he can let them stand around the stockyards a day or so, wearing off weight, or he can take a price below the floor price established for the area and promised by the Government.

Practices of shifting weight classifications, forced intermingling of hogs of various weight classifications, and other devices bring the farmer to a place where weight classifications and corresponding floor-price guaranties are no longer a verity. The full discussion of methods used by which the farmer suffers must be left for amplification when there is more leisure and when the subject can be treated by men fresh from the scene at the stockyards, where all this actually occurs.

The fact is, the intent of the floor regulations is being evaded, and the farmer suffers. Pork products are retailed to consumers on the basis of O. P. A. ceiling prices, independent of prices paid to the farmer.

Packers are subsidized $1.30 per hundredweight on all pork products slaughtered regardless of weights to enable them to pay floor prices or better for live hogs. We do realize that the increased purchasing power of masses of our people have lowered the demand for cheaper cuts of pork. There can be no doubt that the pork crop may be too large, and I appreciate that these facts present vexatious factors in the solution of the problem.

I am not wise enough to say where blame should be placed. I do not criticize any particular person or class. I have appealed to the Secretary of Agriculture and to the War Food Administration, and I have found all these officials alert to the situation and apparently doing all they can to accomplish a remedy.

Mr. President, the reason I am taking the time of the Senate today is to call general attention to a situation, to a set of facts, to a disastrous condition of affairs. I express the hope and confidence that appropriate Federal authorities will stick to the task of correction.

We must keep faith with the hog producers by making the support prices apply to all weights of hogs, thereby eliminating "floor dodging." The farmer must have the assurance if packers resort to unusual practices not common prior to floor regulations, thereby securing unusual shrinkage in weight or otherwise evading the intent of the floor's objective, they will thereby be disqualified for subsidy payments. The hog-marketing system in Indiana must be further investigated to assure that all marketing practices are honest and the spirit of existing regulations be made the letter of their enforcement.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. LUCAS. The Senator from Indiana is making a very interesting and very constructive address to the Senate, and I sincerely hope that those in charge of the War Food Administration, who have been given authority by Congress to carry out this program, will heed the remarks of the able Senator from Indiana.

When the Senator speaks of an investigation, I wonder whether he means or suggests that the Congress of the United States, or some special committee set up by the Senate, should make an investigation at this particular time with respect to the conditions the Senator has so ably described in his address.

Mr. JACKSON. Mr. President, I am of the opinion that the farmers of the State of Illinois and of Indiana cannot wait for a special investigation to be made. This is a matter which can and should be handled by existing governmental agencies, agencies already established for the protection of the people of the Republic, and in this particular case established for the protection of the farmer. It is my opinion that we should not now undertake by means of a long and continued Senatorial or House investigation to determine what is clearly obvious to any man in the Federal departments who will go with the farmer on his truck to the stockyard and see what happens to him and his truckload of hogs.

So I say, in response to the distinguished Senator from Illinois, that I do not suggest any process of Senatorial or House investigation, but I do commend the present existing agencies for what they have done so far, and urge upon them vigorously and persistently to continue in an immediate and direct determination of what situations actually exist in the matter of hog marketing. That is what I plead for. Nothing less than that will save the hog farmers of Indiana.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. JACKSON. Yes; I yield to the Senator from Illinois.

Mr. LUCAS. I am very happy to obtain the response from the Senator from Indiana with respect to the question of a congressional investigation of this important subject. I concur in what the Senator has said, that something should be done immediately, and that we should not wait through the summer months for a long-winded congressional investigation to take place, with the holding of hearings in Indiana and Illinois and other States, for the purpose of calling farmers, packers, and other individuals before the committee to ascertain what the facts are, because the Senator from Indiana, the Senator from Illinois, and other Senators interested in this very vital question know now what the facts are. So do the individuals in the departments understand what the facts are. I say with all due deference to everyone, that the officials in the departments are making an honest attempt to solve this problem. It is a difficult problem. Under no circumstances should the Government fail the farmer in the support price that he is promised. I care about intermingling of weights. I care what the packers are attempting to do, assuming they are profiting at the expense of the farmer. Those in authority know how to find out whether that practice is going on, and to correct it at once.

The farmer has been asked repeatedly by the Government in this great crisis to produce the pork needed not only to feed the Nation, but the people of other nations. Regardless of the great number of hogs that are being produced, under no circumstances should the Government let that hog farmer down, in view of the urgent pleas made from time to time.

The Senator from Indiana has done a real service in bringing this question squarely to the attention of those in charge of the administration of the program. We do not need a senatorial investigation of the question. The facts are as plain as the nose on one's face. Everyone knows what is going on. Those in the War Food Administration have their investigators in the field. They know that the hog markets are glutted.

Mr. President, recently when I was back in my home State of Illinois a farmer came to me and said that the market at Peoria was so overrun with hogs that it wou'd take 30 days before he could deliver the crop of hogs he had raised that year. The farmer is not at fault for the existing situation. The

stockyard man in Peoria is not at fault. It is simply a question of failing to have the facilities to be able to market the hogs, and finally slaughter them in the way they should be. So the farmer had to take the hogs back home, and during the next 30 or 40 days, before he is able to deliver them, a great number of the hogs may go over the 270-pound mark, and then he is caught both ways as the result of that uncontrollable situation.

Under those circumstances, Mr. President, the farmer is entitled to all the relief that a grateful Government can afford, because the Government has initiated the program in the first instance, and rightfully so.

So far as a congressional investigation is concerned, however, Mr. President, in the humble opinion of the Senator from Illinois, it will only add chaos to an already confused condition. I think I understand about congressional investigations which are being conducted throughout the country. We have more investigations going on at this particular moment than at any time since I have been a Member of the United States Senate.

Everybody wants to investigate something. I wonder why? We do not need an investigation. I have listened to the testimony of representatives of cattle producers before the Committee on Agriculture and Forestry. We have had all kinds of minor investigations from time to time, upon every phase of the cattle, hog, and feed question. Everyone knows what the corn situation is with respect to the lack of corn. The facts now are known. If we string out a congressional investigation from now until the election in 1944 the farmer in my section of the country will still be without adequate facilities to take care of the hog situation which exists. I have hogs on my farms in Illinois, and I believe I know something about the problem. I am interested in the farmers of America. I do not say this egotistically, but I have been a Member of Congress for 10 years, in the Senate and in the House. During all that time I have been on the Agriculture Committee of one body or the other, and I believe I know the farmer's problem. The farmer wants to have something done immediately in connection with the hog situation. He does not wish to wait for a group of Senators and Representatives to come out to his section of the country, and travel to Peoria, Indianapolis, Omaha, or to some other place 50 or 75 miles away to listen to a great deal of testimony. He is too busy doing something else to be entertained by a group of Senators visiting his section of the country and doing all the talking.

I have been around some of these investigating committees. I have heard many of the witnesses testify. Senators usually do most of the talking, rather than listening to the witnesses testify. They make long-winded arguments from the time they arrive until they leave.

I am sorry I have taken so much of the time of the Senator from Indiana, but I am glad he agrees with me with respect to the question of investigation. I have seen many investigations. I have watched their progress from the floor of the Senate, and from committee rooms. An investigation is based upon one predicate, and that is, that something relating to legislation must be reported. I should like to know how a committee of this kind could go into the States of Illinois, Iowa, and Indiana and bring back something in the way of legislation which would help the hog farmer at this particular time. He is suffering as the result of the facts which the Senator from Indiana has disclosed. It is simply not in the books. Not 1 investigation out of 10 ever reports any facts to the Senate with respect to legislation. I know what I am talking about, because I am chairman of the Committee to Audit and Control the Contingent Expenses of the Senate. Investigations are going on all the time. Obviously some are necessary—the majority are not.

I thank the Senator from Indiana for yielding to me. I am sorry to have taken so much of his time.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. BUTLER. I was absent from the Chamber when this eloquent debate started, but I gather that some suggestion must have been made as to an investigation. This is the first I have heard of it.

I also gather from the remarks of the Senator from Illinois that he already has all the answers to the problems which face the corn and hog producers, more especially the hog producers. I should like to get the answer to the situation in which the hog producer finds himself at the moment. He has been guaranteed a price by the Government. He is not getting it. What I want is the answer to that problem.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. LUCAS. What is the Senator going to do about it? Shall we fool along with an investigation from now until next Christmas?

Mr. BUTLER. I did not ask the Senator about an investigation.

Mr. LUCAS. That is what we are talking about.

Mr. BUTLER. I know nothing about an investigation; but the Senator from Illinois seems to have all the information now, and does not need an investigation. Therefore he should answer the question now. What are we to do?

Mr. LUCAS. We certainly do not need any investigation to know that the farmer cannot get his hogs to market or that the support price is faltering. That is common knowledge to all. That is what the farmer is interested in at this particular time. He does not want to listen to a group of Senators in the Mid-West telling him how to get his hogs to market or that the support price is not being complied with.

Mr. BUTLER. Too many farmers are getting their hogs to market now, and are not receiving within two or three or four dollars a hundred of what the Government promised to give them.

Mr. HATCH. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. HATCH. I think the whole discussion has already passed the point. I was about to ask who has the floor.

The ACTING PRESIDENT pro tempore. The Senator from Indiana [Mr. JACKSON] has the floor.

Mr. JACKSON. Mr. President, I do not know what word the distinguished Senator from Nebraska [Mr. BUTLER] used in describing what is going on on the floor of the Senate. I thought he said "hullabaloo." I hope he did not use that word, because my distinguished colleague from Illinois [Mr. LUCAS] is entitled to something more complimentary than that.

Let me say for the information of the distinguished Senator from Nebraska that I took the floor in these last precious minutes to call the attention of the public and the Senate to the fact that the already established agencies for the protection of the farmer in the marketing of his hogs should have our complete confidence and support. I conclude with that statement.

The distinguished Senator from Illinois has made some extensive remarks, all of which I appreciate. I completely agree with that part of his remarks in which he said that the farmers in our hog-producing States cannot be helped by delay. Our farmers need help, not next December but next week. So on this last day of the session, which will probably be the last opportunity before we go home for a precious month or two, I wished to do all that lay in my poor power to call attention to what is being done, and to ask everyone who may take cognizance of these feeble remarks to give the established agencies for the protection of the farmer his full confidence and support. The Secretary of Agriculture himself is a hog farmer from my own State, and a careful laborer upon this problem. The Secretary of Agriculture and those in the War Food Administration should have our full support. Nothing less than that will save the hog farmers of Indiana.

PROPOSED ABOLITION OF ELECTORAL COLLEGE METHOD OF ELECTION OF PRESIDENT AND VICE PRESIDENT

Mr. GUFFEY. Mr. President, in the morning newspaper I read an Associated Press dispatch from Austin, Tex., which I shall now read:

UNPLEDGED ELECTORS WIN—FOURTH-TERM DEMOCRATS LOSE APPEAL IN TEXAS SUPREME COURT

AUSTIN, TEX., June 22.—The Texas Supreme Court today upheld the State Democratic Party's traditional system of selecting Presidential electors, who this year are not bound to support the party's nominees unless the national party meets certain demands.

The court denied application by pro-Roosevelt forces for a mandamus which would have compelled the party's executive committee to certify names of pro-Roosevelt electors, chosen at a rump convention, for printing on the July 22 primary ballot.

The regularly constituted convention has already certified its elector nominees to the secretary of state for printing on the general election ballot.

These electors are not bound to support the party nominees unless the national convention restores the two-thirds rule for nominating candidates for President and Vice President and unless it adopts a platform plank condemning the United States Supreme Court decision permitting Negroes to vote in Texas primaries.

After reading that, I decided in my own mind that the only step left for me at this time was to introduce a joint resolution changing the method of electing the President and Vice President, and doing away with the electoral college. I send the joint resolution to the desk and ask unanimous consent to have it printed in the RECORD at this point as a part of my remarks.

There being no objection, the joint resolution (S. J. Res. 143) was ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That an amendment is hereby proposed to the Constitution of the United States which shall be valid to all intents and purposes as part of the Constitution when ratified by three-fourths of the legislatures of the several States. Said amendment shall be as follows:

"ARTICLE —

"SECTION 1. The executive power shall be vested in a President of the United States of America. He shall hold his office during the term of 4 years, and together with the Vice President, chosen for the same term, be elected as herein provided.

"The electoral-college system of electing the President and Vice President of the United States is hereby abolished. The President and Vice President shall be elected by the people of the several States. The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature. Congress shall determine the time of such election, which shall be the same throughout the United States. Until otherwise determined by the Congress, such election shall be held on the Tuesday next after the first Monday in November of the year preceding the year in which the regular term of the President is to begin. Each State shall be entitled to a number of electoral votes equal to the whole number of Senators and Representatives to which such State may be entitled in the Congress.

"Within 45 days after such election, or at such time as the Congress shall direct, the official custodian of the election returns of each State shall make distinct lists of all persons for whom votes were cast for President and the number of votes for each, and the total vote of the electors of the State for all persons for President, which lists he shall sign and certify and transmit sealed to the seat of the Government of the United States, directed to the President of the Senate. The President of the Senate shall in the presence of the Senate and House of Representatives open all certificates and the votes shall then be counted. Each person for whom votes were cast for President in each State shall be credited with such proportion of the electoral votes thereof as he received of the total vote of the electors therein for President. In making the computations fractional numbers less than one one-hundredth shall be disregarded unless a more detailed calculation would change the result of the election. The person having the greatest number of electoral votes for President shall be President. If two or more persons shall have an equal and the highest number of such votes, then the one for whom the greatest number of popular votes were cast shall be President.

"The Vice President shall be likewise elected, at the same time and in the same manner and subject to the same provisions, as the President, but no person constitutionally ineligible for the office of President shall be eligible to that of Vice President of the United States.

"SEC. 2. Paragraphs 1, 2, and 3 of section 1, article 11 of the Constitution and the twelfth article of amendment to the Constitution, are hereby repealed.

"SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission."

Mr. GUFFEY. In the last election the States which are now objecting polled more than 25 percent of the electoral vote of this country, and placed in the ballot box only a trifle more than 10 percent of the popular vote. I think it is well to call that to the attention of the voters of the country. I know that this joint resolution cannot be acted upon before we adjourn.

There are some defects in the present electoral college system. Its most apparent defects may be briefly summarized:

First. The electoral college is an unnecessary go-between between the will of the people and the final choice for President and Vice President.

Second. It is undemocratic in that it disenfranchises a large segment of the popular vote by ignoring the minority vote.

Third. It encourages nonvoting by minorities in States that are known to be definitely one party or the other.

Fourth. It can thwart the will of the people as it did several times in our past history. John Quincy Adams became President although Andrew Jackson received the majority of popular votes as did Rutherford Hayes when Samuel J. Tilden had the majority vote and as did Benjamin Harrison, although President Cleveland received the larger majority popular vote.

Mr. President, I ask that the joint resolution be appropriately referred.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Without objection, the joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 143) relating to the election of President and Vice President, was read twice by its title and referred to the Committee on the Judiciary.

Mr. MAYBANK obtained the floor.

Mr. HATCH. Mr. President, will the Senator yield to me?

Mr. MAYBANK. I yield.

Mr. HATCH. Mr. President, I merely rose to make a remark which perhaps I have no business to make. I have lived within 10 miles of the Texas border all the days of my mature life. I know as many Texas people as I know New Mexico people. Recently there has been much discussion in the newspapers about betrayal of public interests, and that the electors selected will not vote according to the will of the people. With respect to that matter, I merely wish to make my own observation, which, of course, it is not binding on anyone. But, from what I have seen of Texas people, and I will also say this with respect to South Carolina people, although I have not known as many South Carolinians——

Mr. MAYBANK. I thank the Senator.

Mr. HATCH. I do not care what electors are chosen. But if I know Texas people, and if I know southern people generally, they are honorable people. I should like to emphasize the fact that they are honorable. I am not worried at all about the present situation, because I think the electors in Texas and the electors in South Carolina will do the honorable thing and will vote according to the expressed will of the people. If they do not, Mr. President, I shall be a very sadly disillusioned and disappointed man. I would stake a great deal on the statement I have just made.

Mr. CONNALLY. Mr. President, will the Senator yield to me for a few minutes?

Mr. MAYBANK. I yield.

Mr. CONNALLY. I was not in the Chamber during the address of the Senator from Pennsylvania, but I understand he made some allusion to the decision of the Supreme Court in the Texas election litigation. Of course the Supreme Court is a separate branch of government from the legislative branch, and we have no direct control over its judgment and decisions, which of course is proper under our system of government, and that principle is one for which I have fought on the floor of the Senate and elsewhere. However, I wish to say that the decision in that case, I feel sure, shocked the bar of the United States. It overruled a unanimous decision of the Court, as I now recall, which was rendered in 1935. The 1935 decision held that so long as the requirements as to qualifications of voters participating in a party primary were laid down by the party itself, the fourteenth amendment was not in any wise violated, because it was not State action.

I simply wish to enter my dissent here to the philosophy of the recent decision, which overruled the 1935 unanimous decision. The unanimous decision was participated in by many of the great jurists of the country, including the then Mr. Chief Justice Hughes, the present Chief Justice, Mr. Stone, the late Mr. Justice Brandeis, who could not be called either a reactionary or a conservative, and many other jurists of a liberal turn of mind. I wholly dissent from the decision in the recent case. I think it was an error. Of course, there is nothing we can do about it except to protest it. I simply wish the RECORD to show that I heartily disagree and dissent from the opinion of the Court in that case.

Mr. MAYBANK. Mr. President, I rose to speak on another subject, not knowing that the Texas decision would be discussed.

When the decision of the Supreme Court of the United States was first announced in reference to the Texas election laws it was my privilege as the junior Senator from South Carolina to speak in the Senate on that decision as to its effect upon South Carolina.

Of course, I would make no statement regarding the people of Texas, because

that is the business of their Senators and Representatives.

However, following my speech, I forwarded the decision by air mail to the Democratic leaders of South Carolina, at their request. The Governor then called a special session of the legislature, and the Legislature of South Carolina in special session repealed approximately 147 laws, so that our white primaries could in no way be affected by the decision of the Supreme Court of the United States.

My purpose in mentioning this is to show how the people of my State felt about the decision, because there was no dissenting vote in the legislature and not a dissenting voice during the 1 week of the special session in which we adjusted our laws to make certain that we would maintain our white Democratic primary.

When I spoke in the Senate I stated that, regardless of decisions or laws, we would maintain our white primary, and this we have done through the Legislature of South Carolina, which, in the end, under the Constitution of the United States, has the right to pass whatever laws be necessary regarding the elections of those to represent us either in Congress or the electoral college.

THE O. P. A. COTTON TEXTILE ORDER

Mr. President, I rose to speak in appreciation on the passage by the Congress of the United States of an amendment introduced by the distinguished senior Senator from Alabama [Mr. BANKHEAD], in connection with cotton and cotton textiles, providing for amendment of the price-control law. Of course, the conferees made some change in the amendment. In the Senate the vote was close. The fight for more than 2 months was hard, and the hearings prolonged. But I remarked to the distinguished senior Senator from Alabama, when he said good-bye to me yesterday, that in my judgment it was the greatest constructive piece of legislation passed by this body, so far as the home front is concerned, and he was responsible for it in the Senate. Cotton consumption had continued to decline from last year; the price of cotton had continued to go down. The shelves in the stores were bare of work clothes, and the type of clothing which is so necessary to the poor people of America was missing from the shelves.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. MURDOCK. I merely wish to say that any accomplishment by the distinguished senior Senator from Alabama [Mr. BANKHEAD], to which the distinguished junior Senator from South Carolina [Mr. MAYBANK] has referred, could not have been made by him alone; and I wish to say that on the Banking and Currency Committee the Senator from South Carolina, who has just been speaking, the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Mississippi [Mr. EASTLAND], and other southern Senators certainly rendered yeoman service in their cooperation with the Senator from Alabama

Mr. MAYBANK. Mr. President, I am very grateful for the kind words the distinguished junior Senator from Utah has uttered about those of us of the South. Certainly, we worked together.

Mr. President, again referring to the amendment and the final conference agreement, let me say a great service was rendered. When I have completed my few remarks I shall ask to have printed in the RECORD the conference agreement so that all may know of the great benefit which I hope will accrue to the cotton farmer, the textile worker, and the textile industry.

Mr. President, while the conferees were meeting and could not reach an agreement that would be satisfactory and I was told that the legislation faced a veto, let me say that a former distinguished member of this body whom I succeeded, the former Mr. Justice Byrnes, conferred with some of the conferees and with the officials of the other Government agencies and the President. Mr. Byrnes knows the cotton situation. He knows the problems of the cotton farmer. He knows the problems of the textile operators and well does he know the cotton textile industry. He has studied the industry in this country and studied the industry in many parts of the world, as a Senator from South Carolina.

His home is Spartanburg, S. C., which is in the center of the industrial section of South Carolina. In this section 90 percent of the print cloth of America is manufactured and nearly all of the industries are connected with cotton and textiles.

Finally, through Mr. Byrnes, the compromise was agreed upon, and it is my information that the President will sign the legislation. Therefore, Mr. President, extended hearings of our committee on the textile industry, on parity for cotton, and other important matters have been of great benefit. From these hearings and from the compromise finally reached legislation of great benefit has been satisfactorily agreed upon.

Mr. Byrnes as Senator in 1940 introduced legislation to swap cotton for rubber. Some was exchanged with England. If his thoughts had been carried out, our surplus cotton would have moved out and the synthetic rubber program could have been limited.

We in South Carolina appreciate Senator BANKHEAD'S tireless fight and the assistance given and the work done by Mr. Byrnes through the executive department.

I am certain, Mr. President, that before we return after the recess we shall see in the stores of America more cheap cotton goods. I am certain that the decline in consumption, which has been so rapid for several months, will discontinue. I am in hope that the price of cotton will remain at parity so that the farmer, the worker, the textile operators, and the people throughout the United States may benefit.

Mr. President, coming from a State having the largest number of active cotton-textile spindles of any State in the Nation, I believed that it was my duty as well as my privilege to make the few remarks which I have made.

I ask that the portion of the conference report relating to cotton commodities and textiles be printed in the RECORD at this point.

There being no objection, the matter referred to was ordered to be printed RECORD, as follows:

AMENDMENTS TO SECTION 3 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

SEC. 201 (a) The first proviso contained in section 3 of the Stabilization Act of October 2, 1942, as amended, is amended to read as follows: "*Provided*, That the President shall, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section."

(b) Section 3 of such act of October 2, 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price for any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity which will reflect to the producers of such agricultural commodity a price below the highest applicable price standard (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) of this act.

"The President, acting through any department, agency, or office of the Government, shall take all lawful action to assure that the farm producer of any of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of any agricultural commodity with respect to which a public announcement has been made under section 4 (a) of the act entitled 'An act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes,' approved July 1, 1941, as amended (relating to supporting the prices of nonbasic agricultural commodities), receives not less than the higher of the two prices specified in clauses (1) and (2) of this section (the latter price as adjusted for gross inequity).

"The method that is now used for the purposes of loans under section 8 of this act for determining the parity price or its equivalent for seven-eights inch Middling cotton at the average location used in fixing the base loan rate for cotton shall also be used for determining the parity price for seven-eighths inch Middling cotton at such average location for the purposes of this section; and any adjustments made by the Secretary of Agriculture or the War Food Administrator for grade, location, or seasonal differentials for the purposes of this section shall be made on the basis of the parity price so determined."

AMENDMENT TO SECTION 8 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

SEC. 204. Section 8 (a) (1) of such act of October 2, 1942, as amended (relating to loans upon cotton, corn, wheat, rice, tobacco, and peanuts), is amended by striking out "at the rate of 90 percent of the parity price" and inserting in lieu thereof "at the rate in the case of cotton of 92½ percent, and at the rate in the case of the other commodities of 90 percent, of the parity price." The amendment made by this section shall be applicable with respect to crops harvested after December 31, 1943. In the case of loans made under such section 8 upon any of the 1944 crop of any commodity before the amendment made by this section takes effect, the Commodity

Credit Corporation is authorized and directed to increase or provide for increasing the amount of such loans to the amount of the loans which would have been made if the loan rate specified in this section had been in effect at the time the loans were made.

THE ELECTORAL COLLEGE

Mr. PEPPER. Mr. President, I have seen the Senate joint resolution which has been introduced by the junior Senator from Pennsylvania [Mr. GUFFEY] proposing a constitutional amendment affecting the electoral college. It is my understanding that the joint resolution is a companion measure to a joint resolution introduced in the House of Representatives by Mr. CELLER, Democratic Representative from the State of New York.

I rose, Mr. President, to deplore the conditions and the situation which makes the occasion for the introduction of those joint resolutions. We of the South are concerned over the ominous character of certain actions and declarations which have recently been taken and made in the South. I do not rise to appear to transgress upon the territory of any State other than my own, or to endeavor to comment upon its internal affairs. But, Mr. President, when a State convention, calling itself the duly accredited Democratic authority of a great State, takes action, the inevitable legal effect of which is to make it impossible for the citizenry of that State, consisting of millions of people, to vote for the nominee of one of the major political parties of this country, even if that nominee be the President of the United States and the Commander in Chief of the Army and Navy, it is a very serious situation. It is a very dangerous threat to the institution of democracy itself.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HATCH. Does the Senator from Florida intimate that the electors from any State would have the temerity to override the wishes of the majority of the citizens of the State?

Mr. PEPPER. Mr. President, I am glad the able Senator from New Mexico has asked that question. Personally, I have the confidence which the able Senator himself expressed a few moments ago, that no elector would violate the rule and understanding which has been in existence for more than a century, that he serves in a representative and not in an independent capacity when voting for the President and Vice President of the United States.

Mr. HATCH. Mr. President, will the Senator further yield to me?

Mr. PEPPER. I yield.

Mr. HATCH. I would make a stronger statement than that. I would say that the electors of this Nation for more than 100 years have served merely in a clerical capacity in casting their votes on the basis of the ballots cast by their constituents in a general election.

Mr. PEPPER. The able Senator from New Mexico is absolutely correct in what he has said. I do not have before me the two instances which I have in mind, but I recall that in one of the two instances which the Library of Congress was able to find for me, the electors acted contrary to the vote of the people relative to the Presidency and the Vice Presidency in a general election. It occurred with reference to Jefferson. One elector violated the directives of his State and voted for John Quincy Adams. In another instance an elector did the same thing. I do not now remember the details. But, Mr. President, for more than a hundred years no elector has taken the position that he was a part of a little oligarchy which had absolute power to thwart the will of the people of his State, and for his own purpose presumed to cast his vote for President or Vice President of the United States.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HATCH. I wish to say to the Senator from Florida, and to the people of the Southern States also, if what the Senator has said occurred should occur again, and if electors should choose to override the will of the people of the State, the people would change the Constitution quicker than it was changed by the repeal of the eighteenth amendment, because the people will not stand for that sort of thing.

Mr. MAYBANK. Mr. President, will the Senator from Florida yield to me in order that I may propound a question to the distinguished Senator from New Mexico?

Mr. PEPPER. I yield.

Mr. MAYBANK. I am very much interested in the discussion which is taking place. I wonder if the Senator from New Mexico has considered the question why it would be necessary to thwart the will of the people when the people themselves can vote only through their electors and those electors have told the people how they would vote. I wonder if the Senator from New Mexico has given any thought to that point. I may say to him that the voters do not vote directly for the President.

Mr. HATCH. No.

Mr. MAYBANK. The President's name is not on the ballot. The voters vote for electors and the electors are supposed to tell the people how they will vote in the electoral college.

Mr. HATCH. Mr. President, I do not wish to become involved in a discussion of any local situation, but I know that the people do not have a choice. They have no method of expressing their views. If an elector's name appears on the ticket he will be voted for because his name appears on the ticket, and no other method is provided.

If they take advantage of that situation, mark my words, Mr. President, the Constitution will not long remain, because the people of this country have a right to choose their President, and if any little group of men in any State deprive the people of that right, they will find themselves ostracized and the Constitution, if necessary, amended and changed.

Mr. MAYBANK. Mr. President, if the Senator from Florida will pardon me——

Mr. PEPPER. I yield.

Mr. MAYBANK. I should like merely to state to the distinguished Senator from New Mexico that I thoroughly agree with him that the people have a right to vote for President of the United States. If the people want the right to vote for Mr. Dewey, if he is a candidate, they have that right; if they want to vote for President Roosevelt, if he should be a candidate, they should have that right. In the end the people should have the right to vote for one or the other or anyone they please under State laws.

Mr. HATCH. I merely state to the Senator from South Carolina that he has exactly stated my position. The people ought to have the right to vote their preference, and no man, no group of men have the right to deprive the people of their choice.

Mr. PEPPER. Mr. President, that is the point to which I wanted to address myself. No one can complain of a choice which is presented to the people, but under the situation which will prevail in some States, from what I have read in the newspapers, the people will not have the legal opportunity to vote for the nominee of the Democratic National Convention unless conditions prescribed by a State convention which chooses electors are complied with by the national convention. That simply means, for example, that if President Franklin D. Roosevelt should be nominated by the Democratic National Convention at Chicago, but the convention should not comply with the conditions prescribed in a certain State convention, there would be no way, so far as I can understand from press reports, by which the people of that State would have the right or the opportunity or the power to vote for the nominee of that Democratic National Convention.

Mr. President, when the State convention, as I understand from press accounts, gave instructions to their designated electors, as they had a right to do, as to what their course should be in respect to voting for President and Vice President, it committed them to a course of action which was contingent upon the national convention complying with certain requirements prescribed as conditions precedent. It has already been indicated that they were not to vote for the nominee of that convention unless those conditions were complied with.

Mr. President, as I understand, there will be upon the State ballot only two sets of electors, not electors committed to the nominee of the Republican National Convention and the electors committed to the nominee of the Democratic National Convention, but a group of electors—and I am sure the Republicans will name them later if they have not already done so—committed to the nominee of the Republican National Convention and a group of electors committed to vote for some other Democrat than the nominee of the Democratic National Convention. If the Democratic National Convention does not comply with the conditions laid down by the State convention what electors will be on that ballot, Mr. President, which will give the people the right to vote for the nominee of the Democratic National Convention, even if he be the President of the United States?

It appears from the press that people in the State, desiring that they might have an opportunity to vote for the candidate nominated by a great national party in its regularly called national convention, appealed to their own supreme court and asked for a mandamus which would permit the electors who might be committed to the nominee of the Democratic National Convention to be put upon the primary ballot so that people might designate them as their representatives. But, Mr. President, the press says that action failed, and the State supreme court, the highest judicial authority of the State, has said that the convention acted within the scope of its authority pursuant to its power. If that be the situation, if it is not altered by some act of a competent tribunal, then the electors will face a difficult choice. Shall they carry out the instructions of the body which gave them birth, which designated and chose them, which gave them a commission and their authority, or shall they go behind and repudiate the very body which gave them their being and comply with the will and the wishes of a great sovereign people to express their choice as to who shall be their President and Vice President in this time of great crisis.

Mr. President, I did not believe that any group of men would hate any President or any possible leader with such bitterness that they would be willing to bring into question in this day the character, the representative character, of the electoral college. We have all known that the forefathers contemplated the electoral college as a little oligarchy which would have independent authority to choose the President and Vice President of the United States. Yet we know, Mr. President, that even before 1800, before the Republic was more than a few years old, the independent character of the electoral college had by common consent, by what is sometimes the highest law, the unwritten law of public opinion and common understanding, come to be not an independent body vested with that great power, but a representative body that was to carry out the will of the people themselves expressed in their own appropriate election.

As I say, Mr. President, in all the history of this Nation only two electors have had the effrontery, the temerity, to repudiate the principle of democracy and presume to become President makers, contrary to or in violation of the will of a sovereign people.

So, Mr. President, while men, whoever they may be, have a perfect right to their views about public matters and as to whom they want to be President, yet a little group of willful men are preparing, it appears, to perpetuate this folly. I suspect, if reports be true, that many of them are from outside the State; I suspect that the undertaking is representative of a common plan and proposal, and I think I might say design, the roots of which, Mr. President, I think, reach into either the opposition or into the caverns and citadels of the great financial centers of this country who do not want the kind of President those people might vote for if they had a free choice at the ballot box. So, while it is said to be the spontaneous expression of local people—if it were, they have a perfect right to it—I think there are hands that are not seen, there are forces behind the scenes that are pulling and drawing these issues, and that it has a national plan and pattern.

But, Mr. President, if that group persists in carrying out that dangerous and bold scheme to thwart the will of millions of people, then unless there is court action that I do not know of, and I do not know of any that is available if the State supreme court says there is no relief, then it would be a question as to whether the Democratic National Convention or any convention faced with the same issue should say: "We are the supreme political authority of our party and we will not recognize the delegation, we will not recognize the authority of any group or anybody which calls itself a convention or anything else which by its own declaration repudiates the supreme authority of the party and gives notice beforehand that its purpose is to thwart its people in an effort to vote for the nominee of the party." That would be one course which could be pursued.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MAYBANK. I wanted to make quite clear, in the remarks I made, that I had no reference to Texas, because I am not familiar with the Texas law, and the business of the Texas people is their business.

In view of the fact that South Carolina was brought into the discussion, and in view of the fact that the distinguished Senator from New Mexico referred to the people of my State, I desire to call to the attention of the distinguished Senator from Florida our law. The laws I speak of as being repealed by the legislature were, of course, primary laws. All people are permitted to vote in the general election, but we have a poll-tax provision requiring the payment of $1, not cumulative, which is our law and our business.

There can be several sets of electors in South Carolina if it is desired. So, it is the desire of our people not to thwart the will of the people as to whom they will vote for, because the constitution protects us and we can vote for whomever we please. For instance, in 1940 there were some people who did not want to vote for President Roosevelt if he were nominated for a third term. That was their business. I have no criticism of them. They have a right to vote for whom they wish to vote for. All I have to say is that they should be permitted to vote under our laws, that is all.

I might say that those people formed what was known as the Willkie Democratic Party, and they were called Willkie Democrats, so that they could vote for Mr. Willkie and at the same time vote the Democratic ticket. Then there was the regular Republican ticket, and another ticket, then the regular Democratic ticket. I thought that might enlighten the Senator, because State laws vary greatly, and I believe in State laws and the Constitution.

Mr. PEPPER. I appreciate the Senator making the statement, because what he states is all I contend for. If the people of this country want to vote for John Smith, or Tom Jones, or Jim Robinson, that is their God-given, democratic right, an inherent right. The only thing I am complaining about, the only thing I am fearful of, is that apparently so far no legal way has been discovered in some of the States by which electors committed to the nominee of the Democratic National Convention will be on the ballot in the November election. If that can be accomplished, it will meet the requirements democracy demands, and if it is not possible, either the Democratic National Convention, if it occurs in the Democratic Party, must act in such a way as to correct the situation, or we face a condition in this country which will, I dare say, bring the severest strain upon our democratic institutions which we have had in many a day in our long history.

Mr. LUCAS. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. LUCAS. If the electors of the State of Texas carry out what is suggested by some newspapers they are going to do, and fail to vote for the nominee of the Democratic convention in the city of Chicago, I ask the Senator whether he agrees with me that that is the beginning of the end of the convention system, because what is the use of having a Democratic convention and nominating candidates for President and Vice President when it will mean absolutely nothing so far as the electors of the State are concerned? In other words, if the electors are to defy more than a hundred years of custom, and understanding prevailing during this long period of time, it seems to me it is the beginning of the end of the system used all these years, and we might just as well vote for electors and let the electors meet and hold a convention and nominate the President.

Mr. PEPPER. The able Senator is absolutely correct.

Mr. MAYBANK. Mr. President, may I make another comment?

Mr. PEPPER. I yield.

Mr. MAYBANK. The thing that has been of great concern to me is that if electors are elected and we do not know for whom they are going to vote, how will anyone know who is going to be President after the election?

Mr. KILGORE. In line with that question, I should like to know how any voter would know whom he is voting for to be President of the United States.

Mr. PEPPER. Both the Senators have put their fingers right on the quick. It utterly destroys the democratic character of this country. If the people cannot elect their President, if a little oligarchy of a few men have the supreme power to elect the President of the United States, and the Vice President, we are headed for one of the most violent conflicts we have ever had in the political history of the Nation.

Mr. LUCAS. Will the Senator yield further?

Mr. PEPPER. I yield.

Mr. LUCAS. I heard a very lengthy speech on the radio a few nights ago, and I read in the newspapers a very lengthy speech by the same individual, who is high in public office, and he takes the position, as I understand, that democracy is practically being reborn in the State of Texas as the result of what is happening there. Some day I should like to hear that distinguished gentleman discuss that question on the floor of the Senate.

Mr. HATCH. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. HATCH. I merely wish to add a further observation. As I stated a while ago, there is a great deal of comment and talk in the country and in the papers about what Texas is going to do. Some reference has been made to the Democratic chairman, as I recall, Mr. George Butler. I happen to know Mr. Butler personally, and I happen to know also other members of the Texas delegation. I am not at all concerned about what those men are going to do, because I know, as I stated before, that they are honorable men. They are not going to violate the expressed will of the people of their State. I would almost guarantee that with my public life, because I do know those people so well, and I do know they are honorable. Of course, they have their political differences, they fight back and forth, but when the showdown comes, I would stake almost anything on the honor and integrity of men of the type of George Butler, of Texas.

Mr. PEPPER. Mr. President, I thank the able Senator. What I rose primarily for was not to discredit, not to disparage, and certainly not to reflect upon the people of any State of the Union, but I also have the honor to represent a Southern State, and it has already been stated on this floor this afternoon by a distinguished Senator from the far West, from the State of New Mexico, that if this practice is actually carried out in this daring character, as contemplated, it will lead to the abolition of the electoral college as it is now provided for in the Federal Constitution. This very afternoon we have seen a Senator—and the able Senator of course is known to his colleagues as a distinguished Democratic Senator—from the State of Pennsylvania, offer upon the Senate floor a proposed constitutional amendment to abolish the electoral college and to provide for the election of the President and Vice President by popular vote. A Democratic Representative, Representative CELLER, of New York, has already offered such a proposal in the House of Representatives.

Mr. President, I wanted to speak to my fellow southerners, and to point out what would happen to the South if such a proposal were ever adopted and put into the Constitution of the United States. The 12 Southern States have, under the present system, 135 electoral votes. Those 135 electoral votes constitute 25.2 percent of all the electoral votes of the Nation. Yet, in popular votes in 1940, in the general election, in those 12 Southern States only 5,642,000 votes were cast for President and Vice President, or only 12 percent of the total votes cast in the same year for President and Vice President.

In, for example, the great State of Texas, Mr. President, of which no State has a more illustrious record of integrity and great courage, in 1940 for President, a little more than a million voters voted in the general election. Yet that number of a little over a million voters was responsible for 23 electoral votes in the electoral college, but in the same year, Mr. President, for President of the United States and Vice President, the State of California cast 3,269,000 votes and had only 22 votes in the electoral college.

In the great State of South Carolina, Mr. President, from which I am proud to say my ancestors came, in that same election in 1940 only a little over 100,000 votes were cast, and the 100,000 votes were responsible for 8 votes in the electoral college.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MAYBANK. The Senator is making an able argument to show that the people in the South apparently do not vote in proportion to their population. That is, of course, as the Senator knows, because of the one-party system, and because it is well known that practically everyone who is going to vote is going to vote the Democratic ticket.

Mr. PEPPER. That is exactly correct.

Mr. MAYBANK. But, Mr. President, what I want the Senator to speak of is the basis for the composition of the electoral college.

Mr. PEPPER. It is based at the present time on population. Each State's electoral vote is determined roughly on population. It is determined on the number of Senators and Representatives each State has, but the number of Senators and Representatives the State has is dependent roughly upon the total population.

Mr. MAYBANK. The total population determines the number of Representatives the State has.

Mr. PEPPER. Exactly.

Mr. MAYBANK. But each State, regardless of whether its population is 200,000 or whether it is a State with a large population, such as Pennsylvania or New York, has only 2 Senators.

Mr. PEPPER. That is correct.

Mr. MAYBANK. So if a change were made the States with smaller populations would naturally suffer, if the Senator will bring out that point.

Mr. PEPPER. Mr. President, I thank the able Senator for his helpful remarks.

Mr. MAYBANK. If I may, I should like to add that I think, undoubtedly, the distinguished Senator from New Mexico will agree with me, because the States in the West, like the States in the South, have comparatively small populations.

Mr. HATCH. That is quite true.

Mr. PEPPER. Mr. President, what I am trying to emphasize is that any southerner who interferes with the institution of the electoral college, and promotes the effort to change the electoral college as it is now constituted, is actually striking at the strength of the South in the voice of the Nation. I cannot feel but that he is endangering our electoral strength in the voting of the Nation for President and Vice President.

Mr. GEORGE. Mr. President, will the Senator yield to me?

Mr. PEPPER. I yield.

Mr. GEORGE. I should like to know what State is undertaking to interfere with the electoral college?

Mr. PEPPER. Mr. President, I understood from the press that the duly constituted authorities of some of the States in the Democratic Party have instructed their electors not to vote for the nominee of the Democratic National Convention unless the Democratic convention complies with certain conditions prescribed by those States.

Mr. GEORGE. I should think they would have the right to do that if they wanted to do it. If the people of Texas want to elect electors on such a basis, they would be representing the people of Texas in the electoral college. There would be no trouble if the Prohibition Party were to name a set of electors. The third party can name a set of electors. The Communists can name a set of electors. The Republicans can name a set of electors and the Democrats can name a set of electors. The Senator is simply complaining of what happened in the internal affairs of the Democratic Party in Texas. I may suggest to the Senator from Florida that he probably is doing the Democratic Party irreparable harm by dragging the question into this body, which may be exploited in the State which is more or less condemned.

Mr. PEPPER. I regret very much that I cannot acquiesce in the view that the able Senator from Georgia expresses. When a proposed constitutional amendment——

Mr. GEORGE. I am not talking about a constitutional amendment. I am not surprised that a Senator from New York or a Senator from Pennsylvania should offer such a proposed constitutional amendment, because it would give either one of those States a great advantage in electing a President. But I should be much surprised if any considerable number of Senators would ever vote for such a constitutional amendment. Let me add that I would be far more surprised if the requisite number of States should ever ratify such a constitutional amendment. So I am not worrying about that.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HATCH. The Senator from Georgia has just expressed my own views. I said I was not worried, either. But I want to say that the remarks the Senator from Florida is now making were evoked by a measure introduced by the Senator from Pennsylvania. I do not think the Senator from Georgia ought to criticize the Senator from Florida too severely.

Mr. GEORGE. Mr. President, I am not criticizing the Senator from Florida, but I am saying that I am not surprised

that a Senator from New York or a Senator from Pennsylvania should submit a constitutional amendment in this body to do away with the electoral college, and provide for a direct vote by the people, because those two States have tremendous voting populations. It is the same old fight as that which took place in the Constitutional Convention against each State having two Senators. That has always been a matter of controversy. I suppose it always will be, in spite of the fact that the provision is now written in the Constitution. I am not disturbed about that.

But what the Senator from Florida is doing, and I am respectfully directing his attention to it, is to interfere in the internal affairs of a State's party government. If the convention in Texas or the convention in South Carolina or in any other State is not the legal convention, is not the representative convention of the party, then those who claim to be the legal representatives can organize and present a slate of electors. But as I understand, the issue presented to the State supreme court of Texas was whether or not another organization had the right to have certified for entry on the ballot Democratic electors from that State, and the court simply said that a certain slate was the slate of electors entitled to go on the ballot. But that does not prevent the State from electing other electors.

Mr. President, let me call the Senator's attention to the fact that the Constitution in express terms declares that each State may appoint its electors in any manner the State chooses. It is not necessary to have an election. But if there is a Prohibition Party, or a party of Communists, or a party of Democrats, or a party of Republicans within the State which wants to offer to the people of the State its electors, it may do so, and if the majority of the people of the States vote for those electors, they, of course, have the moral obligation of carrying out the instructions given them in the election which resulted in their selection or appointment as electors.

I should like to call the attention of the Senator to another thing: There is an express rule of the Senate that no Senator in debate shall directly or indirectly reflect on another Senator, nor shall he reflect on any State, and I think that Democrats here are coming close not only to reflecting upon a State, but unfortunately upon our own party within the State. I should like to suggest to the Senator from Florida in all candor that we had better forego the privilege and pleasure of making political pronouncements about the matter because it may mean the doing of irreparable harm to the Democratic Party.

Mr. President, Texans have wills and minds of their own, and they may exercise their right. Certainly condemnation of any group of Texas citizens, whether the Senator thinks they are true Democrats or not, and whatever may be the merits of the dispute, is not likely to promote very much harmony.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. Not at this time.

The ACTING PRESIDENT pro tempore. The Senator declines to yield.

Mr. PEPPER. Mr. President, I always respect every word that falls from the lips of the able senior Senator from Georgia. I am sure he did not presume to lecture me about my views or my duties in the Senate. He meant to say that he respectfully differed as to the wisdom of the course I was pursuing. In so doing he was acting entirely within the scope of his authority and consistent with his great character and his integrity and sincerity of purpose.

But, Mr. President, I happen individually to believe that this is not a secret matter.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. I hope the Senator will allow me to conclude this statement. It is holding up other business.

Mr. President, any matter which has been on the front pages of the Nation's press for weeks; any matter which has been one of the principal subjects of articles in the Nation's magazines; any matter which has elicited proposed constitutional amendments in the House and Senate; any matter which may affect the question of who shall be the next President of my country and my State, is partly my business, and I propose to address myself to it so long as the privilege of free speech prevails in the United States Senate, always deferring to the views of my colleagues when they differ with me, and regretting that there is a point of departure in our sentiments.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. Not for the time being, Mr. President.

It is also my opinion that nothing I could say, and nothing any Senator could say on this floor, could so endanger the institutions of democracy or the Democratic Party as have the incidents which have provoked this discussion.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. I decline to yield at the moment.

Mr. President, it is often forgotten that I myself am a southerner. I have the right to express the sentiments of my heart as to what is the wise course for my people. I am no stranger in the South. I suspect that my genealogy would not compare unfavorably with those of my colleagues. But, Mr. President, I am saying that things have been going on in this period, when democracy is on trial in the world, which strike at the heart of democracy in America. That is a national danger.

I sometimes think that we sat too complacently here and saw the fighting soldiery not given the power to vote. The experience of my State indicates that they are not voting. The secretary of state of my State tells me that 180,000 men from my State are in the armed services of my country. Only 10,000 of them received ballots. As I understand, the rules are substantially the same in the primary elections as in the general elections. Only 10,000 of the 180,000 ever received a ballot, and only about 5,000 ever returned a ballot. Congress could have done better than that, but it did not.

Mr. President, I have seen things which I thought struck at the heart of democracy, and I think this new threat does. I protest in the name of the Nation and the South, because I know that it will lead to alterations in the system, or it will lead to bloodshed, if there is not some way by which the people may have a fair vote.

Let me say to my able friend that if there is a way by which those who favor the nominee of the Democratic National Convention may have a fair chance to vote for that nominee in every State in the Nation, I have no protest or question. That is all they are entitled to. They might not like being driven out of their party by their own leaders, but that is no business of mine. I am only concerned as a citizen, and as a Senator of the United States and of the South, lest the people should not have an opportunity to vote. If the situation in Texas is the same as it is in the State of South Carolina, then the question is not serious; but it seems to me that those who favor the nominee of the Democratic convention have done everything so far that they could do in the great State of Texas, even resorting to the Supreme Court, to get the names of their electors on the ballot. So far I have heard of no representation that they have succeeded in that purpose. The common understanding—I hope I am in error—is that if those who have conceived and prepared this plan are prepared to carry it out, there will not be any way by which the people of Texas or of the great State of Mississippi can get the electors on the ballot. I believe I heard the distinguished junior Senator from Mississippi [Mr. EASTLAND] say that in his State perhaps a way could be found. If that were true, the State of Mississippi would not be included; and if that situation prevails in Texas, of course, all I have said is of no avail.

I plead with my fellow southerners not to do anything which would endanger the position we now enjoy in the Nation, or undermine the institution of democracy, which is so much under assault in the world today.

Mr. CONNALLY. Mr. President, I very much deplore the efforts of Pennsylvania and Florida to regulate the affairs of my State from the floor of the Senate. I shall consume only a few moments of the time of the Senate because I do not care to take up much time.

I remind Senators that article II of the Constitution of the United States—that is an official document if the Senator from Pennsylvania [Mr. GUFFEY] has not seen it——

Mr. GUFFEY. I have read it before.

Mr. CONNALLY. Article II of the Constitution provides that—

> Each State shall appoint, in such manner as the legislature thereof may direct, a number of electors, equal to the whole number of Senators and Representatives to which the State may be entitled in the Congress.

Under that constitutional provision the Congress has nothing on earth to do with the selection of electors. Each State provides how electors may be

chosen. I daresay that in any State any organization, group, or party can place on the ticket the names of its electors to be voted upon.

Along the line of what has been said by the eminent Senator from Georgia [Mr. GEORGE], I very much wish that political doctors with their pill bags would stay within the jurisdiction of their own States, and not try to doctor or tinker with the other States. We are able to handle our affairs. We know what the Constitution provides, and we shall work out our problems under the law. I very much deplore the fact that we are continually assailed on the floor of the Senate.

JOINT COMMITTEE TO ARRANGE FOR THE INAUGURATION OF THE PRESIDENT-ELECT

The ACTING PRESIDENT pro tempore. Pursuant to Senate concurrent resolution 40, authorizing the appointment of a joint committee to arrange for the inauguration of the President-elect of the United States on January 20, 1945, the Chair appoints as the committee on the part of the Senate the Senator from Virginia [Mr. BYRD], the Senator from Tennessee [Mr. MCKELLAR], and the Senator from Michigan [Mr. VANDENBERG].

MISSISSIPPI RIVER BRIDGE NEAR MEMPHIS, TENN.

Mr. MCKELLAR. Mr. President, before taking action on the appropriation bill, I ask that House bill 4803, extending the time for commencement and completion of a bridge across the Mississippi River at Memphis, be laid before the Senate.

The ACTING PRESIDENT pro tempore laid before the Senate the bill (H. R. 4803), to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Memphis, Tenn., which was read twice by its title.

Mr. MCKELLAR. I ask unanimous consent for the immediate consideration of the bill.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the bill was considered ordered to a third reading, read the third time, and passed.

PARTIAL REPORT ON BUSINESS PRACTICES AND OPERATIONS OF ALCOHOLIC BEVERAGE INDUSTRY

Mr. KILGORE. Mr. President, on behalf of the Committee on the Judiciary, I ask unanimous consent to have printed at this point in the RECORD a partial report made by the subcommittee of the Committee on the Judiciary authorized by Senate Resolution 206 to investigate the business practices and operations of the alcoholic beverage industry.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

PRELIMINARY STATEMENT

Senate Resolution 206, Seventy-eighth Congress, first session, adopted November 16, 1943, reads, in part, as follows: "*Resolved*, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation with respect to the business practices and operations of the alcoholic-beverage industry in all its phases, including any matters relating to the production, importation, distribution, purchase, or sale of whisky, gin, rum, brandy, or other distilled spirits, or wine or malt beverages. The committee shall report to the Senate at the earliest practicable date the results of such study and investigation, together with its recommendations for necessary legislation."

Pursuant to the above resolution a subcommittee of the Committee on the Judiciary of the United States was appointed, which is now composed of Senators PAT MCCARRAN, chairman, HARLEY M. KILGORE, ABE MURDOCK, and HOMER FERGUSON.

During the month of May the committee concluded hearings on the general subject of the shortage of alcoholic beverages, the implication of this shortage, and means for its alleviation.

GENERAL SUMMARY

This report addresses itself to the broad problem of control and enforcement presented by the present shortage of alcoholic beverages, particularly whiskies, and aggravated by black-market conditions and a growing breakdown of respect for law, which your committee believes have been to a large extent engendered by such shortages.

The report recommends a three-point program, as follows:

1. Government action to assure an increased supply of beverage spirits in the future.

2. Amendment of the Federal Alcohol Administration Act and the Internal Revenue Code to provide better weapons for Federal enforcement and control of the liquor business and for combating the existing black market in beverage alcohol.

3. An allocation program above the retail level, under the direction of the War Food Administration; in order to assure a more equitable distribution of existing stocks of beverage alcohol now in the hands of the retailers, wholesaler, rectifier, bottler, and distiller; and to provide an allocation program which will prevent the channeling of liquor into the black market and to dealers who have built up tremendous stocks.

CONCLUSIONS

1. War Production Board estimates of industrial alcohol production have been too low.

2. War Production Board estimates of industrial alcohol requirements have been too high.

3. Alcohol can be released for beverage purposes in the amount of at least 20,000,000 gallons during the rest of this year and probably in a substantially larger amount, without injuring the war effort. Additional release of alcohol for beverage purposes can and should be made in the future, to insure an increased supply, subject to the condition that such release will not interfere with the war effort.

4. The Federal Alcohol Administration Act of 1935, as amended, is poorly constructed and offers refuge to many persons engaged in illicit operations (black market) and unethical business practices. The act should be either amended or rewritten to eliminate present limitations upon enforcement and regulation.

5. A sound approach to the existing problem requires not only the release of more beverage alcohol, and the shoring up of weak spots in the law, but also some adequate provision for equitable distribution of available supplies of alcoholic beverages.

RECOMMENDATIONS

Your committee recommends:

1. That the proper Government agencies take action, whenever necessary to alleviate serious shortages, to increase the supply of beverage spirits at the consumer level, either by (1) releasing grain alcohol from the Government stockpile, (2) by permitting manufacture of grain alcohol for beverage purposes, (3) by a combination of these two means, or (4) by any other means which will accomplish the result without interference with the war effort.

2. That the Internal Revenue Code and the Federal Alcohol Administration Act be amended so as to: (1) authorize issuance by the Internal Revenue Bureau of regulations forbidding obliteration of serial numbers on cases of unbonded whisky; (2) authorize the Internal Revenue Bureau to revoke a basic permit, granted under the Federal Alcohol Act, for a first violation; (3) make basic permits under the Federal Alcohol Act annually renewable; (4) make the Federal District Courts rather than the circuit courts of appeals the forum for review of administrative action by the Internal Revenue Bureau revoking or suspending basic permits under the Federal Alcohol Act (see proposed bill, appendix A); (5) authorize suspension or revocation of a basic permit, issued under the Federal Alcohol Act, for violation of Federal laws, such as the Price Control Act, relating only indirectly to alcoholic beverages, or for failure to conduct operations under such permit in conformity with State law.

3. That the War Food Administration place alcoholic beverages under an allocation order, to insure equitable distribution, inhibit hoarding, and bring hoarded stocks into the market.

DEMAND FOR BEVERAGE ALCOHOL

Cessation of beverage-spirits production contributed to a shortage which gave rise to social evils—black marketing, bootlegging, hijacking, smuggling, and the like—which have been growing progressively more serious. Federal and State revenues from such spirits have been jeopardized, and the country has been threatened with de facto prohibition.

There is a tremendous public demand for quality beverage spirits, a demand which cannot be ignored or prohibited, and which has been supplied to a steadily increasing extent by foreign and domestic promoters taking advantage of the shortage to sell inferior products at high prices. The public has not been able to understand why quality grain spirits have been used for industrial purposes, while inferior molasses, fruit spirits, and even potato spirits are available in increasing quantities at higher prices.

The following resolution was adopted unanimously by the National Alcoholic Beverage Control Association, representing the 14 member States of Alabama, Idaho, Iowa, Maine, Michigan, Montana, New Hampshire, Ohio, Oregon, Utah, Virginia, Washington, West Virginia, and Wyoming, at its convention held in New York on April 18 and 19, 1944:

"Whereas the cessation of the manufacture of distilled spirits for beverage purposes since October 1942 is creating a condition of illegal and obnoxious practices, such as black markets, bootlegging, hijacking, racketeering, gangsterism, and the illegal manufacture and distribution of alcoholic liquors which menace the public health and public welfare; and

"Whereas such conditions are impeding and threatening the orderly and proper administration of the system of alcoholic beverage control by the various State commissions charged with that important duty;

"Now therefore, the National Alcoholic Beverage Control Association in a convention assembled in the city of New York on April 19, 1944, most respectfully and earnestly petitions the Government, if consistent with the war requirements, to grant a reasonable opportunity for the distillation of spirits for beverage purposes;

"*Resolved further*, That the president of this association appoint a committee of members of the association to present this petition and make appropriate appeal for necessary relief to the proper authorities in Washington."

THE INDUSTRIAL ALCOHOL SITUATION

The need for an increased supply of beverage alcohol has been obvious for some time. Such a release of beverage alcohol production facilities as the War Production Board has just authorized can, particularly if accompanied by controlled distribution, be a potent factor in combating the black market. A firm foundation for answering the questions of whether the release of beverage alcohol, either direct from the Government stock pile, or by permitting a part-time resumption of manufacture of beverage spirits, would hamper the war effort, and of how much beverage alcohol can be released without cutting in to the supply essential for war and essential for civilian uses, was laid by facts brought out during the committee's investigations and hearings.

According to a recent War Production Board press release, the beverage industry contributed more alcohol to the war program during the period from January 1, 1942, to April 1, 1944, than the entire demands of the rubber program, lend-lease, and direct military use. This left only indirect and civilian requirements to be taken care of by expanded production from the industrial-alcohol plants and the production from new plants constructed at Government expense.

It seems an inverted viewpoint to regard production by beverage distillers as the basic supply for the war program and to permit increased use for indirect military and civilian purposes as commercial-alcohol production rises. A sounder view would be to first apply all industrial-alcohol production to essential uses and use needed distillery production to make up any balance of supply required for essential uses.

The alcohol stock pile is substantially greater than is necessary, particularly in view of the fact that total current monthly supply exceeds average monthly requirements. New facilities and imports should more than offset expected seasonal declines in production. The War Production Board is tentatively allocating 160,000,000 gallons of alcohol to "indirect military and civilian uses" this year. Comparable pre-war use averaged about 100,000,000 gallons per year, which figure then included direct military and antifreeze requirements. Maximum previous use was last year, 148,000,000 gallons. Total use in this category in 1942 has been reported by the W. P. B. on two different occasions as, respectively, 120,000,000 and 128,000,000 gallons. Every peacetime use of alcohol except for beverages is being supplied.

It is doubtful whether direct military requirements for this year will exceed 30,000,000 gallons. Lend-lease probably will not exceed 40,000,000 gallons, and it is believed this amount could be substantially reduced if necessary. The maximum figure on requirements for the rubber program which was supported by Colonel Dewey's office was 360,000,000 gallons for the entire year, and this figure, which admittedly took no account of prospective savings through improved techniques (estimated to be at least 12,000,000 gallons) nor of any production of butadiene from petroleum (a substantial amount of which production is expected to come in before the end of the year) has since been revised downward by Colonel Dewey's office in line with the facts developed by the committee. Total requirements for this program probably will not exceed 340,000,000 gallons for 1944 and may be even less. Estimates of indirect military and civilian requirements were increased, from an estimate of approximately 152,000,000 gallons made last October, to 165,000,000 gallons on December 1, 1943, and then reduced to 160,000,000 gallons on April 15. In view of the fact that total requirements in this field were not more than 128,000,000 gallons in 1942, and only 148,000,000 gallons in 1943, there seems to be no justification for increasing the estimate above the October 20 figure of 152,000,000 gallons, and quite probably the use of alcohol for indirect military and civilian purposes could be cut substantially below this figure, if desired. On the basis of these suggested reductions in estimates, and the reduced estimates of the Rubber Director, total estimated requirements for 1944 would be only 594,000,000 gallons.

Official W. P. B. estimates of imports for 1944 include 4,000,000 gallons from Mexico and 12,000,000 gallons from Canada. To this should be added at least the minimum of 12.5 million gallons provided for by the Cuban agreement, making a minimum estimate, for imports, of 28.5 million gallons.

On the basis of production during the first quarter of 1944, it seems likely beverage distilleries would have produced 240,000,000 or 241,000,000 gallons of industrial alcohol during the entire year, had a holiday for beverage production not been granted.

Adjusting the last estimate of production which the W. P. B. gave the committee, to reflect these increases, produces an estimate of 619,000,000 gallons of available supply for 1944.

The difference between these adjusted estimates is 25,000,000 gallons, representing an excess of estimated supply over estimated requirements, and amply justifying the position taken by the committee in favor of the release of beverage spirits.

PROPOSED AMENDMENT TO INTERNAL REVENUE CODE AND FEDERAL ALCOHOL ACT

Investigations made by the committee and testimony of Mr. Stewart Berkshire, Deputy Commissioner, Internal Revenue, in charge of the Alcohol Tax Unit, indicate the desirability of certain amendments to existing law in order to facilitate control and enforcement.

A substantial percentage of black-market operators are known to field agents of the Alcohol Tax Unit. They remain in business because iron-clad proof is difficult to obtain and the Federal Alcohol Administration Act is weak in that it does not allow the Alcohol Tax Unit to deny permits to wholesalers and rectifiers unless it is found that they are guilty of conduct specifically set forth in the act. These standards are too low and do not give the Alcohol Tax Unit sufficient administrative powers over permittees.

Almost all black-market liquor is traced to liquor cases whose serial numbers have been removed, and under present regulations no serial number is required on cases of imported distilled spirits.

To meet this situation, your committee is recommending new language for section 2806 (d) of the Internal Revenue Code, under which the Internal Revenue Bureau may issue effective regulations forbidding obliteration of serial numbers on whisky cases. Mr. Berkshire has assured the committee that if the law is so amended, the regulations will be issued and enforced. Your committee considers it desirable to handle the matter in this way rather than to attempt by statute to deal specifically with a matter which properly should be the subject of administrative regulation.

Several amendments are proposed to section 4 of the Federal Alcohol Act.

Under existing law the only penalty for a first violation of the conditions of a basic permit issued under the act is suspension; no matter how serious the violation, the permit cannot be revoked for a first offense. It is your committee's view that the administrative agency enforcing this act should have authority in its discretion to revoke a permit for a single violation if that violation is sufficiently serious. To provide this authority by law would not be equitable since the order revoking a permit is subject to judicial review.

Basic permits issued under the Federal Alcohol Act are of definite duration. They continue in effect until suspended or revoked in accordance with the act. Such suspension and revocation, being subject to review, often cannot be made effective for 1 or even 2 years, during which time the permit holder is enabled to continue in business. One of the amendments to section 4 of the act which your committee recommends would make basic permits annually renewable.

For the purpose of providing speedier determination on appeals from orders for suspension or revocation of basic permits, authority should be given for filing such appeals in Federal district courts rather than in circuit courts of appeals as now provided. Making the district courts the forum for such litigation will not only aid the Alcohol Tax Unit in more speedily disposing of its work, but will also provide the permit holder, against whom a suspension or revocation order is issued, with an opportunity for a speedier determination of his rights than he could now obtain.

Subsection (d) of section 4 provides that basic permits issued under the Federal Alcohol Act shall be conditioned upon compliance with the Constitution and with Federal laws relating to distilled spirits, wine, or malt beverages, including tax laws. This language does not allow suspension or revocation of a permit for violation of a Federal law, such as the Price Control Act, which relates only indirectly to alcoholic beverages.

While each permit now contains a condition requiring that operations under it be conducted in conformity with State law, there is no specific statutory basis for this condition, and it has never been enforced. In your committee's view, this is a proper condition and should be backed up by statute. To accomplish this aim and to make permits conditioned also upon compliance with Federal laws relating only indirectly to alcoholic beverages, as pointed out above, your committee proposes an amendment to subsection (d).

Under normal conditions large quantities of distilled spirits are bought and sold in the form of warehouse receipts. Up until December 27, 1943, no record of warehouse-receipt transactions was required to be furnished to the Alcohol Tax Unit, which operated on the theory that such receipts were securities. Consequently, the actual owners of hundreds of thousands of barrels of whisky were unknown. This condition was aggravated because of the fact that warehouse receipts are bearer documents and require no endorsement to transfer title. At the present time the Alcohol Tax Unit requires all wholesale liquor dealers to furnish it with an inventory of warehouse receipts as of July 1, 1943, together with detailed reports of transactions after that date, on Form 52. This does not mean, however, that all warehouse-receipt transactions have been reported to the Alcohol Tax Unit because there is no way of determining how many such transactions have been concealed.

If transfer of a warehouse receipt is to be considered as a sale of whisky, evidence obtained indicates that most sales of warehouse receipts are in violation of O. P. A. ceiling prices.

The Alcohol Tax Unit of the Internal Revenue Bureau is reluctant to favor any suggestion that it should regulate the transfer and sale of warehouse receipts, stating in effect that its only interest is in collecting revenue, and that it is not concerned with the ownership of the liquor in bonded warehouses prior to the time it is removed. Since warehouse receipts were long regarded as securities, it might well be that the Securities and Exchange Commission has or could be given jurisdiction to regulate the purchase and sale of these bearer instruments. It has been suggested that every transfer in warehouse receipts should be reported to the Alcohol Tax Unit and the transferor should be compelled to endorse the warehouse receipts at the time of each transfer.

No legislation is here recommended with regard to warehouse receipts for bulk whisky, since such receipts are in most instances controlled by State law and since it is doubted whether any requirement for endorsement for warehouse receipts would be of material aid in tracing such receipts or in otherwise combating the black market. The contention that such receipts could be traced if endorsement were required is very plausible upon first examination, but losses merit when it is realized that any black market operator would completely disregard any law on this subject, if he knew that compliance with it would make it possible for his operations to be more readily traced by enforcement laws.

THE PROBLEM OF EQUITABLE DISTRIBUTION

It is clear that despite any executed program providing for the increased release of beverage spirits and the strengthening of the Federal Alcohol Administration Act of 1935 and the Internal Revenue Laws, there must be provided simultaneously a definite plan for the equitable allocation of the available supply of alcoholic beverages.

After a review of existing statutes and Executive orders, your committee is of the opinion that under title III of the Second War Powers Act, 1942, the President could order the War Food Administrator to allocate the available supply of beverage alcohol, since he had defined alcoholic beverages as food in Executive Order 9280.

Mr. Grover B. Hill, Assistant Administrator of the War Food Administration, has informed the committee that "the Administrator would probably have power, if the requisite findings can be made, to issue such an order although its administration would encounter many practical difficulties."

It should be pointed out in this connection that the necessity for such an allocation order is based upon (1) the liquor shortage which has resulted from the urgent necessity for great quantities of industrial alcohol, and (2) the fact, which is common knowledge, that certain dealers (retail and wholesale) and numerous large consumers such as hotels and night clubs have accumulated large stocks of beverage liquor which will last them for at least 4 or 5 years, and who yet continue to purchase all the beverage liquor they can get. It is conceivable that if the war lasts long enough and all the liquor is taken from the bonded warehouses most of it eventually will be found in the storerooms of several thousand dealers who have "preferred" accounts with large distributors, and who are more concerned with holding their good accounts to insure a good post-war business than with the problem of today's equitable distribution.

One of the practical difficulties which doubtless Mr. Hill has in mind is the necessity for a complete inventory of all liquor now in the trade channels. On April 1, 1944, a new floor-stock tax went into effect, and in connection therewith the Alcohol Tax Unit of the Treasury Department will have available within 30 days a complete inventory of all liquor stocks—except stocks in the hands of the consumer—as of April 1. Using this inventory and a simple ratio formula which has been used by the War Food Administration in the allocation of other commodities above the retail level, a fair and equitable distribution of existing liquor stocks could be arranged with dispatch. It should be borne in mind that this allocation plan envisions neither a rationing at the consumer level nor an invasion of States' rights.

Perhaps the most serious problem in connection with such an allocation order as here proposed is lack of personnel to execute such an allocation program. Mr. Hill suggests that the Treasury's Alcohol Tax Unit be given the job. It might well be that one alternative—if an allocation plan were deemed expedient—is to require the War Food Administration to issue the allocation order setting forth the mechanical details, and delegate to the Alcohol Tax Unit the necessary regulatory powers for the administration and enforcement of the program.

These are matters to be administratively determined. The need for the proposed allocation order is clear, and your committee feels certain the details can be worked out satisfactorily if the matter is given the attention which it deserves.

APPENDIX

PROPOSED BILL

A bill to amend the Internal Revenue Code, as amended, and the Federal Alcohol Act, as amended

Section 2806 (d) of the Internal Revenue Code, as amended, is further amended to read as follows:

"All distilled spirits found in any cask or package, and any bottled distilled spirits found in any case, without having upon such cask or package or case each mark and stamp required therefor by law or regulations, shall be forfeited to the United States."

SEC. 2. Section 4 of an act entitled "An act to further protect the revenue derived from distilled spirits, wine, and malt beverages, to regulate interstate and foreign commerce and enforce the postal laws with respect thereto, to enforce the twenty-first amendment, and for other purposes," approved August 29, 1935, as amended (U. S. Code, title 27, sec. 204), is further amended as follows:

(a) In subsection (e) (1), by striking out the words "provided that for a first violation of the conditions thereof the permit shall be subject to suspension only;"

(b) By amending subsection (d) to read as follows: "A basic permit shall be conditioned upon (1) compliance with the requirements of section 205 of this title (relating to unfair competition and unlawful practices) and of section 206 of this title (relating to bulk sales and bottling), with the twenty-first amendment and laws relating to the enforcement thereof, and with all other Federal laws relating directly or indirectly to distilled spirits, wine, and malt beverages, including taxes with respect thereto, and (2) conduct of the operations under such permit in conformity with the laws of the State in which such operations are conducted."

(c) In subsection (g), after the words "a basic permit" at the beginning of the subsection, by striking out "shall continue in effect until" and inserting: "may be issued for 1 year and shall expire on the 31st day of December next succeeding the issuance thereof unless"; by changing the semicolon after the word "surrendered" to a colon, and inserting "*Provided*, That the Secretary may without formal application extend any permit granted under this part after August 31 in any year to December 31 of the succeeding year."; by striking out: "except that (1) if", and inserting "(1) If."

(d) In subsection (h), by striking out: "Such appeal shall be taken by filing, in the circuit court of appeals of the United States within any circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia" and inserting: "Such appeal shall be taken by filing, in the district court of the United States within any district wherein such person resides or has his principal place of business, or in the United States District Court for the District of Columbia."

RECORD ON APPROPRIATION BILLS

Mr. McKELLAR. Mr. President, I assure Senators that I shall take only a few moments. We have just completed action on all appropriation bills for the ensuing fiscal year. I wish first to express my great appreciation to each and every member of the Senate Appropriations Committee for their joint and several aid in getting the appropriation bills through at this early date. I believe it is about the earliest date since I have been in the Senate. I also wish to say that the members of the House Appropriations Committee gave very splendid and effective cooperation in this result.

I ask unanimous consent to have printed in the RECORD at this point a copy of the last page of the Senate's legislative calendar for today, which shows the result of our labors.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Status of appropriation bills, 78th Cong., 2d sess.

Number of bill	Title	Passed House	Received and referred in Senate	Reported in Senate	Passed Senate	Sent to conference	Conference report agreed to in—		Date approved	Number of law	
							Senate	House			
H. R. 4070	Independent offices, 1945	Jan. 31	Feb. 1	Mar. 9	Mar. 24	May 8	June 8	June 1			Sent to President.
H. R. 4133	Treasury and Post Office, 1945	Feb. 10	Feb. 11	Mar. 8	Mar. 9	Mar. 10	Apr. 1	Mar. 30	Apr. 22	293	
H. R. 4183	War, civil functions, 1945	Feb. 16	Feb. 17	Mar. 8	Mar. 9	Mar. 10	June 16	June 15			Do.
H. R. 4204	State, Justice, and Commerce, 1945	Feb. 18	Feb. 21	May 16	May 17	May 22	June 7	June 6			Do.
H. R. 4346	First deficiency, 1944	Mar. 10	Mar. 13	Mar. 27	Mar. 28	Mar. 28	Mar. 29	Mar. 29	Apr. 1	279	
H. R. 4414	Legislative and judiciary, 1945	Mar. 16	Mar. 21	May 16	May 19	June 1	June 19	June 16			Do.
H. R. 4443	Agriculture, 1945	Mar. 24	Mar. 28	May 16	May 17	May 18	June 20	June 22			Do.
H. R. 4559	Navy, 1945	Apr. 14	Apr. 17	Apr. 21	Apr. 25	May 24	June 5	June 1			Do.
H. R. 4679	Interior, 1945	Apr. 27	Apr. 28	May 20	May 23	June 3	June 21	June 20			Do.
H. R. 4861	District of Columbia, 1945	May 24	May 25	June 19	June 21	June 21	June 22	June 22			Do.
H. R. 4879	War Agencies, 1945	May 26	May 29	June 12	June 20	June 21	June 22	June 22			Do.
H. R. 4899	Labor and Federal Security Agency, 1945	June 1	June 5	June 13	June 15	June 16	June 22	June 21			Do.
H. R. 4867	Military Establishment, 1945	June 15	June 16	June 19	June 21	June 21	June 22	June 22			Do.
H. R. 4937	Lend-lease	June 3	June 5	June 12	June 13	June 14	June 22	June 22			Do.
H. R. 5040	Second Deficiency, 1944	June 17	June 19	June 21	June 22	June 22	June 23	June 23			Do.

Mr. McKELLAR. I also ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an analysis of the appropriations for last year, which amount to a complete total of $114,564,008,594.62.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

III. Recapitulation of appropriations by acts irrespective of fiscal years (78th Cong., 1st sess.)

REGULAR ANNUAL ACTS, 1944

Agriculture	$848,295,883.00
District of Columbia	55,466,565.00
Independent offices	2,621,366,879.00
Interior	104,608,921.00
Labor-Federal Security:	
Labor	27,794,050.00
Federal Security Agency	719,749,460.00
Related independent agencies	389,623,500.00
Total	1,137,167,010.00
Legislative-Judiciary:	
Legislative	28,363,988.00
Judiciary	12,530,490.00
Total	40,894,478.00
Military	59,934,839,673.00
Navy	27,637,226,198.00
State, Justice, and Commerce:	
State	33,523,100.00
Justice	102,657,300.00
Commerce	85,225,000.00
Total	221,405,400.00
Treasury and Post Office:	
Treasury	201,222,740.00
Post Office	899,468,535.00
Total	1,100,691,275.00
War, civil functions	63,657,098.00
Total, regular annual acts	92,865,619,380.00

DEFICIENCY AND SUPPLEMENTARY ACTS, 1944 AND 1943 AND PRIOR YEARS

Urgent Deficiency, 1943 (H. J. Res. 82)	22,410,676.17
First Deficiency, 1943	4,106,261,194.96
Naval Supplemental, 1943	3,836,176,119.00
Farm Labor Supply, 1943-44	26,100,000.00
Urgent Deficiency, 1943 (H. J. Res. 115)	7,246,700.00
Urgent Deficiency, 1943 (H. R. 2714)	143,430,591.56
Defense Aid, 1943-44	6,273,629,000.00
National War Agencies, 1944	2,911,697,224.00
Second Deficiency, 1943	253,256,179.72
First Supplemental National Defense, 1944	188,833,720.23
Total deficiency and supplemental acts	17,769,041,405.64

MISCELLANEOUS ACTS CARRYING APPROPRIATIONS, 1943 AND 1944

Public acts (for details, see p. 539)	18,620,000.00
Private acts (for details, see pp. 540-543)	701,884.92
Total, miscellaneous acts carrying appropriations	19,321,884.92
Grand total, regular annual, supplemental, deficiency, and miscellaneous appropriation acts	110,653,962,670.56

PERMANENT APPROPRIATIONS, GENERAL AND SPECIAL ACCOUNTS

Interest on the public debt	$3,000,000,000.00
Sinking fund and other debt retirement funds	593,907,551.00
All other permanents and indefinites, general and special accounts	368,416,695.62
Total, permanents, general and special accounts	[1] 3,962,324,246.62
Grand total, regular annual, supplemental, and miscellaneous appropriation acts, and permanent appropriations	114,616,306,917.18
Deduct trust fund appropriations carried in regular annual, deficiency, and miscellaneous acts	52,298,322.56
Grand total, including permanent appropriations under general and special accounts, but exclusive of trust funds under permanent and annual appropriations	114,564,008,594.62

[1] Includes $1,000,000 for migratory bird conservation fund for 1944; and $22,913,800 for "Expenses of loans" for 1943.

Classification of foregoing appropriations by fiscal years

(Total regular annual and permanent (general and special accounts))

Fiscal years:	
1944	$106,171,178,884.00
1943	8,348,916,709.27
1942 and prior years	31,318,996.77
Judgments and audited claims	$12,594,004.58
Grand total	114,564,008,594.62

Mr. McKELLAR. I also ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a similar statement relative to appropriations for the ensuing fiscal year, 1945. It is a recapitulation of the appropriations made by the Seventy-eighth Congress, second session. The figures must necessarily be subject to correction, although I think they are substantially correct. The clerks of the Senate and House Appropriations Committees have done a splendid job in compiling these figures so quickly. I wish to call attention to the remarkable difference between the total appropriations for last year and the total appropriations for the present year.

Last year we appropriated $114,564,008,594.62. This year we have appropriated $67,192,237,127.64, as against the $114,000,000,000 appropriated last year, or a difference—less than last year—of $47,371,771,466.98. In other words, our appropriations for the ensuing year amount to approximately 58 percent of the appropriations for last year.

I take great pleasure in submitting those figures for the RECORD, and at this time I ask unanimous consent that they may be printed in the RECORD.

There being no objection, the figures were ordered to be printed in the RECORD, as follows:

Recapitulation of appropriations (78th Cong., 2d sess. (preliminary figures subject to correction))

REGULAR ANNUAL ACTS

Agriculture	$562,145,918.00
District of Columbia	69,111,569.00
Independent offices	8,485,099,785.00
Interior Department	103,239,796.36
Labor-Federal Security:	
Labor Department	68,119,050.00
Federal Security Agency	633,843,585.00
Related independent agencies	410,681,529.00
Total	1,112,644,464.00
Legislative and judiciary:	
Legislative	46,245,994.66
Judiciary	13,455,024.00
Total	59,701,018.66
Military	15,434,814,795.00
Navy Department	27,569,798,301.00
State, Justice, and Commerce:	
State	47,138,500.00
Justice	116,477,200.00
Commerce	78,322,000.00
Total	241,937,700.00
Treasury and Post Office:	
Treasury	220,636,897.00
Post Office	1,110,209,272.00
Total	1,330,846,169.00
War Department, civil functions	892,455,440.00
Total, regular annual acts	55,061,794,956.02

DEFICIENCY AND SUPPLEMENTAL ACTS

Farm Labor Supply, 1944	31,359,200.00
First Deficiency, 1944	489,762,870.04
National War Agencies, 1945	1,030,937,242.00
Defense Aid and U. N. R. R. A.	3,920,320,000.00
Second Deficiency, 1944	241,368,992.58
Total, Deficiency and Supplemental Acts	5,713,748,304.62
Total miscellaneous appropriations exclusive of amounts in private and sundry special laws	6,900,000.00
Total permanent annual appropriations, general and special accounts, as estimated in 1945 Budget (subject to revision)	6,409,793,867.00
Total appropriations, 78th Cong., 2d sess. (preliminary totals)	67,199,237,127.64

Total appropriations

Total appropriations, 78th Cong., 1st sess.	$114,564,008,594.62
Total appropriations, 78th Cong., 2d sess.	67,192,237,127.64
Decrease, 78th Cong., 2d sess., under 78th Cong., 1st sess.	47,371,771,466.98

Mr. McKELLAR. Mr. President, let me also state that last year the contract authorizations were $13,446,339,945, and

for the ensuing year the contractual authorizations are only $8,029,665,901, or a difference of over $5,460,000,000. I send to the desk a statement relating to that matter, and ask that it be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Contract authorization

Total, 78th Cong., 1st sess..	$13,446,339,945
Total, 78th Cong., 2d sess..	8,029,665,901
Decrease, 78th Cong., 2d sess., under 78th Cong., 1st sess	5,416,674,044

Mr. McKELLAR. Mr. President, I wish to call attention to one other fact. In June 1942 our national indebtedness was approximately $72,000,000,000. Later I shall have the actual figures placed in the RECORD, but at this time I state only the round sums. In June 1942, as I have said, our national indebtedness was $72,000,000,000. In June 1943 it was $136,000,000,000. On June 1, 1944, it was $188,000,000,000. However, it will be seen that the increase this year was nothing like as great as the increase last year. I thought those figures, showing the remarkable reduction in the rate of increase of expenditures of the Government during this great war, after providing for every war need, would be of interest to Senators, and I think it will be of interest to all Senators to have the figures in the RECORD.

So, Mr. President, I wish to say again that I personally thank the clerk of the Senate Committee on Appropriations, Mr. Everard H. Smith, and the clerk of the House Committee on Appropriations, Mr. Marc. Sheild, for compiling these figures so promptly after the bills have been passed.

Mr. WHITE. Mr. President, I cannot resist the impulse to pay a brief word of tribute to the Senator from Tennessee. I think what has been accomplished in the orderly handling of our fiscal affairs is largely attributable to the efforts of the senior Senator from Tennessee. All through consideration of the appropriation bills he has shown patience, kindliness, and an amazing knowledge of the fiscal affairs of the Government; and I have been intrigued by, and I have grown to admire, the vigor and the picturesqueness with which the Senator from Tennessee advocates the causes in which he believes, and denounces those he believes to be wrong.

Out of a long experience, Mr. President, permit me to say that in my judgment the Senator from Tennessee is one of the great legislators who has served in the Congress during the last third of a century.

Mr. McKELLAR. Mr. President, I thank the Senator with all my heart.

SECOND DEFICIENCY APPROPRIATIONS—CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5040) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944, and June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 13, 45, and 46.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, and 44, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$50,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$179,000,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: "*Provided further*, That none of the funds appropriated in this Act shall be used to pay the salary or expenses of any person fixing maximum prices for different kinds, classes, or types of processed fruits and vegetables which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment, insert the following:

"PRINTING AND BINDING

"The limitation of $8,500,000 under the appropriation "Printing and binding, Navy Department", contained in the Naval Appropriation Act for the fiscal year 1945, on the amount of printing and binding executed at the Government Printing Office, including technical and instructional printing and publications, which may be procured with funds appropriated for the Naval Establishment, is hereby increased to $18,500,000."

And the Senate agree to the same.

KENNETH McKELLAR,
M. E. TYDINGS,
RICHARD B. RUSSELL,
JOHN H. OVERTON,
RUFUS C. HOLMAN,
CHAN GURNEY,
Managers on the part of the Senate.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,
D. LANE POWERS,
Managers on the part of the House.

Mr. McKELLAR. Mr. President, I ask that the conference report be considered and agreed to.

The PRESIDING OFFICER. Is there objection?

There being no objection, the report was considered and agreed to.

Mr. McKELLAR. Mr. President, are there any further motions which should be made, or can the bill now go to the President?

The ACTING PRESIDENT pro tempore. The conference is in complete agreement, and the conference report has been agreed to. That completes legislative action on the bill.

Mr. BARKLEY. Mr. President, now that action on the last appropriation bill has been finally completed, I wish to join in the tribute paid to the Senator from Tennessee [Mr. McKELLAR] as the acting chairman of the Appropriations Committee. I not only congratulate the Senator from Tennessee on the fact that these enormous appropriations have been completed at an earlier date, before the termination of the fiscal year, than in any other year I remember, but I also congratulate him on the enormous amount of work he has been able to accomplish as the acting chairman of the Committee on Appropriations.

Not only has he shown great knowledge of the details of the financial setup of our Government but he has exhibited a remarkable degree of discretion in deciding, so far as he was personally concerned, and so far as acting as acting chairman of the committee was concerned, the merits and demerits of many of the items which have come before the Committee on Appropriations and before the Senate.

I hope the Senator from Tennessee will take advantage of the recess which we are about to take in order to obtain a well deserved rest. I may also say that I hope other Senators, who have labored here almost continuously since 1939, will take advantage of the brief recess which we are about to take in order to renew not only their strength physically, but their contacts with constituents whom they represent, that being essential in order that we may have real representative government.

Mr. McKELLAR. I thank the Senator.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BARKLEY. I will yield in just a moment. Every Senator will have an opportunity to get into the RECORD everything which he wants to have put in. In the meantime, I wish to have some business transacted.

Mr. MAYBANK. Very well.

PHILIPPINE REHABILITATION COMMISSION

Mr. BARKLEY. Mr. President, Senate Joint Resolution 94, which established the Philippine Rehabilitation Commission, has been adopted by both Houses. It has not yet been signed by the President. One of the provisions of the joint resolution is that the members of the Commission shall be appointed not later than 15 days following the passage of the act. It provides that certain of the appointments shall be made by the President of the Senate. Inasmuch as we are about to recess, in all likelihood the 15 days will have expired following the enactment of the law, which is completed by the President placing his signature to the act, before Congress will reassemble. Therefore I ask unanimous consent that the Acting President pro tempore of

the Senate be authorized during the recess of the Congress to make the appointments authorized by the joint resolution to be made by the President of the Senate.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

DOMESTIC STABILITY, NATIONAL DEFENSE, AND PROSECUTION OF WORLD WAR NO. 2

Mr. BARKLEY. Mr. President, I have one other matter to present. In October 1942, Seventy-seventh Congress, second session, there was printed Senate Document 285, dealing with the domestic stability, national defense, and prosecution of World War No. 2. I have before me a compilation of the information up to date in chronological form, bringing Senate Document 285 up to date, with such revisions and additions as may be necessary.

I ask unanimous consent that the document be reprinted with the additions and revisions set out in chronological order, so as to make it complete up to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INFANTRY DAY

Mr. HILL. Mr. President, as we know, June 15 was Infantry Day. The War Department called upon the people of the country to pay tribute to our infantrymen. Before the War Department had set aside June 15 as Infantry Day, it sent a letter of inquiry to our theater commanders overseas as to what they thought of Infantry Day. I wish to read to the Senate the answer to that inquiry made by General Stilwell, who we know is today in command of our forces on the Burma-India front. It is a fine tribute to the infantrymen, and I know of no better way of ending the session than by reading this tribute. General Stilwell writes:

I am against an Infantry Day. Every day is Infantry Day where the fighting is going on. Every day is Infantry Day where the men are too hungry, scared, wet, dry, hot, cold, or exhausted but still determined to plug ahead to their unknown destination. These pluggers are the backbone of our armed forces, the guys with the rifle and bayonet who slug it out personally with the enemy. The front line of battle is the line where the infantryman stops. We win if he gets ahead; we lose if the enemy overruns him. Give him a day? The doughboy doesn't need a day to be remembered. His example of unselfish effacement of individuality for the common good is before us every day and he is remembered for it in millions of American homes. The doughboy doesn't need a day. Let somebody else have it.

Mr. President, I wish to join with General Stilwell in his tribute to the American infantryman.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

Mr. REED (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that today, June 23, 1944, that committee presented to the President of the United States the following enrolled bills and joint resolutions:

S. 1232. A bill to provide equitable compensation for useful suggestions or inventions by personnel of the Department of the Interior;

S. 1588. A bill for the relief of the legal guardian of Eugene Holcomb, a minor;

S. 1593. A bill for the relief of the heirs and assigns of Widow Cesaire De Blanc;

S. 1634. A bill to provide for the management and operation of naval plantations outside the continental United States;

S. 1669. A bill to clarify the law relative to allowances for mileage of graduates of the United States Military Academy and transportation of their dependents on assignment to their first duty station and to the mileage allowance of persons entering the United States Military Academy as cadets;

S. 1718. A bill to provide for the settlement of claims arising from terminated war contracts, and for other purposes;

S. 1748. A bill to amend the act entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States", approved October 16, 1941, as amended, to continue it in effect.

S. 1764. A bill to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes;

S. J. Res. 93. Joint resolution declaring the policy of the Congress with respect to the independence of the Philippine Islands, and for other purposes; and

S. J. Res. 94. Joint resolution establishing the Filipino Rehabilitation Commission, defining its powers and duties, and for other purposes.

AMENDMENT OF CANAL ZONE CODE—CONFERENCE REPORT

Mr. PEPPER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3646) to amend section 42 of title 7 of the Canal Zone Code, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

CLAUDE PEPPER,
TOM STEWART,
Managers on the part of the Senate.

S. O. BLAND,
ROBERT RAMSPECK,
RICHARD J. WELCH,
Managers on the part of the House.

Mr. BARKLEY. Mr. President, is this the conference report with reference to Panama Canal officials?

Mr. PEPPER. It is.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

NOTICE BY SENATOR DAVIS OF SPEECH ON PHILIP MURRAY

Mr. DAVIS. Mr. President, when the distinguished Senator from North Carolina [Mr. BAILEY] returns to the Senate following the recess I shall make a statement with reference to Mr. Philip Murray, president of the C. I. O., and of the United Steel Workers. For more than 30 years Mr. Murray has been a resident of Pittsburgh, my home city.

EXPRESSIONS OF APPRECIATION

Mr. WHITE. Mr. President, I came to my present seat, across the aisle from that of the distinguished majority leader, through a most unhappy mischance, through an event which brought grief and a sense of loss to us all. As I have sat here and tried to meet the obligations imposed on me, I have always been encouraged and warmed by the kindliness and consideration shown me by the distinguished majority leader. I shall always appreciate his attitude. I want him to know, and I want all Senators to know, that I am deeply grateful for the courtesies he and all other Members of the Senate have shown me.

Mr. BARKLEY. Mr. President, I thank the Senator from Maine, and in return for his generous remarks I wish to express my appreciation for the cooperation which he and his associates on the other side of the aisle have accorded me in the performance of my duties as majority leader.

Mr. WHITE. I thank the Senator from Kentucky.

CONDITIONAL ADJOURNMENT TO AUGUST 1, 1944

Mr. BARKLEY. Mr. President, I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 1 minute p. m.) the Senate adjourned, the adjournment being, under Senate Concurrent Resolution 46, until Tuesday, August 1, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 23 (legislative day of May 9), 1944:

TERRITORY OF ALASKA

Llewellyn M. Williams, of Alaska, to be secretary of the Territory of Alaska, vice Edward L. Bartlett.

UNITED STATES TARIFF COMMISSION

George Z. Barnes, of Illinois, to be a member of the United States Tariff Commission for the term expiring June 16, 1947, vice Fred H. Brown.

George McGill, of Kansas, to be a member of the United States Tariff Commission for the term expiring June 16, 1948, vice A. Manuel Fox.

IN THE MARINE CORPS

Steve J. Cibik, a citizen of Pennsylvania, to be a second lieutenant in the Marine Corps from the 4th day of May 1943.

Henry S. Lewis, Jr., a citizen of Ohio, to be a second lieutenant in the Marine Corps from the 29th day of October 1943.

Platoon Sgt. John J. Kuhn, a meritorious noncommissioned officer of the Marine Corps, to be a second lieutenant in the Marine Corps from the 12th day of January 1944.

The below-named citizens to be second lieutenants in the Marine Corps from the 4th day of February 1944:

Robert B. Carney, Jr., a citizen of the District of Columbia.

Kenneth W. Kolberg, a citizen of Wisconsin.

The below-named citizens to be second lieutenants in the Marine Corps from the 2d day of May 1944:

Robert J. J. Picardi, a citizen of Massachusetts.

Morse "L" Holladay, a citizen of Arizona.

Robert E. LaPointe, a citizen of Colorado.

Richard C. Peck, a citizen of Massachusetts.

William J. Cochran, a citizen of New Jersey.

William M. Walker, a citizen of Florida.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 23 (legislative day of May 9), 1944:

FOREIGN SERVICE

TO BE CONSULS GENERAL OF THE UNITED STATES OF AMERICA

James P. Moffitt
David McK. Key

TO BE CONSULS OF THE UNITED STATES OF AMERICA

Robert B. Memminger
Harlan B. Clark

TERRITORY OF ALASKA

Llewellyn M. Williams to be Secretary of of the Territory of Alaska.

TERRITORY OF HAWAII

Gerald Robert Corbett to be Secretary of the Territory of Hawaii.

IN THE ARMY

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

Ernest Joseph Dawley to be a brigadier general, for temporary service, in the Army of the United States.

IN THE NAVY

TEMPORARY SERVICE

Robert O. Glover to be a rear admiral in the Navy, for temporary service, to rank from July 22, 1942.

Frank E. Beatty, to be a rear admiral in the Navy, for temporary service, to rank from January 31, 1943.

IN THE MARINE CORPS

TEMPORARY SERVICE

Clifton B. Cates to be a major general in the Marine Corps, for temporary service, from February 1, 1944.

POSTMASTERS

ARKANSAS

William F. Chaney, Lonoke.

CALIFORNIA

Martha E. Lofton, Big Bend.
Edward F. Schobert, Lathrop.
Fred B. Rossi, St. Helena.
Charles H. Elgar, San Gabriel.

COLORADO

Lois E. Landreth, Bayfield.
Arthur S. Dean, Las Animas.

FLORIDA

Mildred K. Clark, Fruitland Park.

GEORGIA

Elizabeth McL. Gibson, Grovetown.
R. Pate Watson, Hawkinsville.

HAWAII

Edith A. Willey, Makawao.

ILLINOIS

Mary E. Jaco, Woodlawn.
George E. Perrine, Zeigler.

INDIANA

John M. Coffin, Arlington.
Oliver W. Crone, Borden.
Oliver W. Summerville, Burns City.
Orace Oakel Welden, Francesville.
Carl M. Buchanan, Guilford.

IOWA

Eugene J. Halligan, Davenport.
Achsa F. Lookabill, Hastings.
Frank A. Riser, Lansing.
Fae A. Deitchler, Silver City.

KANSAS

Ivan R. Cordill, Bern.
Florian A. Glotzbach, Paxico.

KENTUCKY

Virginia P. Howard, Fountain Run.

LOUISIANA

Hazel D. Womack, Chatham.

MICHIGAN

Clifford B. Dabney, Almont.
Barbara B. Burwell, Baldwin.
Bertha A. Jurmu, Bruce Crossing.
Carleton A. May, Camden.
Minnie H. Nash, Holton.
D. D. Harris, Lansing.
William H. Cuthbertson, Ludington.
Verna E. Cameron, Lyons.
Paul A. Curtis, Middleton.
Aaron R. Merritt, Mulliken.
Bernath S. Ernst, Nunica.
William M. Flachs, Remus.
Helen L. Young, Riverdale.
Ruth A. Huntey, Stanwood.
Gary D. Howell, Willis.

MISSISSIPPI

Archie Patterson, Pinola.
Clara L. Wright, West Enterprise.

MISSOURI

Roy W. Moore, Hickman Mills.

MONTANA

Eugene E. Dickerson, Warm Springs.

NEW JERSEY

Fred Gordon Lowden, Leesburg.
Catherine E. Kenny, Mountain Lakes.

NEW YORK

Ruth C. Davis, Brookfield.
Hugh A. McCargar, East Pembroke.
Joseph M. Kelly, Tarrytown.

NORTH CAROLINA

John Holman Hawley, Goldsboro.
Martha C. Newman, Milton.

OHIO

Mary I. Timko, Barton.
Helen G. Casenhiser, Clinton.
Florence Wilcox, Deerfield.
Herman C. Reisdorf, Gahanna.
Marjorie R. Heinrichs, Hamler.
Homer T. Gates, Moscow.
Arthur W. Dawson, North Lawrence.
Raymond E. Schryver, Warren.
Harry R. Eastwood, West Richfield.

OKLAHOMA

Jesse L. Brown, Cleo Springs.
Betty Brown Hunt, Dacoma.
Josie Michael, Krebs.
Ida M. Duke, Ninnekah.
Leilah V. Walker, Spavinaw.

OREGON

Walter W. Mascall, Dayville.
Fred O. Parsons, Hammond.
Isabella E. Lee, Jordan Valley.

PENNSYLVANIA

John O. Whiteman, Claridge.
William D. Thompson, Crucible.
Clarence R. Kring, Davidsville.
Edward A. Schoeffel, Evans City.
Vernon M. Hatch, Forksville.
Gertrude M. Reed, Great Bend.
John Stipanovich, Harwick.
Carrie Walpusk, Jenners.
Robert Stanley Davis, Kimberton.
Dorothea B. Wright, Morton.
Ralph W. Whipkey, Ohiopyle.
Edward F. Kapteina, Springdale.
Charles D. Witman, Thomasville.
Pauline J. Ceryak, Tire Hill.

SOUTH CAROLINA

Anna F. Foy, Early Branch.
Mattie H. Graham, Pomaria.

VIRGINIA

Frank L. Thompson, Hot Springs.

WEST VIRGINIA

Arzana M. Ward, Arthurdale.
Irvin G. Bowman, Petersburg.
Benjamin F. Hall, Thorpe.

WISCONSIN

Josephine H. Webster, Oneida.
George H. Geisler, Ridgeland.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 23, 1944

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Ou Heavenly Father who hast crowned our days with goodness and mercy, in all our labors we would magnify Thy holy name. In the Christ of glory are all the mercies of one God, all of the hopes of the races of men and all the joys of saints born and unborn. No matter what the future may hold, Thou art the secret of wisdom; Thou wilt brave the thick shadows which are cloaking our world and will make secure the cornerstone of our most holy faith "Emmanuel—God with us."

Most gracious Lord, we pray for a religion that expresses the deepest, the warmest, and the strongest sentiments of our hearts; not intellectual appreciation alone, but full of wonder, gratitude, and trust. O grant that our creed may breathe the spirit of sacrifice and self-renunciation. Thou who knowest every need, hold us in the present stress of life by faith in Thy love, by the consciousness of Thy presence and by the memory of those with whom we are associated. As we separate for a while, O keep us beneath the shadow of a great protection, for we know that naught Thou hast made above, below, can part us from the Shepherd's tender care.

The Lord bless you and keep you. The Lord make His face to shine upon you and be gracious unto you; the Lord lift the light of His countenance upon you and give you peace.

Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 4466. An act to amend section 18 of the Pay Readjustment Act of 1942 to provide additional pay for personnel who are required to participate in regular and frequent glider flights;

H. R. 4810. An act to extend the provisions of the Selective Training and Service Act of 1940, as amended, to the Virgin Islands; and

H. J. Res. 138. Joint resolution granting the consent of Congress to an agreement between the State of New York and the State of Rhode Island and Providence Plantations concerning the settlement of the boundary line between said States.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1173. An act to provide for staying judicial proceedings against the United States in time of war, on claims for damages caused by vessels of the Navy, or for towage or salvage services to such vessels, when the Secretary of the Navy certifies that the prosecu-

tion of such proceedings would endanger the security of naval operations or interfere therewith, and to authorize the settlement and payment of such claims, and for other purposes;

S. 1894. An act to provide for the transportation to their homes of persons discharged from the naval service because of under age at time of enlistment; and

S. 1973. An act to provide additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge.

The message also announced that the Senate had passed bills, a joint resolution, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 887. An act conferring jurisdiction upon the United States District Court for the Western District of Virginia to hear, determine, and render judgment upon the claims of John Weakley and Rella Moyer;

S. 1226. An act for the relief of Charles T. Allen;

S. 1365. An act for the relief of J. C. Drewry;

S. 1419. An act to authorize collectors of internal revenue to receive certain checks and money orders in payment of taxes and for revenue stamps;

S. 1464. An act for the relief of the estate of Charles Noah Shipp, deceased;

S. 1473. An act to amend the Interstate Commerce Act, as amended;

S. 1503. An act for the relief of John H. Gradwell;

S. 1571. An act to provide that the transmountain tunnel constructed in connection with the Colorado-Big Thompson project shall be known as the Alva B. Adams tunnel;

S. 1709. An act for the relief of Mrs. Clark Gourley, administratrix of the estate of Clark Gourley;

S. 1717. An act for the relief of Luella F. Stewart;

S. 1776. An act for the relief of L. C. Gregory;

S. 1827. An act for the relief of Oliver N. Knight;

S. 1877. An act to transfer Georgetown County, S. C., from the Florence division to the Charleston division of the eastern judicial district of South Carolina;

S. 1935. An act for the relief of Sigurdur Jonsson and Thorolina Thordardottir;

S. 1936. An act to amend the Selective Training and Service Act of 1940 by making it a criminal offense to possess unlawfully or to reproduce various certificates issued pursuant thereto;

S. 1947. An act to amend the National Housing Act, as amended;

S. 1964. An act to reimburse certain aviation cadets and former aviation cadets for property lost or damaged as the result of a fire at Carroll College, Helena, Mont., on January 8, 1944;

S. 1974. An act to amend section 1442, Revised Statutes, relating to furlough of officers by the Secretary of the Navy;

S. 1983. An act for the relief of Mrs. Anna Runnebaum;

S. 1995. An act for the relief of Fred A. Dimler and Gwendolyn E. Dimler, his wife;

S. 2004. An act to amend the act entitled "An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes," approved June 11, 1942;

S. J. Res. 8. Joint resolution authorizing the erection of a statue of Leif Ericsson in the District of Columbia; and

S. Con. Res. 40. Concurrent resolution authorizing the appointment of a joint committee to arrange for the inauguration of the President-elect of the United States on January 20, 1945.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 702. An act to permit the prepayment of the purchase price of certain housing sold to individuals by the Farm Security Administration, and for other purposes;

H. R. 1045. An act for the relief of Mrs. R. D. Robinson;

H. R. 1506. An act to further amend the Pay Adjustment Act of 1942.

H. R. 1755. An act for the relief of Broadus D. Boland.

H. R. 1963. An act for the relief of G. H. Garner.

H. R. 2006. An act for the relief of Mrs. Hagar Simpson, Mrs. Nat Price, Jr., and Griffin Bros. Clinic;

H. R. 2097. An act for the relief of W. J. Cox;

H. R. 2576. An act to confer jurisdiction upon the Court of Claims to determine and render judgment for any losses suffered by Duffy Bros., Inc.;

H R. 3241. An act to implement the jurisdiction of service courts of friendly foreign forces within the United States, and for other purposes;

H. R. 3695. An act for the relief of the estate of Thomas Shea, deceased;

H. R. 3929. An act for the relief of Katherine Scherer;

H. R. 4033. An act relating to the use of the penalty mail privilege;

H. R. 4095. An act confirming the claim of Robert Johnson and other heirs of Monroe Johnson to certain lands in the State of Mississippi, county of Adams;

H. R. 4215. An act to extend to the custodial service employees of the Post Office Department certain benefits applicable to postal employees;

H. R. 4405. An act to amend the act approved March 7, 1942 (56 Stat. 143), as amended (56 Stat. 1092; 50 App. U. S. C., Supp. III, 1001–1017 inclusive), so as to more specifically provide for pay, allotments, and administration pertaining to war casualties, and for other purposes; and

H. R. 4624. An act to consolidate and revise the laws relating to the Public Health Service, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4879) entitled "An act making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 5 to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4861) entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 21, 24, and 25 to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4937) entitled "An act making appropriations for defense aid (lend-lease), for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration, for the fiscal year ending June 30, 1945, and for other purposes."

REPRESENTATIVE-ELECT ROLLA C. McMILLEN

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

JUNE 21, 1944.

The honorable the SPEAKER,
House of Representatives.

SIR: The certificate of election in due form of law of Hon. ROLLA C. McMILLEN as a Representative-elect to the Seventy-eighth Congress from the Nineteenth Congressional District of the State of Illinois, to fill a vacancy in that district, is on file in this office.

Very truly yours,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

PRINTING THE RULES AND MANUAL OF THE HOUSE FOR SEVENTY-NINTH CONGRESS

Mr. JARMAN. Mr. Speaker, from the Committee on Printing I report back favorably without amendment (Rept. No. 1739) a privileged resolution (H. Res. 603) authorizing the printing of a revised edition of the Rules and Manual of the House of Representatives for the Seventy-ninth Congress; and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That a revised edition of the Rules and Manual of the House of Representatives for the Seventy-ninth Congress be printed as a House document, and that 1,600 additional copies shall be printed and bound for the use of the House of Representatives, of which 700 copies shall be bound in leather with thumb index and delivered as may be directed by the Parliamentarian of the House for distribution to officers and Members of Congress.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I gladly yield to the gentleman from Mississippi.

Mr. RANKIN. The resolution provides for printing copies of the House Manual, which includes the Constitution, Jefferson's Manual, and the Rules of the House for the next Congress. Is that correct?

Mr. JARMAN. That is right.

Mr. RANKIN. Does the gentleman from Alabama propose to have those copies printed before the next Congress convenes and before the rules are adopted?

Mr. JARMAN. The report I have just submitted with the resolution states specifically that that will not be done. However, the Public Printer needs to begin to work on the unchangeable part this summer. This resolution is introduced now merely to authorize him to do that.

Mr. RANKIN. May I say to the gentleman from Alabama that the reason I am making this inquiry is that some

time ago the House by an overwhelming majority voted to change the rules with reference to the jurisdiction of the Committee on World War Veterans' Legislation. Owing to the fact that we could not get the chairman of the Committee on Rules to submit the proposition to that committee, it was necessary to petition it out. In the meantime the rules of the Seventy-eighth Congress were adopted and that change was not made in the resolution. The House adopted the resolution overwhelmingly, but, as I said, it contained the words "the Seventy-seventh Congress" instead of the words "the Seventy-eighth Congress." Immediately a resolution was submitted to the Committee on Rules to correct that error, which would have the overwhelming approval of the Members of the House of Representatives, but the chairman of the Committee on Rules, the gentleman from Illinois [Mr. SABATH], declines to bring it out or to submit it for the Rules Committee to vote on.

I did not want to have the House committed to the printing of this volume on the rules of the House for the next Congress until we were assured that the House of Representatives would have an opportunity to correct that typographical error, the gentleman from Illinois [Mr. SABATH] to the contrary notwithstanding.

Mr. JARMAN. It will not be printed until that time. In the meantime, however, I hope that the gentleman does not resort to the petition method to bring it on the floor.

Mr. RANKIN. Let me say further to the gentleman from Alabama that this change in the rule not only has the support of Congress, but it has the support of the American Legion, it has the support of the Veterans of Foreign Wars, it has the support of the Purple Heart, it has the support of the Disabled American Veterans, and it has the support of practically everyone else who is interested in the veterans' welfare. I just did not want the rules of the House for the Seventy-Ninth Congress adopted until the House would have an opportunity to make that typographical correction.

Mr. JARMAN. The gentleman has nothing to fear.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

POST-WAR TAXATION STUDY

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DOUGHTON. Mr. Speaker, I am sure that the House and the country will be pleased to learn that plans have been laid for the study of problems relating to post-war taxation. This study will be undertaken by the Joint Committee on Internal Revenue Taxation. The staff of this committee, in collaboration with the Treasury Department and the Bureau of Internal Revenue, are now engaged in compiling information for the use of the committee in connection with this study.

I have always taken the position that partisan consideration should not enter into the formulation of a tax program. In order that this post-war study be kept free from partisanship, an additional minority member has been added from both the Committee on Ways and Means of the House and the Finance Committee of the Senate. These 2 minority members are the distinguished gentleman from New York, DANIEL A. REED, and the senior Senator from Ohio, Mr. ROBERT A. TAFT. Accordingly, there will be 3 members of the majority party and 3 members of the minority party from each body conducting this study, or 12 members in all. The first step necessary in the formulation of any post-war program is the determination of the probable national income, the national gross output and the expenditures during the post-war period and other factors. It will also be necessary to consider the taxation problem during the transition period. Our staff and the staffs of the Treasury and the Bureau of Internal Revenue have been instructed to confer with all necessary governmental units in order to get the basic data necessary to predict what the probable post-war expenditures will be. Having determined what the present tax system will yield during such post-war period, it will then be possible for our committee to decide what taxes should be repealed or reduced, or how our tax system should be further revised.

The Joint Committee on Internal Revenue Taxation as constituted to make this study is as follows:

House members: R. L. DOUGHTON, of North Carolina, chairman; JERE COOPER, of Tennessee; WESLEY E. DISNEY, of Oklahoma; ALLEN T. TREADWAY, of Massachusetts; HAROLD KNUTSON, of Minnesota; DANIEL A. REED, of New York.

Senate members: WALTER F. GEORGE, of Georgia, vice chairman; DAVID I. WALSH, of Massachusetts; ALBEN W. BARKLEY, of Kentucky; ARTHUR H. VANDENBERG, of Michigan; ROBERT M. LA FOLLETTE, Jr., of Wisconsin; ROBERT A. TAFT, of Ohio.

SECRETARY OF THE NAVY JAMES FORRESTAL

Mr. RIVERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RIVERS. Mr. Speaker, on June 21, the Secretary of the Navy, the Honorable James Forrestal, on receiving a special degree from Princeton University, made what, in my opinion, is one of the finest speeches I have ever read. Among other things he pays his respects and admiration to the Members of Congress. I should like to refer to part of what he said about the Members of Congress. He said:

> I suggest we think twice before we too quickly and casually reproach these men or subject them to thoughtless pressure. We cannot expect devoted service and high patriotism unless the men elected to public office can stand or fall on great, not petty issues.

That is from a great Secretary of the Navy to a Congress which, in my opinion, has worked tirelessly and has worked very hard, but which has been criticized much too frequently. I think that every Member of Congress should read this speech these contemptible bureaucrats have given out and are continuing to degrade Congress and make remarks which could do nothing but hurt us as an institution. I think when we find a man such as the great Secretary of the Navy who pays us a little compliment and pats us on the back, it is a very fine thing because this Congress has worked hard, and has done a good job, and I know we all appreciate those kind remarks.

Mr. MASON. Is the gentleman going to insert that speech in the RECORD?

Mr. RIVERS. I am going to put it in the RECORD. I wish every Member would read it.

EXTENSION OF REMARKS

Mr. VOORHIS of California. Mr. Speaker, I have two unanimous consent requests. First, I ask unanimous consent to extend my remarks in the Appendix and include a letter to me from Mr. Ben C. McCabe, president of the National Tax Equality Association, and my reply to him. Secondly, I make the request to have unanimous consent to include a statement addressed to the Congress by Mr. Rollo Ellis, which statement will take two-thirds of a page more than the allowance, and will cost $138.80. Nonetheless, I ask unanimous consent that I may extend his statement in the Appendix of the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ELK HILLS NAVAL OIL RESERVE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, in signing the bill enacted by Congress for the control of the Elk Hills Naval Oil Reserve, the President took exception to the fact that Congress had provided for definite congressional control of production in that naval reserve and other matters pertaining to it and to a provision whereby congressional committees would be consulted before any contracts with regard thereto are entered into. I would like to respectfully state that I disagree with the position of the President in this matter and that I believe what Congress did was no more than necessary and proper. Certainly the propriety thereof was proven by this very Elk Hills matter and above all by the kind of contract originally entered into in the fall of 1942. In the second place I want to say when I voted for this bill to increase production from the Elk Hills reserve, I did so with a distinct understanding that every effort would be made to render that increased production unnecessary at the earliest possible mo-

ment. I do not understand why the proposed pipe line from west Texas to the west coast has not been built long since. I hope it will be rushed. For such a pipe line might not only relieve the gasoline shortage on the west coast but also enable the Elk Hills production to be reduced, thus saving that reserve.

Mr. THOMASON. The people out there will build it if somebody will O. K. the priorities on the material.

Mr. VOORHIS of California. I understand that that is true.

The SPEAKER. The time of the gentleman has expired.

TRANSPORTATION PRIORITIES FOR FURLOUGHED SERVICEMEN

Mr. HENDRICKS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. HENDRICKS addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. FAY. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a sermon delivered by Father O'Connell, pastor of the Roman Catholic Church of the Epiphany.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MORRISON of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter from a constituent and my answer to him, and I also ask unanimous consent to extend my own remarks on three different subjects.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CAPOZZOLI. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances, first to include a letter addressed to me by the Honorable Leo T. Crowley, Administrator of the Foreign Economic Administration, and, second, to include a letter addressed to me by one of my constituents, Dr. O. I. Bloom.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ENGLE of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in regard to certain matters concerning the Second Congressional District of California.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KUNKEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a summary of the legislation in the last 6 months in Congress.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BUFFETT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein two editorials, and I also ask unanimous consent to extend my own remarks in two separate instances.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HOUSING FOR NAVAL AND ARMY PERSONNEL

Mr. IZAC. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. IZAC. Mr. Speaker, yesterday I introduced a bill to provide housing for the Navy. Under the rules laid down by the National Housing Administration the men of the services and their families are not entitled to take Federal housing. They cannot get into the regular F. H. A. title VI loan housing which we thought was for war workers. But regulations determined that war workers did not include officers and men of the Navy and of the Army.

I think that is a deplorable condition. So I have introduced a bill providing $45,000,000 to the Navy so that they may provide housing for the officers and men and their families who, in my opinion, are more entitled to the term "war workers" than any others of our people. Today I will introduce a similar bill authorizing the War Department to do the same; and if Congress will pass this legislation it will put a stop to this discrimination against the officers and men of the armed services and their families.

The SPEAKER. The time of the gentleman from California [Mr. IZAC] has expired.

EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in two particulars, and in one extension to include an editorial from the Indianapolis Star.

The SPEAKER. Is there objection?

There was no objection.

Mr. JACKSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in connection with the recognition of Marshal Tito.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include an editorial from the Pittsburgh Journal.

The SPEAKER. Is there objection?

There was no objection.

MANUFACTURING OF WHISKY

Mr. REES of Kansas. Mr. Speaker, the announcement by the War Production Board and approved by the administration that the Nation's whisky distilleries are to be released from war production so they can produce alcohol to make between fifty and sixty million gallons of whisky or gin is the most absurd, unreasonable, and unjustified thing that has come out of a war agency for a long time. To do a thing like that at this crucial hour is beyond comprehension.

To make it worse, it appears the order has the approval of the War Food Administrator. For many months there has been a dire shortage of feed in this country. The shortage has been so acute we have imported grain from Canada free of tariff in order to provide additional supplies of feed for our livestock and poultry. Only a few weeks ago the War Food Administrator was directed by the War Department to freeze 70,000,000 bushels of corn so the Government could have it in the manufacture of airplanes. Livestock men and farmers throughout the country are in need of grain to produce poultry and beef and pork. In the face of all this the administration sees fit to turn about 70,000,000 bushels of grain to be used for the manufacture of alcoholic liquors. They say, of course, they are not going to use supplies of corn, but they are going to use approximately 70,000,000 bushels of wheat and rye needed right now, not only for feed, but also for human consumption.

Not only that, but a big part of the alcohol has been used for making synthetic rubber and other war materials. All at once it has been decided that we will withhold the manufacture of alcohol to make synthetic tires so that we can have fifty or sixty million gallons of liquor.

Mr. Speaker, only a few days ago the War Manpower Commission issued directives because of a shortage of manpower in this country. It was urged that women take the place of men wherever possible and that no one take jobs except in industries necessary for the prosecution of the war. It cannot be said that right now, at the most crucial time of the war period, it is necessary to divert the labor of several hundred thousand men and women in industry to make alcohol for liquor. Such a thing does not begin to make sense.

This is not a wet and dry issue. It goes a whole lot further than that. I do not believe the American people, if they understood the situation, would tolerate it for a minute.

Mr. Speaker, millions of people in occupied Europe are hungry and many are starving for lack of food. We have promised to help them, and yet in the face of that situation we are diverting millions of bushels of food to be made into alcoholic liquor. Is there anyone on the floor of this House who can justify such action?

Mr. Speaker, it is not right that in this most serious hour of our experience that the administration or anybody else should approve a move of this kind. The very looks of it is bad. It is not fair to the people of this country who are exerting their energies to do everything they can to help bring this war to a close. Neither do I think it is fair to the fighting forces who are giving their

very lives at this moment for our country to approve such an unnecessary, inexcusable thing. This kind of action does not help the war effort, but hinders it.

The American people are not so gullible that they are more interested in having less tires and more liquor, or less food and more whisky.

Mr. Speaker, the order ought to be rescinded now.

OIL FROM WEST TEXAS

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOMASON. The remarks of the gentleman from California [Mr. VOORHIS] encourages me to comment briefly. In my judgment you would not have all this conversation and controversy about the so-called Elk Hills Naval Reserve if even slight encouragement was given to the application of some prominent and responsible citizens of my State, Texas, who are willing and anxious to build at their own expense or with amply secured Government loans, a pipe line from Monahans, Tex., in my district, to the coast of California, where oil from the Permian Basin could be refined and delivered to the Navy at some convenient point on the Pacific coast.

The so-called Permian Basin is located in west Texas and southern and southwestern New Mexico and is the greatest potential oil field in the world. Geologists as well as Government experts admit it. It is already a proven field. There are hundreds of wells with enormous production. They are short on transportation facilities out there. The price of crude oil has been entirely too low to justify further development which the independents would like to make. But if somebody in Government would O. K. or encourage the building of this pipe line it would mean more development in that section and it would mean more oil for the Navy and would avoid a lot of discussion about this Elk Hills Naval Reserve. If you will give my people a fair price for crude and any kind of transportation, we will deliver all the oil needed, and we will not be involved in a contract like Elk Hills.

Mr. RIVERS. Will the gentleman yield?

Mr. THOMASON. I yield.

Mr. RIVERS. They have a surplus of 233,000 barrels a day there.

Mr. THOMASON. Yes; I repeat that reputable geologists say it is the greatest potential oil field in the world today. It is already a proven field, with hundreds of fine wells now producing but without adequate price and market. In that connection I hope the distinguished chairman of the Naval Affairs Committee [Mr. VINSON of Georgia] will have hearings before his committee and pass out a resolution giving the stamp of their approval to this project, because I think it would help to wake up some of the officials who thus far have not accorded the application the consideration I think it deserves.

Mr. RIVERS. I will tell you who it is. It is Ralph K. Davies.

Mr. THOMASON. I am calling no names and making no charges. I claim there is merit in this pipe line proposal and that it is not receiving a square deal. I insist that the price of crude oil in my country should be raised 35 cents a barrel and transportation provided for us to get it to market.

The SPEAKER. The time of the gentleman from Texas has expired.

EXTENSION OF REMARKS

Mr. CARLSON of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks and include two letters written by the War Food Administrator to the chairman of the Ways and Means Committee.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SUBVERSIVE ATTEMPTS TO CONTROL ELECTIONS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

PENALTY MAIL PRIVILEGE

Mr. BURCH of Virginia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 4033, an act relating to the use of the penalty mail privilege, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 4, strike out lines 14, 15, and 16 and insert:

"SEC. 5. Sections 1, 2, 3, and 4 of this act shall not apply to the Department of War and the Department of the Navy, and their activities outside of the city of Washington, for the duration of the present war and 6 months thereafter."

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. BURCH]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the effect of this amendment?

Mr. BURCH of Virginia. The House bill provided that during the emergency and for 6 months thereafter, the War Department and the Navy Department would be relieved from making account of penalty mail.

Mr. MARTIN of Massachusetts. Oh, yes. I recall. The gentleman explained this bill to me the other day.

Mr. KNUTSON. Let me explain it to the House, please.

Mr. BURCH of Virginia. This applies to outside activities, outside of Washington. It is just a clarifying amendment.

Mr. KNUTSON. Extracurricular activity?

Mr. BURCH of Virginia. Yes.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

CUSTODIAL SERVICE EMPLOYEES OF THE POST OFFICE DEPARTMENT

Mr. BURCH of Virginia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 4215, an act to extend to the custodial-service employees of the Post Office Department certain benefits applicable to postal employees, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill and the Senate amendment, as follows:

Page 3, line 21, after "holidays", insert ": *Provided further*, That the provisions of the foregoing provisos shall apply to employees of the Custodial Service during the period of the emergency and for 6 months thereafter."

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

DISPOSITION OF PROFITS FROM SALES OF SHIPS' STORES

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 784) to amend the act of June 24, 1910, relating to the disposition of profits from sales of ships' stores.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman from New York explain the bill?

Mr. COLE of New York. Mr. Speaker, under present law the Navy is authorized to conduct ships' stores for the purpose of selling toilet articles and cigarettes. Profit is limited to 15 percent. The proceeds of that operation are used for the recreation, comfort, and pleasure of the enlisted personnel. This bill as originally introduced sought to extend the availability of those funds to officer personnel. The House committee has amended the bill by limiting the officer use to officers aboard ships and officers located in foreign naval establishments except such foreign naval establishments as might be designated by the Secretary of the Navy as permanent establishments.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of June 24, 1910 (36 Stat. 619; 34 U. S. C., 542), under the heading "Bureau of Supplies and Accounts," subheading "Provisions, Navy," second proviso, is hereby amended by striking out the words "enlisted force" at the end of line 3 on page 620 and inserting in lieu thereof the words "personnel of the Navy," so that as amended said proviso will read as follows: "*Provided*, That hereafter a profit not to exceed 15 percent may be charged on sales from ships' stores, such profit to be expended in the discretion of the Secretary of the Navy, under such regulations as he may prescribe, for the amusement, comfort, and entertainment of the personnel of the Navy, and to be accounted for to the Bureau of Supplies and Accounts, Navy Department:".

With the following committee amendment:

Amendment offered by Mr. COLE of New York: Strike out all after the enacting clause and insert:

"The second proviso under the heading 'Bureau of Supplies and Accounts,' subheading 'Provisions, Navy,' in the act of June 24, 1910 (36 Stat. 619–620; 34 U. S. C. 542), is hereby amended to read as follows:

"'*Provided*, That hereafter a profit not to exceed 15 percent may be charged on sales from ships' stores, such profits to be expended in the discretion of the Secretary of the Navy, under such regulations as he may prescribe, for the amusement, comfort, and contentment of the enlisted force, except that the Secretary of the Navy shall cause an equitable use of such profits to be made for the welfare of officer and enlisted personnel attached to ships of the Navy and to activities outside the continental United States but not including permanent shore establishments as defined by the Secretary of the Navy, and such profits to be accounted for to the Bureau of Supplies and Accounts, Navy Department.'"

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REPAYMENT OF PURCHASE PRICE OF CERTAIN HOUSING SOLD TO INDIVIDUALS BY FARM SECURITY ADMINISTRATION

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 702) to permit the repayment of the purchase price of certain housing sold to individuals by the Farm Security Administration, and for other purposes, with Senate amendments and concur in the Senate amendments.

The Clerk read the title of the bill and the Senate amendments, as follows:

Page 1, line 4, after "individual", insert "under any program administered by the Resettlement Administration or the Farm Security Administration."

Page 2, line 19, after "agreement", insert ", having been in force for 5 years."

Page 3, line 2, strike out "a warranty deed to such real estate" and insert "forthwith a quitclaim deed conveying all right, title, and interest of the United States in and to such real estate without any reservations, exceptions, conditions, or restrictions whatsoever."

Amend the title so as to read: "An act to permit the prepayment of the purchase price of certain housing sold to individuals by the Resettlement Administration or the Farm Security Administration, and for other purposes."

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the amendments?

Mr. AUGUST H. ANDRESEN. Mr. Speaker, this bill has passed the House twice. It provides for transactions to be completed in the Farm Security and Rural Rehabilitation Administration. Where properties have been sold to individuals it permits these individual purchasers to pay their obligation and secure title.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. RAMSPECK. Have the Senate amendments been submitted to the committee?

Mr. AUGUST H. ANDRESEN. Yes; and the chairman of the committee and the gentleman from Virginia [Mr. FLANNAGAN], acting chairman, agreed to them. There is no objection from any member of the committee.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. COOLEY. Will the gentleman again kindly explain the purposes of the bill? I did not hear his previous statement.

Mr. AUGUST H. ANDRESEN. This bill has been before the Committee on Agriculture twice and has been reported unanimously. It provides simply that in all cases where individuals have purchased properties from the Farm Security Administration or from the Rehabilitation Administration they may now secure title by paying the balance of their indebtedness.

Mr. COOLEY. The bill has been reported by the Committee on Agriculture?

Mr. AUGUST H. ANDRESEN. Reported twice by the committee. The House passed it in the last session and in this session also.

The SPEAKER. Without objection, the Senate amendments will be agreed to.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT TO COMMITTEE

Mr. DOUGHTON. Mr. Speaker, I offer the following privileged resolution, and move its adoption.

The Clerk read as follows:

Resolved, That JOHN J. ROONEY of the State of New York be, and he is hereby, elected a member of the standing committee of the House of Representatives on Military Affairs.

The resolution was agreed to.

ANNOUNCEMENT

Mr. WASIELEWSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WASIELEWSKI. Mr. Speaker, official business has taken me away from the Capitol for the last 3 days. Prior to my departure I had made arrangements with the pair clerk to be paired on certain important legislation that was disposed of in my absence. Unfortunately a live pair could not be obtained. I wish to have the RECORD show that had I been present on roll call No. 104, the WASP bill, and on roll call No. 106, the insurance bill, my vote would have been "yea."

ESTABLISHING THE GRADE OF FLEET ADMIRAL OF THE UNITED STATES NAVY

The SPEAKER. The Chair recognizes the gentleman from Georgia [Mr. VINSON].

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2019) to establish the grade of fleet admiral of the United States Navy, and for other purposes.

The Clerk read the title of the bill.

Mr. WADSWORTH. Mr. Speaker, reserving the right to object, may I ask the chairman of the Committee on Naval Affairs if by the passage of this bill creating the rank of fleet admiral, certain officers of the Navy will be elevated higher than the highest officer in the Army?

Mr. VINSON of Georgia. In response to the inquiry of the distinguished gentleman from New York I may say that if this bill is passed it will confer in two instances higher rank than that of any Army officer except the rank held by General Pershing.

Mr. WADSWORTH. Mr. Speaker, will the gentleman yield further?

Mr. VINSON of Georgia. With pleasure.

Mr. WADSWORTH. May I ask if the Committee on Naval Affairs has consulted with the Committee on Military Affairs on this matter of topmost rank in the two services in order that there may be some teamwork?

Mr. VINSON of Georgia. In reply to the distinguished gentleman's question, I may say that this bill passed the Senate on June 22. Prior to that date by some months the Committee on Naval Affairs reported out a bill creating the rank of admiral of the Navy with the understanding that a similar bill would be reported out by the Committee on Military Affairs establishing corresponding rank in the Army.

Mr. WADSWORTH. Is it not true that the Committee on Military Affairs has refrained from doing so because the War Department has not asked for it?

Mr. VINSON of Georgia. I am not advised as to the reason why they have not brought forth a companion bill.

Mr. WADSWORTH. It is at least significant.

Mr. VINSON of Georgia. I assume that is correct.

Mr. THOMASON. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. THOMASON. The statement of the gentleman from New York [Mr. WADSWORTH] is true, the Committee on Military Affairs has taken no action and so far as I know, contemplates none. General Marshall and General Arnold have asked for no such promotion and I do not believe want it. May I ask a question?

Mr. WADSWORTH. I yield, certainly.

Mr. THOMASON. I should like to ask either the gentleman from Georgia or the gentleman from New York if it is not true that if this bill should pass these two admirals would be promoted to a higher comparable rank than General Marshall and General Arnold?

Mr. VINSON of Georgia. I thoroughly agree with the position taken by these distinguished gentlemen. It is to be regretted that the War Department does not share the same views.

It is a question whether or not the House wants to confer it on these two admirals in the hope that probably the

War Department might suggest like legislation.

Mr. THOMASON. In order to keep happiness in the family it will result now in the Military Affairs Committee having to consider promotions of Generals Marshall and Arnold to comparable rank to these two admirals? I am against any such procedure and shall object to the bill. We are in war and not a contest over stars and braid.

Mr. VINSON of Georgia. I would say that would be the right course for the Military Affairs Committee to pursue.

Mr. GRANT of Indiana. Mr. Speaker, at the meeting of the committee this morning at which this bill was approved, the statement was made that only two were proposed to be promoted at this time, but it was felt that five should be so promoted. It is expected that hereafter, if this bill should be enacted into law, we will ask for permission to promote five.

Mr. VINSON of Georgia. Mr. Speaker, in reply to the gentleman from Indiana, may I say that the United States Navy is of such magnitude and of such importance at this time that it does justify the raising of five in rank to this grade but for the time being we are only asking for two. I admit we are in this kind of a position. If this bill is agreed to, the War Department would feel somewhat aggrieved. Generals Marshall and Arnold will have to sit as members of the Joint Chiefs of Staff with two seniors in the naval service. I grant you that is not a happy situation and it is to be regretted that the War Department has not seen fit to go along or else to request such a bill.

Mr. WADSWORTH. Mr. Speaker, I am not authorized to say this, but I think I can assure the gentleman that General Marshall will not feel hurt, personally. He is not anxious for a higher rank.

Mr. VINSON of Georgia. That is true.

Mr. SHAFER. Mr. Speaker, in the interest of harmony and to alleviate this situation referred to by the chairman of the Committee on Naval Affairs, I object.

Mr. VINSON of Georgia. Mr. Speaker, if the gentleman objects I trust that in a short time the Committee on Military Affairs will give consideration and reach a decision in the hope that both services can go along together in regard to this matter.

The SPEAKER. Is there objection?

Mr. SHAFER. Mr. Speaker, I object.

SPECIAL COMMITTEE TO INVESTIGATE FARM SECURITY ADMINISTRATION

Mr. SLAUGHTER. Mr. Speaker, I call up House Resolution 525, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That House Resolution 119, Seventy-eighth Congress, first session (providing for an investigation with respect to the Farm Security Administration), is amended by inserting after the second paragraph a new paragraph as follows:

"The committee is also authorized and directed to investigate the activities of the Farm Credit Administration with a view to determining what, if any, amendments to the laws administered by such Administration are necessary or desirable."

Mr. SLAUGHTER. Mr. Speaker, this resolution continues and broadens in scope the inquiry heretofore conducted by a select committee of the House headed by the gentleman from North Carolina [Mr. COOLEY]. That committee originally was appointed to investigate the Farm Security Administration and has heretofore filed a report of that investigation.

This resolution broadens the scope of the inquiry and authorizes and directs this select committee to proceed with an investigation of the Farm Credit Administration. The investigation has two purposes. First, to go into the various aspects of agricultural credit administration with a view to determining in what way and in what manner these various lending agencies of the Federal Government can best be coordinated. Second, it is my understanding that the committee proposes to determine as best it can to what extent some of these functions of agricultural credit can be turned over and placed in private hands in those cases where it is not necessary to use the credit facilities heretofore set up by the Federal Government.

Mr. Speaker, I now yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, the Rules Committee heard members of the Agricultural Committee yesterday on this matter. As it was presented to us 17 members of the Agricultural Committee favored the resolution and 2 members did not. It seemed to be a question of some disagreement in the committee more than anything else. As I understand the matter, all there is to this resolution is adding to the powers of an existing investigating committee. In other words, it creates no new committee, it carries no additional money, but it gives to the Cooley committee authority to investigate not only agencies dealing in what is known as soft credit but also with the agencies dealing with hard credit. I am taking this time as a member of the Rules Committee, although I am not a member of the Agricultural Committee and I am not familiar with the details, but I think I have the over-all picture in mind as the House wants to get it.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Minnesota, a member of the Agriculture Committee.

Mr. AUGUST H. ANDRESEN. The adoption of this resolution will in no way prevent the entire Committee on Agriculture from taking part in this investigation?

Mr. MICHENER. That is correct.

Mr. AUGUST H. ANDRESEN. The resolution, if amended, will authorize the entire committee as well as the special committee to work together in making this investigation?

Mr. MICHENER. It just seems to me there is a dispute in the Agriculture Committee. There are 2 members who feel this investigation should be conducted by the 25 members, or whatever the number is. The rest of the committee feel that the investigation should be conducted by the committee which is investigating other matters along the same line.

Mr. JENKINS. Will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Ohio.

Mr. JENKINS. I am inclined to favor this resolution because I think the Cooley committee has done a good job. The gentleman stated there will be no additional finances required. Am I safe in assuming, however, that that will come later? Will they come in later and ask for some money and is there anything to indicate how much money will be requested?

Mr. PACE. May I say that this committee now has on hand approximately $5,000 from the previous investigation and it is felt this will be ample to complete this investigation because there will not be need for visiting the different sections of the country as was the case in the previous matter.

Mr. JENKINS. What direction will these new inquiries take? What special field have you failed to investigate?

Mr. PACE. This will be an investigation of the entire farm-credit structure. We have up to now covered only the farm-security end of it.

Mr. MICHENER. This will cover the Federal Land Bank, production credit, and all other Government agencies having to do with furnishing credit to the farmers. That, it seems to me, is the sensible thing. We should pass this resolution unanimously.

Mr. JENKINS. I think it is the sensible thing, because there is no question but what there has been an overlapping of these agencies. If this investigation can coordinate them and bring them together, it will be a good thing financially and in every other way.

Mr. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, I was very much impressed by the statement of the gentleman from Michigan when he said that this resolution will not cost any money.

I would like to ask the gentleman from North Carolina [Mr. COOLEY], who is the head of this special committee investigating Farm Security, if that statement is right and that there will be no additional money requested to carry on this investigation?

Mr. COOLEY. I think I can say to the gentleman that we have a balance on hand sufficient to complete the job contemplated by the present resolution.

Mr. COCHRAN. I will tell the gentleman that I know he has a balance on hand, because I checked it this morning.

May I say, Mr. Speaker, it seems to me it is useless to urge the Committee on Rules to discontinue bringing in resolutions of this kind. I do not think there is a Member of this House who will not agree that the jurisdiction placed in the Committee on Agriculture by the House rules covers this very matter, and that

committee can investigate the Farm Credit Administration any time it desires without any action by the House. In addition we have adopted so many resolutions in the last few days; I do not know the exact number, but I think we now have 35 special and select committees. That is one reason why it is hard to get a quorum in the House when we are in the Committee of the Whole. Those committees are meeting. It seems to me it is about time to call a halt. As I am chairman of the Committee on Accounts, I want the RECORD to show that there will not be a request for any additional money.

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I favor the adoption of this amendment to the resolution. There is a decided need for a complete and thorough investigation of the Farm Credit System, having in mind a coordination of all credit activities into one organization to avoid duplication and waste of public money.

The Cooley committee has done a splendid job in its investigation of the Farm Security Administration. In its report to the Committee on Agriculture, the committee recommended that a complete investigation take place over all farm credit, and that there be a consolidation of the various credit agencies under a bipartisan or nonpartisan board. It so happens that I do not favor the Cooley bill at the present time because I feel that it would be waste of time and money to set up one agency when later on we contemplate taking the Farm Security and relative agencies of soft credit into the general farm-credit picture.

I might say in connection with the Farm Security Administration, which I think will be of interest to the Members, that this agency during the past has been a breeding ground for certain intellectuals who have graduated into the leadership of the C. I. O. Political Action Committee. It appears that in the Farm Security Administration they have undertaken many un-American and communistic activities contrary to the intent of the Congress. In connection with the seminar of Farm Security it has really been post-graduate work for certain un-American ideas. From it the C. I. O. Political Action Committee has taken its principal workers to carry on a campaign to elect a subservient Congress. Mr. C. B. Baldwin, the recent director of Farm Security, a $10,000-Government man, has been taken on as the assistant chairman of the National C. I. O. Political Action Committee. In reality he is the master mind on strategy to formulate the plans which are now commonly known to the people of this country. Mr. Mitchell, his assistant in Farm Security, has been put in charge of the National C. I. O. committee in the Southern States. He has been charged with the responsibility of not only electing subservient Representatives from the Southern States, but also to deliver the electoral vote for the fourth-term candidate, which the political action committee is now recommending to the people.

I hope this resolution will go through, because I am satisfied that we must do away with some of the political activity that is going on in the Farm Security Administration, which was uncovered by the Cooley committee. I trust that the amendment will be agreed to unanimously.

Mr. SLAUGHTER. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, the original resolution gave the Committee on Agriculture authority to investigate the Farm Security Administration. A few Members had been alleging that the Farm Security Administration was guilty of socialistic tendencies. Why? Because they were aiding the poor farmers that needed financial assistance the most, and because it did not devote itself to aiding only the big farmers to a still greater degree. The big farmers really do not need any aid or assistance.

The chairman of the Committee on Agriculture appointed a subcommittee, of which the gentleman from North Carolina [Mr. COOLEY] is the chairman. The subcommittee consists of seven splendid and able gentlemen, all experts in the field of agriculture. They have come to the conclusion that there should be a widening of the scope of their investigation to cover another agency, namely, the Farm Credit Administration, in order to properly complete this work.

As has been stated, the Farm Credit Administration does not object to any investigation. It is ready and willing to be investigated, because it knows, notwithstanding many of these ridiculous allegations of some who are unfriendly, that it has conducted its work in the best interest of the farmers. I think it is manifestly unfair, unjustified, and unwarranted to find fault with all administrators, because I believe many of them have done a splendid work.

When we look back to 1930, 1931, 1932, and 1933, and see how little the farmer received for his crop, how he was losing his farm, how mortgages were being foreclosed, and remember the hue and cry that went up all over the country to help the farmers, to save them from foreclosure and to save them from wreck and ruin, it was the Democratic administration that came to their rescue and did everything possible to save them, and did save them, so that today the farmer in the United States is in better position than ever before in the history of our country. I am very glad of that. I wish them well. But what I want to know is this:

Will these farmers appreciate what has been done for them? They, or some of them, are being misled by some Republican speeches saying that nothing has been done for them.

Probably these complaints do not come so much from dirt farmers as from farmers' leaders for political purposes.

If there is anything else to be done for the farmer than has been done and this resolution will do it, I am for it; but I do not know what else we could do for the farmers. We have advanced them money for seeds, we have advanced them money for everything they needed, for fertilizer, for labor, for irrigation, and for everything else. In view of these conditions, I do not know what else can be done for the farmers. They deserved our aid and assistance in unfortunate 1931 and 1932, but now they are really prosperous. There are only a relatively few farmers who are finding fault and complaining.

In view of the fact that I am satisfied this committee cannot find anything wrong with the Farm Credit Administration and that the investigation will cost no more money, and no more money will be appropriated or asked for, I favor the passage of the resolution.

But I want this subcommittee to understand that I shall fight and oppose any act that will tend to place the farmers at the mercy of the private banks that have advocated the discontinuation of the Farm Credit Administration, because I feel that the farmers should continue to receive loans at as low a rate of interest as practicable and not be forced to pay 6 or 8 percent, which they paid before this administration made it possible for them to obtain loans from various Government agencies, including the Farm Credit Administration, at low and reasonable rates.

Mr. MICHENER. Mr. Speaker, I yield to the gentleman from South Dakota [Mr. CASE] for a unanimous-consent request.

Mr. CASE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of some Indian legislation which I propose to introduce today.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Speaker, this is not a very appropriate time to make a political speech, but that surely was a nice opening left by our distinguished colleague from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Illinois.

Mr. SABATH. I only answered the gentleman who preceded you, who charged that this agency is communistic and socialistic. I do not care what they are as long as they help the farmers and the people. That is what I am interested in. If the gentleman is not interested in the farmers, that is all right, but I am, because the farmers' prosperity is the country's prosperity.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. May I point out to the distinguished gentleman

from Illinois, who I know is a great American and always interested in agriculture, that the Farm Security Administration has been a breeding ground for graduates into the C. I. O. Political Action Committee. They took the head of the Farm Security Administration, Mr. Baldwin, to run it with Mr. Hillman.

Mr. MURRAY of Wisconsin. May I say that there are some 11 Government farm loan agencies. I do not have time enough nor the desire to get into the political aspects of this question. What we are really interested in now is to try to coordinate these various loan agencies not only to have an efficient administration but also to make it of much more value to the farmer himself.

We have very complicated Federal credit facilities. We have direct loans of 4 percent, then we have other direct loans of 2 percent to the same people. We have 100 percent loans at 3 percent, and if the administration had its way we would have 75 percent loans at 5 percent. However, since yesterday, the 75 percent of value loans are allowed to increase only to 4 percent, if the President signs the bill, which I presume he will.

All that is involved in the discussion here today is the fact that the Cooley committee has made its investigation and made its recommendations as far as the Farm Security Administration is concerned. The Farm Security people have around $1,000,000,000 worth of property to look after; there are $1,300,000,000 worth of Federal land bank loans and around $400,000,000 worth of Land Bank Commissioner loans. There are also other loans.

The purpose of this committee in seeking this investigation, as I understand it, is to try to look at the farm credit picture from all its angles and bring in legislation that will be not only for the benefit of the farmer himself but will surely be of benefit to the taxpayers of this country. I should think that the bill that was passed this week would bring that home to every Member of the House, when we appropriated $26,000,000 for overhead for the Farm Security Administration, and a total of $67,000,000 provided for loans. The amount for loans should have been increased and then the service charges would have been much reduced in percentages. In other words, the overhead is practically 39 percent of the amount of money available. That just shows how far we can go with overhead in comparison to the amount of funds we have with which to make loans.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield further?

Mr. MURRAY of Wisconsin. I yield.

Mr. AUGUST H. ANDRESEN. According to the gentleman's figures, it takes about 35 percent to 40 percent of the money appropriated for overhead expense. It is the hope of the committee that by having this investigation we shall be able to consolidate all credit agencies into one agency and do away with a lot of this overhead expense and get more of that money to the farmers who need it and save money for the Government.

Mr. MURRAY of Wisconsin. That is right.

I do not believe we need to inject any of what has happened in the past into the picture. We may as well forget the past, because it just confuses the picture.

I am sure this committee will go ahead and bring in some constructive recommendations as far as the whole farm-credit picture is concerned and I hope the resolution will be passed.

Mr. SLAUGHTER. Mr. Speaker, apparently there is no opposition to this resolution. In order to conserve the time of the House, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF CIVILIAN PILOT TRAINING ACT OF 1939

Mr. BULWINKLE submitted the following conference report on the bill (S. 1432) to extend the Civilian Pilot Training Act of 1939:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1432) to extend the Civilian Pilot Training Act of 1939, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

Strike out the figures "1945" in the last line and insert in lieu thereof the figures "1946", and the House agree to the same.

A. L. BULWINKLE,
CLARENCE LEA,
LINDLEY BECKWORTH,
CHAS. A. WOLVERTON,
PEHR G. HOLMES,
Managers on the part of the House.

GEORGE L. RADCLIFFE,
JAS. M. MEAD,
R. OWEN BREWSTER,
(Per GEO. L. RADCLIFFE),
Managers on the part of the Senate.

Mr. BULWINKLE. Mr. Speaker, I call up the conference report on the bill (S. 1432) to extend the Civilian Pilot Training Act of 1939, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a self-explanatory communication I have received from a firm in Los Angeles, Calif.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SUNDSTROM. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD on the subject of pensions.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an article by Malvina Lindsay of the Washington Post on June 23.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent to extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ALLOTMENTS PERTAINING TO WAR CASUALTIES

Mr. BATES of Massachusetts. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4405) "an act to amend the act approved March 7, 1942 (56 Stat. 143), as amended (56 Stat. 1092; 50 App. U. S. C., Supp. III, 1001–1017 inclusive), so as to more specifically provide for pay, allotments, and administration pertaining to war casualties, and for other purposes" with Senate amendments thereto, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 2, line 15, after "father," insert "or unmarried dependent."

Page 2, line 15, strike out "stepchild," and insert "stepchild, or."

Page 2, line 16, after "child" insert "under 21 years of age."

Page 5, line 7, strike out "Section" and insert "That section."

Page 7, line 17, strike out "overpayments subsequent to such period," and insert "payments for periods subsequent to the termination, under this act or otherwise, of entitlement to pay and allowances."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. BATES].

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the Senate amendments?

Mr. BATES of Massachusetts. Mr. Speaker, this is the so-called missing-persons bill, which we passed in the House the early part of this week. It was considered by the Senate. In order to define what dependency should mean within the law, the Senate offered these additional words "unmarried dependent under the age of 21" in one section and then clarified the language in another section relative to payments already made to dependents of a man, who, in fact, was killed in action, so that the dependent of the person who was killed in action would not have deducted from the

pay due to the serviceman that which was paid to the dependent. It is just clarifying language in every respect.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. BATES]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SABATH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and insert a few articles and also statistics relative to agriculture.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MANSFIELD of Montana. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include with my remarks two editorials from two papers.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

MOORE AIR FIELD

Mr. SABATH. Mr. Speaker, I call up House Resolution 593 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4901) to authorize and direct the sale of Moore Air Field, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. COLE of New York. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. RAMSPECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 107]

Allen, Ill.	Bates, Ky.	Brown, Ohio
Andrews, N. Y.	Bender	Buckley
Arends	Boren	Burdick
Arnold	Boykin	Butler
Barden	Bradley, Mich.	Canfield
Cannon, Fla.	Harless, Ariz.	Murdock
Celler	Harness, Ind.	Murphy
Chiperfield	Heidinger	Norman
Clevenger	Hess	O'Connor
Coffee	Hoeven	Patman
Compton	Hoffman	Peterson, Fla.
Cox	Holifield	Peterson, Ga.
Dawson	Horan	Phillips
Day	Jackson	Plumley
Dickstein	Johnson,	Poulson
Dies	Anton J.	Pracht,
Dirksen	Johnson,	C. Frederick
Disney	Calvin D.	Rabaut
Dondero	Johnson, Ind.	Reece, Tenn.
Douglas	Johnson,	Reed, Ill.
Elliott	Luther A.	Reed, N. Y.
Ellsworth	Kearney	Russell
Elmer	Keefe	Sauthoff
Elston, Ohio	Kefauver	Scott
Fernandez	Kennedy	Scrivner
Fish	Kilburn	Sheridan
Fitzpatrick	Klein	Short
Ford	Landis	Sikes
Fulbright	Lanham	Stearns, N. H.
Fuller	LeFevre	Stewart
Gallagher	Lemke	Tarver
Gavin	Lewis	Taylor
Gearhart	Luce	Treadway
Gibson	McCord	Vursell
Gifford	McGregor	Weiss
Gillespie	McMurray	Whelchel, Ga.
Gore	Magnuson	Whitten
Granger	Mansfield, Tex.	Wilson
Griffiths	May	Winter
Hagen	Merritt	Wolcott
Hale	Miller, Mo.	Wolfenden, Pa.
Hall,	Mills	Woodruff, Mich.
Edwin Arthur	Morrison, N. C.	
Halleck	Mruk	

The SPEAKER. On this roll call 305 Members have answered to their names. A quorum is present.

On motion of Mr. RAMSPECK, further proceedings under the call were dispensed with.

JURISDICTION OF SERVICE COURTS OF FRIENDLY FOREIGN FORCES WITHIN UNITED STATES

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3241) to implement the jurisdiction of service courts of friendly foreign forces within the United States, and for other purposes, with Senate amendments thereto, and agree to the Senate amendments.

The Clerk read the Senate amendments, as follows:

Page 1, line 8, strike out "5" and insert "6."

Page 1, line 11, after "force", insert "within the United States."

Page 2, line 7, after "force", insert "having service courts of appropriate jurisdiction within the United States."

Page 2, line 14, after "force", insert ", for trial in such service courts within the United States for such offenses as shall lie within the jurisdiction of the service courts of such friendly foreign force: *Provided*, That the trial of any member of such friendly foreign force for an offense against a member of the civilian population shall be in open court (except where security consideration forbids), shall take place promptly in the United States and within a reasonable distance from the place where the offense is alleged to have been committed, for the convenience of witnesses."

Page 3, line 21, strike out "$5,000" and insert "$2,000."

Page 3, line 22, strike out "one year" and insert "six months."

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain these amendments?

Mr. SUMNERS of Texas. Mr. Speaker, these amendments provide what the Members of the House believed was already in the bill. This bill attempts to aid friendly countries that have courts martial in this country to get witnesses. The House bill did not provide that that activity should be limited to the United States. We did not think it necessary. The Senate thought it necessary and included the provision limiting the operation of the bill insofar as our own nationals and officials are concerned to the United States.

There is another little amendment there that changes the amount of penalty, reducing it from $5,000 to $2,000, and there is also a correction with reference to a section number.

I have talked with the gentleman from Iowa [Mr. GWYNNE], who was a member of the House subcommittee having to do with this matter, and I have talked to a number of other members of the Committee on the Judiciary, and they agree that the amendments are as I have indicated.

Mr. MARTIN of Massachusetts. This is acceptable to all the members of the committee?

Mr. SUMNERS of Texas. All I have talked to—and I have spoken to a number of them.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. KEOGH. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. KENNEDY] may be permitted to extend his own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. KEOGH]?

There was no objection.

Mr. D'ALESANDRO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the G. I. bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland [Mr. D'ALESANDRO]?

There was no objection.

Mr. WORLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. WORLEY]?

There was no objection.

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short colloquy which took place on the floor of the House of Representatives when the Interior Department appropriation bill was under consideration.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. WELCH]?

There was no objection.

The SPEAKER. The gentleman from Illinois [Mr. SABATH] is recognized.

MOORE AIR FIELD

Mr. SABATH. Mr. Speaker, the rule read before the call of the House makes in order H. R. 4901, which authorizes the sale of the auxiliary Moore Air Field in Oklahoma, of 532 acres, obtained in 1942 by the Government through condemnation proceedings. The Government has expended on that airfield about $140,000 or $150,000. While constructing the air field oil was discovered on adjoining land and, of course, many derricks were put up there, rendering this area a dangerous one for an airfield.

The Navy Department has therefore come to the conclusion that that particular tract is not one it should continue to use as an auxiliary airfield, and has decided to abandon it. It therefore has suggested legislative authority to turn this site back to its once owners, after it shall have been reimbursed the amount of some Navy improvements and amount paid for the land.

The committee has been informed that a great deal of oil has been found on this adjoining property and that something must be done immediately so that the oil deposit on this site may benefit proper persons instead of the large oil companies owning adjacent land. The law of capture applies in Oklahoma, and drilling has occurred on adjoining land. Drainage of this particular site will occur when adjoining wells are placed in production, therefore, the necessity for quick action.

The original owners maintain, in view of the fact that the property was taken from them by condemnation proceedings, that they should have the right to repurchase the property after reimbursing the Navy Department the amount paid for the land and on account of expenditure in constructing this air field.

For nearly 3 years the Committee on Naval Affairs has come in with unanimous reports in connection with its proposed legislation, but this time, however, there is a division. I want the House to know, because I always aim to inform the House fully as to all conditions, that there is a minority report bearing seven names, including the name of the ranking Republican member [Mr. MAAS] who has so praiseworthily cooperated with the chairman of the Committee on Naval Affairs during the last 3 years.

Some people claim that we would be setting a dangerous precedent by selling this property back to the original owners in view of the fact that oil has been found. On this occasion, when there is a profit, it is believed by a majority of the Committee on Naval Affairs that the original owners should be given first consideration; but it is freely admitted that the views of the minority have much merit. Of course, I understand a fair price has been paid for this site. In fact the Government paid more for this land than it had been offered for a short time before the acquisition of it by the Navy.

The Navy has been offered $750,000 in cash and royalties for this tract by an oil company. These owners do not wish any donation or contribution. All they desire is to pay the Government what it has expended and return the money which they received for the property.

Hearings have been held on this bill and the majority members of the Committee on Naval Affairs have reported favorably on this bill. The Committee on Rules—and that has been my position from the very beginning, as you know—feels that where a bill of that nature comes before the Committee on Rules, and there is a division and disagreement, the House should be given an opportunity to pass on it.

Since the Chair directs that I suspend until I have complete attention, I will say that I fully appreciate that many of the Members are going to leave this evening or tomorrow, and they wish now to say good-bye to and advise one another, especially on the Republican side, what to do and how to do it to be reelected. I do not blame them. I know they will have a hard task, so I do not blame them. It is all right.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. No; I cannot yield now. I did not refer to the gentleman from Massachusetts [Mr. MARTIN] because I really believe he is deservingly going to be reelected without any trouble. He will, no doubt, continue to serve in his present capacity as minority leader, a position he has filled so ably and acceptably, in the next Congress. I congratulate him beforehand upon retaining the position that he will continue to occupy.

Mr. Speaker, I dislike to bring in politics, but some of these gentlemen on the Republican side, as a rule, rather provoke me.

We all have been under a terrific strain, but, unfortunately, I feel that I have been under a greater strain than any other Member of the House. Consequently, in my desire to do full justice to the membership in explaining these many rules I have been required to present in the shortest possible time I may have been, yes, I have been at times provoked when some Members unnecessarily urged that I yield to them for questions not designed to elicit enlightenment but to unfairly criticize and find fault with various departments, independent agencies, and even those high in the administration. It is, therefore, no wonder that I do at times, seemingly unnecessarily, become provoked and perhaps harshly refuse to yield or answer some of the ridiculous, aggravating queries. Anyway, now being in exceptionally good humor I apologize for any harsh words that I may have spoken and for refusing to yield at times. I assure all those who may feel themselves aggrieved that I really did not mean to be rude or discourteous, and I do hope they will pardon me. Believe me when I tell you that I am saying this very sincerely. At the same time I wish you all a very pleasant, agreeable, deserved vacation and relief from your onerous and important work, especially of the last 6 months.

Mr. Speaker, knowing that the gentleman from Georgia [Mr. VINSON], the chairman of the Committee on Naval Affairs and whom we all love, who gets everything and anything he wants from this House, wants to be heard, I shall yield to him later in order to have him more fully and clearly explain the bill that this resolution would make in order. But before I do so, I am going to yield 30 minutes to an outstanding Republican member of the Committee on Rules, my real friend and one of the ablest, most accommodating and ingratiating gentlemen in the House, who at all times acts so fairly and squarely and so ably elucidates any question to the complete satisfaction of all concerned, the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, the very able and courteous chairman of the Rules Committee is always generous. He is the dean of the House and one of its most active Members. He is a New Deal Democrat and one of the most effective and conscientious supporters of administration policies in the Congress. Therefore, I just naturally appreciate the kind things he has said about me, and I would be other than sincere if I did not thank him.

The chairman has fully stated just what this rule provides and its purpose. I shall not therefore attempt to amplify along that line. The Committee on Naval Affairs unanimously requested this rule. This is the first time in recent years that the gentleman from Georgia [Mr. VINSON], chairman of the Naval Affairs Committee, and the gentleman from Minnesota [Mr. MAAS], ranking Republican member on the committee, were not agreed as to proposed legislation when they appeared before the Rules Committee. Be it understood, however, that they did agree and joined in the unanimous request of the committee that this rule be granted. A number of the members of the Rules Committee expressed doubt as to the advisability of the legislation, but unanimously responded to the request of the Naval Affairs Committee and reported the rule.

As to the merits of this proposal, there is grave question. The bill itself is not of great importance, affecting but a few people and not involving a large sum of money. However, I warn the House that if this bill becomes a law, it will establish a precedent and a far-reaching congressional policy. Under existing law the Navy Department is authorized to dispose of surplus property of this nature at public sale and to the highest bidder. That is the general rule. It is sound and one exception will beget other claimed exceptions. There are equities in favor of the individuals who will profit financially by the passage of this bill. The Government will lose nothing. The real problem to me is, should the Congress change an established policy in this particular case. I doubt the wisdom of doing so. After the war the Navy Department and other Government agencies will have literally billions of dollars of surplus real and personal property to be disposed of. It is a practical impossibility for the Congress to assume the task of working out equities in each specific case. The Rules Committee was told that it was important to have a congressional declaration

of policy and that is the prime reason this bill is before us today. If the issue can be thoroughly understood, the matter might be disposed of under the rule without the 3 hours' general debate in connection with the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. If one was opposed to the bill, would it not be good judgment to vote against the rule, and thereby avoid having 2 or 3 hours of discussion in the closing day of the session?

Mr. MICHENER. Inasmuch as I am a member of the Rules Committee voting to report this rule, the question of the distinguished minority leader places me in a very embarrassing position. It is true, however, that this matter can be disposed of much quicker if the House refuses to even consider the bill. In that case, the present law will obtain without any changes.

Mr. MARTIN of Massachusetts. Conditions change things sometimes.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. From the gentleman's knowledge of the bill, does he not think that this bill is so important, because of the drainage of oil that will take place between now and the time that the Congress comes back, that we ought to take some action today one way or the other?

Mr. MICHENER. The gentleman from Massachusetts is a member of the Naval Affairs Committee and he is quite right that some action should be taken by the House today. If the House votes down the rule after 1 hour's debate, it in effect refuses to make the exception in this case, which will be a precedent for the future. The result will be exactly the same as if the bill is voted down after 3 hours' discussion. In fact, defeat of the rule is a short way to kill the bill.

Mr. Speaker, I now yield 15 minutes to the gentleman from Minnesota [Mr. MAAS], the ranking member of the Committee on Naval Affairs, who is very familiar with the entire situation.

Mr. MAAS. Mr. Speaker, this is one of the few times in my experience that a bill has been reported out of the Committee on Naval Affairs by a close division. I oppose this bill and I opposed it with all the vigor I had in committee. I did not oppose the rule. However, the gentleman from Georgia [Mr. VINSON] and I went to the Committee on Rules because we wanted this matter disposed of, but I did not expect that it would be brought up at the last minute under these conditions.

There is a very far-reaching vital policy involved in this bill. I want the House to understand clearly that this is a private bill, for the relief of private individuals, couched in general language. If we are to adopt as a congressional policy the principle that whenever anything that the Government has bought has increased in value, and that we must sell it back to the original owners at what we paid them for it, even though we are never protected on the same situation when there is a loss involved, then let us consider that type of legislation. Let us have hearings on the effect of such legislation, and let the House vote upon that policy. I have no objection to that.

But what we are asked to do today is to pass a bill which is a private bill, which takes probably as much as $2,000,000 and maybe $3,000,000 of the people's money, because title to this land is in the people of the United States, and to make an absolute gift, a free gift of that money to three individuals who previously had lived on this land.

There is no question of equity involved whatever. We bought this field through condemnation procedure, which is the usual procedure, because we had to have it for a permanent flying field. There can be very little to the point that because we took it by condemnation any great injustice was done. All of the owners involved accepted voluntarily the amounts that were determined by the commissioners and approved by the courts. Every one of them accepted the award. There was no appeal taken by any of them, until a year later, after oil was discovered. Every one of them received handsome payments for their land. So that if we pass such a bill, it is an absolute gift by the United States Government to three of its citizens as against all the rest of its citizens.

What about all the other cases where we have taken land or anything of value, where the citizens did not require us to go through the process of condemnation? What about being a little more generous to those who cooperated and said, "Yes, if you need it for the war, I will sell it to you, I will not go to court." If there is any equity involved, it should go to those who voluntarily cooperated with the Government in the war effort, not those who forced us to go into court.

The argument is made that these people have been dispossessed of their homes and want to go back to making a living as they were making it before. This was farm land. We paid them not only the best going price for farm land in that area but in addition to that we included in the price we paid them its potential value as oil land. The judge in instructing the commissioners directed them to include in the amount enough to cover its potential value as oil land. We are making a mistake in not distinguishing between the potential value and the actual value. A year and a half after we bought it, it developed that there was oil around there, although nobody believed it at the time we purchased it. Now they are coming back and asking for its actual value as proven oil land.

While it is true that we can no longer use it for an airfield, the reason is not that we no longer need it as an airfield, for we do, but is due to the discovery of oil, and the surrounding development of oil derricks makes it no longer safe to use as a flying field. We must immediately buy and develop a new airfield in the area. So this land is not in any sense surplus land.

It is, however, equally true that the former owners, who were farming the land, no longer can farm it. We have surfaced it with gravel, and it could not be farmed again. Nor do they seek its return for the purpose of resuming their tilling the land as farmsteads. Oh, no; they want it back only in order to sell it at a fabulous profit as oil lands. If oil had not been discovered, this bill would never have been before us.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from South Dakota.

Mr. MUNDT. During the depression and since, the Government has acquired considerable real estate in South Dakota, some by foreclosure, some by outright purchase. Since then good crops and the realization of the advantages of that agricultural area have rapidly increased the price of land. If we pass this bill, then by the same argument we should pay a bonus to the people who sold that land to the Government because of this increase in the land value in South Dakota.

Mr. MAAS. Absolutely. I want to tell the House so you will fully understand what you are doing if you pass this bill that you will be laying a precedent for unequal treatment. It will not be a general policy, but you are laying the foundation for the biggest headache the Congress ever had. Every time there is an increase in the value of any land the Government has taken during the war, no matter how the Government acquired it, there will be a bill in Congress to give it back to those owners at the price we paid them for it. If they have influence, if they have a Congressman who is vigorous enough, they will get it, but somebody else will not get it. You will be flooded with thousands of bills of this character. They will clog the legislative machinery with thousands of bills of this character.

Mr. GRANT of Indiana. Mr. Speaker, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Indiana.

Mr. GRANT of Indiana. Is it not a fact that not only did the former owners receive more than a fair price for the land involved but the owner of the largest part of that land received even more than he had been trying to peddle it for 2 years previously?

Mr. MAAS. The largest piece of property involved is more than 320 acres, owned by the Hummel family. They listed this property with every real-estate agent in that area for 2 years and had listed it previously for $1,000 less than the Government paid them for it. That same man, when he finally negotiated with the Government, asked them about reserving his oil rights. The Navy representative said, "We do not know whether we want to do that, because we are going to put a permanent airfield on it, we are going to pave the runways, but if we do reserve it, we will have to deduct from a dollar to five dollars an acre."

This man said, "Oh, no; I want my full amount." We paid him $25,000, and he was not willing to have $300 deducted for the oil rights. That is how much he thought of the oil rights, and that man himself is an oil geologist. We did not rob anybody, I assure you.

Mr. BREHM. Mr. Speaker, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Ohio.

Mr. BREHM. Might it not be possible, if this bill were adopted, to set a precedent whereby the Indians may come in and say we should give them back the entire United States?

Mr. MAAS. I say to the gentleman that is not so farfetched. One of these owners had had the land only a year. What about the owners who had it previous to that? We ourselves had owned this land longer than one of these previous owners when oil was discovered.

There is a great sympathetic plea made to our committee and to all of us about having dispossessed these poor farmers, that they lost their homes and that they are now destitute. May I point out in the first place that we paid each of the other two owners $10,500 apiece, which was a handsome profit for their land, and that in both cases they retained 55 acres. I refer to the Hollidays and the Taylors. They each had a 150-acre farm. We took only 105 acres apiece, so that both of these other families have 55 acres in fee simple of some of the richest oil land in this country. They are now rich, rich people. There is nobody destitute as a result of this transaction. You need waste no sympathy on these people on the argument that the Government cruelly and harshly took their homes away from them.

Mr. SHEPPARD. Mr. Speaker, will the gentleman yield?

Mr. MAAS. I yield to the distinguished chairman of the Subcommittee on Naval Appropriations.

Mr. SHEPPARD. May I make this inquiry and then an observation? Have any citrus growers, who have $2,500,000 involved in a parallel condition, presented a claim to the gentleman's committee for consideration such as this?

Mr. MAAS. No; of course, and nobody would have if oil had not been discovered.

Mr. SHEPPARD. If this bill passes you are going to get such claims from California, and I can serve that notice on you now.

Mr. MAAS. I am certain we will. This Congress will be flooded with such bills. There is no equity involved. You need waste no sympathy. These people are today rich people. I think you will find at the bottom of this that the oil companies have already got hold of this. The witnesses before our committee were Texas oil lawyers. I think you may very well find underneath all of this a scandal that might remind us of Teapot Dome if this kind of legislation is passed. It is other interests than the owners who are fighting for this.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from New York.

Mr. COLE of New York. The gentleman from Massachusetts [Mr. BATES] raised the question that it is necessary that the Congress do something at this time in order to prevent the drainage of oil. Will the gentleman explain that situation?

Mr. MAAS. I am glad the gentleman brought that up. The gentleman from Georgia [Mr. VINSON] and I had an understanding, and I think he will verify this, that because of the importance of this matter and the fact that it is a very rich sand and will drain easily—it is the sugar-loaf type of oil sand, and there are now offset wells—the matter must be disposed of at once. It is being drained. We cannot delay this matter 3 or 4 or 5 months because we would have a serious drainage. Either the Government of the United States or somebody is entitled to that oil, because in Oklahoma you have the capture rights, and those who are draining it are entitled to the oil in the absence of drilling by the owners of the land. To settle that question we have agreed, and I wrote to the Secretary of the Navy on June 16 to the effect that we would make every effort to bring this matter before the Congress, but that if it was not finally disposed of by the Congress when we took a recess, then the Navy would proceed to sell it according to existing law, which directs them to sell it now to the highest responsible bidder at public auction. That is the present law. The only reason they have not done it before is because an amendment was placed on an appropriation bill in the Senate, and out of courtesy to the Congress, as long as that was pending, they withheld following the present law. However, the understanding is that we will not tolerate this drainage, and if the Congress does not adopt this rule today, tomorrow the Navy will proceed to sell it, according to law, to the highest responsible bidder.

Mr. PLOESER. Mr. Speaker, will the gentleman yield?

Mr. MAAS. I yield to the member of the Appropriations Subcommittee.

Mr. PLOESER. If the gentleman has any correspondence to that effect I think it would be a service to the House and the country if he put it in the RECORD.

Mr. MAAS. Mr. Speaker, I ask unanimous consent to put in the RECORD at this point a letter which I addressed to the Secretary of the Navy on June 16, confirming a conversation I had with him.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MAAS. I yield to the member of the committee.

Mr. BATES of Massachusetts. Mr. Speaker, I would like to have the gentleman read that. I think it might be quite informative to the members even of his own committee.

Mr. MAAS. Mr. Speaker, I will, then, take the time to read the letter. It is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 16, 1944.

Hon. JAMES V. FORRESTAL,
Secretary of the Navy,
Washington, D. C.

MY DEAR MR. FORRESTAL: Confirming our telephone conversation relative to the ultimate disposal of Moore Field in Oklahoma, it is my understanding that if Congress has not made a final disposition of legislation for the disposal of Moore Field at the time it takes a summer recess, that the Navy will then proceed to the disposal of Moore Field in accordance with provisions of the presently existing law.

I have discussed this with Chairman CARL VINSON, and he agreed that the matter is of such urgency because of the drainage of oil from this property, that if Congress has made no disposition by the recess that the Navy should proceed immediately to itself dispose of Moore Field to the Government's greatest advantage.

Mr. VINSON and I are making a sincere and genuine effort to obtain a rule to get immediate consideration of the bill that was reported out of the House Naval Affairs Committee, so that the issue may be clearly presented to the Congress and the issues therein resolved by the Congress.

In view of the fact that the House and Senate have both eliminated the provisions from the naval appropriation act for the disposition of Moore Field at a cost sale to the former owners, it certainly would be in order for the Navy to dispose of this property in accordance with the existing law if the Congress takes no further action.

Sincerely yours,

MELVIN J. MAAS.

Mr. HÉBERT. Mr. Speaker, will the gentleman yield?

Mr. MAAS. I yield to a member of the committtee.

Mr. HÉBERT. Will the gentleman inform the House who was the first party to bring this matter to the attention of the Committee on Naval Affairs?

Mr. MAAS. Yes; Mr. Knox, the then Secretary of the Navy, said that he had an offer of $250,000 plus a one-sixteenth royalty and that he got to wondering whether it was ethical for us to make money or not and that he would like the advice of the committee. He did not request legislation. He merely referred it to us for recommendation because in his mind there was some ethical question involved.

Mr. HÉBERT. Did he further express an opinion what should be done with this land?

Mr. MAAS. Yes; in the testimony before the committee he said he thought perhaps we ought to give it back, but he officially only asked for our advice.

Mr. HÉBERT. And what did the gentleman answer him when he expressed his opinion that the land should be given back to the original owners?

Mr. MAAS. At that time I will have to concede I was rather impressed with the persuasiveness of Mr. Knox, who was a very persuasive gentleman, and every member of the committee at that date said they thought that was the right thing to do. However, as it later turned out, we did not then have the full information. We thought these people were being robbed and left destitute by a cruel and harsh government. Now it

turns out that the facts are quite to the contrary.

Mr. HÉBERT. At that time did not the gentleman from Minnesota compliment Mr. Knox and did not Mr. Knox reply to the gentleman from Minnesota that he did not have to be complimented for being honest?

Mr. MAAS. I do not recall that, but if that did occur it is all right. But I change my mind very frequently. I do not know anybody in Congress who is wrong more times than I am, but I admit it when I find I am wrong.

Mr. VINSON of Georgia. Mr. Speaker, will the gentleman yield?

Mr. MAAS. I yield to the chairman of our committee.

Mr. VINSON of Georgia. In view of the letter that the distinguished gentleman from Minnesota has written to the Secretary of the Navy assuring him that a full effort would be made to have the issue settled at this session of the Congress, does not he think the proper way to settle it is on the merits of the bill and not by denying the House an opportunity to debate it.

Mr. MAAS. No; I do not, not under these circumstances. I think that bringing a rule in on the last day when so many Members are absent and the Members all anxious to get away, is not the proper way. We can make the issue perfectly clear within the hour of debate on the rule. We have the opportunity now to settle this matter by voting the rule up or down.

Mr. VINSON of Georgia. Does not the gentleman know that it was set down on the agenda of the House for either yesterday or today, and that the gentleman and I only appeared before the Committee on Rules on the 19th and obtained the rule? We cannot argue that it is being rushed.

Mr. MAAS. I did not expect it to be brought up in the closing hours.

Mr. VINSON of Georgia. It is not being brought up in the closing hours.

Mr. MAAS. I expected to have an opportunity for full and free consideration by all of the Members of the House, so that the issues would be clearly understood. However, this issue is now drawn, clear and unequivocably. If you vote for the rule, you are voting to give back this land and if you vote against it, you are telling the Committee on Rules to bring in no more such rules.

The SPEAKER pro tempore (Mr. RAMSPECK). The time of the gentleman has expired.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I have made.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SABATH. Mr. Speaker, I now yield 5 minutes to the gentleman from Pennsylvania [Mr. BRADLEY].

Mr. BRADLEY of Pennsylvania. Mr. Speaker, many of the things that my colleague the gentleman from Minnesota has said are true, but he has not presented all of the facts, in my opinion. This matter is a bit complicated. I think the members of the Committee on Naval Affairs were very anxious to be fair in this case, but all of the original owners of this land are not on the same basis. Frankly, I could not vote for this bill when it was in the committee, or vote for the other proposal before the committee, which would have given no consideration whatever to any of the original owners, which was what my friend the gentleman from Minnesota [Mr. MAAS] advocated. I voted "present," because the situation was not really clear. It is true, as the gentleman from Minnesota [Mr. MAAS] stated, that the owner of the major portion of the land was anxious to sell it to the Government and did refuse to reduce the price from $1 to $5 per acre in consideration of the reservation to him of the mineral rights. I do not think that he should be entitled to any consideration from the Government. If he had owned all the parcel of land it could be easily decided, but there were two other tracts owned by different parties. The party Mr. MAAS refers to owned about 300 acres, and there were two other parties who owned about 100 acres each. One of them very definitely did not wish to sell the land and protested the sale and only accepted the Government award after condemnation proceedings. So it seemed to me, and come others on the committee, that in that instance the Government should give some consideration to that particular claimant. It was my thought when the matter was before the committee, that our committee should make a recommendation to that effect and that something should be worked out to do justice to the owners of tract No. 2 and tract No. 3 if the circumstances were justified in that instance also, because definitely the situations were different from that relating to the former owner of tract No. 1. I think that is what should have been done. I think the Navy Department could work it out. So far as I am concerned, I cannot in conscience—in conscience with respect to my duty as a Member of Congress and with respect to what I think is fair to the citizen—I cannot vote either for this bill or for the substitute that was in the committee, because I do not think there has been enough effort made to bring about an arrangement which would be fair to all parties. So far as I am concerned I am simply going to vote "present" on this bill. That is not the way to handle it, I suppose, but the situation has not been handled properly in justice to all the claimants concerned.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. BRADLEY of Pennsylvania. Yes; I yield.

Mr. MICHENER. If that is the gentleman's position he evidently feels that the matter has not been given adequate consideration. I take it then that he would be opposed to a rule bringing the bill before the House and compelling the House to vote, and making the gentleman vote "present" when he did not know anything about it?

Mr. BRADLEY of Pennsylvania. Let me say to the gentleman, of course, I am, like my colleague the gentleman from Minnesota, entitled to the right of changing my mind. I will say this: I do not think that in the final analysis I can vote for this bill, because while I want to do justice to the owner of tract No. 2 and tract No. 3, who are the smaller claimants in this case, I cannot vote to return the land to the owner of tract No. 1, who solicited the Government to buy it and who wanted to sell it for a year, and then when he wished to reserve the mineral rights, was not willing to accept a reduction in the price of the land. I cannot vote to return anything to him. But still at the same time I think there is some consideration due to those individuals who did not want to sell the land and were only compelled to sell through condemnation proceedings. I think it might be best to vote for the rule and then let the House pass on the merits of the bill and send it back to the committee for a new arrangement.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. WARD JOHNSON], a member of the committee.

Mr. WARD JOHNSON. Mr. Speaker, during the few minutes allotted to me, I want to clarify the facts in this case if I can.

Early in 1941 the Navy decided they wanted a primary training base at Norman, Okla. They needed 18 airplane fields. Two of those fields they wanted as permanent, all-weather fields. For the other 16 fields they leased the land. So they purchased these two fields, one of which was Moore Field. They wanted about 530 acres. This land belonged to three different groups. The east half of this section, 320 acres, belonged to eight brothers and sisters scattered all over the United States. One brother, E. W. Hummell, lived at Abilene, Tex., and he had power of attorney from the other owners of this land to act in regard to it. He was an oil geologist.

The northwest quarter of this section was owned by the Holliday estate. Dr. Holliday had died. His wife was executrix of the estate, and the estate was then being probated.

The southwest quarter of the land belonged to a Mr. and Mrs. Taylor. They lived on their quarter section. None of the other people lived on their land. It was rented out for farm land.

The Navy, in September 1942, started to condemn this land and paid a token amount of money into court for the land. They took possession next day, and the title then vested in the Navy. There is no question about the Navy now, and ever since the 26th of September 1942, having fee simple title to this land. They took all of the east half of the 320 acres. Mr. Hummell had been trying to sell this land for something under $24,000. They also took the east 105 acres of the northwest quarter and the east 105 acres of the southwest quarter.

That made three parcels, totaling 530 acres. The court at Oklahoma City immediately appointed three local appraisers to appraise this land. He told them to take into consideration the potential oil value of the land. The appraisals were made. The amounts were accepted by the two small owners, owners of parcels 2 and 3. They received $10,500 each. The Navy questioned the value of the half section which the appraisers put at $30,000, so they agreed on $24,000 for this east section. That was more than they had been trying to sell the land for. So the money was paid by stipulation. The east half was rented, and the tenant claimed he should have $3,000. They took that into court and tried it before a jury. The jury decided he should have $716. So the Navy paid $24,716 for the east half.

They then proceeded to build this field. They had paid for the land about $46,000. They spent about $150,000 preparing the field, putting on sand, gravel, and oil, and a few small buildings. About a year later they discovered oil nearby. Then the people came back and asked that the land be reconveyed to them for the price they had received for the land, and offered to repay the Navy what it had expended on the land.

Miss SUMNER of Illinois. As the gentleman states the case there is nothing in it that would prevent 45,000 acres in Illinois which, since the Government took it, has been shown to have both oil and coal, from coming in here and asking to have it given back to them under the same circumstances, because all the Government has used it for is to place a W. P. A. lake on 45,000 acres.

Mr. WARD JOHNSON. That is true. It sets up a very dangerous precedent, and in my opinion, if this bill should be enacted, it would cloud the title of every piece of land in this Nation that the Government has taken under condemnation proceedings.

Mr. GRANT of Indiana. Will the gentleman yield?

Mr. WARD JOHNSON. I yield.

Mr. GRANT of Indiana. The gentleman is making a very effective statement against the bill, as he always does. I say that if any gentlemen still have any doubt about it they should read the majority and minority reports of the committee, particularly the minority report. I say let us save about 2 hours' time and defeat this rule.

Mr. BRADLEY of Pennsylvania. Will the gentleman yield?

Mr. WARD JOHNSON. I yield.

Mr. BRADLEY of Pennsylvania. Does not the gentleman feel that in justice to the owners of tracts two and three, they are entitled to different consideration from the Government than the owner of tract No. 1?

Mr. WARD JOHNSON. I do not know why they should be, because they agreed on the price. It was appraised by local appraisers and they stipulated as to the price.

Mr. BRADLEY of Pennsylvania. They have not cashed the check yet.

The SPEAKER pro tempore (Mr. RAMSPECK). The time of the gentleman from California has expired.

Mr. SABATH. Mr. Speaker, I yield 7 minutes to the gentleman from Oklahome [Mr. MONRONEY].

Mr. MONRONEY. Mr. Speaker, there is nothing at all complicated about this issue. It is a very simple question whether we agree with the gentleman from Minnesota [Mr. MAAS] that when we vested the Government with extraordinary war powers to seize private property for the purpose of creating a military establishment, we intended to give them the right to exact from the owners of this land a speculative profit on all of the unknown mineral rights when the Government no longer could use it for war purposes. That is exactly what happened here.

The Government condemned three farms for an airport. They needed it and should have had it. Now the gentleman from Minnesota [Mr. MAAS] says: "Yes, although we condemned and seized this property for an airport we got an oil field, and the Government should profit by $2,000,000 to $5,000,000, at the expense of the owners from whom this land was seized."

The gentleman from Minnesota says the Government bought it. The Government seized this land from the owners and there is nothing in the record to controvert that assertion. It did not seek it for a permanent improvement. It sought this land not to keep it forever, because I hardly believe the Navy will train flyers inland forever. It sought it for the duration.

These three farms are all in my district. These three farms that were seized are on a most unusual basis. The property owners declined to sell, did not want to sell, wanted the Government to go elsewhere and establish an airfield. Later they said, "If you must take our farms, please lease our farms so that we can have them back after the war."

That being refused, they said: "Please let us keep our mineral rights." They were denied that.

That was entirely different treatment from that accorded to some 8,500 acres of land in the same county taken by the Navy Department. The owners of those lands were given their mineral rights for the asking, without any deduction from the amount of the surface rights that the Navy had bought.

Mr. MAAS. Will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. MAAS. There was a difference. In these other lands the gentleman is talking about we were erecting no buildings, but it was simply for a bombing target. When we concluded training we were through with them. On this land we are talking about here, we are putting on expensive buildings.

Mr. MONRONEY. But both seizures were for the duration. I do not think you will maintain that that field will be used by the Navy after the conclusion of the war.

Mr. MAAS. Yes, as far as I know; because they have not decided yet what fields will be eliminated.

Mr. MONRONEY. I hope the gentleman is right, because I would like to keep the Navy in my district.

Mr. MAAS. I think probably the International Permanent World Peace Forces will probably need it.

Mr. MONRONEY. I thank the gentleman. Now, you Members know what good farm land is worth as farm land. This is what we call on the 10-mile flat. It is very good farm land. The Government paid $90 an acre on the average for this land. Does anybody in the House believe that that was the compensation these people should have for all time, for all the mineral rights that were taken from them unwillingly, and without their desire and consent?

It seems to me if these owners had come to the Government and asked them to purchase this land, offering it to them at a certain fixed price, then they would stand on entirely different ground. But in this case it was seized from them.

Much was made of one owner who had been on the land for less than a year. I am glad the gentleman from Minnesota [Mr. MAAS] mentioned that, because he was referring to Mr. and Mrs. A. O. Taylor. They are an old couple about 70 years of age. It is true they have not owned this farm for more than a year. But it had belonged to their family. The reason they were on this particular farm was because the Government had seized their homestead a year and a half back for the Douglas aircraft plant, east of Oklahoma City, and moved them away from their lifetime home. They bought a new farm and they had improved it and just got it started, and the Government came in again and said, "Move off. We want this land."

Mr. Speaker, under extension of my remarks I would like to incorporate telegrams from the owners of two of these tracts regarding their transactions with the Government in this matter. The first telegram is from Mr. and Mrs. A. O. Taylor, and is as follows:

We protested the taking of our farm immediately upon notification by the Navy that same was being taken. We have continued to protest by every means available to the present date.

We have in our possession both checks issued to us by the Government in the attempted payment for this land, which were mailed to us long before any thought of oil development in this particular locality.

We wanted our farm and home intact. As a farm, the balance left us was valueless. As a last resort, in view of the fact that every farm in and about Oklahoma City has a potential oil value, we made every effort to retain the royalty. The Navy refused to permit the retention of any interest in the land taken. Some months later, oil development was started nearby and the oil value of this land disclosed. No suggestion was ever made to us that we could retain the royalty at any price per acre. We were told we could not have it.

The second telegram, Mr. Speaker, I would like to include is from Mrs. J. R. Holliday, widow of Dr. Holliday, and owner of one of the other tracts. It is as follows:

A couple of months prior to the taking by the Navy, I refused to sell the farm for $18,000 cash. Thereafter the Navy advised that they were taking the land for an airfield. Every effort was made to get the Navy to take only a lease, so that after the war need was over I would have the farm intact.

This was not done and declaration of taking in condemnation was filed. In the interests of the war effort, no immediate action was taken in the condemnation suit, but no stipulation or agreement was made therein. However, since every farm in this section has a likely oil value, every effort was made to retain the royalty. The Navy refused to permit the retention of any interest in the land taken. No suggestion was ever made to me that the royalty could be retained at any price.

One other point, the J. R. Holliday case. Dr. J. R. Holliday was a country doctor. He died August 7, 1942. On September 26, 1942, the Government seized this farm.

Do you think these little people meeting the great Government of the United States were in a position satisfactorily to protect all of their interests and properly assert their mineral rights? They sought to preserve them but land officials of this Government denied them this right.

I want to close with one plea, if I can put this across: We ought not to vote down this rule. If any precedent is established here by such action today it will be the precedent that the lowest citizen of this country can come to Congress and have his day before this body. Even though you vote down the rule this problem will come back to you; voting down the rule will not dispose of or settle this matter.

I question very seriously the right of the Government to lease this land for oil as was suggested. The gentleman from Minnesota himself sought a substitute amendment to give the Government the authority to lease. So if we kill the rule we delay any action for at least 6 months.

Miss SUMNER of Illinois. How about the oil field?

Mr. MONRONEY. I am glad that the gentlewoman mentioned that. Neither the Government nor the owners of the land will profit by the delay caused by voting down this rule. The owners of leases adjoining this 530 acres will be the ones who will get rich at the expense of both the real owners of this tract or the Government—whichever finally retains the title to this airport land.

Let us see who will profit by the delay. I read from this oil map the names of the oil companies as they surround this airport: Sinclair-Prairie, then Mid-Continent, Mid-Continent, Margay, then again Sinclair-Prairie, then Carter Oil Co., Carter Oil Co. again; Mid-Continent Oil Co., then Sun-Ray Oil Co., then Fox Petroleum; and again Sinclair-Prairie, and lastly the Phillips Petroleum Co.

Out of the probable 20 surrounding locations that will be drilled, the Sinclair-Prairie Oil Co. will have 5 of the wells.

Any delay in returning this land to the owners, or in passing even legislation authorizing the Navy to lease it for oil purposes, will bring a big windfall profit to these major oil companies as they drain off the thousands of barrels of oil from under this land.

Under Oklahoma law, the person getting the oil to the surface gets the oil—so by voting down this rule as is proposed will result only in these adjoining lease holders getting an extra profit from oil belonging to the original owners or to the Government.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. BATES of Massachusetts. That very question was raised during this testimony. I want to know if we vote down the rule whether or not the drainage is going to take place from this area due to the operation of these oil companies?

Mr. MONRONEY. Certainly the land will be drained by these major oil companies.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. MICHENER. Mr. Speaker, may I inquire how the time stands?

The SPEAKER. The gentleman from Michigan has 7 minutes remaining, the gentleman from Illinois 9.

Mr. MICHENER. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. COLE].

Mr. COLE of New York. Mr. Speaker, I think it is quite proper that we get this question cleared up so everybody may understand what the effect will be if the rule is voted down. Such action will not result in a delay in the disposal of the oil under this land; it will not permit a continuance of drainage by these big oil companies to whom the gentleman from Oklahoma has referred. As I understand, an agreement has been made and an understanding has been reached between both the minority and the majority members of this committee that if the House or if the Congress does not take action on this matter before the recess, then the Navy will feel free to go ahead and dispose of its property under existing law.

Mr. VINSON of Georgia. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. VINSON of Georgia. I am in hearty accord that some disposition should be made, but we must bear in mind that there is another Naval Affairs Committee and another bill coming out of that other Naval Affairs Committee. That other committee might not have the same views we have. We may not be able to accomplish what we should like to accomplish if we delay.

Mr. COLE of New York. Mr. Speaker, I am sorry, but I cannot yield further.

The fact of the matter is that if this bill is not voted out either by the House or the Senate before the recess, then the property will be sold by the Navy to the highest bidder and there will be no preferred status given to anybody.

Mention has been made of a report by Secretary Knox favoring this disposal of the property, recommending that the property be sold back to the former owners. The gentleman from Minnesota stated that the committee at that time was unanimously in favor of that position. That is not entirely correct, for I was opposed to the proposal then as I am now. I believe the reason the committee then felt as they did in support of Mr. Knox's position was because neither he nor they were in possession of sufficient facts surrounding the case. For instance, we did not know that the value of the oil and mineral rights had been considered in making the award to these people by direction of the Federal judge to the commissioners; we did not know that the landowners had accepted the commissioners' award; we did not know that the private landowners had not made any appeal from that award. We did not realize that the first time they made any claim to unjust or improper treatment was only after oil had been discovered. We did not know that the largest tract had been previously offered for sale at an amount about the same as the Government finally paid. All those facts were not known by the committee at the time some members of the committee endorsed Mr. Knox's proposal, and, as a matter of fact, the Navy Department today, knowing all these circumstances and all these facts, has made no recommendation. They have left it up to the committee and to the Congress to decide as a matter of policy.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. MICHENER. Mr. Speaker, I yield the remainder of my time to the gentleman from Missouri [Mr. PLOESER].

The SPEAKER. The gentleman from Missouri is recognized for 4 minutes.

Mr. PLOESER. Mr. Speaker, this matter is not new to this House. When the Navy appropriation bill passed this House and went to the Senate, the other body attached an amendment providing this very same action with one exception to which I intend to call your attention in a moment. Even after the House conferees insisted upon their position they came back to this House and asked this House to support their position, and in supporting that position I do not remember any dissenting votes. We did not hear from the gentleman from Oklahoma.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. PLOESER. Not at this point.

Mr. MONRONEY. The gentleman has mentioned my name and is putting me in a bad position.

Mr. PLOESER. Mr. Speaker, I do not yield at this point.

We went into conference. The House maintained its position. The Senate refused to yield. The House conferees came back to the House for further instruction, and for the second time the House unanimously supported the position of the conferees. Then the Senate did yield and the matter was taken out of the bill.

Someone will say that the Senate amendment was legislation on an appropriation bill. It was legislation on an appropriation bill. The chairman of the Naval Affairs Committee of the House even made a point of order against that same appropriation bill on another matter, but the Naval Affairs Committee passed a resolution and sent it to the Navy subcommittee on appropriations asking them to approve this legislation on an appropriation bill. So, it will be mighty weak if anyone presents that argument as a reason why the conferees insisted upon their position.

The reason we insisted upon our position was this——

Mr. MONRONEY. Mr. Speaker, will the gentleman yield there?

Mr. PLOESER. That with all of these facts which were brought to our attention we did not like the color of this deal.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield there?

Mr. PLOESER. If the gentleman from Oklahoma who has introduced this bill believes in this principle, then the bill should have been general legislation which would apply to all the States and every other piece of property taken by the Navy. Why does it have to be a specific oil bill? Very frankly those who serve this House on the Appropriations subcommittee did not like the Senate amendment. I for one will not support the same thing in this bill, nor would I think of such a thing; I do say that if the gentleman believes in the policy which he has enunciated on the floor of the House, that policy should follow in connection with the disposition of all land, both Army and Navy, wherever located. I believe there is no answer to that argument.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SABATH. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Georgia [Mr. VINSON].

Mr. VINSON of Georgia. Mr. Speaker, the distinguished gentleman from Missouri has stated that the policy as advanced is one that is detrimental to the best interests of the country. Let us see the policy the gentleman from Missouri advocates. He advocates that the gentleman go out in Missouri in his district and condemn a piece of land for war purposes.

Mr. Speaker, let us get this straight. He advocates that the Government under the War Powers Act go out into Missouri and take a man's farm for war purposes; then subsequently the Government abandons it. In other words, the Government cannot use it for war purposes or for the purposes for which it was taken. Then he says we will profit because we will make money on the transaction.

That is all that is involved in this bill. If the question of purchase were involved it would be an entirely different thing. The Government condemned this land, the Government cannot use it for war purposes. Now, the question is, Shall the Government say "We will profit by this transaction"?

Mr. MAAS. Will the gentleman yield?

Mr. VINSON of Georgia. I cannot yield to the gentleman.

Mr. MAAS. I yielded to the gentleman.

Mr. VINSON of Georgia. All right, I yield to the gentleman.

Mr. MAAS. The reason the Government cannot use it is because oil has been discovered.

Mr. VINSON of Georgia. That is right.

Mr. MAAS. The gentleman would not say that the Navy could not use oil, would he?

Mr. VINSON of Georgia. Mr. Speaker, suppose the Government goes down here and condemns the Roosevelt Hotel and it develops that some other institution is established in that community which enhances the value of that hotel. Then the Government ceases to use it for the purpose for which it was taken. The Government would be in the position of saying: "We took it to house WAVES in it; now we will not use it for that purpose, we will sell it and make money out of the transaction." Is that right?

Miss SUMNER of Illinois. Why not?

Mr. VINSON of Georgia. Is it right for the Government, under the War Powers Act, to condemn a man's land to be used for war purposes, then use it for speculative purposes, and appropriate the money from that sale and put it in the Treasury? If the gentlewoman from Illinois wants to practice that doctrine upon the people whose commission she holds, she has a perfect right to do it, but not I.

Miss SUMNER of Illinois. Is it wrong for the Government to make money?

Mr. VINSON of Georgia. Yes; it is morally wrong and nobody appreciated that more than the distinguished Secretary of the Navy. Here is what he says, this is a voice coming from the grave: "Should the Government under these circumstances be permitted to take a big profit through the sale of the land?"

Mr. Speaker, this is condemned for one purpose. The Government cannot use it for that purpose. Should the Government make money out of the transaction?

Now, what do you settle here? I ask that the matter be debated. That is all I am asking. I grant you that there is a great deal of argument on both sides of the question, but I want the issue settled. I want the House to determine the question.

Mr. JENNINGS. I would like to know for my own benefit, Did the Government simply acquire an easement?

Mr. VINSON of Georgia. No. The Government took the fee.

Mr. JENNINGS. If it got fee title, they got all of it.

Mr. VINSON of Georgia. The Government owns it but the Government cannot use it for the purpose for which it was condemned and, as the gentleman from Michigan said, there is a great deal to this matter. Why not let the House have free and open debate on the question, then if the majority of the House say that it shall be the policy of the Government to go out here and condemn a man's property for a certain purpose, then not use it for that purpose, and profit by the transaction, the Members will have an opportunity to so state by a vote of the House. But let us debate it. I may be wrong. My position might not be right. But why not give the House the chance to settle it on the merits of the question and not shut it off by voting down this rule?

What do you gain if you beat this rule? The gentleman from Minnesota [Mr. MAAS] said we should not discuss it on the last day of the session. But you have not settled the issue. You have not settled the issue whether or not you approve of your Government taking the property of yourself or one of your constituents, then not using it for the purposes for which it was condemned, and selling it in a speculative market at a higher price.

Mr. Speaker, I respectfully ask this House for open debate on this question. If there is no merit in our position, then vote it down. This proposition came to us from the great Secretary of the Navy who placed his country above anything else. He asked, "Should the Government, under the circumstances, proceed to take a big profit through the sale of the lands—a profit that otherwise would go to the owners whose title we had compelled them to yield to us?"

Mr. BATES of Massachusetts. The Secretary of the Navy also said that these people did not want to sell the land. We made them sell it.

Mr. VINSON of Georgia. Yes.

Mr. BATES of Massachusetts. Why should we not discuss it?

Mr. VINSON of Georgia. That is the question.

Mr. BATES of Massachusetts. There are a lot of incriminating statements made by Members on this side of the House and they ought to be ashamed of themselves.

Mr. VINSON of Georgia. The gentleman from Missouri said the matter was before the Appropriations Committee. Yes, Senator THOMAS put an amendment in to return this land to the original owners, and the distinguished gentleman from California [Mr. SHEPPARD] asked the Committee on Naval Affairs to do something before they passed upon it, so we brought out a bill to settle the issue.

Mr. Speaker, I do not care how any man votes on this question. Vote as you think you ought to vote, but let us not be afraid of the issue. Let us consider it on its merits and not kill it by voting down the rule. Let no man get away from the fact that you are voting here to establish a precedent that the Government shall condemn your property for a purpose, abandon it for that purpose, and then let the Government speculate on that land. That is what you will do if you vote down this rule. I do not think it right that the Government shall have the power to condemn a citizen's land, then not use it for the purpose for which it was condemned. Why should we profit?

Mr. HINSHAW. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from California.

Mr. HINSHAW. I have great sympathy for the argument the gentleman is putting before the House, but does not the gentleman think that perhaps his own committee or the Committee on Military Affairs should bring in suitable legislation to the House which would cover all of these properties to be dealt with in the same way?

Mr. VINSON of Georgia. You cannot deal with matters of this kind in such a way. There is not another case in the Navy Department where the Government has condemned land for one purpose, then had to abandon it and could not use it. I hope the House will vote for this rule and have debate on the bill.

The SPEAKER. The time of the gentleman has expired.

All time has expired.

Mr. SABATH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. VINSON of Georgia) there were—ayes 81, noes 96.

Mr. VINSON of Georgia. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors; the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 130, nays 156, answered "present" 1, not voting 143, as follows:

[Roll No. 108]

YEAS—130

Abernethy	Gordon	O'Neal
Allen, La.	Gorski	O'Toole
Anderson, Calif.	Gossett	Outland
Anderson, N. Mex.	Grant, Ala.	Patton
	Gregory	Philbin
Andrews, Ala.	Hare	Poage
Baldwin, Md.	Harris, Ark.	Price
Bates, Mass.	Harris, Va.	Priest
Beckworth	Hart	Ramspeck
Bell	Hays	Randolph
Bland	Hébert	Rankin
Bloom	Hendricks	Richards
Bonner	Hinshaw	Rivers
Bradley, Pa.	Hoch	Rizley
Brooks	Hope	Robertson
Brown, Ga.	Izac	Robinson, Utah
Bryson	Jackson	Rowan
Bulwinkle	Jarman	Sadowski
Burch, Va.	Johnson, Lyndon B.	Sasscer
Burgin		Satterfield
Byrne	Kefauver	Scanlon
Camp	Kelley	Slaughter
Chapman	Kerr	Smith, Va.
Clark	Kilday	Sparkman
Colmer	King	Spence
Cooley	Kleberg	Stigler
Cooper	Larcade	Sullivan
Courtney	McCormack	Thomas, Tex.
Curley	McGehee	Thomason
D'Alesandro	McKenzie	Tolan
Davis	Madden	Vincent, Ky.
Delaney	Mahon	Vinson, Ga.
Dilweg	Maloney	Walter
Dingell	Manasco	Ward
Doughton	Mansfield, Mont.	Wene
Durham		West
Eberharter	Monroney	Whittington
Fernandez	Morrison, La.	Wickersham
Fisher	Mott	Winstead
Flannagan	Murray, Tenn.	Woodrum, Va.
Folger	Myers	Worley
Forand	Norrell	Wright
Fulmer	Norton	Zimmerman
Furlong	O'Brien, Ill.	
Gathings	O'Konski	

NAYS—156

Andersen, H. Carl	Carrier	Ellis
	Carson, Ohio	Ellison, Md.
Andresen, August H.	Carter	Elsworth
	Case	Engel, Mich.
Angell	Celler	Engle, Calif.
Auchincloss	Chenoweth	Feighan
Baldwin, N. Y.	Church	Fellows
Barrett	Clason	Fenton
Beall	Clevenger	Gale
Bennett, Mich.	Cochran	Gamble
Bennett, Mo.	Cole, Mo.	Gearhart
Bishop	Cole, N. Y.	Gerlach
Blackney	Costello	Gilchrist
Bolton	Crawford	Gillette
Brehm	Crosser	Gillie
Brumbaugh	Cunningham	Goodwin
Buck	Curtis	Graham
Buffett	Dewey	Grant, Ind.
Busbey	Drewry	Gross
Cannon, Mo.	Dworshak	Gwynne
Capozzoli	Eaton	Hall,
Carlson, Kans.	Elliott	Leonard W.
Hancock	Mass	Sheppard
Herter	Marcantonio	Simpson, Pa.
Hill	Martin, Iowa	Smith, Maine
Holmes, Mass.	Martin, Mass.	Smith, Ohio
Holmes, Wash.	Mason	Smith, W. Va.
Horan	Merrow	Snyder
Howell	Michener	Somers, N. Y.
Hull	Miller, Conn.	Springer
Jeffrey	Miller, Nebr.	Stanley
Jennings	Miller, Pa.	Stefan
Jensen	Monkiewicz	Stevenson
Johnson, J. Leroy	Mundt	Stockman
	Murray, Wis.	Sumner, Ill.
Johnson, Ward	O'Brien, N. Y.	Sundstrom
Jones	O'Hara	Taber
Jonkman	Pfeifer	Talbot
Judd	Pittenger	Talle
Kean	Ploeser	Thomas, N. J.
Kee	Powers	Tibbott
Kinzer	Ramey	Torrens
Knutson	Rees, Kans.	Towe
Kunkel	Robsion, Ky.	Troutman
LaFollette	Rockwell	Voorhis, Calif.
Lambertson	Rodgers, Pa.	Vorys, Ohio
Lane	Rogers, Mass.	Wadsworth
Lea	Rohrbough	Wasielewski
LeCompte	Rolph	Weichel, Ohio
Lesinski	Rooney	Wigglesworth
Ludlow	Rowe	Wolcott
McConnell	Schiffler	Wolverton, N. J.
McCowen	Schwabe	
McWilliams	Shafer	

ANSWERED "PRESENT"—1

Pace

NOT VOTING—143

Allen, Ill.	Hale	Murdock
Andrews, N. Y.	Hall, Edwin Arthur	Murphy
Arends		Newsome
Arnold	Halleck	Norman
Barden	Harless, Ariz.	O'Brien, Mich.
Barry	Harness, Ind.	O'Connor
Bates, Ky.	Hartley	Patman
Bender	Heffernan	Peterson, Fla.
Boren	Heidinger	Peterson, Ga.
Boykin	Hess	Phillips
Bradley, Mich.	Hobbs	Plumley
Brown, Ohio	Hoeven	Poulson
Buckley	Hoffman	Pracht, C. Frederick
Burchill, N. Y.	Holifield	
Burdick	Jenkins	Pratt, Joseph M.
Butler	Johnson, Anton J.	
Canfield		Rabaut
Cannon, Fla.	Johnson, Calvin D.	Reece, Tenn.
Chiperfield		Reed, Ill.
Coffee	Johnson, Ind.	Reed, N. Y.
Compton	Johnson, Luther A.	Russell
Cox		Sabath
Cravens	Johnson, Okla.	Sauthoff
Dawson	Kearney	Scott
Day	Keefe	Scrivner
Dickstein	Kennedy	Sheridan
Dies	Keogh	Short
Dirksen	Kilburn	Sikes
Disney	Kirwan	Simpson, Ill.
Dondero	Klein	Smith, Wis.
Douglas	Landis	Starnes, Ala.
Elmer	Lanham	Stearns, N. H.
Elston, Ohio	LeFevre	Stewart
Fay	Lemke	Sumners, Tex.
Fish	Lewis	Tarver
Fitzpatrick	Luce	Taylor
Fogarty	Lynch	Treadway
Ford	McCord	Vursell
Fulbright	McGregor	Weaver
Fuller	McLean	Weiss
Gallagher	McMillan	Welch
Gavin	McMurray	Whelchel, Ga.
Gibson	Magnuson	White
Gifford	Mansfield, Tex.	Whitten
Gillespie	May	Willey
Gore	Merritt	Wilson
Granger	Miller, Mo.	Winter
Green	Mills	Wolfenden, Pa.
Griffiths	Morrison, N. C.	Woodruff, Mich.
Hagen	Mruk	

So the resolution was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Pace for, with Mr. Gillespie against.

Mr. Heffernan for, with Mr. Short against.

Mr. Peterson of Georgia for, with Mr. Jenkins against.

Mr. Burchill of New York for, with Mr. McGregor against.

Mr. Rabaut for, with Mr. Dondero against.

Mr. Kennedy for, with Mr. Hess against.

Mr. Mills for, with Mr. Johnson of Indiana against.

Mr. McMurray for, with Mr. LeFevre against.

Mr. Keogh for, with Mr. Reed of Illinois against.

Mr. Barry for, with Mr. Scott against.

Mr. Dickstein for, with Mr. Calvin D. Johnson against.

Mr. Buckley for, with Mr. Reed of New York against.

Mr. Fay for, with Mr. Elmer against.

Mr. Fitzpatrick for, with Mr. Taylor against.

Mr. Klein for, with Mr. Miller of Missouri against.

Mr. Lynch for, with Mr. Halleck against.

Mr. Merritt for, with Mr. Simpson of Illinois against.

General pairs:

Mr. Whitten with Mr. Willey.

Mr. Magnuson with Mr. Chiperfield.

Mr. Harless of Arizona with Mr. Gifford.

Mr. Mansfield of Texas with Mr. Compton.

Mr. Fulbright with Mr. Norman.

Mr. McCord with Mr. Canfield.

Mr. Holifield with Mr. Gavin.

Mr. Sheridan with Mr. Douglas.

Mr. Hobbs with Mr. Hale.

Mr. May with Mr. Fuller.

Mr. Lanham with Mr. Kilburn.

Mr. Murphy with Mr. Sauthoff.

Mr. Weaver with Mr. Landis.

Mr. Tarver with Mr. Harness of Indiana.

Mr. Sikes with Mr. Burdick.

Mr. Bates of Kentucky with Mr. Allen of Illinois.

Mr. Fogarty with Mr. Lewis.

Mr. Disney with Mr. Keefe.

Mr. Coffee with Mr. Arnold.

Mr. Kirwan with Mr. Heidinger.

Mr. Boykin with Mr. Dirksen.

Mr. Sumners of Texas with Mr. Arends.

Mr. O'Brien of Michigan with Mr. Phillips.

Mr. Cox with Mr. Smith of Wisconsin.

Mr. Barden with Mr. C. Frederick Pracht.

Mr. McMillan with Mr. Andrews of New York.

Mr. Cravens with Mr. Joseph M. Pratt.

Mr. Gibson with Mr. Anton J. Johnson.

Mr. Murdock with Mr. Hoeven.

Mr. Granger with Mr. Mruk.

Mr. Weiss with Mr. Plumley.

Mr. Luther A. Johnson with Mr. Vursell.

Mr. Sabath with Mr. Wolfenden of Pennsylvania.

Mr. Peterson of Florida with Mr. Woodruff of Michigan.

Mr. Hagen with Mr. Hartley.

Mr. Gore with Mr. Gallagher.

Mr. Cannon of Florida with Mr. Edwin Arthur Hall.

Mr. Boren with Mr. Lemke.

Mr. Johnson of Oklahoma with Mr. Wilson.

Mr. O'Connor with Mr. Treadway.

Mr. Dawson with Mr. Welch.

Mr. Morrison of North Carolina with Mr. Winter.

Mr. PACE. Mr. Speaker, I voted "yea." I have a pair with the gentleman from Colorado, Mr. GILLESPIE. I withdraw my vote and answer "Present."

Mr. LEA changed his vote from "yea" to "nay."

Mr. WASIELEWSKI changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

EXTENSION OF REMARKS

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article on farm organization and farm legislation by the former speaker of the State house of representatives and

former majority leader of the State Senate of Kentucky, Hon. James H. Thompson, of Harris, Bourbon County, Ky.

The SPEAKER. Is there objection?

There was no objection.

INAUGURATION OF THE PRESIDENT-ELECT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (S. Con. Res. 40).

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President-elect of the United States on the 20th day of January 1945.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

NATIONAL HOUSING ACT

Mr. SPENCE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1947) an act to amend the National Housing Act, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, may I ask the gentleman from Kentucky [Mr. SPENCE] if the Senate bill which he has taken from the Speaker's table is identical with the House bill which was reported out of the Committee unanimously yesterday?

Mr. SPENCE. It is identical.

Mr. WOLCOTT. I wonder if the gentleman would explain it.

Mr. SPENCE. Mr. Speaker, this bill amends title 6, of the National Housing Act with respect to war housing. It increases the amount that may be insured by $100,000,000. The amount that has heretofore been insured is $1,600,000,000, and this will increase it to $1,700,000,000. It will also permit the refinancing of existing mortgages if the principal obligation of the mortgage is not increased beyond what it originally was, and its date of maturity is not lengthened.

This is a means by which private enterprise has been stimulated to assist in war housing. The F. H. A. insures these mortgages to 90 percent of the amount stated in the obligation. In that manner it will stimulate private enterprise to engage in this necessary occupation at this time. Banks, national banks, State banks, savings and loan companies, and other financial institutions are insured to the extent of 90 percent of the money they have loaned for carrying out the war-housing program.

Mr. WOLCOTT. Mr. Speaker, further reserving the right to object, I think we should draw a clear distinction between the F. H. A. and the Lanham construction. It is true that title VI, under F. H. A. is war construction, but it is insurance only. The Federal Government does not appropriate any money for the purpose of this construction. This is to increase the insurance facilities of F. H. A. by this amount.

We were given reasonable assurance that this is all they would ask for, and in private conversations they have told me that this could be done with this additional $100,000,000.

The bill was reported out of the committee by unanimous consent. We asked questions about the potential losses. They were remarkably small. Of course, we cannot judge each house as a unit in this program. We have got to take the over-all picture.

Bunching all F. H. A. guaranties together at the present time, the equity has been reduced over-all by probably 50 percent and will continue to be reduced from time to time. So there is little probability that the losses in F. H. A. on final liquidation will be large at all. As a matter of fact, I am of the personal opinion they have done a splendid job and that the losses are going to be very small.

Mr. KEAN. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. KEAN. At the time we set up title VI, if I remember correctly, the statement was made that they might lose approximately 12 percent on this type of financing. Does the gentlemen feel that now under the experience and with the future before us the loss will not be anything like that?

Mr. WOLCOTT. I believe so, because these houses under title VI are being built only in those localities where there is a probability that the defense factory, the war factory necessitating this construction, is going to be converted to peacetime use, and the people will continue to live there and continue to amortize the houses as they have been during the past 2 or 3 years.

Mr. KEAN. And the gentleman feels that F. H. A.'s judgment has been good?

Mr. WOLCOTT. I feel it has been excellent; in fact, they have set certain standards which have been very helpful to the home-building trades throughout the United States.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. McCORMACK. I have a letter in my hand from Mr. E. S. Draper, Deputy Commissioner of the Federal Housing Administration, which, with the gentleman's permission, I should like to insert at this point in the discussion.

Mr. WOLCOTT. I shall be pleased to have the gentleman do so.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend this letter in the RECORD at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

(The letter referred to follows:)

NATIONAL HOUSING AGENCY,
FEDERAL HOUSING ADMINISTRATION,
Washington, D. C., June 22, 1944.

Hon. JOHN W. McCORMACK,
Washington, D. C.

DEAR MR. McCORMACK: As discussed over the telephone this afternoon, I am giving you herewith a brief and simple statement on the request for $100,000,000 additional title VI authorization—H. R. 4849—to insure privately financed, privately built housing in war areas for war workers to relieve extreme congestion and housing hardships.

As of June 16, 1944, the Federal Housing Administration has insured or committed to insure $1,570,322,000 mortgages under title VI on new construction. Deducting this amount from the $1,600,000,000 which the Congress authorized to be insured under title VI leaves a balance of only $29,678,000 for future operations. At the rate that commitments have been issued during the past year, the balance will be exhausted in about 2 weeks; after that date the F. H. A. will have to cease issuing commitments to insure mortgages for war housing built by private builders. On June 16 the insuring offices reported sufficient applications already on file to exhaust the remainder of the authorization.

The National Housing Agency has programed and expects to program before September 30, 1944, 30,650 dwelling units to be built by private industry for war workers for which mortgage financing has yet to be provided. The F. H. A. would probably be called upon to insure the financing of 90 percent of these units yet to be started (F. H. A. has accounted for 92 percent of all private war housing started since the last title VI increase granted by the Congress)—or 27,586 units. As the current average of $4,500 mortgage per dwelling unit, $124,000,000 would be needed. We are requesting the Congress to provide an additional authorization of $100,000,000, or a total of $1,700,000,000.

In this proposal we are also asking for authority to refinance existing title VI mortgages after the expiration date of this title of the National Housing Act on July 1, 1945:

1. Not to exceed the original principal amount; and

2. Not to exceed the actual unexpired term of years.

Briefly this request for authority is to permit of (1) improvements to the homes—such as installation of bathtubs, additional wiring, improved heating systems, addition of a room or garage, etc.—which now may be excluded or difficult to do under War Production Board rules. (2) Also, this will assist in the sale of homes insured under title VI, many of which will be in the hands of builders and unsold up to July 1, 1945, due to the requirement of holding for rent to war workers. (3) It will facilitate resale of title VI houses after the war by war workers who cannot remain in their present locations and who would find it difficult to dispose of their homes unless new mortgages could be written on the property and these new mortgages assumed by the new purchasers. (4) This extension will probably aid in the reduction of the number of houses likely to be foreclosed and turned over to F. H. A., thereby requiring issuance of debentures by the Government. Anything that will facilitate keeping these houses in private ownership is to our advantage.

This authority would not make title VI a revolving fund and we will not be able to insure houses which have been previously uninsured under title VI or any construction started after July 1, 1945.

The Senate passed an identical bill today—S. 1947—and it is my hope that the House will pass H. R. 4849 prior to adjournment this week.

With best wishes,
Sincerely yours,

E. S. DRAPER,
Deputy Commissioner.

Mr. McCORMACK. It will be seen in that letter that Mr. Draper states that as of June 16 the Federal Housing Administration has insured or committed to insure $1,570,322,000 mortgages under title VI on new construction, leaving a balance of $29,678,000 for future operations. He also says that at the rate commitments have been issued during the past year the balance will be exhausted in about 2 weeks.

Mr. ROLPH. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. ROLPH. I wonder if the gentleman from Massachusetts would tell us the number of dwellings that will be converted by this national housing program?

Mr. McCORMACK. The national housing agency has programed and expects to program before September 30, 1944, 30,650 dwellings units to be built by private industry for war workers for which mortgage financing has yet to be provided.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. EBERHARTER. Is it the gentleman's belief that the encouragement of private construction under the F. H. A. program will help eliminate the necessity of governmental agencies themselves constructing homes?

Mr. WOLCOTT. It should be understood that the homes constructed under title VI are permanent homes. If we do not insure homes under title VI it will necessitate the expenditure of large sums of money out of the Federal Treasury for the construction of the so-called Lanham houses which must be demolished following the war and which are almost a complete loss to the Government.

Mr. EBERHARTER. So the more construction there is under this F. H. A. program the less necessity will there be for the expenditure of governmental funds for the construction of homes.

Mr. McCORMACK. And in addition the extensive ownership of homes in the hands of private individuals is very important not only from the individual standpoint but from the governmental standpoint.

Mr. WOLCOTT. That is right.

Mr. HOLMES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HOLMES of Massachusetts. There seems to be one complaint in connection with this title VI construction and that is that the houses are altogether too small. We realize that this is an emergency, but in view of the fact that priorities on stategic materials are being more or less liberalized, I wonder if consideration has been given to making these homes a little larger, a little more comfortable as permanent homes?

Mr. WOLCOTT. This F. H. A. construction of course is dependent upon the War Production Board's allocating material for construction. It is true, of course, that they have not been able to allocate sufficient materials to build larger houses, due to shortage of materials, and that some of the houses are smaller than they would be otherwise. But the F. H. A. has insisted upon keeping the standards very high and keeping the price down as low as is possible under existing circumstances. They have to take into consideration all those elements.

One of the best things about the F. H. A. program is that they have standardized construction all over the United States and given people warning that if they buy wildcat houses they may expect a much lower standard than they would get in F. H. A. construction.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from California.

Mr. HINSHAW. Mr. Speaker, returning veterans are finding some difficulty in locating homes which they can either buy or rent, or perhaps build, in congested defense areas. I hope something may be done that will enable these returning veterans to be relocated and get their families undoubled, as many of them are, from the old folks.

Mr. WOLCOTT. Possibly there will be a great deal of relief in that respect found in the G. I. bill we just passed. The veterans, of course, only have to pay 10 percent down or could take over the equity of a person who found it advisable or necessary to move out of the defense area. So he is being helped materially, because the monthly payments are reduced almost to a minimum under this procedure and practice.

Mr. HINSHAW. Would the gentleman care to comment on the priority situation? Priority of defense material?

Mr. WOLCOTT. I could not because that is handled entirely by the War Production Board.

Mr. HINSHAW. The gentleman would recommend, would he not, that returning veterans get preference with defense workers in purchasing homes?

Mr. WOLCOTT. They have no jurisdiction over the matter of priorities because the purchase of the home has already been completed before the F. H. A. can insure the mortgage. Possibly the returning veteran could make an arrangement for the purchase of an F. H. A.-insured home with the owner of the home. In many instances the returning veteran is going to get a decided advantage due to the fact that the defense worker has been amortizing his insured loan but does not care to go further. Then the soldier could take up the equity and it would be much cheaper than for him to buy new or build.

Mr. HINSHAW. I appreciate the gentleman's comments.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc. That section 603 (a) of the National Housing Act, as amended, is hereby amended by (1) striking out "$1,600,000,000" and inserting in lieu thereof "$1,700,000,000"; and (2) inserting in the third proviso after the word "except" the figure "(1)" and striking the period at the end of the third proviso and inserting in lieu thereof a semicolon and the following: "or (2) a mortgage that is given to refinance an existing mortgage insured under this title and which does not exceed the original principal amount and unexpired term of such existing mortgage."

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill (H. R. 4849) were laid on the table.

MONROE JOHNSON ET AL.

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4095) confirming the claim of Robert Johnson and other heirs of Monroe Johnson to certain lands in the State of Mississippi, county of Adams, with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill and the Senate amendments as follows:

Line 8, strike out all after "America" down to and including "share" in line 11 and insert "to the heirs of Monroe Johnson, deceased, as such heirs may be determined."

Amend the title so as to read: "An act confirming the claim of the heirs of Monroe Johnson, deceased, to certain lands in the State of Mississippi, county of Adams."

Mr. LECOMPTE. Mr. Speaker, reserving the right to object, will the gentleman explain the Senate amendment?

Mr. ROBINSON of Utah. I think the Senate amendment speaks for itself. It is merely a clarifying amendment. The gentleman will recall that we named the heirs. The Senate amendment simply states that the land shall go to the heirs as shall be determined by the court.

Mr. LECOMPTE. This is the bill that the Public Lands Committee reported out unanimously to acquire title to a tract of land in which the Government in fact has no real or true interest?

Mr. ROBINSON of Utah. That is correct; and these people have been in possession about 89 years.

Mr. LECOMPTE. Any real interest.

Mr. ROBINSON of Utah. These people have been in possession of this land, as I recall it, for 8 or 9 years.

Mr. LECOMPTE. Mr. Speaker, I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Utah [Mr. ROBINSON]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD regarding the Government of Yugoslavia.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. LESINSKI]?

There was no objection.

Mr. SCANLON. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. WEISS] may

have permission to extend his own remarks in the RECORD and to include therein a letter and newspaper article, and I also ask unanimous consent to extend my own remarks in the RECORD and to include a statement made by me before the House Labor Committee in support of a bill I introduced, H. R. 3986.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. SCANLON]?

There was no objection.

MRS. HAGAR SIMPSON, MRS. NAT PRICE, JR., AND GRIFFIN BROS. CLINIC

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2006) for the relief of Mrs. Hagar Simpson, Mrs. Nat Price, Jr., and Griffin Bros. Clinic, with Senate amendments thereto, and agree to the Senate amendments.

The Clerk read the Senate amendments as follows:

Page 1, line 5, strike out "$10,000" and insert "$5,000."

Page 1, line 6, after the word "Texas", insert the word "and" and strike out "$5,000" and insert "$3,000."

Page 1, line 7, strike out "and the sum of $1,452 to Griffin Bros. Clinic, of Graham, Tex."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. McGEHEE]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

MRS. R. D. ROBINSON

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1045) for the relief of Mrs. R. D. Robinson, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the Senate amendment as follows:

Page 1, line 6, after "Bayne", insert "Chattanooga, Tennessee."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. McGEHEE]?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

BROADUS D. BOLAND

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1755) for the relief of Broadus D. Boland, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the Senate amendments as follows:

Page 1, line 5, after "appropriated", insert "the sums of $694.75."

Page 1, line 5, after "Boland", insert "and $225 to W. E. Boland."

Page 1, line 6, strike out "the sum of $500."

Page 1, line 9, strike out "he was" and insert "they were."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. McGEHEE]?

There was no objection.

The Senate amendments were agreed to.

The title was amended so as to read: "An act for the relief of Broadus D. Boland and W. E. Boland."

A motion to reconsider was laid on the table.

RECESS OF THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that during today it may be in order for the Speaker to declare the House in recess and that 10 minutes' notice be given to the Members by ringing the bells of the expiration of the recess.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

SURVEY THROUGH ADMINISTRATOR OF CIVIL AERONAUTICS OF THE NEED FOR A SYSTEM OF AIRPORTS AND LANDING AREAS

Mr. LEA. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 598.

The Clerk read the resolution, as follows:

Resolved, That the Secretary of Commerce, acting through the Administrator of Civil Aeronautics, is requested to make a survey of the need for a system of airports and landing areas throughout the United States, to include consideration of a comprehensive network of easily identified landing facilities specifically adapted for both normal and emergency use of the flying public, in addition to the more elaborate facilities required for the operation of larger commercial aircraft, to include the number needed and their approximate location and cost, to include provision for clearing and protecting the approaches to such landing facilities, and to include the air-navigation facilities necessary for the safe and effective use of such landing facilities; and to report to the House of Representatives, within 6 months after the date of the adoption of this resolution, the results of such survey, together with such recommendations for legislation as he deems advisable.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. WHITE. Mr. Speaker, reserving the right to object, I desire to know from the author of this bill if it has been considered and reported favorably by the committee.

Mr. LEA. It has been considered and reported favorably by the committee and has Budget approval.

Mr. WOLVERTON of New Jersey. Mr. Speaker, reserving the right to object, will the chairman of the committee explain the reason and the purpose of the resolution?

Mr. LEA. Mr. Speaker, I may say that the carrying out of this House resolution requires no appropriation. The Secretary of Commerce through the Administrator of Civil Aeronautics will make this survey of the need for airports. The survey is to cover a broad field of inquiry. The resolution authorizes the Administrator to consider practically every necessity that may be provided for the safe, convenient, and practical use of our airports, and for the various uses of airplanes. He will inquire into the number, as to location and cost and their use for commercial purposes, and for public and private flying. He will report as to the facilities that should be provided in connection with the various airports and types of airports that are adapted to the needs of air navigation.

He will consider and report as to the necessity for a national network system of airports to serve the comprehensive purposes of aviation. His report should aid in working out a comprehensive National and State airport policy.

Mr. RANDOLPH. Will the gentleman yield?

Mr. LEA. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. Mr. Speaker, I desire to compliment the members of the committee on bringing this resolution to the floor today. If the Congress of the United States is to legislate intelligently and effectively in the future, as to the need for a constructive airport program for the country, the action taken today will facilitate that purpose.

The Director of the Airport Section of the Civil Aeronautics Administration, Charles B. Donaldson, and the Administrator of the Civil Aeronautics Administration, C. I. Stanton, are both men who can formulate and bring to the House a report which will be most valuable.

Mr. LEA. I thank the gentleman for his contribution. The long, able, and consistent interest in air navigation of the gentleman from West Virginia [Mr. RANDOLPH] is well known to this House. In this legislative field he has been a source of real strength in the advancement of aviation for many years. He has given the aid of that practical foresight so much needed for an understanding support of air commerce.

Mr. PRIEST. Will the gentleman yield?

Mr. LEA. I yield to the gentleman from Tennessee.

Mr. PRIEST. Mr. Speaker, if I am not mistaken, the gentleman from West Virginia [Mr. RANDOLPH] who has been very much interested in this matter, introduced a bill in May 1943 as I recall, providing for a survey. I believe his interest to that extent should be noted in the RECORD at this point, since he brought this to the attention of the committee at that time.

Mr. MICHENER. Will the gentleman yield?

Mr. LEA. I yield to the gentleman from Michigan.

Mr. MICHENER. I notice the resolution is in the form of a request. Will the request be complied with?

Mr. LEA. Yes. I am in position to state it will be complied with.

Mr. DIMOND. Will the gentleman yield?

Mr. LEA. I yield to the gentleman from Alaska.

Mr. DIMOND. Mr. Speaker, the resolution as drawn directs that investigation shall be made as to airfields throughout the United States. The question arises as to whether that includes the Territories and possessions of the United States. I have in mind, of course, the unique importance of the Territory of Alaska with respect to air transport, because without air transport we cannot survive in any fashion, particularly economically. If it is not broad enough to cover the Territories I would suggest to the gentleman that an amend-

ment be offered to embrace the Territories because the Congress ought to have the knowledge sought by this resolution with reference to the Territories as well as with reference to the 48 States of the Union.

Mr. LEA. I am sure there will be no objection to an amendment to that effect and if the gentleman desires to offer such an amendment, that it will be accepted.

Mr. DIMOND. Mr. Speaker, at the appropriate time I shall offer an amendment to the resolution.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. LEA]?

There was no objection.

Mr. DIMOND. Mr. Speaker, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DIMOND: On page 1, line 4, after the words "United States", insert "including the Territories and possessions."

The amendment was agreed to.

The House resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Gatling, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 634. An act to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to the rank of vice admiral;

H. R. 1737. An act for the relief of the Saunders Memorial Hospital; and

H. R. 4103. An act to provide for loss of United States nationality under certain circumstances.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 784. An act to amend that part of the act of June 24, 1910 (36 Stat. 619), relating to disposition of profits from sales of ships' stores.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate No. 3 to a bill of the House of the following title:

H. R. 4967. An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes.

The message also announced that the Senate had passed concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. Con. Res. 46. Concurrent resolution providing for a conditional adjournment of the two Houses; and

S. Con. Res. 47. Concurrent resolution authorizing the presiding officers of the two Houses to sign enrolled bills and joint resolutions after adjournment.

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4624) to consolidate and revise the laws relating to the Public Health Service, and for other purposes, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 14, lines 8 and 9, strike out "after not more than 2 years of service" and insert "in accordance with regulations of the President."

Page 22, lines 2 and 3, strike out "allotments from their pay by commissioned officers."

Page 29, after line 15, insert:

"(b) To enable the Surgeon General to carry out the purposes of section 301 with respect to developing more effective measures for the prevention, treatment, and control of tuberculosis, and to assist, through grants and as otherwise provided in this section, States, counties, health districts, and other political subdivisions of the States in establishing and maintaining adequate measures for the prevention, treatment, and control of such disease, including the provision of appropriate facilities for care and treatment and including the training of personnel for State and local health work, and to enable him to prevent and control the spread of tuberculosis in interstate traffic, and to meet the cost of pay, allowances, and traveling expenses of commissioned officers and other personnel of the Service detailed to assist in carrying out the purposes of this section with respect to tuberculosis, and to administer this section with respect to such disease, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1945, the sum of $10,000,000, and for each fiscal year thereafter a sum sufficient to carry out the purposes of this subsection."

Page 29, line 16, strike out "(b)" and insert "(c)."

Page 30, line 7, strike out "(c)" and insert "(d)."

Page 30, line 9, strike out "and."

Page 30, line 10, after "(b)", insert ", and, within the limits specified in subsection (c), the total sum from the appropriation under that subsection."

Page 30, line 15, after "problem", insert ", the size of the tuberculosis problem."

Page 30, line 20, strike out "(d)" and insert "(e)."

Page 31, line 7, strike out "(e)" and insert "(f)."

Page 31, line 9, strike out "(a)" and insert "(a),".

Page 31, line 9, after "(b)", insert ", or subsection (c)."

Page 31, line 13, strike out "(f)" and insert "(g)."

Page 31, line 17, strike out "(g)" and insert "(h)."

Page 31, line 20, strike out "(a)" and insert "(a),".

Page 31, line 21, insert "or subsection (c),".

Page 31, line 24, strike out "(e)" and insert "(f)."

Page 32, line 11, strike out "(h)" and insert "(i)."

Page 32, line 17, strike out "(i)" and insert "(j)."

Page 32, lines 17 and 18, strike out "of this section" and insert "and funds appropriated under subsection (b)."

Page 32, line 20, strike out "such subsection" and insert "the respective subsections."

Page 32, line 24, strike out "such subsection" and insert "the respective subsections."

Page 33, line 17, after "devices;" insert "and from time to time, with the approval of the President, select suitable sites for and establish such additional institutions, hospitals, and stations in the States and possessions of the United States as in his judgment are necessary to enable the Service to discharge its functions and duties."

Page 39, strike out lines 9 and 10 and insert "Such cost shall be at such uniform rate as may be prescribed from time to time by the President for the hospitalization of dependents of naval and Marine Corps personnel at any naval hospital, pursuant to section 2 of the act of May 10, 1943 (57 Stat. 80)."

Page 44, line 2, after "transfers." insert "When sentence is pronounced against any person whom the prosecuting officer believes to be an addict, such officer shall report to the authority vested with the power to designate the place of confinement, the name of such person, the reasons for his belief, all pertinent facts bearing on such addiction, and the nature of the offense committed."

Page 47, line 17, strike out "(d)" and insert "(c)."

Page 47, line 24, strike out "(c)" and insert "(d)."

Page 51, line 6, after "purity," insert "and."

Page 51, line 6, strike out "and efficacicusness."

Page 52, strike out lines 4 and 5 and insert "Nothing contained in this act shall be construed as in any way affecting, modifying, repealing, or superseding the provisions of the."

Page 52, line 6, strike out all after "Act." down to and including "section" in line 10 and insert "(U. S. C., 1940 edition, title 21, ch. 9)."

Page 57, line 11, strike out "Any" and insert "Except as otherwise prescribed in regulations, any."

Page 59, line 3, strike out all after "treaty" down to and including "regulations" in line 6.

Page 59, line 15, after "vessel." insert "The certificate required by this subsection shall be procurable from the quarantine officer, upon arrival of the vessel at the quarantine station and satisfactory inspection thereof, at any time within which quarantine services are performed at such station."

Page 60, line 9, strike out "364 or section."

Page 60, line 10, strike out "thereunder," and insert "thereunder."

Page 60, line 10, strike out "367" and insert "364."

Page 65, line 25, strike out "(1)" and insert "(a)."

Page 66, line 4, strike out "(2)" and insert "(b)."

Page 68, after line 14, insert:

"(e) Donations of $50,000 or over in aid of research may be acknowledged by the establishment within the National Institute of Health of suitable memorials to the donors."

Page 79, strike out lines 1 to 10, inclusive.

Page 79, after line 10, insert

"(b) Subject to regulations of the President, lightkeepers, assistant lightkeepers, and officers and crews of vessels of the former Lighthouse Service, including any such persons who subsequent to June 30, 1939, have involuntarily been assigned to other civilian duty in the Coast Guard, who were entitled to medical relief at hospitals and other stations of the Public Health Service prior to enactment of this Act, and who are now or hereafter on active duty or who have been or may hereafter be retired under the provisions of section 6 of the Act of June 20, 1918, as amended (U. S. C., 1940 edition, title 33, sec. 763), shall be entitled to medical, surgical, and dental treatment and hospitalization at hospitals and other stations of the Public Health Service: *Provided*, That such persons while on active duty shall also be entitled to care and treatment in accordance with the provisions of section 322 (e) of this Act."

Page 79, after line 10, insert:

"(c) For the duration of the present war and for six months thereafter, seamen employed on foreign-flag vessels which are owned or operated by citizens of the United States or by corporations incorporated under the law of the United States or of any State shall be entitled to the same benefits as are provided by section 322 (a) (1) for seamen employed on vessels of the United States."

Page 79, after line 13, insert:

"The two paragraphs under the subheading 'Marine—hospital establishment (customs:)' under the heading 'Under the Treasury Department' in section 3689 in title XLI of the Revised Statutes of the United States."

Page 79, line 14, strike out "Section 3689 in title XLI, and sections" and insert "Sections."

Page 90, line 12, strike out "wherever they appear."

Page 90, line 13, strike out "the second sentence of."

Page 90, line 13, after "(b)" insert "(2)."

Page 91, line 3, after "223;" insert "chapter 725, 49 Statutes at Large 1827, at page 1839."

Page 92, line 20, after "547" insert ", at page 548."

Page 93, lines 17 and 18, strike out ", at page 4."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. MICHENER. Mr. Speaker, reserving the right to object, may I inquire whether or not this action is agreeable to the Republican members on the committee?

Mr. BULWINKLE. It is.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BULWINKLE. The amendments recommended by the Senate to H. R. 4624 as it passed this House are as follows:

1. Page 14, lines 8 and 9, strike out "after not more than 2 years of service" and insert in lieu thereof "in accordance with regulations of the President."

2. Page 22, lines 2 and 3, strike out "allotments from their pay by commissioned officers."

3. Page 29, after line 15 and before line 16, insert the following:

"(b) To enable the Surgeon General to carry out the purposes of section 301 with respect to developing more effective measures for the prevention, treatment, and control of tuberculosis, and to assist, through grants and as otherwise provided in this section, States, counties, health districts, and other political subdivisions of the States in establishing and maintaining adequate measures for the prevention, treatment, and control of such disease, including the provision of appropriate facilities for care and treatment and including the training of personnel for State and local health work, and to enable him to prevent and control the spread of tuberculosis in interstate traffic, and to meet the cost of pay, allowances, and traveling expenses of commissioned officers and other personnel of the Service detailed to assist in carrying out the purposes of this section with respect to tuberculosis, and to administer this section with respect to such disease, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1945, the sum of $10,000,000, and for each fiscal year thereafter a sum sufficient to carry out the purposes of this subsection."

4. Page 29, line 16: change "(b)" to "(c)."

5. Page 30, line 7: change "(c)" to "(d)."

6. Page 30, line 9: strike out "and" and insert in lieu thereof a comma.

7. Page 30, line 10, insert after "(b)": ", and, within the limits specified in subsection (c), the total sum from the appropriation under that subsection."

8. Page 30, line 15: insert after "disease problem" the following: ", the size of the tuberculosis problem.".

9. Page 30, line 20: change "(d)" to "(e)."

10. Page 31, line 7: change "(e)" to "(f)."

11. Page 31, line 9: change "or" to a comma and insert after "(b)" the following: ", or subsection (c)."

12. Page 31, line 13: change "(f)" to "(g)."

13. Page 31, line 17: change "(g)" to "(h)."

14. Page 31, line 20: change "or" to a comma.

15. Page 31, line 21: after "(b)." insert: "or subsection (c)."

16. Page 31, line 24: change "(e)" to "(f)."

17. Page 32, line 11: change "(h)" to "(i)."

18. Page 32, line 17: change "(i)" to "(j)."

19. Page 32, lines 17–18: eliminate "of this section and insert in lieu thereof "and funds appropriated under subsection (b)."

20. Page 32, line 20: change "such subsection" to "the respective subsections."

21. Page 32, line 24: change "such subsection" to "the respective subsections."

22. Page 33, line 17: insert after the semicolon "and from time to time, with the approval of the President, select suitable sites for and establish such additional institutions, hospitals, and stations in the States and possessions of the United State as in his judgment are necessary to enable the Service to discharge its functions and duties."

23. Page 39: strike out lines 9 and 10 and substitute the following:

"Such cost shall be at such uniform rate as may be prescribed from time to time by the President for the hospitalization of dependents of naval and Marine Corps personnel at any naval hospital, pursuant to section 2 of the act of May 10, 1943 (57 Stat. 80)."

24. Page 44, line 2, insert the following sentence before "Whenever": "When sentence is pronounced against any person whom the prosecuting officer believes to be an addict, such officer shall report to the authority vested with the power to designate the place of confinement the name of such person, the reasons for his belief, all pertinent facts bearing on such addition, and the nature of the offense committed."

25. Page 47, line 17: change "(d)" to "(c)."

26. Page 47, line 24: change "(c)" to "(d)."

27. Page 51, line 6: insert "and" before "potency" and strike out "and efficaciousness."

28. Page 52, lines 4 through 10: strike out and substitute the following:

"(g) Nothing contained in this act shall be construed as in any way affecting, modifying, repealing, or superseding the provisions of the Federal Food, Drug, and Cosmetic Act (U. S. C., 1940 edition, title 21, ch. 9)."

29. Page 57, line 11: strike out "Any" and insert in lieu thereof "Except as otherwise prescribed in regulations, any."

30. Page 58, line 16, insert a comma after "this section."

31. Page 59, line 3, strike out "or may be" and insert a period in lieu thereof.

32. Page 59, lines 4–6, strike out.

33. Page 59, at the end of line 15, insert the following: "The certificate required by this subsection shall be procurable from the quarantine officer, upon arrival of the vessel at the quarantine station and satisfactory inspection thereof, at any time within which quarantine services are performed at such station."

34. Page 59, line 18, eliminate "civil."

35. Page 59, line 19, eliminate "civil."

36. Page 60, line 9, eliminate "364 or section."

37. Page 60, line 10, eliminate the comma after "thereunder" and change "367" to "364."

38. Page 65, line 25, change "(1)" to "(a)."

39. Page 66, line 4, change "(2)" to "(b)."

40. Page 68, after line 14 and before line 15, insert the following:

"(e) Donations of $50,000 or over in aid of research may be acknowledged by the establishment within the National Institute of Health of suitable memorials to the donors."

41. Page 79, lines 1 through 10, strike out and substitute:

"(b) Subject to regulations of the President, lightkeepers, assistant lightkeepers, and officers and crews of vessels of the former Lighthouse Service, including any such persons who subsequent to June 30, 1939, have involuntarily been assigned to other civilian duty in the Coast Guard, who were entitled to medical relief at hospitals and other stations of the Public Health Service prior to enactment of this Act, and who are now or hereafter on active duty or who have been or may hereafter be retired under the provisions of section 6 of the act of June 20, 1918, as amended (U. S. C., 1940 edition, title 33, sec. 763), shall be entitled to medical, surgical, and dental treatment and hospitalization at hospitals and other stations of the Public Health Service: *Provided*, That such persons while on active duty shall also be entitled to care and treatment in accordance with the provisions of section 322 (e) of this act."

42. Page 79, after line 10 and before line 11, insert the following:

"(c) For the duration of the present war and for 6 months thereafter, seamen employed on foreign-flag vessels which are owned or operated by citizens of the United States or by corporations incorporated under the laws of the United States or of any State shall be entitled to the same benefits as are provided by section 322 (a) (1) for seamen employed on vessels of the United States."

43. Page 79, after line 13 and before line 14, insert the following:

"The two paragraphs under the subheading 'Marine-hospital establishment (customs)' under the heading 'Under the Treasury Department' in section 3689 in title XLI of the Revised Statutes of the United States.

44. Page 79, line 14, strike out "Section 3689 in title XLI, and" and change "sections" to "Sections."

45. Page 90, line 12, strike out "wherever they appear."

46. Page 90, line 13, strike out "the second sentence of" and insert "(2)" after "(b)."

47. Page 91, line 3, insert before "chapter 180", "chapter 725, 49 Statutes at Large 1827, at page 1839;".

48. Page 92, line 20, insert after "547", ", at page 548."

49. Page 93, line 17, strike out ", at."

50. Page 93, line 18, strike out "page 4."

VALLEY DEVELOPMENT

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS. Mr. Speaker, the problem of the development of Red River Valley is as old as is the civilization of that area. When the first white men came up the Red River, opening up to these pioneer immigrants the new empire of the Southwest, almost the first consideration to enter the minds of these people was that of developing the great alluvial section of the Southwest.

Red River is one of the large rivers of the United States, and the Red River Basin comprises portions of 5 States—namely, Louisiana, Arkansas, Oklahoma,

Texas and New Mexico. This great river of the Southwest drains a total area of 91,430 square miles extending westward from the Mississippi River—the Father of Waters—to the eastern part of New Mexico. Its source is located in the arid regions of the interior, and from then it flows 1,300 miles, generally eastward and southeastward to join the Mississippi River at approximately the confluence of the Atchafalaya and the Mississippi Rivers in Louisiana.

The population of the Red River watershed in 1920 was 1,734,000 and by 1930 had increased to 1,902,000. At the present time it is well on its way toward 3,000,000 people. In 1930, 326,000 people lived in the Red River Valley in Louisiana, and this comprises 17.1 percent of the entire population of the State of Louisiana. The largest city of the entire valley is, of course, Shreveport, La., but there are numerous other cities with large and teeming industrial and agricultural populations.

As the population of this section of the Southwest increases, one is more than ever impressed by the abundance of our natural resources. The valley is the center of the oil-producing area of the United States, and from its bordering lands and from the valley itself, come billions of barrels of petroleum which are now being used in the waging of the war against the Axis Powers. A byproduct of this industry, the production of natural gas, is reaching astronomical figures, and is likewise being used in the manufacture of weapons to defeat Germany and Japan at the present time.

Wheat, cotton, corn, oats, and generally all types of food crops are produced in abundance in this area. Lumber, which at one time was our greatest natural resource, is still one of the largest wealth producers. The alluvial soil which borders each side of the river in its complicated meanderings is fertile—as fertile as the valley of the Nile—and is capable of producing many kinds of crops.

Mr. Speaker, these few figures give you some idea of the magnitude of the work of pushing the development of the Red River Valley. At the beginning, it was evident that one of the vital problems was that of flood control. The forming of the great rafts in the Red River during the first half of the nineteenth century emphasized the urgency of this problem. The great flood of 1908 brought very forceably to the minds of our people in Louisiana the need for protection against the swollen waters which come down upon us from above. The recurring floods serve to emphasize the continuing importance of this problem.

Year by year the Army engineers have been working upon plans for the curbing of the menace of these floods, and have given us a most comprehensive flood-control plan. In recent years, the authorization by the Congress of the building of the Denison Dam, marks in my opinion, a new era in the development of Red River Valley, and in the curbing of the floods along this stream. The Denison Dam is now approaching completion, and its normal operation should help considerably in our flood-control difficulties and our bank erosion further downstream.

In northwest Louisiana this problem of providing an average amount of water during all parts of the year in Red River and thereby preventing floods and bank erosion, has absorbed our attention for many years.

Of course, my interest is in the development of that portion of the valley lying within the northwestern part of the State. Several projects are needed, and as soon as the war is ended work on them should be commenced. There is, for instance, the Wallace Lake Dam and Reservoir project located in both DeSoto and Caddo Parishes. This project is over 90 percent completed and it should be finished as soon as materials and labor are available. The Bodcau Dam and Reservoir project has been a matter of much study and attention in the past. Money was appropriated for the beginning of the work before the war broke; and as soon as possible following the conclusion of this struggle, our plans, which have been completed, should be used as a basis for beginning the work. More work should be done on the presently existing Caddo Lake project, the levees on the east bank of the river in Red River Parish should be constructed to protect this area from floods, bank protection work all along the river, especially in the vicinity of Shreveport is needed, as well as a number of other projects.

For many years I have been convinced that navigation on Red River is practicable. In preliminary reports, the Army engineers have agreed with this idea, and today I am working on the matter of having their report brought down to date. In the days prior to and after the Civil War, navigation was one of the chief means of commerce in and out of northwest Louisiana. The Red River was then a mighty artery of the Nation, carrying on its back the heavy burdens of slow-moving transportation. The shrill whistle of the river boat and the slow-talking brogue of the river pilot were familiar sounds around the city of Shreveport in those days. Those days should return to us, and they will return when we are able in post-war times to fully develop the potential possibilities of Red River. While I believe the development of Bayou Pierre is the feasible way of bringing about this navigation, whether it be done by this development or by actually improving the main channel of the river itself, does not concern me so much as bringing about the results.

Mr. Speaker, of course our works on this kind of project has been held up by the necessities of the war. Neither material nor manpower is now available. They are held in a condition of suspended animation, to be revived as soon as hostilities cease and the need for post-war projects returns.

EXTENSION OF REMARKS

Mr. GRANT of Indiana. Mr. Speaker, on yesterday I obtained unanimous consent to include in my extension of remarks an address delivered by Lawrence Sullivan. I have been advised by the Public Printer that it will cover three and one-half pages, at a cost of $182. I ask unanimous consent, notwithstanding the estimate of the Public Printer, that it may be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SNYDER. Mr. Speaker, I am one of those having the conviction that this body is the greatest legislative assembly on earth. I had not intended to indulge in encomiums in what I have to say, but having expressed that appraisal, I just must add that I feel that the distinguished gentleman who presides over this body, our beloved Speaker, SAM RAYBURN, will be recorded in history among the foremost of the great Speakers of the United States House of Representatives.

No man since the birth of the Republic has filled the great office occupied by our Speaker with greater distinction, with greater honor, and under more trying conditions, and conditions more threatening to the survival of the Republic and its treasured institutions than has this truly great man from Texas, who is loved and respected by every Member of this House.

The subject I arose to discuss is the Women Air Force Service Pilots program, better known as the WASPS.

Despite my first complimentary remarks about this body, all of us agree, I am sure, that we are sometimes misled in taking the action that we do. Our information sometimes is not soundly premised, and I think that is why the House rejected on Wednesday the bill providing for the appointment of female pilots in the Army Air Forces. The stress of work here right now is very heavy, and I attribute to that the action that was taken here on Wednesday. In other words, Members did not have the time properly and fully to inform themselves about the matter. I wish to be entirely fair about the matter, but I feel that much of the opposition was engendered by the report presented on the 5th of this month by the Committee on the Civil Service, and such report, in my judgment, is not a credit to that splendid committee. It was not a unanimous report. Had the distinguished chairman of that committee had the time carefully to analyze its contents I am sure it would not have seen the light of day. It was a case, I have felt, of too little time and, hence, too much dependence upon civilians employed as investigators of a subject which, in time of war, essentially is a military one.

The House on June 15 passed by a unanimous vote the military appropriation bill for the fiscal year 1945. That bill included $6,391,250 for the WASP training program; for a program looking to the development of 853 women pilots

by the end of the ensuing fiscal year. There was no secret about it. It was information published in the committee's report. The House approved it. Not a dissenting voice was raised, and the record does not show a dissenting vote against the bill.

You were for them as civilians. Therefore, you admitted the need for their services. Whether or not they have a civilian status or a military status would seem to be entirely secondary. General Arnold has advocated that they be put in uniform as a desirable military step. Man or woman, there can be no dispute that better discipline is maintained over those having a military status. If women pilots are necessary, and you voted for them, then why not put them in the same status as men? You agreed to train them, but you are unwilling to provide a way of holding them and utilizing their services after you train them. These women are flying very costly airplanes, and they are expected to do so on established schedules, but there is not that military control that should obtain when the service is incident to the conduct of the war. They can show up or not, as they please, and they can abandon a ship at any intermediate point on a flight, and there is no recourse except to dispense with their services and lose the training investment.

Added cost certainly was not a consideration in the rejection of the proposal. As civilian graduates, they get $3,450 per annum. As second lieutenants they would get but $45 more—or $3,495 per annum.

It costs no more to train them than it costs to train a man.

At this point, Mr. Speaker, I should like to include as a part of my remarks an excerpt from the committee's report on the 1945 military appropriation bill bearing upon this subject. It follows:

Finding that losses of pilots and combat crews were well under early attrition estimates, the training programs were drastically reduced early in the calendar year. The result brought about situations that provoked considerable criticism.

The committee canvassed the matter with General Arnold and invites attention to his testimony on pages 299 and 305–312 of the hearings.

The contraction resulted in the release of approximately 36,000 men undergoing aircrew training, and terminated the need for the services of flying instructors, as such, at Civil Aeronautics Administration war training service schools and private civilian schools, and for training additional persons to become instructors, numbering, all told, about 17,000.

The air-crew-training students were reassigned to the ground forces and the service forces to meet a dearth of young officer leaders. None of them had reached the preflight-school stage.

Of the instructor group, including instructor students, all but about 400 have been given an opportunity to fit in the Air Forces program according to their qualifications. Thus far efforts to contact the 400 have been unsuccessful. In connection with this group, it must be borne in mind that flying standards for military aircraft and larger cargo and transport planes are entirely different from those required for initial training types. Those who can meet such standards are being given every opportunity to become pilots of service types of aircraft. That is evidenced by the testimony of General Arnold, to which attention has been directed.

The change of policy was precipitate and that precipitated an immediate flow of criticism. The committee's record, however, discloses that the matter has been handled with reasonable dispatch and as fairly and equitably as consistency with appropriate military considerations would permit.

Dispensing with the services of flight instructors has been pointed to as inconsistent with the employment of women pilots, known as the WASPS. No woman pilot, the committee is assured, has displaced or will displace a male pilot meeting the single standard maintained for both sexes. The Army has turned to women pilots in order to lessen the demand upon males qualified to perform tasks for which women are not suited or in which they manifest no interest, and to free male flyers for assignments in war theaters where female pilots will not and should not be employed. The WASPS are utilized for transport and ferrying work, for tow-target work, and also as instructors in Air Forces schools.

I referred earlier, Mr. Speaker, to the report of the Committee on the Civil Service. We read headlines after its publication that the cost of the WASP program would run from fifty to one hundred million dollars. What are the facts?

We appropriated for the current fiscal year $5,295,209 and the 1945 bill, as passed, carries $6,391,250. Those figures will not be carried to the people in headlines who read the fantastic figures contained in the committee's report.

The report says that there is no authorization for the women's pilot training program. On May 31, 1943, the Army had 27 women pilots. Call them WASPS or anything else you please, they were civilian employees and ample authority existed for their employment and use in the war effort. In the appropriation act for the fiscal year which started July 1, 1943, when the department embarked upon the plan to use female pilots more extensively, it proceeded pursuant to authority contained in section 8 of such act. The appropriation bill for 1945, in section 8, continues that authority.

It costs to train a female pilot no more than it costs to train a male pilot. Therefore, if female pilots be needed because of the manpower situation, their training would occasion no added expense.

The qualifications are identical, the report of the Committee on the Civil Service to the contrary. I quote General Arnold in the hearings on the 1945 military appropriation bill, "We have the same standard for both."

The women have not displaced a single male who could be utilized in one line or other either in aviation or some other branch of the Military Establishment.

They have not displaced a single competent male or a male pilot who can qualify for a comparable line of work. For that statement I cite General Arnold's testimony in the hearings on the 1945 military appropriation bill.

The procurement of personnel for female pilot training is no more in competition with procurement for other female organizations of the military services than procurement for such organizations is in competition with female pilot procurement. If there be a need for all, there is only one reservoir and the paramount need is one for military determination.

I could continue on, Mr. Speaker, and call attention to other unfounded statements and unsound conclusions in the report. It evidences a lack of understanding of the training and physical demands necessary for flying light craft and for flying higher powered and heavier craft. Much more is involved than "only transitional training."

It is most unfortunate that a report of such kind should come out not supported by evidence of leading military officials who are responsible for policies and the conduct of the war. Aviation is not alone involved. The report ignores completely the need of the military for young, intelligent, courageous youths to assume company officer positions in the Ground Forces, of whom there has been a dearth owing largely to the appeal of the Air Forces have to young men. It is a military problem extending beyond the Air Forces, and it is a problem, I maintain, that only military men should determine. If civilians are going to take over direction of such matters, God help the war effort. I am going to follow Gen. "Hap" Arnold. He is the man we are relying upon to conduct our military air program, and he is doing a perfectly grand job.

What we did here the other day more than likely will force the Army to accomplish practically the same thing in another way; in other words, take the female pilots into Women's Army Corps. They can call themselves WASPS in there just as well as if they had a separate organization. They can have a distinctive uniform and they can get the same pay. Personally, I felt that the Army should have adopted such a course in the beginning.

EXTENSION OF REMARKS

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain tables with reference to appropriations.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DEWEY] be permitted to extend his remarks in the RECORD and include therein a letter written by certain Members of Congress, published in the New York Times.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

(Mr. D'ALESANDRO asked and was given permission to revise and extend his remarks.)

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD on several subjects.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MONKIEWICZ. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial appearing in the Hartford Courant on June 21.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein excerpts from an editorial appearing in the Red Oak Express.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. ANDERSON of California addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. IZAC. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial from the San Francisco News.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Wisconsin [Mr. MURRAY] be given permission to extend his own remarks in the RECORD and to include therein a shipping statement.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ADJOURNMENT RESOLUTION

The SPEAKER laid before the House the following Senate Concurrent Resolution (S. Con. Res. 46):

Resolved by the Senate (the House of Representatives concurring), That when the two Houses adjourn on Friday, June 23, 1944, they shall stand adjourned until 12 o'clock meridian on Tuesday, August 1, 1944, or until 12 o'clock meridian on the third day after their respective Members are notified to reassemble in accordance with section 2 of this concurrent resolution, whichever event occurs first.

SEC. 2. The President of the Senate and the Speaker of the House of Representatives shall notify the Members of the Senate and the House, respectively, to reassemble whenever in their opinion legislative expediency shall warrant it or whenever the majority leader of the Senate and the majority leader of the House, acting jointly, or the acting minority leader of the Senate and the minority leader of the House, acting jointly, file a written request with the Secretary of the Senate and the Clerk of the House that the Congress reassemble for the consideration of legislation.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZATION TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

The SPEAKER laid before the House the following Senate Concurrent Resolution (S. Con. Res. 47):

Resolved by the Senate (the House of Representatives concurring), That notwithstanding the adjournment of the two Houses, as authorized by Senate Concurrent Resolution 46, the Acting President pro tempore of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized to sign enrolled bills and joint resolutions duly passed by the two Houses which have been examined by the Committee on Enrolled Bills of each House and found truly enrolled.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK OF THE HOUSE TO RECEIVE MESSAGES FROM THE SENATE DURING THE ADJOURNMENT OF THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House the Clerk be authorized to receive messages from the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING THE SPEAKER TO APPOINT COMMISSIONS AND COMMITTEES AUTHORIZED BY LAW OR BY THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House the Speaker be authorized to appoint commissions and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

GENERAL LEAVE TO EXTEND REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members of the House shall have the privilege until the last edition authorized by the Joint Committee on Printing is published to extend and revise their own remarks in the CONGRESSIONAL RECORD on more than one subject, if they so desire, and also to include therein such short quotations as may be necessary to explain or complete such extension of remarks; but this order shall not apply to any subject matter which may have occurred or to any speech delivered subsequent to the adjournment of Congress.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I shall not object, I understand that period is generally 10 days.

Mr. McCORMACK. About 10 days, so I am informed by competent authority.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a poem by Mr. Horace C. Carlisle.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

RECESS

The SPEAKER. The Chair declares the House in recess, subject to the call of the Chair.

Accordingly (at 2 o'clock p. m.) the House stood in recess, subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 3:46 p. m.

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of H. R. 4803, to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Memphis, Tenn.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. CHAPMAN]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, has this resolution been considered by the Subcommittee on Bridges?

Mr. CHAPMAN. Yes; and it has been considered by the full committee. There is a unanimous report. This bill extends the time for commencing and completing a bridge to be constructed by the bridge commissioners of Arkansas and the city of Memphis, Tenn.

Mr. MARTIN of Massachusetts. It is a public toll bridge?

Mr. CHAPMAN. A public toll bridge, according to the form of the committee.

Mr. MARTIN of Massachusetts. How many times has the gentleman renewed this application?

Mr. CHAPMAN. I think it has been renewed once or twice before.

Mr. MARTIN of Massachusetts. Is there any opposition to it?

Mr. CHAPMAN. The gentleman from Tennessee [Mr. DAVIS] and the mayor of Memphis, a former Representative, Mr. Chandler, told me that they had made a good deal of progress toward constructing the bridge.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. CHAPMAN]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Mississippi River, at or near Memphis, authorized to be built

by the Memphis and Arkansas Bridge Commission by an act of Congress approved September 27, 1940, are hereby extended 2 and 4 years, respectively, from August 10, 1944.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Page 1, line 7, strike out "September 27, 1940" and insert "August 10, 1939, and heretofore extended by act of Congress approved September 27, 1940, November 21, 1941, and June 23, 1943."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEFICIENCY APPROPRIATION BILL

Mr. CANNON of Missouri submitted the following conference report on the bill (H. R. 5040) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944, and June 30, 1945, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5040) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944, and June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 13, 45, and 46.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, and 44, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$50,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$179,000,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: ": *Provided further*, That none of the funds appropriated in this Act shall be used to pay the salary or expenses of any person fixing maximum prices for different kinds, classes, or types of processed fruits and vegetables which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment, insert the following:

"PRINTING AND BINDING

"The limitation of $8,500,000 under the appropriation "Printing and binding, Navy Department", contained in the Naval Appropriation Act for the fiscal year 1945, on the amount of printing and binding executed at the Government Printing Office, including technical and instructional printing and publications, which may be procured with funds appropriated for the Naval Establishment, is hereby increased to $18,500,000."; and the Senate agree to the same.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,
D. LANE POWERS,
Managers on the part of the House.

KENNETH MCKELLAR,
M. E. TYDINGS,
RICHARD B. RUSSELL,
JOHN H. OVERTON,
RUFUS C. HOLMAN,
CHAN GURNEY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5040) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944, and June 30, 1945, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

UNITED STATES SENATE

No. 1: Appropriates for the Senate in the amounts and for the purposes proposed by the Senate amendment.

JOINT COMMITTEE ON FEDERAL EXPENDITURES

No. 2: Appropriates $10,000, as proposed by the Senate, for expenses of the Joint Committee on Reduction of Nonessential Expenditures.

LIBRARY OF CONGRESS

No. 3: Appropriates $130,000, as proposed by the Senate, for books for the adult blind as authorized by the act approved June 13, 1944.

OFFICE OF PRICE ADMINISTRATION

Nos. 4, 5, and 6: Appropriates $179,000,000, instead of $177,750,000 as proposed by the House and $182,252,000 as proposed by the Senate, for salaries and expenses; limits the amount that may be used for test purchases of commodities, services, or ration currency for enforcement purposes to $50,000, instead of $25,000 as proposed by the House and $100,000 as proposed by the Senate; and restores the House provision, eliminated by the Senate, which prohibits the use of O. P. A. funds for the payment of salary or expenses of any person fixing maximum prices for different kinds, classes, or types of a commodity which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use, modified so as to limit the proviso to "processed fruits and vegetables" instead of to "commodities".

CIVIL SERVICE COMMISSION

Nos. 7, 8, and 9: Appropriates $2,680,000, as proposed by the Senate, for salaries and expenses in administering the Veterans' Preference Act of 1944, and $1,500,000 for the Panama Canal Construction Annuity Fund, as proposed by the Senate, and as authorized by the act of May 29, 1944.

FEDERAL WORKS AGENCY—PUBLIC ROADS ADMINISTRATION

Nos. 10 and 11: Appropriates $14,701.69 more for the payment of damage claims adjusted and certified for appropriation after the bill had passed the House.

VETERANS' ADMINISTRATION

No. 12: Increases the amount which may be expended for travel in the fiscal year 1944, by $75,000 as proposed by the Senate.

DEPARTMENT OF COMMERCE

No. 13. Strikes out the appropriation of $1,108,000 for landing areas, inserted by the Senate.

NAVY DEPARTMENT

Nos. 14, 15, 16, 17, 18, and 19: Appropriates $11,836.76 more for payment of damages caused by naval vessels, as proposed by the Senate; inserts the provision, proposed by the Senate, permitting patients in naval hospitals manufacturing or producing articles incident to their convalescence and rehabilitation to retain ownership of such articles except in those cases where such manufacture or production is specifically for the use of a naval hospital or other naval medical facility; increases the amount which may used from naval appropriations for the fiscal year 1945 for printing and binding from $8,500,000 to $18,500,000, and in this connection the managers at the conference have agreed that such increases is intended for procurement of technical and instructional printing and publications and if it appears, as the fiscal year progresses, that the limitation cannot be maintained without impairment of naval operations Congress can be consulted with respect to its revision; and appropriates $82.50 more, as proposed by the Senate, for payment of claims for damages caused by vessels of the Coast Guard.

POST OFFICE DEPARTMENT

Nos. 20, 21, and 22: Appropriates, as proposed by the Senate, additional amounts for the fiscal year 1944, occasioned by new laws at this session of Congress: salaries of postoffice inspectors, $12,500; compensation of postmasters, $311,000; and operating force for public buildings, $136,800.

WAR DEPARTMENT

No. 23: Inserts the paragraph, proposed by the Senate, making existing appropriations for rivers and harbors available to the extent of approximately $25,000 (estimated) for the improvement of the channel in the Withlacoochee River, Fla., between its mouth and Inglis.

No. 24: Appropriates an additional $112,218.50, as proposed by the Senate, for payment of claims adjudicated by the Secretary of War pursuant to existing law and certified to Congress for appropriation after the bill passed the House.

JUDGMENTS AND AUTHORIZED CLAIMS

Nos. 26 to 44, inclusive: Appropriates additional amounts aggregating $2,698,843.38 for payment of judgments rendered against the Government by United States District Courts and the Court of Claims, for audited claims allowed by the General Accounting Office,

and for authorized property damage claims; all certified to Congress for appropriation pursuant to existing law after the bill had passed the House.

GENERAL PROVISIONS

Nos. 45 and 46: Strikes out section 304, inserted by the Senate, authorizing the Director of Selective Service to provide for the assignment of conscientious objectors to medical and relief units outside the continental United States.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,
D. LANE POWERS,
Managers on the part of the House.

Mr. CANNON of Missouri. Mr. Speaker, I call up the conference report on the bill (H. R. 5040) and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the full report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

Mr. CANNON of Missouri. Mr. Speaker, this conference report represents complete agreement upon all points of difference between the two Houses. It is presented with the unanimous endorsement of the managers on the part of the House and of the Senate. It provides for total appropriations of $241,368,992.58, a considerable reduction of the Budget estimate. This is the last step in the last stage of the last appropriation bill in the last session of the Seventy-eighth Congress, always with the possibility, of course, that there may be need for an abbreviated deficiency bill later this fall. With the exception of that contingency, this bill closes the appropriation schedule for the session and the Congress.

The appropriations for the second session of the Seventy-eighth Congress, insofar as we are able to compile a preliminary estimate at this time, aggregate $67,199,237,127.64, as follows:

Recapitulation of appropriations, 78th Cong., 2d sess. (preliminary figures subject to correction)

REGULAR ANNUAL ACTS

Agriculture	$562,145,918.00
District of Columbia	69,111,569.00
Independent offices	8,485,099,785.00
Interior Department	103,239,796.36
Labor-Federal Security:	
Labor Department	68,119,050.00
Federal Security Agency	633,843,885.00
Related independent agencies	410,681,529.00
Total	1,112,644,464.00
Legislative and judiciary:	
Legislative	46,245,994.66
Judiciary	13,455,024.00
Total	59,701,018.66
Military	15,434,814,795.00
Navy Department	27,569,798,301.00
State, Justice, and Commerce:	
State	47,138,500.00
Justice	116,477,200.00
Commerce	78,322,000.00
Total	241,937,700.00
Treasury and Post Office:	
Treasury	220,636,897.00
Post Office	1,110,209,272.00
Total	1,230,846,169.00
War Department civil functions	92,455,440.00
Total, regular annual acts	55,061,794,956.02

DEFICIENCY AND SUPPLEMENTAL ACTS

Farm labor supply, 1944	$31,359,200.00
First deficiency, 1944	489,762,870.04
National war agencies, 1945	1,030,937,242.00
Defense aid and U. N. R. R. A.	3,920,320,000.00
Second deficiency, 1944	241,368,992.58
Total, deficiency and supplemental acts	5,713,748,304.62
Total miscellaneous appropriations exclusive of amounts in private and sundry special laws	6,900,000.00
Total permanent annual appropriations, general and special accounts, as estimated in 1945 Budget (subject to revision)	6,409,793,867.00
Total appropriations, 78th Cong., 2d sess. (preliminary totals)	67,199,237,127.64

The comparable appropriations for the first session of this Congress amounted to $114,564,800,594.62. In other words, we have appropriated for the second session of the Congress $47,371,771,466 less than we appropriated during the first session, as indicated by the following tabulation:

Total appropriations

Total appropriations, 78th Cong., 1st sess.	$114,564,008,594.62
Total appropriations, 78th Cong., 2d sess.	67,192,237,127.64
Decrease, 78th Cong., 2d sess., under 78th Cong., 1st sess.	47,371,771,466.98

Contract authorization

Total, 78th Cong., 1st sess.	$13,446,339,945
Total, 78th Cong., 2d sess.	8,029,665,901
Decrease, 78th Cong., 2d sess., under 78th Cong., 1st sess.	5,416,674,044

The totals of appropriations as contained in this statement are the totals of the new direct appropriations granted at this session. They do not include the reappropriations carried over from the fiscal year 1944 which are in substantial amounts approximating $40,000,000,000. This sum is already included in the total of war appropriations granted in previous years and for that reason is not counted again as an appropriation. The decrease in appropriations of this session under those of the last session, approximately $47,000,000,000, should not be construed as a decrease in the amount of expenditures in the ensuing fiscal year of that amount. It means that Congress has appropriated up for the full prosecution of the war in ample amounts and far enough in advance for all of our necessary military plans and procurements for training of men, procurement of ships, planes, tanks, manufacturing facilities, guns, ammunition, and everything necessary to carry on until new appropriations are needed for the fiscal year 1946. If the war continues unabated during the entire fiscal year 1945, our total expenditures in that fiscal year will probably approximate those of this fiscal year, between ninety and one hundred billion dollars, and part of these expenditures will come from the new appropriations made at this session and part from the war appropriations previously made.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Nebraska.

Mr. STEFAN. As I understand, public expenditures during the first session of this Congress were a little over $114,000,000,000, in the second session $67,000,000,000, making a total of around $181,000,000,000.

Mr. CANNON of Missouri. Our appropriations amounted to that sum, not the expenditures, as the gentleman will readily appreciate.

Mr. STEFAN. A total of about $181,000,000,000 of appropriations for the two sessions.

Mr. CANNON of Missouri. Exactly.

Mr. STEFAN. I thank the gentleman.

Mr. CANNON of Missouri. Of course, in the beginning of the war it was necessary to provide large amounts of money for the initiation of the program; for construction, for capital expenditures in sites, plants, factories, shipyards, and facilities. Such preliminary investments are no longer necessary. Expenditures from now on will be for keeping up the production. They are now running at the rate of about $8,000,000,000 a month, and will continue at that rate as long as the war in both major theaters remains at its present status and current tension.

In this connection, however, in view of the expectation that the war will reach an end in the European theater some time during the calendar year, attention should be called to the section which was carried in the second deficiency appropriation act just passed by the Congress, requiring a continuing study to be made

of war appropriations with a view of having Congress advised, when the state of the war makes it possible, of the balances of the war appropriations which will not be needed thereafter so that appropriate steps may be taken by Congress to repeal them. Under this provision we will be in a position upon cessation of the war—whenever that comes—immediately to salvage as much as possible of the appropriations no longer needed. This is one of the most significant and forward-looking steps taken by the Seventy-eighth Congress.

Mr. Speaker, as we close the books of the committee and offer the final conference report of this momentous session, one of the most eventful in the annals of the Congress, it may not be amiss to review briefly the unusual record of the House Committee on Appropriations for the Seventy-seventh and Seventy-eighth Congresses, covering the period of the World War, the war of liberation, down to date. In these 4 crowded years which have witnessed the breaking of so many national precedents from the election of a President of the United States for a third term down to the shattering of all mass-production schedules in the production of the implements of war, the Committee on Appropriations in the Seventy-seventh and Seventy-eighth Congresses has surpassed every appropriation record since the foundation of the Republic. From the administration of Washington to that of Hoover, the total expenditures of the Government, including the expenses of the Revolutionary War, the War of 1812, the Mexican War, the Civil War, the Indian wars, the Spanish-American War, and the First World War, amounted to a total of $112,203,367,065.

In this Congress alone, the committee has reported to the House, in which all appropriation bills must originate, and the Congress has enacted, bills for $181,756,245,722.26.

We take no glory in these vast expenditures. They were made under the pressing coercion of war. It was the irreducible price of our freedom and the survival of our form of government. But that did not alleviate the burden of screening the estimates, preparing the bills, and seeing them through the House.

On the contrary, we can take great pride in the fact that along with this unwelcome record of expenditure the Committee on Appropriations has in this Congress reduced nonwar appropriations by the heaviest percentages in the fiscal history of the Nation. For the fiscal year 1939, nonwar expenditures amounted to $6,515,900,000; comparable expenditures for 1944 are estimated to total $4,335,800,000, the heaviest reduction ever made over a like period of time.

Mr. MILLER of Connecticut. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. I was interested in the provision carried in the second deficiency appropriation bill to salvage as much as we could from the war effort when the war ends. I therefore appeal to the chairman of the Committee on Appropriations to give me some assistance in stopping a practice that apparently started in my district yesterday, when the War Department went into Camp Robinson, a property formerly used by the C. C. C. camps, and took bulldozers and pushed over 20 buildings, barracks, garages, and machine shops, and set a match to 70,000 feet of lumber. The gentleman can well imagine the type of telegrams I am receiving today. I hope the chairman of the Committee on Appropriations and his investigators will see that that does not occur again.

Mr. CANNON of Missouri. Unfortunately, that is not within the purview of the Committee on Appropriations.

Mr. MILLER of Connecticut. I was thinking of the salvage.

Mr. CANNON of Missouri. We have no jurisdiction over an investigation of that kind. Of course, in this case that happened as the result of an order from some officer of the War Department. I would suggest that the gentleman refer the matter to the Committee on Military Affairs, which has special war jurisdiction to make an investigation, and he should also ask the War Department for a report on it.

I may say that many of the committees appointed especially for the purpose of investigation, like the Byrd committee, have investigated many situations like that and found either that the reports were utterly without foundation or that there was some good and sufficient reason for the action taken by the War Department. If the gentleman will submit this to the Department or the proper committee and make a request of the proper authorities they will give him full information on the subject.

Likewise, the Committee on Appropriations has sat more continuously and for longer hours over the last 4 years than in any previous Congress. It has heard more witnesses, taken more pages of testimony, and published larger transcripts than in any previous session. In the two Congresses it has printed over 67,000 pages of hearings and over 2,000 pages of reports, a library in themselves, which cover every field and every phase of human knowledge and endeavor.

Necessarily a vast amount of the evidence adduced before the committee has not been printed, for the reason that it is of a confidential military nature and could not be divulged.

The committee has also made a notable record in revision of its administrative procedure.

In the first place, we have filled, and filled adequately, a long-felt need for a dependable means of securing information upon which to base appropriations. We have established an investigation staff which has supplied every need, which has met every requirement, and against which not a single criticism has been lodged. It has met with universal approval and commendation. One of its many advantages is its economy of operation. Out of an original appropriation of about $100,000 for support of the staff, we had expended less than half the amount available at the last report issued this month, and have secured for that expenditure vastly more material than has been secured by some committees of investigation which have spent hundreds of thousands of dollars to little effect. The report of expenditures as on June 14, 1944, is as follows:

MEMORANDUM FOR THE CHAIRMAN, HOUSE COMMITTEE ON APPROPRIATIONS

The following tabulation reflects the obligations incurred since March 8, 1943, by the staff operating under House Resolutions 69 and 116:

Obligations from Mar. 8, 1943, through May 31, 1944

Personal services:	
Regular members of the staff	$14,452.73
Salaries of personnel on loan from executive departments:	
Treasury	3,116.35
Civil Service Commission	4,939.04
Interstate Commerce Commission	258.31
Agriculture	1,924.86
Federal Works Agency	374.89
Veterans' Administration	2,154.28
Commerce	1,622.53
Federal Security Agency	2,164.19
Labor	1,178.10
Office of Censorship	1,870.21
Justice	1,976.63
Office of War Information	346.01
Total personal services	36,378.43
Other expense items:	
Travel expense	4,580.20
Communications services	10.68
Supplies and materials	189.74
Total other expenses	4,780.62
Total obligations	41,159.05

It will be noted that the amount of $100,000 was made available under House Resolution 116, therefore, there is still available the unobligated amount of $58,840.95.

It should also be noted that vouchers have not been received for all of the above obligations, but all known obligations have been taken into consideration in arriving at the total obligations through May 31, 1944.

Respectfully,

ROBERT H. LAUGHLIN,
Chief of the Staff.

Second, the committee has effectively revised its methods of conducting hearings in order to present to the committee and readers of the transcript a consistent and orderly continuity of presentation and justification of the estimates.

Again, the committee has standardized the qualifications of its employees to insure the selection of efficient and competent accessions to the staff. This change in the procedure of the committee was discussed at some length on June 17, and appears in the CONGRESSIONAL RECORD of that date.

One of the minor, but important, changes was the revision of the procedure in authorizing travel allowance for members of the committee in making field inspections.

And last, but not least, the development of a spirit of cooperation on the part of the membership of the committee which has resulted in unanimity of action on all major reports made by the committee to the House.

The Committee on Appropriations is the largest committee of the House and the Congress, consisting of 43 members. If I were permitted to make a recommendation I would suggest that the committee be further increased to 45 members, to provide for 9 subcommittees con-

sisting of 5 members each, 3 from the majority and 2 from the minority, each subcommittee and each committee clerk to handle one bill only. The activities of the Government have increased to such an extent and its budgets correspondingly expanded have become so detailed and involved that the average member of the committee, giving all his time and attention to one of the great supply bills, has more than rendered his share of service to the committee and to the Congress.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. We are all hoping very, very much that next year the Committee on Appropriations will not have nearly so much work to do because we are hoping that by that time the great war emergency will be over, and that is what has caused such a tremendous amount of work on the part of all the Members of Congress, in addition to the members of the Committee on Appropriations. Is that correct?

Mr. CANNON of Missouri. That is true. At the same time, it must be remembered that the antebellum supply bills had reached huge proportions, one of the annual appropriation bills immediately preceding the war was in excess of a billion dollars, and in the period of readjustment following the war the committee will be confronted by problems equally portentous.

In conclusion, Mr. Speaker, may I testify to the incomparable service rendered by all members of the committee, the majority and the minority alike. I desire to express especial appreciation of the cooperation of the ranking minority member of the committee, the gentleman from New York [Mr. TABER], and his colleagues on his side of the table. None of the accomplishments of the committee would have been possible without their invaluable collaboration and support. Too much cannot be said in appreciation of the long hours, the indefatigable industry, and the wise counsel and unerring judgment which they and all members of the committee brought to the solution of the perplexing problems which daily confronted us in the consideration of the thousands of items and the allocation of the billions of dollars requiring our attention.

Mr. Speaker, I yield to the gentleman from New York [Mr. TABER] such time as he may require.

Mr. TABER. Mr. Speaker, in these last few days of the session we on the Committee on Appropriations have had a steady job. In fact we have had a steady job all through the year. I expect that will always be the case. It is true that we have in this year and in this Congress, accomplished a larger percentage of cuts in appropriation estimates than we have been able to accomplish in the last 12 or 14 years. Frankly, for my own part, I believe it has been due to the fact that the Republican minority has had a larger membership and that it has resulted in keener and more virile study of the problems that have been presented to us. I am in hopes that when the Congress meets again we may be equipped for a still more virile study of these appropriations and a still more effective operation upon the estimates that may be submitted to us. The tax burden of the country has become terrific. This year the Federal expenditures will exceed $92,000,000,000. That is $16,000,000,000 short of what the hopes of the Budget were a year ago. It is only because things have been watched as closely as they have been watched that it has been possible to keep them down at all. In the days to come, just so long as this war lasts, expenditures undoubtedly are going to increase. But we must be prepared when the days of peace come, as the gentleman from Missouri has indicated in his reference to the section that was added to the deficiency bill this year requiring a detailed study of every item of expenditure and of appropriation, we must be prepared when the day of peace comes to cut off those appropriations just where they are, as closely as we can, so that there will be as little of a hang-over burden on the public and on the taxpayers of America as possible.

This particular bill has had some cuts in it—not as much as I would wish—but on the other hand, more than the other body wished. I am in hopes that as we approach other bills in the days to come that the Republican membership in the House will increase so that we may come more nearly to trimming them down to the place where they will provide only for the real needs of those agencies and departments of Government to give service to the people of the United States.

Mr. CANNON of Missouri. Mr. Speaker, unless there are other Members who wish to address the House, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD to include certain tables and material; and I also ask unanimous consent, Mr. Speaker, later when we have been able to compile some of the figures, to insert in the RECORD the appropriations and expenditures.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to extend my remarks and include an address which is to be made by the distinguished minority leader, the gentleman from Massachusetts [Mr. MARTIN], at the Republican Convention at Chicago.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CANAL ZONE CODE—CONFERENCE REPORT

Mr. BLAND, from the Committee on the Merchant Marine and Fisheries, submitted the following conference report and statement on the bill (H. R. 3646) an act to amend section 42 of title 7 of the Canal Zone Code, for printing in the RECORD.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3646) to amend section 42 of title 7 of the Canal Zone Code, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

S. O. BLAND,
ROBERT RAMSPECK,
RICHARD J. WELCH,
Managers on the part of the House.

CLAUDE PEPPER,
TOM STEWART,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3646) to amend section 42 of title 7 of the Canal Zone Code, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House bill provided that the term of office of the district attorney and marshal for the Canal Zone be increased from 4 to 8 years.

The Senate amendment provided that the bill should take effect February 1, 1945.

The Senate recedes.

S. O. BLAND,
ROBERT RAMSPECK,
RICHARD J. WELCH,
Managers on the part of the House.

Mr. BLAND. Mr. Speaker, I call up the conference report on the bill (H. R. 3646) to amend section 42 of title 7 of the Canal Zone Code, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BLAND. Yes.

Mr. MARTIN of Massachusetts. I understand this restores the bill as it was when it left the House?

Mr. BLAND. Yes; it restores the bill just as it was when it left the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, it seems that my fight and that of the Interior Subcommittee on Appropriations, of which I have the honor of being chairman, to drastically reduce expenditures of the Government and particularly that of nondefense activities has met with the approval of most everyone in and out of Congress except a few bureaucrats who evidently take the position that Congress has no right or authority to even question their sacred funds for their respective departments of government.

I refer particularly to the annual supply bill for the Interior Department as finally agreed upon and passed in record time by both Houses of Congress a few days ago, wherein our committee made a splendid showing in the matter of economies, especially in the several nondefense activities of that department. That measure, as passed, was more than $12,000,000 below the estimate of the Bureau of the Budget. It also is more than $20,000,000 below the amount allowed for the Interior Department by that distinguished body at the other end of the Capitol. These figures speak for themselves. It is one thing to talk economy, but it is entirely a different matter to fight for economy and vote for economy when real pressure is attempted to be brought on members by high Government officials and some of their underlings.

Mr. Speaker, I am advised that on yesterday the Secretary of Interior, at a press conference, blew off steam in his typical Ickes' fashion by charging me, as chairman of the Subcommittee on Appropriations having jurisdiction over Interior Department appropriations, with responsibility for slashing his sacred appropriations. I am, of course, grateful to the Secretary for the compliment he unwittingly pays me. I freely admit that I am partly responsible, but the truth is that the members of my subcommittee on Appropriations are economy minded and they are entitled to their full share of the credit for the slashing our committee gave the Department of Interior in the annual supply bill for the next fiscal year. The charge, however, that members of that committee were motivated because of a personal grudge against the Secretary of Interior is both absurd and childish. Merely because Mr. Ickes persists on going around with a chip on his shoulder, he no doubt believes that Members of Congress operate the same way, but such is not true.

Even more absurd is his statement to the press that the slashing our committee gave his communications fund, which includes telegrams and long-distance telephone calls, will result in coal being rationed during the coming winter. No one knows better than the Secretary that if more funds are actually needed for communications and he can thus convince the Bureau of the Budget of the existence of an emergency, that the limitation imposed could be raised. He is also aware of the fact that the Deficiency Committee, of which I am a Member, is in session almost constantly and has authority to consider any contingency that may arise. It so happens that I did not sponsor this particular amendment limiting expenditures for telephone calls and telegrams, but I am in thorough sympathy with the committee's action in its determination to stop one of the most flagrant abuses in the entire Government. Many reports came to us that high officials of the Interior Department frequently visited with their families and friends over long-distance telephone at Government expense. A glaring example was given by a member of our committee, who while attending a party here in Washington with an important and supposedly responsible official of the Interior Department, witnessed the placing of a long-distance call from Washington to the Pacific coast. After conversing with his wife, who was visiting in California at the time, for some 15 or 20 minutes, he told the long-distance operator, "No; this is not to be charged to my personal account. This is strictly official business." The limitation is simply an honest and sincere effort to put a stop to such flagrant and costly abuses by Government officials, high and low.

The Secretary of the Interior claims that his Department has been cut too drastically because he has stood for a principle, and he refers to the Robert Lovett case. In fact Ickes appeared before the Senate committee and, as shown on page 197 of the Senate hearings, the Secretary, in referring to the House subcommittee, apparently in a desperate effort to discredit it with the distinguished Senators, said in part:

> It was this same subcommittee that a year ago, without a hearing, found Robert Morss Lovett guilty of various high crimes and misdemeanors.

The truth is our committee spent an entire morning hearing Mr. Lovett. During the entire hearing Lovett did not deny being a member of some 40 questionable organizations, many of which he boasted of helping to organize and of which at least 5 of such organizations have been held by the Attorney General of the United States to be subversive. I immediately reported this fact to the Secretary of the Interior and explained to him that the committee eliminated the $5,600 salary for Lovett and had prepared a scorching denunciation of him in our report, stating in no uncertain terms why the salary had been eliminated. Whereupon Mr. Ickes advised me that Lovett was still in Washington and that he felt sure he could get his resignation within 24 hours and asked me to delete the disparaging criticism of his old-time friend, which the committee did. Imagine my surprise a year later to find Lovett still on Ickes' pay roll.

Nor have I any apology for having questioned and even criticized the Secretary's draft-deferment policy. I have referred to it as unfortunate, ill-advised and indefensible. Further investigation convinces me that I would have been warranted in using stronger language. I realize that there are some holding technical jobs in the Department of the Interior, particularly in the Bureau of Mines, that could not be easily replaced. But to say that 24 policemen here in the District of Columbia and other white-collared jobs are irreplaceable is, of course, the height of absurdity. (See page 7, House Interior hearings—1944). The committee further found that 27 of those 2,200 deferred employees were young single boys, between the ages of 18 and 20 years. I call your attention to page 11 of the same hearings. At least 2 of the 2,200 "irreplaceables," holding nice fat Government jobs, at the time of the hearings before the House subcommittee, turned out to be conscientious objectors. According to Mr. Ickes, even these conscientious objectors were not only irreplaceable but apparently were held by him to be indispensable.

Considering these facts, I feel that Members of the House and citizens generally will agree that we have been very reasonable if not charitable to the Secretary of the Interior, and that our committee, if not magnanimous, has at all times been fair and impersonal, despite his bureaucratic attitude and contempt, as shown by the RECORD, for the committee having jurisdiction over appropriations for the Department of the Interior. We believe sincerely that our drastic reductions will meet with the approval of the taxpayers and force much needed economies that will mean more efficiency in Government. For my own part, I shall not be deterred, side-tracked or intimidated by misinformation and propaganda stories, planted and broadcast for the purpose of reflecting on members of my committee, emanating from the office of the Secretary of the Interior.

The SPEAKER. The time of the gentleman from Oklahoma [Mr. JOHNSON] has expired.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. NORRELL. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I gladly yield to the gentleman from Arkansas who is a very distinguished and able member of the subcommittee of which I have the honor to be chairman.

Mr. NORRELL. I want to say that I am a member of this subcommittee and that the members of the gentleman's committee feel that our chairman is one of the most influential, one of the most able and courageous Members of this House. The entire membership of that committee has implicit confidence in the gentleman's honor and integrity. We may have erred on the side of economy but if we must err on either the side of extravagance or economy may I always and may this committee always err on the side of economy.

Mr. JOHNSON of Oklahoma. I thank the gentleman.

Mr. NORRELL. We have no grievance, we have nothing against the Secretary of the Interior. We have just tried to do a good job. In my judgment we cut too much in places and in my judgment we have allowed too much in other places.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield.

Mr. DOUGHTON. Of course, I know nothing of the misunderstanding or disagreement between the Secretary of the Interior and the distinguished gentleman from Oklahoma [Mr. JOHNSON], but I do know the gentleman from Oklahoma well, and his service in this House. I do not believe there is a more capable, conscientious Member in the House of Representatives than the gentleman from Oklahoma [Mr. JOHNSON]. I do not believe he would favor cutting any appropriation unless he had justification for doing it after careful study. I think that action of this kind which has been taken by the committee should be commended rather than condemned.

Mr. JOHNSON of Oklahoma. I thank my good friend, the able chairman of the great Committee on Ways and Means.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield.

Mr. JENSEN. Mr. Speaker, it is my pleasure to endorse everything that my colleague, the gentleman from Arkansas [Mr. NORRELL] has just said about our distinguished chairman. I, being a member of that committee, want the country and the world to know that I think the gentleman from Oklahoma [JED JOHNSON] is one of the finest, most honest, most conscientious and patriotic Americans that God ever let live.

Mr. JOHNSON of Oklahoma. I thank the distinguished gentleman.

The SPEAKER. The time of the gentleman from Oklahoma [Mr. JOHNSON] has expired.

EXTENSION OF REMARKS

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the Appendix of the RECORD and include therein an article entitled "Message to War Contractors." This article has just been published by the Procurement Agency of the War Department and approved by the Chief of Staff. Mr. Speaker, it may exceed the limit of two pages, although I am not sure. If it does, I believe it is of such value that I ask unanimous consent that it be printed notwithstanding.

The SPEAKER. Notwithstanding and without objection, the extension may be made.

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. HARTLEY] may extend his remarks in the RECORD and include certain excerpts.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that I may extend my own remarks in the RECORD and include therein an address to be delivered at the Chicago convention by the distinguished Member from Connecticut [Mrs. LUCE].

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HERTER. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an address to be delivered on next Tuesday night by former President Herbert Hoover.

The SPEAKER. Is there objection?

There was no objection.

Mr. JENNINGS. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an address by Captain Lowe, of Knoxville, a distinguished veteran of the First World War. This may exceed the limit slightly, but I ask that it be printed notwithstanding.

The SPEAKER. Notwithstanding and without objection, the extension may be made.

There was no objection.

Mr. HORAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein a news release from the Bureau of Reclamation.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ROLPH. Mr. Speaker, the Nation is looking forward to the forthcoming keynote address at the Republican Convention by Gov. Earl Warren, of California, next Monday night. I ask unanimous consent to extend his address in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the extreme shortage of nurses in the Veterans' Administration facilities.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXEMPTING CERTAIN OFFICERS AND EMPLOYEES OF THE OFFICE OF SCIENTIFIC RESEARCH AND DEVELOPMENT, OF THE WAR LABOR BOARD; AND OF THE WAR DEPARTMENT FROM CERTAIN PROVISIONS OF THE CRIMINAL CODE

Mr. CRAVENS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4446) to exempt certain officers and employees within the Office of Scientific Research and Development from certain provisions of the Criminal Code.

The Clerk read the title of the bill.

Mr. MICHENER. Mr. Speaker, reserving the right to object, as I recall there are three bills along the same line affecting three agencies. The purport of the bills being the same, I would suggest that the gentleman ask that all of the bills be reported, then explain one of them which in substance would give the House a general understanding of all three.

Mr. CRAVENS. Mr. Speaker, I also ask unanimous consent for the immediate consideration of the bill (H. R. 4349) to exempt certain officers and employees of the National War Labor Board from certain provisions of the Criminal Code; and the bill (H. R. 4468) to exempt certain officers and employees of the War Department from certain provisions of the Criminal Code and Revised Statutes.

The Clerk read the titles of the bills.

Mr. MICHENER. Mr. Speaker, reserving the right to object, will the gentleman explain the bills?

Mr. CRAVENS. Mr. Speaker, these bills are substantially similar in character, although they apply to different departments and agencies of the Government. It was necessary to deal with the matters in separate bills by reason of the fact that each agency has certain peculiar situations with regard to that agency which are not applicable to the others.

In order to preserve, as far as possible, the protection afforded by the general law which these bills seek to waive it is necessary to deal with each department or agency as its peculiar problems arise and deal with them separately and distinctly. As I say, this is necessary to preserve as far as possible all of the protection we can of the general law and at the same time not interfere with the operations of these agencies. As a typical example I will state the situation in the Office of Scientific Research and Development.

The men in the Office of Scientific Research and Development are engaged in scientific research for the United States Government. They work, for instance, on the development of radar, the improvement of high-octane gasoline, and things of that kind that are of a very highly specialized nature, very important, very secret. The work they do for the Government is done in the laboratories of the various universities with which these men are connected. Some of it is done in the research departments of the various companies, such as the du Pont Co. and General Motors.

The Government needs the services of these men temporarily, usually for only a few weeks' time. This bill limits such employment to not over 90 days in any 1 year.

They cannot get the services of these men because of a decision of the Attorney General of the United States, with which decision I have no quarrel, to the effect that by accepting employment to do this specialized research work for the Government they come within the prohibition of these laws which prevent any employee of the Government taking any employment or engaging in any activities connected with the Government for a period of 2 years after the end of such employment. Especially in the case of the National War Labor Board people who constitute hearing panels all over the country serve on a volunteer basis, yet the ruling applies to them. They volunteer their services and work for the National War Labor Board conducting hearings, maybe as a lawyer or a doctor, yet by that very voluntary act they put themselves in a position where they cannot have any dealings with the Government for a period of 2 years.

The result has been that a large number of cases before the National War Labor Board throughout the country have accumulated for the reason that the National War Labor Board cannot get competent people who will agree to serve under those conditions.

One of the bills deals with the National War Labor Board, another deals with the War Department, and the third with the Office of Scientific Research and Development.

In the case of the War Department they want people to do certain more or less confidential work and probably may not employ them more than 30 days in a year. When they find the man who is specialized in the line they want they may send him to Russia or anywhere else, but the very fact of his rendering that limited service brings him within the legal prohibition and he cannot do any business with the Government for 2 years after that time.

These bills each in its own way, and it is very strictly limited, in time and as to the employees involved, exempt these employees of these agencies from the prohibitions of the general law so that they may render this service.

We do not like to waive laws of general application, but it is the only way we can get these men. We extend to these agencies involved the same exemptions we did a year or so ago in the case of volunteer or part-time employees of the Selective Service System and volunteer or part-time employees of the Office of Price Administration.

These bills ought to be passed and passed very promptly because every day we delay we hold up activities that are vital to the war effort and impede the war effort in more ways than it is possible for me to tell you at this time, but which were very clearly evidenced when the Committee on the Judiciary went into these problems.

The SPEAKER. Is there objection to the present consideration of the bill (H. R. 4446) to exempt certain officers and employees within the Office of Scientific Research and Development from certain provisions of the Criminal Code?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That nothing contained in sections 109 and 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203) shall be deemed to apply to any person because of any appointment as an officer or employee within the Office of Scientific Research and Development if such person is serving, or has served, in such capacity with compensation on a per diem when-actually-employed basis for not in excess of 90 days a year or without compensation. This act shall not apply to any such officer or employee if he represents or acts on behalf of the United States in connection with the negotiation, making, modification, renewal, or termination of any contract between the Office of Scientific Research and Development and any individual, corporation, partnership, or association from whom such officer or employee receives compensation for services, or in connection with the submission, consideration, or determination of any claim against the United States under any such contract.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Is there objection to the present consideration of the bill (H. R. 4468) to exempt certain officers and employees of the War Department from certain provisions of the Criminal Code and Revised Statutes?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That nothing contained in sections 109 and 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203), or section 190 of the Revised Statutes (U. S. C., title 5, sec. 99), shall be deemed to apply to any person because of services rendered, prior to the date 6 months after the termination of all of the wars in which the United States is currently engaged, to the War Department, as an officer or employee thereof, if such person is serving or has served in such capacity without compensation or is compensated on a when-actually-employed basis. This act shall not apply to any such officer or employee if he represents or acts on behalf of the United States in connection with the negotiation, making, modification, renewal, or termination of any contract between the War Department and any individual, corporation, partnership, or association from whom such officer or employee receives compensation for services, or in connection with the submission, consideration, or determination of any claim against the United States under any such contract.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Is there objection to the present consideration of the bill (H. R. 4349) to exempt certain officers and employees of the National War Labor Board from certain provisions of the criminal code?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That nothing contained in sections 109 and 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203) shall be deemed to apply to any person previously or hereafter appointed to the National War Labor Board or any of its agencies under the authority of the War Labor Disputes Act, any Executive order or regulation issued under the provisions of the act of October 2, 1942 (56 Stat. 765), or Executive Order No. 9017, dated January 12, 1942, as amended from time to time, as a member of the national or of a regional board, industry commission, tripartite panel or similar agency of the National War Labor Board, or as a hearing officer or arbitrator, if such person is serving or has served in such capacity without compensation, or with compensation on a per diem when actually employed basis for not in excess of 90 days a year: *Provided, however*, That the provisions of this act shall not apply to any representation before the National War Labor Board or any of its said agencies.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent, House Resolution 611, making in order the bill (H. R. 4349) to exempt certain officers and employees of the National War Labor Board from certain provisions of the Criminal Code; House Resolution 612, for the consideration of H. R. 4468, a bill to exempt certain officers and employees of the War Department from certain provisions of the Criminal Code and the Revised Statutes; and House Resolution 613, providing for the consideration of the bill H. R. 4446, a bill to exempt certain officers and employees within the Office of Scientific Research and Development from certain provisions of the Criminal Code, were laid on the table.

LEGISLATIVE PROGRAM AUGUST 1

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for a few minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, the House is about to adjourn to August 1, having adopted such a resolution. I feel the Members should be advised as to the plans of the leadership in the House.

As we all know, we have completed our legislative program to date. This session of Congress has done a remarkable job. All matters of war legislation and appropriations have been very effectively and efficiently considered and acted upon, and the House has completed the rest of its legislative program. There are no bills that the leadership can see of importance that will come out of any committee to be acted upon as far as the leadership of the House is concerned until after Labor Day.

A number of committees are working, including the important Committee on Post-war Planning, the Committee on Post-war Policy, and a number of other special committees which will work during the summer months. There are several important studies and investigations being made that the House provided for by resolution within the past few days. A substantial percentage of the membership of the House will be engaged on those committees and will be working and considering various problems. They will be making studies so that recommendations may be made, so far as necessary legislation is concerned, in connection with post-war conditions and other things, to be acted upon when we come back.

A resolution has been adopted adjourning until August 1. However, the Congress can be called in any emergency situation upon request of the Vice President and the Speaker or upon the request of the majority leaders of both branches of the Congress joining with each other or upon the request of the minority leaders of both branches. While we are in adjournment, we will be subject to call in case of an emergency situation in relation to the war which may require our presence back here, a most satisfactory policy for the Congress and for the people of the United States, one that the people will thoroughly approve, and our action in that respect, in my opinion, is satisfactory to them.

So far as August 1 is concerned, unless some emergency situation arises before that time, or around that time, it is not the intention of the leadership of the House to have any legislative program during the month of August, or, in other words, until after Labor Day. I can see no necessity for legislation, unless something suddenly develops in connection with the war that would require action by the House during the month of August.

On August 1 the leaders will come back and if there is no necessity for calling Members back we will provide for another adjournment until after Labor Day, or else provide for 3-day recesses. In any event, there is no necessity for any Member coming back on August 1 unless he desires to. So far as the leadership is concerned, there is no necessity for any Member coming back unless there is

an emergency situation. If there is an emergency situation we will give notice in ample time for all Members to return.

The sum and substance of my statement is that in the absence of legislation requiring the Congress to meet in connection with the conduct of the war, or in the event of any sudden situation that may develop requiring legislation in the interest of the Nation, the leadership of the House, and I think I speak for both sides, will have no legislative program during August.

The fact that we are adjourning to August 1 does not mean that Members should come back here unless they desire to be here on that day. If it becomes necessary to call the Members back the House leadership will give ample notice to the Members.

Mr. COLE of Missouri. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. Will the gentleman tell us how that notice will be given? Will it be given through the press or by direct notice?

Mr. McCORMACK. I can assure the gentleman that if and when the House leadership determines the Members should come back, the House leadership will give direct notice. The House leadership would not feel that notice through the press would be adequate. We will give that notice ourselves to Members.

Mr. COLE of Missouri. That is, after August 1, if it is necessary for us to come back?

Mr. McCORMACK. Certainly, and prior to August 1 if an emergency arises. The resolution provides for that.

EXTENSION OF REMARKS

(Mr. CROSSER asked and was given permission to extend his own remarks in the RECORD.)

Mr. SOMERS of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in connection with the Brooklyn boys in the Engineering Corps of the Army, and I also ask unanimous consent to include in the RECORD a brief article on the Hebrew Committee of National Liberation.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. SOMERS]?

There was no objection.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to insert in the RECORD the expressed comment of President R. J. Thomas, of the U. A. W.-C. I. O., on the important reconversion question.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. DINGELL]?

There was no objection.

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the appendix of the RECORD and to include therein an article that recently appeared in the Atlantic City Press, secondly, to include an article appearing in the Evening Star in reference to the welders' race at one of the large yards in Boston, and also to include an address by Maj. Gen. Philip B. Fleming. I may say the speech of Major General Fleming may exceed the allowance of two pages, but I ask unanimous consent that it may be included in the RECORD notwithstanding the additional cost.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. LANE]?

There was no objection.

Mr. SCANLON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial which appeared in the overseas edition of the Stars and Stripes, calling attention to the excellent record of the United Electrical, Radio, and Machine Workers, C. I. O.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. SCANLON]?

There was no objection.

(Mr. BRADLEY of Pennsylvania asked and was given permission to extend his own remarks in the RECORD.)

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein two poems.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. JARMAN]?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include certain letters and declarations in connection with the service of one Oklahoma hero, Capt. Purvis Uray.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. JOHNSON]?

There was no objection.

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an interchange of correspondence with Paul McNutt regarding the manpower situation in Louisiana.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana [Mr. BROOKS]?

There was no objection.

Mr. BONNER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include copy of transcript of exercises held in the Merchant Marine Committee of the House, honoring the Honorable OTIS BLAND, chairman of the committee.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. BONNER]?

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include some newspaper articles and other information in connection with facts revealed by the Dies Committee concerning the activities of the C. I. O. Political Action Committee.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota [Mr. MUNDT]?

There was no objection.

Mr. MONKIEWICZ. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a resolution adopted by the people of Latvia.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. PAGÁN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein two resolutions.

The SPEAKER. Is there objection to the request of the Delegate from Puerto Rico, Mr. PAGÁN?

There was no objection.

Mr. ROWAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in six instances and to include articles and editorials.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. ROWAN]?

There was no objection.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on three different subjects in reference to pending bills.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. HOBBS]?

There was no objection.

MEMBERS OF THE COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

The SPEAKER. Pursuant to the provisions of House Resolution 551, Seventy-eighth Congress, the Chair appoints as members of the committee to investigate campaign expenditures the following Members of the House: Mr. ANDERSON, New Mexico, (chairman); Mr. SPARKMAN, Alabama; Mr. MURPHY, Pennsylvania, Mr. GATHINGS, Arkansas; Mr. BROWN, Ohio; Mr. AUGUST H. ANDERSEN, Minnesota; and Mr. CHURCH, Illinois.

COMMUNISM IN AMERICA NOW

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. COSTELLO]?

There was no objection.

Mr. COSTELLO. Mr. Speaker, many of the Members of the House have inquired of me as to the events which transpired in California during the recent primary elections. In order to bring to them and to all the Members of the House the real story of what is happening throughout the country, I desire to take these few minutes to portray the full picture, so that the Members may take the steps necessary to protect themselves and to protect the people from the most dangerous threat to our American way of life that has yet appeared in our vast political history of the past.

Let me first explain the method used in campaigning which has been developed by the C. I. O. Political Action Committee. Each Member has seen the various pamphlets which have been mailed to him by the C. I. O., telling their members to register to vote, to organize neighborhood clubs, and so on; all part of a series entitled "Every Worker a Voter." Through these pamphlets with the aid of special organizers, each congressional district is being organized, where this committee has determined a

Member of Congress is to be defeated. I might point out that they are only interested in defeating certain Members and are not particular as to whom they are electing, as indicated by the caliber and character of several of the individuals whom they have supported.

With a list of the names of members of unions in a given congressional district it is not difficult to select those needed to organize a complete block-by-block organization in the cities, or a similar type of community group organization in rural districts, as I will indicate later. It appears that personnel of the Farm Security Administration are being utilized in some rural districts to carry on the work of the political action committee. All this work has been done well in advance and the chosen workers have been thoroughly trained and indoctrinated in carrying out the campaign to follow. Months have been spent building such a political machine. Thereafter the radio time required, the billboards needed, and the newspaper space desired have all been contracted for well in advance, in order that they will be available when necessary.

In my own district, having laid the groundwork with proper care and at considerable expense, the active workings of the campaign were with great pains concealed until the final 2 weeks of the campaign. Thereupon, the full force of this vast and complete organization was let loose upon the district. Workers called at every home, voters were repeatedly telephoned, literature in fact flooded the district, despite the paper shortage, and the radio programs went into full swing along with continual newspaper advertisements. Even the public markets had their share of pickeeters who waylaid each customer with brief, effective though false statements, such as: If COSTELLO had his way, that bottle of milk would cost you 50 cents.

As a sample of some of the radio disks which were used as spot announcements, I am giving here verbatim the script of one which was used:

RECORD (filter voice). I was absent, I was absent, I was absent, I was absent.

WOMAN. Good heavens! Stop that record. It must be broken. No one could be absent that many times.

ANNOUNCER. Oh, yes. Congressman COSTELLO actually was. He holds the congressional record for absenteeism. On 20 vital issues, COSTELLO was absent 11 times. You pay him $10,000 a year and COSTELLO is the champion absentee in America. He is the original little man who wasn't there!

RECORD (filter voice). I was absent, I was absent, I was absent.

WOMAN. Stop it! I can't stand it!

ANNOUNCER. The only way to stop COSTELLO'S record is to vote for Hal Styles on May 16. Hal Styles will support our Commander in Chief. Back our boys' bullets with your ballot. Vote for Hal Styles.

As regards my attendance record in this body over a period of 10 years, I am sure that I can submit it to you, my colleagues, and need go no further. In fact, I am confident that my attendance than that of almost any other Member has at least equaled, if not been greater, of this body. However, truth was of no concern to these people.

Similar 1-minute recordings were made on the subject of the soldier vote, an issue on which every Member of Congress can be attacked regardless of how he voted. So likewise I was charged with opposing soldiers' rights by opposing mustering-out pay of $100 to $700 for veterans. Clever? Yes. Misleading? Yes. True? Not at all. By changing the figures in that statement every man on this floor can be charged with opposing mustering-out pay for our veterans, but the practice of such deceit is part of the Political Action Committee's program.

As is customary with this group, accuracy of statement was not a consideration. Any effective misrepresentation of a vote or series of votes which can be used successfully, any insinuation that can be made useful, or false attack that can be employed, is all legitimate campaign material in their viewpoint. Throughout the country in each campaign into which they have entered the same insidious cartoons have been used, the names alone being changed to suit the purpose. A variety of effective 1-minute radio discs, such as I have set forth above, have been employed to carry their deliberately false statements repeatedly to the listeners, until their very repetition brings conviction of truth. The repetition of the same misleading and false statements at the door, over the phone, on the air, in the press, as well as the campaign literature can easily mislead the best intentioned voters in the country.

Well may you say that this is all legitimate campaigning, except as to the falsehoods and misstatements, and campaigning which can be offset by doing the same type of work in opposition. Any such campaign can be stopped, provided the Member has at his disposal the same pot of gold to spend on such an elaborate and costly campaign, and can take the time from his duties here to return home and thoroughly organize his own district on the same basis. Yes; it may cost you twenty, thirty, fifty, or a hundred thousand dollars to stage an equally effective campaign, if you can raise the funds necessary for such a campaign. In my own district such funds were raised and spent by those supporting my opponent, in spite of the fact that his landlord was unable to collect the $20 monthly rent on his house at the very same time!

That is the method and the manner of the campaign. Now let me tell you what the purpose of this new purge of Congress really is and the forces which are operating this national program to eliminate from the Congress any Member who dares to exercise his judgment, or dares to vote contrary to the whim and fancy of this group. The campaign is concealed behind the overalls of labor and the excuse being used is the attitude of a Member toward any given piece of legislation, which this group considers or declares to be antilabor. So likewise an effort is made wherever possible to claim that the Member to be defeated has been opposed to the war effort, and a group of issues having no bearing on the conduct of the war are paraded forth as antiwar votes. You have seen the charts and you know the pattern of the attack. But do you know the personalities behind all this?

Need I repeat here the aims and objectives of the C. I. O. Political Action Committee, which was formed in July 1943? Need I remind you that the official Communist Party publishing agency, the Workers Library Publishers, in June of 1943 published a pamphlet entitled, "Congress and You," setting forth the need for political mobilization; that Philip Murray, head of the C. I. O., and Sidney Hillman, head of the Political Action Committee, followed those suggestions. Need I emphasize the statement of Earl Browder in the July 1943 issue of the Communist, in his article, "Hold the Home Front," when he said:

> We must unite the C. I. O. behind the leadership of Phil Murray and his clear and correct program for the labor movement, and we must work with every honest leading element who goes along with Murray in the fullest collaboration, giving them our confidence and support without any regard to possible past or present ideological differences. • • • We must build the unit of all anti-Axis elements for the war now, and for the 1944 elections, which are already a practical issue today in the course of the conduct of the war.

The Communist Party, in carrying out its part of the bargain as outlined by Browder, dissolved in the last week of May and set up what it termed the Communist Political Association. It is interesting to note that immediately following the elections in California the Communist Party determined to dissolve itself as such and operate through other organizations. What they did in effect was to move into the political action committee of the C. I. O. and I might state that whenever the Communists move into an organization they usually control it.

My defeat in California was brought about by the clever work of the Communists. People like Herbert Bieberman, whose long record of Communist-front affiliations shows him to be nothing but a tool of the Communist Party. He is the same Herbert Bieberman who, only a few years ago during the Soviet-Nazi pact period, was active in the American peace mobilization and shouting "the Yanks are not coming." He was against any aid to Britain until Hitler marched into Russia and then he, like all the other Communists and their dupes, immediately did a flip-flop and began shouting "the Yanks are not coming too late."

The Hollywood Democratic Committee was the front through which the Communists worked for my defeat and with such people as Frank Tuttle, John Howard Lawson, and Gloria Stewart, serving on the executive committee of the Hollywood Democratic Committee, you can readily understand that it was not a committee of the Democratic Party as we know it. This Hollywood Democratic Committee can be compared with the national organization of the Political Action Committee in that while officials like Philip Murray form a convenient front for the Political Action Committee, the essential ground work and the people

who are actually doing the work consist of members of the Communist Party alias the Communist Political Association.

There are hundreds of officials of the C. I. O. active in the Political Action Committee who have long records of Communist affiliations. I do not have the time here to enumerate them but I would like to include the record of some of the Communist leaders of the C. I. O. that are typical examples.

HARRY BRIDGES

Harry Bridges is president of the International Longshoremen's and Warehousemen's Union, and is a member of the C. I. O. executive board, which launched the C. I. O. Political Action Committee on July 7, 1943.

Reviewing the voluminous testimony presented in the lengthy hearings on the Bridges case, Attorney General Francis Biddle ruled on May 28, 1942:

That after entering the United States, the alien had been affiliated with the Communist Party.

On March 13, 1943, the Daily Worker referred to Bridges as the "west coast Communist leader."

MERVYN RATHBORNE

Mervyn Rathborne is a leading figure in the C. I. O. political campaign in California and a delegate to the national convention of the Democratic Party. He has been identified as a member of the Communist Party by numerous witnesses before the Special Committee on Un-American Activities, which also identified the union which he headed, the American Communications Association, as Communist controlled.

BEN GOLD

Ben Gold, president of the International Fur and Leather Workers Union and member of the executive board of the C. I. O., is frankly and openly a prominent leader of the Communist Party with a significant jail record. He has been a member of the National Committee of the Communist Party and its candidate for numerous offices in New York State.

DONALD HENDERSON

Donald Henderson is general president of the United Cannery Agricultural Packing and Allied Workers, and is prominent in the C. I. O. Political Action Committee. He has publicly avowed his party membership in the Communist of September 1935. In 1933, he was expelled from the faculty of Columbia University because of his Communist activities. He was executive secretary of the American League Against War and Fascism which openly advocated opposition to the manufacture of munitions and other materials essential to the conduct of the war. He has been in the forefront of numerous other Communist-front organizations.

HERBERT MARCH

Herbert March is chairman of the arrangement committee of the Hyde Park (Ill.) Joint Political Action Conference, the local organization of the C. I. O. Political Action Committee, and president of the Chicago Industrial Union Council (C. I. O.). He was formerly district organizer for the Young Communist League and was active in the campaign for the freedom of Earl Browder.

The records of the above individuals are merely typical of hundreds of others in the C. I. O. Political Action Committee, which can be found in greater detail in the report issued by the Special Committee on Un-American Activities on March 29, 1944.

This move on the part of the Communist Party represents only one phase of the superstrategy of such groups in this country to dilute our democracy and set up some form of dictatorship. It is well planned and we must begin now to expose them and fight them in order that their plan will not succeed.

Make no mistake about it, the C. I. O. Political Action Committee and its allied organizations such as the Union for Democratic Action and the Communist Political Association have organized the most disruptive political force in our history. Their political machine is well geared and well oiled with millions of dollars and it is being directed by some of the cleverest and yet undemocratic minds in our midst, minds that are steeped in communism and revolution and contempt for everything American. If this political pressure group, stemming from New York and reaching its tentacles throughout the country, is permitted to carry on unhampered its program of revenge and defeat then our political system and our Government will have succumbed to an unscrupulous and power-seeking minority.

This group is building the biggest pressure machine ever conceived in the history of American Government, and what its effect will be upon the future Congresses will depend entirely upon the success of the program which they are working out at this time. To many a Member of Congress they can hurl the threat of defeat if he should refuse to do their bidding. Let any Member so much as condemn their un-American activities or refuse to vote blindly for any legislation which they demand, and the club of defeat will come crashing down upon his head.

Conditions are favorable for the tactics of the Political Action Committee and the Communists, for they have succeeded in organizing through dictatorial tactics millions of American workers during an emergency era of our history. They have seized upon this emergency of war to exploit their power and influence while millions of our boys are across the seas and while the normal life of the American community is upset. If you will examine the records and affiliations of many of the leaders of the Political Action Committee and its allied organizations you will find no evidence of sympathy with, or tolerance for, our parliamentary system of government as laid down by the Constitution. They seek to destroy it because they know it is the foundation of our democracy. As I previously stated, they are not interested in electing Representatives or Senators. They are only interested in defeating those who will not do their bidding. You have not heard the C. I. O. Political Action Committee boast that it has elected anyone, but they have made loud boasts about those they have defeated, thus building up a psychological intimidation against those who defy their wishes.

It is a strange commentary upon our democratic system when an organization with headquarters in New York can reach down into the State of Alabama and with the apparent assistance of a Government agency bring about the defeat of one of our distinguished Members. The Attorney General has ruled that such political activity is legal so long as the organization is engaging in educational activity. But I want to get down to cases and direct some questions to Mr. C. B. Baldwin, assistant director of the Political Action Committee, in New York City, who only a few months ago was head of the Farm Security Administration of this Government. I should like Mr. Baldwin to furnish this Congress with a satisfactory answer as to why the C. I. O. Political Action Committee in New York called Mr. E. S. Morgan, regional director of the Farm Security Administration in Alabama on March 5 and talked to him for 14 minutes, and on March 14 for 19 minutes, and on April 18 for 10 minutes, and why Mr. E. S. Morgan called Mr. Baldwin collect at the C. I. O. Political Action Committee in New York on April 19 and talked for 10 minutes, and called him again collect on April 20 and talked for 7 minutes. Bear in mind all this was during the primary campaign in Alabama.

I have made inquiry, and I have found that our colleague [Mr. STARNES], who was defeated by only a few hundred votes, did not receive the support of the Farm Security Administration in Alabama and that, furthermore, he was defeated by Mr. Albert Raines, of Gadsden, Ala., whom the C. I. O. Political Action Committee in New York had been in telephonic communication with as early as December 18 of last year, prior to Mr. Raines declaring himself to be a candidate for Congress.

I should like Mr. Baldwin to inform the Congress as to why he called the Farm Security Administration in Portland, Oreg., where a recent primary resulted in the defeat of Senator HOLMAN by Mr. Wayne Morse, who resigned a $12,000 job with the Government to run against Senator HOLMAN. Perhaps Mr. Baldwin, would also like to state why he was in telephonic conversation with Mr. Morse during the month of May and also why he, as former head of the Farm Security Administration, and now assistant director of the Political Action Committee, called the Farm Security Administration office in Phoenix, Ariz.; in Cincinnati, Ohio; in Denver, Colo.; in San Francisco, Calif.; in Upper Darby, Pa.; in Indianapolis; and in other places.

Mr. C. B. Baldwin, assistant chairman of the C. I. O. Political Action Committee, addressed a letter to you, Mr. Speaker, dated June 21, 1944, in which he inquires as to the authority of Congress to investigate the telephone calls made by himself and Mr. Hillman throughout the country without previously notifying the C. I. O. Political Action Committee. This is typical of what we may expect in the

future from this organization in that Congress, before it will have the power to exercise its authority, must first notify the C. I. O. Political Action Committee as to its intentions and receive its consent prior to taking any action. However, you will note that Mr. Baldwin made no attempt to explain to you, Mr. Speaker, why those calls were made nor did he make any effort to explain the part which the Farm Security Administration is playing in the present campaigns, the same Farm Security Administration which only recently Mr. Baldwin himself was actually heading.

I ask, Is an agency of this Government being used for political purposes? Does the C. I. O. Political Action Committee have the active assistance and counsel of some of the highest officials of this Government? There is considerable evidence in the files of the Special Committee on Un-American Activities which clearly indicates this. Hundreds of calls made to persons prominent in this administration. Numerous calls to persons within the White House itself.

Now, Mr. Speaker, if such activity is going to be declared by the Attorney General to be legal, then I suggest to the American people that there be formed immediately a people's committee for political action and that they set out to educate everyone as to the Communist record of many of the leaders of the political action committee, and as to the type and kind of underhanded intrigue they are engaging in. If this is not done every courageous representative of the people will be helpless against this organized minority.

From the background of the persons who are directing this C. I. O.-Communist-inspired organization—called the Political Action Committee—a committee of politically active Communists—we can readily understand what the real threat to America is today. There is no question as to the Communist direction of this movement, even though it is being carried on behind a false front and in the name of labor. It is plainly and simply a concerted movement to communize America. No matter what may be said in opposition, the facts are clear and once this group gains domination over the Members of Congress it will not be difficult to force communism upon the American people.

Everyone knows the tax program which has been repeatedly urged by the C. I. O., a program which is directed toward increasing without limit the taxes on every corporation in the country. Once this group of politically active Communists in this Communist-inspired organization gains control of Congress and of the tax bill it will not be difficult to tax out of existence every private business and every private corporation in the United States. Once you prevent private owners in industry from operating at a profit through destructive taxation, factories will be idle and the Government will take them over in order to keep people employed. When the Government has ownership of every private corporation and industry in the United States, you will have communism in America and you will still have a document called the Constitution. That is the real threat to our American form of government today and that is what I mean when I say that there is real danger of communism in America now.

The SPEAKER. The time of the gentleman has expired.

THE LATE LIEUTENANT SUGG

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SPARKMAN. Mr. Speaker, a boy from my home town in the Army Air Forces was killed the other day. In paying tribute to him, I want to pay tribute to those thousands and hundreds of thousands that he typified. It was just a little over a year ago that this boy was awarded the Distinguished Flying Cross. I would like to read a very short Associated Press item that appeared in the newspaper at that time as follows:

ALABAMA AIR HERO

When a German shell shot the rudder pedals from under the feet of Lt. LeRoy C. Sugg, of Huntsville, Ala., he teamed with his pilot, Capt. Pervis Youree, of Walters, Okla., to add another amazing chapter to the long story of disabled American planes that came back from enemy territory in Europe. The shell also cut the cables that regulated three of the four motors, in the raid on Bremen, Germany, April 17. Lieutenant Sugg, copilot of the plane, crawled under the catwalk, found the broken cables, and brought the engines under control sufficiently to remain in the air and get back to England.

The citation that was given to him in making the award of the Distinguished Flying Cross is as follows:

HEADQUARTERS EIGHTH AIR FORCE,
OFFICE OF THE COMMANDING GENERAL,
May 6, 1943.

GENERAL ORDER No. 56

AWARD OF DISTINGUISHED FLYING CROSS

IV. Under the provisions of Army Regulations 600-45, August 8, 1932, as amended, and pursuant to authority contained in section I, circular 36, headquarters, European Theater, United States of America, April 5, 1943, the Distinguished Flying Cross is awarded to Leroy C. Sugg, O-728764, second lieutenant, Three Hundred and Sixth Bombardment Group (H), Army Air Forces, United States Army. For extraordinary achievement, while serving as copilot of a B-17 airplane on a bombing mission over Germany, April 17, 1943. During the bombing run, enemy fighter planes attacked in unusually large number, completely disabling two engines and partly disabling a third engine by cutting the power controls causing this engine to set itself at an insufficient speed. Displaying great courage and skill, Lieutenant Sugg located the severed ends of the throttle controls and operated them by hand until his hands became so raw he could no longer maintain a grip on the cables. He then rigged up a temporary rope cable from the engine to the cockpit so that the pilot could adjust the speed of the engine. Throughout the entire return flight, Lieutenant Sugg rendered invaluable assistance to the pilot and aided materially in the safe return of the airplane and crew. The courage, skill, and devotion to duty displayed by Lieutenant Sugg on this occasion reflect the highest credit upon himself and the armed forces of the United States. Home address: 311 Randolph Street, Huntsville, Ala.

By command of Major General Eaker:

C. C. CHAUNCEY,
Brigadier General, United States Army,
Chief of Staff.

Official:

H. G. CULTON,
Colonel, Adjutant General's Department, Adjutant General.

He was awarded also the Air Medal and four Oak Leak Clusters to the Air Medal, each citation stating that it was for "exceptionally meritorious achievement while participating in five separate bomber combat missions over enemy-occupied continental Europe."

A little less than a year ago, while I was at home during the summer, Lieutenant Sugg came back home after having completed his twenty-fifth mission over Europe. I saw him come back as a returning hero, modest, the same boy that had gone away to war. I was shocked and grieved a few days ago to learn of his death, flying a multimotored plane from the Clovis, N. Mex., Army air base. A copy of the statement from his commanding officer has come to me, and I would like to read it to this House:

During a normal training flight of a heavy bombardment airplane on which Lt. Buddy Sugg was in command as instructor pilot, the No. 4 engine was suddenly enveloped in flames of undetermined origin.

It is to be noted that the first thought to enter the mind of Lieutenant Sugg was the safety of his crew and his airplane.

As senior pilot aboard the airplane, Lieutenant Sugg was completely in charge, and all orders to be given were his sole responsibility.

The first order given by Lieutenant Sugg was to combat the flames as effectively as possible and while this action was taking place, he immediately attempted to return to the Clovis Army Airfield for the purpose of landing the aircraft.

Realizing that the danger was so great as to imperil the lives of his crew members, Lieutenant Sugg ordered all crew members to abandon the airplane.

Lieutenant Sugg remained at the controls of the plane and did not make the slightest attempt to leave until every man had jumped to safety. He disregarded personal safety for the express purpose of saving the lives of the remaining members of the crew.

While remaining at the controls during the period of time so vitally necessary to the crew members, the aircraft lost altitude and when Lieutenant Sugg did finally leave, the altitude was insufficient for his parachute to open and resulted in his death.

Lieutenant Sugg has distinguished himself conspicuously by gallantry and intrepidity at the loss of his life, above and beyond the call of duty.

His high degree of leadership and unswerving devotion to duty has set an example for every soldier in the United States Army Air Forces and his act of giving his life that others might live has established an esprit de corps that will be a shining light to all.

I knew Lieutenant Sugg—"Buddy," as we called him—when he was growing up just as a little boy. I knew him last year when he was a returning hero. I knew him as a Boy Scout. I have known him through all of his life.

In reading this citation, and knowing of the great sacrifice that he made, I can only think of the words that One far

wiser than we once said: "Greater love hath no man than this, that a man lay down his life for his friends."

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 887. An act conferring jurisdiction upon the United States District Court for the Western District of Virginia to hear, determine, and render judgment upon the claims of John Weakley and Rella Moyer; to the Committee on Claims.

S. 1226. An act for the relief of Charles T. Allen; to the Committee on Claims.

S. 1365. An act for the relief of J. C. Drewry; to the Committee on Claims.

S. 1419. An act to authorize collectors of internal revenue to receive certain checks and money orders in payment of taxes and for revenue stamps; to the Committee on Claims.

S. 1473. An act to amend the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

S. 1503. An act for the relief of John H. Gradwell; to the Committee on Claims.

S. 1571. An act to provide that the transmountain tunnel constructed in connection with the Colorado-Big Thompson project shall be known as the Alva B. Adams Tunnel; to the Committee on Irrigation and Reclamation.

S. 1709. An act for the relief of Mrs. Clark Gourley, administratrix of the estate of Clark Gourley; to the Committee on Claims.

S. 1717. An act for the relief of Luella F. Stewart; to the Committee on Claims.

S. 1776. An act for the relief of L. C. Gregory; to the Committee on Claims.

S. 1827. An act for the relief of Oliver N. Knight; to the Committee on Claims.

S. 1877. An act to transfer Georgetown County, S. C., from the Florence division to the Charleston division of the Eastern Judicial District of South Carolina; to the Committee on the Judiciary.

S. 1935. An act for the relief of Sigurdur Jonsson and Thorolina Thordardottir; to the Committee on Claims.

S. 1936. An act to amend the Selective Training and Service Act of 1940 by making it a criminal offense to possess unlawfully or to reproduce various certificates issued pursuant thereto; to the Committee on Military Affairs.

S. 1964. An act to reimburse certain aviation cadets and former aviation cadets for property lost or damaged as the result of a fire at Carroll College, Helena, Mont., on January 8, 1944; to the Committee on Claims.

S. 1974. An act to amend section 1442, Revised Statutes, relating to furlough of officers by the Secretary of the Navy; to the Committee on Naval Affairs.

S. 1983. An act for the relief of Mrs. Anna Runnebaum; to the Committee on Claims.

S. 1995. An act for the relief of Fred A. Dimler and Gwendolyn E. Dimler, his wife; to the Committee on Claims.

S. 2004. An act to amend the act entitled "An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes," approved June 11, 1942; to the Committee on Banking and Currency.

S. J. Res. 8. Joint resolution authorizing the erection of a statue of Leif Ericsson in the District of Columbia; to the Committee on the Library.

ENROLLED BILLS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4183. An act making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes;

H. R. 4204. An act making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4292. An act to amend section 12 (b) of the act of May 29, 1930, as amended;

H. R. 4414. An act making appropriations for the legislative branch and for the judiciary for the fiscal year ending June 30, 1945, and for other purposes; and

H. R. 4679. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes.

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 1232. An act to provide equitable compensation for useful suggestions or inventions by personnel of the Department of the Interior;

S. 1593. An act for the relief of the heirs and assigns of Widow Cesaire De Blanc;

S. 1669. An act to clarify the law relative to allowances for mileage of graduates of the United States Military Academy and transportation of their dependents on assignment to their first duty station and to the mileage allowance of persons entering the United States Military Academy as cadets;

S. 1718. An act to provide for the settlement of claims arising from terminated war contracts, and for other purposes;

S. 1748. An act to amend the act entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States," approved October 16, 1941, as amended, to continue it in effect;

S. 1749. An act to amend section 3 of the act entitled "An act to authorize the President to requisition certain articles and materials for the use of the United States, and for other purposes," approved October 10, 1940, as amended, to continue it in effect; and

S. 1826. An act to amend section 6 of the act of July 2, 1940 (54 Stat. 714), relating to the exportation of certain commodities, and to continue said act in effect.

BILLS PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 4183. An act making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes;

H. R. 4204. An act making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4292. An act to amend section 12 (b) of the act of May 29, 1930, as amended;

H. R. 4414. An act making appropriations for the legislative branch and for the Judiciary for the fiscal year ending June 30, 1945, and for other purposes; and

H. R. 4679. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER. Pursuant to Senate Concurrent Resolution 46, the Chair declares the House adjourned until 12 o'clock noon, Tuesday, August 1, 1944.

Accordingly (at 4 o'clock and 47 minutes p. m.) the House, pursuant to Senate Concurrent Resolution 46, adjourned until Tuesday, August 1, 1944, at 12 o'clock noon.

MESSAGE FROM THE SENATE

A message received from the Senate pursuant to a special order heretofore agreed to, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 4803. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Memphis, Tenn.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H. R. 3646. An act to amend section 42 of title 7 of the Canal Zone Code; and

H. R. 5040. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944, and June 30, 1945, and for other purposes.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COLE of New York: Committee on Naval Affairs. S. 784. An act to amend that part of the act of June 24, 1910 (36 Stat. 619), relating to disposition of profits from sales of ships' stores; with amendment (Rept. No. 1743). Referred to the Committee of the Whole House on the state of the Union.

Mr. VINSON of Georgia: Committee on Naval Affairs. S. 2019. An act to establish the grade of Fleet Admiral of the United States Navy, and for other purposes; without amendment (Rept. No. 1744). Referred to the Committee of the Whole House on the state of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 4876. A bill to simplify and improve credit services to farmers and promote farm ownership by abolishing certain agricultural lending agencies and functions, by transferring assets to the Farmers' Home Corporation, by enlarging the powers of the Farmers' Home Corporation, by authorizing Government insurance loans to farmers, by creating preferences for loans and insured mortgages to enable veterans to acquire farms, by providing additional specific authority and directions with respect to the liquidation of resettlement projects and rural rehabilitation projects for resettlement purposes, and for other purposes; with amendment (Rept. No. 1747). Referred to the Committee of the Whole House on the state of the Union.

Mr. STOCKMAN: Committee on Indian Affairs. S. 267. An act relating to marriage and divorce among members of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians; with amendment (Rept. No. 1748). Referred to the House Calendar.

Mr. O'CONNOR: Committee on Indian Affairs. S. 1710. An act to authorize the sale and conveyance of certain property of the

estate of Jackson Barnett, deceased Creek Indian; without amendment (Rept. No. 1749). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Indian Affairs. S. 1847. An act to provide for the payment of attorneys' fees from Osage tribal funds; without amendment (Rept. No. 1750). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Indian Affairs. H. R. 126. A bill to authorize the Secretary of the Interior to sell certain lands, and for other purposes; without amendment (Rept. No. 1751). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Indian Affairs. H. R. 3869. A bill to amend section 1, act of June 29, 1940 (54 Stat. 703), for the acquisition of Indian lands for the Grand Coulee Dam and Reservoir, and for other purposes; with amendment (Rept. No. 1752). Referred to the Committee of the Whole House on the state of the Union.

Mr. JACKSON: Committee on Indian Affairs. H. R. 4782. A bill to authorize the sale of certain lands of the Tulalip Tribe of Indians, State of Washington; with amendment (Rept. No. 1753). Referred to the Committee of the Whole House on the state of the Union.

Mr. JARMAN: Committee on Printing. House Resolution 603. Resolution authorizing the printing of a revised edition of the Rules and Manual of the House of Representatives for the Seventy-ninth Congress; without amendment (Rept. No. 1739). Referred to the House Calendar.

Mr. BLOOM: Committee on Foreign Affairs. Senate Concurrent Resolution 43. Concurrent resolution relating to the invitation to the Congress of the United States to send a delegation to visit the British Parliament; without amendment (Rept. No. 1741). Referred to the House Calendar.

Mr. BLOOM: Committee on Foreign Affairs. House Resolution 610. Resolution protesting the extermination by the Nazis of minorities in Hungary and other Nazi-controlled territories; with amendment (Rept. No. 1742). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CARSON of Ohio: Committee on Claims. S. 1453. An act for the relief of the City National Bank Building Co.; without amendment (Rept. No. 1726). Referred to the Committee of the Whole House.

Mr. GREEN: Committee on Claims. S. 1605. An act for the relief of Mr. and Mrs. John Borrego; Mr. and Mrs. Joe Silva; the legal guardian of Frank Borrego; the legal guardian of Rueben Silva; and the legal guardian of Rudolph Silva; without amendment (Rept. No. 1727). Referred to the Committee of the Whole House.

Mr. SAUTHOFF: Committee on Claims: H. R. 195. A bill for the relief of Gladys A. Ennis as executrix of the estate of George Pearse Ennis, deceased, and Oscar H. Julius; with amendment (Rept. No. 1728). Referred to the Committee of the Whole House.

Mr. GREEN: Committee on Claims: H. R. 3074. A bill for the relief of Dr. W. R. Williams; with amendment (Rept. No. 1729). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 3484. A bill for the relief of Mrs. Pearl W. Peterson; with amendment (Rept. No. 1730). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. H. R. 3782. A bill for the relief of Mrs. Jeannette B. Stedman; with amendment (Rept. No. 1731). Referred to the Committee of the Whole House.

Mr. SCRIVNER: Committee on Claims. H. R. 3814. A bill for the relief of M. Senders & Co.; with amendment (Rept. No. 1732). Referred to the Committee of the Whole House.

Mr. MURPHY: Committee on Claims. H. R. 3852. A bill for the relief of the O. S. Stapley Co.; with amendment (Rept. No. 1733). Referred to the Committee of the Whole House.

Mr. STIGLER: Committee on Claims. H. R. 3584. A bill for the relief of Elsie Hawke and Charles Hawke; with amendment (Rept. No. 1734). Referred to the Committee of the Whole House.

Mr. SCRIVNER: Committee on Claims: H. R. 3880. A bill for the relief of Mrs. Anna Zukas; with amendment (Rept. No. 1735). Referred to the Committee of the Whole House.

Mr. SAUTHOFF: Committee on Claims. H. R. 4036. A bill for the relief of John H. Bonney, the legal guardian of Daniel R. Bonney, a minor; without amendment (Rept. No. 1736). Referred to the Committee of the Whole House.

Mr. PATTON: Committee on Claims. H. R. 4144. A bill for the relief of Brig. Gen. Louis J. Fortier; without amendment (Rept. No. 1737). Referred to the Committee of the Whole House.

Mr. GREEN: Committee on Claims. H. R. 4331. A bill for the relief of Mrs. Florence Armstrong; with amendment (Rept. No. 1738). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CASE:

H. R. 5114. A bill to create the Ogiala Range for joint agricultural and aerial gunnery uses; to the Committee on Military Affairs.

H. R. 5115. A bill to emancipate the Indians of the United States; to the Committee on Indian Affairs.

By Mr. HENDRICKS:

H. R. 5116. A bill to provide transportation priorities for servicemen on furlough; to the Committee on Military Affairs.

By Mr. IZAC:

H. R. 5117. A bill to authorize the construction of additional housing facilities for Army personnel and their dependents; to the Committee on Military Affairs.

By Mr. SATTERFIELD:

H. R. 5118. A bill to amend the Trading with the Enemy Act, as amended, and for other purposes; to the Committee on the Judiciary.

By Mr. WEISS:

H. R. 5119. A bill to grant preferences in the disposal of surplus war property to veterans, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. CASE:

H. R. 5120. A bill to revise the method of determining the payments to be made by the United States to the several States with respect to public lands administered by the Department of Agriculture; to the Committee on Agriculture.

By Mr. PETERSON of Florida:

H. R. 5121. A bill to authorize the participation of States in certain revenues from national parks, national monuments, and other areas under the administrative jurisdiction of the National Park Service, and for other purposes; to the Committee on the Public Lands.

By Mr. ENGLE of California:

H. R. 5122. A bill to provide for suspending the enforcement of certain obligations against the operators of mines who are forced to cease operations because of the war; to the Committee on Mines and Mining.

By Mr. CASE:

H. R. 5123. A bill to provide for the repair, restoration, or alteration of dams constructed wholly or in part with Federal funds under Federal emergency relief programs and appropriations; to the Committee on Agriculture.

H. R. 5124. A bill to eliminate the necessity for individual records of contributions to the civil-service retirement and disability fund by employees in the executive branch of the Government; to the Committee on the Civil Service.

By Mr. COLMER:

H. R. 5125. A bill to provide for the disposal of surplus Government property and plants, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. CELLER:

H. R. 5126. A bill to provide for orderly post-war planning, reconversion, and adjustment with certain reviews by the Department of Justice and United States district court, and further amending the Contracts Settlement Act of 1944; to the Committee on the Judiciary.

By Mr. HARE:

H. R. 5127. A bill to provide for the control of the flood waters of the Savannah River and its tributaries, the improvement of the navigability of such rivers, the storage and delivery of the waters thereof for beneficial uses, the development of electrical power with such waters, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. MILLER of Missouri:

H. R. 5128. A bill to provide for the deferment in each calendar year under the Selective Training and Service Act of 1940 of not less than 6,000 medical students and not less than 4,000 dental students; to the Committee on Military Affairs.

By Mr. VOORHIS of California:

H. J. Res. 301. Joint resolution designating the period from Thanksgiving Day to Christmas each year for Nation-wide Bible reading; to the Committee on the Judiciary.

By Mr. McLEAN:

H. J. Res. 302. Joint resolution designating period from Thanksgiving Day to Christmas of each year for Nation-wide Bible reading; to the Committee on the Judiciary.

By Mr. BLOOM:

H. Res. 615. Resolution requesting the Secretary of State to urge that the Government of Turkey in the interests of humanity facilitate the entry into Turkey of refugees who can escape from the Nazis, and establish in Turkey a refugee camp in which such persons can be temporarily sheltered; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clauses 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BONNER:

H. R. 5129. A bill for the relief of Mr. Alaska D. Jennette; to the Committee on Claims.

By Mr. BREHM:

H. R. 5130 (by request): A bill granting a pension to Simon A. Sherburn; to the Committee on Pensions.

By Mr. BUSBEY:

H. R. 5131. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Herbert F. Wascher, notwithstanding the lapse of time or any provision of law; to the Committee on Claims.

By Mr. CARRIER:

H. R. 5132. A bill for the relief of Eric L. Reeser; to the Committee on Claims.

By Mr. CURTIS:

H. R. 5133. A bill to correct the service record of Sgt. Marvin A. Koepke; to the Committee on Military Affairs.

By Mr. KERR:

H. R. 5134. A bill for the relief of Mr. W. S. Dean; to the Committee on Claims.

By Mr. McCORMACK:

H. R. 5135. A bill for the relief of Alexander Sawyer; to the Committee on Claims.

By Mr. MARTIN of Iowa:

H. R. 5136. A bill for the relief Mrs. Lula Wilson Nevers; to the Committee on Claims.

By Mr. PRIEST:

H. R. 5137. A bill for the relief of R. H. White Transfer & Storage Co., of Nashville, Tenn.; to the Committee on Claims.

By Mr. ROWAN:

H. R. 5138. A bill for the relief of Joseph M. Dorocke; to the Committee on Claims.

By Mr. SCANLON:

H. R. 5139. A bill for the relief of Theresa Tomico; to the Committee on Claims.

By Mr. SATTERFIELD:

H. R. 5140. A bill for the relief of Nellie P. Dunn; to the Committee on Claims.

By Mr. SHEPPARD:

H. R. 5141. A bill for the relief of J. Dale Gentry; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII,

5515. Mr. ROLPH presented a petition of the Congregation Sherith Israel, of San Francisco, on free ports, which was referred to the Committee on Foreign Affairs.

SENATE

TUESDAY, AUGUST 1, 1944

The 1st day of August being the day prescribed by Senate Concurrent Resolution 46 for the reconvening of the Congress, the Senate assembled in its Chamber this day.

HENRY A. WALLACE, of Iowa, Vice President of the United States, called the Senate to order at 12 o'clock meridian.

The Chaplain, Rev. Frederick Brown Harris, D. D., of the city of Washington, offered the following prayer:

Eternal God, Father of our spirits, whose power is unsearchable, whose judgments are a great deep, we would quiet our hearts in Thy presence. In the midst of titanic events, with the crash of falling empires and systems rending our ears, with a new epoch of the ages struggling to birth, as laborers together with Thee may we walk the grim path of the seen in the sense of the unseen and the eternal. In the midst of slaughter may we see a splendor; through the tears of bitter loss may we see the rainbow through the rain. In the midst of anxiety may we find a surety and at the cross of grief the solace of a sustaining faith. Hold firm our trust in the steadiness of the power that sits unshaken on the throne of the world. Without that vision we perish and the flaming glory of life is dimmed. Our hearts grow cold without Thee—cold like a sacred stone whereon the altar fires are dead.

Forbid that the flash and flame of exploding shells about us in this day of battle should make us regard Thy fixed stars as only phosphorescent fires of the marsh. Give us that lowly and humble heart, emptied of presumptuous pride, which is the only shrine where any altar pleasing to Thee can be raised. In these molten times waiting to be molded into the pattern of Thy purpose make plain to us Thy plan and Thy way. Make our own spirits quarries out of which stones for the new temple of humanity may be fashioned. Reveal unto us the means Thou wouldst have us use to establish justice and peace among men in all the earth. And in the dawning day which gilds the skies make our America more and more the hope of all who suffer and the dread of all who wrong. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, June 23, 1944, was dispensed with, and the Journal was approved.

ENROLLED BILLS PRESENTED—AFTER ADJOURNMENT

The following enrolled bills, heretofore duly signed by the Presiding Officers of the two Houses, under authority of Senate Concurrent Resolution 47, were presented to the President of the United States by the Committee on Enrolled Bills:

On June 24, 1944:

S. 1749. An act to amend section 3 of the act entitled "An act to authorize the President to requisition certain articles and materials for the use of the United States, and for other purposes", approved October 10, 1940, as amended, to continue it in effect; and

S. 1826. An act to amend section 6 of the act of July 2, 1940 (54 Stat. 714), relating to the exportation of certain commodities, and to continue said act in effect.

On June 26, 1944:

S. 784. An act to amend that part of the act of June 24, 1910 (36 Stat. 619), relating to disposition of profits from sales of ships' stores;

S. 1173. An act to provide for staying judicial proceedings against the United States in time of war, on claims for damages caused by vessels of the Navy, or for towage or salvage services to such vessels, when the Secretary of the Navy certifies that the prosecution of such proceedings would endanger the security of naval operations or interfere therewith, and to authorize the settlement and payment of such claims, and for other purposes;

S. 1432. An act to extend the Civilian Pilot Training Act of 1939;

S. 1894. An act to provide for the transportation to their homes of persons discharged from the naval services because of under age at time of enlistment;

S. 1947. An act to amend the National Housing Act, as amended; and

S. 1973. An act to provide additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED—AFTER ADJOURNMENT

Subsequent to the adjournment of the Senate, the Acting President pro tempore, under authority of Senate Concurrent Resolution 47, signed the following enrolled bills and joint resolutions, which had been previously signed by the Speaker of the House of Representatives:

S. 784. An act to amend that part of the act of June 24, 1910 (36 Stat. 619), relating to disposition of profits from sales of ships' stores;

S. 1173. An act to provide for staying judicial proceedings against the United States in time of war, on claims for damages caused by vessels of the Navy, or for towage or salvage services to such vessels, when the secretary of the Navy certifies that the prosecution of such proceedings would endanger the security of naval operations or interfere therewith, and to authorize the settlement and payment of such claims, and for other purposes;

S. 1432. An act to extend the Civilian Pilot Training Act of 1939;

S. 1894. An act to provide for the transportation to their homes of persons discharged from the naval service because of under age at time of enlistment;

S. 1947. An act to amend the National Housing Act, as amended;

S. 1973. An act to provide additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge;

H. R. 248. An act for the relief of Louis Courcil;

H. R. 340. An act to authorize the Legislature of the Territory of Alaska to grant and convey certain lands to the city of Sitka, Alaska, for street purposes;

H. R. 544. An act for the relief of Rev. C. M. McKay;

H. R. 634. An act to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to the rank of vice admiral;

H. R. 702. An act to permit the prepayment of the purchase price of certain housing sold to individuals by the Resettlement Administration or the Farm Security Administration, and for other purposes;

H. R. 905. An act to release all the right, title, and interest of the United States in certain land constituting a portion of the tract of land conditionally granted to the county of Los Angeles, State of California, under the act of March 24, 1933, as amended;

H. R. 1045. An act for the relief of Mrs. R. D. Robinson;

H. R. 1046. An act for the relief of David B. Turpel;

H. R. 1313. An act for the relief of Delores Lewis;

H. R. 1411. An act for the relief of Eddie T. Stewart;

H. R. 1412. An act for the relief of Mildred B. Hampton;

H. R. 1497. An act for the relief of the estate of J. T. Taulbee, deceased, and Mrs. Bertie Leila Parker;

H. R. 1668. An act for the relief of Lessie C. Selman;

H. R. 1675. An act to amend section 9 of the Pay and Readjustment Act of 1942 (Public Law 607) by providing for the computation of double-time credits awarded between 1893 and 1912 in determining retired pay;

H. R. 1682. An act for the relief of Edwin H. Taylor;

H. R. 1737. An act for the relief of the Saunders Memorial Hospital;

H. R. 1755. An act for the relief of Broadus D. Boland and W. E. Boland;

H. R. 2006. An act for the relief of Mrs. Hagar Simpson and Mrs. Nat Price, Jr.;

H. R. 2151. An act for the relief of Elizabeth Powers Long;

H. R. 2288. An act for the relief of Donald J. Munson;

H. R. 2333. An act for the relief of Mrs. Samuel M. McLaughlin;

H. R. 2405. An act for the relief of Clarence P. Hale, Jr.;

H. R. 2469. An act for the relief of Anna Charack;

H. R. 2472. An act for the relief of the estate of Gertrude Mullins;

H. R. 2511. An act for the relief of P. Audley Whaley;

H. R. 2530. An act for the relief of John M. O'Connell;

H. R. 2605. An act for the relief of Charles W. Kirby;

H. R. 2625. An act for the relief of Edward E. Held and Mary Jane Held;

H. R. 2679. An act for the relief of Mrs. Lillian W. Timmerman, mother of Ann Timmerman, a minor, deceased;

H. R. 2788. An act for the relief of Frank Baptiste;

H. R. 2916. An act for the relief of Mrs. Winnie Singleton, as administratrix of the estate of Gaylord W. Singleton, deceased;

H. R. 2965. An act for the relief of Ross Engineering Co.;

H. R. 3038. An act for the relief of Dr. H. H. Smith;

H. R. 3126. An act for the relief of Mary Ellen Frakes, widow of Joseph A. Frakes;

H. R. 3137. An act for the relief of Ruth L. Clapp;

H. R. 3241. An act to implement the jurisdiction of service courts of friendly foreign forces within the United States, and for other purposes;

H. R. 3280. An act for the relief of William Dyer;

H. R. 3281. An act for the relief of the estate of Nelson Hawkins;

H. R. 3301. An act for the relief of the legal guardian of Edward Polak, a minor;

H. R. 3306. An act to authorize the conveyance of Harrison Park in the city of Vincennes to Vincennes University;

H. R. 3324. An act for the relief of the Postal Telegraph-Cable Co.;

H. R. 3390. An act for the relief of Mavis Norrine Cothron and the legal guardian of Norma Lee Cothron, Florence Janet Cothron, and Nina Faye Cothron;

H. R. 3481. An act for the relief of J. William Ingram;

H. R. 3524. An act to provide for the establishment of the Harpers Ferry National Monument;

H. R. 3538. An act for the relief of the Reverend James T. Denigan;

H. R. 3539. An act for the relief of the estate of Carlos Perez Aviles;

H. R. 3586. An act for the relief of Mrs. John Andrew Godwin;

H. R. 3596. An act conferring jurisdiction upon the Court of Claims of the United States to consider and render judgment on the claim of the Zephyr Aircraft Corporation against the United States;

H. R. 3604. An act authorizing the appointment of the Chief of Chaplains to the temporary rank of major general, and for other purposes;

H. R. 3636. An act for the relief of Josephine Guidoni;

H. R. 3646. An act to amend section 42 of title 7 of the Canal Zone Code;

H. R. 3649. An act for the relief of Mae Ekvall;

H. R. 3654. An act for the relief of Byron Ennis;

H. R. 3674. An act for the relief of William E. Widby;

H. R. 3724. An act for the relief of Mr. and Mrs. Howard C. Bantin;

H. R. 3737. An act for the relief of M. H. Harris;

H. R. 3739. An act for the relief of the Wesix Electric Heater Co.;

H. R. 3859. An act for the relief of E. Bird Giles and Sherman Beck;

H. R. 3870. An act to amend section 214 of the act of February 28, 1925;

H. R. 3976. An act for the relief of Charles L. Kee;

H. R. 3977. An act for the relief of Harry Schultz;

H. R. 4033. An act relating to the use of the penalty mail privilege;

H. R. 4041. An act to amend the act relating to the construction and maintenance of a bridge across the Missouri River at or near Nebraska City, Nebr.;

H. R. 4074. An act for the relief of the estate of William Sandlass;

H. R. 4095. An act confirming the claim of the heirs of Monroe Johnson, deceased, to certain lands in the State of Mississippi, county of Adams;

H. R. 4102. An act to extend for 1 additional year the reduced rate of interest on Land Bank Commissioner loans;

H. R. 4103. An act to provide for loss of United States nationality under certain circumstances;

H. R. 4197. An act for the relief of Mr. and Mrs. John Cushman;

H. R. 4215. An act to extend to the custodial-service employees of the Post Office Department certain benefits applicable to postal employees;

H. R. 4348. An act to amend the act approved August 18, 1942, entitled "An act to facilitate the disposition of prizes captured by the United States during the present war, and for other purposes";

H. R. 4361. An act for the relief of Arch A. Brown;

H. R. 4405. An act to amend the act approved March 7, 1942 (56 Stat. 143), as amended (56 Stat. 1092; 50 App. U. S. C., Supp. III, 1001–1017, inclusive), so as to more specifically provide for pay, allotments, and administration pertaining to war casualties, and for other purposes;

H. R. 4443. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4458. An act for the relief of J. G. Power and L. D. Power;

H. R. 4466. An act to amend section 18 of the Pay Readjustment Act of 1942 to provide additional pay for personnel who are required to participate in regular and frequent glider flights;

H. R. 4517. An act to remove restrictions on establishing post-office branches and stations;

H. R. 4528. An act for the relief of L. M. Feller Co. and Wendell C. Graus;

H. R. 4623. An act to authorize the use of space in the old post-office building in Portland, Oreg., by the State of Oregon for its use as a museum for relics from the battleship *Oregon*, together with all other historical documents, objects, and relics of Oregon and the old Oregon country held by the State for public display;

H. R. 4624. An act to consolidate and revise the laws relating to the Public Health Service, and for other purposes;

H. R. 4687. An act relating to issuance of postal notes;

H. R. 4707. An act for the relief of J. Fletcher Lankton and John N. Ziegele;

H. R. 4728. An act to amend the act entitled "An act to expedite the provision of housing in connection with the national defense, and for other purposes," approved October 14, 1940, as amended;

H. R. 4733. An act to amend section 514 of the Soldiers' and Sailors' Relief Act;

H. R. 4803. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Memphis, Tenn.;

H. R. 4810. An act to extend the provisions of the Selective Training and Service Act of 1940, as amended, to the Virgin Islands;

H. R. 4825. An act to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Des Moines, Iowa, September 10 to 14, inclusive, 1944;

H. R. 4861. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4879. An act making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4881. An act to amend the Internal Revenue Code, the Narcotic Drugs Import and Export Act, as amended, and the Tariff Act of 1930, as amended, to classify a new synthetic drug, and for other purposes;

H. R. 4899. An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4935. An act to provide for a study of multiple taxation of air commerce, and for other purposes;

H. R. 4937. An act making appropriations for defense aid (lend-lease), for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration, for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4967. An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 5040. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944, and June 30, 1945, and for other purposes;

H. J. Res. 138. Joint resolution granting the consent of Congress to an agreement between the State of New York and the State of Rhode Island and Providence Plantations concerning the settlement of the boundary line between said States; and

H. J. Res. 227. Joint resolution extending the period for the acquisition by the Railroad Retirement Board of data needed in carrying out the provisions of the Railroad Retirements Acts;

H. J. Res. 241. Joint resolution requesting the President to urge upon the governments of those countries where the cultivation of the poppy plant exists, the necessity of immediately limiting the production of opium to the amount required for strictly medicinal and scientific purposes.

APPROVAL OF SENATE BILLS AND JOINT RESOLUTIONS—AFTER ADJOURNMENT

The President of the United States, subsequent to the adjournment of the Senate, notified the Secretary of the Senate that he had approved and signed acts and joint resolutions, as follows:

On June 22, 1944:

S. 1479. An act providing for the suspension of certain requirements relating to work on tunnel sites;

S. 1808. An act to authorize temporary appointment as officers in the Army of the United States of members of the Army Nurse Corps, female persons having the necessary qualifications for appointment in such corps, female dietetic and physical-therapy personnel of the Medical Department of the Army (exclusive of students and apprentices), and female persons having the necessary qualifications for appointment in such department as female dietetic or physical-therapy personnel, and for other purposes; and

S. 1848. An act for the relief of Claude R. Whitlock, and for other purposes.

On June 26, 1944:

S. 1157. An act to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing such training of State and Territorial military forces as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories;

S. 1232. An act to provide equitable compensation for useful suggestions or inventions by personnel of the Department of the Interior; and

S. 1588. An act for the relief of the legal guardian of Eugene Holcomb, a minor.

On June 27, 1944:

S. 1669. An act to clarify the law relative to allowances for mileage of graduates of the United States Military Academy and transportation of their dependents on assignment to their first duty station and to the mileage allowance of persons entering the United States Military Academy as cadets.

On June 28, 1944:

S. 1634. An act to provide for the management and operation of naval plantations outside the continental United States;

S. 1748. An act to amend the act entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States," approved October 16, 1941, as amended, to continue it in effect; and

S. 1749. An act to amend section 3 of the act entitled "An act to authorize the President to requisition certain articles and materials for the use of the United States, and for other purposes," approved October 10, 1940, as amended, to continue it in effect.

On June 29, 1944:

S. J. Res. 93. Joint resolution declaring the policy of the Congress with respect to the independence of the Philippine Islands, and for other purposes; and

S. J. Res. 94. Joint resolution to amend section 12 of Philippine Independence Act, as amended, establishing the Filipino Rehabilitation Commission, defining its powers and duties, and for other purposes.

On June 30, 1944:

S. 1432. An act to extend the Civilian Pilot Training Act of 1939;

S. 1593. An act for the relief of the heirs and assigns of Widow Cesaire De Blanc;

S. 1764. An act to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes;

S. 1947. An act to amend the National Housing Act, as amended; and

S. 1973. An act to provide additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge.

On July 1, 1944:

S. 784. An act to amend that part of the act of June 24, 1910 (36 Stat. 619), relating to disposition of profits from sales of ships' stores;

S. 1718. An act to provide for the settlement of claims arising from terminated war contracts, and for other purposes;

S. 1826. An act to amend section 6 of the act of July 2, 1940 (54 Stat. 714), relating to the exportation of certain commodities, and to continue said act in effect; and

S. 1894. An act to provide for the transportation to their homes of persons discharged from the naval service because of under age at time of enlistment.

On July 3, 1944:

S. 1173. An act to provide for staying judicial proceedings against the United States in time of war, on claims for damages caused by vessels of the Navy, or for towage or salvage services to such vessels, when the Secretary of the Navy certifies that the prosecution of such proceedings would endanger the security of naval operations or interfere therewith, and to authorize the settlement and payment of such claims, and for other purposes.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Perry, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4349. An act to exempt certain officers and employees of the National War Labor Board from certain provisions of the Criminal Code;

H. R. 4446. An act to exempt certain officers and employees within the Office of Scientific Research and Development from certain provisions of the Criminal Code; and

H. R. 4468. An act to exempt certain officers and employees of the War Department from certain provisions of the Criminal Code and Revised Statutes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 3125) for the relief of Paul H. White, and it was signed by the Vice President.

FILIPINO REHABILITATION COMMISSION

The ACTING PRESIDENT pro tempore [Mr. GILLETTE], under authority of the order of the Senate of June 23, 1944, on June 30, 1944, appointed Mr. TYDINGS, Mr. CLARK of Missouri, and Mr. VANDENBERG members on the part of the Senate of the Filipino Rehabilitation Commission, established under the provisions of section 1 of Public Law 381, approved June 29, 1944.

REPORT OF SPECIAL COMMITTEE TO INVESTIGATE GASOLINE AND FUEL-OIL SHORTAGES

Under authority of the order of the Senate of June 21, 1944, Mr. MALONEY, from the Special Committee to Investigate Gasoline and Fuel-Oil Shortages, pursuant to Senate Resolution 28, agreed to February 24, 1943, submitted on July 22, 1944, an additional report on oil and coal, which was printed as part 3 of Report No. 59.

FOREIGN WAR-RELIEF OPERATIONS—REPORT OF THE RED CROSS (S. DOC. NO. 228)

The VICE PRESIDENT laid before the Senate the following communication from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Appropriations and ordered to be printed:

THE WHITE HOUSE,
Washington, June 26, 1944.

The PRESIDENT OF THE SENATE.

SIR: I have the honor to transmit herewith a report, prepared by the American Red Cross, of obligations under the appropriations for foreign war relief consolidated and extended by the Second Deficiency Appropriation Act, 1942, and the Urgent Deficiency Appropriation Act, 1943.

This cumulative report, reflecting all refugee and foreign war-relief operations from July 1, 1940, through April 30, 1944, supplements reports submitted as of April 30, 1941, April 30, 1942, and April 30, 1943. It is of necessity an interim report, since the foreign war-relief program is still in progress and a proposed provision has already been transmitted to the Congress which will have the effect of extending the availability of this appropriation until June 30, 1945. A final report must await the conclusion of the foreign war-relief program.

There are also transmitted herewith reports from the Treasury Department, the Department of Agriculture, and the War Department, which are serving as purchasing agencies under the program of foreign war relief. It will be noted that the reports of the Departments are prepared on the basis of orders placed with vendors as distinguished from the report of the American Red Cross which is prepared on the basis of requisitions submitted to those Departments.

Respectfully,

FRANKLIN D. ROOSEVELT.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REIMBURSEMENT FOR PROPERTY LOST AS A RESULT OF JAPANESE OCCUPATION OF HONG KONG AND MANILA

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to provide for the reimbursement of certain civilian personnel for personal property lost as a result of the Japanese occupation of Hong Kong and Manila (with accompanying papers); to the Committee on Claims.

PERSONNEL OF THE LAND FORCES

A letter from the Acting Secretary of War, transmitting, pursuant to law, a confidential report of the number of men in active training and service in the land forces on May 31, 1944, under section 3 (b) of the Selective Training and Service Act of 1940; to the Committee on Military Affairs.

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Attorney General, transmitting, pursuant to law, a report stating all of the facts and pertinent provisions of law in the cases of 70 aliens whose deportation has been suspended for more than 6 months, together with a statement of the reasons for such suspension (with an accompanying report); to the Committee on Immigration.

SUSPENSION OF DEPORTATION OF AN ALIEN—WITHDRAWAL OF NAME

A letter from the Attorney General, withdrawing a certain name from a report of aliens whose deportation he suspended for more than 6 months, transmitted by him to the Senate on December 3, 1943, pursuant to law; to the Committee on Immigration.

SPECIAL ASSISTANT ATTORNEYS, DEPARTMENT OF JUSTICE

A letter from the Attorney General, transmitting, pursuant to law, a report for the period January 1 to June 30, 1944, showing the special assistants employed under the appropriation "Compensation of special attorneys," contained in the Department of Justice Appropriation Act of 1943, together with the rates of compensation or fees paid and a description of their duties (with an accompanying report); to the Committee on the Judiciary.

UNCOLLECTIBLE CREDITS OF THE UNITED STATES

A letter from the Acting Postmaster General, transmitting a draft of proposed legislation to eliminate as uncollectible certain

credits of the United States (with an accompanying paper); to the Committee on Claims.

IRMA S. SHERIDAN, POSTMASTER AT ROCKVILLE, OREG.

A letter from the Acting Postmaster General, transmitting a draft of proposed legislation for the relief of Irma S. Sheridan, postmaster at Rockville, Oreg. (with an accompanying paper); to the Committee on Claims.

DUAL EMPLOYMENT IN POSTAL SERVICE

A letter from the Acting Postmaster General, transmitting a draft of proposed legislation relating to dual employment in the Postal Service, and for other purposes (with an accompanying paper); to the Committee on Post Offices and Post Roads.

ACTS OF LEGISLATURE OF PUERTO RICO

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a certified copy of the Acts of the Fourth Regular Session of the Fifteenth Legislature of Puerto Rico (with an accompanying document); to the Committee on Territories and Insular Affairs.

REPORT OF NATIONAL WAR LABOR BOARD ON WAGE STABILIZATION

A letter from the Chairman of the National War Labor Board, transmitting, in further response to Senate Resolution 130, agreed to April 9, 1943, a report on the stabilization of wages and salaries for the month of April 1944 (with an accompanying report); ordered to lie on the table.

GOVERNMENT EMPLOYEES DEFERRED FROM MILITARY SERVICE FOR OCCUPATIONAL REASONS

A letter from the Director of the Selective Service System, transmitting, pursuant to law, lists of registrants deferred from military service for occupational reasons because of their employment in or under the Federal Government on April 15, 1944 (with accompanying papers); to the Committee on Military Affairs.

REPORTS OF RECONSTRUCTION FINANCE CORPORATION

A letter from the Chairman and Secretary of the Reconstruction Finance Corporation, transmitting, pursuant to law, a report of the operations of the Corporation for the period from its organization on February 2, 1932, to March 31, 1944, inclusive (with an accompanying report); to the Committee on Banking and Currency.

A letter from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to law, a confidential report of the Corporation's activities for the month of April 1944 (with an accompanying report); to the Committee on Banking and Currency.

DIRECTORS OF PERSONNEL WITHIN DEPARTMENTS AND AGENCIES

A letter from the President of the Civil Service Commission, transmitting a draft of proposed legislation respecting the designation of directors of personnel within Government departments and agencies; to the Committee on Civil Service.

TRAVEL EXPENSES OF CONSULTANTS AND OTHER GOVERNMENTAL EXPERTS

A letter from the President of the Civil Service Commission, transmitting a draft of proposed legislation to provide uniform authority for the payment of travel expenses of consultants and other expert employees of the Federal Government (with an accompanying paper); to the Committee on Expenditures in the Executive Departments.

LIBERALIZATION OF NATIONAL SERVICE LIFE INSURANCE ACT

A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to liberalize certain provisions of the National Service Life Insurance Act of 1940, as amended (with an accompanying paper); to the Committee on Finance.

LANDS OF VETERANS' ADMINISTRATION, DALLAS, TEX.

A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to authorize the Administrator of Veterans' Affairs to grant an easement in certain lands of the Veterans' Administration, Dallas, Tex., to Dallas County, Tex., for highway purposes (with accompanying papers); to the Committee on Finance.

PERSONNEL REQUIREMENTS

A letter from the Director of the Bureau of the Budget, transmitting, pursuant to law, a report of his determinations during the fourth quarter of the fiscal year 1944 of the number of employees required for the proper and efficient exercise of the functions of the executive departments and agencies of the Government (with an accompanying report); to the Committee on Civil Service.

Estimates of personnel requirements, transmitted, pursuant to law, and referred, with accompanying papers, to the Committee on Civil Service, as follows:

For the quarter ending September 30, 1944: By the Treasury Department; Department of Justice; War Department; Navy Department; Department of Labor; Department of the Interior; Reconstruction Finance Corporation; National War Labor Board; Federal Trade Commission; National Housing Agency; Office of Civilian Defense, Division of Central Administrative Services, Office of Economic Stabilization, and Office of War Mobilization of the Office for Emergency Management; Federal Communications Commission; United States Civil Service Commission; Federal Security Agency; Federal Power Commission; Smaller War Plants Corporation; Bureau of the Budget, Liaison Office for Personnel Management, and Committee for Congested Production Areas of the Executive Office of the President;

Revised estimates for the quarter ending September 30, 1944, by the Navy Department (2); Department of Commerce (2); United States Civil Service Commission; General Accounting Office; Office of Price Administration; War Manpower Commission of the Office for Emergency Management; and the American Commission for the Protection and Salvage of Artistic and Historic Monuments in War Areas; and

An estimate for the quarter ended June 30, 1944, by the Department of Agriculture.

REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—GOVERNMENT CORPORATIONS (S. DOC. NO. 227)

The VICE PRESIDENT laid before the Senate an additional report of the Joint Committee on Reduction of Nonessential Federal Expenditures, relating to Government corporations, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. BYRD. Mr. President, I ask unanimous consent that the report just laid before the Senate by the Vice President may be printed in the RECORD; likewise an explanatory statement of the report.

The VICE PRESIDENT. Without objection, it is so ordered.

The report is as follows:

REPORT ON GOVERNMENT CORPORATIONS

SECTION I. INTRODUCTION

The Government corporation represents an attempt, when extended to commercial enterprise, to apply a type of organization common to large-scale private commercial management. The purpose seems to be to avoid the ordinary restraints placed upon regular Government establishments and to create a reservoir of capital. As a matter of fact, corporations seem to have been created with little thought as to advantages or disadvantages; some have been set up without capital stock and others have been established with the idea or even the expressed intention to use up all capital in carrying out their purposes. Corporations have been established in some cases and in other cases ordinary Government agencies when the demand would be quite similar.

Important enterprises have been and are carried out by the United States without the use of the corporate form—for example, the Postal Service, Panama Canal, Maritime Commission, Alaska Railroad, Federal Housing Administration.

SECTION II. HISTORY AND GROWTH

In the early history of the Federal Government the corporate form of Government agency was simple and rarely employed. First came the Bank of North America (1781) and the First and Second Banks of the United States. The Panama Railroad Company was chartered privately under the laws of New York in 1849 and acquired by the Federal Government in 1902. The Federal Reserve System was established under the act of 1913, privately owned by member banks and publicly controlled. Federal land banks were authorized by the Farm Loan Act of 1916.

World War No. 1 brought on a marked development in this respect. The wartime Government corporations were: United States Grain Corporation (1917), United States Emergency Fleet Corporation (1917), United States Housing Corporation (1918), United States Spruce Production Corporation (1918), United States Sugar Equalization Board (1918), War Finance Corporation (1918), and War Trade Board of the United States Russian Bureau, Inc. (1918). Of this number, United States Spruce Production is just about to be dissolved and United States Housing is in liquidation; all others have been dissolved.

Except for the Federal intermediate credit banks in 1923 and the Inland Waterways Corporation in 1924, no recourse was had to the corporate device until the depression came in 1930. In 1932, by act of Congress, the Reconstruction Finance Corporation, Federal home loan banks and regional agricultural credit corporations were established. In 1929, a specific type of public corporation was developed—the stabilization corporation, promoted, financed, and managed by the Federal Farm Board—these were the Cotton Stabilization Corporation and the Grain Stabilization Corporation, both dissolved in 1934 and 1935 respectively. These corporations were supplemented by privately owned corporations, the Farmers National Grain Corporation, American Cotton Cooperative Association, National Live Stock Association and others, all under the supervision of the Federal Farm Board for agricultural marketing and financed by the agricultural marketing revolving fund. These organizations were replaced by the Farm Credit Administration and the banks for cooperatives and production credit corporations in 1933.

By that time the philosophy of American Government in the economic field had under-

gone, and was undergoing, a marked change. The "general welfare" had acquired a new meaning and possibly was overemphasized. The number increased from 10 corporations in 1931 to 27 in 1939, and there are now 44 corporations. Besides, there are 15 unincorporated agencies (sec. VIII of this report) operating loan activities and enterprises. Originally the corporate device was employed as a means of solving the complications of the Federal system and, although this may be expeditious with respect to some activities which have been undertaken by the Federal Government, it appears now that every new business venture is thought of in terms of such avoidance. The inevitable result of this growth has been the impairment of control by Congress.

SECTION III. GOVERNMENT CORPORATIONS

By principal features

Government corporations may be divided into three general groups, as follows: (*a*) The 40 corporations whose activities are supervised by governmental agencies; (*b*) the 4 independently operated corporations, and (*c*) the 11 corporations in which the Government may have a proprietary interest or a contractual relation.

There follows a list of the Government corporations which fall within the groups indicated above as (*a*) and (*b*). Also set forth below are the principal features of all Government corporations. The enumeration list is set up on the present basis of functional control. The list by principal features follows the basis of financial control as shown in table 1 and table 2.

Corporations with supervising agency

(If State-incorporated, with State of incorporation after each such corporation)

Agriculture:
- Commodity Credit Corporation (Delaware).
- Farm Credit Administration:
  - Banks for cooperatives (1 central, 12 regional).
  - Federal intermediate credit banks (12).
  - Federal land banks (12).
  - Production credit corporations (12).
  - Regional agricultural credit corporations (1).
- Federal Crop Insurance Corporation (in liquidation).
- Federal Farm Mortgage Corporation.
- Federal Surplus Commodities Corporation (Delaware).

Commerce, Secretary of:
- Reconstruction Finance Corporation:
  - Defense Plant Corporation.
  - Defense Supplies Corporation.
  - Metals Reserve Company.
  - Rubber Reserve Company.
  - War Damage Corporation.
  - Federal National Mortgage Association.
  - RFC Mortgage Company, The (Maryland)
- Disaster Loan Corporation.
- Inland Waterways Corporation: Warrior River Terminal Company (Alabama).

Interior: Virgin Islands Company, The (Virgin Islands).

Justice: Federal Prison Industries, Inc.

War: United States Spruce Production Corporation (in liquidation) (Washington).

Coordinator of Inter-American Affairs (all Delaware):
- Institute of Inter-American Affairs.
- Institute of Inter-American Transportation.
- Inter-American Educational Foundation, Inc.
- Inter-American Navigation Corporation (in liquidation).
- Prencinradio, Inc.

Foreign Economic Administration:
- Cargoes, Inc. (Lend-Lease) (New York).
- Export-Import Bank of Washington (District of Columbia).
- Petroleum Reserves Corporation.
- Rubber Development Corporation (Delaware).
- United States Commercial Company.

War Production Board: Smaller War Plants Corporation.

National Housing Agency:
- Federal Public Housing Authority: Defense Homes Corporation (Maryland).
- Federal Home Loan Bank Administration:
  - Federal home loan banks (12).
  - Federal Savings and Loan Insurance Corporation.
  - Home Owners' Loan Corporation (in liquidation).
  - United States Housing Corporation (in liquidation) (New York).

Independent corporations

Federal Deposit Insurance Corporation.

Panama Railroad Company (New York).

Tennessee Valley Authority: Tennessee Valley Associated Cooperatives, Inc. (Tennessee).

PRINCIPAL FEATURES OF CORPORATIONS

DEPARTMENT OF AGRICULTURE

Central Bank for Cooperatives—Regional Banks for Cooperatives (12)

Creation: Specific enabling statute. Farm Credit Act of 1933 (12 U. S. C. 1134), chartered by the Governor of Farm Credit Administration August to December 1933.

Control: Central Bank organized by Farm Credit Administration. Board of directors of the Central Bank consists of seven members with a 3-year term, of whom one is the Cooperative Bank Commissioner. The other six are appointed by the Governor with the appointment of three of these subject to nomination by the borrowing associations. Regional banks organized by directors of Federal land banks. District farm credit board of seven members with a 3-year term, three elected by the member associations and four appointed by the Governor of Farm Credit Administration, one of the four subject to nomination by the member associations (borrowers). Current operation under supervision of, and examination by, Farm Credit Administration. No current control by Congress, Treasury, Bureau of the Budget, or General Accounting Office.

Borrowing power: Central Bank may issue debentures up to five times paid-in capital and surplus. Regional banks have only general power with Farm Credit Administration approval. All banks may discount at Federal intermediate credit banks. Regional banks may also discount or borrow at the Central Bank, from each other, or from commercial banks.

Source of funds: Capital subscription by the Governor of the Farm Credit Administration, payment for which is made from the Agricultural Marketing Act revolving fund (formerly administered by the Federal Farm Board, superseded by the Farm Credit Administration). Capital is also furnished by borrowing associations who subscribe to capital stock (or guaranty funds), current needs from borrowing, and from investment income.

Functions: Interest earning lending activities to finance farm cooperatives and farm servicing cooperatives.

Mixed ownership: Borrowing cooperatives must subscribe to capital stock in an amount of approximately 5 percent of operating capital and facility loans and 1 percent of commodity loans. Such ownership in capital stock or interest in a guaranty fund at June 30, 1943, amounted to $4,929,800; Government investment in capital stock at same date amounted to $172,000,000. Dividends may be declared on all stock, including guaranty fund, not to exceed 7 percent. Borrowers' stock is retired upon repayment of loans. United States stock may be retired by the directors with the approval of the Governor of the Farm Credit Administration.

Expiration: When dissolved.

Commodity Credit Corporation

Creation: Executive Order 6340, October 16, 1933, under National Industrial Recovery Act (15 U. S. C. 702), incorporated under the laws of the State of Delaware, Congress validated and broadened its powers (15 U. S. C. 713 et seq.).

Control: Organized by Secretary of Agriculture, Governor of Farm Credit Administration, and Director of Finance of Agricultural Adjustment Administration. Board of five directors, 1-year term, appointed by Secretary of Agriculture. Capital and administrative expenses under appropriation or limitation by Congress, Treasury, Bureau of the Budget, and General Accounting Office. Operating transactions not under control except for post-audit by General Accounting Office. Now under War Food Administration in Department of Agriculture.

Borrowing power: Notes guaranteed by the United States, with approval of the Secretary of the Treasury, limitation $3,000,000,000.

Sources of funds: Originally N. I. R. appropriation and Reconstruction Finance Corporation. Presently borrows from the Treasury on notes at 1-percent interest.

Functions: Interest earning lending activities, to stabilize farm prices and assure adequate reserve supplies of farm products. Purchase and sale of farm products, domestic and foreign. Price-support and subsidy activities at home and lend-lease activities abroad are nonrevenue producing, but with provision for reimbursing for costs and losses.

Expiration: June 30, 1945.

Note: Public Law 240, Seventy-eighth Congress, provides that beginning with the period from July 1, 1944, the financial transactions of the Corporation shall be audited by the General Accounting Office * * *.

A copy of the audit report is to be furnished the Secretary of the Treasury that the findings may be considered in appraising the assets and liabilities and determining the net worth of the Corporaton under sections 1 and 2 of the act of March 8, 1938 (15 U. S. C. 713a, 1 and 2). This act provides that any impairment of capital be restored by appropriation or that any excess be covered into the Treasury for retirement of public debt.

Federal Crop Insurance Corporation

Creation: Direct statute, Federal Crop Insurance Act (7 U. S. C. 1503), chartered by act of Congress February 16, 1938.

Control: Organized by act of Congress. Board of three directors appointed by Secretary of Agriculture for indefinite term. Administrative expenses and capital appropriated by Congress and under control by Bureau of the Budget and Treasury. All transactions under audit by General Accounting Office.

Borrowing power: None provided.

Sources of funds: Capital and administrative expenses out of general fund by appropriation. Losses and other out of premiums and capital.

Functions: Insurance on agricultural crops, wheat, and cotton, with premiums in kind, planned to operate as a non-profit venture. Research work with view to extend to other crops.

Expiration: Indefinite, but provisions of the Agriculture Appropriation Act 1944 (57 Stat. 418) curtailed activities and the Corporation is now in liquidation.

Federal Farm Mortgage Corporation

Creation: Direct statute, Federal Farm Mortgage Act (12 U. S. C. 1020), chartered by act of Congress January 31, 1934.

Control: Organized by act of Congress. Board of three directors designated by law as the Secretary of the Treasury, Governor of Farm Credit Administration, and Land Bank Commissioner. Administrative expense limitation under current control by Congress and Bureau of the Budget, borrowings under control of Treasury, all transactions under General Accounting Office audit.

Borrowing power: $2,000,000,000 in bonds guaranteed by the United States, as prescribed by the Board with the approval of the Secretary of the Treasury.

Sources of funds: Capital subscription $200,000,000 by Reconstruction Finance Corporation, later reimbursed by the Treasury—$100,000,000 retired, but held for further subscription and subject to call. Current needs supplied from capital, bond issues, and earnings.

Functions: Mortgage loans on farm property, first and second up to 75 percent of appraised normal value. Assisting in financing operations of Federal land banks.

Expiration: When dissolved.

Federal intermediate credit banks (12)

Creation: Specific enabling statute, Agricultural Credits Act of 1923 (12 U. S. C. 1021), chartered by Federal Farm Loan Board (now Farm Credit Administration) March 1923.

Control: Organized by Federal Farm Loan Board. District Farm Credit Board of seven members with 3-year term, three elected by member associations and four appointed by the Governor of Farm Credit Administration, one of the four subject to nomination by member associations (borrowers). Operations under supervision of, and examination by, Farm Credit Administration. No current control by Congress, Treasury, or General Accounting Office. Bureau of the Budget reviews administrative expenses.

Borrowing power: Notes and debentures to an amount not exceeding 10 times the paid-in capital and surplus.

Sources of funds: Capital subscription financed by an appropriation. Current needs supplied by capital borrowing, and earnings.

Functions: Short-term loans and discounts for Government and private institutions engaged in financing farmers and farm-production activities.

Expiration: When dissolved.

NOTE.—Required to pay an annual franchise tax to the United States equal to 25 percent of net earnings after full provision for expenses, losses, and certain reserves.

Federal Land Banks (12)

Creation: Specific enabling statute, Federal Farm Loan Act of 1916 (12 U. S. C. 672), chartered by Federal Farm Loan Board in March and April 1917.

Control: Organized by directors of Federal land banks. District Farm Credit Board of seven members with 3-year term, three elected by member associations, and four appointed by Governor of Farm Credit Administration, one of the four subject to nomination by member associations (borrowers). Operations under supervision and examination by Farm Credit Administration. No current control by Congress, Treasury, Bureau of the Budget, or General Accounting Office.

Borrowing power: Bonds and notes not exceeding 20 times the paid-in capital and surplus.

Sources of funds: Capital subscriptions and paid-in surplus from appropriations, and also privately subscribed capital. Current needs supplied by capital, borrowing, and earnings.

Functions: Long-term first-mortgage loans on improved farm lands and issuance of farm loan bonds secured thereby.

Mixed ownership: National farm loan associations, through which loans are made, must subscribe to the capital stock in amount equal to 5 percent of loans. Such ownership at June 30, 1943, amounted to $94,777,682 and Government at same date owned capital stock amounting to $121,478,885. The Government additionally has invested $141,617,869 in paid-in surplus. The United States does not participate in Federal land-bank earnings. Farm loan associations' stock is retired upon repayment of loans. United States stock and paid-in surplus may be retired by the directors subject to approval of the Governor of the Farm Credit Administration.

Expiration: When dissolved.

Federal Surplus Commodities Corporation

Creation: Federal Emergency Relief Administration, through its Administrator and the Secretaries of Agriculture and Interior, established the corporation, incorporating as a nonstock, nonprofit, membership body under the laws of Delaware October 4, 1933. Congress later took notice of the Corporation and recognized it as an agency of the United States.

Control: Board of directors, five for an indefinite term, appointed by the Secretary of Agriculture. No current control by Congress, Treasury or Bureau of the Budget; all transactions are audited by General Accounting Office. Now under Food Distribution Administration, War Food Administration, Department of Agriculture.

Borrowing power: Ordinary under charter.

Sources of funds: Originally emergency relief funds granted to State and returned to the Corporation, as agent, for purchase and distribution of surplus agricultural commodities. Latterly allocations from various appropriations or from corporate funds of other corporations.

Functions: Originally relief and surplus agricultural commodities disposal. Latterly Texas timber salvage, general commodity purchase program for lend-lease, and emergency supply program for Territories and insular possessions.

Expiration: June 30, 1945.

Production Credit Corporations (12)

Creation: Specific enabling statute, Farm Credit Act of 1933 (12 U. S. C. 1131d), chartered by the Governor of Farm Credit Administration, August to December 1933.

Control: Organized by the directors of Federal land banks. District Farm Credit Board of seven members with 3-year term, three elected by member associations and four appointed by Governor of Farm Credit Administration, one of the four subject to nomination by member associations (borrowers). Current operations are supervised and examined by the Administration. No current control by Congress, Treasury, or General Accounting Office; Bureau of the Budget reviews administrative expense.

Borrowing power: None provided.

Sources of funds: Capital provided by Farm Credit Administration 120 millions of dollars revolving fund Current needs supplied by repayments and investment income.

Functions: Organizing and financing production credit associations. Associations make short-term loans to farmers. Management assistance to the associations.

Expiration: When dissolved.

Regional Agricultural Credit Corporations

Creation: Specific enabling statute, Emergency Relief and Reconstruction Act of 1932 (12 U. S. C. 1148), chartered by Reconstruction Finance Corporation, September and October 1932.

Control: Organized by officers of Reconstruction Finance Corporation and Farm Board. Board of directors, various number of members, 1-year term, appointed by Farm Credit Administration. Current operations supervised and examined by the Administration. Reconstruction Finance Corporation advances the administrative expenses, which are under review by the Bureau of the Budget. No current control by Congress, Treasury, or General Accounting Office.

Borrowing power: Discount or borrow, with the approval of the Governor of Farm Credit Administration, at Reconstruction Finance Corporation, Federal intermediate credit banks, or other regional corporations.

Sources of funds: Capital and administrative expenses from Reconstruction Finance Corporation, reimbursable by the Treasury. Otherwise from repayments and earnings, and borrowing.

Functions: Emergency short-term loans to farmers and stockmen.

Expiration: With the establishment of the Production Credit Corporations in 1933, the regional corporations were placed in liquidation. Of the 12, however, 2 were revived—1 at Washington, D. C., and 1 at Minneapolis—to stimulate war-food production. These 2 are now merged into 1 at Washington.

DEPARTMENT OF COMMERCE

Disaster Loan Corporation

Creation: Direct statute, an act to provide loans made necessary by floods (15 U. S. C. 605k–1), chartered by act of Congress February 11, 1937.

Control: Organized by act of Congress. Two managing directors appointed by Reconstruction Finance Corporation for indefinite term No current control by Congress, Treasury, or General Accounting Office; Bureau of the Budget reviews administrative expense. A loan activity under the Secretary of Commerce.

Borrowing power: None provided.

Sources of funds: Capital provided by Reconstruction Finance Corporation and later reimbursed by Treasury. The Corporation is authorized to use all its capital and earnings in carrying out its functions.

Functions: Providing loans for rehabilitation of property damaged or destroyed by floods or other catastrophes in years 1936 to January 22, 1947.

Expiration: When dissolved by Congress.

Electric Home and Farm Authority

This corporation was created under authority by the National Industrial Recovery Act, incorporated under the laws of Delaware January 14, 1934, replaced by a District of Columbia charter August 1, 1935, Executive Orders 6514 and 7139.

It is dissolved by Executive Order 9256, effective October 31, 1942, and its assets and liabilities taken over by Reconstruction Finance Corporation for liquidation, which is now completed.

Export-Import Bank of Washington

Creation: Executive Order 6581 under National Industrial Recovery Act (15 U. S. C. 702), incorporated under the laws of the District of Columbia February 12, 1934. Continued and extended by various acts of Congress (15 U. S. C. 713b).

Control: Organized by Secretaries of State and Commerce. Board of trustees, 11 with 1-year term, elected by Secretaries of State and Commerce. Administrative expense limitation under control of Congress, Treasury, Bureau of the Budget, and General Accounting Office; other transactions under no control in this respect. Now under supervision of Foreign Economic Administration.

Borrowing power: Notes or preferred stock, $700,000,000 limit. Discount of rediscount its evidences of debt. Borrowing and rediscount subject to approval of the Secretary of the Treasury.

Sources of funds: Capital, common stock out of National Industrial Recovery appropriation, preferred by Reconstruction Finance Corporation. Current needs so far provided out of capital and operations.

Functions: Short-term credits to facilitate exports of agricultural and industrial products; discounts and rediscounts of notes, drafts, and bills of exchange facilitating exports; lending activities to stimulate foreign trade and aid in the war effort. All its resources are now at the disposal of the Foreign Economic Administration.

Expiration: When dissolved, not later than January 22, 1947.

Inland Waterways Corporation

Creation: Direct statute, an act to create the Inland Waterways Corporation (49 U. S. C. 151), chartered by this act June 3, 1924.

Control: Organized by act of Congress. Board of advisers with seven members appointed by the Secretary of Commerce for 5-year term. No current control by Congress, Treasury, Bureau of the Budget, or General Accounting Office. Under the Department of Commerce.

Borrowing power: Notes not to exceed 25 percent of total assets.

Sources of funds: Capital from appropriation. Current needs from operating revenues and investment income.

Functions: Water transportation service—operation of Federal Barge Lines and Warrior River Terminal. Research in connection with types of boats and water terminal facilities.

Expiration: When dissolved.

Warrior River Terminal Company: This corporation is wholly owned by the Inland Waterways Corporation, and its transactions are included in the accounts of the Waterways Corporation. It operates 18½ miles of railroad from Warrior River to Ensley, Ala. It was incorporated privately under the laws of Alabama and was acquired February 12, 1926.

Reconstruction Finance Corporation

Creation: Direct statute, Reconstruction Finance Corporation Act (15 U. S. C. 601), chartered by this act January 22, 1932.

Control: Organized by act of Congress. Board of directors, five members, 2-year term, appointed by the President, subject to Senate confirmation. Administrative expense limitation subject to Congress and Bureau of the Budget. No similar control over other current operations or transactions. A loan activity under the Secretary of Commerce.

Borrowing power: Notes, guaranteed by the United States, with approval of the Secretary of the Treasury, under various laws, to a limitation of $17,030,244,557, as of March 31, 1944.

Sources of funds: Capital stock subscription paid for by appropriation. Current needs supplied in operations and borrowing from Treasury on 1 percent notes.

Functions: Lending activities—to aid in financing agriculture, commerce, and industry; financial institutions, transportation, and insurance; loans to local public bodies. To create or acquire (expired June 30, 1943), and finance corporations for war activities.

Expiration: January 22, 1947.

Defense Plant Corporation

Creation: General enabling statute, an act to amend Reconstruction Finance Corporation Act (15 U. S. C. 606b), chartered by Reconstruction Finance Corporation August 22, 1940.

Control: Organized by officers of Reconstruction Finance Corporation. Board of directors, seven members, 1-year term, appointed by Reconstruction Finance Corporation. No current control by Congress, Treasury, or General Accounting Office; administrative expense reviewed by Bureau of the Budget. Subsidiary of Reconstruction Finance Corporation.

Borrowing power: Financed by Reconstruction Finance Corporation.

Sources of funds: Capital from Reconstruction Finance Corporation. Current needs out of capital, borrowing from Reconstruction Finance Corporation, and operations.

Functions: Erection and leasing, and financing, plants and facilities for production and transportation of war materials. National Defense and World War No. 2.

Expiration: January 22, 1947.

Defense Supplies Corporation

Creation: General enabling statute, an act to amend Reconstruction Finance Corporation Act (15 U. S. C. 606b), chartered by Reconstruction Finance Corporation August 29, 1940.

Control: Organized by officers of, board of directors appointed by Reconstruction Finance Corporation. Board has eight members with 1-year term. No current control by Congress, Treasury, or General Accounting Office; administrative expense reviewed by Bureau of the Budget. Subsidiary of Reconstruction Finance Corporation.

Borrowing power: Financed by Reconstruction Finance Corporation.

Sources of funds: Capital from Reconstruction Finance Corporation. Current needs out of capital, borrowing from Reconstruction Finance Corporation, and operations.

Functions: Production, acquisition, storing, selling, or otherwise dealing in strategic and critical materials. Making loans to finance development, production, and transportation of war materials. National defense and World War No. 2.

Expiration: January 22, 1947.

Federal National Mortgage Association

Creation: General enabling statute, National Housing Act (12 U. S. C. 1716), chartered by Federal Housing Administration February 10, 1938.

Control: Organized by officers of Reconstruction Finance Corporation. Board of directors, nine members with 1-year term, appointed by Reconstruction Finance Corporation. No current control by Congress, Treasury, or General Accounting Office. Administrative expense reviewed by Bureau of the Budget. Under supervision of Reconstruction Finance Corporation, and examination by Federal Housing Administration.

Borrowing power: Bonds, notes, and debentures, not exceeding 20 times the paid-in capital and surplus.

Sources of funds: Capital by Reconstruction Finance Corporation. Current needs out of capital, borrowing, and operations.

Functions: Acts as a bank of discount for title II National Housing Act insured mortgages. Loans secured by insured mortgages.

Expiration: When dissolved.

Metals Reserve Company

Creation: General enabling statute, an act to amend the Reconstruction Finance Corporation Act (15 U. S. C. 606b), chartered by Reconstruction Finance Corporation June 28, 1940.

Control: Organized by officers of, board of directors appointed by Reconstruction Finance Corporation. Board has six members, 1-year term. No current control by Congress, Treasury, or General Accounting Office; administrative expense reviewed by Bureau of the Budget. Subsidiary of Reconstruction Finance Corporation.

Borrowing power: Financed by Reconstruction Finance Corporation.

Sources of funds: Capital from Reconstruction Finance Corporation. Current needs out of capital, borrowing from Reconstruction Finance Corporation, and operations.

Functions: Production, acquisition, storing, selling, or otherwise dealing in strategic and critical metals. National defense and World War No. 2.

Expiration: January 22, 1947.

Petroleum Reserves Corporation

Creation: General enabling statute, an act to amend the Reconstruction Finance Corporation Act (15 U. S. C. 606b), chartered by Reconstruction Finance Corporation June 30, 1943.

Control: Organized by officers of, board of directors of an undetermined number with 1-year term appointed by, Reconstruction Finance Corporation. The charter as amended August 9, 1943, provides that the Administrator of the Foreign Economic Administration shall appoint, and the Board is presently composed of the Secretaries of State, War, Navy, and Interior. No current control by Congress, Treasury, Bureau of the Budget, or General Accounting Office. Now under supervision Foreign Economic Administration.

Borrowing power: Financed by Reconstruction Finance Corporation.

Sources of funds: Capital to be furnished by Reconstruction Finance Corporation. Current needs from borrowing from Reconstruction Finance Corporation.

Functions: Exploration and acquisition of petroleum reserves outside the continental United States—and development, including facilities, of such reserves.

Expiration: January 22, 1947.

The RFC Mortgage Company

Creation: General enabling statute, an act extending functions of Reconstruction Finance Corporation (15 U. S. C. 605), incorporated under the laws of Maryland March 14, 1935.

Control: Organized by officers of, board of directors of seven members with 1-year term appointed by, Reconstruction Finance Corporation. Administrative expense limitation under current control by Congress and Bureau of the Budget. No similar control of other transactions. Subsidiary of Reconstruction Finance Corporation.

Borrowing power: Limited by Reconstruction Finance Corporation authority on loans outstanding under section 5c of its act—shall not exceed at any one time $100,000,000 (15 U. S. C. 606i).

Sources of funds: Capital from Reconstruction Finance Corporation. Current needs from capital, borrowing from Reconstruction Finance Corporation, and operations.

Functions: Making mortgage loans on income-producing real property—apartments, hotels, business, and office buildings—for construction or refinancing.

Expiration: When dissolved.

Rubber Development Corporation

Creation: Incorporated privately under the laws of Delaware November 20, 1940, as the Pacific Development Co., Inc., acquired by the Defense Supplies Corporation February 10, 1943, later transferred to Reconstruction Finance Corporation. The Delaware charter was amended February 18, 1943, to change the name to Rubber Development Corporation. Acquisition is based on the authority of an act to amend the Reconstruction Finance Corporation Act (15 U. S. C. 606b).

Control: The Corporation and its functions, powers, and duties (together with

those of Reconstruction Finance Corporation and the Secretary of Commerce), were transferred to the Office of Economic Warfare (the Foreign Economic Administration) July 15, 1943. No current control by Congress, Treasury, or General Accounting Office, administrative expense reviewed by Bureau of the Budget through an informal agreement.

Borrowing power: Reconstruction Finance Corporation supplies necessary funds through loans under terms and conditions determined by the Director of War Mobilization.

Sources of funds: Capital from Reconstruction Finance Corporation. Current needs from capital, borrowing, and operations.

Functions: Development and procurement of natural rubber, principally in Latin America, disposal through Rubber Reserve Company. World War No. 2.

Expiration: January 1, 1947.

Rubber Reserve Company

Creation: General enabling statute, an act to amend the Reconstruction Finance Corporation Act (15 U. S. C. 606b), chartered by Reconstruction Finance Corporation, June 28, 1940.

Control: Organized by officers of, board of directors of six with 1-year term appointed by, Reconstruction Finance Corporation. No current control by Congress, Treasury, or General Accounting Office; administrative expense reviewed by Bureau of the Budget. Subsidiary of Reconstruction Finance Corporation.

Borrowing power: Financed by Reconstruction Finance Corporation.

Sources of funds: Capital from Reconstruction Finance Corporation. Current needs from capital, borrowing from Reconstruction Finance Corporation, and operations.

Functions: Acquiring crude rubber (sole importer), aiding in establishment of synthetic rubber plants, acquiring scrap rubber. Handles Rubber Development Corporation's production. National defense and World War No. 2.

Expiration: January 22, 1947.

United States Commercial Company

Creation: General enabling statute, an act to amend the Reconstruction Finance Corporation Act (15 U. S. C. 606b), chartered by Reconstruction Finance Corporation, March 26, 1942.

Control: Organized by officers of, and board of directors of nine with 1-year term appointed by, Reconstruction Finance Corporation. The functions, powers, and duties of the Company (together with those of the Reconstruction Finance Corporation and of the Secretary of Commerce) were transferred to the Office of Economic Warfare (now Foreign Economic Administration) July 15, 1943, which may reconstitute the Board. No current control by Congress, Treasury, or General Accounting Office; administrative expense reviewed by Bureau of the Budget through an informal arrangement.

Borrowing power: Financed by Reconstruction Finance Corporation.

Sources of funds: Capital from Reconstruction Finance Corporation. Current needs from capital, borrowing from Reconstruction Finance Corporation, and operations.

Functions: Acquisition, storing, selling, or otherwise dealing in strategic and critical materials, and to acquire any materials necessary in the prosecution of economic warfare. World War No. 2.

Expiration: January 22, 1947.

War Damage Corporation

Creation: General enabling statute, an act to amend the Reconstruction Finance Corporation Act (15 U. S. C. 606b), chartered by Reconstruction Finance Corporation December 13, 1941.

Control: Organized by officers of, and board of directors of nine members with 1-year term appointed by, Reconstruction Finance Corporation. No current control by Congress, Treasury, or General Accounting Office; administrative expense reviewed by Bureau of the Budget. Subsidiary of Reconstruction Finance Corporation.

Borrowing power: Financed by Reconstruction Finance Corporation.

Sources of funds: Capital from Reconstruction Finance Corporation. Current needs from capital and operating revenues.

Functions: To provide insurance against loss or damage to real and personal property which may result from enemy attack. World War No. 2.

Expiration: January 22, 1947.

DEPARTMENT OF THE INTERIOR

The Virgin Islands Company

This company was organized by the Secretary and Assistant Secretary of the Interior and the Governor of the Virgin Islands and was incorporated by the Colonial Council of the Municipalities of St. John and St. Thomas April 16, 1934.

A board of trustees, three members with indefinite terms, appointed under an ordinance of the government of the Virgin Islands, manages the Company.

Its charter provides general borrowing power.

It started on a loan by the Federal Surplus Commodities Corporation (later paid by a grant by Federal Emergency Relief Administration) and had grants (through the Virgin Islands Government) made by Federal Emergency Relief Administration and by Federal Emergency Administration of Public Works—all to an amount of $885,900.

It operates factories, mines, farms, and other enterprises with a stated purpose of effecting the economic rehabilitation of the islands.

DEPARTMENT OF JUSTICE

Federal Prison Industries, Inc.

Creation: Specific enabling statute, an act to authorize a body corporate (18 U. S. C. 744i), chartered by the President, Executive Order 6917, December 11, 1934.

Control: Organized by the President. Board of directors, five members with indefinite term, appointed by the President, subject to confirmation by the Senate. No current control by Congress or Bureau of the Budget, but subject to Treasury warrant and General Accounting Office audit and settlement. Under supervision of the Bureau of Prisons in the Department of Justice.

Borrowing power: No provision.

Sources of funds: No capital stock. Original capital provided by transfer of prison industries fund, and assets related thereto. Current needs supplied by operations.

Functions: To provide employment and training of prison inmates; production of articles and commodities for Government use including war goods; trade training schools.

The board members represent agriculture, industry, labor, the public, and the Attorney General.

Expiration: When dissolved.

WAR DEPARTMENT

United States Spruce Production Corporation

Creation: Specific enabling statute, an act making appropriation for the support of the Army (40 Stat. 888), incorporated under the laws of the State of Washington, August 20, 1918.

Control: Organized by the Director of Aircraft Production, United States Army. Board of directors, three members, indefinite term, appointed by the Secretary of War. No current control by Congress, Treasury, Bureau of the Budget, or General Accounting Office.

Borrowing power: None.

Sources of funds: Capital supplied by appropriation; otherwise from capital and operations.

Functions: To stimulate spruce production for aircraft construction during World War No. 1.

Expiration: In liquidation.

EXECUTIVE OFFICE OF THE PRESIDENT

Cargoes, Inc.

Creation: Incorporated privately, October 30, 1941, as Ships, Inc., under the laws of the State of New York. Acquired by Reconstruction Finance Corporation for Lend-Lease Administration, June 17, 1942, and name changed to Cargoes, Inc. The acquisition was made by Presidential directive under Reconstruction Finance Corporation authority to create corporations (15 U. S. C. 606b).

Control: Board of directors, nine members, 1-year term, appointed by Lend-Lease Administrator. No current control by Congress, Treasury, Bureau of the Budget, or General Accounting Office; but arrangements are under way to submit accounts to the latter for audit.

Borrowing power: Ordinary under charter.

Sources of funds: Capital by allocations to Reconstruction Finance Corporation out of lend-lease appropriations. Current needs from capital and further lend-lease allocations.

Functions: Experimental design, engineering and construction in watercraft and aircraft for war and commerce.

Expiration: When dissolved.

Corporations Organized by Coordinator of Inter-American Affairs

The following corporations were established by the Coordinator of Inter-American Affairs under authority expressed in certain appropriations acts. All were incorporated under the laws of Delaware.

Institute of Inter-American Affairs: To carry out programs in the Western Hemisphere concerning health, sanitation, food production, education. Created March 31, 1942 (55 Stat. 819).

Institute of Inter-American Transportation: To assist and improve the means and methods of transportation in the Western Hemisphere, particularly the rehabilitation of the Mexican National Railways. Created June 26, 1943 (56 Stat. 708).

Inter-American Educational Foundation, Inc.: To carry out an inter-American educational program by means of modern educational techniques and teaching aids, and training teachers and school administrators. Created September 25, 1943 (57 Stat. 529).

Inter-American Navigation Corporation: To construct, acquire, and operate wooden vessels to supplement ocean shipping facilities in the Western Hemisphere, primarily in the Gulf and Caribbean areas. Created July 14, 1942. Now in liquidation (55 Stat. 819).

Prencinradio, Inc.: To develop and encourage a wider distribution of information in the American republics. Created July 20, 1942 (55 Stat. 819).

All were established as World War No. 2, emergency, nonprofit agencies. Funds are provided by allocations out of appropriations to the Coordinator and to the President's emergency funds.

Each is managed by a board of directors, various number of members, 1-year term, appointed by the Coordinator. No current control by Congress or Treasury. The Bureau of the Budget exercises partial control over these corporations by establishment of personnel ceilings, and is kept currently advised as to their activities through an informal arrangement with the Office of the Coordinator. Arrangements for the audit of the transactions by the General Accounting Office have been completed.

Inter-American Navigation Corporation expires July 14, 1952, and is now in liquidation; others when dissolved.

Smaller War Plants Corporation

Creation: Direct statute, an act to mobilize the production facilities of small business (50 U. S. C. 1104), chartered by this act June 11, 1942.

Control: Organized by act of Congress. Board of directors, five members with indefinite terms, appointed by the Chairman of War Production Board. Administrative expense limitation under control of Congress, Treasury, Budget, and General Accounting Office. No similar control over other current transactions. Under War Production Board.

Borrowing power: None provided.

Sources of funds: Capital provided by appropriation. Current needs supplied out of capital and operations.

Functions: Mobilizing production capacity, and determining means by which small business concerns can be utilized to augment war production. Interest-earning loans to small war plants.

Expiration: July 1, 1945.

NATIONAL HOUSING AGENCY

Defense Homes Corporation

Creation: Allocation letter of the President, dated October 18, 1940, allocating funds to the Federal Loan Administrator for its capitalization, pursuant to authority contained in the Military Appropriation Act, 1941 (54 Stat. 377), and the Naval Appropriation Act, 1941 (54 Stat. 297). Incorporated under the laws of Maryland October 23, 1940.

Control: Organized by officers of Reconstruction Finance Corporation at direction of Federal Loan Administrator. Board of directors, eight members, 1-year term, one appointed by Reconstruction Finance Corporation and seven by National Housing Agency. No current control by Congress, Treasury, or General Accounting Office; Bureau of the Budget reviews administrative expense. Now a division of the National Housing Agency and coordinated with Federal Public Housing Authority.

Borrowing power: Ordinary under charter.

Source of funds: Capital by allocation out of President's emergency appropriation, which was subsequently reimbursed from funds appropriated for this purpose by section 3 of the act of October 14, 1940 (53 Stat. 1126). Current needs from capital, borrowing from Reconstruction Finance Corporation, and operations.

Functions: Construction of housing in war plant areas and operation of completed housing on a rental basis. National Defense and World War No. 2.

Expiration: When dissolved.

Federal Home Loan Banks (12)

Creation: Specific enabling statute, Federal Home Loan Banks Act (12 U. S. C. 1437), chartered by the Federal Home Loan Bank Board October 1932.

Control: Organized by the Federal Home Loan Bank Board. Federal Home Loan Bank Commissioner (superseding F. H. L. B.) appointed by the President for an indefinite term, subject to Senate confirmation. No current control by Congress, Treasury, Bureau of the Budget, or General Accounting Office. Under supervision of, and examination by, Federal Home Loan Bank Administration in the National Housing Agency.

Borrowing power: Debentures under terms and conditions prescribed by the Home Loan Bank Commissioner, not to exceed five times the paid-in capital.

Sources of funds: Capital stock, Reconstruction Finance Corporation and member institutions. Current needs supplied by capital, operations, and borrowing.

Functions: To provide credit for home financing institutions—loans to member institutions.

Mixed ownership: Member institutions own capital stock in the banks to an amount of $54,720,850 and the United States through Reconstruction Finance Corporation owns $124,741,000. The United States does not participate in earned surplus, but shares equally in dividends. Its stock may be retired at any time subject to the provisions of the act of June 27, 1934 (48 Stat. 1264). Member institution stock is retired upon termination of membership.

Expiration: When dissolved.

Federal Public Housing Authority

(Formerly U. S. Housing Authority)

Creation: Direct statute, United States Housing Act of 1937 (42 U. S. C. 1403), chartered by act of Congress September 1, 1937.

Control: Organized by act of Congress. One Commissioner appointed by the President, subject to Senate confirmation, for a 5-year term. Currently under control of Congress as to administrative expense (except for Public Works Administration projects) and housing subsidies, similarly subject to Treasury warrants and Bureau of the Budget review. All transactions subject to audit by General Accounting Office. Constituent unit of the National Housing Agency.

Borrowing power: May issue notes, debentures, or otherwise, guaranteed by the United States, with the approval of the Secretary of the Treasury, not to exceed $800,000,000—for periods not to exceed 60 years.

Sources of funds: Appropriations and proceeds, note borrowing. Receipts in housing operation and maintenance, and interest on loans.

Functions: Assisting public-housing bodies to provide low-rental housing—annual subsidy contributions, capital grants, and loans. Administration of housing projects and limited-dividend housing corporations developed by the Public Works Administration, and of certain resettlement projects formerly under Farm Security Administration.

Expiration: When dissolved.

Federal Savings and Loan Insurance Corporation

Creation: Direct statute, National Housing Act (12 U. S. C. 1725), chartered by act of Congress June 27, 1934.

Control: Organized by act of Congress. Federal Home Loan Bank Commissioner appointed by the President, subject to confirmation by the Senate for an indefinite term. Administrative expense is subject to limitation by Congress, Treasury warrant, Bureau of the Budget, and General Accounting Office; no control in these respects over other current transactions. Under supervision of Federal Home Loan Bank Administration in National Housing Agency.

Borrowing power: For its legal purposes, bonds or debentures under terms and conditions prescribed by the Home Loan Bank Commissioner.

Sources of funds: Capital stock purchased by Home Owners' Loan Corporation and paid for in bonds. Current needs supplied by assessments upon insured savings and loan associations and investment income.

Functions: Insurance of accounts of savings and loan associations, assessments upon associations for insurance premiums. Restoration or liquidation of insured embarrassed associations.

Expiration: When dissolved.

Home Owners' Loan Corporation

Creation: Specific enabling statute, Home Owners' Loan Act (12 U. S. C. 1463a), chartered by the Federal Home Loan Bank Board June 14, 1933.

Control: Organized by members of the Federal Home Loan Bank Board. Federal Home Loan Bank Commissioner appointed by the President for an indefinite term, subject to Senate confirmation. Administrative expense limitation under current control by Congress, Treasury, and Bureau of the Budget; all transactions audited by General Accounting Office—a division of Federal Home Loan Bank Administration in the National Housing Agency.

Borrowing power: Bonds, guaranteed by the United States, with approval of the Secretary of the Treasury, limitation $4,750,000,000. Lending authority expired June 12, 1936. New issues may be only for refunding.

Source of funds: Capital stock by Reconstruction Finance Corporation, later reimbursed by Treasury. Current needs supplied by loan repayments and interest.

Functions: Emergency long-term mortgage loans to distressed urban home owners.

Expiration: June 12, 1936 (now in liquidation).

United States Housing Corporation

Creation: General enabling statute, an act to authorize the President to provide housing for war needs (40 Stat. 550), incorporated under the laws of the State of New York July 8, 1918.

Control: Organized by the Secretary of Labor. Presently under the Federal Home Loan Bank Commissioner in the National Housing Agency. Liquidation expense under Congress and Bureau of the Budget limitation, all transactions submitted to General Accounting Office for audit and settlement.

Borrowing power: None.

Sources of funds: Capital out of an appropriation; current needs from capital and operations.

Functions: World War No. 1 housing.

Expiration: In liquidation.

INDEPENDENT CORPORATIONS

FEDERAL DEPOSIT INSURANCE CORPORATION

Creation: Direct statute, Banking Act of 1933 (12 U. S. C. 264a), chartered June 16, 1933, by act of Congress.

Control: Organized by act of Congress. Board of directors, three for 5- and 6-year terms, Comptroller of the Currency by law, and two appointed by the President with advice and consent of the Senate. No current control by Congress, Treasury, Bureau of the Budget, or General Accounting Office. Independent establishment.

Borrowing power: Bonds, notes, and debentures not exceeding three times amount of capital stock plus assessments on member banks in 1936.

Sources of funds: Capital subscribed and paid in by appropriation for Government's share, other by Federal Reserve banks. Current needs out of assessments on insured banks and investment income.

Functions: To insure accounts of bank depositors (up to $5,000 on individual account). Assessments on insured banks, examinations of insured banks, receiverships of closed banks. Incidentally supervises and examines Federal credit unions.

Mixed ownership: Of the total share capital, the United States paid in $150,000,000, and Federal Reserve banks $139,299,557. No provision is made for retirement of stock, for dividends, or for voting.

Expiration: When dissolved.

PANAMA RAILROAD COMPANY

Creation: Privately incorporated under the laws of the State of New York, April 7, 1849, and acquired by purchase June 28, 1902. Acquisition was had under an act to provide for the construction of a canal (32 Stat. 481).

Control: The Secretary of War is the principal stockholder on behalf of the United States and appoints 13 directors with an indefinite term. No current control by Congress, Treasury, Bureau of the Budget, or General Accounting Office. Independent establishment.

Borrowing power: Only charter provisions with no particular limit beyond the discretion of the board of directors. No outstanding securities at present time.

Source of funds: Appropriation for acquisition. Current needs supplied by operations.

Functions: Adjunct to the Panama Canal and Canal Zone. Operates a railroad across the Isthmus of Panama; steamship lines; farms, industries, services, coaling stations, commissaries, hotels, and other facilities in the Canal Zone. Exercising monopolies in its many fields is highly profitable and dividend returns to the Government are approaching a total of 200 percent of the investment.

Expiration: When dissolved.

TENNESSEE VALLEY ASSOCIATED COOPERATIVES, INC.

This Corporation was organized by the Board of Directors of the Tennessee Valley Authority on January 23, 1934, and incorporated under the laws of Tennessee.

Its purpose is to administer a grant of $300,000 made to the State of Tennessee by the Federal Emergency Relief Administration for use in financing cooperatives in the Tennessee Valley area.

There seems to be no statutory authority under which the Board of the Tennessee Valley Authority could organize a corporation.

The Corporation was organized with an authorized capital stock of 100 shares with no par value, to commence business with a minimum capital of $1,000. No cash was paid for the stock, which was issued in the name of the United States. The $300,000 grant is set up on the books of the Corporation as $1,000 capital and $299,000 paid-in surplus.

It has a board of three directors appointed by the Board of the Tennessee Valley Authority and has usual charter powers including that to borrow on notes, bonds, and other obligations. It is under no current control by any Federal agency.

TENNESSEE VALLEY AUTHORITY

Creation: Direct statute, Tennessee Valley Authority Act of 1933 (16 U. S. C. 831), chartered by this act May 18, 1933.

Control: Organized by act of Congress. Board of Directors, 3 members with a 9-year term appointed by the President, subject to Senate confirmation. All transactions under current control by Congress, Treasury, Bureau of the Budget, and General Accounting Office; however, in the case of General Accounting, control is less complete and less strict than that over regular Government agencies. Independent establishment.

Borrowing power: Bonds as specified in Tennessee Valley Authority Act, as amended, guaranteed by the United States $61,772,560, on credit of United States $8,300,000, subject to approval by the Secretary of the Treasury.

Sources of funds: No capital stock. Construction and other needs supplied by appropriations and revenue receipts. Borrowing for particular purposes.

Functions: Navigation and flood control on the Tennessee River and its tributaries, and including major water-power projects. Generation and distribution of electric energy. Production of strategic war supplies.

Expiration: When dissolved.

CORPORATIONS CREATED PRIVATELY OR QUASI PRIVATELY AND WITH WHICH THE GOVERNMENT MAY HAVE A PROPRIETARY INTEREST OR A CONTRACTURAL RELATION

Alaska Rural Rehabilitation Corporation: Established and initially financed by the Federal Emergency Relief Administration in 1935 to manage the Matanuska Colony in Alaska. Incorporated under the laws of Alaska Territory.

American President Lines, Ltd.: This is a Delaware corporation created in 1929, and in 1938 the United States Maritime Commission acquired class A and class B stock in nominal value $2,666,303. This represents approximately 93 percent of the voting power and approximately 76 percent of the common stock equity, but is junior in equity to 34,189 shares of 5-percent noncumulative preferred stock with a par value of $100 per share. No cash was paid by the Commission, the acquisition resulting from a settlement of accounts between the Dollar Steamship Line and the Commission. Consideration is being given to the possibility of bringing about private ownership of the lines at an appropriate time. A special report of the United States Maritime Commission on the reorganization of the American President Lines, Ltd., was transmitted to Congress on April 10, 1939.

Colonial Mica Corporation: This corporation operates only as an agency of Metals Reserve Company to develop mica resources.

Copper Recovery Corporation: Acts similarly to salvage copper—acquisition, handling, and disposition. No longer active.

Steel Recovery Corporation: Acts only as an agency of Metals Reserve Company to salvage steel—acquisition, handling, and disposition. No longer active.

Textile Foundation, Inc.: Created as a body corporate of the District of Columbia June 11, 1930 (15 U. S. C. 501). The corporation was created to administer and expend its funds and property for scientific and economic research for the benefit and development of the textile industry and its allied branches. The Government's interest involves the proper administration of a fund of $2,000,000 transferred from the Textile Alliance, Inc., to the Textile Foundation. This amount represented profits in buying and selling German dyes by the Alliance under an arrangement with the State Department. The Foundation reports to Congress and to the President annually (15 U. S. C. 505).

War Emergency Pipelines, Inc.: Was organized to construct the Government 24-inch pipe line as the agent of Defense Plant Corporation. Later Defense Supplies Corporation leased the pipe line and appointed the War Emergency Pipelines as its agent to manage and operate the line.

War Hemp Industries, Inc.: Is employed as an independent contractor for managerial services for hemp mills built by Defense Plant Corporation and leased to Commodity Credit Corporation, and as agent for buying and selling hemp for account of Commodity Credit Corporation. Commodity Credit provides operating funds on a loan basis and has supervisory control.

War Materials, Inc.: Was organized at the request of Metals Reserve Company for the purpose of acting as agent for the acquisition, handling, and disposition of all types of scrap material. No longer active.

Welfare and Recreational Association of Public Buildings and Grounds: This organization was established in December 1926 by the then Superintendent of Public Buildings and Public Parks of the National Capital and incorporated under the laws of the District of Columbia as a nonstock, nonprofit, charitable corporation. It has been held by the Comptroller General to be a Federal agency.

The purposes of the association are to operate cafeterias and stands in Federal buildings for Federal employees; to render first aid in case of sickness or accident; to assist Government employees in case of emergency or distress; to conduct tourist camps, bathing pools, tennis courts, and other recreational facilities.

The Government provided no funds by way of capital or for operation. The association conducts its operations rent free in Government buildings and on Government property and utilizes the facilities thereof.

After setting up a reserve of $25,000, and maintaining a cash balance of $10,000, 50 percent of the net profit, computed after deducting all expenses and cost of establishing new activities and the employment of existing ones, is paid over to the United States.

Receipts and expenditures are audited by the General Accounting Office.

Farmers' Home Corporation: Was authorized and chartered by Congress (7 U. S. C. 1014) in 1937 to administer farm tenancy and rural rehabilitation (new functions of the Farm Security Administration). Organization has not been completed and so far the Corporation remains inactive.

SECTION IV. FINANCIAL CONDITION

The corporate form is used to establish a revolving fund and maintain a constant source of cash and credit from capital invested and borrowing power.

Table 1 is a combined balance sheet of the several corporations as of June 30, 1943. This table is in three parts—Part I, Assets; Part II, Liabilities; Part III, Net worth.

Part I discloses total assets of $20,400,000,000 net—$27,000,000,000 gross, less $6,600,000,000 in intercorporate assets. Of the gross total $6,300,000,000 were in loans; $6,300,000,000 in other receivables; $6,000,000,000 in land, structures, and equipment; $2,000,000,000 in commodities, supplies, and materials. These assets are stated "Net of reserves," which reserves are fixed by the several corporations. No reserve is established in respect to Defense Plant Corporation's more than $4,000,000,000 worth of land, structures, and equipment. The Corporation is fully cognizant of possible losses, but finds itself without any suitable basis for a determination. This latter statement has varying application to all war corporations.

Part II shows liabilities as $16,300,000,000 net—$22,500,000,000 gross, less $6,200,000,000 in intercorporate liabilities. Of the combined total, $18,400,000,000 were in bonds, notes, and debentures, and of which $7,500,000,000 were held by the Treasury.

Part III, net worth, shows proprietary interest on the part of the Government as $3,700,000,000 net, and private ownership as $440,000,000. The Government does not participate in the earned surplus of the Federal land banks or the Federal home-loan banks; dividends, however are paid on home-loan banks' stock owned by the Government. All earned surplus is waived in the case of the Federal Deposit Insurance Corporation and of the Federal Savings and Loan Insurance Corporation to establish a reserve for possible insurance losses; this is done on account of the lack of actuarial experience in the fields of the two corporations. Corporations having mixed ownership are the banks for cooperatives, Federal land banks, Federal Deposit Insurance Corporation, and Federal home-loan banks.

The proprietary interest of the Government is analyzed into capital stock, nonstock capital, paid-in surplus, and earned surplus.

Table 2 is a statement of the profit or loss—operating income, operating expense, adjustments—for the fiscal year ended June 30, 1943. Profit and loss means little at this time, and it will be years before the results of operations will be known. For the most part operations cannot be measured by profit and loss.

It would be well at this time to consider the return of Government capital to the Treasury. This should include the corporations under the Farm Credit Administration—banks for cooperatives, Federal intermediate credit banks, Federal land banks, production credit corporations—the Farm Credit Administration is possibly husbanding the resources of these institutions to an unwarranted degree. Federal home-loan banks could turn back an important part of their Government capital. Home Owners' Loan Corporation could be liquidate in a short time by selling its assets in the present favorable market. Liquidation of other corporations—United States Spruce Production, United States Housing, Inter-American Navigation Corporation—should be concluded with dispatch. Spruce Production and Housing have been in liquidation for more than 25 years.

SECTION V. CONDITIONS UNDER WHICH ORGANIZED

A majority of Government corporations were created during some crisis or emergency.

Commodity Credit Corporation came under the National Industrial Recovery Act and would have expired in 1935, but Congress validated and expanded the Corporation. It is now operating under its original name but with entirely new duties. Its development and present existence are due to crises of various sorts, the last being the present war. Federal Surplus Commodities Corporation, another product under National Industrial Recovery, has a similar history.

Credit institutions under Farm Credit Administration, except for Federal land banks, are largely the result of the farm crisis, which began some time before the 1929 crisis. Federal Crop Insurance Corporation is also a result of the agricultural crisis, although it came at a later date. The break in land-bank bonds brought about the creation of Federal Farm Mortgage Corporation with its United States guaranteed bonds.

Reconstruction Finance Corporation and Federal home-loan banks came with the depression. The subsidiaries of Reconstruction Finance, including those presently under Foreign Economic Administration, were established, the most part, for World War II purposes. This is also true of the corporations organized under the Coordinator of Inter-American Affairs. Export-Import Bank, however, is a hold-over from National Industrial Recovery.

Disaster Loan Corporation was to relieve suffering from floods and other catastrophies. Inland Waterways succeeded to Inland and Coastwise Waterways Service. Smaller War Plants Corporation is a result of World War II, as is also Defense Homes Corporation.

Federal Public Housing Authority (formerly United States Housing Authority), was created under the United States Housing Act of 1937 to take over and continue the housing operations of the Federal Emergency Administration of Public Works.

Home Owners' Loan and Federal Savings and Loan Insurance Corporations were also depression born, as was also Federal Deposit Insurance.

Some question may be raised as to the organization or creation of Federal Surplus Commodities Corporation, Virgin Islands Company, and Tennessee Valley Associated Cooperatives, Inc.

The Federal Surplus Commodities Corporation was organized by the Federal Emergency Relief Administration without any apparent statutory authority, but was later recognized by Congress as an agency of the United States.

Virgin Islands Company was organized by the Secretary of the Interior under a Virgin Islands charter and financed by Federal Emergency Relief Administration and Public Works Administration grants to the islands.

Tennessee Valley Associated Cooperatives, Inc., was organized by the Tennessee Valley Authority under the laws of Tennessee and financed by a Federal Emergency Relief Administration grant to the State.

It would seem that the first of these two organizations belongs to the Virgin Islands and the second to the State of Tennessee. The Tennessee Valley Associated Cooperatives is now abandoned by Tennessee Valley Authority and is running on its own.

Reconstruction Finance Corporation has been used for various financial purposes by Congress since 1933, its life and borrowing power accordingly extended.

SECTION VI. DEVELOPMENT

The magnitude of Government corporations, particularly of Reconstruction Finance Corporation and Commodity Credit Corporation, is now so great as to rival Government proper. In many cases, they exercise power and influence even greater than do departments and establishments. The growth of corporations and credit agencies, from 1933 to 1938 and to 1943 is illustrated in table 7.

Government corporations to a great degree do business in competition with private enterprise. They encroach upon and compete with business, which is under serious disadvantage. They have practically unlimited Government credit at low rates of interest (in the case of Reconstruction Finance Corporation and Commodity Credit Corporation, directly from the Treasury at 1 percent); freedom from Federal, State, and local taxation, except taxes on real estate; and they enjoy the privilege of penalty mail and concessions similar to those enjoyed by regular Federal agencies. Add to these the prestige of a Government agency and business meets an invincible competitor.

Extracorporate functions are undertaken, sometimes imposed by Congress. Witness expenditures undertaken by the Reconstruction Finance Corporation for which reimbursement was made by the Treasury canceling Reconstruction Finance Corporation obligations to an amount of $2,800,000,000. Latterly Reconstruction Finance Corporation and Commodity Credit Corporation have carried on payments of subsidies and buying and selling at a loss in price-support and similar activities. In this respect, subsidiaries or affiliates of the Reconstruction Finance Corporation may be included.

The number of corporations and the interrelations and intertransactions are building up a huge organization. With frequent changes in control much confusion results. From simple beginnings, each with a definite field, there has grown up a vast network, the final results of the operations of which may not be known definitely for years to come.

Tax exemptions

Notes, debentures, bonds or other obligations of Government corporations issued after March 28, 1942, are subject to all Federal taxes. Any such obligations issued prior to that date are subject to all Federal taxes except the normal income tax. Such obligations are generally exempt from all State and local taxes, except State estate, inheritance, gift, or other excise taxes. A Government corporation, including its franchise, its capital, reserves, and surplus and its income are exempt from all taxation imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority; except that any real property shall be subject to State, Territorial, county, municipal, or local taxation to the same extent according to value as other real property is taxed.

Provision, as stated above, is made by statute for all corporations listed under Agriculture except that none is made for Federal Surplus Commodities Corporation, and Federal Crop Insurance Corporation is wholly exempted. Production credit corporations and banks for cooperatives taxables include tangible personal property and provide further that exemptions shall cease with retirement of stock held by the United States.

The same provision covers corporations listed under Secretary of Commerce and Foreign Economic Administration. Provision is similarly made for Smaller War Plants, the corporations listed under Federal Home Loan Bank Administration, and Federal Deposit Insurance Corporation.

The Tennessee Valley Authority pays a percentage of its gross proceeds of power sales to States and counties in which its power operations are carried on (16 U. S. C. 831e).

Federal Public Housing Authority and Defense Homes Corporation and the Virgin Islands Company, pay in lieu of taxes under arrangements negotiated with State and local taxing authorities.

Federal Prison Industries, Inc., the corporations under the Coordinator of Inter-American Affairs, Panama Railroad Company, and Tennessee Valley Associated Cooperatives seem to be without provision.

SECTION VII. ORGANIZATION AND MANAGEMENT

In section III Government corporations by principal features are treated: Creation, control, borrowing power, sources of funds, functions, and expiration.

In creation and control of the several corporations, one would be struck by the diversity of provisions. This diversity appears more particularly in the number of directors, their appointment, and term. It is also quite noticeable in current control by Congress, Treasury, Bureau of the Budget, and General Accounting Office. In the list of corporations with supervising agencies, the corporations are listed under their supervising agencies. Except in those instances where the functions of the supervisory agency are closely tied into the supervised corporation, the supervision may often be perfunctory.

Such corporations as are incorporated under District of Columbia or State laws are listed with the name of the State following the corporate name and are as follows:

Commodity Credit Corporation (Delaware).

Federal Surplus Commodities Corporation (Delaware).

The RFC Mortgage Company (Maryland).

Warrior River Terminal Company (Alabama).

The Virgin Islands Company (Virgin Islands).

United States Spruce Production Corporation (Washington).

Cargoes, Inc. (New York).

Export-Import Bank of Washington (District of Columbia).

Rubber Delevelopment Corporation (Delaware).

Institute of Inter-American Affairs (Delaware).

Institute of Inter-American Transportation (Delaware).

Inter-American Educational Foundation (Delaware).

Inter-American Navigation Corporation (Delaware).

Prencinradio, Inc. (Delaware).

Defense Homes Corporation (Maryland).

United States Housing Corporation (New York).

Panama Railroad Company (New York).

Tennessee Valley Associated Cooperatives, Inc. (Tennessee).

Why a Government organization should be chartered under State laws is hard to understand. The first and most important objection, although without practical significance, is that the Federal Government subordinates itself to a State. An organization establishing itself under a State law assumes all the obligations as well as enjoying all the privileges conferred by a State certificate of incorporation. It acknowledges its liability for corporation taxes and similar levies. It is under obligation to domesticate in other States in which it does business. The Government corporation also may expose itself to assessment for taxes, despite Federal exemptions. Frequently, powers granted under a State charter may exceed the powers intended by Congress to be enjoyed by a corporation so chartered.

Borrowing power is enumerated in the listing by features. In some cases where borrowing power is only expressed as common to charter provisions, it is meant that it has no particular power, and while in its generality it may be liberal, there are no needs or means to exercise it. In table 5, the borrowing power of those corporations, whose obligations are guaranteed by the United States, is listed with limits and principal outstanding.

Functions and sources of funds are fully covered in section III of this report, as is also expiration. Where stated, "When dissolved" after expiration means perpetual or no expression in the charter.

Public control inadequate

There is no effective over-all control. Alone or in certain groups, these corporations are autonomous. These groups are considered in the order of appearance on the list of corporations with supervising agency:

The farm-credit group under the Farm Credit Administration is made up with the cooperatives, intermediate credit, land banks, and production credit—the United States is divided into 12 farm-credit districts. In one city in each district is one each of the four banks. Each district has a farm-credit board, the members of which are ex officio directors of the four banks. Each bank and corporation has its own officers. Each district farm-credit board has seven members with a 3-year term, three elected by the member associations and four appointed by the Governor of the Farm Credit Administration, one of the four subject to nomination by the member associations (borrowers). The activities of the four institutions in a district are coordinated by an executive called the general agent. The central bank for coorperatives operates directly under Farm Credit Administration as does also the regional agricultural credit corporation. All are examined by Farm Credit Administration.

The Reconstruction Finance group is composed of the subsidiaries and affiliates listed under Reconstruction Finance Corporation and also those listed under Foreign Economic Administration. Disaster Loan may be added. Reconstruction Finance audits these institutions internally and has a general financial oversight.

The Coordinator of Inter-American Affairs operates and controls the five listed under this head.

Federal Public Housing Authority and Defense Homes Corporation work together.

The four institutions listed under Federal Home Loan Bank Administration are directed by the Federal Home Loan Bank Commissioner. An examination service is also provided.

Congress should have cognizance of corporations and this may be accomplished by submitting a work program of the ensuing year, with estimates of the year in progress, and of the completed fiscal year, all in the form of a business budget. Congress would then authorize the program with such changes as it would think necessary or desirable, similarly as making an appropriation. Some changes or shifts may be allowed in the program without further congressional action. In short, corporation activities may be brought before Congress annually and authorized in the same manner as appropriations are made for regular Government agencies.

Such work programs would be submitted to the Bureau of the Budget for transmission to Congress in the same manner as are estimates of appropriations. The programs would be published in the Budget, and possibly could be tied in by amounts required out of the Treasury, or to amounts available for return to the Treasury. How this could be controlled by Treasury in its accounts is left as a matter to be worked out.

But most important is that all corporations be brought under review by the General Accounting Office through audit or audit and settlement. Reports of such audits should be made directly to Congress and should be referred to the Committee on Expenditures in the Executive Branch of each House (or preferably to such committees sitting as a joint committee), which committee would report its findings to Congress promptly.

Even though some other means may be devised, the General Accounting Office, the agency of Congress to enforce the legislative will, should be brought into this picture. It is important that the functions of a comptroller be included with those of an auditor in this respect.

There has been a growing independence on the part of corporations to resist attempts of the General Accounting Office to audit their accounts; on the other hand, this Office has neglected to press its rights in this matter.

Executive Order 6549, issued January 3, 1934, provided:

"By virtue of the authority vested in me as President of the United States, it is hereby ordered and directed that accounts of all receipts and expenditures by governmental agencies, including corporations created after March 3, 1933, the accounting procedure for which is not otherwise prescribed by law, shall be rendered to the General Accounting Office in such manner, to such extent, and at such times as the Comptroller General of the United States may prescribe, for settlement pursuant to title III of the act of June 10, 1921 (42 Stat. 23)."

This order was unfortunate in its wording in that it provided for a rendering of accounts, similar to the regular agencies of Government. As a matter of fact, corporations require some treatment different from that accorded such agencies. Many corporations are by law exempt from the adjustment and settlement of accounts by the Comptroller General.

Already too much disparity has grown up in the control of corporations and the aim should be to unify it as much and as nearly as possible.

But something should be done without delay. No major owner of corporate stock would be satisfied to permit his corporation to be run in the manner now nearly common to Government corporations.

While on this subject, it may be remarked that many corporations engage outside public accountants to audit their accounts. The Government, with an accounting set-up that should be the equal of any accounting firm in the country, should be free of this necessity.

SECTION VIII. CREDIT AGENCIES AND ENTERPRISES EXCLUDED

A number of credit agencies and enterprises report, under Budget-Treasury Regulation No. 2, to the Treasury in the same manner as do corporations. This report does not concern itself with these; it covers only corporations.

For ready reference these agencies are listed as follows:

Farm Credit Administration:
- Agricultural Marketing Act revolving fund.
- Emergency Crop and Feed Loans.

Farm Security Administration.
Federal Housing Administration.
Federal Security Agency: Office of Education, loans to students.
Federal Works Agency: Office of Administrator, community facility loans.
Interior Department:
- Puerto Rican hurricane relief loans.
- Office of Indian Affairs loans.

Navy Department: Sale of surplus supplies.
Public Works Administration.
Puerto Rico Reconstruction Administration.
Rural Electrification Administration.
Treasury: Miscellaneous loans.
United States Maritime Commission.
War Shipping Administration.

SECTION IX. INFORMATIONAL TABLES

Tables 1 and 2 are discussed in section IV, Financial Condition.

Table 3 is a schedule of capital stock owned by the United States, to whom issued and for whom held, as of June 30, 1943.

Table 4 shows the proprietary interest in Government corporations with mixed ownership—that of the Government and of private owners, as of June 30, 1943.

Table 5 is a statement of borrowing power and obligations outstanding of corporations and credit agencies authorized to issue obligations guaranteed by the United States as of March 31, 1944. Included are the Federal Housing Administration and United States Maritime Commission not otherwise covered in this report.

Table 6 is a schedule of loans outstanding of the corporations as of March 31, 1944. No intercorporate loans are included.

Table 7 is a statement of combined assets and liabilities and net worth, the number of corporations and credit agencies, and amount of loans outstanding—by fiscal years 1933, 1938, and 1943. This compilation includes credit agencies for the reason they could not be readily separated from corporations in the earlier years.

Table 8 gives the number of employees by corporations as of April 30, 1944.

Table 9 is a list of principal and field offices of the several corporations.

SECTION X. CONCLUSIONS

The conclusions to be drawn from this presentation are—

1. A great diversity in creation and organization of Government corporations is noted.

2. The lack, generally, of over-all control, current control by Congress, the Budget, Treasury, and General Accounting Office should have immediate attention.

3. To a large extent some corporations carry on extra corporate functions, such as payment of subsidies, price supports, buying and selling at a loss.

4. Government corporations were principally created to meet a crisis or emergency.

5. The corporate form has been too freely resorted to. Corporations were formed in many cases in which an ordinary agency would have sufficed.

6. Using State charters to implement corporations is anomalous, and may be objectionable and dangerous.

7. Government corporations have not been successful on a profit-and-loss basis, but such corporations are not usually established to make money. Panama Railroad Company (operating a monopoly in the Canal Zone) is an exception.

8. Farm-credit institutions are to some extent overcapitalized, and a return to the Treasury should be considered.

9. The number of corporations and their complicated interrelations defeat a clear unstanding of the purposes and objectives of each.

SECTION XI. RECOMMENDATIONS

It is recommended—

1. That over-all public control be established promptly with reference to current control by the Congress, the Budget, Treasury, and General Accounting Office.

(a) To take form of a business-type budget—a work program for the ensuing year, with comparisons for the year in progress, and for the last completed year—presented to the Bureau of the Budget;

(b) After review and modification to be included in the Budget for submission to Congress;

(c) To be acted upon by Congress in a similar manner as to appropriations;

(d) With provision for control accounts in the Treasury, and audit by the General Accounting Office.

2. That the Comptroller General of the United States be made the auditor and comptroller, ex officio, of each and every Government corporation.

It would be necessary in carrying out this procedure to make provision for some discretion in executing the programs as authorized;

And to arrange for the procedure as to audit and settlement by the General Accounting Office, and for the manner of Treasury control.

The Secretary of the Treasury and the Director of the Budget are not in complete agreement with recommendation No. 2 of the report.

TABLE 1.—*Statement of assets, liabilities, and net worth of Government corporations, as of June 30, 1943*

PART I—ASSETS

(Cents omitted)

Corporation	Cash	Investments			Loans receivable (net of reserves)	Accounts and other receivables (net of reserves)	Accrued assets (net of reserves)	Commodities, supplies, and material	Land, structures, and equipment (net of reserves)	Acquired security or collateral (net of reserves)	Deferred charges	Undistributed debits and other assets	Intercorporate proprietary interest	Total assets
		United States securities	Securities guaranteed by the United States	Other (net of reserves)										
Department of Agriculture:														
Banks for cooperatives	$44,134,792	$33,596,688	$201,000		$125,132,855	$60,169	$821,694		$59,385	$39,123	$1,752			$204,047,458
Commodity Credit Corporation	1,562,596,343				221,986,083	314,780,250	13,013,257	$951,918,359	27,325,867	488,339,449	1,625,985			3,581,495,573
Federal Crop Insurance Corporation	7,130,254					1,832,228		6,279,678	124,215			$3,273,922		18,670,297
Federal Farm Mortgage Corporation	6,076,140		115,000,000	$502,834,800	399,141,774	2,759,189	15,128,164			7,180,706	54,620	21,946		1,048,297,539
Federal intermediate credit banks	20,118,986	36,000,000			324,604,416	59,964	2,010,287				87,458			382,881,111
Federal land banks	41,270,440	226,353,824	101,648,000	2,940,249	1,544,657,216	6,701,580	29,274,202		5,307,377	17,967,505	2,632,603	69,313		1,985,822,319
Federal Surplus Commodities Corporation	3,425,199					25,595		708,187	22,889					4,181,870
Production credit corporations	778,461	36,057,709		89,990,530		51,346	174,229		45,600		2,840			127,100,706
Regional agricultural credit corporations	11,264,286				53,630,410	94,435	467,877			3,824		15		65,460,847
Department of Commerce:														
Disaster Loan Corporation	15,696,757				2,272,888	819,392	20,140		3,922	31,413				18,844,512
Export-Import Bank of Washington	68,253,853				128,370,299	48,642	4,835,512		22,052	2	86,400			201,616,760
Inland Waterways Corporation [1]	1,112,898	5,771,762			372,188	640,980	17,922	309,702	16,184,858		33,221			24,443,531
Reconstruction Finance Corporation [2]	4,285,334	64,031,900		364,337,103	1,388,221,334	5,203,675,393	119,706,512		976,912	21,370,550	276,871	2,806,603	$360,741,000	7,530,429,512
Defense Plant Corporation	1,049,391					442,601,429			4,026,562,150		4,522,117	143,175,938		4,617,911,025
Defense Supplies Corporation	12,538,887				84,289,963	200,881,605	1,442,711	333,347,526	5,519,950		5,942,045	606,566		644,569,253
Federal National Mortgage Association	8,709,519		756,250		72,165,682	118,136	337,829		29,697	143,945	1,885			82,262,943
Metals Reserve Company	1,568,705			1,099,362		65,156,080		421,000,528	5,900,537		2,000	4,762,640		499,489,852
Petroleum Reserves Corporation [3]														
RFC Mortgage Company, The	1,847,667		448,500		97,119,123	110,166	587,427		9,806,204	306,550	422,083			110,617,720
Rubber Development Corporation	15,615,782			1,000,000		1,466,280		19,698,846	54,021			535,090		38,370,019
Rubber Reserve Company	1,473,100					41,492,163		130,609,926	524,730		32,891,213	2,751,116		209,742,248
United States Commercial Company	20,444,323					6,284,001		54,317,466	19,774			417,417		81,432,981
War Damage Corporation	128,382,840					147,657	580,159		3,947					129,114,603
Department of the Interior: Virgin Islands Company, The	130,039					239,822		634,767	227,308		4,722			1,236,658
Department of Justice: Federal Prison Industries, Inc.	6,215,841					2,533,617		4,658,164	4,174,770			60,700		17,043,092
War Department: United States Spruce Production Corporation	60,674	113,677				246,485	1,006		2,230					424,072
Executive Office of the President:														
Cargoes, Incorporated	345,614							1,011,152	1,133		213			1,358,112
Institute of Inter-American Affairs	26,599,897					12,145			169,789					26,781,831
Institute of Inter-American Transportation [3]														
Inter-American Navigation Corporation	291,376					295,179			86,712		498			673,765
Smaller War Plants Corporation	136,129,876				5,456,842	539,992	29,726		1,270,197			755,246		144,181,879
National Housing Agency:														
Defense Homes Corporation	877,913				870,833	32,170	17,663	53,360	53,519,755		122,322			55,494,016
Federal home loan banks	14,788,921	154,160,436	770,000		90,191,577	8,197	695,778		12		13,426			260,628,347
Federal Public Housing Authority	57,135,975	7,158,280		210	329,448,156	4,368,364	523,090	9,727	1,141,998,199		165,830			1,533,907,831
Federal Savings and Loan Insurance Corporation	971,924	136,083,108	1,200,000			1,051,690	110,861		1	3,827,167	4,485			143,249,155
Home Owners' Loan Corporation	47,344,234	9,984,000		108,403,410	1,398,955,492	397,141	3,646,217		2,615,953	182,026,364	51,710	109,389	100,000,000	1,853,533,910
United States Housing Corporation	534,667					129,470	87,501		1	899,130	32,068			1,682,837
Independent establishments:														
Federal Deposit Insurance Corporation	28,105,188	575,297,270			23,812,878	596,324	1,817,542	73,930	1	30,895,490	348			660,508,977
Panama Railroad Company	11,653,921	8,860,629		11,385		4,137,547	27,348	11,741,220	36,569,558		164,129	1		73,165,738
Tennessee Valley Associated Cooperatives, Inc.	13,465			33,825	240,388						2,102			289,780
Tennessee Valley Authority	1,831,708				3,422,996	5,394,050	8,496	5,717,744	634,181,260					650,556,224
Total assets	2,316,715,190	1,293,469,284	220,023,750	1,070,650,874	6,285,372,363	6,399,768,792	198,353,130	1,941,490,282	5,972,410,966	753,031,224	56,145,146	159,355,902	460,741,000	27,031,527,901
Less: Intercorporate assets	544,262,671		218,819,000	525,204,300		4,704,129,620	79,898,863						460,741,000	6,593,055,454
Net total assets	1,766,452,519	1,293,469,284	1,204,750	545,446,574	6,285,372,363	1,545,639,172	118,454,267	1,941,490,282	5,972,410,966	753,031,224	56,145,146	159,355,902		20,438,472,449

[1] Includes activities of Warrior River Terminal Company, Inc.

[2] Includes amounts of Electric Home and Farm Authority which were transferred for purposes of liquidation pursuant to Executive Order 9256, effective Oct. 31, 1942.

[3] No activity prior to June 30, 1943.

TABLE 1.—*Statement of assets, liabilities, and net worth of Government corporations, as of June 30, 1943*—Continued

PART II—LIABILITIES

[Cents omitted]

Corporation	Liabilities									Excess of assets over liabilities
	Accounts payable	Accrued liabilities	Trust and deposit liabilities	Bonds, debentures, and notes payable: Held by Treasury	Bonds, debentures, and notes payable: Guaranteed by United States	Bonds, debentures, and notes payable: Not guaranteed	Deferred credits	Undistributed credits and other liabilities	Total liabilities	
Department of Agriculture:										
Banks for cooperatives	$6,777		$281,153					$274,874	$562,804	$203,484,654
Commodity Credit Corporation	814,970,279	$21,868,675		$1,950,000,000	$528,940,513	$178,426,160		63,373,252	3,557,578,819	23,916,754
Federal Crop Insurance Corporation	473,490							6,053,800	6,527,290	12,143,067
Federal Farm Mortgage Corporation	852,114	5,404,288	6,612,932		931,723,600		$874,743	999,601	946,467,278	101,740,261
Federal intermediate credit banks	171,756	925,520	456,046			292,285,000	67,380	116,841	294,022,543	88,858,568
Federal land banks	4,792,995	16,069,176	3,429,312			1,441,734,375	64,567	32,283,371	1,498,373,796	487,448,523
Federal Surplus Commodities Corporation	262,291		813,986			767,651			1,843,928	2,337,942
Production credit corporations	11,941		10,447						22,388	127,078,318
Regional agricultural credit corporations	1,069,876		2,062			1,855,809		742,583	3,670,330	61,750,517
Department of Commerce:										
Disaster Loan Corporation	29,132		20,618						49,750	18,794,762
Export-Import Bank of Washington	27,083		1,645,467				135,877		1,808,427	199,808,333
Inland Waterways Corporation [1]	938,531	16,023	7,646					270,668	1,232,868	23,210,663
Reconstruction Finance Corporation [2]	35,828,076	31,622,656	682,503,738	5,033,372,124	1,011,041,000		12,955,358		6,807,322,952	723,106,560
Defense Plant Corporation	1,859,652	32,962,950	1,226,381,815			3,964,178,682	13,748,871	6,269,313	4,645,401,283	(27,490,258
Defense Supplies Corporation	39,658,196	12,630,732	87,859,377			567,969,557	101,144	45,280,703	753,499,709	(108,930,456
Federal National Mortgage Association	193,743	535,927	2,697,263			55,548,000	41,347	277,460	59,293,740	22,969,293
Metals Reserve Company	91,235,860	13,298,218	2,901,438			413,10[illegible],578		20,108,618	540,653,712	41,163,860
Petroleum Reserves Corporation [3]										
RFC Mortgage Company, The	108,280	1,093,522	2,263,607			80,092,878	685,407		84,243,694	26,374,626
Rubber Development Corporation	40,288,597							63,202	40,351,799	(1,981,780
Rubber Reserve Company	5,905,341	9,868,553				186,989,227		6,027,373	208,730,494	1,011,754
United States Commercial Company	4,389,636	956,783				67,333,014		1,930,890	74,610,323	6,822,658
War Damage Corporation	35,370						118,769,295	9,500,011	128,304,676	809,927
Department of the Interior: Virgin Islands Company, The	173,943	37,357	1,523			449,813	1,640		664,276	(572,382
Department of Justice: Federal Prison Industries, Inc	314,617							236,437	551,054	16,492,038
War Department: U. S. Spruce Production Corporation								125,000	125,000	299,072
Executive Office of the President:										
Cargoes, Inc			98						98	1,358,014
Institute of Inter-American Affairs	4,211,258								4,211,258	22,570,573
Institute of Inter-American Transportation [3]										
Inter American Navigation Corporation	18,972	2,498				192,921		66,030	280,451	393,314
Smaller War Plants Corporation	615,571		998					78,151	694,720	143,487,159
National Housing Agency:										
Defense Homes Corporation	75,178	402,134	3,337			44,159,963	76,864	153,376	44,870,852	10,623,164
Federal home loan banks	660,707	77,118	29,270,276			35,015,000			65,023,101	195,605,246
Federal Public Housing Authority	496,654	905,107	12,189,973	283,000,000	114,157,000			26,542	410,775,276	1,123,132,558
Federal Savings and Loan Insurance Corporation	4,678		3,808				1,833,705	41,406,964	43,249,155	100,000,000
Home Owners' Loan Corporation	320,327	6,726,303	26,685,110	196,000,000	1,539,344,575	165,125	805,804	1,067,854	1,771,115,098	82,418,812
U. S. Housing Corporation	22,553						176,217	118,769	317,539	1,365,298
Independent establishments:										
Federal Deposit Insurance Corporation	359,839		985,899				98,403	369,855,279	371,299,420	289,299,557
Panama Railroad Company	7,270,070	3,447,571	1,958				920,304	332,423	11,972,326	61,193,412
Tennessee Valley Associated Cooperatives, Inc										298,780
Tennessee Valley Authority	12,308,311	6,369,870	1,239,804	56,772,500		8,300,000	48,631		85,039,116	565,317,108
Total liabilities	1,069,961,634	165,160,981	2,088,260,691	7,519,144,624	4,125,206,688	6,738,572,723	151,432,099	607,012,843	22,464,761,283	4,566,766,620
Less: Intercorporate liabilities	38,807,068	79,808,863	544,791,722		218,819,000	5,249,997,801			6,132,314,454	460,741,000
Net total liabilities	1,031,154,566	85,262,118	1,543,477,969	7,519,144,624	3,906,387,688	1,488,574,922	151,432,099	607,012,843	16,332,446,829	4,106,025,620

[1] Includes activities of Warrior River Terminal Company, Inc.
[2] Includes amounts of Electric Home and Farm Authority which were transferred for purposes of liquidation pursuant to Executive Order 9256, effective Oct. 31, 1942.
[3] No activity prior to June 30, 1943.
(Indicates deficit.
[4] Upon liquidation, residue of cash after payment of debts and expenses shall be expended to promote the welfare of the people of the Virgin Islands.

PART III—NET WORTH

[Cents omitted]

Corporation	Privately owned			United States owned							Total net worth
	Capital stock	Surplus	Total	Capital: Stock	Capital: Nonstock	Capital: Paid-in surplus	Capital: Total	Earned surplus: Reserved	Earned surplus: Unreserved	Earned surplus: Total	Total	
Department of Agriculture:												
Banks for cooperatives	$4,929,500	$740,581	$5,670,081	$172,000,000			$172,000,000	$1,448,429	$24,365,544	$25,813,973	$197,813,973	$203,484,054
Commodity Credit Corporation				100,000,000		$143,950,524	243,950,524		(220,033,770	(220,033,770	23,916,754	23,916,754
Federal Crop Insurance Corporation				35,000,000		29,069,863	64,069,863		(51,926,796	(51,926,796	12,143,067	12,143,067
Federal Farm Mortgage Corporation				100,000,000			100,000,000	53,165	1,647,096	1,740,261	101,740,261	101,740,261
Federal intermediate credit banks				60,000,000			60,000,000	8,046,000	20,812,568	28,858,568	88,858,568	88,858,568
Federal land banks	94,777,883	129,573,886	224,351,769	121,478,885		141,617,869	263,096,754				263,096,754	487,448,523
Federal Surplus Commodities Corporation					$2,337,942		2,337,942				2,337,942	2,337,942

(Indicates deficit.

TABLE 1.—*Statement of assets, liabilities, and net worth of Government corporations, as of June 30, 1943*—Continued

PART III—NET WORTH—continued

[Cents omitted]

Corporation	Privately owned			United States owned							Total net worth
				Capital				Earned surplus				
	Capital stock	Surplus	Total	Stock	Nonstock	Paid-in surplus	Total	Reserved	Unreserved	Total	Total	
Department of Agriculture—Continued.												
Production credit corporations				$120,000,000			$120,000,000		$7,078,318	$7,078,318	$127,078,318	$127,078,318
Regional agricultural credit corporations				44,500,000		$18,028,756	62,528,756		[4]738,239	[4]738,239	61,790,517	61,790,517
Department of Commerce:												
Disaster Loan Corporation				24,000,000			24,000,000		[4]5,205,238	[4]5,205,238	18,794,762	18,794,762
Export-Import Bank of Washington				175,000,000			175,000,000	$11,019,113	13,789,220	24,808,333	199,808,333	199,808,333
Inland Waterways Corporation [1]				12,000,000		10,460,756	22,460,756		749,907	749,907	23,210,663	23,210,663
Reconstruction Finance Corporation [2]				325,000,000			325,000,000	225,000	397,781,560	398,106,560	723,106,560	723,106,560
Defense Plant Corporation				5,000,000			5,000,000		[4]32,490,258	[4]32,490,258	[4]27,490,258	[4]27,490,258
Defense Supplies Corporation				5,000,000		28,445,909	33,445,909		[4]142,376,365	[4]142,376,365	[4]108,930,456	[4]108,930,456
Federal National Mortgage Association				10,000,000		1,000,000	11,000,000	1,366,786	10,602,417	11,969,203	22,969,203	22,969,203
Metals Reserve Company				5,000,000			5,000,000	1,292,264	[4]47,456,124	[4]46,163,860	[4]41,163,860	[4]41,163,860
Petroleum Reserves Corporation [3]												
RFC Mortgage Company, The				25,000,000			25,000,000		1,374,026	1,374,026	26,374,026	26,374,026
Rubber Development Corporation				100,000			100,000		[4]2,081,780	[4]2,081,780	[4]1,981,780	[4]1,981,780
Rubber Reserve Company				5,000,000			5,000,000	2,361,113	[4]6,349,359	[4]3,988,246	1,011,754	1,011,754
United States Commercial Company				5,000,000			5,000,000		1,822,658	1,822,658	6,822,658	6,822,658
War Damage Corporation				1,000,000			1,000,000		[4]190,073	[4]190,073	809,927	809,927
Department of the Interior: Virgin Islands Company, The					30	885,836	885,866	6,300	[4]319,784	[4]313,484	[5]572,382	572,382
Department of Justice: Federal Prison Industries, Inc					$4,577,519		4,577,519	7,736	11,906,783	11,914,519	16,492,038	16,492,038
War Department: U. S. Spruce Production Corporation				100,000			100,000	75,000	124,072	199,072	299,072	299,072
Executive Office of the President:												
Cargoes, Incorporated				101,000		1,615,000	1,716,000		[4]357,986	[4]357,986	1,358,014	1,358,014
Institute of Inter-American Affairs					36,620,000		36,620,000		[4]14,049,427	[4]14,049,427	22,570,573	22,570,573
Institute of Inter-American Transportation [3]												
Inter-American Navigation Corporation				500,000			500,000		[4]106,686	[4]106,686	393,314	393,314
Smaller War Plants Corporation				150,000,000			150,000,000		[4]6,512,841	[4]6,512,841	143,487,159	143,487,159
National Housing Agency:												
Defense Homes Corporation				10,000,000			10,000,000		623,164	623,164	10,623,164	10,623,164
Federal home loan banks	$54,720,850	$16,143,396	$70,864,246	124,741,000			124,741,000				124,741,000	195,605,246
Federal Public Housing Authority	[6]			1,000,000		1,139,914,692	1,140,914,692	3,472,975	[4]21,255,112	[4]17,782,137	1,123,132,555	1,123,132,555
Federal Savings and Loan Insurance Corporation				100,000,000			100,000,000	[7]	[7]		100,000,000	100,000,000
Home Owners' Loan Corporation				200,000,000			200,000,000		[4]117,581,188	[4]117,581,188	82,418,812	82,418,812
U. S. Housing Corporation				25,344,680		8,535,254	33,879,934		[4]32,514,636	[4]32,514,636	1,365,298	1,365,298
Independent establishments:												
Federal Deposit Insurance Corporation	139,299,557		139,299,557	150,000,000			150,000,000	[7]	[7]		150,000,000	289,299,557
Panama Railroad Company				7,000,000		3,247,332	10,247,332	3,569,733	47,376,347	50,946,080	61,193,412	61,193,412
Tennessee Valley Associated Cooperatives, Inc				1,000		299,000	300,000		[4]1,220	[4]1,220	298,780	298,780
Tennessee Valley Authority					588,543,014		588,543,014		[4]23,025,906	[4]23,025,906	565,517,108	565,517,108
Total net worth	293,728,090	146,458,163	440,186,253	2,118,866,595	632,078,475	1,527,070,791	4,278,015,861	33,083,614	[4]184,519,108	[4]151,435,494	4,126,580,367	4,566,766,620
Less: Incorporate proprietary interest				459,741,000		1,000,000	460,741,000				460,741,000	460,741,000
Net total net worth	293,728,090	146,458,163	440,186,253	1,659,125,595	632,078,475	1,526,070,791	3,817,274,861	33,083,614	[4]184,519,108	[4]151,435,494	3,665,839,367	4,106,025,620

[1] Includes activities of Warrior River Terminal Company, Inc.
[2] Includes amounts of Electric Home and Farm Authority which were transferred for purposes of liquidation pursuant to Executive Order 9256, effective Oct. 31, 1942.
[3] No activity prior to June 30, 1943.
[4] Indicates deficit.
[5] Upon liquidation, residue of cash after payment of debts and expenses, shall be expended to promote the welfare of the people of the Virgin Islands.
[6] For purpose of this report the entire amount of earned surplus of this corporation is reported as a liability reserve (other liabilities) to cover possible insurance losses until experience shall have been gained which will permit the determination of adequate reserves.

Source.—Compiled from reports of corporations submitted under Regulation No. 2, adjusted for items in transit and other adjustments.

TABLE 2.—*Summary of income and expense of Government corporations for fiscal year ended June 30, 1943*

Corporations	Total operating income	Total operating expense	Net operating income or loss	Nonoperating income or loss	Net income or loss before adjustment of valuation reserves	Adjustment of valuation reserves, increase or decrease [1]	Net income or loss
Department of Agriculture:							
Banks for cooperatives	$3,495,363.06	$1,101,488.62	$2,393,874.44	$12,531.96	$2,406,406.40	$316,150.09	$2,722,556.49
Commodity Credit Corporation	40,688,689.81	145,185,456.12	[1] 104,496,766.31		[1] 104,496,766.31		[1] 104,496,766.31
Federal Crop Insurance Corporation	3,448,716.93	32,218,602.62	[1] 28,769,885.69		[1] 28,769,885.69		[1] 28,769,885.69
Federal Farm Mortgage Corporation	51,422,229.42	37,977,744.97	13,444,484.45	4,567,616.54	18,012,100.99	[1] 16,365,005.04	1,647,095.95
Federal intermediate credit banks	5,363,811.88	4,246,114.44	1,117,697.44	555,972.66	1,673,670.10	563,037.93	2,236,708.03
Federal land banks	89,818,135.96	66,794,842.96	23,023,293.00	[1] 10,124,690.14	12,898,602.86	[1] 5,738,569.31	7,160,033.55
Federal Surplus Commodities Corporation							
Production credit corporations	1,554,252.87	1,649,589.36	[1] 95,336.49	915,048.09	819,711.60	20,500.00	840,211.60
Regional agricultural credit corporations	695,280.31	1,673,627.12	[1] 978,346.81	[1] 106,960.05	[1] 1,085,306.86	304,741.30	[1] 780,565.56
Department of Commerce:							
Disaster Loan Corporation	175,141.24	307,882.63	[1] 132,741.39	[1] 136,475.22	[1] 269,216.61	[1] 2,275,057.85	[1] 2,544,274.46
Export-Import Bank of Washington	7,864,713.05	223,468.49	7,641,244.56	[1] 6,164.50	7,635,080.06	47,849.87	7,682,929.93
Inland Waterways Corporation	7,770,221.18	8,273,164.56	[1] 502,943.38	229,529.34	[1] 273,414.04		[1] 273,414.04
Reconstruction Finance Corporation	151,830,602.21	64,909,503.79	86,921,098.42	[1] 1,696,431.11	85,224,667.31	[1] 6,491,366.13	78,733,301.18
Defense Plant Corporation	5,208,381.95	30,595,994.56	[1] 25,387,612.61	[1] 57,797.73	[1] 25,445,410.34		[1] 25,445,410.34
Defense Supplies Corporation	531,406,085.71	546,979,688.64	[1] 15,573,602.93	[1] 124,583,417.88	[1] 140,157,020.81		[1] 140,157,020.81
Federal National Mortgage Association	14,594,162.58	6,220,839.55	8,373,323.03	765.91	8,374,088.94		8,374,088.94
Metals Reserve Company	397,927,292.16	414,271,774.32	[1] 16,344,482.16	[1] 44,362,937.91	[1] 60,707,420.07		[1] 60,707,420.07
Petroleum Reserves Corporation [2]							
RFC Mortgage Company, The	4,526,157.23	3,197,087.91	1,329,069.32	1,539.17	1,330,608.49	[1] 294,759.70	1,035,848.79
Rubber Development Corporation	21,816,724.65	23,808,031.22	[1] 1,991,306.57	9,527.19	[1] 1,981,779.38		[1] 1,981,779.38
Rubber Reserve Company	227,067,945.15	243,447,076.09	[1] 16,379,130.94	41,419.63	[1] 16,337,711.31		[1] 16,337,711.31
United States Commercial Company	16,346,304.01	15,920,227.46	426,076.55	1,566,935.55	1,993,012.10		1,993,012.10
War Damage Corporation				[1] 192,116.97	[1] 192,116.97		[1] 192,116.97
Department of the Interior: Virgin Islands Company, The [2]							
Department of Justice: Federal Prison Industries, Inc	18,789,180.73	15,496,689.58	3,292,491.15	[1] 29,144.57	3,263,346.58		3,263,346.58
War Department: U. S. Spruce Production Corporation [2]							
Executive Office of the President:							
Cargoes, Incorporated				[1] 27,278.52	[1] 27,278.52		[1] 27,278.52
Institute of Inter-American Affairs	69,448.81	14,092,428.77	[1] 14,022,979.96		[1] 14,022,979.96		[1] 14,022,979.96
Institute of Inter-American Transportation [2]							
Inter-American Navigation Corporation	13,736.33	53,648.84	[1] 39,912.51	[1] 66,773.54	[1] 106,686.05		[1] 106,686.05
Smaller War Plants Corporation	62,576.30	32,069.76	30,506.54	[1] 62,738.57	[1] 32,232.03		[1] 32,232.03
National Housing Agency:							
Defense Homes Corporation	2,737,921.19	2,614,707.51	123,213.68	[1] 5,291.04	117,922.64		117,922.64
Federal home loan banks	5,250,790.46	2,052,911.60	3,197,878.86	471,671.43	3,669,550.29		3,669,550.29
Federal Public Housing Authority	16,011,620.27	13,149,836.54	2,861,783.73	[1] 8,046,410.35	[1] 5,184,626.62		[1] 5,184,626.62
Federal Savings and Loan Insurance Corporation	7,594,152.34	332,089.34	7,262,063.00	2,061,497.83	9,323,560.83		9,323,560.83
Home Owners' Loan Corporation	92,038,199.55	60,762,889.49	31,275,310.06	823,503.34	32,098,813.40	[1] 40,226,654.08	[1] 8,127,840.68
U. S. Housing Corporation [2]							
Independent establishments:							
Federal Deposit Insurance Corporation	78,852,972.64	10,013,258.37	68,839,714.27	1,102,618.97	69,942,333.24		69,942,333.24
Panama Railroad Company	59,965,197.28	56,419,539.06	3,545,658.22	170,059.90	3,715,718.12	[1] 1,410,000.00	2,305,718.12
Tennessee Valley Associated Cooperatives, Inc	5,397.79	5.10	5,392.69		5,392.69		5,392.69
Tennessee Valley Authority	38,874,064.84	33,698,900.41	5,175,164.43		5,175,164.43		5,175,164.43
Total	1,903,285,469.89	1,857,721,179.80	45,564,290.09	[1] 176,974,590.59	[1] 131,410,100.50	[1] 71,549,132.92	[1] 202,959,233.42

[1] Represents loss.

[2] Information inadequate for this report.

Source: Compiled from reports of the corporations submitted under Budget-Treasury Regulation No. 2.

OPERATING INCOME OF GOVERNMENT CORPORATIONS, FOR FISCAL YEAR ENDED JUNE 30, 1943

Corporations	Interest on loans	Interest or dividends on investments	Guaranty and insurance premiums	Sales of commodities and services	Other	Total operating income
Department of Agriculture:						
Banks for cooperatives	$2,304,797.70	$1,177,124.38		$13,440.98		$3,495,363.06
Commodity Credit Corporation	9,506,135.18	959,288.69		30,140,004.11	$83,261.83	40,688,689.81
Federal Crop Insurance Corporation			[2] $155,875.61	3,604,224.65	367.89	3,448,716.93
Federal Farm Mortgage Corporation	50,927,215.31			243,816.37	251,197.74	51,422,229.42
Federal intermediate credit banks	4,385,907.17	977,904.71				5,363,811.88
Federal land banks	85,169,110.78	4,413,254.74		235,770.44		89,818,135.96
Federal Surplus Commodities Corporation						
Production credit corporations	100,869.60	1,453,383.27				1,554,252.87
Regional agricultural credit corporations	636,055.26				59,225.05	695,280.31
Department of Commerce:						
Disaster Loan Corporation	175,141.24					175,141.24
Export-Import Bank of Washington	6,395,388.08	1,435,361.65			33,963.32	7,864,713.05
Inland Waterways Corporation		86,849.61		7,294,973.57	388,398.00	7,770,221.18
Reconstruction Finance Corporation	150,766,051.42				1,064,550.79	151,830,602.21
Defense Plant Corporation		5,003,724.40			204,657.55	5,208,381.95
Defense Supplies Corporation	2,951,771.06			528,327,847.47	126,467.18	531,406,085.71
Federal National Mortgage Association	14,552,802.51	31,160.27		10,199.80		14,594,162.58
Metals Reserve Company				397,927,292.16		397,927,292.16
Petroleum Reserves Corporation [2]						
RFC Mortgage Company, The	4,424,992.78	53,239.35		47,894.87	30.23	4,526,157.23
Rubber Development Corporation				21,816,724.65		21,816,724.65
Rubber Reserve Company			1,045,075.20	226,022,869.95		227,067,945.15
United States Commercial Company				16,342,604.77	3,699.24	16,346,304.01
War Damage Corporation						
Department of the Interior: Virgin Islands Company, The [2]						
Department of Justice: Federal Prison Industries, Inc				18,789,180.73		18,789,180.73
War Department: U. S. Spruce Production Corporation [2]						
Executive Office of the President:						
Cargoes, Incorporated [2]						
Institute of Inter-American Affairs				69,448.81		69,448.81
Institute of Inter-American Transportation [2]						
Inter-American Navigation Corporation					13,736.33	13,736.33
Smaller War Plants Corporation	50,623.40				11,952.90	62,576.30
National Housing Agency:						
Defense Homes Corporation	20,233.35				2,717,687.84	2,737,921.19
Federal home loan banks	3,012,975.04	2,237,815.42				5,250,790.46
Federal Public Housing Authority	9,800,934.31				6,210,685.96	16,011,620.27
Federal Savings and Loan Insurance Corporation		3,556,880.66	4,000,101.27	37,150.76	19.65	7,594,152.34
Home Owners' Loan Corporation	70,540,064.54	21,498,135.01				92,038,199.55
U. S. Housing Corporation [2]						
Independent establishments:						
Federal Deposit Insurance Corporation	2,125,955.44	15,391,084.41	61,107,905.76	223,058.55	4,968.48	78,852,972.64
Panama Railroad Company		117,911.66		59,847,285.62		59,965,197.28
Tennessee Valley Associated Cooperatives, Inc	5,397.79					5,397.79
Tennessee Valley Authority		126,558.87		37,616,253.77	1,131,252.20	38,874,064.84
Total	417,852,421.96	58,519,677.10	65,997,206.62	1,348,610,042.03	12,306,122.18	1,903,285,569.89

[1] Information inadequate for this report.

[2] Represents debit adjustment, deduct.

TABLE 2.—*Summary of income and expense of Government corporations for fiscal year ended June 30, 1943*—Continued

OPERATING EXPENSES OF GOVERNMENT CORPORATIONS, FOR FISCAL YEAR ENDED JUNE 30, 1943

Corporation	Interest on borrowed funds	Guaranty and insurance losses	Cost of sales	General overhead expense	Other	Total
Department of Agriculture:						
Banks for cooperatives				$1,101,488.62		$1,101,488.62
Commodity Credit Corporation	$13,253,898.73		$123,513,236.57	7,349,876.84	$1,068,453.98	145,185,436.12
Federal Crop Insurance Corporation		$26,574,883.58		6,582,480.77	[2] 938,761.73	32,218,602.62
Federal Farm Mortgage Corporation	29,065,642.20			8,912,102.77		37,977,744.97
Federal intermediate credit banks	2,577,050.83			1,669,063.61		4,246,114.44
Federal land banks	54,106,890.25			12,687,952.71		66,794,842.96
Federal Surplus Commodities Corporation [1]						
Production credit corporations				1,649,589.36		1,649,589.36
Regional agricultural credit corporations				1,673,627.12		1,673,627.12
Department of Commerce:						
Disaster Loan Corporation				397,882.63		397,882.63
Export-Import Bank of Washington				222,200.33	1,268.16	223,468.49
Inland Waterways Corporation			7,199,703.31	312,156.65	761,304.60	8,273,164.56
Reconstruction Finance Corporation	54,097,942.39			10,811,561.40		64,909,503.79
Defense Plant Corporation	26,558,433.04			3,146,419.65	891,141.87	30,595,994.56
Defense Supplies Corporation	11,005,478.32		532,711,151.58	3,262,802.22	256.52	546,979,688.64
Federal National Mortgage Association	3,762,456.22			2,454,285.99	4,087.34	6,220,829.55
Metals Reserve Company	9,668,213.83		398,960,738.91	1,503,054.52	4,139,707.06	414,271,774.32
Petroleum Reserves Corporation [1]						
RFC Mortgage Company, The	1,999,181.24		300,340.75	843,369.72	54,196.20	3,197,087.91
Rubber Development Corporation			21,659,975.08	2,148,056.14		23,808,031.22
Rubber Reserve Company	5,237,436.11	3,957,564.54	229,626,435.66	3,671,154.67	954,485.11	243,447,076.09
United States Commercial Company	956,783.25		14,193,908.67	756,060.58	13,474.96	15,920,227.46
War Damage Corporation [1]						
Department of the Interior: Virgin Islands Company, The [1]						
Department of Justice: Federal Prison Industries, Inc			14,928,388.28	342,435.71	225,865.59	15,496,689.58
War Department: United States Spruce Production Corporation [1]						
Executive Office of the President:						
Cargoes, Incorporated [1]						
Institute of Inter-American Affairs					14,092,428.77	14,092,428.77
Institute of Inter-American Transportation [1]						
Inter-American Navigation Corporation				53,648.84		53,648.84
Smaller War Plants Corporation				32,069.76		32,069.76
National Housing Agency:						
Defense Homes Corporation	177,433.91			115,328.99	2,321,944.61	2,614,707.51
Federal home loan banks	877,173.46			1,175,738.14		2,052,911.60
Federal Public Housing Authority	4,378,254.09			4,005,891.52	4,765,690.93	13,149,836.54
Federal Savings and Loan Insurance Corporation				332,089.34		332,089.34
Home Owners' Loan Corporation	38,375,777.97			10,776,082.32	11,611,029.20	60,762,889.49
U. S. Housing Corporation [1]						
Independent establishments:						
Federal Deposit Insurance Corporation		5,815,839.99		4,197,418.38		10,013,258.37
Panama Railroad Company			54,413,607.17	1,056,316.66	949,615.23	56,419,539.06
Tennessee Valley Associated Cooperatives, Inc				5.10		5.10
Tennessee Valley Authority	778,290.62		14,435,465.23	9,986,669.66	8,498,474.90	33,698,900.41
Total	256,876,326.46	36,348,288.11	1,411,942,951.21	103,138,880.72	49,414,733.30	1,857,721,179.80

[1] Information inadequate for this report.
[2] Represents credit adjustment, deduct.

TABLE 3.—*Capital stock of Government corporations as of June 30, 1943*

	Par value	Percent of total	Certificate or receipt		
			Issued to	Custodian	For whom held
HELD FOR THE SECRETARY OF THE TREASURY					
Disaster Loan Corporation	$24,000,000	100	Reconstruction Finance Corporation.	Treasurer of United States	Secretary of the Treasury.
Federal Crop Insurance Corporation	35,000,000	100	United States of America	do	Do.
Federal Deposit Insurance Corporation	150,000,000	52	Secretary of the Treasury	do	Do.
Federal Farm Mortgage Corporation	100,000,000	100	No formal certificate issued		
Federal intermediate credit banks	60,000,000	100	United States of America	Treasurer of United States	Do.
Federal land banks	121,478,885	56	do	do	Do.
Federal Public Housing Authority	1,000,000	100	do	do	Do.
Home Owners' Loan Corporation	200,000,000	100	do	do	Do.
Inland Waterways Corporation	12,000,000	100	do	do	Do.
Reconstruction Finance Corporation	325,000,000	100	do	do	Do.
Regional agricultural credit corporations	44,500,000	100	Reconstruction Finance Corporation.	do	Do.
Smaller War Plants Corporation	150,000,000	100	United States of America	do	Do.
Tennessee Valley Associated Cooperatives, Inc.	1,000	100	do	do	Do.
United States Housing Corporation	25,344,680	100	do	do	Do.
Total	1,248,324,565				
HELD FOR OTHERS					
Banks for cooperatives	172,000,000	97	do	Governor of Farm Credit Administration.	United States.
Cargoes, Incorporated:					
Preferred stock	100,000	100	Reconstruction Finance Corporation.	Treasurer of Reconstruction Finance Corporation.	Lend-Lease Administration.
Common stock	1,000	100	do	do	Do.
Commodity Credit Corporation	100,000,000	100	United States of America	Treasurer of United States	Secretary of Agriculture.
Defense Homes Corporation	10,000,000	100	National Housing Agency	National Housing Administrator	United States.
Defense Plant Corporation	5,000,000	100	Reconstruction Finance Corporation.	Treasurer of Reconstruction Finance Corporation.	Reconstruction Finance Corporation.
Defense Supplies Corporation	5,000,000	100	do	do	Do.
Export-Import Bank of Washington:					
Preferred stock	174,000,000	100	do	do	Do.
Common stock	1,000,000	100	Secretaries of State and Commerce.	Secretary of Export-Import Bank.	United States.
Federal home-loan banks	124,741,000	71	Reconstruction Finance Corporation.	Treasurer of Reconstruction Finance Corporation.	Reconstruction Finance Corporation.

TABLE 3.—*Capital stock of Government corporations as of June 30, 1943*—Continued

	Par value	Percent of total	Certificate or receipt		
			Issued to	Custodian	For whom held
HELD FOR OTHERS—continued					
Federal National Mortgage Association	$10,000,000	100	Reconstruction Finance Corporation.	Treasurer of Reconstruction Finance Corporation.	Reconstruction Finance Corporation.
Federal Savings and Loan Insurance Corporation.	100,000,000	100	Home Owners' Loan Corporation.	Treasurer of Home Owners' Loan Corporation	Home Owners' Loan Corporation.
Inter-American Navigation Corporation	500,000	100	Coordinator of Inter-American Affairs.	Treasurer of United States	United States.
Metals Reserve Company	5,000,000	100	Reconstruction Finance Corporation.	Treasurer of Reconstruction Finance Corporation.	Reconstruction Finance Corporation.
Panama Railroad Company	7,000,000	100	Secretary of War	Secretary of War	United States.
Production credit corporations	120,000,000	100	United States of America	Governor of Farm Credit Administration.	Do.
RFC Mortgage Company, The	25,000,000	100	Reconstruction Finance Corporation.	Treasurer of Reconstruction Finance Corporation.	Reconstruction Finance Corporation.
Rubber Development Corporation	100,000	100	do	do	Do.
Rubber Reserves Company	5,000,000	100	do	do	Do.
U. S. Commercial Company	5,000,000	100	do	do	Do.
U. S. Spruce Production Corporation	100,000	100	War Department	Secretary of War	United States.
Virgin Islands Company, The	30	100	Secretary and Assistant Secretary of the Interior and Governor of Virgin Islands.	Secretary of the Interior	People of Virgin Islands.
War Damage Corporation	1,000,000	100	Reconstruction Finance Corporation.	Treasurer of Reconstruction Finance Corporation.	Reconstruction Finance Corporation.
Total	870,542,030				
Grand total	2,118,866,595				

TABLE 4.—*Proprietary interest in Government corporations with mixed ownership as of June 30, 1943*

Corporations and interests	Value of proprietary interest		Capital stock				Stockholder's rights	
	Capital stock	Surplus (paid-in and earned)	Number of shares	Par value	Evidence of ownership	Retirement of stock	Dividends	Voting [1]
Banks for cooperatives:								
Private	$4,929,800.00	$740,880.41	[2] 48,514	100	Certificate.	Upon repayment of loan	Not to exceed 7 percent.	Voting
United States	172,000,000.00	25,813,973.23	1,720,000	100	do	At any time [3]	do	None.
Federal Deposit Insurance Corporation: [4]								
Private	139,289,556.99		1,392,996	([5])	do	No provision	None	Do.
United States	150,000,000.00		1,500,000	([5])	Receipt	do	do	Do.
Federal home-loan banks:								
Private	[6] 54,720,850.00	16,143,396.38	546,273	100	Certificate.	Upon termination of membership	Share equally.	Voting.
United States	124,741,000.00		1,247,410	100	Receipt	At any time subject provisions of the act approved June 27, 1934 (48 Stat. 1264).	do	None.
Federal land banks:								
Private	94,777,882.50	129,573,886.35	18,955,576½	5	Certificate.	Upon repayment of loan	do	Voting.
United States	121,478,885.00	141,617,09.23	24,295,777	5	do	At any time [3]	None	None.

[1] In some instances the right of the individual stockholder is restricted, as in the case where the stockholders have the right to vote only for the election of a part of the directors as provided by law; whereas, though not permitted to vote, the Federal Government participates in management of these corporations through specific provision of law with respect to the appointment of directors, officers, or with respect to their general supervision.

[2] Exclusive of $78,400 guaranty-fund cooperatives. (The subscribers to this fund are entitled to dividends in the same amount as subscribers to stock.)

[3] At the discretion of directors subject to approval of the Governor of the Farm Credit Administration.

[4] Does not include liability reserve in the amount of $369,409,152.57.

[5] No par.

[6] Includes payment in the amount of $93,550 on subscriptions to unissued stock.

TABLE 5.—*Borrowing power and outstanding guaranteed obligations of Government corporations and credit agencies as of Mar. 31, 1944*

Corporation or agency	Gross limit of authority	Outstanding obligations	Amount held by Treasury
Commodity Credit Corporation	$3,000,000,000	$1,487,956,262	$900,000,000
Federal Farm Mortgage Corporation	2,000,000,000	851,325,200	676,351,100
Federal Housing Administration	[1] 5,365,000,000	22,822,586	
Federal Public Housing Authority	[2] 800,000,000	396,128,000	396,000,000
Home Owners' Loan Corporation	4,750,000,000	1,537,355,325	596,546,350
Reconstruction Finance Corporation	17,030,244,557	8,249,746,123	7,697,090,123
Tennessee Valley Authority	[2] 61,772,500	56,772,500	56,772,500
U. S. Maritime Commission	[4] 200,000,000		
Total	33,207,017,057	[5] 12,604,105,996	10,324,760,073

[1] Limit of authority to insure mortgages. This amount may be increased by $1,000,000,000 upon approval by the President. Debentures may be issued and tendered only in exchange for insured property acquired through foreclosure, under titles II and VI of the National Housing Act, as amended.

[2] Limit of authority to issue obligations. This amount may be increased only by the amount of issues for refunding purposes.

[3] Exclusive of $6,300,000 issued on the credit of the United States and held by the Reconstruction Finance Corporation.

[4] Limit which may be outstanding at any one time with respect to the insuring of ship mortgages and the issuance of debentures.

[5] Includes matured obligations in the amount of $20,289,750, for the payment of which funds have been deposited with the Treasurer of the United States.

TABLE 6.—*Loans outstanding as of March 31, 1944*

Corporation	Amount	Corporation	Amount
Agriculture:		Foreign Economic Administration: Export-Import Bank	$142,270,626
Commodity Credit Corporation	$408,067,462	War Production Board: Smaller War Plants Corporation	19,659,656
Farm Credit Administration:		National Housing Agency:	
Banks for Cooperatives	196,668,471	Federal Public Housing Authority	319,254,453
Federal intermediate credit banks	300,892,892	Defense Homes Corporation	961,625
Federal land banks	1,290,272,123	Federal Home Loan Banks Administration:	
Regional agricultural credit corporations	21,593,222	Federal home-loan banks	99,378,410
Federal Farm Mortgage Corporation	380,842,278	Home Owners' Loan Corporation	1,279,128,520
Commerce:		Federal Deposit Insurance Corporation	26,733,807
Reconstruction Finance Corporation	1,703,670,864	Tennessee Valley Authority	3,422,966
Defense Supplies Corporation	201,228,606	Tennessee Valley Associated Cooperatives (as of Feb. 29, 1944)	241,537
Federal National Mortgage Association	62,120,441		
RFC Mortgage Company, The	109,607,848	Total	6,568,140,100
Disaster Loan Corporation	2,365,897		
Inland Waterways Corporation (as of Feb. 29, 1944)	358,996		

TABLE 7.—*Comparative financial data on Government corporations and credit agencies, fiscal years listed*

Description	1933 [1]	1938 [2]	1943
Number of corporations and agencies reporting	17	40	59
Principal of loans outstanding	$3,658,356,089	$7,819,997,392	$7,685,706,875
Total assets	6,509,407,992	13,748,798,489	40,965,008,870
Less interagency assets	2,229,532,784	1,423,327,512	13,750,340,119
Net assets	4,279,875,208	12,325,470,977	27,214,668,751
Total liabilities [3]	3,557,305,392	8,971,823,102	25,087,877,813
Less interagency liabilities	2,140,283,142	1,093,781,201	13,117,599,118
Net liabilities	1,417,022,250	7,878,041,961	11,970,278,695
Total net worth	2,952,102,600	4,776,975,327	15,877,131,057
Less private interests	89,092,326	369,584,336	440,108,797
U. S. Government's proprietary interest	2,863,010,274	4,407,390,991	15,437,022,260
Less interagency interests	89,249,642	302,000,000	632,741,001
Net proprietary interest of U. S. Government	2,773,760,632	4,105,390,991	14,804,281,259

[1] Revised to include estimated uncollectibles in the amount of $60,000,000 as assets and the corresponding reserve as liabilities; to exclude $1,388,531,066 of securities owned by the Treasury reflected as interagency assets.

[2] Revised to include estimated uncollectibles in the amount of $175,469,041 as assets and the corresponding reserve as liabilities; to exclude $2,680,227,284 of securities owned by the Treasury reflected as interagency assets; and to include $27,546,311 of advances to Federal Reserve banks for industrial loans as assets and net worth.

[3] Valuation reserves, such as those providing for estimated losses on loans, are included in the above figures of liabilities.

NOTE.—Preliminary figures published in the Daily Statement of the United States Treasury and the Annual Report of the Secretary of the Treasury have been revised to include items not available at the time of publication. Other revisions (as indicated in footnotes) were necessary to place the 3 years on a more comparable basis.

SOURCE: Compiled from reports submitted to the Treasury Department by corporations and agencies in accordance with Executive Order 6869, superseded by Executive Order 8512.

TABLE 8.—*Government corporations' number of employees as of April 30, 1944*

Corporation	Number of employees	Corporation	Number of employees
Agriculture:		Federal Economic Administration:	
Commodity Credit Corporation	1,566	Cargoes, Inc.	5
Farm Credit Administration:		Export-Import Bank	60
Banks for cooperatives	170	Petroleum Reserves Corporation	11
Federal intermediate credit banks	315	Rubber Development Corporation	1,488
Federal land banks	2,178	United States Commercial Company	130
Production Credit Corporation	229	Coordinator of Inter-American Affairs:	
General agents for the above banks	488	Institute of Inter-American Affairs	2,423
Regional agricultural credit corporations	80	Institute of Inter-American Transportation	178
Federal Crop Insurance Corporation	199	Inter-American Educational Foundation, Inc.	44
Federal Farm Mortgage Corporation	23	Inter-American Navigation Corporation	4
Commerce, Secretary of:		Prencinradio, Inc.	4
Reconstruction Finance Corporation	2,430	War Production Board: Smaller War Plants Corporation	1,744
Defense Plant Corporation	2,694	National House Agency:	
Defense Supplies Corporation	998	Federal Public Housing Authority	10,746
Metals Reserve Company	423	Defense Homes Corporation	30
Rubber Reserve Company	464	Federal Home Loan Bank Administration:	
War Damage Corporation	30	Federal home loan banks	141
Federal National Mortgage Association	112	Federal Savings and Loan Insurance Corporation	54
RFC Mortgage Company, The	202	Home Owners' Loan Corporation	2,805
Disaster Loan Corporation	59	Independent:	
Inland Waterways Corporation	2,292	Federal Deposit Insurance Corporation	1,054
Interior: Virgin Islands Company, The	767	Panama Railroad Company	5,678
Justice: Federal Prison Industries, Inc.	8,791	Tennessee Valley Authority	21,800
War: United States Spruce Production Corporation	3	Total	67,912

TABLE 9.—*Principal and field offices of Government corporations as of June 30, 1943*

Corporation	Number of offices	Location	
		Principal administrative office	Field offices
Agriculture:			
Commodity Credit Corporation	7	Washington, D. C.	New York, N. Y.; Chicago, Ill.; Minneapolis, Minn.; Kansas City, Mo.; New Orleans, La.; Portland, Maine.
Farm Credit Administration:			
Banks for Cooperatives	13	Kansas City, Mo.[1]	Federal land bank cities.[2]
Federal intermediate credit banks	13	do	Do.
Federal land banks	13	do	Do.
Production credit corporations	13	do	Do.
Regional agricultural credit corporations	3	do	Minneapolis, Minn.; Wenatchee, Wash.

[1] Supervisory agency—Farm Credit Administration, located in Kansas City, Mo.

[2] Springfield, Mass.; Baltimore, Md.; Columbia, S. C.; Louisville, Ky.; New Orleans, La.; St. Louis, Mo.; St. Paul, Minn.; Omaha, Nebr.; Wichita, Kans.; Houston, Tex.; Berkeley, Calif.; Spokane, Wash. The Baltimore bank maintains a branch in Puerto Rico.

TABLE 9.—*Principal and field offices of Government corporations as of June 30, 1943*—Continued

Corporation	Number of offices	Location	
		Principal administrative office	Field offices
Agriculture—Continued.			
Federal Crop Insurance Corporation	5	St. Louis, Mo.	Denver, Colo.; Dallas, Tex.; Chicago, Ill.; Birmingham, Ala.
Federal Farm Mortgage Corporation	13	Kansas City, Mo.[1]	Federal land bank cities.[2]
Federal Surplus Commodities Corporation	8	Washington, D. C.	New York, N. Y.; Chicago, Ill.; Atlanta, Ga.; Dallas, Tex.; Denver, Colo.; San Francisco, Calif.; Des Moines, Iowa.
Commerce:			
Reconstruction Finance Corporation	13	do	Federal Reserve banks and certain branch bank cities.
Defense Plant Corporation	13	do	Reconstruction Finance Corporation offices.[3]
Defense Supplies Corporation	55	do	In 31 cities in the United States; San Juan, P. R.; Mexico City, Mexico; and Rio de Janeiro, Brazil.
Metals Reserve Company	48	do	In 32 cities in the United States, Juneau, Alaska; San Juan, P. R.; and 13 cities in foreign countries.
Rubber Reserve Company	40	do	In 21 cities in the United States and in 18 South and Central American cities.
War Damage Corporation	1	do	None.
Federal National Mortgage Association	33	do	Reconstruction Finance Corporation offices.[3]
RFC Mortgage Company, The	33	do	Do.[3]
Disaster Loan Corporation	22	do	21 Reconstruction Finance Corporation offices.
Inland Waterways Corporation	11	St. Louis, Mo.	New York, N. Y.; Chicago, Ill.; Minneapolis, Minn.; St. Paul, Minn.; Kansas City, Mo.; Memphis, Tenn.; New Orleans, La.; Mobile, Ala.; Birmingham, Ala.; Houston, Tex.
Warrior River Terminal Company, Inc.	3	Birmingham, Ala.	Offices of Inland Waterways Corporation at St. Louis, Mo., and New Orleans, La.
Interior: Virgin Islands Company, The	1	St. Croix, V. I.	None.
Justice: Federal Prison Industries, Inc.	33	Washington, D. C.	32 disbursing offices at penal institutions where industries are located.
War: U. S. Spruce Production Corporation	1	Seattle, Wash.	None.
Foreign Economic Administration:			
Cargoes, Inc.	1	Washington, D. C.	Do.
Export-Import Bank of Washington	1	do	Do.
Petroleum Reserves Corporation	1	do	Do.
Rubber Development Corporation	17	do	Mexico, and 15 South and Central American countries.
United States Commercial Company	6	do	New York, N. Y., and 4 foreign countries.
Coordinator of Inter-American Affairs:			
Institute of Inter-American Affairs	22	do	New York, N. Y.; Miami, Fla.; San Francisco, Calif; and 18 South and Central American countries.
Institute of Inter-American Transportation	1	do	None.
Inter-American Educational Foundation, Inc.	22	do	New York, N. Y.; Miami, Fla;. San Francisco, Calif.; and 18 South and Central American countries.
Inter-American Navigation Corporation	2	do	Uruguay, South America.
Prencinradio, Inc.	22	do	New York, N. Y.; Miami Fla.; San Francisco, Calif.; and 18 South and Central American countries.
War Production Board: Smaller War Plants Corporation.	115	do	14 regional, 96 district, and 4 subdistrict offices in the United States.
National Housing Agency:			
Federal Public Housing Authority	12	do	Boston, Mass.; Atlanta, Ga.; New York, N. Y.; Cleveland, Ohio; Chicago, Ill.; Kansas City, Mo.; Fort Worth, Tex.; Seattle, Wash.; San Francisco, Calif.; Detroit, Mich.; Norfolk, Va.
Defense Homes Corporation	26	do	Principal cities in the United States.
Federal Home Loan Banks Administration:			
Federal home loan banks	13	do	Federal home loan bank cities.[4]
Federal savings and loan insurance corporations.	13	do	Do.[4]
Home Owners' Loan Corporation	8	New York, N. Y.	Atlanta, Ga.; Chicago, Ill.; Cincinnati, Ohio; Dallas, Tex.; Memphis, Tenn.; Omaha, Nebr.; San Francisco, Calif.
U. S. Housing Corporation	1	do	None.
Independent Establishments:			
Federal Deposit Insurance Corporation	13	Chicago, Ill.	Boston, Mass.; New York, N. Y.; Columbus, Ohio; Richmond, Va.; Atlanta, Ga.; St. Louis, Mo.; Madison, Wis.; St. Paul, Minn.; Kansas City, Mo.; Dallas, Tex.; San Francisco, Calif.; Washington, D. C.
Panama Railroad Company	2	New York, N. Y.	Balboa Heights, C. Z.
Tennessee Valley Authority	3	Knoxville, Tenn.	Sheffield, Ala.; Chattanooga, Tenn.
Tennessee Valley Associated Cooperatives	1	Waynesville, N. C.	None.

[1] Supervisory agency—Farm Credit Administration located in Kansas City, Mo.

[2] Springfield, Mass.; Baltimore, Md.; Columbia, S. C.; Louisville, Ky.; New Orleans, La.; St. Louis, Mo.; St. Paul, Minn.; Omaha, Nebr.; Wichita, Kans.; Houston, Tex.; Berkeley, Calif.; Spokane, Wash. The Baltimore bank maintains a branch in Puerto Rico.

[3] Atlanta, Ga.; Birmingham, Ala.; Boston, Mass.; Charlotte, N. C.; Chicago, Ill.; Cleveland, Ohio; Dallas, Tex.; Denver, Colo.; Detroit, Mich.; Helena, Mont.; Houston, Tex.; Jacksonville, Fla.; Kansas City, Mo.; Little Rock, Ark.; Los Angeles, Calif.; Louisville, Ky.; Minneapolis, Minn.; Nashville, Tenn.; New Orleans, La.; New York, N. Y.; Oklahoma City, Okla.; Omaha, Nebr.; Philadelphia, Pa.; Portland, Oreg.; Richmond, Va.; St. Louis, Mo.; Salt Lake City, Utah; San Antonio, Tex.; San Francisco, Calif.; Seattle, Wash.; Spokane, Wash.; and San Juan, P. R.

[4] Boston, Mass.; New York, N. Y.; Pittsburgh, Pa.; Winston-Salem, N. C.; Cincinnati, Ohio; Indianapolis, Ind.; Chicago, Ill.; Des Moines, Iowa; Little Rock, Ark.; Topeka, Kans.; Portland, Oreg.; Los Angeles, Calif.

The explanatory statement of the report on Government corporations, presented by Mr. BYRD, is as follows:

EXPLANATION OF REPORT

The committee states that there are 44 Government-owned corporations with liabilities of $16,500,000,000, covered by assets the value of which will not be known for years to come. These corporations possess borrowing power of $33,000,000,000, plus outstanding loans of $6,500,000,000. They are operating at a current loss of nearly $103,000,000. The corporations employ 70,000 officials and employees, who are scattered all over the world. All figures are as of the fiscal year ended June 30, 1943.

So intensive was the investigation with respect to Government-owned corporations that the information gathered was too voluminous to include in the 52-page report. The committee held numerous hearings in order to determine what programs were being carried out by the Government in utilizing the corporate form, and it also sought the opinions of experts in the field of corporations.

Some of these corporations, notably the Reconstruction Finance Corporation and those functioning under the Coordinator of Inter-American Affairs, are world-wide in scope, and for the most part are handling billions of dollars without current control by Congress, Treasury, Bureau of the Budget, or General Accounting Office.

Government corporations seem to have been created with little thought as to their advantages or disadvantages; some have been set up without capital stock, and others have been established with the idea or even the expressed intention to use up all capital in carrying out their purpose. The net proprietory interest of the Government in all its corporations expanded from two billions seven hundred millions in 1933 to fourteen billions eight hundred millions in 1943. Most of these corporations are perpetual, to be wound up only when dissolved.

Government corporations to a great degree do business in competition with private enterprise. They encroach upon and compete with business—with business under serious disadvantage. They have practically unlimited Government credit at low rates of interest; freedom in some instances from Federal, State, and local taxation on property and securities, except taxes on real estate; they also enjoy the privilege of penalty mail and other concessions similar to those enjoyed by regular Federal agencies. Add to these the prestige of a Government agency, and business meets an invincible competitor.

There is no effective over-all control. Alone or in certain groups these corporations are autonomous. There has been a growing independence on the part of the corporations to resist attempts of the General Accounting Office to audit their accounts, and, on the other hand, this Office has failed to press its rights in this matter under Executive Order 6549.

JOINT COMMITTEE'S CONCLUSIONS

A great diversity in creation and organization of Government corporations is noted.

The lack generally of over-all control—current control by Congress, Treasury, and General Accounting Office—should have immediate attention.

Some corporations carry on extra corporate functions to an important extent—payment of subsidies, price supports, buying and selling at a loss.

Corporations were largely created to meet a crisis or emergency.

The corporate form is entirely too free a resort. Corporations were formed in many

cases in which an ordinary agency would have sufficed.

Using State charters to implement corporations is anomalous, and may be objectionable and dangerous.

Corporations have not been successful on a profit-and-loss basis, but Government corporations are not usually established to make money. Panama Railroad Company (operating a monopoly in the Canal Zone) is an exception.

Farm-credit institutions are to some extent overcapitalized and a return to the Treasury should be considered.

The number of corporations and their complicated interrelations defeat a clear understanding of the purposes and objectives of each.

A corporation placed in liquidation should be transferred to a regular agency—the Treasury, for instance—for such liquidation. Liquidation should be prompt so far as sound principles will permit.

RECOMMENDATIONS

It is recommended—

1. That over-all public control be established promptly with reference to current control by the Congress, the Budget, Treasury, and General Accounting Office:

To take form of a business-type budget—a work program for the ensuing year, with comparisons for the year in progress, and for the last completed year—presented to the Bureau of the Budget;

After review and modification to be included in the Budget for submission to Congress;

To be acted upon by Congress in a similar manner as to appropriations;

With provision for control accounts in the Treasury, and audit by the General Accounting Office.

2. That the Comptroller General of the United States be made the auditor and comptroller, ex officio, of each and every Government corporation.

It would be necessary in carrying out this procedure to make provision for some discretion in executing the programs as authorized;

And to arrange for the procedure as to audit and settlement by the General Accounting Office, and for the manner of Treasury control.

(The Secretary of the Treasury and the Director of the Budget are not in complete agreement with recommendation No. 2 of the report.)

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate by the Vice President, and referred as indicated:

A concurrent resolution of the Legislature of South Dakota; to the Committee on Commerce:

"Concurrent resolution memorializing agencies of the Federal Government to adopt plans for development of the Missouri River Valley

"Be it resolved by the House of Representatives of the State of South Dakota and the Senate concurring:

"That we hereby memorialize the President, the Congress, and all interested departments and agencies of the United States of America with the following stated ideas, suggestions, and recommendations:

"That a plan of valley-wide development of the Missouri River system be authorized as a national enterprise for development of natural resources and the furnishing of labor and business opportunity for post-war readjustment purposes.

"That there be enacted into law, subject to such amendments as your investigations and deliberations may warrant, all the authorization plans now submitted for your consideration relative to Missouri River development and commonly referred to as the Army Engineer Corps flood-control plan, the rivers and harbors bill, and the Bureau of Reclamation plan.

"That all of said authorization plans be adopted with saving clauses or reservations to the effect that none of them shall ever be administered nor construed as authorizing any priorities of rights or interest nor any vested rights in any one on account of developments, uses, investments, or similar operations or uses made on account of said developments.

"That after said authorization plans are adopted that the National Government coordinate them in the general public interest through control of appropriations for construction operation and maintenance so that structures common to carrying out the general purposes of all plans shall be first constructed and so that all sections of the valley may receive recognition in development and protection of interests appropriate to their economic and social conditions.

"That construction plans be so devised and appropriations made that substantial construction projects may be commenced simultaneously in all of the Missouri Valley States after the end of the war for the purpose of providing post-war employment and business opportunities throughout the entire Missouri Valley as soon as practicable.

"That all of said plans and appropriations by the National Government be made with the general purpose and understanding that none of the States shall in any manner relinquish any sovereign rights which they now hold in the ownership of stream beds, waters, or things appurtenant thereto, and that when the original costs of the Federal investment in the improvements are repaid, either through revenues from the same or otherwise, that the Missouri Valley States shall be entitled to the revenues thereafter subject to payment of operation and maintenance costs, and subject always to the rights of the National Government to exercise dominion and control over the improvement for the purposes of flood control, irrigation, navigation, power, interstate commerce regulation, and all other subjects under which it may have rights of control pursuant to the Constitution of the United States and that on all other things the Missouri Valley States shall have dominion and control; be it further

"Resolved, That copies of this resolution be transmitted by the Governor of this State to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the National Congress, and to all of the members of the South Dakota congressional delegation, and to such others as to him may seem advisable.

"Adopted this 12th day of July 1944."

A joint resolution of the Legislature of California; to the Committee on Agriculture and Forestry:

"Assembly Joint Resolution 8

"Joint resolution relative to memorializing Congress to provide adequate support for the maintenance of the San Joaquin Experimental Range by the Forest Service, United States Department of Agriculture

"Whereas there is in the county of Madera, State of California, the San Joaquin Experimental Range of the United States Forest Service, Department of Agriculture, established in 1935 for the major purposes of: (a) making studies of the proper utilization of natural range through conservation, reseeding, introduction of new species, fertilization, cultivation, and management, and (b) making studies of the proper management of livestock on the range; and

"Whereas the studies now being carried on at this station are proving to be of marked benefit to the livestock industry, and give promise of immeasurably greater benefits if continued: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Congress of the United States be memorialized to give consideration to the appropriation of adequate funds for the continuance of this vital work by the Forest Service, Department of Agriculture; and be it further

"Resolved, That the chief clerk of the assembly is hereby directed to transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, the Secretary of Agriculture, and each Member of the Senate and the House of Representatives from California in the Congress of the United States."

Two resolutions of the House of Representatives of California; to the Committee on Agriculture and Forestry:

"House Resolution 132

"Resolution relating to prolonging the wild fowl shooting season

"Whereas for many years there was a very noticeable scarcity of migratory wild fowl; and

"Whereas sportsmen all over the Nation led by Ducks Unlimited have used strenuous efforts to increase such game; and

"Whereas the Federal Government functioning through the Department of the Interior has through scientific methods materially increased the numbers of migratory fowl until during the last few hunting seasons sportsmen have enjoyed better shooting than for several years past; and

"Whereas the take of wild fowl has materially improved the food situation during the war period; and

"Whereas migrating wild fowl are causing large destruction of valuable farm food crops within the State; and

"Whereas, California is so long north and south as would naturally provide two shooting seasons if judged by the migration of wild fowl; and

"Whereas the State Assembly after studied consideration believe that the State south of the Tehachapi should be placed in the southern shooting zone, and also that the shooting seasons in each of the zones should be expanded by at least a month longer than formerly: Now, therefore, be it

"Resolved by the Assembly of the State of California, That the Federal Government acting through the Department of the Interior be memorialized to carry out the purport of this resolution; and be it further

"Resolved, That the chief clerk of the assembly is hereby instructed to send copies of this resolution to the President and Vice President of the United States, the Secretary of Interior, the Speaker of the House of Representatives, and to the Senators and Representatives from California in the Congress of the United States."

"House Resolution 44

"Resolution relative to encouraging propagation of cork oak trees in the United States with a view to freeing this Country from its dependence upon Europe for its supply of this vital material.

"Whereas the United States with its diversity of industry and California particularly, with its huge wine and bottling industries, consume a tremendous amount of cork; and

"Whereas life preservers, marine and building insulation material, and many other manufactured products require additional vast quantities of cork; and

"Whereas cork has been listed by the Army and Navy Department as among the 15 most critical war materials; and

"Whereas the cork oak can be successfully grown in certain parts of the United States and especially in the Southwest and in California, particularly in sections which are very

like the cork-growing regions of Spain, Portugal, and North Africa, and moreover the cork produced from California trees is physically and chemically equal in quality to Spanish, Portuguese, and African cork and gives equally satisfactory results in production and use; and

"Whereas up to now the interest in growing cork oak trees in this country has not resulted in development on a commercial scale, principally because of the length of time required before the trees are large enough to strip off readily salable bark; and

"Whereas in the past 4 years nearly 150,000 cork oaks have been planted in 40 counties of California, and the State Board of Forestry, the State Director of Natural Resources, and other officials and industrial leaders are working to put the cork-growing industry in California upon a commercial basis: Now, therefore, be it

"*Resolved by the Assembly of the State of California*, That the Congress of the United States be, and it is hereby memorialized to aid this program by its active support; and be it further

"*Resolved*, That the chief clerk of the assembly transmit copies of this resolution to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and the Senators and Representatives from California in the Congress of the United States."

Two joint resolutions of the Legislature of the State of California; to the Committee on Education and Labor:

"Assembly Joint Resolution 2

"Joint resolution memorializing the Congress of the United States to make a survey of the needs of various schools for adult manual education, before authorizing disposal of equipment or machinery used in the production of war material

"Whereas from now on the United States Government and its agencies will have for disposal in increasing quantities equipment and machinery built primarily for the production of war materials but much of it still usable or adaptable for use in manual training schools; and

"Whereas because of the return of many physically handicapped servicemen to civilian life and of the more or less temporary war and post-war economic readjustments, there will be an increasing need of adult mechanical training, in which much machinery and equipment now owned by the Federal Government and its agencies could be well used: Now, therefore, be it

"*Resolved*, That before disposing of equipment or machinery which is fitted or may be adapted for use in manual training schools for adult education, the Congress of the United States be, and it is hereby, memorialized to cause a survey to be made of the needs of adult training schools throughout the country with a view to making available to them such machinery and equipment belonging to the Federal Government and its agencies, and no longer needed, as may be fitted or adapted to the use of such schools; and be it further

"*Resolved*, That the chief clerk of the assembly be hereby directed to forward copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives and to each Senator and to each Member of the House of Representatives from California in the Congress of the United States."

"Assembly Joint Resolution 11

"Joint resolution relative to the post-war disposition of temporary and demountable war housing by the Federal Government through appropriate State and local governmental authority

"Whereas there exist in the State of California many thousands of units of temporary and demountable war housing and facilities now under the management and control of the Federal Public Housing Authority; and

"Whereas the retention of said housing units and facilities in their present location will tend to depress the market value of real property and have a detrimental effect upon home building enterprises in those areas during the post-war period; and

"Whereas said housing units and facilities can be used satisfactorily to improve much of the agricultural housing in the State of California during the post-war period; and

"Whereas the several State departments and organizations interested in post-war farm problems have been engaged in cooperative discussions with the Federal Public Housing Authority relative to ways and means of making said temporary and demountable war houses available for agricultural housing purposes in the post-war period; and

"Whereas the Agriculture Committee of the California Commission on Interstate Cooperation has been seeking to assist in these cooperative efforts: Now, therefore, be it

"*Resolved by the Assembly and the Senate of the State of California (jointly)*, That the legislature of the State of California does commend these groups for the efforts they are exerting in bringing about a proper solution to this problem; and be it further

"*Resolved*, That the Congress of the United States, the Federal Public Housing Authority, and the State Departments in California interested in this problem be and they are urged to continue their efforts, and through appropriate legislative and administrative orders act to clear up any difficulties and carry the attack on the problem through to a successful conclusion; and be it further

"*Resolved*, That copies of this resolution be sent to the Vice President of the United States, the Speaker of the House of Representatives of the United States, each of the Senators and Representatives from California in the Congress of the United States, the Federal Public Housing Authority, and the Agriculture Committee of the California Commission on Interstate Cooperation."

A joint resolution of the Legislature of the State of California; to the Committee on Finance:

"Assembly Joint Resolution 4

"Joint resolution relative to the establishment of a veterans' hospital in central California

"Whereas the hospitalization and rehabilitation of veterans is one of our first and foremost duties; and

"Whereas the climatic and geographic conditions in central California offer an ideal site for a veterans' hospital and home for domiciliary care; and

"Whereas there has been introduced by BERTRAND W. GEARHART, Member of Congress from California, a bill known as H. R. 4560, to provide for the erection of a United States Veterans' Administration hospital and home of domiciliary care in central California: Now, therefore, be it

"*Resolved by the Assembly and the Senate of the State of California, jointly*, That Congress is hereby respectfully memorialized to act favorably on H. R. 4560; and be it further

"*Resolved*, That the chief clerk of the assembly be and he is hereby directed to send copies of this resolution to the President, Vice President, Speaker of the House of Representatives, and to the Senators and Representatives from California in the Congress of the United States."

Two joint resolutions of the Legislature of California; to the Committee on Military Affairs:

"Assembly Joint Resolution 6

"Joint resolution relative to making shotgun shells available to farmers

"Whereas it is essential to the production of food and fiber that rice and other grains be protected against the damage done by mud hens and resident ducks; and

"Whereas it is necessary that shotgun shells be made available in adequate quantities for purchase by farmers to provide for such protection; and

"Whereas the War Production Board, by its order L–286, as amended August 25, 1943, promulgated an elaborate set of regulations governing the allotment of shotgun shells to farmers and others, under which farmers and ranchers have received permits enabling them to purchase shotgun shells; and

"Whereas such permits have been of little benefit to farmers and ranchers because they have been unable to obtain such shells, as they have been purchased by other persons holding permits from the War Production Board; and

"Whereas it is necessary either to increase the allotment of shotgun shells to California so that farmers and ranchers holding permits may be able to purchase the shells covered thereby or, if such cannot be done, to limit the permits issued to persons other than farmers and ranchers: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California (jointly)*, That the War Production Board be memorialized either to make more shotgun shells available to farmers and ranchers holding permits to purchase such shells in California or, if the necessities of war prevent such increased allotment, to limit the granting of permits to persons other than farmers and ranchers so that shells may be obtained by the latter in order to protect their growing grain and thus to augment the food supply of this Nation; and be it further

"*Resolved*, That the chief clerk of the assembly shall transmit copies of this resolution to the President and Vice President of the United States, to Donald M. Nelson, Chairman of the War Production Board, and J. Joseph Whelan, recording secretary thereof, and to the Members of the Congress of the United States from California."

"Assembly Joint Resolution 16

"Joint resolution relative to the establishment of an Optometric Corps in the United States Army

"Whereas for the efficient functioning of the members of the armed forces of the United States it is necessary that their visual requirements be adequately cared for; and

"Whereas the War Department estimates that 20 percent of United States soldiers require correction of their visual needs by the use of eyeglasses (approximately 2,200,000 individuals); and

"Whereas at present the supplying of the visual needs is under the direction of the Medical Corps administered by the Surgeon General of the Army; and

"Whereas to help fulfill these needs the Medical Corps is using the services of approximately 1,000 optometrists; and

"Whereas the Surgeon General and The Adjutant General have declared that more optometrists are needed to insure adequate visual care for all members of the armed forces; and

"Whereas these optometrists are being drafted as privates, and only in rare instances are they permitted to attain even noncommissioned rank; and

"Whereas all these optometrists must be (1) graduates of a 4-year professional course in optometry at an approved university or school of optometry, and (2) licensed in one of the States of the United States; and

"Whereas many optometrists have sought and obtained commissioned rank in other branches of the United States Army, so that they might attain the recognition accorded others with similar education and professional attainments; and

"Whereas with adequate recognition most of the optometrists who are now serving in other branches of the armed forces would

transfer to an Optometric Corps and help provide the needed personnel; and

"Whereas many optometrists now in private practice would join the armed forces if they were able to do so in the manner permitted to other professionals, such as physicians, dentists, and nurses; and

"Whereas the Surgeon General has stated that optometrists cannot be commissioned in the Medical Corps, as only licensed physicians can receive such commissions: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the legislature of this State endorse the formation of an Optometric Corps in the United States Army and in the Army of the United States and request the Members of Congress to enact the same into law; and be it further

"Resolved, That the chief clerk of the assembly prepare and transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives of the Congress of the United States, to each Senator and Member of the House of Representatives from California in the Congress of the United States, and that the Senators and Representatives from California are hereby respectfully urged and requested to support the establishment of the said Optometric Corps."

Three joint resolutions of the Legislature of California; to the Committee on Post Offices and Post Roads:

"Assembly Joint Resolution 8

"Joint resolution relative to memorializing the President and Congress to have the Mammoth Pass Road in California constructed as a post-war construction project

"Whereas sound post-war planning demands that the Federal Government undertake many construction projects employing vast numbers of men, and economical management requires that the Government's money be spent upon projects of lasting benefit; and

"Whereas the National Government has assisted in the construction of a national highway from the Mexican border to the Canadian line, known as United States Highway No. 395; and

"Whereas the United States Highway No. 395 connects with various other highways leading to other portions of California; and

"Whereas present direct traffic routes from the San Joaquin and Santa Clara Valleys through the Sierra Nevada Range connecting with said United States Highway No. 395, are closed for a large part of the year by heavy snows; and

"Whereas the Mammoth Pass, which is within a few miles of United States Highway No. 395, is much lower and in more open country and is not closed with snow for as long a time in the winter months as the other passes; and

"Whereas a portion of said proposed highway has been constructed by the Forestry Department, building from both sides of the mountain range, leaving a distance of approximately 45 miles to connect the said Highway No. 395 and State Highway No. 125 and State Highway No. 126; and

"Whereas the proposed highway will connect with United States Highway No. 99-from which several State highways lead across the Coast Range to the Santa Clara Valley on the west side of the said range, and connect with United States Highways Nos. 101 and 466; and

"Whereas the construction of the highway over the said Mammoth Pass which could be kept open during the entire year through the use of modern machinery would provide an important east-west traffic route through the Sierras, and would be in every way a desirable post-war construction project.

"Whereas the construction of the proposed highway would not only be of importance from the standpoint of national defense, but would be of inestimable advantage from an economic standpoint, in that it would:

"(a) Afford an opportunity for the development of a virgin territory with extensive natural lumber resources amounting to upward of 2,800,000,000 board feet of a present commercial value and an additional 2,000,000,000 board feet of potential pulp timber and substantial deposits of iron, lead, and silver;

"(b) Attract a large number of visitors to view the priceless heritage of forests, mountains, game animals, birds, and other scenic beauties of the region which would be open to tourist and other travel;

"(c) Provide a loop trip for those persons traveling from southern California to the Owens River Valley by the eastern route;

"(d) Assist in the full power and irrigation storage development of the upper San Joaquin River in order to meet the needs of the Central Valley project; and

"Whereas the building of the proposed highway would contribute in great measure to the future and increasing growth and prosperity of the San Joaquin Valley, and of other portions of this State; and

"Whereas, on August 13, 1940, Representative GEARHART, of California, introduced in the House of Representatives of the Congress of the United States, H. R. 10348, of the Seventy-sixth Congress, third session, authorizing the Secretary of Agriculture to construct, extend, and improve that highway: Now therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the President and the Congress of the United States be memorialized to take such steps as may be necessary to have the said Mammoth Pass Road constructed to commence at or near Casa Diablo in Mono County, on United States Highway No. 395, and continue over Mammoth Pass at the most feasible location and connect with State Highway No. 125 and Highway No. 126 in Madera County, a distance of approximately 45 miles; and be it further

"Resolved, That the Congress of the United States be memorialized to take up again the consideration of, and pass, the said bill, H. R. 10348, or to otherwise make a suitable appropriation and order the construction of said highway as soon as possible; and be it further

"Resolved, That a copy of this resolution be sent by the chief clerk of the assembly, to the President and Vice President of the United States, to Gen. P. B. Fleming, Federal Works Administrator, to the Speaker of the House of Representatives of the Congress of the United States, and to each Senator and Representative from California, and from Nevada in the Congress of the United States; and the Senators and Representatives from California and Nevada are hereby respectfully urged to request such action."

"Assembly Joint Resolution 10

"Joint resolution relative to an interregional highway connecting San Diego and the extreme southern part of the State with the easterly regions of the United States

"Whereas the Congress of the United States now has before it for consideration a plan of establishing a system of interregional highways; and

"Whereas the establishment of a direct interregional highway connecting the San Diego and Imperial Valley region with the easterly regions of this country would be of immeasurable benefit to southern California by affording a more direct route of communication between southern California and the Eastern States: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California (jointly), That the Congress of the United States be memorialized to include within any interregional highway system authorized by the Congress a route directly connecting the San Diego-Imperial Valley region with the easterly portions of the United States; and be it further

"Resolved, That copies of this resolution shall be transmitted by the chief clerk of the assembly to the President and Vice President of the United States; to Gen. P. B. Fleming, Federal Works Administrator, Washington, D. C., to the Speaker of the House of Representatives; and to the Members of the Congress of the United States from the State of California."

"Assembly Joint Resolution 13

"Joint resolution relative to the enactment by Congress of H. R. 4915, providing Federal aid for post-war highway construction

"Whereas the need for public works projects following the termination of the war to furnish employment for returning servicemen and those no longer needed in war industries will be one of the most pressing problems facing the Nation; and

"Whereas a program of highway construction is ideally suited to meet a substantial portion of this need; and

"Whereas there is now pending in the Congress of the United States H. R. 4915 which will appropriate Federal funds for post-war highway construction, the funds to be apportioned among the States, to be expended by the States; and

"Whereas the method of apportionment between the States, and, as to the amount received by each State, between the various types of highways therein, is eminently fair and designed not only to provide employment where it will be most needed but to improve the highways which are most in need thereof: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Congress of the United States be and it is hereby memorialized to enact H. R. 4915; and be it further

"Resolved, That the chief clerk of the assembly prepare and transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives of the Congress of the United States, and to each of the Senators and Representatives from California."

A resolution of the House of Representatives of California; to the Committee on Public Lands and Surveys:

"House Resolution 72

"Resolution relating to privately owned cabins in United States forest reserves

"Whereas many persons have rented small tracts of land in United States forest reserves from the United States Government and have erected thereon privately owned cabins for use in the summer; and

"Whereas such owners are required to pay a rental to the United States for the use of the land and also to pay taxes to the county in which the land is situated for the improvements they have erected; and

"Whereas provision is made for camps for transients who receive considerable recreational benefits at practically no cost; and

"Whereas the United States receives a benefit from the presence of the cabin owners, who are semipermanent, in that the cabin owners are more vigilant and careful as to fire hazards: Now, therefore, be it

"Resolved by the Assembly of the State of California, That the President and Congress of the United States are hereby requested to make provision whereby any person who leased a cabin site on United States land and paid the rentals for a period of 10 years shall be exempted from further payments of rentals while the property remains in his possession; and be it further

"*Resolved*, That copies of this resolution be transmitted by the chief clerk of the assembly to the President and Vice President of the United States, the Chief of the United States Forest Service, and to each Senator and Member of the House of Representatives in the Congress of the United States from California."

A resolution of the Representative Council of the City of Newport, R. I., favoring the enactment of Senate bill 1371, to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes", approved May 22, 1920; to the Committee on Civil Service.

A resolution adopted by the Louisiana Municipal Association favoring the enactment of House bill 1502, to clarify the application of the Securities Exchange Act of 1934 to exempted securities, and for other purposes; to the Committee on Interstate Commerce.

A resolution of the Municipal Assembly of Naranjito, P. R., favoring the retention of Hon. Rexford G. Tugwell as Governor of Puerto Rico; to the Committee on Territories and Insular Affairs.

A resolution of the Municipal Assembly of Lajas, P. R., favoring the removal of Hon. Rexford G. Tugwell as Governor of Puerto Rico; to the Committee on Territories and Insular Affairs.

The petition of the Puerto Rico Medical Association, praying for the enactment of Senate bill 1851, to provide for the establishment of a division of tuberculosis in the United States Public Health Service, and favoring its application to Puerto Rico; to the Committee on Education and Labor.

A resolution adopted at Kenosha, Wis., by the Navy Club of the United States of America, favoring the maintenance of the United States Navy as the largest navy in the world with sufficient world bases, for the security of the Nation and the maintenance of international order and peace; to the Committee on Naval Affairs.

A resolution adopted at New York City by representatives of La Princessa Mutual Aid Society, Mistretta Mutual Aid Society, Naro Mutual Aid Society, and Gramichele Mutual Aid Society, favoring the extension of lend-lease aid to Italy; to the Committee on Foreign Relations.

A petition of members of women's civic organizations of Cedar Rapids, Iowa, praying for the adoption of a strong foreign policy, and the establishment of peace with provision of sufficient force for its maintenance; to the Committee on Foreign Relations.

A resolution of the Municipal Council of St. Thomas and St. John, V. I., and a resolution of the Municipal Council of St. Croix, V. I., relating to Judge Herman E. Moore of the District Court of the Virgin Islands; to the Committee on the Judiciary.

The petition of Cecil Wright, of Alcatraz, Calif., praying for the institution of impeachment proceedings against Judge Walter C. Lindley; to the Committee on the Judiciary.

A resolution adopted by Laundry Workers and Cleaners International Union, Local No. 183, A. F. of L., of Minneapolis, Minn., favoring Nation-wide radio broadcasting of the proceedings of Congress; to the Committee on Rules.

The petition of John Hoasko, of Gary, Ind., praying for the enactment of Senate bill 1161, to provide an enlarged social security program; to the Committee on Finance.

The petition of Basil Martin, of Dawson Springs, Ky., praying for the enactment of House bill 4099, to extend the legal period of the Philippine Insurrection so as to include active service with the United States military or naval forces engaged in hostilities in Moro Province, including Mindanao, or in the islands of Samar and Leyte, between July 5, 1902, and December 31, 1913; to the Committee on Pensions.

Petitions and papers in the nature of petitions of citizens and real estate companies of New York City and vicinity, praying for the enactment of legislation to amend the rent-control provisions of the Emergency Price Control Act so as to remove certain alleged inequities and discriminations against owners of housing accommodations; ordered to lie on the table.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. WALSH of Massachusetts, as in executive session, from the Committee on Naval Affairs, reported favorably the nominations of sundry citizens and a meritorious noncommissioned officer to be second lieutenants in the Marine Corps.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

S. 2049. A bill to validate titles to certain lands conveyed by Indians of the Five Civilized Tribes; to the Committee on Indian Affairs.

(Mr. GREEN (for himself and Mr. LUCAS) introduced Senate bill 2050, which was referred to the Committee on Privileges and Elections, and appears under a separate heading.)

(Mr. GEORGE introduced Senate bill 2051, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. BREWSTER:

S. 2052. A bill for the relief of Ada B. Foss; to the Committee on Claims.

S. 2053. A bill relating to the pay of officers of the retired list of the Navy serving on active duty in the rank of rear admiral; to the Committee on Naval Affairs.

By Mr. WHEELER:

S. 2054. A bill authorizing the issuance of a patent in fee to Frederick Alden; and

S. 2055. A bill authorizing the issuance of a patent in fee to Ruth Morning; to the Committee on Indian Affairs.

By Mr. WALSH of Massachusetts:

S. 2056. A bill to authorize the Secretary of the Navy to lease certain lands situated in San Diego County, State of California; to the Committee on Naval Affairs.

By Mr. LUCAS:

S. J. Res. 144. Joint resolution urging the institution of Americans All—Immigrants All program; to the Committee on Education and Labor.

DISSEMINATION OF NEWS AND ENTERTAINMENT TO MEMBERS OF THE ARMED FORCES

Mr. GREEN. Mr. President, for the Senator from Illinois [Mr. LUCAS] and myself, I introduce a bill to amend the act of August 2, 1939, entitled "An act to prevent pernicious political activities," as amended by the act of April 1, 1944, entitled "An act to facilitate voting in time of war by members of the land and naval forces, members of the merchant marine, and others, absent from the place of their residence, and to amend the act of September 16, 1942, and for other purposes." I ask that the bill be referred to the Committee on Privileges and Elections.

The VICE PRESIDENT. The bill will be received and referred as requested.

Mr. GREEN. I desire to make a brief explanation of the reasons for the introduction of the bill by the Senator from Illinois and myself.

Title V of Public Law 277, the so-called soldiers' vote bill, was passed last winter without sufficient information or understanding as to its complete effect on the operation of the War and Navy Departments in the dissemination of news and entertainment to men in our armed services. The provisions of title V have been tested now over a period of 4 months and in actual practice it has become apparent that title V, as it is now written, does not truly represent the intent of the Senate as it was last winter or as it is now.

Two things seem to be apparent:

First. It is highly desirable, almost vital, that members of the armed forces be reliably, accurately, and completely informed if their morale is to be maintained and enemy propaganda is to be offset. An informed soldier or sailor is both a better fighter and a better citizen. So the Army and Navy Departments are engaged in supplying the members of their services with a comprehensive and vast program of news and entertainment so far as they are not prevented by law.

Second. The stated intent of the Senate in passing title V was only to insure impartiality. It was not to shut off from members of the Army and Navy the news and information accessible generally to civilians in the United States. The services have administered title V in accordance with its terms and are in the sound position of interpreting limitations on political propaganda among their members strictly in accordance with the law as it is written.

However, the phraseology adopted has had the effect of restricting the dissemination of some literature and material which it does not appear to me this Senate intended to restrict when title V was passed.

The cure for the situation is certainly not to have the Army loosely interpret the law. The cure is in correcting the law itself, so that it truly represents the intent of the Senate and permits servicemen to read, see, and hear the same things they would if they were at home.

For that reason I propose this amendment to the law and hope that it may be adopted without any unnecessary delay.

The bill (S. 2050) to amend the act of August 2, 1939, entitled "An act to prevent pernicious political activities," as amended by the act of April 1, 1944, entitled "An act to facilitate voting, in time of war, by members of the land and naval forces, members of the merchant marine, and others absent from the place of their residence, and to amend the act of September 16, 1942, and for other purposes," was read twice by its title and referred to the Committee on Privileges and Elections.

Mr. TAFT. Mr. President, in relation to the matter just referred to by the Senator from Rhode Island [Mr. GREEN], I desire to read a short statement which I gave to the press several days ago:

A considerable misunderstanding has arisen regarding the effect of section 22 of the Hatch Act, which I sponsored in its original form, but which was worked out with the Army and Navy representatives after it passed the Senate.

There seems to be some idea that books and other material sent to the armed forces is to be censored. The misrepresentation in the press and by columnists has been so complete that wives and parents seem to think their mail to the soldiers will be opened and political material removed. Of course, the opposite is the fact. The law provides that nothing shall prevent the sending of any letter, communication, magazine, newspaper, or other literature to any soldier if it is sent by an individual, corporation, or political committee at its own expense. Anything may go. Not only that, the section provides that it is unlawful for any censor to remove from any matter addressed to an individual member of the armed forces even political literature. As a matter of fact, the section applies only to the use of Government money or sponsorship for magazines, newspapers, books, broadcasts, etc. We face a unique situation in which all means of communication to some 5,000,000 voters are controlled by the Government, and the soldiers cannot have access to all the newspapers and magazines as do the voters at home. The Government is actually distributing at its own expense practically all the material which reaches the soldiers, including the servicemen's magazines, and they are now printing and buying the books which are distributed. I think there can be no disagreement with the general purpose of the section that this great power of the Government shall not be used to distribute political argument or political propaganda of any kind designed or calculated to affect the election.

The amendment, however, contains express authorization for the impartial distribution of literature. It excepts from the section entirely "the distribution to members of the armed forces of books, magazines, and newspapers which have a general circulation in the United States, or of servicemen's magazines or newspapers."

So that books, magazines, and newspapers having a general circulation in the United States may be sent abroad no matter what kind of political propaganda they contain. The only question which has arisen is whether the Government, at Government expense, shall print certain books. Every month the Government is printing 32 books which are selected from a long list of books, and the whole controversy is related to whether the Government shall each month print 90,000 copies and distribute them throughout the world if they contain political propaganda or political literature.

But the amendment contains the following specific provisions regarding such distribution:

1. Books: It is stated that "books of general circulation hereafter purchased shall be selected from books not containing political argument or political propaganda of any kind designed or calculated to affect the result of any election." This obviously does not limit the circulation of secondhand books of general circulation supplied through the Red Cross or the U. S. O. or at private expense. It applies only to the spending of Government money to have books printed. It is not intended, certainly, to exclude even the printing by the Government of such books as Charles A. Beard's Republic or Mrs. Catherine Bowen's Yankee From Olympus. I understand the Navy agrees to this. The Army interpretation has certainly been too strict, but does not seem to be justified by the act.

2. News: The act provides expressly that servicemen's magazines or newspapers sponsored or paid for by the Government may be circulated, but "shall be nonpartisan and nonpolitical." Certainly, no one can question the wisdom of this principle. It certainly does not exclude the publication of official speeches such as Mr. Dewey's acceptance speech. The act goes on to provide expressly that it "shall not prohibit or curtail impartial coverage or presentation, as news or information, of public events, and persons in public life." I do not see how the act could be more liberal unless we abolished the principle of nonpartisanship altogether, and let the United States Government run a political newspaper.

The act contains other provisions authorizing even editorials, columns, and argumentative matter for one part, if an equal space is given to the representatives of the other; also, provisions for broadcasting political addresses, if equal time is given to both parties.

I might add that the chief difficulty seems to be that Army officers are unwilling to take the responsibility for saying that a mere reference to politics or history is not political propaganda. If that is so, I am certainly willing to leave it to the opinion of the Secretary of War as to what is political propaganda, so that individual officers may be protected.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on the Judiciary:

H. R. 4349. An act to exempt certain officers and employees of the National War Labor Board from certain provisions of the Criminal Code;

H. R. 4446. An act to exempt certain officers and employees within the Office of Scientific Research and Development from certain provisions of the Criminal Code; and

H. R. 4468. An act to exempt certain officers and employees of the War Department from certain provisions of the Criminal Code and Revised Statutes.

ADDRESS BY THE VICE PRESIDENT SECONDING THE NOMINATION OF PRESIDENT ROOSEVELT

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD the address delivered by Hon. HENRY A. WALLACE, Vice President of the United States, seconding the nomination of President Roosevelt at the Democratic National Convention in Chicago, Ill., on July 20, 1944, which appears in the Appendix.]

ADDRESS BY THE VICE PRESIDENT TO IOWA DEMOCRATIC STATE CONVENTION

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD the address delivered by Hon. HENRY A. WALLACE, Vice President of the United States, to the Iowa Democratic State convention at Des Moines, Iowa, on July 29, 1944, which appears in the Appendix.]

ADDRESS BY SENATOR WALSH OF MASSACHUSETTS SECONDING THE NOMINATION OF SENATOR BARKLEY FOR VICE PRESIDENT

[Mr. WALSH of Massachusetts asked and obtained leave to have printed in the RECORD the address delivered by him at the Democratic National convention in Chicago, seconding the nomination for Vice President of Senator BARKLEY, of Kentucky, which appears in the Appendix.]

SUPPORT OF CANDIDACY OF SENATOR LUCAS—EDITORIAL FROM PEKIN DAILY TIMES

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an editorial entitled "The Thirty-third Senator," by McNaughton, published in the Pekin Daily Times of Pekin, Ill., of July 27, 1944, which appears in the Appendix.]

PRICES PAID BY FARMERS UNDER PRICE CONTROL

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a memorandum entitled "The Prices Paid by Farmers Under Price Control," which appears in the Appendix.]

SACRIFICES BY PARENTS INCIDENT TO THE WAR

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD an article entitled "Father's Day," written by Maj. Frank Miles, and published in the Iowa Legionnaire of June 18, 1944, which appears in the Appendix.]

STATEMENT BY HON. ESEQUIEL PADILLA BEFORE THE INTER-AMERICAN DEFENSE BOARD

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD the statement made by Hon. Esequiel Padilla, Secretary of Foreign Relations of the Republic of Mexico, before the Inter-American Defense Board on July 11, 1944, which appears in the Appendix.]

REPORT BY FRED S. McCARGAR ON THE SALINAS, CALIF., GUAYULE RUBBER PROJECT

[Mr. O'DANIEL asked and obtained leave to have printed in the RECORD a report on the Salinas, Calif., guayule rubber project prepared by Fred S. McCargar, secretary, Salinas Chamber of Commerce, in cooperation with Lt. W. A. Borkhuis, special service officer of the Salinas Army Air Base, which appears in the Appendix.]

REPUBLICAN PLATFORM, 1944

[Mr. TAFT asked and obtained leave to have printed in the RECORD the platform adopted by the Republican National Convention on June 27, 1944, in Chicago, Ill., which appears in the Appendix.]

ACCEPTANCE SPEECH BY GOV. THOMAS E. DEWEY

[Mr. TAFT asked and obtained leave to have printed in the RECORD the acceptance speech of Gov. Thomas E. Dewey delivered to the Republican National Convention at Chicago on June 28, 1944, which appears in the Appendix.]

AMENDMENT OF SOCIAL SECURITY ACT—UNEMPLOYMENT COMPENSATION

Mr. GEORGE. Mr. President, as chairman of the Special Committee on Post-war Economic Policy and Planning, I wish to say that a report was submitted to the Senate on June 23 dealing with unemployment compensation and the various State unemployment compensation systems. The report recommended that the unemployment compensation law be amended, first, to provide for payments to Federal workers through the State unemployment agencies and under the State laws; and second, to guarantee the solvency of State unemployment compensation funds through the setting up of a revolving loan fund to make loans to the States at any time the compensation reserves of the States prove to be inadequate.

The report likewise recommended the broadening of the unemployment compensation system so as to provide for the imposition of unemployment taxes on employers of maritime workers and employers of one or more employees. At

the present time the State systems generally cover employers of eight or more employees.

The committee report suggested that the State systems might be liberalized, and also directly called attention to the fact that the broadening of coverage so as to take in employers of one or more individuals and so as to take in the private employers of maritime workers was a matter which peculiarly affected revenues, and that the House of Representatives had the initiatory jurisdiction so far as those recommendations are concerned.

Mr. President, I am now offering a bill, which I ask be referred to the Finance Committee, amending the Social Security Act in accordance with the recommendations of the committee, so far as the Senate may have original jurisdiction to offer amendments to that act.

The VICE PRESIDENT. Without objection, the bill will be referred as requested by the Senator from Georgia.

The bill (S. 2051) to amend the Social Security Act, as amended, was read twice by its title and referred to the Committee on Finance.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. VANDENBERG. The Senator neglected to say so in so many words, but is it not correct that the bill which he has just introduced, and the report to which he has called attention, leave with the States entire jurisdiction over standards of compensation?

Mr. GEORGE. That is true. The bill does not undertake to deal with the State standards, but it does bring under the State unemployment-compensation system all Federal workers, such as workers in arsenals and shipyards, where the relationship of employer and employee exists between the Federal Government and the worker. It does not, of course, include or cover the maritime workers who are working for private shipping interests. It does include maritime workers who are engaged or employed by the Federal Government.

THE LEGISLATIVE PROGRAM

Mr. BARKLEY. Mr. President, in connection with the bill introduced by the Senator from Georgia, I think it appropriate that I make a brief statement with reference to the legislative situation which confronts us now that the Congress has reassembled. Prior to the recess the Post-war Economic Policy and Planning Committee, of which the Senator from Georgia [Mr. GEORGE] is chairman, had spent many months in hearings and in executive consideration of proposed legislation dealing with the post-war situation. As a result, in part of that activity on the part of the committee, legislation was enacted prior to the recess dealing with the cancelation of contracts. That legislation is now on the statute books.

The subject of reconversion of war plants and the demobilization of war workers, and men and women in the armed services, was given long and careful consideration, and a bill was prepared and introduced under the authorship and sponsorship of the Senator from Georgia [Mr. GEORGE] and the Senator from Montana [Mr. MURRAY], and referred to the Committee on Military Affairs.

The Senator from West Virginia [Mr. KILGORE] also introduced a measure dealing with the same subject. That bill is also pending in the Committee on Military Affairs.

The George committee also held exhaustive hearings on the subject of surplus property disposition, including not only materials which will be left on the hands of the Government, but the plants in which the Government of the United States has invested some twenty billion dollars of the money paid into the Treasury by the taxpayers.

It had been thought, and is believed, notwithstanding the impossibility of foreseeing the date on which the war will be concluded, that it is absolutely essential that legislation providing for orderly disposition of surplus property should be enacted at the earliest possible date, and that legislation concerning the reconversion of all war plants and war industries to a peace basis is something which cannot be postponed until the war is concluded. And certainly Congress cannot delay until then, or delay much longer, legislation dealing with the demobilization of the 11,000,000 or 12,000,000 men in the armed services, and the many other millions who are engaged in war work who have moved from one place to another in order to carry out the war program.

I think there is no more foolish or unprofitable enterprise in which any man of responsibility can engage than that of predicting when the war will end. Much harm has already resulted from unwise predictions and unjustified optimism on the part of many of our people, because of the belief that the war is almost over. According to the Gallup poll last March, 33 percent of the American people then believed that the war in Europe would end this year. Three or four weeks ago the Gallup poll showed that 59 percent of the American people at that time believed that the war in Europe would end this year.

As a result of that optimism many persons engaged in what they know to be temporary work in war plants, taking time by the forelock, have sought employment in what they regard as more permanent work, in an effort to get in on the ground floor with jobs before the war shall end. That is a perfectly natural human instinct and desire on the part of men who have the responsibility of supporting their families. But the result has been a slackening of the war effort in the United States. It has been necessary to hold public meetings to stimulate the production of the necessary war materials. Many of our people do not appreciate the fact that greater production is required now than at any other time since we entered the war, because more of our material is being destroyed on the battlefields all over the world. Inasmuch as that is true, and will be increasingly true until the war shall end, it is necessary that we keep up the peak of our production of all the essential things which will be needed until the last shot shall have been fired.

That being true, it seems to me unprofitable and unwise for any of us to be predicting when the war will end, because none of us knows. It would be even more foolish and more unwise for us to wait until the war ends before preparing for the end. We know that we cannot permit this country to be as unprepared for peace as it has always been for war in its entire history, beginning even with the Revolution. Democracies are never ready for war at the drop of a hat. If they were, they would not be democracies. They would be the same kind of autocracies of which we are trying to rid the world.

We had experience at the end of the last war in the disposition of surplus property and, in a smaller sense, in the reconversion of industry, but on nothing like the gigantic scale of the problem which we face today.

So, regardless of when or where the war will end, Congress has the obligation, in behalf of industry and in behalf of millions of our men and women who must be demobilized when the time comes, to put our house in order for that transition period when it shall come.

Several bills are now pending before the Committee on Military Affairs. The Senator from Georgia [Mr. GEORGE], as chairman of his committee, has today introduced a bill dealing with unemployment compensation, which is in the nature of an amendment to the Social Security Act. That bill must go to the Finance Committee. When Congress adjourned on the 23d day of June there was a good deal of speculation as to whether, when we came back today, we should take a further recess or adjournment, or whether we should have what is frequently termed a "gentleman's agreement," for 3-day recesses during August.

I feel it my duty to say, in the position which I occupy, that, so far as any general recess during August is concerned, it would be totally unjustified. Under the present conditions, there would be no excuse whatever for Congress to take a recess at this time. There is no urgent legislation pending on the calendar; but, having in mind the obligation of the Congress, and the primary obligation now of the Committee on Military Affairs to report to the Senate legislation dealing with the problems which I have mentioned, yesterday the Senator from North Carolina [Mr. REYNOLDS], chairman of that committee, and I, as the majority leader, sent a joint telegram to all members of the Committee on Military Affairs, Democrats and Republicans alike, urging them to return to Washington at once in order that they might deal with this proposed legislation. It is so important in its terms and in its far-reaching effect upon the economic life of this Nation that it ought to be considered by the full committee. It ought not to be acted upon by less than a majority. If possible the entire membership of the committee should be present. So, with that thought in mind, the Senator from North

Carolina and I sent a joint telegram urging members of that committee to return, and fixing 10 o'clock on Thursday morning of this week as the time for a meeting of that committee. It is the hope of the Senator from North Carolina and myself—and I am sure of the entire Senate—that not only a bare majority of that committee will be present on Thursday, but that, as nearly as possible, the full membership of the committee will be present, because the Senate cannot deal with this problem until the committee reports, and it may be necessary, for a few days, for us to mark time by taking 3-day recesses until the committee acts.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

Mr. BARKLEY. I yield.

Mr. VANDENBERG. The Senator is one of those who, with me, made a commitment in June that the next action in respect to reconversion should include what is called the human element.

Mr. BARKLEY. We made that commitment before June. We had made it back in April, as I recall.

Mr. VANDENBERG. That is correct.

Mr. BARKLEY. But we were not able to perfect the legislation as soon as we thought, and that demand was reemphasized in June, and is still valid.

Mr. VANDENBERG. That is correct. The bill introduced by the Senator from Georgia essentially touches that phase of the matter. I should like to inquire of the Senator from Georgia whether he intends immediately to summon the Senate Finance Committee to deal with that proposal. It seems to me that it is equally essential.

Mr. BARKLEY. I yield to the Senator from Georgia.

Mr. GEORGE. Mr. President, I hope that we may have a meeting of the Committee on Finance tomorrow morning, and have a quorum of the committee in attendance. Notices will be sent to members of the committee requesting them to be present tomorrow morning.

Mr. BARKLEY. I thank the Senator from Georgia and the Senator from Michigan.

Mr. President, I think I have covered the importance of this legislation. I realize that this is a campaign year, and that not only do many Senators, very properly, desire to give some attention to the problem of elections in the States, but the people themselves are entitled, because elections must be held, to be informed, not only by Senators, but by their opponents, by the press, the radio, and every other means of communication, of the issues upon which the people must vote in November. However, our primary job, as I see it, is not to be reelected, important as that may be. Our primary job is to deal with the problems which confront us as they arise, regardless of personal convenience, regardless of the desire for recesses, and regardless of campaigns for reelection. I am sure I express the view of every Member of the Senate when I make that statement. Now that the problem is before us, if we can facilitate the enactment of the necessary legislation, so that we can say, and conscientiously feel, that we have discharged our duty to the country, to its industry, and to its labor, in connection with all the problems which face us, we can at a later date devote ourselves, as we may have the opportunity, and as the situation may justify, to other things which, in my judgment, are secondary to our duty at this particular time.

Therefore, I hope that the Committee on Military Affairs will hasten as much as possible, consistent with wise deliberation and good legislation, to report the bills now before it in such form as the committee may see fit; that the Committee on Finance will do likewise in regard to the legislation which is within its jurisdiction; and that immediately upon a report from either of those committees upon any phase of this legislation, Members of the Senate will be in attendance, ready and anxious to perform their duty in disposing of the legislation itself.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AUSTIN. In the absence of the Chairman of the Committee on Military Affairs [Mr. REYNOLDS], who has temporarily left the Chamber, I wish to say that I had a conference with him with regard to the hearing on Thursday on bills which are pending in the Military Affairs Committee. We believe that there will be a quorum present. I know of one Senator who is engaged in a hearing before a special committee of the Senate, who cannot possibly be present at the meeting of the committee. Other Senators from whom I have heard find it extremely inconvenient for other reasons to be here on Thursday. Therefore, I would not feel like pressing for a vote this week to report a bill from that committee; for I believe, as the distinguished senior Senator from Kentucky has said, that legislation of this character and importance should be passed upon in person by the Members in attendance in committee, rather than by proxy votes. But I am wholly in favor of starting the procedure on Thursday and advancing it as rapidly as possible, with due regard for the importance of the legislation and the work which it is necessary to do.

It now appears, since the introduction of the bill by the distinguished Senator from Georgia, that a very important part of that proposed legislation might wisely be taken out of the bills pending in the Committee on Military Affairs. That would expedite consideration of the remainder of those two bills and, I think, would tend to improve the type of legislation on the other phases of mobilization and demobilization, a process which has been going on since the war began, and which will continue long after it is over.

A very important aspect of the two bills is the disposal of surplus property and the handling of other matters connected with demobilization and conversion to peacetime. In order to expedite the procedure, I should think it wise for the Committee on Military Affairs, certainly out of respect for the committee which has legal jurisdiction of the subject of social-security taxation, now to let go of that feature of the bills which are pending before it, and to advance the other features of the bills as wisely and as rapidly as possible.

Mr. BARKLEY. Mr. President, I thank the Senator from Vermont for that contribution. Undoubtedly if the social-security features of the legislation can be handled, as no doubt they can be, by the committee having jurisdiction of that legislation, if it were introduced independently, that should simplify the procedure as to other features of the legislation, so far as reconversion and the disposal of surplus property are concerned.

I think I have said all I need to say about the matter.

Mr. WHITE. Mr. President, except with respect to what the senior Senator from Kentucky [Mr. BARKLEY] has said about prophesying as to the end of the war—and I make no comment on that—I commend his statement without reservation. I think the recess which has just come to an end has been wholly justified in the light of the terms on which it was agreed upon. Much has been accomplished, not legislative in character, but in furtherance of our constitutional processes throughout the country during the intervening weeks; and I think because of these considerations alone, the recess has been wholly justified.

We now return to the Capitol with events somewhat more favorable to us than they were when the recess was taken on the 23d of June. I am speaking of the war effort. We now can look ahead, although not with certainty or with assurance as to any particular date when the struggle will end, and can see in the not too distant future the end of the war in Europe. As the Senator from Kentucky has said, I think that fact emphasizes the necessity of turning our thoughts to the matter of putting this country in order for the changes which are to come. The Senator should be commended for joining in the notice to the members of the Committee on Military Affairs to return. I am glad that legislation is to be taken up by the Finance Committee under the leadership of the distinguished Senator from Georgia [Mr. GEORGE]. Those two committees hold the immediate responsibility, but back of their responsibility there is a responsibility which rests upon every Member of the Senate. There is the responsibility to ourselves as Senators of the United States to be here and give of our time and our thought and our energies as best we can, to the solution of the problems confronting not only these United States but the whole world. We owe a definite obligation to this country itself.

I hope that from these two committees there may speedily come wise recommendations upon which the Senate as a whole may act. I am warranted in giving assurances that those upon the minority side of the aisle will contribute cooperatively as best they can to the working out of these legislative problems and to the enactment of sound legislation. I especially appreciate the comments made by the Senator from Kentucky [Mr. BARKLEY] with respect to the situation now confronting us.

Mr. CONNALLY. Mr. President, I heartily concur with the plans of the majority leader and of other Senators, so far as taking up the proposed legislation at an early date is concerned. I merely wish to sound a little note of warning, however, that the idea must not go forth to the country that because we are enacting legislation of this character the war is over. It is not. We should not suffer any relaxation of the war effort in our hurry to demobilize and to reconvert our so-called war installations and machinery. I am sure no Senator entertains that view, but I am merely fearful that in the country there might be those who would regard the action of the Congress as indicating that the struggle is about over and that we may relax. Of course, I think that with these serious matters before the country and with the posture of world affairs such as it is, Congress should give to the public business whatever attention is necessary to be given. I think the country rather expects us to remain in session, and certainly it does have that expectation when the urgency of the measures which are proposed is considered.

So, Mr. President, I hope the people of the country will not draw any false conclusions or labor under any illusions that the present struggle has already been practically brought to an end. We still face strong forces both in Europe and in Asia. In the one the struggle will perhaps take much longer than we now anticipate. In the other it may be brought to a conclusion more quickly than we have anticipated. But in any event we must remain in an aggressive posture. We must be prepared to devote every possible resource to the vigorous prosecution of the war, because the harder we fight the quicker the end of the war will come.

So, Mr. President, I hope the country will not draw any improper conclusions.

Mr. VANDENBERG. Mr. President, the soundness of the remarks which the able senior Senator from Texas [Mr. CONNALLY] has just made, supplementing the remarks made by the distinguished majority leader in presenting the same thought, both relating to the necessity of maintaining the war tempo, is of course incontestable. That is the grim fact which cannot be avoided. The things they have said were personalized somewhat by the distinguished majority leader of the House earlier in the week. He greeted a statement I made regarding the necessity for early congressional action with respect to reconversion, with this observation:

> I am amazed at Senator VANDENBERG'S forecast of an early German collapse. This is not the time for responsible political leaders to build up an expectation of an early return to the ways of peace.

Of course, Mr. President, I said nothing of the sort. I did say that the chances for an early German collapse are sufficiently encouraging to make it urgent for Congress to attend to its business. I am sure the distinguished senior Senator from Kentucky [Mr. BARKLEY] and the distinguished senior Senator from Texas [Mr. CONNALLY] will agree that it is not necessary for the Senate to loiter on its job in order to prevent a misunderstanding among the American people respecting the chances for peace.

The news from abroad is more encouraging. Thank God, it is more encouraging. However, the news from abroad in no sense justifies the slightest let-up in any phase or form of the aggressive war effort, and nothing I have said could be reasonably interpreted in any such fashion.

On the other hand, while there is no loitering abroad, there should be no loitering at home, because there is a responsibility on the home front which in days to come is going to be no less formidable than the responsibility on the battle front.

I am one of those who have affirmatively asserted their belief that Congress should proceed with this task. I want most earnestly to express my appreciation of the attitude of the majority leader in the same respect. None of us has any patent upon this good purpose, but we unitedly have a function to serve. I think the sooner we serve it the better off the country will be.

Mr. President, many Senators who are absent are not members of the Finance Committee or the Military Affairs Committee. They will be asking for instructions. Would it be fair to say to absent Senators who are not members of those committees that we will give them 2 or 3 days' notice before active attention is given to the proposed legislation?

Mr. BARKLEY. I believe so. I think that would be only fair, having in mind, of course, the futility of bringing them back before any legislation is ready to be acted upon. I will assume the responsibility, in cooperation with the minority leader, of giving absent Senators 2 or 3 days' notice as soon as we know approximately when the legislation will be ready.

Mr. VANDENBERG. I thank the Senator.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

RECESS TO THURSDAY

Mr. BARKLEY. Mr. President, if there be nothing further to come before the Senate, I move that the Senate take a recess until Thursday next at 12 o'clock noon.

The motion was agreed to; and (at 12 o'clock and 50 minutes p. m.) the Senate took a recess until Thursday, August 3, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate, August 1, 1944:

DIPLOMATIC AND FOREIGN SERVICE

Earl T. Crain, of Illinois, now a Foreign Service officer of class 7 and a secretary in the Diplomatic Service, to be also a consul of the United States of America.

FEDERAL BOARD FOR VOCATIONAL EDUCATION

Robert J. Watt, of Massachusetts, to be a member of the Federal Board for Vocational Education for a 3-year term ending July 17, 1947.

DIRECTOR OF CONTRACT SETTLEMENT

Robert H. Hinckley, of Utah, to be Director of Contract Settlement for a term of 2 years.

SELECTIVE SERVICE SYSTEM

Lt. Col. Frank J. Killilea for appointment as State procurement officer of Selective Service for Alaska under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended.

Compensation for this office will exceed $5,000 per annum and will be in accordance with the rates prescribed for officers of his rank and length of service in the Army pay tables.

UNITED STATES PUBLIC HEALTH SERVICE

Warren F. Draper, assistant to the Surgeon General, United States Public Health Service, for promotion to the grade of major general, effective July 1, 1944.

The following-named officers for promotion in the Regular Corps of the United States Public Health Service:

PASSED ASSISTANT SURGEONS TO BE TEMPORARY SURGEONS EFFECTIVE AUGUST 1, 1944

Murray A. Diamond	Weldon A. Williamson
Harald M. Graning	Robert D. Wright
Nobel W. Guthrie	Robert L. Zobel
Karl Habel	Carl Enna
Robert T. Hewitt	William A. Miller
Max R. Kiesselbach	William D. King
Frank L. Price	

Marion B. Richmond, assistant surgeon, to be temporary passed assistant surgeon effective August 1, 1944.

ASSISTANT SURGEONS TO BE PASSED ASSISTANT SURGEONS EFFECTIVE DATES INDICATED

Charles L. Williams, Jr., July 1, 1944.
James H. Hundley, July 1, 1944.
Charles C. Shepard, July 1, 1944.
Russell I. Peirce, July 1, 1944.
Samuel C. Ingraham, July 7, 1944.
Trawick H. Stubbs, July 1, 1944.
James L. Baker, July 1, 1944.
Robert E. Miller, July 11, 1944.
Bruce Cominole, July 1, 1944.
Avery B. Wight, July 1, 1944.
David E. Price, July 1, 1944.
Mayo L. Emory, July 2, 1944.
Michael J. Clarke, July 1, 1944.
David W. Scott, Jr., July 1, 1944.
Richard K. Winston, July 1, 1944.
Douglas S. Nisbet, July 1, 1944.
Charles W. Parker, July 1, 1944.
Linden E. Johnson, July 1, 1944.
Timothy J. Haley, July 1, 1944.
Wayne W. Carpenter, July 1, 1944.
Donald J. Birmingham, July 14, 1944.
Edmund J. Schmidt, July 7, 1944.
Llewellyn E. Kling, July 1, 1944.
Dean B. Jackson, July 1, 1944.

SENIOR SURGEONS TO BE TEMPORARY MEDICAL DIRECTORS EFFECTIVE JULY 1, 1944

Joseph F. van Ackeren
William W. Nesbit

John L. Wilson, surgeon, to be temporary senior surgeon effective July 1, 1944.

PASSED ASSISTANT SURGEONS TO BE TEMPORARY SURGEONS EFFECTIVE JULY 1, 1944

Thomas Francis Crahan
Thomas Hoyt Diseker
Theodore F. Hilbish
George Edward Tooley, Jr.
Glenn S. Usher
Francis John Weber
James V. Lowry
James W. Hawkins
John Belden Vander

ASSISTANT SURGEONS TO BE TEMPORARY PASSED ASSISTANT SURGEONS, EFFECTIVE JULY 1, 1944

Edward T. Blomquist	Elmer L. Hill
James F. Maddux	Carl R. Kunstling
Bertrand E. Bennison	David Sieger Ruhe
Roy A. Darke	George A. Shipman
Robert M. Foote	Chester M. Sidell
Eugene J. Gillespie	Otis Wayne Yeager
Arthur B. Cravatt, Jr.	

John A. Hammer, dental surgeon, to be temporary senior dental surgeon, effective July 1, 1944.

Dennis E. Singleton, Jr., assistant dental surgeon, to be temporary passed assistant dental surgeon effective August 1, 1944.

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

TO BE GENERAL

Lt. Gen. Joseph Warren Stilwell (major general, United States Army), Army of the United States.

TO BE MAJOR GENERALS

Brig. Gen. Robert Tryon Frederick (captain, Coast Artillery Corps), Army of the United States.

Brig. Gen. Jens Anderson Doe (colonel, Infantry), Army of the United States.

TO BE BRIGADIER GENERALS

Col. Gerald Joseph Higgins (captain, Infantry), Army of the United States.

Col. Maurice Wiley Daniel (lieutenant colonel, Field Artillery), Army of the United States.

Col. James Alward Van Fleet, Infantry.

Col. George Arthur Taylor (major, Infantry), Army of the United States.

Col. Charles Draper William Canham (major, Infantry), Army of the United States.

Col. Hugh French Thomason Hoffman (lieutenant colonel, Cavalry), Army of the United States.

Col. John Huston Church (lieutenant colonel, Infantry), Army of the United States.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 1, 1944

Pursuant to Senate Concurrent Resolution 46, the House met at 12 o'clock noon, and was called to order by the Speaker.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who art worthy of all adoration, grant that these Thy servants may be united in one solemn and lofty aspiration to know and do Thy will as they again convene to address themselves to difficult tasks and heavy responsibilities.

We pray that in the turmoil and tragedy of these days we may keep inviolate our trust in Thee and respond more eagerly to the leading of Thy spirit and the pulsations of the higher life. Help us to be victorious over the pressure of those influences that tend to blur our sense of honor and tempt us to break faith with our nobler self.

We thank Thee for the heritage of freedom bequeathed unto us by those who have given themselves so sacrificially. Day by day there are many whose physical presence is taken away from us but whose spiritual comradeship abides. In the memory of their faith and fidelity we find our inspiration to carry on the struggle to build a better world.

Hear our prayers for Christ's sake. Amen.

The Journal of the proceedings of Friday, June 23, 1944, was read and approved.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED AFTER ADJOURNMENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 248. An act for the relief of Louis Courcil;

H. R. 340. An act to authorize the Legislature of the Territory of Alaska to grant and convey certain lands to the city of Sitka, Alaska, for street purposes;

H. R. 544. An act for the relief of Rev. C. M. McKay;

H. R. 634. An act to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to the rank of vice admiral;

H. R. 702. An act to permit the prepayment of the purchase price of certain housing sold to individuals by the Resettlement Administration or the Farm Security Administration, and for other purposes;

H. R. 905. An act to release all the right, title, and interest of the United States in certain land constituting a portion of the tract of land conditionally granted to the county of Los Angeles, State of California, under the act of March 24, 1933, as amended;

H. R. 1045. An act for the relief of Mrs. R. D. Robinson;

H. R. 1046 An act for the relief of David B. Turpel;

H. R. 1313. An act for the relief of Delores Lewis;

H. R. 1411. An act for the relief of Eddie T. Stewart;

H. R. 1412. An act for the relief of Mildred B. Hampton;

H. R. 1497. An act for the relief of the estate of J. T. Taulbee, deceased, and Mrs. Bertie Leila Parker;

H. R. 1668. An act for the relief of Lessie C. Selman;

H. R. 1675. An act to amend section 9 of the Pay and Readjustment Act of 1942 (Public Law 607) by providing for the computation of double-time credits awarded between 1898 and 1912 in determining retired pay;

H. R. 1682. An act for the relief of Edwin H. Taylor;

H. R. 1737. An act for the relief of the Saunders Memorial Hospital;

H. R. 1755. An act for the relief of Broadus D. Boland and W. E. Boland;

H. R. 2006. An act for the relief of Mrs. Hagar Simpson and Mrs. Nat Price, Jr.;

H. R. 2151. An act for the relief of Elizabeth Powers Long;

H. R. 2288. An act for the relief of Donald J. Munson;

H. R. 2333. An act for the relief of Mrs. Samuel M. McLaughlin;

H. R. 2405. An act for the relief of Clarence P. Hale, Jr.;

H. R. 2469. An act for the relief of Anna Charack;

H. R. 2472. An act for the relief of the estate of Gertrude Mullins;

H. R. 2511. An act for the relief of P. Audley Whaley;

H. R. 2530. An act for the relief of John M. O'Connell;

H. R. 2605. An act for the relief of Charles W. Kirby;

H. R. 2625. An act for the relief of Edward E. Held and Mary Jane Held;

H. R. 2769. An act for the relief of Mrs. Lillian W. Timmerman, mother of Ann Timmerman, a minor, deceased;

H. R. 2788. An act for the relief of Frank Baptiste;

H. R. 2916. An act for the relief of Mrs. Winnie Singleton, as administratrix of the estate of Gaylord W. Singleton, deceased.

H. R. 2965. An act for the relief of Ross Engineering Co.;

H. R. 3098. An act for the relief of Dr. H. H. Smith;

H. R. 3126. An act for the relief of Mary Ellen Frakes, widow of Joseph A. Frakes;

H. R. 3137. An act for the relief of Ruth L. Clapp;

H. R. 3241. An act to implement the jurisdiction of service courts of friendly foreign forces within the United States, and for other purposes;

H. R. 3280. An act for the relief of William Dyer;

H. R. 3281. An act for the relief of the estate of Nelson Hawkins;

H. R. 3301. An act for the relief of the legal guardian of Edward Polak, a minor;

H. R. 3306. An act to authorize the conveyance of Harrison Park in the city of Vincennes to Vincennes University;

H. R. 3324. An act for the relief of the Postal Telegraph-Cable Co.;

H. R. 3390. An act for the relief of Mavis Norrine Cothron and the legal guardian of Norma Lee Cothron, Florence Janet Cothron, and Nina Faye Cothron;

H. R. 3481. An act for the relief of J. William Ingram;

H. R. 3524. An act to provide for the establishment of the Harpers Ferry National Monument;

H. R. 3538. An act for the relief of the Reverend James T. Denigan;

H. R. 3539. An act for the relief of the estate of Carlos Perez Aviles;

H. R. 3586. An act for the relief of Mrs. John Andrew Godwin;

H. R. 3596. An act conferring jurisdiction upon the Court of Claims of the United States to consider and render judgment on the claim of the Zephyr Aircraft Corporation against the United States.

H. R. 3604. An act authorizing the appointment of the Chief of Chaplains to the temporary rank of major general, and for other purposes;

H. R. 3636. An act for the relief of Josephine Guidoni;

H. R. 3646. An act to amend section 42 of title 7 of the Canal Zone Code;

H. R. 3649. An act for the relief of Mae Ekvall;

H. R. 3654. An act for the relief of Byron Ennis;

H. R. 3674. An act for the relief of William E. Widby;

H. R. 3724. An act for the relief of Mr. and Mrs. Howard C. Bantin;

H. R. 3737. An act for the relief of M. H. Harris;

H. R 3739. An act for the relief of the Wesix Electric Heater Co.;

H. R. 3859. An act for the relief of E. Bird Giles and Sherman Beck;

H. R. 3870. An act to amend section 214 of the act of February 28, 1925;

H. R. 3976. An act for the relief of Charles L Kee;

H. R. 3977. An act for the relief of Harry Schultz;

H. R. 4033. An act relating to the use of the penalty mail privilege;

H. R. 4041. An act to amend the act relating to the construction and maintenance of a bridge across the Missouri River at or near Nebraska City, Nebr.;

H. R. 4074. An act for the relief of the estate of William Sandlass;

H. R. 4095. An act confirming the claim of the heirs of Monroe Johnson, deceased, to certain lands in the State of Mississippi, county of Adams;

H. R. 4102. An act to extend for 1 additional year the reduced rate of interest on Land Bank Commissioner loans;

H. R. 4103. An act to provide for loss of United States nationality under certain circumstances;

H. R. 4197. An act for the relief of Mr. and Mrs. John Cushman;

H. R. 4215. An act to extend to the custodial-service employees of the Post Office Department certain benefits applicable to postal employees;

H. R. 4348. An act to amend the act approved August 18, 1942, entitled "An act to facilitate the disposition of prizes captured by the United States during the present war, and for other purposes";

H. R. 4361. An act for the relief of Arch A. Brown;

H. R. 4405. An act to amend the act approved March 7, 1942 (56 Stat. 143), as amended (56 Stat. 1092; 50 App. U. S. C., Supp. III, 1001–1017, inclusive), so as to more specifically provide for pay, allotments, and administration pertaining to war casualties, and for other purposes;

H. R. 4443. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4458. An act for the relief of J. G. Power and L. D. Power;

H. R. 4466. An act to amend section 18 of the Pay Readjustment Act of 1942 to provide additional pay for personnel who are required to participate in regular and frequent glider flights;

H. R. 4517. An act to remove restrictions on establishing post-office branches and stations;

H. R. 4528. An act for the relief of L. M. Feller Co., and Wendell C. Graus;

H. R. 4623. An act to authorize the use of space in the old post-office building in Portland, Oreg., by the State of Oregon for its use as a museum for relics from the battleship *Oregon*, together with all other historical documents, objects, and relics of Oregon and the old Oregon country held by the State for public display;

H. R. 4624. An act to consolidate and revise the laws relating to the Public Health Service, and for other purposes;

H. R. 4687. An act relating to issuance of postal notes;

H. R. 4707. An act for the relief of J. Fletcher Lankton and John N. Ziegele;

H. R. 4728. An act to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended;

H. R. 4733. An act to amend section 514 of the Soldiers' and Sailors' Relief Act;

H. R. 4803. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Memphis, Tenn.;

H. R. 4810. An act to extend the provisions of the Selective Training and Service Act of 1940, as amended, to the Virgin Islands;

H. R. 4825. An act to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Des Moines, Iowa, September 10 to 14, inclusive, 1944;

H. R. 4861. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4879. An act making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4881. An act to amend the Internal Revenue Code, the Narcotic Drugs Import and Export Act, as amended, and the Tariff Act of 1930, as amended, to classify a new synthetic drug, and for other purposes;

H. R. 4899. An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4935. An act to provide for a study of multiple taxation of air commerce, and for other purposes;

H. R. 4937. An act making appropriations for defense aid (lend-lease), for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration, for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4967. An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 5040. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and June 30, 1945, and for other purposes;

H. J. Res. 138. Joint resolution granting the consent of Congress to an agreement between the State of New York and the State of Rhode Island and Providence Plantations concerning the settlement of the boundary line between said States;

H. J. Res. 227. Joint resolution extending the period for the acquisition by the Railroad Retirement Board of data needed in carrying out the provisions of the Railroad Retirement Acts; and

H. J. Res. 241. Joint resolution requesting the President to urge upon the governments of those countries where the cultivation of the poppy plant exists the necessity of immediately limiting the production of opium to the amount required for strictly medicinal and scientific purposes.

The SPEAKER also announced his signature to enrolled bills of the Senate of the following titles:

S. 784. An act to amend that part of the act of June 24, 1910 (36 Stat. 619), relating to disposition of profits from sales of ships' stores;

S. 1173. An act to provide for staying judicial proceedings against the United States, in time of war, on claims for damages caused by vessels of the Navy, or for towage or salvage service to such vessels, when the Secretary of the Navy certifies that the prosecution of such proceedings would endanger the security of naval operations or interfere therewith, and to authorize the settlement and payment of such claims, and for other purposes;

S. 1432. An act to extend the Civilian Pilot Training Act of 1939;

S. 1894. An act to provide for the transportation to their homes of persons discharged from the naval service because of under age at time of enlistment;

S. 1947. An act to amend the National Housing Act, as amended; and

S. 1973. An act to provide additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT AFTER ADJOURNMENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on June 26, 1944, present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 248. An act for the relief of Louis Courcil;

H. R. 340. An act to authorize the Legislature of the Territory of Alaska to grant and convey certain lands to the city of Sitka, Alaska, for street purposes;

H. R. 544. An act for the relief of Rev. C. M. McKay;

H. R. 634. An act to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, Retired, to the rank of vice admiral;

H. R. 702. An act to permit the prepayment of the purchase price of certain housing sold to individuals by the Resettlement Administration or the Farm Security Administration, and for other purposes;

H. R. 905. An act to release all the right, title, and interest of the United States in certain land constituting a portion of the tract of land conditionally granted to the county of Los Angeles, State of California, under the act of March 24, 1933, as amended;

H. R. 1045. An act for the relief of Mrs. R. D. Robinson;

H. R. 1046. An act for the relief of David B. Turpel;

H. R. 1313. An act for the relief of Delores Lewis;

H. R. 1411. An act for the relief of Eddie T. Stewart;

H. R. 1412. An act for the relief of Mildred B. Hampton;

H. R. 1497. An act for the relief of the estate of J. T. Taulbee, deceased, and Mrs. Bertie Leila Parker;

H. R. 1668. An act for the relief of Lessie C. Selman;

H. R. 1675. An act to amend section 9 of the Pay and Readjustment Act of 1942 (Public Law 607) by providing for the computation of double-time credits awarded between 1898 and 1912 in determining retired pay;

H. R. 1682. An act for the relief of Edwin H. Taylor;

H. R. 1737. An act for the relief of the Saunders Memorial Hospital;

H. R. 1755. An act for the relief of Broadus D. Boland and W. E. Boland;

H. R. 2006. An act for the relief of Mrs. Hagar Simpson and Mrs. Nat Price, Jr.;

H. R. 2151. An act for the relief of Elizabeth Powers Long;

H. R. 2288. An act for the relief of Donald J. Munson;

H. R. 2333. An act for the relief of Samuel M. McLaughlin;

H. R. 2405. An act for the relief of Clarence P. Hale, Jr.;

H. R. 2469. An act for the relief of Anna Charack;

H. R. 2472 An act for the relief of the estate of Gertrude Mullins;

H. R. 2511. An act for the relief of P. Audley Whaley;

H. R. 2530. An act for the relief of John M. O'Connell;

H. R. 2605. An act for the relief of Charles W. Kirby;

H. R. 2625. An act for the relief of Edward E. Held and Mary Jane Held;

H. R. 2769. An act for the relief of Mrs. Lillian W. Timmerman, mother of Ann Timmerman, a minor, deceased;

H. R. 2788. An act for the relief of Frank Baptiste;

H. R. 2916. An act for the relief of Mrs. Winnie Singleton, as administratrix of the estate of Gaylord W. Singleton, deceased;

H. R. 2965. An act for the relief of Ross Engineering Co.;

H. R. 3098. An act for the relief of Doctor H. H. Smith;

H. R. 3126. An act for the relief of Mary Ellen Frakes, widow of Joseph A. Frakes;

H. R. 3137. An act for the relief of Ruth L. Clapp;

H. R. 3241. An act to implement the jurisdiction of service courts of friendly foreign forces within the United States, and for other purposes;

H. R. 3280. An act for the relief of William Dyer;

H. R. 3281. An act for the relief of the estate of Nelson Hawkins;

H. R. 3301. An act for the relief of the legal guardian of Edward Polak, a minor;

H. R. 3306. An act to authorize the conveyance of Harrison Park in the city of Vincennes to Vincennes University;

H. R. 3324. An act for the relief of the Postal Telegraph-Cable Co.;

H. R. 3390. An act for the relief of Mavis Norrine Cothron and the legal guardian of Norma Lee Cothron, Florence Janet Cothron, and Nina Faye Cothron;

H. R. 3481. An act for the relief of J. William Ingram;

H. R. 3524. An act to provide for the establishment of the Harpers Ferry National Monument;

H. R. 3538. An act for the relief of the Reverend James T. Denigan;

H. R. 3539. An act for the relief of the estate of Carlos Peres Aviles;

H. R. 3586. An act for the relief of Mrs. John Andrew Godwin;

H. R. 3596. An act conferring jurisdiction upon the Court of Claims of the United States to consider and render judgment on the claim of the Zephyr Aircraft Corporation against the United States;

H. R. 3604. An act authorizing the appointment of the Chief of Chaplains to the temporary rank of major general, and for other purposes;

H. R. 3626. An act for the relief of Josephine Guidoni;

H. R. 3646. An act to amend section 42 of title 7 of the Canal Zone Code;

H. R. 3649. An act for the relief of Mae Elvail;

H. R. 3654. An act for the relief of Byron Ennis;

H. R. 3674. An act for the relief of William E. Widby;

H. R. 3724. An act for the relief of Mr. and Mrs. Howard C. Bantin;

H. R. 3727. An act for the relief of M. H. Harris;

H. R. 3739. An act for the relief of the Wedix Electric Heater Co.;

H. R. 3859. An act for the relief of E. Bird Giles and Sherman Beck;

H. R. 3870. An act to amend section 214 of the act of February 28, 1925;

H. R. 3976. An act for the relief of Charles L. Kee;

H. R. 3977. An act for the relief of Harry Schultz;

H. R. 4033. An act relating to the use of the penalty mail privilege;

H. R. 4041. An act to amend the act relating to the construction and maintenance of a bridge across the Missouri River at or near Nebraska City, Nebr.;

H. R. 4074. An act for the relief of the estate of William Sandlass;

H. R. 4095. An act confirming the claim of the heirs of Monroe Johnson, deceased, to certain lands in the State of Mississippi, county of Adams;

H. R. 4102. An act to extend for 1 additional year the reduced rate of interest on Land Bank Commissioner loans;

H. R. 4103. An act to provide for loss of United States nationality under certain circumstances;

H. R. 4197. An act for the relief of Mr. and Mrs. John Cushman;

H. R. 4215. An act to extend to the custodial-service employees of the Post Office Department certain benefits applicable to postal employees;

H. R. 4348. An act to amend the act approved August 18, 1942, entitled "An act to facilitate the disposition of prizes captured by the United States during the present war, and for other purposes";

H. R. 4361. An act for the relief of Arch A. Brown;

H. R. 4405. An act to amend the act approved March 7, 1942 (56 Stat. 143), as amended (56 Stat. 1092; 50 App. U. S. C., Supp. III, 1001-1017, inclusive), so as to more specifically provide for pay, allotments, and administration pertaining to war casualties, and for other purposes;

H. R. 4443. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4458. An act for the relief of J. G. Power and L. D. Power;

H. R. 4466. An act to amend section 18 of the Pay Readjustment Act of 1942 to provide additional pay for personnel who are required to participate in regular and frequent glider flights;

H. R. 4517. An act to remove restrictions on establishing post-office branches and stations;

H. R. 4528. An act for the relief of L. M. Feller Co. and Wendell C. Graus;

H. R. 4623. An act to authorize the use of space in the old post-office building in Portland, Oreg., by the State of Oregon for its use as a museum for relics from the battleship *Oregon*, together with all other historical documents, objects, and relics of Oregon and the Old Oregon Country held by the State for public display;

H. R. 4624. An act to consolidate and revise the laws relating to the Public Health Service, and for other purposes.

H. R. 4687. An act relating to issuance of postal notes;

H. R. 4707. An act for the relief of J. Fletcher Lankton and John N. Ziegele.

H. R. 4728. An act to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended;

H. R. 4733. An act to amend section 514 of the Soldiers' and Sailors' Relief Act.

H. R. 4803. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Memphis, Tenn.;

H. R. 4310. An act to extend the provisions of the Selective Training and Service Act of 1940, as amended, to the Virgin Islands.

H. R. 4825. An act to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Des Moines, Iowa, September 10 to 14, inclusive, 1944.

H. R. 4837. An act to extend for an additional 2 years the suspension in part of the processing tax on cocoanut oil, and to correct a typographical error in the Individual Income Tax Act of 1944;

H. R. 4861. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4879. An act making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4881. An act to amend the Internal Revenue Code, the Narcotic Drugs Import Act, as amended, and the Tariff Act of 1930, as amended, to classify a new synthetic drug, and for other purposes;

H. R. 4899. An act making appropriations for the Department of Labor, Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4935. An act to provide for a study of multiple taxation of air commerce, and for other purposes;

H. R. 4937. An act making appropriations for defense aid (lend-lease), for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration, for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4967. An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes.

H. R. 5040. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and June 30, 1945, and for other purposes.

H. J. Res. 138. Joint resolution granting the consent of Congress to an agreement between the State of New York and the State of Rhode Island and Providence Plantations concerning the settlement of the boundary line between said States;

H. J. Res. 227. Joint resolution extending the period for the acquisition by the Railroad Retirement Board of data needed in carrying out the provisions of the Railroad Retirement Acts; and

H. J. Res. 241. Joint resolution requesting the President to urge upon the governments of those countries where the cultivation of the poppy plant exists the necessity of immediately limiting the production of opium to the amount required for strictly medicinal and scientific purposes.

APPROVAL OF HOUSE BILLS AND JOINT RESOLUTIONS AFTER ADJOURNMENT

The President has approved bills and joint resolutions of the following numbers and titles:

On June 12, 1944:

H. R. 2928. An act to amend the act entitled "An act to fix the hours of duty of postal employees, and for other purposes," approved August 14, 1935, as amended.

On June 14, 1944:

H. J. Res. 242. Joint resolution to amend an act entitled "An act to protect the lives and health and morals of women and minor workers in the District of Columbia, and to establish a minimum wage board, and define its powers and duties, and to provide for the fixing of minimum wages for such workers, and for other purposes," approved September 19, 1918, as amended; and

H. R. 3236. An act to provide aid to dependent children in the District of Columbia.

On June 17, 1944:

H. R. 4771. An act to amend the part of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes," approved June 4, 1920, as amended, relating to the conservation, care, custody, protection, and operation of the naval petroleum and oil-shale reserves;

H. J. Res. 286. Joint resolution providing for operation of naval petroleum and oil-shale reserves; and

H. R. 3476. An act to approve a contract negotiated with the Klamath drainage district and to authorize its execution, and for other purposes.

On June 20, 1944:

H. R. 2711. An act for the relief of Mrs. Mildred Maag; and

H. R. 4833. An act to extend, for 2 additional years, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar.

On June 22, 1944:

H. J. Res. 298. Joint resolution making appropriations for grants to States under the Social Security Act; and

H. R. 4559. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1945, and additional appropriations therefor for the fiscal year 1944, and for other purposes.

On June 26, 1944:

H. R. 272. An act for the relief of Mrs. Vola Stroud Pokiuda, Jesse M. Knowles, and the estate of Lee Stroud;

H. R. 1220. An act for the relief of the legal guardian of Paul M. Campbell, a minor.

H. R. 1475. An act to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended;

H. R. 2303. An act for the relief of O. W. James;

H. R. 3102. An act for the relief of Mrs. Eva M. Delisle;

H. R. 4183. An act making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes;

H. R. 4320. An act relating to the computation of interest on contributions to the civil service retirement fund returned to employees upon their separation from the service;

H. R. 4414. An act making appropriations for the legislative branch and for the judiciary for the fiscal year ending June 30, 1945, and for other purposes; and

H. R. 4659. An act to authorize the Soil Conservation Service to lend certain equipment.

On June 27, 1944:

H. R. 3661. An act for the relief of G. F. Allen, chief disbursing officer, Treasury Department, and for other purposes;

H. R. 4070. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1945, and for other purposes; and

H. R. 4115. An act to give honorably discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed.

On June 28, 1944:

H. R. 340. An act to authorize the Legislature of the Territory of Alaska to grant and convey certain lands to the city of Sitka, Alaska, for street purposes;

H. R. 544. An act for the relief of Rev. C. M. McKay;

H. R. 1046. An act for the relief of David B. Turpel;

H. R. 1313. An act for the relief of Delores Lewis;

H. R. 2151. An act for the relief of Elizabeth Powers Long;

H. R. 2511. An act for the relief of P. Audley Whaley;

H. R. 2530. An act for the relief of John M. O'Connell;

H. R. 2769. An act for the relief of Mrs. Lillian W. Timmerman, mother of Ann Timmerman, a minor, deceased;

H. R. 2855. An act for the relief of the estate of John Buby;

H. R. 3098. An act for the relief of Dr. H. H. Smith;

H. R. 3301. An act for the relief of the legal guardian of Edward Polak, a minor;

H. R. 3586. An act for the relief of Mrs. John Andrew Godwin;

H. R. 3604. An act authorizing the appointment of the chief of chaplains to the temporary rank of major general, and for other purposes;

H. R. 3724. An act for the relief of Mr. and Mrs. Howard C. Bantin;

H. R. 3737. An act for the relief of M. H. Harris;

H. R. 3870. An act to amend section 214 of the act of February 28, 1925;

H. R. 4033. An act relating to the use of the penalty mail privilege;

H. R. 4204. An act making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4292. An act to amend section 12 (b) of the act of May 29, 1930, as amended;

H. R. 4443. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4517. An act to remove restrictions on establishing post-office branches and stations;

H. R. 4679. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4687. An act relating to issuance of postal notes;

H. R. 4861. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4879. An act making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4899. An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4967. An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes; and

H. R. 5040. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944, and June 30, 1945, and for other purposes.

H. J. Res. 227. Joint resolution extending the period for the acquisition by the Railroad Retirement Board of data needed in carrying out the provisions of the railroad retirement acts;

On June 30, 1944:

H. R. 248. An act for the relief of Louis Courcil.

H. R. 1045. An act for the relief of Mrs. R. D. Robinson;

H. R. 1411 An act for the relief of Eddie T. Stewart;

H. R. 1412. An act for the relief of Mildred B. Hampton;

H. R. 1497. An act for the relief of the estate of J. T. Taulbee, deceased, and Mrs. Bertie Leila Parker;

H. R. 1735. An act for the relief of Broadus D. Boland and W. E. Boland;

H. R. 2006. An act for the relief of Mrs. Hagar Simpson and Mrs. Nat Price, Jr.;

H. R. 2333. An act for the relief of Mrs. Samuel M. McLaughlin;

H. R. 2405. An act for the relief of Clarence P. Hale, Jr.;

H. R. 2472. An act for the relief of the estate of Gertrude Mullins;

H. R. 2625. An act for the relief of Edward H. Held and Mary Jane Held;

H. R. 2788. An act for the relief of Frank Baptiste;

H. R. 3126. An act for the relief of Mary Ellen Frakes, widow of Joseph A. Frakes;

H. R. 3137. An act for the relief of Ruth L. Clapp;

H. R. 3241. An act to implement the jurisdiction of service courts of friendly foreign forces within the United States, and for other purposes;

H. R. 3306. An act to authorize the conveyance of Harrison Park in the city of Vincennes to Vincennes University;

H. R. 3324. An act for the relief of the Postal Telegraph-Cable Co.;

H. R. 3390. An act for the relief of Mavis Norrine Cothron and the legal guardian of Norma Lee Cothron, Florence Janet Cothron, and Nina Faye Cothron;

H. R. 3524. An act to provide for the establishment of the Harpers Ferry National Monument;

H. R. 3649. An act for the relief of Mae Ekvall;

H. R. 4977. An act for the relief of Harry Schultz;

H. R. 4102. An act to extend for one additional year the reduced rate of interest on Land Bank Commissioner loans;

H. R. 4528. An act for the relief of L. M. Feller Co. and Wendell C. Graus;

H. R. 4623. An act to authorize the use of space in the old post-office building in Portland, Oreg., by the State of Oregon, for its use as a museum for relics from the battleship *Oregon*, together with all other historical documents, objects, and relics of Oregon and the old Oregon country held by the State for public display;

H. R. 4707. An act for the relief of J. Fletcher Lankton and John N. Ziegele;

H. R. 4825. An act to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Des Moines, Iowa, September 10 to 14, inclusive, 1944; and

H. R. 4837. An act to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, and to correct a typographical error in the Individual Income Tax Act of 1944.

H. R. 4937. An act making appropriations for defense aid (lend-lease), for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration, for the fiscal year ending June 30, 1945, and for other purposes.

On July 1, 1944:

H. R. 634. An act to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to the rank of vice admiral.

H. R. 702. An act to permit the prepayment of the purchase price of certain housing sold to individuals by the Resettlement Administration or the Farm Security Administration, and for other purposes;

H. R. 905. An act to release all the right, title, and interest of the United States in certain land constituting a portion of the tract of land conditionally granted to the county of Los Angeles, State of California, under the act of March 24, 1933, as amended;

H. R. 1668. An act for the relief of Lessie C. Selman;

H. R. 2288. An act for the relief of Donald J Munson.

H. R. 2605. An act for the relief of Charles W. Kirby;

H. R. 2916. An act for the relief of Mrs. Winnie Singleton, as administratrix of the estate of Gaylord W. Singleton, deceased;

H. R. 3280. An act for the relief of William Dyer;

H. R. 3281. An act for the relief of the estate of Nelson Hawkins;

H. R. 3481. An act for the relief of J. William Ingram;

H. R. 3538. An act for the relief of the Reverend James T. Denigan;

H. R. 3539. An act for the relief of the estate of Carlos Ferez Aviles;

H. R. 3636. An act for the relief of Josephine Guidoni;

H. R. 3646. An act to amend section 42 of title 7 of the Canal Zone Code;

H. R. 3654. An act for the relief of Byron Ennis;

H. R. 3859. An act for the relief of E. Bird Giles and Sherman Beck;

H. R. 3891. An act to provide night differential for certain employees.

H. R. 3976. An act for the relief of Charles L. Kee;

H. R. 4041. An act to amend the act relating to the construction and maintenance of a bridge across the Missouri River at or near Nebraska City, Nebr.;

H. R. 4074. An act for the relief of the estate of William Sandlass;

H. R. 4095. An act confirming the claim of the heirs of Monroe Johnson, deceased, to certain lands in the State of Mississippi, county of Adams;

H. R. 4103. An act to provide for loss of United States nationality under certain circumstances;

H. R. 4197. An act for the relief of Mr. and Mrs. John Cushman;

H. R. 4215. An act to extend to the custodial-service employees of the Post Office Department certain benefits applicable to postal employees;

H. R. 4348. An act to amend the act approved August 18, 1942, entitled "An act to facilitate the disposition of prizes captured by the United States during the present war, and for other purposes";

H. R. 4361. An act for the relief of Arch A. Brown;

H. R. 4405. An act to amend the act approved March 7, 1942 (56 Stat. 143), as amended (56 Stat. 1092; 50 App. U. S. C., Supp. III, 1061-1017, inclusive), so as to more specifically provide for pay, allotments, and administration pertaining to war casualties, and for other purposes;

H. R. 4458. An act for the relief of J. G. Power and L. D. Power;

H. R. 4466. An act to amend section 18 of the Pay Readjustment Act of 1942 to provide additional pay for personnel who are required to participate in regular and frequent glider flights;

H. R. 4624. An act to consolidate and revise the laws relating to the Public Health Service, and for other purposes;

H. R. 4728. An act to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended;

H. R. 4803. An act to extend the time for commencing and completing the construction of a bridge across the Mississippi River at or near Memphis, Tenn.;

H. R. 4810. An act to extend the provisions of the Selective Training and Service Act of 1940, as amended, to the Virgin Islands; and

H. R. 4881. An act to amend the Internal Revenue Code, the Narcotic Drugs Import and Export Act, as amended, and the Tariff Act of 1930, as amended, to classify a new synthetic drug, and for other purposes.

H. J. Res. 138. Joint resolution granting the consent of Congress to an agreement between the State of New York and the State of Rhode Island and Providence Plantations concerning the settlement of the boundary line between said States;

H. J. Res. 241. Joint resolution requesting the President to urge upon the governments of those countries where the cultivation of the poppy plant exists the necessity of immediately limiting the production of opium to the amount required for strictly medicinal and scientific purposes;

On July 3, 1944:

H. R. 1682. An act for the relief of Edwin H. Taylor, Jr.;

H. R. 2965. An act for the relief of Ross Engineering Co.;

H. R. 3739. An act for the relief of the Wesix Electric Heater Co.;

H. R. 4733. An act to amend section 514 of the Soldiers' and Sailors' Relief Act; and

H. R. 4935. An act to provide for a study of multiple taxation of air commerce, and for other purposes.

POCKET VETOED

On June 30, 1944:

H. R. 1737. An act for the relief of the Saunders Memorial Hospital.

On July 1, 1944:

H. R. 1675. An act to amend section 9 of the Pay Readjustment Act of 1942 (Public Law 607) by providing for the computation of double-time credits awarded between 1898 and 1912 in determining retired pay;

H. R. 2649. An act for the relief of Anna Charack; and

H. R. 3674. An act for the relief of William E. Widby.

On July 3, 1944:

H. R. 3596. An act conferring jurisdiction upon the Court of Claims of the United States to consider and render judgment on the claim of the Zephyr Aircraft Corporation.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 3125. An act for the relief of Paul H. White.

SWEARING IN OF A MEMBER

Mr. ROLLA C. McMILLEN appeared at the bar of the House and took the oath of office.

ELECTION TO COMMITTEES

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 616), as follows:

Resolved, That ROLLA C. MCMILLEN, of Illinois, is hereby elected to the Committees on Coinage, Weights, and Measures; Pensions; and Elections No. 2.

The resolution was agreed to.

ADJOURNMENT OVER

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Thursday next, and that when it adjourns on Thursday next it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

FILIPINO REHABILITATION COMMISSION

The SPEAKER. Pursuant to the provisions of Public Law 381, Seventy-eighth Congress, and the authority granted the Speaker by the order of June 23, 1944, the Chair did on June 29, 1944, appoint as members of the Filipino Rehabilitation Commission the following Members of the House: Mr. BELL, of Missouri; Mr. MCGEHEE, of Mississippi; Mr. WELCH, of California.

AMERICAN INTERPARLIAMENTARY CONGRESS

The SPEAKER laid before the House the following communication, which was read and referred to the Committee on Foreign Affairs:

CHAMBER OF DEPUTIES, CHILE,
Santiago de Chile, June 12, 1944.

To His Excellency the SPEAKER OF THE HOUSE OF REPRESENTATIVES OF THE UNITED STATES OF NORTH AMERICA, WASHINGTON:

I have the honor to inform you that the Chamber of Deputies of Chile, at the meeting held on the 6th day of this month, unanimously approved the resolutions adopted by the committees of the association and the American parliamentary delegations which met in this capital, for the celebration of Independence Day.

The text of the resolutions is as follows:

"1. The parliamentary delegations of Peru, Uruguay, Colombia, the United States, Mexico, Costa Rica, El Salvador, Nicaragua, Panama, and Chile resolve to promote, through their respective parliaments a movement of continental unity;

"2. In order to carry out such a proposal they favor the holding of an American Interparliamentary Congress, for which the delegates will ask the approval of their respective parliaments;

"3. To establish a permanent committee, made up of the presidents of the concurrent delegations, presided over by Don Pedro Castelblanco, president of the Chamber of Deputies of Chile, for the purpose of organizing, fixing date, seat, and program of the Interparliamentary Congress of America;

"4. To communicate these resolutions to all the countries of the American Continent and invite the countries who did not have parliamentary representatives at the meeting, to adhere to these resolutions.

"Therefore, in order to promote the unity of America through its parliaments, the permanent committee referred to in the third resolution was constituted as follows: President, Pedro Castelblanco, of Chile, and these members: Luis Carlos Mesa, of Colombia; José Albertazzi Muñoz, of Costa Rica; José Erasmo Pacheco, of El Salvador; Pete Jarman, of the United States; Carlos F. Madrazo, of Mexico; Carlos Morales, of Nicaragua; Roberto Jiménez, of Panama; Carlos Sayán Alvarez, of Peru; and Luis Batlle Berres, of Uruguay."

May God keep Your Excellency.

PEDRO CASTELBLANCO A.,
President.
GUSTAVE MONTT PINTO,
Secretary.

L. M. MANROSS, *July 8, 1944.*

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a short article from a paper, also an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent that today, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

EXTENSION OF REMARKS

(Mr. CELLER asked and was given permission to extend his remarks in the RECORD.)

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein certain excerpts from speeches.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

GOLD PRODUCTION

Mr. ROLPH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein a resolution adopted by the board of directors of the San Francisco Chamber of Commerce.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROLPH. Mr. Speaker, reconversion of industry is of prime importance. Our gallant forces and those of our allies are daily closing in on Hitler. His fall may come at any time. The United States should be ready to change from war production to the manufacture of civilian goods. Jobs should be open for our returning veterans. The small merchant and manufacturer is entitled to every assistance in his effort to continue in business.

In California our problem is particularly complex. Our citizens are giving of their all for the war effort. The Golden State holds a commanding position in furnishing vitally needed ships and aircraft. Our entire production capacity is almost entirely on war work.

On June 20 last, I spoke in this House on the subject Wars Are Won With Gold. My remarks were largely directed to the delegates named to the International Monetary Conference opening in Bretton Woods, N. H., July 1, 1944.

I urged that consideration be given the serious situation facing gold mining in this country. American gold mines are closed by War Production Board.

Operators in this Nation should have the benefits of present world demand for gold. The price fixed by the Federal Government does not reflect current market quotations in certain foreign countries.

The San Francisco Chamber of Commerce has recently adopted resolutions in connection with this problem, and I quote these resolutions in full, as follows:

RESOLUTION ADOPTED BY THE BOARD OF DIRECTORS OF THE SAN FRANCISCO CHAMBER OF COMMERCE ON JULY 6, 1944, ON RECOMMENDATION OF THE CHAMBER'S MINING COMMITTEE

Whereas it is a generally admitted fact that a limited market for gold bullion exists in India, north Africa, and possibly other countries in the Near and Far East, and south African gold producers have been permitted to sell bullion in those markets at prices substantially in advance of the standard legal prices prevailing in London and in the United States; and

Whereas the American Government is spending very large sums of money in all of said localities where such a market exists for the maintenance of American armed forces utilized in the defense of said countries against German and Japanese aggression; and

Whereas American gold producers, even to the limited extent that they are permitted to produce gold bullion under existing war conditions and the limitations of War Production Board Order L-208, have been greatly handicapped in such production by the greatly increased costs thereof without any increase whatever in the price established some 10 years ago for their product: Now, therefore, be it

Resolved, That the President of the United States, and through him the State Department, be, and they are hereby, requested and urged to take up at once with the British Government and the appropriate local governments in India and north Africa, the matter of paying so far as possible all expenditures by the American Government in said localities in the form of newly mined gold bullion to be delivered and accepted at the going market price for such bullion in said localities, and, after arranging said foreign sales, to pass on to American producers of newly mined gold such premium per fine ounce for an equal amount of newly produced gold over the American price of $35 fixed by law as may be obtained from the sales of bullion in foreign countries for said war purposes; and be it further

Resolved, That all of the congressional representatives from the Western States in which gold is produced be urged to lend their endorsement of this plan and to request the President and Secretary of State to use every effort to carry it into effect.

POST-WAR PROBLEMS

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHURCH. Mr. Speaker, I rise to express the hope that the reconvening of Congress today really means that, at long last, we shall work out definite plans and preparations for the difficult post-war period. We are wholly unprepared for the peace. Further delay may prove disastrous. How empty the victory, for which our youth have given their lives, if it means the complete collapse of our economic structure. That is what presently confronts us.

No one really knows when this war will end. As we read the encouraging news of advances in the Pacific and in France, our military leaders continue to warn that the "road to victory is still long and hard." Obviously, their warnings are designed to discourage any relaxation of our productive efforts. These warnings are not to go unheeded. The road to victory may prove very long. But that is no excuse for delay in preparations for the peace. The road to victory, on the other hand, may prove to be short. Our immediate task is to prepare for the day of victory, whether it be sometime next year or next month.

When we passed the Contract Settlement Act prior to the recess, we made only a beginning in preparing for the post-war transition from a war to a peace economy. That law is designed to facilitate payment of claims on terminated contracts, so that the thousands of companies, large and small, engaged in war work will have capital to use in returning to civilian production. It is an aid, not a solution, to the problems which will confront American industry at the conclusion of the war. The law merely serves to release funds which war contractors will have tied up in inventories, goods in process, and finished goods on hand when their contracts are terminated.

What is to be done with the huge stocks of Government-owned surpluses, which at the end of hostilities will total many billions of dollars? What is to be done with the plants which the Government has erected throughout the country? These are very real problems, for which we have the task of formulating a policy and establishing adequate machinery. The Committee on Expenditures in the Executive Departments, of which I am privileged to be a member, has made some preliminary studies of the matter of surplus materials. I hope that in the coming weeks my committee will submit a concrete proposal to the House.

Whatever plan is formulated, it is important that it rest on the principle that Government must not engage in business in competition with private industry and, further, that the disposal of surpluses in plants and materials be such as to protect the interests of all business, regardless of size. We must preserve the American system of free enterprise and free competition, and it should be emphasized that the backbone of American business is the small enterprises.

And there is the all-important human problem. With the termination of war production, thousands upon thousands of people will face unemployment. Civilian industry will not be able to absorb, during the reconversion period, the people discharged from war work. While an unemployment-compensation system is in existence under the Social Security Act, it will necessarily have to be adapted to the emergency of the period immediately following the end of the war.

There is the related problem of demobilization: the returning soldier who will want to return to his job and to take up life where he left it.

Mr. Speaker, I have merely touched upon the many problems that face us in the post-war era. Their magnitude is beyond expressing in these few words. There is no easy solution, but they are not beyond solution. That is the task before us, and to this task I urge we bend every effort in these next few weeks, beginning today, in order that we may be prepared for the peace. If we fail in this, if we procrastinate one single hour, we are not worthy of our trust.

EXTENSION OF REMARKS

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to extend by remarks in the RECORD and include therein certain excerpts from speeches previously made on the floor of the House.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

POST-WAR LEGISLATION

Mr. DEWEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DEWEY. Mr. Speaker, I for one am glad to be back in my workshop, which, as long as my constitutents care to choose me, is the Congress of the United States.

During these vital days that lead to victory, everyone should be giving full time at his or her workbench.

I cannot approve suggestions that the Congress take a recess.

There is too much work to be done.

Many post-war plans must be considered and created into sound laws.

With the help of an ever-kind providence our victorious boys will be coming home in the not distant future.

Let us be ready for them—not only with the hearty welcome they deserve, but also with every facility prepared that

will provide them good jobs under the American way of life.

To accomplish this we have no time for a recess.

The SPEAKER. The time of the gentleman has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent, after any other special orders already entered, that I may address the House for 5 minutes today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. CARSON of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a poem by James Francis Thierry.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LEWIS. Mr. Speaker, I have two requests to make. I ask unanimous consent to extend my remarks and to include an editorial in the first instance; and in the second instance I ask unanimous consent to extend my remarks on veterans' legislation.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

POST-WAR LEGISLATION

Mr. WOLVERTON of New Jersey. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WOLVERTON of New Jersey. Mr. Speaker, when Congress adjourned the latter part of June, the end of the war in Europe was not in sight. Today, the situation is greatly changed. Not only have our troops in France and Italy made unexpected advances, but it would seem that there is evidence that Germany is beginning to crack internally. We cannot afford to be too optimistic, nor would it be wise to countenance any let-down in our war effort. The war cannot be considered as won until final and complete victory is ours. Our military endeavor should increase in tempo as the enemy weakens. The same is true of our production effort. We must not slacken our production effort. The enemy is still plenty tough. Therefore, our every effort at the front or at home must continue without the slightest let-up. We cannot afford to take anything for granted.

However, there is no reason why we should not be preparing to meet the serious problems that will confront us as soon as the fighting ends. We were unprepared for war. We must not be unprepared for peace. The day when hostilities cease may be nearer than we think. If it should come now we are not prepared. The conditions that would result from sudden cancelation of war contracts could soon produce chaos and distress. The sudden closing of the Brewster plant is a recent illustration of what can happen on a much larger scale if provision is not made beforehand to meet the problems of mass unemployment.

In my opinion, Congress should not have adjourned in June until every part of the reconversion program had been completely enacted.

Congress, before adjourning, did enact legislation to provide quick settlement of terminated contracts. This was done to enable employers to have ready cash to enter into peacetime production. Any lag in doing so would promote unemployment. Thus this was an important step in the reconversion program. But it was only one step. Nothing has been done as yet with reference to disposal of surplus commodities. Nor has any policy been adopted with respect to future use of war plants owned by the Government and now operated by private industry. These are important matters. They cannot go unanswered or unattended to until war ceases without creating a condition of delay in entering into peacetime activities that will prove most serious. It could be even disastrous in its results.

Another matter of intense importance is that of having a policy with respect to the demobilization of war workers. The importance of making proper provision for them in the transition period between the cessation of war production and commencement of peace production cannot be overstated. It is equally important, if not more so, than any of the problems to which I have referred.

Senator KILGORE introduced into the Senate a comprehensive bill to make adequate provision for workers in the periods of unemployment that may result during the transition and likewise provide a sense of security to them in the many other conditions that may result. Nothing has been done toward the passage of this or any similar measure in either Senate or House. There can be no justification for further delay. The time is at hand for action.

I am deeply concerned at the failure to pass this necessary legislation. Bills have been prepared to cover the different situations. They are in the hands of the respective committees, but nothing is being done with them. Some hearings were held before adjournment. Since then there has been no activity. It is the duty of the management of the Senate and House to start things going, to keep them going until the work is done.

I was of this opinion in June. I am more strongly of that opinion today. I shall urge and do everything possible to bring about at the earliest possible day legislation for the purposes I have outlined. It is necessary to the present and future welfare of our Nation and its people.

ROBOT BOMBING

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include as part of my remarks a description of robot bombing in London by Andrew Tully, a correspondent of the Boston Traveler.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have read this article describing the robots in London by a correspondent of the Boston Globe and I know officially, but not for public statement, the number that have been killed in London alone, and in all of England. Some of these persons were our own Army and Navy personnel. I rejoice that the people in the United States of America have not had to undergo that horrible experience. So far as I can ascertain we are as unprepared for peace as we were for war. I am very anxious for the reconversion of industry wherever possible. Certainly all possible plans should be made for reconversion in order to provide jobs not only for our returning men and women of the armed services but for the civilian workers who produce our war supplies—but we must make sure that every ounce of war material is produced which is necessary for the winning of the war. It does look in the Atlantic theater of war as if things were going better, but the fighting is not over nor is the victory won. I am not an expert in military strategy or naval strategy, but it seems to me that at best the war in the Pacific will be a long one, with many losses. Americans and British living in hourly dread of constant robot bombing cannot tolerate or forgive any delay in the winning of the war. Last month production lagged.

Mr. Speaker, I beg the House to urge continuation of the production of all necessary war matériel until the war is completely won in all theaters of war. Not a single life must be lost because of our neglect.

The following is the article which appeared in the Boston Traveler of July 31:

TULLY IS INITIATED IN ROBOT SOCIETY

(By Andrew Tully)

SOUTHERN ENGLAND, July 31.—I have been initiated into the terror of the robot bomb, and it would be nice if I could take vanilla instead. In the 2 days I have been in southern England I have been through what I would call four attacks, although the censor probably will chuckle at my extravagant language. Let him chuckle.

A NASTY SHOCK

Only a few days ago I was walking down Tremont Street, just as you and you did today, and the sudden transition from dodging taxicabs in Boston to huddling away from Hitler's latest nightmare is a shock of nasty proportions. Don't let me give you the old baloney about Boston's not knowing there's a war on, but let me just this once point out that over here one perhaps gets a better perspective of that sort of thing.

I had been in my room only 2 minutes when the first siren screamed, and it would have done the Traveler city room good to see me jump. Well, I finally landed out in the vestibule, with bedroom and bathroom doors closed, to stay there smoking furiously for 10 minutes while nothing happened. Oh, I learned later that a couple had dropped somewhere, but I can't prove it.

DIFFERENT NEXT DAY

It was a little different next day. I had just made a round of some offices and was walking down the street on my way to the officers' mess when I heard the first blast about a half mile away, I guess.

Apparently there had been an alert. But I had been closeted with a public-relations sergeant, who was doing his best to mother

me, and I hadn't heard it. There I was practically naked in the street thinking of 3-foot concrete walls, preferably overhead.

However, nobody seemed to be paying any attention except for a glance skyward every so often and there was nothing to do but proceed in as dignified a manner as possible. The attack continued while I ate cold cuts, potato salad, lettuce salad, beef soup, and cake. Somehow, I resisted the terrible urge to hurl myself under the table at each buzz but I'm not promising a repeat performance.

That night, for instance, they landed too damned close. The first real body-bouncing one came as I was drinking a beer in one of the local pubs. The advice they give you is to listen closely to the motor and if it shuts off nearby you must dive for shelter or slam your manly figure to the floor or ground.

Well, I got some practice. This one shut off at a point which seemed just about 10 feet from my head and I joined the entire company in a frozen huddle, arms clasped around head and eyes shut. Next thing I knew I was thrown against the bar. The floor heaved and the loudest noise I ever heard, outside of the anguished roar of a city editor, ripped the air.

When I opened my eyes I found that although the bar's front window had escaped, every display bottle in it had been knocked over and several glasses on the bar, including mine, had been spilled. Outside, those amazing Englishmen gathered quickly in little curious groups and the proprietress wormed her way from the sidewalk holding a piece of white hot jagged metal to which she pointed proudly as a piece of the thing.

WALKS ON GLASS

It was quite a night.

En route home I ran into another one, if that's the right term, and this time I practically burrowed my way into the sandstone doorway where I had taken refuge a hundred yards up the street I walked through broken glass a couple of inches deep from shattered shop windows, and when I did get home I learned that either the last blast or an earlier one had knocked out all the windows on one side of my building.

This is old stuff to all the rest of the correspondents, I suppose, and as I said before, the British censor probably is wondering why this American is making such a fuss about it. But I just couldn't write about anything else today. Maybe I have succeeded in giving you an idea of a Yank's first reaction to the frightfulness which is being visited upon an entire population.

Anyway, I've gotten it off a chest that is none too manly this day and I am blood brother to the newsman I was chatting with yesterday, who told me sardonically:

"I am going to get the hell over to Normandy where it is safe."

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. RANDOLPH] is recognized for 10 minutes.

THIRTY-SEVENTH ANNIVERSARY OF ARMY AIR FORCES OF THE UNITED STATES

Mr. RANDOLPH. Mr. Speaker, I believe it appropriate that we pause for a few minutes in the initial session of the reconvening of this Congress to note the fact that 37 years ago today the Army Air Forces of the United States came into being. I mention that historical background because the organization which is spearheading the attack of America and the Allied forces toward certain victory in both the European and Pacific theaters of war, was founded as part of our military organization on August 1, 1907.

I think you might be interested in knowing that this country started out with the Army Air Forces of the United States 37 years ago with one officer, two enlisted men, and not a single airplane. I remember the testimony of the commanding general of our Army Air Forces, the very brilliant Gen. H. H. Arnold, when he came before the Committee on the Civil Service of the House in June of 1943. He discussed the growth of the Army Air Forces of the United States. I was struck with one important observation which he made, to the effect that when we entered World War No. 1 we had only 56 officers and 1,800 enlisted men in the Army Air Forces of the United States. With the armistice that organization had grown until we had 17,000 officers and 157,000 enlisted men. Today, as we trust, in the more favorable phases of the concluding months of this war, at least in the European theater, we known that the Army Air Forces of the United States is possessed of a great striking force of more than 2,500,000 men.

I believe you would like to know that when the Army Air Forces was formed 37 years ago, we did not call it by its present name, but it was designated the Aeronautical Division of the Signal Corps of the United States Army. Apparently those who planned for our welfare a little more than a third of a century ago gave very little thought to the strength of air power and what it might mean to the future of this Nation as we defended ourselves against ruthless and even well-equipped enemies.

I would like to give you the thought of General Arnold, spoken a little more than a year ago, in the testimony to which I have previously referred, when he said that in World War No. 1 a complete airplane cost about $9,000. He said it might go to $11,000 in the completed cost; and he said it weighed about 6,000 pounds—that is, 7,000 pounds with a pilot, an observer, and with the gasoline load. We know what it costs today, not just $9,000, $10,000, or $11,000, but the average cost is $275,000 to $350,000 for the fighting aircraft of the United States Army Air Forces. We know there is not a crew of one or two, but there is a crew of 10 men or more and that the weight is perhaps 35,000 to 45,000 pounds. We can well pause at this moment to remember that it was not alone the gallant Billy Mitchell, in 1919, who began to advocate the effectiveness of air power. It perhaps may be just a little startling to you, when I say the facts disclose it was in 1916, on April 29 of that year, that Admiral Robert E. Peary, a great Navy man, the first to reach the North Pole, gave his opinion of the future place in war of air power.

His remarks have been overlooked. I will place them in my comments today. He said, "He who commands the air commands all." Think of it. That was in 1916. Our air forces of the near future will be more vital to our safety than our Army and Navy combined.

It was almost heresy for a man to speak in that language in 1916.

The Pittsburgh Press, of July 28, 1944, in the aviation column by Maj. Al Williams, has the following informative material:

AIR COMMAND

(By Maj. Al Williams)

"We do not respect a man unless he possesses some elements of force and character, and no nation can respect or exert influence unless it stands for forcefulness and strength. * * * In no way can we as a nation stand so effectively for forcefulness, for strength, and for world influence as by command of the air. * * * Just as in the War with Spain, events external to us and beyond our control forced us from our position of isolation into that of a world power with possessions and interests circling the globe, so today's events external to us and entirely beyond our control are shaping for a position and influence greater than ever before. * * *

"In that coming world influence, the one great, dominant thing which will overshadow all else will be air superiority and power. * * * Twenty-four hundred years ago Themistocles, Athenian statesman, soldier, and creator of Athenian naval policy, asserted the principle that 'He who commands the sea commands all.'

"With the victory of Salamis, which changed the history of the world, he drove home the truth of his principle and sent it down the centuries to be a living axiom of national power and influence today. * * * 'He who commands the sea commands all' still holds good. But it has a rival, the command of the air, without which command of the sea is beginning to be valueless and in the near future it will be superseded entirely by the axiom, 'He who commands the air commands all.' Our air forces of the near future will be more vital to our safety than our Navy and Army combined. * * * The sooner we wake up to the fact that command of the air is absolutely vital to our safety and that it can be secured at less cost than any other form of defense, the better it will be for us * * *

"The airplane has completely changed modern warfare. * * * Suppose such a horror from the air should fall upon us as has already fallen upon the east coast of England. * * * Would the whole country flame with rage? Would there be a snarl, 'Why has this happened—who is responsible—why were we not ready to prevent it?'

"The basic ideals of this country, born of our ancestry, our national growth, our physical position, are bigness and realization.

"Here is an opportunity for us to make good on these ideals on a grand scale by taking up in earnest the airpower of this Nation. Our geographical position, our national rank and standing, our national safety demand it. Our resources and mechanical genius not only permit it but make it easily possible. * * * I would to God I had the power to transmit * * * the intensity of my feelings on this subject. It is vital—vital—vital to us—this command of the air."

Brace yourselves for a shock. All the foregoing might have been excerpts from a current radio talk. The Army for years has been given credit for the foresight of Gen. Billy Mitchell. But Bill Mitchell didn't start his cry for air power until 1919—after World War No. 1.

It was the Navy's great hero, Admiral Robert E. Peary, the first man to visit the North Pole, who envisioned the part that airpower would play in the world to come and its revolutionary effect upon modern warfare. This column is composed of verbatim excerpts from his address before the twentieth annual meeting of the American Academy of Political and Social Science in Philadelphia on April 29, 1916.

History has her own strangely effective way of checking the log book of mankind. And to Admiral Peary, a Navy man, must go the credit for envisioning and recognizing the vital role command of the air would play in this world, our world, and the world ahead.

Let us pay tribute today to Admiral Peary who spoke those words in 1916, and 3 years later, in 1919, to the preaching of Billy Mitchell, as they and others gave to the American people the first glimpses of a realization that we must prepare ourselves to defend America through the medium of air power.

We owe a tremendous debt of gratitude to the more than two and one-half million members of the United States Air Forces who are today leading in the skies with the Allied Nations our eventual success over the Nazi and Japanese foes. To Admiral Peary, to Billy Mitchell, to General Arnold, to all those who have shown leadership, we say, "Well done." I believe I express the feeling of the membership of this House when I say, "Good luck to our airmen. The wings of America grow ever stronger."

The SPEAKER. Under previous order of the House, the gentleman from Connecticut [Mr. MILLER] is recognized for 5 minutes.

CIRCUS FIRE AT HARTFORD, CONN.

Mr. MILLER of Connecticut. Mr. Speaker, on the 6th of July, the city of Hartford suffered a tragic loss. On that day the big top of the Barnum & Bailey-Ringling Bros. Circus burned to the ground causing the tragic death of 166 men, women, and children.

About a year and a half ago the city of Boston suffered a loss when the Cocoanut Grove Night Club burned. Fire experts and fire-prevention authorities throughout the United States tried to learn every possible lesson from the Boston disaster, but unfortunately, in spite of all their research, no thought was given to the fire hazard of these huge circus tents.

I am today introducing a resolution respectfully requesting the Committee on Interstate and Foreign Commerce to conduct an investigation to determine whether requirements should be imposed by law in the case of circuses moving in interstate commerce, with respect to the fireproofing of tents, and taking all other measures to promote safety.

The inquest is still going on in the State of Connecticut. The State officials are still conducting their investigation. Their report and their findings, of course, would be made available to the members of the Committee on Interstate and Foreign Commerce. I am not going to discuss any of the causes of the disaster. I will not mention any of the information that has been made available at this time, but I am sure that out of these tragic losses we want to learn everything we can, and if this Congress should deem it necessary to enact legislation dealing with these problems I hope that it can be done speedily.

I read in the paper this morning that the circus which returned to Florida, its home base, after the disaster has gone out on the road again. Whether the new canvas, or the canvas to be used in the big top, is fireproofed or not, I do not know; but I do feel they should be checked over.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. RAMSPECK. The circus passed through Atlanta on yesterday. They are not using canvas, but they are going to show only in stadiums and ball parks.

Mr. MILLER of Connecticut. I think that is fine, but I would like to see the big top come back. It is not my thought that this committee, or anyone else, should attempt in any way to harass the circus. The circus is an American institution and I want to see it continued. But I do want to see every possible safeguard thrown around the patrons of the circus.

The officials of the circus have expressed in every way their sympathy for the families of the dead and the injured. They have made every effort to cooperate in the investigations which have followed the catastrophe. Despite the tremendous financial loss which the fire imposed on the circus, they have voluntarily sent $10,000 to the Hartford Chapter of the American Red Cross in recognition of their services to the fire victims.

EXTENSION OF REMARKS

Mr. HARLESS of Arizona. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a poem by E. B. Wallace to his son.

The SPEAKER. Is there objection?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks and include a speech I recently made, and also some excerpts.

The SPEAKER. Is there objection?

There was no objection.

ORDER OF BUSINESS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to make an announcement.

The SPEAKER. Is there objection?

There was no objection.

Mr. RAMSPECK. Mr. Speaker, there has been an agreement reached between the distinguished gentleman from Massachusetts [Mr. MARTIN] and myself, acting for the majority leader, and with the approval of the Speaker, that the membership will be given 3 days' notice before legislation which we expect to consider is taken up.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mrs. ROGERS of Massachusetts. Have the committees any of these bills ready to consider?

Mr. RAMSPECK. It is my understanding they have not.

Mrs. ROGERS of Massachusetts. And that is the reason the House is not doing any work?

Mr. RAMSPECK. That is the reason. As soon as the committees are ready, the membership will be notified.

ENROLLED BILL SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the follow title, which was thereupon signed by the Speaker:

H. R. 3125. An act for the relief of Paul H. White.

ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 32 minutes p. m.) the House, pursuant to the order heretofore entered, adjourned until Thursday, August 3, 1944, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1692. A letter from the Chairman, Reconstruction Finance Corporation, transmitting a report covering its authorizations for the period from the organization of the Corporation on February 2, 1932, to March 31, 1944, inclusive (H. Doc. No. 666); to the Committee on Banking and Currency and ordered to be printed.

1693. A letter from the Secretary of War, transmitting a draft of a proposed bill to amend the Canal Zone Code; to the Committee on the Merchant Marine and Fisheries.

1694. A letter from the President, Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill to authorize the establishment of the Metropolitan Police department ban, District of Columbia, and to provide funds therefor; to the Committee on the District of Columbia.

1695. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill to provide for the reimbursement of certain civilian personnel for personal property lost as a result of the Japanese occupation of Hong Kong and Manila; to the Committee on Claims.

1696. A letter from the Director, Selective Service System, transmitting a report of the registrants occupationally deferred as of April 15, 1944, because of their employment in or under the Federal Government; to the Committee on Military Affairs.

1697. A letter from the Acting Secretary of the Navy, transmitting estimates of personnel requirements for the Navy Department, Marine Corps, and Coast Guard for the quarter ending September 30, 1944; to the Committee on the Civil Service.

1698. A letter from the Acting Secretary of the Interior, transmitting a certified volume comprising the acts of the fourth regular session of the Fifteenth Legislature of Puerto Rico, February 14 to April 15, 1944; to the Committee on Insular Affairs.

1699. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill to authorize the Secretary of the Navy to lease certain lands situated in San Diego County, State of California; to the Committee on Naval Affairs.

1700. A letter from the Attorney General, transmitting a draft of a proposed bill to amend section 28 (c) of the Immigration Act of 1924; to the Committee on Immigration and Naturalization.

1701. A letter from the Acting Postmaster General, transmitting a draft of a proposed bill to eliminate as uncollectable certain

credits of the United States; to the Committee on Expenditures in the Executive Departments.

1702. A letter from the Attorney General, transmitting a request that the case of Albina Giombini, nee Talevi, be withdrawn from the list of cases involving suspension of deportation; to the Committee on Immigration and Naturalization.

1703. A letter from the Administrator of Veterans' Affairs, transmitting a draft of a proposed bill to liberalize certain provisions of the National Service Life Insurance Act of 1940, as amended; to the Committee on World War Veterans' Legislation.

1704. A letter from the Administrator of Veterans' Affairs, transmitting two copies of a draft of a proposed bill authorizing the Administrator of Veterans' Affairs to grant an easement in certain lands of the Veterans' Administration, Dallas, Tex., to Dallas County, Tex., for highway purposes; to the Committee on World War Veterans' Legislation.

1705. A letter from the President, United States Civil Service Commission, transmitting a draft of a proposed bill to provide uniform authority for the payment of travel expenses of consultants and other expert employees of the Federal Government; to the Committee on Expenditures in the Executive Departments.

1706. A letter from the Secretary of State, transmitting a copy of a note dated June 22, 1944, addressed to the American Legation at Reykjavik by the Icelandic Ministry for Foreign Affairs; to the Committee on Foreign Affairs.

1707. A letter from the Attorney General transmitting a report showing the special assistants employed during the period from January 1 to June 30, 1944, under the appropriation "Compensation of special attorneys, etc., Department of Justice"; to the Committee on Expenditures in the Executive Departments.

1708. A letter from the Chairman, War Production Board, transmitting a draft of a proposed bill to provide for the control of confidential business data submitted to the War Production Board; to the Committee on the Judiciary.

1709. A letter from the Acting Postmaster General, transmitting a draft of a proposed bill for the relief of Irma S. Sheridan, postmaster at Rockville, Oreg.; to the Committee on Claims.

1710. A letter from the Acting Postmaster General, transmitting a draft of a proposed bill relating to dual employment in the Postal Service and for other purposes; to the Committee on the Post Office and Post Roads.

1711. A communication from the President of the United States, transmitting a report, prepared by the American Red Cross, of obligations under the appropriations for foreign war relief consolidated and extended by the Second Deficiency Appropriation Act of 1942 and the Urgent Deficiency Appropriation Act of 1943; to the Committee on Appropriations.

1712. A letter from the President, United States Civil Service Commission, transmitting one set of the Commission's revised requests for personnel for the first quarter of the fiscal year 1945; to the Committee on the Civil Service.

1713. A letter from the Director, Office for Emergency Management, Division of Central Administrative Services, transmitting copies of the quarterly estimates of personnel requirements for the Division of Central Administrative Services for the quarter ending September 30, 1944; to the Committee on the Civil Service.

1714. A letter from Frank A. McNamee, Jr., colonel, Field Artillery, Office of Civilian Defense, transmitting copies of quarterly estimate of personnel requirements for the quarter ending September 30, 1944, covering regular operations of the Office of Civilian Defense and its protective property program; to the Committee on the Civil Service.

1715. A letter from the Director, Bureau of the Budget, transmitting the information with respect to the number of persons needed for the proper and efficient exercise of the functions of the Bureau of the Budget for the quarter ending September 30, 1944; to the Committee on the Civil Service.

1716. A letter from the Chairman, Smaller War Plants Corporation, transmitting a copy of the personnel requirements of the Smaller War Plants Corporation for the first quarter of the fiscal year 1945; to the Committee on the Civil Service.

1717. A letter from the Acting Secretary of the Treasury, transmitting herewith a copy of a communication from this Department to the Director of the Bureau of the Budget, together with forms executed by various bureaus, offices, and divisions of this Department, reflecting the number of employees estimated to be required during the first quarter of the fiscal year 1945 for the proper and efficient exercise of their respective functions; to the Committee on the Civil Service.

1718. A letter from the Acting Administrator of the Federal Security Agency, transmitting herewith the quarterly estimate of personnel requirements for the first quarter of the fiscal year 1945 for the Federal Security Agency; to the Committee on the Civil Service.

1719. A letter from the Acting Chairman of the Federal Power Commission, transmitting the quarterly estimate of personnel requirements for the Federal Power Commission covering the period ending September 30, 1944; to the Committee on the Civil Service.

1720. A letter from the Chairman of the War Manpower Commission, transmitting herewith an amended request for personnel ceiling for Employment Office facilities and services to coincide with funds appropriated; to the Committee on the Civil Service.

1721. A letter from the Director of the Office of Economic Stabilization, transmitting herewith the quarterly estimate of personnel requirements for the Office of Economic Stabilization for the quarter ending September 30, 1944; to the Committee on the Civil Service.

1722. A letter from the Director of the Office of War Mobilization, transmitting herewith a copy of the quarterly estimate of personnel requirements for the Office of War Mobilization for the quarter ending September 30, 1944; to the Committee on the Civil Service.

1723. A letter from the Secretary of War, transmitting herewith a copy of the quarterly estimate of personnel requirements, as transmitted to the Director of the Bureau of the Budget, setting forth the estimate of the number of employees required for the proper and efficient exercise of the functions of the War Department, for the quarter ending September 30, 1944; to the Committee on the Civil Service.

1724. A letter from the Acting Administrator, Federal Security Agency, transmitting consolidated Forms 3257, report of Federal civilian employment, for the Federal Security Agency for the month of May 1944; to the Committee on the Civil Service.

1725. A letter from the Secretary of the Department of Labor, transmitting herewith information, as required by the Bureau of the Budget, which specifies the number of employees required for the proper and efficient exercise of the functions of the Department of Labor and its bureaus, for the quarter beginning July 1, 1944; to the Committee on the Civil Service.

1726. A letter from the President of the United States Civil Service Commission, transmitting herewith one set of the Commission's requests for personnel for the first quarter of the fiscal year 1945; to the Committee on the Civil Service.

1727. A letter from the Administrator of the National Housing Agency, transmitting herewith to the House of Representatives copies of the requests for personnel needs during the first quarter of the fiscal year 1945, as placed before the Bureau of the Budget; to the Committee on the Civil Service.

1728. A letter from the Administrative Assistant to the President, transmitting herewith the quarterly estimate of personnel requirements of the Liaison Office for Personnel Management for the quarter ending September 30, 1944; to the Committee on the Civil Service.

1729. A letter from the Assistant Secretary, Department of Agriculture, transmitting copies of the quarterly estimates of personnel requirements for each of the Department's reporting units for the quarter ending June 30, 1944; to the Committee on the Civil Service.

1730. A letter from the assistant secretary-treasurer of the American Commission for the Protection and Salvage of Artistic and Historic Monuments in War Areas, transmitting herewith an amended form of the quarterly estimate of personnel requirements for the period ending September 30, 1944; to the Committee on the Civil Service.

1731. A letter from the Chairman of the Federal Trade Commission, transmitting herewith a copy of a quarterly estimate of the personnel requirements of the Federal Trade Commission for the first quarter of the fiscal year 1945; to the Committee on the Civil Service.

1732. A letter from the Chairman of the Federal Communications Commission, transmitting herewith reports of personnel requirements of the Federal Communications Commission; to the Committee on the Civil Service.

1733. A letter from the Attorney General, transmitting herewith copies of reports to the Director of the Bureau of the Budget relative to determining the number of employees required by the various units of the Department of Justice for the proper and efficient exercise of its functions for the first quarter of the fiscal year 1945; to the Committee on the Civil Service.

1734. A letter from the Assistant Secretary, Department of the Interior, transmitting the quarterly estimates of personnel requirements covering the quarter ending September 30, 1944, for the bureaus and offices of this Department; to the Committee on the Civil Service.

1735. A letter from the Postmaster General, transmitting herewith a copy of a letter addressed to the Director of the Bureau of the Budget, certifying that the Post Office Department is within the quota set by that Bureau under dates of June 30 and July 18, 1944, for each of the appropriation units involved; to the Committee on the Civil Service.

1736. A letter from the Attorney General, transmitting herewith copies of reports to the Director of the Bureau of the Budget relative to determining the number of employees required by the various units of the Department of Justice for the proper and efficient exercise of its functions for the first quarter of the fiscal year 1945; to the Committee on the Civil Service.

1737. A letter from the President of the United States Civil Service Commission transmitting herewith a proposal that legislation be enacted to give specific legislative recognition to positions of directors of personnel in the departments and agencies of the Government; to the Committee on the Civil Service.

1738. A letter from the Secretary of the Smithsonian Institution, transmitting herewith a quarterly estimate of personnel requirements for the Smithsonian Institution

and on June 17 an amended report for the quarter ending September 30, 1944; to the Committee on the Civil Service.

1739. A letter from the Acting Administrator, Office of Price Administration, transmitting a copy of Budget Bureau Form A-29, estimate of personnel requirements, for the quarter ending September 30, 1944; to the Committee on the Civil Service.

1740. A letter from the Director, Division of Administrative Management, National War Labor Board, transmitting a substitution for the top page of the quarterly estimates of personnel requirements submitted with their letter of July 1, 1944; to the Committee on the Civil Service.

1741. A letter from the Director, Division of Administrative Management, National War Labor Board, transmitting a quarterly estimate of the personnel requirements of the National War Labor Board for the first quarter of the fiscal year 1945; to the Committee on the Civil Service.

1742. A letter from the Director, Bureau of the Budget, transmitting five tables covering the determinations of the Director of the Bureau of the Budget during the fourth quarter of the fiscal year 1944 of the numbers of employees required by the executive departments and agencies for the proper and efficient exercise of their respective functions; to the Committee on the Civil Service.

1743. A letter from the Acting Comptroller General of the United States, transmitting herewith a revised estimate of the number of employees required for the proper and efficient exercise of the functions of the General Accounting Office during the quarter ending September 30, 1944; to the Committee on the Civil Service.

1744. A letter from the Acting Administrator of the Federal Security Agency, transmitting herewith consolidated Forms 3257, Report of Federal civilian employment, for the Federal Security Agency for the month of June 1944; to the Committee on the Civil Service.

1745. A letter from the President of the United States Civil Service Commission, transmitting herewith one set of the Commission's revised requests for personnel for the first quarter of the fiscal year 1945, which was submitted to the Bureau of the Budget in accordance with Budget Circular No. A-29, revised; to the Committee on the Civil Service.

1746. A letter from the Administrative Assistant to the Secretary of the Department of Commerce, transmitting herewith revision No. 1 of the estimate of personnel requirements for the quarter ending September 30, 1944, for "Salaries, Patent Office," requesting an increase of 20 positions; to the Committee on the Civil Service.

1747. A letter from the Director, Committee for Congested Production Areas, transmitting the quarterly estimate of personnel requirements for the Committee for Congested Production Areas for the period July 1, through September 30, 1944; to the Committee on the Civil Service.

1748. A letter from the Chairman of the Board of Reconstruction Finance Corporation, transmitting a copy of the estimate of the number of employees required for the proper and efficient exercise of the functions of the Reconstruction Finance Corporation and its subsidiaries for the quarter ending October 1, 1944; to the Committee on the Civil Service.

1749. A letter from the Administrative Assistant to the Secretary, Department of Commerce, transmitting revision No. 1 of the estimate of personnel requirements for the quarter ending September 30, 1944, for coastal surveys and working funds, Coast and Geodetic Survey, requesting an increase of 6 positions in the former, with a corresponding decrease in the latter; to the Committee on the Civil Service.

1750. A letter from the Attorney General, transmitting a report stating all of the facts and pertinent provisions of law in the cases of 70 individuals whose deportation has been suspended for more than 6 months under the authority vested in him, together with a statement of the reason for such suspension; to the Committee on Immigration and Naturalization.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARTER:

H. R. 5142. A bill to provide a method for compensating certain individuals for damages sustained as the result of the explosions at Port Chicago, Calif.; to the Committee on Claims.

By Mr. COMPTON:

H. R. 5143. A bill to repeal the automobile-use tax; to the Committee on Ways and Means.

By Mr. DIMOND:

H. R. 5144. A bill to authorize the city of Ketchikan, Alaska, to issue bonds in a sum not to exceed $150,000 for the purpose of constructing and acquiring additions and betterments to and extensions of the electric light and power system of said city, and to provide for the payment thereof, and for other purposes; to the Committee on the Territories.

H. R. 5145. A bill to authorize the sale of certain public lands in Alaska to the Catholic bishop of Alaska, in trust for the Roman Catholic Church; to the Committee on the Public Lands.

By Mr. LUTHER A. JOHNSON:

H. R. 5146. A bill to amend the Social Security Act approved August 14, 1935; to the Committee on Ways and Means.

By Mr. MAAS:

H. R. 5147. A bill to amend the act approved February 3, 1942, so as to provide for an Assistant Commandant for Air of the Marine Corps, to prescribe the rank of the Assistant Commandant and the Assistant Commandant for Air, and to amend the act approved June 22, 1938, as amended, so as to extend its retirement provisions to the Assistant Commandant and the Assistant Commandant for Air, and for other purposes; to the Committee on Naval Affairs.

By Mr. MILLER of Connecticut:

H. Res. 617. Resolution to direct the Committee on Interstate and Foreign Commerce to conduct an investigation to determine whether requirements should be imposed by law in the case of circuses moving in interstate commerce with respect to the fireproofing of tents and the taking of other measures to promote safety; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Chamber of Deputies of Chile, rendering homage to the United States of North America on the glorious anniversary of the declaration of its independence; to the Committee on Foreign Affairs.

Also, memorial of the Congress of Venezuela, denouncing tyrannical Nazi Fascist government of Trujillo and requesting consideration of congresses of all American countries to ignore force-imposed regimes; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of California, relating to prolonging the wild-fowl shooting season, and for other purposes; to the Committee on Roads.

Also, memorial of the Legislature of the State of California, relative to the post-war disposition of temporary and demountable war housing by the Federal Government through appropriate State and local governmental authority; to the Committee on Public Buildings and Grounds.

Also, memorial of the Legislature of the State of South Dakota, memorializing the President and the Congress of the United States to adopt plans for development of the Missouri River Valley; to the Committee on Rivers and Harbors.

Also, memorial of the Council of the City of Newport, R. I., memorializing the President and the Congress of the United States to enact Senate bill, S. 1371; to the Committee on the Civil Service.

Also, memorial of the Chamber of Deputies of Chile, informing the President and the Congress of the United States that the Chamber of Deputies of Chile, at the meeting held on the 6th day of June 1944, unanimously approved the resolutions adopted by the committees of the association and the American parliamentary delegations which met in this capital, for the celebration of Independence Day; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Kentucky:

H. R. 5148. A bill granting an increase of pension to James O. Scott; to the Committee on Invalid Pensions.

By Mr. DIMOND:

H. R. 5149. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim, or claims, of the Aleutian Livestock Co., Inc.; to the Committee on Claims.

By Mr. GREEN:

H. R. 5150. A bill for the relief of Robert T. McFall; to the Committee on Claims.

By Mr. LEWIS:

H. R. 5151. A bill for the relief of Frank Sable; to the Committee on Claims.

By Mr. ROLPH:

H. R. 5152. A bill for the relief of Mrs. John A. Schaertzer; to the Committee on Claims.

H. R. 5153. A bill for the relief of Charles E. Surmont; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5916. By Mr. CASE: Memorial of South Dakota State Legislature, convened July 10, 1944, urging that agencies of the Federal Government adopt plans for the development of the Missouri River Valley, as set forth in House Concurrent Resolution No. 1; to the Committee on Flood Control.

5917. By Mr. GRAHAM: Petition of the Women's Christian Temperance Union City Institute, of New Castle, Pa., representing approximately 320 persons, urging the passage of the Bryson bill, H. R. 2082; to the Committee on the Judiciary.

5918. Also, petition of the Session of the First Presbyterian Church of Rochester, Beaver County, Pa., representing approximately 500 persons, for the passage of the Bryson bill, H. R. 2082; to the Committee on the Judiciary.

5919. By Mr. JOSEPH M. PRATT: Petition of Foreign Trade Committee, Chamber of Commerce, and Board of Trade of Philadelphia; to the Committee on Interstate and Foreign Commerce.

5920. By Mr. ROLPH: House Resolution No. 32, State of California, relating to prolonging

the wild fowl shooting season; to the Committee on Agriculture.

5921. Also resolution of Redwood Empire Supervisors Unit, San Francisco, relative to the construction of a Sausalito approach to the Golden Gate Bridge, San Francisco; to the Committee on Roads.

5922. Also, petition of Pile Drivers, Bridge, Wharf and Dock Builders Local 34 referring to Senate bill 1161; to the Committee on Ways and Means.

5923. Also, petition of Building and Construction Trades Council of San Francisco regarding Senate bill 1161; to the Committee on Ways and Means.

5924. Also, petition of Committee for Safety for Public Housing in San Francisco Bay area regarding certain suggestions for bay-area housing: to the Committee on Banking and Currency.

5925. Also, resolution of California State Hotel Association, Ltd., San Francisco, Calif., recommending an appropriation for the construction of a highway making possible continuous traffic from the west coast area to Alaskan Territory, without need for using the present southern portions of the Alcan Highway; to the Committee on Roads.

5926. Also, Assembly Joint Resolution No. 6, State of California, relating to making shotgun shells available to farmers; to the Committee on Banking and Currency.

5927. Also, Assembly Joint Resolution No. 4, State of California, relating to the establishment of a veterans' hospital in central California: to the Committee on World War Veterans' Legislation.

5928. Also, Assembly Joint Resolution No. 3, State of California, memorializing Congress to provide adequate support for the maintenance of the San Joaquin Experimental Range by the Forest Service, United States Department of Agriculture; to the Committee on Agriculture.

5929. Also, Assembly Joint Resolution No. 2, State of California, memorializing Congress to make a survey of the needs of various schools for adult manual education, etc.; to the Committee on Education.

5930. Also, Assembly Joint Resolution No. 8, State of California, relating to having Mammoth Pass Road in California constructed as a post-war construction project; to the Committee on Roads.

5931. Also, Assembly Joint Resolution No. 9, State of California, relating to requesting priorities on pasteurizing equipment for the manufacture of cheese; to the Committee on Agriculture.

5932. Also, House Resolution No. 44, State of California, relating to encouraging propagation of cork oak trees in the United States, and so forth; to the Committee on Agriculture.

5933. Also, House Resolution No. 72, State of California, relating to privately owned cabins in the United States forest reserves; to the Committee on Ways and Means.

5934. Also, House Resolution No. 29, State of California, relating to the closing of the United States forests to hunting; to the Committee on Agriculture.

5935. Also, Assembly Joint Resolution No. 16, State of California, relative to the establishment of an Optometric Corps in the United States Army; to the Committee on Military Affairs.

5936. Also, Assembly Joint Resolution No. 14, State of California, relating to establishment of feeder air transportation connecting up the small cities of California; to the Committee on Interstate and Foreign Commerce.

5937. Also, Assembly Joint Resolution No. 13, State of California, relating to the enactment by Congress of House bill 4915; to the Committee on Roads.

5938. Also, Assembly Joint Resolution No. 11, State of California, relating to the post-war disposition of temporary and demountable war housing by the Federal Government through appropriate State and local governmental authority; to the Committee on Public Buildings and Grounds.

5939. Also, Assembly Joint Resolution No. 10, State of California, relating to an interregional highway connecting San Diego and the extreme southern part of the State with the easterly regions of the United States; to the Committee on Roads.

5940. By the SPEAKER: Petition of the National Shipswriter, the Navy Club of the United States of America, petitioning consideration of their resolution with reference to provision for the maintenance of the United States Navy as the largest navy in the world, with sufficient bases and facilities properly throughout the universe for the efficient operation of our Navy; to the Committee on Naval Affairs.

5941. Also, petition of the vice president, Eire Society of Rhode Island, petitioning consideration of their resolution with reference to removal of the artificial political boundary dividing northern and southern Ireland; to the Committee on Foreign Affairs.

5942. Also, petition of the president, Puerto Rico Medical Association, petitioning consideration of their resolution with reference to House bill 4615; to the Committee on Interstate and Foreign Commerce.

5943. Also, petition of the Grand Committee of Hungarians, Bridgeport, Conn., petitioning consideration of their resolution with reference to Nazi activities inflicted on the people of Hungary; to the Committee on Foreign Affairs.

5944. Also, petition of the president, South Dakota State Townsend Council, petitioning consideration of their resolution with reference to sponsoring the enactment of uniform laws in each State of the Nation defining "fifth column activities" and providing penalties therefor; to the Committee on the Judiciary.

5945. Also, petition of the Carpenters Local Union No. 162, San Francisco, Calif., United Brotherhood of Carpenters and Joiners of America, petitioning consideration of their resolution with reference to total conscription of all men, machines, materials, and money; to the Committee on Military Affairs.

5946. Also, petition of the secretary, American Federation of Musicians of the United States and Canada, petitioning consideration of their resolution with reference to the enactment of House bill 3984; to the Committee on Military Affairs.

5947. Also, petition of the president, Mexican National Democratic Legion, A. C., petitioning consideration of their resolution with reference to requested authorization for departure from the country of Mexicans who form part of a division of volunteers; to the Committee on Foreign Affairs.

5948. Also, petition of the Universal Negro Improvement Association and African Communities League, petitioning consideration of their resolution with reference to equal representation of Negro race in the settlement of African affairs; to the Committee on Foreign Affairs.

5949. Also, petition of James J. Laughlin, Washington, D. C., petitioning consideration of his resolution with reference to the impeachment of Hon. Edward C. Eicher, chief justice, District Court of the United States for the District of Columbia; to the Committee on the Judiciary.

5950. Also petition of H. V. Broenstrup, Washington, D. C., petitioning consideration of his resolution with reference to a statement in opposition to the impeachment investigation of Mr. Chief Justice Eicher of the District Court of the United States for the District of Columbia; to the Committee on the Judiciary.

5951. Also, petition of James J. Laughlin, Washington, D. C., petitioning consideration of his resolution with reference to an amendment to his petition for the impeachment of Edward C. Eicher, chief justice, District Court of the United States for the District of Columbia; to the Committee on the Judiciary.

5952. Also, petition of Ira Chase Kochne, Washington, D. C., petitioning consideration of his resolution with reference to opposition to petition of one James J. Laughlin for impeachment of the Honorable Chief Justice Eicher of the District Court of the United States for the District of Columbia; to the Committee on the Judiciary.

5953. Also, petition of the Louisiana Municipal Association, petitioning consideration of their resolution with reference to the endorsement of House bill 1502; to the Committee on Interstate and Foreign Commerce.

5954. Also, petition of Frank L. Golder, of St. Louis, Mo., petitioning consideration of his resolution with reference to legality of the authority of the postal officials in charge of the post office located at Eighteenth and Market Streets, St. Louis, Mo., to retain petitioner upon their rolls beyond stipulated period against his will; to the Committee on the Judiciary.

SENATE

THURSDAY, AUGUST 3, 1944

(Legislative day of Tuesday, August 1, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. John R. Edwards, D. D., associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Almighty God, we approach Thee in recognition of Thy greatness and holiness. Our limitations drive us to Thy source of strength. For this day's task we pray the gift of Thy wisdom. In the darkness that engulfs the world teach us the patience of unanswered prayer. Teach us, too, the confidence of answered prayer in His name who says, "Before they call I will answer, and while they are yet speaking I will hear." Give to all Thy servants the spirit of expectancy and hope that life may be fulfilled in the realm of right, the realm of God.

Bless this assembly, facing questions fraught with urgency never before known. May the guidance of an unseen presence be the part of all who function in these major tasks. "Lord God of hosts, be with us yet, lest we forget! Lest we forget!" In Christ's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, August 1, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

RESIGNATION OF SENATOR TRUMAN FROM SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM

The VICE PRESIDENT laid before the Senate a letter from Mr. TRUMAN, chairman of the Special Committee to Investi-

gate the National Defense Program, which was read and ordered to lie on the table, as follows:

UNITED STATES SENATE,
Washington, D. C., August 3, 1944.

Hon. HENRY A. WALLACE,
President of the Senate,
Washington, D. C.

DEAR MR. PRESIDENT: I herewith submit my resignation as chairman and as a member of the Special Committee of the United States Senate Investigating the National Defense Program.

It is one of the regrets of my lifetime that this had to be done. But frankly, under the present circumstances, I am of the opinion that any statement, hearing, or report for which I would be responsible would be considered by many to have been motivated by political considerations.

The accomplishments of the committee in the past largely have been due to the fact that all of its members, Democratic and Republican alike, were able to work together in harmony without partisanship. I know they would all sincerely try to continue this, and I appreciate the very great compliment which the Republican members have paid me by requesting me to continue and pledging me their support.

However, I have been nominated for the office of Vice President of the United States by the Democratic Party, and as candidate for that office it is my obligation to present to the people the accomplishments of the Democratic Party and the reasons why it should continue to be entrusted with the administration of the Government in this great national emergency.

I do not want even the shadow of suspicion that the committee's activities in any way are determined or influenced by political considerations.

Sincerely yours,

HARRY S. TRUMAN,
Chairman, Special Committee Investigating the National Defense Program.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of the Departments of the Treasury, War (14), Justice, Post Office (2), Navy (6), Interior, Agriculture (7), and Commerce (7); The National Archives (4), War Manpower Commission, Selective Service, Reconstruction Finance Corporation, National Housing Agency, Office of Price Administration, and The Tax Court of the United States which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

ADDRESS OF THE PRESIDENT ACCEPTING THE NOMINATION OF THE CHICAGO CONVENTION

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the address delivered by the President accepting the nomination for President of the United States at the recent Democratic National Convention in Chicago.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The address is as follows:

Members of the convention, my friends, I have already indicated to you why I accept the nomination which you have offered me—in spite of my desire to retire to the quiet of private life.

You in this convention are aware of what I have sought to gain for the Nation, and you have asked me to continue.

It seems wholly likely that within the next 4 years our armed forces, and those of our allies, will have gained a complete victory over Germany and Japan, and that the world once more will be at peace—under a system, we hope, which will prevent a new world war. In any event, new hands will then have full opportunity to realize the ideals which we seek.

In the last three elections the people of the United States have transcended party affiliation. Not only Democrats but also forward looking Republicans and millions of independent voters have turned to progressive leadership—a leadership which has sought consistently—and with fair success—to advance the lot of the average American citizen who had been so forgotten during the period after the last war. I am confident that they will continue to look to that same kind of liberalism to build our economy for the future.

I am sure that you will understand me when I say that my decision, expressed to you formally tonight, is based solely on a sense of obligation to serve if called upon to do so by the people of the United States.

I shall not campaign, in the usual sense, for the office. In these days of tragic sorrow, I do not consider it fitting. Besides, in these days of global warfare, I shall not be able to find the time. I shall, however, feel free to report to the people the facts about matters of concern to them and especially to correct any misrepresentations.

During the past few days I have been coming across the whole width of the continent, to a naval base where I am speaking to you now from my train.

As I was crossing the fertile lands and the wide plains and the Great Divide, I could not fail to think of the new relationship between the people of our farms and cities and villages and the people of the rest of the world overseas—on the islands of the Pacific, in the Far East, and in the other Americas, in Britain and Normandy and Germany and Poland and Russia itself.

For Oklahoma and California are becoming a part of all these distant spots as greatly as Massachusetts and Virginia were a part of the European picture in 1776. Today, Oklahoma and California are being defended in Normandy and Saipan; and they must be defended there—for what happens in Normandy and Saipan vitally affects the security and well-being of Oklahoma and California.

Mankind changes the scope and breadth of its thought and vision slowly indeed. In the days of the Roman Empire eyes were focused on Europe and the Mediterranean area. The civilization in the Far East was barely known. The American continents were unheard of.

Even after the people of Europe began to spill over to other continents, the people of North America in colonial days knew only their Atlantic seaboard and a small portion of the other Americas, and they turned most of the time for trade and international relationship to Europe. Africa then was considered only as the provider of human chattels. Asia was essentially unknown to them.

During the nineteenth century era of development and expansion on this continent we felt a natural isolation—geographic, economic, and political—from the vast world which lay overseas.

Not until this generation have people here and elsewhere been compelled more and more to widen the orbit of their vision to include every part of the world. It has been a wrench perhaps—but a necessary one.

It is good that we are all getting that broader vision. For we shall need it after the war. The isolationists and ostriches who plagued our thinking before Pearl Harbor are becoming extinct. The American people now know that all nations of the world—large and small—will have to play their appropriate part in keeping the peace by force, and in deciding peacefully the disputes which might lead to war.

We all know how truly the world has become one—that if Germany and Japan, for example, were to come through this war with their philosophies established and their armies intact, our own grandchildren would again have to be fighting in their day for their liberties and their lives.

Some day soon we shall all be able to fly to any other part of the world within 24 hours. Oceans will no longer figure as greatly in our physical defense as they have in the past. For our own safety and for our own economic good, therefore—if for no other reason—we must take a leading part in the maintenance of peace and in the increase of trade among all the nations of the world.

That is why your Government for many months has been laying plans, and studying the problems of the near future—preparing itself to act so that the people of the United States may not suffer hardships after the war, may continue constantly to improve its standards, and may join with other nations in doing the same. There are even now working toward that end, the best staff in our history—men and women of all parties and from every part of the Nation. I realize that planning is a word which in some places brings forth sneers. But, for example, before our entry into the war it was planning which made possible the magnificent organization and equipment of the Army and Navy of the United States which are fighting for us and for civilization today.

Improvement through planning is the order of the day. Even in military affairs, things do not stand still. An army or a navy trained and equipped and fighting according to a 1932 model would not have been a safe reliance in 1944. And if we are to progress in our civilization, improvement is necessary in other fields—in the physical things which are part of our daily lives, and also in the concepts of social justice at home and abroad.

I am now at this naval base in the performance of my duties under the Constitution. The war waits for no elections. Decisions must be made—plans must be laid—strategy must be carried out. They do not concern merely a party or a group. They will affect the daily lives of Americans for generations to come.

What is the job before us in 1944? First, to win the war—to win it fast, to win it overpoweringly. Second, to form world-wide international organizations, and to arrange to use the armed force of the sovereign nations of the world to make another war impossible within the foreseeable future. Third, to build an economy for our returning veterans and for all Americans—which will provide employment and decent standards of living.

The people of the United States will decide this fall whether they wish to turn over this 1944 job—this world-wide job—to inexperienced and immature hands, to those who opposed lend-lease and international cooperation against the forces of aggression and tyranny, until they could read the polls of popular sentiment; or whether they wish to

leave it to those who saw the danger from abroad, who met it head-on, and who now have seized the offensive and carried the war to its present stages of success, to those who, by international conferences and united actions have begun to build that kind of common understanding and cooperative experience which will be so necessary in the world to come.

They will also decide this fall whether they will entrust the task of post-war reconversion to those who offered the veterans of the last war breadlines and apple-selling and who finally led the American people down to the abyss of 1932; or whether they will leave it to those who rescued American business, agriculture, industry, finance, and labor in 1933, and who have already planned and put through legislation to help our veterans resume their normal occupations in a well-ordered reconversion process.

They will not decide these questions by reading glowing words or platform pledges—the mouthings of those who are willing to promise anything and everything—contradictions, inconsistencies, impossibilities—anything which might snare a few votes here and a few votes there.

They will decide on the record—the record written on the seas, on the land, and in the skies.

They will decide on the record of our domestic accomplishments in recovery and reform since March 4, 1933.

They will decide on the record of our war production and food production—unparalleled in all history, in spite of the doubts and sneers of those in high places who said it could not be done.

They will decide on the record of the International Food Conference of U. N. R. R. A., of the International Labor Conference, of the International Education Conference, of the International Monetary Conference.

They will decide on the record written in the Atlantic Charter, at Casablanca, at Cairo, at Moscow, and Teheran.

We have made mistakes. Who has not?

Things have not always been perfect. Are they ever in human affairs?

But the objective—at home and abroad—has always been clear before us. Constantly we have made steady, sure progress toward that objective. The record is plain and unmistakable as to that—for everyone to read.

The greatest wartime President in our history, after a wartime election which he called the "most reliable indication of public purpose in this country," set the goal for the United States, in terms as applicable today as they were in 1865—terms which the human mind cannot improve:

"With firmness in the right, as God gives us to see the right, let us strive on to finish the work we are in; to bind up the Nation's wounds; to care for him who shall have borne the battle, and for his widow, and his orphan—to do all which may achieve and cherish a just and lasting peace among ourselves and with all nations."

INTERVIEW BETWEEN THE VICE PRESIDENT AND C. C. CLIFTON

Mr. HILL. Mr. President, I ask unanimous consent that there may be printed in the body of the RECORD an interview between the Vice President and Mr. C. C. Clifton, farm editor of the Des Moines Register, the interview having taken place on July 30, 1944.

The VICE PRESIDENT. Is there objection?

The Chair hears none, and it is so ordered.

The interview is as follows:

"Please tell the farmers of Iowa why you left the Republican Party in the twenties, and why you are not going back to it again now," WALLACE was asked.

WALLACE replied, "I left the Republican Party because I did not believe in its principles. After World War No. 1, I found the Republican high tariff policies were destroying the foreign market for farm products. The Republicans demonstrated in 1927 and 1928 that they would not give the farmer the equivalent of what the tariff gave to industry.

"EASTERN CONTROL

"Midwestern Republicans may believe in justice to agriculture, but I am convinced that on a national scale it is impossible for the Republican Party, with its ultimate control in eastern money centers, to do anything fundamentally effective for agriculture in time of trouble.

"To do anything effective for agriculture, you must have some kind of agreement between the southern farmer and the northern farmer; between the farmer and the worker. This cannot be obtained through the Republican Party. Under Roosevelt it has been done through the Democratic Party.

"With all its faults, the Democratic Party is still, nationally speaking, the party of constructive liberalism. With all its virtues, in certain localities, the Republican Party, nationally speaking, is still the party of reaction.

"PRINCIPLES

"In brief, the Democratic Party stands for:

"1. Cooperation between the North and South in solving the problems of post-war farm markets and in the maintenance of the A. A. A., the ever-normal granary, and the soil-conservation program.

"2. Cooperation between farmers and workers so that there will be full employment of labor and maximum purchases by labor of farm products.

"3. Maximum use of all resources, all manpower, and all skills to produce to the limit in time of peace as well as in war.

"4. Peace and understanding between the nations.

"No matter how imperfectly the Democratic Party may approach these goals, I am convinced there is hope in the Democratic Party. There is no hope in the Republican Party because the ultimate control in the party does not believe in these goals.

"PROBLEM

"The problem is to perfect the Democratic Party so that it can best carry out a liberal, constructive program. As I said at Chicago, the Democratic Party cannot survive as a conservative party. Therefore, we must make it truly liberal. I have great hope in the eventual liberalism of the South.

"The liberal wing of the Republican Party did not have enough strength even to raise its head at Chicago in June. But look what we did at Chicago in July. I am very much encouraged, very happy, and very hopeful."

PROGRESS OF THE WAR—NEED FOR CONTINUED PRODUCTION

Mr. CONNALLY. Mr. President, I ask unanimous consent to proceed for 2 minutes.

The VICE PRESIDENT. Without objection, the Senator from Texas may proceed.

Mr. CONNALLY. Mr. President, official reports from the European theater announce that the Russians are within 3 miles of the border of East Prussia. Unofficial reports are to the effect that some elements of the Russian Armies are already across the border of East Prussia. If these reports are true they bear marvelous promise of a crushing military triumph on the eastern front. In other theaters of the war our armies and our navies are gallantly and vigorously carrying the war to the lines of our enemies.

I hope, however, Mr. President, that our people and those in authority will not conclude that these triumphs and these victories of the moment necessarily mean a quick and precipitate end of the war. As has been pointed out by General Somervell in his statement a few days ago, victory itself in many instances calls for greater exertion, for more supplies, more equipment, more munitions, and more arms, by reason of the fact that they are consumed in the attainment of victories on every front.

Mr. President, I cannot withhold the expression of a tribute to the gallant Russian Armies who have achieved so magnificently in this war. Whatever we may think about the Russian political and economic and social systems, we cannot withhold our great admiration for the Russian character as it has been revealed since Russia entered the war. With a doggedness of purpose and action and a high patriotic fervor the Russian Armies, staggered by the first impact of the German war machine, soon steadied themselves; their factories turned out great volumes of supplies; they drew upon their manpower and their citizenship, brought to the colors millions of men, and performed marvels in training them, in equipping them, and throwing them dauntlessly into the very face of the great Prussian military machine.

Mr. President, I think it is fortunate that the first conquered territory in the Reich should be in East Prussia. East Prussia is the home of the Junkers, the Prussian military caste, who, perhaps more than any other single element in the German Nation, built up the great war machine and provoked the present struggle.

So, Mr. President, as in every theater the promises are that we are marching on to victory, I want to issue a word of warning that demobilization legislation does not mean that we are going immediately to demobilize, but it is merely the preparation, the setting up of machinery to meet that issue when and if it becomes necessary to do so. Therefore, Mr. President, let the word go out to the people of the Nation that now in this critical period is the time for all of us to redouble our efforts to make available every resource of materials, ammunition, and supplies for the difficult times ahead.

I would say a word to industry and I would say a word to labor. Both industry and labor have been criticized. Although they deserve the highest praise for their accomplishments, there are still certain elements within industry and labor that seem to be slowing up in the production of war supplies. I would warn industry that it is just as much under the scrutiny of those who are interested in the prosecution of this war as are the members of labor; and I would warn those elements of labor who have been charged with relaxing in their endeavors that labor is under scrutiny and will be under scrutiny when this war shall have come to an end.

Mr. President, this is a war not of factions and not of groups, but this is a war on behalf of all the people of the United

States. Indeed, in a larger sense, it is a war on behalf of all the people of the world who believe in constitutions and in republican institutions and who love freedom and liberty.

So, Mr. President, while we send greetings to the brave and gallant men who are doing our fighting on the land, on the sea, and in the air, while we salute them and give them of our gratitude and appreciation, let the country know that the war has not yet come to a conclusion and that it may not come to a speedy end, but that before us are still days of darkness and bitter struggle. Let the Nation gird itself now to meet every shock of the war and to bring it to a glorious and triumphant end.

AUTHORIZATION FOR MILITARY AFFAIRS COMMITTEE TO REPORT A BILL DURING RECESS

Mr. HILL. Mr. President, I understand the Senate is very likely to recess from today until Monday. By direction of the Committee on Military Affairs and on behalf of that committee, I ask unanimous consent that that committee may have consent to file a bill dealing with post-war demobilization and unemployment insurance during the recess of the Senate.

The VICE PRESIDENT. Is there objection?

Mr. WHITE. Mr. President, I take it that the Senator is requesting consent to report a bill?

Mr. HILL. That is correct, to report a bill.

The VICE PRESIDENT. Without objection, permission is granted.

AMENDMENT OF SOCIAL SECURITY ACT: UNEMPLOYMENT COMPENSATION—REPORT OF FINANCE COMMITTEE

Mr. GEORGE. From the Committee on Finance I report back favorably with amendments the bill (S. 2051) to amend the Social Security Act, as amended, and I submit a report (No. 1035) thereon.

If the Senate is in session next Tuesday I hope the bill may be called up for consideration at that time.

The VICE PRESIDENT. Without objection, the report will be received and the bill will be placed on the calendar.

Mr. GURNEY. Mr. President, will the Senator yield for a question?

Mr. GEORGE. Yes.

Mr. GURNEY. As a member of the Military Affairs Committee I should like to ask the Senator from Georgia when the committee report will be in print and available to the members of the Military Affairs Committee.

Mr. GEORGE. It is a relatively brief report, and it will be in print by tomorrow morning.

Mr. GURNEY. It will not be in print and available to members of the committee until tomorrow?

Mr. GEORGE. It will not be printed and available before tomorrow morning, but I am submitting the report now and it will be available in its present form immediately of course.

Mr. GURNEY. We are now considering in the Military Affairs Committee other proposed legislation tending to cover the same subject, and I believe we should have in printed form the report of the Finance Committee before we take action on other matters pending in the Military Affairs Committee.

Mr. GEORGE. The report may be printed this afternoon. It certainly will be available tomorrow morning.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. TAFT. I merely wanted to suggest that it seems to me the Military Affairs Committee could obtain everything contained in the report by taking the original copy of Senate bill 2051, as introduced, which is already printed—I do not think any substantial amendments were placed in the bill——

Mr. GEORGE. No amendments except probably technical amendments.

Mr. TAFT. Plus the report of the Special Committee on Post-war Economic Policy and Planning which dealt with the whole subject and was printed before the Senate adjourned in June. I think the report and the bill, as previously printed, will give the Senator from South Dakota everything necessary with reference to Senate bill 2051.

Mr. GEORGE. I hope the report, however, may be printed this afternoon and may be available during the afternoon. Certainly it will be available by tomorrow morning.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McKELLAR:

S. 2057. A bill for the relief of the estate of Beatrice Withers, deceased, and Mary M. Withers; to the Committee on Claims.

By Mr. GEORGE:

S. 2058 (by request). A bill to liberalize certain provisions of the National Service Life Insurance Act of 1940, as amended; and

S. 2059. A bill authorizing the Administrator of Veterans' Affairs to grant an easement in certain lands of the Veterans' Administration, Dallas, Tex., to Dallas County, Tex., for highway purposes; to the Committee on Finance.

(Mr. DAVIS introduced Senate bill 2060, which was referred to the Committee on Civil Service, and appears under a separate heading.)

MAXIMUM AND MINIMUM RATES OF PAY FOR CIVIL-SERVICE POSITIONS

Mr. DAVIS. Mr. President, I ask unanimous consent to introduce a bill providing for the establishment of maximum and minimum rates of pay of positions within the civil service under the Classification Act of 1923, as amended, and ask that the bill may be printed, referred to the Civil Service Committee, and also printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

There being no objection, the bill (S. 2060) to authorize the establishment of maximum and minimum rates of pay for classes of positions within the several grades under the Classification Act of 1923, as amended, was received, referred to the Committee on Civil Service, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 3 of the Classification Act of 1923, as amended, is further amended by inserting at the end of such section a paragraph reading as follows:

"In subdividing any grade into classes of positions, as provided in the foregoing paragraph, the Civil Service Commission, whenever it deems such action warranted by the nature of the duties and responsibilities of a class of positions in comparison with other classes in the same grade, or by the existence of discrepancies or inequities in the compensation of a class of positions as compared with an existing class of positions outside of the civil-service field and in the interests of good administration, is authorized to establish for any such subdivision or class a minimum or a maximum pay rate, or both, each of which shall be one of the pay rates of that grade as set forth in section 13 of this act, as amended. In no event shall any rate for a class of positions fall below the minimum rate or above the maximum rate of the grade in which the class falls. Such rates shall be duly published by regulation and may be revised from time to time by the Commission. The Commission shall make a report of such actions or revisions with the reasons therefor to Congress at the end of each fiscal year."

Mr. DAVIS. Mr. President, the Government of the United States has long prided itself on the fact that it has seriously undertaken to recognize the value of the American workman and to see to it that he receives a compensation adequate to his needs—a compensation adequate for the task at which he labors.

Recognizing the economic impact of war conditions, Congress has enacted legislation to permit private industry to adjust its pay scales within certain definite limits. This program is designed to assure the working people of America that they will be able to maintain themselves properly even in the face of wartime adjustments.

While the programs approved by the Congress and carried out by the executive department have not in every case proved adequate, they have, nevertheless, assisted greatly in maintaining the economic equilibrium of the Nation.

In the case of the classified employees of the Government itself, however, the record of accomplishment of Congress is not so praiseworthy. We have not made adequate provision for the classified employees of the Government. In many cases our failure to act has brought suffering and a definitely reduced standard of living to many classified Government employees.

It has long been a cardinal principle of public personnel management that wages paid by the Government should compare favorably with wages paid for similar work in private industry.

Today in the Federal service this principle has been violated and the classified Federal employee finds himself in an unfavorable economic condition, due to the fact that his income has not kept pace with the income of those in private industry who are performing similar work.

These conditions, Mr. President, have had an adverse effect both upon the quality of Federal personnel and upon its morale and efficiency.

In many cases, notwithstanding the fact that stringent regulations are in force to keep the Federal worker on his job, many experienced and skilled men

have left the Federal service for private employment. And because of the lower rates of pay authorized for Government employment, it has been virtually impossible for many agencies to recruit the high type of personnel which is needed to effectuate many of the Government's programs.

Notwithstanding these unfavorable conditions, the vast majority of Government workers have stayed on the job during these times of crisis. They have continued to man the scientific and technical machinery of our Government in order that the war effort of our Nation might go forward to victory as a unified program.

We in the Senate recently established a committee which has inquired into the plight of the white-collar workers of the Nation, and we are undertaking to enact legislation which will improve the condition of those less favorably situated in America by reason of the impact of war.

A sound first step in any such program would be the approval of legislation designed to bring the compensation of the classified employees of the Government up to the standard of compensation now being paid for similar work in private industry.

That the conditions now prevailing in the Federal service have reached a very serious stage is attested to by the United States Civil Service Commission. The Commission recently submitted to Congress a letter in which it urged that the Classification Act of 1923 be amended so as to empower the Commission to establish salary rates which compare favorably with those now prevailing in private industry.

I ask unanimous consent that excerpts from that letter be included in the RECORD at this point as a part of my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

The Commission proposes that legislation be enacted to amend section 3 of the Classification Act of 1923, as amended. That section of the law now authorizes the Civil Service Commission to subdivide the statutory grades into classes of positions. The Commission recommends that it also be authorized to establish, within the grade pay range, a specific range of pay for such a subdivision or class, when the nature of the work of such class, in comparison with the work of other classes in the same grade, makes such action desirable.

Each salary range has a minimum rate which is mandatorily the entrance rate for any new appointee to any and all positions falling in the grade. There is also a maximum rate which is the highest rate which can be paid to any employee occupying any positon in the grade.

Under existing law, such differences in the difficulty or responsibility of the work of classes of positions are not recognized in the statutory pay scales, since there is only one pay range for each grade. Within any one grade the range of pay for any class of positions must be exactly the same as the range of pay for the grade itself.

The Commission is now authorized to subdivide grades by classes according to kind of work. It is not now authorized to subdivide grade salary ranges, when necessary, to correspond to subdivision by classes.

Occasionally, however, good administration would make it desirable that an entrance rate be established for a particular class that is equal to one of the intermediate rates of the grade. In a few instances, also, it would be desirable to fix a minimum rate for a given class below the maximum rate for the grade in which that class is allocated.

The services and grades of the Classification Act of 1923 were originally constructed 21 years ago. At that time the organization of the Government and its constituent executive departments and agencies was much simpler than it is today. In recent years, the development of organization structure that has accompanied the acceptance of new programs by the Federal Government has, within many agencies, created finer divisions of activities, greater distribution of functions, wider delegations of responsibilities, and more intermediate levels of authority and administration. At present in many large organizations there are actually more distinct levels of responsibility than can be reflected by using the grades in the classification schedules of the statute. The result is that in the higher as well as in the lower grades there are positions in a single grade among which there are some differences in responsibility.

Provision for class-pay ranges within grade-pay ranges, but shorter in length, would permit the recognition of such work differences by corresponding salary differences.

Opportunity to establish appropriate ranges of pay, for classes of positions which may begin at an intermediate rate of a lower grade, would help to relieve this situation.

It would also permit the setting of proper scales of pay for positions which are purely beginners' positions, out of which employees are expected and encouraged to move after a short time, where the full grade range of pay would be inconsistent with the purpose of such positions.

The Commission accordingly recommends that in subdividing grades into classes of positions, it also be authorized to select from the rates within the range of the grade involved such minimum and such maximum salary rate for each such class as may be appropriate in the light of the duties and responsibilities of the particular class. Intermediate rates will be those specified by the law itself. In no event would any rate for a class be below the minimum rate for the grade, nor above the maximum rate for the grade.

Mr. DAVIS. Mr. President, the Classification Act of 1923, which forms the basis for the compensation plan for classified Federal employees, was enacted with an eye to conditions as they existed more than 20 years ago, and while the act has been amended from time to time, the Congress has failed to see to it that this basic legislation has kept pace with the changing economic conditions, especially during the recent emergency period.

I believe it is only fair, Mr. President, that those who devote their energies and skills to the service of the Government be not penalized during these times, and that they are being penalized is a generally accepted truth.

Cases have been brought to my attention of classified Government employees, who are responsible for the accuracy and completeness of work performed by men in private industry, receiving from 30 to 40 percent less income than those whose work they check and for whose work they are held responsible.

It will be readily admitted that such conditions do not inspire the greatest care nor the highest morale among the classified Government employees. It will be readily admitted that such conditions should be rectified at the earliest possible date.

I have therefore at this time, Mr. President, introduced a bill which is designed to amend the Classification Act of 1923, and to empower the Civil Service Commission to adjust the rates of pay for classified Government employees and to make them harmonize more nearly with rates of pay for similar work in private industry.

I am hopeful, Mr. President, that the Congress will recognize the imperative need for the early enactment of legislation of this type.

SURPLUS GOVERNMENT PROPERTY AND PLANTS—AMENDMENT

Mr. JOHNSON of Colorado, by unanimous consent, submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 2045) to provide for the disposal of surplus Government property and plants, which was referred to the Committee on Military Affairs and ordered to be printed.

THE DEMOCRATIC NATIONAL PLATFORM, 1944

[Mr. JACKSON asked and obtained leave to have printed in the RECORD the platform of the National Democratic Party adopted at its 1944 convention, held in Chicago, which appears in the Appendix.]

KEYNOTE ADDRESS BY GOVERNOR KERR AT THE DEMOCRATIC NATIONAL CONVENTION

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD the keynote address delivered by Hon. Robert S. Kerr, Governor of Oklahoma, before the Democratic National Convention in Chicago on July 19, 1944, which appears in the Appendix.]

NOMINATION OF GENERAL STILWELL TO BE A FOUR-STAR GENERAL

[Mr. ANDREWS asked and obtained leave to have printed in the RECORD an Associated Press dispatch entitled "President Nominates Stilwell To Be Four-Star General," which appears in the Appendix.]

BALTIMORE SUN EDITORIAL ON A FOURTH TERM

[Mr. WHITE asked and obtained leave to have printed in the RECORD an editorial entitled "No Fourth Term," published in the Baltimore Sun of August 3, 1944, which appears in the Appendix.]

SUPPOSE GOVERNOR DEWEY HAD BEEN OUR PRESIDENT?—EDITORIAL FROM THE PHILADELPHIA RECORD

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an editorial entitled "Suppose Governor Dewey Had Been Our President?" published in the Philadelphia Record of July 2, 1944, which appears in the Appendix.]

ADDRESS BY SENATOR JACKSON AS PERMANENT CHAIRMAN OF THE DEMOCRATIC NATIONAL CONVENTION

Mr. KILGORE. Mr. President, I was honored to be a delegate to the recent Democratic National Convention which nominated our great Commander in Chief and President, Franklin D. Roosevelt, and our colleague the Senator from

Missouri [Mr. TRUMAN]. It was one of my most interesting experiences at political conventions.

Our distinguished majority leader the Senator from Kentucky [Mr. BARKLEY], than whom there is no greater orator living today, thrilled that vast audience with his speech nominating the President. Our admirable Vice President, HENRY A. WALLACE, as one of those seconding the nomination of the President, in a courageous and forceful speech, by the magnetism of his words brought the convention to its feet in an enthusiastic demonstration the like of which can now be indulged in only in a great democracy such as our own.

The forceful and able Senator from Missouri [Mr. TRUMAN], with whom I have the honor to serve on a special wartime investigating committee, and whom I truly believe will make a successful candidate, was nominated for the Vice Presidency.

These in my mind were some of the outstanding activities of this convention, but one of the features which stands out was management of the convention by the permanent chairman, the junior Senator from Indiana [Mr. JACKSON]. The Senator from Indiana in the performance of his duties was definitely impartial; his patience and courtesy were outstanding, and his general fairness acknowledged by all.

I am told that the genial Secretary of the Senate has proposed the Senator from Indiana as permanent presiding officer of the Democratic conventions from now on. That is a large order, but I feel certain that the Senator from Indiana is fully qualified. I may say in passing that the good people of Indiana have nominated the distinguished Senator for the governorship of that State. Indiana is noted for its power of discretion and discernment, and I feel certain that the highly discriminating people of that wonderful State will unquestionably choose our honored colleague, Senator JACKSON, as the next Governor of the great Hoosier State.

I now ask permission to have inserted in the RECORD, Senator JACKSON'S speech as permanent chairman of the convention.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, delegates to the Democratic National Convention, and my fellow Americans, I am profoundly grateful for the high honor with which you invest me as permanent chairman of this great assembly.

My appreciation of this post, great as it is, pales before the responsibilities which I share with every other delegate in this convention.

No convention since the birth of the Republic has had such grave significance.

We meet to submit the future of America to the patriotic people of our Nation for their decision. Their decision may determine the course of civilization itself.

We are about to make a declaration of principles and present the candidacy of a man to guide our destinies for the next 4 years.

We meet in the faith that this man, when elected, can and will continue to carry forward without interruption the tremendous burden of the war.

We meet in the firm belief that mankind is not doomed to a perpetual fear that each generation must send its millions to meet death in order to preserve liberty.

We meet in the confidence that the man this convention selects for President will direct our men at arms to the speediest possible victory. He will help write the terms of an abiding peace.

We meet with the conviction that that peace will be established by men who know the forces involved—not by uninformed, inexperienced, or irresponsible politicians.

CONTRAST WITH PAST ELECTIONS

There may have been previous election years in which it was not of overwhelming importance as to which of the two national parties selected the President of the United States.

We have, on a few occasions in the past, muddled through with commonplace, and less than commonplace, Presidents.

While they have created scandal, delayed progress, or wrought economic havoc, a dozen years or so of painstaking labor erased resultant damage, corrected errors, and placed the Nation again upon our appointed way.

But this is not 1920—not 1924—not 1928.

This is fateful 1944.

A change in national administration in time of war, even when surrounded by promising circumstances is frightening to contemplate. It is dangerous to make.

If it were true that the Republican nominee is as able, as experienced, as definite in his indicated principles of government, and as clear in his war and peace concepts as the present occupant of the White House, still exchange now might well prove to be the tragedy of this generation.

In terms of statesmanship, a comparison of the apparent dimensions of the G. O. P. aspirant with a man of the stature of the President, rules out of the field of rational consideration this proposed substitution for the party of Franklin D. Roosevelt.

We are in the midst of the fiercest, most devastating war mankind has ever known.

America cannot afford to take a chance.

Our people will not gamble with the lives of their sons, your sons, and mine.

WAR IS NOT YET WON

Some there are, who would have us believe that we and our noble allies already have our enemies vanquished, their morale shattered and their power destroyed.

But our military authorities tell us that this is not true. These authorities say that tremendous battles loom large between us and the ultimate surrender of enemy arms, or even the destruction of enemy morale.

America will win this war finally and completely, no matter who is elected President of the United States next November.

But how many battleships would a Democratic defeat be worth to Tojo?

How many Nazi legions would it be worth to Adolf Hitler?

Frankly, could Goebbels himself do better to bolster Axis morale than the word that the American people had upset this administration—the administration that made it possible for the Russians to drive the Nazis back to the Prussian border?

We must not allow the American ballot box to be made Hitler's secret weapon.

Under the most favorable conditions, an administrative change, we know from experience, would mean changes all the way down the official line. Change means interruption. Interruption means delay.

Every day of delay means the sacrifice of more American lives. It means more ghastly telegrams reading, "The Adjutant General regrets to inform you * * *." Yes, every day costs the lives of more American boys.

The American electorate will not vote for change, interruption, and delay.

SLANDEROUS G. O. P. LANGUAGE

To counteract the disadvantage of having such an unusually young and unpracticed candidate for the Presidency, his supporters are endeavoring to make an asset of a liability.

His nominator stressed the point, "They (the American people) want youth instead of decadence."

That last word "decadence" is an indecent slander, if intended for the President. Roosevelt is in his full vigor and in the flower of his energy. He has more rugged vitality in him today than any two men the opposition has to offer.

Franklin D. Roosevelt is the most valuable public servant in the world today.

Governor Dewey was not nominated because of his youth, as they say, but in spite of it. He was selected because he was the Governor of New York.

His selection was not motivated by any abstract purpose of having youth serve America.

He was picked in the hope that the 47 electoral votes of New York State would carry the Old Guard back into the White House.

What a fantastically vain hope that is!

But in that hope they are willing to take the risk of his obvious inexperience.

We might not condemn our adversaries' selection of a candidate so young, but we do expose the hypocrisy in their claim that the Presidency, now, needs a man of just his age.

What the Presidency demands now, is not so much a bright young man, as a man of wisdom and experience, with depth and breadth of vision.

Moreover, the refrain "old, tired, and quarrelsome" is a gratuitous and contemptible attack upon all persons of mature age.

THREE TIMES REPUDIATED

The opposition offered equally weak and unwholesome pap to the American voters three campaigns in succession. The American voters would not take it from Hoover in 1932. They would not take it from Landon in 1936. They would not take it in 1940, and they will not take it in 1944.

The Old Guard nominee indicates that he would not entrust peace negotiations to "stubborn men grown old and tired."

And when he says, "We learned that in 1919," he thrusts at the memory of the sainted Woodrow Wilson.

The Old Guard would substitute themselves for an administration whose foresight led us from depths of poverty in 1932 to the high ground of 1940—converted a pacific nation of 1940 into the strongest military power on earth in 1944 and achieved more in war preparedness in 3½ years than the combined accomplishments of the Jap in a half century and the Nazi in a decade.

Our administration fought long and hard for the soldiers' ballot. In contrast, the opposition nominates for President one who, more than anyone else, was responsible for denying the fighting forces from New York their sacred right to vote for a Commander in Chief.

COSTLY POLICIES OF 25 YEARS AGO

It is no distortion of the facts to say that our best and bravest are facing and finding death in every quarter of the globe because of political maneuverings 25 years ago.

According to Governor Dewey, "We won the last war, but it did not stay won." Why not?

Because a group of Republican Senators saw an opportunity to balk a great Democratic President, Woodrow Wilson, who understood that only by international cooperation was it possible to put a stop to this succession of murderous conflicts.

Sitting in the Senate Chamber, I sometimes realize I can look down upon the very spot where our then best chance to help this globe to escape war, was killed. It was a sacrifice to the gods of partisan greed.

Reactionary Republican leaders were not above striking down peace hopes for their

partisan gain. Their modern prototypes endorse an international plank that is intended to mean anything to anybody—interventionist or isolationist. They follow the footsteps of their predecessors of 25 years ago.

I pray the United States Senate may be redeemed of this assassination.

Last month in this stadium the opposition drew up the program for their campaign. They knew, and know now, that there is no nutriment for them in their position on the war effort nor in the international field.

FACTS SPEAK FOR THEMSELVES

When they approach domestic policies, they are confronted with a bold fact. That fact is that by a program of economic and social reform, both long and broad, this administration has shown it has the knowledge, vision, and courage for the inevitable post-war reconstruction.

The achievements of industry and labor, great as they may honestly and wisely be expected to become in this post-war readjustment period, will surely need the guiding hand of an experienced governmental administrator.

The farmer, the worker, and the businessman will continue to be the objects of our administrative concern.

The reopening of world markets with consequent mutuality of commercial interest among nations will reinforce and undergird the world's peace structure with the sure steel of self-interest.

We always have cared for and shall always care for the needy veteran, his widow and orphan.

War has taught us methods of efficiency never dreamed of before. We can make anything. We can manufacture everything which reopened world markets can take. Our colossal industrial capacity, turned from war production to peace production, can be made the surest guaranty for jobs for returning veterans.

The opposition, unencumbered by official responsibility, indulges in unlimited criticism of the conduct of those several agencies of Government that actually have had the burden of war production, price fixing, rationing, and the like. But they restrict themselves to generalities. They avoid anything specific.

Though deafening in their arraignment, they artfully dodge a recitation of how or wherein we erred, or what they would have done or would not have done to escape the error.

G. O. P. TURNABOUT

When the President was striving to lead the Nation in preparation for our defense, the Republican leadership, seeking to damage his prestige, was demanding a foreign policy which would have played directly into the hands of the Axis war lords.

They called the recognition of Russia a fuzzy-minded departure from sound policy. They attacked lease-lend, the salvation of the lives of millions of our own boys, as threatening an end of free Gorvernment in the United States.

Then they leaped from nonparticipation pillar to world-cooperation post. Then they began to speak of "durable cohesion" and "solid relations" among the United States, Great Britain, Russia, and China.

And now, while mankind the world around is still engulfed in tragedy, the G. O. P. proposes to our suffering people that we hold the world together by that verbal hybrid of the new Republican lexicon, "peace force," the paternity of which no one admits, and which nobody understands and nobody will explain.

PLEDGE TO RETURNING VETERANS

We must write a peace—at whatever lengths and by whatever honorable means—supported by whatever effective implementation or common international action may be necessary to guarantee to the 10,000,000 returning veterans that their sons will be spared a recurrent war. And we shall never forget the mothers of our men and women in uniform.

"The bravest battle that ever was fought;
Shall I tell you where and when?
On the maps of the world you will find it not—
'Twas fought by the mothers of men."

We must get our boys home again at the earliest hour consistent with the safety of this Nation and the world.

Upon the record of the foreign policy of this country in the last 12 years, this administration can be trusted safely to do that very job. The best evidence of the soundness and wisdom of our foreign policy in the past years is found in the concrete results of its operation. Today this country has the complete confidence and the genuine friendship of all the nations of the earth except enemy nations.

Some there were who lamented the fact that the present emergency and Roosevelt met on the threshold of a third term, instead of that of a first or second, but of such unexpected coincidences is the grim business of history.

George Washington, the Father of our Country, said: "I can see no propriety in precluding ourselves from the services of any man, who in some great emergency shall be deemed universally most capable of serving the public." That great emergency is with us now.

HOOVER'S "QUAGMIRE"

Our adversaries go back to their overworked watchword of many campaigns, that only Republicans are capable of dealing with the domestic problems of Federal administration.

Well, we know from bitter experience where their expertness in this field led us. After three uninterrupted terms in charge of the Government, that expertness led us into the depths of depression.

President Hoover had no slide rule with which to find his way out of that disastrous quagmire. The country turned from the great engineer to a Democrat. The country will not turn back from that Democrat to the pupil of the great engineer.

Need we recite the swift method by which Roosevelt, from that day of his inauguration, stemmed the calamitous tide and started us toward economic security and adequate defense?

But the old guard simply wails: "How long shall we keep the Democratic Party in Washington?"

How long? Until the escutcheons of this Government shall have been cleansed of the debauchery of the Harding regime.

How long? Until the economic and financial structures of this Republic shall have been healed of, and protected against the return of, the rampant and unchecked piracy during the do-nothing administration of Calvin Coolidge.

How long? Until the farmer, businessman, and worker shall have been insured against a recurrence of the devastation wrought by the unfortunate and unsung administration of Mr. Hoover.

How long? Until that permanent peace promised to the heroes of the First World War shall have been kept in spirit and in truth.

How long? Until all these high ends can be reached, or until the people have lost faith in their accomplishment, for there is not a mustard seed of hope for their achievement in the promises made from this stadium last month by the party of Harding, Coolidge, and Hoover.

We are confident of victory at the polls. Our confidence springs from appreciation of what a Democratic administration through years of stress has done for our country.

This confidence springs from the sentiment in the business world when it contemplates its sound, usual, peacetime prosperity. This confidence springs from the farmer who remembers the starvation prices he got for his product until the futile, feeble, faltering Republican regime gave way to the courageous, definite, and foresighted Roosevelt policies.

It is deepened by the comparison the farmer makes of these prices with the prices of his grain and livestock today.

This confidence springs from the worker who finds himself for the first time in history guarded against the exactions of conscienceless exploitation. We have a right to be confident.

But let us not be overconfident, for by that sin off-year elections have been lost. Because Democratic voters have considered victory won, they have neglected to do their full share. We shall leave this convention hall touched with the livid fire of conviction that we will win because we deserve to win.

We shall not only insure against a disastrous overconfidence, but we shall make our victory so total that the hungry opposition will realize that their attempt to turn back the clock to the days of privilege and pillage is absolutely vain, and will continue to be absolutely vain.

THE MARCH TO VICTORY AND PEACE

Just 45 days ago the greatest military expedition of all time crossed the choppy waters of the English Channel and landed on the beaches of Normandy.

There was launched the genius, the sacrifice, and 3½ years of the toil of our people.

That flotilla of 4,000 ships and 11,000 aircraft carried the best-trained and best equipped soldiers we have ever sent to war.

They are our boys.

They have started the long, hard march to Berlin.

Our hearts, our hopes, our prayers, our tears are all with them.

Mourning and sorrow are the lot of many today who have already lost their beloved on the field of battle. Multitudes more will be numbered among the bereaved as death stalks the way to liberation.

How many more or who else shall fall, no one knows.

But, while we await the outcome of their complete endeavor, in the name of Heaven, now in the midst of their rendezvous with destiny, let us not take from them their Commander in Chief.

RECORD OF THE THIRTY-SIXTH INFANTRY DIVISION — COMMENDATION BY MAJ. GEN. FRED L. WALKER

Mr. CONNALLY. Mr. President, on June 16, last, an order of the day was issued by Maj. Gen. Fred L. Walker, United States Army, formerly in command of the Thirty-sixth Infantry Division. This division is composed of Texas troops, being the Thirty-sixth Division of the Texas National Guard. The division has had a notable and gallant record. It was the spearhead of the forces which landed at Salerno in the drive on Italy. While it suffered heavy losses, it achieved outstanding results.

All Texas is proud of the gallant troops composing the Thirty-sixth Infantry Division. It was, as I have said, a Texas National Guard division and has distinguished itself in every engagement in which it has participated. General Walker, its former commander, gave it justly merited tribute in the order of the day issued by him, which I ask to have printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

HEADQUARTERS, THIRTY-SIXTH INFANTRY DIVISION,
APO 36, UNITED STATES ARMY,
June 16, 1944.

Men of the Thirty-sixth Infantry (Texas) Division, it is with great pride that I congratulate you on your magnificent achievements in battle to date.

Nine months ago you landed on the hostile beaches of Paestum, the vanguard of your country's Army, to crash the gates of Hitler's European fortress. In that, your first action of the war, fighting courageously against well-trained enemy forces of long combat experience, you established the first American beachhead on the European Continent, the first to be established anywhere by Americans against German opposition.

For this achievement alone, you have a right to feel justly proud.

Later on, while subject to hardships that have never been exceeded by any troops anywhere, you drove the enemy from his well-organized, stoutly defended positions in the hill masses of Camino and Summucco; from Mount Maggiore, Mount Luego, Mount Rotundo, and San Pietro. You punished him severely. His losses in men and matériel were great. Throughout this period of bitter winter weather, under the most adverse conditions of climate and terrain, you maintained a cheerfulness and enthusiasm far superior to that of your enemy.

Then came your gallant effort on the Rapido. Let us bow our heads in reverence to the fallen comrades who crossed that bitterly contested stream and put up a great, if losing, fight—as great from the standpoint of sheer gallantry and determination as any recorded in the annals of our armed forces.

At Cassino and Castellone Ridge you were severely tested. You suffered losses, but you captured vital high ground from the strongly entrenched enemy, and held it throughout a month of hard fighting.

After a well-deserved rest you were ordered to attack again—at a critical time and at a critical place—near Velletri, to break the stronghold of the enemy defenses east of Rome. History will record forever your outstanding success. In a week of brilliant maneuvers and relentless assaults on one position after another, Velletri, Rocca Di Papa, Marino, and beyond, you killed and captured well over 3,000 of the enemy; routed him from his strong, well-organized positions, and drove him across the Tiber in disorder.

Your brilliant performance on that famous battlefield was a major contribution in the capture of the first European capital to be recovered from Nazi occupation. For your magnificent accomplishment here, General Marshall sent a personal message of congratulation to you and to me. The German Army is still reeling from your blows. The relentless pressure of your attacks will substantially shorten the duration of the war. Your victorious march through the streets of the cities of your enemy cannot be long delayed.

FRED L. WALKER,
Major General, United States Army,
Commanding.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF THE FINANCE COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Finance:

George Z. Barnes, of Illinois, to be a member of the United States Tariff Commission for the term expiring June 16, 1947, vice Fred H. Brown;

George McGill, of Kansas, to be a member of the United States Tariff Commission for the term expiring June 16, 1948, vice A. Manuel Fox;

Warren F. Draper, Assistant to the Surgeon General, United States Public Health Service, for promotion to the grade of major general, effective July 1, 1944; and

Sundry officers for promotion in the Regular Corps of the United States Public Health Service.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nominations on the calendar.

THE MARINE CORPS

The Chief Clerk proceeded to read sundry nominations in the Marine Corps.

Mr. BARKLEY. I ask unanimous consent that the nominations in the Marine Corps be confirmed en bloc, and that the President be immediately notified.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc; and, without objection, the President will be notified forthwith.

This completes the calendar.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 12 o'clock and 25 minutes p. m.) the Senate took a recess until Monday, August 7, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 3 (legislative day of August 1), 1944:

DIPLOMATIC AND FOREIGN SERVICE

Joseph F. Burt, of Illinois, now a Foreign Service officer of class 4 and a secretary in the Diplomatic Service, to be also a consul general of the United States of America.

Oliver Edmund Clubb, of Minnesota, now a Foreign Service officer of class 5 and a secretary in the Diplomatic Service, to be also a consul general of the United States of America.

Randolph A. Kidder, of Massachusetts, now a Foreign Service officer of class 8 and a secretary in the Diplomatic Service, to be also a consul of the United States of America.

The following-named persons for promotion in the Foreign Service of the United States, to be effective as of July 16, 1944:

FROM FOREIGN SERVICE OFFICER OF CLASS 2 TO FOREIGN SERVICE OFFICER OF CLASS 1

Ralph H. Ackerman, of California.
H. Lawrence Groves, of Pennsylvania.
Donald R. Heath, of Kansas.
James Hugh Keeley, Jr., of California.
Alfred W. Klieforth, of Pennsylvania.
Thomas H. Lockett, of Kentucky.
Robert B. Macatee, of Virginia.
Orsen N. Nielsen, of Wisconsin.
Daniel J. Reagan, of the District of Columbia.
Loyd V. Steere, of California.
Harold S. Tewell, of North Dakota.

FROM FOREIGN SERVICE OFFICER OF CLASS 3 TO FOREIGN SERVICE OFFICER OF CLASS 2

George Atcheson, Jr., of California.
Merwin L. Bohan, of Texas.
Selden Chapin, of Pennsylvania.
J. Rives Childs, of Virginia.
George F. Kennan, of Wisconsin.
Paul O. Nyhus, of Wisconsin.
Samuel Reber, of New York.
Robert Lacy Smyth, of California.
Leo D. Sturgeon, of Illinois.
Clifford C. Taylor, of Colorado.
John Carter Vincent, of Georgia.

FROM FOREIGN SERVICE OFFICER OF CLASS 3 TO FOREIGN SERVICE OFFICER OF CLASS 4

Maurice W. Altaffer, of Ohio.
William W. Butterworth, Jr., of Louisiana.
George R. Canty, of Massachusetts.
Paul C. Daniels, of New York.
Cecil Wayne Gray, of Tennessee.
Julian C. Greenup, of California.
George J. Haering, of New York.
A. Dana Hodgdon, of Maryland.
Joel C. Hudson, of Missouri.
Lester DeWitt Mallory, of California.
Quincy F. Roberts, of Texas.
James Somerville, of Mississippi.
Paul P. Steintorf, of Virginia.
Howard H. Tewksbury, of Massachusetts.
S. Walter Washington, of West Virginia.
George H. Winters, of Kansas.

FROM FOREIGN SERVICE OFFICER OF CLASS 5 TO FOREIGN SERVICE OFFICER OF CLASS 4

Warren M. Chase, of Indiana.
Oliver Edmund Clubb, of Minnesota.
Richard M. de Lambert, of New Mexico.
Raymond A. Hare, of Iowa.
George R. Hukill, of Delaware.
Leigh W. Hunt, of the District of Columbia.
Bertel E. Kuniholm, of Massachusetts.
Paul W. Meyer, of Colorado.
Sheldon T. Mills, of Oregon.
James S. Moose, Jr., of Arkansas.
Oliver B. North, of Connecticut.
James B. Pilcher, of Georgia.
Robert B. Streeper, of Ohio.
William T. Turner, of Georgia.
Osborn S. Watson, of Georgia.

FROM FOREIGN SERVICE OFFICER OF CLASS 6 TO FOREIGN SERVICE OFFICER OF CLASS 5

George M. Abbott, of Ohio.
George D. Andrews, of Tennessee.
William W Corcoran, of Massachusetts.
Charles H. Ducote, of Massachusetts.
Archibald E. Gray, of Pennsylvania.
Charles A. Hutchinson, of Minnesota.
John B. Ketcham, of New York.
George D. LaMont, of New York.
Harold B. Minor, of Kansas.
James E. Parks, of North Carolina.
Harold D. Robison, of Utah.
Harry E. Stevens, of California.
Arthur F. Tower, of New York.
Eric C. Wendelin, of Massachusetts.

FROM FOREIGN SERVICE OFFICER OF CLASS 7 TO FOREIGN SERVICE OFFICER OF CLASS 6

Ralph J. Blake, of Oregon.
Bernard C. Connelly, of Illinois.
Merritt N. Cootes, of Virginia.
Earl T. Crain, of Illinois.
Andrew E. Donovan 2d, of California.
Walter C. Dowling, of Georgia.
C. Burke Elbrick, of Kentucky.
John K. Emmerson, of Colorado.
Daniel Gaudin, Jr., of Pennsylvania.
Fred W. Jandrey, of Wisconsin.
Foy D. Kohler, of Ohio.
Harrison Lewis, of California.
Maurice Pasquet, of New York.
Paul J. Reveley, of Connecticut.
John S. Service, of Ohio.
Clare H. Timberlake, of Michigan.

Joe D. Walstrom, of Missouri.
Milton K. Wells, of Oklahoma.

FROM FOREIGN SERVICE OFFICER OF CLASS 8 TO FOREIGN SERVICE OFFICER OF CLASS 7

W. Stratton Anderson, Jr., of Illinois.
William Barnes, of Massachusetts.
Maurice M. Bernbaum, of Illinois.
Aaron S. Brown, of Michigan.
Stephen C. Brown, of Virginia.
Harlan B. Clark, of Ohio.
William E. Cole, Jr., of New York.
Herbert P. Fales, of California.
Forrest K. Geerken, of Minnesota.
Jule L. Goetzmann, of Illinois.
Edmund A. Gullion, of Kentucky.
B. Miles Hammond, of South Carolina.
Leslie W. Johnson, of Minnesota.
G. Wallace La Rue, of Missouri.
Perry Laukhuff, of Ohio.
Gordon H. Mattison, of Ohio.
Roy M. Melbourne, of Virginia.
John Frémont Melby, of Illinois.
Herbert V. Olds, of Massachusetts.
Elim O'Shaughnessy, of New York.
Paul Paddock, of Iowa.
G. Frederick Reinhardt, of California.
Milton C. Rewinkel, of Minnesota.
Fred K. Salter, of Georgia.
Walter Smith, of Illinois.
Philip D. Sprouse, of Tennessee.
Charles W. Thayer, of Pennsylvania.
David A. Thomasson, of Kentucky.
Ray L. Thurston, of Wisconsin.
Evan M. Wilson, of Pennsylvania.
William Witman 2d, of Pennsylvania.

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

TO BE BRIGADIER GENERAL

Col. William O'Dwyer (temporary colonel, Army of the United States, Air Corps), Army of the United States.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 3 (legislative day of August 1), 1944:

IN THE MARINE CORPS

PROMOTIONS

To be second lieutenants

Steve J. Cibik	Morse "L" Holladay
Henry S. Lewis, Jr.	Robert E. LaPointe
John J. Kuhn	Richard C. Peck
Robert B. Carney, Jr.	William J. Cochran
Kenneth W. Kolberg	William M. Walker
Robert J. J. Picardi	

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 3, 1944

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Reverend Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty and most gracious God, by whose mercies we are spared and by whose strength we are sustained, we rejoice that our many needs do not exhaust Thy patience and Thy power, for Thou art more eager to supply them all than we are willing to ask or receive.

We humbly beseech Thee to make our minds and hearts the sanctuaries of Thy wisdom in order that we may see our duties clearly and perform them faithfully. Give unto these chosen leaders and representatives of our Republic some special blessings of insight and of inspiration as they study the ways and means of ministering to the welfare of our own and succeeding generations.

Grant that this may be a day of unclouded vision when we shall understand more fully how gloriously abundant and triumphant the life of men and nations may be when touched and transfigured by a passion to live as members of the kingdom of righteousness and brotherhood. May that kingdom for which so many of our fellow men are now giving their very lives be the goal of all our desires and labors.

Hear us in the name of the King of kings and the Lord of lords. Amen.

The Journal of the proceedings of Tuesday, August 1, 1944, was read and approved.

EXTENSION OF REMARKS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address by Henry S. Hooker, made to the Men's League of Marble Collegiate Church on the evening of July 15, 1944, and I also ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio speech I made on July 5, 1944, on the subject Free Ports for Refugees.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. DICKSTEIN]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes today at the conclusion of business on the Speaker's desk and after any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. DICKSTEIN]?

There was no objection.

EXTENSION OF REMARKS

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered last night by the Honorable Marvin Jones, War Food Administrator, over the network of the Mutual Broadcasting System.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BLOOM]?

There was no objection.

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein addresses delivered by Dr. Israel Goldstein and the Honorable William C. Fitzgibbon on July 31, 1944, at the presentation of the United States Treasury Department's highest citation to the Zionist Organization of America for its outstanding accomplishments in the recent War bond drive.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BLOOM]?

There was no objection.

Mr. SYNDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. SNYDER]?

There was no objection.

AGITATION OF CERTAIN REFORMS AND SOCIAL EVOLUTIONS

Mr. LARCADE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana [Mr. LARCADE]?

There was no objection.

Mr. LARCADE. Mr. Speaker, at a time when this country is engaged in the greatest war of all time, and has been and is fighting for its very survival and existence, and at a time when unity should be the watchword of every citizen so that this country can put forth its every effort in the war effort, we are confronted with the sad spectacle of those who are taking advantage of the situation to foster their ideals, misguided though they be, with a view of agitating certain reforms and social evolutions which are disrupting and disorganizing our present life and customs, not only in the South but also in the North.

We have witnessed this agitation springing from many connected with this administration, and further by and through many governmental agencies who are trying to force an issue at the least propitious time in the annals of the history of our country. The most recent of which is the critical situation caused in the city of Philadelphia as a result of an edict issued by one of the governmental agencies with respect to the racial problem. There is in progress a strike in the city of Philadelphia, the City of Brotherly Love, which threatens to have dire consequences, and which may result in bloodshed.

This is a problem which cannot be solved by governmental edicts, fair practice employment committees, nor by legislation calculated to force changes in long-established relations between the races.

Mr. Speaker, I am of the opinion that if all of those who are trying to agitate this problem would put their efforts in more patriotic endeavors that the peace and good will prevailing in this country would be advanced, and it certainly would contribute to the war effort.

So far as the South is concerned, all that we ask is that we be let alone to handle and solve this problem in our own way. We have done it in the past and we will do so in the future.

Mr. Speaker, this is a serious matter, and I am frank to say that I am taking this opportunity to warn all of those who are fomenting this matter that they are doing their country a great disservice, and so far as the South is concerned we will never surrender our principles on this question, no matter what the consequences.

There appeared in a Jackson, Miss., newspaper recently an editorial entitled "Blood on Your Hands," which article was directed to all of those who are agitating this racial question; and if they persist in continuing this program of trying to force this issue, I am frank to say

that they, and they alone will bear the responsibility of "blood on their hands" from the innocent and misguided who they are inflaming in an impossible effort.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes, if that may be permissible at this time, and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts [Mrs. ROGERS]?

There was no objection.

PROPOSED MEETING OF REPRESENTATIVES OF THE UNITED STATES, GREAT BRITAIN, RUSSIA, AND CHINA ON FUTURE WORLD SECURITY

Mrs. ROGERS of Massachusetts. Mr. Speaker, I hope that members of the Foreign Affairs Committee of the House and the Foreign Relations Committee of the Senate will be invited to sit in some of the time at least with the Big Four who will meet here shortly to study world security.

Mr. BLOOM. Will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from New York.

Mr. BLOOM. May I say for the information of the gentlewoman from Massachusetts and also for the information of the membership of the House that Mr. Hull has already issued a statement which was published in yesterday's papers that leaders of the Congress will be kept fully informed of the progress of the discussions. I have also been assured that whenever an invitation is extended to the Senate Foreign Relations Committee to confer on such matters the same invitation will be extended to members of the Foreign Affairs Committee of the House.

Mrs. ROGERS of Massachusetts. He issued the statement that they would be invited to sit in?

Mr. BLOOM. He said we would be kept fully informed.

Mrs. ROGERS of Massachusetts. The account that I saw in one or two of the papers said that members of the committee would not be invited to sit in. At my request members of the Foreign Affairs Committee sat in as observers at some of the meetings of U. N. R. R. A. Members of Congress were observers at the oil conference and also at the monetary conference at Bretton Woods. This conference is vitally important to the United States.

Mr. BLOOM. Yes; but may I be permitted to add to that?

Mrs. ROGERS of Massachusetts. Yes; of course, that is what we want.

Mr. BLOOM. Mr. Cordell Hull has already issued that statement which appeared in yesterday's papers that leaders of the Senate and House would be kept fully informed of developments. I have also been assured that the House Foreign Affairs Committee would participate in any conferences to which the Senate Foreign Relations Committee is invited.

Mrs. ROGERS of Massachusetts. I think it is vital for those Members to sit in.

Mr. BLOOM. I agree with the gentlewoman.

Mrs. ROGERS of Massachusetts. Being kept informed is different from sitting in at some of the conferences. We as representatives of the people are closer to the men and women in the service who are giving their lives for us today and their families. Those men and women certainly will want their representatives to know at first hand the plans that are being made at the Four Power Conference on security organization for peace in the post-war world.

Mr. BLOOM. I agree with the contention of the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I am glad to hear that. I hope the Foreign Affairs Committee will join also in requesting that the ultimate peace conference, when victory has come, be held in Washington. No country, in my opinion, will be so fair and so helpful in protecting the smaller countries that will need protection in the settlement of the peace for the future and the United States is an ideal place because it is remote from scenes of destruction and competing nationalistic interests in Europe.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

THE LATE MANUEL QUEZON

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. JOHNSON]?

There was no objection.

Mr. LUTHER A. JOHNSON. Mr. Speaker, the American people were saddened by the death of the President of the Philippine Republic, the Honorable Manuel Quezon. We all remember the splendid and very able address which he delivered in this Chamber after the present war began, and shortly after his arrival in this country as an exile from his own nation.

He told of his escape from Corregidor and of his reluctance to leave his country, but that he did so upon the insistent demand of Gen. Douglas MacArthur.

Manuel Quezon knew the American people and the American people knew him. For 7 years he represented the Philippines in the House of Representatives, where he made many friends, some of whom are still serving as Members of this body.

It was my privilege to know him personally throughout many years. I visited the Philippine Islands in 1925, and at that time our delegation was entertained by him at his home.

The life of Manuel Quezon is interwoven with the history of the Philippines. He was the first President of the Republic, and he spent his life in fighting for Philippine independence and for the improvement and betterment of his people. He was a statesman of far-seeing vision, and the cause of democracy has lost one of its able and aggressive leaders.

Mr. Speaker, his death comes at a very tragic time in the history of the world, when his own country is occupied by the despised Japs. It is unfortunate that he could not have been spared a little longer because we hope, and have reason now to believe, that the time is growing very near when the flag of freedom will once more fly over the Philippine Islands, because of the approach that the American forces are now making in the direction of the Philippines.

The passing of Manuel Quezon deprives the Philippine people of their first and only President. Through close relationship throughout the years with the Philippine people, the American people have come to admire and respect them, and we mourn with them in the loss of their great President. To the family of Manuel Quezon, to his country, and to his people, America expresses its deep and heartfelt sympathy.

EXTENSION OF REMARKS

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by me at White River Junction, Vt., on last Sunday.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. KEARNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial on the merchant marine.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DEWEY. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. JENSEN. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Maryland [Mr. BEALL] be permitted to extend his remarks in the RECORD and include therein a poem. I also ask unanimous consent that my colleague the gentleman from Michigan [Mr. HOFFMAN] be permitted to extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

(Mr. BENDER asked and was given permission to extend his remarks in the RECORD.)

Mr. McKENZIE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

REVISION OF THE LAWS

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEOGH. Mr. Speaker, for the past 6 years, the House Committee on Revision of the Laws has been attempting to attain its objective of having the United States Code enacted into positive law, so as to provide a permanent framework within and around which all future amendatory or new legislation may be drafted. The beneficial results of the completion of such a program are, we think, obvious to those who have had occasion to attempt to determine the status of the permanent law on any particular subject. In this work we have enjoyed the assistance of many students of government. I thought the House would be interested to know that our attention has recently been called to a report from the House Committee on the Judiciary, dated June 14, 1848, being report No. 671, of the first session of the Thirtieth Congress. Copy of this report has been forwarded to me by a young personal friend, a keen student of law and government, who is employed in the legal section of the Procurement Division of the Treasury Department, Mr. Julius Silverstein.

It is interesting to note that in this report the committee said among other things, that—

The difficulty—

Referring to the difficulty of revising the laws—

assumes its most formidable shape when it furnishes no aid whatever to inquiry and research. Statutes, for example, are passed concluding with words so indefinite as these: "All acts and parts of acts repugnant to the provisions of this act are hereby repealed."

Your committee has been trying to avoid such language in current legislation. It results in an indefiniteness that is disillusioning to those who seek to determine what the status of the law is. Our committee proposes to continue in its work and we trust that we shall continue to have the cooperation of an increasing number of the Members of the House. We hope that the precedent of 100 years ago will be accepted by the membership as further justification for the need of scientific and expert legislative drafting and revision.

PROGRAM FOR NEXT WEEK

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. RAMSPECK. Mr. Speaker, I do this for the purpose of advising the membership that so far as can be seen now the Members will not be called to be back here before the 14th, which is Monday a week.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Missouri.

Mr. COCHRAN. The statement that the acting majority leader has just made does not in any way apply to members of committees of the House, whose duty it is now to consider the post-war legislation that the President has repeatedly asked for and that the country is demanding. We must be extremely careful and impress upon the general public that while the Congress of the United States is considering post-war problems, we are not in any way letting up in the prosecution of this war, nor do we intend to. There is no connection between the prosecution of the war and post-war problems. But notwithstanding that I do not think the statement should go out, unless it is plainly stated, that the members of committees, who are charged with doing the job of considering legislation that should be reported which should have been brought in long before this to take care of post-war conditions, are included in the statement that they should not be back here before the 14th of the month.

Mr. RAMSPECK. The committees have been called to consider legislation and they will be in session next week, but the general membership is what I was talking about, and that is the announcement I intended to make.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. The statement made by the distinguished gentleman from Georgia does not refer to or have any connection whatever with calls that have been sent out by committee chairmen for members of the committees to come here to consider certain post-war legislation?

Mr. RAMSPECK. That is correct. The committee members who are needed were notified and are expected to be here, but the general membership will not be needed next week.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. May we expect, then, some legislative program beginning on the 14th?

Mr. RAMSPECK. We hope it will be ready by the 14th. I am just simply trying to accommodate the Members.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Iowa.

Mr. JENSEN. Mr. Speaker, in view of what the gentleman from Missouri has just said about calling members of the respective committees back in session, I think it should be said that the leadership on both sides of the aisle have notified the members of the committees, who have post-war legislation to be heard and brought out, to be back, and are now in session and will bring in such legislation as they deem necessary at the earliest possible time, at which time all the Members of the Congress will be called back to their posts.

Mr. RAMSPECK. That is correct.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Illinois.

Mr. CHURCH. Mr. Speaker, since the gentleman from Mississippi [Mr. COLMER] is on the floor, I think it should be noted in these remarks that his bill will be considered on next Monday before the Committee on Expenditures in the Executive Departments, and the membership of that committee should be here next Monday.

Mr. RAMSPECK. It is my understanding that they have been called and they will sit in with the Committee on Expenditures in the consideration of the bill.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. Do I understand, with reference to the agreement as to time, that the gentleman from Georgia is acting not only for the majority but has also consulted with the minority leader as to notice, so that there is agreement on both sides?

Mr. RAMSPECK. That is right. We have an understanding that the Members will be given 3 days' notice before they are needed here.

POST-WAR LEGISLATION

Mr. COLMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Speaker, I desire to make a statement on my own. I am not authorized to speak for the leadership, but we have heard quite a bit in these 1-minute speeches when we met here Tuesday, and then again some today, about post-war legislation. I do not think there is any occasion for any one to become so alarmed about this situation. It will be recalled that when the House recessed it recessed with the understanding that the Speaker of the House could call the House back in session either upon his own or upon the request of the majority or the minority leaders.

This post-war legislation is not in such bad shape. I am just wondering how much this situation is affected by the fact that this is a political year. We want to get this legislation out. We have made considerable progress in getting the legislation out. For the first time in the history of this country the Congress has set up special committees to study these problems, and these committees have been at work for nearly a year; have had extensive hearings; have recommended, and this Congress has passed a contract-termination bill which has been signed by the President.

Now, the Speaker of the House has come back here. He has had confer-

ence with the leadership of the country and a program has been worked out whereby the necessary legislation, as I understand it, will be enacted if those who are so anxious to see it enacted will put their shoulder to the wheel. I hope, and this was my main purpose in rising to address the House at this moment, that we will not permit politics to enter into this matter. I think it is unfortunate that this is an election year in which we are considering this type of legislation. There has been no politics in the Special Committee on Post-war Economic Policy and Planning of the House. That was demonstrated by the fact that the committee unanimously, that is, all 18 members, comprising 10 Democrats and 8 Republicans, passed out and approved this contract-termination bill. We want to continue that kind of cooperation in doing this job which the country expects of us. I think it would be most unfortunate if we should allow the specter of politics to enter into this matter and for somebody seeking reelection to demand that this be pushed through with the result that we would have some half-baked legislation. This is an important job and it should be approached deliberately. I hope and pray, and beseech the Members of the House to continue along the line that we have proceeded thus far and to try and do a good job without permitting the specter of politics to arise. If we will do this we can pass the surplus property, demobilization, and the necessary amendments to the social-security legislation, providing for the human side of the conversion prior to September 1. Then if there is nothing pressing the Members may go home and look after their political fences until after the election. This I think would be a good program.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that after the special order previously granted to the gentleman from New York [Mr. DICKSTEIN] I may have permission to address the House for 5 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PROPOSED DISTRICT OF COLUMBIA MEDICAL CENTER

Mr. D'ALESANDRO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. D'ALESANDRO. Mr. Speaker, I am taking these few seconds today to call your attention to a problem of reconversion that vitally affects all of you and your constituents.

I have called a meeting of the health and hospital subcommittee of the House District Committee, of which I am chairman, for next Monday, to consider the post-war construction of a modern medical center for the Nation's Capital.

The present hospital facilities here are totally inadequate to meet the needs not only of the residents but do not provide proper health protection for the thousands of Government workers who have come here from every State in the Nation to help win this war.

Census figures indicate that many of these men and women from your own State will be needed here for many years after peace is declared to carry on the huge task of rehabilitating and readjusting the millions now in the armed services.

Many of you must know from firsthand information that the present hospital facilities are in dire need of expansion and modernization.

I feel this is a national problem as well as one centered in the District of Columbia. We must give the Nation a model in advanced public health institutions that will meet the needs of both the rich and the poor. I do not believe we want to continue any longer the piecemeal patch-work plan of providing hospital facilities which has been followed in the past.

What we should provide, in my opinion, is a medical center furnished with the finest equipment that medical science can produce, staffed with the Nation's outstanding specialists in the various fields of medical science, and patterned after such world-famous institutions as Johns Hopkins in Baltimore, the Mayo Clinic in Rochester, Minn., and the Naval Medical Center, at Bethesda, Md.

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. DICKSTEIN], is recognized for 5 minutes.

SPECIAL COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. DICKSTEIN. Mr. Speaker, I rise today to call attention that the Committee on Un-American Activities of which the gentleman from Texas, Hon. MARTIN DIES, is chairman, is going a little too far under the powers vested in them by this House. The committee, of which the gentleman from Texas [Mr. DIES], is chairman, was organized to investigate un-American activities, nothing more and nothing less, and to report to the Congress, with recommendations, for the purpose of enacting some law that will eradicate un-American activities. Lately the gentleman from Texas [Mr. DIES] seems to be the only member of the committee who is running the show.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I would like to make a brief statement before I yield.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I will yield to the gentleman in a little while.

Mr. CHURCH. Mr. Speaker, the gentleman from Alabama [Mr. STARNES], and other members, have been very active.

Mr. DICKSTEIN. Mr. Speaker, they have not paid very much attention to this. The gentleman from Texas [Mr. DIES] is chairman and he is running the show from Orange, Tex., and issuing statements. Now he makes charges in the press. I have seen them a number of times. Today he gives a 30-day ultimatum which was served upon the Attorney General, Mr. Biddle, calling for the immediate prosecution of certain officials who had made certain telephone calls to the White House. In the first place, how did he get these telephone conversations or telephone communications? By virtue of a subpena which was intended for un-American activities. It is my contention, Mr. Speaker, that is an action, with all due and high regard for my distinguished friend, the gentleman from Texas [Mr. DIES] which he has no power or right to do, because it is definitely in violation of the rules of this committee under the provisions of the resolution. Now, assuming for the sake of argument, that there were a number of telephone calls between somebody of the C. I. O. and some other officials to the White House and return calls, in heaven's name what has that to do with un-American activity? Is that within his power? Is that fair play on the part of a committee which has been authorized to investigate specific charges of un-Americanism in this country, which committee was created way back in 1934? Is that not an abuse of power? Does that permit a chairman of a committee or any member of that committee under the powers of that committee to send an ultimatum? To whom? And why? To the Attorney General of the United States, Mr. Biddle, an outstanding gentleman, who has done a great job in the past. He has done a splendid job, together with the F. B. I., in dealing with subversive and un-American activities. Why give Mr. Biddle an ultimatum? To do what? To prosecute somebody who telephoned the White House, and somebody who telephoned somebody else. I say, Mr. Speaker, that that power is an abuse and it should not be permitted as a precedent by this Congress.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. Gladly.

Mr. JENSEN. The gentleman from New York knows the gentleman from Texas [Mr. DIES] is not present on the floor of the House today. Does not the gentleman think it would be in better taste if he would withhold his criticism until such time as the gentleman from Texas [Mr. DIES], our colleague, can be on the floor of the House and answer the charges which the gentleman from New York is making against him today?

Mr. DICKSTEIN. I say to the gentleman from Iowa that I had not even started to criticize at all, just because of the fact the gentleman from Texas [Mr. DIES] is not here. I have not even attempted, nor do I intend to attempt to criticize other than to call attention to the fact that this resolution does not give that committee the power to do what it is doing, and seeking to bring about division and confusion within these United States. So far as the gentleman from Texas [Mr. DIES] is concerned, I have a high regard for him, and so far as his not being here, he has not been here in months, so I cannot wait to express my view to the Congress and to the people of the country on this grave question.

Mr. JENSEN. I still believe it is in poor taste to stand up here and criticize one of our colleagues who is not here to defend himself.

Mr. DICKSTEIN. I am just giving you the facts. I am not criticizing anything other than to say to you and to the Congress that what he is doing is not within the power of the resolution. Now, is that wrong?

Mr. JENSEN. That is your idea.

Mr. DICKSTEIN. It would be your idea also if you would acquaint yourself with the situation.

The SPEAKER. The time of the gentleman has expired. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks and to include as a part thereof the preliminary regulations regarding applications of the veterans under the so-called G. I. bill covering the educational feature. This is all that the Veterans' Administration has ready at this time. These regulations will run somewhat over the amount allotted, I know, but I have not had a chance to get an estimate from the Printer. I ask unanimous consent that I may include these regulations as a part of my remarks, notwithstanding the additional cost.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts [Mrs. ROGERS]?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the gentleman from Texas has stated that he trusts no politics will be injected into the debates on whatever reconversion bill is brought forward for consideration. I agree with him thoroughly. That should be the case.

My request for consideration of reconversion bills does not come from the so-called politicians. It comes from businessmen, from workers in industry, who are doing a very fine and wonderful job in war production, and it comes from others, as well as from the returning veterans.

Mr. Speaker, I have gone into this matter very thoroughly, and while meetings are being held and plans are being made, still no real program is ready for action should peace come suddenly. We are no better prepared now for peace than we were for war. I realize this is a very difficult proposition because war production must not be interfered with in any way but a definite reconversion plan should be ready by the Congress to be put into operation at the first possible moment.

While the House was in recess I made it my business, as I know other Members have, to observe the working of the so-called G. I. bill that became law just after Congress adjourned. I noted the benefits obtained by the men and women in the armed services as they are being discharged are eagerly discussed and followed. I find that the returning veterans are hungry for information about it. And that information should be made readily available to them. It is a far-reaching bill, and there are many benefits.

Mr. Speaker, I placed in the CONGRESSIONAL RECORD on the closing day of the session just before the summer recess an analysis of the G. I. bill. I have asked permission to include in my remarks today the preliminary regulations regarding applications of the veterans so far as educational training and institutional job training is concerned under the G. I. bill. These regulations are as follows:

VETERANS' ADMINISTRATION SERVICE LETTER

ADMINISTRATOR'S OFFICE,
July 1, 1944.

Subject: Preliminary instructions for instituting the program for education and training under part VIII of Veterans Regulation 1 (a), as amended (Public, 364, 78th Cong.).

Pursuant to the provisions contained in the Servicemen's Readjustment Act of 1944, title II, approved June 22, 1944 (pt. VIII of Veterans Regulation No. 1 (a), as amended), the following instructions are hereby issued for the guidance of all concerned pending the issuance of further instructions:

1. Eligibility:

(A) A person shall be eligible for and entitled to receive education or training under part VIII of Veterans Regulation No. 1 (a), as amended, provided the following conditions are met:

(1) That the person served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war;

(2) That the person has been discharged or released from the active military or naval service under conditions other than dishonorable;

(3) That the person's education or training was impeded, delayed, interrupted, or interfered with by reason of his entrance into the service. Any person who was not over 25 years of age at the time he entered the service shall be deemed to have had his education or training impeded, delayed, interrupted, or interfered with. This refers to entrance into active service after September 15, 1940. A person over 25 years of age at the time he entered the service must submit satisfactory evidence to show that his education or training was impeded, delayed, interrupted, or interfered with; and

(4) That the person shall have served 90 days or more, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or the time he was assigned as a cadet or midshipman at one of the service academies, or, if less than 90 days, that he shall have been discharged or released from active service by reason of an actual service-incurred injury or disability. The 90 days—or less—service need not all be within the period September 16, 1940, to end of the War, but may include service extending into or beyond such period. (This last provision requires determination of service incurrence without applying presumptive provisions of Public, No. 2, 73d Cong., as amended.)

(B) A person shall be eligible for and entitled to a refresher or retraining course not in excess of 1 calendar year if conditions of (A) (1), (2), and (4) above are met.

2. Benefits: A person who meets the eligibility requirements outlined in paragraph 1 hereof shall be entitled to education or training or a refresher or retraining course at an approved educational or training institution for a period of 1 year (or the equivalent thereof in continuous part-time study) or for such lesser time as may be required for the course of instruction chosen by him. Upon satisfactory completion of such course of education or training according to the regularly prescribed standards and practices of the institution, except a refresher or retraining course, such person shall be entitled to an additional period or periods of education or training not to exceed the time such person was in the active service on or after September 16, 1940, and before the termination of the war, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, but in no event shall the total period of education or training exceed 4 years, provided that his work continues to be satisfactory throughout the period according to the regularly prescribed standards and practices of the institution, provided, however, that wherever the additional period of instruction ends during a quarter or semester after a major part of such quarter or semester has expired, such period of instruction shall be extended to the termination of such unexpired quarter or semester.

3. Application: Any person who served in the active military or naval service on or after September 16, 1940, who believes that he may qualify under the eligibility provisions may file an application, using the prescribed form, with the regional office of the Veterans' Administration where his C-folder is now located or with the regional office of the Veterans' Administration in the State in which the approved educational or training institution which he has selected is located, or with the approved educational or training institution which he has selected, provided it is promptly forwarded by the institution to the regional office of the Veterans' Administration in the territory in which the institution is located. An application filed before the date of approval of Public, No. 346, Seventy-eighth Congress, may not be accepted as a claim under that Act.

4. Election of course: Any person who meets the eligibility requirements is entitled to such course of education or training or refresher or retraining course as he may elect. For reasons satisfactory to the manager a veteran may change a course of instruction. Any such course of education or training may be discontinued at any time by the Veterans' Administration if it is found by the manager that according to the regularly prescribed standards and practices of the institution that conduct or progress of the veteran is unsatisfactory.

5. Selection of approved educational or training institution: Any person who meets the eligibility requirements is entitled to choose any approved educational or training institution whether or not located in the State in which he resides which will accept or retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue.

6. Authority: Pursuant to the provisions contained in the Servicemen's Readjustment Act of 1944 managers of regional offices of the Veterans' Administration are hereby delegated authority to approve applications of persons for education or training provided such persons are eligible in accordance with this instruction and the provisions of this law and to approve claims for payment to the approved educational or training institution and to the trainee in accordance with the instructions hereinafter stated and the provisions of the law.

7. Approved educational or training institutions: Pending the receipt of the lists of approved educational or training institutions from the appropriate agency in the various States, managers are authorized to utilize educational and training institutions, including industrial establishments, which for immediate purposes may be recognized and approved by the manager on the basis of adequate investigation that the training

facility is clearly qualified as to space, equipment, instructional material and personnel to give the required course.

8. Payments to trainees and educational or training institutions.

(A) While enrolled in and pursuing a course of training a person declared eligible shall, upon application to the Veterans' Administration, be paid a subsistence allowance of $50 per month if without a dependent or dependents, or $75 per month if he has a dependent or dependents, including regular holidays and leave not exceeding 30 days a calendar year. A person attending a course on a part-time basis and a person receiving compensation for productive labor performed as part of his apprentice or other training on the job at institutions, business or other establishments shall be entitled to receive such lesser sums, if any, as subsistence or dependency allowances, as may be determined by the Administrator, provided that any such person eligible under this law and within the limitations thereof may pursue such full-time or part-time course or courses as he may elect without subsistence allowance. The term "dependent or dependents" means those persons recognized as such under Public No. 2, Seventy-third Congress, as amended.

(B) The manager shall authorize payment to the educational or training institution for each person enrolled in a full-time or part-time course of education or training the established cost of tuition and such laboratory, library, health, infirmary, and other similar fees as are customarily charged and may pay for books, supplies, equipment, and other necessary expenses, exclusive of board, lodging, other living expenses, and travel as are generally required for the successful pursuit and completion of the course by other students in the institution, provided that in no event shall such payments with respect to any person exceed $500 for an ordinary school year and provided further that no payments shall be made to institutions, business or other establishments furnishing apprentice training on the job.

(C) The effective date of payment to the veteran and the institution shall be the date the veteran commences training. For veterans who are now pursuing courses which are continued as training under this law, the effective date shall be the date, after the approval of this act, the application or informal application is received at the regional office of the Veterans' Administration or at the approved educational or training institution, if the application is forwarded promptly to the Veterans' Administration.

(D) The effective date of discontinuance of payment to the veteran and the institution shall be the date the veteran completes his educational or training course or the veteran discontinues or is discontinued from his course of training, except that, if the course ends during a month, the subsistence allowance may be paid for that month.

(E) Appropriate procedures will be developed by the manager of the regional office with the educational or training institutions so that when a veteran discontinues training or is absent from training exceeding 30 days in a calendar year, exclusive of regular holidays, the institution shall immediately so report to the manager of the regional office for deduction of subsistence allowance for such period in excess of 30 days.

9. Transportation, meals, and lodging: The Servicemen's Readjustment Act of 1944 does not authorize the payment of transportation, meals, and lodging expenses in connection with training under this law.

10. General procedure:

(A) When a person files an application with a regional office of the Veterans' Administration, the application will be attached to the C-folder on file; C-folder secured by transfer, or a new C-folder will be created. The folder will be routed to the vocational rehabilitation and education division, where his eligibility will be established and the veteran notified of the decision. If the veteran is found eligible, he will be given notification of the exact period of training to which he is entitled under the law and that he may now elect his course of training and select the approved institution. The veteran will also be informed that he may use that notification as evidence of his eligibility for training under the law when contacting the institution which he has selected. When the veteran enters training, the institution will forward to the regional office which determined his eligibility the following papers: (a) A certified copy of the notification from the Veterans' Administration establishing his eligibility; (b) a certified statement showing the date the veteran commenced training in the course referred to in (c); (c) a certified statement showing (1) the name of the course, the length of the course, the length of the ordinary school year, and whether course of training is full time or part time; (2) customary cost of tuition for an ordinary school year, laboratory, library, health, infirmary, and other similar fees as are customarily charged, cost of books, supplies, and equipment for an ordinary school year, other necessary expenses for an ordinary school year, itemized, as are generally required for the successful pursuit and completion of the course by other students in the institution. Board, lodging, and other living expenses and travel are not to be included.

(B) The veteran may file his application with the Veterans' Administration through the approved educational or training institution which he has selected, and the institution may, if it is satisfied that the veteran meets the eligibility requirements, but subject to final approval by the Veterans' Administration, enter him into training and promptly forward his application, together with all other necessary papers referred to above, to the regional office in the territory in which the institution is located. When these papers are received in the regional office, they will be attached to the C folder on file; C folder secured by transfer, or a new C folder will be created and sent to the vocational rehabilitation and education division, where the veteran's eligibility will be established and the veteran and the institution notified of the decision.

(C) A status card, 5 by 8, will be prepared showing the name (last, first, middle), home address, date of birth, race, serial number, period of training to which entitled under the provisions of the law, course of training, name and address of institution. This card will clearly indicate that the person is pursuing training under part VIII. This card will be filed alphabetically in a separate file.

(D) When the regional office is notified by the institution that the veteran has commenced training, Form 1907, Notice of Commencement of Training, will be prepared, containing applicable information and properly signed. This form will be prepared and signed in triplicate. The original and first copy will be forwarded to the adjudication division, which will take appropriate action to make the necessary award. The original will be filed by the adjudication division in the claims folder and a copy will be attached to the award and forwarded to central office through the finance division of the regional office. The second copy of Form 1907 will be retained by the vocational rehabilitation and education division. Under "Notice of Commencement of Training" there will be typed in in capital letters "Under part VIII."

11. Advisement: Managers are authorized to provide for educational and vocational guidance to persons eligible for education and training under this law and who desire such assistance. However, this law does not authorize the payment of transportation, meals, and lodging expenses.

12. Contracts: This law does not require the Veterans' Administration to enter into contracts with an approved educational or training institution when the charges made by such institution for tuition, books, and supplies are in accordance with the usual rates as published in catalogs or otherwise established. Contracts must be made with educational or training institutions when such charges for tuition and fees are in excess of the usual rates. Any proposals of this nature will be forwarded to central office for consideration. The law does not authorize the Veterans' Administration to pay for the same services more on account of a veteran than the established rate charged generally. However, if additional services are required or an increase in or extension of facilities beyond the institution's established program, the law authorizes the Administrator to enter into contract therefor at fair and reasonable rates within the $500 limitation referred to in paragraph 8, payments to trainees and educational or training institutions, subparagraph (B), and in paragraph 5 or part VIII of title II, Public, 346, Seventy-eighth Congress.

13. Persons eligible under part VII and part VIII: The law does not contemplate pyramiding benefits under part VII and part VIII, but does permit election and change of courses for satisfactory reasons and within the limitations of the applicable part. Any such person eligible for the benefits of this part, who is also eligible for the benefit of part VII, may elect which benefit he desires, provided that in the event of such election, subsistence allowance hereunder shall not exceed the amount of additional pension payable for training under said part VII.

14. Attached is veteran's application for a course of education or training or a refresher or retraining course under part VIII, Form 1950. An initial supply of this form will be furnished each regional office and facility with regional office activities. Additional forms will be requisitioned from central office in the usual manner. Managers are authorized to inform approved educational and training institutions that they may duplicate this form if they so desire.

FRANK T. HINES,
Administrator of Veterans' Affairs.

TO ALL REGIONAL OFFICES AND COMBINED FACILITIES.

IMPORTANT—PLEASE READ

IN SUBMITTING THIS APPLICATION ATTACH A CERTIFIED COPY OF YOUR DISCHARGE OR RELEASE FROM ACTIVE SERVICE

(NOTE.—If you are disabled due to a service-connected disability and believe that you are in need of vocational rehabilitation to overcome the handicap of your disability, you should not fill out this form without first consulting the nearest office of the Veterans' Administration.)

VETERANS' APPLICATION FOR A COURSE OF EDUCATION OR TRAINING OR A REFRESHER OR RETRAINING COURSE UNDER PART VIII

I, _____
(Last name—print clearly)

_____
(First name) (Middle name)

Mailing address _____
(Number) (Street)

_____
(City or town) (State)

hereby make application for a course of education or training or a refresher or retraining course.

1. (a) Place of birth _____
(b) Date of birth _____

2. Description of applicant as of date of last enlistment: Sex ------ Race ------ Weight ------ pounds. Height ------ inches. Color of hair -------- Color of eyes -------- Complexion ----------

3. (a) Make a cross (X) after branches of service in which you served: Army ------ Navy ------ Marine Corps ------ Coast Guard ------ Nurse Corps ------. (b) Did you register under the Selective Service Act? ----------

(Yes or no)

(1) Address of local draft board with which you registered ----------

(2) Your home address at time of registration ----------

4. Give the following information about your active service:

Entered active service		Serial No.	Discharged or released from active service		Rank and organization	Character of discharge, honorable or otherwise
Date	Place		Date	Place		

NOTE.—(a) If you served under a name other than the one used in this application, indicate the name under which you served and the period of service ----------

5. If you pursued during active service a course of education or training under the Army specialized training program or the Navy college training program or were a cadet or midshipman at one of the service academies, fill in the following:

Name and location of school	When attended From— To—	Course	Extent completed
Army Specialized Training Program			
Navy College Training Program			
U. S. Naval Academy, Annapolis			
U. S. Military Academy, West Point			
U. S. Coast Guard Academy, New London			

6. Have you ever applied for any benefits under the laws administered by the Veterans' Administration? ---------. If the answer is (Yes or no)

in the affirmative, give ----------

(Date of application)

---------- and ----------

(Claim number) (Veterans' Administration office where claim is filed)

If you were over 25 years of age when you entered the active service after September 15, 1940, fill in the following:

7. Give the following information concerning your schooling and education:

Name and location of school	When attended From— To—	Grade or class completed	Year graduated; degree, if any	Major department or course
Grammar				
Junior high				
High				
Preparatory				
Junior college				
College or university				
Graduate or professional school			(If no degree state semester hours).	
Vocational or trade school				
Other schools or courses (specify)				
Correspondence school		Course		Extent completed.

8. Important: The law provides that any person eligible for any course of education or training or a refresher or retraining course may pursue such full-time or part-time course or courses as he may elect without subsistence allowance. If you desire to apply for subsistence allowance of $50 per month, if without a dependent or dependents, or $75 per month, if you have a dependent or dependents, fill in items 8 (a), 8 (b), 8 (c), and 8 (d).

(a) Do you apply for subsistence allowance? ----------

(Yes or no)

(b) Are you single, married, widowed, or divorced? ----------

(c) Have you a child or children? ---- (Yes ------ If so, give age of youngest child or no)

(d) Have you a mother or father dependent upon you for support? ----------

I hereby certify that I have read all questions and answers thereto embodied in this application; that answers to all above questions are true and complete to the best of my knowledge and belief; that I have submitted all available information and evidence in support of this application, and that the foregoing statements are made as a part thereof with full knowledge of the penalty provided for making a false statement as to a material fact in such application.

(Signature of claimant)

Subscribed and sworn to before me this -------- day of ---------- 19 ---- by ---------- claimant, to whom the statements herein were fully made known and explained. I certify that the questions and answers thereto have, in my presence, been read by the claimant.

[SEAL] ----------

Notary Public.

Important: You should file this application with the Regional Office of the Veterans' Administration where your C-folder is now located, or with the regional office of the Veterans' Administration in the State in which the educational or training institution, which you have selected, is located, or with the approved educational or training institution which you have selected.

PERTINENT PROVISIONS OF THE SERVICEMEN'S READJUSTMENT ACT OF 1944

1. Any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under conditions other than dishonorable, and whose education or training was impeded, delayed, interrupted, or interfered with by reason of his entrance into the service, or who desires a refresher or retraining course, and who either shall have served 90 days or more, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, or shall have been discharged or released from active service by reason of an actual service-incurred injury or disability, shall be eligible for and entitled to receive education or training under this part: *Provided*, That such course shall be initiated not later than 2 years after either the date of his discharge or the termination of the present war, whichever is the later: *Provided further*, That no such education or training shall be afforded beyond 7 years after the termination of the present war: *And provided further*, That any such person who was not over 25 years of age at the time he entered the service shall be deemed to have had his education or training impeded, delayed, interrupted, or interfered with.

2. Any such eligible person shall be entitled to education or training, or a refresher or retraining course, at an approved educational or training institution, for a period of 1 year (or the equivalent thereof in continuous part-time study), or for such lesser time as may be required for the course of instruction chosen by him. Upon satisfactory completion of such course of education or training, according to the regularly prescribed standards and practices of the institutions, except a refresher or retraining course, such person shall be entitled to an additional period or periods of education or training, not to exceed the time such person was in the active service on or after September 16, 1940, and before the termination of the war, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, but in no event shall the total period of education or training exceed 4 years: *Provided*, That his work continues to be satisfactory throughout the period, according to the regularly prescribed standards and practices of the institution: *Provided, however*, That wherever the additional period of instruction ends during a quarter or semester and after a major part of such quarter or semester has expired, such period of instruction shall be extended to the termination of such unexpired quarter or semester.

3. Such person shall be eligible for and entitled to such course of education or training as he may elect, and at any approved educational or training institution at which he chooses to enroll, whether or not located in the State in which he resides, which will accept or retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue: *Provided*, That for reasons satisfactory to the Administrator, he may change a course of instruction: *And provided further*, That any such course of education or training may be discontinued at any time, if it is found by the Administrator that, according to the regularly prescribed standards and practices of the institution, the conduct or progress of such person is unsatisfactory.

6. While enrolled in and pursuing a course under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of $50 per month, if with-

cut a dependent or dependents, or $75 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding 30 days in a calendar year. Such person attending a course on a part-time basis, and such person receiving compensation for productive labor performed as part of their apprentice or other training on the job at institutions, business, or other establishments, shall be entitled to receive such lesser sums, if any, as subsistence or dependency allowances, as may be determined by the Administrator: *Provided*, That any such person eligible under this part, and within the limitations thereof, may pursue such full-time or part-time course or courses as he may elect, without subsistence allowance.

7. Any such person eligible for the benefits of this part, who is also eligible for the benefit of part VII, may elect which benefit he desires: *Provided*, That in the event of such election, subsistence allowance hereunder shall not exceed the amount of additional pension payable for training under said part VII.

BASIC PROVISIONS OF THE VOCATIONAL REHABILITATION PROGRAM OF THE VETERANS' ADMINISTRATION, PUBLIC, 16, SEVENTY-EIGHTH CONGRESS, APPROVED MARCH 24, 1943, AS AMENDED

The rehabilitation activities of the Veterans' Administration were extended to include vocational rehabilitation through the passage of Public Law 16 by the Seventy-eighth Congress. (Pt. VII of Veterans' Regulation No. 1 (a), as amended.)

Eligible veterans are those who meet the four following requirements:

1. That the person must have been in the active military or naval service any time after September 16, 1940, and during the present war.

2. That he or she has been discharged or released from the active service under conditions other than dishonorable.

3. That he or she must have a disability incurred in or aggravated by such service for which pension is payable under laws administered by the Veterans' Administration or would be but for the receipt of retirement pay, and

4. That he or she must be in need of vocational rehabilitation to overcome the handicap of such disability.

NOTE.—Any person eligible for the benefits of part VII, who served less than 90 days but was discharged or released from active service by reason of an actual service-incurred injury or disability, or who served 90 days or more, is also eligible for the benefits of part VIII, title 2, Public, 346, Seventy-eighth Congress, and may elect which benefit he desires, provided that in the event of such election subsistence allowance under part VIII shall not exceed the amount of additional pension payable for training under part VII. (Application for education or training under part VIII should be made on Veterans' Administration Rehabilitation Form 1950 with the Veterans' Administration or through the approved educational or training institution which he has selected.)

The purpose of vocational rehabilitation is to restore the employability which has been lost by virtue of a handicap due to a disability incurred in or aggravated by service.

As training facilities to accomplish this purpose, recognized and accredited colleges, universities, and other educational institutions are being utilized to provide institutional training and well-established business enterprises to afford training on the job.

The filing of application for pension, V. A. Form 526, will initiate a determination as to the presence or absence of a pensionable disability producing a vocational handicap. If a vocational handicap is present, the veteran will be advised that he or she may make application for vocational training.

The selection of an occupation in which rehabilitation wil be effected is based upon consideration of the individual veteran's education, vocational experience, abilities, personal desires, and present disability, and contemplates that the vocational training to be provided will supply the necessary occupational information and develop the proper skills to afford the disabled person a well-rounded knowledge of and the ability to perform all of the skills, job operations, and work tasks which are essential to meeting employment requirements in the chosen occupation.

Maintenance and support during training and for 2 months after employability has been determined will be provided through increased pension. A single person will receive a pension at the rate of $80 a month, a married person $90 a month, with $5 a month for each dependent child and an additional allotment in the amount of $10 a month for each dependent parent.

Payments by employer-trainers to veterans during training on the job are authorized. When such payments are added to the increased pension, the combined amounts cannot exceed the amount the employer is paying a qualified employee in the occupation in which the veteran is being trained without a corresponding decrease in the increased pension in the amount of the excess.

Loans not exceeding $100 may be made to trainees commencing or undertaking rehabilitation.

The place of training is dependent upon the employment objective selected. Training on the job is provided in the veteran's home community whenever possible. Institutional training is generally provided in the institution nearest to the veteran's residence. Tuition, books, supplies, and other incidentals are furnished in institutional training and all equipment and supplies required are provided in training on the job.

An injury or an aggravation of an injury suffered while pursuing a course of vocational rehabilitation as the result of the pursuit of such course, and not the result of his or her own willful misconduct, and such injury or aggravation results in additional disability to or death of such person, the benefits under laws applicable to veterans of the present war shall be awarded in the same manner and extent as if such disability, aggravation, or death were service-connected within the meaning of such laws, except that no benefits under this part shall be awarded unless application be made therefor within 2 years after such injury or aggravation was suffered or such death occurred.

No course of instruction can exceed 4 years in length nor shall any training under this legislation be afforded beyond 6 years after the termination of the present war.

Veterans discharged from the armed services by reason of disability are invited to make application for pension at time of discharge and this record, with other records, will be forwarded to the Veteran's Administration field station having jurisdiction of the territory within which the veteran has indicated he or she intends to reside. These records are there examined and eligibility rights established. Veterans who are determined to have pensionable disabilities producing a vocational handicap are advised that they may make application for vocational rehabilitation.

The operation of the vocational rehabilitation program has been decentralized to the field stations of the Veterans' Administration, one of which is located in each of the several States with the exception of the State of Delaware, which is served by the office at Philadelphia, Pa. The planning and control features have been retained in the central office at Washington, D. C.

For further information address the manager, Veterans' Administration, nearest your location, as below:

Albuquerque, N. Mex.; Atlanta, Ga.; Baltimore, Md.; Batavia, N. Y.; Bay Pines, Fla.; Boise, Idaho; Boston, Mass.; Brecksville, Ohio; Bronx, N. Y., Cheyenne, Wyo.; Columbia, S. C.; Dayton, Ohio; Dearborn, Mich.; Denver, Colo.; Des Moines, Iowa; Fargo, N. Dak.; Fayetteville, N. C.; Fort Harrison, Mont.; Hines, Ill.; Huntington, W. Va.; Indianapolis, Ind.; Jackson, Miss.; Jefferson Barracks, Mo.; Kansas City, Mo.; Lexington, Ky.; Lincoln, Nebr.; Little Rock, Ark.; Los Angeles, Calif.; Lyons, N. J.; Manchester, N. H.; Minneapolis, Minn.; Montgomery, Ala.; Murfreesboro, Tenn.; Muskogee, Okla.; Newington, Conn.; New Orleans, La.; Philadelphia, Pa.; Pittsburgh, Pa.; Portland, Oreg.; Providence, R. I.; Reno, Nev.; Roanoke, Va.; Salt Lake City, Utah; San Francisco, Calif.; Seattle, Wash.; Sioux Falls, S. Dak.; Togus, Maine, Tucson, Ariz.; Waco, Tex.; White River Junction, Vt.; Wichita, Kans.; and Wood, Wis.

BASIC EDUCATIONAL AND TRAINING PROVISIONS OF PUBLIC, 346, SERVICEMEN'S READJUSTMENT ACT OF 1944, TITLE II, APPROVED JUNE 22, 1944

The educational and training activities of the Veterans' Administration are authorized by Public, 346, Seventy-eighth Congress, and will be referred to as Part VIII, Veterans' Regulation No. 1 (a), as amended.

Eligibility: A person shall be eligible for and entitled to receive education or training under Part VIII of Veterans' Regulation No. 1 (a), as amended, provided the following conditions are met:

A. Veterans not over 25 years of age at time of entrance into service:

1. That the person served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war;

2. That the person has been discharged or released from the active military or naval service under conditions other than dishonorable;

3. That the person shall have served 90 days or more, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or the time he was assigned as a cadet or midshipman at one of the service academies, or, if less than 90 days, that he shall have been discharged or released from active service by reason of an actual service-incurred injury or disability. The 90 days—or less—service need not all be within the period September 16, 1940, to end of the war, but may include service extending into or beyond such period. (This last provision requires determination of service incurrence without applying presumptive provisions of Public, No. 2, 73d Congress, as amended.)

4. Any person who was not over 25 years of age at the time he entered the service shall be deemed to have had his education or training impeded, delayed, interrupted or interfered with (note paragraph marked "benefits").

B. Veterans over 25 years of age at time of entrance into service:

1. Any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, if conditions of A 1, 2, and 3 above are met, may receive 1 year of education or training or a refresher or retraining course at an approved educational or training institution.

2. A person over 25 years of age at the time of entrance into service must submit satisfactory evidence to show that his education or training was impeded, delayed, interrupted, or interfered with in order to receive training beyond 1 year.

A person who has a service-connected, pensionable disability and is otherwise eligible for vocational training under part VII,

Public, 16, Seventy-eighth Congress, approved March 24, 1943, may elect which benefit he desires, provided that in the event of such election subsistence allowance hereunder shall not exceed the amount of additional pension payable for training under part VII of Public, 16. (Veteran may obtain information concerning eligibility under part VII through regional manager of the Veterans' Administration where his claim file is located.)

Benefits: A person who meets the eligibility requirements outlined in paragraph 1 hereof shall be entitled to education or training or a refresher or retraining course at an approved educational or training institution for a period of 1 year (or the equivalent thereof in continuous part-time study) or for such lesser time as may be required for the course of instruction chosen by him. Upon satisfactory completion of such course of education or training according to the regularly prescribed standards and practices of the institution, except a refresher or retraining course, such person shall be entitled to an additional period or periods of education or training not to exceed the time such person was in the active service on or after September 16, 1940, and before the termination of the war, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, but in no event shall the total period of education or training exceed 4 years, provided that his work continues to be satisfactory throughout the period according to the regularly prescribed standards and practices of the institution, provided, however, that wherever the additional period of instruction ends during a quarter or semester after a major part of such quarter or semester has expired, such period of instruction shall be extended to the termination of such unexpired quarter or semester.

Application: Any person who served in the active military or naval service on or after September 16, 1940, who believes that he may qualify under the eligibility provisions may file an application, using Veterans' Administration Rehabilitation Form 1950, (a) with the regional office of the Veterans' Administration where his case file is now located, (b) with the regional office in the State in which the approved educational or training institution which he has selected is located, (c) with the approved educational or training institution, provided the application is promptly forwarded by such institution to the regional office of the Veterans' Administration in the area in which the institution is located. An application filed before June 22, 1944, the date of approval of Public, No. 346, Seventy-eighth Congress, may not be accepted as a claim under that act. Educational or training courses shall be initiated not later than 2 years after either the date of the person's discharge or the termination of the present war, whichever is the later. No education or training under this act shall be afforded beyond 7 years after the termination of the present war.

The attached application, Veterans' Administration Rehabilitation Form 1950, may be used in applying for education or training.

Election of course: Any person who meets the eligibility requirements is entitled to such course of education or training or refresher or retraining course as he may elect. For reasons satisfactory to a regional manager a veteran may change a course of instruction.

Selection of an approved educational or training institution: Any person who meets the eligibility requirements is entitled to choose any approved educational or training institution whether or not located in the State in which he resides which will accept or retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue. (Regional managers, Veterans' Administration, will advise interested persons of approved educational or training institutions.)

Payments to trainees: While enrolled in and purusing a course of training a person declared eligible shall, upon application to the Veterans' Administration, be paid a subsistence allowance of $50 per month if without a dependent or dependents or $75 per month if he has a dependent or dependents, including regular holidays and leave not exceeding 30 days a calendar year. A person attending a course on a part-time basis and a person receiving compensation for productive labor performed as part of his apprentice or other training on the job at institutions, business, or other establishments shall be entitled to receive such lesser sums, if any, as subsistence or dependency allowances, as may be determined by the Administrator, provided that any such person eligible under this law and within the limitations thereof may pursue such full-time or part-time course or courses as he may elect without subsistence allowance. The term "dependent or dependents" means those persons recognized as such under Public, No. 2, Seventy-third Congress, as amended.

Payments to educational and training institutions: Payments may be authorized to educational or training institutions for each person enrolled for a full-time or part-time course of education or training for the established cost of tuition and such laboratory, library, health, infirmary, and other similar fees as are customarily charged and may pay for books, supplies, equipment, and other necessary expenses, exclusive of board, lodging, and other living expenses and travel as are generally required for the successful pursuit and completion of the course by other students in the institution: *Provided*, That in no event shall such payments with respect to any person exceed $500 for an ordinary school year, and *Provided further*, That no payments shall be made to institutions, business, or other establishments furnishing apprentice training on the job. The effective date of payments to the veteran and the institution shall be the date the veteran commences training, but in no event prior to the effective date of Public, 346, and the receipt of application or informal application at the regional office, Veterans' Administration, or at the approved educational or training institution. The effective date of discontinuance of payment to the veteran and the institution shall be the date the veteran completes his educational or training course or the veteran discontinues or is discontinued from his course of training, except that if the course ends during a month the subsistence allowance may be paid for that month.

Guidance: Educational and vocational guidance to persons eligible for education and training under Public, 346, will be provided for those who desire such assistance.

The administration of the educational and training program has been decentralized to the field stations of the Veterans' Administration, one of which is located in each of the several States with the exception of the State of Delaware which is served by the office at Philadelphia, Pa. The planning and control features have been retained in the central office, at Washington, D. C.

For further information address the Manager, Veterans' Administration, nearest your location, as follow:

Albuquerque, N. Mex.; Atlanta, Ga.; Baltimore, Md.; Batavia, N. Y.; Bay Pines, Fla.; Boise, Idaho; Boston, Mass.; Brecksville, Ohio; Bronx, N. Y.; Cheyenne, Wyo.; Columbia, S. C.; Dayton, Ohio; Dearborn, Mich.; Denver, Colo.; Des Moines, Iowa; Fargo, N. Dak.; Fayetteville, N. C.; Ft. Harrison, Mont.; Hines, Ill.; Huntington, W. Va.; Indianapolis, Ind.; Jackson, Miss.; Jefferson Barracks, Mo.; Kansas City, Mo.; Lexington, Ky.; Lincoln, Nebr.; Little Rock, Ark.; Los Angeles, Calif.; Lyons, N. J.; Manchester, N. H.; Minneapolis, Minn.; Montgomery, Ala.; Murfreesboro, Tenn.; Muskogee, Okla.; Newington, Conn.; New Orleans, La.; Philadelphia, Pa.; Pittsburgh, Pa.; Portland, Oreg.; Providence, R. I.; Reno, Nev.;, Roanoke, Va.; Salt Lake City, Utah; San Francisco, Calif.; Seattle, Wash.; Sioux Falls, S. Dak.; Togus, Maine; Tucson, Ariz.; Waco, Tex.; White River Junction, Vt.; Wichita, Kans.; Wood, Wis.

Mr. Speaker, I am advised by the Veterans' Administration that there are now 3,001 veterans in training already, consisting of 1,936 in institutional training and 1,065 in job training.

As I stated in the House before the G. I. bill was passed, it must be amended to facilitate the operation of it for the veterans. Some States will have to change their laws in order to allow the veterans to receive the full amount of the loans from the banks. Other amendments will have to be adopted, in my opinion, to clarify the legislation in such a way that the veterans will receive the greatest benefits.

The gentleman from Iowa asked me what I had heard regarding loans to be made to the veterans on farms. Various rumors have been going around that loans would not be made to veterans for this purpose unless they have had previous farm training. This morning I called General Hines and asked him if that rumor were true, and he said, "No; not at all"; that he was working with the Department of Agriculture to facilitate in every way the loans to veterans for farms. He assured me that the veterans would receive the very fullest consideration and assistance in connection with their applications for the granting of loans for farming purposes. I am sorry the man to be the head of the veterans' employment has not been selected as yet.

Mr. Speaker, everything should be done to aid these returning men and women. In the main they are very much pleased with the legislation to date. But benefits on paper do not help, and action must be speeded up by the Veterans' Administration if they are to receive their rights.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

EXTENSION OF REMARKS

Mr. JENSEN. Mr. Speaker, on behalf of the gentleman from Wisconsin [Mr. STEVENSON]. I ask unanimous consent that he may be permitted to extend his remarks in the Appendix of the RECORD in seven different instances.

The SPEAKER. Is there objection to the request of the gentleman from Iowa [Mr. JENSEN]?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Messrs. CHAPMAN, BOREN, BECKWORTH, HARLESS of Arizona, HINSHAW, HOWELL, O'HARA, and BUL-

WINKLE (at the request of Mr. BULWINKLE), until August 29, on account of official business.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts [Mrs. ROGERS]?

There was no objection.

THE LATE MARGUERITE LE HAND

Mrs. ROGERS of Massachusetts. Mr. Speaker, I was greatly saddened, as were many other persons all over the United States, especially those residing in her own State of Massachusetts, by the passing of Miss Marguerite Le Hand, the President's personal secretary for many years and an intimate friend of the entire Roosevelt family. The President and Mrs. Roosevelt's tribute to her prove the affection and esteem in which she was held by them.

She was a fine, handsome, gracious gentlewoman and, as the President said, "selfless in her devotion to duty." Many times I have had occasion to visit her in connection with governmental matters, as had many others, and I found her always courteous and efficient.

It has interested me very much to read the various editorial tributes to Miss Le Hand. I do not believe the secretary to any President has ever received finer tributes for a devoted service to the President and to the country.

BILL PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 3125. An act for the relief of Paul H. White.

ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 38 minutes p. m.), under its previous order, the House adjourned until Monday, August 7, 1944, at 12 o'clock noon.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURCH of Virginia:

H. R. 5154. A bill relating to dual employment in the Postal Service and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. DICKSTEIN:

H. R. 5155. A bill to extend the operation of the Emergency Price Control Act of 1942; to the Committee on Banking and Currency.

H. R. 5156. A bill to amend section 28 (c) of the Immigration Act of 1924; to the Committee on Immigration and Naturalization.

By Mr. GALLAGHER:

H. R. 5157. A bill to authorize the establishment of maximum and minimum rates of pay for classes of positions within the several grades under the Classification Act of 1923, as amended; to the Committee on the Civil Service.

By Mr. RANDOLPH:

H. R. 5158. A bill to authorize the establishment of the Metropolitan Police Department Band, District of Columbia, and to provide funds therefor; to the Committee on the District of Columbia.

H. R. 5159. A bill to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto; to the Committee on the District of Columbia.

By Mr. LUTHER A. JOHNSON:

H. Con. Res. 93. Concurrent resolution to repeal Public Law No. 403, and reinstate the standard time provided in the act entitled "An act to save daylight and to provide standard time for the United States," approved March 19, 1918, as amended; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHURCH:

H. R. 5160. A bill for the relief of Isabel Carlson; to the Committee on Claims.

By Mr. HENDRICKS:

H. R. 5161. A bill for the relief of David B. Smith; to the Committee on Claims.

By Mr. MANSFIELD of Texas:

H. R. 5162. A bill for the relief of Louis A. Vienne; to the Committee on Claims.

By Mr. PETERSON of Florida:

H. R. 5163. A bill granting a pension to Olivia Stebbins; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5955. By Mr. BRYSON: Petition of H. C. Walker and 164 other citizens of Kissimmee, Fla., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5956. Also, petition of Grace Cunningham and 23 other citizens of Seattle, Wash., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5957. Also, petition of Rev. Gustav Schmidt and 38 other citizens of Baltimore, Md., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5958. Also, petition of Margaret Schmidt and 37 other citizens of Pasadena, Md., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transporation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5959. Also, petition of Ruth M. Anderson and 15 other citizens of Stillwater, Minn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5960. Also, petition of Anna B. Armstrong and 35 other citizens of Strongsville, Ohio, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5961. Also, petition of Rachel M. Anderson and 24 other citizens of Olmsted Falls, Ohio, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5962. Also, petition of Mrs. Segward Simpson and 16 other citizens of Spicer, Minn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5963. Also, petition of Mrs. L. O. Lasseren and 36 other citizens of Northwood, N. Dak., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5964. Also, petition of Mrs. Franks and 23 other citizens of Baltimore, Md., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5965. Also, petition of Hilda Carrica and 12 other citizens of Turton, S. Dak., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5966. Also, petition of S. K. Ulitz and 42 other citizens of Taneytown, Md., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5967. Also, petition of Mrs. H. W. Lambrecht and 54 other citizens of Inavale, Nebr., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5968. Also, petition of Margaret F. Bussell and 38 other citizens of Cape May Court

House, N. J., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5969. Also, petition of Mrs. A. Schuler and 50 other citizens of Brooklyn, N. Y., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5970. Also, petition of Elizabeth Selby and 29 other citizens of Seattle, Wash., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5971. Also, petition of Mrs. W. R. Thomas and 33 other citizens of Cambridge, Md., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5972. Also, petition of Marie L. Keenan and 40 other citizens of Brooklyn, N. Y., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5973. By Mr. LANDIS: Petition of Jessmaine Sturm Ruble, of Vincennes, Ind., and 140 other signers of that community protesting the relaxing of the War Production Board regulations for the manufacture of alcoholic beverages during the month of August; to the Committee on the Judiciary.

SENATE

MONDAY, AUGUST 7, 1944

(Legislative day of Tuesday, August 1, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Hunter M. Lewis, B. D., associate minister, Church of the Epiphany, Washington, D. C., offered the following prayer:

O God, who on the mount didst reveal to chosen witnesses Thine only begotten Son wonderfully transfigured, in raiment white and glistering, foreshadowing the glory that was to be: Grant, we beseech Thee, that we may share in the power of that transfiguration through the realization that Thou dost speak to us in our sublimest moments, our purest instincts, and our noblest impulses. Help us to realize the prophetic value therein, that these, our transfiguration times, point to that which is yet to come, which Thou wouldst have us to be, and which we know can be, inasmuch as for a moment it has been. Hold us, O Lord, to our best and highest ideals, for ourselves, for our Nation, and for the world, in sure knowledge that as we fall short of Thee, we fall short of that humanity which Thou has shown to us through Thine only begotten Son, who for our redemption endured the Cross, even Jesus Christ, our Lord. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Secretary (Edwin A. Halsey) read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., August 7, 1944.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. SAMUEL D. JACKSON, a Senator from the State of Indiana, to perform the duties of the Chair during my absence.

CARTER GLASS,
President pro tempore.

Mr. JACKSON thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, August 3, 1944, was dispensed with, and the Journal was approved.

WAR MOBILIZATION AND POST-WAR ADJUSTMENT—REPORT OF MILITARY AFFAIRS COMMITTEE DURING RECESS

Under authority of the order of the 3d instant,

Mr. MURRAY (for himself and Mr. KILGORE), from the Committee on Military Affairs, reported a bill (S. 2061) to provide a national program for war mobilization and post-war adjustment, submitted a report (No. 1036) thereon, and the bill was placed on the calendar.

APPRECIATION OF THE ALTHING FOR CONGRESSIONAL FELICITATIONS ON ESTABLISHMENT OF THE REPUBLIC OF ICELAND

The ACTING PRESIDENT pro tempore laid before the Senate a letter from the Secretary of State referring to his letter of June 23, 1944, regarding the concurrent resolution passed by the Congress in connection with the establishment of the Republic of Iceland and enclosing copy of a note dated June 22, 1944, addressed to the American Legation at Reykjavik by the Icelandic Ministry for Foreign Affairs, which, with the accompanying note, was referred to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate by the Acting President pro tempore, and referred as indicated:

A resolution of the State Aeronautical Commission of Colorado, relating to the applications of Braniff Airways, Inc., et al., concerning air transportation to and from the State of Colorado and the southeastern part of the United States; to the Committee on Commerce.

The petition of S. Doerschug, of Elmhurst, L. I., praying for the enactment of legislation to amend the rent-control provisions of the Emergency Price Control Act so as to remove certain alleged inequities and discriminations against owners of housing accommodations; ordered to lie on the table.

INVESTIGATION OF THE ALCOHOLIC BEVERAGE INDUSTRY—PARTIAL REPORT NO. 2 OF SUBCOMMITTEE OF COMMITTEE ON THE JUDICIARY

Mr. KILGORE. Mr. President, on behalf of the Committee on the Judiciary and at the request of the Senator from Nevada (Mr. MCCARRAN), chairman of the subcommittee of the Committee on the Judiciary authorized by Senate Resolution 206, to investigate the business practices and operations of the alcoholic beverage industry, I ask unanimous consent to have printed at this point in the RECORD a progress report, entitled "Partial Report No. 2," made by the subcommittee investigating the liquor industry.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

INVESTIGATION OF THE ALCOHOLIC-BEVERAGE INDUSTRY—PROGRESS REPORT

Senate Resolution 206, Seventy-eighth Congress, first session, adopted November 16, 1943, reads in part as follows:

"*Resolved*, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation with respect to the business practices and operations of the alcoholic-beverage industry in all its phases, including any matters relating to the production, importation, distribution, purchase, or sale of whiskey, gin, rum, brandy, or other distilled spirits, or wine or malt beverages. The committee shall report to the Senate at the earliest practicable date the results of such study and investigation, together with its recommendations for necessary legislation."

Pursuant to the above resolution, a subcommittee of the Committee on the Judiciary of the United States Senate was appointed, which is now composed of Senators PAT MCCARRAN, chairman, HARLEY M. KILGORE, ABE MURDOCK, and HOMER FERGUSON.

Hearings have been held, preliminary investigations have been conducted and on June 23, 1944, the subcommittee submitted a report (partial Report No. 1) to the Committee on the Judiciary of the United States Senate which contained the following recommendations:

"1. Government action to assure an increased supply of beverage spirits in the future.

"2. Amendment of the Federal Alcohol Administration Act and the Internal Revenue Code to provide better weapons for Federal enforcement and control of the liquor business and for combating the existing black market in beverage alcohol.

"3. An allocation program above the retail level, under the direction of the War Food Administration; in order to assure a more equitable distribution of existing stocks of beverage alcohol now in the hands of the retailer, wholesaler, rectifier, bottler, and distiller; and to provide an allocation program which will prevent the channeling of liquor into the black market and to dealers who have built up tremendous stocks."

The purpose of this second report is to advise the Congress and the Nation the extent to which the committee has gone already in its investigations and to indicate some of the issues and subjects which require further intensive investigations and hearings. Aside from the matters with which

the committee was concerned in its first report, the committee finds that many activities and practices of the entire liquor industry are reprehensible and that the war has encouraged certain members of the industry to disregard completely the public welfare. In certain instances the Federal departments and agencies have shown little concern over the problem and their lack of an intelligent and forthright approach has served to aggravate certain conditions.

RATIONING PROFITS INSTEAD OF WHISKY

On October 8, 1942, the liquor industry stopped the distillation of beverage spirits and since that time has devoted its entire facilities to the manufacture of industrial alcohol for use in the war program. In order to conserve existing stocks of whiskies, the members of the industry, simultaneously adopted a self-rationing program, under which about 70 percent of a normal year's distribution is allocated annually to the liquor wholesalers and retailers. By this action, the industry declared it hoped to preserve a supply of beverage spirits for the American public as long as possible, even though not in the amount which the public previously had enjoyed.

In some instances this self-imposed rationing was successful, fair, and equitable. However, in the case of some of the more important companies, instead of rationing beverage spirits, profits were rationed.

It appears that these companies secured statistics which showed the amount of liquor which they had furnished their distributors during the year preceding October 8, 1942. Instead of using this as a basis upon which to allocate future supplies, these companies ascertained the amount of sales made by their distributors. On this basis it was determined what particular brands had realized the greater profit in each community. Then, using this information, they furnished each local distributor with a greater proportion of such brands and eliminated from his area other straight whisky brands, which at the present time would undoubtedly find consumer acceptance because of the curtailed sale of beverage spirits. Furthermore, in place of the brands which were eliminated from a particular area, new brands were substituted which on the basis of regulations of the Office of Price Administration could be sold at a higher profit than could the brands which had previous consumer acceptance. The final result was retention by these liquor companies, in their bonded warehouses, of much of the aged beverage liquor, and substitution of blends under new labels, selling at much higher prices than the straight whiskies whose brand names were known to the public. Thus, the public received inferior whiskies in the form of blends (aged straight whiskies blended with grain, fruit, or cane spirits in a high degree), paid higher prices for them, could not secure the straight whisky brands which they desired, and the companies ended up retaining a proportionately greater amount of aged whiskies which apparently they hope to put on the market after the war at higher prices than could be charged today. Rules and regulations of the Office of Price Administration should be drafted to prevent such practices.

THE AMERICAN DISTILLING CO.

With the aid and cooperation of the Securities and Exchange Commission, the committee has been conducting an investigation into the business practices and operations of the American Distilling Co., and fluctuations in the price of that company's stock.

The peculiar manner in which a partnership, known as Foster & Co., secured controlling interests in James J. Sullivan, Inc., and Country Distillers Products, both operating distillers, with great quantities of whisky in their inventories, through the financial assistance and "good offices" of the American Distilling Co., also has engaged the attention of the committee.

It appears also that Foster & Co. purchased 47 percent of Ben-Burk, Inc. (bottlers, distillers, and rectifiers) from the American Distilling Co., at a profit to Foster & Co. of over $200,000. The close connection between the officers and directors of the American Distilling Co. and the partners of Foster & Co. and the fact that the same attorney represents both the American Distilling Co. and Foster & Co., might be taken as an indication either that Foster & Co. is merely a "dummy" firm set up and controlled by the officers of American Distilling Co. to evade possible antitrust or monopoly criticism, or that the officers and directors of American Distilling Co. have divested their stockholders of a corporate opportunity, in collusion with Foster & Co.

Despite the fact that apparently the above negotiations and sales do not come within the jurisdiction of the Securities and Exchange Commission, the committee believes that the matters referred to should be completely investigated, and that open hearings should be held at an early date to apprise the public of these and other activities of the American Distilling Co. which are or may be contrary to the public interest.

TENDENCY TOWARD MONOPOLISTIC CONTROL OF THE LIQUOR INDUSTRY BY DISTILLERS CORPORATION-SEAGRAMS, LTD., NATIONAL DISTILLERS PRODUCTS CORPORATION, SCHENLEY DISTILLERS CORPORATION AND HIRAM WALKER-GOODERHAM & WORTS, LTD. (THE BIG FOUR)

In conjunction with the investigation of the Department of Justice into possible antitrust violations by the following companies: Distillers Corporation-Seagrams, Ltd., National Distillers Products Corporation, Schenley Distillers Corporation, and Hiram Walker-Gooderham & Worts, Ltd., hereinafter referred to collectively as the Big Four, the committee has been conducting a similar investigation to determine the monopolistic tendencies of the Big Four in connection with their acquisitions and control of liquor, wine, and beer interests.

Appendixes 1, 2, 3, and 4 list the subsidiary companies owned or controlled by each of the Big Four. Appendix 5, based upon information reported to the Securities and Exchange Commission, shows the acquisitions of each of the Big Four since 1937. As can be seen from these appendixes, the Big Four own or control a substantial portion of the liquor industry of the United States, and recently these four companies have begun to acquire substantial interests in both the wine and beer industries.

Contrary to popular belief, the inventories of whisky in the bonded warehouses of the Big Four have increased during the past 4 years. Between December 31, 1939, and December 31, 1943, National Distillers Products Corporation increased its whisky inventory from 52,913,520 proof gallons to 70,569,429 proof gallons, and its percentage of the total whisky inventory of the entire liquor industry increased from 11.38 to 18.31 percent. During the same period, Schenley Distillers Corporation increased its whisky inventory from 82,005,417 proof gallons to 86,247,431 proof gallons, and its percentage of the total whisky inventory of the entire liquor industry rose from 17.63 to 22.38 percent. During that period, Distillers Corporation-Seagrams, Ltd., increased its whisky inventory from 47,842,758 proof gallons to 73,665,230 proof gallons, and its percentage of the total whisky inventory of the entire liquor industry increased from 10.29 to 19.11 percent. While the whisky inventory of Hiram Walker-Gooderham & Worts, Ltd., decreased slightly, from 43,401,052 proof gallons to 38,423,764 proof gallons, its percentage of the total whisky inventory of the United States increased from 9.33 to 9.97 percent. (See appendix 6.) Thus, despite the fact that since October 1942 no whisky has been distilled, and that there has been a constant drain upon the inventories of the Big Four since that date, nevertheless the Big Four have in their possession today about 70 percent of the Nation's supply of whisky, as compared with 49 percent in their warehouses in 1939.

During the 4-year period from December 31, 1939, to December 31, 1943, the Big Four acquired 24 registered distilleries. Also, during that period the National Distillers Products Corporation acquired 33,487,262 proof gallons of whisky; Schenley Distillers Corporation acquired 36,606,545 proof gallons of whisky; Distillers Corporation-Seagrams, Ltd., acquired 46,801,856 proof gallons of whisky; and Hiram Walker-Gooderham & Worts, Ltd., acquired 10,170,966 proof gallons of whisky. In other words, during this 4-year period the Big Four acquired 127,066,629 proof gallons of whisky from sources outside their own distilleries. (See appendix 7.)

During the fiscal years 1939 through 1943, National Distillers Products Corporation produced 76,311,260 tax gallons of whisky, which represented 16.82 percent of the total production of whisky in the United States; Schenley Distillers Corporation produced 76,508,166 tax gallons, which represented 16.69 percent of the United States total; Distillers Corporation-Seagrams, Ltd., produced 19,799,072 tax gallons, which represented 4.36 percent of the United States total; and Hiram Walker-Gooderham & Worts, Ltd., produced 53,380,913 tax gallons, representing 11.77 percent of the total whisky produced in the United States. Thus, during the fiscal years 1939 through 1943, the Big Four produced almost 60 percent of the whisky produced by the entire liquor industry of the United States. (See appendix 8.)

The committee is concerned greatly over the tendency of the Big Four to remove small distillers from competition, because when the act of monopolizing the liquor industry has been completed it will then be too late to remedy the harmful effect it will have had upon the public. It is because of this, rather than to substantiate any actual charges of monopoly and antitrust violations, that the committee deems it appropriate to point out such statistics as are cited above.

When the production of beverage alcohol ceased, late in 1942, the liquor industry began devoting its facilities to the manufacture of industrial alcohol. However, through the activities of members of the industry and the encouragement given them by section 124 of the Internal Revenue Code and the rules and regulations of the War Department, Navy Department, and War Production Board, it became a comparatively simple matter for large companies to purchase the equipment and facilities of small distilleries (along with their whisky inventories), and remove them from competition under the guise of wishing to increase the production of industrial alcohol for the war program.

The committee has received numerous protests from indignant members of the public who believe that they are aware of a movement by the Big Four to monopolize the production of all alcoholic beverages; including whisky, wine, and beer. The committee's investigations so far tend to indicate these fears to be well-grounded. The committee believes that the future business practices of the alcoholic industry should be based upon healthy competition, free from possible antitrust combinations and monopolistic tendencies.

At the present time the committee is engaged in further investigations into the question of the monopolistic tendencies of the Big Four, individually; and, also, is investigating the tie-ups between each of the Big Four through stock ownership and connections of the officers and directors of each of these companies. This horizontal combination, if it exists to any great degree, will be the subject

of a later report. The committee also is investigating the vertical controls which the Big Four exert upon the liquor industry as a whole, from the distillery to the retailer. Evidence has come into the possession of the committee, which indicates that certain members of the Big Four control, or attempt to control, the purchase and sale of the beverage spirits of their distributors.

The committee is aware of the fact that the Department of Justice has a voluminous amount of material concerning the activities and the operations of each of the Big Four with respect to possible violations of the Sherman Antitrust and Clayton Acts. It is not within the province of this committee to determine whether any or all members of the Big Four are subject to prosecution for violation of the above-named acts, or to civil suits for divestiture. However, the committee believes that it is incumbent upon the Department of Justice to take the necessary steps to prevent the formation of a monopoly in the liquor industry, and recommends that the Department of Justice do so at an early date.

The Treasury Department has a definite responsibility to preserve competition in interstate commerce in distilled spirits by virtue of the authority Congress has granted the Treasury Department in the Federal Alcohol Administration Act. The committee has observed that the Big Four have used the device of interlocking directorates to form a virtual monopoly in the liquor industry, thereby tending to destroy healthy competition.

With certain exceptions, the Federal Alcohol Administration Act in section 208 (a) provides "that it shall be unlawful for any individual to take office, after the date of enactment of this chapter, as an officer or director of any company, if his doing so would make him an officer or director of more than one company engaged in the business as a distiller, rectifier, or blender of distilled spirits, or of any such company and of a company which is an affiliate of any company engaged in the business as a distiller, rectifier, or blender of distilled spirits or of more than one company which is an affiliate of any company engaged in business as a distiller, rectifier, or blender of distilled spirits, unless, prior to taking such office application made by such individual to the Secretary of the Treasury has been granted and after due showing has been made to him that service by such individual as officer or director of all the foregoing companies of which he is an officer or director together with service in the company with respect to which application is made will not substantially restrain or prevent competition in interstate or foreign commerce in distilled spirits. The Secretary of the Treasury shall by order grant or deny such application on the basis of the proof submitted to him and his finding thereon."

Thus, it is clear that Congress has placed a responsibility upon the Treasury Department by giving it administrative power to prevent the formation of a monopoly in the liquor industry. If the Treasury Department had exercised its proper authority since August 29, 1935, the date of enactment of this provision, the committee believes that the liquor industry would not be as much controlled by the Big Four as it is today. The committee believes that in the future the Treasury Department should refuse to grant applications of officers and directors of the Big Four who seek to become officers and directors in other companies engaged in the business of blending, distilling, or rectifying distilled spirits.

LIQUOR DISTILLERS (THE BIG FOUR) ENTER CALIFORNIA WINE INDUSTRY

In addition to the tendency of the Big Four to monopolize the whisky industry, the committee has been concerned with the activities of these distillers in acquiring wine interests in California, and in exerting control over the California wine industry. Appendix 9 shows those California bonded wineries owned or leased by the Big Four on December 10, 1943, including the location, storage capacity, and date acquired of each winery. The storage capacity of the bonded wineries acquired by the Big Four, as of December 10, 1943, was 48,860,480 gallons, out of a State total wine storage capacity of 215,493,637 gallons. In other words, the Big Four increased their percentage of the total California wine storage capacity from 22.26 to 23.14 percent during the year 1943. (See appendix 10.) On December 10, 1943, there were 395 active bonded wineries in the State of California, of which National Distillers Products Corporation owned 3, Schenley Distillers Corporation owned 10, Distillers Corporation-Seagrams, Ltd., owned 2, and Hiram Walker-Gooderham & Worts, Ltd., owned 2, or a total of 17 owned by the Big Four—or 4.30 percent of the total number of wineries in the State. (See appendix 11.)

Appendix 12 shows that during the 1942 vintage season the Big Four produced 12,199,533 gallons of wine which represented 19.63 percent of the total State wine gallonage produced in California during that season. On December 31, 1942, the Big Four had in their inventories 31,409,478 gallons of wine which represented 25.54 percent of the total wine inventories of the State of California. (See appendix 13.) During the year 1942 the Big Four sold 23,658,613 gallons of wine from their holdings in California. This represented 24.60 percent of the total number of gallons of wine sold in the State of California that year. (See appendix 14.) This latter point is significant in view of the fact that much of the wine produced in California is sold in bulk; whereas the wine produced by the Big Four is sold in fifths of a gallon. In view of the higher sales price and profits realized through the sale of fifths of a gallon, it is obvious that if the Big Four sold approximately 25 percent of all of the wine produced in California during 1942, this represented a much larger percentage of the dollar volume of sales and also a much greater percentage of the dollar volume of profits received by the California wine producers.

Investigations now being conducted by the committee have as their object bringing the above statistics up to date so that a comparison can be made between the dates given above and the present date concerning the subjects of inquiry. The committee believes that when this latest information is received it will indicate that the Big Four whisky distillers have increased to a substantial degree their wine holdings in California.

The committee has received numerous complaints from the citizens and grape growers in California, which indicates that they are alarmed at the entrance of the whisky distillers into the California wine industry. The complaints allege that the whisky interests exert influence upon officials in the Government agencies who are regulating the wine and grape industries—such as the Office of Price Administration, the War Food Administration, and the Commodity Credit Corporation; that the previous high standards of California wine products are being lowered by the presence of the whisky distillers in the California wine industry; that the Big Four control the activities of the Wine Institute, which is a nonprofit organization ostensibly representing the interests of the entire wine industry of the United States (particularly California); and that the Big Four distillers are attempting to monopolize both the wine industry and the grape crops in California to an extent which will force the small, independent wine producer out of business even though his facilities are not purchased outright by the Big Four.

Because of such information the committee will continue an intensive investigation of the activities of the Big Four in the wine industry, and will schedule hearings in California in the near future in order to give all parties an opportunity to be heard. Subsequently, the committee will issue a report showing in detail the relationship between the whisky distillers and the wine industry.

TRADE PRACTICES OF THE LIQUOR INDUSTRY

In November and December 1943, there appeared in the press a statement by the Distilled Spirits Institute, Inc., entitled "A Frank Statement on the Whisky Shortage," and "The Truth About the Whisky Shortage." The statements were signed by 57 members of the liquor industry, including National Distillers Products Corporation and 15 of their subsidiaries, Joseph E. Seagram & Sons, Inc., and 9 of their subsidiaries, and Hiram Walker & Sons, Inc., and 3 of their subsidiaries. The statement purported to tell the American public the truth concerning the lack of whisky on the shelves of liquor dealers. The committee's investigations have indicated that the statement is a misrepresentation of the facts as they existed then and as they exist today.

The statement points out that there were then about 203,000,000 proof gallons of whisky available and that this amount would have to last until the production of whisky was resumed. Treasury Department figures show that in November 1943 there were 392,063,092 tax gallons of whisky in bonded warehouses available for consumption, of which it is true a certain amount would be lost due to soakage, leakage, and evaporation when the whisky was withdrawn. The liquor industry contends that this loss would be in the neighborhood of 96,000,000 gallons. This is untrue, because such a loss would never accrue inasmuch as this whisky would be released at an earlier date than the maximum storage period. Further, the statement does not take into consideration the supply of about 30,000,000 proof gallons of neutral spirits in bonded warehouses which would be blended with much of the straight whisky before sale. Furthermore, distilled water would be added to the blends in most cases, reducing the proof from 100 to about 86. Therefore, instead of the 203,000,000 proof gallons available for consumption in November 1943, there was really the equivalent of about 350,000,000 gallons of salable whisky available.

The statement of the Distilled Spirits Institute, Inc., contends that the distillers have helped to maintain the Office of Price Administration ceiling prices. As a matter of fact, most of the distillers have withheld their older and better-known brands of whisky from the public; and under the first series of regulations of the Office of Price Administration the distillers released many new brands of inferior quality liquor at prices in excess of those which they would have received for the older and better-known brands. This action was made possible because of certain loopholes in the regulations of the Office of Price Administration, which allowed ceiling prices to be based upon prices of a preexisting date. Thus, if a brand was not on the market on the preexisting date, there was no original basis upon which to place a ceiling price upon it, and manipulations resulted in the public's paying exorbitant and unreasonable prices for poor-quality liquor. After much damage had been done in this way, the Office of Price Administration modified its regulations to provide that ceiling prices on new brands would be based upon the quality of the liquor sold, rather than upon any preexisting sales price.

The statement points out why rum and gin are more plentiful than whisky, stating that these beverages are distilled from cane products instead of grain products. Information and evidence in possession of the committee indicates that distillers have engaged to some

considerable extent in the practice of requiring purchasers to buy a certain stipulated quota of gin and rum in order to obtain a certain amount of whisky. Naturally, such tie-in sales are not often reduced to writing nor made upon a contract basis; and likewise it is natural that the purchasers are disinclined to reveal the existence of such deals for fear of reprisals they would not be able to stay in business and would be blacklisted in the future. It is common knowledge that certain members of the Big Four own or control the output of distilleries in Cuba and Puerto Rico. Thus, they are in a much better position than competitors who do not have this advantage.

The tenor of the statement of the Distilled Spirits Institute, Inc., seems to indicate that everyone is to blame for the alleged whisky shortage except the distilleries. The statement indicts the consumer for hoarding whisky, blames the public for the existence of a black market, and excuses for the retailer who reserves an adequate liquor supply for "regular" customers.

In general the committee believes that in view of the recent action of the War Production Board, allowing the distillers to produce beverage spirits for a 30-day period, it is incumbent upon the distillers to show their good faith by releasing more whisky from their bonded warehouses to help alleviate a condition which has been occasioned at least as much by the hoarding of the distillers rather than by any hoarding which may be chargeable to the American public. It is obvious that the large distillers wish to retain substantial stocks of aged whiskies in their bonded warehouses until after the war, so that they will be in better position to command higher prices and realize greater profits at the expense of an unsuspecting public, whom the liquor industry had hoped would be educated into the belief that the alleged whisky shortage was not the fault of the liquor industry.

The committee believes that the present arrangement whereby the liquor industry has placed itself under a plan of severe self-imposed rationing is contrary to the best interests of the public, and is unjustified by present conditions. Such an arrangement, if made by tacit agreement between the distillers, is a violation of the spirit, if not the letter, of the Sherman Antitrust Act.

APPENDIX 1

National Distillers Products Corporation and subsidiary companies

National Distillers Products Corporation:[1] Bardstown Distillery, Inc. (Maryland); the Black Gold Distillery Co. (Maryland); the Blue Grass Distillery Co. (Maryland); the Bond & Lillard Distillery Co. (Maryland); the Bourbon de Luxe Distillery Co. (Maryland); the Crab Orchard Distillery Co. (Maryland); the Hermitage Distillery Co. (Maryland); the Hill & Hill Distillery Co. (Maryland); the Mount Vernon Distillery Co. (Maryland); the Old Crow Distillery Co. (Maryland); the Old Grand Dad Distillery Co. (Maryland); the Old McBraver Distillery Co. (Maryland); the Old Taylor Distillery Co. (Maryland); Sunny Brook Distillery Co. (Maryland); National Distillers Export Co., Inc. (New York); Bellows & Co., Inc. (Maryland); A. Overholt & Co., Inc. (Pennsylvania); Large Distilling Co. (Pennsylvania); National Distillers Corporation of New England (Massachusetts); Marques del Merito, Inc. (Maryland); Shewan-Jones, Inc. (Maryland); Italian Swiss Colony (California); Gambarelli & Davitto, Inc. (Delaware); Gambarelli & Davitto, Inc. (Massachusetts); Glencoe Distillery Co. (Kentucky) (owns 75 percent of outstanding stock); John de Kuyper & Son, Inc. (New York) (owns 70 percent of outstanding stock); W. & A. Gilbey, Ltd. (Delaware) (owns 66⅔ percent of outstanding stock).

[1] This is both a holding and an operating company.

NOTE.—Subsidiaries are wholly owned, except as otherwise noted.

APPENDIX 2

Schenley Distillers Corporation and subsidiary companies

Schenley Distillers Corporation: Associated Kentucky Distilleries Co. (Kentucky); Astor Pure Rye Distilling Co. (Kentucky); Belmont Distilling Co. (Kentucky); Clifton Springs Distilling Co. (Delaware); Cresta Blanca Wine Co., Inc. (Delaware); Geo. A. Dickel Distilling Co. (Delaware); Rontang Distilleries, Inc. (Pennsylvania); Joseph S. Finch & Co. (Pennsylvania); The Gibson Distilling Co. (Maryland); The Greenbrier Distilling Co. (Maryland); L. E. Jung & Wulff Co., Inc. (New York); The Melvale Distillery Co. (Maryland); The Monticello Distillery Co. (Maryland); Napa Valley Wine and Brandy Co., Inc. (Maryland); The New England Distilling Co. (Kentucky); Bernheim Distilling Co. (Kentucky); Number One Distilling Co. (Pennsylvania); Old Charter Distillery Co. (Delaware); The Old Quaker Co. (Maryland); Oldetyme Distillers Corporation (Delaware); Green River Distilling Co. (Maryland); Oldetyme Distributors, Inc. (Pennsylvania); Oldetyme Distillers, Inc. (Maryland); Jas. E. Pepper & Co. (Kentucky); Roma Wine Co. (Delaware); Schenley Distilleries, Inc. (Maryland); Schenley Distributors, Inc. (New York); Schenley Import Corporation (New York); Dubonnet Corporation (Pennsylvania); Schenley Products Co. (Pennsylvania); The Geo. T. Stagg Co. (Kentucky); The Stagg-Finch Distillers Corporation (Delaware); Sam Thompson Distilling Co. (Maryland); United American Co. (Kentucky); The Wilken Family, Inc. (Pennsylvania).

APPENDIX 3

Distillers Corporation-Seagrams, Ltd., and subsidiary companies

Distillers Corporation-Seagrams, Ltd.; Joseph E. Seagram & Sons, Inc. (Indiana); Paul Masson, Inc. (California); William Jameson & Co., Inc. (New York); Gallagher & Burton, Inc. (Kentucky); Seagram-Distillers Corporation (Delaware); Distillers Products Sales Corporation (Massachusetts); Carstairs Bros. Distilling Co., Inc. (Maryland); Carstairs Distillers Corporation (Delaware); Old Lewis Hunter Distillery Co. (Delaware); Mount D'or Wine Co. (California); The Distillers Products Sales Corporation (Connecticut); Browne-Vintners Co., Inc. (Delaware); Browne-Vintners Massachusetts, Inc. (Massachusetts); Wilson Distilling Co., Inc. (Maryland); Hunter Distilleries Co., Inc. (Maryland); H. McKenna, Inc. (Delaware); Dant & Dant of Kentucky (Kentucky); Distillers Warehouses, Inc. (Kentucky); Paul Jones & Co., Inc. (Maryland); Seagram, Inc. (Kentucky); Frankfort Distilleries, Inc. (Delaware); Seagram, Inc. (Nebraska); The Calvert Distilling Co. (Maryland); Julius Kessler Distilling Co., Inc. (Indiana); Calvert Distillers Corporation (Maryland); Calvert Distillers Corporation of Massachusetts; Maryland Club Distilling Co., Inc. (Delaware); Maryland Pure Rye Distillery, Inc. (Maryland); Lord Calvert Distilleries, Inc. (Maryland); Maryland Distillery, Inc. (Maryland); Assets Corporation (Delaware); A & K Beverages, Inc. (Delaware); House of Stover, Inc. (Delaware); Kasko Distillers Products Corporation (Pennsylvania).

APPENDIX 4

Hiram Walker-Gooderham & Worts, Ltd., and subsidiary companies

Hiram Walker-Gooderham & Worts, Ltd. (Canada); Subsidiaries Holding Co., Ltd. (Canada); Hiram Walker & Sons, Inc. (Michigan); Associated Distilleries, Inc. (Delaware); Gooderham & Worts, Ltd. (Delaware); Jas. Barclay & Co., Ltd. (Delaware); Hiram Walker, Inc. (Delaware); Hiram Walker Distributors, Inc. (New York); Hiram Walker-Gooderham & Worts Sales Corporation (Massachusetts); The Frank L. Wight Distilling Co. (Maryland); Valliant & Sons Vineyards, Inc. (California); W. A. Taylor & Co. (New York).

APPENDIX 5

Acquisitions since 1937—as reported to Securities and Exchange Commission

Distillers Corporation-Seagrams, Ltd.

Wilson Distilling Co., Inc., and Hunter Baltimore Rye Distillery, Inc., were organized on December 14, 1940, by a subsidiary of Distillers Corporation-Seagrams, Ltd., each having an authorized capital stock of 1,000 shares of no-par common stock, stated value $100 per share, all of which was subscribed and paid for by said Distillers Corporation-Seagrams, Ltd. Thereafter and during the month of December 1940, said corporation purchased respectively all of the assets of Browne-Vintners Co., Inc., Wilson Distilling Co., Inc., and Hunter Baltimore Rye Distillery, Inc., which latter companies are not and were not then subsidiaries of Distillers Corporation-Seagrams, Ltd.

H. McKenna, Inc., was organized on September 25, 1941, by a subsidiary of Distillers Corporation-Seagrams, Ltd., Joseph E. Seagram & Sons, Inc., having authorized capital stock of 1,000 shares of no-par common stock—10 shares of which having a stated value of $100 per share were subscribed and paid for by said J. E. Seagram & Sons, Inc. Subsequently H. McKenna, Inc. (a Delaware corporation), acquired substantially all of the assets of H. McKenna, Inc. (a Kentucky corporation).

In February 1942, Joseph E. Seagram & Sons, Inc., a subsidiary of Distillers Corporation-Seagrams, Ltd., acquired Dant & Dant of Kentucky (a Kentucky corporation). All stock was purchased in the consideration of cash.

The purchase of Frankfort Distilleries had not been reported to the Securities and Exchange Commission on June 1, 1944.

Hiram Walker-Gooderham & Worts, Ltd.

Hiram Walker Distributors, Inc., was incorporated August 8, 1931, in the State of New York. Hiram Walker & Sons, Inc., own all the stock.

Associated Distillers, Inc., was incorporated May 4, 1942, under the laws of Delaware. All its shares are owned by Hiram Walker & Sons, Inc.

Valliant & Sons Vineyards, Inc., was incorporated March 31, 1943, under the laws of California. All its stock is owned by Hiram Walker & Sons, Inc.

Destilerias Hiram Walker & Sons, Inc. (Argentina, South America), was organized December 1943 under the laws of Argentina. All shares are owned by or in the account of Hiram Walker & Sons, Inc.

Schenley Distillers Corporation

Schenley Distributors, Inc., a subsidiary acquired on December 2, 1940; issued and outstanding stock of the Liquor Products Co.

Cresta Blanca Wine Co., Inc., was organized under the laws of Delaware December 2, 1940, and became a subsidiary of Schenley.

Schenley Blend Division, Inc., was organized under the laws of Maryland on June 15, 1940. All stock is owned by Schenley.

Green River Distilling Co. was organized under the laws of Maryland, June 25, 1940. All stock is owned by Schenley.

Farm Products, Inc., organized under the laws of Indiana, June 3, 1942. All stock is owned by Schenley.

Stagg-Finch Distillers Corporation, organized under the laws of Delaware under the name of I. W. Harper & Affiliated Distillers, Inc., on June 3, 1942. All stock owned by Schenley.

California Vineyards Association, Inc., was organized under the laws of California, September 7, 1943. All stock is owned by Schenley or its subsidiaries.

Blatz Brewing Co. was purchased December 15, 1943, for a cash consideration of $6,000,000.

National Distillers Products Corporation

Rewco Distillery Co. was incorporated May 14, 1941, under the laws of Delaware. All stock is owned by National Distillers.

The Hannis Distillery Co. was incorporated on July 16, 1941, under the laws of Delaware. All stock is owned by National Distillers.

Italian Swiss Colony, a California corporation, was purchased for cash by National Distillers.

Gambarelli & Davitto, Inc., was incorporated December 11, 1942, under the laws of Delaware. All stock owned by National Distillers.

Gambarelli & Davitto, Inc. (Massachusetts), became a subsidiary of National Distillers on December 5, 1943, by cash purchase.

Glencoe Distillery Co., a Kentucky corporation, became a subsidiary of National Distillers on April 7, 1943, by cash purchase.

APPENDIX 6.—*Whisky inventories (original proof gallons) of each of the Big Four compared with each other and with the entire liquor industry on a percentage basis, 1939–43 (calendar years)*

Companies	1939	1940	1941	1942	1943 [1]
National Distillers Products Corporation:					
1. Original proof gallons	52,913,520	60,997,870	67,379,674	68,020,764	70,769,429
2. Percent of United States total	11.38	12.73	13.19	14.62	18.31
Schenley Distillers Corporation:					
1. Original proof gallons	82,005,417	86,356,548	95,882,860	96,940,725	86,247,431
2. Percent of United States total	17.63	18.02	18.76	20.65	22.38
Seagrams, Ltd.-Distillers Corporation:					
1. Original proof gallons	47,842,758	55,090,029	58,766,071	61,361,536	73,095,290
2. Percent of United States total	10.29	11.50	10.52	13.07	19.11
Hiram Walker-Gooderham & Worts, Ltd.:					
1. Original proof gallons	43,401,052	46,201,253	46,249,017	44,643,970	38,423,764
2. Percent of United States total	9.33	9.64	9.05	9.51	9.97

[1] Estimated.

APPENDIX 7.—*Acquisitions (registered distilleries and whisky) of each of the Big Four during calendar years 1939 through 1943*

Companies	1939	1940	1941	1942	1943	Total
National Distillers Products Corporation:						
1. Registered distilleries	0	2	2	0	2	6
2. Original proof gallons of whisky	1,548,817	7,707,611	3,990,587	5,276,512	14,931,735	33,487,262
Schenley Distillers Corporation:						
1. Registered distilleries	0	1	2	2	0	5
2. Original proof gallons of whisky	2,734,995	6,838,249	14,733,278	10,105,147	2,194,876	36,606,545
Seagrams, Ltd.-Distillers Corporation:						
1. Registered distilleries	0	1	1	5	4	11
2. Original proof gallons of whisky	0	6,496,247	949,692	15,013,813	24,342,104	46,801,856
Hiram Walker-Gooderham & Worts, Ltd.:						
1. Registered distilleries	0	0	1	1	0	2
2. Original proof gallons of whisky	232,357	1,707,529	3,674,505	4,507,340	49,225	10,170,956

APPENDIX 8.—*Production (tax gallons by fiscal years) of the registered distilleries of each of the Big Four compared with each other and with the total production of the entire liquor industry on a percentage basis, 1939–43 (fiscal years)*

Companies	1939	1940	1941	1942	1943	Total
National Distillers Products Corporation:						
1. Tax gallons	18,448,395	15,945,605	18,421,499	19,744,189	3,752,172	76,311,260
2. Percent of United States total	19.84	16.11	15.12	16.42	19.21	16.82
Schenley Distillers Corporation:						
1. Tax gallons	9,591,925	19,139,136	23,471,872	20,999,782	2,595,451	76,598,166
2. Percent of United States total	10.31	20.14	19.26	17.46	13.29	16.89
Seagrams, Ltd.-Distillers Corporation:						
1. Tax gallons	2,949,968	3,778,493	6,944,026	5,718,328	408,257	19,799,072
2. Percent of United States total	3.17	3.82	5.70	4.76	2.09	4.36
Hiram Walker-Gooderham & Worts, Ltd.:						
1. Tax gallons	15,760,305	11,330,459	14,233,498	10,947,118	1,109,533	53,380,913
2. Percent of United States total	16.95	11.44	11.68	9.10	5.68	11.77

APPENDIX 9.—*California bonded wineries owned or leased by distillers as of Dec. 10, 1943*

	Location	Storage capacity	Date acquired
National Distillers Products Corporation:			
(1) Italian Swiss Colony	Asti	8,463,038	December 1942.
(2) Do	Clovis	5,174,474	Do.
Total		13,637,512	
(3) Shewan Jones, Inc	Lodi	2,035,707	February 1939.
Total		15,673,219	
Schenley Distillers Corporation:			
(4) Cresta Blanca Wine Co., Inc. (Colonial Grape Products Co.)	Elk Grove	1,631,784	September 1942.
(5) Cresta Blanca Wine Co., Inc. (Pacific Vineyard Products, Inc.)	Geyserville	550,000	January 1941.
(6) Cresta Blanca Wine Co., Inc	Livermore	1,170,000	Do.
(7) Cresta Blanca Wine Co., Inc. (Livermore Winery, Inc.)	do	360,000	October 1941.
(8) Cresta Blanca Wine Co., Inc. (Central Winery, Inc.)	St. Helena	1,717,684	November 1942.
Total		5,429,548	
(9) Roma Wine Co	Fresno	9,756,809	Do.
(10) Do	Healdsburg	348,694	Do.
(11) Do	Lodi	5,568,414	Do.
(12) Roma Wine Co. (Central Winery, Inc)	Kingsburg	7,607,000	Do.
Total		23,281,007	
(13) Schenley Distilleries, Inc. (Roma Wine Co., Inc.)	Manteca	1,473,666	May 1938.
Total		30,184,221	

APPENDIX 9.—*California bonded wineries owned or leased by distillers as of Dec. 10, 1943*—Continued

	Location	Storage capacity	Date acquired
Joseph E. Seagram & Sons, Inc.:			
(14) Paul Masson, Inc.	Saratoga	17,000	April 1943.
(15) Mount Tivy Winery	Reedley	2,108,100	December 1942.
Total		2,125,100	
Hiram Walker, Inc.:			
(16) Valliant & Sons Vineyards, Inc. (San Benito Winery)	Hollister	205,000	April 1943.
(17) Valliant & Sons Vineyards, Inc. (R. Martini Wine Co.)	Santa Rosa	1,672,880	August 1943.
Total		1,877,880	
Grand total		49,860,480	

APPENDIX 10

WINE STORAGE CAPACITY ON DEC. 31, 1942

	Gallons	Percent of State total
State total	215,493,637	100.00
National Distillers Products Corporation	15,673,219	7.27
Schenley Distillers Corporation	30,184,221	14.01
Distillers Corporation-Seagrams, Ltd.	2,108,100	.98
Hiram Walker-Gooderham & Worts, Ltd.		
Distillers total	47,965,600	22.26

WINE STORAGE CAPACITY ON DEC. 10, 1943

State total	215,493,637	100.00
National Distillers Products Corporation	15,673,219	7.27
Schenley Distillers Corporation	30,184,221	14.01
Distillers Corporation-Seagrams, Ltd.	2,125,100	.99
Hiram Walker-Gooderham & Worts, Ltd.	1,877,880	.87
Distillers total	49,860,480	23.14

APPENDIX 11.—*Number of active bonded wineries in California, total and those owned by distilleries, as of Dec. 10, 1943*

	Number	Percent of State total
State total	395	100.00
National Distillers Products Corporation	3	.75
Schenley Distillers Corporation	10	2.53
Distillers Corporation-Seagrams, Ltd.	2	.51
Hiram Walker-Gooderham & Worts, Ltd.	2	.51
Distillers total	17	4.30

APPENDIX 12.—*Wine produced[1]—1942 vintage season*

	Gallons	Percent of State total
State total	62,146,725	100.00
National Distillers Products Corporation	3,334,791	5.36
Schenley Distillers Corporation	7,660,362	12.36
Distillers Corporation-Seagrams, Ltd.	272,652	.44
Hiram Walker-Gooderham & Worts, Ltd.	911,728	1.47
Distillers total	12,199,533	19.63

[1] Cress production, before adjustments for losses, amelioration, etc.

APPENDIX 13.—*Wine inventories on Dec. 31, 1942*

	Gallons	Percent of State total
State total	122,971,174	100.00
National Distillers Products Corporation	9,068,452	7.37
Schenley Distillers Corporation	19,918,996	16.20
Distillers Corporation-Seagrams, Ltd.	927,697	.75
Hiram Walker-Gooderham & Worts, Ltd.	1,494,333	1.22
Distillers total	31,409,478	25.54

APPENDIX 14.—*Wine sales volume—1942 calendar year*

	Gallons	Percent of State total
State total	96,119,146	100.00
National Distillers Products Corporation	8,071,616	8.39
Schenley Distillers Corporation	13,252,793	13.79
Distillers Corporation-Seagrams, Ltd.	1,223,266	1.27
Hiram Walker-Gooderham & Worts, Ltd.	1,110,938	1.15
Distillers total	23,658,613	24.60

ADDRESS BY SENATOR JACKSON BEFORE THE CONNECTICUT DEMOCRATIC STATE CONVENTION

[Mr. MALONEY asked and obtained leave to have printed in the RECORD the address delivered by Senator JACKSON before the Democratic State Convention of Connecticut on August 4, 1944, which appears in the Appendix.]

EDITORIAL COMMENTS ON RETIREMENT OF JAMES A. FARLEY

[Mr, BARKLEY asked and obtained leave to have printed in the RECORD an editorial from the New York Times of July 10; an editorial from the Brooklyn Citizen of June 15; an editorial from the New York Enquirer of July 17 commenting upon the retirement of Hon. James A. Farley as chairman of the New York State Democratic Committee, which appear in the Appendix.]

FEDERALIZATION OF MEDICINE

[Mr. WHITE (for Mr. NYE) asked and obtained leave to have printed in the RECORD an article entitled "The Doctors" by Frank C. Waldrop, published in the Washington Herald of July 31, 1944, which appears in the Appendix.]

CONTROL OF THE PRESS

[Mr. WHITE (for Mr. NYE) asked and obtained leave to have printed in the RECORD an article entitled "F. C. C. Probe Bares Plan To Control Press," by William Edwards, published in the Washington Times-Herald of June 18, 1944, which appears in the Appendix.]

CONTROL OF LONDON PRESS—ARTICLE BY J. LOY MALONEY

[Mr. WHITE (for Mr. NYE) asked and obtained leave to have printed in the RECORD an article entitled "British Ruling Class Controls London Press," by J. Loy Maloney, published in the Washington Times-Herald of July 16, 1944, which appears in the Appendix.]

PUBLIC HEALTH SERVICE DRIVE ON TUBERCULOSIS

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an article entitled "Health Service Plans New Drive on Tuberculosis," published in the Washington Evening Star of August 3, 1944, which appears in the Appendix.]

THE PHILADELPHIA TRANSIT STRIKE

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an editorial entitled "We Didn't Slip; We Was Pushed," published in the Philadelphia Record of August 7, 1944, which appears in the Appendix.]

A SOLDIER AT THE PEACE TABLE

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an editorial entitled "A Soldier at the Peace Table," published in the Washington Times-Herald of August 7, 1944, which appears in the Appendix.]

COMMENDATION OF THIRTY-SIXTH INFANTRY DIVISION

[Mr. CONNALLY asked and obtained leave to have printed in the RECORD an article entitled "Valorous Deeds of Texas Thirty-sixth Wins General's High Praise," published in the Dallas News, which appears in the Appendix.]

STATEMENT BY R. S. REYNOLDS BEFORE TRUMAN INVESTIGATING COMMITTEE

[Mr. HILL asked and obtained leave to have printed in the RECORD a statement by R. S. Reynolds, president of Reynolds Metals Co., before the Truman investigating committee at its request, on June 19, 1944, and also an editorial by I. F. Stone on Mr. Reynolds' statement, which appear in the Appendix.]

THE FARM SURPLUS PROBLEM

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an editorial entitled "Senate Revives Bill To Provide Permanent Farm Surplus Solution," published in Printers' Ink, which appears in the Appendix.]

WAR MOBILIZATION AND POST-WAR ADJUSTMENT

Mr. MURRAY. Mr. President, at the last session of the Senate consent was given to file a report on the bill (S. 2061) to provide a national program for war mobilization and post-war adjustment, which was a subject under consideration by the Senate Committee on Military Affairs. Pursuant to the consent given, the bill was reported during the recess, a report (No. 1036) was submitted thereon, and the bill has now been printed and is on the calendar and available to Members of the Senate.

ORGANIZATION OF CONGRESS

Mr. MALONEY. Mr. President, since it appears that no Senator is now trying to obtain the floor I ask unanimous consent, out of order, for the immediate consideration of Senate Concurrent Resolution 23. I should like to suggest, if I may, that it is a proposal which has been before the Senate for a long time.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Con. Res. 23) establishing a joint committee on the organization of Congress.

Mr. WHITE. Mr. President, I ask the Senator from Connecticut if this is the resolution that was considered by the Rules Committee and reported by that committee?

Mr. MALONEY. It is.

Mr. WHITE. It proposes, as I understand, a study of the methods of procedure of both the Senate and the House?

Mr. MALONEY. That is correct. I will say to the distinguished minority leader that he was an able member of the committee which reported the resolution.

Mr. BARKLEY. Mr. President, will the Senator advise the Senate what sort of joint committee it is that the resolution proposes to create?

Mr. MALONEY. Yes; I shall be pleased to do so. The resolution provides for a joint bipartisan committee composed of six Members of the House of Representatives and six Members of the Senate, not more than three of whom in either body shall be a member of the same party. The members of the committee on the part of the House would be appointed by the Speaker and members on the part of the Senate by the President of the Senate. The resolution provides for nothing more than a study. The original resolution was amended by the Committee on Rules and unanimously reported to the Senate by the committee.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. CONNALLY. What does the Senator have to say in connection with the proposal about the constitutional requirement that each House is the judge of its own procedure, its own rules, and things of that kind? Is it proposed to enact a statute of some kind affecting both the House and the Senate?

Mr. MALONEY. No; it is not. The resolution specifically provides that the committees of either House shall not trespass upon the right of the other body.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. MALONEY. Yes; I yield to the Senator from Maine.

Mr. WHITE. My recollection of the matter is that the concurrent resolution, as reported, provides specifically that the members of the proposed joint committee on the part of the Senate shall have no voice in affecting in any manner either the rules or the practice of the House?

Mr. MALONEY. That is correct.

Mr. WHITE. And by the same token, the House members shall have nothing to do with the rules or the practice of the Senate. But as I remember the situation, it was thought that members of the committee from the two Houses might sit together whenever the occasion required. Of course, at times I suppose a question may arise dealing with joint interests, a question of comity between the two Houses, and the practice with respect to matters pending between the two Houses, moving from one House to the other, and back and forth. We thought such questions might properly come within the jurisdiction of such a joint committee. But it is true, I take it, that the House members of the committee will have no authority to speak or vote with respect to Senate procedure.

Mr. MALONEY. That is correct.

Mr. WHITE. And Senate members of the committee will have no such authority with respect to House procedure.

Mr. MALONEY. That is correct.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. CONNALLY. I do not wish to seem to be allergic to information or to enlightenment, and I shall not object to the concurrent resolution, but it seems to me that it offers very little hope of any concrete progress along the lines suggested by those who have been speaking about the need for reform in the methods and procedure of Congress. The Senate, under the Constitution, is the judge of its own rules and proceedings. The same statement applies to the House of Representatives. That situation exists, of course, except with respect to conferences and similar matters, and the rule that neither body shall reflect on the other, and so on. But I do not agree with the views that our procedure and our conduct in the Senate need so much revision and so much overhauling.

Mr. MALONEY. Will the Senator from Texas permit me to interrupt him for a moment?

Mr. CONNALLY. Yes.

Mr. MALONEY. I wish to read a provision of the concurrent resolution:

> Nothing in this concurrent resolution shall be construed to authorize the committee to recommend any amendment to or change in the parliamentary rules governing proceedings in either House.

Mr. CONNALLY. What, then, is the committee going to do? Will it talk and debate and hold hearings and print voluminous hearings which no one will ever read? I do not agree with the idea that the Senate is all out of gear and needs reforming. I do not think that is true of the other House. Each body, within its proper functioning, is sovereign, and we can reform ourselves right here if it is necessary that there be reform. I do not see any other way of operating a parliamentary body than along the general line we have been operating during all these years. Measures are introduced and referred to committees. Consideration of them is had by committees. Measures are reported to the Senate or to the House, as the case may be. It may be that some of the rules of the Senate need revision; I rather think that some of them ought to be revised; but that is entirely within our competence. We do not need a joint committee to tell us that. We have a Rules Committee, and we have other Senate committees whose members are experienced with respect to Senate procedure.

I shall not object to the concurrent resolution, but I simply wish to express the thought that I do not quite agree that our system needs a complete overhauling, and streamlining, as it were, remodeling, the addition of a whole lot of new gadgets, and all that sort of business. I am pretty well satisfied with the manner in which the Senate has been functioning for many years.

Mr. MALONEY. I thank the Senator, and especially for his statement that he is not going to object to the concurrent resolution.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. MALONEY. I yield to the Senator from Ohio.

Mr. BURTON. I simply wish to ask the Senator from Connecticut a question. As I understand it, the concurrent resolution expressly provides that the proposed committee shall not even recommend any amendment to or change in the parliamentary rules governing proceedings in either House?

Mr. MALONEY. That is correct.

Mr. BURTON. Therefore the committee's recommendations will deal with procedure on other subjects than parliamentary rules?

Mr. MALONEY. That is correct.

Mr. BURTON. And that might involve such questions as joint operations, in which both Houses may have a common interest. But as to those recommendations, under the measure as reported by the committee, there will be no recommendation made by the committee except upon a majority vote of the members representing each House, taken separately?

Mr. MALONEY. That is correct.

Mr. BURTON. So we have a procedure that will call for recommendations from both Houses separately on subjects that may very well involve questions of joint interest to both Houses. For this reason, there should be a joint consideration of many of those issues.

Mr. MALONEY. That is correct.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. VANDENBERG. I merely want to make a brief comment regarding the observations made by the able Senator

from Texas [Mr. CONNALLY]. Of course, the Senator is totally correct in his theory that each House is and should continue to be sovereign over its own rules. But the one great advance, in my opinion, which was made in the general over-all congressional organization for the sake of efficiency was made when the Joint Committee on Internal Revenue Taxation was created, with a permanent standing staff. In my opinion, the greatest opportunity for increase in congressional efficiency and of arming it with adequate facilities to function lies in the direction indicated by that precedent and example, because I am confident that in at least two or three other major particulars the creation of joint standing committees, supplemented by regular staffs of experts, offers a tremendous opportunity for more effective congressional information, and therefore more effective congressional action when the time comes.

Mr. MALONEY. I thank the Senator from Michigan.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MALONEY. I yield to the majority leader.

Mr. BARKLEY. My attention has been called to what evidently was an oversight, which is a violation of the Senate rules. The concurrent resolution was reported on the day the Senate adjourned in June. Under the rules, carrying as it does an appropriation, the concurrent resolution should have gone to the Committee to Audit and Control the Contingent Expenses of the Senate, like all other measures making appropriations. I am afraid that if the concurrent resolution is acted upon now in violation of the Senate rules it may rise to plague us in the future with reference to other measures appropriating money. I am sure the Senator from Connecticut did not think about it, and it had not occurred to me. But under the rules of the Senate all measures carrying appropriations of money out of the contingent fund automatically go to the Committee to Audit and Control the Contingent Expenses of the Senate. I rather think that this measure ought to proceed in that way. I, of course, had no intention of objecting to the consideration of the concurrent resolution by the Senate, but I think the measure ought to pursue the regular course under the rules, if the Senator will permit me to make that suggestion.

Mr. MALONEY. I thank the Senator from Kentucky, and I shall undertake to meet that suggestion, if I may, in a moment.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. PEPPER. I wish to be one of those who heartily commend the enterprise and the quality of leadership exhibited by the able Senator from Connecticut in promulgating this concurrent resolution. We hear a great deal of talk these days about the legislative branch of the Government having larger responsibilities and exercising the responsibilities which it has under the Constitution. I think a great many of us feel that if the legislative branch of the Government is to do that, it is not only going to have to streamline, if we may use a modern word, its own procedure and its own organization, making it more efficient and more responsive to the demands upon it, but in addition to that it may have to do certain other things, as for example, as has been pointed out by the able Senator from Michigan [Mr. VANDENBERG], the appointment of permanent standing staffs of committees. The Senator mentioned the Joint Committee on Internal Revenue, which has its own research staff. That committee does not have to rely exclusively upon the executive branch of the Government for information which it must have in order to perform its duties. I am sure that matter will come within the study of the committee proposed to be established by the concurrent resolution sponsored by the Senator from Connecticut [Mr. MALONEY].

I am not at all sure but that there may have to be some closer cohesion in our legislative units and in all the bodies, and there may have to be greater authority vested in the two leaders, or in the majority leader, so that someone shall have more direct responsibility for the functioning of the legislative branch of the Government. I am not at all sure but that we are going to have to make some provision so that committees may be thrown together, or there may be appointed a committee which will have an over-all jurisdiction concerning certain matters, or some committee which will have responsibility to see to it that certain legislative steps are taken and that a program might be formulated when required. So, the present proposal is in the interest of progress, in my opinion, and it is in the interest of the greater performance of legislative duties by the legislative branch of the Government. I heartily endorse the concurrent resolution. The study to be made will be an intelligent study, by an intelligent committee. We can then decide, when we hear the recommendations, which of them need to be put into effect. The Senator certainly is on the track of progress, and I commend his good efforts.

Mr. MALONEY. I thank the Senator.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. GILLETTE. I can fully understand the perturbation expressed by the Senator from Texas with reference to the concurrent resolution which has been presented. I wish to make this comment: As I recall, the same questions which he has raised were raised by every member of the Rules Committee, which, of course, includes the distinguished majority leader and the distinguished minority leader.

Mr. BARKLEY. I am not a member of that committee.

Mr. GILLETTE. Has the Senator withdrawn from that committee?

Mr. BARKLEY. I have never been a member of it.

Mr. GILLETTE. A resolution was submitted, of which I was the author, calling for a study and possible revision of the Senate rules. That resolution is in the hands of a subcommittee headed by the distinguished senior Senator from Alabama [Mr. BANKHEAD]. After a full discussion in the Rules Committee, and after hearing the distinguished Senator from Connecticut, it was evident to all of us that there was a field which could not be reached under the constitutional provision by which each body controls its own rules. Because of the fact that there was such a field, it seemed to invite careful study of congressional procedure so as to bring it into conformity with the system of rules which has grown up as a result of the decisions of parliamentarians and presiding officers. The Rules Committee unanimously endorsed the purpose of this resolution. I am sure that nothing which may result from this resolution in the way of proposed legislation will or could interfere with the constitutional prerogatives of each body.

Mr. MALONEY. I thank the Senator.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. CONNALLY. My view is that the philosophy of having two Chambers, as provided by the Constitution, instead of one, is based upon the idea that each Chamber shall approach these questions in its own way. If we are to merge the two bodies, as it were, and have a unicameral legislature, that is another question. I do not favor it, but there are those who do. However, it seems to me that the idea that the two separate bodies shall pass legislation presupposes that each shall approach it in its own fashion and under the constitutional warrant that each has authority to adopt its own rules of procedure.

I hope I am not standing in the way of progress. If I am, I shall be demolished, as I have often been in the past. I shall look forward to the labors of the committee with a great deal of interest. I hope it will bring forth something which will be of benefit. I do not wish to make any commitment until I see what comes out of the bag. When one puts his hand into a prize bag and draws blindly, he may get something and he may not.

I commend the Senator's industry and enterprise in undertaking to revamp Congress. It has stood for about 150 years under the Constitution. It is now cussed and abused all over the country. The reason it is being cussed and abused is that the country thinks that the Congress is not standing up for the things it should stand for—for its own integrity, for its own power and authority, authority within our own legislative loins, as it were. That is why we are being abused and denounced.

So far as I am now advised, I will oppose to the limit of my poor ability any proposal which would lessen the integrity, power, and strength of the Senate by a merger of its authority with that of the House of Representatives, or with any executive commission or executive authority whatever.

Mr. MALONEY. Mr. President, let me say that when that day comes, if it ever comes, if I am here I shall certainly

associate myself with the distinguished Senator from Texas.

The principal purpose of the resolution is to strengthen the Senate, and to give further strength to the entire Congress, so that it may, more properly than it has done recently, meet its responsibilities and give further strength to the entire governmental structure.

Mr. President, because of the thoughtful suggestion of the distinguished majority leader [Mr. BARKLEY] that in its present form the resolution should be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, with the permission of the Senate I should like to change the language as follows:

On page 3, line 24, strike out the word "the" and strike out the words "which shall not exceed $10,000", so as to read:

Any expenses of the committee shall be paid one-half—

And so forth. Thus no appropriation would be requested; and if the resolution should be passed by the Senate, and later by the House, we could then take up with the Committee to Audit and Control the Contingent Expenses of the Senate the question of funds.

The ACTING PRESIDENT pro tempore. The parliamentarian suggests to the present occupant of the chair that the distinguished Senator's suggestion would not suspend the operation of the rule referred to, and that agreement to the Senator's request for the present consideration of the resolution would have the effect of unanimous consent to suspend section 1 of rule XXV.

Mr. MALONEY. Mr. President, I ask that unanimous consent.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BARKLEY. Mr. President, reference of the concurrent resolution to the Committee on Audit and Control would not involve more than a day or two of delay. In view of that situation, instead of striking out the language referred to—the Senator would want it in the resolution ultimately—I suggest that the concurrent resolution take the usual course of going to the Committee to Audit and Control the Contingent Expenses of the Senate. I shall be glad to facilitate as much as I can a prompt report from the committee. I would rather take that course than to give unanimous consent to abrogating the rule under which we operate in regard to appropriations from the contingent fund.

Mr. MALONEY. Mr. President, I gladly yield to the suggestion of the distinguished majority leader, and I thank him for his offer of help in obtaining consideration of the proposal before the Committee to Audit and Control the Contingent Expenses of the Senate.

The ACTING PRESIDENT pro tempore. Is the Chair correct in assuming that the Senator's request for the present consideration of the concurrent resolution is withdrawn?

Mr. MALONEY. That is correct.

Mr. BARKLEY. And that the concurrent resolution is to be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. MALONEY. That is correct.

The ACTING PRESIDENT pro tempore. Without objection, Senate Concurrent Resolution 23 is referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

PERSONAL REPORT BY SENATOR TRUMAN ON THE SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM

Mr. TRUMAN. Mr. President, one of the most difficult decisions I have ever had to make was that to resign as chairman of the Special Committee to Investigate the National Defense Program. I consider it a very great privilege to have served with that committee.

In the last war I had an opportunity to observe the waste and confusion which always exist in a period of great emergency when many important decisions must be made overnight and carried out by inexperienced staffs.

When the President advocated a program for preparedness over the opposition of many of our isolationists, I wholeheartedly supported that program. It was another and perhaps the greatest instance of the ability which he has so frequently shown to see into the future and determine the right course for this Nation.

But as a soldier who had deplored the waste and confusion in the last war I believed that our preparedness program should be subjected from the very first to intelligent and honest investigation so that mistakes could be caught before the damage had been done.

The old saying that it does no good to lock the barn door after the horse has been stolen could properly be amended to read: "It does not do much good after the horse has been stolen to find out why the barn door was not locked." After the last war we witnessed the spectacle of more than a hundred congressional committees conducting a post-mortem into the war program. In almost every instance, majority and minority reports were submitted, the majority trying to make it appear that everything that had been done was bad, and the minority that perfection had been achieved.

Those investigations were useful, but not nearly so useful as they could have been if they had been conducted simultaneously with the war program and in an unbiased and an unprejudiced manner.

Early in 1941, when our program was just getting under way, I suggested that a committee be created to investigate the program and to correct mistakes before they could do great damage. My suggestion was adopted, and the Senate created the Special Committee to Investigate the National Defense Program.

My colleagues have deeply honored me by referring to it as the Truman committee, and I have worked hard to make it a success. But I want to emphasize again, as I have so often done in the past, that the accomplishments of the special committee have not been those of 1 man. They are due to the splendid teamwork of 10 members, who have given unsparingly of their time and energy, and to the work of what I think is the ablest staff ever assembled by any congressional committee.

The 10 members of the committee, 6 of them Democrats and 4 Republicans, represent every section of the country, North, South, East, and West, and nearly every shade of opinion. I say nearly every shade because there was one point of unanimous and complete agreement, namely, that it was necessary to prepare this country for the greatest emergency that ever faced it, and to do this quickly and at the least cost in lives and property. All the members of this committee have constantly borne that objective in mind, and to achieve it have submerged their political differences.

All my life I have been a Democrat and a supporter of the Democratic Party, and I expect to remain so. But I have repeatedly emphasized the tremendous help and assistance which has been given to the committee by its four Republican members: OWEN BREWSTER, of Maine; JOSEPH BALL, of Minnesota; HAROLD BURTON, of Ohio; and HOMER FERGUSON, of Michigan. They have always been a tower of strength, and I want again publicly to acknowledge this and personally thank them from the floor of the Senate.

Similarly, I want to refer to the great work of my Democratic colleagues on the committee.

JAMES MEAD, of New York, has unanimously been elected chairman of the committee, and I am just as certain as all of you who know him that under his leadership the committee not only will carry on, but will reach new levels of achievement. He has been an able chairman of the Subcommittee on Steel, Labor, and Transportation, and has served as a member of the Subcommittees on Shipping and Renegotiation of Contracts.

MON WALLGREN has done a splendid job as chairman of the Subcommittee on Aircraft and of the Subcommittee on Light Metals, and he is a member of the Subcommittee on Shipping. He was particularly farsighted in recognizing at the very outset the necessity of vastly expanding our facilities for the production of aluminum and magnesium and the importance to our future of evolving new processes and methods for using these magic metals.

CARL HATCH, of New Mexico, acted as the chairman of the Subcommittee on Renegotiation of Contracts, which made a thorough and exhaustive investigation into the profits being made by war contractors and the methods of administering the renegotiation statute, the necessity for which was first declared by this committee in January 1942. Most of the recommendations of this Subcommittee on Contract Renegotiation were enacted into statute in the recent tax bill. It constituted a major contribution toward the double purpose of protecting the Government against improper profits and protecting businessmen against unfair treatment by arbitrary application of the renegotiation statute.

HARLEY KILGORE, of West Virginia, is one of the most tireless workers on the committee. He is chairman of the Subcommittee on Manpower, which in October 1942, long before others were worried about manpower, outlined the im-

portant problems and made specific and definite suggestions. Many of those suggestions have since been adopted. Senator KILGORE is also chairman of the Subcommittee on Merchant and Naval Shipping and is a member of other subcommittees, including those on aircraft, light metals, and steel.

TOM CONNALLY, of Texas, was so active as chairman of the Foreign Relations Committee that he did not have time to act as chairman of a subcommittee of the special committee, but he has served ably as a member on the manpower subcommittee, and constantly has assisted the committee with advice and counsel.

The determination of the members of the committee to do the job that was entrusted to them by the Senate is best illustrated by the fact that the committee has submitted more than 30 reports on the most controversial and important subjects of the day without having a single minority report. That is a record which I believe has never been equaled or even approached by any other investigating committee of the Congress.

The committee is proud of its record. In the spring of 1941, when business and Government officials alike thought we had sufficient capacity for aluminum and steel, the committee urged the creation of new facilities that later were sorely needed.

In the latter part of 1941 the committee urged that automobile and other plants that could make war goods should be converted to war production. The committee's action in this respect finally culminated in a sharp criticism of Mr. Philip Reed and other dollar-a-year men who could not be convinced that conversion was necessary. Shortly afterward Mr. Reed went to London, and full conversion was accomplished.

In January 1941 the committee demanded that the Office of Production Management be reorganized and placed under the control of one man. The result was the appointment of Donald Nelson and the creation of the War Production Board.

Four months before the appointment of Mr. Charles E. Wilson the committee recommended that the War Production Board set up a section charged with overall planning for aircraft production and to be headed by a trained production executive drafted from industry.

The committee made a thorough investigation of the situation as to rubber in the early part of 1942, and 6 weeks before Mr. Baruch was appointed the committee submitted a report the recommendations of which read almost word for word with those of the report later submitted by Mr. Baruch.

In October 1942, the committee sent a report on manpower to the President, many of the recommendations of which have since been carried out.

Similarly, the committee was months ahead in its appreciation of the necessity of assuring that farm machinery and transportation facilities be produced in quantities sufficient to prevent a breakdown of vital agricultural programs and transportation facilities.

Similarly, the problems of reconversion, about which many people, including some of our Governors at a recent conference, belatedly have become concerned, were emphasized in a report submitted by the committee last November. Specific methods of dealing with those problems were set forth in March in the committee's third annual report. Progress has been disappointing, because many new needs have arisen and because the armed services have been bitterly opposed to taking any action.

These are only a few of the many subjects unanimously agreed upon by the committee. It was possible for the committee to make this record only because every member of the committee placed the interests of the country above everything else, and because the committee made its reports factual, and avoided conclusions. There is no substitute for facts. When the facts are clear and are known, unbiased men do not differ as to conclusions.

Great credit for this record must be given to the staff which assembled the facts from every source available, analyzed them, and placed them before the committee in a fair, impartial, and clear-cut manner which enabled the members of the committee easily to understand them and to make sound determinations with respect to them.

The staff has not been large, but it has been able. It has been headed from its inception by Hugh Fulton, as chief counsel. He is a most skillful attorney, a man of judgment, of broad experience and honesty of purpose. He has been of invaluable assistance to the committee, and his contribution has been one of its greatest assets. At all times I have relied heavily upon him, and I cannot commend him too highly.

Rudolph Halley, the newly designated chief counsel of the committee, has worked with Mr. Fulton since 1938, and is a man of the greatest ability. He has acted as counsel for a number of subcommittees, as well as executive assistant to Mr. Fulton, and his work deserves the highest commendation.

Mr. George Meader, as well as his predecessor, Mr. William E. Russell, Jr., did splendid work as assistant counsel to the committee, particularly on the very important questions of transportation and farm machinery.

Mr. Samuel B. Stewart, Jr., deserves the highest commendation for the handling of his work as special counsel on price readjustment.

Mr. Matthew Connelly and his predecessor, Mr. William Boyle, were of very great assistance to me in their capacity of executive assistant to the chairman. I am sure that Mr. Connelly will do the same excellent job for Senator MEAD.

Mr. Harold G. Robinson, the committee's chief investigator, deserves special commendation for the splendid work he has done in ferreting out the facts. No job has been too difficult for him.

The committee has also been fortunate in having a number of able investigators, most of them young lawyers and accountants. They have all done good work, and I want to refer to them by name: Wilbur Sparks, Donald Lathrom, Franklin Parks, William Cole, Walter Hehmeyer, Robert Irvin, Russell Searl, Joe Martinez, Harry Magee, Haven Sawyer, Marion Toomey, and Agnes Strauss.

I also want to thank the secretaries and stenographers for their loyal cooperation and hard work, and particularly to mention the work of Lydia Lee in assembling and distributing the committee's reports and the transcripts of its hearings, and of Margaret Buchholz for her services as clerk of the committee.

The work of this committee has demonstrated what can be accomplished through investigation by committees of the Congress. Our industrial economy has become so complex and the necessary changes so numerous that it is impossible for the Congress in legislating to provide all the safeguards which are necessary for proper administration. If an attempt were made to do so, great delays would ensue, and in many cases the detailed requirements of specific legislation would be harmful rather than beneficial.

For these reasons it is important that Congress not only continue but enlarge its work of investigation. In my opinion, the power of investigation is one of the most important powers of the Congress. The manner in which that power is exercised will largely determine the position and prestige of the Congress in the future. An informed Congress is a wise Congress; an uninformed Congress surely will forfeit a large portion of the respect and confidence of the people.

The days when Webster, Clay, and Calhoun personally could familiarize themselves with all the major matters with respect to which they were called upon to legislate are gone forever. No Senator or Representative, no matter how able or diligent, can himself hope to master all the facts necessary to legislate wisely.

The accomplishments of the Truman committee—and I am referring now to the other members of the committee and to its staff rather than to myself—present an example of the results that can be obtained by making a factual investigation with a good staff. Similar accomplishments can be made by other special committees, as well as the standing committees of the Congress, and I particularly urge upon the Senate that it be liberal in providing ample funds for the prosecution of proper investigations. The cost of a good investigation is negligible when compared with the results which can be obtained.

Mr. HATCH. Mr. President, I returned to Washington only this morning. I did not know that the chairman of our committee, the Senator from Missouri, would make the address which he has just delivered. Had I known of it I would have endeavored to prepare something which, in a measure, would have been an adequate statement in behalf of myself, at least, as one member of the committee, in appreciation of the work which the chairman of the committee has done.

I noted throughout the statement that the chairman of the committee modestly disclaimed any credit for himself, giving to the members of the committee and to the staff full credit for all accomplishments of the committee. I agree

with everything which the Senator said about the work and accomplishments of the committee, about the staff and the members of the committee, and about the members of the minority party. Everything that he stated was entirely true. I have never served on any committee with men on whose part there was such complete lack of partisanship as there has been in connection with the work of the Truman committee. We have worked together harmoniously and have striven to accomplish what we thought would be good for the country. I believe that the results speak for themselves.

However, Mr. President, it was not of that that I rose to say a word. As I have already said, the chairman made a report which I presume is considered by him to be a report of the work of the committee. It was characterized by complete modesty on his part as the committee's chairman. As a matter of fact, Mr. President, had it not been for the harmony developed by his leadership, the work of the committee might have not been what it was. In his own mind the Senator from Missouri conceived this committee. He submitted the resolution under which it was first authorized. I am sure he participated in the selection of the members of the committee. He took an active part in the work of the committee throughout all the months and years of its existence. He has led but has never driven. He has been wise, kindly, firm, and courageous. Whatever the Truman committee has accomplished, Mr. President, is but a reflection of the integrity, wisdom, and courage of its chairman, Hon. HARRY S. TRUMAN, the junior Senator from Missouri.

NATIONALISTIC AND IMPERIALISTIC AIMS OF CERTAIN NATIONS—FINLAND'S POSITION

Mr. REYNOLDS. Mr. President, about 6 months ago I cut out of the Times-Herald an article by Mr. Frank Waldrop. I read it with a great deal of interest, and I preserved it. It is entitled "The Great Lie." I wish to add a subhead which I would entitle "Facts Do Not Hinder Pravda, However, in Its Little Campaign To Put Over Everything J. Stalin Wants."

At approximately the same time I cut from the same newspaper the daily column entitled "These Charming People" by Austine Cassini. She makes mention of both England and Russia as being nationalistic and imperialistic nations. I ask unanimous consent to have published in the body of the RECORD, as a part of my remarks, the two articles to which I have referred, together with another article which I cut out of the Washington News several months ago. The article was written by Mr. William Philip Simms and deals with Finland's present position. In the closing paragraph he states:

Finland's position today is tragic. She remains the same liberal republic she was in 1939–40—the toast of Churchill, Roosevelt, and democratic statesmen everywhere. But circumstances have made her an associate, though not an ally, of Germany, and she is technically at war with Britain, her old friend and admirer. And neither America nor Sweden can now do very much for her.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD the three articles to which I have referred, because we now have before us the tragic situation of Finland and Poland, which today apparently is to be paritioned by one of our allies and taken over as the result of the organization of a committee which was founded in Moscow, and for the further reason that Finland, it appears, is trying to make some sort of deal with one of our allies, Russia, to preserve her life and to save what few of her cities and what few of her sons are left after the desperate struggle which has been waged along her far-away borders.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE GREAT LIE

(By Frank C. Waldrop)

The Poles are becoming an absolute embarrassment to their great friends and allies, His Majesty's Government for the United Kingdom of England, Ireland, Scotland, and Wales, and the dominions beyond the seas.

The Poles keep insisting that Poland is Poland, temporarily occupied by the Germans, shortly to be occupied by the Russians—and so far as the Poles are concerned, again only temporarily.

That's the wrong attitude. The Poles should listen to reason. It is true that His Majesty's Government of the etc., etc., back in 1939, advised and urged the Poles to fight Hitler because he wanted to annex the Baltic seaport of Danzig and cut a short highway across Poland to reach it.

The Poles rightly took the view that Adolf was just getting the camel's nose under the tent insofar as their national independence was concerned, and so they hit the said nose as hard a whack as they could. While they were doing so, as all the world recalls, they got a slug on the back of the neck from Adolf's great pal, J. Stalin.

And what role did His Majesty's Government for the etc., etc., play in this? Check the Encyclopedia Britannica yearbook for 1940 (which reviews the events of 1939) and you will there find the official details.

Briefly, Poland had her chance to tie in with either Germany or Russia as late as March 1939. Each was offering her a deal. But she refused them both and put her faith in His Majesty's Government. Why?

Well, on March 31, 1939, the British Prime Minister rose in the House of Commons and announced that the British Empire and the Republic of France had agreed to give Poland the fullest aid in their power "in the event of any action which clearly threatened Polish independence and which the Polish Government, accordingly, considered as vital to resist with their national forces."

All of which is ancient history, now, of course, and hardly worth mentioning except that one day the origins of this war will be called up for calm review and we will be given a chance again to think for ourselves concerning the genuine character of issues in Europe's eternal pursuit of war as the solution of its ills.

The great promise given at the outset of this war was that Britain and France would fight for Poland if she were attacked by any enemy whatsoever.

Half of that promise has been delivered. Britain declared war on Germany when Germany invaded Poland.

But the other half of that promise wasn't delivered when Russia attacked Poland.

And now, after many events, the Poles are still on hand to plague them.

Yesterday, the Communist official newspaper in Moscow, Pravda, began to warm up the Reds for the big developments just ahead by accusing the Poles in Poland of being—believe it or not—pro-Nazi.

The Germans have not, as yet, been able to produce a single Polish Quisling, which is more than can be said in the case of the Russians, for last year they turned up with a Russian Quisling government complete at Smolensk headed by a former general of the central Russian army, Anton Vlasoff.

Facts don't hinder Pravda, however, in its little campaigns to put over anything J. Stalin wants. At the moment, he wants territory and subjects cut out of the hide of Poland.

He'll get same, too. Who can stop him?

Not the British. Yesterday in London His Majesty's Government suppressed a Polish newspaper which has been published in London for 4 years.

Why? Because the Polish newspaper was getting too noisy about coming events and stirring up "discord among the United Nations." That, in the great citadel of democracy and the home of a free press, etc., etc., etc., as we have heard.

We don't suggest Americans meddle into all this going on abroad, but we can watch closely and form judgments on this meaning of promises, by whatever nation given.

THESE CHARMING PEOPLE

(By Austine Cassini)

There are definite signs of worry among high British spheres over the Roosevelt-Stalin flirtation. The President of the United States had always wished to meet the great Red leader and come to a closer understanding with him. F. D. R. finally met Marshal Stalin at Teheran and he was so impressed with him that he almost forgot Winston Churchill over it. Now it's no longer a secret among White House visitors that Joe has taken Winnie's place on the President's list.

What harasses the leading British minds is that this friendship of Roosevelt with Stalin may leave England, on many occasions, without the formidable backing of the United States in many involved diplomatic questions with the Soviet Union. For while England and Russia are allied in the war against Germany, it's already apparent that the views and plans that these two great powers have about post-war Europe are often conflicting. While there's undoubtedly an earnest effort from both sides to come to a peaceful and harmonious settlement of aims, nevertheless the British cannot abandon the traditional policies of the Empire any more than the Russians seem inclined to abandon their very successful and realistic present foreign policy.

The truth of the matter is this: Both England and Russia are fighting for nationalistic and imperialistic aims. We are the only ones who are fighting mainly for questions of ideology. That's why it's probably difficult for us to understand why England and Russia aren't as easy to please as we are.

In the past, England and Russia fought wars over these conflicting views. Russia's aim was always to expand toward the Middle East and India. But England was always there to stop her. Today Stalin, who is following the long-range policy of Ivan the Terrible, Peter the Great, Catherine the Great, and Alexander II, sees this opportunity open for Russia again. Expansion to the Adriatic Sea through Slavic Balkan countries and through Iran and Iraq, where Soviet influence is greater every day, could be blocked only by England, who once again will have to invoke the policy of balance of power in Europe.

Stalin, however, seems to be catching the British out of breath every time. He's outstepping them. The move to recognize

Badoglio caught Churchill completely unprepared.

And the deal between Stalin and Badoglio, one hears, is that Russia intends to guarantee the return of her colonies to Italy. That's a blow to England, naturally.

FINNISH PEACE BID

(By William Philip Simms)

A Finnish bid for peace with Soviet Russia, perhaps with the sub rosa and unofficial backing of the Swedish and American Governments, is believed imminent.

Asserting that Sweden's interests are in the main identical with those of Finland, the influential Stockholm liberal daily, Dagens Nyheter, is urging the Government "to back boldly in various ways a purposeful and realistic Finnish peace policy."

Here in Washington, Finland is still regarded as a democracy whose continued existence is vital to the post-war set-up in Europe. And Secretary of State Hull's blunt reminder that peace feelers were up to her and that failure to make them might result in serious consequences to herself, was advanced only in the most kindly spirit.

In fact, it is felt here that nothing but the most realistic approach can save Finland. According to the Swedish News Exchange in this country, the Morgontidningen, Stockholm's principal labor organ, openly expresses the deepest anxiety regarding Finland's fate. "Finland's independence," it declared, "may soon be at stake and less and less intervention can be expected from the western democracies."

It is no secret that Sweden is genuinely alarmed. There are close ties between her and Finland. Their middle-way democracies are much the same. Should Finland lose her independence to become just another Soviet Republic under Moscow, Sweden, and Norway, both of which share frontiers with her, would feel themselves menaced.

Few informed observers here, however, believe that either the United States or Sweden can be of much help to Finland. The Soviet press now regularly denounces her in violent tones. Apparently even unconditional surrender would not be enough to satisfy the Russians, who want to destroy the Finnish Army and punish the country. The bombing of Helsinki, they warn, is merely the beginning.

It is quite possible that Moscow would refuse to consider peace terms from Finland at this time. On the contrary, she may be bent on making a dependency of that country as she tried to do in 1939, but failed because Finland—unlike Lithuania, Latvia, and Estonia—accepted almost hopeless war rather than lose her freedom without a fight.

It is significant that on December 1, 1939, shortly after the outbreak of the Russo-Finnish war, a Soviet "government" was set up at Terijoke, just inside the Finnish border. At the head of this "government" was Otto Kuusinen, a Finnish Communist who had made his home in Moscow for 20 years. Within 24 hours Moscow extended recognition to the Kuusinen regime and announced the conclusion of a 25-year pact of mutual assistance.

Finland, however, was not the pushover expected. So she was able to get a compromise peace in the spring of 1940. Sweden acted as go-between.

Finland's position today is tragic. She remains the same liberal republic she was in 1939–40, the toast of Churchill, Roosevelt, and democratic statesmen everywhere. But circumstances have made her an associate, though not an ally, of Germany and she is technically at war with Britain, her old friend and admirer. And neither America nor Sweden can now do very much for her.

COST OF POST-WAR LEGISLATION

Mr. REYNOLDS. Mr. President, there will come before the Senate tomorrow a bill introduced by our distinguished colleague, the senior Senator from the great Commonwealth of Georgia [Mr. GEORGE] proposing a method of taking care of the unemployed, and, furthermore, a bill reported by the Committee on Military Affairs a couple of days ago will be printed and on the calendar and on our desks tomorrow, dealing with reconversion and other post-war matters, and taking care also of millions of men and women now in uniform who are soon, I hope and pray, going to be returned from the European sphere of conflict. The bill by the able Senator from Georgia and that of the able Senators from Montana and West Virginia deal with an all-important subject, a subject which is a part of the war in which we are now engaged and which we pray to Almighty God may soon be ended. These bills deal not only with taking care of the soldiers and reconversion and with unemployment, but with millions upon millions of men and women who have been employed and are now employed in industry, who have made sacrifices to go into industry to aid patriotically in the war effort in which all the 135,000,000 people of America are vitally interested. The program involves the expenditure of vast sums of money.

We have up to the present time expended billions upon billions of dollars; as a matter of fact, within the past 10 years, I dare say this Nation has expended more money than any nation or combination of nations ever spent within a specified time of 10 or 12 years. A few months ago we placed upon the national debt a ceiling of $267 billion, which is more money than you or I, Mr. President, or anyone else can reasonably conceive within our respective minds. It is a sum so great that we can form no adequate conception of it. But despite the fact that we have a ceiling of $267,000,000,000, which will have been reached no doubt by the 1st of January, after which those interested in the financial structure of this country will have to come back to Congress itself and ask for an increase in the ceiling to the extent of many more billion dollars. I have predicted for the past 5 years that before the war shall have ended and its obligations liquidated the national debt will reach the enormous sum of $500 billion.

We know that all that money eventually comes from the people. It comes from the man in overalls and the women in our factories who from day to day toil and sweat; it comes from the products of their labor. That money does not come from the rich or the wealthy of this country, because they have been reduced to the point where they get only 8 cents out of every dollar they receive as income or produce or receive from any source. I am reminded that if all the money that comes into our Federal Treasury through the taxing system from the so-called wealthy or well-to-do or the rich were placed at the disposal of the Government, there would not be sufficient even to pay for the maintenance and operation of one of the divisions of Government. We know, therefore, that taxes come from those who produce, from the laboring men and the laboring women and the great middle class, constituting the great masses of this country. So in considering the bill presented by the able Senator from Georgia and the bill reported from the Military Affairs Committee, introduced by the Senator from Montana [Mr. MURRAY] and the Senator from West Virginia [Mr. KILGORE], it should be remembered that they are going to require billions of dollars in excess of the billions of dollars we are going to be called upon to pay in taking care of our returning soldiers.

Again I say that before this war shall have ended and before we have made a tabulation of its cost we will have a national debt far in excess of $500,000,000,000. I arrive at that figure because I am reminded of the fact that the cost merely of taking care of the soldiers of World War No. 1, and their dependents up to date, according to the testimony of General Hines, Administrator of Veterans' Affairs, has aggregated $15 billion, and before we shall have liquidated our obligations to the heroes of that war it will cost another $15 billion, making a total of $30 billion. During World War No. 1 we inducted in and out of uniform only about 4,200,000 men. During the present war, before it shall have ended in Europe and in Asia and all over the world, we will have inducted in and out of uniform men and women in the Navy and Army, the Coast Guard, the Seabees, and the Air Forces at least four times the number we had in World War No. 1, and I dare say that our casualties before this war shall have ended certainly will have been in excess of four times the number of casualties that we unfortunately and heartbrokenly experienced during World War No. 1. That being the case, we will be obligated to pay to veterans of this war, as a result of this war, about $130 billion.

All of that, Mr. President, must come from the people; it must come in a sense from the soil; it must of necessity be derived as the result of the labors of the great masses of the country. If the laborers and the masses of the country think that all that money is going to be paid by the wealthy and the so-called well-to-do they have an erroneous idea, because, after all, they themselves in the long run and in the finality have got to pay the cost. I make mention of these matters, as I stated a moment ago, to make it plain that the bills in question which are about to come before the Senate are going to cost billions upon billions of dollars; and therefore at the conclusion of my remarks, which is now, I ask that there be published in the body of the RECORD at this point a brief editorial by Benjamin De Casseres which concludes with the statement that "the power to tax is the power to enslave." This was published in the New York Mirror some months ago, perhaps 6 months ago.

I also ask to have printed in the RECORD another editorial from the same daily of March 6, 1944, entitled "Taxes Unlimited." Immediately after the publication of the two articles just referred to I ask to have published in the RECORD an article by Mr. Frank C. Waldrop in the Times-Herald of February 12, 1944,

entitled "He'll Have a Job." I wish to quote a statement from the article reading as follows:

The total capital stock of Government corporations outstanding on June 30, 1942, was $2,108,364,257. These corporations have 640 offices spread around the country.

The ACTING PRESIDENT pro tempore. Without objection, the papers submitted by the Senator from North Carolina will be printed in the RECORD.

The matters referred to are as follows:

[From the New York Daily Mirror]

THE MARCH OF EVENTS

(By Benjamin De Casseres)

Inch by inch, law by law, socialistic taxation crawls upon us.

First tax the pants off of us. Then we will be handed a pair of pants by the Government.

Inch by inch, law by law, the socializers will absorb all you've got. Then you can live on the alms of the State and work on public improvements. You will be a number. You will be paid a cut-and-dried wage. If you strike you will be arrested as a subverter of the public welfare.

The power to tax is the power to destroy, to enslave.

[From the New York Daily Mirror of March 6, 1944]

TAXES, UNLIMITED

"The art of taxation consists in so plucking the goose as to obtain the largest amount of feathers with the least amount of hissing," said J. B. Colbert, nearly 300 years ago.

Which shows that with the march of the centuries the political goose-pluckers keep perfect step.

In the United States there is a movement afoot to put a curb on the taxing power of the Government that ought to interest us all, regardless of income or social position.

The New Jersey Senate recently requested Congress to consider a constitutional amendment restricting income and inheritance taxes to a maximum of 25 percent in normal times of peace.

New Jersey was preceded by 14 other States in asking Congress to submit such an amendment to the people.

The proposal has been introduced in both houses of the New York State Legislature.

When New York and New Jersey have joined the 14 States that have passed similar resolutions, the impetus ought to be sufficient to cause at least 20 other States to demand action.

The Constitution, from beginning to end, limits the powers of the Government. That is mainly why we have a Constitution.

Its plain intent is to prohibit infringement on the rights and property of the individual.

Now, the sixteenth amendment to the Constitution, ratified in 1913, which is known as the "income tax amendment," is the one paragraph in the Constitution which gives the Government limitless and unrestricted power.

And this limitless and unrestricted power is over the most vital of the rights of the people—its income and its property rights.

Here is that amendment in its full wording:

"The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States and without regard to any census or enumerations."

This blanket authorization, no matter what the intent, is complete—to the point of confiscation.

The logical historic result of such an all-devouring amendment was that, in 1928, the Communist Party of America in its platform adopted a plank declaring that all incomes should be limited to $25,000.

President Roosevelt recommended to Congress last year that this communistic plank—destructive of free enterprise and our way of life—should become the law of the land.

Now, instead of limiting incomes to $25,000, the saner and more American idea is being proposed that the Government shall be limited in peacetime to a 25 percent levy on incomes.

And that should, of course, also apply to inheritances.

The right to bestow money and the right to inherit money without the threat of confiscation through taxes is a fundamental American liberty.

It is a right found in the inherent nature of things—the right to own and the right to give.

Therefore, the revolutionary sixteenth amendment to the Constitution should be repealed and the 25 percent limit on taxing incomes and inheritances should be substituted.

Our Constitution limits the powers of Congress and the President, through the Supreme Court and by the Constitution itself, in all directions.

What argument, then, can be brought against limiting their powers to change our form of government through confiscation of income?

[From the Washington Times-Herald of February 12, 1944]

HE'LL HAVE A JOB

(By Frank C. Waldrop)

It has been quite a while since we had a President with a head for any kinds of figures except those that say "Gee, chief, it's wonderful. We spent more today than we did yesterday."

But the next President of the United States of America, if we care at all about what's happening to us, had better be one who can add and subtract, a man with a strong touch of MacTavish in his soul.

The reason: Whether we like it or not, we now have that ideal of happier days, "a real businessman President." There are all kinds of businessmen, you know, good and bad. But when a man is in business, buying and selling, he is a real businessman until he goes bankrupt.

Have you any idea what a big business the executive departments of the United States Government operate today under the direction of the President?

Not just in purchasing of supplies to be consumed by the Government for war and peace, but for actual trade in merchandise and human lives?

Today there are between 40 and 57 corporations owned or operated by the Federal Government, depending upon your definition of a corporation. The Treasury Department reports there are 40 Government corporations, 11 unincorporated trading agencies, and six "miscellaneous" corporations.

The total capital stock of Government corporations outstanding on June 30, 1942, was $2,108,364,257. These corporations have 640 offices spread around the country.

Two typical examples of the revenue and non-revenue-producing activities are as follows:

Federal Prison Industries, Inc., operates trade training schools independent of industrial operations; operation of laundries, etc., for war agencies.

Rural Electrification Administration: Conducts research activities concerning the condition and progress of electrification in rural areas and disseminates information with respect thereto; especially in connection with war effort.

Others range from money lending to rubber trading.

The present outstanding debts resulting from operations of all these enterprises total $13,024,503,508, of which the major portion is guaranteed by the United States. (Meaning you.)

A review of the operations of the Reconstruction Finance Corporation, best known of the lot, shows obligations amounting to $2,780,448,685 were canceled by the Secretary of the Treasury, between 1938 and March 31, 1943. (That means the Secretary bought up or paid out R. F. C. debts.)

But the United States Treasury still held $6,142,137,945 in obligations of Government corporations on March 31, 1943.

The gross limit of authority to borrow and outstanding obligations of Government corporations and enterprises which issue obligations guaranteed by the United States is $32,948,000,000.

The R. F. C. has been paying subsidies for some time on various Government-managed commodities at the direction of our present "businessman" President. The estimated cost per year for subsidies on petroleum and petroleum products alone is $225,000,000. Other typical cases: For sugar, $17,805,800. For coal we subsidize the market by $25,000,000; for nitrate, $3,250,000; fiber, $1,100,000.

Commerce Secretary Jesse Jones forecast some time ago the subsidy program would cost about $30,000,000 for each year of its operation.

That was exclusive of subsidies to roll back farm prices.

To operate any form of government people must pay taxes. To be able to meet the tax bills, the people must exchange goods for profit.

In the United States of America in times past, we have been profitable because we were a people who went out as individuals to find or create profitable private enterprises.

The New Deal won the election of 1932 because Mr. Roosevelt promised to cut the cost of government and be of great help to us in finding and creating more such profitable enterprises of private business.

He didn't promise that the business of America would become Government business as per above outlined. He would never have been elected if he had. He made us think he was out to help private business.

But we may as well quit kidding ourselves. The President didn't go through with his promises of 1932.

Instead of helping private business recover its strength, he smashed it flat in his first term; boasted that he would become its master as he took oath for his second term; harnessed it into a war bureaucracy during his third.

What he means to do with private business in his fourth term is unpleasant to consider.

He may not, however, get that fourth term he wants. And so the man who succeeds him will find himself in a new job with problems that will call for a cool, clear head.

He will find himself responsible for trading in Chilean hides, Chinese tung oil, British woolens, Russian wood pulp, and American dollars. Not to mention American lives.

The Government has gone into business all over the world, not only for war but for peace. The next President will have to be a businessman, like it or not.

Let's hope and pray he will be a better businessman than the present one, whose idea of business is to throw our assets away and let things run wild.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, I inquire if there is an Executive Calendar.

The ACTING PRESIDENT pro tempore. The Chair is informed that there is.

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF THE MILITARY AFFAIRS COMMITTEE

Mr. REYNOLDS, from the Committee on Military Affairs, reported favorably the following nominations:

Robert H. Hinckley, of Utah, to be director of contract settlement for a term of 2 years;

Lt. Col. Frank J. Killilea for appointment as State procurement officer of selective service for Alaska, under the provisions of law; and

Sundry officers for temporary appointment in the Army of the United States, under the provisions of law.

TARIFF COMMISSION

The legislative clerk read the nomination of George Z. Barnes, of Illinois, to be a member of the United States Tariff Commission for the term expiring June 16, 1947.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of George McGill, of Kansas, to be a member of the United States Tariff Commission for the term expiring June 16, 1948.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the United States Public Health Service.

The PRESIDING OFFICER. Without objection, the nominations in the United States Public Health Service are confirmed en bloc.

That completes the Executive Calendar.

Mr. BARKLEY. Mr. President, I ask that the President may be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be so notified.

ADJOURNMENT

Mr. BARKLEY. As in legislative session, I move that the Senate adjourn.

The motion was agreed to; and (at 1 o'clock p. m.) the Senate adjourned until tomorrow, Tuesday, August 8, 1944, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 7 (legislative day, August 1), 1944:

UNITED STATES TARIFF COMMISSION

George Z. Barnes, to be a member of the United States Tariff Commission for the term expiring June 16, 1947.

George McGill, to be a member of the United States Tariff Commission for the term expiring June 16, 1948.

UNITED STATES PUBLIC HEALTH SERVICE
PROMOTIONS

Warren F. Draper, to be a major general, effective July 1, 1944.

PROMOTIONS IN THE REGULAR CORPS

To be temporary surgeons, effective August 1, 1944

Murray A. Diamond	Nobel W. Guthrie
Harald M. Graning	Karl Habel
Robert T. Hewitt	Robert L. Zobel
Max R. Kiesselbach	Carl Enna
Frank L. Price	William A. Miller
Weldon A. Williamson	William D. King
Robert D. Wright	

To be temporary passed assistant surgeon, effective August 1, 1944

Marion B. Richmond

To be passed assistant surgeons, effective as indicated

Charles L. Williams, Jr., July 1, 1944.
James M. Hundley, July 1, 1944.
Charles C. Shepard, July 1, 1944.
Russell I. Peirce, July 1, 1944.
Samuel C. Ingraham, July 7, 1944.
Trawick H. Stubbs, July 1, 1944.
James L. Baker, July 1, 1944.
Robert E. Miller, July 11, 1944.
Bruce Cominole, July 1, 1944.
Avery B. Wight, July 1, 1944.
David E. Price, July 1, 1944.
Mayo L. Emory, July 2, 1944.
Michael J. Clarke, July 1, 1944.
David W. Scott, Jr., July 1, 1944.
Richard K. Winston, July 1, 1944.
Douglas S. Nisbet, July 1, 1944.
Charles W. Parker, July 1, 1944.
Linden E. Johnson, July 1, 1944.
Timothy J. Haley, July 1, 1944.
Wayne W. Carpenter, July 1, 1944.
Donald J. Birmingham, July 14, 1944.
Edmund J. Schmidt, July 7, 1944.
Llewellyn E. Kling, July 1, 1944.
Dean B. Jackson, July 1, 1944.

To be temporary medical directors, effective July 1, 1944

Joseph P. van Ackeren
William W. Nesbit

To be temporary senior surgeon, effective July 1, 1944

John L. Wilson

To be temporary surgeons, effective July 1, 1944

Thomas Francis Crahan
Thomas Hoyt Diseker
Theodore F. Hilbish
George Edward Tolley, Jr.
Glenn S. Usher
Francis John Weber
James V. Lowry
James W. Hawkins
John Belden Vander

To be temporary passed assistant surgeons, July 1, 1944

Edward T. Blomquist	Elmer L. Hill
James F. Maddux	Carl R. Kunstling
Bertrand E. Bennison	David Sieger Ruhe
Roy A. Darke	George A. Shipman
Robert M. Foote	Chester M. Sidell
Eugene J. Gillespie	Otis Wayne Yeager
Arthur B. Gravatt, Jr.	

To be temporary senior dental surgeon, effective July 1, 1944

John A. Hammer

To be temporary passed assistant dental surgeon, effective August 1, 1944

Dennis E. Singleton, Jr.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 7, 1944

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who art man's refuge and strength, the source of our blessings and the fountain of wisdom, Thou knowest our many needs before we lift our voices and hearts unto Thee in prayer and supplication.

Grant that during these days of challenge and struggle we may be men of vision and of valor, placing our confidence in Thy presence and power and in the glad assurance that Thou wilt guide and provide.

We humbly confess that so frequently we are cynical and rebellious, allowing our faith in Thee to falter and become eclipsed by the clouds of doubt and despair. Thou knowest how tempted we are to accept the verdict that perhaps we have been predestined to be the victims of a conspiracy of wicked circumstances and that the high ideals which we cherish are merely illusions.

We pray that Thou wilt show us how to give life a more valiant and victorious reading and when our minds are baffled and our hearts are burdened help us to seek the counsel of Thy wisdom and the consolation of Thy love.

In the name of the Christ, our Saviour, we pray. Amen.

The Journal of the proceedings of Thursday, August 3, 1944, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Vice President had appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

Department of Agriculture.
Department of Commerce.
Department of Commerce (Coast and Geodetic Survey).
Department of the Interior.
Department of Justice.
Department of the Navy.
Department of the Treasury.
Department of War.
Post Office Department.
National Archives.
Selective Service.
War Manpower Commission.

MARGARET E. CLINE

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 618), as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Margaret E. Cline, sister of Charles F. Cline, late an employee of the House, an amount equal to 6 months' salary at the rate he was receiving at the time of his death, and an additional amount not to exceed $250 toward defraying the funeral expenses of the said Charles F. Cline.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AGNES C. DUGGAN

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts, I

offer another privileged resolution and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 619), as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Agnes C. Duggan, sister of Joseph P. Duggan, late an employee of the House, an amount equal to 6 months' salary at the rate he was receiving at the time of his death, and an additional amount not to exceed $250 toward defraying the funeral expenses of the said Joseph P. Duggan.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Iowa.

Mr. JENSEN. Will the gentleman from Missouri assure the House that this is the usual procedure.

Mr. COCHRAN. It is. The committee directed the chairman in cases of this kind to report these resolutions without placing them before the committee.

CONSENT CALENDAR

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that the call of the Consent Calendar for today be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

ADJOURNMENT OVER

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Thursday next.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXTENSION OF REMARKS

Mr. LARCADE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances; in one to include a copy of a letter written to Hon. Chester Bowles, Director of the Office of Price Administration; and in the other a copy of a letter written to Hon. Marvin Jones, Director of the War Food Administration.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. LARCADE. Mr. Speaker, I ask unanimous consent that today, at the conclusion of the legislative program and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

EXTENSION OF REMARKS

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a tribute by Clifford Powell, of Red Oak, Iowa, to an American soldier who has given his all.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. McKENZIE. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Louisiana [Mr. HÉBERT] be given permission to extend his remarks in the RECORD and include therein an address; and I also ask that the gentleman from Louisiana [Mr. MORRISON] be given permission to extend his remarks in the RECORD and include therein an address.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

TRIBUTE TO THE AMERICAN ARMY IN FRANCE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, since the House recessed in June the American forces in France have won what probably is the greatest military victory in the history of this country, and perhaps of any other country. I rise at this time only to express my own and, I am sure, the profound gratitude of the House as a whole for the generalship shown by the leaders of that military force, for the courage and valor shown by every man connected with it, and to express our profound concern and sorrow over the fact that many American men on the altar of their country have laid down their lives in this supreme effort to bring victory to the forces of freedom. We rejoice and are deeply thankful for this victory; but it is a solemn thankfulness indeed as the cost of the victory is borne in upon us. No generation has borne a heavier burden for the sake of the future than this generation of young men fighting this war is now bearing. May we keep faith with them in the peace that is made and in all our future acts.

BUREAUCRACY AND UNCONSTITUTIONAL TRENDS OF GOVERNMENT

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to include therein the text of a letter I have written our colleague the gentleman from Illinois [Mr. SABATH] and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I have asked for this time in order that I may appeal to all Members on both sides of the center aisle to unite on a strictly nonpartisan basis in passing House Resolution No. 547 which I have introduced providing for a nonpartisan, nonpolitical congressional investigation of bureaucracy and unconstitutional trends of government.

The inspiration of this resolution is patriotic and not political. There is nothing political about it. Many persons throughout America sincerely believe that during 20 years of growth under administrations of both political parties our bureaucracy has reached a peak of power and strength where it has become inimical to American institutions, a threat to individual initiative, and a menace to free enterprise. They believe that its tendency is to dwarf and obliterate local self-government and to centralize all power in Washington in a manner directly contrary to the concept of Thomas Jefferson and the other founding fathers, who believed and taught that the government is best that governs the least.

If this be true, to find and apply the remedy becomes the paramount duty not of Democrats alone nor of Republicans alone, but of all of us, as Americans. If the seeds of disintegration are beginning to take root in our Republic, the first concern of every citizen should be to eradicate them without any thought of political advantage or disadvantage in the operation. So I plead with all Members of the House to approach consideration of this resolution not as partisans, but as Americans consecrated in the faith of the fathers that this shall be, and shall always remain, a Government of the people, by the people, and for the people.

I have today sent the following letter to Chairman SABATH of the Rules Committee asking for a hearing on my resolution:

AUGUST 7, 1944.

Hon. ADOLPH J. SABATH,
Chairman, Committee on Rules,
House of Representatives,
Washington, D. C.

DEAR JUDGE SABATH: I am writing on behalf of myself and a number of other Members of the House to request a hearing before the Rules Committee on House Resolution No. 547, which I introduced on May 15 last, providing for a nonpartisan congressional investigation of bureaucracy and unconstitutional trends of government.

For 20 years, or longer, there has been a trend in America toward a centralization of Government in Washington, a belittling of the rights of the States, and an expansion of Federal bureaucracy. This trend has been accentuated as the tempos of economic pressures and war have increased.

During the last decade this country passed through the throes of a depression unparalleled in its history. During the last 3 years it has experienced internally the repercussions of its all-out participation in the mightiest war in the world's history. The purpose of my resolution, in part is to ascertain how the impacts of these colossal developments have affected the form of government that was handed down to us from the fathers, which Gladstone described as "the most wonderful work ever struck off at a given time by the brain and purpose of man."

My resolution recognizes that in times of great stress when unpredictable strains on all of the bulwarks of government are likely to warp them out of position, all the more care should be exercised to see that through this great emergency our Government is kept safely within constitutional bounds.

To see that our Government is held intact in its original form and mold is the job of Congress. The Congress, under our plan, has a peculiar responsibility to protect the constitutional rights of the people. The resolution I have introduced imposes on Congress a duty which the people of America want it

to assume at this time and I sincerely believe that if Congress meets its responsibility to the people, it will adopt the resolution by the votes of the Members on both sides, and this investigation will be made. No harm can come from it, and it may chart the way to a future course that will have immeasurable importance for the perpetuation of individual rights and free enterprise.

The incentive of this resolution is patriotic and not political. There is nothing political about it. I have said that I hope this resolution will be adopted by the unanimous votes of Members on both sides of the center aisle, and that would be as it should be, for if on account of the depression, or the war, or any other reason or reasons, the seeds of disintegration are beginning to take hold in our Republic, certainly it is the duty not of Democrats alone, nor of Republicans alone, but of all Americans to join in eradicating them.

If the resolution is adopted, this investigation will be conducted by the Judiciary Committee of the House, headed by Judge HATTON W. SUMNERS, of Texas, and composed of outstanding and able members of both political parties. Judge SUMNERS is known as a sound thinker and a fundamental student of government. We could rest absolutely assured that HATTON SUMNERS would never permit the investigation to be used as a political sounding-board, and that under his direction there would be a real investigation solely with the best interests of the country in view. There is no man in Congress, nor in the entire Nation, who is more highly qualified to make this investigation than Judge SUMNERS.

If this resolution is adopted, what will happen? The great Committee on the Judiciary, composed on both sides of outstanding and patriotic Americans, will proceed at once in its own way to make a study of bureaucracy and trends of government which may be inharmonious with our Constitution and our American way of life. At the close of this Congress, after the tempestuous waves of the national campaign have subsided and the atmosphere is conducive to calm and impartial deliberation, the committee will make its report. The Seventy-ninth Congress, when it convenes on January 3 next, will find its report on its doorstep and available as a basis of whatever corrective measures it may be deemed advisable to enact.

If your committee grants the hearing I shall ask permission to bring with me a number of able Members of the House and Senate of both political parties, who would like to be heard in support of the resolution. Forty Members of Congress, 31 Representatives and 9 Senators, have written to me expressing approval of the resolution and offering their support. These Members represent 25 States. I believe the supporters of the resolution generally recognize that bureaucracy has been developing and expanding over a long period of years, until it has become strongly entrenched, but they regard it as a condition that should now be faced by forthright action.

Believing that the proposed investigation would be wholly in the public interest and that it should be undertaken as soon as possible, I respectfully submit this request for a hearing, and I will be appreciative of an early reply.

Very sincerely yours,

LOUIS LUDLOW.

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article from a newspaper, a short editorial, and some statistics from the Bureau of the Budget.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that at the conclusion of the business on the Speaker's desk today, I may address the House for 10 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DAYLIGHT SAVING TIME

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LUTHER A. JOHNSON. Mr. Speaker, last week I introduced House Concurrent Resolution 93, repealing the daylight saving law, and it was referred to the Committee on Interstate and Foreign Commerce. I know that many Members of the House favor this legislation because similar bills have been introduced. But all of them are pending before the committee without action and I request the urgent cooperation of the membership of the House in the hope that the Committee on Interstate and Foreign Commerce may report out the legislation so that we may consider it in the House. I believe the time has come now for daylight saving time to be discontinued. Long before Congress enacted this law, certain cities throughout the country had daylight saving time by agreement, but it was only for a limited time, usually from May 1 to September 30, when the days were longest and as the days grew shorter the law was repealed. I believe the time has come now when this law should be repealed, and I will not favor its reenactment. I believe if the matter were left to the vote of the American people they would overwhelmingly approve of such action.

The SPEAKER. The time of the gentleman has expired. Under previous order of the House, the gentleman from Louisiana [Mr. LARCADE] is recognized for 30 minutes.

A WAR CONGRESS

Mr. LARCADE. Mr. Speaker, it is not only an honor to serve as a Member of the Congress of the United States of America, but at this time as a Member of the War Congress of the United States, I feel that it is also a great privilege to be a Member of one of the greatest deliberative bodies in the world, and in these crucial times when our country is engaged in the greatest war of all times, I feel a greater responsibility in discharging the duties of this high office because history is being written, not only in respect to the deliberations of this body in regard to the prosecution of the war, but also in the magnificent job that has been achieved in the building of an Army and Navy, composed of the average American boys and girls from all of the hamlets, villages and cities of the United States, which are acknowledged to be second to none in every respect, and to whom we shall, and the entire world shall, owe a debt of gratitude for redeeming the world from the threat of chaos, dictatorship, and slavery.

Mr. Speaker, while we all know that this terrible conflict is not yet over, and that it may require perhaps considerable time to attain the goal of our great leaders of the United Nations—President Roosevelt, Premier Churchill, and Premier Stalin—the goal of "unconditional surrender" of our aggressors and enemies,, we do know that the enemies of liberty and democracy are in retreat, and it is hoped that they will capitulate soon.

We also know that the sooner that our enemies do capitulate that the fewer lives of American and Allied Nations will be spent, and our prayers go forth in fervent supplication to Almighty God that, in His great wisdom and goodness and mercy, He will soon bring us victory so that our sons and daughters and brothers and sisters, husbands, and nephews and cousins may be returned home to their firesides and loved ones.

Mr. Speaker, we all owe a deep debt of gratitude to all of those who are fighting to preserve the ideals of liberty, freedom, and democracy, and already in this fearful war there have been many casualties. To those who will return, we should be most thankful. Before the conflict is over there will be many other casualties, and there will be many who will not return. It is of those who will not return that I am thinking.

All who are taking part in this great war are making sacrifices, it is true, but the great sacrifice is being made, and will be made, by the fathers and mothers, wives and relatives and sweethearts of those who will not return, those who will pay the supreme sacrifice.

To all of these my heart goes out, and I know the hearts of a grateful nation go out. But nothing that we can say, or nothing that we can do will bring loved ones back. To those who will return, a grateful nation has made provisions for their future welfare through this Congress. The Congress has made every effort to make provisions for every eventuality that might confront a returning veteran, and if any benefit or consideration has been overlooked, it was not through any fault of the Congress. For those who will not return, likewise the Congress has made every provision for their dependents.

Both are entitled to all the benefits that they will receive, and God knows that they are entitled to all they will receive. They deserve no less, and the Congress could do no more.

I am happy over the part which I took in shaping and passing this legislation. To the families of those who will not return, I know that there is nothing which I or anyone else can say that will assuage their grief nor replace their loved ones. But in time their consolation will come in the knowledge that it was God's will, and that the sacrifice of their loved ones was one of honor and glory, that future generations might live in freedom and happiness and contentment, and that their loved ones made the supreme sacrifice in order that others

might live in the enjoyment of life, liberty, and the pursuit of happiness as intended by our Creator, and as enunciated by our Declaration of Independence, and on this the one hundred and sixty-eighth anniversary of the birth of this great Nation it must be a source of satisfaction to all of us Americans that the flag for which our loved ones gave their lives is an inspiration to all the peoples of the world as a symbol of freedom and liberty.

Those who have already made the supreme sacrifice and those who will make the supreme sacrifice before this terrible carnage is over shall not have died in vain. They know that they have died for their country and that there is no greater glory than to give one's life in the defense and preservation of their country and all that it represents, and, as President Lincoln said:

> That this Nation, under God, shall have a new birth of freedom, and that government of the people, by the people, for the people, shall not perish from this earth.

And, as Campbell said:

> And leaving in battle no blot on their name,
> Look proudly to heaven from the death bed of fame.

Mr. Speaker, while we pay tribute to those who have already given their lives for their country and to those who are fighting for the very survival and existence of our country and our democratic way of life, we cannot help but also express our appreciation to those who have made possible our part in the winning of this great war—to our great President, Franklin Delano Roosevelt, and his Cabinet, who organized and planned our great war machinery, and who have directed it, and to the patriotic men and women who participated in the building of it. The part that labor has played in this great undertaking, working night and day in the great war industries provided almost overnight, will go down in the history of this country as the greatest contribution to our successes in this war. To the patriotic men and women who have unstintingly made sacrifices in our war effort, and to those who have provided the sinews of war by buying bonds and stamps to furnish the money, and without which this great accomplishment would not have been possible, we also acknowledge the important part that they have taken and are now playing in this terrible war.

Without the complete cooperation of all of our citizens of this country we could never have builded and equipped the finest Army and Navy in the history of the world. Starting from scratch, when this country was thrown in this terrible war by the attack on Pearl Harbor, when we had almost nothing in the way of an army, navy, or air force, it is a miracle of all times that this country has been able in the space of so short a time to furnish the greatest army and navy and air force in the history of the world. It must be a source of great comfort to the mothers and fathers and relatives of all of those who are fighting for their country to know that our Army and Navy and Air Force is the best-equipped, the best-trained, the best-clothed, and the best-fed Army in the world, and that with the advances of medical science and the best medical personnel and equipment in the world that they are given the best of medical care and hospitalization. The medical branch of the Army assures the country that the percentage in loss of life of our wounded is less than 3 percent.

One of the most interesting statements made to the Members of Congress by the high-ranking officials and military leaders of our country, and one that was acclaimed unanimously, was the assurance that not one life of our soldiers in the armed forces would be sacrificed unnecessarily. We have been assured that under no circumstances will any operation be undertaken, no objective sought in this war unless and until we are thoroughly and fully prepared with men, matériel, and all of the supplies and implements of war needed to insure success. This is borne out by the fact that our military leaders took months to accumulate men and matériel in England before the second front was opened in France. The military leaders told us that they would rather sacrifice time than men, and this has been proven on all fronts, and in all engagements in all theaters of war. We are further assured that under the system of rotation of furloughs for men who are serving overseas and in foreign countries that all of our men and women who have done their turn will be sent home on furlough at the earliest possible moment. Unfortunately, due to the exigencies of the war, and to the fact that our soldiers are fighting on all of the fronts of the world, and due to the lack of transportation facilities, many who well deserve rest, and who have done their part, and who have been away for a long time, and who are entitled to a furlough, have not been returned home. But we are informed that this matter is being given the best attention of the military authorities, and from now on that as many as are overseas for a given length of time will be given their turn to come home for a visit to their loved ones. Mr. Speaker, I do not contemplate a discussion of the strategy of the war because time will not permit, and for the further reason that all of our people have been kept fully informed both in the newspapers and by the radio, and I think that we are under deep obligations to our Government, the press, and the radio stations, and the commentators for the dissemination of the news on progress of the war in keeping the families of those in the service and the public generally informed immediately, whether or not the news is good news or bad news.

When I was elected to the Congress, I pledged to my constituents that I would support President Roosevelt and the military leaders in the fullest measure in the prosecution of the war, and it is with justifiable pride that I can say to you that I have carried out this pledge.

I have supported every appropriation that has been presented to the Congress to carry on the war.

While the amounts were sometimes staggering and stupendous, in fighting what has well been termed a "global war," we could not have builded the armed forces of this Nation without appropriating large sums of money to pay the cost of waging war, we would not have today the finest Army and Air Force in the world, and we would not have on the seven seas the greatest Navy in the history of the world. As a matter of fact, today we have a Navy that is as large and numerous and more potent than all of our allies together.

It is hard to give credit to one branch of the service and not to the other, for under our present system of amphibious warfare all branches of the service participate in action, and the success of any operation depends upon the cooperation and coordination of all arms of the services.

Our leadership has been brilliant which is testified to by our successes. The personnel of all branches of the services have acquitted themselves with honor and glory on the fields of battle, and on and under the sea, and in the air. It must be a comfort to the mothers and fathers and relatives of those in the armed forces to know that in all departments, our equipment and all matériel of all descriptions is far superior to those of our adversaries.

I can assure you of that as, together with other Congressmen I witnessed an exhibit here in Washington during the Fifth War Loan drive, where every known weapon used in this war by the three major nations, the United States, Germany, and Japan, was exhibited side by side, and I saw for myself how much superior all of our weapons are as compared with those of our enemies.

Mr. Speaker, I could talk at length about the problems which will face this country at the termination of the war, but time will not permit, but I would like to briefly say that I am pleased with the plans and programs of the Congress and this Government in meeting these problems.

The Congress and all of the departments of the Government have been making a study of these problems for many months, and the people may be assured that every effort is being made to solve these problems.

Legislation has already been enacted to take care of our returning veterans as I pointed out in the beginning of these remarks, and while we know that one of the foremost problems we will have to confront after the war is the absorption of the twenty or more million of war workers employed in war industries, as well as the returning men and women in the armed forces—all of whom will have to be absorbed in peacetime work. That this question has been having the serious consideration of the Congress, and of our Federal departments, and I am glad to say that these plans provide for an orderly and immediate plan for the reconversion of our war program to one that will take care of the situation.

The Congress has under consideration at this time legislation calculated to meet this emergency.

Legislation has already been introduced and is now before the committees of the Congress to be enacted in the near future which will provide large ap-

propriations for the post-war period. Appropriations for public works such as roads, interregional highway systems, airports, flood control, river and harbor improvement, navigation, irrigation, sanitation, schools, hospitals, and other public works are included in the legislation now under consideration.

State planning boards, counties, parishes, cities and towns have already been contacted to plan and submit their needs in this respect, and it is agreed that this program will give employment to all.

Industry and small business will be aided and encouraged, and already the War Production Board is in touch with our American manufacturers to convert their plants for production of civilian goods. It is said that it is hoped that the demands of the Army and Navy for matériel of war have practically been met in sufficient volume to undertake a gradual resumption of the manufacture of civilian goods, which the country has been without since the beginning of the war, such as automobiles, automobile tires, rubber goods, radios and radio tubes, refrigerators, and mechanical devices of all kinds and descriptions, all of which have not been manufactured or which have been unobtainable since the beginning of the war. All of these plans are being made by our Government due to the successful turn of the war in favor of our country and our allies, and in the hope and on the assumption that the Axis Nations will soon be brought to unconditional surrender, and I am of the opinion that it is well for us to make plans and make all of the necessary provisions for that eventuality, so that if this should come to pass at an early date that we will be prepared to change from a nation engaged in war to peaceful pursuits that there will be no lost motion and no confusion and no suffering on the part of our people for want of employment in making the transition from war to peace. Unfortunately, I am one of those who is not so optimistic; I am fearful that we are too quick to take things for granted. I fear that our people are being led to believe that the war is won, that the war is over, and that they will relax their vigilance and become too complacent. I hope that I am wrong. But my judgment tells me that we still have a long way to go before we will be able to crush Germany and Japan. Of course, all indications point to a probable speedy collapse of Germany, as occurred in World War No. 1, and I hope that this is true, but I am one who does not underestimate the strength and resistance of Germany being driven under a dictator and Gestapo, and I fear that they still have resources and power to hold on for some time. Naturally, when Germany cracks and is disposed of, we will be in a position to concentrate our war machine and that of our allies on Japan, and it is hoped that this terrible task will not take too long, and that our casualties will not be great. Therefore, it behooves us all to keep up the fight on the home front to back up our armed forces by furnishing them with all that they need to carry on the war to a successful conclusion, and this carries with it the obligation of every man, woman, and child to do their part in buying bonds and stamps until victory is won, and God grant that that day will not be long.

Mr. Speaker, we all realize that when the war is won—that it will be just as important to win the peace.

We all remember the tragic experience of the world in trying to make a peace in the last war. We all remember the efforts and experience of that great President Wilson, and his failure due to opposition here at home, and we cannot permit this to happen again this time, as all of the peoples of the world are agreed that this time we must have a lasting peace.

Milton said, "Peace hath her victories—no less renowned than war," and we fervently pray that God in His wisdom will give us our great President, Franklin Delano Roosevelt, and spare him to sit at the peace table to represent this country, and together with Prime Minister Churchill, and Premier Stalin, and the representatives of all of the other nations of the world that there shall be written a lasting and just peace for our country, and for all of the peoples of the world.

To the final victory of our country in this great war together with our allies, and to the consummation of a lasting peace for all of the peoples of the world, I pledge my cooperation and all of my energies so that we may again say all over the world, "Glory be to God—peace on earth to men of good will."

Mr. Speaker, this has, in reality, been a War Congress and the responsibilities of office have borne heavily on our Members. Never before in the history of our country have so many important decisions been made, and many more will have to be made.

The grim reaper has taken his toll of our Members during the last 2 years under the great strain they have undergone, just as we have had our casualties on the fields of battle.

I am glad, however, to point out that the people of the United States appreciate what our Congress has done and that most of the present Members of Congress are being reelected to office so that they can finish the job.

This is truly a War Congress.

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. DINGELL] is recognized for 10 minutes.

PRESIDENT MANUEL QUEZON

Mr. DINGELL. Mr. Speaker, we learned with great sorrow that on Tuesday, August 1, at 10:05 a. m. God in His wisdom called forth His noble and faithful servant, Manuel Quezon, President of the Philippine Commonwealth, and I rise at this time not only to pay him tribute but to pray that God grant him eternal rest and heavenly peace which his energetic body and noble soul had never known since his earliest manhood.

Those of us who have been privileged to know him and to enjoy his confidence will forever remember the warmth and the loyalty to his friends, which was transcended only by the ferocity and fervency of his devotion to the cause of freedom and independence of his beloved Philippine Islands and of its people. This Chamber, wherein he served as Philippine Commissioner and as spokesman for the people of the Philippine Islands, on more than one occasion resounded with his eloquent pleadings in behalf of earliest possible freedom. Quezon, the man of destiny, became the universal symbol of Philippine independence and freedom. Compressed within the frail physical body of Quezon was an unbelievable and irrepressible force nobly motivated by a courageous, venturesome soul which burst the very bounds of its clay habitat. In his unfaltering and persistent efforts in behalf of Philippine independence he, more than any other man, made a rich and a lasting contribution to the imperishable pages of history. Enshrined deep in the hearts of his countrymen forever will be the name of the patriot, statesman, soldier, leader, Manuel Quezon, the man.

As the first President of the Philippine Government, an honor which was bestowed upon him by a grateful people, he was recognized as the father of his country and a direct counterpart of our own beloved George Washington. Moreover, Mr. Speaker, he will share with the martyred José Rizal the kindly sentiments of a great and an appreciative people—and may I be pardoned for injecting a personal touch into my discourse here this afternoon, for I believe this great world figure had a special affection for me and which I reciprocated. He expressed it more than once and in various ways. There was a kinship of sympathy and understanding which he himself emphasized which dated back to and originated in the period following the Spanish-American War, when my senior brother served Uncle Sam in that beautiful island country, when as a member of the Insular Affairs Committee, anxious to learn all that I could about the friendly people whom I loved and about the question of Philippine independence, I visited my friend, Governor General Frank Murphy, at Malacanan. It was then that I came in repeated contact with and learned of the greatness of the soul of the man who was destined to become the first President and father of his country. Since that time our friendship has grown. We have broken bread together beneath his roof in Manila, where he was a matchless and a generous host. Sometime after the passage of the Tydings-McDuffy Act, my esteemed friend of blessed memory in this Chamber, Mr. Speaker, personally extended an invitation for my attendance at his inauguration, which I regret I could not accept and fulfill. I shall never forget the friendly and unrestrained feeling expressed in our meeting at the National Press Club shortly after his arrival in Washington following the tragic subjugation of his beloved country. He kissed me as a brother, inquiring about my good wife and said, "God bless you. I am so glad to see you again." My friend, Quezon, on more than one of his many visits to Washington, called at my home and at least once I was privileged and

happy of the opportunity to repay his hospitality by having him as my guest as we dined and drank to the future good fortune of his country. We traveled together and we discussed the problems which confronted the commonwealth, and I tried to understand and to help this great man in their solution. Mutually we shared the friendship of many good American and Filipino friends. Recently his son and mine were classmates at Georgetown Preparatory School.

So to me, Mr. Speaker, the passing of President Manuel Quezon is a personal and an irreplaceable loss. Together with my family I share the grief of his faithful and devoted wife and family. I had a sentimental equity in the life of this man and I prayed for his health in the hope that he would be privileged to reenter triumphantly with his friend, Gen. Douglas MacArthur, the liberated country which he did so much to establish and endow with the keenness of his foresight and sound, distantly projected planning which will surface far into the future, but the Ruler of the Universe planned otherwise and we all bow our heads in submission to His eternal wisdom. We know that the soul of Manuel Quezon, prematurely separated from its shroud of flesh, will be there when the grateful and independent people of the Philippine Islands welcome and applaud the return of his successor, coworker, and friend, President Sergio Osmeña. The world will rejoice when finally and completely the efforts of President Quezon shall have been realized and, with the crushing of the enemy, become permanent.

ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 13 minutes p. m.), under its previous order, the House adjourned until Thursday, August 10, 1944, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COCHRAN: Committee on Accounts. House Resolution 618. Resolution granting 6 months' salary and $250 funeral expenses to Margaret E. Cline, sister of Charles F. Cline, late an employee of the House; without amendment (Rept. No. 1754). Referred to the House Calendar.

Mr. COCHRAN: Committee on Accounts. House Resolution 619. Resolution providing for the payment of 6 months' salary compensation and $250 funeral expenses to Agnes C. Duggan, sister of Joseph Duggan, late an employee of the House; without amendment (Rept. No. 1755). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRUMBAUGH:

H. R. 5164. A bill to increase deceased war veterans' burial allowances to $150; to the Committee on World War Veterans' Legislation.

By Mr. WOLFENDEN of Pennsylvania:

H. R. 5165. A bill to amend the Internal Revenue Code with relation to the telegraph, telephone, etc., tax; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KLEIN:

H. R. 5166. A bill for the relief of Morris Tutnauer; to the Committee on Claims.

By Mr. McMILLAN:

H. R. 5167. A bill to confer jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of the board of trustees of the Saunders Memorial Hospital; to the Committee on Claims.

By Mr. ROONEY:

H. R. 5168. A bill for the relief of Jennie Olsen Andersen, widow, and Arthur Andrew Andersen, infant son, of Carl Edward Andersen; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5974. By Mr. BUCKLEY: Petition of John Timothy Smith and sundry others in protest against prohibition legislation; to the Committee on the Judiciary.

5975. By Mr. JONKMAN: Petition of Rosetta Sears and 21 other citizens of Holland, Mich., recommending the enactment of House bill 2082; to the Committee on the Judiciary.

5976. By Mr. ROLPH: Petition of the National Retail Hardware Association, commending War Production policies under Donald M. Nelson; to the Committee on Banking and Currency.

5977. Also, petition of the City of Los Angeles Department of Airports, referring to airport construction, development and policy; to the Committee on Interstate and Foreign Commerce.

5978. By the SPEAKER: Petition of various real-estate owners, banks, and agents of New York City, petitioning consideration of their resolution with reference to the inequities in the rent-control section of the present Emergency Price Control Act; to the Committee on Banking and Currency.

5979. Also, petition of the State aeronautical commission, State of Colorado, petitioning consideration of their resolution with reference to air transportation to and from the State of Colorado and the southeastern part of the United States; to the Committee on Interstate and Foreign Commerce.

SENATE

TUESDAY, AUGUST 8, 1944

Rev. John R. Edwards, D. D., associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

We come to Thee with whom a day is as a thousand years. In this brief period of devotion, may this honored place of legislation become with lasting influence a very sanctuary of God in which we cry out holy, holy, holy is the Lord; heaven and earth are full of Thy glory; glory be to Thee, O Lord most high! Here may we sense the sufficiency of Thy presence for the several tasks of this day.

Enable Thy servants in meeting their responsibilities to move and serve in the realm of patriotism in its highest expression and most meaningful. With undimmed vision may they press forward in creative thought for the betterment of the whole world. Warned by the mistakes of previous periods and the holocausts of the present day, help us all in the building of a better world in which dwelleth righteousness where the sword shall be beaten into the plowshare and the spear into the pruning hook.

We pray for our Chief Magistrate the blessings of Thy upholding hand and Thy guiding eye. So do we pray for Thy servant who presides over this body and for all in Government responsibility.

Thou God of the pillar of cloud and of fire, be 'round and about our men in peril of warfare. Give signal wisdom to those who direct their energy in service. Give to us at home an unfaltering spirit of interest in their welfare and freedom from race prejudice which mars efficiency and reduces honor of manhood. In His holy name we pray. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, August 7, 1944, was dispensed with, and the Journal was approved.

FELICITATIONS FROM THE SENATE OF CHILE ON INDEPENDENCE DAY

The VICE PRESIDENT laid before the Senate the following cablegram, dated at Santiago, Chile, July 5, 1944, from the President of the Senate of Chile (translation): "With a view to commemorating the independence of the United States, the Senate of Chile resolves to express its congratulations to the Senate of that great democracy engaged today in a heroic struggle to defend and make regnant throughout the world the principles of liberty and justice"; which was ordered to lie on the table.

PETITIONS AND MEMORIALS

Petitions, etc., were presented, and referred as indicated:

By Mr. TYDINGS:

A resolution by the State Poultry Council of Maryland, favoring the nonapplication of price-support measures, as provided in the so-called Steagall Act, to the production of eggs and poultry meat; to the Committee on Banking and Currency.

A resolution of the Maryland State and District of Columbia Federation of Labor, favoring a mark-up of the Little Steel formula as a measurement of wage increases; to the Committee on Banking and Currency.

A resolution of the Maryland State and District of Columbia Federation of Labor, favoring the enactment of legislation to establish a centralized war labor governing authority; to the Committee on Education and Labor.

A resolution of the Maryland State and District of Columbia Federation of Labor, favoring the enactment of legislation relating to substandard or below-subsistence-level incomes as recommended my the Subcommittee on Wartime Health and Educa-

tion of the Senate Committee on Education and Labor; to the Committee on Education and Labor.

A resolution of the Maryland State and District of Columbia Federation of Labor, favoring amendment of the revenue act so as to reduce the cabaret tax to 10 percent; to the Committee on Finance.

A resolution of the Maryland State and District of Columbia Federation of Labor, favoring amendment of the Social Security Act so as to provide for the freezing to all persons benefits which were accumulated at the time of induction into the military service or at the time of entry into any noncovered occupations; to the Committee on Finance.

A resolution of the Maryland State and District of Columbia Federation of Labor, favoring the enactment of legislation to establish a National Post-war Economic Planning Board representing business, labor, and the public; to the Committee on Finance.

Memorials of sundry citizens of the State of Maryland, remonstrating against the enactment of the provisions of title IX of Senate bill 1161, the so-called general welfare bill granting old-age assistance, relating to the treatment, hospitalization, and medication of ill persons; to the Committee on Finance.

A resolution of the Annapolis (Md.) Chamber of Commerce, favoring such post-war expansion of the facilities of the United States Naval Academy as may be necessary to provide trained naval officers for the enlarged fleet; to the Committee on Naval Affairs.

WAR MOBILIZATION AND POST-WAR ADJUSTMENT—MINORITY VIEWS (PT. 2 OF REPT. NO. 1036)

Mr. REVERCOMB. Mr. President, on behalf of the Senator from Vermont [Mr. AUSTIN], the Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. WILSON], and myself, members of the Committee on Military Affairs, I submit minority views on the bill (S. 2061) to provide a national program for war mobilization and post-war adjustment, and ask that they be printed as part 2 of the report of the majority, Report No. 1036.

The VICE PRESIDENT. Without objection, the minority views will be received and printed as requested by the Senator from West Virginia.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TYDINGS:

S. 2062. A bill for the relief of Judge N. Singleton; to the Committee on Claims.

By Mr. WALSH of Massachusetts:

S. 2063. A bill to provide for the settlement of claims for damages for personal injury or death or for damage to or loss or destruction of property caused by service personnel or civilian employees or otherwise incident to noncombat activities of the Naval Establishment; to the Committee on Naval Affairs.

By Mr. PEPPER:

S. 2064. A bill for the relief of Richard H. Beall; to the Committee on Claims.

WAR MOBILIZATION AND POST-WAR ADJUSTMENT—AMENDMENT

Mr. MURRAY. Mr. President, I send to the desk an amendment suggested by James G. Patton, president of the National Farmers Union, to Senate bill 2061. I ask that the proposed amendment be printed and lie on the table.

The VICE PRESIDENT. Without objection, the amendment will be received, printed, and lie on the table.

Mr. MURRAY. Mr. President, the amendment aims at eliminating business depression by authorizing the Government to invest and spend "the amount by which prospective private investment and construction expenditures in each year fall short of $40,000,000,000, the annual volume required to maintain full employment."

Since this proposal has not been studied by the Committee on Military Affairs, I am not intending to offer it on the floor as an amendment to the bill on the calendar. However, I believe it deserves serious study and consideration by the committee.

At this time I ask unanimous consent to have printed in the RECORD the statement released by the National Farmers Union in connection with this proposed amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WASHINGTON, August 6.—To insure successful change-over from all-out war production to full peacetime employment, production, and consumption, James G. Patton, president of the National Farmers' Union, today proposed an amendment to the Kilgore bill (S. 1893) to authorize the Government to invest and spend "the amount by which prospective private investment and construction expenditures in each year fall short of $40,000,000,000, the annual volume required to maintain full employment."

Patton explained that continuous yearly investment of $40,000,000,000, at about present price levels and allowing for some population increase, is necessary if full employment and a $200,000,000,000-a-year production volume is to be achieved and maintained. He added that investment of idle savings in work-producing enterprises runs, except in depressions, at about one-fifth of the value of all goods and services. Investment of $40,000,000,000 a year thus would yield about $200,000,000,000, or about $170,000,000,000 in national income. In 1929, with national income at $83,000,000,000 and the value of goods and services just short of $100,000,000,000, such investment totaled $20,000,000,000.

"We must see to it," he said, "that money is not hoarded but that job- and profit-producing investment outlets give it employment in sufficient volume to assure plenty. Let us, therefore, set our sights for a $200,000,000,000 goal. To achieve it and maintain it, about one-fifth of that sum must be invested in productive enterprise every year.

"What this amendment says is that this Nation not only wants full employment but that it is going to use all its gigantic strength to achieve it and maintain it."

The text of the proposed amendment:

"SEC. 103. In order that there shall be full employment and full production through provision of means for private enterprise to plan their capital outlays and through provision of means of productive investment of the savings of the people—

"(a) The Joint Committee on Internal Revenue Taxation is herewith directed annually to investigate, with the assistance of the appropriate agencies and departments of the executive establishment, and to report annually not later than May 1 to the Speaker of the House of Representatives and the President of the Senate, (1) the prospective amount of all savings in the ensuing fiscal year beginning on July 1, (2) the prospective amount and character of the investment by private businesses, groups, and individuals, and by State and local governments, calculated to provide an outlet for such savings during the ensuing fiscal year beginning July 1.

"(b) The Speaker of the House of Representatives and the President of the Senate shall forthwith transmit such finding of the Joint Committee on Internal Revenue Taxation to the Director (of War Mobilization), who shall notify the Reconstruction Finance Corporation of the amount by which such capital and construction expenditures falls short of the $40,000,000,000 of such expenditures required to maintain full employment, production, and consumption, and the Reconstruction Finance Corporation, under supervision of the Director, shall offer to make loans not to exceed that amount at its present rates and terms, to private business in the fiscal year beginning the following July 1. On June 1, annually, the Reconstruction Finance Corporation shall report to the Director the total volume of such loans for which application was made in the month of May.

"(c) There is hereby authorized to be appropriated the amount by which the volume of such loans and of prospective private, and State and local governmental expenditures, combined, falls short of $40,000,000,000, the annual volume of investment and construction expenditures required to maintain full employment, this sum to be available during each fiscal year beginning July 1, for the financing of a national works program.

"(d) It shall be the function of the Director to report annually during the month of June to Congress for its approval (1) the extent to which the Reconstruction Finance Corporation loans to private business will add to the amount of prospective private, and local and State governmental expenditures, and (2) the volume and nature of the national work program to be financed with the appropriation authorized in (c) above, so as to bring the total of all investment and construction expenditures to the level required to maintain full employment and production.

"(e) It shall be the function of the Director to utilize the existing facilities of Government, any other provisions of law to the contrary notwithstanding, to prepare such works programs and, subject to the approval of Congress, to allocate to existing facilities of Government those sums required to put such programs into operation.

"(f) It shall be the function of the Director to review quarterly the rate of private, and State, and local governmental expenditure, to revise upward or downward the rate of expenditure in the national works program and to advise Congress of such action.

"(g) In event of enactment of this act prior to October 1, 1944, the first reports made under this act shall be made 6 months earlier than specified above, and shall cover a 6-month period, and the sums specified shall be halved; but thereafter all activity and expenditures authorized or directed in this act shall be on the annual bases specified above.

"Unless peace is to find us more unprepared than we were for war at the time of Pearl Harbor, we must now, without further delay, set up this solid bridgehead for full post-war employment," Patton said. "This action also is required to stop the stampede to peacetime activity that is hampering war production, for it will give business and labor the assurance of prosperity needed to make them stick to the task of war without worrying about the problems of peace.

"Farmers, industry, business, and wage earners must be able to go ahead confidently with the difficult job of quick, smooth conversion from full employment for war to full employment for peace.

"No one can plan a conversion until we all know definitely what we are 'converting' to. You cannot throw a span from the bridgehead of a wartime national income of $150,000,000,000 out into thin air, not knowing how much or how little the American people are going to have to spend and invest next year or the year after.

"Adoption of this amendment will create the most favorable climate for enterprisers that has ever existed in this country.

"No one is going to go all-out in investing, or producing or spending, on vague promises to maintain 'high'—not full, mind you—employment, provided we cut taxes on high incomes and restore the robber-baron economy that led us to the brink of disaster in the 1929–33 period.

"Nor will businessmen, farmers and wage earners be confident of full employment conditions if we are to turn back to the pre-war conditions of 1939, when, as Senator TRUMAN'S committee has pointed out, we had 10,400,000 unemployed and when 6,000,000 farm families had a net cash income of only $4,400,000,000, as compared with the 1943 level of $12,500,000,000. As this war ends we must have jobs at decent wages for 58,000,000 persons.

"Half the workers in the Nation must find new jobs. We need the same daring statesmanship in meeting the challenge of peace that we had in President Roosevelt's 'impossible' war-production schedule of 60,000 planes, 35,000 antiaircraft guns, 45,000 tanks, and 8,000,000 dead-weight tons of shipping set as our goal just after Pearl Harbor. An amendment to the Kilgore bill such as I have suggested, when spelled out in private and public investment, spending, production, and employment schedules, will give us such a goal and the same achievement of the 'impossible.'

"Having a goal, a firm bridgehead, we can shorten and ease the strains and stresses of transition from war to peace production. We will know where we are going and we can get on our way much quicker, without the paralyzing fear of oncoming depression.

"The money involved in this insurance against a peace panic, now or later, is trifling compared to the money cost of the war or of production lost in a new depression. In money alone, overlooking the millions of blighted and blasted lives, we lost more than $260,000,000,000 in the 1929–39 period because we did not provide approximately $25,000,000,000 yearly in productive investment needed to insure full employment. The war found us weaker in manpower and materials than we would have been if we had gone beyond half-way, temporizing measures. We would have been so strong that the war itself would have either been prevented or shortened. We must not allow ourselves as a Nation and a people to sink again into a state of undernourishment from which we can be roused only by another threat to our very lives.

"There is really no cost at all involved in this insurance of full employment. We will merely be guaranteeing ourselves perhaps $5,000,000,000 to $15,000,000,000 of our own money to make sure that our national income does not fall below the level necessary to maintain full employment at adequate and rising wages and income. We will not, for example, drop to the $100,000,000,000 level assumed by General Motors in making its own $500,000,000 post-war conversion plans.

"In the past, we have subsidized scarcity and suffered for it. Beginning now and continuing until we can establish a steady, healthy circulation of a national income throughout our economy that will sustain all our people in health, decency, and freedom, we must be prepared to subsidize abundance. Again to deny and abort abundance will condemn us to depression, disunity, isolationist imperialism and another war. We must learn to live with abundance and like it.

"The stake of farmers in full production is tremendous. Working farmers can no more be prosperous in a boom-and-bust economy than can other independent producers and wage earners. Only monopolies of land, industry and business can benefit, and they only in the short run. Ultimately, to maintain their monopoly position, they must abridge democracy more and more, resorting to force and opening the way, in many instances unwillingly, to fascism.

"At this moment, combinations of concentrated economic power, aided by allies in and on the fringes of administrative agencies and the Congress, seek to use the growing public anxiety about conversion from a war to a peace economy to railroad through legislation to turn us back to pre-war conditions.

"The National Farmers Union believes the American people prefer to go forward, to full employment, prosperity, free enterprise for all, security and peace. We believe that if, by action or inaction of our elected representatives, the people are again betrayed, the days of reckoning will come as they did before. This time, with the increased velocity of the machine age, the judgment will come quicker. Depression and a second veterans' march on Washington may come in 3 or 6 years, not 12.

"The time is ripe for action to keep the Nation from another cycle of deflation, bread lines, veterans selling apples, Wall Street suicides, burning of corn, wheat, citrus fruits, potatoes, and other so-called surplus foods, foreclosures on farm mortgages and highways crowded with homeless farm folk.

"As things now stand, we face just that prospect.

"No blueprints are drawn for the kind of public-works program and building programs that are essential if the National Government is to move in time to take up the slack as private investment begins to fall off.

"No Government agency has the authority to draw such blueprints.

"No Government agency has the authority to act even when such blueprints are drawn.

"Lastly, no Government agency has the money with which to undertake the needed programs even if it had the authority to act.

"For this, Congress bears a heavy and awful responsibility. For months it has permitted so-called demobilization and reconversion legislation to hang fire while our fighting men brought peace and its vast problems closer. In this, it has been encouraged by Surplus War Property Administrator Will Clayton who would prefer to have legislation fit the administrative machinery he has already set up for the reckless liquidation of $19,000,000,000 in war plants and facilities and $60,000,000,000 to $75,000,000,000 in materials. This is part of an attempted stampede back to Harding-Coolidge-Hoover normalcy that was called for in the Baruch report. The Colmer bill (H. R. 5125) seems closest to Mr. Clayton's desires.

"The Baruch formula failed in 1919–21. Must we make the same mistake twice?

"The Kilgore bill (S. 1893) is the most forward-looking of the pending bills. But it, too, does not actually provide now for full employment. It sets full employment as one of the purposes of the act, but it puts off practical action to insure it. It calls for reports and recommendations within 90 days on policies and measures required to bring about and maintain full employment.

"Why wait 90 days? Why put off the great decision of this century? Why not decide now? Time and again in recent history, we have missed the boat. The damage that 90 days of delay, plus another 6 months' delay and more in studying the recommendations, can wreak upon our economy is incalculable.

"Attached are statements from a few of the large number of experts who believe that compensatory investment and spending such as we propose are needed to keep our economy in healthy operation."

EXPERT OPINION ON THE NEED FOR PUBLIC SPENDING TO OFFSET DECLINES IN PRIVATE OUTLAYS

Little disagreement remains among economists and experts in general as to the necessity for public action to provide an offset when private investment and capital outlays decline. There is disagreement as to ways and means, perhaps, and as to the volume needed to produce a desired result, but not on the principle.

The idea of public spending to take up the slack of private spending is not the property of one man. It has grown steadily during the past decade, and during the war the tremendous prosperity induced by government war spending has just about clinched the argument for everyone.

From scores of recent utterances of governments, groups and individuals, a number have been chosen almost at random to illustrate the widespread recognition of the necessity for government investment activity to offset private investment decline. The selections have been limited to the recent past. They stress the need for programing and planning, the consequences of inaction, and the advantages as of this particular kind of action.

UNITED STATES CHAMBER OF COMMERCE

The relationship between the maintenance of investment and construction expenditures and the maintenance of employment is recognized by business groups. Thus the United States Chamber of Commerce in its post-war readjustment Bulletin No. 6 (pp. 12–14) writes:

"New investment plays a critical role in our economy for two reasons: (1) It puts to work people's savings, which, if uninvested, must lead to unemployment. (2) It encourages the full utilization of plant facilities.

"The 1920's were prosperous because the investment rate was high. The 1930's were years of stagnation because investment was low. * * *

"Because of the magnitude and ramifications of the construction industry, the activity of this industry alone is sufficient largely to explain the difference between depression and prosperity. * * * Thus in 1933 construction awards were only about 19 percent of those in 1926 or 1927. This meant that only one in five carpenters or plumbers or brickmakers was employed in 1933. This induced further unemployment in the nonconstruction industry. As investment in new construction lagged, depression prevailed. In the prosperous years we had prosperity precisely because new investment was taking place at high rate. The condition of semidepression in the late 1930's may be charged largely to the failure of construction to revive adequately."

NATIONAL RESOURCES PLANNING BOARD

In its stirring report entitled "Post-war Plan and Program," the National Resources Planning Board said:

"The National Resources Planning Board believes that it should be the declared policy of the United States Government to promote and maintain a high level of national production and consumption by all appropriate measures necessary for this purpose. The Board further believes that it should be the declared policy of the United States Government:

"To underwrite full employment for the employables;

"To guarantee a job for every man released from the armed forces and the war industries at the close of the war, with fair pay and working conditions;

"To guarantee and, when necessary, to underwrite:

"Equal access to security,

"Equal access to education for all,

"Equal access to health and nutrition for all, and

"Wholesome housing conditions for all."

Discussing various elements entering into such a program including works programs, the Board said:

"The most vital planning problem in the economic field at the end of the war will be the maintenance of full employment and avoidance of a prolonged depression following a short-lived post-war boom. The economic and social stability of the United States, as of other countries, depends in great measure on our capacity to prevent mass unemployment. But there is no question that full employment in the United States would help other countries after the war in maintaining economic and social stability. Full employment and high national income in the United States means large imports from many lands and high levels of employment in many lands. Internal American prosperity spreads purchasing power throughout the world and tends to promote a high volume of world trade in goods and services. On the other hand, should we experience a slump, it would spell depression for other countries accustomed to sell their commodities and services in our markets. From the point of view of their own interests, most countries of the world desire to see the United States active, prosperous, and moving forward in its economic development. * * *

"We are engaged today in a desperate war of survival because the world failed to accept the challenge of a world economy of plenty. This must not happen again. The earth on which we live is indeed the good earth with resources to supply fully the needs of its 2,000,000,000 inhabitants, if only this generation can organize the will-to-do. * * * If we can organize and implement our resources and our ideals, we shall witness an unlocking of the latent force of production, a resurgence of the human spirit, a buoyancy that comes from participation in a mighty and constructive undertaking. It is bold and courageous goals not little aims that lift up the human heart. At last in the history of man's upward climb, freedom from want and fear is within his reach."

THE GOVERNMENT OF GREAT BRITAIN

The conservative Government of Great Britain, in a paper submitted to Parliament by the Minister of Reconstruction, recently accepted as one of its primary aims and responsibilities the maintenance of a high and stable level of employment after the war.

If cyclical unemployment and depression are to be avoided, this paper says: "(a) Total expenditure on goods and services must be prevented from falling to a level where general unemployment appears. (b) The level of prices and wages must be kept reasonably stable. (c) There must be a sufficient mobility of workers between occupations and localities."

"Assuming a given level of wages and prices, and full mobility of labor workers will lose or fail to find employment because there is not a sufficiently large expenditure on the goods and services which they might produce," the paper pointed out. "If more money is spent on goods and services, then more money will be paid out as wages and more people will be employed." Thus the first step in a policy of maintaining general employment must be to prevent total expenditure * * * from falling away. Once it is allowed to do so, a minor decline may rapidly gather momentum and take on the proportions of a major depression. If, for example, there is a decline in the demand for steel for the erection of new buildings, unemployment will first appear among steel workers. The steel workers, in consequence, will have less to spend on food and other consumer goods, so that the demand for consumer goods will fall. This leads to unemployment among the workers in the consumer-goods industries who, in turn, find their purchasing power reduced. As a result of this general loss of purchasing power in the community, the demand for new building is still further reduced and the demand for constructional steel falls once again. The original decline in expenditure produces secondary reactions which themselves aggravate the source of the trouble. This is an over-simplified illustration, but it is sufficient to make it clear that the crucial moment for intervention is at the first onset of the depression. A corrective applied then may arrest the whole decline; once the decline has spread and gathered momentum, interventions on a much greater scale would be required—and at that stage might not be effective.

"The Government is prepared to accept in future the responsibility for taking action at the earliest possible stage to arrest a threatened slump. This involves a new approach and a new responsibility for the state. It was at one time believed that every trade depression would automatically bring its own corrective, since prices and wages would fall, the fall in prices would bring about an increase in demand, and employment would thus be restored. Experience has shown, however, that under modern conditions this process of self-recovery, if effective at all, is likely to be extremely prolonged and to be accompanied by widespread distress, particularly in a complex industrial society like our own."

UNITED STATES BUREAU OF THE BUDGET

Testifying at the House Committee on Post-war Economic Policy and Planning hearing May 31, Harold D. Smith, Director of the Bureau of the Budget, said that "if we are to have a high level of employment in the post-war years, we must attain a wholly new level of production of consumer goods and services and we must have a wholly new peacetime level of development and enterprise." He added:

"The achievement of high-level employment will depend in the long run on the ability of consumers to purchase and upon the willingness of business to invest. During the demobilization period, while we are laying the foundation for a high scale of private investment, measures must be developed to cope with whatever degree of inflationary pressure arises. * * * An enriched standard of living and full peacetime employment cannot be achieved wholly by the production of things. Our dentists, our physicians and surgeons, our schools, our hospitals, our churches, our Boy Scouts, our social centers, and our recreation programs illustrate an aspect of our standard of living which has great frontiers. * * * It is not my purpose to outline a program of specific economic measures designed to bring about adequate employment in the post-war period. Rather, I should like to emphasize the need of establishing the necessary machinery for the continuous development and adjustment of measures to achieve that end. * * * It is my thought that high-level employment can only be realized and sustained through careful and continuous planning toward that end.

"The meeting of the challenge of a continuously high level of job opportunities and living standards will be realized only by systematic and intensive planning to that end. Such planning should have for one of its major purposes the coordinating, and the welding of the valuable and worth while post-war planning activities of the various Federal agencies into a consistent whole. But, more important, it would include a frontal attack upon the problem of bringing about full employment.

"I shall not attempt to catalog fully the planning that needs to be done, but rather to cite a few illustrations:

"1. All governmental programs, existing or proposed, must be appraised in terms of their impact upon the fundamental national goals of continuous high level employment and living standards.

"2. Policies for the termination of war contracts, the reconversion of industry, the demobilization of military and war industry personnel, and the disposal of Government-owned surpluses must be so conceived as to contribute to a high level of employment and living standards.

"3. Domestic programs and international activities must be coordinated, one with the other.

"4. The disposal of merchant ships and aircraft will need to be so arranged that we end up with the kind of a transportation system which conforms to our needs and desires.

"5. Programs for social security, education, and public works must be closely correlated with manpower demobilization.

"6. Not only must a public works program be geared to unemployment and to measures for stimulating private investment, but thousands of proposed projects submitted by governmental agencies must be examined and shaken down into a well-rounded program. In some cases this involves weighing and reconciling alternative uses of natural resources and conflicting or inconsistent proposals. For example, the rival claims of irrigation, navigation, and power development upon water resources must be considered and harmonized with one another and with flood control requirements. The detailed plans of projects will, of course, be prepared in the individual agencies, but the main, central job of planning remains, as does the job of relating local government programs to Nation-wide capital and employment needs.

"7. The interest and loan policies of various Federal agencies should not only be consistent, but should be so ordered as to stimulate private investment, especially in small business.

"8. Programs will need to be so conceived as to encourage small business and control monopoly. The relative position of big and little business will be greatly affected by policies of contract cancelation, reconversion, and surplus plant and property disposition."

DR. ALVIN HANSEN

Because of his able and untiring advocacy, the idea of public investment has been much identified in this country with Dr. Alvin Hansen, Littauer professor of political economy at Harvard and adviser to Government agencies.

Taking part in the American Federation of Labor's post-war forum in New York City April 13–14, Dr. Hansen said in part:

"If we are really going to tackle this problem of maintaining employment we must create a balance wheel which can offset the fluctuations in private capital outlays. That balance wheel, and in my judgment there is only one balance wheel that can act as an offset, is a compensatory fiscal program. By this I mean on the one side a flexible public investment budget that can be stepped up and increased to offset the decline in private capital outlays when it occurs. I also mean a flexible tax structure, because I believe we have reached a point where we can use a flexible tax structure which can also operate very effectively as a stabilizing device * * *.

"It is perfectly clear that if public and private total capital outlays had remained at approximately the level of the good years of the twenties we should not have had any appreciable decline in consumption expenditures. If people are employed you can depend upon it that they will keep on spending their money. It is only when something happens in the capital goods industries that you get this terrific decline in consumption expenditures.

"Now the decline in private-capital outlays was $15,000,000,000 from 1929 to 1932. You may say that in order to have held the fort, therefore, we would have had to pour in, by public investment, outlays on useful and productive public improvement and development projects. We have, of course, a great many projects that we need to do in this country in order to raise the standard of living and productivity of our people. You may say that we would have had to pour in $15,000,000,000 since that was the decline in private-capital outlays in order to hold the total of public and private outlays at the level of the prosperous years. I think not. Why? Because if we had stepped in boldly and on a sustained basis with a large increase in public improvement and development projects that, in itself, would have stopped a very large amount of the cumulative decline in private-capital outlays.

"If we had held the national income up a very large part of the decline in private capital outlays would never have occurred. I would venture the statement that if we had poured in six to seven billion dollars a year on a sustained basis of public development and improvement projects, private-capital outlays would not have fallen by more than six or seven billion dollars and you would have had total public- and private-capital outlays remaining at the prosperous-year level. You would have had private consumption expenditure continuing at the high level that it was. There would have been no reason for a decline in private consumption expenditures. * * *

"Now let me refer to the experience in Sweden. Sweden is a country that is committed to a compensatory fiscal program and I would further like to assert that no country in modern times is prepared to face the problem of its society that does not adopt a compensatory fiscal program. Sweden has come to the position where they see the importance of this kind of a program. You see in Sweden a very common-sense procedure.

"At the beginning of the year businessmen report to the Government approximately how large the capital outlays are that they intend to make in the ensuing year. The Government therefore has a reasonable estimate about the volume of anticipated private-capital outlays and can therefore plan how much it needs to plan for in the way of public improvement and development projects and housing in order to hold the total capital outlays where they must be in order to maintain full employment.

"The Government has gone further than that. The Parliament makes appropriations for public improvement and developmental projects, which improvements shall be made at the time when they are necessary in order to stabilize the society. The Parliament having made the appropriations for these specific projects, an administrative unit determines at what time the projects will be instituted and they have a real balance wheel on a planned basis. * * *

"There is another thing I would like to remind you of and that is, that our society in modern times is one that has swift communications, knowledge of what is going on. In the period of our depression of 1937, we saw a swift decline in 4 or 5 months. I think that swift decline was partly related to the fact that we have better means of communications, a better knowledge about what is going on. All businessmen acted in concert in the way they had never done in the past. Once the tide turns we can have a tremendous decline of our national income, of the Federal Reserve production index, in 6 months. Let's not think because we are on a high level of income and it has been there for 2, 3, 4, or 5 years, that you can't have a terrific decline inside of 6 months. We are exactly in danger of that kind of swift decline.

"Now you are not prepared to meet that kind of swift decline unless you have a planned compensatory fiscal program, and that we do not have. So, I say that we are, I think, in this country guilty of an irresponsible financial program, a program that leaves us unprepared to meet these violent fluctuations that we have always had in the past and which I think we are going to continue to face in the future."

EDWIN G. NOURSE

Dr. Edwin G. Nourse, the vice president of the Brookings Institution, in his recent book Price Making in a Democracy, declares that—

"To pile up capital goods or funds in excess of * * * use (in production) means that capital ceases to provide employment or increase productivity and becomes a cause of unemployment. * * * Such an economic philosophy (or religion of wealth) reduces capital goods and capital funds to the role of 'sacred cows' worshipfully tended by a people suffering from deficiencies of both meat and milk. A release from this Brahman psychology among our stupid cousins overseas would not result in the disappearance of the bovine population but its growth in numbers, in service, and in public esteem. Nor would release from a Brahman economic psychology among our not too perspicacious selves lead to the death or decay of capital but to its propagation on more scientific principles, with a larger steady flow of current product. * * *"

THE PABST POST-WAR EMPLOYMENT AWARDS

Some of the Nation's leading economists participated in the Pabst post-war employment awards competition, and the views of the award winners show the absolute necessity for a permanent policy of assurance to business that Government will not permit a return to the boom-and-bust cycle.

Herbert Stein

Mr. Herbert Stein, Chief of the W. P. B. Economic Analysis Section, winner of the $25,000 first award, based his whole program thus:

"Specific policies are proposed below to provide stable full employment by—

"1. Removing some of the basic uncertainties which repress the general level of private expenditure and particularly private capital expenditure.

"2. Removing the powerful factors which discriminate against the assumption of risk.

"3. Counteracting some of the fluctuations in private capital expenditures.

"4. Preventing such fluctuations from exerting a cumulative effect upon the economy.

"Consideration must first be given to the transition from war to peace, which will fundamentally influence the possibility of attaining stability in the longer run. It must be demonstrated in this transition period that the economy can provide full employment in peacetime and, that the political atmosphere will be conducive to the functioning of private, competitive enterprise. Such a demonstration would create the necessary psychological foundation for the maintenance of stable, high-level private business activity and employment in the future."

Leon Keyserling

Winner of the $10,000 second award was Mr. Leon Keyserling, general counsel of the National Housing Agency, the heart of whose plan, so far as action is concerned, was:

"7. Insofar as additional incentives are needed to expand American enterprise toward full employment, the Government should prepare fiscal incentives, moving only where necessary from narrower to broader commitments, in this suggested order:

"(a) Government insurance or guarantees, such as those stimulating $4,000,000,000 of private housing investment without public cost, should be utilized in additional fields to encourage large-scale investment at moderate return;

"(b) Public credits, providing cheaper money in the city and on the farm;

"(c) 'Marginal' public expenditures to generate private investment. For example: Interest subsidies on insured, long-term, low-rate loans for acquiring and clearing blighted urban areas, could stimulate $30,000,000,000 worth of city rebuilding, mainly by private construction, over a 10- to 15-year period;

"(d) We should boldly explore additional incentives using systems and funds to encourage employment at least as willing as palliatives for unemployment, and discarding the paralyzing doctrine that utilizing American enterprise is incompatible with planning or adequate social controls;

"8. Where all these incentives fail to achieve full employment by American enterprise, direct Government programs represent bedrock civilized responsibility. Profiting by experience, these programs should be readjusted as follows:

"(a) We should abandon defeatism, such as seeking more unemployment protection by higher pay-roll taxes on low wages and low employment, using shorter hours, to 'share unemployment,' taking 'excess profits' without questioning the inevitability of capital stagnation, or planning public works on the assumption that 7,000,000 to 10,000,000 post-war "unemployed' are inevitable. If we overemphasize economic Maginot-line strategy, we shall be overwhelmed by the magnitude of post-war problems;

"(b) Adopting a creative offensive against unemployment, we should integrate spending, taxing, and regulation with an American economic policy, measuring their long-term effect upon all employment, and using them primarily as incentives to full employment by encouraging a healthy balance of prices, business activity, savings, investment and consumer expenditures, instead of just using them to cure maladjustments after they occur;

"(c) Public works and related undertakings to provide jobs, instead of being planned in isolation, should be coordinated with plans for expansion of American enterprise, so that they will be really supplementary to the employment capacity of American enterprise;

"(d) Public works should be planned to enrich our environment instead of just 'making jobs,' and to avoid new manpower maladjustments by sporadic overexpansion of construction. The harnessing of water power, conservation of natural resources, improvement of public facilities for communication, are all dramatic aspects of the American economic goal;

"(e) These improvements in method will tend to stabilize public undertakings at reasonable levels not by sacrificing goals but by success in achieving them;

"9. We should continue measures to prevent exploitation, establish decent standards of work and pay, set up systematic protection against old age, accident, and illness, and maintain community services—reflecting what an expanding economy can permanently

afford, rather than what a stricken economy turns to for temporary relief;

"10. America should participate in international economic arrangements, to enlarge world trade and to make our world healthier, more stable, more prosperous, and more peaceful. This participation should be part of an American economic policy, not random political or economic adventures."

Wroe Alderson

Virtually every winner of the remaining $1,000 awards emphasized the necessity for Government action to throw new investment into the breach when private capital investment begins to slacken. Mr. Alderson, of Wroe Alderson & Co., market analysts, in his discussion of regional markets, had this to say:

"1. Public-works programs should be developed region by region and held in readiness for periods of slack employment. Well-conceived conservation and development measures should not be regarded as made work since they add to the national wealth. The work of the Tennessee Valley Authority points the way to the building of an expanding economy within a region, thus providing the rest of the country with an active market for its products.

"2. Areas which experienced a great advance in population and plant capacity as a result of war production will need special assistance during the transition period. The plan for such a region should contemplate maximum conversion of war plants to civilian production, and recruitment of the remaining workers for jobs in other areas through the Federal Employment Service.

"3. A determined effort should be made to secure the elimination of all local trade barriers and obstacles to the mobility of people and enterprise which were springing up so rapidly before the war."

Grover W. Ensley

Mr. Ensley, at present a State Department fiscal analyst, said:

"The war has demonstrated the effects of Government expenditures on employment. After the war Federal expenditures will be at a considerably higher level than before the war, without allowing for outlays to promote full employment. Additional Government expenditures (1) for health, educational, and like services and (2) for useful public works, and development of national and world resources could create an almost unlimited demand for the Nation's product. Government expenditures, of course, should be viewed in light of Government revenues, the public debt, and the effectiveness of other economic controls in maintaining economic stabilization at full employment. For long-run maximum output, the effects of both inflation and deflation must be understood.

"Developments of the last decade demonstrate that society will not tolerate prolonged mass unemployment. Individuals, businesses, and State and local governments have looked and will continue to look to the Federal Government for leadership in solving national economic problems. Therefore, the question is: What should be the role of the Federal Government in working out a solution of the post-war employment problem?

"1. The Federal Government should take the leadership in developing a budget for the Nation which would summarize all public and private plans. The purpose of a Nation's budget would be to present quantitative data on the probable future relationship between national output and utilization of this output, under existing patterns and controls. A Nation's budget should bring about a larger area of agreement as to the objectives of society—assumed in this case to be full employment—and the problems standing in the way of accomplishing those objectives. The proposal for a Nation's budget does not imply a 'planned economy' (an economy directed by central authority.) Rather, such a budget is suggested to serve as a tool for individuals, businesses, and governments in adjusting their respective programs for accomplishing common objectives. On the basis of present techniques of forecasting the Nation's budget, the writer estimates a $10,000,000,000 post-war gap between output under conditions of full productive employment and demand on the basis of past relationships. This estimate and the methods used in deriving it should be reexamined under responsible national leadership.

"2. With the magnitude and nature of the problem defined, the Federal Government should develop a positive program of action. This program should be consistent with constitutional traditions and be balanced with political, ethical, and other ideal values of the Nation. The central theme of Federal policy should be to encourage individuals and private businesses to adjust their own plans and to work out programs whereby the excess product is privately consumed and/or privately invested in economically sound ventures."

Mordecai Ezekiel

As part of a comprehensive fiscal program, Mr. Ezekiel, economic adviser of the Secretary of Agriculture, made these points:

"(C) Appropriate a large sum—say $10,000,000,000—for Federal public works, to be available for expenditure at full prevailing wages when necessary to maintain employment. Authorize immediate blue-printing of specific projects ahead of the employment need.

"(D) Create post-war reserves in municipal, county, and State goverments, and blueprint the specific projects ahead—streets, schools, roads, etc. Coordinate the initiation or suspension of these projects with national fiscal policies."

Joseph M. Gillman

Mr. Gillman, W. P. B. expert, started his discussion with this premise:

"The most commonly accepted explanation of what prevents us from providing full employment in peacetime is, as Sir William Beveridge recently expressed it, our failure to maintain 'an adequate steady flow of spending to absorb all the productive resources of the community in meeting needs.' That is, income paid out in the course of production does not all come back in the form of purchasing power to continue the cycle of production. The amount held back is a portion of the savings of the national income. Inasmuch as most of these savings are in form of profits—rents, royalties, interest, and dividends—it is the failure chiefly of investors to maintain their share of the flow of spending, particularly investment in the production of producer durable goods, that holds back the full utilization of our labor force."

And in his plan, Mr. Gillman included these points:

"(3) Extend low interest Government credit to finance production for exports to the United Nations;

"(4) Do the same to finance large-scale, low-cost housing;

"(5) The Federal, State, and local Governments supplement private investment by large-scale projects of public housing and public works; plan for a probably inevitable extension of Government ownership and operation of industry of basic public concern."

Everett E. Hagen

Mr. Hagen, who is a Federal Reserve System economist, titled his program "Maintaining High Level Employment," and as a part of this program, said:

"The entire Federal Budget should be thought of in cyclical terms. Suppose for the moment that during a boom consumers' demand plus private investment are sufficient to produce full employment, with Federal finances showing a surplus. The tax structure implicit in the recommendations above would probably produce a surplus if full employment occurred. If so, Federal debt should be retired.

"When private new investment falls off, Federal tax revenues will fall, and Federal expenditures will rise because of tax refunds under the averaging provisions and because of subsidies and direct expenditures for public works. If these expenditures are not sufficient to sustain moderately full employment, the Federal Government will make other expenditures. But tax rates should not be increased to finance these added expenditures, nor new taxes added. For taxes are a deflationary force and public expenditures an expansionary one, and the excess of expenditures over receipts during the slump creates income and employment."

EXTENSION OF UNEMPLOYMENT COMPENSATION—AMENDMENTS

Mr. CHAVEZ submitted several amendments intended to be proposed by him to the so-called Murray-Kilgore amendment to the bill (S. 2051) to amend the Social Security Act, as amended, which were ordered to lie on the table and to be printed.

AWARD OF THE DODECANESE ISLANDS TO GREECE

Mr. PEPPER submitted the following resolution (S. Res. 317), which was referred to the Committee on Foreign Relations:

Resolved, That it is the sense of the Senate that the 12 islands of the Aegean Sea, known as the Dodecanese Islands, where a strong Greek population predominates, should be awarded to Greece and become incorporated in the territory of Greece.

CORN AND CORN PRICES

Mr. CAPPER. Mr. President, I was one of 15 Senators who, shortly before the recess of Congress, wrote a letter to Chester A. Bowles, Administrator of the Office of Price Administration; Judge Marvin Jones, War Food Administrator; and Hon. Claude R. Wickard, Secretary of Agriculture.

In that letter we protested against the manner in which these agencies jointly had handled corn and corn prices. It was pointed out that corn price ceilings had been so fixed that the dairy and poultry farmers in the East had been unable to get corn for their herds and flocks; that the O. P. A. had worked out some formulas which resulted in the same grades of corn carrying prices 20 cents apart at the same elevators in localities outside the Corn Belt; that the corn-hog relationship had been seriously unbalanced through artificially fixed corn prices and unworkable regulations and orders.

I wish to say at this point also that another result of these unwise policies is now threatened. Last winter, with huge pork surpluses, the O. P. A. delayed taking pork off the ration list until hot weather approached. Hogs flooded the markets; hog raisers took heavy losses.

Now the W. F. A. itself, I understand, is worrying for fear there will be a shortage of pork next year.

Mr. President, I have received a letter from Mr. James G. Rogers, acting Administrator of O. P. A., giving the O. P. A.'s side of the corn-hog picture. I ask unanimous consent to have the letter printed in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., July 26, 1944.

The Honorable ARTHUR CAPPER,
United States Senate,
Washington, D. C.

DEAR SENATOR CAPPER: On June 1 you and a number of other Senators from the corn-livestock States wrote a letter which was addressed to Marvin Jones, War Food Administrator; Claude R. Wickard, Secretary of Agriculture; and to Mr. Bowles. Mr. Bowles is now away from Washington but before leaving he asked me to write offering you our comments upon this letter. A considerable portion of the material contained in your letter is best answered by the Secretary of Agriculture or the War Food Administrator. Therefore, I should like to confine my comments chiefly to those points bearing more directly on price control and rationing.

I think that every Member of the Senate from the Middle West knows how difficult are the problems which we have faced in connection with the efforts to stimulate livestock production in the earlier phases of our war effort and how difficult these problems have become more recently with a lack of balance between our livestock population and our feed resources. It has not been possible for this office to view any one of these problems solely from the point of view of either corn or hogs. We must consider simultaneously the position of the other livestock industries. We must consider the dairy and poultry industries in the deficit feed area as well as dairy production and cattle feeding in the Corn Belt. Furthermore we cannot divorce our considerations from the position of the industries which use corn as a basic raw material in the production of a great variety of products. I think you probably saw the corn chart used by Mr. Bowles at the time of the price control hearings. I am, however, enclosing a copy which illustrates this point.

It is true that corn represents the largest single cost in the production of hogs. Consequently it has a direct bearing on hog production. Throughout 1942 and 1943 the corn-hog ratio was very favorable and is probably the major explanation for the marked increase in hog production which you noted in your letter. Incidentally, I do not know of any occasion on which any qualified official of this office has referred to the corn-hog farmer as greedy or grasping. On the contrary, our staff has understood fully that the hog producer was only making a normal response to the economic situation which had been created by the war and by minimum and maximum price-fixing operations of Government agencies.

The corn-hog situation first became critical in the spring and early summer of 1943. For many months preceding that time, the corn-hog ratio had been at extraordinarily high levels and the hog population had been increased by approximately 50 percent. This, of course, meant that the feed requirements of hog producers increased correspondingly. At the same time, the dairy and poultry industries the country over were also expanding and requiring additional amounts of grain. The major issue faced by this office and the War Food Administration was the lack of balance between livestock population and feed supplies. This could be corrected by an increase in the price of corn or a decrease in the numbers and prices of hogs, the chief consumers of corn. It was recognized clearly that an increase in the price of corn sufficient to restore the corn-hog ratio would have upset the whole stabilization program. Since this may appear to be an extreme statement, I should like to explain carefully the key role of corn in the whole feed- and food-production industry.

In the first place, corn competes for the use of land with soybeans, hay, soft winter wheat, and other crops. Even the present price of corn together with other considerations has made necessary an increase in the support price of soybeans. In using corn, all of the livestock industries compete. The position of deficit feed areas has been particularly acute. Higher corn prices would have forced higher prices for every form of livestock and for most livestock products. The Nation's food bill would have risen with still further consequences on the stabilization program. Furthermore, there are a great many other uses for corn beside its most widely recognized use as a feed. It is used in the manufacture of plastics, starches, soaps, oils, clothing, and a host of other products, all of which would be affected in varying degrees by an increase in the price of corn.

One point with respect to the relation of corn and hog prices which has so frequently been overlooked that I wish to comment upon is this: The current corn-hog ratio has its effect upon future hog populations. In the early summer of 1943 it was agreed by the agencies responsible for the stabilization of prices that the correction of the corn-hog ratio should come about through a reduction on the support price of hogs and that this reduction would be announced in sufficient time to affect the spring pig crop for 1944. This was the earliest point in time at which the corn-hog ratio could affect the hog population.

That announcement was made in the fall of 1943 and the reduction in the spring pig crop exceeded the reduction sought by the War Food Administration. The balance between corn prices and hog prices has been restored by a reduction in the support price on hogs and the downward movement of the market price of hogs from the extraordinary heights in the spring of 1943. By this means we avoided upsetting the whole group of livestock and livestock production prices and the prices of related field crops.

During the past fall we were again asked to raise the price of corn. In our judgment, such an increase at that time would have been disastrous in that it would have forced such heavy marketings of hogs that the already crowded packing houses could not have absorbed the supply. There would have been a far worse situation in the Corn Belt and in the packing industry than occurred during the winter. Furthermore nothing could have been gained since the farmers knew, as is evidenced by their hog production plans and performance, that an approximate balance had been restored between hog prices and corn prices. The data we have and the recommendations of the War Food Administration indicate that with corn at ceiling prices and hogs fluctuating between the support and ceiling prices, approximately the proper corn-hog ratio will exist.

I hope that I have in this letter explained to you our views of the corn-hog problem as it was presented and discussed by you in the letter of June 1 signed by yourself and 15 other of the Midwest Senators.

Sincerely,

JAMES G. ROGERS, Jr.,
Acting Administrator.

THE BRETTON WOODS MONETARY PROGRAM

Mr. BUTLER. Mr. President, along with other Members of this body, and many thousands of Americans everywhere, I have been quite interested in the Bretton Woods monetary program, which has been proposed since our June recess started. I have talked with many industrial, agricultural, and labor leaders in order to get their views as to the effect of this program, if adopted, on our economic future. From among those consulted I have just received a statement that I think will be of interest to everyone. It is in condensed form, and clearly written by a thorough student of our American economy. I ask unanimous consent that this statement by Mr. Bronson Trevor be printed immediately following my remarks. The Bretton Woods proposals will, I assume, come before the Banking and Currency Committee for careful study and report to this body for consideration at some future time, when I may have occasion to go into more detail as to my views and conclusions. The program is of great importance and will I am sure, have the most earnest and thorough attention of every Member of this body.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE BRETTON WOODS PROGRM AND ITS EFFECT ON AMERICAN BUSINESS AND LABOR

(By Bronson Trevor)

I

The delegates to the United Nations Monetary Conference at Bretton Woods adopted two agreements to be submitted for ratification to the governments of the participating nations. One is to establish an international monetary fund (hereafter referred to as the fund) and the other agreement is to create an international bank for reconstruction and development (hereafter referred to as the bank).

The ratification of these so-called agreements by the United States will raise an interesting problem as to whether the constitutional method of ratifying treaties can be dispensed with by referring to these instruments as agreements despite their obvious character of treaties. The plans provide, in identical verbiage, that:

"Each government on whose behalf this agreement is signed shall deposit with the Government of the United States of America an instrument setting forth that it has accepted this agreement in accordance with its law and has taken all steps necessary to enable it to carry out all of its obligations under this agreement." (Art. XX, sec. 2, par. (a) of the fund agreement; Art. XI, sec. 2, par. (a) of the bank agreement.)

The significance of this point lies in the question as to whether the acceptance of an agreement, a procedure not contemplated by the Constitution, has the same force under the Constitution as the ratification of a treaty in binding the future action of our Government.

II

The fund agreement requires the United States to subscribe a quota of $2,750,000,000, while the plan for the bank calls for the United States to provide $3,175,000,000.

The quota of each nation in the fund is to be paid 25 percent in gold and the remainder in its own currency. However, no nation shall be required to contribute more than 10 percent of all the gold and United

States dollars which it owns so that the actual payment by some nations will consist of even more than 75 percent of its own currency and proportionately less gold. Under this arrangement a nation with an adverse trade balance, which in normal times presumably would not include the United States, could obtain for the purpose of meeting such a trade deficit, foreign exchange to the value of eight times that of the gold which it had subscribed, by presenting to the fund its own currency, which might have been printed specially for the occasion. In fact, article V, section 4, of the fund agreement permits the fund, in its discretion, to waive all limitations on the amount of foreign exchange that a nation may obtain upon the presentation of its own currency. As the United States will have an initial voting strength in the fund of 28 percent and in the bank of 27 percent we shall have only a minority voice in determining who shall receive the benefit from our investment. No matter who controls these enterprises, however, the United States will derive no advantage by providing the world with $5,925,000,000.

If this sum were not taken from American taxpayers they would be able to spend it just as well as any foreigner, and more likely on American goods.

Article III, section 5, paragraph (a) of the bank agreement specifically provides that:

"The bank shall impose no conditions that the proceeds of a loan shall be spent in the territories of any particular member or members."

This means that, in the case of the bank, at least, there is no assurance that American business will receive any orders as a result of subscribing to the agreement. Our money could be loaned to one nation which could spend it in another, promoting trade, to be sure, but not American trade.

III

Voting control of the fund, and the bank, will lie with the British Empire and Soviet Russia, and their economic satellites. These nations include the major gold-producing areas of the world.

The fund plan is of great value to gold-producing nations because it provides them with a guaranteed market for their output. The United States Government has indicated on several occasions that we have too much gold, yet the fund plan compels us to continue buying gold.

This is brought about in the following manner: The parity of member currencies is fixed in terms of gold by article IV, section 1, paragraph (a) of the fund agreement. Then article IV, section 5, paragraph (a) requires that:

"A member shall not propose a change in the par value of its currency except to correct a fundamental disequilibrium."

The trade of the United States could be in perfect equilibrium in the sense that gold imports were equal to merchandise exports, and yet our country could be suffering a violent inflation of our currency by the influx of gold and the drainage of other forms of material wealth to foreign lands. As the determination of whether or not a disequilibrium existed would rest with a board controlled by the nations profiting from these transactions, it is unlikely that we could obtain relief.

The final link in the chain of authority by which the fund could compel the United States to buy gold lies in article VII, section 2 which provides:

"The fund may, if it deems such action appropriate to replenish its holdings of any member's currency, take either or both of the following steps:

"1. * * *

"2. Require the member to sell its currency to the fund for gold."

It would appear unwise for the United States to bind itself irrevocably to the present inflated price of gold in view of two uncertainties in the situation. The first is Soviet Russia's unwillingness to disclose either its gold holdings or its potentialities for production. The second is the recent tremendous, but still not fully determined, increase in South Africa's potentialities for gold production.

IV

The fund has power to block capital investments by the United States in other countries, even though such investments might be vital to our welfare.

Article I, paragraphs 5 and 6, states:

"The purposes of the International Monetary Fund are: * * *

"5. To give confidence to members by making the fund's resources available to them under adequate safeguards, thus providing them with opportunity to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity.

"6. In accordance with the above, to shorten the duration and lessen the degree of disequilibrium in the international balances of payments of members."

Article VI, section 1, paragraph (b), declares that:

"Nothing in this section shall be deemed * * *; 2, to affect capital movements which are met out of a member's own resources of gold and foreign exchange, but members undertake that such capital movements will be in accordance with the purposes of the fund."

These two articles taken together indicate that if the United States should have a favorable balance of payments we undertake not to make any investment abroad, the income from which might further improve our position.

V

Both the fund and the bank have the power to completely nullify the effect of our tariff laws.

Article IX, section 2, of the fund agreement declares that:

"The fund shall possess full juridical personality, and, in particular, the capacity:

"1. To contract.

"2. To acquire and dispose of immovable and movable property.

"3. To institute legal proceedings."

This verbiage is identical with article VII, section 2, of the bank agreement, except for the substitution of the word "bank" for "fund" in the latter document.

In the discretion of the fund, under the provisions of article V, section 4, of the fund agreement a member may obtain foreign exchange in unlimited amounts, particularly if willing to pledge collateral consisting of "acceptable assets."

The bank has broad powers to make, or guarantee, loans, including those of foreign exchange, so presumably it also could require the pledge of collateral.

Article IX, section 9, paragraph (a) of the fund agreement states that:

"The fund, its assets, property, income, and its operations and transactions authorized by this agreement, shall be immune from all taxation and from all customs duties."

This verbiage is identical with article VII, section 9, paragraph (a) of the bank agreement except for the substitution of the word "bank" for "fund," as in the previous case mentioned.

Thus both the fund and the bank have the power, through their authorized agents, to acquire movable property abroad, and bring such property into the United States and dispose of it without the payment of any customs duty.

Specific examples of what might happen under these agreements could be multiplied indefinitely but one should suffice. In the case of the fund, assume that a British shoe manufacturer wishes dollars to buy American machinery. His Government applies to the fund, paying in pounds supplied by the manufacturer, but also posting the manufacturer's collateral of 10,000 pairs of shoes, which he is unable to sell profitably in the United States because of our tariff. The machinery is bought, but the manufacturer is unable to supply his Government with dollars to repurchase the pound. The fund then could sell the shoes in the United States without paying the duty, thereby replenishing its supply of dollars, and thereupon return the pounds originally paid in by the manufacturer.

The only difference in procedure by the bank would be that it would lend dollars at the commencement of the transaction so that the manufacturer would default on a loan, rather than on a contract to repurchase pounds with dollars, and the bank would reimburse itself from the proceeds of the collateral. The only sufferers in either arrangement would be the American shoemakers.

VI

The American standard of living is dependent upon the payment of high wages for labor, which is made possible by the protection of the tariff. The tariff prevents goods made by cheap labor from underselling our domestic production in the home market.

Complete control over our tariff should stay with our Government, and not be delegated to international bodies dominated by our business rivals. If our tariff needs adjustment it should be for the benefit of American business and labor, and not modified at the behest of some impecunious foreigner who wishes to undersell us in our domestic market with the products of underpaid, peon, or conscript labor.

As the two agreements reached at Bretton Woods deprive the United States not only of large sums of money, but also of vital elements in the control of our economic life, they should be repudiated by Congress.

COMMENDATION OF THE THIRTY-FIFTH INFANTRY DIVISION

Mr. TRUMAN. Mr. President, I have received from my cousin, Maj. Gen. Ralph E. Truman, who was commanding general of the Thirty-fifth Infantry Division when it was in training at Camp Robinson, Ark., a communication which he received from Maj. Gen. Paul W. Baade, the present commanding general of the Thirty-fifth Infantry Division, which sets forth the commendation by the commanding general of the Nineteenth Corps for the bravery shown by the men of that division during the attack upon and capture of St. Lo. My cousin and I served as captains in the Thirty-fifth Division in World War No. 1—he in the One Hundred and Fortieth Infantry and I in the One Hundred and Twenty-ninth Field Artillery. I ask unanimous consent to have this commendation printed as a part of my remarks in the body of the RECORD.

There being no objection, the commendation was ordered to be printed in the RECORD, as follows:

HEADQUARTERS, NINETEENTH CORPS,
France, July 19, 1944.

Subject: Commendation.

To Commanding General, Thirty-fifth Infantry Division, United States Army:

1. The capture of St. Lo climaxes an operation of major importance to the American cause, and brings to a successful conclusion

the initial combat action of the Thirty-fifth Infantry Division.

2. It was marked by repeated instances of personal and group heroism of the highest order and has earned for your division a place among the great organizations of American military history.

3. Please convey to the veteran officers and men of your division my pride in their achievements, and my sincere congratulations on a job well done.

CHARLES H. CORLETT,
Major General, United States Army Commanding.

HEADQUARTERS, THIRTY-FIFTH INFANTRY DIVISION,
United States Army, July 19, 1944.

To Commanding Officer, One Hundred and Thirty-fourth Infantry, same address:

1. It is with the greatest of pride that I transmit this commendation from the corps commander to the officers and enlisted men of this division.

2. Please extend my sincere personal appreciation, satisfaction, and congratulations to each member of your command for his fine performance in this brilliant victory.

PAUL W. BAADE,
Major General, United States Army, Commanding.

HEADQUARTERS, ONE HUNDRED AND THIRTY-FOURTH INFANTRY REGIMENT,
United States Army.

To Officers and Enlisted Men, One Hundred and Thirty-fourth Infantry Regiment, same station:

1. It is with the greatest pleasure that I pass this commendation on to those who deserve it, the fighting officers and enlisted men of this regiment. I realize only too well that this major victory could not have possibly succeeded without the zeal and devotion to duty shown by each of you.

BUTLER B. MILTONBERGER,
Colonel, One Hundred and Thirty-Fourth Infantry, Commanding.

EXPLOITS OF MARINES ON GUAM—ARTICLE BY ROBERT TRUMBULL

[Mr. HATCH asked and obtained leave to have printed in the RECORD an article entitled "Command Post Has Wild Guam Dawn," by Robert Trumbull, published in the New York Times of July 30, 1944, which appears in the Appendix.]

ARTICLE BY DAVID LAWRENCE ON MISUSE OF STATEMENTS MADE BY PRESIDENT ROOSEVELT

[Mr. HATCH asked and obtained leave to have printed in the RECORD an article entitled "Political Tricks Seen As Spur to Isolationism," by David Lawrence, published in the Washington Evening Star of August 7, 1944, which appears in the Appendix.]

INADEQUACY OF STATE UNEMPLOYMENT COMPENSATION—ARTICLE FROM THE WASHINGTON POST

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an article entitled "State Jobless Pay Called Inadequate," published in the Washington Post of August 8, 1944, which appears in the Appendix.]

POLISH-SOVIET RELATIONS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an editorial entitled "Polish Puppets," published in the Washington (D. C.) Star of July 25, 1944, and two articles by Constantine Brown dealing with the subject of Polish-Soviet relations, published in the Washington Star, which appear in the Appendix.]

ITALY'S INDEPENDENCE DAY—POEM BY HORACE C. CARLISLE

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a poem entitled "Italy's Independence Day," written by Horace C. Carlisle, which appears in the Appendix.]

The VICE PRESIDENT. Morning business is concluded.

EXTENSION OF UNEMPLOYMENT COMPENSATION

Mr. GEORGE. Mr. President, I move that the Senate proceed to the consideration of Senate bill 2051.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2051) to amend the Social Security Act as amended.

The VICE PRESIDENT. The question is on the motion of the Senator from Georgia.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2051) to amend the Social Security Act, as amended, which had been reported from the Committee on Finance, with amendments.

Mr. GEORGE obtained the floor.

Mr. HILL. Mr. President, will the Senator from Georgia yield in order that I may make the point of no quorum?

Mr. GEORGE. I yield.

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Robertson
Andrews	Hill	Russell
Barkley	Jackson	Scrugham
Burton	Johnson, Calif.	Stewart
Butler	Johnson, Colo.	Taft
Byrd	Kilgore	Thomas, Utah
Capper	McClellan	Tobey
Caraway	McKellar	Truman
Chavez	Maloney	Tunnell
Connally	Maybank	Tydings
Davis	Millikin	Vandenberg
Downey	Moore	Wagner
Eastland	Murray	Wallgren
Ferguson	O'Daniel	Walsh, Mass.
George	O'Mahoney	Walsh, N. J.
Gillette	Overton	Weeks
Green	Pepper	Wherry
Guffey	Radcliffe	White
Gurney	Revercomb	Willis
Hatch	Reynolds	Wilson

Mr. HILL. I announce that the senior Senator from Mississippi [Mr. BILBO] is recuperating from a major operation at the Mayo Clinic, and that the senior Senator from Washington [Mr. BONE] and the senior Senator from Virginia [Mr. GLASS] are absent because of illness.

The senior Senator from Idaho [Mr. CLARK] the senior Senator from North Carolina [Mr. BAILEY], the senior Senator from Alabama [Mr. BANKHEAD], the junior Senator from Kentucky [Mr. CHANDLER], the junior Senator from Louisiana [Mr. ELLENDER], the senior Senator from South Carolina [Mr. SMITH], and the senior Senator from Montana [Mr. WHEELER] are necessarily absent.

The senior Senator from Missouri [Mr. CLARK], the senior Senator from Illinois [Mr. LUCAS], the senior Senator from Nevada [Mr. MCCARRAN], the junior Senator from New York [Mr. MEAD], the junior Senator from Utah [Mr. MURDOCK], the junior Senator from Arizona [Mr. MCFARLAND], and the senior Senator from Oklahoma [Mr. THOMAS] are absent on public business.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Vermont [Mr. AUSTIN], the Senator from Minnesota [Mr. BALL], the Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. BROOKS], the Senator from Delaware [Mr. BUCK], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Oregon [Mr. CORDON], the Senator from New Jersey [Mr. HAWKES], the Senator from Oregon [Mr. HOLMAN], the Senator from North Dakota [Mr. LANGER], the Senator from North Dakota [Mr. NYE], the Senator from Kansas [Mr. REED], the Senator from Minnesota [Mr. SHIPSTEAD], the Senator from Idaho [Mr. THOMAS], and the Senator from Wisconsin [Mr. WILEY].

The VICE PRESIDENT. Sixty Senators have answered to their names. A quorum is present.

Mr. GEORGE. Mr. President, the bill now before the Senate, Senate bill 2051, is a bill to amend the Social Security Act, and is confined to amendments to that act. Since the enactment of the Social Security Act a controversy has existed between those advocates and proponents who believe in a federalized system and those advocates and proponents who believe in State unemployment compensation systems.

The Senate Committee on Post-war Economic Policy and Planning conducted a hearing, and before the committee during the hearing various proponents of both plans appeared and testified at some length.

After careful consideration the committee reached the conclusion that at this time, at least, and on principle, it was unwise to interfere with the existing State systems. Since 1935 the States have created their own systems of unemployment compensation. They have had experience in administration since that time, and while no one of the State systems is perfect, and perhaps any one of the systems to be found in any single State could be subjected to criticism, particularly by those who do not believe in State systems of unemployment compensation, we were of the opinion that the systems should be continued and strengthened wherever the strengthening of those systems was indicated, and we submitted certain recommendations. Those recommendations are in part embraced in Senate bill 2051, now the unfinished business before the Senate.

Senate bill 2051 does not include all the recommendations made by the Special Committee on Post-war Economic Policy and Planning, because some of them would involve amendments to the unemployment tax act, and, of course, legislation affecting or raising revenue cannot originate in the Senate. How-

ever, the committee did make certain recommendations which are competent to be considered initially by the Senate. The Senate Committee on Finance gave consideration to those recommendations, and to the evidence submitted to the Special Committee on Post-war Economic Policy and Planning in support of those recommendations, and they are contained in the bill before the Senate.

Principally, the bill before the Senate brings into covered employment all the civil employees of the Federal Government. By civil employees, of course, I meant all the employees of the Federal Government. Under Public Law 346, the so-called G. I. bill, unemployment benefits were provided for all the men and women in the armed forces, now totaling some 11,000,000 persons. Under the existing social security systems and the unemployment benefit systems of the several States, some 30,000,000 persons are now covered. Under this bill, if passed, an additional number, approximately eight and a half million workers, would be eligible for unemployment compensation benefits on the State level and subject, of course, to the maximum benefits and the period of payment as fixed by the State laws. The bill gives to every Federal worker who subsequently becomes unemployed within the life of the bill the right to apply for unemployment compensation benefits in the State in which any part of his service was rendered to the Government.

Under the Social Security Act the Territory of Alaska, the Territory of Hawaii, and the District of Columbia are regarded as States. Of course, many of the Federal employees are in the District of Columbia. A very large percentage of Federal employees have performed some of their service within the District of Columbia, and they would therefore be entitled to avail themselves of the machinery and provisions made for the determination of claims in the District of Columbia, or in any State in which part of their service to the Government was rendered.

It will be seen at a glance that under the existing State unemployment compensation laws, under Public Law 346, the so-called G. I. bill of rights, and under this bill, the total number of eligible workers, if they should become unemployed, would reach 46,000,000 or 47,000,000.

The Special Committee on Post-war Economic Policy and Planning recommended that the law be amended so as to cover the employees of shipping companies, maritime employees working for private industry, and also recommended that the minimum number of employees in covered industry be reduced to one rather than eight, as provided in the present Social Security Act. Those two recommendations, of course, are exclusively within the original jurisdiction of the House of Representatives, and are not included in this bill.

However, provision is made in the bill to cover all civilian Federal employees. Provision is also made for the payment out of the Federal Treasury of any burden thrown upon the State administrations on this account, because the Federal employees have no credits under the existing social-security law. Nothing has been paid into any State or to the District of Columbia, which is regarded as a State, as I have said, and therefore the whole burden for the increased number of employees who would be eligible if they should become unemployed would necessarily be thrown upon the Federal Government, and the bill so provides.

There are certain other technical amendments to the Social Security Act in the bill, but only one further amendment in substance. The bill sets up a revolving loan fund, to be supplied by Federal appropriation, of course, for the protection of the unemployment-compensation funds of the several States, so as to prevent their impairment and so as to give to the States—as we hope—an increasing confidence in the further extension of their own systems, within their own judgments.

If the further recommendations made by the Special Committee on Post-war Economic Policy and Planning should be carried out by the House of Representatives, the Senate, of course, concurring in any legislative proposals made by the House of Representatives, an additional number of approximately 2,500,000 workers would be covered under the unemployment-compensation title of the Social Security Act. It will be seen, Mr. President, that with the last-enumerated recommendation carried out, the remaining workers not covered would consist of agricultural workers, domestic servants, the so-called self-employed workers or self-employed, and the employees of State and local governments. They would constitute the only substantial groups, at least, not brought within the purview of the unemployment-compensation title of the Social Security Act.

Until this time it has not been deemed administratively practicable to cover farm employees, agricultural workers, domestic servants, and the self-employed. The Finance Committee, in considering the bill now before the Senate, did not think it proper and did not deem it wise to compel a State to cover under its unemployment system its own employees, unless, of course, the State itself elected so to do. But the committee was of the opinion that it was entirely proper and right to cover the Federal employees under the Social Security System and to give them the benefit of unemployment-compensation payments. As I have said, we have preserved the integrity of the State systems; and the Federal workers are, of course, covered under the State systems and under the maximum benefits and for the period of weeks provided by the State systems.

Mr. DOWNEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CHAVEZ in the chair). Does the Senator from Georgia yield to the Senator from California?

Mr. GEORGE. I am glad to yield.

Mr. DOWNEY. What method does the bill provide for determining the amount of unemployment compensation to be paid Federal civil-service workers in the District of Columbia or in any other places where there is no unemployment-compensation law applicable to them?

Mr. GEORGE. They are all brought under this bill. The opinion, for which perhaps I was somewhat responsible—indeed, I would say I was responsible for it—has gone abroad that the bill covers only arsenal workers, shipyard employees, and so forth. As a matter of fact, it covers every civilian worker of the Federal Government, because there is no existing employment system under which they are presently covered, and there would be added a possible three and one-half to four million additional workers under the unemployment-compensation provisions established by virtue of this bill. As I have already explained, the District of Columbia under the Social Security Act is regarded as a State, and the existing machinery in the District of Columbia is available to any worker who subsequently becomes unemployed, as well as to any other person in a covered employment or work within the District of Columbia, if a part of his service to the Federal Government was rendered in the District of Columbia.

Mr. President, it is believed by the committee that with the amendments which are here proposed, coupled with the provision for the revolving loan fund to the several State systems, fairly adequate coverage or protection will be provided during the reconversion period. Of course, there is a dispute as to whether the State systems are adequate, that is, whether the amount to be paid—the highest payment authorized under the State laws—and the period of time are adequate. That matter has long been in dispute. But the States have made steady progress toward the improvement of their systems, and the whole social-security system, particularly the unemployment-compensation provisions, presents questions which very vitally affect the economy of the several States. It would be most unwise if the Congress or any State should adopt any system of unemployment compensation which would induce idleness. The States have constantly and steadily borne that principle in mind. While many of them may be subject justly to criticism, at the same time the States have, under existing law, not only had the right but have exercised the right to determine the maximum payments, the duration of payments, and all other questions affecting the payment of unemployment-compensation benefits to the citizens within the States.

It may be said that Federal workers should be treated differently and that the Federal Government should have a uniform standard of payments, and for a uniform period of weeks. There is force in that view. But, after all, the worker in America is a citizen of a State or district, and there is nothing inherently wrong or essentially inequitable or unfair in placing him side by side with his fellow citizens, in basing his compensation payments upon a percentage of his average and usual earnings, and in leaving to the State the high prerogative

and power, which it must exercise if it has any consistent regard for its own economy, to say that, although employed by the Federal Government or by a private employer, citizens should stand equal within the States, and should have equal treatment.

However, if it should be deemed advisable and necessary for the Federal Government to provide some uniform system of payment to its own employees, and if it should be found necessary in our experiences in the months ahead to provide for greater minimum-maximum payments and a higher percentage of the usual income or wage, those are matters which address themselves properly not to an unemployment compensation system but to the larger problem of general relief to be dealt with under a pension system or by any other appropriate means which seem proper to the legislative branch and to the entire Government itself.

Mr. President, there are certain amendments proposed to the text of the bill. All of them are technical. All of them are intended to carry out the purpose of the original draft. But since they are technical amendments, I ask first that the committee amendments be considered at this time.

The PRESIDING OFFICER. Without objection, the clerk will proceed to state the amendments reported by the committee.

The first amendments of the committee were in section 1, on page 1, line 6, after the word "subsection", to insert "a comma and"; in line 11, after the word "agency", to insert "a comma and"; on page 2, line 1, after the word "unemployment", to strike out "account" and insert "account" and a comma; in line 14, after "(h)", to insert "There is hereby established in the unemployment trust fund a Federal unemployment account"; in line 16, after the words "appropriated to," to strike out "a" and insert "such"; in line 17, after the word "account," to strike out "in the unemployment trust fund"; in line 20, after the word "Tax", to strike out "act" and insert "act" and a comma; and on page 3, line 3, after the words "purposes of", to strike out "section 1201" and insert "titles XII and XIII", so as to make the section read:

That (a) section 904 (a) of the Social Security Act, as amended, is further amended by inserting, immediately before the period at the end of the second sentence of the subsection, a comma and the following: "or deposited pursuant to appropriations to the Federal unemployment account."

(b) Section 904 (e) of the Social Security Act, as amended, is further amended by inserting, after the words "a separate book account for each State agency" a comma and the following: "The Federal unemployment account."

(c) Section 904 of the Social Security Act, as amended, is further amended by adding, at the end of the section, the following new subsections:

"(g) The Secretary of the Treasury is authorized and directed, prior to audit or settlement by the General Accounting Office, to make transfers to and from the Federal unemployment account and the account of any State in the unemployment trust fund in accordance with certification made by the Board pursuant to section 1201, not exceeding the amount on deposit in the Federal unemployment account at the time of such transfer.

"(h) There is hereby established in the unemployment trust fund a Federal unemployment account. There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to the excess of taxes collected prior to July 1, 1943, under title IX of this act and under the Federal Unemployment Tax Act, over the total unemployment administrative expenditures made prior to July 1, 1943; and there is hereby authorized to be appropriated to such account for the fiscal year 1945 and for each fiscal year thereafter (1) a sum equal to any excess of taxes collected in the preceding fiscal year under the Federal Unemployment Tax Act over the unemployment administrative expenditures made in such year, and (2) such further sums, if any, as may be necessary to carry out the purposes of titles XII and XIII. As used in this subsection, the term 'unemployment administrative expenditures' means expenditures for grants under title III of this act, for the administration of that title by the Board, and for the administration of title IX of this act and of the Federal Unemployment Tax Act by the Department of the Treasury and the Board. For the purposes of this subsection there shall be deducted from the total amount of taxes collected prior to July 1, 1943, under title IX of this act, the sum of $40,561,886.43 which was authorized to be appropriated by the act of August 24, 1937 (50 Stat. 754)."

The amendments were agreed to.

The next amendment were, in section 2 on page 3, in the heading in line 18, after the numerals "XII", to strike out "loans" and insert "advances"; in line 25, after the word "year", to strike out "immediately" and insert "next"; on page 4, line 6, after the word "total", to strike out "wages" and insert "remuneration"; in line 9, after the word "State", to insert "unemployment compensation"; in line 24, after the words "transferred to", to strike out "a State agency" and insert "the account of any State"; on page 5, line 1, to strike out "a loan to such State agency" and insert "an advance"; at the beginning of line 2, to insert "to the unemployment compensation agency of such State"; in line 3, after the word "agency", to insert "to the Federal unemployment account"; and at the beginning of line 5 to strike out "whenever" and insert "to the extent that"; in line 5, after the word "State", to insert "at the end of any calendar quarter", so as to make the section read:

SEC. 2. The Social Security Act, as amended, is further amended by adding at the end thereof the following new titles:

"TITLE XII—ADVANCES TO STATE UNEMPLOYMENT FUNDS

"SEC. 1201. (a) In the event that the balance in the unemployment fund of a State on June 30, 1945, or on the last day in any ensuing calendar quarter, does not exceed a sum equal to the total contributions collected under the unemployment-compensation law of the State during the calendar year next preceding such day, the State shall be entitled, subject to the provisions of subsections (b) and (c) hereof, to have transferred from the Federal unemployment account to its account in the Unemployment Trust Fund an amount equal to the unemployment compensation paid out by it in the calendar quarter following such day, which is in excess of 2.7 percent of the total remuneration, paid during such quarter, subject to State law.

"(b) The Social Security Board is authorized and directed, on application of a State unemployment-compensation agency, to make findings as to whether the conditions for the transfer of moneys provided for in subsection (a) hereof have been met; and if such conditions exist, the Board is directed to certify, to the Secretary of the Treasury, from time to time, the amounts for transfer in order to carry out the purposes of this title, reduced or increased, as the case may be, by any sum by which the Board finds that the amounts transferred for any prior quarter were greater or less than the amounts to which the State was entitled for such quarter. The application of a State agency shall be made on such forms, and contain such information and data, fiscal and otherwise, concerning the operation and administration of the State law, as the Board deems necessary or relevant to the performance of its duties hereunder.

"(c) Any amount transferred to the account of any State under this section shall be treated as an advance, without interest, to the unemployment-compensation agency of such State and shall be repaid by such State agency to the Federal unemployment account from the unemployment fund of that State to the extent that the fund of that State, at the end of any calendar quarter, exceeds a sum equal to the total contributions collected under the unemployment-compensation law of the State during the preceding calendar year."

The amendments were agreed to.

The next amendments were in section 3, page 5, under the heading "Title XIII—Unemployment Compensation for Federal Employees," in line 17, after the word "service", to insert "as a civilian"; in line 18, after the word "Government", to strike out "or of a wholly owned instrumentality of the United States Government"; on page 6, line 1, after the word "same", to strike out "conditions" and insert "conditions" and a comma; in line 2, after the word "compensation", to strike out "law of the State" and insert "laws of the several States"; in line 5, after the word "in", to strike out "any" and insert "a"; in the same line, after the word "State", to strike out the comma and "Territory, or the District of Columbia,"; in line 6, after the word "which", to strike out "any" and insert "a"; in line 7, after the word "performed", to insert "As used in this section, the term 'United States Government' includes any wholly owned instrumentality of the United States."; at the beginning of line 19, to strike out "United States" and insert "Federal unemployment account"; in line 24, after the word "this", to strike out "subsection" and insert "section."; on page 7, line 4, after the word "departments", to strike out "and agencies" and insert "agencies, and instrumentalities"; and on the same page, after line 9, to insert:

(f) In case of an agreement under this section that a State agency will make payments as agent of the United States, there shall be paid in advance to the State such sum as the Board estimates the State will be entitled to receive for each quarter under such section; reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State. All money paid to a State under this subsection shall be used solely for the payment of unemployment compensation. Any money so paid to a State which is not used for the purpose for

which it was paid shall, upon termination of the agreement, be returned to the Treasury.

(g) Determinations of entitlement to unemployment compensation made by a State agency under an agreement that such agency will act as agent of the United States under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent. Such an agreement may require any officer or employee of the State disbursing funds pursuant to the agreement or otherwise participating in its performance to give a surety bond to the United States in such amount as the Board may deem necessary, and may provide for payment of the cost of such bond from appropriations for carrying out the purpose of this act.

(h) The Board shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to it under this section. The Secretary of the Treasury, through the Fiscal Service of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification.

So as to make the section read:

SEC. 3. (a) The Social Security Act, as amended, is further amended by adding at the end thereof the following new title:

"TITLE XIII—UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

"SEC. 1301. (a) Any person who shall have rendered service as a civilian in the employ of the United States Government after September 16, 1940, shall be entitled, in accordance with the applicable provisions of the unemployment compensation law of the State in which claim for compensation is filed, to receive compensation for each week of unemployment commencing after September 30, 1944, in the same amounts, on the same terms, and subject to the same conditions, as though the unemployment compensation laws of the several States did not exclude services performed in the employ of the United States Government. Any claim for compensation under this section shall be filed in a State in which a part of the service in the employ of the United States Government was performed. As used in this section, the term 'United States Government' includes any wholly owned instrumentality of the United States.

"(b) The Social Security Board is authorized on behalf of the United States to enter into an agreement with any State or with the unemployment compensation agency of such State, under which such State agency will make, as the agent of the United States, payments of unemployment compensation to individuals with respect to services performed by them as civilians in the employ of the United States Government, on the basis provided in subsection (a).

"(c) Each State shall be entitled to receive from the Federal unemployment account for each quarter, beginning with the first quarter commencing after enactment of this act, an amount equal to the total of all payments of unemployment compensation made by such State during such quarter, pursuant to an agreement under this section.

"(d) In the event that any State does not agree to make such payments to such persons, the Civil Service Commission is hereby authorized and directed to make such payments.

"(e) All departments, agencies, and instrumentalities of the United States are directed to make available to the appropriate State agency such information with reference to compensation of persons in the employ of the United States Government as may be necessary to determine the benefits payable under this title.

"(f) In case of an agreement under this section that a State agency will make payments as agent of the United States, there shall be paid in advance to the State such sum as the Board estimates the State will be entitled to receive for each quarter under such section; reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State. All money paid to a State under this subsection shall be used solely for the payment of unemployment compensation. Any money so paid to a State which is not used for the purpose for which it was paid shall, upon termination of the agreement, be returned to the Treasury.

"(g) Determinations of entitlement to unemployment compensation made by a State agency under an agreement that such agency will act as agent of the United States under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent. Such an agreement may require any officer or employee of the State disbursing funds pursuant to the agreement or otherwise participating in its performance to give a surety bond to the United States in such amount as the Board may deem necessary, and may provide for payment of the cost of such bond from appropriations for carrying out the purpose of this Act.

"(h) The Board shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to it under this section. The Secretary of the Treasury, through the Fiscal Service of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification."

The amendments were agreed to.

The next amendments were, in section 4, on page 8, line 23, after the word "repay", to strike out "loans" and insert "advances"; in line 25, after the word "such", to strike out "loans" and insert "advances"; and at the top of page 9, to insert "Any amounts so repaid after the end of such year, and any amounts in the Federal unemployment account at the end of such year, shall be covered into the general fund of the Treasury", so as to make the section read:

SEC. 4. This act, and the amendments to the Social Security Act made thereby, shall cease to be effective at the end of the second full calendar year after the termination of hostilities in the present war as declared by Presidential proclamation or concurrent resolution of the Congress, except that the obligation of the State agencies to repay advances made from the Federal unemployment account shall remain effective until such advances are repaid. Any amounts so repaid after the end of such year, and any amounts in the Federal unemployment account at the end of such year, shall be covered into the general fund of the Treasury.

The amendments were agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. GEORGE. Mr. President, may I inquire whether the amendment on page 5, in line 17, was agreed to?

The PRESIDING OFFICER. The amendment was agreed to.

Mr. GEORGE. Very well. I have nothing further to say at this time except to make the following brief statement:

The Senate Finance Committee and the Special Committee on Post-war Economic Policy and Planning are aware of the fact that there are many phases of reconversion. Many of them involve the disposal not only of property, but also of workers themselves.

The Senate Finance Committee is desirous of doing something for at least a large number of the workers, and in order to be certain that all Federal employees may be given the benefits of unemployment compensation this bill was framed as a separate measure which, if passed by the Senate as a separate bill, would reach the House of Representatives, where further and broader amendments could be made if the House should elect to do so. By such a course there would be a certainty of action on the bill.

If there shall be any great amount of unemployment during the period of reconversion it will be found in part, and perhaps to a high degree, among the employees of the Federal Government, particularly those persons who have worked in hospitals, in shipyards, and elsewhere, and as direct employees of the Federal Government itself. Obviously, in proportion to the total number employed following the war, they will be out of employment in larger numbers than any other single group of workers. There is a certainty of, at least, some unemployment among Federal workers. There is a certainty that there will be some retrenchment in the war agencies and in the various agencies of Government which have been established in order to meet the needs of war. In other words, our Federal service has been very greatly expanded. We must contemplate some decrease in the number of Government employees. We cannot close our eyes to the fact that many direct employees of the Government will probably find themselves out of work very soon after the war shall have come to an end, or perhaps even when certain phases of the war shall have ended.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. BURTON. In connection with the compensation of Federal employees, I believe that the language of the bill is applicable to any person who has rendered services as an employee of the United States Government. It is not limited to those who are employed in the civil service.

Mr. GEORGE. Oh, no.

Mr. BURTON. Any employee of the Federal Government would be eligible to the unemployment compensation?

Mr. GEORGE. Yes. I do not believe there can be any doubt about that. Therefore, Mr. President, it seems entirely right, necessary, and proper, whether the method selected be the one which is agreeable to all Senators, that the Federal Government make some provision for its own employees if they should become unemployed. Such a course would be the correct one to follow because private contractors have been taken into account, and have been reimbursed under contracts with the Government for all amounts paid by them into the insurance and unemployment compensation funds of the several States.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. KILGORE. Unless the Senator knows differently, I believe I am correct in saying that there is one type of private contractor who has been operating the merchant marine. The seamen of the merchant marine have been operating under private contract.

Mr. GEORGE. That is true.

Mr. KILGORE. And those seamen have not been included.

Mr. GEORGE. That is true.

Mr. KILGORE. The pending bill does not cover them.

Mr. GEORGE. That is true. I wish to invite special attention to that fact because if seamen of the merchant marine were included there would necessarily be brought into the taxing system additional taxpayers, and the jurisdiction over that subject is in the other House and not in the Senate.

Mr. President, I have nothing further to say at this time with reference to the bill before the Senate. I have an estimate of the probable cost, but it is an estimate only. It is, of course, predicated upon the projection of a great many conditions and suppositions, and of course cannot be taken as indicative of what may be the ultimate liability of the Government under the bill.

Mr. McKELLAR. Mr. President, will the Senator from Georgia state what it is?

Mr. GEORGE. I do not have it immediately before me, but I shall obtain it and submit it for the RECORD.

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I have received from Mr. William Green, President of the American Federation of Labor, together with a statement by the American Federation of Labor on the Kilgore-Murray bill.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. DAVIS. I yield.

Mr. MURRAY. I should like to inquire of the Senator from Pennsylvania what is the matter being inserted in the RECORD. What is it desired to accomplish?

Mr. DAVIS. I have asked to have printed in the body of the RECORD a letter which I received from the president of the American Federation of Labor with regard to the pending legislation.

Mr. MURRAY. Does the Senator desire to have it read?

Mr. DAVIS. It may be read.

Mr. WAGNER. I should like to have it read.

Mr. DAVIS. I ask that the letter be read.

The PRESIDING OFFICER. Without objection, the clerk will read the letter.

The legislative clerk read as follows:

AMERICAN FEDERATION OF LABOR,
Washington, D. C., August 8, 1944.

Hon. JAMES J. DAVIS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Favorable and early action in the Kilgore-Truman-Murray bill is of vital importance to the A. F. of L. as well as all other citizens' organizations. We should appreciate the help of our friends and friends of our democratic institutions in enacting this bill into law.

Your willingness to submit to the Senate the enclosed statement of the position of the A. F. of L. on the pending legislation providing for reconversion is a service that I appreciate fully.

Very truly yours,

WM. GREEN,
President, American Federation of Labor.

Mr. DAVIS. Mr. President, following the reading of the letter from Mr. Green, I ask unanimous consent that the statement of the American Federation of Labor submitted by Mr. Green in connection with his letter be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The American Federation of Labor urges immediate passage of the Kilgore-Murray-Truman bill, S. 2061, to secure the greatest possible cooperative effort on the part of workers, industry, and agriculture in war production, to insure to workers a decent living while they wait for industries to convert, and to provide a sustained market for industries as they expand. The Kilgore-Murray-Truman bill provides the means to assure these ends.

We feel strongly that S. 2061 should be passed now as the war is coming to a climax so that the personal anxieties of workers as to their future may in a measure be alleviated and they may be enabled to put every ounce of effort into winning the war as quickly as possible.

There must be national coordination with over-all policy-making. For this reason the American Federation of Labor has consistently urged that there be an over-all agency responsible for this transition.

It has been the position of the American Federation of Labor that we must not make the same irreparable error in this war that we made in the last war. We should have central administration guiding demobilization of industries and armed forces, and making the necessary provisions for workers as they wait upon industries to get ready to provide jobs. It should be reason enough as a matter of simple justice that there be protection for the workers and their families who make up most of the people of the country. The American Federation of Labor believes that this emergency should be met in the most effective way—by a single coordinated plan that will take care of all seeking jobs without discrimination. Permanent expansion of social insurance should be planned for normal conditions—not this emergency. Therefore, the American Federation of Labor urges an emergency measure, limited to the months of crisis only.

The Kilgore-Murray-Truman bill provides with even-handed justice for the unemployed whether they are civilian workers or have served in the armed forces. Civilian workers, ex-service men and women and Government employees have rendered essential service in this war in the capacity for which they were best fitted, and we should make no distinctions between them in tiding them over intervals in which they are unable to find jobs. Neither the workers nor the States were directly responsible for the war and its consequences. It is a national emergency and calls for a national solution. Workers have migrated by the millions to other States and other communities. They have produced in a way that has brought admiration and praise from distinguished leaders of other countries. Many of these millions have disrupted their homes and their usual livelihoods to make their contribution to the war, and often forced to live under admittedly intolerable conditions. Their living costs have gone up and very likely will stay up. But their take-home pay, even for those able to get jobs, will be cut by about one-fourth if wage-rates are not increased when overtime is discontinued.

Loss of jobs to workers would bring loss of markets to industry. Industry cannot produce and expand if millions of workers are unemployed and if those who receive unemployment compensation are paid amounts which would be below the level of subsistence for their families. It would start a downward spiral of curtailed production to fit the limited market, firing of more workers as production is curtailed, a smaller market, still more unemployment, and a depression worse than that of the thirties.

The maintenance of purchasing power either through adequately paid jobs or through adequate unemployment compensation would act as a form of insurance for industries and the whole economy because workers would be able to buy the products of industry, thus creating more jobs, additional purchasing power, greater opportunity for expansion. The more widespread the guaranteed purchasing power, the greater the potential expansion and the less unemployment. Thus long-continued expenditures for unemployment compensation would be unnecessary. Opponents of an emergency national unemployment benefit program based on adequate payments to individual workers, have spoken of the cost being $20,000,000,000 to $25,000,000,000 a year. They fail completely to consider two facts. One is that this is a legitimate war cost, due directly to the war, to be carried only through the transition, and justly payable by the Nation as a whole. The other, much more important, is that with this insurance of a guaranty to industry that it will have a market, industry will feel secure enough to plan for expansion and to put its plans into effect. The only alternative is widespread relief which would cost more in money and human life.

An excellent editorial entitled "Demobilization Pay" was carried in the Washington Post on August 4, from which I quote as follows:

"Senator GEORGE's bill extending unemployment insurance to Federal workers employed in shipyards, arsenals, and wholly owned Government corporations and providing for loans to State unemployment insurance funds as a protection against insolvency is an utterly inadequate method of dealing with the problem of demobilization unemployment. His bill makes no provision whatever for supplementing the often meager benefits paid to workers under State systems of unemployment insurance. Each State would continue to set its own scale of benefits as it now does and make payment for as many weeks as it chose. Moreover, every Federal employee brought in under the George bill would receive the scale of benefits provided by the State in which he happened to be located. Thus geographical location would determine whether the benefits payable during a period of demobilization unemployment were fairly generous or hopelessly inadequate. To us this seems to be carrying regard for so-called States' rights beyond the bounds of reason. We cannot conceive of anything more demoralizing than a plan that would result in demobilized civilian employees of the Federal Government receiving varying amounts of benefits to tide them over periods of unemployment.

"One purpose of hastening Federal action on demobilization legislation is to keep workers in war jobs by insuring them against hardship in case of cancelation of war contracts. The George plan would actually encourage war workers to shift from States where benefits were small to those where they were assured of better treatment."

The same argument applies to all workers in war and essential industries. Workers have family responsibilities and obligations, and a pressing need to care for their families

in the future as well as the present, just as the workers who are now leaving their war jobs in Washington to go back to civilian employment while they can still get jobs. The greatest inducement to get them to stay on war jobs would be national legislative assurance that they are wanted enough and have earned the right to be taken care of during the reconversion and the mass migration to new jobs.

Present State laws are inadequate in coverage and in duration and amount of benefits.

National emergency unemployment compensation is no more an invasion of States' rights than was the war itself, the establishment of new industries within the States to produce for the war, the Selective Service Act, or the war-contract-termination bill. It is a vital means of sustaining the national economy. Unless the national economy is sustained, no individual State can prosper.

We have unleashed a great productive force in this war. We cannot let it falter as we move on to victory. And we shall be derelict in our duty to the future if we squander this force in the peace to come.

Persons and organizations from all walks of life have publicly affirmed the goal of full employment after the war. Unless we direct every plan for reconversion and every resource of the Nation to that end, we shall be long years in reaching it and in the meanwhile we shall have experienced a depression that will have lost us the opportunity for helping in world recovery, economically and politically. Our hope of meeting national obligations with an annual budget of from 16 to 25 billion dollars is to maintain a national income of approximately $175,000,000,000.

Mr. MURRAY. Mr. President, I now move to amend the bill under consideration by inserting on page 1, line 2, after the enacting clause all of titles I, II, and III of Senate bill 2061, a bill to provide a national program for war mobilization and post-war adjustment, recently reported by the Committee on Military Affairs. Instead of reading this somewhat lengthy amendment in full, I should like to summarize it in a few sentences.

Mr. GEORGE. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Georgia?

Mr. MURRAY. I yield.

Mr. GEORGE. I am merely inquiring for the purpose of understanding where the amendment is proposed to be inserted.

Mr. MURRAY. It is to be inserted on page 1, line 2, after the enacting clause. Then there are to follow subsequent amendments to the bill of the Senator from Georgia.

Mr. GEORGE. Is the motion of the Senator to strike out and insert?

Mr. MURRAY. No; on page 1, line 3, I propose another amendment to strike out the first word "That" and renumber sections 1 to 4 as sections 401 to 404. That carries the bill of the Senator from Georgia into the amendment.

Mr. GEORGE. I thank the Senator. I did not catch where his amendment came in.

Mr. PEPPER. Mr. President, will the Senator from Montana yield to me?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Florida?

Mr. MURRAY. I yield.

Mr. PEPPER. If I understand correctly, then, the purport of the amendment of the Senator from Montana is to insert titles I, II, and III of the Murray-Kilgore bill just ahead of the George bill, immediately after the enacting clause.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. MURRAY. That is correct.

Mr. PEPPER. Then, at the end of the George bill, the remaining part of the Murray-Kilgore bill would be inserted, but no part of the George bill would be deleted.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. OVERTON. Am I correct in understanding the Senator from Montana to accept the George bill as amended by the Senate.

Mr. MURRAY. We are not opposing the George bill at this time. It may be subject to amendment during the course of the debate, but we are not opposing the George bill for the purpose of presenting the proposed amendments.

Mr. OVERTON. One of the main provisions of the George bill is to leave the administration under State laws. May I ask the Senator at this early moment whether he is agreeable to that arrangement?

Mr. MURRAY. Yes; we have no objection to that arrangement.

Mr. President, instead of reading the lengthy amendment in full I should like to summarize it in a few sentences.

Title I sets forth the objectives: To facilitate maximum war production; to expedite the transition from war to peace; to achieve full employment and rising standards of living; and to provide for the development of unified plans and adequate machinery to achieve those objectives. Title I would establish the office of war mobilization and adjustment, to be headed by a director. In addition, it would establish a division of programs and projects in that office to be headed by a deputy director. Both officials would be appointed by the President by and with the advice and consent of the Senate.

It will be the function of the director, with the assistance of the deputy director, to formulate plans to meet the problems of war mobilization and post-war adjustment, and to coordinate the activities of all other Government agencies in connection therewith.

Title II directs the Chairman of the War Production Board to establish a production adjustment committee, which shall consist primarily of the representatives of the procurement agencies. The same title, furthermore, sets forth specific policies to be followed by the agencies in cutting back war production and resuming civilian production.

Title III would create the retraining and reemployment administration, to be headed by a work administrator, who is to be appointed by the President by and with the advice and consent of the Senate.

The principal feature of the proposal is that it provides for unemployment benefits to servicemen and civilians from $20 to $35, depending upon the number of dependents.

As a second amendment, I move to amend the bill under consideration by striking out on page 1, line 3, the first word "That" and by renumbering sections 1 to 4 as sections 401 to 404. As a third amendment I move to insert on page 9, after line 4, titles IV and V of S. 2061.

Inasmuch as this last amendment also is quite lengthy, I should like to summarize it as follows:

Title V, entitled "Housing and Public Works," directs the Administrator of the National Housing Agency to survey national housing needs and develop programs for such needs through private housing and through research and technical assistance given to private housing.

It further authorizes the Federal Works Administrator to make loans to State and local governments for the purpose of allowing them to draw up plans for public works. This provision, however, does not commit the Federal Government to the carrying out of such plans.

Title V contains primarily definitions applicable to the previous titles contained in the two amendments.

As a fourth amendment, I shall later move to strike out the short title "To amend the Social Security Act, as amended," and substitute "To provide a national program for war mobilization and post-war adjustment."

Mr. President, the reconversion bill which I am offering as an amendment to the pending bill, S. 2051, is a measure on behalf of our entire economy—on behalf of America's future. It is a measure to save free competitive enterprise for America and to save America from the totalitarianism that is bound to result from another depression.

During the war, we have achieved levels of production and employment unprecedented in American history. We have wrought miracles of production and the results are already being felt in all the theaters of military operations. We have achieved all-out production of the weapons of war while 11,000,000 of our ablest men and women have been serving in the armed forces.

Yet, when Germany is defeated, war production will be cut by 50 percent. Throughout our country, contracts will be canceled and jobs in war production will be ended. When Germany is defeated, demobilization of our armed forces will begin. The troop ships will bring home an ever-growing stream of returning veterans. Curtailment of war contracts and return of our servicemen—these are the immediate fruits of victory.

It is the purpose of the reconversion bill, which I am offering as an amendment, to assure the country that we are prepared for victory. It is the purpose of the reconversion program set forth in the proposed amendment to provide the plans now and to take the steps now that are needed to prevent a repetition of what happened after the last war. We cannot afford to return to an economy of

"boom and bust" of "feast and famine." We cannot afford at the end of the war to let our servicemen and our war workers fear that Hoovervilles are just around the corner. It is our duty and responsibility, as the elected representatives of the American people, to lay a firm foundation for an adventure in post-war prosperity.

There are vast sections of the world, devastated by the war, that await rebuilding. There are millions of people in our country, and in other countries, whose standard of living is still extremely low, and who represent potential customers for the products of our factories, fields, and mines. There are scores of new products and new processes that have been developed during the war and that should be exploited. The opportunities that lie before us are unprecedented, if we have the vision and wisdom to develop sound plans far enough in advance. By accepting the amendments offered by me the Congress can properly discharge its duty to the American people. It can provide concrete assurance that America will take advantage of its opportunity to achieve full employment and post-war abundance.

In February of this year, I joined my distinguished colleague from Georgia [Mr. GEORGE] in presenting a broad reconversion measure. This bill set up an over-all coordinating office and dealt in specific terms both with surplus war property and the settlement of claims on terminated war contracts. At that time, I hoped, and the Senator from Georgia hoped, that it would be possible to handle these subjects in one measure. It soon became evident, however, that the provisions on the settlement of termination claims were worked out in a satisfactory fashion. There seemed to be no reason to delay action on contract settlement until the complex problems involved in over-all coordination and in surplus war property were solved. Accordingly, contract settlement and plant clearance were dealt with in a separate measure which was signed by the President on June 30.

At the present moment there has not yet been developed a satisfactory measure on surplus war property. There are many bills pending on this subject before the War Contracts Subcommittee of the Senate Committee on Military Affairs, and it is my hope that we will soon be able to report a comprehensive surplus property measure.

But today, in the considered opinion of the Military Affairs Committee, the Senate must proceed to act upon:

First, an over-all coordinating agency to handle problems of both war mobilization and post-war adjustment;

Second, the specific policies to be followed in curtailing war production and expanding civilian production;

Third, the problems of human demobilization and reemployment; and

Fourth, preliminary steps aiming toward an appropriate post-war program of housing and public works.

These four questions, all of which are covered in the reconversion bill, S. 2051, which is now proposed as an amendment to the pending bill, have been studied together, and have been acted upon together by the Military Affairs Committee. They must be considered together and must be acted upon together by the Senate.

The proposed amendment constitutes a carefully balanced program. Title I establishes the Office of War Mobilization and Adjustment to plan the reconversion program and to exercise general supervision over the activities of the individual agencies that will administer the reconversion program.

Title II provides for the planned curtailment of war production through orderly cooperation between the various procurement agencies. Since the curtailment of war contracts releases manpower, materials, and facilities, it provides for the reemployment of these resources through the expansion of civilian production as rapidly as the military situation permits. Since the small manufacturer usually has greater difficulty in obtaining materials for the resumption of civilian production, it provides for special allocations of materials for small business. Since there are serious dangers of increased trends toward monopoly in the period of reconversion, it provides for careful vigilance by the Attorney General, who is directed to report regularly to the Congress on any trends tending to create or strengthen monopoly, or to promote an undue concentration of economic power.

Title III provides the answer to the question of human demobilization. This pivotal question is now before the Senate.

Title III supplements title II by dealing broadly with the human aspects of demobilization. It provides a clearing house for information for available job opportunities through the United States Employment Service and for transportation to the location of new jobs. It provides for the prompt demobilization of members of our armed forces, and in recognition of the fact that the absorption of our soldiers and sailors into normal employment may be a slow process, increases mustering-out payments. In recognition of the fact that expanding civilian production will inevitably call for new skills, it provides a comprehensive program of vocational training and education to take care of unemployment situations which will nevertheless arise in special areas of the economy and for limited periods of time. While the major purpose of the bill is to avoid unemployment, the bill also sets up an emergency system of unemployment benefits. It establishes benefits that are high enough to maintain purchasing power, avoid a deflationary spiral of unemployment, and thereby accelerate the wheels of industry.

Title IV supplements titles II and III by taking the first steps toward a broad program of providing employment through private housing and public works.

The basic purpose of this program is to provide employment.

But just what does the proposal contain that will encourage high levels of post-war employment?

A careful reading of the amendment provides the answer to this question.

First of all, it provides for the rapid resumption of civilian production—as rapidly as materials, manpower, facilities and other resources are released from war production.

Second, it provides for special assistance in increasing civilian production by small business firms.

Third, it provides for the planning of curtailment of war production in such a fashion that manpower and materials can be released in those areas where reemployment is most feasible and can be discarded most rapidly.

Fourth, it provides for a national clearing house to enable workers to get adequate information concerning available job opportunities.

Fifth, it provides for the transportation of workers, under adequate controls, to location of job opportunities.

Sixth, it provides for training programs to assure the skills and capacities that will be needed in expanded civilian production.

Seventh, it provides for development of a national housing program to assure millions of jobs through housing construction by private enterprise.

Eighth, it provides Federal assistance to local communities in the development of blueprints for their own local public-works projects.

Finally, it provides for unemployment compensation.

Mr. PEPPER. Mr. President, I am reluctant to ask the Senator to yield.

Mr. MURRAY. I am glad to yield to the Senator.

Mr. PEPPER. If I understand the Senator correctly, then, it may be said that the Murray-Kilgore amendment, taken together with the so-called George bill, would eliminate relief lines and W. P. A.'s in the United States after the war? I think it might have that effect.

Mr. MURRAY. It would have that effect. I thank the Senator for his analysis.

Mr. President, there are those who have charged that the unemployment compensation features of this bill are wildly extravagant. They fail to realize that the purpose of the unemployment compensation provisions are not to provide relief but to stimulate purchasing power and employment.

The costs of unemployment compensation under this bill will not be high—for the simple reason that under this bill unemployment will not be allowed to become widespread or of long duration. The purpose of the unemployment compensation provisions is not to subsidize unemployment, but to prevent and eradicate it.

Congress has appropriated $225,000,000,000 for war expenditures. We are now producing for war at an annual rate of over $90,000,000,000 a year. Compared to this huge expenditure for the purposes of war, the cost to the Government of the

unemployment compensation provisions of this bill will be exceedingly small.

Furthermore, they will be a part of the war costs. They will represent the price that must be paid for readjusting our economy from war to peace. This is a more important and a more difficult task than the one of converting to war.

The present rates of unemployment compensation that are allowed under the various State systems are so low and of such limited duration that they offer no opportunity for the maintenance of adequate purchasing power during the period of readjustment.

At this point I should like to have printed in the RECORD a full discussion of the present inadequacy of State unemployment compensation laws. This material was presented to the Honorable James F. Byrnes by the Chairman of the Social Security Board, and was submitted to the War Contracts Subcommittee on June 12, 1944, when Mr. Byrnes testified on behalf of strengthening our unemployment compensation system.

Mr. President, I ask that a letter from Mr. Altmeyer to Director Byrnes, together with the material sent with the letter, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter and tables were ordered to be printed in the RECORD, as follows:

FEDERAL SECURITY AGENCY,
SOCIAL SECURITY BOARD,
Washington, D. C., June 2, 1944.

The Honorable JAMES F. BYRNES,
Director of War Mobilization,
The White House,
Washington, D. C.

DEAR JUSTICE BYRNES: This is in answer to your request for data on the inadequacy of the benefit and financial provisions of the State unemployment compensation laws. The major weaknesses of existing State laws are the limited duration of benefits, the low maximum weekly benefit amounts, limited coverage, unduly restrictive disqualifications, and a failure to distribute over the country the excessive financial burden which will fall on certain States in the post-war period.

The most serious inadequacy of State unemployment compensation laws is the limited period during which benefits can be drawn. In some States an unemployed person can draw only 2 or 3 weeks of benefits. Even in the rather good year, 1941, for the country as a whole, one-half of all claimants were still unemployed when they had exhausted their benefit rights. In 36 States over 40 percent of the beneficiaries used up all their benefits; in 3 States over 60 percent exhausted all rights. Many workers remained unemployed for long periods after exhausting their benefits. In many States a consistently high proportion of workers has exhausted all their benefit rights in recent years. In Texas, for example, 66 percent of the beneficiaries exhausted all benefits during 1940–41.

Duration of benefits is limited not only by the generally low maximum number of weeks for which benefits can be drawn, but also by an additional limitation of benefits to a fraction of a worker's annual earnings. As a result of these limitations, the average maximum period for which workers could be eligible in 1940 was less than 12 weeks in 9 States, including such States as Texas, New Jersey, and Connecticut. Changes have been made in duration provisions since 1941; still the picture is one of inadequacy. Some States, such as Texas, have made no changes in duration of benefits. At the present time benefits are limited to a maximum of 16 weeks or less in 28 States.

The average weekly benefits of about $12.60 for 1942 and $13.80 for 1943 was only about one-third of the average weekly wage. The inadequacy of the weekly benefit amount is primarily due to the low maximums provided under the State laws. In 22 States no worker can receive more than $15 a week in unemployment compensation, regardless of his previous wages. This maximum, and even the highest maximum weekly benefit amount in any State ($22), automatically limits all better-paid workers to less than 50 percent of their wages. This situation is in sharp contrast to the situation under State workmen's accident compensation laws. A comparison with those laws indicates that 32 States pay higher rates for accident compensation than for unemployment compensation.

Even liberal benefit provisions can be nullified by disqualifications which deny access to benefits. There is an unmistakable trend toward more severe penalties for disqualification. The function of disqualifications is shifting from limiting benefits to workers unemployed through no fault of their own to limiting payments to cases where the employer is at fault. For example, a worker may have good personal cause for leaving a particular job. In 1938, good personal cause would justify a quit and permit a worker to draw benefits in all but 4 States. At the present time, however, 20 States limit good cause for voluntary leaving to "good cause attributable to the employer."

There is also an increasing tendency to cancel outright the benefit rights which would have been available during the period of disqualification or to cancel all benefit rights resulting from the employment which terminated under a disqualifying condition instead of temporarily disqualifying a worker. In 1938, there were 8 State laws which reduced or canceled benefit rights for 1 or more disqualifying acts; in 1940 there were 14; in 1944, the number of such States has increased to 28.

Another major weakness of unemployment compensation is its limited coverage. Only 13 States cover employers of one or more workers. If coverage for unemployment compensation were made the same as for old-age and survivors' insurance, some 3,000,000 persons would be added under the unemployment compensation program. Nearly 200,000 merchant seamen covered for old-age insurance still lack protection against unemployment which many of them are likely to suffer in the post-war period. Another major group of workers who have no unemployment compensation protection are 2,000,000 wartime workers in the Federal Government, mostly working in arsenals, depots, and navy yards.

One of the anomalies of the present system is that benefits are especially inadequate in many States with relatively large reserves. For example, in Oregon, whose law contains one of the most restrictive duration provisions in the country, the reserve fund at the end of 1943 was large enough to pay benefits at the maximum duration in that State to 85 percent of the covered workers employed at the end of September 1943. North Carolina's reserve is large enough to pay benefits to 88 percent of the workers employed at the end of September 1943, yet the average weekly benefit amount in this State ($7.10 in 1943) has for a number of years been the lowest in any State. In other States, in which the reserve funds are relatively less adequate, contributions which would otherwise enable payment of more adequate benefits are being lost because of experience rating. In Michigan, for example, the estimated average contribution rate during 1943 was only 1.6 percent of taxable pay rolls.

We have at the present time a grand total of over $5,000,000,000 in the State unemployment compensation reserve funds. These reserves will probably be considerably greater before the end of the war. It would cost $5,000,000,000 to provide unemployment benefits at $20 a week for an average of 20 weeks for 12,500,000 unemployed workers. Therefore, it might appear at first glance that our total reserves would be more than sufficient to provide fairly adequate benefits during the post-war transition period. However, it must be emphasized that this is not a single pooled fund and that the probable drain on the 52 separate reserves will vary greatly. Richard A. Lester, an economist employed by the Committee for Economic Development, has estimated that between one-third and one-half of the total reserves are completely sterile in the sense that that portion would not be used even if 12,500,000 workers became unemployed and drew all the benefits to which they were entitled under present laws. That is to say, because of the fact that unemployment varies widely from State to State and because of limitations on the amount of benefits payable to individuals, many States will have untapped reserves although other States may have completely exhausted their reserves and ceased to pay benefits. Calculations made on various economic assumptions indicate that from 38 percent to 65 percent of the total reserves will still be unused when the first States become insolvent.

In 1940, $518,000,000 was paid out in unemployment benefits. However, Prof. Sumner Slichter, an eminent Harvard economist and consultant to the Committee for Economic Development, has estimated that the wage loss during that year was $7,000,000,000, so that only 7 percent of the actual wage loss was offset. Mr. Lester estimates that if there is no change in present provisions, unemployment compensation payments would not compensate for more than 10 percent of the wage loss from unemployment during the post-war transition period.

The New York Joint Legislative Committee on Industrial and Labor Conditions made a special study of unemployment compensation, issued in 1943, which included a field survey covering 11 States across the country, and reached the conclusion in its report that "the benefit provisions of the State laws cannot be said to be adequate to meet fully the needs that will arise if unemployment succeeds the cessation of hostilities. • • • It does not seem possible that in the remaining time [before the war ends] most State unemployment compensation laws will be sufficiently extended and improved to intensify sufficiently the degree of protection against widespread unemployment. The search for a solution to the problem must, therefore, proceed in other directions."

I am attaching three tables which I hope will be of value. If you wish any additional information, please let me know.

Sincerely yours,

A. J. ALTMEYER, *Chairman.*

Number of States having specific provisions in State unemployment compensation laws

	January 1940	January 1944
Coverage of employers of 1 or more employees	11	13
Maximum weekly benefit $15	42	22
Maximum duration of benefits 16 weeks or less	42	28
Benefit rights canceled or reduced for voluntary leaving, misconduct, or refusal of suitable work	14	27

Significant provisions of State unemployment compensation laws, June 1, 1944

[Prepared for ready reference and comparison purposes. Because of the impossibility of giving qualifications and alternatives in brief summary form, the State law and State employment security agency should be consulted for authoritative information. In general, the State laws cover employment in most types of business and industry, except employment for railroads which is covered by a separate Federal law]

State and type of fund [1]	Size of firms covered (number of employees)	Eligibility	Weeks of initial waiting period	Weekly benefit rate total unemployment	Maximum payment per week	Minimum payment per week	Weekly benefit rate partial unemployment	Duration in 52-week period (lesser amount below applies)	
								Total amount of benefits (proportion of wages)	Maximum number of weeks payable
Alabama: Pooled; experience rating effective April 1941; employee contributions determined by experience rating.	Employer of 8 or more in 20 weeks.	30 times w. b. a., including $39.01 in 1 quarter.[2]	1	1/26 of high quarter's wages, established by table in law.	$15	$2	W. b. a. less wages in excess of $2.[3]	1/4 in 4 quarters	21
Alaska: Pooled	do	25 times w. b. a.	2	1/20 of high quarter's wages.	16	5	W. b. a. less wage in excess of $5.	do	16
Arizona: Pooled; experience rating effective January 1942.	Employer of 3 or more in 20 weeks; also all employers liable to Federal tax.	14 times w. b. a.	1	50 percent of full-time weekly wage.	15	5	W. b. a. less wages in excess of $3.	1/4 in 8 to 12 quarters.	14
Arkansas: Pooled; experience rating effective April 1942.	Employer of 1 or more in 10 days.	22 times w. b. a.	1	1/26 of high quarter's wages.	15	3	do	1/4 in 4 quarters	16
California: Pooled; experience rating effective January 1941; employee contributions 1 percent of wages up to $3,000 not to exceed 50 percent of employer's general rate.	Employer of 4 or more in 20 weeks.	$300	2	1/20 of high quarter's wages, established by table in law.	20	10	do	23 to 54 percent in 4 quarters, according to schedule of wage classes.	
Colorado: Pooled; experience rating effective January 1942.	Employer of 8 or more in 20 weeks.	30 times w. b. a.	2	1/25 of high quarter's wages.	15	5	do	1/4 in 4 quarters	16
Connecticut: Pooled; experience rating effective April 1941.	Employer of 4 or more in 13 weeks; also all employers liable to Federal tax.	$144	1	Established by weighted table in law.	[4] 22	6	W. b. a. less wages, plus $2.	20 percent in 4 quarters, according to schedule of wage classes.[5]	18
Delaware: Pooled; experience rating effective January 1942.	Employer of 1 or more in 20 weeks; also all employers liable to Federal tax.	$200	1	1/25 of high quarter's wages.	18	5	W. b. a. less wage in excess of $2.	10 times w. b. a. plus 1 w. b. a. for each $200 in base-period wages.	20
District of Columbia: Pooled; experience rating effective July 1943.	Employer of 1 or more at any time.	Lesser of 25 times w. b. a. or $250.	1	1/25 of high quarter's wages, established by table in law, plus allowance for dependents up to maximum of $20.	20	6	W. b. a. less wages in excess of 40 percent of w. b. a.	1/2 in 4 quarters	2
Florida: Pooled; experience rating effective January 1942.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax; also employer with a $5,000 quarterly pay roll.	30 times w. b. a.	1	Established by weighted table in law.	15	5	W. b. a. less wages in excess of $2.	1/4 in 4 quarters	16
Georgia: Pooled; experience rating effective January 1942.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	Schedule requiring 25, 30, and 40 times w. b. a.	2	do	18	4	W. b. a. less wages in excess of $3.	Uniform duration	[6] 16
Hawaii: Pooled; experience rating effective April 1941.	Employer of 1 or more at any time.	30 times w. b. a.	1	1/25 of high quarter's wages, established by table in law.	20	5	W. b. a. less wages	do	[7] 20
Idaho: Pooled; experience rating effective July 1943.	Employer with $78 or more wages payable in 1 quarter.	Schedule requiring 28 to 52 times w. b. a., including $78 earned in 1 quarter.	2	Established by weighted table in law	18	5	W. b. a. less wages in excess of lesser of 1/2 w. b. a. or $5.	1/4 in 4 quarters	17
Illinois: Pooled; experience rating effective January 1943.	Employer of 6 or more in 20 weeks.	$225	1	1/20 of high quarter's wages.	[4] 18	7	W. b. a. less wages in excess of $2.00 [8]	26 to 49 percent according to schedule of wage classes.	20
Indiana: Contributions of 0.135 percent of employer's pay roll pooled; remainder in employer reserves; experience rating effective January 1940	Employer of 8 or more in 20 weeks.	$250, and $150 in the last 2 quarters of base period.	1	1/25 of high quarter's wages.	18	5	W. b. a. less wages [8]	1/4 in 4 quarters	18
Iowa: Pooled; experience rating effective January 1942.	Employer of 8 or more in 15 weeks; also all employers liable to Federal tax.	15 times w. b. a.	2	50 percent of full-time weekly wage.	15	[9] 5	W. b. a. less wages, plus $2.	1/3 in 8 quarters	15
Kansas: Pooled; experience rating effective January 1941.	Employer of 8 or more in 20 weeks.	$200, or $100 in 2 quarters.	1	1/25 of high quarter's wages.	15	5	do	1/3 in 4 quarters	16
Kentucky: Employer reserve; earnings from investment pooled; experience rating effective January 1941.	Employer of 4 or more in 3 quarters of preceding year, to each of whom $50 payable in each such quarter, or of 8 or more in 20 weeks.	$200	1	Based on schedule of annual wages.	16	5	1-week benefit rate for unemployment less 80 percent of earnings in a 1-week period.	Uniform duration	[9] 20
Louisiana: Pooled	Employer of 4 or more in 20 weeks.	20 times w. b. a.	2	50 percent of full-time weekly wage.	18	3	W. b. a. less wages in excess of $2.	1/4 in 4 quarters	20

[1] Annual wages in excess of $3,000 per worker excluded from employer contributions except in Nevada.
[2] W. b. a.—abbreviation for "weekly benefit amount."
[3] Individual must have worked less than 160 hours and earned less than $120 during the 3 weeks preceding unemployment.
[4] Lower maximum rates and duration are provided when balance in the fund is less than 2 percent of the pay roll for 3 years ending with the base period for the benefit year.
[5] Uniform duration.
[6] $20 effective Apr. 1, 1944.
[7] Partial benefits are reduced by 1/4 of w. b. a. for each normal workday during which the individual is unable to, or unavailable for, work. Also in Illinois an eligible individual unemployed for 6 or less consecutive days, shall be paid benefits equal to 1/4 of the w. b. a. for each such day, less any wages payable during such period.
[8] Or full-time weekly wage.
[9] Effective June 13, 1944.

Significant provisions of State unemployment compensation laws, June 1, 1944—Continued

[Prepared for ready reference and comparison purposes. Because of the impossibility of giving qualifications and alternatives in brief summary form, the State law and State employment security agency should be consulted for authoritative information. In general, the State laws cover employment in most types of business and industry, except employment for railroads which is covered by a separate Federal law]

State and type of fund	Size of firms covered (number of employees)	Eligibility	Weeks of initial waiting period	Weekly benefit rate total unemployment	Maximum payment per week	Minimum payment per week	Weekly benefit rate partial unemployment	Duration in 52-week period (lesser amount below applies)	
								Total amount of benefits (proportion of wages)	Maximum number of weeks payable
Maine: Pooled; experience rating effective July 1943.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	$144	1	Based on schedule of annual wages.	$18	$6	W. b. a. less wages in excess of from $2.50 to $2.99 (in accordance with table).	Uniform duration [10].	[4] [10] 16
Maryland: Pooled; experience rating effective July 1943.	Employer of 4 or more in 20 weeks; also all employers liable to Federal tax.	30 times w. b. a.	1	1/26 of high quarter's wages, established by table in law.	20	7	W. b. a. less wages in excess of $2.	1/4 in 4 quarters.	23
Massachusetts: Pooled; experience rating effective January 1942.	Employer of 1 or more in 20 weeks; also all employers liable to Federal tax.	150	1	do	18	6	W. b. a. les wages.	30 percent in 4 quarters.	20
Michigan: Pooled; experience rating effective January 1942.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	$250 including wages in 2 different quarters.	1	1/20 of high quarter's wages.	20	10	W. b. a. minus lesser of 75 percent of wages earned or wages in excess of $3.	1/4 in 4 quarters [11].	20
Minnesota: Pooled; experience rating effective January 1941.	Employer of 1 or more in 20 weeks (of 8 or more outside cities with population of 10,000 or more); also all employers liable to Federal tax.	$200	2	Based on schedule of annual wages.	20	7	W. b. a. less wages in excess of $3.	17 to 35 percent in 4 quarters, according to schedule of wage classes.	[10] 16
Mississippi: Pooled	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	30 times w. b. a.	2	1/26 of high quarter's wages.	15	8	W. b. a. less wages in excess of $2.	Uniform duration.	14
Missouri: Pooled; experience rating effective January 1942.	do	40 times w. b. a., including wages in 3 different quarters.	1	1/25 of high quarter's wages.	18	8	W. b. a. less 5/6 of wages.	20 percent in 8 quarters.	16
Montana: Pooled	Employer of 1 or more in 20 weeks, or with year's pay roll over $500.	$150	2	do	15	5	No provision [13]	Uniform duration.	[4] 16
Nebraska: Employer reserve; earnings in pooled account; experience rating effective January 1940.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	$200	2	do	15	5	W. b. a. less wages in excess of $3.	1/3 in 4 quarters.	16
Nevada: Pooled; experience rating effective January 1945.	Employer with $225 or more wages payable in 1 quarter.	Greater of $200 or twice w. b. a. multiplied by itself, including wages of 5 times w. b. a. in some quarter other than highest.	2	1/20 of high quarter's wages.	15	5	do	do	13
New Hampshire: Pooled; experience rating effective January 1941.	Employer of 4 or more in 20 weeks; also all employers liable to Federal tax.	$200	1	Based on schedule of annual wages.	[10] 18	6	W. b. a. less wages in excess of $2.	Uniform duration.	[10] 18
New Jersey: Pooled, experience rating effective January 1942; employee contribution 1 percent of wages up to $3,000.	Employer of 8 or more in 20 weeks.	$150	1	1/25 of high quarter's wages.	18	7	W. b. a. less wages in excess of $3.	1/3 in 4 quarters.	18
New Mexico: Pooled; experience rating effective January 1942.	Employer with $450 or more wages paid in 1 quarter, or employer of 2 or more in 13 weeks.	30 times w. b. a., including $78 in 1 calendar quarter.	1	1/26 of high quarter's wages, established by table in law.	15	5	do	1/4 in 4 quarters.	16
New York: Pooled	Employer of 4 or more in 15 days.	25 times w. b. a. [14]	[12] 2	1/25 of high quarter's wages, established by table in law. [14]	[14] [15] 18	[15] 10	No provision [16]	Uniform duration [16].	[4] [16] 20
North Carolina: 5/10 contributions to employer reserve; remainder pooled; experience rating effective January 1943.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	$120	1	Based on schedule of annual wages.	15	3	W. b. a. less 5/6 of wages.	Uniform duration.	[4] 16
North Dakota: Pooled; experience rating effective January 1942.	do	30 times w. b. a.	1	1/26 of high quarter's wages, established by table in law.	15	5	W. b. a. less wages in excess of $3.	do	[5] 16
Ohio: Pooled; experience rating effective January 1942.	Employer of 3 or more at any one time.	20 weeks' employment and $100.	2	Established by weighted table in law.	16	5	W. b. a. less wages in excess of $2.	do	[6] 18
Oklahoma: Pooled; experience rating effective January 1942.	Employer of 8 or more in 20 weeks.	22 times w. b. a.	1	1/26 of high quarter's wages.	16	6	W. b. a. less wages in excess of $2.	1/3 in 4 quarters.	16
Oregon: Pooled; experience rating effective July 1941.	Employer of 4 or more in any 1 day in any calendar quarter with pay roll of $500.	$200	2	6 percent of high quarter's wages.	15	10	do	1/3 in 4 quarters.	16

[4] Uniform duration.
[10] Benefit duration for lower wage classes is less.
[11] Lesser of $200 or 26 percent of base period wages if such wages are less than $800.
[12] No partial benefits paid, but earnings not exceeding $5 are disregarded.
[13] $15 maximum w. b. a. and maximum duration of 16 weeks (7) if fund falls to equal or exceed $8,000,000 for 2 consecutive months.
[14] Benefits are paid for each accumulation of 4 "effective days." "Effective day" is defined as the 4th and every subsequent day of total unemployment in a week in which not more than $24 is paid to the individual.
[15] Actually, in accumulation of 8 "effective days." See footnote 11 above.

Significant provisions of State unemployment compensation laws, June 1, 1944—Continued

[Prepared for ready reference and comparison purposes. Because of the impossibility of giving qualifications and alternatives in brief summary form, the State law and State employment security agency should be consulted for authoritative information. In general, the State laws cover employment in most types of business and industry except employment for railroads which is covered by a separate Federal law]

State and type of fund [1]	Size of firms covered (number of employees)	Eligibility	Weeks of initial waiting period	Weekly benefit rate total unemployment	Maximum payment per week	Minimum payment per week	Weekly benefit rate partial unemployment	Duration in 52-week period (lesser amount below applies)	
								Total amount of benefits (proportion of wages)	Maximum number of weeks payable
Pennsylvania: Pooled; experience rating effective January 1944.	Employer of 1 or more in 20 weeks.	$50 in each of 2 quarters in base year.	2	1/25 of high quarter's wages, established by table in law.	[16] $18	$8.00	No provision	27 to 36 percent in 4 quarters, according to schedule of wage classes.[17]	16
Rhode Island: Pooled; employee contributions 0.5 percent of wages up to $3,000.[18]	Employer of 4 or more in 20 weeks; also all employers liable to Federal tax.	$100	1	Established by weighted table in law.	18	6.75	W. b. a. less wages	20 to 34 percent in 4 quarters, according to schedule of wage classes.	
South Carolina: Pooled; experience rating effective January 1942.	Employer of 8 or more in 20 weeks.	40 times w. b. a. (30 times if w. b. a. is $4).	1	1/26 of high quarter's wages, established by table in law.	15	4.00	W. b. a. less wages in excess of $1.	Uniform duration	[5] 16
South Dakota: Employer reserve; earnings pooled; experience rating effective January 1940.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	$120	1	Based on schedule of annual wages.	15	7.00	W. b. a. less wages in excess of $2.	do.[10]	[5] [10]
Tennessee: Pooled; experience rating effective July 1944.	Employer of 8 or more in 20 weeks.	30 times w. b. a. (25 times if w. b. a. is $5).	1	1/26 of high quarter's wages, established by table in law.[19]	15	5.00	W. b. a. less wages in excess of $3.	do	[5] 16
Texas: Pooled; experience rating effective January 1941.	do	8 times benefit rate for 2-week period.	1	1/13 of high quarter's wages (for 2-week period).	[20] 30	[20] 10.00	2-week benefit rate less wages, plus $4.	1/4 in 4 quarters	8 times benefit for 2-week period. [5] 20
Utah: Pooled	Employer with $140 or more wages payable in 1 quarter.	30 times w. b. a.	1	1/20 of high quarter's wages.	20	5.00	W. b. a. less wages in excess of $3.	Uniform duration	
Vermont: Pooled; experience rating effective January 1941.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	do	2	Established by weighted table in law.	15	6.00	do	do	[5] 18
Virginia: Pooled; experience rating effective January 1941.	Employer of 8 or more in 20 weeks.	25 times w. b. a.	1	1/25 of high quarter's wages, established by table in law.	15	4.00	W. b. a. less wages in excess of $2.	1/4 in 4 quarters	16
Washington: Pooled	Employer of 1 or more at any time.	$200	1	1/20 of high quarter's wages.	15	7.00	W. b. a. less wages in excess of $3.	1/3 in 4 quarters	16
West Virginia: Pooled; experience rating effective January 1941.	Employer of 8 or more in 20 weeks.	$250	1	Based on schedule of annual wages.	18	7.00	According to time lost on basis of schedule.	Uniform duration	16
Wisconsin: Employer reserve; earnings pooled; experience rating effective January 1938.	Employer of 6 or more in 18 weeks or annual pay roll of $6,000; also employer with a $10,000 quarterly pay roll.	14 weeks' employment.	2	Schedule of average weekly wage.	20	8.00	W. b. a. less wages	From any 1 employer's account, 1 week's benefit to each 2 weeks of employment not exceeding 40 weeks within 52 weeks preceding close of employment.	
Wyoming: Pooled; experience rating effective January 1942.	Employer of 1 or more in 20 weeks, and with $150 or more wages payable in 1 quarter.	25 times w. b. a., including $70 in 1 quarter.	2	1/20 of high quarter's wages.	20	7.00	W. b. a. less wages in excess of $3.	1/4 in 4 quarters	16

[5] Uniform duration.
[10] Benefit duration for lower wage class is less.
[16] $15 if fund equals less than 1½ times highest amount of benefits paid in any 12 consecutive months.
[17] 24 to 48 percent in 4 quarters if fund equals less than 1½ times highest amount of benefits paid in any 12 consecutive months, according to schedule of wage classes.
[18] Employees pay in addition 1 percent into cash sickness compensation fund.
[19] Rate is 1/20 and 1/25 of high quarter's wages for 2 lowest weekly benefit amounts ($5 and $6).
[20] For 2-week period.

Selected unemployment compensation data

[Corrected to Aug. 16, 1943]

State	Coverage		Benefits										Financing				
				Weekly benefit amount			Percentage distribution of payments for total unemployment, January–December 1942						Experience rating				
	Minimum size of firm coverage [1]	Workers with wage credits in 1942 (in thousands)	Eligibility requirement [2] (minimum earnings or multiple of weekly benefit amount)	Fraction of highest quarterly earnings	Minimum	Maximum	Less than $5	$5–$9.99	$10–$14.99	$15 and over	Maximum duration (uniform)	Average actual duration, claimants exhausting rights, benefit years ending in 1942	Exhaustion ratio for benefit years ending in 1942	Estimated average employer contribution rate, 1943 (40 States)	Percentage of rated employers with reduced rates, 1943 (40 States)	Percentage of rated employers with rates of less than 1 percent, 1943 (27 States)	Funds available as of June 30, 1943 (in thousands)	Date benefits first payable
All States		[4] 40,600					1.3	25.2	29.7	43.8				[5] 1.7	[5] 73.5	[6] 38.4	$4,007,524	
Alabama	8	736	$60 (30x, including $39.01 in 1 quarter).	1/26	$2	$15	10.3	45.8	24.9	19.0	20x	17.0	39.7	[7] 1.2	95.2	43.8	41,803	January 1938.
Alaska	8	35	$125 (25x)	1/20	5	16		8.4	12.8	78.8	16x	(8)	(8)	(9)	(9)	(9)	3,663	January 1939.
Arizona	3	183	[3] $70 (14x)	[10] 1/26	5	15		28.2	28.9	42.9	14x	9.8	44.6	2.3	55.7		10,189	January 1938.
Arkansas	1 to 10 days	403	$66 (22x)	1/26	3	15	20.0	53.0	17.6	9.4	16x	9.5	46.2	[7] 2.2	70.4		16,928	January 1939.
California	4	3,333	$300	1/20	10	20			40.0	60.0	23.4x	16.7	33.6	[7] 2.3	37.0		363,927	January 1938.
Colorado	8	331	$150 (30x)	[10] 1/25	5	15		41.5	30.3	28.2	16x	(11)	(11)	1.9	72.1	50.1	21,902	January 1939.
Connecticut	4 to 13 weeks	989	$144	Table	6	[12] 22		30.2	35.8	34.0	[13] 18x	10.4	22.5	[7] 2.1	85.5		105,463	January 1938.
Delaware	1	144	$200	1/25	5	18		57.3	26.6	16.1	20x	[13] 9.0	[13] 50.2	.9	96.8	75.0	11,663	January 1939.
District of Columbia.	1 at any time.	359	[14] $150 (25x)	1/23	6	20	.1	23.5	35.7	40.7	20x	(8)	(8)	(12)	(12)	(14)	36,898	January 1938.
Florida	8	691	$150 (30x)	Table	5	15	.1	42.4	32.9	24.6	16x	47.5	52.7	[7] 2.2	70.9		25,689	January 1939.
Georgia	8	806	$100 (table: 25x, 30x, and 40x, including wages in 2 quarters).	Table	4	18	9.9	54.8	17.6	17.7	*16x	[13] 14.0	[13] 46.2	[7] 2.1	80.4		45,537	Do.
Hawaii	1	205	$150 (30x)	1/25	5	20		47.5	23.6	28.9	*20x	15.7	14.1	[7] 1.7	97.6	34.0	12,988	Do.
Idaho	1 and $78 in 1 quarter.	[15] 178	$140 (table: 28–52x, including wages in 2 quarters, and at least $78 in 1 quarter).	Table	5	18			48.1	28.9	17x	12.2	33.3	(13)	(13)	(13)	7,916	September 1938.
Illinois	6	[16] 3,208	$225	1/20	7	18		12.3	31.9	55.8	20x	12.1	30.1	1.3	80.2	33.3	350,097	July 1939.
Indiana	8	1,233	$250 and $150 in last 2 quarters.	1/25	5	18	0.2	18.1	32.8	48.9	18x	11.8	35.8	[7] 2.2	60.4	33.7	104,945	April 1938.
Iowa	8 in 15 weeks	[16] 504	(15x)	[16] 1/26	[17] 5	15	.6	41.4	27.7	30.3	15x	8.5	46.7	1.9	72.6	46.4	34,456	July 1938.
Kansas	8	362	$200 or $100 in 2 quarters.	1/25	5	15		37.7	31.0	31.3	16x	10.4	47.6	[7] 2.0	72.0	40.8	29,254	January 1939.
Kentucky	8 or $50 to each of 4 workers during each of 30 quarters.	668	$200	(18)	5	16	8.6	60.2	23.7	7.5	*16x	16.0	46.0	[7] 2.2	72.7	9.1	58,421	Do.
Louisiana	4	626	$60 (20x)	[14] 1/20	3	18	6.6	50.9	17.7	24.8	20x	(8)	(8)	(9)	(9)	(9)	36,759	January 1938.
Maine	8	273	$144	(19)	6	18	(19)	68.6	24.6	6.8	[13] *16x	14.0	21.9	(15)	(15)	(15)	18,817	Do.
Maryland	4	833	$210 (30x)	1/20	7	20		21.2	31.1	47.7	23x	10.9	44.9	(15)	(15)	(15)	69,105	Do.
Massachusetts.	1	[16] 1,865	$150	1/20	6	18		35.3	33.1	31.6	20x	15.4	47.2	[7] 1.2	79.5	30.7	154,438	Do.
Michigan	8	2,050	$250 (including wages in 2 quarters).	1/25	7	16		4.9	18.1	77.0	18x	15.2	26.9	(8)	(8)	(8)	173,104	July 1938.
Minnesota	1 [20]	653	$200	(20)	7	[13] 20		22.2	36.8	41.0	16x	13.8	42.6	1.7	77.3	42.4	43,940	January 1938.
Mississippi	8	383	$90 (30x)	1/26	3	15	10.2	51.6	18.8	19.4	*14x	14.0	43.0	(8)	(8)	(8)	12,074	April 1938.
Missouri	8	[16] 1,173	$120 (40x) including wages in 3 quarters. [3]	1/25	3	18	3.4	30.6	24.2	41.8	16x	11.0	41.4	1.6	81.6	58.7	99,500	January 1939.
Montana	1 or in excess of $500 in 1 year.	134	$150	1/25	5	15		34.9	31.6	33.5	*16x	16.0	32.0	(8)	(8)	(8)	10,021	July 1939.
Nebraska	8	[16] 290	$200	1/25	5	15		38.1	36.4	25.5	16x	13.9	26.4	[7] 2.0	66.6	39.9	15,015	January 1939.
Nevada	1 and $225 in 1 quarter.	105	$200 [21]	1/20	5	15		9.0	28.1	62.9	18x	13.1	37.3	(8)	(8)	(8)	5,276	Do.
New Hampshire.	4	[16] 183	$200	(20)	6	[22] 18		55.5	35.3	9.2	[22] 18x	14.9	18.4	[7] 2.3	66.9	0	14,114	January 1938.
New Jersey	8	1,755	$150	1/22	7	18		18.9	32.1	49.0	18x	[23] 10.5	[23] 39.7	(8)	(8)	(8)	256,692	January 1939.
New Mexico	2 in 13 weeks or $450 in 1 quarter.	[16] 138	$150 (30x, including $78 in 1 quarter).	1/26	5	15	11.2	45.3	21.9	21.6	16x	14.7	35.2	2.1	60.6	38.0	5,595	December 1938.
New York [24]	4 in 15 days	[16] 5,800	$250 (25x) [21]	1/23	[22] 10	[25] 18		23.6	32.2	44.2	[23]*20x	13.0	46.6	(8)	(8)	(8)	501,004	January 1938.
North Carolina.	8	[16] 1,061	$130	(20)	3	15	18.8	65.5	13.1	2.6	*16x	16.0	43.7	[7] 2.6	24.6	.2	60,497	Do.
North Dakota.	8	59	$150 (30x)	1/26	5	15		41.8	30.7	27.5	*16x	[13] 13.6	[13] 38.7	[7] 1.8	74.7		3,253	January 1939.
Ohio	3 at any time.	2,865	$160 and 20 weeks employment.	Table	5	16	.5	21.4	36.4	41.7	*18x	[26] 18.0	24.3	1.4	92.7	41.4	202,002	Do.

See footnotes at end of table.

Selected unemployment compensation data—Continued

[Corrected to Aug. 16, 1943]

State	Coverage		Benefits										Financing					
				Weekly benefit amount			Percentage distribution of payments for total unemployment, January–December 1942						Experience rating					
	Minimum size of firm coverage	Workers with wage credits in 1942 (in thousands)	Eligibility requirement, (minimum earnings or multiple of weekly benefit amount)	Fraction of highest quarterly earnings	Minimum	Maximum	Less than $5	$5–$9.99	$10–$14.99	$15 and over	Maximum duration (uniform)	Average actual duration, claimants exhausting rights, benefit years ending in 1942	Exhaustion ratio for benefit years ending in 1942	Estimated average employer contribution rate, 1943 (40 States)	Percentage of rated employers with reduced rates, 1943 (40 States)	Percentage of rated employers with rates of less than 1 percent 1943 (27 States)	Funds available as of June 30, 1943 (in thousands)	Date benefits first payable
Oklahoma	8	[16] 491	$132 (22x)	1/20	$6	$16	0.1	28.8	28.5	42.6	16x	8.8	56.7	1.5	80.1	25.3	$20,652	December 1938.
Oregon	4 on 1 day and $500 in same quarter.	[16] 503	$200 [2]	6%	10	15	------	.3	23.3	76.4	16x	6.5	29.6	2.3	60.7	------	34,739	January 1938.
Pennsylvania	1	4,014	$100 ($50 in each of 2 quarters).	1/26	8	18	------	32.5	31.3	36.2	16x	9.2	36.5	(7)	(7)	(7)	393,832	Do.
Rhode Island	4	387	$100	Table	6.75	18	------	20.2	41.5	38.3	20x	9.1	52.6	(7)	(7)	(7)	40,934	Do.
South Carolina	8	481	$120 (30x; 40x for all amounts above minimum).	1/26	4	15	14.0	56.5	16.6	12.9	*16x	(8)	(8)	1.8	75.7	47.5	24,331	July 1938.
South Dakota	8	81	$126	([21])	7	15	.1	68.6	21.3	10.0	[10] *16x	14.0	[12] 31.4	[7] 1.3	72.4	60.4	4,801	January 1939.
Tennessee	8	710	$125 (25x; 30x for all amounts above minimum.	[27] 1/26	5	15	.1	57.5	24.2	18.2	*16x	16.0	42.7	(7)	(7)	(7)	38,301	January 1938.
Texas	8	1,660	$80 (16x)	1/26	5	15	------	60.1	18.9	21.0	16x	9.4	57.3	1.3	94.1	51.6	96,876	Do.
Utah	1 and $140 in calendar quarter.	225	$150 (30x)	1/20	5	20	------	20.2	29.6	50.2	*20x	20.0	25.1	(7)	(7)	(7)	12,908	Do.
Vermont	8	93	$180 (30x)	Table	16	$15	.1	49.9	28.2	21.8	18x	13.2	37.0	[7] 2.3	54.0	------	7,385	Do.
Virginia	8	891	$100 (25x)	1/25	4	15	6.5	51.2	23.5	18.8	16x	13.4	24.3	[7] 1.5	92.6	------	41,423	Do.
Washington	1 at any time	[16] 784	$200	1/20	7	15	------	16.6	27.3	56.1	16x	11.6	17.3	(7)	(7)	(7)	68,835	January 1939.
West Virginia	8	507	$250	([18])	7	18	------	49.0	31.2	19.8	*16x	16.0	31.0	[7] 1.6	85.6	43.5	44,033	January 1938.
Wisconsin	6 in 18 weeks.[20]	889	14 weeks employment.	Table	8	20	------	24.3	30.3	45.4	[23] 20–36½x	12.7	26.8	1.7	66.8	31.1	92,577	July 1936.
Wyoming	1 and $150 in quarter.	[16] 79	$175 (25x, including $70 in 1 quarter).	1/20	7	20	------	19.0	23.3	57.7	16x	10.3	24.5	2.0	65.6	0	4,803	January 1939.

[1] Require employment of specified minimum number of workers in at least 20 weeks except where otherwise stated.

[2] The dollar amount represents the minimum earnings requirement; where the wage qualification is a multiple of the weekly benefit rate, the multiple is shown in parentheses.

[3] The qualifying wages must have been earned in a 1-year base period in all States except the following: Arizona, 3-quarter base period; Missouri, 2-year base period; Oregon, 1-year base period that may be extended up to 2 years.

[4] Adjusted for duplication arising from employment of individuals in more than 1 State.

[5] Based on 24 States.

[6] Based on 24 States.

[7] Law provides for maximum contribution rate of 2.7 percent.

[8] Data not available.

[9] Experience rating not in effect in 1943; contribution rate is 2.7 percent.

[10] Or 50 percent of full-time weekly wage.

[11] State changed from individual to uniform benefit year; therefore, comparable data not available.

[12] Lower maximum rates and duration are provided when balance in the fund is less than 2 percent of the pay roll for 3 years ending with the base period for the benefit year.

[13] Data relate to operations under provisions which since have been liberalized; the presently included statistics are the latest available.

[14] Maximum $250.

[15] Experience rating became effective July 1, 1943.

[16] Estimated by State agency.

[17] Or full-time weekly wage, whichever is the lesser.

[18] Less than 0.05 percent.

[19] Benefit duration for lower wage classes is less.

[20] But services for employers not subject to Federal unemployment tax and located outside the corporate limits of a city, village, or borough of 10,000 population are excluded.

[21] Or twice the square of the weekly benefit amount, whichever is greater, and including earnings in either case of 5 times the weekly benefit amount in some quarter other than that of highest earnings.

[22] $15 maximum weekly benefit amount and maximum duration of 16 weeks if fund fails to equal or exceed $8,900,000 for 2 successive months.

[23] Benefit years ending July–December 1942.

[24] Day base plan in effect since Nov. 30, 1942, whereby benefits are paid for accumulations of 4 "effective days" of unemployment instead of weeks of unemployment.

[25] Benefits are paid for each accumulation of 4 "effective days." "Effective day" is defined as the fourth and every subsequent day of total unemployment in a week in which not more than $24 is paid to the individual.

[26] For nondisqualified claimants filing on or after Oct. 1, 1941; 12.0 for disqualified claimants.

[27] Rate is 1/20 and 1/25 for weekly benefit amounts of $5 and $6.

[28] Or where employer's records do not permit accurate count, if total annual pay roll is $6,000 or more.

[29] Duration depends on continuity of unemployment and number of base-period employers.

[30] Annual table.

Mr. MURRAY. Mr. President, I should like to point out some of the most important facts contained in this analysis.

In some States an unemployed person can draw only 2 or 3 weeks of benefits. As of January 1944, 28 States provided maximum benefits of 16 weeks or less.

Only 13 States cover employers of 1 or more employees. Others exempt small employers. About 2,000,000 workers in Government arsenals, depots, and navy yards, and merchant seamen are not covered. The maximum weekly benefit amounts in 22 States are limited to $15.

Mr. President, I ask that Report No. 1036 accompanying Senate bill 2061 be printed in the RECORD at this point.

There being no objection, the report (No. 1036) was ordered to be printed in the RECORD, as follows:

The objectives of this bill are the following (sec. 101):

(a) To facilitate maximum war production during the war and to expedite the transition from war to peace;

(b) To achieve full employment, rising standards of living, and effective utilization of the Nation's resources during the period of the transition from war to peace, and thereafter; and

(c) To provide for the development of unified plans and projects and adequate machinery to achieve the foregoing objectives.

TITLE I—GENERAL PROVISIONS

The recommended legislation creates the Office of War Mobilization and Adjustment to be headed by a Director who is to be appointed for a term of 2 years by the President, by and with the advice and consent of the Senate. The Director is to be assisted by a Deputy Director who is to head the Division of Programs and Projects and who likewise is appointed for a term of 2 years by the Presi-

dent, by and with the advice and consent of the Senate (sec. 102 a and b).

It is the function of the Director with the assistance of the Deputy Director to (sec. 102c)—

(1) Formulate plans for war mobilization and post-war adjustment.

(2) Issue directives to other Government agencies on such plans.

(3) Where necessary recommend legislation to give additional powers to agencies to carry out such plans.

(4) Keep each Government agency informed of plans of other Government agencies; settle controversies between Government agencies.

(5) Study need for elimination of war agencies or reestablishment of some of them on a permanent statutory basis.

(6) Study the consolidation of all governmental man-power function to the greatest extent practicable.

(7) Review need for and eliminate regulations which hinder full employment and are no longer necessary for war purposes.

(8) Consult and cooperate with State and local governments, industry, labor, and agricultural groups.

(9) Submit quarterly reports to Congress on his activities.

The committee feels that it is necessary that there be a single office with adequate authority to harmonize the activities and programs of the several Federal agencies concerned with the problems of war mobilization and reconversion. The recommended legislation does not extend into the post-war period the extraordinary war powers of the President but merely subjects to the review and coordination of the Director the exercise of powers currently vested in the various departments and agencies.

The Office of the Director is to function as a policy-making and not as an operating agency, and the Director is required to perform his duties to the fullest extent practicable through the facilities and personnel of existing Federal agencies (sec. 102d).

It is the function of the Deputy Director as head of the Division of Programs and Projects to provide the Director with adequate information on current and projected activities and to project plans and programs to be put into effect by the Director to carry out the objectives of the act.

A National Production and Employment Board is created to review the programs and activities of the Director and other Government agencies, and to make recommendations to the President, the Congress, and the Director with respect to war mobilization and post-war adjustment. The Board is to consist of three representatives each of industry, labor, and agriculture and one public member who is to be chairman. All members are to be appointed by the President, with the advice and consent of the Senate. Facilities are provided for the Board to obtain information necessary to discharge its review and recommending functions. The Director is required to establish industry and area advisory councils similar in composition to the National Production Employment Board. To safeguard against possible misuse of these advisory councils for price-fixing or other restrictive purposes, full information on all such councils shall be submitted to the Attorney General and any activities which the Attorney General certifies to the Director tend to promote restraint of trade or the extension of monopoly, shall be discontinued (sec. 103).

The committee believes that the full cooperation of the principal economic groups of the country is necessary if the objectives of full employment and full production are to be achieved during the transition period from war to peace. Through the establishment of the Board and of area and industry advisory councils, the Director and Government agencies operating under his direction, will be afforded the advice and cooperation of these groups on both a national and local basis.

TITLE II—INDUSTRIAL DEMOBILIZATION AND RECONVERSION

Title II sets forth specific policies to be followed in cutting back war production and resuming peacetime civilian production.

The Chairman of the War Production Board, subject to the control of the Director, is required to establish policies and procedures to synchronize the resumption of peacetime civilian production with the curtailment of military production. To assist him in this function, the Chairman of the War Production Board is required to establish a Production Adjustment Committee which shall consist of representatives of the procurement agencies and such other agencies as the Director may designate.

Your committee agrees that it is the responsibility of Congress to lay down certain basic principles and policies which are to be followed by the executive agencies when these affect the economic destiny of the Nation, and to provide by statute for the effective coordination of the executive departments and agencies concerned with military and civilian production. The bill provides that—

(1) War contracts are not to be continued merely for the purpose of providing business and employment.

(2) Initiation of civilian production shall be permitted as soon as and to the extent that materials and manpower are no longer needed for war purposes.

(3) Small plants shall be assured of a fair share of the available supply of scarce materials during the period of reconversion.

(4) To further protect small business the Attorney General is directed to make surveys of factors which eliminate competition and injure small business during the period of transition from war to peace.

TITLE III—RETRAINING AND REEMPLOYMENT OF WAR WORKERS AND RETURNING SERVICEMEN

Title III creates by statute the Retraining and Reemployment Administration to be headed by a Work Administrator, who is to be appointed by the President, by and with the advice and consent of the Senate. The Work Administrator is to establish a unified reemployment program covering the recruitment, training, transfer, and placement of returning servicemen and workers in war and civilian production. He is to be advised by a committee representing the principal agencies concerned with manpower and is to be furnished with such information as he may require from the armed services and the War Production Board and other agencies on the schedule of military and industrial manpower demobilization (secs. 302–304).

The committee believes that it is essential to lodge these coordinating powers in the hands of a single policy-making agency in order to achieve the stated objectives of this title, which are (sec. 301)—

1. To mobilize effectively the Nation's manpower for the war.

2. To maintain full employment in the transition from war to peacetime production.

3. To provide the necessary training and assistance to ex-servicemen and war workers.

The United States Employment Service is continued on a national basis for 2 years after the termination of hostilities (sec. 306b). The committee believes that in view of the great shifts of population during the war, it will be necessary to have a national system of locating employment opportunities in order that persons may be reemployed as rapidly as possible.

The Work Administrator is authorized to pay the cost of transportation of workers and their families from their last previous residence, where no jobs are available, to other localities, where jobs exist (sec. 306a).

The Work Administrator is authorized to provide free education or training of not more than 6 months when he determines this necessary in order to give effect to the objectives of this title. Persons receiving training are entitled to a maintenance allowance of $50 to $100 a month, according to the number of dependents (sec. 307).

The opportunity for training and employment authorized here is intended in the national interest to prepare the unemployed for available jobs requiring special skills. This is essential to achieve the objective of full employment during periods of high productivity and changing patterns of industrial job opportunities.

The Mustering-Out Payment Act of 1944 is amended by providing for monthly installment payments of $100 to $150 according to the number of dependents. Veterans are entitled to two installments plus an additional installment for each year of service and an additional installment in the case of overseas service (sec. 308).

The committee believes that returning veterans should be allowed a period of economic security during which they may make a readjustment to civilian life.

Every unemployed worker is entitled to unemployment benefits for the full duration of his unemployment during the period beginning 90 days after the enactment of this title and ending 2 years after the termination of hostilities. The benefits in the case of ex-servicemen are $20 if the serviceman has no dependents, $25 if he has one dependent, $30 if he has two, and $35 if he has three or more dependents. For persons other than ex-servicemen, the benefits are to be computed at 75 percent of the weekly wage during a base period, but not to exceed in any event the corresponding benefits for ex-servicemen (sec. 309).

No person is entitled to receive unemployment benefits if he leaves work witthout good cause or is discharged for misconduct or fails to accept suitable work or leaves work because of a strike or knowingly makes a false or fraudulent statement for purposes of receiving benefits. The period of disqualification in such cases is limited to 5 weeks. The bill specifies what work shall be deemed suitable for purposes of disqualification (sec. 309).

The States are to administer the benefits but if a State refuses to do so, a Federal agency may administer them. The Railroad Retirement Board administers benefits to workers now within its jurisdiction. The Work Administrator is to establish an appellate procedure to hear cases where claims for interim placement benefits have been denied (sec. 310).

The general effect of these sections of this title is to provide for a national standard scale of unemployment benefits which is to be administered by the existing State agencies. The States are to be reimbursed by the Federal Government for any difference in payments between those which they would have made under the State law existing at the time of the enactment of the title and the amounts paid under the national standard.

In recommending these provisions, the committee believes that it is essential that unemployment benefits be adequate to maintain a decent subsistence for the individual worker and his dependents, and holds that the purchasing power provided will be a prime factor in preventing a spiral of depression. The committee believes that in the long run, the amount of money paid in unemployment benefits will be less than if lower benefits were paid and purchasing power of the unemployed was substantially destroyed, contributing to a depression.

The scale of benefits for the civilian worker has been set as a proportion of his weekly wage so as not to alter through unemployment benefits the existing wage pattern. The ceiling on benefits of civilian workers has been placed at the level of the standard payments to veterans.

It would be possible for Congress by legislation to require the States to pay these higher benefits to persons now covered by unemployment insurance out of their present reserves. Such action would seem arbitrary, however, since these reserves were built up on the basis of existing State law.

The unemployment which appears during the transition period from war to peace will be the inevitable result of the cancelation of Government contracts. These dislocations in job opportunities are a necessary part of the national war effort. In drafting these provisions the committee has been careful not to federalize existing State unemployment compensation systems. A period up to 2 years after the war is provided during which the committee believes the States may well prove their ability to provide adequate benefits from State funds through local machinery which is preserved by this recommended legislation.

TITLE IV—HOUSING AND PUBLIC WORKS

The Administrator of the National Housing Agency is directed to survey national housing needs and develop programs for meeting such needs through private housing and through research and technical assistance given to private housing.

The Federal Works Administration is authorized to make loans to States and local governments for the purpose of allowing them to draw up plans for public works. This does not commit the Federal Government to finance the carrying out of such plans.

TITLE V—MISCELLANEOUS PROVISIONS

Title V contains definitions applicable to previous titles. It further provides that the expiration date of the act shall be 24 months after the termination of the war.

When the Director of War Mobilization and Adjustment is first appointed, the Office of War Mobilization established by Executive order shall cease to exist, and all records and property of that Office shall be transferred to the Office of Mobilization and Adjustment. All orders and directives prescribed by the Director of War Mobilization, in effect upon the effective date of the act and not inconsistent therewith, shall remain in full force and effect unless and until superseded by the Director, in accordance with the act.

The short title of the bill is "War Mobilization and Adjustment Act of 1944."

Mr. MURRAY. In addition, Mr. President, I should like to offer for the RECORD excerpts from the statements of certain witnesses who appeared before our committee during the course of our studies of this proposed legislation. The excerpts are very brief, and I shall therefore read them.

Matthew Woll, chairman of the American Federation of Labor Committee on Post-war Planning, testified before our committee on April 4, 1944. Among other things he said:

Our economy is disturbed and disrupted in our supreme effort to win the war, and the delicate and complex interrelationships between industry and industry, agriculture and industry, labor and industry, between all of them and the Government, and again with the consumer, have been distorted from the interrelationships which existed in peacetime economy. It is unlikely that they will ever again be as they were in the past. Nor do we want them to be the same, I am sure. That would mean going back with a sudden contraction to an economy with half of our present productive capacity, with a resultant depression worse than that of the thirties, and instead of the unemployment of about 9,000,000 in 1940 an unemployment of some 19,000,000.

* * * * *

Moreover, the responsibility in a national emergency is not that of the States or private individuals but that of the Nation. In this emergency during the transition period the provision for emergency unemployment compensation would be the most equitable method of providing for discharged workers and in coordinating this program with the provisions for discharged service men and women. There seem to us to be good provisions under this title for the maximum potential contribution of the workers to the future of this country not only through the preservation of their self-respect and morale but through provisions for their better education and training.

Even if we have the 1940 production level, when we had 9,000,000 unemployed, we figure we would have 19,000,000 unemployed. So we are seriously disturbed on that, and we feel some provisions should be made for the taking care of those unemployed in that period of time; and by reason of the fact that our unemployment compensation is being conducted on State lines, that does not take care of that situation. We feel it is important now to provide for unemployment compensation, not alone for the servicemen, but likewise for the workers in war production.

On April 5, 1944, John Fennelly, executive director of the committee for economic development, testified before our committee, as follows:

As a result of the increased working population and the other technological advances during the war we obtained the conviction that if we had merely a reconversion back to the levels of 1940, we would be faced with an unemployment problem of perhaps fifteen to nineteen million people, as compared with a figure of somewhere around nine million in 1940. Therefore to cope with the problem we become convinced it was necessary to get the industrial machine of the United States into high gear at the earliest possible date at the end of the war. That is the only way the job can be done. And as we have gotten into these problems we have become more and more convinced that every single post-war problem or transitional problem can be solved only insofar as we adjust them to a high national output at the earliest date after the war.

We became convinced that time is just as important in handling these post-war problems, particularly the transitional problems, as time has been essential in handling the problems of war; and we believe that practically all of these problems must be measured and judged by the speed with which they can be handled and by the release of productive effort at the earliest possible date.

On April 14, 1944, James G. Patton, president of the National Farmers Union, testified before our committee as follows:

The basis for a program of full employment in agriculture is Government assurance of adequate purchasing power to buy all the goods which need to be produced under a modern American standard of living, which American factories and farms are capable of producing, and which American workers and farmers are eager to produce. At such a level, the present levels of employment, income, and well-being of agriculture can be maintained and increased by from ten to 40 million more acres in cultivation and reentry into farming of at least half the farm men now in the armed services.

The issues of post-war economics are being shaped here and now. Big business won the battle of conversion to war. If big business is allowed to win the battle of reconversion, the consequences will be disastrous. The extension of economic activity in America after the war will depend in great measure upon the opportunity for independent enterprise and small businessmen to pioneer new industry. It will depend upon the ability of the competitive segments of industry to prevail over the philosophy of scarcity that dominates the thinking and policies of monopoly.

If we have disconnected legislation, then segment by segment, it will be beaten by the bug-a-boo of disappointment and confusion, and, segment by segment, people will begin to look for a "man on a white horse" just as they have in some other countries. Unless it is integrated, unless it does count the people in, not just those who have, but count them all in, then the cynicism, the loss of faith in the steps which we have had may easily reach the point where our people will have no faith in either the administrative or the legislative branch of the Government, and when that happens you have indigenous fascism.

Dr. Alvin Hansen, economic adviser of the Federal Reserve Board, also testified before our committee on April 14. He said:

No modern society can endure for long the strains and stresses of deflation, depression, and unemployment. In the seventies and nineties we tolerated serious depression because we were then largely a rural society. But highly urbanized and highly industrialized societies are extremely vulnerable to depression and unemployment. We can no longer take a laissez faire attitude. No government in the future can again permit our national income to fall to one-half in 3 short years as it did from 1929 to 1932. We shall, in fact, I am convinced, use fiscal policy. The only question is shall we use it haphazardly and, therefore, with quite unsatisfactory results, or shall we use a compensatory and developmental fiscal program in a rational and planned way. This is the question.

We have thus far made little headway with a rational fiscal program. The spending program of the thirties was essentially a salvaging process. We salvaged the banks, we salvaged the railroad, we salvaged bankrupt farmers, we salvaged bankrupt home owners, we salvaged the 17,000,000 unemployed with work relief. We now need a positive program to prevent serious depression. Yet the fact is that we are still making no adequate preparations. We have done nothing so far which gives us any assurance whatever that we shall not again be confronted with a devastating depression.

And let us not forget that under modern conditions the national income can fall with dramatic suddenness to astoundingly low levels within a few months. Without useful and productive public-improvement projects ahead we shall again be forced to resort to boondoggling. Our utter lack of well-developed public investment program is a shocking revelation of economic and financial irresponsibility.

On April 20, 1944, Mr. Maury Maverick, Chairman of the Smaller War Plants Corporation, appeared before our committee and stated as follows:

Holding up small plants from reconversion opens invitation to disaster. The notion voiced by some people that small concerns should be barred from entering civilian production—even when people need the goods and the production is not harmful to the war effort—and all for fear that they will

gain a competitive advantage over their bigger competitors, points the road to ruin of small business in this country. Carried to its logical conclusion, it means that small business must stagnate and mark time and the people do without, so the big producers can prepare to go into civilian production. Such a policy, in my judgment, would be an open invitation to economic disaster.

I urge upon your committee that a plant employing 5,000 people in any community, especially in a tight labor area, is apt to aggravate the labor situation if permitted to resume civilian production. Contrasted with that, a plant employing 50 or 100 people lends itself ideally to a flexible process of gradual conversion to peacetime production. If numbers of small businesses are thus permitted to resume, they will open a ready market for available surpluses. And we can literally save the business lives of many thousands of smaller plants.

Mr. President, last week the leaders of both parties urged the Members of Congress to return to Washington immediately for the purpose of enacting the legislation needed to avoid the economic crisis that might otherwise develop after the defeat of Germany. We came back to Washington intent upon demonstrating to the people of our country that the Congress will not let them down. We came back to Washington to do the entire job.

The reconversion bill which has been reported from the Military Affairs Committee provides Congress with the opportunity to discharge its responsibilities to the American people. It is a statesmanlike measure which will enable us to avoid another depression such as that which followed in the wake of the First World War. Its enactment by the Congress will lay the basis for our achieving an expanding and thriving economy with improved standards of living for all the people of our country.

The eyes of America are upon us. The workers in our war factories are waiting expectantly to find out what we do here today. Our soldiers and sailors throughout the world are eager to learn that their representatives in the United States Senate are resolved to provide the kind of a world for which the war is being fought.

Let us face this issue in a nonpartisan fashion. I call upon the members of both parties to support the amendment before the Senate as a means of insuring that America is fully prepared for peace.

The stakes at issue here are the jobs of 50,000,000 American men and women—the jobs of those who now are fighting on our war fronts and will soon be returning, and the jobs of those who today are engaged in the production of munitions and essential civilian goods.

Mr. President, we have heard much talk about war surpluses. We know that this bill does not deal with surplus property. Yet in a higher sense this is a bill dealing with the surplus problem. It is a bill to prevent surplus manpower. We all know that when the war is over we will have vast quantities of surplus materials, weapons of war, and plants. But are the men and women who now are giving their all to the war effort to be told that they will no longer be needed in our peacetime economy? Will our returning veterans be told that they are no longer needed by the country for which they have fought? Will we find that once again there are millions upon millions of Americans who cannot be given jobs and who are surplus to our economic needs?

If this occurs I am afraid the free enterprise system will be doomed in America. Our only hope of preserving our democratic institutions is the enactment of broad post-war legislation which will prevent the development of surplus manpower, and will guarantee full employment for our people.

Such a program is envisaged in the amendments which we have proposed to the pending measure, and we feel confident the Senate will support them.

The PRESIDING OFFICER. Is it the purpose of the Senator from Montana to have the Senate consider titles I, II, and III of his bill as one amendment or as three separate amendments?

Mr. MURRAY. As one amendment.

Mr. WHITE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHITE. Am I correct in my understanding that the first amendment comprehends the inclusion of titles I, II, and III of the so-called Murray bill?

Mr. MURRAY. That is correct, Mr. President.

Mr. WHITE. And then is there another amendment which will carry titles IV and V of the Murray bill?

Mr. MURRAY. Yes. The second amendment deals with the George bill, which is the pending measure, and makes amendments to it. Then follow the additional titles in the so-called Murray bill.

Mr. WHITE. The additional titles would be titles IV and V of the Murray bill; is that correct?

Mr. MURRAY. Yes. The bill of the Senator from Georgia would become title IV, under the amendment.

Mr. BURTON. Mr. President, will the Senator yield to me?

Mr. MURRAY. I yield.

Mr. BURTON. Am I correct in understanding that titles IV and V of the Murray bill will also appear in the measure?

Mr. MURRAY. Yes.

Mr. BURTON. Will the whole Murray bill be included?

Mr. MURRAY. Yes. Titles I, II, and III will precede the George bill and titles IV and V of the so-called Murray-Kilgore bill will follow the George bill.

The PRESIDING OFFICER. The amendments proposed by the Senator from Montana will be stated.

The CHIEF CLERK. The first amendment proposed is to insert on page 1, after line 2, the following:

TITLE I—GENERAL PROVISIONS

SEC. 101. The Congress hereby declares that the objectives of this act are—

(a) to facilitate maximum war production during the war and to expedite the transition from war to peace;

(b) to achieve full employment, rising standards of living, and effective utilization of the Nation's resources during the period of transition from war to peace, and thereafter, and

(c) to provide for the development of unified plans and projects and adequate machinery to achieve the foregoing objectives.

SEC. 102. (a) There is hereby established in the Executive Office of the President, the Office of War Mobilization and Adjustment (hereinafter called the "Office"), which shall be headed by the Director of War Mobilization and Adjustment (hereinafter called the "Director"). The Director shall be appointed for a term of 2 years by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $15,000 per year.

(b) There is hereby established in the Office of War Mobilization and Adjustment a Division of Programs and Projects to be headed by a Deputy Director, who shall be appointed for a term of 2 years by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $10,000 per year. It shall be the function of the Deputy Director and the Division of Programs and Projects to assist the Director in discharging his responsibilities under subsection (c) of this section.

(c) In addition to any authority which the President may delegate to him, the Director shall, subject to the direction of the President and with the assistance of the Deputy Director—

(1) formulate or cause to be formulated plans to meet the problems of war mobilization and post-war adjustment in such a manner as to achieve the objectives of this act;

(2) issue such directives on policy, plans, and operations to other Government agencies as may be necessary to carry out, and to coordinate their activities in connection with, such plans, and review the programs and activities of other Government agencies with respect to war mobilization and post-war adjustment. Each Government agency shall carry out the directives of the Director expeditiously and, to the extent necessary therefor, shall modify its operations and procedures and prescribe further regulations with respect thereto. Nothing contained in this section shall be construed as authorizing any activities to carry out any plan formulated under this section which are not within the scope of the powers possessed by the President or the Government agencies under the Constitution or under provisions of law other than this section;

(3) recommend to the Congress appropriate legislation to carry out plans developed by him but not authorized to be carried out under existing law;

(4) evaluate and report on current and projected public and private activities affecting war mobilization and peacetime full production and employment; survey continuously the necessity for such additional programs of legislation as will achieve the objectives of this act; promote and assist in the development of war mobilization and post-war adjustment plans and surveys by other Government agencies; such surveys shall include (without being limited thereto) programs and measures for public works, housing, taxation, industrial and regional development, expansion of foreign trade, social security, and the maintenance of competitive enterprise; develop procedures to inform each Government agency of proposed war mobilization and post-war adjustment plans and proposals related to its work which are being developed or carried out by any other Government agency; and settle controversies between Government agencies in the development and administration of their plans or plans developed by the Director;

(5) make or cause to be made studies which will enable him to determine the need for (A) simplifying, consolidating, or eliminating Government agencies established for

purposes of the war emergency, and (B) reestablishing by statute or terminating agencies which exist under Executive order only and for the relaxation or removal of emergency war controls;

(6) institute a specific study of the present functions of the various Government agencies in the field of manpower, and develop a program for reorganizing and consolidating such agencies to the fullest extent practicable;

(7) survey continuously all rules, regulations, and orders issued by any Government agency exercising control over manpower, production, or materials, for the purpose of determining whether any such rules, regulations, or orders prevent or hinder the full employment of the Nation's manpower by private employers capable and desirous of resuming, expanding, or initiating production for nonwar use. Whenever the Director determines that any such rule, regulation, or order so prevents or hinders full employment and is not required for the purpose of insuring production for war purposes, he shall direct such Government agency to rescind, modify, or amend such rule, regulation, or order;

(8) consult and cooperate with State and local governments, industry, labor, agriculture, and other groups, both national, regional, and local, concerning methods of achieving the objectives of this act; and

(9) submit reports to the President, the Senate, and the House of Representatives on the first days of January, April, July, and October, on the activities undertaken by him under this act. Such reports shall summarize and appraise the activities of the various Government agencies in the fields of war mobilization and post-war adjustment, and may include such legislative proposals as he may deem necessary or desirable.

(d) The Director shall, within the limits of funds which may be made available, employ and fix the compensation of such Assistant Directors and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions and the functions of the Office. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that assistant directors and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Director shall perform the duties imposed upon him through the facilities and personnel of other Government agencies. The Director may require such reports and information from other Government agencies as he deems necessary to enable him to carry out his functions under this act, and each Government agency shall furnish any information and reports so required.

SEC. 103. (a) There is hereby created a National Production Employment Board (hereinafter in this title called the Board), the members of which shall be appointed by the President, by and with the advice and consent of the Senate, and which shall include three representatives of industry, three representatives of labor, three representatives of agriculture, and one public member who shall be Chairman. An alternate for each member of the Board other than the Chairman shall be appointed by the President, by and with the advice and consent of the Senate, to sit and act for such member when authorized by such member to sit and act for him. The Board shall, by a majority vote of its members, determine the rules of its procedure, except as otherwise defined by this act, and the powers conferred on the Board by this act may be exercised by a majority vote.

(b) It shall be the general function of the Board to review the programs and activities of the Director and other Government agencies with respect to war mobilization and post-war adjustment and make to the President, the Congress, and the Director such recommendations relating to legislation, policies, and procedures as it may deem necessary to achieve the objectives of this act.

(c) The Deputy Director shall serve as the executive secretary of the Board. He shall prepare, upon request of the Board, such reviews of plans, reports, and studies, and shall secure for the Board and each individual member thereof such other information from the Director, as may be necessary to enable the Board to discharge its functions under this act

(d) The Director, the Chairman of the War Production Board, and such other Federal officials performing functions subject to direction by the Office, as shall be designated by the Board, shall meet with it at least once a month at such times as may be designated by the Chairman of the Board to consult and advise with it on all basic policies and programs which are subject to direction by the Office.

(e) In order to provide for the effective cooperation of industry, agriculture, and labor with respect to the war mobilization and post-war adjustment problems of particular industries and areas, the Director, with the advice and consent of the Board, shall—

(1) establish industry advisory councils for the various industries, and area advisory councils for various geographic areas, which are substantially and directly affected by the policies, programs, and operations of Government agencies performing functions subject to the jurisdiction of the Office: *Provided*, That full information on all such councils shall be submitted to the Attorney General and no such councils shall continue any operations or activities which the Attorney General finds and certifies to the Director tend to promote the restraint of trade or the extension of monopoly;

(2) appoint and fix the number of the members of such councils. The members of such councils shall be representative in the industry concerned or area concerned, as the case may be, of industry, labor, and, wherever appropriate, agriculture;

(3) define the industries or areas with respect to which such councils, respectively, shall have jurisdiction;

(4) prescribe rules and regulations governing the organization, procedures, and operations of such councils; and such rules and regulations shall contain appropriate provisions protecting confidential Government information and preventing the operations of such councils from unduly interfering with or delaying the operations of Government agencies; and

(5) prescribe rules and regulations governing the extent to which Government agencies performing functions subject to the jurisdiction of the Office shall consult and advise with such councils with respect to the formulation and execution of policies and programs affecting the industries or areas represented by such councils.

(f) All appointments of members or alternates to the Board, and of members of the area and industry advisory councils, may be made without regard to any of the provisions of law with respect to the appointment and compensation of employees of the United States. Members and alternates of the Board shall serve without remuneration, except for per diem allowances as shall be prescribed by the Director, not to exceed $25 each day spent in the actual performance of duty, plus necessary traveling and other expenses incurred while so engaged.

(g) The Director, through the facilities of the Office, shall provide the Board with such technical and clerical staff as may be necessary.

TITLE II—INDUSTRIAL DEMOBILIZATION AND RECONVERSION

SEC. 201. Subject to the provisions of this act, and contracting agency shall terminate contracts for war production whenever in the opinion of the agency the performance under such contracts will not be needed for the prosecution of the war, and shall not continue performance under such contracts merely for the purpose of providing business and employment, or for any purposes other than the prosecution of the war, unless the continuation of some or all of the work under any such contract will benefit the Government or is necessary to avoid substantial injury to the plant or property.

SEC. 202. Curtailments of war production or terminations of war contracts shall be integrated and synchronized with the expansion, resumption, or initiation of production for other war purposes, and, to the greatest extent compatible with the effective prosecution of the war, of production for nonwar use. To effectuate this policy—

(a) the contracting agencies shall continuously survey their product and material requirements and report to the Chairman of the War Production Board, in such form and detail as he may determine, on current and anticipated changes in requirements and on all anticipated curtailments of war production or terminations of war contracts.

(b) the War Production Board and other Government agencies exercising control over manpower, production, or materials shall permit the expansion, resumption, or initiation production for nonwar use whenever such production does not require materials, components, facilities, or labor needed for war purposes, or will not otherwise adversely affect or interfere with the production for war purposes. Permission to produce any item or group of items for nonwar use shall not be restricted to plants previously engaged in the production of such item or group of items, and shall not be withheld from any plant for the reason that any other plant is occupied with war contracts and cannot therefore produce such item or group of items for nonwar use at that time.

(c) the Chairman of the War Production Board shall, subject to the direction of the Director—

(1) establish a Production Adjustment Committee which shall consist of representatives of the Department of War, the Department of the Navy, the Maritime Commission, the Reconstruction Finance Corporation, the Foreign Economic Administration, the War Manpower Commission, the Office of Price Administration, and of the War Production Board (including the Chairman of the Board of Directors of the Smaller War Plants Corporation, the Vice Chairman for Civilian Requirements, and the Vice Chairmen for Labor Production and Manpower Requirements), and such other representatives of Federal agencies as the Director may designate, and shall advise and consult with the Production Adjustment Committee with respect to the functions vested in him by this section;

(2) establish policies and procedures to be followed by the contracting agencies in the curtailment, nonrenewal, and termination of contracts, to include as he may deem necessary the submission of detailed programs for approval;

(3) establish policies and procedures providing for full consultation between the contracting agencies and prime contractors, and to the extent feasible with subcontractors, with respect to the selection of subcontracts for curtailment, nonrenewal, or termination;

(4) establish policies and procedures for providing war contractors and their employees with notice curtailments in war production or termination of war contracts as far in advance of curtailment or termination as is feasible and consistent with the national security without permitting unneeded production or performance;

(5) consult with other Government agencies, war contractors, and subcontractors, and the representatives of the employees of war contractors with regard to obtaining the most effective use in other war production or in production for nonwar use of facilities and manpower released through curtailments in war production or terminations of war contracts.

(d) Subsection (a) of section 11 of the Contract Settlement Act of 1944 is hereby repealed.

SEC. 203 (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized, on a restricted basis, by the War Production Board or any other Government agency having control over manpower, production, or materials, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from achieving reasonable economies of operations in such production.

(b) Whenever the War Production Board or such other Government agency releases or authorizes the use of any materials, subject to quotas, production schedules, or any other restrictions, for the production of any item or group of items for nonwar use, it shall set aside a percentage of such materials for the exclusive use by small plants for the production of such item or group of items. Such percentage shall be determined by the Chairman of the War Production Board or the head of such other Government agency after giving full consideration to the claims presented by the chairman of the board of directors of the Smaller War Plants Corporation.

In allocating the materials thus set aside among such small plants, the Chairman of the War Production Board or the head of such other Government agency shall follow the criteria, standards, quotas, schedules, or other conditioning factors to be established by the chairman of the board of directors of the Smaller War Plants Corporation and shall prevent any discrimination against such small plants in the sale and delivery of such materials. For the purposes of this title, a small plant means any small business concern engaged primarily in production or manufacturing employing 250 wage earners or less. The Chairman of the War Production Board or the head of such other Government agency may agree with the chairman of the board of directors of the Smaller War Plants Corporation that other business concerns may be considered small plants by reason of their relative size in industry.

SEC. 204. The Attorney General is directed to make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the period of transition from war to peace and thereafter. The Attorney General shall submit to the Congress within 90 days after the approval of this act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including recommendations for such legislation as he may deem necessary or desirable.

TITLE III—RETRAINING AND REEMPLOYMENT OF WAR WORKERS AND RETURNING SERVICEMEN

SEC. 301. The Congress hereby declares that the objectives of this title are—

(a) To facilitate the most effective mobilization and maximum utilization of the Nation's manpower in the prosecution of the war;

(b) To maintain maximum employment in the transition from war to peacetime production;

(c) To provide for the coordination of the demobilization of servicemen with employment opportunities under a policy of demobilizing servicemen as rapidly as the military situation permits;

(d) To provide necessary training of ex-servicemen and war workers; and

(e) To provide the necessary economic assistance to returning ex-servicemen and war workers in connection with transfer, training, and reemployment.

SEC. 302. There is hereby created a Retraining and Reemployment Administration to be headed by an Administrator who shall be appointed by the President by and with the advice and consent of the Senate, and who shall receive a compensation of $12,000 per annum. It shall be the function of the Administrator of the Retraining and Reemployment Administration (hereinafter referred to as the Work Administrator), subject to the discretion and control of the Director, to establish a unified reemployment program covering recruitment, training, transfer, and placement of returning servicemen and workers in war and civilian production. The reemployment program shall include provision for compiling full detail on declining and increasing employment opportunities (by industrial segments, geographic areas, and plants) resulting from curtailment in war production and resumption of civilian production; for placement of workers in appropriate employment; and for interim financing of workers, including returning servicemen, pending placement in accordance with the authority of this title. The Work Administrator shall prescribe regulations and issue directives to Federal agencies necessary to effectuate the objectives of this title and all such Federal agencies shall be governed by these.

SEC. 303. The Work Administrator shall consult and advise with a Committee on Retraining and Reemployment, consisting of one representative from each of the following: Department of Labor, Veterans' Administration, War Manpower Commission (for the War Manpower Commission and the Federal Security Agency), War Production Board, Selective Service System, Civil Service Commission, War Department, Navy Department, and such other Federal agencies as the Work Administrator may designate.

SEC. 304. (a) The War Production Board and other agencies having data on production changes and employment opportunities shall furnish the Work Administrator full information on current and projected schedules of military and civilian production in such detail as the Work Administrator shall deem necessary.

(b) The War and Navy Departments shall furnish data on current and projected rates of discharge of servicemen providing such details concerning the servicemen as the Work Administrator may deem necessary and is practicable for the War and Navy Departments to furnish. It shall be the duty of the War and Navy Departments to anticipate so far as practicable, the forward programs of demobilization of servicemen, and to cooperate with the Work Administrator in furnishing such data on such demobilization as military security permits.

(c) The War and Navy Departments shall discharge from the armed forces of the United States the men and women serving therein during the present war as rapidly as the appropriate department determines that the services of such persons are no longer needed for the prosecution of the war or for the national defense, and shall not retain such persons in the armed forces merely for the purpose of preventing unemployment or awaiting opportunities for employment.

SEC. 305. The Work Administrator may perform the functions and exercise the powers, authority, and discretion conferred on him by this act through such officials and such agencies and in such manner as the Work Administrator, subject to the provisions of this act, may determine. In carrying out the purposes of this act, the Administration may utilize the services of any other Government agency.

SEC. 306. (a) In order to facilitate the recruitment, training, transfer, and placement of workers and ex-servicemen, the Work Administrator is hereby authorized to pay the cost of transportation of workers and ex-servicemen, including transportation of dependents and household effects, from their last previous residence to new jobs, in accordance with such regulations as may be prescribed by the Work Administrator: *Provided*, That such transportation allowances shall not exceed the allowances provided for Government employees in the Standard Government Traveling Regulations, as approved by the President.

(b) The United States Employment Service shall be continued as a nationally operated system of public employment offices for a period of 2 years after the termination of hostilities as proclaimed by the President or by concurrent resolution of the Congress.

SEC. 307. (a) Whenever he deems it necessary, in order to give effect to the objectives of this title, the Work Administrator is authorized to provide to any person vocational free education or training, of not more than 6 months of full-time study or its equivalent in part-time study in addition to any free education or training now provided by law.

(b) Every person, while he is receiving vocational education or training on a full-time basis, shall be entitled to receive a maintenance allowance at the rate of $50 a month if he has no dependent, $75 if he has one dependent, and $100 if he has two or more dependents. The Work Administrator may provide for maintenance allowances, under such conditions and in such amounts as may be prescribed by regulations, to servicemen and civilian workers receiving education or training on a part-time basis; but no such allowance shall be paid to any person receiving training on the job. Persons undergoing such training shall not be eligible for interim placement benefits during the period of such training.

(c) The Work Administrator shall from time to time make available information respecting the need for general education and for trained personnel in the various trades, crafts, and professions. He shall make educational and vocational guidance generally available.

SEC. 308. Section 2 of the Mustering-Out Payment Act of 1944 is amended to read as follows:

"SEC. 2. Mustering-out payment for persons eligible under section 1 shall be made in equal monthly installments. The first installment shall be paid at the time of final discharge or ultimate relief from active service, and the remaining installments shall be paid in successive months thereafter. Each installment shall be at the rate of $100 if the member of the armed forces has no dependent, $125 if he has one dependent, and $150 if he has two or more dependents. All persons shall be entitled to two installments plus an additional installment for each year of active service or major fraction thereof. Any person who has served outside the continental limits of the United States or in Alaska shall be entitled to a further additional installment."

SEC. 309. (a) Every unemployed qualified employee (as defined in sec. 310) shall be

entitled, upon registration with a public employment office designated by the Work Administrator, to placement in suitable employment if available.

(b) "Interim placement benefits" shall be paid to any qualified employee (as defined in sec. 310) with respect to each week of unemployment or part week of unemployment occurring during the period beginning the third calendar month after the date of enactment hereof and ending with the last day of the twenty-fourth calendar month following the termination of war: *Provided*, That for a person who is an ex-serviceman, benefits shall accrue for unemployment occurring in the 24 calendar months after his discharge or release from military service, if such 24 calendar months shall end subsequent to the 24 calendar months following the termination of the war. For a qualified employee the "interim placement benefit" payable for a week of unemployment in any benefit year shall be 75 percent of "weekly wages": *Provided, however*, That these amounts shall be rounded upwards to the nearest dollar, but shall not in any event exceed $20 for an individual if he has no dependents, $25 if he has one dependent, $30 if he has two dependents, and $35 if he has three or more dependents: *Provided further*, That for a qualified employee who is an ex-serviceman, the "interim placement benefit" payable for a week of unemployment shall be $20 if such ex-serviceman has no dependent, $25 if he has one dependent, $30 if he has two dependents, and $35 if he has three or more dependents: *And provided further*, That the benefit rate of a qualified employee in any benefit year shall be not less than the rate established in the first benefit year for such employee.

The "interim placement benefit" payable for a part week of unemployment in any benefit year shall be one-fifth of the benefit for a week of unemployment multiplied by the number of days of unemployment in excess of two in such week.

(c) There shall not be considered as a day of unemployment, with respect to any employee—

(i) any day on which he fails to maintain, in accordance with regulations prescribed by the Work Administrator, a registration at a public employment office;

(ii) any Sunday not preceded by a day of unemployment and unless it be the last day of a week of unemployment or a part week of unemployment, not followed by a day of unemployment; and

(iii) any day in any period with respect to which he is receiving or has received annuity payments or pensions under the Railroad Retirement Act of 1935 or the Railroad Retirement Act of 1937 or insurance benefits under title II of the Social Security Act, or annuities under the Civil Service Retirement Act, or a vocational education or training allowance under this title, or a mustering-out payment, or unemployment benefits under an unemployment compensation law of any State or of the United States: *Provided*, That if any such payment is less in amount than the "interim placement benefits" under this act which, but for this paragraph, would be payable with respect to such period, the preceding provisions of this paragraph shall not apply but such "interim placement benefits" shall be diminished in the amount of such other payments.

(d) There shall not be considered as a day of unemployment, with respect to any employee, any day in a period of not more than 5 weeks, beginning with a day with respect to which the agency administering benefits finds that—

(i) he failed, without good cause, to accept suitable work available on such day and offered to him, or to comply with instructions from a public employment office to apply for such work or to report, in person, or by mail, as directed, to such office;

(ii) he was properly discharged or suspended for misconduct related to his employment;

(iii) he left work voluntarily, without good cause;

(iv) subject to the provisions of subsection (e) of this section, his unemployment was due to a stoppage of work because of a strike in the establishment, premises, or enterprise at which he was last employed:

(v) he knowingly made, or aided in making, or caused to be made any false or fraudulent statement or claim for the purpose of causing benefits to be paid. The length of the periods of disqualification, within the limit of 5 weeks specified above, with respect to the findings herein set forth shall be fixed by regulations prescribed by the Work Administrator.

(e) The disqualification provided in section 409 (d) (iv) of this act shall not apply if the agency administering benefits finds that—

(i) the employee is not directly interested in the labor dispute which causes the stoppage of work; and

(ii) he does not belong to a grade or class of workers of which, immediately before the commencement of the stoppage, there were members employed in the establishment, premises, or enterprise at which the stoppage occurs, any of whom are directly interested in the labor dispute: *Provided*, That if separate types of work are commonly conducted in separate departments of a single enterprise, each such department shall, for the purposes of this subsection, be deemed to be a separate establishment, enterprise, or other premises.

(f) No work shall be deemed suitable for the purposes of this section, and benefits shall not be denied under this act to any otherwise qualified employee leaving work voluntarily or for refusing to accept work if—

(1) the position offered is vacant due directly to a strike, lock-out, or other labor dispute;

(2) the remuneration, hours, or other conditions of work offered are substantially less favorable than those prevailing for similar work in the locality, or the rate of remuneration is less than the union wage rate, if any, for similar work in the locality;

(3) as a condition of being employed he would be required to join a company union or to resign from or refrain from joining any bona fide labor organization;

(4) acceptance of the work would require him to engage in activities in violation of law or which, by reason of their being in violation of reasonable requirements of the constitution, bylaws, or similar regulations of a bona fide labor organization of which he is a member, would subject him to expulsion from such labor organization; or

(5) acceptance of the work would subject him to loss of substantial seniority rights under any collective-bargaining agreement between a bona fide labor organization and any other employer.

(g) In determining whether an employee has good cause for a voluntary separation from suitable work or a failure to apply for or accept an offer of suitable work, the agency administering benefits shall consider, in addition to such other factors as he deems relevant, (1) the current practice, recognized by management and labor with respect to such work; (2) the degree of risk involved to such employee's health, safety, and morals; (3) his physical fitness and prior training; (4) his experience and prior earnings; (5) his length of unemployment and prospects for securing work in his customary occupation; and (6) the distance of the available work from his residence and from his most recent work.

(h) Any officer or agency of an employer, or any employee representative, or any employee acting in his own behalf, or any person whether or not of the character hereinbefore defined, who shall willfully fail or refuse to make any report or furnish any information required by the Work Administrator or the agency administering benefits, as the case may be, in the administration of this title, or who shall knowingly make or aid in making or cause to be made any false or fraudulent statement or report when a statement or report is required to be made for the purposes of this title, or who shall knowingly make or aid in making or cause to be made any false or fraudulent statement or claim for the purpose of causing benefits or other payment to be made or not to be made under this title, shall be punished by a fine of not more than $10,000 or by imprisonment not exceeding 1 year, or both.

(i) Any person who violates any provision of this title, the punishment for which is not otherwise provided, shall be punished for each such violation by a fine of not more than $1,000 or by imprisonment not exceeding 1 year, or both.

SEC. 310. (a) A person shall be a "qualified employee" if the Work Administrator or the agency administering benefits, as the case may be, finds (i) that he served in the active military or naval service of the United States at any time after September 16, 1940, and prior to the termination of the present war, and had been discharged or released from active service under conditions other than dishonorable or (ii) that since the beginning of the calendar year next preceding the calendar year in which he first applies for "interim placement benefits" and before making such application he received wages of not less than $150.

(b) Within 10 days after the appointment of a Work Administrator pursuant to this act, such Administrator shall afford to each State an opportunity to participate in the administration of the "interim placement benefits" provided by this title. A State shall be permitted to participate upon agreement, pursuant to the authorization contained in the unemployment compensation law of such State to enter into a reciprocal agreement with an appropriate agency of the Federal Government, (i) to receive all claims for "interim placement benefits"; (ii) to adjudicate such claims in accordance with regulations prescribed by the Work Administrator, or forward such claims to another State or Federal agency as may be appropriate; (iii) to pay, subject to partial reimbursement from the Federal Government as hereinafter set forth from funds withdrawn from the State account in the Unemployment Trust Fund, any claim for "interim placement benefits" found payable in accordance with the regulations prescribed by the Work Administrator; and (iv) to find fair and reasonable, and not resulting in substantial loss to the unemployment compensation account of such State, the reimbursement arrangement hereinafter provided for. The Work Administrator shall, whenever a State does not elect to pay "interim placement benefits," or may wherever he deems it necessary, arrange for the filing of claims for "interim placement benefits" with the Retraining and Reemployment Administration.

The Railroad Retirement Board and the Unemployment Compensation Board of the District of Columbia shall participate in the administration of "interim placement benefits." Such boards shall receive applications for "interim placement benefits", shall adjudicate such applications in accordance with regulations prescribed by the Work Administrator, or shall forward such applications to a State or Territorial unemployment compensation agency as may be appropriate and shall certify to the Secretary of the Treasury for payment, from the appropriate account in the Unemployment Trust Fund, any part of a claim found payable in accordance with regulations prescribed by the Work Administrator.

(c) Claims for benefits and appeals from determinations with respect thereto shall be made in accordance with such regulations as the Work Administrator shall prescribe. The Work Administrator is authorized and directed to make findings of fact with respect to any claim for benefits and to make decisions as to the right of any claimant to benefits. The Work Administrator is further authorized to hold such hearings, to conduct such investigations and other proceedings, and to establish by regulations and otherwise such procedures as he may deem necessary or proper for the determination of a right to benefits.

Each person whose claim for benefits has been denied, in whole or in part, upon an initial determination whether by the Retraining and Reemployment Administration, by a State, by the Railroad Retirement Board, or by another Federal agency participating in the administration of "interim placement benefits" by arrangement with the Work Administrator, shall be granted an opportunity for a fair hearing thereon before such appellate tribunal as the Work Administrator may by regulation establish. In the case of any hearing, the appellate tribunal established by the Work Administrator shall notify all parties properly interested of their rights to participate in the proceedings and, if a hearing is to be held, the time and place of the hearing, at the request of any party properly interested, the tribunal shall provide for a hearing and may provide for hearing on its own motion.

The Work Administrator may, on his own motion, review a decision of an appeals tribunal on the basis of the evidence previously submitted in such case and may direct the taking of additional evidence, or he may agree to hear the appeal of such parties as he may find properly interested in the proceedings. Unless a review or an appeal is had pursuant to this subsection, the decision of the appellate tribunal shall, subject to such regulations as the Work Administrator may prescribe, be deemed to be his final decision.

If the decision of an appellate tribunal or of the Work Administrator reverses an initial decision denying a claim for "interim placement benefits," such claim shall thereupon be certified by the Work Administrator to the Secretary of the Treasury for payment. If the initial decision was made by a State agency or the Railroad Retirement Board, the amount of such payments shall be taken into account in determining the amounts of reimbursement to be paid to any State agency or to the Railroad Unemployment Insurance Account pursuant to subsection (d) of this section.

Final decision of the Work Administrator of the decision of any appellate tribunal shall be communicated to the claimant and to other interested parties within 15 days after it is made. Any claimant and any labor organization, of which such claimant is a member, duly authorized to represent employees in accordance with the National Labor Relations Act or the Railroad Labor Act may, after all administrative remedies made available by the Work Administrator have been availed of and exhausted, obtain a review of any final decision of the Work Administrator by filing a petition for review within 90 days after the mailing of notice of such decision to the claimant, or within such further time as the Work Administrator may allow, in the United States district court for the judicial district in which the claimant resides or in the United States District Court for the District of Columbia. A copy of such petition, together with the initial process, shall forthwith be served upon the Work Administrator or any officer designated by him for such purpose. Service may be made upon the Work Administrator by registered mail, addressed to him. Within 15 days after receipt of service or within such additional time as the court may allow, the Work Administrator shall certify and file with the court in which such petition has been filed, a transcript of the record upon which the findings and decision complained of are based. Upon such filing the court shall have exclusive jurisdiction of the proceeding and of the question determined therein. It shall have power to enter upon the pleadings and transcript of the record a decree affirming, modifying, or reversing the decision of the Work Administrator with or without remanding the case for rehearing. The findings of the Work Administrator as to the facts, if supported by evidence and in the absence of fraud, shall be conclusive. No additional evidence shall be received by the court, but the court may order additional evidence to be taken before the Work Administrator, and the Work Administrator may, after hearing such additional evidence, modify his findings of fact and conclusions and file such additional or modified findings and conclusions with the court, and the Work Administrator shall file with the court a transcript of the additional record. The judgment and decree of the court shall be final, subject to review as in equity cases.

An applicant for review of a final decision of the Work Administrator concerning a claim for benefits shall not be liable for costs, including costs of service, or costs of printing records, except that costs may be assessed by the court against such applicant if the court determines that the proceedings for such review have been instituted or continued without reasonable ground.

(d) Each participating State agency shall arrange for the payment from funds withdrawn for such purpose from the unemployment trust fund, of claims for "interim placement benefits" granted in whole or in part, in accordance with the regulations prescribed by the Work Administrator. Each participating State agency, in consultation with the Work Administrator, shall determine what amounts would have been payable under the unemployment compensation law of the State had the claims for "interim placement benefits" been claims made under such State law. The Work Administrator shall from time to time satisfy himself as to the correctness of such determinations. The Work Administrator shall, on each February 1, May 1, August 1, and November 1 certify to the Secretary of the Treasury, for payment into the appropriate State account in the unemployment trust funds, the amount by which the payments of "interim placement benefits" made on certifications of the State agency in the preceding calendar quarter exceeded the payments which would have been made under the unemployment compensation law of the State, if the claims for "interim placement benefits" had been claims for benefits under such State law.

The Railroad Retirement Board shall certify to the Secretary of the Treasury, for payment, such claims for "interim placement benefits" as it finds properly payable hereunder. Such payments shall be made from the Railroad Unemployment Insurance Account. The Railroad Retirement Board shall determine, in consultation with the Work Administrator, what amounts would have been payable under the Railroad Unemployment Insurance Act, if claims for "interim placement benefits" had been filed under such act. The Work Administrator shall, on each February 1, May 1, August 1, and November 1, certify to the Secretary of the Treasury, for payment into the Railroad Unemployment Insurance Account, the amount by which the payments of "interim placement benefits" made on certifications of the Railroad Retirement Board in the preceding calendar quarter exceeded the payments which would have been made from the Railroad Unemployment Insurance Account had claims for "interim placement benefits" been claims for benefits under the Railroad Unemployment Insurance Act.

The Work Administrator shall certify to the Secretary of the Treasury, for payment, such claims for "interim placement benefits" as he finds properly payable hereunder and which are filed directly with the Retraining and Reemployment Administration.

(e) The Work Administrator shall, from time to time, certify to the Secretary of the Treasury, for payment, to a State or Territorial unemployment compensation agency, to the District of Columbia Unemployment Compensation Board, or to the credit of the Railroad Unemployment Insurance Administration fund, such amounts as he determines—

(i) equal to the administrative expenses reasonably incurred by such agency, or the District of Columbia Unemployment Compensation Board, or the Railroad Retirement Board in excess of the expenses which would have been incurred by such agency or Board for the administration of unemployment compensation benefits had this title not been enacted; and

(ii) have not been included in the basis of any previous certification under this paragraph.

The Social Security Board shall continue to make certification to the Secretary of the Treasury under section 302 (a) of the Social Security Act on the basis of determinations by it as to what amounts would be necessary and proper for the efficient administration of each State unemployment compensation law had this title not been enacted.

Subsection (c) of section 303 of the Social Security Act as amended is hereby amended by adding a paragraph to read as follows:

"(3) Until the expiration of title IV of the War Mobilization Adjustment Act of 1944 that such State has failed to permit the Administrator of the Retraining and Reemployment Administration to determine, in accordance with subsection (d) of section 410 of the War Mobilization Adjustment Act of 1944, the amount by which 'interim placement benefits' exceed benefits which would have been payable under such State law if claims for 'interim placement benefits' had been claims for benefits under such State law."

SEC. 311. The Work Administrator is authorized to delegate (i) to any officer or employee of the Retraining and Reemployment Administration, (ii) to any State unemployment compensation agency, (iii) to the Railroad Retirement Board, or (iv) to any member or officer of any such agency or such Board any of the powers and duties herein described, excluding only the power to prescribe regulations. Such delegation may be revoked or modified whenever the Work Administrator deems it advisable.

SEC. 312. The Work Administrator shall have and shall exercise all the powers necessary for the effective administration of this title. He may employ such persons and provide for their remuneration and expenses as may be necessary for the proper administration of this title. Such persons shall be employed and their remuneration prescribed according to the civil-service laws and the Classification Act of 1923, as amended. Notwithstanding any other provision of law or regulation, the Social Security Board and the Railroad Retirement Board may disclose its records of compensation to any agency or person authorized by the Work Administrator to adjudicate claims for "interim placement benefits." The Work Administrator shall have power to compel an employer to report the amount of any wage or any other information needed to adjudicate a claim for "interim placement benefits."

SEC. 313. (a) The Secretary of Labor shall make a full study and investigation as to—

(1) the extent to which the adoption of annual wage systems would contribute to full employment and rising standards of living;

(2) the factors in favor of and against the adoption of various types of annual wage systems in various industries;

(3) present and past use of annual wage systems by particular industries or individual employers;

(4) other wage systems which might contribute to full employment and rising standards of living; and

(5) possible means to be used by the Government through tax advantages or otherwise in promoting adoption of annual wage systems or other wage systems designed to bring about full employment and rising standards of living.

(b) The Secretary of Labor shall submit to the President, the Senate, and the House of Representatives, within 6 months after the enactment of this act, and at such later dates as the Secretary may deem desirable, reports on the results of the studies called for in this section.

The second amendment proposed by the Senator from Montana is to renumber the sections of the pending bill to sections 401 to 404, inclusive.

The third amendment is to insert after line 4, on page 9, the following:

TITLE IV—HOUSING AND PUBLIC WORKS

SEC. 401. The Administrator of the National Housing Agency is authorized and directed to survey and analyze national housing needs in the period of transition from war to peace and thereafter, and to develop for submission to the President and the Congress a comprehensive program for meeting such needs through private housing and through research, technical assistance, and financial aid with respect to private housing and with respect to local housing undertaken by communities and integrated with plans for community or urban redevelopment.

SEC. 402. (a) In order to encourage States and other non-Federal public agencies to make advance provision for the construction of public works (not including housing), the Federal Works Administrator is hereby authorized to make, from funds appropriated for that purpose, loans or advances to the States and their agencies and political subdivisions (hereinafter referred to as "public agencies") to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to the construction of such public works: *Provided*, That the making of loans or advances hereunder shall not in any way commit the Congress to appropriate funds to undertake any projects so planned.

(b) Funds appropriated for the making of loans or advances hereunder shall be allotted by the Federal Works Administrator among the several States in the following proportion: 90 percent in the proportion which the population of each State bears to the total population of all the States, as shown by the latest available Federal census, and 10 percent according to his discretion: *Provided*, That the allotments to any State shall aggregate not less than one-half of 1 percent of the total funds available for allotment hereunder: *Provided further*, That no loans or advances shall be made with respect to any individual project unless it conforms to an over-all local or regional plan approved by competent local or regional authority.

(c) Loans or advances under this section to any public agency shall be made only upon condition that such agency agree that if the construction of the public works so planned is undertaken, such agency will repay to the Federal Works Administrator the amounts of such loans or advances. Any sums so repaid shall be covered into the Treasury as miscellaneous receipts.

(d) The Federal Works Administrator is authorized to prescribe rules and regulations to carry out the purposes of this section.

(e) As used in this section, the term "State" shall include Alaska, Hawaii, Puerto Rico, and the District of Columbia.

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. When used in this act—

(a) The term "Government agency" means any department, independent establishment, or agency in the executive branch of the Government, including any corporation wholly owned by the United States.

(b) The term "contracting agency" means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, and the Smaller War Plants Corporation.

(c) The term "State" (except when used in title IV) shall include the several States, the District of Columbia, and the Territories of Hawaii and Alaska.

(d) Subject to the provisions of section 409 (c) and section 409 (a) a "day of unemployment" with respect to an employee means a calendar day on which he is able to work and is available for work and with respect to which (i) no remuneration in excess of 50 cents is payable or accrues to him and (ii) he has in accordance with such regulations as the Work Administrator may prescribe, registered at a public employment office: *Provided*, That remuneration for a working day which includes 2 consecutive calendar days shall be deemed to have been earned on the second of such days: *And provided further*, That an employee shall not be deemed unable to or unavailable for work by reason of illness or disability occurring after application for interim placements benefits.

(e) A "week of unemployment" with respect to an employee shall mean any period of 7 consecutive calendar days, each of which was a day of unemployment: *Provided*, That any 7 consecutive calendar days which but for the amount of remuneration which accrues or is payable to him would be a "week of unemployment" shall be a week of unemployment if the amount of such remuneration does not exceed $3.

(f) A "part week of unemployment" is any period of 7 consecutive calendar days in which there are 3 or more days of unemployment.

(g) The term "benefit year" means the 12-month period beginning on July 1 of any year and ending on June 30 of the next year, except that a week of unemployment or a week of part unemployment beginning in June and ending in July shall be deemed to be in the benefit year ending in such month of June.

(h) The term "dependent" means—

(A) an unmarried child (including a stepchild or adopted child), of such individual, who has not attained his eighteenth birthday and who either is living in the same household with the individual or is dependent upon such individual for more than half his support;

(B) the wife of such individual if such wife either is living in the same household with such individual or regularly receives support from him, other than a wife who is regularly engaged in rendering services for remuneration or in any occupation for profit if the remuneration for such services or from such occupation is substantial;

(C) a parent of an unmarried individual if such parent is incapable of self-support and either is living in the same household with such individual or is dependent upon such individual for more than half his support.

In determining whether an individual has dependents, and in determining the number of such dependents, the Work Administrator may find an individual's unmarried child who has not attained his eighteenth birthday to be the dependent of such individual if the individual certifies, in such form as the Work Administrator prescribes, that such child is closely related to him by blood, marriage, or adoption, is unmarried, has not attained his eighteenth birthday, and either is living in the same household with him or is dependent upon such individual for more than half his support. The Work Administrator may find the wife of an individual to be his dependent if she certifies, in such form as the Work Administrator prescribes, that she is his wife, either that she is living in the same household with him or that he regularly contributes to her support, and that she is not regularly engaged in rendering services for remuneration and not engaged in any occupation for profit. The Work Administrator may find the parent of an unmarried individual to be the dependent of such individual, if such parent certifies that he is a parent of such individual, is not capable of self-support, and either that he is living in the same household with such individual or dependent upon such individual for more than half his support.

(i) The term "wages" means (i) compensation as defined in section 1 (i) of the Railroad Unemployment Insurance Act and (ii) all remuneration for employment including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include—

(1) that part of the remuneration which, after remuneration equal to $3,000 has been paid to an individual with respect to employment during any calendar year, is paid to such individual with respect to employment during such calendar year;

(2) the amount of any payment made to, or on behalf of, an employee under a plan or system established by an employer which makes provision for his employees generally or for a class or classes of his employees (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment), on account of (A) retirement, or (B) sickness or accident disability, or (C) medical and hospitalization expenses in connection with sickness or accident disability, or (D) death, provided the employee (i) has not the option to receive, instead of provision for such death benefit, any part of such payment or, if such death benefit is insured, any part of the premiums (or contributions to premiums) paid by his employer, and (ii) has not the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of such benefit either upon his withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employer;

(3) the payment by an employer (without deduction from the remuneration of the employee) (A) of the tax imposed upon an employee under section 1400 of the Internal Revenue Code or (B) of any payment required from an employee under a State unemployment compensation law;

(4) dismissal payments which the employer is not legally required to make.

(j) The term "employment" means any service performed after December 31, 1940, by an employee for the person employing him, irrespective of the citizenship or residence of either, (A) within the United States, or (B) on or in connection with an American

vessel under a contract of service which is entered into within the United States or during the performance of which the vessel touches at a port in the United States, if the employee is employed on and in connection with such vessel when outside the United States, except—

(1) service performed in the employ of a foreign government (including service as a consular or other officer or employee or a nondiplomatic representative);

(2) service performed in the employ of an instrumentality wholly owned by a foreign government—

(A) if the service is of a character similar to that performed in foreign countries by employees of the United States Government or of an instrumentality thereof; and

(B) if the Secretary of State shall certify to the Secretary of the Treasury that the foreign government, with respect to whose instrumentality and employees thereof exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States Government and of instrumentalities thereof.

(3) domestic service in a private home, local college club, or local chapter of a college fraternity or sorority;

(4) service performed by an individual in the employ of his son, daughter or spouse, or service performed by a child under the age of 21 in the employ of his father or mother;

(k) The term "American vessel" means any vessel documented or numbered under the laws of the United States; and includes any vessel which is neither documented or numbered under the laws of the United States nor documented under the laws of any foreign country, if its crew is employed solely by one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any State.

(l) "Public employment office" shall include an office of the United States Employment Service, a free employment office maintained and operated by the Railroad Retirement Board, or a facility maintained by an employer under the Railroad Unemployment Insurance Act designated as a free employment office by the Railroad Retirement Board, and any employment facility maintained by a labor organization or by an employer and engaged in placing workers which is designated as a "public employment office" by the Work Administrator.

(m) "Weekly wages" means the amount determined by dividing by 13 the wages in that calendar quarter of the 3 years preceding application for benefits in which such wages were highest: *Provided, however,* That in the case of any individual whose exact wages are not available or the record of whose wages was not maintained by quarters, the wages for any quarter shall be determined on a basis deemed by the Work Administrator to be fair and equitable.

SEC. 502. There are authorized to be appropriated such sums as may be necessary or appropriate to carry out the purposes and provisions of this act.

SEC. 503. The provisions of this act shall become effective immediately unless otherwise provided in the act, and unless otherwise provided shall be terminated at the end of 24 months after the termination of the war.

SEC. 504. If any provision of this act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this act or the application of such provision to persons or circumstances, other than those as to which it is held invalid, shall not be affected thereby.

SEC. 505. When the Director first appointed under section 102 has taken office, the Office of War Mobilization established by Executive Order Numbered 9347, dated May 27, 1943, shall cease to exist; and such records and property of the Office of War Mobilization, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine shall be transferred to the Office of Mobilization and Adjustment.

SEC. 506. All orders, policies, procedures, or directives prescribed by the Director of War Mobilization, in effect upon the effective date of this act, and not inconsistent with this act, shall remain in full force and effect unless and until superseded by the Director in accordance with this act, or by operation of law.

SEC. 507. This act may be cited as the "War Mobilization and Adjustment Act of 1944."

Mr. WAGNER. Mr. President, I am for the amendment proposed by the Committee on Military Affairs. I wish to state my reasons for favoring particularly the subject of unemployment insurance, in which I have been interested for a number of years.

Legislative action to deal with reconversion problems is an immediate necessity. Millions of our people working in war plants are uncertain as to their future. Many are leaving their war jobs because of their doubts as to what the future may bring. It is only human for them to think about what is going to happen to themselves and their families after their present war jobs stop. For instance, thousands of war workers in Government arsenals and navy yards know that when their present job is over they will have no unemployment-insurance protection such as 30,000,000 other workers now have.

Congress must take immediate steps to establish fundamental policies and programs for the reconversion period. The passage of such legislation will do much to reassure both business and labor that we have done our part to enable them to meet the tasks which lie ahead. Such assurance will enable workers and the economy as a whole to make the final sprint in the race for victory free from anxiety and fear.

The pending amendment is a long step forward toward meeting our problems. It does not solve all our problems. Undoubtedly Congress will have to pass additional legislation to meet other reconversion problems which undoubtedly will arise.

It is imperative that we agree on the essentials and pass a bill including these essentials.

A provision which must be included in any sound reconversion legislation is one relating to unemployment insurance. Our present State unemployment-insurance laws are completely inadequate to deal with the reconversion period. The benefit amounts under State laws are too small, the duration of benefits under State laws are too short, the maximum benefits under State laws are too low, and the coverage of the State laws are too limited. In addition, the State laws have harsh and restrictive disqualification provisions which have resulted in denying unemployment benefits to many persons.

At the present time most State laws pay a maximum of $15 or $16 a week. These provisions in the State laws were adopted when the cost of living was much lower than it is now and when wages averaged $25 to $30 a week. It is only fair and reasonable, in view of the present cost of living and present wages, that the maximum benefit amounts should now be raised.

The State laws also provide that unemployment benefits can be paid for only 16 weeks, in most cases. Most workers are eligible to receive payments for much less than 16 weeks, in most States. Under existing laws most workers will completely exhaust their State benefits before getting other jobs.

Unemployment insurance can make a great contribution to easing "reconversion jitters" by paying decent benefits until a worker is reemployed. But the 10 to 15 weeks provided under most existing laws may not be long enough to meet this special situation. It may take some industries or some particular plants longer to reconvert. We should provide benefits sufficient to carry individual workers through their entire period of reconversion unemployment.

Existing State laws do not cover some 3,000,000 employees in small firms, nor are the 3,000,000 Federal employees, many of whom work in arsenals and navy yards, covered under existing unemployment compensation laws. Some 150,000 men in our merchant marine do not have unemployment protection. Thousands of other persons in nonprofit institutions and other employments are not now protected.

With respect to several of these groups, particularly Federal employees and seaman, only Federal legislation can remedy the situation. The amendment takes care of this matter.

These criticisms of existing State laws are shared by many persons who have made an unbiased study of the problem. In a joint statement on social security issued by the National Planning Association, and signed by representatives of agriculture, business, and labor, 17 representatives of business joined in the statement which included the following criticism of the existing State laws:

> The unemployment insurance system should also be amended so as to raise the level of benefits and to provide benefits for dependents; and to protect workers who work in more than one State during their eligibility period from impairment of benefit rights.
>
> Unemployment insurance is capable of making a major contribution to the stability of the economy during the inevitable displacements that will accompany the conversion of industry to peace, but to do this certain amendments are necessary. Twenty-five of the laws at present permit the payment of benefits for 16 weeks at most, and in 17 others benefits for a longer period can be claimed only by workers with an especially good record of past employment. In 1941, a year of good employment, almost 50 percent of all workers exhausted their benefits before securing other employment. In the period of post-war readjustment, this percentage will be much higher. There are still 9 States in which the minimum benefit is below $5 a week; in one of these it is only $2. Provision of benefits to dependents is especially necessary in view of the interest of the Nation in ensuring that the citizens of the future shall be healthy and well-nourished.

Among the businessmen who signed the above statement were men representing the General Electric Co., Johns-Manville, the Bankers Trust Co. of New York,

Swift & Co., and the Auminum Co. of America. The men representing these companies are not radicals. They know that adequate and liberal unemployment insurance benefits are necessary to assure business a good market. They boldly state that "the level of benefits is inadequate both in amount and duration," and that "it is necessary to make some special provision to supplement at Federal expense the existing system of unemployment insurance during the process of reconversion."

In his testimony before the Military Affairs Committee, James F. Byrnes, Director of the Office of War Mobilization, recently stated that—

> Existing State unemployment insurance laws were framed to meet local conditions of temporary unemployment and are not adequate to deal with the Nation-wide problem of reemployment. * * * Demobilization must be regarded as a national problem and its cost as part of the costs of the war. * * * State unemployment insurance plans should be supplemented by Federal support to the extent necessary to give practically all workers during the transition from war to peace suitable unemployment benefits.

Those of us who have been here in the Senate a long time know that Mr. Byrnes, while he was a Member of the Senate, made a long and careful study of unemployment insurance beginning with a special investigation and report on the subject in 1939. His conclusions, therefore, are especially worthy of consideration.

In addition to Mr. Justice Byrnes, General Hines, who is the Retraining and Reemployment Administrator, recommended to the Military Affairs Committee that Federal legislation be enacted in order to provide more adequate unemployment insurance benefits to unemployed war workers.

In addition, Mr. Altmeyer, Chairman of the Social Security Board, and Mr. Latimer, Chairman of the Railroad Retirement Board, both made similar reports to the committee as to the inadequacy of the State laws and the need for Federal legislation.

Finally, the Congress itself has recognized that the State laws are inadequate. In considering the unemployment insurance provisions for servicemen in the G. I. Bill of Rights, the Congress refused to accept the amount or duration of State unemployment insurance benefits for servicemen. National Commander Atherton, testifying on the subject for the American Legion, opposed using the State benefits for servicemen. While the States were given the option to administer the unemployment benefits to servicemen, the Congress rejected the State benefits as being inadequate. This action was taken by the Finance Committee in the G. I. bill. But the Finance Committee did not follow the same policy when it reported out the bill now before us.

We cannot wait for State action to deal with the inadequacies in unemployment insurance benefits. State legislatures do not meet until next year. It will require several weeks or months for the various States to consider necessary legislation. Thus, it would be mid-1945 before the States would be ready adequately to handle the problem.

Moreover, not one single concrete bit of evidence has yet come to light that the States plan to liberalize their unemployment-insurance laws. We cannot postpone consideration of this important problem on the remote possibility that the State legislatures may do something to improve their laws.

The unemployment problem may be of tremendous magnitude during the reconversion period. We must be prepared to deal generously with those who do become unemployed. Only in this way can we prevent insecurity and fear of the future from undermining our national confidence.

The bill reported by the Finance Committee does absolutely nothing about the inadequate benefits now provided under State laws. It merely provides for making loans to States whose unemployment-insurance funds start running low, but it does not give an unemployed worker one single cent more in benefits. The loan provision in the bill is meaningless. Every State now has sufficient money in its unemployment-insurance reserve to pay not only the benefits provided under its existing law but even to pay more adequate benefits. There are about $5,500,000,000 in the reserves of the various States. The problem is not that the States need more money. The problem is that they do not want to spend their money. Loans will not encourage them to be more generous. The loan provision might be necessary eventually if the States were required to pay more adequate benefits. But the Finance Committee's bill does not require the States to liberalize their laws in any way whatsoever.

The only other provision in the Finance Committee bill is to provide unemployment insurance for Federal employees under State laws. It puts the Federal employees under 51 different varieties of State provisions with not a single protection against the harsh and discriminatory provisions in existing State laws. It does not provide a single standard for the protection of Federal employees or the Federal Government. It provides for turning over millions of dollars from the Federal Treasury to the States without any safeguards.

So far as I am aware, this is the first time it has been suggested that a vital matter affecting all Federal employees involving millions of dollars to the Federal Government should be turned over to the States lock, stock, and barrel. In its present form the provision seems to me to be unsound and to constitute an undesirable precedent.

In order to remedy the defects of the Finance Committee bill it is not necessary to federalize the State systems. The bill reported by the Military Affairs Committee does not federalize the State systems.

For many years I have been in favor of establishing a Federal unemployment-insurance system which would simplify the existing patchwork of State laws and provide more adequate protection to the unemployed. The Senator from Montana [Mr. MURRAY] and I have a bill—Senate bill 1161—pending before the Finance Committee to do that very thing. The Finance Committee, however, has never held hearings on the bill and we know that full hearings are essential before any such action could be taken.

We are not asking that the Senate vote at this time on the question of establishing a Federal unemployment-insurance program. The bill reported by the Military Affairs Committee does not federalize unemployment insurance. It merely provides for a temporary system by which the State laws will be improved to meet the reconversion period and the immediate post-war unemployment problem. The whole law becomes inoperative 2 years after the termination of hostilities. Before that time the Congress would be able to examine the entire unemployment-insurance problem and take such action as it then thinks best.

The Military Affairs Committee bill permits each State to continue to administer unemployment insurance benefits. There is a provision in the bill that if a State does not wish to pay the more adequate Federal benefits the Federal Government may do so. But there is no reason why each and every State should not cooperate and elect to pay the benefits under State administration. This is exactly what the Congress provided in the unemployment insurance features of the G. I. bill of rights. Every State will cooperate with the Federal Government and pay the unemployment insurance benefits provided for ex-servicemen. There is no reason why they should not do so with respect to civilians.

The statement has been frequently made that the Congress should do nothing to make unemployment insurance benefits more adequate because this would be an invasion of States' rights and because the States are opposed to any such legislation. This argument seems to me to be based on unsound premises.

In the first place, it was the Federal Congress which made it possible for the States to pass unemployment insurance laws. It is the Federal unemployment tax which now supports the State systems. The $5,500,000,000 built up by the States has only been possible because of Federal legislation.

I submit that if in 1935 the Congress felt it sufficiently important to pass Federal legislation to see to it that every State had an unemployment insurance law, it is important and proper to pass Federal legislation now to see to it that unemployment insurance is adequate to meet the problems of 1945.

The surest way of which I know for complete federalization of the State unemployment insurance laws to occur would be to let the State systems go on as at present. The real friends of States' rights are those who see that the State systems must be made adequate to deal with the unemployment problem. Let us not be blinded by the lobby of the State representatives who come here and tell us to do nothing whatsoever that may affect them. These State bureaucrats

forget that it is the greatest good for the greatest number that we seek—not the preservation of their jobs, their prestige, or their political power.

When Congress passed the G. I. bill we relieved the State unemployment insurance funds of millions and millions of dollars of payments for which they had already assumed liability under their State laws. No State representatives came here and objected that this action was an interference with States' rights.

I hope the Senate will keep in mind, however, that not all States share in the view that the Congress should do nothing.

The testimony before the Post-war Planning Committee shows that the State of California, for instance, has indicated that Federal legislation is necessary. Let me read from a letter signed by the chairman of the California Unemployment Insurance Agency which I understand has the approval of the Governor of California:

The fact that unemployment is a risk affecting all workers at all times, and that the need for an adequate system of unemployment insurance legislation will be great even after the initial period of industrial reconversion has passed, leads the California agency to suggest that you give consideration to a program which would amend the Social Security Act and the Federal Unemployment Tax Act:

1. To extend coverage so as to include civilian Government war workers and ultimately all workers now excluded.

2. To provide minimum benefit standards with respect to the weekly benefit amount and its manner of computation, minimum duration of benefits, minimum qualifying wage, other conditions of eligibility, and maximum disqualification periods.

3. To provide with adequate safeguards for a system of reinsurance to strengthen the solvency of the various State funds.

In addition, the director of the Utah Unemployment Insurance Department testified before the Post-war Planning Committee that he was not opposed to the Congress establishing benefit standards in addition to the standards in the existing law.

Let me also read from a statement made by the South Carolina Unemployment Compensation Commission in their monthly magazine for April. This statement should be interesting to the Senators representing South Carolina. It is as follows:

Workers everywhere will be interested to learn that all States are thinking in the terms of uniform coverage, as is in the case of old-age benefits. Some propose one "take-out" of a worker's envelope which would include withholding tax, old-age benefits, and unemployment contributions. Such a procedure would simplify the work of the employer and make less painful the extraction from the employee's envelope.

We feel that a man who works for an employer with seven employees deserves benefits to the same degree as a man who works for an employer with eight employees.

We also feel that coverage should be uniform, that there should be a minimum weekly benefit amount in all the States, but that the maximum benefit amount should be variable in accordance with the ability of the States to pay.

Such uniformity would not interfere with State administration of unemployment compensation activities, but, on the other hand, would simplify administration, as well as lessen the work of all concerns operating in more than one State.

Uniformity of coverage, minimum benefits, and uniform eligibility requirements would result in no more federalization of unemployment compensation than the uniformity of weights and measures.

Human needs vary very little, if any, from State to State.

Finally I want to quote from a report made by the New York Joint Legislative Committee on Industrial and Labor Conditions. This report was made in 1943 after a field survey of 11 States. The report of the committee concluded that—

The benefit provisions of the State laws cannot be said to be adequate to meet fully the needs that will arise if unemployment succeeds the cessation of hostilities. * * * It does not seem possible that in the remaining time (before the war ends) most State unemployment compensation laws will be sufficiently extended and improved to intensify sufficiently the degree of protection against widespread unemployment. The search for a solution to the problem must, therefore, proceed in other directions.

Let us consider the pending bills on their merits. Unemployment will be a problem in the reconversion period. If we stick our heads in the sand like ostriches and say that the States will take care of the problem we are evading our responsibility. We must work out here and now a practical program for the immediate future. That is why I so strongly hope the Senate will consider and adopt the Murray-Kilgore amendments to the pending bill. They constitute a vital and urgent step in the right direction.

Mr. KILGORE obtained the floor.

Mr. BARKLEY. Madam President, I think it might be well to have a quorum before the Senator from West Virginia proceeds.

Mr. KILGORE. Very well.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. CARAWAY in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Robertson
Andrews	Hill	Russell
Barkley	Jackson	Scrugham
Burton	Johnson, Calif.	Stewart
Butler	Johnson, Colo.	Taft
Byrd	Kilgore	Thomas, Utah
Capper	McClellan	Tobey
Caraway	McKellar	Truman
Chavez	Maloney	Tunnell
Connally	Maybank	Tydings
Davis	Millikin	Vandenberg
Downey	Moore	Wagner
Eastland	Murray	Wallgren
Ferguson	O'Daniel	Walsh, Mass.
George	O'Mahoney	Walsh, N. J.
Gillette	Overton	Weeks
Green	Pepper	Wherry
Guffey	Radcliffe	White
Gurney	Revercomb	Willis
Hatch	Reynolds	Wilson

The PRESIDING OFFICER. Sixty Senators having answered to their names, a quorum is present.

Mr. KILGORE. Madam President, while we are here deliberating, our armies—in joint assault with our allies—are battering down the last defenses of our foe. The end of the war in Europe is in sight, but the climax of the effort of the United States and our sacrifice is still before us.

The amendment offered by the Senator from Montana [Mr. MURRAY] will strengthen us in these final blows. With the defeat of Germany the problems of peace will become a part and parcel of those of war. The legislation we now enact will affect the lives of the millions of our sons and brothers who are now shedding their blood in the fight for freedom and security.

By this legislation we are determining the kind of homes to which our boys will return. It lies within our power to build the structure large enough to house all of them, or to build it so poorly that hundreds of thousands will find no homes, and will be forced to sell apples and stand in bread lines.

Let me say, Madam President, that I still remember the period following the last war when the men of the company to which I belonged, who had been discharged, and who did not stay in the service as I did, slept on copies of the Detroit Free Press in the park immediately facing the Free Press Building in the city of Detroit, and sold apples, and begged for soup and bread on the street corners. It lies within our power to make the structure large enough to house all who may be in need of shelter. If we listen to and rest content with the time-worn slogans with which, shall I say, we have become inoculated, and shun the means to achieve the objective we have in mind, we will build too small a structure.

The institutions we are now fighting to protect cannot endure if we condemn fifteen or twenty million or our citizens to insecurity and want, if we subject our industry to the loss of the purchasing power of those people in the necessities of life, and cause them, instead, to live on the surplus products purchased by the United States Government, and issued to them by a surplus commodities division, as was done in 1932 and 1933.

The eyes of the nations of the world watch what we do here. I say that because the United States of America is the only industrial nation of the world that is now intact and has not been at least partially destroyed by enemy attacks and bombing. The heavy industry of the world has been destroyed with the exception of that of the United States. The electronics industry of the world has been destroyed, except that within the continental limits of the United States. We are the only industrial nation left on the face of the globe which will maintain its industry intact and capable of conversion. It is up to us to see that the conversion is rational, that it is normal, and that it promotes not only our own welfare, but the welfare of the world at large.

Prosperity and full employment throughout the world are impossible if this, the most powerful of all the nations, fails to provide jobs and security for its own citizens. If I am asked why I say the most powerful of all the nations, I reply that I do so because the power of

industry of the United States and of its workmen was the one thing Hitler failed to take into consideration in writing Mein Kampf and in planning the conquest of the world.

Neither peace nor our institutions of freedom can survive in a world wracked by unemployment and hunger, and particularly in a nation a large percentage of whose population is on the breadlines and patronizing soup kitchens or selling apples on the street corners.

In our deliberations let us be conscious of the stakes involved. We cannot avoid responsibility by not acting. In this question we cannot be neutral. This is one time when we cannot let nature take its course, or adopt a laissez faire attitude. We must act as we acted when this war was declared. We must act positively to correct the conditions resulting from this war.

Let me say that a nation undergoing a war is like a patient suffering from typhoid fever. While the fever is raging we treat the patient as a sick person, but we do not quit treating him as a sick person merely because the fever subsides. The patient goes through a convalescent period during which he recovers his health and then can resume his normal activities.

The reconversion of this country from war to peace—I may say from total war to total peace—is the convalescent period, a period not contemplated in some respects by the humanitarian writers of the Constitution of the United States. No one at the time the Constitution was framed had taken into consideration Clausewitz' idea of total warfare, warfare upon civilians and warfare upon industry and warfare upon homes. At that time warfare was, shall I say, a rather gentlemanly operation in which armed forces opposed other armed forces. Now nations go to war totally, and the situation we face is that of converting our Nation from total war to total peace. It is not an immediate operation; it is a slow operation. Events have imposed upon the Congress of the United States the need for making a tremendous decision, and the need for making it speedily, and, I maintain, at this time, and not later.

Either we have the will to banish unemployment, insecurity, and fear, or by doing nothing to make them absolutely certain. The evidence of their certainty is present now when we see men drifting, as they are doing constantly, from higher paid jobs to lower paid jobs which hold out the certainty of a peacetime future—as General Somervell and others have said, drifting from war industry into peace industry to assure their futures.

We cannot delude ourselves with the thought that a little unemployment—a few thousand in this community, 50,000 in another community, and 100,000 in a third—will not wreck the Nation. Unemployment is a contagion which must be stamped out, for it spreads through the Nation from end to end. Depression and unemployment develop. They do not just spring up. They develop in arithmetical progression. From one group of unemployed we go to a much larger group of unemployed. Let no one say to himself that a little unemployment will help us back to normalcy. I have heard that argument too many times. On the streets of Washington and in the hotels I have heard the statement made that we need about 20,000,000 unemployed persons in the United States. There is no such thing as a little unemployment.

It required boldness of mind to plan for 100,000 airplanes a year, and for 20,000,000 tons of shipping a year. Where now are the scoffers who scoffed and laughed at that plan? They said we could not do it. We did it. Shall we let them scoff us out of the idea of continuing in peacetime employment what we are now doing, our peacetime production having been shut down for approximately 3 years, and our shelves being practically empty?

The little of mind are always with us. Let them follow us, but let us not permit them to lead us. It has been said that a little mind will lead a nation to destruction.

Planning for reconversion, however painstaking, cannot prevent some temporary unemployment. Plants in process of conversion cannot use the full employment which they used in times of full production, but an adequate plan of reconversion can give such plants the speediest reemployment of excess labor. During wartime carefully laid plans may be suddenly outflanked by an advance on the battlefield, as has been plainly evidenced. Provision must be made for the maintenance of workers displaced for the periods of time in which they are displaced; but such provision must insure a continuation of purchasing power in those workers, to save them from the fear of subsisting on charity.

Existing State systems for handling local temporary unemployment are entirely inadequate to cope with this problem. The payments range from as low as $12 a week to as high as $22 a week. A man from my State might be unemployed in the State of Connecticut, and if he should elect to stay there he might receive $22 a week. If he should go back to my State he would receive only $18 a week. If he should go to some other State he might receive as little as $12 a week, making an absolutely out-of-balance, out-of-proportion system in the whole field of unemployment compensation.

The State systems are not designed to deal with a situation in which 20,000,000 war workers and 12,000,000 ex-servicemen must find new employment. Let no one think for a moment that the airplane plants of the United States will continue on the basis of 100,000 planes a year. They cannot do so. The skies are rather large, but the investors are smaller than the skies, and they cannot buy that many planes. We who have built up the greatest merchant marine the world has ever seen in a period of less than 3 years cannot hope to continue building ships. We have reduced the time of building ships from 6 months to 30 days. We cannot hope to continue at that rate. Those who are building those ships are our construction workers. They are from our large construction companies, and they must go back to construction work; but there will be an interval of time between the time the shipyards close and the time when construction is resumed. That period of time must be taken care of.

Mr. AIKEN. Madam President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. AIKEN. Has the Senator any estimate of the number of workers in industrial war plants who are employed outside the States of their residences?

Mr. KILGORE. No; I have not. It is impossible to determine. Workers have been recruited from other States on a large scale. I should say that at least 80 percent of the States of the United States have been exploited with respect to workers. By that I mean that recruiting parties have come in from other States and have taken workers away. The only figures I have are from my own State. They show that approximately 12 percent of our entire population is working outside the State in which they formerly worked.

Mr. AIKEN. It is also true that the unemployment tax which has been paid upon their wages and salaries has been paid into the treasuries of the States where they were employed.

Mr. KILGORE. That is absolutely correct.

Mr. AIKEN And not the States of their residences.

Mr. KILGORE. That is correct.

Mr. AIKEN. Under the present law a State like North Dakota, for example, which has lost 25 or 26 percent of its population, would be called upon to pay unemployment compensation to that portion of its population which might come back to North Dakota unemployed.

Mr. KILGORE. That is correct.

Mr. AIKEN. The payment would not have to be made by the State where the money was earned, and into the treasury of which a tax was paid, but would have to be paid by the State in which the industrial war workers have their residence, and perhaps maintain their families—the State which they call home.

Mr. KILGORE. Unless the other State could be prevailed upon to reimburse the State of their residence, that State would be out of luck.

Mr. AIKEN. Does the Senator think it would be easy for a poor State to prevail upon a wealthy State to return some of that money?

Mr. KILGORE. From my past experience, I question the possibility of such an arrangement.

Madam President, these systems were not set up in contemplation of a fully functioning economy with full employment and full production on a Nation-wide scale. When we originally set up the unemployment compensation system our workers in the main stayed within the States in which they were originally employed. It was a question of reemployment and unemployment compensation within the State boundaries, and each State had its own peculiar problems. There was no effort to recruit workers in the interest of a war, and to take those workers beyond the limits of their States. However, the Nation be-

came involved in total war, and in effect we abolished State boundaries. We stir up a little competition in War bond sales by saying that one State sold more War bonds than another State; but, in the main, in the prosecution of total war we abolished State boundaries for the purpose of the war. The States do not declare war. The Congress of the United States declares war. The States were not able, and did not have the machinery, to set up war production. Congress did that.

Back in the day of the War between the States that great President, Abraham Lincoln, undertook to handle the problem on the basis of States' rights. It will be remembered that he called upon the States for certain quotas of men, based upon their population. The disappointment was great, and eventually the first draft act of the United States was passed, and the war had to be put on a national basis. We could not depend upon the increments from the States pursuant to requests by the Federal Government to the States, as originally contemplated by Abraham Lincoln.

What do we mean by full employment? We are a Nation of 135,000,000 people. During 1943 we achieved a national income of almost $150,000,000,000. It is conservatively estimated that with the return to civilian employment of approximately 10,000,000 servicemen—and it must be remembered that between ten and eleven million potential workers participated to a very small extent in bringing about that $150,000,000,000 of income—their contribution, over and above that of the new war workers, would raise the national income to $170,000,000,000. This means that an average family of four persons would have to spend approximately $5,000 to maintain our economy in full operation. Some may spend more, and certainly many will spend much less. We anticipate that. But the capacity, if not the appetite, of those who can afford to spend much more is limited. We therefore cannot afford to allow the income of the many to fall far too low. It must be kept within a reasonable range. If we expect to maintain an economy in which there will be buying power, if many families receive more than this, there will not be sufficient income to maintain the maximum average required to insure full production. This provision, together with the other provisions of the bill, would reduce unemployment, so the temporary differential would not affect our national program.

For more than 3 years we have been cut off from civilian production in respect to major items of family existence, such as automobiles, refrigerators, stoves, curling irons, toasters, radios, and various other things. The normal life of an automobile in the United States in the hands of the average family is 2 years. That is to say, the automobile is traded in about every 2 years. Some families trade them in every year. A few, like myself, are rather conservative, and trade in every 3 years. I should say that the average would be between 2 and 2½ years. Our pre-war production of automobiles was 4,000,000 a year. If we assume a production of 6,000,000 cars a year, the total in service having been approximately 8,000,000, in 2 years automobiles will begin to be traded in. Our production will be maintained if we have the buying power. All the houses in the United States will need painting and repairs. A tremendous amount of replacements will be necessary. It will be possible to maintain such an economy if we maintain buying power; but the man who sees no future will not spend the few dollars he has in doing the things which are necessary for the maintenance of his house.

It is objected that such benefits would encourage idleness. This objection overlooks the safeguard that in no event are benefits to exceed 75 percent of the worker's previous earnings. For workers without dependents the benefit would be less than 45 percent of their previous earnings. In other words, while we say 75 percent of the worker's previous earnings, if there are no dependents we really would cut it down to 45 percent. If Senators will consult the average of the States they will find that the amount is based upon an average of 50 percent of the worker's previous earnings. Assuming that the worker in a manufacturing plant now receives an average wage of approximately $46, if he had one dependent he would be paid approximately 45 percent of his earnings.

Accordingly, there is in the bill a provision to prevent idleness. I would not assume to say that there will not be some workers who will be inclined to avoid work. There always are. But workers drawing benefits must be available for, must apply for, and must accept suitable employment; and that does not mean the particular line of work in which the worker was previously engaged. There is enough protection there against the willful malingerer. But in any event we are legislating for the overwhelming number of Americans, not for the extraordinarily small number of malingering cases. I, for one, do not believe this is a nation of idlers. I reach that conclusion from the fact that most of the reports on production failure because of lack of work in war plants, which reports have been turned over to the Special Committee to Investigate the National Defense Program, have come from the workers themselves who objected to sitting around, not doing anything, and being paid wages. Those who believe this is a nation of malingerers and of lazy people should say so.

We have seen that our Nation can work. We have seen the volume of production of which it is capable. We have seen that the very fact of that production has confounded the German plan of operation and has upset the entire world picture as the Germans had so carefully planned it. Can we malign our own people by saying they are a bunch of idlers who do not want to work but want to take advantage of some employment compensation, in the face of such unprecedented production which has been achieved in spite of the occasional failure of proper application of skills to the job?

The second major objection to this measure comes from those who are disturbed by the probable cost of the interim placement benefits and the provision for education. To those I would urge caution before they start multiplying.

First let us count the costs of doing nothing. Let us examine these costs. In the absence of legislation programing reconversion, sustaining the purchasing power of the unemployed, and planning for full production and employment, it is estimated that there will be 6,000,000 unemployed in the interval between the defeat of Germany and the crushing of Japan, if this interval lasts 6 months.

Let me give some specific illustrations on that point. I have in mind what the situation will be if we permit the various unintegrated program agencies of the Government to cut back production and to cancel contracts at their will and pleasure, without any over-all programing or any over-all planning. Let me cite by way of illustration that 2 weeks ago I saw a plant in the United States which was producing a very vital war instrument. It was being operated by the United States Navy, through a contracting agency. Suddenly a cut-back was ordered in the production of that instrument. It had taken 6 months to train the workers who operated the machine tools in that plant—the lathes, the drill presses, and the other machine tools which were required. Because of that training those workers could operate the tools with different cutting heads, on anything they wanted to work on, with proper gages. The cut-back was ordered, with no programing for future work. In the meantime the Army decided it would make something else in that plant. One thousand seven hundred trained workers, who had taken 6 months to train, were laid off. They went out in the highways and byways, seeking jobs. The 6 months' training which had been given them 12 months previously was wasted. Perhaps they are now working in shipyards. We do not know where they are working, but they are working some place.

Now the agents of the new agency which undertook to operate that plant are faced with the problem of obtaining 1,700 trained worker to take the places of the former workers. That is what I mean by planned reconversion in time of war. We must plan for the same thing in peace. We must plan to get back to peacetime production.

In the State of West Virginia, there is a plant which produces zinc. It uses a certain concentrate in the production of the zinc. Its entire production is allocated by one agency to certain plants. The price of its product is fixed by another agency. The agency which allocates its product had been giving it certain subsidies. It decided to withdraw the subsidies. In spite of the fact that there is great demand for zinc in civilian production and that there is a ready market for the products of that smelter and of several others, in producing flashings for roofs and downspouts, and various other articles in connection with

roofing and other things which require galvanized iron, when the concern came to Washington the only request it made of the War Production Board was, "Please take us off allocation. We have no place where we can sell our material unless we sell it to the Government. We cannot make operating expenses. Take us off allocation, and let us sell our material elsewhere."

The reply was, "We are sorry we cannot do it."

In the meantime the other agency said to the company, "We cannot fix a price on your product regardless of the price of the raw material unless the War Production Board takes you off allocation."

The company said, "What can we do? We are producing a vital class of war material."

The reply was, "Well, the best you can do is to shut down."

Shutting down meant laying off 2,700 workers in that community. That case illustrates what I mean by the need for over-all planning and over-all programing. We must have such planning and programing if we expect to make the transition from war to peace with the least possible monetary expense and the least possible suffering.

Mr. AIKEN. Mr. President, if the Senator will yield to me, let me say that he has been citing a specific instance of confusion due to Government orders or lack of orders. I suppose that in his bill he has a specific remedy for such a situation.

Suppose the bill were law. How would that situation have been handled?

Mr. KILGORE. Under the over-all programing, the minute the need for a specific thing in civilian industry was foreseen, or the minute the lack of need in the war effort was foreseen, the necessary orders would be issued. It would not be necessary for that company to go to half a dozen agencies; but the over-all program agency would say to the one agency, "Take that company off allocation," and would say to the other agency, "Fix that company's price," and would let it operate. In other words, it would all be done by one Government agency, instead of requiring the company's representatives to plod from building to building in Washington, and still get nowhere.

Mr. AIKEN. Then, the output of that company would be permitted to go into civilian production, so long as it did not interfere with the war effort. Is that correct?

Mr. KILGORE. Yes; so long as its output was not needed for war. That is correct. As quickly as a plant could be released for civilian production and could be placed in civilian production, under the planning, without having its manpower or material requirements interfere with the war effort and planning, that would be permitted, so that we would have a gradual transition stage instead of an abrupt stoppage and then, 6 months later, an attempt to go into production again.

Mr. PEPPER. Mr. President, will the Senator yield to me?

Mr. KILGORE. I am glad to yield.

Mr. PEPPER. With respect to the so-called over-all provisions of the bill, is it not the opinion of the able Senator from West Virginia that if the Government is to have anything at all to do with reconversion, it must act through some sort of a coordinated agency in respect to what planning it does and in respect to the part it plays in the reconversion program?

Mr. KILGORE. That is absolutely correct.

Mr. PEPPER. Outside the President of the United States and the present Director of the Office of War Mobilization, Mr. Byrnes, who has no right to existence in that capacity save under Executive order, is there, in the absence of this bill, any such agency in the Government?

Mr. KILGORE. No; there is not. Mr. Byrnes was established in his present capacity by Presidential directive under the War Powers Act. The President himself could not keep him in office any longer than 6 months after the termination of hostilities, even if he desired to do so. The partial provisions of this bill with respect to coordination would permit all that to be continued, but with proper legislative backing, however, not merely on the basis of a Presidential directive. Proper legislative backing and programs would be laid down for a period of 2 years, or until we hope the whole thing will be straightened out.

Mr. PEPPER. Let me observe that the able Senator is a very distinguished member of the Truman committee. Has it not been the observation of that committee and of the able Senator himself that there has been far greater efficiency in the action of the Government in coordinating the several governmental agencies and departments in the prosecution of the war since, by Executive order, there has been set up a war mobilization agency, the Office of War Mobilization, a centralized directive authority, outside the person of the President?

Mr. KILGORE. Unquestionably so. Let me give the Senator an example. I could liken the previous situation to that of a division commander who tried to handle his division in battle by issuing individual orders to the squad leaders—that is, the commanders of each group of 8 or 10 men—whereas under the new set-up the division commander will have a chief of staff. The bill is partly designed to provide a chief of staff for the President, so as to coordinate these activities during the transition period. Frankly, I believe that the appointment by Presidential directive of an over-all coordinator has speeded up the war effort tremendously. There can be no question about that.

Mr. PEPPER. Would not the Senator agree that those who believe in the assertion of legislative power by the Congress would be more in favor of the central agency being given statutory authority than executive authority?

Mr. KILGORE. The Senator from Florida is absolutely correct. The preference of legislative or statutory authority over an authority conferred by a general directive is this: Certain departments of the Government were created by legislative action and certain others by directives. If a division were established by legislative action with specific powers conveyed to it, no other subdivision of the Government, or agency of the Government, which has been likewise established, could question its authority. If an agency or division were created by directive or by an Executive order, the agency upon which specific powers had been conferred could say in effect, "You are proceeding under a general directive and we are proceeding under specific authority."

Mr. PEPPER. So the provisions about which the Senator is speaking express the law of the Congress in the first place because statutory authority is given; and in the second place, the very persons who perform the various functions will have to come to the Senate for confirmation after they have been appointed by the President. Do I correctly state the situation?

Mr. KILGORE. The Senator is correct. Under the plans and programs which would be in effect those persons would have to come to the Congress for authority to carry out any of their functions, and would have to make regular reports to the Congress as to what they have done, and what they recommend, and the Congress then would act upon their recommendations through the passage of specific laws.

Mr. PEPPER. If I correctly understand the provisions of the proposal, a vast new bureaucracy would not be set up, but instead it is specifically provided in the language of the measure that the Director of War Mobilization, with his deputy director, will have to act so far as possible through existing agencies of the Government?

Mr. KILGORE. That is correct. I may say further to the Senator from Florida that the pending amendment specifically provides that they shall act through existing agencies all the time. I may further state that the plan is merely a projection of the plan for war mobilization which was put into effect by directive, and which is now operating.

Mr. PEPPER. In other words, it is a statutory substitute for an existing agency.

Mr. KILGORE. The Senator is absolutely correct. Practically all the executive capacities created by the bill are to be merely continuations of existing capacities. For instance, General Hines is now Administrator of the Retraining and Reemployment Administration under the President. The bill would create a work administrator and give him specific powers. If the President should so determine, the present incumbent would continue his work as Administrator or, if the President should decide to select a new administrator, he might do so with definite powers conferred upon him by Congress.

Mr. PEPPER. If I correctly understand, there is to be an advisory council which would surround and advise the Director of War Mobilization. I imagine that would be, as its name implies, purely an advisory council consisting of rep-

resentatives of agriculture, industry, labor, and the public, in order that a cross-sectional point of view could be presented to the director in his plans and programs, including his program for coordination.

Mr. KILGORE. Not only that, but it would constitute a connecting link with the people in general through which they could express their wishes and register their reactions, favorable or otherwise. The proposal would prevent the director becoming a dictator. While such a council could do nothing but advise, it could make its voice felt by reports to the President and to the Congress if the Director got off on the wrong track and become a dictator. By the way, the system to be followed would be the same as that which we have used constantly in building up our war industry from a peacetime industry. For example, there has been some talk of industrial councils. We have 250 of them at the present time. They have helped in converting various peacetime industries into wartime industries. We need a similar organization in order to convert back to peacetime industry.

Mr. PEPPER. I should like to ask the Senator whether he agrees with the criticism of the Murray-Kilgore bill which was made by one of our colleagues who compared a part of the bill to the old N. R. A. Is the criticism an accurate one?

Mr. KILGORE. Oh, no. There is no power provided in the bill which would allow the fixing of prices, or saying to one section of the country, "You can produce certain things"; and to another section of the country, "You cannot produce certain things." The body proposed would simply be an advisory one to meet and advise with the Director in connection with United States industry as a whole.

Mr. PEPPER. What are the safeguards provided against the fixing of prices?

Mr. KILGORE. In the first place, there would be no authority to fix prices. In the second place, the Director would be limited in the action which he would be allowed to take. It would require an act of Congress to increase his powers. Congress would have to pass an act creating a power before it could be conveyed.

Mr. PEPPER. Is there any provision in the Senator's bill for the Department of Justice or the Attorney General to exercise a surveillance over the councils in order to see that no violation takes place with respect to combinations in restraint of trade?

Mr. KILGORE. The bill provides that the actions of the council shall be supervised by the Department of Justice, and if at any time the Department of Justice finds that any activity tends to create a monopoly or interference with free trade, the activity shall cease.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. MURRAY. The precise language of the bill in that respect is as follows:

Provided, That full information on all such councils shall be submitted to the Attorney General and no such councils shall continue any operations or activities which the Attorney General finds and certifies to the Director tend to promote the restraint of trade or the extension of monopoly.

Mr. KILGORE. I thank the Senator for the specific language which he has read.

Mr. PEPPER. Mr. President, if the Senator from West Virginia will yield to me, I have one further question.

Mr. KILGORE. I yield.

Mr. PEPPER. Is there any provision in the bill which would give to the Director of War Mobilization and Adjustment the duty and authority to endeavor to make the Federal Government's several agencies function together more completely, and to wipe out unnecessary agencies wherever they might be found to exist?

Mr. KILGORE. Yes. The bill provides that it shall be one of the duties of the Director to consolidate agencies where they are found to be in conflict with one another, or where there is a duplication of agencies, and to weed out agencies which are found to be unnecessary. Of course, that can be done only as a result of appropriate recommendations to the Congress when acts creating the agencies have been passed by Congress. The Director could not wipe out an agency created by Congress. He could only recommend that the Congress wipe it out. If the agency were created by the President, he might recommend that the President wipe it out. So the proposed legislation would constitute a running survey of improvement, and would streamline governmental effort.

Mr. PEPPER. If I correctly understand the Senator, the Congress and the country are presented with three choices as to what the Federal Government can do in connection with the problem of reconversion. First, there would be left to the President, as the only authority, the function of bringing together, harmonizing, and mobilizing the several departments and agencies of the Government, and establishing a program for the Government; second, we could allow the Government to have nothing whatever to do with reconversion and planning for our future, but merely allow the Government to stand on the street corner like a policeman who watches traffic pass by without having anything to say about its direction or its safety; and third, there would be the course which the Senator suggests, namely, that the Federal Government establish by congressional act, some agency other than the person of the President, the members of which would be appointed by the President and confirmed by the Senate, whose duty it would be merely to coordinate, harmonize, and make efficient governmental participation in the program by first trying, with the advice and consent of the people generally, to formulate plans; second, to coordinate the agencies through which plans might be carried out; and third, to try to make more efficient the action of the Government in carrying out those functions.

Mr. KILGORE. That is correct. I believe it was old Philip of Macedon who discovered that no man could control under him more than seven men. From that discovery grew the American Army squad, and from the squad there grew the Army. In multiples of seven or less we have gradually worked out our economic organization. If we leave it to the President to control all the various ramifications without the assistance of a chief of staff and subchiefs who are under the chief of staff, we will leave an impossible program up to the President. The pending bill is designed to offset that situation, as the appointment of Justice Byrnes was designed by the President to offset a similar situation during the war. We must remember that we, as the Congress of the United States, created the power which enabled persons to go into the shops of our various States and take tools out of them, which enabled the Government to tell a factory what it could manufacture, and which enabled it to say to a plant, in effect, "You cannot have certain material." We, as a Congress, must create the machinery which will enable those plants to return to peacetime business in an orderly way, replace worn-out machinery, and enable them to obtain raw materials. The burden is upon the Congress, which took that power away from them, to give it back in an orderly way, and not merely release it, like pulling a lever to open a flood gate.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JACKSON in the chair.) Does the Senator from West Virginia yield to the Senator from Vermont?

Mr. KILGORE. I yield.

Mr. AIKEN. I should like an interpretation of paragraph (c) on page 2 which reads as follows:

In addition to any authority which the President may delegate to him, the Director shall, subject to the direction of the President and with the assistance of the Deputy Director,

Then it goes on through seven pages describing the duties and the authority of the Director of War Mobilization and Adjustment. If the Congress prescribes seven pages of duties for the Director, what is the meaning of the words "in addition to any authority which the President may delegate to him"? Does it mean that the President may add to the authority and the duties which have already been prescribed by the Congress, or what does it mean?

Mr. KILGORE. I may say to the distinguished Senator from Vermont that the President can only add those things that are covered by the War Powers Act, which he has a right to delegate anyway.

Mr. AIKEN. It means, then, that he can continue what he is doing at this moment.

Mr. KILGORE. The idea is that the Director would take the place of the Director of War Mobilization and would become the Director of Mobilization and Adjustment, instead of merely the Director of War Mobilization, and the President for the duration of hostilities could still confer upon him, by directive, any powers the Congress has conferred upon the President under the War

Powers Act, in order to provide for the transition stage.

Mr. AIKEN. The provision, then, simply gives statutory authority for what is already being done by the President.

Mr. KILGORE. We have already given statutory authority.

Mr. AIKEN. And adds some ideas that Congress has.

Mr. KILGORE. It adds the theory of the transition stage and the planning and the necessary activities that must take place in converting from war to peace.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. BARKLEY. The Senator from West Virginia knows, as all other Senators know, that prior to the recess during the spring and summer the Special Committee on Post-war Economic Policy and Planning, in collaboration with the Senator from Montana [Mr. MURRAY] as chairman of a subcommittee of the Military Affairs Committee, worked out and introduced what was known as the George-Murray bill, one title of which dealt with reconversion—I am not speaking now of unemployment compensation; I am speaking of reconversion—and set up machinery for it. Wherein does the title on that subject in the Senator's measure differ from the provisions of the original George-Murray bill?

Mr. KILGORE. I may say to the distinguished majority leader that that is titles I and II of the bill. Two bills were coalesced. That was not the particular bill of the present speaker, but embodied the idea of Senate bill 1730 and Senate bill 1893 in complete accord between the Senator from Montana [Mr. MURRAY] and myself. There is no dispute as to the terms of either bill. Both bills were simply merged into one. That is what actually happened.

Mr. BARKLEY. It is true there were two titles.

Mr. KILGORE. Yes, there are two titles covering the reconversion program.

Mr. BARKLEY. Is there any essential difference in the set-up provided for in the title of the Senator's bill which he has offered as an amendment and the original George-Murray bill dealing with that phase of the subject? While the language is different and there is some rearrangement of provisions, essentially is there any difference?

Mr. KILGORE. I may say to the Senator from Kentucky that the program is exactly the same. The language has been somewhat rearranged for clarification, but that is all.

Mr. BARKLEY. I think some confusion has arisen in the minds of Senators, certainly in my own, because of the length of the provisions. The proposal the Senator has offered is made up of some 48 pages, and in reading it I have wondered whether it was still further attempted to go into detail in the interest of clarity, because if we have 20 pages of legislation setting up the machinery for reconversion there is an almost necessary confusion in the minds of those who try to read through that and at the same time keep in mind everything that is provided in other sections on different pages of the bill. I am wondering if the bill is as succinct as it is possible to make it and at the same time cover the territory.

Mr. KILGORE. I may say to the Senator from Kentucky that I doubt if it could be shortened and cover the territory it tries to cover. There are two items somewhat different from those in Senate bill 1730, but which incorporate the same idea. The provision with reference to the Production Board is somewhat different from the original idea of the Production Board. We incorporated the same idea in Senate bill 2061. The councils, the members of which draw no pay, but which are purely advisory councils to help out, were a composite idea. I see no way of making it briefer. When we stop to figure the conversion of $170,000,000,000 worth of business from war to peace, I doubt if the provision could be written in less than 48 pages.

Mr. BARKLEY. Perhaps that is true, but it is to be regretted.

Mr. KILGORE. I can hardly conceive of proper provision being made in less space.

Mr. BARKLEY. Let me ask the Senator what ground as to reconversion is covered by the bill offered by the Senator from West Virginia and his colleague the Senator from Montana which is not now being dealt with or covered by Executive orders or by the war mobilization set-up which has been created by Executive order.

Mr. KILGORE. First, of course, there is the extension of power for complete conversion. That is not covered by Executive order, and cannot be unless we extend the War Powers Act, and thereby Congress lose control of the whole post-war period.

Certainly there is a definite system of over-all planning which has not been previously contemplated. In other words, the planning heretofore has been all for war; and therefore, up to this date, it has been carried on by the Army, the Navy, Lend-Lease, and the War Shipping Administration, but it may be that there will be a conversion of a large number of establishments which will pass out of the picture, and so it is necessary to have an over-all planning agency to plan how fast we can turn them back to private industry.

Mr. BARKLEY. In other words, whatever version of the problem may be taken by the Congress, there is the necessity that legislation be enacted in order that the field may be covered under the authority of Congress, with the power streamlined as much as possible, so that those who administer the law may know what Congress had in mind.

Mr. KILGORE. I may give to the distinguished Senator from Kentucky an illustration on that point. Quite recently the War Production Board, which is set up under the War Powers Act, asked the automobile agencies to prepare a plan for the new automobile which would come as soon as their plants could be released. The Board was promptly informed by the automobile companies that they were not interested and would not touch anything along that line. Possibly the automobile companies were right, and possibly the War Production Board was right; but there was no essential agency other than the President himself that could determine that fact. We need automobiles; we need taxis; we need busses; we need trucks for farmers; but there was no agency to plan that when production in a certain branch of General Motors is shut down, that branch of General Motors shall get ready to engage in nonwar production.

Let me give another example of the necessity for over-all planning which is now needed. We all recall the celebrated Brewster incident. I shall not talk about the Brewster incident, but it resulted from the fact that the United States Navy suddenly discovered that they had overcontracted a certain type of plane which three separate plants were building. One was the Chance Vought plant, which designed the plane; one was the Goodyear Rubber Co., whose plant was at Akron, Ohio, and another one was the Brewster Co. The Brewster Co. was in a No. 4 area. It had previously made gadgets for automobiles, such as door handles, locks, buffers, springs, and so forth. The Goodyear plant was in a rubber section. The Brewster plant was shut down because of inadequate planning. At the same time the synthetic rubber plants were shut down for 1 month. They were shut down because there was not sufficient labor in Akron, Ohio, to make tires. Had an over-all planning been in effect, we would have seen to it that the War Production Board had the men released by the Goodyear plant to work the rubber factories, and Brewster could have gone ahead and been placed in a position to continue to manufacture various kinds of gadgets. That is the reason for over-all planning in the transition stage.

Mr. BARKLEY. Does the Senator's bill provide for a 2-year limitation in regard to reconversion?

Mr. KILGORE. It provides for a limitation; its provisions automatically expire unless Congress should continue the life of the measure.

Mr. BARKLEY. The law itself would automatically expire, but would all the power it grants expire also, or would some of the power carry over?

Mr. KILGORE. No; all the powers contained in the act would expire at the end of 2 years after the termination of the war.

Mr. BARKLEY. Does that allow any winding up or liquidation period after that?

Mr. KILGORE. It was the belief of the various individuals who worked on the bill that 2 years should be sufficient to wind up the situation. That is the winding up period.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. TAFT. As I read the bill its provision is 2 years from the termination of the war, which might be 7 years from now, so far as I can see.

Mr. KILGORE. Oh, certainly; that is correct. From the termination of the war. We cannot terminate reconversion until we terminate the war production, I may say to the Senator from Ohio.

Mr. TAFT. "After the termination of the war" may be 3 years after the termination of hostilities. The Senator's bill says nothing about the termination of hostilities, and the termination of all hostilities may well perhaps be a year after termination of hostilities in Europe, so that it is at least a 3-year bill from the time of the ending of the German war, and it may be under the present terms of the bill a 5-year bill or a 7-year bill.

Mr. KILGORE. Certainly. I may say to the Senator from Ohio that in today's newspaper I noticed a request by transportation authorities to proceed with a great amount of extra construction on the Pacific Coast for the prosecution of the war in the Pacific, and I contemplate there will be much movement of material in that area when the European war is over. Therefore we cannot say that the war is over until Japan is defeated.

Mr. VANDENBERG. Mr. President, may I ask the Senator one question?

Mr. KILGORE. Certainly.

Mr. VANDENBERG. I think it is important that the interpretation of that phrase should be very definite. When the Senator refers to the termination of the war——

Mr. KILGORE. I beg the Senator's pardon. Termination of hostilities.

Mr. VANDENBERG. No; I am sorry; the bill reads "Termination of the war," and I am inquiring whether the termination of the war means the signing of a peace treaty?

Mr. KILGORE. Not in the opinion of the present speaker. The termination of the war, as contemplated now, means the unconditional surrender of the enemy, without considering any treaties of peace in the future. It is the idea of the speaker that the words "termination of the war" shall be as contemplated in our idea of the war, which is that the war shall end when the enemy surrenders.

Mr. VANDENBERG. So the Senator's interpretation of that phrase——

Mr. KILGORE. Is the termination of hostilities, shall I say to the Senator from Michigan.

Mr. VANDENBERG. On all fronts?

Mr. KILGORE. On all fronts.

Mr. TAFT. Mr. President, will the Senator yield to me for a moment?

Mr. KILGORE. Yes.

Mr. TAFT. The Senator from Kentucky [Mr. BARKLEY] asked the Senator from West Virginia whether the bill now in contemplation was like Senate bill 1730, the George-Murray bill. I hold that bill in my hand. That bill contains nothing whatever with respect to a Work Administrator or any of the extensive bureaus provided for in the present bill?

Mr. KILGORE. To which bill does the Senator refer?

Mr. TAFT. Senate bill 1730.

Mr. KILGORE. Is that the original copy of Senate bill 1730?

Mr. TAFT. Yes.

Mr. KILGORE. The final draft of Senate bill 1730 is very much in conformity with the present bill.

Mr. TAFT. However, that bill did not contain this labor, industry, agriculture, war, demobilization national production employment committee.

Mr. KILGORE. That is correct. I stated to the Senator from Kentucky that it did not contain that over-all advisory committee.

Mr. TAFT. And it did not contain the area committee, or the industry committees provided for in the present bill?

Mr. KILGORE. That is correct. Those were added to it, because they are a part of the present machinery which we have now set up in converting from peace to war.

Mr. TAFT. In fact there seems to be no similarity between the two measures except for the creation of a Director of Mobilization. In that respect they are somewhat similar, but otherwise there seems to be no similarity between them.

Mr. KILGORE. I may differ with the Senator from Ohio and say that there is a great deal of similarity between them.

Returning to the original theme which I was discussing, the second major objection to this measure comes from those who are disturbed by the probable cost of the interim placement benefits and the provision for education. To those I would urge caution before they start multiplying.

First let us count the cost of doing nothing. Let us examine that cost. In the absence of legislation programing reconversion, sustaining the purchasing power of the unemployed, and planning for full production and employment, it is estimated that there will be 6,000,000 unemployed in the interval between the defeat of Germany and the crushing of Japan. That takes into account all the necessary conversion from the east coast to the west coast in order to carry on properly the war in the Pacific.

During the first year after the defeat of Japan, unemployment may rise to 12,000,000, and to 18,000,000 during the second year. When unemployment developed on a comparable scale between 1929 to 1932, national income dropped from $83,000,000,000 to $40,000,000,000; income of corporations and proprietors, excluding agriculture, dropped from $15,600,000,000 to a deficit of $285,000,000. That will give some indication of the cost to the Nation if, because of widespread unemployment, our possible national income shrinks from $170,000,000,000 down to 1932 levels. The real cost will be even more tremendous. From the standpoint of cost to the Federal, State, and local governments, the picture is equally black. It is doubtful that the cost of maintaining 18,000,000 unemployed would be far below $12,000,000,000—this is at the rate of less than $14 per week.

That is the cost. The total cost for 2½ years following the defeat of Germany would amount to approximately $18,000,000,000. And that money cost is only part of the cost. At the end of the period our productive plant would be disrupted, our workers demoralized, and the prospects even worse. That is the cost of doing nothing on the basis of the present scale of benefits.

I may say Mr. President, that the strength of a nation has only one measure in time of stress, and that is the strength of its manpower, and their will to do, and when their will to do and the strength of that manpower are broken, the nation is wrecked. I call attention to the fall of Rome, the fall of France, the fall of Russia, the fall of every nation that has ever fallen. Its fall was due to the breaking of the will of its manpower to carry on the government of the nation.

I may also refer, Mr. President, to those who think only in the terms of the dollar sign. I ask them to become abstracting attorneys for a few minutes, and to trace the chain of title of the houses they occupy, of the factories they think they own, and they will trace them back to grants from the State, to grants from the Government, and when the Government is smashed their title is smashed. Whenever a government is wrecked the title of every piece of property is destroyed, the value of every hoarded dollar and the value behind the government's bonds are taken away. We are playing with dynamite when we wreck the will of the manpower of a nation to maintain its government in an orderly fashion.

The cost of unemployment compensation and relief in the 2½ years following the defeat of Germany can be estimated to be $2,000,000,000 during the first 6 months, $6,000,000,000 during the next year and $10,000,000,000 during the following year; a total of $18,000,000,000. The annual rate at the end of the second year would total $12,500,000,000.

I say these are all estimates. This is the worst estimate we could arrive at with respect to the cost. The theory behind the whole program and the whole bill is that we are not going to destroy the purchasing power. We are going to keep in the people the purchasing power of the Nation, and allow them to buy things, and thereby create employment rather than unemployment.

If this bill is passed—although the benefits would be almost twice as much per family—the cost would still be less. In view of the dependency and previous earning restrictions, the benefits under this bill would average $1,250 a year.

Mr. President, I have heard a great deal about $35 a week. It is a favorite newspaper subterfuge to take the sensational figure. It is also the opposition subterfuge to take a figure which sounds big, to take an alarming attitude—in other words, to grab headlines.

The costs would be as follows if this bill is passed: 6 months following surrender of Germany, $1,100,000,000; first year following end of war, $3,500,000,000; second year, $3,200,000,000; a total cost of $7,800,000,000 as against $12,500,000,000. The annual rate at the end of the period would be $2,500,000,000. These are the figures which indicate the cost of caring for the unemployed at existing rates and under the proposed system, as opposed to putting the unemployed into bread lines, soup kitchens, and on public assistance or public charity.

These figures show that it is impossible to pay too much to avert a catastrophic depression.

Economic chaos is infinitely more costly than effective measures to prevent it.

Leaving aside the untold human suffering hidden in the figures of 18,000,000 unemployed and looking at it on a cold financial basis—the Murray-Kilgore bill should be passed for dollar reasons alone, forgetting the human element involved, forgetting the breaking of the spirit of American manpower, the loss of confidence they may have in their Government, and in their business background.

There are other features of this bill which call for expenditures of public funds. There is, for example, the provision for maintenance and tuition for retraining and education for ex-servicemen and civilian workers. One of the serious problems encountered at the outbreak of this war was the question of the untrained worker. Let me call the attention of the Senate to the fact that in every contract let by purchasing agents of the United States Government, 5 percent of the total contract price was allowed for the training of workers. This is a problem of retraining. We are retraining back from war to peace only when it is necessary. It is impossible to estimate with any degree of precision the number who would want and would qualify for this training. These costs would be less than, or at most equal to, the cost of interim placement benefits, the cost of which has already been included in previous figures.

Let me call attention to the years 1920, 1921, and 1922 when, it will be remembered, in many States of the Union we made contracts with plants to train our wounded and discharged soldiers, and rehabilitate them for work. I well remember plants in many States which took those men, accepted payment from the Government for retraining them, and used them as common laborers, hauling sand and sweeping floors, and turned them out at the end of 12 months with no training at all. It cannot be assumed that every serviceman is going to college, and that none of them will want work training.

We picked up youngsters 17 years of age and older and sent them to sea as merchant mariners. Those who thought that sitting in a swivel chair was going to sea, in the days when the U-boats prowled, were wrong. I invite attention to the fact that not a single one of those seamen is covered by any form of unemployment compensation at the present time. We sent those boys to sea, some of whom were only 17 years of age, without a trade, to risk their lives, and we provided no system for retraining. Ninety percent of those boys will be put on the beach, with the ship workers, unless we pass a retraining act.

There is also the cost of transportation for workers for whom jobs have been found in other localities. From the national point of view consider the saving achieved by this simple voluntary control of migration. In other words, we do away with the "Okie." We do away with the tramp. We do away with all State laws against persons crossing State lines without a means of subsistence. I remember seeing families coming from Detroit, Mich., after the last war, and passing through the town in which I live. I saw fathers and mothers pushing handcarts, and the children hanging onto them. All their belongings were in the handcart, because they had no means of getting back to their homes. Without some system of direction the cost of readjustment to peacetime geographic patterns, involving tens of millions of workers, could run into billions of dollars in fruitless moving about.

We have deliberately brought about that condition by the high concentration of industry in certain sections of our country, involving tens of millions of workers. We did not pay for the expense of workers moving to war jobs. We should have done so. Some of the contractors did. Henry Kaiser ran special trains from New York to transport workers to Portland, Oreg. It is not only right that we should pay for their return; it is essential, if we are to have orderly reemployment and redistribution of workers in accordance with the new patterns of job distribution. We do not want thousands of workers and their families stranded far away from jobs. The shops in my State are crying for workers at the present time. They cannot get material or workers. After the war material and workers will be relieved and there will be a market for their products.

The amendment before us would do more than provide the temporarily unemployed the means needed to purchase the output of our farms and industries. It would immediately aid in stabilizing war production.

The Under Secretary of the Navy—to cite but one instance—reports that thousands of workers are leaving naval repair establishments in their desire to seek the possible security of peacetime jobs. These workers see their fellows in the war plants laid off as the result of sudden cut-backs in procurement schedules. If they quit now, they might get a job in a civilian industry. If they are laid off 6 months from now, they do not know what their prospects might be. I remember reading a newspaper article recently, telling about a man who left a job on the Pacific coast paying $80 a week to go back to the Middle West and take a job as attendant in a filling station, because he thought that job might last.

What protection is there for the worker employed in a private repair yard in a State where unemployment compensation averages $11 a week, and is limited to 16 weeks? There are many such examples. Employees in Government yards do not have even this limited protection.

Appeals for "the spirit of '43," as voiced by General Somervell, cannot remedy this situation. Basic problems must be met by basic solutions, and not simply by speeches, newspaper interviews, and exhortations. Insecurity must be offset by adequate guaranties. Title III of this bill provides the guaranty in the form of interim-placement benefits computed on the basis of the employee's previous earnings, and ranging as high as $35 a week. Provision of these benefits is the best assurance of the larger plan looking toward real security through full employment, which will serve to protect war production against loss of badly needed labor. This section of the bill provides for vocational training and education for workers and ex-servicemen, increased mustering-out payments, and the costs of transporting workers, along with their families and household effects, to new jobs.

These, in broad outline, are the provisions for benefits in this bill. The measure now before the Senate meets squarely the changing needs of the battlefields at the same time that it provides for a stable home front now and in the immediate post-war years.

The objectives of the bill can be stated in two phrases—full production and full employment. The provisions of the bill are equally simple. The responsibility to achieve full employment and production is, for the first time, centralized in a single office of the Federal Government. Authority over other Federal agencies concerned with procurement and production is lodged in that office. The office is provided with a technical staff to advise the director of the office, the Congress, and the President, on the existing programs of the Federal agencies. It will determine whether they are geared to the principal objective, that of maintaining full production and employment. If they are not, it will propose such additional programs as will insure that end.

Realizing that the participation of all sections of the Nation is required if we are to maintain full production and employment during the war and following the peace, the bill provides for a national production-employment board. This question has been previously discussed.

Mr. FERGUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. WALSH of New Jersey in the chair). Does the Senator from West Virginia yield to the Senator from Michigan?

Mr. KILGORE. I yield.

Mr. FERGUSON. Referring to some of the figures which the Senator has used with reference to the cost of unemployment, did the committee compute what rate of payment would result in no loss? The Senator figured that there would be a loss of about twelve and a half billion dollars at the end of the second year by virtue of unemployment, and that payments to the unemployed to maintain purchasing power would be about $1,250 a year. Has the committee ever figured out, for example, that payments of $50 a week would result in no loss?

Mr. KILGORE. No; I have not figured that far, because I was basing my statement on the figures which we have. Let me say to the Senator that those figures were based upon a transition state, in which Germany would fall first, and then Japan.

Mr. FERGUSON. Are they imaginary figures, or is there some basis for the figures?

Mr. KILGORE. I will say that they are estimates. No one can predict the volume of unemployment, but we can say that unemployment is progressive. The more persons initially unemployed

the more unemployment will increase; and the hope is to hold the initial unemployment to a minimum, thereby holding back the progression of unemployment.

Mr. FERGUSON. The figure of $35 a week has been used. If that were increased to $50 a week, could we not entirely eliminate the loss?

Mr. KILGORE. No; that theory would not work. The figures used in the bill are based upon the percentage of living costs, computed as of now, compared with figures as of the time when unemployment compensation laws were enacted within the States, giving to the unemployed sufficient money to pay for rent, clothing, utilities, and food. There was no provision for the purchase of automobiles or other things of that kind. The hope was that all workers would be encouraged to repair their houses, if they owned houses, with their savings. Otherwise their savings would be frozen.

Mr. FERGUSON. Has the Senator attempted, by fixing a figure of $35 a week for a man or a woman with three dependents, to establish a minimum wage of $35 a week?

Mr. KILGORE. No.

Mr. FERGUSON. Is not that the effect of such an amount from the Government as compensation for unemployment?

Mr. KILGORE. I do not understand the Senator's theory. The bill would provide $35 a week for a family of four or more.

Mr. FERGUSON. Yes.

Mr. KILGORE. Not $35 for each person.

Mr. FERGUSON. I said a person with three dependents.

Mr. KILGORE. Three or more dependents. A minimum of $35 would be provided for such families. The best way to figure it is on the basis of $20 for an unemployed individual.

Mr. FERGUSON. I am wondering what would happen in this kind of a case: Suppose there were two men living side by side, each with three dependents, and each out of work. Suppose one could get a job at $30 a week. The other could receive $35 a week by reason of being unemployed. The Work Administrator would have absolute discretion to say to the one, "You go to work at $30 a week" and to the other, "You stay at home at $35 a week." What is the answer to that?

Mr. KILGORE. I wish to consider that point for a moment. That matter would not be left up to the Work Administrator. Under a specific provision in the bill the decision in that case would be vested in the individual State in which the worker lived, if the State were to elect to accept and if the work was suitable and appropriate. If the man is only worth $30 a week, and if that is the standard wage in his community, naturally he would be required to accept it. The bill does not say he must receive more than he has been drawing. It provides for the payment of what shall be suitable. That determination is left up to the judgment of the Unemployment Compensation Commissioner or his board in the State involved.

Mr. FERGUSON. Does not the bill give to the Work Administrator the right to say who shall go to work, when he shall go to work, and whether the employment is suitable?

Mr. KILGORE. No; that is to be administered by the State agencies.

Mr. FERGUSON. I should like to have the Senator point out the particular language of the bill which gives that authority to the State agencies.

Mr. KILGORE. The Committee on Military Affairs saw that point arising, and amended the original bill, which the Senator probably has on his desk, so as to provide that the decision as to the suitability of employment and the matter of violation of employment rules would rest with the State agencies.

Mr. GEORGE. Mr. President, let me ask the Senator if provision is not made for an appeal back to the work agency, the proposed Retraining and Reemployment Administration.

Mr. KILGORE. Certainly.

Mr. GEORGE. Is there not to be a final appeal to the agency which would be set up under the terms of the bill?

Mr. KILGORE. Certainly. Is not the principle that there must always be opportunity to appeal the foundation upon which our Government is laid?

Mr. GEORGE. Yes; but the Senator was proceeding to say that the State officials and State agencies would decide those questions. The Senator said that in answer to the question of the Senator from Michigan, whereas the whole scheme of the bill is to put the final authority in the Federal agency which is proposed to be created.

Mr. KILGORE. On page 28 of Senate bill 2061—and I mention this with particular reference to the questions asked by the Senator from Michigan—the following words will be found:

(b) Within 10 days after the appointment of a Work Administrator pursuant to this act, such Administrator shall afford to each State an opportunity to participate in the administration of the "interim placement benefits" provided by this title. A State shall be permitted to participate upon agreement, pursuant to the authorization contained in the unemployment-compensation law of such State to enter into a reciprocal agreement with an appropriate agency of the Federal Government, (i) to receive all claims for "interim placement benefits"; (ii) to adjudicate such claims—

Note that—

in accordance with regulations prescribed by the Work Administrator, or forward such claims to another State or Federal agency as may be appropriate; (iii) to pay, subject to partial reimbursement from the Federal Government as hereinafter set forth from funds withdrawn from the State account in the Unemployment Trust Fund, any claim—

And so forth.

Mr. FERGUSON. Mr. President, is there not also in the bill a provision for an appellate tribunal to pass upon the question, and then is it not to be finally decided by the Work Administrator?

Mr. KILGORE. Yes; an appeal to the Director is provided for, certainly.

Mr. FERGUSON. If that is true, then would he not have the absolute right to say that one man must go to work or else not receive compensation, but that another man would not have to go to work, but could receive compensation? If we vest this power in the national Director, could we not make the situation a political one, so that one man who was favorable to the party in power could receive $30 a week and not work, while another man would have to work for his $30 a week?

Mr. KILGORE. Let me reply in the Yankee method of the Senator from Michigan, who has been a judge in the State of Michigan, as I have been a judge in the State of West Virginia, and who, I know from his reputation in Michigan, did not decide that a man was guilty merely upon the basis of his political beliefs. The Senator's policy was also my policy in the State of West Virginia; we decided cases upon the basis of the general rules and the general working policies. It is presumed that the man who is to be in charge will be as honest as was the distinguished Senator from Michigan when he was on the bench, and as I hope my friends in my home State think I was when I was on the bench. Of course, I am not discussing what some newspapers might have said about the two of us.

Mr. FERGUSON. Mr. President, I might reply to the Senator's comment by saying that there is a great difference between the administration of justice in the courts, as constituted in America, and the administration of matters before boards and directors appointed by political subdivisions of the National Government. I think the Senator from West Virginia and I will both agree that these matters become political because they involve political questions, whereas decisions in courts are not political questions, although we have had some decisions which were political.

Mr. KILGORE. Would the Senator contend that the decisions of the Court of Claims or of the Patent Court or of the Supreme Court of the United States or the United States district courts or the United States courts of appeal were political? The judges of all those courts are nominated by the President and confirmed by the Senate. Under that procedure I have had the great privilege of voting for the confirmation of a district judge in my State. He was nominated by a President who is a member of my political party. Would the distinguished junior Senator from Michigan infer that that distinguished judge in my State would yield to me on a question of purely political import in deciding how a case should be adjudged, or would the Senator agree that the judge would follow the precedents laid down and the general rules applied, and at least would endeavor to save some small portion of his reputation as an American citizen?

Mr. FERGUSON. Mr. President, I can only take the words of some of the judges of the Supreme Court in respect to the matter of following precedents in the last few months. I think that would answer the Senator's question. Although we say that the courts do not follow public opinion and political activities, we also know that they do not entirely disregard them.

Mr. KILGORE. Let me call the Senator's attention to the fact that in my early boyhood a case of butter was called a firkin of butter. But today it is called a case of butter. If, today, I were to order a firkin of butter, I would receive a case of butter, and I would be charged the price of a case of butter. No court would dispute the fact that, although I ordered a firkin of butter, I received a case of butter; and the fact that, in the preceding period a different name was used would not change the present decision.

Mr. FERGUSON. Mr. President, I think we are getting a little far afield.

Mr. KILGORE. Yes; I admit that I am getting into the matter of butter.

Mr. FERGUSON. I should like to read what the committee estimated the cost would be; I think I have the Senator's statement before me, I ask him to correct me if I am wrong:

> The cost of unemployment compensation and relief in the 2½ years following the defeat of Germany can be estimated to be $2,000,000,000 during the first 6 months—$6,000,000,000 during the next year and $10,000,000,000 during the following year; a total of $18,000,000,000. The annual rate at the end of the second year would total $12,500,000,000.

I shall read now what I understand to be the Senator's statement of his belief regarding the situation and the effect of the bill:

> If this bill is passed—although the benefits would be almost twice as much per family—the cost would still be less. In view of the dependency and previous earning restrictions, the benefits under this bill would average $1,250 per year. The costs would be as follows if this bill is passed: Six months following surrender of Germany, $1,100,000,000; first year following end of war, $3,500,000,000; second year, $3,200,000,000; a total cost of $7,800,000,000.

If the rate were raised it would be possible to eliminate entirely any loss to the Nation, according to this statement. Is that true?

Mr. KILGORE. No; it is not true. If the Senator from Michigan will study the conversion report of the committee of which he is a member—the Truman committee—concerning the first efforts at conversion which were unguided and uncontrolled, not centralized, he will obtain the answer to the question he has propounded. We had a terrible time getting refrigerator companies, for instance, to build parts for airplanes, and in getting automobile companies to build airplanes or airplane engines. They said they simply could not do such things. However, when we finally obtained complete coordination by the creation of the War Production Board and by putting in the plants men in charge of airplane production, we obtained what we were after.

I think the Senator misinterprets the theory or the purpose. It is not contemplated that the uniform benefits alone will do this work. It is contemplated that the planning, the centralized control, and the failure to create any great body of persons who cannot buy enough necessary food and clothing will tend to cut down the amount of unemployment. If 10,000,000 persons in the United States become unemployed, without having any relief provided for them so as to enable them to buy sufficient food and clothing for their needs, the result will be, in turn, that within 30 days an additional 5,000,000 workers will be without employment, by reason of the fact that the first 10,000,000 unemployed will be unable to buy the articles of production they normally would buy, and thus the plants engaged in producing such articles will be forced to shut down.

But if the reconversion is handled in an orderly manner, the only benefits which will be paid will be those paid during the conversion period, plus those paid to a certain number of workers who may become unemployable.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. FERGUSON. How was the figure of $35 a week arrived at, in relation to the figures which I have given and which I understand the Senator has given?

Mr. KILGORE. The original figure of $35 a week was based upon an estimate of 75 percent of a certain amount of income. That was under the figures furnished to the committee. Based upon the testimony of the various witnesses, it showed the minimum under which a person could operate a home, pay light, water, and fuel bills, clothes, and buy food for a family of four.

Mr. FERGUSON. Mr. President, will the Senator further yield?

Mr. KILGORE. I yield.

Mr. FERGUSON. In order to arrive at the weekly wage rate, the Senator has taken a quarter of the year during which the highest wage was received during the past 3 years. He has then taken one-thirteenth of the highest quarter in order to arrive at the weekly rate. Is it the committee's contention, or is it the contention of the Senator from West Virginia, that today everyone is earning 75 percent of what he earned during the highest quarter of the year in which he was employed during the war period? We must consider that the weekly wage rate to which the Senator has referred is not for 40 hours a week, but for 52, 56, or even 60 hours a week. Many men are now being reduced to 40 hours a week which, in effect, reduces their wages to a point even below the 75 percent which has been mentioned. This proposal would give men 75 percent of their highest weekly wage received during the quarter of the year in which they earned the most money during the war. Is that statement not true?

Mr. KILGORE. Yes; it is. The Senator has stated the customary method used in computing those matters ever since the Social Security Act was passed. The amount to be received was based upon the highest quarter of wage receipts in any period. The question raised by the Senator requires me to state that those who will draw $35 a week will far exceed the 75-percent figure. The Senator can establish that fact by going to his own city of Detroit and checking the earnings there of workers in the plants.

I should also like to ask whether any Member of the United States Congress—I shall not limit it to the Senate—can honestly say that on the basis of his salary as a Member of Congress, with taxes and deductions taken out of his pay, and exclusive of any outside income, he has actually earned a living during the war period.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. AIKEN. As I read the bill, it appears to me that no one would receive $35 a week unless he had three or more dependents, and unless he had been earning approximately $47 a week or more.

Mr. KILGORE. The Senator is correct.

Mr. AIKEN. If he had earned $80 a week he would still receive less than half of what he had been earning, instead of 75 percent of what he had been earning.

Mr. KILGORE. That is correct.

Mr. AIKEN. I believe there has been considerable misunderstanding with regard to that matter. There has been an understanding in some quarters that the recipient of benefits under the bill would receive 75 percent of what he had earned during his highest earning quarter. However, from a reading of the bill, that does not appear to be the fact. If a man had no dependents at all he would not receive 75 percent of what he had earned during the highest quarter, unless he had been earning about $27 a week or less.

Mr. KILGORE. I thank the Senator. His statement is correct. As an illustration, may I say that in the State of Connecticut, for example, the State would pay $22 more to the unemployed individual than would be paid under this bill.

Mr. GEORGE and Mr. PEPPER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from West Virginia yield, and if so, to whom?

Mr. KILGORE. I yield first to the Senator from Georgia.

Mr. GEORGE. The maximum pay would be $22, but it would not be anything like payment for full-time employment 52 weeks of the year. It would be limited as to time, and also as to the percentage of the average earned wage.

Mr. KILGORE. The Senator is correct. It would not be very much, but it would be something if a man happened to be sleeping out in the open, and his stomach demanded food, and his body demanded raiment.

I now yield to the Senator from Florida.

Mr. PEPPER. Mr. President, I was about to invite attention to a little table which I have had the benefit of examining. The table shows that a veteran with no dependents would receive $20 a week. This figure represents the maximum available to a civilian with no dependents. A veteran with three or more dependents would receive $35, and that would be the maximum available to a civilian with three dependents.

A civilian would receive a maximum of 75 percent of his former wage, and a civilian with no dependents would in no case receive more than $20 a week. Only a civilian with three or more dependents, and whose former wage was $48 or more a week could receive the maximum benefit of $35.

The table then proceeds to show that the veteran with no dependents would

receive $20 a week. A civilian worker with a former weekly wage for the base period of $12 a week would receive $9 a week. With a former wage of $20 a week he would receive $15. With a former wage of $36 a week he would receive $20, and with a former wage of $48 or more a week, he would receive $20. A man with one dependent would receive $25. A civilian with a weekly wage of $12 and with one dependent would receive $9; with a weekly wage of $20 he would receive $15; with a weekly wage of $36 he would receive $25 a week; and with a weekly wage of $48 or more he would receive $25.

With two or three dependents the veteran would continue to receive a $5 increase—$30 or $35. However, the civilian who had been making only $12 a week during his base period, no matter how many dependents he had, would receive only $9 a week.

Also, if the civilian had been making only $20 a week during his base period, no matter how many dependents he had, he would not receive more than $15 a week. It is only when the civilian has made $36 a week during the base period that he would receive more than $20. If he had only one dependent he would receive $25. If he had two dependents he would receive $27, and if he had three or more dependents he would still receive but $27. If he had received $48 or more a week during the base period, and had three or more dependents, he would then receive $35 a week.

Mr. KILGORE. I thank the Senator.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a summary of the benefits available under the bill to veterans and to civilian workers during the post-war readjustment period.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Summary of benefits available to veterans and to covered civilian workers during the post-war readjustment period

Status of unemployed individual	Veterans	Civilian workers, former weekly wage (base period)			
		$12	$20	$36	$48 and up
No dependents	$20	$9	$15	$20	$20
1 dependent	25	9	15	25	25
2 dependents	30	9	15	27	30
3 or more dependents	35	9	15	27	35

Mr. KILGORE. Mr. President, the amendment now before the Senate does more than provide to the temporarily unemployed the means needed to purchase the output of our farms and industries. This measure would immediately aid in stabilizing war production. It has already been noted that wherever there is an opportunity for them to do so people are leaving their work because they have no assurance in the future of returning to civilian jobs.

The section of the bill providing for vocational training will take care of those who were called out of their various lines of endeavor, and who will be unable to find work after the war. The objective of the bill can be stated in two phrases, namely, full production and full employment. The provisions are equally simple. The responsibility to achieve full employment and production is, for the first time, centralized in a single office of the Federal Government. Authority over other Federal agencies concerned with procurement and production is lodged in that office. The office is provided with a technical staff to advise the director of the office, the Congress, and the President, on the existing programs of the Federal agencies. It will determine whether they are geared to the principal objective, that of maintaining full production and employment. If they are not, it will propose such additional programs as will ensure that end. Realizing that the participation of all sections of the Nation is required if we are to maintain full production and employment during the war and following the peace, the bill provides for a national production-employment board. This board will be appointed by the President, by and with the advice and consent of the Senate, and will be representative of industry, labor, and agriculture. Through regular meetings with the director and the administrators, this board will make available to the Government the best thinking of management, labor, and agriculture. But it will do more. Participation on an advisory basis will ensure the wholehearted cooperation of the principal segments of the Nation's economic life in the development of national policy. In order that the national production-employment board remain continually informed, the Murray-Kilgore bill provides that the chief of the bureau of programs and projects serve as executive secretary to the board and inform the board of all relevant data. Provision is made also for similar boards on a regional and community level and, where appropriate, for specific industries.

The second title of the bill establishes the procedure for maintaining war production in the face of the sharply changing needs dictated by battlefield experience, and sets out the manner in which facilities and manpower no longer needed for military production are to be reconverted to the production of civilian goods. The bill provides that, subject to the review of the Director, the Chairman of the War Production Board shall coordinate the procurement activities of the services and the agencies. After military requirements are insured, decisions affecting cut-backs, location of new contracts, relaxation of restrictive orders, and similar matters, will be made so as to insure the maintenance of facilities in full production. The War Production Board Chairman will formulate these policies and procedures with the aid of the war production and reconversion committee. I may add that the Chairman of the War Production Board has substantially these powers now under Executive order. This bill will give them explicit legislative sanction. This section provides further for safeguards for small business, and it lays down the principle that the protection of the competitive positions of certain producers, or groups of producers, shall not be a basis for delaying resumption of production by others.

In years gone by I used to hear the age-old slogan "rugged individuality," and I used to think when I heard that expression that the lion in his jungle and the tiger in his lair were great advocates of rugged individuality, but it certainly was tough on the rabbit and the ground squirrel.

Mr. President, we are now in the final throes of winning the war, a war whose seeds were planted in insecurity, want, and shortages. Entire nations have waded through blood and fire and suffered starvation and deportation before the Fascist beast, which grew strong on hunger, has been brought to bay. By our actions here we shall in large measure determine whether all this has been in vain. Destiny has placed its finger on us. What shall be the judgment of history? That is the question before this body. Shall our answer be that under our institutions a man shall not have the right to work, the right to earn his bread, the right to security for himself and his family? Shall we say that this marvelous engine of production, developed under the stress of war, this engine which upset the calculations of the best minds of the German General Staff, of the German ruler, and of the rulers of all the world, and which completely set at naught all preconceived notions of production, must be allowed to fall into disrepair? Shall we say that millions must be separated from productive labor and be condemned to penury? If this be the answer, then I fear that the institutions for which we fought will not last very long. Let us rather have faith. We can banish unemployment in peace as well as in war. Let that be our answer.

This bill as amended may not be the final answer, it may not be a complete answer; in all probability it is not; no piece of legislation was ever perfect; but it sets the goal and proclaims our faith that it can be done. It sets our course on the highway to peace and security. Let us take that road, for the other leads back to hunger, to isolation, to war, and mayhap, to revolution.

Mr. AIKEN. Mr. President, before the Senator sits down I should like to have a little further explanation of section 307 (a) on page 19 which reads:

SEC. 307. (a) Whenever he deems it necessary, in order to give effect to the objectives of this title, the Work Administrator is authorized to provide to any person vocational free education or training, of not more than 6 months of full-time study or its equivalent in part-time study in addition to any free education or training now provided by law.

Mr. President, it appears to me that this section under some circumstances could lend itself to great abuse. Under the G. I. bill, as I recall, the ex-service man or woman is permitted to elect the school which he or she will attend and the course of study which he or she will

follow; but under this section it appears to me that the Work Administrator might say to any person on the unemployment roll, "I have a job for you but I have got to send you to a school for 6 months before you can take it," and he could choose the school to which to send him and prescribe the course of studies which he must follow, whether painting, plumbing, mechanical engineering, or philosophy. Then if the unemployed person says "I do not want to go to that school and I do not want to study those subjects," the Director might say, "Very well, then, you come off the rolls, and you do not get any more unemployment compensation." Has the Senator any good explanation for that paragraph?

Mr. KILGORE. The Senator from Vermont must realize that the training of the worker must be agreed to by the worker. No worker can be compelled to accept the training prescribed by the Director. Take the case of a veteran. If this proposal should be adopted the veteran really would have an election. If he wanted to go into trade and get a job, through this bill he could do it, or he could accept the provisions of the G. I. bill, and take the training provided therein. He is not limited merely to one. We found after the last war that a great number of our boys simply could not become lawyers and doctors, and so forth. They wanted trade experience. The great trouble in some States was in providing proper trade schools in which to train them. I think the New England States were probably better than other States; as I recall they set up regular trade training schools after the last war. But in a number of the States—and mine happened to be one of them—we farmed out the applicants like we used to farm paupers to the poor farm, and as a result they got no training. Under this proposal they would have an election.

Mr. AIKEN. I do not question the Senator's motives in the least; I know, or think I know, what he intends to do by this paragraph; but it seems to me to be perfectly possible for the Director to say to an unemployed person, "Go to this school and study what I tell you to study or you will come off the unemployment roll." It appears to me that this section, if it remains in the bill, should be clarified so that the Director could not do that.

Mr. KILGORE. That may be true. The intent of those who drafted the bill was only to provide for training where training was necessary in order that a man might get the job he wanted. In other words, if he wanted a job and was not trained for it, he could get the training necessary for that job, if it was the only suitable one to be found for him. The provision possibly may need to be perfected by amendment, and I should like to look it over.

Mr. GEORGE. Mr. President, at this time in order that we may have before us tomorrow a proper statement of the issues, in the main, that will be presented to the Senate, I offer an amendment to the first amendment proposed by the Senator from Montana [Mr. MURRAY]. I send the amendment to the desk and ask that it be printed overnight, but I desire to offer it formally now, so that it may be the pending question tomorrow.

The PRESIDING OFFICER. The amendment offered by the Senator from Georgia to the amendment of the Senator from Montana will be received, printed, printed in the RECORD, and lie on the table.

The amendment intended to be proposed by Mr. GEORGE to the amendment offered by Mr. MURRAY is as follows:

SEC. 102. (a) There is hereby established the Office of War Mobilization and Reconversion, which shall be headed by the Director of War Mobilization and Reconversion (hereinafter called the Director). The Director shall be appointed by the President, by and with the advice and consent of the Senate, shall receive compensation at the rate of $15,000 per year, and shall serve for a term of 2 years.

(b) The following agencies shall be placed within the Office of War Mobilization and Reconversion:

(1) Office of Contract Settlement, created by the Contract Settlement Act of 1944.

(2) Surplus War Property Administration, created by Executive Order No. 9425, and any surplus war property administration hereafter created by statute.

(3) Retraining and Reemployment Administration, created by Executive Order No. 94.27, and any similar office or administration created in this or any other act.

Nothing in this subsection shall imply any derogation of the powers of the Director under subsection (c) with respect to other agencies not specifically placed within his office.

(c) In addition to any powers which the President may delegate to him for the purpose of more effectively coordinating the mobilization of the Nation for war, and for the purpose of more effectively attaining the objectives of this act, the Director shall, subject to the direction of the President—

(1) formulate or have formulated such plans as are necessary to meet the problems arising out of the transition from war to peace in such a manner as to achieve the objectives of this act;

(2) issue such directives to other executive agencies as may be necessary to carry out their powers in a manner consistent with the plans formulated under this section or to coordinate the activities of other executive agencies with respect to the problems arising out of the transition from war to peace. Each executive agency shall carry out the directives of the Director expeditiously and, to the extent necessary to carry out such directives, shall modify its operations and procedures and issue regulations with respect thereto. Nothing contained in this section shall be construed as authorizing any activities which are not within the scope of the powers possessed by the President or the executive agencies under existing law or future Acts of the Congress;

(3) recommend to the Congress appropriate legislation providing authority to carry out plans developed under this section but not authorized under existing law;

(4) promote and assist in the development of demobilization and reconversion plans by other executive agencies; develop procedures whereby each executive agency is kept informed of proposed demobilization and reconversion plans and proposals which relate to its work and which are being developed or carried out by other executive agencies; and settle controversies between such executive agencies in the development and administration of such plans;

(5) cause studies and reports to be made for him by the various executive agencies which will enable him to determine the need for the simplification, consolidation, or elimination of such executive agencies as have been established for the purposes of the war emergency, for the termination, or establishment by statute, of such agencies as now exist under Executive order only, and for the relaxation or removal of emergency war controls;

(6) institute a specific study, for submission to the President and the Congress, of the present functions of the various executive agencies in the field of manpower, and develop a program for reorganizing and consolidating such agencies to the fullest extent practicable;

(7) consult and cooperate with State and local governments, industry, labor, agriculture, and other groups, both national and local, concerning methods of achieving the objectives of this Act; and

(8) submit reports to the President, the Senate, and the House of Representatives on the 1st days of January, April, July, and October, on the activities undertaken or contemplated by him under this Act. Such reports shall summarize and appraise the activities of the various executive agencies in the field of demobilization and post-war adjustment, and may include such legislative proposals as he may deem necessary or desirable.

(d) The Director shall, within the limits of funds which may be made available, employ and fix the compensation of such deputy directors and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions and the functions of the Office. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Deputy Directors and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Director shall perform the duties imposed upon him through the facilities and personnel of other Government agencies. The Director may require such reports and information from other Government agencies as he deems necessary to enable him to carry out his functions under this act, and each Government agency shall furnish any information and reports so required.

SEC. 103. There is hereby created an advisory board, the members of which shall be appointed by the President, by and with the advice and consent of the Senate, and which shall include three representatives of industry, three representatives of labor, three representatives of agriculture, and three public members, one of whom shall be Chairman.

It shall be the general function of the board to advise with the Director with respect to war mobilization and reconversion and make to him such recommendations relating to legislation, policies, and procedures as it may deem necessary to achieve the objectives of this act.

Members of the board shall receive a per diem allowance of $25 for each day spent in the actual performance of duty, plus necessary traveling and other expenses incurred while so engaged.

SEC. 104. (a) There is hereby established a Special Joint Committee on Post-war Adjustment (hereinafter referred to as the "committee") to be composed of four Members of the Senate (not more than two of whom shall be members of the majority party) to be appointed by the President of the Senate, and four Members of the House of Representatives (not more than two of whom shall be members of the majority party) to be appointed by the Speaker of the House of Representatives. Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection. The committee

shall select a chairman and a vice chairman from among its members. The committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants as it deems necessary and advisable. The committee may utilize such voluntary and uncompensated services as it deems necessary, and is authorized to utilize the services, information, facilities, and personnel of the departments and agencies of the Government. The expenses of the committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman.

(b) It shall be the function of the committee—

(1) to make a full and complete study and investigation with regard to legislation on demobilization and post-war adjustment in cooperation with such public and private agencies and such persons as it might see fit to consult;

(2) to consult with the President and the Director on the need for legislation on demobilization and post-war adjustment;

(3) to consult with the appropriate standing committees in the Senate and in the House of Representatives on the preparation of demobilization and post-war adjustment legislation, and on methods of obtaining expeditious action on demobilization and post-war adjustment legislation by achieving coordination among, and avoiding duplication of effort between, such committees; and

(4) to study and review each report submitted to the Congress by the Director, and otherwise maintain continuous surveillance of the operations of the Director and other executive agencies under this act.

TITLE II—INDUSTRIAL DEMOBILIZATION AND RECONVERSION

SEC. 201. Any contracting agency shall terminate prime contracts for war production whenever in the opinion of the agency the performance under such contracts will not be needed for the prosecution of the war, and shall not continue performance under such contracts merely for the purpose of providing business and employment, or for any purposes other than the prosecution of the war, unless the continuation of some or all of the work under any such contract will benefit the Government or is necessary to avoid substantial injury to a plant or property.

SEC. 202. Curtailments of war production or terminations of war contracts shall be integrated and synchronized with the expansion, resumption, or initiation of production for other war purposes, and, to the greatest extent compatible with the effective prosecution of the war, of production for nonwar use. To effectuate this policy—

(a) the contracting agencies shall continuously survey their product and material requirements and report to the Director, in such form and detail as he may determine, on current and anticipated changes in requirements and on all anticipated curtailments of war production or terminations of war contracts;

(b) the Government agencies exercising control over manpower, production, or materials shall permit the expansion, resumption, or initiation of production for nonwar use whenever such production does not require materials, components, facilities, or labor needed for war purposes, or will not otherwise adversely affect or interfere with the production for war purposes. Such production of nonwar use shall be permitted regardless of whether one or more competitors normally engaged in the same type of production are still engaged in the performance under any contract which is needed for the prosecution of the war, and shall not be made dependent upon the existence of a concern or the functioning of a concern in a given field of activity at a given time;

(c) the Director shall—

(1) establish policies to be followed by the contracting agencies in selecting individual contracts or classes of contracts for curtailment, nonrenewal, or termination;

(2) establish policies providing for full consultation between the Government agencies, war contractors, and the representatives of the employees of war contractors with regard to obtaining the most effective use in other war production or in production for nonwar use of facilities and manpower to be released through anticipated curtailments in war production or terminations of war contracts.

SEC. 203. (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized by any Government agency having control over manpower, production, or materials, on a restricted basis, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from achieving reasonable economies of operations in such production.

(b) Whenever such Government agency allocates available materials for the production of any item or group of items for nonwar use, it shall set aside a percentage of such materials for the exclusive use by small plants for the production of such item or group of items. Such percentage shall be determined by the head of such agency after giving full consideration to the claims presented by the chairman of the board of directors of the Smaller War Plants Corporation.

In allocating the materials thus set aside among such small plants, such Government agency shall follow the criteria, standards, quotas, schedules, or other conditioning factors to be established by the chairman of the board of directors of the Smaller War Plants Corporation. For the purposes of this title, a small plant means any small business concern engaged primarily in production or manufacturing either employing 250 wage earners or less, or coming within such other categories as may be established by the head of such Government agency in consultation with the chairman of the board of directors of the Smaller War Plants Corporation. Such other categories shall be defined by taking into consideration the comparative sizes of establishments in a particular industry as reflected by sales volumes, quantities of materials consumed, capital investments, or by other criteria which are reasonably attributable to small plants rather than medium- or large-size plants.

SEC. 204. The Attorney General is directed to make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the period of transition from war to peace and thereafter. The Attorney General shall submit to the Congress within 90 days after the approval of this act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including recommendations for such legislation as he may deem necessary or desirable.

TITLE III—RETRAINING AND REEMPLOYMENT

SEC. 301. There is hereby established a Retraining and Reemployment Administration (hereinafter referred to as the "Administration"), the functions of which, subject to the general supervision of the Director of War Mobilization and Reconversion, shall be exercised by a Retraining and Reemployment Administrator (hereinafter in this title referred to as the "Administrator"), to be appointed by the Director of War Mobilization and Reconversion, at a salary of $12,000 per annum.

SEC. 302. With the assistance of a Retraining and Reemployment Policy Board, composed of a representative of the Department of Labor, the Federal Security Agency, the War Manpower Commission, the Selective Service System, the Veterans' Administration, the Civil Service Commission, the War Department, the Navy Department, and the War Production Board, it shall be the function of the Administration—

(a) to have general supervision and direction of the activities of all Government agencies relating to the retraining and reemployment of persons discharged or released from the armed services or other war work, including all work directly affected by the cessation of hostilities or the reduction of the war program; to issue necessary regulations and directions in connection therewith;

(b) in consultation with the Government agencies concerned, to develop plans and programs relating to such retraining and reemployment.

SEC. 303. The Administrator shall have power to provide transportation, including transportation of dependents and household effects for civilian workers who have been employed in activities essential to the war effort, from the place of such employment to the location of their bona fide residence within the continental United States prior to their migration to war employment, or, at the election of such worker, to any other location of new employment arranged by the worker: *Provided*, That the cost of such transportation shall not exceed $200 for any one worker, his dependents, and household effects, and shall not exceed the amount allowable for civilian employees of the several departments and independent establishments of the Federal Government in the Standard Government Travel Regulations.

SEC. 304. The War and Navy Departments shall discharge from the armed forces of the United States the men and women serving therein during the present war as rapidly as the appropriate department determines that the services of such persons are no longer needed for the prosecution of the war or for the national defense, and shall not retain such persons in the armed forces merely for the purpose of preventing unemployment or awaiting opportunities for employment.

SEC. 305. The Administrator shall confer with all existing Federal, State, and local agencies and officials in charge of existing programs relating to vocational education, vocational rehabilitation, training in industry, and other similar programs, and secure the expansion of such programs when and if necessary. If he finds that such expansion cannot be secured, or can only be secured by additional Federal legislation or assistance, he shall recommend to Congress such appropriations and legislation as he considers necessary to carry out the provisions of this act.

SEC. 306. The Administrator shall, within the limits of funds which may be made available, employ and fix the compensation of such Assistant Administrators and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions and the functions of the Office. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Assistant Administrators and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Administrator shall perform the duties imposed upon him through the facilities and personnel of other Government agencies.

Mr. GEORGE. Mr. President, since the question of the cost of this measure has been brought up, and not because anyone can vouch for the authenticity of all the figures, for they are based on predictions that may or may not come true, I should like now to read a statement from the Social Security Board furnished me today by Dr. Altmeyer. I think perhaps these figures are the most dependable ones that could be obtained, but in order to understand the figures at all it is necessary to note carefully the assumptions underlying the estimates of cost of Senate bill 2061.

It is not known what military and economic events will take place in the future; but it is necessary to assume certain events in order to establish the conditions under which an estimate can be made. Thus, an estimate is not a forecast. For the purpose of this analysis the following basic assumptions have been made:

That the war with Germany will be over by about the end of the year 1944.

That the war with Japan will last through 1945 and will end at approximately the end of that year.

That this legislation would take effect January 1, 1945—

Reference is to the Military Affairs Committee bill—

and would cease on December 31, 1947.

That is to say that it would really be in operation only from January 1, 1945, to December 31, 1947.

That unemployment will be about 2,000,000 at the end of 1944; will rise to 4,000,000 by the end of 1945, and still further to 8,000,000 by the end of 1946, after which it will decline to 4,000,000 by the end of 1947. This estimate is based upon the underlying assumption that a public works program will pick up the slack in employment if private industry does not succeed in doing so.

That the armed forces will constitute 11,000,000 persons at the end of 1944, 9,000,000 at the end of 1945, 5,000,000 at the end of 1946, and 3,000,000 at the end of 1947.

That the return of ex-servicemen to civilian life will be partially offset in the labor market by the withdrawal of some of the emergency workers drawn into the labor market during the war in such a way that the total civilian labor force available for employment will be 53,000,000 persons at the end of 1944, 55,000,000 at the end of 1945, 57,000,00 at the end of 1946, and 59,000,000 at the end of 1947.

That the average ex-serviceman will be a man with one dependent so that the average benefits paid to ex-servicemen will be $25 per week; while the average civilian worker, making allowances for dependents, will receive benefit payments of $21 per week.

That Federal Government employment will be reduced to pre-war levels by December 31, 1947.

That the States will collect contributions on present coverage at the average rates now prevailing.

Those are the assumptions, Mr. President, together with the following:

That the States will collect contributions on the extended coverage at a rate of 2.7 percent of pay rolls during the period 1945–47.

On the basis of the above assumptions, and with the addition of certain minor estimates and adjustments, the attached tables of estimated costs have been prepared.

Mr. President, I wish to make it clear that it is only an estimate, and I agree with Dr. Altmeyer that it is a difficult estimate. But his estimate discloses, without enumerating all the factors, that the total additional cost of S. 2061—and bear in mind he is dealing here now only with the additional cost of unemployment compensation payments, not the other costs of the bill—the total additional cost of S. 2061 is $10,405,000,000. There would be a further additional cost for ex-servicemen's benefits in 1948 of about $150,000,000, but these figures are not included in the table.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. GEORGE. Permit me to finish, and then I shall be glad to answer any questions.

I wish to read further what Dr. Altmeyer says:

In the short time available to us we have found it impossible to make careful estimates of the probable costs of these bills. The data presented in the tables represent only crude estimates based upon the best assumptions we could make at this time. A detailed list of our main assumptions is set forth in the attached document.

Which I have read.

I must emphasize that the costs set forth here are not our predictions. If a different volume of unemployment is assumed, then the costs may be higher or lower than set forth here. The important point is to establish a relationship between the volume of unemployment and the probable costs.

You will note that the extra costs of S. 2061 over and beyond existing obligations of the States and the benefits payable under the G. I. bill to the ex-servicemen would amount to about $10,400,000,000. This estimate is based upon a peak of unemployment of 8,000,000 workers at the end of 1946, reduced to 4,000,000 by the end of 1947. Of course, the actual unemployment which we may experience might be as low as half these amounts, and, on the other hand, it might be twice as high.

If that condition existed the total cost of the Military Affairs Committee bill over and above all payments for unemployment compensation made by the States, over and above all payments made under the G. I. bill to over 11,000,000 men and women in the armed forces, would be $21,000,000,000.

I will now be glad to answer the question the Senator from Vermont wishes to ask.

Mr. AIKEN. I was simply going to ask the Senator from Georgia what period of time was covered by the ten-billion-dollar cost, but I think he has answered that question since I rose. It would be from January 1, 1945, through the year 1947, for the 3-year period.

Mr. GEORGE. Mr. Altmeyer assumes that the bill would become effective not earlier than January 1, 1945, and these cost figures are based on the operations under the bill through the year 1947.

Mr. AIKEN. And that would be an average of a little over $3,000,000,000 a year, and that is over and above the amount which will have to be paid any way under the G. I. bill.

Mr. GEORGE. Under the G. I. bill and by the States.

Mr. BARKLEY. May I ask a question at that point?

Mr. GEORGE. Certainly.

Mr. BARKLEY. Did Dr. Altmeyer base his figures upon the assumption that the law would operate from January 1, 1945, to December 31, 1947, which would be a 3-year period instead of a 2-year period as provided in the bill?

Mr. GEORGE. He based it upon the assumption that the legislation would take effect January 1, 1945, and would cease on December 31, 1947.

Mr. BARKLEY. That contemplates a 3-year period. Of course December 31, 1948, would end the 2-year period beginning January 1, 1945.

Mr. GEORGE. Not unless hostilities had all ceased, because the bill is in effect for 2 years after the cessation of hostilities or the end of the war. I take the two terms to be synonymous.

Mr. BARKLEY. I was wondering whether he contemplates a 3-year period as the basis for his figures.

Mr. GEORGE. No. I was going to offer the tables without reading them. He makes his estimates by years. He says that as of 1945, existing benefit obligations of States under their laws are $700,000,000; additional Federal benefits to workers now covered under State laws, $1,360,000,000; Federal benefits to workers not now covered under State laws, $590,000,000; Federal Government workers' benefits, $290,000,000; ex-servicemen's benefits under the G. I. bill—that is only for 1945—$45,000,000; additional under Senate bill 2061, $15,000,000; total additional costs of S. 2061 for 1945 is $2,255,000,000; total cost in 1945, $3,000,000,000.

Without reading all through the tables, in 1946 the total additional cost of S. 2061 would be $4,050,000,000. In 1947 it would be $4,100,000,000. Making a total of $10,405,000,000 for 1945, 1946, and 1947.

Mr. President, I ask that the tables may be printed at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—*Estimates of cost of S. 2061 under certain assumptions*

Year	Existing benefit obligations of States under their laws (in millions)	Additional Federal benefits to workers now covered under State laws (in millions)	Federal benefits to workers not now covered under State laws (in millions)	Federal Government workers' benefits (in millions)	Ex-servicemen's benefits		Total additional costs of S. 2061 (in millions)	Total cost (in millions)
					Under G. I. bill (in millions)	Additional under S. 2061 (in millions)		
1945	$700	$1,360	$590	$290	$45	$15	$2,255	$3,000
1946	1,400	2,330	980	640	350	120	4,050	5,800
1947	1,200	2,490	940	500	500	170	4,100	5,800
Total	3,300	6,180	2,490	1,430	895	[1] 305	[1] 10,405	14,600

[1] There would be a further additional cost for ex-servicemen's benefits in 1948 of about $150,000,000. These figures are not included in the table.

TABLE 2.—*Distribution of costs between the Federal Government and the States under specified conditions*

Year	Federal benefit payments to ex-servicemen and Federal Government workers (table 1, columns 4, 5, and 6) (in millions)	State benefit payments to all other workers (table 1, columns 1, 2, and 3) (in millions)	Federal reimbursements to States when benefit payments exceed 2.7 percent of covered pay rolls (in millions)	Total State unemployment reserves at end of year (in millions)
1945	$350	$2,650	0	$4,820
1946	1,110	4,690	$760	2,320
1947	1,170	4,630	2,610	1,850
Total	2,630	11,970	3,370	----------

Mr. BARKLEY. I did not gather from the reading of the letter whether Dr. Altmeyer bases the additional costs upon an estimated percentage of unemployment among the ex-servicemen and also war workers. It seems that there would have to be some percentage basis. If we contemplated otherwise, it would be difficult to estimate what it would cost in any 1 year.

Mr. GEORGE. He estimates it on total unemployment.

Mr. BARKLEY. On total unemployment?

Mr. GEORGE. Yes; but reaching its peak at 8,000,000 persons, and then there would be a decline in subsequent years.

Mr. BARKLEY. But he based the figures on the assumption that everyone coming back from war, either from the Army, the Navy, or war plants would be unemployed.

Mr. GEORGE. No.

Mr. KILGORE. I should like to have the unemployment figures stated again.

Mr. BARKLEY. I do not understand what he means by total unemployment.

Mr. GEORGE. Let me read again. These are assumptions which the board must necessarily make and project. If the assumptions are not correct, of course, the figures must vary. Among the assumptions and without reading them all, it is assumed—

That unemployment will be about 2,000,000 at the end of 1944; will rise to 4,000,000 by the end of 1945, and still further to 8,000,000 by the end of 1946, after which it will decline to 4,000,000 by the end of 1947. This estimate is based upon the underlying assumption that a public-works program will pick up the slack in employment if private industry does not succeed in doing so.

That the armed forces will constitute 11,000,000 persons at the end of 1944, 9,000,000 at the end of 1945, 5,000,000 at the end of 1946, and 3,000,000 at the end of 1947.

In other words, it is assumed by the Board that 3,000,000 men will remain in the armed forces after 1947, or at the end of 1947. It is also assumed that the return of ex-servicemen to civilian life will be partially offset in the labor market by the withdrawal of some of the emergency workers who have been drawn into the labor market. I call attention now—because I expect to stress it tomorrow and later—to the fact that the emergency workers will be eligible for the full unemployment compensation benefits unless they announce, upon the loss of their jobs, that they do not care to register or to accept another job. Although they went in as emergency workers, they will be eligible for unemployment compensation benefits, unless they can be otherwise employed.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Vermont?

Mr. GEORGE. I yield.

Mr. AIKEN. Does the Senator have any information as to the number of unemployed in the country at the present time?

Mr. GEORGE. No; I have not.

Mr. AIKEN. I was surprised at the estimate of 2,000,000 unemployed at the end of 1944.

Mr. GEORGE. In justice to the Board, it must be borne in mind that they made another assumption, which I stated, namely, that the war with Germany will be over about the end of 1944. I presume that is an assumption which affects the figure of about 2,000,000 idle by the end of 1944.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. OVERTON. I assume from what the Senator just stated that the Board proceeded upon the assumption that all the personnel of the armed forces, 11,000,000 in number, will be out of employment.

Mr. GEORGE. Oh, no.

Mr. OVERTON. The figure of 11,000,000 was stated.

Mr. GEORGE. That was to indicate the rate of demobilization of the armed forces. It is assumed that that rate will obtain. It could not be assumed that all of them would be unemployed, because the peak unemployment, including civilian workers and soldiers, is placed at 8,000,000 in this estimate. The number may be less.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. KILGORE. The Senator stated that the total over-all figure might be 50 or 100 percent more or less. Are the figures based upon actual estimates of 2,000,000, 4,000,000, or 8,000,000, or are they based upon 50 percent less, or 100 percent more?

Mr. GEORGE. As I understand, the estimate is based upon the actual figures given. Dr. Altmeyer calls attention to the fact—and I think we should bear it in mind—that he is not prophesying or saying that what he assumes will be the situation; but assuming that it will be, he furnishes these estimates. He takes that precaution. Of course, the actual unemployment which we may experience may be as low as half these amounts. On the other hand, it may be twice as high. He is simply taking a figure which probably represents to the Board the best ascertainable estimate at the present time.

Mr. KILGORE. Would not the question of unemployment be based largely upon available jobs, which, of course, would be based upon the amount of production?

Mr. GEORGE. Oh, yes.

Mr. KILGORE. And, of course, the buying power of the Nation being the incentive to production, it would necessarily govern production.

Mr. GEORGE. I understand the theory on which the bill is drawn. The bill heads up all the spending-to-create-purchasing-power doctrines which have prevailed in America during the past few years. I heard my good friend speak very eloquently of Dr. Hansen. Everyone knows Dr. Hansen's philosophy, namely, that we can spend and create purchasing power, borrow in order to spend, and simply pay back the interest, because we are borrowing from ourselves. Of course, if that doctrine be sound, if we would only spend enough there could never be any unemployment.

Mr. President, I believe that the amendment which is pending is an amendment only to the first amendment offered by the Senator from Montana [Mr. MURRAY].

The PRESIDING OFFICER. The Senator is correct.

Mr. GEORGE. In that connection I wish to make this statement: I believe that this amendment draws the vital distinction between the corresponding titles of the two bills in about as clear a way as it can be presented, and indicates precisely the difference in theory as to the administrative machinery and the powers vested in the officials under the one bill, as contrasted with comparable provisions in the other bill. The first three titles constitute the heart of the Military Affairs Committee bill, and of the amendment which I am offering, which may be called a substitute, because it does not differ in all particulars by any means.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. BARKLEY. As I understand the parliamentary situation, the Senator from Montana [Mr. MURRAY] offered the Military Affairs Committee bill as an amendment to the Senator's bill; and to that amendment the Senator has now offered what is on our desks as a committee print.

Mr. GEORGE. Not wholly; only a part of it. In other words, the amendment now offered is an amendment to the first amendment offered by the Senator from Montana, but it really represents the substance of the difference in viewpoint on this legislation.

Mr. BARKLEY. The Senator has split his amendment, known as the committee print of the amendment to Senate bill 2061, and has offered a part of it.

Mr. GEORGE. Only a part of it, namely, the first three titles, with some changes. That, of course, was necessitated by the fact that it was necessary for the Senator from Montana to split his amendment, which he did.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORT OF THE EDUCATION AND LABOR COMMITTEE

Mr. THOMAS of Utah, from the Committee on Education and Labor, reported favorably the nomination of Frieda S. Miller, of New York, to be Director of the Women's Bureau, United States Department of Labor.

The PRESIDING OFFICER (Mr. JACKSON in the chair). If there be no further reports of committees, the clerk will state the nominations on the calendar.

DIRECTOR OF CONTRACT SETTLEMENT

The legislative clerk read the nomination of Robert H. Hinckley to be Director of Contract Settlement.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

SELECTIVE SERVICE

The legislative clerk read the nomination of Lt. Col. Frank J. Killilea to be State procurement officer of Selective Service for Alaska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. I ask that the nominations in the Army be confirmed en bloc, and that the President be immediately notified of all nominations confirmed this day.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc; and without objection, the President will be notified forthwith of all nominations confirmed this day.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 31 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, August 9, 1944, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 8, 1944:

DIRECTOR OF CONTRACT SETTLEMENT

Robert H. Hinckley to be Director of Contract Settlement for a term of 2 years.

SELECTIVE SERVICE

Lt. Col. Frank J. Killilea to be State procurement officer of Selective Service for Alaska under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended.

IN THE ARMY

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

To be general

Joseph Warren Stilwell

To be major generals

Robert Tryon Frederick
Jens Anderson Doe

To be brigadier generals

Gerald Joseph Higgins
Maurice Wiley Daniel
James Alward Van Fleet
George Arthur Taylor
Charles Draper William Canham
Hugh French Thomason Hoffman
John Huston Church
William O'Dwyer

SENATE

WEDNESDAY, AUGUST 9, 1944

(Legislative day of Tuesday, August 1, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. John R. Edwards, D. D., associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Our Father who art in heaven, we make our approach in the confidence of Thy love and care to us, the children of men. We come with acknowledgment of Thy mercies and with a sense of the responsibility of this hour. We face severely the need to do right under allurement to wrong and in the midst of conflicts of judgment which may lead to pitfalls and permanent loss. We seek at Thy hand clearness of vision, breadth of sympathy, and courage in right doing.

O Thou who art nearer to us than breathing, closer than hands or feet, if this day our minds are clouded by prejudice or our hearts calloused by pride or irreverence, shed upon us Thy light from above that our sufficiency may be of God.

In Thy name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, August 8, 1944, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Reynolds
Andrews	Guffey	Robertson
Austin	Gurney	Russell
Bankhead	Hatch	Scrugham
Barkley	Hayden	Stewart
Brewster	Hill	Taft
Brooks	Jackson	Thomas, Utah
Buck	Johnson, Calif.	Tobey
Burton	Johnson, Colo.	Truman
Butler	Kilgore	Tunnell
Byrd	McClellan	Tydings
Capper	McKellar	Vandenberg
Caraway	Maloney	Wagner
Chandler	Maybank	Wallgren
Chavez	Mead	Walsh, Mass.
Connally	Millikin	Walsh, N. J.
Cordon	Moore	Weeks
Danaher	Murray	Wherry
Davis	O'Daniel	White
Downey	O'Mahoney	Wiley
Eastland	Overton	Willis
Ferguson	Pepper	Wilson
George	Radcliffe	
Gerry	Revercomb	

Mr. HILL. I announce that the senior Senator from Mississippi [Mr. BILBO] is recuperating from a major operation at the Mayo Clinic, and that the senior Senator from Washington [Mr. BONE] and the senior Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from Alabama [Mr. BANKHEAD], the Senator from Idaho [Mr. CLARK], the Senator from Louisiana [Mr. ELLENDER], the Senator from Iowa [Mr. GILLETTE], the Senator from South Carolina [Mr. SMITH], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senator from Missouri [Mr. CLARK], the Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. MCCARRAN], the Senator from Arizona [Mr. MCFARLAND], the Senator from Utah [Mr. MURDOCK], and the Senator from Oklahoma [Mr. THOMAS] are absent on public business.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Minnesota [Mr. BALL], the Senator from New Hampshire [Mr. BRIDGES], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from New Jersey [Mr. HAWKES], the Senator from Oregon [Mr. HOLMAN], the Senator from North Dakota [Mr. LANGER], the Senator from North Dakota [Mr. NYE], the Senator from Kansas [Mr. REED], the Senator from Minnesota [Mr. SHIPSTEAD], and the Senator from Idaho [Mr. THOMAS].

The VICE PRESIDENT. Seventy Senators have answered to their names. A quorum is present.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

G. F. ALLEN, CHIEF DISBURSING OFFICER, TREASURY DEPARTMENT

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation for the relief of G. F. Allen, chief disbursing officer, Treasury Department, and for other purposes (with accompanying papers); to the Committee on Claims.

OFFICERS COMMISSIONED IN THE ARMY FROM CIVIL LIFE

A letter from the Acting Secretary of War, transmitting, pursuant to law, a report showing the name, age, legal residence, rank, branch of the service, with special qualifications therefor, of each person commissioned in the Army of the United States without prior commissioned military service for the period June 1 to July 31, 1944 (with an accompanying report); to the Committee on Military Affairs.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

A letter from the Attorney General, submitting, pursuant to law, a report stating all of the facts and pertinent provisions of law in the cases of 61 individuals whose deportation has been suspended for more than 6 months under authority vested in the Attorney General, together with a statement of the reason for such suspension (with accompanying papers); to the Committee on Immigration.

FIDELITY TRUST CO., ET AL. V. THE UNITED STATES (S. DOC. NO. 229)

A letter from the assistant clerk of the Court of Claims, transmitting, pursuant to law and Senate Resolution 185 agreed to November 10, 1941 (77th Cong.), certified copy of the court's special findings of fact and conclusion of law, together with opinion by Chief Justice Whaley rendered by the court on June 5, 1944, in the cases of *Fidelity Trust Co., et al.* v. *The United States*, Congressional No. 17767, and 71 other cases (with an accompanying paper); to the Committee on Claims and ordered to be printed.

MAY 1944 REPORT OF RECONSTRUCTION FINANCE CORPORATION

A letter from the Chairman of the Board of the Reconstruction Finance Corporation, transmitting, pursuant to law, a confidential report of that Corporation for the month of May 1944 (with accompanying papers); to the Committee on Banking and Currency.

OFFICE OF PRICE ADMINISTRATION REPORT

A letter from the Administrator of the Office of Price Administration, transmitting, pursuant to law, the ninth quarterly report of the Office of Price Administration for the period ended March 31, 1944 (with an accompanying report); to the Committee on Banking and Currency.

REPORT OF HOME OWNERS' LOAN CORPORATION

A letter from the Federal Home Loan Bank Commissioner, transmitting, pursuant to the Independent Offices Appropriation Act of 1944, Public Law 90, Seventy-eighth Congress, a report of the Home Owners' Loan Corporation with respect to liquidation of the property of such Corporation by States, etc. (with an accompanying report); to the Committee on Appropriations.

REPORT OF PUBLIC UTILITIES COMMISSION OF THE DISTRICT OF COLUMBIA

A letter from the Chairman of the Public Utilities Commission of the District of Columbia, transmitting, pursuant to law, the thirty-first annual report of that Commission for the year ended December 31, 1944 (with an accompanying report); to the Committee on the District of Columbia.

PERSONNEL REQUIREMENTS

Letters from the Acting Chairman of the National Labor Relations Board and the President of the United States Civil Service Commission, transmitting, pursuant to law, revised estimates of personnel requirements for their respective offices for the first quarter of the fiscal year 1945 (with accompanying papers); to the Committee on Civil Service.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of the Departments of War (8), Justice, Navy (2), and Agriculture; Federal Security Agency (3), Administrative Office of the United States Courts, Selective Service System, and the Reconstruction Finance Corporation which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITION

The VICE PRESIDENT laid before the Senate a telegram in the nature of a petition from the legislative committee of Local Union No. 1408, McKeesport, Pa., praying for the enactment of the so-called Murray-Kilgore reconversion bill, being the bill (S. 2061) to provide a national program for war mobilization and post-war adjustment, which was ordered to lie on the table.

RIVER AND HARBOR FLOOD-CONTROL WORKS—AMENDMENT

Mr. HAYDEN submitted an amendment intended to be proposed by him to the bill (H. R. 4485) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which was ordered to lie on the table and to be printed.

ADDITIONAL COPIES OF REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES, GOVERNMENT CORPORATIONS (S. DOC. NO. 227)

Mr. BYRD submitted the following resolution (S. Res. 318), which was referred to the Committee on Printing:

Resolved, That 10,000 additional copies of Senate Document No. 227, current session, an additional report of the Joint Committee on Reduction of Nonessential Federal Expenditures, relating to Government corporations, be printed for the use of the Joint Committee on Reduction of Nonessential Federal Expenditures.

THE AMERICAN IDEAL: THE COMMON DENOMINATOR—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "The American Ideal—The Common Denominator," delivered by him at a meeting of Americans of Slovakian descent in Milwaukee, Wis., August 6, 1944, which appears in the Appendix.]

EDITORIALS ADVOCATING THE REELECTION OF SENATOR LUCAS

[Mr. HATCH asked and obtained leave to have printed in the RECORD editorials from newspapers in Illinois advocating the reelection of Senator LUCAS to the Senate, which appear in the Appendix.]

CONGRESS SHOULD BE ON THE JOB—EDITORIAL FROM THE KANSAS CITY TIMES

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an editorial entitled "Congress Should Be on the Job," published in the Kansas City Times, which appears in the Appendix.]

THE FAIR EMPLOYMENT PRACTICE COMMITTEE AND THE TRANSPORTATION STRIKE IN PHILADELPHIA

Mr. RUSSELL. Mr. President, now that the strike of the Philadelphia transit workers has been broken by armed governmental might nothing said here can add to the difficulties or tension of the explosive situation which paralyzed that great center of war production for several days. The implications inherent in this tragedy, as well as its underlying causes, are so deep and far reaching as to present a grave threat to national unity and the successful prosecution of the war, as well as to amicable race relations in this country for many years to come. In an effort to prevent recurrences or still greater disasters, and in the interest of profitable relations between all the people of my State and the Nation, I feel it my duty to present the record in this case, in the hope that it will appeal to the conscience and reason of those in positions of power. Along with the record I submit an earnest plea to these officials to take steps to prevent such inexcusable blows to war production and unity in the future.

Let me say at the outset that not one word I shall utter will seek to palliate or condone this work stoppage or any other which may occur in time of war. There can be no excuse for any action on the part of any civilian which might delay for one moment the production of implements of war for the hands of our fellow Americans who are fighting and dying on the many fronts of this global struggle. I have always held that to prevent any semblance of failure on the home front in case of total war, we should have total mobilization, and that every resource of the Nation, whether men, money, or materials, of any character or description, should be completely mobilized at the very outbreak of hostilities to enable us to win the war in the shortest possible time with the smallest possible loss of life. I have supported such legislation at every opportunity. While the statement is not capable of proof, I firmly and sincerely believe that if we had enacted such legislation immediately following the attack at Pearl Harbor, we would have avoided delays in production, and could have prevented the swollen profits of the few which furnish such a striking contrast to the blood sacrifice of the many. To promote equality of sacrifice I offered and fought for the legislation empowering the Government to take over any plant or industry which refused to conform to defense requirements, and this authority was finally embodied in the Selective Service Act.

The average American has become very impatient with any strike or stoppage which delays the war effort. I found, while visiting the men who are fighting this war for us overseas, that they were more bitter over the reports of strikes at home than on any other subject. It is very natural that men who are risking their lives daily for $50 a month cannot understand how any other American, enjoying the safety and comforts of home, could find any excuse for endangering the life of a soldier by delaying the production of his weapons.

Nevertheless, in the face of mounting public sentiment, we continue to have costly strikes. A number of vital war plants are closed down at the present time. The strike finally broken in Philadelphia had caused absenteeism which, it has been estimated, resulted in the loss of many thousand man-hours of work in vital war plants. In addition, this incident has fomented racial bitterness and conflicts which will do great damage to the cause of national unity far beyond the limits of the city of Philadelphia.

This was an unusual strike. The strikers have been roundly condemned in the press and over the radio. They have been put back to work at bayonet point and under the most drastic sanctions the Government has employed against a

work stoppage during this war. Not to excuse them, but to keep the record straight and try to prevent hundreds of such situations from developing, it must be pointed out that the tragic strike in Philadelphia was deliberately precipitated by an agency of the Government of the United States, the so-called Fair Employment Practice Committee. If there had been no Fair Employment Practice Committee, not a single man-hour of war production would have been lost and there would have been no racial disturbances or bitterness. If there had been no F. E. P. C., the War Manpower Commission, the officials of the War Production Board, the Department of Justice, and the F. B. I., as well as other agencies of government, could have devoted many days lost in dealing with the Philadelphia situation to the paramount business of winning the war. If there had been no F. E. P. C., large elements of the Army of the United States could have devoted themselves to making war upon our enemies instead of moving in large numbers and with full military regalia and equipment upon the City of Brotherly Love. It is crystal clear that the overweening purpose of the F. E. P. C. to refashion this country to conform to the ideas of its radical members is as much, or more, responsible for the Philadelphia tragedy than are the employees of the transit company whom they finally badgered into unpatriotic action.

The so-called Fair Employment Practice Committee was created by Executive order as a war agency to assist in the war effort by securing the fullest utilization of the manpower of the Nation and preventing discrimination in employment in war industries with whom the Government has contracts "by reason of race, creed, color, or national origin." The Government had no contract with the Philadelphia Transit Co. The company and its employees did have a contract which governed and controlled employment practices. Exceeding its authority and indeed without a semblance of legal authority, the F. E. P. C. for over a year has pursued its efforts to cancel the contract between the company and its employees and enforce the hiring of eight Negroes as engineers and conductors. The F. E. P. C. finally succeeded in enforcing its demands. It did so with full knowledge of the evil consequences which its action was certain to cause.

When opposing the appropriation for the maintenance of the F. E. P. C., I undertook to warn the Congress of the danger of approving an organization constituted as is this one and asserting such limitless powers. No fair-minded man would quarrel with its alleged purpose of securing the fullest utilization of manpower and equal pay for equal work without regard to race, color, or creed. However, the records of the actions and proceedings of this body, which I presented then, were convincing proof that nothing but trouble could be expected from a group exercising such powers, in view of the fact that they consider it more important to impose their own ideas of social reform upon the Nation than to work for economic equality, or to promote the war effort, or indeed than winning the war. What else could be expected from a body presided over by starry-eyed professional reformers, largely staffed and directed by professional Negroes, meaning thereby those who make a profession of claiming Negro leadership and agitating the members of their race? Over two-thirds of the employees and nearly all the higher officers of the F. E. P. C. are Negroes. Practically everything they have done up until now has endangered rather than aided in the war effort. They have created bitterness and animosity where there has been heretofore amicable relations between the races. Greater dangers lie just ahead.

No one should be surprised that their activities result in riots, labor difficulties, and governmental seizure of plants and factories in the light of the record showing that many of the personnel of this organization have been identified with subversive groups who believe in and advocate State ownership and operation of all forms of industry, and especially public utilities.

That this F. E. P. C. is more interested in social reform and in bringing about social equality and the intermingling of the races than in the war effort was clearly demonstrated by its actions in the Baltimore case which I outlined in the debate on the appropriation. Senators will recall that in the plant of the Western Electric Co. at Point Breeze, Md., which was manufacturing field telephones for the Army, a long and costly strike was brought about by this agency through its refusal to allow separate washrooms and restroom facilities for the white people and the Negroes. The record shows that in these plants there were two sets of washrooms and toilets, one for the Negroes, and one for the white people, identical in nature. Pursuant to an order of the F. E. P. C., the partitions were torn down so that both races were compelled to use the same facilities. A protest strike followed which lasted for many weeks though the Negroes were satisfied with separate facilities so long as they were equal to those used by the whites, and the management was anxious and willing to rebuild the partitions. This Committee, the F. E. P. C., which is supposed to aid in the war effort, in order to enforce its own views on employer and employees of both races, issued an order forbidding the reinstallation of the partitions. The strike dragged on for weeks and resulted in the seizure of the plant by the War Department.

I do not see how the most blind sponsor of this committee, who has any real interest in promoting the war effort, could defend this action. The Congress approved the appropriation for this agency with the full knowledge of its irresponsibility. It cannot escape part of the blame for the tragic consequences at Philadelphia.

Let us look now at the record and see the developments which brought about the Philadelphia transit strike. This strike was not a spontaneous outburst, but was the culmination of a year's pressure by the F. E. P. C. to cancel a valid contract between the company and employees over the protests of both. This contract, governing employment, promotions, seniority, upgrading, and all other relations of employer and employees, had been in existence between the company and the workers for about 8 years. One unusual aspect of this case is the fact that a large number of the employees of the company are likewise stockholders in the corporation, owning a substantial portion of its capital stock. The relations between the company and employees had been amicable and cooperative for more than a quarter of a century without any interruption of service. The feeling of these employees that they were being mistreated by the F. E. P. C. must have been very deep to cause them not only to endanger the war effort and lose a quarter of a million dollars in salaries, but also to impair the value of their holdings and cause the company to be taken over by the Army.

Last year, shortly before the F. E. P. C. came upon the scene, the United States Department of Commerce commended the company for its splendid service of wartime transportation in the following words—and this is quoted from a publication issued by the United States Department of Commerce:

> The Philadelphia Transportation Co., which handles all the city's public passenger transportation, except in taxicabs, carried a daily average of 2,100,000 people in the first quarter of 1940. In the first quarter of 1943 this daily transit population reached 3,300,000. The Philadelphia Transportation Co., as it is familiarly known, has experienced no breakdowns in coping with this record traffic and the public has had little cause to grumble.

So all was peaceful and harmonious between the employer and employees, and a fine job of transportation was being done in a great center of wartime production. Then the F. E. P. C. proceeded to the scene and cited the employer and employees before it for the purpose of abrogating and annuling the existing employment contract between the parties in order to bring about the employment of eight Negroes as conductors and motormen. A hearing was held in Philadelphia, presided over by the Chairman of the F. E. P. C. and one of the Negro members of his board. At the conclusion of the hearing, the F. E. P. C., over the protest of both the employees and the company, issued a directive which canceled the contract between the parties and ordered the employment, or upgrading, by the company of Negroes, "in or to positions as streetcar or motor coach operators or conductors, motormen, guards, platform attendants, and station cashiers of the company's elevated and subway lines and in or to any other job classification with the company not presently held by Negroes."

I contend, Mr. President, that that order was broad enough to compel this company to inaugurate a Negro as president of the company in case the office were not occupied by a Negro at the time the order was issued. Both the employees and the company notified the F. E. P. C. of refusal to comply with this directive on the ground that it was il-

legal and that the F. E. P. C. was without authority to issue it.

I ask unanimous consent that the letter from the president of the company to the Chairman of the F. E. P. C., dated January 4, 1944, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MY DEAR MR. ROSS: On January 3, 1944, the Philadelphia Rapid Transit Employees' Union delivered to this company a letter enclosing a copy of the union's letter of that date to your Committee in regard to the above matter.

The union's letter to your Committee has reference to your directive orders of November 17 and December 27, 1943, requiring that the company shall immediately upgrade and employ qualified Negroes in or to positions as streetcar and motor-coach operators and conductors; motormen, guards, platform attendants, and station cashiers on the company's elevated and subway lines; or in or to any other job classifications with the company not presently held by Negroes.

In its letter of January 3, 1944, to the company, the union states as follows:

"You are hereby advised that the union cannot comply with the terms of the directive because it is violative of the contract which this union holds with you. The President's Fair Employment Practice Committee seems to be exceeding legal authority, and the union takes the position that this directive is beyond the powers of the Committee. The union wishes to state very definitely that compliance with the directive by the union cannot be expected at this time. You will, therefore, please take no steps to comply with the directive at this time, it being our contention that such compliance would be violative of our contract and that acquiescence of both employer and employee is needed to carry out the terms of the directive."

This company and its employees have had an unbroken record of amicable relations for more than a quarter of a century. This has resulted in uninterrupted service to the public, and in a current record of essential war service as to which the United States Department of Commerce, in its second quarter report for 1943 upon "Wartime transportation in Penn-Del-Jersey," commented as follows:

"The Philadelphia Transportation Co., which handles all the city's public passenger transportation except in taxicabs, carried a daily average of 2,100,000 people in the first quarter of 1940. In the first quarter of 1943 this daily transit population reached 3,300,000. The Philadelphia Transportation Co., as it is familiarly known, has experienced no break-downs in coping with this record traffic, and the public has had little cause to grumble."

The company, whose first duty is service to the public, in the light of this record achieved under present employer-employee customs and practices, asks your Committee's grave consideration of the union's statement that "it has not yet been demonstrated that the directive is necessary for the war effort in the Philadelphia area or that the directive could be carried out without friction and misunderstanding."

As the company has heretofore stated to your Committee, the action which these directives would require to be taken would be in violation of the existing employer-employee contract between the company and the union. That contract is valid and binding unless and until modified by the mutual consent of the parties or abrogated by Government action legally and constitutionally effective to that end. The contract has not been modified by mutual consent, and inasmuch as the union has challenged the validity of your directives, the company will consider itself bound by its contract and will not take action in violation thereof unless and until the validity of your Committee's directives, now challenged shall be finally established.

Very truly yours,

R. T. SENTER, *President.*

Mr. RUSSELL. In my judgment, the order was illegal. The Presidential order creating the F. E. P. C. undertook only to confer jurisdiction upon that agency over departments of Government and over employers who held war contracts with the Federal Government. The company had no war contract with the Government, and certainly is not a Federal department, and these are the only two classes of employers mentioned in the Executive order creating the Committee over which the F. E. P. C. has jurisdiction. The record before a committee of Congress shows that the employees were advised by counsel that the F. E. P. C. did not have the power to cancel the contract, and counsel for the company implied that he held to the same opinion. It might well be stated that the executive secretary of the F. E. P. C., who held that position prior to the advent of Mr. Ross and his group of world remodelers, had ruled that the Committee had no authority to take any action except in cases in which the defendants held a war contract with the Government. This is the letter from the first executive secretary of the F. E. P. C.:

DECEMBER 1, 1941.

MR. VERNON FELIX,
Riverside, Calif.

DEAR MR. FELIX: I acknowledge receipt of your letter of November 18, in which you allege that the Santa Fe Railroad Co. plant in San Bernardino, Calif., discriminates against Negroes in its employment practices.

I regret to advise you that the President's Committee on Fair Employment Practice has no authority to intervene or to take action except in cases in which discrimination is alleged in defense industries.

The Santa Fe Railroad has no defense contract with the United States Government and is, therefore, outside the jurisdiction of the Committee.

Sincerely yours,

LAWRENCE W. CRAMER,
Executive Secretary.

In my opinion, the letter from Mr. Cramer correctly states the situation, if, indeed, an agency can be created by Executive order in any event which has authority to prescribe employment practices for any citizen of the United States; but when Mr. Ross appeared on the scene, he reversed and set aside this interpretation and asserted the power to control all questions of employment and all questions of promotion by the employer in any industry of any kind, situated anywhere in the country.

When the F. E. P. C. issued its order, the employees were, of course, powerless to resort to any court to protect themselves because they could not enjoin an agency of the Government. No redress or right of appeal was available to them. Pursuing its course of enforcing its ideas without regard to consequences, the F. E. P. C. then mobilized all of the agencies of Government vested with the vast powers which have been delegated for the conduct of the war, and continued its pressure. Being unable to get into the courts, and as a last resort, the employees and the company in January of this year appealed to a committee of Congress investigating executive agencies in a last desperate effort to find a forum in which they might be heard. The record of hearings before this committee—pages 1854 to 1885—make interesting reading. The employees of the company were represented by five of their number and an attorney. The company was represented by its general counsel. The employees who appeared stated that they were not representing any labor union but were speaking for their fellow workers. With every other recourse shut off to them, they sought to exercise the constitutional right of petition to the Congress of the United States to protect the basic rights of those who labor and to prevent the cancelation of a contract, otherwise legal, which established those rights. They presented petitions signed by more than 2,000 employees, imploring the Congress of the United States to protect their rights and to prevent the F. E. P. C. from enforcing its directive. I quote from one of these petitions which, as I have stated, was submitted in January:

We, the undersigned, feel the hiring of Negroes for the operation of trolleys, busses, and subway and elevated trains at this time would be detrimental to the war effort, create racial prejudices and disharmony. Nothing should be done at this time to jeopardize the winning of the war.

Another petition, signed by nearly 1,800 employees, was submitted to a committee of the Congress in January of this year. It set forth that the 1,800 employees would refuse to continue on their jobs in the event that the F. E. P. C. should enforce its directive.

Mr. President, there has been a great deal of talk about this strike having been generated by foreign agents. If that be true, they were permitted to operate for a long period of time without let or hindrance, because this matter has been agitated since the F. E. P. C. first thrust itself into the picture last year.

The Chairman of the F. E. P. C. was present at the committee hearing when these petitions by more than 2,000 employees of the company were submitted. He heard the witnesses testify that if the F. E. P. C. persisted in canceling the contract and enforcing its directive there would be a strike of the employees of the Philadelphia Transit Co. The general counsel for the company emphasized the splendid services being rendered by the company in transporting war workers and stressed the fine relations which existed between the company and its workers. He pointed out the danger of experimenting "when the heavy burden of essential war service now resting upon it and its men and women is being effectively met." He concluded his remarks in these words:

In the company's considered opinion, based on its intimate knowledge and long experience with its own system in its own city, a forced and radical change in employment practices opposed by its employees could not

help and would inevitably hurt the continued rendering of the uninterrupted, adequate, and acceptable war service which it has thus far been able to give to the great center of war industries which it serves.

With this record before the F. E. P. C., Mr. Ross and his associates, with full knowledge of the consequences which would inevitably flow from their action, finally ordered the War Manpower Commission to move in on this company and enforce the upgrading of the eight Negroes to conductors and motormen. The strike resulted over this incident and for these reasons.

It is easy to understand the aggrieved feelings of these employees. They had no right of recourse to the courts to protect themselves against this creature of Executive order when it turned upon them the full power invested in all of the war agencies of the Government. They saw their humble petitions to the Congress of the United States for protection of a contractual right ignored. No machinery had been provided whereby they might assert their rights of appeal. There was no agency of Government to hear them make their contentions as to the effect of the directive of the F. E. P. C. on their seniority of employment or other contractual rights. There was no appeal from the decision of the F. E. P. C., which had acted as both accuser and trier. The employees could not air their grievance in any forum.

Mr. President, it has long been a trait of American character to resent being deprived of anything that is considered a right without at least being accorded a full and fair hearing. These men struck when they found that they had no recourse whatever to arbitration, or through any process established by law. Perfect patriotism would have directed them to bear their grievances until the day of victory in this war, and to lay it as a sacrificial offering on the altar of the war effort. It must be said, however, that it is to be doubted whether the workers involved in any other strike case which has arisen since the war began have so desperately sought a hearing on the merits of their case as these employees sought a forum with power to protect them from the arbitrary and illegal conduct of the F. E. P. C. It is a sad reflection on the Congress of the United States that this body has permitted a condition to exist in either war or peace whereby an agency of the Federal Government could set such forces in motion over such trivial causes, and could cause such loss, turmoil, and confusion without permitting the aggrieved citizens of this country the right to present their cause before an impartial tribunal.

The whole record in this case reflects the dishonesty of the claim of the F. E. P. C. that it is only interested in the war effort and that it is not its purpose to change social relations and existing conditions. The people of this country are entitled to more frankness from an agency of the Federal Government supported by tax moneys. The F. E. P. C. has been depending upon the outraged feeling of the American people and the press against all strikes to enable it to escape the condemnation which should be visited upon it for its responsibility for the dire consequences of its malicious meddling.

Cloaked in false patriotism, and by devious means, they are creating today other conditions which are bound to result in labor troubles and general disorders if they are not stopped. In the storm of resentment which arises from a strike that their directives have provoked, they slink into the background, and see the Army move in at their behest to break the strike in cases where the aggrieved workers have had no opportunity for a hearing except before their accusers, the F. E. P. C.

Common honesty would have demanded that they openly announce their true policy of forcing Negroes into any position they deem should be occupied by Negroes without regard to the gravity of the injury to the war effort or the damage to national unity or the fact that they are actually provoking violence, bloodshed, and internal strife. They should be done with their hypocritical pose. In the Philadelphia case they should have come out and said frankly that they were determined to see eight Negroes employed as conductors, regardless of whether it suited the people who owned the facility or whether it was over the opposition of those who operated it, and without regard to whether or not it would result in a costly strike.

They have asserted when before committees of Congress, and their sponsors have contended, that they had no power to enforce their directives, except that of an advisory nature. That is like claiming that the match which is set to a fuze is not responsible for the explosion of the dynamite at the other end of the fuze. When the F. E. P. C. press the button, they throw into action every agency of the Federal Government, from the War Manpower Commission to the armed might of the United States Army and the Navy.

There have been many disastrous strikes since the beginning of this war, but it is worthy of note that not until those who had no right of appeal struck against the edict of the F. E. P. C. has the full power of the Federal Government been brought to bear to break a strike. I can but wonder with regrets why these powers have lain dormant in the cases of other groups of strikers who have tied up vital war production for much longer periods than have the strikers in the Philadelphia case. In no other work stoppage have the strikers been subjected to such punitive measures as were invoked in this case.

In the first place, the War Department did not make merely a token seizure of the facilities. The Army brought in armored cars and tanks, tommy guns, and live ammunition, soldiers with fixed bayonets, small cannon, and the greatest display of armed might yet brought to bear to seize a facility and break a strike. Then these steps were resorted to; the Army notified all those who refused to return to work at a time designated by the Army and under such conditions as might be prescribed by the F. E. P. C. that the following punishment would be inflicted upon them: The Director of Selective Service issued an order that, without regard to the present policy of only inducting men under 26, the occupational deferments of all between 18 and 38 were canceled immediately. Their immediate induction into the armed forces was ordered if they failed or refused to report to work. It was stated in the newspapers that they would not resort to the ordinary courses of notification, but that they would notify the local draft boards by telephone to classify such workers in 1–A and to send them for preinduction examinations as quickly as possible.

The workers were likewise warned that if they did not return to work by the time set by the general in command, and under such conditions as the F. E. P. C. might prescribe, they would be denied any employment elsewhere, and that they could not even have the right to draw their accumulated unemployment compensation. It was further ordered by the general in command that if any industry had the temerity to hire one of the men who refused to work under the conditions prescribed by the F. E. P. C., that industry's war contracts would be canceled; that if it had no war contracts, its employees would be ordered released to other industries; and that it would be denied priorities for any materials for civilian production. The Army further notified the men that if they refused to return to work at the time and under the conditions ordered, the O. P. A. would deny them gasoline, shoe, and food rations issued on the basis of essential employment. The Attorney General then convened a special grand jury to prosecute all who had violated any law. The F. B. I. has been summoned to Philadelphia in full force to investigate all the 6,000 strikers. Four of the strikers have already been arrested, and in addition to their arrest, they have been discharged from their employment.

There has been a great deal of discussion of the necessity for a universal service act in recent months. I have favored such legislation. However, when an agency of Government has the power to tell a worker that he must perform a certain job under the conditions it prescribes, or starve for want of any other employment, there is no need for any legislation to curb strikes. This action provides a test of the sincerity of those labor leaders and Members of Congress who have bitterly condemned what they called enforced, or enslaved, labor by Government action. To date I have not heard of a single such labor leader or Member of Congress mentioning the drastic regimentation of the Philadelphia transit workers. Must we conclude that those labor leaders who have been so vociferous in their denunciation of a national service act are only opposed to such enforced labor of the members of their union who follow their orders to strike, and that in cases such as this one where the workers struck without the approval of their leaders, that the leaders have no objection to enforced labor or starvation being visited upon them.

The New York Times of Tuesday, August 8, in its news story of the strike, carried the following item:

James H. McMenamin, chairman of the strikers' emergency committee, and three other reputed strike leaders who were arrested Saturday were fired summarily "for cause" on orders of Maj. Gen. Philip Hayes, War Department representative in emergency charge of the transportation system.

For McMenamin and Frank P. Carney, president of the defunct Philadelphia Rapid Transit Employees Union, the dismissal meant their blacklisting from employment for the duration of the war.

For the younger William C. Dixey, 36, and Frank Thompson, 32, the dismissal opened the way for their immediate induction into the armed forces and tonight the Selective Service machinery was in motion toward that end. Both would be called for their physical examination at the induction center this week, it was indicated.

Mr. President, these men who are to be denied the right of employment everywhere for the duration of the war have been charged with a crime, but they have not yet been found guilty by a jury of their peers. However, not only the accused but the members of their families are to be subjected to the cruel and unusual punishment of starvation for an alleged offense unless they have some independent means of support. I suppose that the clause in the Bill of Rights which undertakes to forbid cruel and unusual punishment has been suspended by this general for the duration of the war.

This is the first time that the Government has resorted to such strong-arm measures to break a strike. If similar measures had been employed in other strikes, any one or all of them could have been ended within 24 hours.

I do not approve of the starvation method of strikebreaking, but I have long advocated that the Government invoke the Selective Service Act against those who refused for any reason to work. I am glad that this strike is over, but my innate sense of fairness rebels against the monstrous discrimination by the Government of the United States—a Government supposed to be dedicated to equal treatment of all of its citizens—in making fish of one group of striking workers and fowl of another. Those powers could have properly been invoked in any one of the hundreds of strikes that have affected the war effort. It has not been done in any single case heretofore, no matter how frivolous the cause of the walk-out.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. RUSSELL. Mr. President, I decline to yield. I do not yield to the Senator from Ohio because the last time we were in debate he declined to yield to me.

Mr. TAFT. I am sorry.

Mr. RUSSELL. The full power of the Government was held in reserve until a strike occurred against an edict of the F. E. P. C., an agency which has no statutory standing. Articles in the press, dealing with this strike, stated that at the same time these men were out, 30,000 other war workers were out on strike, stopping production in all types of war plants. I read a statement in the newspapers this morning to the effect that approximately 40,000 or 50,000 additional workers have walked out from other jobs within the past 24 or 36 hours. Those strikers had a means and an opportunity to submit their grievances to friendly labor boards created by the Government. The Philadelphia strikers had no right of appeal from the decision of their accusers. Other strikers have stopped work in protest against conditions created by employers. The Philadelphia strikers walked out in protest against conditions created by the F. E. P. C. None of the other 30,000 strikers who have tied up vital war production have been ordered inducted into the Army. I have not heard of other cases in which the Attorney General has mobilized the F. B. I. and called a special grand jury to investigate the strike. None of those other strikers have been told to return to work on penalty of being denied any other employment for the duration of the war and having their ration books canceled by the O. P. A. In no other case has an employer been told that he would be put out of business by the Government of the United States if, in a moment of compassion, he employed one of the discharged strikers in order to enable him to earn bread for his family.

This is enforced labor with vengeance, and I doubt whether more drastic means have ever been employed by any totalitarian state than in this case, in which the Army officer in command told those strikers that they would work under conditions prescribed by the F. E. P. C., with the alternative of being drafted into the Army if under 38 or of having themselves and their families suffer for want of employment if above the age of 38. The fact that these drastic means were employed only against this one of numerous groups of strikers is of evident significance. Surely the Government would not differentiate in its treatment of groups of its citizens who are members of the C. I. O. Surely the Government does not propose to tell one group of its citizens who are members of the C. I. O. and who are engaged in war work that they may quit their work with relative impunity if they strike on a call of their leaders, or have any other reason, but that if another group of workers who are members of the C. I. O. stop work in protest against an order of the F. E. P. C., that cruel and unusual sanctions will be enforced against them because the leaders of such a group of C. I. O. workers did not call the strike or disapprove of it.

I am forced to the conclusion, which seems to me to be inescapable, that these unusually drastic means were employed in Philadelphia to serve as an object lesson to all other employees who might have the temerity to oppose the edicts of this irresponsible and dangerous F. E. P. C. The stage was deliberately set in Philadelphia to make an example of those strikers in order to intimidate other workers throughout the Nation and so terrify them with the severe punishment visited in the case of the strike against the F. E. P. C. that all of them would submit to any conditions which this dangerous and irresponsible group of radicals might desire to create in their drive immediately to change customs, practices, and conditions of long standing, and to impose their ideas of social reform upon all of the people of the country.

The record adduced before the committee of Congress does not demonstrate that this demand for the employment of Negroes as engineers and conductors in Philadelphia originated with any considerable number of the Negroes employed by the transit company. Even after the F. E. P. C. had moved in to destroy the peaceful relations which existed there and issued its order, the Negro employees of the company did not seem to be greatly interested in the matter as is attested by the following article from the Philadelphia Record of Wednesday, August 2, while the strike was in progress:

When the order became effective last month—

The order to upgrade the Negroes—

most Negroes were reluctant to take advantage of the new employment opportunities. In the first week, only two applied for jobs as operators. Two more applied when urged by company personnel men, and then, at the insistence of the War Manpower Commission, four more were recruited through the United States Employment Service.

It was the enforcement of the demand by the F. E. P. C. for the upgrading to positions as conductors and motormen of these eight drummed-up and solicited Negroes which caused this strike. The city of Philadelphia was evidently selected by the F. E. P. C. for the display of its power because this organization assumed that it had more support among the citizens of that city in its drive to enforce social equality and the intermingling of the races throughout the Nation than in any other city. It must be borne in mind that the State of Pennsylvania has no laws forbidding the intermarriage of the races, and in a way to encourage that they have statutes which make it a crime for any person operating a restaurant, a swimming pool, a beauty parlor, a barber shop, or any other kind of business to exercise any discretion or right of option as to the people who shall patronize the establishment. No owner or operator of a theater, hotel, of a public or private hospital or school in Pennsylvania can refuse admission to anyone of any race who seeks it. To deny admission to a Negro to any such establishment is a crime under Pennsylvania law.

The F. E. P. C. felt that they could depend upon the support of public opinion there as they proceeded to the inquisition of the dissenters from their decree in order to deter any other workers elsewhere from incurring the same dread penalties.

The Philadelphia story demonstrates two propositions beyond any argument:

First, that the Government all along has had ample power to break immediately any strike against the war effort that it really desired to end.

This demonstrated fact raises these questions: Why has not the Government exercised these powers to bring to an end other more costly work stoppages incurred for more frivolous causes? Is it the policy of the Government during this

great war for survival to exert its full power to avoid losses in war production only in those cases where the strikes involve the racial orders of the F. E. P. C.?

The second propcsition that is established beyond any argument is that the F. E. P. C. has disclosed itself to be not only the most powerful but the most ruthless agency of the entire Government. It can put in motion the full might of the War Department and of every civilian agency of Government. It has the power to enforce starvation upon the citizens of the United States who dissent by denying them employment. Bear in mind that this agency is not subject to the jurisdiction of any court and is not bound by any statutory limitations or restriction in the assertion of its powers.

The question which arises in connection with this demonstrated fact is: How long does the Congress of the United States propose to see this condition exist without moving to curb the powers of this agency, demand the constitutional right for the Senate to confirm the members of this Committee, and at least provide that a citizen who is threatened with inquisitorial punishment by this agency shall somewhere and somehow be provided an impartial forum in which he may present his cause?

The Attorney General of the United States is so indignant over this strike against the orders of F. E. P. C. that the press reports him to be personally in Philadelphia preparing to go before the grand jury, fortified by his most expert counsel, to initiate vigorous prosecutions against all malefactors. As stated, the F. B. I. is already on the ground. If this investigation does not thoroughly comb the record and the actions of the F. E. P. C., the background of many of its officers and employees for association with subversive groups, and the part that any agitation by these officers and employees may have played in fomenting this strike, and the racial disorder attendant thereon, the investigators and prosecutors will fail in their duty to the American people. Without this the highly publicized investigation will be a travesty on justice and decency.

All of the press accounts emanating from Philadelphia at the outbreak of the strike stated that within a few hours after the walk-out of these employees, groups of armed Negroes, some in automobiles, started roaming the streets, beating all white people they encountered, and causing great property damage by turning over automobiles and smashing the show windows and fixtures of numerous shops. It is amazing that the news could have traveled so fast and these outbursts could have occurred spontaneously.

Be it said to the credit of the Negro ministers of Philadelphia that their appeals to the members of their race to desist in their violent attacks on innocent white people in no way connected with the strike overcame the influence of any agitators who might have planned the violence and caused the members of their race to desist from their lawless acts, after a number of white people had been badly wounded and much property destroyed.

However, to show the effect of this incitement of the Negro population by the actions of the F. E. P. C., the Associated Press reports that a Negro passenger on a trolley chose to interpret the request of a soldier guarding the car to all of the passengers to "move back in the car, please" as an effort to segregate white and Negro passengers. He soon gathered, according to the A. P. dispatch, "an angry crowd of 400 Negroes who massed to wait the return of the trolley and the guard. Radio cars escorted the vehicle through the Negro-populated streets without incident." This would indicate that the colored people of Philadelphia have been so agitated that many of them were willing to seize upon this trivial incident as a pretext for threatening the members of the Army who were there to enforce order.

A New York Times news story of August 7 in discussing this incident carries what is perhaps the most remarkable statement that a newspaper has printed for many years. I read it:

> Additional police protection was sent into the area of the incident and police guards began to escort busses on the line.

Mr. President, I venture to say that this was the first time that the Army of the United States has felt compelled to call upon a police department for protection, especially where the Army itself was charged with the responsibility for maintaining order in a community. Seeking police protection for the Army guarding the busses is the most ridiculous and absurd happening in this whole tragic comedy of errors.

The newspaper does not state whether the commanding general in charge of the more than 5,000 troops, armed with all modern equipment, including light cannon, called for the police to protect the Army, or whether it was done by some subordinate. Neither does the account relate whether the commanding general made any effort to get to the point of danger, or whether he remained in the safety of a stoneproof and bombproof office trying to figure out some new means of punishment for the strikers to add to those already imposed.

When the report of the incident went out, it was, of course, garbled to the charge that a southern soldier guarding the trolley had tried to "Jim Crow" the Negroes. The South haters immediately sprang into action and circulated the report which one of their number must have originated. I heard it on the early-morning radio broadcast, in which the commentator solemnly stated it as a fact, with a voice that was heavy with sneering scorn for the poor, benighted southerners. The only trouble with this report was that the Army public relations officer, after an investigation, announced that it was a lie out of the whole cloth. It, therefore, takes its place with that monstrous falsehood which went out of Detroit after the unfortunate race riots there that southern whites were responsible for that bloody and destructive racial war. None of those circulating these charges trouble to correct them when their falsity is established.

Matters have come to the pass where the southern white people have come to expect these fabricators of malicious falsehoods to charge them with responsibility and guilt in the case of every unfortunate incident which may happen anywhere in the United States.

It is a pity, if not a crying shame, that so many of those who control the dispensation of news through the press and the radio are so blinded to common decency and honesty by their hatred of the people of the South that they will seize upon any story, however wild or mischievous it might be, which might asperse the southern people, and give it the widest possible circulation.

I hope that no one will construe this as any appeal for sympathy or mercy at the hands of these South haters. The people of the South are the peers of any who live in this great land of ours. However much they may be misrepresented, no abuse can alter this fact. My expression is rather one of resentment, for I would not make an appeal to these people which any decent and honest American might make to another in any other section of the country, because I would not catalog them in that class.

I am disturbed, Mr. President, as I have never been disturbed before, by the evil which portends for the people of my State, both black and white, in this ruthless drive being made by the F. E. P. C., with their callous disregard of human nature and the realities, to enforce their views on racial relations over the entire Nation. At about the time the F. E. P. C. issued its original order in the Philadelphia case, it likewise issued an order against all of the operating railroads in the South, directing them to employ Negroes as engineers and conductors, as well as in any other job classification with these railroads. In addition, the employees and agents of the F. E. P. C. are now reaching into all other forms of industry in the South, demanding that employers and employees overnight change practices and customs of years' standing and submit themselves to the judgments and policies of the F. E. P. C., let the F. E. P. C. prescribe who shall be employed and which employee shall be promoted, and to prescribe all of the most intimate relations which shall exist between the employees of the business, whatever may be their race. This agency also asserts the power to force labor unions to accept any person of any race as a member, and has ordered labor unions to repeal provisions of their union constitutions which affect membership of Negroes. I shudder to think of the consequences if the F. E. P. C. follows its established program and attempts to re-enact the Baltimore case, or the Philadelphia story, in any large southern city. I content myself with the statement that if the F. E. P. C. invades the South with its blind determination to enforce its social views upon the southern people, it will not only be disastrous to early victory in this great war, but it will set in motion a train of events that will endanger the future peace and welfare of all the people of the United States.

This statement is not in any sense a threat. It is a statement of fact, and an appeal to the conscience and reason of all those who are charged with any re-

sponsibility for the operation of the Government of the United States.

If it is proposed to turn aside from fighting our enemies and devote all the armed might of the United States to enforcement of the directives of the F. E. P. C. on the people of the South, of course the F. E. P. C. will win temporarily. It was demonstrated, in the days of Reconstruction, that the rest of the Nation can, at the point of the bayonet, impose the sort of nominal government they may desire upon the southern people. The Army can operate some of the railroads and some of the war plants, and some of the employees may conform temporarily in order to avoid starvation for themselves and their families. But I assert, Mr. President, that such a policy will cause incalculable and unimaginable harm, and will be as disastrous in the long run to the peace and welfare and the happiness of the entire American people as the loss of a foreign war.

This political tampering, with the use of armed force, with racial relations in the South, will result in the greatest tragedy of our time. In my State of Georgia, which has a larger Negro population than that of any other State, the races have enjoyed unusually harmonious relations in recent years. For over eight decades the best people of my State, white and Negro, have wrestled prayerfully and fearfully with this great problem of relations between the races. Over this period there have been white men who have imposed upon the Negro, and there have been cases where semi-civilized Negroes have committed outrages which have enraged the whites. Racial disturbances elsewhere in the United States have caused difficulties in Georgia. It has not been a smooth path that we have traveled through the years, seeking to work out our problems through the painful process of trial and error. The great majority of both races have sought to travel this rocky road with mutual patience and desire for better understanding.

There are still living Negroes who were born in slavery. In a relatively short period of time, as the life of a Nation goes, we have made the most remarkable progress of any people in all history who confronted a similar problem. Out of the ashes and the impoverishment of the most destructive war ever fought on this continent, we have gone forward. There are Negroes in the South who have accumulated substantial fortunes, and, to their credit, thousands of them own their own homes and are civic-minded citizens. Every year of this 80 has brought improvement in understanding and good relations between the races. Each year has brought better schools and health facilities for the Negroes as well as the whites. Our progress in these directions has not been as rapid as has been made in some other sections, but this has been because we are a poor people, in things financial. According to our means and ability, we tax ourselves heavier for these purposes than do our compatriots in any other part of the Nation.

I do not believe that the people of good will of either race in Georgia, and in the South generally, will welcome the operations of any such group of fanatics and reformers as this F. E. P. C. has proven to be. We are going forward very rapidly in securing the rights and improving the opportunities of both races through the process of evolution. If the F. E. P. C. undertakes to solve this problem by revolution, it will destroy overnight all the good that has been achieved through the efforts of thousands of men of good will of both races through the past 80 years as they have struggled to establish sound and equitable relations between the races.

Mr. President, I realize that this question is shot through and through with the political implications of a national election. But, aside from the politics of the situation, I assert that common justice and decent treatment among American citizens demand that this issue not be thrust upon us during the course of this great war. No part of this Nation has any monopoly in patriotism, but I can say, without fear of truthful contradiction, that the people of the South have supported the war effort as earnestly as those of any other section, and that the sons of the South are today doing their fair share wherever the conflict rages.

I shall not advert to the stand taken by the Members of Congress from the South in dealing with the legislation to prepare this country for war and to enable us to fight this war. Suffice it to say that if southern Members of the Congress had not voted favorably upon such legislation as selective service, legislation to keep men in the Army after 12 months of service, the lend-lease legislation, all three of those important pieces of legislation would have been defeated in the Congress. The percentage of southern enlistment in the armed forces before the selective-service law was enacted, was higher than that of any other section. Southerners have fair representation among the names of those heroes in this war who have performed especially noteworthy acts. We deserve better treatment at the hands of our Government than to have our section wracked by such racial conflicts and labor disturbances as will be brought about in this critical period of our history by the instrumentality of the F. E. P. C. if they proceed with their plans.

Mr. President, permit me to say that it is never pleasant for me to discuss in this forum matters bearing upon the racial question. In the five State-wide campaigns I have conducted in my own State of Georgia, I have probably made more political speeches than any other living Georgian. Never in a single campaign speech have I sought to make the Negro an issue in order to secure votes. If I had ever resorted to such tactics to win an election, I would be thoroughly ashamed of myself. The only time I have ever mentioned any phase of the Negro question in any campaign was to reply to attacks made upon me for my constant efforts to secure justice and equality under the law for the Negro citizens of my State. I regret the events which have forced me, in response to what I believe to be a call of duty, to discuss racial matters in two or three recent speeches in the Senate. I do so now in the firm conviction that it is in the best interests of both the white and Negro people of Georgia and the future of this Nation to point out and seek to prevent the dangers impending as a result of the activities of this irresponsible agency of Government.

In conclusion, Mr. President, I wish to reiterate my firm conviction that this F. E. P. C. is the most dangerous force in existence in the United States today. If it continues to pursue its mad way unchecked, it will create more trouble and do more damage to the supreme effort we are making to win this war than could an army of saboteurs. It is a greater threat to victory than 50 fresh divisions enrolled beneath Hitler's swastika or the setting sun of Japan. It is disturbing and damaging relations between the races to a greater degree than could the extremists of both the white and Negro races if all the extremists were given a Federal license to provoke trouble.

In the interest of early victory in the war, in the name of justice and decency, for the sake of those it was created to help, the President should immediately discharge these marplots. The Congress will fail in its responsibility if it does not take steps to curb the vast powers it seeks to assert. I do not claim to be a prophet, but the predictions I made when opposing the appropriation for this agency in June, that it would not only harass employers and employees but would incite labor and racial conflict, all to the detriment of the war effort, and to the cause of good relations between the races, have been amply borne out by the march of subsequent events. The shadows of the future are clear to any who would see them.

EXTENSION OF UNEMPLOYMENT COMPENSATION

The Senate resumed the consideration of the bill (S. 2051) to amend the Social Security Act, as amended.

The PRESIDING OFFICER (Mr. McKELLAR in the chair). The pending question is on agreeing to the amendment proposed by the senior Senator from Georgia [Mr. GEORGE] to the first Murray-Kilgore amendment, so-called, proposing to strike out all after section 101 of the said amendment and inserting in lieu thereof certain language.

Mr. CHAVEZ. Mr. President, I ask unanimous consent to have printed in the RECORD a letter written by Mr. James G. Patton, president of the National Farmers Union, to the Members of the Senate of the United States, urging the enactment of the Kilgore-Truman-Murray bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL FARMERS UNION,
Washington, D. C., August 8, 1944.

To the Members of the United States Senate:

The post-war opportunity, security, and welfare of the members of the National

Farmers Union and, we believe, all working farm families in the Nation depend upon enactment of the Kilgore-Truman-Murray bill, as an independent measure or as an amendment to the George bill. In itself, the George bill does not begin to meet the Nation's war and post-war needs, even in the field of unemployment compensation.

Demobilization and reconversion legislation is months overdue. Unless the Congress adopts such legislation quickly, it will have permitted the Nation to drift into peace more unprepared than it was for war at the time of Pearl Harbor.

Today we have only a few bits and pieces of a transition and post-war program. Unlike the other major United Nations, we have not formally accepted and implemented the war aim of freedom from want. Spokesmen for both major political parties have endorsed full employment as a post-war must. Generous lip service has been given to jobs for all returned servicemen and for all civilian workers in the post-war period. Performance on these promises is lacking.

We have a Contract Termination Act and post-war tax refunds to protect business.

We have a promise by Congress that farmers will be paid support prices for 2 years after the war "to the extent funds are available."

We have a so-called G. I. bill of rights which assures veterans of inadequate unemployment-compensation payments and inadequate job training and education.

We have provision for unemployment-compensation benefits to nonveterans that are woefully inadequate as to coverage, duration, and amount.

We have, set up by administrative order, a Surplus Property Administration that, in policy and in its administration, is aimed not to carrying our economy forward from all-out war production to full peacetime production and employment, but upon getting back to the old pre-war basis which gave us, in 1939, 10,400,000 unemployed and a net cash farm income of $4,400,000,000 divided unequally among 6,000,000 farmers, as compared with the 1943 level of $12,500,000,000.

We have made no provision for sustaining employment and purchasing power by adequate Government investment and public works program during the transition and post-war periods.

Unless we have legislation strengthening and tying together these bits and pieces and to give the whole an engine big enough to do the job, the transition period from war to peace may become a tailspin or a nose dive, ending quickly in a crash.

Even if we should pull out of large-scale unemployment, shrinkage of markets and so-called surpluses during the transition from war to peace production, we would, without such a unified program as is provided in the Kilgore-Truman-Murray bill, fail to give our economy sufficient speed and altitude to prevent stalling and a crash within a few years. A burst of activity stimulated by accumulated savings and needs, by installment buying, and finally by desperate adventures in imperialistic finance and trade would within a few years collapse as in 1929. Because our whole economy is on a vastly bigger scale, such a crack-up would be far worse than the 1929–33 depression. It would threaten our own and the world's hope for a decent, lasting peace based upon fair distribution of the abundance which, for the first time in the history of mankind, is available to all.

If we are to prevent a third world war in which giant robot bombs and planes may cross oceans and continents to wipe out cities and armies within hours after hostilities begin, we, as the most powerful single nation industrially, must stop avoiding and begin to meet squarely and with imagination and daring the gigantic pioneering task of organizing and distributing abundance within our Nation and among nations. This can be done democratically, as the Kilgore bill proposes.

In the past we and other nations have organized scarcity. Abundance has been declared illegal. We have destroyed production, both industrial and agricultural. And we have had wars. We will have war again if we again violate justice and morality by permitting the reestablishment of artificial scarcities, mass unemployment, malnutrition, preventable illness, and unnecessarily high death rates—all in the name of immediate short-run private profit.

Your debate and vote on the Kilgore-Truman-Murray bill will be an omen and a signal. It will tell working farmers, wage earners, and, most important, the men and women in the armed services either that we are going forward to make good on the promises of post-war full production, employment, fair distribution, and full consumption, or that, under the systematic terrorism of concentrated and entrenched economic power, fearful of full production and employment and determined to restore scarcity production and chronic mass unemployment, the Senate has chosen by a majority vote to retreat and surrender to the past.

The Kilgore-Truman-Murray bill is a start toward achieving full post-war employment. By itself it will not do the whole job. But it is a beginning in the long overdue task of planning and providing for full use of all our unsurpassed human and material resources.

In the post-war period the welfare of agriculture—and the very survival of family-type farming, which we look upon as a cornerstone of American democracy—will depend upon whether or not 136,000,000 American men, women, and children can buy at fair prices three good meals a day every day in the year. They can do so if we plan, provide for, and insure (by legislation such as the Kilgore-Truman-Murray bill) full employment at adequate wages and a rising standard of living. Even $35 a week unemployment benefits, totaling $1,820 a year for a family or $1,170 less than the minimum adequate family budget, will not sustain American agriculture for long. Only full employment will.

To maintain full employment, production, and consumption, we must produce and buy 60 percent more than before the war. No level of production, employment, and consumption that is substantially lower will be enough to give security to our working farm families and to those of the 1,000,000 farm men now in the armed services who may want to come back to farming. Working farmers can no more be prosperous in a boom-and-bust economy than can other independent producers and wage earners. Only monopolies of land, industry, and business can benefit, and they only in the short run. Ultimately, to maintain their monopoly position, to make profits on scarcity in the midst of "surpluses," they must abridge democracy more and more, resorting to force and opening the way, in many instances unwillingly, to fascism.

This is truly a year of great decisions, decisions that can finally win or lose the peace. Your vote on the Kilgore-Truman-Murray bill will be one such decision. We urge you to be equal to your opportunity and your responsibility. Too much time has been lost already. Democratic organization of abundance cannot safely be delayed. The longer it is postponed the harder and more costly it will be, both in money and in human lives and national strength.

We may as well face it. At last, we have got to live with abundance and like it, or prepare for a bigger, broader, and deeper depression and for World War No. 3 before we have finished World War No. 2.

Sincerely yours,

JAMES G. PATTON,
President, National Farmers Union.

Mr. REVERCOMB obtained the floor.

Mr. BUCK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Reynolds
Andrews	Guffey	Robertson
Austin	Gurney	Russell
Bankhead	Hatch	Scrugham
Barkley	Hayden	Stewart
Brewster	Hill	Taft
Brooks	Jackson	Thomas, Utah
Buck	Johnson, Calif.	Tobey
Burton	Johnson, Colo.	Truman
Butler	Kilgore	Tunnell
Byrd	McClellan	Tydings
Capper	McKellar	Vandenberg
Caraway	Maloney	Wagner
Chandler	Maybank	Wallgren
Chavez	Mead	Walsh, Mass.
Connally	Millikin	Walsh, N. J.
Cordon	Moore	Weeks
Danaher	Murray	Wherry
Davis	O'Daniel	White
Downey	O'Mahoney	Wiley
Eastland	Overton	Willis
Ferguson	Pepper	Wilson
George	Radcliffe	
Gerry	Revercomb	

The PRESIDING OFFICER. Seventy Senators have answered to their names. A quorum is present.

Mr. REVERCOMB. Mr. President, it is my purpose at this time to address my remarks to the pending question, dealing with legislation on the subject of reconversion. Events upon the battle fronts have moved so swiftly in recent days that we in Congress all know that the time is at hand when we must act upon legislation to meet the problems which will arise during the period when we reconvert from war to peace. I do not believe that there is a Member of this body who does not feel as I do, that we must proceed now to enact legislation upon the pending question.

While immediate action should be taken, it is just as important, Mr. President, that we proceed with deliberation, with care, and I trust with wisdom, so that the result of our effort here will effect a good purpose.

There are several phases of the subject of reconversion which we confront. First, there is the return of the soldier, the sailor, and the marine to civil life. Provision should be made to enable him to meet the problems of civil life, from which he was taken. We have enacted legislation on that subject, known as the G. I. bill. Then there is the problem of keeping industries in operation so that men may find employment. We have proceeded upon one phase of that problem and have enacted Senate bill 1718, which was passed by both Houses of Congress and signed by the President, and is now the law of the land.

Another phase is the disposition of the great supplies of surplus goods which have been garnered by the armed forces and the agencies of government to meet the needs of war. I trust that the subject of the disposal of those surplus goods will be met by legislation before Congress again takes a recess for any length of time.

Also quite naturally there arises the question of keeping the workers of this country employed. The proposed legislation before us would set up machinery dealing principally with the subject of employment.

Mr. President, there is another very important question involved in recon-

version, and that is to see that the freedom and rights which were taken from the people when we entered the war, so that the war might be prosecuted speedily and effectively, are restored to them. There is no higher duty upon us as a legislative body than to restore the freedom and rights which were temporarily taken from the people during the war period.

I speak here today in opposition to the bill which was reported by the Committee on Military Affairs. I am a member of that committee. I was a member of the subcommittee of three which first studied the subject of the proposed legislation, and which made its report quite recently to the Military Affairs Committee of the Senate. My colleagues on that subcommittee the Senator from Montana [Mr. MURRAY] and the Senator from Missouri [Mr. TRUMAN] filed a majority report, in which they recommended the passage of the legislation submitted to the Military Affairs Committee. I could not agree with them, because I thought the proposed legislation was wrong, and extremely dangerous to the welfare of the people of the country. I submitted minority views, setting forth my position with respect to the bill. I ask unanimous consent that the minority views, which I expressed in connection with the report of the War Contracts Subcommittee of the Committee on Military Affairs, be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER (Mr. OVERTON in the chair). Is there objection?

There being no objection, the minority views of Mr. REVERCOMB were ordered to be printed in the RECORD, as follows:

MINORITY REPORT FILED BY SENATOR REVERCOMB, OF THE WAR CONTRACTS SUBCOMMITTEE OF THE MILITARY AFFAIRS COMMITTEE, ON THE UNNUMBERED BILL REPORTED BY SAID SUBCOMMITTEE

Your subcommittee, composed of Senator MURRAY, chairman, Senator TRUMAN, and myself, has filed a report with an accompanying bill, and the majority of the subcommittee, Senator MURRAY and Senator TRUMAN, recommend to the Military Affairs Committee that the bill submitted should be reported favorably to the Senate.

I do not concur in the recommendation that this particular bill be considered favorably. Therefore, I submit this minority report, calling attention to some of the features in the proposed bill which I believe to be unsound and, in fact, dangerous to the well-being of the people and the country.

It is urgent that the Congress proceed without delay to the passage of legislation that will meet the problems of reconversion and consequent unemployment. And it is recommended that the whole Military Affairs Committee proceed at once to the consideration of reconversion legislation and that a proper bill be reported to the Senate as soon as possible.

The proposed bill is divided into five titles, as follows:

Title I creates an Office of War Mobilization and Adjustment for the over-all supervision of war mobilization and demobilization.

Title II sets up rules and policies for industrial demobilization and reconversion.

Title III provides for the retraining and reemployment of war workers and returning servicemen and for unemployment benefits.

Title IV provides for a survey of housing needs and for the making of loans to the States for the planning of public works.

Title V carries certain general provisions, applicable to the other four titles.

My comments are upon title III of the proposed bill, dealing with the retraining and reemployment of workers.

The Government should take every step necessary to prevent want and suffering among our people. But legislation to meet the problem of unemployment should not establish in this country the idea that the public purse may be used to support those who can support themselves.

Legislation dealing with unemployment should have for its purpose the aiding of those who are unemployed because there is no work obtainable by them at which they may make a living Certainly it should not induce unemployment. In my opinion, the bill reported by your subcommittee will place a premium upon unemployment and will be an inducement to people to avoid work.

I believe that most men and women desire to earn their own livelihood, but doubtless there are many who will not seek employment if it profits them to be idle.

Furthermore, I do not believe that aid to the unemployed should be used as a method of stabilizing wages and pay. Its sole purpose should be to prevent want for the necessaries of life by those who, because of lack of places to work, cannot support themselves.

Any plan of stabilization of pay or wages should be met by direct action on that subject and not through aid to the unemployed.

For the sake of brevity I point out in a summary way certain parts of the bill which I believe to be unsound:

1. Title III sets forth a rate of unemployment compensation which will create unemployment.

The schedule of payments is set up as follows:

Total wages in base year:	*Weekly benefit rate*	*Calculated annual payments*
$150 to $299	$12	$624
$300 to $599.99	15	780
$600 to $899.99	18	936
$900 to $1,199.99	21	1,092
$1,200 to $1,499.99	24	1,248
$1,500 to $1,799.99	27	1,404
$1,800 to $2,099.99	30	1,560
$2,100 to $2,399.99	33	1,716
$2,400 and over	35	1,820

The above pay is upon a weekly basis for 52 weeks out of the year.

A benefit year is defined as a 12-month period beginning on July 1 of any year and ending on June 30 of the next year (p. 42 of the bill). The unemployment benefits are to be based upon the highest earnings in any one of the 3 calendar years preceding the payment of benefits (p. 42), and when a benefit base is once established it cannot subsequently be lowered. No time limit is placed upon the payments so long as the law is in force.

It will be noted from the above table that one who received $900 in a year for work would receive $1,092 for a year while unemployed; a person who had received $100 per month, or had received $1,200 within a year while he was employed, would receive $1,248 a year during any benefit year of his unemployment.

It is inescapable that any such provision would foster unemployment rather than lessen it.

The $150 salary limitation means that persons who have worked only part time, and who never intended to work except part time, will be covered by full-time benefits.

This bill would provide greater aid to an unemployed worker than would be given to an unemployed returned soldier or sailor under the so-called G. I. bill (S. 1767), which has been passed by the Congress, signed by the President, and is now the law (Public, 346).

The reported bill proposes certain benefits for ex-servicemen, a subject which has already been settled by the enactment of Public, 346.

2. Under the proposed bill the Work Administrator is given practically unlimited power and, consequently, broad directive powers over workers.

The bill provides in section 412 (at p. 37):

"The Work Administrator shall have and shall exercise all the powers necessary for the effective administration of this title."

Such unlimited power in an administrator can lead to great abuse of the workers of this country and leave to him the determination, by the making of rules, as to who may work and who may not work; perhaps as to what organization the worker must belong or not belong in order to secure employment; and to determine whether anyone is unemployed under the provisions of the bill.

The Work Administrator is the highest court of appeal in the administration of the act and may review decisions of any appeal tribunal created under the act.

It is provided that appeal from the Work Administrator may be taken by a claimant or any labor organization of which he is a member, to a Federal district court, provided the labor organization is authorized to represent employees under the National Labor Relations Act or the Railway Labor Act, which such appeal may be taken within 90 days or within such further time as the Work Administrator may allow.

3. The Work Administrator is authorized by the proposed bill to provide, i. e., pay for, vocational training for "any person" for not more than 6 months. This he may do "whenever he deems it necessary" (p. 20 of the proposed bill). He is the sole judge of when it is necessary. He may provide this for anyone and any number of persons without limit. He may provide this training in addition to any free education or training now provided by law.

While such persons are receiving this training, each receives an income to be paid by the Federal Government of from $50 to $100 per month, graded according to the number of dependents such person may have.

It is submitted that Congress is not justified in authorizing vocational education at the public expense of an unlimited number of persons selected by a public official.

4. The administration of unemployment compensation is under the Federal Work Administrator. It permits him to enter into agreements with the States to handle the actual machinery for the payment of benefits, and if the State elects to handle the payment the Federal Government is to reimburse it for any amount paid over and above any amount that would have been paid under the compensation laws of the State. If the States do not elect to administer, the Work Administrator would handle the payments directly.

However, the rate of pay and compensation is fixed in the Federal statute. The State unemployment compensation agencies already set up would be made mere vassals of the Federal Government by this bill. Unemployment compensation systems would be completely federalized and directed from Washington.

5. The proposed bill provides that a person is considered unemployed and may be paid unemployment compensation even if he has the opportunity to work and may be offered work, if such work pays substantially less favorable wages than the prevailing wage for similar work in the locality, or if the rate of pay offered is less than the union wage in that locality (see p. 66 of the bill).

This is clearly an effort to stabilize wages by the use of relief to unemployed persons. Even though a man or woman had the opportunity to work, he or she would still be considered an unemployed person if the rate of pay offered did not substantially meet the prevailing wage scale. This is unfair to the worker who wants to make his own way and his own contract of employment.

6. Subsection (j) of section 501 (p. 45) defines the meaning of "employment" and thereby indicates who shall receive unemployment compensation. "Employment" is defined as "any service performed after December 31, 1940, by an employee for the person employing him, irrespective of the citizenship or residence of either" within the United States, subject to certain exceptions as to persons in the employ of foreign governments or instrumentalities owned by foreign governments, domestic service, or service performed by an individual in the employ of a member of his family.

Thus, persons who came into this country temporarily to perform war work would apparently be qualified to receive unemployment compensation.

7. The report of the subcommittee states that we face the situation of 20,000,000 war workers being demobilized, i. e., being left without employment in their present jobs. If all of these 20,000,000 were to become unemployed and remain so over the course of a year, and the average income of each, while working, had been $1,200 per year—and I submit that this average is quite low—the amount of compensation under the proposed bill to each of the unemployed would be $1,248 per year, or a total cost of $24,960,000,000 annually.

From this example and illustration, whether there will be 20,000,000 or 10,000,000 persons unemployed, it is doubtful that such a burden can be soundly placed upon the Public Treasury, with the immense public debt that has accumulated.

8. The submitted bill purports to be a temporary measure, terminating 2 years after the cessation of hostilities, but no one could believe that once enacted it would not continue as permanent legislation. Under the guise of a temporary emergency, this title would completely federalize the Social Security Act and would permanently fix very high benefit levels.

9. Gen. Frank T. Hines, the present Work Administrator, says of S. 1893, and his remarks are applicable to the proposed bill because title III was taken from S. 1893.

"If the machinery required by S. 1893 were set in motion, there might ultimately arise demand for a completely federalized unemployment-compensation system. It is, of course, true that the bill would permit use of other Federal agencies, but such use would essentially change the existing character of any such agency.

"Would essentially supplant a large part of the existing Social Security Act, would set up standards, qualifications, and disqualifications not in consonance with those provided in said act, and would provide sanctions and penalties not contemplated by that or any other act. Benefits under this section are termed "interim placement benefits" rather than unemployment compensation, but essentially they take the place of unemployment compensation.

"Purports to permit State agencies to participate on a voluntary basis in the administration of the "interim placement benefits." If a State does not so "elect"—which raises the question as to necessity of State legislation—the entire administration will be under the new Federal agency created by the bill. Moreover, final authority to make findings of fact, to hold hearings, conduct investigations, and to consider appeals is vested in the Work Administrator.

"Would duplicate and for a limited period only and with many fundamental changes, the existing provisions of the Social Security Act and the State statutes which have been enacted largely in conformity with the principles of existing social-security legislation.

"Certainly a civilian employee or war worker should not receive greater benefits than men and women discharged from the United States military and naval forces. Further, the allowances for dependents will complicate the administration of the act, particularly at the State level, and will require statutory and regulatory definitions. Unquestionably, if these amounts for dependents are retained, Public, 346, will necessarily have to be amended accordingly, to give veterans equal or greater allowances.

"Authorize and require the establishment of extensive and expensive Federal machinery to administer functions—or extensions thereof—presently the responsibility of existing Federal agencies.

"Would require a large governmental agency supplanting many of the duties of existing agencies, particularly the Social Security Board.

"The essence of the bill is creation of an administrative agency—as distinguished from the correlating agency set up under Executive order."

The State directors of unemployment compensation are bitterly opposed to the handling of unemployment compensation as set up in the proposed bill.

The Special Committee on Post-war Economic Policy and Planning of the Senate has given study to the proposed plan and has condemned it in its report of June 23 (Rept. No. 539, pt. 5, 78th Cong., 2d sess.).

RECOMMENDATION

10. On August 1 the Special Committee on Post-war Economic Policy and Planning of the Senate, through its chairman, Senator George, introduced a bill dealing with unemployment compensation, the principal features of which were that the subject of unemployment compensation should be administered by the States through the organization and machinery already established in the States; and that the Federal Government shall loan to the States sufficient funds to pay unemployment compensation if the State funds should not be sufficient to meet this obligation. The passage of this bill will properly meet the subject of unemployment compensation. This bill has been favorably acted upon today by the Finance Committee and will be reported to the Senate at once.

As of May 14, 1944, the States had to their credit, in the Treasury of the United States, unemployment compensation funds aggregating more than $5,000,000,000. These funds are growing at the rate of more than $1,000,000,000 a year and would reach a total of $7,000,000,000 if present employment exists through 1945, or about $6,000,000,000 if it exists through 1944. Therefore, the States already have an immense fund to be used for unemployment compensation before they need to turn to the Federal Treasury to borrow further money for that purpose (p. 2, Report of Special Committee on Post-war Policy and Planning of U. S. Senate, June 23, 1944).

It is respectfully recommended, as a minority report, that S. 1893 be not reported favorably; that title III of the bill reported by your subcommittee, and such other parts of said bill as deal with unemployment compensation, be deleted therefrom, and that the bill, after such deletion, be reported to the Senate. Also, it is suggested that a bill dealing with the disposal of surplus war goods be considered and acted upon as soon as that can be reasonably done.

Respectfully submitted.

CHAPMAN REVERCOMB.

AUGUST 2, 1944.

Mr. REVERCOMB. There are two principal phases of the proposed legislation reported from the Committee on Military Affairs. Before speaking to the bill which is before the Senate, let me say that some changes were made in the bill in the Committee on Military Affairs, changes which for the most part were helpful, but which in some respects did not eliminate the dangers inherent in the bill as reported.

When we deal with the subject of reconversion, we deal particularly with the subject of unemployment insurance or unemployment compensation, as it is generally called throughout the country. It is called interim placement benefits in the proposed legislation. In England it is called a dole. It is the payment of a sum of money to persons who are not employed.

Under reconversion a primary purpose of congressional action should be to keep people employed. As I see it, there are three ways in which the problem may be met: First, by keeping the wheels of industry turning so that men and women may be employed at good pay; second, by establishing public works projects for the construction of worth-while structures such as roads, bridges, culverts, wharves, airports, and other structures of public use. With respect to the second phase of employment, let me say that those structures should be really needed. They should be useful and helpful to the public, whose money is spent for them. Such activity would be a wonderful source of good to the country, as well as a source of employment of those who cannot find positions in private industry. Third, for those who cannot sustain themselves because there is no place of employment for them, the Government should see to it that they receive some income from public moneys so that they do not suffer.

But we must not, under color of helping the unemployed, establish a new idea or form of government; and we must not, under the cloak of helping the unemployed, establish a system of government which has never found its way into American life. Nor must we use unemployment, Mr. President, for the purpose of establishing the idea that those who can support themselves may look to the Government for support. Nor must we enact a law which will induce some persons to remain unemployed.

This law should be for the purpose of earnestly and fairly providing for those who cannot find employment, although they seek it. I am convinced that most of the working men and women of this country desire to support themselves through their own efforts, but there is no use talking about being abusive of the working people when we say that we know there are countless numbers of them who will not work when it profits them to be idle. So any legislation which is presented here must be such as to meet the needs of those who are necessarily unemployed, but not such as to persuade people to be unemployed.

Addressing myself now to the provisions of the bill which provide for its administration, I make the statement

that if the bill reported by the Committee on Military Affairs be passed, we shall have established an absolute control and domination over the lives of the working people of this country; that, in essence, the bill is a national service act over the unemployed of our land.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. PEPPER. The statement the Senator has just made is a rather strange one for him to make, and naturally it will incite inquiry by many of the citizens of the country. I wonder if it is proper to ask the Senator to point out the passage of the bill which will have the effect he has mentioned.

Mr. REVERCOMB. I shall be very glad to do so. I say that the unusual and extensive powers conferred under the provisions of the bill establish absolute control over unemployed people. I shall now proceed to point out to the able junior Senator from Florida what I contend to be powers which are unlimited over the working people of the country, and which would constitute a national service act so far as placement and moving of workers is concerned.

The bill establishes the position of Work Administrator. Provision for the establishment of that position is found on page 16 of the bill, if the Senator will observe that page. The Work Administrator is given the power, first, "to establish a program"—I quote from the bill—"covering"—what?—"recruitment, training, transfer, and placement of returning servicemen and workers in war and civilian production."

It will be noted, Mr. President, that the bill connects the serviceman with the worker. I desire to address myself later to that point; but now I shall pass on, in view of the question which has been asked by the Senator from Florida.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. REVERCOMB. I should like to answer the Senator's question before he asks me another one.

Mr. PEPPER. The Senator has already read a portion of the bill which apparently does not have the effect he previously mentioned. I wish to ask the Senator if he finds anywhere in the bill any provision that the Work Administrator shall have any power to send a worker anywhere or to make a worker take a job anywhere.

Mr. REVERCOMB. Yes. I will say that I think the Work Administrator is given unlimited power. If the Senator will permit me to conclude my remarks on the subject, I shall show him where I think such provision is to be found in the bill.

Secondly, it is provided that the Work Administrator shall deal with "placement of workers in appropriate employment." He controls placement of workers. Provision to that effect is to be found on page 17 of the bill. The Work Administrator will determine what is appropriate employment. He will lay down the rules and regulations as to what is appropriate employment under the terms of the bill.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. REVERCOMB. I wish the Senator would permit me to proceed with my discussion of the subject. I am still answering the Senator's first question. So I prefer to have the Senator wait until I finish. I will not yield at this time.

Mr. PEPPER. If the able Senator wishes to discuss the provisions——

Mr. REVERCOMB. I do not yield, Mr. President.

The PRESIDING OFFICER. The Senator from West Virginia has the floor, and declines to yield.

Mr. PEPPER. Mr. President, does the Senator from West Virginia decline to yield?

Mr. REVERCOMB. I decline to yield until I finish my discussion of this point.

On page 17 of the bill, it is provided that—

> The Work Administrator shall prescribe regulations and issue directives to Federal agencies necessary to effectuate the objectives of this title and all such Federal agencies shall be governed by these.

The Work Administrator may pay the cost of transportation of workers from the place of their last previous residence to new jobs, in accordance with such regulations as he, the Work Administrator, may prescribe. If placement and control of transportation are not complete domination over the movement of the worker, I do not see how the provision could be couched in more direct or definite language. The Work Administrator would do that and would exercise that control to facilitate the transfer of workers. That in itself means, Mr. President, that workers may be transferred. What does the word "transfer" mean but the movement of workers from one place to another? Then, Mr. President, the "placement" of workers means that they may be placed where the Work Administrator designates they may be placed under rules made by him.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. MURRAY. It was never the intention that the bill would give any such power to the Work Administrator. We have prepared some clarifying modifications to the bill, and we attempted to put them in earlier today. If the Senator will yield at this time, I shall be glad to offer the clarifying modifications at this time.

Mr. REVERCOMB. Mr. President, I am speaking to the bill which is before the Senate at the present time. If the Senator has clarifying modifications, I should prefer to have him submit them later, when I have concluded.

Mr. MURRAY. Of course, Mr. President, the Senator will be addressing himself to provisions of the bill which will be changed; at least, we will clarify them so as to obviate the very points he is undertaking to make.

Mr. REVERCOMB. I am not familiar with the clarifying modifications or amendments of which the Senator from Montana has spoken. I shall speak to the bill as it is now before the Senate. If the authors of the bill have found these faults and wish to clarify the bill—and I hope they will—let that be done following my discussion of the bill as it stands before the Senate at this time.

I submit, Mr. President, that when there is placed within the power of one man the unlimited right to make rules and say who may be transferred and placed, he has a hold upon and a guidance over the workers of this country which has never before been vested in any individual. No official ever had the right to make such placement of workers as is being attempted to be given to the Work Administrator ir the pending bill.

The bill also provides—and it is an unusual power to be granted to any official of this Government—that without any limit and without any restraint upon him the Work Administrator may give vocational training to "any person" for 6 months at Government expense. I quote the words "any person." The Work Administrator may give vocational training to any person whether the person be employed or unemployed. The Work Administrator may give the training to any number of persons. In him alone is vested the power to select persons who are to receive vocational training. While the persons are receiving their training they are to be paid from $50 to $100 a month while attending school at the expense of the United States Treasury.

How shall it be done? There is nothing in the bill which even suggests where the training is to take place. But there is in the bill the following language which is found on page 37.

Mr. WHERRY. Mr. President, will the Senator yield for a moment?

Mr. REVERCOMB. May I first finish the reading of this language, please?

Mr. WHERRY. Very well.

Mr. REVERCOMB. The language to which I have referred reads as follows:

> The Work Administrator shall have and shall exercise all the powers necessary for the effective administration of this title.

(At this point Mr. WHERRY rose to a parliamentary inquiry, and debate ensued, which, at the request of Mr. REVERCOMB, was ordered to be printed at the conclusion of his remarks.)

Mr. REVERCOMB. Mr. President, I shall quote from the language of the bill which was reported from the Military Affairs Committee this unusual grant of power. After giving the Work Administrator all the specific powers to establish programs of recruitment, of training and of transfer and placement of returning servicemen and workers, with the right to educate persons of his own choice, without limit as to the number, for 6 months and to pay them certain money while they are being educated, we find this sweeping language:

> The Work Administrator shall have and shall exercise all the powers necessary for the effective administration of this title.

Not content is the bill with granting specific powers, but on page 37 contains this sweeping language, granting to the Work Administrator all powers necessary to effectuate his work under the bill.

I desire further to call the attention of the Senate to the fact that the Work Administrator is the highest court of appeal over the administration of the act. When any agency or any person dealing with a question of employment makes a decision or even when any appeal board he sets up makes a decision the Work Administrator may overrule it. He is all-powerful; he is the overlord of all, and that means the overlord of the workmen of this country.

An appeal may be taken to the District Court of the United States from the decision of the Work Administrator, but it must be taken within 90 days or such further time as the Work Administrator may allow for an appeal to the established Federal court.

I wish to say to you, Mr. President, that this proposed Federal set-up constitutes a most dangerous far-reaching effort to regiment, if I may employ that much-used word, the workers of this country. There is no limit placed upon the Administrator's power that would keep him from moving workers from place to place or from making a rule as to where they shall work and perhaps from making a rule as to what organization the worker must belong to in order to get work. There is no limit. The Administrator has all the power necessary to effectuate the purposes of the act.

I do not endorse the theory or philosophy of government that underlies such a plan. I do not charge my colleagues with advocating any abhorrent plan of government deliberately, but there is, in my judgment, no place in American life and in American government for an enactment under which one man may sit in Washington and order an unfortunate unemployed man or unemployed woman to go to work where he says and to draw compensation under rules he may make. It would be wiser and better to leave to the separate States where the unemployed live, to the governments that are closest to them, the power and authority to deal with them than to have ordered from Washington the very lives and the bread of the working people of this country.

Mr. President, when we ought to be getting ready to return to the people the rights we have taken from them, an attempt is made to set up in their Government, if you please, new powers over them.

I cannot help but think of the action taken by the United Nations Conference on Food at Hot Springs last year. It will be remembered that from May 18 to June 3, 1943, there assembled at Hot Springs, Va., representatives of numerous nations, including the representatives of our own Government. I have a list of their names, and it is a strange thing that of the representatives of the United States Government there was not one Member of the Congress although the Members of Congress are the representatives of the people. There was brought forth out of that meeting what was called the final act. It is a written report. It was adopted on June 3, 1943. I have a copy of it here, and I desire to read some of the provisions which were recommended to the nations that were represented there. I hope this message will be carried to every American citizen. I read from that final act:

OCCUPATIONAL ADJUSTMENTS IN RURAL POPULATIONS

The United Nations Conference on Food and Agriculture recommends—

I call this particularly to the attention of those from States where agriculture predominates as the method whereby men make a living. This is what is proposed and recommended to the Government of the United States and the other governments—

where agricultural settlements are possible, appropriate steps should be taken to facilitate the movement of people from overmanned agricultural areas.

(d) In order to help in intranational and international migration where these are feasible—

1. Occupational training should be provided;

2. Labor bureaus should be set up where necessary.

Occupational training is provided under the proposed bill before us, and labor bureaus are set up in the several States through the Federal Employment Service.

3. Transportation, communication, housing, sanitation, health, and other public facilities necessary to effective settlement should be provided by the country receiving the migrants;

4. Steps should be taken to provide for the economic security of the migrants;

(e) Where emigration is possible, an international organization should support arrangements to provide adequate safeguards for the settlers and for the countries concerned, and to facilitate the movement through other appropriate means.

What does that mean? What did that food conference recommend to the Government of the United States? It recmended that there be set up facilities of government to have migration, to move people not only within the countries but to move people across the international boundary lines.

That was the conference, Mr. President, which was very much closed to the press. The news which came from that conference, it will be recalled, was fed out in select little pieces to the press. And I do not wonder, because I doubt very much that those in charge wanted the people of this country to know what the conference recommended. It does not sound good for America.

What philosophy or thought of government is back of that recommendation of the food conference? What thought or philosophy of government is back of the bill reported from the Military Affairs Committee? There is a pointed similarity between them. As I have said, I do not charge one of my colleagues with having any thought of intentionally wronging the American Government, but I do wish to say that the source from which the thought carried within this bill for a Work Administrator, with the powers granted him here, is something entirely foreign to this Government, sounds strikingly like the food conference recommendations, and comes at a time when we should be restoring rights to the people, instead of taking them from them, and setting up a dictator over one segment of our population.

There is another phase of the bill to which I wish to refer. Before the Congress took its recess it passed—the Senate passed it unanimously—a bill which has been known as the G. I. bill of rights. It dealt exclusively with the serviceman and the servicewoman. Both Houses of Congress passed the bill, the President signed it, and it has become Public Law No. 346. It was enacted only a short time ago, a matter of weeks. We all believed that to be good legislation, we all felt that we owed that much—and heaven knows we owed it—to the men in the service whom we have sent to battle. It was supported by the servicemen's organizations throughout the country. It was voted for, when it was passed, by the proponents of the pending bill. They must have thought it was good. It provided for $20 a week for the unemployed serviceman.

Now the serviceman is brought back into the pending bill with the worker. Why has that been done? Does anyone believe for a moment that it is done in earnestness? No; I believe it is just a lure, a sop, if you please, to entice support to the bill.

Why do I say that? Because I call to the attention of my colleagues the fact that when the pending bill was first considered by the Committee on Military Affairs its provisions would have given the serviceman far less, in many instances, than it would have given the worker. Under the original bill considered by the Military Affairs Committee, there was a provision whereby an unmarried individual making $200 a month would have drawn $35 a week unemployment compensation, whereas an unmarried soldier would have drawn only $20 a week.

That was cured in committee, but I say it indicates that the originators of the proposed plan were not thinking about the ex-serviceman. They did not have him in mind. It was only when this matter was called to the attention of the Committee on Military Affairs, as the record will show, that the change was made. I wish to say further that even as the bill is framed today most of the single boys who come back can get, in the way of unemployment compensation, only $20, whereas most of the workers, with perhaps one or two or more dependents, will receive greater incomes.

I do not believe we should have classes or divisions of our people in this country upon any line, but I do say, and I have always believed, that if there is one group of citizens to whom this Government owes more than to others it is that group who have been taken from their lives of peace and placed upon the battle fronts. Yet the pending bill, even in its present form, leaves open the question whether the young single soldier would receive less than the worker.

Mr. President, I want all to receive sufficient compensation if they cannot support themselves. I shall support any system of gift or compensation necessary to insure that there is no hunger in this land and there are no bread lines. But let us be sensible in meeting this

problem; and if the provisions we pass here today will not meet the problem of unemployment when it arises, Congress can be readily convened and we can meet the situation with further legislation.

Mr. WILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Wisconsin?

Mr. REVERCOMB. I yield for a question.

Mr. WILEY. As the distinguished Senator knows, I have been absent, and am not fully acquainted with the proposed legislation. I have listened to most of the Senator's remarks, but there is one segment of our population about whom I have been wondering. When the boys return, there will be many old folks, their numbers running into the millions, many of whom have fought the battle of life, who have paid taxes up to 60 or 65 years of age, and who will be out of jobs. Does the pending bill consider them?

Mr. REVERCOMB. No; the idea of age is not included in the bill, and I take it that other legislation will deal with that. The pending bill does not touch that subject.

Mr. WILEY. It would give no relief to the aged?

Mr. REVERCOMB. No; the relief granted is not based upon age. It is based solely upon employment or lack of employment.

Mr. REYNOLDS. Madam President——

The PRESIDING OFFICER (Mrs. CARAWAY in the chair). Does the Senator from West Virginia yield to the Senator from North Carolina?

Mr. REVERCOMB. I yield.

Mr. REYNOLDS. I heard the Senator from West Virginia make a statement a moment ago to the effect that under the Murray-Kilgore bill an unemployed single man who had been a soldier would receive less than a worker on the home front.

Mr. REVERCOMB. No; I did not put it in just that way, I will say to the distinguished Senator from North Carolina. I said that a single soldier would receive less than a worker who had a dependent.

Mr. REYNOLDS. Oh, a worker who had a dependent.

Mr. REVERCOMB. Yes. That is under the terms of the present bill. I will say to the Senator from North Carolina, who is chairman of the Military Affairs Committee, that under the provisions of the bill as it originally went to the committee the soldier with no dependents would receive less than a civilian worker, and that was corrected in committee when it was called to the attention of the committee.

Mr. REYNOLDS. That is quite true. I thank the Senator from West Virginia very much.

Mr. REVERCOMB. In the original bill there was set up a table of payments which on its very face, I think, showed that individuals would receive more when not working than they received when they worked. I mention that because it indicates the purpose of the originators of the bill. That was changed in the Military Affairs Committee. Under the original draft of the bill, Madam President, one receiving $900 in a year while he worked would receive $1,040 a year while he did not work. One receiving as much as $100 in any month or $1,200 in a year while he worked would receive $1,248 for not working. That provision was changed.

Let us now see the change that was made. It is interesting, and I want to point it out to Senators. It is now provided that an unemployed person shall receive 75 percent of weekly wages, provided, however, that a single person while unemployed shall receive not more than $20 per week, and with one dependent $25 per week, and with two dependents $30 a week, and with three or more dependents $35 a week. This is to be paid as long as the person is unemployed.

Then the Murray-Kilgore bill defines weekly wages.

"Weekly wages" means the amount determined by dividing by 13 the wages in that calendar quarter of the 3 years preceding application for benefits in which such wages were highest: *Provided however*, That in the case of any individual whose exact wages are not available or the record of whose wages was not maintained by quarters, the wages for any quarter shall be determined on a basis deemed by the Work Administrator to be fair and equitable.

There the Work Administrator comes back into the picture again. He decides everything. In other words, that means before calculating the 75 percent that is to be paid for unemployment benefit, a quarter of a year shall be taken, the best 13 weeks' earnings within the 3 years prior to unemployment, and the average obtained, and then 75 percent of that average is paid as weekly unemployment compensation, provided it does not exceed from $20 to $35, according to the number of dependents.

Let us see what that means. Any individual may work one-quarter of a year, 13 weeks, and establish a basis of pay. He need not work any more than one-quarter of a year to establish his basis, but when he becomes unemployed he receives unemployment pay for 52 weeks of his unemployment.

Madam President, is this bill intended to help those who are in need because they honestly cannot obtain employment? If so, it is a good bill. But if the effect of it, whatever its intent may be, is to encourage people not to work by seeing to it that they are paid more money when they are on relief than they received while they were working, then it is a very vicious thing and should never be passed.

Let me point out to the Senate that if one who worked for 13 weeks in a year received an average wage of $55 a week, he would earn in that year the sum of $715, whereas, under the bill, if he were unemployed, he would be paid unemployment income for not working of from $20 to $35 a week, according to the number of his dependents, or from $1,040 a year to $1,820 a year. He would receive greater amounts for not working. That to me is a very unsound proposition.

Bases of payment substituted by the Senate Military Affairs Committee do not relieve the bill of that fault of paying more money for unemployment than an employed person receives.

I am making no reflection on the worker. There is no one in Congress and no one in this land who is more willing than I to give the worker every benefit possible. I do not believe that most of the workers want to take advantage of this provision. But I think Congress will do wrong if it passes a law which permits those who want to profit by idleness to do so at the expense of the Government.

There comes to mind an example of what could happen under this bill. There are many who work part time, and they have a right to do so. There are circumstances perhaps which bring about such a condition. Take a school boy or a school girl, one who works during the summer months. During that time the boy or girl would earn enough to draw at least $20 a week while attending school. The student would be an unemployed person, just so long as he or she registered for unemployment. Surely some will register for unemployment compensation if they find that they will not be called for work.

Think of the men who have left the farms during this great call to work in the factories. I know there was a movement afoot to stop that at one time. I did not want that done. I thought those Americans had the right to leave the farm and go to work in the factory if they were not subject to military service. But what is such an individual going to do? Is he going to list himself as a mechanic and say, "I cannot find a mechanic's job," or is he going back to the farm where he ought to go when this emergency is over? I suppose that is something else that will be controlled by the rules made by the Work Administrator, who could properly be called work dictator.

I now wish to point out what I consider to be another grave fault in the bill. We should not attempt by legislation to aid those who actually need our aid simply in order to stabilize wages. If the Government were to undertake the stabilization of pay, that would be all right. That might be good legislation. But let us meet that question directly; let us meet it fairly; let us meet it head on by enacting a law dealing with the stabilization of wages. Let us not under the veil and under the cloak of aiding the unemployed attempt to fix wages and establish pay in the measure before us.

On page 25 of the Murray-Kilgore bill I find this provision, which is a limitation put on the Work Administrator, but it is a sort of a limitation in reverse—reverse of good:

(f) No work shall be deemed suitable for the purposes of this section, and benefits shall not be denied under this act to any otherwise qualified employee leaving work voluntarily or for refusing to accept work if—

* * * * * *

(2) the remuneration, hours, or other conditions of work offered are substantially less favorable than those prevailing for similar work in the locality, or the rate of remuneration is less than the union wage rate, if any, for similar work in the locality.

That means that after an individual has been required to register with the Federal Employment Agency in the locality, if someone offers him a job at substantially less than the prevailing wage in the community for the same kind of work, even though he wants the job, wants to support himself, hold his head up, and be independent of the Government, he may not accept it. I say that that provision is inserted to stabilize wages at the expense of the unemployed persons of this country. Furthermore, it is unfair to the man who wants to make his own way in life. It places those who desire work under the crushing, frustrating power of the Work Administrator.

Mr. FERGUSON. Madam President, will the Senator yield for a question?

Mr. REVERCOMB. I yield.

Mr. FERGUSON. Suppose he were able to get a job for 2 days out of the week. Would he lose all his unemployment compensation and be compelled to reregister? Suppose he were able to get a part-time job?

Mr. REVERCOMB. No; he would not. That situation is defined in the bill.

Mr. FERGUSON. The language is other conditions of work.

Mr. REVERCOMB. He might make as much as $3.50 a week and still be called an unemployed person, or he might make 50 cents a day and still be regarded as unemployed.

Mr. FERGUSON. Suppose he got 2 days work and made more than $3.50 a week. What would be the answer to that?

Mr. REVERCOMB. It is my impression, without looking it up at the moment, that he would be considered an employed person.

Mr. FERGUSON. If that be true, there would be no incentive for a man to work 2 or 3 days a week if he received any amount less than $20, $25, or $35, as the case might be. So far as he was concerned, it would be more productive to be entirely unemployed than to be working during a period of time in which he could earn less than the amount paid under the Compensation Act.

Mr. REVERCOMB. I feel that the Senator's conclusion is absolutely sound. There are several instances in which there is an inducement not to work.

Mr. FERGUSON. That may be one of the "other conditions of work" referred to in the provision which the Senator has just read.

Mr. REVERCOMB. Yes. The "other conditions of work" will be something to be established by the rules of the Work Administrator, the all-powerful king to be placed over the labor of the country.

Mr. AIKEN. Madam President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. AIKEN. How much work may an unemployed person accept under the present State laws and still remain entitled to collect unemployment compensation?

Mr. REVERCOMB. I am not familiar with the various State laws.

Mr. AIKEN. Is there any difference between the proposed law and the present State laws? As I understand, if a man is unemployed, and accepts a certain amount of work—I do not know what it is—under the present State laws he would lose his unemployment compensation.

Mr. REVERCOMB. That is correct.

I believe it has been stated that the proposed set-up does not bear any resemblance to the extinct National Recovery Act, the old N. R. A.—under the Blue Eagle. I wish to point out, on page 8 of the bill, the proposed organization of the Federal administration. First, there is proposed to be established a director, at a salary of $15,000 a year. Then there would be a deputy director, at a salary of $10,000 a year. There would also be a board, the members of which would be paid $25 a day plus expenses and traveling expenses while they were working.

I invite the attention of the Senate to the fact that it is proposed to "establish industry advisory councils for the various industries, and area advisory councils for various geographic areas, which substantially and directly affect the policies, programs, and operations of Government agencies."

Mr. OVERTON. Madam President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. OVERTON. Is there any limit on the number of area advisory councils?

Mr. REVERCOMB. No; there is no limitation whatsoever upon the number of those councils which may be established.

Mr. OVERTON. Does the bill provide compensation for the members of such councils?

Mr. REVERCOMB. No; they would receive no compensation. When the bill came to the Senate Committee on Military Affairs, members of such councils were to receive $25 a day, but that provision was eliminated in the committee. There is no provision for compensating them; but, as the Senator can readily see, countless numbers of such councils would be established over the country. If I am correct in my recollection of N. R. A., that was the great trouble that was had with it. Such groups are called advisory councils, but the Senate well knows how advisory they would be when they put the pressure on in any area or in any industry, as to what industry should do particular work, or undertake a particular contract, or close its gates.

Mr. PEPPER. Madam President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. PEPPER. Are there not a great many advisory groups, both in management and labor, functioning at the present time throughout the country; and is not the Senator under the impression that they have done a good job in promoting the war effort?

Mr. REVERCOMB. I cannot directly answer the question as to how good a job those particular councils have done. However, I will pay tribute to the workers for what has been done. I am not in a position to answer the able Senator as to what part the councils took in it.

Before concluding my remarks, let me call attention to the frail attempt which is made in this bill to use the State unemployment-compensation agencies. Let us look at the provisions. I say that they are entirely a sham. The provisions as to the use of State agencies mean nothing.

First—

(b) Within 10 days after the appointment of a Work Administrator pursuant to this act, such Administrator shall afford to each State an opportunity to participate in the administration of the interim placement benefits provided by this title.

How may the State participate? The State may participate by first receiving claims. It may adjudicate such claims, under regulations prescribed by the Work Administrator. The State would be a vassal of the Work Administrator. The State may pay the claims out of its employment fund, in accordance with regulations prescribed by the Work Administrator. Here we see again the all-powerful hand of the Work Administrator over the States. We say to the States, "We will let the State agencies participate, but they must act under the hand of the Federal Work Administrator."

Mr. AUSTIN. Madam President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. AUSTIN. What force does the Senator give to the following sentence, found on page 32, line 25, of the bill?—

The findings of the Work Administrator as to the facts, if supported by evidence and in the absence of fraud, shall be conclusive.

Mr. REVERCOMB. I am very glad indeed to have that provision called to my attention, because it is one further example of the great powers proposed to be given to the Federal Work Administrator. His findings will be conclusive. Whatever the States may do, even if they elect to administer under the act, they must do so according to the regulations prescribed by the Work Administrator. If he disagrees with them, his word will be conclusive.

Mr. FERGUSON. Madam President, will the Senator yield for a question on that very point?

Mr. REVERCOMB. Yes; I yield to the Senator from Michigan.

Mr. FERGUSON. Where the right is given to appeal to a district court, would not that sentence preclude any action by the court if there was any evidence, even a scintilla of it, to support the finding of the Work Administrator?

Mr. REVERCOMB. That is established law.

Mr. FERGUSON. That is the rule of law; is it not?

Mr. REVERCOMB. Yes; that is the rule of law. If there is any evidence whatever to sustain the finding of the Work Administrator, the wisdom or right of his finding or judgment cannot be inquired into.

Now, Madam President, we find that under the provisions of the bill the Work Administrator, regardless of whether the State elects to take part, may require the filing of claims with his board, because the bill provides that after the State agency may elect to receive claims, the Work Administrator may take away that right from the State, even if the State elects to receive such claims. In other words, the gift of the right of adminis-

tration to the States is absolutely valueless; it is a nullity. It has no power or force in it whatsoever.

Finally, in commenting upon the question here, let me say that I read in yesterday's Evening Star that my colleague in the Senate who is chairman of the subcommittee of the Committee on Military Affairs upon which I serve is reported to have made the statement that the figures I gave in the subcommittee's minority report were wholly exaggerated. I shall turn to the figures, and the Senate will determine wherein the exaggeration lies.

In my minority report I made the following statement; I read from paragraph No. 7 on page 4:

> The report of the subcommittee states that we face the situation of 20,000,000 war workers being demobilized—

That figure comes from the majority report, and surely the Senator is estopped from denying the accuracy of his own figures—

> It is said that we are faced with the prospect of 20,000,000 workers being left without employment in their present jobs. If all of these 20,000,000 were to become unemployed and remain so over the course of a year, and the average income of each, while working, had been $1,200 per year—

And I submit that that average is quite low—

> the amount of compensation under the proposed bill to each of the unemployed would be $1,248 per year, or a total cost of $24,960,000,000 annually.
>
> From this example and illustration, whether there will be 20,000,000 or 10,000,000 persons unemployed, it is doubtful that such a burden can be soundly placed upon the Public Treasury, with the immense public debt that has accumulated.

There is no exaggeration there. It is solely a calculation based upon the figures contained in the majority report itself.

But let us examine the bill as reported to this body from the Committee on Military Affairs. I wish to call this matter to the attention of the members of the Finance Committee because they may have to deal with this subject. It might be well to keep it in mind from this time on. Taking the same figure of 20,000,000 persons who, as we are told by the majority report of the subcommittee, may be demobilized, if they are paid $35 a week for 52 weeks—and it is my belief, although I have no assurance of it, that the rate of pay under the present provisions of the pending bill will more frequently be $35 a week than it will be $20 a week because most of those workers have dependents—but taking the rate of pay as $35 a week for 52 weeks, the payment to each unemployed person would be $1,820 a year, and the total payment to 20,000,000 unemployed persons—using the figure contained in the report of the majority of the subcommittee—would be $36,400,000,000. If 10,000,000 persons were unemployed, of course, the total cost, at the rate of $35 a week, would be $18,200,000,000.

Now let us take the lowest figure, namely, $20 a week for each unemployed person for 52 weeks a year. Such a person's income would be $1,040 a year, and 20,000,000 of such unemployed persons would receive a total of $20,800,000,000. That is a matter of calculation; it is not exaggeration. There are the facts and figures. Let Senators take out their pencils and use them, and they will see that the results I have stated are accurate.

None of us knows how many unemployed there will be. I hope, as I know all other Senators do, that there will not be many unemployed persons. I hope our people will find employment in a reconverted industry at high wages. I hope this Government is wise enough to establish public works which will be real—not a W. P. A. but public works which will be administered under a sound management. I hope that will give employment to those who cannot find employment in private industry. Then, if we must have provision for unemployed persons—and we should make provision for that condition, because there will be some who will not be able to find employment anywhere—we should give them unemployment compensation, which is a system of payments recognized in every State of the Union.

Mr. REYNOLDS. Madam President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. REYNOLDS. What does the Senator estimate the Kilgore-Murray bill will cost during its so-called legislative, legal operation, namely, the period of 2 years after the expiration of all the wars in which we are engaged?

Mr. REVERCOMB. Of course, Madam President, it must be understood, let me say to the able Senator, that the bill is to go into effect, if it is passed, immediately after its enactment, and is to remain in operation until 2 years after we have finished fighting every one of the present wars.

Mr. REYNOLDS. Until all the wars are over.

Mr. REVERCOMB. Yes; until all the wars are over.

Mr. REYNOLDS. What does the Senator estimate that will cost?

Mr. REVERCOMB. I cannot accurately tell the Senator.

Mr. REYNOLDS. I heard the Senator make some mention of $36,000,000,000 a moment ago.

Mr. REVERCOMB. That is based on the estimate that 20,000,000 of our workers will be unemployed. I do not know how many of them will be unemployed, and no one else does. But I am using a figure contained in the majority report, namely, that we face a change in employment for that number of persons. I hope not many persons will be unemployed. I hope not half that number will be unemployed.

But, as I have stated, if 20,000,000 persons are unemployed, and if each receives $35 a week, the total annual cost will be $36,400,000,000. If 10,000,000 persons are unemployed, and if each receives $35 a week, the annual cost will be $18,200,000,000. If 20,000,000 persons are unemployed, and if each receives $20 a week, the annual cost will be $20,800,000,000.

Mr. REYNOLDS. That calculation is made in accordance with the provisions of the George bill; is it?

Mr. REVERCOMB. No; I am referring to the provisions of the bill reported from the Committee on Military Affairs.

Mr. REYNOLDS. What would be the cost under the provisions of the George bill?

Mr. REVERCOMB. I have not made any estimate as to that.

Mr. REYNOLDS. I am interested in knowing what would be the cost under the provisions of the pending bill and what would be the cost under the provisions of the George bill, because regardless of what bill we vote to put into legal operation, the expenditure of billions upon billions of dollars will be involved.

I should like to have the information because, regardless of which bill shall be passed, I hope that on the day after we pass either the Military Affairs bill or the bill sponsored by the Senator from Georgia [Mr. GEORGE] we will then make the necessary appropriation, that is to say, set aside the money. I hope that we will go over to the Treasury with the bill that shall have been signed by the President, and count out the billions of dollars which we shall have to have, and lock it up in a half a dozen safes so that no one will be able to get to it, and that we shall place on guard men with machine guns in order to prevent persons from taking the money. If we do not do that the 2,000,000 people living outside of the United States will obtain every penny which we now have. [Laughter.] So far as I am concerned, I am now willing to vote to give to the American soldiers and to the American laboring men and women all the money we can give them, but I want them to have it before people in other countries of the world receive it.

Mr. REVERCOMB. I may remark to the Senator from North Carolina that I will join him in seeing that the funds in the Treasury are used for the American service men and women, and our other American people. But I wish also to say that if he expects to go to the Treasury and personally count out sufficient money to support the bill which has been reported by the committee, he will be there at the Treasury for a mighty long time.

Mr. REYNOLDS. I want all the money there to be saved for my people here in the United States.

Mr. REVERCOMB. The Senator has expressed a very laudable desire.

Mr. REYNOLDS. I quite agree with the Senator that after the war has ended there will be millions of our people unemployed. I believe that some months ago Mr. William Green, president of the American Federation of Labor, stated in an article that we might have anywhere from 10,000,000 to 18,000,000 people unemployed after the war. The money which we are being asked to appropriate under these bills is to be used in taking care of the unemployed, and the more unemployed we have the more money we shall have to pay out. That is true, is it not?

Mr. REVERCOMB. Oh, yes.

Mr. REYNOLDS. In view of that fact does not the Senator from West Virginia believe that right now we should put an end to immigration to this country, and not allow another single alien to set foot upon American soil until we take care of our own American citizens?

Mr. REVERCOMB. I may say to the Senator that no one in this body has been more active against raising quotas of immigration than I have been. The Senator knows that to be so. I want to protect the American people just as much as he does, and I personally want to protect the men who have been sent out of this country to fight abroad so that when they come back they will not be placed upon a dole, but will be given an opportunity to earn a living.

Mr. REYNOLDS. In other words, the Senator wants to take care of the fine men and women who have been sent abroad to save a great many people who have come into this country while the war has been in progress.

Mr. REVERCOMB. We have no argument with each other on that point.

Mr. REYNOLDS. I thank the Senator.

Mr. REVERCOMB. Madam President, on the subject of the pay-roll setup, I invite the attention of the Senate to excerpts from a letter from Gen. Frank T. Hines which deals with and was written upon what was known as Senate bill 1893, but which applies with equal force to the third title of the bill reported by the Military Affairs Committee. I quote from General Hines' letter as follows:

If the machinery required by S. 1893 were set in motion there might ultimately arise demand for a completely federalized unemployment compensation system. It is, of course, true that the bill would permit use of other Federal agencies, but such use would essentially change the existing character of any such agency.

Would essentially supplant a large part of the existing Social Security Act, would set up standards, qualifications, and disqualifications not in consonance with those provided in said act, and would provide sanctions and penalties not contemplated by that or any other act. Benefits under this section are termed "interim placement benefits" rather than unemployment compensations, but essentially they take the place of unemployment compensation.

Purports to permit State agencies to participate on a voluntary basis in the administration of the "interim placement benefits." If a State does not so "elect"—which raises the question as to necessity of State legislation—the entire administration will be under the new Federal agency created by the bill. Moreover, final authority to make findings of fact, to hold hearings, conduct investigations, and to consider appeals is vested in the Work Administrator.

Would duplicate and for a limited period only, and with many fundamental changes, the existing provisions of the Social Security Act and the State statutes which have been enacted largely in conformity with the principles of existing social-security legislation.

Certainly a civilian employee or war worker should not receive greater benefits than men and women discharged from the United States military and naval forces. Further, the allowances for dependents will complicate the administration of the act, particularly at the State level, and will require statutory and regulatory definitions. Unquestionably, if these amounts for dependents are retained, Public 346 will necessarily have to be amended accordingly, to give veterans equal or greater allowances.

Authorize and require the establishment of extensive and expensive Federal machinery to administer functions—or extensions thereof—presently the responsibility of existing Federal agencies.

Would require a large governmental agency supplanting many of the duties of existing agencies, particularly the Social Security Board.

The essence of the bill is creation of an administrative agency—as distinguished from the correlating agency set up under Executive order.

Those are the views of Gen. Frank T. Hines of the Veterans' Administration.

We may well inquire, What is behind this effort to create a new vast Federal agency with an all-powerful administrator? I can only express my belief which is based upon close observation of what has been taking place in this country during the past few years. In their political thinking our people are divided, but the battle is not drawn on recognized partisan lines. It is a clash of philosophies of government. On the one hand, we have the doctrine propounded by Jefferson and other early founding fathers that the best government is one which governs the least, and is left closest to the people within the States, and within their local governments. On the other hand, we have those who may believe that we must tax, spend, and regulate. Between those extremes there is no ground for compromise. The pending proposal presumably represents the ideas of the class that is in favor of taxing, spending, and regulating. That theory of government has the advantage, from a purely political point of view, of creating numberless jobs and vast patronage. It is, however, a short-time view. The nation which taxes, spends, and regulates its people, merely because it has acquired the habit, is headed for ultimate disaster.

In my opinion the Congress is not justified in authorizing the education of persons for 6 months at public expense as provided in the pending bill. Nor should a public official with wide discretionary powers be the highest court of appeal in the administration of any act.

I have touched today upon the principal features, as I see them, of the proposed legislation which was reported from the Military Affairs Committee. There is pending a measure providing another form of administration for relief or unemployment compensation. It establishes an administrator in the Federal Government, and it makes him the coordinator of all the agencies but does not place in him the unlimited power which the proposal of the Military Affairs Committee would vest in the Work Administrator or in the Director of Mobilization. Furthermore, it leaves to the States the question of administering unemployment compensation. It makes no attempt to regulate the employees of this country through Federal action and a Federal overlord of unemployment.

Between these two methods there can be little doubt on my part as to which we should try first. I think we should leave it, as already established in every State in the Union, to the local governments to attend to the administration of unemployment insurance, and then, I say, that if we find that such a method has not met the requirements of the situation we will meet the obligation in the best possible way. The proposed bill leaving administration to the States provides that the Treasury of the United States shall be behind the States. The States may borrow money from the Federal Treasury if their funds are insufficient to meet unemployment compensation demands. What more can be needed to assure sufficient funds under a State administered plan?

I submit, Mr. President, that the Senate ought not to adopt the plan reported by the Military Affairs Committee. It should adopt now the plan presented in the George bill. On the return from war to peace, which is to be so much hoped for and which we all pray may come at an early date, instead of loading down the people of this country with new regulations and new directions, we should restore to the people and to the local governments of the country more rights of government and particularly those rights which were taken from them in wartime.

The bill reported from the Military Affairs Committee should not be adopted, but we should first try the plan proposed as an alternative, the George bill, with the hope that the latter will work, and if it fails to meet the question of unemployment, then we will meet it by proper additional legislation.

(During the course of the speech of Mr. REVERCOMB there occurred the following debate, which, at his request, was ordered to be printed at the conclusion of his remarks.)

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. OVERTON in the chair). The Senator will state it.

Mr. WHERRY. I should like to know under what rules or by what privilege a person who is not a Member of the Senate has the right to address the Presiding Officer at this time. I should like to have the rule cited.

The PRESIDING OFFICER. The present occupant of the chair understands that no one has access to the floor of the Senate except Senators and the secretaries of Senators.

Mr. WHERRY. Further, with reference to the gentleman who but a few moments ago was seen speaking to the Chair, I should like to ask whose secretary he is and what right he had to talk with the one who is now presiding over the Senate.

The PRESIDING OFFICER. The Chair did not quite finish his statement. According to custom, and not according to rule, experts are permitted to sit by the sides of Senators in order to aid them and assist them in the presentation of a bill.

Mr. WHERRY. I should like to address a further inquiry to the Chair. I understand that the rules provide that the personal secretary of a Senator has the privilege of coming upon the floor of the Senate. I ask what right, under

the rule, the secretary has to address the Presiding Officer.

The PRESIDING OFFICER. There is no rule which gives him permission to address the Presiding Officer, and there is no rule denying the privilege. It is the opinion of the present occupant of the chair that the persons to whom the Chair has referred are those who fall within the classification of persons having access to the floor.

Mr. WHERRY. I should like to suggest to the Chair——

The PRESIDING OFFICER. The Chair will further state for the information of the Senator from Nebraska, and for the information of other Senators, that the person who came up and spoke to the Chair simply made a request that the name of a certain Senator be added to the list of those intending to address the Senate.

Mr. WHERRY. I am not questioning the man's motive, but unless he is carried on the roll of the Secretary of the Senate he has no right to be on the floor of the Senate, and I especially feel that anything which transpires between a clerk and the one who occupies the chair should be public information. We should know what the conversation is about.

The PRESIDING OFFICER. The Chair has given the information.

Mr. WHERRY. Unless such persons as those to whom I have referred are given or assume more authority than the rules permit them, such persons are exceeding their authority in speaking to the Presiding Officer of the Senate.

Mr. PEPPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Florida?

Mr. REVERCOMB. I do not wish to deny the Senator from Florida the right to speak. How long will he take, please?

Mr. PEPPER. I merely wish to make a comment.

Mr. REVERCOMB. How long will the Senator take?

Mr. PEPPER. About a minute.

Mr. REVERCOMB. Very well.

Mr. PEPPER. Mr. President, the able Senator from Nebraska [Mr. WHERRY] was quite within his rights in making the parliamentary inquiry. It was observed by Senators on the floor and by persons in the galleries that Mr. Schimmel, who is present on the floor, went up and asked a question of the Presiding Officer. He did not go to address the Presiding Officer but merely to ask whose names appeared on the list of those who wished to speak. He is present on the floor at the request of the two sponsors of this bill, the Senator from Montana [Mr. MURRAY], the chairman of the subcommittee handling the bill, and the senior Senator from West Virginia [Mr. KILGORE], who is coauthor of the bill. They wish to offer some clarifying amendments. So the question was raised as to whether the Senator from Montana might obtain recognition, and Mr. Schimmel, the clerk, agreed to go and ask the Presiding Officer for the names of those who were listed to speak. Since he does not have the right to speak for himself on the floor, I may say that I am sure that if he committed any impropriety in performing an errand at the request of his principal, it will not be regarded as an impropriety by the present occupant of the chair, and if Mr. Schimmel was at fault, I desire to apologize in his name.

Mr. WHERRY. The distinguished Senator from Florida is as familiar as I am with the rule under which the privilege of the floor is granted to the clerks of Senators. I appreciate the explanation given, and I am not objecting to the presence upon the floor of clerks of Senators, or those of committees who are duly appointed and carried on the roll of the Secretary of the Senate, but those of us who are watching the procedure from both sides of the aisle feel that such persons exceed their authority when they take the privilege of the floor to the extent of carrying on a private conversation with our Presiding Officer. Certainly that action does not come within the province of the rule. I appreciate very much the explanation which the Senator from Florida has given. Probably the clerk who spoke to the present occupant of the chair was performing an errand for my good friend, the Senator from Montana, for whom I have the highest regard. But I feel that if a clerk is to be given the privilege of addressing the Chair the Members of the Senate should know what he is talking about. The explanation which has been made is satisfactory to me, but I think that in the future only bona fide clerks of Members of the Senate should have the privilege of the floor and they should confine their activities to the floor of the Senate in advising their principals and should not take the floor or have access to the Presiding Officer of the Senate.

Mr. MURRAY. Mr. President, if the Senator will yield, I am sure my very good friend——

Mr. REVERCOMB. May I inquire what the Senator from Montana——

Mr. MURRAY. Just a moment. I am sure my very good friend the distinguished junior Senator from Nebraska would not want to prevent me from presenting modifications to our bill. That was the only purpose which we had in mind in sending our assistant to the Chair. I assure the Senator that there was no ulterior motive involved in the transaction, and I do not think he should become so excited because I wish to modify the bill or amendment which I have offered.

Mr. BARKLEY. Will the Senator from West Virginia permit me to inject a fact into this discussion?

Mr. REVERCOMB. Mr. President, I wish to say to the able majority leader that I have already given up a great deal of time, and I certainly do not object to the majority leader making a statement. How long will it take?

Mr. BARKLEY. It will take about a half a minute.

Mr. REVERCOMB. Very well.

Mr. BARKLEY. I was not present when this ruckus originated over whispering into the Chair's ear by a clerk of the committee who is present to assist the Senator in charge of the pending legislation. We all know that Senate employees frequently go to the Chair and do exactly what was done today at the request of Senators who wish to have their names placed on the list. There is no rule that provides for any such list. It is a courtesy extended by the occupant of the chair to Senators who want to speak and desire to have their names placed on the list. We all take advantage of it. If we require any such employee of the Senate—and all these clerks are employees of the Senate—to do that in public, so that we can hear what is going on, of course that would be denied, because they do not have the privilege to speak. I feel that any Senator called upon to preside over the deliberations of this body is able to protect himself against the machinations of any clerk who might want to sneak up on his blind side and put over on him something that the Senate itself did not know about.

The PRESIDING OFFICER. The Chair thinks he ought to correct the statement of fact.

Mr. TAFT. Mr. President, may I make a parliamentary inquiry of the Chair?

The PRESIDING OFFICER. Not right now. All that was said by the gentleman who approached the Chair and sought his ear was to request that the name of the Senator from West Virginia [Mr. KILGORE] be added to the list. That was all he said; that was the very head and front of his offending. The Chair does not know whether he is on the pay roll of any Senator or not. As the Chair stated before, the rule is that clerks of Senators and of Senate committees may appear on the floor in the actual discharge of their duties. Perhaps the Chair had better read the rule which is the only rule on the subject so far as the present occupant of the Chair knows:

> Clerks to Senate committees and clerks to Senators when in the actual discharge of their official duties. Clerks to Senators, to be admitted to the floor, must be regularly appointed and borne upon the rolls of the Secretary of the Senate as such.

Mr. TAFT. Mr. President, a parliamentary inquiry regarding that rule.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. The rule says "clerks to Senate committees." Does the term "clerks to Senate committees" include all employees on the rolls of committees? Only one man is carried as clerk of a committee, and I am interested to know whether the Chair considers the word "clerk" to include every assistant clerk and others so carried, or whether it only extends to one employee of the committee?

The PRESIDING OFFICER. Technically the Senator from Ohio is correct in his inference that there is only one clerk to a committee who is technically the clerk within the intendment of the rules, and he is the one whose name first appears on the roll.

Mr. TAFT. I thank the Chair.

Mr. REVERCOMB. I ask unanimous consent that this colloquy and interlude appear in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

After the conclusion of Mr. REVERCOMB's speech,

Mr. VANDENBERG. Madam President——

The PRESIDING OFFICER (Mrs. CARAWAY in the chair). The Senator from Michigan.

Mr. MURRAY. Madam President, will the Senator yield?

Mr. VANDENBERG. Certainly.

Mr. MURRAY. I have some clarifying modifications to the amendment which I proposed yesterday to Senate bill 2051 and I should like to ask the Senator if he will permit me to offer the clarifying modifications now, together with a brief explanation of the changes as I see them?

Mr. VANDENBERG. I understand the Senator is not asking to read the explanation, but wants to have it printed in the RECORD.

Mr. MURRAY. I am going to present the modifications and have them read. It will take about 15 or 20 minutes, I think.

Mr. VANDENBERG. I should prefer that the Senator would withhold his modifications and explanation until I finish. I shall speak very briefly.

Mr. MURRAY. Very well.

Mr. VANDENBERG. Madam President, there has been much public misunderstanding about the precise issue which is pending in the Senate. It is not surprising because the parliamentary situation has been and is a complicated one. The first thing I want to do this afternoon is to try to make this phase of the matter plain.

The so-called George bill as unanimously reported to the Senate by its Finance Committee, which is the initial measure now pending, deals solely with the unemployment feature of the reconversion problem. It has been widely attacked because it does not include other features of the reconversion problem as covered by the so-called Kilgore bill. For example, a letter addressed to all Senators by Mr. Philip Murray, president of the Congress of Industrial Organizations, says, among other things:

> The other bill is the George bill, which was reported out by the Finance Committee. This bill is hopelessly incomplete and inadequate. It cannot possibly meet the situation ahead of us. It neglects the essential problems involved in dovetailing the decline in war production and the resumption of nonmilitary production.

Madam President, the thing I want to make plain is that the original George bill was never intended to cover these other features nor to be a substitute for legislation which should cover these other features. It never purported to be anything more than an answer to the one segment of the problem to which it is confined. Its sponsors have always recognized and asserted that additional legislation covering other segments of the reconversion program is indispensable. Its sponsors have been ready to deal with these other segments immediately in additional legislation. Therefore it is grossly unfair and unfounded to attack the initial Senate Finance Committee proposal on the ground that it does not cover a field which it never even presumed to enter.

This situation stands clear as the result of yesterday's session of the Senate. The Kilgore bill has been offered as an amendment to the original George bill. This brings these other segments of the reconversion problem into immediate consideration. Finally, the distinguished senior Senator from Georgia in his capacity as chairman of the Special Committee on Post-war Economic Policy and Planning has offered an amendment to the Kilgore amendment, generally reflecting the report of this committee as well as the purpose of the well-known Baruch report in respect to these other segments. Therefore I am happy to say that all these reconversion factors are now passing in Senate review, and I hope we shall hear nothing further about the infirmities of the original recommendation from the Finance Committee.

I think, Madam President, that this controversy is of tremendous significance. I am confining myself this afternoon exclusively to a discussion of the unemployment-insurance problem as presented, on the one hand, by the Finance Committee's recommendations, and, on the other hand, by that portion of the so-called Murray-Kilgore amendment which refers to that subject. I repeat, I think that in this particular controversy there is tremendous significance in respect to the course which this country is to pursue hereafter. It involves the basic question whether we shall chart the post-war reconversion on the basis of sound economics as recommended by the Finance Committee bill, or whether we shall proceed on the theory that the citizen is the ward of the state and that public money shall be our primary reliance for the people's support.

I deeply believe that the welfare of the workers of America is unavoidably rooted in sound economics and that any departure from sound economics is a threat to the whole Nation and every worker in it. In my view, any such departure in the name of an emergency merely invites a permanent emergency. It defeats what otherwise should be a destiny of better and happier times for all our country and every toiler in its citizenship.

With greatest respect for the earnest argument presented yesterday upon this particular point by the distinguished senior Senator from West Virginia [Mr. KILGORE], with whom I agree on some other points of his discussion, I assert my own opinion that when we are asked by Federal mandate to peg our post-war peacetime employment benefits at a maximum which is approximately twice the average maximum this country has ever known, either in war or in peace, it is obviously a basic wrench to our economic foundation. The implications and the repercussions of such an action can go far beyond the immediate objective. The immediate objective, Madam President, so far as every man in the Senate is concerned, is to meet the armistice with a program which will promise the swiftest, surest, simplest approach to a post-war economy in which private American enterprise can successfully take over the task of providing American workers with fullest possible employment.

When we are asked to start this process—which, God knows, has problems enough of its own without manufacturing any new ones—when we are asked to start this process by scrapping the standards of a successful time-tried State system of unemployment insurance, substituting Washington as the centralized core of the new system, and imposing Washington's judgments upon the judgments of the States, I cannot escape the conclusion that we move diametrically away from prudence and wisdom and experience and simplicity, and that we create more problems than we solve; that we invade the legitimate functions of the States, and that we jeopardize not only our own high purpose in here seeking post-war stabilities, but also the best chance of creating a self-sufficient post-war economy with the largest possible measure of earliest possible reemployment.

These are matters of opinion. I may be wrong, but I am not in doubt. I do not think the Kilgore amendment as presented by the able Senator from Montana is the way to encourage successful reconversion, and successful reconversion in terms of good, steady jobs is of infinitely more importance to American workers than is idleness on any sort of a dole. I shall make my reasons plain.

I do not think this is the way to maintain the essential American balance of power between home rule in the States and centralized dictations from Washington, and I think every worker in America, along with every other citizen, has a tremendous stake in keeping the control of his destiny as close to home as possible. But the distinguished Senator from West Virginia and I completely agree that it is wise and necessary that the Congress should return, as it has done, to settle these problems now, regardless of the outcome of our deliberations. Whatever the decisions, they should be made without further delay. The best and soundest decisions would be futile if they came too late, what with 250,000 prime contracts and 2,000,000 subcontracts, involving $150,000,000,000 of war commodities, representing at least 75 percent of the Nation's current commerce and employment, hanging in the balance. The time to act is here and now, and it is my hope that the Senate can recess again 10 days hence not only with the pending legislation behind it, but also the essential legislation to cover surplus property disposal.

Now, Madam President, I repeat, those of us who support the recommendations of the Senate Finance Committee are fully alive to the need for special precautions to protect unemployment compensation for the workers of America in the lag between war and peace. I wish to make it plain that we do not merely stand in sterile, stubborn opposition to the Kilgore scheme of things. No indeed. We have a positive, progressive

program which even the proponents of the Kilgore amendment have endorsed by accepting it.

First. We are proposing to create a Federal loan fund which shall be available to guarantee the solvency of all State unemployment reserves.

Second. We are proposing to extend unemployment insurance at Federal expense to Federal employees, with particular emphasis upon workers in Government navy yards, arsenals, and the like, some 3,500,000 of them, who are not now covered by any system at all, and who are clearly a Federal responsibility.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I prefer to finish my summary of our position, then I shall be very glad to yield.

Third. We are recommending that Federal law be changed to bring employers of one employee or more under the benefit system, instead of eight or more, as at present. Because this involves a tax, it must, under the Constitution, originate in the House of Representatives, but we specifically recommend it in our report, it is part of our plan.. The same is true regarding maritime workers. This contemplates an additional coverage of some 2,500,000 more workers.

Fourth. In addition, we are asking the States and urging the States to quickly survey the sufficiency of their own benefit standards. We are not asking that Congress stand still in dealing with this part of the vital human element in the reconversion problem. We are proposing that Congress move substantially ahead in this sound service to the workers, but we everlastingly insist that the greatest of all human elements is jobs, and that it will be no favor to the unemployed to do anything which will retard the economy that will produce jobs.

We are opposing what, in my view, amounts to the destruction of time-tried State systems of unemployment insurance in respect to their control of its basic element and its standards.

We are opposing the creation of new and unprecedented benefit scales which may involve a greater post-war financial burden than a successful reconversion economy can survive.

We are opposing needless Federal grants which, in our view, will one day be followed by new regimentation of labor from Washington, because Federal power was never known to fail to follow the Federal purse.

I have a telegram from Mr. Sidney Hillman, chairman of the C. I. O. Political Action Committee, from which I quote:

> The George bill provides absolutely no additional protection for the workers who may be rendered unemployed as against the present inadequate State laws.

I can only say to Mr. Hillman that if it is no additional protection to workers for us to guarantee the solvency of the unemployment reserve in every State in this Union, then Mr. Hillman has less respect for the necessity of solvency than I have. I can only add that if it is no additional protection to workers to propose a program which extends unemployment insurance to 6,000,000 more workers who have no such protection at all today, if that is no addition, then Mr. Hillman and I are even farther apart in our views than we usually are.

Mr. PEPPER. Mr. President——

The PRESIDING OFFICER (Mr. EASTLAND in the chair). Does the Senator from Michigan yield to the Senator from Florida?

Mr. VANDENBERG. I yield.

Mr. PEPPER. Incidentally, the able Senator from Michigan made reference to the opinion of Mr. Hillman. No doubt the able Senator is aware that only this morning Mr. William Green and Mr. Julius Luhrsen, representing the railway labor executives, and Mr. Philip Murray, president of the Congress of Industrial Organizations, all sat down together with the authors of the Murray-Kilgore bill and presented a united front of the ranks of labor in support of that bill.

Mr. VANDENBERG. There is no question in the world about the truth of the statement which the Senator makes in behalf of the leaders of these organizations. I have indicated nothing to the contrary.

Mr. PEPPER. I am sure of that.

Mr. VANDENBERG. And I am sure nothing was said this morning in the joint statement to which the Senator refers which invites any such condemnation as the statement made by Mr. Hillman in his telegram.

Mr. PEPPER. If the able Senator from Michigan will allow me to propound the inquiry for which he was good enough to yield to me, the guaranty of the solvency of the States' unemployment compensation fund does not necessarily assure the payments to the worker, does it?

Mr. VANDENBERG. Certainly not; but certainly the worker is in a stronger position in respect to his rights when he has a Federal guaranty behind his State reserves than he had before, and to say that the addition of that Federal underwriting is no additional protection to him, to me is a misconception, let me say, of the facts.

Mr. PEPPER. Does the Senator think that Mr. Hillman might have been disturbed by the fact that in the appendix on page 7 of the report submitted by the Senator from Georgia [Mr. GEORGE] from the Committee on Finance in behalf of the pending bill, there is set forth a table of the unemployment compensation laws and benefits in the several States, and that roughly——

Mr. VANDENBERG. If the Senator will permit me, I prefer to come to a discussion of the State laws in my own time.

Mr. PEPPER. I am merely going to ask a question. Is it not a fact that about 16 weeks is the maximum—I believe a few States may provide for 20 weeks—but 16 weeks is about the maximum coverage for the unemployed worker at a compensation which I believe exceeds $22 in no State, and only one State, I believe Connecticut, has $22; and no matter if the Federal Government did guarantee the solvency of the fund, yet if 16 weeks passed or 20 weeks passed, and the State legislature did not meet and change the law, no amount of Federal guaranty of solvency of the funds would prevent months or possibly more than a year elapsing without the unemployed worker getting a dime?

Mr. VANDENBERG. Has the Senator finished?

Mr. PEPPER. Yes. I ask, Is not that a fact?

Mr. VANDENBERG. I shall be very glad to discuss that with the Senator just as soon as we reach that portion of my discussion which deals with standards, and I shall verify the general figures which the Senator has given. His State of Florida, I concede, pays only $15 maximum in respect to unemployment benefits. I am very proud of the fact that my State of Michigan pays $20, which is with only one exception the highest State rate in the country. There is no question about the facts. I think that if the Senator's eloquence and earnestness and indefatigability and incorrigibility in respect to every movement to which he attaches his great eloquence and fervor were turned loose in Florida with the demand that Florida do her duty by her own unemployed, we probably would not have this problem here at all. [Laughter.]

Mr. PEPPER. Mr. President, I wish I could have had that eloquent tribute paid me by my able friend before my primary election.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. DOWNEY. I may say to the distinguished Senator from Michigan that I did not follow his statement with respect to the figure 6,000,000 which he mentioned. Undoubtedly there is some explanation for it. I understood the George bill extended the coverage to the Federal workers, about 3½ million in number. But the Senator from Michigan referred to the extension to cover 6,000,000. Will the Senator help me out in that respect, please?

Mr. VANDENBERG. Yes. I indicated in my summary that the report of the Senate Finance Committee includes in the plan which it favors the extension of unemployment insurance to employers of one or more instead of eight or more, as is the present law, but under the Constitution that legislation, being tax legislation, must originate in the House, and the most we can do is to attach our fiat to it and give it our blessing.

Mr. DOWNEY. I thank the Senator for that statement.

Mr. VANDENBERG. Mr. President, in my opinion, we have built up a magnificent system of unemployment insurance in this country. It has been erected on the basis of State standards, State administration, and home-rule State controls. Each State is in control of its own system under basic coordination of Federal law. Every State legislature, intimately in touch with its own people and its own problems, decides for itself what its unemployment benefits shall be. The employers of each State have been taxed to provide these benefits and the reserves behind them. So sound has this process been that the State reserves now exceed $5,000,000,000, and I venture to predict will reach $7,000,000,000 by the

end of this year. The States, without exception, are exceedingly proud of this achievement, and they have a right to be. The States, without any exception of which I have heard, demand that they be left in control of their unemployment insurance operations. One witness after another, speaking for the States, made this position undeniably plain in recent testimony before the Senate Finance Committee. Official spokesmen for the States—north, south, east, and west—wrote this unequivocal demand into our Senate records. In one voice they said, "Keep your hands off our State unemployment insurance systems."

I desire to put into the RECORD at this point a telegram from Michigan, at least to complete my own credentials upon this floor. It is signed by Dr. Robert M. Ashley, chairman, and William A. Irving, commissioner, of the Michigan Unemployment Compensation Commission. It reads:

> We oppose any Senate action conferring upon the Federal Government power to establish post-war unemployment compensation rates or that affected the States in matters of unemployment compensation, and earnestly urge that you use your best efforts to protect the interests of the States and the return of the United States Employment Service to State control at the earliest possible date.

Mr. PEPPER. Mr. President, I dislike to interrupt the Senator from Michigan, but I wish to ask him a question.

Mr. VANDENBERG. The Senator is quite welcome.

Mr. PEPPER. The Senator quoted the representatives of several of the States as saying in substance, "Keep your hands off our State unemployment compensation systems."

There will be no question between the two opposing views here concerning the State management of this matter. The Senator from Montana [Mr. MURRAY] has been waiting all day for the opportunity to present some amendments which will clarify that situation. But I ask, is it not a little presumptuous to speak of this unemployment compensation system as an inherent and inalienable State's right, when the tax is levied and collected by the Federal Government, given back to the States by Federal provision, and when the expenses of administration of the State agencies is in substance paid by the Federal Government?

Mr. VANDENBERG. No; I disagree with the Senator.

Mr. PEPPER. If those are the facts, is it not rather presumptuous to say that that this is an inalienable State prerogative? Is it not rather true to say that the Federal Government, under the social security law, has delegated administratively this function to the several States, and vested it as a State function? But for the States to say that it is an inalienable State prerogative under those circumstances seems to me to be a little farfetched. I wondered about the opinion of the able Senator.

Mr. VANDENBERG. Mr. President, I have said nothing about inalienable State rights in connection with this proposition. I am discussing the reality which we confront; and the reality is that every State has unquestioned sovereignty over the essential factors in the administration of unemployment compensation in this country, namely, the standards which shall be involved. It is on that basis that the system has been established. It is on that basis that it has made a magnificent record of constant progressive advancement in the field of social service.

Mr. PEPPER. Mr. President, will the Senator yield for one further question?

Mr. VANDENBERG. I yield.

Mr. PEPPER. Is it not a fact, however, that the allowance to the States of the right to have their several standards is a Federal dispensation, and that the Federal Government could alter it at any time it might wish to do so?

Mr. VANDENBERG. There is no doubt that the Federal Government could alter it whenever it pleased. I fully understand that the able Senator from Florida wishes to alter it now.

Mr. PEPPER. No. I stated that the Senator from Montana had been waiting all day to offer some corrective amendments which would make it clear that the administration of these laws was to be left in the several States. The proponents of the bill have never had the slightest idea of the Federal Government usurping those functions of administration.

Mr. VANDENBERG. I am sorry the able Senator from Montana has been delayed in presenting his corrections, because, God knows, corrections are due; but in connection with the proposed Federal interference with State unemployment compensation, so far as I am concerned, as I hope I shall proceed to demonstrate, I think that the things proposed to be done in the name of a temporary emergency in connection with the pending alternative would completely destroy the genius of State unemployment compensation systems, and that we should never get them back again. That is my opinion. The Senator probably disagrees. I think I can prove at least why I think so.

Mr. President, in my humble opinion, no matter how adroitly the attack may be disguised, the pending alternative proposal is the beginning of the end for the State systems. It marks the day, the hour, and the place where the State systems are ambushed to their doom. It superimposes uniform Federal standards on top of the State standards. It pays the difference from the Federal Treasury. Thus it puts a premium on low State standards. Thus it puts a penalty upon high State standards. No State will hereafter increase its own standards so long as the proposed system may be in operation. The whole incentive is to reduce State standards in order to avoid discrimination. Indeed, under the proposed arrangement a State could absolve itself of all responsibility to its unemployed and wipe out its State contribution entirely and charge the whole bill to poor old busted Uncle Sam.

It is said that this is only for the emergency—2 years, 3 years, or perhaps 4. But even if it were limited to a shorter time, I do not think this vice could be cured. We would be naive, indeed, if we were to think that there will ever be a recession from these new methods and new standards when once they have been initiated. Human nature simply does not work that way.

No; this is the beginning of permanent federalized unemployment insurance. Make no mistake about that. This is the end of State systems under home rule. This is the end of a superb adventure in social progress under existing State auspices. This is the latest step in the program to concentrate social and economic controls in Washington, and centralize Federal power at the expense of State autonomy. It is utterly ironic that it should be proposed and pressed at the very moment when the major trend in our public thinking, regardless of political parties, insistently demands that, so far as possible, Washington shall cease its Federal dominion over our lives and livelihoods and restore local self-government to its rightful and indispensable place in the American way of life.

Mr. President, the pending committee proposal also proposes to inject a totally new element into unemployment insurance, a new element which is wholly foreign to any conception of unemployment insurance heretofore practiced. It proposes to relate the amount of unemployment benefits to the size of a man's family. That is a legitimate consideration in dealing with welfare relief. It is an unavoidable consideration in dealing with welfare relief. Unquestionably, it is a correct test of human need. Where such need exists it must be met by appropriate means. We have other well-established relief methods for meeting it. But it is not part of an unemployment insurance benefit. A sound unemployment insurance system cannot possibly remain sound very long if it is to be loaded down with collateral obligations, no matter how worthy they are within themselves.

Are unemployment taxes levied on the basis of a worker's dependents? No. Are pay rolls staggered to fit the size of a worker's family? No. A single man receives the same rate of pay as does a family man with a dozen children. In inescapable logic and unavoidable economics, and in the standard practice ever since unemployment insurance was born, the unemployment benefit must be measured by the job which a worker held and the pay he received for it, and not by his family needs. There could never be sound unemployment insurance on any other basis. The pending proposal utterly demolishes this fundamental. It creates an illimitable yardstick in its ultimate possibility. Necessarily it entirely abandons the sound theory that unemployment benefits shall be paid by unemployment taxes. Necessarily it looks in the direction of doles at general Federal expenses. I may be all wrong about it, but I do not believe that in the long run it is to the permanent advantage of any American worker thus to make impossible a solvent, self-sustaining system of unemployment insurance which can permanently meet his unemployment needs. It may be good

socialism. I do not believe it is sound American economics; and I certainly do not believe that unsound economics can make any contribution, except a fatal one, to the post-war prosperity which we here seek to organize, and upon which, in the final analysis, jobs for workers are dependent.

Mr. President, the pending Kilgore-Murray proposal carries the weekly unemployment compensation payment to $35 a week, which is a new and all-time high for grants of this character. It is 75 percent more than we voted the returning veteran in the famous G. I. bill when we were recently dealing objectively with the subject of unemployment compensation for him. The $20 veteran's maximum was our united opinion when we were dealing with the same subject only 2 short months ago; and certainly we were then as generous with G. I. Joe as any rational contemplation of our post-war economy would permit. Of course, the pending alternative proposal has to rerate G. I. Joe to the new standard, because it would be sordidly unthinkable that the relatively cozy home front, with high wages and safe sanctuary, should have greater benefits than the bitter, bloody, battle front.

Certainly I agree that G. I. Joe shall never be rated lower in his eligibility for Federal benefits than is the war production personnel at home. But I point out that, among the many repercussions of this alternative proposal, only a few of which we yet fully sense, is the necessity thus to rewrite the G. I. bill of rights within 8 weeks of its passage, as a matter of simple decency.

Fortunately, some of the more violently improvident provisions of this alternative proposal—provisions which were too indefensible to warrant even temporary apology—have been deleted. I refer to such provisions as those which, at one point, would have paid a man four times as much for not working as he received when he was working, and which, up to $1,100 a year, would have made it more profitable to loaf than to labor. Believe it or not, these startling anomalies were significantly present as late as last week in the pending alternative. I do not think any such idea as that ever came from any senatorial source. But with the greatest respect for the senatorial proponents of the alternative measure, as it is now prepared, I am bound to add that I fear just as great, just as glaring, just as improvident, just as dangerous infirmities remain, even though they are less shockingly apparent to the naked eye. For example, even under this hastily corrected version, any worker with a wife and two children—which is an average American worker's family and status—and whose war job at its peak gave him 48 hours of work a week—which all of them have had—and whose base pay is 85 cents an hour or less—and that describes millions of our workers—can receive, within 1 hour's pay, as much for sitting on his front porch for the next 2 or 3 years as he can receive for working 40 hours a week at a workbench. Of course, theoretically he has to take a suitable job if one is offered; but this whole argument presupposes that there will not be enough suitable jobs to go around. One does not have to accuse our workers of being malingerers—to quote yesterday's argument by the distinguished senior Senator from West Virginia [Mr. KILGORE]—in order to anticipate that when pay without work is substantially as profitable as work with pay, there will be at least no overweening incentive to go to work. We are not a Nation of malingerers, but we are notorious bargain hunters.

There are further discrepancies and discriminations in some brackets, due to the fact that all these unemployed benefits, mark you, are tax free, while work wages are not. Unemployment benefits are net, take-home pay. Work wages do not become take-home pay until a variety of payments, including the payments of applicable taxes, have been deducted. How long, Mr. President, can an economy survive in which idleness, in any substantial sector of our population, or in any substantial degree, pays substantially as well as industry? How long will the worker who toils all week at his bench be content to watch his neighbor receive practically equal pay for going fishing? How can we as Senators say that we are planning to restore post-war America to firm and solid foundations if we here and now hamstring our national economy with any such unnatural conception?

But let me get back to the matter of the proposed $35 weekly maximum. That is about 100 percent more than the legislatures have declared, by State law, to be their judgment in Alabama, Arizona, Arkansas, Colorado, Florida, Georgia, Iowa, Kansas, Kentucky, Mississippi, Montana, Nebraska, Nevada, New Mexico—Mr. President, it sounds like the Democratic National Convention [laughter]—North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, and Washington. In all these instances the proposed new maximum is about 100 percent larger, and in some instances it is 130 percent larger. What is the matter with those States? Shall they be indicted here for penury?

This new proposed maximum falls only slightly short of being 100 percent greater than is now declared by law in Delaware, Idaho, Indiana, Louisiana, Maine, Massachusetts, Missouri, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and West Virginia. Shall those States be pilloried at the bar of the Senate for incompetence and inhumanity?

This proposed new Federal maximum is about 75 percent greater than the figure, established in their own right, by California, the District of Columbia—for which we legislate—Illinois, Maryland, Michigan, Minnesota, Utah, Wisconsin, and Wyoming. It is exactly 59 percent greater than the figure established in Connecticut, which has established the highest rate in the Union, and which we have heretofore looked upon as giving the rest of us a notable example toward which to strive.

Mr. President, the impact of these figures cannot be ignored. Here is the combined judgment of the 48 States, each speaking in his own sovereign right on this particular question. In these mighty home-rule laboratories where the entire body of our progressive unemployment laws has been developed, and where constant advancement in liberality are being recorded, the average verdict of 48 State legislatures and 48 Governors is that the pending proposal is nearly 100 percent beyond the line of prudence and justification. I submit that State legislatures have an even more representative right to speak for their people than have we, on a subject of this nature, which heretofore has rested solely in their jurisdiction. Almost every one of the State legislatures will be in session next January. If their standards are too low—and in some instances I personally think they are too low—they can be corrected at the source, as they ought to be. The Senate Finance Committee has recommended to all of them that they review their standards at once, with just such correction in view. But they will never review them, Mr. President, except to lower them, if we pass the pending proposal which puts a cash premium upon their default. I do not believe any such situation as that can possibly be of long-range advantage to our workers.

Mr. President, it is a pleasant thing to be in the position of outdoing the States, here in the Senate, 100 percent in generosity. I should enjoy that prodigal role quite as much as any other Senator upon this floor. I wish every American worker to have every pay dollar the traffic will bear. But, upon my responsibility as a Senator, I am not entitled to indulge myself in any such privilege as is here proposed if it threatens the general welfare, including the total welfare of the workers themselves; and that is precisely my view of the pending matter.

Mr. President, the average American worker does not want to draw unemployment insurance if he can avoid it. I refer to the average worker who represents the bone and sinew of our vast and magnificent industrial personnel. His primary interest is not in what remuneration he can get when unemployed, relatively important though that factor may be; but his primary interest is in having a steady, well-paid job, so that he will never require any unemployment benefits. It is employment, not unemployment, which grips the aspirations of his heart. It is employment, not unemployment, which has to be the dominating legislative objective as we prepare for the post-war era. Let us prayerfully beware of doing anything in the name of unemployment, no matter how nobly meditated, which threatens the employment goal. In my opinion, that is what we are invited to do here today.

Mr. President, everyone knows that the United States will confront a desperately difficult and dangerous problem when war orders cease and we return to peace commerce. In charting our post-war course no single factor can be safely settled by itself. We must always deal with

the composite whole. American business, American private enterprise, and American free enterprise, must have a chance to succeed or we are sunk—all of us, both managers and men—and the world's hope of all the ages dies.

What is the workers' greatest need? Unemployment benefits? No. The workers' greatest need is that there shall be employers who can create jobs for them. There can never be an employee until there is an employer, except in a soviet. How tragically often we forget that simple but inescapable axiom. The existence of employers depends upon a healthy, economic atmosphere. A healthy, economic atmosphere, in turn, depends, among other things, upon the Government, and, at the moment, that means us here in the Senate of the United States as we deal with this particular factor which will have such a tremendous influence upon the character of our economic atmosphere in the days to come.

Mr. President, I care not how many pollyanna economists testify to the contrary, we cannot spend ourselves into prosperity. It has been tried for a thousand years, including the last twelve in the United States, and it has always failed. One may as well try to drink himself sober. We are rather scornfully told that we must not settle these questions on the basis of dollars. Yet the whole argument is one of dollars, because, whether we like it or not, the measure of human values in a problem of this nature is in dollars. We are told that the proposed Federal grants will sustain the buying power which our post-war economy needs. That was a mistake we made in the lush twenties when we sent our money abroad in order that foreigners could be our customers.

I am deeply convinced—and I stand or fall on the proposition—that we cannot tax ourselves into post-war prosperity. A healthy economic atmosphere in America—the kind we need in order to keep our national income at top levels, and thus to keep employment at top levels—requires a fiscal policy on the part of the Government which will put a maximum of the national income into productive enterprise, into the creation of jobs, and a minimum into Government taxes.

Our post-war budgets must be substantially balanced or there will be no chance of stabilizing American business and American jobs for American workers, or to save this country from explosive and devastating inflation, if not worse. This may be laughed aside as old-fashioned nonsense. But it is old-fashioned truth, and truth is eternal.

It has been rightly said that human values always must come first. Indeed they must, but it is the irresistible law that human values include the chance to make a living. That is what I am talking about. The chance to make a living includes, for most of us, the chance for successful business to provide us with a stable, well-paid job.

Mr. President, we already confront a post-war budget which must carry some $6,000,000,000 in order to service our national debt. That is an obligation which only a Communist would ignore. It will probably have to carry at least $8,000,000,000 more in order to pay for the G. I. bill of rights and our utterly sacred obligations to our soldier sons. It will probably have to carry at least $5,000,000,000 in order to administer the ordinary and legitimate functions of the Federal Government even after we have shed extravagance and waste. How much more can we stand—and preserve the healthy atmosphere which is prerequisite to our standing anything? Remember, I am speaking in terms of jobs.

No, Mr. President; we cannot indefinitely pile up those obligations without putting the kiss of death upon our economic future. Those who do not care about our economic future under the capitalistic system will not mind. Those who do must take a different view. Nobody knows what the pending proposal will actually cost. There has been wide discussion upon the subject. There has been much speculation upon the subject on the floor of the Senate. This afternoon the junior Senator from West Virginia presented alarmingly large figures. In order to be wholly conservative about it I prefer to rest upon the exhibit presented by the Social Security Board, which, in the final analysis, ought to be the most reliable authority at our disposal in the Government. The Social Security Board says that the pending alternative proposal will cost $10,400,000,000 in the next 3 years. It bases its estimate upon a series of assumptions, each one of which permits the most favorable possible estimate. I disagree with many of the assumptions upon which the estimate of the Social Security Board is based, but even with all the favorable assumptions, still the figure presented to us from the Social Security Board is $10,400,000,000.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. VANDENBERG. I will yield in a moment.

The figure does not include any estimate whatever for the tremendous vocational-training program involved in this bill. It does not include any estimate for the tremendous increase in dismissal pay for soldiers, and it does not contain one penny's estimate of the enormous expense of the tremendous Nation-wide bureaucracy which would have to be set up in order to administer such a dual system. So I think it would be fair to say that, even on the basis of the social-security figures, we are involved in a contemplation which conservatively runs toward $15,000,000,000, in addition to all the unemployment benefit payments to be made by the States.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the junior Senator from West Virginia.

Mr. REVERCOMB. The Senator from Michigan, in referring to the figures which I presented this afternoon, will, of course, understand that they were based upon a statement contained in the majority report of the subcommittee that we were confronted with the likelihood of 20,000,000 employed persons changing jobs, and that the figures were merely estimates based upon those used in the proposed plan. No one could be exact about the figures. No one knows how many unemployed there will be. But we believe that we have a right to use the figures in the majority report of the subcommittee as a basis of calculation.

Mr. VANDENBERG. I believe the Senator was justified in the basis which he used for his calculations.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. TAFT. As I understand, the $10,400,000,000 would be in addition not only to State benefits, but also the benefits which are proposed in the George bill for Federal workers.

Mr. VANDENBERG. I believe that to be true.

I may be wrong, Mr. President, but, in my humble opinion, this way of legislating is the exact opposite of planning soundly for post-war stability and jobs. It invites unemployment; it puts a high premium on unemployment; and it is the worst possible service that could be rendered to any worker in this land.

I have been told outside the Senate that it is politically inadvisable to oppose such a mass distribution of money from the Federal Treasury at a time such as this. Well, Mr. President, on such a theory the $35 maximum might be increased to $50 and it would be that much more attractive, or it could be multiplied to $100, and then it would be a political or a ballot blitz. But I am comforted by the thought that the course for which I plead will not be politically inadvisable when the economic chickens come home to roost. In any event, I can only vote my honest convictions. My convictions are that the pending proposal, referring to the alternative which is offered to the Senate Finance Committee recommendation, in respect to unemployment compensation will do these things:

First. It will destroy for keeps the great progressive movement in the further development of State unemployment compensation funds where labor has its greatest stake;

Second. It will create a new Federal control and centralization, which will become another and a permanent labor tyranny;

Third. It will put a dangerous premium upon unemployment.

Fourth. It will threaten the sound economy which is prerequisite to post-war prosperity and post-war jobs in the United States;

Fifth. For these reasons it offers nothing but hazards to the long-range welfare of the workers of America and to the swift establishment of business in America upon the accelerated basis which is indispensable to our post-war lives. I do not believe the best interests of American workers can thus be served.

Mr. MURRAY. Mr. President, I regret that I was unable to obtain the floor earlier in the day to present some clarifying modifications to the amendment which I proposed yesterday to Senate bill 2051 as introduced by the Senator from Georgia. I now send to the desk the modifications which I wish to make. They will be found set forth in the com-

mittee print No. 2 of August 9, 1944, and I ask that they be read.

The PRESIDING OFFICER (Mr. WALSH of New Jersey in the chair). The clerk will read as requested.

The legislative clerk proceeded to state the modifications beginning on page 16 of Committee Print No. 2, August 9, 1944, of the so-called Murray-Kilgore amendments to Senate bill 2051 as follows:

On page 16, line 22, after the word "appointed", insert "for a term of 2 years"; on page 17, line 15, before the word "agencies", to strike out "Federal" and insert "Government"; in line 17, before the word "agencies", to strike out "Federal" and insert "Government."

Mr. TAFT. Mr. President, I should like to ask the Senator from Montana what is the significance of striking out the word "Federal" and inserting the word "Government." Is it intended to extend the power of the Work Administrator over the State governments as well as the Federal Government?

Mr. MURRAY. There is no significance to the change. It is a proposal that was made by the legislative expert. It seems to me that there is no difference between the two, except the word "Government" is a more appropriate one.

Mr. TAFT. In the opinion of the Senator, the word "Government" means the Federal Government. Is that correct?

Mr. MURRAY. Yes; that is correct.

The legislative clerk resumed reading the modifications as follows:

On page 17, line 22, after the word "Commission", to strike out "(for the War Manpower Commission and the Federal Security Agency)" and insert "Federal Security Agency"; on page 19, line 4, after "Sec. 305", to strike out:

The Work Administrator may perform the functions and exercise the powers, authority, and discretion conferred on him by this act through such officials and such agencies and in such manner as the Work Administrator, subject to the provisions of this act, may determine. In carrying out the purposes of this act, the Administration may utilize the services of any other Government agency.

And insert:

To the fullest extent practicable, the Work Administrator shall perform the duties imposed upon him through the facilities and personnel of other Government agencies. The Work Administrator may require such reports and information from other Government agencies as he deems necessary to enable him to carry out his functions under this title, and each Government agency shall furnish any information and reports so required.

On the same page 19, line 21, after the word "the", to strike out "Work Administrator is hereby authorized" and insert "United States Employment Service and such other Government agencies as may be designated by the Work Administrator, are hereby authorized, upon application therefor"; on page 20, line 4, after the word "such", to strike out "transportation"; in line 6, after the word "employees", to strike out "in the Standard Government Traveling Regulations, as approved by the President", and insert "except that a fare for dependents may be paid"; in line 12, after the word "hostilities", to strike out "as proclaimed by the President or by concurrent resolution of the Congress"; in line 14, after "sec. 307 (a)", to strike out:

Whenever he deems it necessary, in order to give effect to the objectives of this title, the Work Administrator is authorized to provide to any person vocational free education or training, of not more than 6 months of full-time study or its equivalent in part-time study in addition to any free education or training now provided by law.

And insert:

The Work Administrator, through the United States Commissioner of Education, is authorized and directed to assist the States, through such agencies as may be designated therefor by each State, in determining the need for, and in developing programs of, vocational guidance and training for gainful employment of workers in nonmilitary production, and in preparing plans for the acquisition and utilization of surplus Government-owned property for such vocational guidance and training. He may, by agreement with the Commissioner of Education and the several State agencies under the Federal State Vocational System, provide for the payment, either in advance or by reimbursement, for the administrative expenses as well as the expenses of training authorized under this act; and, through such agency or agencies as he may designate, provide in like manner for the payment of maintenance allowances.

On page 21, after line 10, to strike out:

(b) Every person, while he is receiving vocational education or training on a full-time basis, shall be entitled to receive a maintenance allowance at the rate of $50 a month if he has no dependent, $75 if he has one dependent, and $100 if he has two or more dependents.

And insert:

In order to fit any unemployed person who is a qualified employee in accordance with the provisions of section 310, the United States Commissioner of Education and such other Government agencies as may be designated by the Work Administrator are authorized to provide, in accordance with such regulations as shall be prescribed by the Work Administrator, to any person selected in accordance with such regulations, free vocational education or training of not more than 6 months of full-time study or training, or the equivalent in part-time study or training which does not duplicate any free education or training otherwise available.

On page 22, after line 2, to insert:

(c) Every person, while he is receiving vocational education or training on a full-time basis, shall be entitled to receive a maintenance allowance equal to the amount he would receive if he were entitled to interim placement benefits, but in no event less than $12 a week if he has no dependent, $18 if he has one dependent, and $24 if he has two or more dependents.

On the same page, line 14, after the word "job", to strike out:

Persons undergoing such training shall not be eligible for interim placement benefits during the period of such training.

(c) The Work Administrator shall from time to time make available information respecting the need for general education and for trained personnel in the various trades, crafts, and professions. He shall make educational and vocational guidance generally available.

On page 23, line 14, after the word "registration", to strike out "with" and insert "in accordance with regulations to be prescribed by the Work Administrator, at"; in line 16, after the word "by", to strike out "the Work Administrator" and insert "him"; on page 25, line 17, after the word "title", to strike out "or a mustering out payment"; on page 29, after line 6, to insert:

(h) No otherwise qualified employee shall be denied interim placement benefits because of a refusal to make application for or accept transportation, training, or education authorized by sections 306 and 307 of this act.

Mr. MURRAY. Mr. President, inasmuch as these clarifying modifications are quite lengthy, I ask unanimous consent that their further reading may be dispensed with, and that they may be printed in the RECORD.

The PRESIDING OFFICER. Under rule XXI, paragraph 2, the Senator from Montana, at this stage of the proceedings, has the right to modify his amendment. At his request the remainder of the modification will be printed in the RECORD without reading.

The remaining modifications are as follows:

On page 29, line 11, before the word "Any", to strike out "(h)" and insert "(i)"; on page 30, at the beginning of line 3, to strike out "(i)" and insert "(j)"; on page 31, line 6, after the word "appropriate", to insert "and"; in line 7, after the word "to", to strike out "partial"; in line 8, after the words "set forth", to strike out "from funds withdrawn from the State account in the Unemployment Trust Fund"; in line 12, after the word "Administrator", to strike out the semicolon and "and (iv) to find fair and reasonable, and not resulting in substantial loss to the unemployment compensation account of such State, the reimbursement arrangement hereinafter provided for"; on page 32, after line 7, to strike out:

(c) Claims for benefits and appeals from determinations with respect thereto shall be made in accordance with such regulations as the Work Administrator shall prescribe. The Work Administrator is authorized and directed to make findings of fact with respect to any claim for benefits and to make decisions as to the right of any claimant to benefits. The Work Administrator is further authorized to hold such hearings, to conduct such investigations and other proceedings, and to establish by regulations and otherwise such procedures as he may deem necessary or proper for the determination of a right to benefits.

Each person whose claim for benefits has been denied, in whole or in part upon an initial determination whether by the Retraining and Reemployment Administration, by a State, by the Railroad Retirement Board, or by another Federal agency participating in the administration of "interim placement benefits" by arrangement with the Work Administrator, shall be granted an opportunity for a fair hearing thereon before such appellate tribunal as the Work Administrator may by regulation establish. In the case of any hearing, the appellate tribunal established by the Work Administrator shall notify all parties properly interested of their rights to participate in the proceedings and, if a hearing is to be held, the time and place of

the hearing. At the request of any party properly interested, the tribunal shall provide for a hearing and may provide for hearing on its own motion.

The Work Administrator may, on his own motion, review a decision of an appeals tribunal on the basis of the evidence previously submitted in such case and may direct the taking of additional evidence, or he may agree to hear the appeal of such parties as he may find properly interested in the proceedings. Unless a review or an appeal is had pursuant to this subsection, the decision of the appellate tribunal shall, subject to such regulations as the Work Administrator may prescribe, be deemed to be his final decision.

If the decision of an appellate tribunal or of the Work Administrator reverses an initial decision denying a claim for "interim placement benefits," such claim shall thereupon be certified by the Work Administrator to the Secretary of the Treasury for payment. If the initial decision was made by a State agency or the Railroad Retirement Board the amount of such payments shall be taken into account in determining the amounts of reimbursement to be paid to any State agency or to the Railroad Unemployment Insurance Account pursuant to subsection (d) of this section.

And insert:

(c) Any claimant whose claim for benefits has been denied shall be entitled to a fair hearing before an impartial tribunal of the State agency or such other agency administering benefits under this title.

Whenever the Work Administrator believes that in the administration of "interim placement benefits" there is a denial, in a substantial number of cases, of such benefits to individuals entitled thereto, or a failure to comply substantially with any provision of this act, he shall request the Social Security Board to make findings with respect thereto and, after reasonable notice and opportunity for hearing to the State agency, to report such findings to him. If the Board finds that there is any such denial or failure to comply, the Work Administrator shall notify such State agency that further payments under title III of the Social Security Act and under this act, will not be made to the State until he is satisfied that there is no longer any such denial or failure to comply. Until he is so satisfied, he shall make no further certification to the Secretary of the Treasury with respect to such State.

On page 34, line 24, after the word "the" where it occurs the first time, to strike out "Work Administrator of the decision of any appellate tribunal" and insert "agency administering benefits"; on page 35, line 6, after the word "remedies", to strike out "made available by the Work Administrator"; in line 8, after the word "of" where it occurs the second time, to strike out "the Work Administrator" and insert "such agency"; in line 12, before the word "may", to strike out "Work Administrator" and insert "agency"; in line 16, after the word "the", to strike out "Work Administrator" and insert "agency"; in the same line, after the word "by", to strike out "him" and insert "it"; in line 18, after the word "the", to strike out "Work Administrator" and insert "agency"; in line 19, after the word "to", to strike out "him" and insert "it"; in line 22, after the word "the", to strike out "Work Administrator" and insert "agency"; on page 36, line 4, after the word "the", to strike out "Work Administrator" and insert "agency"; in line 6, after the word "the", to strike out "Work Administrator" and insert "agency"; in line 10, after the word "the", to strike out "Work Administrator" and insert "agency"; in line 11, after the word "the", to strike out "Work Administrator" and insert "agency"; in line 12, after the word "modify", to strike out "his" and insert "its"; in line 14, after the word "the", to strike out "Work Administrator" and insert "agency"; in line 18, after the word "the", to strike out "Work Administrator" and insert "agency"; line 25, after "(d)", to strike out:

Each participating State agency shall arrange for the payment, from funds withdrawn for such purpose from the unemployment trust fund, of claims for "interim placement benefits" granted in whole or in part in accordance with the regulations prescribed by the Work Administrator.

On page 37, line 9, after the word "law", to insert "in existence on the date of enactment of this act"; in line 10, after the amendment just above stated, to strike out:

The Work Administrator shall from time to time satisfy himself as to the correctness of such determinations. The Work Administrator shall, on each February 1, May 1, August 1, and November 1, certify to the Secretary of the Treasury, for payment into the appropriate State account in the unemployment trust funds, the amount by which the payments of "interim placement benefits" made on certifications of the State agency in the preceding calendar quarter exceeded the payments which would have been made under the unemployment compensation law of the State, if the claims for "interim placement benefits" had been claims for benefits under such State law.

And insert:

The Work Administrator shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to it under this act. The Secretary of the Treasury, through the Fiscal Service of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment or transfer in accordance with such certification.

In determining the amounts to which a State is entitled under this act, the Work Administrator shall consider reports and estimates submitted by the unemployment compensation agency of the State, and prior to making such determinations shall afford such agency opportunity for consultation. Such amounts may be determined by such statistical, sampling, or other method as may be agreed upon by the Work Administrator and the State agency.

On page 38, line 21, after the word "shall" to strike out "on each February 1, May 1, August 1, and November 1," and insert "from time to time"; on page 40, after line 8, to strike out:

Subsection (c) of section 303 of the Social Security Act as amended is hereby amended by adding a paragraph to read as follows:

"(3) Until the expiration of title IV of the War Mobilization Adjustment Act of 1944 that such State has failed to permit the Administrator of the Retraining and Reemployment Administration to determine, in accordance with subsection (d) of section 410 of the War Mobilization Adjustment Act of 1944, the amount by which 'interim placement benefits' exceed benefits which would have been payable under such State law if claims for 'interim placement benefits' had been claims for benefits under such State law."

And insert:

(f) Section 303 (c) of the Social Security Act, as amended, is amended by changing the period at the end thereof to a semicolon and adding the following:

"or

"(3) That payments of interim placement benefits are not being made by such State agency pursuant to and in accordance with an agreement under section 310 of the War Mobilization and Adjustment Act of 1944."

And on page 52, after line 22, to insert:

(n) The term "termination of hostilities" means termination of the war as declared by Presidential proclamation or concurrent resolution of the Congress.

Mr. MURRAY. Mr. President, the principal purpose of these clarifying modifications is to make it absolutely clear that neither I nor any of the other proponents of this amendment to Senate bill 2051 has in mind either to make this measure a post-war National Service Act for the unemployed, or to invade any States' rights. In order to make this abundantly clear I have worked out these modifications, many of which are purely technical to facilitate the administration of the act. However, since these points have been raised, I want to refer particularly to two of these modifications.

The first one may be found on page 29 of the Committee Print No. 2, dated August 9, which Senators will find on their desks.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. TAFT. Looking at the amendment No. 2, which I understand is the pending committee amendment, I find that it still says that the Work Administrator "shall prescribe regulations and issue directives to Government agencies to effectuate the objectives of this title," and the first objective is "to facilitate the most effective mobilization and maximum utilization of the Nation's manpower in the prosecution of the war." It seems to me those words very clearly authorize a national service act, very clearly authorize the Work Administrator to prescribe regulations having the effect of law, to facilitate the mobilization and utilization of the Nation's manpower. I do not see anything in the amendment offered by the Senator in any way limiting the broad powers given the Work Administrator in the original bill.

Mr. MURRAY. That is true, but that is intended to refer also to section 305, which contains this modification:

To the fullest extent practicable the Work Administrator shall perform the duties imposed upon him through the facilities and personnel of other Government agencies. The Work Administrator may require such reports and information from other Government agencies as he deems necessary to enable h n to carry out his functions under this title, and each Government agency shall furnish any information and reports so required.

Mr. TAFT. Of course, when the Senator inserts the words "to the fullest extent practicable," he makes the whole sentence entirely meaningless, because the Administrator can find that it is not practicable, and proceed himself. However, that is not my point. It seems to me that under the provisions of sections 301 and 302 the Work Administrator can prescribe regulations for the Selective

Service, for instance, to draft men of any age for any work he sees fit to require. I see no limit in the amendment suggested by the Senator which would change that.

Mr. PEPPER. Mr. President, I wonder if the able Senator from Ohio had noticed one of the amendments added by the Senator from Montana to the effect that "No otherwise qualified employee shall be denied interim placement benefits because of a refusal to make application for or accept transportation, training, or education authorized by sections 306 and 307 of this act." That was intended to take it, without any question, beyond the power of the Administrator to make anyone take any job anywhere because of a move from one place to another, or to deny benefits.

Mr. TAFT. Sections 301 and 302 have nothing to do with unemployment compensation at all. They confer powers far greater than those having anything to do with unemployment compensation. They stand on their own feet, without regard to the unemployment-compensation sections of the bill.

Mr. PEPPER. But the able Senator is overlooking the fact that the Murray-Kilgore bill makes it very clear that no grant of authority to any Federal agency is made other than that which exists now, and certainly in peacetime these war powers would have expired, so that there would be no authority by which the Administrator could possibly do the thing the Senator indicates.

Mr. MURRAY. Of course, these clarifying modifications are modifications which we have a right to make, and which may be discussed later; but I should like to proceed at this time and conclude my statement.

The first of these clarifying modifications is found on page 29 of the Committee Print No. 2, dated August 9, 1944, which Senators will find on their desks, to insert a new subsection (h) in section 309, which provides that no otherwise qualified employee shall be denied interim placement benefits because of a refusal to make application for or to accept transportation, training, or education authorized under the act. This modification will dispel any doubt that the proposed amendment was designed to be a National Service Act for the unemployed.

The second modification to which I wish to call the attention of Senators will be found in subsection (C) on page 34 of Committee Print No. 2 of August 9, 1944. This modification eliminates the authority of the Work Administrator to make any findings with respect to claims for benefits. It provides that the State agencies shall set up impartial tribunals to hear any claimants whose claims for benefits have been denied.

If the Work Administrator believes that there is denial in a substantial number of cases of such benefits to individuals entitled thereto, or that there is a failure on the part of the State agencies to comply substantially with any of the provisions of the proposed act, the Work Administrator is directed to request the Social Security Board to make findings with respect thereto, and if the Board finds that there has been such denial or failure to comply, the Work Administrator will notify the State agency that further administrative payments under title III of the Social Security Act will be withheld until the Work Administrator is satisfied that there is no longer any failure to comply with the act.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. AUSTIN. What State agency does the Senator have in mind when he uses the language "any claimants whose claims for benefits have been denied a fair hearing before an impartial tribunal of the State agency"? What State agency is it?

Mr. MURRAY. The unemployment compensation agency. This provision is lifted out of the present Social Security Act, and thus nothing new is added by the proposed amendment to Senate bill 2051.

Mr. President, I should like to address myself briefly to the issues involved here. The amendment I offered yesterday to Senate bill 2051, on unemployment compensation, added to that bill the full provisions of the reconversion bill, Senate bill 2061, reported from the Committee on Military Affairs.

My amendment incorporated the provisions of Senate bill 2051 within a broad and well-rounded legislative framework. It provided for a strong and effective Office of War Mobilization and Post-war Adjustment. It provided for clear-cut policies and procedures on the curtailment of war production. It provided a full program of human demobilization. It set forth the first steps in obtaining a program of post-war housing and public works.

The pending amendment to my amendment, however, offers little help to us in the grim days that lie ahead. It is a negative amendment. The amendment proposes to do nothing to meet the dangerous conditions which will arise at the close of the war. It eliminates the Deputy Director of the Office of War Mobilization, whose duty is to assist the Director in discharging the broad responsibilities of both war mobilization and post-war adjustment. It proposes to eliminate the functions of the Director to "survey continuously all rules, regulations, and orders issued by any Government agency exercising control over manpower, production, or materials for the purpose of determining whether any such rules, regulations or orders prevent or hinder the full employment of the Nation's manpower by private employers capable and desirous of resuming, expanding, or initiating production for nonwar use."

It eliminates the industry councils with representatives of industry, labor, and government.

It strikes out important functions of the War Production Board.

It leaves the problem of planning the curtailment of war contracts entirely up to the Director himself, despite the fact that this is an operating function similar to that of the Director of Contract Settlement or the Surplus War Property Administrator. Clearly, this is a task which must be performed by a production and adjustment committee in the War Production Board, operating under the general supervision of the Director of War Mobilization and Adjustment.

But above all, the proposed amendment to my amendment makes a hollow mockery of the program that has been proposed on human demobilization. If any Members of this Senate think they can vote for the pending amendment and then go back home and tell their constituents that they have done something on the "human side" of demobilization, they are sadly mistaken. The words may be there, but the substance is lacking.

The pending amendment to my amendment flatly strikes out the proposed increases in mustering-out pay. The proposed amendment knocks out any specific Federal aid for vocational training and education. Finally, the proposed amendment completely eliminates the Federal standards for unemployment compensation.

Let me elaborate a moment upon what will happen in our country if unemployed workers are to be taken care of under existing State legislation without the establishment of Federal standards. In 22 States no worker can receive more than $15 a week in benefits regardless of his previous wages. How can a worker who was accustomed during the war to earning $40 or $50 a week get along on $15?

In some States an unemployed person, no matter how long he is unemployed, can draw only a few weeks of benefits. About half of the States provide less than 17 weeks of benefits.

Unemployment is a Nation-wide problem. It must be met through the development of sound national policy. We might just as well have the States establish 48 offices of war mobilization and adjustment and leave the job of planning reconversion entirely up to them, if we are going to approach the problem of unemployment compensation on a patchwork, State-by-State basis.

When the farmers of this country have asked for assistance in maintaining the prices of agricultural products, did the United States Congress tell the farmers to go back home and speak to their State legislatures? No; we have enacted strong legislation to support our agricultural economy.

When businessmen have asked for protection against post-war losses, did we tell them to go home to their State capitals? No; we have passed tax legislation that provides American corporations with unbelievably generous protection against post-war losses. I am referring, naturally, to the carry-back and carry-forward provisions on losses.

I am no expert on tax legislation, but I know that this one fact is true, and I should like to impress it upon the mind of every Member of the United States Senate:

If business conditions should decline when war contracts are drastically terminated, the corporations of America

may get back from the United States Treasury, in tax concessions, the sum total of all normal taxes and excess-profits taxes paid during the previous 2 years.

It has been officially estimated that the total amount of corporation taxes collected in 1943 and 1944 will be $28,000,000,000. Mr. President, this means that the Government of the United States may be called upon to hand out to American corporations $28,000,000,000.

I am informed by the Treasury Department that the method of computing how much shall be returned to each corporation is exceedingly generous. While the precise formula is rather complicated, it boils down to this: Our corporations can be repaid their previous 2 years of tax payments at the rate of 81 cents on every dollar of decline in income and on every dollar of loss.

Mr. President, the unemployment compensation benefits provided in the Military Affairs reconversion bill will be paid to people who use the funds for bread and butter, for shoes and clothing, for taxes and rent. The money that is paid to American workers under our proposal will contribute to the purchasing power of the American people and expand the markets for civilian production. It will prevent a crisis developing in the post-war period.

On the other hand the liberal benefits that have already been provided for corporations may or may not be put to productive use. There are no strings attached to the tax concessions provided for in the carry-back and carry-forward provisions of the 1942 tax law.

The money that may be paid out to corporations may be invested in new production or it may lie completely idle and contribute to the stagnation of our entire economy.

The contrast between the manner in which the Congress has already dealt with American corporations and the way in which the proponents of the pending amendment intend to deal with American labor is indeed most striking. I can easily predict what the American worker will think when he is released from his war job and if he learns that the Federal Government has made ample provisions for protecting corporations against loss but has disclaimed any responsibility for adequately protecting the workingman against unemployment. I can well imagine what the returning soldier and the returning sailor will think when he learns that the United States Congress has agreed to turn back to American corporations the sum total of all normal and excess-profits taxes paid during the war years. I can well imagine what he will say—and what he may do—if he learns that his representatives in the United States Congress have stricken down sound and well-considered proposals to establish Federal standards for emergency unemployment compensation.

I repeat what I have said before. I am no tax expert but it seems to me that at this moment the Members of Congress should do a little studying and a little thinking. First of all, they should study the tax provisions to which I have referred. Perhaps these provisions should be entirely repealed. I am now considering the preparation of an amendment to have that effect. Perhaps we should decide that the taxes that have been paid into the United States Treasury during the course of the war must be kept in the United States Treasury to meet any emergency which may arise, rather than be paid out as "home relief" to American corporations, while at the same time denying adequate protection for the American workingman.

Above all, the Members of this Senate should be very careful before they decide how to vote on the pending amendment to my amendment. Careful scrutiny will show that it contributes nothing constructive and that its passage would merely put the Senate on record in favor of a do-nothing policy on the human side of reconversion. Its passage would be a repudiation of all the fine promises and pledges made here on the floor of the Senate when we had the contract settlement bill under consideration. At that time we promised a vigorous and generous approach to the human side of reconversion. This promise must be redeemed now or we shall be considered as having repudiated our pledges.

Mr. President, the philosophy behind the proposal to emasculate the reconversion bill of the Military Affairs Committee is a reactionary philosophy. It is the policy of those who led this country into the great depression of 1929.

The tune may be a little different but the words are still the same. In 1929 this Republican program led to the most severe crisis in our Nation's history. Hundreds of banks failed throughout the country; hundreds of thousands of home owners lost their homes; strong and able men, capable of working and desirous of working, were forced into bread lines; the apple seller became a symbol of what the Republican Party had to offer. When the veterans of the First World War came to Washington to present their case to the American Government, the then President of the United States had them forcibly ejected as though they were an army of invading aliens.

Today, unless we have courageous leadership in this country, we are on the brink of a new economic disaster. Unless we can guarantee the fundamentals of economic security to the American workingman, the American farmer, and the American businessman, we are doomed to see a new depression that will make Mr. Hoover's depression of 1929 look like a dress rehearsal.

The Republican Party has a program, I am told. Mr. Thomas Dewey has a program, I am told.

It is a very simple program indeed. Its first principle is to protect the vested interests of American monopoly and American big business behind a thick smoke screen of defending States' rights.

Its second principle is to deny to American labor its rightful share in the national income, and to allow the rapid concentration of huge profits in the hands of business. Some deluded members of the Republican Party may feel that the amassing of corporate profits is the royal road to recovery. They may feel that the piling up of huge corporate reserves is the way to guarantee that business takes risks and invests its capital productively, but they have learned nothing from the experiences of the past 15 years. They have failed to grasp the elementary fact that the overaccumulation of capital will mean idle capital, inasmuch as it will mean the depletion of the purchasing power which is necessary to absorb the products of American trade and industry.

This, in essence, is the program upon which the protégé of Herbert Hoover hopes to recapture control of the United States Government for the Republican Party. I have confidence in the enlightenment and self-interest of the American people; I know that this new bid for Republican power will not be successful. But if it were to be, I can predict that it will mean a return to days of the apple sellers and the bonus marchers. The only difference will be that instead of having Hoovervilles, we shall have Deweyvilles.

The pending amendment, I repeat, expresses the Republican philosophy. I call upon all true Democrats, upon all Members of the Senate who refuse to allow the creation of new Hoovervilles and Deweyvilles to vote against the pending amendment.

PROTECTION FOR LITTLE BUSINESS

Mr. O'MAHONEY. Mr. President, I take it that the Senate is about to take a recess until tomorrow; but I desire to submit for printing an amendment to the bill. I now send the amendment to the desk so that it may be printed and available when the opportunity is presented for me to offer it.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. O'MAHONEY. Mr. President, the parliamentary situation which now confronts the Senate is such that the so-called George substitute, or the George amendment, now pending, cannot be perfected. Amendments which might be offered to that amendment would be amendments in the third degree, and therefore could not be received. I am hopeful that the Senator from Georgia [Mr. GEORGE] and the Senator from Montana [Mr. MURRAY], as well as the Senator from West Virginia [Mr. KILGORE] may have an opportunity to examine this proposed amendment before the next session of the Senate, and give consideration to incorporating its terms, or at least its principle, in the pending amendments so that it may be considered by the Senate. Otherwise there would be no possibility of considering it until after the George amendment had been disposed of, in which case it would have to be offered as a more or less irrelevant amendment to the bill reported from the Finance Committee.

JOBS, NOT DOLES, ARE NEEDED

Mr. President, one listening to the debate which has taken place on this bill thus far must have been impressed by the thought that every Member of the Senate is expecting unemployment. We are concentrating our thoughts, not upon creating new jobs, but upon providing

doles for the unemployed. The only question, apparently, is the size of the doles. It seems to me that if there is one thought which ought to be before the mind of every Member of the legislative body, and before all the executive bureaus, it is the thought of how we shall be able to create opportunities for employment. I do not like to talk in terms of 8,000,000 unemployed, or 10,000,000 unemployed, or 18,000,000 unemployed, in the times which are to follow the cessation of hostilities, because I do not believe it is necessary to talk in those terms. That is a defeatist attitude. That is a confession of failure. We should not ask the American people to believe that we are going to reconvert successfully merely by providing for interim benefit payments of one kind or another. The bills before us now are only a substitute for employment. The country does not want a substitute. It wants the real thing. It wants the opportunity to work.

We must concentrate our minds and thoughts upon the creation of jobs. One way to do that is to take an effective means of permitting little business to participate in operations after reconversion. I desire to invite the attention of the Senator from Montana and the Senator from Georgia to the fact that the provisions of title II do not efficiently carry out the ideal of creating new opportunities for employment. I am referring to section 203. Let me read the first paragraph of that section. It appears in both the Murray-Kilgore bill and the George substitute. Section 203 (a) reads as follows:

SEC. 203. (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized, on a restricted basis, by the War Production Board or any other Government agency having control over manpower, production, or materials, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from achieving reasonable economies of operations in such production.

DEFECTS OF PENDING PROPOSALS

I ask, What is the intelligent interpretation of the concluding clause, "achieving reasonable economies of operations in such production"? What does it mean? Obviously the purpose of this section was to provide that the director should not use the vast powers sought to be conferred upon him to exclude little business; but this provision is drafted in such vague terms that I think it would be impossible of enforcement, because it is impossible to construe.

We proceed to subsection (b) of section 203.

(b) Whenever the War Production Board or such other Government agency releases or authorizes the use of any materials, subject to quotas, production schedules, or any other restrictions, for the production of any item or group of items for nonwar use, it shall set aside a percentage of such materials for the exclusive use by small plants for the production of such item or group of items. Such percentage shall be determined by the Chairman of the War Production Board or the head of such other Government agency after giving full consideration to the claims presented by the chairman of the board of directors of the Smaller War Plants Corporation.

What is "a percentage"? One-tenth of 1 percent is a percentage. The administrator might set aside a percentage of such infinitesimal proportions that small business would gain nothing by this provision. This language illustrates the fundamental fault of legislation of this character, which vests in an administrative official broad discretionary powers, which he may use or not use, as he sees fit. No standard is established in this language to govern the discretion of the director in setting aside a percentage for the use of little business.

Mr. President, it must be perfectly obvious that if we are to create jobs we must make certain that little-business operators all over the country shall have an opportunity to obtain as much of the raw materials and other materials which are available as is necessary to operate.

Now let us read the next sentence in this provision:

Such percentage shall be determined by the head of such agency after giving full consideration to the claims presented by the chairman of the board of directors of the Smaller War Plants Corporation.

What does it mean to require that the director shall give "consideration" to the claims of the head of the Smaller War Plants Corporation? Mr. President, he might give consideration by reading them and then by throwing them out the window. Certainly we offer nothing to little business by any such provision as that.

If we are going to aid little business, Mr. President, we must roll up our sleeves and go to it. Little business is hampered and hamstrung by the operations of monopolies and cartels and the regulations of Government, and now we propose to clothe a reconversion director with absolute power to say what consideration, if any, shall be granted to the Smaller War Plants Corporation and what allocation of materials shall be made to little business. Then, the definition of little business as one employing 250 persons or less. What about the employer of 300 persons or 251, say?

Let us read on:

In allocating the materials thus set aside among such small plants, such Government agency shall follow the criteria, standards, quotas, schedules, or other conditioning factors to be established by the chairman of the board of directors of the Smaller War Plants Corporation.

Here is an effort, apparently, to correct the defect of the preceding sentence. But here, again, we undertake to say that the head of the Smaller War Plants Corporation is the person who shall set down the criteria, the standards, the quotas, the schedules, or other conditioning factors to be established, to be followed by little business.

This is an excellent illustration of the erroneous method of legislating by granting broad discretionary powers to executive officers. There is no man in Washington, there is no board in Washington, capable of understanding the needs of the little businesses of this country. There is no man wise enough to determine the "conditioning factors" of business, big or little.

A FORUM FOR EVERY BUSINESS

No agency we can set up can, by its own sweet will, properly determine what the businesses in Louisiana, New Mexico, Wyoming, Maryland, Florida, Oregon, or California shall need. If we are going to defend the rights of little business we should create a forum in which any little businessman can come, in which he can show his needs and set up his claim, so that he directly may come to his Government and may say to it, in an open forum, what he should have, so that he shall not be dependent upon the grace and the good will of those who are, by good fortune or bad, administering the acts of Congress.

This bill is drawn, so far as these particular sections are concerned, upon the assumption that it will be administered by fine men, men of good will, men of broad intelligence and understanding, men who can see what all the businesses of America will need. Mr. President, I have no doubt that the administrators who are chosen and who will be chosen will be men of good will, but I know it will be quite impossible for them to have such a comprehensive view of the needs of the people and the businesses of America as to be clothed by Congress with the unregulated and undefined powers over the life and death of little business.

So, Mr. President, because I have in mind some of the studies which were carried on by the Judiciary Committee on the bill introduced by the eminent and distinguished senior Senator from New Mexico [Mr. HATCH] to provide for administrative bureaus, a study which, unfortunately, was interrupted by the war, a bill which was introduced for the purpose of protecting the citizen from possible abuse or mistakes by the bureaus——

Mr. HATCH. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. HATCH. I merely wished to observe that the studies and the bill to which the Senator has referred, in which the Senator from Wyoming is as much interested as I am, were only interrupted by the war.

Mr. O'MAHONEY. Precisely.

Mr. HATCH. The end is not yet, and will not be, until some legislation along that line is enacted by the Congress.

Mr. O'MAHONEY. I was about to remark that the efforts of the distinguished Senator to secure the enactment of legislation of that kind were interrupted by the war, and I know from conversations with him that it is his intention to pursue them.

The purpose of the amendment which I am having printed, but which I cannot offer because of the parliamentary situation, and which I am therefore thus publicly calling to the attention of the Senator from Montana, the Senator from West Virginia, and the Senator from Georgia, is designed to set up by law an appeals board to which the citizen may

resort. Let me read the provisions of the amendment. I take the first paragraph of section 203, with a change only of the concluding phrase, the meaning of which, as I have already pointed out, is rather vague:

SEC. 203. (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized by any Government agency having control over manpower, production, or materials, on a restricted basis, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from so participating in such production.

(b) There is hereby created in the Office of War Mobilization and Reconversion a Board of Appeals to consist of three members appointed by the President by and with the advice and consent of the Senate, each of whom shall receive compensation at the rate of $10,000 per year, and shall serve for a term of 2 years. When any person is aggrieved by the action of any such Government agency referred to in subsection (a) in allocating available materials for the production of any item or group of items for nonwar use, such person shall, upon application therefor under such regulations as the Director may prescribe, be afforded an opportunity forthwith to present his views thereon at a hearing before the Board of Appeals. If at such hearing such person establishes to the satisfaction of the Board of Appeals that as a result of such action his business operations will be seriously interfered with or substantially curtailed because of a shortage of any material necessary to such operations, that his inability to continue business operations will result in a serious unemployment problem for his employees, or that the interests of the consumers of the articles produced or manufactured by such person will be substantially impaired, the Board of Appeals shall make an immediate report thereon to the Director. Thereupon the Director shall allocate to such person such amounts of the material with respect to which the shortage exists as in his judgment will be necessary to prevent substantial hardship to such person, his employees, or consumers.

That, Mr. President, is the substance of the amendment which I trust will receive the sympathetic consideration of the Senators from Montana, West Virginia, and Georgia.

Mr. MURRAY. Mr. President, I wish to say to my distinguished colleague, the Senator from Wyoming, that I have a very high respect for his judgment and knowledge in this field. After listening to his very brilliant argument I am prepared to say that I am willing to accept his proposed amendment, and make it a part of the modifications which I have presented this afternoon, in order that the Senate may have an opportunity to vote upon it.

Mr. O'MAHONEY. I thank the Senator.

The PRESIDING OFFICER. The Chair rules that the amendment may be further modified accordingly.

DIRECTOR OF WOMEN'S BUREAU—NOMINATION OF FRIEDA S. MILLER

Mr. BARKLEY. Mr. President, there is only one nomination upon the executive calendar. As in executive session, I ask unanimous consent that it may be considered at this time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will state the nomination.

The legislative clerk read the nomination of Frieda S. Miller to be Director of the Women's Bureau.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BARKLEY. I ask unanimous consent that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. BARKLEY. Mr. President, I have consulted with Senators on both sides of the Chamber, and in view of the desire to facilitate the disposal of the pending legislative proposal as much as possible, and in order that it may be on its way and the Senate reach a vote on the controversial items contained in the bill, I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 4 o'clock and 50 minutes p. m.) the Senate took a recess until tomorrow, Thursday, August 10, 1944, at 11 o'clock a. m.

CONFIRMATION

Executive nomination confirmed by the Senate August 9 (legislative day of August 8), 1944:

DEPARTMENT OF LABOR

Frieda S. Miller to be Director of the Women's Bureau, Department of Labor.

SENATE

THURSDAY, AUGUST 10, 1944

(Legislative day of Tuesday, August 8, 1944)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O God, our Heavenly Father, who art infinite in mercy, in love, and in power, we rejoice in the revelation that although Thou art high and holy, yet hast Thou respect unto the lowly.

May we now, in all humility, yield ourselves gladly and unreservedly to the leading of Thy spirit in order that we may be brought into obedience with Thy will and receive the blessing of Thy peace.

We pray that Thy benediction may rest upon the Members of the Senate, and especially upon the various committees who are now challenged with difficult tasks and decisions. God grant that when we are confronted with problems that seem to defy solution we may not rely upon our own wisdom or human ingenuity or turn our eyes upon the ground, whence can come no help, but may we lift them in faith unto Thee, for Thou art willing and able to do for us exceedingly abundantly, above all that we can ask or think.

Hear us for the sake of needy humanity and the cause of righteousness and, above all, for Christ's sake. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, August 9, 1944, was dispensed with, and the Journal was approved.

TRIBUTE TO SENATOR TRUMAN BY THE SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM

Mr. MEAD. Mr. President, at a meeting of the Special Committee to Investigate the National Defense Program, held this morning, a resolution was adopted which I was instructed to read to the Senate. The resolution is as follows:

Whereas Hon. HARRY S. TRUMAN, United States Senator, has submitted his resignation as chairman of this committee, and the members of this committee with the greatest reluctance have accepted his resignation: Therefore it is hereby

Resolved, That the committee insert into its permanent records this unanimous expression of its sentiment:

Under the leadership of Hon. HARRY S. TRUMAN, the United States Senate Special Committee Investigating the National Defense Program, which appropriately became known as the Truman committee, has established a record which speaks for itself.

The Senator from Missouri conceived this committee. He submitted the resolution under which it was first authorized. His work has been characterized by modesty, tact, and diplomacy, and by his infinite capacity for preserving harmony within the committee. He has led but never driven. He has been wise, kindly, firm, and courageous. His devotion to duty, his tireless efforts to find all the facts and let the facts speak for themselves, his good judgment, his patriotic love of his country, all are reflected in the Nation's confidence in this committee as guardian over the vast sums of public funds appropriated by the Congress for the winning of this war.

The accomplishments of the committee reflect these characteristics of its great chairman, and its members say to their colleague from Missouri, Col. HARRY S. TRUMAN, Field Artillery, Officers' Reserve Corps, "Well done, soldier."

A TRIBUTE TO LT. GEN. LESLEY J. McNAIR

Mr. CONNALLY. Mr. President, one of the many tragic events which have occurred in this war was the death of Gen. Lesley J. McNair in France, unfortunately caused by a missile from some of our own troops, a bomb dropped a little too far behind our lines.

General McNair had a very distinguished military record. For a considerable period of time he was in charge of all the ground forces, which included, of course, the Infantry, the last wave, which cleans up the enemy, and I think he was largely responsible for the success of our troops, raw troops, in France.

I have been amazed and astounded as I have read how these troops, who had never previously been in action, were able to march in and drive out seasoned German soldiers, throwing back the armies of Hitler in France. I doubt not that one of the main factors in that

situation was the thorough training those soldiers received over a period of a year and a half or 2 years.

General McNair was perhaps the outstanding officer in that program of training, and as a tribute to him I ask unanimous consent that there be inserted in the RECORD a short memorandum respecting the general and his background, his history, and his service in the Army of the United States.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

The tragic death of Lt. Gen. Lesley J. McNair on the Normandy front, like the accidental death of another great American general, Stonewall Jackson, at the hands of his own men, brings to light a character strong and unique in the history of the American Army. Able and courageous, he faced and conquered the task of converting the untrained manpower of this country into fighting forces capable of successfully engaging the skilled land armies of the Axis nations on the field of battle. And when that mission was largely accomplished, he sought and received an important assignment overseas, where he met his untimely death. As General Marshall said "Had he had the choice, he probably would have elected to die as he did, in the forefront of the attack."

General McNair was born in Verndale, Minn., on May 25, 1883. He was appointed to the United States Military Academy on August 1, 1900, and upon his graduation on June 15, 1904, was commissioned a second lieutenant of artillery.

General McNair was promoted to grade of first lieutenant on July 1, 1905; to captain on May 29, 1907; to major on May 15, 1917; to lieutenant colonel (temporary) on August 5, 1917; to colonel (temporary) on June 26, 1918; and to brigadier general (temporary) on October 1, 1918. He reverted to his permanent rank of major on July 15, 1919; and was promoted to lieutenant colonel on January 9, 1928; to colonel on May 1, 1935; to brigadier general on January 1, 1937; to major general (temporary) on September 25, 1940; to major general (permanent) on December 1, 1940; and to lieutenant general (temporary) on June 9, 1941.

He first served with the Field Artillery at Fort Douglas, Utah, from September 15, 1904, until June 1, 1905, when he was transferred to the Ordnance Department, and assigned to duty at Sandy Hook Proving Ground, N. J., where he served until July 1, 1906. He then served in the Office of the Chief of Ordnance, Washington, D. C., until September 12, 1906; and at Watertown Arsenal, Mass., to June 14, 1908, when he was relieved from duty in the Ordnance Department. He was assigned to the Fourth Field Artillery on July 1, 1909, and served with his regiment at Fort D. A. Russell (now Fort Francis E. Warren), Wyo., until January 14, 1913, during which time he served for short periods at San Antonio, Tex., and at Fort Sill, Okla. He was ordered to France to witness practice of French Artillery in January 1913, and remained there until August 25, 1913.

When General McNair returned to the United States he was assigned to duty at Fort Sill, Okla., where he served until April 25, 1914. He was with the Funston Expedition to Vera Cruz until September 11, 1914, when he returned to Fort Sill, where he remained until May 11, 1916. He went into Mexico with the Punitive Expedition, where he served until February 1917. Upon his return to the United States he was stationed at El Paso and Leon Springs, Tex., until June 5, 1917.

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General McNair sailed for France in June 1917, with the First Division, American Expeditionary Forces on August 21, 1917, was assigned to G. H. Q., American Expeditionary Forces, Paris and Chaumont, until May 15, 1919, and thereafter with the First Division in Germany until June 23, 1919. Upon his return to the United States he was an instructor at the General Service Schools, Fort Leavenworth, Kans., until January 29, 1921, during which period he was graduated from the School of the Line.

He was ordered to Hawaii in February 1921, where he served with the Operations and Training Division, General Staff, Hawaiian Department, until February 11, 1924. Upon his return to the United States, he was assigned to duty as professor of military science and tactics at Purdue University, Lafayette, Ind., where he served until June 1, 1928. He then attended the Army War College and, upon his graduation in 1929, was assigned to duty as assistant commandant, Field Artillery School, until June 24, 1933. Thereafter, he served with the Sixteenth Field Artillery, at Fort Bragg, N. C., until September 1, 1934; and then on C. C. C. duty at Camp Beauregard, La., to March 31, 1935. He then returned to Washington in April 1935 as executive officer in the office, Chief of Field Artillery. On March 7, 1937, he assumed command of the Second Field Artillery Brigade at Fort Sam Houston, Tex., and on April 6, 1939, became commandant of the Command and General Staff School at Fort Leavenworth, Kans. In July 1940 he was assigned as Chief of Staff of the General Headquarters, United States Army, with offices at the Army War College, Washington, D. C. On March 9, 1942, he was named Commanding General of the Army Ground Forces.

General McNair was awarded the Distinguished Service Medal and the Medal of the French Legion of Honor (officer) for his services in France during World War No. 1. He received the Purple Heart from Lt. Gen. George S. Patton for the wounds he received on the north African battle front in 1943.

Gen. George C. Marshall's appraisal of his good friend and right-hand man, Lt. Gen. Lesley J. McNair, commanding general of the Army Ground Forces, as "the brains of the Army * * *" was indicative of the high regard in which he was held by Army personnel in general. And General Marshall was by no means alone in his judgment of that quiet, forceful officer who had been largely responsible for turning out a modern army to do a modern war job.

"Briefly, the mission of the Army Ground Forces is to create units and train them so that they are fit to fight," explained this sandy-haired general with the terse simplicity that was his outstanding characteristic. "The units then are turned over for employment in theaters of operations."

In keeping with his citation for the Distinguished Service Medal, awarded in 1918, which reads, "* * * he displayed marked ability in correctly estimating the changing conditions and requirements of military tactics." General McNair refused to be hidebound by nineteenth century concepts of fighting. Methods of war change; and General McNair was determined that the United States soldiers should learn the new fighting techniques and better them.

"The World War was a static one," he once pointed out. "It was more a matter of crushing by sheer mass. Equipment was comparatively simple. Today a division must be more versatile, more artful. It must be smarter, swifter, more flexible, and adaptable, in order to meet the endless array of situations which must be faced. The airplane and the tank loom large in the picture and make life complex and uncertain."

According to his own description, General McNair was a "pick-and-shovel man." He was interested only in getting things done, and with the least possible publicity. One of his aides characterized him this way: "You can always tell what the general's answer to a request will be by asking yourself, 'Will it help the war effort?'"

With little patience for the formalities of administration, General McNair scribbled his answers to many a letter at the bottom of the page. Wordiness annoyed him, and oratorical eloquence was not in his sphere. No one has yet succeeded in writing a speech that he delivered. The files are full of moving orations, written for him, that he had discarded in favor of his own simple addresses, often batted out on his home typewriter mounted on a packing case in the study of his Army War College quarters.

Slight of stature, the general had the decided, yet undramatic bearing of a soldier. Neither pomp nor ceremony were in his vocabulary, and when he wanted to speak to a member of his staff, he would often step down the hall to the subordinate's office and ask him to come in. A real traveling man—General McNair liked to take a personal look at units in training—he has shocked many an officer by stepping from his plane informally, blouseless, and ready for work, much in the tradition of his classmate, Lt. Gen. Joseph Stilwell.

No longer theoretical is the estimate of the kind of job General McNair has performed. The success of American ground forces all over the world, made up of trained men doing the work they have to do with initiative and efficiency, is a magnificent tribute to the effectiveness of his work. He died as he lived, without fanfare or flourish, where, soldier to the last, his final moments were spent among those whom he had taught to fight. Of him, it may well be said, "Not for fame or reward, not for place or for rank, not lured by ambition or goaded by necessity, but in simple obedience to duty, as he understood it, he dared all—suffered all—sacrificed all—and died."

SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM

The VICE PRESIDENT. The Chair appoints the Senator from Delaware [Mr. TUNNELL] a member of the Special Committee to Investigate the National Defense Program, vice the Senator from Missouri [Mr. TRUMAN], resigned.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PERSONNEL REQUIREMENTS, DEPARTMENT OF AGRICULTURE

A letter from the Secretary of Agriculture, transmitting, pursuant to law, estimates of personnel requirements for the various units of his Department for the quarter ending September 30, 1944 (with accompanying papers); to the Committee on Civil Service.

EXPENDITURES IN SEVERAL AGENCIES FOR TRAVEL, PRINTING, BINDING, AND MOTOR-PROPELLED PASSENGER-CARRYING VEHICLES

A letter from the Acting Director of the Bureau of the Budget, transmitting, pursuant to law, copies of letters addressed to the heads of the Foreign Economic Administration, National War Labor Board, Office of Censorship, Office of Defense Transportation, Office of Price Administration, Office of the Coordinator of Inter-American Affairs, and the War Production Board, relating to the amounts which may be expended for travel, printing, and binding, and the purchase of motor-propelled passenger-carrying vehicles from

sums set apart in appropriations for special projects (with accompanying papers); to the Committee on Appropriations.

TREATMENT OF WAR PRISONERS IN THE UNITED STATES

Mr. MALONEY. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD at this point resolutions which I have received from Henry P. Lynch, commander, Winchester Ex-Servicemen's Association of New Haven, Conn. The resolutions protest "the treatment of prisoners of war held in the United States."

There being no objection, the resolutions were referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

WINCHESTER EX-SERVICEMEN'S ASSOCIATION,
New Haven, Conn., August 9, 1944.

Hon. FRANCIS T. MALONEY,
Senate Office Building,
Washington, D. C.

SIR: At a regular meeting of the Winchester Ex-Servicemen's Association, held July 31, 1944, at the association's headquarters, it was resolved:

"That the Winchester Ex-Servicemen's Association go on record as protesting the treatment of prisoners of war; particularly, and more especially for this record those prisoners of war being held in the United States.

"Through reports from servicemen, press and radio commentators, it is understood that prisoners of war are being coddled and pampered; in fact, are being treated with extreme leniency. Such treatment of these prisoners of war has caused the deepest concern to servicemen, ex-servicemen and families of servicemen who have lost their lives during this present conflict, possibly at the hands of these same prisoners.

"This treatment of war prisoners is affecting the morale of all American citizens and is raising false hopes in the hearts of those who may have loved ones held prisoners by our enemies."

It was further resolved:

"That a copy of this resolution be forwarded to the President of the United States, the Secretary of War, the Secretary of the Navy and United States Senators and Congressmen from Connecticut, with the earnest request that corrective action be taken immediately."

Respectfully,

HENRY P. LYNCH,
Commander.

RESOLUTIONS OF AMERICAN UNITARIAN YOUTH CONVENTION

Mr. BURTON presented resolutions adopted by the American Unitarian Youth Convention held at Ferry Beach, Maine, which were ordered to lie on the table and to be printed in the RECORD, as follows:

RESOLUTIONS ADOPTED BY THE AMERICAN UNITARIAN YOUTH CONVENTION HELD AT FERRY BEACH, MAINE, JULY 6–8, 1944

INTERNATIONAL RELATIONS

Be it

Resolved, That the American Unitarian Youth send the following two resolutions to the President of the United States of America, the United States State Department, and to Members of the House of Representatives and the Senate:

"A. Be it

"*Resolved*, That the American Unitarian Youth recognizes that winning the war is of paramount importance. We urge the home front to continue top production, to recognize and resist Fascist propaganda, and to insure complete military victory which will enable us to make a satisfactory peace.

"B. Be it

"*Resolved*, That the American Unitarian Youth favors a world organization which will have power through economic sanctions and a world police force to regulate trade, to prevent conflict between countries, to help countries to settle by democratic processes internal conflicts which affect world peace, and to be responsible for promoting better standards of living by measures to improve economic conditions and educational and health facilities. Private monopolies and cartels should be restricted and controlled by the world government for the benefit of all people rather than a few. We recommend complete disarmament of all nations. Membership in the world organization should be open to all nations and careful attention should be given to measures to insure equal representation of all peoples of the world. All decisions should be made by majority vote."

FAIR EMPLOYMENT PRACTICE COMMITTEE

Be it

Resolved, That this convention go on record as strongly in favor of a permanent F. E. P. C. We urge our members to work for legislation establishing and strengthening such a body.

ANTI-POLL-TAX LEGISLATION

Be it

Resolved, That this convention is strongly opposed to the undemocratic poll tax and favors Federal legislation to abolish it. We urge local groups to contact and cooperate with existing anti-poll-tax organizations and to bring pressure to bear on their congressional representatives to pass the anti-poll-tax bill if necessary by invoking cloture.

SOLDIER VOTE LEGISLATION

Be it here stated that this convention regrets the actions of Congress which have made it very difficult and practically impossible for our soldier citizens to vote.

Be it further recommended that our members exert every effort to assist men and women in the service in getting all the information needed so that they may vote under existing conditions.

Be it finally recommended that local groups send such information to church members, relatives, and friends in the service.

EXECUTIVE REPORTS OF FOREIGN RELATIONS COMMITTEE

As in executive session,

Mr. CONNALLY, from the Committee on Foreign Relations, reported favorably the following nominations:

Col. William A. Eddy, of New Hampshire, United States Marine Corps, to be Envoy Extraordinary and Minister Plenipotentiary to the Kingdom of Saudi Arabia;

Earl T. Crain, of Illinois, now a Foreign Service officer of class 7 and a secretary in the Diplomatic Service, to be also a consul;

J. William Henry, of Arizona, to be a Foreign Service officer, unclassified, a vice consul of career, and a secretary in the Diplomatic Service; and

Sundry persons for promotion in the Foreign Service, to be effective as of July 16, 1944.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. STEWART (for himself, Mr. MURRAY, and Mr. TAFT):

S. 2065. A bill to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property, and for other purposes; to the Committee on Military Affairs.

(Mr. KILGORE (for Mr. MCCARRAN) introduced Senate bill 2066, which was referred to the Committee on Finance and appears under a separate heading.)

By Mr. WALSH of Massachusetts:

S. 2067. A bill to authorize an exchange of lands between the city of Eastport, Maine, and the United States, and the conveyance of a roadway easement to the city of Eastport, Maine; and

S. 2068. A bill to amend an act entitled "An act to extend the time for examination of monthly accounts covering expenditures by disbursing officers of the United States Marine Corps, approved December 26, 1941, so as to extend the time for examination of monthly accounts of disbursing officers and special disbursing agents of the Navy and Coast Guard"; to the Committee on Naval Affairs.

AMENDMENT OF INTERNAL REVENUE CODE AND FEDERAL ALCOHOL ADMINISTRATION ACT

Mr. KILGORE. Mr. President, on behalf of the Senator from Nevada [Mr. MCCARRAN], chairman of the subcommittee of the Committee on the Judiciary, which is investigating the liquor industry, I ask unanimous consent to introduce a bill to amend the Internal Revenue Code and the Federal Alcohol Administration Act, which, if passed, will effectuate the recommendations of the subcommittee. The Senator from Nevada asks that the bill be referred to the Committee on the Judiciary.

Mr. BARKLEY. Mr. President, apparently the bill affects the revenues and the Internal Revenue Bureau. I think the Committee on Finance has jurisdiction of such legislation, rather than the Committee on the Judiciary.

Mr. KILGORE. I do not think the bill deals with the question of revenue. The bill proposes an amendment to the Revenue Act, but is not directly concerned with the question of revenue. The Senator from Nevada has asked that the bill be referred to the Committee on the Judiciary, and I present his request.

Mr. BARKLEY. All legislation dealing with revenues has been handled by the Committee on Finance. I do not know whether the Senator from Georgia [Mr. GEORGE] has had his attention called to the bill, but I think, until it has been looked into, reference of the measure should be withheld.

Mr. GEORGE. I shall be glad to examine the bill at the earliest opportunity.

The VICE PRESIDENT. Reference of the bill will be withheld temporarily.

The PRESIDING OFFICER (Mr. CHAVEZ in the chair) subsequently said: The Senator from West Virginia [Mr. KILGORE], on behalf of the Senator from Nevada [Mr. MCCARRAN], this morning introduced a bill and asked that it be referred to the Committee on the Judiciary. It is the opinion of the present occupant of the Chair that it should be referred to the Committee on Finance, and it is referred to that committee.

There being no objection, the bill (S. 2066) to amend the Internal Revenue Code, as amended, and the Federal Alcohol Administration Act, as amended, introduced by Mr. KILGORE (for Mr. MCCARRAN), was received, read twice by its title, and referred to the Committee on Finance.

EXTENSION OF UNEMPLOYMENT COMPENSATION—AMENDMENTS

Mr. BUTLER and Mr. ROBERTSON each submitted an amendment intended to be proposed by them, respectively, to the bill (S. 2051) to amend the Social Security Act, as amended, which were ordered to lie on the table and to be printed.

SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM—LIMIT OF EXPENDITURES

Mr. MEAD submitted the following resolution (S. Res. 319), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditures under Senate Resolution 71, Seventy-seventh Congress, first session, agreed to on March 1, 1941, and subsequent resolutions, relating to the investigation of the national defense program, hereby is increased by $100,000.

A LIVING MEMORIAL—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "A Living Memorial," delivered by him at Whitefish Bay, Wis., which appears in the Appendix.]

RIVER AND HARBOR IMPROVEMENTS—ADDRESS BY MAJ. GEN. EUGENE REYBOLD

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an address by Maj. Gen. Eugene Reybold, Chief of Engineers, delivered before the National Rivers and Harbors Congress, New Orleans, La., on July 27, 1944, which appears in the Appendix.]

INDUSTRIAL PEACE—ADDRESS BY PAUL L. STYLES AND EDITORIAL COMMENT BY THE ATLANTA JOURNAL

[Mr. HILL asked and obtained leave to have printed in the RECORD an address on industrial peace, delivered by Paul L. Styles, vice chairman of the fourth regional war labor board, before a meeting of personnel directors and labor officials at Brunswick, Ga., on August 2, 1944, together with an editorial from the Atlanta Journal of August 2, 1944, which appear in the Appendix.]

CREATING PEACE—EDITORIAL FROM BIRMINGHAM NEWS-AGE-HERALD

[Mr. HILL asked and obtained leave to have printed in the RECORD an editorial entitled "Creating Peace," published in the Birmingham News-Age-Herald of July 16, 1944, which appears in the Appendix.]

RECONVERSION OF INDUSTRY—ARTICLE BY ARTHUR KROCK

[Mr. VANDENBERG asked and obtained leave to have printed in the RECORD an article entitled "A Bill To Make Unemployment Blissful," written by Arthur Krock and published in the New York Times of August 10, 1944, which appears in the Appendix.]

CONSTITUTIONALITY OF THE HATCH ACT

[Mr. HATCH asked and obtained leave to have printed in the RECORD an article and editorial from the Washington Daily News of August 9, 1944, relating to a favorable ruling on the constitutionality of the so-called Hatch Act, which appear in the Appendix.]

RELATIONS WITH POLAND—ARTICLE BY FRANK C. WALDROP

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article entitled "Our Great Doublecross," by Frank C. Waldrop, published in the Washington Times-Herald, which appears in the Appendix.]

EXTENSION OF UNEMPLOYMENT COMPENSATION

The Senate resumed the consideration of the bill (S. 2051) to amend the Social Security Act as amended.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. GEORGE] to the first Murray-Kilgore amendment, so-called, as modified, striking out all after section 101 of said amendment and inserting in lieu thereof certain language.

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	Revercomb
Andrews	Gurney	Reynolds
Austin	Hatch	Robertson
Bankhead	Hawkes	Russell
Barkley	Hayden	Scrugham
Brewster	Hill	Shipstead
Brooks	Jackson	Stewart
Buck	Johnson, Calif.	Taft
Burton	Johnson, Colo.	Thomas, Utah
Butler	Kilgore	Tobey
Byrd	Langer	Truman
Capper	McClellan	Tunnell
Caraway	McFarland	Tydings
Chandler	McKellar	Vandenberg
Chavez	Maloney	Wagner
Connally	Maybank	Wallgren
Cordon	Mead	Walsh, Mass.
Danaher	Millikin	Walsh, N. J.
Davis	Moore	Weeks
Downey	Murray	Wherry
Eastland	O'Daniel	White
Ferguson	O'Mahoney	Wiley
George	Overton	Willis
Gerry	Pepper	Wilson
Green	Radcliffe	

Mr. HILL. I announce that the senior Senator from Mississippi [Mr. BILBO] is recuperating from a major operation at the Mayo Clinic, and that the senior Senator from Washington [Mr. BONE] and the senior Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from Idaho [Mr. CLARK], the Senator from Louisiana [Mr. ELLENDER], the Senator from Iowa [Mr. GILLETTE], the Senator from South Carolina [Mr. SMITH], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senator from Missouri [Mr. CLARK], the Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. MCCARRAN], the Senator from Utah [Mr. MURDOCK], and the Senator from Oklahoma [Mr. THOMAS] are absent on public business.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Minnesota [Mr. BALL], the Senator from New Hampshire [Mr. BRIDGES], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Oregon [Mr. HOLMAN], the Senator from North Dakota [Mr. NYE], the Senator from Kansas [Mr. REED], and the Senator from Idaho [Mr. THOMAS].

The VICE PRESIDENT. Seventy-four Senators have answered to their names. A quorum is present.

Mr. TAFT obtained the floor.

Mr. TOBEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from New Hampshire?

Mr. TAFT. I yield.

Mr. TOBEY. Mr. President, I have received a telegram from Mr. Maurice F. Devine, chairman of the national legislative committee of the American Legion, with reference to the legislative proposal now pending in the Senate. I ask unanimous consent that the telegram be read by the clerk at this time.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

WASHINGTON, D. C., *August 9, 1944.*

Hon. CHARLES W. TOBEY,
United States Senate,
Washington, D. C.:

With respect to proposals reference war mobilization and post-war adjustment now before Senate known either as Murray-Kilgore bill, George bill, or the amendments, the American Legion disapproves (1) any proposal to place veterans administration under direction or control of any other governmental agency on matters as to which it presently has jurisdiction over veterans problems or the preparation and administration of regulations, instructions, or procedure relating to veterans such as in sections 102, 301 and 302 of the Murray-Kilgore bill or amendment and sections 102, 301, and 302 of the George amendment; (2) to classifying civilian workers with war veterans in the matter of retraining and reemployment such as in title III of the Murray-Kilgore bill and amendment and title III of the George amendment; (3) to granting education, retraining or unemployment benefits to civilian war workers, not otherwise covered, on the same basis or in excess of similar provisions for war veterans as provided by Servicemen's Readjustment Act of 1944 (Public Law 346, 78th Cong.), such as in sections 307 and 309 of Murray-Kilgore bill or amendment; (4) to establishment of Retraining and Reemployment Administration which in any manner will usurp or encroach upon duties and responsibilities of Veterans' Administration under Servicemen's Readjustment Act 1944, such as in sections 301 and 302 of the Kilgore-Murray bill or amendment and sections 102, 301, and 302 of George amendment; (5) to extending education, retraining, or unemployment benefits to persons who are not citizens of the United States and have not shown disposition to become such as is done in sections 307 and 501 (j) of Kilgore-Murray bill or amendment; (6) to any proposal which centralizes at Federal level rather than State level the administration of any social security benefits or unemployment compensation such as in sections 102, 309, and 312 and related sections of Kilgore-Murray bill and amendment; (7) to attempt to federalize the operation of the national system of public employment offices such as in section 306 (b) of the Kilgore-Murray bill and amendment; (8) to the conflict, duplication, confusion, and uncertainty created by section 307 Murray-Kilgore amendment which covers the same subject matter in whole or in part of Public Laws 16, 113, and title II of Public Law 346, Seventy-eighth Congress; (9) both Kilgore-Murray bill and amendment and George amendment will destroy several months' work and nullify progress which has been made in acquisition of experienced, qualified personnel and perfecting administrative organization and plans to effectuate titles II, IV, and V of Public Law 346, Seventy-eighth Congress and will postpone and set back effective operation of that act for whose benefits hundreds of war veterans are daily clamoring, and will further retard and postpone preparation necessary to

meet post-war adjustment problems of both war veterans and the Nation. These objections do not imply approval or disapproval of other provisions contained in this legislation not referred to.

MAURICE F. DEVINE,
Chairman, National Legislative Committee, the American Legion.

Mr. GEORGE. Mr. President, will the Senator from Ohio yield to me?

Mr. TAFT. I yield.

Mr. GEORGE. With reference to the telegram from the chairman of the legislative committee of the American Legion, which has just been read at the desk, I beg to make an observation at this time. The Murray-Kilgore bill would actually repeal title V of the G. I. soldiers' bill of rights. The amendments in the George amendment, to which reference is made, were lifted directly out of the Murray-Kilgore bill with perhaps no changes. But the amendment offered by me is not intended—and that will be made abundantly clear—to interfere with, to deprive the Veterans' Administration of jurisdiction, or to split the jurisdiction of the administration of the veterans' bill already passed by the Congress.

Mr. President, if the Senator from Ohio will further permit me, I should like to send to the desk and have read at this time two telegrams, one from the faraway State of Montana endorsing the George bill, and the second from a State in the Southeast, the progressive State of North Carolina, with reference to the Murray-Kilgore bill.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The Chief Clerk read the telegrams, as follows:

HELENA, MONT., *August 10, 1944.*

Senator WALTER F. GEORGE,
United States Senator,
Senate Office Building,
Washington, D. C.:

Have read with care S. 2051 which you have introduced and wish to briefly express appreciation of this Montana agency. If your bill passes we think social-security program will be greatly strengthened and there will be some local participation so necessary to successful administration where a program comes in touch with millions of affected individuals. We think this bill would greatly strengthen unemployment compensation and encourage States to liberalize their laws in a common-sense manner. We feel confident this will occur in Montana if Congress favors your measure. With best wishes,

UNEMPLOYMENT COMPENSATION
COMMISSION OF MONTANA,
BARCLAY CRAIGHEAD, *Chairman.*

RALEIGH, N. C., *August 9, 1944.*

Hon. WALTER GEORGE,
United States Senate,
Washington, D. C.:

Representing the prevailing sentiment in North Carolina, I have today wired to each of our Senators as follows: "The sentiment in North Carolina is overwhelmingly against any federalization of unemployment compensation, and it is the feeling here that the bill proposed by Senator GEORGE in respect to protecting State controls represents the soundest position. I earnestly hope that you will find it possible to oppose any measure which involves higher turning over to the Federal Government the control of this important function, which has thus far been admirably administered by the States, or giving to the Federal Government the control of the State agencies dealing with this fund. Any revisions or supplements that may be needed in connection with this service can be adequately handled through existing State agencies."

J. M. BROUGHTON,
Governor of North Carolina.

Mr. TAFT. Mr. President, with reference to the telegram from the American Legion, nearly all the criticism is directed to the provisions of the Kilgore bill, except in one respect. So far as I can see, the George bill would in no way change in any respect the rights of any veteran, nor does it propose anything which would transfer any powers from the Veterans' Administration. The only thing which is apparently criticized is the provision of section 302, which places the Work Administrator, who would have general charge of what we may call the problem of human demobilization, in an over-all position so far as the Veterans' Administration is concerned.

In other words, I take it that the objection of the American Legion, so far as the George bill is concerned, is confined to the creation of this office, which in a way would be superior to the Veterans' Administration. That question might also arise as to the office which the President has already created, except that the President has seen fit to appoint as retraining and reemployment administrator General Hines, who is also the head of the Veterans' Administration. So no conflict has developed under the executive agency. I assume that the objection of the American Legion is that the two offices might be held by different persons, and that someone might be able to boss the Administrator of Veterans' Affairs. I believe that question should be considered. As I see it, that is the only objection in this telegram to the provisions of the George bill.

Mr. President, the question of post-war conversion was first dealt with by the Baruch committee report. That report was made on February 15, 1944. It received very general commendation from all the newspapers in the United States. It was generally accepted as a program for post-war conversion. So far as I can see, the Kilgore bill has practically neglected the Baruch report and thrown it to one side. It proposes an entirely different program. Why the Baruch report was not sooner written into legislation I do not know. At this point in my remarks I ask unanimous consent to have printed in the RECORD the summary index of recommendations A, B, and C of the Baruch report because I think that report shows the basis for our whole reconversion legislation, particularly as embodied in the George bill.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

PART III. SUMMARY INDEX OF RECOMMENDATIONS

A. HUMAN SIDE OF DEMOBILIZATION

1. That the Government forces dealing with the human problems of demobilization be unified on two fronts—the executive and Congress.

2. On the executive side, creation in the Office of War Mobilization of the new post of Work Director to "see that the human side of demobilization is not forgotten."

3. This Work Director to be a man of such outstanding caliber as "to command the immediate confidence of the country."

4. This Work Director to work with Congress in the development of a combined program of legislation and operations "to carry out the objectives that all of us share."

5. Among the fields to be covered by this Work Director—personnel demobilization of the armed forces, developing adequate machinery for job placement of veterans and demobilized war workers, adequate care for returning veterans, physical and occupational therapy for wounded and disabled, resumption of education interrupted by war, vocational training, the special employment problems of the great war industries, and others.

6. That there be in each community only one place to which returning servicemen and servicewomen need to go to learn all their rights and how to get them.

B. SETTLEMENT OF TERMINATED WAR CONTRACTS

1. To assure quick cash pending settlement, a complete financial kit is assembled, including:

(a) Immediate payment—the full 100 percent—for all completed articles.

(b) On the uncompleted portion of the contract, immediate payment—the full 100 percent—of the Government's estimate of factual items, where proof ordinarily is simple, such as direct labor or materials, and of other items on which the Government is able to satisfy itself, up to 90 percent of the contractor's total estimated costs.

(c) Immediate payment—the full 100 percent—of settlements with subcontractors as soon as approved.

(d) Payment by the Government of interest on termination claims until settled.

(e) As insurance against delays in validating claims, a new simplified system of T (termination) loans by local banks, with Government guaranties, to be available to all war contractors, primes and subs.

(f) For those unable to obtain such loans from their local banks in 30 days, the Government to make the loans directly.

(g) Until the new T loans are authorized by Congress, extension of V and VT loans to all eligible borrowers.

(h) Finally, for hardship cases, unable to use any of the tools outlined above, expedited settlements.

2. Quick, fair, and final settlement through negotiation by contractors and procurement agencies.

3. As a more effective safeguard of the public interest than the kind of review suggested by the Comptroller General:

(a) Review powers of Comptroller General limited to fraud with every administrative aid for detecting fraud.

(b) That all sizable settlements be made by teams of negotiators.

(c) These teams to file written reports and keep full records of the bases of settlement.

(d) Contractors to keep records for 3 years.

(e) That the Comptroller General and the Attorney General be added to the Joint Contract Termination Board.

(f) Further administrative safeguards now under study.

4. Establishment on an operating basis of a Joint Contract Termination Board within the Office of War Mobilization, to unify procedures and policies of all agencies:

(a) The Board chairman to be a civilian, independent of any of the procurement agencies, answerable to the Director of War Mobilization.

(b) This chairman to require progress reports from all agencies and to report regularly to Congress.

(c) Also to maintain a running survey of the extent to which V and VT loans and the new T loans are taken out.

(d) To keep a constant eye on all aspects of contract settlement recommending any changes that become necessary.

(e) The War Production Board be added to the Joint Contract Board.

5. Spread acceptance by war contractors of the Uniform Termination Article for fixed-price contracts.

6. Speed the handling of subcontractor claims:

(a) The procurement agencies to be authorized by legislation to protect subcontractors in event of insolvency or default of their customers.

(b) A standard termination article for subcontractors to be completed soon to supplement the uniform termination article for prime contractors.

(c) A minimum figure to be set by the Director of War Mobilization below which nuisance-sized claims can be immediately validated with suitable safeguards.

(d) Vigorous experiment with the so-called company-sized type of settlement, seeking a workable plan.

7. Schools to be set up around the country for training Government negotiators and contractor representatives in the same classrooms.

8. Prompt clearance of Government property from private plants not later than 60 days after the filing of inventory lists, the manufacturers having the right to remove and store the property earlier at their own risks.

9. This entire termination program to be put into effect by the agencies at once to the extent administratively possible.

10. Prompt enactment of legislation to make this program fully effective, including appropriate authority to permit company-wide settlements, to the extent found practicable.

C. SURPLUS PROPERTY

1. The Director of War Mobilization to name a Surplus Property Administrator in the Office of War Mobilization with full authority for handling every aspect of surplus disposal.

2. A Surplus Property Policy Board, the Administrator as chairman with full and final authority, and with these agencies represented: War, Navy, Treasury, Reconstruction Finance Corporation, Maritime Commission, War Production Board, Bureau of the Budget, the Food Administrator, the Attorney General, Federal Works Agency, State Department, and Foreign Economic Administration.

3. Four major outlets to handle actual disposal, each in a clearly defined field, with no overlappings:

(a) Consumer goods to the Treasury Procurement Division.

(b) Capital and producer goods, all types of industrial property, to a single corporation within the Reconstruction Finance Corporation, consolidating present R. F. C. subsidiaries.

(c) Ships and maritime property to the Maritime Commission.

(d) Food to the Food Administrator.

4. All of these agencies, as well as any other agencies called upon to handle special disposal problems, to follow policies laid down by the Administrator in consultation with the Policy Board.

5. The Surplus Administrator to report to Congress as soon as possible on legislation needed, basing his recommendations on actual experience with the problem.

6. Our own suggestions as to the broad policies that the Surplus Administrator may wish to follow are summed up in 10 basic principles:

"1. Sell as much as he can as early as he can without unduly disrupting normal trade.

"2. Listen to pressure groups, but act in the national interest.

"3. No sales, no rentals to speculators; none to promoters.

"4. Get fair market prices for the values with proceeds of all sales going to reduce the national debt.

"5. Sell as in a goldfish bowl, with records always open to public inspection.

"6. As far as practicable, use the same regular channels of trade that private business would in disposing of the particular properties.

"7. No Government operation of surplus war plants in competition with private industry.

"8. No monopoly; equal access to surpluses for all businesses; preference to local ownership, but no subsidizing of one part of the country against another.

"9. Scrap what must be scrapped, but no deliberate destruction of useful property.

"10. Before selling surplus equipment abroad, assure America's own productive efficiency on which our high wages and high living standards rest."

7. The Surplus Administrator to be a man of proven executive capacity, business sagacity, unquestioned integrity, and great courage to fight off the selfish interests who will be seeking to exploit these surpluses.

8. The facts on all sales to be open to public inspection, with regular reports from each disposal agency to Congress.

9. All of the disposal agencies to make effective use of industry advisory committees.

10. The disposal agencies to lease as well as sell, to exchange properties, to sell on credit—but leasing must not become a hidden device for Government ownership or subsidies.

11. The Army and the Navy to examine their inventories of the most critical civilian items to see what can be safely released during the war for the civilian economy without hurting the war.

12. Surplus Administrator to study how to centralize the handling of real property, also, to explore the possibilities of beginning to liquidate Government holdings.

13. The closest cooperation between the War Production Board and the Surplus Administrator so that controls do not necessarily hinder disposition by unduly limiting potential buyers, particularly in assuring prompt disposal of small quantities of surplus materials.

14. The Surplus Administrator and the disposal agencies to have available to them in carrying out their policies the entire field force of all of the various agencies, including the services.

Mr. TAFT. Mr. President, the summary includes three parts. The first is the human side of demobilization, under recommendation A. That part relates to the Work Director.

Recommendation B relates to the settlement of terminated war contracts. That subject was dealt with in a bill which Congress has already passed.

Recommendation C deals with surplus property. That subject is dealt with in a bill introduced today by the Senator from Tennessee [Mr. STEWART]. I hope that bill may be reported in some form by the Military Affairs Subcommittee before Monday of next week.

Those are the three things which the Baruch report recommended, and those are the things which we are now considering. As I have said, we have already disposed of the question of a Director of Contract Termination. The bill introduced by the Senator from Tennessee today would set up a Director of Surplus Property for surplus property disposition. The current discussion of the pending bill should therefore deal with the third subject, that of the human side of demobilization, as covered by the Baruch report. The powers proposed to be given the Work Director in the Baruch report are nothing like those proposed in the Kilgore bill.

The second function of this bill is to set up an over-all agency, headed by a Director of War Mobilization and Reconversion. It is proposed to continue the Office of War Mobilization, which is an over-all agency for war purposes, as an over-all peace agency over the other three agencies. Therefore, the questions which we have before us deal, first, with the general over-all agency, laying down certain principles of legislation, and, second, creating a Work Director to have some general supervision over the problem of the human side of demobilization.

I wish to discuss the amendment offered by the Senator from Montana [Mr. MURRAY] and the Senator from West Virginia [Mr. KILGORE].

In the first place, the first paragraph, title I, section 101, would set up an over-all Director. The powers proposed to be given are rather comprehensive. The George amendment is substantially the same, except that it makes somewhat more clear the fact that no additional powers are intended to be conferred. The language of the George amendment is as follows:

Nothing contained in this section shall be construed as authorizing any activities which are not within the scope of the powers possessed by the President or the executive agencies under existing law or future acts of the Congress.

So it is intended merely to give the over-all Director power to coordinate the programs of other agencies.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. Did the Senator say that that was a provision of the George amendment?

Mr. TAFT. I said that was a provision of the George amendment. There is a somewhat similar provision in the Murray-Kilgore bill, although it is not quite satisfactory. That provision is:

Nothing contained in this section shall be construed as authorizing any activities to carry out any plan formulated under this section which are not within the scope of the powers possessed by the President or the Government agencies under the Constitution or under provisions of law other than this section.

I do not know just what powers the President has under the Constitution once the war is over, to carry out any plans. I do not like to imply that he has any powers that are not derived from Congress. I do not know what they are.

Mr. PEPPER. I understand the Senator to say that the two bills are essentially in agreement in not conferring additional authority.

Mr. TAFT. As to the creation of the Director; but the Murray-Kilgore bill further provides that he shall—

evaluate and report on current and projected public and private activities affecting war mobilization and peacetime full production and employment; survey continuously the necessity for such additional programs of legislation as will achieve the objects of this act; promote and assist in the development of war mobilization and post-war adjustment plans and surveys by other Government agencies; such surveys shall include (without being limited thereto) programs and measures for public works, housing, taxation,

industrial and regional development, expansion of foreign trade, social security, and the maintenance of competitive enterprise.

In other words, that would give him full power, as I see it, to set up a new National Resources Planning Board, such as the one which was abolished by Congress last year. In fact, I have no doubt that if that provision were enacted into law, the same individuals who were operating the National Resources Planning Board, most of whom are now scattered among other agencies, would be again placed on a National Resources Planning Board.

The bill also provides for an assistant director, who is not provided for in the George bill. He is called a deputy director. He would receive a salary of $10,000 a year.

It shall be the function of the Deputy Director and the Division of Programs and Projects to assist the Director in discharging his responsibilities under subsection (c) of this section.

(c) In addition to any authority which the President may delegate to him, the Director shall, subject to the direction of the President and with the assistance of the Deputy Director—

And so forth. In other words, as I see it, we would have a sort of Knudsen-Hillman concept again. It is proposed to set up a board with two individuals at the top, the second of whom must always be consulted. I do not know whether this bill was in any way inspired by Mr. Hillman, but I cannot help thinking that the position which is proposed to be created is one which is designed for a man with the labor views of Mr. Hillman.

The bill proceeds and confers rather broader powers than are given in the George bill. The Director is given power to administer a Government agency to rescind, modify, or amend any regulation or order.

Then there is created something called a National Production-Employment Board, consisting of three representatives of industry, three representatives of labor, three representatives of agriculture, and one public member who shall be the chairman—a kind of special-interest bill.

Mr. WILEY. In which bill is that provided for?

Mr. TAFT. In the Kilgore bill. In the George bill provision is made for the creation of a committee consisting of three members of the same kind; but the committee provided for in the George bill is merely advisory to the Administrator. Apparently the Kilgore bill considers that the Board shall have certain powers of its own, for it provides—

(b) It shall be the general function of the Board to review the programs and activities of the Director and other Government agencies with respect to war mobilization and post-war adjustment and make to the President, the Congress, and the Director such recommendations relating to legislation, policies, and procedures as it may deem necessary to achieve the objectives of this act.

In other words, the Board will review everything the Director does, and will rush to the President whenever the Director does anything they think is not suitable or is not in accord with what they think should be done.

In addition to that, on page 8, in subsection (e), it is provided that—

The Director, with the advice and consent of the Board, shall—

(1) establish industry advisory councils for the various industries, and area advisory councils for various geographic areas, which are substantially and directly affected by the policies, programs, and operations of Government agencies performing functions subject to the jurisdiction of the Office.

In other words, these industry committees are to be something like the former N. R. A. committees. They are going to decide how much production should be allowed. The whole thing contemplates, as I see it, a full control of production for some 2 or 3 years after the war, and these committees are to be the means of carrying it out, particularly industry committees made up of industrial members and labor members or made up of all labor members, so far as the bill provides, for the provision is that the Director may appoint anyone he wishes to serve on these industry and area advisory committees. It is recognized that this may threaten a kind of monopoly control in violation of the antitrust laws, because down at the bottom of the page it is provided—

That full information on all such councils shall be submitted to the Attorney General and no such councils shall continue any operations or activities which the Attorney General finds and certifies to the Director tend to promote the restraint of trade or the extension of monopoly.

It is pointed out by Mr. Arthur Krock that if the Attorney General approves of an N. R. A., he can merely withhold any opinion, and then the committees can go ahead with any plans they choose to formulate, or any industry codes.

It seems to me that the whole tone of the Kilgore bill in title I indicates a completely integrated control of industry, labor, and everyone else for a period of 3 years after the war, whereas all that the Baruch report recommends and all that the George bill does is to create an over-all Director who shall have general power to coordinate the plans of the various agencies of the Government under the powers which have been conferred upon the Government.

There is quite a strong provision in section 201 (b).

Mr. DAVIS. On what page is that to be found?

Mr. TAFT. On page 11. In that provision the War Production Board is given extensive power. The bill now steps outside the Director of War Mobilization and Adjustment, and goes to the War Production Board. The bill provides that it shall permit the expansion of plans and shall have the right to tell the War Department it must permit civilian production to resume. Conceivably, we might give that power to the over-all Director of Mobilization such as Mr. Byrnes; but certainly I do not think Congress wishes to bestow upon the War Production Board the right to say that a certain industry shall now begin to operate, even though the War Department thinks its operation will interfere with the successful prosecution of the war.

When we reach page 11 we find that the Murray-Kilgore bill begins to interfere with the whole operation of the termination-of-contracts bill. For instance, on page 12, in paragraph (2), the Director is authorized to—

(2) Establish policies and procedures to be followed by the contracting agencies in the curtailment, nonrenewal, and termination of contracts, to include as he may deem necessary the submission of detailed programs for approval.

So that having passed the contract-termination bill and having worked it out with the House at great length, the Senate is now asked to proceed to give someone else the power to change the whole thing; and by subsection (d), on page 13, we would even repeal a part of the contract-termination bill. Of course the George bill does none of that.

I do not intend to deal with the whole question of unemployment compensation, but we come to the question of the Work Administrator and the powers which are given to him. He is under a general director, but he is given these extensive powers:

The Work Administrator shall prescribe regulations and issue directives to Federal agencies necessary to effectuate the objectives of this title and all such Federal agencies shall be governed by these.

He is given power to prescribe regulations to effectuate the objectives of the title. Every court of which I know would consider that to be a delegation of legislative power to make regulations having the effect of law.

Mr. WHITE. Mr. President, let me suggest that the Senate is not in order. In particular, let me request that conferences which are being held be held outside the Chamber, rather than in it. There has been confusion for half an hour.

The VICE PRESIDENT. The Senate will be in order.

Mr. TAFT. Mr. President, what are the objectives of that title? The first objective is—

(a) To facilitate the most effective mobilization and maximum utilization of the Nation's manpower in the prosecution of the war.

In other words, by regulations to effectuate "the objectives of this title," the Work Administrator can clearly prescribe a national service act. He may do anything "to facilitate the most effective mobilization and maximum utilization of the Nation's manpower in the prosecution of the war." The War Manpower Commission is doing something along that line without much authority; but once this bill is enacted into law, the Work Administrator, it seems to me, may issue any order he pleases regarding the impressment of men into work, requiring them to work, drafting them for any work he sees fit.

The second objective is—

(b) To maintain maximum employment in the transition from war to peacetime production.

Under that it appears to me that the Work Administrator could prescribe regulations for a complete P. W. A. and could establish a P. W. A.

We have talked about abolishing bureaus. The Work Administrator could establish more bureaus, under the Murray-Kilgore bill, than the Senator from Virginia [Mr. BYRD] could abolish in the course of 3 years of the hardest kind of work.

The third objective is—

(c) To provide for the coordination of the demobilization of servicemen with employment opportunities under a policy of demobilizing servicemen as rapidly as the military situation permits.

The Work Administrator could issue regulations binding the Army and Navy as to exactly how they should proceed to demobilize servicemen.

The fourth objective is—

(d) To provide necessary training of ex-servicemen and war workers.

Under that objective the Work Administrator could certainly set up a new and bigger N. Y. A., and could proceed to set up a general Federal plan of training—an N. Y. A., or a C. C. C., or any other bureau he might see fit to set up.

The fifth objective, finally, is—

(e) To provide the necessary economic assistance to returning ex-servicemen and war workers in connection with transfer, training, and reemployment.

In other words, he may authorize any spending he sees fit to authorize and may set up any bureau to engage in such spending.

The only restraint which I can see on the Work Administrator is that if he wishes to spend some money, of course he has to come back to the Congress to get the appropriations in order to have the money to spend. But we have seen how effective that restraint is in trying to check the establishment of bureaus. Bureau after bureau has been set up in the Government during the war without any authority from Congress. I do not know how they financed themselves for the time being, but finally they have come to Congress and have obtained the financing necessary to enable them to continue.

Of course, Mr. President, the Murray-Kilgore bill goes further than unemployment compensation. It provides for transportation; namely—

The Work Administrator is hereby authorized to pay the cost of transportation of workers and ex-servicemen, including transportation of dependents and household effects, from their last previous residence to new jobs, in accordance with such regulations as may be prescribed by the Work Administrator.

That seems to me to give the Work Administrator power for the next 3 years to move people all over the United States at Government expense. Whenever a man wanted a new job, or the Administrator thinks there ought to be more workmen in one place, and fewer in another, any workman could be moved back and forth across the country.

Under the George bill he would be permitted merely to obtain the money in order to return home. If he did not wish to go home he could indicate one other place to which he wished to go. As I read the George bill, there would be only one payment to those who are away from home and are offered transportation to their homes. In my opinion, there may be cases in which a number of persons will be stranded at a plant in the country, or at some place in the desert, and there should be authority by which relief could be granted in that kind of a situation and the persons who are stranded in those places brought back to the places from which they came. But under the Kilgore bill there would be an indefinite power granted for the next 3 years to move people all over the United States at Government expense.

Under paragraph (b) of section 306 there is the following language:

The United States Employment Service shall be continued as a nationally operated system of public employment offices for a period of 2 years after the termination of hostilities as proclaimed by the President or by concurrent resolution of the Congress.

That means that the U. S. E. S. is to be continued for 2 years. The Congress is asked to tie its hands as to any further disposition. I see no reason why any provision of that kind should be made at the present time. The United States Employment Service is now proceeding under war powers. It will continue until the termination of hostilities, and then there should be worked out a joint State pay-roll employment system so that the matter of employment can be turned back to the States, to be operated in connection with the unemployment-compensation bureaus of the various States. That is what every State wants. The States turned over those powers only because the President demanded it following Pearl Harbor. He insisted upon the transfer being made, and nearly every Governor stipulated that the powers should be returned to the States just as soon as the war came to an end.

The next provision dealing with vocational training has been somewhat changed by the amendment which has been offered. So far as I can see, however, it is not substantially different. It still provides for 6 months of training, Government compensation at the rate of $50 a month for a man without dependents, $75 a month if he has one dependent, and $100 a month if he has two or more dependents. Those rates apply while he is engaged in receiving 6 months of vocational training.

Of course, we supply educational facilities to soldiers. But I am unable to see the parallel between soldiers and workmen who have already been engaged in war work, and who presumably have learned the general character of the work in which they have been engaged. They have learned and are familiar with a trade. I feel confident that in nearly every case those men are prepared to look after their own training, or to go to the State training institutions which have been established and are supported partly by Federal funds. Some time ago, last year, as I recall, Congress passed a retraining and rehabilitation bill. The bill provided that the Federal Government should give assistance to State systems. Such a provision is entirely adequate.

The whole attempt to draw a parallel between ex-servicemen and workmen seems to be entirely wrong. Ex-servicemen are serving in the war for as little as $50 a month. During the same time nearly all civilian workers have been receiving wages which are much higher than were ever before paid in the United States. We have sold more than $25,000,000,000 worth of E bonds. That amount constitutes a reserve with which to take care of needy people. In addition to that, the currency of the United States has increased from $6,000,000,000 to $22,000,000,000, which must represent a very considerable amount of savings in cash.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MILLIKIN. May I remind the distinguished Senator from Ohio that as of last April there was approximately $107,000,000,000 in our banks, representing $10,000,000,000 of Government funds, plus about $62,000,000,000 of demand deposits, and $34,000,000,000 plus of savings deposits.

Mr. TAFT. That should be added in part to the currency and to the E bonds to which I have referred in estimating civilian savings. The Army and Navy put on a drive for the sale of E bonds, and they have received excellent responses, considering what the soldiers receive in the way of wages, but the actual amount of bonds sold to the soldiers and sailors as of today is about $815,000,000. While the men and women in the service have been able to buy $315,000,000 worth of bonds, the people at home, because of the wages which they have been receiving, have been able to buy approximately $24,500,000,000 worth of E bonds. Certainly no parallel can be drawn between what the Government owes to the servicemen and what it owes to workmen who have been working in war industries at reasonable civilian wages and, in many cases, high wages.

The mustering-out pay, which was provided by the G. I. bill, is proposed to be nearly doubled. It was satisfactory to the soldiers and was worked out in a compromise between the Senate and the House. There seems to be no reason to increase the compensation except that since we are throwing away money to the workmen, it is thought that we must increase the compensation to the soldiers by some parallel provision.

I wish to say a word or two with reference to unemployment compensation. I believe that those who have drawn the pending bill have entirely misconceived the real purpose of unemployment compensation insurance. Unemployment compensation insurance is not supposed to be relief. It is not supposed to meet a great relief crisis. In England and in this country the period during which compensation may be paid is limited to 26 weeks. The payment is in cash. It is intended merely to insure the workman against recurrent periods of unemployment. It has always been contemplated that if it is impossible to get a workman back to work in 6 months, something else must be done.

Nearly every social plan I have ever seen proposes that when the period of 6 months comes to an end provision must then be made for work relief if there still

exists a severe unemployment crisis. Some type of work relief should be worked out between the States and the Government, and if there is any such crisis as that to which I have referred we shall have to develop some plan in order to get men back to work. But the purpose of unemployment compensation is merely insurance. It is intended to give money as an incident to the work which has already been done. Some part of the men's wages has been put aside by the employer in order to create a fund. The argument that we should now undertake to deal with the unemployment insurance problem on the theory that there will be a great depression, is entirely erroneous. It has been pointed out that we attempt to base unemployment insurance on the number of dependents which the beneficiary may have, and that it is not unemployment compensation. What is provided here is not unemployment compensation. It goes beyond the purpose of unemployment compensation. The States have provided what unemployment compensation is to be. The compensation may be low in some States, but living costs may be low in some States. When a man is receiving something without working there is always the danger that he may make no effort to obtain work, and many of the States have felt that the compensation should not be more than $15 a week. I believe that the increase in living costs warrant the compensation being increased to $20 a week in some States, and in other States to $25. But that is a matter for the States to determine.

If we are to provide for relief we must do something entirely different. We cannot do it merely by paying people a dole. If there is to be any such unemployment as has been suggested here, we must provide some great general plan of work relief.

Furthermore, unemployment is a very uncertain term. No one has ever made a very satisfactory census of unemployment. Should every man who wants a job be counted as unemployed? Are we to undertake to provide work for two, three, and possibly four workers in a family even though one man in the family has a very good job? What about the two or three million housewives who have been working in the shops? Strictly speaking, when they return to their homes and give up work they should not be counted as unemployed. I do not know whether they are included in Mr. Altmeyer's figures, but it seems quite obvious that if the wife of a soldier was working while her husband was abroad, and discontinued her employment after he returned home, she should not be counted as unemployed. Yet if she lists her name as willing to take work she will get that benefit for anywhere from 3 to 5 years, because obviously there is not going to be work for those women. There is always going to be a priority for servicemen, anyway. So she can with perfect safety list her name for work and be quite confident she is not going to be required to work. So I say that this bill in its general dishing out of money to everybody goes far beyond any purpose of unemployment compensation.

Mr. President, we face a tremendous Budget after the war. The most conservative estimate of Government expenditures after the war I have seen is $17,000,000,000 a year. I think $20,000,000,000 is much closer to it. There will be $6,000,000,000 for interest alone in all probability; there will be four or five billion dollars for current Government expenses; there will be at least $5,000,000,000 for the Army and Navy on a permanent basis. I discussed the matter last night with a man who is familiar with it who thinks the Army and Navy are planning on a post-war expenditure of from seven to eight billion dollars, instead of $5,000,000,000. I would hope it could be held to $5,000,000,000. Under the plan we have adopted, we are certainly going to pay at least $2,000,000,000 a year for the veterans for hospitalization alone. The bill for the last war is about $600,000,000, and I should think that, without considering the provisions of the G. I. bill, except as to hospital service, there will be required $2,000,000,000 a year for hospitalization as a permanent feature. Many of the provisions of the G. I. bill are simply temporary, which perhaps we can charge to the cost of the war. So, in my opinion, we are going to have an annual Government expenditure of $20,000,000,000, and no one, so far as I know, has devised a tax measure that will raise that much money. I do not know how it is going to be raised. The present tax bill raises about $45,000,000,000 a year on a national income of $150,000,000,000, which cannot possibly be continued. If the national income is reduced to $120,000,000,000, the present tax system might raise something like $25,000,000,000, but certainly everyone agrees that it will be necessary to cut the taxes on individuals; it will be necessary to cut the taxes on corporations if the people are to have opportunity to work at all, if industry is to be stimulated. There are various plans. One proposes to cut corporation taxes and another wants to cut the individual taxes, but if we are going to raise anything like seventeen or twenty billion dollars of revenue, we are bound to have a very heavy tax burden under any circumstances.

Mr. PEPPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CHAVEZ in the chair). Does the Senator from Ohio yield to the Senator from Florida?

Mr. TAFT. I yield.

Mr. PEPPER. Is it not obvious from what the able Senator has just said that the only way to bring about an adequate revenue is to get a higher national income?

Mr. TAFT. I think that is obviously true. The only way a country can be prosperous is to remain prosperous. That is all the Senator's suggestion implies, because that is how the national income is maintained. If the implication is that we can get a large national income on a permanent basis by spending more money, I think the implication is entirely wrong. I think obviously we must levy taxes that will meet our necessities. It is said that many new things must be done by the Federal Government because the States cannot do it. It is said they cannot do it because they have not the taxing power. Therefore, it has to be done by Federal taxation. But what evidence is there that we can raise more than $20,000,000,000 a year in normal peacetimes without choking incentive to death? Who has devised such a system? What is the basis of assumption that the Federal Government can find a tax system to give it unlimited money to spend for every single purpose?

I believe very strongly that if we are to be successful at all, we must limit Government expenditures. We cannot go on collecting vast sums of billions of dollars year after year to be paid out by the Government to individuals throughout the United States.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from California.

Mr. DOWNEY. Do I understand correctly that the distinguished Senator has expressed the opinion that we will not be able to maintain a national income of $150,000,000,000 in peacetimes?

Mr. TAFT. I certainly do. If we can go over $120,000,000,000, I shall be very much surprised. We have a $150,000,000,000 national income, superinduced by Government spending amounting to $90,000,000,000 a year. That will be cut to $20,000,000,000, we will say, and the other purchasing power cannot be replaced, in my opinion. I am hoping that we can get to $120,000,000,000, but I do not think we can go above $120,000,000,000.

Mr. DOWNEY. May I further ask of the distinguished Senator if it is not agreed by economists both from the conservative and the radical group, as well as by industrialists, that general employment in the United States in the post-war era on a 40-hour week, with the soldiers returned and the women and other extraordinary workers out of employment, would produce within a year or two $150,000,000,000 national income?

Mr. TAFT. No; I do not think that is agreed at all. I do not see how we can possibly tell whether we can employ all the people who want work or not until we actually try it. I hope we can. Obviously we cannot employ them at present day take-home wages. That is an impossibility on the basis of anybody's figures.

In any event, my point is that we are going to have a tremendous tax burden at best. If we go on in anything like this bill, we are going to wreck the United States; there can be no question about that. Either the tax burden will be so heavy that industry cannot operate—and if the present corporation tax structure is maintained there will be no incentive to go into business or to continue in old business—or the business tax burden will be so heavy as gradually to destroy private enterprise and cause the Government to take over, thereby bringing about a form of State socialism. Or resort will be had to the alternative philosophy, which the proponents of this bill seem to espouse, of borrowing money at a rate of from ten to twenty billion

dollars a year and increase the national debt by that amount. That would mean real inflation.

We have had a hard enough time to hold prices to present levels because of the Government deficit. People are willing to save and submit to controls in time of war but they will never submit to them in times of peace. If we continue with a deficit of $15,000,000,000 a year—and that is about what it is—we will undoubtedly force prices up until there is brought about complete inflation, which will wreck our whole economic system. If we are going to go forward we will have to balance the budget. We are going to have a hard enough time to deal with a debt of $300,000,000,000, and if we are going to add to it constantly every year it will not be very long until the whole structure breaks down.

We must consider all the proposed expenditures. That proposed by this bill is only one; there are a dozen other bills proposing expenditures of billions of dollars which, if they are all enacted by the Congress, will build up to something like an annual budget of $50,000,000,000 a year, and if we start in peacetime with that kind of a budget we will find there is nothing left of this country and the institutions under which we have grown up with and which incidentally have made this country the rich and powerful and successful nation it is.

Mr. President, the Murray-Kilgore bill violates every principle of sound government in the post-war era. In the first place, it suppresses local self-government; it places in the Federal Government all control of labor, all control of unemployment compensation, all control of reemployment. In the second place, it delegates complete legislative power. I suppose there is no Senator here who has not said he is in favor of Congress passing the laws and not giving the power to some bureaucrat to do so. Yet it is proposed, by the pending bill, simply to hand over to some bureaucrat the power to make any law and, in effect, do anything he thinks necessary to help in this supposed post-war emergency.

In the third place, it would destroy individual liberty, because it would impose an N. R. A. control over all industry, and impose a work administrator's control over all individuals.

Finally, it proposes unlimited spending. It adopts the theory that every problem we have to meet is to be solved simply by more Government power and more Government spending.

There is no Member of the Senate who has not talked against bureaucracy and the establishment of bureaus, yet here it is proposed that we establish a whole series of new bureaus to deal with every problem which Congress itself has not adequately considered.

The alternative, the George bill, is a simple bill which does no more than provide the implementation of the Baruch plan and the report of the George post-war committee made last spring, which was very much in accord with the Baruch plan. We can solve our problems by sound principles just as well as we can by some kind of Federal panacea of spending. We have an existing system of State unemployment compensation. There has been built up $6,000,000,000 in the unemployment compensation funds to take care of just the emergency that is contemplated. If it is thought the benefits are not adequate, why does not the C. I. O. go to the State legislatures? I have no doubt that the same pressure that is being brought here, if brought on the State legislatures, would produce a $20 weekly wage in any legislature I can think of, because it is recognized that the benefits may have been low, that costs of living have gone up, and that $20 is reasonable.

The George bill provides simple power to the Work Administrator to go over the whole retraining problem and submit further recommendations to the Congress, if it seems that the present system should be expanded. But there is a State system of vocational education, there is a retraining system already established, supported in part by Federal funds. We do not have to give the Work Administrator power to set up an entirely new system, and the George bill does not do that.

In general, what American workmen want is opportunity to find jobs. They do not want to be ordered around. I do not believe they are interested in more unemployment compensation. Most of them have saved their money. They want to take a little vacation in their own time, and then look for the jobs they want, and they want to do that by themselves. What is proposed by the George bill is that the Federal Government give them the information necessary, and assist them to obtain employment. That is what the American workman has always done, and that is what he will do after the present war.

Finally, the George bill provides no vast plan of Federal spending. Altogether it would add somewhat less than a billion dollars to the total expenditures after the war, and it would not provide for that permanently, because the expenditure will have to be taken up by unemployment compensation taxes. The Federal Government will have to figure hereafter, when it employs people, that it will have to pay some unemployment compensation insurance, so that Federal employees will also have insurance.

Mr. President, in the Murray-Kilgore bill we have a plan which would be absolutely destructive of the entire American economy after the war. As against that we have the George bill which implements the Baruch report and gives the Government power to deal with the situation in an intelligent American way. This plan will, I feel confident, be far more likely to produce prosperity and jobs than a plan which will be advertised as a general Government attempt to continue complete regulation and lavish Government spending for at least 3 years after the termination of the war with Germany.

Mr. PEPPER. Mr. President, the action of the Senate on the pending bill will indicate to the country, and particularly to those affected by it, the attitude of the present Congress toward the post-war problems which are rushing toward us. The decision we make upon the controversial part of the bill will be a fair signpost to those who are watching Congress to see how well we are going to guide the country through that very dangerous period. If the Congress shall indicate, in the first approach to those problems, that it is thinking more in terms of dollars than in terms of human lives, human standards of living, and human happiness, we will be choosing the material over human and spiritual values in our great national life.

Mr. President, I am sorry the able Senator from Ohio did not spend more of his time in discussing what are the real essentials of the bill, rather than the part of it which might be called the verbiage; what, it might be said, are the leaves as compared to the trunk of the tree.

The Senate has before it two measures. The base bill is the George bill, and the other proposal is the Murray-Kilgore bill. The George bill as originally presented to the Senate provided for Federal loan funds to be made available to the several States in case they depleted their unemployment-compensation funds. In addition to that, it blanketed into coverage, under unemployment-compensation provisions, certain classes of our people—Federal workers and others—totaling, we will say, three and a half million of our citizens. That, essentially, is all the bill attempted to accomplish.

The Murray-Kilgore bill, on the other hand, endeavored to present a comprehensive plan, a comprehensive program and procedure, which would attack the post-war problem upon all fronts, and endeavor successfully to meet the dangerous challenge of that time.

It provided in title I machinery by which the Federal Government might effectively deal with that problem, for we here in this Congress had seen the necessity for coordinating the activities and the authority of the various agencies and departments of the Federal Government. We saw this Nation launched into this great war without such centralized authority, without such a coordinating agency in the Federal Government. We saw the person of the President of the United States as the only one who could reconcile the conflict and the clash of several agencies and formulate a program and a policy for the Government of the people of the United States.

Here in the Senate, Mr. President, there was initiated long ago a war mobilization proposal which contemplated the necessity of setting up, other than in the person of the President, some authority in Washington which could fully mobilize the power and the might of the Federal Government. Before that proposal was enacted into legislation the President by Executive order provided for setting up the War Mobilization Board, and appointed as its Director and Chairman the able Mr. Justice James F. Byrnes, and everyone will admit that since that was done there has been a great improvement in the efficiency and the effectiveness of our governmental effort and in the waging and the winning of the war.

I could tell from my own experience of case after case in which the Government of the United States was utterly frustrated, incapable of accomplishing such a small task as getting some barges built to put on the inland waterways of this country with which to move petroleum in a period of great petroleum shortage. Six different Federal agencies, each having a limited sphere of authority and power, were unable to have any barges built because there was not any one person in Washington who could bring them all together to get the job done.

So, all of us, Mr. President, were convinced that if we were to meet effectively the post-war challenge, the Government of the United States, if it were to act at all, had to have authority vested in some individual other than a busy President, who could bring together all the various agencies into a single and harmonious policy and program. That is what the Murray-Kilgore bill provided in title I.

Later on, when the George amendment to the Murray-Kilgore measure was proposed to the Senate, something comparable to that was embodied in the amendment of the able Senator from Georgia, recognizing the same necessity, and I commend the able Senator for his usual enterprise and enlightened course in also embodying in his measure a similar provision on that subject.

Mr. GEORGE. Mr. President——

The PRESIDING OFFICER (Mr. DOWNEY in the chair). Does the Senator from Florida yield to the Senator from Georgia?

Mr. PEPPER. I yield.

Mr. GEORGE. Will the Senator permit me to say that many months ago I introduced, together with the Senator from Montana [Mr. MURRAY], a bill numbered as S. 1730, which did deal with these problems.

Mr. PEPPER. I am glad to have the Senator make that statement. Of course he has always been forward-looking in respect to such matters. What I wanted to say was that we are in substantial agreement now concerning the necessity of setting up some broad authority in our Government to mobilize the full might of the Government of the United States in meeting the challenging post-war problems.

Mr. President, I am not disposed to quibble or to quarrel as to whether title I of the Murray-Kilgore bill or title I of the George amendment is preferable or more perfect in setting up this form of machinery. I dare say that either one of them would do an excellent job, and both sponsors are to be commended for coming so nearly to a common course upon the details and being so nearly in accord with respect to the principles which should apply in setting up such an agency.

The George amendment, provided for in the Murray-Kilgore bill, eliminates the deputy director. It is almost a superhuman job for the director personally to attend to all the jobs that will come before him in his capacity as director. I think it is wise for us to give him a deputy director to whom he may delegate a measure of his authority. I believe it will result in more effective action if we do so; but whether we do that or not is of relatively little importance as to the essentials of this measure.

Title II, Mr. President, in both the George amendment and in the Murray-Kilgore bill, provides for what is called industrial demobilization and reconversion. There again, Mr. President, the sponsors of both measures realize the necessity of coordinating our production program for war with our demobilization program, and the stimulation of our peace economy in the days after our great victory. So, while I think some may have a legitimate preference for one or the other, it is not very vital to the essentials of the program whether we adopt one title II or the other title II, so far as the economy of this country after the war is concerned.

I proceed, therefore, Mr. President, to the essential part of this controversy, title III, in the Murray-Kilgore bill, as compared with title III in the George amendment. Title III of the Murray-Kilgore bill provides four essentials about which I wish to speak. The first is this: Title III of the Murray-Kilgore bill provides a period of training not to exceed 6 months for a civilian employed in this country, or a veteran who has had less than 90 days' service on active duty, and therefore is not eligible for the training provided by the G. I. bill. In this category I include soldiers, sailors, airmen, marines, who served in the war, and the ladies who served in the auxiliary branches, but who served less than 90 days and are not eligible for the training provided in the G. I. bill; any such individual, or any qualified employee, as provided in the Murray-Kilgore bill, which means practically every employee in the United States, save the self-employed and save the domestic worker, is entitled to be provided by the Work Administrator with training up to 6 months.

Why? For what purpose? In order that the man or woman, the boy or girl, may be taught skills which will enable them to make a decent living, to be better citizens, and to enrich the economy of this great country. That is what it is for. We have discovered what can be done in a short period of effective training. We have trained literally tens of millions of our men and women so as to enable them to go from one job to another. We have made use of their latent capacity. We have taken a farm boy and made a mechanic of him. We have taken a girl who never worked outside the household and made her an efficient welder. We have taken the mother and the housewife who had never had experience outside the home, and have made her an effective and gallant soldier for winning the war. That is what we have done. We have discovered that by using the money and the means of the Federal Government, we can transform a nation of unemployed to a gallant army of war workers, doing the greatest job war workers ever have done in the history of the world. That is why that provision is in the Murray-Kilgore bill. We have seen now how quickly an individual can be trained to be a welder or mechanic or a craftsman or artisan. We have taken individuals out of their homes. We have taken them from their fields and their farms. We have taken them from the counter behind which they clerked. We have taken them out of the offices and the stores. We have taken them from the highways, Mr. President. Now those individuals must find their way back to the paths of peace. They must find an opportunity again to help their country, which is still concerned about their contribution to its security and prosperity. The Murray-Kilgore measure says to the workers of America, "We also value what you can do for your country in the days of peace comparable to what you have accomplished in our period of war crisis."

Mr. President, it is easy for a Senator drawing $10,000 a year, living the rather comfortable life that we Senators live, rather above the hardships of the little people for whom we are trying to legislate in this measure, to say "Very well, let these folks find their own way." Yes, Mr. President, we can let them find their own way. Where will that way lead them? It will lead the masses of them to impecuniousness and to poverty. It will lead them to the bread lines. It will lead them to another W. P. A., Mr. President, where they will have to meet the humiliating conditions of a means test. It will lead them to continued poverty, to continued ill-health, to continued ill-housing. It will lead them to keep their children out of school. We as well as they will pay the price of the sacrifice to which it will condemn them.

Mr. President, I say we have made a sensible proposal in the Murray-Kilgore measure. Let us say to these war workers, "You have learned how to be a welder, you have learned how to be a mechanic, you have learned to build a ship, you have learned to build a tank, you have learned to build an airplane. Now we want to teach you how to build radar for homes in days of peace. We want to teach you how to build instruments for television. We want to teach you how to build more radios than we have ever had. We want to teach you how to build the best automobiles and the best airplanes. We want to teach you how to build prefabricated houses. We want to teach you how to carry on the greatest economy on earth, to build the prosperity of the United States of America. We are teaching you to help the Nation while you help yourselves."

What is proposed, therefore, Mr. President, is that we say now, under the supervision of the program by the Federal Work Administrator, "You may have up to 6 months' training, but while you are receiving such training we will provide for your subsistence. You must eat, you must have a place to sleep, you must have a shelter over your head, you must have medical care, and even a little recreation. We will give that to you for a 6-months' period."

Mr. President, do Senators wish to say to the war workers of their States, "No; we will not give you that"? Do Senators wish to say to the people of their coun-

try in the days which lie ahead, "We will deprive you of what those retrained men and women can build for you, in things as well as in money and wealth"? Is that profligacy, Mr. President, or is that a wise investment in the greatest field of investment that has ever been in the vista before human eyes? That is God's field of investment, men, women, and children. Yet, Mr. President, our friends, in the name of economy, in the name of statesmanship, in the name of States' rights, will deny, if they prevail, those opportunities to the men and women, boys and girls of America.

Let me comment upon the much used term "States' rights." I think the greatest right in all the world is the right of a man, woman, or child to what the Constitution of the United States guarantees him—life, liberty, and the pursuit of happiness; and any right which contravenes that right that man is heir to is an inferior right, Mr. President. Whether it be the right of a State or the asserted right of anyone else, it must take a position subordinate to the greater right of men, women, and children to live fruitful and righteous lives with their fellow men under their God.

Many of us have had to make a choice between property rights and human rights. Any man who sits in the Senate must make that decision many times. If we must now make a choice between so-called States' rights and human rights, many of us will find it an easy choice to make.

That is the first thing, the retraining program, which the George amendment, for reasons satisfactory to the sponsor, does not afford. The second is the mustering-out pay benefit, which the Murray-Kilgore bill provides to the veterans of our wars. Let me read a paragraph which will summarize the situation as it now exists, as it would be should the Murray-Kilgore bill become law.

I add that the George amendment does not provide a penny of additional mustering-out pay for any veteran. It does not deal with the subject at all. It leaves the matter just where it was and is in the legislation which is already enacted.

The Mustering-Out Pay Act of February 1944 provides a payment of $100 for a service man or woman with less than 60 days' service. That is the existing law. It provides $200 for those with more than 60 days' service, and $300 for those who serve overseas. That is the present law. That is what a veteran will receive if the Murray-Kilgore bill is not enacted into law.

But if the Murray-Kilgore bill should become law, these are the benefits which the veteran would receive:

Equal monthly installments would be paid at the rate of $100 if the serviceman were without dependents; $125 if he had one dependent; and $150 if he had two or more dependents. Every serviceman would receive a minimum of two installments. That means that if he were single, with no dependents, he would receive two installments of $100 each, or a total of $200, with an additional installment for each year of active service. If he remained in the service for a year on active duty he would receive another $100, which would make $300. Then he would receive another installment for every year of overseas service. If that year of active service were a year of overseas service, he would receive another $100, which would make $400.

So at the present time, and under the present law, a veteran would receive $300 if he were on active duty and overseas for 1 year; and if the Murray-Kilgore bill should become law, and he were on active duty and overseas for 1 year, he would receive $400. If he had dependents he would receive more. There is therefore a reasonable increase in the mustering-out pay which the veteran would receive.

Thus every serviceman, under the Murray-Kilgore bill, would receive at least $200, as compared with the $100 minimum to which he is now entitled, while a serviceman with two dependents who had seen a year of active service any part of which was overseas would receive $600 as compared with the $300 to which he is entitled under existing law.

It is not grossly unfair to say that this bill would approximately double the mustering-out pay for the veterans of this war. There again, those who believe in economy, those who think they are conservative statesmen, those who desire to legislate with caution, say, "That is too much. That is too high a reward for a soldier." We dare to say that, Mr. President! That is too much for a man who was at Cassino, or Corregidor, or Bataan, a man who fell from the sky like an eagle with a broken wing, a man who was a prisoner of war, a man who was in Normandy, a man who finally, Mr. President, will be in Tokyo or Berlin! That is too much?

I do not care whether every conservative in America thinks it is too much or not. It is only a question of time when they will get it. We can choose to delay until they take it, or give to them as a matter of grace and gratitude, Mr. President; but believe me, they will come and get it. God speed the day when they will come. This time the kind of government which the people have in Washington will determine whether they are to be met with open arms and recognized, or whether, at the point of a bayonet, they are to be driven out of the Nation's Capital, to which they come to exercise the right of petition. That happened once, and I have heard that history repeats itself. Let us hope it will not. For the security of America, I venture to believe it had better not happen.

I believe that the maximum benefit under the Murray-Kilgore bill would be about $1,000. Do Senators remember the days when statesmen rose in this body and in stentorian tones said that America would be ruined and wrecked if we paid the bonus to the soldiers of the last war? I believe it was to have cost $2,000,000,000 or $3,000,000,000 to pay the bonus. It became a great political issue. Everyone who was in favor of paying the bonus was regarded almost as a Communist. An expenditure of $2,000,000,000 or $3,000,000,000 to pay the bonus was going to wreck the economy of the United States. That simply goes to show how shortsighted the people were just a little while ago. I wonder if we are going to be as shortsighted in the Senate in this good year 1944. Yet today Senators are honestly agitated about a maximum benefit of $1,000 to a prisoner on Bataan, a man who was in "the death march." Whether this bill passes or fails to pass, 5 or 10 years from now some Senator will rise in his place and say, "My colleagues, can you believe that back in 1944, in the age of congressional obsolescence, Senators actually said that it was too much to pay $400 to a soldier who had 8 months in Italy, or had been across Africa, or had marched, with a plume flying as high as that of Henry of Navarre, toward the enemy's bastions"? That is just an observation, Mr. President.

So that is the second provision which is contained in the Murray-Kilgore bill which the able and distinguished Senator from Georgia [Mr. GEORGE] has not incorporated in his amendment.

Third, Mr. President, is the question whether the veteran's dependents are given some recognition. Under existing law, the G. I. bill of rights, which provides for unemployment compensation to the veteran, a veteran with no dependents receives $20 a week—a flat sum—no more, no less. A veteran with a wife and five children receives no more, no less. But the Senate did not pass the G. I. bill of rights that way. In the G. I. bill the Senate passed it provided for exactly the benefits the Murray-Kilgore bill provides. It allows up to $15 a week extra for the dependents of the veteran.

So a veteran who has a wife and who, therefore, has one dependent, under the Murray-Kilgore bill would not receive $20 a week, as the G. I. bill of rights provides, but would receive $25 a week. A veteran with a wife and one child, or with two dependents, would not receive $20 a week, as provided for under the present G. I. bill, but would receive $30 a week for those two dependents. Under the Murray-Kilgore bill a veteran with a wife and two children, or with more than two children, would not receive $20 a week, as now provided under the present G. I. bill, but would receive $35 a week. Mr. President, $15 a week multiplied by 4 weeks is $60 a month, which, at least, would be provided by the Murray-Kilgore bill for the veteran's family.

But under the present law, Mr. President, when the veteran comes home, even if he is unemployed because he cannot get a job, he and his family will receive less than they are now receiving. That is simple arithmetic. Today the dependent of a soldier or sailor—his wife—receives $50 a month for herself. She receives $30 a month for the first child and $20 a month for each additional child. Therefore, if she has two children she receives $100 a month. I believe the soldier keeps $28 for his own immediate needs, and the rest of the allowance received by his family is taken from his pay. But we see that the soldier with his $28 a month and the wife with $100 a

month for herself and their two children are now receiving a total of $128 a month, plus the allowances for the soldier's food, clothing, and hospitalization. But even if the soldier has a wife and six children waiting for him when he returns from the war, and if when he returns he finds that, through no fault of his own, he is unable to get a job, the maximum amount of money that family would have to live on would be $80 a month under the provisions of the G. I. bill. We propose to increase that allowance.

Again the issue is presented. Is it doing too much to give a maximum of $145 a month to a man who has risked his all and to a wife and two or more children who waited behind in those dark hours of anguish and concern for him, waiting for him to come back? Mr. President, it does not mean much to the Government of the United States. There are some Senators so fortunate that it does not mean much to them if they have $15 more or less a month. But to many families it determines the nourishment their bodies will have, not to say whether they will get to go to a picture show, whether the children will receive the care of a dentist, whether they will receive the care of a doctor, or whether they will receive care at a hospital.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CHAVEZ. Along the line of the suggestion made by the Senator from Florida, an instance of what he has described is called to my mind. A week ago Saturday night there came to my home a soldier of the United States Army who left a little town in New Mexico, and left there his wife and seven children. I know that the income of that poor soldier in the little country town in which he lives does not reach $500 a year; but still, when he goes to do his duty, and leaves his family, we worry about what small amount of money Uncle Sam is going to give them.

Mr. PEPPER. I thank the able Senator for his contribution.

Mr. President, I wish to say a word of commendation for the able junior Senator from Montana [Mr. MURRAY]. He is a modest and unassuming gentleman. I do not know whether he will be permanently displeased with me for mentioning it, but I should like to say that I understand the Senator from Montana personally is a very rich man. He has in his heart the milk of human sympathy and kindness, and his liberal record in the Senate has shown a solicitude for the privations of others, with which he has had no personal experience, at least not in his later life. I am glad to see that. I think the country has a great deal for which to feel a little ashamed when it comes to its treatment of these boys who have had so little and who have been asked to give so much to the society which has given them so little.

Mr. President, in this country in 1939, of all men and women fully employed and paid by wages or salaries 50 percent received less than $100 a month. What kind of a standard of living did that income provide, even on the average, let alone for those at the bottom of the ladder?

Mr. CHAVEZ. Mr. President, will the Senator further yield to me?

Mr. PEPPER. I yield.

Mr. CHAVEZ. We speak a great deal about the American standard of living, but standards are based upon the capacity to keep up. In view of the wages which have been paid in the past and in view of the income of the average American citizens, how can they keep up the American standard of living?

Mr. PEPPER. It is absolutely impossible.

Mr. President, I have before me some items to indicate the budget of the average American family. Senators who are in opposition to the stand I and other Senators with similar views take propose that the veteran and his family shall live on $80 a month. Even if the veteran has only himself to maintain, what kind of a standard of living can he have when he receives $80 a month? If he has a wife, what kind of a house can he and his wife live in? He is a man who should be one of the prime heroes of the earth—an American soldier. What kind of shelter, what kind of food, what kind of clothes can he have? Mr. President, we would not do too much if we put that man on a pedestal, so as to assure that wherever he went people would doff their hats and would say, "There goes an American soldier," or "an American sailor," or "an American marine," or "an American airman." Yet we say to him and his wife, or to him and his wife and two children, or to him and his wife and three children, or to him and his wife and four children, or to him and his wife and five children, "$80 a month is what you get."

Well, Mr. President, it is going to be one of the great dramas of history when these boys return. The other day I read the story of one of these boys who, with his own hands, had slain over 60 Germans in combat. He returned to this country, and suddenly, without her knowing, he was in America, burst in upon his "mom" in his old home. We can imagine the electric emotions which swept between that returning son and that longing mother. His next mental step would be to look around, and to say to himself, "This is how mom lives in the country for which I offered my life out there in those trenches and fox holes. This is how little brother lives. This is my sister's lot. This is my old dad's pittance—the pittance that he has for his security." Those boys are going to do a lot of thinking, Mr. President. Those boys are not going to be concerned about themselves. The newspaper account says that the particular boy to whom I have referred had his pocket picked in Naples, and came home broke.

I hope that someone—and I am sure they did when they heard the story—had the great satisfaction of sending an anonymous check with the message, "Go and enjoy yourself, from somebody who appreciates you." But, Mr. President, when he finally returns home to look around, and is unable to find a job, he will go down to the office of the Federal Government and they will say to him, "Here, son, here is your first payment at the rate of $20 a week." He will have a little experience with it. It will be all right for the first few days, perhaps, but after a month has passed, and he has to give up the house in which his wife lived during his absence, or his wife is compelled to reduce the standard of board at the table, or the family budget is reduced, then the story will be a different one. Many soldiers will not complain. But eventually there will come a time when the soldier to whom I am referring will lie awake. There will perhaps be an explosion out in the street. He will jump and take in his arms his children and tremble. Then he will become calm and will meditate and will reflect. Next day he will meet some fellows down at the corner, perhaps, who are not quite so stable as he, and they will tell him about their lot and their affairs, and they will say things that he will not like. We are not brewing stability, Mr. President, when we say that those men shall receive less than what is their right and due.

So whether we are right or wrong, the issue is, Shall we do what the Senate did once before and provide for the dependents of veterans? The choice is a simple one, because Senators will recall that the amendment sponsored by the able Senator from Georgia is not a divided one, but it is whole. We are to vote for titles I, II, and III as provided for in the Murray-Kilgore bill, or for titles I, II, and III as presented by the able Senator from Georgia. That is the third thing, Mr. President, which goes to the heart of the controversy.

The fourth is the matter of unemployment compensation. Mr. President, we all know that in 1935, not the State legislatures, mind you, but the Congress of the United States, enacted legislation which led to the establishment of the unemployment compensation systems in the several States. In effect the Congress said to the States, "If you will set up unemployment compensation programs, and if you will meet nine Federal conditions"—and I am speaking on the basis of the law which I have in my hand, and on the basis of the conversation which I had this morning with the chairman of the Social Security Board—we will assist you. Those nine conditions do not directly relate to the qualifications of those who will receive unemployment compensation, but it is very directly required that the administration of the various State laws, financed by the Federal Government, shall be under Federal standards. So, Mr. President, it is no new thing to the States to have the Federal Government say, "These are standards which are in the public interest and which you must meet if you receive Federal money."

For purposes satisfactory to itself, the Congress decided that a large measure of autonomy should be granted to the States in connection with the administration of the unemployment compensation laws. I think the Congress, under the conditions existing at that time, and at the beginning of the experiment, acted wisely. The States by now have all

adopted workmen's unemployment compensation laws.

But, Mr. President, it will be recalled that the several States have limited the amount which is to be made available to an unemployed worker, and the period of time covered by the unemployment compensation. In other words, there is a limit on the amount which the unemployed worker may receive, and the time within which he may receive it.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MURRAY. Yesterday the distinguished senior Senator from Ohio [Mr. TAFT] stated that he would like to see an increase in the amounts payable under the States' administration of unemployment compensation. He said that he would like to see the amount increased to $20 a week or even to $25 a week. Can the Senator from Florida inform us as to how any such increase in the payments of benefits by the States could be accomplished?

Mr. PEPPER. The only way in which any increases can be made in the amounts now paid by the States is by the State legislatures meeting and enacting laws providing for the increase. The amendment of the able Senator from Georgia would not in any way effect any increase in the present amounts. The hope has been expressed on the floor that legislatures will act. I am sure that in the bill itself there is language which would encourage action on the part of the States. But, Mr. President, whether the States act or not is left exclusively and entirely to the legislatures of the several States. Generally speaking, we know that the legislatures in this country meet every 2 years. About half of them meet each year. I dare say that they hold their meetings in later winter, in the spring, or in the summer. The legislatures scheduled to meet during 1944 have probably already met. If they have not already provided for the increases to which reference has been made, they could not act for 2 years unless the Governors of the States called special sessions of the legislatures. We have no right to rely upon their doing so, so, Mr. President, the other States, that is, the ones whose legislatures meet next year, will probably do nothing in the meantime. Between now and the time they hold their regular meetings next year there may elapse a period of almost a year, and only about half of the State legislatures will then meet.

Why do I say what I have said, Mr. President? I have before me a schedule showing the benefits paid by the several States to their unemployed, the number of covered workers, the time during which coverage occurs, the number that could be provided for by the funds now in existence, and the percentage of the funds which could be used.

Let us take the State of Alabama. That great State of which I am proud, it being the State of my birth, has 432,000 covered workers. It has $51,500,000 in the treasury. The maximum which can be paid under the law to an unemployed worker in Alabama is $15 a week. The average weekly amount received by the worker in Alabama covered by the law is $14, and the maximum number of weeks during which he may receive the benefits provided by the law is 20. Alabama has on hand enough money to provide full maximum compensation or coverage to 42 percent of its covered workers. Do the Senators from Alabama wish to say to the workers of that State, "The maximum compensation which you may receive is $15 a week, no matter how many children you have—and you will be covered only 20 weeks as a maximum," in preference to the benefits under the Murray-Kilgore bill of up to $35 a week and coverage for as much as 2 years after the end of hostilities?

Let us take a worker in the shipyard in Mobile. If the Murray-Kilgore bill passes and becomes law, and the worker has received $48 a week, and he has a wife and two children, under the Alabama law he may receive a maximum of $15 a week for a period of 20 weeks, that is 5 months, Mr. President. That is all he can get until the Alabama legislature meets and enlarges and extends his rights, and until more money is available to the State unemployment compensation fund.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TUNNELL. I merely wish to remind the Senator that in the drop to $15 a week he must, as I understand, be without employment so that it is a time when he cannot be earning.

Mr. PEPPER. Exactly. That is all he is getting; and that is all he can hope for.

Mr. President, he is not assured $15 a week, because the States all have a base period, and he gets a percentage of what his wages were during the base period. In no State to my knowledge is there a minimum assured, and I must add, with some regret, that a minimum is not provided in the present law; but the scale is much higher, so that the worker receiving a given wage will receive much less under the State system than under the Murray-Kilgore bill.

Now, Mr. President, let us take my State of Florida. We have 330,000 covered workers; we have $39,500,000 in the Treasury; the maximum benefit under our State law is $15 a week; the average weekly wage of the covered worker is $13 a week, and the maximum number of weeks for which an unemployed worker could receive benefits is 16, which is 4 months. My legislature meets next April. Should the war end now or in 3 weeks or 3 months and that worker became idle, of course, he would drop down to the benefits under the State law.

The George amendment, as expressed by the able Senator from Michigan, guarantees the solvency of the State fund and that is all. It does not enlarge the State fund unless the State legislature provides for such enlargement, and, if it does, that is still a Federal fund. But there seems to be in the minds of some of our distinguished friends an opinion about the sacrosanct character of the provision made by the States for the unemployed worker. Mr. President, the State of Florida will be providing unemployment compensation for a worker who has worked in a shipyard in Jacksonville or for one who has worked in a shipyard in Mobile, Ala., or for one who has worked in Philadelphia, Pa., or for one who has worked in a loading plant in Alabama or worked somewhere else. The United States Congress is asked to tell a war worker who helped win this war "Go back to the differentials of your several States, and the Congress of the United States is going to do nothing to equalize your assurance of a livelihood when you get home."

Mr. President, I challenge the premise that the responsibility for preserving a decent standard of living for the American war worker is exclusively that of the States. It was not the States which went to war; it was the Congress and the country as leaders. It was not the States which took the worker and put him in a plant outside his own State. No, Mr. President, thank God, we have one flag for which he has worked in this great war, and the Government of that one flag ought to see to it that he is not discriminated against if he happens to go to any section of this Nation after the war.

I heard an able Senator say here yesterday that we are giving an advantage to the States which are giving the least benefits. I say, Mr. President, we are also penalizing the States that are giving the most benefits. Let us take the great State of California, for example, which has one of the high rates, or let us take the great State of Connecticut, which has the highest rate of pay, $22 a week to the unemployed worker. Is the worker going to leave Connecticut where he can get $22 a week while he is unemployed and go to the State of Florida or Alabama or some other State where he will get a great deal less? It will be an impediment to the return of people to their old homes. It will penalize those who made the better provision.

I say, therefore, that what the Murray-Kilgore bill does is right. It says we will fix an American standard of living. Ever since I have been a Member of the Senate I have had to experience humiliation every time a bill came up involving such questions as that now before the Senate, for it was said that wages had to be lowered and that salaries had to be lowered and that benefits had to be lowered to my beloved Southland because we were expected to continue to preserve a measure of penury and poverty. My God, Mr. President, when will all areas of this country be emancipated; when will they become wholly American, and when will we legislate for the Nation and not, with caution and with timid reserve, about certain areas and sections of the country that need most the strong arm of the Nation's assistance?

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. PEPPER. I yield.

Mr. WHERRY. In view of the statement made by the Senator from Florida,

I should like to ask him a question, which I know he can answer. On page 24 of committee print No. 2, there are set out the rates for interim placement benefits, and I notice this provision:

> That these amounts shall be rounded upward to the nearest dollar, but shall not in any event exceed $20 for an individual if he has no dependents, $25 if he has one dependent, $30 if he has two dependents, and $35 if he has three or more dependents.

I understand that in order for one to get unemployment insurance he must have an earning capacity of at least 75 percent of the amount that will return him $20 a week based upon the base period on which his wages are figured. I ask what happens to those who do not earn $20 a week? I am speaking about the men and women who do not earn $20 a week. Say they only earn $12 a week, and have 12 children, what do they get?

Mr. PEPPER. I will say to the Senator that if he suggests there should be a minimum below which no one's compensation should fall I should heartily subscribe to it, and, if he could get his colleagues to go along with it, I am sure I could get the able Senator from Montana and the able Senator from West Virginia immediately to accept such an amendment.

Mr. WHERRY. That does not answer my question. Obviously the bill does not provide that they are to get any benefits for dependents if they earn, say, $20 a week.

Mr. PEPPER. No.

Mr. WHERRY. What does it provide?

Mr. PEPPER. The able Senator, if I may say so, is in error about that.

Mr. WHERRY. I should like to be informed.

Mr. PEPPER. I have a table here to which I referred day before yesterday and which the Senator from Montana later put in the RECORD which sets forth the schedules. Let us take, for example, first a veteran.

Mr. WHERRY. Mr. President, I was referring to civilians.

Mr. PEPPER. I am coming to the civilian later on, but, so as not to confuse the matter, I am referring to the veteran first. The veteran has a fixed compensation; he gets his $20 a week if he has no dependents under the G. I. law, regardless of any previous income he may have had. Under the Murray-Kilgore bill he gets an additional $5 a week for one dependent, $10 a week for two dependents, and $15 a week for three or more dependents. Those payments are made regardless of any compensation he may have received in the past. The civilian's compensation is related to the compensation he or she received in the base period, and, as all know, the base period is the highest quarter of compensation received by the worker in question in the course of the last 3 years. If the average weekly wage for the highest quarter received by the worker in the last 3 years is as much as $48 a week and if the worker has no dependents he gets $20 a week. If he has one dependent he gets $25, two dependents $30, and three dependents $35. If, however, his weekly compensation for the base period is $36 only and he has no dependents he gets $20, if he has one dependent $25, two dependents $27, and three dependents $27. If his compensation in the base period were $20 a week, with no dependents or with dependents, he would get only $15 a week, because in cases where he would get less than $48 a week he would receive only a maximum of 75 percent of the base wage received.

Mr. WHERRY. That is correct.

Mr. PEPPER. If he received only $12 a week in the base period, under the Murray-Kilgore bill, whether he had dependents or not, he would get only $9 a week. But I will ask the able Senator to make a comparison, in considering those lower figures, with what the same worker would get under the State laws. He would not get $15 a week in Florida as compared with $9. He would still get only a percentage of the $12, which is vastly lower than what he would get under the Murray-Kilgore bill.

Mr. WHERRY. Under the explanation of the distinguished Senator from Florida, then this standard of living he discussed a moment ago which he said would be raised would be provided only for those who would come in the upper brackets, those receiving $20 or $25 or $30 or $35 a week. So that the Senator's answer to my question means, as I interpret it, that those in the lower brackets would not get nearly as much as those in the higher brackets.

Mr. PEPPER. That is true.

Mr. WHERRY. That is what I wanted to ascertain, how it would be possible to raise the standard of living under the bill, in view of the fact that the great mass of labor would fall below the bracket that would be taken care of in the Murray-Kilgore bill.

Mr. PEPPER. What I am afraid my able friend is overlooking is that the benefit to the worker in the low bracket would, under the Murray-Kilgore bill, be at least twice what he would get under the State compensation laws. So that if a comparison of the two is made, while the Murray-Kilgore bill is certainly not adequate, since it does not provide a minimum, it is vastly more adequate than would be the provision of the law with the George amendment.

Mr. WHERRY. The answer is exactly what I thought it would be, and it confirms my belief that by the enactment of the Murray-Kilgore bill, instead of helping the masses of the people, we would be helping only the higher bracket workers of the country.

Mr. PEPPER. I dare say the able Senator would not want to put it just that way.

Mr. WHERRY. I would not want to put it that way, but that is as I understand it.

Mr. PEPPER. Since the bill does relate compensation benefits to compensation received by the worker, naturally it gives more to the man who received more than it gives to the man who received less. But what it does give to the worker in the lowest bracket is vastly more than he would get if the bill did not become law. The able Senator has done many progressive things, and if he will offer an amendment to fix a minimum of $8 or $10 or $12 a week, I venture to say I can speak for the sponsors of the bill and assure their immediate acceptance of his amendment, and certainly many of us who are advocates of the bill will gladly accept it.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MURRAY. As the situation now exists, it would be impossible for us, by the proposed legislation, to raise the wages in the States where low wage scales are maintained.

Mr. WHERRY. Will the Senator yield further?

Mr. PEPPER. I yield.

Mr. WHERRY. I have no dispute with the Senator in his answer, but I maintain that his answer confirms my interpretation of what the proposal would result in if enacted, that it would not help the masses of the poor people, who need assistance, but it would give the benefits only to those who have high-bracket incomes.

Mr. PEPPER. No; the able Senator is not justified in that statement, if I may say so. This measure proposes more help and assistance to the unemployed workers of this country than any other bill pending before the Senate. Therefore, I favor it. If the able Senator says that the Murray-Kilgore amendment, although it provides more than would be available under the pending bill, does not provide enough, there are many of us who would agree with him, and I hope he will take the lead and propose an amendment making it more.

Mr. WALLGREN. Will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. WALLGREN. Under the Murray-Kilgore bill, what happens in a case where a husband and wife have both been employed, and then have become unemployed?

Mr. PEPPER. I myself asked that question, and the answer I received was that under both the State system and under the pending bill both would get the compensation which goes to the individual worker. But obviously both husband and wife could not count the two children as the dependents of each. Only one of them would get the added compensation for having the dependents. If the wife were employed, she would not be counted as the dependent of the husband. So, in the case the able Senator puts, a case of husband and wife and two children, I venture to say the husband receiving $48 a week in the base period would get $20 for himself and $5 a week for each of the two children, which would make $30, and the wife would get $30, if she made a minimum of $48 a week.

Mr. WALLGREN. Would it make any difference how long they had been employed, as to whether they would be able to enjoy these benefits?

Mr. PEPPER. Not under the Murray-Kilgore bill.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BARKLEY. In the case cited by the Senator from Washington, of a husband and wife who have both been at work during the war, perhaps due to their desire to do their patriotic duty, if

both should become unemployed after the war concluded, they would both have to accept employment if it were offered to them in order to entitle either of them to draw compensation, as I understand, either under the bill the Senator from Florida is discussing, or under the State system. They cannot deliberately avoid work and still draw compensation.

Mr. PEPPER. Of course not.

Mr. BARKLEY. There are many cases in which the wife has been working and is now working because of the war situation, and in which she would desire to return to her home and not be employed out of the home. She would, of course, not be entitled to draw unemployment compensation, because in that case she would have to accept employment if it were offered to her in order to draw compensation, or be unable to get employment. In other words, women who voluntarily go back into the home when the emergency is over, and desire to remain there, will not enjoy the compensation provided either under the State system or under the bill the Senator is discussing.

Mr. PEPPER. I am grateful to the Senator for pointing that out. Of course, the wife would have to take a job, just as a man would, if it were offered to her, and if it were a reasonable job, or she would be cut off from unemployment benefits.

Mr. WALLGREN. Does not the Senator think the bill would be improved if we should stipulate a certain length of time people must be employed before enjoying the benefits? For instance, a person may be employed for just a week, and then under this bill come in and receive all these benefits.

Mr. PEPPER. I will say "No" to my able friend from Washington, for this reason. What we are interested in as Members of Congress is twofold. First, we are interested in the welfare of the individual and, second, in the welfare of the Nation, or it can be put the other way if one chooses to do so. We know that if our economy goes into a depression spiral it will nearly ruin the country, as it did after the last war, and it will cost us tens if not hundreds of billions of dollars ever to reverse the spiral. If we let wages drop, if we let the national income suddenly precipitate downward, if we throw vast numbers of people out of employment, diminish their purchasing power, and break their morale and confidence, it will contribute to a downward slide in the national income.

Mr. WALLGREN. I am sympathetic with the bill and with what the Senator is trying to do, but he is taking as a base the wartime period.

Mr. PEPPER. That is correct.

Mr. WALLGREN. Today people are earning possibly two or three times more than they ever earned before in their lives. I am very anxious to go along with the Senator, but it seems to me the payments provided for are just a little too high.

Mr. PEPPER. The able Senator from Washington will realize that relatively few people will be in the $48-a-week bracket, and, therefore, relatively few individuals, even if they have dependents, are going to receive $20 or $25 or $30 or $35 a week. As I said awhile ago, according to the latest figures I received from the Census Bureau, which are for 1939—we know that wages and salaries have increased since then, however—one-half of all the people in this country employed for wages or salaries received less than $100 a month. That is less than $25 a week, let alone $48 a week. I suggest to the Senator that if he were to go to a shipyard and make a check he would find a relatively small number of the workers out of the whole number employed who are receiving as much as $48 a week for a whole quarter. What I say does not refer to what is paid for 1 day or for 1 week, but the average which is paid for a whole quarter. An individual must have received $48 a week for a whole quarter in order to entitle him to obtain $20 a week if he has one dependent, and $25 a week if he has two dependents. An individual must have received $36 a week in the base period to entitle him to receive $27 if he has a wife and two children. He must have been receiving $20 a week during a whole quarter in the base period to entitle him to receive $15 a week if he is without children.

In the State of Washington, for example, there are 569,000 covered workers, and the average weekly wage in that State is $14.50. Workers who received only $14.50 a week in the base period would receive but $9 a week under the provisions of the pending measure. Does the Senator think that rate is too high to pay to a man in his State who has a wife and two children?

Mr. WALLGREN. I do not say it is too high; but I say the figure of the average wage is way off, according to my information.

Mr. PEPPER. I am guided by the report which the able Senator from Georgia [Mr. GEORGE] submitted to the Senate in connection with his bill. He received the figures from the Social Security Board, and I expect those figures are as accurate figures as we can obtain.

Mr. WALLGREN. Permit me to ask the Senator another question. Let us consider the situation with respect to the State of Washington. There has been a great migration of workers to our State from all over the country. They have moved from Georgia and from Alabama and from other States to the State of Washington. Under the provisions of the George bill is it not possible that those workers would be treated better in my State than they would in their own State?

Mr. PEPPER. Let us assume they are working in the State of Washington. In that State the maximum weekly benefit is $15, and the maximum number of weeks of coverage is 16. The maximum weekly benefit in the State of the able Senator who sponsors the amendment, the Senator from Georgia [Mr. GEORGE], is $18, as compared to $15 in the State of Washington, and the period of coverage is the same.

Mr. WALLGREN. I think there is something wrong with those figures.

Mr. OVERTON. Mr. President——

The PRESIDING OFFICER (Mr. HILL in the chair). Does the Senator from Florida yield to the Senator from Louisiana?

Mr. PEPPER. I yield.

Mr. OVERTON. As the Senator knows, there were many individuals who were engaged in agricultural labor at the outbreak of the present emergency and the beginning of the war. They became industrial laborers in order to aid in the war effort. When the war is over and they are no longer engaged in industrial work, and there is no opportunity for them to continue that work, and they are offered work on the farm at the wages which prevail on the farm, which, as the Senator from Florida knows, are a great deal less than they received as industrial laborers, will they be entitled to obtain compensation under terms of the bill as industrial laborers, if they are unemployed?

Mr. PEPPER. Yes, Mr. President. Under the Murray-Kilgore bill, as I understand it, all workers will receive unemployment compensation based upon what they were receiving in the base period.

Mr. OVERTON. What effect will that have on the farm labor?

Mr. PEPPER. Let us consider a colored farm worker. What maximum wage would the Senator from Louisiana assume that he might have received for 3 continuous months at any time during the last 3 years? Is it likely that he received as much as $20 a week?

Mr. OVERTON. It would hardly average that.

Mr. PEPPER. It would hardly average that. If he did not receive $20 he would receive as unemployment compensation only $9 a week. That is all he would receive.

Mr. OVERTON. But he was converted into an industrial laborer, and under the Murray-Kilgore bill his rate of pay for unemployment would be based on the highest wage he received as an industrial worker during the base period.

Mr. PEPPER. Yes, but my understanding is that under the State law——

Mr. OVERTON. I am not talking about the State law. I am talking about the terms of the Murray-Kilgore bill.

Mr. PEPPER. Under the terms of that bill the compensation is geared to what the individual was doing during the base period, and, to answer the Senator's question, a farm worker who was converted into an industrial worker would be given pay on the industrial base for his unemployment compensation. But I point out to the Senator that it probably would not be so very high as to endanger the obtaining of farm labor.

Mr. OVERTON. It would be 75 percent of his base pay?

Mr. PEPPER. Yes.

Mr. OVERTON. Very well. That would be far in excess of what he could receive on the farm, would it not?

Mr. PEPPER. It probably would be. I say, however——

Mr. OVERTON. What would such an individual do, unless he were a very patriotic man who said, "I will go back and work in order to keep the Nation fed and

in order to supply food for starving Europe, and so forth"? He could say, "I will receive more by not working."

Mr. PEPPER. No; I do not think anyone could successfully contend, I will say to my able friend, that that result would follow for two reasons. In the first place, as I have pointed out, such an individual would probably receive only $9 a week unemployment compensation, and I suspect that even in peacetime he would get more than that on the farm.

But, Mr. President, putting that aside for the moment, the States would determine whether a job offered him is suitable for him to take in the period when he is unemployed. Undoubtedly one of the considerations which will guide the States in determining what job is suitable for such an individual is the question of the job the man had before he went into war work. So if he were a farm laborer, and a farm laborer's job at farm laborer's pay is tendered to him, and he declines to take it, he would lose the benefits which he would receive under the Murray-Kilgore measure.

Mr. OVERTON. The Senator takes the position that such an individual cannot say, "I am now ar industrial worker"?

Mr. PEPPER. No; I do not think so. There is nothing in the Murray-Kilgore bill which says that the States will have to honor such a claim even if he makes it.

Mr. OVERTON. The laborer will have to get employment of any kind for which he is suitable and qualified.

Mr. PEPPER. Yes.

Mr. OVERTON. And he would have to accept it?

Mr. PEPPER. Yes.

Mr. OVERTON. And if he did not accept it he would be disqualified?

Mr. PEPPER. Yes. If he wants to appeal from the decision of the State board in cutting him off from unemployment compensation, then the procedure provided by the Murray-Kilgore bill is the same as he now has available to him under the Social Security Act. He could appeal to the Federal Work Administrator. The Administrator would refer the appeal to the Social Security Board, and the Social Security Board would determine the question. It would not be determined by a capricious administrator, by any single person, but the Social Security Board would determine whether or not the State agency acted properly in denying him his unemployment compensation because he refused to accept a job.

Mr. OVERTON. Let us consider a specific illustration. Let us take my own State, the city of New Orleans, where the Higgins industries are located, as well as a great many other war industries. Let us say that a man has been working there for 18 months or 2 years or 3 years. He originally came from the farm. He is living now in the city of New Orleans. He knocks at the factory door of the Higgins industries and is told, "We have no need for you any longer. Make a claim for unemployment compensation." What is to happen to him? He now lives in the city of New Orleans. Is he entitled to unemployment compensation? Or can he be told, "We have looked up your back history. We find that at one time you worked on a farm. Leave New Orleans and find work on a farm. If you do not do so you will not be entitled to unemployment compensation."

Mr. PEPPER. Mr. President, criticism was made of the Murray-Kilgore bill because it gave too much authority to the Work Administrator to move people around the country. It was said he could capriciously send one man out to California and one up to Washington, and so forth and so on. The able Senator from Montana [Mr. MURRAY] and the able Senator from West Virginia [Mr. KILGORE] in answer to that complaint placed in the bill a provision that the Federal Work Administrator could not deny an individual his unemployment benefits simply because he did not accept the transportation which was tendered to him. So I could not say that the Work Administrator would have authority to order the man to go back to the farm.

Mr. OVERTON. I do not think it is a question of transportation. The man is in the city of New Orleans. He has been an industrial worker for a number of years, but it is determined that he could work on the farm. He is told that he must go back to the farm. He is not transported back to the farm. It is a voluntary act on his part. He can remain in New Orleans if he so desires, but if he does, he will not receive any compensation.

Mr. PEPPER. Except for certain general standards, the bill leaves that discretion to the State agency which administers the law. The State agency will be expected to work out the problem and administer the law in a practical way.

Mr. OVERTON. I think the Senator will agree with me that a very serious question is presented, so far as farm labor is concerned, not only in the South, but throughout the Nation.

Mr. PEPPER. The State agency would have the right to make the decision under the State law. The same question might arise under the State law. The State agency would have to make the decision. As I understand, there is nothing in this bill which would prevent the State agency from making the same decision in that matter that it might make under the State law were it not for the Federal act.

Mr. President, I wish to conclude my remarks. I have said that whether the Senate should adopt titles I and II of the Murray-Kilgore bill, or titles I and II of the George amendment, is relatively immaterial. But, Mr. President, the George amendment is whole. It is not a divided amendment; and title III of the George amendment and title III of the Murray-Kilgore amendment are as far apart as the poles. The Murray-Kilgore amendment allows to the war worker up to 6 months' retraining opportunity, at the expense of the Federal Government. It gives added mustering-out pay to the veteran. It gives up to $15 a month added compensation to the dependents of a veteran, and it vastly increases the amount of unemployment compensation which an unemployed war worker might enjoy in the period of transition and possible unemployment. None of these benefits are provided by the George amendment.

I asked the Library of Congress to give me what figures they could as to what the last depression cost this country. I hear able Senators of the opposition point of view speak of the economy of the George proposal. I wish to suggest how much the last depression cost this country. The figures given me by the Library of Congress show that the private investment loss due to the depression was $74,600,000,000. That was the business loss in respect to investments which this country sustained in the period from 1930 to 1939. The loss in 1930 was $3,400,000,000; in 1931, $7,000,000,000; in 1932, $10,500,000,000; in 1933, $11,000,000,000; in 1934, $10,100,000,000; and so forth. The loss in investments during that depression was nearly $75,000,000,000. The Government in power did not have the vision or the courage to prevent that depression.

But, Mr. President, that is not the greatest loss which we sustained. The figures show that the consumption deficiency in this country in the period from 1930 to 1939 amounted to $145,900,000,000. In other words, the folly of the Government cost this Nation almost as much as the tragedy of this war cost.

God knows, we did everything we could to prevent this war. The question now is, Are we going to do everything we can to prevent the curse of another depression? Senators who talk about economy being practiced by the Government when we condemn to poverty and starvation the masses of the people of the country simply do not appreciate the economic significance of what they say. During the last depression there was a consumption deficiency of $145,900,000,000. That was the reason why business lost its profits. That was the reason why investors lost their returns and stockholders lost their dividends. The masses of America's people could not buy.

Has there ever been a more eloquent illustration of what makes a country prosperous than we have experienced during this war? It is not the profits of the corporations. It is not the large fees of professional men. It is the purchasing power of a Nation at work which has made this Nation prosperous during this war. That is the recipe for prosperity in every age and under every government.

The converse is also true. If we permit these men and women to leave the war plants and go home to unemployment, the spiral of purchasing power will fall. Every merchant will keep his goods on his shelves, and begin to discharge his clerks, thus adding more unemployment. The banks will not receive the interest on their loans; the sawmills will stop cutting lumber for houses; quarries will close; and we shall have bread lines, and perhaps at last another W. P. A. as the only hope for America's people.

That is what we are facing. We have an opportunity not only to do justice to America's people, but to assure prosperity to this Nation. As I indicated in my

question a moment ago directed to the Senator from Ohio [Mr. TAFT], with a large fixed debt such as we must carry, if we do not keep the national income in the neighborhood of $150,000,000,000, we shall be ruined. Yet we cannot do that by a niggardly policy of false economy. We have seen the results of false economy in what it has cost the Nation in illness because we would not assure the health of the Nation. We have seen the results of false economy following our failure to educate the boys and girls of this Nation and train them for productive work.

There are some who would condemn the unemployed to compensation of $15 a week. It is said that that is enough for them, and that it is all we can afford. Mr. President, on the contrary, we cannot afford to let them have a purchasing power of only $15 a week as a maximum. If we were to think only in terms of dollars and cents, savings, and good business investment; if we were to think only of ourselves, and not of the unemployed; if we were to think only of the banks and large corporations, all we would have to do to make them prosperous would be to say to the masses of America's millions, "You will not be condemned to a standard of living which is indecent for an American."

That is the decision which we are to make, Mr. President. The national income has steadily risen. Beginning in 1929 it was $83,000,000,000. In 1930 it dropped to $68,000,000,000. In 1930—the mention of that year arouses memories, Mr. President—a President and a Congress said, "No; it would be a violation of States' rights, and would be improper for the Federal Government to step in and save the Nation from wreck and ruin." We stood by, Mr. President, and that President and that Government tried to do what Pontius Pilate did a long time ago when faced with a decision with respect to which he ought to have taken responsibility. He washed his hands and turned Christ over to the rabble to be crucified. The Government of the United States followed a similar course. Like a modern Pontius Pilate it tried to wash its hands of responsibility for the lives of America's millions, and turn them over to be crucified upon the cross of a ruthless and heartless economic depression.

Mr. President, if this Government has the courage, if we have the vision, if we have the will, and if we have the human heart and sympathy required, we can make this mighty land to which these men will return a veritable Garden of Eden.

We can make it a land of happy families and good homes; we can make it a land of education and health; we can make it a land of recreation and culture. We can make it, Mr. President, the envy of all the ages, the nearest to the human aspirations for paradise which can be achieved upon the footstool of mortal man.

So, Mr. President, I think we make a very significant decision when we vote on these amendments. I trust that the decision we make may be one of which we may be proud in the years which lie ahead.

During the course of Mr. PEPPER's remarks,

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. WHERRY. Will the Senator permit me to have inserted in the body of the RECORD at the conclusion of his remarks an article published in the Washington Post of today, entitled "Reconversion Expert From W. P. B. Linked to C. I. O. Unit"?

Mr. PEPPER. Very well.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and the article may be printed at the conclusion of the remarks of the Senator from Florida.

The article is as follows:

RECONVERSION EXPERT FROM W. P. B. LINKED TO C. I. O. UNIT—PRESENCE OF MURRAY BILL "MASTER MIND" ON SENATE FLOOR SETS OFF "RUCKUS"

(By Mary Spargo)

An $8,000-a-year War Production Board expert, who was reported to be in close communication with Sidney Hillman's Political Action Committee, was portrayed yesterday as the master mind behind the Murray-Kilgore-Truman reconversion bill.

The expert, Dr. Herbert Schimmel of 3604 Minnesota Avenue SE., who claimed he wrote the measure which would establish sweeping controls over American labor and industry, is acting chief clerk of the Kilgore War Mobilization Subcommittee, on loan from W. P. B.

START OF "RUCKUS"

What Majority Leader ALBEN W. BARKLEY (Democrat, Kentucky) described as the "ruckus" in the Senate started when Schimmel, acting for Senator JAMES E. MURRAY (Democrat, Montana), whispered to the Presiding Officer during the afternoon session.

Immediately the minority whip, Senator KENNETH S. WHERRY (Republican, Nebraska) jumped up and challenged the Presiding Officer, Senator JOHN H. OVERTON (Democrat, Louisiana).

None but secretaries to Senators and committee clerks on the Senate pay roll are allowed floor privileges under Senate rules.

TELEPHONE CALLS CITED

Schimmel's close contact with the Political Action Committee was established in the record of long-distance telephone slips between the P. A. C. New York office and Washington, recently seized by the House committee investigating un-American activities.

Eight of the person-to-person calls, according to the record, were to Schimmel, and there were said to be many others, station to station, to his extension in the Senate Office Building.

Schimmel, who talked to the press in the presence of Kilgore, said that most of the calls were between him and former members of the Kilgore committee staff now employed by P. A. C.

These two former Kilgore staff members, the Senator said, are Palmer Webber and Malcolm Hobbs, who were also loaned him from a downtown department.

COUNCIL FOR C. I. O. CHIEF

Questioned about a third staff member, Dr. Robert K. Lamb, KILGORE said he is now a legislative counsel for Philip Murray, C. I. O. chieftain.

KILGORE and Schimmel denied that P. A. C. calls were any different from any other calls received in the committee office. KILGORE said if anyone subpenaed the records of the National Association of Manufacturers or the Chamber of Commerce he would find similar calls to his subcommittee.

The C. I. O. which established the political action commitee to work for a fourth term for President Roosevelt, has, however, been the loudest voice raised in support of the bill which had the approval of Senators MURRAY, KILGORE, and TRUMAN, the latter now Vice-Presidential candidate of the Democratic Party.

In response to questions, Schimmel said he had served as chief of the investigations and hearings staff of the Kilgore subcommittee when a report on war shipping was issued. He said he supervised the report.

This report was denounced some time ago by the West Coast Sailor, official publication of the Sailors' Union of the Pacific, as "a new mission from Moscow."

"The report itself," the official organ of the union (A. F. of L.) said, "could have been drawn up and submitted by any Communist Party front, so faithfully does it perform the functions of the Communist Party."

KILGORE and Schimmel said the report had improved the shipping situation.

The sharp interchange over what Schimmel was doing whispering to the presiding officer, came during the middle of a speech by Senator CHAPMAN REVERCOMB (Republican, West Virginia). REVERCOMB was denouncing the bill as a national service act for the unemployed.

Disclosure of the political action committee connection with the Murray-Kilgore-Truman measure reminded Capitol observers of a situation some years ago when scandal arose over the part Joe Grundy, spokesman for Pennsylvania industrial interests, was playing in connection with high tariff legislation.

Senator HARRY S. TRUMAN (Democrat, Missouri), told reporters yesterday he hoped for unanimous action Monday on a reconversion bill, but there was every evidence yesterday that the conservative forces led by Senator WALTER F. GEORGE (Democrat, Georgia), would press for action on the George bill and refuse any compromise.

Mr. WALLGREN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	Revercomb
Andrews	Gurney	Reynolds
Austin	Hatch	Robertson
Bankhead	Hawkes	Russell
Barkley	Hayden	Scrugham
Brewster	Hill	Shipstead
Brooks	Jackson	Stewart
Buck	Johnson, Calif.	Taft
Burton	Johnson, Colo.	Thomas, Utah
Butler	Kilgore	Tobey
Byrd	Langer	Truman
Capper	McClellan	Tunnell
Caraway	McFarland	Tydings
Chandler	McKellar	Vandenberg
Chavez	Maloney	Wagner
Connally	Maybank	Wallgren
Cordon	Mead	Walsh, Mass.
Danaher	Millikin	Walsh, N. J.
Davis	Moore	Weeks
Downey	Murray	Wherry
Eastland	O'Daniel	White
Ferguson	O'Mahoney	Wiley
George	Overton	Willis
Gerry	Pepper	Wilson
Green	Radcliffe	

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Seventy-four Senators have answered to their names. A quorum is present.

THE ADVICE AND CONSENT OF THE SENATE IN THE MAKING OF TREATIES

Mr. CHAVEZ. Mr. President, I have observed with a great deal of satisfaction the patriotic manner in which the Members of Congress have responded to the call of American public opinion, forgetting, as it were, their partisan interest. We are here assembled in the midst of what may be for the American commonwealth a crucial electoral campaign, in the midst of a world-wide conflagration, and, if we wish to carry it further, we could say in the midst of the decisive moments of that struggle in which the destinies of nations, ideologies, and races are at stake.

The Nation should feel gratified with the promptness and alertness with which its legislators have responded to the all-significant developments of recent days on the war fronts, whether in Russia, Italy, Normandy, Guam, or other strategic areas. The recent magnificent victories are made more dramatic by the heroism and valor of our sons and daughters, and those events have made us at home realize the need for economic reorientation in the wake of successful military developments. We have answered by returning to the Nation's Capital to find ways and means of providing for the foreseeable end of this World War and to prepare for the difficult problems of reconversion.

The legislative wheels are turning and democracy will once again show to the world its creative and energetic ways. The Senate of the United States is leading in this respect, and be it to its credit that the world is converging its collective eyes on the methodical and efficient manner in which we are dealing with such a transcendental problem.

In glowing terms which reach the superlative, and not without justification, historians and political scientists refer to the United States Senate as the greatest legislative body since the peak days of Roman history. We in our deliberations affect a greater world than the Romans ever dreamed of, and with the facilities of modern communications our acts and our deeds are communicable to the entire world with more rapidity than the Roman populace could have known of what was going on in the Roman Senate. In other words, the world is our public, and conversely the world shall judge us.

This is the principal reason why at this critical moment in human history the Senate of the United States should stop for a moment of self-analysis.

Why do I say this? Why, at the very moment when we are attempting to cope with the stupendous problems of reconversion and peacetime problems of unemployment, do I take the floor in this august body to ask for this analysis?

Precisely so that we may justify the hope which the world has reposed in us. Yes; it is time for us to pause and think. It is time for us to weigh our responsibilities as carefully as the scientist measures his materials with his most accurate instrument; and this not only in the light of present-day developments but in the light of our historical emergence as a legislative body.

It is time that we should pause and conscientiously consider the mistakes we have made in the past. We should not be ashamed of having been human, and thus of having fallen into the pitfalls of error. We are not infallible, nor are we supposed to be, for error is common to all human activity.

I am not trying to be professorial nor erudite. I am simply making an effort to be very practical and very matter of fact. I refer to the legislation which we are now attempting to consider and to pass upon. I say in all earnestness that reconversion and all its ramifications are all well and good. This has to do with our domestic front. But are we going to stop there? How about the counterpart, the foreign front? By this I mean our foreign relations. Is the Senate of the United States today thinking and planning adequately to discharge its duties fully and to use its constitutional prerogatives in the fullest meaning of those prerogatives for the welfare of humanity at large? Let the reaction to my remarks suffice for an answer.

It is not untimely for us to examine into the genesis of this body, of its duties, responsibilities, and prerogatives, taken both by themselves and the interrelation they bear with the executive duties, responsibilities, and prerogatives. It is time for us to reexamine the origin of the provisions in our constitutional charter, and to see for ourselves if we have adhered to them or whether we have allowed them to be nullified by time and the attitudes of our statesmen. It is time for us to consider whether it has been wise to depart from the purposes and ideals of the founding fathers. It is the hour for us to consider what has happened to us as a result of such departure.

Let us look at the record.

The Constitution of the United States provides in very simple, yet very definite, terms for the President, "by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur."

As time and experience have shown, the founders of the Republic knew well the fundamentals of government, perhaps because they were rich in political experience and possessed a deep understanding of the human elements which seep into the science of government. They knew the meaning of words, and they did not waste time in redundancy or useless repetitions. Able grammarians were among them, and the historical document over which they labored to the breaking point of human endurance is the best evidence of their exactness. Their every word was later on to be scrutinized by scientists, scholars, jurists, and statesmen, not only at home but in every commonwealth thereafter created under the sun.

The history of the relations of the United States with foreign nations has shown that the Senate of the United States has not only carefully complied with its duties, and valiantly defended its rights and prerogatives so far as the consent part of the previously quoted constitutional provision is concerned, but it has been alert in not allowing the executive branch of the Government to encroach upon such prerogative. Perhaps the only exception is in the case of so-called executive agreements, about one of which we read in the newspapers 2 or 3 days ago, relating to the agreement between England and the United States with reference to petroleum. Can we, however, say as much with regard to the advice part of the same provision of the Constitution?

Before we answer this question let us look further at the record, so that we may know the extent of the meaning of the words used by our founding fathers.

After the Constitution was framed, and while it was in the process of ratification by the several States, the framers were busy explaining it to the peoples of those States. What they said at that time has a decided bearing upon the meaning of those laconic but far-reaching provisions. Hamilton, Madison, and Jay took upon themselves the task of carrying their explanations to the people of New York so that they could realize the implications and meaning of the provisions of the proposed Constitution. Published contemporaneously in newspapers, and later compiled and published as a constitutional treatise, those commentaries have become one of the principal sources of information for the citizen, student, and statesman.

Hamilton discussed the treaty-making power in an article which he published in the Independent Journal, and which is known as No. 75.

This feature of the Constitution was termed by him one of the best-digested by the constitutional assembly. After considering the practice in the Old World under the monarchical system of government, where princes considered the treaty-making power a part of their heavenly granted prerogatives, Hamilton considered the different views of the framers and their conclusions regarding the American repository of that all-important function of government.

In spite of the fact that the whole frame of the Constitution was built upon the segregation of three supreme powers and the avoidance of an intermixture of powers, when the Constitution makers came to the treaty-making power they decided to lodge it in the twilight zone whereon converged a part of the functions of the executive and a part of the functions of the legislative. Further considerations impelled them to limit it to only one of the two branches of the National Legislature, to wit, the Senate, perhaps the most important consideration being its smaller membership in comparison to that of the House of Representatives.

While some of the critics of the times then advanced the suggestion that this power should have been lodged in the Presidency exclusively, others were of the opinion that the Senate should deal exclusively with it. The arguments in favor of the exclusiveness of the Executive were based upon the secrecy and immediate dispatch sometimes requisite in the negotiation of treaties. Incidentally, Jay discussed these aspects thoroughly in his article numbered 64, which was pub-

lished in the New York Packet on March 7, 1788.

When Hamilton was discussing the exclusion of the House of Representatives from the participation in the treaty-making power, he used the following important words:

> The greater frequency of the calls upon the House of Representatives, and the greater length of time which it would often be necessary to keep them together when convened, to obtain their sanction in the progressive stages of a treaty, would be a source of so great inconvenience and expense as alone ought to condemn the project.

Hamilton used words which are worth repeating: "to obtain their sanction in the progressive stages of a treaty." They are very significant because here he states what the drafters of the Constitution had in mind; namely, the progressive stages in the negotiation of a treaty, which is what the word "advice" implies.

What did Hamilton have in mind? These words are clear enough. The progressive stages of a treaty are not those appearing after the negotiations have been completed, and after all that remains to be obtained is the "consent" of the Senate and the formality of the exchange of ratifications. He was referring to the stages of negotiation, from the very inception of diplomatic contacts, exchange of views, and discussion of the terms.

This is still more evident when we recall that while discussing this topic, Hamilton had in mind the previous article written by his collaborator Jay. Hamilton then said:

> As I flatter myself the observations made in a preceding number upon this part of the plan [these observations] must have sufficed to place it, to a discerning eye, in a favorable light.

What was he referring to? To Jay's article numbered 64, above quoted, in which he discussed the treaty-making power, and Hamilton was, in his own words, "offering only some supplementary remarks."

In the light of experience we are apt to ask ourselves if we have departed from the intention of the framers of the Constitution? We are constrained to answer in the affirmative. As time passes, the executive branch of the Government has become more and more exclusive in this respect, to such an extent that it culminated in the now historical events leading to the negotiation of the Treaty of Versailles, and subsequently to the rejection by this body of that treaty, and the consequent disillusion of the whole world in the wake of the nonattainment of the high purposes and ideals which motivated such negotiations.

We do not wish, of course, to enter into the sphere of speculation, and it would serve no good purpose to cry over what might have been; but of one thing we can be certain, and that is that had the so-called "irreconcilables" of the Senate been asked to give their advice through the constitutional vehicle of which we are speaking the results might have been different. Much has been said recently about the mistakes of those statesmen, some of whom are gone and cannot defend themselves, and it would not be fair to attack them now; but retrospection is the order of the day, and, so far as it may be constructive and illustrative, we can with all candor point to what happened as a good example of what we may avoid in the future. Yes, we can avoid mistakes of this nature by adhering to the letter and to the spirit of our National Constitution.

If there be those who do not like the terms or provisions which lodge the treaty-making power in the Senate jointly with the President—and by this I mean the treaty-making power in all its progressive stages—let them proceed to amend the Constitution in the manner provided by the Constitution itself. Why should the executive branch of the Government arrogate to itself exclusively powers which constitutionally belong to the two branches? Is custom, I ask, sufficient to obliterate from that charter the rights and prerogatives granted by the Constitution? I venture to throw my lot with the negative. It is only for the Senate to assert its rights and prerogatives, and here and now I challenge my colleagues to stand up and remedy a dangerous situation in our national life.

The time is ripe for the rectification of our course. Let us take to the right course, a course from which we have certainly deviated. Let us rise and comply with our constitutional duties. Let us no longer allow the Executive to infringe upon our constitutional mandate and assume our obligations in the most chaotic moments of a world crisis.

By doing this not only will we maintain and support our Constitution, but we will thereby bring the prestige of the Senate to the high level it ought to enjoy in our governmental structure, and what is more significant, we will inspire in other nations and their governments a firmer hope that whatever is negotiated with the American commonwealth will have a better chance of crystallization than heretofore.

We owe it to our comrades in arms, to our Chief Executive, to ourselves, and to our allies to follow the course I have suggested.

It is indeed disturbing to observe how the part the Senate is called upon to play in treaty making diminishes step by step, while the part played by the executive branch increases. Under the expediency of executive agreements, which need not be submitted to the Congress, the latter part of the constitutional provision of "advice and consent" is obviated, circumvented, avoided. How far is this to go? Is it to be allowed? We grant that with proper safeguards this kind of treaty making may be advantageous. Nevertheless, it is high time that the Senate itself determine to what extent it will permit the collaborator to act by himself. A definite policy should be adopted and adhered to. Why? Because by the terms of the Constitution a treaty entered into by the United States becomes the supreme law of the land. We do not have to stretch our imagination to realize that such a treaty, negotiated exclusively by the Executive, may nullify completely legislation constitutionally enacted by the national Congress, and even by the legislatures of the several States. This point really affords food for thought.

In the progress of human relations candidness and fair dealing are of the essence. We cannot afford another experience such as that suffered in the case of the Versailles Treaty and the League of Nations Covenant. Let us set a good example to those we urge to emulate us.

The thinkers of the times have their eyes focused on us. In the words of Hugh Gibson, "There is general recognition today that there is something unsatisfactory in the relations between the Senate and the Executive and that something should be done about it." Mr. Gibson is right and so are many others who are bringing this question to the attention of the American people.

My suggestion is simple and to the point. The Senate should adopt a resolution advising the Executive of its intention and determination to assert its constitutional prerogatives from this day on. The battle cry will be there, and I wonder if there is any soul daring enough to go against the constitutional mandate and the will of the Senate, which in this instance is the historical will of the American people.

EXTENSION OF UNEMPLOYMENT COMPENSATION

The Senate resumed the consideration of the bill (S. 2051) to amend the Social Security Act, as amended.

Mr. CHAVEZ. Mr. President, on August 8 I had printed an amendment which I intended to propose to the bill. The amendment provides against discrimination on racial or other grounds. In view of the parliamentary situation, I cannot offer it to the pending George amendment, but I wonder if the Senator from Montana will accept it as a modification of his amendment. The amendment, to be inserted at the proper place, is as follows:

> On page 10, after line 11, add a new section 104, as follows:
>
> "SEC. . In the administration of the benefits and appropriations made under the provisions of this act, there shall be no discrimination against any person on account of race, creed, color, national origin, ancestry, or sex."
>
> On page 17, line 19, after the words "Navy Department," add: "President's Committee on Fair Employment Practice".
>
> On page 29, line 16, after the word "claims" add: "without discrimination on account of race, creed, color, national origin, ancestry, or sex".
>
> On page 40, line 11, after the words "Puerto Rico," add: "and all other possessions of the United States".

Mr. MURRAY. Mr. President, the amendment just proposed by the Senator from New Mexico is a proper and valuable amendment, and I wish to accept it.

Mr. AIKEN obtained the floor.

Mr. LANGER. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. JACKSON in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	Revercomb
Andrews	Gurney	Reynolds
Austin	Hatch	Robertson
Bankhead	Hawkes	Russell
Barkley	Hayden	Scrugham
Brewster	Hill	Shipstead
Brooks	Jackson	Stewart
Buck	Johnson, Calif.	Taft
Burton	Johnson, Colo.	Thomas, Utah
Butler	Kilgore	Tobey
Byrd	Langer	Truman
Capper	McClellan	Tunnell
Caraway	McFarland	Tydings
Chandler	McKellar	Vandenberg
Chavez	Maloney	Wagner
Connally	Maybank	Wallgren
Cordon	Mead	Walsh, Mass.
Danaher	Millikin	Walsh, N. J.
Davis	Moore	Weeks
Downey	Murray	Wherry
Eastland	O'Daniel	White
Ferguson	O'Mahoney	Wiley
George	Overton	Willis
Gerry	Pepper	Wilson
Green	Radcliffe	

The PRESIDING OFFICER. Seventy-four Senators having answered to their names, a quorum is present.

Mr. AIKEN. Mr. President, I appreciate the gravity of the situation which would exist in this country should the war in Europe end suddenly. I appreciate the need for making provision for such contingency with the least possible delay. I realize that the Senate has been called back into session for the purpose of enacting legislation which will better prepare our country for the ending of hostilities in Europe.

We are now considering two bills, and various amendments offered to those bills. These bills were not printed until a few days ago, and very few of the Members of the Senate had any opportunity to see them until this week. Some of us were on the way back to Washington and could not possibly get a chance to read the bills until Tuesday morning. During the last few days, making use of whatever opportunity I was afforded, I have devoted myself to reading and considering the two measures proposed to be enacted. I have not been able to keep up with the various amendments as they have been proposed, and I have not been able to give the bills the consideration which I feel I would have to give them before I could vote upon them intelligently. Yet from reading the bills and listening to the discussions on this floor, I can only conclude that neither bill anywhere near meets the situation which confronts this country today or deals fairly with all groups of Americans alike.

In my opinion, Mr. President, the enactment of either one of these bills in its present form could prove satisfactory and beneficial only to minority elements of our country. I cannot find a line in either bill that would prevent unemployment or create any new employment. They are both devoted to the payment of unemployment compensation and the means through which such payments should be made.

I cannot find in either bill the slightest provision sympathetic to the millions of poor people in our country who have lived in near distress conditions throughout the entire war and whose conditions will be aggravated with the ending of the war.

I can find in neither bill any provision offering more than scant sympathy to the low-paid white-collar workers of the country, and I can find in neither bill any mention of that great group upon whom the blow would fall hardest should the war end suddenly and the purchasing power of the American public be drastically reduced—the American farmer.

American agriculture would be the first to feel acute suffering from a drastic lowering of living standards and purchasing power of industrial workers. American agriculture may face, indeed will face, disastrous surpluses and collapsing prices at the end of hostilities unless we make preparations to meet such a condition.

I ask Senators to consider just one agricultural commodity, and that is milk. In June 1940 the farmers of the United States produced 11,641,000,000 pounds of milk, for which they received an average of $1.63 a hundred pounds, or about 3½ cents a quart delivered to market. That was a low price, in most cases an unprofitable price.

When war came on much milk was needed for the armed forces. Our industrial workers also demanded more milk. They had the money to pay for it. They bought all the milk previously sold as fluid milk and a large part of that which had previously been manufactured into butter, cheese, and other byproducts. The Government sought by every means to increase the production of milk in America. However, such an increase cannot be obtained over night as it takes 3 years to produce a dairy cow.

By June 1944, however, the production of milk in the United States had increased to 12,540,000,000 pounds, or about 1,000,000,000 pounds more for the same month in 1944 than in 1940. The average price received by dairymen for June 1944, for the whole United States, was $3.11 per hundred pounds, or 6½ cents a quart, plus a subsidy which varied from 35 to 65 cents a hundred pounds, depending upon the locality in which it was produced.

This increase in price of milk from $1.63 a hundred in 1940 to $3.11 a hundred, plus a subsidy of 35 cents to 65 cents in 1944, has been brought about almost solely through the increase in purchasing power of American industrial workers.

Cows and heifers 2 years and older in milk production have increased from 24,926,000 on January 1, 1940, to 27,607,000 on January 1, 1944. Heifers 1 year and older have increased from 5,521,000 on January 1, 1940, to 6,222,000 on January 1, 1944. Heifers 1 year and under have increased from 5,965,000 on January 1, 1940, to 7,039,000 on January 1, 1944. Over the 4-year period, this represents an increase in cows and heifers of several million, and the increase was brought about at the request of our Government, which asked for an increase in milk production, just as it asked the industrialist to increase the output of his factory and of the laborer to put in more hours of work.

In June 1940 a production of 11,641,000,000 pounds of milk constituted a surplus of milk, so that the farmer averaged only $1.63 a hundred pounds for it.

Mr. DAVIS. Will the Senator tell us how much that is a quart?

Mr. AIKEN. That is 3½ cents a quart, but that price is the price delivered to the market, and there is considerable transportation expense to come out of it. The farmer probably realized only 3 cents a quart for his milk at that time.

Mr. President, cannot everyone see what would happen to the dairy industry in America if the present production of 12,540,000,000 pounds should find itself without a market because people could not buy it, and there was no demand for it from the armed services? Yet we are making no preparation whatsoever, we are not planning anything to take care of a situation such as, if we stopped to think of it, we would know must exist at the end of the hostilities in Europe.

The American farmers have increased their output of milk at the constant urging of their Government. They do not deserve any such calamity to be visited upon them as would certainly occur if the industrial pay roll of America should be reduced to the pre-war purchasing level, and no provision whatsoever was made to take care of the tremendous loss which American agriculture would sustain as the result of complying with the urgent request of its Government.

Milk is only one item. What applies to milk applies also to fruit, to the fiber crops, and to other agricultural products. I ask, Mr. President, are not American farmers deserving citizens of their country? Do they not deserve consideration in post-war planning? Should not they, as well as industry and labor, be protected against distress? Why is it we are called upon to legislate for industry and to protect the manufacturer from loss while the plight of agriculture goes ignored?

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER (Mr. JACKSON in the chair). Does the Senator from Vermont yield to the Senator from Minnesota?

Mr. AIKEN. I yield.

Mr. SHIPSTEAD. The beef and cattle industry and the hog industry are in a very precarious condition, as well as the milk industry. So far as I know, no provision is made in the pending legislation to take care of those industries if a sudden slump should come upon us as it did after the last war. At that time there was an artificial deflation of agriculture. So far as we know, the same thing may occur again unless protective legislation is enacted to prevent an artificial slump. After the last war, in the year 1920, when we had the greatest surplus of food in our history, the banks were ordered by the Federal Reserve Board to liquidate all agricultural loans. At that time we had more wheat and more pork than at any other time in the Nation's history, but an artificial slump was brought about, the market was broken by the calling of agricultural loans by the banks.

There should be enacted an omnibus bill to take care of all these contingencies and place all American citizens in the same boat, and give them all the same

protection. We are legislating today as though only labor were involved. Industry is taken care of through contracts made with it. I am glad the Senator from Vermont mentioned the possibility of a precarious condition existing with respect to the farmer, who ought to have safeguards provided for him similar to the safeguards provided for other branches of our productive capacity. Farmers work from 14 to 18 hours a day and have produced surpluses at the request of the Government. What is going to happen to them? It seems to me that a comprehensive over-all program ought to be worked out carefully in committee. There is time to do it, and I think it ought to be done. This is piecemeal legislation. If the proposed legislation is enacted, we do not know what protection will be given to other elements of our economy.

Mr. AIKEN. I thank the Senator from Minnesota for his remarks. I think he views the situation clearly as regards the post-war dangers to agriculture. I believe that everyone of us should realize that we cannot legislate for industry or labor alone, but that industry, labor, and agriculture are all interdependent, and if one is left unprotected and goes down, the others will absolutely have to go down with it.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. TAFT. In the Price Control Act, or some other act, we enacted a provision which guarantees the prices of the five basic commodities at 90 percent of parity. Loans may be made at 90 percent of parity for 3 years, as I remember, after the war. So it cannot be said that the farmer is left entirely uncared for. After all his interest is in the price of his products. We may not have covered the entire picture; but, so far as the five basic commodities are concerned, as I understand, we are guaranteeing today, and for at least 3 years after the war, a minimum of 90 percent of parity.

Mr. AIKEN. Those are the five basic commodities.

Mr. TAFT. Yes.

Mr. AIKEN. However, products of greater value than the five basic commodities include beef, milk, poultry, and other agricultural items.

Mr. SHIPSTEAD. Also sheep and hogs.

Mr. AIKEN. Yes. Furthermore, in the confusion which we fear is likely to result, all the economists in the Government cannot keep parity figured up to date. The farmers know from experience that they usually get the short end of things.

We are asked to protect labor against the disastrous lowering of wage and living standards; and yet no mention is made of American farmers in either of the bills which the Senate has under consideration. Is it because the farmers do not deserve the consideration which industry and labor deserve? Is it because they have not supported the war effort? If my information is correct, no group in America has more faithfully and loyally devoted itself to the winning of the war than have the American farmers; and yet so far not a voice has been raised in consideration of the farmer, and the plight in which he will find himself at the end of the war, with a reduced demand for his products and a tremendous surplus on hand.

Mr. President, I believe that the failure to take the farmers into consideration is probably due to an oversight, or because other groups have been more insistent in their demands that they be protected against possible calamity at the end of the war. I am in favor of protecting American industry against disaster during the reconversion period. I am equally in favor of protecting labor against the disastrous lowering of income levels and living standards. I agree with many of the provisions of the bills introduced by the Senator from Montana [Mr. MURRAY] and the Senator from West Virginia [Mr. KILGORE] for the protection of labor during the period immediately following the war. But I see in those bills elements of grave danger unless they are properly safeguarded and amended. I cannot support either of them as it is now written, nor can I vote to return millions of American industrial workers to pre-war unemployment conditions which might force them to accept employment at wages so low that they could not decently support their families, and which might conceivably impair our national health and safety.

Since my return to Washington I have heard it argued that we should get back to a pre-war economy at the earliest possible date after the conclusion of the war. I emphatically disagree with the state of mind which prompts any man to urge that we return to a pre-war economy and a pre-war income level. The very fact that our national debt has increased from $44,000,000,000 in July 1940, to more than $199,000,000,000 on July 1, 1944, or fivefold, should be conclusive evidence to anyone that we cannot return to pre-war economy and pre-war income. Our national income must be held up if the country is to be kept on a safe financial footing.

We legislate for the future, and not the past. If our legislation does not make the future better than the past, we should not undertake to legislate at all. If millions of industrial workers are sent home to seek other jobs, and other millions of people who were only employed part-time before the war are thrown out of work, they will be forced to seek employment at whatever wage they can get. That means that servants can be again hired to set tables, to brush clothes, and drive cars, and they can probably be hired at wages a great deal less than they are now receiving. It will mean that we can hire employees for other purposes, to do things which probably ought to be done, but which we have had to do without during the war. But if millions of men are forced to go back to work at too low levels of wages, it will also mean poorer diets for millions, poorer health, poorer teeth, poorer eyesight for children, poorer education, and poorer standards in many other respects that we in America should never tolerate. It will mean that more people will not have new bathrooms, electric lights, or even food, and consequently that manufacturers will not be able to sell all they produce.

We do not want the old pre-war economy back. We want to work for the future. As I stated in the beginning, I do not minimize the necessity of enacting at the very earliest possible date legislation to take care of post-war situations; but I am resentful when I think that I am expected to vote on what many of my colleagues say is the most important question of this generation, after having had the bill in my hands for only 3 days, with little opportunity to study it.

While it is desirable to enact some legislation as soon as possible, we must not hurry through undesirable legislation merely to enable us to say that we have enacted some legislation to take care of the situation, because such legislation would be full of errors which would have to be corrected later, and which would perhaps cause considerable damage before they were corrected.

I cannot vote for either bill now before the Senate as it is at present written. I believe that a bill can be written which would be fair to all groups, and which would take care of the situation for agriculture as well as for industry and labor. For that reason I move that the two bills now under consideration be recommitted to the respective committees from which they were reported, so that those committees may bring forth a real American plan which will be fair to all groups in our Nation, and which the Congress can safely approve.

The PRESIDING OFFICER. The parliamentarian informs the present occupant of the chair that there is but one bill now before the Senate. That is Senate bill 2051. The other bill is involved because it is presented by way of amendment.

Mr. AIKEN. Then, Mr. President, I move that whichever bill is properly before the Senate be now recommitted to the committee from which it was reported.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. SHIPSTEAD. If the Senator has in mind the writing of a new omnibus bill to take into consideration the needs of all the various branches of our economy, would it not be well to have just one committee do that? I think the Senator said the bill should be referred to various committees. But now there is only one bill. What committee handled the bill?

Mr. AIKEN. I understand the bill which is properly before the Senate is the one which was reported by the Finance Committee. I ask the Chair whether that is correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. AIKEN. It appears to me that somewhere between the two bills we are considering lies a fair answer to the problem.

I also hope that consideration will be given to our great agricultural population, for if that goes down it will inevitably carry down with it labor and industry.

Mr. TOBEY. Mr. President, I merely rise to state that I concur heartily in and endorse the sentiments expressed by my friend and colleague, the Senator from Vermont [Mr. AIKEN]. I say that, after watching him in action since his coming to the Senate, the profession of agriculture has no more ardent or sincere supporter. I shall gladly support his motion to recommit the bill, in accordance with his remarks and his motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont that Senate bill 2051 be recommitted to the Committee on Finance.

Mr. TOBEY. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. GEORGE. Mr. President, I wish to make only one observation. The Committee on Finance has no jurisdiction of any of the problems to which the Senator from Vermont [Mr. AIKEN] referred in his address. It has no jurisdiction over the farm problem as such, or over the cancelation of war contracts, or over the reconversion of war industries to peacetime. If the bill were recommitted to the Committee on Finance, such action would properly apply only to that provision of the bill which deals directly and exclusively with the amendment of the Social Security Act. Therefore I hope the motion will not prevail.

Mr. SHIPSTEAD. Mr. President, before the vote is taken on the motion I suggest to the Senator from Vermont that he amend his motion so as to request the appointment of a select committee, and to have on that committee various members of the committees which have charge of the different subjects. I suggest that such a special committee be appointed and that the bill be referred to it. On that committee I would have members appointed from the Committee on Military Affairs, the Finance Committee, the Committee on Agriculture and Forestry, and the Committee on Education and Labor.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Do I correctly understand that if the motion to recommit Senate bill 2051 is agreed to, Senate bill 2061 will still be before the Senate for consideration?

The PRESIDING OFFICER. It will still be on the calendar, but will not be the pending business.

Mr. AIKEN. Mr. President, regardless of whether the Finance Committee would have anything to do with the agricultural situation, personally I do not see how I can vote for Senate bill 2051, having to do with unemployment compensation, as it is now before us, having been reported from the Finance Committee. But I believe that for the good of the country we should consider the matter of the post-war treatment of agriculture, labor, and industry, all at practically one and the same time, and that if the Finance Committee does not have anything pertaining to agriculture under its jurisdiction—and I accept the word of the Senator from Georgia [Mr. GEORGE] that it does not—the proper committee should report a bill to the Senate. I believe that if we go ahead and legislate for the benefit of industry and labor, but leave agriculture until the end, agriculture is likely to receive far less consideration than it would receive if it could be considered at approximately the same time when the other industries are considered.

The PRESIDING OFFICER. Is the Chair to understand that the Senator from Vermont withdraws his motion to recommit the bill?

Mr. AIKEN. No. I do not. I do not think we should legislate for one or two groups, and leave out the other group.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont that Senate bill 2051 be recommitted to the Committee on Finance.

Mr. WALSH of New Jersey. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial from the Washington Post of today. The editorial is entitled "Time to Compromise." It expresses my views on the pending legislation much more convincingly and ably than I could possibly present them. I am very much concerned over the prospect that in voting on this legislation I may have to choose the lesser of two evils. I find one proposal wholly inadequate and the other demoralizingly lavish, to borrow a phrase from the Post editorial.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TIME TO COMPROMISE

The Senate debate over the unemployment compensation features of the rival George and Kilgore demobilization bills has revealed the serious inadequacies of the former, even in its modified form, and the demoralizing lavishness of the latter. Both bills set up Federal supervisory machinery to cooperate with the States in making provision for the unemployed during the demobilization period, and neither bill contemplates supersession of the existing State systems of unemployment insurance. The major issue in dispute relates to the scope of the Federal-aid program and the scale and variety of the benefits to be paid. There are no great issues of principle involved, although some Senators are trying to make it appear that such is the case.

As previously pointed out, the George plan is inadequate because it leaves the schedules of benefit payments established by the States unchanged. In many States the unemployment insurance system is woefully deficient in respect to the amounts and duration of benefits paid, and in all cases the coverage is too limited. It does not seem possible, as Chairman Altmeyer of the Social Security Board points out, that in the time remaining before the war ends, State employment systems can be improved sufficiently to provide needed protection against widespread demobilization unemployment. Indeed, the States could not, if they would, cope unaided with a problem that is of national scope. Federal legislation is needed to extend insurance coverage to civilian war workers of the Federal Government, who are outside the State systems. It is also required to assist poor States and compel some niggardly rich States to raise the scale of benefits above the low levels that prevail in so many cases.

The Kilgore bill, instead of being content with raising benefits to reasonable levels, provides for payments to unemployed civilians running as high as $35 weekly in case of persons with three dependents. To be sure, no worker could receive more than 75 percent of his weekly wages, with maximum payments limited to $20 weekly for single individuals without dependents. Since the 75 percent limitation is computed on actual earnings obtained in the best quarter of the 3 years preceding an application for benefit payments, most unemployed former war workers would be entitled to maximum payments. Furthermore, it appears that payments under the Kilgore bill might continue for a good many years, since its provisions run for 2 years from the termination of the war. So long as a family man could draw unemployment benefits of $35 per week he would hardly consent, except under duress, to accept a job paying less than that amount. Indeed $40 or $45 per week would have slight lure under such conditions.

The estimated costs of the Kilgore plan are based on so many assumptions that they amount to mere guesses. However, it is generally agreed that the costs would run to staggering figures if any considerable volume of unemployment developed—figures that cause shivers of apprehension among all but fervent believers in the power of spending to work miracles. Disregarding the cost aspect of the plan, the fact that it would put a premium on idleness should be sufficient to cause its rejection in favor of decent provisions for even the lowest paid war workers, while keeping maximum benefits low enough to make the unemployed eager to find new occupations. A suitable compromise plan could easily be devised by modifying either the George bill or the Kilgore bill without overthrowing the existing State systems of unemployment insurance.

Mr. REYNOLDS. Mr. President, the Senator from Georgia [Mr. GEORGE], my distinguished colleague and beloved friend, just a moment ago made inquiry of me whether I would object to having a vote taken on the motion to recommit before I make my modest observations. I always desire to accommodate my colleagues, and particularly the Senator from Georgia [Mr. GEORGE], because of my great admiration and affection for him. I am sure it is proper to have the vote taken on the motion before I orate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont [Mr. AIKEN] that Senate bill 2051 be recommitted to the Committee on Finance.

The motion was rejected.

Mr. REYNOLDS. Mr. President, having accommodated my friend from Georgia, as I was very happy indeed to do, I should like to proceed at this time.

I wish to say to the Members of this body, as individuals, and as constituting one of the two branches of the Legislature of this great Nation, that we shall not be able to face the men returning from the battlefields unless we proceed at once to enact into law the Murray-Kilgore bill which is now before the Senate, and which has previously been passed upon by the Committee on Military Affairs. I may add that in connection with its consideration in the Committee on Military Affairs, the hearings covered several days.

Observers who have toured the far-flung areas of the world where Americans are daily jeopardizing their lives to beat down our enemies and preserve the integrity of our Nation are unanimously agreed that all of our men abroad dream and long for the day when, the fight won, they can return victorious to the United States to the homes, the families, the hallowed places and institutions whose value is now thrice enhanced by the bitter price we have paid to keep them secure.

Let me say at this time that I am opposed to any world-wide military force. I wish to have our boys and our girls in uniform returned home the minute the present struggle is over, and I hope and pray to the great God above that there never again will be occasion to fight on foreign shores. I pray that if there is ever again occasion to fight at all, it will be to fight only in defense of and on our own shores. The longer our men see and endure the ravages of war in other lands, the more America becomes to them an oasis in a world of arid devastation. It is a powerful image, which spurs them on to overwhelm our enemies and to return to our own beloved country to resume the arts of peace and to devote their energies to the continuing betterment of our own way of life, which I hope and pray they will find to be as good as when they left it

What will we have to offer to the men who, all through the hell of war, carry in their hearts this glowing vision of America, the men whom we have asked to postpone all the comforts, the blessings, the fulfillment of which are the birthright of every American? Our men under arms are fighting for a land of peace and plenty. They are winning that fight. Their hopes are high. Their disillusionment will be all the more grim and their anger the more profound if they return to find that a faltering economy at home denies them the welfare, the security, and the happiness for which they have risked their lives abroad. I refer to both the men and women of our armed forces who are serving on foreign shores and in every sphere of the entire world.

Mr. President, we must not fail our fighting men. We will not shirk our responsibility to lay the basis now for a post-war America which will give meaning to their sacrifices. That must be an America whose productive mechanism is running in high, offering to every returned serviceman an opportunity to contribute his skills and participate in a national peacetime period. It is an America which will produce abundantly the goods and services which our veterans will desire, and which will provide them the means for their acquisition. It is an America which can tolerate no waste, either of manpower or of resources. The Murray-Kilgore bill has as its objective to insure such an America and the maintenance of full production and full employment, which are the only adequate guaranties of good living for the returned soldiers of our citizen Army.

The peacetime fate of our veterans is inseparable from the prosperity of the country as a whole. To talk merely of job preference for veterans is to take a view so partial and short-sighted that it beclouds the true dimensions of the problem which faces us. Unless we take steps at once to provide work for all, the livelihood of the returned soldier will be completely dependent upon the conscience and the bounty of the individual employer—an uncertain future. And unless we take steps to assure full production, employers with the best will in the world will have few jobs to offer to the demobilized servicemen. We shall be confronted by the grim spectacle of war veterans competing for jobs with their fathers, sons, and brothers who, although they did not have the opportunity to fight for their country on the field of battle, have done yeoman service on the home front in turning out food and weapons to win the war. The outcome is easy to foretell. Wages will be forced down, unemployment will spread, purchasing power will decline. With markets for goods thus shrunken, industrial stoppages will increase, thereby throwing more persons out of work and culminating in a crisis.

We have only to consult the pages of recent history in order to know that we must act now if we are to escape the chaos that engulfed us at the end of World War No. 1, and from which we never thereafter fully recovered. It is a matter of record that servicemen fared ill in the days and months which followed the November 1918 armistice. Returned heroes formed lines at employment offices, or walked the streets vainly searching for work. In metropolitan areas, many peddled "welcome home" signs and other articles to earn enough for bare survival. A contemporary newspaper commented bitterly as follows on the plight of ex-soldiers:

> In New York this is but one species of begging to which impoverished heroes have been compelled to resort. Selling newspapers on the street corners, peddling from push-carts and shoulder-slung trays is a common sight.
>
> The city of New York stages a welcoming spectacle costing several thousands of dollars—and generously instructs the police to refrain from arresting wounded soldiers for peddling shoestrings without securing licenses.

In many quarters the ex-servicemen were met with a barren and calloused attitude. The Philadelphia Record of February 20, 1919, described as follows the employment situation on a particular railroad:

> While their dissatisfaction is natural enough, the railroad can offer no relief. Those who were left behind have the opportunity to learn more of the business and have made themselves more valuable in that particular line. The greater value to the country of the fighting men's service is acknowledged, but what is to be done about it? It is the soldier's fate to take much of his compensation in glory and the consciousness of having done his high duty. It isn't comforting, but it was ever thus.

That those who have survived the hazards of battle should be subjected to the hazards of economic depression is the greatest irony and injustice. The Murray-Kilgore bill is a preventive against depression. It minimizes dislocations by synchronizing war production cut-backs with resumption of civilian supply. It retrains and transfers workers to new jobs. It sets up a system of unemployment compensation which will maintain purchasing power at high levels, and not allow transitional unemployment to cause the crumbling of our entire American way of life. The Murray-Kilgore bill means jobs for veterans—not any old jobs at any old wage, but American jobs, jobs which utilize their skills and talents, jobs which yield them a decent recompense.

I note with deep distress and shame that anxiety over post-war job competition has already generated in some quarters sentiment for deferring discharge of servicemen until work is available for them. Let me quote from an article which appeared in the Washington Star on August 6, 1944:

> Obviously, those in the forces should be discharged as soon as practicable, but it is hoped that the lesson of overrapid, unplanned demobilization after World War No. 1 will be remembered, service men and women and their families will be able to temper their very natural desires for reunion with an understanding of the problems involved. It is hoped, too, they will bear in mind the depression lasting almost 2 years that followed the brief burst of reconstruction activity after the soldiers returned in the last war.
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> * * * * *
>
> Within the framework of military requirements * * * there is still room for seeking to coordinate the rate and order of discharges with economic considerations and the desirability of releasing older men with family responsibilities first.

And I say that is quite right.

> Authorities are seeking to work out plans to brake the rate of releases to industry's ability to absorb them. This means a slowing down of the demobilization process so that industrial reconversion can get under way before the labor market is flooded.

The suggestion to slow down the demobilization process strikes me as cold-blooded. I can only say that after the sufferings, the privations, the miseries of every description which these men have endured, to keep them from their families, to subject them to the rigor and cheerlessness of military life for one day longer than our national security demands, is worse than ungenerous; it is worse than ungrateful. It is criminal and inhuman.

Insofar as I am concerned, I wish to repeat that I want our men in uniform from all parts of the world to be returned immediately to their loved ones, their homes in the United States of America, as soon as this war is over, and I pray to God that they will never again be called upon to fight on any soil, except their own native soil, in defense of their own beloved United States of America.

In this connection, Mr. President, I should like to read from the language of the Murray-Kilgore bill: Title III states—

> The Congress hereby declares that the objectives of this title are—
>
> (a) To facilitate the most effective mobilization and maximum utilization of the Nation's manpower in the prosecution of the war;

(b) To maintain maximum employment in the transition from war to peacetime production;

(c) To provide for the coordination of the demobilization of servicemen with employment opportunities under a policy of demobilizing servicemen as rapidly as the military situation permits:

(d) To provide necessary training of ex-servicemen and war workers; and

(e) To provide the necessary economic assistance to returning ex-servicemen and war workers in connection with transfer, training, and reemployment.

The Murray-Kilgore bill provides that every effort shall be made to place discharged servicemen in suitable employment. But whether jobs are immediately available for all or not, when the war is won these men must be demobilized and allowed to make their readjustment to civilian life without delay—and that is my hope. The measure now before this body takes care of such contingencies as lags in reemployment. It provides a system of benefits which will maintain the ex-soldier and his family at a decent living standard during the period between demobilization and placement in a civilian job. It will eliminate the frantic competition of near-destitute men for any job at any wage, and prevent the glutted labor market and depressed wages which must inevitably follow such competition.

The Murray-Kilgore bill, which is a full production-full employment bill, thus provides the general framework for the speedy and successful reabsorption of veterans into American life. It is, in that sense, a veterans' bill. It is, in a more specific and limited sense, a veterans' bill, in that it addresses itself particularly to the problems of the returned soldier and makes provision for him apart from and beyond the measures designed for the civilian population. In making this distinction the authors of the bill were conscious of the desire which is general throughout the Nation, to manifest, however inadequately, the enormous gratitude we feel toward those who at the risk of their lives have defended our homes, our land, and our cherished liberties. The authors of this bill were further motivated by their realization that the veteran faces a much more trying period of reorientation than does the civilian war worker, and requires more generous assistance.

The Murray-Kilgore bill goes further than existing statutes to meet the requirements of a veterans' readjustment program. The Mustering-Out Act of February 1944 provides payments of $100 for service men and women with less than 60 days' service, $200 for those with over 60 days' service, and $300 for those who serve overseas. The present measure increases these payments substantially, in accordance with the following arrangement: Equal monthly installments are paid at the rate of $100 if the serviceman is without dependents, $125 if he has one dependent, and $150 if he has two or more dependents. Every serviceman receives a minimum of two installments, with an additional installment for each year of active service and an additional installment for overseas service. Thus, every serviceman would receive at least $200, as compared with the $100 minimum to which he is now entitled, while a serviceman with two dependents, who had seen a year of active service, any part of which was overseas, would receive $600, as compared with the $300 to which he is entitled under existing law.

The G. I. bill of rights, which recently became law, provides unemployment compensation for demobilized servicemen at the rate of $20 a week for a maximum of 52 weeks in a 2-year period. The Murray-Kilgore bill, which is now under discussion by this body, doubles the number of weeks during which the soldier may claim benefits and increases the amount of compensation, varying it in accordance with the number of persons dependent for their support upon the serviceman. For every week of unemployment for 2 years following the termination of hostilities or his discharge from the Army, whichever date is later, the ex-serviceman would receive $20 if he had no dependents, $25 if he had one dependent, $30 if he had two, and $35 if he had three or more. In no case would payments to civilian workers exceed this rate, and in many instances such payments would fall substantially below the level for servicemen.

Extending the duration of benefit payments is of the utmost consequence to the functioning of our economy and to the individual adjustment which the discharged serviceman must make. The Murray-Kilgore bill allows him a reasonable period of time in which, freed from financial distress and anxiety, he may reorient himself to the pursuits of civilian life. It is our thought to relieve him from economic pressure, while he rediscovers his old skills or acquires new ones, and finds employment which utilizes those skills. If we deny him this period for refocusing his interests and energies, the struggle to earn a livelihood may force him to accept substandard and unsuitable employments which depress the job market, spell personal frustration for the serviceman, and perhaps lose to us as a Nation forever the fruits of his creative talents.

I should like to speak for a moment upon the import of providing increased mustering-out payments and unemployment benefits to servicemen with dependents. The War Department informs me that of the total enlisted men and women in the Army, an estimated 32 percent have direct dependents. Of the total, 19 percent have one dependent, 10 percent have two dependents, and 3 percent have three or more dependents. Many of the families of our men have courageously accommodated their living to reduced wartime scales, giving up their material comforts as well as their men to see their country through its crisis. These families, deprived of their chief breadwinners, have had little opportunity to accumulate savings which might tide them through the period of readjustment. They need and deserve supplementary aid. Only thus can servicemen who are heads of families be placed on a comparable financial footing with those who have no dependents. Without such additional payments, families become an economic handicap, reducing the veteran's mobility, thrusting him into employment while his single comrade has an opportunity to select and choose the more advantageous job. Surely we cannot wish to penalize the veterans who have family responsibilities. Yet such would be the disadvantaged status of one-third of our fighting men under existing statutes, which make absolutely no provision for increased payments for dependents.

I should like to ask how we could face our soldiers and sailors when they return, how we could face their families now, if we should deny them the increased benefits which the Murray-Kilgore bill provides—paltry enough reward for the sufferings they endure and the sacrifices they make.

For the men on the battlefields, partisan political creeds lose their identity and are merged into one democratic ideal which is their everlasting inspiration. Let it be our inspiration as well. Let no narrow partisan spirit move any one of us. Let us give to the men who are defying death for that democratic ideal the best this country has to offer, for they have amply merited it.

Mr. President, the Committee on Military Affairs of the Senate has as one of its aides, and a very able aide, Col. Lewis Sanders, a courteous and willing gentleman, one who is actually possessed of a greater store of general knowledge than any man with whom I have ever personally come into contact. A few days ago I had a conversation with Colonel Sanders in reference to a portion of the pending bill, and as a result of my inquiry and request, on August 7, just a few days ago, he addressed to me a communication which I shall now read. It is as follows:

WASHINGTON, D. C., *August 7, 1944.*

Hon. ROBERT R. REYNOLDS,
Chairman, Committee on Military Affairs, United States Senate.

DEAR SENATOR REYNOLDS: In response to your instructions I submit the following analysis of the probable operations of title III of S. 2061.

In estimating the cost of the unemployment compensation provided under S. 2061, and its effect on the national economy, its provisions must be analyzed from the basis of its purpose.

From the discussions during the committee hearings and from personal conversation with several of the Senators who are proponents of the bill it is my understanding that the primary purpose of title III is prevention of unemployment and not the furnishing of relief to those unemployed, which latter is the primary purpose of the State-controlled unemployment-compensation systems.

In the transition from war to peace we face two types of unemployment. First is the unemployment that will exist during the period of conversion and which will be occasioned by the closing or partial closing of plants during the time required to change them over for the production of civilian goods. As only a fraction of a plant's operating force can be utilized on the work of reconversion the remainder must necessarily remain idle until the change-over has been completed.

This type of unemployment will also be increased by the inability of reconverted plants to reach full production at once. Perfect synchronization cannot be achieved in reconversion and full supply of all raw materials or of all fabricated or machined

parts cannot possibly be made available simultaneously. It is inevitable that many plants will, for varying periods of time, find their output limited not by their own ability to produce but their ability to procure certain items in the general market.

The second type of unemployment is spiraling unemployment which arises both from the unemployment of the first group but even more from the fear of unemployment on the part of those still holding jobs but who become uncertain of their own future when they see large numbers of people out of work.

It is this spiraling unemployment which creates and maintains a major depression. Spiraling unemployment reaches such large figures because nearly half of those in the labor market are engaged in producing goods or rendering services which most of our people can do without for varying periods of time without suffering any notable inconvenience thereby. An example with which all are familiar is the length of time that elapsed after motorcar manufacture ceased before it inconvenienced the individual motorist.

Fear of unemployment will cause employed people to curtail their expenditures thereby creating more unemployment and thus through their own actions bringing about the very conditions they fear.

The State controlled unemployment compensation is intended to protect against want those temporarily out of work in the normal operations of a highly industrialized society.

The interim placement benefits provided for in title III of S. 2061 are intended to prevent spiraling unemployment arising from the curtailment of expenditures by those still employed but who have become fearful of the security of their jobs. It seeks to do this by giving them courage to continue their normal expenditures by insuring them a higher than a mere subsistence level of unemployment compensation on which to fall back should their job fold up. The State levels of unemployment compensation are obviously too low to inspire such confidence in a careful man as would induce him to continue his normal rate of expenditure after he feared for the permanancy of his employment.

In other words, State unemployment compensation is a relief measure while the purpose of title III is as a preventive measure. I do not understand that there is behind title III any philosophy as to spending our way out of unemployment through creating purchasing power by the disbursement of unemployment benefits to individuals. The philosophy being to prevent unemployment by inducing people to continue normal purchases from earned incomes and savings by giving them an insurance sufficient to allay their fears of unemployment.

The extent of reconversion unemployment will be determined by the time intervals between termination of the different phases of the war and by the amount and skill of advance planning and the ability with which the reconversion program is administered.

Assuming the most favorable circumstances, I believe that reconversion unemployment can be held to a maximum of 5,000,000 people. Under average conditions, as to advance planning, ability of administration, etc., I think that it might reach a total of 10,000,000 people.

If spiraling unemployment results from the apprehensions engendered in the public through the existence of such widespread unemployment I would estimate that the above figures would be doubled, or would involve 10,000,000 and 20,000,000 people, respectively. To avoid extremes I will base my anaylsis on the more favorable conditions, which would give us 5,000,000 reconversion unemployed and 5,000,000 additional unemployed as a result of spiraling.

The purpose of title III is to prevent the idleness of the 5,000,000 persons temporarily out of jobs as a consequence of reconversion from rendering a second 5,000,000 idle through spiraling.

I would estimate the average interim placement benefits under title III to be $25 per week and the average earnings, when employed, of those drawing the benefits to be $25 per week. I have estimated earnings as being only equal to benefit payments because of the minimum rates set for veterans. I would estimate that under present State unemployment compensation rates this same group would average $12 per week for 16 weeks and thereafter would cost, through various relief projects, an average of $8 per week, from public funds, to care for each unemployed person.

Direct costs would be as follows:

Under title III:	
5,000,000 unemployed at $25 a week	$125,000,000
Per year of 52 weeks	6,500,000,000
Under State unemployment compensation: 5,000,000 reconversion unemployed and 5,000,000 spirally unemployed or a total of—	
10,000,000 unemployed at $12 a week	120,000,000
For a period of 16 weeks	1,920,000,000
10,000,000 on relief at $8 a week	80,000,000
For a period of 36 weeks	2,880,000,000
Total for 52 weeks	[1] 4,800,000,000
Excess of direct cost of title III over State unemployment compensation plus relief for a period of 1 year	[2] 1,700,000,000

[1] Total under George bill.
[2] Amount of excess cost under title III.

Indirect costs would be as follows. Indirect costs comprise the loss of national income due to the loss of production of those unemployed:

Indirect costs of title III:	
5,000,000 idle at $25 a week	$125,000,000
Lost income for 52 weeks	6,500,000,000
Indirect costs under State unemployment compensation:	
10,000,000 idle at $25 a week	250,000,000
Lost income for 52 weeks	13,000,000,000
Excess of indirect costs of State unemployment compensation and relief over title III	6,500,000,000
Total costs per annum	
Title III:	
Direct costs	$6,500,000,000
Indirect costs	6,500,000,000
Total	13,000,000,000
State unemployment compensation plus relief:	
Direct costs	4,800,000,000
Indirect costs	13,000,000,000
Total	17,800,000,000
Excess of total costs of State unemployment compensation insurance plus relief, over title III (under favorable conditions, i. e. minimum unemployment)	4,800,000,000

NOTE.—I have made no distinction between State and Federal payments, since all derive from the same taxpayers.

The above would represent the minimum savings if title III effected its objective, since it assumes that the period during which the unemployed would have to be provided for would be the same in each case. But if title III produces the results intended not only would the number of unemployed be much less than without it, but the period of unemployment would also be shorter.

It should again be emphasized that title III does not purport to achieve results by creating purchasing power through Government payments to individuals and "lifting ourselves by our bootstraps." It seeks to maintain the maximum possible employment through the period of reconversion by inducing normal expenditures from the huge accumulated savings that will be on hand and from the earnings of those still employed. In other words, it hopes to keep active existing resources and does not pretend to create synthetic ones.

The obvious question is: How can you be sure that title III will accomplish the result sought? The answer is: That you cannot. But you can be sure of spiraling unemployment and 10,000,000 instead of 5,000,000 unemployed if something is not done to prevent the spiraling process. Nothing else has so far been proposed.

The adoption of title III, however, would not commit the country to limitless expenditures on an unproved experiment, as has been suggested. The maximum probable weekly expenditures, and their excess over costs under present State rates, can be calculated and time limits are within the control of the Congress.

The efficacy of title III can readily be determined. If reconversion employment does not exceed 5,000,000, title III will have justified itself. If, due to adverse factors, unemployment reaches 10,000,000 but within 6 months starts to rapidly decrease, title III will probably have been the major factor. But, if unemployment reaches 10,000,000 and within 6 months does not start to rapidly decline, I would consider that title III had failed of its purpose and should be repealed and replaced by straight relief measures.

You asked me to analyze the conflict, if any, between S. 2061 and S. 2051—the George bill.

I find no conflict. S. 2051 is a straight State-aid bill making available, to such States as desire, Federal funds with which to increase their State unemployment compensation rates or the period during which payments will be made.

Title III of S. 2061 is the assumption by the Federal Government of responsibility for a national unemployment emergency that will result as part of the war effort; it is entirely distinct from normal industrial unemployment. While there is no conflict between the objectives of the two bills there is in the language since S. 2061 does not make it clear that it is dealing exclusively with a war emergency and is not imposing Federal standards on the normal State unemployment compensation systems. It should be possible to clarify this situation by slight changes in the language of S. 2061 should this be found desirable.

You asked my opinion as to the relative efficiency of public works projects and cash unemployment benefits in combating unemployment.

I believe that public works have an important though definitely limited part in any post-war program.

I think they should be limited to normal projects that would eventually be constructed in any event.

The extent of the projects should not exceed that which can be executed by the normal construction forces available after providing for all the private construction which can be counted upon.

People engaged upon them should be limited to those who would be working in their normal occupations.

Public works are too inflexible to be a major tool with which to counter a depression. It takes at least a year to prepare plans, before which no substantial amount of work can be undertaken.

The types of jobs available are too limited to meet the needs of widespread unemployment. It is more destructive to the morale of most men to place them in jobs to which they are not accustomed, as a means of relief, than it is to give them direct cash payments. (Fifteen years ago I believed the exact contrary.)

Public works are difficult to discontinue when once started, although they can be slowed down materially.

There is a fallacy that the cost of all public works are offset by the creation of new public assets. This is not always true. Public works constructed in advance of the need for them are liabilities until needed since depreciation sets in at once and they must be maintained.

My estimate of the total cost of soundly conceived public works that we could put into a post-war program is $20,000,000,000. Of this amount completed plans are now ready for not more than $5,000,000,000 worth of work which is, therefore, the total cost of such projects that could be started immediately and the construction would have to spread over some 3 years, or the actual rate of expenditure would be less than $2,000,000,000 per annum.

It would take a year to prepare plans for the remaining projects and these plans would cost about $1,000,000,000 and no substantial work could be started on these projects until the plans were completed.

Sincerely,

LEWIS SANDERS,
Colonel, Field Artillery.

I may add that Colonel Sanders is now assigned to the Senate Committee on Military Affairs.

Mr. President, I have spoken briefly of our soldiers. Finally I wish to touch briefly on a few very important and significant highlights brought out in the hearings on the Kilgore-Murray bill. An extremely significant statement by Mr. John H. Pierson, Chief of the Post-war Division of the Bureau of Labor Economics, United States Department of Labor, to whom I shall refer later, came to the attention of the Military Affairs Committee recently through a quotation in the Capital Gist Service, a research periodical on paramount national issues published in Washington at 100 C Street SE. Mr. Pierson declared:

Whether or not the return of peace is going to usher in a period of discrimination and bitter group feelings and antagonisms and contentions that draw the lines between men and women, Negroes and whites, ex-servicemen and civilians, native-born and naturalized, depends almost entirely on whether or not we allow the unemployment situation to get out of hand.

Who knows but that the very recent and regrettable transportation tie-up and serious trouble in Philadelphia, the City of Brotherly Love, may presage similar disorders and internal strife in the future, almost anywhere and perhaps everywhere in the country, unless we here do all that lies within our power to remedy the causes of such conflicts?

There are two main objectives of the Kilgore-Murray bill that we should keep in mind: First, to establish an indiscriminatory scale of unemployment compensation as between classes and groups, and as between workers in and from different States; and, second, to minimize unemployment itself by maintaining a fair purchasing power, as I have previously mentioned, amongst the unemployed, or what amounts to a bare subsistence level.

I submit that it is essential that we use great foresight in considering the problems before us, for our action in that respect will affect millions of our people, and will have far-reaching influence upon the future welfare and tranquillity of our Nation.

Ultimately it will be far less costly to be generous in providing for our unemployed and their families, than to pursue a short-sighted and niggardly course which may engender the very bitter group feelings and antogonisms about which Mr. Pierson so wisely has warned us. I took occasion to read his statement into the record in executive session of the Committee on Military Acairs.

In considering the avoidance of a discriminatory unemployment compensation system let us analyze the situation and see who are the civilian unemployed. They are the fathers, brothers, sisters, wives, and other relatives of those in our armed forces now fighting all over the world.

I now wish to point out to the Senate what I believe is some very important and fundamental testimony by the Senator from West Virginia [Mr. KILGORE], one of the authors of the bill, during the hearings, showing how the unemployment compensation provisions of his bill make for far better unemployment compensation for veterans with children than does the G. I. bill. The Senator from West Virginia declared, as shown on page 390 of the hearings:

They—

Veterans of World War No. 1—

found themselves dependent when they came back. I don't want to see that happen again if I can stop it.

We guaranteed him—

The selectee in World War No. 2—

a job, at least verbally, when he went to war. We said to him, "We will guarantee you a job"; then we drafted a bill which did not guarantee him a job at all. It had so many loopholes in it that you could drive a 10-horse team through it from every angle.

Now I wish to quote Mr. Schimmel, a counsel to our committee. He has given a great deal of thought, time, and study to the whole subject, particularly to the portions embodied in this bill.

I think the record should show that the soldier who comes back and who has two dependents at home will get less unemployment compensation under the present G. I. bill than his wife had been getting in her monthly allotment check.

The Senator from West Virginia [Mr. KILGORE] replied:

If there were more than one child, he would get considerably less, and that does not consider the fact that he also was drawing some salary in the service and his rations, clothing, lodging, and everything else, and he is adding to the family budget his living expenses, and yet the budget has not increased.

I quote Mr. Schimmel again:

The effect of this provision—

In the Kilgore bill—

would be to keep the compensation that is paid a single man in the service and the ex-serviceman on exactly the same level as in the G. I. bill, but would make additional allowances for dependents, plus increase in duration.

Mr. REVERCOMB. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. WALLGREN in the chair). Does the Senator from North Carolina yield to the Senator from West Virginia?

Mr. REVERCOMB. I merely wish to have the Senator yield to me so that I may ask a question.

Mr. REYNOLDS. I ask the Senator to defer his request for a moment. I shall be through very soon, and I will yield after I finish my remarks. I do not wish to interrupt the continuity of my address at this point.

Mr. President, I predict that virtually all veterans and relatives and friends of veterans, and that means about everybody, will be for this measure when they understand correctly its provisions and operations and when they get a true picture of the over-all structure and situation.

If we would use foresight and would visualize the possible conditions in the post-war era, if we would picture the needs of the children of our heroic veterans, certainly we would see the wisdom and justice of doing everything possible for those of whom the Great Master said, "Suffer the little children to come unto me, and forbid them not: For of such is the Kingdom of God."

It is well and good, Mr. President, to give medals and erect monuments to our war heroes, but it has well been said that veterans cannot eat medals. Neither can their little children. Erecting stone or bronze monuments is not going to put more food into the mouths of the children of our veterans or more clothing on their little bodies, to protect them from the blasts of winter.

Who can claim that, with three or four children to support, an unemployed veteran or civilian can keep his children from suffering the pangs of hunger when the family income is only $12 or $18 a week? If we could see hungry children of the unemployed on our doorsteps we would really do something to make proper provision for them. To do less for our unemployed veterans and civilians than is provided for in the Kilgore-Murray bill would be tantamount to taking bread from the mouths of little children, including those of our war heroes.

After all, charity is supposed to begin at home. We do not seem to bat an eye when it comes to appropriating billions upon billions of dollars for the relief of people in all parts of the world, but when we consider the basic needs of possibly millions of children of the unemployed here in America, there appears to be a tendency to adopt a niggardly policy.

We have certainly been and are planning on being quite generous toward property in reconversion. Should we not be as generous and considerate of humanity as we are of property?

After all, the whole problem boils down to the humanitarian issue of whether we are or are not going to provide adequately for the children of future unemployed Americans.

Let us not be in the position of keeping bread from the mouths of hungry little children in this land which has sacrificed its all to aid in bringing freedom from want to the rest of the world. Why not now legislate with a view to guaranteeing freedom from want here at home in our own America?

Mr. President, yesterday I listened with a great deal of interest to the extremely able address of the distinguished junior Senator from West Virginia [Mr. REVERCOMB]. He made a very fine and convincing statement. I directed to him an inquiry as to what, in his opinion, would be the cost of the administration of either or both of the bills which are now before the Senate. Whether it be the so-called George bill, or the Murray-Kilgore bill, I know it will be the right bill for the American people. I favor the Murray-Kilgore bill, but I know, as well as I know that I stand here, that the author of the George bill is as much interested in taking care of the men and women who have fought abroad and on the home front, as well as their dependents, as are the Senator from Montana [Mr. MURRAY] and the Senator from West Virginia [Mr. KILGORE]. I know that the hearts of all three of the authors of the two bills are with the millions of people who will be unemployed in this country after the war ends.

I wish to have enacted into law the best bill that Congress can enact. I shall accept the bill which this body, in its wide discretion, decides is the best bill. So far as the amount of money to be expended is concerned, I am not giving it any consideration for the reason that nothing is too good for the men and women who are ready to die for America. Nothing will be too good for the fathers, mothers, wives, and children of men who give their lives for the privilege of bringing victory to our country.

Mr. President, repeating what I said yesterday, I shall be in favor of whichever bill the Senate determines to pass, and I hope that the appropriation which will be necessary to put it into operation will be forthcoming without any delay, regardless of the number of billions of dollars which will be required. I want the men and women of our armed services who will return to this country to have the necessary funds. I want the money supplied for them in order to avoid hunger, and in order to provide for the welfare of the unemployed millions whom we shall have in this country following the war. I do not care what amount the Senator from Georgia asks for, I do not care what amount the Senator from West Virginia asks for, and I do not care what amount the Senator from Montana asks for; I want the money appropriated. I want it set aside as a special fund which cannot be touched for any other purpose. If this country goes bankrupt I want it to go bankrupt in behalf of American citizens.

Today there is a ceiling of $267,000,000,000 on our national debt. Proper care of the veterans of this war will be a part of the cost of the war itself. Up to date the care of the soldiers of World War No. 1, according to the testimony of an officer of the Veterans' Administration, has cost $15,000,000,000. That same officer testified that before we shall have discharged our obligations to the veterans of World War No. 1 there will be an additional cost of $15,000,000,000, making a total of $30,000,000,000.

In the last war we inducted into service 4,200,000 men. In the present war the men of the air, the men on the ground, the men on the sea, the men under the sea—the men and women everywhere who are a part of our military services—will represent a total inducted of more than 16,000,000, or 4 times as many as there were in World War No. 1.

Before the present war shall have ended the casualties will exceed 4 times the casualties of World War No. 1. That being the situation, and particularly in view of the fact that we propose to furnish better care for the veterans of the present war than we did for those of World War No. 1, the cost of taking care of those who participate in this war and wear the American uniform will be $120,000,000,000. That will be a part of the cost of this war.

I understand that when the war shall have ended we will have to dispose of approximately $80,000,000,000 worth of surplus supplies which will be on hand. We will do well if we get back 10 percent of that $80,000,000,000.

In addition to that, I am told that we are going to be called upon to feed and clothe and support 20,000,000 people in Europe for 2 years after this war is over.

Furthermore, we have made expenditure of billions upon billions of dollars for lend-lease in order to help our allies in this war, that having been done because of the war emergency. And I hear that one of our allies, Great Britain, is going to call upon us to continue lend-lease after this war is over.

If Great Britain asks that lend-lease be continued to the extent of billions of dollars of the money of the taxpayers of this country after this war is over, I have no doubt that the Congress will vote it, but speaking for myself I shall vote against it, because I think we have arrived at a period in the history of this country when we should at least save one copper for the millions of unemployed whom we will have here.

Our debt is so rapidly spiraling and progressing upward by leaps and bounds that before this war shall have ended—I refer to the European war—we will have placed a burden upon the shoulders and the bent backs of the taxpayers of America to the extent of $500,000,000,000.

Five years ago when I was voting against lifting the arms embargo, against the repeal of the neutrality laws, against sending our soldiers outside the continental United States before there was a declaration of war, and against lend-lease, I predicted that if we became involved in the war it would cost us $500 billion. We have already recognized the cost of the war to the extent of voting to increase the ceiling on the national debt to $267 billion. It will go to $500 billion. How it will ever be paid and when it will ever be paid is beyond my comprehension and beyond human knowledge.

I have before me a copy of the Washington Evening Star which contains an Associated Press dispatch from London dated August 8. I shall not read it all, but shall ask that the entire article be published in the RECORD. The article is headed:

British wary of issue, but want lease-lend after Nazis are beaten.

In the middle of the article it is stated:

The "mutual aid" program—

That is the program in regard to lend-lease—

should be continued until Japan is defeated.

The British are suggesting and I understand it has been discussed in high circles in this country—I do not know as to that, but it is so rumored—that lend-lease be continued after we lick the Germans. I say that it ought to be discontinued the day we lick them, because, if we were to continue lend-lease to Great Britain after the war is over every other country in the world will come forward and say, "Me too! Me too! Me too! We want more of your billions." We are going to pauperize ourselves and we are going to find out that when this whole thing is over that we will not receive a "thank you" or have a friend upon the face of the earth. I now ask that the article to which I have referred be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITISH WARY OF ISSUE, BUT WANT LEASE-LEND AFTER NAZIS ARE BEATEN

(By Alex Singleton)

LONDON, August 8.—The British unofficially took the position today that the war-born lease-lend program and reverse lease-lend should continue after the victory over Germany, but privately acknowledged that it was a touchy problem.

The subject was raised by a declaration of the National Association of Manufacturers that administrative discussions were under way on the question of using lease-lend to help support the British domestic economy.

Sources here were cautious in the discussion, but were generally agreed on these points:

1. The "mutual aid" program should be continued until Japan is defeated.

2. Greater emphasis should be given in the United States to the British part in this program.

3. Clarification should be undertaken of the section of the program dealing with final settlements.

FEAR ISSUE IN UNITED STATES

The British caution in the matter is born of a belief that the administration of lease-lend may develop into an issue during the Presidential campaign. British officials have been advised to maintain a hands-off attitude in the election.

The Financial Times said a conference was planned soon, "perhaps this week," to determine the volume of goods to be shipped to

the United Kingdom after Germany falls. The publication said there were some indications—not yet disclosed—that at least one phase of the talks might be initiated in London, while discussion of another aspect would be held in Washington.

One of the main factors in the post-war settlement of lease-lend is expected to center around the disposition of American merchant vessels built during the time Britain was concentrating on warship construction.

Mr. REYNOLDS. Mr. President, we are too free with our money—not our money, no; we are not free with our money, but we are too free with the taxpayers' money; we are too free with the money that is earned by the man who produces and pays the taxes to the Government.

By the way, here is an article from the Washington Times-Herald of August 1, 1944, in connection with lend-lease. I stated a moment ago that I prophesied that if Great Britain got lend-lease after the war every other country in the world would want it. Italy is already after it. The Times-Herald article reads:

LEND-LEASE AID MAY BE EXTENDED TO ITALY

The State Department disclosed today that consideration is being given to a proposal for extending lend-lease aid to Italy. The proposal was made by the head of the new Italian Government, Premier Ivanoe Bonomi, who described his country's financial and economic condition as desperate.

Referring to Italy, I want to read from an article in the Washington Star of July 27. It will give the Senate some idea how the Italians themselves are criticising us for debauching their own people by throwing our money all around. Mr. President, can you imagine that? The article, dated Rome, Italy, July 26, reads in part:

The Allied armies dragged behind them an "elephantine bureaucracy," the Action Party newspaper Italia Libera said today in an article criticizing both Italians and their liberators.

Criticizing Italians and the Americans who are liberating them!

The article entitled "The Allies in Italy," said there was:

"A futile waste of means and energy * * * a show of infallibility where presumptuous ignorance, ingenuousness and fatucusness are evident * * * contradictions in the acts of authorities whose powers are not precise and are contrasting."

Then the article refers to divisions and jealousies and an excess of beggars who everywhere are holding out their hands for money.

The newspaper said the Allies considered "modern comfort as the supreme good" and sought luxury, good food, and entertainment.

And so forth. I shall not take up the time of the Senate by reading further from the article, but I ask that it be published at this point in the RECORD. It shows how we are throwing our money away.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ITALIAN PARTY PAPER HITS "BUREAUCRACY" OF ALLIED ARMIES

ROME.—The Allied armies drag behind them an "elephantine bureaucracy," the Action Party newspaper Italia Libera said today in an article criticizing both Italians and their liberators.

The article, entitled "The Allies in Italy," said there was:

"A futile waste of means and energy. * * * A show of infallibility where presumptuous ignorance, ingenuousness and fatuousness are evident. * * * Contradictions in the sets of authorities whose powers are not precise and are contrasting."

Turning to the Italians, the newspaper said, "We are forced to note much servility contrasting with often unnecessary pride, a vicious tendency to trickery and imbroglio * * * divisions and jealousies * * * an excess of beggars not always for poverty, but also for ignoble speculation * * * superficiality of judgment and irresponsibility in giving pledges."

The newspaper said the Allies considered "modern comfort as the supreme good" and sought luxury, good food and entertainment. It added that the Allies also sought out parties given by the aristocracy where "German lovers and spies of yesterday are not missing."

Allied armies were declared marked by: "An excess of requisitions often unnecessary, an excess of public drunkeness with minor incidents * * * too much money in the hands of too many people, which results in new grave turmoil in the already tormented unbalance between wages and prices * * * an abuse, fortunately infrequent, of the system which Prime Minister Churchill defines as the 'club and the carrot ends' with regard to the Italian ass."

The newspaper said, however, that never perhaps in the history of war was a people ever treated with greater trust and with greater understanding by authorities and by occupying troops.

"The Allies are waging a war which is to our advantage and they are winning it," it said. "The final result * * * will render very small and unnoticeable the inconveniences of today."

Mr. REYNOLDS. Mr. President, speaking of money, we should begin to save a little. I have before me a newspaper containing an article under the headline "$10,000 is a lot of money." The article reads:

TEN THOUSAND DOLLARS IS A LOT OF MONEY

(By Samuel B. Pettengill)

When the war ends the Nation's debt will average $10,000 per family. It will be twice the total assessed value of all taxable property in the United States.

If you own a home or farm assessed for taxes at $4,000, the average share of the debt against your property will be $8,000.

In 1943 we spent as much as in the first 150 years of the life of the Republic.

Since Mr. Roosevelt entered the White House (counting all sums requested by him) we will have obligated the country in an amount equal to all the wealth accumulated on this continent since Columbus found it. This, on the authority of the man who knows, Senator BYRD.

This means that in 12 years we will have incurred debt equal to the savings of 452 years—1492–1944. The debt of my home city of South Bend is $2,570,000. By July first its share of the Federal debt will be $151,136,000.

The present interest rate on the Federal debt is about 2 percent. South Bend's share of the interest alone will be $3,190,000 annually.

This is $620,000 more than the total municipal debt.

In interest alone, South Bend will have to pay more each year than its total city debt.

ONE THOUSAND FIVE HUNDRED AND ELEVEN DOLLARS AND THIRTY-SIX CENTS PER CAPITA

For less money, it could in 1 year wipe out its entire city debt. And once paid, that is paid forever. But its share of the interest on the Federal debt will have to be paid each year.

Let's look at the debt load as it stands at this time and apply the figures to your home town. The per capita national debt is $1,511.36. Multiply your population by this figure and you will have your town's share of the Federal debt on July 1 next.

This brings the debt home.

In 1940 Texarkana had a population of 28,859. Its share of the Federal debt on July 1 next will be $43,605,949. Its share of the interest charge will be $920,602 annually.

Your city will tell a similar story. I mention Texarkana because it is the home of Congressman WRIGHT PATMAN who is one of those who think nothing of debt when the war is over. The thought of putting any limit on debt and taxes is very obnoxious to him.

As our city fathers in council assembled voted bond issues against our homes of $50,000 or $100,000 at a time, they debated the matter for hours. Mass meetings often remonstrated against further debt and taxes.

But the Federal debt is "different." Why is it different?

FEDERAL DEBT—MORE DANGEROUS

As a matter of fact, Federal debt is far more dangerous than city or county debt. For the Federal debtor issues the money of its creditors, some 50,000,000 bondholders—you are one—whereas cities and counties are forbidden to issue money. Every city and county in America could go bankrupt (as 3,000 of them did since 1932) and the American dollar would still be good. Only the cities' creditors would lose. If the Federal Government, however, should ever falter in its obligations, the value of every investment, life insurance policy, social security card, etc., would melt away like snow.

The war, of course, must be won, regardless of any necessary cost. But I am talking of post-war America, post-war spending, and post-war spenders.

I want to see your War bonds paid with honest dollars, and your insurance policies and social security cards.

What about the spenders? Do they care what happens to you?

People ask me—what can I do? The answer is simple. Put an X in the right square. But first get a good man's name in front of the square.

In conclusion, Mr. President, I respectfully insist that we do any and all things possible for our servicemen and servicewomen who have been fighting courageously throughout the entire world. Furthermore, I respectfully urge that we do everything humanly possible for the men who have fought courageously in the plants and the factories on the home front in order that those on foreign fields might be properly supplied with the implements of defense and offense. I do not think there is anything too good for our soldier men and soldier women, and, as a matter of fact, I believe every Member of this body feels the same as I do about that, because we have voted for just about every request made at any time by the Veterans of Foreign Wars, by the Disabled Veterans of the World War, and by the American Legion. We have voted unanimously with them because we have recognized that they are deserving of all we could do for them, and we want to do every-

thing that is humanly possible today for those who fight on foreign shores. At the same time we want to do everything humanly possible for the men and women who have struggled and who have worked in our factories and in our plants, as I have said, to supply the needs of war, whatever the amount may be. Let us vote for it, because we have distributed our money all over the world, and given away billions of dollars. No one knows how in the world we are ever going to pay it back, but let us give what little we have left to the people who deserve it; let us give it to Americans for once. For once, let us go all out for America.

Mr. KILGORE obtained the floor.

Mr. WILEY. Mr. President——

The PRESIDING OFFICER (Mr. EASTLAND in the chair). Does the Senator from West Virginia yield to the Senator from Wisconsin?

Mr. KILGORE. I yield.

Mr. WILEY. Mr. President, I share the views of the distinguished junior Senator from Vermont [Mr. AIKEN]. I was called back to Washington when the two bills which have been under discussion were being considered. I have heard practically all the arguments, and I feel that if it were possible, we should have an over-all bill which would take into consideration the possibility of large unemployment in the post-war period, which would look after the interests of employees, of the farmers, and would particularly consider the white-collar worker, who has been the forgotten man in this era of war prosperity.

I realize that we cannot by legislation correct morals or economic ills. I think that is basic. I think we should not assume that this country, which has done so magnificently since Pearl Harbor, could fail to meet the challenge of unemployment. We have been discussing it as if it would be a reality. I think if we learn to play ball together, if we destroy the influence of those in our society who are constantly creating division, we can meet the challenge of unemployment, and that is what we should be considering.

I remember that about a year and a half ago the problem was put definitely to me that we should be foreseeing the time which seems to be coming in the next few months—cessation of war with Germany—and that we should be considering setting aside a certain portion of our strategic material, as much of it as possible, for use in manufacturing tools, so that when the war with Germany ceased the tools would be available and would enable the industry of America to go into action, united action, and meet the demands which will be made for billions upon billions of dollars' worth of goods and materials of various kinds. There is not a home in this land which does not need a tremendous amount of goods. Our highways are being worn out; our railroads are going to pieces; new transcontinental highways, washing machines, electrical products, and clothing of every kind are needed. The need is present. The point is that when the servicemen are filtered back, as they should be filtered back, they should not be thrown onto the great body politic, without jobs being available for them. I think that is the idea behind the great G. I. bill, that we should see that each individual has an opportunity to fit into the place where he belongs, not be a square peg in a round hole. That is the job that is before us—getting the American economy into action for the peace period.

Mr. President, I hold in my hand a telegram I received a few moments ago which I should like to read into the RECORD. It presents the opinion of the Governor of the State of Wisconsin in relation to certain features of the Kilgore bill, and I think it expresses, by and large, the conviction of the electorate of my State. It reads:

> Urgently request your support for bill S. 2051, designed further to strengthen and improve present State unemployment-compensation program in relation to problems incident to reconversion. Correspondingly, we request you completely oppose those provisions of Kilgore bill, S. 2061, that seek to retain State unemployment services for a period following the close of hostilities and also seek in effect completely to federalize present existing State programs of unemployment compensation.

Let me stop reading at that point, Mr. President. I have a campaign on my hands. I have just returned from my State. I have made a 3,400-mile journey and have spoken 135 times in 135 communities. The thing above everything else which concerns the common man on the street, on the farm, and in the village, is whether we here in Washington will use common sense—just plain horse sense. They know that we cannot simply by passing laws, as I have said, correct economic evils. They have seen us during the war period build bureaucracy on bureaucracy to the point where 3,200,000 persons are now employed in government. They have seen that and they do not understand it. Of course, they are very much concerned about that situation. They do not want any more centralization of power in Washington. They want the States to handle local problems, and the problem we are now discussing—unemployment—is a local problem in every community in America. I think by and large that if the American people were shot through with the incentive to do so, they could create overnight millions of jobs. Every store in the country needs additional help. Every farm needs help. Every little industry needs additional help. They are all crying for help. But in considering the proposed legislation, apparently all we are thinking about is providing an incentive for another "sit-down." That is not what American people want. Mr. President, I wish to say to the Senate that the soldiers in uniform do not want doles—they want jobs. That is our job—to create an America with work and jobs.

Mr. President, I do not charge that the bill before the Senate is a political bill. I make no such charge against anyone. I say, however, that on the basis of letters I have received from servicemen on every front and on every sea, that these boys want jobs. The measure before the Senate does not have that subject in mind at all. There is not any thought about a job connected with it. The point of much of the argument seems to be that the individual in the post-war period will not obtain a job. That is what we are talking about. We are at the wrong end of the line in this endeavor. Our endeavor should be to create jobs. Is America so weak, has America become so synthetic in her way of thinking that she is thinking simply in terms of doles? Are we missing the point?

I wish to continue the reading of the telegram:

> We suggest—

This is the acting Governor of my State speaking—

> that it be noted from the floor that the Governors in conference at Asheville, N. C., 1942, unanimously resolve against any attempt to Federalize the unemployment compensation system, and again in Hershey, Pa., this May, the Governors in conference unanimously oppose such type of Federalizing legislation as represented by the Kilgore and Murray bill, and likewise unanimously instituted a plan of action for the return of the employment services to the States. This is all a matter of record (George committee) and we believe should be effectively stressed.

Mr. KILGORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from West Virginia?

Mr. WILEY. I yield.

Mr. KILGORE. Has the Senator from Wisconsin read the clarifying amendment which was inserted in the bill yesterday by the Senator from Montana [Mr. MURRAY], which brings the administration of the bill under exactly the same rules and regulations that govern social security now as administered through the Social Security Board? If the Senator from Wisconsin will read the amendment which was placed in the bill yesterday I believe he will find it to be an answer to the telegram he has just read.

Mr. WILEY. Has the amendment been printed?

Mr. KILGORE. I do not know whether it has been printed.

Mr. WILEY. That brings up again the very emphatic point made by the junior Senator from Vermont [Mr. AIKEN], that we are called upon to pass upon important matters which we have not had an opportunity to read or to think about. I have been in the Senate for 2 days now, after having come back from my State, listening to the arguments pro and con. I consider it to be a very serious matter that we should be called upon to decide what might be called piecemeal legislation when we should be considering the whole picture. Especially we should be considering the matter of bringing jobs into existence.

Mr. President, in my opinion—and apparently the distinguished Senator from West Virginia who just interrupted me feels the same way—we should preserve

intact the States' unemployment system. I believe that one of the virtues of the George bill is that it does not create any more bureaucracy. The Murray-Kilgore bill would set up an over-all system—more bureaucrats in the Federal picture—and we do not know where it would end, or how many tens of thousands more Government employees would be required. I believe also that the George bill does not place a premium on unemployment. It does not seem possible, but we have heard it definitely stated on the floor of the Senate of the United States, that a bill was introduced in the Senate providing that there should be paid to a man who would not work, more money for not working than he would receive if he worked. What are we coming to? Whose idea was that?

Something was said by a recent speaker to the effect that we are willing to pay and pay and pay. Has anyone asked how we are going to pay? Unless we can get the industrial life of America rejuvenated, unless we can get men into action so they will be builders, producers of wealth, how can we pay?

Mr. President, I agree emphatically with the statement which was made by someone that there has been too much emphasis placed on the inability of America to create employment. If those in high places would spend more time creating unity in America and providing incentives for the men of action, the men of invention, the men of ingenuity, so America could be rebuilded, we would have no unemployment.

I think that the Legion's position, as set forth in the telegram read earlier today, that the Kilgore-Murray bill would not solve our problem, is correct. There is no solution in that bill. It contemplates simply another palliative. It contemplates a return to the shot in the arm, the agency remedy we have had over the years. The real remedy lies in getting America into action, inducing her people to adopt the builders' viewpoint so they will work as one team. If the laboring man, the farmer, the small businessman, and the big businessman work together as a team, jobs will be produced. The world is hungry for our products. Many wrecked cities will have to be rebuilt. The slums everywhere will have to be eradicated. New housing must be provided. All these are demands which are in being. Let us build the spirit of America. Let us show that we in America no longer want to "termite" those who are inherently builders. Then we will find the answer. All that is required is the individual effort of every man and woman in America working as a team, and if that comes about we will rebuild America, and it will blossom like the rose. But if we carry on with the idea that we can rebuild America by paying doles or compensation to those who do not work, no matter how worthy they may be, we will never get America out of the ditch. Our opportunity is up ahead. Our railroads, our highways, our homes, our individual, civic, and national needs all will provide a market if we "play ball" together. I ask that the Senate think of that.

The PRESIDING OFFICER. The Senator from West Virginia [Mr. KILGORE] has the floor.

Mr. HILL. Mr. President, does the Senator desire to continue this afternoon?

Mr. GEORGE. Mr. President, I think we ought to continue for a while. We are losing a great deal of time.

Mr. HILL. The Senator from Kentucky [Mr. BARKLEY] suggested that we might take a recess at this time until 11 o'clock tomorrow.

Mr. GEORGE. I think we might continue until 5 o'clock. I should like to make a little more progress.

Mr. HILL. Is it agreeable to the Senator from West Virginia to proceed for a while?

Mr. KILGORE. I can continue until 5 o'clock if the Senator from Georgia wishes to have me do so.

Mr. GEORGE. Mr. President, I had hoped that we might reach a vote today. That now seems improbable. I think we had better continue until at least 5 o'clock.

Mr. HILL. Mr. President, will the Senator from West Virginia yield to me?

Mr. KILGORE. I yield.

Mr. HILL. I ask unanimous consent to have printed in the body of the RECORD at this point a letter addressed to me by Mr. Martin H. Miller, National Legislative Representative of the Brotherhood of Railroad Trainmen, in behalf of the Murray-Kilgore bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BROTHERHOOD OF RAILROAD TRAINMEN,
Washington, D. C., August 9, 1944.

Hon. LISTER HILL,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Mr. A. F. Whitney, president, Brotherhood of Railroad Trainmen, has requested the undersigned to advise you that the Brotherhood desires your support of the Kilgore-Murray bill, to provide a national program for war mobilization and post-war adjustment.

We are of opinion that S. 2061 should be passed now, as the war is approaching a stage where at least a portion of it may be terminated in a few months.

Great strides have been made in our productive effort in the war. We cannot afford to let that productive effort falter as we surely move on to victory. We will fail our fighting forces and ourselves if we hesitate to adequately provide a national program for war mobilization and post-war adjustment. The only reasonable adjustment that can be made is to plan for full employment after the war and to adequately provide for those who may be unemployed in the adjustment period.

We strongly urge you to favor the immediate passage of S. 2061 as the means of providing for war mobilization and post-war adjustment.

Sincerely yours,
MARTIN H. MILLER,
National Legislative Representative.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. MURRAY. I ask unanimous consent to have printed in the RECORD at this point a memorandum making a comparison between the Murray-Kilgore amendment and the George amendment.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

COMPARISON BETWEEN MURRAY-KILGORE AMENDMENT AND GEORGE AMENDMENT

MURRAY-KILGORE AMENDMENT	GEORGE AMENDMENT
1. The Office of War Mobilization and Adjustment has not only planning and coordinating functions, but also reviewing functions, as exemplified particularly in subsection c (7), on page 5. This subsection requires the director to survey continuously all Government regulations with respect to manpower, production, and materials in order to determine whether any of them hinder full employment, and to direct any Government agency to rescind, modify, or amend such regulations which he so finds.	1. The Office of War Mobilization and Reconversion has the same planning and coordinating powers as the Office of War Mobilization and Adjustment, but does not have any reviewing power over rules and regulations by other agencies.
2. The Division of Programs and Projects, in the Office of War Mobilization and Adjustment, headed by a Deputy Director, is designed to assist the Director in discharging his planning responsibilities.	2. No division of programs and projects and no deputy director is provided for in the bill and the entire planning responsibility rests upon the Director, who, however, is authorized to employ such deputy directors as he may find necessary to carry out his functions (sec. 101 (d), p. 5, line 5).
3. The National Production Employment Board (sec. 103 (a) and (b)) consists of three representatives each of industry, labor, and agriculture, and one public member who is to be chairman. It is the general function of the Board to review the programs and activities of the Director and other Government agencies with respect to war mobilization and post-war adjustment, and to make recommendations to the President, the Congress, and the Director as to legislation and policies and procedures deemed necessary by the Board to achieve the objectives of the act.	3. An Advisory Board (sec. 103) is created consisting of three members each of industry, labor, agriculture, and the public. One of the public members is to be chairman. The Board has only advisory functions and not reviewing functions and is called upon to make recommendations to the Director, but not to the President and to Congress.
4. The special Congressional Joint Committee on Post-war Adjustment was eliminated from the draft by the majority of the members of the Military Affairs Committee.	4. The special Congressional Joint Committee on Post-war Adjustment, as proposed in the draft, is preserved in the George proposal (sec. 104).

MURRAY-KILGORE AMENDMENT	GEORGE AMENDMENT
5. The Chairman of the War Production Board has the function of prescribing policies for the integration of resumption of civilian production with curtailments of war production.	5. The responsibilities placed on the Chairman of the War Production Board are placed upon the Director.
6. Title III contains provisions for education, training, and unemployment compensation, and coordinating powers with respect to manpower are given to the Work Administrator.	6. No provisions are contained with respect to education, training, and unemployment compensation except for Federal loan fund and the covering in of Federal employees under State laws. The Work Administrator has the powers which are now held by General Hines under Executive order.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. DOWNEY. I suggest the absence of a quorum.

Mr. HILL. Mr. President, will the Senator withhold that suggestion for a moment?

Mr. DOWNEY. Certainly.

Mr. HILL. I hope the Senator will not insist upon a quorum at this time. I think perhaps the Senator from West Virginia might proceed for a little while, and then we might be ready to take a recess. Does the Senator feel that we must have a quorum now?

Mr. DOWNEY. Mr. President, I will not ask for a qucrum if the Senator from West Virginia does not wish to have me do so, but otherwise I should like to press the request. The hour is growing late, and it seems to me that instead of starting a new speech by the Senator from West Virginia, who must be tired and worn out by his efforts in connection with this bill, we might take a recess until tomorrow morning at 11 o'clock.

Mr. GEORGE. Mr. President, I have been very patient about the pending legislation. If there is any reason to be here to formulate reconversion legislation, the Senate ought to be willing to do the job. It is only a little after 4:30 o'clock. Of course, the war will end some time. There are many features and phases of reconversion which ought to be given consideration, but there has been a persistent insistence that we deal with unemployment compensation, and therefore we ought to deal with it in some way, without further delay. Of course, there will be cut-backs. There will be a conclusion to the war, and we should make some provision against that time. I cannot see why we should not proceed even until 6:30 every night, until we shall have concluded consideration of the bill. If the Senator wishes to call for a quorum, that is his right; but if we have a quorum call, I think we should continue until considerably past 5 o'clock.

Mr. WHITE. Mr. President, I completely concur in what the Senator from Georgia has said. We came back here, as we believed, to meet emergent conditions which we thought we saw arising because of success on the battle fronts. We thought the time was at hand for the Congress to legislate with respect to conditions which we anticipate are to follow the cessation of hostilities.

Legislatively speaking, we have been here for almost a week, and have made comparatively little progress. I feel that the point of no quorum should not be made now, although I recognize the Senator's right to make the point. I believe that the Senate ought to continue the consideration of the pending bill. I think we should conclude it at the earliest possible moment. We shall not be able to conclude it within what I believe to be a reasonable time if we are to consume the time of the Senate by quorum calls, and if we are to close our deliberations almost in the middle of the afternoon. I hope we may continue. If there is to be a quorum call, my hope is the same as that of the Senator from Georgia, that we may continue for some time longer today in the consideration of the bill.

Mr. DOWNEY. Mr. President——

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. DOWNEY. Mr. President, will the Senator further yield to me?

Mr. KILGORE. I yield.

Mr. DOWNEY. I agree with the two distinguished Senators that in connection with the consideration of this vital bill, which so greatly affects the future welfare of the American people, we should have full and immediate consideration by the Senate. The distinguished sponsor and author of the bill is about to address us, and only about 25 or 30 Senators are present in the Chamber. If it is proper to proceed at twenty minutes to five, or a quarter to five, it is proper to proceed only if Senators are present to listen and to carry on the business of the Senate. I believe that little is to be gained by addressing important arguments to empty seats. If what Senators desire is to go through the motions of legislating, that is one thing. If we are here conscientiously and fairly to deliberate, that is another thing, and we should have a quorum call and a full attendance of the Senate.

Mr. President, if the distinguished Senator from West Virginia desires to have me withhold my request for a quorum, and wishes to address the Senators who are now present, I shall, of course, very cheerfully abide by his decision.

Mr. KILGORE. I thank the Senator from California. I make that request; and, as suggested by him, I will go through the motions of addressing empty seats on some matters which I think are pertinent.

Mr. President, the early editions of the Washington Post of today quoted the junior Senator from Nebraska as objecting to one of the experts loaned to the subcommittee of the Military Affairs Committee of the Senate, on the ground that he had received many telephone calls from the Political Action Committee. Evidently the junior Senator from Nebraska has not had the time in the last few months to read the trade papers of the American labor movement in all its phases. Anyone who had read those publications and who had been more fully acquainted with the statements of Senators interested in the pending legislation would have known that the fact that all labor groups have been constantly consulting many Senators and their staffs on this subject matter has been long a matter of public record. The labor organizations themselves have shouted this fact from the housetops. Members of the Senate in official and unofficial statements and comments have made it widely known that all branches of American labor have been constantly discussing this subject with Senators and Members of the House of Representatives and their assistants and staffs. Anyone who had the time to read the hearings on this important legislation and the official publications of all branches of the American labor movement would have known that no subject in years has so commanded the interest and the concern of American labor as has and does this subject.

Anyone who has had the time to read one of the best edited and most informative newspapers in the United States, the weekly newspaper published by the railroad labor unions under the title of Labor would have seen that railroad labor is giving more space, more time, more energy, and more action to this subject than to almost any other subject in years. In issue after issue of that newspaper front-page articles have been published dealing with this subject, disclosing the fact that labor has been in constant touch with Members of the Congress on the subject of this legislation.

Anyone reading the American Federationist, published by the American Federation of Labor, or the press releases issued by the American Federation of Labor would have seen that the American Federation of Labor has felt similarly on this important subject and has acted similarly. That, likewise, is true of the C. I. O. News, the publication issued by the Congress of Industrial Organizations, and of numerous publications of international unions and their locals affiliated with the railroad labor unions, the American Federation of Labor, and the Congress of Industrial Organizations.

Proper legislation on this subject is so vital to the American workingman and workingwoman that on this matter all branches of organized labor have joined hands from the start. This is one of the few occasions on which they have done so. A reader of the daily newspapers would have observed early in May of this year the fact that a letter had been written to all Senators, signed jointly by William Green, president of the American Federation of Labor; Philip Murray, president of the Congress of Industrial Organizations; and J. G. Luhrsen, executive secretary of the Railway Labor Executives Association. The letter was addressed to all Senators, under date of May 1, 1944, and in it Senators were urged to give immediate consideration to and to accomplish the passage of the bill which I, along with other Senators, have had the honor to sponsor.

Why is organized labor so deeply concerned with this subject? Its members know that the workingmen and workingwomen of this country must have jobs, not only for their individual well-being but also for the safeguarding of our economic system. They remember the excesses of inflation and depression which followed the last war. They remember the miseries which fell upon tens of millions of Americans. Is it any wonder that they would be interested in this subject? Is it any wonder that on this subject they would want to petition Congress and its committees and its individual Members? Is it any wonder that they would try to reach Members of Congress and their staffs, to convey all suggestions which seem to them reasonable and proper on the subject of this legislation?

Is there anything discreditable in the fact that any citizen of the United States or any organization of citizens of the United States communicates with a Member of the United States Senate or his staff, as may have been insinuated? I and my staff—and I am sure the same is true of other Senators and their staffs—have received innumerable personal visits and telephone calls on the subject of the pending legislation from representatives of all branches of organized labor in the last few months, just as we have received telegrams from the Governors of States, from State social-security organizations, from manufacturers' associations, and from others. Was any discredit to be attached to that?

The newspaper article appearing today in the early editions of the Washington Post, in the course of which appears the interview with the junior Senator from Nebraska, which, strange to say, does not appear in a later edition, conveys the information, which the Senator from Nebraska also conveys in his interview, that members of the staff of the subcommittee of which I have been serving as chairman had received several telephone calls from representatives of the Congress of Industrial Organizations or of the Congress of Industrial Organizations' Political Action Committee. Let the picture be made complete. As chairman of the subcommittee, I, together with members of the staff of the subcommittee, have received scores and hundreds of telephone calls from representatives of all branches of the American labor movement. Indeed, if I were to estimate from which branch of organized labor the telephone calls and personal visits have been the largest in number, I should be inclined to estimate that the older the labor organization, the more frequently it has been in touch with our subcommittee members and with the staff.

It might be useful for anyone interested in this subject to turn to the hearings of the subcommittee which had the bill before it. There he will find that among the foremost supporters of the legislation, which I had the honor to propose, are William Green, president of the American Federation of Labor, and Matthew Woll, vice president of the American Federation of Labor and chairman of its committee on post-war policy. Anyone who had followed the course of the legislation would have noted that on April 4, Mr. Matthew Woll, vice president of the American Federation of Labor and chairman of its committee on post-war planning, appeared before the subcommittee of the United States Senate Military Affairs Committee and made a notable statement on the urgent need of passing an earlier version of the bill, which I have had the honor to sponsor. The American Federation of Labor and Mr. Woll were, in fact, the first to support the legislation.

I would like to quote from the statement Mr. Woll made on April 4. Mr. Woll, who was the first labor witness before the subcommittee, stated:

> Human rights are quite as important as property rights. The workers in this country, whether in the armed forces or on the production line, have as much right to have their interests considered and have their security provided for as have the property owners. It cannot be taken for granted that the provisions for the protection of property owners would automatically mean full employment at adequate wages for workers.

Mr. Woll went on to say that—

> Recommendations for reconversion in the Baruch-Hancock report * * * are implemented in S. 1823.

I recall that that fact was disputed earlier today in the debate in the Senate. But I still refer to that report and to the implementation contained in the bill.

Mr. Woll further stated:

> We urge that the provisions embodied in S. 1823 be substituted for those in S. 1730.

For the benefit of those Members of the Senate who have not had the opportunity to hear or to read Mr. Woll's illuminating statement, I offer it for inclusion in the RECORD. I know of no statement which so clearly points out the need for this urgent legislation, and I am honored by the whole-hearted support of that great organization, the American Federation of Labor, of the legislation which I have been privileged to assist in introducing. Experts attached to that great organization have been in constant consultation with me and with members of my staff, as well as with other Senators and their staffs, in an attempt to perfect this legislation. Again I say, where is the crime in having any group of persons insist on seeing their legally elected representatives or their staffs, and consulting with them on legislation which affects them?

A large portion of the burden in this struggle——

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. KILGORE. Not until I have finished what I am about to say. Then I will yield for a question.

A large portion of the burden in this struggle for proper legislation during reconversion has been carried by the railroad labor unions. Experts who have worked with these unions for years have submitted their views and their suggestions to those of us who have worked on this legislation and to our staffs. As a matter of fact, the staff of the Railway Retirement Board drafted and redrafted and worked out title III of the bill. I believe it is accurate to say that of all the specific concrete suggestions on the subject of this legislation made by any of the labor unions and deemed by our subcommittee fitting for inclusion in the bill, a larger portion consists of proposals and suggestions made by the railroad labor unions and experts who have worked with them than by any of the other labor organizations or persons associated with them. When it comes to the general outlines of the bill submitted by our subcommittee, I should say that insofar as the proposals of any of the labor organizations were deemed sound by this subcommittee and its members, the general outlines proposed by the American Federation of Labor played a larger part in the bill finally drafted than did the suggestions of any other labor organizations.

In this connection I should like to call the attention of Senators to the statement of Matthew Woll, vice president of the American Federation of Labor, made on April 4 before the Subcommittee on War Contracts of the Senate Military Affairs Committee. Mr. Woll then stated:

> The Kilgore bill—

He was speaking of the so-called Murray-Kilgore bill—

> does implement that policy (of insuring the fullest possible employment in private industry), as well as the policy of providing adequate safeguards to industry. There are minor changes which might be made in the bill to clarify or improve some of the provisions. But the general policies closely resemble those which the executive council of the American Federation of Labor unanimously endorsed in January of this year.

This was publicly stated by Mr. Woll and is available to everyone in his testimony before the subcommittee—part 10, April 4, 1944, pages 785 to 786.

I now submit the statement made by Mr. Woll, and ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

> It is of vital importance to labor, as it is to our whole economy, that the Congress should establish the general policy that demobilization of the armed forces and of workers must be integrated with the reconversion of industry.
>
> The goal toward which we should aim is that discharge and reemployment should go on approximately at the same rate. To the extent that this is not done there will be unemployment which if it assumes large proportions, will be a threat to our economy. Neither industry nor workers can make plans for the future, prepare to expand and buy, unless they can base their plans on policies established by legislation which is not subject to sudden changes. Nor can Government agencies function without well-defined policy directives.
>
> The manpower muddle we are in now is due in large part to the fact that about 30 Government agencies are responsible in one way or another for labor matters. Labor, industry, and Government agencies are in a state of frustration with all these overlapping jurisdictions in this time of emergency. How is it possible to cooperate with all the different requests or orders or policies when they are at such variance with each other, and when each agency considers its own inter-

ests, but does not integrate those interests with the necessities of other agencies?

We readily agree with the objectives as outlined in S. 1730 to provide for the transition period. They are implemented however, only as far as property protection is concerned.

But human rights are quite as important as property rights. The workers in this country, whether in the armed forces or on the production line, have as much right to have their interests considered and have their security provided for as have the property owners. It cannot be taken for granted that the provisions for the protection of property owners will automatically mean full employment at adequate wages for workers. They will help toward that goal. But they are not in themselves enough to achieve it.

Consider for a moment the migration problem. Whole areas and whole States have changed their populations during this war. Many of these areas and States will find their populations permanently increased. Others will be decimated. Policies established for the transition period, including the present time, will have their impact on these population changes. But in any case there will have to be a considerable redistribution of population. Workers who have migrated to congested war areas, often at the sacrifice of family life and decent housing and eating conditions, face an entirely different prospect on reconversion to peacetime production. Instead of the certainty of a job—a certainty which made it possible for them to undergo themselves the expense of the migration—they will face uncertainty under conditions which were none of their making and which they are individually impotent to change, unless plans are made now for what is a national responsibility.

It seems to us unrealistic to depend so greatly on the savings of workers to carry the economy through the transition period. There have been many articles written and speeches made about the enormous savings of workers and the pent-up consumer demand and how these factors will provide a market for industry which in its turn will provide employment. Government fiscal policy now and projected for the future is also at present based on the same general theory. This attitude seems to us like gambling on what may be a myth. There have been estimates of savings with totals averaged among the workers. The totals are impressive, but they include such items as paying off debts and mortgages, buying homes, premiums for life insurance, etc. Such savings are permanent investments, rather than savings in spendable cash. Moreover, goods will not be bought with savings—except for the minimum necessities—if the worker is out of a job and has no certainty as to when he or she will get one. If an investigator came to my door today and asked me what I should like to buy after the war, I might well say that I should want a new car or a television set. But if, after the war, I had no job, ordinary prudence and common sense would prevent me from spending for such things any of the savings I might have.

It is quite true, and we are glad that it is true, that thousands of families have moved up in the income scale. It should be remembered, however, that the lower income families were living at a standard below that set by the Department of Agriculture as a minimum for health and decency. As their incomes increased with better jobs, or more members of the family worked, they did what was quite natural—improved their standard of living to a decent level. These families, we believe, have no savings which can be used to support our industrial economy. Increased cost of living and increased taxation have brought down their income spendable for goods other than necessities to little more than nothing. In addition, there are thousands of families of servicemen, or others which have lost their breadwinner whose incomes are lower than they were before the war. According to an O. P. A. study on families and single consumers for 1942, over half of the total had incomes of less than $2,000 per year and the average savings in this group of about 23,000,000 families and single consumers was only $57. No figures are available for 1943, but it is quite probable that any increase in family income has been offset by increased taxes and increased cost of living, so that there would be no greater ability to save. In the sale of E bonds of $25 denomination, the ones bought mainly by workers, almost one-fifth of those sold had had to be redeemed by the first of this year. It becomes obvious that the savings of half the families in the United States cannot be depended upon either to support them or an industrial market in the transition period.

Servicemen are not professional soldiers. Within a few months of the time of their discharge from the armed forces, service men and women will become part of the civilian working population. They should, of course, be given the advantages promised them of having priorities on jobs. But we certainly do not want an army of unemployed as a substitute for an army under arms. Our Army is made up of civilians who want to return to civilian life as quickly as possible. At least a million and a half of the men and women in the armed forces are members of the American Federation of Labor. So it is of special interest to us that everything possible be done to safeguard the security of demobilized servicemen as well as war workers, to prevent unnecessary suffering arising out of the termination of war contracts and the reconversion of industry, and to insure the reemployment of discharged servicemen and discharged workers with the minimum of delay. Although every possible stimulus should be given, also, to planning and execution on the local level, these safeguards should be taken care of by policy directives on a national basis, since the emergency itself is national.

The recommendations for reconversion in the Baruch-Hancock report, recommendations with which there is general agreement, are implemented in S. 1823. I quote from pages 76-77 of the report as follows: "The war has brought abnormal conditions of employment which have given rise to human problems which become reflected in every situation requiring administrative or legislative decision. These problems cannot be separated from the others. They will be greater or smaller directly according to the way in which such programs as contract termination, surplus disposal, the mustering out from the armed forces, public works, social security, education and benefits for veterans, and international agreements are handled. There is no way of isolating problems of human interests from others. But there is no necessity for losing sight of the personal element in any of the fields of adjustment—and there will be no excuse for ignoring it." We fully agree with this statement and urge that these fundamental recommendations of the Baruch-Hancock report be turned into legislative directives at the earliest possible moment. The general policies as outlined in S. 1823 we approve, both as far as industry is concerned and as far as discharged servicemen and workers are concerned. We urge that the provisions embodied in S. 1823 be substituted for those in S. 1730, and that the provisions of S. 1718 in regard to contract termination be included in S. 1823, thus bringing the major aspects of reconversion under one direction. Human demobilization and reemployment cannot be separated from property reconversion. They are part—and a vital part—of the same problem. We would be opposed to a bill which provided only for the security of property and did not implement the policy as stated in S. 1730, "to insure the fullest possible employment in private industry during the period of transition to civilian production after the cessation of hostilities and thereafter."

The Kilgore bill, S. 1823, does implement that policy, as well as the policy of providing adequate safeguards to industry. There are minor changes which might be made in the bill to clarify or improve some of the provisions. But the general policies closely resemble those which the executive council of the American Federation of Labor unanimously endorsed in January of this year.

Title I of the bill creating an Office of War Mobilization and Adjustment gives the authority and responsibility of legislative sanction to an agency which must have such sanction to perform its functions. It would be unworkable to have two offices—one for war mobilization and one for war demobilization—with conflicting jurisdictions. The fusing of these agencies into one seems to us a reasonable solution. The importance of this Office in its impact on our whole economy and the necessity for its working closely with the Congress are so great that it seems wise to deviate from the usual practice of permitting a director to choose freely his own assistants, and to provide, as has been done in this bill, that the heads of his chief coordinating agencies, as well as the Assistant Director, be confirmed by the Senate. The American Federation of Labor has urged that the reconstruction agency be directed by a board made up of representatives of industry, labor, and agriculture, each contributing from expert knowledge to a solution of specific and over-all problems. The Kilgore bill provides for the use of this experience in a National Production-Employment Board and provides for consultation with this Board on basic policies and programs.

In addition to the staff provided for this Board, we suggest that there be created a Technical Committee to provide technical advice to the Board. This Technical Committee should consist of outstanding authorities in the field of monopoly and competition, both from private life and from such Government departments as Justice and the Federal Trade Commission. The purpose in having this Technical Committee would be to provide the Board and the Director with professional advice in regard to the degree of competition within or between various industries, whether competitive profits or otherwise prevail in any industry, and what the effect would be on such industries of projected action. Both the members of this committee and the members of the Board should have full access to all material in the Office or in other Government departments necessary to their function. Preservation of a free competitive system, with equal opportunity to all to enter that system, is the key to industrial expansion and full employment. Particular emphasis should be placed on the needs of small business, and the entrance of new business in the economy.

It is further suggested that machinery be established to provide for public cooperation and participation in the program, by full public knowledge as to policies and directives and by sessions which will provide the general public or organizations with an opportunity to express their views as to the functioning of the Office. Mutual understanding on the part of the officials and the public is essential to its success.

Since this Office will have to work closely with the Congress, and will undoubtedly need further enabling legislation, it is suggested that there be included in S. 1823 a section establishing a joint committee of the

Senate and the House with which conferences may be held at frequent intervals on matters of policy, and which will thus become familiar with the problems confronting the Office and with its functioning.

A dangerous omission in our present governmental organization is that of a central agency established by legislative act and entrusted with the duties of making realistic surveys of matters relating to the economic and social welfare of the Nation, States, communities, and the people; of reviewing progress made; and of suggesting on the basis of such surveys and reviews the necessary programs for correction or expansion. This omission is remedied by title II in S. 1823 through the creation of a bureau of programs. Our economy is disturbed and disrupted in our supreme effort to win the war, and the delicate and complex interrelationships between industry and industry, agriculture and industry, labor and industry, between all of them and the Government, and again with the consumer, have been distorted from the interrelationships which existed in a peacetime economy. It is unlikely that they will ever again be as they were in the past. Nor do we want them to be the same, I am sure. That would mean going back with a sudden contraction to an economy with half of our present productive capacity, with a resultant depression worse than that of the thirties and instead of the unemployment of about 9,000,000 in 1940, an unemployment of some 19,000,000. Everything possible should be done to obviate such a disaster by carrying out the primary objective of making it possible for private enterprise to operate at a full employment level. But this cannot be done overnight. It is thus only exercising due caution to have an agency instructed to work out programs for necessary public works, including those which will give employment to white-collar workers, housing, and other improvements which have been impossible in the war period, as well as means to stimulate industrial and regional development, local community planning, etc. The functions of the bureau of programs appear to us to be long overdue. No efficient business concern could survive for any length of time without plans for the future. Nor can a government.

Title III of S. 1823 gives the War Production Board the coordinating powers it must have to insure a reasonably smooth transition from military to civilian production, and yet makes its functions an integral part of the over-all administration of demobilization and reconversion. The provisions under this title will clarify responsibilities which overlap with one or more agencies at the present time and will, we believe, make for better administration.

The functions as established for the War Production Board do not include the settlement of war-contract claims. We suggest that there be embodied in this bill another title which would include the general provisions of S. 1718, establishing an agency to settle contract terminations and interim financing, with special consideration for the needs of small business. It is particularly true now when so many of the war contracts have gone to big business and when there has been such a high mortality rate in small business, that there is increased danger that free competition will tend to disappear from our economy. In the interests of developing and expanding new lines of endeavor, of stimulating free competition, of equal opportunity for any individual to go into business for himself, and of providing a means for quick conversion to civilian production, small business should be given priorities and all other aid possible.

A major concern in over-all policymaking is the disposal of surplus property and plants. Such disposition, of course, has to be integrated with the other objectives of S. 1823. It is well provided for in title IV. We would urge that the basic criteria in deciding on disposition of surplus property, equipment, or plants should be, Will this decision increase production at competitive prices and employment at adequate wages? It seems wise to provide, as has been done in section 408, that there should be attached to every contract for the sale, lease, or other transfer of a plant a provision requiring that it be kept in operation and production for 3 years. This would prevent its being taken over for the purpose of keeping it out of competition.

Experience after the last war taught us a bitter lesson in regard to the disposition of raw materials and surplus property. There was widespread speculation, creation of artificial shortages through hoarding, spiraling prices, and then sudden deflation from which it took us a long time to recover. Specific enabling legislation, which was lacking during and after the last war, should be enacted to prevent these things from occurring again on a much vaster scale.

The effect of cut-backs and cancelation of war contracts, with no plans for either new contracts or resumption of production for civilians and with no provision for the reemployment of workers thrown suddenly out of their jobs, may already be seen in the manpower muddle and the distintegration of certain congested areas of war production. We may expect that, since we are now approaching the peak of the war, these problems will from now on become intensified.

The provisions in title V of S. 1823 allow for a constructive program which is not just a palliative but one which holds real hope for the future—one which will relieve the sense of fear and insecurity which would otherwise be a bar to active cooperation on the part of workers in the transition period and beyond. Workers do not want charity. They want jobs. They will need aid in finding those jobs, in migrating to them, and in receiving unemployment compensation until they get them. In connection with the last need, there has been some discussion of having the Government allow as a permissible cost to concerns having war contracts dismissal wages to war workers. Certain unions do have dismissal clauses in their contracts, and dismissal wages do provide some protection to workers. Nevertheless, there are formidable administrative difficulties and some question as to the advisability of putting the disbursement of Government funds in the hands of private individuals (as would probably have to be done through the relationship between prime contractors and subcontractors). There would also be discrimination against workers who are actually doing war work but not under Government contract, and lack of wide enough coverage to take care of those who have earned the right to unemployment compensation but who would be unable to receive it through State funds. Moreover, the responsibility in a national emergency is not that of the States or private individuals, but that of the Nation.

In this emergency during the transition period the provision for emergency unemployment compensation would be the most equitable method of providing for discharged workers and in coordinating this program with the provisions for discharged service men and women. There seem to us to be good provisions under this title for the maximum potential contribution of the workers to the future of this country not only through the preservation of their self-respect and morale, but through provisions for their better education and training.

During the transition period we urge that price control and rationing be continued for the purposes of preventing inflation and of equitable distribution at reasonable prices of scarce goods. We suggest that the criterion in relaxing these controls be based on ability to produce a given commodity sufficient to satisfy the demand at the ceiling price or below. Provisions for these controls should be included in S. 1823 in order that they may become part of the integrated over-all program.

It has been a hard lesson for us to learn, as we have, in selection for the draft and for essential work what lack of education, bad housing and living conditions, and the depression conditions of unemployment, have done to those upon whom we have had to call in this war emergency. We hope that it will never happen again. In any case we can learn from previous experience and in a statesmanlike manner we can lay the legislative foundations for a sound expanding economy.

Mr. KILGORE. I now yield to the Senator from Nebraska [Mr. WHERRY] for a question.

Mr. WHERRY. Mr. President, I should like to ask the Senator from West Virginia if he is attempting to defend himself in the statement which he made by shifting it over onto my shoulders?

Mr. KILGORE. No; I am not attempting to defend myself. I am merely making the Senator from Nebraska aware of the facts, and asking him if he was making an implication of any kind in the purported interview he had concerning those facts.

Mr. WHERRY. You are drawing your own conclusions outside the facts. If you will examine the CONGRESSIONAL RECORD you will see that I made no such charge on the floor of the Senate yesterday, and if you will examine a copy of the Washington Post, the only newspaper which I saw, you will find that there is no statement in it except the statement of the senior Senator from West Virginia. It indicates that you stated that there had been many telephone calls between the one who was present in the Senate yesterday, a Mr. Schimmel, and the Political Action Committee. Mr. Schimmel approached the Presiding Officer and spoke to him. He is a member of your staff. Your statement that he was associated with a Mr. Hobbs and a Mr. Webber, formerly of O. P. A., and now associated with the Political Action Committee, clearly indicts Mr. Schimmel as having a very close contact with the Political Action Committee, and especially his former associates on that committee. Furthermore, the statement made by Mr. Schimmel in the presence of the senior Senator from West Virginia sets out that he drew the bill—that he was the master mind.

Mr. KILGORE. Just a minute.

Mr. WHERRY. That information was in the statement which I read, which had been given out by the distinguished Senator from West Virginia, and I made no such charge at all. Yesterday I merely raised the point of order that no one who is not a Member of the Senate—I do not care who he is or where he comes from—has the right to approach and speak to the Presiding Officer. If the Senator from West Virginia wishes to draw an inference today and indict himself by statements he made to the press connecting him with the C. I. O. and the Political Action Committee of the C. I. O., he should not put the responsibility upon my shoulders. I did not make the charge against him. The Senator has made it against himself.

Mr. KILGORE. If the Senator from Nebraska has concluded, I should like to ask him whether or not the quotations contained in the first and second editions of the Washington Post represented a correct statement of what the Senator from Nebraska said, or if the newspaper made a mistake. If the newspaper made a mistake I will withdraw anything I said with reference to the subject.

Mr. WHERRY. I will stand by any statement which I gave to the press. I did not sit up last night to see what I had said or what you had said. The statement which I made I now make on the floor of the Senate——

The PRESIDING OFFICER (Mr. JACKSON in the chair). Is the Senator from Nebraska addressing the Chair?

Mr. WHERRY. I have been addressing the Chair and also answering the questions of the distinguished Senator from West Virginia.

The PRESIDING OFFICER. The Chair believes that if the Senator from Nebraska would address the Chair we would get along better.

Mr. KILGORE. I asked the Senator if he had read the earlier edition of the Washington Post, and if he had made the statement which was therein quoted.

Mr. WHERRY. Mr. President, when I used the word "you" in my discussion with the Senator from West Virginia I meant the distinguished Senator from West Virginia. Hereafter I will address my remarks to the Presiding Officer.

I wish to say in conclusion that the question which was asked——

Mr. KILGORE. Mr. President, I yielded for a question, and not for a speech.

Mr. WHERRY. Does the Senator from West Virginia refuse to yield to me any further?

Mr. KILGORE. The Senator from Nebraska may make a speech later if he desires to do so.

Mr. WHERRY. Very well. I should like to call the attention of the Presiding Officer to the fact that there is no opportunity to answer a question when the Senator holding the floor will not yield.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. KILGORE. Mr. President, during the past 2 days this Chamber has resounded with outbursts of Senators claiming that $35 a week for interim placement benefits for an unemployed worker with a wife and two or more children was extravagance. Contrary to the plan, it has been represented that $35 a week would be paid to everyone regardless of his dependents or his condition and success in life. At least, that would be the natural inference to be drawn by a person with good hearing. I personally have only one good ear, and I could hear only portions of the statement. As the language of the bill clearly states, $35 would not be paid except to a worker who had received an average of at least $38 a week during his base period, and, in addition, had to support at least three dependents. The effect of those qualifications alone, on the basis of earnings of workers during the base years, would, according to statistics of the Bureau of Labor Statistics, exclude 50 percent of the beneficiaries from receiving the maximum benefit on account of earnings. According to the Bureau of Labor Statistics, only one-fourth of the 50 percent would meet dependency qualifications. The effect of the provision would be to limit the maximum benefit to about one out of every eight workers. Yet, in spite of those limitations, the bill has been grossly misrepresented. We have seen dire pictures painted of the alleged effects of the payment of $35 a week for the maintenance of a family of four. We have heard that it would break the economic back of this Nation and convert it into a Nation of idlers.

Mr. President, what does $35 a week mean in terms of things necessary in order to sustain life? Exhaustive studies by the Department of Labor enable us to answer the question in very great detail. For the detailed study I respectfully refer to the report on that subject. But allow me to present a few items for the benefit of the Senate.

In 1935 the Bureau of Labor Statistics supervised an exhaustive study into the minimum cost of maintaining a family of four persons. It required $1,260 a year on a minimum basis at that time. Making allowances for increase in prices which have taken place since that time, approximately $1,700 a year would now be required. Other increases, not measured by price changes but admitted by the Bureau of Labor Statistics, would appreciably increase the cost of living, bringing the cost of the family budget up to more than $1,800 a year, which is the amount that $35 a week would provide.

Let us look into the standards of living provided by $35 a week, as shown by this study made by the Bureau of Labor Statistics.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. KILGORE. I yield.

Mr. FERGUSON. I wonder whether the distinguished Senator has considered the provisions of the State laws. Let me read the provision of the Michigan statute:

> An individual shall be disqualified for benefits—
>
> (a) For any week with respect to which or a part of which he has received or is seeking unemployment benefits under an unemployment compensation law of another State or of the United States.

In other words, as I read the provision—and I understand it is a standard provision in compensation laws—if we should now pass the George bill with the amendment which has been proposed, we would find that every State law would prohibit any of the State money being paid out to the unemployed. In other words, the Federal Government would be furnishing all the money for unemployment benefits. Has the Senator considered that provision?

Mr. KILGORE. Yes. The provision is that what is paid under the State unemployment compensation provisions of each particular State shall be charged up against the amount to be paid the worker.

Mr. FERGUSON. That is not the way the law reads. The law reads that if one makes application, or receives any compensation under any other unemployment act or the law of any other State or of the United States, he is disqualified from getting any compensation from the State of Michigan, or wherever the law is applicable; and this is a universal provision of law.

Mr. KILGORE. I think the Senator well realizes the ruling of the court in cases of that kind. I think a study of the proposal will demonstrate that that matter has been taken into consideration. The section to which the Senator refers is the same as that provided in every State law. For instance, in the State of Michigan a man could not draw compensation from the State of Pennsylvania and the State of Michigan simultaneously, nor could he draw as a member of the railway retirement fund from that fund and from the State of Michigan simultaneously. It would be contrary to public policy. The Senator is also aware of the fact that under a contractual relationship existing between practically all the States and the Railway Retirement Board, in connection with which this statute was studied, that very modus operandi is followed with reference to the railway retirement fund and social security benefits. In other words, railway retirement funds are paid in the Senator's own State by his own Michigan board. In other words, the benefit under this bill is cumulative benefit, not an alternative benefit.

Mr. FERGUSON. If the Senator will yield for another question, let me say that I do not find such wording in the bill. I wonder how an unemployment insurance commissioner could actually make any payment from the State fund when the provision reads, "An individual shall be disqualified for benefits." Would it not be necessary, under this provision, that each State legislature hold a session and repeal or alter that section so as to permit payments?

Mr. KILGORE. That is not the view that has been taken by the Social Security experts who have studied the bill. They hold that this is a cumulative payment, augmented by the Federal Government, over and above the State payments, that the State can proceed and pay, and the Federal Government augments the payment.

Mr. HATCH. Mr. President, I should like to ask the Senator from Michigan a question about the State law. Would the same rule he has just read apply to the civilian employees of the Federal Government provided for in the George bill?

Mr. FERGUSON. They would never receive any compensation from the State of Michigan. They would receive it wholly from the Federal Government.

Mr. HATCH. As I understand the law of Michigan, if either of the proposed provisions were enacted, then the State of Michigan would not pay any unemployment compensation whatever.

Mr. FERGUSON. I would not answer the question in that way. The George bill does not provide for any payment by the Federal Government except

to Federal employees, and they would never be entitled to compensation under the Michigan law. I am merely wondering about this provision. I wondered how it would be construed.

Mr. TOBEY. Will the Senator from West Virginia yield to me?

Mr. KILGORE. I yield.

Mr. TOBEY. Apropos of what my distinguished colleague from Michigan has said, I should like to have inserted in the RECORD at this point a telegram I have received from Richard S. Rolfe, executive director of the Unemployment Compensation Division of New Hampshire.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

CONCORD, N. H., *August 10, 1944.*

Hon. CHARLES W. TOBEY,
United States Senator:

New Hampshire Unemployment Compensation Division law reads: "An individual shall be disqualified for benefits: (f) For any week or part of a week with respect to which he is seeking to receive or has received payments in the form of unemployment compensation under an unemployment-compensation law of any other State or under a similar law of the Federal Government." Commissioner is authorized to revise law so that provisions will conform with minimum standards for all States set up by Congress but section quoted above prevents payment of benefits concurrently with Federal benefits.

RICHARD S. ROLFE,
Executive Director, New Hampshire Unemployment Compensation Division.

Mr. TAFT. Mr. President, will the Senator from West Virginia yield for a question?

Mr. KILGORE. I yield for a question.

Mr. TAFT. Am I to understand that if a man or woman worked for 3 months, we will say, at $50 a month, and the only work that man or woman did during the entire war was that 3 months' work for $150, such a person would be qualified to receive unemployment compensation for the rest of the period provided in the bill?

Mr. KILGORE. Of course, under those circumstances, I hardly know what they would have existed on during the 2 years and 9 months they had no other earnings.

Mr. TAFT. It might well be that a man's daughter lived at home and did not work, but would go to work for 3 months, and the only work the daughter did, we will say, during the entire war was 3 months' work, or perhaps only 2 months' work, for which she received $150. As I read the bill, under its provisions, for the next 3 years she might receive for every quarter 75 percent of $150, if the whole $150 were earned in one quarter, or approximately $115 every quarter, or $460 every year.

Mr. KILGORE. I do not understand those figures. Where does the Senator get the $115?

Mr. TAFT. That is about 75 percent of $150. Let us say she earns $150 in one quarter, and that was all the work she did during the entire war, yet, as I read the bill, she would be entitled to 75 percent of that for each quarter during the whole period provided in the bill, and would receive about $460 a year for 3 years.

Mr. KILGORE. Provided she registers for employment and holds herself ready to take employment, at all times holding herself ready to accept a job.

Mr. TOBEY. If it is suitable.

Mr. TAFT. Yes; if it is suitable, and subject to a great many different conditions and since ex-servicemen will have priority, probably there will not be a job she will have to take. So, having done $150 worth of work during the war, as I understand, she will receive about $460 a year for 3 years.

Mr. KILGORE. That is the same system that applies under social security in every State in the Union.

Mr. TAFT. No social-security system I know of provides for payment for more than 26 weeks.

Mr. KILGORE. No. Such inequalities arise in every system.

Mr. BARKLEY. Mr. President, the Senate has been in session since 11 o'clock this morning, and I wonder whether the Senator is ready to suspend at this time.

Mr. KILGORE. I am willing to suspend.

Mr. O'MAHONEY. Mr. President, will the Senator from Kentucky yield to me?

Mr. BARKLEY. I should be glad to yield to the Senator if I had the floor. The Senator from West Virginia has the floor.

Mr. KILGORE. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I desire to insert in the RECORD at this point a letter which I have received from the Acting Commissioner of Labor Statistics, Dr. A. F. Hinrichs, in response to a question which I addressed to the Bureau of Labor Statistics over the telephone with respect to the labor force in the United States at the present time. I knew that there is a large excess of workmen, and I wanted to ascertain exactly what the Bureau of Labor Statistics estimated this excess to be. I find that, according to the best judgment of the Bureau, the total excess labor force in the United States at the present time is 6,700,000; that is to say, there are 6,700,000 more persons employed than would normally be employed. This letter breaks down the excess labor force between men and women, boys and girls between the ages of 14 and 19, young men and women between the ages of 20 and 24, women between the ages of 35 and 64, and so forth. It is a very interesting letter, and I believe that Members of the Senate would be very glad to have the opportunity of examining it. Therefore, I ask that it, together with an attached table, may be printed in the body of the RECORD as a part of my remarks.

There being no objection, the letter and table were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, August 9, 1944.

Hon. JOSEPH C. O'MAHONEY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR O'MAHONEY: In reply to your verbal request to Mr. Tolles, I am glad to confirm the estimates given to your office over the telephone on the subject of excess labor force.

Information released by the Bureau of the Census would lead us to expect that about 56,000,000 persons would be available for employment in the United States at this time. The actual number of persons at work, or available for work, in April 1944, exceeded this figure by about 6,700,000. Thus, we can say that the excess labor force, above normal, is 6,700,000. For this purpose, the labor force includes all persons in the armed forces.

About 3,700,000 of the additional workers, above normal, were men, and 3,000,000 were women. The important groups of workers added to the labor force, above normal expectation, are as follows:

Sex and age group	Number above normal, April 1944	Consisting primarily of persons who would be or are—
Total	6,700,000	Nonworkers.
Boys and girls, 14–19	2,800,000	School and college students.
Young men and women, 20–24	900,000	College students and service wives.
Women, 35–64	1,500,000	Married women with no young children.
Men, 25–54	700,000	Marginal workers.
Men, 55 and over	800,000	Retired.

For your further information, I am attaching a table which gives further detail on this subject. This table shows for each sex and age group the number of persons drawn into the labor market in excess of normal, the percentage of excess over normal, and the percentage of each group which we would normally expect to find in the labor force as well as the percentage which actually appeared in the labor force in April 1944.

I trust that this information will be helpful to you and hope that the Bureau of Labor Statistics can be of further service.

Sincerely yours,

A. F. HINRICHS,
Acting Commissioner of Labor Statistics.

Estimated excess of labor forces over normal and labor force participation, by age and sex, April 1944

[In thousands]

Age and sex	Excess of actual over normal		Percent of total group in labor force	
	Number	Percent	Normal	Actual, April 1944
Total, 14 years and over	6,700	11.9	53.1	59.5
Male, 14 years and over	3,700	8.8	79.3	86.4
14–19	1,690	68.7	34.4	57.9
14–15	380	211.1	7.6	24.0
16–17	710	110.9	26.6	56.3
18–19	600	36.6	67.3	91.5
20–24	510	9.5	88.5	97.2
25–34	200	1.9	95.7	97.8
35–44	210	2.7	95.0	97.2
45–54	280	3.7	91.7	95.2
55–64	560	7.8	83.3	89.9
65 and over	420	22.3	39.6	48.5
Female, 14 years and over	3,000	20.9	27.1	32.8
14–19	1,070	85.6	17.9	33.2
14–15	160	320.0	2.0	9.3
16–17	480	218.2	9.5	30.0
18–19	430	43.9	40.7	58.6
20–24	420	14.7	46.9	53.8
25–34	10	.2	36.0	36.1
35–44	630	21.2	30.6	37.2
45–54	560	29.0	24.0	31.0
55–64	280	28.3	17.3	22.0
65 and over	30	10.3	5.6	6.3

RECESS

Mr. BARKLEY. Mr. President, I wish to express the hope that we may obtain a vote on this measure tomorrow, and

to that end I am going to move a recess until 11 o'clock a. m. tomorrow. I hope that, when the Senate reassemble tomorrow, we may be able to agree on a limitation of debate on the bill and all amendments thereto. I will not make such a request at this time because of the absence of a number of Members of the Senate, but I hope that Senators will have that in view, when we reassemble tomorrow.

I now move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 12 minutes p. m.) the Senate took a recess until tomorrow, Friday, August 11, 1944, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 10, 1944

The House met at 12 o'clock noon, and was called to order by the Speaker.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who art man's unfailing friend, we know that Thy fatherly heart always opens with love in response to all our needs. We are coming unto Thee, compelled not only by our necessities but constrained by that great love, and encouraged by every gracious invitation in Thy holy word.

We pray that the blessings of wisdom and understanding may rest upon these Thy servants whom Thou hast called to positions of leadership in the life of our Republic during these difficult and perilous days.

Grant that Thy presence and power may be given unto all who are now sacrificing their very lives for the principles of freedom and peace. May our beloved country ever be kept in the vanguard of those who are seeking to establish the kingdom of righteousness upon earth.

To Thy name we ascribe all the praise. Amen.

The Journal of the proceedings of Monday, August 7, 1944, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Vice President has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

Department of Agriculture.
Department of Justice.
Department of the Navy.
Department of War.
Administrative Office of the United States Courts.
Federal Security Agency.
Reconstruction Finance Corporation.
Selective Service System.

THE LATE BENJAMIN JARRETT

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. GRAHAM]?

There was no objection.

Mr. GRAHAM. Mr. Speaker, it becomes my sad duty to announce to the House the death of a former colleague, Benjamin Jarrett, born July 18, 1881, in Sharon, Pa., died July 20, 1944, in Zanesville, Ohio. His death was preceded by a long illness and a stroke which occurred about 1 week prior thereto.

Mr. Jarrett served in the Seventy-fifth, Seventy-sixth, and Seventy-seventh Congresses and was not a candidate for reelection to the Seventy-eighth Congress. While a Member of the House, he served on the committees of Flood Control, Merchant Marine and Fisheries, and Ways and Means. His district was the then Twentieth District of Pennsylvania.

Prior to entering Congress, Mr. Jarrett had served as a member of the Pennsylvania State Senate from 1911 to 1913, and as a member of the Workmen's Compensation Board of Pennsylvania from 1919 to 1923.

Our former colleague chose the profession of the law as the course in which he could best serve, and at various periods he had served as solicitor for the boroughs of Farrell, Wheatland, and West Middlesex, and had also served as burgess of Wheatland for one term.

Born of humble Welsh parentage he early resolved to educate himself, and after several years in the Wheatland schools he became a telegraph operator for the Pennsylvania Railroad. Later he was employed by the Carnegie Steel Co. as a labor foreman. It was during this period that he decided to study law and began its study in his home at night. He was admitted to the bar in 1907 and immediately began the practice of his profession in Farrell. For 33 years he was a member of the firm of Armstrong & Jarrett. Mr. Jarrett was an able, conscientious lawyer. It was my privilege to try cases on the opposite side of the table from him and I can vouch for his honesty, integrity, and legal skill.

He leaves to survive him, his widow, Mrs. Agnes B. Jarrett; a son, Attorney Fred J. Jarrett; a daughter, Mrs. Dorothy Bentz; and two sisters, Miss Mary Jarrett and Mrs. Elizabeth J. Broad.

He was buried Sunday, July 23, in Oakwood Cemetery, Sharon, Pa.

An editorial appearing in the Sharon Herald of Friday, July 21, 1944, epitomizes his life and the feeling of his friends toward him. This editorial is as follows:

ATTORNEY BENJAMIN JARRETT

His hundreds of friends in the Shenango Valley and throughout western Pennsylvania, as well as many others who served with him in the State and National Capitols, mourn the death of Attorney Benjamin Jarrett, former Congressman and one of this district's most distinguished citizens.

From the time of his boyhood in the neighboring borough of Wheatland, which elected him burgess, to the close of his 6 years' service in Congress, Ben Jarrett was admired and respected for his ability and enterprise in the several fields of endeavor in which he served. He was a good railroad telegrapher and steel mill labor foreman before he became an attorney, but it was as a young lawyer in Farrell that he first won wide fame and the confidence of fellow citizens who later sent him to represent them in the legislative halls at Harrisburg and Washington. And while he was serving as State senator, Congressman, member of the State workmen's compensation board, and in various other positions to which he was elected or appointed, Ben was always outstandingly loyal to the folks at home. Their interests were his first concern and nothing they requested was ever too trivial to merit his attention. Yet he mixed statesmanship with friendship, with the result that his record as a public servant surpassed the records of many of his more wordy contemporaries.

And somehow we also like to remember Attorney Jarrett for other things—his loyalty to the Republican Party, his ability as an orator, his frequent professional aid to persons who could not afford to hire a lawyer, and numerous other acts of generosity, his words of encouragement to younger people, his love of the outdoors, and his devotion to his family.

Those among us who knew Ben Jarrett best will miss him most.

Mr. Speaker, in conclusion may I cite this little poem:

In the little fields where the gallant sleep,
And a rendezvous with the springtime keep,
There is no sorrow, or want, or fret,
Worries or care and no regret,
For it is pleasant to live in a house of sod,
And sing with the angels and talk with God.

EXTENSION OF REMARKS

Mr. ANTON J. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio speech delivered by my colleague the gentleman from Illinois, Hon. EVERETT M. DIRKSEN, over N. B. C. on June 20, 1944, entitled "A Year of Decision."

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. ANTON J. JOHNSON]?

There was no objection.

Mr. KELLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include therein a poem by James Patrick McGovern.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. KELLEY]?

There was no objection.

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in reference to certain suggestions as to military procedure after the shooting is over, and I also ask unanimous consent to insert in the RECORD an editorial and statement by the editor of the Evening Standard of Uniontown, Pa.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. SNYDER]?

There was no objection.

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an editorial from the Houston Post of June 12, 1944.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. KLEBERG]?

There was no objection.

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include certain excerpts and communications, and I ask unanimous consent to extend my own remarks in the RECORD and to include therein an analysis on the subject of money, taken from the Southern Economic Journal. I have an estimate on this from the Public Printer, and I am advised that it will cost $312. I ask unanimous consent that this extension may be permitted notwithstanding the cost.

The SPEAKER. Is there objection to the request of the gentleman from Idaho [Mr. WHITE]?

There was no objection.

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include therein an address I delivered before a special session of the National Rivers and Harbors Congress on the subject Flood Control and Valley Authorities in New Orleans, La., on Thursday, July 27, 1944.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. WHITTINGTON]?

There was no objection.

Mr. IZAC. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article appearing in the Washington Post of August 6.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. IZAC]?

There was no objection.

COMMITTEE ON EXECUTIVE EXPENDITURES

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that the Committee on Executive Expenditures may have until midnight Saturday to file a report on certain pending legislation.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. MANASCO]?

There was no objection.

EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein a newspaper release from one of the armed services.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. LUDLOW]?

There was no objection.

Mr. ROONEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article which appeared in this morning's New York Times entitled "An Appeal to Governor Dewey on the Soldier Vote."

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. ROONEY]?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances and include in each a statement from the Treasury Department.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a dedicatory address delivered by Dr. Robert Yost at the unveiling of the honor-roll plaque at Bristol, Va.-Tenn.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SHAFER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Pennsylvania [Mr. SCOTT] be permitted to extend his remarks in the RECORD and include therein a speech delivered by him in the city of Philadelphia.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DEWEY. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter from a soldier in France to his father.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

(Mr. FISH and Mr. HOPE asked and were given permission to extend their remarks in the RECORD.)

Mr. JENSEN. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Michigan [Mr. HOFFMAN] be permitted to extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

ADJOURNMENT OVER

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

THE LATE JOHN STEVEN McGROARTY

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to make an announcement.

The SPEAKER. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, it is with profound sadness, and at the same time a deep sense of honor in my heart, that I announce to the House the death of a former member of this body, the Honorable John Steven McGroarty. Mr. McGroarty served in the House for two terms in the Seventy-fourth and the Seventy-fifth Congresses, from what was then the Eleventh District of California. He lived in that district for many, many years. Mr. McGroarty has been known as the poet laureate of our State and justly so.

No man has caught the spirit of California from the beginning of the coming of the Spanish padres down to the present time and gathered it together into one continuous golden thread such as this great man has done. His sense for the religious basis of the original settlement of our State not only illumined his writings about that portion of her history, but ran down through his appreciation of modern day California.

In my own district there was located the Mission Playhouse, a child of the work of John Steven McGroarty. It was a large theater where the John Steven McGroarty Mission Play used to be given. In that play was depicted the story of the founding of the California Missions. The players were not professional actors, but were citizens of San Gabriel, Calif., to whom the acting in that play was one of the greatest experiences of their lives.

Mr. Speaker, not only the Members of this House but every citizen of the State of California mourns sincerely the loss of this great and beautiful character.

PROGRAM FOR NEXT WEEK

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. The purpose of my rising, Mr. Speaker, is to inquire of the acting majority leader what the program will be for next week, since both the minority and the majority leaders have notified the Members to be here by next Tuesday, the 15th.

Mr. RAMSPECK. Mr. Speaker, the Rules Committee has been asked to meet on Monday to consider a resolution providing for debate and the consideration of a bill dealing with the disposition of surplus property. That bill, according to the best information we have, will be reported before the end of the week and will be ready for consideration on Tuesday. As acting majority leader—and I know the Speaker feels the same way—I think that every Member of the House should be here on Tuesday.

Of course, how long that bill will take, nobody can tell. As soon as possible the bill which is now pending in the Senate will also be considered in the House.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from New York.

Mr. FISH. Did the gentleman say there would be a meeting of the Rules Committee on Monday?

Mr. RAMSPECK. The chairman has been asked to call a meeting on Monday?

Mr. FISH. And that is to report a rule on the surplus-property bill?

Mr. RAMSPECK. That is correct.

Mr. FISH. I do not think there will be any difficulty in getting a rule, but I believe it will take 2 or 3 days to get the bill through, and I think the House should be so advised.

Mr. RAMSPECK. That may be true, but I think all the Members should be here on Tuesday.

Mr. JENKINS. Mr Speaker, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Ohio.

Mr. JENKINS. It is generally considered that the legislation for next Tuesday will not be concluded in 1 day. The gentleman has also indicated that the Senate would have something ready for us at that time. Just what is the bill that the gentleman has in mind?

Mr. RAMSPECK. As soon as the bill that is now under consideration in the Senate comes over here, it will be considered in the House as fast as it can be reported by the committee.

Mr. JENKINS. Several gentlemen from Ohio are very much interested in what will come on in the latter part of next week. If the gentleman has reference to the George bill and the Murray-Kilgore bill, they will have to go to the Committee on Ways and Means for consideration.

Mr. RAMSPECK. They will have to go to the committee, of course. I do not know when they will be reported. I was simply trying to convey to the Members that it is the purpose to have that bill considered as soon as we reasonably can.

Mr. JENKINS. I do not know, of course, what will develop, but my guess would be that it will not be ready for consideration on the floor of the House next week. I am just guessing. There is another bill pending in the Senate and I wonder if it is going to be the purpose of the leadership to press that bill at the end of the week. My reason to try to get better information is that there are several Members from Ohio and the neighboring States who have engagements at the end of next week, and they will be right up against it. If the gentleman is certain that these bills will come up, they will cancel those engagements, and if not, they want to fill them.

Mr. RAMSPECK. I do not think anybody can give them any assurance at this time.

Mr. JENSEN. Is it not a fact that after the Members convene here on next Monday it is presumed that we will be in regular session every day?

Mr. RAMSPECK. That would be my presumption, I may say to the gentleman from Iowa. The only agreement I have and the only agreement I am authorized to make is to give the Members 3 days' notice before we take up this surplus-property bill. Any further agreement about the program will have to be made later.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from New York.

Mr. TABER. Is it contemplated that there will be anything but general debate on Tuesday?

Mr. RAMSPECK. That I cannot say to the gentleman from New York. I think the Members ought to be here Tuesday. The rule has not been granted, and, of course, I cannot tell how much general debate there will be.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from New York.

Mr. FISH. Certainly the Committee on Rules will give very generous time for debate on a bill of that importance. It will certainly take up all of Tuesday.

The SPEAKER. May the Chair interpolate just a moment?

The Members have been asked to be back here on Tuesday. The Chair hopes that nothing will take place on the floor of the House today that will not invite them to come back on Tuesday.

COMMITTEE ON POST-WAR PLANNING

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the Special Committee on Post-war Planning may have until Saturday night to file an interim report.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

EXTENSION OF REMARKS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Massachusetts [Mr. McCORMACK] be permitted to extend his remarks in the RECORD and include therein an interesting editorial under date of August 7, 1944, appearing in the Boston Globe entitled "Jackson Hole."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 20 minutes p. m.), pursuant to the order heretofore entered, the House adjourned until Monday, August 14, 1944, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1751. A letter from the Administrator, Office of Price Administration, transmitting the ninth report of the Office of Price Administration, covering the period ended March 31, 1944 (H. Doc. No. 667); to the Committee on Banking and Currency and ordered to be printed.

1752. A letter from the Federal Home Loan Bank Commissioner, transmitting the report of the Home Owners' Loan Corporation, pursuant to the Independent Offices Appropriation Act of 1944, Public Law No. 90, Seventy-eighth Congress (H. Doc. No. 668); to the Committee on Banking and Currency and ordered to be printed.

1753. A letter from the Chairman, Reconstruction Finance Corporation, transmitting the report of the Reconstruction Finance Corporation for the month of May 1944; to the Committee on Banking and Currency.

1754. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill for the relief of G. F. Allen, Chief Disbursing Officer, Treasury Department, and for other purposes; to the Committee on Claims.

1755. A letter from the Chairman, Public Utilities Commission of the District of Columbia, transmitting the Thirty-first Annual Report of the Public Utilities Commission of the District of Columbia, 1943; to the Committee on the District of Columbia.

1756. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to authorize an exchange of lands between the city of Eastport, Maine, and the United States and the conveyance of a roadway easement to the city of Eastport, Maine; to the Committee on Military Affairs.

1757. A letter from the Acting Secretary of War, transmitting a report showing the name, age, legal residence, rank, branch of the service, with special qualifications therefor, of each person commissioned in the Army of the United States without prior commissioned military service, for the period June 1, 1944, to July 31, 1944; to the Committee on Military Affairs.

1758. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill to provide for the settlement of claims for damages for personal injury or death or for damage to or loss or destruction of property caused by service personnel or civilian employees or otherwise incident to noncombat activities of the Naval Establishment; to the Committee on Claims.

1759. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

1760. A letter from the Acting Chairman, National Labor Relations Board, transmitting a revised quarterly estimate of personnel requirements of the National Labor Relations Board for the first quarter of the fiscal year 1946; to the Committee on the Civil Service.

1761. A letter from E. G. Allen, rear admiral, United States Navy, Director of Budget and Reports, transmitting a report showing the name, age, legal residence, rank, branch of service, with special qualifications therefor, of each person commissioned from civilian life into the Coast Guard Reserve and in the Marine Corps Reserve, during the period June 1, 1944, to July 31, 1944, who have not had prior commissioned military service, and in the United States Naval Reserve for the period May 30, 1944, to July 28, 1944, inclusive; to the Committee on Naval Affairs.

1762. A letter from the Acting Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

1763. A letter from the Attorney General, transmitting a report stating all of the facts and pertinent provisions of law in the cases of 61 individuals whose deportation has been suspended for more than 6 months under the authority vested in him, together with a statement of the reason for such suspension; to the Committee on Immigration and Naturalization.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. COLMER: Special Committee on Post-War Planning. Interim report pursuant to House Resolution 408. Resolution to investigate all matters relating to post-war economic policy and problems (Rept. No. 1756). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 5169. A bill to amend the Canal Zone Code; to the Committee on the Merchant Marine and Fisheries.

By Mr. CANNON of Florida:

H. R. 5170. A bill to extend the benefits of title 11 of the Social Security Act to certain employees performing service outside the United States; to the Committee on Ways and Means.

By Mr. DINGELL:

H. R. 5171. A bill to eliminate unfairness and discrimination against enlisted personnel of the Medical Department of the Army; to the Committee on Military Affairs.

H. R. 5172. A bill to eliminate unfairness and discrimination against enlisted personnel of the Hospital Corps of the Navy; to the Committee on Naval Affairs.

By Mr. HARLESS of Arizona:

H. R. 5173. A bill to provide additional compensation for enlisted personnel of the Medical Department of the Army who serve in combat areas; to the Committee on Military Affairs.

By Mr. SHEPPARD:

H. R. 5174. A bill creating an Office of Naval Research and Development in the Navy Department; to the Committee on Naval Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER:

Memorial of the Council of the City of Toledo, memorializing the President and the Congress of the United States to enact House bill 4915, post-war highway bill now pending before the House of Representatives, and declaring an emergency; to the Committee on Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. IZAC:

H. R. 5175. A bill for the relief of Gladys Elvira Maurer; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 5176. A bill for the relief of Irma S. Sheridan; to the Committee on Claims.

H. R. 5177. A bill to provide for the reimbursement of certain civilian personnel for personal property lost as a result of the Japanese occupation of Hong Kong and Manila; to the Committee on Claims.

By Mr. WHITE:

H. R. 5178. A bill to authorize the President to present the Distinguished Service Medal to Mrs. EDITH NOURSE ROGERS and Mrs. FRANCES P. BOLTON; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5980. By Mr. GAMBLE (by request): Petitions circulated by W. S. LeSeur of New Rochelle and Mrs. Charles Staiger of Scarsdale, N. Y., and signed by sundry other residents in Westchester County, protesting against the enactment of any prohibition legislation; to the Commitee on the Judiciary.

5981. By Mr. GRAHAM: Petition of the congregation of St. John's United Evangelical Protestant Church of New Sewickley Township, Beaver County, Pa., representing approximately 200 persons, for passage of the Bryson bill, H. R. 2082, prohibiting the manufacture, sale, or distribution of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5982. By the SPEAKER: Supplemental petition of James J. Laughlin, petitioning consideration of his resolution with reference to the impeachment of the Honorable Edward C. Eicher, chief justice of the District Court of the United States for the District of Columbia; to the Committee on the Judiciary.

5983. Also, petition of district 51 of Lions International, petitioning consideration of their resolution with reference to a request to the Department of State that the government of the island be given an opportunity to express its views before such treaties between the United States and other countries, specially in the Caribbean area, are definitely signed and put into effect; to the Committee on Insular Affairs.

5984. Also, petition of National Cotton Council of America, petitioning consideration of their resolution with reference to post-war cotton exports; to the Committee on Ways and Means.

SENATE

FRIDAY, AUGUST 11, 1944

(Legislative day of Tuesday, August 8, 1944)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. A. P. Wilson, minister of the First Christian Church, Charlotte, N. C., offered the following prayer:

Our Heavenly Father, we come humbly before Thee this day. For long months we have been groping our way in the darkness and horror of the Valley of the Shadow of Death. There have been times when we have lost hold of Thy hand and lost our confidence in Thee.

Yet we thank Thee for Thy leading and guidance.

And now we see before us the glimmerings of the new day, a day when peace shall be our aim and heart's desire.

Grant that, as Thou hast guided us in the difficult days of war, we will not shun Thy guidance in the more difficult days that lie ahead, days of perplexity, days of problem, days that ask for patience and superlative wisdom.

We pray Thee that when the time does come no hatred or viciousness shall interfere, but that we will readily exchange the closed fist for the open hand.

Grant Thy benediction upon this honorable House. Be with their loved ones on the battle front, and help them in the problems of their personal lives.

Grant to them the wisdom which is from above which is "first peaceable," and grant them Thy wisdom and understanding so that when the history of the world is written mankind may look back to bless them for their decision in this fateful hour.

In the name of Him who came to establish the Kingdom of God. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, August 10, 1944, was dispensed with, and the Journal was approved.

PERSONNEL OF THE LAND FORCES

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of War, transmitting, pursuant to law, a confidential report of the number of men in active training and service in the land forces on June 30, 1944, under section 3 (b) of the Selective Training and Service Act of 1940, which was referred to the Committee on Military Affairs.

PETITION

The VICE PRESIDENT laid before the Senate the petition of L. E. Berno, of Mansfield, Ohio, praying redress for alleged infringement of certain copyrights relating to the principles of unemployment compensation, which, with the accompanying paper, was referred to the Committee on the Judiciary.

RESOLUTION ADOPTED BY INTERNATIONAL PICNIC ON MASONIC ISLAND, CANADA

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD and appropriately referred a resolution adopted by 500 Canadian and American citizens meeting in joint session at the annual international picnic on Masonic Island, Lake Metigoshe, Canada, which is on the boundary line, in the Peace Garden. The resolution was sent to me by Judge Gumunder Grimson, of Rugby, N. Dak.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Whereas this annual international picnic on Masonic Island, Lake Metigoshe, has had from the very beginning, the promotion of peace and good will between the citizens of the Province of Manitoba, Dominion of Canada, and those of North Dakota, United States of America; and

Whereas the citizens of these two great nations are, with our allies, now engaged in the most gigantic struggle the world has ever known, to preserve the right of men to be free: Therefore be it

Resolved, That we here recognize the magnificent response which our two nations have made to the call for a mighty army, the world's greatest navy, and air fleet of unequaled magnitude. Not only this, but we have furnished to our allies war machines and material in ever-increasing abundance.

Further, again we pledge our all—our lives—our fortunes and our sacred honor. Many of our sons have made the supreme sacrifice. Thousands more of our best youth must make the same sacrifice. Few of us, however, will go forth to battle, but we cannot avoid our great respo sibility as loyal citizens of our respective nations, to see that never again shall Nazi Germany or the military caste in Japan have power to disturb the peace of the world, that we shall never again be unprepared to defend ourselves and that some form of effective cooperative international organization is formed, by means

of which the just peace, which must follow this war, is made a lasting peace. Modern invention and science has made the world a unit. We of the Americas can no longer live to and for ourselves.

The future of civilization based upon the Christian ideal and all that we hold dear depends upon right attitudes and decisions now; be it further

Resolved, That copies of this resolution be sent to the President of the United States, the Prime Minister of the Dominion of Canada, the heads of our Provincial and State governments and to the Grand Masters of Manitoba and of North Dakota.

NATURALIZATION OF NATIVES OF INDIA—RESOLUTIONS BY INDIA WELFARE LEAGUE

Mr. LANGER. Mr. President, I also ask unanimous consent to have printed in the body of the RECORD and appropriately referred a letter sent to me by the India Welfare League, incorporating resolutions adopted at the league convention held in Sacramento, Calif., on July 27, 1944.

There being no objection, the letter embodying resolutions was referred to the Committee on Immigration and ordered to be printed in the RECORD, as follows:

INDIA WELFARE LEAGUE, INC.,
New York City, August 5, 1944.

Hon. Senator WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR LANGER: We delegates of India farmers and of the India Welfare League Inc., from Arizona, Texas, California, and Washington, assembled to the conference of people of India on Thursday, July 27, 1944, at the Labor Temple, Sacramento, Calif., to thank you very much for your coming to California to help us in our hour of trouble by introducing the passage of bill S. 1595 to allow 3,000 natives of India to become naturalized.

The people of India are still subject to taboo. Indian soldiers, mighty good soldiers too, have fought for us in Burma and north Africa. They are fighting for us now in Italy. In land operations against the Japanese in Southeastern Asia, their aid will be of great value. Are the Indians not entitled to ask, as they are asking, no longer to be excluded from entry into the United States of America and from asking citizenship? The removal of a mark justly offensive to their pride and self-respect will be not merely testimony of our gratitude for their armed aid, but a matter of justice and equality of treatment.

Today the Indian farmers and laborers in the United States are contributing their utmost in order to end this global war. They are producing all the necessary foods, such as rice, wheat, and vegetables. The following: Mr. Sultan Ali Khan, Calusa, Calif.; Kalu Khan, Willows, Calif.; J. D. Kahn, Rustam Khan, D. Ram Singh, of Phoenix, Ariz., and Contio, Tex.; Dywan Singh, Casa Granda, Ariz.; Ruttem Singh, Brawley, Calif.; Rhmat Ulla, Niahmat Khan, and Abdul Kareem Khan, of Phoenix, Ariz.; Babu Khan, Atta Mohammed Khan, and N. Mohammed Khan, of Imperial Valley, Calif.; Kussi Mohammed Khan, Marysville, Calif.; Fozil Mohammed, Willows, Calif.; and many others are listed in the Agricultural Department in Washington, D. C.

We most respectfully bring to your attention the plight of the natives of India residing here and the need for the decent rectification of their disbarment from the naturalization privileges, and seek all necessary legislative measures in their behalf.

Respectfully yours,

RUSTAM KHAN.
JALAL DIN KHAN.

To the Congress of the United States, Washington, D. C:

(Attention Senator WILLIAM LANGER)

We, the delegates of India farmers and India Welfare League, Inc., from Arizona, Texas, California, Nevada, and Washington assembled in the conference of people of India asking for the passage of Senate bill S. 1595, do solemnly ask for the immediate passage of said bill in the interest of justice and the farmers, especially in honor of our sons in the United States and their brothers in India who are fighting shoulder to shoulder in Africa, Europe, and Burma.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ELLENDER:

S. 2069. A bill for the relief of Irma S. Sheridan, postmaster at Rockville, Oreg.;

S 2070. A bill for the relief of G. F. Allen, Chief Disbursing Officer, Treasury Department, and for other purposes;

S. 2071. A bill to eliminate as uncollectible certain credits of the United States; and

S. 2072. A bill to provide for the reimbursement of certain civilian personnel for personal property lost as a result of the Japanese occupation of Hong Kong and Manila; to the Committee on Claims.

By Mr. WALSH of Massachusetts:

S 2073. A bill to authorize the Secretary of the Navy to convey to Oahu Railway & Land Co. an easement for railway purposes in certain lands situated at Halawa, Ewa, Oahu, Territory of Hawaii; to the Committee on Naval Affairs.

(Mr. TYDINGS (for himself and Mr. BILBO) introduced Senate bill 2074, which was referred to the Committee on the District of Columbia, and appears under a separate heading.)

By Mr. DOWNEY:

S. 2075. A bill to provide a method for compensating certain individuals for damages sustained as the result of the explosions at Port Chicago, Calif.; to the Committee on Naval Affairs.

By Mr. WALSH of Massachusetts:

S. 2076 (by request). A bill to provide for the retirement of certain veterans who served in both World War No. 1 and World War No. 2; to the Committee on Naval Affairs.

By Mr. LANGER:

S. 2077. A bill for the relief of W. C. Wornhoff and Josephine Wornhoff; to the Committee on Claims.

HOSPITAL CENTER IN THE DISTRICT OF COLUMBIA

Mr. TYDINGS. Mr. President, on behalf of the Senator from Mississippi [Mr. BILBO] and myself, I ask unanimous consent to introduce for appropriate reference a bill providing for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia. I request that the bill may be printed in the RECORD, together with an explanatory statement thereof.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill (S. 2074) to provide for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia, introduced by Mr. TYDINGS (for himself and Mr. BILBO), was received, read twice by its title, referred to the Committee on the District of Columbia, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) the board of trustees selected in accordance with subsection (b) of this section, and their successors, are hereby incorporated and made a body politic and corporate, by the name of "The Washington Hospital Corporation" (hereinafter referred to as the "corporation"), and by that name may contract and be contracted with, sue and be sued, plead and be impleaded in any court of law or equity of competent jurisdiction, and may have and use a common seal.

(b) The business and affairs of the Corporation shall be conducted by a board of trustees, which shall be composed of seven members, unless otherwise increased as hereinafter provided, one of whom shall be appointed by the Surgeon General of the United States Public Health Service, one by the Board of Commissioners of the District of Columbia, one by the Community Chest of Washington, D. C., two by the board of directors of Garfield Memorial Hospital, and two by the board of directors of Central Dispensary and Emergency Hospital, all of such hospitals being in the District of Columbia. Each of such trustees shall be appointed for a term of 5 years, and the original appointment shall be made within 60 days after the date of enactment of this act; and such corporation shall have power to make bylaws not inconsistent with this act for the conduct of its affairs. Any vacancy on the board of trustees shall be filled by appointment made in the same manner as in the case of the original appointment. If any of those entitled to make appointments shall fail at any time to appoint any trustee, then such appointment shall be made by the Surgeon General of the Public Health Service for service temporarily until such trustee shall be appointed in the regular manner.

(c) The board of trustees first appointed shall meet within 90 days after the date of enactment of this act and elect a president, vice president, secretary and treasurer, and such additional officers as the bylaws may provide, and also transact such other business as may properly come before them, including the adoption of bylaws for the proper conduct of the corporation. Thereafter the meetings of the trustees shall be held at such times and places as may be provided in the bylaws. The Corporation shall not be conducted for profit, and it is hereby declared to be a charitable and benevolent institution, and all of its funds and property shall be exempt from taxation.

(d) The Corporation shall have perpetual succession and shall have power to acquire, hold, and dispose of real and personal property, and generally to do all lawful acts necessary to carry out the functions vested in it by this act and to provide for the operation of the hospital center established in accordance with the provisions of this act.

SEC. 2. The Corporation is authorized to enter into agreements with Garfield Memorial Hospital and the Central Dispensary and Emergency Hospital (hereinafter referred to as "participating hospitals") providing for the establishment, maintenance, and operation of a modern, adequate, and efficient hospital center in the District of Columbia, with a capacity of not more than 1,500 beds and with all necessary parking space, appurtenances, equipment, and other facilities such as operating rooms, laundries, laboratories, X-ray machines, heating plant, nurses school and home, and the like. Such agreements may be conditioned upon a suitable site, buildings, and equipment for such hospital center being provided in accordance with section 3 of this act; and shall provide that when a suitable site, buildings, and equipment are so provided, the participating hospitals will undertake to maintain and operate the hospital center, under the supervision and control of the board of trustees of the Corporation and in accordance with the provisions of this act, and that the participating hospitals will devote their full resources to this purpose: *Provided*, That no part of the funds of one hospital shall be

required to be employed for the maintenance or operation of any part of the center used exclusively by another hospital.

SEC. 3. (a) After the Corporation has entered into agreements with the participating hospitals in accordance with section 2, the board of trustees of the Corporation shall select, with the approval of the National Capital Parks and Planning Commission, a suitable site within the District of Columbia for such hospital center.

(b) Within the limits of appropriations made therefor pursuant to section 6 of this act and subject to the approval of the board of trustees of the Corporation, the Federal Works Administrator is authorized and directed, as promptly as may be upon the termination of the war—

(1) To acquire, by purchase, condemnation, or otherwise, the site selected by the board of trustees for the hospital center, together with such real property as may be situated thereon.

(2) To provide buildings (either by new construction, or alteration and renovation of existing structures), additional improvements and appurtenances, and such equipment and machinery as may be necessary for the proper operation and maintenance of such hospital center.

(3) Upon completion of such hospital center, to convey, on behalf of the United States, all right, title, and interest therein to the Corporation.

(c) All plans, designs, and specifications for buildings and equipment for such hospital center, and for improvements upon its site, shall be subject to the approval of the board of trustees of the Corporation.

SEC. 4. When the hospital center has been conveyed to the Corporation, it shall be maintained and operated by the participating hospitals under the supervision and control of the Corporation. Each of the participating hospitals shall be entitled to the exclusive use of such part or parts of the hospital center as may be determined by agreement between such hospital and the Corporation, for the purpose of conducting its operations as a hospital within such part or parts of the hospital center. The participating hospitals jointly, under the supervision and control of the Corporation, shall maintain and operate within the hospital center such central heating, laundry, and other facilities and services necessary to the proper and efficient operation and maintenance of such center as the participating hospitals and the Corporation agree may best be operated or performed by such hospitals jointly. The cost of maintaining such joint facilities and services shall be paid by the participating hospitals in such manner and proportion as the Corporation determines to be appropriate and equitable.

SEC. 5. (a) The Corporation may, in its discretion, enter into agreements with any voluntary hospital in the District of Columbia rendering service for indigent or semi-indigent patients and may allocate to such hospital, from appropriations made pursuant to section 6, such sums as may be available upon completion of the hospital center, for the replacement enlargement, renovation, or modernization of any part of such hospital's buildings as said Corporation may determine to be in the public interest, having in view the most economical and effective use of available funds for hospitalization and to the end that the facilities of such hospital may be utilized to the best advantage. Such sums so allocated for affiliating hospitals shall be paid to such hospitals by the Secretary of the Treasury upon certification by the Corporation, and shall be paid at such time or times as may be specified in such certificate: *Provided*, That before entering into any such agreement, the Corporation shall be satisfied that such hospital is prepared to undertake such responsibilities of management and maintenance as may be necessary to conduct its operations as an affiliate of the hospital center. Such affiliation shall obligate such hospital to coordinate its facilities with the hospital center in such manner and subject to such conditions as may be determined by the Corporation in the public interest.

(b) The board of trustees of the Corporation shall have power, in its discretion, to increase its membership for the purpose of giving appropriate representation to the constituent hospitals.

SEC. 6. There are hereby authorized to be appropriated such sums, not to exceed $_____, as may be necessary to carry out the provisions of this act.

SEC. 7. The right to alter, amend, or repeal this act is hereby expressly reserved.

The explanatory statement presented by Mr. TYDINGS is as follows:

I have introduced together with Senator BILBO in the Senate, and Representatives RANDOLPH and D'ALESANDRO have introduced in the House, a bill designed to give to Washington a modern, adequate, and efficient hospital center.

The Federal Government would provide the funds to build the center which thereafter would be maintained and operated from hospital revenues, income from endowments, and contributions by individuals and civic organizations without further charge on the Federal Government for operating funds.

For the past 6 months a group of public-spirited citizens have been conducting surveys, exchanging views, and attempting to formulate the plan best calculated to achieve ample, economically operated, and modern hospital facilities for the District.

The bill introduced is the result of the conferences and studies. The existing voluntary hospitals of Washington are in many respects obsolete; the buildings are antiquated, nonfireproof, and badly planned. One-half of the present patients are in buildings with very serious fire hazards. No considerable additions have been made to Washington hospital facilities for many years. In some cases hospital buildings are situated so as to prohibit expansion except at prohibitive cost.

In 1941 it was estimated there was a 2,000 hospital-bed shortage. Since then the population has grown markedly, and to accommodate the increased population 700 extra beds have been set up in rooms and wards which were already pitifully crowded and congested.

To speak frankly, if we tolerate further the deplorable hospital conditions, the overcrowding and the lack of modern facilities in the Nation's capital it would be a disgrace. More than that, it might lead to a serious epidemic unless corrective measures are taken.

Here are the figures: Since 1920 the population of Washington has increased 130 percent; the number of hospital beds has increased during that period but 58 percent. So while the population has more than doubled, the number of beds has increased only one-half. Thus, we have in the present hospitals about 3½ beds per 1,000 of population. Health standards require that we have 5 beds per 1,000 persons. We have a bed shortage of 2,100 beds at the present time, and of the beds already available, about 1,000 are the result of overcrowding.

Obviously the time has come to relieve this intolerable condition. Dozens of studies have been made as to how, without losing what we have, we can secure what we should and must obtain. The best thought seems to be that a hospital center into which our larger existing hospitals would be merged be established. With this hospital center, other hospitals throughout the District could be affiliated, always on a voluntary basis. Such a hospital center would itself contain not more than 1,500 beds with complete facilities for diagnosis and treatment in all the specialties. It would have to contain ample administrative units and have facilities used to accomplish major operating economies, such as power plant, laundry, store rooms, purchasing department, diagnostic laboratories, X-ray facilities, physiotherapy, operating and delivery quarters, etc. This set-up would make it possible for each of the District hospitals to care for its own clientele and yet take advantage of major economies to be effected by proposed consolidation and coordination.

The bill anticipates that the participating hospitals would maintain their corporate identities so as to safeguard their endowments and other resources, tradition and goodwill. The over-all management would have to be vested in some joint administrative Board.

The trustees of Emergency and Garfield Hospitals, two of our largest, have already signified their willingness to undertake the responsibility of operating the center, pooling their resources and experiences so as to build best on what we already have.

Of course, the ideal would be to construct such a center where it could serve easiest and best the great population of this city. The ideal site would require about 20 acres and ought to be convenient to transportation facilities and the like. The selection of the site should have the approval of the National Park and Planning Commission so as to tie in with the city's civic growth. The National Park and Planning Commission have made a survey and have recommended for further study about 12 sites in the District where acreage is available.

The bill that has been introduced seeks to point up all these matters so that they may be further considered by the appropriate committees of Congress. Obviously the bill is not the last word, but is the basis for study and the foundation for action.

Senator BILBO, the chairman of the District Committee of the Senate, has appointed the following Senators as a subcommittee on Washington hospitals: TYDINGS, chairman, REYNOLDS, BILBO, CAPPER, and BURTON.

As chairman of this subcommittee, it is my purpose to call the subcommittee together promptly and to call on leading witnesses for comment on the bill. Some 10 or 12 persons greatly interested in and familiar with hospital conditions in the District, I am advised, will testify in general support of the plan. When the hearings are closed, it is my hope to report the bill promptly and to endeavor to get it passed through the Congress.

The bill should carry the condition that work be begun as soon as the war is over.

For many years there has been constant reiteration of the need for modern, ample, and economical hospitals in Washington. It is my hope that we may at last have really commenced to actually secure what is obviously the greatest civic need in the Nation's Capital today.

THE FAIR EMPLOYMENT PRACTICE COMMITTEE AND THE TRANSPORTATION STRIKE IN PHILADELPHIA

Mr. RUSSELL. Mr. President, last Wednesday, in discussing some of the motives which lie behind the tragic strike which occurred in Philadelphia, I referred to the unusual publicity which had been given the investigation to be made by the Department of Justice. The grand jury inquiry into the trouble started the day I made my remarks.

The dramatic harangue to the multitude assembled in the courtroom made by the presiding judge at the point in the proceedings usually reserved for a charge by the court to the grand jury,

is the most powerful argument against life tenure in the Federal judiciary that has come to my attention in some time. I hope that the carefully planned program directed at those who resisted the orders of the F. E. P. C. in Philadelphia is not to be capped by a judicial lynching.

I ask unanimous consent that an editorial entitled "Judicial Politics," appearing in today's Washington Post, referring to this speech by the judge to the crowd assembled in the courtroom, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

JUDICIAL POLITICS

We find it difficult to see any judicial purpose that was served by Judge George A. Welsh's charge to the grand jury investigating the recent tie-up of Philadelphia's transit lines to look for political motives behind the strike. There seems to have been no previous indication that the walk-out was a political plot. But Judge Welsh had obviously smelled politics somewhere and insisted on passing along his views to the grand jury.

"Ordinarily we can avoid reference to certain things like racial prejudice, racial intolerance, religious bigotry, and partisan politics," he said. "But today we cannot do that. You have got to be cognizant of the fact that a national election is impending." Having thus injected politics into the case, Judge Welsh hastened to add: "God forbid that I should bring politics into this investigation, but we want you to find out what certain men did and why they did it."

If our understanding is correct, the purpose of a judge's charge to a grand jury is to instruct it in its duties. In most of the Federal courts the judges follow a special form of charge designed to emphasize in the minds of grand jurymen the necessity of impartial deliberations free from prejudice or malice. It is not customary for judges to discuss the cases to be laid before the grand jury, and it seems to us highly improper for a judge to inject his personal opinions about such matters into the instructions he gives the investigators, as Judge Welsh did in this case. Undoubtedly the public interest demands a thorough inquiry into this incident, which had the effect of sabotaging the war effort. But that inquiry certainly ought to be kept as free as possible from partisan politics and offhand prejudgments.

It may reasonably be said that any strike in defiance of the Government involves politics in some measure. Walk-outs of this kind create bitter feelings which sometimes attach to officials who enforce the law against the will of the strikers. But we do not see how the courts can properly deal with that aspect of these cases. We had supposed the judicial issue to be whether the law—namely, the Smith-Connally Act—has been violated. In the circumstances Judge Welsh appears to have gone pretty far out of his way to drag politics into the judicial process.

THE GREATEST HOMECOMING OF ALL—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "The Greatest Homecoming of All" delivered by him at Shiocton, Wis., July 22, 1944, which appears in the Appendix.]

BRETTON WOODS MONETARY AGREEMENT

[Mr. SCRUGHAM asked and obtained leave to have printed in the RECORD a letter dated June 21, 1944, addressed to the President of the United States and signed by 28 Senators, dealing with the international monetary fund plan, and a statement by himself on the Bretton Woods Monetary Agreement, which appear in the Appendix.]

ADDRESS BY BRIGADIER GENERAL TYLER BEFORE THE NATIONAL RIVERS AND HARBORS CONGRESS

[Mr. BUTLER asked and obtained leave to have printed in the RECORD the address delivered by Brig. Gen. Max C. Tyler, before the National Rivers and Harbors Congress, New Orleans, La., July 27, 1944, which appears in the Appendix.]

PEACE DESPITE THE FILIBUSTERS—ARTICLE BY SENATOR PEPPER

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article entitled "Peace Despite the Filibusters," written by him and published in the New York Times magazine of June 25, 1944, which appears in the Appendix.]

EXTENSION OF UNEMPLOYMENT COMPENSATION

The Senate resumed the consideration of the bill (S. 2051) to amend the Social Security Act, as amended.

THE VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. GEORGE] to the first Murray-Kilgore amendment, so-called, as modified, striking out all after section 101 of said amendment and inserting in lieu thereof certain language.

The Senator from West Virginia [Mr. KILGORE] has the floor.

Mr. HILL. Mr. President, will the Senator from West Virginia yield?

Mr. KILGORE. I yield.

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Revercomb
Andrews	Guffey	Reynolds
Austin	Gurney	Robertson
Bankhead	Hatch	Russell
Barkley	Hawkes	Scrugham
Brewster	Hayden	Shipstead
Brooks	Hill	Stewart
Buck	Jackson	Taft
Burton	Johnson, Calif.	Thomas, Utah
Butler	Johnson, Colo.	Tobey
Byrd	Kilgore	Truman
Capper	Langer	Tunnell
Caraway	McClellan	Tydings
Chandler	McFarland	Vandenberg
Chavez	McKellar	Wagner
Clark, Mo.	Maloney	Wallgren
Connally	Maybank	Walsh, Mass.
Cordon	Mead	Walsh, N. J.
Danaher	Millikin	Weeks
Davis	Moore	Wherry
Downey	Murray	White
Eastland	O'Daniel	Wiley
Ellender	O'Mahoney	Willis
Ferguson	Overton	Wilson
George	Pepper	
Gerry	Radcliffe	

Mr. HILL. I announce that the senior Senator from Mississippi [Mr. BILBO] is recuperating from a major operation at Mayo Clinic, and that the senior Senator from Washington [Mr. BONE] and the senior Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from South Carolina [Mr. SMITH], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senator from Missouri [Mr. CLARK], the Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. MCCARRAN], the Senator from Utah [Mr. MURDOCK], and the Senator from Oklahoma [Mr. THOMAS] are absent on public business.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Minnesota [Mr. BALL], the Senator from New Hampshire [Mr. BRIDGES], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Oregon [Mr. HOLMAN], the Senator from North Dakota [Mr. NYE], the Senator from Kansas [Mr. REED], and the Senator from Idaho [Mr. THOMAS].

The VICE PRESIDENT. Seventy-six Senators have answered to their names. A quorum is present.

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from Kentucky?

Mr. KILGORE. I yield.

Mr. BARKLEY. Before the Senate recessed yesterday I expressed the hope that this morning we might enter into an agreement providing for a limitation of debate. I hope we may do that. I think it is the general feeling of Members of the Senate that we should vote on the bill today. If we do not, we will have to have a session tomorrow, as I now see it, for proposed legislation dealing with another phase of the question of reconversion will be coming on the first of next week. I am wondering whether we might not at this time enter into an agreement for a 30-minute limitation on debate on the bill and all amendments.

Mr. KILGORE. Mr. President, I do not like to disagree to anything suggested by the Senator from Kentucky, but I have prepared some figures, the presentation of which I think may take more than the time suggested, and I understand two other Senators have prepared addresses which they wish to deliver today which might take a little more than the time indicated. That is the only objection I have to offer. I may say that I join with the majority leader in his desire to have the debate concluded.

Mr. BARKLEY. I should be willing, if I could have the request agreed to, to have the order made effective following the remarks of the Senator from West Virginia.

Mr. KILGORE. I should like to ascertain the wishes of one or two other Senators who may have prepared remarks.

Mr. BARKLEY. I have a feeling that the debate has proceeded long enough so that any Senator can express the meat of his argument in 30 minutes, although it would be delightful to listen to whatever the Senators might desire to submit for a longer period.

Mr. KILGORE. May I ask the majority leader if he will wait to make the request until later in the day after we have been able to make a check of the situation? Unless there be some prepared addresses which will occupy considerable time, I shall make no objection to the request of the Senator from Kentucky. I shall try to say what I have to say within a period of 30 minutes.

The VICE PRESIDENT. The Chair would like to call attention to the fact that a limitation of 30 minutes on the bill and 30 minutes on an amendment would total an hour.

Mr. BARKLEY. The usual request made with respect to limitation of debate is an equal time on the bill and on an amendment; 30 minutes on the bill and 30 minutes on an amendment would total an hour. It seems to me that would be as much time as any Senator ought to consume at this stage of the debate. But I will postpone the request until the Senator from West Virginia shall have finished.

Mr. OVERTON. Mr. President, will the Senator yield to me?

Mr. KILGORE. I yield.

Mr. OVERTON. I should like to make an inquiry of the Senator before he begins his speech. I do not desire to interrupt him if he does not wish to be interrupted.

Mr. KILGORE. I will gladly answer the Senator's inquiry now.

Mr. OVERTON. I thank the Senator very much. The Senator realizes, of course, as everyone else realizes, that when we began to prepare for national defense, and afterward for the stupendous war effort in which we are engaged, we had to convert this Nation very largely from peacetime pursuits to war pursuits. In accomplishing that purpose, we took laborers from the farm, we took men from filling stations, we took them out of offices, we took them away from their clerical duties, and they were trained as industrial laborers and became quite skillful. If I may be permitted to do so in the Senator's time I should like to say that, by and large, I think the laborers of this country have performed a monumental and a very laudable task in preparing the Nation for the war effort. Now what we are trying to do in connection with the proposed legislation is to reverse the process, go back from wartime pursuits to peacetime pursuits.

Mr. KILGORE. I may suggest to the Senator in reverse procedure exactly, to go from war to peace.

Mr. OVERTON. That is it.

Mr. KILGORE. Because at the time the Senator speaks about, before the war, we were following a policy not only of national isolation but of isolation of our industries, which necessarily caused a certain amount of unemployment by reason of limitations on the sale of our products.

Mr. OVERTON. That is very true. I do not care to talk about any particular phase of it, except I think that our general purpose now is to reconvert ourselves into peacetime pursuits as soon as we can and as soon as hostilities are over, and to a large extent before the termination of all hostilities. In order to accomplish that objective I think that any legislation bearing on this subject should make it very clear that any person who can find employment at prevailing wages in any occupation or work he is capable of performing, and fails or refuses to accept such employment, would not be entitled to any of the benefits of the proposed legislation.

I have as best I could examined the provisions of the bill of which the very able Senator from West Virginia is coauthor, and I do not find any clear provision on that subject. I am wondering whether the Senator agrees with me that what we ought to have is not an invitation to idleness but, rather, an invitation to work.

Mr. KILGORE. That is correct.

Mr. OVERTON. Of course, we do not want to go back, as we did following World War No. 1, to bread lines, and we do not want to go back, as we did during the depression, to doles. What we want to do is to take care, by providing the proper unemployment compensation, of every man who is capable of working and who is unable to obtain work.

I was wondering whether the able Senator from West Virginia, after he consults with the coauthor of the bill, would be willing to accept a provision reading substantially as follows:

> Notwithstanding any provisions of this act to the contrary, no person, otherwise entitled to receive interim payments or unemployment compensation under this act, shall receive such payments or compensation if and while he refuses or fails to accept, at prevailing wages, any employment to do work which he is capable of performing.

It is not very clear to me that the bill——

Mr. KILGORE. Would the Senator read the last part of that provision again, please?

Mr. OVERTON. It is very short. I will read it:

> Notwithstanding any provisions of this act to the contrary, no person, otherwise entitled to receive interim payments or unemployment compensation under this act, shall receive such payments or compensation if and while he refuses or fails to accept, at prevailing wages, any employment to do work which he is capable of performing.

In other words, one who previously was not an industrial worker, but who has been receiving very high wages as an industrial worker in a war factory, could not say when there is no war work for him to do, "Well, now, I am an industrial worker." He may have been a filling-station employee, he may have been a clerical worker, and in his old peacetime pursuit he could again obtain employment and would be offered such employment, but he would refuse to accept it because he could say, "The compensation is not such as I have been accustomed to receive during the war period, and therefore I will not engage in this peacetime pursuit unless I can be paid the very large wages I was paid as an industrial worker."

Mr. KILGORE. Would the Senator amend his suggested amendment to include the words "provided such work does not entail such laborer engaging in a labor dispute"? I know from experience that when there is a serious labor dispute in a plant, if a local man were forced to accept labor in the plant, he might render himself very unpopular with his neighbors; in fact, he might endanger his future in the community. I do not think that is an unreasonable suggestion for a modification of the Senator's amendment. Frankly, I believe the bill covers the exact point the Senator has in mind; but let me suggest that amendment to him. I do not believe in asking any American citizen to stick his neck into a labor dispute in order to receive unemployment benefits. I think the Senator from Louisiana will agree with me as to the desirability of such a proviso.

Mr. OVERTON. Mr. President, under the parliamentary situation, I am not entitled to offer an amendment, but the Senator from West Virginia [Mr. KILGORE] and the Senator from Montana [Mr. MURRAY] are in a position to modify their amendment.

Mr. KILGORE. The modification would have to be acceptable to my colleague the Senator from Montana, who offered the amendment, and who is the only one who could accept a modification. I refer the question of its acceptance to him. I will say that personally I have no objection to the Senator's suggestion, because it is my idea that that is the intent and purpose of the bill.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Louisiana a question?

Mr. KILGORE. I yield.

Mr. VANDENBERG. I should like to ask for an interpretation. Am I to understand that the Senator is seeking to eliminate all the so-called suitability tests except that of the prevailing wage?

Mr. OVERTON. I am basing a disqualification on the provision which I have suggested. If a man is offered work which he is capable of performing at prevailing wages and will not accept that work, he should not be entitled to the benefits of the act. I think such a provision is sound, sensible, and economically justified.

Mr. VANDENBERG. Does not the Senator from West Virginia think that that would eliminate all the suitability tests?

Mr. KILGORE. No; I do not think it would eliminate all the suitability tests. My feeling has been that the suitability test is not confined to the wage question. For example, a woman ought not to be asked to swing a 17-pound sledge. There are certain things which certain individuals cannot do. One should not be asked to do something which is physically impossible. I do not believe that a person should be compelled to accept a job at less than a subsistence wage. Of course, if it were the prevailing wage, and other persons were working at it, it would be a subsistence wage.

Mr. VANDENBERG. The Senator is familiar with the rather substantial list of reasons which are considered valid for not accepting work, and I am including all of those in the word "suitability." Would not the proposed amendment of the Senator from Louisiana eliminate all those paragraphs except the one relating to wages?

Mr. KILGORE. I do not know, because I have not had time to study it fully. With reference to definition, I respectfully refer the Senator from Louisiana to the Senator from Montana [Mr. MURRAY]. I shall be glad to take it up with him. As to the spirit of the amendment, I can see no reasonable objection; but, of course, the Senator from Montana is the one to pass on that.

Mr. OVERTON. I thank the Senator for yielding to me and making that suggestion. I shall be very glad to consult with the Senator from Montana.

I should like to bring out one further point. I believe that the George bill,

in reference to compensation and the period of compensation, is insufficient. On the other hand, I do not know how it could very well be modified so as to increase both the period of time in which unemployment compensation is paid and the amount. I feel that the so-called Kilgore-Murray bill compensation is too high.

I am emboldened to make a suggestion which I think would be very helpful if the Senator from Montana and the Senator from West Virginia would agree to a modification of that provision. When work is resumed on a peacetime basis, certainly we do not want any invitation to idleness. We want people to go back to work. We do not want to have the rate of unemployment compensation so high that it will dissuade some men from engaging in work. To restore our economy to a normal basis, we need to put men to work. We need to put capital to work. We need to put labor to work. We want everyone who is capable of working to work. We do not want any idleness in this country.

Mr. KILGORE. I echo the Senator's sentiments, with one addition. We want all men to go to work.

Mr. OVERTON I thank the Senator. I hope that he and the Senator from Montana will consult on this question.

Mr. KILGORE. Mr. President, during the past few days the amendment offered by the Senator from Montana [Mr. MURRAY] has been represented as one to provide $35 a week interim placement benefits to every unemployed worker. It has been so represented in the press, and in discussions on the floor of the Senate.

Such an impression is contrary to the plain and unmistakable language of the bill, which restricts the maximum benefit of $35 a week to unemployed persons who have at least three dependents, and who have earned $48 a week during the base period. On the basis of statistics from the Bureau of Labor Statistics it is estimated that the earnings qualification would disqualify four out of every eight workers, and that the dependency qualification would disqualify three of the remaining four. The effect of these qualifications would therefore restrict the maximum benefits to about one out of every eight workers.

Let me say further that when it is applied to the veteran, we find the percentage of veterans included and aided to be greater than that of other workers. My information is that approximately one-third of our veterans have dependents. The so-called G. I. bill discriminates in favor of the man without dependents by paying him exactly the same as the man with dependents. I happen to know that from my home State coal miners with five or six children were inducted into the military service and are still serving therein.

Since the attack has been centered on the $35-a-week scale, which has been represented as an extravagance under which the economic back of the Nation would crack, let me say a few words in that connection. What does $35 a week mean in terms of the things required to sustain life at the present time, under the present scale of prices? An exhaustive study was made under the supervision of the Department of Labor, which enables us to answer this question in some detail. I respectfully refer the Members of the Senate to that study for the details; but I should like to point out a few of the high lights.

In 1935 a careful study was made under the auspices of the Bureau of Labor Statistics to determine the minimum cost of maintaining a family of four persons—the head of the family, his wife, and two children. The basis of the study was the determination of what is a minimum existence wage on which an American worker can live. This can be taken as a typical family which under the provisions of this bill would receive the $35 benefit, if the head of the family previously earned at least $47 a week. At that time, 1935, on the basis of commodity costs for the essentials of living, it took $1,260 to maintain such a family on the so-called maintenance budget. The study recommended that that was not a continuous maintenance budget and could not be maintained over great lengths of time.

Since then prices have increased so that at the present time a little over $1,700 is required to purchase what could be gotten then for $1,260. This adjustment is for price increases only, based on ceiling prices. The Bureau of Labor Statistics acknowledges that the increase in prices alone does not fully reflect the total increase in the cost of living. These other costs do not lend themselves easily to measurement; but in view of the nature of these factors, it is conservative to say that the effect of these changes would be to bring the current cost of the maintenance budget well above $1,800 a year, which is approximately what would be provided by $35 a week, the amount contemplated as the maximum payment to be made in order to furnish the minimum requirements of a family of the size stated.

Let me describe the standard of living which could be provided by $35 a week as shown by this study. It was assumed, of course, that the housewife would do all her own work, including washing, cooking, baking, and mending. She would have for food an average of 16 cents a meal per person. And remember this is at present prices. That amount would be slightly increased, based upon the increased amount of the budget and the increased cost of food. If I remember correctly, at that time the United States Army was allowing approximately 27 cents or 28 cents a day for the feeding of each soldier, when the soldiers were being fed in groups of 100 men. For the working head of the family this budget would provide 1 pound a week of meat, fish, and poultry combined—not a pound of each, but a pound of all 3 taken together, and not quite a pound a week for each of the other members of the family. Each person in the family could have 1 pound a week of tomatoes, oranges, lemons, or other citrus fruits. Each adult could have about 3 eggs a week, including those used in cooking. That is not much more than adults get in Germany today. Is that too much luxury for those who would question the amount of money involved?

So much for food. Let us now consider clothing. At the income level set forth by the Bureau of Labor Statistics at that time—and I believe the price of clothing has increased as much, if not more, than the price of food has increased—the head of the household——

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. TYDINGS. I do not wish to interrupt the Senator's line of thought. But suppose a person had saved up some money from what in many cases are the rather high wages being paid today, as compared with the wages paid 5 or 6 or 8 years ago, and suppose such person was out of employment. In that case would the unemployment relief go on just the same, notwithstanding the fact that the person was able to tide himself over the emergency?

Mr. KILGORE. Mr. President, I shall take up that question with a parallel. I say to the Senator from Maryland, a little later in my remarks.

Mr. TYDINGS. Very well; I shall wait until that time.

Mr. KILGORE. At the income level mentioned, the head of the household could buy one winter suit once every 3 years, 1 pair of pajamas once every 2 years, and one hat once every 3 years. A large part of a worker's clothing budget is spent for work clothes—overalls and shirts. He could afford only one pair of oxfords a year, because he would need at least two pairs of work shoes. The housewife's quota of clothing would be one woolen dress every 2 years, one winter coat every 3 years, and a bathrobe every 10 years. The provision for the children would be even more restricted: one suit every 2 years for a growing boy and one rayon street dress for a girl each year. Those are merely illustrations, and I do not mean to imply that that is all the clothing provided. I am taking these illustrations merely from the statistics furnished by the Department of Labor for the year 1935, and am superimposing them on the costs and wage levels set forth in the bill.

What could they get in the way of household furnishings, if that budget had to be continued over a long period of time? For all expenses in keeping a house provided with such things as blankets, furniture, carpets, brooms, etc., there would be available less than $50 a year, less than $1 a week. Is that too much? Is it more than our economy can bear?

Medical expenses could not exceed $16.50 a person a year. If they did, the money would have to come out of the allowance of 16 cents for meat or out of the allowance for the suit the head of the family could buy once every three years. That $16.50 must cover doctor's visits, obstetrical care, emergency operations, care of the teeth, hospital bills, medicines, drugs, and eyeglasses. Is that allowance too much?

Based upon the price I paid for the last pair of spectacles I bought, I could afford to buy a pair of eyeglasses once every 2 years, provided I did not have to have my eyes examined, for the cost of

the examination would add to the cost of the spectacles.

Statistics revealed by the Army physical examinations of selectees—I have heard this subject debated on this floor repeatedly—showed that a shamefully large proportion of our young men are not fit for strenuous physical exertion, because of insufficient medical care and inadequate diet. That is one of the pleas which representatives of the War Department made when they came to Congress and asked that the age limit be lowered. They referred to the tremendous percentage of inductees rejected largely because they were not fit for strenuous physical exercise, because of insufficient medical care and bad diet. Those statistics should do much to quell the fears of those who oppose the bill on the ground that under it the American people would become pampered and would degenerate into a spoiled bunch of loafers.

Living on such an income, the family would be able to squander $1.70 a week on recreation. They could buy one daily newspaper, some cigarettes or smoking tobacco, candy, and magazines. Then 12½ cents a week per person would be left for movies and other recreation. I have yet to find in the city of Washington or in any other city I have visited a motion-picture theater selling admission tickets for as little as 12½ cents.

That is the luxurious scale of benefits to which objection is being made. I challenge any Senator to say that it is too much. I challenge any Senator to say that he would be content to provide only half of that, and that half for not more than an 18-week period. That is what the alternative proposal by the Senator from Georgia [Mr. GEORGE] provides.

In contrast with these provisions for the average American family, I should like to describe the safeguards for corporations contained in the tax laws, as recently amended. I should particularly like to address a few questions to those who profess concern lest the $35-a-week maximum provision of the Murray-Kilgore bill for a family of four or more persons be more than this country can stand. I address these questions to them particularly because they were the most fervent proponents of the carry-back, carry-over provisions of the tax laws which I am about to describe.

I speak to them humbly, because I cannot follow the logic of those who oppose this bill which provides such luxuries as one suit of clothes every 3 years for the head of the family or one winter dress every 3 years for his wife, on the ground that it would break the financial back of the Nation. At the same time they have been willing to set aside $28,000,000,000 of corporate taxes as a gigantic revolving fund, to be used, not to carry on the functions of the Government and pay the costs of this war, but to insure profits to corporations at the handsome levels of the base period, or as based on total investments, including loans at 8-percent profit, whichever is the handsomer.

The American Government is even obligated to pay the cost of the accountants to find out which is more profitable to the corporation and which takes more away from the American Government. That is the effect of the carry-back, carry-over, and, shall I say, carry-out-the-wishes-of-the-corporation tax bill.

When the gigantic corporations of this country looked for a way in which to safeguard the swollen war profits against the claims of the Government to carry on the war it did not take the leaders of the opposition long to find out how to do it. They did not then count the cost to do it. They did not then count the cost to the Nation. They did not then say that $28,000,000,000 was too much. In fact, no one even questioned the amount which was being allowed for this carry-back and carry-over. They even served it up a la mode by adding the Ruml tax-forgiveness plan.

But now, when we are deliberating the question of assuring the average American worker that his family need not starve during the period when his employer is reconverting his production to a peacetime basis, that period so munificently safeguarded for the employer by the carry-back, carry-over provisions of the tax law, while we are considering the question whether during such period the workers shall have the barest subsistence, while the corporation shall have the profits plus the subsistence, there are those who have become suddenly economy minded and fearful for the economic strength of the Nation.

Let us look briefly at the relevant figures. In 1942 the total corporate net income of the Nation was $23,300,000,000, in 1943 it was $25,300,000,000, and in 1944 it was $23,500,000,000. Compare these figures with the profits in 1936 of $7,800,000,000; in 1937 of $7,800,000,000; 1938, $4,100,000,000; 1939, $7,200,000,000. During the war period corporate profits were more than three times those of the pre-war years. During 1943 and 1944 net income after taxes is estimated to be $9,600,000,000 and $8,500,000,000, respectively. During 1936 and 1937, both profitable years, corporate income after taxes was under $4,000,000,000 annually. I wish to remind the Senate that those profits for 1943 and 1944 are based on calculations which exclude the effect of the extremely liberal amortization provisions enacted by Congress to encourage manufacturers to go all out on the war program, provisions affording the right to charge back the cost of all new plants the manufacturer has contributed in connection with the war effort at 20 percent a year. New plants can be amortized in 5 years, although they last 20 years. If the manufacturers sell these plants after writing them off, the money is theirs. The figures which I have just read do not include such hidden profits, nor do they include the tremendous salaries paid to the top managements of the corporations.

To protect those profits during the period of reconversion—and I speak from the corporational point of view when I say "protect"—the revenue law was amended by the inclusion of what are called the carry-over carry-back provisions.

As a result of these provisions, corporations may use years of low income to recover taxes paid during years of high income. The same liberal provision is made with respect to excess-profits taxes. These become what can be called the interim placement benefits for corporations. I think the parallel is well drawn.

As a result of those provisions the $28,000,000,000 of taxes paid by corporations during 1943 and 1944 become subject to recall by the corporations whenever their income drops below the higher of two levels, one being average earnings during the base period, the other being a rate based on total investment. Because of these provisions there is a little string attached to the $28,000,000,000 in corporate taxes paid during '43 and '44. This little string protects them, not only against loss, but against not having made as much profits as the very liberal tax law allows them, which is at least 8 percent on invested capital including such water as might have seeped into the stock.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. DOWNEY. I believe that the Senator is performing a very valuable service in bringing before the Senate and the American people the effect of the carry-back provisions of the Internal Revenue Act of 1942. I should like to offer one qualification to the accuracy of his statement, not as he has set it forth, but perhaps in an effort to amplify it. He has stated that $28,000,000,000 has been set aside for a fund out of which corporations may recoup themselves in the post-war era.

Mr. KILGORE. May I interrupt the Senator at that point? I meant $28,000,000,000 on the books; not in money, because the money has been spent.

Mr. DOWNEY. I understand that. The money has been spent and, of course, there will have to be deficit financing in order to recoup the corporations. But $28,000,000,000 is only the sum which has accrued up to date.

Mr. KILGORE. That is correct.

Mr. DOWNEY. Before the war is over, assuming that it will end within a year or 18 months from now, undoubtedly that amount will not be $28,000,000,000, but will be nearer $40,000,000,000.

Mr. KILGORE. The Senator from California is undoubtedly correct. I used only the figures which had been furnished me as representing the situation up to the present date.

Mr. President, repeating what I have already said, because of the provisions to which I have referred, a little string is attached to the $28,000,000,000 of corporation taxes which were paid during 1943 and 1944. The corporations are protected not only against loss, but against not having made as much profits as the tax law allows them, which is at least 8 percent on invested capital including, as I have said, as much water as might have seeped into the stock certificates. I wonder how much has been considered from the human standpoint, as to whether there might be a carry-back and carry-over provision.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. GEORGE. I believe that I should make a statement now, because there has been so much misapprehension about what the carry-back and carry-over provision is. I did not rise for the purpose of going into that issue; I rose to say that the Senator from West Virginia is now opposing the recommendation by the Administration to the Senate Finance Committee. The loss carry-forward and the loss carry-back provision did not originate with the chairman of the committee or any member of the committee, but had the express approval of the Secretary of the Treasury through Mr. Randolph Paul who appeared and spoke before the committee. It does not have the effect which the Senator thinks it has, and I wanted to make it clear that he is now squarely in collision with the administration itself so far as any criticism of the loss carry-forward and the loss carry-back provision of the Tax Act of 1942 is concerned.

I think the country ought to understand that fact. In the Finance Committee there was a proposal which it was wished to have considered, and this was brought forth as the joint production of the staff of internal-revenue taxation and the Treasury; it was openly advocated by the Treasury, and, upon the Treasury recommendation, it was accepted and became a part, finally, of the law.

Mr. KILGORE. I thank the Senator from Georgia for his statement.

Mr. GEORGE. I thought I should make that statement.

Mr. KILGORE. I am comparing the position taken now with the position taken then.

Mr. GEORGE. I understand what the Senator is doing, but I wanted the matter understood.

Mr. DOWNEY. Mr. President, will the Senator from West Virginia yield?

Mr. KILGORE. I yield.

Mr. DOWNEY. Perhaps the Senator is under a misapprehension as to the implication of my remarks. I am not speaking critically of the law. I am very positive in my own mind that I understand what the law means, and know what its effect will be. But I have a letter from Randolph Paul in my desk that I might read if there is any doubt about it. If the war lasts 1 year longer the corporations of this Nation will have paid income taxes and excess-profits taxes probably to the extent of about $40,000,000,000, from which they will be enabled to draw to recoup themselves for losses and likewise for declines in earnings under certain circumstances in the 2- or 3-year period after the war and concluded. I wish to say to the distinguished Senator that——

Mr. GEORGE. Let me interrupt the Senator there.

Mr. DOWNEY. I should like to conclude. That may prove to be a very wise and salutary law; I am not criticizing the intelligence or good faith of anyone in passing it; but I would say to the distinguished Senator that I am unable to understand the viewpoint expressed on the floor of the Senate in opposition to the expenditure of ten or twenty billion dollars to protect labor against the ravages of idleness when we are willing to earmark thirty or forty billion dollars to protect corporations against losses in the post-war era.

Mr. GEORGE. In the first place, the Senator misconceives not only the reason but the actual effect of the loss carry-back and loss carry-forward provision. I did not rise to enter into a discussion of its merits or demerits. I was simply calling attention to the fact that it was, and is, the recommendation of the administration, and if Senators want to fight against it they are privileged to do so.

All the loss carry-back provision does in the final analysis is to average the tax liability of the taxpayer for a longer period than 1 year, during a time when it is difficult to ascertain whether profits have actually been made.

I am not discussing the merits of it. I merely want to call attention to the fact, because frequently the loss carry-back provision has been accredited to me. I am not in a positiion to claim any credit for the loss carry-back and carry-forward provision of the act, except that, upon the Treasury recommendation and the concurrence of the Joint Committee on Internal Revenue Taxation, we accepted the provision and made it a part of the law.

Mr. DOWNEY. Mr. President, will the Senator from West Virginia yield further?

Mr. KILGORE. I yield.

Mr. DOWNEY. I certainly immediately admit the correctness of the statement made by the distinguished Senator from Georgia as to the mechanism by which the result we are talking about would be worked out. As I understand, corporations for the 2-year period after the conclusion of the war will have the right to have their income taxes figured over a 5-year period and then for the purposes of calculation will be able to compute their income taxes for the period 2 years after the war as well as the 3 years prior to that time. The result will be that the income taxes over that period will be so greatly reduced that all corporations that have sufficient earnings and have paid sufficient taxes will be recouped of all losses during that period and in many cases——

Mr. GEORGE. Oh, no; they will not be recouped for any losses. They will pay the tax which they should have paid over the lengthened period. That is the whole effect of it. But I do not care to go into a discussion of it.

Mr. DOWNEY. I should like to say further that I have on my desk a letter from Randolph Paul explaining the purpose and effect of the carry-back provisions, and I believe that I have correctly stated what he states in that letter. In my own time I shall later read that letter into the RECORD, but again I wish to say to the distinguished Senator nothing that I have to say is any implication of criticism. I do not mean it in that way.

Mr. KILGORE. Mr. President, may I say to the distinguished Senator from Georgia that what I was saying was not intended as criticism of the Senator or anyone else connected with the committee. It was merely being used to illustrate a change of policy, possibly, shall we say?

It has been frequently reiterated on the floor of this Chamber that the effect of pay interim placement benefits sufficient for a decent existence would tend to retard conversion and a return to normal conditions, the inference being that all the workers of America are so lazy that they would not go back to work. In this connection let us consider the huge profits made by corporations and the opportunity for profits which they have. I should like to bring a few specific cases to the attention of the Senate. We have heard a great deal about how much the worker has made: Let us consider how much others have made by way of savings and why they need the carry-back carry-over provisions of the law.

Mr. President, I ask to have printed in the RECORD at this point as a part of my remarks the tables to which I am about to refer.

The VICE PRESIDENT. Without objection, is is so ordered.

The tables referred to are as follows:

GENERAL MOTORS

	Gross profits	Normal-profits tax	Excess-profits tax	Net profits
1936	$297,397,775	$43,607,627	----------	$253,790,148
1937	255,153,330	49,107,135	----------	206,046,195
1938	133,992,679	28,000,334	----------	105,992,345
1939	236,432,667	44,852,190	----------	191,580,477
1940	325,354,035	84,261,235	$40,766,506	200,326,294
1941	502,129,027	[1] 116,061,258	171,931,085	343,043,160
1942	310,957,828	94,127,027	30,373,494	186,457,307
1943	470,551,268	90,634,718	152,285,975	227,630,675

CHRYSLER

1936	$76,200,782	$12,800,000	----------	$63,400,782
1937	63,092,212	11,000,000	----------	52,029,212
1938	22,498,293	3,700,000	----------	18,798,293
1939	47,850,615	8,500,000	----------	39,350,615
1940	64,806,375	16,500,000	$7,000,000	41,306,375
1941	70,394,999	17,700,000	11,000,000	41,694,999
1942	52,042,557	22,000,000	----------	30,042,557
1943	77,180,815	21,750,000	10,800,000	44,630,815

PACKARD

1936	$8,377,840	$1,300,447	----------	$7,077,393
1937	3,654,494	602,082	----------	3,052,412
1938	[2] 1,603,404	20,750	----------	----------
1939	842,446	219,430	----------	623,016
1940	1,309,630	476,815	----------	832,815
1941	5,789,267	1,598,431	----------	4,190,836
1942	19,875,643	2,641,474	$7,884,920	9,349,249
1943	26,547,008	2,331,304	20,475,500	3,640,204

JONES & LAUGHLIN

1936	$4,464,601	$335,000	----------	$4,129,601
1937	5,613,799	825,000	----------	4,788,799
1938	5,945,747	65,789	----------	[2] 5,879,958
1939	3,851,561	662,617	----------	3,188,944
1940	13,855,477	3,578,448	----------	10,277,029
1941	20,619,976	7,619,993	$7,500,000	15,499,983
1942	24,629,993	6,318,213	18,170,000	10,141,690
1943	29,966,350	6,729,122	13,725,000	9,512,228

CONTINENTAL MOTORS

1936	$29,244	----------	----------	----------
1937	576,104	----------	----------	----------
1938	[3] 55,748	----------	----------	----------
1939	32,209	----------	----------	----------
1940	1,271,409	$139,000	----------	$1,132,409
1941	7,142,802	1,700,000	----------	5,442,802
1942	24,432,993	2,600,000	$15,400,000	6,432,993
1943	28,220,947	725,000	19,327,500	8,228,347

[1] Deduct credit of $28,406,476 for overpayment.
[2] Deficit.
[3] Deficit due to drop in rates.

Mr. KILGORE. It will be seen that in 1936 General Motors' gross profits were $297,397,775; their normal profits tax for that year was $43,607,627, and their net profit was $253,790,148.

Let us come down to 1940. In that year the gross profits of General Motors were $325,354,035, and they paid a normal profits tax of $34,261,235, and an excess-profits tax of $40,766,506, but they still netted more than $200,000,000 of profit.

In 1941 their gross profits were $502,129,027 and their net profits $343,043,160.

In 1943 their gross profits were $470,551,363, and their net profits $227,630,675. They have a carry-back and carry-over in the Treasury affecting future taxes and future losses of operation the great sum for 1943 of $214,000,000 earmarked in the Treasury to protect them against losses in the post-war period and make them good for 2 years and they can take advantage of that.

Let us take Jones & Laughlin Steel. They were a rather small concern, a branch of a larger concern. Their profits in 1936 were $4,464,601, and their net profits $4,129,601.

In 1940 their profits were $13,855,477, and their net profits $10,277,029.

Let us go to 1942. In that year their gross profit was $34,629,903, and, after deducting taxes, they still had a net profit of over $10,000,000, and under the carry-back plan they could recoup, or rather replenish, their tax situation and get credits or back taxes in excess of $40,000,000, earmarked on the books of the Treasury to take care of them.

In order to be absolutely neutral, let us take Continental Motors' figures. In 1936 they were a small concern, and made a profit of $29,244. In 1940 their gross profits amounted to $1,271,409. Before that they had no net profits. In 1940 they made $1,132,409 in net profits, after the payment of all taxes and operating expenses. In 1942 they made $24,432,903 in gross profits, and $6,432,903 in net profits. In 1943 they made $28,280,847 in gross profits, and $8,228,347 in net profits, after the deduction of all taxes, surtaxes and others, and with the right of amortization of any plant in which they invested money during that period. They also have some $35,000,000 credited on the books for the post-war period to take care of the carry-back and carry-over.

Chrysler in 1936 made profits of $76,200,782. They made gross profits of only $77,180,815 in 1943, and a net profit of $44,630,815. They did not expand so much. But on the books of the Treasury they have a credit of some $11,000,000, not including the taxes for 1944, with which they can carry back and carry over.

These are the figures on which I rely to show how in the reconversion process we have treated the corporate element, and how it is now proposed that we treat the human element. Is there any particular incentive for rapid conversion, with all those credits on the books, in the corporate element, if we are to say that the workingman will not go to work if he gets enough to live on?

If the Murray amendment to the George bill were to promise to every American worker in idleness as much as he earned during the wartime, or as much as he earned in the pre-wartime, then we would have something comparable to the corporation carry-back and carry-over provision. Then it might be argued it would be unreasonable, and it could be argued that it was most unreasonable; but that argument cannot be made by those who oppose this amendment. It cannot be said that it was reasonable for corporations, but not for the individual worker and for the returning soldier.

This amendment does not guarantee the American worker what he received during wartime. For a single worker in a war plant it provides substantially less than half his earnings, an amount barely sufficient to provide him with the necessities of life if prices remain as they now are, and there is no indication of their dropping.

It does not provide even the necessities for an extended period of unemployment. This is the measure which the framers of the carry-back-carry-over provision for corporations denounce as most extravagant. Consider the General Motors Corporation, whose profits I have just stated. It is estimated that they will have to their credit on the books of the United States Treasury at the end of 1944 a carry-back-carry-over credit of $480,000,000. Is there any real incentive to expand and completely carry on business in view of such a condition? Shall we say to the worker, "You have some unemployment compensation funds built up in your several States. We will give you back certain parts of the taxes you paid during the lush period. We will set that up as a credit to you on the books, and if you do not make as much as you made during the pre-war period, and you do not live as well, we will give those taxes back to you, or we will give you sufficient credit on your taxes so that we will make up the difference"?

When we talk about the unemployment compensation funds taking care of this situation, there are a few figures furnished by the Social Security Board which are of great interest. If we had total unemployment in the United States, only 60.7 percent of our workers could be cared for, even with the very small payments made, out of reserves built up from unemployment compensation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. BARKLEY. I should like to have a little clearer definition of what is meant by "total unemployment." In the letter of Dr. Altmeyer to which reference was made in the debate a few days ago, the term "total unemployment" is used as the basis for certain figures. What is "total unemployment"?

Mr. KILGORE. Under the table to which I am referring, let me say, it is considered that every person covered in the bill would be unemployed in the particular State.

Mr. BARKLEY. In other words, all the millions who are covered would be unemployed?

Mr. KILGORE. Yes.

Mr. BARKLEY. That is an assumption which is, of course, fantastic on its face, and a condition, as I see it, which could not ever happen unless our total economy should collapse. I do not see how it is possible for anyone to arrive at any conclusion based on total unemployment.

Mr. KILGORE. I was using it as a base figure, not with the idea of total unemployment, but when we consider that seamen are not covered, that Federal workers are not covered, that employers with eight or less employees are not covered, that municipal workers and State employees are not covered, there is not a very large percentage of labor covered. If the others all went to work, we might have almost total unemployment of the classes covered, if they wanted to be lazy, and if the payments did not justify them going to work. But I am not arguing that. I am mentioning it to show the comparison between the States, as another feature.

Mr. BARKLEY. I understand, but according to this table, all those covered under the State laws amount to about 30,435,000.

Mr. KILGORE. And there are 65,000,000 workers.

Mr. BARKLEY. That is true, but with total unemployment as the basis for the figures which Dr. Altmeyer furnished a few days ago in his letter, or as the basis of any other figures, it seems to me it is a false premise, because I cannot imagine everyone in the United States who is covered, either under the present laws or under any law we might enact, being unemployed. If that were so, there would not be anyone at work, and I cannot conceive of such a condition as that. Therefore, I do not think the proposed legislation would cost anything like as much as those who use total unemployment as the basis for calculation estimate.

Mr. KILGORE. I agree with the Senator. I am using this to illustrate another point. I was giving the average throughout, which would be an actuarial average. If every person insured under life-insurance policies should die today, suddenly, the average insurance company would probably be unable to pay more than 60 percent of its losses, because, based on the tables of mortality, they estimate that an insured person will live a certain length of time and that there will be so much in the way of accruals. But this is the point I was making; the figures show that, with total unemployment, the range is as low as 38½ percent of the coverage, for instance, in the State of Maryland, and 39 percent in the State of Michigan, which latter State, with its gigantic, swollen war industries, will probably be one of the greatest sufferers. Maryland and Michigan will probably be the greatest sufferers. There will be 80 percent in Alaska. There will be 71 percent in Maine, 80 percent in Montana, 86 percent in North Carolina, 77 percent in Pennsylvania, 58 percent in West Virginia, 79 percent in the State of Washington. So we are going to have to

spend a great deal more money in equalizing these funds with our so-called loans than we anticipate. That is the point I want to bring home. Let us be consistent. If we are going to take good care of corporations, and argue that every corporation will continue to operate, is there any reason to say that the American worker, who has done so good a job in this war, is going to lie down and quit 100 percent just as soon as the bill is passed?

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. KILGORE. I yield to the Senator from Pennsylvania.

Mr. DAVIS. In listening to the discussion by the able Senator from West Virginia I have been struck with the thought that he is rather pessimistic on the general subject. I think too pessimistic an attitude is being taken in the discussion when it is intimated a majority of workers will be employed. Following the last war, the largest number of unemployed in the United States, which was a year and a half after the armistice, was about 5,700,000. Of course a different situation exists now than existed then. As the Senator from West Virginia has already pointed out, there are 65,000,000 individuals employed at this time, largely in connection with the war effort, and we are furnishing war materials for our allies, and supplies for many other nations. During the last war we were servicing only a part of the world. What particularly strikes me is that so many persons believe that everyone is going to be unemployed after this war.

Mr. KILGORE. I wish to thank the able Senator from Pennsylvania for his contribution. What he has spoken of is something to which I now wish to refer. A pessimistic view has been advanced on the floor of the Senate; it has been suggested that from twenty-five to thirty million persons are deliberately going to refuse to work, or that there is not going to be any work for them to do, and that we are going to have to carry them for 2 or 3 years. I contend that, if business and Government will cooperate, and if we maintain the spending power, not a lavish spending power but a reasonable living and spending power within the hands of the consumer—because the consumer eventually pays all taxes anyway, as the Senator well knows from his experience as Secretary of Labor—we will not have this blue picture. But if we take a great number of individuals and put them on the bread lines and the apple lines by reason of inadequate benefits paid them, and if industry does not immediately cooperate, the results will be bad.

In our contract-termination legislation we provided no special incentive to industry to cooperate. Only this morning newspapers carried the statement that, due to curtailment, some 300,000 persons, as I recall, would be cut off from work in the automobile industry within the next few months; in fact, a large cut-off was being made, I believe this week, in certain plants. If that takes place, but if at the same time means are provided to maintain buying power for the necessities of life within the hands of the American worker—not buying power such as may be provided in one State of the Union where the payment to an individual of 50 cents a week is considered to be unemployment compensation; not buying power of that kind but buying power sufficient to support a family and enable a person to go through the period of unemployment—and if we encourage our industry to get under way and keep trade going, then there is no reason for pessimism.

I am not pessimistic, although, of course, there will be some unemployment. Let us get down to the crux of the situation, I suggest to the Senator from Pennsylvania; the post-war wage and living scale is the crux of all the argument. Let us get down to that one point.

Mr. DAVIS. What particularly struck me was the statement made by the distinguished Senator from West Virginia about the General Motors Corporation having $450,000,000 in reserve. What is that compared to the capitalization of General Motors Corporation? I have forgotten what its capitalization is, but I think the capital structure of that corporation runs into a billion dollars or more.

Mr. KILGORE. I do not know. Before the war it was $600,000,000.

Mr. DAVIS. That is little enough for so tremendous a corporation to carry on with after the war.

Mr. KILGORE. Plus the reserves. I was discussing the carry-back carry-over feature. I feel that the Senate would do well to consider this over-all problem, not on the theory that John Jones is going to come back and refuse to work, but on the theory that John Jones wants relief until he does obtain work, and he does not want it in the bread line, and he does not want to have to wait 2 or 3 weeks, as is required in some States, because he does not have the money to carry him over. I think we must consider the question along that line, and look at this bill as a real bill properly to take care of the unemployed.

Back in the early days after the last war, when the first slump hit us, as the able Senator from Pennsylvania will remember, there was an expression to the effect that if we got money up to the top it would trickle down. We also tried that with respect to R. F. C. in its earliest stages. We put millions of dollars into railroads so they could pay off bonds due to J. P. Morgan. If we try to adopt such a system of putting the money at the top so it may trickle down, we will find it will not work. We will find as we always do, that the spending of money comes from the consumer, from the grass roots.

Mr. DAVIS. The money, however, must come from those who actually work, and not from those who are idle. We have had a great deal of experience with the spending program. We have found that such a program did not bring about prosperity. Men must have jobs and work in order to supply the money that is needed. The essential thing is that men be given employment. That is what we ought to talk about.

Mr. KILGORE. That is what we ought to talk about, but we have to keep them living until the industrial plants are converted. A plant cannot be converted overnight. It takes from 3 to 6 months to convert a plant, and the purpose of the bill is to provide for the interim.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. KILGORE. I was about to yield the floor. Does the Senator wish to have the floor?

Mr. TYDINGS. No; I wish to reiterate my question of some time ago. If a man has $800 saved up in bank, for example, would he get unemployment compensation the same as a man who has nothing?

Mr. KILGORE. I may reply to the Senator from Maryland by saying that now, under the Maryland law, such an individual receives unemployment compensation. If he has $10,000 in the bank he still draws unemployment compensation, because the fund from which he draws it is a fund which has been built up to pay him unemployment compensation.

Mr. TYDINGS. I did not ask the Senator from West Virginia about the Maryland law. I am familiar with the Maryland law. But I should like to ask the Senator whether under his bill an individual would receive compensation of $35 a week, even if he had ample funds in bank.

Mr. KILGORE. Certainly, if he were unemployed and could not be employed.

Mr. TYDINGS. How long could he receive unemployment compensation under the Senator's bill even if he had funds in bank?

Mr. KILGORE. Even if he had funds in bank he could receive unemployment compensation for 2 years.

Mr. TYDINGS. And that would be regardless of whether he had $200 or $5,000 in bank?

Mr. KILGORE. Or had nothing, and most of them have nothing.

Mr. TYDINGS. Then, the bill is not built on the theory that the individual is unemployed and cannot get a job and has no income?

Mr. KILGORE. The bill is built not on the theory of relief, which is the Senator's theory, that is that a man would have to exhaust all his resources, even sell his home, before he could receive a cent to live on. No; it is built on the theory of unemployment compensation.

Mr. TYDINGS. Assuming that the period of the depression visualized lasts for 2 years, what would be the Senator's estimate of the total cost to the Government, maximum and minimum? I ask only for an estimate.

Mr. KILGORE. Is the Senator from Maryland taking into consideration as a basis for that question his belief that the plants of the United States are going to shut down for 2 years and make no attempt at reconversion?

Mr. TYDINGS. That would be the darkest view.

Mr. KILGORE. Let me say to the Senator from Maryland that if that happens, without the bill we shall have no Nation. With the bill, of course, our credit will be sadly impaired; but the Senator realizes, and I realize, that if we should have a depression of 2 years' duration, with every plant in the Nation shut down, we would have no Government in Washington.

Mr. TYDINGS. Of course, I realize that that is not going to happen; but what my question is intended to obtain from the Senator is his opinion as to how much this bill is likely to cost in 2 years?

Mr. KILGORE. I should say that it would not cost any more than the $28,000,000,000 which it would cost to take care of the corporations, if the same conditions should apply.

Mr. TYDINGS. Then, am I safe in assuming that the Senator feels that in 2 years the cost may be $28,000,000,000?

Mr. KILGORE. I should say "No." I have not the figures. In my gloomiest moments I cannot conceive of American workers, American industry, and American Government permitting a condition like that to exist for a period longer than 60 days.

Mr. TYDINGS. Let me ask the Senator what he assumes it is likely to cost. Of course it is only an estimate.

Mr. KILGORE. Such judgments are all estimates. Estimates as high as $24,000,000,000 have been made. Estimates considerably less than that have been made by the Social Security Board. I do not have them before me, but I will gladly furnish them to the Senator.

Mr. TYDINGS. Does the Senator feel that as we visualize and try to estimate the future, as much as $20,000,000,000 may be necessary in 2 years?

Mr. KILGORE. Not even according to the most pessimistic estimates of the social-security agency could we anticipate such a cost.

Mr. TYDINGS. What was the answer?

Mr. KILGORE. I say, not even according to the most pessimistic estimates of the social-security agency.

Mr. TYDINGS. What is the most pessimistic estimate, in dollars?

Mr. KILGORE. I do not remember. I believe the Senator from Georgia [Mr. GEORGE] read those figures to us a short time ago. I think those estimates contemplate $6,000,000,000 the first year after the collapse of Germany, approximately double that sum the year following the collapse of Japan, and then a tapering off, as fast as we can convert.

Mr. TYDINGS. The Senator visualizes that in a period of depression, when his bill would come into play, even though men had money, they would be entitled to the relief provided by the bill. That would not apply to the farmer, would it?

Mr. KILGORE. No; because we gave the farmer floor prices for his products, to hold good for 2 years. The main asset the farmer has in the bill, as was well expressed to me by some farm leaders the other day, is the continued buying ability of 100 percent of the American people, which will maintain the farmer's floor prices and give him the relief which he seeks.

Mr. TYDINGS. But under the terms of the bill the farmer would receive no weekly or monthly benefits directly, would he?

Mr. KILGORE. No, because he is self-employed. It must also be remembered that he is largely self-sustaining by reason of the produce of his farm. His cash expenditures are not so great as those of the industrial worker, who must buy everything he eats, wears, and burns, and who usually pays rent for the roof under which he sleeps.

Mr. TYDINGS. What other classes would be left out of the bill besides the farmer?

Mr. KILGORE. Domestic servants, employees of clubs, canteens, and so forth. All types of self-employed people are left out. I believe all others are included.

Mr. TYDINGS. Is it contemplated that any of the money derived from any of the Defense bond issues will be available to pay these benefits?

Mr. KILGORE. No. The money would be appropriated from such money as might be in the Treasury. We have had to borrow money in the past to take care of such situations, and we shall have to borrow it in the future. When the Senator speaks of the savings of the average worker, does he realize that, according to statements made to me by bankers, the only savings which the worker has are what he has tied up in bonds? He is going to sell those bonds. After the last war I was with troops, and I well remember when the agents of banking companies were buying bonds from soldiers at 60 cents on the dollar. The situation became so bad at that time that the War Department issued an order forbidding an officer of the Army to buy a bond from an enlisted man. The Senator well remembers that situation. The bonds will be sold, which means that under the present law they will have to be redeemed by the Treasury, and a new bond issue will have to be floated.

Mr. TYDINGS. The Senator from Maryland knows about that. He was a soldier, and had some bonds. He sold them for less than par. The Senator is not telling me anything new, but that is not what we are talking about. What I should like to know specifically is where the money is coming from, and how the Government is to raise the money to finance a $10,000,000,000 or $12,000,000,000 unemployment compensation act. For the moment I am not taking any position of opposition to the bill. I merely wish to know where the money is to come from.

Mr. KILGORE. In all probability it will come from the same place as the money which will be necessary to carry on the Government and various other activities during the carry-back or carry-over period, when we take care of the corporations.

Mr. TYDINGS. Let us leave the corporations out.

Mr. KILGORE. That is just the trouble——

Mr. TYDINGS. The money which the corporations are receiving is not taken directly out of the Treasury, as I understand. In this case the money would be taken directly out of the Treasury. Therefore, it must be put into the Treasury in some way before it can be taken out.

Mr. KILGORE. That is correct.

Mr. TYDINGS. What I wish to know is, how are we to get it into the Treasury? Is it there now?

Mr. KILGORE. No. I think the answer to that question is obvious, as the Senator well knows.

Mr. TYDINGS. I should like to know how the Senator thinks we are to raise the money. Shall we vote a bond issue for unemployment relief? How shall we raise the $12,000,000,000 which we are to use for this purpose?

Mr. KILGORE. We shall raise it in exactly the same way that we are going to raise the money to take care of contract termination and various other things.

Mr. TYDINGS. How is that?

Mr. KILGORE. We shall have to raise as much as we can by taxation, and we shall have to borrow the remainder. That is a part of the war. It is the convalescent period of the war.

Mr. TYDINGS. Is it proposed to levy new taxes as a means of raising the money to finance this operation?

Mr. KILGORE. I believe the Senator knows that we have scraped the bin so far as new taxes are concerned; but there may be a few more that we could devise.

Mr. TYDINGS. Let me say to the Senator that my concern is not the result of callousness to unemployment. I have no desire to have people who are out of work go hungry, lose their homes, or fail to provide for their families. I am just as keenly interested in that problem as is anyone else. But with the debt approaching $300,000,000,000, and without the funds in the Treasury, I am concerned over whether it is proposed to superimpose on the war debt further debts in the post-war period. I ask that question very deliberately, and in no contentious spirit. Many finely devised plans for the benefit of humanity may be pricked by the pin of reality, and in the end we may bring down on the shoulders of the country a depression which a little sounder approach to our fiscal problems as we go along might avert. In that contingency the working man might be better off if we were to make a little more realistic approach to the question of how we are to pay for this operation, rather than merely to pass a bill appropriating money, when there is not a nickel in the Treasury to finance the bill at the time we pass it.

If we keep on, as Italy did for 44 of her 66 years of modern existence up to 1925—financing her government on deficits—and as Germany has done ever since 1898, and as most of the other countries of Europe that are going bankrupt have done, even a rich country like the United States of America may some day find that all the fine, humanitarian programs which it has worked out without thought of how they are to be paid for or their ultimate ramifications on the business

life of the Nation may do the workingman more immediate harm than a sounder and more realistic approach would do. Obviously, in a period of reconversion there is bound to be some unemployment and a sound and humanitarian government should not be callous to that. But if a man has $1,000 in bank, I wonder whether the national debt should be run up still further, if he is unemployed for only a short period of time.

Mr. KILGORE. How is it possible to distinguish between taking care of a man in a situation such as that and taking care of persons with little or no savings, unless the matter is put on a strictly relief basis? The Senator must realize that the measure under discussion contemplates the use of some $6,000,000,000 of funds already built up, and which will increase, now in the possession of the Federal Government, for the use of the States, and such amounts from the Federal Government as may be necessary to bring that amount sufficient to provide for a standard level. Of course, if we are to be realistic, if we are to ask a man to live on unemployment compensation payments of $10 a week, we must get the cost of farm products and clothing and manufactured products and the salaries of everyone down to the basis of $10 a week.

Mr. TYDINGS. Mr. President, I ask the Senator to wait for a moment. The Senator oversimplifies the thing, let me interject. We will get farm produce down to where it will not be worth anything, unless the financial structure of the United States Government is kept, at some time, on a sound, honest, and businesslike basis; for in the end a continuation of a policy of borrow and spend, in the face of a debt of $300,000,000,000, will not only drive down the prices of farm produce but will demoralize, paralyze, and set at naught the whole economic machinery of the Nation.

If we are prepared to tax to put our financial structure on a sound and pay-as-you-go basis at some reasonable time in the post-war period, that is one thing. But I have been a Member of the Senate since 1926, and every year since 1929 the Federal Government has spent more than it has taken in, until we are reaching the point where the national debt now is the equivalent of $8,500 against every family in America, rich or poor, high or low, black or white. Forsooth, what good does it do a man to give him a dollar in this hand, if eventually that dollar is to be no good or is to be completely taken from him to meet the needs of the Government of the United States?

Mr. KILGORE. Mr. President, I realize the force of what the Senator has said. But the Senator must also realize that there must be a transition period.

Mr. TYDINGS. I agree with that statement.

Mr. KILGORE. Provision must be made for the transition period, unless we are to become a dictatorship—which God forbid.

Mr. TYDINGS. Let us be a little realistic, too. Suppose in peacetime a man was earning $35 or $40 a week, let us say, by way of illustration, and suppose in wartime the same man earned $70 or $80 a week. Of course, there has been an increase in the cost of living—let us concede that—but the increase in the cost of living—although not in all cases or on the average; I concede that for the sake of this discussion—has not been as much as the increase in the wage scale. In that event these men have been able to save some money.

I do not think we should lose sight of the fact that if a man is unemployed for a relatively short period of time, and is fairly well fixed—if there are such persons—it is highly doubtful whether he should be promised unemployment relief for a period of 2 years, merely because in some cases other men are unable to provide for themselves and their families out of the emergent, all-time-high wages which have been paid.

Mr. KILGORE. Is it the Senator's contention that a man who has been able to save money during a period of high wages should be penalized, as against a man who "blew" all his earnings?

Mr. TYDINGS. No; it is not.

Mr. KILGORE. Or is it the Senator's contention that a man who has been able to accumulate savings should be penalized as against an unfortunate fellow who could not get any place to live without paying extortionate prices?

Mr. TYDINGS. Does the Senator mean, in asking me that question, that people who made big money and spent it all, knowing that this period of reconversion would come, knowing that it is talked about by the whole Nation, are entitled to largess in the way of Federal grants? I should like to have an answer to that question.

Mr. KILGORE. No. But what is the Senator going to do—take them out and hang them?

Mr. TYDINGS. No; I am not going to take them out and hang them; but I am not going to penalize forever and forever and forever the thrifty workingmen who did lay something by.

Mr. KILGORE. Very well. Then what is the Senator going to do?

Mr. TYDINGS. I am going to read a brief editorial appearing in this morning's Daily News, published in Washington. It is entitled "Another Little Billion Never Did Any Harm":

> The Senate is engaged in what may turn out eventually to have been a historic debate—very.
>
> If you find a few years hence that a dollar bill won't buy what it does today—which sometimes seems little enough—you might want to remember this Senate debate. Or you might give some thought right now to the economic miseries of China, where money is in the throes of a printing-press inflation. But that can't happen here, of course. No?
>
> The bill before the Senate has to do with post-war reconversion of industry. The real bone of contention is title III, which deals with unemployment compensation and with the retraining and reemployment of war workers, soldiers, and sailors. Specifically, title III would provide for a dole of up to $35 a week for the unemployed—indefinitely, or at least for the 2-year duration of the proposed statute—and for free vocational training for "any person" when the work administrator "deems it necessary."
>
> Senator REVERCOMB, of West Virginia, says the unemployment-compensation proposal might cost nearly $25,000,000,000 a year. Others make lesser estimates, but not little ones.

That is the reason why I asked the Senator, as one of the authors of the bill, what he thought it would cost.

I read further from the editorial:

> Well, it's a rich country. Sure. But wait until the boys come home and find that in many cases unemployed ex-servicemen are drawing a smaller dole than unemployed welders. Then you'll see a bonus bill, and it won't be for peanuts. And it will be passed.
>
> And watch the old folks. Senator WILEY, for instance, interrupted the debate to ask if the bill gave any "relief to the aged."

They might be broke, and not be able to buy from the farmers, let me interject, in which case, if all the aged stopped buying, there would be a decrease in the value of farm produce, to use the Senator's own argument, therefore, if we wish to keep up the price of farm produce, in the pending bill we should make some provision for the aged. God knows, if they are so old that they are unable to stand the physical strain of working, I think they are more entitled to our consideration than are almost any other group, because the spirit might be willing, but the flesh be too weak.

I read further from the editorial:

> It was explained to him that this was an unemployment measure, without relation to age, but Mr. REVERCOMB said he took it that "other legislation will deal with that." You can see old Dr. Townsend and the others licking their chops.
>
> We don't like the role of alarmist. But we are alarmed.
>
> No currency, even of the richest country in the world, can maintain stability forever, or even a semblance of stability on a steady diet of deficit financing, no matter what we may be told to the contrary by economists of the it's-all-done-with-mirrors school.

The editorial has seemed to me to have a good foundation in old-fashioned American common horse sense, and that is why I asked the Senator where we were to obtain the money, as well as the other questions which I addressed to him.

Mr. KILGORE. I assume the Senator agrees that the editorial is not entirely accurate. I wonder if the Senator realizes that the editorial, in one way, is false. I think it should be pointed out for the benefit of the RECORD that in the bill under discussion it is not contemplated that the veteran shall receive the minimum payments at all times. He shall receive those in the highest brackets at all times.

Mr. TYDINGS. Is it not possible under the bill for some veteran to receive less than some unemployed worker?

Mr. KILGORE. No.

Mr. TYDINGS. What is the minimum which he would receive?

Mr. KILGORE. He would receive the maximum in all categories.

Mr. TYDINGS. How much would that be?

Mr. KILGORE. It would be $20, $25, $30, and $35, depending on the number of dependents.

Mr. TYDINGS. Suppose there is one man in the family who is working and two members of the family who are not working. Suppose that in another family there are only two members and both of them are not working. What would happen then? The family with a partial income would receive the same amount of money that a family with no income at all would receive. Is that correct§

Mr. KILGORE. Yes; but the latter family would have more mouths to feed.

Mr. TYDINGS. The point I make is that three persons constitute the family.

Mr. KILGORE. And all have worked in the past.

Mr. TYDINGS. Yes; all of them have worked in the past. Now, let us assume that the family next door consists of two members and that neither of them is working. Both families would receive unemployment payments from the Government, but one family would have a partial income of at least $40 a week from the working member of the family.

Mr. KILGORE. Yes.

Mr. TYDINGS. Has the Senator been alarmed at all by the fact that all those payments will have to be supplied by new borrowings by the Government, either in the form of a bond issue or the flotation of short-term notes or something of that kind?

Mr. KILGORE. No; because—and the Senator may laugh if he wishes to—it must be realized that if conditions are changed so that it becomes necessary to purchase distress food and supplies, and we proceed according to the theory of the Senator from Maryland for a long-sustained period, under the terms of the George bill or any bill, we shall eventually have people on relief.

Mr. TYDINGS. What will they be on when they are given $35 a week for 2 years?

Mr. KILGORE. Will the Senator from Maryland allow me to finish?

Mr. TYDINGS. Very well.

Mr. KILGORE. The people will be on relief. It has not been contemplated by the authors of the amendment that industry will not cooperate with the markets which are available. It is thought that with the proper incentive industry will cooperate, but we have done nothing so far under bills which we have already passed to induce the cooperation of industry. We have made arrangements to pay off industry in cash. In the Contract Termination Act we have even excluded the right of the Government to prosecute for gross negligence on the part of Government officials with regard to settling claims against the Government. So we have held forth no particular incentive to the reconversion of industry. We believe that if sustained buying power will offer such incentive, it is necessary to have it if it will get industry back to work in this country in the shortest possible time. That time can be spread over 12 months, or possibly from 3 to 6 months. But it has to be done, or the country will go bankrupt.

Mr. TYDINGS. May I ask the Senator if he believes that after the 2-year period has elapsed all those who are now employed will be reemployed?

Mr. KILGORE. I believe that there will be complete reemployment before the end of the 2-year period. Probably it will be brought about during a short period of time. It will be a sliding proposition. The group which is unemployed this month will be employed within 3 or 4 or 5 months at the most.

Mr. TYDINGS. The Senator has missed my question. We all concede there will be some unemployment.

Mr. KILGORE. Certainly.

Mr. TYDINGS. We all concede that in a certain period of time much of the unemployment will have been absorbed by the reconversion program.

Mr. KILGORE. Yes.

Mr. TYDINGS. My statement was—and I believe the Senator will agree with me—that many of those who are unemployed in the immediate post-war period will still be unemployed, or on a partial work basis, at the end of 2 years following the end of the war.

Mr. KILGORE. No; I do not believe that.

Mr. TYDINGS. Does the Senator believe that all the great mass of workers will be totally reemployed within 2 years following the end of the war?

Mr. KILGORE. Yes.

Mr. TYDINGS. If we are to return to a $100,000,000,000 annual business in this country, relying on home consumption for 95 percent of it, and with little world trade——

Mr. KILGORE. In what years did we do that much business?

Mr. TYDINGS. I say, if we are to return to it. At one time we did a $70,000,000,000 annual business and, as the Senator well remembers, we had 5,000,000 unemployed at that time.

Mr. KILGORE. That is correct. If we return to a $100,000,000,000 business, under the estimates furnished we are bound to have many unemployed persons in the country, who will become a burden on the taxpayers. And who are the taxpayers? They are the consumers. The Senator has practiced corporation law long enough to know that taxes and all related matters are considered in the cost of operation. So the consumers are the taxpayers. But, if we can—and we should be able to do so with the help of business from foreign countries in which industry has been wrecked—we should place ourselves in a position to go into a higher bracket of total business. Of course, if we adopt the idea that we are to have 5,000,000, 10,000,000, or even 15,000,000 unemployed all the time, we will have them. But, if we do not adopt such an idea and go out after world markets, as did Pitt in the days of the Napoleonic wars, we will not have a large number of unemployed persons in this country. We will have all our employables employed, as did England.

Mr. TYDINGS. The Senator said, when I rose to address him, that he was yielding the floor. I do not wish to ask him any further questions, but I should like to speak for about 5 minutes.

Mr. KILGORE. I yield the floor to the Senator from Maryland.

Mr. AUSTIN addressed the Chair.

The VICE PRESIDENT. The Senator from Vermont has been standing for some time.

Mr. TYDINGS. I yield to the Senator from Vermont.

Mr. AUSTIN. Mr. President, I have been very much interested in the questions asked by the Senator from Maryland. The parliamentary procedure may not have been correct, or well observed by a Senator who has been a Member of the Senate for a long time, but the effectiveness of his argument on the right side of the question assuaged my feelings regarding the cut-in. If I may have the floor within 5 minutes I shall appreciate the courtesy. I think I am entitled to it under all the circumstances.

Mr. TYDINGS. I think the Senator from Vermont was well within the customary courtesy of the Senate, and I have no disposition to inject myself ahead of his request except for the fact that the debate between the Senator from West Virginia and myself has left some loose ends which, for about 5 minutes, I should like to try to tie up rather than leave in the air. Only for that reason was I anxious to elaborate what I was saying.

Mr. AUSTIN. I thank the Senator from Maryland. I shall be very much interested in hearing his remarks. I think that now is the proper time for him to make them.

Mr. TYDINGS. I thank the Senator. I shall not take very long.

Mr. President, no sensible or sane man could help realizing the tremendous problem confronting the Nation in converting from a wartime to a peacetime economy. No one would for a moment want to withhold his support to any sound reasonable program which would tide over the workingman, who in most cases has done a fine job, until reconversion is a fait accompli.

I do not rise to oppose, in principle, unemployment compensation or payments; I rise to oppose the lackadaisical inconsidered, visionary, and rather and unthought-through aspect of this whole program. It occurs to me that Members of this body have not yet remotely visualized what a national debt of $300,000,000,000 will mean when the impulse of patriotism and sacrifice and wartime give and take are diminished if not altogether nonexistent in the post-war period. People will sacrifice and bear any hardship while men are dying on the battlefield, but when the war is over they will want to go back to something like a more or less liberal—and I used the word "liberal" in its proper sense—aspect of government, rather than to live under the regimentation and direction which wartime makes necessary.

Here is our Government with a $300,000,000,000 debt, by the time we take up the loose ends, provide for relief here and there, conclude war contracts, and what not, and that is roughly a debt of about $8,500, on the average, against every family in America. That was a part of the war; that was understandable. There was waste; there was inefficiency perhaps, here and there; but it was a big

undertaking; it had to be done; and it was done as quickly as perhaps it could be done.

Now that the war is coming to an end, are we, even before the last shot is fired, going to continue down the road to a $400,000,000,000 national debt, and do it under the guise of giving the hand of help to the farmer or the workman or anybody else in this Republic? What we are doing is simply burying a cannon in a bouquet of orchids—and a loaded cannon at that—for the workingman will be permanently out of work unless agriculture and industry can live, and, of course, conversely, industry and agriculture will be out of business unless the workingman can live.

So the problem of Congress as we come to the post-war period is to determine sooner or later whether in the post-war period we are going to proceed on a pay-as-you-go basis or whether we are going to start the printing presses, because from $15,000,000,000 to $20,000,000,000 of bond issues cannot be sold in a post-war period in a country that already has a $300,000,000,000 national debt, and, if that cannot be done, resort can be had to the Federal Reserve, which is only a genteel way and an obscure way of printing money, just as other countries have done.

What concerns me is that no one has seemed to stress the fact at any length that none of the funds which are going to be dealt out are in hand. It is said that we will not have a new bond issue to raise the money. There is vague talk about new taxes, which every man in his right mind knows are not going to be enacted into law. There is vague talk of such things while 10,000,000 men, while I am standing here, are on the battlefield, some of them dying and all of them offering to die, but those who survive entertaining the thought and the hope that they are coming back to a solvent United States of America, the land of opportunity, the land of sound and sane government.

I was interested in reading not long ago the modern history of Italy. In the 66 years of its existence up to 1925, for 45 years the Italian Government was operated by deficit financing. Finally the evil day was put off until it could no longer be put off, and taxation had to be levied. The Italian people then awakened to the sad fact that, in proportion to their income, they were the most heavily taxed nation on the face of the earth. In a move to resist taxes, communism sprang up; business organized into a separate group, and out of that situation Benito Mussolini walked onto the stage of Italy. Whatever benefits were temporarily gained by deficit financing in Italy, which more than any other one thing brought Mussolini to power, were lost a thousand-million-fold by the blood and the tears and the sacrifices and the squandering of wealth which was the last chapter of the sad story of modern Italy. The same thing is true of Germany, but I shall not go into the details.

Now this country, which prior to a few years ago never knew of a national debt of more than $25,000,000,000, has already reached the point of having a national debt of nearly $300,000,000,000, and already where one spigot was running other augers are boring into the barrel of our national wealth still further to drain it out faster and faster.

I do not know how many of us will be here during the next 6 years, but mark this prophecy and mark it well: By continued deficit spending, carried over to a long period of time in the post-war period, we are laying the foundation for a depression which could conceivably make 1929 to 1934 look like Coolidge prosperity. We have either got to pay back the money which the Nation owes or stabilize and keep the debt in good standing or repudiate it.

Then, too, we are forgetful that this will be an impoverished and ruined world. England, Germany, France, and many other countries will have not only tremendous reconstruction problems, but they will not have the basic financial wealth on which to resuscitate and rehabilitate their post-war economies. Therefore, we cannot hope to enjoy the wide measure of trade and get all the markets we hear described without providing some way by which the people of other nations may buy, either by credit or by lowering our tariffs so far that they may sell their goods in our own markets.

I shall not enter into an extensive discussion of the post-war economics which are right at our doorstep, except to sound a note of warning. I say unemployment benefits in the post-war period for the worker can be justified as sound and proper, and I shall support any good bill that will accomplish that result. But largess, taking billions and billions and billions of dollars more of money that we have not, is nothing but sheer demagoguery, and I say that with no spirit of personal offense to anyone. It is leading people to believe we are doing something for them, which we are doing temporarily but which in the end will take from them many times the immediate benefits provided by any law which is to be administered on deficit financing.

So, Mr. President, my plea here today, in a word, is simply that the time has come, if we are to keep faith with all the elements which have served in this hour of danger, for Congress to provide so that from now on, in the post-war period, certainly within a year after the war is over, we shall appropriate no money that we have not or are not willing to raise by additional taxation. We are reaching the danger point, and bills which do not envisage that fact are only deceiving the people and threatening to wreak great harm on the great masses of the workers of the Nation.

Mr. CAPPER. Mr. President, I cannot support the so-called Kilgore-Murray bill, offered as an amendment to the so-called George bill. More than that, if the measure should become law, I do not see how the country could support the costs of such legislation.

What the people of the United States want and need when the war is over is the opportunity to work, either as employees or for themselves.

It seems to me the philosophy of this proposal is not so much to provide employment as to encourage unemployment.

But, above and beyond the staggering sums proposed to be expended, there are other features of the measure which I cannot approve. As originally drawn—and I doubt if the amendments offered by the Senator from Montana [Mr. MURRAY] cure the evil—the measure would replace the State systems of unemployment compensation with a Federal system of supporting—in some cases, I fear, encouraging—unemployment at Government expense.

Moreover, it seems to me that the charge made by Mr. Ed A. O'Neal, head of the American Farm Bureau Federation, that the measure would create a new bureau with dictatorial powers, has considerable justification.

The objectives named in the Kilgore-Murray measure are broad and sweeping. The powers proposed in order to attain those objectives are even more broad and sweeping. The bill is a dangerous bill, as Mr. O'Neal says. What powers the Work Administrator would have to set aside any Government program conflicting, in his view, with the objectives he would be instructed to attain, no one can be sure.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the letter from Mr. O'Neal, president of the American Farm Bureau Federation, stating why American agriculture is opposed to the Kilgore-Murray proposal.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., August 9, 1944.

Hon. ARTHUR CAPPER,
United States Senate,
Washington, D. C.

MY DEAR SENATOR CAPPER: The American Farm Bureau Federation recognizes the importance of the enactment of appropriate legislation at an early date to cope with the difficult, complex problems of reconversion and post-war readjustments.

We are strongly opposed to the proposed legislation contained in the Murray-Kilgore bill (S. 2061), which is now before the Senate as amendments to S. 2051. The Murray-Kilgore bill would create another Federal bureaucracy with virtually dictatorial powers.

Acting under a broad mandate to develop "unified plans and projects and adequate machinery" to achieve such sweeping, far-reaching objectives as "full employment," "rising standards of living," and "effective utilization of the Nation's resources," the Director is empowered to issue directives on policies, plans, and operations to other Government agencies as may be necessary to carry out these objectives; and he is given authority to direct any Government agencies to rescind, modify, or amend any rule, regulation, or order whenever he determines it "prevents or hinders full employment and is not required for the purpose of insuring production for war purposes." These objectives and powers are so broad that they could be construed to cover almost any type of national program. Conceivably, the Director could suspend or modify any phase of national agricultural programs, including support price guaranties, despite existing statutory provisions.

We believe that such vast delegation of power in one man is not only unnecessary, but extremely dangerous to the preservation of our democratic form of government.

The position of the federation with respect to the handling of reconversion problems is set forth in the following resolution, adopted by our board of directors at its meeting on March 3, 1944:

"We commend both the Baruch-Hancock report and the report of the George committee for taking progressive steps on a definite post-war demobilization plan.

"We favor the broad principles set forth in the George-Murray bill, S. 1730. However, in the interest of democratic procedure, we believe that the proposed national demobilization board should constitute the policy-determining body, over rather than under, the director, and should therefore be appointed by the President and confirmed by the Senate. Further, we believe that representatives of agriculture, industry, and labor should be included in the membership of this board.

"In view of the certainty that the food emergency will continue after the end of the war, we vigorously recommend that farmers be given priority in obtaining surplus materials and equipment needed for production as long as the necessity for abnormal food production continues.

"We also believe that the disposal of surplus agricultural products should be assigned by the board to the War Food Administrator; and that the disposal of any manufactured goods, housing, equipment, etc., which can be used advantageously by farmers, be handled in such a way as to assure farmers of equal opportunity with others to purchase such materials."

We therefore urge your opposition to the Murray-Kilgore bill, and your support of the principles contained in the George bill (S. 1730) for reconversion, but with the following proposed amendments, which we strongly support:

That a national bipartisan demobilization board of seven members, including representatives of agriculture, labor, and industry, appointed by the President and confirmed by the Senate, be created; this board to be a policy-determining board to formulate policies and to guide programs for reconversion, and to be over the director, instead of an advisory board to the director;

That the disposal of surplus agricultural products be assigned to the War Food Administrator, and to be handled so as to prevent such surpluses from breaking the prices for agricultural products;

That farmers and farmers' cooperative associations be given priority in obtaining surplus materials and equipment needed for production; and that they be given equal opportunity with others in the purchases of other surplus war materials which can be used advantageously by farmers; and

That original owners of surplus Government farm land be given first opportunity to repurchase such land, at the original sales price, adjusted for damage or improvements.

Hoping that these recommendations will meet with your approval, I am,

Sincerely yours,

EDW. A. O'NEAL,
President.

Mr. AUSTIN obtained the floor.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. CHANDLER in the chair). Does the Senator from Vermont yield to the Senator from Kentucky?

Mr. AUSTIN. I yield.

Mr. BARKLEY. I wish to renew my effort to secure an order for limitation of debate during the further consideration of the pending measure, and to that end I ask unanimous consent that during the further consideration of the bill no Senator shall speak more than once or longer than 30 minutes on the bill or any amendment thereto or substitute therefor, or any motion connected therewith.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. AUSTIN. What is the length of time?

The PRESIDING OFFICER. Thirty minutes on the bill and any amendment.

Mr. AUSTIN. I have no objection.

The PRESIDING OFFICER. Without objection, the request is agreed to.

Mr. AUSTIN. Mr. President, I support the George amendment. I do so partly because it represents the views of experts on the two very important subjects which confront the Nation, namely, the prosecution of the war to a speedy victory, and conversion to peace, which goes on all the time, and which will have a sudden access of speed when hostilities cease in Europe. The experts include the Baruch and Hancock committees who made reports, and witnesses who appeared before the George committee and covered all phases of this problem, and, finally, we have the composite judgment of the George committee. Having looked things squarely in the face, the committee, regardless of party alinement in the Senate, made a report on this subject, and the George bill conforms to that report.

Mr. President, I would not take the time of the Senate to make any remarks in a debate which is nearly closing, and which has so fully covered this subject, were it not that I wished to impress certain ideas of difference between the George version of the way to handle these two problems and the Kilgore-Murray version. What I am going to try to do is to point out reasons which should appeal to every Senator why the George amendment should be chosen as against the Kilgore-Murray version of the method of prosecuting the war and of the method of conversion to peace.

I deal with these two subjects with more emphasis in my own mind than I do with the subject of title III, which relates to social security, because I think that we must take first steps first, and the first problem before the United Nations is the problem of speeding up the winning of the war. We must not let down our soldiers at the front. We must not enact legislation which will encourage an increase in the indirect complicity in the war on the side of Germany which goes on in this country without the consciousness of the men who engage in it.

We must hold fast to the objective of supplying the armed forces with what they need at the right time and at the right place. It is a serious reflection upon the Senate that we should be even considering holding out monetary inducements to slacken in the effort at the prosecution of the war. We all know that if we should have a sudden cut-back or cancelation such as in the case of the Brewster cut-back under existing law relating to social security and unemployment compensation, we might now offer 9,000 job opportunities, as were there offered, and not have them accepted.

What are we about to do if we accept the Kilgore-Murray theory as against the George theory here? We are going to increase the monetary inducement not to work and not to furnish the supplies which are necessary. We are going to increase the money payments themselves; we are going to lengthen the time of eligibility of men and women to obtain the payments, and we are going to make it rosy and attractive for people who are forced out of industry by a cut-back to remain unemployed, and not respond to the demand of patriotism and the crying need for manpower to go to other places where there are critical shortages, and help to supply B–29's and B–32's.

This morning's press carries the information of critical shortages on the battle front. I shall read from the Baltimore Sun of August 11 a portion of an article which applies to what I have to say:

EVIDENCE OF SHORTAGES

Paul V. McNutt, manpower chairman, said that Lt. Gen. Brehon B. Somervell, head of the Army Service Forces, has presented to the W. M. C. concrete evidence of battlefield shortages in the form of telegrams from field commanders.

Somervell said "on the whole" the Army is in fine shape with respect to supplies, but those that are short are critical and are affecting the fighting.

Shortly afterward McNutt announced the new instructions to W. M. C. personnel. The Byrnes directive was designed to wipe out military shortages by more effectively channeling workers into the critical programs such as heavy trucks, tires, ammunition, tanks, and radar.

We know, furthermore, that what we need today, on account of the rapidly shifting strategy of the war, is cut-back on lighter airplanes and increase in the output of Superfortresses.

I continue to read:

WIDER USE OF CEILINGS

He ordered a wider use of the "employment ceiling" principle, limiting the number of workers in less essential plants. He also gave the W. M. C. authority to prevent the reconversion of plants to civilian production.

McNutt said General Somervell reported that one general had to call off 100 air missions because he didn't have the right type of bombs. Another telegram said 3,500 heavy trucks had to be abandoned because, said Somervell, "he can't keep them up any longer and they had to be replaced."

In another theater of war, 4-ton dump trucks are badly needed, and Somervell said, "we had to tell the general that we couldn't furnish him with the 4-ton dump trucks that he wanted, because we don't have them."

What is the philosophy of the Kilgore-Murray bill? Turn to section 309 (a) and we get the heart of it. The philosophy is not that of duty, of obligation of every competent person to serve his country according to his ability and according to his strength in time of war such as this, but just the opposite of it.

There we find in the Murray-Kilgore bill the declaration of attitude toward the war:

> Every unemployed qualified employee * * * shall be entitled * * * to placement in suitable employment.

Think of that. Instead of declaring as a policy of Government, as a policy to which the people of this country have subscribed by every single poll which has been taken up to this time, that every competent person between certain ages shall be liable to contribute by personal service to the war effort in a noncombatant capacity according to his or her abilities, in time of war, at the most critical time of the war, when we are just striking our pace, just hitting our stride, and when shortages are occurring on the battlefields, we make this "softy" declaration—

> Every man is entitled to a job.

Not only that—

> A suitable job.

Mind you, Mr. President, that does not mean adapted to the demands of a country at war when she should have her loins girded, and all her citizens fighting for her and with her and demanding of their representatives in Congress as a policy that every able-bodied citizen is liable to contribute according to his ability to the war effort. Instead of that we have here a policy exactly the opposite:

> Every unemployed qualified employee * * * shall be entitled * * * to placement in suitable employment.

How can we win a war if we make such a declaration in the law of the United States and encourage the people of the United States to live according to that policy? That is one reason why every Senator should favor the George amendment to this bill. The presence in the Murray-Kilgore bill of that policy should be condemned by a great Republic such as ours, whose very life is at stake, at a time when we are just beginning to need the full strength of our productive capacity.

The Murray-Kilgore bill as well as the George bill says:

> The Congress hereby declares that the objectives of this act are—
>
> (a) to facilitate maximum war production during the war and to expedite the transition from war to peace.

We all say that. Both bills also say:

> (b) to achieve full employment, rising standards of living, and effective utilization of the Nation's resources during the period of transition from war to peace, and thereafter; and
>
> (c) to provide for the development of unified plans and projects and adequate machinery to achieve the foregoing objectives.

We agree on that, but, after that, all else in the two bills is conflicting in principle and in policy. The Murray-Kilgore bill begins by setting up this machinery in titles I and II. It establishes a double-headed organization. There are so many demerits in that type of organization that I made an effort to have titles I and II considered separately and apart from title III. I had an idea that if we could consider titles I and II, without the complex problems and very strenuous objections which title III raised, perhaps we could come to an agreement, because the objectives were the same, as I have read them. All parties agreed on those objectives. The first objective was the prosecution of the war—"to facilitate maximum war production." Having that patriotic object in view, men ought not to quibble and quarrel over the means.

But the proponents of the bill would not separate title III from titles I and II. So we were dragged along with insistence upon a type of bill which still has in it, despite all the amendments which have been made to it, ingredients of the old National Industrial Recovery Act, by which industry and enterprise in this country were hampered. There were snoopers for every factory. Rules and regulations were laid down. The entire life of the community was grasped in the firm hand of bureaucracy until the Supreme Court struck that hand down by declaring the act unconstitutional.

Now we have a scheme for a double-headed organization. Whom is the bill designed to place in the bureau? The Murray-Kilgore bill would create an office of deputy director, with a salary of $10,000. Probably the proposed organization would be like the old combination of Knudsen and Hillman; and if it were to work even approximately as badly as that one did, we should have a slow-down in production, as against the existing velocity of output for the prosecution of the war. Let me remind Senators that the George bill would not establish a deputy director. In that regard the George bill is so far superior to the Kilgore bill that I think on that ground Senators should support the George amendment.

The Kilgore bill goes into every community and creates something which has never existed before, except to the extent to which we found its counterpart in N. R. A. I refer to the local councils. The bill would create not merely local councils, based upon the theory of the types of industry involved, but it would create area councils. No one knows what the definitions of the areas would be.

I wish to invite attention to a single page of testimony, the only one to which I shall refer. It relates to the matter of the area and local councils which are provided for in the much-amended Kilgore bill. I turn to page 697 of the hearings before the Senate Committee on Military Affairs. I was examining General Clay, who has charge of this subject at the present time.

> Senator AUSTIN. Have you any way of estimating the number of the different councils which would have to be set up in the different areas under such a provision as this?
>
> General CLAY. Well, it is my understanding that the War Production Board now has several hundred industry advisory councils. I presume it would follow the established pattern with respect to such councils. Of course, the geographic areas will be quite a problem, because our procurement districts cover different geographic areas from those of any other procurement agency, and you would have a considerable overlapping even with respect to our own procurement agencies. There are no geographic areas which you could set up that would coincide with procurement areas.
>
> Senator AUSTIN. Now I want to ask you a hypothetical question. Assuming, as we did assume in the discussion yesterday, a motor-car industry, and assuming that there were established the industry advisory councils for that industry, and area advisory councils for various geographic areas of that industry, then if you had a problem in Detroit you would be bound by this law to consult, before you established your policies and program affecting the industry, all areas represented by those councils, would you not? I would like to have you tell us what your impression of the effect of the command on you here is. This is a command. It says "shall."
>
> General CLAY. Of course, the broad interpretation of this means you would practically have to, on any major contract, consult any area committee that there was in the United States, because when you go down into your subcontractual field, if you cancel an automobile contract, or change an automobile contract, your subcontracting will extend over a great many areas. That is true of many items. We have just finished the termination proceeding with Allis-Chalmers, for example, in which there were 2,000 subcontracts involved. Those 2,000 subcontracts were scattered over a very wide area. It would depend, of course, on how many subcontracts there were and how wide the extent of the geographic coverage was of each purchase area, and how many of those contracts would involve consultation if carried to the subcontracting level.

I omit reading the remainder. There is much more, all of which shows that this is a magnificent unfolding of the New Deal theory of bureaucracy. One of the greatest bureaucracies has its matrix in that kind of a bill. The councils would be right on our doorsteps. They would be local. They would belong to the given areas, and business would be under their scrutiny. How long it would be before business would come under their control would depend on how much further Congress may go in these steps toward national socialism. This is a step toward national socialism; and the only question is how willing we are to take another step, and to advance step upon step until we shall have completely acquired the character of a Germany under Hitler.

These committees are not provided for in the George amendment. This method of slowing down the war effort is omitted from the George amendment. The very theory of the George amendment is to accelerate the speed of production, instead of obstructing it and slowing it down. It is also to expedite the transition from war to peace.

But how does it affect reconversion? Here again we are interested in the philosophy of this change. Here we know that in moving out of war factories in which war contracts have been canceled the tools which are designed solely for the production of munitions, the speed with which we can move them out represents the speed with which we can move in the instruments of production for civilian life, the tools of peace. In other words, one of the points of emphasis made throughout the hearings in

the committee, which lasted for months, was that time is of the essence in this connection. Such conversion is occurring all the time. It started at the very beginning of the war. It has continued as we note, until last night orders were issued canceling or reducing great contracts having to do with the production of certain types of airplanes, thereby releasing 20,000 men, rendering them idle, but also rendering them available to be transferred to other places where they can serve their country in time of war.

The theory of the George bill, as against the theory of the Kilgore bill, is to speed every one of the transactions incident to conversion, so that our factories may be available for peacetime production when we are done with war production, so that the obstacles to peacetime production may be removed, so that the doors may be opened to peacetime civilian activity at the earliest possible moment. If a factory has no room for the production of essential civilian articles but has all its facilities devoted to the production of munitions or other articles needed in time of war, speed in the conversion process is of the utmost importance. If the matter of speed of conversion to peacetime activities is ignored, a factory having war contracts might be permitted to continue its production of goods under war contracts for an appreciable period of time longer than the need for such production actually existed, thus building up a surplus of such goods during a period of days or weeks of continued production in a factory which should have been closed or converted promptly.

Let us consider the practical difference between the Kilgore bill and the George bill. The Kilgore bill provides that the director cannot work without the advice and consent of the deputy director. If they disagree about some detail, that will slow down the process. But they must consult not only their board, which is a paid organization, but also the other great bureau of area councils and local councils. By the time they get around to deciding that the Allis-Chalmers contract, for example, should be canceled, Allis-Chalmers will have been running, let us say, a week, and will have been turning out an excess or surplus goods, while this monstrous bureau, with its two heads, has been plodding its slow way to a decision.

On the other hand, under the George bill the entire business—policy, execution, all of it—heads right into one director; and speed is of the essence in an organization of that kind. We would not consent for a moment to the establishment of such an organization in peacetime, but in wartime we have found that we must have the capacity to move with the rapidly shifting strategy and the suddenly changing needs and demands for various types of weapons. We must have flexibility. We must be able to change promptly. So in wartime, under the Constitution by which we have the power to do these things, under the George bill, we would vest in a single man, not in two men, the power of decision.

The PRESIDING OFFICER. The Chair wishes to announce that the Senator's time on the amendment has expired.

Mr. AUSTIN. I thank the Chair. If permitted, I shall proceed on the bill.

The PRESIDING OFFICER. The Senator is recognized to speak on the bill.

Mr. TYDINGS. Mr. President, will the Senator yield to me long enough to permit me to give him my belated thanks for his courtesy a moment ago?

Mr. AUSTIN. That is wholly unnecessary. I benefited much from the Senator's remarks.

Mr. President, do not let anyone mislead into the belief that the Kilgore bill is not a manpower bill. I am too familiar with the subject not to recognize that the provisions of the bill which are poor substitutes for a national-service act which would create safeguards, lay down standards, and provide the way in which pools of surplus labor might be directed at the proper time to the places of critical shortage. The theory of the Kilgore-Murray bill is to put the screw on, through the pocketbook nerve, and to render ineligible for unemployment compensation payments any worker who does not obey the command to go from one place to another. On the other hand, the Kilgore bill—and this shows the weakness or hollowness that is in its theory of facilitating maximum production for war—is now proposed to be amended. Its authors have come forward with an amendment, after the bill has been reported from the Committee on Military Affairs, and now say, "Just to prove that this is not a national service act, we are going to amend it so that a worker cannot be disqualified from getting his pay just because he does not obey a transportation order." Mr. President, I read the language of the bill relating to that matter. It is found on page 29 of the last copy of the bill I have received. It reads as follows:

(h) No otherwise qualified employee shall be denied interim placement benefits because of a refusal to make application or accept transportation, training, or education authorized by sections 306 and 307 of this act.

But as to all other things, the worker must obey, or else he may be disqualified to receive the interim placement benefits.

All through the grants of Federal powers which are contained in titles I and II of the Murray-Kilgore bill, relating to the way to facilitate maximum war production, we find the conflict of ideas which is represented by this amendment as against the other provisions of the bill. If a little of the attitude of being reasonable and of being willing to meet the wishes and the views of others had been exercised in the Committee on Military Affairs when the bill was being considered there, the result might have been that a different type of bill would have come from the committee.

We do not find anything at all upon that subject in the George version of this method of increasing production. The assumption of the George bill is that this country has volunteered en masse in the war effort, and that all able-bodied persons who are not engaged in fighting recognize their obligation to serve in the prosecution of the war according to their abilities, and in the support of our soldiers at the front. That is the theory of the George bill. It does not beg the question by declaring that every unemployed person shall be entitled to placement in suitable employment. On the theory that it is the duty of citizens of this Republic to defend it to the utmost of their property and their lives when it is under attack the George bill marches forward with titles I and II, and sets up an organization which would be effective and which would operate smoothly and speedily without the collisions of disagreement which would occur between a director and his deputy director, the latter not having been appointed by the director, but holding his office independently under appointment by the President.

Mr. President, the George bill does not contain provision for any such futility as an enormous bureau of regional or area councils, and local industrial councils, which would hinder and impede the production of munitions of war, and which would slow down the transition from war production to peace production. The George bill assumes that every citizen, recognizing his obligation and his duty, will act according to the instructions of a director who has behind him the law of the land, giving strength and power to his arm. Today, Mr. President, he has it not.

Under directives and Executive orders coercions creep up slyly behind men. Under those conditions do we receive a response of the consent of the governed? No. Many examples of sudden cut-back of contracts resulting in sudden discharge of a number of employees have proved that nothing can be done. Men and women will not go. They know perfectly well that if they do not go there is nothing today that the Government can do about it.

If we pass the George bill, Mr. President, I assert that mobilization will function because it will be the voice of the people speaking through their representatives in Congress, and not a voice which comes down to them from the clouds somewhere without any authority of law behind it. It will not be diffused for the duration of the war and 2 years afterwards. There will be no doubt in the minds of the people as to where the authority rests. It will not be necessary to go shopping all over the numerous bureaus in Washington in order to find out where we should apply to have our rights as citizens considered and finally determined.

For a long time we have needed the legislation represented by the George amendment in titles I and II. There is an opportunity to have them now without running the risk which exists in the theory that the obligation is all on the part of government to the citizen, that government is a sort of Santa Claus, that government owes it to everyone to insure him security, prosperity, and hap-

piness. Such a theory would reverse, in fact, the sound theories upon which we have built up the strongest Nation of men and women in the world. That result has been achieved because we held to a different theory, one diametrically opposed, namely, that of overcoming obstacles, of acquiring what we obtain through the sweat of the brow, through individual effort, individual enterprise and initiative. It is that theory of economy which has made us a strong race and a strong people. If we had started this Nation on the theory declared in the Murray-Kilgore bill, that every unemployed and qualified person would be entitled to placement in suitable employment, how long would the United States be a free Nation and a Republic? That theory strikes at the vitals of the Republic. That theory, if put into practice, would kill the Republic. In the first place, it would bankrupt it financially; but, worse than that, it would make of it a moral wreck.

So I say that we should accept the George amendment and adopt it by such a large majority as will emphatically announce to the people of our country and of all the world that we adhere to those fundamental principles which have made this country a great, free Republic, strong and mighty, able to go forth and fight for freedom anywhere in the world, and to announce further that we have not abandoned under any kind of temptation the ideals which call for sacrifice, determination to work, and the will to fulfill the pledge of "our lives, our fortunes, and our sacred honor."

Mr. DOWNEY obtained the floor.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. TUNNELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Revercomb
Andrews	Guffey	Reynolds
Austin	Gurney	Robertson
Bankhead	Hatch	Russell
Barkley	Hawkes	Scrugham
Brewster	Hayden	Shipstead
Brooks	Hill	Stewart
Buck	Jackson	Taft
Burton	Johnson, Calif.	Thomas, Utah
Butler	Johnson, Colo.	Tobey
Byrd	Kilgore	Truman
Capper	Langer	Tunnell
Caraway	McClellan	Tydings
Chandler	McFarland	Vandenberg
Chavez	McKellar	Wagner
Clark, Mo.	Maloney	Wallgren
Connally	Maybank	Walsh, Mass.
Cordon	Mead	Walsh, N. J.
Danaher	Millikin	Weeks
Davis	Moore	Wherry
Downey	Murray	White
Eastland	O'Daniel	Wiley
Ellender	O'Mahoney	Willis
Ferguson	Overton	Wilson
George	Pepper	
Gerry	Radcliffe	

The PRESIDING OFFICER. Seventy-six Senators having answered to their names, a quorum is present. The Senator from California has the floor.

Mr. DOWNEY. Mr. President, I had not intended to present any argument on the pending measure, but, in view of the wide range of the discussion and the momentous importance of the issues involved, I feel that I would be derelict in my duty if I did not present upon this floor certain of my own ideas concerning the pending bill and the general state of the Nation.

I wish to say, in the first place, that I am certain that every Senator who has addressed the Senate has spoken his sincere and honest convictions; I have not the slightest doubt that the sentiments here being expressed, come honestly from the minds and hearts of the men who are expressing them. Upon this particular measure I find myself generally out of step with the distinguished Senators from the South; but I understand the reasonableness of their viewpoint; I know they are sincere, and, indeed, I am willing to assume the possibility that time may vindicate them rather than me.

Nevertheless, Mr. President, I have had a sense of desolation as I have listened to some of the arguments that have proceeded here. I think all of us now know what history will write of American soldiers and sailors in August 1944. Beyond doubt, what our Army and Navy is doing will be recorded in history as a mighty achievement. But I wonder how history will write of this debate and the sentiments that have been uttered here. I wonder how after the passage of a year some of the statements that have been made will be evaluated.

I heard the distinguished senior Senator from Ohio [Mr. TAFT] make a statement upon this floor that rather appalled me, because I know that that statement came from his honest and sincere conviction and I know he is a highly intelligent and an honest man. The Senator stated that he believed the national income would not exceed one hundred and twenty billions in the post-war era. Even though his opinion was discouraging to me I know it is more optimistic than those held by many of the great industrialists and Republican leaders of the Nation. I do not know whether or not the distinguished Senator meant by his statement that the national income would remain static at that amount for an indefinite period, but in any event I desire briefly to analyze his conclusions as the differing views of Senators on the national income in peacetime greatly affect their attitude toward the pending issues.

Mr. President, the workers of America are today developing a national income not of $120,000,000,000 but $150,000,000,000. In the last fiscal year the expenditures of the Government alone, if there be included in them the disbursements of the R. F. C., reached almost $100,000,000,000. But the distinguished Senator from Ohio thinks that when peace is here again and twelve or fifteen million of our youngest and best are restored to our economy, we can produce only $20,000,000,000 more than is now being spent by the Federal Government. I think the position of the distinguished Senator leads him into a theory so ominous to this country, if it be sound, that we had better prepare for dismal days ahead. For, Mr. President, the present farms and factories and the other productive units of our country are capable of yielding an annual wealth of one hundred and fifty or two hundred billions. Where will we find investment in the future if the present capital units of our country are more than sufficient to support the income that we will produce? Does anyone claim that capitalism can endure without an outlet for the national savings, without the possibility of dynamic expansion? I do not think so.

Mr. President, let us take the greatest American industry of all—steel. We are now producing almost as much steel as all the rest of the world combined—90,000,000 tons—and 90,000,000 tons of steel would support a national income of $200,000,000,000. If we can operate the income of our Nation at the rate of only $150,000,000,000, we are going to have 25 percent of our steel capacity idle.

Mr. President, let us take the great automobile manufacturing plants. They are today, or would be 6 months after the war ended, able to produce 25 percent to 50 percent more automobiles than the automobile manufacturers believe they can sell.

Mr. TAFT. Will the Senator yield?

Mr. DOWNEY. Permit me to finish the thought. We have factories for the manufacture of automobiles, which can be readily converted back to civilian production, geared for an income of one hundred and fifty or two hundred billion dollars.

I yield to the Senator from Ohio.

Mr. TAFT. The Senator is well posted on national income. I wonder whether, as a factual basis for this discussion, he can put into the RECORD the figures as to the national income during the thirties and in 1940. Has the Senator those figures?

Mr. DOWNEY. I have the figures in my head.

Mr. TAFT. What was the national income in the year 1939?

Mr. DOWNEY. The national income is variously stated, but it was somewhere around seventy-two billion or seventy-three billion dollars for that year.

Mr. TAFT. It was about $72,000,000,000 in 1939, when we had fairly well recovered from the depression just before the war. Is that correct?

Mr. DOWNEY. I would not say we had fairly well recovered even in 1939. There were seven or eight million men totally unemployed, and seven or eight million part-time workers. Our industrial and farm plant even then was operating at less than 75 percent of capacity.

Mr. TAFT. However, if we take the figure of $72,000,000,000 in 1939, it seems to me my estimate for the post-war period of $120,000,000,000 is a very liberal one, which would assure prosperity for peacetime, which this country has not seen in peacetime certainly since Mr. Roosevelt became President, in 1932.

Mr. DOWNEY. I know the distinguished Senator desires to state all the facts. When Mr. Roosevelt became President the national income had almost dropped out of sight. It was about forty-two or forty-three billion

dollars. I am afraid that some of our great industrialists and able public leaders may be as blind to approaching events as were Mr. Hoover and his advisers.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. DOWNEY. First, I should like to read a letter I hold in my hand. On March 7, 1929, I think it was, Mr. Hoover, in his message to Congress, assured the American people that we would have permanent and certain prosperity. At that time I took occasion to write a letter to Mr. Hoover. I do not know whether he ever read it or not; at least, he never answered it. The letter read:

MARCH 8, 1929.

DEAR MR. PRESIDENT: In your recent inaugural address you assure our people that you "have no fears for the future of our country." May I suggest that developing economic trends forecast conditions that will steadily become more hazardous and shou'd be apprehensively viewed by every governmental leader.

It seems apparent that our industrial and farm growth is bringing us to an imbalance between the capital we are accumulating and the capital that can hereafter be utilized in new enterprises. If from now on our vast productive instruments will yield, at full employment, more savings than can be absorbed by business enterprises, then a great financial disaster lies ahead and thereafter a continued depression and widespread unemployment, until we shall have brought savings and new capital requirements into rational balance.

May I respectfully suggest that a commission of economists and business leaders should be immediately created to investigate the economic trends of increasing capital and decreasing capital outlets so that appropriate and vigorous means may be taken to meet the developing crisis.

Sincerely,

SHERIDAN DOWNEY.

What I desire to point out to the distinguished Senator from Ohio is that it is now universally admitted by all the economists that the depression of 1929 came because in the first 9 months of 1929 we took out of the capitalistic system in savings, corporate and individual, $22,000,000,000, and returned only $16,000,000,000 in capital investments, and necessarily $6,000,000,000 of inventories accumulated, those inventories which had generated those savings which were not spent.

Mr. TAFT. Will the Senator yield?

Mr. DOWNEY. I must yield to the Senator from Maryland first. But I desire to add, the Senator from Ohio is here making a statement, as I understand him, that we cannot hope to maintain the national income from now on at even 65 or 75 percent of what the present capital goods, the railroads, the utilities, the factories, and the farms, are now able to produce. I ask him what hope is there in America of a dynamic, expanding economy if our national income must fall far below what even the present productive instruments can produce? I yield to the Senator from Maryland.

Mr. TYDINGS. I did not wish to interrupt the colloquy between the Senator from California and the Senator from Ohio. My point in rising was to suggest to the Senator from California that the assertion which is so often made, and rarely contradicted, that we have an income of $150,000,000,000 now, is, on closer examination, found to be true in the larger sense, but not true in the specific sense, for the reason that the income of the Nation must take into consideration the corresponding debt of the Nation. Therefore, if we are spending, governmentally, a hundred billion dollars a year, and are raising only 45 billion, therefore we are going into debt, roughly, about $50,000,000,000 a year. So that if we subtracted the $50,000,000,000 from the 150 billion, we would have a hundred billion dollars net income. The other income is totally artificial.

To assume that we now have a hundred billion dollar income as if it were all clear and provided for, in the face of a growing $50,000,000,000-a-year debt, is, I believe, to assume we have an income which in fact we do not have. We have not had an income of more than a hundred billion dollars a year since the war started.

Mr. DOWNEY. Mr. President, I do wish to yield to questions, and I certainly desire to yield to the distinguished Senator from Ohio, but my time is limited. I will, however, attempt to answer the distinguished Senator from Maryland.

The Senator states that because the Federal Government expended $50,000,000,000 more than it collected in taxes, therefore, even though we produce $150,000,000,000 in real wealth, in food, shelter, clothing, munitions, ships, airplanes, that wealth and that income are fictitious. Ask Tokyo if the great superbombers are fictitious. Ask the soldiers in Normandy if our shot and shell are fictitious.

I can certainly agree with the distinguished Senator that we have been able to reach our $150,000,000,000 of actual production only by deficit financing, and I agree that that is unfortunate. It is strange indeed that in war we have an energy and a power by which we produce at full capacity, while in peace palsy overtakes us.

I wish to say to the distinguished Senator that I may agree with him to a certain extent as to the danger of deficit financing, but whether by deficit financing or not, it is a fact we have turned out in the last fiscal year double the amount of wealth in real goods that we turned out in 1939.

Mr. TAFT. Mr. President——

The PRESIDING OFFICER (Mr. JACKSON in the chair). Does the Senator from California yield to the Senator from Ohio?

Mr. DOWNEY. I yield.

Mr. TAFT. If in 3 or 4 years after the war we have an average annual income in peacetime of $120,000,000,000, that is an expanding economy which is about 40 percent bigger than we have ever had in time of peace, and I think we would be very fortunate if we could get a real income of $120,000,000,000. Today it is all very well to say that we are producing $150,000,000,000, but half of it is being given away or shot away, and does not in any way go into the standard of living of the people. A national income of $120,000,000,000 in peacetime would increase by 50 percent, practically, the actual present standard of living of the people of the United States. I wish to say that if we can get a national income of $120,000,000,000, we will be lucky, and we will have an exceedingly prosperous America, from which we can go on perhaps 10 years later to reach the goal sought by the Senator from California.

Mr. DOWNEY. Mr. President, I cannot agree with the Senator. I hope we will be able to maintain a free economy, but I do not believe anyone can hope to pass laws to protect and develop that economy unless he understands the basic mechanism of the capitalistic economy. What is that basic mechanism? Businessmen in producing the goods and the services of the Nation generate the national income or the national purchasing power. This money which we get in the form of wages, salaries, rents, interest, and profits comes from businessmen and farmers in the production of the goods and services of the Nation. I might point out to the distinguished Senator that businessmen, having produced the goods and services, and having paid out the purchasing power, if they would continue in business then have to do a third thing, and that is to sell those goods and services and recapture the purchasing power they themselves have paid out.

But we have another factor in the capitalistic system. Over a long period of time the Nation has yearly saved 20 to 25 percent of the national income. If we pay out $120,000,000,000, and $25,000,000,000 is saved and goes into stagnation almost immediately, all business would go broke. But those savings in the past have been reconverted in building our farms and factories. So long as we can find investment outlet for our savings, very well. Whenever we cannot, we should prepare for trouble. But if we start in with the assumption of a national income of only $120,000,000,000, when we have capital assets of $150,000,000,000 or $200,000,000,000, how are we ever going to find the opportunity to invest any part of our savings? How can insurance companies, how can the banks or the building and loan associations loan out their money to build more factories, when the factories in existence are operating at only 50 or 75 percent capacity? As a matter of fact, with a national income of $150,000,000,000 or $200,000,000,000, undoubtedly even then there will be difficulty in finding outlets for our constantly expanding capital.

Mr. President, I had occasion to discuss this question of national income with a distinguished member of the War Production Board, Mr. Wilson. I told him my figures indicated we could now develop a national income of $150,000,000,000. Mr. Wilson told me he believed that within 1 or 2 or 3 years after the war the great productive power of America could produce a national income of $200,000,000,000, and many of our best economists agree with that.

Mr. President, it seems plain to me that to the extent men cannot sell their

products they cannot work. If with a 40-hour week and reasonable employment we could produce $150,000,000,000, and we produce only $120,000,000,000, we are going to have ten or fifteen million unemployed, with all that that entails.

The only reason I have raised this point is because even under the figures of the distinguished Senator from Ohio we must almost double the wages of our workers if we are going to allow them to buy back the products of industry. If we want them to be able to buy the food and clothes, and automobiles, and furniture, and homes which they can now produce, even on the basis of a $120,000,000,000 income, we must pretty nearly double the average income of everyone in the Nation.

I see distinguished Senators smile in some amusement and doubt that that can be done. Let me say to them that I think the idea that we must keep our wages down to what they were in the pre-war era may lead to a great collapse. If on a 40-hour week all of our workers reasonably employed would produce $120,000,000,000 or $150,000,000,000, then we have got to materially raise the income of the workers and the masses of the people, or they will not be able to buy what they will produce if working.

We are tremendously worried here at the idea of paying out $20, or $25, or $30, or $35 unemployment compensation. We had better accustom ourselves to paying the incomes in this Nation to all classes by which the aggregate income will be sufficient to take off of the market the total products of employment.

Mr. President, I have for the distinguished Senator from Georgia [Mr. GEORGE] only the highest respect. In a colloquy which took place between the Senator from Georgia, the Senator from West Virginia [Mr. KILGORE], and myself earlier today, neither the Senator from West Virginia nor I—at least not I—attempted to criticize the Senator from Georgia or the Finance Committee for the carry-back provisions of the 1942 Internal Revenue Act. Nevertheless, those provisions are in the law and the figures are plain. We have now earmarked in the Treasury of the United States approximately $30,000,000,000, for the relief of the great corporations of America in the 2 years after the war. It is true that that is accomplished by an income-tax mechanism. Let us see what that is. Let us reduce it to its simplest state. Let us figure only on a 2-year period.

Assume a corporation made $1,000,000 in 1 year and had to pay in $750,000 excess and normal taxes on it. It would be left with $250,000. Assume in the next year it lost $1,000,000. Then under the principles of the carry-back provision the 2 years would be figured together, and the corporation would have made no profit over the 2-year period and the corporation would be entitled to be repaid from the Treasury of the United States the $750,000 it had paid in taxes. That is the mechanism which has been worked out to protect our corporations against losses, and against lost earning power in the 2 years after the war.

Mr. President, I am not criticizing that plan. I think we must keep our great corporations operating; and if they operate at a loss we must provide some solution of their problem. As a matter of fact, I favor this plan, but I must admit a large degree of surprise at finding members of the Finance Committee who are willing to approve a bill which might cost the Treasury, in the 2 years after the war, ten, twenty, or thirty billion dollars for the relief of great corporations, but who tremble with dread at the suggestion that workers should be kept from want and destitution by the expenditure of a few billion dollars.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. DOWNEY. I will take time on the bill, Mr. President.

I hold in my hand a letter from Randolph Paul, whose fertile brain, I believe, worked out the carry-back provision of the 1942 Internal Revenue Act. The letter is dated December 30, 1943, and was sent to me by Mr. Paul at my request. I shall read only one sentence:

> Since these carry-backs will result in refunds of previously paid taxes for corporations suffering losses or substantial declines in income, accumulated surplus will be reduced only by the difference between the loss and the tax refund.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks this letter from Mr. Paul, together with the data which he sent me.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. DOWNEY. Again Mr. President, I wonder what history will say of the Congress in August 1944. We now have the capacity to go into a world of unparalleled power and security. Today we have machines which do work which 10 years ago required 500 workers. Tomorrow they will do the work of a thousand. Clothing, shoes, furniture, food, and every other kind of goods and commodities can now abundantly flow from the factories and farms of America; but unless we rid ourselves of the complex of poverty, unless we concretely realize that men cannot work unless they can sell the products of their toil, unless we realize and act on our power to realize security for all there can be no help for us.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. AIKEN. In that connection, I am informed that the great agricultural organizations of the country were given absolutely no opportunity to study the bill before an attempt was made to jam it through at this session. I think the action we are taking here now is nothing less than a travesty on good legislation. A short time ago I was speaking with Mr. Albert Goss, the master of the National Grange. He told me that I might tell this body that he had had no opportunity to study the bill. He had appeared before a committee which was considering an entirely different bill. As I have stated, it is nothing less than a travesty on good legislation to try to jam through anything like this without Senators having an opportunity to study it.

Mr. DOWNEY. I thank the distinguished Senator for his contribution. I am quite in accord with the statement which he made yesterday, as I interpreted it, to the effect that he believed that at the same time we lay out a plan for rehabilitation and protection of the workers in the post-war era, we ought to consider the rights and problems of the farmers. I know that in my own State the farmer and the worker will be equally imperiled. I know that in each case the utmost tolerance and intelligence will be required properly to sustain and protect them in the transition period which will follow the war.

I believe that some attempt should be made after today, whatever bill is passed, to consider and secure more effective legislation operating over the whole of society. It is true that the farmer and the worker are Siamese twins, and that they will live and prosper together, or wither and die from the selfsame cause. So to the extent that the workers have adequate wages, we can help to maintain farm prices. But on the other hand, the farmers have many peculiar and difficult problems. I know that in my own State our farm economy faces a very perilous situation, judged from the viewpoint of the farmer.

I wish to refer to another question. I believe that more comprehensive legislation should be enacted to protect the rights of farmers as well as workers, and the great and small business groups, but I wish to speak now for that forgotten generation, the senior citizens of this land, who can no longer work because they have not the strength. Some persons are shocked at the suggestion that we should pay unemployment compensation of $35 a week; but I believe the distinguished Senator from Ohio [Mr. TAFT] himself suggested that $25 a week might be a fair sum. I believe I am correctly quoting him.

Mr. President, during the war period, when we have found $100,000,000,000 a year for governmental expenditures, let us see where we have left the aged of America. Let us see with what dignity, kindliness, and protection we have surrounded them.

The average payment of old-age assistance in the United States in June 1944, was $27.55—not a week, but a month. The only reason it was that high was that the State of California raised its pension to $50 a month, which tended to bring up the average. Under old age Federal insurance these are the amounts now being paid to them, on which they are expected to retire and live in decency:

The average monthly payment to the primary retired worker is $23.61; to the wife, $12.58; to the child, $12.35; to the widow, $20.15; to parents, $13.12.

So, Mr. President, while we are going forward with plans for a new economy, and wondering what may happen to the farmers, the workers, and the great corporations and businesses, we might well consider saving a few crumbs, a few

crusts of bread, for those of our workers who are too old to work any longer. It is my own opinion that the retired senior citizen should receive an income equal to that of the worker.

Mr. President, some remarks have been made about the burden of the public debt.

I think we all realize the difficulties and dangers of deficit financing. But let us likewise remember that there is all the difference in the world between a debt owed by society to its members and a debt owed by one person to another. There is no analogy between the two.

The distinguished senior Senator from Ohio [Mr. TAFT] commented with some apprehension that the interest charges on our national debt in the post-war era will be approximately $6,000,000,000 a year. If that $6,000,000,000 is paid in by income-tax payers, it will immediately be paid out to those who own the bonds, either directly or through their banks or insurance companies. I realize very well that there are dangers and difficulties in deficit financing. But let us not worry too much about a debt which all of us owe as a collective society to the individual members of that society. If we had nothing but that to worry about, we would be fortunate indeed.

Mr. President, much stress has been laid upon the fact that because of the devastation of this war we must make great sacrifices after the war. A winning nation which does not have to pay reparations cannot make any sacrifices for a war after it is fought. Sacrifices for a war must be made while the war is being fought. It is during the war that we give up our food, our gasoline, the use of our automobiles; it is during the war that we work long hours. Of course, if we exhaust our national resources, that is different. But that has not occurred in the United States. Of course, if one is left in bondage to the enemy, that, too, is different. But generally speaking, sacrifices for war are made by a nation only when a war is on. To plan an economy on the basis that after the war our people will have less because they must pay the expense of the war is incorrect. Our capacity to produce will not be decreased by this war. On the contrary it will be hugely increased.

Mr. President, may I inquire how much time I have remaining?

The PRESIDING OFFICER. The Senator has an additional 15 minutes.

Mr. DOWNEY. Very well. I will not use all of it.

Mr. President, recently in California I was a candidate for the Democratic nomination for Senator. In my closing speeches there, I summed up my hopes and philosophy. It will take me only 4 or 5 minutes to read that summary. I wish to read it as my conclusion to this argument:

Under the so-called veterans' omnibus bill, recently passed by the Senate, excellent provision was made to initiate a fine, helpful program for all returning members of the armed forces, for such training and education as may be advisable.

While this bill also provides unemployment compensation for the veteran, and all efforts will be made to give him every chance to return to his former job, it is my own opinion that the security of our returning soldiers will be realized only by security for us all. If the Nation drops into another deep abyss of unemployment, every class and kind will suffer; neither the rich nor poor, farmer nor worker, civilian nor soldier can hope to escape.

Sooner or later this war will end and will fast fade like a dream. Then what will we do at home and abroad? How will we bear ourselves in foreign and domestic fields, as we deal with a convulsed and suffering world, and confront in our own Nation many a difficult post-war problem?

Does it not seem plain that our veterans can be fully repaid for their service only if we dedicate ourselves to a sufficient and enduring internationalism, and to a domestic program that will protect all of our own people? What must be the prime objectives of such a dual policy, domestic and foreign? Let me state them as I see them: Peace, and implemented cooperation with the world beyond our borders; at home, religious and racial tolerance, the opportunity for all to work, and security for those who can no longer work.

It will not be easy to attain these goals; but more and more I have an abiding faith that we will find the way, the way to the fulfillment of the American dream.

First of all, I think that if we are to rebuild this Nation of ours, so that we can dwell together in security and happiness, we must hold fast to an abiding faith, we must have the will and the power to perform the tasks ahead. "Faith can move mountains," and we must have that faith, so that war, intolerance, and idleness can be ended, or else those dreadful monsters will ravish us to the end of time.

Yes; "faith can move mountains"; but it is also written that "a people who are without vision shall perish from the earth." Pray God, that both faith and vision shall possess us when we meet the difficulties of tomorrow, for we shall face a problem unparalleled in all history. At the war's end we will have passed from an age of poverty to an age of abundance, due to our tremendously expanded means of production. We must learn how to use and distribute that abundance, or our people cannot work. Oh, is it not plain that just to the extent that we fail to buy in the markets and use in the homes the goods our workers will produce if they are fully employed, just to that same extent idleness and the bread lines again will spread their corroding despair, and again we will be submerged in a depression more calamitous than was our last one.

But if we are worthy of our mighty heritage, such a depression should never ravage our country again. For by vision we can now clearly foresee, and by faith we can readily bring into existence, a future fully utilizing the benefits of science and medicine, a future which will reckon its glory in terms of a healthy and happy life for all of our people, a future which, for the first time in recorded history, will employ all the latent genius of our Nation, unblighted by idleness, poverty, preventable disease, racial or religious discrimination; a future which will require in its leaders, an imaginative understanding of a fast moving, powerful, fertile machine age, an age of dynamic change and potential abundance, and one possessing and possessed by new and gigantic forces.

So I shall remain devoted to the cause of an implemented internationalism that must be made to preserve peace in an otherwise warring, chaotic, and despairing world. My faith shall remain firmly fixed on two enduring basic rights—the opportunity for everyone to work, and the right of those who can no longer work to enjoy security and dignity by adequate retirement annuities. Throughout my life I shall remain committed to the principles of democratic equality, vigorously opposing racial, color, or religious discrimination.

I shall continue to hold to the faith that when our war workers shall be happily restored to peacetime production, when, from their final triumph over tyranny, our soldiers and sailors shall come back to us—our boys and our girls—all of us together, young and old, veterans and civilians, men and women alike, achieving unity by tolerance, achieving strength by unity, with faith and confidence, will be able to adapt ourselves, our fortunes, and our free way of life to the tempo of a dynamic and ever more abundant age. Then, indeed, we shall bring to splendid reality the fulfillment of the American dream.

EXHIBIT A

GENERAL COUNSEL,
TREASURY DEPARTMENT,
Washington, December 30, 1943.

Hon. SHERIDAN DOWNEY,
United States Senate.

MY DEAR SENATOR: The enclosed information is in response to your request for data on the reserves corporations have accumulated since the beginning of the defense program. Reserves are here interpreted to mean surplus accumulations after payment of taxes and dividends.

Table I presents the net profits of corporations after payment of taxes and dividends for the period 1940 through 1944 and, also, for purposes of comparison, the year 1929. These data are shown both for all corporations and for corporations earning net income in this period.

Table II presents the net worth, as of December 31, 1939, of all corporations submitting balance sheets with their tax returns. About 5 percent of all profitable corporations, and approximately 17 percent of all deficit corporations, did not submit balance sheets in that year. Earnings retained by corporations in 1940 through 1944 would constitute additions to this net-worth figure. Issuance of new securities would also increase net worth, while retirement of outstanding securities would reduce it.

The segregation of different items of net worth, surplus reserves, surplus, and capital stock, is quite arbitrary, and depends on the decision of corporate management and on State laws. Not too much significance should, therefore, be attached to these separate items. For example, issuance of a share of stock may be shown on one corporation's balance sheet entirely as capital stock, and on another's as half capital stock and half surplus. The same kind of decision is involved in separating accumulations of surplus; some corporations prefer to earmark a portion of surplus as a reserve, while others leave it unsegregated. The mere bookkeeping entry, however, does not change the character of these accumulations.

The additions to surplus since the beginning of the defense program represent a cushion to absorb post-war losses. It must be borne in mind, however, that these are not necessarily cash accumulations, and, to the extent they are held as inventories, their soundness depends on the post-war price level, as well as the ability to realize their full value from the Government when contracts are terminated. Moreover, to the extent corporations are accumulating unspent depreciation reserves, their ability to absorb post-war losses is further increased. On this latter point, data are not available for corporations.

The post-war losses which can be absorbed by these surplus accumulations are much larger than the accumulations themselves because of the operation of the 2-year carry-back of net operating losses and unused excess-profits credits. Since these

carry-backs will result in refunds of previously paid taxes for corporations suffering losses or substantial declines in income, accumulated surplus will be reduced only by the difference between the loss and the tax refund. In the case of the excess-profits taxpayer, losses would have to be approximately five times as large as accumulated surplus in order to eliminate it, and two and a half times as large for the corporation earning only normal profits during the war period.

I hope this information will satisfy your needs. If you would like additional data, don't hesitate to call on us.

Sincerely yours,

RANDOLPH E. PAUL,
General Counsel.

TABLE I.—*Net profits after taxes, dividends, and accumulated surplus, 1929 and 1940–44; all corporations and corporations with net profits*

[In millions of dollars]

	Actual			Estimated			
	1929	1940	1941	1942	1943	1944	Total 1940–44
All corporations:							
Net profits after taxes [1]	8,083	4,778	7,271	8,450	9,150	9,900	39,549
Net dividends paid [2]	5,927	4,068	4,463	4,100	4,000	4,100	20,731
Retained earnings	2,156	710	2,808	4,350	5,150	5,800	18,818
Net income corporations:							
Net profits after taxes [3]	10,891	6,882	8,728	9,100	9,950	10,900	45,560
Net dividends paid [2]	5,817	4,036	4,426	4,000	3,000	4,000	20,362
Retained earnings	5,074	2,846	4,302	5,100	6,050	6,900	25,198

[1] Compiled net profits, less dividends received from domestic corporations. The loss carry-over is not deducted; it would represent a double deduction, since the losses of deficit corporations, for purposes of these data, are deducted from the profits of profitable corporations in the year incurred.
[2] Cash dividends paid, less dividends received from domestic corporations.
[3] Compiled net profits, less dividends received from domestic corporations and loss carry-over deduction.

Source: 1929–41, Treasury Department, Statistics of Income, pt. 2; 1942–44, Treasury Department, Division of Research and Statistics.

TABLE II. *Net worth of all corporations submitting balance sheets Dec. 31, 1939*

[In thousands of dollars]

Capital stock, preferred	17,255,301
Capital stock, common	73,481,904
Surplus reserves	7,847,231
Surplus and undivided profits	51,301,984
Deficits	−13,022,390
Total	136,864,030

Source: Treasury Department, Statistics of Income, 1939, pt. 2.

Mr. TUNNELL. Mr. President, I had not intended to discuss the pending bill. I have sat through practically all the debate which has taken place.

Last night as I was riding in an elevator I heard a Senator facetiously remark that the time was about right for him to make a speech on the pending subject. He said, of course, that he knew nothing about either of the pending bills, and did not want to be interrupted. That has become the position of some of those who have listened to the discussion which has taken place.

I came into the Chamber with the idea that the debate was to be addressed to conditions which would arise after the soldiers were released from their military duties, or after there had been a change in circumstances which would make possible the probability of unemployment. I found the situation to be entirely different. Instead of hearing such a discussion I found a more or less political line-up on the subject.

We are told that practically the same combination is at work which succeeded so well in preventing the soldier from having an opportunity to vote at the coming election. Mr. President, I do not know whether that is true or not. We can better tell after the vote. I have watched certain sheets as they have been carried around the Chamber. I have seen tabulations made by the board of strategy. I have seen what appeared to be the combination.

I believe that the subject now before the Senate requires something more than the application of petty politics. I think that a real problem will face the American people with regard to reconversion. I know that to be the sentiment of the people throughout the country. When we leave Washington we find persons who believe that something should be done to prepare for the conditions which will exist following the war. They believe that something should be done to prepare the people for readjustment. Some of the bills and amendments which have been presented recognize that fact.

The George bill is entitled "To amend the Social Security Act, as amended." That is what we are here trying to do. We are discussing a bill to amend the Social Security Act, as amended. Perhaps it will take care of the after-the-war situation. Possibly it will take care of reconversion, but I do not believe it will do so, and I do not believe that the majority of the American people believe that it will do so.

Mr. President, I do not know what are the amendments which have been offered to the bill by the Senator from Georgia. I heard someone ask him about the matter, and I understood him to say that he had offered a part of the printed amendments. I wish to add my word of approval of some of the comments of the Senator from Vermont [Mr. AIKEN] in which he said he thought it was more or less of a travesty to attempt to handle a situation of this nature without even, as I understood him to say, having the bill printed as it is now being considered. Why should it not be printed so that Senators may have before them the bill in its complete language?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. BARKLEY. The print which appeared on our desks yesterday was a complete clean print of the Kilgore-Murray bill as it was modified by the Senator from Montana [Mr. MURRAY] by the amendment which he himself had offered.

Mr. TUNNELL. Yes.

Mr. BARKLEY. No further amendments have been offered to the bill, as I understand, because they could not be offered. Therefore, there have been no additions to the bill. So far as the Kilgore bill is concerned, it is now in the form of a clean print of the language presented up to the present time. I suppose that the George amendment was printed in a separate form.

Mr. TUNNELL. Where is the print? I should like to know.

Mr. BARKLEY. It is on our desks. It has the name of the Senator from Georgia upon it as an amendment to Senate bill 2061.

Mr. TUNNELL. I have a copy of an amendment intended to be proposed by Mr. GEORGE to the bill (S. 2061). Was that amendment offered?

Mr. BARKLEY. I am not certain whether it was actually offered.

Mr. TUNNELL. Even our leader does not know.

Mr. BARKLEY. I believe that it has been offered. I am not supposed to know any more about printed copies of amendments and bills than is any other Senator. We can all read, I presume.

Mr. TUNNELL. We can all read, but we must first have something before us to read.

Mr. BARKLEY. I believe that the Senator will find that the Kilgore-Murray bill is now in a clean printed form, and that the George amendment is in a printed form. I understand that no amendments to either of the amendments have been agreed to, and no amendment may be offered until one or the other of the bills has been disposed of because such an amendment would be in the third degree.

Mr. TUNNELL. The Senator from Georgia offered some amendments, but I do not know what they are.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. GEORGE. I shall be very happy to assist the Senator if I can do so. The Senator from Kentucky [Mr. BARKLEY] has correctly stated the situation. The Murray-Kilgore bill is in final form unless further modifications should be made before the vote is taken. I introduced Senate bill 2051. Then I offered an amendment to the Murray-Kilgore bill, which is in the form in which it will be when the vote is taken, with the exceptions of one or two minor changes to which I shall direct the attention of the Senate before the vote is taken. The amendments are all here. Actually, there are only two amendments embraced in the pending measure before the Senate. One, in substance, is the Military Affairs Committee bill, and the

other is the amendment which I offered to that bill.

Mr. TUNNELL. Where is the amendment the Senator offered to the bill? That is what I am trying to find out. Is the proposal of the Senator the amendment beginning with the words "Sec. 102 (a) There is hereby established the Office of War Mobilization and Reconversion"?

Mr. GEORGE. Yes; that is exactly correct. The print of August 8, 1944.

Mr. TUNNELL. There are 15 pages of that amendment.

Mr. GEORGE. That is offered to the first amendment offered by the Senator from Montana. The Senator from Montana split the Military Affairs Committee bill and offered three titles of it to precede the bill reported by the Finance Committee. Then subsequently he offered an amendment to follow the bill which was reported by the Finance Committee. A motion was not made to strike out the bill reported by the Finance Committee which is before the Senate; but he did offer one general amendment which had to be divided into parts. The amendment of August 8, 1944, which the Senator has on his desk, is the amendment offered by me to the first amendment of the Senator from Montana.

Mr. TUNNELL. Is that all that is offered as an amendment by the Senator from Georgia?

Mr. GEORGE. That is all I have offered as yet to the first amendment of the Senator from Montana, but if my amendment should be adopted it would be necessary to perfect the two remaining titles of the bill. However, there is no substantial difference between the Murray-Kilgore bill and what I am prepared to offer. There really would be no conflict, except it would be necessary to make it conform to whatever is done with my first amendment.

Mr. TUNNELL. I have seen the amendment to which the Senator refers, but I understood the Senate, in response to a question, to say that he had offered a part of it, and I did not know what he meant by that.

Mr. GEORGE. What I meant, as the Senator will see, is that I had prepared an amendment to the Military Affairs Committee bill and had it printed and it was on the desks of Senators the first day the Senate met to take up this bill, which was Tuesday; but when the Senator from Montana found it necessary to split his amendment, which was the Military Affairs Committee bill, I then had to split my amendment. That was all that was meant by my statement. But the substance of the Military Affairs Committee bill is now before the Senate in the first amendment. After the Senate has passed on the first amendment offered by the Military Affairs Committee, to which I have offered an amendment, the proceeding so far as the remaining titles of the bill are concerned will be largely pro forma in any event.

Mr. TUNNELL. I think, as was said by the Senator, that I am now in the position to make a speech on the question.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. AIKEN. I wish to say that the reason I raised my objection to hastening this bill through in such a short period of time was that it appeared to me that both the Murray-Kilgore bill and George amendment, which was offered this week, are discriminatory against American agriculture, and our agricultural interests have had no opportunity to study them, to send copies to their directors or to discuss them in any way or to suggest proper amendments which would make the measure nondiscriminatory.

Some very good amendments have been suggested to me, but they are far from complete, and I know we cannot enact fair and suitable legislation or rewrite laws here on the floor of the Senate in a satisfactory manner. For instance I think it will be found that both bills give preference to small industry in allocating materials; yet it seems to me that agriculture should have an equal opportunity and should be accorded equal preference in the allocation of material during this period and the period to come.

It will be found that in the Retraining and Reemployment Policy Board which is set up in both bills the Department of Labor, the Federal Security Agency, the War Manpower Commission, the Selective Service System, the Veterans' Administration, the Civil Service Commission, the War Department, the Navy Department, and the War Producton Board are included, but the Department of Agriculture is absolutely left out in both bills.

It will also be found in both bills that the Administrator "shall confer with existing Federal, State, and local agencies and officials in charge of programs relating to vocational education, vocational rehabilitation, training in industry, and other similar programs and secure the expansion of such programs."

Agriculture is left completely out of that. It may be that either bill could be amended on the floor of the Senate, but I think we would make a botch of it if we should undertake to do that. The only proper way is to send one or both bills back to the committee and have them rewritten so as to be fair to all and not discriminate against a large section of our population.

Mr. TUNNELL. I agree with the Senator and voted affirmatively on his motion yesterday. I think that there is discrimination. I remember very distinctly that when depression came in this country a few years ago agriculture was hit just as hard as any of the other branches of American industry.

Mr. AIKEN. I wish to say that, in view of the present enormous production of American agriculture, if depression should come to this country that industry will be hit first and hardest of all the industries of our national economy. I tried to point out yesterday what happened to milk of which the farmers had increased their production at the request of the Government. They have also increased the number of cows and cattle 20 percent in less than 3 years, at the request of the Government, and yet they would be left holding the bag if the national income and the national wage scale should be lowered, and it would lead to distress among the agricultural population. Yet, I cannot find anywhere in either bill where the slightest consideration is being given to the agricultural interests.

Mr. TUNNELL. I remember very well when corn in this country sold for less than 50 cents a bushel and when eggs sold for less than 12 cents a dozen. I do not see why the farmer is not hit just as hard as any other branch of industry, and why he is not as necessary as any other of the active participants in American industry?

What I want to call attention to in particular is that we came here I understood for the purpose, very largely, of preparing for after-the-war conditions, although perhaps it was expected that we would also aid in the war, and yet the bill as presented, at least one bill, is practically entirely for the purpose of amending the Social Security Act. I think that may be one thing which should be done; I do not know that I disapprove it; I do not know that it is at all wrong, but certainly it is not a comprehensive plan to take care of the readjustment period, and no one can claim that it is. That is the measure placed before us when we returned here. Since then there has been an amendment offered. I have not had a chance to go over the amendment in connection with the bill and I do not think the majority of the Senators have.

Reconversion is not a joke, and it is not something which should be lightly pushed aside. The American people are saying that we are not prepared for peace any more than we were for war, and we are going to amend the Social Security Act so that the various States will be guaranteed sufficient funds to put into effect the Social Security Act.

We have had all sorts of questions as to the difficulties which could be raised, the jealousies which could be aroused. We have had State versus Nation. There are those who want us to believe that the States are losing their position. That is a most absurd suggestion. We hear such expressions as "our economy," "the American way of life," "free enterprise," "States' rights." The State right that is being insisted upon most generally is the right of the State to come to Washington and get a share of the appropriations made by Congress. That has been my observation, and I think it is accurate. That is the right the States are insisting upon, and it is a right which they all have and are exercising. The Government is not taking away the rights of the States. The States are begging the Nation to help them on every imaginable excuse.

Then we have heard the suggestion of capital versus labor. I do not know how we are to adjust post-war difficulties by arousing such antagonisms. I heard one Senator say that there must be an employer in order that there be an employee, but it goes further than that. There must be an employee before there can be an employer. It takes both, and I would not vote for either of these bills if I thought it was against the employer or the employee. I would not vote for either of the bills if I thought it was against agriculture. I would not vote

for either one of them if I thought it was against labor.

When we had a depression, each of the various elements of America was hit, and hit hard. Today we hear sniping criticisms of every suggestion that is made for after-the-war economy, everything that is suggested for the benefit of anyone, not alone of labor.

Senators make the statement that this is a C. I. O-backed bill. If that were the only backing it had, that would be one situation, but I cannot tell a C. I. O. man when I see him walking along the street; I cannot tell him when I see him go into a booth to vote; I cannot tell him when I see him go into a shop, unless I know something about the shop. He is a human being. Here is an attempt to divide labor. It is said this is a C. I. O. bill. When a man's children are starving, I do not think it makes much difference whether he is a member of the C. I. O. or the American Federation of Labor, or is a manufacturer, a farmer, or anything else. I do not quite understand this attempt to arouse every element in America against every other, because if we do not have this after-the-war adjustment, unorganized labor is going to be hit just as hard as is organized labor.

I saw figures a few days ago showing that there were 54,000,000 people employed in the United States. I think those 54,000,000 people are entitled to representation here. If I am to be sneered at because I in some way attempt to represent any part of those 54,000,000, I welcome the sneers. The American people are watching this proceeding, because we are told that there is an element in the Senate of the United States attempting to aid labor. I do not know about that. I do know that if labor is not aided, and if some sort of a depression hits America, it is going to hit other elements, just as well as labor.

We are told that this is not according to the theory of unemployment insurance, that there should be no distinction between the amount received by a man who has two children and the one who has one, or the man who has three children and the man who has none. I do not understand that at all. I am not greatly concerned as to whether this is a relief measure or an insurance measure, or what it may be. I am concerned that America be prepared for after-the-war readjustment. I am concerned that the American people shall know that we in the Senate are interested in this great problem, that we are interested in preparing for peace.

Oh, we are told, we are not ready for peace any more than we were for war, and it is astonishing to see what is brought forward to prove that the bill presented is not a workable bill. I do not know what is in the amendments of the bill of the senior Senator from Georgia [Mr. GEORGE], but so far as I can see, there is nothing of consequence in the bill itself except an amendment to the Social Security Act, and that social-security proposition leaves it entirely to the States whether they desire to borrow the money or accept the advancements to help them carry out the provisions of their social-security acts. We are never going to have any uniformity of social security in the United States if we rely on 48 different legislatures. We are going to have 48 different standards of living; we are going to have 48 different conceptions of what social security should do for the people who are to be benefited.

I suppose this is a good time, just before the election, to talk about States' rights, to talk about someone running off with the rights of the American voter.

Mr. President, today I heard a Senator speaking of New Deal socialism. He did not say a word about Republican starvation. He did not mention the other side of the question. And earlier today I heard the colloquy which took place between the Senator from Maryland [Mr. TYDINGS] and the Senator from West Virginia [Mr. KILGORE]. The Senator from Maryland asked, "Where is the money coming from? Suppose we make the appropriation, and there is not a nickel in the Treasury?" In heaven's name, suppose a man is the father of four children and has no work, and his children are crying for bread. Where is the money coming from? That question then is just as important to that man and to his wife, the mother of his children, as it is to the rest of America.

Mr. President, perhaps the Murray-Kilgore measure does not provide the proper solution; I do not know that it does; but I do say that to ask where the money is to come from is to take a trifling attitude on such a serious matter, when we think of the conditions which existed in this country just a few years ago, when we think of the millions of unemployed centered in the great cities by reason of the location there of American industry, when we think of them being without jobs, when we think of a father in his agony walking the streets to find something for his children to eat. When a man is in that condition he does not care whether what he receives is called relief or insurance or whatnot.

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). The time of the Senator on the amendment has expired. The Senator is now recognized for 30 minutes on the bill.

Mr. TUNNELL. Mr. President, the position we are in with reference to this bill is that of being under obligation to the people of the Nation to prepare for conditions which will exist after the war. The people who will be suffering then will not say to us, if we fail to pass the Murray-Kilgore measure, "We know you were justified. You thought that the bill was framed on the basis of the wrong principle. You thought it was a fight between capital and labor. You thought it was a struggle between organized and unorganized labor."

Mr. President, that is not the question involved. It is not a question even between property and the individual, as I see it. It is a question of whether Congress has the industry, the intelligence, and the patriotism to prepare for conditions which will face the Nation after the war.

Perhaps some may think that the question involved does not amount to a great deal. Perhaps some may think that it is something which will be forgotten; that the principal object now is to win an election. I do not think it is. I do not think the American people should be treated with such indifference at such a time as this.

The present war is of such vastness, and such tremendous expenditures must be made to carry it on, and such a great number of persons are engaged in it, that a terrible readjustment will be necessary when it is over. The American people have elected you and me to do our part to prepare for the grave situation which is bound to arise after the war.

Mr. President, some say that we are pessimists; that there is not going to be any period of unemployment after the war. There was a period in 1907 after the Spanish-American War when one could not get a check cashed. There was a period in 1873 after the War between the States when there was a panic all over the Nation. There is going to be a readjustment in America after this war is over, and it is our duty, regardless of whether we are Republicans, Democrats, Populists or what not, to prepare for that readjustment.

I do not know that there is anything so very wrong about the George bill. I do not know what the amendments to it are. Certainly I respect those individuals who have brought out the Murray-Kilgore bill with an honest intention to do something for the American people when misfortune strikes them. I do not know that it is based on absolutely the correct theory. I do not say that the framers of the measure have used the best methods in framing it. Perhaps the amount provided by it is based on too high an estimate as to what should be paid. I do not know. It does not seem so now, though perhaps it is. But, Mr. President, I ask those who criticize it: What is their answer? What is the proposal of those who oppose any amount of money being paid or promised to be paid? They oppose the Murray-Kilgore bill; what do they favor? What is their solution, what is their answer, and what will be their answer to the weeping mothers and fathers when serious unemployment occurs?

Mr. President, I sympathize entirely with those who want to economize in the expenditures of the Government. I think they are right. I think we are under obligation to economize, and, as I have said, perhaps an unemployment compensation payment does not provide the right answer. But what is the right answer? How are we going to continue employment? What is there in the George amendments which will put food into the mouths of Americans when misfortune comes, and what is the answer to those who will ask at that time for the answer?

Mr. President, we are told that the Murray-Kilgore bill is not written according to the right principle. Perhaps that is true. But what is the right principle? What is the answer of those who criticize the bill? Do they say that there is not going to be any depression after this war, that there is not going to be any unemployment? Is this their answer to

America's labor, to America's manufacturing industry, to America's employers, to America's employees, to America's agriculture?

Is this the bid of Mr. Dewey for labor? The Republican newspapers say that Mr. Dewey is bidding for the vote of labor. What is his bid? Is his bid to refuse even a serious consideration of the worker's condition when employment fails? What is the answer? I suggest to Senators on this side of the Chamber who listen to the story of States' rights from the other side that the cry of States' rights comes from the other side only when they do not control the Federal Government. When they control the Federal Government, we have men like Thaddeus Stevens. When they control the Federal Government, we have Force bills, antilynching bills, and even worse measures. Let me say to Senators on this side of the aisle that States' rights will then be forgotten by their present allies.

I have watched the criticism of the special-interest-owned mediums of information. When they do not control the courts, the courts are to blame. The Supreme Court becomes the object of abuse. I went to California, and while there attending a meeting of the American Bar Association, I listened to the president of the association attacking the Supreme Court of the United States. Why? Because the elements which he represented apparently did not have great influence on its decisions. When the interests do not control Congress, and think they have great influence with the Court, then the Congress is to blame. When they control the Presidency, as in the days of Harding, Coolidge, and Hoover, then everyone else except the President is to blame.

Let me say to my friends on the other side of the aisle that the situation which I have described will again face the American people if they do not watch out. It faced them after the administration of Herbert Hoover, and they have not yet recovered from it. It will face them after this war is over, if the party of those on the other side of the aisle should by chance control the Government. I say to them, Either say what you think should be done to prevent this catastrophe, or refrain from criticising those who are trying to prevent it. I do not know what their answer may be. The American people do not know what their answer may be. They cannot find out from their candidate for President. He is said to be "under blankets." I do not know just what that means, but I think that is something which is done to a race horse before the race. My own opinion is that the American people are not so much interested in how fast this race horse can run as they are in what direction he is going after he is geared. Is he going to aid the American people in the solution of their problems? Are my friends on the other side of the aisle representing him today? Is this the answer of the Republican Party to the problems of labor and industry? Is it the answer of those on the other side of the aisle? Is it their contention that there will be no depression, and that no readjustment will be necessary?

I receive a great many letters and telegrams. It may be said that they come from the C. I. O. Some of them do. Here is a letter that did not:

> Months ago the American Federation of Labor called upon Congress to enact legislation to deal with the problems of war and the transition period. After long and careful study, the Senate Military Affairs Committee has reported out the Kilgore-Murray-Truman measure.
>
> By its action on this legislation the American people will judge whether Congress is making reconversion plans for full production or abdicating its responsibility and gambling with economic chaos.

The only reason we did not have economic chaos in the last administration was that nothing at all was moving.

> We hope that the false issue of States' rights will not be permitted to obscure the interests of all groups in the American Nation.

This part is underscored:

> The American Federation of Labor earnestly requests that you do everything in your power to secure the immediate passage of the Kilgore-Murray-Truman bill (S. 2061), without any weakening amendments.

This letter is signed by William Green. It represents the viewpoint of the American Federation of Labor. William Green is a human being, a very active man, and he is entitled to representation. His organization is entitled to have its views presented to the Senate.

Here is a letter from a humble woman:

> Just a request, but a very earnest one, that you help to see that the Kilgore bill is passed.
>
> Very sincerely yours,
>
> HELEN HUTCHINSON.

This letter comes from Seaford, Del. I do not know the lady.

Here is one from the C. I. O.:

> Urge you to work for and support Kilgore reconversion bill which is only bill that provides efficient means whereby industry, labor, agriculture, and public can efficiently work together both nationally and locally to solve reconversion problems.

That is from a C. I. O. union. It has the right to present its views.

Here is another one. I do not know whether this is from a C. I. O. organization or not:

> We of Local 40 urge you to vote for and use every effort at your command with your colleagues for the passage of the Kilgore bill.

The telegram is signed by H. P. Heller, recording secretary of Local 40, Industrial Union of Marine and Shipbuilding Workers of America.

Here is one from Philip Murray. I shall not read it. It is a long letter. I believe it was placed in the RECORD a day or two ago.

Here is one from Ben Stahl, executive secretary of the Newcastle County Industrial Union Council. He says, speaking of the Kilgore bill:

> We urge you give it your support by speech and vote.

Here is a telegram from the United Steelworkers of America, asking for support of the same bill.

Here is one from a man by the name of Luhrsen, asking for active support of Senate bill 2061.

I read now a telegram which has come to me from Mr. Gerrish Gassaway, secretary-manager of the Chamber of Commerce of Delaware, Inc., at Wilmington, Del. His telegram reads as follows:

> Urge your support of unemployment compensation provision of George bill (Senate 2051) now under consideration by Senate. This bill reaffirms States' rights in the field of unemployment insurance. Urge your opposition to unemployment compensation provisions in Kilgore bill (Senate 1893) establishing Federal system of unemployment benefits.

So far as I recall, Mr. President, that is the only communication I have received from my home State requesting that I support the George bill. As I have said, that telegram came from the secretary-manager of the Chamber of Commerce of Delaware, Inc., at Wilmington, Del.

Under these conditions, while I am not satisfied that the Murray-Kilgore bill would do all its sponsors think it would do, while I am not satisfied that it is the best bill which could be written, yet I am satisfied, as I have said before, that it is an honest effort on the part of the Committee on Military Affairs to get ready for the problems of the period after the war.

I shall not attempt to compare the two bills word by word or paragraph by paragraph. I do not subscribe to the statements made earlier today by the senior Senator from Vermont [Mr. AUSTIN], when he said the two bills were based upon different theories. I do not think they are at all. I think the two bills are almost identical, except for the provision in the Murray-Kilgore bill as to the amounts which are to be paid. Such a provision is omitted from the George bill. If the George bill is to be amended so as to include such a provision—and I have understood it is to be so amended—the two bills will be practically identical. In fact, I have been told by members of the two committees that the thing which has prevented them from getting together and agreeing on the same bill is the existence of the provision with reference to the payment of benefits or insurance. If the amounts so provided for are too high, lower them. If they are too low, raise them. If none should be paid, and if there is some other way to prevent unemployment, let us take that way. I do not know that the payment of money is the solution. So far as I am personally concerned, I would listen with a great deal of interest and encouragement to any proposition made by any Senator on either side of the aisle which would have for its purpose the adjustment of conditions when the war is over and when the inevitable difficulties arise.

Every employer wants to prevent the occurrence of such a condition. It will not benefit the employer to have his mills shut down by a depression. It will not benefit the banker to have the business interests of the Nation at a standstill. Yet it seems to me that in this debate

we have scarcely dealt with the problem at all. Unfortunately, the discussion has turned to a political line. But this question is above politics, and it is worthy of a better consideration than a political one. The problem is one which affects too many persons. The problem of taking care of conditions after the war is a tremendous one. Of course, if there is never any depression or any unemployment, no one will be happier than the employers. They will be happy. Likewise, the employees will have no complaint; and all will be well. But suppose there is a period of unemployment, as I believe there will be. Then are we preparing ourselves for that time?

Mr. President, some say that if we let unemployed persons have any money they will not work. On the same theory, I suppose a person should not be able to accumulate enough money to be able to buy a home, he should not be allowed to have a bank account, because he will not work. The theory is that the bill will cause unemployment and will prevent the establishment of the very condition we hope to establish as a result of the operation of the bill. If a person will not work when he has property, that is a great indictment against the vast majority of the American people. I have not found that it works that way.

I am interested in a small bank. I have watched its deposits grow. We were told that people would not save their money. The section of the country in which that bank is located is not one in which great industrial establishments are to be found. But those bank deposits have multiplied by four, and they have largely come from average men and women. The American people are saving their money. The American people are putting their money away.

Mr. President, it is said that the bill will give some insurance to the man who has a home and has money in the bank. If there are those who do not want that man to have anything, let them propose to amend the bill. I am principally interested in keeping industry moving, because I know that when men are out of work we will all be hit. I know that the last time we had widespread unemployment my own receipts fell off to about one-half of what they had been prior to the depression. I know that many other persons have had similar experiences.

Under these conditions a real problem faces the American people. When a depression hits us every element and branch of industry are affected. If we take that situation into consideration, should we not do all we can do? It will not do any harm for Congress to prepare for the worst, even though it never occurs. At least we will show that we appreciate our position and our responsibility and that we are interested, not alone in the laborer, not alone in the farmer, not alone in the manufacturer, but in America, its great interests, its great future, its great possibilities. Let us drop all petty considerations and be Americans.

Mr. MALONEY. Mr. President, I should like to ascertain whether it is in order for me to make a motion to recommit the bill.

The PRESIDING OFFICER. Such a motion is in order.

Mr. WHITE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Maine?

Mr. MALONEY. I yield.

Mr. WHITE. Let me inquire whether, if a motion to recommit is to be made, the absence of a quorum should not be suggested.

Mr. MALONEY. I am willing to have that done, if the Senator so desires.

Mr. WHITE. It all depends on whether the Senator is going to make such a motion.

Mr. MALONEY. I am going to make the motion.

Mr. WHITE. Then, Mr. President, with the permission of the Senator from Connecticut, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Revercomb
Andrews	Guffey	Reynolds
Austin	Gurney	Robertson
Bankhead	Hatch	Russell
Barkley	Hawkes	Scrugham
Brewster	Hayden	Shipstead
Brooks	Hill	Stewart
Buck	Jackson	Taft
Burton	Johnson, Calif.	Thomas, Utah
Butler	Johnson, Colo.	Tobey
Byrd	Kilgore	Truman
Capper	Langer	Tunnell
Caraway	McClellan	Tydings
Chandler	McFarland	Vandenberg
Chavez	McKellar	Wagner
Clark, Mo.	Maloney	Wallgren
Connally	Maybank	Walsh, Mass.
Cordon	Mead	Walsh, N. J.
Danaher	Millikin	Weeks
Davis	Moore	Wherry
Downey	Murray	White
Eastland	O'Daniel	Wiley
Ellender	O'Mahoney	Willis
Ferguson	Overton	Wilson
George	Pepper	
Gerry	Radcliffe	

The PRESIDING OFFICER. Seventy-six Senators have answered to their names. A quorum is present.

Mr. MALONEY. Mr. President, the bill under consideration, and more particularly the complicated amendments suggested thereto, have hurriedly come before most Members of the Senate. So it does not seem to me that a sufficient opportunity has been afforded to all Members of the Senate to give careful and studied consideration to the proposal which would place a heavier burden upon the people of this country than any proposal which we have heretofore considered excepting that involving the cost of war itself.

I presume that many Members who are present understand the bill and all of the amendments. I must confess that I am not yet in that category, Mr. President, and I have some doubt about it with respect to other Members of the Senate.

What we are attempting to do is to write a bill of tremendous magnitude on the floor of the Senate. Amendments in great number have been presented within the past few days. Within the past hour vigorous attempts at compromise have been made off the floor. One of the proposals goes so far, in my judgment, at least in its original form, as to present an absurdity. The other proposal, in my opinion, does not go far enough. I do not believe it will be possible to bring about a compromise here on the floor of the Senate under the existing excitement and confusion, and because of the misunderstanding which I believe prevails. Because it is a matter of such great importance to all the people of the country, I am very hopeful that the Senate will agree to recommit the bill to the Finance Committee in order that it may have further study and that in an effort to compromise the committee members may give careful consideration to any suggestions which may be made.

Under the present circumstances I do not believe it is possible properly to dispose of the bill today in the Senate, and I cannot see any wisdom whatever in attempting to force the bill through the Senate tonight or tomorrow. I have grave doubt that, regardless of early action here in the Senate, we could obtain early action on the entire proposal by both branches of the Congress.

I think it would be a trespass upon the intelligence of the Members of the Senate to try at this time to give further reasons as to why the bill should be given further study. While the debate has been confusing, it has been enlightening as well, Mr. President, because it has been clearly shown, it seems to me, how complicated is the proposal on which we are asked to hurriedly vote.

Mr. President, I shall not impose further on the time of the Senate. I now move that the bill under consideration be recommitted to the Finance Committee, and on that motion I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, before the vote is taken on this motion I wish very briefly to express my reasons for opposing it.

The questions which now pend before the Senate are not as complicated as we are led to believe. Notwithstanding all the verbiage and all the debate, the issue is very clear. Upon the one side we have a proposal to include uncovered Federal employees according to the standards now in existence under the laws of the various States. On the other hand we have a proposal to include not only the uncovered Federal employees but all employees, by supplementing the State provisions with an appropriation out of the Treasury of the United States, to be added to the State payments and to be administered by the States.

That is a very simple proposition; it is not complicated at all; and it does not involve the other titles to the proposed legislation dealing with reconversion itself, which is a separate proposition, upon which, in my judgment, there are no fundamental differences between the two bills which are now pending before the Senate. Either one of them is workable. One goes a little further than the other, but they are both workable, and it is for

the Senate to choose between those two titles or three titles involving physical reconversion and all related subjects. The main controversy here is over the question of unemployment compensation.

This matter has not been thrust before the Senate with the suddenness we are led to believe. The Committee on Post-war Economic Policy and Planning, which has been in existence for more than a year, held hearings and considered this whole subject for many weeks and even months, and although not a legislative committee, it proposed legislation. It brought into the Senate and introduced under the sponsorship of the Senator from Georgia [Mr. GEORGE] and the Senator from Montana [Mr. MURRAY] a bill known as the George-Murray bill, dealing with reconversion and all its related subjects. That was done prior to the recess of Congress on the 23d day of June.

The Kilgore-Murray bill, or the Kilgore bill as it was then called, was also introduced by the Senator from West Virginia before Congress recessed. That bill was referred to the Committee on Military Affairs, as was also the George-Murray bill to which I have already alluded. All these bills were printed and were available to Members of the Senate who desired to take them home with them and study them while Congress was in recess. How many Senators availed themselves of that privilege I do not know. I know of one who did; I am not speaking for any other Senator. So that both those bills carrying the two theories, were available in June to be studied, and the hearings were printed and were also available.

Mr. KILGORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from West Virginia?

Mr. BARKLEY. I yield.

Mr. KILGORE. I should like to remind the distinguished leader of the majority that some 3 weeks before the recess provisions of those bills were called up on the Senate floor when the contract termination bill was under consideration and were discussed at some length. Then speedy action was promised on the other provisions.

Mr. BARKLEY. I was coming to that. I should probably have taken that up before I mentioned the recess.

When we were debating here whether we would consider the contract-termination bill separately from other provisions of proposed post-war legislation complaint was made then that we were dealing only with one phase of this legislation; that reconversion was involved, that surplus-property disposition was involved, and the human element incident to unemployment compensation was likewise involved. Complaint was made that we were taking up only contract termination, leaving these other matters for future consideration. The Senator from Georgia, as chairman of the Special Post-war Economic Policy and Planning Committee, the Senator from Michigan [Mr. VANDENBERG] as a member of that committee, and I as a member of that committee also, and in my capacity as majority leader, pledged the Senate of the United States, insofar as we could pledge it, to a speedy consideration and prompt action on legislation dealing with these subjects. We did that here on the floor. If any Senator doubts it, I will cite the RECORD of the Senate of the United States on the 3d day of May of this year, three months and a half ago. We were not ready at that time to take up the other phases of legislation dealing with post-war conditions, and therefore we felt obligated to promise the Senate speedy consideration of the other measures. Based upon that obligation and that promise and that pledge, the Senate went ahead with contract-termination legislation, and it was enacted and signed by the President before the Congress recessed.

I think I ought to say that the Committee on Military Affairs appointed a subcommittee to consider phases of this legislation prior to the recess, and the subcommittee gave consideration to the subject of reconversion and also unemployment compensation prior to the recess, but took no action upon it. They did have some hearings, as I recall, and those hearings were printed and were available.

We came back here following the recess, and in view of the fact that the war on all fronts was going so well, we felt we could not any longer delay the exercise of the foresight which we felt we ought to exercise in preparing for peace, so that when the time came, when the last shot was fired, we would not be as unprepared for peace as we have always in the whole history of this Nation, been unprepared for war when war came.

All these bills were pending before the Military Affairs Committee when we came back here. The Senator from Georgia, chairman of the Finance Committee, lifted out of the George-Murray bill the provisions regarding unemployment compensation, at least in part, such portions of them as would not involve a tax on other employees who would be covered, either a pay-roll tax on employees or on employers, such as is now being collected to cover those who are under the social security law. It was necessary to avoid any conflict between the House and the Senate on the question of taxation. We have always known how meticulous the House is—and I do not criticize their attitude—in observing the provision of the Constitution which gives them original jurisdiction of all laws raising revenue, and the social security law does raise revenue. The Finance Committee, I think unanimously, took the position that they could not impinge upon the authority of the House of Representatives that the Senate could not trespass upon that constitutional provision, but that, if we could pass some law and send it to the House, they then could exercise their original jurisdiction to broaden it as much as possible and even include additional taxes in order that it might be enforced and the obligations carried out.

I voted to report the George bill from the Committee on Finance. I realized then, as I do now, that it was inadequate. I think the committee was of the unanimous opinion that it was inadequate, so far as that is concerned; but it was as far as the Finance Committee could go, because they could not originate a tax that would help to enlarge social security under the present terms of the law. I myself stated in the committee before the vote was taken that I did not believe the bill was adequate and I thought ultimately we would have to come to a national standard for unemployment compensation, just as I believed then, and believe now, that some day we will have to come to a national standard of old-age pensions. I have always believed that, and still believe it. We may not be ready for it now, but, in my judgment, it is utterly impossible to build up or maintain a social-security system in this country by having it limited to 48 watertight, airtight compartments, and rely upon those compartments to deal uniformly with the problem of unemployment and old-age assistance. I believe it will be just as impossible to get uniform legislation among the States on that subject as it has been to get uniform legislation on the subject of divorce, although we have been advocating it in this country for 50 years. But that is beside the question.

We have the George bill here and we have the Kilgore-Murray bill. In the meantime the Senator from Montana [Mr. MURRAY], having decided that the George-Murray bill, introduced prior to the recess, did not adequately deal with the subject, and did not comport with his own judgment on the subject, on further consideration joined the Senator from West Virginia in the Kilgore-Murray bill, as it now is offered, and as it was reported by the Committee on Military Affairs, I regret to say by a partisan vote. We have dealt in the Senate, and in the Congress with war legislation in a nonpartisan way. The proposal before us is war legislation, just as much so as the draft law was war legislation. It is as much an incident of the war as any other part of our legislative program, and I deplore and regret the fact that out of the Committee on Military Affairs even a post-war measure was voted by a partisan division among Democrats and Republicans.

Mr. MALONEY. Will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MALONEY. I should like to have a moment of the Senator's time, if I may, to say that I, too, am anxious for haste, and I think the way to bring about speed is to recommit the bill for careful consideration, and I hope Senators will not leave Washington until a bill is passed.

Mr. BARKLEY. I wish to make a prediction. If the Senator's motion to recommit the bill is adopted by the Senate, there will be an exodus of Senators out of Washington on every train that leaves the city.

Mr. MALONEY. I say to the Senator that I will not be in the exodus.

Mr. BARKLEY. I hope not. Already I am being asked by Senators on the floor "When can I leave town?" and so far as I am concerned, I am advising them that they should not leave town

at all, and that those who are away should return.

Mr. MALONEY. Will the Senator indulge me a moment further?

Mr. BARKLEY. Certainly. I am not impugning the sincerity of the Senator. I realize that he believes that his motion will bring about speed. I do not agree. I think it will bring about indefinite delay. I think the issue involved here must be finally fought out on the floor of the Senate, and it may be that the legislation must ultimately be written in conference between the two Houses. If it has to be written in conference, the sooner we can get something into conference the sooner we will have legislation, and the sooner we can show that we have not been negligent in our duty in looking far enough ahead to bring about some kind of post-war legislation to deal with peace, as well as war. I yield further to the Senator.

Mr. MALONEY. I should like to point out that I have heard that when this matter was acted upon in the Committee on Military Affairs it was pretty largely decided by absentee votes, that proxies were used, and that some of the Senators who voted by proxy were not familiar with the proposal which came from the committee.

Mr. BARKLEY. I am not in a position to say anything about that. If it be true that Senators in the Committee on Military Affairs voted by proxy, it was not an unaccustomed procedure. In all committees absent Members are voted sometimes by proxy, if they are absent and cannot return, and if they give their proxies to Members who are present, even by telegram, indicating to the committee how they desire to vote. That has happened in the Committee on Banking and Currency, of which the Senator from Connecticut and I are both members. It has happened in all committees, and frequently happens. Whether it happened in the Committee on Military Affairs I do not know, for I am not a member of that committee.

Mr. MALONEY. I agree with the Senator that it is oftentimes done, but the practice is abused on occasion. I have been informed by more than one member of the Committee on Military Affairs that he was voted by proxy without an understanding of the bill. I think that is a bad and a deplorable situation.

Mr. BARKLEY. If any Senator who was a member of the Committee on Military Affairs voted by proxy in favor of the bill, I would rather hear him move to recommit the bill than to hear someone do so who was not a member of the committee, who by inference is criticizing what happened in the committee. No such motion has been made by a member of the Committee on Military Affairs, whether he was present or absent when the bill was voted out.

Mr. KILGORE. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. KILGORE. I should like to say, in the absence of the chairman of the Committee on Military Affairs, that the proxies were about evenly divided. There was a quorum present, and more, who actually voted.

Mr. BARKLEY. I understood that a quorum of the members of the committee was actually present.

Mr. KILGORE. A quorum and more, one more.

Mr. BARKLEY. More than a quorum was present in person.

Mr. KILGORE. The proxies were about evenly divided.

Mr. BARKLEY. But that is beside the question. I do not believe we will speed legislation by recommitting the bill. If we recommit the bill to the Finance Committee, the Kilgore-Murray bill will still be on the calendar and subject to be taken up on a motion on the floor of the Senate, and we would have to recommit that bill to the Committee on Military Affairs to get the measure back in the committee. We would still have the Finance Committee dealing with the one part of it, and the Military Affairs Committee dealing with another part of it, and if they reported again, they might come in again with different bills, and we would have the same situation we now confront.

Mr. WHITE. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. WHITE. As I understood the motion of the Senator from Connecticut, it was that the pending bill be recommitted to the Committee on Finance. I take it that the pending bill is the bill made the unfinished business of the Senate, that is, the George bill, so-called. Is it the Senator's understanding that a motion in that form would carry with it all the amendments which are pending to the bill, that is, the Murray-Kilgore amendment, the George amendment to the Murray-Kilgore amendment, and all the other amendments? In other words, would the entire subject matter, and all the legislative proposals pending, either as substitutes or amendments, follow the main bill back to the Committee on Finance?

Mr. BARKLEY. I would rather the Chair would answer that question. I have certain views about it, but I would rather the Chair would answer the question. The question is as to whether the motion to recommit the pending bill to the Committee on Finance would carry with it all amendments which are now pending to the bill.

The PRESIDING OFFICER (Mr. McKELLAR in the chair). If the George bill is recommitted it will go back to the Committee on Finance, and the action of the Senate in adopting amendments would be nullified, and the bill should be taken up anew.

Mr. BARKLEY. No amendments have been agreed to thus far.

The PRESIDING OFFICER. Except a few perfecting committee amendments.

Mr. BARKLEY. They are modifications of the amendment to the bill which is the pending business.

The PRESIDING OFFICER. They are committee amendments to the bill itself.

Mr. BARKLEY. They would go back, but the Kilgore bill itself would not go to the Committee on Finance. In the first place, that committee has no jurisdiction, and the bill would still remain on the calendar. Action on the motion would not affect the status of that bill at all.

Mr. WHITE. I understood that the substance of a part of the Kilgore bill had been offered as an amendment to the George bill. What I was interested in ascertaining was whether a motion to send the George bill back to committee would carry with it, of necessity, all the pending amendments to the George bill. Of course, if that were true, then there would be presented to the Committee on Finance a matter which originated in the Committee on Finance, and a matter which originated in another committee, the Committee on Military Affairs, and was there considered.

Mr. BARKLEY. Undoubtedly, if that were the effect of adoption of the motion, it would mean that not only a measure of which the Finance Committee has jurisdiction would be recommitted to it, but a measure of which it has no jurisdiction would be committed to it also, insofar as the amendments were concerned. But that would have no parliamentary effect upon Senate bill 2061, which would be still on the calendar, and which could be taken up on a motion by any Senator.

Mr. WHITE. I understand that.

Mr. BARKLEY. Mr. President, I have taken more time than I had wished to take, but I felt like making this explanation, because I believe that not only would a recommittal of the bill not facilitate legislation or clear away any confusion which exists in connection with the issue, which I think is simple, but I think it would postpone indefinitely, without ample justification, any legislation upon the subject with which we are now dealing. Therefore, I hope the motion of the Senator from Connecticut will not prevail.

Mr. MALONEY. Mr. President, if I may have the permission of the Senate, I should like to modify my motion in order that it may read, "with instructions that the committee report back to the Senate not later than Monday, August 21."

Mr. VANDENBERG. Mr. President, I wish very briefly to assert my total agreement with the analysis of the situation made by the distinguished majority leader. There seems to be an implication here that the pending proposal, all three of them, are "shotgun" proposals which have been inadequately considered and inadequately born, and are inadequately supported at the present time before the Senate. I have been a Member of the Senate for 16 years, and I know of no legislative proposal in all that time which has had the lengthy, careful, scrupulous, and complete attention the pending propositions have received.

Behind the proposal submitted by the distinguished Senator from West Virginia [Mr. KILGORE] and the distinguished Senator from Montana [Mr. MURRAY] is at least 6 months' work, not only by a subcommittee, but by the full Committee on Military Affairs.

Behind the Finance Committee bill is the work of the George Post-war Economic Policy and Planning Committee, which has been going on for another 9 months. We have had hearings upon hearings. There never has been a subject before the Senate which has been so thoroughly heard.

The proposed legislation which is presented here has the original background of the Baruch report; it has the background of the studies of the Military Affairs Committee; it has the background of the studies of the George Post-war Economic Policy and Planning Committee; it has the background of the studies of the Finance Committee.

Mr. President, to my mind it is simply fantastic to suggest that that presents a situation as to which the Senate is not adequately informed.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Kentucky.

Mr. BARKLEY. I have in my hands one part of the hearings held before the Committee on Military Affairs of the United States Senate on Mobilization and Demobilization Problems, dated August 3 and 4, 1944. The volume which I hold in my hand, dated August 3 and 4, is part 10 of the hearings which have been held on this subject by the Military Affairs Committee, and all the hearings contained in parts 1 to 9 were held before the Congress of the United States adjourned on the 23d day of June.

Mr. VANDENBERG. The Senator from Kentucky is correct and I add that before Congress adjourned the last thing the Senate Finance Committee did was to sit for a week on unemployment compensation, and we heard witnesses from practically every State in the Union.

Mr. President, I do not know how a more complete record could be made. I do not know how one can ever expect or hope to obtain more earnest attention to the development of the record, the testimony, and the net result, than has been given upon one side of this argument by the distinguished Senator from West Virginia [Mr. KILGORE] and the distinguished Senator from Montana [Mr. MURRAY], and on the other side by the distinguished Senator from Georgia [Mr. GEORGE] and his associates. The record is complete. It could not be more complete.

This is what has happened, Mr. President: We have joined issue on the floor of the Senate in a controversy that has to be settled in the Senate. It never can be settled in a committee. It ought not to be settled in a committee. It should be settled by Senators in their seats answering "yea" or "nay" on the roll-call vote.

Mr. President, in my opinion this controversy can never be determined in committee. I have the greatest respect in the world for the distinguished Senator from Connecticut [Mr. MALONEY], who submits this motion; I know the complete good conscience with which he does it; but I respectfully submit to him, out of a rather intimate relationship with the whole problem for the past year, that there is nothing to be gained by recommittal except the probability that the controversy has been postponed and reinforced to such a point that even though it be brought back to the Senate under the Senator's amendment to his own motion it means that there will be no legislation of this nature until after election, and, Mr. President, pray God, that means after the war in Europe is conclusively terminated, but God help us if the war in Europe is conclusively terminated before this Congress has concluded its obligation with respect to reconversion legislation.

Mr. President, I hope the motion will be defeated.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield the floor.

Mr. MALONEY. I want to speak in the Senator's time. I do not intend to ask a question. I wish to make a brief observation.

Mr. VANDENBERG. I yield.

Mr. MALONEY. Lest the Senator from Michigan be misunderstood by any Member of the Senate, let me make it clear that I am not trying to avoid taking a position now. Let me say that if the bill is not recommitted I shall with great reluctance support the George amendment. I shall without reluctance oppose the Murray-Kilgore amendment.

I should like to add, Mr. President, that while the Senator points to the lengthy hearings and the careful study which has been made it has resulted in the most violent disagreement among Senators, and I express the fear now that unless the bill is recommitted for further calm, careful study, we are not going to have legislation until after the election in November, and I deplore that. I want haste. I realize the serious need which exists. But in my judgment we have got to give further careful, calm study to the subject before we can act intelligently. I am in entire disagreement with the views of the majority leader and the able Senator from Michigan, and I am very hopeful that the bill will be recommitted.

Mr. GEORGE. Mr. President, I do not wish to delay action on the motion. A similar motion was made by the distinguished Senator from Vermont [Mr. AIKEN] yesterday in the Senate. I do, however, wish to make a statement about the proposed legislation.

Shortly after the adoption of the resolution creating the Special Committee on Post-war Economic Policy and Planning, a study of the whole general question of war mobilization and demobilization was undertaken. It was my original plan and purpose to bring in one bill dealing comprehensively with all the different segments of that very broad and wide question. Then the question of committee jurisdiction arose both in this body and in the House of Representatives, and it was deemed wise to separate phases of the general problem into separate problems. It seemed necessary to do that if we hoped to get anywhere. But we made the studies, and we have gone at it in a rather backhanded way. Of course, logically, the first thing to do was to determine the administrative machinery for the whole problem of mobilization and demobilization. But when the matter first arose on the floor it seemed necessary to take out of the bill then pending certain titles which covered immediately pressing problems, and separate them from the full problem.

This Congress has passed a bill dealing with contract termination, adjustment, plant clearance—a most important piece of legislation. It was passed first by the Senate. It went to the House. It has gone to the President and has been approved by the President.

Then, while not directly within the scope of the committees' studies and program, a G. I. veterans' bill was considered. That, of course, come out of the Senate Finance Committee. It was passed by the Senate. It was passed by the House, went to conference, and finally passed both bodies and became law. That bill deals in a comprehensive way with the education of the veterans, of the men and women in the armed services, with unemployment compensation for 2 years after discharge, loan provisions for the benefit of the soldiers, replacement in case they become unemployed, and other important questions affecting the soldiers.

Also there was pending in the Military Affairs Committee legislation to which the distinguished majority leader has referred.

When we came back here after the adjournment it was deemed wise, and I still think it was wise, to do something with respect to the Social Security Act itself, and to do something for the larger group of Federal employees who presently will become unemployed, or at least who are likely to fall in the first casualty list of our present employed workers. So the Finance Committee brought out Senate bill 2051 which is before the Senate, which is a simple bill, but which does make possible the coverage of more than three and one-half million Federal civilian workers, sets up a revolving loan fund through which the security of the several State unemployment funds may be strengthened, and makes some other necessary technical provisions in the Social Security Act.

That bill was brought before the Senate. In the meantime the Military Affairs Committee bill was reported. A motion was made to amend the bill reported by the Finance Committee, not by striking out its language but by inserting the Military Affairs Committee bill. Three titles of the Military Affairs Committee bill were offered as amendment No. 1 to precede the text and language of the Senate Finance Committee bill, Senate bill 2051. That is a simple parliamentary situation.

There is some difference, and it is a difference in principle rather than in technical provisions. There is a difference in principle, and in some technical respects, of course. The two bills differ—that is, the amendment which I offered to amendment No. 1 offered by the distinguished Senator from Montana [Mr. MURRAY] and the amendment offered by the Senator from Montana. They differ somewhat, but there ought not to be any

confusion so far as the amendment which I have offered is concerned. It cuts straight down the line. So within 10 minutes anyone can understand this bill.

It sets up an office of demobilization and reconversion. It provides for the appointment of a director, and then brings into that office the Office of Contract Settlement created by the Contract Settlement Act to which I have referred. It brings in also the Surplus War Property Administration created by Executive order of the President, and any surplus war property administration hereafter created by statute. It brings in the Retraining and Reemployment Administration, created by Executive order, of which General Hines was designated as the Administrator or Director. It at once transfers every function pertaining to the veterans to the Veterans' Administration itself. It also provides for the transfer to that office, which is a supervising office, an office which will simply direct the various other offices which have been set up by the Congress dealing with the reconversion period and the mobilization period, of other organizations which have been set up by the President under Executive order.

The bill is careful to extend no power beyond the existing powers in the President and in the offices already created by the Congress. It is careful to give full power to bring those offices together and direct them under one responsible head.

The only real issue before the Senate, aside from a conflict of philosophy and certain technical provisions in setting up the machinery and providing for the bringing together of the various agencies under the directing head of the Director of Demobilization, arises under the unemployment compensation features of the bill.

In the first place, the Military Affairs Committee bill would substantially repeal title V of the veterans' bill, the so-called G. I. law. I do not mean to say that the benefits are proposed to be lowered. It would repeal or amend the mustering-out pay bill by doubling the payments under that bill. But the thing to which I have objected, and to which I shall always object—and it is an issue which must be settled here—is that it lifts the affairs of the veterans out of the Veterans' Administration, under General Hines, and out of the new office created by Executive order of the President of the United States, of which General Hines is the Administrator. He immediately made transfer of everything pertaining to the veterans to the Veterans' Administration. That is where the veterans want it.

The issue has been one of long standing. Machinery is being set up at this hour which must be in operation in September to administer the Veterans' Act in the Veterans' Administration. That is the first sharp issue.

Mr. MALONEY rose.

Mr. GEORGE. I do not assume that the Senator from Connecticut takes issue with my statement.

Mr. MALONEY. Mr. President, I do not take issue. I do not believe the Military Affairs Committee takes issue. I believe that the bill was so hastily—and I use that word rather than "carelessly"—drawn that the members of the committee did not realize what they were doing in that particular respect.

Mr. GEORGE. That is what happened, and it is what will unavoidably happen if we adopt the Military Affairs Committee provisions with respect to veterans. We shall have the ridiculous situation of General Hines building up a vast organization which would function only from September 20 until 3 months after the passage of this bill, when another vast organization would have to be built up and put together.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. CLARK of Missouri. May I suggest to the Senator that the so-called Military Affairs Committee bill, the Kilgore-Murray bill, was not drawn by any one who was in the slightest degree interested in the welfare of the veterans? [Laughter.]

Mr. GEORGE. Of course the issue as to whether we are to increase the mustering-out pay of the soldier before payments have well begun is another straight issue.

We all know by this time that the bill would more than double the mustering-out pay provided by a measure which had separate congressional consideration. Actually the maximum mustering-out pay under the terms of the Military Affairs Committee bill might go as high as $1,050, which very closely approaches the old World War No. 1 adjusted-compensation provision. However, I do not wish to stress the merits of the bill, further than to say that that is the issue in respect to mustering-out pay.

There is a straight issue as to whether or not we are to interfere with the unemployment-compensation provisions and the educational provisions for veterans; and, above everything else, whether or not we are to take the affairs of our veterans out of their own agency and throw them into a new agency under the scheme outlined in the bill. That question is involved in the unemployment compensation features of the bill.

On the other vital question—and there is no way, until that issue is settled, for us to proceed intelligently—the bill raises the square issue, contrary to the conclusion which we reached in the Special Committee on Post-war Economic Policy and Planning, respecting the State unemployment compensation systems. It raises squarely the issue of whether the integrity of the State systems is to be preserved or whether those systems are to be swallowed up and overshadowed by a Federal system which in the nature of things cannot be properly cognizant of the problems and needs for unemployment compensation in all the States.

So there is the issue. Are we going to let the States take care of their own unemployment compensation funds? Are we going to let the administration of those funds remain in the hands of the States? In the bill which has for its purpose the provision of unemployment compensation for workers, are we going to provide additional or increased benefits for veterans? Or will we let those matters stand where we left them, after conferences with many persons from all over the country? Those, Mr. President, are the real issues confronting the Senate.

So far as the pending bill is concerned, I very frankly say that the amendments I have offered to the bill reported from the Committee on Military Affairs simply cut straight down the line. They follow the President of the United States in his effort to meet the pending reconversion problem, and supplement his efforts in that respect, and give them the backing of congressional approval. We simply follow his efforts.

I am frank to say that no new power is given; no power is increased. But under the provisions of the bill there would be set up an office into which all the various agencies would be brought under congressional approval. The program is a simple one. It means no new bureau, no vast organization, no complications. Of course, it does vest some power. Power must be vested somewhere if we are to meet the problem which lies ahead of us.

I sincerely hope the Senate will vote down the motion to recommit the bill. Let us face these issues.

On that point, Mr. President, let me make a further statement, since I may not speak again during this debate. If it is decided that we will protect and preserve the integrity of the State unemployment compensation systems—and I sincerely hope we will decide to do so—and if in the months which lie immediately ahead of us it turns out that the Congress desires to go beyond what the State systems do for the unemployed, it will be within the power and competency of the Congress to make provision for additional aid and assistance to unemployed workers. The Congress will be able to do that without destroying or federalizing the State systems. That problem would come to us as a new one, one which we could take our time in handling, and one into which we could look.

There will be no vast amount of unemployment immediately; we all know that to be so. The real urgency here does not arise because anyone fears there will be any vast unemployment immediately, as a result of cut-back after cut-back. The workers engaged in the plants in which the cut-backs occur may sooner or later be unemployed. But there is a vast demand for new workers in almost every branch of industry in the country. Civilian enterprise, as soon as it can get back to work, consistent with the first, primary, main job of winning the war, will absorb a great many of our workers.

The present situation is brought about because of the selfish, partisan motives of special groups in this country. I am mincing no words. They want to tie it in with contract termination and with aid for veterans. They are not willing to wait until we can provide the simple machinery for clearing out the plants, settling the contracts, setting up an agency which will deal with the distribution of surplus property, and getting the machinery running again. They insist that

they must have legislation dealing with unemployment compensation passed at once.

I want the workers to be provided for. I want adequate protection afforded them. But if tonight we pass the bill which has been reported from the Committee on Military Affairs, all America will know that we have increased unemployment by 25 percent, for we will not only discourage every business and every enterprise but we will invite idleness, because of the exorbitant allowances provided by the bill to unemployed persons and to great classes of people who temporarily have gone into war work in order to earn some of the high wages prevailing at the moment, with no thought of permanently remaining in the labor market. Yet they may cease employment and draw a pension. It is a pension. It has no remotest resemblance to unemployment compensation.

Of course, the sponsors of the bill reported from the Committee on Military Affairs finally did submit an amendment which provides that the placement payments made should be related to the income received. But what does the bill provide in the way of unemployment compensation about which we have been talking? It provides for payments commencing 3 months after it passes, and lasting until the end of all hostilities, perhaps 3 years or 5 years hence. Does the bill provide for payments to be made for a only a limited period of time? No, Mr. President, it provides that payments shall be made for every day in every year until the war ends. What is that but a pension? What remote connection has it with unemployment compensation? It does not even resemble it.

Those are the issues. But we can never get anywhere until we say how we will treat the veterans, and whether we think the time has already come—before the first law we put on the statute books has even begun to be administered, except in minor particulars—to increase the benefits under that bill or, primarily, whether we think we should strip the Veterans' Administration of full jurisdiction over veterans' affairs.

The second question we must answer is whether we are going to leave the State systems of unemployment compensation unimpaired, and whether we are going to permit the people of the States to determine what they will do with the intimate job of deciding what their own people should receive when they are temporarily out of work, and for how long a period. Are we going to perform the whole duty here?

There is nothing complicated about the issues. They are clear-cut and definite, and I think we are ready to vote on them.

Mr. BANKHEAD. Mr. President, if the Senator will yield to me, I desire to ask him a few questions, in addition to those which previously have been asked, about what the cost of operation of the bill will be. How many employees in industry would be eligible for compensation or pension, or whatever it may be, under the Kilgore bill?

Mr. GEORGE. All except domestic servants in private homes, employees of a foreign government, and fathers who are employed by their sons or sons who are employed by their fathers, as the case may be. They are not covered.

Mr. BANKHEAD. I should like to ask another question, Mr. President. What information does the committee have about what number of workers will be involved?

Mr. GEORGE. The evidence before the Special Committee on Post-war Economic Policy and Planning shows that approximately 61,000,000 or 62,000 000 persons are gainfully employed in the United States at this time. I think that included the men and women in the armed service, but I am not sure.

Mr. BANKHEAD. This would not apply to all persons who were gainfully employed, would it?

Mr. GEORGE. It would apply to all but domestic servants in private homes, and, practically, to employees of foreign governments.

Mr. BANKHEAD. It would not be limited, then, to those engaged in war production?

Mr. GEORGE. Oh, no.

Mr. BANKHEAD. It would cover the whole population?

Mr. GEORGE. Yes; with two or three minor exceptions.

Mr. BANKHEAD. Can the Senator give us any information about the probable cost which would be involved?

Mr. GEORGE. We have had that subject under discussion with the Social Security Board itself on the basis of assumed conditions of a fact. Those assumptions had to be drawn, and they are debatable. The Board concedes it. They assume that unemployment will reach a peak of 8,000,000 by the end of 1945, and that on the basis of that assumption, coupled with certain other assumptions which I have already placed in the RECORD, the total cost of the bill over and above all existing obligations of the State and Federal Governments would run to $10,400,000,000.

Mr. BANKHEAD. I thank the Senator.

Mr. KILGORE. Mr. President, I wish to make a brief reply to the remarks of the senior Senator from Missouri [Mr. CLARK] and also in connection with what has been said with reference to the Veterans' Administration.

The bill specifically provides that the administration of the titles which have been referred to shall be placed in the existing agencies adapted to carry them out. Naturally, none of the members of the Military Affairs Committe being veterans, as intimated by the senior Senator from Missouri [Mr. CLARK], it is evident that anyone administering an act like the one proposed would certainly place veterans' affairs under the administration of the Veterans' Administration.

The PRESIDING OFFICER. The question is on the motion of the Senator from Connecticut [Mr. MALONEY] to refer the pending bill to the Finance Committee. On this motion the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DAVIS (when his name was called). I have a pair with the junior Senator from South Dakota [Mr. BUSHFIELD]. I understand that if he were present and voting he would vote as I intend to vote. Therefore I am free to vote. I vote "nay."

Mr. HAYDEN (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. NYE]. I am advised that if he were present he would vote as I intend to vote. Therefore I am free to vote. I vote "nay."

Mr. THOMAS of Utah (when his name was called). I have a pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I am advised that if he were present he would vote as I intend to vote. Therefore I am free to vote, I vote "nay."

Mr. WAGNER (when his name was called). I have a pair with the junior Senator from Kansas [Mr. REED]. I am informed that if he were present he would vote as I intend to vote. Therefore I am at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the senior Senator from Mississippi [Mr. BILBO] is recuperating from a major operation at the Mayo Clinic, and that the senior Senator from Washington [Mr. BONE] and the senior Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from South Carolina [Mr. SMITH], the Senator from Montana [Mr. WHEELER], the Senator from Nevada [Mr. SCRUGHAM], and the Senator from Wisconsin [Mr. LA FOLLETTE] are necessarily absent.

The Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. MCCARRAN], the Senator from Utah [Mr. MURDOCK], and the Senator from Oklahoma [Mr. THOMAS] are absent on public business.

I am advised that if present and voting the Senator from North Carolina [Mr. BAILEY], the Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from Montana [Mr. WHEELER], the Senators from Nevada [Mr. MCCARRAN and Mr. SCRUGHAM] the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Oklahoma [Mr. THOMAS] would vote "nay."

Mr. WHERRY. The senior Senator from Oregon [Mr. HOLMAN] and the senior Senator from North Dakota [Mr. NYE] are necessarily absent. If present, they would vote "nay."

The junior Senator from Minnesota [Mr. BALL], the junior Senator from Idaho [Mr. THOMAS], the junior Senator from Kansas [Mr. REED], and the senior

Senator from New Hampshire [Mr. BRIDGES] are necessarily absent.

The result was announced—yeas 14, nays 61, as follows:

YEAS—14

Aiken	Langer	Shipstead
Chandler	McKellar	Stewart
Connally	Maloney	Tunnell
Green	O'Daniel	Walsh, N. J.
Jackson	Russell	

NAYS—61

Andrews	George	Radcliffe
Austin	Gerry	Revercomb
Bankhead	Guffey	Reynolds
Barkley	Gurney	Robertson
Brewster	Hatch	Taft
Brooks	Hawkes	Thomas, Utah
Buck	Hayden	Tobey
Burton	Hill	Truman
Butler	Johnson, Calif.	Tydings
Byrd	Johnson, Colo.	Vandenberg
Capper	Kilgore	Wagner
Caraway	McClellan	Wallgren
Chavez	McFarland	Walsh, Mass.
Clark, Mo.	Maybank	Weeks
Cordon	Mead	Wherry
Danaher	Millikin	White
Davis	Moore	Wiley
Downey	Murray	Willis
Eastland	O'Mahoney	Wilson
Ellender	Overton	
Ferguson	Pepper	

NOT VOTING—21

Bailey	Gillette	Nye
Ball	Glass	Reed
Bilbo	Holman	Scrugham
Bone	La Follette	Smith
Bridges	Lucas	Thomas, Idaho
Bushfield	McCarran	Thomas, Okla.
Clark, Idaho	Murdock	Wheeler

So Mr. MALONEY's motion to recommit was rejected.

Mr. KILGORE obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator from West Virginia yield?

Mr. KILGORE. I yield.

Mr. BARKLEY. I should like to inquire to what extent further discussion is contemplated before a vote, and whether it is the desire of Senators to remain here until we have concluded the vote, or go over until tomorrow. Senators around me say "yes," we should remain. If I may take them at their word, I expect every one of them to remain in the Senate until the vote has been taken, and not leave the Chamber as soon as we get into further discussion. I am merely trying to ascertain what the Senate desires to do. So far as I am concerned, I would as soon remain here until we finish, or go over until tomorrow.

Mr. WHITE. Will the Senator yield?

Mr. BARKLEY. I have not the floor.

Mr. KILGORE. I yield to the Senator from Maine.

Mr. WHITE. Speaking for myself, and I believe the overwhelming majority upon this side of the aisle, I think the sentiment is that we should remain in session, and give of our time, give of our energy, give of our thought, to the consideration of the pending business, and speed it on its way. There may be some confusion as to details, but I think the principles underlying the proposed legislation are clear in the minds of Senators, and that we should be able to take a definite stand with respect to them.

Mr. President, out of my political experience I have found that the people will forgive mistakes of judgment, but in a great crisis they expect a legislative body to act, they expect a legislative body to remain in session, giving of itself to the working out of wise solutions of problems which confront them. They do not want dilatory action, or inaction. They do not want excuses for not doing the things which are ahead of us to be accomplished.

I think the people would applaud our decision to remain in session and work on this legislative proposal before us until we have brought it to a conclusion, and I hope the majority leader will determine upon that course.

Several Senators. Vote! Vote! Vote!

Mr. BARKLEY. If the Senator from West Virginia will again yield, may I ask to what extent further discussion is to be indulged in prior to a vote? I suppose the first vote will be on the amendment of the Senator from Georgia [Mr. GEORGE] to the Military Affairs Committee bill, as I understand the parliamentary situation.

Mr. KILGORE. Mr. President, I have no idea of making a speech. I am merely about to suggest a couple of amendments.

Mr. BARKLEY. Of course, that is in order.

Mr. KILGORE. They are amendments which should be offered before the bill is voted on.

Mr. BARKLEY. The Senator from Montana can modify his own amendment if he desires.

Mr. KILGORE. I cannot make a modification, so I am suggesting an amendment.

Mr. BARKLEY. In view of the overwhelming vote against the motion to recommit, I think it is apparently the feeling of Senators that they understand the legislative proposal well enough to go through with it and pass upon it at the very earliest moment. I personally had been hoping we could conclude the consideration of the bill today, and if Senators are willing to remain in the Chamber and hear whatever is said, there will at least be a clearer understanding than if they depart from the floor of the Senate and come in when a roll call has been started.

Mr. TOBEY. Mr. President, will the Senator from West Virginia yield to me?

Mr. KILGORE. I yield.

Mr. TOBEY. I am in hearty sympathy with what the Senator from Kentucky has said. We now have an attendance in the Senate the like of which we have not seen for months, an exceedingly large number. Let us act. We know the subject; we have rejected the motion to recommit. Why not let us have a vote and clear this business up? We are ready for the vote.

Mr. HATCH. Mr. President——

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. HATCH. As I was about to ask the Senator from West Virginia to yield, cries arose of "Vote! Vote! Vote!" I am willing to remain here as long as anyone else, so long as any Senator of the United States has anything to offer, and I trust what may be offered will be received courteously and considered, I hope, intelligently.

Mr. KILGORE. Mr. President, I thank the Senator from New Mexico.

Under the rules it is impossible for anyone other than a Senator who offered an amendment to suggest modification to it, but I should like to suggest that in committee print No. 2, S. 2051, which is the amendment offered to the original George bill, at page 22, line 7, it be amended by inserting after the word "dependent" the words "and $20 per week if he has one or more dependents", striking out the words "$18 if he has one dependent, and $24 if he has two or more dependents."

The second amendment I suggest is on page 24, in the same print, at line 7, the end of the line, following the word "wages."

The VICE PRESIDENT. If the Senator will take advantage of a different print of the bill which the Chair is sending him, it may facilitate matters.

Mr. KILGORE. I am talking of the print of August 9. The one which has been handed me by the clerk is dated August 8.

Mr. TAFT. The Senator from West Virginia referred to the print which says "Committee Print No. 2, with clarifying amendments, August 9"?

Mr. KILGORE. That is correct, and I shall furnish the marked copy to the clerk.

At the end of line 7, before the colon, I propose to insert a comma and the words "but in the case of no employee shall the weekly payment be less than $8 per week."

In line 10, on the same page, after the word "dependents" insert the word "and" before "$25"; and in line 11, after the word "one", insert the words "or more", and change the word "dependent" to "dependents", striking out the remainder of line 11 and line 12 down to the colon, making the sentence read:

> For a qualified employee the "interim placement benefit" payable for a week of reemployment in any benefit year shall be 75 percent of the "weekly wages," but in the case of no employee shall the weekly benefit payment be less than $8 per week: *Provided, however,* That these amounts shall be rounded upward to the nearest dollar, but shall not in any event exceed $20 for an individual if he has no dependents and $25 if he has one or more dependents.

That applies only to workers. It does not affect benefits with reference to veterans.

Mr. MURRAY. Mr. President, the amendments suggested by the distinguished Senator from West Virginia have the approval of Senators supporting the Military Affairs Committee bill, and I therefore accept the amendments as modifications of my amendment.

Mr. REVERCOMB. Mr. President, I make this inquiry for information. The modifications now made will not change the structure of the administration of the bill as reported by the Military Affairs Committee. Is that correct?

Mr. MURRAY. Except as amended previously. The bill has been amended heretofore.

Mr. KILGORE. The bill has had a number of clarifying amendments placed in it heretofore.

Mr. REVERCOMB. I understand that, but the suggestions made today only change the amounts; is that correct?

Mr. MURRAY. The modification merely changes the amount provided in the bill.

Mr. BARKLEY. Mr. President, may I ask the Senator from Montana a question? The effect of the Senator's amendment, his own modification, according to the suggestion of the Senator from West Virginia, is that whereas the original bill provided in case of dependents as high as $35 per week in case of three or more dependents, the Senator now reduces that to a maximum of $25 in case of one or more, does he?

Mr. MURRAY. That is correct.

Mr. BARKLEY. That is the substantial effect of that part of it. And then the other amendment on page 22, in lines 7 and 8, provides $20 in line 7 where it now provides $18, and eliminates the $24; is that correct?

Mr. MURRAY. That is correct.

Mr. BARKLEY. And in addition to that fixes a floor of $8 a week below which the compensation cannot go?

Mr. MURRAY. That is correct.

Mr. MEAD. Mr. President, I do not intend to take very much of the time of the Senate, and I certainly shall not delay the vote on the bill more than a few minutes.

Mr. GEORGE. Mr. President, will the Senator permit me, now that the vote seems imminent, to suggest two modifications to the text of the amendment which I have offered, and I will state what they do to the Senate?

Mr. MEAD. I am glad to yield to the Senator.

Mr. GEORGE. The first modification merely makes certain that nothing in the act shall modify or affect or amend the powers now vested in the Veterans' Administration or the administration of veterans' affairs relating to the veterans themselves.

Mr. MURRAY. On what page is that?

Mr. GEORGE. On page 13 of the amendment of August 8 there is a rewrite of subsection (a) of section 302, dealing with the Retraining and Reemployment Administration. The modification thereof simply conforms with the existing Executive order, and declares that nothing in the section shall to any extent affect, amend, or modify the powers now vested in the Veterans' Administration or the Administrator of Veterans' Affairs. I send the modification to the desk.

The second modification, Mr. President, is one which was accepted heretofore by the Senator from Montana [Mr. MURRAY], the amendment known as the O'Mahoney amendment, which was read and presented to the Senate, and accepted by the proponents of the amendment. I am willing to accept it here with a reduction in the salaries of the three members of the appeal board who are to pass on the question of allocation of materials where any agency decides to release its material, from $10,000, as stated in the original amendment, to $8,000, and that is agreeable to the Senator from Wyoming [Mr. O'MAHONEY]. I wish to modify the amendment in that respect.

The modification is as follows:

SEC. 203. (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized by any Government agency having control over manpower, production, or materials, on a restricted basis the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from so participating in such production.

(b) There is hereby created in the Office of War Mobilization and Reconversion a Board of Appeals to consist of three members appointed by the President by and with the advice and consent of the Senate, each of whom shall receive compensation at the rate of $8,000 per year, and shall serve for a term of 2 years. When any person is aggrieved by the action of any such Government agency referred to in subsection (a) in allocating available materials for the production of any item or group of items for nonwar use, such person shall, upon application therefor under such regulations as the Director may prescribe, be afforded an opportunity, forthwith, to present his views thereon at a hearing before the Board of Appeals. If, at such hearing, such person establishes to the satisfaction of the Board of Appeals that as a result of such action his business operations will be seriously interfered with or substantially curtailed because of a shortage of any material necessary to such operations, that his inability to continue business operations will result in a serious unemployment problem for his employees, or that the interests of the consumers of the articles produced or manufactured by such person will be substantially impaired, the Board of Appeals shall make an immediate report thereon to the Director. Thereupon the Director shall allocate to such person such amounts of the material with respect to which the shortage exists as in his judgment will be necessary to prevent substantial hardship to such person, his employees, or consumers.

Mr. TAFT. Mr. President, may we have the first modifying amendment read?

The PRESIDING OFFICER. The clerk will read.

The CHIEF CLERK. On page 13, it is proposed to strike out subsection (a) of section 302 and insert the following:

(a) to have general supervision and direction of the activities of all Government agencies relating to the retraining and reemployment of persons released from war work, including all work directly affected by the cessation of hostilities or the reduction of the war program and to issue necessary regulations in connection therewith. Nothing in this section shall be deemed in any extent to affect, amend, or modify the powers now vested in the Veterans' Administration or the Administrator of Veterans' Affairs.

Mr. MEAD. Mr. President, during the course of this debate the position of organized labor has been mentioned on numerous occasions. The impression was left that one group was enthusiastically supporting the Murray-Kilgore bill, and that other groups may or may not be actively concerned with its passage. I take the floor at this time to point out the position taken by the railroad organizations, and in doing so I read briefly from the national weekly publication called Labor, which is the organ that presents the position of the railroad workers of the country on matters of this character.

Mr. President, as far back as Saturday, April 6, 1944, Labor came out for the Kilgore bill with this heading:

Kilgore's post-war plan contains labor's safeguard.

There is a lengthy article in that issue which explains the provisions of the bill. On Saturday, April 15, the issue of Labor had this heading:

American Federation of Labor stresses urgent nature of the post-war problem. Sees danger of starvation and misery if matters are permitted to drift. Jobless army forecast. Present trend is toward debacle greater than after the close of last war.

Then it goes on to relate Labor's position in support of the bill introduced by the Senator from West Virginia [Mr. KILGORE] and the Senator from Montana [Mr. MURRAY].

In the issue of Labor for Saturday, June 3, there is found this heading:

Organized labor renews its fight for the Kilgore bill. Congress told that failure to plan for jobs may have disastrous results.

There follows a rather long statement favoring the passage of this bill.

In the issue for Saturday, June 17, is to be found another lengthy article on the front page, the heading of which is:

Organized labor pressing battle for the Kilgore bill.

The article states that Mayor LaGuardia made a special trip to Washington to urge action on legislation sought by organized labor to protect workers from the ravages of post-war unemployment. Testifying before a Senate committee, the mayor came out flatfootedly for the Kilgore bill.

In the issue of Saturday, June 24, there is this heading across the entire front page of the newspaper:

Congress votes relief for business, but neglects the Nation's workers. Rail labor chiefs demand action on the Kilgore measure. Leaders insist human rights receive equal treatment with property rights.

In the issue of Saturday, July 8, there is an editorial across the top of the page entitled:

Four million workers will be jobless by the end of the year, A. F. of L. predicts in its plea for the Kilgore bill.

In the issue dated August 5 there is a large headline which reads as follows:

Reconversion is overshadowing issues. Unions request Kilgore bill. Workers must not be forgotten.

Then there is an article entitled:

The American Federation of Labor says: "We heartily endorse the Kilgore bill. It seeks to protect human rights as well as property rights."

In the most recent issue, the issue of Saturday, August 12, there is this heading:

Labor united for Kilgore bill.

The article explains that all the various units of organized labor favor the Kilgore bill. There is this subheading:

All elements of organized labor have forgotten their differences on other issues and are putting everything they have in an effort to gain approval of the Kilgore measure.

Mr. President, I bring these articles to the attention of the Senate because, as I stated at the beginning of my remarks, the impression has been left that labor is not united on this particular issue. The organized workers of the country are united, and they are pressing for the passage of the bill introduced by the Senator from Montana [Mr. MURRAY] and the Senator from West Virginia [Mr. KILGORE].

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. JACKSON. In connection with the very able statement of the distinguished Senator from New York, since he has been kind enough to yield to me in order that I may make a brief statement, I wish to say a word with respect to my personal understanding of the situation and my present mental attitude.

So far as I am concerned, let me say to the distinguished Senator from New York that I am under no misapprehension as to the desires of labor with reference to this bill. I think if I were to be catagorized—which I hope I may never have to be, completely—I would be called a friend of labor. I shall vote on the amendment and this bill as I can best conscientiously see them.

Let me say to the distinguished Senator from New York that I do not believe that either the George bill or the Kilgore bill is adequate and proper to meet the situation which the Nation confronts. I expect to vote against the George amendment; but I wish to have it clearly understood that the reason I shall vote against the George amendment is that I do not wish to go on record as approving the George bill as adequate to the needs of this country. It would do very little to meet the overwhelming shock which we can reasonably expect as a result of the great impact of unemployment due to the cessation of hostilities.

On the other hand, Mr. President, I wish my friends and the friends of the distinguished Senator from New York to understand that when I vote against the amendment offered by the distinguished Senator from Georgia I do not mean to be understood as approving the Kilgore bill. If the amendment of the distinguished Senator from Georgia should prevail, then any opportunity for the distinguished Senator from Montana and the distinguished Senator from West Virginia to get their bill into shape so that I could support it would be lost. So my vote against the George amendment will be a token vote in that respect.

Hence, I say to the distinguished Senator from New York that though I shall vote against the amendment of the Senator from Georgia, if his amendment should prevail, I expect to vote for the George bill, not because it fully meets the situation, but simply because it is better than no bill at all at this time.

Mr. MEAD. Mr. President, before taking my seat I wish to reiterate the fact that the Congress of Industrial Organizations, the American Federation of Labor, and the railroad organizations are united in support of the bill of the able Senator from West Virginia and the able Senator from Montana.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article from the Washington Post of August 8, 1944, entitled "State Jobless Pay Called Inadequate." The article states that there are defects in the State system which should be corrected; that the amount paid to the unemployed worker is entirely inadequate; and that the duration of the payment is not sufficiently long even to be termed "reasonable." I ask to have the article inserted in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of August 8, 1944]

STATE JOBLESS PAY CALLED INADEQUATE—SOCIAL SECURITY BOARD'S CHAIRMAN SEES PLANS FALLING SHORT OF RECONVERSION NEED

Arthur J. Altmeyer, chairman of the Social Security Board, has filed a report with War Mobilization Director James F. Byrnes indicating that State unemployment compensation systems will be unable to protect the Nation against widespread reconversion unemployment.

This report has assumed considerable significance in view of congressional consideration of proposals to supplement State unemployment benefits with Federal funds.

One high administration official who asked that his name be withheld emphasized yesterday that adequate provision must be made for unemployment compensation if workers are to be kept on war jobs until the war ends. At present officials are moving cautiously with reconversion planning to avoid stimulating a flight of workers from war jobs.

DEFECTS ARE CITED

Defects in State insurance systems listed by Altmeyer included:

Limited duration of benefits—28 States provided maximum benefits of 16 weeks or less, as of January, this year.

Low maximum weekly benefit amounts—22 States limit the maximum weekly benefit to $15.

Limited coverage—Only 13 States cover employers of one or more employees. Others exempt small employers. About 2,000,000 workers in Government arsenals, depots, and navy yards and merchant seamen are not covered.

Unduly restrictive disqualifications.

"SPREAD" TOO NARROW

Failure to distribute the excessive financial burdens of reconversion unemployment over the entire country. Some States will exhaust their reserves to get by the reconversion period, while $2,000,000,000 to $3,500,000,000 of other reserves may be untouched in the hands of other States.

"The most serious inadequacy of State unemployment compensation laws," Altmeyer said, "if the limited period during which benefits can be drawn.

"In some States, an unemployed person can draw only 2 or 3 weeks of benefits. Even, in the rather good year 1943, for the country as a whole, one-half of all claimants were still unemployed when they had exhausted their benefit rights.

"In 36 States, over 40 percent of the beneficiaries used up all their benefits; in three States, over 60 percent exhausted all rights. Many workers remained unemployed for long periods after exhausting their benefits."

One proposal before Congress is to provide Federal aid to extend emergency benefits up to $35 a week until 2 years after the end of the war.

"The average weekly benefits of about $12.60 for 1942 and $13.80 for 1943 was only about one-third of the average weekly wage," Altmeyer said. "Thirty-two States pay higher rates for accident compensation than for unemployment compensation."

Benefits are often inadequate in States which have accumulated large reserves, Altmeyer said.

Oregon's reserve fund at the end of 1943 was large enough to pay benefits to 85 percent of employed workers, he said. North Carolina's reserve is large enough to pay benefits to 88 percent of employed workers, yet the average weekly benefit in 1943 was only $7.10—lowest for any State.

Present reserves total $5,000,000,000, enough to provide $20 a week for 20 weeks to 12,500,000 workers if they were in a national pool, Altmeyer indicated. Divided as they are among the States a pattern of poverty and plenty is presented.

SEVEN-PERCENT COVERAGE

He cited research indicating that only 7 percent of the actual wage loss through unemployment in 1940 was covered by benefits. It was estimated that the States, under present regulations, would be unable to underwrite more than 10 percent of the anticipated reconversion unemployment loss.

"It does not seem possible that in the remaining time before the war ends, most State unemployment compensation laws will be sufficiently extended and improved to intensify sufficiently the degree of protection against widespread unemployment," Altmeyer said. "The search for a solution to the problem must, therefore, proceed in other directions."

Mr. OVERTON. Mr. President, I differ with the view taken by the Senator from Indiana [Mr. JACKSON]. I wish to take a practical view of this question, and I hope a statesmanlike view. It is necessary that the Senate act in order that when the House acts there may be a bill in conference. In my humble judgment, this bill will be worked out in conference. I shall therefore vote for the George amendment; and if that is defeated, I shall vote for the Kilgore amendment, in order that the bill may be sent to the House and go to conference.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Georgia [Mr. GEORGE], as modified, to the first Murray-Kilgore amendment, as further modified, striking all after section 101 of that amendment and inserting in lieu thereof certain language.

Several Senators requested the yeas and nays.

The yeas and nays were ordered.

Mr. AIKEN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. AIKEN. Are we about to vote on the George amendment?

The VICE PRESIDENT. The question is on agreeing to the George amendment, as modified, to the first Murray-Kilgore amendment, as further modified.

Mr. AIKEN. As I understand, if the George amendment should fail, then

there would be no opportunity to propose any amendment to that part of the Kilgore bill which has been offered as an amendment to the George bill; and, furthermore, the George amendment itself is not open to amendment.

As I understand, the amendment upon which we are now about to vote is not open to amendment.

The VICE PRESIDENT. That is correct.

Mr. KILGORE. Mr. President, what is the parliamentary situation?

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Georgia [Mr. GEORGE] as modified, to the first Murray-Kilgore amendment, as further modified, striking out all after section 101 of that amendment and inserting in lieu thereof certain language.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HAYDEN (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. NYE]. I transfer that pair to the senior Senator from Nevada [Mr. MCCARRAN], and will vote. I vote "nay." I announce that if the Senator from Nevada [Mr. MCCARRAN] were present, he also would vote "nay."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the senior Senator from Oklahoma [Mr. THOMAS], who, if present, would vote "nay." Having transferred my pair, I am at liberty to vote. I vote "nay."

Mr. WAGNER (when his name was called). I have a general pair with the junior Senator from Kansas [Mr. REED]. I transfer that pair to the junior Senator from Nevada [Mr. SCRUGHAM], who, if present, would vote "nay." Therefore, I am at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the senior Senator from Mississippi [Mr. BILBO] is recuperating from a major operation at the Mayo Clinic.

The senior Senator from Washington [Mr. BONE] and the senior Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from South Carolina [Mr. SMITH], the Senator from Montana [Mr. WHEELER], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Nevada [Mr. SCRUGHAM] are necessarily absent.

The Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. MCCARRAN], the Senator from Utah [Mr. MURDOCK], and the Senator from Oklahoma [Mr. THOMAS] are absent on public business.

The Senator from North Carolina [Mr. BAILEY] and the Senator from Wisconsin [Mr. LA FOLLETTE] are paired. I am advised that, if present and voting, the Senator from North Carolina [Mr. BAILEY] would vote "yea" and the Senator from Wisconsin [Mr. LA FOLLETTE] would vote "nay."

The Senator from Idaho [Mr. CLARK] and the Senator from Iowa [Mr. GILLETTE] are paired. I am advised that, if present and voting, the Senator from Idaho [Mr. CLARK] would vote "yea" and the Senator from Iowa [Mr. GILLETTE] would vote "nay."

Mr. JOHNSON of Colorado. The senior Senator from Montana [Mr. WHEELER] is unavoidably detained. If he were present he would vote "nay."

Mr. DAVIS (after having voted in the negative). I have a pair with the junior Senator from South Dakota [Mr. BUSHFIELD]. I understand that if he were present he would vote "yea." Therefore, I withdraw my vote.

Mr. WHERRY. The following Senators are necessarily absent: The senior Senator from New Hampshire [Mr. BRIDGES], the senior Senator from North Dakota [Mr. NYE], the junior Senator from Kansas [Mr. REED], the senior Senator from Oregon [Mr. HOLMAN], and the junior Senator from South Dakota [Mr. BUSHFIELD]. I am advised that if those Senators were present, all of them would vote "yea" on this question.

The Senator from Minnesota [Mr. BALL] and the Senator from Idaho [Mr. THOMAS] are necessarily absent.

The result was announced—yeas 49, nays 25, as follows:

YEAS—49

Andrews	Ellender	Revercomb
Austin	Ferguson	Robertson
Bankhead	George	Russell
Brewster	Gerry	Stewart
Brooks	Gurney	Taft
Buck	Hawkes	Tobey
Burton	Johnson, Calif.	Tydings
Butler	McClellan	Vandenberg
Byrd	McKellar	Walsh, N. J.
Capper	Maloney	Weeks
Caraway	Maybank	Wherry
Chandler	Millikin	White
Clark, Mo.	Moore	Wiley
Connally	O'Daniel	Willis
Cordon	O'Mahoney	Wilson
Danaher	Overton	
Eastland	Radcliffe	

NAYS—25

Aiken	Jackson	Shipstead
Barkley	Johnson, Colo.	Thomas, Utah
Chavez	Kilgore	Truman
Downey	Langer	Tunnell
Green	McFarland	Wagner
Guffey	Mead	Wallgren
Hatch	Murray	Walsh, Mass.
Hayden	Pepper	
Hill	Reynolds	

NOT VOTING—22

Bailey	Gillette	Reed
Ball	Glass	Scrugham
Bilbo	Holman	Smith
Bone	La Follette	Thomas, Idaho
Bridges	Lucas	Thomas, Okla.
Bushfield	McCarran	Wheeler
Clark, Idaho	Murdock	
Davis	Nye	

So Mr. GEORGE's amendment, as modified, to the first Murray-Kilgore amendment, as further modified, was agreed to.

The VICE PRESIDENT. The question now recurs on the——

Mr. GEORGE. Mr. President, the second amendment offered by the distinguished junior Senator from Montana [Mr. MURRAY] should be adopted.

The VICE PRESIDENT. The next step is on agreeing to the Murray-Kilgore amendment, as now amended by the George amendment. That step is purely a parliamentary one.

Mr. GEORGE. Yes. The second amendment offered by the distinguished junior Senator from Montana [Mr. MURRAY] should be adopted, because——

The VICE PRESIDENT. That amendment has not yet been offered.

Mr. GEORGE. I now offer it.

The VICE PRESIDENT. If the Senator will permit, the next question is on agreeing to the Kilgore-Murray amendment, as amended by the amendment of the Senator from Georgia.

Without objection, the amendment as amended is agreed to.

Mr. GEORGE. Mr. President, the junior Senator from Montana [Mr. MURRAY] offered an amendment, numbered 2, which should be adopted. It is technical, and relates to section or title numbers.

Mr. MURRAY. As I understand, the second amendment has already been offered.

Mr. GEORGE. It was offered. I move the adoption of the second amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. GEORGE. Mr. President, there is a third amendment of the Senator from Montana [Mr. MURRAY] to which I wish to offer two or three amendments. I invite Senators to refer to page 43, line 8, of the committee print numbered 2 of August 9. On page 43, in line 8, I move to strike out of title V the words "Housing and." I also move to strike out section 501, and renumber section 502 so as to read section 501. I also move to strike paragraph (c) of what is now section 502, beginning in line 22 on page 44, and insert in lieu thereof the language which I send to the desk.

I will say in connection with the proposed amendment that it is merely to change the language in order to avoid a difficulty which the Public Works Administrator has brought to my attention.

The VICE PRESIDENT. The clerk will state the amendments offered by the Senator from Georgia.

The CHIEF CLERK. On page 43, in line 8, it is proposed to amend by striking out of the title the words "HOUSING AND."

It is also proposed to strike out section 501 and renumber section 502, so as to read section 501.

On page 44, after line 21, it is proposed to strike out paragraph (c) and insert in lieu thereof the following:

(c) Advances under this section to any public agency shall be repaid by such agency if and when the construction of the public works so planned is undertaken. Any sums so repaid shall be covered into the Treasury as miscellaneous receipts.

On page 45, in line 8, it is proposed to strike out "Alaska, Hawaii, Puerto Rico."

Mr. GEORGE. Mr. President, I may say that the words "Alaska, Hawaii, Puerto Rico" are to be stricken out for the reason that those insular possessions are under the jurisdiction of the Interior Department. It has seemed unwise to bring them into a general planning program inasmuch as the Cabinet member at the head of the Interior Department is already in the field with full authority to act in the premises.

The CHIEF CLERK. On page 45, after line 22, it is proposed to strike out all of

section 601, beginning with paragraph (c); and on page 54, line 4, to strike out the word "Adjustment" and insert in lieu thereof "reconversion."

Mr. GEORGE. Mr. President, I offer en bloc the amendments to the third amendment offered by the distinguished Senator from Montana [Mr. MURRAY].

The VICE PRESIDENT. Without objection, the amendments will be considered en bloc, and, without objection, the amendments to the amendment are agreed to.

Mr. MURRAY. Mr. President, I send an amendment to the desk and ask to have it read.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. At the proper place, it is proposed to insert:

SEC. 608. (a) The Secretary of Labor shall make a full study and investigation as to—

(1) the extent to which the adoption of annual wage systems would contribute to full employment and rising standards of living;

(2) the factors in favor of and against the adoption of various types of annual wage systems in various industries;

(3) present and past use of annual wage systems by particular industries or individual employers;

(4) other wage systems which might contribute to full employment and rising standards of living; and

(5) possible means to be used by the Government through tax advantages or otherwise in promoting adoption of annual wage systems or other wage systems designed to bring about full employment and rising standards of living.

(b) The Secretary of Labor shall submit to the President, the Senate, and the House of Representatives, within 6 months after the enactment of this act, and at such later dates as the Secretary may deem desirable, reports on the results of the studies called for in this section.

The VICE PRESIDENT. Does the Senator from Montana submit the amendment as an amendment to titles V and VI of the bill, or to some other part of the bill?

Mr. MURRAY. The amendment is offered to be inserted at the proper place in the bill.

The VICE PRESIDENT. It is not limited merely to titles V and VI?

Mr. MURRAY. It is limited to title V.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MURRAY].

Mr. REVERCOMB. Mr. President, I rise to inquire for information. As I understand, the proposed amendment would authorize a study and a report to be submitted.

Mr. MURRAY. Yes. The subject has been given considerable study during recent years. The system is already in operation in 36 or 38 corporations. I believe it is a matter which should be given study. It would be a solution to some of our very serious economic problems.

Mr. HATCH. Mr. President, I cannot allow the opportunity to pass without saying that for many months I have been definitely committed to an annual wage. I do not think the proposed amendment will produce an annual wage system, but I certainly hope that the Congress of the United States will make some expression favoring the principle.

Mr. TYDINGS. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a telegram from Gov. Herbert R. O'Conor of the State of Maryland in favor of the George bill, together with other telegrams in favor of either the George bill or the Kilgore bill.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

ANNAPOLIS, MD., *August 8, 1944.*

Hon. MILLARD E. TYDINGS,
United States Senator,
Senate Office Building,
Washington, D. C.:

I urge your support of S. 2051. This proposal permits the States to continue to exercise the necessary freedom in the administration of their unemployment compensation laws. Any amendment to this proposal or any new measure designed to set up Federal standards means indirect Federal controls and subsidies contrary to the resolution unanimously adopted by the last Governors' Conference. The unemployment trust fund of Maryland is now in excess of $100,000,000.

HERBERT R. O'CONOR,
Governor.

BALTIMORE, MD., *August 8, 1944.*

Hon. MILLARD E. TYDINGS,
United States Senate:

Regarding pending Federal unemployment compensation bills, the Baltimore Association of Commerce desires again to record its strong opposition to any bill which tends to transfer the control of unemployment insurance from the States to the Federal Government.

W. G. EWALD,
Secretary, Baltimore Association of Commerce.

BALTIMORE, MD., *August 8, 1944.*

Hon. MILLARD E. TYDINGS,
Senate Office Building,
Washington, D. C.:

Urge you vote for Murray-Kilgore bill. This bill offers best solution for stabilized employment in the post-war era.

LEONARD E. KLINE,
President Local 109 United Electrical Workers Committee of Industrial Organizations.

BALTIMORE, MD., *August 8, 1944.*

Sen. MILLARD E. TYDINGS,
Senate Office Building,
Washington, D. C.:

We urge that you support the Kilgore Reconversion bill, Senate 2061. Only Federal action can bring about reconversion.

OUTSIDE MACHINIST SHOP COMMITTEE,
DAVID SIDES, *Shop Steward,*
C. W. STILLER,
Bethlehem Fairfield Shipyard.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MURRAY].

Mr. GEORGE. Mr. President, I have no objection to the amendment which has been offered by the Senator from Montana.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. REYNOLDS. Mr. President, the passage of the George bill—and evidently it will be passed if one is to judge by a preponderance of the vote registered a moment ago—will require the expenditure of several billion dollars with which to take care of our returning men and women in uniform, and also to take care of men and women who have been working in factories and plants on the home front.

We are called upon to make expenditures of billions of dollars to take care of the unemployed in this country. I shall vote for the George bill. I am very happy to be provided the opportunity of voting money for taking care of American citizens. But I am opposed to taking money out of the pockets of United States citizens and providing employment or upkeep or maintenance for any aliens. I believe that the taxpayers of this country are sick and tired and disgusted with having to pay for the maintenance and for the employment of those who are not American citizens. Therefore I shall provide the members of this body with an opportunity to say to the American taxpayers whether or not they want the American taxpayers to support non-American people who are in this country at the present time. I, therefore, offer the amendment which I send to the desk and ask to have read.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to insert at the proper place a new section reading as follows:

No alien shall be employed in any capacity in the administration of this act unless he has served honorably in the armed forces of the United States.

Mr. REYNOLDS. Mr. President, I ask, therefore, in view of the fact that we are taking money away from our American taxpayers, why we should take their money to employ an alien to administer this act? I therefore ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

The amendment was agreed to.

Mr. REYNOLDS. Mr. President, I do not believe that American taxpayers should any longer be called upon to support aliens, non-American citizens. I do not think it is proper or right. Their burdens are beyond bearing at the present time. I therefore send to the desk another amendment which I ask to have read.

The VICE PRESIDENT. The clerk will read.

The CHIEF CLERK. It is proposed to insert at the proper place the following new section:

No alien shall be entitled to any benefits under this act unless he has served honorably in the armed forces of the United States.

Mr. REYNOLDS. In respect to that, Mr. President, I ask, why should we vote to take money out of the pockets of the taxpayers to pay noncitizens, aliens in this country? I ask for a vote.

Mr. PEPPER. Mr. President, I am sure the Senator does not wish to do anyone an injustice. I do not know whether the amendment would do an injustice or not, but I understand a period of years has to elapse between the time

a foreign-born person makes application for citizenship before he finally obtains citizenship. To all intents and purposes that person might be a part of our citizenry. He might have filed an original application, and he might have filed his second papers. I believe there are three stages.

Mr. REYNOLDS. I do not want the amendment to apply to anyone who has applied for American citizenship. I modify it to that extent.

Mr. BARKLEY. Mr. President, I wish to ask the Senator a question.

The VICE PRESIDENT. Is the Senator also modifying his first amendment?

Mr. BARKLEY. Under the selective-service law, and also under the law permitting voluntary enlistments, which has been suspended on account of the draft law, there is an age limit beyond which no person can serve in the armed forces of the United States, not even a citizen. Does the Senator mean that anyone who happens to be in this country, who is an alien, who is beyond the age limit for military service so that he could not qualify under the amendment, would not be entitled to any benefits?

Mr. REYNOLDS. I certainly do mean that, because there are between five and six million aliens in the United States, and many of them have had more than 20 years in which to qualify for American citizenship, but have not done so. I say it is unfair for American taxpayers to have to continue to provide employment for noncitizens, or to provide money to sustain them.

Mr. TAFT. Mr. President, this amendment and this argument might have some bearing if the Kilgore-Murray bill were adopted, but under the George bill the only benefits paid are those paid to Government employees, two or three million people who have been working in Government plants. The theory of extending the act to them is that the United States is their employer, exactly as a private person may be an employer. Aliens are entitled to compensation under the unemployment-compensation laws of all the States as a matter of right, because they have worked in the United States. So also in the case of Government employees in the arsenals and navy yards, whether aliens or not. The way the payment of unemployment compensation differs from relief is that it is a contract right, part of the wages the people earn. Aliens are just as much entitled to it as are any citizens of the United States.

Mr. DOWNEY. Mr. President, inasmuch as the amendment will probably be decided on a voice vote, I wish to announce in advance that I shall vote in the negative. I think this amendment might result in innumerable tragedies in this Nation to innocent and unfortunate and law-abiding people. I think it is a matter which should have much more serious consideration than by being rushed through the Senate in this manner. I merely wanted to let my good friend, the distinguished Senator from North Carolina, know that my vote would be in opposition to the amendment.

Mr. GEORGE. Mr. President, I regret that the Senator has offered the amendment. I hope it will be voted down. There are only two instances in which direct money benefits would be given, under the bill as it now stands. First and principally is the provision which brings under the unemployment compensation systems of the States, or at the State levels, all Federal employees. If aliens have been employed by the Government and are in the employ of the Government, as the Senator from Ohio properly points out, they would have contributed; if they were working for private employers and are now working for the Federal Government, certainly they should not be precluded from making their payments into the system in order to protect them in the event they became unemployed.

The Senate should not adopt the amendment for the very simple reason that this would be an act most inconsistent with what we have done today. It would be a direct interference with the judgment and decision of the State authorities, who have provided by their law, for the payment of unemployment compensation.

Mr. REYNOLDS. Mr. President, I accept the Senator's view.

Mr. GEORGE. The only other instance is the case of the transportation of workers, and certainly if we have induced workers to work in the war plants we should not deny transportation for their return to their homes, whether they are aliens or citizens.

Mr. REYNOLDS. I withdraw the amendment.

Mr. GEORGE. I am very happy the Senator has done so.

Mr. REYNOLDS. Mr. President, I wish to give every Member of this body an opportunity to be recorded on another question, a very important one. To repeat, which it is necessary that I do in discussing this particular amendment, the taxpayers of America are soon to be called upon to vote billons upon billions of dollars to be paid for many years to come in taking care of the unemployed. At the present time there are in this country between five and six million aliens. Many have been here for more than 20 years, but they have not thought sufficiently of this Government to make application for citizenship. Many have been here for less periods of time. As a matter of fact, aliens have been flocking to this country for years past, and are doing so now. The truth about the matter is that I have a report from the Department of Immigration in Philadelphia to the effect that since the present war began in Europe, on September 3, 1939, more than 580,000 aliens have come into the United States. How many have gone out of the country I do not know.

In view of the fact that our overburdened taxpayers in the United States are going to have to pay the unemployed, and in view of the further fact that we do not have enough jobs to go around, I think the time has arrived when we should close the gates, and not let anyone come into the United States until we have provided jobs for the citizens of our country, jobs for our men and women in uniform all over the world, jobs for our men and women who are now in war plants, and who will be unemployed, and who will have to be taken care of by the taxpayers when the war is over. When the war ends the great flood of money will cease, and there are going to be many individuals who will be broke. There will be a great deal of trouble because people will want work. With respect to the few jobs there are my opinion is that we should give them to our own citizens. If we have any jobs I think we ought to give them to the men and women from our respective States who are now bleeding and dying all over the world to make free the lands of those who have come to this country from Europe and other parts of the world and who are taking jobs here while our boys are fighting to save their homelands. The time has come, I think, when we should not let another alien come into this country until we have provided jobs for our own people, because those of our citizens who will not be employed must be supported by the taxpayers of this country.

Therefore I submit an amendment which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The Chief Clerk. At the proper place in the bill it is proposed to insert the following new section:

SUSPENSION OF IMMIGRATION

SEC. —. (a) After the date of enactment of this act, and until the expiration of 5 years after the termination of the present war as proclaimed by the President, no immigration visa shall be issued to any immigrant.

(b) Terms defined in the Immigration Act of 1924 shall, when used in this act, have the meaning assigned to such terms in that act.

Mr. REYNOLDS. Mr. President, instead of taking the time of the Senate, I ask to have published at this point in the RECORD a statement submitted by John B. Trevor on behalf of the American coalition, made before the Committee on Immigration and Naturalization of the House of Representatives.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REFUGEES, 1944

Mr. Chairman and gentlemen of the committee: Permit me on behalf of the American coalition to submit for your consideration the following statement in reference to the problem of refugees which has been raised by the President's message and the House resolutions which are now before the committee.

On June 12 the President, in a special message, advised Congress that he had authorized the making of arrangements for the entry into the United States of approximately 1,000 refugees. These refugees are to be placed, said the President, in a vacated Army camp on the Atlantic coast, were they would remain under appropriate security restrictions.

This order of the President raises two momentous questions, which demand the immediate and serious consideration of the Congress and the people of the United States. There is first the question of policy, and there is, then, the equally important question of constitutional law.

The policy of exclusion of refugees was considered in all its aspects following the First World War. Millions of people were not only displaced by war, but were in peril of extermination as a result of the revolutions which were the sequence of war in Russia, the Balkans, Hungary, and even in Germany itself. In the Russian terror, within a brief period, the Communist dictatorship slaughtered 1,800,000 men, women, and children under circumstances of ruthless barbarity. Two million or more fugitives from Russia alone clogged the highways and byways of the world. Millions more from all countries of Europe sought to migrate to the United States. The Honorable Albert Johnson, chairman of the House Committee on Immigration and Naturalization at that time estimated the total to approximate 10,000,000 people. Lack of transportation alone checked the influx at its inception.

Congress, however, recognized not only the economic peril to our American standard of living, but also, appreciated the political menace which would be incident to the entry of millions of people whose traditions were radically different from those established in North America by the founders of the Republic. Therefore Congress passed the first quota law, known as the Immigration Act of 1921. The failure of this law to meet expectations resulted in the passage 3 years later, of a more stringent measure. That law is now in force and is known as the Immigration Act of 1924.

In addition to these laws, the Congress, since the last war, has placed upon the statute books a number of measures providing for the exclusion of certain classes of aliens such as anarchists, and members of other subversive groups of a revolutionary character.

A review of the history of the present administration's policy of enforcement of this legislation and its efforts to weaken its tenor or block any extension of the provisions of existing statutes is too well known to need any review here. It will suffice to recall that the act to register aliens was vigorously opposed by the administration until the advent of war made its passage by Congress inevitable.

In the autumn of 1942, the President sent a message to Congress asking that power be delegated to him to modify or annul any part or all of any immigration act then on the statute books. The reasons advanced in the President's message and the testimony of Government witnesses were wholly unconvincing and the Ways and Means Committee of the House of Representatives unanimously refused to report the bill.

The President has now revived the issue by ordering the admission of refugees outside of the regular immigration procedure. (See the President's cable to Ambassador Murphy published in the Department of State Bulletin of June 10, 1944.)

A careful analysis of the President's message of June 12 fails to disclose any moral or legal justification for this extraordinary action. The pertinent part of the President's message is summed up in the following words:

"Recently," said the President, "the facilities for the care of refugees in southern Italy have become so overtaxed that unless many refugees who have already escaped to that area and are arriving daily from the Balkan countries, can be promptly removed to havens of refuge elsewhere, the escape of refugees to that area from German-occupied territory will be seriously impeded. It was apparent that prompt action was necessary to meet the situation. Many of the refugees in southern Italy have been and are being moved to temporary refuges in the territory of other and friendly nations. However, in view of the number of refugees still in southern Italy, the problem could not be solved unless temporary havens of refuge were found for some of them in still other areas. In view of this most urgent situation it seemed indispensable that the United States in keeping with our heritage and our ideals of liberty and justice take immediate steps to share the responsibility for meeting the problem."

This statement by the President in his message to Congress on June 12 is amazing, because less than 2 weeks previously, in reply to a question at his news conference, Mr. Roosevelt said that he favored the establishment of "free ports" to facilitate the relocation of war refugees but that these ports need not be in the United States. (Cf. New York Times, May 31, 1944.)

The President might have added, if he had seen fit, that "since May 1, 1944, the United Nations Relief and Rehabilitation Administration has been administering in the Middle East six refugee centers" and also that "Camp Marshall Lyautey, near Casa Blanca, is a joint United States-United Kingdom undertaking to which stateless and other refugees in Spain are being removed so that other refugees may be able to enter Spain from enemy-occupied areas." (Cf. Department of State Bulletin, June 10, 1944.)

In other words, there is no demonstrable urgency which demanded the issuance of an order by the President to ship 1,000 refugees to the United States for entry "outside of the regular immigration procedure," as he stated in his cable to Ambassador Murphy, to which reference has already been made.

The policy of assisting refugees to reach north Africa and maintaining them until an opportunity is afforded for their repatriation is as commendable and defensible as their introduction into the United States in defiance of law is reprehensible and indefensible.

The Congress and the American people must understand that the order of the President providing for the entry of 1,000 refugees establishes a precedent which should not be countenanced. The refugee problem in Europe, and, indeed, elsewhere, is not to be settled by the admission into the United States of 1,000 aliens outside the regular immigration procedure.

The magnitude of the problem is suggested in the testimony of the Honorable Dean Acheson, Assistant Secretary of State, before a joint meeting of Deficiency and War Department Subcommittees of the House of Representatives on Foreign Relief. "Similarly," said Mr. Acheson, "when you come to the displaced persons problem, you have there something the like of which has never faced civilization before, so far as I know. You have in Europe 20,000,000 people who are away from their homes, in Asia probably 40,000,000 people. * * *

"Mr. TABER. Do you mean refugees?

"Mr. ACHESON. Yes, there are 20,000,000 of these people. Most of them are in a country other than their own country. They are not the responsibility of the country where they are now found; they are the responsibility of the country to which they are going. They cannot be turned loose and sent back to the country to which they belong until that country is prepared to receive them."

The fact of the matter is that the refugee problem so far as it concerns the United States is the problem of U. N. R. R. A. for which the administration has asked the Congress to appropriate $450,000,000, with an authorization to use an additional $350,000,000. That is to say a total of $800,000,000 for immediate use out of the $1,350,000,000 of appropriations which the Congress has authorized.

A study of the records of migratory movements after the First World War and the testimony of the well-known news commentator, Mr. Henry J. Taylor, in his outstanding book entitled "Men in Motion," indicate that millions of people in Europe will seek not merely a temporary refuge overseas but rather a permanent severance of all ties with their native lands. "Europe," says Mr. Taylor, "remains overcrowded to the extent of something like 60,000,000 people." (Men in Motion, p. 104). "* * * Europe's only hope is a second gigantic migration * * *" (ibid., p. 106).

"The story of migrations is the story of small movements which accumulate as the result of small events. As the small migrations accumulate the great waves of migration appear to be dormant, but when the accumulations have taken place events occur. And with these events, such as World Wars Nos. 1 and 2, the next great wave of migration breaks out again, and man populates the earth.

"Yet the chances are overwhelming that, if Americans are not exceedingly watchful, we shall find the Europeans knocking at the doors of the United States and urging us to let them in here.

"It hardly seems conceivable that we should be so dull and thoughtless as to permit this. But there are many indications that it can happen and that Africa, the other colonies, and the dominions will be passed over by the Europeans, preserved in very much their present state, while arguments will be advanced, presumably along so-called humanitarian lines, to obtain immigration to the United States" (ibid., pp. 108–109).

Mr. Taylor concludes his chapter "Europeans can make this contribution" with the following pertinent remarks, "First, all refugees are not good refugees. Europe was very glad to get rid of many of these people, some of whom exasperated everyone abroad with their infatuation for thinking and talking and not working. Others had been ceaseless troublemakers wherever they were, castigating all who disagreed with them and assuming a superiority to which they somehow claimed title by virtue of the fact that Europe was old and wise and they were Europeans. * * * Second, we should not take any immigrants at all. We are doing other welfare services. We are doing them on a scale so vast that our gifts are nearly beyond enumeration. We should not receive refugees in exchange." Mr. Taylor speaks from personal observation. He has traveled over 100,000 miles by air. Men in Motion is a compilation of his findings. It is a great book and every American should read it and heed what he has to say.

Africa is the solution of the refugee problem. Our armies have overrun Morocco (the French Zone), Algiers, and Tunis. The British hold Egypt and conquered Tripoli. Tunis is only 303 miles from Naples. The area of its territory is something over 48,000 square miles, or approximately that of North Carolina. The population of Tunis is 2,608,313, with a density per square mile considerably less than that of North Carolina. Tunis has been a substantial exporter of foodstuffs. For example: In 1937 Tunis exported grain to the value of 232,025,000 francs; live animals to the amount of 24,824,000 francs; animal products, 72,834,000 francs; vegetable oils, 134,169,000 francs; beverages and wines, 152,104,000 francs; and fruits and seeds, 43,444,000 francs.

The city of Algiers, the capital of Algeria, is only 581 miles from Naples. The population of Algiers was, according to the census of 1936, 7,234,684, settled on an area of 847,000 square miles; that is to say, Algeria is only a trifle smaller than the combined areas of the States of Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, and Nevada. Algeria, like Tunis, has been also a substantial exporter of foodstuffs. For example, in 1937, Algeria exported the following: Animal products valued at 423,218,000

francs and vegetable products at 3,379,701,000 francs. The French Zone of Morocco, which is now under our military control, has an area of approximately 200,000 square miles, or, let us say, about twice the size of the States of New York, New Jersey, and Pennsylvania combined. A census of the French Zone taken in 1936 shows a total population of 6,298,528. Agriculture is by far the most important industry and, like Tunis and Algeria, Morocco has been an exporter of foodstuffs. In 1938 Morocco exported cattle, sheep, and pigs to the value of 45,952,000 francs; eggs, 62,647,000 francs; wheat 192,849,000 francs; barley, 32,511,000 francs; dried vegetables, 59,498,000 francs, and fish, 90,373,000 francs.

It will be observed that the combined area of these sparsely settled provinces of North Africa is substantially greater than a third of the area of continental United States, and that it is not merely potentially an important source of foodstuffs but that prior to the outbreak of war it was a large exporter of these commodities to markets which are now closed. That is to say, these provinces are capable now of supporting a large population of refugees from their own resources provided that the allied military establishments are maintained by supplies shipped in from overseas. In this connection it must not be forgotten that the United States is now importing foodstuffs from the Argentine (cf. New York Sun, June 14, 1944) to supplement our domestic supplies. Inasmuch as the steaming distance from Buenos Aires to Algiers is only 5,453 miles as compared with a steaming distance of 5,871 miles to New York, it is wholly illogical to import refugees to the United States on the theory that it is easier to feed them here than in Africa.

When to these facts are added the hazards of shipping refugees 4,200 miles from Naples to New York in time of war, as compared with transporting them only 300 miles to Tunis and less than 600 miles to Algiers, the humanitarian argument is completely demolished.

The second question raised by the President's order to admit 1,000 refugees "outside of the regular immigration procedure" presents to the Congress and to the American people a problem of constitutional law of the first magnitude. That question is this: Has the President the power to set aside an act or any part of an act of Congress restricting or prohibiting the entrance of aliens or certain classes of aliens into the United States on the theory that in time of war he has an unlimited reservoir of constitutional and statutory powers which are sufficient to sustain such extraordinary action? Here is what the President says: "You should bear in mind that since these refugees are to be placed in a camp in the United States under appropriate security restrictions, the procedure for the selection of the refugees and arrangements for bringing them here should be as simple and expeditious as possible, uncomplicated by any of the usual formalities involved in admitting people to the United States under the immigration laws." Excerpt from President's cable to Ambassador Murphy.)

It will be recalled that in the autumn of 1942, the President, in a special message to Congress, asked that the power be delegated to him to annul any immigration law or part thereof wholly, or to such extent as he deemed necessary, in order to facilitate his conduct of the war. In one of the introductory paragraphs of this memorandum it has been pointed out that when a bill providing for such a delegation of power came before the Ways and Means Committee of the House of Representatives for consideration, that committee unanimously declined to report the bill to Congress. This request from the President for a delegation of power and the testimony of the Attorney General before the Ways and Means Committee in support of what was called the third war powers bill would seem to establish beyond dispute that all preceding grants of authority did not go so far as to authorize any such order as the President has now issued in respect to the entry of the 1,000 refugees referred to in his special message to Congress on June 12, 1944.

In a letter to a United States Senator of which the substance is set forth in the New York Daily News of June 27, 1944, the Attorney General appears to have completely reversed the opinion that he gave to the Committee on Ways and Means of the House of Representatives on November 18, 1942, respecting the necessity of additional legislation to relieve the President from mandatory provisions of the immigration laws. He now seeks to draw an analogy between the admission of refugees under the President's order and the detention of prisoners of war outside of the requirements of these statutes. No such analogy is justified because the status of prisoners of war has definite statutory recognition and the conditions of their detention are specifically provided for in a series of international conventions to which the United States is a party. The most recent of these conventions is set forth in a United States Government publication, Treaty Series No. 846, entitled "Prisoners of War."

The reference by the Attorney General to the internment of the crews of Russian war vessels in the course of the Russo-Japanese War, is neither relevant nor pertinent. The obligation of a neutral government to intern members of the armed forces of a belligerent who enter their territory has long been established by generally accepted provisions of international law. This recognition of the law of nations respecting the internment of armed land or naval forces of a belligerent nation is specifically referred to in title 18, section 37 of the United States Code. There is nothing of a comparable nature covering refugees. A refugee seeks to enter a foreign country of his own initiative. Prisoners of war are members of the armed forces of the enemy and the only civilians who are covered by the international convention, to which reference has already been made, are specifically limited to special classes "such as newspaper correspondents and reporters, contractors, who fall into the enemies' hands and whom the latter think it expedient to retain." Such persons, be it noted, in order to be entitled to the privileges of treatment as prisoners of war, must have in their possession a certificate from the military authorities of the armed forces which they were accompanying.

The Attorney General goes even further in trying to develop his analogy between refugees and prisoners of war, by pointing to a recent practice of our Government in admitting into the United States German, Italian, and Japanese nationals who have been deported by Latin-American countries to the United States under an arrangement whereby they are interned in this country. The legality of such an arrangement, whereby civilian political prisoners of a foreign nation have been admitted into the United States for internment, should be scrutinized with the greatest care. That these people constituted a grave danger to the Latin-American countries which deported them is self-evident.

It would seem, therefore, to be a reasonable assumption that they are members of one or the other of the Fascist or Nazi subversive groups who constructively fall within the scope of the provisions of title 8, section 137. That is to say, presumptively they believe in the overthrow by force or violence of the Government of the United States. If they do, the law is explicit. Such persons are mandatorily excluded from entry into the United States. If such persons are found in the United States, the executive branch of the Government is under a mandate to deport them whence they came (cf. title 8, sec. 137, subsec. (g)). It is suggested also that the provisions of law discussed in the following paragraph have a bearing on the propriety, or rather impropriety, of admitting these aliens. Certainly, it can safely be said that there is no justification in this action of our Government for an assumption of authority to admit refugees outside of the regular immigration procedure.

Title 8, section 144, relating to the "bringing in or harboring or concealing certain aliens" expressly prohibits any person from bringing in or even landing in the United States any aliens not duly admitted by an immigration inspector or not lawfully entitled to enter or to reside within the United States. In order that there may be no doubt as to the meaning of this section, it is here set forth in full:

"SEC. 144. Any person, including the master, agent, owner, or consignee of any vessel, who shall bring into or land in the United States, by vessel or otherwise, or shall attempt, by himself or through another, to bring into or land in the United States, by vessel or otherwise, or shall conceal or harbor or attempt to conceal or harbor or assist or abet another to conceal or harbor, in any place, including any building, vessel, railway car, conveyance, or vehicle, any alien not duly admitted by an immigrant inspector or not lawfully entitled to enter or to reside within the United States, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $2,000 and by imprisonment, for a term not exceeding 5 years for each and every alien so landed or brought in or attempted to be landed or brought in" (Feb. 5, 1917, ch. 29).

It should be observed that the use of the words "any person" is all inclusive, and standing by itself this section clearly prohibits the admission of aliens "outside of the regular immigration procedure" by any official of the United States. This section of the immigration laws, however, does not stand by itself. It is fortified by the provisions of title 8, section 136, of the United States Code which enumerates the classes of aliens excluded from admission into the United States. Subsection (b) of this section enumerates paupers and similar indigent aliens, but even more important and decisive, is the mandatory provision of subsection (1) that "persons likely to become a public charge" are excluded. Obviously refugees imported by the United States on United States ships and maintained in a camp at the expense of the American taxpayer are not merely likely to become public charges, but they are ipso facto public charges.

The fact that the refugees whose admission is specifically ordered by the President must be definitely classified as public charges is established by the following excerpts from a memorandum sent by the President on June 8 to the Secretaries of War, Navy, and Interior, the Director of the Budget, and the Executive Director of the War Refugee Board. "These refugees will be brought into this country outside of the regular immigration procedure and placed in Fort Ontario near Oswego, N. Y."

* * * * *

"(4) Until U. N. R. R. A. is in a position to assume the financial responsibilities involved, the Bureau of the Budget shall make arrangements for financing the project, using to the extent possible any available funds of the War Department, the War Relocation Authority, and the War Refugee Board, and from the foreign war relief appropriation, and, if necessary, drawing upon the President's emergency fund."

Subsection (1) of section 136 of title VIII of the United States Code is further fortified by the succeeding subsection of this section, which provides that "persons whose tickets or passage is paid for with the money of another, or who are assisted by others to come,

unless it is affirmatively and satisfactorily shown that such persons do not belong to one of the foregoing excluded classes;" • • • It is indisputable, as has already been pointed out, that refugees belong to one of the excluded classes, that is to say, as persons likely to become a public charge (subsec. (i), and possibly also as paupers or vagrants (subsec. (b)). All persons mandatorily excluded from admission into the United States by title VIII, section 136, are, therefore, "not lawfully entitled to enter or to reside within the United States" within the meaning of title VIII, section 144, of the United States Code, to which reference has already been made. These provisions of law are conclusive against the admission of refugees "outside of the regular immigration procedure," as contemplated in the President's order.

It may, perhaps, be well to add that "any alien who at the time of entry was a member of one or more of the classes excluded by law" is mandatorily deportable if found within the United States at any time within 5 years after entry (cf. title 8, sec. 155, U. S. C.). Furthermore, if an alien happens to belong to one of the subversive groups, he is deportable at any time after entry (cf. title 8, sec. 137, subsec. (g)).

It is wholly erroneous to suppose that there is any provision of the immigration laws which authorizes the admission for temporary residence in the United States of any of the classes of aliens who are mandatorily excluded by law. It is evident that the refugees who have been ordered to be admitted by the President "outside the regular immigration procedure" are also mandatorily excluded by the provisions of the Immigration Act of 1924. That is to say, not only because of the probable exhaustion of the quotas applicable to the countries of which they are citizens, but also because title 8, section 202, subsection (f) prohibits a consular officer from issuing an immigration visa to any alien whom he knows or has reason to believe is inadmissible to the United States under the immigration laws and subsection (g) which provides that "nothing in this chapter shall be construed to entitle an immigrant, to whom an immigration visa has been issued, to enter the United States, if, upon arrival in the United States, he is found to be inadmissible to the United States under the immigration laws."

As has already been pointed out, the refugees are unquestionably mandatorily excluded from entering into the United States by title 8, section 136, subsection (1) and title 8, section 144. Be it noted in connection with the various provisions of the Immigration Act of 1924, that under section 223, the provisions of that law are in addition to and not in substitution for the provisions of the immigration laws, and shall be enforced as a part of such laws, and all the penal or other provisions of such laws, not inapplicable, shall apply to and be enforced in connection with the provisions of this law. Attention is particularly directed to the fact that an alien, although admissible under the provisions of this law, shall not be admitted into the United States if he is excluded by any provision of the immigration laws other than this law, and an alien admissible under the provisions of the immigration laws other than this law, shall not be admitted into the United States if he is excluded by any provision of the Immigration Act of 1924.

In accordance with the terms of section 223, it is perfectly clear that refugees for reasons repeatedly set forth above are not admissible as nonimmigrants as defined in section 203.

At the beginning of this discussion of the legal aspects of the President's order to admit 1,000 refugees, it was pointed out that from the President's effort to secure a delegation of power from Congress to annul the immigration laws in whole or in part, it is fair to assume that he not only had no such power but also that he did not believe he had such authority. There has been an erroneous assumption by some people that because the Constitution designates the President as Commander in Chief of the Army and of the Navy, he has acquired an extension of civil powers not specifically conferred upon him by law. The fact is that the President has no power by virtue of his position of Commander in Chief of the Army and Navy to set aside an act of Congress. Indeed, an examination of the Constitution shows that the Congress is specifically authorized "to make rules for the Government and regulation of the land and naval forces" (art. I, sec. 8). The President, therefore, as Commander in Chief of the Army and Navy is definitely subjected to the rules laid down by the Congress for the government and regulation of the armed forces that he commands. Any other interpretation of the President's powers would imply that we have now existing in the United States the same evils which we are combating in Europe and Asia.

At the moment, there is before the Committee on Immigration and Naturalization, in the House of Representatives, a series of resolutions identical in purpose. These resolutions are numbered as follows: House Resolution 576, introduced by Mr. DICKSTEIN, of New York, chairman of the House Committee on Immigration and Naturalization; House Resolution 581, introduced by Mr. LANE, of Massachusetts; House Resolution 583, introduced by Mr. ROWAN, of Illinois; House Resolution 584, introduced by Mr. MARCANTONIO, of New York; House Resolution 585, introduced by Mr. SCANLON, of Pennsylvania; House Resolution 587, introduced by Mr. CELLER, of New York; House Resolution 588, introduced by Mr. TORRENS, of New York; House Resolution 594, introduced by Mr. BYRNE, of New York.

With the exception of the resolution introduced by Mr. CELLER, House Resolution 587, who uses a different phraseology to express the same purpose as those of his colleagues, the text of these resolutions appears to be identical, and, as they seem to follow the phraseology used by Mr. DICKSTEIN, a copy of his resolution, House Resolution 576, follows:

"Whereas it is common knowledge that countless thousands of innocent persons, of all racial groups and religious beliefs, in many of the countries of continental Europe have been murdered or otherwise ruthlessly persecuted by the Axis nations; and

"Whereas it is accepted by well-informed people that unless something is done in the immediate future countless more thousands will be murdered or otherwise ruthlessly persecuted; and

Whereas under the present existing immigration laws, unlike the limitation on the number of persons who may come to the United States permanently as immigrants, there is no such limitation on the number of those who may come temporarily; and

Whereas the United States can and should contribute its facilities for the temporary relief of such persons by admitting some of these distressed people temporarily to specified areas to be known as free ports for refugees: Therefore be it

"*Resolved*, That it is hereby declared to be the sense of the House of Representatives that the President should take such action as is necessary, within Executive powers under existing law, to admit temporarily into designated areas within the United States, to be known as free ports for refugees, aliens who can establish satisfactorily that they are bona fide political or religious refugees from countries in continental Europe, such temporary admission to be conditioned that such aliens will remain in the prescribed areas, will be admitted for a period not to exceed 6 months after hostilities have ceased, and shall not thereby be considered as having acquired any rights to be or remain in the United States: *Provided, however*, That it is further the sense of the Congress that no persons should be admitted, in accordance with the spirit of this resolution, if they are afflicted with any loathsome, dangerous, or contagious diseases.

"It is further urged as being within the spirit of this resolution that as time is strictly of the essence in the success of the purpose of the resolution, the President is urged to act as soon as possible."

An analysis of this resolution which, as has already been said, is in substance identical with those enumerated in a preceding paragraph demonstrates a curious misapprehension both of the facts of the situation and of the law. Obviously the passage of a resolution by the Congress recommending to the President that he should take such action as is necessary to admit refugees on a temporary basis can have no effect whatsoever in preventing the murder in the immediate future of countless thousands of unfortunates who have incurred Hitler's enmity and are still within the reach of his ruthless minions.

In an earlier section of this memorandum a practical and reasonable solution for the rescue and rehabilitation of refugees who have escaped from Axis territory is clearly set forth without a reversal of our immigration policy or the necessity of any amendment of our immigration laws.

As Mr. Pegler well said in one of his recent columns: "Past performances in many fields instinctively suggest that the promise that these refugees will be repatriated after the war and meanwhile restricted will not be kept. Past performances suggest also that once a principle has been conceded by importation of 1,000 European aliens with no pretense that they are eligible or suitable for permanent residence here, the number that will be brought in later will be limited by shipping facilities, individual pull exerted through personal friends and organizations in the United States, and public tolerance." (Washington Daily News, June 14, 1944.) That is the undiluted truth.

Of course, it will be understood by anyone who has carefully followed the analysis of our immigration laws set forth in the course of this memorandum that the assertion in paragraph 3 of House Resolution 576, and its counterparts, that there is no limitation on the number of aliens who may come in temporarily is utterly without foundation. The prohibition in the law against the admission of aliens liable to become a public charge is absolute. Even if it were not for the provisions of the act of 1917 forbidding the entry of various classes of aliens under any conditions, as has been set forth previously in detail, a careful reading of title 8, section 203, which enumerates the classes of aliens who are not classified as immigrants and therefore eligible for temporary admission, indicates that upon the broadest interpretation a refugee cannot constructively be brought within its provision. Here is how section 203 reads:

"When used in this chapter the term 'immigrant' means any alien departing from any place outside the United States destined for the United States except—(1) an accredited official of a foreign government recognized by the Government of the United States, (2) an alien visiting the United States temporarily as a tourist or temporarily for business or pleasure, (3) an alien in continuous transit through the United States, (4) an alien lawfully admitted to the United States who later goes in transit from one part of the United States to another through foreign contiguous territory, (5) a bona fide alien seaman serving as such on a vessel arriving at a port of the United States and seeking to enter temporarily the United States solely in the pursuit of his calling as a seaman, and (6) an alien entitled to enter the United States solely to carry on trade between the United

States and the foreign state of which he is a national under and in pursuance of the provisions of a treaty of commerce and navigation, and his wife, and his unmarried children under 21 years of age, if accompanying or following to join him."

Bearing in mind always that refugees are barred by other provisions of law than those referred to above, they nevertheless could not truthfully be classified as tourists or as visitors entering the United States temporarily for business or pleasure. A refugee who has abandoned his residence in an enemy state and forfeited his allegiance is definitely debarred from return. Indeed, the possibility of his eventual return is wholly problematical. In this connection note that under the provisions of section 220 of the Immigration Act of 1924, of which section 203 is a part, that any person who obtains, accepts, or receives any immigration visa or permit knowing it to have been procured by means of any false claim or statement is guilty of a grave offense for which he can be fined up to $10,000, or imprisoned for not more than 5 years or both. Any person who connived or assisted an alien to violate this provision would of course, be liable to prosecution for a conspiracy to commit an offense against the United States.

Finally, it may be said, that there are provisions in the immigration laws which prohibit the admission of criminals or persons who admit having committed a crime or misdemeanor involving moral turpitude, prostitutes, procurors, or pimps; also aliens belonging to subversive groups or who believe in or advocate the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either of specific individuals or of officers generally) or of any organized government, because of his or their official character. If refugees are admitted outside of the regular immigration procedure, no information as to whether or not any of them might be so classified, would be elicited.

Mr. Chairman, under the terms of the resolutions before the committee, any anarchist or Communist may be admitted upon establishing the fact that he is a bona fide political or religious refugee. The refugee may also be a white slaver, a narcotic peddler, or even an habitual criminal and yet secure admission within the spirit of the resolutions, providing only that he has not a loathsome or contagious disease.

To be sure, I recognize the fact that these persons are to be kept under restraint but if the experience of the past 20 years teaches us anything, I venture to suggest it will not be long before organizations sponsoring these resolutions will be coming before your committee to lament the confinement of aliens on American soil in concentration camps because of their political or religious beliefs.

To sum up, Mr. Chairman, I and my associates feel that the Congress and the American people are faced with another and most serious drive to undermine and ultimately destroy the whole policy of restriction upon immigration into the United States. It has been shown that upon humanitarian grounds it is infinitely preferable that all refugees from Axis territory be cared for temporarily in north Africa, and that the probability is that not only will these refugees not return to the land of their birth but also that there are millions in Europe who will probably be forced to migrate elsewhere on the conclusion of hostilities. Any refugees admitted into the United States now who have children born on United States soil will raise the question that they should not be deported because to do so would involve either the separation of the family or the deportation of an American citizen.

If additional legislation is necessary to establish more refugee camps in north Africa, I will urge my associates to support it. However, I think it is very clear that U. N. R. R. A. has ample authority to expand the existing camps now in the Middle East and north Africa, indefinitely.

As the matter stands, therefore, the American Coalition is opposed to the passage of any one of the resolutions whose numbers are set forth in this statement. Our organization is on record in its annual convention of this year in behalf of total exclusion of all immigration into the United States.

Respectfully submitted.

JOHN B. TREVOR.

WASHINGTON, D. C., *July 12, 1944.*

MR. REYNOLDS. I also ask to have printed at this point in the RECORD a letter addressed to the Honorable SAMUEL DICKSTEIN, chairman of the House Immigration Committee, and the members of the committee, dated July 27, 1944, by the National Council, Junior Order United American Mechanics, whose national secretary is James L. Wilmeth, of Philadelphia, Pa. The letter and the statement previously submitted for the RECORD bear directly upon the question of refugees and immigrants being admitted to this country at this time at the expense of the American taxpayers.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL COUNCIL, JUNIOR ORDER
UNITED AMERICAN MECHANICS,
Philadelphia, July 27, 1944.

Hon. SAMUEL DICKSTEIN, M. C.,
Chairman, House Immigration Committee, and the Honorable Members of said Committee, House Office Building, Washington, D C.

GENTLEMEN: There are pending before your honorable committee for hearings, consideration, and report, certain House resolutions which have for their object the relief of persecuted peoples of Europe of racial and religious minorities, and commending the action of the President, etc. These House bills, and particularly House resolutions, have increased in number and volume since the invasion of Italy, when the plight of these persecuted peoples has been brought specifically to the attention of our fighting forces, and through our representatives, to the American people.

The accounts of these atrocious outrages of peace-loving people by the Axis powers constitutes one of the darkest records of persecutions in all civilized history. Allowing for some overemphasis of persecutions, wholesale king's murders and outrages which have reached us through the press and by word of mouth, we are confident that the situation of these people of racial and religious minorities is critical in the extreme, and that their sufferings from hatred and persecution know no bounds.

The resolutions in question are designated by the following numbers: House Resolution 576, by Congressman DICKSTEIN, of New York, chairman of this honorable committee; House Resolution 581, introduced by Congressman LANE, of Massachusetts; House Resolution 583, introduced by Congressman ROWAN, of Illinois; House Resolution 584, introduced by Congressman MARCANTONIO, of New York; House Resolution 585, introduced by Congressman SCANLON, of Pennsylvania; House Resolution 587, introduced by Congressman CELLER, of New York; House Resolution 588, introduced by Congressman TORRENS, of New York; and House Resolution 594, introduced by Congressman BYRNE, of New York. Practically the same text or language is used in all these resolutions, with the exception of House Resolution 587, by Congressman CELLER, and is as follows:

"Whereas it is common knowledge that countless thousands of innocent persons, of all racial groups and religious beliefs, in many of the countries of continental Europe have been murdered or otherwise ruthlessly persecuted by the Axis nations; and

"Whereas it is accepted by well-informed people that unless something is done in the immediate future countless more thousands will be murdered or otherwise ruthlessly persecuted; and

"Whereas under the present existing immigration laws, unlike the limitation on the number of persons who may come to the United States permanently as immigrants, there is no such limitation on the number of those who may come temporarily; and

"Whereas the United States can and should contribute its facilities for the temporary relief of such persons by admitting some of these distressed people temporarily to specified areas to be known as free ports for refugees: Therefore be it

"*Resolved,* That it is hereby declared to be the sense of the House of Representatives that the President should take such action as is necessary, within Executive powers under existing law, to admit temporarily into designated areas within the United States, to be known as free ports for refugees, aliens who can establish satisfactorily that they are bona fide political or religious refugees from countries in continental Europe, such temporary admission to be conditioned that such aliens will remain in the prescribed areas, will be admitted for a period not to exceed 6 months after hostilities have ceased, and shall not thereby be considered as having acquired any rights to be or remain in the United States: *Provided, however,* That it is further the sense of the Congress that no persons should be admitted, in accordance with the spirit of this resolution, if they are afflicted with any loathsome, dangerous, or contagious diseases.

"It is further urged as being within the spirit of this resolution that as time is strictly of the essence in the success of the purpose of this resolution, the President is urged to act as soon as possible."

The object of these resolutions is to call attention of the people to the persecution and outrages committed upon these minorities, and to declare that in the sense of the House of Representatives the President should take such necessary action to admit temporarily, into designated areas within the the United States, refugees, it being expressly stated that "within Executive powers and under existing law" the President should act.

We submit that there is nothing in the existing immigration laws which would authorize the Chief Executive of this Nation to set aside the immigration laws in order to effectuate the "sense of the House of Representatives as expressed in this resolution." If, then, existing law does not permit the admittance of these refugees under the resolutions the action proposed to be taken by the President is limited to within executive powers under existing law. The President, in his message to Congress, dated June 12, 1944, states that the purpose of establishing the War Refugee Board was closely related to our whole war effort. We fail to see wherein the establishment of th War Refugee Board or the action of the President in establishing havens of refuge in this country is related to the war effort. Such action will certainly not contribute to the final outcome of the war. It must, therefore, be based on humanitarian grounds. It is doubtful if the President possesses the power to take this action under existing law or in the exercise of war powers conferred upon him by Congress. Otherwise why was a message submitted to Congress by the President in 1942 requesting plenary powers over

the movement of persons and things, which request was referred to the House Ways and Means Committee and, after due consideration, the authority was refused? The exercise of power which these resolutions encourage the President to exercise do not seem to be in keeping with the plenary power he requested over movement of persons, and to our minds there is a close relationship between the two.

The President states in his message of June 12, 1944, that in view of the urgency and extremity of the situation he has taken steps to save additional lives, and that this is being done by establishing havens of refuge here in America, where these persecuted peoples can find temporary housing in unused Army camps where they can be cared for, fed, clothed, and receive medical attention, and that arrangements have been made to bring immediately to this country 1,000 refugees who, at the close of the war, will be sent back to their homelands.

We submit for the consideration of this honorable committee that the United States has immigration laws which have been worked out over a long stretch of years, for the purpose of keeping out of America undesirable aliens. These immigration laws are worked out in much detail, and the exact steps to be taken before an alien can be considered for admission to the United States as a resident have to be complied with in much detail. These restrictions, limitations, and directions as to procedure apply on both sides of the ocean—to the consular officers of the United States in the country from which the alien desires to emigrate and also to the port of entry where the immigrant lands.

The people of the United States have adopted these immigration laws for their own protection. It may be stated that while strict, these regulations are extremely liberal—much more so than those of other countries, even nations who, in this war, are our allies.

Prior to the adoption of the immigration laws of 1917 the United States was an open country and was most generous in the admission of aliens. The law of 1917 imposed restrictions, as did the act of 1924, which established quota provisions based upon the census of 1890 as to the number of immigrants admitted from various countries. The Congress acted wisely in enacting restrictive measures. Restriction is now a well-settled policy with the American people. These laws were enacted for the protection of our citizenship, and applied to social conditions as well as to labor and economics.

The present measures and House resolutions and the message of the President, to which reference is made above, have for their object the temporary suspension of our immigration laws. It is now proposed to bring in 1,000 of these people from southern Italy, regardless of immigration laws and regulations. Notwithstanding the solemn promise that these refugees will be repatriated after the war, we are fearful that this promise may not be fulfilled.

There is no statement contained in any of these measures, Resolutions, or the message of the President, that these aliens are eligible or qualified for American citizenship. The entire action is based on humanitarian grounds. Apparently no selection whatever is to be made of these immigrants, but they are to be brought over en masse, regardless of qualifications or former associations. How are we to know whether certain of them are criminals, Communists, crooks, or otherwise undesirable? There seems to be a feeling that refugees are being ennobled by their sufferings. We contend that the plan adopted is not best either for the persecuted peoples or for the people of the United States. Granting that this may be but a temporary expedient, it will be a costly one for the people of the United States as to travel, subsistence, housing, and lodging.

If we are to judge refugee immigrants by those alien immigrants who came here before or during the first World War who did not undertake any activity in destroying the very tyrants who had oppressed them, but instead joined groups and movements which had for their object the destruction of the American system of government, we may expect no gain or benefit by their being brought here now.

The American people have the right, and have exercised that right through Congress, to say who shall come as aliens for temporary or permanent residence in the United States. That pronouncement has been made in our laws and is binding on the legislative and executive branches of our Government as well as the people under whose direction these laws were enacted.

The right is reserved in our laws to reject applicants for admission to the United States who do not meet certain requirements. These restrictions are not unjust to foreigners, because foreigners have no rights in the matter, neither have these refugees any rights to admission. When an alien is admitted to this country and later becomes a citizen, that is a privilege conferred upon him by our laws, and it cannot be construed as an inherent right. The United States through its Congress can legislate to exclude all immigration, and, for that matter, to restrict the right to vote and hold public office to native-born American citizens.

We think the admission of 1,000 refugees from southern Italy as a sample would not make any very great difference in the problem of taking care of them at public expense, but we are fearful that this first 1,000 would be the beginning or first movement and that there would be many other thousands to follow with the conditions of their admission being gradually relaxed, and through appeals for sympathy our immigration laws would be further set aside, and there would be conferred a legitimate immigrant status on unselected thousands, with almost complete disregard of legal standards or desirability.

We also fear that when the war is over we will hear nothing more about these refugee aliens being returned to their homelands. Due to intolerable social and political conditions in the European countries whence they come, repatriation may be impossible. It is, therefore, likely that Congress will be asked to relax the provisions of the immigration laws to permit these refugees to settle here in America permanently.

We contend that suffering cannot be made the basis for the flaunting of laws of long standing, and setting them aside by Executive order, on the theory that the action taken will contribute to the war. How much is the war going to be promoted by the bringing in of one thousand or tens of thousands of refugees to the United States? Probably not one iota. We are not satisfied that this problem is being handled legally or in the interest of our American people.

The annual report of the Attorney General discloses that quotas from many European countries are not being filled, let alone exceeded. Why would it not be a better plan, as well as legal, to admit these refugees under the quota system from these countries of which they are citizens? If there is to be mass movements of these people such as is indicated by the first thousand, why should not the War Refugee Board make arrangements to settle these people in places where they can contribute something to the growth and development of the country? There is plenty of room in Palestine, but there are some political considerations which might interfere. Shall America be made the dumping ground of persecuted refugees because Great Britain does not choose to stand by the Balfour agreement made following the First World War, for settlement of racial minorities in Palestine? What is to hinder our Government, through the Secretary of State, who is Chairman of the War Refugee Board, from taking up with those countries which have dominions in northern Africa, where immigration is badly needed to develop growth of the country, the proposition of settling these refugee people in those sparsely settled regions permanently where their work is needed and where they can earn a living and contribute something to the public good?

What good will it do these people to be housed here in Army camps so far as their ultimate good is concerned, to be fed and clothed at public expense? The best thing that can be done for any people is to put them in position so they can provide for themselves and earn their own living, whether it's farming, merchandising, or any other of the usual avocations of life. If these people could be located in places where their work and labor are needed, and the same help extended to them on the basis of the same expense as will be involved in bringing them here, maintaining and returning them, they will have something in these new-found homes in Africa and Palestine by which they may be able to establish themselves and to earn an honest living.

We hope some better way can be devised for helping these poor peoples than the temporary expedient which is being adopted and that the House Immigration Committee in its wisdom may so amend the resolutions and bills now before it as to bring out a legal measure which will not be open to question and not in violation of immigration statutes.

Respectfully submitted.

W. A. CLARK,
ROSS HORNER,
R. L. MCCLANNAN,
National Legislative Committee.
R. B. GARRETT,
National Councilor.
WM. H. MURPHY,
National Vice Councilor.
RALPH MORRIS,
Junior Past National Councilor,
National Board of Officers.
JAMES L. WILMETH,
National Secretary.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. REVERCOMB. I address this question to the Senator from North Carolina. If his amendment is adopted, will it result in doing away with the present control quotas on immigration?

Mr. REYNOLDS. Yes.

Mr. REVERCOMB. It would provide an absolute bar?

Mr. REYNOLDS. An absolute bar; yes.

Mr. REVERCOMB. Does not the Senator feel that it would be better to maintain strict control quotas and really enforce them, rather than to provide this absolute bar against any person coming into the country?

Mr. REYNOLDS. I should say, Mr. President, absolutely not, because we have in this country, as the testimony has revealed, between five and six million aliens, and they are taking jobs which rightfully belong to our own citizens, our own men and women who are bleeding and dying at this time for this country and to save the homelands of many of these aliens. I respectfully submit that it is at least my duty to try to

keep out of this country every person who would take a job which rightfully belongs to an American citizen, who may at this time be bleeding and dying for his country. We should save jobs for those of our men and women who are now in the armed services all over the world, who will need jobs at the end of the war, as well as men and women who will come out of our war plants and who will be wanting jobs.

Mr. REVERCOMB. Mr. President, will the Senator again yield?

Mr. REYNOLDS. I yield.

Mr. REVERCOMB. I may say to the Senator from North Carolina that, as he well knows, I have stood constantly against extended entrance of aliens into this country, but it seems to me that with strictly controlled quotas established under law, and with a proper regulation according to law, the situation can be met, rather than by an absolute freezing against any individual coming here. There are instances when it is proper to admit into this country persons of other lands—for instance, when they may send for an immediate member of the family. I am in agreement with the Senator from North Carolina with respect to preventing any extended immigration. And I stand also on the proposition that American people must be given the first opportunities of work here and protected in that right. But an absolute bar against any individual's coming in seems severe. Let the subject be strictly controlled to the best advantage of our own country and our own people.

Mr. DANAHER. Mr. President——

Mr. REYNOLDS. Does the Senator wish to ask me a question?

Mr. DANAHER. I have no question to ask the Senator. I wish to ask for the floor.

The VICE PRESIDENT. Has the Senator from North Carolina concluded?

Mr. REYNOLDS. I yield the floor.

Mr. DANAHER. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DANAHER. Is a motion to refer the pending amendment to the Committee on Immigration and Naturalization in order?

The VICE PRESIDENT. No; it would not be in order.

Mr. DANAHER. I had hoped, Mr. President, that it would be in order, to the end that we might send so important and so substantive a matter to a standing committee of the Senate for consideration, because at this hour in the consideration of the pending bill, for us to attempt to pass upon the substance of a law which has been carefully arrived at after considerable study, and which is embodied not only in the immigration laws of 1924, but as amended in 1940, would be to take a grievously unfair and erroneous course. I feel so strongly on the subject that I would have been perfectly willing to submit the matter to the consideration of a standing committee, which might inquire into all the facts, but in the absence of parliamentary provision making that course possible I must strenuously object to the amendment as offered.

Mr. REYNOLDS. I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is upon agreeing to the amendment of the Senator from North Carolina.

The amendment was rejected.

Mr. REYNOLDS. Mr. President, today there has been discussion of a controversial matter during which some mention was made of the unions and that they were exerting too much influence here. I am for organized labor. I am glad to see the labor unions of this country taking much more interest in public affairs. In many letters which I have received from virtually every State of the Union the writers say that the American people should take more interest in our public affairs. I am glad to see the labor unions take more interest in our public affairs, because that will result in making others take more interest in public affairs. Being interested, as I am, in the unions themselves, and particularly in the union members, and being interested in seeing that the dues-paying members are well advised regarding the conduct of their respective unions, and being interested in seeing to it that no Communists or Nazis or Fascists shall be officers or members of unions, I offer an amendment which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert the following:

Whereas it is essential that the public be fully informed with respect to the activities of the various labor organizations whose members are engaged in the production of articles and materials which are vital to the war effort; and

Whereas the officers and agents of such organizations should all be American citizens whose allegiance to the United States is unquestioned and who can be depended upon to aid the Government in suppressing industrial sabotage and other subversive activities which tend to impede, undermine, or defeat the war effort: Therefore be it

Resolved, etc., That within 30 days after the date of enactment of this act and annually thereafter every labor union or other labor organization (a) which represents, or purports to represent in any manner the interests of any persons employed by any business enterprise which is engaged in interstate or foreign commerce, or in the production of goods for such commerce or for national defense or war purposes, or (b) whose activities in representing the interests of employees extend to more than one State, shall through its president or other authorized officer, register its identity with the Department of Labor, and state under oath the following information, and such other information as the Secretary of Labor may by regulation prescribe:

(1) The name of the labor union or other labor organization;

(2) The address at which it has its principal office or does business;

(3) The names, titles, and salaries of its officers;

(4) The initiation fees charged each member;

(5) The annual dues charged each member;

(6) The assessments levied against its members during the past 12-month period;

(7) The limitations on membership;

(8) The number of paid-up members;

(9) The date of the last election of officers;

(10) The method of election of officers;

(11) The vote for and against each candidate for office at any election held during the past 12-month period; and

(12) The date of the last detailed financial statement, if any, furnished to all members and the method of publication or circulation of such statement.

With such information there shall be filed a copy of the constitution and bylaws of the labor union or other labor organization, and there shall be filed under oath a detailed and intelligible financial statement showing the receipts and expenditures of such labor union or other labor organization during the past 12-month period.

SEC. 2. Every such labor union or other labor organization established after the date of enactment of this joint resolution shall, when established and annually thereafter, register with the Department of Labor and furnish the information required of existing labor unions and other labor organizations under the preceding section.

SEC. 3. Any labor union or other labor organization which fails to register with the Department of Labor and file the information required by this act shall be disqualified to act as the representative of employees in collective bargaining during any period that such failure continues and, in addition, shall be fined not more than $5,000.

SEC. 4. (a) It shall hereafter be unlawful for any labor union or other labor organization which is required to register with the Department of Labor to have as an officer or agent any person—

(1) who is not a citizen of the United States;

(2) who is a Communist, Fascist, or member of any Nazi bund organization;

(3) who has been a member of or affiliated with any Communist, Fascist, or Nazi bund organization within the 2-year period prior to the date of enactment of this act;

(4) who is ineligible to hold public office; or

(5) who has lost his rights to United States citizenship by reason of conviction of a felony.

It shall be the duty of each such labor union or other labor organization to use due diligence to determine whether any of its officers or agents is a person who is prohibited from being such an officer or agent under the provisions of this subsection.

(b) It shall hereafter be unlawful for any person described in subsection (a) to be an officer or agent of any such labor union or other labor organization.

(c) Any labor union or other labor organization, or any person, who willfully violates any of the provisions of this section shall, upon conviction thereof, be fined not more than $10,000; and each such violation shall be deemed to be a separate offense.

Mr. REYNOLDS. Mr. President——

The VICE PRESIDENT. The preamble and resolving clause of the resolution offered by the Senator as an amendment are hardly in order. The Chair assumes that the Senator would not object to omitting the preamble and resolving clause.

Mr. REYNOLDS. I shall be very glad to do so, Mr. President. I have not had the opportunity of changing the phraseology as to meet the requirements.

The VICE PRESIDENT. Without objection, the preamble and resolving clause are omitted.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. REYNOLDS. I yield.

Mr. O'MAHONEY. Is not this amendment the same as Senate Joint Resolution 9?

Mr. REYNOLDS. It is.

Mr. O'MAHONEY. Which the Senator introduced in January 1943?

Mr. REYNOLDS. Yes.

Mr. O'MAHONEY. Was the joint resolution referred to the Committee on Education and Labor?

Mr. REYNOLDS. It was.

Mr. O'MAHONEY. Did the committee take any action on it?

Mr. REYNOLDS. It did not.

Mr. O'MAHONEY. Is it still pending in the committee?

Mr. REYNOLDS. It is still pending.

Mr. REYNOLDS. Mr. President, relative to the subjects which I have discussed here this afternoon, namely, the stopping of all immigration for the next 5 years, and the registration of labor unions, I wish to state that I directed letters to Hon. ROBERT TAFT, chairman of the platform committee of the Republican Convention at Chicago, and Hon. JOHN MCCORMACK, chairman of the platform committee of the Democratic Convention at Chicago. I ask that those statements be published at this point in the RECORD, without my taking the time to read them.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

SENATOR REYNOLDS DECLARES AMERICAN NATIONALISTS GAIN

"The American Nationalists Committee of Independent Voters is progressing most satisfactorily," stated United States Senator ROBERT R. REYNOLDS recently when questioned in regard to the progress of the newly formed committee.

This committee was created some several weeks ago, at which time its temporary national chairman, Senator REYNOLDS, issued a press release to the effect that American Nationalists were preparing to launch a movement which would cover the entire United States.

The committee has its headquarters located at 215 First Street NE., Washington, D. C. Indications are, according to its temporary national chairman, that this committee will develop into an organization much larger than the America First Committee which was sponsored by leading Americans prior to Pearl Harbor. At the present time it has members from every single State of the entire Union, and at a later date it is understood that units of 10 will be organized throughout the entire country. It is the intention of those in charge of the organization work to bring about the setting up of units in every block of every city, on every street of every village, and in every township of every county throughout the entire country.

The plan calls for the development of units of 10 individuals, no more than 10, say the organizers, so that every member of every unit will know personally the individuals constituting that unit. By this means subversive elements will not be able to worm their way into the organization and begin boring from within as was experienced by a number of the chapters of the America First Committee.

After units have been organized throughout the United States, then State directors will be set up and these State directors in all probability will be selected by the chairmen of the hundreds of units in each State, according to the Senator.

When questioned about the attacks made by radio commentator Walter Winchell, pertaining to the organization of this national committee, Senator REYNOLDS said:

"Frankly, I welcome these attacks. Winchell has on two occasions fired at the American Nationalists Committee and as a result of his attacks we have received thousands of letters throughout the country requesting information about the objectives of the committee. We never would have received all these inquiries if it had not been for Mr. Winchell's publicity. As a result of these letters we have secured thousands of new members. Really, a knock from Winchell is a boost for any real American organization. We American Nationalists believe in tolerance. However, we believe that tolerance is a two-way street and we are of the opinion that it should be practiced by those who preach it.

"In the minds of some people, anyone who speaks out in the interest of America, anyone who speaks out against internationalism, is a Nazi Fascist, or a traitor to his country. Just say one word against communism and you will be damned from one end of the country to the other by certain people. Say what you will—American thoughts are returning to American shores and this country is headed toward nationalism. The fact is, it is here now because the people are realizing that Mr. Churchill, of England, is looking after the British Empire; Mr. Stalin, of Russia, is looking after the Soviet Union, and the American people are now beginning to demand that American leaders look after the interests of America first and not last."

Joint Resolution 9

Resolution by REYNOLDS would require unions to make accounting to dues-paying members; bar aliens from serving as officers of unions, etc.

1. Why? Because 90 percent of the members of all the unions want this bill enacted into law for their own personal information and benefit. They would appreciate a statement of what becomes of the monthly dues which each year amount to millions of dollars.

2. Why should the unions not be required to register and show their source of income and disbursement? All American business firms and individual citizens, also all political parties, must file a statement with the Government showing their incomes and disbursements.

This accounting feature adopted by amendment to the 1944 tax bill requiring labor unions to render financial accounting to Federal Government.

3. Why should aliens be allowed to enter the United States and become officers of labor unions? Aliens are without rights in any country except as visitors, but such aliens as Harry Bridges and many others have defied the laws of this country.

4. Why should racketeers be permitted to serve as officers in unions, using the unions as a source of illegal income without making a report to their unions in many instances and to the Government?

5. Senator REYNOLDS' compulsory registration bill, known as Senate Joint Resolution No. 9, is designed to stop these practices. This resolution has the backing of millions of American citizens, which includes members of labor unions, business concerns that employ labor, and the mothers of our soldiers and sailors.

6. The opposition to this bill consists of a small minority under the leadership of certain labor racketeers. The time is here to put a stop to these practices.

UNION ACCOUNTING ACT UPHELD IN DAKOTA

SIOUX FALLS, S. DAK., August 1944.—Constitutionality of 1943 South Dakota legislation requiring labor unions to file annual statements of income and expenditures with the secretary of state upheld by Circuit Judge Lucius J. Wall.

[From the National Record of August 1944]

PLATFORM PLANKS SUGGESTED BY AMERICAN NATIONALISTS FOR REPUBLICAN AND DEMOCRATIC PARTIES

Senator REYNOLDS, temporary national chairman of American Nationalists Committee of Independent Voters, addresses letter of suggestions to chairmen of the platform committees of the two major parties. It reads:

Hon. ROBERT TAFT,
Chairman, Platform Committee,
Republican National Executive
Committee, Chicago, Ill.

Hon. JOHN MCCORMACK,
Chairman, Platform Committee,
Democratic National Executive
Committee, Chicago, Ill.

MY DEAR MR. CHAIRMAN: As temporary national chairman of the American Nationalists' Committee of Independent Voters, I respectfully desire to submit herewith suggestions for planks in your platform now formulating for the 1944 Presidential campaign, upon which, naturally, senatorial and congressional candidates (nominees) will base their arguments.

Before outlining the suggestions and objectives submitted herewith, I respectfully wish to advise for your information and that of your committee associates, that the membership (Nation-wide) of the American Nationalists' Committee of Independent Voters is made up of Democrats, Republicans, and independent voters. These parties designated, Democrats, Republicans, as well as independent voters, are American nationalists who believe in looking after the interests of America first and not last.

The American Nationalist believes:

1. That we should be for America first and not last. We should look after the interests of our own people and our own country before attempting to fee, finance, rehabilitate, and clothe the entire world.

2. That when these wars have been won in every part of the globe we should bring our boys home to their loved ones, their fathers, and their mothers, their sweethearts, and their wives—no international police force.

3. That we should not merge our Government with any other government of the world, and we should not give up any part or portion of our sovereignty to become a portion of a world state.

4. That we should have a strong, free America, politically, economically, and militarily independent of any and all European and Asiatic powers.

5. That we should stop all immigration now. More than 600,000 aliens have entered this country since the present war began on September 3, 1939. This should be stopped at once. These people coming here will never leave. We should save all jobs for our men and women, boys and girls in uniform, who are fighting throughout the world.

6. That there should be protection of American labor, industry, and agriculture against cheap European and Asiatic labor by maintaining adequate protective, but not exploitive, tariffs.

7. That we should encourage free enterprise, individual initiative, the American system of government, providing opportunities for all.

8. That we should maintain friendly relations with all nations that show a sincere desire to cooperate.

9. That we should have government by legislative action solely as provided in the Constitution and Bill of Rights and complete separation of the legislative, executive, and judicial branches of the Government.

10. That decentralization of Government and restoration of States' rights in its fullest

sense is desired, together with the introduction of sound business practices and economies in the conduct of the National Government.

And above all we are opposed to rule by Communists, their fellow travelers—the pinks—and deplore the practice of employing Communists, or any one imbued with communism, nazi-ism, or fascism, in any division of our Government.

The afore-mentioned "beliefs" and objectives of we American nationalists are vital to the future of our country, in our opinion, and we sincerely trust and hope that your committee may recommend and that your convention will adopt planks covering our objectives.

However, we are particularly anxious that planks be adopted by your committee, recommending:

(a) The immediate stoppage of all immigration to this country now so that all jobs may be preserved for America's returning soldiers (male and female) and for the protection of American labor. When this war will have ended, millions of men and women now in uniform will be returning to American soil from all parts of the world. They will be looking for jobs, their old jobs or new jobs. The millions of Americans now engaged in industry in this country will be displaced immediately after the war because, in our opinion, reconversion will not come sufficiently rapidly to absorb them. Therefore, it is necessary to preserve and maintain every available job for American citizens. If we permit the influx of aliens into this country such as has taken place since war began in Europe on September 3, 1939, then we will permit this influx of aliens to take the jobs that rightfully belong to American nationalists.

An order has been issued by the President permitting 1,000 aliens, refugees, to enter the United States and to occupy abandoned camps of the Army. This is merely the opening wedge. Once the foot is in the door endless thousands will follow. The explanation given is that they are in the way in Italy. It would be much better to transfer them across the Mediterranean and place them in camps in north Africa where they could be more speedily returned to their homelands when this war is over. Once these refugees and aliens are permitted to come here they will never be returned because already there is a campaign in progress to keep them here after the war and not return them to their respective homelands. We are desirous of protecting American labor and for that reason we demand the stoppage of the influx of refugees and the stoppage of all immigration through our gates to American soil.

(b) That any alliance or alliances of a permanent nature with any country or countries be discouraged where our sovereignty would be endangered or wherein our Nation would be prohibited free and independent action. We insist upon a pledge of United States collaboration with world nations to prevent war where such collaboration will not endanger or curtail the sovereignty of this Nation. We all seek peace, but we first want to win the war and win it at the earliest possible moment with a view to saving American lives. We should pledge ourselves to protect the interests and resources of the United States and maintain our position of supremacy on the sea, on land, and in the air because, in our opinion, the best protection against war and for peace insofar as we are concerned is to look after our own national defenses in the Western Hemisphere, concentrating these defenses from the Panama Canal to the Arctic Zone. In resolving for peace we respectfully insist that any peace to be derived at will be in accordance with the Constitution of the United States. We are opposed to an international police force. We respectfully insist that the interests of America be considered primarily and firstly, and we are opposed to any world-wide W. P. A., and to our spending billions of dollars throughout the world to educate those of other countries to our way of life, such as has been suggested through legislative proposals and now before one of our committees here. In other words, we insist upon America discontinuing to be the Santa Claus of the 2,000,000,000 people on the face of the earth and revert to America's looking after the interests of America.

We think that any plank relating to the war and peace should embody a clear declaration in definite terms pertaining to our objectives. Ambiguous plank resolutions will only tend to more confuse the people. America is entitled to know the aims and the definite objectives of our country, and we hope that a plank pertaining to this particular feature will speak plain, understandable language, and will be definite, without ambiguity, and to the point. We all know where we are, but now the American people are demanding to know where we are going.

(c) That all labor unions and organizations be required to register with the Federal Government and provide the authorities thereof and the dues-paying members of their respective locals and units with semiannual reports of financial statements embodying receipts and expenditures of these respective labor organization and that no alien, Communist, Nazi, Fascist, or any member of any subversive organization be allowed to hold office in any labor union or organization.

(d) That the Department of Labor be reorganized and that the innumerable administrative agencies (about 26 of them) dealing with labor subject be at once coordinated and placed in the Department of Labor under the direction of a Secretary satisfactory to labor itself. We believe this to be necessary for the promotion of America's well-being in the establishment of favorable labor psychology in securing fair and sound labor relations.

(e) In further respect to labor, we are of the opinion that experience has time and again shown that the National Labor Relations Act should be amended requiring the National Labor Relations Board to carry out both the spirit and the purpose of the act. We believe that the workers should be vested with the authority to ascertain for themselves the kind and character of a collective bargaining agency which would be suitable and serviceable to them; that the Board should not be permitted to arbitrarily determine the kinds of collective bargaining agents for the workers employed in industry but that this authority should be conferred upon the workers themselves. We believe this to be the democratic procedure.

(f) That plank recommendations may be embodied in your platform pertaining to the elimination of waste, unnecessary expenditures in the employment of surplus Government workers, and a resolution calling for the reduction of taxes immediately after the expiration of the war to the extent of prohibiting the Federal Government from exacting of individual taxpayers more than 25 percent; this, of course, taking into consideration the fact that individuals must pay State and county taxes, and innumerable other taxes, many of which are hidden.

In conclusion, Mr. Chairman, I take pleasure in enclosing herewith a copy of The American Nationalist, which is the official organ of our national committee.

With assurances of my highest esteem, I beg to remain,

Very respectfully yours,

ROBERT R. REYNOLDS,
Temporary National Chairman,
American Nationalist Committee,
Washington, D. C.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. REYNOLDS].

The amendment was rejected.

Mr. DOWNEY. Mr. President, I shall intrude on the time of the Senator for only 3 or 4 minutes. I offer an amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from California will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

SEC. 1202. (a) The Board is authorized on behalf of the United States to enter into agreements with any State or with the unemployment compensation agency of such State under which such State agency will make payments supplementary to those under its unemployment compensation law in accordance with the provisions of this section. Such agreements shall provide for supplementing any payment of unemployment compensation payable under the unemployment compensation law of such State or payable under an agreement made pursuant to title XIII of this act (relating to unemployment compensation for Federal employees) by such amount as the State may elect, not in excess of the amount found by the Board to equal an additional $10 for a week of total unemployment, or the equivalent for a partial week of unemployment, for which compensation is payable under the State law or under an agreement made pursuant to title XIII. No such agreement shall be valid if compensation to any individual under the State unemployment compensation law will be denied or reduced by reason of any payment made pursuant to such agreement or if the compensation payable to any individual under such State law is less than it would have been under the law of such State as it existed on July 1, 1944.

(b) Each State shall be entitled to receive from the Federal unemployment account for each quarter, beginning with the first quarter commencing after enactment of this act, an amount equal to the total of all supplemental payments of unemployment compensation made by such State during such quarter, pursuant to an agreement under this section.

(c) In case of an agreement under this section that a State agency will make supplemental payments, there shall be paid in advance to the State such sum as the Board estimates the State will be entitled to receive for each quarter under this section; reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State. All money paid to a State under this subsection shall be used solely for the payment of such supplemental payments. Any money so paid to a State which is not used for the purpose for which it was paid shall, upon termination of the agreement, be returned to the Treasury.

(d) Determinations of entitlement to such supplemental payments made by a State agency under an agreement that such agency will act as agent of the United States under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent. Such an agreement may require any officer or employee of the State disbursing funds pursuant to the agreement or otherwise participating in its performance

to give a surety bond to the United States in such amount as the Board may deem necessary, and may provide for payment of the cost of such bond from appropriations for carrying out the purpose of this act.

(e) The Board shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to it under this section. The Secretary of the Treasury, through the Fiscal Service of the Treasury Department and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification.

Mr. DOWNEY. Mr. President, the heart of the amendment is in subdivision (a). In effect, it would give the unemployment compensation administration in each State the right to amplify payments within the State, under State standards, by drawing upon the United States Government for a sum not to exceed $10 a week.

Mr. President, I have been somewhat shocked as I read the figures showing the amount of money which is now being received in the various States as unemployment compensation. Roughly the payments average about $14 a week, or less than $60 a month. Nearly every one of those unemployed persons is married and has children. I am wondering if Senators think that we must restrict unemployment compensation to workers, when they cannot get jobs, to an average sum of less than $60 a month.

I do not wish to intrude further upon the Senate at this time. I do not wish to add to the burdens of the distinguished Senator from Georgia [Mr. GEORGE]. He somewhat encouraged me in the hope that he might be willing to take this particular amendment to conference, because he stated that he distinctly recognized the possibility that in the coming months it might be necessary for the Federal Government to add to the employment compensation payments being made in the various States by some sort of payments from the Federal Government.

It seems to me that in this country, which will have such titanic production power in the post-war era, to look forward to having workers who cannot get jobs receive less than an average of $60 a month is not a very happy picture.

I also desire to point out to the Senate, and particularly to the distinguished senior Senator from Georgia, that these payments are based upon war salaries. Probably within 6 months after the war is over these payments will drop down in amount to probably an average of $11 or $12 a week, or perhaps an average of approximately $50 a month. The largest payments which are made in the United States are made in the States of Connecticut and Michigan, as I recall, where a sum in excess of $19 is paid. Then come California and Utah, with payments of $18; and then come the other States, with payments ranging down to $7 a week.

If my amendment were agreed to it, it would not be a heavy burden on the people of the United States. It would tend to provide clothing, food and shelter with some degree of decency.

I know the matter is too important to be finally passed upon by the Senate at this time. I wonder if the distinguished senior Senator from Georgia feels that the matter is one which he should and could take to conference.

Mr. GEORGE. Mr. President, I could not agree to do that. In the first place, I do not know that I would be a member of any conference committee which would consider the bill. That would very much depend on the course the measure takes in the House of Representatives. I could not agree to any such suggestion as the one the Senator from California has made. The matter is one of great importance. But I could not agree to take the Senator's amendment to conference. It might cost more than the Kilgore bill would cost. Without consideration, I would not like to have it added to the bill. The amendment of the Senator from California presents in a general way the same issue which we have discussed.

I wish to make my position perfectly clear. It may become necessary for the Federal Government to take some steps to assist the workers, if they should become unemployed and if the period of unemployment should extend over a considerable length of time. The question whether that should be done by public works or by other appropriate Federal action is one which I think is of the gravest concern and of the highest importance, and it should be carefully examined. I would not be able to take the Senator's amendment to conference. I regret that he has offered it at this time, after we have been so heavily engaged in the consideration of the general subject during the week.

Mr. DOWNEY. Mr. President, I can assure the distinguished Senator that the cost of my amendment would be very negligible as compared to the cost of the Murray-Kilgore amendment. Senators themselves may easily make the calculation. If there should be 5,000,000 unemployed, my amendment would add $10 a week to their allowance, which would be approximately $50 a month or $3,000,000,000 a year. If there were 10,000,000 unemployed, of course, the total amount added by my amendment would be $6,000,000,000 a year.

The only reason why I am suggesting my amendment is that I think every Member of the Senate must know that no American family can live in human decency on as little as $30, $40, $50, or $60 a month. Ninety percent of these workers are married and have dependents. Is it necessary to face the post-war era with a law which, if those workers are unemployed, will bind them down to destitution and poverty? I cannot believe that is the will of the American people. I cannot believe that is good statecraft. I cannot believe it is humanity.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from California. (Putting the question.)

The amendment was rejected.

The question now is on the so-called third Murray amendment, as amended.

The amendment as amended was agreed to.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass?

Mr. PEPPER. Mr. President, I merely wish to say a word of explanation of my vote, which will be nay, on the question of the final passage of the bill. This bill, as was stated by the proponents of the George amendment, presents an issue which is very clear and distinct from the issue presented by the Murray-Kilgore amendment. The former position was that the State employment systems under State laws as they now exist, with the single exception of the addition of coverage out of the Federal Treasury to Federal employees—some three and one-half million in number—are all that the Congress of the United States shall provide for the unemployed workers of this country.

I take the position, and I think other Members of the Senate on this side of the aisle do the same, that that is inadequate to protect those workers against the hazards of unemployment. If it were a matter of putting $2 where we advocated $3, I would certainly vote for the $2 rather than for nothing at all.

But, Mr. President, the amendment offered by the Senator from Montana [Mr. MURRAY] and the Senator from West Virginia [Mr. KILGORE] would take care of merchant seamen. The George amendment, as adopted, does not provide coverage to merchant seamen. The Murray-Kilgore amendment provides coverage to farm workers, to the same degree that industrial workers are covered. The George amendment, as adopted, provides no coverage for farm workers.

My State is principally an agricultural State. Agricultural workers are not provided for under the State system at the present time. I am not willing to see that group of workers not provided for, if I have the power to help provide for them.

The Murray-Kilgore bill provides up to 6 months retraining for any worker in the United States—any farm worker, any merchant seaman, any war worker, any clerk, any stenographer—at the expense of the Federal Government. The George amendment does not provide coverage for that class of American citizens and potentially unemployed group.

The Murray-Kilgore amendment provides for coverage for the dependents of the veterans of these wars, up to $15 a month in addition to what they can now receive, as the Senate formerly provided when the G. I. bill of rights was passed. The George amendment contains no provision whatever for the dependents of the veterans of these wars.

Moreover, Mr. President, the Murray-Kilgore amendment provided that the unemployed of this country could receive benefits up to $35 a week. It was later modified to provide for the payment of $25 a week as a maximum, if during the base period the worker had compensation of as much as $33.33 a week and if he had a wife and at least two children. But, Mr. President, the George amendment does not add one dime in my State to the maximum of $15 and the average of $13 a week provided for by the compensation law of the State.

The Murray-Kilgore amendment provided coverage for the unemployed worker for a period extending for 2 years after the expiration of the war, from a date 90 days after the passage of this bill. The George amendment does not add 1 day to the 16 weeks of coverage which my State unemployment compensation law provides for the unemployed of my State.

I am not willing to say that a maximum coverage of $15 in amount and of 16 weeks in time is all that shall be provided, if I have the power to help effect an increase of such provision for the workers of Florida, if they lose the jobs they now have, and if they are not able to find any other jobs in private employment.

Since it has been stated by the able senior Senator from Ohio [Mr. TAFT] and the able senior Senator from Georgia [Mr. GEORGE] that an issue of philosophy, not an issue of amount, is presented by this question, I repudiate the philosophy of the amendment of the Senator from Georgia, although I personally esteem him, and I adhere to my sense of responsibility as a Senator for the American people when they are unemployed. Yet we have been told this afternoon that it is none of our business if they leave a war plant or a shipyard or a United States navy yard and are unemployed, unless their States desire to provide coverage for them. All who have been added by the George amendment to the group of those covered by the States' systems of unemployment compensation are the Federal workers—not merchant seamen, not agricultural workers, not the members of many other classes.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BREWSTER. Why does the Senator then object to adding those Federal employees?

Mr. PEPPER. I do not object to adding them.

Mr. BREWSTER. The Senator has indicated that he will vote against the proposal.

Mr. PEPPER. I do not object to adding the Federal employees, but I do object to the inadequacy of the bill. I object to the philosophy which would include Federal employees and leave out merchant seamen, farm labor, and many other deserving classes of persons who should be included. I will not discriminate in favor of Federal employees as against other worthy classes of persons who are also entitled to draw upon the gratitude of the Government of the United States. That is the reason, Mr. President, that I shall vote "nay." Until the Congress shall change its position and accept a philosophy which will admit of the responsibility in part, at least, of the Government of the United States toward the classes covered, and the amounts which they are to receive and the period during which the coverage shall apply, I shall continue to vote "nay" on such matters as this.

SEVERAL SENATORS. Vote!

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. OVERTON. Does not the able Senator from Florida believe that the pending bill will be fashioned very largely in conference between the two Houses?

Mr. PEPPER. I hope it will be, but there will be no way in which to express my philosophy, and the philosophy of many others upon which the conference may act.

Mr. OVERTON. Can there be any conference unless the Senate first acts? Does the Senator believe that it would be best merely to adopt the Lord's Prayer and send it over in order to have something to work on?

Mr. PEPPER. The Lord's Prayer would have a religious stimulus on the Congress as a whole, but it would not, I fear, serve as an adequate unemployment-compensation law.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KILGORE. Is it not a fact that the employment of merchant seamen on the ships plying the high seas has been a direct employment under the United States Government by subterfuge; that is, involving an agency to which the Government pays money which the agency in turn pays the seamen?

Mr. PEPPER. I believe the Senator's statement is correct.

Mr. MAYBANK. Mr. President, will the Senator yield to me for a question?

Mr. PEPPER. I yield.

Mr. MAYBANK. Is it not a fact that when the matter was first brought up some time ago the merchant seamen were given consideration? Should not the question originate in the other House?

Mr. PEPPER. That may be true, but there is no prohibition against it originating in the Senate. I prefer to act whenever we have an opportunity to do so. We can act in favor of the merchant seamen as well as in favor of Government employees. I think if we favor one class we should favor them all.

Mr. CHANDLER. Mr. President, I repudiate the suggestion that the Lord's Prayer is not helpful to anyone, no matter what his circumstances or position.

Mr. BARKLEY. Mr. President, I wish to make a very brief statement in regard to my vote on the pending bill.

In the Committee on Finance I expressed my opinion that the bill was inadequate. I have never modified that opinion. I voted against the George amendment because I believed it was inadequate, and I hoped that it would be possible to vote affirmatively for the Kilgore amendment. We did not reach that posture in the legislation where it was possible to vote affirmatively upon that amendment. In my opinion, unless we send some bill to the House of Representatives, legislation on this subject will be indefinitely delayed. The other House may not even consider the subject unless we send a bill to it. I have very great hope that this bill will be amended and expanded so as to make it satisfactory. Out of either the House of Representatives or a conference between the two Houses, I hope we may secure legislation which will amply provide what I feel to be necessary in the way of post-war legislation dealing with unemployment as well as conversion, and also the disposition of surplus property. If we vote against the bill now, as it has been finally finished by the Senate, we shall send nothing to the House. We shall not have gained legislation. In that view of the situation I feel it to be my duty to vote for the bill, however unsatisfactory and inadequate it may be, because I think it is necessary to get some legislation started from this end of the Capitol in order that proper post-war legislation may be speedily enacted. With that view of the matter, I shall vote for the bill.

Mr. KILGORE. Mr. President, in line with what the distinguished majority leader has said, I feel that I should make some remarks in explanation of my vote.

I do not think the bill is adequate, and I do not think the Senate should send an inadequate bill to the other House to be perfected.

Mr. HATCH. Mr. President, I rise merely to say that I shall vote "nay" on the pending question. I shall vote that way because I believe the present bill is entirely inadequate and unrealistic. We should enact a bill which would give some form of hope to those for whom we should provide a genuine program. I do not believe the pending bill would do that. I am not altogether sure that I am in favor of the bill sponsored by the Senator from West Virginia [Mr. KILGORE], but I certainly am not in favor of the bill which has been designed and is to be passed through this body by the methods which have been adopted. I need not elaborate on that statement. I shall vote "nay."

Mr. O'MAHONEY. Mr. President, I had not intended to make any comment at this stage of the proceeding, but in view of what has been said I feel it is incumbent upon me to add two or three remarks.

This is not the last day on which the Senate of the United States will be in session. It is not the last day, the last week, or the last month in which the Congress will have the opportunity of considering this matter and matters relating to it. I share the opinion of the majority leader and of many other Members that the bill is inadequate. It deals with only one small portion of a very broad subject. I do not believe that the Senate has done what should be done in providing for unemployment benefits. I am conscious of the fact that a provision of that kind should be made. But this is one step in

a very long journey toward the reconversion of the United States to a peacetime basis. The mere fact that the bill which came to the Senate from the Military Affairs Committee is not being approved this afternoon does not mean that the philosophy which is represented by the bill—a philosophy to which I completely give my adherence—has been abandoned.

Mr. HATCH. Mr. President, I may say to the Senator from Wyoming that, with all his fine words and philosophy, the bill is being killed right now.

Mr. O'MAHONEY. I do not believe so. This measure is going over to the House of Representatives. The House will undertake to act upon this narrow phase of the bill and upon other phases of it, and if provision is not made for dealing adequately with the problem of unemployment, I have no doubt in the world that the Senate and the House will take care of it.

The first step in reconversion is to set up the organization which the bill proposes to set up, and to get it working. If the Senate should not pass the bill now, we would be set back 6 months or a year in dealing with the problem one step at a time. Therefore I shall vote for the bill.

Mr. LANGER. Mr. President, I understood from the chairman of the Committee on Finance today that the bill had been considered for many months. At no place in the bill is agriculture provided for. The Murray-Truman-Kilgore bill went further in the protection of poor people, farm labor, than does the George bill. I want the RECORD to show that I vote against the George bill for the reason that it is entirely inadequate, and discriminates against the farmer.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HAYDEN (when his name was called). I have a pair with the Senator from North Dakota [Mr. NYE], which I transfer to the Senator from Nevada [Mr. MCCARRAN], and will vote. I vote "nay." If present and voting the Senator from Nevada would vote "nay."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I have been advised that if he were present he would vote as I shall vote, and therefore I am at liberty to vote. I vote "yea."

Mr. WAGNER (when his name was called). I have a pair with the junior Senator from Kansas [Mr. REED]. I transfer that pair to the junior Senator from Nevada [Mr. SCRUGHAM], and will vote. I vote "nay."

The roll call was concluded.

Mr. DAVIS (after having voted in the affirmative). Announcing my pair with the junior Senator from South Dakota [Mr. BUSHFIELD] as on the previous vote, I allow my vote to stand. If present and voting the junior Senator from South Dakota would vote as I have voted.

Mr. JOHNSON of Colorado. The senior Senator from Montana [Mr. WHEELER] is detained. If he were present he would vote "nay."

Mr. GEORGE. Mr. President, I wish to announce that the senior Senator from North Carolina [Mr. BAILEY] is absent. If he were present he would vote "yea."

Mr. HILL. I announce that the senior Senator from Mississippi [Mr. BILBO] is recuperating from a major operation at the Mayo Clinic, and that the senior Senator from Washington [Mr. BONE] and the senior Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], and the Senator from South Carolina [Mr. SMITH] are necessarily absent.

The Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. MCCARRAN], the Senator from Utah [Mr. MURDOCK], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Oklahoma [Mr. THOMAS] are absent on public business.

Mr. WHERRY. The senior Senator from New Hampshire [Mr. BRIDGES], the junior Senator from South Dakota [Mr. BUSHFIELD], the senior Senator from North Dakota [Mr. NYE], the junior Senator from Kansas [Mr. REED], the junior Senator from Ohio [Mr. BURTON], and the senior Senator from Oregon [Mr. HOLMAN] are necessarily absent. If present all these Senators would vote "yea" on this question.

The Senator from Minnesota [Mr. BALL] and the Senator from Idaho [Mr. THOMAS] are necessarily absent.

The result was announced—yeas 55, nays 19, as follows:

YEAS—55

Aiken	Ferguson	Russell
Andrews	George	Shipstead
Austin	Gerry	Stewart
Bankhead	Gurney	Taft
Barkley	Hawkes	Thomas, Utah
Brewster	Jackson	Tobey
Brooks	Johnson, Calif.	Tunnell
Buck	McClellan	Tydings
Butler	McKellar	Vandenberg
Byrd	Maloney	Walsh, Mass.
Capper	Maybank	Walsh, N. J.
Caraway	Millikin	Weeks
Chandler	Moore	Wherry
Clark, Mo.	O'Mahoney	White
Cordon	Overton	Wiley
Danaher	Radcliffe	Willis
Davis	Revercomb	Wilson
Eastland	Reynolds	
Ellender	Robertson	

NAYS—19

Chavez	Hill	O'Daniel
Connally	Johnson, Colo.	Pepper
Downey	Kilgore	Truman
Green	Langer	Wagner
Guffey	McFarland	Wallgren
Hatch	Mead	
Hayden	Murray	

NOT VOTING—22

Bailey	Gillette	Reed
Ball	Glass	Scrugham
Bilbo	Holman	Smith
Bone	La Follette	Thomas, Idaho
Bridges	Lucas	Thomas, Okla.
Burton	McCarran	Wheeler
Bushfield	Murdock	
Clark, Idaho	Nye	

So the bill (S. 2051) was passed.

The title was amended so as to read: "A bill to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes."

Mr. DANAHER subsequently said: Mr. President, I ask unanimous consent that there be printed in the RECORD immediately following our action on Senate bill 2051 a copy of the bill as passed, with the amendments.

There being no objection, the bill, as passed, was ordered to be printed in the RECORD, as follows:

S. 2051

An act to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes

Be it enacted, etc.,

TITLE I—GENERAL PROVISIONS

SEC. 101. The Congress hereby declares that the objectives of this act are—

(a) to facilitate maximum war production during the war and to expedite the transition from war to peace;

(b) to achieve full employment, rising standards of living, and effective utilization of the Nation's resources during the period of transition from war to peace, and thereafter; and

(c) to provide for the development of unified plans and projects and adequate machinery to achieve the forgoing objectives.

SEC. 102. (a) There is hereby established the Office of War Mobilization and Reconversion, which shall be headed by the Director of War Mobilization and Reconversion (hereinafter called the Director). The Director shall be appointed by the President, by and with the advice and consent of the Senate, shall receive compensation at the rate of $15,000 per year, and shall serve for a term of 2 years.

(b) The following agencies shall be placed within the Office of War Mobilization and Reconversion:

(1) Office of Contract Settlement, created by the Contract Settlement Act of 1944.

(2) Surplus War Property Administration, created by Executive Order No. 9425, and any surplus war property administration hereafter created by statute.

(3) Retraining and Reemployment Administration created by Executive Order No. 9427, and any similar office or administration created in this or any other act.

Nothing in this subsection shall imply any derogation of the powers of the Director under subsection (c) with respect to other agencies not specifically placed within his office.

(c) In addition to any powers which the President may delegate to him for the purpose of more effectively coordinating the mobilization of the Nation for war, and for the purpose of more effectively attaining the objectives of this act, the Director shall, subject to the direction of the President—

(1) formulate or have formulated such plans as are necessary to meet the problems arising out of the transition from war to peace in such a manner as to achieve the objectives of this act;

(2) issue such directives to other executive agencies as may be necessary to carry out their powers in a manner consistent with the plans formulated under this section or to coordinate the activities of other executive agencies with respect to the problems arising out of the transition from war to peace. Each executive agency shall carry out the directives of the Director expeditiously and, to the extent necessary to carry out such directives, shall modify its operations and procedures and issue regulations with respect thereto. Nothing contained in this section shall be construed as authorizing any activities which are not within the scope of the powers possessed by the President or the executive agencies under existing law or future acts of the Congress;

(3) recommend to the Congress appropriate legislation providing authority to carry out plans developed under this section but not authorized under existing law;

(4) promote and assist in the development of demobilization and reconversion plans by other executive agencies; develop procedures whereby each executive agency is kept informed of proposed demobilization and reconversion plans and proposals which relate to its work and which are being developed or carried out by other executive agencies; and settle controversies between such executive agencies in the development and administration of such plans;

(5) cause studies and reports to be made for him by the various executive agencies which will enable him to determine the need for the simplification, consolidation, or elimination of such executive agencies as have been established for the purposes of the war emergency, for the termination, or establishment by statute, of such agencies as now exist under Executive order only, and for the relaxation or removal of emergency war controls;

(6) institute a specific study, for submission to the President and the Congress, of the present functions of the various executive agencies in the field of manpower, and develop a program for reorganizing and consolidating such agencies to the fullest extent practicable;

(7) consult and cooperate with State and local governments, industry, labor, agriculture, and other groups, both national and local, concerning methods of achieving the objectives of this act; and

(8) submit reports to the President, the Senate, and the House of Representatives on the 1st days of January, April, July, and October, on the activities undertaken or contemplated by him under this act. Such reports shall summarize and appraise the activities of the various executive agencies in the field of demobilization and post-war adjustment, and may include such legislative proposals as he may deem necessary or desirable.

(d) The Director shall, within the limits of funds which may be made available, employ and fix the compensation of such deputy directors and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions and the functions of the Office. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Deputy Directors and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Director shall perform the duties imposed upon him through the facilities and personnel of other Government agencies. The Director may require such reports and information from other Government agencies as he deems necessary to enable him to carry out his functions under this act, and each Government agency shall furnish any information and reports so required.

SEC. 103. There is hereby created an advisory board, the members of which shall be appointed by the President, by and with the advice and consent of the Senate, and which shall include three representatives of industry, three representatives of labor, three representatives of agriculture, and three public members, one of whom shall be chairman.

It shall be the general function of the board to advise with the Director with respect to war mobilization and reconversion and make to him such recommendations relating to legislation, policies, and procedures as it may deem necessary to achieve the objectives of this act.

Members of the board shall receive a per diem allowance of $25 for each day spent in the actual performance of duty, plus necessary traveling and other expenses incurred while so engaged.

SEC. 104. (a) There is hereby established a Special Joint Committee on Post-war Adjustment (hereinafter referred to as the "committee") to be composed of four Members of the Senate (not more than two of whom shall be members of the majority party) to be appointed by the President of the Senate, and four Members of the House of Representatives (not more than two of whom shall be members of the majority party) to be appointed by the Speaker of the House of Representatives. Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection. The committee shall select a chairman and a vice chairman from among its members. The committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants as it deems necessary and advisable. The committee may utilize such voluntary and uncompensated services as it deems necessary, and is authorized to utilize the services, information, facilities, and personnel of the departments and agencies of the Government. The expenses of the committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman.

(b) It shall be the function of the committee—

(1) to make a full and complete study and investigation with regard to legislation on demobilization and post-war adjustment in cooperation with such public and private agencies and such persons as it might see fit to consult;

(2) to consult with the President and the Director on the need for legislation on demobilization and post-war adjustment;

(3) to consult with the appropriate standing committees in the Senate and in the House of Representatives on the preparation of demobilization and post-war adjustment legislation, and on methods of obtaining expeditious action on demobilization and post-war adjustment legislation by achieving coordination among, and avoiding duplication of effort between, such committees; and

(4) to study and review each report submitted to the Congress by the Director, and otherwise maintain continuous surveillance of the operations of the Director and other executive agencies under this act.

TITLE II—INDUSTRIAL DEMOBILIATION AND RECONVERSION

SEC. 201. Any contracting agency shall terminate prime contracts for war production whenever in the opinion of the agency the performance under such contracts will not be needed for the prosecution of the war, and shall not continue performance under such contracts merely for the purpose of providing business and employment, or for any purposes other than the prosecution of the war, unless the continuation of some or all of the work under any such contract will benefit the Government or is necessary to avoid substantial injury to a plant or property.

SEC. 202. Curtailments of war production or terminations of war contracts shall be integrated and synchronized with the expansion, resumption, or initiation of production for other war purposes, and, to the greatest extent compatible with the effective prosecution of the war, of production for nonwar use. To effectuate this policy—

(a) the contracting agencies shall continuously survey their product and material requirements and report to the Director, in such form and detail as he may determine, on current and anticipated changes in requirements and on all anticipated curtailments of war production, or terminations of war contracts;

(b) the Government agencies exercising control over manpower, production, or materials shall permit the expansion, resumption, or initiation of production for nonwar use whenever such production does not require materials, components, facilities, or labor needed for war purposes, or will not otherwise adversely affect or interfere with the production for war purposes. Such production for nonwar use shall be permitted regardless of whether one or more competitors normally engaged in the same type of production are still engaged in the performance under any contract which is needed for the prosecution of the war, and shall not be made dependent upon the existence of a concern or the functioning of a concern in a given field of activity at a given time;

(c) the Director shall—

(1) establish policies to be followed by the contracting agencies in selecting individual contracts or classes of contracts for curtailment, nonrenewal, or termination;

(2) establish policies providing for full consultation between the Government agencies, war contractors, and the representatives of the employees of war contractors with regard to obtaining the most effective use in other war production or in production for nonwar use of facilities and manpower to be released through anticipated curtailments in war production or terminations of war contracts.

SEC. 203. (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized by any Government agency having control over manpower, production, or materials, on a restricted basis, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from so participating in such production.

(b) There is hereby created in the Office of War Mobilization and Reconversion a Board of Appeals to consist of three members appointed by the President by and with the advice and consent of the Senate, each of whom shall receive compensation at the rate of $3,000 per year, and shall serve for a term of 2 years. When any person is aggrieved by the action of any such Government agency referred to in subsection (a) in allocating available materials for the production of any item or groups of items for nonwar use, such person shall, upon application therefor under such regulations as the Director may prescribe, be afforded an opportunity forthwith to present his views thereon at a hearing before the Board of Appeals. If, at such hearing, such person establishes to the satisfaction of the Board of Appeals that as a result of such action his business operations will be seriously interfered with or substantially curtailed because of a shortage of any material necessary to such operations, that his inability to continue business operations will result in a serious unemployment problem for his employees, or that the interests of the consumers of the articles produced or manufactured by such person will be substantially impaired, the Board of Appeals shall make an immediate report thereon to the Director. Thereupon the Director shall allocate to such person such amounts of the material with respect to which the shortage exists as in his judgment will be necessary to prevent substantial hardship to such person, his employees, or consumers.

SEC. 204. The Attorney General is directed to make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen mo-

nopolies, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the period of transition from war to peace and thereafter. The Attorney General shall submit to the Congress within 90 days after the approval of this act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including recommendations for such legislation as he may deem necessary or desirable.

TITLE III—RETRAINING AND REEMPLOYMENT

SEC. 301. There is hereby established a Retraining and Reemployment Administration (hereinafter referred to as the "Administration"), the functions of which, subject to the general supervision of the Director of War Mobilization and Reconversion, shall be exercised by a Retraining and Reemployment Administrator (hereinafter in this title referred to as the "Administrator"), to be appointed by the Director of War Mobilization and Reconversion, at a salary of $12,000 per annum.

SEC. 302. With the assistance of a Retraining and Reemployment Policy Board, composed of a representative of the Department of Labor, the Federal Security Agency, the War Manpower Commission, the Selective Service System, the Veterans' Administration, the Civil Service Commission, the War Department, the Navy Department, and the War Production Board, it shall be the function of the Administration—

(a) to have general supervision and direction of the activities of all Government agencies relating to the retraining and reemployment of persons released from war work, including all work directly affected by the cessation of hostilities or the reduction of the war program and to issue necessary regulations in connection therewith. Nothing in this section shall be deemed in any extent to affect, amend or modify the powers now vested in the Veterans' Administration or the Administrator of Veterans' Affairs.

(b) in consultation with the Government agencies concerned, to develop plans and programs relating to such retraining and reemployment.

SEC. 303. The Administrator shall have power to provide transportation, including transportation of dependents and household effects for civilian workers who have been employed in activities essential to the war effort, from the place of such employment to the location of their bona fide residence within the continental United States prior to their migration to war employment, or, at the election of such worker, to any other location of new employment arranged by the worker: *Provided*, That the cost of such transportation shall not exceed $200 for any one worker, his dependents, and household effects, and shall not exceed the amount allowable for civilian employees of the several departments and independent establishments of the Federal Government in the Standard Government Travel Regulations.

SEC. 304. The War and Navy Departments shall discharge from the armed forces of the United States the men and women serving therein during the present war as rapidly as the appropriate department determines that the services of such persons are no longer needed for the prosecution of the war or for the national defense, and shall not retain such persons in the armed forces merely for the purpose of preventing unemployment or awaiting opportunities for employment.

SEC. 305. The Administrator shall confer with all existing Federal, State, and local agencies and officials in charge of existing programs relating to vocational education, vocational rehabilitation, training in industry, and other similar programs, and secure the expansion of such programs when and if necessary. If he finds that such expansion cannot be secured, or can only be secured by additional Federal legislation or assistance, he shall recommend to Congress such appropriations and legislation as he considers necessary to carry out the provisions of this act.

SEC. 306. The Administrator shall, within the limits of funds which may be made available, employ and fix the compensation of such Assistant Administrators and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions and the functions of the Office. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Assistant Administrators and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable the Administrator shall perform the duties imposed upon him through the facilities and personnel of other Government agencies.

TITLE IV—ADVANCES TO STATE UNEMPLOYMENT FUNDS

SEC. 401. (a) Section 904 (a) of the Social Security Act, as amended, is further amended by inserting, immediately before the period at the end of the second sentence of the subsection, a comma and the following: "or deposited pursuant to appropriations to the Federal unemployment account."

(b) Section 904 (e) of the Social Security Act, as amended, is further amended by inserting, after the words "a separate book account for each State agency" a comma and the following: "the Federal unemployment account."

(c) Section 904 of the Social Security Act, as amended, is further amended by adding at the end of the section the following new subsections:

"(g) The Secretary of the Treasury is authorized and directed, prior to audit or settlement by the General Accounting Office, to make transfers to and from the Federal unemployment account and the account of any State in the Unemployment Trust Fund in accordance with certification made by the Board pursuant to section 1201, not exceeding the amount on deposit in the Federal unemployment account at the time of such transfer.

"(h) There is hereby established in the Unemployment Trust Fund a Federal unemployment account. There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to the excess of taxes collected prior to July 1, 1943, under title IX of this act and under the Federal Unemployment Tax Act, over the total unemployment administrative expenditures made prior to July 1, 1943; and there is hereby authorized to be appropriated to such account for the fiscal year 1945 and for each fiscal year thereafter (1) a sum equal to any excess of taxes collected in the preceding fiscal year under the Federal Unemployment Tax Act over the unemployment administrative expenditures made in such year, and (2) such further sums, if any, as may be necessary to carry out the purposes of titles XII and XIII. As used in this subsection, the term 'unemployment administrative expenditures' means expenditures for grants under title III of this act, for the administration of that title by the Board, and for the administration of title IX of this act and of the Federal Unemployment Tax Act by the Department of the Treasury and the Board. For the purposes of this subsection there shall be deducted from the total amount of taxes collected prior to July 1, 1943, under title IX of this act, the sum of $40,561,886.43 which was authorized to be appropriated by the act of August 24, 1937 (50 Stat. 754)."

SEC. 402. The Social Security Act, as amended, is further amended by adding at the end thereof the following new titles:

"TITLE XII—ADVANCES TO STATE UNEMPLOYMENT FUNDS

"SEC. 1201. (a) In the event that the balance in the unemployment fund of a State on June 30, 1945, or on the last day in any ensuing calendar quarter, does not exceed a sum equal to the total contributions collected under the unemployment compensation law of the State during the calendar year next preceding such day, the State shall be entitled, subject to the provisions of subsections (b) and (c) hereof, to have transferred from the Federal unemployment account to its account in the unemployment trust fund an amount equal to the unemployment compensation paid out by it in the calendar quarter following such day, which is in excess of 2.7 percent of the total remuneration, paid during such quarter, subject to State law.

"(b) The Social Security Board is authorized and directed, on application of a State unemployment compensation agency, to make findings as to whether the conditions for the transfer of moneys provided for in subsection (a) hereof have been met; and if such conditions exist, the Board is directed to certify, to the Secretary of the Treasury, from time to time, the amounts for transfer in order to carry out the purposes of this title, reduced or increased, as the case may be, by any sum by which the Board finds that the amounts transferred for any prior quarter were greater or less than the amounts to which the State was entitled for such quarter. The application of a State agency shall be made on such forms, and contain such information and data, fiscal and otherwise, concerning the operation and administration of the State law, as the Board deems necessary or relevant to the performance of its duties hereunder.

"(c) Any amount transferred to the account of any State under this section shall be treated as an advance, without interest, to the unemployment compensation agency of such State and shall be repaid by such State agency to the Federal unemployment account from the unemployment fund of that State to the extent that the fund of that State, at the end of any calendar quarter, exceeds a sum equal to the total contributions collected under the unemployment compensation law of the State during the preceding calendar year."

Unemployment compensation for Federal employees

SEC. 403. (a) The Social Security Act, as amended, is further amended by adding at the end thereof the following new title:

"TITLE XIII—UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

"SEC. 1301. (a) Any person who shall have rendered service as a civilian in the employ of the United States Government, after September 16, 1940, shall be entitled, in accordance with the applicable provisions of the unemployment compensation law of the State in which claim for compensation is filed, to receive compensation for each week of unemployment commencing after September 30, 1944, in the same amounts, on the same terms, and subject to the same conditions, as though the unemployment compensation laws of the several States did not exclude services performed in the employ of the United States Government. Any claim for compensation under this section shall be filed in a State in which a part of the service in the employ of the United States Government was performed. As used in this section, the term 'United States Government' includes any wholly owned instrumentality of the United States.

"(b) The Social Security Board is authorized on behalf of the United States to enter into an agreement with any State or with the unemployment-compensation agency of such State, under which such State agency will make, as the agent of the United States, payments of unemployment compensation to individuals with respect to services performed by them as civilians in the employ of the United States Government, on the basis provided in subsection (a).

"(c) Each State shall be entitled to receive from the Federal unemployment account for each quarter, beginning with the first quarter commencing after enactment of this act, an amount equal to the total of all payments of unemployment compensation made by such State during such quarter, pursuant to an agreement under this section.

"(d) In the event that any State does not agree to make such payments to such persons, the Civil Service Commission is hereby authorized and directed to make such payments.

"(e) All departments, agencies, and instrumentalities of the United States are directed to make available to the appropriate State agency such information with reference to compensation of persons in the employ of the United States Government as may be necessary to determine the benefits payable under this title.

"(f) In case of an agreement under this section that a State agency will make payments as agent of the United States, there shall be paid in advance to the State such sum as the Board estimates the State will be entitled to receive for each quarter under such section; reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State. All money paid to a State under this subsection shall be used solely for the payment of unemployment compensation. Any money so paid to a State which is not used for the purpose for which it was paid shall, upon termination of the agreement, be returned to the Treasury.

"(g) Determinations of entitlement to unemployment compensation made by a State agency under an agreement that such agency will act as agent of the United States under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent. Such an agreement may require any officer or employee of the State disbursing funds pursuant to the agreement or otherwise participating in its performance to give a surety bond to the United States in such amount as the Board may deem necessary, and may provide for payment of the cost of such bond from appropriations for carrying out the purpose of this act.

"(h) The Board shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to it under this section. The Secretary of the Treasury, through the Fiscal Service of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification."

SEC. 404. This act, and the amendments to the Social Security Act made thereby, shall cease to be effective at the end of the second full calendar year after the termination of hostilities in the present war as declared by Presidential proclamation or concurrent resolution of the Congress, except that the obligation of the State agencies to repay advances made from the Federal unemployment account shall remain effective until such advances are repaid. Any amounts so repaid after the end of such year, and any amounts in the Federal unemployment account at the end of such year, shall be covered into the general fund of the Treasury.

TITLE V—PUBLIC WORKS

SEC. 501. (a) In order to encourage States and other non-Federal public agencies to make advance provision for the construction of public works (not including housing), the Federal Works Administrator is hereby authorized to make, from funds appropriated for that purpose, loans or advances to the States and their agencies and political subdivisions (hereinafter referred to as "public agencies") to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to the construction of such public works: *Provided*, That the making of loans or advances hereunder shall not in any way commit the Congress to appropriate funds to undertake any projects so planned.

(b) Funds appropriated for the making of loans or advances hereunder shall be allotted by the Federal Works Administrator among the several States in the following proportion: 90 percent in the proportion which the population of each State bears to the total population of all the States, as shown by the latest available Federal census, and 10 percent according to his discretion: *Provided*, That the allotments to any State shall aggregate not less than one-half of 1 percent of the total funds available for allotment hereunder: *Provided further*, That no loans or advances shall be made with respect to any individual project unless it conforms to an over-all local or regional plan approved by competent local or regional authority.

(c) Advances under this section to any public agency shall be repaid by such agency if and when the construction of the public works so planned is undertaken. Any sums so repaid shall be covered into the Treasury as miscellaneous receipts.

(d) The Federal Works Administrator is authorized to prescribe rules and regulations to carry out the purposes of this section.

(e) As used in this section, the term "State" shall include the District of Columbia.

SEC. 502. The Secretary of Labor shall make a full study and investigation as to—

(1) the extent to which the adoption of annual wage systems would contribute to full employment and rising standards of living;

(2) the factors in favor of and against the adoption of various types of annual wage systems in various industries;

(3) present and past use of annual wage systems by particular industries or individual employers;

(4) other wage systems which might contribute to full employment and rising standards of living; and

(5) possible means to be used by the Government through tax advantages or otherwise in promoting adoption of annual wage systems or other wage systems designed to bring about full employment and rising standards of living.

(b) The Secretary of Labor shall submit to the President, the Senate, and the House of Representatives, within 6 months after the enactment of this act, and at such later dates as the Secretary may deem desirable, reports on the results of the studies called for in this section.

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. When used in this act—

(a) The term "Government agency" means any department, independent establishment, or agency in the executive branch of the Government, including any corporation wholly owned by the United States.

(b) The term "contracting agency" means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, and the Smaller War Plants Corporation.

SEC. 602. There are authorized to be appropriated such sums as may be necessary or appropriate to carry out the purposes and provisions of this act.

SEC. 603. The provisions of this act shall become effective immediately, unless otherwise provided in the act, and unless otherwise provided shall be terminated at the end of 24 months after the termination of hostilities.

SEC. 604. If any provision of this act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this act or the application of such provision to persons or circumstances, other than those as to which it is held invalid, shall not be affected thereby.

SEC. 605. When the Director first appointed under section 102 has taken office, the Office of War Mobilization established by Executive Order No. 9347, dated May 27, 1943, shall cease to exist; and such records and property of the Office of War Mobilization, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine shall be transferred to the Office of Mobilization and Adjustment.

SEC. 606. All orders, policies, procedures, or directives prescribed by the Director of War Mobilization in effect upon the effective date of this act, and not inconsistent with this act, shall remain in full force and effect unless and until superseded by the Director in accordance with this act, or by operation of law.

SEC. 607. No alien shall be employed in any capacity in the administration of this act unless he has served honorably in the armed forces of the United States.

SEC. 609. This act may be cited as the "War Mobilization and Reconversion Act of 1944."

Mr. BARKLEY. Mr. President, I desire, for the information of the Senate, to inquire of the Committee on Military Affairs when we may expect the surplus property bill, which is now pending before that committee, to be reported to the Senate. I should like to have the attention of the Senator from Colorado [Mr. JOHNSON], the Senator from North Carolina [Mr. REYNOLDS], the chairman of the committee, or any other member who can furnish the information. I had hoped that the Senator from Montana [Mr. MURRAY], who is chairman of the subcommittee having charge of the bill, would be on the floor, but he seems to have stepped out. The Senator from Tennessee [Mr. STEWART] and the Senator from Ohio [Mr. TAFT] are also on the subcommittee. In order that Senators may know what to expect next week in regard to the bill, I wish to inquire when it is likely to be reported.

Mr. REYNOLDS. Mr. President, I have conferred with the Senator from Montana [Mr. MURRAY], and I have called a meeting of the Committee on Military Affairs for Tuesday in order that we may receive a report from the subcommittee of which the Senator from Montana is chairman on the Stewart bill and on the Johnson bill. The Senator from Colorado [Mr. JOHNSON] is present.

Mr. BARKLEY. Is it likely that the committee can report the bill on Tuesday?

Mr. REYNOLDS. I hope the subcommittee may be able to report the bill to

the full committee at 12 o'clock next Tuesday.

Mr. JOHNSON of Colorado. Mr. President, do I understand the Senator from North Carolina to say that the Senate Military Affairs Committee will report out a bill for the calendar on Tuesday, or that the committee will hold a meeting on Tuesday?

Mr. REYNOLDS. No; the committee will hold a meeting on Tuesday. I hope the subcommittee may be able to report the bill to the full committee on Tuesday.

Mr. JOHNSON of Colorado. Oh, yes.

Mr. REYNOLDS. It is my understanding that a meeting of the subcommittee will be held tomorrow morning, and also on Monday.

Mr. BARKLEY. I think Senators would be happy to be advised, if it is possible, whether the Committee on Military Affairs is likely to report the bill for the calendar on Tuesday or any other day next week. If the committee is not going to report legislation on that subject next week or in time to take it up next week there is no point in Senators remaining here for that purpose. So far as I know, there is no other important legislation requiring their attention, which is ready for consideration or that may be taken up for consideration.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BARKLEY. I will yield to the Senator from Louisiana after I have obtained some information from the Military Affairs Committee.

Mr. JOHNSON of Colorado. Mr. President——

Mr. BARKLEY. I yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. I have not looked in any crystal ball, so I cannot tell very much about what the Senate Military Affairs Committee will do. I will say, however, that the question of the disposal of surplus property presents a very great problem. No part of the conversion problem approaches it in magnitude and importance. There is very great difference of opinion in the committee now with respect to the question. Whether the difference can be resolved, or whether it cannot, remains to be seen. But it is my opinion that it will take at least 2 days of most intensive work on the part of the Military Affairs Committee to report a bill dealing with surplus property for the consideration of the Senate. If we receive the report from the subcommittee on Tuesday, and if we are diligent and work hard for 2 or 3 days we will probably have a bill ready. It is my opinion that the committee report and everything else pertaining to the bill cannot be perfected and reported to the Senate until a week from Monday. I do not think that we can possibly have a bill ready for the consideration of the Senate before the 21st of August.

We might beat that time by a few days. We might have a bill ready by Thursday or by Friday of next week. Sometimes when we try to make haste we do the opposite. I think that would be true of this bill. It represents a very important piece of legislation. There are many angles to it.

Mr. BARKLEY. Under the circumstances, it seems to me that we will not know very much more about the matter until next Tuesday at least. It is my purpose to move that the Senate adjourn until next Tuesday; that we not have a session tomorrow or Monday. I think it is important to get the proposed legislation on the floor and consider it as soon as possible. I do not care to urge undue haste. When the legislation comes to the Senate I hope it will come with a report from the committee which will guide the Senate in its disposition of the subject.

Mr. REYNOLDS. Mr. President, I wish to say to the majority leader that we all know this is a very important problem, because it involves approximately $100,000,000,000. I talked with the Senator from Tennessee [Mr. STEWART] at luncheon about his bill. He said that he believed surplus property would amount to in excess of $80,000,000,000. The Committee on Military Affairs wants to give careful thought to the matter. Most of the members are present. We desire to have the first meeting next Tuesday. The chairman of the committee is very desirous that every member of the Military Affairs Committee give study to and pass on the proposed legislation in order that we may be able to be of some benefit to the other Members of this body when the matter finally comes up for consideration on the floor of the Senate.

Mr. President, to be perfectly frank with the leader, I do not believe we would be able, with as much difference of opinion as exists with respect to the matter, to submit a bill to this body before Monday a week. It is going to take some time to consider the matter.

Mr. BARKLEY. The Senator thinks the bill will not be ready for consideration on the Senate floor earlier than Monday a week?

Mr. REYNOLDS. I do not think it will be ready for a week.

Mr. BARKLEY. I am trying to obtain information for the guidance of Members of the Senate.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. STEWART. It might be possible for the Senate Military Affairs Committee to report the bill by Thursday, it seems to me. I am not a member of that committee. The chairman of the committee has just spoken. I do not wish to take issue with him on that question, but merely make the suggestion. The committee might be ready to report the bill on the floor on Thursday of next week.

Mr. REYNOLDS. I do not believe we will be able to do so.

Mr. BARKLEY. Evidently we will find out a little more on Tuesday than we can find out now. Senators will have to be governed by the situation as they see it as to whether they shall remain here or depart hence. I think, under the circumstances, it would not be wise for Senators to make arrangements to be absent from Washington or from the Senate all of next week.

My own judgment is, if I may say so, that when the committee reports the bill we can in all likelihood dispose of it in a couple of days. That is my judgment about the matter. I hope that is true. I have arrived at that judgment from an expression of opinion on the part of many members of the committee.

Mr. STEWART. It is quite possible, I will say to the Senator from Kentucky, that it will take a few days for consideration of the bill on the part of the whole committee, because two bills have been suggested, my bill and the bill of the Senator from Colorado [Mr. JOHNSON]. In a great many respects the two bills express two entirely different philosophies concerning the disposition of surplus property.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CLARK of Missouri. Mr. President, in my opinion, the most important part of the disposal of the surplus property has to do with the disposition of surplus airplanes. I happen to have been chairman of a subcommittee of the Committee on Commerce which has had that matter under consideration. We expect to make a report on the subject very shortly. We certainly expect to be heard on any general question of disposition of surplus property.

Mr. BARKLEY. I thank the Senator from Missouri.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHITE. I wanted to see if I clearly understand the situation. It is the purpose of the Senator from Kentucky to move to adjourn or recess until Tuesday next?

Mr. BARKLEY. Yes.

Mr. WHITE. If the Committee on Military Affairs has not reported a surplus property bill at that time, is it the purpose to make any other legislation the unfinished business of the Senate, or may we assume that we will stand more or less in suspense until the Military Affairs Committee legislation is before us?

Mr. BARKLEY. If I were to say that I expected to stand more or less in suspense until that legislation is reported, I might probably have two or three Senators on my neck concerning other bills on the calendar.

Mr. WHITE. I should think there would probably be more than two or three Senators.

Mr. BARKLEY. Yes. I think we can tell more about that on next Tuesday than we can predict today. I should like to give Senators all the information I can, but the Senator from Maine understands the situation as well as I do now. I think it is very important to take up the surplus property legislation first, if it shall be ready for consideration on the floor of the Senate. I do not like to anticipate taking up any other bill which is controversial and considering it in advance of the surplus-property legislation.

Mr. HILL. Mr. President, the Senator from North Carolina expressed the views I have with respect to the matter. The Committee on Military Affairs ought

to make all possible speed, but the subject is exceedingly important. I am sure it is going to take several days for the committee to study the bill and be ready to report it to the Senate.

Mr. MEAD. Mr. President, the Special Committee to Investigate the National Defense Program, of which I have the honor to be chairman, held an executive session yesterday for the purpose of considering matters of policy and determining upon a program for the work of the committee in the immediate future.

The great recent successes of our armed forces make it imperative that we leave no stone unturned to make certain that they have all the war matériel necessary to prosecute the war with the greatest vigor. We must see to it that the war is won just as soon as possible. All other considerations are secondary.

However, the great successes already achieved by our armed forces emphasize again the necessity that we have sound plans for an easy transition from war production to civilian production.

Problems inherent in that transition are truly great. In November of last year the committee called attention to those problems so that advance consideration could be given to an effective means of dealing with them. The committee is not a legislative committee. It has not suggested in the past, and it does not propose now to suggest, specific legislation. That is the function of other committees, and able work is being done by them right now on this very subject.

The committee's attention is devoted primarily to problems that either do not require legislation or as to which legislation at best would present only a partial solution.

One of these problems is the disposal of surplus inventories of goods at home and abroad. We must salvage whatever we can of these surplus goods. We thereby reduce the cost of the war and we provide articles for civilian use at a time when shortages of manpower and materials prevent ordinary civilian production. We must also consider materials which might otherwise overload our markets for years after the war and impair the ability of industry to provide employment for returning veterans and for war workers.

Legislative action and executive policies can do and have done much to assist in the disposal of these surpluses, but primarily a successful disposal depends upon the work of those who actually are doing the day-to-day work of selling the materials. Many millions of dollars' worth already have been disposed of, but the bulk of the task still lies before us. As a check on the work, the committee proposes to hold open hearings on the disposal of surplus properties commencing Thursday, August 17.

The committee is exceedingly anxious that the disposal of surplus machine tools and plants be carried out as expeditiously as possible. In the committee's third annual report, issued in March, it was pointed out that those tools and plants must be channeled into the production of civilian goods. In that way we shall establish a level of production after the war sufficient to furnish our people with the wherewithal to maintain the highest standard of living in the world. In that way we will assure our veterans and war workers of employment.

For these reasons the committee particularly will inquire into the progress that has been made in disposing of machine tools and plants. Generally speaking, the plants are the last to become surplus, because so long as any substantial part of a plant is needed for war work it cannot be sold, even though some of the materials produced there are surplus and many of its machine tools are idle. However, the plants are of the greatest importance. In connection with the war program we have moved millions of workers from their former occupations, and they are today employed in new plants built at an expenditure of more than $20,000,000,000. Those plants are the finest and the most modern in the world. To maintain America's place of leadership in the world they must be used.

In order to expedite the disposal of these plants, the committee will inquire as to whether full information with respect to the contents of the plants, their capabilities of production, and their costs of operation are being made available to any company legitimately interested in the possibility of acquiring them. Only in this way can we stimulate interest in acquiring the plants.

To the extent that our armed forces contract for supplies in quantities greater than they are needed, they not only increase the cost of the war, but they also impair and delay our conversion to peace. It is only natural that the military personnel should desire to provide too much rather than too little. The committee believes that a reasonable amount of overpurchasing provides insurance against the possibility of "too little too late." But it also wishes to emphasize that reasonable balance is required. For these reasons, the committee for many months in the past has been examining into the possibility that in some categories the military has been overordering. In most instances we have today what might be termed a pipe line of supplies moving from the factory where the war material has been finally assembled, through various depots and warehouses, and across the oceans to the fighting fronts. The necessity of filling this pipe line was the primary reason why the weight of our armed forces was not fully felt by the enemy until recent months. The fact that it has been filled is an indication that in most cases sufficient supplies will reach the fronts for many months to come.

We cannot stop production now on the theory that the war with Germany will be over within a few months. But we can and must take every precaution to limit purchases to those articles for which there is some reasonable expectancy of their being required and used. Articles should not be procured too far in advance. The further ahead articles are purchased, the larger the stocks in warehouses. All precautions against shortage should be taken, but surpluses should not be created without good reason. Therefore, the committee has particularly been interested in investigating this problem in executive session.

This committee has always taken a stand for abundant supply to the military. In 1941 and in 1942, when many thought we were sufficiently equipped with raw materials, this committee urged expansion programs for war. We urged accelerated conversion of industry to war production at a time when many thought this to be unnecessary. In turning our thoughts to reconversion today we are not reversing our stand.

Last November the committee pointed out that as war needs began to be met in one category after another, materials would become available for civilian use and either would have to be freed for that purpose or lost forever. In its third annual report in March, the committee strongly urged that those materials should be declared to be surplus whenever they were not needed for the war effort, and allowed to be used by manufacturers in any way that they saw fit, provided, first, that the manufacturers did not refuse war contracts and, second, provided they did not attempt to manufacture civilian articles in areas of manpower shortage. As the Senator from Missouri [Mr. TRUMAN] stressed in his report to the Senate on Monday, progress in this respect has been disappointing because of the development of new needs for the war and because of the vehement objections of the military.

We must all constantly bear in mind that the military needs are paramount and are real. We do lack such items as heavy artillery, heavy trucks, and bombs, and a number of other important types of matériel, and we need 50,000 to 200,000 workers very badly right now in order that we may insure that in months to come there will be sufficient of these supplies for all possible uses. However, we should bear in mind that the number of persons required is a small percentage of the total work force of the United States and that the difficulty in obtaining them is due to many factors such as the overburdening of certain areas with war contracts, the requirement of special skills, and in the case of forge and foundry work, the hard work, poor working conditions, and relatively low pay in the industry. We must do all we can to provide the workers, but the military opposition to the use of materials clearly surplus in areas not declared to be actually short of manpower is unjustified. To deny free supplies of surplus materials to plants completing their war contracts, and to throw their employees out of work for the purpose of forcing them to change their occupation is a harsh proposal indeed. The power to do this is not new, but it must be exercised with the greatest of caution.

In its third annual report in March, the committee particularly stressed that the manufacturing of civilian articles with surplus materials must be limited to articles in which there was no manpower shortage. In areas where there is no manpower shortage or even in

areas where there is a manpower shortage, but the shortage is only in certain skills or trades and there is a surplus of workers in other skills not required for military production the committee believes that the work of reconversion must be permitted to take its ordinary course.

For these reasons, the committee under the leadership of the Senator from Missouri [Mr. TRUMAN] has followed closely all action with respect to reconversion, and at its executive session voted unanimously to hold public hearings with respect to this matter during the next few weeks.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF POSTMASTER NOMINATIONS

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Foreign Service.

Mr. CONNALLY. Mr. President, there is quite a long list of Foreign Service nominations. I ask that they be confirmed en bloc.

The VICE PRESIDENT. Without objection, the Foreign Service nominations are confirmed en bloc.

Mr. CONNALLY. I ask that the President be immediately notified.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

That completes the calendar.

ADJOURNMENT TO TUESDAY

Mr. BARKLEY. As in legislative session, I move that the Senate adjourn until 12 o'clock noon on Tuesday next.

The motion was agreed to; and (at 7 o'clock and 2 minutes p. m.) the Senate adjourned until Tuesday, August 15, 1944, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 11 (legislative day of August 8), 1944:

FOREIGN SERVICE

To be Envoy Extraordinary and Minister Plenipotentiary to the Kingdom of Saudi Arabia

Col. William A. Eddy, United States Marine Corps.

PROMOTIONS

To be consul of the United States of America

Earl T. Crain

To be Foreign Service officer, unclassified, a vice consul of career, and a secretary in the Diplomatic Service of the United States of America

J. William Henry

PROMOTIONS EFFECTIVE AS OF JULY 16, 1944

To be Foreign Service officers of class 1 of the United States of America

Ralph H. Ackerman	Robert B. Macatee
H. Lawrence Groves	Orsen N. Nielsen
Donald R. Heath	Daniel J. Reagan
James Hugh Keeley, Jr.	Loyd V. Steere
Alfred W. Klieforth	Harold S. Tewell
Thomas H. Lockett	

To be Foreign Service officers of class 2 of the United States of America

George Atcheson, Jr.	Samuel Reber
Merwin L. Bohan	Robert Lacy Smyth
Selden Chapin	Leo D. Sturgeon
J. Rives Childs	Clifford C. Taylor
George F. Kennan	John Carter Vincent
Paul O. Nyhus	

To be Foreign Service officers of class 3 of the United States of America

Maurice W. Altaffer	Joel C. Hudson
William W. Butterworth, Jr.	Lester DeWitt Mallory
	Quincy F. Roberts
George R. Canty	James Somerville
Paul C. Daniels	Paul P. Steintorf
Cecil Wayne Gray	Howard H. Tewksbury
Julian C. Greenup	S. Walter Washington
George J. Haering	George H. Winters
A. Dana Hodgdon	

To be Foreign Service officers of class 4 of the United States of America

Warren M. Chase	Paul W. Meyer
Oliver Edmund Clubb	Sheldon T. Mills
Richard M. de Lambert	James S. Moose, Jr.
	Oliver B. North
Raymond A. Hare	James B. Pilcher
George R. Hukill	Robert B. Streeper
Leigh W. Hunt	William T. Turner
Bertel E. Kuniholm	Osborn S. Watson

To be Foreign Service officers of class 5 of the United States of America

George M. Abbott	George D. LaMont
George D. Andrews	Harold B. Minor
William W. Corcoran	James E. Parks
Charles H. Ducote	Harold D. Robison
Archibald E. Gray	Harry E. Stevens
Charles A. Hutchinson	Arthur F. Tower
John B. Ketcham	Eric C. Wendelin

To be Foreign Service officers of class 6 of the United States of America

Ralph J. Blake	Fred W. Jandrey
Bernard C. Connelly	Foy D. Kohler
Merritt N. Cootes	Harrison Lewis
Earl T. Crain	Maurice Pasquet
Andrew E. Donovan 2d	Paul J. Reveley
Walter C. Dowling	John S. Service
C. Burke Elbrick	Clare H. Timberlake
John K. Emmerson	Joe D. Walstrom
Daniel Gaudin, Jr.	Milton K. Wells

To be Foreign Service officers of class 7 of the United States of America

W. Stratton Anderson, Jr.	Gordon H. Mattison
	Roy M. Melbourne
William Barnes	John Fremont Melby
Maurice M. Bernbaum	Herbert V. Olds
Aaron S. Brown	Elim O'Shaughnessy
Stephen C. Brown	Paul Paddock
Harlan B. Clark	G. Frederick Reinhardt
William E. Cole, Jr.	Milton C. Rewinkel
Herbert P. Fales	Fred K. Salter
Forrest K. Geerken	Walter Smith
Jule L. Goetzmann	Philip D. Sprouse
Edmund A. Gullion	Charles W. Thayer
B. Miles Hammond	David A. Thomasson
Leslie W. Johnson	Ray L. Thurston
G. Wallace La Rue	Evan M. Wilson
Perry Laukhuff	William Witman 2d

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 14, 1944

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty and ever-blessed God, who hast revealed Thyself as the guiding intelligence and Father of all mankind, we humbly confess that we do not dare to begin the business and deliberations of this new week without invoking Thy presence.

We fervently pray that the mind and heart of our Speaker and of all these chosen Representatives of our beloved country may be made strong and vigorous with great moral and spiritual purposes as they seek in unity of spirit to perform the many challenging duties of their high calling.

Grant that we may be faithful stewards counting it the crown of our blessings to have this sacred opportunity and privilege of serving our generation according to Thy holy will. May all our aspirations and labors be attuned to that blessed hope that peace and prosperity may soon be the glorious heritage of men and nations everywhere.

Hear us through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of Thursday, August 10, 1944, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2051. An act to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes.

EXTENSION OF REMARKS

Mr. ANTON J. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial from the Macomb Daily Journal.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter from an Indian in Italy.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY AND PLANTS

Mr. SABATH. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a rule on the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances and include therein certain communications and excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial from the Tulsa (Okla.) World.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address by the Honorable A. WILLIS ROBERTSON, of Virginia, on the subject of rural electrification.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

DROUGHT CONDITIONS ARE BECOMING SERIOUS IN OHIO AND MANY OTHER SECTIONS

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS. Mr. Speaker, the farmers, dairymen, gardeners, and other food producers in many sections of the country are now being confronted with very serious problems arising from one of the most devastating droughts in the history of the country. The drought of 1930 was the most serious drought suffered by the people of Ohio, but the present drought is fast approaching the 1930 drought in its intensity and in its destructive results. The drought of 1944 has been accompanied by longer stretches of higher temperatures than the 1930 drought. For week after week the thermometer has stood in the nineties and in many instances passing 100.

Already the 1944 drought has damaged crops in Ohio to the extent of tens of millions of dollars. This drought came at a time to affect many different crops. Scarcely any branch of agriculture or food production will escape serious damage. The corn crop promises to be a total failure in some counties and only a scant 50 percent in a great majority of the counties of the State. Already the crop specialists in the Ohio Experiment Station at Wooster are advising the farmers to cut their corn and feed it although it is only 2 or 3 feet high, for it is considered to have been damaged beyond any chance to be revived even if copious rains should come soon.

It must be remembered that although Ohio is one of the great industrial and commercial States of the Union, it is also a great agricultural State, ranking fifth or sixth in production of corn and fourth or fifth in the production of wheat.

Ohio also ranks near the top in dairy production. It is a pitiful sight to see the many fine dairy herds, for which Ohio is famous, standing in the barren pastures waiting to be fed and waiting for the farmer to come with the water wagon. It is not only the big dairyman who is affected for it is a common sight to see boys and women leading cattle to the creeks and small rivers of the State. The drought is probably worse along the Ohio River than in any other section. The Ohio River that has brought trouble and devastation to many through her great floods is now a real lifesaver to many. Many farmers are coming miles to the Ohio River for water for their stock.

Not only the corn growers and the dairymen are affected. The gardeners—thousands of them—proud of the Victory gardens which they grew last year, had planned to do better yet in 1944, but have been forced to stand by and watch their prolific gardens wither under the scorching rays of the irresistible sun. The professional gardener and truck grower has not escaped. Thousands of acres of sweet corn has dried up before producing anything. Thousands of bushels of tomatoes are drying up on the vines. Some of the canning factories devoted principally to canning corn and tomatoes have announced that they may not open their doors for the canning season which should at this time be at its height.

Ohio ranks among the leading States in the production of fruits, especially apples. Already the orchardists are complaining that the apples will be dwarfed and that many are falling from the trees.

This drought condition is not confined to Ohio. It is probably more destructive in Ohio than in any other State because of the fact that it covers about two-thirds of the State and some of the most productive portions of the State.

I am advised by the Department of Agriculture that this drought made its first appearance in the northeastern part of Texas and extended over parts of Arkansas, Tennessee, and Kentucky, and then to Ohio, southern Indiana and Illinois. Another drought area has extended from Cape Cod in Massachusetts down through portions of New Jersey, Delaware, and Virginia.

I am not seeking to convey the impression that this drought has as yet reached such proportions as to result in a national famine. Ours is a great country and has many and varied food activities. I only want to give you the facts which are sufficient to show that hundreds of farmers, dairymen, and food growers in Ohio and other regions have already suffered such financial loss as may make it difficult for them to continue to operate. And many others will suffer the same fate if weather conditions do not change soon. These people have extended themselves to the limit. They and their wives and children under great handicap by reason of failure to get adequate machinery and adequate help have worked themselves to the limit of their endurance to produce for the benefit of their country at war. Many have given their sons and daughters for war service. A grateful people and a just Government will not let their great sacrifice and loss go unnoticed.

Already the Department of Agriculture is making arrangements to relieve the dairymen to some extent by making some changes in the milk subsidy and by making the movement of feed more speedy. It is consulting with the railroads in an effort to facilitate movement of feeds. I compliment the Department on its willingness to assist and I hope it may find other methods of assisting others in this great calamity. There are many who have not and cannot be reached by the Department of Agriculture. I may ask Congress to take special notice of this great calamity if the Department of Agriculture cannot bring a fair measure of relief or if a providence that is at present frowning upon us fails for long to again show its smiling face.

EXTENSION OF REMARKS

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein two resolutions.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER. Under a previous order of the House, the gentleman from Illinois [Mr. DEWEY] is recognized for 30 minutes.

THOUGHTS ON THE BRETTON WOODS CONFERENCE FROM AN AMERICAN'S POINT OF VIEW WITH SUGGESTIONS FOR POST-WAR FOREIGN TRADE

Mr. DEWEY. Mr. Speaker, the Seventy-eighth Congress, which is approaching that time when it will adjourn sine die, may look with some satisfaction upon its achievements in preparation for the end of the war in Europe which will bring with it problems of such vast magnitude that they are scarcely conceivable.

The soldiers' G. I. bill of rights has been passed, the termination of contract bill, providing for the speedy conversion from war to peacetime production by industry, has been enacted into law, and a bill for the disposition of surplus Government inventories and property of all sorts, on a basis that will not interfere with our future economy, together with a bill creating the Office of War Mobilization and Reconversion are in committee.

One item, however, has not been considered to an extent in the Halls of Congress, that is, the subject pertaining to America's participation in post-war monetary collaboration with other nations, regarding which there seems to be little public understanding although it has a very direct bearing upon our own prosperity.

The international monetary fund and the international bank for reconstruction and development were tentatively agreed to at Bretton Woods by representatives of 44 nations. I say tentatively agreed to, as our Congress as well as the parliaments of the other nations must give final approval. In all of the discussions the point was stressed that if the currencies of the world were not stabilized and the industries of foreign nations were not rehabilitated so that the purchasing power of their citizens will increase, the United States with its great industrial and agricultural equipment

would be the chief sufferer. Our factories would reduce operations, men would lose jobs, and agricultural prices decline.

Mr. WHITE. May I inquire of the gentleman if it will be his purpose to yield for illuminating inquiries?

Mr. DEWEY. When I get into the subject a little further I shall be glad to yield. I have a rather complete statement here, and I would prefer to continue with it. If there is any point the Members would like to bring out I shall be glad to yield later, but I would prefer to proceed at this time.

Mr. WHITE. The gentleman realizes that in connection with a subject as controlling as this, if an inquiry is not made at the time a particular point is reached the importance of it may be lost.

Mr. DEWEY. I will make note of the points raised, but I should like to proceed at this time.

Mr. WHITE. Renewing my inquiry, is it the purpose of the gentleman to yield as he goes along to explain his points?

Mr. DEWEY. I will try to do so.

Mr. WHITE. I thank the gentleman.

Mr. DEWEY. Probably these dangers are much exaggerated, but, on the other hand, none can gainsay the desirability of an active world trade, provided the credit and other risks involved are not too great.

From my study of the plans proposed at the International Monetary Conference at Bretton Woods, N. H., I have come to the conclusion that any possible benefits to the economy of the United States are far outweighed by the risks involved.

It is quite obvious that at the termination of the war some of the currencies of nations, who have suffered extreme devastation, will have little or no value, and in some of the larger nations, owing to the tremendous burden of war debt and expenditure, it is problematical what the purchasing power of their currency will be.

The International Monetary Conference attempted to produce a plan by which every nation's currency would be given a purchasing power related to gold or the United States dollar of present value and fineness. In order to solve this very unusual economic problem, an international monetary fund has been tentatively agreed upon by the 44 nations attending the conference, in which fund each nation was given a quota of participation. The total of all these quotas amounted to $8,800,000,000, of which the United States supplies $2,750,000,000.

To give a simple example of how the fund would work, let us take the example of Greece. Greece was given a quota of $40,000,000. At the present time it is most difficult to state what would be the value of Greek currency, but for the sake of argument, the managers of the fund might assign a value of 1 cent to the Greek drachma. Once the fund would be put into operation, the Greek Government could come to the fund and in each year until its quota was exhausted purchase one-quarter of its quota equivalent to $10,000,000 of any currency that it desired, paying for it with 1,000,000,000 of their drachma.

It is obvious that at the present time and for a number of years in the future the principal market in which any purchases probably can be made will be the American market; hence, the Greek Government more than likely would request dollars to be used in our market for the purchase of machinery or any commodity it required. What happened in the case of the Greeks would happen in the case of all the other countries that have been devastated and desire to rebuild themselves. As a result there would be a constant demand for the United States dollar quota in the fund, to be paid for by currencies of somewhat doubtful value until all of the dollars were exhausted.

I will admit that probably I have oversimplified the description of the operation and it is the hope of the proponents of the fund that with the growth of international trade, the members of the fund would trade between one another and the exclusive demand for the dollar would diminish. This, however, is only wishful thinking and there is danger that the fund might be unable to carry on its operation due to the exhaustion of dollars and be forced to liquidate, in which case the United States would become the possessor of at least $2,750,000,000 of foreign currencies for which it had little or no use, but in exchange for which the American taxpayers would have delivered to the countries operating through the fund $2,750,000,000 of real wealth, as evidenced by American machinery and commodities.

Another questionable feature from the American point of view is our control over the operations of the fund. According to the plan, vote control is closely allied to the amount of the quota participation by each nation in the fund. America's quota of $2,750,000,000 gives it 28 percent of the vote, while the remaining 72 percent is lodged in the control of the countries which will do most of the borrowing from the fund, and as the ordinary decisions of the fund managers are approved by merely a majority vote, it is obvious that we would not have a large voice in any proceedings.

While I always try to keep an open mind on the advantages of providing assistance to the peoples of other nations, there are very definite limits beyond which such aid will be of doubtful assistance to the recipient and will undoubtedly injure our own people.

This country will emerge from the World War with a public debt somewhere in the neighborhood of $300,000,000,000. For the sake of comparison, I wish to recall that when we entered the First World War in 1917 the public debt of the country was under $3,000,000,000 and at the termination of the First World War the public debt was under $26,000,000,000. It will, I know, be of interest for the public to learn that as of June 1944 the amount of assistance under lend-lease to our allies of the United Nations reached $28,000,000,000, or $2,000,000,000 more than the total public debt incurred by this country to fight the First World War.

A public debt of $300,000,000,000 even for as great a country as our own is an incomprehensible figure; but I believe that it can be serviced and steadily reduced, provided, first, the financial policy of the Government follows a course of economy, and, second, that the Government follows a policy of full production by all phases of agriculture and industry, which will have the effect of maintaining a high national income. The success of such a policy must stem from the people themselves, actuated by individual initiative and desire for gain and not from a regimented, bureaucratic economy.

In the agreement reached at the International Monetary Conference at Bretton Woods a chief purpose unanimously endorsed was as follows:

> To facilitate the expansion and balanced growth of international trade and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy.

This purpose expresses all our aspirations but there are many who believe that the proper method to obtain them differs greatly from the agreements arrived at during the International Monetary Conference, which, as I have already stated, involve credit and other risks disadvantageous to the United States. By other risks I refer to lack of political stability existing in many of the nations who may be our associates in the international monetary fund. Further, at the present time it has not been fully developed that some of the international policies of our associates may not be compatible with American thinking and being a member of the fund, we would either have to withdraw or assist the financing of plans and programs of governments which we do not approve.

The thought expressed so many times in the discussions at the conference, that the benefits of the fund would only be used to achieve the purposes of the fund above referred to, seems to me to be based on an international altruism that has never been evident in the past and is a doubtful quality in international dealings of the future. It is almost safe to believe that when the war terminates the governments of the 44 nations, with which we might be associated in the fund, once they had been established and become the actual accepted representatives of their people, having their own economic problems and policies to consider, would not be inclined to accept the dictation of the board of governors of the fund unless the benefits far outweigh in value the surrender of their own independent judgment.

As has been stated, one of the principal purposes of the international monetary fund is to promote and maintain high levels of employment and the development of productive resources throughout the world. Such goals can only be achieved by selling many devastated

countries productive machinery and raw materials on credit terms, but it is well known that for a number of years to come the principal market in which such purchases can be made and such credits extended is the United States. Under the provisions of the fund, with our small voting power we have little to say as to who will receive such credits, what the terms of repayment will be and, of course, despite the fact we will be the chief provider, little thanks will come to us as all dealings will have been made through an international body.

As opposed to joining up with any international group at the present time, it might be advisable for the United States Congress to consider attempting to achieve the high purposes of the monetary conference, but with a little more assurance that we, too, would be included among those benefited.

It has been pretty generally agreed that in order that we may service our public debt and prevent inflation, this country must maintain a high national income derived by full production and full employment. Such a program has certain dangers attending it; namely, the creation of surpluses, due to the high efficiency of our labor, the ingenuity of our manufacturers, and the development in agricultural production. On top of these for a number of years to come will rest certain war surpluses now owned by the Government. Both these types of surpluses can be disposed of outside the continental United States and produce the same economic benefits throughout the countries of the world and satisfy the same purposes sought to be accomplished by the international monetary fund, providing adequate domestic financial facilities are developed to handle operations of this magnitude.

On the other hand, should the Government of the United States continue the practice of buying up and holding such surpluses, they could have no other effect than stifle industrial and agricultural production, as no one would know when they might appear on the domestic markets and cause a break in prices.

We have, then, a choice to make of the following: One, to join up with an international fund in which we have little control and in which our losses might be very severe, or, two, as I have said, develop our own international credit machinery to such a point that in cooperation with private capital the question of surpluses can be solved in a manner satisfactory to ourselves and with a foreknowledge of what, if any, our losses may be. I recommend for the consideration of the Congress the latter method.

By Executive order the Export-Import Bank of Washington, D. C., was incorporated in 1934 and from time to time its activities have been increased as well as its loaning power. During the early stages of its development its activities related almost exclusively to inter-American trade and the development of resources of the countries of the Western Hemisphere. It is, however, empowered to operate anywhere in the world. In fact, its purposes are somewhat similar to the purposes mentioned at the International conference at Bretton Woods; to wit:

To make loans to any governments, their central banks or any other acceptable banking institutions and when guaranteed by any such government, a central bank or any other acceptable banking institution, to a political subdivision, agency, or national of any such government for the purpose of assisting in the development of the resources, the stabilization of the economies, and the orderly marketing of the products of the countries of the Western Hemisphere.

I now make you a startling statement. In the 8 years of active operation of the Export-Import Bank it has had a turnover of $1,275,000,000, has made a profit on its operations and up to date has suffered no loss. It has financed the export of all types of machinery, transportation equipment, the production of raw materials, and the sale of agricultural products. It has done these things in harmony with the private financial houses of the country and has entered fields of credit not covered by ordinary financial institutions. The Export-Import Bank has been quietly rendering an important service to labor and industry and up until the outbreak of the war has assisted in the financing of a small percentage of our exportable surpluses. The disposition of these exportable surpluses means jobs to American workmen and stabilization of prices to American agriculture.

At the present time the loaning ability of the Export-Import Bank is limited to $700,000,000 and while it has been constantly expanding its operations, particularly until the outbreak of the war and even since by the extending of credit for the development of critical materials in foreign lands needed in our domestic war production, yet it has not taken the position in our over-all economy that it might well do.

I offer the suggestion that the Congress of the United States give consideration at this time, as a part of our reconversion legislation, to the development and increase of activities of the Export-Import Bank as our method of participation in world reconstruction, rather than becoming a partner in any great international fund in which the interests of the United States might become subordinated to those of the other associates.

On February 1 last I offered House Joint Resolution 226 which set up a board of American directors to supervise the operations of a central reconstruction fund which had the same purposes as set forth in the International Monetary Conference and the bylaws of the Export-Import Bank. The board of directors, through the use of the reconstruction fund, could participate in joint account to the extent of not more than 50 percent of the total cost in the case of any one risk with any other government or governments or any duly authorized agents thereof, or to the limit of 50 percent in any one risk in any one nation with any individuals or corporations within the limits of their charter, through the purchase, assignment or resale of notes, bonds, or equity shares, providing that in all such financial operations the recipient nation should take steps looking toward the balancing of their federal budget, and that in all cases the operations would be for sound economic objectives.

In view of its large experience, gained over 8 years, the Export-Import Bank can probably better serve the public interest than a new fund as proposed in House Joint Resolution 226, provided, however, certain changes are made in its charter, in its governing board and through an enlargement of its sphere of action.

At the present time such policy as may exist in regard to the financing of surpluses outside of the country, and the assistance to labor and management in developing ways and means for disposition of surplus production, are spread throughout many agencies and bureaus of the Government.

The financing of our foreign trade is a highly technical operation and requires special knowledge and experience, and also there will be arising during the coming years matters of domestic policy in the extension and development of oversea markets. If the United States expects to keep full employment it must also consider the disposition of the industrial and agricultural surpluses that may develop, and this, as I have already stated, requires forward looking thought as to whom and under what credit terms they will be sold.

I believe that the time is now ripe for us to give consideration to the setting up of one advisory council whose duty it should be to submit foreign trade policy decisions to the Congress for such legislative action as would be required, or under such authority as exists to advise the operators of one Federal institution such as the Export-Import Bank in its financial dealings in the disposition of surpluses and such other international operations as are collateral to our foreign trade.

As a suggestion, I believe that the charter of the Export-Import Bank should be changed to set up an advisory board of 12 positions, some of which shall be filled by members of the Government and others chosen for their technical knowledge in the business world. The positions to be filled would be as follows:

First. Labor.

Second. Agriculture.

Third. Critical materials—within and without the United States.

Fourth. Surpluses — both industrial and agricultural.

Fifth. International policy—State Department.

Sixth. Geographic—world population movements and territorial developments.

Seventh. Political domestic policy—representatives of Senate and House of Representatives.

Eighth. Domestic finance—Treasury Department.

Ninth. Advertising and servicing. The time will come when American goods in a highly competitive market will be sold on quality and servicing.

Tenth. Transportation by sea.

Eleventh. Transportation by air.

Twelfth. Financing of foreign trade—civilian of broad foreign-trade experience.

The charter of the bank would further provide for a technical board of directors composed of Government employees who will oversee the executive operations of the bank in line with the general recommendations of the Advisory Board.

At the present time the loaning limit of the Export-Import Bank is $700,000,000. While at no time has the limit been reached, the bank is empowered to sell additional stock to the Reconstruction Finance Corporation to increase its loanable funds. In lieu of this I would recommend that the capital of the bank be increased to $1,000,000,000 and that the charter provide that it may sell its debentures to the Treasury Department in an amount not in excess of two times its paid-in capital.

While it is understood that under certain conditions the Export-Import Bank can cooperate with private capital in its financial undertakings, the new charter should definitely provide for assistance along this line with a view of stimulating our own private sources of financing foreign trade.

In offering the above suggestion, I again wish to emphasize the point that while it will be advantageous to the American people to participate in the redevelopment of the purchasing power of foreign countries through aiding them in reestablishing their wealth-producing possibilities, yet we should maintain an intelligently selfish point of view. Frankly, I am more anxious that our returning soldiers are provided with good jobs and the opportunities of success in their lives than I am as regards the future of the soldiers of other countries, and I further believe that the person who looks after his own business achieves greater success than does the person who surrenders the power of decision to someone else.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. DEWEY. I yield to my distinguished colleague from Massachusetts.

Mr. GIFFORD. I want the gentleman fully to understand how persuasive his arguments are in this matter; we have such a high regard for the gentleman's ability. No matter has come up for my consideration in a long, long time like the Bretton Woods matter. I want to ask the gentleman one or two, I think, pertinent questions.

The gentleman spoke of the Greek drachma and the value they place on it in its relation to the American dollar. Was any consideration given to the possibility that operations could begin at that value but the country devalue and make it worthless by its own act?

Mr. DEWEY. Answering the question the gentleman has propounded, I stated that the fund, as an example, might give the value of 1 cent to the Greek drachma. They have not as yet ascribed any particular value to any currency except to lay down the principle that they must all relate to dollars and gold.

The answer to the second part of the gentleman's question is this: The fund states—and it is rather naive—that a value will be placed on the various currencies, but in view of the uncertainty of the present situation if a given government itself finds that domestic, social, or political matters require them to change the value of their currency the fund must give consideration to those factors. The country itself has a right to make a change within a limit of 10 percent and can make a further request for a 10-percent change which must be given immediate consideration. I can well imagine that there would be a very fair amount of fluctuation as the limits are pretty broad and the considerations to be taken into account by the managers of the fund are very liberal when one realizes that among the factors to which they must give consideration are the social, economic, and political requirements of a country.

Mr. GIFFORD. May I ask a further question?

Mr. DEWEY. Yes.

Mr. GIFFORD. I tried to listen carefully to what the gentleman said. Does the gentleman think he is going to approve the action of the Bretton Woods Conference?

Mr. DEWEY. No.

Mr. GIFFORD. I ask that question because the gentleman from Illinois is important in this matter.

Mr. DEWEY. No; I could not enter into approval—speaking for myself—of a fund which may increase the public debt such as we have. I cannot approve the idea of going into partnership with other governments, all of whom have their own selfish and national aspirations before we know what those aspirations are. Where is our bargaining sense?

Mr. GIFFORD. The point is that we may feel, we may know, we are going to lose all of the money we put up, but in spite of that fact, are we not isolationists? I want to vote for that, but I want to vote for it with my eyes open. The gentleman may warn us that we will lose it, but even though we lose it, will the gentleman oppose it?

Mr. DEWEY. Yes, sir.

Mr. GIFFORD. Is it necessary?

Mr. DEWEY. I will be glad to state what I think about that. I want our country to assume the normal responsibilities of a great nation toward other nations suffering like ourselves in this war.

Mr. GIFFORD. But with $28,000,000,000 lend-lease operations going on, think of our loss there as compared to the possible loss under the fund.

Mr. DEWEY. But I want to do it from an enlightened, selfish point of view just exactly as every other nation will, to protect our rights.

Mr. GIFFORD. I want the gentleman to tell me, and insist that we lose the money, but we have lost so much in other operations that seemed to be necessary that my conscience—and I have tried to follow that Bretton Woods Conference; I am interested in it—but I freely confess that the gentleman's way of dealing out things and explaining convinces me that if we are not willing to run the risk of losing money we run the awful risk of being charged with unwillingness to cooperate and with being termed "isolationist"—which I am not.

Mr. DEWEY. I have been accused of being an internationalist at one time because I never thought the debts of the last World War could be paid and I thought some composition of them should have been made. For that I was called an internationalist. I am now accused of being an isolationist because I look after—as well as I can in my own humble way—the best interest of my own people.

Mr. GIFFORD. I want to make clear what I have in mind: The gentleman advises us—and he knows what he is talking about; he has studied the subject from all angles—the gentleman has been telling us that we may lose out if we take this step; that we face that danger. I want to know from the gentleman: Is he willing to take the risk and do it? I rather think I am willing in spite of what has gone before and what we have done in this war effort; but I want to know what the gentleman's object is in showing us the danger, whether or not we will take it in spite of that?

Mr. DEWEY. I should like to say to the gentleman from Massachusetts that I have tried to offer a suggestion which I said will do the same thing without the risk of so great a loss.

Mr. GIFFORD. I understand it.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. WHITE. Mr. Speaker, I ask unanimous consent that the gentleman's time may be extended 5 minutes. There are some questions I wish to ask him.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

The SPEAKER. The gentleman from Illinois is recognized for 5 additional minutes.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. DEWEY. I yield.

Mr. WHITE. The gentleman speaks of the stabilization of the international currencies. Is it the gentleman's idea that it would be better to stabilize the money of the several countries on some metallic base and standard?

Mr. DEWEY. I believe that the stabilization of currencies at the present time is most desirable. They should be tied to gold and the American dollar of present worth, and fineness, and value.

Mr. WHITE. That presupposes that all the currencies of the several nations, or their money of ultimate redemption, will be metallic, will be gold, and that gold will be the standard of value, therefore, in those countries.

Mr. DEWEY. That presupposes a currency of those countries that will have a stable purchasing power in relationship to what I hope will continue—a stable purchasing power of the American dollar. It is because of that I do not want to see

inflation. I do not want to see the dollars in the bonds sold to the people of our country and the insurance policies in the hands of our people have a less purchasing power when the people receive those dollars back. That is what inflation does.

Mr. WHITE. If the value of the currency of a country is established by this bank, or the fund you are talking about, and then the value of their money at home should collapse, what recourse will the bank have?

Mr. DEWEY. Like every other bank, it deals in currency. It pays back what it has. It pays currencies. If the currencies decline in purchasing power, it pays, nevertheless, what it has, but the people will not be able to buy with those currencies as many goods.

Mr. WHITE. The gentleman took as an illustration the Greek drachma and suggested 1 cent as the value of a unit.

Mr. DEWEY. I took that only because it was an easily divisible unit.

Mr. WHITE. That was a simple illustration. It might be 5 cents or 10 cents. As a matter of fact, the drachma of Greece is divided into a hundred parts called cents.

Mr. DEWEY. Yes.

Mr. WHITE. It would be a cent in our money and a hundred cents in their money. Now, suppose the drachma goes down, what possible effect would there be?

Mr. DEWEY. According to the operators of the fund it is not supposed to fluctuate in any material amount. If, despite all good intent, currencies within the fund lose value, the fund will likely have to be liquidated.

Mr. WHITE. The gentleman assumes then that the Government of Greece will have control over the value of this drachma commercially?

Mr. DEWEY. The Government of Greece, if a member of the fund, agrees to certain provisions of the fund. If they do not follow them, they give up their right to operate through the fund.

Mr. WHITE. The gentleman distinctly recalls that the French franc could not be stabilized by the Government; that is, the Government could not stabilize the value of the franc and it kept depreciating in value.

Mr. DEWEY. That has occurred before, of course.

Mr. WHITE. The gentleman took the Greek drachma as an illustration. Let us take the franc for illustration and take a 10-cent value. Suppose further that the commercial value of the franc in its own country goes down to 1 cent in value, what happens to the value that is put on by this international fund and what happens to the credit established by the franc in this fund you are talking about?

Mr. DEWEY. That is where certain proponents of the fund and I do not agree. The value of a currency in any country depends on the sound economic policy of the country itself. If a country goes on a great spending spree and issues more currency than sound economy demands then the currency, naturally, has less purchasing power. If it maintains a sound economic policy, its currency remains sound. Unless this fund contemplates being a dictator over all of the member countries in the fund, I do not see how they are going to maintain the stability of the various currencies of the world.

Mr. WHITE. Then, as far as that is concerned, the Bretton Woods Conference was a failure because no stability was established for the several currencies that will be evaluated by the fund?

Mr. DEWEY. I do not think you could say that the Bretton Woods Conference was a failure. I did not approve the plan when they went into it. There were certain Members of the House on the Republican side who joined in a letter to the effect they did not think it was the proper procedure. That has been so stated by many of the leading economists of the country and most of the larger banks that have had experience in foreign exchange.

The SPEAKER. The time of the gentleman from Illinois has expired.

EXTENSION OF REMARKS

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein my comments pertaining to the Civil Aeronautics military cadet training program.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. SHEPPARD]?

There was no objection.

SPECIAL COMMITTEE ON POST-WAR PLANNING

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the House Special Committee on Post-war Planning may have until midnight tonight to file an interim report.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. COLMER]?

There was no objection.

EXTENSION OF REMARKS

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the gentleman from Mississippi [Mr. MCGEHEE] may have permission to extend his own remarks in the RECORD and to include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. COLMER]?

There was no objection.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table, and, under the rule, referred as follows:

S. 2051. An act to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes; to the Committee on Ways and Means.

ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 45 minutes p. m.) the House adjourned until tomorrow, Tuesday, August 15, 1944, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1764. A letter from the Acting Secretary of the Navy, transmitting a report on land acquired by the Navy, with the cost thereof, as of June 30, 1944; to the Committee on Naval Affairs.

1765. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to amend an act entitled "An act to extend the time for examination of monthly accounts covering expenditures by disbursing officers of the United States Marine Corps," approved December 26, 1941, so as to extend the time for examination of monthly accounts of disbursing officers and special disbursing agents of the Navy and Coast Guard; to the Committee on Expenditures in the Executive Departments.

1766. A letter from the Acting Director, Bureau of the Budget, transmitting copies of letters addressed to the heads of various agencies which established limitations on the amounts which may be expended for travel, printing and binding, and the purchase of motor-propelled passenger-carrying vehicles from sums set apart in appropriations to these agencies for special projects; to the Committee on Expenditures in the Executive Departments.

1767. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to authorize the Secretary of the Navy to convey to Oahu Railway & Land Co. an easement for railway purposes in certain lands situated at Halawa, Ewa, Oahu, T. H.; to the Committee on Naval Affairs.

1768. A letter from the Assistant Secretary of Agriculture, transmitting copies of the quarterly estimates of personnel requirements for each of the Department's reporting units for the quarter ending September 30, 1944; to the Committee on the Civil Service.

1769. A letter from the Acting Secretary of the Treasury transmitting copies of communications from this Department to the Director of the Bureau of the Budget relating to revision of personnel ceilings of certain bureaus and divisions of this Department; to the Committee on the Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MANASCO: Committee on Expenditures in the Executive Departments. H. R. 5125. A bill to provide for the disposal of surplus Government property and plants, and for other purposes; with amendment (Rept. No. 1757). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLMER: Special Committee on Post-war Planning. Interim report pursuant to House Resolution 408. Resolution creating a Special Committee on Post-war Economic Policy and Planning (Rept. No. 1759). Referred to the Committee of the Whole House on the state of the Union.

Mr. SABATH: Committee on Rules. House Resolution 620. Resolution for the consideration of H. R. 5125, a bill to provide for the disposal of surplus Government property and plants, and for other purposes; without amendment (Rept. No. 1760). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLE of Missouri:

H. R. 5179. A bill to extend for 3 years the temporary additional pay for equipment maintenance for each carrier in Rural Mail Delivery Service provided for by the act of December 17, 1943; to the Committee on the Post Office and Post Roads.

By Mr. BURDICK:

H. R. 5180. A bill to provide for the donation by the United States of the site of the original Fort Buford, N. Dak., to the State of North Dakota; to the Committee on Agriculture.

By Mr. CARTER:

H. R. 5181. A bill to provide a method for compensating certain individuals for damages sustained as the result of the explosions at Port Chicago, Calif.; to the Committee on Claims.

By Mr. SNYDER:

H. R. 5182. A bill creating an office of military research and development in the War Department; to the Committee on Military Affairs.

By Mr. D'ALESANDRO:

H. R. 5183. A bill to provide for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia; to the Committee on the District of Columbia.

By Mr. DICKSTEIN:

H. R. 5184: A bill to extend the operation of the Emergency Price Control Act of 1942; to the Committee on Banking and Currency.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5985. By Mr. BUCKLEY: Petition of J. M. Cotton and 87 others protesting against prohibition legislation; to the Committee on the Judiciary.

5986. By Mr. CANNON of Missouri: Petition of Franklin County, Mo., citizens, protesting against any form of prohibition legislation; to the Committee on the Judiciary.

5987. By Mr. GAMBLE: Petition of sundry residents of Westchester County, N. Y., protesting against the enactment of any prohibition legislation; to the Committee on the Judiciary.

SENATE

TUESDAY, AUGUST 15, 1944

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, in a world so hedged about with mystery beyond the ken of our peering eyes, we thank Thee for the revelation of Thyself in the majestic order of the universe in which we live, in the emancipating truth which exploring minds discover, and, above all, in the grandeur of spiritual verities which mock our unbelief as we touch life at its highest and best in the noblest sons of men. Set our feet on lofty places. In baffling days give us the vision and the wisdom to help fashion a world worthy of the martyred dead whose lifeblood is the price of redemption from the black evil threatening all that is fair and fine upon the earth. Grant us the grace of penitence for all in our own hearts and in our own land which betrays and denies the creed of freedom we profess. In this dark night of the world's agony in an hour of human destiny Thou hast set us to play our part on a high hill that cannot be hid. Make our lives as lighted candles on the altar of Thy eternal purpose for all mankind.

We ask it in the name of the Prince of Peace, who is the one true light, and to whose radiant kingdom of love there is no frontier. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, August 11, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PERSONNEL REQUIREMENTS

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, revised estimates of personnel requirements for certain bureaus and divisions of the Department for the first quarter of the fiscal year 1945 (with accompanying papers); to the Committee on Civil Service.

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, revised estimates of personnel requirements affecting certain administrations, bureaus, and offices of the Department, requests for which were made during the period April 1, 1943, through June 30, 1944 (with accompanying papers); to the Committee on Civil Service.

REPORT OF BOARD OF ACTUARIES OF THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND

A letter from the President of the United States Civil Service Commission, transmitting, pursuant to law, the twenty-third annual report of the Board of Actuaries of the Civil Service Retirement and Disability Fund for the fiscal year ended June 30, 1943 (with an accompanying report); to the Committee on Civil Service.

PETITION

The VICE PRESIDENT laid before the Senate a resolution adopted by the Council of the City of Toledo, Ohio, favoring the prompt enactment of House bill 4915, the so-called post-war highway-construction bill, which was referred to the Committee on Post Offices and Post Roads.

PROGRAM OF POST-WAR HIGHWAY IMPROVEMENTS

Mr. DAVIS. Mr. President, since the introduction of H. R. 4915, the so-called Federal highway bill, I have received a tremendous number of communications from all parts of the State of Pennsylvania. These communications are unanimous in urging that early action be taken on this bill in order that the several States may be informed fully regarding the proposed program of the Federal Government and the requirements which will be laid down in that program with respect to State participation.

Indicative of the many requests which I have received is a telegram from Mr. Robert Y. Burns, president of the Erie County Motor Club, which I ask unanimous consent to have printed in the RECORD as a part of my remarks.

I also ask, Mr. President, that the telegram be referred to the Committee on Post Offices and Post Roads. I urge that the committee take early action on the pending bill in order that a sound program may be developed at the earliest possible moment.

I am convinced that we must develop a program which will insure a complete and cordial cooperation between the Federal Government and the governments of the various States in the execution of post-war highway projects. Such a program, it will be readily admitted, will be one of the foremost needs of the Nation in the early post-war years.

The VICE PRESIDENT. Without objection, the telegram presented by the Senator from Pennsylvania will be printed in the RECORD, and referred to the Committee on Post Offices and Post Roads.

The telegram was referred to the Committee on Post Offices and Post Roads, as follows:

ERIE, PA., *August 14, 1944.*

Hon. J. J. DAVIS,
Senate, Washington, D. C.:

We urge your immediate action on Federal highway legislation, H. R. 4915, which is vitally important to the State's highway program for post-war period. It is essential that State legislatures know what help the States are to have from the Federal Government for highway developments, not only financially but requirements of the Federal Government for matching of Federal funds and limitations as to the use of Federal funds.

ROBERT Y. BURNS,
President, Erie County Motor Club.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHANDLER, from the Committee on Military Affairs:

S. 1374. A bill to provide for promotion of certain American prisoners of war; without amendment (Rept. No. 1041); and

H. R. 3187. A bill to amend section 5, Public Law 140, Seventy-seventh Congress; without amendment (Rept. No. 1038).

By Mr. HATCH, from the Committee on the Judiciary:

S. 725. A bill to provide for the punishment of persons conspiring to violate the laws relating to counterfeiting, and certain other laws; without amendment (Rept. No. 1039).

By Mr. McFARLAND, from the Committee on the Judiciary:

H. R. 3592. A bill to amend the Judicial Code in respect to the original jurisdiction of the district courts of the United States in certain cases, and for other purposes; with an amendment (Rept. No. 1040).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. O'MAHONEY:

S. 2078. A bill to establish a central inventory of federally owned real property, to provide for the orderly disposition of certain

surplus real property owned by the United States, and to provide for the disposition of such property for the benefit of veterans so far as practicable; to the Committee on Public Lands and Surveys.

By Mr. THOMAS of Oklahoma:

S. 2079. A bill for the relief of Frank Fullingim; to the Committee on Claims.

By Mr. TYDINGS:

S. 2080. A bill to authorize the city of Ketchikan, Alaska, to issue bonds in a sum not to exceed $150,000 for the purpose of constructing and acquiring additions and betterments to and extensions of the electric light and power system of said city, and to provide for the payment thereof, and for other purposes; to the Committee on Territories and Insular Affairs.

(Mr. ANDREWS introduced S 2081, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. TAFT:

S. 2082. A bill further amending section 5 (g) of the Reconstruction Finance Corporation Act, relating to the War Damage Corporation; to the Committee on Banking and Currency.

(Mr. PEPPER introduced S. J. Res. 145, which was referred to the Committee on Rules, and appears under a separate heading.)

AMENDMENT OF JUDICIAL CODE RELATING TO ASSIGNMENT OF JUDGES—DECISIONS BY MINORITY OF COURT

Mr. ANDREWS. Mr. President, I introduce a bill consisting of only one paragraph, which I ask to have read at the desk. Then I shall make a brief statement regarding the bill.

The VICE PRESIDENT. The clerk will read.

The legislative clerk read as follows:

Be it enacted, etc., That the Judicial Code, as amended, is amended by inserting, after section 232 thereof, a new section as follows:

"SEC. 232A. Whenever any Justice of the Supreme Court is disqualified or disabled on account of interest, illness, or any other cause whatever, to hear and determine any cause or matter pending in such Court or brought before it, the Justices of the Court not disqualified are hereby empowered to call in a judge of any circuit court of appeals or a justice of the Court of Appeals for the District of Columbia to sit in place of the Justice so disqualified or disabled, and the clerk of the Supreme Court, upon the suggestion of the Court, shall notify such judge or justice and request his attendance at the Supreme Court at a time to be designated when such cause or matter may be heard; and it shall be the duty of such judge or justice upon receiving such notice to attend at the Supreme Court at the time so designated. No such judge or justice before whom a cause or matter may have been tried or heard shall sit on the hearing of such cause or matter in the Supreme Court."

Mr. ANDREWS. Mr. President, the decision of the United States Supreme Court, rendered on June 5, 1944, in the case of the United States of America against South Eastern Underwriters Association et al., has given rise to much comment not only as to the issues passed upon in the case but more particularly certain precedents overruled in reaching the decision.

For the purposes of my statement, it is not necessary to refer to the main issues raised by the pleadings and decided in the case itself. I especially direct attention to the practice consistently followed by our Supreme Court since it began operation in passing on constitutional questions and overruling precedents.

The records show that, first, no decision involving a constitutional question; second, nor any decision overruling any established legal precedent until recently had been rendered by a minority membership of the Supreme Court.

In the recent insurance case, three Justices dissented and two Justices did not participate. Four Justices out of nine on the Court rendered the decision. It is, therefore, a decision by a minority of the full Court.

This decision reverses what has been considered a wise practice of the Court instituted by Chief Justice Marshall 110 years ago when the Court voluntarily asserted that it would not decide any case involving a constitutional question unless a majority of the whole Court should concur. In that case, a majority of the whole Court of seven did not concur in a prepared opinion, whereupon the Court entered the following order directing a reargument:

> The practice of this Court is not (except in cases of absolute necessity) to deliver any judgment in cases where constitutional cases are involved, unless four judges concur in opinion, thus making the decision that of a majority of the whole Court. In the present cases four judges do not concur in opinion as to the constitutional questions which have been argued. The Court, therefore directs these cases to be reargued at the next term, under the expectation that a larger number of the judges may be present then.

The reasoning is obvious: That any decision by less than a majority of any court leaves law uncertain and thus may cause endless litigation on the issues raised.

When this practice was announced by Chief Justice Marshall in 1834, the Court consisted of a Chief Justice and six Associate Justices. The case involving the constitutionality of the New York statute had just been argued with two Justices absent.

This practice was followed a year later in the important case of Briscoe against Commonwealth's Bank of Kentucky, in which the constitutionality of the State's banking law was involved, and after argument a decision thereon postponed. Counsel in the New York and the Kentucky case having inquired if the Court had come to a final decision, Chief Justice Marshall announced: "The Court cannot know whether there will be a full Court during the term, but as the Court is now composed, the constitutional cases will not be taken up." The Court at that time numbered six, Justice Duval having resigned. For a similar reason action was postponed on the important Charles River bridge case, first argued in 1831.

These cases were not decided until 1937, at which time the number of Justices had been increased from seven to nine. In the New York case, Chief Justice Taney and six Justices then held the State law constitutional in an opinion by Justice Barbour and concurring opinion by Justice Thompson. Justice Story alone dissented. At the previous hearing the Court had split 3 to 2, and thus a majority of the whole Court had not concurred in any opinion.

In the Kentucky case the Court, in a decision filed in 1837, upheld the constitutionality of the State law in an opinion by Justice McLean. Justice Story dissented, stating that at the argument in 1834 a majority of the Justices who then heard it, including Chief Justice Marshall, had believed the statute unconstitutional. A majority of the whole Court had not then concurred, and, therefore, the case had been ordered to be reargued under the practice announced by the Chief Justice.

This practice was undoubtedly founded on the sound principle that when the Constitution of the United States was involved a decision by a majority of the full Court would carry more weight and receive more public confidence than a decision by a mere majority of a quorum of Justices present, which is always of doubtful validity in any case.

The records will show that this practice of Chief Justice Marshall was followed in 1845 by the Court under Chief Justice Taney in the case of Smith against Turner, involving the constitutionality of a New York immigrant law. At that time, owing to two vacancies on the bench and a division of opinion among the other seven Justices, there was no opinion concurred in by a majority of the full Court, and accordingly the case was ordered for reargument and not decided until 1849.

In the recent insurance case, unfortunately, the four Justices rendering the opinion did not see fit to follow the practice of the Court by waiting before rendering their opinion until a majority Court should concur in a decision on the grave constitutional questions involved.

This refusal to follow the long-established practice seems not to be an isolated instance in the present court; for in the very recent case of Feldman against United States, decided on May 29, 1944, involving an important constitutional question under the fifth amendment as to the right to introduce in a Federal court evidence which was illegal in a State court, the decision was rendered by four Justices, with three Justices dissenting and two not sitting. Thus, a decision on a constitutional point was again rendered by less than a majority of the full Court.

If the 4-to-3 opinion delivered by Justice Black in the recent insurance case is to be considered as overruling the long-established law expressed by a unanimous court in 1869, in *Paul* v. *Virginia* (8 Wallace 168), then it should be carefully noted that it is a far-reaching decision overruling previous decisions by Justices numbering less than a majority of the whole Court.

During 155 years since 1789 there have been 70 decisions of the Court overruling previous cases. Heretofore, the opinion of the court has always been concurred in by at least a majority of the full Court. While in less important cases there have been occasionally decisions by a minority of the Court, but not in cases involving the overruling of a previous decision.

Chief Justice Stone, in his dissenting opinion in the recent insurance case, among other reasons given for his dissent, said:

The decision now rendered repudiates this long-continued and consistent construction of the commerce clause and the Sherman Act. We do not say that that is in itself a sufficient ground for declining to join in the Court's decision. This Court has never committed itself to any rule or policy that it will not bow to the lessons of experience and the force of better reasoning by overruling a mistaken precedent. This is especially the case when the meaning of the Constitution is at issue and a mistaken construction is one which cannot be corrected by legislative action.

To give blind adherence to a rule or policy that no decision of this Court is to be overruled would be itself to overrule many decisions of the Court which do not accept that view. But the rule of stare decisis embodies a wise policy because it is often more important that a rule of law be settled than that it be settled right. This is especially so where, as here, Congress is not without regulatory power. (Cf. *Penn Dairies* v. *Milk Control Commission* (318 U. S. 261, 271, 275).) The question then is not whether an earlier decision should ever be overruled, but whether a particular decision ought to be. And before overruling a precedent in any case it is the duty of the Court to make certain that more harm will not be done in rejecting than in retaining a rule of even dubious validity. Compare *Helvering* v. *Griffiths* (318 U. S. 371, 400–4).

The constitutions of many States have a provision similar to article V, section 6, of the Constitution of Florida, which provides as follows:

The legislature shall have power to prescribe regulations for calling into the supreme court a judge of the circuit court, to hear and determine any matters pending before the court in the place of any justice thereof that shall be disqualified or disabled in such case from interest or other cause.

Under this authority a statute was enacted empowering the State supreme court to call in a circuit judge to sit in place of any justice disabled or disqualified in any case.

These provisions of organic and statutory laws in Florida have worked admirably and thus prevented uncertainties caused by overruling long-established principles of law and constitutional interpretations.

In an effort to apply the same laudable principles and to preclude or prevent any case involving a constitutional question or a decision overruling a previous decision of the Supreme Court being decided by less than a majority of the whole Court, I have carefully prepared and now introduce and submit for ultimate passage the bill which has just been read at the desk.

The bill (S. 2081) to amend the Judicial Code so as to provide for the assignment of judges of the circuit courts of appeals and justices of the United States Court of Appeals for the District of Columbia, in lieu of justices of the Supreme Court disqualified in any case, introduced by Mr. ANDREWS, was read the first time by title, the second time at length, and referred to the Committee on the Judiciary.

BROADCAST OF CONGRESSIONAL PROCEEDINGS

Mr. PEPPER. Mr. President, I think the whole country was very much influenced and delighted by being able to hear over the radio the proceedings of the two great national conventions. I have been immensely impressed by the number of people who after our convention was held have made reference in talking to me to some detail of the convention which they had heard over the radio. I think the millions of people of the country remained close to their radios to hear the proceedings of both conventions because they knew that there the policies of their Government were being determined. Because the people are interested in the democratic processes, and because the radio brought the conventions almost into the homes and the public places of the country the proceedings of the conventions had a profound influence upon the thinking of our people.

Mr. President, it has seemed to me for some time a project worthy of consideration as to whether the proceedings of the Congress might be broadcast to the people of the country. Surely the people of this country are sovereign. Surely all of us regard ourselves as their spokesmen. We are all trying to serve their objectives and their great purposes. If they could by the marvel of the radio be brought, as it were, as the visitors in the galleries are privileged to be, to be witnesses of the deliberations of their Representatives and Senators in Congress, I believe it would be in furtherance of the democratic process.

So, Mr. President, I introduce and ask to have appropriately referred a joint resolution authorizing the broadcasting of the proceedings of the Senate and the House of Representatives. I bespeak for the joint resolution the consideration of my colleagues in the Senate. It is not contended that the joint resolution is perfect in form. It does not contemplate the setting up of any Government-owned facilities. It does direct the Architect of the Capitol to aid the broadcasting companies in the broadcasting of the proceedings of the Senate and the House of Representatives.

The joint resolution (S. J. Res. 145) authorizing the broadcasting of the proceedings of the Senate and the House of Representatives, introduced by Mr. PEPPER, was read twice by its title and referred to the Committee on Rules.

DISPOSAL OF GOVERNMENT PROPERTY AND PLANTS—AMENDMENT

Mr. JOHNSON of Colorado submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 2045) to provide for the disposal of certain Government property and plants, which was referred to the Committee on Military Affairs and ordered to be printed.

ACQUISITION OF CERTAIN ISLANDS BY THE UNITED STATES

Mr. McKELLAR. Mr. President, I submit a resolution and ask that it be read at the desk. It is short.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 320), as follows:

Resolved, That, in order to promote and protect the peace and security of the United States, it is the sense of the Senate—

(1) That any treaty or agreement terminating the present war against Japan, or settling the questions arising out of such war, should provide that the United States shall have and retain as its permanent possessions all islands which on December 5, 1941, were in the possession of or mandated to Japan and which lie between the Equator and the thirtieth parallel of latitude north, including Formosa and the Ryukyu Islands.

(2) That, in settling the questions arising out of the present wars and in making provisions for the maintenance of peace, the United States should acquire as its permanent possessions Bermuda Island and all islands in the West Indies which are now the possessions of European nations.

Resolved further, That the President be, and he is hereby, requested to enter into negotiations with the Republic of Ecuador with a view to obtaining the Galapagos Islands as permanent possessions of the United States.

Mr. HILL. Does not the Senator desire the resolution to be referred to a committee?

Mr. WHITE. Mr. President, the Senator is not asking for immediate consideration of the resolution, as I understand.

Mr. McKELLAR. Oh, no. I am merely submitting it and I ask that it be appropriately referred.

The VICE PRESIDENT. The resolution will be referred to the Committee on Foreign Relations.

SHORTAGE OF BOXCARS FOR GRAIN TRANSPORTATION

Mr. LANGER. Mr. President, last October I submitted Senate Resolution 185 touching the shortage of boxcars to handle grain in the Northwest. The resolution was referred to the Committee on Interstate Commerce and a subcommittee headed by the distinguished Senator from Tennessee [Mr. STEWART] considered the resolution. The subcommittee did a magnificent job. I have been receiving a great many telegrams which disclose that this year's crop is encountering the same situation which was faced last year. I have prepared a resolution which I send to the desk and ask to have referred to the Committee on Interstate Commerce and, because of the fact that the senior Senator from Montana [Mr. WHEELER] is absent, I ask that it be referred to the subcommittee of which the Senator from Tennessee [Mr. STEWART] is chairman.

Mr. HILL. Mr. President, I did not quite understand. What was the Senator's request?

Mr. LANGER. Simply that a resolution I am submitting be referred to the same subcommittee as that to which Senate Resolution 185, dealing with the same subject, was referred last year.

Mr. HILL. Is that a subcommittee of the Senate Interstate Commerce Committee?

Mr. LANGER. It is.

Mr. HILL. I will say to the Senator that I think that the Chair will refer the resolution to the Committee on Interstate Commerce, and, although I cannot speak for the chairman of the committee, the Senator from Montana [Mr. WHEELER], I am quite certain that the resolution, in view of what the Senator has said about it would be referred to the subcommittee. That, however, would be a matter in the hands of the full committee and the chairman of the committee.

Mr. LANGER. The only reason I ask that it be sent to the subcommittee is that the Senator from Montana is absent.

Mr. HILL. I will say to the Senator that, in view of the fact that that committee is now in being and has jurisdiction over the matter, I am quite certain it will go to that subcommittee. What the Presiding Officer will do no doubt will be to refer the resolution to the Committee on Interstate Commerce.

Mr. LANGER. I am very anxious to have the same subcommittee consider the resolution I am now submitting which considered the resolution last year, because they are familiar with the subject.

Mr. HILL. I am quite certain, from what the Senator has said, that it will be referred to that subcommittee, but, so far as the Senate is concerned, I think all the Senate can do is to refer the resolution to the full committee which is the Committee on Interstate Commerce.

Mr. LANGER. While I am on the floor, I may say that the Northwest never got any better deal than they got from the subcommittee headed by the Senator from Tennessee [Mr. STEWART]. The whole State feels under a debt of gratitude to him. We got results because of the action on that resolution.

Mr. STEWART. Mr. President, since the Senator from North Dakota [Mr. LANGER] so graciously referred to the work of the subcommittee of which I happen to be the chairman, I wish to say that I appreciate his courteous statement. I do not know just what disposition the chairman of the full committee will desire to make of the resolution which has been offered, and which will undoubtedly be referred to the Committee on Interstate Commerce; but if it shall come to my subcommittee, we shall be glad to handle it.

The VICE PRESIDENT. Without objection, the resolution submitted by the Senator from North Dakota will be referred to the Committee on Interstate Commerce.

The resolution (S. Res. 321) was referred to the Committee on Interstate Commerce, as follows:

Resolved, That the Committee on Interstate Commerce, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation with respect to the causes of the existing shortage of railroad cars for the transportation of wheat, flax, oats, barley, rye, and other grains in the States of North Dakota and Texas, and means of relieving such shortage. The committee shall report to the Senate at the earliest practicable date the results of such study and investigation, together with its recommendations for necessary legislation.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-eighth Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

ADDRESS BY THE PRESIDENT OF THE UNITED STATES AT THE PUGET SOUND NAVY YARD

Mr. HILL. Mr. President, I ask unanimous consent that the address delivered by the President last Saturday at the Puget Sound Navy Yard be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, officers and men of the Puget Sound Navy Yard, I am glad to be back here in well-known surroundings, for, as you know, I have been coming here off and on ever since I was Assistant Secretary of the Navy in 1913, and that's over 30 years ago.

It's nearly about 4 weeks ago since I left Washington, but, of course, at all times I have been in close touch with the work there and also in daily communication with our forces in the European and Far Eastern theaters of war.

Since my visit here at Bremerton nearly 2 years ago I have been happy at all times to know of the splendid progress that is being maintained—kept up—both here and at many other places on the coast, progress in turning out ships and planes and munitions of almost every other kind and in the training of men and women for all of the armed forces.

So I have thought that you would be interested in an informal summary of the trip I have just taken to Hawaii and from there to the Aleutian Islands and Alaska, from which, when I get across the Sound, I am about to step foot on the shore of the continental United States again.

When I got to San Diego 3 weeks ago I spent 3 days before going on shipboard, and I had the opportunity at the southern end of the Pacific coast to visit many of the patients in the large hospitals there, a large number of these patients having just come back from the fighting in the Marshall Islands and the Marianas.

And I also witnessed a large practice landing operation on the beaches of southern California, between Los Angeles and San Diego.

It's a kind of warfare that has been most successfully developed by us during the past 2 years. It's a warfare of a wholly new type calling for all kinds of new equipment and new training.

And I think I can safely say that no other nation in the world has worked it out as successfully as we have—the way we have shown it within the past few weeks in the capture of Saipan and Tinian and the recapturing of Guam, an effort which is resulting in new threats against Japan itself and against all of their operations in the Southwest Pacific.

You know, it takes a personal observation—you've got to see things with your own eyes, such as I saw from a high bluff right on the coast overlooking the shore below—to understand how well the application of experience in war is being carried out.

The landing craft, a wholly new type of ship, one we didn't dream of 2 years and half ago, came to the beach from the transports that were lying offshore under cover of a fog.

They came on in waves, the marines and the infantry getting the first toehold, followed by other waves and then by all manner of equipment, ammunition and wire and tanks, all protected by air coverage and preceded theoretically—because I wouldn't be here today if it was real—by a devastating bombardment from heavy ships lying offshore.

When the beachhead was obtained to a depth of a mile or two there followed the unloading of great quantities of supplies and stores of all kinds, including tanks and trucks and jeeps.

Timing—that's why we have to practice this—timing is of the utmost importance. Any operation of this kind has to be carried out click-click-click, right on schedule, together with instantaneous communication—both the radio, the written kind, and the voice from the shore to the ships and to the planes themselves.

Here was demonstrated the perfect cooperation between all the services—Army and Navy and marines, and to this should be added the teamwork for the immediate care of the wounded—in the case I saw it was the theoretically wounded—and the quick transfer of them back to the hospital ships.

We in our comfortable homes, I think, ought to realize more than we do that, to all troops and marines who are to conduct a new landing expedition on some far distant island in the Pacific, as well as on the coast of France, this amphibious training is being given at a number of places in the United States before the expedition ever starts.

Hundreds of instructors are required, nearly all men who have participated in actual combat operations beforehand, and many of these instructors, most of them, indeed, will, of course, accompany the troops in the actual operation of the future landings.

The cruiser, which is on her way to another place, the cruiser on which I went from San Diego to Honolulu, is one of a number of what we call post-treaty cruisers, much larger, more powerful, and faster than the pre-war cruisers, which were limited by the old treaties to 10,000 tons.

This particular ship on which I voyaged joined the Pacific Fleet less than a year ago in the western and southwestern Pacific. Hers is a magnificent record. Her skipper and crew have brought her through all of these many offensive missions unscathed, 15 of them, 15 battles.

And because of the experience that she has gained and that they have gained she is an even more powerful weapon than she was the day that she joined the fleet.

Well, the voyage was uneventful and we arrived at Pearl Harbor on July 26. At this moment may I just add a word of appreciation to the press and the radio of our country. You know we have a voluntary censorship, purely voluntary. I want to thank them for the protection and the security which they gave to me and to my party at a time on this trip when nearly all the time I was within easy reach of enemy action.

The press associations and some of the newspapers actually refused to publish the facts which they got from local friends who had heard of my arrival and my trip around

the Hawaiian Islands—or from local friends whose sons cut there had written home about it—and the newspapers didn't print it. That is a modern marvel.

Well, I got there on the 26th of July and what an amazing change since my visit there 10 years ago—as big and bigger a change than a comparison between the Puget Sound Navy Yard of today with what this was 10 years ago.

But out there—the change. At that time Pearl Harbor had maintained a steady growth as this yard has, so that today it is capable of making repairs to the heaviest ships, and employs a force nearly ten times as great as it did then. And, incidentally, very many of that force came straight there during the past 2½ years from the west coast.

All of the battleships and smaller craft that were sunk or damaged in the attack on Pearl Harbor on the 7th of December 1941 have been raised with the exception of the *Arizona*. In her case, because of the explosion in her forward magazine, salvage was impossible. But again in her case, her main battery of heavy guns was removed and remounted and now forms a part of the coastal defenses on the island of Oahu.

All of the other ships are afloat, most of them having been put back into commission here at Puget Sound, and nobody will ever forget that.

And, incidentally, the ships that you put back into commission, what you did to them in the process, has made of them vastly more powerful ships, better ships, with more gun power than they had before they were sunk.

And that's one thing that I'll never forget, the way that sunken fleet was set afloat again and has gone over the world in actually carrying out the plans of this war.

They've been in service, they've been in action, in the Pacific and elsewhere. Indeed, one of them, I think it is the *Nevada*, took part in the bombardment of the coast of Normandy during and after the landing operations there on the 6th of June this year.

I spent 3 days on the island of Oahu, and everywhere, as at the navy yard, the war activities have multiplied almost beyond belief.

On the afternoon of my arrival my old friend Gen. Douglas MacArthur arrived by air from New Guinea and we began a series of extremely interesting and useful conferences, accompanied by Admiral Nimitz and by my own Chief of Staff, Admiral Leahy, who stands beside me now, and General Richardson, the commanding general of the Army forces in the Hawaiian area, and Admiral Halsey, commander of the Third Fleet.

In the 3 days we were there we talked about Pacific problems and the best methods of conducting the Pacific campaign in the days to come. These discussions developed complete accord both in the understanding of the problem that confronts us and in the opinion as to the best methods for its solution.

All of us must bear in mind the enormous size of the Pacific Ocean, the Pacific area, keeping a mental map of the world constantly in mind. The distances are greater there than anywhere else on earth.

In the old days the Hawaiian Islands used to be considered an outpost. We were not allowed to fortify Guam, nor did we fortify Wake, or Midway, or Samoa.

Today the Hawaiian Islands are no longer a mere outpost. They constitute a major base from which, and from the Pacific coast, front-line operations are being conducted twice as far away as the distance between the coast and Hawaii itself.

The Hawaiian Islands have helped to make possible the victories at Guadalcanal and New Guinea and the Marshalls and the Marianas. The islands will make possible future operations in China—will make possible the recapture and independence of the Philippines and make possible the carrying of war into the home islands of Japan itself and their capital city of Tokyo.

In a few minutes I think it will interest you if you will let me say a few additional words about the future of the Pacific.

But first, during the rest of my stay in Hawaii, I visited the many activities, including the great airfields, the hospitals, and an ambulance plane at Hickam Field which had just flown in with wounded men from Saipan. I reviewed the Seventh Division, which has made such a splendid record.

I saw a large Army group that was going through a complete course in jungle warfare—they have to do it there because we haven't got any jungles around here—jungle warfare, an art which we have developed so expertly that our troops are more than a match in the jungle for any Japanese whom we have met yet. And I am proud of all of this basic training and the final training of our sons—all that they're getting both at home and when they get near the front.

After rejoining our ship we headed for the Aleutian Islands. I had read about them—heard about them—but I'd never been there before.

Arriving 4 days later at Adak, which is one of the more westerly islands of the group, there again I found intense activity at what might be called a nearly completed advance base. It was from there that a great part of the expeditions for the recapture of Attu and Kiska started. Adak 2 years ago was a bleak and practically uninhabited spot which, with the other Aleutian Islands, seemed relatively unimportant in the plans for the security of our own continent.

You here can well realize the commotion that followed the Japanese occupation of Attu and Kiska. You've dreamt of Japanese marching up the streets of Bremerton or Seattle tomorrow morning. You may have thought that the Chiefs of Staff in Washington were not paying enough attention to the threat against Alaska and the coast. We realized, of course, that such a Japanese threat could become serious if it was unopposed. But we knew also that Japan did not have the naval and air power to carry the threat into effect without greater resources and a longer time to carry it out.

Preparation to throw the Japanese from their toehold—very skimpy toehold—had been laid even before the Japs got there, and the rest of the story you know.

It took great preparations and heavy fighting to eject them from Attu and by the time the great expedition to recapture Kiska got there the Japanese had decided that discretion was the better part of valor. They decided that retirement and retreat was better for them than hara-kiri, and so they abandoned the Aleutians.

The climate at Adak is not the most inviting in the world, but I want to say a word of appreciation to the thousands of officers and men of all the services who have built up this base and other bases, many other bases, in the extreme northwest of the American Continent, built them up in such a short time to a point where the people of our Pacific Coast, the people of British Columbia and of Alaska, can feel certain that we are safe against Japanese invasion on any large scale.

We were delayed by fog and rain as almost everybody is up in those parts; we had to give up putting in at Dutch Harbor but we did stop at Kodiak, a large island off the end of the Alaskan Peninsula. Here, also, the three services completed a very excellent, though smaller, base. The first little town really that we built in those parts, and there's actually a small community there, the first that we saw in Alaskan waters and the first trees that we saw, because the outer Aleutians just don't have trees. That town and those trees made me think of the coasts of Maine and Newfoundland.

We were told that a number of officers and men at this place and other posts are considering settling in Alaska after the war is over. I do hope that this is so because the development of Alaska has only been scratched and it is still the country of the pioneers, and in one sense every American is a descendant of pioneers.

Only a small part of Alaska's resources have been explored and there is, of course, an abundance of fish and game and timber, together with great possibilities for agriculture. I could not help remembering that the climate and the crops and other resources are not essentially different from northern Europe—Norway and Sweden, Finland—for the people of these countries in spite of the cold and in winter darkness have brought their civilizations to a very high and very prosperous level. On my return to Washington I am going to set up a study of Alaska and the Aleutian Islands as a place to which many veterans of this war, especially those who do not have strong home roots, can go to become pioneers. Alaska is a land with a very small population, but I am convinced that it has great opportunities for those who are willing to work and to help build up all kinds of new things in new lands.

So this trip has given me a chance to talk over the social and economic future of the Hawaiian group with Governor Stainback and the future of the people of Alaska with Governor Gruening. By the way, he asked me to assure you that the tan which I have acquired in Alaska in a week has come from the bright sunlight of Alaska. Near Juneau one afternoon, when we were nearly fogged out, I played hookey for 3 hours. I went fishing and I caught one halibut and one flounder.

Speaking again of the future, of the future of the defense of the Pacific and the use of its strong points in order to prevent attacks against us.

You who live in the Pacific Northwest have realized that a line for sea and air navigation following the Great Circle course from Puget Sound to Siberia and China passes very close to the Alaskan coast and thence westward along the line of the Aleutian Islands.

From the point of view of national defense, therefore, it is essential that our control of this route shall be undisputed. Everybody in Siberia and China knows that we have no ambition to acquire land on the Asiatic Continent.

We, as a people, are utterly opposed to aggression and sneak attacks. But we, as a people, are insistent that other nations must not, under any circumstances, through the foreseeable future, commit such attacks against the United States. Therefore, it is essential that we be fully prepared to prevent them for all time to come.

The word and the honor of Japan cannot be trusted. That is a simple statement from the military and naval and air point of view. But with the end of a Japanese threat, soon we hope, there is an excellent outlook for a permanent peace in the whole of the Pacific area.

It is therefore natural and proper for us to think of the economic and the commercial future. It is logical that we should foresee a great interchange of commerce between our shores and those of Siberia and China.

And in this commercial development Alaska and the Aleutian Islands become automatic stepping stones for trade, both by water and by cargo planes. And this means the automatic development of transportation on the way there, including the Puget Sound area.

It is as long as 10 years, I think, that I talked with Mr. Mackenzie King, Prime Minister of Canada, in regard to the development of highways, in regard to air routes and even

a railroad by way of the Northwest and British Columbia and the Yukon. Great interest in both nations was aroused but it took the war to get quick action.

Today the Alcan Highway is practically completed and an air route to Fairbanks enables us to deliver thousands of planes to our ally, Russia, by way of Alaska and Bering Straits and Siberia. These planes are an important factor in the brilliant and brave advance of the Russian armies on their march to Berlin. And I might observe also that our close relations, our true friendship with Canada during these years has proved to be an illustrious example of working hand in hand with your neighbor for the general good.

South of this northern route, Alaska and the Aleutians, the use of other island groups must also be thought of for defense and for commerce in getting to and from the Asiatic and the American continents. We understand at last the importance of the Hawaiian Islands. It is important that we have other bases, forward bases nearer to Japan than Hawaii lies.

The same thing, we have to remember, holds true in regard to the defense of all the other American republics, 20 others, from Mexico down past the Panama Canal and all the way down to Chile. There are hundreds of islands in the South Pacific that bear the same relation to South America and Central America and the Panama Canal as Hawaii bears to North America.

These islands are mostly in the possession of the British Empire and the French. They are important commercially just as they are from the defense point of view because they lead to New Zealand, and Australia, and the Dutch islands and the southern Philippines. With all these places we undoubtedly are going to have a growing trade.

We have no desire to ask for any possessions of the United Nations. But the United Nations who are working so well with us in the winning of the war will, I am confident, be glad to join us in protection against aggression and in machinery to prevent aggression. With them and with their help I am sure that we can agree completely so that Central and South America will be as safe against attack—attack from the South Pacific—as North America is going to be very soon from the North Pacific as well.

The self-interests of our allies is going to be affected by fair and friendly collaboration with us. They, too, will gain in national security. They will gain economically. The destinies of the peoples of the whole Pacific will for many years be entwined with our own destiny. Already there are stirring among hundreds of millions of them a desire for the right to work out their own destinies and they show no evidence in this Pacific area to overrun the earth—with one exception.

That exception is and has been for many, many years that of Japan and the Japanese people—because whether or not the people of Japan itself know and approve of what their war lords and their home lords have done for nearly a century, the fact remains that they seem to be giving hearty approval to the Japanese policy of acquisition of their neighbors and their neighbors' lands and a military and economic control of as many other nations as they can lay their hands on.

It is an unfortunate fact that other nations cannot trust Japan. It is an unfortunate fact that years of proof must pass by before we can trust Japan and before we can classify Japan as a member of the society of nations which seeks permanent peace and whose word we can take.

In removing the future menace of Japan to us and to our continent we are holding out the hope that other people in the Far East can be freed from the same threat.

The people of the Philippines never have wished and never will wish to be slaves of Japan. Of the people of Korea, that ancient kingdom which was overrun by the Japanese half a century ago, the same is true. The peoples of Manchuria and all the rest of China feel the same.

The same thing is true of the peoples of Indochina and Siam, the peoples of Java, and even the most primitive peoples of New Guinea and the so-called mandated islands which I am glad to say we are in the splendid process of throwing the Japs out from.

I am glad to have the opportunity of taking this short trip, first, for the conferences with General MacArthur and Admiral Nimitz, and, secondly, for the first-hand view of certain bases that are of vital importance to the ending of the war and to the prevention in the future of any similar attack.

More than a million of our troops are today overseas in the Pacific. The war is well in hand in this vast area, but I cannot tell you, if I knew, when the war will be over, either in Europe or in the Far East or the war against Japan itself.

It will be over sooner, if the people of this country will maintain the making of the necessary supplies of ships and planes and all the things that go with them. By so doing we shall hasten the day of the peace. By so doing we will save our own pocketbooks and those of our children. And by so doing we will stand a better chance of substantial unity not only at home but among the United Nations in laying so securely what we all want, the foundation of a lasting peace.

VIEWS OF LEO WOLMAN ON SO-CALLED MURRAY-KILGORE BILL

Mr. VANDENBERG. Mr. President, in the Washington Post for last Sunday, Mr. Leo Wolman incisively discussed the Kilgore-Murray-Truman bill. No one can deny that Mr. Wolman speaks with extraordinary authority in respect to labor relationships. His credentials bespeak his breadth of vision and experience. From 1920 to 1931, significantly, he was in charge of research for the Amalgamated Clothing Workers of America. He was Chairman of the Labor Advisory Board for N. R. A. He was a member of the National Labor Board as a representative of labor, and Chairman of the special Automobile Labor Board. In World War No. 1 he was a confidant of President Wilson, served on the War Industries Board with Mr. Baruch, and was attached to the American Peace Mission at Paris. He was Chairman of the Interstate Commission on Unemployment Insurance. These and many similar assignments give extraordinary importance to his judgment in this field. He cannot be lightly dismissed when he bluntly says over his own signature that—

> The Murray-Kilgore bill * * * was the most effective means yet devised to guarantee a large and permanent army of unemployed for many years after the end of this war—

And that—

> We need plans for the transition from war to peace. We need to deal liberally with the members of our armed forces and our war workers. But we can ill afford a national orgy of spending which is calculated to discourage employment and make our labor and economic policies the football of politics. For that reason it is fortunate that the Senate threw out the Murray-Kilgore bill.

Mr. President, this brief text by Mr. Wolman so completely summarizes the reasons why many of us voted against the bill that I ask unanimous consent for its reprint at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATE FAILURE FORTUNATE—MURRAY-KILGORE BILL CALLED WAY TO INSURE ARMY OF UNEMPLOYED

(By Leo Wolman)

The Murray-Kilgore bill (the War Mobilization and Adjustment Act of 1944), in either its earlier or later version, was the most effective means yet devised to guarantee a large and permanent army of unemployed for many years after the end of this war.

The authors of this measure could not possibly have had much idea of how a measure of this type could be administered and how much it would cost. Among other things, it provided administrative machinery which, if one reads the words carefully, was empowered to wield greater authority over the economy of this country in peacetime than we saw fit to permit the Government to exercise during total war.

The various and sundry powers conferred by this bill granted administrative discretion on a scale, and with respect to so many diverse questions, never before contemplated in a peacetime statute.

The unemployment benefit provisions of the bill stood a strong chance of destroying the entire institution of social insurance or of converting it into a gigantic, national machinery of relief. The greatest danger faced by any plan of unemployment insurance arises out of policies which put a premium on not working. Once policies of this sort permeate an insurance system, it ceases to be insurance and becomes a relief.

WOULD TEND TO DISCOURAGE ABSORPTION OF WORKERS

After the war, a well-managed unemployment insurance system would encourage reemployment and not retard or obstruct it. But proposals like those contained in the Murray-Kilgore bill would make employment so costly by making unemployment so expensive as to discourage the absorption of war workers and veterans into genuine jobs.

A work administrator, created by the bill to manage a restraining program as well as the distribution of benefits, was entrusted with enough power to make him the arbiter of the post-war labor standards of the country. He thus would be a war labor board, a fair labor standards administrator, and a national labor relations board, all rolled into one.

He assumed this position through the authority granted him by the bill to review, "on his own motion," decisions of appeals tribunals charged with defining "suitable employment" and other things under our unemployment-insurance system.

Since defining "suitable employment" is one of the most critical factors in the adjustments which need take place in the post-war labor markets, this new functionary was authorized to reverse findings and policies of State appeals boards and set up his own standards of definition with precious little guidance from Congress as to the country's policies on these vital matters.

With these and other equally extensive powers at his disposal, the work administrator could have taken an effective step in the direction of federalizing our State unemployment insurance and establishing uniform standards of wages and working conditions, not to speak of continuous unionizing of industry, throughout the United States.

PLANS NEEDED BUT NOT DISCOURAGEMENT TO EMPLOY

These proposals were made at a time when the total unemployment insurance reserves of the country exceed $5,000,000,000 by a substantial amount and are still increasing.

In the visible future every State insurance administration has ample reserves to meet any conceivable drain upon its funds. Reciprocity arrangements worked out between the States in recent years provide machinery for handling the cases of workers thrown out of jobs in one State and seeking employment and unemployment benefits in another. If there is the need, the State can be encouraged to liberalize its present standards of benefit, as some, in fact, have already done.

Finally, the potential recipients of benefits have had a long period of unusually good employment at the highest of standards and might be expected to have laid aside reserves in no inconsiderable amount for their own private use.

We need plans for the transition from war to peace. We need to deal liberally with the members of our armed forces and our war workers. But we can ill afford a national orgy of spending which is calculated to discourage employment and make our labor and economic policies the football of politics. For that reason it is fortunate that the Senate threw out the Murray-Kilgore bill.

LT. GEN. GEORGE SMITH PATTON, JR.

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an excellent editorial from the Washington Sunday Star of August 13, entitled "General Patton."

The VICE PRESIDENT. Without objection, the editorial will be printed in the RECORD.

The editorial is as follows:

GENERAL PATTON

Ever since the invasion of Sicily the German high command and its forces in the field have had a healthy respect for General Patton. They know a good commander when they see one and are mauled by him. The unfortunate slapping incident did not change their opinion of the man, nor did any of the intemperate criticism of him in this country. During his long absence from combat, they have been speculating a bit nervously about where he might turn up next. Now they think they have the answer. According to the Nazi news agency Transocean, they strongly suspect that he is in France commanding the Third American Army. The news agency respectfully adds that he is an exponent of mobile warfare.

General Eisenhower's headquarters has made no such announcement and no Allied communique has even hinted about the Third American Army or the whereabouts of General Patton. Nevertheless, although the Germans may be all wrong, they cannot be blamed if they suspect that something new has been added to our power in France. And since General Patton is most certainly an exponent of mobile warfare and since our forces are spreading and racing like a prairie fire right up to the environs of Paris, the Nazi agency's report is at least logical and may yet be confirmed as true. And if it is, all the loose things said about General Patton in the past will seem worse than childish. A great number of Americans would be happy to see this come to pass, vindicating a man who may be short on diplomacy but whose qualities as a fighting officer are beyond dispute.

ADDRESS BY SENATOR MURDOCK NOMINATING SENATOR THOMAS OF UTAH FOR VICE PRESIDENT

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD the address delivered by Senator MURDOCK nominating Senator THOMAS of Utah for Vice President of the United States at the Democratic National Convention at Chicago on July 21, 1944, which appears in the Appendix.]

FOURTH OF JULY ADDRESS AT MILWAUKEE BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a radio address delivered by him in Milwaukee, Wis., on July 4, 1944, which appears in the Appendix.]

HON. JAMES A. FARLEY

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an editorial Jim Farley's Resignation, published in the June 14, 1944, issue of the Grand Junction (Colo.) Sentinel, which appears in the Appendix.]

THE REPUBLICAN PARTY AND ISOLATIONISM—LETTER TO THE CHRISTIAN SCIENCE MONITOR

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a letter from Brad Stephens, dated July 31, 1944, published in the Christian Science Monitor and dealing with the subject of the Republican Party and isolationism, which appears in the Appendix.]

WHAT THE CENTURIES SAY AGAINST THE HOURS—SERMON BY DR. LEAVELL

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a sermon entitled "What the Centuries Say Against the Hours," delivered by Dr. Roland Q. Leavell in the First Baptist Church, Tampa, Fla., April 30, 1944, which appears in the Appendix.]

HOW TRUMAN WON OVER HIS ENEMIES—ARTICLE BY WILLARD SHELTON

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "How TRUMAN Won Over His Enemies," by Willard Shelton, from the Chicago Sun of August 13, 1944, which appears in the Appendix.]

OUR CHANCE FOR LASTING PEACE—EDITORIAL BY LITTLETON UPSHUR

[Mr. EASTLAND asked and obtained leave to have printed in the RECORD an editorial entitled "Our Chance for Lasting Peace," by Littleton Upshur, editor of the Greenwood Commonwealth of Greenwood, Miss., which appears in the Appendix.]

PROPOSED WASHINGTON HOSPITAL CENTER

[Mr. TYDINGS asked and obtained leave to have printed in the RECORD an editorial entitled "Hospital of the Future," published in the Washington Sunday Star of August 13, 1944, and an editorial entitled "Hospital Project," published in the Washington Post of August 14, 1944, which appear in the Appendix.]

DISSEMINATION OF NEWS AND INFORMATION TO MEMBERS OF THE ARMED FORCES—REPORT OF PRIVILEGES AND ELECTIONS COMMITTEE

Mr. GREEN. Mr. President, from the Committee on Privileges and Elections I report Senate bill 2050, which was referred to that committee for consideration. The committee has unanimously voted to instruct me to report favorably, with certain amendments, the bill (S. 2050) to amend the act of August 2, 1939, entitled "An act to prevent pernicious political activities," as amended by the act of April 1, 1944, entitled "An act to facilitate voting, in time of war, by members of the land and naval forces, members of the merchant marine, and others, absent from the place of their residence, and to amend the act of September 16, 1942, and for other purposes." I do so at this time and submit a report in writing (No. 1037) covering the bill. To the report are appended letters from the Secretary of War and the Secretary of the Navy approving the bill as amended.

In view of the importance of disposing of this matter promptly, and the unanimity and nonpartisan character of the action taken by the committee, I ask unanimous consent that the rule be suspended and that the Senate proceed to the consideration of the bill.

I may say that the changes in the bill as originally introduced by me, for myself and the Senator from Illinois [Mr. LUCAS], are largely the result of suggestions made by the Senator from Ohio [Mr. TAFT]. In order that the Senate may be apprised of the significance of the changes, as the Senator from Ohio is present, I think it would be well for him to explain the changes which have been adopted by the committee this morning.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2050) to amend the act of August 2, 1939, entitled "An act to prevent pernicious political activities," as amended by the act of April 1, 1944, entitled "An act to facilitate voting, in time of war, by members of the land and naval forces, members of the merchant marine, and others, absent from the place of their residence, and to amend the act of September 16, 1942, and for other purposes."

The VICE PRESIDENT. Is there objection to immediate consideration?

Mr. TAFT. Mr. President, I merely wish to join in the request of the Senator from Rhode Island that immediate consideration be had. If the suggested changes are to be made, they should be made at once, so that the bill can go to the House of Representatives.

I may say that I have worked with the Senator from Rhode Island on the amendments to his bill, and he and I have agreed entirely on the amendments which have been suggested. So I hope unanimous consent to consider the bill today may be granted.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2050) to amend the act of August 2, 1939, entitled "An act to prevent pernicious political activities," as amended by the act of April 1, 1944, entitled "An act to facilitate voting, in time of war, by members of the land and naval forces, members of the merchant marine, and others, absent from the place of their residence, and to amend the act of September 16, 1942, and for other purposes," which had been reported from the Committee on Privileges and Elections with amendments.

The first amendment was, in section 1, on page 2, line 11, before the words "or department", to strike out "officer, agency", and to insert "agency"; and on line 16, after the words "House of Representatives", to insert "or obviously calculated to create bias for or against a particular candidate in any such election", so as to read:

Be it enacted, etc., That section 22 of the act of August 2, 1939, as amended by the

act of April 1, 1944 (Public Law 277, 78th Cong.), is amended to read as follows:

"SEC. 22. It shall be unlawful for any officer of, or person employed in, the executive branch of the Federal Government, or any agency or department thereof, including the Army and Navy, to deliver or cause to be delivered to persons in the armed forces of the United States any general communication, Government magazine, Government newspaper, motion-picture film, or other literature or material, or to make, or cause to be made, any broadcast to the armed forces of the United States, paid for in whole or in part with Government funds, or sponsored by the Government, or any agency or department thereof, including the Army and Navy, which when considered in its entirety contains political propaganda obviously designed to affect the result of any election for President, Vice President, Presidential elector, Member of the Senate, or Member of the House of Representatives, or obviously calculated to create bias for or against a particular candidate in any such election, except as hereinafter provided.

The amendment was agreed to.

The next amendment was, in section 1, page 2, after line 18, to insert:

(1) The word "sponsored", as used herein, shall not be deemed to include sales at or through post exchanges, ship's service stores, or ship's stores of the armed forces, or purchases by company funds, welfare funds, or other similar nonappropriated funds of the armed forces.

The amendment was agreed to.

The next amendment was, in section 1, page 3, after line 7, to strike out:

(a) books, magazines, newspapers, or other written material of general circulation to the public in the United States; or motion picture films, radio broadcasts, radio rebroadcasts, plays, or other news or entertainment material as generally presented to the public in the United States; or written material for use in educational programs of the armed forces similar to written material generally provided for use in civilian educational programs by recognized educational institutions in the United States.

And insert:

(a) Books, magazines, or newspapers of general circulation in the United States and also, in an overseas command, those of general circulation therein; or motion-picture films, radio broadcasts, radio rebroadcasts, plays, or entertainment material as generally presented to the public in the United States; or written material for use in educational programs of the armed forces similar to written material generally provided for use in civilian educational programs by recognized educational institutions in the United States: *Provided*, That the selection of such books, magazines, and newspapers, when the selection is necessarily limited by difficulties of transportation or other exigencies of war, shall be made in some impartial manner prescribed by the Secretary of War and the Secretary of the Navy for their respective services, such as a preference expressed by members of the armed forces, or the recommendation of expert committees, or otherwise.

The amendment was agreed to.

The next amendment was, in section 1, page 4, line 11, after "(b)", to strike out "servicemen's publications, or other entertainment, information, or educational material in any medium originated or sponsored by the Army or Navy: *Provided*, That coverage or presentation therein, as news or information, of public events and affairs and persons in public life shall be nonpartisan and impartial," and insert "impartial and nonpartisan coverage or presentation of news or information of public events and affairs and persons in public life, through the media of servicemen's publications and motion pictures, radio programs, news services, and educational and orientation courses originated by the Army or Navy."

The amendment was agreed to.

The next amendment was, on page 5, after line 11, to insert:

SEC. 2. Such act as amended is further amended by adding after section 24 thereof the following new section:

"SEC. 25. The provisions of sections 22 and 23 shall expire upon the expiration of 6 months after the termination of hostilities in the present war as proclaimed by the President or declared by concurrent resolution of the Congress."

The amendment was agreed to.

The VICE PRESIDENT. Without objection, the clerk will be authorized to make the necessary changes in paragraph numbers.

Mr. FERGUSON. Mr. President, as a member of the Committee on Privileges and Elections, I would like to say a few words on the bill now pending. I personally have always opposed any restrictions whatever upon information sent to or furnished to soldiers or to anyone in the armed services. Therefore, when the bill came before our committee, the question was: In what way will this limit or restrict the news or information to be sent to the soldiers and to our fighting forces?

The better informed, the better the soldier or fighting man.

I am informed this morning by the Army and the Navy that by the passing of this amendment sponsored by the Senator from Ohio [Mr. TAFT] and the Senator from Rhode Island [Mr. GREEN] they will in no way be restricted by the law now in force; in other words, that the restrictions now in existence will be eliminated and the Army and Navy will be in the same position as if no law was passed and will be only restricted by the exigency of the war. That being true, I voted in the committee to report the bill to the Senate. The vote in the committee was unanimous to report this bill to amend the original law.

I should like to say a few words regarding section 22. This section refers to political propaganda printed by the United States Government at Government expense or sponsored by the United States Government. While I am opposed to any restriction on news or information furnished to the armed services, I have no objection to this section in this particular bill, for I believe the Government should not print political propaganda at public expense and furnish it to anyone, whether civilians or those in the armed forces.

The proposed section reads:

It shall be unlawful for any officer of, or person employed in, the executive branch of the Federal Government, or any agency or department thereof, including the Army and Navy, to deliver or cause to be delivered to persons in the armed forces of the United States any general communication, Government magazine, Government newspaper, motion-picture film, or other literature or material, or to make, or cause to be made, any broadcast to the armed forces of the United States, paid for in whole or in part with Government funds, or sponsored by the Government, or any agency or department thereof, including the Army and Navy, which when considered in its entirety contains political propaganda obviously designed to affect the result of any election for President, Vice President, Presidential elector, Member of the Senate, or Member of the House of Representatives, or obviously calculated to create bias for or against a particular candidate in any such election, except as hereinafter provided.

Then the word "sponsored" is defined as not to include any sales at or through post exchanges, ship's service stores, or any other manner of distributing this literature by welfare funds or other nonappropriated funds of the armed forces.

The bill now pending contains a limitation that it shall expire 6 months after the war. I think there can be no objection to the insertion of section 2 in the pending bill, for I believe we should have a law, general in its scope, prohibiting the printing of such propaganda by the Government. In other words, I am of the opinion that the taxpayers' money should not be used for political propaganda, whether the propaganda is sent to the soldier at the front, or sent to the civilian here at home. We should have, and I hope we soon shall have, an act which will prohibit the Government printing political propaganda at the taxpayers' expense and distributing it here at home. The Government should not attempt by its own political propaganda to retain itself in office. That is true whether the propaganda goes to the soldier at the front or to the civilian at home.

Mr. President, with this explanation, I agree that there should be no restrictions upon what can be sent to the men of the fighting forces, and with the word of the Army and the Navy that the pending bill when passed will in no way restrict them, I voted in the committee to report the bill, and shall vote for the bill on the floor of the Senate.

Mr. HATCH. Mr. President, as a member of the Committee on Privileges and Elections, and also for another reason, I desire to say just a word at this time concerning the particular bill under consideration, and the original amendment which was adopted as an amendment to the soldiers' vote bill. That amendment, which was offered from the floor of the Senate, as I recall, amended a provision of the law which has come to bear my name, and from some sources I have been accused of being responsible for the passage of a measure which restricted the rights of the soldiers to receive information. I want to disavow any such connection or any such intention.

The original measure did go entirely too far, Mr. President. Not only by the interpretation placed upon it by the officials of the Army and the Navy, but by the terms of the bill itself, it acted as a limitation upon what the men in the armed forces of the Nation might read. To my mind, Mr. President, it is extremely bad legislation. It is bad for

the morale of the armed forces to set them apart in a class separate and distinct from the rest of the Nation, from those of us who are not fighting and who are not daily facing the dangers which confront every one of our soldiers. To say to those men, "You are patriotic enough, you are intelligent enough, to fight and die for your country, but we cannot trust you to read magazines and literature available to us," is to go beyond what I conceive to be the proper power of the legislative body.

Mr. President, I think the amendment to the soldiers' vote bill ought to be repealed in its entirety. I think no restriction should be placed upon the men in the armed services which is not placed upon civilians at home. I realize that probably the intention was not to limit or to restrict what the soldiers might read, but the amendment was adopted by reason of some fear that men charged with official responsibility, officials of the Army and the Navy, might use their power to promote political propaganda. It is a reflection on the intelligence of the men in the armed forces to contend or suggest that they cannot make proper distinction and ought not to have the privilege of reading even propaganda and drawing their own conclusions from it.

I repeat, if they are able to die for their country they ought to be able to form their own intelligent opinion from any source which they might desire.

Mr. President, I favor the outright repeal of the legislation, but in the committee this morning I did not press the point, because the pending bill, with its amendments, does obviate and correct most of the objections I have raised and which I have mentioned. As the Senator from Michigan [Mr. FERGUSON] has rightly said; we were told in the committee this morning that the passage of this legislation would have just about the same effect as if the original amendment itself were repealed in its entirety. In order that the measure may be passed quickly, in order that the things which I have mentioned may be corrected, I consented in the committee to reporting the bill, and I do not object to its passage now, although I still think that the original provision should be repealed in its entirety.

Mr. President, I wish to make another suggestion which we discussed in the committee this morning, and to which the Senator from Michigan referred. If we are going to place restrictions at all with respect to Government-sponsored literature and broadcasts, or books, or anything sent to the armed forces, then identically the same restrictions should be placed upon the officials with respect to similar dissemination of literature and propaganda to the civilian population of the United States, and I am ready now, if we are going to make distinctions, if we are going to apply restrictions to officials of the Government in respect to what they send to the soldiers, to sponsor and agitate for a bill which will place exactly the same restrictions upon Government officials with respect to literature and broadcasts sent to the civilian population of this country.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. FERGUSON. I should like to join the Senator in the sponsoring of such a bill which would restrict the dissemination of propaganda by Government officials, and make it a general law, universal in its scope, and not simply provide for the war period and for application only to the armed services.

Mr. HATCH. Mr. President, I may say to the Senator from Michigan that we discussed that matter in the committee, and also since we left the committee room this morning, and I hope we can shortly prepare such a bill, and have the Congress of the United States say to our boys overseas, "We are jealous concerning the things Government officials do. We do not want them to spend Government money for political purposes. That applies to all parties. But by the same token we will apply such restrictions to civilians and the members of the armed forces alike. We will not set apart the men who fight and attempt to provide some form of guardianship over them and regulate what they shall read."

Mr. President, as I previously said, I wished to make a brief explanation and give my own views concerning the subject. Because of the exigencies of the moment, rather than have a controversy take place over the proposals which have been suggested, and in order to let this corrective measure be passed now, and have the original bill corrected as quickly as possible, I shall not urge for further action today, but shall be glad to vote for the pending measure, so far as it goes in correcting the situation.

Mr. TAFT. Mr. President, I have been glad to join with the Senator from Rhode Island in preparing amendments to section 22 of the Hatch Act, which prohibits, under certain conditions, the distribution of Government-purchased or Government-sponsored propaganda to the armed forces. It is my opinion that these amendments are unnecessary, but I have joined in preparing them because of the unnecessarily restrictive interpretation placed on the act by the War Department and its Morale Division. The effect of the amendments will be to remove the possibility of continuing this restrictive interpretation and force the War Department to carry out the original intent of Congress. However, it may be some weeks before the House and the President can act on these amendments. In the meantime, I call upon the Secretary of War to see that the Morale Division adopts at once a reasonable interpretation of the law, without waiting for this final enactment. There has been no difficulty in the Navy, and I believe no justification for many of the positions which have been taken by the Army.

The purpose of the original act was a simple one, namely, to prevent the administration from using its monopoly of all channels of communication to the armed forces abroad to disseminate political propaganda designed or calculated to assist the President or any other candidate in the election. No one has suggested that such political propaganda should be permitted. The War Department has not only interpreted the act in a nonsensical manner but it has given the public and the soldiers an entirely erroneous idea of what the act actually does. These are a few of the things that it does not do:

First. The act does not impose any censorship on letters to the armed forces, and such letters may carry political pamphlets, arguments or magazine articles, or anything else the sender wishes to enclose. Far from imposing a censorship, the act prohibits Army censors from removing any such matter. Yet, mothers are writing me daily protesting against some supposed censorship of letters.

Second. The act does not apply to anything except material paid for in whole or in part with Government funds, or sponsored by the Government. It therefore does not apply at all to sales on post exchanges, or to sales of newspapers by newsboys or others within the camps, as the War Department is now holding in England.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I prefer to finish, if the Senator does not mind.

Third. It does not apply at all to magazines or newspapers, if they are not sponsored by the Government; and even if they are, there is no limit on them in any way unless the Army itself is forced to limit the total number and make a selection. The act provides that the selection for printing or sponsoring shall be by a preference vote of the men, and not what the War Department chooses to hand them.

Fourth. It does not apply at all to the presentation of news if that news is of impartial coverage or presentation, as "news or information of public events and persons in public life."

Fifth. It does not apply to books of general circulation in the United States unless they are purchased by the Government. It therefore does not apply to secondhand books. It does apply to the selection of books by the Government for printing at Government expense. Few realize that the Government is printing 90,000 copies of 30 books every month. The act does require that the books bought or printed by the Government shall not contain political propaganda.

In my opinion, the whole trouble has arisen because of the War Department's interpretation of the act. It is significant that the Navy has had no difficulty whatever.

In the first place, the War Department issued a book of incomprehensible regulations which no commanding officer could interpret. It has ruled that sales on post exchanges, and even sales by newsboys within camps, in some way makes the publication sold a Government-sponsored publication. This is the basis for the ruling against British newspapers in England, and post-exchange sales of magazines and local newspapers in this country.

The difficulty about the British newspapers is based upon the theory that if the London Times is permitted to be sold at a post exchange in Great Britain the

United States Government becomes the sponsor of the publication. It seems to me that that is an utterly ridiculous interpretation of the act. The sale of a newspaper or magazine on a post exchange no more makes that magazine a Government-sponsored publication than the sale of Squibbs toothpaste makes it a Government-sponsored toothpaste. The War Department has gone so far as to forbid the use of company funds to buy current newspapers, such as the Los Angeles Times. The only basis for this ridiculous position is the claim that purchase with company funds makes this newspaper, sent to the company's captain through the mails, a United States Government-sponsored newspaper.

I have before me a letter from a captain who had ordered the Los Angeles Times for a Los Angeles unit in Texas. The letter was written to the Los Angeles Times, canceling the subscription, because the captain says that under the orders which he has received he must cancel the subscription. That is based upon the interpretation that because company funds are used to buy a Los Angeles newspaper of regular circulation, the Government of the United States is thereby made the sponsor of the publication, and therefore it must eliminate all political propaganda. I believe it is only necessary to state the interpretation to show how unreasonable the action of the War Department has been.

The War Department has attempted to censor magazines, if they do not receive a substantial number of votes in a poll taken among the soldiers. The act entirely exempts magazines of general circulation. The poll is intended to apply only if the Government must limit the magazines to be carried abroad or sponsor a list of magazines and print them at Government expense, as it is now doing.

The War Department has held that books like Charles A. Beard's Republic and Yankee From Olympus, a life of Mr. Justice Holmes, contain political propaganda. No reasonable man could make such a decision. I understand that Yankee From Olympus is barred because in a few lines on 1 page out of 300 an interview is reported between President Roosevelt and Justice Holmes on the latter's eightieth birthday, in which they expressed complimentary remarks to each other, to the effect that both of them were liberal leaders and contributing to the present liberal movement, or something of the kind.

I understand that no ruling has been made on motion-picture films. The only provision of the act is that if these are sponsored or paid for by the Government they shall be nonpartisan and nonpolitical. It may be that under the act prior to amendments the War Department's preliminary decision on the Wilson film is correct. At least I find the following editorial in the Scripps-Howard Washington News:

> The first spectacular campaign document out of Hollywood in this election year has now been spread, with a shovel, before the public. It is the motion picture Wilson, a studied collection of liberal sentiments once expressed by America's First World War President, and woven into a clever and subtle parallel with the words and operations of the Second World War President.
>
> It is brilliantly executed and in the grand Hollywood manner and the bright colors on its screen are matched by the deep coloring of its history.
>
> We suspect that it should be effective New Deal propaganda. For the present generation of voter, which never knew much about the Wilson era, will never suspect the elisions, the omissions, and the distortions by which the character of Woodrow Wilson has been so adroitly modeled into the image of Roosevelt.
>
> If Twentieth Century-Fox should, by chance, have a box-office deficit—which is unlikely—the Democratic National Committee ought to make it up.

Certainly, if the War Department is going to buy and feed motion-picture films to the soldiers, they should not be political propaganda. The amendment adopted today, however, removes even that restriction, and only requires that the entire selection shall be impartial. I suppose that requirement would be met by throwing in two propaganda films, one on each side. However, since many other films are not shown to the soldiers because the Government does not buy them or export them, I should think even now it might be better to leave out of a limited selection the ones that are clearly political propaganda. I might add that since then it appears that the War Department says it never did ban the Wilson film, and that the film never was presented to it. But someone in the War Department gave out the publicity, in connection with the general attack on the law, that it had banned the Wilson film. It appears this morning, from the evidence, that it is a film which could not be selected under any circumstances, because the Army has means of showing technicolor films in only one or two places over the world. Furthermore, the film requires over 2 hours to show, so that it is a longer film than the War Department can possibly handle. Why someone chose to give out the information, I cannot possibly understand.

Some point has been made of the exclusion of an Official Guide to the American Air Force, because it carried President Roosevelt's picture, as Commander in Chief. It is not quite clear why an official guide to the American Air Force is any better guide by reason of the Roosevelt picture. One reason for the law was the fact that prior to its enactment, all the literature sent abroad seemed to be full of Roosevelt's picture, just as are the billboards in this country devoted to the selling of bonds. There is no way I know of that any publication carrying Governor Dewey's picture can be sent to the soldiers, except through individual letters. Certainly the War Department is not trying to do so.

I do not think most people realize, Mr. President, how completely the Army dominates the information received by the soldiers abroad. Unlike during the World War, it is impossible for anyone to reach the soldiers abroad except through the War Department or through private letters. If a book is sent abroad attacking me personally or any other Senator, there is no possible way by which I or any other Senator can answer such charges or can write the soldiers in any volume. Just think of the scope of the present Army program.

The Army is distributing free, each month, to soldiers, 4,000,000 copies of American magazines, many of them printed by the Government itself, at Government expense. It is distributing free, each month, two and a half million books, distributed at Government expense.

It publishes, through Government-appointed editors, Yank and Stars and Stripes, as well as 2,000 other daily or weekly magazines or station newspapers. It selects and distributes news to be sent daily by a Signal Corps wireless, short-wave radio, cable, and air mail. The Government broadcasts daily 30 times, during the day and night, newscasts via a short-wave radio. It circulates news reels and films prepared by the morale division, as well as others which it selects from those offered by motion-picture producers. It provides each week 1 hour of duty time for informing all military personnel of the issues and course of the war. Certainly that affords an unusual opportunity to present a picture of issues and, of course, also of politics.

No Government has ever had such complete control over the information reaching 5,000,000 voters. It is essential that this tremendous power be handled in an impartial manner. Otherwise it gives a control over the thinking of the soldiers such as Hitler himself would envy. The interpretation of the act by the War Department has been so unreasonable that many persons have suggested to me that the course pursued by the War Department and its Morale Division is deliberately intended to discredit Congress in order to affect the election. Mr. David Lawrence, in the United States News of this week, says:

> One is reluctant to believe that the War Department is trying to elect Mr. Roosevelt for a fourth term, yet the narrow view taken of the existing provisions of the law prevents a wide dissemination in the Army of the news of the political campaign, which means, of course, that the Roosevelt candidacy will benefit.

This doubt about the War Department's impartiality is not new. Its representatives cooperated 100 percent with the extreme New Dealers and the C. I. O. Political Action Committee in support of a clearly unconstitutional Federal ballot carrying no names except those of the candidates for President. The Department has now set up an organization to get out the vote, extending to the smallest units, on a scale which no political organization could possibly duplicate among the civilian population. I suggest that the War Department prove its impartiality by rescinding at once, without waiting for the final passage of these amendments, the unreasonable regulations by which it has attempted to censor the information going to the soldiers.

Mr. PEPPER. Mr. President——

Mr. TAFT. I yield to the Senator from Florida.

Mr. PEPPER. I am afraid I did not understand the remark of the able senior

Senator from Ohio about those who favored the so-called soldiers' vote bill.

Mr. TAFT. I said the War Department had from the beginning—and that was how this whole controversy arose originally—cooperated 100 percent. It raised no constitutional question. It went right along with the soldiers' vote bill, with the Federal ballot, from the very beginning. It cooperated. All the influence it had—I do not say it exercised a great deal—was used in favor of the soldiers' vote bill. It never occurred to the War Department that any constitutional question was involved. So I have felt from the beginning that the War Department strongly favored the plan of soldiers' voting by Federal ballot, which plan originally contained, as will be remembered, provisions for the printing of just the names of Roosevelt and his opponent, without the names of any Senators or Representatives or anyone else who might be a candidate in the election. The War Department seems to be interested only in the presidential election.

Mr. PEPPER. But the able Senator seems to overlook the fact that the proposed ballot was to provide a blank space in which not only the names of other candidates for President but also the names of candidates for Senator and for other offices might be entered.

Mr. TAFT. Oh, yes; it afforded a great deal of blank space.

Mr. PEPPER. Did the Senator say that those who favored the bill were acting with the C. I. O. and its Political Action Committee?

Mr. TAFT. Not at all. I said the War Department apparently took the view of the C. I. O. in favoring its passage.

Mr. PEPPER. The Senator has not determined whether the soldiers believe that will give them a better opportunity to vote, has he?

Mr. TAFT. No; I have had no opportunity to consult with soldiers.

As a matter of fact, the idea that the bill the Congress passed would in any way limit them is completely in error. From Hamilton County, Ohio, there have already been sent 8,000 State ballots, and 12,000 have been sent from the city of Cleveland. I think the charge that there is going to be any limit on voting is entirely disproved as a result of the applications made to date for State ballots.

Mr. PEPPER. Has the able Senator been able to make any study or to obtain any information as to how many soldiers and sailors from the State of New York will be permitted to vote in the general election under the law to which they will be subject?

Mr. TAFT. Every one of them who sends in the post card, as I understand, will be able to vote.

Mr. PEPPER. Has the Senator seen the general comment in the press about the relatively small number of servicemen from the State of New York who will be privileged to vote, as compared with the number of soldiers and sailors from the State of New Jersey who will be able to vote?

Mr. TAFT. No; I have not seen that. Such comment is incorrect. Servicemen from New York will have exactly the same opportunity to vote as will servicemen from Ohio. I see no reason why, among the soldiers and sailors from each of those States, there will not be the same percentage who will vote. I saw that the C. I. O.'s Political Action Committee called on Governor Dewey and has been trying to make a political issue with him on this question. That is the only comment I saw in the press.

Mr. PEPPER. Did the able Senator hear very much comment from Governor Dewey about the Federal ballot? He did not favor the Federal ballot when the question was under debate in the Senate, did he?

Mr. TAFT. No, and neither did I; and none can be used in New York, and none can be used in Ohio. Under that law servicemen from some States can use the Federal ballot if they send for State ballots but do not receive them by the 1st of October. I understand that if that occurs, under the provisions made by some States the soldier may then vote the Federal ballot. Massachusetts and California are the largest States, apparently, which will permit that to be done.

I may say that the regulations adopted by the Army provide that the Federal ballots shall be at hand, and that the moment the 1st of October comes every captain and every other commanding officer is supposed to rush out to all his men and to say to them, "Here is the Federal ballot. Did you get your State ballot? If not, be sure not to miss voting, and vote this ballot." That is the effect of the regulations of the Army. I do not say it is illegal. I merely say the Army seems to be unduly anxious that the very moment the State ballot fails to arrive on the 1st of October, everyone who can possibly vote shall get a Federal ballot in his hands and shall be instructed to vote it—I do not mean that he shall be instructed for whom to vote, but that he will be instructed to carry out the process of voting it.

Mr. PEPPER. I wonder if the machinery with respect to voting in the general election under the State laws and voting in the primary elections is not pretty much the same. If it is, I wonder if the November election in the State of Ohio will not result in a larger percentage of servicemen voting than those who voted in the primary election under the State law of my State. In my State, which has approximately 200,000 men in the service, approximately 10,000 ballots were sent out, and less than 6,000 ballots were returned by the soldiers. So under the machinery which is the preferred machinery of those who do not call themselves New Dealers, and are not in sympathy with the C. I. O. Political Action Committee, as the able Senator from Ohio has expressed it, which machinery some have been so solicitous in preserving, in my State if the general election works out in the way in which the primary election worked out—and it is analogous, I believe, in regulation—out of about 200,000 soldiers only about 10,000 actually will receive ballots and not more than 8,000 will actually vote. If that is the way the process will work out throughout the country in November, the practical effect of what Senators have been so solicitous to bring about will be that the servicemen who are fighting for the existence of this country will, as a practical matter, not be allowed to vote.

Mr. TAFT. I think the Senator is entirely mistaken. The Ohio ballot was ready the 1st of August. On that day in Hamilton County, where a total of 200,000 votes is usually cast, about 8,000 applications for service ballots had already been received. They are still coming in in large numbers. In Cleveland, a city of comparable size, about 12,000 applications for ballots have been received. I expect that there will be a very large servicemen's vote. The interest on the part of many persons with regard to primary elections has been practically negligible. The soldiers were not interested. They did not know who was running in the primaries. I do not believe that the result of a primary election has any bearing on the question of what the vote will be in the general election in November.

Mr. PEPPER. I have in my possession an editorial from the Chicago Sun in which the able Senator from Ohio is quoted with reference to the soldiers' ballot. The editorial contains a statement to the effect that in time of war, when soldiers are away and cannot keep closely informed about the issues of a political campaign, the Senator from Ohio doubts in a large degree the wisdom of soldiers voting. Did the Senator from Ohio ever take such a position?

Mr. TAFT. I did not, and the statement which appeared in the Saturday Review of Literature, a strange political comment, is contradicted in the current number of that publication. I made no such statement as has been attributed to me.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the Chair). The bill is before the Senate and open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2050) was ordered to be engrossed for a third reading, read the third time, and passed.

RESTRICTION OF IMMIGRATION—ACQUISITION OF CERTAIN BASES

Mr. REYNOLDS. Mr. President, a few days ago the Senate had under consideration a bill sponsored by the able and distinguished Senator from Georgia [Mr. GEORGE] who is present in the Chamber at this time. While the bill was being discussed I offered a number of amendments, one of which would prohibit any alien from serving in an administrative capacity under the bill. The Members of this body accepted that amendment. I hope that when the bill goes to conference the conferees will leave that amendment in the bill, because I do not think that any alien ought to be paid by the American taxpayers to administer the provisions of any bill

which we have inaugurated in this legislative body.

At the same time, Mr. President, I offered an amendment which reads as follows:

After the date of enactment of this act, and until the expiration of 5 years after the termination of the present war as proclaimed by the President, no immigration visa shall be issued to any immigrant.

In other words, the provision would set up bars against any alien from any part of the world coming into the United States. I asked for the yeas and nays on the amendment, but my request was not seconded by a sufficient number of Senators to enable me to obtain a yea and nay vote. As a result we merely had a voice vote, and the amendment which I offered, which would bar all aliens from this country for a period of 5 years after the termination of the present war, was rejected by this body.

There was brought to my attention this morning an article which appeared in the Evening Star of last Saturday, August 12, under the headline "Italians Are Hopeful United States Will Relax Its Immigration Quota."

I shall not take the time of the Senate to read the entire article, but I hope that every reader of the CONGRESSIONAL RECORD will take time to do so. It informs us that hundreds of thousands of Italians want to come to the United States, want to make their homes here. I ask unanimous consent that the article may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ITALIANS ARE HOPEFUL UNITED STATES WILL RELAX ITS IMMIGRATION QUOTA

ROME, August 4.—In every corner of liberated Italy today, Italians ask the same hopeful question: "Will we be able to go to the United States after the war?"

And it doesn't come from just the disillusioned, bitter youth who are unable to see any future in this war-ravaged land. Middle-aged men—professional men—say: "We want to get out of here. We want to go to America."

So the truth is that countless Italians are sick of Italy—for political as well as economic reasons—and they pin their hopes on a new life overseas.

SCORE QUOTA SYSTEM

Emigration consequenty is sure to be one of the burning issues in post-war Italy and the Italian press already has begun to call for a scrapping of the quota system, whereby less than 4,000 Italian emigrants were allowed to enter the United States each year.

Here are some of the arguments they give for a revision of this system:

1. A victorious United States will be the only country in the world to which a war-torn humanity will be able to turn for commodities and supplies for at least 10 years. This will mean a tremendous increase in American production and a consequent need for labor. Italian labor knows no peer.

2. With all the reconstruction that will be necessary in Italy, the country will be unable to employ all of its labor potential. Italy is rich in human quantity, but poor in natural resources. The surplus labor can be put to work in America, producing the materials necessary to reconstruct Italy.

3. Before 1914 more than 200,000 Italian workmen went to the United States every year. From those immigrants came a steady stream of money which rejuvenated the Italian treasury. The Italian treasury now certainly needs rejuvenation.

4. American organized labor opposed mass immigration after the World War on the grounds that the labor market would be swamped, but the devastation wrought in Europe by this war is so great that American industry would be able to employ every available workman to produce the materials for reconstruction. There will be work and bread for all.

NECESSARY EVIL

Italian lawyers on emigration have treated the subject exclusively from the economic viewpoint—as a necessary evil. If you talk to individual Italians, however, you find that many of them want to go to America so that "I will be left alone," and so that "I will have some freedom." Many of them predict that the Italians will start shooting each other just as soon as the Allies leave and they are too tired, too cynical, and too disillusioned to take part in it.

Mr. REYNOLDS. Mr. President, we shall find that after the war is over hundreds of thousands of individuals from all over the world, aliens will want to come to the United States; they will want to come to the United States because we actually have in practice here, and, I might add, in enjoyment, the "four freedoms." The great masses of our laboring people enjoy better living conditions than are enjoyed by the laboring people of any other nation of the world. I want to keep it that way. It strikes me as ridiculous, when we are called upon to vote billions of dollars to take care of the unemployed people we shall have in this country when the war ends, that at the same time we permit any alien—I do not care who he is or where he is from—to come into this country. Why should our overburdened and impoverished taxpayers be called upon to dig deeper into their pockets and take out the little they have left to support people who are not American citizens? I have protested against it many times on the floor of the Senate, and I protest against it again. I shall continue to protest, because I think it is unfair that the American taxpayer should be called upon to provide jobs, maintenance, or charity for people in the United States who are not Americans, or for the hundreds of thousands who will come here immediately after the war is over.

Notwithstanding anything we may say, we shall have many unemployed after the war. Millions of our people are working in war plants, millions whose hands are engaged daily in the production of material for our men and women who are fighting at the fronts all over the world. When this war ends those jobs will end. When this war ends the money will cease to flow. When this war ends our real troubles will begin.

I insist that American workers and American soldiers, both men and women, should have American jobs; and I insist that it is our duty to preserve every single job in this country for American citizens.

As stated in the article which I have had printed in the RECORD, thousands of Italians want to come to this country. We shall find the same thing happening in the case of citizens of almost every other country of the world. We shall not only find people wanting to come from the European countries, but after we shall have defeated Japan, we shall find people wanting to come from all parts of the Orient.

Once upon a time we had a law known as the Chinese exclusion law, prohibiting orientals from coming into this country; but not long ago Congress repealed that law against orientals. I voted against the repeal of the law, because I knew that if we repealed the law pertaining to China, every one of the oriental countries would demand that its people be afforded the same courtesy and the same privilege. Already mass meetings have been held demanding that other orientals be granted the same privilege which the Chinese were given when we repealed the Chinese exclusion law. So much for that, Mr. President.

Our distinguished colleague from Tennessee [Mr. MCKELLAR] brought to the attention of this body today a subject which has been of much interest to me for a number of years. Before discussing that subject I wish to reread the resolution which he has submitted, which relates to the acquisition of islands in the Atlantic and in the Pacific, with a view to protecting continental United States. I am interested in that subject, because the only country upon the face of the earth in which I am vitally and fundamentally interested is the United States of America. When I make that statement I realize that it may be said—and it has been said—that those who are poor Americans, those who are always talking about keeping immigrants out of our country and looking after the United States exclusively, are the "underground" at the present time. I care nothing about that smear. The smear word "isolationist" was used prior to the time we got into this war. I make no apologies to anyone for being interested primarily in the United States of America.

I am interested in the resolution submitted by the distinguished Senator from Tennessee, which has been referred to the Committee on Foreign Relations, so ably presided over by the distinguished Senator from Texas [Mr. CONNALLY], a great American who is loved and respected by all of us.

The resolution submitted today by the Senator from Tennessee reads as follows:

Resolved, That, in order to promote and protect the peace and security of the United States, it is the sense of the Senate.

(1) That any treaty or agreement terminating the present war against Japan or settling the questions arising out of such war should provide that the United States shall have and retain as its permanent possessions all islands which on December 8, 1941, were in the possession of or mandated to Japan and which lie between the Equator and the thirtieth parallel of latitude north, including Formosa and the Ryukyu Islands.

(2) That, in settling the questions arising out of the present wars and in making provisions for the maintenance of peace, the United States should acquire as its permanent possessions Bermuda Island and all islands in the West Indies which are now the possessions of European nations.

Resolved further, That the President be, and he is hereby, requested to enter into negotiations with the Republic of Ecuador with a view to obtaining the Galapagos Islands as permanent possessions of the United States.

I believe that the resolution embodies an excellent idea. I shall be more than happy to discuss with my colleagues who are also members of the Committee on Foreign Relations the proposals contained in the resolution, because they are in the interest of the national defense of the United States.

I remember that a number of years ago I introduced in this body a joint resolution authorizing the President of the United States to enter into negotiations with both France and England with a view to acquiring the islands owned by the British and the French in the North Atlantic; but no attention was paid to it at that time. I suggested that the President inquire into that matter to ascertain the appraised value of those islands, with a view to deducting the appraised value of the islands from the debt which was due us from Great Britain and France as a result of World War No. 1. I am happy to know that my distinguished colleague from Tennessee agrees with me that in order to provide the right sort of protection for this portion of the Western Hemisphere, the North American Continent, we should have those possessions in the Atlantic. I go further than he does in his resolution. I go further than Bermuda. I think we ought to take Bimini and Nassau, opposite Miami and only about 50 miles off the coast of Florida. I think we should take Jamaica. We should not only take the islands which belong to the British there, but we should discuss the appraised value of those islands and deduct their value from what Great Britain owes us as a result of World War No. 1 and World War No. 2.

Furthermore, in view of the fact that we are going to be called upon to reconquer, reclaim, and redeliver the Dutch East Indies to the Dutch Government, I think we should make an appraisal of the island of Curaçao, which is just north of Venezuela, in the Atlantic Ocean, and is a most important post insofar as protection of the Panama Canal is concerned. Whatever the value of that island may be found to be, we should deduct that from what the Dutch Government will owe us for reconquering and redelivering to them the Dutch East Indies in the far-away Orient.

Insofar as our brothers of France are concerned, they are now very grateful for all the assistance we have given them. I think we should ask them to let us have the two small islands which lie directly off the coast of Newfoundland, the islands of St. Pierre and Miquelon. They are quite small, the larger of the two being only approximately 15 miles long and possibly a mile and a half or two miles wide. But we could use them to good advantage in defending our northern coasts. We should have them appraised; and after the amount of the appraisal is determined, we should deduct that from the amount which France owes us as a result of World War No. 1 and what she will owe us as a result of World War No. 2.

And if possible we should make some agreement of a friendly nature to get a portion of, or to establish some sort of bases in, Greenland and Iceland.

Mr. McKELLAR. Mr. President, later on I shall undertake to express the views I have concerning these matters. I submitted the resolution today, I will say to the Senator, for the purpose of letting it be known what some of us in America think should be done. In my opinion, one of the greatest misfortunes which ever overtook our country was when we turned the island outposts in the Pacific over to Japan, to be held by her in trust for all of the then Allies. Instead of holding them in trust, she took them for herself, and by reason of them she was able to attack us.

So far as the islands near the Panama Canal, both in the Atlantic and in the Pacific, are concerned, by reason of our experience with the islands in the Pacific, we should know that it will be absolutely necessary in the future, for the protection of the Panama Canal, which we own and which we built, for us to have those islands. We must have those islands, both those in the Atlantic and those in the Pacific.

There may be other islands, in addition to those I have named in the Pacific, which we should have. It may be that we should have some of the islands farther north. But if so, the resolution can easily be amended so as to make provision for that.

Mr. REYNOLDS. Certainly.

Mr. President, I was particularly interested in what the Senator had to say in his resolution in regard to the Galápagos Islands, which are off the coast of Ecuador. They are very important to our defense, both in the South Pacific, and the middle Pacific, and the Pacific. It is well that the Senator named those islands. They are of such physical structure that they could most advantageously be used. I think that suggestion on the part of the Senator was a very fine one.

I rather imagine that the Senator, in considering the protection of the Panama Canal, possibly had in mind the acquisition of Cocos Island, which is off the coast of Costa Rica, and is owned by Costa Rica.

Mr. McKELLAR. All the islands in the Atlantic and in the Pacific, near the Panama Canal, are included.

Mr. REYNOLDS. I think that is excellent.

Mr. CHANDLER. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Kentucky?

Mr. REYNOLDS. I yield to the able junior Senator from Kentucky.

Mr. CHANDLER. Mr. President, I wish to refresh the recollection of my friend the distinguished chairman of the Committee on Military Affairs. He will remember that he appointed a subcommittee of the Committee on Military Affairs to view the islands in the Atlantic and in the Pacific. If we are to obtain possession of some of the islands on which we have spent millions of dollars for installations erected on other people's property, and if we are going to get any benefit from the $25,000,000,000 of lend-lease which has already been announced——

Mr. McKELLAR. And also any benefit from the expenditure of the lives of our soldiers.

Mr. CHANDLER. Yes. If we are to do that, then we shall have to have a complete rearrangement of the lives and affairs of the people of the United States.

After the last war we said we did not want anything, and we did not get anything. Under the Smuts plan these islands were mandated to Japan and to other nations. We refused to accept any mandates. Now and for some time past in the Pacific, American boys have been losing their lives in winning back islands which were mandated to Japan or to some weak friendly nation which could not protect them when the show-down came.

It will be absolutely foolish for the American people in the future to agree that possession of such islands may be had by any of our allies who may not be able to defend them when the time of the show-down comes, with the result that some enemy will be able to take them over. We must say to them that we are going to have possession of every island in every ocean which, if in the possession of an enemy, would be a direct menace to the people of the United States. We must have direct ownership of all islands which, if in the hands of a weak friend, could not be protected by that friend when the show-down comes. We have spent our blood, our treasure, and our time in driving the enemy out of these islands, and the American people are entitled to that protection in the future. To say that in the future we cannot have possession of islands which anchor the protection of our supply lines to various parts of the Pacific, including Australia, is absolutely foolish.

We are already committed, I wish to say to my dear friend the Senator from Texas [Mr. CONNALLY], chairman of the Committee on Foreign Relations, under the Monroe Doctrine to defend all the people and territories of South America against any nation that might undertake to establish itself there. Then, around the western rim, we are entitled to equal access and opportunity of trade into the areas we are to defend.

A subcommittee of the Committee on Military Affairs recommended a long time ago that we are entitled to rights to these bases and access to these bases—to something more in respect to the millions of dollars worth of property we have built on the property of other nations than the right to get out when the war is over.

That is a simple proposition, one which should be viewed realistically, and one which we are bound to consider seriously, under our obligations to the people of the United States, in view of the great expenditure of lives and money which we have made in their protection.

I assure the Senator from Tennessee and the Senator from North Carolina, the chairman of the Committee on Military Affairs, that I will be with them when

the showdown comes, and will be one of the supporters of the policy by which we will say to the nations interested, "We want you to give consideration at this time to giving us an opportunity to protect the people of the United States in the future."

I thank the Senator very much.

Mr. REYNOLDS. Mr. President, the Senator's statement has certainly been a fine one. I know the Senator from Tennessee is greatly encouraged by it.

Mr. McKELLAR. Indeed, I am.

Mr. REYNOLDS. I know the Senator is. Several Senators earlier today, after the Senator from Tennessee submitted his resolution, told me they were vitally interested in it. One Senator told the Senator from Tennessee and me that he would make a speech on the Senator's measure, in favor of it, later today. All that is very encouraging.

Mr. CHANDLER. Mr. President, some of us have visited and observed these places. We have been there at the direction of the Senate and at the direction of the Senate's committees. I join in the assertion the President made in the speech he delivered the other day from the State of Washington that it is necessary to view these things. If we do see them, we recognize at once the right of the American people to have an opportunity, in justice, to support proper measures.

Mr. REYNOLDS. I recall with much gratification that some time ago I, as chairman of the Committee on Military Affairs of the Senate, appointed the able and distinguished junior Senator from Kentucky [Mr. CHANDLER] as a member of a committee of five to make a trip around the world. I am very happy that such an opportunity was accorded to me, because on numerous occasions I have observed that, in making the trip, the committee performed a service of great value to this country.

Before leaving the subject of the Atlantic Ocean, I wish to say that Argentina is a long way from here. We seem to have gotten into a little quarrel with the people of Argentina. That is unfortunate. But there are a couple of vast areas of land lying just north of Brazil which belong to the French and to the British. By the way, the third parcel and portion of land belongs to the Dutch. There are three different countries located on the coast. One belongs to the British, one to the Dutch, and one to the French. All of them owe money to the United States, and we might respectfully request of them that they let us have such coastal areas of those respective lands as we may want for our protection and for the protection of our brothers in the southern portion of this hemisphere against designs of a foreign enemy.

I wish now to proceed to the subject of the Pacific Ocean. The acquisition of the Galápagos Islands, off the coast of Ecuador, is necessary to the best interests of this country. The Ecuadorans are very fine people. I have found those in charge of their Government at Quito, their capital, to be very friendly persons who really appreciate our friendship. I believe that they could be shown that it would be to their advantage for us to be the possessors of the Galápagos Islands, not only so that we could look after our own interests in the southern Pacific and in the middle Pacific but their interests in the Pacific as well.

In previous discussions I have suggested that it might be well for us to take up with our brothers of Mexico the matter of the acquisition of what is known as Southern California. It is an arid section. It is not very densely populated. There is a large and deep body of water lying between the peninsula and the mainland of Mexico. In that water a fleet could almost be hidden and certainly submarine bases could be established. We should enter into negotiations with our sister republic for the acquisition of Southern California for the protection of Mexico and for the protection of the United States.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. CHAVEZ. I do not know what the legal situation would be in Ecuador. But the constitution of Mexico contains a provision prohibiting the country from selling any of the sovereign property of Mexico to any foreign government, irrespective of the merits, good will——

Mr. REYNOLDS. And the benefits.

Mr. CHAVEZ. And the benefits involved.

Mr. REYNOLDS. I thank the Senator very much.

Of course, this subject brings us to the Hawaiian Islands where we are now protected in that part of the world. The able Senator from Tennessee has mentioned a resolution with reference to Formosa, and islands which were mandated to Japan after World War No. 1.

However, while I am on the subject, I wish to mention Alaska. It is my recollection that prior to the trip around the world by the Senator from Kentucky [Mr. CHANDLER] and his four colleagues, constituting the committee to which I have referred, the Senator from Kentucky personally made a trip to the Aleutian Islands.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. CHANDLER. I hope that the Senator from Michigan will pay particular attention to what I am about to say.

In view of the recent speech of the President with reference to the situation in Alaska during the time of the Japanese invasion of the Aleutian Islands, I think it is not out of place for me modestly to suggest that perhaps the two speeches which I made last year with respect to the war in the Pacific were not wholly out of place or in error. The Senator from Michigan and the Senator from Maryland, as well as others, were nice enough on those occasions to express approval of the speeches which I made. I think that the events which have happened since then show quite clearly that the Japanese were strongly entrenched in the Aleutians. As the President has said, it took quite an operation to remove them.

Mr. REYNOLDS. I thank the Senator very much. I am reminded by the reference to his visit to Alaska that I was there in 1938. I was all over Alaska. As a matter of fact, I was on the revenue cutter which conveyed the stone which was to mark the place of death, so to speak, of Will Rogers and Wiley Post. I refer to Point Barrow. Will Rogers and Wiley Post lost their lives about 15 miles from there. I went all over Alaska at that time and all over the Aleutians. When I returned home I made a number of talks and expressed some views with regard to the necessity of fortifications in the Aleutians and increasing the fortifications in Alaska.

More than 5 years ago, Mr. President, I suggested that we should immediately begin construction of a highway from Fairbanks to the United States, by way of British Columbia. I stated that if we started the construction of the highway during peacetime we could complete it for approximately $25,000,000, and that it would be traversable during all seasons of the year. But, unfortunately, the people of the United States did not agree with my views, and nothing was done. When we came to the point where we had to do something we built a highway through Canada which has cost more than $75,000,000 to construct, and portions of which will never be kept in good traversable condition because of the conditions involved. I wish to point out that in 1938, on the floor of this body, I insisted that the fortifications in Alaska should be strengthened.

Mr. President, I wish to conclude by saying that I hope, when the resolution of the able Senator from Tennessee is considered by the Foreign Relations Committee, that the committee at that time will consider a resolution which I have submitted, which has been referred to that committee. It relates to Wrangel Island. If one flies today from New York to Manila, the capital of the Philippine Commonwealth, he will fly directly over Wrangel Island. If he were to fly to many parts of the Orient he would fly in the neighborhood of Wrangel Island. After the war has come to an end and air transportation is greatly increased throughout the world, I believe that Wrangel Island will be one of the most important military bases in the world insofar as we are concerned. As I have already said, Mr. President, Wrangel Island is in the Arctic. It is north of Little Diomede, which we own. The Russians own Big Diomede, which is about a mile from Little Diomede in the Arctic.

Wrangel Island is about the same size as Jamaica. Planes landing there naturally have to land and take off on skis. But it will be a very important point, and I hope that the committee will take into consideration my resolution which calls for the United States at this time to look into the question of ownership of Wrangel Island. We discovered Wrangel Island. An expedition from this country was there about the year 1860. The party became ice-bound, but a few of its members got to the island and planted on it the first flag of any

nation in the world. The American flag was planted on that island. No one questioned our ownership of it for a number of years. Finally we sent there about half a dozen of our Alaskan Eskimos, one Chinese, and one white American. But something happened to them. They were either taken off or died, and since then it is my understanding that Russia claims that it is her island and she has men there now. Now, while we are in good relations with our allies, when we are all friendly and hugging and kissing and shaking hands with one another in good spirit, is the time to take this matter up with Russia; now is the time to take it up with France, Great Britain, the Netherlands, and all other countries interested.

Mr. President, I am really indebted to the Senator from Tennessee for bringing this matter up now because it is of great importance to the future defense of the United States of America. If we have those defenses in the Atlantic and Pacific, I pray God that never again will we be called upon to send the sons and daughters of American fathers and mothers to any foreign land in any part of the world to fight any war or in any war.

LEGISLATIVE PROGRAM

Mr. VANDENBERG. Mr. President, before the Senator from North Carolina leaves the floor I should like to ask him a question respecting procedure. I think Senators ought to be entitled, so far as possible, to know what the legislative program with respect to reconversion legislation is to be for the remainder of the week. I wish to ask the Senator in his capacity as chairman of the Military Affairs Committee when, in the light of the situation as it stands today, there is calculated to be a report to the Senate from his committee on the question of surplus property as one of the aspects of reconversion.

Mr. REYNOLDS. I am very happy to have an opportunity to answer the Senator from Michigan. I do not think that the committee will be ready to report a bill in its final form to this body before next Monday. We are to meet again tomorrow morning at 10:30, at which time we will hear Mr. Ickes and former Representative Maverick, of Texas, who is now at the head of the Smaller War Plants Corporation. They will probably take up the greater part of the morning. We will meet in executive session tomorrow afternoon, and will probably be meeting every morning and every afternoon for several days. We have had made final prints of the Stewart bill and the Murray bill, and they will be on the desk of every member of the Military Affairs Committee tomorrow morning. But I feel confident that we will not be in a position to report a bill before next Monday.

Mr. HILL. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. HILL. I agree with the Senator. I think it will be practically impossible for the committee to have a bill ready for the consideration of the Senate before next Monday.

Mr. VANDENBERG. Mr. President, does the Senator think it will be ready next Monday?

Mr. HILL. If the Senator is addressing his question to me, and if the Senator from North Carolina will yield, I think there is a very good possibility that the bill will be ready next Monday. But I would say this about it: It was my purpose to move a recess until Friday, and certainly I should say that by Friday we ought to know better what the situation is and whether the bill will be ready by Monday. I should know, however, that there is a good possibility that the bill will be ready by Monday.

Mr. VANDENBERG. The Senator is illuminating the point I wanted to make as clear as possible. If the Senator is going to move that the Senate take a recess until Friday and there is no possibility of bringing any final reconversion legislation before the Senate until Monday, then it would seem to me that the able acting leader should be able to say to Senators that there is nothing essentially holding them here for the remainder of the week or until next Monday. Is that correct?

Mr. HILL. I will say to the Senator that is correct. I know of nothing that should hold Senators here during the remainder of the present week so far as any consideration or action by the Senate is concerned.

Mr. VANDENBERG. I feel that the way to be sure of the presence of Senators when we need them is to be frank with them when we do not need them.

Mr. HILL. The Senator is absolutely correct. I know of no need for the presence of Senators for the remainder of the week so far as the work of the Senate itself is concerned.

Mr. VANDENBERG. I thank the Senator.

Mr. HILL. Mr. President, I wish to add that in saying there is no need for Senators to be here for the remainder of the week, I do not want to give the idea that Senators ought not to be here next week and ought not to be here on Monday. As I have said, on Friday we will perhaps know better as to whether the committee will be ready to report Monday, or if not Monday, then what day; but I certainly do not want to give any idea that there will not be need for Senators to be present in the Chamber in their seats next week.

Mr. VANDENBERG. That is the precise purpose of my inquiry, because obviously I am one of those who think that the Senate must complete the reconversion program, and I am very eager, so far as those upon this side of the aisle are concerned, that they all be here when the occasion requires. I am making my inquiry only so that we may be sure of the type of instructions we can send out to our colleagues in respect to when they are needed. I certainly agree they are needed next week, if there is any possibility of a report from the committee at that time.

Mr. REYNOLDS. I think we will have a report ready on Monday.

THE BORROWING OF EXPERTS BY CONGRESSIONAL COMMITTEES

Mr. WHERRY. Mr. President, during the closing moments of the debate last Thursday afternoon on the proposed legislation contained in the Kilgore-Murray-Truman bill, there ensued a rather sharp colloquy between the senior Senator from West Virginia [Mr. KILGORE] and myself relative to the borrowing and the loaning of experts to legislative committees.

I do not choose to hold post mortems after a battle has been fought nor do I desire to engage the senior Senator from West Virginia in further colloquy on the loaning and borrowing of so-called experts, but I do wish to point out to the Members of the Senate that since the point of order was made on August 9, scores of editorials have been written about the abuse of the loaning of experts. Among them appeared an editorial published in the Washington Post on August 12, 1944, which very forcefully and constructively deals with this situation.

It is entitled "Problem of Experts." I ask unanimous consent that the editorial may be printed in the body of the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PROBLEM OF EXPERTS

The ruckus created by the alleged close contact between the expert "on loan" from the W. P. B. who claims to have drafted the Kilgore bill and the C. I. O.'s Political Action Committee emphasizes the need of a trained staff permanently attached to congressional committees and paid for out of funds appropriated for that purpose. Committees of the House and Senate inadequately supplied with funds to conduct investigations and formulate legislative programs have fallen into the bad habit of borrowing experts from Federal executive agencies and sometimes from private employers. These individuals may be in possession of valuable information and useful contacts. But all too often their approach to the legislative problems under consideration is biased by the fact that they are in the pay of others.

Even if borrowed investigators succeed in being fair and impartial in their judgments, they are suspect if their regular jobs have brought them into close contact with any of the groups likely to be injured or benefited by the legislation they are helping to draft. Thus it becomes the responsibility of congressional committees to pick their experts with exceeding care to guard against the possibility that they may "grind other axes." When experts are borrowed here and there in penny-pinching attempts to save money, the committees lay themselves open to deserved criticism.

The only way to avoid such criticism is to engage experts hired on a full-time basis at satisfactory rates of pay. A permanent staff of competent assistants might, for instance, be built up through expansion of the Legislative Reference Service of the Library of Congress. That agency is already performing useful work, despite a severely limited budget and a small staff. The creation of a permanent organization to give expert aid to congressional committees would not obviate the need for advice from persons employed by the executive branch of government. For many of these bureaucratic experts are outstanding authorities in their special fields of knowledge, and can render invaluable aid in helping to mold legislative opinion.

Nor would a group of experts detailed to serve Congress be expected to isolate themselves from contact with private groups whose opinions and suggestions might help to determine the character of legislative programs. A committee aide who was afraid to be seen conversing with representatives of the C. I. O., the A. F. of L., or any other labor group wouldn't be worth his salt to a committee struggling with labor legislation. It is only when contacts are the actual or suspected result of under-cover affiliations between the experts and the groups interrogated that trouble arises.

The executive branch has already gone very far in according official recognition to group or class interests by appointing to office men selected to represent big and small business and this or that labor organization or farm group. We think this trend is unfortunate because the first duty of every Government official is to further the general public interest above all special interests. Certainly it is the paramount duty of congressional committees to place the interests of all the people above that of any part of the people. Hence, in turning to Government officials for guidance committee members would do well to give a wide berth to those officials who are protagonists of special causes. Legislative programs, whatever their special purpose, are supposed to further the general welfare and must be fitted within this large framework of reference, if Congress is to retain its character as a really representative body. Balanced legislation is jeopardized by relying upon the advice and assistance of "borrowed" experts who, whether from conviction or because of their professional affiliations, are special pleaders.

Mr. WHERRY. Mr. President, I wish also to call to the attention of Members of the Senate the fact that I have received scores of telephone calls and communications commenting upon the loaning and borrowing of experts and their close association with outside interests. If only a part of these charges is true, it is amazing and indicates a dire need for an immediate investigation.

Remembering the admonition of the able majority leader the Senator from Kentucky [Mr. BARKLEY] recently upon the floor of the Senate to the effect that too many congressional investigations are now being made, I have sought out a permanently organized committee which I feel is authorized and well qualified to make such an investigation.

On August 12, 1944, I addressed a communication to Hon. HARRY F. BYRD, the junior Senator from Virginia, Chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, requesting an investigation of the loaning of experts and the invasion of the privileges of the floor by representatives of outside interests.

I now ask unanimous consent that a copy of this communication be printed in the RECORD at this point in my remarks. The letter is self-explanatory.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 12, 1944.

Hon. HARRY F. BYRD,
Chairman, Joint Committee on Reduction of Nonessential Expenditures, Senate Office Building, Washington, D. C.

DEAR SENATOR: On August 9, while the Senate was in session, I made a point of order relative to one who is not a member of the Senate assuming the privilege of the floor and speaking to the Senator who was the Presiding Officer at that period of the Senate session. The Presiding Officer said that, technically, the point of order was well made.

But should the incident stop there?

For the past several months, it has come to my attention that in important sessions of the Senate, numerous so-called experts have been seated in the rear of the Senate Chamber as well as flanking Senators in their seats. I wish to call to your attention that yesterday afternoon, I counted more than 31 persons who were not Members of the Senate, standing along the walls of the Senate Chamber.

Who are these men?

Where do they come from?

Whom do they represent?

Are they there as congressional officers, serving the United States Senate in the interest of the general public? Or are they attempting to lobby legislation through the Senate in behalf of special interests?

There could be no objection to the so-called experts of many governmental agencies making a study of legislation and presenting it to the authorized representatives of the Senate in the proper manner; they should also be permitted in their research to gain any legislative information possible—but that is an entirely different thing from preparing legislation and invading the Senate floor to direct its procedure in attempting to pass the legislation in the United States Senate.

Since I made the point of order as cited above, I have had numerous telephone calls and other communications giving me data and statistics. If even a part of these reports is true, it is amazing and indicates a dire need for an immediate investigation.

Because you are the chairman of the Joint Committee on Reduction of Nonessential Expenditures, I am directing this request for an investigation to you. The resolution under which your committee was organized refers to executive and administrative officers. While it is true the Senate is a legislative body, yet when men like Dr. Schimmel, whose salary is $8,000, come from the administrative branch of government, it comes within the purview of your authority under the resolution when they are loaned to a Senate committee.

I also want to call to your attention that if the W. P. B. does not need Dr. Schimmel's services, then it becomes a question of "nonessential expenditures," as far as an executive officer is concerned. If the United States Senate requires the services of Dr. Schimmel, then he should be carried on the Senate pay roll at the regular salary of $4,500 a year instead of on the W. P. B. pay roll at $8,000 per year.

In any event, it is the taxpayer who finally pays the bill.

If the Senate needs expert and technical advice, the Senate should employ personnel for that service. They should represent the Senate of the United States, not a governmental agency nor any other outside interest. The Senate Members should know who they are; and only the clerks or the chief of staff of the Senate committees should be admitted to the privileges of the floor, as covered by the Senate rule.

I trust that your committee will act favorably upon this request for an investigation to the end that this whole matter of loaned experts to the United States Senate might be clarified.

I know that your committee has had a tremendous amount of work to do and while I am not a member of your committee, I would like to offer my services if I can be of any assistance in furthering this investigation.

Sincerely yours,

KENNETH S. WHERRY.

Mr. WHERRY. Mr. President, in conclusion, let me state that I feel it to be in the best interests of the United States Senate and of the Congress that such an investigation be made; and I trust that the Joint Committee on Reduction of Nonessential Federal Expenditures will give my request their utmost consideration and that the membership of the committee will grant my request. I feel that such an investigation would not only be of great assistance to the Senate but also would render a great service to the people of the entire country.

PROMOTION OF LT. GEN. GEORGE SMITH PATTON, JR., TO BE MAJOR GENERAL IN THE REGULAR ARMY

Mr. CHANDLER. Mr. President, I ask unanimous consent, as in executive session, to report from the Committee on Military Affairs the following nominations:

Lt. Gen. George Smith Patton, Jr. (colonel, Cavalry), Army of the United States, to be brigadier general in the Regular Army, with rank from September 1, 1943, vice Brig. Gen. Henry H. Arnold, appointed major general, Regular Army.

Lt. Gen. George Smith Patton, Jr. (colonel, Cavalry), Army of the United States, to be major general in the Regular Army, with rank from September 2, 1943, vice Maj. Gen. Philip B. Peyton, retired.

Mr. LANGER. Mr. President, I object.

Mr. CHANDLER. Mr. President, I ask the able Senator from North Dakota to withhold his objection and allow me to report the nominations from the committee. If such consent is granted, I shall then make another request, and I wish the Senator would withhold his objection until I have done so.

Mr. HILL. Mr. President, the fact that the Senator reports certain nominations from the committee would not prevent another Senator from later objecting to the confirmation of the nominations.

Mr. CHANDLER. That is correct, Mr. President.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kentucky? The Chair hears none, and the report will be received.

Mr. CHANDLER. I now ask unanimous consent that the nominations be considered as an executive session.

Mr. LANGER. I object.

Mr. CHANDLER. Will the Senator please withhold his objection in order that the clerk may state the nominations?

Mr. LANGER. I withhold my objection.

The PRESIDING OFFICER. The clerk will state the first nomination.

The legislative clerk read the nomination of Lt. Gen. George Smith Patton, Jr. (colonel, Cavalry), Army of the United States, to be brigadier general in the Regular Army, with rank from September 1, 1943, vice Brig. Gen. Henry H. Arnold, appointed major general, Regular Army.

Mr. LANGER. Mr. President, I do not believe anything could be said by the distinguished junior Senator from Ken-

tucky which would cause me to change my mind. I do not believe that now is the proper time to consider the nominations. Only a few Senators are on the floor. I do not think the nominations should be considered at this time. Eventually I, myself, may vote for confirmation of the nominations.

Mr. CHANDLER. Mr. President, I ask that the Senator from North Dakota withhold his objection until I shall have had an opportunity to say a few words, and then if he wishes to press the objection I shall have no objection to his doing so.

Approximately 20 Senators are present. This morning the Senate Committee on Military Affairs unanimously voted to report to the Senate the nominations of Lieutenant General Patton to be promoted in rank.

General Eisenhower has announced that since the 3d day of August General Patton has been in charge of an army which has driven roughshod over the Germans in Normandy and Brittany. When the nominations were originally sent to the Senate I opposed them for the reason that General Eisenhower had reported to the Secretary of War that General Patton had slapped an American soldier. I felt that such harsh treatment of an American soldier was unjust, unwarranted, and, in the words used by General Eisenhower, indefensible and reprehensible. On the basis of that report I led the fight, if there was one, in the Military Affairs Committee against confirmation of the nominations. Since then circumstances have changed. I have never doubted the accuracy of the statements which have been made to me by soldiers all over the world to the effect that General Patton is a brave and courageous soldier. At this hour he is perhaps the greatest tank soldier in the world. His exploits in Tunisia and Sicily were magnificent. General Eisenhower weighed his services to his country and the intrepid leadership which he had displayed against what I have already referred to as his indefensible acts. He is now leading our American boys in the tanks to Paris, in what may prove to be an eventful victory of our arms. I have changed my mind, and I think on the basis of his record and what he has accomplished he is now entitled to be promoted. Other officers have been promoted to the rank of brigadier general or major general. These nominations have been pending since some time last year. I would not wish to say to an American officer who is facing the enemy and driving forward at the head of American soldiers, and who has demonstrated great leadership and ability, that he must not be promoted. However, if circumstances had not changed from what they were when the matter was originally presented to the committee, I would not vote to promote him.

Mr. President, the members of the committee did not vote to reconsider the action because no action had ever been taken. The members had merely declined to pass upon the nominations. I have recently consulted with the majority leader and the minority leader, and they have no objection to the consideration of the nominations. If the Senator from North Dakota wishes to have consideration of the nominations postponed to a later date while General Patton is leading his forces in Europe, and debate the nomination at some future time, I am perfectly willing to engage in such debate, and it will occur at the next meeting of the Senate.

Mr. LANGER. Mr. President, in view of the Senator's statement that members of the committee voted unanimously to report the nominations——

Mr. CHANDLER. The Senator is correct. No objection has been made by any member of the committee.

Mr. LANGER. In view of the record which the Senator from Kentucky has presented to us, I gladly withdraw my objection. I had no personal feelings with regard to the situation.

Mr. CHANDLER. I thank the Senator.

Mr. LANGER. I merely wish to explain that in view of the absence of a great many Senators it had occurred to me that we should postpone consideration of the matter until more Senators were present.

Mr. CHANDLER. I thank the able Senator from North Dakota.

Mr. President, I ask that the nominations be confirmed, and that the President be notified forthwith.

Mr. LANGER. Before that is done, I might say that my attitude was largely influenced by the very fact that the Senator led the fight.

Mr. CHANDLER. I did; but the circumstances have changed and, therefore, I have changed my position.

Mr. LANGER. I had much confidence in the Senator, and what he said at that time made a great impression upon my mind.

Mr. CHANDLER. I thank the Senator.

Mr. President, my request was that, as in executive session, the nominations be confirmed, and that the President be notified forthwith.

The PRESIDING OFFICER. Unanimous consent has been asked that action be taken immediately upon these nominations as in executive session. Is there objection? The Chair hears none, and the first nomination is confirmed.

The clerk will read the second nomination.

The legislative clerk read the nomination of Lt. Gen. George Smith Patton, Jr. (colonel, Cavalry), Army of the United States, to be major general in the Regular Army, with rank from September 2, 1943, vice Maj. Gen. Philip B. Peyton, retired.

The PRESIDING OFFICER. Without objection, the nomination is confirmed; and, without objection, the President will be notified forthwith.

EFFECT OF CORN PRICES AND REGULATIONS ON CATTLE PRODUCTION

Mr. WHERRY. Mr. President, a week before the Congress adjourned on June 23 last it will be recalled that 21 or 22 Senators—and I am sure that the distinguished Senator from Oklahoma [Mr. THOMAS] who now occupies the chair was one of the 21 or 22—signed a resolution addressed to Members of the Senate asking for an investigation into livestock feeding operations, more particularly cattle but including hogs and sheep, and also an investigation as to corn prices and the effect of such prices on feeding operations. The resolution was open to all Senators to sign, and I think there were names of 5 or 6 Democrats on it, including as I have said, the senior Senator from Oklahoma and the senior Senator from Wisconsin [Mr. LA FOLLETTE]. The resolution was referred to the Committee on Agriculture and Forestry, and was reported from that committee. It was then referred to the Committee to Audit and Control the Contingent Expenses of the Senate, but was not reported from that committee during that week when the Senate was in session. It is still in the committee.

I should like to call the attention of the Members of the Senate today to the fact that the situation mentioned on the floor of the Senate away back in May or the first of June has now become a reality. Feeder cattle, utility cattle which are now being sent to the central market are being sold under the floor prices, and, as a result, the producers are not getting what the Department of Agriculture told them they would get for cattle which were shipped there.

The reason is that the subsidy which is paid to the producers, but which is a subsidy to the consumer instead of the producer, is paid monthly on the purchases made by the processors, who are the packers. They are paid on the average price for all classes of cattle. So, in order to get double A cattle to supply the armed forces and the higher priced markets of the country in which top prices are paid, less has to be paid for the utility cattle for which the Government is now making provision and to which it is giving publicity so as to promote sales over the counters, at the expense of every cattle producer in the United States of America.

From New Mexico comes complaint that the utility cattle are being sold beneath the floor price and the cattle growers who have produced and continue to produce are now taking the loss.

Unless the situation is corrected we will see embargoes placed on the cattle market, just as they were placed on the hogs, and there will be an over-surplus of utility cattle just as there was a surplus of eggs, when carloads of eggs that cost $4,800 sold for as little as $30. That is the situation which is facing the cattle producers today.

I have received a telegram on the subject from a feeder whom I know. He is not a politician; he is not a Government man; he is not a white-collared farmer; he is one of many cattle feeders who feed many head of cattle a year and sell them on the fat-cattle market. Here is the telegram:

KENNETH S. WHERRY,
United States Senate, Washington, D. C.:

Corn prices and regulations now more than ever encourage black-market operations in corn. No prudent livestock feeder can plan

to feed where it is necessary to buy any material amount corn. With regulations as are now black-market operator can draw corn right from under everyone.

The corn order, it will be recalled, provided that industry could buy corn at 5 cents a bushel more than the corn feeder could pay for the same corn in the same locality, so that the only place the cattle feeder could buy corn was in the black market. That is exactly the situation it was sought to establish. It is an acute situation. Today, a feeder cannot feed corn to his cattle and pay a price comparable to what industry can pay for it, unless the cattle feeder buys corn on the black market. The effect is to make a crook out of every cattle feeder who has to buy corn.

The telegram continues:

With all the uncertainties that confront the livestock producer makes a serious situation and should have your attention. I am farmer-rancher, one of the big meat and wool producers; probably buy more corn for my own feeding than anyone.

The name of the sender of the telegram is Noel Cover, and he comes from the town of Cozad, Nebr. I can present to the Senate telegram after telegram and communication after communication of the same nature, but I do not want to clutter up the RECORD. I do at this time, however, ask unanimous consent that a report of the Live Stock Producers' Association, rendered on July 17, be printed in the body of the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Giving credence to Washington rumors that the O. P. A. proposes to make drastic changes in its price programs affecting live stock prices, particularly beef cattle, the National Live Stock Producer in its current issue published today releases detailed information relating to a series of conferences since May 12 between the Joint Live Stock Committee, representing 130 livestock producer organizations and the Office of Price Administration, War Food Administration and Office of Economic Stabilization. Previous publicity has not been given to these conferences, it is stated, because of "an official request to consider such facts as confidential until a later date."

According to information received from Washington, the National Live Stock Producer says that the O. P. A. "with the disapproval of W. F. A., proposes to (1) take 50 cents off hog subsidies and add that amount to cattle subsidies; (2) beginning May 1, 1945 lower the minimum compliance price on the two upper grades of cattle by 50 cents and all other grades by $1; (3) order that steers and heifers be separated from cows and bulls for packer subsidy compliance purposes, and (4) impart a maximum flat ceiling price of $17 at Chicago on the slaughter cattle market."

Because of chaotic conditions existing in the live stock markets generally at that time, it is revealed that on May 12–13 the O. P. A. sent out telegraphed invitations to 11 important cattle producer and feeder representatives for a closed conference in Washington. To these cattle men the O. P. A. outlined certain "problems," that is—

"(1) due to narrow margins, packers generally were operating at a loss; (2) feed lot operations had been already drastically curtailed; and (3) early marketing operations should be encouraged to avoid a market glut of grass-fed cattle in the fall."

As solutions to these problems the O. P. A. proposed to increase subsidy payments and to reduce the price on lower beef grades to become effective in September and October of this year. The cattlemen present at the conference, however, responded that the problems were the result of ill-advised regulations and declared that the solutions were impractical.

At a subsequent meeting of the Joint Live Stock Committee held in Chicago on May 25, John J. Madigan, Chief of O. P. A. Price Section, reiterated the livestock industry problems and the O. P. A. solutions which were unanimously rejected by the producer group. They declared that price ceilings on livestock had been fixed at a time when conditions in the industry were abnormal, due particularly to abnormally cheap feed, and at a time when feeding profits were based largely on gains in weight. Since early of 1941 feed prices have more than doubled, the producers pointed out, and cattle feeding has shifted from a low-cost-of-gain basis to a price-margin basis with the result that it has been practically impossible to put better calves and yearlings into feed lots. "Approximately two-thirds of the producers of the better grades of beef lost money on their operations last year," it is stated.

A special committee appointed by the Joint Live Stock Committee working with beef cattle specialists from several Corn Belt agricultural colleges prepared a special report upon the increased feeding costs, packer slaughter margins, and allied problems. These facts were presented to the Office of Price Administration, War Food Administration, and Office of Economic Stabilization in a series of conferences held in Washington on June 8–9. "The producer's committee was impressed by O. P. A.'s general unwillingness to divulge their plans for correcting the chaotic condition in the beef cattle industry," said the National Live Stock Producer. "It was definitely stated, however, that there had been no attempt to lower prices on the lower cattle grades. O. P. A. seemed concerned primarily with obtaining more favorable ceiling margins for packers, indicating that this might be done by additional direct subsidies. The W. F. A., however, showed real interest in the producer's committee proposals and promised to carefully examine all future plans presented by O. P. A. Definite assurance was also given by the Director of Economic Stabilization that, before any decisions were made on O. P. A. proposals, producers would be given a further hearing."

That Government agencies are attempting to force a general liquidation of beef cattle and thus "cover up ill-advised control policies" that have been responsible for abnormal conditions in the industry, is charged by H. M. Conway, a livestock research authority, in an article appearing in the current issue of National Live Stock Producer, a farmer-owned trade publication.

"Our guardians in Washington seem to believe that all cattle represent so much beef," says Mr. Conway, "and that it is a matter of forcing numbers through slaughter channels without any sense of economic efficiency or of the welfare of the beef-cattle industry." With the supply of cattle from feed lots practically exhausted, this authority declares that "anything like adequate beef supplies would require a tremendous increase in slaughter numbers." It is stated, moreover, that meat supplies so far this year have been maintained largely by liquidation and premature slaughter of livestock.

Swine production has been cut to the point that the supply will be far short of the probable demand during the next 18 months, Mr. Conway asserts. He also indicates that the reason for the current limited demand for stocker and feeder cattle is that feed prices are relatively high and that there is not sufficient spread in O. P. A. price limitations to justify finishing the better grades of beef.

As a solution to all the worries that have been encountered by producers of eggs and pork, the National Live Stock Producer, in its current issue published today, proposes editorially that the producers call a joint convention where they may arrange to go quietly nuts together. And, as they embark upon that route which leads to unworried bliss, they might send a message to range cattlemen: "We go to prepare a place for you."

Pointing out that eggs purchased by the War Food Administration at an average price of around $4,800 a carload were offered to feed-mixing concerns at $30, the editorial states that "this variety of economical result is known as planned economy." The normal procedure of permitting seasonally excess eggs to be sold to consumers at reduced prices was refused by Washington officials, it is stated, on the ground that this would conflict with the price-support program and lead to other complications. Eggs mixed into liquid tankage, however, the editorial continues, "makes an excellent poultry feed, with which to produce more eggs."

Cold storage facilities for the excess eggs was not generally available because at the cooler doors, eggs came into direct competition for space with a glut of fat back, sowbellies, and lard. Sizable quantities of lard were diverted to soap manufacture. Efforts of processors to find markets in the Caribbean and Mexico were thwarted by official regulations, it is stated, contributing to the fact that June prices for hogs reached the lowest point in 28 months. "Putting it mildly," the editorial declares, "this has not contributed to the happiness of swine producers."

Mr. WHERRY. The report sets out that what is needed is the elimination of governmental controls and the straightening out of the corn situation; also the establishment of margins so as to enable the feeders to feed cattle and get them to market, and, furthermore, the rescinding of the regulations so that there can be an orderly sale of utility cattle and not a glutted market, causing the producers to take a loss, as they have to do of sales under the floor, as such cattle are being sold today. This is unfair to the cattle producer. The Government has broken faith with the cattle producer, who is forced to sell utility cattle under the floor prices of today's markets.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. LANGER. How many less cattle, by percentage, are being fed in Nebraska this year than last year?

Mr. WHERRY. In answer to the distinguished Senator from North Dakota I will say that I have a report which shows that in Nebraska there were 36 percent less cattle on feed in the month of June this year than in the month of June of the previous year. I know the percentage has increased in my locality. I live in a county-seat town, Pawnee City, Nebr., and from that place to the Kansas line there are located on farms 17 cattle feeders who buy and feed cattle. I know our firm, including my father and my uncle before me, has fed cattle for nearly 50 years. There is not one of those cattle feeders who has a head of cattle in the feed lot today.

Mr. LANGER. Is not that true all over the Northwest, so far as the Senator knows?

Mr. WHERRY. I think it is quite generally the case, because the reports from the State departments of agriculture show the same situation relative to the feeder cattle in other States.

Mr. President, I have asked that the resolution be reported by the Committee to Audit and Control the Contingent Expenses of the Senate so there may be an investigation, for no other reason than to be constructive and helpful to the War Food Administration, the Department of Agriculture, and the Office of Price Administration. The resolution was sponsored by Democrats and Republicans, from both sides of the aisle. The question is nonpartisan. The question is an economic one. Its correct solution means the life of the cattle feeders throughout the entire Corn Belt.

The chairman of the Committee to Audit and Control is not at this time on the floor of the Senate, but I ask the membership of the committee if they will not arrange for the proposed investigation by reporting the resolution with the appropriation asked, and I am quite sure that the distinguished senior Senator from Iowa [Mr. GILLETTE], who has been suggested to act as chairman of the special committee, will accept, if he is offered the opportunity. Then we will have an impartial investigation, a nonpartisan one, where we may inquire into a situation which goes to the very economic life of our agriculture.

Mr. President, I hope something will be done. We are approaching a crisis in the cattle markets in this country and the Senator who is now presiding knows that if there should be dry weather in the Plains States, the utility cattle will come in by the thousands, and cause a glut of the market, and those who have raised cattle on the Plains will have to take a loss they should not be required to take and would not have to take if the recent order could be rescinded.

Mr. LANGER. Mr. President, I wish to substantiate what has been said by the distinguished junior Senator from Nebraska. All over North Dakota men who for many years have been engaged in the business of taking poor cattle and feeding them have gone out of business. It is rarely one can find a man who was in that business and who is continuing in it. I join with the distinguished Senator in hoping that the proposed committee will be able to get to work promptly, and that the Committee to Audit and Control will make funds available with which to conduct a thorough investigation.

Mr. WHERRY. I thank the distinguished Senator from North Dakota for his remarks.

Mr. LANGER. I might add that in the hog situation the farmers all over the country were robbed by the packers. I offered a resolution some months ago to investigate that situation, and it was sent to the desk, but no action was ever taken on it. The fact is that the producer of hogs, the farmer, was robbed of millions and millions of dollars, the money going to the packers, in spite of legislation in the nature of subsidies which Congress passed.

AUTHORIZATION FOR COMMITTE ON THE JUDICIARY TO REPORT BILLS

Mr. HATCH. Mr. President, yesterday the Committee on the Judiciary authorized the reporting of several bills. Some of the reports have been filed, others are in the process of preparation. I understand the Senate will presently recess until Friday. Therefore I ask unanimous consent that reports from the Committee on the Judiciary may be filed during the recess of the Senate.

Mr. WHITE. The request, as I understand, applies only to reports on bills which have already been authorized to be reported.

Mr. HATCH. Authorized yesterday, yes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. THOMAS of Utah, from the Committee on Education and Labor:

Robert J. Watt, of Massachusetts, to be a member of the Federal Board for Vocational Education for a 3-year term ending July 17, 1947.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Several postmasters.

The PRESIDING OFFICER. If there be no further reports of Committees, the clerk will state the nominations on the calendar.

POSTMASTERS

Mr. McKELLAR. Mr. President, there are several postmaster nominations on the calendar. As in executive session, I ask unanimous consent that they be confirmed en bloc and that the President be notified.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the postmaster nominations are confirmed; and, without objection, the President will be notified immediately.

RECESS TO FRIDAY

Mr. HILL. As in legislative session, I move that the Senate take a recess until Friday next at 12 o'clock noon.

The motion was agreed to; and (at 2 o'clock and 12 minutes p. m.) the Senate took a recess until Friday, August 18, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 15, 1944:

COMMISSIONER OF IMMIGRATION AND NATURALIZATION

Ugo Carusi, of the District of Columbia, to be Commissioner of Immigration and Naturalization, United States Department of Justice, vice Earl G. Harrison, resigned.

COAST AND GEODETIC SURVEY

The following-named employees of the Coast and Geodetic Survey to be junior hydrographic and geodetic engineers with rank of lieutenant (junior grade) in the Coast and Geodetic Survey:

Howard S. Cole, from May 17, 1944.
John T. Guthrie, from May 17, 1944.
Robert W. McCarty, from May 21, 1944.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Sarah F. White, Arley, Ala. Office became Presidential July 1, 1944.
Susie R. White, Baileyton, Ala. Office became Presidential July 1, 1944.
John U. Walker, Bankston, Ala. Office became Presidential July 1, 1944.
Robert B. Dennis, Beaverton, Ala. Office became Presidential July 1, 1944.
Pearce Goggans, Bexar, Ala. Office became Presidential July 1, 1944.
Mabel J. King, Billingsley, Ala. Office became Presidential July 1, 1944.
Andrew S. Weaver, Brookwood, Ala. Office became Presidential July 1, 1944.
Irma C Gabbett, Camp Hill, Ala., in place of Maunsell Gabbett, deceased.
Maude A. Bynum, Cleveland, Ala. Office became Presidential July 1, 1944.
Flora Ballard, Detroit, Ala. Office became Presidential July 1, 1944.
Benjamin F. Blanton, Fernbank, Ala. Office became Presidential July 1, 1944.
Lona W. Auxford, Flat Creek, Ala. Office became Presidential July 1, 1944.
Annie K. Gilmer, Fulton, Ala. Office became Presidential July 1, 1944.
Virginia C. Roberts, Gainesville, Ala. Office became Presidential July 1, 1944.
John W. Collins, Jr., Gallion, Ala. Office became Presidential July 1, 1944.
Auvia C. Byrd, Holly Pond, Ala. Office became Presidential July 1, 1944.
Bernice R. Roberts, Joppa, Ala. Office became Presidential July 1, 1944.
Nettie T. Waldrup, McCalla, Ala. Office became Presidential July 1, 1944.
George E. Culver, Mountain Creek, Ala. Office became Presidential July 1, 1944.
Thomas B. Thompson, Piper, Ala. Office became Presidential July 1, 1944.
Lizzie H. Barton, Sipsey, Ala. Office became Presidential July 1, 1944.
Walter W. Blacklidge, Spruce Pine, Ala. Office became Presidential July 1, 1944.
Janie Turner Wheeler, Steele, Ala. Office became Presidential July 1, 1944.
Pearl Callahan, Steppville, Ala. Office became Presidential July 1, 1944.
Beula V. White, Sterrett, Ala. Office became Presidential July 1, 1944.

ARIZONA

Rebecca W. Burgess, Eagar, Ariz. Office became Presidential July 1, 1944.
Nellie I. Sherman, Hereford, Ariz. Office became Presidential July 1, 1944.
John J. Newell, Naco, Ariz. Office became Presidential July 1, 1944.
Don C. Tanner, Show Low, Ariz. Office became Presidential July 1, 1944.
Mina F. Fleischauer, Tuba City, Ariz. Office became Presidential July 1, 1944.

ARKANSAS

Leith S. Johnson, Banks, Ark. Office became Presidential July 1, 1944.

Robert L. Burleson, Bearden, Ark., in place of T. B. Gatling, deceased.

John B. Turner, Branch, Ark. Office became Presidential July 1, 1944.

Ruth Lloyd, Damascus, Ark. Office became Presidential July 1, 1944.

John P. Hanni, Ellis, Ark. Office became Presidential July 1, 1944.

Jennie Sharp Pylest, Etowah, Ark. Office became Presidential July 1, 1944.

Stella K. Coffee, Gassville, Ark. Office became Presidential July 1, 1944.

Fred M. Henry, McRae, Ark., in place of Bunyan Gilbert, retired.

Clara Evans, Maysville, Ark. Office became Presidential July 1, 1944.

Mary R. Lancaster, Mountain View, Ark., in place of B. S. Kent, resigned.

Allie A. Irvin, Ozan, Ark. Office became Presidential July 1, 1944.

George F. Nixon, Ratcliff, Ark. Office became Presidential July 1, 1944.

Pleas Fowler, St. Joe, Ark. Office became Presidential July 1, 1944.

CALIFORNIA

James A. Adrian, Jr., Banning, Calif., in place of J. E. White, deceased.

William N. Wright, Bostonia, Calif. Office became Presidential July 1, 1944.

Margaret E. Tann, Brisbane, Calif., in place of M. S. Dewhurst, resigned.

Anna Olds Brown, Chualar, Calif. Office became Presidential July 1, 1944.

Edith B. Clark, Clearlake Oaks, Calif. Office became Presidential July 1, 1944.

Mabel Draper, Columbia, Calif. Office became Presidential July 1, 1944.

Dorothy M. Krolipfeiffer, Del Monte, Calif., in place of R. M. Krolipfeiffer, resigned.

Emma B. Near, Descanso, Calif. Office became Presidential July 1, 1944.

Christine Haines, Earp, Calif. Office became Presidential July 1, 1944.

Eunice C. Dick, Essex, Calif. Office became Presidential July 1, 1944.

Rose Stringham, Fenner, Calif. Office became Presidential July 1, 1944.

Gladys Head, Garden Grove, Calif., in place of W. S. Head, deceased.

Alta E. Collins, Harbor City, Calif., in place of T. F. Gladwill, resigned.

Juanita M. Casey, Kelso, Calif. Office became Presidential July 1, 1944.

Guy E. Thrailkill, Leucadia, Calif. Office became Presidential, July 1, 1944.

Henry R. Gewe, Los Alamos, Calif. Office became Presidential July 1, 1944.

Ramona P. Lansing, Los Olivos, Calif. Office became Presidential July 1, 1944.

Archie L. Shelp, Marina, Calif. Office became Presidential July 1, 1944.

Phoebe Vickroy, Montgomery Creek, Calif. Office became Presidential June 1, 1943.

Geneva Christofferson, Potter Valley, Calif. Office became Presidential July 1, 1944.

Mary E. Shear, Princeton, Calif. Office became Presidential July 1, 1944.

Louis R. Riave, Santa Susana, Calif. Office became Presidential July 1, 1944.

Selene M. Fair, Santa Ynez, Calif. Office became Presidential July 1, 1944

Amos R. Knupp, Scotia, Calif., in place of M. B. Pharr, retired.

COLORADO

Miles Crawford, Broomfield, Colo. Office became Presidential July 1, 1943.

CONNECTICUT

Frank H. Schonrock, South Meriden, Conn. Office became Presidential July 1, 1944.

Florence G. Joyce, Weatogue, Conn., in place of R. A. Parmelee, removed.

FLORIDA

Catharine C. Johnson, Arlington, Fla. Office became Presidential July 1, 1944.

Alma Nall, Azucar, Fla. Office became Presidential July 1, 1944.

Isaac W. West, Chosen, Fla. Office became Presidential July 1, 1944.

Archibald C. Greiner, Dundee, Fla. Office became Presidential July 1, 1943.

Percival L. Buzbee, Gibsonton, Fla. Office became Presidential July 1, 1944.

Leah G. Green, Greensboro, Fla. Office became Presidential July 1, 1944.

Irene E. Culbreth, Jennings, Fla. Office became Presidential July 1, 1944.

Helen D. Hall, Lake Hamilton, Fla. Office became Presidential July 1, 1944.

Robert G. Wood, Jr., Lithia, Fla. Office became Presidential July 1, 1944.

Mary E. Walker, Lloyd, Fla. Office became Presidential July 1, 1944.

Edward J. Courtoy, Nokomis, Fla. Office became Presidential July 1, 1944.

John E. Clonts, Oakland, Fla. Office became Presidential July 1, 1944.

Wilbur A. Willis, Oklawaha, Fla. Office became Presidential July 1, 1944.

Jane E. Henley, Orlovista, Fla. Office became Presidential July 1, 1944.

Bert Emberton, Port Tampa, Fla. Office became Presidential July 1, 1944.

Marvin A. Thomason, Produce, Fla. Office became Presidential July 1, 1944.

Alice E. Robison, Wakulla, Fla. Office became Presidential July 1, 1944.

Stephen R. Mallory, Wellborn, Fla. Office became Presidential July 1, 1944.

Claude E. Crosby, Wesconnett, Fla. Office became Presidential July 1, 1944.

GEORGIA

Elizabeth M. Carlton, Bolton, Ga. Office became Presidential July 1, 1944.

Ralston H. Kinsey, Mayfield, Ga. Office became Presidential July 1, 1944.

IDAHO

Zella G. Steele, Bancroft, Idaho, in place of George Alley, deceased.

ILLINOIS

James W. Arnold, Jr., Alto Pass, Ill., in place of Arthur McKinney, removed.

Samuel J. Hicks, Bonnie, Ill. Office became Presidential July 1, 1944.

Clarence V. Compton, Browns, Ill. Office became Presidential July 1, 1944.

John Hoelting, Carlinville, Ill., in place of D. E. Sexton, removed.

Gertrude Tippy, Carterville, Ill., in place of R. M. Tippy, deceased.

Marilla Clover, Cisco, Ill. Office became Presidential July 1, 1944.

John H. Leathers, Claremont, Ill. Office became Presidential July 1, 1944.

Nellie Biohm, Coal Valley, Ill. Office became Presidential July 1, 1944.

Raleigh Miller, Colp, Ill. Office became Presidential July 1, 1944.

Oscar L. Dean, Cooksville, Ill. Office became Presidential July 1, 1944.

Grace A. Morrison, Dalton City, Ill. Office became Presidential July 1, 1944.

Eugene R. Ditzler, Davis, Ill. Office became Presidential July 1, 1944.

Mabel E. Conroy, Emington, Ill. Office became Presidential July 1, 1944.

Mary C. Schosser, Essex, Ill. Office became Presidential July 1, 1944.

Isaac E. Hortenstine, Gays, Ill. Office became Presidential July 1, 1944.

Edith Wieman, German Valley, Ill. Office became Presidential July 1, 1944.

Marion W. Payne, Golf, Ill. Office became Presidential July 1, 1944.

June T. Snider, Gorham, Ill. Office became Presidential July 1, 1943.

William Jesse Ribble, Hettick, Ill. Office became Presidential July 1, 1944.

Mary E. Donahue, Kenilworth, Ill., in place of Luella Kriete, deceased.

Fannie L. Prater, Kilbourne, Ill. Office became Presidential July 1, 1944.

Samuel V. Simpson, Mill Shoals, Ill. Office became Presidential July 1, 1944.

Laura B. Hayes, Monroe Center, Ill. Office became Presidential July 1, 1944.

Ada M. Tate, Mount Zion, Ill. Office became Presidential July 1, 1944.

William T. Steiner, Niota, Ill. Office became Presidential July 1, 1944.

Wales S. Stamper, Olympia Fields, Ill. Office became Presidential July 1, 1944.

Clyde Marlow, Opdyke, Ill. Office became Presidential July 1, 1944.

Julius C. Gouy, Panama, Ill. Office became Presidential July 1, 1944.

Frank C. Stolfa, Riverside, Ill., in place of L. M. Lies, resigned.

Francis W. Walters, Roberts, Ill., in place of D. E. Woolsoncroft, transferred.

Victor M. Wallace, Roscoe, Ill. Office became Presidential July 1, 1943.

Lena C. Kirts, Sainte Marie, Ill. Office became Presidential July 1, 1944.

Henrietta Hinds, Secor, Ill. Office became Presidential July 1, 1944.

Stella Bossong, Serena, Ill. Office became Presidential July 1, 1944.

Fred E. Donaldson, Shobonier, Ill. Office became Presidential July 1, 1944.

Carney V. Kerley, Simpson, Ill. Office became Presidential July 1, 1944.

Bathews A. Jones, Sims, Ill. Office became Presidential July 1, 1944.

Lona L. Manuel, Smithfield, Ill. Office became Presidential July 1, 1944.

Jeff Mitchell, Ursa, Ill. Office became Presidential July 1, 1944.

John G. Finch, Verona, Ill. Office became Presidential July 1, 1944.

Raymond E. Browning, Waggoner, Ill. Office became Presidential July 1, 1944.

Sarah B. Gordon, West Point, Ill. Office became Presidential July 1, 1944.

Dewey Coomes, Wolf Lake, Ill. Office became Presidential July 1, 1944.

INDIANA

Nina M. Stokesberry, Canby, Ind. Office became Presidential July 1, 1944.

Hueston H. Harris, Denver, Ind. Office became Presidential July 1, 1942.

Elfia E. Leach, Lizton, Ind., in place of H. E. Bailey, deceased.

IOWA

William J. Hohnke, Atalissa, Iowa. Office became Presidential July 1, 1944.

Florence Fox, Fairfax, Iowa. Office became Presidential July 1, 1944.

Newton V. Benson, Geneva, Iowa. Office became Presidential July 1, 1944.

Lula M. Wilkins, Goodell, Iowa. Office became Presidential July 1, 1944.

Donald W. McShane, Luana, Iowa. Office became Presidential July 1, 1944.

Horace C. Campbell, Ollie, Iowa. Office became Presidential July 1, 1944.

Elsie C. Allen, Ogden, Iowa, in place of R. O. Bass, resigned.

William Bryan Fenimore, Peru, Iowa. Office became Presidential July 1, 1944.

Lou Ella Jones, Rose Hill, Iowa. Office became Presidential July 1, 1944.

Clifford L. Larson, Scarville, Iowa. Office became Presidential July 1, 1944.

KANSAS

Dora M. Phillips, Belpre, Kans. Office became Presidential July 1, 1943.

George E. Noble, Madison, Kans., in place of M. P. Davis, deceased.

Eula Dorrell, Treece, Kans. Office became Presidential July 1, 1944.

Roy T. Henderson, Winfield, Kans., in place of T. E. Van Meter, deceased.

KENTUCKY

Lillian F. Burke, Allen Ky. Office became Presidential July 1, 1944.

Darwin C. Wells, Auxier, Ky. Office became Presidential July 1, 1944.

Clayton Samples, Bagdad, Ky. Office became Presidential July 1, 1943.
Maywood Whitaker, Blackey, Ky. Office became Presidential July, 1, 1944.
Leonard H. Banks, Burdine, Ky. Office became Presidential July 1, 1944.
Coy Oscar Glass, Dunham, Ky. Office became Presidential July 1, 1944.
Owen L. Ellis, Dunnville, Ky. Office became Presidential July 1, 1944.
Nellie Antis, Fullerton, Ky. Office became Presidential July 1, 1944.
Mary B. Garvey, Glencoe, Ky. Office became Presidential July 1, 1944.
Nelly B. Jones, Grand Rivers, Ky. Office became Presidential July 1, 1944.
Edgar K. Sturgill, Harold, Ky. Office became Presidential July 1, 1944.
Alvin Francisco, Hellier, Ky. Office became Presidential July 1, 1944.
Frank May, Langley, Ky. Office became Presidential July 1, 1944.
Dora E. Pike, Livingston, Ky. Office became Presidential July 1, 1944.
Lawrence E. Ratliff, Lookout, Ky. Office became Presidential July 1, 1944.
Bailey Kendrick, McAndrews, Ky. Office became Presidential July 1, 1944.
Jimmie Lee Oldham, Okolona, Ky. Office became Presidential July 1, 1944.
Ethel G. Abbott, Silver Grove, Ky. Office became Presidential July 1, 1944.
Alice C. Cannon, Turners Station, Ky. Office became Presidential July 1, 1944.
Louise R. McCormack, Waddy, Ky. Office became Presidential July 1, 1944.
Irene T. Nickell, Webbville, Ky. Office became Presidential July 1, 1944.
Fannie Runnels, West Prestonsburg, Ky. Office become Presidential July 1, 1944.
Nellie Stafford, Wurtland, Ky. Office became Presidential July 1, 1944.

LOUISIANA

Oscar A Johnson, Albany, La. Office became Presidential July 1, 1944.
Ludwig A. Hebert, Bayou Goula, La. Office became Presidential July 1, 1944.
Carmen Colomb, Chalmette, La. Office became Presidential July 1, 1944.
Annie L. Couch, Chestnut, La. Office became Presidential July 1, 1944.
Agnes B. Subra, Convent, La. Office became Presidential July 1, 1944.
Vivian K. West, Evergreen, La. Office became Presidential July 1, 1944.
Isabelle S. Booksh, Grosse Tete, La. Office became Presidential July 1, 1944.
Ida E. Mounger, Lettsworth, La. Office became Presidential July 1, 1944.
Betty M. Voigt, Provencal, La. Office became Presidential July 1, 1944.
Libbie T. Tubre, St. Landry, La. Office became Presidential July 1, 1944.
Maude M. Clark, Tioga, La. Office became Presidential July 1, 1944.
Nita Rouillier, Union, La. Office became Presidential July 1, 1944.
James F. Willis, Sr., Varnado, La. Office became Presidential July 1, 1944.
William A. Rheams, Walker, La. Office became Presidential July 1, 1944.

MAINE

Lee M. Rowe, Bryant Pond, Maine, in place of L. M. Rowe. Incumbent's commission expired June 23, 1942.

MARYLAND

Norman J. Hutchison, Cordova, Md. Office became Presidential July 1, 1944.
Minnie L. Wilson, Eden, Md. Office became Presidential July 1, 1944.
Alice L. Eaton, Edgewater, Md. Office became Presidential July 1, 1944.
Richard G. Williams, Funkstown, Md. Office became Presidential July 1, 1944.
Joseph H. R. Talbott, Hanover, Md. Office became Presidential July 1, 1944.
Dorothy G. Hayden, Hollywood, Md. Office became Presidential July 1, 1944.
Travis D. Knode, Keedysville, Md. Office became Presidential July 1, 1944.
Nathan W. Childs, Millersville, Md. Office became Presidential July 1, 1944.
Herbert O. Trott, Owings, Md. Office became Presidential July 1, 1944.
B. Gorman Swann, Piney Point, Md. Office became Presidential July 1, 1944.
Beulah E. Powell, Powellsville, Md. Office became Presidential July 1, 1944.
Mabel B. Disharoon, Quantico, Md. Office became Presidential July 1, 1944.
Marion L. Clark, Queen Anne, Md. Office became Presidential July 1, 1944.
Alma M. Yeatman, Ridge, Md. Office became Presidential July 1, 1944.
Genevieve H. Johnston, Timonium, Md. Office became Presidential July 1, 1944.

MASSACHUSETTS

Chester W. Robinson, Accord, Mass. Office became Presidential July 1, 1944.
Kendall E. Andrews, Berlin, Mass. Office became Presidential July 1, 1944.
Kate S. Taylor, Boylston Center, Mass. Office became Presidential July 1, 1944.
Joseph A. Cantin, Clifford, Mass. Office became Presidential July 1, 1944.
Ruth B. King, Colrain, Mass. Office became Presidential July 1, 1944.
Linda F. Howard, Eastondale, Mass. Office became Presidential July 1, 1944.
Nellie T. Huskin, Kenberma, Mass. Office became Presidential July 1, 1944.
George H. LaCroix, Leeds, Mass. Office became Presidential July 1, 1944.
George E. Plante, Manchaug, Mass. Office became Presidential July 1, 1944.
Estelle E. Dionne, Ocean Grove, Mass. Office became Presidential July 1, 1944.
Ruth P. Rossier, Paxton, Mass. Office became Presidential July 1, 1944.
Evelyn I. Staples, Segreganset, Mass. Office became Presidential July 1, 1944.
John C. Jackson, Sherborn, Mass. Office became Presidential July 1, 1944.
David S. Caldwell, South Byfield, Mass. Office became Presidential July 1, 1944.
Harold L. Laplante, South Vernon, Mass. Office became Presidential July 1, 1944.
John H. O'Toole, Sterling Junction, Mass. Office became Presidential July 1, 1944.
Anna J. Rusek, Three Rivers, Mass., in place of S. F. Twiss, deceased.
Rita G. Anderson, West Chelmsford, Mass. Office became Presidential July 1, 1944.

MICHIGAN

William Herschel Miller, Hartford, Mich., in place of B. E. Shoemaker, deceased.
Lyman E. Fay, Howell, Mich., in place of A. H. Pfau, transferred.
John J. Hauserman, Negaunee, Mich., in place of Peter Trudell, Jr., retired.
Ruth Hoffman, Palmyra, Mich. Office became Presidential July 1, 1944.
Lorene D. Fosket, Potterville, Mich. Office became Presidential July 1, 1944.
William F. Reddy, Twin Lake, Mich. Office became Presidential July 1, 1944.
Anne M. Polich, West Olive, Mich. Office became Presidential July 1, 1944.

MINNESOTA

Leonard W. Lamppa, Embarrass, Minn., in place of I. R. Lamppa, Jr., removed.

MISSISSIPPI

Sarah B. Hudson, Carpenter, Miss. Office became Presidential July 1, 1944.
Louisa J. Megehee, Escatawpa, Miss. Office became Presidential July 1, 1944.
Nannie R. Strickland, Eden, Miss. Office became Presidential July 1, 1944.
Jerome C. Washington, Pheba, Miss. Office became Presidential July 1, 1943.
Frank H. King, Pocahontas, Miss. Office became Presidential July 1, 1944.
Douglas R. Butler, Smithdale, Miss. Office became Presidential July 1, 1944.
William N. Mangum, Star, Miss. Office became Presidential July 1, 1944.

MISSOURI

Ola K. Pumphrey, Broseley, Mo. Office became Presidential July 1, 1943.
Roy D. Holland, Butler, Mo., in place of R. D. Holland. Incumbent's commission expired June 18, 1938.
Helen R. Land, Leasburg, Mo. Office became Presidential July 1, 1944.
Oden W. Craighead, New Bloomfield, Mo. Office became Presidential July 1, 1944.
Bernard Francis Dickmann, St. Louis, Mo., in place of W. R. Jackson, deceased.

MONTANA

Wilma Givogre, Wisdom, Mont., in place of R. E. Willey, resigned.

NEBRASKA

Rex Hicks, Amherst, Nebr. Office became Presidential July 1, 1944.
William A. Horstman, Creighton, Nebr., in place of W. A. Horstman. Incumbent's commission expired June 23, 1942.
Helen Betty Gott, Fort Robinson, Nebr. Office became Presidential July 1, 1944.

NEW JERSEY

Helen Moore, Lawnside, N. J. Office became Presidential July 1, 1944.
Edward T. Sherwood, Rosemont, N. J. Office became Presidential July 1, 1944.

NEW YORK

John A. Briars, Cold Water, N. Y., in place of C. A. Field, resigned.
Sidney G. Potter, Eaton, N. Y., in place of D. W. Rogers, resigned.
Paul J. Perrault, Johnson City, N. Y., in place of R. F. McCabe, removed.
John M. Paul, White Plains, N. Y., in place of P. A. Murphy, deceased.

NORTH CAROLINA

Margaret Vinson, Autryville, N. C. Office became Presidential July 1, 1944.
Eugenia W. Walters, Blanch, N. C. Office became Presidential July 1, 1944.
Thomas O. Minton, Champion, N. C. Office became Presidential July 1, 1944.
Elsie B. Godley, Chocowinity, N. C. Office became Presidential July 1, 1944.
Lucy Kelly, Coats, N. C. Office became Presidential July 1, 1943.
Lucile McI. Hemingway, Godwin, N. C. Office became Presidential July 1, 1944.
Benjamin F. Gough, Hamptonville, N. C. Office became Presidential July 1, 1944.
Allan C. Haley, Hanes, N. C. Office became Presidential July 1, 1944.
Walter J. Wynne, Havelock, N. C. Office became Presidential January 1, 1944.
Hettie M. Baum, Kitty Hawk, N. C. Office became Presidential July 1, 1944.
Jacob C. Nye, Orrum, N. C. Office became Presidential July 1, 1944.
Paul V. Fitzgerald, Pelham, N. C. Office became Presidential July 1, 1944.
Fannie B. Duval, Polloksville, N. C. Office became Presidential July 1, 1944.
Thomas A. Gentry, State Road, N. C. Office became Presidential July 1, 1944.

OHIO

Frank A. Driscoll, Bedford, Ohio, in place of F. L. Carr, removed.
Earl N. Tarrier, Bidwell, Ohio. Office became Presidential July 1, 1943.
Lud E. Treece, Continental, Ohio, in place of John Whitman, transferred.
Charles H. Barth, Fresno, Ohio. Office became Presidential July 1, 1942.
Roma V. Condrey, Germantown, Ohio, in place of Walter Miller, resigned.
Arthur Fisher, Hiram, Ohio, in place of G. C. Wilson, resigned.

John R. Gallagher, Ludlow Falls, Ohio. Office became Presidential July 1, 1944.

Ruth L. Bergamyer, Somerville, Ohio. Office became Presidential July 1, 1944.

OKLAHOMA

Woodrow Wilson Moody, Calera, Okla. Office became Presidential July 1, 1944.

Ira Earl McCann, Calumet, Okla., in place of T. J. Hurst, transferred.

Edna M. Smith, Deer Creek, Okla. Office became Presidential July 1, 1944.

Millard B. Means, Dewey, Okla., in place of P. M. Myers. Incumbent's commission expired June 23, 1942.

Robert A. Shepherd, Tecumseh, Okla., in place of L. W. Karr, removed.

OREGON

Charles P. Hunter, Colton, Oreg. Office became Presidential July 1, 1944.

Lynn A. Wheeler, Mapleton, Oreg. Office became Presidential July 1, 1943.

Lenora Hunter, Mosier, Oreg. Office became Presidential July 1, 1944.

Stella A. Howard, Mulino, Oreg. Office became Presidential July 1, 1944.

Valera McDonald, Shedd, Oreg. Office became Presidential July 1, 1944.

Chester F. See, Warm Springs, Oreg. Office became Presidential July 1, 1944.

PENNSYLVANIA

William D. Anderson, Linden, Pa. Office became Presidential July 1, 1944.

Franc G. Neuland, Lucinda, Pa. Office became Presidential July 1, 1944.

Manning J. O'Connor, Mineral Point, Pa. Office became Presidential July 1, 1944.

Lawrence L. Hackman, Oberlin, Pa. Office became Presidential July 1, 1944.

Daisy O. Deardorff, Orrtanna, Pa. Office became Presidential July 1, 1944.

Ethel T. Croft, Osceola, Pa. Office became Presidential July 1, 1943.

Mary L. Kovalchick, Sagamore, Pa. Office became Presidential July 1, 1942.

RHODE ISLAND

Arthur J. Stokes, Forestdale, R. I. Office became Presidential July 1, 1944.

Charlie H. Arnold, Greene, R. I. Office became Presidential July 1, 1944.

SOUTH DAKOTA

Esther Opsahl, Carpenter, S. Dak. Office became Presidential July 1, 1944.

Marjorie F. Sougstad, Fulton, S. Dak. Office became Presidential July 1, 1944.

William O. Brennan, Sherman, S. Dak. Office become Presidential July 1, 1944.

Jesse V. Heath, Vivian, S. Dak. Office became Presidential July 1, 1944.

Anna F. Dillon, Whitewood, S. Dak. Office became Presidential July 1, 1944.

TENNESSEE

Allye Jane Jones, Bartlett, Tenn. Office became Presidential July 1, 1944.

John F. Hall, Birchwood, Tenn. Office became Presidential July 1, 1944.

Tressa Connell, Eads, Tenn. Office became Presidential July 1, 1944.

Lizzie Roney, Fountain Head, Tenn. Office became Presidential July 1, 1944.

Ethelyne M. Peacher, Indian Mound, Tenn. Office became Presidential July 1, 1944.

Mabel B. Reasoner, Joelton, Tenn. Office became Presidential July 1, 1944.

Guy R. Huffaker, Kodak, Tenn. Office became Presidential July 1, 1944.

Jessie P. Bledsoe, Minor Hill, Tenn. Office became Presidential July 1, 1944.

Sarah E. Dickey, Mulberry, Tenn. Office became Presidential July 1, 1944.

Ashton B. Wood, Normandy, Tenn. Office became Presidential July 1, 1944.

Berbin Ellis, Robbins, Tenn. Office became Presidential July 1, 1944.

Evelyn B. Young, Shell Creek, Tenn. Office became Presidential July 1, 1944.

Martha Thomas Sykes, Stewart, Tenn. Office became Presidential July 1, 1944.

Virgil Banks, Summitville, Tenn. Office became Presidential July 1, 1944.

John T. Malone, Taft, Tenn. Office became Presidential July 1, 1944.

Robert C. Mobley, Tennessee Ridge, Tenn. Office became Presidential July 1, 1944.

Mary Lou Cannon, Thompsons Station, Tenn. Office became Presidential July 1, 1944.

Nelson B. Rucker, Washburn, Tenn. Office became Presidential July 1, 1944.

Loulie Turner, Westpoint, Tenn. Office became Presidential July 1, 1944.

TEXAS

Lucy F. Reynolds, Aledo, Tex. Office became Presidential July 1, 1944.

John W. Boyett, Appleby, Tex. Office became Presidential July 1, 1944.

Herman A. Krause, Beasley, Tex. Office became Presidential July 1, 1944.

Felix A. Krause, Burlington, Tex. Office became Presidential July 1, 1944.

Mary B. Rankin, Bynum, Tex. Office became Presidential July 1, 1944.

Zella E. Mitchell, Campbell, Tex. Office became Presidential July 1, 1944.

Otis J. Bronstad, Cranfills Gap, Tex. Office became Presidential July 1, 1944.

William M. Riddle, Dale, Tex. Office became Presidential July 1, 1944.

Eugene B. Griffing, Danbury, Tex. Office became Presidential July 1, 1944.

Robert H. Mills, Dodd City, Tex. Office became Presidential July 1, 1944.

Huel D. Ray, Ector, Tex. Office became Presidential July 1, 1944.

Guyler Hamblen, Fostoria, Tex. Office became Presidential July 1, 1944.

Vivian E. Cobb, James, Tex. Office became Presidential July 1, 1944.

Charles W. Rankin, Jr., Jonesboro, Tex. Office became Presidential July 1, 1944.

Ralph L. Johnson, Laneville, Tex. Office became Presidential July 1, 1943.

Ada H. Worley, Malone, Tex. Office became Presidential July 1, 1944.

Myrta E. Nichols, Melissa, Tex. Office became Presidential July 1, 1944.

Charles K. Langford, Mertens, Tex. Office became Presidential July 1, 1944.

Cyrus M. Walsworth, O'Brien, Tex. Office became Presidential July 1, 1944.

Neeta Shaw, Ovalo, Tex. Office became Presidential July 1, 1944.

Virgil R. Laycock, Ravenna, Tex. Office became Presidential July 1, 1944.

Rasselas C. Boyd, Rochelle, Tex. Office became Presidential July 1, 1944.

Bertha M. Johnson, Salado, Tex. Office became Presidential July 1, 1944.

Claude C. Strickland, Savoy, Tex. Office became Presidential July 1, 1944.

Alma Leta Clements, Sebastian, Tex. Office became Presidential July 1, 1944.

William E. McIntosh, Utopia, Tex. Office became Presidential July 1, 1944.

Peregrina Benavides, Zapata, Tex. Office became Presidential July 1, 1944.

Malvin L. Cobb, Zephyr, Tex. Office became Presidential July 1, 1944.

VERMONT

Leo B. Dunn, Brandon, Vt., in place of M. C. Mulcahy, deceased.

VIRGINIA

Samuel T. Ish, Aldie, Va. Office became Presidential July 1, 1944.

Ethel C. Cooksey, Amissville, Va. Office became Presidential July 1, 1944.

Elizabeth E. Epperson, Ararat, Va. Office became Presidential July 1, 1944.

William C. Crowe, Atkins, Va. Office became Presidential July 1, 1944.

William H. Sproles, Benhams, Va. Office became Presidential July 1, 1944.

Mae Z. Reynolds, Blue Ridge, Va. Office became Presidential July 1, 1944.

Rena R. Carter, Burke, Va. Office became Presidential July 1, 1944.

Grayson M. Sandy, Callao, Va. Office became Presidential July 1, 1944.

Allie J. Renick, Callaway, Va. Office became Presidential July 1, 1944.

Francis S. Shockey, Copper Hill, Va. Office became Presidential July 1, 1944.

Frank E. Pope, Drewryville, Va. Office became Presidential July 1, 1944.

Irvin T. Arthur, Driver, Va. Office became Presidential July 1, 1944.

James J. Orr, Dryden, Va. Office became Presidential July 1, 1944.

Charles H. Jones, Dry Fork, Va. Office became Presidential July 1, 1944.

Elizabeth P. Tompkins, Dumfield, Va. Office became Presidential July 1, 1944.

Vivian H. Hale, Elk Creek, Va. Office became Presidential July 1, 1944.

Sidney B. Henson, Elliston, Va. Office became Presidential July 1, 1944.

Alvis T. Davidson, Faber, Va. Office became Presidential July 1, 1944.

Elma R. Flippo, Fairfield, Va. Office became Presidential July 1, 1944.

Adelia L. Humphries, Fentress, Va. Office became Presidential July 1, 1944.

Charles E. Black, Fordwick, Va. Office became Presidential July 1, 1944.

Edgar B. Shumate, Glen Lyn, Va. Office became Presidential July 1, 1944.

James S. McCauley, Goodes, Va. Office became Presidential July 1, 1944.

Lloyd B. Williams, Hayes Store, Va. Office became Presidential July 1, 1944.

Thomas R. Looney, Keen Mountain, Va. Office became Presidential July 1, 1944.

Verda E. Thompson, Keokee, Va. Office became Presidential July 1, 1944.

Dorothy D. Turner, Lyndhurst, Va. Office became Presidential July 1, 1944.

Ada C. Hilbish, Piney River, Va. Office became Presidential July 1, 1943.

Mercer E. Thomas, Pounding Mill, Va. Office became Presidential July 1, 1944.

George J. Akers, Riner, Va. Office became Presidential July 1, 1944.

Ruben L. Ford, Roda, Va. Office became Presidential July 1, 1944.

Oswald M. Hall, St. Charles, Va., in place of W. F. Boone, removed.

Mary V. Owen, Sedley, Va. Office became Presidential July 1, 1944.

Alice T. Coleman, Spotsylvania, Va. Office became Presidential July 1, 1944.

Janie A. Boyd, Stonega, Va. Office became Presidential July 1, 1944.

Ellis M. Calhoun, Sugar Grove, Va. Office became Presidential July 1, 1944.

John A. Vernon, Sutherlin, Va. Office became Presidential July 1, 1944.

Frances I. Brown, Swoope, Va. Office became Presidential July 1, 1944.

Annie E. Gallimore, Sylvatus, Va. Office became Presidential July 1, 1944.

Julia E. West, Tasley, Va. Office became Presidential July 1, 1944.

M. Frances McManaway, Thaxton, Va. Office became Presidential July 1, 1944.

Ruby T. W. Parr, Tye River, Va. Office became Presidential July 1, 1944.

Sidney D. Mangus, Vesuvius, Va. Office became Presidential July 1, 1944.

Roland S. Sheppard, Walkerton, Va. Office became Presidential July 1, 1944.

Jennings J. James, Waterford, Va. Office became Presidential July 1, 1944.

Imogen E. Daniel, Weems, Va. Office became Presidential July 1, 1944.

William C. Carter, Whitetop, Va. Office became Presidential July 1, 1944.

VIRGIN ISLANDS

Alvaro de Lugo, Charlotte Amalie, V. I., in place of Alvaro de Lugo. Incumbent's commission expired June 13, 1942.

WASHINGTON

George W. Adams, Lebam, Wash. Office became Presidential July 1, 1944.
Ernest E. Cain, Malden, Wash. Office became Presidential July 1, 1944.
Margaret Ellen Randall, Manchester, Wash. Office became Presidential July 1, 1943.

WEST VIRGINIA

John E. Greene, Adrian, W. Va. Office became Presidential July 1, 1944.
Russell M. Yeager, Carbon, W. Va. Office became Presidential July 1, 1944.
Albert E. Adams, Cassville, W. Va. Office became Presidential July 1, 1944.
Louise Brown, Chelyan, W. Va. Office became Presidential July 1, 1944.
Pearl Varney, Crum, W. Va. Office became Presidential July 1, 1944.
Claude Handley, Culloden, W. Va. Office became Presidential July 1, 1944.
Donald C. Shonk, Dawes, W. Va. Office became Presidential July 1, 1944.
John O. P. Johnson, Dellslow, W. Va. Office became Presidential July 1, 1944.
Charlotte Mitchell, Diamond, W. Va. Office became Presidential July 1, 1944.
Elizabeth M. Tabor, East Lynn, W. Va. Office became Presidential July 1, 1944.
Maggie DeMary, Enterprise, W. Va. Office became Presidential July 1, 1944
Paul E. Thomas, French Creek, W. Va. Office became Presidential July 1, 1944.
Arch C. Moore, Glasgow, W. Va. Office became Presidential July 1, 1944.
Everett B. Wray, Glen White, W. Va. Office became Presidential July 1, 1944.
Guy R. Avey, Great Cacapon, W. Va. Office became Presidential July 1, 1944.
William H. Ryan, Hendricks, W. Va. Office became Presidential July 1, 1944.
Ray E. Craddock, Henlawson, W. Va. Office became Presidential July 1, 1944.
Van B. Stith, Highcoal, W. Va. Office became Presidential July 1, 1944.
Frank O. Trump, Kearneysville, W. Va. Office became Presidential July 1, 1944.
Buster G. Bowling, Lester, W. Va. Office became Presidential July 1, 1944.
Grace V. Crow, Letart, W. Va. Office became Presidential April 1, 1944.
Louise W. Davis, Lookout, W. Va. Office became Presidential July 1, 1944.
Lacy P. Wallace, McAlpin, W. Va. Office became Presidential July 1, 1944.
Virgil L. Mathias, Mathias, W. Va. Office became Presidential July 1, 1944.
Estrue K. Harrah, Meadow Bridge, W. Va. Office became Presidential July 1, 1944.
Gusta Gall, Moatsville, W. Va. Office became Presidential July 1, 1944.
Veda M. Dunham, Proctor, W. Va. Office became Presidential July 1, 1944.
Lora E. Ambler, Red House, W. Va. Office became Presidential July 1, 1944.
Amer W. Loughry, St. George, W. Va. Office became Presidential July 1, 1944.
Orion G. Callison, Slab Fork, W. Va. Office became Presidential July 1, 1944.
Robert E. Wilson, Stanaford, W. Va. Office became Presidential July 1, 1944.
Sada S. Goode, Stirrat, W. Va. Office became Presidential July 1, 1944.
Emmett W. Williams, Stotesbury, W. Va. Office became Presidential July 1, 1944.
Edmund C. Berkeley, Van, W. Va. Office became Presidential July 1, 1944.
Edith Mead, Wilsonburg, W. Va. Office became Presidential July 1, 1944.
James N. Flanigan, Wolf Summit, W. Va. Office became Presidential July 1, 1944.

WISCONSIN

Abraham A. Siegel, Hawthorne, Wis. Office became Presidential July 1, 1944.
Gregor John Bock, Highland, Wis., in place of A. J. McGuire, transferred.
Henry Magnuson, Irma, Wis. Office became Presidential July 1, 1944.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 15, 1944:

IN THE ARMY

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

George Smith Patton, Jr., to be brigadier general, to rank from September 1, 1943.
George Smith Patton, Jr., to be major general, to rank from September 2, 1943.

POSTMASTERS

FLORIDA

Frank A. Clement, Boca Raton.

NEW HAMPSHIRE

Irving Rolston, Greenland.

OKLAHOMA

Florence A. Davis, Goltry.

TEXAS

Hazel M. Ricks, De Kalb.

UTAH

Affalone Jensen, Centerfield.
William Grogan, Price.
Martha E. Alverson, Stockton.

WASHINGTON

Velma P. Hix, Duvall.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 15, 1944

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou God of majesty and mercy, from whom to turn away is to fail, but in whom to trust and abide is victory, we pray that all the barriers that separate us from Thee may be broken down and submerged by a renewed consecration to Thy holy will.

Reverently we would now wait upon Thee, drawn not only by our finite needs but impelled by that infinite assurance that Thy strength is made perfect in weakness and by those glorious promises that they who wait upon the Lord shall mount up with wings as eagles, they shall run and not be weary, they shall walk and not faint.

We pray that the spirit of knowledge and understanding, of insight and inspiration, of fidelity and fortitude, may be given unto the Members of Congress, upon whom there rests the responsibility of leadership in finding ways whereby the kingdom of blessedness shall be brought in an abundant measure to suffering and struggling humanity.

Hear us in the name of Christ who went about doing good and who gave His life for the redemption of the world. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

(Mr. LEWIS asked and was given permission to extend his remarks in the RECORD.)

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances; in one, to include an editorial appearing in the Lawrence (Mass.) Evening Tribune, dated July 22, 1944, entitled "Strongest Front," and, in the other, an editorial appearing in the Boston (Mass.) Post, dated August 8, 1944, entitled "Post-war Lend-Lease."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE RECENT POWHATAN MINE DISASTER

Mr. LEWIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[Mr. LEWIS addressed the House. His remarks appear in the Appendix.]

NATURAL GAS VERSUS ANTHRACITE

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. WALTER addressed the House. His remarks appear in the Appendix.]

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

Mr. SABATH. Mr. Speaker, I call up House Resolution 620, and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 620), as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5125, to provide for the disposal of surplus Government property and plants, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 days to be equally divided and controlled by the chairman and ranking minority member of the Committee on Expenditures in the Executive Departments, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Expenditures in the Executive Departments now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, I yield myself 10 minutes. I shall later yield to the gentleman from New York [Mr. FISH] the usual 30 minutes.

Mr. Speaker, this rule makes in order the consideration of a very, very important bill, H. R. 5125, that has been thoroughly considered and on which hearings have been held by many committees of the House, including special committees, and also committees of the Senate, looking to an orderly and prudent disposition of Government property. It includes the combined wisdom and judgment of many Members of the House and embodies many of the provisions of the various bills that have been introduced by many of the Members on both sides of the aisle.

I wish to congratulate the committee that reported this bill, because, before it reported the bill, the committee members used excellent judgment in obtaining advice from outstanding men of the various Government departments and agencies, and many leaders in private life who are vitally concerned, all of whom enlightened members of the committee on expenditures in the executive departments preliminary to the preparation of this important piece of proposed legislation that will have to do with the disposition of billions and billions of dollars worth of Government property at the termination of the impending war and even before that.

Mr. MANASCO, the chairman of the Committee on Expenditures in the Executive Departments, Mr. WHITTINGTON, Mr. GILLETTE, Mr. GIFFORD, Mr. CHURCH, and Mr. PATMAN, appeared before the Committee on Rules, and, after the committee had heard all these gentlemen favor this proposed rule, it unanimously reported this rule, which provides for general debate of not to exceed 2 days on the bill. After the general debate, the bill will be considered under the 5-minute rule. This is not a closed or a gag rule which some people thought we should bring to the floor of the House. The Committee on Rules and the legislating committee which reported the bill felt that any Member of the House who might wish to do so should have the opportunity to offer an amendment.

I understand that some amendments will be offered; but, having read the bill carefully and heard the testimony, I feel that this is about as strong and as nearly perfect a bill as the House can pass. Of course, there is nothing perfect, but I think this is a splendid bill, splendidly written.

Again I say that the committee did not feel that it should rely solely on the various departments which submitted their recommendations and ideas as to what the bill should contain. The members of the legislative committee themselves have seen fit to revise and rewrite and amend the bill so that today I think it is about as good a bill, and as carefully written, as I have stated before, as it has ever been my pleasure to report a rule on.

There are some provisions in the bill in which I have been interested for many years, due to the experience and knowledge I gained during the last war. They relate to the disposition of surplus Government property abroad. I feel that any machinery or tools or anything else that we may possess abroad after this war should not be sold for a song or given away to any country, regardless of how friendly it might be, to enable it to compete with us and so deprive American labor of employment. I know many gentlemen are now seeking to obtain a great deal of the up-to-date machinery that has been designed during the last few years, and that some of the foreign countries would like to secure this machinery so as to be able to compete with us in production and so take business and work away from our country.

The House will be fortunate to hear an explanation of the bill from the chairman of the Post-war Committee, the gentleman from Mississippi [Mr. COLMER], who originally introduced the bill, after his committee had held many hearings on it. He feels that the committee now reporting the bill has acted wisely in adopting certain protective amendments.

There is only one contest or objection that I feel may arise as to the bill. It provides for one surplus property administrator. Some gentlemen feel that there should be a surplus-property disposal board. I, myself feel that the responsibility of administrative authority should not be divided, but should be vested in one man so that he may be held accountable by the Congress, by the President, and by the country. We have a man who is now acting in that capacity by Executive order of the President, Mr. W. L. Clayton, Assistant Secretary of Commerce, who, I am informed, is very capable and desirous of serving the country. Although the bill provides a compensation of $12,000 annually for a surplus property administrator, I understand that remuneration does not interest him, as he is supposed to be a very wealthy gentleman. The chairman, the gentleman from Texas [Mr. PATMAN] and the membership of the House Small Business Committee feel that a board should be created for the purpose of disposing of these tremendous surpluses of materials, merchandise, plants, and machinery running into the billions of dollars. I have the utmost confidence in the sincerity and judgment of the gentleman from Texas [Mr. PATMAN] but I feel in this instance there should be no division of authority. It should be vested in one head who should and will be held accountable and responsible for the efficient administration of the disposition of these tremendous surpluses and the safeguarding of the Government's interest in every respect.

Mr. Speaker, I recollect regretfully the mishandling of our surplus property after the last war, both here and abroad, when some irresponsible gentlemen having authority to dispose of the surpluses played into the hands of their own former employers, which brought about prosecutions in 1921 and 1922 of some but not all of them. This situation I hope will not happen again because, as one who insisted on the prosecution of the guilty manipulators after the first war, I pledge myself to do likewise if I should obtain any information as to any malfeasance or unfair dealings on the part of those who will be entrusted with the disposition of these billions of Government surplus property. I feel that the pending bill provides all proper safeguards and it is my earnest hope that the man that the President will appoint will measure up to the fullest degree in honestly and efficiently carrying out this job to the best interest of the Government. Some persons believe that the present surplus property administrator will be designated to act under the provisions of this measure. I do not know but I do hope he will be a man who has no connections with any special business or financial interests or with the group who are now maneuvering to acquire some of the large plants, stock piles of raw materials, and merchandise.

Mr. Speaker, it was my privilege to take up with the President about a year ago the need for legislation to provide for the proper disposition of our surplus property. I especially called attention to the need of safeguards which would not permit cartels or any foreign nation to acquire our latest designed machinery and tools, and even raw materials, that were in use in foreign countries which, if acquired, would operate to our disadvantage in that with this latest equipment they would more easily compete with us. I called attention to what one of the friendly nations was then doing and is even now undertaking to control foreign trade after the war. I know what is being done in Mexico and South America, and its activities are surely not conducive to our best interests. At the time of my talk with the President I think Mr. Clayton had already been appointed under the Executive order, and it is my recollection that he thought he had appointed a good man to devise plans and to formulate a policy for the efficient disposal of our surplus property. Shortly after this I submitted my views to Mr. Clayton as well as to others named by him and admonished them as to the care that must be taken in the disposition of these vast surpluses so that there might not be a repetition of the conditions experienced after the first war. I recall a conference I had with a gentleman, Mr. Olrich, who impressed me greatly as a sound, capable, and experienced businessman, who acquainted me with the preliminary plans for the disposition of the surplus property under the jurisdiction of the Procurement Division of the Treasury Department. It is men of his type needed in the administration of the disposition of these vast surpluses and it is to be hoped that more men of his business caliber will be found in the organization provided for under this bill.

Mr. Speaker, I have foreseen the need of this legislation for over a year, but after all, as others have stated, the proper and successful disposition of the surplus property will depend largely on how the law will be administered. I know that it is the President's earnest desire that these surplusses be disposed of in such manner as to do the least harm to our economic structure and at the same time to bring the largest available return to the Government in order to lessen the burden of taxation as much

as possible. I regret I cannot recall the words of the President, but in substance he emphasized his sincere desire to obtain the services of the most efficient, capable, and sincere men to constitute the organization force to bring about the early and proper disposition of the surplusses and at the same time to give the small businessmen, the small merchants, the farmers, and the exservicemen full opportunity to acquire a just share of the lands and surplus property that will be available.

Mr. Speaker, I reserve the remainder of my time and yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this is an open rule, and I do not think there will be very much opposition to it. It brings before the House one of the series of bills that have to do with post-war economic planning and adjustment. The House has been criticized, I believe, very unjustly, in the press and over the radio by commentators and held responsible for the delay in the consideration of this bill. Now, let us look at the record, as Al Smith used to say, and see what the record discloses. The Congress put through, and it was enacted into law on July 1, the so-called termination of contracts bill, which provided for the termination of the war contracts. That was the first of the series of this type of legislation emanating largely from the Committee on Post-war Economic Policy and Planning. Most of it originated from the recommendations of Mr. Bernard M. Baruch and Mr. John Hancock. This is the second of the series and seeks to dispose of surplus war materials. I want to insist for the record that the Congress is not to blame in any way, neither the Republican nor Democratic Members, for the delay in the consideration of this legislation. Last June, or early in July, just before the House took a recess, there was a joint hearing in the Senate Office Building of the House and Senate Post-war Policy Committees, and William L. Clayton, the Administrator of Surplus War Properties, appointed under Executive order, testified before this joint committee. So far as I know, Mr. Clayton is an experienced and able administrator and is doing a good job. But, knowing in advance that the Congress would be attacked for the delay, I took occasion then to ask him why he had withheld for 3 months from making any recommendations for legislation to dispose of surplus war property and told him at the time that the Congress would be held responsible and not the executive branch of the Government and not Mr. William L. Clayton. He admitted the facts: that he was responsible for the delay; that the legislation was difficult, and that it took a long time to consider its ramifications to formulate a workable and constructive bill. He took the full responsibility, which was a fair thing to do, for delaying the consideration of this important legislation until 24 hours before the Congress took a recess. In the meantime the committees in both the House and the Senate have proceeded and considered the legislation, and I want to give all possible credit to the gentleman who is sponsoring the legislation, my distinguished colleague the gentleman from Mississippi [Mr. COLMER], chairman of the Committee on Post-War Economic Policy and Planning, who remained in Washington during the heat of the recess with a subcommittee, and has worked out this bill and brought before the House a constructive piece of legislation to solve a very difficult and pressing problem. The House is here, ready to proceed, without any unnecessary delay, in enacting this legislation. It should be enacted into law before the 1st of September. I think we have done our full duty, and I commend the committees of the House for expediting the legislation.

There are one or two angles of the bill that I would like to discuss under the rule, which were not emphasized in the original bill. I think Members of the House who represent industrial districts will probably be interested in the proper solution of the following problem. We have sent vast quantities of goods of all kinds abroad. After the last war enterprising manipulators and businessmen bought goods and property which we had sent abroad at 5 and 10 cents on the dollar, and then brought it back here and placed it upon the American market, dislocating the home market and creating more unemployment. I believe amendments will be offered if our home market is not adequately taken care of in this bill; they are certain to be made on the floor of the House and I believe adopted, to prevent the redumping and resale of American goods that are already overseas in vast quantities which would come back here after having been bought at 10 cents on the dollar, to ruin the American market and create enormous unemployment. I am not sure whether it is properly safeguarded in the bill which was reported by the Committee on Expenditures in the Executive Departments. If that provision is not in it, then I hope that there will be a definite fight upon the floor of the House to prevent the redumping and resale of those goods upon the American market, because if they are, then the same thing will happen which happened after the last war where certain industries were put out of business and unemployment became rampant. There is a fight being waged on this bill on the ground that too much power is centralized in the director. I have a good deal of sympathy with those who would wish otherwise. The committee which considered this legislation had that under advisement from the beginning. We have no desire to set up a one-man dictatorship to dispose of the surplus war property, but after all, in dealing with a proposition of such magnitude, you have got to place power in the hands of one man. Therefore, as the result of the necessity and of the needs of the occasion, the director has been given vast powers. I do not know how you can limit those powers. If he is a good man he will do a good job. If he is a bad man he should not be there. If he is incompetent he should not be there. He must report to the Congress every 3 months. He must come back for additional legislation. If he is not cooperating with the Congress and if he is not doing a good job, then the Congress can turn down his further demands for legislation or the Congress can write any legislation it desires in order to remedy the situation.

I must confess I do not know of any way of setting up an agency of this kind without giving the director vast powers to dispose of our surplus war material. We have to assume that the director will be honest, that he will be efficient, and that he will be a sound businessman and an able administrator. We do not know who will be appointed, but certainly Mr. Clayton has had business experience and has been a success in business and has handled the position he now holds ably and well. If he is appointed, he should make a capable administrator. It depends very largely on who is appointed. So far as I am concerned, I am going along with the committee to give proper and adequate power to the administrator and not dissipate it in lots of boards all over the country and get only limited results in disposing of our surplus war material rapidly, honestly, and efficiently.

Mr. Speaker, after this bill is through—and I believe it will be passed and enacted into law within 10 days—the Committee on Post-war Economic Planning and Policy proposes to recommend another bill almost immediately to set up a definite agency for mobilization of war and conversion.

The SPEAKER. The time of the gentleman has expired.

Mr. FISH. Mr. Speaker, I yield myself 2 additional minutes.

After the pending bill is disposed of and immediately following it, there will be another bill—a noncontroversial bill—to set up a definite agency by law instead of by Executive order, known as the war mobilization and conversion agency. I think that bill will be passed without any opposition, because it simply does by law what is now being done by Executive order. Both sides of the House are rather fed up with Executive orders and we prefer to legislate here in the House and set up our own agencies by law.

That leaves, as a part of the entire program for post-war economic policy and planning, just one problem. That is the controversial problem of unemployment insurance. I assume the Committee on Ways and Means will hold hearings, thorough and detailed hearings, to work out a proper and adequate program to submit to the House. When that is done, then the entire post-war program will be completed, no matter when the war is ended. Then the legislation will already have been enacted and will be effective immediately upon the termination of the war. To that extent I want to take occasion to express praise of the different committees of the House which have been working during the heat of the summer in getting this legislation in order. All we have to do in the next few days is to talk in general debate and act on the bill probably by Thursday

night. It is an important bill but not very controversial. However, there is one item that should be discussed even in this bill, and that is unemployment insurance. That is not contained in the bill. It seems to me we are facing this whole issue with a very defeatest attitude if we assume that after the war is over we will have twenty or thirty million unemployed and that everybody will have to have unemployment insurance in order to subsist.

The SPEAKER. The time of the gentleman from New York [Mr. FISH] has expired.

Mr. FISH. Mr. Speaker, I yield myself 2 additional minutes.

Now, what is the purpose of all this legislation? It only has one purpose and that is to preserve our American system of free enterprise; to try to expand it in order to meet after-war needs, to employ over 20,000,000 people; 11,000,000 who will be mustered out from our armed forces and 11,000,000 more who will be demobilized from the war factories. This series of post-war bills have one objective, namely, to take care of the unemployment situation after the war and to save free American enterprise. We are trying to do it now by legislation in advance, to get business and the Government working together so that when the soldiers return we can convert from wartime to peactime industry and proceed immediately to employ American labor. If this is not successful, if we fail here in Congress, and if industry and the Government fail then we face chaos in America with 20,000,000 unemployed. Then every radical, every Communist, every Socialist, every "pink," and "left-winger" will denounce American free enterprise and say that it has failed, and that we must scrap our American system and take up something else along communistic or socialistic lines or Government ownership.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. FISH. Mr. Speaker, I yield myself 1 additional minute.

Mr. VOORHIS of California. Mr Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. VOORHIS of California. I would like to ask the gentleman in line with what he has just stated himself about the importance of avoiding a period of unemployment depression, whether he does not think that will be avoided much better if the Congress, in a thoroughgoing, realistic fashion, faces the problem of preventing any serious decline in the market demand and consumer purchasing power of the country; and whether the gentleman does not think that the provision for adequate unemployment compensation is a part of that job to meet the reconversion program.

Mr. FISH. I just said that the Committee on Ways and Means should consider that whole problem separately and immediately, in a most careful manner; but not with the defeatist point of view that it is necessary to put every American on unemployment insurance after the war; because that is not the purpose of this legislation.

Mr. VOORHIS of California. Certainly not, but the more promptly you are prepared to prevent any spiral getting started the more certain you will be that none will start.

Mr. FISH. I understand the Ways and Means Committee will meet immediately to consider that problem.

In conclusion I again insist that the Congress has not delayed in considering this legislation, in spite of what the people back home have read in the press and heard on the radio. We have done our full duty and expeditiously. If there is any responsibility for delay it rests with Mr. William L. Clayton, of the executive branch of the Government. However, no harm has been done. This legislation will be enacted into law before the war has terminated. We hope it will end in a short time, but we will get this bill to dispose of surplus war material passed in a few weeks which will be ahead of a victorious conclusion of the war in Europe, and to that extent we have done our full duty and we are prepared to try to uphold and preserve free American enterprise and to employ our returning servicemen and those other millions of American wage earners who will be demobilized from our war factories.

THE SPEAKER. The time of the gentleman from New York has again expired.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Speaker, any measure that brings about a meeting of minds on the part of the gentleman from Illinois [Mr. SABATH] and the gentleman from New York [Mr. FISH] must be bombproof. I want to commend that which was said by both gentlemen to your careful consideration.

I remarked on yesterday in the Committee on Rules that I had seen evidence of more careful and straight thinking on the part of Congress in the last 10 days than I had expected. We found that in the Senate in what was done with respect to the George bill last week, and in this body in what thus far has been done with respect to the bill that is to be brought before you.

The Committee on Rules was tremendously impressed with the fine candor displayed by the gentlemen who appeared before that committee on yesterday advocating the granting of this rule. They made an extraordinarily fine showing, and I think completely broke down all resistance within that committee to the Colmer bill.

Of course, there are those of us who could find objections, but as to whether they are sufficiently valid as to justify amendments I am extremely doubtful. I am prepared to accept the bill as it has been reported. While I could favor the adoption of perhaps one or two amendments, I am constrained to believe that the House would make a mistake if it were to embark upon the taking of this bill apart and endeavoring to reconstruct it here on the floor.

I do not think any agency of this House has ever functioned more realistically, more sensibly, and I believe more satisfactorily than the committee which worked out this bill, under the chairmanship of our friend the gentleman from Mississippi [Mr. COLMER]. The legislative committee reporting the bill considered it very carefully. The chairman of that committee the gentleman from Alabama [Mr. MANASCO], with members of the committee, appeared yesterday and disclosed that the Colmer bill was changed only in minor particulars. The bill as reported by the Colmer committee is substantially the bill that you have before you.

The gentleman from New York [Mr. FISH] made a correct observation when he said that the proposal was sound, and as to whether it worked satisfactorily would depend upon the administration. I think the general belief is, and I certainly think we all hope that Mr. Clayton will be named administrator. Thus far, under the executive order, he has done a splendid job. I have heard of no complaint except some delay in acting after his first appointment, which is easily explainable. It was a big job that had to be surveyed, examined, and studied in order to be treated intelligently, and it took some time for Mr. Clayton to get his bearings and accumulate information.

I am sure there is one thing that strikes the membership of this body as being most extraordinary, and that is the seeming unanimity of thought on this proposal. Thus far there has not been a single expression indicating any purpose on the part of anybody to make politics out of it. In its importance it transcends all politics and is being treated by this House as such. I hope the House may find it possible to accept the bill in its entirety as it has been proposed.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, there is but one issue before the House at the moment, and that is, Does the House desire to take up for immediate consideration this bill which has been so adequately explained by those preceding me? It does not make any difference if there has been delay; and I say there has not been delay; the question now is, Shall we proceed to prepare for the day which we know is rapidly approaching? The bill before us deals with one segment of the problem with which we shall be confronted when that day arrives.

There is no occasion for debate on this rule, because I take it that every single informed person throughout the length and breadth of the land favors action now by the Congress on this particular subject matter. If this be true, then it is up to us to proceed. Your Rules Committee has granted in every detail the rule asked for by the committee reporting the bill. Under this rule the bill as prepared by the committee will be read. The reading of the bill will be preceded by 2 days of general discussion. All those who want to express their points of view on the bill—and the debate is confined to the bill; it is not to be a field day for speech making—will have the opportu-

nity. When the bill is read it will be read section by section, and every individual Member of the House will be given his right to offer such amendments as he may see fit, which are germane to the bill and which in any way will, in his opinion, perfect the bill. So far as I am concerned, with the superficial study I have been able to give to the bill, I am ready to vote for it as it is. I reserve the right, however, if and when amendments are offered by any Member, to support those amendments if I conscientiously believe they will better accomplish the purpose for which the bill has been presented.

I believe we ought to get to the business of the day as soon as possible, pass this rule without further discussion, and enter upon the task that is before us. The members of the legislative and special committees are fully advised and will explain in every detail every provision of the bill. If this bill can be improved, the House will have an opportunity to do that. If you have suggestions, here is the place to present them.

Mr. SABATH. Mr. Speaker, I yield 10 minutes to the gentleman from Mississippi [Mr. COLMER] the chairman of the committee.

Mr. COLMER. Mr. Speaker, it is of course obviously impossible for anyone to undertake to explain a bill of this magnitude and of the complexities involved in the short space of 10 minutes, but with your permission and your patience I should like to discuss some of the high points of this bill.

Mr. Speaker, as already has been said, this subject of surplus property disposal has received careful, long, and thorough study by the Congress. When this Committee on Post-war Economic Policy and Planning was set up, one of the first things it did was to have before it the distinguished gentleman who now heads the Office of Property Disposal, Mr. W. L. Clayton, and we went into that matter thoroughly with him at that time. As my distinguished colleague the gentleman from New York [Mr. FISH] has already commented, Mr. Clayton, by implication at least, asked that time be given to study this matter, believing that, in the light of the experience he would gain in disposing of the then surplus property, we no doubt would be in a more advantageous position to legislate intelligently upon this subject. Many hearings were had. Extensive hearings were had by the Committee on Public Lands, of which the gentleman from Texas [Mr. LANHAM] is chairman, and of which the gentleman from Alabama [Mr. MANASCO] is a member. As has already been said, joint hearings were had between the two post-war committees of the Senate and the House; then a subcommittee headed by the gentleman from Pennsylvania [Mr. WALTER], a member of the House Post-war Committee, went into hearings on the matter. Then the Post-war Committee of the House and the Committee on Expenditures which had reported this bill held joint sessions last week, and again the matter was thoroughly considered. As a result of all these hearings you now have before you H. R. 5125, a bill that is not perfect, but one that seeks to obtain certain objectives. I believe these objectives can be stated broadly in two subheads: First, the objective of protecting the American taxpayer; and, second, the objective of disposing of this surplus property with as little interference with our American economy as possible. These are the broad objectives of the bill. The divisions might be subdivided into many parts, and in order that you may see their ramifications I refer you to page 7 of the report submitted by the Post-war Economic Policy and Planning Committee, but which I shall not take your time to read here or go into.

In the preparation of this bill we wanted to attain those two objectives. We also wanted to see that the small taxpayer, the small merchant, and the man of small means had an equal opportunity with the man of more means to acquire this property.

We also wanted to see that the returning veteran would be given an opportunity to acquire this property. We also wanted to provide that the property shall be disposed of through the regular commercial chanrels insofar as possible so as not to dislocate the domestic market. These and many other things we had in mind in the preparation of this bill.

But bear in mind, Mr. Speaker, it is absolutely impossible to spell out in this legislation any particular thing that may be desired to obtain. Whenever one does that, without bearing in mind the other things involved, he runs headlong into another objective which he had. The result is that if we are not very careful we will defeat the very purposes which we set out to obtain in the beginning.

Let me say further that this is possibly the largest merchandising job that has ever been undertaken, as someone has previously said. The Administrator of this set-up, under the pending legislation, will be called upon to dispose of more merchandise than any merchant ever had in the history of this country. Let us just see how we are going to do that, if that situation is true. Let us assume that you had acquired the greatest supply of merchandise ever put together in the history of the world. Would you undertake to write certain proscribed formulas from which there could be no variation? For instance, the price of 10,000,000 or more articles that would be disposed of, from which there would be no leeway and no discretion? Of course, you would not, because that would be foolish. To bring it back to a more apt illustration, Should this Congress take over Sears, Roebuck and say that their property should be disposed of in such and such a manner and at such and such a price? You realize that could not be done because before the ink had dried on the regulations and the formula prescribed the prices would change, a new condition would arise, and there would be practically an impossible situation.

Mr. CARTER. Will the gentleman yield?

Mr. COLMER. I yield to the gentleman from California.

Mr. CARTER. As I understand it, the gentleman introduced H. R. 5125.

Mr. COLMER. Correct.

Mr. CARTER. That was referred to the Committee on Expenditures, which committee struck out all after the enacting clause and wrote a new bill. I would like to know what the difference is between the bill originally introduced by the gentleman and the one we are considering at the present time.

Mr. COLMER. I regret my time will not permit me to go into detail about that. I may say to the gentleman that there has been no substantial change made in the pending bill from that originally introduced by me. That is, the bill introduced by me on June 23 and the bill reported on August 10. There are some clarifying amendments, there are some changes that have been made, but in the over-all management and control of the whole picture there has been no change.

Mr. SABATH. Will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Illinois.

Mr. SABATH. I may say to the gentleman from California [Mr. CARTER] and to the House, I am satisfied that later on the chairman of the committee reporting the bill and other members of that committee, including the gentleman from Mississippi [Mr. WHITTINGTON], will be able to explain the various amendments that have been adopted and explain wherein the bill has been even strengthened over the one originally introduced.

The SPEAKER. The time of the gentleman has expired.

Mr. SABATH. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. COCHRAN. Will the gentleman yield?

Mr. COLMER. I yield to the distinguished gentleman from Missouri, who is a very able member of the Committee on Expenditures that reported this bill.

Mr. COCHRAN. The gentleman may tell the gentleman from California [Mr. CARTER], as I can tell him, that it was in the interest of orderly procedure that the committee struck out all after the enacting clause. There were numerous amendments in there which you may say were clarifying amendments. By making a single amendment out of the substitute it will be easier to consider on the floor of the House.

Mr. COLMER. Quite right, and I thank the gentleman for that contribution.

Mr. Speaker, I think I can safely say this, and if I am incorrect a member of the Committee on Expenditures, such as my distinguished friend from Alabama who has labored so efficiently and long on this matter, can correct me. Your committee shared the desire of all good citizens that disposition of Government surplus property shall be handled in a wide, economical, and efficient manner, that all citizens and business concerns shall have equal opportunity to purchase this property, that it should not be disposed of through speculators in order that some of our citizens may become enriched at the expense of all others.

After many days of careful consideration and painstaking research the

committee is of the opinion that the disposal program is so large and embraces so many hundreds of thousands of various articles that it is impossible for the Congress to legislate in detail. To attempt to do so would defeat the very purposes sought; namely, of protecting the taxpayer without at the same time upsetting the national economy.

Mr. COX. Can the gentleman find it possible in his remaining time to discuss just why an individual has been set up as administrator, rather than providing for the creation of a board? That seems to be the matter about which most of us would like information.

Mr. COLMER. I shall be glad briefly to comment upon my friend's inquiry.

There have been two schools of thought about whether this matter should be handled by one man, an administrator, or by a board. That question was considered by the agencies; it was considered by the two economic post-war committees of the House and Senate; and it was considered by the Committee on Expenditures which reported the pending bill. I think it is safe to say that the best judgment of all those whom I have enumerated and who have considered this proposition is that the most effective manner to handle this is to center the authority, and there is plenty of it, and the discretion, in one man rather than in a board. You would have conflicting opinions, you would have a division of authority, you would have a conflict between the various agencies down here. So it was thought, and the best considered judgment of all, was that this matter should be centered in one head, namely, an administrator. Of course, the administrator is going to have advice. He has told our committee that he is going to get the best advice that he can obtain. He is now getting advice from various boards and agencies, both private and public.

Nobody has any pride of authorship about this matter. We all want to get a job done. That is true of the Post-war Committee; it is true of the Committee on Expenditures. I wonder if I may digress just a moment to say that you have here an unusual situation. You have had two committees jointly considering this matter, giving their best judgment to what ought to be done in connection with it, which I think is a novel procedure and a procedure that will work out, I am sure, most advantageously.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. FISH. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. COLMER. Mr. Speaker, in conclusion, I just want to add this. Some question has been raised about amendments. I think some of the amendments that have been made in the Committee on Expenditures have been good amendments. Speaking for myself individually, if anybody has an amendment that will better obtain the objectives sought in this legislation, then it is his duty to offer it under the 5-minute rule. If anybody can state a better way to do it, then it is his duty to state it. But this is no time for political amendments. This is no time for amendments simply for pride of authorship. This is a bill that the country is intensely interested in, and it ought to get what it is entitled to—the best judgment of this House.

Mr. FISH. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts [Mr. GIFFORD], a member of the Post-war Economic Policy Committee.

Mr. GIFFORD. Under the rule, a few very general remarks on the bill ought to be appropriate. Of course, we are in favor of this bill. We may need to amend it. I warn some Members that you had better amend it if you want to protect your constituents in your own particular localities. I shall vote for it, but like on some other occasions, I am sorry that I have to do it. How long, how long must I continue to vote to set up Government agencies headed by what we call bureaucrats? How many more? We are told that after we pass this there will come along another to be superimposed upon this one. The administration of this law will be far more important than the law. For many years I have had the idea that Congress should pass laws; and when these laws are disobeyed, an aggrieved party could complain and justice administered. Have we come to the point where we should have a law against thievery and then set up a bureau to supervise and supersede the courts? Must we continue to add to this Frankenstein machinery of government? I should well hesitate. A prominent speaker recently told an audience in my district that he would not vote for any Congressman who voted for another bureaucratic set-up.

This is a real problem, but do not worry too much about this bill. It is easily read. It is rather simple after all. But it is to be a law of the Congress and approves and takes the place of an Executive order. It gives the order standing and permanence. They will then come before the Congress and get the money directly. I do not know, of course, where the money is now coming from to carry on at present. You will find some employees will be under civil-service regulations and the Classification Act. But as to a host of specialists the Administrator will be able to choose and pay them apparently what he may think adequate to get them. I understand Mr. Clayton is the head of the organization at present. I rather expect he will be appointed for these 2 years and his appointment approved by the Senate. But, of course, he comes from Texas, and Texas does not stand well—does it—at present?

There is something lurking in my mind—I do not know what it is—that there may be a danger of his reappointment. Probably my fear is groundless, but does Texas now have influence with the administration? I would not want the country searched for another social worker to head this great merchandising effort. I want a real businessman. I am inclined to say that the administration of this law is the important thing. However, it is to be a law and not an Executive order. Every law, I am told, simply makes more thieves and robbers, as they have to learn new tricks to evade it. The head of this organization, if he had a little malice in his heart, could easily ruin businesses and individuals. Of course, I believe in one man rather than an independent board. I have in mind a locality contributing 9 percent to the war effort of production, but has few new plants built by the Government. They have built them in other sections of the country, ready to go when the war is over, and this locality will meet terrific competition from the great plants in other sections.

We are trying to define policies in this bill. We have, or did have, the Atlantic Charter. It stated objectives. It contained pious statements that met with great approval. This bill contains splendid statements of policy. The gentleman from New York [Mr. FISH] said, "Do not send surpluses back from foreign countries and dump them to the ruin of our own industries." The only trouble with that statement is that he does not tell us what to do with that surplus overseas. Perhaps he will tell us later. But I am wondering what we will do. Mr. Clayton says he has sold some surplus property and that he has done it for cash only. We have a big international banking bill coming along. The manufacturers here may then export and expect this bank to arrange payment so other nations could exchange their currencies for our dollars. I am inclined to think there is some virtue in that. If our own manufacturers could get the money from ourselves, it would seem to be in line with that strange doctrine that I have had indoctrinated in me during the last 10 or 12 years, "What of our national debt; don't we owe it to ourselves?" The idea that everyone should expect the Government to look after them is gaining impetus. We are thinking about the unemployment insurance problem that the Committee on Ways and Means is considering. How liberal are we to be? Indeed, how this administration has indoctrinated everybody with the idea that the Government should look after them. This reminds me of the story about the contractor and the little daughter whose father was injured on the job. The contractor said, "How long will it be before father will come back to work?" She said, "I do not think for a long time. Compensation has set in."

Contemplate the groups who have been banding themselves together, the discontented, the disgruntled, the Communists, all sorts of—what would you call them, left wingers—so-called radicals. I do not know what to call them. They are American citizens, apparently. They have indorsed this dangerous doctrine. Some fled from their former governments, and they come over here and try to indoctrinate us with the same form of government from which they themselves desired to escape.

I am trying to make a few general statements under the rule. I am trying to give warning of the trend of events and enlarging powers of the Government. We will discuss the bill later. It is not a difficult bill to understand.

I want to pay a high tribute to the gentleman from Mississippi [Mr. COL-

MER]. He has done a splendid job. I have not been present at many of the hearings. It is very fortunate for him, and for me, that I was not, because I might have hindered, I might have asked questions. But I have read most of the hearings and I think it is more profitable to read than to be influenced by the gestures and the facial expressions of the man who is making the argument. You might be unduly influenced and form a prejudiced opinion. Mr. Clayton might have won me over so completely with his first few statements that I would not need to hear anything more. Certainly, we have confidence in him.

However, we may well fear that malice, prejudice, and human frailties may enter into decisions, and you Congressmen, after this bill is passed, will be besieged by your constituents, "The Government took our land. You see to it that we get it back at the same price or a less price." There will be all sorts of requests from them. We will again have another bureaucrat, and another bureaucratic organization. Our lives are now dedicated to appealing to bureaucrats, such as the O. P. A. and others, trying to get some relief for our constituents.

Here is another highly important thing. We do not want to injure the market. But we should dispose of a lot of this surplus material now while people have the money and while there is a shortage of consumer goods. Let us not wait and then 3 years from now dump it when everybody needs a job. We must see that this property is disposed of in such a manner that it will not harm those who need employment, but does anybody know how to do it? Let us get it into the hands of the proper dealers, and into the hands of the storekeepers, while there is need for it and while there would be as little dislocation as possible. Later we would be trying to carry water on both shoulders.

We will discuss the details of the bill later on in general debate.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

INAUGURATION OF THE PRESIDENT-ELECT OF THE UNITED STATES

The SPEAKER. Pursuant to the provisions of Senate Concurrent Resolution 40, Seventy-eighth Congress, the Chair appoints as members of the joint committee to make the necessary arrangements for the inauguration of the President-elect of the United States on the 20th day of January 1945, the following Members of the House: Mr. RAYBURN, Mr. DOUGHTON, and Mr. MARTIN of Massachusetts.

EXTENSION OF REMARKS

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that in the remarks I shall make in the Committee of the Whole this afternoon I may be permitted to include certain tables, excerpts, and laws.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein some statements.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

Mr. MANASCO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5125, with Mr. THOMASON in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. MANASCO. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the report has gone throughout the Nation that the Congress has been derelict in its duty in not making studies of the problems of reconversion that face our country immediately upon the cessation of hostilities, which we all hope will be in the not-far-distant future. I want to give you a little history of the background:

In February 1943 we started hearings in the Committee on Expenditures in the Executive Departments on the bill H. R. 1610. We held hearings for about 3 months on that bill. On the 9th day of June 1943, we passed H. R. 2795, which was a rewrite of H. R. 1610.

Since that time other committees have been making studies of the disposal of surplus war plants, lands, and so forth. Extensive hearings have been held in the Committee on Public Buildings and Grounds on the disposition of lands and war plants. The Patman small-business committee held extensive hearings on this question. The Post-war Planning Committee, of which the gentleman from Mississippi [Mr. COLMER] is chairman, held extensive hearings. All Government agencies that have or expect to have surplus properties have been making studies of this problem. The industries, the consumers, the labor organizations have been making studies, and their recommendations have been made available to our committee.

At the outset may I say that this is not a perfect bill. No bill that can be written will answer all the questions. Our committee endeavored to deal with this problem as a national problem, not as a local problem. This surplus property belongs to all the people of the United States and not to particular localities. We have had recommendations placed before our committee to earmark certain of the surpluses. We have turned down those recommendations because we feel that if you open the gate for any group to get in and obtain surpluses free, you will not be able to resist the pressure of all other groups to turn property over to them free.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Georgia.

Mr. TARVER. I desire to call the gentleman's attention to the provision contained in the Labor-Federal Security Agency Appropriation Act for the fiscal year 1945, which read as follows:

Provided further, That any personal property formerly belonging to the National Youth Administration and loaned to any public school, school system, or institution of higher education within any State under the provisions of Public Law 140, Seventy-eighth Congress, under the heading "War Manpower Commission," shall vest in, be, and become the property of such school, school system, or institution of higher education in which such property is located.

Is it or is it not the gentleman's opinion that there is anything in the bill as reported by his committee which would have the effect of repealing that provision of the Labor-Federal Security Agency Appropriation Act?

Mr. MANASCO. No; nothing in this bill would repeal that.

Mr. TARVER. Following that question up, the gentleman has just expressed himself as being against the provision in this legislation of anything which would authorize the donation of any of the various items or surplus property dealt with by the pending bill. May I ask the gentleman if there is in his judgment any difference in principle between the donation of National Youth Administration property, concerning which Congress has already expressed itself, and for the donation of which it has already provided, and the donation of equipment used in the training of war workers in vocational education training to local and State vocational education systems? Why should not the pending bill grant authority to the Administrator to donate, in cases where it is felt that it is justifiable to donate, property of that type to State and local school systems, and also some school buildings owned by the Federal Government?

Mr. MANASCO. And hospitals also.

Mr. TARVER. They have been constructed entirely at Federal expense in communities where the school population has increased largely because of war industries. The major portion of those buildings have become part of local school systems, but some of them, as I am advised, are still the property of the Federal Government. Why should not there be authority in the Administrator to donate, without requiring full payment therefor, these particular buildings where they are needed in connection with the local school systems? What would there be in such a provision which has not already been approved by the Congress in passing the law with reference to the disposition of N. Y. A. property?

Mr. MANASCO. May I say to my friend, the gentleman from Georgia, if I recall the background with reference to the disposal of N. Y. A. properties, at the time the Congress refused to extend the life of the N. Y. A., their argument for justifying the extension of their life was that they were training war workers. I may not be stating the true background, but in my opinion the true background for authorizing these tools to be donated to these schools was to let our industrial schools, our high schools, and our colleges avail themselves of those tools so they could train war workers.

Mr. TARVER. Why should not that be done in the case of this other equipment to which I have referred?

Mr. MANASCO. We hope we will not have to be training war workers in the next 2 or 3 years. We hope when this enormous surplus starts to be disposed of, we will not be training war workers.

Mr. TARVER. Of course. Then why not turn over that equipment to local schools for educational and vocational training purposes?

Mr. MANASCO. But if the Congress in its wisdom desires to give away this surplus property we will have nothing left to apply to the staggering war debt.

Mr. TARVER. Then do I understand the gentleman to express himself clearly as being opposed to the donation of this equipment which has been used in the training of war workers to local vocational-school purposes?

Mr. MANASCO. If the gentleman will permit me to express my opinion, it is that if you are going to give anything to anybody, let us give it all away.

Mr. TARVER. In other words, the gentleman would not be in favor of permitting the donation of such equipment tc local vocational and educational schools unless we give all Government surplus property away?

Mr. MANASCO. I think our farmers would be entitled to free donation of jeeps and trucks and other equipment.

Mr. TARVER. I regret very much to hear the gentleman express that opinion, because I am very hopeful the House will decide before the conclusion of the consideration of this bill to authorize the donation of this surplus equipment to local educational systems.

Mr. MANASCO. Mr. Chairman, I will be glad to yield to the gentleman from Georgia some time to express his point of view. I just want to call to the attention of the Congress some things that happened after the last war. We are trying to profit by the sad mistakes that were made after the last war. There was no orderly disposition of surpluses after the last war. Every few days Congress would pass a new law or an Executive order would be issued to give away certain equipment. The ultimate result was that the taxpayers did not recover much to apply to the war debt at that time, which was infinitesimal as compared to the present war debt.

Mr. Chairman, at this point I want to place in the RECORD some brief excerpts of Executive orders and laws:

EXHIBIT

ACTS OF CONGRESS, ETC., AUTHORIZING DISPOSAL OF SURPLUS WAR SUPPLIES, ETC., AFTER WORLD WAR NO. 1

Executive Order No. 3012, of November 29, 1918, provided that all surplus materials, supplies, and equipment not required for use by the executive departments, etc., in Washington should be transferred to the Secretary of the Treasury for reissue or sale on requisition to the Government service, through the General Supply Committee, or for condemnation and sale to the highest bidders when deemed expedient, and authorized the Secretary of the Treasury to make rules and regulations to carry out this order. (Repealed by Executive Order No. 3019, below.)

Executive Order No. 3019, of December 8, 1918 (U. S. C. 40: 311a, note), provides:

"Whereas, the present emergency has created a condition whereby large quantities of office material, supplies, and equipment now in the hands of the executive departments and other establishments of the Government in the District of Columbia will fall into disuse because of the cessation of war activities, or for other reasons, it hereby is ordered that all such office materials, supplies, and equipment not required for use by the executive departments and independent establishments be transferred hereafter to th Secretary of the Treasury, to be handled through the General Supply Committee for the benefit of the municipal government and the governmental service in the District of Columbia in the following manner:

"1. The several executive departments and independent establishments and the municipal government .n the District of Columbia shall not purchase any of the classes of material described herein unless the Secretary of the Treasury has certified that there is not in the possession of the Government material, equipment, or supplies that are serviceable.

"2. No executive department, independent establishment, or the municipal government of the District of Columbia shall be permitted to obtain any of the classes of material, supplies, and equipment described herein from the Secretary of the Treasury unless such services have an appropriation available for the procurement thereof.

"3. All material obtained from the Secretary of the Treasury shall be paid for by transfer of appropriation from the purchasing service to the selling service and the proceeds covered into the Treasury in accordance with existing law.

"4. All material, supplies, and equipment purchased hereunder by one service from another, if the same has not been used, shall be sold at actual cost, and if the same has been used, at a cost based upon length of usage, but in no instance to be less than 75 percent of cost.

"5. Material of the classes herein described which is condemned as unfit for use may be disposed of otherwise than to governmental services by the Secretary of the Treasury. And usable material remaining unsold to other services of the Government shall be held by him for disposition by law.

"6. The Secretary of the Treasury shall keep a record of all material received and disposed of by him hereunder and the price at which disposed of, and shall prescribe the regulations necessary to carry this order into effect.

"7. This order shall supersede the Executive order of November 29, 1918, dealing with the same subject matter."

An act of February 25, 1919 (40 Stat. 1163) and Treasury Department Appropriation Acts of May 29, 1920 (41 Stat. 644–645) through March 5, 1928 (45 Stat. 164) continued the Executive order of December 3, 1918, in effect until June 30, 1929, without modification, except that proceeds from transfer of appropriations were to be covered into the Treasury as miscellaneous receipts, and that beginning February 17, 1922, a provision was added requiring that the price charged should be the current market value at time of issue, less a discount of not more than 25 percent for usage. Finally, the Treasury Department Appropriation Act of December 20, 1928 (45 Stat. 1030; U. S. C. 40:311a) provides:

"The Executive order of December 3, 1918, shall apply to all materials, supplies, and equipment now or hereafter becoming surplus or unusable in any executive department or independent Government establishment in the District of Columbia and shall continue in effect hereafter without modification, except that the prices charged for reissued surplus materials, supplies, and equipment, shall be the estimated current market value at time of issue, and that the proceeds from the transfer of appropriations thereunder shall be covered into the Treasury as miscellaneous receipts: *Provided*, That the heads of the executive departments and independent establishments and the Commissioners of the District of Columbia hereafter shall cooperate with the Secretary of the Treasury in connection with the storage and delivery of material, supplies, and equipment transferred under the foregoing provisions."

The Post Office Department Appropriation Act of February 28, 1919 (40 Stat. 1200, sec. 4), provided:

"SEC. 4. That the Postmaster General and other responsible officials, in expending appropriations contained in this act, so far as possible shall purchase material, supplies, and equipment, when needed and funds are available, from the various services of the Government of the United States possessing material, supplies, and equipment no longer required because of the cessation of war activities. It shall be the duty of the Postmaster General and other officials, before purchasing any of the articles described herein, to ascertain from the other services of the Government whether they have articles of the character described that are serviceable. And articles purchased from other services of the Government, if the same have not been used, shall be paid for at a reasonable price not to exceed actual cost, and if the same have been used, at a reasonable price based upon length of usage. The various services of the Government are authorized to sell such articles to the Postal Service under the conditions specified and the proceeds of such sales shall be covered into the Treasury as a miscellaneous receipt."

Similar provisions are contained in the following appropriation acts: Legislative, Executive, and Judicial, March 1, 1919 (40 Stat. 1268 sec. 6), Deficiency, July 11, 1919 (41 Stat. 67, sec. 5; U. S. C. 40: 311), District of Columbia (41 Stat. 103 sec. 7), which includes food supplies, as well as materials, etc., Sundry civil, July 19, 1919 (41 Stat. 232 sec. 3).

An act of February 25, 1919 (40 Stat. 1174) directed the Secretary of War to transfer to the Secretary of the Navy for the use of the Marine Corps, without payment, such reserve stock of clothing, arms, and equipment, and other necessary supplies, inventoried at the cost to the Army and not to exceed in the aggregate $7,000,000, as the same from time to time might be requisitioned.

An act of February 28, 1919 (40 Stat. 1194) directed the Secretary of War and the Secretary of the Navy to deliver immediately to the Postmaster General, at his request, such airplane machines, supplies, equipment, and parts as may be serviceable and available for the airplane mail service, out of any

War or Navy Department equipment on hand or under construction, the appropriations of the two departments to be credited with the equipment turned over to the Post Office Department.

This act (p. 1201, sec. 7) also authorized the Secretary of War to transfer to the Secretary of Agriculture all available war material, equipment, and supplies not needed by the War Department, but suitable for road construction and provided that the same should be distributed among the highway departments of the States for use on Federal-aid highways. The Secretary of Agriculture could reserve 10 percent of such material, etc., for use on national forest reads, etc. The Federal Highway Act of November 9, 1921 (42 Stat. 213 sec. 5), directed the Secretary of War to transfer to the Secretary of Agriculture, upon his request, all such war material, etc., declared surplus from stock then on hand, etc. An act of April 9, 1924 (43 Stat. 90 c. 86 sec. 3) authorized the Secretary of Agriculture to reserve, in addition to the above 10 percent, 5 percent for transfer to the Secretary of the Interior for construction of roads and trails in national parks and monuments. (See also act of March 15, 1920, below.)

An act of March 3, 1919 (40 Stat. 1303 sec. 3; U. S. C. 42: 43) directed the Secretary of War "to transfer without charge to the Secretary of the Treasury for the use of the Public Health Service such hospital furniture and equipment, including hospital and medical supplies, motor trucks, and other motor-driven vehicles, in good condition, not required by the War Department, as may be required by the Public Health Service for its hospitals, and the President is authorized to direct the transfer to the Treasury Department of the use of such lands or parts of lands, buildings, fixtures, appliances, furnishings, or furniture under the control of any other department of the Government not required for the purposes of such department and suitable for the uses of the Public Health Service."

(See also act of March 15, 1920, below.)

The Victory Liberty Loan Act of March 3, 1919 (40 Stat. 1312 sec. 7) authorized the Secretary of the Treasury, with the approval of the President, until eighteen months after the war, to extend credits to any of our allies to enable them to purchase Government property not needed by the United States and any wheat for which the price was not guaranteed.

An act of July 11, 1919 (41 Stat. 105, U. S. C. 10: 1265) provided that in addition to the delivery of property theretofore authorized to be delivered to the Public Health Service, the Department of Agriculture and the Post Office Department, the Secretary of War might sell any surplus supplies, including motortrucks and automobiles, then owned by the Government for use of the War Department, to any State or municipal division thereof, or to any corporation or individual, upon such terms as might be deemed best.

An act of July 11, 1919 (41 Stat. 130 ch. IV, U. S. C. 10: 1251) authorizes the Secretary of War to turn over, on request from other executive departments, without charge therefor, such ammunition, explosives, and other ammunition components as may become surplus or unsuitable for War Department purposes. An act of July 19, 1919 (41 Stat. 193) authorized the Secretary of War to transfer, without charge, to the Secretary of the Interior, explosives and explosive material for which the War Department had no further use.

The act of July 11, 1919 (p. 130, ch. IV) also authorizes the Secretary of War to place at the disposal of the American Red Cross, medical and surgical supplies and supplementary and dietary foodstuffs in Europe not essential to the expeditionary forces or military hospitals in the United States, etc., to relieve and supply pressing needs of peoples involved in the war; the Secretary was to prescribe regulations and conditions for selection and delivery of such supplies and foodstuffs.

An act of July 11, 1919 (41 Stat. 132, U. S. C. 10: 1274) authorizes interchange without compensation therefor, of military stores, supplies, and equipment of every character, including real estate, between the Army and the Navy upon the request of the head of one service and the approval of the head of the other service.

An act of July 19, 1919 (41 Stat. 181) authorized the disposition of any material or plant acquired by the United States Shipping Board Emergency Fleet Corporation as the President might direct. (Executive Order No. 3145 of August 11, 1919, conferred this power upon the Shipping Board. It directed the Board, in its discretion to sell, lease, or otherwise dispose of such materials (including stores, supplies, and equipment for ships) and plants, or any portions thereof, by public or private sale or contract, with or without notice, in such lots, at such times and places, and upon such credit, security, and other terms or conditions, and in such manner as said Board should deem to the best advantage of the United States, either directly by the Board, the Fleet Corporation, or through any other corporation organized for the purpose).

An act of June 5, 1920 (41 Stat. 988–996) authorized the Shipping Board to sell all property, other than vessels, which had been acquired by the President under certain acts, upon such terms and conditions as the Board might direct. Proceeds, with certain exceptions, were to be covered into the Treasury.

An act of July 19, 1919 (41 Stat. 224) provided for the sale and conveyance of all property acquired under the War Housing Act of May 16, 1918 (40 Stat. 550–553) and remaining undisposed of after the termination of the war. Section 5 of this act (p. 233; U. S. C. 10: 1267) provides:

"SEC. 5. The Secretary of War is authorized to transfer any unused and surplus motor-propelled vehicles and motor equipment of any kind, the payment for same to be made as provided herein, to any branch of the Government service having appropriations available for the purchase of said vehicles and equipment: *Provided*, That in case of the transfers herein authorized a reasonable price not to exceed actual cost, and if the same have been used, at a reasonable price based upon length of usage, shall be determined upon and an equivalent amount of each appropriation available for said purchase shall be covered into the Treasury as a miscellaneous receipt, and the appropriation in each case reduced accordingly: *Provided further*, That it shall be the duty of each official of the Government having such purchases in charge to procure the same from any such unused or surplus stock if possible: *Provided further*, That hereafter no transfer of motor-propelled vehicles and motor equipment, unless specifically authorized by law, shall be made free of charge to any branch of the Government service."

An act of November 19, 1919 (41 Stat. 360, ch. 118; U. S. C. 20: 93), authorizes the Secretary of War under such regulations as he may prescribe, to sell at 15 percent of their cost, to trade, technical, and public schools and universities, etc., machine tools under the control of the War Department and not needed for Government purposes. The proceeds are to be used to defray expenses incident to distribution, except cost of transportation, and the balance is to be turned into the Treasury as miscellaneous receipts, provided that title is to revert to the United States if such institution offers such material for sale without the consent of the Secretary.

An act of March 6, 1920 (41 Stat. 504), authorized the Secretary of War to transfer to the Federal Board for Vocational Education, without compensation therefor, certain surplus machine tools and equipment of the War Department then being used by the Board as equipment for schools. Property so transferred was to be dropped from the records of the War Department on the filing of an itemized receipt for articles transferred. An itemized statement of items transferred and the cost price were to be reported to Congress by the Secretary. (An act of May 29, 1928 (45 Stat. 988), provided for discontinuance of reports to Congress.)

An act of March 15, 1920 (41 Stat. 530–531; U. S. Code 23:51, 52; 39:502, 503; 42:43–45) directs the Secretary of War to transfer such motor-propelled vehicles and motor equipment, including spare parts, as were or may be found to be surplus to (a) the Department of Agriculture for road work under section 7 of the act of February 28, 1919, above, provided the Department of Agriculture certifies that it can be used for such purposes within a reasonable time, (b) the Post Office Department for use in transmission of the mails, and (c) the Treasury Department for use by the Public Health Service under section 3 of the act of March 3, 1919, above. The Secretary was directed to transfer certain specified surplus road-making materials to the Department of Agriculture (sec. 2) and surplus telephone supplies to the Department of Agriculture for the Forest Service (sec. 3). The War Department was not to pay freight charges and was to be reimbursed for loading expense; States were to pay to the Department of Agriculture 20 percent of the estimated value of property received by them, against which sum the States could set off freight charges paid by them. Title to vehicles and equipment is to vest in the State for road work and is not to be sold, but the State may rent same to State agencies or municipal corporations for road work.

Acts of April 24, 1920, and of March 1, 1921 (41 Stat. 584, sec. 7; 41 Stat. 1155, sec. 2; U. S. Code 23:50) authorize the Secretary of War, under such rules and regulations as he may prescribe, to loan to any State, tractors not distributed under the act of March 15, 1920, for road construction, the expense of repairs and upkeep and of loading and freight to be paid by the State.

The Military Academy appropriation of March 30, 1920 (41 Stat. 547) directed the Secretary of War to turn over to the United States Military Academy, without expense, all such surplus material as might be available and necessary for construction of buildings and surplus tools and matériel for use in instruction of cadets. (This provision was repeated in subsequent acts through May 28, 1930, 46 Stat. 451).

An act of April 17, 1920 (41 Stat. 554, c. 150; U. S. Code 10:1266) directs the Secretary of War to sell at public or private sale, under such rules and regulations as he may prescribe, all dental outfits in excess of the needs of the Government, preferentially to licensed dentists who served in the Army, Navy, Marine Corps, Coast Guard, or the American Red Cross during World War No. 1, but not more than one set of dental supplies is to be sold at private sale to any one person.

An act of April 23, 1920 (41 Stat. 573 c. 159) authorized the Secretary of War to sell for cash at the prevailing market price, from one to one hundred tons to any one purchaser, and aggregating not more than 100,000 tons, nitrate of soda then held as a reserve supply of the War Department, the proceeds of sale to be repaid to the proper item of current appropriations originally made for

such purposes. The Secretary was to report to Congress not later than December 6, 1920, the names of all purchasers and prices for which sold.

An act of May 29, 1920 (41 Stat. 668, sec. 4), provided that all purchases of typewriting machines during the fiscal year 1921, except as thereinafter provided, should be made from the surplus machines in the stock of the General Supply Committee. The War Department was to furnish the General Supply Committee a complete inventory of makes, models, and classes of typewriters in its possession, the condition of such machines and the point of storage, and was to turn over to the committee machines in such quantities as the Secretary of the Treasury might call for by special requisition for sale to the various services of the Government. If the committee was unable to furnish serviceable machines it was to furnish unserviceable ones at current exchange prices and machines were to be traded in as part payment for new machines. Until June 30, 1921, the War Department was not to dispose of any typewriters except to the committee. No typewriters that had been used less than 8 years were to be traded in. (This last provision is repeated in an act of June 5, 1920 (41 Stat. 947; U. S. C. 41: 27.) These provisions, except the last two sentences, were repeated in subsequent Treasury Department appropriation acts through March 2, 1926 (44 Stat. 139). The provision requiring purchase of typewriters from surplus stock of the General Supply Committee, etc., was repeated in subsequent Treasury Department appropriation acts through February 23, 1931 (46 Stat. 1219).

The Naval Service Appropriation Acts of June 4, 1920 (41 Stat. 835), and July 12, 1921 (42 Stat. 132), direct the accounting officers of the Treasury to credit "general account of advances" with the amount of net losses certified by the Paymaster General of the Navy as having been incurred in disposing of excess stocks.

An act of June 5, 1920 (41 Stat. 949; U. S. C. 10: 1262), authorizes the Secretary of War to sell to any state or foreign government with which the United States is at peace, upon such terms as he may deem expedient, any material, supplies, or equipment, except foodstuffs, as may be found to be surplus, which are not needed for military purposes and for which there is no adequate domestic market.

An act of June 30, 1921 (42 Stat. 68), authorized the Secretary of War to sell to any foreign state or government with which the United States was at peace, upon such terms as he might deem expedient, any surplus foodstuffs for which there was no adequate domestic market. (Repeated in act of June 20, 1922, 42 Stat. 717.)

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An act of March 3, 1921 (41 Stat. 1231), provided that motor-propelled vehicles for the Indian Service were to be purchased from the War Department if practicable. (This proviso was repeated in subsequent acts through Mar. 3, 1925, 43 Stat. 1147.)

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An act of June 16, 1921 (42 Stat. 37), provided that certain surplus property not required for the War Department and any suitable surplus property of the Navy Department be transferred for use in constructing, equipping, and supplying hospitals for disabled soldiers.

An act of August 9, 1921 (42 Stat. 149, sec. 9), authorized the Director of the Veterans' Bureau to use facilities of the Navy, War, and Interior Departments, the Public Health Service, the National Home for Disabled Soldiers, etc., and directed such governmental agencies to furnish such facilities, including necessary personnel, equipment, medical, surgical, and hospital services and supplies. (Superseded by similar acts of June 7, 1924 (43 Stat. 610, sec. 10), and July 2, 1926 (44 Stat. 790, ch. 723; U. S. C. 38: 434), which authorize the Director, at the direction of the President, or with the approval of the head of the department concerned to utilize such facilities and authorize such governmental agencies to furnish facilities, equipment, supplies, etc.)

An act of January 20, 1922 (42 Stat. 357, ch. 30), authorized the President to transfer, without charge, $4,000,000 worth of surplus medical and hospital supplies of the War and other Departments to American relief organizations for transportation, without cost to the United States, for relief in Russia.

An act of February 17, 1922 (42 Stat. 369), provides that typewriters and computing machines transferred to the General Supply Committee as surplus, where such machines are unfit for further use, may in the discretion of the Secretary of the Treasury be issued to other Government departments and establishments at exchange prices quoted in current general schedule of supplies or sold commercially. (This provision was repeated in subsequent acts through Dec. 20, 1928, 45 Stat. 1030; U. S. C. 40: 312).

An act of May 24, 1922 (43 Stat. 561), provided that the War and Navy Departments and the United States Shipping Board, upon request and without charge, turn over to the Indian Service surplus food, clothing, and other supplies to relieve destitution among the Indians.

An appropriation act of June 30, 1922 (42 Stat. 719–720), provided that uniforms and other equipment or material issued to the Reserve Officers' Training Corps were to be furnished from surplus stocks of the War Department, without payment except for expense incurred in manufacture or issue, and that the amount paid from this appropriation for such uniforms was not to exceed current prices. (Similar provisions have been contained in subsequent appropriation acts through July 2, 1942, Public, No. 649.)

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R. S. 197 (U. S. Code 5: 109) provides that the Secretaries of War and of the Navy (among other Secretaries) shall keep, in proper books, a complete inventory of all the property belonging to the United States in the buildings, rooms, offices, and grounds occupied by them and under their charge, adding thereto, from time to time, an account of such property as may be procured subsequently, as well as an account of the sale or other disposition of any such property.

R. S. 3618 (U. S. Code 31: 487) provides that proceeds of sales of supplies or other public property of any kind, with certain exceptions, shall be deposited and covered into the Treasury as miscellaneous receipts, on account of "proceeds of Government property" and shall not be withdrawn or applied, except in consequence of a subsequent appropriation made by law.

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In addition to the above, there are provisions of law authorizing disposal of obsolete property of ships, or of real property which have been omitted. The following acts provide for disposal of specific property, for transfer of property to certain institutions or for disposal of property in a particular locality: Act of February 25, 1919 (40 Stat. 1163), July 11, 1919 (41 Stat. 57), July 19, 1919 (41 Stat. 205, 206), May 29, 1920 (41 Stat. 652, 663, 677), June 5, 1920 (41 Stat. 1035; U. S. C. 40: 186), March 3, 1921 (41 Stat. 1349), March 4, 1921 (41 Stat. 438, ch. 166; U. S. C. 20: 60), June 30, 1921 (42 Stat. 81), January 12, 1922 (42 Stat. 638), January 3, 1923 (42 Stat. 1079), January 5, 1923 (42 Stat. 1115), February 13, 1923 (42 Stat. 1232), and March 4, 1925 (43 Stat. 1281, ch. 539), March 3, 1921 (41 Stat. 1260, 1273, 1281).

I notice one act here provides for the transfer of foods. We have had pressure brought to bear to give away food. When you start giving away one commodity you open the floodgates. It might be interesting to the Members to know something about how much surplus we will have on hand when the war is over.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. Mr. Chairman, I would like to make a few remarks here so we will have some idea of the problem that confronts us.

Mr. VORYS of Ohio. Before the gentleman completes his very interesting discussion of these so-called donations, would not the right principle for Congress to have in mind be that when they

use any property for any purpose it is just the same as using the taxpayers' money, if the purpose is such that they would have originally appropriated money for it? If it is a school or for any other purpose, then the Congress would be justified in appropriating the property. But this property cannot be given away. It does not belong to the Congress to give away. It is the subject of an appropriation to dispose of in one way or another in the best interests of the country.

Mr. MANASCO. Of course, I think Congress has authority to enact laws to give it all away.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. ROBERTSON. In that connection, is it not true under section 11 of the bill, which outlines the policies governing disposition, the Administrator can fix the price that he thinks certain public agencies should pay, in the interest of the public welfare, and give priority first to Federal agencies and then to State agencies and political subdivisions and cooperative and charitable or eleemosynary organizations?

Mr. MANASCO. That is to fulfill a legitimate need.

Mr. ROBERTSON. In that connection, the gentleman representing a rural district, I am sure is quite familiar with the valuable work done by volunteer fire companies. They have a quasi-public standing because they are recognized by most of the States and in a sense they might be called a cooperative organization as mentioned in section 11. Would the gentleman have any objection to adding to those specifically enumerated the words "volunteer fire companies," and putting those that can purchase essential fire-fighting equipment on a priority basis?

Mr. MANASCO. I think they would be covered in the bill under a liberal interpretation of the provisions of the bill. I do not think an amendment is needed.

Mr. ROBERTSON. But would there be any objection to them being specifically named?

Mr. MANASCO. I cannot speak for the full committee.

Mr. TARVER. Mr. Chairman, would the gentleman be kind enough to yield? I dislike to take so much of the gentleman's time, but I would like to make this point clear if possible. The gentleman has referred to the authority contained in section 11. However, section 10 (b) expressly provides that there can be no donation of any of this property unless it is worthless for commercial purposes or unless the cost of its care and dismantling is greater than the amount received.

Mr. MANASCO. That is correct.

Mr. TARVER. So that the authority to which the gentleman refers in section 11 is merely the authority to sell and not the authority to donate?

Mr. MANASCO. That is correct. It is merely the authority to sell.

Mr. PACE. Mr. Chairman, will the gentleman yield and permit one further interruption inasmuch as he has been interrupted?

Mr. MANASCO. I will be glad to yield.

Mr. PACE. I am disturbed because I have received different answers to this question. What is the gentleman's understanding under this bill of the handling and disposition of agricultural surpluses in which the farmers of this Nation are very greatly interested?

Mr. MANASCO. They cannot be given away.

Mr. PACE. I do not mean that they will be given away. I mean will the War Food Administrator, as the holding agency, or will the Surplus Property Administrator control their disposition?

Mr. MANASCO. The Surplus Property Administrator controls the disposition. He is not going to be the disposing agent. He has authority to delegate that authority to the War Food Administrator if he sees fit, or to any operating agency.

Mr. PACE. But he will determine the question of prices and policies?

Mr. MANASCO. Yes, sir; that is correct.

Mr. LANHAM. Mr. Chairman, will the gentleman yield for one question?

Mr. MANASCO. I yield.

Mr. LANHAM. It is not the policy, as outlined in this measure, to turn over property of a certain character en bloc, to some organization in order that that organization may dispose of it at great commercial profit, is it?

Mr. MANASCO. No, sir. No, sir. As I started to say a few minutes ago, there have been misunderstandings as to the amount of surplus that will be on hand when the war is over.

The CHAIRMAN. The gentleman has consumed 15 minutes.

Mr. MANASCO. Mr. Chairman, I yield myself 10 additional minutes.

Of course, nobody living can today state exactly how much surplus we will have. Most of this surplus is expendable. If the war lasts much longer, the surpluses, unless we produce more, will be dismissed. We have had estimates ranging anywhere from sixty to one hundred and five billion dollars as the amount of surpluses there will be on hand when the war is over. Of course, the average person reading those figures thinks we will have $105,000,000,000 worth of surplus property that can be used in our domestic economy. I think that a false impression and a dangerous impression to go out through the country. As a matter of fact, not all the combat planes that are declared surplus by the War and Navy Departments will be sold in the commercial market. A civilian could not afford to operate a P-38 or P-47, a B-17, a B-24, a B-25, B-26, or B-29. Those planes are going to be almost a total loss to the taxpayers of the United States. We will not be able to realize anything from them.

Tanks, landing craft, battleships, combat ships, of which we will have an enormous amount of surplus, all that can be realized out of them is what can be salvaged for scrap.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. VORYS of Ohio. Is there any provision in the law to prevent our disposing of these surplus war materials to other governments?

Mr. MANASCO. No, sir.

Mr. VORYS of Ohio. In the past there have been some scandals in that respect, in which we have furnished other governments with means to fight us or fight each other. I think that is one matter that should be controlled.

Mr. MANASCO. That is true. There is nothing in this act that will prevent our selling them.

Mr. LANHAM. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. LANHAM. There is nothing in the bill that would authorize the sinking of war vessels, without the action of the Congress, is there?

Mr. MANASCO. No, sir. The operating agency must declare property surplus before it can be sold by the Surplus Property Administrator. If the War Department decides to hold these planes and tanks and ordnance off the market, the Surplus Property Administrator will not have control over them.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. WHITTINGTON. In reply to the question asked by the gentleman from Ohio [Mr. VORYS], is not the very first objective of this bill the disposition of surplus property to promote national defense of the United States? So that no war property could be disposed of if the Army and the Navy and executive agencies of the Government advise us that it can be used against us or against our defense?

Mr. MANASCO. The gentleman is correct.

Mr. ALLEN of Louisiana. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. ALLEN of Louisiana. Is there any provision in the bill authorizing the Administrator or anybody under him to dispose of individual units to farmers? For instance, a jeep.

Mr. MANASCO. He has that authority under this bill. He has authority to sell a can of tomatoes.

Mr. ALLEN of Louisiana. If this bill authorizes somebody to dispose of great quantities to somebody else and make a profit out of it, then the individual farmer is not going to get in on this. We want to fix it so that a man can go and buy an individual unit, such as a jeep or something like that.

Mr. MANASCO. He can do that under the provisions of this bill.

Mr. ALLEN of Louisiana. Without having to pay somebody a big profit?

Mr. MANASCO. Yes, sir. He certainly can.

Mr. WHITTINGTON. Will the gentleman yield further?

Mr. MANASCO. I yield.

Mr. WHITTINGTON. Certainly until the war is over, and probably until a great deal of this property is disposed of, prices are all fixed, and no matter whether it is sold directly to the farmer, a truck or an automobile, the price will be fixed,

such purposes. The Secretary was to report to Congress not later than December 6, 1920, the names of all purchasers and prices for which sold.

An act of May 29, 1920 (41 Stat. 668, sec. 4), provided that all purchases of typewriting machines during the fiscal year 1921, except as thereinafter provided, should be made from the surplus machines in the stock of the General Supply Committee. The War Department was to furnish the General Supply Committee a complete inventory of makes, models, and classes of typewriters in its possession, the condition of such machines and the point of storage, and was to turn over to the committee machines in such quantities as the Secretary of the Treasury might call for by special requisition for sale to the various services of the Government. If the committee was unable to furnish serviceable machines it was to furnish unserviceable ones at current exchange prices and machines were to be traded in as part payment for new machines. Until June 30, 1921, the War Department was not to dispose of any typewriters except to the committee. No typewriters that had been used less than 8 years were to be traded in. (This last provision is repeated in an act of June 5, 1920 (41 Stat. 947; U. S. C. 41: 27.) These provisions, except the last two sentences, were repeated in subsequent Treasury Department appropriation acts through March 2, 1926 (44 Stat. 139). The provision requiring purchase of typewriters from surplus stock of the General Supply Committee, etc., was repeated in subsequent Treasury Department appropriation acts through February 23, 1931 (46 Stat. 1219).

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Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. Mr. Chairman, I would like to make a few remarks here so we will have some idea of the problem that confronts us.

Mr. VORYS of Ohio. Before the gentleman completes his very interesting discussion of these so-called donations, would not the right principle for Congress to have in mind be that when they

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Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

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Mr. ROBERTSON. In that connection, is it not true under section 11 of the bill, which outlines the policies governing disposition, the Administrator can fix the price that he thinks certain public agencies should pay, in the interest of the public welfare, and give priority first to Federal agencies and then to State agencies and political subdivisions and cooperative and charitable or eleemosynary organizations?

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Mr. TARVER. So that the authority to which the gentleman refers in section 11 is merely the authority to sell and not the authority to donate?

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Mr. LANHAM. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. LANHAM. There is nothing in the bill that would authorize the sinking of war vessels, without the action of the Congress, is there?

Mr. MANASCO. No, sir. The operating agency must declare property surplus before it can be sold by the Surplus Property Administrator. If the War Department decides to hold these planes and tanks and ordnance off the market, the Surplus Property Administrator will not have control over them.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. WHITTINGTON. In reply to the question asked by the gentleman from Ohio [Mr. VORYS], is not the very first objective of this bill the disposition of surplus property to promote national defense of the United States? So that no war property could be disposed of if the Army and the Navy and executive agencies of the Government advise us that it can be used against us or against our defense?

Mr. MANASCO. The gentleman is correct.

Mr. ALLEN of Louisiana. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. ALLEN of Louisiana. Is there any provision in the bill authorizing the Administrator or anybody under him to dispose of individual units to farmers? For instance, a jeep.

Mr. MANASCO. He has that authority under this bill. He has authority to sell a can of tomatoes.

Mr. ALLEN of Louisiana. If this bill authorizes somebody to dispose of great quantities to somebody else and make a profit out of it, then the individual farmer is not going to get in on this. We want to fix it so that a man can go and buy an individual unit, such as a jeep or something like that.

Mr. MANASCO. He can do that under the provisions of this bill.

Mr. ALLEN of Louisiana. Without having to pay somebody a big profit?

Mr. MANASCO. Yes, sir. He certainly can.

Mr. WHITTINGTON. Will the gentleman yield further?

Mr. MANASCO. I yield.

Mr. WHITTINGTON. Certainly until the war is over, and probably until a great deal of this property is disposed of, prices are all fixed, and no matter whether it is sold directly to the farmer, a truck or an automobile, the price will be fixed,

so that he will not have to pay any more whether it is sold directly or indirectly.

Mr. PACE. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. PACE. That happens to be not the policy today when the farmer wants to buy a second-hand Army truck. In the first place he cannot buy it himself. He has to get it through a dealer. There can be slight repairs and an increase in the price of from 10 to 25 percent. If that is going to be the policy with regard to jeeps for the farmers and airplanes for the returning flyers, then somebody is going to make a huge profit under this bill. As I understood the committee, one of the purposes of the bill was to prevent unconscionable profits being made by people scooping up these surpluses and then retailing them out at big advances in price.

Mr. WHITTINGTON. The gentleman certainly understands we are not fixing prices. Unless prices are obtained otherwise, it would not be applicable under this bill.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I would like to make a general statement about this bill before we start discussing the different sections, just to give you some of the background which our committee studied before we prepared the bill.

A few moments ago I was discussing the amount of available surpluses. The highest estimate of personal property—that is, exclusive of war plants, and so forth—was about $15,000,000,000. But, of course, this Surplus Property Administrator will have in his power the absolute power of destruction of certain industries in this country if he does not exercise reasonable discretion in the disposal of these surpluses. Take the canning industry, for instance: We will have on hand enough canned goods to absolutely destroy the canning industry in this country. If you start earmarking for any particular organization, the people who will be thrown out of work when the war is over should have an opportunity to have canned goods and foodstuffs given to them. If you are going to earmark for anybody I think the hungry man should be thought of first. When you earmark for the farmer trucks and jeeps and turn around and earmark for the consumer your surplus foods and canned goods, woolen blankets, shoes, and so forth, who suffers? The farmer. His market for the things he hopes to produce will be beaten down. That happened after the last war. We do not want that to happen again. That is the reason we want an orderly disposal of these surpluses. When you start opening the floodgates, do not forget Members of Congress are going to be hounded to death about these surpluses.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. DINGELL. What is in my mind at the present time has to do with certain surpluses. There are perhaps thousands of items to be disposed of. I am thinking of such surpluses as may be usable for the schools and universities.

Mr. MANASCO. We have discussed that. The gentleman from Georgia [Mr. TARVER] called attention to that.

Mr. DINGELL. Under the National Youth Administration plan there is very, very fine disposition of a limited amount of material in the hands of the National Youth Administration. Is that not going to be the guiding policy in this bill?

Mr. MANASCO. This bill does not authorize the Administrator to give anything away, except material that is worn beyond repair or has no commercial value.

Mr. DINGELL. In other words, certain things that our schools could use for the benefit of the youth of the land, no provision is made for disposition of that material?

Mr. MANASCO. No, sir.

Mr. DINGELL. There is no prohibition, however, in the bill against it, is there?

Mr. MANASCO. The administrator must sell for cash or something of value.

Mr. DINGELL. Then that is quite specific.

Mr. MANASCO. As I said a moment ago, this property belongs to the people all over the United States, not just one local community like my congressional district or your congressional district, but it belongs to everybody.

Mr. DINGELL. Then what about the disposable surpluses with regard to which the gentleman spoke just now, having to do with canned goods being given to the hungry?

Mr. MANASCO. I said if we open the floodgates for the school people, for the farm people and for other groups, then the thing that will hurt the farmer most is for us to give away canned goods and foods to the people who are hungry throughout the world. That is my argument against breaking down this orderly disposal of surplus property.

I want to pay my respects to the farmers of this country. Everybody else has been paying their respects to industry and labor for the magnificent job they have done in the war production. And they have done a magnificent job. But our farmers are producing 128 percent of the 1938 crop now. They are doing that without new machinery, whereas industry could come to Congress or to the operating agencies and get all the money and all the machines and equipment they needed to do their magnificent job. The farmer does have a little more claim than some other people to have some of these surpluses turned over to him at lower cost than to others, but with $15,000,000,000 involved, with $3,000,000,000 or $4,000,000,000 of foodstuffs that can be thrown on the market when this war is over, a very serious problem is posed. We are already producing 28 percent more than we consumed in this country in 1938 and 1939. We must not lose sight of the fact that in the occupied countries we hope to restore to peace in the next few months, those farmers are going to start producing and we are not going to have to feed those people as long as a lot of us were led to believe. Those foreign farmers do not want those surpluses dumped on their markets. This is an international problem as well as a local problem. In deciding this proposition of disposing of this surplus we have got to make up our minds whether or not we are going to permit our own local selfish interests to wreck an over-all orderly disposal.

The CHAIRMAN. The gentleman from Alabama has consumed 25 minutes.

Mr. MANASCO. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, we of necessity give the administrator almost absolute power. We decided that had to be done if we wanted an orderly disposal of this property. Congress cannot write a reconversion bill that will cover every question that may arise. If we did we could not realize anything out of this surplus and we might destroy the very economy we hope to restore when the war is over.

Our committee reviewed many suggestions. The question of a board instead of an administrator was one of them. As a matter of fact I believe I introduced in Congress the first bill providing for a board composed of Government representatives, industry, labor, and the public, and also providing for industrial advisory boards. That bill was H. R. 2498, introduced on April 15, 1943, not 1944. A lot of people who are today favoring a board then thought that the best way to handle this would be through an administrator—one man who would be responsible to the Congress, one man who would not be as easily persuaded by the different pressure groups maybe as representatives on a board. That of course is a question for the Congress to decide. We gave the administrator almost unlimited power in the disposition of these surpluses. We must rely on his ability, honesty, integrity, and far-sightedness.

Mr. Clayton appeared before our committee. If you will look in the hearings at page 50 you will find the regulation he issued relative to the disposal of the surpluses. I believe none of us can find fault with the manner in which Mr. Clayton has acted. We can, of course, find fault with some minor items, but I believe the broad manner in which he has handled these surpluses has been very good.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. VOORHIS of California. I wish at this point in all honesty to say that I do criticize the handing over of a large acreage of agricultural farm land to the Reconstruction Finance Corporation for disposition. It does seem to me that that land should have been used in the program of reducing farm tenancy and it should have been put into the farm-tenant purchase program with preference to veterans. That is one thing that was done that I cannot help but criticize.

Mr. MANASCO. I may say to the gentleman from California that that is not provided by this bill.

Mr. VOORHIS of California. No; of course not.

Mr. MANASCO. He is doing that under his broad authority. That, of course, is subject to criticism by some of us. Others would criticize his turning it over to the Farm Security Administration.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. WHITTINGTON. Is it not a fact that the Executive order establishing this office provided that the Reconstruction Finance Corporation should be one of three Federal agencies to be used? So if there be any responsibility with respect to the disposition of this land it is rather under the Executive order than the policy of the Administrator.

Mr. VOORHIS of California. May I say I was not questioning Mr. Clayton's power to do what he did do; I admit he had the power to do it, but I do not happen to think he should have been able to do that.

Mr. WHITTINGTON. If I may make one more statement, Mr. Chairman, in view of that, when the President issued the Executive order he was justified, in my judgment, in undertaking to ascertain what agency of the Government could properly dispose of land, farm lands, and do so more successfully than any other agency. That was the Reconstruction Finance Corporation operating ever since the days of Herbert Hoover. It has been making loans, and my information is that they have disposed of and handled satisfactorily something like two and one-half or three million acres of land, something no other agency of the Government has done. So if we are to profit by the experience of the past, probably no agency in the Government could have handled this to better advantage, particularly in an effort to promote family-sized farms.

Mr. VOORHIS of California. One more observation, if the gentlemen will yield: I inquired of the R. F. C. and was told that they would have to put on a brand new set of people to handle this whole business if the land was to be disposed of in family size units.

Mr. WHITTINGTON. And, Mr. Chairman, in that connection, I understood they had the machinery already available. That was the testimony before our committee.

The CHAIRMAN. The gentleman from Alabama has consumed 30 minutes.

Mr. MANASCO. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, one of the big problems to face solution by the Administrator will be the disposition of our war plants. Many of you do not have war plants in your communities. At this point in the RECORD I am going to insert a table showing that the Federal Government has expended over $15,000,000,000 in the construction of war plants.

(The table referred to follows:)

TABLE III.—*War industrial facilities financed with public and private funds*

[In thousands of dollars]

Type of product	Estimated cost		
	Public	Private	Total
MANUFACTURING AND MINING FACILITIES			
Ordnance:			
Explosives, ammunition assembling, and loading	2,848,346	20,651	2,868,997
Ammunition, shells, bombs, etc.	1,093,138	141,015	1,234,153
Guns and combat vehicles	1,225,370	214,796	1,440,166
Total	5,166,854	376,462	5,543,316
Aircraft—engines, parts, accessories	3,113,768	282,089	3,395,857
Ship construction and repair	2,128,465	172,932	2,301,397
Iron and steel and its products	1,068,866	881,097	1,949,963
Nonferrous metals and their products, total	1,167,568	362,797	1,530,365
Machine tools and other metal-working equipment	139,144	159,097	298,241
Machinery and electrical equipment and appliances	485,846	290,200	776,046
Chemicals (including synthetic rubber)	1,188,579	412,613	1,601,192
Products of petroleum and coal	211,465	595,641	807,106
Miscellaneous manufacturing	239,112	353,919	593,031
Mining of metal ores and minerals	147,424	176,177	324,601
Total	15,057,091	4,063,024	19,120,115
INDUSTRIAL SERVICE FACILITIES			
Gas, light, heat, and power	472,767	794,655	1,267,422
Transportation	191,309	1,188,885	1,380,194
Communication	3,975	131,320	135,295
Total	668,051	2,114,860	2,782,911
Grand total	15,725,142	6,177,884	21,903,026

War procurement, July 1, 1940–June 30, 1944

[In billions of dollars]

Supplies:	
Aircraft:	
Combat aircraft	39
Transports	2
Ships:	
Combat vessels	23
Merchant shipping	9
Guns and ammunition	21
Trucks	5
Clothing and equipage	7
Food	7
Other munitions and supplies	21
Total	134
War construction:	
Military installations	17.5
Industrial plant and facilities	15.5
Total	33
Total, actual and scheduled	167

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. LANHAM. Does the committee have any information with reference to the number of these plants that might continue in operation at reduced production?

Mr. MANASCO. That is a question that I do not believe anyone at this time can answer. As I started to say, many of you have war plants in your districts, many of you have powder plants, chemical plants, synthetic-rubber plants, high-octane gasoline plants, aircraft factories, and so forth. There are, of course, some people who want the Federal Government to continue to operate these plants, but I believe the large majority of the membership of this House wants these plants operated by private enterprise as far as possible. I do not believe our Government wants to go into the manufacture of airplanes. We own one aircraft factory that will be able to make all the planes needed in this country after the war is over. So the taxpayers are not going to destroy our private aircraft industry by operating that plant in order to give employment to people in that district.

We must let the Administrator dispose of these plants. If you leave it up to Congress to do it, you will have another Muscle Shoals. All of you will remember that the nitrate plant at Muscle Shoals stood idle for 15 years until it was taken over by the T. V. A. Fortunately, I do not have any war plants in my district. It is fortunate for our people, I think, because they will never have the terrible shock when war contracts are canceled that people in a lot of the districts will have. If Congress itself has the veto power over the sale of these war plants, then if one is sold in your district, your opponent who runs against you in the next election is going to accuse you of getting a cut out of it. If the plant stands idle, your opponent is going to say that some big industrialist paid you to see that the plant is not used. So the best thing for us to do is to give the Administrator the authority to sell all these war plants.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from California.

Mr. VOORHIS of California. On the gentleman's premise, as suggested by him, why did the committee include in the bill restrictions as to two kinds of plants—synthetic and aluminum? If the provisions included in the bill in regard to the synthetic and aluminum plants are valid, important, and desirable, why would not those same provisions be equally desirable with regard to some other thing?

Mr. MANASCO. Personally I opposed the inclusion of section 13 in the bill, but the committee saw fit to keep it in there for this reason, and I think I can state the reason. Synthetic rubber is a new industry in our country. It is not a local industry, or an industry affected by purely local conditions. It will affect even our international relations.

Some of our friends appeared before the committee. I believe the gentleman from California [Mr. VOORHIS] appeared before the committee and objected to these plants being turned over to monopolies. We all know that up to the time of the war the aluminum industry was almost a monopoly. It was the desire that Congress express itself.

Mr. VOORHIS of California. May I say to the gentleman I agree with what the committee did in that case, but I maintain that they should have put chemicals in there, they should have put petroleum products in there, and they should have included steel.

Mr. MANASCO. And aircraft factories and magnesium plants. If you are going to put one in, you have to put them all in and when the war is over you would not be able to get the Congress to dispose of any of them. You would have a very embarrassing situation in this country.

Mr. CRAWFORD. Will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If I understand this bill correctly, the administrator first makes a report to Congress with respect to synthetic plants and aluminum plants?

Mr. MANASCO. That is correct.

Mr. CRAWFORD. And after having made that report and after Congress acts on the report, then he may dispose of those particular types of property?

Mr. MANASCO. That is correct.

Mr. CRAWFORD. And not before?

Mr. MANASCO. That is correct.

Mr. CRAWFORD. I think the committee was very wise in making that provision. The objection I had to the bill that came before our committee, the Banking and Currency Committee, and I do not believe that has been mentioned here, was that the bill provided that the administrator might dispose of all these plants. I raised a question on synthetic rubber and stated I would not go along with the bill if the administrator was given absolute carte blanche authority to dispose of the great synthetic industry in this country, which is as wide as our international relations. I congratulate the committee on making at least that restriction.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANASCO. Mr. Chairman, I yield myself 3 additional minutes.

Mr. Chairman, may I say in reply to the gentleman from Michigan that I do not think you will ever find a buyer for the present synthetic rubber plants because the American people are not going to buy $22 tires and get a low mileage at only 35 miles an hour when they can buy good raw rubber tires for $14, run 80 miles an hour on them, and get a very high mileage.

Mr. CRAWFORD. I do not assume the gentleman means for the RECORD to show that that is the history of synthetic rubber tires?

Mr. MANASCO. It is almost the history.

Mr. CRAWFORD. I happen to be connected with a company that has used hundreds of tons of rubber on wheels, if you please. The synthetic rubber tires are giving first-class service.

Mr. MANASCO. I have not had that experience. Mine may have been a little sad.

Mr. DINGELL. Will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Michigan.

Mr. DINGELL. I think it goes without saying that in certain fields and for certain purposes synthetic rubber is superior to the natural rubber.

Mr. CRAWFORD. Yes; and we know up in Michigan what happens.

Mr. DINGELL. Yes; we know, too, that synthetic rubber will survive for certain purposes regardless of cost.

Mr. CRAWFORD. I think so.

Mr. MANASCO. Mr. Chairman, a question was asked as to why the Colmer bill was stricken and the substitute offered. I may answer that by saying that the committee made a few amendments that were suggested by the legislative counsel and by Mr. Clayton and his counsel which clarified and made the bill more mechanically perfect. We did not want to come in on the floor of the House with a bill having a few "and's" and "the's" all through it in italics, so, we thought we would rewrite it and prevent the committee becoming confused when the Members read the whole bill. There is no major change in policy from the bill recommended by Mr. Clayton and the bill introduced by the gentleman from Mississippi [Mr. COLMER]. This bill has been agreed to by the operating agencies and the departments.

I have taken more time from other members of the committee than I intended to.

Mr. LANHAM. Will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Texas.

Mr. LANHAM. May I make a statement which the distinguished gentleman from Alabama perhaps is too modest to make. In addition to the gentleman's service on this particular committee, he has rendered an outstanding service as chairman of a subcommittee of the Committee on Public Buildings and Grounds investigating this matter of the disposition of surplus property. I want to commend the gentleman for the industry and the intelligence that he has shown in connection with his study of this question.

Mr. MANASCO. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIFFORD. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I greatly regret that those who want to speak on this bill on this side do not seem to be available at the moment, but I cannot let this side remain unrepresented. We cannot let you take all the time over there. I made a few remarks on the rule but only general remarks relating to the advisability and necessity for the bill. It is supposed to be limited to 3 years. My experience with these bureaus is that the nearest thing to immortality is a Government bureau. Yet, we are setting up another new one. As a matter of fact, it is already set up by Executive order. This is really the Clayton bill. He wrote it or practically wrote it with the agreement and approval of other departments. Of course, the various departments could hardly be expected to express disagreement.

There is not as much opposition expressed in these hearings as you might think there would be. There will be some amendments offered. I once heard it said "some love the meat; some love to pick the bone." There will be a few bones here for you to pick. There are some who must awaken themselves to the fact that it must be amended to take care of certain conditions that exist in their particular localities. I note the gentleman from Mississippi [Mr. WHITTINGTON] has a pleasing smile of amusement or approval. There is to be disposal of large plants and the disposal of much land for agricultural purposes. I have been in the real-estate business for many years. Much of this work will have to do with the disposal of lands and property and the giving of proper title. We attempt by this bill not to pass a law but to express a warning that they shall be fair about disposal of this property and that the former owner shall have first chance to get it back. That bothers me a bit.

Has not the Government paid the former owner a just price for what it has taken? The Government is supposed to do that. Shall a former owner have any more of a vested right in getting back something that he has been paid for than you or I? More than that, has he the right under this language that we have here to contest the title to the property if disposed of not exactly as suggested in the bill? As I said in the committee this morning, I have lying on my desk a notice whereby certain property has been taken. I did not know I owned any land there. Shall I afterward put in a claim on a piece of land I did not know about particularly, but being a former owner shall I have the privilege of putting in a claim and holding up the sale of the tract?

We really say here that the administrator as far as he can shall be prejudiced in favor of restoring the property to the former owner. Certainly he should have that right if the former owner has not reestablished himself and conditions are such that it could reasonably be restored to him and the Government properly reimbursed.

There is a great deal of land involved in various sections of the country. They have taken much of it by lease; they have taken much of it by eminent domain and much of the land is now unfit for that for which it was formerly used. I want to warn you that when we reach that point in the bill that we will have some discussion as to returning this agricultural land as well as some other land.

The bill requires that they shall make a report to Congress every 3 months or 6 months and tell you why and how they disposed of real estate. They can lease these large plants for 5 years. What advantage is that man going to have? Shall we fix it so that the wartime plants shall be made permanent at the expense of other permanent establishments of business?

Looking over the bill, as I stated before, it is not so difficult. This will no

longer be an executive agency. It should be called the Clayton bill, enacted into law, approved by Congress. The objectives are easily understood: To facilitate and regulate the orderly disposal of surplus goods. Like the Atlantic Charter, it means well.

It says here "such property for the purposes of war and national defense." Of course, that is right. Next it says, "to facilitate the transition of enterprises from wartime to peacetime production and of individuals from wartime to peacetime employment."

Will it do it? We hope so. Continuing it says, "to promote production, employment of labor, and utilization of the productive capacity and the natural and agricultural resources of the country." Does that sound all right to you? Really it sounds all right to me. That is what we want to do. But there is a question as to just how to do it when you read the bill. Then it says, "to avoid dislocations of the domestic economy and of international economic relations." You see, we have an international problem here. How are we to dispose of that property over there? There will be quantities of it. It says here that surplus property at home and elsewhere shall be disposed of under rules and regulations. Will Lend-Lease or the Foreign Economic Division take it over?

We do not want it sold for practically nothing and have it reshipped here and sold in competition with our goods. We do not want that. We want to sell it to them over there at a fair price. I do not know, but does the O. P. A. have anything to do with what they sell things for over there? Over here, you know, we have to dispose of it at a price that the O. P. A. feels we have to get. The O. P. A. is to come into the picture, but probably not over there in the foreign country. These nations have no money with which to pay for it. Shall we leave all those ammunition shells that cost $600 each and all other munitions over there or shall we bring it back to this country? Is it junk? It has the potential value of defense, and over there it may have a greater potential value than it has over here. But some advocate that it must not be reshipped back here.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Ohio.

Mr. BREHM. I was just thinking, if we leave the shells and the ammunition over there now it would simply save transporting it back the next time they ask us to come over there to fight another war for them.

Mr. GIFFORD. That is a comforting suggestion. There is little doubt but that they will be our allies again. But when you ask me a question as to the results of this bill, you know it is very broad in its grants of authority. The administrator is to be practically a dictator. This bill contains but little law. It is a statement of policies that we hope will be followed. The administrator might go on a vacation and his deputies delegated with his powers. In a sense we are really setting up here a dictator, and it may be preferable to a so-called board. The more corrupt the state, the more laws we need. Did not things happen after the last war that were corrupt? We are hoping that this bill will point the way to avoid a repetition.

No matter how carefully we frame these statements of policies, or even actual cases, I want this to sink in. "No written law or statement can be so plain but which ill will and malice may obscure." If disposal is not always made along the lines of this bill, some reason can always be presented why it was not done. Some of us will be importuned by our people to see to it that the administrator does not do things that he clearly should have done, because it may be inimical to the interest of our own particular section. You will have some amendments presented along that line, and I hope you will see what I have in mind.

My predecessor who just took his seat said something about fifteen million. Did the gentleman not mean fifteen billion? The gentleman said fifteen million several times.

Mr. MANASCO. Fifteen million? I meant fifteen billion.

Mr. GIFFORD. Yes. But nobody corrected him. What is the matter with this House today? Are you taking everything without questioning it? I have read that we will have $103,000,000 of surplus goods. I do not know what the gentleman means by that fifteen billion. Does that mean 15,000,000,000 of peanuts or things of that nature?

We will have enormous quantities of war munitions which will be of no good unless for war purposes. It is not even good for scrap, because it is not worth making scrap of it. Shall we throw it overboard? This bill says that we shall dispose of it. But if we find it is not worth while what can they do? It says here they can give it away. They can destroy it or otherwise. I do not know what that "otherwise" means. It says here that we shall dispose of it, that which we cannot find a market for, to charitable and educational institutions. Your charitable and educational institutions will importune you often that you will see to it that that college or school gets that material that will not sell readily. You are to be importuned about many things, because this bill says that the State and the municipal organizations as well as educational and charitable institutions shall be considered. Already there is surplus property worth quite a lot of money. Your city might want it for rehabilitation or recreational centers. If the Government has no use for it, the city will want it. The State or the county or the town will demand that they shall pay nothing or have a very favorably rate. If you do not recall this custom, read the private bills that have been presented on such matters.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from California.

Mr. HOLIFIELD. May I ask the gentleman for information? I note on page 29 this language. Section (1) of subsection (b) "any property which is damaged or worn beyond economical repair"; and "(2) any waste, salvage, scrap, or other similar items."

May I ask how that question will be decided? Is that completely within the jurisdiction of the administrator or some of his assistants? The reason I ask that question is that the disposal of this great amount of machine tools that we read about some time ago has a scrap value, although the machine tools were in perfect shape. Is there any provision in this bill for the protection of the Government on the disposal of materials which might be described as scrap but which might be good?

Mr. GIFFORD. The gentleman will note that in subsection (b) it states that any owning agency may dispose of any property which is damaged or worn beyond economical repair, subject to subsection (c), which reads:

> Whenever he deems such action necessary to effectuate the objectives and policies of this act, the Administrator, by regulations, shall restrict the authority of any owning agency to dispose of any class of surplus property under subsection (b) of this section.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. GIFFORD. Mr. Chairman, I yield myself 10 additional minutes.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Nebraska.

Mr. STEFAN. I think the gentleman's question may be answered by referring to page 25, item (g), which provides that—

> The term "care and handling" includes repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, storing, packing, handling, and transporting.

I wanted to call that to the attention of the gentleman from California.

In the gentleman's brief discussion of the rule he mentioned something about how this will affect our constituents. What did he mean by that?

Mr. GIFFORD. I meant that there may have been an enormous plant put in the gentleman's community because nearby was the raw material, and they have brought a lot of people from various parts of the country, housing them in temporary housing.

Mr. STEFAN. I have such a case in my district.

Mr. GIFFORD. Almost everyone of us has such cases. How can you write into the law any definition covering that?

Mr. STEFAN. How would this bill affect your constituents? Is there any protection to your constituency or your locality in the bill, as the gentleman reads it?

Mr. GIFFORD. Yes; it provides that the Administrator shall use good judgment.

Mr. STEFAN. We have a war plant in my district. We also have a satellite airport. The satellite airport has been abandoned. They are now leasing the land for the production of food, but the airport will not be used.

Mr. GIFFORD. Can they not see to it that the former owners get it back and make it profitable, or do not the former owners want it?

Mr. STEFAN. Yes; the former owners would like to have it, of course. In many cases the former owners have told me that they would be willing to buy that land back.

Mr. GIFFORD. In this bill about the best thing they can do is to put in language stating purposes and desires, but they leave it to a dictator or administrator with full, complete power.

Mr. STEFAN. It is absolutely necessary to put something in here that the people can understand. We are disposing of surplus property in this country right now. People are suspicious that perhaps that will get into the hands of a favored few.

Mr. GIFFORD. Does the gentleman realize that we are putting everything into the hands of the administrator, although there is one clause in the bill that the Maritime Commission shall retain control of maritime property? We cannot do anything about that. There is also a hint at a limitation of power on the part of the administrator here and there, and there is to be an advisory board. There will be a lot of back scratching between agencies, will there not?

Mr. STEFAN. That is right, but the serious problem right now is that the Treasury Procurement Division is disposing of considerable surplus material now, and the people in my district—and I have just come back from my district—are very suspicious that perhaps some favored few are getting this surplus material. They are looking to Congress to do something to see to it that it does not get into the hands of the monopolies or the favored few. I think something ought to be done, and I agree with the gentleman that we ought to write something into this bill to take care of that.

Mr. GIFFORD. There should be no room for favoritism in our form of government, but if you get something for constituents of yours, they will claim that you received special favors.

Mr. STEFAN. In the gentleman's speech this morning he indicated that this law might create thieves and robbers. What did the gentleman mean by that?

Mr. GIFFORD. I meant that in order to get around laws they might be considered thieves and robbers. The more laws you make the more rascals you make. Naturally some will not obey. The more laws, the more to be circumvented. I find a great feeling growing in this Nation of ours that this is a Government of the people, by the people, and for the people, and if what you do and what I do does not please, the people hesitate to comply.

Mr. STEFAN. Our people at home are suspicious; they are worried about this thing. They want us to write some laws here to see that this property does not get into the hands of the robbers and thieves. Certainly we are intelligent enough to do that.

Mr. GIFFORD. I want a law under which an aggrieved party can complain and receive justice and relief. I do not want a bureau set up giving the administrator absolute power with no redress for the aggrieved party. There is that eternal enmity between the law and the dictator. This is a warning, not a criticism. This bill is not much law; it is expressing a hope that certain policies be carried out. There are some directions in it.

Mr. STEFAN. Would the gentleman rather have a board than an administrator?

Mr. GIFFORD. Who appoints the board? Think of what we have had in the last 10 years. I hate to criticize, for the Democrats are my friends, but why did you put in so many men of the type you did to run this country? Why did you do it?

You new Members may not remember, but from 1934 to 1938 I was busy on the floor as a member of the Expenditures Committee. I know how suspiciously you looked at me, but I could name several administrators that I think you would agree with me were rather unfit to be the head of several highly important agencies. You are sorry about it but you do not do anything to change it. We are soon to do something to change that, I hope. Then I will answer the question.

Do I like a board? Yes; if they limit it to good and able men. Under this bill there will probably be at least 12 regional agencies set up over the country, such as we have representing other bureaus. You go tell your story to these agencies, but they can do nothing until they hear from Washington. There will be a tremendous number of appointments, a man for this and that special thing but with little power to act without approval from Washington. My people look me in the eye and say, "You have to see the right people," when I failed in getting attention. One constituent said to me, "Must I appeal to Washington to an old-line Democrat? Cannot you do anything?" It is not as bad as that. I am saying that is the way he looked at it. I am not complaining. I have been more or less successful, because even though I talk forcibly at times, I really try to be a gentleman. I think over my approach to these agencies very carefully.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Nebraska.

Mr. CURTIS. Is it possible under this bill for the administrator to establish a Government store in every community in the United States to sell food, clothing, hardware, jeeps, and everything else, in competition with taxpayers who are in that business?

Mr. GIFFORD. I should not think so, but it might amount to that. We are trying in this bill to put this property in the hands of the regular dealers at a fair price.

Mr. CURTIS. Should there not be a provision in this bill forbidding them to establish retail stores?

Mr. GIFFORD. The gentleman will find in the hearings that they asked the question, Who is a dealer? Take the case of a man who would buy a jeep, and although he had made a trade-in only once during his life, during the last few years, he might be considered a dealer?

Mr. CURTIS. How do you know that the individuals answering the questions are going to be the individuals making the over-all policy?

Mr. GIFFORD. We have to run that risk.

Mr. CURTIS. Why can there not be a provision in here prohibiting the establishment of Government retail stores to sell surplus property?

Mr. GIFFORD. If we did that, as the gentleman from Mississippi [Mr. WHITTINGTON] will tell you, there would be no end of the definitions, because it is such an enormous problem. The only way you can possibly do it is to outline general suggestions and general conditions, but you cannot define it too closely on any particular activity.

Mr. STEFAN. Mr. Chairman, will the gentleman yield to answer that question?

Mr. GIFFORD. I yield.

Mr. STEFAN. In section 2, item C, on page 24, you will find that the agency can dispose of one or more classes of surplus property. I believe under that section they can set up a retail store.

Mr. CURTIS. I think they could. I have read the bill. I think they could.

With reference to this advisory board to the administrator, who on that board represents the taxpayers?

Mr. GIFFORD. Who on that board represents the taxpayers?

Mr. CURTIS. Yes.

Mr. GIFFORD. "Represents the taxpayers?" Do I hear aright?

Mr. CURTIS. It seems to me they are all representatives of the Government.

Mr. GIFFORD. Yes. Yes; I really would not want to try to answer.

Mr. CURTIS. Is there anybody on that board who represents the retail and wholesale trades?

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIFFORD. Mr. Chairman, I yield myself 5 additional minutes.

Why, these are all agencies of the Government. But they are Cabinet officers and they can delegate authority, and name some one to act for them in all these cases. They will probably delegate it. They can do most anything under this bill. I started out to comment on the various provisions of the bill and you immediately stopped me by inquiring whether I wanted a board instead of one man. I tried to answer that by saying if I knew proper persons would be selected I would feel confident. It is bad enough to take a risk on one, but if we have to take a risk on seven or more, I am not ready to answer. I have commented on various provisions of the bill that are to be bones of contention later, hoping that I could draw your attention to them early in the debate.

Mr. DEWEY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Illinois.

Mr. DEWEY. In following out the inquiry of the gentleman from Nebraska,

[Mr. CURTIS], there seems to be a little hiatus or loophole or whatever one might call it, between the regulation of the Administrator preventing him to deal with the individual and what departments of Government who claim certain articles belong to them may do. Because on page 29, section 7, there is found this language:

subject only to the regulations of the Administrator with respect to price policies, any owning agency may dispose of any property for the purpose of war production or authorize any contractor with such agency.

And so on.

Mr. GIFFORD. It says "for the purpose of war production." The gentleman will note that.

Mr. DEWEY. But the section reads further:

Subsection (b). Subject to subsection (c) of this section any owning agency may dispose of (1) any property which is damaged or worn beyond economical repair; (2) any waste, salvage, scrap, or other similar item.

It has been called to my attention that one agency, I think it is the Quartermaster General's office, is selling Army shoes for 14 cents a pair which have been slightly worn, not worn where they might have, for example, a large hole through them, but worn because they did not fit the soldier to whom they were issued, so he discarded them and got a better-fitting pair of shoes. That pair of shoes thus has become used property and is sold for 14 cents, and they might go into these outlet stores such as the gentleman referred to. I do think there ought to be inserted here some item preventing outlet stores that are going to come into competition with men trying to make new shoes and make new jobs.

Mr. GIFFORD. We have already taken that up and it says in subsection (c), if the gentleman will read further, if that kind of business goes on the administrator can restrict them.

Mr. DEWEY. They can be restricted under the bill?

Mr. GIFFORD. I have seen awful waste, and so has the gentleman. There is so much red tape in keeping books and keeping track of things, that when an outfit in the Army leaves suddenly, what happens? Yes, they burn it, they dispose of it in many ways rather than trouble to account for it otherwise. This bill is not new to me. This plan is not new to me. We have had it before, almost a year ago, where the Bureau of the Budget wanted to control this surplus property through the procurement agencies. At that time we had much discussion of it, but the plants and the lands and that sort of thing were too big a problem of solution at that time. We decided to deal only with surplus supplies.

Mr. CURTIS. One more question, following the line of thought of the gentleman from Illinois, and to be specific, who, for instance, does the gentleman suppose will sell surplus shoes belonging to the United States Government? Will the Government retail them or will the retail shoe dealers of the United States retail them?

Mr. GIFFORD. We have said here that they shall sell to the dealers that are in the business at a fair price. But if they sell to those dealers, the dealers will not have to order new goods, will they? Will that add to unemployment?

Mr. CURTIS. But a Government agency already owning these shoes can go ahead and sell them under the old rules without turning them over to a disposing agency. Is that not right?

The CHAIRMAN. The gentleman has consumed 30 minutes.

Mr. GIFFORD. Mr. Chairman, I might take more time if it were available. There is a good deal more to be said, but I must keep this in mind, "It is an immense advantage never to have said anything."

Mr. MANASCO. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. GOSSETT].

Mr. GOSSETT. Mr. Chairman, it is doubtful that I will use the entire 30 minutes, but there are just one or two phases of this bill to which I wish to direct the attention of the committee. My distinguished colleague who preceded me raised the issue in the beginning of his remarks of the provisions of this bill as to the disposal of surplus agricultural lands. Since that has been the phase of the bill in which I have been most interested and to which I have given most attention, I want to discuss it briefly. In the course of writing this bill, the committee upon my insistence wrote into the mandatory provisions of the bill subsection (g) of section 15 on page 39, this amendment:

In disposing of surplus agricultural lands in the United States, former owners shall be given a reasonable time to be fixed by the administrator in which to repurchase their original tracts, at a price not exceeding that paid them by the Government, except where the value of such tract has been increased by the Government. Except for above provisions, such land shall be sold when practicable, in family-size parcels, not more than one such parcel being sold to any one family or individual, and such sale being made insofar as possible to persons who expect to live upon and cultivate such land. This subsection shall apply only to land acquired after July 1, 1940.

That provision was written in without collaboration with the various agencies of the Government and without the advice and consent of the general counsel to the administrator in charge of surplus properties, and is opposed by most of the executive departments. Upon reconsideration of this amendment which I favor, personally, in the interest of harmony and in an abundance of precaution and in order not to impose upon the surplus property administrator an impossible administrative job, the committee has redrawn that particular amendment and when the bill is being read for amendment we will offer, in lieu of this subsection (g), above read, the following amendment; and we are going to suggest that the amendment be placed not in the mandatory provisions of the bill, but in section 11, which is a declaration of policy and purposes, which will not in such event, embarrass or impose upon the administrator any impossible job.

The amendment is as follows:

On page 34, line 3, insert a new subsection to read as follows:

"(g) To dispose of land in the United States, acquired after June 30, 1940, by the United States, which the administrator deems suitable for agricultural use:

"(1) By affording to the person or persons from whom such land was acquired by the United States a reasonable opportunity to reacquire such land at a price not greater than that for which it was so acquired by the United States, such acquisition price being properly adjusted to reflect any increase or decrease in the value of such land resulting from action by the United States; and

"(2) If not disposed of as provided in paragraph (1), and if the administrator deems that the land should be disposed of for agricultural uses, in parcels not larger than suitable for the needs of one family unit; not more than one parcel to a family unit, and only for use as agricultural land and home by such family unit."

Now, briefly what we are concerned with primarily is these Army camps that went into farming communities and dispossessed hundreds of farmers—if and when the Government has finished with such camps and this land is placed on the market, it ought to be returned to family-size farms such as were on those particular tracts at the time the Government acquired them.

In the second place we are very much concerned that this land be kept out of the hands of speculators. In fact, in this whole matter of disposition of surplus war property, we are all concerned that nobody should make any unusual or excessive profits out of the handling of these properties, and that principle and policy is so stated in the bill.

There are between five and seven million acres of agricultural lands that have been taken over by the Government, incident to the war program. These particular camps have tremendous economic importance in the communities in which they are situated. If some provision for the orderly disposition of these lands is not followed, then land speculators will come along and buy up entire tracts, to the detriment of all concerned except the speculator.

There was some argument in the committee, and the question may be raised in this debate, whether or not the former owner ought to have the right to reacquire this land at a price not exceeding that paid to him. I want to call the attention of the House to the fact that in 99 cases out of 100 these farmers whose lands were taken for Army camps did not want to sell. Many of them made voluntary conveyance because they felt it was their patriotic duty to do so. Others, because they knew the land would be acquired by condemnation. But from one form of compulsion or another, they gave up their land and they went to the city or to some defense plant and got a job.

To make this a little clearer, in one county in my district, some 60,000 acres of the best farm land in the county was taken over for an Army camp. Hundreds of farmers were dispossessed. Some of them got more than the land was worth, others less. Some of them have been satisfied with the price they received,

but many of them felt they were cheated. They felt the land was worth a great deal more than the Government paid for it. Some of them refused to sell, and many of those cases are still in court. I say that this owner of agricultural land whose property was taken through one form of compulsion or another, ought to have a reasonable time, 30 days, 60 days, 90 days, or 6 months or some other period, but some reasonable time within which he can reacquire that property at a price not exceeding that paid him by the Government.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. VORYS of Ohio. Suppose oil has been found on this land as was mentioned in connection with the one particular case, what would the provision of the bill be in that instance?

Mr. GOSSETT. Let me call attention to section 11, in which we propose to incorporate this new amendment—the amendment in the policies section. Section 11 is the section of the bill which reads:

> In formulating regulations to govern the care and handling and disposition of surplus property under this act, the Administrator shall be guided by the objectives stated in section 1 of this act, and shall give effect as to the following policies to the extent feasible, and in the public interest.

I am not sure what the administrator's attitude would be in that matter, but here is my attitude: I say that if anybody is going to make any money, speculative or otherwise, out of this land that has been forcibly taken away from the owner, it ought to be the owner. I feel that the owner ought to be given a reasonable time within which to reacquire that property, at a price not exceeding that paid him by the Government, regardless of how many oil fields may have been discovered in the meantime. Somebody is going to make some unearned increment, we will say, from the oil value of this land. Who is more entitled to that than the original owner? In nine cases out of ten the original owner wanted to keep the mineral rights under these lands. The particular camp I have in mind is in oil country. There are wells on all sides of it. These men wanted to retain the mineral rights but the Government would not agree to it. Meantime, the property may have increased substantially in value because of the possibilities of the discovery of oil. If the owner does not get that increased benefit, then somebody else will get it. Why should the Government be penurious, why should the Government deal harshly with a citizen whose property it has acquired?

There will be some isolated cases such as this field you have in mind, where some exorbitant profits will inure to the man whose property was taken. But, he would have been in possession of that land but for the Government coming in and taking over the land. So I say the Government ought to let him take it back at a price not exceeding that which they paid him.

Mr. LEMKE. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. LEMKE. I understand you have transferred this section from mandatory to a simple question of policy. With the experience we have had with so many of the Government agencies, does not the gentleman think that will be just lip service to fool the public? Why can it not be mandatory?

Mr. GOSSETT. I preferred the mandatory provision and so contended, but in the interest of harmony and trying to get something worked out that we could pass through the Congress, I agreed to go along on the statement of policy.

Mr. LEMKE. May I suggest, are you not taking a great chance of simply having words enacted and wasting our time and not gaining anything in the end?

Mr. GOSSETT. No. I hardly think so. I intend to see that that policy is enforced in my district if it is written into this bill, and I assume other gentlemen will do likewise.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. ALLEN of Louisiana. On the question of policy, on page 34, paragraph I, the bill reads:

> To prevent insofar as possible unusual and excessive profits being made out of surplus property.

What do you have in the bill to put teeth into that? You are simply writing a beautiful platitude there, but what is there in the bill to nail that down so that there will not be any excessive profits made?

Mr. GOSSETT. I might say that I personally offered that amendment to that subsection, knowing at the time that it was merely a statement of principle and high purpose and if you can figure out some way to nail it down I will go along with you. I thought this statement of principle and policy against profiteering was better than no such statement and would be helpful as a sort of mandate to the administrator.

Mr. ALLEN of Louisiana. Could we not say that no person shall make beyond a certain percentage?

Mr. GOSSETT. That might work in one class of property and would not work on another. Some property might be very speculative. You try to work that out, and if you can I will be glad to help write it into this bill.

Mr. HARRIS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. HARRIS of Arkansas. Speaking to the question propounded by the gentleman from Ohio [Mr. VORYS] with reference to the probable development of oil property in isolated cases like the one in Oklahoma, would not the Administrator have authority and jurisdiction to control such matter in that it might not be feasible, perhaps?

We remember very well the fact that part of the former owners of this property really never owned it or had not lived on it or had not shown any interest in it until the oil property was developed. In cases like that would not the Administrator have authority and jurisdiction to handle it and adjust it by regulation?

Mr. GOSSETT. I think he would, under these proposed regulations.

Mr. HARRIS of Arkansas. One other point. With reference to the disposition of agricultural real estate, giving the former owners first opportunity to reacquire the property, I want to commend the gentleman from Texas and the committee for the fine work they have done in this bill, particularly in giving former owners the authority to reacquire this property. The gentleman indicated there would be a proviso in the amendment that he will propose, that the disposition should be made only of family-size parcels of land.

Mr. GOSSETT. Let me clear the gentleman up on that. That does not apply to the acquisition by former owners. The provision as to former owners is covered in paragraph 1. The disposition of family-size parcels is in paragraph 2. The family-sized parcel provision applies only to disposition of land to others aside from former owners. If you are a former owner and you sold 2,000 acres to the Government, you get that 2,000 acres back. It makes no difference the size of the tract taken from you or sold by you as an original owner, you get that back if you want it. But if you decline the option extended to you to reacquire that land then, insofar as possible, insofar as economic and desirable, the administrator may and if it is practicable shall divide that up into family-sized farming units.

Mr. HARRIS of Arkansas. Mr. Chairman, will the gentleman yield further?

Mr. GOSSETT. I yield.

Mr. HARRIS of Arkansas. I have advocated such policy for some time. To be a little more specific, I have in my native county, in my district, Hempstead County, through which the gentleman travels when he goes back to Texas, the Southwestern Ordnance Project of some 54,000 acres. When that land was taken over by the Government there were families who owned as high as 4,000 or 5,000 acres. The land was taken by condemnation. Would the former owners under this bill have authority within a certain time to reacquire the entire 4,000 or 5,000 acres taken?

Mr. GOSSETT. Yes; absolutely. That is, provided, of course, it is agricultural land.

Mr. HARRIS of Arkansas. Yes; it is agricultural land of which I am speaking. One further question, if the gentleman will permit.

Mr. GOSSETT. Certainly.

Mr. HARRIS of Arkansas. With reference to the disposal of real estate whereon there may be airports. What is the idea or the thinking of the committee in writing the bill with respect to the disposition of airports and their facilities when and if they are declared surplus property?

Mr. GOSSETT. That is covered by the general provisions of the bill and the directives and recommendations imposed upon the administrator in the disposal of property generally.

Mr. HARRIS of Arkansas. Will the municipalities in those localities have the opportunity to acquire them?

Mr. GOSSETT. If I were the administrator that would certainly be the

policy, and I assume it will be the policy of whoever administers this law.

Mr. HARRIS of Arkansas. Could the gentleman advise the House whether or not there was any discussion of payment on disposition of airport facilities and real estate which had been constructed?

Mr. GOSSETT. I notice that at some of the committee meetings they had discussed that but at the committee hearings I attended we did not discuss it specifically.

Mr. MANASCO. Mr. Chairman, will the gentleman yield at that point?

Mr. GOSSETT. I yield to the gentleman from Alabama.

Mr. MANASCO. I may state to the gentleman from Arkansas that considerable discussion was given to that subject and in the bill we left the disposal of airports specifically to the administrator because he had at the service of his advisory board the Civil Aeronautics Authority. The C. A. A. is making surveys to determine which airports will have military use and which of those not having military use may be used by municipalities. Under the recommendation of State aviation commissions and the Civil Aeronautics Authority they can be sold to the municipalities or leased to them. They will not of course be sold for a very high figure.

Mr. HARRIS of Arkansas. If the gentleman from Texas will yield, that is just the point to which I wish to direct the question: Would it be possible for the municipalities perhaps under the jurisdiction of the C. A. A. to purchase that property?

Mr. MANASCO. They could lease it or purchase it.

Mr. HARRIS of Arkansas. For instance, if there is a $1,000,000 airport at some small city of ten, twelve, or fifteen thousand population it would not be practical or at least it would be almost impossible for a city of that size to purchase an airport of that type.

Mr. MANASCO. Mr. Chairman, will the gentleman from Texas yield?

Mr. GOSSETT. I yield.

Mr. MANASCO. I may say that we discussed that very matter with Mr. Clayton, the present surplus property administrator. He told us it would be their policy to dispose of them for reasonable value to these municipalities. That question has already been decided by his organization. For instance, a million-dollar airport at a town of that size might possibly be leased to the municipality for $500 a year; but we would not want to find ourselves, if we got into another war, where the city of Eldorado or the city of Jasper could come in and sell back to the Government for a million dollars property they got on a $500 lease or some small amount. We want that recapture provision in the bill.

Mr. GOSSETT. I may say to the gentleman from Arkansas I have every confidence that that problem will be worked out administratively to the entire satisfaction of the local communities. In many instances these airports were built by the C. A. A. under an arrangement and understanding that they should revert to the municipality at the time the Army or the Navy, as the case might be, finished with them.

Mr. HARRIS of Arkansas. Mr. Chairman, if the gentleman will yield, to be a little more specific—and I am sure there are other projects throughout the Nation in a similar category as this one where the Government has 54,000 acres of agricultural property—there has been constructed there by the Army an airport costing about a million dollars. That is at Hope, Ark. Before that time the city had spent some $15,000 or $18,000 in the acquisition of property for the construction of an airport. When the Army completed its airport they condemned the property the city had acquired for the city's airport. The city cannot therefore construct an airport on property they acquired for that purpose. Is there authority under this bill for the War Department or the disposing agency through the administrator to permit the use of this airport by the municipality of the city of Hope?

Mr. GOSSETT. I would think so; my answer to that would be "Yes."

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. From a reading of that section of the bill which states the policies of the framers of the bill, and also of the House if it passes the bill, I am wondering if it is sufficiently specific with regard to a policy which would prevent the purchase of goods at a cheap price and dumping them on the market? Among other policies it is stated that one policy is to prevent the making of excessive profits. I am, of course, concerned about that, but I am more concerned about the fact that if these goods are dumped on the market at a very low price it will prevent the manufacturer of goods which will be in competition with them to manufacture such goods at a profit, and hence would prevent the reemployment in industrial sections of returning soldiers and other people who need employment. I am wondering if it would not be a good idea—I believe it was stated by one of the other speakers this afternoon—to include as one of the policies to be pursued the discouragement of the dumping of goods in the market in competition with industry in post-war times.

Mr. GOSSETT. I believe the gentleman will find that in the bill.

Mr. WRIGHT. I do not know where it is. I would appreciate it if the gentleman would point it out to me.

Mr. GOSSETT. I know it was repeatedly discussed in the committee, and the committee was assured by the Surplus Property Administrator that he would take precautions to avoid the very thing the gentleman fears.

Mr. WRIGHT. If I may interrupt the gentleman further, I know it is in the bill at various points by implication, but I believe the matter is so important that Congress ought not to be neglectful of its duties, as it would be if it did not specifically state it was very much concerned about disturbing our post-war industry by dumping cheaply purchased goods on the market to compete with post-war industry.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. As the gentleman from Texas has very correctly said, that matter is covered both by the objectives and by the declaration of policies. For instance, in the objectives, if that situation were permitted to obtain the administrator would be violating the provisions of this law in a way that would disrupt the economy of the country. In a further effort to prevent it, in the objectives we not only adopted the language in the bill which was originally submitted to us to provide for employment, but we put in an additional provision to give employment; and in the disposition of the property we hedged it further by saying that undue profits should be prohibited and that small business should be promoted. But when it came to writing a formula that would be applicable to every species of property imaginable through the entire civilian economy, after listening to many suggestions, and to every proposal submitted, the committee concluded that the wise thing to do would be to adopt the broader discretionary language that is included in the bill.

Mr. GOSSETT. I call the gentleman's attention to paragraph (c) under the heading "Objectives," on page 23, at the very beginning of the bill, reading as follows:

> To promote production, employment of labor, and utilization of the productive capacity and the natural and agricultural resources of the country.

Then I call his attention to page 33, subsection (e).

It says:

> (e) To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors; to provide as far as practicable for uniform and wide public notice concerning surplus property available for disposition and for adequate time intervals between notice and disposition so that all interested persons shall have a fair opportunity to acquire; to utilize commercial channels of distribution to the extent consistent with efficient and economic distribution, and to discourage disposition to speculators; to collaborate with Smaller War Plants Corporation; and to employ other appropriate means to give effect to this subsection.

Mr. WRIGHT. May I thank the gentleman, and I appreciate the explanation made by him and also by the gentleman from Mississippi. Of course, I agree with the gentleman that the evil against which I am talking would be against the purposes of the bill. I feel that it could be made a little bit more specific, but even if the bill is adopted in its present form, the discussion we have had will show the world the general purposes and the policies of the committee in drafting the bill. I thank the gentleman.

Mr. GOSSETT. I appreciate the gentleman's remarks.

Mr. HOLIFIELD. Will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from California.

Mr. HOLIFIELD. I would like to comment on that subsection (e) on page 33. It seems to me that it might be more specific. I am thinking of the disposal of quantities of all types of canned goods and even farm and automotive machinery. If those surplus properties are disposed of in large lots, while it might be considered that they are offered on equal terms with large competitors, the very fact they are in large lots would prohibit the individual from buying a tractor, we will say, where they might be sold in lots of 10. The general language I know intends to circumvent that. Would it not be possible to write into it some language that would provide that where prices were set on large lots of material or equipment, priority shall be given individual purchasers on the unit price until they had exhausted their needs on a unit basis?

Mr. GOSSETT. I may point out to the gentleman in subsection (e) it is stated:

To utilize commercial channels of distribution to the extent consistent with efficient and economic distribution.

I may say that I am concerned about that myself because I know the farmers want all the available trucks and tractors and they need them badly. I am not giving the gentleman this as my view. The surplus administrator contends that if you permitted the individual farmers to go to the Procurement Division of the Treasury and buy a tractor or a truck, it would put the Government in the retail business in competition with private enterprise and it would impose upon them an impossible administrative task. He assures us that the small dealers will be given the right to buy in small lots, possibly one or two at a time, if they so wish, and that if a group of trucks is to be disposed of in your State or area, all the dealers in your State or area will be given notice. If they want the larger quantity broken down into smaller quantities that will be done to accommodate them. When you get to trying to figure out a fair rule to cover all situations you cannot write it into a bill. You have to write general policies, and leave much to administrative discretion.

Mr. WHITTINGTON. In connection with that, may I call attention to section 10, subparagraph (c) which reads as follows:

(c) The Administrator, by regulations, shall prescribe such policies governing prices and other terms and conditions of dispositions under the authority of subsections (a) and (b) of this section, as he deems necessary to effectuate the objectives and policies of this act.

Mr. CURTIS. Will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Nebraska.

Mr. CURTIS. The gentleman has spent a great deal of time on this bill. I have read the bill through myself and I would like to ask him this question: Suppose the bill becomes law substantially as it is printed now, and an individual makes inquiry that he wants to buy a jeep, for example. Can we with assurance tell him that the place to buy jeeps will be through the established automotive truck dealers and that he better get his order in there?

Mr. GOSSETT. No; I would not be willing to give the gentleman any advice on what he should tell his constituents. I have about 15 applications myself.

Mr. CURTIS. What would the gentleman tell his constituents?

Mr. GOSSETT. I would refer them at this time to the Procurement Division of the Treasury.

Mr. CURTIS. I mean under this bill. I want to know what the procedure is going to be under this law.

Mr. GOSSETT. I understand the policy is to handle those through existing trade channels and I would suggest he see his nearest automobile dealer.

Mr. CURTIS. That is the intent of the Congress, as far as this committee is concerned?

Mr. GOSSETT. I do not know.

Mr. CURTIS. The gentleman is a member of the committee.

Mr. GOSSETT. I am a member of the committee, yes; but I am not saying this bill expresses my own views on all of these problems.

Mr. CURTIS. But it is the intent of the committee that a system of that kind be followed?

Mr. GOSSETT. Yes; as expressed in this bill.

Mr. WHITTINGTON. The gentleman will understand that if you undertake to put some other regulations in here, it might operate in favor of the established agencies and might prevent the Government from getting the price that it ought to obtain; so that under all the necessities of the case you have to give the Administrator some discretion if he is going to effectuate the policies of this bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANASCO. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. RIZLEY. Will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. The gentleman from Texas may have covered this particular matter I have in mind. I did not hear his full statement. In my district they have established two prison camps by which the War Department took the best agricultural land in the district in establishing those camps. One of these farms consists of about a section and a half of land that the farmer had been about 25 years modernizing and getting his farm where he wanted it. They came in, condemned the land and took it away from him. The Government has spent hundreds of thousands of dollars on those prison camps. Some of the buildings are of a permanent nature. Others, of course, are not of a permanent character.

First, will the farmer who they dispossessed of the land through court proceedings be given a preference and right to repurchase that land?

Mr. GOSSETT. He will if that land is held to be agricultural land. He might if it were held otherwise. I assume that the Administrator will work out some way to deal with all situations.

Mr. RIZLEY. Assuming it is held to be agricultural land, what adjustment will be made about all these various and sundry permanent buildings that they have put on the land constructed of concrete and otherwise? The farmer, perhaps, could not go in and buy this land back at anything like the value it has now with all of these permanent improvements the Government has put on it.

Mr. GOSSETT. If it is declared to be surplus agricultural land, then those permanent improvements that might have been added will have to be appraised and added to the purchase price of the land.

Mr. RIZLEY. That is the point I am trying to make. As far as the land being in that category is concerned, there is no question about the land being agricultural. The land has never been used for anything else and cannot be used for anything else. The land is situated right out in the middle of the biggest wheat-producing section of the United States. But the Government has so enhanced the value of these properties that the farmers can never come in and purchase the land back again.

Mr. GOSSETT. The entire place is not covered with those buildings, is it?

Mr. RIZLEY. No. They might segregate part of it, of course.

Mr. GOSSETT. I assume that matter could be worked out administratively. Certainly your constituent is in a better position with the proposed language written in the bill than he would be if it were never written in the bill. This does not require the Government to put the land back in status quo.

Mr. PACE. Will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Georgia.

Mr. PACE. The surplus property administrator a few days ago issued regulations on the resale of surplus real estate, in which most of the items now being discussed are covered.

Mr. GOSSETT. Not surplus real estate. Surplus farm land.

Mr. PACE. That is right. Most of the items here discussed have been fully gone into in those regulations. It should be distinctly understood that the previous owner has a preference only when the terms are exactly even. If the gentleman from Oklahoma and I should make an identical bid, if he has been the previous owner he will get the preference.

Mr. GOSSETT. The gentleman is entirely in error.

Mr. PACE. That is the way the regulation reads.

Mr. GOSSETT. That is not the way this amendment is written into the bill.

Mr. PACE. I was wondering if the gentleman from Texas would not include in his extension of remarks today a copy of those regulations, in order that the House may clearly see what the attitude of the administrator is on this question

as the regulations have already been drawn?

Mr. GOSSETT. The regulations, I might say to the gentleman from Georgia, are reproduced in the hearings.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield at that point?

Mr. GOSSETT. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. The gentleman, I think, is stating the matter correctly with reference to the regulations, but the gentleman from Texas has pointed out that the proposed amendments to this bill as reported would change those regulations.

Mr. PACE. In what respect?

Mr. WHITTINGTON. In giving the owner the entire right to acquire the property, at not to exceed the price the Government paid for it.

Mr. GOSSETT. At a price not exceeding that paid by the Government.

Mr. PACE. Is that in this bill?

Mr. GOSSETT. That is in the bill.

Mr. PACE. Where is the language?

Mr. GOSSETT. It is in the amendment I explained to the House will be offered.

Mr. PACE. It is not in the bill, then?

Mr. GOSSETT. Yes; it is in the bill. In subsection (g) of section 15, on page 39, we have written it into the mandatory provisions of the bill; but, as a matter of compromise, have agreed to write it into the policy section of the bill rather than the mandatory section of the bill.

Mr. PACE. Exactly what does the committee mean when setting up the policy of the Congress and it declares two things? One of the policies and purposes of this legislation as declared in the opening page is to promote the agricultural resources of the country. What are you talking about there?

Mr. GOSSETT. I did not write that language and was not present when the bill was drawn. The gentleman's idea of what that means is probably just as good as mine.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MANASCO. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. PACE. On page 33 you declare further the policy is to afford the veterans an opportunity to establish themselves as proprietors of agricultural enterprises. What are you talking about there?

Mr. GOSSETT. May I say that I did not draw this bill and I did not write that language, but I can give my idea of what it means. If the former owner——

Mr. PACE. No; this is the veteran now.

Mr. GOSSETT. If the former owner of this tract of land does not want it or refuses to accept it, then the next man in line of priority is the veteran, if he wants to buy this farm, and it would be the duty of the administrator to facilitate the veteran's purchase of the farm. As I understand the work in that office, they are formulating some regulation under which that would be possible.

Mr. PACE. You confine that to the farm. How about the tractor, the jeep, and the truck?

Mr. GOSSETT. The veteran should be given preference there.

Mr. PACE. Then it is purely a matter of preference?

Mr. GOSSETT. It is a matter of administration.

Mr. PACE. Is that going to meet with the inquiry of the gentleman from Oklahoma as to the former owner, where the veteran and the former owner might both want to purchase?

Mr. GOSSETT. The former owner has the preference insofar as agricultural lands go.

Mr. PACE. And the gentleman is committed to that as the intent?

Mr. GOSSETT. Yes. I think the former owner ought to have the right to get his property back subject of course to the conditions heretofore stated.

Mr. WHITTINGTON. In that connection, the word "opportunity" is used with respect to the veteran and the word "preference" with the respect to the former owner?

Mr. GOSSETT. That is correct.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from North Carolina.

Mr. FOLGER. I have had experience in this sort of thing. In regard to one of the war camps located in one county they promised, as far as they could, that they would reconvey these tracts of land to the people from whom they were taken. They expect some time to get them back at the price that they either received by conveyance or through condemnation. But have you not gone a long ways and almost destroyed that assurance by taking this language out of the mandatory provisions of this bill and simply setting it out as a hope or wish or a policy to be followed?

Mr. GOSSETT. I hope not.

Mr. FOLGER. Is that not the effect of it?

Mr. GOSSETT. I prefer to have these mandatory provisions in the bill. I agreed to go along on the matter just by way of compromise, and in order to be sure of some protection in the bill for a proper disposal of these agricultural lands.

Mr. FOLGER. The committee wants that amendment to appear in the policy and objectives section of the bill?

Mr. GOSSETT. That is right.

Mr. FOLGER. But as it appears now, in disposing of surplus agricultural land in the United States the former owners shall be given preference mandatorily.

Mr. GOSSETT. That is right.

Mr. FOLGER. Is there anything wrong with that?

Mr. GOSSETT. I do not see anything wrong with that; not a thing, and I prefer it as now written. Its present form is my amendment.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from California.

Mr. HOLIFIELD. I would like to ask the gentleman from Texas about his proposed amendment. Looking at page 39, line 5, I find this language, "except where the value of such tract has been increased by the Government." This applies directly to the question of the gentleman from Oklahoma [Mr. RIZLEY].

Mr. GOSSETT. Yes.

Mr. HOLIFIELD. Did the gentleman leave that particular clause out of his new amendment?

Mr. GOSSETT. The gentleman will find that matter taken care of in the suggested amendment.

Mr. HOLIFIELD. It was put right back in?

Mr. GOSSETT. Yes.

Mr. WHITTINGTON. With respect to the question asked by the gentleman from North Carolina in reference to subparagraph (g) on page 39, it might be well to keep in mind that numerous bills have been introduced to effectuate that purpose. There have been reports from time to time signed by the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior and other agencies of the Government, the net result of which asserted—and that was stated also by the administrator—that such a provision as this subsection (g) here would be difficult of administration and might prevent the disposal of all surplus lands, and would certainly delay it, to the detriment of the Government. For instance, there are about 70,000 tracts. There might be several hundred parcels at Willow Run, and you could not dispose of that plant unless you obtained, first, the consent of the man that had a quarter of an acre of land or a lot there, and it was for that purpose that the amendment was suggested by the committee.

Mr. GOSSETT. I thank the gentleman.

Mr. HALE. Mr. Chairman, I yield 15 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I have been thinking the matter over and I came to the conclusion that someone ought to indicate about what will be involved in this situation of disposing of this surplus property. Any property that the Government has and does not want is surplus Government property. At the conclusion of this war, according to the best estimate that I can read on the subject, there will be $60,000,000,000 of investment in this property. Of this sixty billion, three-quarters of it, or forty-five billion, will be retained by the Army in our national defense. That leaves fifteen billion. Of this fifteen billion, $9,000,000,000 of that property is in Europe, leaving six billion for us to handle here at home.

Just what does it consist of? What will they sell to you? First, they will sell raw materials that the Government does not need and does not want: Aluminum, copper, steel, zinc, rope, lumber, and so forth; second, motor vehicles, trucks, and jeeps; third, clothing, footwear, blankets, bedding, utensils, and so forth; fourth, obsolete combat equipment. That is what they are going to sell, and there will be about $3,000,000,000 worth involved. I notice here this afternoon

some of us are apprehensive that this property will not be disposed of in a fair way; that there is no earmark of fairness that can be established.

I call your attention to page 32 of the bill, where section 11 provides:

In formulating regulations to govern the care and handling and disposition of surplus property under this act, the administrator shall be guided by the objectives stated in section 1 of this act, and shall give effect to the following policies to the extent feasible, and in the public interest.

He is guided by two rules of action, first in the preamble and second in the specific manner. On page 33 we have that specific manner, as far as we are concerned, about small business, which you are anxious to know about:

To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors—

You could not get anything more fair than that. If a small dealer in my county wants to buy 4 tractors, under the terms of this bill and under the terms under which these regulations shall be written, he will be entitled to buy 4 tractors at the same rate as one who might buy 100—

to provide as far as practicable for uniform and wide public notice concerning surplus property available for disposition—

And further—

to discourage disposition to speculators.

Those rules and regulations must be written under the terms of those provisions, first in section 1 of the bill and then in section 11.

This is the point that impresses me. On page 34 it states:

To prevent insofar as possible unusual and excessive profits being made out of surplus property.

This means first in the sale to the dealer, and second, that after the dealer gets possession of it he is guided by the same principle.

I think this committee has gone about as far as it can in writing specific measures to handle the entire situation. It seems to me it has riveted it down so that anyone could appear where a sale was made where it was apparent on the face of it that the profit was unconscionable and unreasonable, and I do not think they would have a leg to stand on under the terms of this bill.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from California.

Mr. HOLIFIELD. I wish to compliment the gentleman and the rest of the committee on this bill There is one thing, however, that I should like to hear discussed by someone who is competent along that line, and that is the decision to appoint an administrator rather than a five-, seven-, or nine-man board, which might have as part of its representation members from heavy industry, from merchandising, and possibly to represent the consumer's interest, to set up these policy regulations. Would the gentleman care to discuss why an administrator was chosen rather than a board?

Mr. BURDICK. I think where you have too much scattered responsibility you have none at all. I want that responsibility put right where we can handle it, and under the terms of this bill that responsibility is fixed.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I congratulate the gentleman on his thoughtful, careful, and constructive statement. May I say that in the handling of this surplus property there are many items that are urgently needed by the public, because there is a scarcity, as he so well points out. The aggregate of disposals in retail sales in the United States is around $4,000,000,000 per month, and we will provide approximately $6,000,000,000. That might be kept in mind when we manifest our apprehension, keeping in mind that this bill will not disrupt our economy but provide for objectives that are sorely needed by many of our people now.

Mr. BURDICK. That takes the place of less than 2 months' production.

Mr. WHITTINGTON. Absolutely.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from California.

Mr. IZAC. Does the gentleman recognize in the bill at any point any statement to the effect that we shall distribute these surplus commodities by small units rather than large?

Mr. BURDICK. No; all it says is:

To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors.

Mr. IZAC. However, there is nothing to prevent a great accumulation of surpluses being disposed of to one corporation?

Mr. BURDICK. I yield to the gentleman from Mississippi to answer that question.

Mr. WHITTINGTON. In the first place, there are very stringent prohibitions against monopoly and the prevention of competition, and, second, the objective as to use, as stated by the gentleman in his original statement, is to foster wide distribution of surplus property.

Mr. BURDICK. Further answering the gentleman from California, I think there is some merit in what he questions. The fact that the bill lays down the formula that property shall be sold on equal terms with larger competitors would not have much effect if you did not have the money to go through with it.

Mr. IZAC. That is correct. Furthermore, we had the experience in the First World War that that is exactly what happened. We had JF-4's turned back to the Curtis Co. for $450 apiece, and that company then sold them to the aviators who came back for $4,600 apiece.

Mr. BURDICK. I think this bill prevents that.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from California.

Mr. VOORHIS of California. I hope the gentleman is correct. It does not seem to me that the bill is strong enough on the point just raised by my friend from California, and I propose to offer an amendment which will state that the administrator shall dispose of property in the smallest practicable lots, which seems to me to be an understandable and possible thing to do. I cannot see why it will not protect against the situation the gentleman has in mind.

Mr. IZAC. If the gentleman will yield further, I have this further suggestion. The Committee on Naval Affairs sat for about 2 months on this very subject, and we were unable to find a way to prevent excessive profits. We did discuss this feature which I should like to offer as an amendment, although I admit that it is full of loopholes. I should like to see a limitation on the mark-up from the original price placed on the further disposal of all materials obtained under this bill, for instance, a mark-up limitation of 40 percent. If you will do that, you will keep the speculators from getting any of this material.

Mr. BURDICK. I will confess in discussing this bill that I must agree with both gentlemen from California, because I have the same thing in mind.

Mr. WHITTINGTON. If the gentleman will yield further, in carrying out that policy we will be running up against the continuation of Price Administration regimentation and control long after it is needed, if it is invoked.

Mr. HOLIFIELD. May I make this further comment: I was in the merchandising business after the last war and found it was impossible to go into the market and bid on lots of shoes, say, because some man had bought five carloads of shoes at 14 cents a pair and the little man could not step in and bid. Unless there is some provision made in this bill that in the regulations written by the administrator there is a provision that once a price has been placed on a certain article individual purchasers or small-lot purchasers are given the first chance at it, I doubt very much if you will prevent the concentration of this material in the hands of the big dealers.

Mr. BURDICK. We have heard very much in this Congress about the protection of small business. It seems to me we can carry out the general purpose of this bill and vote for it and still insert in the bill those provisions that will actually help small business. Here is a chance to do it.

I compliment both gentlemen from California on making that suggestion. I think the committee sees the point. This is a place where you can absolutely give small business an equal chance, that is needed, and up to date they have not had it.

Mr. HALE. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Chairman, the only reason I am taking some time now is because there is no one else who has asked for time at this moment. I understand the reason for that is that Members on our side have amendments they would like to offer to this bill and they

are waiting for the time when amendments are to be offered in order to address the House on their amendments. This bill, of course, creates a czar to handle the disposition of surplus commodities. It has been estimated that from $40,000,000,000 to $125,000,000,000 worth of properties will be disposed of by this czar.

Mr. ROLPH. The gentleman speaks about the total amount of property that is to be disposed of under this bill. Does the gentleman know if any inventory has been made? Does the gentleman know if any accurate inventory has ever been made of merchandise that will be handled under this legislation?

Mr. BENDER. Frankly, there have been estimates made by those who are in a position to know, estimates as to the amount, and you will find that contained in the hearings.

Mr. ROLPH. Is there an inventory?

Mr. BENDER. There is not exactly an inventory, but there are estimates made by the gentleman who has been suggested as the possible administrator under this bill. Mr. Clayton, as well as Mr. Folsom, treasurer of the Eastman Kodak Co., who has been studying this problem, as well as another gentleman who has written a book recently and who has given us some figures. But they are all guessing, more or less, as to the total surplus there will be, because no one knows how long the war will last and no one knows when property will become surplus. We have gone along in this war, and this Congress has been very generous in voting money for all the departments engaged in the war effort and has voted limitless sums of money to both the War and Navy Departments and all the other departments in the name of the war effort. I am sure this money, in some instances, has not been well spent. I know in Cleveland, for example, we have a branch of the Navy, an accounts department, and I know that in that accounts department they could get along with about half the personnel. I have that information from people who are competent to judge. However, with the war on there is not a Member of Congress who is willing to get up here and criticize because we are anxious to vote every cent to speed the winning of the war.

But here we have something else. Here is something that deals with the property of the United States Government, of the taxpayers, after the war. Many Members on both sides of the aisle today and last week have questioned this proposal. Well, all I can say to them is this: I am willing and anxious to vote for the best plan, and if you have a proposal better than this one, in the name of good government, get up here and offer it. We are here, even as members of this committee, with open minds. During the hearings on this bill there has been very little debate. There has not been enough advice and counsel offered by the citizens to the Congress. There has not been enough contributed in the way of expert advice on this issue. This measure involves approximately $75,000,000,000. You can appreciate how our whole economy will be affected if $75,000,000,000 worth of material, or even one-fourth of that, is thrown on the market and upsets the apple cart as far as our whole economy is concerned. The question has been raised as to who will administer this law. I do not know. It has been mentioned here that Mr. Clayton will be the administrator, and high tribute has been paid to him. I have heard, on the other hand, that Maury Maverick, whom I do not know personally, might be the administrator. I cannot say anything regarding him. I have heard that Harry Hopkins might be the administrator. I have even heard that Vice President WALLACE might be the administrator and might have to do with the disposal of the property. I question the wisdom of voting to give that man a 2-year tenure in office at this time, especially since we are going into a national election and when the prospects are very good that our national administration will change next January.

Possibly the Congress can suggest some alternate plan: After all, I know that on the floor of Congress we voted on and discussed issues regarding the O. P. A. Only this morning I had a long-distance call from a man who sold a refrigerator to a friend. He sold only one refrigerator to his friend and he was fined $542. I am sure, as a Member of Congress, I never intended that the O. P. A. should have the power to make such an assessment against an individual in the sale of one refrigerator. Here we have millions of jeeps and millions of acres of land and thousands of ships. We have everything from soup to nuts to sell under this bill and we are giving the authority to one man. I am anxious to vote for a bill and if there is no better way out I will vote for this one. However, if you have any question in your mind regarding this proposition you should raise that question even if we work here for 4 or 5 days. We will not lose anything. We will all profit if you offer constructive amendments to this measure, and if you offer the benefit of your advice and your experience at this time regarding this legislation.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from California.

Mr. VOORHIS of California. I am much obliged to the gentleman, because I agree with him. While I think the committee did a very conscientious job, I do believe we can be more specific in a number of instances in this matter and I am hoping to have the time in just a few minutes to discuss some of those things.

Mr. BENDER. I thank the gentleman.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. MICHENER. I agree with what the gentleman has said. I want to call to his attention and to the attention of the House this fact, that 2 days' general discussion has been provided for speeches just like the one the gentleman has made. Then there is no limit on the time that will be given in the House, under the 5-minute rule, to offer every amendment that any Member of the House feels should be considered, and there will be a vote on that. So that here is an opportunity for full and free expression of the House to write its own legislation and work its own will in reference to the property here covered.

Mr. BENDER. I thank the gentleman from Michigan [Mr. MICHENER] who is a member of the Rules Committee. I appreciate the fact that he had that in mind when this rule was presented.

Now, there is some excuse for some of the appropriation bills for the Army and the Navy going through here like a cat goes through a dog show, but there is absolutely no excuse for this bill dealing in seventy-five to one hundred billion dollars worth of commodities and effecting the economy of the United States as this bill affects our economy, getting the bum's rush. Now it is something to which all of us should give the best we have in the way of experience—experience in our home communities. For example, the gentleman from Pennsylvania [Mr. WALTER] appeared before the committee this morning in connection with a problem affecting his district. He was discussing pipe lines. He said there was only one customer for this pipe line and that was I believe, some gas company, and if that gas company got control of that pipe line, the whole anthracite industry in the State of Pennsylvania will be affected and thousands of men will be unemployed as the result of the sale of that equipment to that one customer or to that one prospective buyer who is in the market to make that purchase. In my opinion that is something that ought to receive the serious consideration of this House and we ought to take time to discuss it and discuss it fully and freely.

I receive a great deal of mail. In fact, I was told by the postmaster that I receive more mail than any other Member of the House, but I am sorry to say I have received only a handful of letters from my constituents and your constituents regarding this proposition. It may be that most of them do not know it is here. Maybe they are thinking about the war and not thinking about post-war problems and the disposal of this property. But we are here specifically today and this week to consider and to discuss this measure. Do not be hurried. Take your time. I hope that all of us will give this matter the serious and careful consideration it deserves.

Even though I voted to report this bill out, even though I feel that our committee endeavored to do the best job possible, I still feel there is room for improvement. I hope that everyone of you will make your contribution and if you have any question in your mind whatsoever regarding any provision of this bill you will state it here on the floor.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. BENDER. I yield.

Mr. WHITTINGTON. With respect to the disposal of the pipe line, as disclosed by the hearings, is it not true that the committee reporting this bill undertook

to get all the information it could with respect to any restrictions or any language that the committee could use in the disposal of that sort of property or any other plant that the Government might have operated during the war?

Mr. BENDER. The gentleman is correct regarding that particular pipe line, but the gentleman from Pennsylvania [Mr. WALTER] came in at the eleventh hour, when we were ready to adjourn. He came in at a time when we were ready to report the bill out. Fortunately for him, his amendment was adopted as a part of the committee report. I believe I am correct in that.. I am pleased that the gentleman was there and represented his constituency as well as he did. Even though the gentleman was on the committee that presented the bill to us before, the gentleman afterward considered this proposition that vitally affected his district, which indicates to me that there must be many, many other similar items.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. BENDER] has expired.

Mr. HALE. I yield the gentleman 5 additional minutes.

Mr. BENDER. There must be many other items that deserve the same kind of consideration that the gentleman's amendment received?

Mr. WALTER. Will the gentleman yield?

Mr. BENDER. I yield.

Mr. WALTER. I would like to call the gentleman's attention to the fact that I did not learn there was somebody interested in this pipe line, insofar as it could be used in competition with the great anthracite industry, until I read a speech recently delivered by one of the vice presidents of the Standard Oil Co. of Ohio. That speech indicated the use to which this pipe line could be put. I learned thereafter that there is only one company in the Nation that could possibly undertake the use of this facility, and that is one of the Standard Oil companies.

Mr. CHURCH. Will the gentleman yield for a correction?

Mr. BENDER. I yield.

Mr. CHURCH. The report does not include the gentleman's suggested amendment. As a matter of fact, it was adopted by the committee today. The report was filed yesterday.

Mr. BENDER. I commend the gentleman for offering his amendment, irrespective of whether it is Company A or Company Z. Irrespective of who is affected, the fact that there is such a condition ought to be carefully considered by the Congress.

When you vote power to some of these bureaucrats, believe me they will use every ounce of power you give them. It is not a matter of a lot of pious phrases as one gentleman this morning referred to much of the language in the bill. He said: "There are a lot of pious phrases." That is where the gentleman from Massachusetts [Mr. GIFFORD] got that word "pious." He heard it this morning in committee. The thing is loaded with pious phrases that do not mean a thing. Just words. Now, it is up to you and up to me to find out where the pious phrases are, and separate the wheat from the chaff, and actually determine what the meat in the cocoanut is, and then act accordingly. But I know if you give some of these people power they will use every ounce of it. In fact I have known in recent years of these bureaucrats going back as far as the Civil War to get more power and authority, and if these same minds are in the driver's seat, God help the people of America.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. ZIMMERMAN. Did I understand the gentleman to say that this bill was loaded with pious words and meaningless phrases, and yet I understood the gentleman to say a while ago that he voted to report this bill out?

Mr. BENDER. I voted to report out all the pious words. Frankly I voted for this bill because I wanted the bill to come to the floor of this House. I felt it was the best thing we had to give in the absence of anything else. At the same time I wanted to give an opportunity to the membership to present amendments. I expect to be here and listen to every amendment and to vote even as a member of the committee which reported this bill out, for desirable amendments. The word "pious" is not my own. That is in quotation marks.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. HALE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. ZIMMERMAN. Will the gentleman yield further?

Mr. BENDER. I yield.

Mr. ZIMMERMAN. May I say I am a member of the so-called Post-war Economic Policy Committee which was called back here to sit with your committee to consider this bill. After laborious effort I arrived here on last Monday and I sat with the committee until it concluded hearings. I understood the committee had heard all the witnesses they desired to hear, and that the committee was ready to consider this bill. If this bill is in a terrible shape as the gentleman has indicated, I just cannot understand how it got to the floor of this House and why that committee did not write a sane bill without pious words and meaningless phrases, and then bring it to the floor of the House to be written on the floor, a think we all know cannot be done.

Mr. BENDER. I did not say this was a terrible bill, but I do not want this to be a terrible bill; I want this to be a good bill.

Mr. ZIMMERMAN. What does the gentleman call it?

Mr. BENDER. Just a moment. There is the question as to who is to administer this law. Three or four names have been advanced. If there is a question as to the power this individual is vested with it should be raised and discussed now. I repeat again, we now have this matter before us; let us use this opportunity to act wisely and intelligently. Perhaps the legislation is drawn in the best possible language. I hope so. If we pass this bill as it is I hope it is right because I helped bring it to the floor by voting for it. But before I finally vote on the bill I want to be certain of what I am doing. I do not pretend to know all the answers. I do not know very many of the answers. There are men here with all kinds of experience in other fields than mine. Let them give us the benefit of their advice and their experience. At the hearings we held last week unfortunately only half a dozen people appeared before the committee. I attended some of the hearings; some I did not, but I read every word of the hearings and there were not over half a dozen expert witnesses who appeared before the committee.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield further?

Mr. BENDER. I yield.

Mr. ZIMMERMAN. The gentleman has talked about the possible administrator of this bill. It seems to me we are confronted with the same situation in this bill that we were when we brought before the House and passed the war-contracts-termination bill which is now the law. We all know somebody has to be clothed with authority to do this big job and to do this big job in a speedy, efficient way; that is just what this bill seeks to do.

I warn you that if you go to limiting the power and authority of the man who is to do this job you are going to thwart the very purposes of this legislation which we are told is so badly needed or will be when this unfortunate war ends. I want to sound the warning at this time that if we follow some of the gentleman's suggestions I am afraid we shall wreck the bill that was drawn to do the job.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. BENDER. Yes; I yield, but I want to reply to the gentleman from Missouri.

Mr. WHITTINGTON. I have no desire to cut the gentleman off from answering, and I am sure I could not if I would. With respect to the hearings, is it not true that the Committee on Expenditures, of which the gentleman himself is a member, gave consideration to the matter of surplus property for weeks and for months, having begun consideration of the subject in February 1943, and finally reporting a bill here that was passed by the House on June 9 and that those hearings are available? Is it not true that we had before us in executive, as well as open session, whose testimony in open session is published in the hearings, representatives from the various agencies of the Government? Is it not also true that, in addition to the hearings conducted by the Committee on Expenditures, the hearings conducted before the Committee on Public Buildings and Lands, the Committee on Small Business, the Committee on Banking and Currency of the House, and in addition to that, the hearings conducted before the Military Affairs Committee in the Senate, and other committees, all having to do with the question of surplus property, were available to members of this committee and are available to Members of the House?

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HALE. Mr. Chairman, I yield the gentleman from Ohio 10 additional minutes.

Mr. BENDER. Answering the question regarding the Committee on Expenditures in the Executive Departments, dealing with surplus commodities last year, that bill is as dead as a dodo bird; it is in the ashcan. Is that not true?

Mr. WHITTINGTON. But the fact is that we considered the subject matter of surplus property extensively and comprehensively for months last year.

Mr. BENDER. We did discuss and consider surplus commodities, but we did not discuss and consider all the issues involved, and not one of us had in mind the tremendous sums that are now before us as surplus. We, however, passed a bill; but I ask the gentleman to compare that bill with this one and he will see that the phraseology is as different as night is from day, that the whole plan and program is different than that which we acted on before. Is not that true?

Mr. WHITTINGTON. The purpose of my question, of course, was to emphasize the fact that this bill was not hastily considered but that the subject matter, especially the subject matter of surplus property, had been considered off and on for 18 or 20 months and by many other committees of the Congress, and that their hearings were available to the members of our committee as well as to the Members of Congress when we reported this bill.

Mr. BENDER. I do not know why some of the Members are so touchy about openly and freely considering this question. That is what I am apprehensive about. I am concerned that we make as few mistakes as possible. I am sure the gentleman is a conscientious Member of the committee. I have great respect for the gentleman, I have great respect for his ability, I have great respect for his contribution to the hearings; but the gentleman is aware of the fact that we have at times passed legislation quickly, that at the last moment amendments are offered that even the gentleman with all his experience never thought about.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. WHITTINGTON. I had in mind the gentleman's initial statement. He said he was trying to consume time and I merely wanted to help him.

Mr. BENDER. No one consumes more time in the House on all occasions than does the gentleman from Mississippi. I think I have spoken on this floor only a few times in the last 2 or 3 years.

Mr. WHITTINGTON. I was just trying to help the gentleman.

Mr. BENDER. I do not propose to be censured by the gentleman from Mississippi who speaks longer and louder on every subject than most Members.

Most of my experience in business was that of a department-store executive. I know how easy it is to get surplus property on your shelves; I know how easy it is to lose money in the mercantile business if you are not on your toes. The gentleman back there is in the same kind of business and I notice that he nods his head. He understands what I am trying to say here. When you have $75,000,000,000 worth of surplus property, it behooves all of us to watch our step.

Mr. HILL. Will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Colorado.

Mr. HILL. Since the gentleman referred to me, I would like to ask him a question to clear my own mind. How are you going to put a man in charge of the sale of surplus property, a single man, then in section 7 by five short sentences turn over the sale of surplus property to individuals, or I may say divisions of the Federal Government and all this man has to do is be subject to the regulations of the administrator with respect to price regulation? Here is what I would like to know. Price regulation has nothing to do with sale regulation. There is all the difference in the world. All the price administrator has to do with any of this property listed on page 29 is through price regulation. Price regulation does not mean a snap of your finger if you do not add sale regulations. I want to know who is going to sell it, how he is going to sell it, how you are going to dispose of it? I heard a story when I was home in regard to the sale of blankets. No one could bid on them unless he could bid on 500,000.

Mr. BENDER. I originally asked for 15 minutes and I consumed part of that time when questions were asked. If I tried to answer the gentleman's question I would require an hour's time to discuss that one point alone.

Mr. CRAWFORD. Will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Do I now understand that all employees employed by the administrator will be subject to civil-service rules, regulations, and standards?

Mr. CHURCH. The regular employees, but not the specialists.

Mr. CRAWFORD. Oh, well, now, that is different.

Mr. CHURCH. It is just like any other branch or any other agency. The stenographers, clerks, and so forth, are under the civil service. The bill was corrected in that respect. The specialists are not under civil service.

Mr. CRAWFORD. I would like to make one further statement.

Mr. CHURCH. The regular employees will be under the civil service.

Mr. CRAWFORD. We are entering into what I understand will be the greatest merchandising job ever created for one single organization. Now, merchandising is a rather special field, and I am talking about merchandising now. You go out and merchandise a proposition. What percentage of the total of these employees will be specialists?

Mr. CHURCH. Would the gentleman want those specialist merchandisers to be under the civil service?

Mr. CRAWFORD. No.

Mr. CHURCH. Then this bill takes care of the gentleman's suggestion.

Mr. CRAWFORD. I want to have the RECORD show whether or not these employees are subject to civil service and if they are not subject to civil service let us have the RECORD show that fact. If they are subject to civil service, or only a part of them, what is the percentage; and if the others are exempt, what percentage? That is the type of information the country wants.

Mr. CHURCH. Would not the gentleman be willing to leave it to the administrator to determine the number of specialists he needs and have the regular stenographers, clerks, and so forth, as usual in the departments, under the civil service?

Mr. CRAWFORD. Undoubtedly to be practical that is the way you will have to do it.

Mr. MANASCO. If the gentleman will yield, in answer to the question asked by the gentleman from Michigan [Mr. CRAWFORD], the surplus property administrator himself does not dispose of the property directly. That is being done by the different operating agencies. The employees of those operating agencies are all under the civil service now.

Mr. HILL. I do not like the gentleman to pass my question with a brush on the shoulder because I am talking about a fundamental here. I am talking about the sale of goods and the price of goods. I could not bid on 500,000 blankets if I were a small businessman but I might be able to bid on a hundred blankets.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HALE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HILL. This is a price arrangement. I want a sales plan worked out. You will notice on page 29 these words:

> Any property which is damaged or worn beyond economical repair.

That is not pious language so far as I am concerned. A piece of equipment might be worn beyond economical repair for something I wish to use it for but it would be the very identical piece of equipment in that shape for someone else to use. How are you going to interpret such loose language?

Then there is the next line:

> Any waste, salvage, scrap, or other similar items.

Every one of those items can be sold by the organization or department that has them and all the administrator has to say is: "Go ahead if the price is right," not the sale. I object to that kind of language and I say to you as a businessman that phrase means nothing.

Mr. MANASCO. Will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Alabama.

Mr. MANASCO. That is the section that provides "any waste, salvage, scrap, or other similar items." We found if you tried to limit the construction of that, there might be so much slop or garbage

on hand at an Army camp that would be very bad for the health of the Army camp and they could not dispose of it. We had to provide that way. Now, refer to page 32, subsection (c) of section 10, which reads:

The administrator, by regulation, shall prescribe such policies governing prices and other terms and conditions of dispositions under the authority of subsections (a) and (b) of this section, as he deems necessary to effectuate the objectives and policies of this act.

I think that would take care of the price situation and it would also take care of the problem of the small businessman in purchasing in smaller lots.

Mr. BENDER. The gentleman from California [Mr. POULSON], a member of the committee, has an amendment creating an advisory council, that he expects to offer when amendments are in order. It will be noted in the bill itself that an advisory council is created to be made up of the cabinet members of the administration then in power. It will be noted also that the Congress is to be the watchdog, a quarterly report to be made by the administrator to the Congress, giving an account of his stewardship.

Mr. WHITTINGTON. Without pretending to be facetious and in all seriousness, if the gentleman will permit, this section 7 was discussed by the committee and rather carefully analyzed. It is essential to enable an Army camp to dispose of garbage, for instance, that has to be disposed of immediately. That should not be handled by the administrator. That should be handled by the camp. Section 3, for example, we were advised, is essential; otherwise the administrator might have the authority to dispose of the power at Muscle Shoals. That is the purpose for which Muscle Shoals exists. This language here with respect to property that is damaged or worn beyond economical repair perhaps could be improved upon, and if it can be improved upon, I would like to have the language. I have a high regard for the gentleman from Colorado and for his views, and may I say to him that language is not original to this bill. It undertakes to except property that had no value; it undertakes to except property that has to be disposed of at once and it undertakes to except property that is within the functions of the agency, as the language is used in the particular section.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HALE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HILL. The language I am objecting to is not in sections 1, 2, 3, and 4. I object to the word "price" in the second line. It reads:

Subject only to the regulations of the administrator with respect to price policy.

I object to that because it is absolutely wrong. If you are just going to give him price policies on the sale of those products, you have no regulatory control over the administrator in the sale of them. If the price is O. K., that is all there is to it, but that is not the way we want to dispose of them.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Let us refer to page 32, section 11:

SEC. 11. In formulating regulations to govern the care and handling and disposition of surplus property under this act, the Administrator shall be guided by the objectives stated in section 1 of this act, and shall give effect to the following policies to the extent feasible, and in the public interest:

This is the question I wish to ask the chairman of the committee. Going on over to page 33, if the chairman of the committee will listen to me, lines 13 to 24, inclusive, what is there in section 11, page 32, lines 19 to 23, which makes it mandatory that the administrator shall give smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors?

Mr. MANASCO. There is nothing mandatory.

Mr. CRAWFORD. In other words, this bill does not put the farmers or the small business concerns on an equal basis with large competitors; does it?

Mr. MANASCO. This is merely a ruling guide to the administrator.

Mr. CRAWFORD. A ruling what?

Mr. MANASCO. A ruling guide to the administrator. If he carries out his duties, he will follow this.

Mr. VOORHIS of California. I would just like to say that I have an amendment that will make it mandatory, which I hope to explain just as soon as I get a chance to speak.

Mr. CRAWFORD. I thank the gentleman.

Mr. BENDER. I hope that during this discussion some additional knowledge and information has come to the Members, which will be valuable to them as we vote on this bill.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Nebraska.

Mr. CURTIS. May I ask the gentleman what the language on lines 13 and 14, page 38, means, which reads as follows:

And for completion of any semifabricated property.

This section authorizes the Government agency to go ahead and take care of property or to complete any semifabricated property. What are the limitations to what it can do? Can it go ahead and assemble machines that there are ample parts for already manufactured? If so, many of these Government factories could run on for a long time.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Alabama.

Mr. MANASCO. That provision was put in there because in the termination of war contracts you might find yourself with rayon hose or underwear, as examples, almost finished, yet if they were not finished, they would be an economic waste to the taxpayer of the United States. This authorizes the completion of those goods so that they can be marketed.

Mr. CURTIS. Is there any time limit in which they must be completed?

Mr. MANASCO. No time limit.

Mr. CURTIS. Any time during the life of this bill they can go ahead and complete the manufacture of property that is in the process of being manufactured at the present time or after the war is over.

Mr. MANASCO. I do not think the private contractor would allow unfinished undershirts to stay in the machine. They would have to be finished completely.

Mr. CURTIS. That also applies to other things?

Mr. MANASCO. That is true.

Mr. CURTIS. Such as steel products, and everything else.

Mr. MANASCO. That is true.

Mr. CURTIS. It occurs to me that there should be some limitation on how far they can go.

Mr. MANASCO. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. LARCADE].

Mr. LARCADE. Mr. Chairman, this Congress is considering today important legislation to provide for disposal of surplus Government property and plants. The bill concerns the post-war period and may well affect the economy of our country. It deals with huge amounts of materials and equipment and war plants which will be disposed of to the general public from Government stocks. Even now the Army has surpluses of materials and equipment which are awaiting disposition. We must be careful to see that this material is disposed of where it is needed most and in a manner most advantageous to the Government.

The people of this Nation who are bearing the greatest burdens of taxation look to the Members of the Congress to place limitations in this legislation which will obtain a maximum of return and a maximum of benefit to the Government in the disposition of this property. My constituents have expressed concern lest this property fall into the hands of speculators. They request that the utmost care be taken in the formulation of plans and polices for the disposal of these goods. They suggest that the Government make proper provisions to make available to agriculture all of the equipment that is suitable for agriculture, and that such other material and equipment suitable for airports, road construction, schools, hospitals, and public works of all kinds be made available through a suitable post-war public works program.

My constituents urge that the office to be established under the terms of this legislation be required to set up the necessary machinery in the States and local communities for the disposition of this property and equipment locally and as soon as practicable. I recommend immediate action on this legislation which is urgently needed for the prompt, fair, and efficient disposal of surplus Government property and plants, and hope the bill will be amended to meet these requirements.

Mr. MANASCO. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, this morning the gentleman from New York [Mr. FISH], in his remarks, stated that the Congress was not slow about passing this legislation, but that as a matter of fact it had passed it just as soon as the recommendation came up from the executive who is now in charge of this program. That is, of course, true.

But there are two things I want to say by way of introduction of my remarks this afternoon. Both of them have to do with the position of the Congress in our National Government and in the minds of the people of the Nation. Because I believe that the problems of government after this war are going to be more difficult than they have ever been before, and because I believe most earnestly that the future of human liberty depends upon the preservation in all its verility of democratic government, therefore I think there are two things that the Congress must do. The first is to take such action as may be necessary in the interest of the Nation before, not after, Executive action has to be taken, in the absence of such congressional action. The second is that whenever the Congress sets up an agency of government with certain powers or certain duties, it should go just as far as it is humanly possible for it to go in passing a genuine piece of legislation in laying down, insofar as it possibly can, the precise manner in which that job is to be done, the precise powers to be exercised, and the precise means of accomplishing the objectives which are set before the agency.

In the instant bill, as far as the objectives stated by the committee in the language of this bill are concerned, I have no possible quarrel with those objectives. I was present at a good many of the hearings and heard a portion of Mr. Clayton's testimony. I recognize the difficulties that inhere in some of the provisions which some of us would like to see which would tighten up the bill, but there are other such provisions which I do not believe would harm the bill in any way but would on the contrary make it a much better piece of legislation and about which I am going to speak in just a moment.

May I say further by way of introduction that I have just come back from home about a week ago. I believe in all sincerity that the city of Washington generally is, compared to the United States of America, in a sort of intellectual backwash. I found that the people in my home district were, in the progressiveness of their thinking, vastly advanced over the general point of view that one finds in discussions around this National Capital. I hope the Congress will realize that fact, because the people really mean it when they say they expect us not just to talk about making a lasting peace, not just to talk about preparing such a program as will prevent any period of unemployment after this war, but they want those things to really be done.

As to the bill before us, I should like to contrast the idea that we have to give vast, discretionary power to this administrator over this surplus-property-disposal job with the manner in which the House legislated on some other propositions. We recently passed the O. P. A. bill, and that job is at least as complex as this job, if not a more complex job than this one, though perhaps no more important. Nonetheless we provided all kinds of restrictions about the power of the O. P. A. Administrator. We wrote into that bill a great many very specific things that had to be done and the way in which they had to be done, and a lot of us voted for those things. I believe we passed a pretty good bill. So with those few thoughts in mind I should like to go forward now with brief comments on this bill.

Section 1 sets forth objectives to be accomplished. I have said I do not think they could be better stated, and I personally think they are quite complete. I think they cover the ground. I think that is the kind of program we want to see for the disposal of surplus property.

The second section has to do with definitions, and I have no comment on that.

In the third section we come to the surplus property administrator. I am frank to say that I think the one thing that is needed to save this program more than anything else is to keep it as close to the American people as possible. I introduced a bill about this matter myself, House bill 5082, which I discussed briefly when I had an opportunity to appear before the committee. In that bill I had a provision for a civilian board to oversee this work and to see that the policies laid down by Congress were adhered to. I had a proposal also that the board in turn appoint State boards of outstanding citizens in the various States to guide the disposal work in those States and to see to it that as to each State there was equitable distribution of an equitable share of this surplus property in that State. I expect it will be said that that is an impractical proposition. I do not believe it is. I think it could be done that way, and I think the job is big enough so that it would be worth while to try to get as much representation from among the American people into the conduct of this work as you can possibly get.

There is a surplus property advisory board provided in the bill. I think that board is probably necessary. It consists of the heads of various Government departments and agencies, but it does not take the place of the type of citizens' board which I have mentioned.

On page 30, in section 8, I come to the first main point I should like to make. I mentioned this morning in interrogation of the able chairman of this committee the fact that I believed that a mistake had been made in assigning to the Reconstruction Finance Corporation the job of disposing of agricultural lands. It just does not seem to me it is part of the job of the Reconstruction Finance Corporation to do that. Clearly it should be done by the Department of Agriculture, which, after all, is much more familiar with farming problems. It administers the program of the tenant purchase loans, and it administers the Farm Credit Administration and all the rest of the agricultural programs.

I would personally like to see an amendment put on this bill to say that agricultural lands shall be handled by the Department of Agriculture or, better yet, to say that in the designation of Government agencies to act as disposal agencies under this act, the Administrator shall make that designation and submit it to Congress, and that it shall become effective unless amended or disapproved by Congress within say 30 days. We have done that before on other types of bills. I should like to have something to say about what agencies are named here, because I think it is important, and I think that what happened in the case of these agricultural lands is illustrative of its importance.

I take it that section 10, which begins on page 31 and which is titled "Methods of Disposition," is the section that has to do with the mandatory provisions of the bill, and that section 11 is the section which has to do with the policy provisions of the bill. So, because I believe there are certain things which ought to be made mandatory instead of matters of policy, I want to make three suggestions with regard to additional language to be added at the end of section 10, the first of which amendments would read roughly as follows. I am not sure that the language cannot be improved, but generally this is what it would say:

> The administrator shall dispose of all surplus property in the smallest practicable lots and shall give preference to purchasers of smaller amounts of property over prospective purchasers of larger amounts.

In other words, if you have a great lot of material to be sold, if you have a whole lot of buildings, for instance, on a piece of land that used to be an Army cantonment or something like that, and there are a lot of folks around that vicinity that want to buy just one building, then they shall have the right to buy one building, and the whole works shall be sold in one-building lots if you can do it. I think that is the policy being pursued by the Corps of Army Engineers at the present time. I know of one instance where I am assured that it is, and I think it ought to be in the bill.

The same thing would be true as to other things. I just had a report given to me—I cannot vouch for this because I do not know it of my own knowledge—that only a day ago a certain individual purchased 10,000 mattresses from the Government. I do not know whether there was no one else who wanted to buy small quantities of mattresses, but I would imagine there are a lot of merchants in this country that would give a great deal if they could get, say, a dozen mattresses in stock.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from California.

Mr. HOLIFIELD. I am glad the gentleman brought that up, because I have knowledge of that same deal. I understand 100,000 mattresses were offered for disposal right here by the particular department. At least one lot went as 10,000 mattresses. I have concern for the furniture stores of my district that are without mattresses of any kind. I am sure that 50 or 100 mattresses would have been a much better sale unit.

Mr. VOORHIS of California. I thank my able colleague. If the amendment I just read were adopted, I think the administrator would have to sell them in smaller lots if he had any chance to do so.

Mr. ROLPH. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from California.

Mr. ROLPH. Does not every business have its own peculiarities? The gentleman spoke about mattresses. I do not know anything about how mattresses are disposed of, but certainly the minimum quantity that you could sell profitably of a material such as steel, for instance, would be a carload lot. You certainly could not sell some other items in carloads. I think each industry should be given special consideration.

Mr. VOORHIS of California. It would have to be. My amendment says that he shall dispose of all surplus property in the smallest practicable lots. I do not think he can sell one steel bar. I do not think any court would so interpret that. I think he could say that it was not practicable to sell one steel bar. Steel is not sold ordinarily in such small amounts.

Mr. ROLPH. Does the gentleman think the carload lot would be the minimum on steel?

Mr. VOORHIS of California. I would not be surprised in the case of steel but what it would, yes, but I think if you had people bidding for one carload you would have to sell it to those people who wanted one carload before you sold a trainload to somebody.

Mr. ROLPH. But the gentleman would not want to get down to the man who buys one bar or a couple of angles, for instance, because the overhead on that would be excessive.

Mr. VOORHIS of California. The reason I put the word "practicable" in there is that I readily recognize the fact that the administrator has to use some discretion about that matter. I think that is a case where he has to do it.

Mr. HOLIFIELD. That particular thing could be easily taken care of by the insertion of the words "or usual commercial lots."

Mr. VOORHIS of California. In accordance with the customary commercial practice.

Mr. HOLIFIELD. A case of shoes, for instance.

Mr. VOORHIS of California. That is right.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Maine.

Mr. HALE. Will the gentleman go as far as to say that 10 automobiles or 10 trucks should not be sold to a dealer if they could be sold one by one around town?

Mr. VOORHIS of California. There is language in the bill that states that the administrator is supposed to dispose of the material as far as possible through the customary commercial channels. The committee has written that into the bill. I take it that that language would still be applicable even though my amendment were adopted.

I will answer the gentleman's question a little bit further.

For example, we talked so much about the matter when we passed the G. I. bill, and I do think there are going to be times when returning veterans, or at least some of them, are going to want to go into farming and when I think it would be all right to sell them a truck or a tractor.

I want to go to my next point, which has to do with this first one. I think there also ought to be a requirement contained in a section or a subsection under section 10, which would read approximately as follows:

> The administrator shall provide for uniform, complete, and wide public notice concerning surplus property available for distribution and no such property shall be disposed of unless and until such public notice has been given and sufficient time has been allowed between such notice and disposition to afford interested parties a fair opportunity to purchase it.

That is a good deal the same language as the committee has included in section 11, but section 11 is a policy section. I think it ought to be an absolute requirement, and I do not think any surplus property ought to be sold until adequate public notice has been given, because otherwise there will be many, many people throughout the Nation who will not have any chance whatsoever to find out about it.

Now somebody says, "How can the administrator possibly get word to everybody in the country?" Of course, he cannot. But he can develop a regular, uniform, orderly manner of giving notice about these matters. He can make it available to the press. He can post notices in the post offices, and pretty soon the methods used will become well known to everybody. I, myself, believe that as to a good deal of this stuff, you could actually catalog it in a reasonable form and put out that catalog, not having everything in one catalog, but have different booklets for different types of surplus property. In any case, the safety of this whole program depends upon the whole American people knowing exactly what is being done, exactly what is for sale, just how much it was sold for, and for them to know that they have as much chance to buy it as anybody else.

In the next place, I think it would be well to say a little bit more than simply to say that the administrator shall give effect to the policy of affording returning veterans an opportunity to establish themselves as proprietors of agricultural businesses and professional enterprises, and I have wondered whether it was not practical to say that the veteran shall be given preference in the purchase of these commodities, provided that they want to purchase them for use in their own occupation or business. I think thought ought to be given to making that mandatory.

In the next place, I wonder whether it is necessary in section 11, which is the policy section, to say that the administrator shall give effect to the following policies, and I quote, "to the extent feasible and in the public interest." I do not know why we cannot strike out the language "to the extent feasible and in the public interest." We know it is in the public interest for these policies to be followed. Certainly they are stated in sufficiently general terms so that it is not necessary to include the language "to the extent feasible" at least so far as I can see, in connection with that matter.

We already had some discussion this afternoon about another proposal which I was deeply interested in, and that was the question of requiring of the administrator that when he sold property for resale he should at that time fix the maximum resale mark-up that can be charged. I do not see why that cannot be done. I do not believe you can fix one maximum mark-up as to all the different types of surplus property, but I do think the administrator and his staff could do it as to each different lot. I think they could say they will sell this lot of shoes at such-and-such an amount and the maximum amount allowable for a mark-up on those shoes shall be so many percent. I think that would be one way in which we could absolutely guard against the possibility of profiteering in this matter. I do not see why we cannot require that, and I would like to see us do it.

Now, coming to the problem of monopoly, the problem of the disposal of Government plants, which, in many respects, is the most dangerous and critical of all the problems that we are confronted with, for when the war began it was necessary for the procurement divisions of the armed forces to get the stuff for the war and to get it wherever they could get it and to get it as quickly as they could get it. As a consequence, the Government paid billions of dollars for the construction of plants—not at the expense of the companies that used the plants but at the expense of the American taxpayers. Furthermore, a good deal of that money—in fact, most of it—was expended on the construction of plants for companies that were already very big companies in their field and many of which were actual monopolics.

The committee that brings in this bill has recognized that situation insofar as aluminum is concerned and has required that no plants costing more than $5,000,000, the larger aluminum plants, shall be sold except under certain circumstances and that a report to Congress shall be made first. There are one or two things that I think have to be

done here, because if that be true with reference to aluminum, what about chemicals? I do not know what the facts are about how much public money has been spent on the construction of chemical plants, but I do know there is one corporation which completely dominates the whole chemical business in the United States. Indeed, it has a tighter monopoly, I imagine, than even the Aluminum Corporation of America, and that is the du Pont corporation. I certainly think petroleum ought to be in the same category; I certainly think steel ought to be. I believe aircraft ought to be, and I believe shipbuilding ought to be. In other words, I think what is good for synthetic rubber and aluminum would be good at least for the list of commodities that I have just mentioned.

So far as the disposal of the plant is concerned, a plant built at public expense, the question arises whether it should be turned over or sold to a corporation which already so greatly dominates the field as to fasten a monopoly upon that industry forever by action of the Government. That must not be allowed to happen.

If you do not want to do that, and there has been some argument against it, the chairman of the committee made an able speech about the matter, then I have an alternative proposal because not so long ago, on April 25, 1944, I introduced a bill, H. R. 4668, which is very brief and which I would like to read as a proposed substitute for section 13 of the bill. It reads as follows:

That in the disposal of surplus Government-owned war plants and facilities, the following policies and procedure shall be followed by departments or agencies of government charged with responsibility for such disposal:

(1) In cases where, in the opinion of the Antitrust Division of the Department of Justice, conditions of effective competition exist in the industry in which any plant or facility is to be used, such property shall be disposed of by sale: *Provided, however,* That the Smaller War Plants Corporation shall have the right to exercise a veto power as to any such sale where in its opinion such sale would result in seriously changing the competitive situation in the industry to the disadvantage of small-scale enterprise.

(2) In cases where, in the opinion of the Antitrust Division of the Department of Justice, monopolistic conditions exist in the industry in which any plant or facility would be used then such property shall be disposed of by sale only if it can be sold to such purchaser or purchasers and under such conditions as will in the opinion of the Smaller War Plants Corporation definitely alleviate such monopolistic condition; but wherever the disposal by sale of such plant or facility would result in the opinion of the Smaller War Plants Corporation in aggravating such monopolistic conditions or where the only potential purchaser or purchasers are corporations already exercising monopolistic control in the industry, then until such monopolistic conditions shall have been changed, title to such property shall be retained in the Government and such property shall be leased for operation by private industry at a fair and equitable rental: *Provided,* That all such leases shall contain a clause providing that such lease may be canceled by the Government at any time the plant ceases to be operated at 75 percent or more of capacity, or monopolistic price policies are in the opinion of the Antitrust Division of the Department of Justice applied to its product.

In other words, you could not sell the plant for creating additional monopolistic control, but you would have to keep the plant in the technical ownership of the Government and lease it under the terms of the contract which would say, "Yes, you can lease this plant, you can use the plant, but you have got to use it and you cannot say you will just lease it and let it go idle or buy it and junk it, or something like that. You have got to use it for the production of things which the American people need."

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MANASCO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose and the Speaker having resumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the state of the Union reported that that Committee having had under consideration the bill (H. R. 5125) had come to no resolution thereon.

PERMISSION TO ADDRESS THE HOUSE

Mr. MURPHY. Mr. Speaker, I ask unanimous consent that I may be privileged to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. MURPHY. Mr. Speaker, for the benefit of the Members of the House and of the Nation, I ask unanimous consent to extend in the Appendix of the RECORD a compilation prepared by the Department of Labor showing employment figures in nonagricultural employment from 1929 to 1943 inclusive;

Second, average weekly pay rolls in manufacturing industries from 1929 to 1943 inclusive;

Third, farmers' net income from 1929 to 1943 inclusive;

And finally, corporation profits, after taxes, from 1929 to 1943 inclusive.

I am sure the Nation will be interested in the story which the figures tell.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mrs. NORTON (at the request of Mr. OUTLAND), for 1 week, on account of official business.

To Mr. VINSON of Georgia (at the request of Mr. RAMSPECK), for an indefinite period, on account of important business.

To Mr. FITZPATRICK (at the request of Mr. WEISS), for an indefinite period, on account of illness.

ADJOURNMENT

Mr. MANASCO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 32 minutes p. m.) the House adjourned until tomorrow, Wednesday, August 16, 1944, at 12 o'clock noon.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LUDLOW:

H. R. 5185. A bill to provide disability benefits for discharged veterans under certain circumstances; to the Committee on World War Veterans' Legislation.

By Mr. MAY:

H. R. 5186. A bill to authorize an exchange of lands between the city of Eastport, Maine, and the United States, and the conveyance of a roadway easement to the city of Eastport, Maine; to the Committee on Military Affairs.

By Mr. ROLPH:

H. R. 5187. A bill to amend the Social Security Act; to the Committee on Ways and Means.

By Mr. SUMNERS of Texas:

H. R. 5188. A bill to provide for the control of confidential business data submitted to the War Production Board; to the Committee on the Judiciary.

By Mr. WENE:

H. J. Res. 303. Joint resolution to authorize a preliminary examination of the Delaware River and its tributaries in the Delaware River Basin with a view to devising methods whereby the pollution of the Delaware River and its tributaries would be eliminated, and for other purposes; to the Committee on Rivers and Harbors.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNE:

H. R. 5189. A bill for the relief of Capt. Werner Holtz; to the Committee on Claims.

By Mr. FORD:

H. R. 5190. A bill for the relief of Charles C. Sidles; to the Committee on Claims.

By Mr. WEISS:

H. R. 5191. A bill for the relief of Mr. George Hampton, Pittsburgh, Pa.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5988. By Mr. AUCHINCLOSS: Resolution of the board of commissioners, Borough of Belmar, N. J., urging survey of proposed New Jersey intracoastal waterway from Manasquan River to Shrewsbury River; to the Committee on Rivers and Harbors.

5989. By Mr. HOPE: Petition of sundry citizens of Wichita, Kans., urging passage of the Bryson bill (H. R. 2082) to prohibit the manufacture, sale, or distribution of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary

5990. By Mr. LYNCH: Petition of sundry citizens of the Twenty-second Congressional District of New York protesting against proposed prohibition legislation; to the Committee on the Judiciary.

5991. By Mr. ROLPH: Petition of board of supervisors, city and county of San Francisco No. 4133, series 1939, petitioning amendment to the Social Security Act to cover employees of a public utility being taken over by the municipality; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 16, 1944

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou by whose gracious providence all our needs are supplied we pray that we may begin, continue, and end this day inspired with a stronger faith in the many revelations which Thou hast made of the unfailing greatness and goodness of Thy love and care.

We humbly confess that we are continually invalidating these revelations by allowing them to become eclipsed by doubt and despair and by taking counsel with our fears and anxieties. We know not what the future has in store for us but we will trust and not be afraid, for Thy name is Love and in Thee we find that perfect love which casteth out fear. Lord, we believe, help Thou our unbelief!

Grant that during these days when the problems and struggles of life are so difficult and our very thoughts, at times, flow in sadness, our baffled minds and burdened hearts may not become cynical and rebellious but may we yield them courageously and confidently to the sovereignty of Thy guiding spirit who will lead us out of the darkest night into the clear light of day. Forgive us for being so faithless and so unfaithful.

Hear us in the name of the Christ whose truth is our light and whose presence is our joy and hope. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2050. An act to amend the act of August 2, 1939, entitled "An act to prevent pernicious political activities," as amended by the act of April 1, 1944, entitled "An act to facilitate voting, in time of war, by members of the land and naval forces, members of the merchant marine, and others, absent from the place of their residence, and to amend the act of September 16, 1942, and for other purposes."

EXTENSION OF REMARKS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein a sermon preached by Rev. John J. Wright at Lynn, Mass.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WEISS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD on two subjects; in one to include an editorial from the Indianapolis Star and in the other the text of a bill I am introducing today.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. KIRWAN. Mr. Speaker, under leave to extend my remarks, I wish to extend an editorial from the Youngstown Vindicator.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

(Mr. PLUMLEY asked and was given permission to extend his own remarks in the RECORD.)

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on three different subjects.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GRIFFITHS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a resolution from the Marietta Chamber of Commerce.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD under the heading "Pertinent Observations Bearing on the Coming Campaign."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an article from the Washington Post on the valiant work of our United States Air Transport Command in connection with the transportation of Chinese soldiers to the battle area.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a short article by Thomas P. Scanlan, editor of Surplus Record of Chicago, Ill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

THE BANK OF INTERNATIONAL SETTLEMENT

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, on March 26, 1943, I made a speech in the House pointing out the grave dangers inherent in the Bank of International Settlements located in Basle, Switzerland, and introduced a resolution on that same date for a thorough investigation by the House Banking and Currency Committee of this international bank.

Among other things, I expressed profound concern over the fact that a majority of the board of directors of this bank came from banking institutions in countries under the domination of Hitler and over the corresponding fact that at that same time American and British financial figures were still a part of the board of directors and the personnel of that bank.

It has been my fear all along that it was the purpose of the Germans to use this bank as a vehicle for putting over—win, lose, or draw—their particular postwar program looking to the continuous domination of world industries by German cartel schemes.

I have asked for this time today, Mr. Speaker, to express my profound gratification over the action taken by the conference at Bretton Woods with regard to the Bank of International Settlements. For that conference passed a resolution signed by all the nations which were present which reads as follows:

The United Nations Monetary and Financial Conference recommends the liquidation of the Bank of International Settlements at the earliest possible moment.

It is my hope and belief that this will actually lead to the liquidation of this Bank of International Settlements and to the end of the fears and concerns which some of us have felt so deeply about this situation.

EXTENSION OF REMARKS

Mr. TARVER. Mr. Speaker, I ask unanimous consent that in connection with the remarks I expect to make in the Committee of the Whole today I may be allowed to incorporate certain documentary evidence relating to the subject matter of the remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I make a similar request.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

GEN. GEORGE S. PATTON

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, red-blooded Americans are thrilled today over two events. The first is the glorious vindication of Gen. George S. Patton by the Senate of the United States.

In spite of the smear campaign that was carried on against him, similar to the tactics with which Sidney Hillman and his communistic C. I. O. Political Action Committee, through a campaign of slime, dirt, lies, and filth, have attempted to discredit or destroy Members of Congress whom they cannot control—in spite of those attacks on General Patton, the Senate on yesterday confirmed him as a major general in the Army of the United States.

The American people are also thrilled to know that General Patton, one of the greatest soldiers of this day and generation, one who embodies the daring and courage of Nathan Bedford Forrest, the genius and thoroughness of Stonewall Jackson, and the bulldog tenacity of U. S. Grant, is now leading the American forces in Europe in the most brilliant military drive since the days of Napoleon.

It is gratifying indeed to know that the American people, at long last, are to learn the truth about this great American soldier, who is leading our forces to victory and winning for himself eternal renown, in spite of the smear campaign that was waged against him by a certain element that did not want him to succeed.

It is putting it mildly to say that we are all thrilled with his brilliant and glorious success.

The SPEAKER. The time of the gentleman from Mississippi has expired.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I expect to make in the Committee of the Whole today and include therein a letter received from the president of the Farmers' Union.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CASE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include a report of the Missouri River States subcommittee and of engineers.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

JOBS RATHER THAN DOLES

Mr. CASE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE. Mr. Speaker, I have been receiving a number of telegrams from some misinformed organizations urging support for the House companion bill to the Murray-Kilgore bill. Permit me to say, Mr. Speaker, that in my opinion legislation to produce jobs is more important at this time than legislation to pay relief to people without jobs. We should not confess defeat before we even reach the post-war period.

Before we increase benefits for being without a job, we should do what we can to see that jobs are made available. And I certainly am not in favor of a scale of benefits that would pay more to an able-bodied person when not working than he received when working nor that would pay an unemployed civilian $35 a week and a jobless veteran $20 as set up in the G. I. law.

By seeing that jobs are made available, Mr. Speaker, I mean lifting the restrictive orders on employment. The War Manpower Commission should have no authority to keep employers from employing people who want to work, in any area and at any time that it becomes apparent the war needs in that area are being fully met. The War Production Board should lift its limitation orders on manufacturing and mining just as rapidly as materials are not needed in vital war industries.

And, Mr. Speaker, I feel that Congress should place the restrictive orders of these executive agencies under constant scrutiny to see that the restrictions are lifted as rapidly as can be safely done. That will open jobs to people who need them. Certainly it is far better that a man or woman should work at a paying, productive, self-sustaining job than that he should be paid out of the Federal Treasury for being without a job.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. RAMSPECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 109]

Allen, Ill.	Dies	Hagen
Anderson, Calif.	Dirksen	Hall,
Baldwin, Md.	Dondero	Edwin Arthur
Baldwin, N. Y.	Doughton	Hall,
Barry	Douglas	Leonard W.
Bates, Ky.	Durham	Harless, Ariz.
Beckworth	Dworshak	Harness, Ind.
Bell	Eaton	Hart
Bennett, Mich.	Elliott	Hébert
Bloom	Elmer	Heidinger
Bolton	Elston, Ohio	Hess
Boren	Engel, Mich.	Hinshaw
Bradley, Mich.	Fay	Hobbs
Buckley	Feighan	Hoffman
Bulwinkle	Fellows	Holmes, Wash.
Burch, Va.	Fernandez	Howell
Burgin	Fitzpatrick	Hull
Canfield	Fogarty	Jackson
Capozzoli	Ford	Jennings
Carrier	Fulbright	Johnson, Ind.
Chapman	Fuller	Johnson,
Chenoweth	Fulmer	J. Leroy
Clark	Furlong	Johnson,
Clason	Gallagher	Luther A.
Coffee	Gearhart	Johnson,
Cole, N. Y.	Gibson	Lyndon B.
Costello	Gilchrist	Johnson,
Courtney	Gorski	Ward
Curley	Grant, Ala.	Judd
Davis	Grant, Ind.	Kee
Dawson	Green	Kefauver
Kennedy	Norton	Sheridan
Keogh	O'Brien, Ill.	Sikes
Kerr	O'Connor	Smith, Ohio
King	O'Hara	Smith, Va.
Klein	O'Konski	Smith, W. Va.
Knutson	O'Neal	Smith, Wis.
Kunkel	Patton	Sparkman
Landis	Peterson, Fla.	Stanley
Luce	Peterson, Ga.	Stearns, N. H.
McCord	Philbin	Stevenson
McCormack	Phillips	Stockman
McGehee	Pittenger	Sullivan
McLean	Pracht,	Talle
McMurray	C. Frederick	Taylor
Maas	Reed, Ill.	Thomas, Tex.
Magnuson	Rees, Kans.	Tolan
Maloney	Richards	Treadway
Mansfield, Mont.	Robinson, Utah	Vincent, Ky.
Mansfield, Tex.	Robsion, Ky.	Vinson, Ga.
Merritt	Rockwell	Wasielewski
Monroney	Russell	Welchel, Ohio
Morrison, La.	Sadowski	Welch
Mott	Sasscer	White
Mruk	Satterfield	Wilson
Newsome	Sauthoff	Woodrum, Va.
Norman	Shafer	

The SPEAKER. On this roll call 268 Members have answered to their names, a quorum.

Further proceedings, under the call, were dispensed with.

EXTENSION OF REMARKS

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter I have written which appears in the New York Herald Tribune this morning.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a petition from the citizens of Ann Arbor, Mich.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DEWEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article appearing in the New York Times of August 15 entitled "Speedy Help Urged for Warsaw Poles."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERNICIOUS POLITICAL ACTIVITIES

Mr. WORLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2050) to amend the act of August 2, 1939, entitled "An act to prevent pernicious political activities," as amended by the act of April 1, 1944, entitled "An act to facilitate voting, in time of war, by members of the land and naval forces, members of the merchant marine, and others, absent from the place of their residence, and to amend the act of September 16, 1942, and for other purposes," and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. WORLEY]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is the so-called Taft

amendment, which was passed in the Senate yesterday and is a clarifying amendment as to publications that the soldiers overseas may receive.

Mr. WORLEY. That is true.

Mr. MARTIN of Massachusetts. Does this have the support of the gentleman's committee?

Mr. WORLEY. It has the informal support of those members of the committee who have been consulted. Some of the members have not yet returned to Washington. As the gentleman knows, this bill passed the Senate yesterday by a unanimous vote.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

Mr. RANKIN. Mr. Speaker, reserving the right to object, and I shall not object, let me say to the gentleman from Massachusetts, the minority leader, that this is merely a clarifying amendment of a provision that was inserted by the Senate, and it has nothing to do with the voting qualifications of the soldiers themselves. We have no objection to it.

Mr. LECOMPTE. Mr. Speaker, reserving the right to object, this has nothing to do with reinstating any provisions for registration or poll tax?

Mr. WORLEY. Unfortunately, it does not.

Mr. RANKIN. You should say, fortunately, it does not.

Mr. VORYS of Ohio. Mr. Speaker, reserving the right to object, when the soldiers' vote bill passed the House it contained my amendment which forbade censorship of the ballots themselves by military or civilian officials. That provision also passed the Senate, but in some way was extricated from the bill in conference. Is that provision restored in this amendment?

Mr. WORLEY. No; it is not.

Mr. VORYS of Ohio. Can the gentleman, who was undoubtedly a conferee, tell us why that provision which was approved by both Houses, was taken out of the bill?

Mr. WORLEY. If the gentleman will refer to the debate which occurred in the House and also in the Senate, the answer will be found there, but if the gentleman desires to have his memory refreshed, I will be glad to tell him the reason. The conferees were afraid that if these ballots were not subject to censorship, there would be a dangerous possibility of espionage. That was the reason the amendment was deleted. At the present time the ballots are not censored. But had we placed a prohibition in the law and a penalty for its violation of, say, a $1,000 fine and 5 years in prison, or both, such a provision might have provided an opportunity to someone to reveal information of a military nature.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. RANKIN. Let me say to the gentleman from Ohio that I was one of the conferees, and we feared that this provision would do more to encourage fraud or permit fraud than it would to prevent it, and that with the implicit confidence we have in our military staff, we thought it would be a protection to servicemen to let them know that nobody else was going to vote their ballots for them and that, therefore, if anyone attempted to do so, it might be caught by the military intelligence and exposed. So under the circumstances we felt it was better to leave that provision out of the bill.

Mr. VORYS of Ohio. Mr. Speaker, I voted for the bill finally because it contained so many good features, but I have been unable to see how it would increase the independence of a soldier's ballot by his possible knowledge that his ballot might be censored. If the ballots are under military control at all times until they get to the ballot box, I have been unable to see how there is any possibility of espionage because the ballot will only be seen by the soldier and by the election officials in his home town.

Mr. WORLEY. I readily admit that there is merit in the gentleman's contention. However, the point has been discussed at length both in debate and in the conference committee. Further, we had testimony from the War Department that they have set up a censorship policy by Army regulations and we felt we would be going too far to pass a law which would positively prohibit the opening of any ballot even where they knew espionage attempts actually existed.

Mr. VORYS of Ohio. Mr. Speaker, can the gentleman inform us whether there is any censorship of the ballot actually provided by the military and naval forces under the instructions and regulations that are now issued?

Mr. WORLEY. To my knowledge there are no instructions for them to censor the ballot.

Mr. VORYS of Ohio. Mr. Speaker, I withdraw my reservation of objection.

Mr. WORLEY. Mr. Speaker, may I say in conclusion that these are simply clarifying amendments. The Taft amendment was originally far too restrictive. Under this amendment, however, I think every soldier will at least be permitted to read books, magazines, or newspapers of general circulation. As a matter of principle the members of the armed forces should be provided with every bit of information we back here at home have access to. I hope the naval and military authorities will take every step possible to provide all members of the armed forces, especially those overseas, with full, complete, and accurate information as to what goes on all over the world.

Mr. RANKIN. Mr. Speaker, reserving the right to object, let me say to the gentleman from Ohio [Mr. VORYS] that this statement with reference to the censorship of these ballots would apply to his State and to my State; that, unfortunately, there are States that accepted the bob-tailed ballot, which would leave it open to all kinds of fraud and exploitation.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. WORLEY]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 22 of the act of August 2, 1939, as amended by the act of April 1, 1944 (Public Law 277, 78th Cong.), is amended to read as follows:

"SEC. 22. It shall be unlawful for any officer of, or person employed in, the executive branch of the Federal Government, or any agency or department thereof, including the Army and Navy, to deliver or cause to be delivered to persons in the armed forces of the United States any general communication, Government magazine, Government newspaper, motion-picture film, or other literature or material, or to make, or cause to be made, any broadcast to the armed forces of the United States, paid for in whole or in part with Government funds, or sponsored by the Government, or any agency or department thereof, including the Army and Navy, which when considered in its entirety contains political propaganda obviously designed to affect the result of any election for President, Vice President, Presidential elector, Member of the Senate, or Member of the House of Representatives, or obviously calculated to create bais for or against a particular candidate in any such election, except as hereinafter provided:

"(1) The word 'sponsored' as used herein shall not be deemed to include sales at or through post exchanges, ship's service stores, or ship's stores of the armed forces, or purchases by company funds, welfare funds, or other similar nonappropriated funds of the armed forces.

"(2) Nothing herein shall prohibit the rebroadcast over Government-controlled radio stations of any political address, but equal time must if requested be given for such purposes to representatives of each political party which has a candidate for President in at least six States in the current Presidential election.

"(3) Nothing herein shall prevent the Army or Navy, or personnel thereof, from selling, distributing, presenting, or making available to members of the armed forces—

"(a) books, magazines, or newspapers of general circulation in the United States and also, in an overseas command, those of general circulation therein; or motion-picture films, radio broadcasts, radio rebroadcasts, plays, or entertainment material as generally presented to the public in the United States; or written material for use in educational programs of the armed forces similar to written material generally provided for use in civilian educational programs by recognized educational institutions in the United States: *Provided*, That the selection of such books, magazines, and newspapers, when the selection is necessarily limited by difficulties of transportation or other exigencies of war, shall be made in some impartial manner prescribed by the Secretary of War and the Secretary of the Navy for their respective services, such as a preference expressed by members of the armed forces, or the recommendation of expert committees, or otherwise;

"(b) impartial and nonpartisan coverage or presentation of news or information of public events and affairs and persons in public life, through the media of servicemen's publications and motion pictures, radio programs, news services, and educational and orientation courses originated by the Army or Navy: *Provided*, That if in any issue or presentation space or time is allotted to editorials or columns supporting a political party which has a candidate for President in at least six States in the current Presidential election, an equal amount of space or time shall be allotted in the same issue or presentation to similar matter concerning each such other political party.

(4) Nothing in this section shall prevent the sending of any letter, communication, magazine, newspaper, or other literature by any individual, corporation (other than a Government-owned or Government-controlled corporation), or political committee to any member of the armed forces, addressed personally to such member of the

armed forces, and paid for by him, or by the individual, corporation, or committee sending the same."

SEC. 2. Such act as amended is further amended by adding after section 24 thereof the following new section:

"SEC. 25. The provisions of sections 22 and 23 shall expire upon the expiration of 6 months after the termination of hostilities in the present war as proclaimed by the President or declared by concurrent resolution of the Congress."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

Mr. MANASCO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5125, with Mr. THOMASON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. For the information of the Committee, the gentleman from Alabama [Mr. MANASCO] has consumed 1 hour and 38 minutes, and the gentleman from Massachusetts [Mr. GIFFORD] has consumed 1 hour and 30 minutes.

Mr. MANASCO. Mr. Chairman, I yield myself 1 minute in order to clarify a situation that has arisen.

Mr. Chairman, in the last 2 or 3 days I have been receiving letters from all over the United States from people who want to purchase this surplus material from me. I want it understood I have nothing to do with it. I received a letter this morning asking me to sell them a church organ, and another one asking for an amphibious jeep. I want the people to know I have nothing in the world to do with the disposition of this property.

Mr. Chairman, I now yield 30 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. COX. Mr. Chairman, I would like to make this observation: I trust that the Members will remain on the floor and listen to the gentleman from Mississippi [Mr. WHITTINGTON] because he is well informed on this whole question.

Mr. WHITTINGTON. Mr. Chairman, we mobilized our manpower and we also mobilized our dollars to win the war. The unsurpassed production of the United States is contributing marvelously to all our glorious victories today. The dollars of the people have been invested in the property involved in the bill we have under consideration today. That property was acquired under legislation passed by the Congress, the representatives of the people, and by and large in the public interest it should be disposed of for the benefit of all the taxpayers.

We are dealing with the demobilization of property today. It is an enormous problem. Various estimates have been made as to the amount of the surplus that will be on hand at the end of the war. Only estimates can be made as to the amount of surplus war property on hand at the end of the war, and one estimate is probably as good as another. The most reliable estimate at present is that this property will aggregate from fifty to sixty billion dollars. Ships and aircraft will account for half of it. Guns and ammunition will account for about one-fourth of it. The remaining one-fourth, or about $15,000,000,000 in value, will be available to the civilian population of the country.

The principal groups for disposal will be clothing, textiles, motor vehicles, foodstuffs, stock piles, machinery, tools, and equipment of wide variety. About one-half of this surplus will be abroad and most of it will be disposed of there.

The normal retail sales in the United States in pre-war times aggregate about $4,000,000,000 monthly. The supplies that can be merchandised from surplus property estimated to be on hand at the end of the war will probably aggregate $6,000,000,000. There are many items of which there are shortages at present. In the public interest the property should be disposed of orderly and as soon as practicable.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I prefer to make a general statement. I will undertake to refer to the debates and the criticisms that have been made and suggestions that have been offered and I will analyze the bill and then I will be glad to yield for any questions.

But the disposal of plants presents a much more complex problem. The Government has invested some $15,000,000,000 in plants, and when we recall that in the First World War the investment was approximately $600,000,000, and that was practically all invested in shipping, we can appreciate the magnitude of the problem with respect to the disposal of plants. Those plants consist of aircraft, munitions, ordnance, shipping, synthetic rubber, metals, chemicals, and machinery. It is estimated that the airplane facilities alone aggregate some $3,000,000,000. Three-quarters of these Government plants involve projects of $10,000,000 or more. Nearly one-third of the total investments are in units of $50,000,000 or more. The War Department has acquired about 5,000,000 acres of land at an aggregate cost of approximately one-third of a billion dollars. The Navy Department has acquired about 200,000 acres at a cost of $60,000,000.

We have under consideration a bill for the disposal of property which will be estimated to be on hand, and we should keep in mind that at this time the United States should adopt a general policy as has Great Britain and as has Canada, as I am informed, and there should be certain objectives in mind. We do not want to dislocate our domestic economy. We must continue to provide for the national defense. We must discourage monopolistic practices and encourage the widespread distribution of this property. We must provide for post-war employment. We must preserve competition. We must prevent excessive profits. We must realize the highest obtainable return for the Government, for the benefit of the taxpayer.

A word as to the history of the legislation. There are probably a hundred statutes now in existence with respect to the disposal of surplus Government property. With the expansion of Government, particularly in the past 12 years, the question has become a most important and complex one. The President of the United States issued an Executive order for the disposal of surplus property in August 1942. The Director of the Budget is to be commended for having, under that Executive order, provided for inventories, for transfers within departments, for standardization. The problem was long neglected, and the House of Representatives, after careful consideration by the Committee on Expenditures on June 9, 1943, passed a bill to provide for the disposal of surplus property, except land, the buildings and improvements thereon, and war plants. That bill was reported by the proper Senate committee in February 1944, after having been amended, and has never been considered by the other body. The bill we passed provided primarily for the disposition of normal surplus properties that had vastly increased under our emergency organizations. In that bill, the Members will keep in mind, we provided for a committee composed of Senators and Representatives to study the question of war surpluses and promptly report, recommending appropriate legislation. The Senate committee undertook to make provision, in reporting that bill, for the immediate disposal of war surplus properties, and with all deference, in my humble judgment, the provisions were inadequate.

We are considering this bill today, in August 1944. It might be well to keep in mind that provision was made for the disposal of surplus war properties in the First World War, in May 1918, and as a result of the legislation then passed by the Congress there were disposed of in 4 years following the war, properties costing $3,750,000,000, at a recovery to the Treasury of approximately $1,500,000,000. Surpluses are piling up. Much property is becoming obsolete. So the President of the United States issued an Executive order in February 1944, establishing the Surplus Property Administration. That Surplus Property Administration has been functioning under the Executive order. The pending bill is to implement the bill passed by the House and now reposing in the Senate; to implement the best parts of many bills that have been introduced in the House and in the Senate; to give consideration to all of the hearings by various committees, and to embrace the recommendations of the very capable Administrator, Mr. W. L. Clayton. There

is not any provision in the Executive order under which he operates, nor is there any provision in this bill that will repeal or interfere with the very excellent work that is now being done by the Director of the Budget in inventorying, standardizing and transferring from one agency to another, surplus property, always with reimbursement to the Treasury.

It will be kept in mind that following the First World War when we made no adequate provision for the disposal of war surpluses, there was transferred to Government departments property aggregating $325,000,000 without any reimbursement whatsoever to the Federal Treasury.

Much has been said about an additional bureaucracy. Very shortly after his appointment, Mr. Clayton was called before committees of Congress. I was struck with his testimony before our committee. He went into this matter rather exhaustively and he has been considering it for the past year and a half or 2 years. Unlike most administrators or bureaucrats, Mr. Clayton when he was called before the committees of Congress shortly after his appointment said he was not prepared to make recommendations, that he wanted to study the problem, that he wanted to utilize the experiences of all the Government agencies in the disposal of property, that he wanted to utilize all of the constructive suggestions that had been made by the various agencies of the United States and the various bills introduced; and so for months he declined to make recommendations but studied the problem. Finally he came before the Committee on Post-war Planning about June 16, 1944, and submitted to that committee a bill for the disposal of surplus property. He testified before that committee as he has since testified before other committees, and I call attention to this significant fact: That this new administration with vast and complex powers has been operating at a minimum cost with a staff of approximately 50, and has been utilizing the agencies of Government in the handling and disposal of surplus property.

In this day and during this war when one agency after the other has been established and within a few days of their establishment Congress is asked to appropriate millions and millions of dollars in some cases, I was profoundly impressed that the Administrator appointed by the Chief Executive, under the Executive order, had gone at this matter in a most constructive way. The purpose is to dispose of surplus property. I was impressed by the argument of my good friend, the gentleman from Massachusetts [Mr. GIFFORD]. He said we wanted to avoid the establishment of additional bureaus. I submit to you, Mr. Chairman, that this is the outstanding example, and, I should like to say in this connection on my own responsibility, probably the sole example of where an additional administration that is absolutely imperative to protect the taxpayers of the Nation has utilized existing agencies and existing institutions without asking for the multiplication and establishment of others. The purpose is to dispose of Government surpluses. I wish we might separate and have permanent legislation for the disposal of normal Government surpluses. We gave careful consideration to that question, Mr. Chairman. Practically all of this property has been acquired during the multiplication of executive agencies during and before the war, and practically every department of the Government has asked for additional appropriations under the guise of winning the war. After thoughtful consideration the committee came to the conclusion that it was difficult to ascertain where normal property ended and surplus war property began, so the theory of this legislation is that the Administrator for the time being, for the period of 3 years, shall have supervision and control over the disposition of all surplus Government property. As pointed out by the President of the United States in his Budget message for 1945, the experience gained in handling the enormous surplus property incident to the war should be of vast and beneficial worth to us when we plan for permanent surplus property legislation following the war.

The method is to authorize an Administrator with broad objectives and broad policies, and general discretion. Throughout this bill the Congress of the United States is mentioned not once but several times. Congress made the appropriations for the departments of Government for acquiring this property. The Administrator is required to report to Congress. Something has been said about the bill as reported by this committee. It represents the best features of the many bills that have been introduced in Congress both in the other body and in the House on which hearings have been conducted. It represents the experience of the Administrator as a result of his studies, and it represents the amendments of the Committee on Expenditures, on which there are such members, if you will pardon a personal reference, as the distinguished gentleman from Missouri [Mr. COCHRAN], who has been on that committee for some 20 years and who probably has a familiarity with the Government establishment and Government institutions that few men in this House possess. This bill is temporary; it is limited to 3 years.

I was impressed by another thing. A Member on the minority side suggested that the term of the Administrator be made coextensive with the 3-year life of the bill. The Administrator, a great executive coming up from the grass roots as he has come, one of the most successful businessmen in the United States, with varied experience, responded substantially:

> The bill you have under consideration fixes the term at 2 years. If I am to be the Administrator, I am willing to stand on my record; and if my record does not warrant a reappointment, I do not desire to continue in the office.

The bill provides for an Administrator. Some organizations and thoughtful men have suggested a board. Let me say that we have a single Chief Executive of the United States. We tried divided responsibility in war in the First World War for a while. We now have a commander in chief in every war theater. We have tried a division of authority. We have tried commissions in government. Personally I prefer the single executive authority with discretion and responsibility. We have the Interstate Commerce Commission. Generally we hear about the Chairman of that Commission. It would be difficult to name individual members.

We have the T. V. A. and we hear about the Chairman of that agency. It might be that many Members of the House cannot give the names of the other two members of that Authority. This is a big problem. If we were to appoint an administrative board, that board in the last analysis would have to function through an administrator. I prefer an administrator responsible to the Congress, making reports to the Congress, an administrator whose appointment must be approved by and with the advice and consent of the Senate. He has to reach conclusions quickly. He has to be a man of broad experience. If one man can be the Commander in Chief of our Army, the President of the United States, if one man can have the final say when it comes to the disposal of the manpower of our Nation, if one man is the executive in large industrial and commercial enterprises and banking institutions, I believe that the Members of Congress should provide for an administrator. Personally, I prefer a single administrator.

Now, as to policy. The war is not over. Fighting is under way. We do not know just what is going to transpire. It is rather difficult to provide limitations and restrictions in this bill. There have been material amendments made by the committee. Questions have been asked regarding that matter. Practically every section of the bill as introduced was amended. One entire section was eliminated. Something has been said about material amendments. A material amendment in this bill eliminates the provision in it when it was introduced that would authorize the disposal agency to deduct from the proceeds of the sale the expenses of handling and disposing of the particular property. We wanted the Congress to retain the purse strings. We wanted those agencies to come to the Congress for the money needed in connection with the handling and disposal of that property. So, in my judgment, that is a material amendment and that amendment was made by the committee in two sections of the bill.

The policy and the program of this bill on the one hand must provide a large discretion, not unlimited, not uncontrolled, but with definite objectives, with definite policies, to be followed by the Administrator, and, on the other hand, in the interest of orderly disposition we must avoid restrictive regulations that would defeat the very purposes of the bill and that would hinder and delay disposition of the property and that would be against the public interest. For instance, we provide in section 1 of the

bill that the domestic economy shall be considered, that small business shall be considered, that wide distribution shall be provided, and we provide that existing agencies shall be used in the disposal of the property in connection with the disposal provisions of the bill and we provide that small business plants, and they are mentioned not once but twice, shall be given every consideration. There are those who would undertake to further restrict in the interest of small business and in the interest of individuals by qualifying amendments.

I will give you an illustration. The committee undertook to provide in the bill as reported an enlargement upon the language to give the original owners the opportunity to acquire their land. The more I have studied the problem, the more I have gone into it, the more thoroughly convinced I have become that by one restriction or limitation or clause it would be impossible to promote even that worthy objective. We have acquired some 70,000 tracts of land. In some cases tracts have been acquired and a large plant has been constructed thereon. If we put a restrictive provision in here as to the disposition of that land, whether it be a lot or a half acre, to the original owner, we would prevent the sale of the entire plant, in many cases, until the owner had agreed that the plant might be sold. It would hamper rather than help. I could give you other illustrations. No man in this House is more attached to land than I am. I want to help the original owner where it can be restored. But highways have been constructed, camps have been built; the old homestead is gone, never to return, and it is difficult to establish or even find the lot or the few acres involved. Homes have been established elsewhere. Administratively restrictions are most difficult. A policy will be more satisfactory.

As I stated, the bill would promote small business concerns, and they are mentioned in the objectives, they are repeated twice in the policies of the bill. We want to give little units the opportunity to acquire on the same basis as big units. It is definitely provided for in the policies of the bill.

I should like to say in this connection that in the consideration of the bill it is well to keep in mind the policies. There is no provision for donation to any governmental establishment or any agency or to any private or public institution of any kind of property of value. There is provision for use by Government institutions and for the transfer of property to schools and State subdivisions that has no commercial value. Throughout the hearings there have been applications by schools, by colleges, by hospitals, by the public health, for donation of property to those institutions, but after careful consideration it was the opinion of this committee that those questions are best answered keeping in mind that under existing laws that are not repealed and that are specifically recognized in this bill, when that legislation has been passed for the Army or for the Navy to lend to colleges or to advance to colleges or institutions property for training, that property may continue and will not be interfered with. But, as I stated in the beginning, we will save ourselves much trouble if we keep in mind that as the Representatives, even the trustees, of the people of the United States, this large property has been acquired by the savings of widows and orphans by borrowing from the people and that this property by and large should be disposed of for the benefit of the people under the objectives and policies laid down in this bill.

I would like to say another thing. Generally under the terms of this bill, and I want to emphasize this point, if there are any surpluses that may be transferred from one Government department to another where it is needed for their functioning, that Government department will pay for it out of the appropriations that they have to come to Congress and justify. There is no provision for donation to a Government agency. If there is no provision for donation to a Government agency, how can you as a trustee and Representative, or how can I, justify the donation of that property to any school, charitable, or other institution?

The CHAIRMAN. The time of the gentleman has expired.

Mr. RANDOLPH. Mr. Chairman, I yield the gentleman 15 additional minutes.

Mr. WHITTINGTON. Mr. Chairman, with that explanation of the objectives and policies contained in this bill I believe that a number of proposed amendments to make donations to schools and conservation districts have been answered.

Secondly, when the property cannot be transferred to Government agencies and it has got to be paid for by the Government agencies, then it can be transferred to States and local subdivisions and schools and public agencies and if not used by them, it is open to purchase by any person. I would like to say that in the disposal of surplus property the objective and policy is not to disrupt free enterprise, and not to disrupt our domestic economy. The policy is to aid the taxpayer in the public interest.

Something has been said about a provision against dumping. The committee considered that matter. The Administrator conferred with the State Department and said that he could provide against that in the sales and that that would be his policy. Dumping is being permitted, under the policies of the bill.

Something has been said about the appointment of advisory committees. We have an advisory board composed of the heads of governmental agencies.

That is proper. That is where the surplus is. Under the provisions of this bill the Administrator has the power to provide for consulting and advisory committees in all branches of industry and in all branches affecting any of the properties to be disposed of. I know of no better way to judge the future than comparing it with the past. The testimony shows that when it came to the disposal of trucks recently——

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. Not just yet.

Mr. COX. The gentleman will be more helpful in answering questions that Members might have to propound when he reaches a point permitting interruption.

Mr. WHITTINGTON. I have so stated, I will answer any question when I complete my general statement, that any Member may desire to propound, as far as I am able.

As I was about to state, those committees have been established. If we provide for a committee of seven members, say, an advisory committee, immediately you are in trouble. Labor wants to be represented, industry wants to be represented, banking wants to be represented, and schools and eleemosynary institutions want to be represented. Our study convinces us that the wisest thing to do is to give the Administrator the power that he is now exercising and that he is now utilizing in the establishment of these consulting committees under the provisions of the bill.

The disposal of plants presents a larger problem. Congress provided for their construction. In a few words it left it to an agency to provide the plants, and it is to be left to some agency for their disposal. There will be wide publicity and difficult problems. We put our dollars into this war. We said we were going to prevent the profiteering of the munition makers who manufactured our guns in former wars. That property should be disposed of to prevent monopoly, in the public interest, and after most thorough and careful investigation by the Administrator. We believe in all the circumstances that if one agency could establish it, one agency under the policies and objectives laid down can best dispose of it.

We made two exceptions as to the disposal of plants by the administrator in the bill as reported. One of these has to do with plants for synthetic rubber, and the other, aluminum. Those two exceptions grew out of the fact that there has been widespread public criticism with respect to aluminum and the rubber program. The Administrator, Mr. Clayton, said he preferred the Congress of the United States—inasmuch as rubber would very largely enter into the peace negotiations—establish a policy. Thus it is with respect to aluminum. The aluminum trusts and monopoly have been criticized and denounced. Congress is to determine as to their disposal.

There are other properties that will have to be disposed of involving competition, such as oil with coal, foods with the products of the farms, but it must be disposed of under the policies laid down to prevent monopoly, to provide for widespread distribution, and ultimately for the benefit of the taxpayer and consumer; domestic production and manufacture must be conserved.

I am thus undertaking to cover the principal provisions of this bill. With your permission now may I say questions were asked about the establishment

of retail stores and the utilization of channels of trade. I have covered those questions.

Questions were asked about mark-up price. The Administrator can mark up, and probably will, but with 2,000,000 items of property to dispose of the mandatory requirement of mark-up might hinder him on many occasions that would not occur to us. It would be well to leave that discretion to the Administrator.

I have covered the disposal of land. I know of no better yardstick than a reasonable value, giving the original owner the opportunity to repurchase. No better has been suggested, in my judgment. He might establish retail stores. He might do that, but the objective of this bill is that the domestic economy and the existing trade channels shall be utilized. He might sell a truck to a farmer, but the urge has been, time after time, that if there is one class of our population, if there is one business industry that has been discriminated against more than any other, it is the automobile dealer, and the truck dealer. Under the provisions of this bill I, as a farmer, now must go to my automobile dealer to buy a truck or a car. We now are not undertaking to make over our institutions or our economy but utilizing existing channels of trade in the disposal of this property.

Questions were asked as to the meaning of section 7. My good friend the gentleman from Colorado asked a number of questions. The gentleman from Illinois [Mr. DEWEY] thought it was not integrated. If you will turn to section 7 (a) of this bill you will find that it has to do with the disposal of property for war production.

If you will turn to the bill now I will try to answer any questions that you have after I make this further statement.

Section 7 (a) has to do with prices that are set for the disposal of property for war production. Under section (b) the owning agency may dispose of certain classes of property. It gives the Army camps the privilege of disposing of garbage. It gives the Army or other governmental institutions the privilege of throwing away a chair that is broken all to pieces. It gives the T. V. A. the privilege of disposing of the power that it generates. Generally section 7 is to be construed in accordance with section 10 (c) and section 21 of the bill.

I should like to say one thing more in closing. In summary this bill provides for objectives against dumping, in aid of small business, in the encouragement of wide distribution, in the prevention of anything that would interfere with our national defense; provides for the broad and equitable distribution of all classes of property; integrates the objectives in section 1 with the policies in section 11 of the bill. As I pointed out, in section 11 the committee amended the bill, keeping in mind that if property was sold abroad and were reimported, it would interfere with our domestic manufacture.

The Administrator has the right to prohibit that reimportation, keeping in mind that we want to give the small businessman, the small plant, the individual, the chance to acquire. We have said that it must be upon equal terms with the larger competitors. We have provided for the small plants of the country, emphasizing that provision must be made for small business concerns, farmers, small industries, and existing channels of trade. We want to encourage and develop our foreign markets for the benefit of the manufacturers as well as the cotton and wheat growers. We want to dispose of our surplus properties so as to prevent restraint of trade and without unduly disturbing our domestic economy. We do not want foreign sales to be brought back into this country. We do not want to see anything done that will prevent reemployment, so we have emphasized, so far as possible, that the veterans should be given preference, and that reemployment should be provided for. We have made that possible by broad policies and broad objectives. We have thus restricted discretion of the Administrator. We have undertaken to say, finally, that this law is in addition to and supplementary to all existing law, and that it does not repeal any law for the disposition of any property by any governmental agency, if they are authorized to contribute it to a college or a school or any other institution. But it does provide, as it ought to provide, for an orderly, constructive disposition of that property by leaving it not to a hundred different agencies, not to 12 departments, but to coordinated agencies that will have the disposition of all surplus property, no matter in what department that property may be found and declared.

ANALYSIS OF BILL

I have pointed out the principal provisions of the bill. I have emphasized its objectives and its policies. I have discussed the merits of the bill. I now make an analysis of the bill section by section. Under leave to extend my remarks I can do no better than to include in my remarks the very helpful and constructive explanation of the provisions of the bill contained in the report of the committee submitting the bill under consideration, as follows, to wit:

OBJECTIVES OF BILL

Section 1 of the committee amendment states that it is the object of Congress to facilitate the orderly disposal of surplus property so as to—

(1) Assure its most effective use for war and national defense purposes;

(2) Facilitate transition from wartime to peacetime production and employment;

(3) Promote production, employment, and utilization of the country's productive capacity and resources;

(4) Avoid dislocations of the domestic economy and of international economic relations;

(5) Discourage monopolistic practices and preserve and strengthen the competitive position of small business;

(6) Foster wide and equitable distribution of surplus property;

(7) Realize the highest obtainable return for the Government consistent with the maintenance and encouragement of a healthy competitive economy.

DEFINITIONS

Section 2 defines terms used.

The term "Government agency" means an executive department or independent agency in the executive branch of the Government, and also any corporation wholly owned by the United States, either directly or through one or more corporations.

The term "owning agency" when used with reference to any property means the Government agency having control of the property not solely as a disposal agency.

The term "disposal agency" means a Government agency designated under section 8 to dispose of one or more classes of surplus property.

The term "property" means any interest owned by the United States, in real or personal property, of any kind, wherever located.

The term "surplus property" means property which has been determined by the owning agency to be surplus to its needs and responsibilities.

The term "contractor inventory" means (1) any property related to a terminated contract with the Government or to a subcontract thereunder; (2) any property acquired under a cost-plus-a-fixed-fee contract and in excess of amounts needed to complete the contract; and (3) any property which the Government is obligated to take over under a contract as a result of a change in specifications.

The term "care and handling" is defined as including, among other things, repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, storing, packing, handling, and transporting.

Other terms defined are "option," "person," and "Administrator." "Administrator" means the Surplus Property Administrator whose office is created under section 3.

SURPLUS PROPERTY ADMINISTRATOR

Section 3 establishes a Surplus Property Administration at the head of which is to be a Surplus Property Administrator. He is to be appointed by the President with the advice and consent of the Senate and receive compensation of $12,000 a year. His term of office is 2 years.

The Administrator is authorized to appoint a Deputy Administrator, Assistant Administrators, special assistants, and certain experts without regard to the civil-service laws and Classification Act of 1923. Other personnel of the Administration are to be appointed in accordance with such laws and such act.

The Administrator is directed to perform his duties, so far as efficient administration will permit, through the personnel and facilities of the established Government agencies.

The Administrator is to have general supervision, as provided in the committee amendment, over the care and handling and disposition of surplus property, and over the transfer of surplus property between Government agencies.

SURPLUS PROPERTY ADVISORY BOARD

Section 4 creates a Surplus Property Advisory Board with which the Administrator is directed to advise and consult. The Advisory Board is composed of—

(1) The Administrator, who is made chairman.
(2) The Secretary of State.
(3) The Secretary of the Treasury.
(4) The Secretary of War.
(5) The Secretary of the Navy.
(6) The Attorney General.
(7) The Secretary of Commerce.
(8) The Secretary of the Interior.
(9) The Secretary of Agriculture.
(10) The Secretary of Labor.
(11) The chairman of the board of directors of the Smaller War Plants Corporation.
(12) The Chairman of the United States Maritime Commission.
(13) The Chairman of the War Production Board.
(14) The Administrator of the War Food Administration.
(15) The Administrator of the Federal Works Agency.

(16) The Chairman of the Civil Aeronautics Board.

(17) The Administrator of the Foreign Economic Administration.

REPORTS TO CONGRESS

Section 5 requires that within 3 months after enactment, and thereafter in January, April, July, and October of each year, the Administrator submit to Congress a progress report on activities under the act.

This section also requires the submission to Congress of all regulations of the Administrator within 30 days after their publication in the Federal Register.

DECLARATION OF SURPLUS PROPERTY

Section 6 directs each owning agency continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities. If, in the course of performing his duties under the committee amendment, the Administrator has reason to believe that any owning agency has property which is surplus to its needs and responsibilities which it has not reported as such, the Administrator is directed to report that fact promptly to Congress.

Each owning agency is directed to promptly report to the appropriate disposal agency all surplus in its control which it does not dispose of under section 7.

DISPOSITION BY OWNING AGENCY

Section 7 deals with the kinds of property which may be disposed of by owning agencies. Subject only to regulations of the Administrator with respect to price policies, any owning agency may dispose of any property for the purpose of war production or authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for the purpose of war production.

Except as their authority so to do may be restricted by regulations of the Administrator, the owning agencies are also authorized to dispose of—

(1) Any property which is damaged or worn beyond economical repair;

(2) Any waste, salvage, scrap, or other similar items;

(3) Any products of industrial research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by the owning agency;

(4) Any contractor inventory in the control of the owning agency; or

(5) Any class or type of surplus property, designated by the Administrator, in the control of the owning agency.

DISPOSAL AGENCIES

Section 8 provides that the Administrator, by regulations, shall designate one or more Government agencies to act as disposal agencies and prescribe the class or classes of surplus property to be disposed of by each such agency. The Maritime Commission is made the sole disposal agency for merchant vessels or vessels capable of conversion to merchant use, and the disposition thereof is to be made in accordance with the Merchant Marine Act of 1936 and other laws authorizing the sale of such vessels.

When any surplus property is reported to it, the disposal agency is given responsibility and authority for the disposition of the property, and for its care and handling pending its disposition.

The Administrator is given power, by regulations, to prescribe policies, standards, methods, and procedures to govern the exercise by any disposal agency of its authority with respect to dispositions and care and handling.

TRANSFERS BETWEEN AGENCIES

Section 9 directs the Administrator to establish procedures to facilitate the transfer of surplus property to each Government agency for the performance of its functions, and directs each agency to make all possible use of surplus property so as to avoid unnecessary commercial purchases. Interagency transfers are to be made by disposal agencies at the fair value of the property as fixed by them, unless transfer without reimbursement or transfer of funds is otherwise authorized by law.

METHODS OF DISPOSITION

Section 10 (a) of the committee amendment authorizes any agency disposing of property under the act to do so, subject to the other provisions of the act, by sale, exchange, lease, transfer, or other disposition, for cash, credit, other property or otherwise, with or without warranty, and upon such other terms and conditions, as the agency deems proper. Section 10 (d) makes any instrument, executed by or on behalf of an agency, purporting to transfer title to property under the act, conclusive evidence of compliance with the provisions of the act, insofar as the title of any bona fide purchasers is concerned. These two provisions are designed clearly to assure to purchasers that agencies selling property of the Government have full authority to do so, and that the purchaser's title cannot be invalidated because of any failure of a Government agency to comply with a requirement of the act. These enabling provisions clarify the law on the subject, and the committee considers them of major importance.

Section 10 (b) permits an agency, if it finds that property of which it is authorized to dispose has no realizable commercial value, to donate the property to tax-supported institutions or nonprofit educational or charitable organizations, or, if that is not feasible, to destroy or otherwise dispose of it.

Section 10 (c) authorizes the Administrator to prescribe policies governing prices and other terms and conditions of dispositions of property under the act.

POLICIES GOVERNING DISPOSITION

Section 11 directs the Administrator, in formulating regulations, to be guided by the objectives stated in section 1, and to give effect to the following policies, to the extent feasible and in the public interest:

(a) To facilitate interagency transfers.

(b) To afford tax-supported, educational, charitable, and eleemosynary institutions, States, Territories and their political subdivisions, the District of Columbia, and cooperative organizations, and opportunity to fulfill their legitimate needs.

(c) To afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises.

(d) To foster post-war employment.

(e) To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors; to provide as far as practicable for uniform and wide public notice concerning surplus property available for disposition and for adequate time intervals between notice and disposition so that all interested persons shall have a fair opportunity to acquire; to utilize commercial channels of distribution to the extent consistent with efficient and economic distribution, and to discourage disposition to speculators; to collaborate with Smaller War Plants Corporation and to employ other appropriate means to give effect to this subsection.

(f) To afford former owners of surplus real property an opportunity to reacquire it.

(g) To encourage mutually beneficial foreign trade relations and develop foreign markets.

(h) To dispose of surplus property as promptly as feasible without fostering monopoly or restraint of trade, or unduly disturbing the economy, or encouraging hoarding of such property; and to facilitate prompt redistribution of such property to consumers.

(i) To prevent the making of excessive profits.

(j) To realize the highest obtainable return for the Government consistent with the stated objectives and policies.

DISPOSITION OF PLANTS

Section 12 of the committee amendment provides that the act shall not impair the antitrust laws or limit their application to purchasers of property, and requires that the Attorney General be furnished with all pertinent information.

Section 13 prohibits the disposal of any surplus Government-owned synthetic rubber or aluminum plant, except by lease for a term not exceeding 5 years, until the Administrator shall have submitted to Congress a detailed plan for the disposal of that type of property. If Congress takes no action within 6 months after submission of the report, the Administrator may proceed in accordance with the plan submitted.

REGULATIONS

Section 14 of the committee amendment directs the Administrator to prescribe regulations to effectuate the provisions of the act, and directs other agencies to carry out his regulations and to issue necessary regulations for that purpose. All regulations must be published in the Federal Register.

GENERAL PROVISIONS

Section 15 (a) requires the submission by agencies to the Administrator of such information as to surplus property as he may require, and information as to other property, to the extent that the agency deems consistent with national security.

Section 15 (b) permits agencies to execute all documents and take all other action necessary or proper to dispose of property or otherwise carry out the provisions of the act, and, in the case of surplus property, requires them to do so as directed by the Administrator.

Section 15 (c) provides that Government employees complying with the regulations shall be liable with respect to dispositions only for their own fraud, and shall not be accountable for the collection of any purchase price determined by the responsible agency to be uncollectible.

Section 15 (d) permits responsible agencies to take such action for the care and handling of property and for the completion of semifabricated property as they deem necessary to effectuate the stated objectives and policies.

Section 15 (e) requires disposal agencies to keep full records available for public inspection.

Section 15 (f) provides that the act shall not impair or modify any valid contract provision without the contractor's consent.

Section 15 (g) provides that former owners of surplus agricultural land acquired after July 1, 1940, shall have a reasonable time to reacquire them at not more than the price paid by the Government, except where the value has been increased by the Government. Otherwise sales are to be made in family-sized parcels, to persons who will live on and cultivate the land, only one parcel to an individual or family.

DISPOSITION OF PROCEEDS

Section 16 requires proceeds of transfers or dispositions to be covered into the Treasury as miscellaneous receipts, with the following exceptions:

1. Where property was acquired with reimbursable funds, the net proceeds of sale shall be credited to the reimbursable fund.

2. Agencies disposing of property may deposit an appropriate amount of the proceeds

in a special account with the Treasurer of the United States, to be withdrawn for refunds to purchasers when a disposition is rescinded or does not become final, or for payments for breach of warranty.

3. Contract clauses authorizing the crediting to the contract price of the proceeds of sale of property in the custody of the contractor or subcontractor are to be observed.

4. Proceeds other than United States legal tender are to be converted into legal tender by the disposal agency, which meanwhile may retain, preserve, and manage them. Disposal agencies may also take appropriate action with respect to mortgages, liens, or other security acquired or retained by them.

USE OF APPROPRIATED FUNDS

Section 17 (b) contains the customary provision authorizing appropriations for administering the act. No legislation is needed to make available to each Government agency, for the disposition of property and for its care and handling, and for the completion of semifabricated property, funds already available to it for such purposes, but section 17 (a) authorizes the use by an agency for such purposes of funds appropriated, allocated, or available to it for the purpose of production or procurement of such property. No legislation is needed to authorize a Government agency to use, in payment for transfer to it of surplus property, funds available to it for acquisition of property of the same kind.

DELEGATION OF AUTHORITY

Section 18 (a) authorizes the Administrator to delegate to any Deputy Administrator or Assistant Administrator, any authority or discretion conferred upon him, and to delegate such authority and discretion, upon such terms and conditions as he may prescribe, to the head of any Government agency to the extent necessary to the handling and solution of problems peculiar to that agency.

Section 18 (b) authorizes the head of a Government agency to delegate, and to provide for successive redelegation of, any of his authority and discretion under the act to any subordinate, or, with the approval of the Administrator, to any other Government agency.

Section 18 (c) provides for the joint exercise by two or more Government agencies of authority and discretion conferred upon each individually under the act.

APPLICABILITY

Section 19 provides that all policies and procedures relating to surplus property, prescribed by the Surplus War Property Administration established by Executive Order 9425 or by any other Government agency, in effect upon the enactment of the act, shall, if not inconsistent with the act, remain in force until superseded by regulations under the act.

Section 20 (a) provides that the act shall not limit or affect the authority of commanders in active theaters of military operations to dispose of property in their control.

Section 20 (b) repeats that the act is applicable to property within or outside the United States. It authorizes the Administrator, when he deems any provision of the act would obstruct the efficient and economic disposition of property located outside the continental United States or in Alaska, to exempt dispositions of such property from such provision.

Section 21 (a) of the committee amendment provides that the authority conferred by the act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent with the act. The act is not to impair or affect any authority for the disposition of property under any other law, but the Administrator may prescribe regulations for the disposition of surplus property under such other law just as if the disposition were under this act, if he deems such action necessary to effectuate this act.

Section 21 (b) of the committee amendment provides that the act is not to impair or affect—

(1) The Emergency Price Control Act of 1942, as amended;

(2) The Stabilization Act of 1942, as amended;

(3) Section 301 of the Second War Powers Act, 1942, relating to allocations and priorities;

(4) The Lend-Lease Act, as amended;

(5) Any act supplemental to any of the foregoing;

(6) Any law regulating the exportation of property from the United States.

EFFECTIVE DATE AND EXPIRATION

Under section 22 of the committee amendment the act (effective from the date of enactment) will expire at the end of 3 years following the date of cessation of hostilities in the present war, as proclaimed by the President or by concurrent resolution of the two Houses of Congress.

SEPARABILITY

Section 23 of the committee amendment contains the usual separability provision.

SHORT TITLE

Section 24 of the committee amendment provides that the act may be cited as the "Surplus Property Act of 1944."

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. I wish first to compliment the gentleman on a most comprehensive and comprehensible statement on this vast question; then I have a request. I wonder if the gentleman would not be willing to place in his remarks the best table he can compile which will show the amount and nature of the surplus property? The gentleman has mentioned certain items and stated that there are great differences of opinion as to how much they amount to. I feel sure that the entire membership would be very much interested in the gentleman's best judgment as to the details and the items, which the gentleman can secure from records he has; but they are not in the report and, I find, not in yesterday's RECORD.

Mr. WHITTINGTON. May I say in that respect that we worked diligently on this bill. With a thousand plants, it would be hard to itemize them. We have given the aggregate amount. With 5,000,000 acres of land and 20,000,000 more in the public domain, land that belongs to the people, we can only deal in general summaries. I will do my best to enlarge upon the matter and give categories in the estimated totals.

Mr. VORYS of Ohio. If the gentleman will do his best, it will be good.

Mr. WHITTINGTON. I will try to enlarge on the matter if time permits.

The gentleman from Ohio [Mr. VORYS] very kindly suggested that I include in my remarks an estimate of the probable Government surpluses on hand at the end of the war. As I have stated, various estimates have been made. In the beginning of my remarks I stated that a reasonable estimate of the surplus property that would be available to civilians was around $15,000,000,000. I further estimated that we had invested in war plants $15,000,000,000. I stated that we had acquired some 5,000,000 acres of land at a cost of one-third of a billion dollars for the War Department, and that the Navy Department had acquired some 200,000 acres of land at a cost of $60,000,000.

I have been furnished with an estimate by a responsible Government official as of January 7, 1944, showing an estimated surplus of war property on hand at the end of the war of the various categories mentioned, in this country and abroad, aggregating about $112,000,000,000. Under leave to extend, I include this estimate as a part of my remarks, as follows:

Summary as of Jan. 17, 1944, of estimates of Government-owned war-end surpluses

[Value in millions of dollars]

	Foreign	Domestic	Location not fixed	Total value
Facilities (excluding land):				
Nonindustrial:				
Airfields, etc	------	4,111	------	23,784
Troop housing	------	4,605	------	
War housing	------	2,717	------	
Other	3,045	9,306	------	
Industrial:				
Buildings, etc	------	7,900	------	16,554
Machinery and equipment	------	8,094	------	
Machinery in services	------	560	------	
Aircraft:				
Planes, all types	------	------	20,000	26,000
Plane parts and spares	------	------	6,000	
Ships (Maritime only):				
Liberty	------	------	2,500	10,000
Victory	------	------	2,446	
Standard	------	------	2,130	
Transport	------	------	530	
Tankers	------	------	1,970	
Other	------	------	424	
Military (Army only):				
Guns and fire control	3,000	1,000	------	17,810
Ammunition	3,310	1,000	------	
Combat vehicles	3,000	1,000	------	
Radio equipment	2,450	850	------	
Radar equipment	1,650	550	------	
Potential civilian goods:				
Finished products:				
Trucks, cars, tractors, etc	2,650	1,350	------	7,450
Railroad equipment	350	50	------	
Photo equipment and supplies	75	21	------	
Precision instruments	60	30	------	
Medical and dental	200	64	------	
Food products	1,125	750	------	
Clothing (unissued)	450	275	------	
Raw materials:				
Petroleum products	1,100	1,000	------	4,588
Government stock piles	------	1,428	------	
Other	------	1,000	------	
Materials in process	------	3,700	------	3,700
Miscellaneous equipment and supplies	1,126	1,126	------	2,252
Total	23,651	52,487	36,000	112,138

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Nebraska.

Mr. STEFAN. I, too, want to commend the distinguished gentleman from Mississippi on his most eloquent and very fine explanation of a bill in which every American citizen is interested today. The gentleman indicates that the bill on which we are going to act will protect the taxpayers who have been bearing the expense of this great adventure in this war. I call the gentleman's attention to the fact that he also indicated that he is opposed to foreign cartels and monopolies, and believes that whatever is to be done should be done to the best interests of the taxpayers. The gentleman indicated that some exception will be made

in regard to rubber, in which we have an investment of over $750,000,000. The Rubber Director recently made his last report, in which he said we will produce approximately 865,000 tons of synthetic rubber in 1944. It has come to our attention recently that the representatives of the natural rubber governments are very much interested in our synthetic rubber plants. The information I have received is that they are anxious that we junk these synthetic rubber plants, which have made us self-sufficient as respects rubber, and again surrender the rubber market of America to foreign cartels. What did the gentleman mean by saying that some exception will be made in connection with rubber, and that it would have some relationship to the peace program?

Mr. WHITTINGTON. I regret I did not make it clear. I said that under the terms of this bill the Administrator would be authorized to dispose of all plants with two exceptions. He is not authorized to dispose of synthetic-rubber plants or aluminum plants. He is required to make reports to Congress with respect to those plants, and there are many of each. Congress then has the responsibility and the opportunity to carry out the implications of the gentleman's remarks, and it is for Congress to make final provision for the disposition of the synthetic-rubber and aluminum plants.

Mr. STEFAN. How does the gentleman himself feel regarding the disposition of our synthetic-rubber plants?

Mr. WHITTINGTON. I think they ought to be conserved in the interest of the people of the United States. I think frankly that there are other plants that are important. I can appreciate the attitude and the recommendation of the Administrator with respect to synthetic rubber. There has been a lot of agitation and criticism with respect to aluminum. The Administrator wants to give Congress an opportunity there to provide for disposal of rubber or aluminum. For that reason, by making the statement that he was authorized to dispose of all plants except those two, the answer is that Congress will provide for them.

Mr. STEFAN. I should like the gentleman and his committee to make an exception with regard to these specific plants, such as synthetic rubber, because, in my opinion, the representatives of the international cartels are here today trying to junk that investment that we have.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. RANDOLPH. Mr. Chairman, I yield 10 additional minutes to the gentleman from Mississippi.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Missouri.

Mr. COCHRAN. Does not the gentleman believe it would be advisable for this country to find out just what condition the rubber-producing countries of the world are in after this war before we start giving away or selling these synthetic rubber plants?

Mr. WHITTINGTON. I anticipated as best I could the gentleman's question by saying that the question of the disposal of rubber would largely enter into the peace negotiations, in my judgment. I agree with the suggested implication of the gentleman's question.

Mr. McKENZIE. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Louisiana.

Mr. McKENZIE. I fail to find in the bill any prohibition against the destruction of property.

Mr. WHITTINGTON. I am glad the gentleman has asked that question. The only provision that is made for donations is that any property that is declared to be of no commercial value may be contributed to a Government agency, or it may be contributed to a State, or a legal subdivision thereof or schools. That property is the only property that may be given away. It may be destroyed. There is no provision for the shavings from steel to be transferred, so they may be destroyed. However, there has been much criticism of the destruction of property by the Army or other governmental institutions, and from time to time I shared in that criticism. To meet that criticism, we have agreed upon an amendment that before any property is destroyed by any governmental agency there must be public notice of the intention to destroy.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Georgia.

Mr. COX. Is the gentleman certain he was accurate in the statement made a few minutes ago to the effect that the pending bill does not suspend the operation of any existing law with respect to the power of any existing agency to dispose of surplus properties?

Mr. WHITTINGTON. I did not make that statement in the first place.

Mr. COX. The gentleman said that it repealed no law, but does it not suspend the operation of any law which may be in conflict with its provisions?

Mr. WHITTINGTON. In section 21 it does this, and I quote:

> The authority conferred by this act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith.

Mr. COX. But does not the functioning of any existing agency with respect to the disposition of surplus property remain subject to the supervisory control of the Administrator?

Mr. WHITTINGTON. The laws remain in effect, but the Administrator prescribes the regulations as authorized in section 21 (a).

Mr. COX. I know, but any authority that may be by the Administrator delegated to any existing agency with respect to such property may by the Administrator be reversed or repealed. Is not that true?

Mr. WHITTINGTON. Absolutely, the method of disposition, the regulations, are by the Administrator, under all laws, but the fact of disposition remains as provided by law. May I repeat what I said. If, as is the case in the act of 1936 with respect to the Army, the act of 1936 with respect to the Navy, and the act of 1927 with respect to the Aeronautics Division, there are provisions in existing law whereby a property that is obsolete as far as the Government is concerned, or other properties therein authorized, may be loaned or advanced or contributed to educational institutions, such provisions are not repealed by this bill because it states—

> This act shall not impair or affect any authority for the disposition of property under any other law.

In other words, this bill provides for the disposition of property as Congress has heretofore provided, but the method of disposition and the actual details of handling it are left to the Administrator.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Georgia.

Mr. PACE. What about the numerous provisions that Congress has enacted prohibiting the dumping of agricultural commodities? Would this bill, if enacted, suspend those numerous prohibitions with regard to the dumping of so much cotton and of so much wheat at a price? The gentleman said it was not intended that this bill would suspend all those laws and prohibitions.

Mr. WHITTINGTON. It does not. I did not say so. On the contrary, many questions were asked not only with respect to wheat and cotton, but land, home owners, and so on. It will be kept in mind that this bill only deals with properties that are declared surplus by the institutions and unless some property within the definition of this bill is declared surplus, there will be no disposition of it, and that property held by the Commodity Credit Corporation and by the other institutions will continue to be so handled and there will be no dumping.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I will be glad to yield.

Mr. COX. If the stocks of wheat and other farm commodities are declared to be surplus by the Government agency it immediately falls under the jurisdiction of the Administrator?

Mr. WHITTINGTON. Yes; but the declaration of surplus rests with the agency, as I have said, and other laws with respect to disposal of surpluses in such cases are not repealed.

Mr. COX. But with the right in the Administrator, if he thinks they are not making a proper declaration, to make a report to Congress?

Mr. WHITTINGTON. That is exactly right.

Mr. COX. There are coercive means of making them make a full and proper representation?

Mr. WHITTINGTON. I appreciate the gentleman emphasizing that point. I would like to repeat, this bill provides that the existing agencies of the Government shall declare surpluses. That is difficult to get done at the hands of some departments. But, as the gentleman from Georgia suggests, in section 6 (a) of this bill, after requiring them

to report, that is, affirmatively requiring them to report, if the Administrator has reason to believe they are withholding surpluses, he is required to make his report to the Congress of the United States with his recommendations.

Mr. COX. Which has the effect of keeping the whole subject matter under congressional control.

Mr. WHITTINGTON. And in order that Congress may be advised, he is required to make quarterly reports and he is required to submit to the Congress all regulations that he makes on the disposal of property within 30 days after he makes them and he is required to publish them, for the information of Congress and the public, immediately in the Federal Register.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. JENSEN. Is there any provision in this bill which would keep the Administrator from selling farm products below the price set by law?

Mr. WHITTINGTON. He is required to protect the economy of the country. One of the objectives here is not to interfere with our economy and to prevent dumping and to prevent the price structure from being destroyed. You know, lots of folks are looking for bargains and these objectives and these safeguards are intended to protect the farmers, protect the manufacturers, and to protect labor. In the objectives and policies we give him broad powers within these limitations.

Mr. JENSEN. That is giving one man a lot of power. He could almost destroy the price structure of, let us say, agriculture, under that program. If he has all that power, certainly he has more power than anybody in this country has today.

Mr. WHITTINGTON. With all due deference, he would not have the power to do that.

Mr. JENSEN. I hope he would not.

Mr. WHITTINGTON. I answer the gentleman's question unhesitatingly to say we try to set forth our objectives and disposal policies, but of course you can imagine a man committing a crime or a fraud. But if he complies with these objectives there will be no destruction of our economy. Generals on the battlefields may surrender, but broad power is essential to wage war. Life is more important than property.

Mr. JENSEN. There is nothing in this bill which provides for the prosecution and penalizing of individuals or an agency that would destroy property, such as has been destroyed in the past 3 or 4 years in this war program?

Mr. WHITTINGTON. I get the gentleman's question. There is no penalty provision required because that matter was submitted to the Attorney General and to the various legal staffs, and it was decided that the existing law with respect to misrepresentation and in other regards was sufficient. If a Federal official violates this law, there is punishment provided by existing law.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. MANASCO. Mr. Chairman, I yield 5 additional minutes to the gentleman from Mississippi.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. JOHNSON of Oklahoma. I was interested in the gentleman's statement that no surplus property would be given away and generally I agree with that policy. But I am thinking about surplus caterpillars and trucks and bulldozers which many soil-conservation districts are clamoring for.

Mr. WHITTINGTON. I am glad to have the gentleman's question. I will say that matter was carefully considered by the committee. There were requests that we provide for donations to schools, hospitals, to the Public Health Department, to the Conservation Service, and to the Department of Agriculture, and if we had done that, in my judgment, the public interest would not have been served. The gentleman from Oklahoma is a member of the Committee on Appropriations and whenever there is any money needed by the Soil Conservation Service, the gentleman has heretofore made appropriations for the needs which they have justified, and that department would have a right to buy any of these caterpillars with the funds that Congress has provided, but they would not have the right to have them donated and then come back to Congress and get money for the same purpose.

Mr. COLMER. Mr. Chairman, will the gentleman yield to me for just one additional thought in that connection?

Mr. WHITTINGTON. I will be glad to yield.

Mr. COLMER. The Administrator would have authority under this bill to dispose of that property in the case that the gentleman from Oklahoma mentioned for whatever he saw fit, would he not?

Mr. WHITTINGTON. Yes; he has to fix the reasonable value of it and if it has a value and if he disposes of it, he has got to get value for it.

Mr. COLMER. But the point is under the law he has authority to give these counties and so on an opportunity to make their purchases.

Mr. WHITTINGTON. That is absolutely provided for. I repeat, the Government agencies first, local subdivisions next, and the public third.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. RABAUT. I want to commend the gentleman for his fine reference to the automotive industry, but I did not get the gist of his statement as to the disposition of trucks and motor vehicles. What did the gentleman say with respect to that?

Mr. WHITTINGTON. Existing agencies will be utilized in the disposition of surplus property generally, and I think that applies to trucks and automobiles as well.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Arkansas.

Mr. NORRELL. The gentleman has stated that there is nothing in the bill now under consideration with reference to the disposal of aluminum plants.

Mr. WHITTINGTON. I beg the gentleman's pardon. I said there is no provision for the disposal of aluminum plants in this bill until and unless Congress has had an opportunity for 6 months to dispose of them as provided by the bill.

Mr. NORRELL. I would like to ask the gentleman if the committee has given any consideration to the disposal of these plants, and if so, would he mind giving us the benefit of his observations?

Mr. WHITTINGTON. I have tried to cover that as best I could. I have stated that the committee felt if there were to be any exceptions with reference to the disposal of the many, many plants it ought to be in the matter of aluminum and synthetic rubber, particularly inasmuch as the so-called great Aluminum Trust has been operating, and inasmuch as we were forced to expend large amounts to provide for aluminum and inasmuch as synthetic or other rubbers will enter into the peace negotiations.

Mr. ROLPH. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. ROLPH. My question is along the same line as that of the gentleman from Arkansas [Mr. NORRELL] in relation to aluminum. As I understand, about 50 percent of aluminum production in the United States has been cut down and that the Government has these plants. I also understand from the testimony of Mr. Jones, when Jesse Jones appeared before the Committee on Banking and Currency, and we discussed this surplus material proposition, that he thought none of these plants should be disposed of until after the war. That is, not only with reference to aluminum, but magnesium as well.

Mr. WHITTINGTON. That is up to Congress. He is not to dispose of these aluminum plants unless Congress takes some action within 6 months as provided by this bill. No plants for war purposes generally will be disposed of until the war is over.

Mr. ROLPH. Would he have permission to do that before the end of the war?

Mr. WHITTINGTON. Only if they have been declared to be surplus plants. There would be 6 months in which to take action under the bill, after they were declared surplus.

Mr. ROLPH. Is that 6 months after the plant is closed or 6 months after the war?

Mr. WHITTINGTON. Six months after the submission of the Administrator's report and after the bill goes into effect. No reports will be submitted before the war is over generally or no plants generally will be surplus until the war is over.

Mr. HARRIS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I would like to say before the gentleman propounds his question, with respect to the disposal of lands, airfields, and similar plants, there would be no airfield disposed of; there

will be no institutions or plants declared as surplus until and unless the affected agencies say that they are surplus, and then if the airfields have been so declared, I certainly think, and I am speaking personally now, we are going to determine upon an air policy, and that provision will and should be made for airfields in all localities. There will be no immediate disposition of these airfields as nobody is going to declare them surplus immediately. That is left to the war agencies, the Bureau of Aeronautics, and the War and Navy Departments.

Mr. ALLEN of Louisiana. Mr. Chairman, I ask unanimous consent that the gentleman from Mississippi may proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ALLEN of Louisiana. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. ALLEN of Louisiana. I appreciate very much the fine statement the gentleman has made, an in an effort to curtail excessive profits you have set forth in the bill that there shall be no excessive profits made. What plan have you got to keep down excessive profits? In other words, you have said you do not want them, and we do not want them, but we have taken no step to keep them down.

Mr. WHITTINGTON. With all due deference, I think the gentleman failed to catch the point of what I tried to emphasize, that that matter is left with the Administrator. Questions were asked about mark-up prices. He may fix resale prices, but I do not want to pin him down to any one resale price for a product. He has got to protect our domestic market. He has got to prevent profiteering in every way he can. We give him broad discretion to do it. He may fix resale prices.

Mr. ALLEN of Louisiana. Does the gentleman think we can fix a limitation on percentage of profit?

Mr. WHITTINGTON. I do not. There are 2,000,000 articles that may be handled. Personally, I think it would be a monumental error to undertake to fix the profits on those articles. You have to leave to the Administrator the disposal of it. If we leave to our generals the disposal of boys, we can leave to some good administrator the disposal of our properties.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. GRANGER. In the case of wool, the Commodity Credit Corporation and the Defense Plants Corporation would have to make a declaration of a surplus?

Mr. WHITTINGTON. The agencies that handle it have to make a declaration of a surplus before that can be disposed of. That means cotton, wool, wheat, everything.

Mr. GRANGER. They would all come under the supervision of this Administrator?

Mr. WHITTINGTON. If it is declared to be surplus, yes; if not otherwise provided by law.

Mr. GRANGER. Put it the other way. What are the limitations on this Administrator? Are there any limitations?

Mr. WHITTINGTON. Yes; they are definitely defined in numerous stipulated objectives and in numerous stipulated policies for the disposal of the properties. They are the limitations upon his discretion. We have made them as broad and we have made them as definite as we think they should be made.

Mr. HARRIS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. HARRIS of Arkansas. Further with reference to the gentleman's suggestion regarding airports a few moments ago, if and when the disposing agency declares an airport as surplus property, does the Administrator have authority to make a contract for transfer by lease or otherwise, to the municipality or the city wherein the airport may be located?

Mr. WHITTINGTON. Yes; he has. He has that authority. He can provide for some other agency to handle the matter.

Mr. Chairman, I should like to conclude by saying the great surpluses will be in the War and Navy Departments. Our domestic economy must be promoted. If a single pound of flour, if any of this property abroad, is assigned to U. N. R. R. A., U. N. R. R. A. must pay for it out of the appropriations made by the Congress of the United States. We are profoundly interested in suffering and rehabilitation in conquered and occupied countries, but we are still more interested in the rehabilitation of America. We are profoundly interested in preserving America, in the preservation of our institutions, in providing employment for the lads when they come back, in giving the taxpayer a break, and in preserving the American way of life.

The pending bill is the most constructive approach that your committee under the hearings available to the Members of the Congress and to the country could devise for the solution of a great and difficult problem.

Mr. GIFFORD. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I ask unanimous consent to proceed out of order for 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FISH. As the Members of Congress probably know, I just came through a Republican primary fight, and rather successfully. I received over a thousand letters and telegrams from outside of my district, of which 99 percent were favorable. The primary contest was apparently a free-for-all and almost everybody sought to get in on it and to raise extraneous issues, such as race and creed. However, Secretary Harold Ickes, who likewise insisted on getting in on the contest and throwing his handful of mud, referred to "frying FISH not only on one side but on both" before the American Labor Party Convention recently held in New York City, but if there is any frying to be done, I want to have something to say about it myself.

The American Labor Party in New York State is dominated and controlled by the Communists and is a camouflage or smoke screen for the Communist Party. I recognize no possible compromise between Communism and Americanism and shall not give nor ask any quarter from Communists whether under their own label or camouflaged under the American Labor Party. Anyone who asks for their support is playing into their hands and is a pawn for the Reds and under obligation to them. We might just as well face this issue now in New York State and the Nation. A vote for any candidate for public office, including my opponent for Congress, endorsed by the Communist American Labor Party, is half a vote for the Communists, whether they like it or not. The American Labor Party in no way represents American labor or the American Federation of Labor or the Railroad Brotherhoods or the rank and file of the C. I. O. It is a communistic outfit, and those who seek its support or accept its support, must take the responsibility of being affiliated politically with the Communists.

Only recently Eugene Dennis, associate editor of the Daily Worker, the official Communist paper, before the Midwest conference of leaders of the Communist Political Action Committee, the successor of the Communist Party, said:

> We Communists must refrain from taking such unilateral action as that of endorsing candidates, unless this is done in full agreement with the given candidate.

Consequently, it must be self-evident that the endorsement of the Communist American Labor Party of all candidates, from President down, must be given with the full agreement of the candidates themselves and they cannot evade the consequences of Communist support and affiliations.

Republicans must unite, putting aside their personal differences and march forward to victory against the fourth term and the communistic affiliations of the New Deal. The American Labor Party is a front for the Communists, and controlled by them. The C. I. O. under communistic leadership—not the rank and file—is exerting every effort to take over the control of Congress, and to reelect President Roosevelt.

I am a Republican and am loyally supporting the Dewey-Bricker ticket as against the fourth term, and the bureaucratic regimentation of the American people by personal edicts of power-hungry bureaucrats.

My opponent has the aggressive support of both the American Labor Party—communistic—and the Liberal Party of a "pinker" shade. The people of this district, Republicans and Democrats, have no more use for the Reds or Pinks than I have. I regard their condemnation as the highest possible commendation, and appeal to real Jeffersonian Democrats for

support for Congress, against a twice-repudiated Republican running on the Democratic ticket.

Mr. Bennett has had no legislative training nor experience, and has never been elected to any office, and would be unknown and without any influence in Congress.

I admit, I expect to be reelected by the votes of Republicans and Jeffersonian Democrats by two or three times the majority I received 2 years ago, and to be chairman of the Committee on Rules, the most powerful committee in the House of Representatives. No Republican from this section of the State has held this post since the birth of the Republican Party.

LABOR

The national weekly newspaper stated:

The Reds made their most spectacular drive against FISH. He has a good labor record and was subjected to vicious smearing attacks. The Communist element which dominates the C. I. O. political activities led the drive against FISH.

This is the statement of one of the largest and strongest labor papers.

I believe it is true that I am loved for the enemies I have made—the Communists, the Pinks, the C. I. O. leaders, the left wingers, and crackpot radicals. I have always stood for a square deal for labor and social and industrial justice, and expect a big vote from wage earners, including the American Federation of Labor, the Railroad Brotherhood, and the rank and file of the C. I. O.

REPLY TO SECRETARY ICKES' SPEECH AND ATTACK ON ME BEFORE AMERICAN LABOR PARTY CONVENTION IN NEW YORK CITY, DOMINATED AND CONTROLLED BY COMMUNISTS

American Labor Party, here we are,
Hillman, Bridges, and Browder;
We've come to give you the Government's keys,
For I'm their spokesman, Honest Harold Ickes.

I'm your spokesman, aged, aging Ickes;
Field Marshal Harry Hopkins and I agree—
Up with the hammer, sickle, and Red Flag,
And a Communist victory will be in the bag.

I want you Reds all to know, however fickle,
That the Communist Labor Party is my selection
To assure rubber stamp Congressmen's election;
Forward to victory, under the hammer and sickle!

Now, Field Marshal Ickes, let me say
That Communist, Red, and left-wing condemnation
In my district is the very best possible commendation;
So, lay on you Reds, I'll never give way.

Field Marshal Ickes, you are on the way out;
Invincible in peace, and invisible in war;
After the election, you'll be given the door;
This is the end of your twelve years pout.

Let Jabberwock Ickes, with eyes aflame,
Do his utmost with his foreign Red Flag;
The American people are ready just the same;
They'll never ask nor give quarter to any Red Rag.

One two! One two! And through and through,
The voting blade will go snicker-snack
And aging Marshal Ickes with his Red Pack,
On election day, will go sadly galumphing back.

Mr. GIFFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, the question of the proper disposal of surplus war goods is not a new one to me. First, as a member of the House Small Business Committee, and later, when I retired from the committee, as a citizen and Representative interested in seeing this problem solved correctly, I have given the matter much study.

More and more, as I have gone into the subject, I have become convinced that the best solution of the problem lies in the utilization of sound sales and merchandising plans and abilities. Almost anyone who can total figures could get surplus property together. Certainly anyone could move it at some price or give it away. Only men, however, who have bought, sold, and distributed goods in large and small quantities would be able to dispose of these surpluses efficiently. By that I mean that only such experienced men could properly aid Congress in its over-all effort to channel and sell these surplus goods in such a manner that dealers, consumers, and finally, above all, taxpayers, would get a fair break.

To that end principally I have been studying ways to utilize the best sales and distribution brains of the country in disposing of these gigantic stocks.

I have tried to determine the salesman needs of government. That is, I have attempted to learn if the majority of men actually in charge of surplus selling were experienced salesmen; if they were of the type and background so that if I had a $100,000,000,000 business such as this surplus business to turn over to someone, would I choose them to run it? There is no reason I can see why, in the conduct of Uncle Sam's business, we should employ men of less ability than we would employ in the conduct of our own affairs.

I must admit that I approached this part of my study with some apprehension. I doubted seriously if I would find many men in the Army and the Navy and the Treasury—the three Departments having most to do with selling—who were really well qualified to sell. Of these three agencies, it occurred to me that we would probably find the most widely experienced salesmen in Treasury's Procurement Division. So, with congressional committee assistance, I obtained information on the sales-experience background of the 172 top sales executives of Procurement's sales force. This included all top-flight executives other than a handful of head executives of that Division located here in Washington. The men whose records I secured and analyzed were among the men who have been entrusted with the sales of surplus commodities in various parts of the country by Administrator Clayton in his disposal of surplus property under Executive Order 9425, issued on February 19, 1944.

The results of my analysis, taken from information supplied by a head Procurement Division executive as to these persons' prior business experience were somewhat surprising. Only 11 of the 172 ever had had the slightest merchandising experience. The majority of those 11 had gained their experience with the two great mail-order houses of Sears, Roebuck Co. and Montgomery Ward.

The largest single group of 69 men were former W. P. A. employees, or graduates of the Harry Hopkins school of free hand-outs. Fifty-nine others had been Government purchasing agents, but were without sales experience. Thirteen were casualties of the National Youth Administration executive force who were forced off that pay roll after bitter protest by Aubrey Williams. Six came from the War Manpower Commission. Three were from the Department of Agriculture, two being expert foresters, and three others were former stockroom clerks. Two were from the Department of the Interior, two were registered architects, two were machinists, and one was a former filling-station operator. Those were the keymen employed by Procurement and charged with the sales of billions of dollars worth of goods according to an official report made to a congressional committee on March 27, 1944.

Since then, I understand there have been limited additions from the ranks of experienced salesmen to Procurement and that is a step in the right direction. It is the sort of thing I should like to see done to the point where every man charged with handling surplus goods was of such broad experience that he could be counted upon to carry out well any sales assignment regardless of its size.

I do not know Administrator Clayton. I am told by friends in whom I have faith that he is a capable businessman and that he is trying hard to put good business practices into government. In that we all hope he may succeed. But you only have to look at such a list of so-called salesmen as I have read to you here to see what a terrific handicap he started under.

Because of this situation within Government—where, in the regular positions, there is an almost total lack of trained businessmen—everything possible should be done to insure Mr. Clayton, or whoever may happen currently to be the Administrator, of the best support possible.

It is not because capable men are unavailable that they are not in Government sales jobs. Nor is it because the salaries which Government pays are too small. The fact is that Congress, in drafting such legislation as we are now considering, often fails to do its full duty in writing in stipulations which will insure the retention of proper men to do these jobs. Instead of carefully drawing measures so that good business methods will be employed and able and experienced men drafted into public service, we sometimes approve proposed legislation which simply passes our responsibility on to someone, such as the administrator in this case. He, in turn, is compelled, because of the very magnitude of his task, also to pass along responsibility to someone else and he does it. In the end, a selling job like this frequently winds up in the hands of an inexperienced War Department man, a former W. P. A. beneficiary, or a National Youth Administration casualty, and what happens? The taxpayer, the merchant, the consumer, and everyone who should benefit by such a thing as the sale of this great supply of surplus goods is the loser.

Now I think it is high time that we should make some effort to correct this situation. It still can be done very simply in this bill.

The committee has made a good start in setting forth policies under which goods should be sold. These are watchdogs on the right track, but as this bill is written, their teeth may be drawn through permitting various agencies to make sales without regard to these policies. That should be straightened out. I propose to offer a simple amendment designed to do this.

The committee proposes, as a matter of policy, that goods should be sold through established trade channels, and with this provision I am in hearty agreement. I believe, however, that this part of the bill also should be strengthened and I shall offer a clarifying amendment for that purpose.

Finally, I feel that it would be a grave mistake not to draft the best-informed sales and distribution brains in the country to aid the Administrator and the various agencies in disposing of these goods quickly and for the high dollar. Nobody can seriously question the importance of calling on these trained men to give their advice and counsel as members of sales and distribution advisory committees. I understand that an amendment to this effect will be offered and I certainly shall support it.

I want to see better business methods put into this bill. I do not want to see this $100,000,000,000 worth of goods sold in a slipshod manner to a few speculators, or given away wholesale to individuals merely because we fail to strengthen the Administrator's hand and protect the public by adding a few simple amendments to this bill.

Mr. Chairman, I yield back the balance of my time.

Mr. GIFFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, it is pleasing to have the opportunity to participate in the debate on this pending measure, because I deem it of the utmost importance that legislation be passed upon the subject embraced in this measure promptly in order to stabilize the disposition of surplus material and commodities, and in order to prevent the dislocation and disruption of the economic life of our Nation.

Following the cessation of hostilities in World War No. 1, we well remember the chaos resulting and the utter waste of our materials that followed. Large quantities of that material could have been saved and put to use, and much of the profiteering that resulted during that period could have been prevented. It is my hope that this pending measure will assure the people of this Nation that an orderly and businesslike disposal will be made of all surplus materials and supplies, and that the Government will realize the full value thereof, in its present state, and our Treasury enriched accordingly. The people have provided the money with which to purchase the many and various items involved, and they are entitled to have the proceeds of all sales made, at the fair price therefor, placed in the Federal Treasury. This is no time for the profiteer and his allies to reap a fortune in the handling of our surplus war materials. This practice must be stopped. It is my fervent hope that this measure will stop this ruthless practice which has resulted in the past, to the very great detriment of the taxpayers and the people of this Nation.

In the transition of our economic life from wartime to peacetime pursuits, production, and employment, we will face a staggering problem. The question of unemployment is one of the outstanding problems which will confront the people of the Nation. It is my hope that by and through the orderly process of that transition, and by the exercise of care and good judgment, the unemployment resulting may be limited to the very minimum. A vast number of our people thrown out of work, either prior to, or after, the termination of this war would result in disaster to our Nation. I subscribe fully to those provisions contained in this measure which will aid and facilitate the transition of our wartime policies to peacetime production and employment, and which will prevent the unemployment of the people who are now employed. We must do here that which will aid in the promotion of production, employment, and the utilization of our Nation's productive capacity and her resources. While this measure may not be a perfect one, yet I am convinced that it will lend aid in the accomplishment of the laudable purposes intended. It is with this firm conviction, on my part, that I will give this measure my full and unlimited support.

The committee presenting this measure has spent much time, and has devoted much effort in its preparation. The members of that committee have rendered an outstanding service to our country. To go forward in this period, with the tremendous problems confronting us, without dislocating our domestic economy, and without destroying small businesses, is one of our great problems which gives to every Member much concern. However, in order to accomplish the desired result all monopolistic practices must be entirely eliminated, all profiteering sought to be conducted by groups or individuals must be stopped, and we must give every possible aid to strengthen the competitive position of small business of every kind and type. This surplus property, in its disposal, must not be permitted to fall into the hands of a few, or within any particular section of our country, but there must be a wide and equitable distribution made of it. Every part and every section of our Nation should have its part in this vast problem confronting our people. One section of our country should have no preference over any other section; this is our joint problem; this is the people's problem; this is our Nation's problem. We must face it in an orderly and businesslike manner, and we must do this job in the manner it should be done, and for the ultimate benefit of our Government and the people.

Mr. Chairman, lastly, I desire to impress upon every Member that it is our duty to secure the highest obtainable return for all such property and materials for the Government. This should, of course, be the ultimate objective of those who will have control of this disposition of all surplus property. However, we must remember that this must be determined with due regard to the maintenance and encouragement of a healthy competitive economy in our country. If vast volumes of surplus war materials and property should be dumped upon the market at a very low price, that would tend to destroy the market of every business engaged in a competitive field. Proper steps should be taken to guard against that unhealthy condition. We cannot think of making any approach to this important subject which would, or might, tend to destroy private enterprise within any area in this country, because we must rely upon private enterprise to go forward in the post-war period; we must guard against the unemployment of the people of this Nation when this war ends; we must take care of the people of this country.

Mr. Chairman, it is my hope that this measure will be passed, and that in the administration of it, guarded as it may be, great care will be exercised to the end that the purposes expressed by Congress will be carried out effectively and completely and that the people of this Nation will not suffer the losses and the hardships which followed the last World War. Our Government is entitled to receive every dollar for all surplus materials and property that is sold which is consistent with the maintenance of a sound and healthy competitive system of economy. With that policy announced in the pending measure, it is my hope that those having charge of this vast problem of distribution will conform entirely with the provisions of this bill, and that our Government will receive the proceeds, on that basis, of all sales so made. We have staggering problems ahead. We must face them as Americans. In solving every problem let us remember our tremendous burdens and our obligations, and let us save every dollar for the future of our country and for the benefit of the people.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I yield 20 minutes to the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Chairman, I think it should be said at the outset that there is probably some misunderstanding on the part of the public on the whole question of surplus-property legislation. The necessity for legislation of this character is emphasized by the present war but was most emphatically not created by it. On the contrary the necessity for legislation of this sort has existed since the earliest days of this Republic. Amazing as it seems, there has never been in this country any general statutory authority for the sale or other disposition by the Government of its own property not necessary in the conduct of its affairs. Congress has dealt with this problem piecemeal on many occasions, for example in 1883 authorizing the Secretary of the Navy to sell vessels stricken from the Navy Register; in 1914 authorizing supply departments of the Army to sell to

certain military schools and colleges; in 1929 authorizing the sales of property in the District of Columbia; in 1936 authorizing the sales of merchant vessels by the Maritime Commission, and so on.

Accordingly, the situation is one with which in the ordinary course of events Congress should deal quite irrespective of the accumulations of property created by the present conflict. It seems almost incredible that the First World War produced no legislation of this character. President Wilson on December 3, 1918, issued Executive Order No. 3019, which dealt with the disposal of surplus property in the District of Columbia, and it was not until 10 years later that Congress passed appropriate legislation covering the same subject matter as President Wilson's order.

Early in the present Congress the necessity for legislation of this character impressed itself on the membership and there was introduced in the House a bill, H. R. 1610, which was redrafted and as H. R. 2795 was debated in the House at considerable length on June 9, 1943. It received passage on a voice vote which I believe was unanimous. That bill, H. R. 2795, was more restricted in character than the bill now before this body as it dealt only with certain types of personal property, specifically excluding lands, buildings, fixtures or appurtenances, or gold or silver. It was not drafted primarily with wartime surpluses in view, and of course, it is impossible practically to discriminate in many cases between surplus war property and surplus peace property. A typewriter or a swivel chair may have some uses for peace as well as for war.

H. R. 2795, for reasons as to which I am not advised, has never been passed in concurrence by the coordinate branch of the Federal legislature and the statutory situation is today precisely what it was when this Congress convened in January 1943. But on February 19, 1944, the President signed Executive Order 9425, creating in the Office of War Mobilization a Surplus War Property Administration to have general supervision and direction over the disposal of surplus property and its transfer from one Government agency to another. The text of this order appears on pages 34 and 35 of the hearings. Mr. W. L. Clayton was named as Surplus War Property Administrator in which capacity he now functions.

The Constitution vests in Congress all control, not only over the purse-strings of the Federal Government but over all the property of the Federal Government acquired by the loosening of those purse-strings. As recently as 1941, the Supreme Court of the United States, in the case of *Royal Indemnity Co.* v. *United States* (313 U. S. pp. 289 to 294) declared:

> Power to release or otherwise to dispose of the rights and property of the United States is lodged in the Congress by the Constitution, article IV, section 3, clause 2. Subordinate officers of the United States are without that power, save only as it has been conferred upon them by act of Congress or is to be implied from other powers so granted.

The bill now before the House represents an attempt to deal with this problem more broadly than it was dealt with in H. R. 2795. I think it regrettable in many respects that H. R. 2795 did not receive approval and become a part of our statutory law. It was a carefully drafted bill on which the committee spent months. Had H. R. 2795 been passed, the necessity for the present bill would probably have appeared less urgent and the Congress would have been less censured for inaction. Though much criticism of the present Congress seems to me to have been unjustified, I think it true that some congressional action should have been taken decades ago. Due to our sudden and even unexpected military successes in France, the prospect of victory over Germany now appears so imminent that we should find ourselves prepared for it.

I repeat that the present bill is a comprehensive piece of legislation. It deals with real as well as personal property "of any kind, wherever located," and it defines as surplus property "any property which has been determined to be surplus to the needs and responsibilities of the owning agency in accordance with section 6," under which each owning agency shall have the duty and responsibility continuously to survey the property in its control and to determine which, if any, is surplus. If the Administrator provided for in the bill thinks that any owning agency lacks courage in determining surplus to be surplus, the Administrator is required to report that fact promptly to the Senate and House of Representatives, it being the assumption of the bill that this amount of moral suasion will bring the owning agency to its senses. If it does not, then the Congress can, of course, take matters into its own hands.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman.

Mr. HANCOCK. The Army owns a great many airports and air bases which are not presently needed. This number will increase. I anticipate that the Army will not be willing to declare some of those air bases to be surplus. They might wish to retain control for some future use, emergency or otherwise. Is this bill broad enough to permit the War Department to lease those airports to municipalities for commercial use, with a recapture clause, perhaps, for the benefit of the Army? There are a great many municipalities interested in that question, including my own. As I understood the gentleman's statement, none of these properties can be disposed of unless they are declared surplus. My question is, Can they lease properties that are not declared surplus?

Mr. HALE. If the Army is not willing to classify certain airports as being unnecessary for the national defense or for other Government purposes, then the Administrator will report to the Senate and House under section 6 (a) that he disagrees with the War Department. Then the subject is left in the lap of Congress. Is that a fair answer to the gentleman's question?

Mr. HANCOCK. I think there are a great many parts of the country that could use these Army air bases to very good advantage under leases. Such agreements might provide that the municipality would maintain the property, keep it in good order, pay for the upkeep of it, and provide also that the Army might recapture the premises for military purposes for any emergency. I can see the possibility in many cases where the Army would not be willing to declare the air bases to be surplus property and would like to keep some strings on them. They ought to be used for public purposes, in the meantime, in the interest of commercial and private aviation.

Mr. COCHRAN. Will the gentleman yield?

Mr. HALE. I yield to the gentleman from Missouri.

Mr. COCHRAN. Under the provisions of this bill, there will be no property whatsoever handled by the Administrator that has not been declared surplus. Under the provisions of the bill, if the War Department declares an airport to be surplus, it is immediately turned over to the administrator and the War Department no longer has anything to do with it. So this bill in no way would reach the situation that the gentleman from New York [Mr. HANCOCK] mentions.

Mr. HALE. May I call the gentleman's attention to the provisions of section 9 (a), as follows:

> The Administrator shall establish procedures to facilitate the transfer to each Government agency, for the performance of its functions, of surplus property of other Government agencies. Each Government agency shall make the fullest practicable use of surplus property in order to avoid unnecessary commercial purchases.

If the War Department has an airport that can be used by some other branch of the Government, then the Administrator under section 9 (a) should establish procedures to facilitate that being done.

Mr. HANCOCK. Does the gentleman think that language is broad enough to include a municipality as another branch of the Government? The gentleman can see what I have in mind.

Mr. HALE. Yes.

Mr. HANCOCK. Perhaps there is a similar situation in his district. There is a large Army airport near my home town. They are soon to abandon it, I am told, but yet the Army is not willing to declare it surplus. They wish to maintain it there and keep it for possible future use. That may run on for a great many years. In the meantime it would be for the benefit of all concerned to permit the local muncipality to maintain it and use it.

Mr. HALE. If the municipality wants to use the airport, and the War Department will not give it to them, I think that is eminently a situation that the Administrator should bring to the attention of the Congress. As to the language in line 3, section 9 (a), I think that "Government agency" should be construed as an agency of the Federal Government, and probably could not be construed to include a municipality.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Under the language of this bill where the owning agency does not declare property as surplus after the termination of hostilities, the Administrator can declare it as surplus, can he not?

Mr. COCHRAN. That was stricken out.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Alabama.

Mr. MANASCO. Section 6, page 28, reads in part as follows:

> If, in the course of the performance of his duties under this act, the Administrator has reason to believe that any owning agency has property which is surplus to its needs and responsibilities which it has not reported as such, the Administrator shall promptly report that fact to the Senate and the House of Representatives.

There is discretion in the Congress itself, whether or not it is declared surplus.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. My impression is that there was a provision in the bill originally which provided that the surplus agency, the disposing agency, could do, as the gentleman from Pennsylvania [Mr. WALTER] suggested, but that the War Department and the Navy Department objected to that for the reason that it felt it gave an outside control to what should be a congressional and a military question, and that now the only two bodies that can decide that are, for instance, the Army and the Navy, or the Congress; am I correct in that statement?

Mr. HALE. I think that statement is perfectly correct.

This bill creates a Surplus Property Administration to be headed by a Surplus Property Administrator appointed by the President by and with the advice and consent of the Senate. The bill fixes his compensation at $12,000 and his term of office as 2 years. The term of the act itself is for only 3 years beyond the cessation of hostilities, at which time the Congress will have the question in its lap again.

Under the bill as drawn there is a Surplus Property Advisory Board but there is no board which actually exercises control over the Administrator who remains responsible to Congress alone. Whether or not there should be a board having actual authority over the Administrator is a question as to which reasonable men may reasonably differ. When amendments to the bill are in order, I believe that an opportunity will be offered to the membership to express an opinion on this point. I myself favor a board and many national organizations like the National Chamber of Commerce have advocated a board.

The point which I wish to emphasize at the moment is that the Administrator does not himself sell any surplus property. All that the Administrator does is to direct the owning agency to dispose of any property pursuant to the provisions of section 7 or to restrict the authority of an owning agency to dispose of property. Section 8 of the bill empowers the Administrator by regulation to designate one or more Government agencies to act as disposal agencies under the act and to prescribe the class or classes of property to be disposed of by each of such agencies.

It is obvious that the disposal of the Government's surplus property after the present war is an economic transaction of very major implications. It has been suggested that $50,000,000,000 worth of property will be disposed of in this country and an equal amount abroad. I believe that the public expects Congress to safeguard these sales by most elaborate provisions against sales at inadequate prices, against dumping, against privileges, and preferences to one citizen or group of citizens as against any other citizen or group of citizens, and so on. It probably expects Congress to make very elaborate provisions about the disposal of plants, some of which represent enormous capital investments and largely control employment in certain areas.

Mr. ROLPH. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from California.

Mr. ROLPH. I am very much impressed with the gentleman's very able statement about this bill. May I ask him to refer to section 11, subsection (e), page 33, which reads as follows:

> To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors.

May I ask the gentleman this question: Where does the grocery store or the hardware store or the automobile dealer who have been servicing the farmers in these rural communities for years fit in this picture? Would the farmer be competing with him for the merchandise? Or is it the idea of the committee that these individuals, those retail stores or small merchants, be protected?

Mr. HALE. Of course, in that subsection there are found quite a variety of policies, some of which may be conflicting with one another. I am going to comment on that a little later.

Mr. ROLPH. My idea is that Congress is determined to protect the small businessman and according to this legislation we put him out of business.

Mr. HALE. I do not share the gentleman's view on that point.

I come now to the provision on unemployment. I am particularly interested in a shipyard in my own district, which is the dominant factor in employment within a radius of 25 miles and is a very major factor in employment, you might say, within a radius of 120 miles.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. GIFFORD. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HALE. It obviously makes a tremendous difference to our people whether this shipyard is sold to somebody to be used as a shipyard, even if on a very diminished scale, or is simply scrapped. The point that I wish to emphasize here, and which the public should understand, is that there are no provisions in this bill which govern that question.

Most of the debate yesterday and today has been concerned with the absence of these very provisions. But for Congress to create safeguards minute and definite enough to meet all these situations seems to me impracticable. There simply is no formula to fit all the cases. I fully agree with the Baruch-Hancock report when it says:

> Whatever policies are laid down by Congress, no formula or statute can be adequate in this situation. In the final analysis we will have to depend upon the best man who can be gotten for the job.

For example, I do not see how you can possibly draft a workable provision that sales shall be made in the "smallest practicable lots" or at a certain specified maximum mark-up. Presumably the mark-up provision would apply only to the original purchaser, from the disposal agency and even as to him it would be almost impossible to enforce.

I do not know what you would do, whether you would have a provision that the sale would be void or that the man who made too big a mark-up would go to jail. It seems to me a completely unenforceable provision. Furthermore, if the Government really wants to dispose of this property, in many instances I think it will have to allow the purchaser to make a very liberal profit. The more niggardly we are about letting purchasers make profits, the more difficulty we are going to have in disposing of this property. In some instances I believe the public interest would be to sell to dealers and not to individual purchasers, although a provision that the property be sold "in the smallest practicable lots" would seemingly inhibit in some instances even sales to small retail dealers. We have to be sure that the process of disposal is not unduly protracted.

We have defined in section 11 of the bill the policies which we think should govern the disposition of surplus property. These policies will of course guide the Administrator but they cannot control his action in any particular case, and there may of course—indeed there certainly will be in many instances—conflicts of policy. That is to say, a sale which might afford a "returning veteran an opportunity to establish" himself as a proprietor of a business might not necessarily "encourage and foster post-war employment" as much as the sale to someone who is not a veteran, and so on.

There again it seems to me that the Administrator or the disposal agency, the owning agency, has to balance the considerations of public interest one against the other.

If there is any way by which stronger public safeguards can be put upon this legislation, I shall favor them, but my own ingenuity has not been adequate to the task of suggesting effectual provisions to deal with many of the points which have been raised in the course of this debate.

I think myself that the provisions of section 13 should apply to all Government-owned plants which cost the Government $5,000,000 or more, irrespective of whether they produce synthetic rubber or aluminum. This was a point which received consideration in the committee, which voted to leave the bill in its present form on the theory that the synthetic rubber and aluminum plants create a special case.

The provisions of the bill as to the sale of plants are the least satisfactory because the subject is the most important and the most complicated. The values involved are the largest, but again it seems to me that you must rely very heavily on the Administrator and the disposal agencies, and in fact you must make up your minds now that mistakes will almost inevitably be made.

Some legislation of this character is certainly an economic "must," and I hope that the bill will receive passage after the most careful consideration by the House.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. BENDER. Mr. Chairman, I yield 5 additional minutes to the gentleman from Maine.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Massachusetts.

Mr. HERTER. Section 16 of the bill provides for the disposal of the proceeds and provides that they shall be covered into the Treasury as miscellaneous receipts. That is on page 39 of the bill. That would imply that all the proceeds from the disposal of surplus property, being covered into the Treasury, could be considered as current revenue and could be disposed of as current revenue. In the light of the fact that most of the expenditures have been made from borrowed money, would the gentleman consider favorably an amendment which would require the Treasury to apply the proceeds from the disposal of surplus property to the reduction of the debt rather than to current expenses?

Mr. HALE. Yes; that would be my idea. Somewhere in the Baruch-Hancock report is a suggestion to that very effect. I cannot put my hands on it at the moment, but I think the gentleman would be interested in studying the Baruch-Hancock report with that in view. I think an amendment of that sort would be constructive.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. The gentleman was speaking about the disposal of plants. I believe that the Defense Plant Corporation in about 75 percent of its contracts had a provision for the optional purchase by the contractor of the plants after the emergency was over. Of course, that class would be removed from the objections the gentleman has made to the provisions in the bill as to the disposal of plants, where there already is an option by contract. The only three classes that would be left would be those in which there was no option to purchase, where the contractor did not want to purchase, and did not want to exercise the option, or where the option price was too high under the changed circumstances, and a renegotiation of the option price would be sought. Does the gentleman agree with that analysis of the plant proposition?

Mr. HALE. I think that is correct.

Mr. WRIGHT. I agree with the gentleman that that is a very important question. It causes some of us a good bit of uneasiness, because the value is so extremely high and it would be so easy to make a bad bargain which would be very costly to the Government.

Mr. HALE. If there is any language which will help save these plants from uneconomic disposal, it should certainly be put in this bill.

Mr. ANGELL. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Oregon.

Mr. ANGELL. Did the committee give any thought to the terms on which this property will be disposed of and what security will be taken to secure the Government for the payment of the purchase price? Does the bill itself lay down any guide with reference to that?

Mr. HALE. No; there is no provision in the bill as to notes or security or anything of that sort.

Mr. ANGELL. That would be left entirely in the discretion of the Administrator?

Mr. HALE. It is in the discretion of the Administrator and the disposal agency.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Looking over the testimony, I notice some remarks to the effect that the Administrator can dispose of this property through a mechanism which causes the United States Government to take over blocked exchange held by other countries. It seems to me that that is a very important part of this bill. May I ask the gentleman if this bill does authorize the Administrator, if he chooses to do so, to transfer any of this surplus property to other countries in exchange for currencies of a third country which the second country holds? Can that be done under this bill?

Mr. HALE. Certainly there is nothing in this bill which specifically deals with that particular question.

Mr. CRAWFORD. No, no; the question I raise is, and I am going to put it very clearly, Does this bill authorize the Administrator created under the proposed legislation to transfer ships or goods or any kind of property to country A in exchange for currencies of country B, C, or D, which country A holds, at the present time, in blocked form?

Mr. HALE. I think that would be possible under the bill. Certainly I know of no provision in the bill which forbids it.

Mr. CRAWFORD. I do not see anything in the bill which forbids that. In view of the fact it has been discussed and in view of the fact that England, for instance, holds so many billions in blocked currency, would the gentleman care to give information to the Members here as to whether or not, in his opinion, the machinery of the present administration, or the present Government, or the Administrator, has any idea of making such a trade?

Mr. HALE. Of course, I have no capacity to say what is in the mind of the Administrator.

Mr. CRAWFORD. It might have come out in the hearing.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENDER. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. Mr. Chairman, it is my privilege to be a member of the Committee on Expenditures in the Executive Departments which reported the bill (H. R. 5125), providing for the disposal of surplus Government property and plants, we have before us today. It is not a perfect bill. I doubt if our committee would claim it to be. There are certain features of it that concern me and certain features I personally feel could be improved. But, in general, I believe the bill makes an intelligent approach to a very important and extremely difficult post-war problem. For the most part, our differences concerning the bill are more matters of detail than of basic principles.

In drafting this legislation the committee had before it several specific proposals, as well as the excellent studies made by other committees, such as the respective Committees on Post-war Economic Policy and Planning of the House and Senate, the House Select Committee on Small Business, and the Committees on Military Affairs. The bill is the product of many minds and extensive deliberations. As a matter of fact, our committee reported, and this House passed, as long ago as May and June of last year, legislation pertaining to the disposal of surplus property.

We are by no means prepared for the post-war adjustment period. Nor will we be prepared with the final enactment of this bill and the pending unemployment compensation legislation. We will simply have laid a foundation. The responsibility for this unfortunate delay must necessarily rest with the administration.

Our immediate concern is, of course, with the period immediately following the end of the war—the period of transition from a war to a peace economy, the so-called period of reconversion. Important as it is, that period is really only one phase of the post-war adjustment problems. If we are to plan intelligently I think we must take a broader view of the term "post-war" than most are prone to take.

It is generally agreed that after the difficult period of transition from a war to a peace economy there will follow a period of "boom," resulting from pent-up consumer demand. During this period the danger of inflation will be great, and there is a very real possibility that a severe depression will follow.

While, for the moment, our most concern is with the reconversion period, and the bill now before us is specifically directed to one of the problems of the reconversion period, I think it well to remind ourselves that post-war planning involves a great deal more than developing plans solely for the period immediately following the conclusion of the war. While not perhaps pertinent to the bill now under discussion, I nevertheless believe it should be emphasized that the over-all post-war plans finally evolved must be with a long-range point of view. I consider this bill an important but a small part of the post-war policy it is our responsibility to formulate.

As the Senate Special Committee on Post-war Economic Policy and Planning stated in its report of February 9, 1944:

> The paramount consideration in the handling of all demobilization problems should be the preservation and strengthening of the American system of free competitive enterprise. All war plants and war surpluses should be handled by the demobilization agency so as to promote such enterprise.

That is one of the objectives of this bill. In the final analysis, what we are seeking to do is to preserve the system of economy that made this country strong and victorious. The bill merely states the objectives, and in section 11, at page 32, sets out certain guides or standards for the disposition of billions of dollars of Government property; the attainment of the objectives depends upon the wisdom and care with which the law is administered.

The amount of Government-owned plants and property has been variously estimated. The Senate Post-war Economic Policy and Planning Committee estimated that approximately $19,000,000,000 have been spent on new plants since the war started, of which the Government spent $15,000,000,000, and private industry $4,000,000,000. They also estimated that the amount of Government-owned goods will be as high as $75,000,000,000. Dr. Kaplan in his recent book, The Liquidation of War Production, estimates that the amount of Government-owned surplus property will be around $60,000,000,000.

It is, of course, difficult to get accurate estimates, but this much is indisputable: The amount will be tremendous. And, also indisputable, whole segments of American industry may be destroyed merely through the manner in which these vast quantities of materials are disposed of. It is imperative that the personnel of the surplus property administration, set up under the bill, be of the highest quality, that it be made up of practical men and not the "parlor theorists" or "reformists" that are all too plentiful in Government positions. It is also imperative that we in Congress keep a constant check on the manner in which the law is administered.

The bill before us endeavors to give the Congress some check over the administering agency, although, to be sure, there may be some question whether, as a practical matter, it would prove effective. In the first place, section 3 (a) provides that the surplus property administrator, to be appointed by the President, be subject to confirmation by the Senate. In the second place, section 5 (a) provides that the administrator shall report to the Senate and the House every 3 months, and (b) of the same section provides that he shall submit to the Senate and House copies of regulations prescribed by him. Moreover, while each owning agency of the Government has the power under the bill to determine what is its surplus property, section 6 (a) provides that—

> If the Administrator has reason to believe that any owning agency has property which is surplus to its needs and responsibilities which it has not reported as such, the Administrator shall promptly report that fact to the Senate and House.

In order that there will be constant and careful review of the administration of this proposed law, I should like to see a subcommittee of my Committee on Expenditures in the Executive Departments set up solely for this purpose. It could be charged with the responsibility of examining all the regulations and reports submitted. Too many reports are submitted to Congress which are not studied, except by an individual Member, but if an examination of reports was made the responsibility of a specially constituted subcommittee of the standing committees a great many things could be corrected before too late.

I should like to make another suggestion with a view to making more effective the policing by Congress of the administration of this important legislation. Section 5 (b) on page 28 reads as follows:

> The Administrator shall submit to the Senate and House of Representatives copies of the regulations prescribed by him from time to time under this act within 30 days after the publication of such regulations in the Federal Register.

That particular provision is certainly of doubtful value. Each Member of Congress receives the Federal Register at his office, and this provision provides that the Administrator send the Congress copies of what has already been public for 30 days. I am inclined to believe that the provision would have some merit if it provided that copies of the regulations shall be submitted to Congress prior to their being filed for publication in the Federal Register.

Another feature of the bill to which I should like to direct your attention is the fact that the term of office of the Administrator is limited to 2 years. (Section 3 (a) on page 26.) By stipulating in the law the term of office we give the appointee a vested right in that office for the term of 2 years. The appointee being subject to confirmation by the Senate, it is my view that the importance of the office is such that no term should be stipulated. Unless someone else offers the amendment, I propose to offer, at the appropriate time, an amendment striking the last sentence of section 5 (a) on page 26.

Mr. Chairman, I shall conclude by again urging that the Congress be fully cognizant of the importance of this legislation of our whole economy and that we make certain, using every means at our disposal, that the law is administered in accordance with the intent and will of Congress. If we fail in that I believe we fail to discharge our responsibilities.

Mr. GIFFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER of Connecticut. Mr. Chairman, at the outset may I commend the committees that have worked so hard and long on this gigantic problem, as well as the many individual Members of the House who have given time and thought to the subject and have made available to the members of this committee the benefit of their experience. Its far-reaching effects should certainly be a matter of great concern, not only to the Members of Congress but to every taxpayer in the United States. If improperly administered, this act could bring about the complete destruction of many important industries in the United States. It could affect adversely two of the most important industries in my own congressional district, namely, the aircraft-engine industry and the small-tool industry.

It is a matter of considerable pride to many of the communities and citizens of the State of Connecticut that within that State has been turned out a greater dollar value of war material at a smaller cost to the Federal Government than in any other area of like size in the United States. We have practically no new factories built at taxpayers' expense in the State of Connecticut. But the mere fact that the industrialists of that State saw fit to make their old plants and equipment do, rented every possible available square foot of manufacturing space rather than building at Federal expense new factories, should be taken into consideration when the time for disposal of plants has finally been reached. Every effort should be made to see that unfair competition is not set up between the several States, and consideration should be given to those who have made their old plants do; they should not suffer from the competition to be furnished by those who might in the future acquire modern, up-to-date plants and equipment at perhaps about 10 cents on the dollar of their real value.

I realize the importance of maintaining a committee bill on the floor and the difficulty of trying to write legislation of this kind on the floor of the House. In my short time here I have tried to follow the rule of supporting committee recommendations. But in this particular case the committee has practically asked Members of the House to make whatever suggestions they might care to make and offer what amendments they have in mind. I am going to accept that invitation tomorrow and will propose on page 33, line 10, one brief and, I think, rather simple amendment. It will follow the limitations in the first part of section 11 and will read:

> To afford those serving in the Army, Navy, and Marine Corps and all war veterans an opportunity to purchase single units or small lots of any surplus property at the same price for which said property has been sold or offered for sale in large lots.

It seems to me we have within our present Army and Navy a tremendous possible retail outlet for a great deal of this surplus material. I do not mean that the post exchanges should carry surplus jeeps, trucks, and tires in stock, but I think that when the Navy Department or the War Department declares certain equipment, even jeeps, trucks, and tires surplus, and establishes a price for such surplus, that equipment should be sold by listings with the Quartermaster in the various post exchanges, so that if Private X wants to have shipped to his farm a given model of jeep he can place his order through the P. X. for that jeep. After a price has been established for jeeps or flying suits or tires or whatnot, the P. X. could list that price, and a great deal of that material could be sold to the individual servicemen at the same price it has been sold to the speculator. We need not fool ourselves. There are going to be speculators. You have had them in your office and I have had them in mine already—men coming to Washington trying to find out just how this material is going to be disposed of, and trying to get a pipe line into that surplus, anticipating making a substantial profit when the war is over. To make a reasonable profit or to stimulate business is one thing, but we do not want profiteers such as we had after the last war.

I have personally seen flying coats that cost the Air Corps $52 in 1918 sold at Mitchel Field, Long Island, to a speculator for $1.25, and taken into New York and sold for $35, but an individual pilot who wanted to buy his own flying suit when he was discharged had no means of acquiring honest legal title to it. He either "managed for it" or he did not obtain it.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. STEFAN. I was very much interested in what the gentleman had to say about the jeeps. I just returned from my district, which is a purely agricultural district. Many of the farmers with whom I talked were very much interested in this bill. I told them I had to come back to vote on this bill dealing with disposal of surplus material. They are very much interested in getting a jeep on the farms, it being an all-around service car on the farm. Did the gentleman indicate in his statement something about how they could secure them?

Mr. MILLER of Connecticut. Yes. My thought is that once a price has been established on a given model of jeep or truck, the quartermaster, through the Army P. X. stores could take the order of the individual serviceman or from an individual veteran for the purchase of one of these standard jeeps.

Mr. STEFAN. But I am talking about the farmer who needs that vehicle on his farm.

Mr. MILLER of Connecticut. Somebody else may deal with that, but I am trying to give preference to the men who have served in the Army and the Navy.

Mr. STEFAN. A great many of those servicemen are the sons of farmers.

Mr. MILLER of Connecticut. Very well. They can send dad home a jeep. It is all right with me.

Mr. STEFAN. The gentleman will recall that before we recessed, the chairman of the Committee on Appropriations was explaining our appropriations up to that particular time. That was at the time we passed the last deficiency bill. The total appropriations amounted to about $181,000,000,000 in 4 years, compared with $112,000,000,000 from the time of George Washington down to the time of Herbert Hoover. The gentleman from Connecticut asked the gentleman from Missouri to yield, and then the gentleman from Connecticut asked something about certain buildings which were destroyed in your district by the Army. Did the gentleman get any information about that destruction, or was that report erroneous?

Mr. MILLER of Connecticut. No. The report was not erroneous. I have the reply in my office.

Mr. STEFAN. What happened?

Mr. MILLER of Connecticut. Just as I said. They went in there with bulldozers and pushed these buildings down, and burned up the old buildings.

Mr. STEFAN. Yet our farmers back in Nebraska cannot get lumber. Every farmer in my district is begging for lumber today.

Mr. MILLER of Connecticut. I should be pleased to make the correspondence available to the gentleman and will send it to his office in the morning.

In the few minutes remaining, let me say it seems to me this bill is certainly an important part of the over-all demobilization problem that we face here in Congress. This is but one of perhaps three or four bills we shall be asked to pass upon; and I think it would not be out of order to express the hope that through the remaining days of this war we watch the operations of the Army and Navy and contribute our little bit to preventing the establishment of unnecessary surpluses. I do not know whether the statements published in the newspapers relating to the Brewster aircraft plant are true or not, but I do believe that some responsible committee of this Congress should find out whether or not it is a fact that the Army and Navy Air Corps officials have stated that they did not need the products of that particular factory, but because of the labor situation that exists in that area, because possibly of a failure to set up a demobilization program insofar as that industry is concerned, orders have been issued by responsible officials to keep that plant in operation turning out aircraft that our Army and Navy say are not needed. That is purely a newspaper story, but it has been printed several times and has not been contradicted.

Recently in my district a contract was canceled for the manufacture of certain radar parts and equipment. The value of the inventory sold was $35,000. It was sold to a Brooklyn junk dealer for $7,000. Two weeks later 15 percent of that $35,000 was sold to a competitor of the manufacturer whose contract had been canceled—sold for $11,000. Thus the junk dealer has 85 percent of his purchase on hand and a profit to date of $4,000. I do not know whether this bill will prevent a repetition of things of that kind, whether that would properly be called surplus material by the War Department when it is in a manufacturer's hands, but it certainly is under control of the Army, and in that case under the control of the Signal Corps. I say let us have a bill that does cover material of that kind—and it will run into the millions and millions of dollars.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. GIFFORD. Mr. Chairman, I yield 2 additional minutes to the gentleman from Connecticut.

Mr. MILLER of Connecticut. Mr. Chairman, I have previously referred to the labor situation in my own district, to the fact that that district along with some others is still designated as a critical labor scarcity area. In spite of the fact there is hardly an industry in that area but what has laid off from 50 to 3,000 employees, still we are in that same classification; and industry that should at this time be manufacturing things the Navy Department needs and that our civilian economy needs are denied the opportunity to accept contracts because of that labor scarcity designation. Notwithstanding that, in this morning's Hartford paper appears an advertisement inserted by the United States Employment Service trying to recruit in an area designated by the War Manpower Commission as a critical labor scarcity area—recruit mechanics, laborers, sheet metal workers, brush painters and registered nurses, and so forth to go to the Pacific coast to work. I do not know whether they are accumulating a surplus of labor in the Pacific coast area or just what they are doing that they should come into an area designated as a critical labor scarcity area and at this time recruit labor that is needed and will be needed in Connecticut in the post-war era.

The Underwood Elliott Fisher Corporation typewriter factory cannot manufacture typewriters in its factory in the city of Hartford, so they went 30 miles out of the city to get outside of that area and start a new factory. There they do have the right to manufacture typewriters and are building typewriters the Navy Department has stated they need, that they could not build in their own plant in the city and the skilled workers of that factory see their work being done 30 miles away by others.

As part of my remarks I wish to include an editorial which appeared in today's Hartford Courant under the heading "Unamusing paradox":

UNAMUSING PARADOX

The War Manpower Commission has at last achieved a degree of inconsistency that not even its critics would have thought possible. In the Courant today and for the next 5 days the reader will find an advertisement sponsored by this Commission in which Hartford workers are solicited to leave their jobs and go to work in the Pacific Northwest. That workers employed "at their highest skill in war industry" are not invited does not alter

the fact that the W. M. C. seeks to take workers out of what it calls a critical area.

These manpower officials have consistently refused to remove Hartford from the critical labor-shortage category. They have discouraged advertisers and newspapers from running advertisements for help that contained statements relative to payment of overtime or time and one-half, because these were considered inducements that might lead to increased turn-over of personnel in local industries.

And now what happens? The War Manpower Commission comes into a critical labor-shortage area and holds forth the tempting bait of "time and one-half after 40 hours" and other inducements to get laborers, sheet-metal workers, structural-iron workers, registered nurses, and others to leave Hartford, thereby breaking their own rules.

Perhaps Manpower Czar Paul V. McNutt can explain this paradoxical situation wherein he tries to deplete an area that his Commission designates as critically short of labor. Perhaps, too, he can explain why his Commission sponsors an advertisement that contains enticing statements that private employers must eschew in their advertising. Certainly an explanation seems to be in order.

Mr. WHITTINGTON. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, I hesitate to approach this subject after the very able analysis of the bill by the gentleman from Mississippi [Mr. WHITTINGTON]. I agree with everything he said; I agree with what he said with reference to the objectives of the bill and also about the gentleman who appeared before the various committees, Mr. Clayton. I cannot conceive of any man who has ever shown a desire to be more cooperative with the Congress than Mr. Clayton.

To take up the bill section by section would be only a repetition of what the gentleman from Mississippi [Mr. WHITTINGTON] has already said. There are, however, some matters in which I have a profound interest. Questions have been asked which indicate that some Members are not satisfied with the provisions in the bill that relate to schools, hospitals, State institutions, and so forth. They indicate that we should be more liberal, use the same policy of disposing of surplus property as did the N. Y. A. They want some of this property without cost.

The States of the Union, speaking as a whole, are in a very healthy financial condition, a far better financial condition than your Federal Government. I am not going to forget that some of the States in this Union have not played fair with the Federal Government in the prosecution of this war. After the decision in the Alabama case wherein the Supreme Court held that in certain instances the tax exemption in the Constitution did not apply and that the Federal Government would be required to pay sales and use taxes to the State in the manufacture of supplies and the furnishing of material that were needed for the defense of our country. Some of the States of the Union exempted the Federal Government, but other States refused to exempt the Federal Government. I immediately introduced a bill providing for exemption from the levy of use and sales taxes. Officials from various parts of the country came here and opposed that bill. An official of my own State opposed the bill. Despite the fact that over 20 members of the Ways and Means Committee favorably reported that bill we were unable to get a rule from the Rules Committee for its consideration. As a result hundreds of millions of dollars have been paid by the Federal Government to some States in this Union in connection with the manufacture of tanks, planes, and various other articles used for war purposes. This bill provides for sale not for gifts. We do not want a repetition of what occurred after the First World War. You will recall that three billions of dollars of supplies were sold to France. Did France keep them in France? Not all of them. They sold some of them to other European countries, and all we received was $400,000,000.

We provide in the bill that schools, State organizations, charitable organizations, and so forth, can secure their legitimate needs but they are going to be required to pay for the property that will accrue as a result of this war.

Let us look at the problems that confront us. Billions of dollars of surplus property—no one can make a definite statement, your guess is as good as another—will be available for sale. Our problem is how to dispose of it to the best interests of the Government. At the same time we must be extremely careful that we prevent the dislocations of the domestic economy and of international economic relations.

There has only been one definite statement that I have seen in connection with all the testimony upon this subject and that was by Major General Clay of the War Department who appeared before the joint committee of the House and Senate on post-war planning. He stated that up to the middle of June, they had already disposed of $261,000,000 of surplus property. He stated further that at that time it was an actual business running in the neighborhood of $35,000,000 a month. That is the War Department alone. And he added in another sentence that at a very early date we—the Army—will have approximately $296,000,000 worth of additional surplus property. That is the only definite statement ever made on the subject as to amount and as we all know, it is only a drop in the bucket in comparison with what we are going to have.

It is my view that the time for action is now. All the property that we have now that can be declared surplus, which is not needed in the prosecution of this war, should be declared surplus now and if it is, we can place it on the market, and can get a reasonable price for it and we will not be interfering with private industry because it is not available in the open market today.

We might as well face the facts in connection with this legislation. We are going to run into many difficult situations. The Administrator will have a tremendous job. We are not going to dump surplus property on the market. When private industry is placing similar products on the market that are sufficient for the use of the people of the country, we are not going to sell the property. It is pointed out in the bill, we are not going to go into competition with manufacturers. So it seems to me that the quicker the organization can get to functioning and the quicker they can dispose of the property that is now surplus and not needed in the prosecution of the war, the better off we will be, financially and otherwise.

Mr. Chairman, I want to refer to the Secretary of Agriculture because he appeared before the committee and made a statement. I realized from his statement that he had visions of securing a great deal of surplus property. He spoke of the great amount of land that had been taken over by the Government in forest reservations, around national parks, and so forth. He spoke of the tremendous amount of bulldozers, trucks, and so forth, that could be used to great advantage by the various organizations under his control. I told the Secretary that I felt it was pretty generally known that there was quite a number of Members of Congress and a tremendous number of people all over the United States who felt that the time had arrived, due to the financial condition of the country, when we should retrench rather than expand. Some of his suggestions clearly indicated expansion. I pointed out to him that under the terms of the bill he would not receive any surplus property in excess of the amount of property of a similar kind that he was authorized to buy by the appropriations and he must have the necessary amount of money to his credit to pay. I told him he could not get land under the terms of this bill, nor would he be able to get bulldozers, trucks, or anything else unless he could pay for them. I told him I thought that was proper, that unless the Congress of the United States appropriated the money and authorized him to buy this surplus property he should not get them, nor should any other Government agency. It would simply be the case of a Government department or agency increasing its own appropriation.

We authorized in the veterans' bill an appropriation of $500,000,000 for additional hospital facilities. We have hospitals in every corner of this country and throughout the central part of the country as well. Some of those hospitals, after the war is over, will not be needed by the Army or Navy. Some of them, I presume, are temporary while others are permanent; but those that could be used fully equipped, that meet the needs of the Veterans' Administration, then the Veterans' Administration should take them over. That would be sound business. However, the cost of them should come out of the $500,000,000 that Congress has authorized.

In other words, I want to see the Government agencies, every one of them, pay for the surplus property they will receive,

and I think that the States, the cities, and the counties should do likewise. We have a tremendous amount of liabilities. Surplus property is assets, and we ought to realize from those assets just as much money as we possibly can. The only way we are going to do that is to get a fair price for it when we place the property on the market.

You are going to have a fixed charge for years of at least $6,000,000,000 for interest on the national debt. We are going to be required to appropriate that money because the minute we default upon the interest on our national debt our financial system will be broken down. Let us apply some of the money that we get from the surplus property toward the payment of interest on that debt.

Then again, we are going to have an adjusted-compensation bill. Every one of you know we are going to have that. On the basis of the adjusted-compensation law we passed for World War No. 1 veterans, it cost the Government $4,000,000,000. On the basis of the number of men and women serving in this war, that same legislation will cost the Government anywhere from twelve to sixteen billion dollars. We are going to have a tremendous bill to take care of the disabled veterans and the widows and orphans of those who made the supreme sacrifice. We are going to need all the money that we can get to meet those enormous expenditures.

So I feel, Mr. Chairman, in view of the financial condition of the country, no one should try to amend this bill to provide for disposition of this property without payment to the Federal Government, no matter whether it be an agency of the Government that gets the property or a State or a subdivision thereof, an individual or organization.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. In connection with amendments and in connection with the statement that members of the committee will invite amendments from time to time, is it not a fair statement to make in this connection that the committee itself considered many proposals in the form of amendments, and the committee came to the conclusion that the proposed amendments, submitted to us in good faith and suggested to us in good faith, would defeat the very purposes that the gentleman submitting the amendment had in mind?

Mr. COCHRAN. The gentleman is correct. That occurred not once but on several occasions.

Mr. WHITTINGTON. So that a word of caution is in order, with all deference, that while members of the committee have expressed themselves to the effect they would like to perfect the language they have been unable to do it, and if anybody else can submit language that can perfect the bill they are agreeable to considering it. The point is we ought to be pretty careful to know that we are perfecting and helping the bill with the language submitted or the amendments we offer; otherwise we would defeat the very purposes of the legislation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTINGTON. Mr. Chairman, I yield the gentleman 8 additional minutes.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. The Committee on Banking and Currency, of which I am a member, discussed a bill somewhat similar to this, and we were particularly disturbed—at least I was, and it was brought out by the witnesses—about the question of how far an administrator ought to be permitted to go in carrying out these policies. You will notice on page 33 there are various policies to be carried out, to the extent feasible in the public interest, but it does not say to what extent the administrator could go. Among those policies are, in effect, making donations; another one, aiding veterans; another one, fostering employment.

Was it the intent of the committee, where necessary to carry out one of those policies or several of them, that they should reduce the price of the goods? In other words, when you reduce the price of the goods in order to carry out a policy like that, it is in effect a subsidy for that purpose.

Mr. COCHRAN. Why, certainly not.

Miss SUMNER of Illinois. Does the committee intend to reduce the price?

Mr. COCHRAN. Certainly not. Is that paragraph (d)?

Miss SUMNER of Illinois. Yes.

Mr. COCHRAN. Paragraph (d) reads:

> To encourage and foster post-war employment opportunities.

Suppose we had, say, 10,000,000 pairs of shoes when this war is over, and we dumped them on the market, where would the employees in the shoe factories be? So in order to foster post-war employment they are going to be very careful in the way they dispose of this property so that it will not interfere with employment. We are going in the storage business to a large extent.

Miss SUMNER of Illinois. That is made clear in another part of the bill. On the question of the veterans, say you have some jeeps to give away. In order to get them into the hands of veterans in a certain community you have to reduce the price in order to get the veterans to buy them. Is it the intent of the committee in that connection that the administrator would reduce the price in order to be sure that the veterans got them?

Mr. COCHRAN. There was no such suggestion made, I think, at any time in the hearings, and I was there all during the period when Mr. Clayton was there. You are going to run into insurmountable difficulties. For instance, here is a farm and three veterans want it. Who is going to get it?

Miss SUMNER of Illinois. That is it.

Mr. COCHRAN. Here is a business. Here are three veterans who want it. Who is going to get it? You have to give the Administrators broad discretion and trust to their fairness.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. The gentleman made a very compelling speech urging the Congress not to provide for giving away this property that cost the country so much money. I wonder why the bill authorizes this agency to give this property away.

Mr. COCHRAN. Only where it is absolutely of no value.

Mr. VORYS of Ohio. No, no.

Mr. COCHRAN. Where is that?

Mr. VORYS of Ohio. In section 10 (b), page 31, it provides for giving away property that has no value, but section (a) provides, and I quote:

> Wherever any Government agency is authorized to dispose of property under this act, then, notwithstanding the provisions of any other law but subject to the provisions of this act, the agency may dispose of such property by sale, exchange, lease, transfer, or other disposition, for cash, credit, other property, or otherwise—

"Or other disposition" includes "gift," and "otherwise," as a consideration, means no consideration at all.

Mr. COCHRAN. Oh, no. We discussed that.

Mr. VORYS of Ohio. I think that is perfectly clear. Every lawyer in this House will agree that section 10 (a) authorizes another form of giving away property in addition to subsection (b). I do not think there is any question about the interpretation of that section.

Mr. COCHRAN. I do not agree with that suggestion; as I said, that language was thoroughly discussed.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. With respect to the inquiry made by the gentleman from Ohio, the language in section 10 (a) would have to be construed in connection with subsection (c). Subsection (c) provides:

> The Administrator, by regulations, shall prescribe such policies governing prices and other terms and conditions of dispositions under the authority of subsections (a) and (b) of this section, as he deems necessary to effectuate the objectives and policies of this act.

One of the objectives is to secure the best possible return to the Treasury, so that if he would give it away, it would be in violation of the terms of the act, and he is not authorized to do that.

Mr. VORYS of Ohio. I beg to differ with the gentleman. Under subsection 10 (c) the Administrator could authorize by regulation disposal otherwise than by sale, which would mean by gift, or could authorize by regulation for a consideration of nothing, and that would be binding.

Mr. WHITTINGTON. I beg the gentleman's pardon. It says, "as he deems

necessary to effectuate the objectives and policies of this act." The policies and objectives of this act are to procure the best possible return to the Treasury. There would be no return to the Treasury if he gave the property away. We have conferred with the Legislative Counsel, and he agrees with that interpretation.

Mr. VORYS of Ohio. Under subsection 10 (c) he may deem it unnecessary, to effectuate the objectives, to charge anything.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. With reference to the language in section 10 there is an enumeration of cash and credit and other property. It seems to me that those three considerations are all inclusive of everything except giving it away. Of course, when you cannot get cash for your stuff or credit or other property, and you still dispose of it, what are you going to get?

Mr. VORYS of Ohio. Nothing.

Mr. MICHENER. Or otherwise.

Mr. WHITTINGTON. You can only dispose of it otherwise to effectuate the objectives and policies of this act, and one of the objectives and policies of this act is to provide for a reasonable return to the Treasury.

Mr. SUMNERS of Texas. And where is that language found?

Mr. WHITTINGTON. Section I, Objectives.

Mr. SUMNERS of Texas. You do not provide any reasonable return to the Treasury when you give it away, and that is provided for in the bill.

Mr. WHITTINGTON. Only when it has no value. That is the only time you can give it away under the provisions of this act.

Mr. COCHRAN. That very question was asked by the Senator from Michigan, Senator VANDENBERG, at the joint committee hearing. Senator VANDENBERG asked: "Could you give it away under that section?" Mr. Clayton said, "It does not say so, and they certainly could not do it."

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from California.

Mr. HOLIFIELD. Is it not true that the "or otherwise" refers directly to the next section, section (b), which describes the manner in which it can be given away?

Mr. COCHRAN. That was what the gentleman from Mississippi just explained.

Mr. WHITTINGTON. As to the words "other property" the explanation of that was this: If this property was sold in a foreign country, we might not be able to get money, but with the word "property" we might get raw materials that we will need. So there is broad discretion given. They might get credit or cash. If you sell these plants, you will have to sell them on credit.

Mr. COCHRAN. I was going to refer to that when the gentleman asked me to yield, because the question of credit was brought up, and Mr. Clayton said that Mr. Carmody, the head of the Foreign Economic Administration, was going to handle the surplus property abroad. He might find himself in a position where some country has something that we need, that we do not produce in this country, and they might be able to make an exchange whereby we would get value received for the commodity that we give that nation. It would be some commodity that we need very badly and do not manufacture in the United States. It was brought out in the hearings very plainly that under the provisions of that section you could not give the property away.

Those of us on the committee have read the hearings of numerous House and Senate committees—a dozen or more that have studied various phases of the subject. We feel it would be a mistake to load this bill down.

We have recognized the advisability of protecting small business; of protecting individuals whose property was taken from them; to give such preference as is possible to those who served in the armed forces; to protect the interest of labor; to prevent monopolistic practices; to provide for wide distribution; and to prevent speculators from getting surplus property.

We give you a good bill. As we gain from experience the Congress can improve upon it. We must be liberal in extending to those who will administer the law the power to meet the situations that will confront them.

This legislation has long been delayed and through no fault of this House. Over a year ago we passed H. R. 2795. I tried many times to get action in the Senate on that bill. The President urged Congress to act on more than one occasion. Finally he set up, by Executive order, a surplus property agency. This act will take its place. The present Surplus Property Administrator, Mr. Clayton, has done a wonderful job under his limited authority. I feel the President will appoint him Administrator under the terms of this bill. If he does I am sure Mr. Clayton will assign Hon. Leo Crowley, Chief of the Foreign Economic Division, to handle surplus property abroad. Both have demonstrated their ability. We appeal to you to pass this bill as the committee reported it.

Mr. GIFFORD. Mr. Chairman, I yield myself a quarter of a minute just to congratulate the last speaker and the others who have told us that actually they are not going to give away any more, they are going to get their money's worth. That is something new.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. Did the gentleman say they were going to get their money's worth just because they were not going to give it away? They can charge a nominal price and still not be getting their money's worth.

Mr. GIFFORD. It will still be something new. I congratulate them.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. GIFFORD. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. POULSON].

Mr. POULSON. Mr. Chairman, when I say that this bill before us, H. R. 5125, constitutes legislation, which is as far reaching as any domestic legislation which we have passed in many months, I mean just that. In fact, it can be the controlling factor in the adjustment of our post-war economy. To visualize the magnitude of the subject matter contained, let us compare it in dollars with the much-discussed Kilgore bill, which has had the headlines for weeks. This Kilgore bill or legislation was planned to avoid a post-war depression through the means of unemployment insurance, and many claimed it would wreck our economy because Mr. Altmeyer of the Social Security Board stated it would cost us $10,000,000,000. Yet, according to figures prepared by responsible governmental agencies for Mr. Clayton and the Budget Bureau, which I have had the privilege of viewing, I notice that the amount involved is more than 11 times this much-feared ten billion unemployment insurance. In fact, it is freely admitted by Mr. Clayton and others that we can expect very little out of the fifty-six billion in foreign countries and an unknown percentage out of the $52,000,000,000 estimated to be Government-owned war-end surpluses in this country. In other words, the figures compiled of a summary of estimates of Government-owned war-end surpluses shows that they figure there will be $112,138,000,000 of surpluses on basis of cost.

Now the question is, What makes up this $112,138,000,000 estimate? First, let us make an analysis of the $59,651,000,000 estimate which will be disposed of in other countries. There are $3,045,000,000 of various facilities, such as bases in other countries. Included are military supplies, such as guns and fire control, ammunition, combat vehicles, radio equipment, and radar equipment, which they estimate that there will be thirteen billion four hundred and ten million—enough to help other nations wage war. Under heading of "Potential civilian goods, trucks, cars, tractors, etc.," this will amount to $2,650,000,000 cost; railroad equipment, photo equipment and supplies, precision instruments, and medical and dental equipment will be approximately $680,000,000 cost; food products will approximate one billion one hundred and twenty-five million and an additional $450,000,000 of clothing unissued. Listed under raw materials is an estimate of $1,160,000,000 of petroleum products, one billion one hundred and twenty-six million of materials in process, and $1,126,000,000 of

miscellaneous equipment and supplies. Then there will be $26,000,000,000 in planes of all types, including parts and spares. In addition to the above there will be $10,000,000,000 of Liberty, Victory, transport, tankers, and other types of maritime ships. Is not American industry and trade threatened with the above items? Are we going to start up foreign competitive shipping and air travel? Surely these are matters to be decided by Congress, or at least the Senate. And remember this bill would let one man decide that question for Congress and the Nation.

Now for an analysis of the domestic surpluses and how it will affect our economy. Of the estimated $52,487,000,000 of surpluses here, $20,739,000,000 constitutes nonindustrial facilities, such as airfields, troop housing, war housing and other types. This does not include our 8,000,000 acres of land, purchased for this war. In addition there will be $4,400,000,000 of munitions; such as guns, ammunition, combat vehicles, radio and radar equipment. The disposal of the above will constitute a problem far less difficult than the following when we dispose of $27,348,000,000 worth of surpluses which will go into our every-day economy. Industrial buildings and installations will have cost $7,900,000,000; machinery and equipment will have a cost of $3,684,000,000; raw materials $3,428,000,000; materials in process $3,700,000,000; automotive equipment $1,350,000,000; finished food products $750,000,000; clothing $275,000,000, and miscellaneous equipment and supplies $1,261,000,000. Let us omit the plants, machinery, and equipment and we still have $10,764,000,000 of consumer goods to put into business channels immediately; and then when we consider that $4,000,000,000 per month is the average total retail sales in this country you can readily see how important this job is of administering and steering this program of disposing of our war surpluses.

Realizing the importance of this bill and further the necessity of legislation on this matter we must now turn to the bill itself. In the first place outside of designating that there shall be an administrator, defining his powers which are quite unlimited, we have devoted the greater portion of the bill to announcing the policies we would like to see carried out but in no manner are they mandatory. Frankly, I admit that it is impossible to write a bill with the blueprints of instructions and that must rest with the Administrator or board, whichever this Congress decides upon.

Being opposed to placing all of this power in the hands of one man, let us find out just how far that power extends. We know of one industry which became alarmed and the gentleman from Pennsylvania [Mr. WALTER] appeared before our committee with an amendment to protect that industry and I might state his State. That was the anthracite coal industry, which could have been extinguished had the Administrator or board disposed of the existing oil pipeline which will no doubt be classed as surplus because of the inefficiency of transporting oil through it. As Mr. WALTER stated, there is only one company able to utilize it and that is a major oil company and one of their officers had publicly advocated using it to transport natural gas to the Eastern States for domestic fuel consumption. The consequences on the coal industry in Pennsylvania would be apparent.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. POULSON. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I think the gentleman from Missouri [Mr. COCHRAN] gave us to understand there was nothing in the bill to prohibit the Administrator from trading any or all of this $59,000,000,000 worth of goods located in foreign countries in exchange for blocked currencies. I am sure the gentleman from Missouri [Mr. COCHRAN] stated rather emphatically that one of the purposes of the bill is to put the Administrator in position to trade this property in a manner which would enable the United States to buy goods from other countries. That seems to sew this thing up pretty tight.

Suppose England holds the equivalent of $12,000,000,000 worth of Brazilian milreis or Argentine currency or some other Latin-American currency or Dutch East Indies currency, or whatever it may be, and the Administrator trades these goods for that currency. The currency is then equivalently transferred to dollar exchange at the New York Federal Reserve Bank, which puts our Government agencies then in position to use that exchange on other countries for the purpose of paying for goods imported into the United States from those countries. I think it has been clearly stated here by members of the committee that that operation could be carried out.

In the event any such program is followed, may I submit this question: What is to occur when exporters produce goods in this country and ship to those other countries? How are they to get exchange of those other countries converted into dollars in payment for the goods which those exporters ship out of this country?

Mr. POULSON. I would say that this particular individual who is the Administrator will have probably more power and more influence in settling that question than anyone else.

We on the Pacific coast are vitally interested in what is going to happen to the steel plants. It means everything to our future industrial development; does it mean we should also ask for exemption? If so, there would be no end to such requests. Now the sponsors of this bill will state that disposition of plants over a certain amount will require congressional consent; however, do you realize the Administrator in the present bill can rent these said plants for 5 years and there is no price or terms established? This all leads to one question: Is this not too great a responsibility to be placed on any man's shoulders? In fact, is it not true that he would have more direct control over our post-war economy than even our President? Has he not more unlimited power in this field? Even though Congress has the greatest faith in Mr. Clayton, is it good legislation to legislate on the basis of an individual, or on the basis of sound practices?

The gentleman from Missouri [Mr. COCHRAN] and the gentleman from Mississippi [Mr. WHITTINGTON] have been basing all their arguments on the fact that Mr. Clayton is a man in whom we have implicit confidence. I realize he is one of the very successful men in this country. He is reputed to be the biggest cotton broker in the world. He is a man who has made a fortune. He has been successful. But this law does not state that Mr. Clayton is going to be the Administrator. Therefore, if they base their argument for the bill on the basis that he is the man to administer it, then I say on that basis alone that that is no argument for the bill, because there is no assurance he is to be the Administrator. We should base our laws on the basis of common practices and principles.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. POULSON. I yield to the gentleman from Texas.

Mr. PATMAN. If the gentleman will read that paragraph closely, that section 13–A, it does not apply to steel mills. I have an amendment to offer that will make it apply to all war plants. I think it should apply to all. As it is written now, it only applies to aluminum and rubber.

Mr. POULSON. I agree with the gentleman that if we start on one exemption we may just as well exempt them all.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. POULSON. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. The assumption has been that Mr. Clayton will be responsible for selling these surpluses, and as they discussed the plan before the Committee on Banking and Currency Mr. Clayton's organization is a coordinating organization. The disposal, as they talked of it at that time, would be through Government agencies and departments. Has that plan been changed?

Miss SUMNER of Illinois. Is he going to do that, or are these agencies going to do it? It makes a difference.

Mr. POULSON. As I understand the bill, Mr. Clayton, if he is the Administrator, or whoever is the Administrator, will set all of these policies.

Miss SUMNER of Illinois. Does he not delegate the actual selling to the departments?

Mr. POULSON. Oh, yes; that is true. But he establishes the policy and the regulation under which it is operated.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. POULSON. I yield just for a question.

Mr. REED of New York. I am afraid I cannot put it just in the form of a question. I would like, however, to have

this, in your remarks, because of the reference made to Mr. Clayton. I do not dispute with the gentleman that Mr. Clayton is an able man. I want to call to the gentleman's attention that I believe it is essential that the Administrator be a man who is primarily interested in the United States. When King Cotton was in its death throes and the United States Government was coming to the rescue of the cotton people of the South, endeavoring to save the cotton farmers of the South, Mr. Clayton, as one of the greatest cotton brokers in the world, was in Brazil promoting the growth of cotton down there, of which Brazil has 216,000,000 acres available for growing cotton, contributing his talents to the death of King Cotton in this country. Now it might be well to look into the record before we turn over billions of dollars worth of property to be disposed of to Mr. Clayton without restraint. At least we ought to see that the Administrator is primarily interested in the United States of America.

Mr. POULSON. That amounts to $112,000,000,000. For that reason I am advocating and will present at the proper time amendments to this bill, eliminating the one-man control and setting up instead a board of seven. Two of these are to be selected with a background of industry and merchandising; two with an agricultural background; two with labor organization background; and the chairman; also to be selected with advice and consent of Senate and to receive salaries of $12,000. This should be a full-time job and as this job is as big as any in our Government it should carry a salary commensurate with the duties to be performed and comparable with others for like responsibilities.

Some will be advocating an advisory council but as they would have no voice in the decisions to be made I consider that as merely a gesture or what might be called, in plain language, just window dressing.

I am also placing in the RECORD the story of how England is handling her war-surplus problem. While we do not have to pattern our laws after England we can refer to them for suggestions of worth many times.

I am also having printed in the RECORD a suggested amendment for clarification, presented at my suggestion, by Mr. Scott of the Budget Bureau.

Amendment proposed by Mr. POULSON: Page 25, strike out lines 20 and 21 and insert:

"(j) The term 'Board' means the Surplus Property Board created by section 3."

Amendment proposed by Mr. POULSON: Beginning with line 22, on page 25, strike out down through line 4 on page 27 and insert:

"SURPLUS PROPERTY BOARD

"SEC. 3. (a) There is hereby created a Surplus Property Board which shall consist of seven members who shall be appointed by the President by and with the advice and consent of the Senate. All the members of the Board shall represent the general public and the public interest, but in order that the Board may have the benefit of experience in matters which the disposition of surplus property will affect, two of the members shall have had familiarity with and experience in handling the problems of industry (one in the field of production and one in the field of distribution), two of the members of the Board shall have had familiarity with and experience in handling the problems of agriculture, and two of the members of the Board shall have had familiarity with and experience in handling the problems of labor from the standpoint of employees. The remaining member shall be Chairman of the Board. The Board may designate any member to act as Chairman in the absence of, or in the case of a vacancy in the office of, the Chairman. The members of the Board shall receive compensation at the rate of $12,000 per year. The term of office of the members shall be 2 years, but the term of office of the members first appointed shall expire 2 years after the date of the enactment of this act and the term of their successors shall then begin, and the term of office of any person appointed to fill a vacancy caused by the death, resignation, or removal of any member shall be limited to the unexpired term of the member whom he succeeds. Five members shall constitute a quorum.

"(b) The board may, within the limits of funds which may be made available, employ and fix the compensation of necessary personnel in accordance with the provisions of the civil-service laws and the Classification Act of 1923 and make expenditures for supplies, facilities, and services necessary for the performance of its functions under this act. Without regard to the provisions of the civil-service laws and the Classification Act of 1923, the board may employ special assistants, certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and fix their compensation, and contract with certified public accounting firms and qualified firms of engineers, in the discharge of the duties imposed upon it and in furtherance of the objectives and policies of this act. The board shall perform the duties imposed upon it through the personnel and facilities of the established Government agencies so far as consistent with its duty to insure uniform and efficient administration of the provisions of this act.

"GENERAL POWERS OF BOARD

"SEC. 4. The board shall have general supervision and direction, as provided in this act, over (1) the care and handling and disposition of surplus property, and (2) the transfer of surplus property between Government agencies."

Amendment proposed by Mr. POULSON: Page 27, strike out lines 5 to 21, both inclusive.

Amendment proposed by Mr. POULSON: Page 42, strike out line 2, and insert "any one or more members or special assistants, and."

[From Labour News From Britain, Hampton Wick, Middlesex, England]

WHEN WAR STOCKS ARE RELEASED BRITAIN'S GOVERNMENT HAS SUPPORT OF EMPLOYERS AND WORKERS IN FAIR SELLING PLAN—SAFEGUARDING PEACETIME MARKETS

(By Herbert Tracey, of the British Trades Union Congress)

LONDON, July 26, 1944.—Before announcing tentative plans for the disposal of Government surplus stores after the war, the President of Britain's Board of Trade has sought the views of representatives of industry and trade, including the T. U. C. general council. A plan has now been framed with which the T. U. C. agrees in principle, while the two big employers' organizations, the Federation of British Industries, and the British Employers' Confederation are also supporting the scheme.

Consultations of this nature, conducted in this case through the Reconstruction Joint Advisory Council on which these three influential bodies are represented, shows how the Government is tackling post-war problems which were not so wisely handled after World War No. 1.

The Government's interim plan for the disposal of the surplus stocks of consumer goods, ranging from typewriters to trucks, from raincoats to road rollers, have been endorsed by the trade-union leaders because they are satisfied that it is the Government's intention to exercise control in order to prevent profiteering, to give everybody concerned a square deal, and to avoid putting those stocks on the market faster than they could be absorbed with detrimental effects on normal peacetime production.

But the problem of disposing of Government acquired capital assets like factories, productive equipment, machine tools, land, and buildings serving a variety of purposes, raises questions of policy upon which decisions have not yet been taken, and upon which different views may be expected.

FIXED CAPITAL ASSETS

The fixed capital assets possessed by the Government have been conservatively estimated as more than £663,000,000, including a number of factories and workshops, power installations and the like, which the Government owns outright, and which in many cases are operated by Government departments.

It has been agreed in principle that there will be control of prices in the disposal of many categories of capital goods, as well as of consumable stores. But it is still to be decided whether any of the productive plant owned by the Government will remain in its possession, and continue to operate either under lease to private interests or under the direct management of the Government. All that can be said at this stage, and it is really important, is that problems of this kind are being considered in a businesslike way and from a common-sense standpoint, under clearly defined principles which will protect the public interest.

JOINT CONSULTATION ON POST-WAR AGRICULTURE

Relations between Britain's organized farmers and organized agricultural workers, successfully developed in wartime, have been carried further by a decision of the National Farmers' Union and the National Union of Agricultural Workers to establish a joint consultative committee with a view to joint action by the two unions on post-war agricultural policy. When the National Farmers' Union invited the Agricultural Workers' Union to meet them for informal exchange of views on this proposal, they found there was so much agreement on post-war aims that the establishment of the proposed joint consultative committee was agreed to by the delegate conference of the Agricultural Workers' Union. This is not a move to form one union for agriculture, but is directed at insuring that efficient farming will meet with its due post-war rewards. The workers' union which has organized agricultural laborers over a long period of years has, in the past, been fighting farmers on wage committees and disputing with them matters such as tied cottages; but it was argued at the delegate conference that the union's representatives during the war have been brought into very close association with the farmer on almost every war agricultural committee, with very good results for the workers they represented.

PAID HOLIDAYS FOR FARM WORKERS

Since the middle of June the system of holidays with pay and weekly half-holiday overtime rates, approved by Britain's Agricultural Wages Board for application to all farm workers has been in operation. The board has issued county orders directing that in every area agricultural workers shall have 6 days' holiday with pay each year, an extra day for workers employed regularly on Sundays, and the right to take not less than 3 days consecutively for holiday. The board's orders also provide for farm workers employed on public holidays to be paid at overtime rates.

Mr. MANASCO. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. FLANNAGAN. Mr. Chairman, on April 13, 1944, I introduced H. R. 4576, which has for its object the reenactment of the National Bituminous Coal Act with certain amendments that would, in my opinion, greatly strengthen the act in that they would iron out certain things that experience under the former acts demonstrated needed ironing out, throw around the miners greater protection from injury, and give the consumers direct representation in the administration of the act. On the same date similar bills were introduced by Representatives of both parties. The legislation is nonpolitical and is designed to assure continued production of coal during the war and an orderly readjustment of the industry following the war. The bill before being introduced had been agreed to by the representatives of the miners and by a great majority of the coal industry.

Sometime ago I took the legislation up with the President by letter and this morning I received a reply to my letter, which reads:

THE WHITE HOUSE,
Washington, August 12, 1944.

Hon. JOHN W. FLANNAGAN, Jr.,
House of Representatives.

DEAR JOHN: I am glad to learn from you that bills are pending in the Congress which, if enacted, would reinstate price regulation and rules of fair competition for the bituminous coal industry.

As you know, I actively sponsored such legislation which was enacted by the Congress in 1935, and again in 1937. This legislation has now expired. Under it, the bituminous coal industry was cured of its chronic sickness and put on the road to recovery. Thousands of miners who had known only low wages and poor working conditions were enabled for the first time to earn a decent livelihood. At the same time consumers were protected and prices held to a steady and reasonable level.

The passage of similar legislation at an early date is, in my opinion, important to the welfare of the Nation. During wartime, the bituminous coal industry has enjoyed a reasonable measure of prosperity. But, when the present boom market ends, chaos will again threaten if the industry returns to the old ways of cutthroat competition. The industry itself will, of course, feel the harmful results of this instability. But hundreds of thousands of miners will also suffer irreparable injury, and consumers will obtain no lasting benefit. Sound legislation, on the other hand, will help stabilize the industry and safeguard the interests of thousands of producers, hundreds of thousands of mine workers, and millions of consumers.

There has always been a difference of opinion as to whether legislation of this character would better be administered by an independent commission or by an executive department. Experience has demonstrated to my own personal satisfaction that better results have been and will be obtained under a single head within one of the executive departments. This, however, is a matter upon which reasonable men may differ while agreeing upon the importance of the basic principle involved.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

I hope it will be the pleasure of the Ways and Means Committee to give us a hearing in the very near future.

The legislation is right in line with post-war planning for industry. If this legislation is not passed before the end of the war, I am afraid the coal industry will get into a chaotic condition, which will bring about untold injury to operators and miners alike, before relief can be granted. The need is urgent and I hope we get speedy and favorable action from the Ways and Means Committee and the Congress. Delay, in my opinion, will be fatal to both the miners and operators.

Mr. BENDER. Mr. Chairman, I yield to the gentleman from Michigan [Mr. MICHENER] such time as he may desire.

Mr. MICHENER. Mr. Speaker, since the firing o fthe first gun in the present war, the American economy has changed almost 100 percent from the peacetime way of living to wartime requirements. This change came about gradually. Billions of dollars of borrowed money have been spent by the Government. This money must be repaid by the taxpayers. Our apparent prosperity is but an economic joy ride to be financed in the years to come. The national debt is reaching staggering proportions. The type of warfare and equipment will be vastly changed with the collapse of Germany. A greater change will follow the fall of Japan. Therefore, it is imperative that we prepare now for that which is inevitable.

In short, we have converted peacetime activities into wartime activities. Our job now is to convert a wartime economy to a peacetime economy. That means reconversion as we have recently known it in reverse.

After a careful survey, the Baruch-Hancock report suggested four steps to be taken by the Congress at once: First, the enactment of legislation to assist in fitting the returned service people into civil life. Second, legislation providing for the expeditious and final termination of war contracts. Third, legislation providing for the orderly disposal of surplus war property and plants. Fourth, legislation cushioning the shock and providing for the unemployed when the war contracts are terminated, and during the period between war economy and peace economy.

A program for war veterans, embraced in a G. I. bill of rights under which men and women of the armed services are to get unemployment compensation, hospitalization, educational and home and business-owning opportunities, is already on the statute books. The formula for speedily and finally terminating approximately $200,000,000,000 worth of war contracts has been written by the Congress and is now the law and is being administered by the departments.

The purpose of the bill we are now considering is to provide for the disposal of approximately $112,000,000,000 worth of surplus war property that will be owned and held by the Government at the end of the war.

Mr. Speaker, this legislation contemplates the greatest single merchandising job in all history and several committees of the Congress have given the problem the study and the consideration which its enormity demands. There is much difference of opinion among us as to the best course to pursue. Some favor the setting up of a board or a commission with potential power to do the job. Others would leave it all to Executive orders. In the beginning of my study, I was inclined toward a board. However, the more investigation I make, the more convinced I am that a good, practical, honest, experienced business administrator can do a better job for the Government, just the same as would be done if this surplus property were owned by a corporation. Commissions and boards, and divided authority, do not make for expedition and efficiency. We have only to remember that in mobilizing for war the President set up the War Defense Commission composed of Knudsen, Stettinius, and Hillman. There was no directing head, and the results were not too good. In an effort to improve, there came the Office of Production Management. Still there were too many bosses and too much bickering. It was the War Production Board, with Donald M. Nelson as sole director, that brought some definite action out of much confusion. If we are to turn this job of disposing of all this surplus property over to a debating society, the very purpose of this law will be thwarted.

The principal surplus commodities for disposal will be clothing, textiles, motor vehicles, foodstuffs, stock piles, machinery, tools, and equipment of wide variety. About one-half of this surplus will be abroad and it is to be presumed that it will be disposed of there.

Normal retail sales in the United States in pre-wartimes aggregated about $4,000,000,000 monthly, and we are told that approximately $6,000,000,000 of this surplus property on hand can be merchandised. This amount of property, if turned loose in the usual way, would ruin our markets, our production, and bring about general chaos for the time being.

In addition to the property just mentioned, the Government will have about $15,000,000,000 in war plants to dispose of. These plants consist of aircraft, munitions, ordnance, shipping, synthetic rubber, metals, chemicals, and machin-

ery. When we recall that the First World War investment was only $600,000,000, and that practically all of that was invested in shipping, it will be understood that we have no pattern to follow.

Understand me, none of this property will be under the jurisdiction of the Administrator created in this bill, unless it is first declared surplus by the agency of the Government now controlling it. We must continue to provide for the national defense. The military authorities must have the supplies they require, and demobilization must come after war necessities.

Mr. Speaker, at the present time there are on the statute books more than 100 laws with respect to the disposal of surplus Government property. None of these laws was passed in contemplation of conditions such as we have today. It is true that the President issued an Executive order for the disposal of surplus property in August 1942. While that order is comprehensive, yet it is inadequate, and to me it is much better that the Congress make the policy rather than permit this vast amount of property to be disposed of under Executive order and controlled entirely by bureaucratic discretion.

Every Member of Congress is receiving letters and resolutions requesting that parts of this property be donated to municipalities, schools, States, and other institutions. People must remember that the Federal Government still owes for this property and that there are very few, if any, municipalities or public institutions in the country that are not better able financially to buy these supplies than the Federal Government is to give them away.

Mr. Speaker, this is not a perfect bill. We are here placing certain guideposts to control the Administrator, and must leave much to the practical business judgment of the Administrator in carrying out the purposes of the law. The bill states clearly what we intend to accomplish, and the result will hinge largely on proper administration. There should be no partisan politics in connection with this legislation. Whether we are Democrats, Republicans, or New Dealers, we should all be interested in getting back to peacetime economy and doing that which is best for all of the people, with no special privileges to any groups. We do differ, however, as to the part the Government should have in planning, controlling, and regulating the lives, activities, and business of the country from here on out. I am pleased to aline myself with those who still believe that the American way is the best way, that many of these innumerable bureaus, commissions, and directors should be done away with just as soon as war conditions will permit. I am supporting this legislation because it is headed in that direction.

The United States now has a mobilized economy. It is more regimented than it ever has been before in its history. Priorities, rules, regulations, Executive orders, and bureaucratic fiats, make free intercourse in trade and commerce impossible. Free enterprise and private initiative are in handcuffs at the present. That this economy should today be surging to regain its former freer status is no wonder. That is as it should be if we are to return to the privileges and prosperity of a capitalistic society.

Mr. Speaker, with the enactment of this law there will still remain to be formulated legislation providing for unemployment insurance and bridging over the period between cessation of hostilities and full resumption of peacetime economics. There will be such a period. As to its length, there is difference of opinion. My own view is that if the Congress makes adequate preparation, that period of stagnation can be almost negligible and will be followed by a flood of orders for consumer goods that will more than take up the slack. Yes, we are going to have a big debt when we get through with this war—probably more than $300,000,000,000—but we have a big country, and if private initiative and free enterprise are permitted to proceed in the American way, there can be no question about that result. Regulation by the Government, yes, when regulation is required. Planning, direction, and control of all business and activity by the Government, no. In short, less government in business and more business in government must be one of the cardinal factors in any sound post-war program.

Mr. BENDER. Mr. Chairman, I yield to the gentleman from New York [Mr. REED] 5 minutes.

Mr. REED of New York. Mr. Chairman, I assume that when this bill has been read and amended, I shall be able to support it.

I just rose to discuss one problem. This question of the disposal of surplus war material is not an entirely new question, because we had that problem in a minor way after the last war. As I was elected to Congress in 1918, I know something about it. As a young, ambitious Member of Congress in those days I thought the people ought to get the benefit of some of the surplus. There were great quantities of food left over. I remember particularly canned food, some of which was very high grade hash, perfectly delicious. I conceived the idea of distributing that to various points throughout the country through the post offices. It did not work out quite that way, but it was finally sold at a very reasonable price, much below the market price perhaps, in the various towns throughout the country, and the people appreciated it. Consequently the food did not deteriorate or spoil on the hands of the Government and the people received the benefit of something they had already once paid for.

The reason I rose today was to discuss the disposal agencies. I do not suppose in the history of the world there were ever so many scientific instruments that could be used in schools and colleges, now in the use of our armed forces at various camps, laboratories, and stations as has been the case in this particular war. Colleges, normal schools, public schools, all schools, have suffered severely during this war. The boys are coming back. Many of those boys have not completed their high school, college, or university courses. Thousands of them are going to go to school again. It seemed to me that instead of storing many of these instruments in such way that they will be a total loss, or instead of disposing of them where they will do very little good, some arrangement could be made, should be made, so that the disposal agencies could lease or lend those scientific instruments to the various universities, State colleges, normal schools, and high schools.

Then there is another question. I wish I could go into it a little further because I know something about the disposal of many surplus articles after the last war, for cash, but at very reasonable figures, which were beneficial to many communities. There are many normal schools, universities, and colleges in the country that are establishing recreation centers. They are buying up land perhaps on one side of a lake or along a stream somewhere. They are setting up huts where they could go to spend week ends and rest, particularly students and teachers during the summer season. It seems to me that some of these surpluses could be turned over to those schools either on a loan basis or at a nominal price. Many of these scientific instruments could be turned over so that in case of another war the Government could call on the various schools and institutions for the return of them for use in the Army until newer instruments could be manufactured.

I have brought up the point, and I shall place in the RECORD a list of 710 or more American colleges and universities that could use these instruments; 225 normal schools; 430 junior colleges, all of which would have more or less of an interest in how we dispose of these scientific instruments and various articles, such as sporting goods, gymnasium equipment used in the Army camps and training areas, which could be used in these educational institutions and recreation centers.

That is all I have to say on the subject. I hope some amendment will be provided to make this possible.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BENDER. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. VORYS of Ohio. Will the gentleman yield?

Mr. REED of New York. I yield.

Mr. VORYS of Ohio. I am very much interested in the gentleman's suggestion. Dean McQuigg of the Engineering School of Ohio State is chairman of the engineering societies of the country and has asked me about the possibility of securing, upon some satisfactory basis, the engineering instruments for use in the engineering colleges of the country. It seems to me it would be better to arrange for sale at a fair price rather than to lease-lend them, because, due to the advance of science they will probably lose their value for military purposes shortly,

while they could be valuable to students for a long time.

Mr. REED of New York. I appreciate the remarks of the gentleman. What the gentleman says is undoubtedly true. I wish I had time to give a little experience that I had after the last war where the State of New York was planning upon a 65,000-acre recreational park in the beautiful mountain section of my district and of Pennsylvania. The State did not have the ready money at that time to buy this surplus war material. I remember a very wealthy gentleman, a very fine man, came down to Washington and bought at very nominal rates, of course, blankets and tents and everything; he even bought a carload of nails, a street sprinkler, a steam shovel, and various things running up to about $25,000. He wrote his check for it and had the material shipped there. It would have been 5 years longer to develop Allegany State Park had it not been for his generosity in stepping into the breach and purchasing surplus war material. But, bringing out another point, the endowments of many of our schools and colleges have suffered terrifically during this war. They will have a very hard post-war struggle. These surplus articles will mean a great deal to many colleges and schools. If some arrangement could be made so that they could be sold at a nominal sum or loaned and so distributed that all States would have the benefit of it, it would be a great help to the cause of education.

Mr. VORYS of Ohio. Will the gentleman yield?

Mr. REED of New York. I yield.

Mr. VORYS of Ohio. Those institutions will be educating a great many exservicemen.

Mr. REED of New York. That is what I brought out in my remarks.

Mr. VORYS of Ohio. They are to receive up to $500 a year tuition. If these instruments had a fair price placed on them, not unconscionably high or low, the Government could turn over these instruments in payment for part of the tuition of veterans, and that would be an excellent way of helping out the schools and the veterans and the Federal Treasury.

Mr. REED of New York. The gentleman has brought out what I am deeply interested in. Here is a House composed of some 435 highly intelligent, thoughtful men and women. I wish you would just focus on this thought. I believe that there is an opportunity here to perform a fine public service. I have not the time to devote to the study of this that I should like to because of bills now pending before our committee, which takes all of my time during the day and much of my time during the evening; but certainly the people who have this bill in charge here, before it becomes a law, can work out some formula, I am sure, by which the schools and the veteran students who come back from the war can have the benefit of all these fine scientific instruments and also these recreational centers which I am sure our schools are going to develop for the use of their students. They are bound to do that. I hope some way will be found whereby they may receive the benefit of this equipment which might otherwise be frittered away as was done in many instances in the last war.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. WRIGHT. As I read the bill I think the gentleman's plan can be accomplished under the present act because the act provides that the agency can dispose of the property by sale, exchange, or lease. No value is placed upon it; that is up to the Administrator. In all probability this is special-purpose equipment. It would not be available for any other purpose. Undoubtedly you would have to charge the cost.

Mr. REED of New York. What I am seeking to do in taking the floor today is to see if we can work out a formula so that these disposal agencies will recognize the intent of Congress that the educational institutions of this country shall have the benefit of the act.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Miss SUMNER of Illinois. Does not the gentleman believe that this Congress is inconsistent in that we pass individual bills appropriating $100,000, $200,000, but here we come along dealing with $15,000,000,000 of property which is in effect an appropriation for specific purposes and Congress does not pass any separate bill allocating it but simply turns it over to an administrator to give to charity, to give aid to veterans, or a W. P. A. setup if he wants to. Does not the gentleman think that is absolutely lax?

Mr. REED of New York. It would seem so to me. I tried to voice it this afternoon. There are very few so-called supermen in this country in whom it is safe to vest too much discretion. This Congress owes a great responsibility to the public in the disposition of surplus property. I do not know what the dollar value of this property will amount to but I suppose all told a hundred billion dollars. This is surplus property that the people have paid for, much of which can be made very useful to society if we have the courage and the intelligence here to prepare a formula so that whoever is charged with the responsibility as time goes on of the handling or disposal of these valuable articles, scientific or otherwise, will have really a directive from this Congress.

Miss SUMNER of Illinois. In effect we are passing a sort of W. P. A. bill and a G. I. bill and various other kinds of bills but let one administrator decide what he wants to do with all this property.

Mr. REED of New York. I do not want to criticize anybody but it seems to me the bill is wide open; you could drive a team through it anywhere. I feel that we owe something to the people who have sacrificed, as many of them have sacrificed, desperately to raise the money to pay for the billions of surplus property.

Miss SUMNER of Illinois. This bill is no criticism of any Member of Congress. It is the same thing they have been trying to get in first one committee and then another committee. It is just as broad as it was in the first phase.

Mr. REED of New York. Congress has plenty of time. The trouble is that so much important legislation is brought here under the plea of emergency, under conditions where it is urged that it must be passed at once. That is not the way to handle legislation.

In conclusion I set forth at this point the table on educational institutions in this country to which I referred earlier in my remarks this afternoon:

AMERICAN COLLEGES AND UNIVERSITIES

Source: This list is based on the 1943 Educational Directory of the United States Office of Education. The number of students is of those studying for degrees and does not include those taking extension courses or casual courses in the summer schools. The number of teachers is for the regular courses leading to degrees. The data are from questionnaires returned by the institutions in the year 1943. The abbreviations following the names of the colleges indicate: C., coeducational; E., has extension courses; N., for Negroes only; S., summer school; W., women only. Colleges marked a star (*) are land-grant colleges.

Name	Location	Year organized	Governing official	Number of students	Number of teachers
Abilene Christian (C., E., S.)	Abilene, Tex	1906	Don H. Morris	518	34
Academy of the New Church (C.)	Bryn Athyn, Pa		Rt. Rev. George de Charms	12	28
Adelphi (part C., E., S.)	Garden City, N. Y	1896	Paul D. Eddy	446	47
Adrian (C., S.)	Adrian, Mich	1859	Samuel J. Harrison	162	20
Agnes Scott (W.)	Decatur, Ga	1889	James R. McCain	539	65
Agricultural, Mechanical & Normal (C., E., S., N.)	Pine Bluff, Ark	1873	Lawrence A. Davis	359	31
*Agricultural & Mechanical College of Texas (E., S.)	College Station, Tex	1876	F. C. Bolton (acting)	6,500	337
Agricultural & Technical (C., E., S., N.)	Greensboro, N. C	1891	F. D. Bluford	935	58
Akron, University of (C., E., S.)	Akron, Ohio	1870	Hezzleton E. Simmons	1,888	101
Alabama (W., E., S.)	Montevallo, Ala	1896	A. F. Harman	622	71
*Alabama Polytechnic Institute (C., E., S.)	Auburn, Ala	1872	L. N. Duncan	3,943	20
Alabama, University of (C., E., S.)	University (near Tuscaloosa), Ala	1831	Raymond B. Paty	4,408	300
Alaska, University of (C., E.)	College (near Fairbanks), Alaska	1922	Charles E. Bunnell	162	28
Albany (renamed Lewis and Clark)					
Albertus Magnus (W., E., S.)	New Haven, Conn	1925	Sister M. Uriel	40	37
Albion (C., E., S.)	Albion, Mich	1835	John L. Seaton	701	42

Name	Location	Year organized	Governing official	Number of students	Number of teachers
Albright (C., S.)	Reading, Pa	1856	Harry V. Masters	381	30
Alcorn Agricultural & Mechanical (C., S., N.)	Alcorn, Miss	1871	Wm. H. Bell	346	64
Alderson-Broaddus (C., S.)	Philippi, W. Va	1871	John W. Elliott	173	18
Alfred University (C., E., S.)	Alfred, N. Y	1836	John N. Norwood	566	71
Allegheny (C., S.)	Meadville, Pa	1815	John R. Schultz	750	57
Allen University (C., E., S., N.)	Columbia, S. C	1870	S. Higgins	389	24
Alma (C., S.)	Alma, Mich	1886	Roy W. Hamilton	300	30
Alma White (C., S.)	Zarephath, N. J	1921	Arthur K. White	480	50
American International (C., E., S.)	Springfield, Mass	1885	Chester S. McGown	576	52
American University (C., S.)	Washington, D. C	1893	Paul F. Douglass	1,268	70
American University of Beirut (C., S.)	Beirut, Lebanon Rep	1864	Bayard Dodge	2,277	162
American University of Cairo (C., E.)	Cairo, Egypt	1920	Charles R. Watson	491	42
Amherst (S.)	Amherst, Mass	1821	Stanley King	875	83
Anderson College and Theological Seminary (C., S.)	Anderson, Ind	1917	John A. Morrison	378	23
Antioch (C., S.)	Yellow Springs, Ohio	1853	A. D. Henderson	816	57
Aquinas (C., S.)	Grand Rapids, Mich	1924	Arthur F. Bukowski	306	25
*Arizona, University of (C., E., S.)	Tucson, Ariz	1885	Alfred Atkinson	2,523	200
Arkansas Baptist (C., N.)	Little Rock, Ark	1884	T. W. Coggs	105	13
Arkansas (C., E., S.)	Batesville, Ark	1872	John D. Spragins, Jr	94	15
Arkansas Agricultural and Mechanical (C., S.)	Monticello, Ark	1909	Marvin S. Bankston	600	35
Arkansas State (C., E., S.)	Jonesboro, Ark	1910	V. C. Kays	733	39
*Arkansas, University of (C., E., S.)	Fayetteville, Ark	1871	Arthur M. Harding	2,278	187
Armour Institute of Technology. (See Illinois Institute of Technology).					
Asbury (C., S.)	Wilmore, Ky	1890	Z. T. Johnson	477	26
Ashland (C., S.)	Ashland, Ohio	1878	E. G. Mason	197	34
Assumption	Worcester, Mass	1904	Rev. Rodolphe L. Martel	38	10
Athens (C., E., S.)	Athens, Ala	1842	E. R. Nayor	230	18
Atlanta University System:					
Atlanta University (C., S., N.)	Atlanta, Ga	1867	Rufus E. Clement	125	21
Clark (C., N.)	do	1869	J. B. Brawley	444	27
Morehouse (W., N.)	do	1867	Benjamin E. Mays	415	63
School of Social Work (C., S., N.)	do	1920	F. B. Washington	90	16
Spelman (W.)	do	1881	Florence M. Read	327	35
Atlantic Christian (C., E., S.)	Wilson, N. C	1902	H. S. Hilley	305	23
Atlantic Union (C., S.)	South Lancaster, Mass	1832	George E. Jones	349	31
Augsburg College and Theological Seminary (C.)	Minneapolis, Minn	1869	Bernhard Christensen	362	25
Augustana (C., S.)	Sioux Falls, S. Dak	1860	L. M. Stavig	595	37
Augustana College and Theological Seminary (C., S.)	Rock Island, Ill	1860	Conrad J. I. Bergendorff	674	52
Aurora (C., S.)	Aurora, Ill	1893	Theodore P. Stephens	120	26
Austin (C., E., S.)	Sherman, Tex	1849	Everett B. Tucker	250	18
Baker University (C., S.)	Baldwin City, Kans	1858	Nelson P. Horn	314	31
Baldwin-Wallace (C., E., S.)	Berea, Ohio	1845	L. C. Wright	719	59
Barat College of Sacred Heart (W.)	Lake Forest, Ill	1918	Rev. Mother E. Regan	140	25
Bard	Annandale, N. Y	1860	Charles H. Gray (dean)	51	20
Barnard (W.)	New York, N. Y	1889	V. C. Gildersleeve (dean)	1,013	108
Bates (C.)	Lewiston, Maine	1864	Clifton D. Gray	594	49
Baylor University (C., S.)	Waco, Tex	1845	Pat M. Neff	2,000	120
Beaver (W., S.)	Jenkintown, Pa	1853	Raymon M. Kistler	500	60
Belhaven (W., S.)	Jackson, Miss	1894	G. T. Gillespie	260	30
Beloit (C., S.)	Beloit, Wis	1846	W. Bradley Tyrrell	561	49
Benedict (C., E., N.)	Columbia, S. C	1870	J. J. Starks	852	30
Bennett (W., S., N.)	Greensboro, N. C	1926	David D. Jones	409	32
Bennington (W.)	Bennington, Vt	1925	Lewis W. Jones	280	55
Berea (C.)	Berea, Ky	1855	Francis S. Hutchins	941	49
Berry (C., S.)	Mount Berry, Ga	1902	Gardner L. Green	650	150
Bessie Tift (W.)	Forsyth, Ga	1847	C. L. McGinty	160	26
Bethany (C., S.)	Lindsborg, Kans	1881	Emory Lindquist	211	32
Do.	Bethany, W. Va	1840	W. H. Cramblet	479	33
Bethany-Peniel (C., S.)	Bethany, Okla	1909	Sylvester T. Ludwig	350	22
Bethel (C., S.)	North Newton, Kans	1887	E. G. Kaufman	321	32
Do.	McKenzie, Tenn	1842	E. K. Reagin	119	15
Billings Polytechnic Institute (C., E., S.)	Polytechnic, Mont	1908	Ernest T. Eaton	768	35
Birmingham-Southern (C., E., S.)	Birmingham, Ala	1856	George R. Stuart	941	53
Bishop (C., E., S.)	Marshall, Tex	1881	Joseph J. Rhoads	567	24
Bloomfield College and Seminary (C.)	Bloomfield, N. J	1868	Joseph Hunter	86	16
Blue Mountain (C., S.)	Blue Mountain, Miss	1873	Lawrence T. Lowry	289	28
Blue Ridge (C.)	New Windsor, Md	1839	Arthur L. Hungerford	150	16
Bluffton (C., S.)	Bluffton, Ohio	1900	Lloyd E. Ramseyer	176	25
Bob Jones (C.)	Cleveland, Tenn	1927	Bob Jones, Jr. (acting)	550	45
Boston (part C., E., S.)	Newton, Mass	1863	Very Rev. William J. Murphy	2,104	174
Boston University (C., E., S.)	Boston, Mass	1839	Daniel L. Marsh	10,870	644
Bowdoin (S.)	Brunswick, Maine	1794	Kenneth C. M. Sills	585	64
Bowling Green State University (C., E., S.)	Bowling Green, Ohio	1910	F. J. Prout	1,683	90
Bradley Polytechnic Institute (C., E., S.)	Peoria, Ill	1897	Frederic R. Hamilton	783	62
Brenau (W., E., S.)	Gainesville, Ga	1878	A. C. Wheeler	375	42
Brescia (W., S.)	New Orleans, La	1927	Rev. Mother Clarke	94	14
Briar Cliff (W., E., S.)	Sioux City, Iowa	1930	Sister M. Servatius	100	22
Bridgewater-Daleville (C., S.)	Bridgewater, Va	1880	Paul H. Bowman	241	23
Brigham Young University (C., E., S.)	Provo, Utah	1876	Franklin S. Harris	2,000	135
Brooklyn (C., E., S.)	Brooklyn, N. Y	1930	Harry D. Gideonse	8,658	454
Brown University (C., E., S.) [1]	Providence, R. I	1764	Henry M. Wriston	1,831	260
Bryn Mawr (W.)	Bryn Mawr, Pa	1885	Katherine E. McBride	658	87
Bucknell University (C., E., S.)	Lewisburg, Pa	1846	Arnaud C. Marts	1,343	93
Buena Vista (C., S.)	Storm Lake, Iowa	1891	Henry Olson	260	26
Buffalo, University of (C., E., S.)	Buffalo, N. Y	1846	S. P. Capen (chancellor)	1,794	309
Butler University (C., E., S.)	Indianapolis, Ind	1850	M. O. Ross	2,633	84
California Institute of Technology	Pasadena, Calif	1891	Robert A. Millikan	1,121	200
*California, University of (C., E., S.)	Berkeley, Calif	1868	Robert G. Sproul	13,567	1,079
*California, University of, at Los Angeles (C., E.)	Los Angeles, Calif	1919	do	8,015	482
California, University of (other campuses)			do	1,241	892
Calvin (C., E., S.)	Grand Rapids, Mich	1876	Henry Schultze	476	25
Calvin Coolidge (C., S.)	Boston, Mass	1936	A. Chesley York	75	10
Campbell (C., N.)	Jackson, Miss	1890	S. L. Greene, Jr	36	16
Canisius (part C., S.)	Buffalo, N. Y	1870	Rev. T. J. Coughlin	1,123	54
Capital University (C., E., S.)	Columbus, Ohio	1850	Otto Mees	547	70
Carleton (C.)	Northfield, Minn	1866	Donald J. Cowling	884	74
Carnegie Institute of Technology (C., S.)	Pittsburgh, Pa	1900	Robert E. Doherty	2,347	412
Carroll (E., S.)	Helena, Mont	1910	Rev. Emmet J. Riley	135	23
Carroll (C., S.)	Waukesha, Wis	1846	Gerrit T. Vander Lugt	467	30
Carson-Newman (C.)	Jefferson City, Tenn	1851	James T. Warren	421	30
Carthage (C., S.)	Carthage, Ill	1870	Rudolph G. Schulz	246	24
Case School of Applied Science (S.)	Cleveland, Ohio	1880	William E. Wickenden	1,927	121
Catawba (C., S.)	Salisbury, N. C	1851	Alvin R. Keppel	370	32

[1] The College, 1,001; Pembroke College (for undergraduate women), 370; the Graduate School (for men and women), 160; other military, 400. Total, 1,531.

Name	Location	Year organized	Governing official	Number of students	Number of teachers
Catholic (W., E., S.)	Guthrie, Okla	1892	Rev. Mother Arvin	40	17
Catholic University (part C., E., S.)	Washington, D. C	1887	Gerald F. Dillon (dean)	2,000	184
Cedar Crest (W.)	Allentown, Pa	1867	Dale H. Moore	330	28
Cedarville (C., E., S.)	Cedarville, Ohio	1894	Ira D. Vayhinger	100	10
Centenary (C., S.)	Shreveport, La	1826	Pierce Cline	427	40
Central (C., S.)	Pella, Iowa	1853	Irwin J. Lubbers	283	22
Do	Fayette, Mo	1857	Harry S. DeVore	597	44
Central Normal (C.)	Danville, Ind	1876		20	8
Central Young Men's Christian Association (C., S.)	Chicago, Ill	1919	E. J. Sparling	1,950	140
Centre (C., S.)	Danville, Ky	1819	J. H. Hewlett (acting)	267	33
Chapman (C., S.)	Whittier, Calif	1919	George N. Reeves	68	
Charleston, College of (C., S.)	Charleston, S. C	1785	George D. Grice (acting)	313	21
Chattanooga, University of (C., S.)	Chattanooga, Tenn	1886	David A. Lockmiller	540	48
Chestnut Hill (W., S.)	Philadelphia, Pa	1871	Sister Maria Kostka	307	44
Chicago, University of (C., E., S.)	Chicago, Ill	1892	Robert M. Hutchins	10,988	711
Chico State (C., S.)	Chico, Calif	1889	A. J. Hamilton	239	49
Cincinnati, University of (C., E., S.)	Cincinnati, Ohio	1819	Raymond Walters	9,801	611
Citadel, The (Military)	Charleston, S. C	1842	Gen. C. P. Summerall	1,980	105
City College (C., E., S.)	New York, N. Y	1848	Harry N. Wright	16,815	872
Claflin (C., N.)	Orangeburg, S. C	1869	J. B. Randolph	279	24
Claremont Colleges (C., S.) (see Pomona College and Scripps College).	Claremont, Calif	1925	Robert J. Bernard (director)	74	109
Clark (see Atlanta University System).					
Clark University (C., E., S.)	Worcester, Mass	1887	Wallace W. Atwood	406	39
Clarke (W., S.)	Dubuque, Iowa	1843	Sister M. Ambrose	281	46
Clarkson College of Technology	Potsdam, N. Y	1896	John A. Ross, Jr	610	32
*Clemson Agricultural (S.)	Clemson, S. C	1889	Robert F. Poole	2,370	144
Coe (C., E., S.)	Cedar Rapids, Iowa	1881	C. A. Anderson	738	62
Coker (W., limited E., S.)	Hartsville, S. C	1908	C. Sylvester Green	238	28
Colby (C., S.)	Waterville, Maine	1818	J. S. Bixler	650	50
Colgate University	Hamilton, N. Y	1819	Everett N. Case	550	86
College of the City of New York. (See City College.)					
Colorado (C., S.)	Colorado Springs, Colo	1874	Charlie B. Hershey (acting)	679	87
Colorado School of Mines	Golden, Colo	1874	Melville F. Coolbaugh	673	68
Colorado State College of Agriculture and Mechanic Arts (C., S.)	Fort Collins, Colo	1879	Roy M. Green	1,946	146
*Colorado, University of (C., E., S.)	Boulder, Colo	1876	Robert L. Stearns	4,326	319
*Colored Northern Agricultural and Mechanical (C., S.)	Orangeburg, S. C	1896	M. F. Whittaker	594	59
Columbia (W.)	Columbia, S. C	1854	John C. Guilds	347	31
Columbia University, (part C., E., S.)[1]	New York, N. Y	1754	Nicholas M. Butler	13,124	2,405
Concordia (E., S.)	Moorhead, Minn	1891	J. N. Brown	519	45
Connecticut College for Women (E., S.)	New London, Conn	1911	Dorothy Schaffter	750	75
*Connecticut, University of (C., E., S.)	Storrs, Conn	1881	Albert N. Jorgensen	2,082	216
Converse (W., S.)	Spartanburg, S. C	1889	Edward M. Gwathmey	325	45
Cooper Union (C.)	New York, N. Y	1859	Gano Dunn	550	165
Cornell (C., S.)	Mount Vernon, Iowa	1853	J. B. MacGregor (dean)	637	48
*Cornell University (C., E., S.)	Ithaca, N. Y	1868	Edmund E. Day	6,872	1,193
Creighton University (part C., S.)	Omaha, Nebr	1878	Rev. J. P. Zuercher	1,319	228
Culver-Stockton (C.)	Canton, Mo	1853	Walker H. McDonald	281	24
Cumberland University (C., S.)	Lebanon, Tenn	1842	Laban Lacy Rice	250	25
Dakota Wesleyan University (C., S.)	Mitchell, S. Dak	1885	Joseph Edge	256	23
Dana College and Trinity Seminary (C., E.)	Blair, Nebr	1884	Rev. L. Siersbeck	106	18
Daniel Baker (C., S.)	Brownwood, Tex	1889	Thomas H. Hart	247	14
Dartmouth	Hanover, N. H	1769	Ernest M. Hopkins	2,071	241
Davidson (S.)	Davidson, N. C	1836	John R. Cunningham	690	46
Davis and Elkins (C., E., S.)	Elkins, W. Va	1904	R. B. Purdum (acting)	109	17
Dayton, University of (C., S.)	Dayton, Ohio	1850	Rev. John A. Elbert	750	71
Defiance (C., S.)	Defiance, Ohio	1885	J. W. Claxton	269	20
De La Salle	Manila, P. I	1911	Rev. Brother Xavier	200	17
*Delaware, University of (C., S.)	Newark, Del	1833	Walter Hullihen	273	90
Denison University (C., S.)	Granville, Ohio	1831	Kenneth I. Brown	900	70
Denver, University of (C., E., S.)	Denver, Colo	1864	Caleb F. Gates, Jr. (chancellor)	2,685	200
De Paul University (C., E., S.)	Chicago, Ill	1898	Very Rev. M. O'Connell	5,158	195
De Pauw University (C., S.)	Greencastle, Ind	1837	Clyde E. Wildman	1,503	100
De Sales (of Toledo, Ohio), suspended operations in June 1942.					
Detroit Institute of Technology (C., S.)	Detroit, Mich	1891	Paul Hickey	1,600	100
Detroit, University of (C., S.)	do	1877	Charles H. Cloud	2,550	204
Dickinson (C., S.)	Carlisle, Pa	1771	Fred Pierce Corson	478	58
Dillard University (C., S., N.)	New Orleans, La	1930	Albert W. Dent	337	22
Doane (C., S.)	Crete, Nebr	1872	G. Bryant Drake	232	25
Dominican (W., S.)	San Rafael, Calif	1890	Sister M. Thomas	181	37
Drake University (C., E., S.)	Des Moines, Iowa	1881	Henry G. Harmon	1,180	80
Drew University (C., S.)	Madison, N. J	1867	Arlo A. Brown	375	40
Drexel Institute of Technology (C., S.)	Philadelphia, Pa	1891	George P. Rea	2,057	125
Drury (C., S.)	Springfield, Mo	1873	J. F. Findlay	303	36
Dropsie (C.)	Philadelphia, Pa	1907	Abraham A. Neuman	35	8
Dubuque, University of (C., S.)	Dubuque, Iowa	1852	Dale D. Welch	426	34
Duchesne (W.)	Omaha, Nebr	1915	Mother Helen Casey	110	20
Duke University (C., S.)	Durham, N. C	1838	Robert L. Flowers	3,608	401
Dunbarton College of Holy Cross (W., S.)	Washington, D. C	1935	Mother Elizabeth	104	24
Duquesne University (C., E., S.)	Pittsburgh, Pa	1878	Very Rev. Raymond V. Kirk	1,467	151
D'Youville (W.)	Buffalo, N. Y	1908	Sister Grace	292	33
Earlham (C., S.)	Richmond, Ind	1847	William C. Dennis	400	40
Eastern Nazarene (C., S.)	Wollaston, Mass	1918	G. B. Williamson	257	18
Eastern New Mexico (C., E., S.)	Portales, N. Mex	1934	Floyd D. Golden	225	45
Elizabethtown (C., E., S.)	Elizabethtown, Pa	1900	A. Charles Baugher	138	16
Elmhurst (C.)	Elmhurst, Ill	1871	Timothy Lehmann	386	30
Elmira (W.)	Elmira, N. Y	1855	W. S. A. Pott	256	50
Elon (C., S.)	Elon College, N. C	1889	L. E. Smith	407	28
Emerson (C., S.)	Boston, Mass	1890	Harry S. Ross	114	27
Emmanuel (W.)	Boston, Mass	1919	Sister Patricia	530	61
Emmanuel Missionary (C., S.)	Berrien Springs, Mich	1874	Henry J. Klooster	392	37
Emory & Henry (C., S.)	Emory, Va	1836	Foye G. Gibson	250	15
Emory University	Emory University (near Atlanta), Ga.	1836	Goodrich C. White	2,065	180
Emporia, College of (C., S.)	Emporia, Kans	1882	Daniel A. Hirschler	202	24
Erskine (C., S.)	Due West, S. C	1839	R. C. Grier	150	25
Eureka (C., S.)	Eureka, Ill	1855	Burrus Dickinson	190	22
Evansville (C., E., S.)	Evansville, Ind	1854	Lincoln B. Hale	500	37
Fenn (C.)	Cleveland, Ohio	1923	C. V. Thomas	2,123	295
Ferris Institute (C., E., S.)	Big Rapids, Mich	1884	Merle S. Ward	154	15
Findlay (C., E., S.)	Findlay, Ohio	1882	C. A. Morey (dean)	142	16
Fisk University (C., S., N.)	Nashville, Tenn	1866	Thomas E. Jones	458	42
Flora Macdonald (W.)	Red Springs, N. C	1896	Henry G. Bedinger	222	27
Florida Agricultural and Mechanical College for Negroes (C., E., S.)	Tallahassee, Fla	1887	J. R. E. Lee	875	98
Florida Southern (C., S.)	Lakeland, Fla	1885	Ludd M. Spivey	400	71
Florida State College for Women (S.)	Tallahassee, Fla	1857	Doak S. Campbell	1,931	157
*Florida, University of (E., S.)	Gainesville, Fla	1853	John J. Tigert	2,710	180
Fontbonne (see St. Louis University).					

[1] Includes Barnard College, Teachers College, College of Pharmacy, Bard College, and New York Post Graduate Medical School. All data from 1943 World Almanac

Name	Location	Year organized	Governing official	Number of students	Number of teachers
Fordham University (part C., E., S.)	New York, N. Y	1841	Rev. Robert I. Gannon	3,314	269
Fort Hays Kansas State (C., E., S.)	Hays, Kans	1901	L. D. Wooster	800	80
Franklin (C., S.)	Franklin, Ind	1834	William G. Spencer	250	32
Franklin and Marshall	Lancaster, Pa	1787	Theodore A. Distler	702	50
Fresno State (C., E., S.)	Fresno, Calif	1911	Frank W. Thomas	1,329	107
Friends University (C., E., S.)	Wichita, Kans	1898	W. A. Young	309	33
Furman University (C., S.)	Greenville, S. C	1826	John L. Plyler	917	60
Gallaudet (C.)	Washington, D. C	1864	Percival Hall	125	20
Geneva (C., E., S.)	Beaver Falls, Pa	1848	Rev. M. M. Pearce	350	30
George Pepperdine (C., S.)	Los Angeles, Calif	1937	Hugh M. Tiner	207	35
George Washington University (C., E., S.)	Washington, D. C	1821	Cloyd Heck Marvin	8,000	500
George Williams (C., E., S.)	Chicago, Ill	1890	Harold C. Coffman	200	23
Georgetown University	Washington, D. C	1789	Very Rev. L. C. Gorman	2,250	535
Georgia School of Technology (E.)	Atlanta, Ga	1888	M. L. Brittain	2,876	170
Georgia State (C., E., S.)	Industrial College (via Savannah), Ga.	1892	Benjamin F. Hubert	534	35
Georgia State College for Women (E., S.)	Milledgeville, Ga	1891	Guy H. Wells	983	100
Georgia State Womans (E., S.)	Valdosta, Ga	1906	Frank R. Reade	265	25
*Georgia, University of (C., S.)	Athens, Ga	1801	Harmon W. Caldwell	1,502	190
Georgian Court (W.)	Lakewood, N. J	1908	Mother Mary John	150	32
Gettysburg (C., S.)	Gettysburg, Pa	1832	Henry W. A. Hanson	702	48
Gonzaga University (C., S.)	Spokane, Wash	1887	Rev. Francis J. Altman	520	68
Good Counsel (W.)	White Plains, N. Y	1923	Mother M. Aloysia	172	30
Goshen (C., S.)	Goshen, Ind	1903	Ernest E. Miller	227	30
Goucher (W., S.)	Baltimore, Md	1885	David A. Robertson	504	62
Greensboro (W.)	Greensboro, N. C	1838	Luther L. Gobbel	384	32
Greenville (C., E., S.)	Greenville, Ill	1892	H. J. Long	37	18
Grinnell (C.)	Grinnell, Iowa	1846	Samuel N. Stevens	383	51
Grove City (C., S.)	Grove City, Pa	1876	Weir C. Ketler	831	53
Guilford (C., S.)	Guilford College (near Greensboro), N. C.	1837	Clyde A. Milner	305	23
Gustavus Adolphus (C., S.)	St. Peter, Minn	1862	Walter A. Lunden	480	35
Hamilton (S.)	Clinton, N. Y	1812	W. H. Cowley	75	26
Hamline University (C., S.)	St. Paul, Minn	1854	Charles N. Pace	668	42
Hampden-Sydney	Hampden-Sydney, Va	1776	Edgar G. Gammon	343	19
Hampton Institute (C., E., S., N.)	Hampton, Va	1868	Ralph P. Bridgman	833	93
Hanover (C.)	Hanover, Ind	1827	Albert G. Parker, Jr	300	02
Hardin-Simmons University (C., E., S.)	Abilene, Tex	1891	W. R. White	890	41
Harding (C., S.)	Searcy, Ark	1934	George S. Benson	202	32
Hartwick (C., E., S.)	Oneonta, N. Y	1928	Henry J. Arnold	190	24
Harvard University (part C., S.)	Cambridge, Mass	1636	James B. Conant	6,999	2,020
Hastings (C., E. limited, S.)	Hastings, Nebr	1873	F. E. Weyer (dean)	407	32
Haverford	Haverford, Pa	1833	Felix Morley	336	48
*Hawaii, University of (C., E., S.)	Honolulu, T. H	1907	Gregg M. Sinclair	866	64
Heidelberg (C., S.)	Tiffin, Ohio	1850	Clarence E. Josephson	398	35
Hendrix (C., S.)	Conway, Ark	1884	J. H. Reynolds	347	31
High Point (C., E., S.)	High Point, N. C	1924	G. I. Humphreys	415	25
Hillsdale (C., S.)	Hillsdale, Mich	1844	Harvey L. Turner	300	25
Hiram (C., S.)	Hiram, Ohio	1850	Paul H. Fall	280	25
Hobart (S.)	Geneva, N. Y	1822	John M. Potter	301	40
William Smith (W., S.)	do	1907	do	190	30
Hofstra (C., S.)	Hempstead, N. Y	1935	Howard S. Brower (acting)	779	40
Hollins (W.)	Hollins College, Va	1842	Bessie C. Randolph	331	41
Holy Cross, College of the	Worcester, Mass	1843	Very Rev. Joseph Maxwell	1,160	84
Holy Names, College of the (W., S.)	Oakland, Calif	1880	Sister Mary Loyola	253	36
Hood (W., E.)	Frederick, Md	1893	Henry I. Stahr	400	52
Hope (C., S.)	Holland, Mich	1866	Wynand Wichers	558	40
Houghton (C., S.)	Houghton, N. Y	1883	Stephen W. Paine	392	37
Houston College for Negroes (C., S.)	Houston, Tex	1927	E. E. Oberholtzer	336	20
Houston, University of (C., E., S.)	Houston, Tex	1934	E. E. Oberholtzer	2,000	56
Howard (C., E., S.)	Birmingham, Ala	1842	Maj. Harwell G. Davis	616	33
Howard Payne (C., S.)	Brownwood, Tex	1889	Thos. H. Taylor	408	20
Howard University (C., E., S., N.)	Washington, D. C	1867	Mordecai W. Johnson	2,038	267
Humboldt State (C., E., S.)	Arcata, Calif	1913	Arthur S. Gist	150	29
Hunter (W., E., S.) [3]	New York, N. Y	1870	George N. Shuster	13,846	515
Huntingdon (W., S.)	Montgomery, Ala	1854	Hubert Searcy	464	43
Huntington (C., S.)	Huntington, Ind	1895	Elmer Becker	109	14
Huron (C., E., S.)	Huron, S. Dak	1883	George F. McDougall	107	25
Idaho, College of (C., S.)	Caldwell, Idaho	1891	William W. Hall, Jr	299	28
*Idaho, University of (C., E., S.)	Moscow, Idaho	1889	Harrison C. Dale	2,151	176
Illinois (C., S.)	Jacksonville, Ill	1829	H. Gary Hudson	322	29
Illinois Institute of Technology (C., E., S.) [4]	Chicago, Ill	1893	Henry T. Heald	4,227	150
*Illinois, University of (C., E., S.)	Urbana and Chicago, Ill	1867	Arthur C. Willard	13,972	1,895
Illinois Wesleyan University (C., S.)	Bloomington, Ill	1850	William E. Shaw	721	45
Immaculata (W., S.)	Immaculata, Pa	1920	Rev. F. J. Furey	260	37
Immaculate Heart (C., S.)	Los Angeles, Calif	1916	Sister Mary Eucharia	492	36
Incarnate Word (W., S.)	San Antonio, Tex	1900	Sister M. Columkille	526	51
Indiana Central (C., S.)	Indianapolis, Ind	1902	I. J. Gould	284	22
Indiana Technical (C.)	Fort Wayne, Ind	1930	Archie T. Keene	526	20
Indiana University (C., E., S.)	Bloomington, Ind	1820	Herman B. Wells	6,411	418
*Iowa State College of Agricultural and Mechanical Arts (C., E., S.)	Ames, Iowa	1868	Charles E. Friley	6,167	493
Iowa, University of (C., E., S.)	Iowa City, Iowa	1847	Virgil M. Hancher	6,471	559
Iowa Wesleyan (C., S.)	Mount Pleasant, Iowa	1842	Stanley B. Niles	311	20
Istanbul, Woman's College of	Istanbul, Turkey	1871	E. T. Burns (dean)	525	62
Jackson (now Mississippi Negro Training School, teachers' college).	Decatur, Ill	1901	John C. Hessler	518	58
James Millikin University (C., E.)	Jamestown, N. Dak	1883	Barend H. Kroeze	348	34
Jamestown (C., S.)	Hawkins, Tex	1912	P. C. Washington	184	14
Jarvis Christian (C., S., N.)	Siloam Springs, Ark	1919	John E. Brown	200	25
John Brown University (C., S.)					
John Fletcher (renamed Kletzing College).					
John B. Stetson University (C., S.)	DeLand, Fla	1883	William S. Allen	470	53
John Carroll University (part C., E., S.)	Cleveland, Ohio	1886	Thomas J. Donnelly	784	45
Johns Hopkins University (part C., E., S.)	Baltimore, Md	1876	Isaiah Bowman	1,567	671
Johnson Bible	Kimberlin Heights, Tenn	1893	Robert M. Bell	133	8
Johnson C. Smith University (C., E., S., N.)	Charlotte, N. C	1867	Henry L. McCrorey	444	27
Judson (W.)	Marion, Ala	1838	John Ingle Riddle	209	23
Juniata (C., E., S.)	Huntingdon, Pa	1876	Charles C. Ellis	379	30
Kalamazoo (C., S.)	Kalamazoo, Mich	1833	Paul L. Thompson	412	30
Kansas City, University of (C., S.)	Kansas City, Mo	1933	Clarence R. Decker	1,310	113
*Kansas State College of Agriculture and Applied Science (C., E., S.)	Manhattan, Kans	1863	Milton S. Eisenhower	3,350	500
Kansas, University of (C., E., S.)	Lawrence, Kans	1865	D. W. Malott (chancelor)	3,879	250
Kansas Wesleyan University (C., S.)	Salina, Kans	1886	E. K. Morrow	100	24
Kent State University (C., E., S.)	Kent, Ohio	1911	Karl C. Leebrick	1,709	115

[3] Men may attend evening and summer sessions as nonmatriculated students.
[4] A consolidation of Armour Institute of Technology (1892) and Lewis Institute (1894).

Name	Location	Year organized	Governing official	Number of students	Number of teachers
Kentucky State College for Negroes (C., E., S.)	Frankfort, Ky	1886	R. B. Atwood	393	44
*Kentucky, University of (C., E., S.)	Lexington, Ky	1865	Herman L. Donovan	3,153	359
Kentucky Wesleyan (C., S.)	Winchester, Ky	1866	Paul Shell Powell	182	16
Kenyon	Gambier, Ohio	1824	Gordon K. Chalmers	153	35
Keuka (W.)	Keuka Park, N. Y	1890	Henry E. Allen	209	23
King (C., S.)	Bristol, Tenn	1867	R. T. L. Liston	100	15
Kletzing (C., S.)	University Park, Iowa	1906	Charles W. Butler	123	14
Knox (C.)	Galesburg, Ill	1837	Carter Davidson	565	35
Knoxville (C., S., N.)	Knoxville, Tenn	1876	William L. Imes	184	21
Ladycliff (W., S.)	Highland Falls, N. Y	1933	Most Rev. F. J. Spellman	127	34
Lafayette	Easton, Pa	1825	William M. Lewis	800	89
LaGrange (W.)	LaGrange, Ga	1831	Hubert T. Quillian	138	19
Lake Erie (W., E.)	Painesville, Ohio	1856	Helen D. Bragdon	148	32
Lake Forest University (C., S.)	Lake Forest, Ill	1857	Ernest A. Johnson (acting)	347	28
Lambuth (C., S.)	Jackson, Tenn	1924	R. E. Womack	167	21
Lander (W., S.)	Greenwood, S. C	1872	J. Marvin Rast	323	35
Lane (C., S., N.)	Jackson, Tenn	1880	J. F. Lane	314	20
Langston University (C., E., S., N.)	Langston, Okla	1897	G. Lamar Harrison	386	58
La Verne (C.)	La Verne, Calif	1891	C. Ernest Davis	133	25
Lawrence (C.)	Appleton, Wis	1847	Ralph J. Watts (acting)	708	79
Lawrence Institute of Technology (C.)	Detroit, Mich	1932	E. George Lawrence	1,200	35
Lebanon Valley (C., E., S.)	Annville, Pa	1866	Clyde A. Lynch	367	36
Lehigh University (S.)	Bethlehem, Pa	1865	Clement C. Williams	1,179	230
Leland (C., E., S., N.)	Baker, La	1870	J. M. Frazier	324	17
Lemoyne (C., S., N.)	Memphis, Tenn	1871	Hollis F. Price	375	21
Lenoir Rhyne (C., S.)	Hickory, N. C	1891	P. E. Monroe	402	35
Lewis and Clark (formerly Albany College) (E., S.)	Portland, Oreg	1867	Morgan S. Odell	135	14
Lewis Institute (see Illinois Institute of Technology).					
Limestone (W., S.)	Gaffney, S. C	1845	R. C. Granberry	327	27
Lincoln Memorial University (C., S.)	Harrogate, Tenn	1897	Stewart W. McClelland	257	30
Lincoln University (C., E., S., N.)	Jefferson City, Mo	1866	Sherman D. Scruggs	580	73
Lincoln University (N.)	Lincoln Univerity, Pa	1854	Walter L. Wright		25
Lindenwood Female (W.)	St. Charles, Mo	1827	H. M. Gage	450	49
Linfield (C.)	McMinnville, Oreg	1858	Harry L. Dillin	205	31
Livingstone (C., E., S., N.)	Salisbury, N. C	1885	William J. Trent, Sr	326	18
Long Island University (C., E., S.)	Brooklyn, N. Y	1926	Tristram W. Metcalfe	905	100
Loras (E., S.)	Dubuque, Iowa	1839	Very Rev. M. J. Martin	550	50
Loretto Heights (W., S.)	Loretto, Colo	1918	Paul J. Ketrick	225	30
Louisiana (C., E., S.)	Pineville, La	1906	H. M. Weathersby (dean)	314	22
Louisiana Polytechnical Institute (C.)	Ruston, La	1894	Claybrook Cottingham	1,403	104
Louisiana State University and Agricultural and Mechanical (C., E., S.)	Baton Rouge, La	1860	Campbell B. Hodges	6,092	379
Louisville Municipal (C., S., N.)	Louisville, Ky	1931	David A. Lane, Jr. (dean)	278	11
Louisville, University of (C., E.)	do	1837	Einar W. Jacobsen	2,286	402
Lowell Textile Institute (C.)	Lowell, Mass	1895	Charles H. Eames	215	31
Loyola	Baltimore, Md	1852	Rev. Edward B. Bunn	300	27
Loyola University (part C., S.)	Los Angeles, Calif	1865	Rev. Edward Whalen	235	45
Loyola University (part C., E., S.)	Chicago, Ill	1870	Rev. Joseph M. Egan	4,423	800
West Baden (S.)	West Baden Springs, Ind	1934	Very Rev. J. A. Maguire	196	34
Loyola University (part C., S.)	New Orleans, La	1912	Rev. P. A. Roy	1,163	144
Luther (S.)	Decorah, Iowa	1861	O. J. H. Preus	435	41
Lynchburg (C., S.)	Lynchburg, Va	1903	R. B. Montgomery	141	22
Macalester (C., S.)	St. Paul, Minn	1885	Charles J. Turck	667	70
MacMurray (W., S.)	Jacksonville, Ill	1846	C. E. Ficken	713	68
Madison (C., S.)	Madison College, Tenn	1904	E. A. Sutherland	250	21
*Maine, University of (C., E., S.)	Orono, Maine	1865	Arthur A. Hauck	1,836	168
Manchester (C., S.)	North Manchester, Ind	1895	V. F. Schwalm	568	35
Manhattan (E., S.)	New York, N. Y	1863	Rev. Brother Victor	1,271	99
Manhattanville College of the Sacred Heart (W.)	do	1841	Grace C. Dammann	415	72
Mapua Institute of Technology (C., S.)	Manila, Philippines	1925	Thomas Mapua	2,400	90
Marietta (C., S.)	Marietta, Ohio	1835	Draper T. Schoonover	277	31
Marion (W., S.)	Indianapolis, Ind	1937	Mother M. Clarissa	156	24
Marion (C. S.)	Marion, Ind	1920	William F. McConn	248	20
Marquette University (C. E., S.)	Milwaukee, Wis	1881	Rev. R. C. McCarthy	4,197	432
Marshall (C., E., S.)	Huntington, W. Va	1837	John D. Williams	1,463	115
Mary Baldwin (W.)	Staunton, Va	1842	L. Wilson Jarman	324	33
Mary Hardin-Baylor (W., E., S.)	Belton, Tex	1854	Gordon G. Singleton	418	48
Marycrest (see St. Ambrose and Marycrest)					
Marygrove (W., S.)	Detroit, Mich	1910	Sister M. Honora	653	72
*Maryland, University of (C., E., S.)	College Park and Baltimore, Md	1807	Harry C. Byrd	5,236	749
Marylhurst (W., E., S.)	Marylhurst, Oreg	1930	Sister Miriam Anna	160	29
Marymount (W., S.)	Salina, Kans	1922	Mother M. Chrysostom	270	35
Marymount (W.)	Tarrytown, N. Y		Mother M. Gerard	253	39
Maryville (Mo.) (see St. Louis University).					
Maryville (C., S.)	Maryville, Tenn	1819	Ralph W. Lloyd	666	55
Marywood (W., E., S.)	Scranton, Pa	1915	Mother M. Marcella	465	40
*Massachusetts Institute of Technology (C., S.)	Cambridge, Mass	1861	Karl T. Compton	3,000	687
*Massachusetts State (C., E., S.)	Amherst, Mass	1863	Hugh P. Baker	1,292	135
McKendree (C., S.)	Lebanon, Ill	1828	Clark R. Yost	152	22
McMurry (C., E., S.)	Abilene, Tex	1923	H. G. Cooke	312	35
McPherson, (C., S.)	McPherson, Kans	1887	W. W. Peters	234	22
Mercer University (C., S.)	Macon, Ga	1833	Spright Dowell	338	23
Mercyhurst (W., S.)	Erie, Pa	1926	Sister M. DeSales	250	32
Meredith (W., S.)	Raleigh, N. C	1899	Carlyle Campbell	416	38
Miami, University of (C., E., S.)	Coral Gables, Fla	1926	Bowman F. Ashe	840	75
Miami University (C., E., S.)	Oxford, Ohio	1809	A. H. Upham	3,313	228
Michigan College of Mining and Technology (C., S.)	Houghton, Mich	1885	Grover C. Dillman	795	78
*Michigan State College of Agriculture and Applied Science (C., E., S.)	East Lansing, Mich	1855	John A. Hannah	6,724	503
Michigan, University of (C., E., S.)	Ann Arbor, Mich	1817	Alexander G. Ruthven	11,705	821
Middlebury (C., S.)	Middlebury, Vt	1800	Samuel S. Stratton	788	60
Middlesex University (C., S.)	Waltham, Mass	1847	Samuel H. Wragg	550	75
Midland (C., E., S., N.)	Fremont, Nebr	1887	Fred C. Wiegman	315	28
Miles (C., E., S., N.)	Birmingham, Ala	1907	W. A. Bell	300	21
Mills (part C., E., S.)	Oakland, Calif	1877	Lynn White, Jr	106	125
Milligan (C.)	Milligan College, Tenn	1882	Charles E. Burns	236	20
Millsaps (C., S.)	Jackson, Miss	1892	M. L. Smith	466	31
Milton (C.)	Milton, Wis	1867	J. G. Meyer	161	20
Milwaukee-Downer (W., E.)	Milwaukee, Wis	1851	Lucia R. Briggs	349	49
Mines and Metallurgy, School of (see Missouri, University of).					
*Minnesota, University of (C., E., S.)	Minneapolis, Minn	1851	Walter C. Coffey	13,998	832
Misericordia College (W., E., S.)	Dallas, Pa	1923	Sister M. Borromeo	250	40
Mission House College and Theological Seminary (C.)	Plymouth, Wis	1862	Rev. Paul Grosshuesch	100	15
Mississippi Industrial (C., E., S., N.)	Holly Springs, Miss	1905	W. M. Frazier	168	22
*Mississippi State (C., E., S.)	State College, Miss	1878	G. D. Humphrey	1,997	120

Name	Location	Year organized	Governing official	Number of students	Number of teachers
Mississippi State College for Women	Columbus, Miss	1884	B. L. Parkinson	950	75
Mississippi, University of (C., E., S.)	Oxford, Miss	1848	Alfred Hume (acting chancelor)	1,280	105
*Missouri, University of (C., E., S.)	Columbia, Mo	1839	Frederick S. Middlebush	4,708	383
Mines and Metallurgy, School of (C., S.)	Rolla, Mo	1870	Curtis L. Wilson (dean)	958	75
Missouri Valley (C., S.)	Marshall, Mo	1888	Thomas W. Bibb	191	22
Monmouth (C., S.)	Monmouth, Ill	1853	James H. Grier	439	36
Montana School of Mines (C.)	Butte, Mont	1895	Francis A. Thomson	302	21
*Montana State (C.)	Bozeman, Mont	1893	R. R. Renne (acting)	1,703	223
Montana State University (C., E., S.)	Missoula, Mont	1893	Ernest O. Melby	1,203	82
Moravian College and Theological Seminary (C., summer only)	Bethlehem, Pa	1807	Roy D. Hassler (dean)	200	20
Moravian College for Women	do	1742	Edwin J. Heath	138	29
Morehouse (see Atlanta University System).					
Morgan State (C., S., N.)	Baltimore, Md	1867	D. O. W. Holmes	463	32
Morningside (C., E., S.)	Sioux City, Iowa	1889	Earl A. Roadman	701	40
Morris (C., S., N.)	Sumter, S. C	1907	James P. Garrick	419	24
Morris Brown (C., N.)	Atlanta, Ga		William A. Fountain, Jr		
Morris Harvey (C., E., S.)	Charleston, W. Va	1888	Leonard Riggleman	54	28
Mount Angel (C., E., S.)	St. Benedict, Oreg	1887	Rev. James E. Koessler	95	20
Mount Holyoke (W., S.)	South Hadley, Mass	1837	Roswell G. Ham	1,044	141
Mount Mary (W., E., S.)	Milwaukee, Wis	1915	Edward A. Fitzpatrick	318	48
Mount Mercy (W., E., S.)	Pittsburgh, Pa	1929	Mother M. Dougherty	234	36
Mount St. Joseph, College of (W., S.)	Mount St. Joseph, Ohio	1920	Sister M. Corona	309	46
Mount St. Mary (W., E., S.)	Hooksett, N. H	1934	Sister M. DeLa Salle	91	23
Mount St. Mary's (W., E., S.)	Los Angeles, Calif	1925	Mother M. Dolorosa	484	32
Mount St. Mary's (E., S.)	Emmitsburg, Md	1808	Rt. Rev. J. L. Sheridan	302	33
Mount St. Scholastica College (C., S.)	Atchison, Kans	1926	Rev. Mother Dooley	313	34
Mount St. Vincent, College of (W.)	New York, N. Y	1847	Sister Catharine (dean)	375	47
Mount Union (C., S.)	Alliance, Ohio	1846	Charles B. Ketcham	608	40
Muhlenberg (E., S.)	Allentown, Pa	1848	Levering Tyson	350	40
Mundelein (W., S.)	Chicago, Ill	1930	Sister M. Justitia	594	63
Municipal University of Omaha (C., E., S.)	Omaha, Nebr	1908	Rowland Haynes	650	58
Municipal University of Wichita (C., E., S.)	Wichita, Kans	1926	William M. Jardine	1,376	70
Muskingum (C., S.)	New Concord, Ohio	1837	Robert N. Montgomery	500	64
Nasson (W., S.)	Springvale, Maine	1912	Dawn N. Wallace	50	16
National University (C., S.)	Washington, D. C	1869	Leslie C. Garnett (chancelor)	176	50
Do	Manila, P. I	1900	Florentino Cayco	2,500	135
Nazareth (W., S.)	Louisville, Ky	1920	Sister Mary Coady	608	51
Do	Nazareth, Mich	1897	Sister M. Kevin	137	27
Nazareth (W., E., S.)	Rochester, N. Y	1924	Rev. Mother Rose Miriam	210	40
Nebraska Central (C., S.)	Central City, Nebr	1899	O. W. Carrell	80	8
*Nebraska, University of (C., E., S.)	Lincoln, Nebr	1869	C. S. Boucher (chancelor)	5,538	367
Nebraska Wesleyan University (C., E., S.)	do	1888	Benjamin F. Schwartz	391	36
Negro Agricultural and Technical (C., E., S.)	Greensboro, N. C	1891	F. D. Bluford	902	85
*Nevada, University of (C., S.)	Reno, Nev	1874	Leon W. Hartman	744	82
*New Hampshire, University of (C., E., S.)	Durham, N. H	1866	Fred Engelhardt	1,961	193
New Jersey College for Women (see Rutgers University).					
*New Mexico College of Agriculture and Mechanical Arts (C., S.)	State College, N. Mex	1889	J. W. Branson (dean)	607	85
New Mexico School of Mines (C.)	Socorro, N. Mex	1889	Richard H. Reece	96	14
New Mexico, University of (C., E., S.)	Albuquerque, N. Mex	1889	J. F. Zimmerman	1,350	133
New Rochelle, College of (W.)	New Rochelle, N. Y	1904	Mother Aquinas (dean)	791	55
New School for Social Research (C., S.)	New York, N. Y	1919	Alvin Johnson (director)	[1] 284	[1] 112
New York, College of the City of (see City College).					
New York University (C., E., S.)	New York, N. Y	1831	Harry W. Chase (chancelor)	26,520	1,857
Newark College of English (C., E., S.)	Newark, N. J	1881	Allan R. Cullimore	1,184	91
Newark, University of (C., S.)	do	1934	George H. Black	719	39
Newberry (C., S.)	Newberry, S. C	1856	James C. Kinard	303	35
Newcomb Memorial College (see Tulane University, La.).					
Ningara University (C., E., S.)	Niagara Falls, N. Y	1856	Rev. Joseph M. Noonan	1,035	107
North Carolina College for Negroes (C., S.)	Durham, N. C	1925	James E. Shepard	784	40
North Carolina, University of (C., E., S.)	Chapel Hill, N. C	1789	Frank P. Graham	4,395	334
*North Carolina State College of Agriculture and Engineering (C., E., S.).	Raleigh, N. C	1889	do	2,555	230
Women's, of University of North Carolina (E., S.)	Greensboro, N. C	1892	Walter C. Jackson (dean)	1,924	106
North Central (C., S.)	Naperville, Ill	1861	Edward E. Rall	561	43
*North Dakota Agricultural (C., E., S.)	Fargo, N. Dak	1890	Franklin L. Eversull	1,542	116
North Dakota, University of (C., E., S.)	Grand Forks, N. Dak	1883	John C. West	1,294	115
Northeastern University (C.)	Boston, Mass	1898	Carl S. Ell	3,748	251
Northland (C.)	Ashland, Wis	1892	John A. Reuling	108	15
Northwest Nazarene (C.)	Nampa, Idaho	1913	Lewis T. Corlett	450	24
Northwestern (C.)	Watertown, Wis	1865	E. E. Kowalke	110	11
Northwestern University (C., E., S.)	Evanston and Chicago, Ill	1851	Franklyn B. Snyder	6,300	1,400
Norwich University	Northfield, Vt	1819	John M. Thomas	519	52
Notre Dame, College of (W., E., S.)	Baltimore, Md	1895	Sister Mary Frances	250	45
Notre Dame (W., E., S.)	Grymes Hill, Staten Island, N. Y	1931	Mother St. Agnes	170	23
Notre Dame (W., S.)	South Euclid, Ohio	1922	Mother M. Evarista	150	33
Notre Dame, University of	Notre Dame, Ind	1842	Rev. J. Hugh O'Donnell	2,634	221
Oakland City (C., S.)	Oakland City, Ind	1885	W. P. Dearing	112	9
Oberlin (C., S.)	Oberlin, Ohio	1833	Ernest H. Wilkins	1,781	182
Occidental (C.)	Los Angeles, Calif	1887	Remsen DuBois Bird	836	63
Oglethorpe University (C., E., S.)	Atlanta, Ga	1913	Thornwell Jacobs	500	30
Ohio Northern University (C., E., S.)	Ada, Ohio	1870	Robert O. McClure	900	43
*Ohio State University (C., S.)	Columbus, Ohio	1870	Howard L. Bevis	14,881	1,263
Ohio University (C., E., S.)	Athens, Ohio	1804	W. S. Gamertsfelder	2,090	210
Ohio Wesleyan University (C., S.)	Delaware, Ohio	1842	Herbert J. Burgstahler	1,469	106
*Oklahoma Agricultural and Mechanical (C., E., S.)	Stillwater, Okla	1891	Henry G. Bennett	5,040	38
Oklahoma Baptist University (C., S.)	Shawnee, Okla	1910	John W. Raley	400	26
Oklahoma City University (C., E., S.)	Oklahoma City, Okla	1911	Clustor Q. Smith	979	45
Oklahoma College for Women (S.)	Chickasha, Okla	1908	M. A. Nash	870	65
Oklahoma, University of (C., E., S.)	Norman, Okla	1890	Joseph A. Brandt	4,865	295
Olivet (C., S.)	Olivet, Mich	1844	Joseph Brewer	221	23
Olivet Nazarene (C., S.)	Kankakee, Ill	1907	A. L. Parrott	425	25
*Oregon State (C., E., S.)	Corvallis, Oreg	1868	August Leroy Strand	4,304	316
Oregon, University of (C., E., S.)	Eugene, Oreg	1872	Donald M. Erb	3,180	300
Ottawa University (C., S.)	Ottawa, Kans	1865	Andrew B. Martin	268	25
Otterbein (C., S.)	Westerville, Ohio	1847	J. R. Howe	432	42
Ouachita Baptist (C., S.)	Arkadelphia, Ark	1886	James R. Grant	576	35
Our Lady of Cincinnati (W., S.)	Cincinnati, Ohio	1935	Sister Marie Pierre	272	40
Our Lady of the Elms, College of (W., S.)	Chicopee, Mass	1928	Most Rev. T. M. O'Leary	164	17
Our Lady of the Lake (W., S.)	San Antonio, Tex	1896	John LaSalle McMahon	350	52
Ozarks, College of the (C., E., S.)	Clarksville, Ark	1891	Wiley Lin Hurie	158	16
Pacific (C.)	Nerberg, Oreg	1891	Emmett W. Gulley	120	17
Pacific, College of the (C., S.)	Stockton, Calif	1851	Tully C. Knoles	437	85
Pacific Union (C., S.)	Angwin, Calif	1913	W. I. Smith	603	42
Pacific University (C., E., S.)	Forest Grove, Oreg	1849	W. C. Giersbach	261	21
Paine (C., E., S.)	Augusta, Ga	1903	Edmund C. Peters	201	16
Panhandle Agricultural and Mechanical (C., S.)	Goodwell, Okla	1909	Edward L. Morrison	318	20
Park (C., S.)	Parkville, Mo	1875	William L. Young	450	40

[1] Registered for courses, 2,500; total teachers, including lecturers, visiting professors, etc., 232.

Name	Location	Year organized	Governing official	Number of students	Number of teachers
Parsons (C., E., S.)	Fairfield, Iowa	1875	Herbert C. Mayer	214	25
Pasadena (C., S.)	Pasadena, Calif.	1902	H. Orton Wiley	350	24
Paul Quinn (C., S., N.)	Waco, Tex.	1872	G. J. Davis	150	5
Pembroke College (see Brown University).					
Pennsylvania College for Women (S.)	Pittsburgh, Pa.	1869	Herbert L. Spencer	336	40
Pennsylvania Military (S.)	Chester, Pa.	1821	Col. Frank K. Hyatt	200	20
*Pennsylvania State (C., E., S.)	State College, Pa.	1855	Ralph D. Hetzel	6,866	545
Pennsylvania, University of (C., E., S.)	Philadelphia, Pa.	1740	Thomas S. Gates	9,861	1,369
Pharmacy, College of (C., E.)	New York, N. Y.	1829	C. W. Ballard (dean)	178	25
Philander Smith (C., E., S., N.)	Little Rock, Ark.	1868	M. LaFayette Harris	301	33
Philippines, University of the (C., E., S.)	Manila, Philippines	1908	B. M. Gonzales	7,971	715
Phillips University (C., S.)	Enid, Okla.	1907	Eugene S. Briggs	763	40
Piedmont (C., S.)	Demorest, Ga.	1897	Malcolm B. Dana	190	20
Pittsburgh, University of (C., E., S.)	Pittsburgh, Pa.	1787	J. G. Bowan (chancelor)	11,385	1,027
Polytechnical Institute of Brooklyn (E., S.)	Brooklyn, N. Y.	1854	H. S. Rogers	777	100
Pomona (C.)	Claremont, Calif.	1887	E. Wilson Lyon	497	78
Portia (now Calvin Coolidge).					
Portland, University of (part C., S.)	Portland, Oreg.	1901	Rev. C. C. Miltner	733	56
Pratt Institute (C.)	Brooklyn, N. Y.	1887	Charles Pratt	1,017	108
Presbyterian (C., S.)	Clinton, S. C.	1880	William P. Jacobs	374	23
Princess Anne (C., N.)	Princess Anne, Md.	1886	R. A. Grigsby (dean)	83	17
Princeton University	Princeton, N. J.	1746	Harold W. Dodds	900	240
Principia (C., S.)	Elsah, Ill.	1910	Frederic E. Morgan	334	28
Providence (E., S.)	Providence, R. I.	1919	Very Rev. J. J. Dillon	375	65
Puerto Rico, Polytechnical Institute of (C., S.)	San German, P. R.	1912	Jarvis S. Morris	300	22
*Puerto Rico, University of (C., E., S.)	Rio Piedras, P. R.	1903	R. M. Ramos (acting)	8,425	274
Puget Sound, College of (C., S.)	Tacoma, Wash.	1888	R. Franklin Thompson	520	33
*Purdue University (C., E., S.)	Lafayette, Ind.	1869	Edward C. Elliott	7,385	538
Queens (C., E., S.)	Flushing, N. Y.	1937	Paul Klapper	1,853	100
Queens (W.)	Charlotte, N. C.	1857	Hunter B. Blakely	322	41
Quincy (C., S.)	Quincy, Ill.	1860	Rev. Seraphin Tibesar	100	15
Radcliffe (W.)	Cambridge, Mass.	1879	Wilbur K. Jordan	1,000	400
Randolph-Macon (S.)	Ashland, Va.	1830	J. Earl Moreland	234	18
Randolph-Macon Woman's	Lynchburg, Va.	1893	Theodore H. Jack	677	75
Redlands, University of (C., E., S.)	Redlands, Calif.	1907	Elam J. Anderson	106	63
Reed (C., S.)	Portland, Oreg.	1911	Arthur F. Scott (acting)	375	38
Regis (S.)	Denver, Colo.	1887	John J. Flanagan	243	19
Regis (W., E., S.)	Weston, Mass.	1927	Sister Honora	488	48
Rensselaer Polytechnic Institute (C.)	Troy, N. Y.	1824	William Otis Hotchkiss	1,497	160
*Rhode Island State (C., E.)	Kingston, R. I.	1892	Carl R. Woodward	1,100	107
Rice Institute (C.)	Houston, Tex.	1912	Edgar O. Lovett	1,323	86
Richmond, University of (C., S.)	Richmond, Va.	1832	Frederic W. Boatwright	900	90
Ricks (C., E., S.)	Rexburg, Idaho	1888	Hyrum Manwaring	275	16
Rider (C., S.)	Trenton, N. J.	1865	Franklin F. Moore	450	51
Ripon (C.)	Ripon, Wis.	1851	Clark G. Kuebler	456	37
Rivier (W., E., S.)	Nashua, N. H.	1933	Sister Marie Getty	48	14
Roanoke (C., S.)	Salem, Va.	1842	Chas. J. Smith	380	26
Robert College (S.)	Istanbul, Turkey	1863	Walter L. Wright, Jr	900	128
Rochester, University of (part C., E., S.)	Rochester, N. Y.	1850	Alan Valentine	2,301	471
Rockford (W., E., S.)	Rockford, Ill.	1847	Mary A. Cheek	268	33
Rockhurst (E., S.)	Kansas City, Mo.	1910	William H. McCabe	304	26
Rollins (C., S.)	Winter Park, Fla.	1885	Hamilton Holt	415	70
Rosary (W., S.)	River Forest, Ill.	1901	Sister M. Evelyn	544	55
Rose Polytechnic Institute	Terre Haute, Ind.	1874	Donald B. Prentice	330	30
Rosemont (W.)	Rosemont, Pa.	1922	Mother M. Cleophas	275	42
Russell Sage (W., E.)	Troy, N. Y.	1916	Helen McKinstry (acting)	650	90
Rust (C., E., S., N.)	Holly Springs, Miss.	1866	L. M. McCoy	350	23
*Rutgers University (C., E., S.)	New Brunswick, N. J.	1766	Robert C. Clothier	2,731	375
New Jersey College for Women	do	1918	Margaret T. Corwin (dean)	938	95
Sacred Heart, College of the (W.)	Grand Coteau, La.	1939	Mother M. Erskine	93	9
St. Ambrose (E., S.)	Davenport, Iowa	1882	Rt. Rev. A. J. Burke	500	45
Maryerest (W., S.)	do	1939	Mother M. Upham	250	33
St. Anselm's	Manchester, N. H.	1889	Rt. Rev. B. C. Dolan	213	26
St. Augustine's (C., N.)	Raleigh, N. C.	1867	Rev Edgar H. Goold	200	15
St. Benedict, College of (W., S.)	St. Joseph, Minn.	1913	Mother R. Pratschner	191	37
St. Benedict's	Atchison, Kans.	1858	Cuthbert McDoland	275	32
St. Bernardine of Siena (part C., S.)	Loudonville, N. Y.	1937	Rev. Cyprian Mensing	250	32
St. Bonaventure (part C., S.)	St. Bonaventure (near Allegany), N. Y.	1859	Rev. Thomas Plassmann	450	61
St. Catherine, College of (W., S.)	St. Paul, Minn.	1911	Sister Eucharista	600	85
St. Clare (W., E., S.)	Milwaukee, Wis.	1932	Mother M. Bartholomew	190	20
St. Edward's Seminary (S.)	Seattle, Wash.	1931	Very Rev. J. P. McCormick	100	13
St. Edward's University	Austin, Tex.	1878	Rev. S. F. Lisewski	115	21
St. Elizabeth, College of (W.)	Convent Station, N. J.	1899	Sister M. Jose Byrne	444	45
St. Francis (W., C., S.)	Lafayette, Ind.	1890	Rev. Mother Benigna	154	32
St. Francis, College of (W., S.)	Joliet, Ill.	1925	Sister M. Aniceta	301	45
St. Francis (S.)	Brooklyn, N. Y.	1858	Rev. Brother Jerome (dean)	190	23
Do	Loretto, Pa.	1847	Very Rev. John P. J. Sullivan	96	23
Do	Burlington, Wis.	1931	Very Rev. Isidore Cwiklinski	42	7
St. Francis Xavier (W., S.)	Chicago, Ill.	1912	Sister Mary Inez	400	36
St. John's	Annapolis, Md.	1784	Stringfellow Barr	96	20
St. John's University (S.)	Collegeville, Minn.	1857	Rt. Rev. Alcuin Deutsch	403	40
St. John's University (C., E., S.)	Brooklyn, N. Y.	1870	Very Rev. William Mahoney	3,500	200
St. Joseph (W., E., S.)	West Hartford, Conn.	1932	Sister M. Rosa (dean)	280	35
St. Joseph's (E., S.)	Collegeville, Ind.	1891	Very Rev. A. H. Dirksen	250	45
St. Joseph's (W., S.)	Emmitsburg, Md.	1902	Sister Paula	162	35
St. Joseph's (W., E., S.)	Portland, Maine	1915	Sister M. Honoratus (dean)	68	10
St. Joseph's	Princeton, N. J.	1914	Very Rev. Arthur Hamilton	80	15
St. Joseph's (W.)	Brooklyn, N. Y.	1916	Most Rev. Bishop Molloy	361	44
St. Joseph's	Philadelphia, Pa.	1852	Very Rev. Thomas J. Love	220	31
St. Lawrence University (C., E., S.)	Canton, N. Y.	1856	Millard H. Jencks	636	59
St. Louis University (part C., S.)	St. Louis, Mo.	1818	Harry B. Crimmins	4,830	570
Fontbonne (W., S.)	do	1923	Mother M. O'Neill	457	45
Maryville (W., S.)	do	1872	Mother Odeide Mouton	170	27
Webster (W., S.)	Webster Groves, Mo.	1915	George F. Donovan	182	39
St. Martin's	Lacey, Wash.	1895	Rt. Rev. R. Heider	140	35
St. Mary (W., E., S.)	Xavier, Kans.	1923	A. M. Murphy	415	45
St. Mary of the Springs (W., E., S.)	Columbus, Ohio	1924	Sister M. Aloyse	145	32
St. Mary-of-the-Wasatch, College of (W., S.)	Salt Lake City, Utah	1926	Sister Mary Agnes	105	19
St. Mary's (S.)	St. Mary's College, Calif.	1863	Brother Austin	223	30
St. Mary's (W., E., S.)	Holy Cross, Ind.	1844	Sister M. Madeleva	366	40
St. Mary's	Orchard Lake, Mich.	1885	Very Rev. L. J. Krzyzosiak	52	15
St. Mary's (S.)	Winona, Minn.	1913	Brother L. Jerome	360	35
St. Mary's Dominican (W., S.)	New Orleans, La.	1910	Sister Mary Dominic	179	21
St. Mary's Seminary and University	Baltimore, Md.	1791	Very Rev. John F. Fenon	495	25
St. Mary's University (part C., S.)	San Antonio, Tex.	1852	Rev. Walter F. Golatka	645	39
St. Michael's (S.)	Winooski Park, Vt.	1904	Rev. James H. Petty	180	25

Name	Location	Year organized	Governing official	Number of students	Number of teachers
St. Norbert (S.)	West De Pere, Wis.	1898	Rt. Rev. B. H. Pennings	650	30
St. Olaf (C., S.)	Northfield, Minn.	1874	C. M. Granskou	1,078	78
St. Peter's	Jersey City, N. J.	1872	Very Rev. D. J. Comey	425	38
St. Procopius	Lisle, Ill.	1885	Rev. John F. Cherf	120	18
St. Rose, College of (W., E., S.)	Albany, N. Y.	1920	Mother Rose (dean)	312	42
St. Scholastica, College of (W., S.)	Duluth, Minn.	1912	Mother Athanasius	425	42
St. Teresa, College of (W., E., S.)	Winona, Minn.	1910	Sister Mary Molloy	372	40
St. Teresa, College of (W., S.)	Kansas City, Mo.	1916	Sister Simplicia	133	25
St. Thomas, College of (S.)	St. Paul, Minn.	1885	Very Rev. James H. Moynihan	700	42
St. Vincent (part C., E., S.)	Latrobe, Pa.	1846	Rt. Rev. Alfred Koch	435	51
Salem Academy and College (W., E.)	Winston-Salem, N. C.	1772	Howard E. Rondthaler	277	43
Salem (C., E., S.)	Salem, W. Va.	1888	S. Orestes Bond	191	18
Samuel Huston (C., E., S., N.)	Austin, Tex.	1876	Stanley E. Grannum	230	21
San Diego State (C., E., S.)	San Diego, Calif.	1898	Walter R. Hepner	1,482	81
San Francisco (W., S.)	San Francisco, Calif.	1930	Mother L. Mejia	918	72
San Francisco State (C., E., S.)	do	1899	Alexander C. Roberts	1,374	88
San Francisco, University of (part C., S.)	do	1855	William J. Dunne	874	52
San Jose State (C., E., S.)	San Jose, Calif.	1862	T. W. MacQuarrie	1,798	150
Santa Barbara State (C., E., S.)	Santa Barbara, Calif.	1909	Clarence L. Phelps	850	90
Santa Clara, University of	Santa Clara, Calif.	1851	Charles J. Walsh	531	55
Santo Thomas, University of (C., S.)	Manila, P. I.		Father Silvestre Sancho	4,580	310
Sarah Lawrence (W., S.)	Bronxville, N. Y.	1926	Constance Warren	297	60
Scarritt (C., S.)	Nashville, Tenn.	1924	J. L. Cuninggim	135	15
School of Social Work. (See Atlanta University System.)					
Scranton, University of (part C., E., S.)	Scranton, Pa.	1888	Rev. W. Coleman Nevils	245	43
Scripps (W.)	Claremont, Calif.	1926	Mrs. E. W. Shirk (acting)	220	25
Seattle (C., E., S.)	Seattle, Wash.	1892	James B. McGoldrick (dean)	1,800	105
Seattle Pacific (C., S.)	do	1891	C. Hoyt Watson	311	35
Seton Hall (part C., E., S.)	South Orange, N. J.	1856	Rt. Rev. Monsignor J. F. Kelley	578	62
Seton Hill (W., S.)	Greensburg, Pa.	1883	James A. Reeves	437	51
Shaw University (C., E., S., N.)	Raleigh, N. C.	1865	Robert P. Daniel	420	31
Shorter (C., N.)	North Little Rock, Ark.		G. A. Gregg	458	31
Shorter (W.)	Rome, Ga.	1873	Paul M. Cousins	194	24
Shurtleff (C., S.)	Alton, Ill.	1827	Guy Wimmer	220	23
Siena (part C., S.)	Memphis, Tenn.	1937	Sister Raymunda (dean)	200	17
Siena Heights (W., S.)	Adrian, Mich.	1919	Mother M. Gerald	215	23
Silliman University (C., S.)	Dumaguete, P. I.	1901	A. L. Carson	600	100
Simmons (W., E., S.)	Boston, Mass.	1899	Bancroft Beatley	1,376	141
Simpson (C., S.)	Indianola, Iowa	1867	Edwin E. Voigt	376	28
Sioux Falls (C., E., S.)	Sioux Falls, S. Dak.	1883	John L. Barton (acting)	173	17
Skidmore (W., S.)	Saratoga Springs, N. Y.	1911	Henry T. Moore	837	79
Smith (W., S.)	Northampton, Mass.	1871	Herbert Davis	2,076	247
South Carolina State Agricultural and Mechanical (C., S., N.)	Orangeburg, S. C.	1895	Miller F. Whittaker	640	88
South Carolina, University of (C., E., S.)	Columbia, S. C.	1801	J. Rion McKissick	1,750	125
South Dakota, University of (C., E., S.)	Vermillion, S. Dak.	1882	I. D. Weeks	800	90
South Dakota School of Mines (C.)	Rapid City, S. Dak.	1885	Joseph P. Connolly	433	35
*South Dakota State College of Agricultural and Mechanical Arts (C., S.).	Brookings, S. Dak.	1881	Lyman E. Jackson	1,186	125
South, University of (part C., S.)	Sewanee, Tenn.	1857	Alexander Guerry	365	30
Southern California, University of (C., E., S.)	Los Angeles, Calif.	1879	R. B. von KleinSmid	8,000	750
Southern Methodist University (C., E., S.)	Dallas, Tex.	1911	Umphrey Lee	2,113	138
Southeastern Louisiana (C., S.)	Hammond, La.	1925	J. Leon Clark	545	48
Southeastern University (C., E., S.)	Washington, D. C.	1917	James A. Bell	500	45
Southern University and Agricultural and Mechanical College (C., E., S., N.).	Baton Rouge, La.	1880	Felton G. Clark	865	82
Southwestern (C., S.)	Winfield, Kans.	1885	Charles E. Schofield	455	33
Do	Memphis, Tenn.	1848	Charles E. Diehl	461	29
Southwestern Louisiana Institute of Liberal and Technical Learning (C., S.).	Lafayette, La.	1898	Joel L. Fletcher	1,944	130
Southwestern University (C., E., S.)	Georgetown, Tex.	1840	J. N. R. Score	398	57
Spelman (see Atlanta University System).					
Spring Hill (part C., E., S.)	Spring Hill, Ala.	1830	Very Rev. W. D. O'Leary	200	22
Springfield (E., S.)	Springfield, Mass.	1885	Ernest M. Best	400	33
Stanford University (C., S.)	Stanford University, Calif.	1885	Ray Lyman Wilbur (chancelor)	4,108	775
State Agricultural and Mechanical Institute (C., E., S., N.)	Normal, Ala.	1875	J. F. Drake	500	52
State College for Colored Students (C., E.)	Dover, Del.	1891	Howard D. Gregg	150	31
Sterling (C., E., S.)	Sterling, Kans.	1887	Hugh A. Kelsey	203	25
Stevens Institute of Technology	Hoboken, N. J.	1870	Harvey N. Davis	1,140	79
Storer (C. E., S., N.)	Harpers Ferry, W. Va.	1867	Henry T. McDonald	51	10
Suffolk University (C., S.)	Boston, Mass.	1906	Gleason L. Archer	100	16
Susquehanna University (C., S.)	Selinsgrove, Pa.	1858	G. Morris Smith	200	30
Swarthmore (C., S.)	Swarthmore, Pa.	1864	John Nason	783	87
Sweet Briar (W.)	Sweet Briar, Va.	1901	Meta Glass	454	52
Syracuse University (C., E., S.)	Syracuse, N. Y.	1870	Wm. P. Tolley (chancelor)	6,326	678
Talladega (C., N.)	Talladega, Ala.	1867	Buell G. Gallagher	262	28
Tampa, University of (C., S.)	Tampa, Fla.	1931	James E. Mooney	309	40
Tarkio (C., E., S.)	Tarkio, Mo.	1883	M. E. Collins	184	18
Taylor University (C., S.)	Upland, Ind.	1846	Robert L. Stuart	250	22
Temple University (C., E., S.)	Philadelphia, Pa.	1884	Robert L. Johnson	5,341	655
Tennessee College for Women (E., S.)	Murfreesboro, Tenn.	1906	John B. Clark	70	12
Tennessee Polytechnic Institute (C., S.)	Cookeville, Tenn.	1915	Everett Derryberry	643	42
*Tennessee, University of (C., E., S.)	Knoxville, Tenn.	1794	James D. Hoskins	4,261	223
Texas Christian University (C., E., S.)	Fort Worth, Tex.	1873	M. E. Sadler	1,132	80
Texas (C., E., S., N.)	Tyler, Tex.	1894	Dominion R. Glass	1,068	42
Texas College of Arts and Industry (C., E., S.)	Kingsville, Tex.	1925	E. N. Jones	1,286	80
Texas College of Mines and Metallurgy (C., S.)	El Paso, Tex.	1913	D. M. Wiggins	877	56
Texas State College for Women (E., S.)	Denton, Tex.	1901	Louis H. Hubbard	2,266	155
Texas Technological (C., E., S.)	Lubbock, Tex.	1925	Clifford B. Jones	3,079	201
Texas, University of (C., E., S.)	Austin, Tex.	1883	Homer P. Rainey	8,909	841
Texas Wesleyan (C., S.)	Fort Worth, Tex.	1892	Law Sone	486	38
Thiel (C., S.)	Greenville, Pa.	1870	William F. Zimmerman	200	21
Tillotson (C., S., N.)	Austin, Tex.	1877	Mary E. Branch	527	24
Toledo, University of (C., S.)	Toledo, Ohio	1884	Philip C. Nash	2,785	156
Tougaloo (C., E., S., N.)	Tougaloo, Miss.	1869	Judson L. Cross	483	36
Trevecca Nazarene (C., S.)	Nashville, Tenn.	1901	A. B. Mackey	84	12
Trinity (part C., E., S.)	Hartford, Conn.	1823	Arthur H. Hughes	458	55
Trinity (W.)	Washington, D. C.	1897	Sister C. Dorothea	360	55
Trinity (E.)	Sioux City, Iowa	1913	Rev. E. M. Leimkuhler	34	11
Trinity (W., E., S.)	Burlington, Vt.	1925	Sister M. Cephas (dean)	72	16
Trinity University (C., S.)	San Antonio, Tex.	1869	Monroe G. Everett	366	36
Tufts (C., E., S.)	Medford, Mass.	1852	Leonard Carmichael	2,291	645
Tulane University (part C., S.)	New Orleans, La.	1834	Rufus C. Harris	4,418	540
Newcomb Memorial, H. Sophie (W.)	do	1886	Frederick Hard (dean)	766	72
Tulsa, University of (C., S.)	Tulsa, Okla.	1894	C. I. Pontius	899	76
Tusculum (C., S.)	Greeneville, Tenn.	1794	John McSween	300	25

Name	Location	Year organized	Governing official	Number of students	Number of teachers
Tuskegee Institute (C., S., N.)	Tuskegee Institute, Ala		Frederick D. Patterson	1,162	184
Union (C., E., S.)	Barbourville, Ky	1879	Conway Boatman	180	21
Union (C., S.)	Lincoln, Nebr	1891	E. E. Cossentine	430	34
Union (S.)	Schenectady, N. Y	1795	Dixon R. Fox	742	88
Union University (C., S.)	Jackson, Tenn	1834	John J. Hurt	260	27
U. S. Coast Guard Academy (part C.)	New London, Conn	1876	Rear Admiral James Pine, U. S. Coast Guard.	1,455	141
U. S. Military Academy	West Point, N. Y	1802	Maj. Gen. F. B. Wilby (superintendent).	1,407	372
U. S. Naval Academy	Annapolis, Md	1845	Rear Admiral John R. Beardall (superintendent).	3,028	405
Upper Iowa University (C., S.)	Fayette, Iowa	1854	V. T. Smith	280	20
Upsala (C., E., S.)	East Orange, N. J	1893	Evald B. Lawson	360	23
Ursinus (C., S.)	Collegeville, Pa	1869	Norman E. McClure	535	40
Ursuline (La.) (now Brescia College).					
Ursuline (W., S.)	Louisville, Ky	1938	Mother Mary Roberta	218	25
Ursuline (W.)	Cleveland, Ohio	1871	Mother Marie	180	30
*Utah State Agricultural (C., E., S.)	Logan, Utah	1890	E. G. Peterson	1,934	135
Utah, University of (C., E., S.)	Salt Lake City, Utah	1850	LeRoy E. Cowles	4,608	265
Valparaiso University (C., S.)	Valparaiso, Ind	1859	Otto P. Kretzmann	383	42
Vanderbilt University (C., S.)	Nashville, Tenn	1873	Oliver C. Carmichael (chancelor)	1,887	434
Vassar (W.)	Poughkeepsie, N. Y	1861	Henry N. MacCracken	1,280	188
*Vermont, University of, and State Agricultural College (C., S.)	Burlington, Vt	1791	John S. Millis	1,227	175
Villa Madonna (W., S.)	Covington, Ky	1923	Rev. Edmund Corby	105	13
Villa Maria (W., E., S.)	Erie, Pa	1925	Joseph J. Wehrie	384	32
Villanova (part C., E., S.)	Villanova, Pa	1842	Edward V. Stanford	863	71
Virginia Military Institute	Lexington, Va	1839	C. E. Kilbourne (superintendent)	730	57
*Virginia Polytechnic Institute (C., S.)	Blacksburg, Va	1872	Julian A. Burruss	3,582	224
Virginia Theological Seminary and College (C., N.)	Lynchburg, Va	1887	W. H. R. Powell	56	18
Virginia State College for Negroes (E., S.)	Petersburg, Va	1882	Luther H. Foster	1,021	93
Virginia Union University (C., S., N.)	Richmond, Va	1899	J. Malcus Ellison	533	34
Virginia, University of (part C., E., S.)	Charlottesville, Va	1819	John L. Newcomb	2,488	310
Wabash (S.)	Crawfordsville, Ind	1832	Frank H. Sparks	389	30
Wagner Memorial Lutheran (C., E., S.)	Staten Island, N. Y	1883	Clarence C. Stoughton	280	29
Wake Forest (part C., S.)	Wake Forest, N. C	1834	Thurman D. Kitchin	1,037	144
Walla Walla (C., S.)	College Place, Wash	1892	George W. Bowers	427	46
Wartburg (C.)	Waverly, Iowa	1868	E. J. Braulick	124	23
Washburn Municipal University (C., S.)	Topeka, Kans	1865	Bryan S. Stoffer	725	65
Washington (C., E., S.)	Chestertown, Md	1782	Gilbert W. Mead	336	28
Washington and Jefferson (S.)	Washington, Pa	1780	Ralph C. Hutchison	555	51
Washington and Lee University (S.)	Lexington, Va	1749	Francis P. Gaines	678	55
Washington Missionary (C., S.)	Takoma Park, D. C	1904	B. G. Wilkinson	350	23
*Washington, State College of (C., E., S.)	Pullman, Wash	1890	Ernest O. Holland	3,552	245
Washington University (C., E., S.)	St. Louis, Mo	1853	George R. Throop	3,432	633
Washington, University of (C. E. S.)	Seattle, Wash	1861	L. P. Sieg	9,002	450
Wayne University (C., S.)	Detroit, Mich		Warren E. Bow	7,383	843
Waynesburg (C., S.)	Waynesburg, Pa	1870	Paul Rich Stewart	303	23
Webster. (See St. Louis University.)					
Wellesley (W.)	Wellesley, Mass	1870	Mildred H. McAfee	1,500	105
Wells (W.)	Aurora, N. Y	1868	W. E. Weld	253	45
Wesley (C., E., S.)	Grand Forks, N. Dak	1892	T. Ross Hicks	20	10
Wesleyan (W.)	Macon, Ga	1836	N. C. McPherson, Jr	363	53
Wesleyan University (S.)	Middletown, Conn	1831	Victor L. Butterfield	575	82
West Baden (see Loyola University, Ill.).					
West Virginia Institute of Technology (C., E., S.)	Montgomery, W. Va	1895	Edward S. Maclin	90	28
West Virginia State (C., E., S., N.)	Institute, W. Va	1891	John W. Davis	781	45
*West Virginia University (C., E., S.)	Morgantown, W. Va	1867	Charles E. Lawall	2,781	270
West Virginia Wesleyan (C., E., S.)	Buckhannon, W. Va	1886	J. W. Broyles	350	31
Western (W.)	Oxford, Ohio	1853	Mary M. D. Thomson	275	41
Western Maryland (C., E., S.)	Westminster, Md	1867	Fred G. Holloway	597	54
Western Reserve University (part C.)	Cleveland, Ohio	1826	Winfred G. Leutner	8,914	652
Western Union (C., S.)	Le Mars, Iowa	1900	D. O. Kime	246	21
Westminster (S.)	Fulton, Mo	1851		369	18
Westminster (C., S.)	New Wilmington, Pa	1852	Rev. R. F. Galbreath	629	50
Wheaton (C., S.)	Wheaton, Ill	1860	V. Raymond Edman	1,279	75
Wheaton (W.)	Norton, Mass	1834	J. Edgar Park	465	70
Whitman (C.)	Walla Walla, Wash	1859	Winslow S. Anderson	603	45
Whittier (C., E., S.)	Whittier, Calif	1901	H. F. Spencer (acting)	690	50
Whitworth (C., S.)	Spokane, Wash	1890	Frank F. Warren	250	25
Wilberforce University (C., E., S., N.)	Wilberforce, Ohio	1856	Charles H. Wesley	763	79
Wiley (C., E., S., N.)	Marshall, Tex	1873	M. W. Dogan	550	40
Willamette University (C., S.)	Salem, Oreg	1842	G. Herbert Smith	450	46
William Jennings Bryan University (C.)	Dayton, Tenn	1926	Judson A. Rudd	68	11
William Jewell (C., S.)	Liberty, Mo	1849	H. I. Hester	449	26
William and Mary, College of (C., E., S.)	Williamsburg, Va	1693	John E. Pomfret	1,489	93
William Penn (C., S.)	Oskaloosa, Iowa	1873	Errol F. Elliott	185	17
William Smith (see Hobart College).					
Williams	Williamstown, Mass	1793	James P. Baxter 3d	800	99
Wilmington (C., E., S.)	Wilmington, Ohio	1870	S. Arthur Watson	160	20
Wilson (W.)	Chambersburg, Pa	1869	Paul S. Havens	349	55
Winthrop (W., S.)	Rock Hill, S. C	1886	Shelton Phelps	1,564	120
Wisconsin, University of (C., E., S.)	Madison, Wis	1849	Clarence A. Dykstra	9,466	600
Wittenberg (C., E., S.)	Springfield, Ohio	1845	Reed E. Tulloss	631	63
Woman's College (see New York, University of).					
Wofford (S.)	Spartanburg, S. C	1851	W. K. Greene	404	25
Wooster, College of (C., S.)	Wooster, Ohio	1866	Charles F. Wishart	845	70
Worcester Polytechnic Institute	Worcester, Mass	1865	Wat Tyler Cluverius	631	69
*Wyoming, University of (C., E., S.)	Laramie, Wyo	1887	J. L. Morrill	1,590	135
Xavier University (C., E., S., N.)	New Orleans, La	1925	Mother M. Agatha	543	70
Xavier University (part C., S.)	Cincinnati, Ohio	1831	Clestin J. Steiner	1,441	68
Yale University (part C.)	New Haven, Conn	1701	Charles Seymour	1,725	880
Yankton (C., E., S.)	Yankton, S. Dak	1881	W. C. Lang (acting)	239	25
Yeshiva (S.)	New York City	1928	Rabbi Dr. Samuel Berkin	561	65
York (C., S.)	York, Nebr	1890	D. E. Weidler	118	17
Youngstown (C., S.)	Youngstown, Ohio	1908	Howard W. Jones	1,580	45

AMERICAN JUNIOR COLLEGES

Source: This list is based on the 1943 Educational Directory of the United States Office of Education. The data are from questionnaires returned by the institutions in the year 1943. The abbreviations following the names of the colleges indicate: C., coeducational; E., has extension courses; N., for Negroes only; S., summer school; W., women only. The governing official is the president unless otherwise stated.

Name	Location	Year organized	Governing official	Number of students	Number of teachers
Abraham Baldwin Agricultural (C., S.)	Tifton, Ga	1933	George H. King	275	21
Albert Lea Junior (Minn.) (closed for the duration).					
Albia Junior (Iowa) (discontinued for the duration).					
All Saints Episcopal (W.)	Vicksburg, Miss	1908	Rev. W. G. Christian	64	16
Alliance	Cambridge Springs, Pa	1912	John J. Kolasa	123	14
Altus (C., S.)	Altus, Okla	1926	A. G. Steele	281	15
Amarillo (C., S.)	Amarillo, Tex	1929	E. C. Shearer (acting)	453	22
American College of Physical Education (C., E., S.)		1908	Charles O. Carlstrom	125	7
Anderson (W.)	Anderson, S. C	1911	Annie D. Denmark	225	20
Andrew (W.)	Cuthbert, Ga	1854	S. C. Deliff	86	14
Antelope Valley Junior (C.)	Lancaster, Calif	1929	David J. Roach (dean)	60	14
Arkansas City Junior (C., S.)	Arkansas City, Kans	1922	C. E. St. John	151	20
Arkansas Polytechnic (C.)	Russellville, Ark	1909	J. W. Hull	758	32
Arlington Hall (Washington, D. C.) (closed for the duration.).					
Armstrong (C., E., S.)	Berkeley, Calif	1918	J. Evan Armstrong	200	20
Armstrong Junior (C., S.)	Savannah, Ga	1935	F. M. Hawes (acting)	244	13
Ashland Junior (C., S.)	Ashland, Ky	1938	O. B. Dabney (dean)	160	12
Augusta, Junior College of (C., E., S.)	Augusta, Ga	1925	Eric W. Hardy	276	33
Austin Evening Junior (C.)	Chicago, Ill	1937	Charles L. MacCallum	2,100	44
Austin Junior (C.)	Austin, Minn	1940	R. I. Meland (dean)	75	11
Averett (W., E., S.)	Danville, Va	1859	Curtis Bishop	259	25
Bacone (C.)	Muskogee, Okla	1880	Rev. Earl L. Riley	175	17
Bakersfield Junior (C.)	Bakersfield, Calif	1913	Grace V. Bird (director)	428	31
Barber-Scotia (W., E., N.)	Concord, N. C	1867	L. S. Cozart	139	12
Bartlesville College-High School (C.)	Bartlesville, Okla	1927	Paul C. Norvell (principal)	84	25
Bay City Junior (C., S.)	Bay City, Mich	1922	Geo. E. Butterfield (dean)	241	28
Beckley (C., S.)	Beckley, W. Va	1933	J. Lewis Bumgardner	250	17
Belmont Abbey (S.)	Belmont, N. C	1878	Rev. B. C. Lightner (vice president)	175	22
Bennett Junior (W.)	Millbrook, N. Y	1891	Courtney Carroll	150	45
Bergen Junior (C., S.)	Teaneck, N. J	1933	C. L. Littel	200	25
Bethany Lutheran (C.)	Mankato, Minn	1911	S. C. Yevisaker	55	14
Bethune-Cookman (C., S., N.)	Daytona Beach, Fla	1904	James A. Coslton	474	21
Bettis Academy (C., E., N.)	Trenton, S. C	1881	A. W. Nicholson		18
Bismarck Junior (C., S.)	Bismarck, N. Dak	1939	Walter J. Swensen (dean)	142	12
Blackburn University (C.)	Carlinville, Ill	1937	William M. Hudson	286	20
Blackstone (W.)	Blackstone, Va	1894	J. Paul Glick	175	21
Blinn (C., S.)	Brenham, Tex	1883	C. F. Schmidt	150	11
Bloomfield Junior (C.)	Bloomfield, Iowa		E. T. Carlstedt (dean)		
Bluefield (C., S.)	Bluefield, Va	1922	Edwin C. Wade	265	17
Boiling Springs Junior (name changed to Gardener-Webb Junior).					
Boise Junior (C., S.)	Boise, Idaho	1932	Conan E. Mathews (dean)	351	20
Boone Junior (C.)	Boone, Iowa	1926	J. R. Thorngren (dean)	70	10
Bradford Junior (W.)	Bradford, Mass	1803	Dorothy M. Bell	250	28
Branch Agricultural College (C., E., S.)	Cedar City, Utah	1897	E. G. Peterson	500	28
Brawley Junior (C.)	Brawley, Calif	1924	Percy E. Palmer (principal)	12	15
Brevard (C., S.)	Brevard, N. C	1853	E. J. Coltrane	275	20
Brewton-Parker Institute (C., E.)	Mount Vernon, Ga	1904	R. L. Robinson	202	11
Briarcliff Junior (W.)	Briarcliff Manor, N. Y	1933	Clara M. Tead	140	33
Brownsville Junior (C., S.)	Brownsville, Tex	1926	Ben L. Brite	78	20
Burlington Junior (C.)	Burlington, Iowa	1920	Robert White, Jr	190	14
Butler (C., S., N.)	Tyler, Tex	1905	I. Jackson, Jr	237	14
Caffey Junior (C., E., S.)	Ontario, Calif	1916	Gardiner W. Spring	732	46
California School of Mechanic Arts	San Francisco, Calif		R. H. Britton (director)	200	14
Cambridge Junior (C.)	Cambridge, Mass	1934	Irving T. Richards	75	14
Campbell (C., S.)	Buies Creek, N. C	1887	Leslie H. Campbell	406	33
Campbellsville (C., S.)	Campbellsville, Ky	1906	W. F. Jones	125	11
Canal Zone Junior (C., E., S.)	Balboa, C. Z	1933	Roger C. Hackett	95	15
Caney Junior (C., S.)	Pippapass, Ky	1916	A. S. G. Lloyd	256	12
Carbon (C.)	Price, Utah	1938	Elden B. Sessions	800	30
Carl Schurz Evening Junior (C.)	Chicago, Ill	1938	Robert C. Keenan (dean)		33
Cazenovia Junior (W., S.)	Cazenovia, N. Y	1824	John D. Shove	60	14
Centenary Junior (W.)	Hackettstown, N. J	1874	Mrs. Robert J. Trevorrow	149	19
Centerville (C.)	Centerville, Iowa	1900	E. W. Fannon	63	5
Central (W.)	Conway, Ark	1892	O. J. Wade	110	13
Central (C.)	McPherson, Kans	1914	O. S. Walters	55	14
Central Junior (C., S.)	El Centro, Calif	1922	Eugene W. Waterman (dean)	119	30
Central Wesleyan (C., S.)	Warrenton, Mo		C. A. Greene		
Centralia Junior (C.)	Centralia, Wash	1925	Paul Furgeson	110	10
Chaffey Junior (C., S.)	Ontario, Calif	1916	Gardiner W. Spring	570	48
Chanute Junior (C., S.)	Chanute, Kans	1936	W. W. Bass (dean)	130	22
Chariton Junior (C.)	Chariton, Iowa		F. A. Lunan (dean)		
Chevy Chase Junior (W.)	Chevy Chase, Md	1903	Carrie Sutherlin	46	17
Chowan (N. C.) (closed for the duration).					
Christian (W.)	Columbia, Mo	1851	James C. Miller	320	33
Citrus Junior (C.)	Azusa, Calif	1915	W. V. Smith (dean)	150	30
Clarendon Junior (C.)	Clarendon, Tex	1927	H. T. Burton	110	13
Clarinda Junior (C.) (closed for the duration)	Clarinda, Iowa	1923			
Clark Junior (C.)	Vancouver, Wash		Lewis D. Cannell (dean)		
Clarke Memorial (C.)	Newton, Miss		J. L. Boyd	70	7
Clifton Junior (C., S.)	Clifton, Tex	1806	Carl Tyssen	62	7
Coalinga Junior (C.)	Coalinga, Calif	1932	T. A. Ellestad (superintendent)	10	8
Coffeyville Junior (C., S.)	Coffeyville, Kans	1923	Karl M. Wilson (dean)	365	17
Cogswell Polytechnic (C.)	San Francisco, Calif		Robert W. Dodd		
Colby Junior (W., S.)	New London, N. H	1928	H. Leslie Sawyer	357	33
Colorado Woman's	Denver, Colo	1888	James E. Huchingson	336	39
Commerce, Junior College of (C., E., S.)	New Haven, Conn	1929	Samuel W. Tator	51	12
Compton Junior (C., S.)	Compton, Calif	1927	O. Scott Thompson	3,537	92
Conception Seminary (S.)	Conception, Mo	1940	Edward E. Malone	120	21
Concordia	Fort Wayne, Ind	1839	Ottomar Krueger	60	10
Do	St. Paul, Minn	1893	Martin Graebner	147	11
Do	Milwaukee, Wis		Leroy C. Rincker		
Concordia Collegiate (C.)	Bronxville, N. Y	1881	Albert E. Meyer (acting)	85	12
Connecticut, Junior College of (C., S.)	Bridgeport, Conn	1927	E. Everett Cortright	200	17
Connors State Agricultural (C., E., S.)	Warner, Okla	1927	Jacob Johnson	138	16
Copiah Lincoln Junior (C. S.)	Wesson, Miss		W. H. Smith (acting)	350	23
Corpus Christi Junior (C., S.)	Corpus Christi, Tex	1935	M. P. Baker	300	18
Cottey (W.)	Nevada, Mo	1884	Marjorie Mitchell	156	21
Coulter Memorial Academy (C., N.)	Cheraw, S. C	1881	G. W. Long		20
Creston Junior (C.)	Creston, Iowa		V. L. Sanders		
Crosby-Ironton Junior (C., E.)	Crosby, Minn	1937	J. P. von Grueningen (dean)	84	6
Cumberland (C.)	Williamsburg, Ky		James L. Creech		
Custer County Junior (C., S.)	Miles City, Mont	1939	O. L. Alm (dean)	115	16
David Lipscomb (C., S.)	Nashville, Tenn	1891	E. H. Ijams	359	49
Dayton Y. M. C. A. (C., S.)	Dayton, Ohio	1887	Theo. J. Christensen (director)		51

Name	Location	Year organized	Governing official	Number of students	Number of teachers
Decatur Baptist (C., S.)	Decatur, Tex	1891	J. L. Ward	75	6
De LaSalle Normal School	Lafayette, La		Brother A. Ernest		
Dixie Junior (C.)	St. George, Utah	1923	Glenn E. Snow	200	22
Dodge City Junior (C., S.)	Dodge City, Kans	1935	W. H. Crawford (dean)	150	15
Duluth Junior (C., S.)	Duluth, Minn	1927	R. D. Chadwick (dean)	226	27
Dunbar Junior (C., S., N.)	Little Rock, Ark	1929	William H. Martin	127	13
Eagle Grove Junior (C.)	Eagle Grove, Iowa		C. L. McDowell		
East Central Junior (C., S.)	Decatur, Miss	1928	L. O. Todd	300	22
East Mississippi Junior (C., S.)	Scooba, Miss	1927	J. M. Tubb	200	17
Eastern Mennonite School (C.)	Harrisonburg, Va	1917	J. L. Stauffer	78	18
Eastern New Mexico (Portales) (now 4-year college; see under Colleges and Universities).					
Eastern Oklahoma Agricultural and Mechanical (C.)	Wilburton, Okla	1909	Claud C. Dunlap	275	16
Edgewood (W., E., S.)	Madison, Wis	1927	Sister Rose Catherine	75	20
Edinburg Junior (C., S.)	Edinburg, Tex	1927	H. A. Hodges	219	17
Edward Waters (C., N.)	Jacksonville, Fla		C. S. Long, Jr		
El Dorado Junior (C.)	El Dorado, Kans	1927	Earl Walker (dean)	236	24
Elkader Public Junior (C.)	Elkader, Iowa	1929	Lorne M. Boylan	55	11
Ellsworth Junior (C.)	Iowa Falls, Iowa	1929	Orlando G. Kreider (dean)	120	
El Reno (C.)	El Reno, Okla	1939	Paul R. Taylor	60	8
Ely Junior (C.)	Ely, Minn	1922	Sigurd F. Olson (dean)	100	21
Emmetsburg Junior (C.)	Emmetsburg, Iowa	1930	R. W. Newell (superintendent)	29	7
Endicott Junior (W.)	Pride's Crossing, Mass	1939	George O. Bierkoe	105	27
Englewood Evening Junior (C.)	Chicago, Ill		Matthew Fitzgerald (dean)		
Erie Center (C., E., S.)	Erie, Pa	1927	J. Lloyd Mahony	138	12
Erskine School, The (W.)	Boston, Mass		Gertrude B. Clark (director)		
Estherville Junior (C.)	Estherville, Iowa	1924	N. E. Demoney	75	22
Evanston Collegiate Institute (C.)	Evanston, Ill	1934	T. Otmann Firing	175	21
Eveleth Junior (C.)	Eveleth, Minn	1919	O. H. Gibson	90	12
Fairfax Hall Junior (W.)	Waynesboro, Va	1920	William B. Gates	130	26
Ferry Hall (W.)	Lake Forest, Ill	1869	Eloise P. Tremain	24	25
Finch Junior (W., E., S.)	New York City	1900	Jessica G. Cosgrave	71	30
Flat River, Junior College of (C., S.)	Flat River, Mo	1922	Irvin F. Coyle (dean)	105	11
Flint Junior (C., S.)	Flint, Mich	1923	W. S. Shattuck (dean)	323	19
Florida Normal and Industrial Institute (C., S., N.)	St. Augustine, Fla	1892	William H. Gray, Jr	200	26
Fordson Junior (C.)	Dearborn, Mich	1938	Harvey H. Lowrey	137	17
Fort Dodge Junior (C.)	Fort Dodge, Iowa	1921	Ethel Shannon	60	5
Fort Lewis School (C., S.) (of Colorado State College of Agriculture and Mechanical Arts).	Hesperus, Colo	1911	E. H. Bader (dean)	82	10
Fort Scott Junior (C.)	Fort Scott, Kans		W. S. Davison (dean)		
Fort Smith Junior (C., S.)	Fort Smith, Ark	1928	J. W. Ramsey	115	6
Frances Shimer (W.)	Mount Carroll, Ill	1853	Albin C. Bro	150	20
Freed Hardeman (C., S.)	Henderson, Tenn	1908	N. B. Hardeman	20	15
Freeman Junior (C., E.)	Freeman, S. Dak	1900	John D. Unruh	42	9
Friends Bible (C.)	Haviland, Kans	1891	Charles S. Ball	81	7
Friendship Junior (C., N.)	Rock Hill, S. C	1891	James H. Goudlock	185	10
Fullerton Junior (C., S.)	Fullerton, Calif	1913	Frederick T. Chemberlen (superintendent).	881	50
Gainesville Junior (C., S.)	Gainesville, Tex	1924	H. O. McCain	74	13
Garden City Junior (C.)	Garden City, Kans	1919	R. C. Guy (dean)	60	7
Gardner-Webb Junior (C.) (formerly Boiling Springs Junior)	Boiling Springs, N. C	1905	P. L. Elliott	150	13
Garland School of Homemaking (W.)	Boston, Mass	1872	Gladys B. Jones	76	9
Gary (C., E., S.)	Gary, Ind	1932	Albert Fertsch (administrative director.)	50	14
Georgetown Visitation Junior (W.)	Washington, D. C	1919	Sister Margaret Sheerin	85	15
Georgia Military (S.)	Milledgeville, Ga	1879	Col. J. H. Jenkins	204	26
Georgia Southwestern (C., S.)	Americus, Ga	1926	Peyton Jacob	165	11
Gila Junior (C., S.)	Thatcher, Ariz	1891	Monroe H. Clark	80	15
Glendale Junior (C., S.)	Glendale, Calif	1927	Willard S. Ford (superintendent)	1,002	40
Gogebic Junior (C.)	Ironwood, Mich	1932	R. Ernest Dear (dean)		
Gordon Military (C., S.)	Barnesville, Ga	1852	Col. J. E. Guillebeau	413	23
Graceland (C.)	Lamoni, Iowa	1895	George N. Briggs	381	24
Grand Rapids Junior (C.)	Grand Rapids, Mich	1914	Arthur Andrews	750	30
Grand View (C.)	Des Moines, Iowa	1895	Johannes Knudsen	15	10
Grays Harbor Junior (C., S.)	Aberdeen, Wash	1930	Lewis C. Tidball	75	8
Green Mountain Junior (W.)	Poultney, Vt	1931	J. P. Bogue	300	23
Greenbrier (W.)	Lewisburg, W. Va	1812	French W. Thompson	150	20
Gulf Park (W.)	Gulfport, Miss	1921	Richard G. Cox	205	25
Gunston Hall School and Junior College (Washington, D. C.) (closed for the duration).					
Hannibal La Grange (C., S.)	Hannibal, Mo	1858	A. E. Prince	100	16
Harcum Junior (W.)	Bryn Mawr, Pa	1915	Edith Harcum	160	30
Hardin Junior (C., S.)	Wichita Falls, Tex	1922	James B. Boren	400	28
Hebron Junior (Nebraska) (closed for the duration).					
Hershey Junior (C.)	Hershey, Pa	1938	A. G. Breidenstine	100	18
Herzl Junior (C., S.)	Chicago, Ill	1934	Dorph Brown (dean)	1,681	36
Hesston College and Bible School (C.)	Heston, Kans	1909	Milo Kauffman	60	9
Hibbing Junior (C.)	Hibbing, Minn	1916	H. A. Drescher	85	29
Highland Junior (C.)	Highland, Kans	1920	C. M. Rankin (dean)	100	8
Highland Park Junior (C., S.)	Highland Park, Mich	1918	Geo. I. Altenburg (dean)	250	12
Hillman (Mississippi) merged with Mississippi College (see Colleges and Universities).					
Hillsboro Junior (C., S.)	Hillsboro, Tex	1923	L. W. Hartsfield	145	15
Hillyer Junior (C., S.)	Hartford, Conn	1883	Alan S. Wilson (director)	100	10
Hinds Junior (C., S.)	Raymond, Miss	1917	G. M. McLendon	100	25
Hiwassee (C., S.)	Madisonville, Tenn	1849	D. R. Yovell	170	9
Hockaday Junior (W.)	Dallas, Tex	1931	Ela Hockaday	150	26
Holmby (W.)	Los Angeles, Calif	1904	Helen Briggs	92	11
Holmes Junior (C.)	Goodman, Miss		R. M. Branch		
Holton-Arms School and Junior College (W.)	Washington, D. C	1901	Jessie Moon Holton	370	20
Houston Junior (C., S.)	Houston, Tex	1927	N. K. Dupre (dean)	3,000	83
Hutchinson Junior (C.)	Hutchinson, Kans	1928	C. M. Lockman (dean)	125	12
Iberia Junior (C.)	Iberia, Mo	1890	G. Byron Smith	51	6
Immaculata Junior (W.)	Washington, D. C	1922	Sister St. Philomene	50	14
Immanuel Lutheran (C., N.)	Greensboro, N. C	1903	Henry Nau	90	8
Independence Junior (C.)	Independence, Iowa	1928	F. E. Mueller	40	8
Do	Independence, Kans	1925	E. R. Stevens (dean)		18
Iola Junior (C.)	Iola, Kans	1923	R. H. Carpenter (dean)	135	11
Itasca Junior (C.)	Coleraine, Minn	1922	Joseph B. Davis (dean)	134	20
Jackson Junior (C., S.)	Jackson, Mich	1928	George L. Greenwalt	92	17
Jacksonville (C., S.)	Jacksonville, Tex		C. R. Meadows		
Jefferson (C., S.)	St. Louis, Mo	1895	Paul E. Williams	1,338	28
Jefferson City Junior (C.)	Jefferson City, Mo	1926	Walter L. Cooper (dean)	120	10
John Tarleton Agricultural (C., S.)	Stephenville, Tex	1899	J. Thomas Davis (dean)	1,425	85
John McNeese Junior (C., E., S.)	Lake Charles, La	1939	Rodney Cline (dean)	173	21
Johnstown Center (C., S.)	Johnstown, Pa	1927	Viers W. Adams	409	20
Joliet Junior (C.)	Joliet, Ill	1901	J. D. Yaggy (dean)	293	35
Jones County Junior (C., S.)	Ellisville, Miss	1927	J. B. Young	60	40

Name	Location	Year organized	Governing official	Number of students	Number of teachers
Joplin Junior (C., S.)	Joplin, Mo	1938	H. E. Blaine (dean)	300	21
Junior Agricultural (C., S.)	Beebe, Ark	1932	B. E. Witmore	96	8
Junior College of Physical Therapy (C.)	New Haven, Conn	1919	Harry E. Stewart	62	22
Junior College of Southeastern Colorado (C.)	Lamar, Colo	1937	James H. Buchanan (director)		6
Junior and Teachers (C., S.)	Kansas City, Mo	1915	A. M. Swanson (dean)	1,094	53
Kansas City Junior (C., S.)	Kansas City, Kans	1923	J. F. Wellemeyer	450	14
Kemper Military School (N.)	Boonville, Mo	1844	A. M. Hitch	525	45
Kilgore (C., S.)	Kilgore, Tex	1935	B. E. Masters	584	35
Kiowa County (C., S.)	Hobart, Okla	1934	Tom Hanson		12
Kokomo Junior (C.)	Kokomo, Ind	1931	Hurd A. Drake	53	1
Lamar (C., S.)	Beaumont, Tex	1922	John E. Gray	500	21
Larson Junior (W., E., S.)	New Haven, Conn	1911	George V. Larson	215	18
LaSalle Peru-Oglesby Junior (C.)	La Salle, Ill	1924	Frank A. Jensen (director)	190	25
Lasell Junior (W.)	Auburndale, Mass	1851	Guy M. Winslow	310	61
La Sierra (C., E., S.)	Arlington, Calif	1927	L. R. Rasmussen	354	42
Lassen Junior (C.)	Susanville, Calif	1925	G. A. Collyer	107	20
Lee Junior (C., S.)	Goose Creek, Tex	1934	N. S. Holland	289	13
Lees-McRae (C.)	Banner Elk, N. C	1900	W. C. Tate	200	17
Lenox (C., S.)	Hopkinton, Iowa	1856	Henry O. Anderson	75	6
Lincoln (C., E.)	Lincoln, Ill	1865	William D. Copeland	65	12
Lincoln Junior (C., N.)	Kansas City, Mo	1936	H. O. Cook (principal)	104	16
Lindsey Wilson Junior (C., S.)	Columbia, Ky	1903	Victor P. Henry	103	11
Little Rock Junior (C., S.)	Little Rock, Ark	1927	J. A. Larson	300	20
Lon Morris (C., S.)	Jacksonville, Tex	1873	C. E. Peeples	148	14
Long Beach Junior (C., S.)	Long Beach, Calif	1927	George E. Dotson (principal)	1,114	19
Loretta Junior (W.)	Nerinx, P. O., Loretta, Ky		Mother M. Major		
Los Angeles City (C., S.)	Los Angeles, Calif	1929	Resco C. Ingalls (director)	4,000	175
Louisburg (C.)	Louisburg, N. C	1787	Walter Patten	255	14
Louisiana Normal and Industrial Institute (C., S., N.)	Grambling, La		R. W. E. Jones		
Lower Columbia Junior (C. S.)	Longview, Wash	1934	T. D. Schindler	120	16
Luther (C., E., S.)	Wahoo, Nebr	1883	Rev. Floyd E. Lauersen	94	15
Lutheran (C., S.)	Clifton, Tex	1896	C. Tyssen	82	7
Lyons Township Junior (C., S.)	La Grange, Ill	1929	George S. Olsen	150	15
Mallinckrodt (W., S.)	Wilmette, Ill	1918	Mother Ignata	17	6
MaQuoketa Junior (C.)	Maquoketa, Iowa		E. L. Miller (dean)		
Marinapolis	Thompson, Conn	1926	Rev. Dr. Joseph Vaskas	8	10
Marin Junior (C., E., S.)	Kentfield, Calif	1926	Ward H. Austin	376	30
Marion (W.)	Marion, Va	1873	Henry E. Horn	85	17
Marion Institute	Marion, Ala		Col. W. L. Murfee		
Mars Hill (C., S.)	Mars Hill, N. C	1856	Hoyt Blackwell	882	40
Marshall, College of (C., S.)	Marshall, Tex	1917	H. D. Bruce	153	14
Marshalltown Junior (C.)	Marshalltown, Iowa		B. R. Miller		
Mary Allen Junior (W., E.)	Crockett, Tex	1886	T. R. Jones	138	12
Mary Brooks School (W.)	Boston, Mass	1925	Jane Brooks		8
Marymount (W.)	Los Angeles, Calif	1936	Mother Gertrude	25	10
Mason City Junior (C.)	Mason City, Iowa	1918	James Rae (director)	154	12
McCook Junior (C., S.)	McCook, Nebr	1926	F. L. Holmes	15	11
McNeese Junior (C., S.)	Lake Charles, La	1939	Rodney Cline (dean)	250	20
Menlo School and Junior College (S.)	Menlo Park, Calif	1927	Lowry S. Howard	175	18
Meridian Municipal Junior (C., S.)	Meridian, Miss	1937	J. B. Pearson (director)	123	35
Mesa County Junior (C., S.)	Grand Junction, Colo	1937	Horace J. Wubben	150	20
Middle Georgia (C., S.)	Cochran, Ga	1928	Leo H. Browning	270	22
Mitchell (C., S.)	Statesville, N. C	1853	Robert S. Arrowood	153	14
Moberly Junior (C.)	Moberly, Mo	1927	M. F. Beach (superintendent)	65	19
Modesto Junior (C., S.)	Modesto, Calif	1921	Charles D. Yates (acting)	939	42
Monett Junior (C.)	Monett, Mo	1926	E. E. Camp (dean)	30	10
Monmouth Junior (C.)	Long Branch, N. J	1933	Ed. G. Schlaefer (dean)	241	17
Monte Cassino Junior (W.)	Tulsa, Okla		Sister M. Ursula		
Monticello (W.)	Alton, Ill	1835	G. I. Rohrbough	210	50
Montreat (W)	Montreat, N. C	1916	R. C. Anderson	187	24
Morgan Park Junior (C., S.)	Chicago, Ill		Albert G. Dodd (dean)	285	15
Morris Junior (C., E., S.)	Morristown, N. J	1933	Arthur S. Platt	200	14
Morristown Normal and Industrial (C., N.)	Morristown, Tenn	1883	J. W. Haywood	260	12
Morton Junior (C.)	Cicero, Ill	1924	William P. MacLean	308	37
Mount Angel Normal School (W., S.)	Mount Angel, Oreg	1892	Mother M. Ursula	50	8
Mount Marty Junior (W., S.)	Yankton, S. Dak	1936	Rev. Mother M. Jerome	144	13
Mount Mercy Junior College and Academy (W., S.)	Cedar Rapids, Iowa	1928	Sister Mary Manse	60	14
Mount St. Agnes Junior (W.)	Baltimore, Md	1867	Sister M. Placide	105	10
Mount St. Clare (W., S.)	Clinton, Iowa	1918	Mother Mary McKeever	19	11
Mount St. Joseph Junior (C., S.)	Maple Mount, Ky	1925	Sister M. Eckmans (dean)	100	15
Mount Vernon Seminary and Junior College (W.)	Washington, D. C	1875	George W. Lloyd	152	16
Multnomah (C., S.)	Portland, Oreg	1931	Edward L. Clark	642	53
Murray State School of Agriculture (C., E., S.)	Tishomingo, Okla	1908	A. D. Patton (acting)	341	22
Muscatine Junior (C., E., S.)	Muscatine, Iowa	1929	Willetts Strahan	80	10
Muskegon Junior (C.)	Muskegon, Mich	1926	A. G. Umbreit	248	13
Muskogee Junior (C., S.)	Muskogee, Okla	1920	Bessie M. Huff (dean)	100	8
National Park (Md.) (closed for the duration).					
Nazareth Junior (C., S.)	Nazareth, Ky		Sister Gertrude		
New Haven Y. M. C. A. Junior (C.)	New Haven, Conn	1919	Lawrence L. Bethel (director)	300	35
New Mexico Military Institute	Roswell, N. Mex	1898	Col. D. C. Pearson (superintendent)	681	35
New York State Agricultural and Technical Institute (C.)	Alfred, N. Y	1909	Paul B. Orvis	316	24
Do	Delhi, N. Y	1916	Harlond L. Smith (director)	108	14
Do	Morrisville, N. Y	1908	M. B Galbreath (director)	151	17
New York State Institute of Agriculture and Home Economics (C.)	Cobleskill, N. Y	1913	E. D. Day (director)	109	13
New York State Maritime Academy	Fort Schuyler, Bronx, N. Y	1874	Vice Admiral Thomas T. Craven, U. S. Navy.	445	28
Newark Junior (C., E., S.)	Newark, N. J	1938	David Bucharest	125	15
Nicholas Junior	Dudley, Mass	1931	James L. Conrad	90	12
Norman Junior (C.)	Norman Park, Ga	1900	Paul F. Carroll	240	14
North Dakota School of Forestry (C.)	Bottineau N. Dak	1907	C. N. Nelson	108	11
North Dakota State School of Science (C.)	Wahpeton, N. Dak	1903	E. F. Riley	327	
North Georgia (C., S.)	Dahlonega, Ga	1872	Jonathan C. Rogers	670	41
North Greenville Baptist Academy and Junior College (C.)	Tigerville, S. C	1892	Murphree C. Donnan	125	13
North Idaho Junior (C.)	Coeur d'Alene, Idaho	1939	Orrin E. Lee (president)	45	9
North Park College and Theological Seminary (C., S.)	Chicago, Ill	1891	Algoth Ohlson	714	70
North Texas Junior Agricultural (C., S.)	Arlington, Tex	1917	E. E. Davis	1,354	60
Northeast Junior (C., S., N.)	Monroe, La	1931	C. C. Colvert (dean)	631	35
Northeastern Oklahoma Agricultural and Mechanical (C., E., S.)	Miami, Okla	1919	Bruce G. Carter	120	15
Northern Montana (C., E., S.)	Havre, Mont	1929	G. H. Vande Bogart	254	20
Northern Oklahoma Junior (C.)	Tonkawa, Okla	1901	Loren N. Brown	185	25
Northwest Mississippi Junior (C., S.)	Senatobia, Miss	1915	R. C. Pugh	200	18
Northwestern Junior (C.)	Orange City, Iowa	1928	Jacob Heemstra	114	12
Notre Dame, College of (C.)	Belmont, Calif		Sister Bernadine		
Notre Dame Junior (W., E., S.)	St. Louis, Mo	1925	Sister M. Chrysologa (dean)	80	8
Notre Dame Junior (C., S.)	Mitchell, S. Dak	1922	Msgr. J. M. Brady	107	21
Oak Ridge Military Institute	Oak Ridge, N. C	1852	E. P. Holt	45	15
Oceanside-Carlsbad Junior (C., E., S.)	Oceanside, Calif	1934	Donald C. Carr (dean)	92	24
Ogontz Junior (W.)	Ogontz School, Pa	1850	Abby A. Sutherland	150	43

Name	Location	Year organized	Governing official	Number of students	Number of teachers
Oklahoma City Junior (C.)	Oklahoma City, Okla		H. E. Wrinkle		
Oklahoma Military Academy (S.)	Claremore, Okla	1919	Capt. John C. Hamilton	360	20
Oklahoma Western Junior (C.)	Sayre, Okla		Oscar McMahon		
Okmulgee Junior (C.)	Okmulgee, Okla	1923	W. Max Chambers	82	8
Okolona Industrial School (C., S., N.)	Okolona, Miss	1902	W. Milan Davis (principal)	137	17
Osceola Junior (C.)	Osceola, Iowa	1929	J. K. Hachlen (dean)	29	
Our Lady of Victory College and Academy (W., S.)	Fort Worth, Tex	1930	Sister M. Albertine	100	21
Ottumwa Heights (W., S.)	Ottumwa, Iowa	1925	Mother M. Geraldine	96	19
Pacific Lutheran (C., E., S.)	Parkland, Wash	1894	S. C. Eastvold	265	40
Packer Collegiate Institute (W.)	Brooklyn, N. Y	1845	Paul D. Shafer	68	23
Paducah Junior (C.)	Paducah, Ky	1932	Henry W. Tatter	100	6
Palm Beach Junior (C.)	West Palm Beach, Fla	1933	John I. Leonard	100	18
Paola, College of (W., S.)	Paola, Kans	1924	Mother Thomas Reichert	50	15
Paris Junior (C., S.)	Paris, Tex	1924	J. R. McLemore	408	21
Parsons Junior (C.)	Parsons, Kans	1923	E. F. Farner (dean)	159	25
Pasadena Junior (C., E., S.)	Pasadena, Calif	1924	John W. Harbeson	2,167	225
Paterson, College of (C., E., S.)	Paterson, N. J	1934	Herbert S. Robinson	250	21
Peace (W.)	Raleigh, N. C	1857	Wm. C. Pressly	276	23
Pearl River Junior (C., S.)	Popiarville, Miss	1922	R. D. McLendon	251	17
Penn Hall Junior (W.)	Chambersburg, Pa	1906	Frank S. Mazell	144	30
Perkinston Junior (C., S.)	Perkinston, Miss	1925	A. L. May	200	24
Pfeiffer Junior (C., S.)	Misenheimer, N. C	1928	W. S. Sharp	180	17
Phoenix Junior (C., E., S.)	Phoenix, Ariz	1920	E. W. Montgomery	557	25
Pikeville (C., S.)	Pikeville, Ky	1889	A. A. Page	187	25
Pine Manor Junior (W.)	Wellesley, Mass	1911	Marie Warren Potter	215	60
Placer Junior (C.)	Auburn, Calif	1936	Harold E. Chastain (dean)	200	20
Pomona Junior (C.)	Pomona, Calif	1916	Johnston E. Walker (director)	100	42
Port Huron Junior (C.)	Port Huron, Mich	1923	T. C. Simpson	87	7
Porterville Junior (C.)	Porterville, Calif	1927	B. E. Jamison (dean)	179	9
Potomac State School (C., S.)	Keyser, W. Va	1902	E. E. Church	185	19
Pratt Junior (C.)	Pratt, Kans	1938	H. B. Unruh (dean)	174	23
Presbyterian Junior (E., S.)	Maxton, N. C	1929	Louis C. LaMotte	118	14
Pueblo Junior (C., E., S.)	Pueblo, Colo	1937	William A. Black	250	25
Rabun Gap-Nacoochee School (C.)	Rabun Gap, Ga	1934	George C. Bellingrath	71	7
Ranger Junior (C., S.)	Ranger, Tex	1924	G. C. Boswell	102	15
Red Oak Junior (C.) (discontinued for duration)	Red Oak, Iowa				
Reedley Junior (C.)	Reedley, Calif	1923	J. O. McLaughlin	190	30
Reinhardt (C., S.)	Waleska, Ga	1883	W. M. Bratton	84	8
Ricker Junior (C.)	Houlton, Maine	1926	Roy Mitchell Hayes	75	12
Ricks (C., E., S.)	Rexburg, Idaho	1888	Hyrum Manwaring	228	16
Rio Grande (C., S.)	Rio Grande, Ohio	1876	R. Lloyd Pobst	65	10
Riverside Junior (C., S.)	Riverside, Calif	1916	A. G. Paul (director)	415	30
Rochester Junior (C., S.)	Rochester, Minn	1915	R. W. Goddard (dean)	109	18
Sacramento Junior (C., S.)	Sacramento, Calif	1916	Nicholas Ricciardi	1,897	83
Sacred Heart Junior (W., E., S.)	Wichita, Kans	1933	Very Rev. Leon McNeill	44	15
Sacred Heart Junior College and Academy (W.)	Belmont, N. C		Sister M. Raphael		
St. Bernard (S.)	Cullman, Ala	1892	Rt. Rev. Boniface Seng	67	18
St. Catharine Junior (W., E., S.)	St. Catharine, Ky	1931	Mother Margaret	64	13
St. Charles	Catonsville, Md	1830	Very Rev. George A. Gleason	190	11
St. Genevieve-of-the-Pines Junior (W.)	Asheville, N. C	1930	Rev. Mother L. Jannin	18	12
St. Helen's Hall Junior (W.)	Portland, Oreg		Sister Superior		
St. John's (C.)	Winfield, Kans	1893	Carl S. Mundinger	105	16
St. Joseph's College and Military Academy	Hays, Kans	1908	Rev. Terence Moffatt	287	20
St. Joseph Junior (C., S.)	St. Joseph, Mo	1915	Nelle Blum (dean)	391	21
St. Lawrence	Mount Calvary, Wis	1860	Rev. Gerald Walker	170	12
St. Mary, College of (W., E., S.)	Omaha, Nebr	1923	Sister M. Rosaria	125	18
St. Mary's	St. Mary, Ky	1821	Rev. Albert Ruetz	120	10
St. Mary's Female Seminary-Junior College	St. Mary's City, Md	1844	M. Adele France	82	12
St. Mary's Junior (W., S.)	O'Fallon, Mo	1929	Sister M. Cecelis (dean)		10
St. Mary's School (W.)	Raleigh, N. C	1842	Mrs. Ernest Cruikshank	231	40
St. Petersburg Junior (C., E. S.)	St. Petersburg, Fla	1927	Robert B. Reed	111	18
St. Paul's	Concordia, Mo	1883	Albert J. C. Moeller	25	8
St. Phillip's Junior College and Vocational Institute (C., N.)	San Antonio, Tex	1927	Rt. Rev. W. T. Capers		12
St. Thomas Seminary	Bloomfield, Conn		Joseph M. Griffin		
Salinas Junior (C.)	Salinas, Calif	1920	J. B. Lemos	650	23
Salvatorian Seminary	St. Nazianz, Wis		Solanus Freischmidt (rector)		
San Angelo Junior (C., S.)	San Angelo, Tex	1928	Wilson H. Elkins	258	17
San Antonio Junior (C., S.)	San Antonio, Tex	1925	J. O. Loftin	137	14
San Benito County Junior (C.)	Hollister, Calif	1919	James P. Davis	15	21
San Francisco Junior (C., E., S.)	San Francisco, Calif	1935	A. J. Cloud	1,289	100
San Luis Obispo Junior (C.)	San Luis Obispo, Calif	1936	Henry A. Cross	185	35
San Mateo Junior (C., S.)	San Mateo, Calif	1922	Charles S. Morris	990	57
Santa Ana Junior (C., S.)	Santa Ana, Calif	1915	John H. McCoy (director)	300	29
Santa Maria Junior (C., S.)	Santa Maria, Calif	1920	M. D. Likes (dean)	573	41
Santa Monica Junior (C., S.)	Santa Monica, Calif	1929	Elmer C. Sandmeyer	480	25
Santa Rosa Junior (C.)	Santa Rosa, Calif	1918	Floyd P. Bailey	200	25
Schreiner Institute (S.)	Kerrville, Tex	1923	J. J. Delaney	360	25
Schurz Evening Junior (C.)	Chicago, Ill	1938	Robert C. Keenan (dean)	607	24
Scott-Lees Collegiate Institute (C., S.)	Jackson, Ky	1883	J. O. Van Meter	236	17
Scottsbluff Junior (C.)	Scottsbluff, Nebr	1932	Wayne W. Johnson	100	14
Scranton-Keystone Junior (C.)	La Plume, Pa	1869	Byron S. Hollinshead	195	18
Seneca Junior (C.)	Seneca, S. C		J. D. Bryan		
Sheldon Junior (C.)	Sheldon, Iowa		Stevens N. Watkins		
Shenandoah (C., S.)	Dayton, Va	1875	L. P. Hill (acting)	151	23
Sioux Falls (C., E., S.)	Sioux Falls, S. Dak	1883	John L. Barton	132	16
Snead Junior (C., S.)	Boaz, Ala	1935	F. M. Cook	116	15
Southeastern Colorado, Junior College of (C.)	Lamar, Colo	1937	Neal Burch (dean)	40	5
Southern Branch of the University of Idaho (C., S.)	Pocatello, Idaho	1927	E. J. Baldwin (acting executive dean)	830	57
Southern Christian Institute (C., E., S., N.)	Edwards, Miss	1875	John Long	315	16
Southern Junior (C., S.)	Collegedale, Tenn	1916	K. A. Wright	123	16
Southern Seminary and Junior College (W.)	Buena Vista, Va	1868	Margaret D. Robey (director)	225	35
Southern Union (C.)	Wadley, Ala	1934	Ross Ensminger	45	9
South Georgia (C., S.)	College (subsidiary of Douglas), Ga	1907	President J. M. Thrash	202	12
Southwest Baptist (C., S.)	Bolivar, Mo	1878	S. H. Jones	204	16
Southwestern Junior (C., S.)	Keene, Tex	1894	H. H. Hamilton	287	20
Spartanburg Junior (C.)	Spartanburg, S. C	1911	R. B. Burgess	375	10
Spokane Junior (Washington) (merged with Whitworth College; see Colleges and universities).					
Spring Arbor Seminary and Junior College (C.)	Spring Arbor, Mich	1873	LeRoy M. Lowell	70	6
Springfield Junior (C., S.)	Springfield, Ill	1929	Mother M. Barbara	164	20
State Agricultural and Mechanical (C., S.)	Magnolia, Ark	1910	Charles A. Overstreetor	276	22
State Institute of Agriculture (C., S.)	Farmingdale, Long Island, N. Y	1912	H. B. Knapp, direct	350	30
Stephens (W.)	Columbia, Mo	1856	James M. Wood	1,546	107
Stillman Institute (C., E., N.)	Tuscaloosa, Ala	1876	A. L. Jackson	300	20
Stockton Junior (C., S.)	Stockton, Calif	1935	Arthur T. Bawden	487	24
Stoneleigh (W.)	Rye Beach, N. H	1934	Richard D. Currier	132	20
Stratford (W.)	Danville, Va		John C. Simpson		
Sue Bennett (C.)	London, Ky	1896	Jeannetta Harrison (acting)	96	13

Name	Location	Year organized	Governing official	Number of students	Number of teachers
Sullins (W.)	Bristol, Va	1917	W. E. Martin	350	30
Sunflower Junior (C., S.)	Moorhead, Miss	1926	Paul M. West	120	25
Swift Memorial Junior (C.)	Rogersville, Tenn	1883	R. E. Lee		10
Tabor (C., S.)	Hillsboro, Kans	1908	P. E. Schellenberg	200	16
Taft Union (C.)	Taft, Calif	1922	John G. Howes (dean)	100	48
Temple Junior (C., S.)	Temple, Tex	1926	George H. Gentry	209	18
Tennessee Junior College, University of (C., E., S.)	Martin, Tenn	1927	Paul Meek (executive officer)	207	20
Tennessee Wesleyan (C., S.)	Athens, Tenn	1866	James L. Robb	189	15
Texarkana (C., S.)	Texarkana, Tex	1927	H. W. Stilwell	150	12
Texas Military (S.)	Terrell, Tex		Mrs. Louis C. Perry		
Thornton Junior (C.)	Harvey, Ill	1927	William E. McVey	159	19
Tipton Junior (C.)	Tipton, Iowa	1927	H. C. DeKock (superintendent)	67	9
Tracy Junior (C.)	Tracy, Minn		R. R. Sorensen		
Trenton Junior (C.)	Trenton, Mo	1925	S. M. Rissler (superintendent)	70	6
Trevecca Nazarene (C., S.)	Nashville, Tenn	1901	A. B. Mackey	98	9
Trinidad State Junior (C., S.)	Trinidad, Colo	1925	P. P. Mickelson	80	16
Texas Lutheran (C., S.)	Seguin, Tex	1891	William F. Kraushaar	123	12
Tyler Junior (C., S.)	Tyler, Tex	1926	J. M. Hodges	244	20
Union Junior (C., E., S.)	Cranford, N. J	1933	Charles G. Cole	250	15
Urbana University (C., S.)	Urbana, Ohio	1850	Rev. Russell Eaton	18	7
Valley Forge Military Academy	Wayne, Pa	1935	Col. Milton G. Baker	200	30
Ventura Junior (C., S.)	Ventura, Calif	1929	D. R. Henry (principal)	120	37
Vermont Junior (C.)	Montpelier, Vt	1834	John H. Kingsley	150	22
Victoria Junior (C., S.)	Victoria, Tex	1925	J. H. Bankstron	75	14
Vincennes University (C., S.)	Vincennes, Ind		Walter A. Davis		
Virginia Intermont (W.)	Bristol, Va	1884	H. G. Noffsinger	311	13
Virginia Junior (C.)	Virginia, Minn	1921	F. F. Cope (acting dean)	282	26
Visalia Junior (C.)	Visalia, Calif	1926	L. J. Williams (principal)	808	35
Voorhees Normal and Industrial School (C., N.)	Denmark, S. C	1897	J. E. Blanton	135	18
Waldorf (C.)	Forest City, Iowa	1903	Rev. Morton O. Nilssen	175	15
Ward-Belmont School (W.)	Nashville, Tenn	1913	J. E. Burk	450	40
Washington Junior (Washington) (Discontinued for the year.)					
Waukon Junior (C.)	Waukon, Iowa	1923	B. H. Graeber	30	10
Wayland Baptist (C., S.)	Plainview, Tex	1909	G. W. McDonald	300	13
Weatherford (C., S.)	Weatherford, Tex	1873	Clarence S. Sutton	111	13
Weber (C., S.)	Ogden, Utah	1889	H. A. Dixon	512	39
Webster City Junior (C.)	Webster City, Iowa		Burrus E. Beard (dean)		
Wentworth Military Academy (S.)	Lexington, Mo	1880	Col. J. M. Sellers	204	14
Wesleyan Methodist (C.)	Central, S. C	1906	John Frank Childs		9
Wessington Springs (C., S.)	Wessington Springs, S. Dak	1887	A. C. Wolcott	75	14
West Georgia (C., S.)	Genola, Ga	1934	I. S. Ingram	294	48
Westbrook Seminary and Junior College (W., S.)	Portland, Maine	1831	Milton D. Proctor	327	32
Westminster (C., S.)	Tehuacana, Tex	1895	Spright Harwood	100	9
Westminster (C.)	Salt Lake City, Utah	1875	Robert D. Steele	120	22
Wetumka Junior (C.)	Wetumka, Okla		L. F. Battles		
Weylister Secretarial Junior (W.)	Milford, Conn	1927	Marian W. S. Beach	65	12
Whitworth (W., S.)	Brookhaven, Miss	1858	Sinclair Daniel	100	16
William Woods (W.)	Fulton, Mo	1890	Harlie L. Smith	288	33
Williams (C., E., S.)	Berkeley, Calif	1918	John W. Hopkins	50	44
Williamsport-Dickinson Junior (C., S.)	Williamsport, Pa	1812	John W. Long	250	27
Wingate Junior (C., S.)	Wingate, N. C	1897	C. C. Burris	140	14
Wood Junior (C.)	Mathiston, Miss	1927	Edward W. Seay	197	22
Woodrow Wilson Junior (C., S.)	Chicago, Ill	1934	J. I. Swearingen (acting dean)	1,875	62
Woodward Junior (C.)	Woodward, Okla	1932	Irene Walker (dean)	59	11
Worcester Junior (C., S.)	Worcester, Mass	1938	Irving R. Hobby	587	33
Worthington Junior (C.)	Worthington, Minn	1936	Marvin C. Knudson (dean)	150	11
Wright Junior (C., S.)	Chicago, Ill	1934	William H. Conley (dean)	2,019	77
Yakima Valley Junior (C., S.)	Yakima, Wash	1928	Elizabeth Prior	135	15
Young L. G. Harris (C., S.)	Young Harris, Ga	1886	J. Worth Sharp	187	12
Yuba Junior (C., S.)	Marysville, Calif	1927	Pedro Osuna	305	34

AMERICAN TEACHERS COLLEGES AND NORMAL SCHOOLS

Source: This list is based on the 1943 Educational Directory of the United States Office of Education. The data are from questionnaires returned by the institutions in the year 1943. The abbreviations following the names of the colleges indicate: C., coeducational; E., has extension courses; N., for Negroes only; S., summer school; W., women only.

Name	Location	Year organized	Governing official	Number of students	Number of teachers
Adams State (C., S.)	Alamosa, Colo	1921	Ira Richardson	261	24
Agricultural and Industrial State (C., E., S., N.)	Nashville, Tenn	1912	W. J. Hale	1,072	52
Alabama State (C., E., S.)	Florence, Ala	1872	J. A. Keller	600	40
Alabama State (C., S.)	Jacksonville, Ala				
Alabama State (C., E., S.)	Livingston, Ala	1883	N. F. Greenhill	300	24
Alabama State (C., E., S., N.)	Montgomery, Ala	1874	H. Council Trenholm	1,054	90
Alabama State (C., E., S.)	Troy, Ala	1887	C. B. Smith	225	32
Alverno (W., E., S.)	Milwaukee, Wis	1936	Mother M. Corona	103	10
American College of Physical Education (C.)	Chicago, Ill		Charles O. Carlstorm		
Appalachian State (C., S.)	Boone, N. C	1903	B. B. Dougherty	660	45
Arizona State (C., E., S.)	Flagstaff, Ariz	1899	T. J. Tormey	250	40
Do	Tempe, Ariz	1885	Grady Gammage	1,216	58
Arkansas State (C., E., S.)	Conway, Ark	1908	Nolen M. Irby	529	40
Arnold College for Hygiene and Physical Education (C., S.)	New Haven, Conn		H. Bruno Arnold		
Aroostook State Normal School (C.)	Presque Isle, Maine		(Suspended for duration.)		
Asheville (C., S.)	Asheville, N. C	1940	Frank C. Foster	251	23
Austin Peay Normal School (C., S.)	Clarksville, Tenn		P. P. Claxton		
Ball State (C., E., S.)	Muncie, Ind	1918	W. E. Wagoner (acting)	1,346	101
Beaver Country Day School (part C.)	Chestnut Hill, Mass	1921	Crosby Hodgman	300	50
Black Hills (C., S.)	Spearfish, S. Dak	1887	Russell E. Jonas	50	30
Bluefield State (C., E., S., N.)	Bluefield, W. Va	1929	H. L. Dickason	39	22
Bouve-Boston School of Physical Education (W.)	Boston, Mass	1914	Marjorie Bouve (director)	160	35
Bowling Green College of Commerce (C., E., S.)	Bowling Green, Ky	1922	J. L. Harman	325	18
Catholic Teachers (W.)	Providence, R. I		Francis P. Keough		
Central Michigan College of Education (C., E., S.)	Mount Pleasant, Mich	1892	Charles L. Anspach	936	108
Central Missouri State (C., E., S.)	Warrensburg, Mo	1871	George W. Diemer	787	62
Central Normal (C., S.)	Danville, Ind	1878	Virgil Hunt	400	25
Central State (C., E., S.)	Edmond, Okla	1891	R. R. Robinson	1,092	63
Do	Stevens Point, Wis	1894	William C. Hansen	350	46
Central Washington College of Education (C., E., S.)	Ellenburg, Wash	1891	Robert E. McConnell	560	50
Cheyney Training School (C., N.)	Cheyney, Pa	1837	Leslie P. Hill	158	15
Chicago (C., E., S.)	Chicago, Ill	1869	John A. Bartky	1,348	80

Name	Location	Year organized	Governing official	Number of students	Number of teachers
Child Education Foundation (W.)	New York, N. Y.	1916	Paxton Blair	32	21
Colorado State College of Education (C., S.)	Greeley, Colo.		George W. Frasier		
Concord State (C., E., S.)	Athens, W. Va.	1875	J. Frank Marsh	550	35
Concordia Teachers (C., E., S.)	River Forest, Ill.	1857	Arthur W. Klinck	182	17
Concordia Teachers (C., S.)	Seward, Nebr.	1894	Rev. A. O. Fuerbringer	138	16
Cooperative School for Teachers (C.)	New York, N. Y.		Lucy S. Mitchell		
Coppin (C., N.)	Baltimore, Md.	1900	David E. Weglein (superintendent)	133	22
Danbury State (C., E., S.)	Danbury, Conn.	1903	Ralph C. Jenkins	220	41
Delta State Teachers (C., S.)	Cleveland, Miss.		William M. Kethley		
Duluth State (C., E., S.)	Duluth, Minn.	1895	Herbert Sorenson	350	40
East Carolina (C., S.)	Greenville, N. C.	1909	Leon R. Meadows	1,014	95
East Central State (C., E., S.)	Ada, Okla.	1909	A. Linscheid	750	55
East Tennessee State (C., S.)	Johnson City, Tenn.	1911	C. C. Sherrod	509	50
East Texas State (C., E., S.)	Commerce, Tex.	1889	S. H. Whitley	1,129	101
Eastern Illinois State (C., E., S.)	Charleston, Ill.	1899	Robert G. Buzzard	630	73
Eastern Kentucky State (C., E., S.)	Richmond, Ky.	1906	W. F. O'Donnell	1,596	80
Eastern Montana State Normal School (C., S.)	Billings, Mont.	1927	L. B. McMullen	338	16
Eastern Oregon College of Education (C., E., S.)	La Grande, Oreg.	1929	Roben J. Maaske	186	24
Eastern State Normal School (C., S.)	Madison, S. Dak.	1881	V. A. Lowry	188	31
Eastern Washington College of Education (C., E., S.)	Cheney, Wash.	1890	Ralph E. Tiele	427	45
Elizabeth City State (C., E., S. N.)	Elizabeth City, N. C.	1891	Harold L. Trigg	468	26
Fairmont State (C., S.)	Fairmont, W. Va.	1865	John W. Pence (acting)	507	45
Fannie A. Smith Teacher Training School (W.)	Bridgeport, Conn.	1885	Fannie A. Smith		10
Farmington State Normal School (C., S.)	Farmington, Maine	1864	Lorey C. Day (principal)	235	21
Fayetteville State (C., E., S., N.)	Fayetteville, N. C.	1877	J. W. Seabrook	600	32
Fort Valley State (C., S., N.)	Fort Valley, Ga.	1895	H. M. Bond	325	31
George Peabody (C., E., S.)	Nashville, Tenn.	1875	S. C. Garrison	1,115	94
Georgia Teachers (C., E. S.)	Collegeboro (suburb of Statesboro), Ga.	1924	Marvin S. Pittman	150	40
Glenville State (C., E., S.)	Glenville, W. Va.	1872	E. G. Rohrbough	302	25
Graduate Teachers (C.)	Winnetka, Ill.		Frances L. Murray (dean)		
Great Falls, College of (C., E., S.)	Great Falls, Mont.	1932	Rev. J. J. Donovan	450	35
Harriet Beecher Stowe (C.)	St. Louis, Mo.	1890	Ruth Harris	446	21
Harriett Melisea Mills School for Kindergarten and Primary (W., S.)	New York, N. Y.	1909	Amy Hostler (dean)	145	15
Harris Teachers (C., S.)	St. Louis, Mo.	1904	William N. Sellman (principal)	250	36
Henderson State (C., S.)	Arkadelphia, Ark.	1929	Matt L. Ellis	464	37
Holy Name (W. E., S.)	Spokane, Wash.	1907	Sister M. Clare	132	21
Idaho State Normal School (C., S.)	Albion, Idaho		R. H. Snyder		
Do	Lewiston, Idaho		Glenn W. Todd		
Illinois State Normal University (C., E., S.)	Normal, Ill.	1857	R. W. Fairchild	1,370	192
Indiana State (C., E., S.)	Terre Haute, Ind.	1865	R. N. Tirey	950	
Iowa State (C., E., S.)	Cedar Falls, Iowa	1876	Malcolm Price	1,385	166
Ithaca (C., S.)	Ithaca, N. Y.	1892	Leonard B. Job	504	40
James Ormond Wilson (C., S.)	Washington, D. C.	1873	Walter E. Hager	237	41
Junior and Teachers (C. S.)	Kansas City, Mo.				
Kansas State (C., E., S.)	Emporia, Kans.	1865	James F. Price	1,493	102
Do	Pittsburg, Kans.	1903	Rees H. Hughes	600	110
Keene Teachers (C., S.)	Keene, N. H.		Lloyd P. Young		
Louisiana State Normal (C., S.)	Natchitoches, La.	1884	Joe Farrar	950	86
Lesley Normal School (W.)	Cambridge, Mass.	1909	Marguerite Franklin	80	18
Madawaska Training School (C.)	Fort Kent, Maine		Richard F. Crocker		
Madison (W., S.)	Harrisonburg, Va.	1908	Samuel P. Duke	787	72
Martin Luther (C.)	New Ulm, Minn.		C. L. Schweppe		
Mary Washington (W., E., S.)	Fredericksburg, Va.	1908	Morgan L. Combs	1,441	98
Maryland State (C., N.)	Bowie, Md.	1910	William E. Henry	146	14
Maryland State (C., S.)	Frostburg, Md.	1902	John L. Dunkle	175	21
Do	Salisbury, Md.	1925	J. D. Blackwell	125	13
Maryland State (C.)	Towson, Md.	1866	M. Theresa Wiedefeld	419	41
Marylhurst Normal School (W., E., S.)	Marylhurst, Oreg.	1911	Sister Miriam Magdala	52	18
Massachusetts School of Art (C.)	Boston, Mass.	1873	Philip O. Palmstrom (acting)	195	18
Massachusetts State (C.)	Bridgewater, Mass.	1840	John J. Kelly	324	39
Massachusetts State (C., S.)	Fitchburg, Mass.	1895	Charles M. Herlihy	2?3	45
Massachusetts State (W.)	Framingham, Mass.	1839	Martin F. O'Connor	450	36
Massachusetts State (C., E., S.)	Hyannis, Mass.	1897	Anson B. Handy	110	
Massachusetts State (part C., E.)	Lowell, Mass.	1894	James Dugan	190	14
Massachusetts State (C.)	Salem, Mass.	1854	Edward A. Sullivan	328	26
Massachusetts State (C., E., S.)	North Adams, Mass.	1894	Grover C. Bowman	86	20
Massachusetts State (C.)	Westfield, Mass.	1839	Edward J. Scanlon	61	25
Do	Worcester, Mass.	1871	Clinton E. Carpenter	145	18
Memphis State (C., S.)	Memphis, Tenn.	1912	Richard C. Jones	900	44
Michigan State Normal (C., E., S.)	Ypsilanti, Mich.	1849	John M. Munson	1,056	160
Miner Teachers (C., S., N.)	Washington, D. C.	1851	Eugene A. Clark	376	50
Minnesota State (C., S.)	Bemidji, Minn.	1919	Charles R. Sattgast	261	40
Do	Duluth, Minn.		Herbert Sorenson		
Do	Mankato, Minn.	1869	Frank D. McElroy	85	62
Do	Moorhead, Minn.	1887	O. W. Snarr	275	54
Do	St. Cloud, Minn.	1869	D. S. Brainerd (acting)	345	62
Do	Winona, Minn.	1860	A. T. French	294	46
Miss Woods Kindergarten-Primary Training School (W.)	Minneapolis, Minn.		Stella L. Wood (principal)	80	11
Mississippi Southern (C., E., S.)	Hattiesburg, Miss.	1912	J. B. George	646	50
Montana State Normal (C., E., S.)	Dillon, Mont.	1893	Sheldon E. Davis	93	17
Morehead State (C., E., S.)	Morehead, Ky.	1923	William H. Vaughan	617	60
Mount Angel Normal School (W., S.)	Mount Angel, Oreg.	1888	Sister M. Gregory (dean)		10
Mount St. Joseph Teachers (W.)	Buffalo, N. Y.		Mother M. Teresina		
Murray State (C., E., S.)	Murray, Ky.	1923	James H. Richmond	699	69
National College of Education (C., E., S.)	Evanston, Ill.	1886	Edna Dean Baker	374	50
Nebraska State (C., E., S.)	Chadron, Nebr.	1911	Wiley G. Brooks	160	43
Do	Kearney, Nebr.	1905	Herbert L. Cushing	566	45
Do	Peru, Nebr.	1867	W. R. Pate	200	50
Do	Wayne, Nebr.	1910	J. T. Anderson	547	61
New Haven State (C., E., S.)	New Haven, Conn.	1893	E. Ward Ireland (acting)	310	22
New Jersey State (C., E., S.)	Glassboro, N. J.	1922	Edgar F. Bunce	200	26
Do	Jersey City, N. J.	1929	Chris C. Rossey	350	40
Do	Newark, N. J.	1913	Roy L. Shaffer	412	41
Do	Paterson, N. J.	1923	C. S. Wightman	225	24
Do	Trenton, N. J.	1855	R. L. West	511	70
Do	Upper Montclair, N. J.	1908	Harry A. Sprague	550	58
New Mexico Highlands University (C., E., S.)	Las Vegas, N. Mex.	1893	Edward Eyring	236	33
New Mexico State (C., E., S.)	Silver City, N. Mex.	1893	H. W. James	200	46
New York State College for Teachers (C., E., S.)	Albany, N. Y.	1844	John M. Sayles	896	95
New York State (C.)	Brockport, N. Y.		Ernest C. Hartwell		
New York State (C., E., S.)	Buffalo, N. Y.		Harry W. Rockwell	750	73
New York State (C.)	Cortland, N. Y.		H. DeW. DeGroat		
New York State (C., S.)	Fredonia, N. Y.		Leslie R. Gregory		
Do	Geneseo, N. Y.		James B. Welles		
Do	New Paltz, N. Y.		Lawrence H. van den Berg		

Name	Location	Year organized	Governing official	Number of students	Number of teachers
New York State (C., S.)	Oneonta, N. Y.		Charles W. Hunt		
Do	Oswego, N. Y.		Ralph W. Sweetman		
Do	Plattsburg, N. Y.		Charles C. Ward		
Do	Potsdam, N. Y.		Clarence O. Lehman		
North Dakota State Normal and Industrial School (C., E., S.)	Ellendale, N. Dak.	1890	J. C. McMillan	126	24
North Dakota State (C., E., S.)	Dickinson, N. Dak.	1918	Charles E. Scott	28	26
Do	Mayville, N. Dak.	1889	Cyril W. Grace	26	24
North Dakota (C., E., S.)	Minot, N. Dak.	1913	C. C. Swain	736	46
North Dakota State (C., E., S.)	Valley City, N. Dak.	1889	E. H. Kleinpell	25	30
North Texas State (C., S.)	Denton, Tex.		W. J. McConnell		
Northeast Missouri State (C., E., S.)	Kirksville, Mo.	1867	Walter H. Ryle	1,141	60
Northeastern State (C., E., S.)	Tahlequah, Okla.	1909	John Vaughan	537	46
Northern Illinois State (C., E., S.)	DeKalb, Ill.	1895	Karl L. Adams	602	58
Northern Michigan College of Education (C., E., S.)	Marquette, Mich.	1899	H. A. Tape	400	57
Northern State (C., E., S.)	Aberdeen, S. Dak.	1902	N. E. Steele	450	38
Northwest Missouri State (C., E., S.)	Maryville, Mo.	1905	Uel W. Lamkin	545	65
Northwestern State (C., S.)	Alva, Okla.	1897	Sabin C. Percefull	309	32
Nursery Training School (W., S.)	Boston, Mass.	1922	Abigail A. Eliot (director)	40	11
Oregon College of Education (C., E., S.)	Monmouth, Oreg.	1882	C. A. Howard	22	10
Pacific Lutheran (C., E., S.)	Parkland, Wash.	1804	S. C. Eastvold	350	30
Panzer College of Physical Education and Hygiene (C., S.)	East Orange, N. J.	1917	Margaret C. Brown	110	9
Pembroke State (C., E., S.)	Pembroke, N. C.	1887	R. D. Wellons	75	15
Pennsylvania State (C., S.)	Bloomsburg, Pa.	1839	Harvey A. Andruss	600	45
Pennsylvania State (C., E., S.)	California, Pa.	1855	Robert M. Steele	373	33
Pennsylvania State (C., S.)	Clarion, Pa.		Paul G. Chandler	250	25
Pennsylvania State (C., E., S.)	East Stroudsburg, Pa.	1893	Joseph F. Noonan	275	38
Do	Edinboro, Pa.	1861	L. H. Van Houten	125	24
Do	Indiana, Pa.	1875	Joseph M. Uhler	1,395	112
Pennsylvania State (C., S.)	Kutztown, Pa.	1866	Q. A. W. Rohrbach	250	23
Pennsylvania State (C., E., S.)	Lock Haven, Pa.	1870	Richard T. Parsons	265	29
Do	Mansfield, Pa.	1862	Willis E. Pratt	474	60
Pennsylvania State (C., S.)	Millersville, Pa.	1854	Landis Tanger	480	45
Pennsylvania State (C., E., S.)	Shippensburg, Pa.	1871	Albert L. Rowland	293	33
Do	Slippery Rock, Pa.	1889	John A. Entz	358	45
Do	West Chester, Pa.	1871	Charles S. Swope	1,380	80
Perry Kindergarten Normal School (W.)	Boston, Mass.		Harriet H. Jones (principal)		
Pestalozzi Froebel Teachers (C., S.)	Chicago, Ill.	1890	Herman H. Hegner	136	28
Plymouth Teachers (C., E., S.)	Plymouth, N. H.		Ernest L. Silver	125	30
Prairie View State Normal and Industrial (C., E., S., N.)	Prairie View, Tex.	1876	W. R. Banks (principal)	1,028	72
Rhode Island College of Education (C., S.)	Providence, R. I.		Lucius A. Whipple		
Sam Houston State (C., E., S.)	Huntsville, Tex.	1879	Harmon Lowman	835	60
Shepherd (C., E., S.)	Shepherdstown, W. Va.	1871	W. H. S. White	422	20
Sisters (W., S.)	Cleveland, Ohio		Joseph Schrembs		
Southern Oregon College of Education (C., S.)	Ashland, Oreg.	1926	Walter Redford	200	25
Southern State Normal School (C., S.)	Springfield, S. Dak.	1881	W. A. Thompson	160	24
Southeast Missouri State (C., E., S.)	Cape Girardeau, Mo.	1873	W. W. Parker	1,537	65
Southeastern State (C., E., S.)	Durant, Okla.	1909	T. T. Montgomery	800	48
Southern Illinois National University (C., E., S.)	Carbondale, Ill.	1876	Roscoe Pulliam	1,705	142
Southwest Missouri State (C., E., S.)	Springfield, Mo.	1919	Roy Ellis	1,000	75
Southwest Texas State (C., E., S.)	San Marcos, Tex.	1903	J. G. Flowers	1,400	62
Southwestern Institute of Technology (C., E., S.)	Weatherford, Okla.	1903	G. S. Sanders	800	53
Stephen F. Austin State (C. E., S.)	Nacogdoches, Tex.	1923	Paul L. Boynton	750	60
Stout Institute (C., S.)	Menomonie, Wis.	1903	Burton E. Nelson	595	51
Sul Ross State Teachers (C., E., S.)	Alpine, Tex.	1920	H. W. Morelock	300	27
Teachers (C., E., S.)	New Britain, Conn.	1849	Herbert D. Welte	550	35
Teachers (W., E.)	Boston, Mass.	1852	William H. J. Kennedy	111	25
Teachers (C., S.)	Kansas City, Mo.		J. C. Bond		
Teachers (C., E., S.)	Cincinnati, Ohio	1928	Very Rev. Msgr. C. Ryan (dean)	285	29
Teachers of Columbia University (C., E., S.)	New York, N. Y.	1888	William F. Russell (dean)	4,405	456
Tennessee State (C., S.)	Johnson City, Tenn.		Charles C. Sherrod		
Tennessee State (C., E., S.)	Murfreesboro, Tenn.	1911	Q. M. Smith	710	38
Training School for Teachers of Mechanical Arts	South Boston, Mass.	1888		24	6
Vermont State Normal School (C.)	Castleton, Vt.	1867	Ermo H. Scott (principal)	95	13
Do	Johnson, Vt.	1867	D. W. McClelland (principal)	62	11
Do	Lyndon Center, Vt.		Rita L. Bole (principal)		
Virginia State (W., S.)	Farmville, W. Va.		J. L. Jarman		
Virginia State (W., E., S.)	Redford, Va.	1913	D. W. Peters	870	55
Viterbo (W., S.)	La Crosse, Wis.	1939	Rev. Mother Engelberta	78	39
Washington State Normal School (C., S.)	Machias, Maine	1909	C. O. T. Wiedner	61	8
West Liberty State (C., E., S.)	West Liberty, W. Va.	1837	Paul N. Elbin	222	24
West Texas State (C., E., S.)	Canyon, Tex.	1910	J. A. Hill	1,051	70
Western Carolina (C., E., S.)	Cullowhee, N. C.	1889	H. T. Hunter	425	30
Western Illinois State (C., E., S.)	Macomb, Ill.	1899	F. A. Ben	754	80
Western Kentucky State (C., E., S.)	Bowling Green, Ky.	1906	Paul L. Garrett	1,800	79
Western Michigan (C., E., S.)	Kalamazoo, Mich.	1904	Paul V. Sangren	2,406	200
Western State (C., E., S.)	Gunnison, Colo.	1911	C. C. Casey	309	27
Western State Normal School (C., S.)	Gorham, Maine		Francis L. Bailey		
Western Washington College of Education (C., S.)	Bellingham, Wash.		W. W. Haggard		
Wheelock (W.)	Boston, Mass.	1889	Winifred E. Bain	285	19
Willimantic State (C., E., S.)	Willimantic, Conn.	1889	George H. Shafer	165	45
Winston-Salem Teachers (C., E., S., N.)	Winston-Salem, N. C.	1892	Francis L. Atkins	582	23
Wisconsin State (C., S.)	Eau Claire, Wis.	1916	W. R. Davies	350	42
Do	LaCrosse, Wis.	1909	Rexford Mitchell	461	58
Do	Milwaukee, Wis.	1880	Frank E. Baker	900	93
Do	Oshkosh, Wis.		Forrest R. Polk		
Wisconsin State (C., E., S.)	Platteville, Wis.	1866	Chester O. Newlun	203	42
Wisconsin State (C., S.)	River Falls, Wis.	1874	J. H. Ames	400	43
Do	Stevens Point, Wis.		William C. Hansen		
Wisconsin State (C., E., S.)	Superior, Wis.	1896	C. W. Smith	325	57
Do	Whitewater, Wis.	1868	C. M. Yoder	550	56

Mr. RANDOLPH. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from West Virginia is recognized for 10 minutes.

Mr. RANDOLPH. Mr. Chairman, I have a very deep personal affection and high regard for the opinions of our colleague from New York [Mr. REED], and in a moment I shall ask his attention to a further discussion of the problem he has raised.

Prior to that subject, and it is a point which is a very important consideration in this bill, I should like to state to the membership on the floor at this time that perhaps never before in the history of our Republic has the Congress of the United States, we who are the legislators from districts and States in the House and Senate, been called upon to give more careful and thought-provoking attention, and then action, to matter which affects the general welfare and the well-being of our people.

I say let us speak and vote carefully with an understanding of what the Senate has already done in connection with unemployment compensation for those war workers who will be displaced in the

factories, turning out materials with which we fight relentless and ruthless foes. That bill is of importance and has been disposed of at least temporarily and will be acted upon later by this body. There is also the second subject of reconversion of the plants which today are turning out products essentially and strictly for the prosecution of the war; and we must realize that it can and it will be utilized if we think clearly toward the peacetime productivity of this Nation; and then in the third instance there is the subject matter of this disposition of surplus Government property, which concerns us very directly this afternoon. It is at this time that I invite the attention, as I said I would earlier, of the gentleman from New York and those who interrogated him, as to the needs of our educational institutions and the property and products which can properly be distributed to them. Let me say that the gentleman from Texas [Mr. GOSSETT] and myself during the committee consideration of this measure were most insistent that there be some definite language proposed which would provide for the educational institutions. I offered the amendment which I now read, on behalf of the gentleman from Texas and myself, and it would be placed on page 17 of the bill, a new subsection under general provisions:

Insofar as possible—

Reads the amendment which was proposed—

surplus equipment suitable for school purposes shall be sold or given to the various educational institutions of the United States on the basis of need.

That proposal was defeated after considerable comment by Members both pro and con. We then attempted to have the amendment accepted by the deletion of certain words. After "sold" we struck "or given"; and after "States" we struck "on the basis of need," hoping that we might retain identity of action in reference to educational institutions.

That amendment in its modified form was defeated by your Committee on Expenditures in the Executive Departments, and so these two attempts made by the gentleman from Texas [Mr. GOSSETT], joined by myself, were not acceptable. This brings me to my contention. I felt very strongly that we should place in the bill in very readable and workable language exactly what we mean on the matter of disposition of surplus Government properties to educational institutions.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I asked the gentleman from New York [Mr. REED] to speak on that subject. I have also been thinking about it. I hope the gentleman will place in his amendment after the word "sold" the additional words "or loaned;" because machine tools should be loaned but title should be kept in the Government so we might repossess them if we needed them again. They cannot afford to pay for them anyway now, but it is the machine tools more particularly than anything else that they need but cannot afford to buy. Why can we not lend them but keep title in the Government? This end would be achieved if the gentleman would add the words "or loaned" after the word "sold."

Mr. RANDOLPH. I am very glad to have the gentleman's suggestion.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from New York.

Mr. TABER. A provision of that kind was placed in the appropriation bill providing for the winding up of the National Youth Administration.

Instead of its being placed in service, it has been placed in warehouses. If you want something of that kind for any school, why do you not go there and get it and put it in circulation? That operation in connection with disposition of surplus property has been one of the most outrageous in the history of the country. We have not had any action, and it has not gotten to the place where it will do any good.

Mr. RANDOLPH. I thank the gentleman from New York for his further contribution.

Mr. GOSSETT. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Texas.

Mr. GOSSETT. In response to the observation made by the distinguished gentleman from New York relative to N. Y. A., we also wrote into that legislation that the War Department should have priority and if they did not elect to use this equipment then the schools might have access to it. I think you will find that the War Department stored it, and the schools were denied the use of it.

Mr. RANDOLPH. I think that is correct in large part.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I may say that under section 21 of this bill, where the property was allocated to schools, the law is recognized under the N. Y. A. program, and we do not interfere with that in the least. If that property was loaned to the school, why it can continue to be loaned without being interfered with.

Mr. TARVER. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Georgia.

Mr. TARVER. I asked the gentleman to yield for the purpose of clarifying the situation with reference to the N. Y. A. property, which according to the terms of the Labor-Federal Security Appropriation Act of 1945, where heretofore loaned to the schools, has been donated to the schools. The title of the Government has been divested by the Labor-Federal Security Appropriation Act for the present fiscal year.

Mr. TABER. They are still monkeying around with it and have been within the last 2 or 3 days. I want to see the Government get rid of this stuff and I am afraid this bill will not do that. That is what I am afraid of.

Mr. MURDOCK. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Arizona.

Mr. MURDOCK. May I say that I am greatly interested in what the gentleman has to say with regard to the schools, just as I was interested in what the gentleman from New York [Mr. REED] said. I am in sympathy with that thought, as the hearings will show on pages 174 and 175.

I would like to ask the gentleman a question. Has there been any proposal that the sales be made to schools and colleges at a reduction? They are tax-supported institutions. This property has been paid for by the taxpayers already and I think the property could still be disposed of for cash on a fair basis but at a reduced price to those institutions which are tax supported.

Mr. RANDOLPH. Yes. I remember the very helpful testimony of the gentleman from Arizona when the committee had its hearings.

May I observe as a rather over-all statement before I leave this particular subject that we must realize that the able Mr. Will Clayton, who has been acting under an Executive order in connection with the disposal of surplus property, issued an order on July 26 in which he attempted, and honestly attempted, we will say, to bring out his belief that educational institutions should receive equipment which would be helpful. But I refer you now to section 11 of the bill that has to do with the policies which govern disposition and you will find that subsection (b) states in the following language at least a partial approach to assistance to our educational institutions. The gentleman from New York and others will note that we would afford educational institutions an opportunity to fulfill their legitimate needs. I take it that the gentleman from New York is not satisfied with that policy governing the disposition of property in connection with certain equipment which would go to schools.

Mr. REED of New York. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from New York.

Mr. REED of New York. I am thinking of the great rank and file of public institutions that have had, and may continue to have, a very difficult struggle to get back on their feet. There are some 75 colleges with endowments of more than $2,000,000, but I am thinking of a long list I have here of institutions such as probably may be found in the gentleman's district and my district where we know that they have very few students, and had it not been for the training of Army men and Navy men perhaps they would have gone under. Some of these institutions are well endowed and probably their endowments are in good shape. They can buy these things. I was hoping that there would be something worked out in the nature of a loan or something to take care of that.

Mr. RANDOLPH. We used the language "sold or given," which would at-

tempt to take care of the class of institutions which the gentleman mentioned.

Mr. REED of New York. I appreciate that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GOSSETT. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. RANDOLPH. Mr. Chairman, it will not be my purpose to impose myself upon the Committee any longer than the 5 minutes just allotted me.

I turn now to a subject which was brought to the attention of the Committee this afternoon by the gentleman from Nebraska [Mr. STEFAN], who questioned the distinguished gentleman from Mississippi as to his individual belief about the disposition of synthetic rubber plants. Your Government, through taxpaying dollars, has erected these plants in 49 units throughout the United States. One is in my State. I was pleased at the answer of the gentleman from Mississippi [Mr. WHITTINGTON]. It is one I reaffirm and have stated on many occasions in public. It is simply this: The philosophy expressed in certain high Government circles to the effect that the $750,000,000 which we have expended in the building of these synthetic rubber plants, at the conclusion of the war in the opinion of these individuals, should be scrapped. If so, we should return once again to a nation importing crude rubber from the British and the Dutch. That view is not sound. I am not complaining in the well of the House this afternoon, that under those monopolies we were paying more than we should have paid for the product. I only say we had to pay exactly what they asked us to pay because in this country we failed to develop the synthetic processes of rubber production to any usable degree. Now that we have done it as a Nation, it would be tragic if at the conclusion of a victorious war these huge facilities are scrapped. We would once more drift into the channels of the importation of crude rubber.

Mr. CALVIN D. JOHNSON. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Illinois.

Mr. CALVIN D. JOHNSON. I wish to commend the gentleman for the expression that he has just made. I noticed recently a statement appearing in the public press to the effect that conferences were being held immediately with Holland and England. I think it would be well for the Congress to heed the warning the gentleman has given and to watch the interests which we have paid for and developed.

Mr. WRIGHT. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. I agree with the gentleman that we should protect our synthetic rubber production. I think it would also be a good idea if we could encourage the growing of natural rubber, either in the southern part of our own country or in some of our neighboring countries to the south of us, in South or Central America.

Mr. RANDOLPH. I thank the gentleman for that observation. As a people the best indication of what we should do after victory is won, is to look back and see what we failed to do before we became enmeshed in this present war. We were too tardy in attacking the problems of production and distribution which America needed.

Mr. Chairman, as I conclude, may I say it is the thought of the committee which considered very carefully this bill, in connection with the Post-War Economic Planning Committee, and with the Congress itself, that in the over-all consideration of this legislation, that we as Members, thinking in terms of an obligation to the people of this country who have paid for the war in dollars and cents, should see to it that there is no disruption in the orderly processes of business by surplus properties being dumped on the market. In the second place, we should see to it, and should insist upon it, that those who have paid the bill for these materials and products now owned by the Government, should not be highjacked by a small clique or group of individuals who would attempt to foist themselves upon the country as profiteers. They would turn back to the people who paid the bill these products that were used in the prosecution of this conflict. There should be no repetition of what happened in the tragic experiences of World War No. 1 for the people of America.

Amendments will be offered when we read the bill tomorrow. I think a nonpartisan attitude will influence the House in the consideration of this important measure. When we finally pass it as an enactment of this legislative body, hoping for approval of the Senate and then the signature of the President, let us be able to say to the people of the country: "We have kept our obligations to you insofar as we had the knowledge to proceed, and we are going to see to it that the channels of trade can in orderly fashion absorb these materials and at the same time we pledge to the people of America that there be no profiteering by a small group of individuals such as those who leeched themselves on this country at the conclusion of the war in 1918."

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENDER. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. CALVIN D. JOHNSON].

Mr. CALVIN D. JOHNSON. Mr. Chairman, many programs for the disposal of Government surplus property have been suggested, and a great deal of thought has been given by the Congress and various leading economists of the Nation to proposals of this kind.

I have here the suggestions that were forwarded to me by an engineer in the United States Navy, a man who has put in several years in the service of his country, and who went through the last post-war period in which we disposed of surplus materials. I would like to give the House the benefit of the suggestions that this man has made, and I will do so by reading the proposed plan that he suggests:

The Nation is confronted, even at this moment, with three interlocked problems which promise to become critical in the near future, viz—

1. Returned servicemen must be given useful employment. This is a pledge and a moral obligation.

2. Surplus supplies of the armed forces must be disposed of. The quantity in this case will be such that the method hitherto used would cause a shameful loss and probably serious economic effects.

3. Economic control, to some extent, will be necessary, if the first few years after the war are not to suffer violent disturbances. The rate of flow of this surplus can be beneficial or disastrous.

It is believed the plan here outlined will afford some relief in the solution of all three problems at once. And in contrast with previous situations of the same sort, the operation should be considerably better than self-supporting.

The organization which was capable of buying and handling the bulk of this material should be equally competent to sell it. That organization is complete and requires only minor legal and internal adjustments. Briefly, the plan is as follows:

(a) Turn over to the Army Quartermaster Corps all surplus war supplies of all branches of the forces; all materials discarded or obsolesced by Government civilian departments and agencies; all temporary buildings together with their components, equipments, and furnishings. In the case of manufacturing plants this includes such machinery and tools as are not retained by the authority in charge of the plant operation.

They shall also take over, in situ, the junk from battlefields, sunken ships which may possibly be salvaged, and salvageable material resulting from the clearance after enemy activity of ports under Government control.

(b) All such material is to be sold at retail to the general public in single units or small lots wherever there is a buyer. Bulk items, such as scrap metal and building materials, should be made available to any industrial or other small-lot buyer, such as foundries, contractors, or other prime users, but the basic principle of the operation should be that nothing salable in units, to the consumer, is to be offered in large lots at auction until it is conclusively shown that a retail demand does not exist, and even if sold at auction, a retail purchaser should be supplied.

(c) Members of all armed forces are to be invited to remain with or be transferred to the Quartermaster Corps, voluntarily, to operate this activity. Enlistment should be of indefinite length and terminable at the will of the volunteer, or, for good cause, by the Army.

(d) Primary method of distribution will be by establishing one or more stores in communities where even a small demand warrants and by soldier-operated concessions in established civilian stores. Since many articles are not suitable for stock display, nor much in demand, each store is to be provided with a catalog covering everything available. In many cases a man should travel through the farm or remote sections with a catalog, taking orders.

(e) Prices should consider the condition of the article and be based upon those of commercial articles where such exist. However, these prices (or withholding) afford an exceptional opportunity to temper the effect of economic surges. Further, the pricing of certain goods in underprivileged sections of the country should afford an important step in social betterment. A small discount should be allowed to discharged members of

the armed forces. States, counties, and cities should be allowed only a very small discount below the price to an individual.

(f) The personnel of this activity should retain full Army status and control. No bonds would be necessary. Base Army pay plus subsistence should continue, and a moderate commission on sales be allowed. As war materials become exhausted, managers in certain localities should be allowed to invest their own money in commercial goods and thus gradually establish their own businesses.

(g) If servicemen from existing forces are not available for the full operation of this program, the Army should be authorized to enlist voluntary personnel, who after indoctrination and training may be assigned to this duty.

(h) A credit service similar to, or operated by, F. H. A., should be available for installment payment of amounts down to say, $50, on items of necessity, such as tractor machinery, houses, and scientific instruments; in fact, for any item which operates to increase the well-being of the Nation.

(i) Buildings are to be removed by enlisted personnel (who request this employment) under Corps of Engineers supervision, and the process so managed as to retain the maximum of resale value. Other large equipment which cannot be moved intact, or must be scrapped, is to be handled by the same forces with the same end in view.

(j) Since such items as bulk junk in the larger quantities may on occasion be impossible to price, the office of the Judge Advocate General should have authority, upon request of the Quartermaster Corps, to sell it at auction.

(k) Medical, surgical, and hospital supplies not retained by the war agencies are to be turned over to the Public Health Service and the American Red Cross, and allocated according to their mutual agreement. These agencies shall retain such as their immediate prospective needs require, and shall distribute to local health authorities, for strictly gratis use, monthly allotments based upon the needs of various communities.

(l) At the request of the Public Health Service the Surgeon General may send into understaffed and underprivileged areas volunteer medical personnel from the armed forces, to administer the use of supplies and, if acceptable to local authorities, to practice medicine and nursing.

(m) Since many articles are not suitable for civilian use in their present condition, it might be well to use available engineers from the service to study their redesign or conversion to the end that they be diverted from the scrap heap.

Any material or instrument within the cognizance of the corps, shall be subject to requisition by Government agencies. And semipublic nonprofit research institutions which release for the public use all results, discoveries, and inventions, may requisition such goods upon certification of need by any dominant Government agency in a like sphere of activity. This should not bar those non-profit institutions that hold patents and collect royalties thereon as means of self support.

During its existence the Government price control agency, and thereafter the Department of Commerce, should be consulted as to prices and rate of release of goods. However, any enabling legislation enacted should not direct "which end of the pin should point north." The Quartermaster Corps, through reports from its widely distributed outlets, should be able to determine correct prices for each situation and should have considerable leeway to meet changing conditions promptly.

This being strictly an Army activity, on Government business, no person or group of persons, however associated, should be permitted to hamper its execution, nor to use any form of coercion tending to divert personnel from the performance of duty.

Any legislation should be carefully armed against tampering by politics and patronage. Restriction against political activity similar to those of the civil service should apply to the personnel.

ARGUMENT

Of course, the first reaction to this plan will be a protest from some manufacturers that the Government is entering business in competition with private enterprise. The answer is that this material is going into the market in any case and a choice must be made between a regulated sale with the returns replacing taxes, or an unregulated sale by persons whose only interest is in making millions at public expense.

It is reasonable to believe, in the light of experience after other wars, that the difference between the returns from auction sale and retail sale will cover the entire cost of the program. If an exhibit is necessary, consider for a moment the probable profit a job lot buyer would make on such items as:

Cameras and enlargers.
Trucks, cars, and parts.
Field glasses and telescopes.
Walkie-talkie and other radio.
Arms and ammunition.
Training and other aircraft.
Electric meters and scientific instruments.
Tractors and earth-moving equipment.
Tools and home-workshop machinery.
Standard types of machine tools, etc.

Compilation of catalogs should be started immediately by disabled men, and those with medical discharges should be allowed to reenlist. The first trickle of suitable material should be used to establish pilot and experimental outlets of various types.

This outline of the plan I presented orally on June 9 is not presumed to be a complete analysis of the proposition, but the framework is here and it is submitted for use as you see fit, I hope it may accelerate the national readjustment.

Sincerely,

J. EDWARD MACADAMS.

CHEVERLY, MD.

Mr. Chairman, I submit these suggestions for the RECORD in their entirety, and I would appreciate a study of their features by the Members of the House. I believe they have merit. We are rapidly approaching the time when a great deal of material will be dumped on the market, and with a program such as this, through amendments, the small merchant will be permitted to buy any amount he can use. He should be allowed a discount comparable to that granted large purchasers, affording him an opportunity to compete.

Returning veterans would be given employment by selling from catalogs to retail purchasers at prices that would not destroy the small merchant.

Without a plan similar to this, materials will be disposed of at public auction in huge lots at ridiculously low prices, and so-called Army stores will be opened in every town in the Nation to operate in competition with local merchants.

Mr. GOSSETT. Mr. Chairman, I yield such time as he may desire to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, as I said to the gentleman from West Virginia a few minutes ago, I also am very much interested in arranging for disposal of some of this surplus war property to public schools and institutions of learning where it is so greatly needed and which would make the best possible use of it.

My statement before the committee, which may be found in the hearings, indicates that I had hoped that some of this property would be donated for educational purposes, but if that is out of the question, I do think that a plan could be evolved by which tax-supported institutions of learning and units of government might not only fill their needs, but be given special discount rates on purchases. If time permitted I could indicate a plan, but which I will not attempt to do at this moment.

Someone said in debate yesterday that this bill was filled with pious phrases. I think the statements of policy are admirably expressed. I know that in a task of this magnitude we cannot write detailed provisions of law. We must put this important matter up to an administrative authority, who will have great power and wide discretion. I see no other way to get this thing done. I have listened carefully the last few minutes to the elaborate plan of the gentleman from Illinois [Mr. CALVIN D. JOHNSON], and I shall reread his plan in detail. If I should attempt to make detailed provisions for disposal of this property in the law, I would certainly begin first by inserting reserve or stock-pile provisions basically necessary for national defense. In section I, the very first statement is that the disposal shall be in a way calculated to aid the war and national defense. Certainly such stock piles of the strategic minerals and metals should come first in such an arrangement.

Before the First World War and before this Second World War, our Nation was woefully unprepared in that it lacked stock piles of critical and strategic materials and especially of the war minerals. I think provisions guarding against such lack should be written into the law. If it is not written into the law, it ought to be the first principle of action by the authority administering this measure. Such is the meaning of (a) in section 1 of the objectives in this bill as I construe it.

Last spring when William L. Clayton came before the Special Committee on Post-War Economic Policy and Planning to discuss the surplus war property disposal I asked him whether one move to deal with the surplus would not be to stop the supply from outside of such as was surplus. That seems logical. As illustration I spoke of running water in a house which is very desirable usually and which in case of fire is needed in greater quantities to put out the fire. However, after the fire is out the water must be turned off to prevent its doing more harm than good. In somewhat the same way these war supplies, so necessary in war but no longer needed, must not be augmented by a failure to turn off the supply at the right moment. This may apply to certain mineral importations and to certain agricultural imports. Stopping such importations no longer needed should be a part of the policy of dealing with the question of war surplus.

Mr. GOSSETT. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

SURPLUS PROPERTY AND SMALL BUSINESS

Mr. PATMAN. Mr. Chairman, the House Small Business Committee, of which I am chairman, has a very special interest in this question of surplus property disposal legislation. I am inserting at the end of my remarks a copy of a report entitled "The Control, Disposition, and Sale of Government-Owned Surplus Property" that was made by our Committee on Small Business on November 1, 1943. I am also inserting a report made by our Committee on Small Business on March 9, 1944, on The Surplus Property Problem From the Viewpoint of Small Business.

As the representative from a congressional district where several large Government-owned plants and factories are located, I have a very personal interest in this vast problem.

The very able gentleman from Mississippi [Mr. COLMER] and his competent and experienced staff of experts have put together a measure in H. R. 5125 which shows a real awareness of the complexities of this great problem and the need for providing, through legislation, the means for disposing of these billions of dollars' worth of surplus goods and other properties through an orderly and sensible program.

The few changes made in the bill by the Committee on Expenditures in Executive Departments reflect the seasoned judgment of the chairman of that committee, the gentleman from Alabama [Mr. MANASCO] and the other gentleman from Mississippi [Mr. WHITTINGTON] and their colleagues who undertook a study of this big question more than a year ago from the standpoint of government economy and greater efficiency in the administration of the multiple problems which were bound to arise in this connection.

Last September, nearly a year ago, the House Small Business Committee ventured to undertake also an investigation and study of the surplus disposal problem. We undertook our study, not for any lack of confidence in the various other committees which were also seeking information on this subject but rather because we were convinced that the subject was so gigantic in scope that no single committee of the Congress could possibly hope to cover the entire subject in all of its ramifications in any single series of hearings on the question.

Our study was first directed toward securing an expression of general opinion from the heads of the various major war agencies to seek from these men their views as to the question of mechanical operation of the Government in the handling of such a problem. Without exception, such agency chieftains as Under Secretary Patterson, Secretary Forrestal, Federal Loan Administrator Jesse Jones, and Admiral Land all stated forcefully that it was their considered view that the disposal of surpluses should be concentrated in the hands of a single central disposal agency. H. R. 5125, although not confining the actual disposal function to a single agency, does centralize general supervision in a single agency or individual and with that view we have no particular quarrel.

Our principal purpose in undertaking our investigation of this matter was to develop information as to how our own especial charge—the small businessman—was most likely to be affected by the problem about to be posed through accumulation of surpluses and what kind of legislation was most likely to be needed to afford this man the greatest protection and opportunity for fair and equal participation in the distribution of these coming surpluses.

We recognized that the Committee on Expenditures, for example, was especially concerned in devising legislation which would lead to good housekeeping on the part of the Government and would provide better mechanical handling of the determination of what constituted surpluses and what methods should be put into effect to prevent expenditures for items which already reposed as surplus in the hands of certain agencies. H. R. 2795—the O'Leary bill—reported out by that committee last summer and passed by the House at that time, was evidence of that committee's sound thinking along these lines.

We recognized that the Committee on Public Buildings and Grounds was quite properly concerning itself with the problem of excess and surplus real estate which would remain in the Government's hands at the end of the war and that the Agriculture Committee had a real and necessary interest in the question of surplus food stocks.

With the appointment of the House Post-war Planning and Economic Committee shortly after we commenced our studies of this subject, we recognized the need for the appointment of some committee to exercise direct concern with the matters of over-all demobilization and long-range planning for the peace. We recognized, correctly, I believe, that such a committee would quite properly afford a forum for the viewpoint and expressions of the larger industrial interests of the Nation and would give great heed to all programs which might better insure full employment and maximum utilization of our productive facilities after the war.

We felt, however, that due to the magnitude of this problem, and the multiplicity of factors and questions which naturally entered into any real study of it, possibly the problems of the small businessman, especially the small merchant, be he retailer or wholesaler, might not be given quite the full consideration they deserved unless we continued and concluded our study of this subject more or less exclusively from his point of view.

I do not need to give this body a definition of small business. Neither do I need to emphasize the importance and value of the small businessman in each and every community. Mr. Baruch in his report last February defined small business in a more correct and refreshing way than I could hope to improve upon. Messrs. Baruch and Hancock, in their report on post-war adjustment policies, define small business as "the broad backbone of enterprises, scattered throughout the country, which rely largely on the initiative and resourcefulness of their individual proprietors."

In terms of round numbers, small business consists of approximately 2,000,000 small firms employing approximately 8,500,000 employees in addition to their proprietors. Of these 2,000,000 firms, less than 10 percent are engaged in manufacturing. The balance are engaged in distribution and in the service trades, principally at retail.

As a result of our numerous hearings on the subject from this point of view, a bill was drafted by the Small Business Committee which I introduced last December with the full support and endorsement of the other eight members of the committee.

The bill, which was referred to the Banking and Currency Committee, did not presume to offer a full solution to all problems attendant upon the disposal of surplus goods. It did, however, contain certain provisions for the protection of small business and clauses which were designed to assure small business a fair and equitable participation in the distribution of these surpluses, especially the surplus consumer goods, the so-called movable items.

Tomorrow, acting under the rule, I propose, on behalf of the Small Business Committee, to tender to the House certain amendments to House Resolution 5125 which are specifically directed to the problem and the protection of the small businessman in this connection. Today, however, I desire to address a few remarks to the House from what I conceive to be the viewpoint of the small businessman and which may serve to support what I may offer tomorrow with fewer words of substantiation.

A few days ago, I was privileged to obtain the views of a man whom I consider to be a typical small businessman. Our original topic of conversation and the common ground which brought us together was this very subject of surplus property disposal. This man, a successful small merchant living in a city of about 40,000 people, was greatly concerned as to just what program the Congress might adopt in this connection. Surprisingly enough, he was not so greatly concerned as to whether or not he secured for himself a large volume of these goods as he was concerned with the question of general policy and the long-range effect which any surplus disposal program and other readjustment measures might have upon his own and other similarly situated communities. As best I can, I should like to paraphrase his remarks and give you what he said substantially in his own words. He said this:

The heart of America is Main Street in the average town or city. The independent merchants whose places of business are scattered up and down this Main Street form the hub around which the business and even the social life of each community revolves. Even to the farmer living outside the town, but dependent upon it for his supplies and contact with current events, Main Street is the hub. Without these merchants, with their independence, their pride of ownership

and their pride and love for their own community, no town or city could long maintain its civic pride or its sense of business and economic kinship with the rest of the Nation.

The Congress—

He said—

has one fundamental duty to perform in devising a program covering the disposal of these vast stores of Government-owned surpluses, merchandise, equipment, manufacturing plants, and other items. It must give full and real consideration to the place that the individual merchant—be he retailer or wholesaler—holds in the life of America today. When this surplus merchandise is sold, he must be allowed his actual opportunity to acquire his share of these goods, not as a speculator, but as a merchant seeking to replenish his depleted stocks. Let him purchase these through his wholesaler if he is accustomed to doing business that way, but whatever you do, give him his just opportunity to acquire his share of these goods.

Furthermore—

He said—

do not dismantle these Government-owned manufacturing plants or sell them to giant concerns who might, in turn, dismantle them, until the local communities have had an opportunity to study their post-war possibilities from the viewpoint of the local situation. Remember that their being built in a community during wartime has had a marked effect upon the business and social life of that community. To dismantle them or to transfer them to others who did not have the feeling of local pride and desire to keep the community alive and prosperous would be an almost criminal act. Maybe the plant as now constructed will not fit into the community's post-war economic picture, but, at least, grant the local citizens sufficient time to make their own independent study of this possible asset before moving too hastily in matters of this sort.

The man who said that did not happen to come from Texas, although he might have been voicing a sentiment I have already heard expressed by many folks from that State. This man lives and conducts his business in a small city in middle New York State, but, to me, he spoke for every small-town merchant and responsible little businessman in the country today.

We are faced with a grave responsibility in the matter of this legislation which is now before us. The manner in which we handle this will be reflected in the economic and the social and political life of this Nation for a good many years to come. It is my sincere hope that the Members, in their consideration of this measure, will not fail to distinguish between first aid measures and measures leading to permanent reconstruction to the end that nothing is done which will further weaken or jeopardize the present position of that class which, in my opinion, constitutes the real bulwark of democracy—the small businessman.

THIRD INTERIM REPORT OF THE HOUSE SMALL BUSINESS COMMITTEE ON THE CONTROL, DISPOSITION, AND SALE OF GOVERNMENT-OWNED SURPLUS PROPERTY

Mr. PATMAN, from the Special Committee Investigating Small Business, submitted the following third interim report (pursuant to H. Res. 18):

Acting upon the request of several trade associations, numerous small business firms, and Members of Congress, the House Committee on Small Business recently initiated a series of hearings on the subject The Control, Disposition, and Sale of Government-Owned Surplus Property.

The members of the House Committee on Small Business are as follows: WRIGHT PATMAN (Texas), chairman; J. W. ROBINSON (Utah); EUGENE J. KEOGH (New York); HENRY M. JACKSON (Washington); ESTES KEFAUVER (Tennessee); CHARLES A. HALLECK (Indiana); LEONARD W. HALL (New York); WALTER C. PLOESER (Missouri); WILLIAM H. STEVENSON (Wisconsin).

The first of these hearings was held on September 27 and 28, 1943. At that time testimony was given by the Honorable Jesse H. Jones, Secretary of Commerce; the Honorable James Forrestal, Under Secretary of the Navy; and by officials of the National Automobile Dealers Association.

On October 21, the Honorable Robert P. Patterson, the Under Secretary of War, expressed the viewpoint of the War Department. The following day Admiral Emory S. Land spoke on the subject in his capacity as Chairman of the United States Maritime Commission and as War Shipping Administrator.

The testimony given to the committee has been supplemented by a number of able briefs submitted by other informed persons from the ranks of industry.

As a result of this testimony, the House Committee on Small Business has concluded by unanimous vote that this subject might well be classified as the Nation's No. 1 post-war problem, and, as such, should be given immediate consideration by the Congress.

There are now pending before the Congress certain bills which, although relating to this subject, would have the net effect of postponing any affirmative action on this matter by the Congress for a period of as long as 6 months. In the opinion of this committee, the allotment of such a long period for the sole purpose of study and investigation of this subject is far too long an interval in which to keep industry, labor, and the interested Federal agencies in a state of uncertainty as to the ultimate wishes of the Congress on this vital question.

In support of this belief, the following statements are submitted:

I. MAGNITUDE OF THE PROBLEM

At the conclusion of the First World War, the Government found itself in the possession of surplus war materials which were estimated to have cost the Government between $6,000,000,000 and $7,000,000,000.

If the same ratio of surplus materials to total cost of war expenditures holds true at the expiration of the present conflict, the Government will find itself in possession of at least $75,000,000,000 worth of plants, tools, equipment, fabricated and unfabricated materials.

The liquidation of the various surpluses after the conclusion of the First World War consumed approximately 6 years. On this basis, it may be assumed that between 10 and 15 years might easily be required to effect an orderly and equitable distribution of these goods at the conclusion of the present emergency.

It is generally conceded that the Government had no well-thought-out plan for the disposal of this merchandise at the conclusion of the last war and it is also felt in many informed circles that the haphazard methods utilized in the handling of these surpluses at that time directly contributed to the general business depression which took place in 1920 and 1921.

Surpluses of facilities or materials are expected to exist in a major way in such varied lines as airplane manufacturing, machine tools, auto trucks, textiles, food, steel, and nonferrous metals.

Comment: Immediate need for congressional action on this matter is clearly indicated by the testimony of Under Secretary of War Patterson, who stated that more than 10,000 contracts have already been canceled by the War Department, which, of necessity, automatically creates an emergency problem in respect to the disposition of surpluses left over from these contracts. Furthermore, several sales of this type of property by the War Department under the terms of Procurement Regulation No. 7 have resulted in the property in question being sold without wide publicity to dealers in scrap and junk. Testimony given to the committee was to the effect that the materials involved in these sales could have been immediately utilized by other agencies or by war contractors and should not therefore have been disposed of through scrap-dealer channels because of their intrinsic value.

II. NEED FOR CENTRALIZED AGENCY TO HANDLE MATTER

All witnesses testifying before this committee recommended that there should be unity of action and a uniform policy which would apply to all agencies alike in respect to the disposition of their declared surpluses.

It was generally agreed that an attempt should be made, as is now the case, to utilize surpluses within the agency itself before other actions are taken leading to disposal of same. Failing that, other agencies should be given a refusal of the property. In the absence of any takers within the Government, it was felt that sale should then be made to private industry, provided that any sale made should not be made in such a manner that existing businesses were harmfully affected in their own operations by such sale.

All witnesses recommended that one central board or person should be established through congressional action to hold, manage, and dispose of all surplus property, subject to the recommendations of qualified representatives from the private-industry group most directly affected by the particular transaction in question.

III. NEED FOR A CONGRESSIONAL DECLARATION OF POLICY TO GOVERN ACTIONS OF ANY AGENCY OR AGENCIES SELECTED TO HANDLE SURPLUS-PROPERTY DISPOSAL

In the opinion of this committee and the witnesses who appeared before it, it will not suffice alone for Congress to establish a central agency for this purpose. Such an agency, if created, must be given a clear-cut declaration of Government policy to guide its actions, not alone as to the disposal of assets but also as to the management of same while title still remains in the Government.

It is the considered opinion of this committee that there will be thus vested in the Government's hands, by virtue of the ownership of this vast store of surplus property, an economic force of sufficient weight so great that the handling, or mishandling, of these assets by these Government managers or selling agents may well determine the degree of economic prosperity which this Nation, and other nations, enjoy for many years to come.

For that reason, this committee feels that it is immediately incumbent upon the Congress to establish a policy governing the ownership, management, and ultimate sale of these assets which will take into full consideration the inherent rights and needs of the following groups or persons:

1. The manufacturers who normally produce the product in question.

2. The distribution firms which normally handle the sale of the product in question.

3. The returning servicemen who will seek either employment or the means for establishing their own business enterprises after the war.

4. The employees of firms now enjoying war business who may expect to be forced to seek other employment at the conclusion of the war.

5. The taxpayers who will rightfully expect their Government to realize as high a price as is possible, all other factors taken into consideration, for the products which the Government will hold as surplus at the end of the war.

The fabrication of such a formula need not wait upon the compilation of large volumes of statistical information. The question involved at this time is one of principles, not of statistics. Any agency thus created, must be given some degree of latitude of action and cannot be bound by too complex a set of procedures. It must, however, be supplied with a set of basic principles or policy rules which will afford ample protection to the five groups mentioned above.

SUMMARY

The House Committee on Small Business therefore respectfully urge upon the Congress the need for giving immediate consideration to the following:

1. The Congress should not pass any legislation which will have the net effect of delaying for a long interval the establishment of some central agency to handle the management and ultimate disposal of Government-owned surplus property.

2. The Congress should immediately pass adequate legislation creating such a central agency.

3. The Congress should provide the agency, thus created, with a specific declaration of policy to govern its actions which will provide the maximum degree of protection and encouragement to:

(a) Manufacturers, now in business.

(b) Distribution firms, now in business.

(c) Returning servicemen.

(d) Persons currently employed in all lines of industry.

(e) The taxpaying group.

Comment: In the absence of studies being made by other congressional committees on this vital question, the House Committee on Small Business proposes to continue its present investigations and to report further and in greater detail to the Congress in the near future.

FIFTH INTERIM REPORT OF THE HOUSE SMALL BUSINESS COMMITTEE—THE SURPLUS PROPERTY PROBLEM FROM THE VIEWPOINT OF SMALL BUSINESS

Mr. PATMAN, from the Committee on Small Business, submitted the following interim report (pursuant to H. Res. 18):

The following report is submitted as a supplement to the third interim report of the House Committee on Small Business and represents the unanimous expression of all members of the committee, who are as follows: WRIGHT PATMAN, Texas, chairman; J. W. ROBINSON, Utah; EUGENE J. KEOGH, New York; HENRY M. JACKSON, Washington; ESTES KEFAUVER, Tennessee; CHARLES A. HALLECK, Indiana; LEONARD W. HALL, New York; WALTER C. PLOESER, Missouri; WILLIAM H. STEVENSON, Wisconsin.

INTRODUCTION

For several months various committees of the Congress, including the House Committee on Small Business, have engaged in serious study of the problems arising from the foreseeable accumulation of huge stocks of Government-owned surpluses and the need for devising an orderly program, through legislation, for their control, disposition, and sale. The third interim report of this committee, issued November 1, 1943, quoted the view of numerous authorities that this probable holding in surplus materials, plants, tools, mobile equipment, real estate, and other items would total many billions of dollars by the time the end of the present hostilities is reached.

Some of these congressional committees have concerned themselves principally with the problems of plant and real-estate disposal. Others have devoted more thought to consumer goods. Others have boldly encompassed both of these fields and have also included such diverse items as ships, food, and machine tools in their consideration of the subject.

When we consider the multiplicity of items involved in any detailed study of this problem, when we add to this the identification of scores of different industry groups whose problems of both manufacture and distribution are often unrelated and often competitive one with the other, it is small wonder that the net evidence of this congressional study by the several committees has been a series of legislative proposals offering administrative prescriptions not all of which are compatible one with the other.

It is, therefore, quite possible that the members of these various committees viewed with mingled feelings of fear and relief the recent publication on February 15 of the vigorous report of Messrs. B. M. Baruch and John M. Hancock to the Director of War Mobilization, which covered in considerable detail this very vital subject. That report, with its many evidences of careful study, tempered by seasoned judgment, when taken in conjunction with the subsequent Executive order creating the post of Surplus Property Administrator in the Office of War Mobilization, has undoubtedly done much to help crystallize both congressional and business thought on this major question.

The House Committee on Small Business feels that the time has come for a careful review of all pending legislative proposals relating to surplus property disposal. It feels that such review should be taken not only in the light of the Baruch report and its accompanying Executive action but especially from the viewpoint of the small businessman. The committee feels that it would be delinquent in its appointed duty at this time if it did not point out that it feels that much of the proposed legislation on this subject fails to provide adequate guaranties designed to protect the small businessman and assure him proper consideration in the disposal of these surpluses.

Further, with no intended reflection on either the integrity or the ability of the one just appointed to the post of Surplus Property Administrator, the committee feels that it has not yet seen visible evidence that the Administrator has been provided with or has prepared any book of procedures designed to give adequate protection to small business. He is working under an implied mandate in the Baruch report which says, "the Surplus Administrator should sell all he can as early as he can." Much of the physical detail of selling is apparently still to be vested in some of those Federal agencies which have shown definite evidence of ineptness and disregard of small business interests in the past. The very magnitude of the problem precludes the personal supervision of all sales and their supporting statements of justification by the Administrator. Therefore, this committee feels that it is the positive duty of the Congress to agree on and pass immediately such legislation as will include full and adequate protection of small business interests in the sale of any or all Government-owned surplus property.

POINTS OF AGREEMENT

It is gratifying to note that not only the Baruch report but the majority of the proposed legislative measures have certain excellent points in common upon which there seem to be mutual agreement. Some of these include—

1. The establishment of a Surplus Property Policy Board, consisting of several Cabinet-level officials and qualified appointees to come from private industry.

2. The delegation of responsibility for actual surplus disposal to one central agency.

3. The advisability of appointing business advisory committees for each type of property to consult with and advise the disposal agency as to time and method of sale of the items in question.

4. The utilization of established trade channels in the disposition of these surpluses.

5. The prohibition of the sale of surpluses to speculative interests.

6. Selling in small lots in order to permit participation in purchases of small businesses as well as large ones.

7. Wide publicity on all sales, both before and after, and the granting of sufficient notice to permit all interested parties ample time in which to prepare proposals for purchase.

RECOMMENDATIONS

1. Each of the above seven points of agreement should be included in greater detail in any measure passed by the Congress covering the disposal of any type of Government-owned property declared surplus.

2. The Surplus Property Policy Board should be the final voice in all surplus property matters and the Administrator or General Manager should have full and adequate, but not final, authority.

3. Smaller War Plants Corporation should be given a membership on the Surplus Property Policy Board and should not be represented by or through War Production Board.

4. Title to all surpluses should be vested in the central disposal agency which should supervise and approve all sales of all surplus items. The central agency should consult with but not be bound by the advice of the agency from which the surpluses were received.

(In this connection, it is assumed that the closest working arrangements of a more than temporary nature would be established between the central agency and the respective agencies which have declared as surplus the items in which they have a common interest.)

5. The counsel and data supplied to the central agency by the business advisory committees covering each type of property, in the absence of provable information to the contrary, shall be held the sole basis for the time, place, method, manner, and amount of sales to be held by the central agency, provided that the adoption of such recommendations shall produce the maximum returns to the Government consistent with a policy of using normal trade channels in such a manner that the sales will not unduly disrupt normal trade and commerce.

6. Provision shall be made in the appointment of these business advisory committees for the seating thereon of manufacturers, wholesalers, retailers, or other established distribution firms. No such committee shall be appointed which does not include as members at least two small businessmen who are representative of each of the above classes.

7. Provision shall be made for the lease or sale on credit of these surpluses to thus expand the opportunities of small business.

8. Provision shall be made for the lease or sale on credit of these surpluses to returning servicemen who can present evidence of capability to utilize such surpluses in the establishment or maintenance of their own businesses in such a manner that will not unduly disrupt normal trade and commerce.

9. Provision shall be made for the temporary enjoining of surplus sales through appeal to the Surplus Property Policy Board in those cases where it may be held that the holding of such sales would prove detrimental to the best interests of any firm in the industry in question or where large interests were apparently about to be given undue preference over small firms through the holding of such sales.

10. The patents and other properties now held by the Alien Property Custodian for which there is no obvious military use shall be declared surplus and transferred as to title

to the central disposal agency and treated in the same manner as other surpluses.

11. Studies should be made before sale of the Government-owned plants as to possibilities of subdividing the very largest units in order to make them available for acquisition by small business. An easement to the patent rights covering the products manufactured in any Government-owned plant during wartime shall accompany the sale of the plant or any parcel thereof when the plant in its manufacturing facilities have been established for some specialized manufacturing use.

12. Due consideration should be given by the Congress to provisions already contained in H. R. 3873, a copy of which is attached as exhibit A in this report.

(It should be noted that this committee, which acted as sponsor for this measure, no longer urges the inclusion of section 205 (c) (3) in any final measure to be approved by the Congress in this connection.)

CONCLUSION

This committee recommends the careful reading of the Baruch-Hancock report, War and Post-war Adjustment Policies, by every person concerned with the vital question of Government-owned surpluses. That report defines small business as "the broad backbone of enterprises, scattered throughout the country, which rely largely on the initiative and resourcefulness of their individual proprietors." With such a definition, this committee is in full agreement. The report also makes several other recommendations designed to further the cause of small business which are worthy of serious consideration by all who have an interest in the future of this important segment of our economic structure.

Notwithstanding this committee's admiration for the Baruch-Hancock report and its obvious clarity, it feels that it cannot and should not be taken as the final word on this subject.

Experience in the past shows us that it has never been sufficient to confine our interest in the problems of the small and weaker elements in our society to general statements of acquaintance and affection. To protect and nourish these elements, we must at times take positive action and implement our principles by a statement of specific policies and procedures. To this end, we commend this vital problem to the immediate and diligent attention of the Congress for handling in a matter consistent with the foregoing recommendations.

EXHIBIT A

H. R. 3873

A bill to amend the Reconstruction Finance Corporation Act by adding a new title thereto relating to the sale or other disposition of surplus property of the United States

Be it enacted, etc., That the Reconstruction Finance Corporation Act, as amended, is amended by inserting "Title I", immediately before the first section thereof, by striking out the word "act" wherever it appears therein as a reference to such act (except in the short title of such act), and inserting in lieu thereof the word "title", and by adding at the end of such act, as amended, the following new title:

"TITLE II

"SHORT TITLE

"SEC. 201. This title may be cited as the 'Surplus Property Act of 1943'.

"DEFINITIONS

"SEC. 202. As used in this title—

"(1) The term 'property' means any supplies, materials, or equipment, including real estate and improvements thereon, or tangible property owned by the United States, or by any corporation owned or controlled by the United States, which is under the jurisdiction or control of any governmental agency.

"(2) The term 'surplus property' means any property which has been declared to the central agency handling surplus property to be surplus to the function, activity, or project in connection with which it was acquired or accrued.

"(3) The term 'Government agency' means any executive department of the Government or any administrative units or subdivision thereof, any independent agency in the executive branch of the Government, and any corporation owned or controlled by the United States.

"SURPLUS PROPERTY POLICY BOARD

"SEC. 203. (a) There is hereby established a Surplus Property Board (referred to in this title as 'the Board'), which shall consist of the chairman of the board of directors of the Defense Supplies Corporation who shall be the Chairman thereof, the Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, and three individuals to be appointed by the President, by and with the advice and consent of the Senate. The three individuals so appointed shall be businessmen who have had at least 5 years' experience in the business of the retail sale and distribution of merchandise.

"(b) The Board (1) shall determine and prescribe the methods to be used by governmental agencies in making and maintaining inventories of property, and (2) shall determine the surplus property under the jurisdiction of the various governmental agencies that should be sold or leased, and shall inform the Reconstruction Finance Corporation as to every such determination.

"DUTIES OF GOVERNMENTAL AGENCIES

"SEC. 204. Every governmental agency (1) shall make and maintain accurate uniform inventories, in accordance with methods determined and prescribed by the Board, of property under its jurisdiction; (2) shall cooperate with the Board for purposes of determining which of the property under its jurisdiction is surplus property; and (3) shall cooperate with the Reconstruction Finance Corporation in connection with the sale or lease of surplus property pursuant to the provisions of this title.

"DUTIES OF THE RECONSTRUCTION FINANCE CORPORATION

"SEC. 205. (a) Surplus property which the Board has determined should be sold or leased shall be sold or leased by the Reconstruction Finance Corporation in a manner consistent with the provisions of this section.

"(b) The Corporation shall appoint an advisory committee for each class of property which is to be sold or leased. The members of such advisory committee shall be appointed from among persons who, by reason of their business experience, are familiar with the handling and marketing of such class of property, or similar property. It shall be the duty of the Corporation, in selling or leasing surplus property, to consult with the appropriate advisory committee or committees so appointed as to the price, time, method, and manner of disposing of such property.

"(c) In the sale or lease of surplus property pursuant to this title, the Reconstruction Finance Corporation shall, so far as practicable, be governed by the following considerations:

"(1) Distribution of such property should be through established trade channels.

"(2) The acquisition of large quantities of such property for speculative purposes should not be permitted.

"(3) The prices at which any particular property or class of property is sold or leased should be uniform.

"(4) Such property should be sold or leased at prices low enough to facilitate the disposition thereof, but high enough to enable the United States to secure a fair return therefor.

"(5) The sale or lease of such property should be at a rate which will not unduly disrupt trade and commerce.

"(6) The sale or lease of such property should take into consideration the need for facilitating and encouraging the establishment in the various communities in the several States by members of the armed forces of the United States upon their discharge or release from active duty, as well as by others, of small business enterprises and with a view to strengthening small business enterprises.

"(d) The sale or lease of surplus property shall be in accordance with such regulations as the Board shall prescribe regarding the times, places, quantities, and terms and conditions of the proposed disposition of such property; and such regulations shall require advertising for competitive bids except in such cases and with respect to such property as the Board determines that sales or leases by competitive bids would be contrary to the public interest.

"EXCLUSIVE METHOD OF DISPOSING OF SURPLUS PROPERTY

"SEC. 206. No surplus property shall be sold, leased, or disposed of otherwise than in accordance with the provisions of this title, except that where provisions of law are in force specifically authorizing the sale or other disposition of any particular property or class of property, such property or class of property may be sold or otherwise disposed of in accordance with such provisions of law if the Board approves such action as being consistent with the public interest.

"TRANSFERS BETWEEN GOVERNMENTAL AGENCIES

"SEC. 207. Notwithstanding any other provisions of this title, governmental agencies shall make the fullest practicable utilization of surplus property in order to avoid waste and unnecessary expense, and for such purposes surplus property may be transferred from one governmental agency to another, in lieu of its sale or lease pursuant to the provisions of this title. Such transfers shall be made subject to such regulations as the Board shall prescribe.

"DISPOSITION OF NONSALABLE PROPERTY

"SEC. 208. Notwithstanding any other provision of this title, surplus property which is not salable, or which for any other reason it is impracticable to transfer, sell, or lease as provided in this title, shall be repaired, rehabilitated, donated, destroyed, or disposed of in accordance with such regulations as the Board shall prescribe.

"PROCEEDS FROM SALE OR LEASE OF SURPLUS PROPERTY

"SEC. 209. All proceeds from the sale or lease of surplus property under this title shall be deposited and covered into the Treasury as miscellaneous receipts.

"MISCELLANEOUS

"SEC. 210. (a) The Board is authorized to appoint and fix the compensation, subject to the civil-service laws and the Classification Act of 1923, as amended, of such employees as may be necessary for the performance by the Board of its functions under this title.

"(b) Each member of the Board appointed thereto by the President, by and with the advice and consent of the Senate, and each member of any advisory committee appointed by the Reconstruction Finance Corporation under this title, shall be paid compensation at the rate of $_____ per diem when actually engaged in the performance of his duties under this title, and shall be allowed necessary traveling expenses and subsistence expenses (not in excess of $____ per day) incurred when absent from his place of residence in connection with the performance of such duties."

NATIONAL FARMERS UNION,
Washington D. C., August 16, 1944.

Enactment of the surplus property disposal bill now before the House, together with the George bill already passed by the Senate, will "make it certain that the farmers and wage earners of this country will be put through the economic wringer of concentrated economic power and monopoly in the transition and post-war periods," James G. Patton, president of the National Farmers Union, said in a letter to Congressman WRIGHT PATMAN, of Texas, calling upon PATMAN to lead a floor fight for amendments to protect the interests of working farmers, small business, wage earners, and consumers.

The text of Patton's letter follows:

AUGUST 15, 1944.

The Honorable WRIGHT PATMAN,
The House Office Building,
Washington, D. C.

DEAR CONGRESSMAN PATMAN: If the House passes the surplus disposal bill (H. R. 5125) in anything like the form reported from committee, we will have taken another long step toward tighter monopolies of land and industry, restriction of production, chronic mass unemployment, wage cuts, and food surpluses all amounting to a post-war depression wider, deeper, and more dangerous to our democracy than any peacetime crisis in our history.

It is tragic that the single problem of conversion from abundant production for war to abundant production for peace has been broken into parts which are being presented piece meal to the Congress and to the public for consideration and decision.

We have already assured business tax refunds to up to $30,000,000,000 to offset post-war losses.

We have rushed through a Contract Termination Act to give quick and generous relief to billionaire war contractors.

We have given farmers the somewhat uncertain assurance of support prices for 2 years after the war to the extent funds are available.

Last week the Senate told labor that it could expect no more security during the transition and post-war periods than is provided by 48 State unemployment compensation laws, all woefully inadequate as to coverage, duration, and amount of benefits, which average $14 a week.

By adopting the George bill instead of the Murray-Kilgore bill, we have insured a sharp decline in the market for farm products and manufactured goods, beginning a day or so after the shooting war ends in Europe or the Pacific, and cancelation of war contracts begins. The New York Times, which applauds the George bill, is shrewd and farsighted enough to warn Congress of the need for early establishment of a big Federal-State relief program to take care of those who fall straight through the George bill, or who exhaust their inadequate State benefits during the transition period, which may take from 6 months to 2 years.

Now, as the House begins consideration of this surplus property disposal bill, it is proposed to complete a demobilization and reconversion program when we need, instead, a mobilization and conversion program whereby post-war civilian production can take up all the slack left by cuts in war production and, in addition, insure production and employment for some 10,000,000 men and women returning from the armed services.

The bill H. R. 5125 puts power in one man to dispose of, or to freeze, war plants, facilities, and surplus war goods variously estimated at from $60,000,000,000 to $100,000,000,000, without consultation with, or participation by, democratic committees, councils, or boards, such as have been proposed in other bills, notably the Stewart-Taft-Murray bill (S. 2065), now being perfected in the Senate Military Affairs Committee.

He may delegate authority almost indefinitely, without proper safeguards of the public interest, without public records, in disposal of surplus property.

The bill is full of loopholes for speculators and war contractors seeking to make the same sort of profits going out of the war economy they made on the way in.

In the light of the present Surplus War Property Administrator's performance in writing regulations for the disposal of farm lands in such fashion as to match, point for point, the proposals of the National Association of Real Estate Boards, we urge the insertion of every possible safeguard, including a joint congressional committee to exercise current surveillance over the operation, as well as advisory committees, including industry, labor, farm, and consumers' representatives for each phase of the disposal program. We also urge provision of quarterly reports to the President, the Congress, and the public. Whoever does this gigantic job should operate in a fishbowl wired for sound and with a thousand-watt light behind it.

Further the present bill fails to provide for full production. (The Stewart-Taft-Murray bill makes purchase of Government war plants conditional on substantial production for 2 years.)

It permits plants, facilities, and goods to be withheld from the market indefinitely, or to be disposed of to speculators or war contractors in such manner as to contribute to monopoly, while consistently failing to give the Attorney General power to protect business, the public, labor, and farmers against monopoly, whether fostered by the withholding or the sale of plants and goods.

In its present form this surplus property disposal bill will, together with the George bill, in our opinion, make it certain that the farmers and wage earners of this country will be put through the economic wringer of concentrated economic power and monopoly during the transition and post-war periods.

We understand that you propose to offer certain amendments to safeguard small business, and we urge you and your progressive colleagues in both parties to fight for certain other amendments vital to farmers and to the public welfare.

LAND

In the disposition of land owned by the Government, we believe that all of the land suitable to agricultural use should be made an integral part of the tenant purchase program of the Farm Security Administration, sold only in economic units of long-term credit at low rates of interest.

Possession by the Government of several million acres of good farm land affords an opportunity that may not occur again for many years, perhaps generations, to give so easily such a great impetus to the promotion of the family-type farm.

We believe that former owners and veterans should be given preference, where they will use the land for family living. We believe that this program should be wholly governmental, handled through Government agents and Government appraisers. Finally, we believe that no farmer should be settled on this land with a debt burden that is bound to become intolerable if the long-time earning power of the land is considered. In other words, farmers settling on these tracts should be required to assume only so much mortgage debt as experts find the farm can reasonably expect to pay off on a 40-year loan. Sale price thus would be determined by the capacity of the farm, the ability and experience of the farmer, the Nation's interest in maintenance both of the farmer and his family on the soil itself, both priceless national assets.

COOPERATIVES AND SMALL BUSINESS

The National Farmers Union calls your attention to the statement by Secretary of Agriculture Wickard to the House Committee on Executive Expenditures last week regarding the desirability of giving preferential rights to cooperatives in the disposition of surplus property of whatever kind. We endorse wholly his statement. There is a long line of precedent in actions by previous Congresses to this end, regardless of what party happened to be dominant in Congress.

We feel that the provisions of the Stewart-Murray-Taft bill (S. 2065), relative to small business, are wholly desirable and wish especially to endorse the provision giving the Smaller War Plants Corporation the power to purchase surplus property for resale to small businesses. Those provisions appear to us simple, easily workable, just, and in the best American tradition of encouraging the small independent enterpriser whether on the farm or in business.

PLANTS

The National Farmers Union believes that unless particular and explicit safeguards against the furtherance of monopoly in the sale or lease of plants are set up, the magnetic attraction of great concentrations of economic power will result ultimately in the pulling of much of this great public investment toward these great economic combinations.

We, therefore, urge most strongly that the proposed Surplus War Property Administrator be directed not only to survey Government-owned plants by categories or product for use, but that he also be directed to determine what plants (a) are suitable for private operation under lease or sale in a peacetime economy, (b) what plants are essential to national defense, either in operation or if kept in stand-by condition, (c) what plants are suitable for operation by the Government as yardstick plants.

The intent of this recommendation of the National Farmers Union is plain enough. It stems from the salutary lessons that the Tennessee Valley Authority has furnished us. Among the greatest of these lessons is that some areas belong to private enterprise, some to Government, and that the best interest of all, including private enterprise, is served by defining those areas and working in them. The T. V. A. has shown us, too, that one of the best ways to keep tabs on those areas and to keep both Government and private enterprise healthy and functioning at top speed is by yardstick operations. What is true of power and of fertilizer production is also true of other operations. It is our belief that the Nation will miss a golden opportunity unless such of the plants as are appropriate for the purpose be retained to serve as such yardsticks.

EQUIPMENT AND DURABLE GOODS

Here the National Farmers Union believes that the guiding principle should be one of selectivity, with discretion vested in the Administrator, as in some of the instances recited as desirable in dealing with other disposal matters, but under plain directions from Congress as to the policies to be pursued. We feel that such rules as are contained in sections 12, 13, and 14 of the Stewart-Murray-Taft bill are admirable, particularly those governing disposal of surplus school and medical materials through the Office of Education and the Public Health Service. These are examples that we believe should be followed in respect to other categories of goods and equipment.

Above, all, we believe there should be no wholesale scrapping, destruction, freezing, or locking up of material.

Some of the directions that Congress should give to the Administrator are as follows:

(a) Such surplus material as tractors, road scrapers, bulldozers, or other equipment suitable for use in conservation of the soil shall be turned over to the Soil Conservation Service for use (1) directly by S. C. S. itself, (2) by soil conservation districts pursuant to arrangements between S. C. S. and the districts, (3) by cooperatives whether directly affiliated with districts or not, (4) by State agencies other than districts directly concerned with soil conservation.

(b) In the field of rural electrification, a tremendous opportunity exists for an extension of lines and service to thousands of farm families now without electricity. We suggest that all surplus military equipment of this character be turned over to the Rural Electrification Administration for disposal to the cooperatives now in existence or to assist in the formation of new ones.

(c) As to agricultural production equipment, the primary concern should be to furnish the small farmers of this country with the equipment they need. We suggest that this equipment be turned over to the Farm Security Administration for sale to small facilities cooperatives consisting of six to a dozen farmers, of the kind with which Farm Security has had such success in the last few years.

(d) In the case of nonagricultural production equipment, including machine tools, we believe that no materials should be held off the market unless the affected industry can, in a full and fair hearing, prove publicly that both its interest and the public interest would be adversely and gravely affected. Such a hearing should be before a board, preferably such as that proposed in the Kilgore-Murray bill, on which the public, business, labor, and agriculture are equally represented.

STOCKS OF FOOD AND FIBER

It is our belief that any legislation providing for the freezing for any period of Government-held stocks of agricultural commodities, whether processed or raw, would be a serious mistake. Surely the precedent of the Federal Farm Board under President Hoover in attempting such freezing will keep us from repeating that mistake.

Such legislation never achieves its objective, for the stocks held by the Government continue to hang over the market and to exert a depressing influence on prices and production. The mere fact that prohibitory legislation is on the statute books is no protection, for farmers and the food trades alike continue to live in fear of new legislation and of the very deflationary trend that the freezing seeks to checkmate.

Instead, we believe that the legislation should provide for the handling of any such stocks as a part of the ever-normal granary, under the jurisdiction of the Department of Agriculture and War Food Administration, and handled as a part of an over-all agricultural program of adjustment, distribution, and conservation.

EXPORTS

It is our conviction that the possession of the enormous surpluses of military supplies now in prospect can be a very large factor in the promotion of peaceful commerce and amity among nations at the close of the war. It is to the interest of the United States that the standard of living and economic freedom of all other countries be promoted. We believe, therefore, that a major aim in the disposal of surplus property should be the utilization of some of that property to promote the economic improvement of other countries. This should be accomplished through appropriate international machinery and in such a way as to foster, not impede, the free flow of trade between countries. By an honest joint effort with the other nations of the world, in particular our great allies, Great Britain, Russia, and China, it should be possible to put to such use much of the surplus war property that will have accumulated.

These are the provisions that we should like to see in the legislation finally enacted by Congress.

We hope you will offer such of these as you have not already proposed at the conclusion of the present debate on the surplus property disposal bill, and should appreciate it very much if you could insert this letter in the CONGRESSIONAL RECORD at an appropriate point so that other Members of the House may be informed of our views.

Sincerely,

JAMES G. PATTON,
President, National Farmers' Union.

Mr. GOSSETT. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, any person who has given any study at all to the problem which is sought to be solved by this bill realizes what a complex and large problem it is and how difficult it is to solve by any legislation which we could draft.

I may say at the outset that when I was first acquainted with the bill that is presented to us, it struck me as working an entirely unjustifiable delegation of congressional power and a concentration of a tremendous amount of power in one person; but then when I further analyzed the legislation and tried to work out some substitute for it, tried to find some efficient way of handling this problem other than the one now suggested, I came to the conclusion that there is very little that we can do about it; that the complexity of the problem makes specific and detailed legislation impossible. I think it is necessary for us to take the chance that there is going to be some inefficiency and waste in this program, but that nevertheless we are going to have to be bold and forthright in legislating, and to repose a great amount of discretion in the Administrator because any restrictions that we as a Congress try to impose upon the Administrator might be effective in the disposition of certain types of property but might hamper in a very serious way the disposition of other types of property.

There are several small suggestions I should like to make, however, that I think will, if I may say so, constitute an improvement to the present provisions. The first thing about which I am concerned is something I spoke about yesterday in querying one of the gentlemen who was speaking, and that is the danger of dumping of property upon the market, either by the Government itself or by some individual or firm which may purchase the property from the Government, and the consequent dislocation of industry by selling the property at a price which could not be met by manufacturers or processors of similar products.

I know the gentleman from Texas [Mr. GOSSETT] and the gentleman from Mississippi [Mr. WHITTINGTON] have assured me that the bill in several places provides that such action would be contrary to the expressed intent of the bill, but I still think we could be more specific in our provisions. We could make a more specific declaration of policy in a manner which would not hamper the working out of the program and would not harm the bill.

I believe after the declaration of policies in section 11 we might insert a subsection (k) as another declaration of policy, which would read to discourage and prevent the dumping of property upon the market at a price lower than could be met by the manufacturers, processors, or dealers in similar property. Since that is one of our purposes, I see no reason why we could not be explicit in stating so, and I see no reason why being explicit should in any way hamper us in the administration of this act.

There is one more point that was suggested by the gentleman from Maine, and that is the present disposition of our war plants. There is an excellent little book that came to my attention recently, written by Dr. Kaplan for the Committee for Economic Development, entitled "The Liquidation of War Production." I know many members of the committee have read it and I think it would be helpful if all the Members of the House would read it. He has this to say about the sale of war plants immediately upon the termination of the war:

It is definitely undesirable, from the standpoint of public welfare or political expediency, to make sacrifice sales which would give an unearned windfall to firms that happen to be in the position to pick up bargains far below actual worth. Big business will get the brunt of the political repercussions if it acquires Government property at prices which may prove to have been very low in the light of later developments. At the same time, plant and equipment of potential future value will often be unsalable except at sacrifice prices, especially if offered immediately after the close of the war. The final decision on the terms of sale of many facilities will have to be postponed; accordingly, we must turn to leasing as a necessary alternative if the plants are to be constructively utilized.

That quotation appears on page 107 of his book.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Texas.

Mr. PATMAN. Insofar as his reference to the steel plants in that book is concerned, he is definitely in favor of the big steel interests, and it appears to me that he is trying to defend the big steel interests and is against anything that will give them competition. I read that part of his book very carefully and was definitely impressed that way.

Mr. WRIGHT. The gentleman may be correct, but the author does state that it would be dangerous to insist upon selling these plants at the present time, because we would get only a depressed price. Under the bill, as I read it, I know there is no compulsion that they must be sold immediately, but in the report which is filed by the committee there is a recommendation that these plants be disposed of at once. I am just wondering whether that recommendation in the report might not be a disservice to

the country in that it might persuade the Administrator to dispose of the plants prematurely.

I personally would like to see them go into production in private hands and private ownership as quickly as is possible and expedient. But the amount of money that is involved is so great I am very much afraid if we attempt to force the sale of them right away we may be sacrificing them at bargain prices. We may be, ourselves, subject to the criticism of being derelict in our duty and we may cause criticism to be heaped upon the very companies who might take advantage of the bargain prices. There are some 75 percent of the contracts at the present time in the Defense Plants Corporation, as I understand, which provide for an option of purchase on the part of the steel company, so it would only be those cases where there is not any option of purchase or those in which the option was not taken up, which would be directly concerned.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield in that connection?

Mr. WRIGHT. I would be very glad to yield to the gentleman.

Mr. WHITTINGTON. I think it fair to say in respect to options that the hearings disclose there are very few plants where there are options provided. The Bethlehem Co. has an option. They have exercised that option. The hearings disclose there are very few cases where there are options. There will probably be few options to start with, and thus far indications are that practically none of those options will be exercised. Moreover, the gentleman will keep in mind with respect to steel plants that until they are declared surplus—and that means until after hostilities have ceased—there are not going to be any surplus steel plants, and they would not be available for disposition until after the war is over.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GOSSETT. I yield 2 additional minutes to the gentleman from Pennsylvania.

Mr. WRIGHT. I do not want the gentleman from Mississippi to understand that it is my idea of the bill that they cannot dispose of these steel plants later or at the present time or that the plants could not be leased to private industry. They can dispose of them when they see fit, but there is a recommendation in the report that they be disposed of promptly.

Mr. WHITTINGTON. That is, following the cessation of hostilities.

Mr. WRIGHT. Yes. Where there is an option, when it becomes wise or expedient to reduce the amount of the option price or negotiate a lower price, I am not opposed as long as it is a fair price in the light of changed circumstances, but I just want to be sure we are handling this problem in the wise and prudent manner in which we are expected to handle it in consideration of the vast amount of money involved.

Mr. CALVIN D. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I will be glad to yield to the gentleman.

Mr. CALVIN D. JOHNSON. I would just like to interpose, in considering the prices of some of those plants that have been built for the steel companies, I was a superintendent of construction on a large steel plant prior to the time I came to Congress. I know that the construction costs at that time were so much out of reason that for the company to consider the payment of the price based on actual costs of construction of that plant would be entirely out of reason. They could not do it. Forms which ordinarily would cost 20 cents per foot to build, ran us as high as 70 or 80 cents. It was due to the rush and the overtime and the drive to get the job completed. For any steel company to try to pay the cost of production of a plant would be entirely out of the question. We will have to take at least a 50-percent loss on many of these plants, I feel.

Mr. WRIGHT. I may say in reply to the gentleman, I want to be fair, as I know the gentleman wants to be fair, to the steel companies. What we are anxious to do is to get the steel companies back into the production of peacetime goods, so that they can give jobs to our men. I agree with the gentleman heartily. I am willing for the Government to take a loss if it becomes necessary, if circumstances change. There is one more circumstance which the gentleman did not point out, which would depress the resale price, and that is that the machinery in some of these plants would be more efficient for the production of wartime goods than they would be in the production of peacetime goods, and consequently the Government would not realize its original investment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GOSSETT. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, I shall not detain the Committee longer than is necessary to present for the RECORD, with the hope that it may attract the attention of the membership of the House before we begin reading this bill on tomorrow, an amendment which I propose to offer, with some brief discussion as to the merits of the amendment, in connection with which I intend to insert in the RECORD under permission heretofore granted in the House, certain documents or parts of documents relating to the general subject matter. I intend to offer, on page 32, after line 6, the following language:

> Surplus property that is appropriate for educational use as determined on the basis of need, represented by property requirements in excess of normal ability to purchase, or which may be needed to replace equipment worn out or deteriorated because of use in war-training programs, may be transferred to the United States Office of Education for allocation, within rules and regulations to be prescribed by the United States Commissioner of Education, and approved by the Administrator, to the public schools and educational institutions: *Provided*, That such schools and institutions, to establish eligibility to receive such surplus property and materials, show evidence that their respective budgets are planned to support normal procurement operations, according to past experience, in the regular market.

We have here, Mr. Chairman, one of the most important bills which the House of Representatives has considered during the Seventy-eighth Congress, a bill which undertakes, according to estimates of some gentlemen who have addressed the committee, to deal with Government property aggregating in value $112,000,000,000. I wish to compliment the committee on the exceedingly able and painstaking manner in which it has dealt with this important subject matter. To believe as I believe, that the bill might be perfected in some particulars without detracting from its objectives, is not, of course, to express a criticism of the work of the committee. I believe that the bill in some of its features should be perfected. I think that in the attempted conservation of this tremendous amount of Government property and its attempted devotion to the best interests of the American people, no greater degree of discretion than is absolutely necessary should be vested in the Administrator. I feel that it is the function of the Congress to determine, insofar as it may be able to do so, in the enactment of this legislation, the method of disposition of that property. I believe that the outstanding objective should be the utilization of the property, whether by sale or by other method of distribution, in such a way as to bring about the greatest benefit to the people of the United States. I am unable to agree with the members of the committee who have voiced the opinion that none of this property should be given away. They are apparently proceeding on the idea that the only way in which benefits from its disposition may result to the people of the United States is by the outright sale of the property and the placing of the proceeds in the Treasury. I conceive it to be true that with relation to a very great portion of this property the American people will receive greater benefits from it if it is donated to certain public or quasipublic institutions of the country for utilization in behalf of the people, and perhaps this is true if the donation should be to private agencies performing work of general public interest. I believe there is very grave danger that despite the most careful administration of the law which we shall enact, there will be abuse of discretion, and there will be wastage in the handling of this tremendous amount of property. I think that we will have speculators and profiteers who, despite the most careful administration, will receive undue profits from the handling of many of the items of property which will be disposed of under the terms of this bill. To avoid insofar as possible this contingency, Congress should undertake to direct into proper channels the administrative discretion.

I think, therefore, there should be vested in the Administrator discretion as to the disposition of property by outright

gift, particularly when that gift is made to educational or other public institutions in the several States, rather than by sale, when he is justified, under the circumstances of cases considered by him, in reaching the conclusion that the people of the country will receive more benefit to themselves from such disposition of the property than by having the property sold outright and such sums as may be received from it covered into the Treasury of the United States.

I have proposed in this amendment, determination by the Administrator, in his discretion, as to such portions of this property as may be best donated to the educational institutions of the several States, through the Office of Education, the allocation to be made by the Office of Education upon the basis of need, and upon the further basis of the replacement of equipment and machinery which has been worn out in our vocational schools in the programs of the last several years in carrying on war and training programs for the benefit of the Government in the prosecution of its war effort. I can see no valid ground for criticism in the donation of those types of property to schools which have permitted their own property to become worn out or to deteriorate in character through their endeavor to facilitate the national war effort, or where such assistance is justified upon the basis of need.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. REED of New York. Would the fact that the equipment has been worn out be the test of the need? How would you determine the need?

Mr. TARVER. According to the language of the amendment which I have read and which I intend to propose, there are two bases upon which the allocation of such equipment or property might be made. The first is the basis of need, "represented by property requirement in excess of normal ability to purchase."

The second basis is "or which may be needed to replace equipment worn out or deteriorated because of use in war training programs."

So that either upon the basis of need, as outlined in the language of the amendment, or as a matter of replacement of machinery or equipment worn out or deteriorated in the prosecution of one of the war training programs, the allocation of such property may be made first by the Administrator to the Office of Education, and then allocated as between the States, under the jurisdiction of the Office of Education. There are other uses to which I think the Congress should specifically provide for the allocation of some items of this tremendous amount of property. I understand that other amendments will be proposed, some of which, at least, I intend to support, which will undertake to allocate the property that can be utilized in our soil-conservation districts to the uses of those districts, and to make certain other allocations in the general public interest.

Mr. REED of New York. Mr. Chairman, will the gentleman yield further?

Mr. TARVER. I yield.

Mr. REED of New York. I feel some interest in the matter of recreational equipment, whether it is gymnasium equipment or what not. Many of those things have been sent to the Army that will probably be of no use to the Army when this war is over, and would be of great value to the schools so that I hope whatever definition goes into the bill will cover those materials.

Mr. TARVER. I join in the gentleman's hope, and if the language of the amendment which I have proposed is not sufficiently broad, in his judgment, to cover the allocation of property of the type in which he is interested, I certainly should be glad for the gentleman to offer language amendatory to the amendment. I am not wedded to the verbiage of this amendment. I am earnestly hopeful that some amendatory language of the general type which I have proposed may be inserted in the bill.

Mr. REED of New York. I was not criticizing the gentleman's amendment at all.

Mr. TARVER. I understand that.

Mr. REED of New York. I was just hoping that we can work out a formula so that the schools will get the benefit of such things as would be advantageous to them from the surplus property.

Mr. TARVER. That is my objective also, I may say. I shall be glad to cooperate with the gentleman or any other Members of the House who are interested in trying to bring about such results.

As I said a few moments ago, there are other ways in which I think Congress should undertake to make specific direction with regard to the allocation of these various types of property. I shall not undertake to discuss them now. I intend to offer no amendments, myself, dealing with them, but I do intend to support amendments which will be offered by other members of the Committee of the Whole.

According to some of the estimates which have been made, we have spent some three hundred or four hundred billion dollars in war efforts. We may have spent $500,000,000,000 before the war is over. Surely, in view of that tremendous expenditure for war, it is not unreasonable to ask that some few million dollars' worth of equipment which might be utilized by the schools and educational institutions of the country may be diverted to their uses without pay.

Some gentlemen on the committee seem to have a horror of the idea of donating any of this property, even to a public school or an educational institution; yet, when we passed the Labor-Federal Security Agency appropriation bill for the fiscal year 1945, in the latter part of June of the present year, we had incorporated therein a provision providing for the absolute donation of similar property owned by the National Youth Administration, which had theretofore been loaned to the schools. There was not a dissenting voice raised in this House, so far as I recall, against that proposal when it was submitted to the House. It seems to me to be rather late for gentlemen to become agitated about the possibility of donating some of this machinery and equipment, for which the Government will not have any use after the war, to the schools and educational institutions of the country. I believe that the Congress, by the enactment of the Labor-Federal Security Act has set a precedent. It has indicated congressional will with reference to the disposition of such materials when they are owned by the Government. I hope the committee will follow that precedent in undertaking to pass upon this subject matter in connection with the pending bill.

In addition to the machinery and equipment, the language of the amendment which I shall propose covers also real property. I understand that the verbiage "surplus property," as set out in the amendment covers real property as well as personal property. There are some $41,000,000 worth of school buildings in this country which have been built under the provisions of the Lanhan Act, the title to which is absolutely and entirely in the Federal Government. I intend to insert in the RECORD in connection with my remarks a list of those school projects and the points of their location in the several States of the United States and the amount of money which is invested in each of those projects. Some of them it will not be possible to integrate into the local school systems. There are some, however, according to the information I have from the Federal Works Agency, that may well be integrated into the local school systems and where those school systems are in very great need of the facilities which they provide. It seems to me that under those circumstances it would be foolish for Congress to provide for the dismantling and sale as junk, or for sale as they stand for any commercial purpose for which they might be adaptable, of those school buildings which certainly have been needed during the war for educational purposes, and for which there will be a very great need for similar purposes in many of the localities where they are situated, after peace is declared.

I do not happen to have a single one of those school buildings in my district, but just as a matter of public policy I think that Congress should at least vest the Administrator with discretion under which he could, in cases where he thinks the donation is justified, donate those school buildings to the educational authorities of the districts where they are located.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. TARVER] has expired.

Mr. MANASCO. Mr. Chairman, I yield 2 additional minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. I regret that it is not possible in the brief time I am able to address the Committee to enter into a full discussion of this matter, but I wish to direct the attention of the Committee to the latter part of the hearings on the bill which includes the statement made by the National Educational Association with reference to this particular subject matter.

I shall insert in the RECORD in connection with my remarks some excerpts from that statement and also some statements from the Office of Education with regard to this problem. It is one I hope may

have the careful study of all members of the Committee of the Whole prior to the consideration of this matter tomorrow under the 5-minute rule.

I trust that something may be done to utilize at least a reasonable portion of this property for the benefit of public schools and educational institutions of the United States.

I insert by permission granted in the House the following statements:

DISPOSAL OF GOVERNMENT SURPLUS PROPERTIES AND MATERIALS IN RELATION TO PUBLIC EDUCATION

(Statement submitted to the House Committee on Expenditures in the Executive Departments by R. B. Marston, director, legislative and Federal relations division, National Education Association, August 9, 1944)

PROPOSAL

In the disposal of war surplus properties and materials appropriate for educational use the National Education Association requests favorable consideration of the proposal that such properties and materials be transferred without cost to tax-supported schools, colleges, and universities. Like consideration is requested, in the event such disposal cannot be extended to privately supported and privately controlled education, for the proposition that educational institutions in this category be authorized to purchase surplus materials at nominal costs.

QUANTITY ASPECTS OF SURPLUSES

The proposition that surpluses having educational use should be transferred without cost is based in large part upon the belief that in many kinds of materials the quantity will be of such magnitude that it cannot all be disposed of through sales without possible grave injury to our economy, resulting in cut-backs in production and consequent reductions in employment.

It is particularly these surpluses beyond sales to which the proposal of the National Education Association is intended to apply. To this there is one exception; that is, surpluses that could appropriately be applied to the replacement of materials and supplies which have depreciated in a marked degree, or been entirely consumed, by the war effort of our schools, colleges, and universities.

The magnitude of expected surpluses, while not subject to exact definition as far as information available to the National Education Association is concerned, is estimated to range somewhere between $50,000,000,000 and $112,000,000,000. This is in pronounced contrast with surpluses that existed at the close of World War No. 1. On November 12, 1918, the estimated value of surpluses was reported as $6,000,000,000, up to that time the largest surplus stock pile ever accumulated in the history of the world. This war is on a vaster scale. Its demands in terms of materials and supplies are without parallel.

NATURE OF EDUCATIONAL SURPLUSES

Many of the surplus items will have their most direct use in the field of education.

Among these are school desks, folding chairs, blackboards, paper, books of many kinds—textbooks and library books—chemicals usually employed in the chemistry laboratories of high schools and colleges, experimental equipment for physics laboratories, visual aids such as projectors and many films that are of educational value, duplicating machines, first-aid items such as bandages and antiseptics, shop equipment, such as lathes, saws, and the like, with quantities of supplies employed in teaching welding, the metal trades, electro-dynamics, aerodynamics, automobile mechanics, radio, food processing, and so forth. It is likewise proper to note that in many phases of the educational program of the armed services, transportation equipment has been acquired and employed, much of which would be equally useful in the operation of the public schools of the Nation.

The foregoing are examples of surplus equipment and supplies which have been acquired in large quantities by the armed services for educational purposes. Similar items, not acquired by the armed services for immediate instructional service, but employed under actual combat conditions, would have equally direct and important applications in the on-going educational program of the Nation's schools.

PYRAMIDING OF SCHOOL NEEDS

Meanwhile the war period has witnessed one of the most rapid accumulations of school needs in the history of our country.

In the first place, the effort made by the schools in training 9,000,000 workers for war jobs has been costly to existing school plants and their equipment. In many instances schedules have been operated on a 2-, 3-, and even 4-shift basis. Around-the-clock programs have not been uncommon particularly in school shops. Some estimates that have been made in the case of round-the-clock programs indicate that the wear and tear in specific instances on plant and equipment was multiplied from 4 to 10 times of normal usage. This has resulted in a rate of deterioration without precedent in the history of public education. It is also true that school supplies on hand at the beginning of the war period have in a great many cases been depleted in support of national service.

In the second place, the system of priorities necessarily embodied in the war effort has prevented board of education and the governing bodies of colleges and universities from making normal replacements from year to year. The school-bus fleet of the Nation is fast approaching the end of its usefulness. Commerce classrooms are filled with typewriters that cannot much longer be kept useful through repair.

The result of the operation of these two factors—(1) excessively rapid depreciation and (2) priorities—has been an accumulation of schools' needs of critical magnitude, worthy of the most sympathetic understanding and careful consideration of Federal Government.

LAG IN SCHOOL REVENUES

Throughout the Nation the most widely employed base for school support is real estate. It is a matter of common knowledge that the tax value of real estate has not increased in proportion to rising school costs. This means that the fiscal ability of boards of education has relatively decreased in recent years.

With relatively less to spend, education has been compelled to invest larger sums in personal services. Teachers' salaries, while still greatly in arrears of the mounting cost of living, have increased approximately 10 percent over the war period. Wages of maintenance employees have gone up. The cost of such supplies and materials as have been available has climbed as well. These inescapable factors have left less for boards of education and the governing bodies of our colleges and universities to spend in many lines of school supplies and equipment. In fact, were the market to become immediately abundant in all kinds of goods needed by the schools of the Nation, it would be impossible because of lack of funds for educational purchasing agents to take care of school needs that in increasing amounts have developed since Pearl Harbor.

It may now certainly be expected that education, if it should continue to be limited to existing plans of State and local support alone, will be forced to spend the next decade attempting to restore plants and equipment to their 1941 status. The fiscal ability of boards of education and similar bodies is inadequate to meet both equipment and personnel demands.

The gap that exists between what schools can afford and what they need is rapidly widening. It stands as a serious threat not only to the individual welfare of American youth but at the same time to the general welfare in the days ahead.

This gap may at least be partially closed if surplus materials, appropriate for educational services, are made available to schools.

SAFEGUARDING PRODUCTION AND EMPLOYMENT

It would obviously be unsound to dispose of educational surpluses in a way that would endanger the normal flow of trade between schools and industry. Were surpluses employed to reduce the normal buying of school purchasing agencies the effect would be to close some of the Nation's factories or else harmfully to curtail normal production and employment. This undesirable effect should be, and can be, avoided in giving effect to the National Education Association proposal through good judgment in the administration of whatever provisions on this score Congress itself may deem just and reasonable.

With this in mind, it is proposed that, in demonstrating eligibility to receive transfers of materials without cost from the Nation's stock pile of surpluses, a school system or any institution of higher learning should show substantial evidence that its plan of spending, as set forth in its budget, contemplates normal operations on the basis of its past experience.

PRINCIPLE OF NEED IS UPPERMOST

In giving effect to the proposal advanced for committee consideration it is to be noted that the emphasis throughout is on the principle of need, with special reference to actual needs which exist after school purchasing agencies have utilized their normal fiscal powers.

The National Education Association is vigorously opposed to any system of surplus disposal which would in effect result in the indiscriminate allocation of properties and materials to school systems or to institutions which might not exercise due diligence or sound judgment in appraising their needs.

In any event, such estimates of need should be carefully appraised by properly constituted responsible State authorities and, following that, as necessary, they should be subjected to the cooperative evaluation of State authorities and a Federal agency—such as the United States Office of Education—to be named by the Congress.

BREAK-DOWN OF PROPOSAL

The proposal of the National Education Association, as originally stated, and with the foregoing considerations in mind, recommends that disposal of surpluses appropriate for educational uses be generally patterned as follows:

1. That properties, equipment, supplies, and other materials acquired for educational services by the armed forces be transferred to the United States Office of Education for allocation without cost to the States on the principle of demonstrated need.

2. That after school purchasing agencies have shown evidence of planning for normal business, as determined by past experience, such school systems and other institutions be given prior call upon surpluses appropriate for educational use, subject to demonstration of fair and reasonable need.

3. That in the event such transfers cannot be made without cost to privately supported and privately controlled school systems and institutions, such school systems and institutions be permitted to purchase appropriate materials at a nominal cost.

4. That the Congress fix responsibility for administration of the disposal of educational surpluses in a Federal agency—e. g., the

United States Office of Education, subject to such rules and regulations as may be approved by the Federal Administrator.

PROVISIONS OF H. R. 5125 ARE INADEQUATE

The provisions of H. R. 5125 are exclusive of some of the factors presented in this statement.

Section 11 (a) reads: "Wherever any Government agency is authorized to dispose of property under this act, then, notwithstanding the provisions of any other law, but subject to the provisions of this act, the agency may dispose of such property by sale, exchange, lease, transfer, or other disposition, for cash, credit, other property, or otherwise, with or without warranty, and upon such other terms and conditions as the agency deems proper.

"(b) Whenever the Government agency authorized to dispose of any property finds that it has no commercial value or that the cost of its handling and sale would exceed the estimated proceeds, the agency may donate such property to any agency or institution supported by the Federal Government or any State or local government, or to any nonprofit educational or charitable organization, or, if that is not feasible, shall destroy or otherwise dispose of such property."

The foregoing provisions make liberal grants of authority to the Administrator in point of disposing of surpluses, but these grants are in nowise restricted, as indeed they should be, by consideration of such factors in relation to education as (1) demonstrated need, (2) the obligation of Federal Government to replace school equipment and supplies and to offset depreciation of school plants resulting from the war effort, (3) inability of school systems and institutions of higher learning to make such replacements out of their own current revenues, (4) application of the principle of priorities to encourage the return of education to at least its pre-Pearl Harbor status in point of equipment, materials, and supplies, and (5) designation of a Federal agency, on the national level, to receive transfers of surplus properties, materials, and supplies on behalf of education and to cooperate with the States in screening analysis of school needs reported from the localities.

It is, in conclusion, proposed that the grants of authority extended the Federal Administrator in section 11, of H. R. 5125, be retained, and that they be supplemented in such manner as the committee may recommend and the Congress finally determine to provide for the arrangement set forth in the section of this statement entitled "Breakdown of proposal."

DISPOSAL OF FEDERAL SURPLUS PROPERTIES

EXCERPTS FROM RECOMMENDATIONS RELATING TO PROPERTIES FOR EDUCATIONAL USES

Educational leaders throughout the Nation are aware of the fact that many problems and difficulties will be encountered in connection with the development of any fair and practical plan for disposing of Federal surplus property in any reasonable period of time. It is their desire to cooperate in every way possible with the Surplus Property Administrator and his staff in developing a sound program which will benefit the entire Nation to the maximum extent possible.

On March 3, 1944, a conference, comprised of representatives of approximately 30 leading national educational and lay organizations, held under the sponsorship of the United States Office of Education recommended that:

"All Federal legislation with reference to the distribution of surplus property to schools * * * should contain explicit provisions to guarantee that * * * the distribution of surplus properties of the Federal Government give top priority to the needs of the educational and other social services, in order to secure the widest possible utilization of them in the public interest.

"We urge that the Congress of the United States include in its plans for the disposal of surplus Government-owned equipment, furniture, tools, and supplies provision for making available without cost to public schools and other public or State-chartered educational institutions any such materials which can be utilized for educational, training, and research purposes.

"We urge that the title to such equipment, furniture, tools, and supplies be vested by law in the legally constituted State educational agencies authorized to utilize or distribute these materials within the several States."

* * * * *

1. As pointed out by the Baruch report, consideration will have to be given to the quick conversion of education back to a peacetime program, lest the war's interruption leave the future devoid of many of the educated and trained people essential to our continued progress;

2. Satisfactory educational and training programs cannot be carried on without adequate equipment. Many of the schools and educational institutions were not adequately equipped before the war and much of the present equipment will be practically worn out by the close of the war as a result of hard use and limited replacements necessitated by wartime conditions and training programs;

3. Limited financial resources will make it difficult, and in many cases impossible, for much needed equipment to be purchased by schools and educational institutions over any reasonable period of time;

4. The amount of surplus property needed for schools and educational institutions will constitute a relatively small proportion of the total value of surplus property available, yet if this small proportion is made available for educational use, it will benefit the Nation greatly by aiding materially in the development of adequate training programs, and, at the same time, will aid the Government in disposing of its surplus property beneficially without disrupting normal trade;

5. The property has already been purchased by the taxpayers of the Nation. To expect them to purchase it again by using State and local taxes would constitute an unfair and disadvantageous method of effecting a slight potential reduction in the total national debt; and

6. Policies relating to the disposal of surplus property for educational use have far-reaching implications involving the welfare and progress of the Nation and of the citizens in every State in the Nation. It is urged that all such proposed policies should have the careful consideration of qualified educational leaders. The special conference called by the Office of Education earnestly seeks an opportunity to cooperate fully in developing policies which will be of maximum benefit to the Nation and its educational institutions.

1. THE EDUCATIONAL ORGANIZATION

In the United States there are approximately 125,000 local school districts or administrative units, ranging from small one-teacher districts to large counties and cities, as well as several thousand privately-controlled elementary and secondary schools. There are also approximately 600 publicly supported institutions of higher learning which are not administered by local units and more than 1,100 privately controlled higher institutions of various types. Obviously it would be extremely difficult, inefficient, and undesirable for the Federal Government to set up a system or plan for dealing directly with local school units or individual institutions in disposing of Federal surplus property.

Moreover, it is neither practicable nor desirable for the Federal Government to undertake to determine the division of surplus property among elementary and secondary schools, vocational schools, and institutions of higher learning in a State. Such determination would put the Federal Government in the indefensible position of deciding matters which properly belong under State policy and which the States are better equipped to handle.

Education is a function of the States; the States are, therefore, the logical units with which the Federal Government should deal in matters of this sort.

* * * * *

2. FINANCIAL POLICY AND PRIORITIES IN DISTRIBUTION OF SURPLUS PROPERTY FOR EDUCATIONAL USE

One of the major problems in the acquisition of surplus property by educational institutions is that of financing educational institutions operated on fixed budgets, either on an annual or biennial basis, which do not permit the establishing of reserves for future purchases. In general, school financing is on a year-to-year basis and needs must be determined in advance. Statutory provisions in most States prohibit educational institutions from making loans—except for short-term periods—within the fiscal year. The incurring of a debt, to be paid from future budgets (except for debt service for bond issues), is not permitted in most States. In order for education throughout the United States to participate to the greatest degree in and obtain maximum benefit through the utilization of surplus property, due consideration must be given to the question of whether or not surplus property which can be used to distinct advantage for educational purposes should be donated or sold—even at low prices—to educational institutions.

It seems apparent that there will be available surplus property, the title for which is vested in the Federal Government and which is now being used by State or local educational institutions. (Examples of such property are school buildings and the appurtenances thereto built in war areas under the Lanham Act.) Likewise, there probably will be available surplus property now being used by various Federal agencies for educational purposes. (An example of such property is the equipment and materials being used in Army and Navy schools.) Property of these two types should be made available with a high priority to educational institutions where needed.

There will also be available property not now being used for educational purposes but which could be used to distinct advantage by educational institutions. (Examples of this type of property would be machine tools, trucks adaptable for use as school busses, typewriters, refrigerators, stoves, 16-mm. projectors, etc.) Property of this type should be made available to other interests as well as education.

The following priorities and the methods of allocation are recommended for the disposal of surplus property:

1. Allocation, without cost, to public educational institutions of—

a. Property now being used by State or local educational institutions but with title vested in the Federal Government; and

b. Property now being used by Federal agencies for educational purposes;

2. Allocation, at a determined price level, between Federal Government agencies;

3. Allocation, for sale to State and local tax-supported organizations, including public educational institutions and nonprofit, tax-exempt educational institutions (surplus property made available to educational institutions should be at a price level not higher,

and preferably less, than the price level used for transfers between Federal agencies);

4. Allocation, without cost, of surpluses that cannot or should not be offered for sale, for any reason, to State and local tax-supported organizations, including educational institutions; and

5. Allocation for other uses.

SURPLUS PROPERTY MADE AVAILABLE FOR PURCHASE BY STATE AND LOCAL UNITS

In order to assure that the various tax-supported agencies of State and local governments have a reasonable opportunity to obtain the surplus property they need and can use effectively, the following procedures are recommended:

1. That surplus property available for State and local tax-supported agencies and institutions be tentatively apportioned on an objective and equitable plan to each State; and

2. That for educational use in each State there be tentatively allocated that part of the total allocation to the State which is represented by the ratio between the current expense for education during some year, such as 1940, and the total current expense for all State and local governmental purposes, or on the basis of some similar equitable and objective plan to be approved by the United States Commissioner of Education and the Surplus Property Administrator.

It is recommended that surplus property not be made available for State and local tax-supported agencies and institutions in terms of first come, first served, or of any other similar plan that might involve "grab-bag" tendencies or result in unfair distribution. If, for any reason, it should not be possible to make a tentative allocation to States and to public educational agencies within each State in accordance with a plan such as recommended above, then, and only then, consideration should be given to a plan for allotting tentatively a certain percentage of the total dollar value of surplus property for educational use, with the United States Office of Education being given the responsibility of apportioning tentatively to States, on the basis of some objective and equitable formula, their respective proportionate shares of the total.

SURPLUS PROPERTY MADE AVAILABLE WITHOUT COST TO PUBLIC EDUCATIONAL INSTITUTIONS

In order to assure that the public educational institutions in the various States have a reasonable opportunity to obtain surplus property made available without cost and which they need and can use effectively, it is recommended that such property be certified to the United States Commissioner of Education by the Surplus Property Administrator, to be apportioned to the respective State educational agencies in accordance with need and on the basis of an objective and equitable plan.

Each of the various over-all State educational agencies should be responsible, in cooperation with existing State educational boards or agencies, for the formulation of any objective and equitable plan for the reallocation of the surplus property apportioned to it to the various public educational institutions within the State.

3. ADMINISTRATIVE PLAN

The Federal Government, as indicated above, should deal only with the States as units insofar as basic tentative allocations are concerned. If, within a reasonable prescribed time, any States have not applied for their full quota, the unused balance should be tentatively reapportioned among the remaining States which need and can use additional property.

* * * * *

Members of the special conference presenting these recommendations are:

B. C. Ahrens, executive secretary, National Educational Buyers Association, New York, N. Y.

L. H. Dennis, executive secretary, American Vocational Association, Inc., Washington, D. C.

Paul E. Elicker, executive secretary, National Association of Secondary School Principals, National Education Association, Washington, D. C.

J. H. Goldthorpe, research associate, American Council on Education, Washington, D. C.

H. V. Holloway, State superintendent of public instruction, Dover, Del.

John W. Lewis, assistant city superintendent of schools, Baltimore, Md.

C. C. MacQuigg, dean of engineering, Ohio State University, Columbus, Ohio.

R. B. Marston, director, legislative and Federal relationship division, National Education Association, Washington, D. C.

J. A. McCarthy, State director of vocational education, New Jersey, and president, American Vocational Association, Trenton, N. J.

Eva G. Pinkston, executive secretary, department of elementary school principals, National Education Association, Washington, D. C.

Federal Works Agency, War Public Works, Federal school projects approved by the President and allotted or transferred as of June 30, 1944

Location	Type	Estimated total cost
ALABAMA		
Gadsden	School	$107,411
Anniston	do	87,750
Tuskegee	do	60,528
Do	do	42,652
Mobile	do	251,000
Sylacauga	do	72,207
Childersburg	do	74,814
Mobile County	Schools	46,135
Near Prichard	School	301,913
Huntsville	Schools	361,000
Do	School	92,000
Enterprise	do	29,976
Chickasaw	do	10,000
Bynum	do	45,000
Phenix City	do	47,400
Childersburg	do	525
Talladega County	do	108,540
Phenix City	Schools	58,945
Calhoun County	School	42,365
Phenix City	School addition	41,420
Huntsville	School busses	22,605
Coffee County	School	40,330
Total		1,944,516
ARIZONA		
Fort Huachuca	School addition	96,886
Litchfield	do	17,289
Avondale	School	49,200
Near Tucson	do	53,750
Near Phoenix	do	58,500
Do	do	138,000
Total		413,625
ARKANSAS		
Bauxite	Schools	112,980
Malvern	School	24,228
Walnut Ridge	do	24,386
Near Pine Bluff	do	31,700
Jacksonville	do	35,065
Pine Bluff	School addition	27,793
Do	School equipment	30,425
Total		286,577
CALIFORNIA		
Montebello	School addition	68,000
Chula Vista	do	4,843
Lynwood	School	158,497
Benicia	School addition	64,257
Downey	School	62,062
Benicia	School addition	43,576
Compton	do	105,780
Inglewood	do	117,219
Escondido	School	49,413
Lakewood	Schools	83,469
Grossmont	School	1,782
Compton	School addition	62,791
Inglewood	Schools	66,540
Los Angeles	do	299,000
Coronado	School addition	36,123
Lemon Grove	do	16,274
Lompoc	do	39,800
Lennox	Schools	97,500
Richmond	do	102,100
Napa	School	100,000

Federal Works Agency, War Public Works, Federal school projects approved by the President and allotted or transferred as of June 30, 1944—Continued

Location	Type	Estimated total cost
CALIFORNIA—con.		
El Monte	School	$1,293
Antioch	do	1,120
Manhattan Beach	School addition	22,412
San Diego	School equipment	12,727
Near Vallejo	Schools	290,550
Compton	School	40,400
San Diego	Schools	100,000
Sausalito	School	105,700
Benicia	do	75,000
San Pablo	do	101,462
Richmond	do	132,091
Near Doyle	do	104,613
Richmond	do	318,297
San Pablo	do	47,650
Alameda	do	231,200
San Francisco	Schools	231,300
South San Francisco	School	49,500
Pinecrest Canyon	do	43,250
Meadow Park	do	43,700
Chula Vista	School addition	31,500
Coronado	School	49,000
Lakewood Village	do	80,000
San Diego	Schools	720,000
San Pablo	School	62,200
Richmond	do	134,500
Chula Vista	do	29,200
Albany	do	97,211
Monterey	do	97,100
San Diego	School improvement	2,330,827
Hawthorne	Schools	104,914
Clearwater	School	90,200
Vallejo	Schools	1,558,198
Brisbane	School addition	47,648
Burbank	Schools	448,527
La Mesa	School	78,000
San Miguel	do	23,544
Alameda	do	8,413
Palm City	do	64,420
Long Beach	Schools	24,173
Richmond	School	41,678
Sacramento County	do	69,200
Near Richmond	School addition	16,300
Chula Vista	Schools	95,000
Napa	School addition	29,200
San Bernardino	School	198,020
National City	School addition	84,500
Total		10,146,364
COLORADO		
Pando	School addition	38,015
CONNECTICUT		
East Hartford	School	130,500
Groton	do	26,000
Do	do	63,300
Total		219,800
DELAWARE		
Wilmington	School	50,800
New Castle	do	5,625
Total		56,425
FLORIDA		
West Palm Beach	School	69,170
Ferry Pass	do	1,013
Niceville	do	40,112
Bay County	do	2,500
Near Panama City	do	47,152
Key West	do	87,500
Bay County	do	36,500
Do	do	197,000
Do	do	9,550
Carrabelle	do	31,120
Apalachicola	do	80,000
Escambia County	School addition	1,744
Panama City	do	34,331
Total		643,692
GEORGIA		
Muscogee County	School	540,000
Savannah	do	141,104
Macon	do	147,398
Columbus	do	1,641
Near Moultrie	do	75,200
Brunswick	School addition	432,000
Wellston	School	130,000
Port Wentworth	do	123,400
Savannah	do	136,000
Warner Robins	do	226,565
Brunswick	do	79,000
Total		2,032,308

***Federal Works Agency, War Public Works, Federal school projects approved by the President and allotted or transferred as of June 30, 1944*—Continued**

Location	Type	Estimated total cost
IDAHO		
Bayview	School	$97,000
ILLINOIS		
Joliet	do	339
Melrose Park	Schools	2,400
Wilmington	do	58,772
Seneca	School	113,250
Do	School improvement.	6,157
Robbins	School addition	154,635
Worth Township	School	120,025
Lansing	do	98,800
Total		554,378
INDIANA		
Knox	School	125,800
Odon	Schools	169,540
Connersville	do	2,586
Kingsbury	do	386,000
Calumet Township	do	3,883
Charlestown	School	142,985
Union Township	School addition	2,430
Total		833,224
IOWA		
Burlington	Schools	105,178
KANSAS		
Wichita	School	151,345
Kansas City	Schools	69,867
Wichita	School addition	20,000
Do	School	816,000
Eudora	do	72,000
Total		1,129,212
KENTUCKY		
Lexington	Vocational schools	215,452
Fort Knox	School	24,513
Elizabethtown	School addition	876
Vine Grove	School	100,910
Paintsville	Vocational school addition.	75,508
Total		417,259
LOUISIANA		
Tioga	School addition	36,222
Leesville	School	81,624
Pickering	do	60,723
Calcasieu County	do	111,300
Total		289,869
MAINE		
Bath	School	148,822
Kittery	do	250,357
York	School addition	53,400
Portland	School	140,000
South Portland	do	154,500
Old Orchard Beach	do	86,400
Freeport	do	80,000
Total		913,479
MARYLAND		
Aberdeen	Schools	162,150
Indianhead	School	228,700
Greenbelt	Schools	1,067
Baltimore County	School	80,500
Riverdale	do	41,500
Baltimore	do	64,950
Greenbelt	School equipment	15,000
Do	School	282,000
Baltimore	Schools	103,992
Baltimore County	do	759,150
Great Mills	School	171,930
Total		1,900,939
MASSACHUSETTS		
Ayer	School	47,431
MICHIGAN		
Warren Township	do	58,449
St. Clair Shores	do	606
Garden City	do	45,819
Buna Vista Township	do	900
Roseville	do	73,981
Melvindale	do	51,000
Wayne County	School addition	38,200
Do	do	24,876
Do	School	118,800

***Federal Works Agency, War Public Works, Federal school projects approved by the President and allotted or transferred as of June 30, 1944*—Continued**

Location	Type	Estimated total cost
MICHIGAN—continued		
Dearborn Township	School addition	$38,166
Nankin Township	School	158,000
Do	do	169,700
Inkster	School addition	184,000
Norton Township	do	54,000
North Willow Run	School	491,900
Muskegon	School busses	6,838
Wayne	School	213,645
Inkster	do	153,000
Wayne County	do	50,050
Pittsfield Township	do	77,095
Nankin Township	do	4,612
Warren	School addition	76,000
Total		2,109,337
MISSISSIPPI		
Pascagoula	School	10,000
Do	do	142,506
Do	do	74,600
Forrest County	Schools	34,000
Total		261,106
MISSOURI		
Waynesville	Schools	224,698
Lebanon	School addition	1,070
Total		225,768
NEBRASKA		
Omaha	School addition	14,218
Hastings	School	78,100
Total		92,318
NEVADA		
Whitney	School	25,493
Las Vegas	Schools	161,028
Hawthorne	School	63,730
Tungsten	do	16,200
Las Vegas	Schools	85,454
Hawthorne	School	77,500
Total		429,405
NEW HAMPSHIRE		
Portsmouth	School	143,820
Do	do	97,874
Total		241,694
NEW JERSEY		
Bellmawr	School	135,000
Winfield Township	do	184,257
East Paterson	School addition	1,060
Manville	School	82,050
Lakehurst	do	46,250
Audubon	do	2
Total		448,619
NEW MEXICO		
Bayard	School	28,903
Gallup	do	20,033
Total		48,936
NEW YORK		
Cheektowaga	School addition	46,800
Do	Schools	164,587
Tonawanda	School	157,000
Moriah	do	68,473
Niagara	do	136,700
Total		573,560
NORTH CAROLINA		
Cumberland County	School	95,464
Fayetteville	do	29,935
Onslow County	Schools	133,601
Granville County	do	21,568
Cherry Point	School	165,000
Wilmington	do	123,000
Holly Ridge	do	50,400
Total		624,568
OHIO		
Canton	School addition	149
Franklin Township	do	780
Van Buren Township	Schools	5,358
Mad River Township	School	167,357
Osborn	do	132,725
Windham	do	288,500
Total		594,869

***Federal Works Agency, War Public Works, Federal school projects approved by the President and allotted or transferred as of June 30, 1944*—Continued**

Location	Type	Estimated total cost
OKLAHOMA		
Pryor	Schools	$290,000
Midwest City	School	314,000
Lawton	do	165,000
Total		679,000
OREGON		
Hermiston	School	79,400
Portland	do	175,000
Vanport City	do	463,400
Multnomah County	do	34,718
Portland	School addition	171,200
Total		927,718
PENNSYLVANIA		
Middletown	School	87,617
Turtle Creek	School addition	4,181
Upper Moreland Township.	School	100,303
Hopewell Township	do	38,300
Midland Borough	do	1,625
Mifflin Township	Schools	208,472
Dravosburg	School	61,071
Brighton Township	do	22,000
Coraopolis	do	52,725
Potter Township	do	49,900
Warminster	do	136,500
Bethlehem	do	59,048
Chester Township	do	63,250
Pymatuning Township.	do	46,250
Total		931,243
RHODE ISLAND		
Middletown	School	15,425
North Kingstown	do	108,000
Total		123,425
SOUTH CAROLINA		
Charleston County	School	395,981
Do	do	341,000
St. Andrew Parish	do	74,424
Mount Pleasant	do	62,600
Charleston	do	27,250
Richland County	do	31,474
South Charleston	do	81,000
Charleston County	do	199,000
Do	do	94,775
Mount Pleasant	do	82,000
Charleston County	do	127,425
Total		1,567,929
SOUTH DAKOTA		
Provo	School	46,955
Do	do	157,300
Total		204,255
TENNESSEE		
Mllan	School	100,443
Blount County	do	108,000
Memphis	School addition	3,115
Blount County	School	540
Franklin County	do	4,603
Tullahoma	do	20,000
Do	do	115,000
Maryville	do	1,400
Blount County	Schools	93,467
Gibson	School bus	1,972
Clinton	School	32,235
Total		480,771
TEXAS		
Corpus Christi	School	161,512
Near Fort Worth	do	47,170
Harlingen	School addition	70,896
Dallas	do	4,264
Brazoria County	School	7,411
Midland	do	2,222
Bexar County	School addition	1,331
Near San Anton o	do	1,778
Dumas	do	99,600
Galena Park	School	45,443
Near Beaumont	do	86,395
Angleton	do	1,397
Orange	do	240,100
Hooks	Schools	228,700
Grand Prairie	Vocational school	101,000
Tarrant County	Schools	86,500

Federal Works Agency, War Public Works, Federal school projects approved by the President and allotted or transferred as of June 30, 1944—Continued

Location	Type	Estimated total cost
TEXAS—continued		
Killeen	School	$43,000
Grand Prairie	do	143,078
Kingsville	do	42,600
Sweeny	do	21,600
Fort Worth	do	48,000
Galena Park	do	116,900
Pasadena	do	94,000
Dallas	do	100,000
Brackettville	do	14,300
New Boston	do	66,500
Mineral Wells	Schools	29,072
Palacios	do	105,449
Harlandale	School	82,538
Bangs	do	32,612
Near San Antonio	do	59,410
Fort Worth	do	99,400
Texarkana	School busses	6,639
Total		2,235,017
UTAH		
Ogden	School	65,900
Near Ogden	Schools	224,000
Do	School	115,000
Tooele	do	44,200
Do	do	72,000
Do	do	53,900
Total		575,000
VIRGINIA		
Newport News	School addition	86,200
Radford	Schools	300
Portsmouth	School addition	720
Norfolk County	do	529,300
Craddock	do	58,300
Do	School	187,118
Pulaski County	Schools	19,405
Fairfax County	do	300
Near Quantico	School	45,000
Near Norfolk	do	252,470
Newport	do	256,300
Near Portsmouth	do	252,470
Do	do	119,500
Newport News	do	158,000
Alexandria	do	44,700
Norfolk	do	108,000
Yorktown	do	16,415
Warwick County	do	137,100
Elizabeth City County	School addition	2,000
Do	do	141,135
Alexandria	Schools	101,000
Arlington County	do	150
Norfolk	do	12,650
Arlington	do	3,016
Total		2,531,549
WASHINGTON		
Spokane	Vocational school	2,088
Chico	School	51,262
Vancouver	Schools	548,250
Seattle	School	129,000
Port Orchard	do	168,000
Vancouver	Schools	746,855
Seattle	School	361,000
Port Orchard	do	287,113
Vancouver	School addition	258,140
Bremerton	School	225,695
Chico	do	32,843
Total		2,810,246
WEST VIRGINIA		
Spring Hill	School	13
Point Pleasant	do	65,000
Total		65,013
WISCONSIN		
Merrimac	School	79,800
ALASKA		
Sitka	do	124,640
Grand total		40,995,077

Mr. MANASCO. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, we are discussing today a bill that I think is of the greatest interest to the people of this country. Like most of you, I have just returned from my district. I believe there is not a single subject coming before the people today in which they have taken as much actual interest as this question of disposing of these vast surplus supplies of property that we have on hand. Frankly, the people are seriously concerned about it, and I believe 90 percent of them believe we are going to sacrifice most of this property. They hope we will not, but they cite the experience of the previous World War, and they are all apprehensive about what is going to happen to this property. Frankly, I do not think the people at large have a great deal of confidence in the Congress in handling this property, and it is up to us to show them they actually should have more confidence in our ability than they credit us with. Unless we work this thing out in a most careful manner, they are going to feel that the Congress did not give it the attention it should have been given.

I think the committee has been working hard on it, and I think that much has been accomplished, but I am not at all satisfied to go along and hand the people of this country a solution that is as inadequate as I feel is the solution that is presented to us in this bill. Certainly in some of its major aspects this bill lacks a great deal of doing the things the public has a right to expect and does expect of this Congress. For instance, the farmers of this country have been talking about this surplus machinery, not simply within the last few weeks but for the past 2 years. Many of us have led the farmers of this country to expect that when this war was over they would be able to show just how useful some of this material could be for soil-conservation purposes. Most of us who represent rural areas have given lip service to soil conservation and told the people how anxious we were to protect the riches of our country in the form of soil fertility.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. REED of New York. Not only soil conservation, but there is much machinery, the jeep, and various other machines, small trucks, and so forth, that mean everything to them whether they are engaged in soil conservation or not.

Mr. POAGE. That is unquestionably so, but I was only going to discuss the soil-conservation aspect. I believe the gentleman is eminently correct there, just as was the gentleman from Georgia a while ago when he said there were several angles to this bill that reached way down to the grass roots and vitally affect our people in important particulars of their lives. But I wanted to discuss particularly this soil-conservation angle because we have at the present time a great supply of material now owned by the Army and Navy which shortly will become surplus, which is usable and useful for soil-conservation purposes but which has not a very high resale value. Most of the machinery of which I am speaking consists of bulldozers, tractors, large caterpillars, grading equipment, shovels, drag lines, every kind of equipment that moves dirt. Any dirt-moving equipment is useful for soil-conservation purposes.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I am glad to yield to my colleague from Texas.

Mr. MAHON. Last year and again this year I met with the directors of several soil-conservation districts and they told me that if they could get some of this equipment of which the gentleman is speaking they would be able to work marvels in soil conservation in those areas. I wonder if the gentleman has had a similar experience in his own district and knows of this direct vital interest on the part of the people?

Mr. POAGE. Absolutely. Not only have I had that experience in my own district but I have had communications from all over our own State and from several other States of the Union expressing interest in this matter. I introduced a bill last winter in the Committee on Agriculture to provide for the disposition of surplus machinery that could be used in soil conservation, which bill provided that the surplus machines might be allocated to these districts. Probably as a result of my authorship of this bill I have received an unusual amount of correspondence on this subject.

There are large surpluses of this machinery the resale value of which is very small if placed on the market today. I do not know of anybody who would buy it except contractors and they have all the equipment now they can possibly use for a good many years to come. Every one of these general contractors who has been engaged in war work has acquired a whole lot more equipment than he can possibly use in peacetime when there will be less construction than there has been during the war. There is no other market for this type of equipment. Hence if it were placed on the market it could bring only a few cents on the dollar; there just is not anybody to buy it. This bill provides that it shall be sold on the open market. That ordinarily is the proper way to sell things where there is a market, but unfortunately there is no market for this type of equipment; there is no one left to buy this soil conservation equipment except soil conservation districts, and they do not have any money. General contractors who would ordinarily buy it have more equipment now than they can possibly use for years to come. I think it is an intolerable situation to pass legislation here which will require us either to sell this equipment at 5 cents on the dollar to a group of speculators, or to place it in depots to let it stand idle until it has entirely lost its value through becoming obsolete; and that is exactly what is going to happen unless we adopt some provision to make this equipment available for soil conservation purposes.

The amendment I propose to offer is not an amendment to give anything to anybody because I recognize the philosophy of the committee's bill and I do not want to try to tear it down. I want to

try to work in cooperation with this committee; hence I propose and will offer tomorrow at the appropriate place an amendment which will not give these districts a thing in the world but which will allow the Secretary of Agriculture to lend to soil conservation, flood control, drainage control, irrigation control and water control, and other conservation districts such machinery as he certifies is useful and usable to those districts and which will allow them to keep and use that material so long as they are putting it to constructive use. It still specifically leaves the title of the property in the United States Government and leaves it subject to the terms of this very bill. The minute this machinery becomes surplus in the sense that it is no longer used it is subject to the other provisions and will be available for sale or distribution under the other terms of this bill, but my amendment will not allow this equipment to be concentrated in large depots over this country there to rust and become obsolete.

It seems to me we should make this equipment useful in soil-conservation districts in the coming months of reconstruction for we must make up for the time we have lost from conservation practices during the war. The Secretary of Agriculture tells us we have lost millions of acres of land because of the little work that could be continued on soil conservation. The individual farmer has not been able to carry out terracing and other conservation practices during the war because he could not get the machinery and could not pay for the labor. But with this equipment being made available and being used in the next year or two much employment will be provided for the men who will operate it and much good will be done in conserving the fertility of our land on which the basic prosperity of our whole Nation depends. Certainly this is much better use than to let this equipment rust in depots where the present committee bill would keep it standing idle, for then you will not have the men employed, you will not have your soil conservation, and you will not have any useful return whatsoever to the people of the country who paid for this machinery.

Mr. REED of New York. Will the gentleman yield?

Mr. POAGE. I yield to the gentleman from New York.

Mr. REED of New York. If the equipment is left idle and is not oiled and taken care of, it deteriorates in almost no time at all?

Mr. POAGE. It deteriorates much faster than it does if it is in actual use. Deterioration on this equipment is almost entirely a matter of age and is much more rapid if you are not using it than if you are using it and keeping it up. Consequently the Government would not sustain any loss by allowing these districts to use the equipment.

Mr. Chairman, I want to read you the amendment I propose to offer in order that we may all understand that we are not here trying to break down a policy of the committee, but, rather, to implement that policy and make it more practical so that there will be no dead equipment for which this Congress can be properly criticized. The committee bill would necessarily establish these large depots all over the country. Think of putting 10,000 caterpillars in one depot, and that is what you will have. Think of putting 1,000 draglines in 1 depot. Think of the criticism that will be heaped on your heads if we pass legislation which makes that possible at a very time when our people's land is being washed away and when we are called upon to make appropriations for those purposes. Do not think we will not be criticized, because we will and we will deserve all the criticism we will get. It is not a sufficient answer to say that under the terms of this bill the districts can buy this equipment at a price. The rich districts could buy it, of course, but the rich districts are not the districts that have to have it. The rich districts by the very nature of things are not the ones that are in the most desperate need. It is those districts, and they are numerous over this country, that do not have a dollar with which to buy anything that need the use of this machinery. The proposed amendment makes it possible for them to borrow the equipment and to operate it. Of course, they will have to pay all the operating expenses, but they will be privileged to borrow and to operate this equipment in order to make that district productive enough so that in the future they will be able to buy something for themselves.

Here is the amendment which I propose to offer:

The Administrator and each owning agency is hereby authorized, empowered, and directed to transfer without reimbursement, deposit, or transfer of funds, any surplus material or equipment which may be requisitioned by the Secretary of Agriculture as being needed and useful in carrying out erosion control or soil or water conservation works or related public purposes. Such requisitions shall be accomplished with a certificate from the Secretary of Agriculture that such material or equipment is needed and will be used for the promotion of soil, water, or other conservation programs authorized by either Federal or State laws. Such material and equipment shall remain the property of the United States but may be loaned, with or without compensation, to soil conservation, water conservation, flood control, drainage, irrigation or grazing districts or authorities and to other public bodies in accordance with such standards, conditions, rules and regulations, as may be recommended by the Soil Conservation Service and as may be established by the Secretary of Agriculture.

Mr. Chairman, in all good faith I have attempted to write an amendment here that will keep title in the hands of the Government, that will not break down the policies that this committee has enunciated of refusing to give anything to anyone. I have attempted to write an amendment which will make usable property that the United States now has and which can have no other use unless you pass legislation of this kind. Merely tying it up will not get the job done. Merely saying that the districts must pay for it when the districts do not have the money will not get the job done. You will simply have a loss of money to the taxpayers, a loss in future productivity of the land of this Nation, a loss all the way around, a loss for which this Congress will be responsible if we do not take action to prevent it. We have the opportunity here to prevent that.

The Secretary of Agriculture said when he appeared before the committee:

I believe that any legislation dealing with surplus war property should provide definitely and specifically for meeting the needs of these programs while this surplus is still in Government ownership.

I want to keep this machinery and equipment in Government ownership, but to use it for a conservation program to which this Congress has long ago committed the Nation. I hope that tomorrow you will see fit to give us an opportunity to put this property to a useful use.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANASCO. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MAHON].

MACHINERY AND EQUIPMENT FOR SOIL CONSERVATION DISTRICTS

Mr. MAHON. Mr. Chairman, I feel a great personal interest and some responsibility in connection with the amendment which is to be offered and which has just been discussed by the gentleman from Texas [Mr. POAGE]. In conference with people interested in soil conservation in my district in west Texas, I assured them that the Congress in its wisdom would probably pass legislation enabling these soil conservation districts to acquire or to secure from the Government these properties which the gentleman from Texas [Mr. POAGE] has described, in order to promote the program of soil conservation. That has not been taken care of in the bill as now written by the committee and I very strongly feel that the amendment proposed by the gentleman from Texas should be adopted.

The amendment as previously read is as follows:

The Administrator and each owning agency is hereby authorized, empowered, and directed to transfer without reimbursement, deposit, or transfer of funds, any surplus material or equipment which may be requisitioned by the Secretary of Agriculture as being needed and useful in carrying out erosion control or soil or water conservation works or related public purposes. Such requisitions shall be accompanied with a certificate from the Secretary of Agriculture that such material or equipment is needed and will be used for the promotion of soil, water, or other conservation programs authorized by either Federal or State laws. Such material and equipment shall remain the property of the United States but may be loaned, with or without compensation, to soil conservation, water conservation, flood control, drainage, irrigation or grazing districts or authorities and to other public bodies in accordance with such standards, conditions, rules, and regulations, as may be recommended by the Soil Conservation Service and as may be established by the Secretary of Agriculture.

I grant fully that everything should be done within our power to protect the taxpayers. They have spent their money to buy these expensive articles of war and if it were possible to realize by sale the real value of the property we would be confronted with a different situation. The reason this bill having to do with surplus property is such a difficult bill is on account of the fact we have too

much of this material; therefore, there is not a ready market for it and it will not be possible for the Government or for the Administrator, be he Mr. Clayton or someone else, to go out and find a ready market and sell at a good price the various surplus properties of the Government. It is because of that fact that we must be careful to prevent graft and profiteering; it is for that reason we must be careful not to disrupt the normal economic balance in this country by dumping surplus property on the market in an ill-advised way. We must keep in mind the greatest good to the greatest number, and profiteering and graft must at all cost be prevented. So it seems to me if we can devote this machinery and equipment to public use through soil-conservation districts, thereby serving all of the people, serving the Nation and the generations to come, we are performing a great service. If we provide this property it will be in the interest of economy. To sell machinery needed by soil-conservation districts to speculators, and for a fraction of its value, would be very bad indeed. It must not be done when this better and public use can be made of it.

I sincerely hope when the amendment is offered it will be possible for us to secure adoption of it in the interest of conservation of our soil.

SURPLUS EQUIPMENT FOR SCHOOLS AND COLLEGES

Mr. Chairman, for a moment, if I may, I should like to speak with reference to the conservation of another thing—and that is the youth of the country. The schools and colleges should share in the distribution of this surplus property.

There are a lot of machine tools. We have too many machine tools and will have at the end of the war.

There are public schools and engineering colleges all over the Nation, including Texas Technological College, in my own district, that need these various machine tools and other equipment for training purposes. This equipment will not go into competition, and it would serve, if it can be utilized by these institutions, a very good purpose in the program of education. I can see no good reason why we should not immediately after this war, or whenever this property becomes surplus, make it available under an amendment similar to the one which has been discussed by the gentleman from Georgia [Mr. TARVER] to the schools of the Nation and for the common good.

The Congress will not be going very far afield if it devotes some of its energy in connection with this surplus property disposal to the conservation of our soil and to the education of the youth of the land. All taxpayers will profit by that procedure, and I hazard the prediction that the people of this country will not be adverse to cooperating with the program and using their property for the purposes of conservation of soil and promotion of education. We will get our money's worth out of surplus property devoted to these purposes.

Mr. MANASCO. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, an amendment will be proposed to the pending bill, and I am very hopeful it will be offered by the committee, adding the following section:

Page 31, line 15, after "(a)", insert "(1)" and after line 22 insert:

"(2) Surplus farm commodities shall not be sold in the United States under this act in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodity by the Commodity Credit Corporation, unless such commodity is being disposed of, pursuant to this act, for export at competitive world market prices."

The purpose of this amendment is to apply to the sale of farm commodities under this bill—except sales for export—all of the restrictions which Congress has imposed on the sale of farm commodities by Commodity Credit Corporation. These restrictions include the provisions of section 381 (c) of the Agricultural Adjustment Act of 1938 and certain provisions of the Agriculture Appropriation Act, 1945.

The Agricultural Adjustment Act of 1938 permits Government-held cotton to be sold only at a price sufficient to fully reimburse the United States for the total cost of the cotton, including all payments made with respect to the cotton by any of its agencies, and, in addition, limits the sale of such cotton to one and one-half million bales in any calendar year and 300,000 bales in any calendar month. The Agriculture Appropriation Act for 1945 includes a proviso which, with certain exceptions, prohibits the sale by Commodity Credit Corporation at less than the parity or comparable price. The obvious purpose of these restrictions is to support farm prices by withholding Government stocks of farm commodities from the market. These restrictions apply to all commodities which may be offered for sale by Commodity Credit Corporation, including cotton, wheat, corn, tobacco, rice, peanuts, soybeans, barley, dry edible beans, flaxseed, grain sorghums, turpentine, rosin, field peas, potatoes, rye, oats, sugar beets, sugarcane, wool, legume and grass seeds, eggs, milk products, poultry, prunes, raisins, various fruits, and many other commodities.

The Congress has determined that the above restrictions are essential in order to carry out the domestic price policies which have been established for the farmers of this country and we should not permit surplus commodities handled under the Surplus Property Act to be sold at prices or in quantities which would be contrary to these restrictions.

The need for certain exceptions has been recognized, however. At the present time the law permits the disposal of any commodity below parity or comparable price if it has substantially deteriorated in quality. Also perishable fruits and vegetables may be sold below parity if there is danger of deterioration or of accumulation of stocks. The law further permits wheat and other commodities except corn to be sold for feed at less than their parity prices but prohibits the sale of wheat for feed at less than the parity price for corn. In addition, agricultural commodities may be sold below parity when they are sold to farmers for seed or are sold for new or byproduct uses or, in the case of peanuts, for the extraction of oil.

It should be noted, however, that these exceptions do not include sales for export. As we look forward to the postwar period an exception for this purpose becomes increasingly important and it is one purpose of the proposed amendment to provide such exception.

Sales of commodities for export which are made in such manner as to not interfere with domestic price policies should obviously be permitted with respect to surplus commodities and commodities held by Commodity Credit Corporation, in order that there may be no serious impairment of our export markets for our farm crops.

A study of cotton production, consumption, and exports in the United States and foreign countries for the past 20 years reveals the following outstanding facts. Cotton production in the United States during this 20-year period has averaged 13,141,000 bales. The production during the last 10 years has averaged 11,783,000 bales and the last 10 years excluding the big crop of 1937–38 has averaged 11,062,000 bales. Prior to the big crop of 1937–38, the carry-over averaged 4,738,000 bales but increased about 7,000,000 bales as a result of the 1937–38 crop, and in 1939–40 reached a high point of 12,956,000 bales. We have been able to reduce this carry-over to about 10,500,000 bales, but this is still a very large carry-over.

Foreign cotton production has increased from approximately 10,000,000 bales in 1924–25 to a high point of 18,333,000 bales in 1937–38, and, for the past season, from the best information obtainable, foreign production was 14,750,000 bales. The foreign carry-over of cotton was less than 4,000,000 in 1924–25, but has increased rapidly since 1940 to 12,246,000 bales the past season or almost 2,000,000 bales larger than the United States carry-over of cotton.

The United States cotton farmer's volume of business depends upon two things, consumption of his cotton in the United States plus exports. During the 20-year period from 1920 through 1939 we exported 53 percent of the United States production. Export figures of United States cotton are not available for the past 3 years on account of the war, but totaled about 4,200,000 bales for the 3-year period, or an average of about 1,400,000 bales per year. For the 20-year period prior to the war, exports of American cotton averaged about 7,000,000 bales. During the 10-year period prior to the war our exports averaged 5,700,000 bales, and in the 5-year period prior to the war they averaged 4,300,000 bales. We must maintain a fair amount of United States cotton moving into the export market if we are to reduce our carry-over and maintain a sufficient volume of business for our cotton producers.

Some competing cottons sell cheaper in the export market than American cotton. Brazilian type 5 São Paulo, which is roughly equivalent to our Middling ⅞-inch cotton averaged 13.15 cents per pound last year and is now

selling around 14 cents per pound. This is 7 to 8 cents per pound cheaper than our cotton of similar quality. Peruvian Tanguis 5 averaged about 16½ cents per pound last year, or some 12 cents per pound cheaper than our cotton of similar quality. Egyptian cotton of approximately the same length is now selling about 16 cents per pound cheaper in Egypt than SXP cotton is selling in the United States. Indian Jarilla cotton, equivalent to much of our Texas-Oklahoma cotton, is now selling from 16 to 18 cents per pound in India. It seems necessary that some agency of the Government must be authorized to assist the movement of United States cotton into export channels until world adjustments can be made. The Commodity Credit Corporation now owns about 2,000,000 bales of cotton which is suitable for many of the export markets. This organization can assist the movement of United States cotton into the export markets to maintain the American cotton position during the coming adjustment period. The restriction on the sale of cotton should be removed with reference to cotton sold in the export market.

Wheat is another of our great export commodities. This year we are harvesting 1,131,000,000 bushels of wheat in this country, by far the largest crop ever produced. At the present time large quantities of wheat are being used as feed and for the production of alcohol, but after the war we must again look to the export market as a substantial outlet for our wheat supplies. During the 20 years from 1920 through 1939 production of wheat in the United States averaged 784,000,000 bushels per year and exports averaged 141,000,000 bushels per year, or 18 percent of production during that period.

The wheat farmers of the Pacific Northwest have in the past been particularly dependent upon an export market for their wheat and substantial quantities of our hard winter wheat produced in the Great Plains States, particularly in Kansas, Oklahoma, and Texas, have found a market in foreign countries. The farmers of these areas should not be denied the opportunity to sell their wheat into their normal export markets. If the wheat is to be sold we must be in a position to establish prices on this wheat which will be in line with the price at which wheat is being exported from Canada, Argentina, Australia, and other wheat-exporting nations of the world. At the present time, the farmers of Canada and Australia are receiving average prices of approximately $1 per bushel and in Argentina about 85 cents per bushel as compared with an average price of about $1.35 per bushel to farmers in this country.

Tobacco is a third commodity which may be adversely affected in the post-war period unless provision is made for selling farm commodities in export channels at competitive world prices. This is particularly true of flue-cured tobacco which is produced primarily in the Carolinas, Virginia, Georgia, and Florida. Before the war approximately one-half of the flue-cured crop was being exported. There have also been substantial exports of several other types of tobacco.

Other commodities with respect to which export markets are particularly important include apples, oranges, prunes, raisins, and other fruits; canned vegetables; rice; condensed and evaporated milk and a number of other dairy products; lard and other livestock products; and naval stores.

Price-supporting activities are being carried out with respect to practically all of these commodities and the Government is committed to the continuation of these price-supporting activities for at least 2 years after the war. These price-supporting activities cannot be carried out successfully unless proper restrictions are applied to sales in normal domestic markets. In export, however, consumption may be greatly curtailed if prices get out of line. Therefore, if adequate outlets are to be provided in export we must be prepared to adjust prices and the administrative agencies must be free to meet the changing situations with which we will be faced in world markets in the post-war period.

Exports of specified commodities produced in the United States during designated marketing years, 1935–39

Commodity	Unit	Beginning of marketing year	Marketing year beginning in—				
			1935	1936	1937	1938	1939
Wheat (including flour)	1,000 bushels	July 1	15,929	21,584	107,194	115,784	54,274
Rice	1,000 bushels	do	3,043	1,866	11,165	12,361	10,970
Cotton	1,000 bales	Aug. 1	6,267	5,689	5,976	3,512	6,501
Tobacco	1,000 pounds	July 1	432,668	416,884	459,564	473,757	342,153
Apples (fresh, dried, and canned)	1,000 bushels (in terms of fresh)	do	18,171	10,601	15,517	17,808	6,244
Apricots	Ton	do	83,729	87,004	98,980	94,099	59,258
Oranges	1,000 boxes	Nov. 1	4,209	2,488	7,597	6,471	3,828
Grapefruit	1,000 boxes	Sept. 1	928	704	1,004	1,235	811
Grapes	Tons	July 1	18,676	23,058	35,014	30,929	29,980
Raisins (dried)	Tons	Sept. 1	60,891	59,121	76,674	84,209	62,079
Prunes	Tons (fresh basis)	July 1	275,856	211,102	275,189	280,444	162,997
Lard	1,000 pounds	Jan. 1	97,359	112,168	136,778	204,603	277,272
Manufactured dairy products [1]	1,000,000 pounds (milk equivalent)	do	131	106	122	160	191
All agricultural products	$1,000,000	July 1	766	732	891	683	738
Percentage agricultural exports of all exports	Percent	do	32.3	26.2	26.5	23.7	19.7

[1] Includes butter, cheese, condensed and evaporated milks, dry milk, infants' foods, and malted milk.

Source: Agricultural Statistics, U. S. Department of Agriculture.

Production and exports of cotton, wheat, and tobacco produced in United States by years, 1920–44

Year	Wheat			Cotton			Tobacco		
	Production	Domestic exports [1]	Percent domestic exports of production	Production	Domestic exports [2]	Percent domestic exports of production	Production	Domestic exports [3]	Percent domestic exports of production
	1,000 bushels	*1,000 bushels*		*1,000 bales*	*1,000 bales*		*1,000 pounds*	*1,000 pounds*	
1920	843,277	369,313	43.8	13,429	5,973	44.5	1,509,212	506,526	33.6
1921	818,964	282,566	34.5	7,945	6,348	79.9	1,004,928	463,389	46.1
1922	846,649	224,900	26.5	9,755	5,007	51.3	1,254,304	454,364	36.2
1923	759,482	159,880	21.0	10,140	5,815	57.3	1,517,583	597,630	39.4
1924	841,617	260,803	31.0	13,630	8,240	60.5	1,244,928	430,702	34.6
1925	668,700	108,035	16.2	16,105	8,267	51.3	1,376,006	537,240	39.0
1926	832,213	219,160	26.3	17,978	11,290	62.8	1,289,272	516,402	40.1
1927	875,059	206,259	23.6	12,956	7,857	60.6	1,211,311	489,996	40.5
1928	914,373	163,687	17.9	14,477	8,419	58.2	1,373,214	565,925	41.2
1929	823,217	153,245	18.6	14,825	7,035	47.5	1,532,676	600,181	39.1
1930	886,470	131,475	14.8	13,932	7,133	51.2	1,648,037	891,035	35.8
1931	941,674	135,797	14.4	17,097	9,193	53.8	1,565,088	432,361	27.6
1932	756,927	41,211	5.4	13,003	8,895	68.4	1,018,011	399,967	39.3
1933	551,683	37,002	6.7	13,047	7,964	61.0	1,371,965	472,630	34.4
1934	626,052	21,532	4.1	9,636	5,037	52.3	1,084,589	374,658	35.5
1935	628,227	15,929	2.5	10,638	6,267	58.9	1,302,041	432,668	33.2

[1] Foreign trade, including flour, year beginning July. [2] Foreign trade, year beginning August. [3] Foreign trade, year beginning July.

Production and exports of cotton, wheat, and tobacco produced in United States, by years, 1920–44—Continued

Year	Wheat			Cotton			Tobacco		
	Production	Domestic exports	Percent domestic exports of production	Production	Domestic exports	Percent domestic exports of production	Production	Domestic exports	Percent domestic exports of production
	1,000 bushels	*1,000 bushels*		*1,000 bales*	*1,000 bales*		*1,000 pounds*	*1,000 pounds*	
1938	629,880	21,584	3.4	12,399	5,689	45.9	1,162,838	416,884	35.8
1937	873,914	107,194	12.3	18,946	5,976	31.5	1,562,023	459,564	29.3
1936	919,913	115,784	12.6	11,943	3,512	29.4	1,385,573	473,757	34.2
1935	741,180	54,274	7.3	11,817	6,501	55.0	1,880,793	342,153	18.2
1934	813,305	40,557	5.0	12,566	1,174	9.3	1,462,060	179,626	12.3
1941	943,127	(4)		10,744	(4)		1,262,049	(4)	
1942	981,327	(4)		12,824	(4)		1,412,457	(4)	
1943	836,298	(4)		11,427	(4)		1,399,935	(4)	
1944	[5] 1,132,105			[5] 11,022			[5] 1,616,498		
Average 1920–39	783,974	141,482	18.0	13,185	7,021	53.3	1,365,070	477,902	35.0

[4] Data not published because of war restrictions. [5] Indicated production as of Aug. 1, 1944.

War Food Administration, Commodity Credit Corporation, statement of loans and commodities owned June 30, 1944

	Total loans made [1]		Commodity loans outstanding [2]			
	Quantity pledged	Face amount [3]	Held by Commodity Credit Corporation	Held by banks	Total	Collateral pledged
Agricultural supplies program:	*Bushels*					*Bushels*
1942 soybeans	3,641,336	$5,525,700.85	$11,165.00	$7,496.08	$18,661.08	11,820
1943 soybeans	258,242	474,423.08	146,302.11	30,848.97	177,151.08	92,149
Other loans		4,161,111.01	1,840,767.98		1,840,767.98	
Total			1,998,175.09	38,345.05	2,036,520.14	
Barley loans:						
1942 barley	15,175,110	8,139,870.70	37,369.53		37,369.53	71,165
1943 barley	739,147	557,290.55	35,719.10	44,431.40	80,150.50	109,231
Other loans [4]			4,679.32		4,679.32	10,717
Total			77,767.95	44,431.40	122,199.35	191,113
Bean loans: 1943 beans	*Hundredweight* 455,212	2,544,138.65	1,063.90	1,324.12	2,388.02	*Hundredweight* 476
Corn loans:	*Bushels*					*Bushels*
1943 corn	7,723,036	6,502,250.41	85,526.07	4,994,173.91	5,079,699.98	6,044,904
Other loans [4]			54,878.65	113,026.55	167,905.20	218,392
Total			140,404.72	5,107,200.46	5,247,605.18	6,263,296
Cotton loans:	*Bales*					*Bales*
1942 cotton	3,144,320	264,852,879.32	135,771,598.43	[6] 7,507,653.01	143,279,291.44	1,633,316
1943 cotton	3,584,895	342,305,755.90	201,097,738.23	[6] 54,323,111.89	255,420,850.12	2,552,792
Other loans [4]			578,963.98		[6] 578,963.98	
Total			337,448,300.64	61,830,894.90	399,279,105.54	4,186,108
Flaxseed loans:	*Bushels*					*Bushels*
1943 flaxseed	600,005	1,593,948.20	38,865.14	832,103.83	870,968.97	318,189
Other loans [4]			6,257.48		6,257.48	2,870
Total			45,122.62	832,103.83	877,226.45	321,059
Grain sorghums loans:						
1943 grain sorghums	46,210	38,772.50	1,556.02	6,123.52	7,679.54	10,338
Other loans [4]						
Total			1,556.02	6,123.52	7,679.54	10,338
Naval stores:	*Barrels*					*Barrels*
1942 turpentine	152,480	4,177,341.08	255.55		255.55	10
1938 rosin	937,300	9,860,906.54	257,110.45		257,110.45	23,424
1942 rosin	345,577	5,433,316.15	832.01		832.01	54
Total			258,198.01		258,198.01	23,488
Pea loans: 1943 peas	*Hundredweight* 41,918	177,935.19	45,602.11		45,602.11	*Hundredweight* 11,155
Potato loans: 1943 potatoes	4,245,628	6,686,946.78	3,055,104.44	733,980.53	3,789,084.97	2,314,599
Rye loans:	*Bushels*					*Bushels*
1942 rye	5,241,936	3,131,783.35	23,590.51	96.66	23,687.17	40,305
1943 rye	131,176	98,327.23	5,647.34	6,215.81	11,863.15	15,605
Other loans [4]			1,794.57		1,794.57	3,008
Total			31,032.42	6,312.47	37,344.89	58,918
Sugar loans: 1943 sugar		297,290.26	64,648.26		64,648.26	
Tobacco loans:	*Pounds*					*Pounds*
1941 dark tobacco	9,664,545	1,649,704.94	174,450.08		174,450.08	684,330
1942 dark tobacco	8,937,039	2,444,178.78		543,380.62	543,380.62	2,124,435
1943 dark tobacco	70,975	17,872.79		18,751.26	18,751.26	70,975
Total			174,450.08	562,131.88	736,581.96	2,879,740
Wheat loans:	*Bushels*					*Bushels*
1942 wheat	406,534,219	480,985,543.77	2,496,952.79	1,219,930.62	3,716,883.41	2,992,367
1943 wheat	129,848,588	161,951,199.57	661,599.76	19,167,847.78	19,829,447.54	15,568,744
Other loans [4]			46,054.86		46,054.86	58,136
Total			3,204,607.41	20,387,778.40	23,592,385.81	18,619,247
Total commodity loans			346,546,033.67	89,550,536.56	436,096,570.23	

[1] Current programs only. Includes loans made direct by Commodity Credit Corporation and guaranteed loans made by private lending agencies.
[2] Storage advances are excluded.
[3] Loans held by the Corporation include face amounts of notes acquired and charges paid. Loans held by banks represent face amounts only.
[4] Represents inactive loan programs in process of final liquidation.
[5] Held by cooperative marketing associations only.
[6] In process of adjustment.

War Food Administration, Commodity Credit Corporation, statement of loans and commodities owned June 30, 1944—Continued

COMMODITIES OWNED BY COMMODITY CREDIT CORPORATION

Commodity	Quantity [1]	Book value [1]	Commodity	Quantity [1]	Book value [1]
Agricultural supplies		$134,077,191.18	Wheat	99,074,886 bushels	$165,155,051.72
Cotton	2,645,012 bales	170,425,305.25	Wool	230,666,649 pounds	118,049,929.39
Oats	1,299,037 bushels	1,489,973.49	Other commodities		48,190,259.04
Potatoes (dehydrated)	3,158,616 hundredweight	7,236,930.32			
Sugar	2,260,245 tons	136,347,811.46	Total		868,319,561.29
Tobacco	163,851,715 pounds	87,347,109.44			

[1] Includes commodities in process of sale. The value includes accrued charges.

Prices of various types of domestic and foreign cotton by years 1933 to date

[Prices in cents per pound]

Year (beginning Aug. 1	São Paulo, type 5 (São Paulo)	M* 31/32 (New Orleans)	Peruvian, Tanguis 5 (Lima)	M* 1 1/16 (New Orleans)	Ashmundi (Alexandria)	A. E. (farm price)	Oomra fine (Bombay)
1933	11.48	11.30	12.09	13.62	11.91	20.91	8.32
1934	13.84	13.01	12.79	14.96	13.54	21.80	9.85
1935	12.17	12.27	12.34	14.16	13.95	21.58	9.48
1936	12.95	13.72	14.26	16.01	15.46	27.78	10.08
1937	9.26	9.47	[1] 11.15	12.00	10.96	24.79	7.27
1938	8.42	9.17	[2] 8.52	11.62	9.92	18.68	7.57
1939	9.04	10.33	8.67	12.80	12.44	21.85	8.13
1940	6.91	11.20	7.74	15.41	[3] 11.92	30.03	6.62
					Giza [4]		
1941	8.42	18.33	10.46	24.19		31.87	6.69
							Jarilla fully good
1942	11.08	20.14	13.74	27.77	26.63	43.72	[5] 20.30
1943	[6] 13.15	20.77	[7] 16.56	28.64	28.75	[8] 46.56	18.80

[1] 5 months' average. [2] 8 months' average. [3] 11 months 19 days' average. [4] 5 months' average. [5] 7 months' average. [6] 11 months' average.
[7] 9 months' average. [8] 9 months' average.

Crop year	United States production, ginnings, running bales	Carry-over, running bales	United States consumption, running bales	Net exports	Foreign commercial production	World carry-over, foreign cotton	World consumption, foreign cotton
1924-25	13,779,000	1,439,000	5,917,000	7,999,000	10,088,000	3,903,000	9,423,000
1925-26	16,008,000	1,504,000	6,176,000	8,045,000	10,562,000	4,568,000	10,158,000
1926-27	17,870,000	3,414,000	6,880,000	10,917,000	9,768,000	4,972,000	9,931,000
1927-28	12,710,000	3,663,000	6,535,000	7,529,000	10,586,000	4,809,000	9,866,000
1928-29	14,295,000	2,426,000	6,778,000	8,038,000	11,247,000	5,329,000	10,552,000
1929-30	14,539,000	2,130,000	5,803,000	6,675,000	11,535,000	6,024,000	11,854,000
1930-31	13,685,000	4,322,000	5,084,000	6,757,000	11,503,000	5,705,000	11,376,000
1931-32	16,693,000	6,263,000	4,744,000	8,707,000	9,602,000	5,832,000	10,361,000
1932-33	12,810,000	9,581,000	6,004,000	8,418,000	10,500,000	5,073,000	10,266,000
1933-34	12,593,000	8,081,000	5,553,000	7,531,000	13,354,000	5,307,000	11,822,000
1934-35	9,467,000	7,647,000	5,241,000	4,767,000	13,466,000	6,839,000	14,274,000
1935-36	10,367,000	7,137,000	6,220,000	5,971,000	15,646,000	6,031,000	15,026,000
1936-37	12,243,000	5,336,000	7,768,000	5,433,000	18,354,000	6,651,000	17,545,000
1937-38	18,267,000	4,387,000	5,616,000	5,595,000	18,333,000	7,460,000	16,778,000
1938-39	11,603,000	11,446,000	6,736,000	3,325,000	15,844,000	8,915,000	17,258,000
1939-40	11,376,000	12,956,000	7,655,000	6,191,000	15,908,000	7,501,000	17,610,000
1940-41	12,268,000	10,469,000	9,576,000	1,112,000	16,289,000	7,730,000	14,675,000
1941-42	10,542,000	12,026,000	10,974,000	(1)	15,573,000	9,244,000	15,362,000
1942-43	10,568,000	10,505,000	10,930,000	(1)	13,850,000	11,405,000	12,715,000
1943-44	11,128,000	10,569,000	9,828,000	(1)	14,750,000	12,246,000	

[1] Confidential.

Mr. MANASCO. Mr. Chairman, when we go back into the House I propose to ask unanimous consent to place in the RECORD some proposed committee amendments and explanations thereof.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

OBJECTIVES

SECTION 1. The Congress hereby declares that the objectives of this act are to facilitate and regulate the orderly disposal of surplus property so as—

(a) to assure the most effective use of such property for the purposes of war and national defense;

(b) to facilitate the transition of enterprises from wartime to peacetime production and of individuals from wartime to peacetime employment;

(c) to promote production, employment of labor, and utilization of the productive capacity and the natural and agricultural resources of the country;

(d) to avoid dislocations of the domestic economy and of international economic relations;

(e) to discourage monopolistic practices, preserve and strengthen the competitive position of small business;

(f) to foster the wide distribution of surplus commodities to consumers at fair prices;

(g) to effect broad and equitable distribution of surplus property; and

(h) to realize the highest obtainable return for the Government consistent with the maintenance and encouragement of a healthy competitive economy.

Mr. MANASCO. Mr. Chairman, I move the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 5125), had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend as part of the remarks I made this afternoon a list of the universities, colleges, junior colleges, and normal schools that might benefit by the suggestions made by me.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MANASCO. Mr. Speaker, I ask unanimous consent to insert in the RECORD proposed committee amendments to the bill H. R. 5125 together with an explanation in connection with each amendment.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The committee amendments referred to are as follows:

Page 32, before the period in line 6, insert ", but, except in the case of property the immediate destruction of which is necessary or desirable either because of the nature of the property or because of the expense or difficulty of its care and handling, no property shall be destroyed in the United States until 30 days after public notice of the proposed destruction thereof has been given and an attempt has been made within such 30 days to dispose of such property otherwise than by destruction."

EXPLANATION

The above amendment is designed to prevent the destruction in the United States of any Government property, with certain exceptions, until public notice thereof has been given and an attempt made to dispose of it in some other manner. This provision by its terms does not apply to property, such as garbage, which because of its nature requires immediate disposal, or to property the expense or difficulty of the care and handling of which is such that its destruction is necessary or desirable

AGRICULTURAL LANDS

Page 34, after line 3, insert a new subsection to read as follows:

"(g) To dispose of land in the United States, acquired by the United States after June 30, 1940, which the Administrator deems suitable for agricultural use:

"(1) by affording to the person or persons from whom such land was acquired by the United States a reasonable opportunity to reacquire such land for his own use at a price not greater than that for which it was so acquired by the United States, such acquisition price being properly adjusted to reflect any increase or decrease in the value of such land resulting from action by the United States; and

"(2) if not disposed of as provided in paragraph (1), and if the Administrator deems that the land should be disposed of for agricultural uses, in parcels not larger than suitable for the needs of one family unit; not more than one parcel to a family unit, and only for use as agricultural land and home by such family unit."

Change the paragraph letters in the remainder of the section, and on page 39, strike out lines 1 to 12, both inclusive.

EXPLANATION

The above amendments, which should be considered together, are designed as a substitute for the matter appearing on page 39, lines 1 to 12, in order to make administratively workable the policy—

(1) of giving former owners of surplus agricultural lands an opportunity to reacquire their land at the same price for which it was acquired by the United States, such acquisition price being properly adjusted to reflect any increase or decrease in value as a result of action by the United States, and

(2) of disposing of agricultural land to other persons in family-size parcels.

The amendment accomplishes this objective by directing the administrator to be guided by this policy of Congress, to the extent that it is feasible and in the public interest for him to do so, in the formulation of his regulations governing disposition, rather than by attempting to specify in the statute that it shall be an inflexible rule governing all cases and that it shall be done in a specified manner.

Page 35, line 10, strike out "synthetic rubber, or aluminum" and insert "synthetic rubber or aluminum, or for the transportation of petroleum by pipe line."

EXPLANATION

The above amendment is designed to place the disposition of petroleum pipe lines owned by the United States in the same category as the disposition of aluminum plants and synthetic rubber plants so owned.

Page 37, line 5, strike out "regulations with respect" and strike out lines 6 and 7.

EXPLANATION

The above amendment is an administrative amendment to make certain that the various Government agencies performing functions under the bill will have to act by regulations only in cases where regulations are appropriate. Thus, instructions to field personnel and other similar matters of internal organization and administration will not have to be dealt with by regulations and published in the Federal Register.

Page 38, after the period in line 3, insert "In the case of real property, the form of the deed or other instrument of transfer shall be approved by the Attorney General."

EXPLANATION

This amendment is designed to continue the policy in effect for many years of having the form of conveyance of surplus real property subject to approval by the Attorney General. The lands division of the Department of Justice is familiar with the requirements of the various State laws relating to conveyancing of real estate.

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Louisiana [Mr. MORRISON] be permitted to extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. WHITTINGTON. Mr. Speaker, in the revision of my remarks made today, I ask unanimous consent to include a table showing the various categories of surplus properties, and also to include an analysis of the bill as reported by the committee.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. PACE. Mr. Speaker, I ask unanimous consent to include in the remarks I made today certain tables showing the production and export of certain agricultural commodities owned and loans made by the Commodity Credit Corporation.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to include in the remarks I made today two reports made by the Committee on Small Business concerning surplus property.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POULSON. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today, and to include immediately following my remarks in the Committee the proposed amendment which I intend to offer tomorrow; likewise a statement of how England is handling her surplus war material.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BRADLEY of Michigan (at the request of Mr. MICHENER), indefinitely, on account of illness.

To Mr. BURGIN (at the request of Mr. FOLGER), indefinitely, on account of illness.

ADJOURNMENT

Mr. MANASCO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 25 minutes p. m.) the House adjourned until tomorrow, Thursday, August 17, 1944, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PITTENGER: Committee on Claims. S. 1471. An act for the relief of Mrs. Eugene W. Randall; with amendment (Rept. No. 1761). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. S. 1501. An act for the relief of the Rau Motor Sales Co.; without amendment (Rept. No. 1762). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. S. 1572. An act for the relief of Frank Robertson, without amendment (Rept. No. 1763). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 529. A bill for the relief of John W. Farrell; with amendment (Rept. No. 1764). Referred to the Committtee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 1218. A bill for the relief of F. L. Riddle; with amendment (Rept. No. 1765). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. H. R. 1556. A bill for the relief of Archie Barwick; with amendment (Rept. No. 1766). Referred to tthe Committee of the Whole House.

Mr. PATTON: Committee on Claims. H. R. 3191. A bill for the relief of Lillian Hill, Savilla Eley, and Edna Booth; with amendment (Rept. No. 1767). Referred to the Committee of the Whole House.

Mr. GOODWIN: Committee on Claims. H. R. 3218. A bill for the relief of Enid M. Albertson; with amendment (Rept. No. 1768). Referred to the Committee of the Whole House.

Mr. CARSON of Ohio: Committee on Claims. H. R. 3302. A bill for the relief of Eleanor Parkinson; with amendment (Rept. No. 1769. Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 3614. A bill for the relief of the Queen City Brewing Co.; without amendment (Rept. No. 1770). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 3630. A bill for the relief of Peter Paul Bacic, Charles C. Cox, H. Forest Haugh, and Luther M. Durst; with amendment (Rept. No. 1771). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 3709. A bill for the relief of Harley E. Carter; with amendment (Rept. No. 1772). Referred to the Committee of the Whole House.

Mr. GOODWIN: Committee on Claims. H. R. 4345. A bill for the relief of Luther

Marcus Smith; with amendment (Rept. No. 1773). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4498. A bill to provide for the carrying out of the award of the National War Labor Board of April 11, 1919, and the decision of the Secretary of War of date November 30, 1920, in favor of certain employees of the Minneapolis Steel & Machinery Co., Minneapolis, Minn.; of the St. Paul Foundry Co., St. Paul, Minn.; of the American Hoist & Derrick Co., St. Paul, Minn., and of the Twin City Forge & Foundry Co., Stillwater, Minn.; without amendment (Rept. No. 1774). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CASE:

H. R. 5192. A bill to provide an optional plan of repayment on irrigation projects based on 10 percent of crop yields; to the Committee on Irrigation and Reclamation.

By Mr. LANE:

H. R. 5193. A bill to encourage beneficiaries of old-age and survivors' insurance under the Social Security Act to be gainfully employed; to the Committee on Ways and Means.

By Mr. McGEHEE:

H. R. 5194. A bill to provide for the settlement of claims for damages for personal injury or death or for damage to or loss or destruction of property caused by service personnel or civilian employees or otherwise incident to noncombat activities of the Naval Establishment; to the Committee on Claims.

By Mr. RANKIN:

H. R. 5195 (by request). A bill to liberalize certain provisions of the National Service Life Insurance Act of 1940, as amended; to the Committee on World War Veterans' Legislation.

By Mr. LEA:

H. R. 5196. A bill to amend section 22 of the Interstate Commerce Act by authorizing common carriers to grant reduced fares to personnel of the armed services; to the Committee on Interstate and Foreign Commerce.

By Mr. RANDOLPH:

H. R. 5197. A bill to authorize payments in lieu of taxes to local governmental units in which manufacturing plants owned by the United States are located; to the Committee on the Public Lands.

By Mr. CANNON of Florida:

H. R. 5198. A bill relating to social security taxes of the employer in the case of employment of an employee by two or more employers; to the Committee on Ways and Means.

By Mr. RANKIN:

H. Con. Res. 94. Concurrent resolution authorizing the printing of additional copies of Public Law No. 346, current session, entitled "Servicemen's Readjustment Act of 1944"; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of New Mexico:

H. R. 5199. A bill to provide for the conveyance of a certain tract of land in New Mexico to Henry Lopez; to the Committee on the Public Lands.

By Mr. McGEHEE:

H. R. 5200. A bill for the relief of G. F. Allen, Chief Disbursing Officer, Treasury Department, and for other purposes; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5992. By Mr. GRAHAM: Petition of 39 employees of the post office at Beaver Falls, Beaver County, Pa., favoring the passage of House bill 4715, increasing the compensation of employees in the Postal Service; to the Committee on the Post Office and Post Roads.

5993. By Mr. HOPE: Petition of sundry residents of Haviland, Kans., urging the passage of House bill 2082, prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Commitee on the Judiciary.

5994. By Mr. LEFEVRE: Petition signed by Mrs. F. G. Carpenter, Three Pines, Wallkill, N. Y., and 16 other residents of that vicinity, urging the passage of House bill 2082, to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war, by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States; to the Committee on the Judiciary.

5995. By the SPEAKER: Petition of the Pontier Democratic Association, Inc., Jamaica, N. Y., petitioning consideration of their resolution with reference to the farm labor shortage; to the Committee on Military Affairs.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 17, 1944

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, our Father, of all friends the nearest, of all teachers the wisest, of all helpers the most willing and able, Thou hast watched over us during the night and brought us to a new day, ladened not only with joys that cheer us and trials which teach us to put our trust in Thee but above all with so many opportunities to make life less difficult for struggling humanity and securing for it the blessings of peace and happiness.

May we now approach Thy throne of grace and mercy with great expectancy, for none have ever been repelled or sent away empty. Fill us with the humble spirit and the contrite heart, for we are coming unto Thee with those things that we cannot leave behind: our faults and failures, our fears and anxieties, our problems and perplexities, and our many sins and transgressions which Thou art ready to forgive and remember no more against us.

Grant that during these days of crisis and destiny we may have the vision to see that all our plans and purposes, all our decisions and actions must be implemented with those great spiritual dynamics which Thou hast ordained and placed at our disposal if we are to be worthy followers of those God-fearing men whom Thou didst lead in the long ago in the building of a nation conceived in sacrifice and dedicated to Thy service.

To Thy name we shall ascribe all the praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

THE LATE RICHARD P. FREEMAN

Mr. McWILLIAMS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. McWILLIAMS. Mr. Speaker, it is my sad duty to inform the Members of the House that the Honorable Richard P. Freeman, who represented the Second Congressional District of Connecticut from 1914 to 1932, passed to his reward in July of this year. Many of you here who served with the distinguished gentleman and were his friends will, I know, regret to learn of his passing.

To those of us who knew him and shared his friendship, his death carries with it the deepest sense of personal loss. His personality and his sincerity endeared him to all who knew him.

Mr. Freeman was widely known and esteemed in Connecticut. His long term of office in Congress was an eloquent testimonial to the high quality of his services as a legislator. He was ever a friend of the needy, and many a veteran of the Spanish-American and First World Wars had him to thank for his assiduous attention to their needs. He had qualities of mind and heart which made him especially valuable to his constituency and to the Congress.

Our deepest sympathy is extended to the family of the late Congressman Freeman.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, we Members on this side of the House who served during the twenties join the gentleman from Connecticut [Mr. McWILLIAMS] in his splendid tribute to our former colleague, Mr. Freeman.

He was one of the first men I met when I came to Congress in 1921. During that session and the succeeding sessions of Congress, we experienced some of the most terrific parliamentary battles that ever took place in this body. Parliamentarily speaking, in those days there were giants upon the earth. Probably no legislative body ever had a greater parliamentarian than Jim Mann, of Illinois. We never had a greater one on our side, certainly in my day, than Finis Garrett, of Tennessee. There were numerous others who were able, not only in parliamentary tactics but in debate as well.

I remember very distinctly that one man who always challenged the admiration and the respect of the Members on our side of the House was the distinguished gentleman from Connecticut, Mr. Freeman.

It is unfortunate that men who serve here with such distinction are given so little notice when their time comes to "shuffle off this mortal coil." I just wanted to go on record as paying my humble tribute to the memory of a most

worthy American, and to say at this point that the Members on the Democratic side who served with Mr. Freeman regarded him as a patriot without reservation, a gentleman without pretense, and a man without guile.

We all join the gentleman from Connecticut [Mr. McWILLIAMS] in expressing our profound regret at the news of his passing away.

EXTENSION OF REMARKS

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address by Col. Herman Beukema, professor of economics, government, and history, of the United States Military Academy at West Point, upon the occasion of the one hundred and twenty-fifth anniversary of the founding of Norwich University on August 6. I have not been able to contact the Public Printer to see whether or not this address will exceed the amount of space allowed under the rule, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. DILWEG. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein two statements by the National Council of Farm Cooperatives.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a very interesting article entitled "Must Extend Old-Age Pay," which appeared in the Boston Sunday Post of August 13.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. NEWSOME. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article from the Atlantic Monthly in support of House Concurrent Resolution 68.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a sermon.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. GROSS addressed the House. His remarks appear in the Appendix.]

FARM-TO-MARKET ROADS

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

[Mr. STEFAN addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article appearing in the Rochester (N. Y.) Democrat and Chronicle.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RAMEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

(Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD.)

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made yesterday in the Committee of the Whole and to include an editorial from the Hartford Courant.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. RAMSPECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 110]

Anderson, Calif.	Engel, Mich.	Howell
Bates, Ky.	Fay	Hull
Beckworth	Fellows	Johnson, Ind.
Bell	Fernandez	Johnson, J. Leroy
Bloom	Fitzpatrick	Johnson, Lyndon B.
Bolton	Ford	Johnson, Ward
Boren	Fuller	Kefauver
Bradley, Mich.	Fulmer	Kennedy
Buckley	Furlong	Kerr
Bulwinkle	Gallagher	King
Burgin	Gearhart	Klein
Capozzoli	Gibson	Knutson
Carrier	Gilchrist	Landis
Chapman	Gorski	McCord
Clark	Grant, Ala.	McCormack
Clason	Grant, Ind.	McLean
Coffee	Green	Maas
Cole, N. Y.	Griffiths	Magnuson
Costello	Gross	Mansfield, Mont.
Courtney	Hagen	Mansfield, Tex.
Curley	Hall, Edwin Arthur	Merritt
Davis	Harless, Ariz.	Monroney
Dawson	Hart	Morrison, La.
Dies	Hébert	Mruk
Dirksen	Heidinger	Norton
Douglas	Hess	O'Connor
Durham	Hinshaw	O'Hara
Dworshak	Hoch	O'Konski
Elliott	Hoffman	O'Neal
Elmer	Holmes, Wash.	Patton
Elston, Ohio	Sadowski	Peterson, Fla.
	Sauthoff	Peterson, Ga.
	Scanlon	Phillips
	Scrivner	Pittenger
	Sheppard	Price
	Sheridan	Richards
	Sikes	Robinson, Utah
	Smith, Va.	Robsion, Ky.
	Smith, W. Va.	Rockwell
	Smith, Wis.	Russell
	Sparkman	Stevenson
	Stanley	Stockman
		Sullivan
		Talle
		Taylor
		Treadway
		Vincent, Ky.
		Vinson, Ga.
		Welch
		Wilson

The SPEAKER. On this roll call 308 Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

Mr. MANASCO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5125, with Mr. THOMASON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the House adjourned yesterday the Clerk had completed the reading of section 1 of the bill, page 24. The Clerk will now begin reading the bill on page 24, section 2.

The Clerk read as follows:

DEFINITIONS

SEC. 2. As used in this act—

(a) The term "Government agency" means an executive department or independent agency in the executive branch of the Federal Government, and any corporation wholly owned (either directly or through one or more corporations) by the United States.

(b) The term "owning agency", in the case of any property, means the Government agency having control of such property otherwise than solely as a disposal agency.

(c) The term "disposal agency" means any Government agency designated under section 8 of this act to dispose of one or more classes of surplus property.

(d) The term "property" means any interest, owned by the United States or any Government agency, in real or personal property, of any kind, wherever located.

(e) The term "surplus property" means any property which has been determined to be surplus to the needs and responsibilities of the owning agency in accordance with section 6 of this act.

(f) The term "contractor inventory" means (1) any property related to a terminated contract of any type with a Government agency or to a subcontract thereunder; and (2) any property acquired under a cost-plus-a-fixed-fee contract and in excess of the amounts needed to complete performance thereunder; and (3) any property which the Government is obligated to take over under any type of contract as a result of any change in the specifications or plans thereunder.

(g) The term "care and handling" includes repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, storing, packing, handling, and transporting.

(h) The term "option" means any contractual right to retain or acquire any property at a price and upon terms prescribed or determined by or under the contract.

(i) The term "person" means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

(j) The term "Administrator" means the Surplus Property Administrator.

Mr. POULSON. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. POULSON: Page 25, strike out lines 20 and 21, and insert: "(j) The term 'Board' means the Surplus Property Board created by section 3."

Mr. POULSON. Mr. Chairman, the issue is merely whether or not we are to have a board or one administrator. In section 3 is where we will designate, in the event that this amendment passes, the type of board. In other words, the issue at this time is not the type of board we are going to have but strictly whether or not we are going to have an administrator or czar or we will have a board of administrators. The question resolves itself definitely upon that issue and not upon the particular type.

As I stated yesterday and as others brought out in the debate, this particular administrator is going to be as powerful and have as much power and influence as the President of the United States. In fact, when we stop to think that there will be, according to the estimates, at least $60,000,000,000 worth of property in foreign lands which will be definitely under his supervision, we find that he will have as much power and influence, in fact more than the so-called Senate Foreign Relations Committee as far as peace or anything in connection with foreign relations is concerned.

Of this $60,000,000,000 we find that $13,000,000,000 is composed of military supplies. That in itself could influence or could have a very material effect in many ways upon the settlement of the peace terms. In fact, it could help one nation to carry on a war. We have $8,000,000,000 of potential civilian goods, $26,000,000,000 of aircraft and $10,000,000,000 in maritime ships. Here at home there will be approximately $52,000,000,000 involved, of which $16,554,000,000 will include plants, machinery, and equipment to be disposed of, which can definitely affect the economy of this country. Then we can figure that there are close to twelve or fourteen billion dollars in consumer goods which will go immediately into the channels of trade and, bearing in mind that the average normal consumption retail sales is only $4,000,000,000 a month we can readily see what influence and effect that will have on our economy; yet we are putting all the powers and the policies to be in the control of one administrator.

The question of the type of board is an entirely different problem. The question we must decide in connection with this amendment at the present time is whether or not, I again state, we are going to have it within the control of one man or within the control of several members of a board.

Mr. VORYS of Ohio. Will the gentleman yield?

Mr. POULSON. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Under the board as proposed would be an administrator carrying out the executive functions of the office; is that not true?

Mr. POULSON. That could be true. There could be several types of boards. We have to decide at this time whether we are going to have one man or have an administrator with an advisory board or an administrator with others who have the power to determine what the policies shall be. The particular formation of that board will be determined in the next section. At this time we have to decide once and for all whether or not we are going to have a board. The issue we are bringing up now is whether there will be an administrator or a board.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ALLEN of Louisiana. Mr. Chairman, I ask unanimous consent that the gentleman may have 5 additional minutes in which to discuss this proposed board proposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. MICHENER. Will the gentleman yield?

Mr. POULSON. I yield to the gentleman from Michigan.

Mr. MICHENER. I appreciate that what the gentleman says is absolutely correct. "Board" does not mean anything unless we know what this board is to be composed of.

Mr. POULSON. The board which I am suggesting and offering in my amendment to the next section will be a board composed of seven members—a chairman, two members with a background and experience in business, industry, and merchandising, two with a background and experience in agriculture, and two with a background and experience in labor, realizing that this is not entirely a matter of merchandising. We must remember that it will also affect the economy of the consumer, therefore labor is vitally interested. It will also affect industry because industry is definitely interested in this matter. The manufacturers will also be affected and it will also be a matter of vital concern and interest to those in the merchandising business.

This board will consist of men with that particular background and with their viewpoints. Then, as we all know, with their experiences and with their backgrounds they will be able to approach this most vital problem with a much better viewpoint and a broader outlook than one man, especially when we take into consideration the vast amounts representing billions instead of millions.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. POULSON. I yield to the gentleman from Illinois.

Mr. MASON. In spite of the fact that that board is to be composed of different types of individuals, to determine policy, yet that board would have to have one single Administrator or an executive to carry out those policies.

Mr. POULSON. As I understand it, the Administrator establishes the policy, the rules and regulations, by which the disposal agencies will dispose of these particular goods. While he is not an administrator, as far as carrying out policies in a big department, he is an administrator who is to establish the policies and rules and regulations and would be different than in many departments that we now have.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. POULSON. I yield to the gentleman from California.

Mr. VOORHIS of California. I am very much interested in the gentleman's amendment, and I propose to support it on the ground it seems to me that the vastness of this job and the crucial importance of it to all segments of the American people is just too great to leave in the hands of one individual. Is this not correct, that the Congress is setting up policies in the act, so far as it can—at least we hope those policies will be very clear in the act—but the purpose of the board is primarily to be responsible for seeing to it that those policies that the Congress has laid down in the legislation are followed, and not to interfere with the Administrator in the actual carrying out of his duties as the Administrator, which he will be, and to exercise a general supervision in the public interest to see that the will of the Congress is carried out, and get a broader representation from the American Nation at the head of this agency.

Mr. POULSON. I think that is very well expressed.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. POULSON. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I am confused as to how to vote on this matter. I do not know who is behind this move. How much are you going to pay them? Have they not shaken the plum tree already? Are there any left?

Mr. POULSON. We are discussing what would come under section 3, but may I again state that we must decide right now on the principle of whether there is to be a board. Remember that there will be many amendments offered as to the selection, the term of office, the salaries paid, the number of members, what they should represent, and the like. But we have to decide at this very moment whether or not there will be a board or whether or not there will be just an administrator. We must not be confused, and this issue must not be decided on the basis of whether or not you like the type of board which I am suggesting, because that is entirely an issue which will be decided under the next section; that is, as to the type of board.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the committees of both Houses that considered this matter went into this question very thoroughly. So far as I know, all of the committees felt that an administrator and not a board could dispose of this property to better advantage to the

Government and at the same time protect the domestic economy.

We considered a bill just a few weeks ago to provide for the termination of contracts. The Manufacturers Association advocated an administrator. That same association sent a representative before our committee and advocated a board to handle the disposition of surplus property. I asked that gentleman why they suggested an administrator in connection with the termination of contracts, calling his attention to the fact that the administrator would be a czar; that the Congress of the United States had refused to let the Comptroller General enter the picture unless there was fraud; in other words, the decision of that Administrator in connection with the termination of contracts, a matter which is going to involve billions of dollars, is final.

You have an Administrator carrying out one of the most important laws that we have, laws that affect the veterans throughout this country. Is there a man or a woman in this House that is willing to say now that they would change that set-up for a board? You have an example in this morning's paper of what happens with a board. You have a Board of Commissioners of the District of Columbia. Read this morning's paper. They cannot agree as to whether there should be one or two bridges over the Potomac River.

This morning's paper says that they are going to dump the question into the lap of the President to decide. Just imagine taking a question of that kind to the President of the United States in a time such as this when he does not have a minute that he can call his own. You are going to find that same condition existing if you set up a board to dispose of this property. You are going to be compelled to delegate a great deal of power to this Administrator. Let one man be responsible to the Congress rather than a board. If you set up a board, it will be the same way with the advisory committee. Everybody will want to be represented on that board.

This board will consider and the Administrator will consider. I say that it is a grave mistake for this Congress to set up a board to handle the disposition of this surplus property. I hope the amendment is voted down.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Virginia.

Mr. ROBERTSON. An old Virginia farmer, successful in the handling of boys, used to tell me one boy is a boy; two boys is a half a boy; three boys is no boy at all.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am greatly confused in making decision on this question. Every argument has two sides. There is a very serious question involved here. I facetiously spoke about the plum tree probably not having been exhausted at a time before an election. If we have seven members on the board at $12,000 a year, that sort of a set-up becomes rather important. Are we satisfied with the O. P. A. method of hiring one Administrator holding office at the pleasure of the President? Somehow two or three Administrators of the O. P. A. who headed it as a one-man organization found their way out of trouble rather easily. Dissatisfaction with them proved effective. Perhaps the perishable fruit people and many others were not satisfied with their decisions and other complaints were effective. Are you hopeful that there will be seven men representing different regions of the country selected for this board? I cannot understand the overenthusiasm of some of these people who have spoken about this bill. I am trying hard to understand it. There must be a reason for it. There seems a certain expectation or hope or belief or assurance that at least certain conditions and policies now followed will be continued. Those having this overenthusiasm seem to favor no definiteness of direction be given to the Administrator. This bill is just a statement of policy. You have an advisory board of other governmental agencies. The United States Chamber of Commerce has advised you that that is not satisfactory at all; that the economic phase of the business of this Nation shall be well represented on this board. Of course, if you are to have a board, it ought to be one of that sort.

Mr. POULSON. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from California.

Mr. POULSON. Is it not true that the distinguished gentleman from Missouri [Mr. COCHRAN] was a member of the Committee on Expenditures in the Executive Departments when it voted out a surplus property disposition bill before Mr. Clayton came into the picture? At that time the committee recommended a board.

Mr. GIFFORD. I cannot recall it, but I take the gentleman's word for it.

Mr. CHURCH. Yes; that is true.

Mr. GIFFORD. This is a serious matter. Will you or will you not be better protected and represented in our various sections of the country by someone selected from that section? Again, about this overenthusiasm of the committee. This committee have finally laid an egg, have they not? Their first egg, and that may account for the enthusiasm of some members of the committee that they have finally done something.

Mr. CHURCH. The egg that they laid is a much bigger egg than that laid last June.

Mr. GIFFORD. Yes. The Committee on Expenditures is supposed to criticize expenditures, be watchful of expenditures, and make recommendations to the House, but it has not been allowed to work on those lines. You have heard me say this many times. This bill is not so much a matter of watching expenditures but is really the Colmer bill. It is a post-war bill sent to this committee because of the necessity of proceeding through a legislative committee.

I do not believe I should be criticized for not talking enthusiastically on either side of this proposition. I think it is our duty rather to weigh both sides and present the arguments to you.

I suppose the President would appoint this board. Would he not, may I ask the gentleman from California [Mr. POULSON]?

Mr. POULSON. Yes; subject to confirmation by the Senate.

Mr. GIFFORD. He has already appointed the Administrator.

As a Republican I should not complain, and I am not, but on this eve of events to come I would not like seven men representing one particular thought, six of whom would be appointed to obey the one, and pledged to that before they were appointed. I think that before they were appointed they would be carefully considered, as to their willingness to work fully in harmony with the Administrator.

I express my doubts and my fears, as I often do, and reserve the right to vote after consideration of the merits of the arguments to be presented.

Mr. MANASCO. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, it is rather embarrassing for me, who authorized the first bill on April 15, 1943, and other bills in support of the disposition of war plants and lands in July 1943 providing for the establishment of a board, to get up and oppose this amendment at this time. We held some hearings on one of our bills, H. R. 3140, providing for the disposition of war plants. At that time we could not get anyone to appear before our committee except one group who approved the appointment of a board. Everyone else said that if we wanted to move this surplus property when the war was over we must leave the discretion in one man, one man who would be responsible to the Congress and the Nation. Up until about 8 or 10 days ago we were not able to find much enthusiasm for a board.

If I were to be selected to dispose of this surplus property, I would rather have a board myself to take some of the heat off me. But we all realize that a board works slowly. A board would be more subject to local pressure, subject to certain pressure groups. If you were to select representatives of industry on the board and representatives of the public and representatives of labor, you could not have over two from each group, and if you had only two you could never get any agreement.

We all recall the cumbersome manner in which our war production started off when we had authority divided between Mr. Knudsen and Mr. Hillman. We stumbled through that all right, fortunately, but we realized in time the importance of selecting one man to have authority over our war production.

Our committee did not have time to hold hearings. We were pressed by the country to get this bill up for consideration and passed at the earliest possible date. Most of you Members want to get back home and do some campaigning. In the brief hearings we held we did not have an opportunity to delve into the problem of a board.

It would be natural, if you appointed only two industry representatives, that they would represent only two different industries. Suppose one of those members represented the automobile industry. We will have an enormous amount of motorized equipment when this war is over. That member naturally would not want to see any of this motorized equipment flow into the channels of trade, where it would compete with him.

Suppose we appointed a representative of the Automobile Workers Union. He would naturally join with the automobile magnate who was a member of the board in opposing the infiltration of this motorized equipment into trade, because he would want to have jobs for his workers.

Unless we have authority placed in one man, we are liable to find a lot of stock piles held off the market by some selfish groups. I am not charging that any particular group would do that, but it is human nature for a man to protect his own industry.

This thought occurred to me this morning. You have heard a lot of people say that we need unemployment insurance for the next 2 years. I think the next 2 years will probably be the brightest years we will have for the next 10 or 12 years. If we ever need any unemployment insurance, it will probably be after 2 years from now, after our domestic needs have been filled. I think in the next 2 years or the next 4 years the industrialists will be trying to keep their heads above water and will not have time to serve on boards.

I know there are good arguments on both sides of this question, but I sincerely trust the committee will see fit to vote down the amendment.

Mr. BENDER. Mr. Chairman, I move to strike out the last two words.

The disposal of the vast quantities of goods which our Government has accumulated in its preparations for victory must not be permitted to disturb our economic structure. We must recognize that the disposition of this surplus of $75,000,000,000 worth of materials represented by manufacturing plants, machines, war matériel, and other materials, must be viewed as part of the entire industrial demobilization program. It should be obvious that the method devised must transcend group interests. This is not a problem affecting industrial leadership alone. The consuming public and the general taxpayer are equally interested in the procedure evolved. Small businessmen are deeply concerned over the possibilities presented.

Certainly, under our economic order, plants now owned by the Federal Government should not be permitted to operate in competition with private industry. It should be equally clear that methods must also be devised to prevent the flooding of American markets by competitive foreign products while we are simultaneously disposing of our own surplus goods.

From this analysis of the situation it must be evident that the task of supervising the disposal of these vast surpluses must be undertaken by a nonpartisan group in which adequate representation is given to each segment of American life. Agriculture, labor, industry, and consumer groups must be represented along with the Government itself.

The confusion which has already manifested itself in the consideration of this problem is only another indication of the failure of the present National Government to present an over-all program for the conversion of our national economy from a war to peace time basis.

The chairman of the surplus war property committee of the National Association of Manufacturers, Mr. Charles F. Stilwell, also president of the Warner-Swazey Co., of Cleveland, appeared before our committee to urge the appointment of a commission for the disposal of this property. The National Association of Manufacturers includes representatives of every important industry in America. The National Chamber of Commerce has presented us with a statement urging the substitution of a commission for an administrator. It seems to me that their argument, which was given to every Member of this House and every Member of the other body, is sound. I hope that every Member will consider what they are doing here in creating a czar for the disposal of all of this property. You are giving one man greater power than has been granted to a nonelective official in all our history. That man will have the authority to dispose of anywhere from $50,000,000,000 to $125,000,000,000 worth of property; and that is not peanuts. Property consisting of farms, plants, machinery, equipment, food, clothing, and so forth. One man cannot know all the answers. Each of us has had our own individual experience and background. Unless we get advice and guidance from some source, we cannot always act wisely. This morning's Washington Post contained an editorial urging the appointment of a board rather than an administrator.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENDER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. The persons who have considered this, those who represent large investments and those who represent labor, and the farmer, have all urged that we appoint a commission or a board in the place of one man.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to my distinguished friend.

Mr. VORYS of Ohio. I understand that the American Federation of Labor had formerly recommended a board rather than a single administrator; is that correct?

Mr. BENDER. I am sure the gentleman is correct in that, although I do not have their statement here before me.

Mr. VORYS of Ohio. The whole theory of making Mr. Clayton the one indispensable man is this new theory which has come into our Government. As I understood it, we only had one indispensable man in this country, and Clayton was not the man.

Mr. BENDER. I remember so well the day that we voted on the Pentagon Building here. We voted an appropriation of $35,000,000 and it was stated on the floor of this House that that was all that would be required. We found, because we gave the President a special war fund to use, that the amount expended went up to $70,000,000 or more. We will have that white elephant on our hands after the war is over. The question is, What will be done with it? And there are plenty of other white elephants all over the country that the Administrator will have to dispose of. I urge the membership of the House to exercise the utmost care in what we do today. You will have an opportunity in a little while to vote on this question. This is what the chamber of commerce has to say:

The Chamber of Commerce of the United States believes that a procedure of orderly and efficiently administered handling of war surpluses is the only one which can be countenanced in contemplation of the magnitude of such surpluses and the great need that will exist for the prompt resumption of civilian production. These surpluses must be so demobilized as to preserve the stability and productivity of the national economy and avoid unnecessary interference with the maintenance of a high level of private employment.

In view of the foregoing considerations the national chamber attaches great importance to any legislation to be enacted by the Congress. The chamber has given long and careful consideration to the subject. Its recommendations were developed by a large and representative committee of business and industrial executives following many months of study and discussion.

INDEPENDENT AGENCY

The chamber recommends that responsibility for (1) the interpretation of the policies laid down by Congress in the legislation; (2) the promulgation of procedures to be followed in disposal; and, (3) general administrative action based upon these policies and procedures should be the responsibility of an agency outside of any executive department of the Government and responsible to Congress in the carrying out of the will of the Congress. The problems that will be confronted in surplus property disposal when hostilities cease will be so complex and have such far-reaching effects upon the domestic economy that nothing short of such an independent agency will meet the needs of the situation. The agency recommended by the chamber would be a commission of seven full-time members to be nominated by the President and approved by the Senate.

The importance of providing an independent commission to handle the disposal of surplus war property rather than a single administrator within the executive branch of the Government may be illustrated by reference to the problems that will arise in connection with the disposal of great Government-owned war plants. There will be hundreds of such plants, each of which cost the Government many millions of dollars. Pressure from any source for the utilization or disposal of a war plant in a manner which is not in accord with broad public interest must be resisted. Decision must rest upon the findings revealed by carefully prepared reports devoted to the economic and engineering factors involved. It is the belief of the chamber that an independent commission constituted as described is the agency which will give the best assurance of unbiased and competent decision.

The placing of the authority in an independent commission does not carry with it a requirement that every administrative decision must depend upon and await the affirmative vote of the seven members. In the execution of its functions as a policy-making body, the commission would act as a unit. With respect to the sale of the great war plants the commission also would act as a unit. With respect to most administrative matters, however, the chairman would be authorized to act upon his own responsibility. He would be empowered also to delegate administrative authority through the designation of certain already established Government departments as disposal agencies.

An advisory board to be composed of representatives of designated Government departments and agencies would not be a satisfactory substitute for the commission which the chamber recommends.

The members of such a board would be officials concerned with the operating problems of their particular departments and thus, in most cases, out of intimate touch with the problems of industry and trade in a peacetime economy. Moreover, the department representatives would devote but a small part of their time to the matters laid before the advisory board. In short, there would be no assurance that such an advisory board would be composed of persons adequately equipped for the rendering of the sound advice that would be needed on the solution of difficult economic problems.

It is recognized, however, that there would be a place for such a board composed of representatives of Government departments. Such a board would serve a very useful purpose in connection with the establishment of administrative procedures.

Now, the only advisory board provided for in this bill consists of members of the President's Cabinet. The members know we have had one-man government in this country.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. MOTT. What kind of an agency, except an executive agency, could there be to administer a law of Congress? It would make no difference, so far as the authority is concerned, whether it was an existing agency or whether it was a newly created agency: It would be an executive agency in any event. Does the gentleman mean it simply should not be an agency which already exists?

Mr. BENDER. I am for the amendment offered by the gentleman from California.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BENDER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. I am for the amendment as offered by the gentleman from California [Mr. POULSON]. In that amendment he provides for a board of seven members, and that board, of course, will be appointed by the President. Seven men appointed with the advice and consent of the Senate, of course. This power to be given to one man is out of line with the sentiments expressed on this floor in recent months regarding the granting of too much authority during peacetime to any one individual. I believe that is a sound doctrine. During wartime we have suspended this practice.

But here we are dealing with a peacetime proposal.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. WHITTINGTON. My colleague the gentleman from California [Mr. POULSON] referred to the Surplus Property bill passed by the House a year ago and inadvertently stated that that bill provided for a board. The director of the Budget was director instead of administrator, under the terms of that bill. I have a copy of the bill before me. I am sure, with the gentleman's permission, that my friend from California had in mind that that bill provided for the appointment of a board or a committee to study the surplus-property question, rather than to provide for an administrative agency called a board.

Mr. BENDER. My understanding is, however, that the Congress has something to say about the Director of the Budget and some of these other agencies regarding their operations. Naturally the Congress has a great responsibility here, and we owe it to our constituencies to see to it that we act wisely in the handling of all these items that affect the economy of our own immediate communities. The people with whom I have talked in my district within recent days are very apprehensive about creating a czar as is provided for in this bill. It has been advanced here that Mr. Clayton, a gentleman whom I do not know, will be appointed Administrator. I do not know the gentleman. He may be the finest man in the world. I have no criticism of him. I do not know anything about him except what my colleague from Massachusetts [Mr. GIFFORD] referred to yesterday in his handling of the cotton question in South America. Other persons have been suggested. Mr. Maverick has been suggested, and Mr. Harry Hopkins and Vice President WALLACE were suggested as possible Administrators under this bill. It remains for the President to determine who the Administrator shall be.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. CHURCH. When we were considering the contract-termination bill we were given to understand that Mr. Hancock would be the man appointed when that law was passed. That has not been done. Is that not a fact?

Mr. BENDER. Many times before we have discussed individuals and we have had someone in mind and we found that some other individual was named.

I hope the amendment offered by the gentleman from California will be agreed to.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the substance of this amendment is fundamental. I really believe it is premature to consider it under "definitions," before we decide upon the establishment of a board. I believe a board, if desired, which I oppose, should be established before it is defined.

So now we are in the dark. But I speak to the issue.

I believe the gentleman from Illinois [Mr. ALLEN], in a question which he propounded, put his finger on the core of the problem. The gentleman said if a board is provided for, ultimately it would have to have an administrator in order to function. And that is true. I think we have had enough of boards and enough of commissions. An administrator is an executive. We vest power in him. We hold him responsible. One man for President. One man for Governor. The power of life and death vested in the chief executive of a State. One man, as the chief executive of every important banking, industrial, agricultural or other organization in the United States. We have tried commissions in the Government. We have the Interstate Commerce Commission. We know the name of the Chairman. If there be delays, who is responsible? It requires a majority to act. We have had commissions. The Tennessee Valley Authority, with divided responsibility. Troubles and delays occurred. We know the name of the Chairman. Who are the other two members of the Authority? In reaching decisions there must not be divided responsibility. We vest in the Administrator a great deal of power. We have restricted it by objectives and by policies. If we vest in General Eisenhower the lives of the men of the Nation, we have vested him with tremendous power. But, shall that power be denied him because, perchance, he might make mistakes? We have vested the President with great power. It is essential to the functioning of the Republic. We are at war. The purpose to provide for the disposition of surplus property is that following the war we shall return to the ways of peace as soon as possible. Decisions must be reached promptly. A divided authority means no authority. Divided responsibility means no responsibility.

I should like to emphasize the fact that in the bill which we passed in June 1943 providing for the disposal of surplus property we placed the matter in the hands of a director. That bill is pending in the Senate. In my judgment, unless we mean to hamper, unless we mean to delay, unless we mean to prevent the disposal of property, as in my judgment some of the agencies that are asking us to provide for commissions would like for the Government to do, we should vote down this amendment and provide for an administrator with responsibility and hold him accountable for that responsibility.

I know there are organizations with wide influence that are asking for a board, and between the lines, as just an ordinary citizen, I think that they expect their representatives to be appointed on the board. In my judgment, we must recognize industry, agriculture, manufacturing, labor, commerce, and the public. Who are you going to appoint from agriculture? If you appoint a representative of the wheat industry, what about cotton? In manufacturing, if you appoint a steel manufacturer, what about the manufacturer of textiles?

In my judgment, there would be so many interests involved that the board contemplated by the proposed amendment would prevent, and certainly retard, hinder, and delay the very objective that we had in mind.

Mr. GIFFORD. Will the gentleman yield?

Mr. WHITTINGTON. I wish I had additional time. I would be glad to yield if I had the time. I trust this amendment will be voted down.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIFFORD. Mr. Chairman, I ask for recognition for one-half minute.

The CHAIRMAN. All time has expired on this amendment by unanimous consent.

The question is on the adoption of the amendment offered by the gentleman from California.

Mr. BENDER. A point of order. Was there an agreement as to limitation of time on this amendment?

The CHAIRMAN. The gentleman from Mississippi [Mr. WHITTINGTON] asked unanimous consent that all debate on this amendment close in 5 minutes. That consent was granted.

Mr. BENDER. Then, Mr. Chairman, I ask unanimous consent that that be changed, and that we may have an additional 30 minutes.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that the debate be extended for 30 minutes. Is there objection to the request of the gentleman from Ohio?

Mr. O'BRIEN of Illinois. Mr. Chairman, I object.

Mr. BENDER. Mr. Chairman, I move that the time be extended.

Mr. COOPER. Mr. Chairman, a point of order. I make the point of order that a motion is not in order.

The CHAIRMAN. The point of order is sustained. All time has expired.

The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. POULSON) there were—ayes 58, noes 83.

Mr. POULSON. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. POULSON and Mr. MANASCO.

The Committee again divided, and the tellers reported that there were—ayes 76, noes 110.

So the amendment was rejected.

Mr. LANHAM. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. LANHAM. Mr. Chairman, I am sure there are many provisions of the pending bill which we should all like to discuss at length if time were available. In the brief time at my disposal I wish to call attention to a situation which is at least incidentally pertinent to the provisions of this measure.

The so-called Lanham Act was passed for the purpose of providing housing for industrial workers at the various war plants to the extent that housing was not available in those localities and that private capital could not run the risk of such temporary construction. It was purely an emergency war measure.

That act provides for the disposition of the housing constructed under its terms, and I understand the provisions of this bill do not obviate or supersede any existing legislative enactment with reference to the disposal of various kinds of governmental property. I wish, however, to call attention to two ways in which vacant houses and houses in stand-by condition under this act can be used temporarily to serve a very useful purpose. It is natural, of course, that vacancies have arisen with reference to many of these projects where the production of the plants has been reduced. Wives of many of our boys in the service have been employed at various camps and plants and have been eligible to occupy these houses. In view of the fact, however, that so many of the boys were married shortly before their entry into the service and their transportation to foreign fields, we have a great many new families in this country. I have in mind one instance, which is typical, I think, and characteristic of many instances in this country, of a young married woman whose husband is in the service, who was working at one of these plants, but when she recently became the mother of a fine child she was, of course, no longer able to work. The rules and regulations are such that she can no longer occupy the house where she formerly resided when she was carrying on this employment.

I think it will add to the morale of the soldiers abroad if we use some of this vacant housing to take care of the wives of these soldiers in need of temporary quarters. They are newly married in most instances and have no homes of their own and, if these wives should by reason of circumstances such as I have recited have to give up their employment in these plants, let us not leave them without any place to live when we have the vacant houses available and they are willing to pay a reasonable rental to occupy them.

One further suggestion before I conclude. When this war is over many of the soldier boys who return are going to require a certain length of time to get themselves readjusted to civilian life and pursuits and to come to some decision as to what they will do in a civilian capacity. The law provides that these houses shall be disposed of within 2 years after the termination of the war. Why not, when they come back from the service, permit them with their families to occupy these houses at a reasonable rental which they will be able to pay until they can determine just what their place will be in civil life? It will make money for the Government through rental of the houses, it will increase the morale of the soldier boys, it will give them a better opportunity to get adjusted to civilian pursuits.

I think that these two proposals should be carried into effect in all justice to the soldiers and their families and in all justice to the Government from its economic standpoint with reference to these houses.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LANHAM. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LANHAM. Mr. Chairman, these proposals can be made effective through an amendment to the present so-called Lanham Act and, in my opinion, by unanimous consent such provisions could readily be enacted into law. I propose to make a further investigation of this matter in order that we may take prompt and appropriate action in looking after these boys and their families for their own welfare and for the better economic situation with reference to the Government insofar as these houses are concerned.

The CHAIRMAN. The time of the gentleman has expired.

The pro forma amendment was withdrawn.

The Clerk read as follows:

SURPLUS PROPERTY ADMINISTRATOR

SEC. 3. (a) There is hereby established the Surplus Property Administration which shall be headed by a Surplus Property Administrator. The Administrator shall be appointed by the President by and with the advice and consent of the Senate and shall receive compensation at the rate of $12,000 per year. The term of office of the Administrator shall be 2 years.

(b) The Administrator may, within the limits of funds which may be made available, employ and fix the compensation of necessary personnel in accordance with the provisions of the civil-service laws and the Classification Act of 1923 and make expenditures for supplies, facilities, and services necessary for the performance of his functions under this act. Without regard to the provisions of the civil-service laws and the Classification Act of 1923, he may appoint a Deputy Administrator, Assistant Administrators, and special assistants, and may employ certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and fix their compensation, and contract with certified public accounting firms and qualified firms of engineers, in the discharge of the duties imposed upon him and in furtherance of the objectives and policies of this act. The Administrator shall perform the duties imposed upon him through the personnel and facilities of the established Government agencies so far as consistent with his duty to insure uniform and efficient administration of the provisions of this act.

(c) The Administrator shall have general supervision and direction, as provided in this

act, over (1) the care and handling and disposition of surplus property and (2) the transfer of surplus property between Government agencies.

Mr. CHURCH. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CHURCH: On page 26, line 4, after the period, strike out the words "The term of office of the Administrator shall be 2 years."

Mr. CHURCH. Mr. Chairman, section 3 (a) now reads:

There is hereby established the Surplus Property Administration which shall be headed by a Surplus Property Administrator. The Administrator shall be appointed by the President by and with the advice and consent of the Senate and shall receive compensation at the rate of $12,000 per year. The term of office of the Administrator shall be 2 years.

My amendment would strike out the words "The term of office of the Administrator shall be 2 years."

If the amendment I have offered carries it makes the term of this office like the term of office of members of the President's Cabinet, at the will of the President.

I pointed out yesterday in the debate here on the floor that if these words remain in the bill it may mean that the Administrator when appointed, whoever he may be, has a vested right in that office for a term of 2 years. I will vote for this bill even though the words remain in there, but I do not want to have to say a year and a half from now, if you do not like the kind of Administrator then in action "I told you so." I am calling this to your attention now. I believe this 2-year term of office should not be in the bill. I have offered this amendment striking these words and I hope it will carry. The responsibilities of the Administrator in this bill are too great, in my opinion, to treat the term in any different way than in the case of Cabinet officers.

Mr. CASE. Will the gentleman yield?

Mr. CHURCH. I yield to the gentleman from South Dakota.

Mr. CASE. Does the gentleman think that the right to appoint carries the right to discharge or fire?

Mr. CHURCH. If there is any doubt in the gentleman's mind, and if this amendment does not carry, my next amendment will be to add these words in the bill: "except that he may be removed at the will of the President."

Mr. CASE. If the gentleman intends to accomplish the purpose he has described he should offer the second amendment. There have been instances in the country where the President has appointed someone, then without some specific authority to discharge him he has had very great difficulty in removing him. The amendment which is now at the desk would merely give the appointee the right to hold this office for the entire duration of the act, namely, 3 years. The gentleman will have to fix the term or put in the bill some specific authority to discharge if he is to be sure of accomplishing the result he is seeking.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. CHURCH. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I understand that there is no dissent among those who have investigated the matter and in view of a decision of the Supreme Court in the so-called Miles case some time ago, the President of the United States has full power to remove the administrator or any other official, for that matter, under the Constitution.

Mr. CHURCH. He has the power to remove members of the Cabinet, and he has that power, the gentleman believes, in this case if the pending amendment carries?

Mr. WHITTINGTON. Without this amendment he would have the power to remove this Administrator, and I am so advised by the legislative counsel.

Mr. CHURCH. And with the amendment the gentleman believes he will have the power?

Mr. WHITTINGTON. He will have the power with the amendment.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. CHURCH. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I am a little in doubt as to this last point raised. What was the situation when the President attempted to remove the Comptroller General? What was the situation? Did the court not hold that the President did not have the right to remove him, and reversed the decision, and allowed back salary?

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. CHURCH. I yield to the gentleman from South Dakota.

Mr. CASE. That was the situation in my mind, and that is why I raised the question. I think if this language is stricken and the President appointed an Administrator, he would not be able to remove him unless there was specific authority given in the act. The Administrator could hold the office for the life of the act, and the gentleman would not accomplish the purpose he is seeking.

Mr. CRAWFORD. May I raise one additional point? Did the Congress in the General Accounting Act provide a specific term for the Comptroller General?

Mr. CHURCH. I understand that that was the case.

Mr. CRAWFORD. And which term had not expired when the Chief Executive attempted to remove him. In this case we provide a specific term of 2 years. Under the decisions, can the Chief Executive remove this appointee before the 2-year term expires?

Mr. CHURCH. Based upon all information at hand and based upon experience, I believe that in lieu of the Humphrey case decision, we are safer if these words are stricken. To do otherwise, there might be a question. By striking these words out, he serves just like a Cabinet member, at the will of the President.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that the gentleman may have an additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. There is a distinction between officers in the executive department of the Government, like this Administrator, and the office of a judge, or quasi official, like Mr. Humphrey. The Humphrey case would not be applicable, as I understand it.

Mr. CHURCH. The gentleman agrees with me that if these words are stricken, he serves merely at the will of the President, just like a Cabinet officer.

Mr. WHITTINGTON. Whether they are stricken or not.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. CHURCH. I yield to the gentleman from Georgia.

Mr. RAMSPECK. If the gentleman will read the Meyer's case, where President Wilson removed a postmaster who had a 4-year term and was confirmed by the Senate, he will find that the Supreme Court held that anybody in the executive branch of the Government can be removed by the President at will. The Humphrey case is different in that respect, because that was a quasi judicial office. The Comptroller General is not in the executive branch of the Government.

Mr. CHURCH. Then the gentleman agrees with me that if this amendment passes, this Administrator will serve at the will of the President and can claim no vested right in a 2-year term.

Mr. RAMSPECK. I agree with the gentleman from Mississippi. He can be removed either way.

Mr. WHITTINGTON. I would say, furthermore, by leaving the term 3 years, we retain further congressional control and you can give the Senate a kick at it every 3 years.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. CASE. Mr. Chairman, I move to strike out the last word.

I would like to ask the gentleman from Illinois whether he thinks if this amendment is stricken, that the Administrator will serve at the will of the President and will be removable without a showing of cause?

Mr. CHURCH. I think he will. The President is elected. The President will be responsible. The Administrator is not elected. If we leave these words in here, after he is appointed by the President and approved by the Senate, he has right to the office for 2 years, except under certain circumstances.

Mr. CASE. I merely want the gentleman to be sure.

Mr. CHURCH. I want to put language in there that he has no right to this office except at the will of the President.

Mr. CASE. I think, then, the gentleman should make that specific in the amendment that he offers, because there certainly have been cases raised in various States where the same principle is involved where it has been held that it

was necessary to show cause unless there was express provision to the contrary. I think the gentleman should offer a second amendment to make certain of the point he is trying to establish.

Mr. MANASCO. Mr. Chairman, I rise in opposition to the amendment. I do not want to take but a minute or two of the committee's time on this amendment. The other day in committee the gentleman from Illinois brought up the same amendment. Mr. Clayton was present at that time, and he said that he would rather not be appointed for the full term, because if he did not perform his duties, he would like to have the Senate of the United States have an opportunity to vote either approving or disapproving his conduct in office. He said he felt sure that any person would feel the same way. If the amendment offered by the gentleman from Illinois is adopted, the term of office of Administrator will last for the duration of the act.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Illinois.

Mr. CHURCH. I further questioned Mr. Clayton and asked him whether he would object to this amendment. He said he would not; in other words, he is perfectly willing that the amendment I offer pass. Of course, we did not have many members present at our meetings. We were going along rather hurriedly.

Mr. MANASCO. I am sure Mr. Clayton or any other Administrator would not object to having his office extended for a number of years.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been in extreme doubt whether I ought to favor a board instead of one administrator. Sometimes when I ought to think clearly I seem to lack the necessary equipment. I lack the necessary equipment for clear thinking today, because I realize that an alien-led and an alien-minded conglomeration of organizations, backed by a tremendously large fund of money are trying to get possession of the Government and our entire economic structure. These leaders might demand that they be persuasive with the appointing power of the Government. Like the gentleman from Mississippi [Mr. WHITTINGTON], I want to rescue my President from the necessity of making all these many appointments at this particularly critical time before an election. There is no secret now of who demands a voice in government and that they will assert themselves. It is not a Democratic or Republican question. It is hardly a political question. If it is, I am sorry I have presented it to you. But we must be reminded of those now demanding this control and probably would expect to be rewarded for their support. I cannot imagine the United States Chamber of Commerce, composed of real businessmen, could be so influential their selections would be appointed to the suggested board. I cannot imagine at this particular moment that they would be persuasive against these other great organizations banding themselves together for the purpose of getting control of the Governcrats as it is to me, I am sure. I am sure I am voicing their own fears. However, the important thing about this bill is whether there should be a board or whether there should be but one individual. I cannot imagine Mr. Clayton insisting on 2 years if it were suggested that he resign. Once in a while, on a few occasions, a man who has been appointed and felt safe during his tenure of office, insisted on staying, and if he was pushed out and demanded his salary. I want to relieve my President all I can of having to make the important decisions of appointing men who will control the economy of this Nation.

The provisions in this bill are not so bad, but the administration of this act, as I tried to say yesterday or the day before, is far more important than the law itself, because there is not much law in it. It is a statement of objectives, which are easy to state, although one contradicts the other.

I hope you will forgive me if you see me voting on this matter with great reluctance.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I do not wish to inject any personalities into the discussion, but knowing Mr. Will Clayton as I think I do, if I were called upon to select a nonpartisan appointee I would not know in which direction to look, I would not know another man in the United States on whose shoulder to place my hand, who, based on his past industrial experience, would be more acceptable to me than Mr. Clayton as Administrator of this act. Of course, Mr. Clayton is not on trial here today, and he certainly does not need me to speak in his behalf. Life is too brief and death is too certain for us to think in terms of a single Administrator on a matter of this kind, anyway. But I do feel very keenly that we should amend this bill so that there will be no question about the Chief Executive's having the power and the privilege to change this Administrator any time he thinks it advisable to do so. Therefore, based upon the opinions that have been given here by these learned lawyers, I should like to see this bill amended so that the term of office of the Administrator would be absolutely subject to the will of the Chief Executive of the United States.

If the words "the term of office of the Administrator shall be 2 years" are stricken and words added to the effect that he shall serve at the option of the Chief Executive, that will certainly be acceptable to me. If the words "the term of office of the Administrator shall be 2 years" are not stricken, then I hope the House will extend that sentence by adding this language, which I understand will be offered as an amendment by the gentleman from Illinois [Mr. CHURCH], "except that he may be removed at the will of the President."

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Alabama.

Mr. MANASCO. Knowing Mr. Clayton as the gentleman from Michigan knows him, does the gentleman believe that if another gentleman were elected President and he did not want Mr. Clayton to serve as Surplus Property Administrator, Mr. Clayton would continue to serve as against the will of the newly elected President?

Mr. CRAWFORD. No; I think the gentleman's question now is tinged with politics, and I say that very kindly. I do not have in mind the political situation that may or may not exist subsequent to next January 3. What I have in mind is the toughest economic problem ever handed to any man in the whole history of the world, that is, liquidating $103,715,000,000 worth of surplus goods. I do not want to find some fellow in there who is half crippled mentally or physically, but still holding that job while the world is going down in the maelstrom of economic chaos. I have confidence in any Chief Executive sufficient to believe that, if we leave it so that the Chief Executive may do so, he will take the necessary steps to correct the situation if some Administrator is not properly doing the job.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Illinois.

Mr. MASON. I understood that the present occupant of the well, speaking, definitely stated in the beginning of his remarks, that it is not a question of Will Clayton or anyone else, it is not a question of personalities at all.

Mr. CRAWFORD. That is correct. The reason I made the remark about Will Clayton that I did is that I know Will Clayton well enough to know that he would do the very thing the gentleman from Alabama has indicated.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Aside from any views that I as a lawyer might have, we are assured by the legislative counsel that it would be just like writing the Constitution into this bill to prescribe here that this officer shall hold his office at the will of the President, because the legislative counsel have assured us that under the Constitution and the laws, in addition to our views, with or without this amendment the man may be removed at any time. On the contrary, we would prefer to leave in the bill the restriction calling for a report to Congress as well as the restriction with regard to confirmation by the Senate.

Mr. CRAWFORD. Suppose we leave the bill exactly as it reads at the present time, does the gentleman believe it would be cricket or would be fair shooting for the President to remove this Administrator within 6 months to a year?

Mr. WHITTINGTON. A decision of the Supreme Court has sustained his re-

moval of a postmaster, who was an Executive officer, and whose term ran for 4 years. The legislative counsel assures us that that case is on all fours with this situation, and that the President has full power to remove this man at any time. Moreover, as the gentleman indicates, all you would have to do at any time to get rid of Will Clayton would be to intimate to him that the President did not want him.

Mr. CRAWFORD. But Will Clayton may not be the Administrator 6 months from now, and I do not have the same confidence in other men I might mention that I have in him. So I think the amendment offered by the gentleman from Illinois should be adopted.

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time has expired.

The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. CHURCH) there were—ayes 28, noes 61.

So the amendment was rejected.

Mr. CHURCH. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. CHURCH: On page 26, line 5, after "years", strike out the period and add "except that he may be removed at the will of the President."

Mr. CHURCH. Mr. Chairman, if this amendment is adopted, the words "the term of office of the Administrator shall be 2 years" will remain in the bill, and there will be added thereto these words, "except that he may be removed at the will of the President."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. MANASCO) there were—ayes 51, noes 56.

Mr. CHURCH. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CHURCH and Mr. MANASCO.

The Committee again divided; and the tellers reported that there were—ayes 58, noes 89.

So the amendment was rejected.

Mr. JENSEN. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: On page 26, line 5, after the period, insert "The majority and minority leaders of the Senate and House of Representatives shall appoint five Members of each body to act as a joint committee. The duty of such committee shall be to have and to continue in close touch with the Administrator and the administration of this act and to keep Congress properly informed. The committee shall be composed of three majority and two minority Members from each branch of Congress."

Mr. MANASCO. Mr. Chairman, I reserve a point of order against the amendment of the gentleman from Iowa.

Mr. JENSEN. Mr. Chairman, I think every Member on this floor can readily understand the purpose of my amendment, the purpose being, of course, to keep the Representatives of the people of this Nation and the people themselves informed as to what is going on in the disposition of these billions of dollars' worth of war material, which if not handled properly can disrupt the whole economy of our Nation. I think it is our duty, as Representatives of the people, to take that responsibility now. Certainly it is our responsibility to see that this material is disposed of in a proper, equitable, businesslike, and orderly manner and that it shall not be disposed of to any favored group, but shall be disposed of in such a manner that the American people—the taxpayers, if you please—will know it is being properly handled. I hope that the membership of the House is willing to accept the responsibility which they have assured the people they were willing to accept, and certainly this is one of the responsibilities which the American people are going to expect us, as their Representatives, to take and to hold. Whether this special committee that I here propose, or the regular Committee on Expenditures, be given this responsibility, I sincerely hope the Congress will be kept properly informed as to the manner in which the Administrator and his aides are functioning at all times.

Mr. MANASCO. Mr. Chairman, I withdraw my reservation of a point of order against the amendment offered by the gentleman from Iowa.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like the attention of my good friend the gentleman from Massachusetts [Mr. GIFFORD]. Time and time again he has spoken on the floor of the House in reference to the activities of the committee which has this bill under its jurisdiction. He used some language along that line this morning. Under the rules of the House the reports that are to be made to Congress under section 5 of this bill, should be referred to and studied by the Committee on Expenditures in the Executive Departments. My opposition to this amendment is that if you want the committee to function, do not take its powers away from it. During the period that I unfortunately could not be here, this House set up a dozen or more committees and passed the jurisdiction of the Committee on Expenditures in the Executive Departments to these select committees to make investigations of expenditures. Now, if the amendment of the gentleman from Iowa is adopted, then the House and Senate will have a joint committee appointed by the Speaker to study these reports.

Mr. JENSEN. Mr. Chairman, if I may correct the gentleman, the committee is not to be appointed by the Speaker.

Mr. COCHRAN. And, I should say, the Vice President?

Mr. JENSEN. No. The amendment provides that the committee shall be appointed by the majority and the minority leaders of the House and Senate.

Mr. COCHRAN. Well, it is just the same, because the Speaker of the House always consults the minority leader, and appoints a man that the minority leader desires. What I object to is this amendment will take jurisdiction away from a standing committee of this House if the amendment is adopted. Therefore I hope the amendment will be voted down.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. CRAWFORD. If I understand the gentleman correctly, the quarterly reports to be made to the Congress by the Administrator under section 5 of this bill, under the rules of the House will be referred to the gentleman's committee?

Mr. COCHRAN. They will be referred to a committee of which I have been a member ever since it was organized and was for years its chairman.

Mr. CRAWFORD. The gentleman from Missouri feels that the adoption of this amendment would take away from his committee some of its present jurisdiction under the rules of the House?

Mr. COCHRAN. Absolutely.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN].

The amendment was rejected.

Mr. GALE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GALE: On page 26, line 12, strike out the words "Without regard to the provisions of the civil-service laws and the Classification Act of 1923, he may appoint a Deputy Administrator, Assistant Administrators, and special assistants, and may employ certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and fix their compensation, and contract with certified public accounting firms and qualified firms of engineers, in the discharge of the duties imposed upon him and in furtherance of the objectives and policies of this Act."

Mr. GALE. Mr. Chairman, the purpose of this amendment is very simple. It simply provides that the appointees of the Surplus Commodity Administrator shall come under the civil-service set-up, as all appointees in the Government service are now provided for.

Under the present wording of the bill the situation is wide open. I quote the words:

He—

That is, the Surplus Property Administrator—

may appoint without any qualifications whatsoever an Assistant Administrator, and Special Assistants, certified public accountants, and qualified experts.

And he may fix their compensation. That means there is no limit whatsoever on the salaries which those appointees may receive. They are not under civil-service classification in any way, manner, or form, and they may receive $5,000, $3,000, or $15,000.

Another very important point which is embodied in this amendment would be to provide for veterans. If the language in the bill prevails, there is no consideration for veterans' preference. In other words, veterans' preference, which applies to all Government employees, is not considered, because the veterans' preference is included under various

Civil Service acts and under the Veterans Preference Act of 1944, which are not applicable to appointees of the Administrator under the provisions of this bill.

Therefore, in voting for this amendment which I have offered, you are voting actually against the spoils and patronage system. You are also voting for the normal, regular veterans' preference, which has always been accepted.

I sincerely hope you will vote for the amendment.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GALE. I yield.

Mr. AUGUST H. ANDRESEN. I feel that the gentleman's amendment has a great deal of merit, but I fail to find that the present New Deal administration has ever followed the merit system when it came to giving employment, especially to these so-called experts. If we had some assurance that the best men would be selected under the merit system, I would be inclined to support the amendment offered by the gentleman, but I am somewhat dubious about it, and I rather feel that they will appoint such men as Sidney Hillman, probably Earl Browder and some of these others who they think may be able to qualify under civil service.

Mr. GALE. I will grant the gentleman that the civil service is not perfect, but it is not quite as bad as it would be if it were wide open.

Mr. AUGUST H. ANDRESEN. We want to get the best men. This is one of the most important jobs this country will have. What I am referring to is that the present administration has not followed the merit system in making its selection of policy makers, having to do with the affairs of our country, but have selected men who are not experienced and who never really knew what they were doing in making policies.

Mr. GALE. In answer to the gentleman I will say the situation will be much worse without civil service than it will be with civil service.

Mr. AUGUST H. ANDRESEN. We will have a new administration in control.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. GALE. I yield.

Mr. BUSBEY. I would like to advise the gentleman from Minnesota that neither Hillman nor Browder could ever possibly qualify under the veteran's preference.

Mr. RAMSPECK. Will the gentleman yield?

Mr. GALE. I yield to the gentleman from Georgia.

Mr. RAMSPECK. In the gentleman's time I would like to say to the gentleman from Minnesota [Mr. ANDRESEN] that one of the most able men I know in the Government service today is the Republican member of the Civil Service Commission. He is doing an excellent job and we are getting better people in the Government because of his service.

Mr. WORLEY. Will the gentleman yield to me?

Mr. GALE. I yield.

Mr. WORLEY. Would the gentleman from Minnesota [Mr. ANDRESEN] make that blanket indictment against the able Secretary Stimson, and the late Secretary of the Navy Knox, Mr. Stettinius, and other Republican members?

Mr. AUGUST H. ANDRESEN. They are not under civil service.

Mr. WORLEY. But the gentleman said they never followed the merit system.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. GALE] has expired.

Mr. GOSSETT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, section B, as it appears in the bill, was written in at the suggestion and request of those interested in the civil service. The bill as originally drawn, exempted the entire office of the Surplus Property Administrator from civil service.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. GOSSETT. Yes; I yield.

Mr. TABER. The Administration is entitled to fix their compensation under this bill, without regard to the Classification Act of 1923. There is no limit at all on the salaries that may be paid. Does not the gentleman feel there should be some limit?

Mr. GOSSETT. I think the discretion of the Administrator would place a limit on that. His reports to the Congress would show the amount paid. I am not so concerned with that provision as I am with the fact that the Administrator not be tied hand and foot by the restrictions of the Civil Service Commission.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. WHITTINGTON. If that provision remains in the bill for the employment of these experts who are essential to advising him about the value of billions of dollars of property, I suggest that the gentleman from New York [Mr. TABER] and his Committee on Appropriations will have more to say about the amount of salaries that will be paid, because they will not be paid until the money is appropriated.

Mr. TABER. There will not be any appropriation made with my consent that will permit them to go above the limit of the Classification Act. I think we ought to strike out that portion referring to the Classification Act. I am willing to go along with the other part of it.

Mr. WHITTINGTON. Will the gentleman yield further?

Mr. GOSSETT. I yield.

Mr. WHITTINGTON. This has to do with the disposal of plants?

Mr. TABER. No.

Mr. WHITTINGTON. Oh, yes. It is the disposal of surplus property. The civil service applies to the other employees.

Mr. TABER. I understand that.

Mr. WHITTINGTON. This only applies to the expert assistants that they must have here and abroad in order to dispose of the surplus property.

Mr. TABER. But if you turn a man loose and let him fix salaries as high as he wishes, you are going a long way. He could start off with an allotment from the President's emergency fund, and then be entirely out of control. I would not agree to it.

Mr. MANASCO. Mr. Chairman, will the gentleman yield to me?

Mr. GOSSETT. I yield.

Mr. MANASCO. Under the terms of the bill the operating agencies are to dispose of this surplus property. That is where your personnel is to be. They are all under the classified civil service. Under the terms of the bill, Mr. Clayton told us he did not propose to have a very large staff. At the present time he is operating with 6 people. He wants to be able to go to a town and spend a day or so with certain industrialists.

Mr. GOSSETT. If you tie the hands of the Surplus Property Administrator it will require him to employ his assistants and experts all from the civil-service register, and he is not going to be able to operate efficiently. Paragraph B of section 3 places everybody, except those specifically named under said section B, under the civil service. Unless they are included in the classes named, he has to go to the civil-service rolls. The vast majority of the employees of the Administrator's office will come from civil-service rolls. The ones excluded by paragraph B are experts and are temporary employees of a temporary agency. Why burden the Civil Service Commission and the Surplus Property Administrator by making him choose these assistants and advisors from civil-service rolls? As the Chairman has well stated, most of this work is going to be done through existing agencies, and those existing agencies are under the civil service. This amendment is written in as a compromise of an issue. I say that if you are going to put the office under civil service, Mr. Clayton, in effect, will be tied hand and foot in the operation of his office.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. WHITTINGTON. Is it not true that under the language of the bill the veterans under the civil-service provision will have preference?

Mr. GOSSETT. That is quite true.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Miss SUMNER of Illinois. I wish the gentleman would explain what is going to be done in the existing agencies such as in the Procurement Division of the Treasury. Those people do not know anything about merchandising. Does the gentleman believe it possible for the Civil Service Commission to write an examination to determine a man's merchandising ability? It seems to me it is very important that the men who handle this surplus property have merchandising experience and ability.

Mr. GOSSETT. I take it the gentlewoman is opposed to the amendment.

Miss SUMNER of Illinois. Yes.

Mr. GOSSETT. I quite agree with the gentlewoman.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. RAMSPECK. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from Georgia is recognized for 5 minutes.

Mr. RAMSPECK. Mr. Chairman, the question just asked by the gentlewoman from Illinois indicates a lack of understanding of how the civil service operates. It is not necessary and is not the practice to have a written examination for the type of positions we are discussing. Applicants for such positions are graded upon business experience and education. If Donald Nelson can operate under civil service, and Chester Bowles can operate under civil service, why cannot Will Clayton?

Sixty days ago we passed in this House a veterans' preference law in which we expressed our desire to see that the men who served in the armed forces should have preference. Now you are going to turn right around and exempt these jobs from civil service. No matter how well qualified he is, you are giving to one man the power to make all these appointments. I see no reason why this agency cannot operate under civil service, when the other extremely important war agencies during the whole war period have operated successfully under the civil-service law.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. WHITTINGTON. I have high regard for the gentleman's views. What plants and what large properties costing $50,000,000 or $60,000,000 has Donald Nelson or any other agency disposed of, or what industrial appraisal men familiar with the value of such property have they had to employ under civil service?

Mr. RAMSPECK. I do not know that they have had to dispose of any, but I do know that the War Production Board has employed men who have earned as high as $100,000 a year. These men came in under the provisions I am advocating. Mr. Clayton can use civil service likewise. The Commission is not going to be arbitrary about his getting the type of ability he wants; so why set the precedent of breaking down the law we have just passed? Why change the rules of the game in the middle of it, when the other agencies in the war effort have been able to get along with the Civil Service Commission and get the type of people they needed without breaking it down?

Mr. WHITTINGTON. The complete answer is that we have not had this provision. There will have to be an administrator in foreign countries where the property is located, and he ought to be able to get the type of man he needs for that without regard to the civil service.

Mr. RAMSPECK. What about the Rubber Director who guided the synthetic-rubber program? He operated under the civil-service law.

Mr. WHITTINGTON. I did not know that he was under civil service.

Mr. RAMSPECK. Not the man himself, but his organization.

Mr. WHITTINGTON. I am talking about the Director himself. He was appointed.

The Administrator here in the United States will have to appoint a deputy administrator to take care of much of this property which is located abroad, and he should be able to appoint that deputy administrator without regard to Civil Service to get just the type of official he needs.

Mr. RAMSPECK. Would the gentleman limit it only to the deputy administrator?

Mr. WHITTINGTON. No.

Mr. RAMSPECK. I want to say to Members on both sides of the aisle that the three major veterans' organizations are watching this floor today. They do not want to see this Congress break down a law just passed 60 days ago. They have sent telegrams, they have contacted the members of the committee expressing their views. We ought to have an orderly selection of these people in accordance with the rule of merit and not make a patronage grab out of this agency.

Mr. REES of Kansas. Mr. Chairman, I rise in support of the amendment to put all appointive employees under civil service.

Mr. Chairman, under the terms of this bill as it now stands, it is provided that the deputy administrators, assistant administrators, special assistants, public accountants, cost accountants, engineers, appraisers, and all other experts are to be exempted and chosen without civil-service status or civil-service classification. Of course, there will be plenty who will be appointed under the classification of experts. There may be a few of the top appointees who will not need to come under the Classification Act, but there is no use exempting them by the wholesale. If they are not good enough to qualify for these jobs, they ought not to be appointed.

If you believe in civil service in government, if you favor the merit system, then you ought to support this amendment.

I agree there are many employees who are holding jobs for which they are not qualified, too many of them. That is not the fault of the system. That fault is with the administration of the act. I realize it is difficult to classify some of these jobs, but even at that it is better to put these positions under civil service. It is the safer thing to do.

Mr. Chairman, only a few weeks ago this House, by overwhelming majority, supported legislation designed to strengthen and improve the Civil Service Act, especially as it protects the rights of veterans. Today, if you do not adopt this amendment, you are taking away the right of veterans' preference as far as these jobs are concerned.

What really needs to be done is to give the civil system a going over and make it more practical and workable. Make it a real competitive civil-service merit system.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished Member from Ohio.

Mr. BROWN of Ohio. Has it not been a usual procedure for the last several years always to exempt from civil service the appointees of any new agency of the Government and then after the positions have been filled, blanket them into civil service?

Mr. REES of Kansas. Yes; beginning back in the days when the New Deal first started to set up its numerous agencies they exempted the employees from civil service. Political and patronage appointments were made by the thousands. No examinations were required by appointing agencies. They came along later when the jobs had been filled and blanketed them into civil service without the employees being required to take any competitive examinations. Tens of thousands of new employees were placed under civil service long after being appointed, without being required to take examinations that amounted to anything. At that time there were thousands of persons who had qualified for jobs and who were on the eligible registers but were not permitted to compete for the positions that had been filled by the "blanketing in" method. I did not support that legislation. All of these exemptions are not necessary. They should be under civil service. Let us play the game squarely while we are about it.

Mr. GOSSETT. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished gentleman from Texas, a member of the committee.

Mr. GOSSETT. I may say to the gentleman from Kansas that this language was copied almost verbatim from the language in the Contract Settlements Act which we passed here just before the recess and no such fight was made on that legislation.

Mr. REES of Kansas. It is a very unfortunate thing the House permitted that to occur. I am disappointed that a committee would bring in such exemption after all of our experience with respect to this problem.

We ought to have stricken it out. This amendment is sound. I trust the Membership of the House will support it.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. COLMER. Mr. Chairman, I move to strike out the last three words.

The CHAIRMAN. The gentleman from Mississippi is recognized for 5 minutes.

Mr. COLMER. Mr. Chairman, I do not know that I should take any time to discuss this matter. I do not believe it is a controlling matter; I do not think it is either going to make or break this legislation but I do want to call your attention to the fact that this is a temporary organization; it is set up to do a specific job. The Administrator should have an opportunity to get his assistants wherever and whenever he could find them without having to go through all the red tape, if you please, of Civil Service for these temporary jobs. If this were a permanent organization it would be a different proposition entirely, but we are setting up an organization for 2 years only. Why go into all this red tape and these requirements? Before the Administrator could get some of the men he needed from Civil Service the life of the act would have expired.

Mr. FISH. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I agree and I disagree with the gentleman who has just spoken. I agree that it will not make a great deal of difference whether this amendment is adopted or not. Certainly the Administrator should have the greatest latitude in selecting all of his deputies. That should be self-evident. Whether he should have that same latitude in hiring experts, such as cost accountants, appraisers, and so forth, I do not know, nor do I care very much what happens to this amendment.

I differ, however, with the gentleman from Mississippi very much in that it does make a difference if you begin to break down the veterans' civil-service laws. This is not the time to begin to do that. If this amendment is not carried I propose to offer the following amendment:

Page 26, after the period, line 20, insert This shall in no way abrogate veterans' preference under the civil-service laws and the Classification Act of 1923.

I see no reason whatever by any stretch of the imagination for taking away any of the little preferences we have given to these World War veterans of the past war or of this war. We have given them little enough and I am not going to begin to vote to take anything away from them. It has been hard enough to get these benefits for them. This will not affect a great many jobs. It is not a question of lip service, it is a question of principle. If you break it down now why not do it all along the line?

Mr. Chairman, this raises two issues. The first issue is the question of civil service, whether it is feasible to apply the civil-service tests to all of these employees. The other is with reference to war veterans of both wars, No. 1 and No. 2. Let us not break down the veteran preference laws now.

Mr. RAMSPECK. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Georgia.

Mr. RAMSPECK. I would like to point out to the gentleman if you exempt the employees from the civil service that we have no way of knowing or of ascertaining whether or not the veterans' preference is applied. That would not be effective because you have no one to police it.

Mr. FISH. If this amendment is agreed to, it is the law, and I hope whoever is the Administrator will comply with the law. If he does not comply with the law I think the Congress will have something to say about it, and I am sure it will. I shall certainly offer my amendment as far as veterans' preference is concerned if the proposed amendment is defeated.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BUSBEY. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, I hope that my remarks on behalf of the amendment offered by the gentleman from Minnesota [Mr. GALE] will not be construed as condoning or complimenting the Civil Service Commission in any way, shape, manner, or form. On several occasions, I have exposed the Civil Service Commission and the way it has conducted its loyalty investigations. I still say if the Dies committee ever investigated the Civil Service Commission the eyes of everybody in this country will be opened as to what has been going on, and how all the Communists and fellow travelers of Earl Browder and Sidney Hillman have gotten on the Federal pay roll.

Something has been said during this debate about veterans' organizations supporting this amendment, which is correct. I received the following telegram from Maurice F. Devine, chairman, national legislative committee, the American Legion:

WASHINGTON, D. C., *August 16, 1944.*

Hon. FRED E. BUSBEY,
House Office Building,
Washington, D. C.:

Your attention is respectfully invited to paragraph B of section 3 of H. R. 5125. This may be found on page 26, lines 12 to 20, inclusive. The Legion is opposed to part of the language of this section and submits that that part of the section beginning on line 12 with the words "without regard to" and ending on line 20, with the words "policies of this act" should be stricken out, our reason for making this suggestion is because if this section is allowed to remain as it is it would result in the nullification of veterans' preference laws, except in the lower-paid positions. The civil-service laws, and particularly Public Law 359, Seventy-eighth Congress, provide for veterans' preference in Government employment. If this section is not amended as suggested registers would not be obliged to be kept, rating because of examinations would have no standing, and the really worth-while positions provided under this bill would be placed outside the civil-service laws. It is our understanding that the civil-service laws provide adequate opportunity for the application and classification of the personnel necessary to the proper administration of this bill. The Administrator has ample authority under civil-service laws to select key personnel in excepted positions.

MAURICE F. DEVINE,
Chairman, National Legislative Committee, the American Legion.

Mr. Chairman, as the gentleman from Georgia [Mr. RAMSPECK] stated, you are going to start scrapping the veterans' preference laws when you write into law exemptions such as those contained in the pending bill. The membership of this House has always stood for the veterans. They have demonstrated that time after time and I feel most earnestly that we will again demonstrate our feeling toward the veterans by agreeing to the amendment which has been offered by the gentleman from Minnesota [Mr. GALE].

The gentleman from Mississippi [Mr. COLMER] referred to the red tape one must go through in the Civil Service Commission in order to have men appointed in top positions of a Government agency. The Civil Service Commission, I believe, is in a position to certify a man in 1 day if it is necessary.

Mr. Chairman, I sincerely hope that the membership of the House will again demonstrate its loyalty to the veterans of our country and adopt the amendment offered by the gentleman from Minnesota [Mr. GALE].

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANASCO. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama [Mr. MANASCO]?

Mr. TABER. Mr. Chairman, I object.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the pro forma amendment.

When this bill was introduced appointments were not made under the Civil Service Classification Act. The committee gave careful consideration to the matter. The section under consideration provides that the personnel shall be selected under the civil service. Every preference is retained that the veteran is entitled to under civil service. We examined the Administrator at length, and we were impressed that this Administrator had been discharging the obligations of his office and arranging to dispose of property already since he was appointed aggregating a good many hundreds of millions of dollars, with a staff of 50. We said to him, "Much of this property will be disposed of abroad." He said, "Yes. I ought to have the power to appoint the best qualified in or out of the Government or in or out of the civil service." It may be that during the war high-salaried men come down and work for $1 a year, but this bill provides for the handling of fifty or sixty billion dollars worth of property after the war; many of the plants worth millions of dollars. Before the Administrator disposes of those plants will you deny to him the privilege, with or without civil-service classification, to get the best possible engineers, industrial engineers, those who are familiar with chemical plants, the cost of steel plants, the cost of erection of many other plants costing millions and millions of dollars? Will you restrict him to Government employees who have never had any experience in the handling of millions, to say nothing about billions, of dollars' worth of property? We want to do everything to see that the veterans are given preference, and we have done so time after time in this bill, wherever possible. We are for the civil service and the Classification Act, but we say that the Administrator ought not to be denied the right to appoint a Deputy Administrator to represent him abroad or an Assistant Administrator to represent him in other parts of the world or in another part of the country, and to get the best industrial engineers and experts and the best legal talent that he can get, as well as the best appraisers. The word "all" is not in there. It says, "and other experts." I do not know of any better way to express the authorization than the language of the bill, unless we mean to hamper and unless we mean to prevent the Administrator from getting the best help and the most dollars that he can in the disposal of this billions of dollars' worth of property. We ought not to restrict him to the employment of civil-service employees who do not know anything about the technical plants, in my judgment, to say nothing at all about some of the biggest transactions in the world, where technical talent is required.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Missouri.

Mr. COCHRAN. The original bill exempted all employees.

Mr. WHITTINGTON. It certainly did.

Mr. COCHRAN. I objected to that.

Mr. WHITTINGTON. That is right.

Mr. COCHRAN. Then after a long discussion with Mr. Clayton he said he did not want all the employees to be exempted, but he did think with reference to what you might say were his assistants that were going to help him to carry out the purposes of the act, and some experts, that he should be given some latitude.

Mr. WHITTINGTON. If you can approve the language in the bill to give him the assistants that he ought to have, I have no objection, but to strike out and eliminate the power altogether and prevent him from getting the experts he needs that would enable him to get every dollar that we ought to get in the disposal of these war plants, would be a mistake.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from New York.

Mr. TABER. This gentleman, who it was suggested might be appointed, has been in charge of this job for how long?

Mr. WHITTINGTON. About 3 months.

Mr. TABER. The gentleman from Indiana [Mr. HALLECK] exposed the fact that an enormous number of W. P. A. and N. Y. A. derelicts were running this job now. That is what we do not like, and it ought to be done away with.

Mr. WHITTINGTON. The gentleman is ill-advised and mistaken. May I say in all deference that I am as much in favor of economy and efficiency as any Member of the House. For whatever my judgment is worth, this Administrator of all the administrators that have been brought to my attention, has a staff, including clerical and other employees, of around 50. We have had dealings with one member of his staff. He is most capable and qualified. He is not appointed under the Civil Service. I am for just as much economy and efficiency in the management of the Government as possible. I say, in my judgment, that it would be a great mistake to deprive Mr. Clayton of the privilege of obtaining the experts he should have, when we retain the purse strings to provide for his compensation and the compensation of these men, by adopting this amendment, and I trust it will be defeated.

Mr. RANDOLPH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Missouri [Mr. COCHRAN] has correctly stated what transpired in connection with this subject when the hearings were in progress before the Committee on Expenditures in the Executive Departments. As a member of the Committee on the Civil Service of the House for some 11½ years, I have consistently fought to extend and strengthen the provisions of the merit system. The committee was in agreement, as the gentleman from Missouri has expressed, that insofar as possible we should use civil-service employees in the regular personnel. The Administrator, however, whoever he may be, Mr. Clayton or another gentleman, should in this type of job have the responsibility of picking those who would work closely with him as experts, as research men, as policy individuals. On their shoulders would devolve a keen responsibility, and those certain employees of the Surplus Property Administrator should be from without the civil service, or within the civil service, if the S. P. A. desires. He should choose, according to what he believes to be best.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Alabama.

Mr. MANASCO. The previous gentleman referred to the men who had no merchandising experience who are now disposing of this surplus property. I call attention to the fact that these men are already under civil service; they are in the Procurement Division of the Treasury Department now; so if we are afraid of exempting a few there, and they are not satisfied with the men already employed, I do not think we can improve it by striking it out.

Mr. RANDOLPH. I thank the gentleman.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Missouri.

Mr. COCHRAN. I think that the words "and the Classification Act of 1923" should be eliminated. With all due respect to whoever might be the Administrator, we should not set the Classification Act aside entirely, because if you do, there is no limitation as to what salary he could pay. I agree with the suggestion made a few minutes ago that those words should be stricken out of this act.

Mr. WHITTINGTON. Does the gentleman offer that as an amendment to the amendment?

Mr. COCHRAN. I will offer it as an amendment.

Mr. WHITTINGTON. That cannot be done, because the gentleman is striking out the whole text.

Mr. RANDOLPH. The gentleman will perhaps offer it as a substitute. I think there was no matter that received more careful attention than this subject, and I only reiterate that in voting against the amendment, I will not be lowering the bars against civil service. I may say to the gentleman from Minnesota [Mr. GALE] that I think I have joined with him on all occasions when there was a clear-cut test, but I think on a matter of this kind, where decisions must be made and where confidential personnel is necessary to enable him to make up his mind on the matter, we must give to the Administrator certain powers of discretion and choice.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Michigan.

Mr. DONDERO. An interesting question has been raised. If the war ends tomorrow, how long would these people under this section serve under the administration of this act? Has any Member any knowledge of that?

Mr. WHITTINGTON. Not longer than 3 years.

Mr. RANDOLPH. The life of the act. The job of the disposal of goods must be in 3 years.

Mr. DONDERO. But how long would it be necessary to administer this act before this surplus property would be disposed of, should the war end tomorrow?

Mr. WHITTINGTON. May I say that it took 4 years after the First World War to sell $3,750,000,000, and we are giving him 3 years to dispose of 50 or 60 billion.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. I would have no objection to allowing the Administrator to select a deputy and an assistant administrator, and certainly there is no reason why we cannot get cost accountants, industrial engineers, and appraisers. But the best brains of this country today are in the armed forces. Most of those qualified are now in the service. We have them in Europe and in every other part of the world. They could be discharged from the Army and put to work on this program and put in civil service almost overnight.

Mr. GOSSETT. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Texas.

Mr. GOSSETT. In connection with the observation of the gentleman from Michigan, the Administrator might want to take a small corps of experts to do a particular job for only 3 months' tenure of employment, or possibly 6 months, and if he had to go to the Civil Service Commission it would delay his operations considerably.

Mr. RANDOLPH. I hope the amendment is defeated.

Mr. COCHRAN. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN as a substitute for the amendment offered by Mr. GALE: On page 26, lines 9 and 10, strike out "and the Classification Act of 1923."

Mr. TABER. Mr. Chairman, does the Committee understand that if this amendment is adopted the rest of the amendment goes out? Is it not correct that if the substitute for the amendment is adopted, the whole amendment goes out?

The CHAIRMAN. This is hardly a substitute.

Mr. TABER. I make the point of order, then, that the amendment is not in order.

The CHAIRMAN. The gentleman from Missouri can offer this amendment after we have disposed of the amendment offered by the gentleman from Minnesota.

Mr. COCHRAN. Mr. Chairman, I offered my amendment to lines 9 and 10. It should be line 13, striking out the words "and the Classification Act of 1923."

The CHAIRMAN. Does the gentleman offer his amendment as a substitute or as

a perfecting amendment to the amendment offered by the gentleman from Minnesota?

Mr. COCHRAN. I offer it as a perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: On page 26, line 13, strike out "and the Classification Act of 1923."

Mr. GALE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GALE. The amendment which has been offered by the gentleman from Missouri is not a substitute, because my amendment strikes out the language to which the amendment refers.

The CHAIRMAN. The amendment is not now offered as a substitute, it is offered as a perfecting amendment.

The question is on the amendment offered by the gentleman from Missouri.

The amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. MANASCO) there were—ayes 70, noes 57.

So the amendment was agreed to.

The Clerk read as follows:

SURPLUS PROPERTY ADVISORY BOARD

SEC. 4. There is hereby created a Surplus Property Advisory Board with which the Administrator shall advise and consult. The Board shall be composed of the Administrator, who shall act as its Chairman, and of the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Attorney General, the Secretary of Commerce, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Labor, the Chairman of the Board of Directors of Smaller War Plants Corporation, the Chairman of the United States Maritime Commission, the Chairman of the War Production Board, the Administrator of the War Food Administration, the Administrator of the Federal Works Agency, the Chairman of the Civil Aeronautics Board, and the Administrator of the Foreign Economic Administration, or any alternate or representative designated by any of them.

Mr. PATMAN. Mr. Chairman, I offer an amendment:

The Clerk read as follows:

Amendment offered by Mr. PATMAN: On page 27, at the end of the paragraph in line 21 insert the following:

"SALES AND DISTRIBUTION ADVISORY COMMITTEES

"SEC. 5. (a) The Administrator shall appoint a sales and distribution advisory committee of not less than nine members for each class of property which is to be sold or otherwise disposed of. The members of each such advisory committee shall be appointed from among persons who, by reason of their business experience, (1) are familiar with the handling and marketing of such class of property, or similar property, and (2) shall include representatives of both small and large established retail and wholesale distribution firms and manufacturers where general manufacturer interest exists. (3) Members of these committees shall serve without pay, but shall be compensated for their actual traveling and subsistence expenses while absent from their homes in performance of their committee duties.

"(b) The Administrator shall appoint a sales officer for each class of property to be sold or otherwise disposed of who shall consult regularly with the advisory committee for the particular class of property as to its orderly disposal. He shall (1) keep the advisory committee constantly advised as to the nature and amounts of surplus property coming within his jurisdiction for disposal and (2) shall meet at any time with the advisory committee upon request of a majority of the committee's members."

Mr. PATMAN. Mr. Chairman, the gentleman from Indiana [Mr. HALLECK], and I, as former ranking minority member and chairman, respectively, of the Committee on Small Business of the House, have prepared four amendments which we propose to introduce to this bill. This is the first one to be presented. It has the approval of the Select Committee on Small Business. It has their unanimous approval and I urge its adoption.

On Monday I appeared before the Committee on Rules and offered the comment that I regretted the measure did not contain a provision for the appointment of sales and distribution advisory committees on which both small and large business interests could be represented in the case of each separate class of property. I was told that both the House Post-war Committee and the Committee on Expenditures in the Executive Departments favored this type of provision, but that no one had submitted the provision in such language that it could be included in this bill. To this end I offer this amendment and assume that it will meet with no objection from the membership of those two committees. The first paragraph of the amendment requires that the Administrator shall appoint a "sales and distribution advisory committee" for each class of surplus property to be sold or otherwise disposed of. Each committee shall consist of not less than nine members and representatives of both small and large firms normally engaged in the distribution and manufacture of the products in question shall be appointed to the committee. I have specified that small business shall be represented on those committees because I have no fears that large business will have any difficulty in finding its way to the proper sources of information in this connection as it has been doing for the past 2 years in connection with war contracts and other governmental matters.

The second paragraph requires the Administrator to appoint a "sales officer" for each class of surplus property to be sold. This sales officer shall keep the advisory committee for his class of goods constantly advised as to surplus coming within his jurisdiction for disposal or likely to be assigned to him for handling and distribution. He shall consult with his committee at frequent intervals or whenever a majority of the committee's members request him to do so. I understand that this clause requiring the appointment of sales officers for each class of property is merely a confirmation of a policy which the present Administrator, Mr. Will Clayton, has already put into effect in a majority of his disposal agencies. But I feel that while we are writing this bill we should give the official approval of the Congress to that action, so that some possible change in the Administrator's office may not cause a different system to be put into effect.

The amendment is short and I believe it is clear in its meaning and intent. I urge its adoption.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Kansas.

Mr. HOPE. The gentleman has referred to classes of property. Does he have in his amendment or in any subsequent amendment which is to be offered, any definition of the various classes of property?

Mr. PATMAN. It is pretty well known. The present Administrator has the property classified. I do not think there would be any difficulty in that respect.

Mr. HOPE. How many different classes of property are there?

Mr. PATMAN. I cannot tell the gentleman. I know there are quite a few, but we should have for each class of property advisory committees in order for the Government to get the maximum amount for these surplus properties.

Mr. HOPE. You would have probably as many different types and kinds of property to be offered here as you would find in the Montgomery Ward catalog and if all of these constitute surplus classes of property, there would be an extremely large number of advisory committees.

Mr. PATMAN. No; there are about 50,000 items in the Montgomery Ward catalog. Of course, many of them belong to the same class. For instance, the item of textiles might cover a large part of the Montgomery Ward catalog. Hardware would include a large part of the remainder.

Mr. HOPE. How many classes would the gentleman say there are?

Mr. PATMAN. I would not like to pass on that.

Mr. ROLPH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. ROLPH. Is it the gentleman's idea that these committees will be selected geographically? In other words, speaking for the Pacific coast, will we have representation on these committees?

Mr. PATMAN. It has not been broken down to that extent, geographically, I will say to the gentleman.

Mr. ROLPH. But it should be; does the gentleman not think so?

Mr. PATMAN. The present Administrator is trying to do that now. This is merely writing into law what he has already adopted, but we do not know what will happen.

Mr. ROLPH. But the gentleman thinks it should be in the law, does he not?

Mr. PATMAN. It should be in the law.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman?

There was no objection.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HALLECK. Mr. Chairman, I am very much in favor of this amendment and I hope that it will be adopted. As I said yesterday, the job that was to be done in connection with the surplus-property disposal is one of merchandising. It requires the best merchandising ability extant in the country and certainly a better job will be done if the best experience and ability obtainable are brought into the effort to the end that those who are directly charged with disposing of the property may have the benefit and the advice and counsel of those people. I might suggest in respect to the classes that classes of property are quite well known. There are things like machine tools and all sorts of different machine tools. Generally that is a class of property. There also is a class of property known as motor vehicles. That includes all sorts of different types of motor vehicles, and there are people in that industry who certainly know much more than the average man about selling motor units. Surely advisory committees composed of informed men would be most beneficial in disposing of this property, and would give the public confidence that the job was being done right.

Mr. PATMAN. Mr. Chairman, I want to thank the gentleman for his contribution.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Mississippi, Chairman of the Special Committee on Post-war Economic Policy and Planning.

Mr. COLMER. The gentleman from Texas made a statement a moment ago which I wish he would clarify or amplify. If I understood the gentleman correctly he said that these amendments had been submitted to both the Committee on Post-war Economic Policy and Planning of the House and the Committee on Expenditures in the Executive Departments and that they had the approval of those committees.

Mr. PATMAN. I am sorry the gentleman misunderstood me, I will read exactly what I said.

Mr. COLMER. Mr. Chairman, would the gentleman from Texas be kind enough to do so?

Mr. PATMAN. I said when I appeared before the Rules Committee on last Monday I was told that both the House Post War Committee and the Committee on Expenditures in Executive Departments favored this type of provision, but that no one had submitted the provision in such language that it could be included in this bill. To this end I offer this amendment and assume that it will meet with no objection from the membership of those two committees.

Mr. COLMER. I just wanted to get that clear.

Mr. PATMAN. I am glad that the gentleman from Mississippi raised that point.

Mr. COLMER. I just wanted to make it clear as to the position of our committee.

Mr. PATMAN. I hope the gentleman will support the amendment.

Mr. POULSON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. POULSON. I want to say to the gentleman from Texas that I am heartily in accord with that amendment. I would like to ask this question: Is it not true this is not entirely a job of salesmanship, but that there is such a thing as overselling? We have $16,000,000,000 worth of consumer goods which we have to absorb in the normal channels of our economy, and it is not entirely a question of selling it, and for that reason I believe on this advisory committee there should be also some people who understand the problems of the consumers and of labor and the like in addition to the well-meaning intent which the gentleman from Texas has brought out in his committee?

Mr. PATMAN. It is presumed that the Administrator and the advisory group that is named in the bill in section 4, will properly look after the consumer. That is strictly a sales proposition. It is the biggest merchandising job in the history of our country.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BLAND. I am concerned to know just how this will affect the disposition of ships which are engaged in international trade all over the world. We have a bill pending before our committee at the present time.

Mr. PATMAN. I understand this bill specifically exempts ships. That is my understanding.

Mr. BLAND. That problem has an international implication.

Mr. PATMAN. Since they are exempt entirely from the provisions of this bill, my amendment would not have anything to do with ships.

Mr. SABATH. I think the gentleman from Virginia is correct. They are exempt from the provisions of the bill.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. COCHRAN. Under the terms of paragraph (b), as I read it, there will be appointed a sales officer for each class of property?

Mr. PATMAN. That is being done now.

Mr. COCHRAN. Now, will they dispose of the property and not the Administrator?

Mr. PATMAN. No; the Administrator has charge of it.

Mr. COCHRAN. He has charge of it, and they will dispose of it?

Mr. PATMAN. They are acting for him.

Mr. COCHRAN. Then you are going to set aside the disposal officers provided for by the Administrator?

Mr. PATMAN. No. It is really the present set-up, written into law.

Mr. COCHRAN. In view of the amendment adopted a few moments ago, all of these people will have to come from the civil service, will they not?

Mr. PATMAN. Well, I do not know. I do not want to get into that discussion.

Mr. COCHRAN. The gentleman had better think about that, because that amendment has already been adopted.

Mr. PATMAN. I hope my amendment will be adopted.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MANASCO. Mr. Chairman, I rise in opposition to the amendment.

From a reading of the amendment, I want to ask the gentleman from Texas [Mr. PATMAN] if his amendment were adopted, if every one of these people would not come under the civil service, according to the amendment just recently adopted?

Mr. PATMAN. I am unable to inform the gentleman because I do not know. That is a separate question. We are just asking for advisory committees.

Mr. COCHRAN. I just brought that up at the conclusion of the remarks of the gentleman from Texas.

Mr. PATMAN. These advisory committees will serve without salary.

Mr. MANASCO. Yet they must be appointed under the provisions of section 3 of this act, and they must be under civil service.

Mr. PATMAN. I cannot answer that, but that would be no reason for not having advisory committees.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. VORYS of Ohio. Certainly the gentleman would not contend that the Secretary of State and the Secretary of the Treasury, mentioned in Section 4, as members of an advisory committee, would need to comply with the Civil Service laws?

Mr. MANASCO. No, because they are specifically exempted under existing law.

Mr. VORYS of Ohio. They are not exempted by this bill.

Mr. MANASCO. But they are exempted under the Classification Act. I do not think that Section 4 means anything in the bill at all. It would not do any harm if it were stricken, because it is purely an advisory board. But under the terms of the amendment offered by the gentleman from Texas [Mr. PATMAN], if I am not mistaken, then these advisory boards would have control over the disposition of this surplus, and instead of advising the disposing agencies, such as the Procurement Division of the Treasury or the War Department who will have charge of the disposition of these surplus properties, it will be tieing the hands of the Administrator. He simply makes the policy and decides when the surplus is to be disposed of.

Mr. COCHRAN. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. COCHRAN. The gentleman's amendment provides for a sales agent.

Mr. MANASCO. If I understand the amendment it provides for a sales agency itself. If his amendment is adopted we do not need any further legislation on this subject.

Mr. PATMAN. The gentleman is mistaken about that.

Mr. MANASCO. I may have misunderstood the reading of the amendment.

Mr. PATMAN. If the gentleman will read the second paragraph it is very plain.

Mr. MANASCO. We have over 700,000 commodities to be disposed of. You will have girdles, hose, shoes, airplanes, and all kinds of commodities. Are we to have an industrial committee representing each of the manufacturing interests in this country? I do not know how many thousand kinds of establishments we have, but if that is what is contemplated, each of these industrial committees will go to this Administrator and say: "We cannot afford to let any of this surplus be dumped, because it will destroy our business." We will wind up having all the surplus stored in warehouses throughout the country. The Congress itself will be criticized most.

Mr. MAGNUSON. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. MAGNUSON. The small-business man may be very much interested in this, but how can the small-business man or the consumer come to Washington to serve on these committees? Would you not get in the same position as you are today with the War Production Board?

Mr. MANASCO. That is correct.

Mr. MAGNUSON. Where big business serves on the advisory boards and on the particular division that is handling his particular commodity.

Mr. MANASCO. I may say that the men who are serving on the War Production Board would not be doing so in time of peace. They think it is a part of the war program.

Mr. PATMAN. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. PATMAN. This amendment specifically says that small business shall be represented, in order to correct the very thing about which the gentleman from Washington [Mr. MAGNUSON] complains. Obviously, big business will be represented. This requires small business to be represented.

Mr. MANASCO. Of course, anyone who represents the United States is supposed to represent all business. He is supposed to represent small and large.

I sincerely trust the Committee will see fit to vote down this amendment, because I think it would destroy the very purpose of the orderly disposal of the surplus property.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. MANASCO] has expired.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rather hesitate to detain the Committee. The gentleman from Texas [Mr. PATMAN] stated that he understood the committee had rather assented to the proposal. With all due deference, as far as the Committee on Expenditures is concerned, there is no such assent.

Mr. COLMER. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. COLMER. I asked the gentleman from Texas [Mr. PATMAN] about that, and I think we both misunderstood him. He said he assumed there would be no objection.

Mr. WHITTINGTON. That assumption is contrary to the fact.

Mr. PATMAN. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. PATMAN. I appeared before the Rules Committee and I discussed this very amendment, and I drew the inference from what the gentleman stated there that they were for something like this but they could not get the language up that would carry it out.

Mr. WHITTINGTON. I do not question the gentleman's inferences. Permit me to say that the committee, in its report, and in the debate, specifically states that this bill provides for the continuance of the policy that is being pursued by the Administrator, to wit, the appointment of advisory committees. As far as the gentleman's amendment relates to the appointment of an advisory committee, there is general consent. We gave two specific illustrations, that when they came to dispose of trucks, they had an advisory committee. When they came to dispose of airplanes they had an advisory committee. That policy will obtain, and we are for that. But the second part of the gentleman's amendment was never discussed as I recall. The gentleman did not publish it in the RECORD and in all kindness, if that part of the gentleman's amendment obtains, it is utterly contrary to the principles of this bill.

Mr. PATMAN. Will the gentleman yield?

Mr. WHITTINGTON. Just let me finish my statement and I will be glad to yield.

I say this bill provides for the utilization by the Administrator of existing agencies, in the disposal of Government property. There is a disposal agency. There is a declaring agency. The second part of the gentleman's amendment is revolutionary to the purposes of this bill and would provide for the appointment of sales agents ad infinitum. I do not have any idea what the cost would be. Nobody on the committee has ever in any way expressed any sort of assent to the monumental suggestion that sales agents be appointed for all classes of property. I understand there are about 2,000,000 different kinds of surplus property. With all due deference, we emphasized time after time, that under the terms of this bill, advisory committees are contemplated. Little business is recognized in the "objectives," and in order that there may not be any question about it, it is repeated under "policies." So that the inference that the gentleman would have been justified in drawing was that we were favorable to the utilization of advisory committees. We are favorable to according to little business plants every possible consideration, and we have adopted the best language we could. But at no time did we ever provide or ever in any way agree to the absolute substitution or to the proposal of sales agents for the fundamental policy in this bill which utilizes the disposal agencies as provided in the bill.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. Gladly.

Mr. PATMAN. The gentleman, of course, contemplates that the agencies will have the same class of property for sale; so this contemplates a sales officer for each class of property. That is coordination of effort instead of diffusion and confusion of effort. So it cannot replace the theory embodied in this bill at all. It will make for coordination of effort in each class—not 2,000,000 articles, but each class only.

Mr. WHITTINGTON. Just a moment. The gentleman provides for the appointment of sales officers for each class of property.

Mr. PATMAN. Each class——

Mr. WHITTINGTON. Just a moment, please; the gentleman has stated that time and time again and that is utterly contradictory to the fundamental principles of this bill. The hearings disclose that we have a hundred statutes for the disposal of property. The Administrator has concentrated the disposal of property in about 10 agencies of the Government and they are named as the disposal agencies. He mentioned specifically the procurement division in the Treasury Department, whereas the gentleman by his amendment would appoint a sales agent for each class of property. The Procurement Division would be the one division to provide for the disposal of many classes of property that has been accumulated whether it was confined to one class or type of property or not.

In my judgment the amendment should be voted down.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. COLMER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Mississippi is recognized for 5 minutes.

Mr. COLMER. Mr. Chairman, I do not expect to utilize 5 minutes. I want to point out to the House merely that this is a perfect illustration of trying to write legislation upon the floor of the House. The gentleman from Texas, my warm personal friend, who is always so ready and willing to press with all the ardor and vigor and effectiveness of his being for the objectives he seeks, frankly admits here on the floor of the House that he does not know how many committees will be set up, does not want to comment on that. I believe that was his language, and yet he is going to set up these advisory committees which the gentleman from Mississippi has already pointed out are being utilized. If this were a bill to relieve unemployment I would be for the gentleman's bill.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. COLMER. Just 1 second, please. There are over 700 advisory committees

now down here in the War Production Board. Those committees are being utilized by the Administrator and will be utilized by him. It is reasonable to assume that if the gentleman's amendment is adopted we shall have at least 700 more advisory committees of 9 men each. Nine times 700—you can figure it for yourself—6,300 men. At what? $25 a day? We want to realize something out of the salvage of this surplus property; we do not want to pay it all out in administration. I think this would just upset the whole apple cart and defeat the objectives we are seeking.

Mr. PATMAN. Mr. Chairman, will the the gentleman yield?

Mr. COLMER. Certainly.

Mr. PATMAN. The gentleman is not fair in his reference to the War Production Board; there is no reason to compare it to the War Production Board; it is entirely different.

Mr. COLMER. I have got to compare it with something.

Mr. PATMAN. This is a resolution for the disposal of property.

Mr. COLMER. Certainly.

Mr. PATMAN. And it all falls within certain classifications; there are not many classes.

Mr. COLMER. No one knows how many classifications there are; there are thousands.

Mr. PATMAN. The number of classes is not large.

Mr. COLMER. I have reason to assume from my knowledge of the subject that there would be more than 700 committees.

Mr. PATMAN. Oh, the gentleman is entirely incorrect; there would not be more than 50, or maybe not 25. This amendment refers to classes of property.

Mr. COLMER. At last we have got the gentleman to commit himself on how many there will be.

Mr. PATMAN. Yes; I do not believe there will be over 50.

Mr. COLMER. I believe there will be 700.

Mr. PATMAN. If there were 50, they would be justified.

Mr. COLMER. The point I am making is that we cannot write legislation of this kind on the floor of the House.

Mr. PATMAN. If the gentleman will yield once more, in another committee of the House we have been giving this subject consideration for a year or more. This is not something brought up on the floor without consideration.

Mr. COLMER. But the gentleman cannot give us any exact information on it.

Mr. PATMAN. Not the exact number; but we can decide the principle.

Mr. COLMER. I must yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman says we have got to have advisory committees. I say we have got to have men with merchandising ability. Unless we do have men with experience in merchandising and selling we are not going to be able to get much out of this.

Mr. COLMER. Will the gentleman get some time in his own right?

Mr. HALLECK. On this matter of advisory committees, if they are presently being used under regulations and orders of the Administrator then why should they not be hereafter used under the legislation written by the Congress of the United States?

Mr. COLMER. Because nobody knows how many of them will be needed.

Mr. HALLECK. I take it that anyone with a reasonable understanding would figure that when you set up the advisory committees from a particular industry the number would be limited; and those men because they know the problems could help sell this property to the best advantage.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The CHAIRMAN. The gentleman from Ohio [Mr. VORYS] is recognized.

Mr. VORYS of Ohio. Mr. Chairman, I have an amendment to the amendment which I wish to offer.

The CHAIRMAN. Is it a substitute to the amendment?

Mr. VORYS of Ohio. No; it is an amendment to the amendment.

The CHAIRMAN. The Clerk will report the amendment to the amendment offered by the gentleman from Ohio.

The Clerk read as follows:

Amendment offered by Mr. VORYS of Ohio: In the first line of the Patman amendment after the word "appoint" insert a comma and the following "without regard to the provisions of the civil-service laws and the Classification Act of 1923."

Mr. VORYS of Ohio. Mr. Chairman, this amendment merely makes specific what I believe is already intended in the Patman amendment; that is that these volunteer advisory committees are not to be subject to the civil-service laws.

I was one of those who voted for the amendment offered by the gentleman from Minnesota recently to put all of the hired help and the regular people of this establishment under civil service, but, of course, this advisory committee is no more contemplated as being subject to the civil service than is the advisory committee set up under section 4 which provides a number of Cabinet officers and other alphabetical officials to act in an advisory capacity.

I am very much in favor of the amendment offered by the gentleman from Texas [Mr. PATMAN] providing for these advisory committees; but whether you favor the amendment or not I think it is perfectly clear that none of us want to have this inadvertently brought under civil service when this is the type of advisory committee that runs all through the present war agencies, and in these existing agencies are not subject to civil service. I hope therefore the amendment will be agreed to.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. HOPE. Would the gentleman's amendment also exempt the sales managers and their staffs, men who might be appointed to dispose of all these special classes of commodities?

Mr. VORYS of Ohio. It would not.

Mr. HOPE. It simply exempts the advisory committees?

Mr. VORYS of Ohio. This simply exempts the advisory committees.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. WHITTINGTON. The gentleman, of course, understands that the vice we referred to is not contained in this amendment. The vice in this amendment is section 3 that provides for the appointment of these sales agents. They are already provided for.

Mr. VORYS of Ohio. Incidentally I differ with the gentleman on that; I believe the sales agents are a good thing. This amendment, however, is an amendment to paragraph (a) providing for the advisory committees. It will have nothing to do one way or the other with the sales agents.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield further?

Mr. VORYS of Ohio. I yield.

Mr. WHITTINGTON. With all due deference to the disposal agencies defined in the bill, this amendment would set up another agency at variance with those provided in the bill, would it not?

Mr. VORYS of Ohio. I do not think it would if it were administered in the spirit of the legislation and within its four corners. As I understand it, the bill contemplates that existing agencies will be used as disposal agencies, but that such agencies will dispose of goods in accordance with regulations issued by the Administrator.

I would think that the sales officers would simply be representatives of the Administrator to see that the existing agencies would dispose of the goods in accordance with the regulations of the Administrator. I am not the author of the Patman amendment and I do not propose to explain it, but it seems to me that is what it clearly means, just as the advisory committees operate that are already in existence. I imagine that the Administrator will have some sales officers and will not rely upon his own omniscience in determining all of the questions in administering this vast matter.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. VORYS of Ohio. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I do not wonder that the gentleman uses the word "imagine" because he hits the nail on the head. Under this bill the disposal agencies are named and this amendment sets up sales agencies, utterly without regard to the disposal agencies named in the bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SABATH. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio [Mr. VORYS].

Mr. Chairman, I have the utmost confidence in the sincerity of the gentleman from Texas who has offered the original amendment and if I thought for 1 minute it would add in any way to the protection of the rights and interests of our Government I would favor it, but I am fearful it will not do so because, after all, the responsibility should rest on the Administrator. If the Administrator is honest, sincere, efficient, and capable, he

will surround himself with able, efficient men who will safeguard the interests of the country. If he is not, he may designate persons to relieve him from his responsibility. As has been stated, we have about 700 of these advisory boards now serving in various agencies. Who are the gentlemen composing these advisory boards? Invariably they are representatives of these large industries that are put on the inside who obtain information against the interests of the small-business man in whom you Members are interested.

Mr. PATMAN. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Texas.

Mr. PATMAN. That is one of the objects of this amendment, to make sure that the small-business man will be represented. As it is now there is no assurance.

Mr. SABATH. I appreciate the gentleman's aim and I am with the gentleman in his ideas and in his desire to safeguard the interests of the small-business man. I have cooperated in every way, but I am fearful that we might relieve the Administrator of his responsibility in safeguarding the interests of the country by providing for these advisory boards. He might say: "Why, the advisory board advised me to sell this or give this away," or to do this or to do that. We must hold him accountable and responsible in this important position to which he will be appointed, and I care not who he is. I hope that he will be an honest-to-God, able, sincere man who will safeguard the interests of the country and our taxpayers. I feel that we should not divide the responsibility.

Mr. Chairman, I agree with much the gentleman from Texas [Mr. PATMAN] has said, but who is going to appoint these members of the advisory committee? The Administrator will designate them or someone will do so under his direction. Therefore, I believe that the object sought by the gentleman from Texas in his proposed amendment cannot be accomplished.

I believe, as I stated yesterday, that the bill is carefully and splendidly written. It appears to place the proper safeguards for the handling of the vast surplus properties that must be orderly disposed of. To that end we must place the authority and responsibility for the disposition of it in someone. There is the proverb "Too many cooks may spoil the broth," and I repeat, though I sympathize with the aims of the gentleman from Texas, I feel that only a man experienced and possessing real executive ability, without previous attachment to special business interests or cartels, should be designated as Administrator and held solely responsible and should not be permitted to unload the responsibility of any overt acts in connection with the disposal of the surpluses upon an advisory committee or a member thereof, such as has been done in many instances in the past in some Government agencies. Should the Administrator fail in the performance of his duty or fail to protect and properly look after the interests of the Government, Congress should act without delay and remove him.

Mr. COCHRAN. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Missouri.

Mr. COCHRAN. I would like to call the attention of the members of the committee to a question asked Mr. Clayton in the joint hearings by the gentleman from New York [Mr. FISH].

Mr. SABATH. Two smart men.

Mr. COCHRAN (reading):

Mr. FISH. Mr. Clayton, I want to congratulate you and commend you. This bill as far as I have read it is a sound proposition. My only criticism so far is that you may have too many on the Board, not too few, and it may be unwieldy.

Mr. SABATH. That was the statement of the gentleman from New York [Mr. FISH]?

Mr. COCHRAN. Absolutely.

Mr. SABATH. Unfortunately the statement of the gentleman from New York creates a doubt in my mind because this is the first time that the gentleman from New York has approved of anyone that the President has appointed to any position.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to change my own amendment by striking out section (b) and leaving section (a) in it—the first part.

The CHAIRMAN. The gentleman from Texas [Mr. PATMAN] asks unanimous consent to modify his amendment by striking out the second section.

Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. PATMAN, as modified: Page 27, after the period in line 21, insert:

"Sec. 5. (a) The Administrator shall appoint a sales and distribution advisory committee of not less than nine members for each class of property which is to be sold or otherwise disposed of. The members of each such advisory committee shall be appointed from among persons who, by reason of their business experience, are familiar with the handling and marketing of such class of property, or similar property, and shall include representatives of small and large established retail and wholesale distribution firms and manufacturers where general manufacturer interest exists. Members of these committees shall serve without pay, but shall be compensated for their actual traveling and subsistence expenses while absent from their homes in performance of their committee duties."

The CHAIRMAN. It will be understood that the amendment offered by the gentleman from Ohio is pending to the modified amendment.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to call attention to the situation we are getting into with this advisory-board matter. We have set up in section 4 an advisory board with absolutely no power and no authority, composed of the Administrator, all of the Cabinet officers, and the heads of almost all the agencies in the Government. It does not amount to anything and it will be absolutely ineffective. I do not know how far these advisory boards that are being set up with reference to each industry could go if the amendment offered by the gentleman from Texas should be adopted. I am hoping that something will happen so that the Administrator will begin to get rid of some of this surplus property, which is something that has not happened yet on any large scale or in any intelligent way. Some things have been done but nothing has been sold of any account. That is where the trouble lies. We have not had intelligent selling and we have not had a good business management of the job. I am hoping that before we get through something of that kind might result. If we make this thing real cumbersome I am afraid we will not get anywhere at all in the Administrator set-up.

That is what I am afraid of about these committees. I think this advisory board set up in section 4 of the bill is absolutely and totally worthless. Whether the ones in the individual industries might be some good I doubt, but I would not oppose them. On the other hand this board set up here is just an absolute liability.

Mr. RANDOLPH. Mr. Chairman will the gentleman yield?

Mr. TABER. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. May I say to the gentleman that when Mr. Clayton testified before our committee he said that he looked upon an advisory board as an active board. He used that expression, and said that in his capacity, working, of course, under directive rather than the law of the Congress, he had been meeting with the advisory group once a week and not less often than twice a month, and he felt that they were helping him and were active with him in making decisions.

Mr. TABER. Did he mean this group here?

Mr. RANDOLPH. That is correct; yes.

Mr. TABER. Perhaps that is the reason we are not getting anywhere.

Mr. RANDOLPH. He pointed out, I may say to the gentleman—and I can understand his opposition to certain individuals that might be in this group—that the secretaries themselves in many instances have been sitting in on the conferences. He mentioned Mr. Donald Nelson who attended two or three meetings, indicating that there were individuals who were trying to help him do this job.

Mr. TABER. I would think Mr. Nelson would, but I think most of that set-up would not be effective and would not be efficient and would not contribute anything toward getting the job done.

Miss SUMNER of Illinois. Mr. Chairman, I rise in support of the amendment. I do not want to make a formal speech, but I want to recall to the members of the Committee on Banking and Currency and others in connection with the O. P. A. bill that there have been distinct complaints from every industry which appeared at the O. P. A. hearings that they

had not been given proper representation. Almost every industry demonstrated that mistakes were made that would not have been made if an advisory committee had been set up, as it was supposed to be in the law. On the other hand, we had a similar situation in W. P. B. Some of us are personally familiar with it. For example, the farm implement situation was in a deplorable condition, as indicated in the Truman report. I know personally that some of the members on those advisory committees were the ones that helped bring some kind of reform to that situation. I know also that it happened in other committees. The high value of such committees has already been proved. I think we are going backward if we omit these industrial advisory committees.

Mr. PLOESER. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield to the gentleman from Missouri.

Mr. PLOESER. The practice followed in O. P. A. was then to decide the policy and then invite in the advisory committees and go through the sham of making them believe that you were taking their advice. The minute they got out of town you anncunced your ruling, and it was the ruling decided upon before they were invited in. If the same fraudulent intention existed in the administration of either this act to be or any other, of ccurse you would get the same result.

Miss SUMNER of Illinois. Of course.

Mr. PLOESER. But it did have this effect in O. P. A.: It brought the spotlight of industry criticism on them, because they did have an opportunity to look in on each case. It can be most helpful, and that is why I intend to support the amendment.

Miss SUMNER of Illinois. That law provided for industrial committees, and the O. P. A. did not make them effective. That was the O. P. A.'s fault. But if we in Congress pass this bill, after refusing to vote for this amendment, we are in the position of saying: You shall not have the legal right that advisory or consulting committees be appointed.

Mr. SUMNERS of Texas. Mr. Chairman, I move to strike out the last word.

The Judiciary Committee has recently had a somewhat similar experience to that had by the committee reporting this bill. Nobody is more opposed than I am to these general grants of power. A committee, in shaping up legislation of this sort, finds a great many objections to giving the power to the Administrator proposed in this bill, and proposed in the bill for the quick change from war to peace production when the war shall end. But after you mull the thing over you find that you have to give responsibility to somebody to do the job. War is an abnormal thing. Neither war, nor dealing with some of the results of war, can be carried forward through the normal processes of democratic government. These periods of semi-suspension of democratic processes are the periods of greatest danger to democracy; first, because a people may not confer to executive agencies the powers necessary to provide the strength and rapidity of motion necessary to the most efficient conduct of the war and, second, if that is done, not preventing these emergency powers from becoming permanently located in these agencies, it is our responsibility to do the one and not permit the other to occur. This is not a thing we like to do. It is more responsibility than anybody ought to have in peacetime or any time if possible to avoid which we are proposing to confer, but it is an unusual situation and it is an unusual proposition that we have to deal with. You can try to divide responsibility, but you probably only add to inefficiency. If the Administrator is a level-headed man, he will seek good advice and appoint good advisers. He will seek the advice of people who are advised and who are informed if he is the right sort of administrator, and trying to do a good job. If he is not the right sort of a man and trying to do the right sort of a job, you cannot do anything about it by legislation. That is just where you get to. I do not want to be in the attitude of giving any expert advice about the thing, because I am no expert. But here is a committee, I assume, that has carefully investigated and brought a bill in here. We are attempting to rewrite the bill on the floor of the House. That is a great responsibility for Members to assume. Some of these proposed amendments are far reaching. More than amendments in the ordinary bill. They propose a substitution of the judgment of an individual Member, plus his persuasive ability for the plan of the bill.

These amendments are suggested by sound objections to this character of proposed procedure, but it is not as though we had an opportunity to choose a good road in which there are no culverts out and no ruts. There is no road that we can travel on and arrive at the intended destination that is a smooth road and free from danger. I do not know whether Mr. Clayton is the man who is going to be selected or not. He is one of the wisest and best advised men of fine character that I know of, and, I believe, a patriot. If this responsibility is to be given to him or anybody else, he ought to have the power to act. If there is to be responsibility, there must be attached adequate powers. Congress should be as vigilant as possible, observing how these powers are exercised and rendering every possible help. A vigilant public interest and a concerned public opinion must stay on the job. When the war is over these grants of extraordinary power must be recalled as soon as possible. Associated with their grant, while recognizing their necessity, in this necessity we should also recognize their emergency character and their dangers. Congress cannot dispose of this property. It must be done by the executive branch of the Government. It is an Executive act. Congress should safeguard as much as possible, but however much we may hesitate to do it in large measure after setting up in the law a declaration of policy and a suggestion of basic procedure subject to their provisions and congressional and public vigilance the Administrator must not be so reduced in power and discretion as to provide an excuse for a lack of efficient performance.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. VURSELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I realize it is a very difficult responsibility to try to write legislation on the floor of the House, but it is a custom that has been followed by the introduction of amendments on various bills. I think if some of the amendments that have been offered here today had been written into the bill, possibly the amendments that are now suggested would not be so necessary. I refer to the amendment offered by the gentleman from California [Mr. POULSON], an amendment that was backed by the judgment of the National Manufacturers' Association of America, the National Chamber of Commerce of America, and I understand by some of the larger labor organizations. After all, they are a part of our people, they are a large part of the economy of this country. They had quite a bit to do with building the machinery to win this war. We are their representatives. I just wonder if we, as the representatives of 130,000,000 people, can afford to allow all of this power to be placed in the hands of an administrator without seeking to give him the advantage of certain advisory boards picked from men who have had vast and long experience in business. I wonder what the people back home will think of us.

I have a great respect for the Manufacturers' Association and the men that make it up, and the chamber of commerce, because it goes down to the very small towns and villages all over this country. They are not all economic royalists. I have respect for their judgment, I think we owe them something, and I think we should remember that they speak for a large section of business in this Nation. Proper supervision and administration of this enormous task is of keen interest and will affect the laboring men and the consumers of this country.

I am inclined to believe that if, as has been said, there are a great many advisers now being used by Mr. Clayton, it would not hurt if this amendment were to be adopted. Then he could select some of those advisers, with many of whom he is probably now advising, and add to them men from small business and big business over this country to help do this great job that means so much to the economy and the future prosperity of our Nation, and to reconversion, and so forth.

I do not often agree with the gentleman from Texas, but I believe he has come up this time with something that is quite worth while. I am glad to know that one of our gentlemen on the Republican side of the House collaborated with him. Maybe that had some influence.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. They talk about writing this bill on this floor. It is not being written on this floor at all. This subject has been in several committees. They have shopped around until they finally got it to this committee. It was over in our committee. We all studied it and talked to Clayton and everybody else. We have talked about industry committees. It is not a new idea.

Mr. VURSELL. That is right; but will not the people feel just a little bit better throughout the length and breadth of this country if, when this bill is finally passed, they can say, "Well, the Congress didn't exactly throw it all into the hands of one man; they tried to set up some safeguards to protect the merchants, the business people, the farmers, and all the people of this country"?

I think it wise to adopt this amendment, and I shall be very happy to support it. I hope other Members will support it.

Mr. WHITTINGTON. Mr. Chairman, I offer a substitute amendment to the Patman amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON as a substitute for the amendment offered by Mr. PATMAN: In lieu of the matter proposed by Mr. PATMAN insert the following:

"Advisory committees:

"(a) The Administrator may appoint one or more advisory committees to advise and assist him in the performance of his functions under this act. Such advisory committees shall be fairly representative of the interests of labor, agriculture, and industry and commerce, large and small, and the various sections of the country.

"(b) Any disposal agency, with the approval of the Administrator, may appoint such committees as it deems necessary or desirable to advice and assist the agency in connection with the care and handling, and disposition of surplus property under this act.

"(c) The Administrator shall promptly notify the Attorney General of the appointment of any committees under this section and of the nature of their functions. Membership on any such committee or participation in its activities shall not constitute a violation of the antitrust laws of the United States or the Federal Trade Commission Act."

Mr. WHITTINGTON. Mr. Chairman, as I see it, the matter proposed by the gentleman from Texas would more properly come under section 19 of the bill. We have repeatedly stated that the Administrator is now utilizing advisory committees. They are not authorized in the bill in so many words, but under section 19 and under the general provisions of the policies and procedures he is following they are authorized.

As a member of this committee, I asked a representative of the general counsel of the Administrator to propose language that would be available if it appeared that the House would like to have a definite provision that the Administrator was authorized to appoint advisory committees, and this is the language that was submitted to me by the general counsel. It is in line with the policy that is being pursued. It is not original with me. I have thought it out as best I could, and it strikes me that the language of the gentleman from Texas to the effect that the Administrator shall appoint a sales and distribution advisory committee of not less than nine members for each class of property which is to be sold or disposed of has to do with distribution. The Administrator is pursuing a much wider and a much more liberal policy in the selection of his committees.

In order to make sure that there may be no misunderstanding whatever that it is his policy to utilize advisory committees, I offer this substitute so that it will be definitely stated in the bill, as has been suggested by a number of Members of the House during the debate.

The gentleman from Texas [Mr. PATMAN] conceded, by withdrawing the second paragraph of his amendment, that whole amendment would go far afield. At least that is the effect of his withdrawing it. It strikes me now that there are two agencies here that are entitled to advisory committees. One of those agencies is the Administrator himself. The other agency is the disposal agency. There is no provision here to enable the disposal agency to have the benefit of these limited agencies set up by the proposed Patman amendment. The amendment I propose is in language that the general counsel has, I am sure, carefully considered, and it will put in the face of the bill just what he has been pursuing under the language of section 19. The policies and procedures will be continued except where they are in conflict with this act.

Therefore, I urge the members of the Committee, in the interest of orderly procedure, to adopt the proposal that I offer, which has to do with advisory committees not limited to distribution, not limited to sale, but all advisory committees that may be essential or necessary to the Administrator and to the disposal agencies in the discharge of their duties and in the performance of their functions.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Indiana.

Mr. HALLECK. Unfortunately, I was called to the telephone when the gentleman first started speaking, but I have examined his amendment. Do I correctly understand that this is a permissive proposition, leaving the matter of the appointment of the committees wholly to the discretion of the Administrator?

Mr. WHITTINGTON. It is, whereas the language in the amendment proposed by the gentleman from Texas [Mr. PATMAN] makes mandatory the appointment of selling agencies or, to use his language, distribution advisory committees only.

I do not limit it to distribution. I do not limit it in any particular. It gives the authority to appoint them and it gives permission. But I will say this as a businessman, if I may so presume to say, that there may be cases where neither he nor the disposal agency would require an advisory committee. But this gives him full authority wherever he feels the need of advisory committees. I can imagine property being disposed of without the necessity of conferring with the advisory agency. So I think it would be unwise to require that he should appoint an advisory agent for the disposal of every kind of property.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute to answer the gentleman's question if I can.

Mr. HALLECK. Mr. Chairman, I would just like to say that instead of having some committees it may well wind up, if the substitute amendment offered by the gentleman is adopted, that we would not have any committees. To my mind the value of the committee is in the distribution end of the job. They are to be the people who will advise in respect to distribution. So it seems to me that the committee, as provided for in the amendment offered by the gentleman from Texas, meets that purpose. I think it is wholly within the responsibility of the Congress to say that these committees shall be appointed because we have found that wherever in any of these operations of Government such committees have been appointed and have been consulted, as I hope they will be, they have been of value.

Mr. WHITTINGTON. As far as the gentleman goes I agree with him. But I think it will be a mistake to limit it to disposal. He will need advisory agencies in formulating his policies and in undertaking to dispose of the large plants. This will give him discretion. It will give him the discretion you speak of, which you advocate and which I favor, but it will not limit him to that discretion in merely having advisory agencies for the disposal of goods.

Mr. HALLECK. Of course, if it is to be left to a matter of discretion, he can ask at any time for advice offered on the record. I want to provide in the law as a matter of record that it is the consensus of the views of the Members of Congress that advisory committees shall be appointed and shall be consulted.

Mr. WHITTINGTON. Yes, but the gentleman from Indiana just says "advisory committees for distribution purposes only," and the substitute I offer is broader and provides for advisory agencies for all purposes, including distribution, and the attaining and accomplishing the objectives and the policies of the bill.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. PATMAN. First, the position of the gentleman was that he should not have any power and now he wants to enlarge on it.

Mr. WHITTINGTON. I beg the gentleman's pardon. I have not said he should not have power to appoint advisory committees, with all due deference. I stated under section 19 that the Administrator, as has been repeatedly stated, had the power, but I further stated in response to such questions as that propounded by the gentleman from Illinois and others, to make it clear, that we insert language expressing the policy that he has been pursuing by the adoption of this substitute.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KEEFE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have listened rather attentively to the discussion on this bill and particularly to the impasse which seems to have been reached in connection with the amendment offered by the distinguished gentleman from Texas and the substitute amendment offered by the gentleman from Mississippi. I confess I am somewhat confused. I appreciate full well the objective which the distinguished gentleman from Indiana has in mind, namely, that an assurance of some kind shall be given to the people of America that in the handling of this surplus property somebody, some place, somewhere, will be in a position to have something to say about it besides the one man that is appointed as Administrator. So in answer to that feeling that we are granting great power to an administrator, the gentleman offers an amendment which suggests that the Administrator himself shall appoint committees to advise him, to be chosen from industry and so on. Now I ask the gentleman from Texas, we will assume that his amendment passes and is written into the law, we therefore say to the Administrator who has this vast power, "You shall appoint advisory committees." That is all, and he appoints them. He may appoint 5 or 10 or 50 of them, whatever number there may be, 9 representing each class of goods to be disposed of, sold, and distributed. Now, where do we go from there in this picture and where is the public protected in any way, shape, or manner, because the Administrator has appointed some so-called advisory committees, whose advice he can take or leave as he pleases. There is nothing in this amendment and nothing in the bill which says the Administrator shall be bound in any way by the action of any advisory committee.

Is that not what we are striving for in connection with this situation? Then along comes the distinguished gentleman from Mississippi [Mr. WHITTINGTON], and he says he does not like the Patman amendment, because it is mandatory, so he offers an amendment which says that the Administrator may appoint some advisory committees if he sees fit, and if he in his discretion sees fit to appoint some advisory committees, why, he can appoint them and again he may take their advice or not, just as he pleases. Now, if that is the kind of protection that we are trying to provide in this bill, to deceive the American people into thinking that we are protecting them, I personally do not want any part of it. Either you are going to have these committees appointed with some power to act and some discretion, and some power to have their recommendations made effective, or else you are just creating a lot of new committees to come down here to Washington on a per diem basis, with expense and subsistence allowance paid for, and have a good time sitting around talking about this thing, and then when they get all through with their recommendations, the Administrator, who is all-powerful, can take their recommendations or not, just as he pleases. Where is the protection, I would like to ask, which the dear public is supposed to have if one or the other of these amendments is adopted?

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Miss SUMNER of Illinois. Yes; of course, it is not as complete as if they could run it. But they feel they have protection. They so testified in the O. P. A. hearings. As a matter of fact they have rights. They come to you and me as their Representatives and say, "Look, this person is doing this which he should not do, or this man is stealing something." They go to the Truman committee. The first thing you know, it comes out in the papers and public pressure is brought to bear and something is done about it.

Mr. KEEFE. I have had some experience with advisory committees here in connection with the O. P. A. I had some experience with some of the orders that have been promulgated by the O. P. A. allegedly in connection with the advice of advisory committees.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman?

There was no objection.

Mr. KEEFE. Mr. Chairman, I am seeking light on this subject. I would like to know just exactly what the situation is going to be. I know that in connection with the O. P. A. one of the most severe things that has happened to the dairy industry in my State came as a result of the recommendations of the so-called advisory committee which was advising the dairy section of the O. P. A., but on which committee there were no real representatives of the dairy industry and on which committee there were representatives of the great trusts and monopolies in the dairy industry. There is nothing in this law to protect the people of this country against the capricious or arbitrary action of the Administrator by merely writing into the law that he may appoint advisory committees consisting of such people as he sees fit to appoint. Now if that is "protection" then I do not understand the meaning of that word.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. If the gentleman will permit, I will just say that these committees are just what the name indicates. They are advisory. They are intended to be advisory and are not limited as is proposed by the Patman amendment, but provide for all classes and all kinds of property disposal.

Mr. KEEFE. I want to ask the gentleman in all fairness, here is Mr. Clayton, for whom I have great respect. I think he would make a great Administrator. I happen to know him. He is one of the first men I met when I came to Washington. He is a splendid man. I do not know whether he will be Administrator or who will be Administrator, but whoever is going to be Administrator will have to receive advice and assistance. No one man can possibly administer this job without receiving competent advice and assistance. It will be assumed, regardless of whether these amendments are in this bill or not, that any competent man, as Administrator of this great enterprise, will go out and surround himself with the very best and the most competent advisors he can get. I do not believe the people of this country are going to receive the benefit of any protection whatever by the inclusion of either one of these amendments in the bill. I, for one, do not want it said that I have voted for an amendment in order to curtail the fears of the people of America when in fact the amendment that I voted for does not do one single thing except to put a lot of words into this bill.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. KEEFE. I yield.

Mr. WHITTINGTON. After he has had advice, some might be for and some might be against; is it not fair to say that he shall have the final disposition and the final say?

Mr. KEEFE. Yes; and is it not fair to say that he can go out and appoint these committees without this amendment, and get that advice?

Mr. WHITTINGTON. Certainly.

Mr. KEEFE. He would do it whether it is in the bill or not?

Mr. WHITTINGTON. Certainly.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE] has again expired.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the substitute amendment. Mr. Chairman, the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON], does not add anything at all to this bill. I think the gentleman will admit that. Section 19 is the section in which this particular amendment was prepared to be inserted in the event it was needed, and not in section 4 at all. It relates to an entirely different section. Section 19 ratifies and confirms what has been done under the Executive order creating this Surplus Property Administrator and defining his duties. So this really does not do anything at all. I think, in fairness, the gentleman will admit that, if he is pressed, because it absolutely does nothing.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WHITTINGTON. Did I not state that neither your amendment nor this amendment should occur here, but should occur in section 19, but inasmuch as your amendment was up here I offered mine as a substitute?

Mr. PATMAN. Why becloud the issue when it does not add anything on earth to it? We are dealing with a separate part of this bill—not section 19. This is the disposition of it. The amendment offered by the gentleman from Mississippi is not compulsory. The O. P. A., law was implemented and helped

more by advisory committees than any other one thing that this Congress has done in the writing of the O. P. A. law. It has been a wonderful thing in the O. P. A., and it will be a wonderful thing here. The fact that these people are represented and know what is going on and what has caused these policies to be made, will have a tendency to cause the people to be satisfied.

Now, I want to answer the gentleman from Wisconsin [Mr. KEEFE]. With reference to what the gentleman said concerning the Dairy Industry Advisory Committee, if they had been operating under a similar amendment to the one I have proposed here, that evil would not and could not have existed. In the first place the advisory committee, under this amendment, must be composed of experienced people. It provides "that appointment must be from among persons who, by reason of their business experience, are familiar with the handling and marketing of such class of property or similar property. Second, and shall include representatives of both small and large business."

The gentleman from Wisconsin [Mr. KEEFE] says that only large business was represented. So if an amendment like this had been passed to the O. P. A. law, those small fellows would have been represented the same as the large fellows, and the evil of which he complains doubtless would not have existed.

Furthermore, under the amendment offered by the gentleman from Mississippi, they can be put on the pay roll at $5,000 or $10,000—any number of them. It makes no difference. He does not provide that they shall only receive their expenses, like the amendment I have proposed, but he would put them on the pay roll.

So, the fact is, if you want an advisory committee we should write the word "shall" in there. You might just as well not have it if you do not. You know efforts are made sometimes to evade acts of Congress, and as securely as the O. P. A., was written, it was not until the last few months that that provision relating to advisory committees was fully carried out. The very minute it was fully carried out you have seen people better satisfied with the O. P. A. That was one of the toughest jobs ever attempted in the history of any country on earth, and yet, by reason of these advisory committees working with O. P. A., they had done a lot to satisfy the people of this country and let them know that the fair, right, and equitable thing was being done under all the circumstances.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WRIGHT. Is not the philosophy behind the gentleman's amendment the philosophy that the Administrator is going to do a better job if he is surrounded by practical people that know something about the business?

Mr. PATMAN. Yes, sir. Certainly. This requires him to consult with those people. Of course, the gentleman says we should make it compulsory that he should accept their word. That question has been passed on. The question of whether we should have a board is where that argument should have been made.

Mr. VORYS of Ohio. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. VORYS of Ohio. The gentleman's amendment provides for advisory committees that serve without pay?

Mr. PATMAN. Yes.

Mr. VORYS of Ohio. The substitute says nothing about that, and presumably would give the Administrator authority to appoint any number of advisory committees with full pay under the civil service.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PATMAN. I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Not only as to the sole disposition of surplus property, but as to everything else.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WHITTINGTON. My thought is that while I opposed it, all these committees are under civil service, whatever the civil-service requirements are.

Mr. PATMAN. May I say in conclusion, I hope the gentleman's substitute is voted down. It is a very weak stump speech. It is about the weakest stump speech that could be written into law. It does not mean a thing on earth. So the question is, Do you want advisory committees or do you not? If you want them, vote down the gentleman's substitute and vote for the amendment I have offered.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS] to the amendment offered by the gentleman from Texas [Mr. PATMAN].

The question was taken; and on a division (demanded by Mr. POULSON) there were—ayes 57, noes none.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question recurs on the substitute offered by the gentleman from Mississippi [Mr. WHITTINGTON].

The question was taken; and the substitute amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Texas [Mr. PATMAN] as amended by the amendment offered by the gentleman from Ohio [Mr. VORYS].

The question was taken; and on a division (demanded by Mr. COLMER) there were—ayes 71, noes 49.

So the amendment as amended was agreed to.

Mr. STEFAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STEFAN: On page 27, line 19, after the words "Civil Aeronautics Board" and a comma add the words "Civil Aeronautics Administration Administrator."

Mr. STEFAN. Mr. Chairman and members of the Committee, my amendment would, in my opinion, strengthen the hand of the Administrator. It seeks to amend section No. 4, which you will find on page 27 of the bill entitled "Surplus Property Advisory Board." I seek to amend this section by a slight change on line 19, following the words "Civil Aeronautics Board", by adding the words "Civil Aeronautics Administration Administrator." This would add to this very important Board the Administrator of the C. A. A., who at this time is Charles I. Stanton. You will recall that we only recently extended the Civil Aeronautics Act for 2 more years. The C. A. A. has vast amount of data and knowledge regarding the physical part of aviation. At this very moment the C. A. A. is engaged in the disposal of thousands of small surplus airplanes. These became surplus when the war-training program was liquidated. The C. A. A. knows many potential customers for our surplus aircraft. They are closely allied with the aviation industry and the aviation people of our Nation. They are closely allied with the members of the various State aeronautic commissions. At this very moment the State aeronautic commissions are studying the far-sighted program of the C. A. A., for post-war aviation. The Stanton plan of expanding our airport program from 3,000 to 6,000 airports is now being studied by the aviation-minded people of our country. In my opinion, the committee perhaps overlooked the fact that the Administrator of C. A. A. should be specifically named as one of the members of this very important Surplus Property Advisory Board. My amendment seeks to add him to this Board, and I hope the Committee will accept this amendment.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. RANDOLPH. The gentleman from Nebraska presents a subject which received much discussion when the committee was considering this bill. I asked Mr. Clayton if, in his judgment, it were more important to have the Chairman of the Civil Aeronautics Board upon the advisory board or the Administrator of the Civil Aeronautics Administration. He said that he believed it was more important to have the Chairman of the Civil Aeronautics Board, because the disposition of aircraft would more nearly affect the air transportation. It was my feeling then, and I believe the committee's feeling, that it would be advisable to include both in this board. I think the committee feels as does the gentleman. I would have no opposition.

Mr. STEFAN. The gentleman knows that the C. A. A. right now is engaged in the disposal of many aircraft. When we eliminated the W. T. S. program the C. A. A. was given the job of disposing of the tremendous number of Piper Cubs and other planes. I am sure that if he were on this board he would be of much assistance.

Mr. RANDOLPH. There are two phases: There is the disposition of the larger aircraft which enter into air

transport, and that is where the Civil Aeronautics Board comes in; then there is the disposition of these lighter aircraft, and that is where the Civil Aeronautics Administrator comes in.

Mr. STEFAN. I believe the amendment is in order, and I hope the committee will not oppose it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska.

The amendment was agreed to.

The Clerk read as follows:

Page 27, line 22:

"REPORTS TO CONGRESS

"SEC. 5. (a) Within 3 months after the enactment of this act, and thereafter in January, April, July, and October of each year, the Administrator shall submit to the Senate and House of Representatives a progress report on the exercise of his authority and discretion under this act, the status of surplus property disposition, and such other pertinent information on the administration of the act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

"(b) The Administrator shall submit to the Senate and House of Representatives copies of the regulations prescribed by him from time to time under this act within 30 days after the publication of such regulations in the Federal Register."

Mr. CHURCH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHURCH: On page 28, line 7, strike out all of lines 7 to 11.

Mr. CHURCH. Mr. Chairman, this amendment is offered in the interest of saving time and saving paper. I want the attention of the Members. I ask our chairman and others on the committee if they will not accept this amendment without a further remark?

After we finished our hearings and they were ready to print, Mr. Chairman, our committee did strike out section 5 (a) page 6 of the committee print. They are on page 6, lines 5 to 12, section 5 (a) of the bill. They read:

To assist the Congress in appraising the administration of this act and in developing such amendments or related legislation as may be necessary to accomplish the objectives of the act, the appropriate committees of the Senate and House of Representatives shall study the reports and information submitted to the Congress under this act and shall otherwise maintain continuous surveillance of the operation of the Government agencies under the act.

Mr. Chairman, we thought we were doing our duty and struck those words out.

Now, Mr. Chairman, go on down further on page 6 to lines 22 to 25, section 5 (c). There we find the same words in effect as I am striking from the bill, that we failed to strike:

The Administrator shall submit to the Senate and House of Representatives copies of the regulations prescribed by him from time to time under this act within 30 days after the effective date of such regulations.

The section I am striking by my amendment is on page 28, lines 7 to 11, section 5 (b) practically the same words, except the last two lines. The words I propose to strike are these lines 7 to 11:

The Administrator shall submit to the Senate and House of Representatives copies of the regulations prescribed by him from time to time under this act within 30 days after the publication of such regulations in the Federal Register.

The two paragraphs I have just read mean the same thing. The Register carries the regulations and indicates when they take effect. We read the Federal Register. Therefore in the interest of saving paper and time I ask for the adoption of this amendment.

Mr. MANASCO. Mr. Chairman, I rise in opposition to the amendment.

Mr. CHURCH. The gentleman then does not want to save paper?

Mr. MANASCO. I think the gentleman from Illinois is mistaken about the action of the committee. We did strike section 5 (a) out of the original bill because we felt it was the duty of Congress to devote its time so far as was necessary to this question. We did not, however, strike out the next two sections. We amended section 5 (c) of the original bill, which is section 5 (b) in the committee amendment, to read as follows:

The Administrator shall submit to the Senate and House of Representatives copies of the regulations prescribed by him from time to time under this act within 30 days after the publication of such regulations in the Federal Register.

Mr. CHURCH. Mr. Chairman, will the gentleman yield at that point?

Mr. MANASCO. Let me explain why we changed that. We changed the language of section 5 (c) of the original bill in this way, because when the regulations are promulgated or printed in the Register they are not going to take effect for 60 or 90 days. Why do we provide for delay in their effective date after the date of publication? Because Members of Congress want to study the regulations and understand them so they can advise their constituents who might be interested in acquiring this property. I do not have the Federal Register sent to my office because I am not interested in all the things published in it, but I know I can find these regulations and orders there when I need to. I do, however, want to know the regulations under which they are to dispose of this surplus property. It seems to me all of us ought to know something about it.

Mr. CHURCH. Will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Illinois.

Mr. CHURCH. The gentleman means he wants to know 30 days after the regulations have taken effect?

Mr. MANASCO. We are giving notice to the people and providing in this bill that they be given reasonable notice. When they print the regulations in the Federal Register that does not mean that the sale is going to be made at the end of 30 days. It may be 60 or 90 days.

Mr. CHURCH. We will save some time here if we knock this section out. I am going to offer another amendment that I think is sensible. My amendment will strike these words out on page 28 in section (b) "Within 30 days after the publication of such regulations in the Federal Register" and insert in lieu thereof "Ten days prior to their being filed for publication in the Federal Register," then they will have notice and my chairman and the rest of us will have notice.

Mr. MANASCO. If the gentleman wants to put the responsibility on the Members of having to advise all of their constituents 10 days before they publish these, that may be all right, but I do not want that responsibility. If the gentleman wants to offer that amendment I am willing to let the Members vote on it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SCRIVNER. Mr. Chairman, I offer a substitute for the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. SCRIVNER as a substitute for the amendment offered by Mr. CHURCH: Page 28, beginning at line 7, strike out all of section 5 (b) and substitute the following:

"(b) The Administrator and each Government agency shall submit to the Senate and to the House of Representatives any proposed regulation to be prescribed under this act. Such regulation shall be referred to the Military Affairs Committee in the Senate and to the Committee on Expenditures in the Executive Departments in the House of Representatives, and shall not go into effect until approved by the committees of both the Senate and the House of Representatives, or duly authorized subcommittees acting for the respective committees of both Houses: *Provided*, That failure of either committee to act within 15 days after the receipt of the draft of a proposed regulation shall be deemed the equivalent of approval by said committee or the subcommittee authorized to act for it."

Mr. MANASCO. Mr. Chairman, I reserve a point of order against the amendment just offered.

Mr. SCRIVNER. Mr. Chairman, this is not an original idea particularly because I am informed that—without holding any brief for English practices—this is similar to a practice which has been followed in the House of Commons for many years. We have read in recent weeks that the Supreme Court has held that regulations of these various governmental administrative agencies are law. We have also read in court decisions that things which are not prohibited in congressional acts are permitted.

We have here created a creature of the legislature which has more power and more facility of action than Congress itself in that these administrators may make a regulation today and revoke it tomorrow. The only way that Congress has of revoking any wrong or improper regulation issued by any administrator is, after public debate and hearings, by passage of a law repealing the regulation.

It is admitted this proposed amendment will make some work for the committee, but, after all, we are on duty 365 days out of the year. But, just the minute these administrators realize that they must present a regulation for approval to a congressional committee they are going to be sure it has merit and that they can substantiate everything in that regulation. In that way the House and Senate can be sure that any regulation prescribed by this Administrator will be in keeping with the principles and

purposes set out in this bill. That is the only way it can be done.

If you wait, as proposed, until after the regulation is made and after it has been in effect for 10 to 30 days, it will be too late. The horse has been stolen; the ship has been sunk; the train has gone. There is nothing to do about it then except to try to repeal the regulation and by the time you get it repealed the damage will have been done. Congress in this act, as in others, has delegated all of its power to some one man, whether it is Mr. Clayton or someone else. Even though it means a little more work for each member of the committee or one-man subcommittees, this amendment will provide one of the ways we can protect the taxpayers of this country and the entire business and labor structure during the immediate future, when we start to dispose of this property.

Mr. ROLPH. Will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from California.

Mr. ROLPH. Did I understand the gentleman to say that these committees will pass finally upon these regulations without referring them to either the House or the Senate?

Mr. SCRIVNER. Yes. The Administrator will come in and discuss and brief a proposed regulation. If it is a good regulation it will not take 15 minutes—possibly 30 minutes at the most—to justify the regulation and obtain committee approval. This procedure is analogous to favorable reports of committees to the House. It is not complex, it is not difficult.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Kansas [Mr. SCRIVNER].

Mr. Chairman, as a member of the committee involved I would be burdened with the work under the purposes of this amendment. I do not feel that we should embark upon a procedure such as this. I might be wrong, and if I am I will stand corrected, but I would like to know what act ever contained a similar provision? Nobody seems to be able to advise me. I cannot remember during my service here where any committee of the House or the Senate has been called upon to approve regulations and where there was provision put into a bill that a regulation could not go into effect until approved by a House or a Senate committee.

Mr. SCRIVNER. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman.

Mr. SCRIVNER. Never before in history has Congress abdicated its powers and delegated them to some administrator like we have done in recent years. A suggestion such as this was made to the World War Veterans' Committee and it was discussed with General Hines. He said he had no objection, that if he could not come before a committee and make any regulation which he drafted stand up before that committee it should not be put into effect.

Mr. COCHRAN. Nobody knows how many regulations are going to be issued under this bill.

Mr. SCRIVNER. That is right.

Mr. COCHRAN. I do not know how busy the gentleman is, but I cannot see where I am going to find time as a member of this committee to review regulations issued by an executive department with all the work I have now.

Mr. SCRIVNER. If the committee is not large enough, it can be enlarged. I will donate my services.

Mr. COCHRAN. Then get on the committee. Be appointed on the committee.

Mr. DINGELL. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Michigan.

Mr. DINGELL. In other words, Congress would make the law, then Congress will be the administrator too?

Mr. COCHRAN. Yes. I would like to ask the gentleman, who is a member of the Ways and Means Committee, or the Chairman of the Committee on Ways and Means who is sitting immediately behind him, whether or not in any revenue bill it has been provided that the regulations issued as the result of the passage of a tax bill had to be approved by that committee before becoming effective?

Mr. DINGELL. None that I know of and I never heard of any.

Mr. COCHRAN. The only provision I know of in a tax bill of similar nature was the one setting up the Joint Committee on Internal Revenue Taxation where, as I recall it, you have to approve refunds of $25,000 or over before they can be made.

Mr. DINGELL. But that is never exercised that I know of.

Mr. MOTT. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Oregon.

Mr. MOTT. I can give the gentleman a comparable example. For a number of years it has been the policy of the Naval Affairs Committee of the House to require the Navy Department to consult that committee on all purchases of real estate and at the last session of the Congress that was written into the law and is now a part of the law. The Navy Department cannot buy any property without coming to the Naval Affairs Committee and making a case.

Mr. COCHRAN. That has to do with an appropriation, not a regulation.

Mr. MOTT. That has to do with the authority of the Navy Department to purchase land.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GOSSETT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the Congress is already saddled with a great many burdens in the many committees on which almost all of us serve. If this amendment is adopted it is going to make us the supervisors of every sale carried on by the Surplus Administrator. He will have to have some sort of regulations for the disposition of every kind or class of property, running into several thousands of items. Rules and regulations of all kinds will all have to be reported to the committees for approval. The title to most of the surplus property, certainly real property, will be clouded by minority reports and by congressional action, or failure to act. We have joint resolutions filling the hopper. This proposed amendment would place Congress in the role of usurping executive and administrative authority over thousands of details for which we have neither time nor facilities to deal. The man whom we are going to give the authority to administer the disposition of surplus property is going to have a big job. We ought to help him and not hamper him in his administration. Just a few amendments, such as the one here proposed, will make an almost impossible situation; it will be setting up the Congress as the disposal agency. None of us will be able to move. We will have our offices filled at all times with folks wanting to buy properties, or folks complaining of the terms and conditions under which sales are proposed. We would not have time to attend to any other business. The harassment and responsibility would become overwhelming.

Mr. MORRISON of North Carolina. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman cites, as an example for us to follow, the course of the British Parliament. Their Government is not divided into three separate, independent, and coordinated branches, and all power divided between them. They have no constitution, as you know, except an unwritten one. The highest court in Great Britain is the House of Lords, as we all know. Here we are supposed to have our powers of government separated into the executive, legislative, and judicial. One of the things causing so much trouble and confusion is that the executive branch of the Government is always trying to dominate and control the actions of the legislative, and the legislative branch is trying everlastingly to control the executive branch of the Government. I think our form of Government demands that this body shall give its confidence to the executive branch of the Government, and let it attend to executive business, the only branch of it that can do it thoroughly and sensibly. If we enact proper laws, disposing of this property in a broad and general way, remembering that the executive branch of the Government is just as responsibile to the people for its conduct as we are, and that the Constitution, not us, but the Constitution, and our very form of government entrusts them with the power to discharge executive responsibilities, and respect them, and let them understand that responsibility is theirs, and not ours, I think we will dispose of this $75,000,000,000 worth of property in the most sensible and only way that we can dispose of it.

We are trying to enact into the statute a whole lot of politics and littleness and all that sort of thing. Let us respect our form of government and remember that it is unlike Great Britain's. Remember that Franklin D. Roosevelt, our present

Executive, is an honest man, and if he is not, it is none of our business except as citizens. The people elected him, and if they do not elect him the next time and elect Mr. Dewey, the great specialist on rascality—on catching thieves—I think we could afford to trust him, even with his lack of experience. He can be trusted in that matter. I think if we pass this bill as this committee has drawn it, we will put more restriction upon the Executive power and branch of our Government than it is wise to put in. If I were to vote for any amendment, I would rather wipe out some of the restrictions that have been put in. The Administrator—who is he? Why, we are not going to appoint him. The President will appoint him. If he is not honest and does not do his duty well, he will remove him, whether it happens under Roosevelt or Dewey. We have no responsibility about that except to enact wise laws, giving him power to transact this business, and let him attend to it, and we will have less politics in it than we are trying to inject into it here.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think that my distinguished friend who just addressed the Committee has voiced what to me is the alpha and omega of New Deal thinking; in other words, the Congress of the United States has no responsibility at all except the responsibility to legislate and then forget all about everything else and leave it up to the great President and his executive department.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from North Carolina.

Mr. MORRISON of North Carolina. The gentleman left out part of what I said, "or his successor," whom I would as implicitly trust as the President.

Mr. KEEFE. Very well; I accept that. That does not change my opinion of the force of the gentleman's argument.

The point is, as I think the distinguished gentleman must realize even in his own State, that if there is one thing that the Congress of the United States has been condemned for on all sides it has been our failure to perform our own constitutional functions and our willingness to delegate functions of the Congress over to administrative agencies of government. That is the greatest condemnation that has been heard from one end of the country to the other. The people of this country are looking to this Congress, with its new blood and new life, to drag back from some of these executive and administrative agencies some of these delegations of power that belong properly under the Constitution to the Congress of the United States. Read the Constitution, which I know you, as a great constitutional lawyer, are familiar with. The responsibility for getting rid of surplus property is vested in the Congress of the United States and in no one else. You are asking Congress to delegate that complete authority to an administrative agency of government, and you say that after you have delegated it your hands are washed clean and the Congress has nothing further to do about it. You let that administrative agency make rules and regulations that have the force and effect of law, and you say, "We have no longer any interest in the proposition, because we have delegated that power to this great executive department of government."

All that the amendment offered by the gentleman from Kansas [Mr. SCRIVNER] means, is this: Certain regulations will be prescribed by this Administrator—not the things that my friend from Texas was worrying about—and all we ask him to do before those regulations become effective is to bring them before the committee of the Congress and let the committee of the Congress see whether or not he is writing regulations that are within the scope of the skeleton and framework of the intent and purposes of this bill as the Congress has drawn it; that is all.

May I say this: that the present Administrator, Mr. Clayton, acting under the Executive authority, has already written a long set of regulations which I presume you are all familiar with. I assume those same regulations will be promulgated by him as Administrator under this particular piece of legislation. It would be very simple to submit those regulations to the Congress through this committee and let the Congress put its seal of approval upon them before they become effective.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from New York.

Mr. WADSWORTH. May I ask the gentleman what would be the state of affairs if the Congress was not in session at the time of the promulgation of the regulation?

Mr. KEEFE. If the Congress is not in session, the committee of the Congress can be in session and may be called into session very, very simply, because the amendment does not contemplate action by the entire Congress, it contemplates action only by the committee or a subcommittee of that committee.

Mr. DINGELL. What are they going to do in the meantime, wait?

Mr. KEEFE. If the gentleman will read the amendment, he will find that they would not have to wait more than 15 days, because under the terms of the amendment the regulation would be effective unless it was disapproved within 15 days.

Mr. FISH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just came into the House. I am glad I did, as I want to speak against the pending amendment.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. FISH. I will not yield at the present time.

I have a high regard for the sponsor of the amendment and am sure that he expresses the sentiment of the people of his district and the American people who feel strongly about the usurpation of the legislative powers by the Executive and bureaucratic agencies of the Federal Government. Of course, I do not agree with a lot that was said by the gentleman from North Carolina [Mr. MORRISON] about the President of the United States. Everybody knows my views over the years. I have fought the President for 10 years in his efforts to deprive the Congress of its constitutional right to legislate, and I shall continue to fight no matter whether it is a Republican President or a Democratic President, because it is a matter of principle. Many of us on both sides have opposed that, and I hope all Members of Congress, Republicans and Democrats, will do likewise from now on. It is not a partisan matter. If we cannot stand up here and defend our own constitutional rights against any attempts by any individuals to usurp our legislative powers, then we are not upholding our oaths of office as Members of Congress.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from North Carolina.

Mr. MORRISON of North Carolina. Speaking impartially, making no application of it to any present situation, I agree with the gentleman, but is it not equally important that the legislative branch should not encroach upon the performance of the executive and administrative functions of this Government?

Mr. FISH. I do not know about encroaching but we should not usurp the powers of the Executive any more than the Executive, should usurp ours. However, besides the legislative power we have the right to investigate, and we do not use it enough. This is a different matter. I do not want to see the House of Representatives go to an extreme and either encroach or usurp the necessary functions of the executive branch of the Government.

I talked with the executive director of the Post-war Economic Policy and Planning Committee who has given his whole time to framing this legislation. He believes that if this amendment goes through it will tend to undermine the purposes and effectiveness of the bill and the work of the committee. This is a serious amendment. If it goes through it might nullify the efforts to bring about a speedy disposal of surplus war property. It goes too far. I am sure the gentleman who introduced it never had any idea that it goes to the root of the bill and that it would defeat the purpose of having a single administrator. I have a high regard for his ability and I understand his natural desire to put an end to government by directives and personal edicts.

I am asking you regardless of politics to vote this amendment down as this is only a temporary agency and I believe the director in order to expedite the disposal of surplus war material must not be hampered or delayed as time is the essence. No one in Congress is more opposed to the usurpation of legislative functions, legislative prerogative, and legislative powers than I. I make it very clear that that is a matter of principle, and it applies equally to Republican Presidents as much as to Democratic Presidents.

Mr. Chairman, I hope this amendment will be voted down.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I may be chairman of the Expenditures Committee next session. Shall I refuse to accept this delegation of duty, although if I did not do anything after the 15 days they could proceed to act?

You know the Committee on Expenditures has never been an overworked committee. They have never been allowed to do anything. The membership has been carefully selected to see to it that we did not criticize expenditures and executives. For years running I took the floor and criticized quite a little on my own responsibility.

I want to say to you people who are so enthusiastic over this present set-up that there may be a change. I have hinted at it before today, but now as it affects me personally I should become interested. This change may be brought about, and I might cause a lot of trouble to the Administrator or to the Board.

I want to say to the gentleman that I think he has a very proper intention. We should like to supervise the Administrator. But I rather think I shall oppose the amendment. I do not want to be too much of an obstructionist. I think it would be imposing a good deal on the committee. We would have to be in session all the time. I think the 15 days would be rather a short time to act.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Kansas.

Mr. SCRIVNER. May I observe that the amendment was not submitted in any spirit of levity whatever.

Mr. GIFFORD. No. I do not believe it was offered in a spirit of levity.

I have blown hot and I have blown cold today, as the gentleman from Indiana suggested, but the hardest thing I have had to do was "to blow and swallow at the same time."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas to the amendment offered by the gentleman from Illinois.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. CHURCH].

The amendment was rejected.

Mr. MANASCO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. PLUMLEY. Mr. Speaker, I am advised by the Public Printer that the cost of printing the address to which I referred earlier today will be $135.20. I ask unanimous consent that I may include it in my extension of remarks despite that fact.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter addressed to Hon. Donald M. Nelson, Chairman of the War Production Board, by Mr. Willard H. Dow, president of the great Dow Chemical Co.; and further to extend my remarks and include therein a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GAMBLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include the address of the Lieutenant Governor of New York, the Honorable Joe R. Hanley, before the New York Republican State Committee, of Albany, N. Y., on Tuesday, August 8, 1944.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a brief excerpt from the Detroit News.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SHEPPARD, for 10 days, on account of official business.

To Mr. HOCH, for today, on account of official business.

ADJOURNMENT

Mr. MANASCO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 10 minutes p. m.) the House adjourned until tomorrow, Friday, August 18, 1944, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1770. A letter from the Assistant Secretary of Agriculture, transmitting copies of requests to the Director of the Bureau of the Budget for revisions of personnel ceilings affecting specific administrations, bureaus, and offices of this Department; to the Committee on the Civil Service.

1771. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to amend the Pay Readjustment Act of 1942, as amended; to the Committee on Military Affairs.

1772. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to amend section 1651 (a) of the Internal Revenue Code so as to exempt from payment of the retailer's excise tax imposed by said section articles prescribed as a part of the uniform of women members of the armed services and the sale of which is limited to such members; to the Committee on Ways and Means.

1773. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LANE:

H. R. 5201. A bill relating to the income tax of members of the armed forces for the year in which they entered upon active service in such forces; to the Committee on Ways and Means.

By Mr. LEMKE:

H. R. 5202. A bill providing for additional individual income-tax exemption for veterans; to the Committee on Ways and Means.

By Mr. DICKSTEIN:

H. Res. 621. Resolution to authorize the Committee on Immigration and Naturalization to study the basic problems affecting post-war immigration and naturalization; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LUDLOW:

H. R. 5203. A bill for the relief of John K. Carey; to the Committee on Claims.

H. R. 5204. A bill for the relief of William H. Bailey; to the Committee on Claims.

By Mr. SCOTT:

H. R. 5205. A bill for the relief of William J. Debler; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5996. By Mr. BARRY: Resolution of Pontier Democratic Association, Inc., Jamaica, N. Y., concerning the shortage of farm labor throughout the country and urging Congress to enact legislation to give employment to thousands of men between the ages of 18 and 45 who were physically rejected by the armed forces and are doing nothing for the war effort; to the Committee on Military Affairs.

5997. By Mr. GAMBLE (by request): Petition circulated by Richard R. Blackburn, of Rye, N. Y., and signed by residents in New York State protesting against the enactment of any prohibition legislation; to the Committee on the Judiciary.

5998. Also, petition circulated by Bernard C. Duffy, of Rye, N. Y., and signed by residents of New York State protesting against the enactment of any prohibition legislation; to the Committee on the Judiciary.

5999. By Mr. KEOGH: Petition of 348 citizens of New York protesting against any prohibition legislation; to the Committee on the Judiciary.

6000. By Mr. PFEIFER: Petition of Hyman Blumberg, State secretary, American Labor Party, New York City, urging the passage of the Kilgore-Murray bill; to the Committee on Military Affairs.

6001. Also, petition of William J. Gottlieb, president Automobile Club of New York, favoring the passage of the highway bill, H. R. 4915; to the Committee on Roads.

6002. Also, petition of sundry citizens of the Third Congressional District, New York, protesting against prohibition legislation; to the Committee on the Judiciary.

6003. By the SPEAKER: Petition of the Arab Women League of Lebanon, petitioning consideration of its resolution with reference to its protest of legislation approving the policy of making Palestine a national home for the Jews; to the Committee on Foreign Affairs.

6004. Also, petition of Francis Jean Reuter, Washington, D. C., petitioning consideration of his resolution with reference to the case of *Air Corps* v. *Francis Jean Reuter*; to the Committee on the Judiciary.

SENATE

FRIDAY, AUGUST 18, 1944

(Legislative day of Tuesday, August 15, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Reverend Hunter M. Lewis, B. D., assistant minister, Church of the Epiphany, Washington, D. C., offered the following prayer:

O God of unchangeable power and eternal light, who of old didst inspire our forefathers with ideals of freedom and equality for all mankind: We beseech Thee to continue to us in our time the vision which Thou didst reveal to them, that we may be a benison to all the children of men.

We beseech Thee also to bestow upon our President and all others in authority wisdom to know and courage to do what is best for our country. Grant that all clouds of bitterness and discord may disappear from their midst before the clarifying influence of discretion, blended with patriotic devotion and mellowed by unselfish love.

Be with all who are in the armed forces of our country, wherever they may serve, on land, on sea, or in the air. Heal the wounded, restore the sick, receive the dying, and comfort all who mourn the loss of loved ones or are in anxiety for their safety.

And now, as these Thy servants take up their appointed tasks, give them, we pray Thee, the comfort of Thy guiding counsel, that no selfish passion may hinder them from knowing Thy will, and no weakness prevent them from doing it, that in Thy light they may see light, and in Thy straight path may not stumble, as, in the spirit of our Lord, they go forward in Thy service. We ask it for His name's sake, even Jesus Christ, our Lord. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Secretary, Edwin A. Halsey, read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., August 18, 1944.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. ARTHUR WALSH, a Senator from the State of New Jersey, to perform the duties of the Chair during my absence.

CARTER GLASS,
President pro tempore.

Mr. WALSH of New Jersey thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MCKELLAR, and by unanimous consent, the reading of the Journal of the proceedings of the legislative day Tuesday, August 15, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had passed without amendment the bill (S. 2050) to amend the act of August 2, 1939, entitled "An act to prevent pernicious political activities," as amended by the act of April 1, 1944, entitled "An act to facilitate voting, in time of war, by members of the land and naval forces, members of the merchant marine, and others, absent from the place of their residence, and to amend the act of September 16, 1942, and for other purposes."

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF THE COMPTROLLER OF THE CURRENCY

A letter from the Comptroller of the Currency, transmitting, pursuant to law, the annual report of the Comptroller for the year ended December 31, 1943 (with an accompanying report); to the Committee on Banking and Currency.

MAY 1944 REPORT OF NATIONAL WAR LABOR BOARD

A letter from the Chairman of the National War Labor Board, transmitting, pursuant to Senate Resolution 130, Seventy-eighth Congress, the fifteenth monthly report of the Board covering May 1944 (with accompanying papers); ordered to lie on the table.

REGISTRANTS DEFERRED BECAUSE OF GOVERNMENTAL EMPLOYMENT

A letter from the Director of the Selective Service System, transmitting, pursuant to law, a report of registrants deferred as of June 15, 1944, because of their employment in or under the Federal Government (with an accompanying report); to the Committee on Military Affairs.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of the Departments of Post Office (3), Navy (5), Agriculture (2), and Commerce—National Housing Agency (3), and the Selective Service System which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A resolution from the Pontier (N. Y.) Democratic Association relating to the shortage of farm labor and favoring the enactment of remedial legislation; to the Committee on Education and Labor.

A resolution adopted by Chapter No. 2, American War Dads, of Tulsa, Okla., protesting against the enactment of the bill (S. 1943) to provide vocational training and retraining programs for the occupational adjustment and readjustment of veterans returning from military service, workers demobilized from war production plants, and for other youth and for adults, that individuals and the Nation may attain economic stability and security, and to further extend the program of vocational education; to the Committee on Education and Labor.

By Mr. TYDINGS:

A memorial of sundry citizens of Hagerstown, Md., remonstrating against enactment of the provisions of title IX of Senate bill 1161, the so-called general welfare bill granting old-age assistance; to the Committee on Finance.

RESOLUTION OF WICHITA (KANS.) PROPERTY OWNERS ASSOCIATION—REGULATION OF RENTS

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a letter embodying a resolution recently adopted by the Wichita Property Owners Association, in which they express their disapproval of proposed amendments to the so-called Rent Regulations Act, and ask that the entire program of rent regulation be repealed.

There being no objection, the letter embodying a resolution was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

WICHITA PROPERTY OWNERS ASSOCIATION,
Wichita, Kans., August 4, 1944.

Senator ARTHUR CAPPER,
United States Senate,
Washington, D. C.

DEAR SENATOR CAPPER: At the regular monthly meeting of the Wichita Property Owners Association, on August 2, 1944, the following resolution was unanimously adopted:

Whereas the Wichita Property Owners Association has received the report of the modifications of the rent regulations by act of Congress, and whereas these amendments as shown by the report are found to be trivial, inconsequential, and an affront to American citizenship: Therefore be it

Resolved, That this association condemns the amendments and demands of our Representatives in Congress that the entire program of rent regulation be repealed at the earliest possible time, as grossly unjust, inquisitorial, discriminatory, and unconstitutional; be it further

Resolved, That a copy of this resolution be forwarded to each of our Representatives in Washington, and to the newspapers.

MILDRED MACPHERSON,
Secretary.

REPORT OF THE JUDICIARY COMMITTEE DURING RECESS

Under authority of the order of the 15th instant,

Mr. HATCH, from the Committee on the Judiciary, to which was referred the bill (H. R. 3750) to provide for the appointment of an additional circuit judge for the third circuit, and to permit the filling of the first vacancy occurring in

the office of district judge for the eastern district of Pennsylvania, reported it on August 16, 1944, without amendment, and submitted a report (No. 1042) thereon.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ELLENDER, from the Committee on Claims:

S. 1392. A bill for the relief of Dewey H. Davis; with an amendment (Rept. No. 1043);

S. 1942. A bill for the relief of Dr. E. S. Axtell; without amendment (Rept. No. 1044);

S. 1987. A bill for the relief of Gordon Lewis Coppage; with amendments (Rept. No. 1045); and

H. R. 2792. A bill for the relief of Arvo Karl, Lempi K. Holm, and Burt Johnston; without amendment (Rept. No. 1046).

By Mr. CAPPER, from the Committee on Claims:

H. R. 3496. A bill for the relief of Ernest A. Grottke; without amendment (Rept. No. 1047).

By Mr. O'DANIEL, from the Committee on Claims:

H. R. 527. A bill for the relief of Mary Hertz; without amendment (Rept. No. 1048);

H. R. 2367. A bill for the relief of John Salfi; without amendment (Rept. No. 1049);

H. R. 3033. A bill for the relief of Tressie Spring and Mrs. Hazel Stutte; without amendment (Rept. No. 1050);

H. R. 3038. A bill for the relief of Mrs. Grace Page; without amendment (Rept. No. 1051);

H. R. 3296. A bill for the relief of R. Guy Dorsey; without amendment (Rept. No. 1052); and

H. R. 3464. A bill for the relief of Ralph W. Cooley; without amendment (Rept. No. 1053).

By Mr. GURNEY, from the Committee on Military Affairs:

H. R. 1708. A bill for the relief of Perley M. Silver; without amendment (Rept. No. 1054).

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

H. R. 4780. A bill to fix the fees for domestic, insured, and collect-on-delivery mail, special-delivery service, and for other purposes; without amendment (Rept. No. 1055).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. STEWART:

S. 2033. A bill for the purpose of conserving the coal resources of the Nation, and for other purposes; to the Committee on Interstate Commerce.

By Mr. DAVIS:

S. 2084. A bill for the purpose of conserving the coal resources of the Nation, and for other purposes; to the Committee on Interstate Commerce.

(Mr. HILL introduced Senate bill 2085, which was referred to the Committee on Interstate Commerce, and appears under a separate heading.)

(Mr. LANGER introduced Senate bill 2086, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. JOHNSON of Colorado:

S. 2087. A bill for the relief of the Denver Live Stock Exchange; to the Committee on Claims.

By Mr. MURRAY:

S. 2088. A bill for the relief of Galen E. Walter; to the Committee on Claims.

(Mr. MURRAY also introduced Senate bill 2089, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

By Mr. MURRAY (for himself, Mr. HAYDEN, and Mr. SCRUGHAM):

S. 2090. A bill to authorize mining, milling or smelting loans, and for other purposes; to the Committee on Banking and Currency.

(Mr. MURRAY introduced Senate Joint Resolution 146, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

NATIONAL TRANSPORTATION POLICY

Mr. HILL. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to supplement the national transportation policy, and so forth, and in connection with the bill I ask that an explanatory statement may be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The bill (S. 2085) to supplement the national transportation policy and to aid in achieving such policy, was read twice by its title, and referred to the Committee on Interstate Commerce.

The statement presented by Mr. HILL is as follows:

Senator HILL, of Alabama, today introduced in the Senate a bill designed to promote an adequate and economical national transportation system, and to that end authorize the creation of a permanent three-member Federal transportation authority to carry on transportation promotion, planning, and research. The members of the new authority would be appointed by the President and confirmed by the Senate, and succeed the present Transportation, Board of Investigation and Research, whose term of office expires September 18.

The bill also creates an office of public transporation counsel to be lodged in the Department of Justice, and a national transportation advisory committee to be composed of representatives of Government, transportation, labor, finance, agriculture, industry, and other groups interested in transportation.

Senator HILL's bill embodies recommendations made on May 16 by the Board of Investigation and Research in its preliminary report to the President and the Congress on the relative economy and fitness of the carriers.

Under provisions of the bill, the national transportation policy would provide that the shipper be given freedom of choice of rail, motor, or water transportation agencies in the selection of through routes, rates, and facilities to be established under guidance of the Interstate Commerce Commission; that all transportation rates and charges "shall be free from discriminations, preferences, prejudices, or inequalities * * *", and that no restriction designed to limit or prevent competition shall be imposed on carriers with the effect of increasing service costs to the public.

Senator HILL pointed out that not only the Board of Investigation and Research but other agencies, at various times since the early 1930's, had recommended establishment of a permanent transport research body. He said the proposed Federal transporation authority is particularly needed now to help solve transportation problems as they arise. Among such problems, he explained, are the working out of methods for utilizing war-created transportation facilities to provide an adequate transport system, and conversion of war-developed plants to peacetime uses in a maner permitting maximum development of national resources, manpower, and living standards. Solution of the problems, he added, will not be possible without a coordinated Federal transportation policy.

The transportation authority, according to provisions of the bill, would conduct investigations pertaining to the country's transport system and transport needs. To that agency the President, at his discretion, would be authorized to transfer by Executive order the functions of other governmental departments or agencies relating to transportation research and investigations, and the necessary records, property, personnel, and funds. The authority would have power to require any carrier to furnish information under oath or affirmation or otherwise, and to make or keep records. When necessary, the authority would subpena persons to appear and testify, or appear and produce documents, or both, at any designated place. It would submit its recommendations in reports to the President and the Congress; consult with and provide transportation information for other governmental agencies, carriers, and other organizations; and cooperate with and assist the office of public transportation counsel.

Under provisions of the bill, each authority member would serve at a salary of $10,000 a year, and not more than two would be of the same political party. The original members would be designated by the President to serve 2 years, 4 years, and 6 years, respectively, from the date of enactment, and thereafter the term of office would be 3 years. The authority would select from its membership a chairman and vice chairman, and would employ a secretary at an annual salary of $7,500, a general counsel at $9,000, and the necessary staff. In addition, it could obtain services, information, facilities, and personnel from other Federal departments and agencies.

The office of public transportation counsel would be headed by a public transportation counsel appointed by the Attorney General solely on a basis of ability. His duty would be to see that "the general public interest and the interest of the United States are adequately represented in administrative proceedings and judicial proceedings involving questions or policies relating to transportation * * * and when necessary, he would apply for leave to intervene in such proceedings.

Members of the national advisory transportation committee would advise and consult with the transportation authority and transportation counsel concerning their activities, and make recommendations to the two agencies and to the President and the Congress regarding their work. There would be one member each from the Department of Commerce and Interstate Commerce Commission, appointable by those agencies. The committees' nongovernmental members would be named by the President, by and with the advice and consent of the Senate. Each member would serve without pay, except that those appointed by the President would receive a per diem allowance for time spent on duty. The terms of one-half the original members appointed by the President would expire 1 year from the date of appointment, the remainder would serve 2 years, and thereafter the term would be for 2 years. The committee members would select their own chairman and vice chairman.

AMENDMENT OF FEDERAL FARM LOAN ACT—MORTGAGE LOANS

Mr. LANGER. I ask consent to introduce for appropriate reference a bill to amend the Federal Farm Loan Act, as amended, so as to prohibit Federal land banks from refusing to make mortgage loans in States, the laws of which prevent the rendering of deficiency judgments.

I may add that in the State of North Dakota for 12 years the Federal land bank has not done any business. It has not made a loan in 12 years, the ostensible ground being that we have a statute which prevents the taking of deficiency judgments. I introduce the bill to correct that situation.

There being no objection, the bill (S. 2086 to amend the Federal Farm Loan Act, as amended, so as to prohibit Federal land banks from refusing to make mortgage loans in States, the laws of which prevent the rendering of deficiency judgments, introduced by Mr. LANGER, was received, read twice by its title, and referred to the Committee on Banking and Currency.

ST. JOHNS RIVER, FLA. (S. DOC. NO. 230)

Mr. OVERTON. Mr. President, I send to the desk a letter addressed to the chairman of the Committee on Commerce by the Secretary of War transmitting a review of report on the St. Johns River, Fla., from Jacksonville to the ocean, requested by resolution of the Committee on Commerce of the Senate on October 19, 1943, presenting the report of the Chief of Engineers on the project. I ask unanimous consent that it be printed with an illustration as a Senate document.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESS BY SENATOR GUFFEY BEFORE BLAIR COUNTY, PA., POLITICAL ACTION COMMITTEE

[Mr MURRAY asked and obtained leave to have printed in the RECORD the address delivered by Senator GUFFEY on August 13, 1944, before the Blair County, Pa., Political Action Committee, at Altoona, Pa., which appears in the Appendix.]

ADDRESS BY SENATOR BUTLER BEFORE RIVERS AND HARBORS CONGRESS

[Mr. OVERTON asked and obtained leave to have printed in the RECORD the address delivered by Senator BUTLER before the Rivers and Harbors Congress at New Orleans, La., on July 27, 1944, which appears in the Appendix.]

ADDRESSES BY MEXICAN SECRETARY OF FOREIGN AFFAIRS AT RIO DE JANEIRO

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD three addresses delivered by the Honorable Ezequiel Padilla, Secretary of Foreign Affairs of the Republic of Mexico, at the Third Meeting of Consultation of the ministers of foreign affairs of the American republics, held at Rio de Janeiro, Brazil, January 15-28, 1942, which appear in the Appendix.]

OKLAHOMA—ADDRESS BY GROVER B. HILL, UNDER SECRETARY OF AGRICULTURE

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD a radio address entitled "Oklahoma," delivered by Grover B. Hill, Under Secretary of Agriculture, at Oklahoma City, Okla., on August 8, 1944, which appears in the Appendix.]

EFFORTS OF SENATOR LUCAS TO OBTAIN GREATER PRODUCTION OF FARM MACHINERY

[Mr. HATCH asked and obtained leave to have printed in the RECORD three newspaper articles relating to the activities of Senator LUCAS to secure greater production of farm machinery, which appear in the Appendix.]

THE RECENT TREASON TRIAL IN COLORADO—EDITORIAL FROM THE ROCKY MOUNTAIN HERALD

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an editorial entitled "Toots and Flo and Billie," relating to the recent trial for treason of three American women of Japanese ancestry, published in the Rocky Mountain Herald of August 12, 1944, which appears in the Appendix.]

FULL EMPLOYMENT—EXTRACT FROM BOOK BY HENRY M. WRISTON

[Mr. O'DANIEL asked and obtained leave to have printed in the RECORD chapter XI, entitled "Full Employment," from the book Challenge to Freedom, by Henry M. Wriston, which appears in the Appendix.]

SOCIALIZED MEDICINE

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an editorial entitled "Education by Great Britain," dealing in part with the question of socialized medicine, published in a recent issue of the New York Daily News," which appears in the Appendix.]

MANEUVERS OF THE COMMUNISTS—ARTICLE BY WESTBROOK PEGLER

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article by Westbrook Pegler, recently published in his column Fair Enough, which appears in the Appendix.]

NEW ORLEANS SEA CHANNEL

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD an article entitled "New Orleans Sea Channel Truly a National Project," written by Walter Parker and published in the Official Daily Court Record, New Orleans, La., of August 15, 1944, which appears in the Appendix.]

CATTLE ON FEED IN THE CORN BELT STATES

Mr. WHERRY. Mr. President, at the session of the Senate on Tuesday last I called attention to the difficulty of cattle feeders in the Middle West and showed to the Senate the alarming shortage that is now confronting the Nation relative to double A and single A class cattle. During the course of my remarks the distinguished Senator from North Dakota [Mr. LANGER] asked me if the decrease over the whole northwest was in proportion to the decrease in my native State of Nebraska. I refer to page 6947 of the RECORD of August 15, where the distinguished Senator from North Dakota asked me this question:

Is not that true all over the Northwest, so far as the Senator knows?

My reply was that it was true in Nebraska and I was sure that it was true in most of the other States in that area.

Since then, on August 14, the United States Department of Agriculture has released its monthly report, and I desire to call the attention of the Members of the Senate to paragraph 1, which states:

The number of cattle on feed for market in the 11 Corn Belt States on August 1 this year was 41 percent smaller than on the corresponding date a year earlier. This is one of the sharpest decreases in Corn Belt cattle feeding ever shown.

I desire also to read from the fifth paragraph and to emphasize what is there said:

While reports from feeders show this marked reduction in the number of cattle on feed on August 1 from a year earlier, the reported number of other cattle on their farms was not greatly different in the 2 years. These reports also show a marked decrease in the quantity of corn on these farms on August 1 from a year ago, but relatively this reduction is not so great as the reduction in cattle on feed and in hogs on the same farms.

Mr. President, I ask unanimous consent that the entire report of the Bureau of Agricultural Economics of the Department of Agriculture be printed in the body of the RECORD at this point as a part of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

CATTLE ON FEED AUGUST 1, 1944

The number of cattle on feed for market in the 11 Corn Belt States on August 1 this year was 41 percent smaller than on the corresponding date a year earlier, the Department of Agriculture reported today. This is one of the sharpest decreases in Corn Belt cattle feeding ever shown. Only in January 1935, following the drought year of 1934, was the percentage decrease larger than this year. Although estimates of actual numbers of head of cattle on feed August 1 have not been made, available information indicates that the reduction from last year is around 700,000 head and the number on feed August 1 this year is the smallest for the date since 1937.

Compared with last year the numbers on feed August 1 this year were down sharply in all States. The largest decreases, 60 percent or more were in Ohio, Michigan and Minnesota. The smallest decreases were in Wisconsin and in the two leading cattle feeding States of Iowa and Illinois. Wisconsin was down 20 percent, Iowa 35 percent, and Illinois 34 percent. In the other States the decreases ranged from 43 to 50 percent.

Reports from feeders as to the length of time cattle on feed August 1 had been on feed indicate that all of the decrease from last year is in the number of cattle that had been on feed over 4 months. The largest decrease is in the number of long-fed cattle—cattle on feed over 7 months; the indications being that the number of such cattle this year was only 42 percent of the number a year ago. These reports show that of the number on feed on August 1 this year 34 percent had been on feed under 4 months, 41 percent from 4 to 7 months, and 25 percent over 7 months. Last year these percentages were 19, 45, and 36, respectively.

This situation is reflected in the reports as to the months in which cattle on feed August 1 would be marketed. This year only 70 percent were intended for market between August 1 and November 1 while last year 76 percent were reported as to be marketed in this period. In view of the marked reduction in the total on feed on August 1 this year the marketings of fed cattle during this period may not be much over 50 percent of the marketings of a year earlier.

While reports from feeders show this marked reduction in the number of cattle on feed on August 1 from a year earlier, the reported number of other cattle on their farms was not greatly different in the 2 years. These reports also show a marked decrease in the quantity of corn on these farms on August 1 from a year ago but relatively this reduction is not so great as the reduction

in cattle on feed and in hogs on these same farms.

The Department's estimates of cattle on feed on January 1 and on April 1 this year as compared with corresponding dates a year earlier both showed a reduction in numbers on feed. On those dates the Department reported, respectively, a 16-percent and a 23-percent reduction in the numbers on feed in the Corn Belt States this year compared with last year. On the other hand, information from records of marketings and slaughter indicate that for the periods January to April and April through June marketings of fed cattle this year exceeded those for the same months last year. Records of receipts of steers by grades at Chicago and of the number and grade of steers slaughtered under Federal inspection, as well as records of marketings by States, all indicate more fed cattle marketed this year than last. In order to determine whether these estimates of fewer cattle on feed were incompatible with the indications of larger marketings of fed cattle a rather detailed analysis has been made of the feeding situation this year based largely upon reports from cattle feeders.

On the basis of this analysis it appears that on January 1, 1944, there were between five and six hundred thousand fewer cattle on feed than a year earlier. But less than 10 percent of the January 1, 1944, number were still on feed August 1 this year while nearly 20 percent of the January 1, 1943, number remained on feed on August 1, 1943. About 20 percent fewer cattle were put on feed between January 1 and April 1 this year than last, but nearly a third of these were marketed before August 1 whereas last year apparently a large part of the cattle put on feed during this period were still in the feed lots on August 1. In addition the number of cattle placed on feed between April 1 and August 1 this year was larger than for the same period last year and more of these short-fed cattle were marketed before August 1 than last year.

This general shortening of the feeding period as compared with the previous season resulted in more fed cattle being marketed between January 1 and August 1 than a year earlier. The effect of these increased marketings with fewer cattle on feed made the decrease from last year cumulative over the period, with the decrease in number of head on feed larger in April than in January and larger in August than in April.

The January 1 and April 1 cattle on feed reports indicated relatively heavy marketings of fed cattle during this period if feeders carried out their reported marketing intentions. A comparison of April 1 reports from feeders as to the number of cattle to be marketed after August 1 this year with reports from these same feeders as to the number on feed August 1 that had been on feed over 4 months show that marketings during this period were even larger than intended. The number remaining August 1 was only 82 percent of the intended number. The number remaining on April 1 was 90 percent of the intended number.

Shipments of stocker and feeder cattle into the Corn Belt during the first 7 months of 1944 were down rather sharply from the heavy inshipments during this period in 1943. From January through May inshipments each month were below the corresponding month of 1943 with the total for the 5-month period down about 31 percent. In June and July, however, inshipments were much above last year and the total for the 7 months January through July were down only 16 percent.

Estimated number of cattle on feed on August 1, 1944, as a percentage of a year earlier in the different States, is as follows:

Ohio	37
Indiana	55
Illinois	66
Michigan	35
Wisconsin	80
Minnesota	40
Iowa	65
Missouri	55
South Dakota	50
Nebraska	54
Kansas	57
Corn Belt (weighted)	53.9

ACQUISITION OF CERTAIN ISLANDS BY THE UNITED STATES

Mr. McKELLAR. Mr. President, on Tuesday last, August 15, I submitted a resolution which I need not read but which I ask unanimous consent to have printed at this point in the RECORD. It is a resolution concerning islands in the Pacific and the Atlantic Oceans near our shores.

The ACTING PRESIDENT pro tempore. Without objection, the resolution will be printed in the RECORD.

The resolution (S. Res. 320) is as follows:

Resolved, That, in order to promote and protect the peace and security of the United States, it is the sense of the Senate—

(1) That any treaty or agreement terminating the present war against Japan, or settling the questions arising out of such war, should provide that the United States shall have and retain as its permanent possessions all islands which on December 8, 1941, were in the possession of or mandated to Japan and which lie between the Equator and the thirtieth parallel of latitude north, including Formosa and the Ryukyu Islands.

(2) That, in settling the questions arising out of the present wars and in making provisions for the maintenance of peace, the United States should acquire as its permanent possessions Bermuda Island and all islands in the West Indies which are now the possessions of European nations.

Resolved further, That the President be, and he is hereby, requested to enter into negotiations with the Republic of Ecuador with a view to obtaining the Galapagos Islands as permanent possessions of the United States.

Mr. McKELLAR. Mr. President, this resolution has given rise to considerable discussion on the part of both individuals and newspapers. I do not know that it is necessary for me to say why I offered it, but perhaps it would be better that I do so in view of some of the newspaper criticisms.

As everybody knows, we received the Philippines as a result of the Spanish-American War of 1898. We governed them for a time and then made them free, and they set up a democratic form of government similar to ours, with a President, a Vice President, and Congress, and they were making fine progress. We had given them their freedom, and perhaps some might have said it was not our duty to protect them in their freedom.

Of course, however, when we got into the war with Japan, Japan at once overran the Philippines, and it became our duty to restore to the Filipino people their lands and their homes and their government. Every American will recognize that we are under an obligation to take these islands away from Japan and restore them to the Filipino people. We have not done it as yet, but we will certainly do it before this war is ended. Not only did Japan take these islands, but she took over other islands in the Pacific and undertook to invade the Hawaiian Islands, which belonged to us absolutely. They started the war.

In the war that ensued we have steadily moved forward in the Pacific and have taken a great many of these islands. Most of the islands Japan had received in the peace treaty of 1921–22 as mandated islands; that is, she was to hold them in trust for the benefit of the Allied nations. Long before, however, Japan had ruthlessly violated this trust and had fortified many of these islands. For the past 3 months or more our Army and Navy and Air Corps have been steadily fighting Japan and taking these Pacific islands away from her. We have already taken most of them, and it will not be very much longer before we take all of them back and all the islands in the Pacific between the Equator and the thirtieth parallel of latitude north.

Mr. President, if we should relinquish these islands, if we should restore any of them to Japan, if we should divide them up among our allies, what would happen? In my judgment, it would be just a matter of time when Japan or some other strong eastern nation would again invade the Philippines and take them, and at first we would be powerless to prevent the taking. On the other hand, if we take all these islands and fortify such of them as our naval, air, and Army authorities say it is necessary for us to fortify, we will be in a position to prevent grasping nations from overrunning the Philippines or any of the other of these islands and will probably save ourselves from another world war. Our Army, our Navy, and our Air Corps have retaken these islands. They belong to us under the rules of war. We are now in a war which we did not start, a defensive war wholly, and the islands are ours under the rules of war. We can do with them as we like. Nor will the interests of our allies be injured. If anyone will glance at the map of the Pacific Ocean, he will see that Australia and even the Dutch East Indies will be just as safe, and indeed much safer, if we own the islands in this zone than they would be if we did not own them.

Some newspaper wanted to know why I included Formosa in my resolution. Well, if anyone had ever been to the island of Formosa or to Japan and the Philippines, he would realize instantly how necessary the ownership and the fortification of this island is to protect the Philippines. It would be difficult for Japan or China or any other strong nation to attack the Philippines with Formosa in the hands of the United States and strongly fortified. The other smaller islands near Formosa go along with it.

Mr. President, it was stated by one newspaper that because Formosa formerly belonged to China we should be generous and return it to China. I do not agree with that statement at all. I contend that in the hands of the United

States, and fortified by the United States, Formosa would be of infinitely more value to China than if it were in the hands of China itself because of the situation that exists in that part of the world from the military, the naval, and the air point of view. I think any fair-minded person would so agree. Be that as it may, the island is necessary for the protection of the Philippine Islands and we are under a duty, as this war itself has shown, to protect the Philippines in their freedom and, therefore, it is necessary for us to have the island of Formosa.

THE GALÁPAGOS ISLANDS

The Galápagos Islands belong to Ecuador. I believe we have some air bases of maritime rights there, but we ought to own those islands by all means.

Ecuador owns the islands and I have no doubt we can make a peaceful arrangement with her by which we can acquire them. We have Ecuador's interest in mind. The Monroe Doctrine is still in force. We have duties under it.

Furthermore the Panama Canal which we constructed many years ago is one of the most valuable canals in all the world. It is tremendously valuable in peace and tremendously more valuable in war. We must preserve it at all hazards. The only way it can be certainly preserved from attack from the west is by owning those islands and it would seem that fair-minded people anywhere in the world would understand this.

It has often been urged that we build a second canal across Nicaragua. I am strongly for such a canal and once offered a bill in that behalf. After this war is over and things get settled down we ought to build a second canal; but it would be exceedingly hazardous for us to build another canal down there unless we have the means to protect both canals.

WEST INDIES ON THE ATLANTIC SIDE

On the Atlantic side a simple look at the map will show that the Panama Canal is surrounded to quite an extent by little islands owned by Great Britain and France and perhaps several other countries. Great Britain is our ally in this war and her interests are exceedingly similar to our own. We have worked together in harmony in two great wars, world wars. We want still to work together in harmony. I am sure Great Britain will realize when confronted by the proposition that it is of the greatest importance that the United States should own the islands on the Atlantic approach either to the present Canal or to any other canal we may build. The islands are small and not very valuable, and I am convinced that if we made a demand on Great Britain for these islands in a general settlement after this war, she would not hesitate at all in delivering them to us. In two great world wars we have been more than generous to Great Britain.

Several of the islands are owned by France. France is not our ally but is, to all intents and purposes, one of our enemies. She succumbed to the blandishments of Germany just before the war and laid down her arms and allowed Germany to take over her country. It is said there are several million Frenchmen in the German Army, and several million Frenchmen in German factories producing war materials for the destruction of the United States and her allies. Besides, France owes us an enormous sum from the last World War when we did such yeoman service for her. She has not paid us, and in this war deserted us, and I am sure she would yield up her sovereignty over these islands to the United States. They cannot be of much value—probably not one-hundredth part of the value that she has already obtained from us and which she has not repaid to us. I am confident that in the general world settlement we can get those islands.

Perhaps the most difficult islands to be obtained would be the Bermudas. They stand out as our principal point of defense in the event of an attack by any European nation. We should have those islands by all means. Great Britain has given us in this war and for sometime afterward, I believe, the right to use an air base in the Bermudas, and I believe in the settlement which will be made that Great Britain ought to be considerate enough of the interests of our country, for our own protection, to yield these islands to us. They are, I presume, more valuable for our protection than any other islands in the seas.

REASONS FOR THE RESOLUTION

These are the reasons why I submitted the resolution. Nor, have I ever talked to President Roosevelt about the matter in my life. He did not have the slightest knowledge of my purpose to offer the resolution. I have had maps in my office for months and have been working on the resolution ever since we began to retake from Japan the islands in the Pacific. I have had the other two canal proposals on my mind for years. It seemed to me to be an opportune time for carrying out these proposals. I hope the country will take the same view. One newspaper stated that I had acted very quickly after the President's recent statement given out from Bremerton, Wash. The resolution had been on my desk for days awaiting introduction and it had not the remotest connection with the interview of the President. I am delighted to know that the President feels that way about some of the islands in the Pacific and I hope to heaven he will feel exactly the same way about the islands I have mentioned situated in both the Atlantic and the Pacific. The President's approval of the resolution would be of incalculable benefit toward its adoption. However, in making this statement I am making it in my own right and it was not in the remotest way suggested by the President. He is not responsible in the slightest degree for it. I never talked to the President or Secretary Hull about it.

Before I close, Mr. President, there is one thing I must say. This morning I read in the newspaper an interview with the President in which he said, in substance, that this war would not be settled until the Allies had occupied both Japan and Germany. I fully endorse that statement. We all remember that following the last World War we did not effectively occupy Germany. What was the result? The result was Hitler and Hitlerism. I believe that the most important thing we have before us is to occupy Germany and Japan with Allied troops. I think it will save us another war for a long time if Allied troops do as the President has suggested and occupy Germany and Japan before peace terms are discussed.

DISPOSAL OF SURPLUS WAR PROPERTY—AUTHORIZATION TO COMMITTEE TO REPORT BILL DURING RECESS

Mr. HILL. Mr. President, the Committee on Military Affairs has been diligently working in an effort to report to the Senate a surplus war property disposal bill at the earliest possible date. It now seems likely that the bill will be ready for the consideration of the Senate on next Tuesday. However, it will not be ready before Tuesday. That being the case, it seems to me that absent Senators ought to endeavor to be present on Tuesday. Frankly, I doubt whether we shall be able to vote on Tuesday, because of the fact that the bill, as we know, covers a tremendous subject matter. Some time will be required to explain the bill, and no doubt there will be some debate. However, it is the hope—and, so far as possible, the plan—of the Senate Committee on Military Affairs to have the bill reported so that the Senate may begin its consideration on next Tuesday.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. WHITE. Is it the hope that the committee will be in a position to report the bill during any recess which the Senate may take between now and Tuesday, so that on Tuesday consideration of the bill may begin?

Mr. HILL. I was about to ask unanimous consent that the committee be authorized to report the bill during the recess.

Mr. WHITE. If it is reported during the recess, is it the purpose to proceed with consideration of the bill next Tuesday?

Mr. HILL. It is the purpose to proceed with consideration of the bill next Tuesday.

I ask unanimous consent that the Committee on Military Affairs be given permission to report, during the forthcoming recess of the Senate, following today's session, the bill on the disposal of surplus war property.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

VOTE ON THE RESOLUTION OF RATIFICATION, TREATY OF VERSAILLES

Mr. WILEY. Mr. President, on March 19, 1920, the United States Senate voted on the resolution to ratify the Treaty of Versailles. I hold in my hand a copy of that resolution, and I shall ask unanimous consent that the resolution, together with the proceedings incident to the vote, be printed in the RECORD.

Because there is so much misinformation, especially in election years, concerning facts which can be easily ascertained, I have had prepared a copy of the proceedings incident to the vote on the resolution of ratification of the Treaty of Versailles, from page 4598 of the CONGRESSIONAL RECORD for March 19, 1920. An analysis of the vote is very revealing. It shows the following political division:

Yeas: Republicans 28; Democrats 21.

Nays: Republicans 12; Democrats 23.

I ask unanimous consent that the statement which I have prepared be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

VOTE ON THE RESOLUTION OF RATIFICATION, TREATY OF VERSAILLES, MARCH 19, 1920

The PRESIDENT pro tempore. Eighty-six Senators have answered to their names. There is a quorum present. The question is on agreeing to the resolution of ratification as amended.

Mr. MCKELLAR. I call for the yeas and nays.

Mr. LODGE. The yeas and nays must be called on a two-thirds vote.

The PRESIDENT pro tempore. The yeas and nays will necessarily be called. The Secretary will call the roll.

The Secretary proceeded to call the roll.

The PRESIDENT pro tempore (when Mr. Cummin's name was called). I am paired with the Senator from Washington [Mr. Poindexter], who is unavoidably absent. If he were present, he would vote "nay." If I were at liberty to vote, I would vote "yea."

Mr. GERRY (when his name was called). I am paired with the Senator from Arizona [Mr. SMITH]. If permitted to vote, I would vote "yea." If present, the Senator from Arizona [Mr. Smith] would vote "nay." That Senator is absent on business of the Senate.

Mr. CURTIS (when Mr. Harding's name was called). I have been requested to announce that the junior Senator from Ohio [Mr. Harding], in order to facilitate a vote on this question, agreed to pair with the senior Senator from Pennsylvania [Mr. Penrose], who is absent on account of illness. If at liberty to vote, the Senator from Ohio [Mr. Harding] would vote "yea" and the Senator from Pennsylvania [Mr. Penrose] would vote "nay."

The Senator from Minnesota [Mr. Nelson] joins with the Senator from Ohio [Mr. Harding] in pairing with the Senator from Pennsylvania [Mr. Penrose] on this question. Were the Senator from Minnesota [Mr. Nelson] present, he would vote "yea."

Mr. JONES of New Mexico (when his name was called). I received a telegram today from the Senator from Arizona [Mr. Smith], who is absent on business of the Senate, requesting that I join with the Senator from Rhode Island [Mr. GERRY] in forming a pair with him upon this question. As has already been announced, if the Senator from Arizona [Mr. Smith] were present, he would vote "nay." If not paired and at liberty to vote, I would vote "yea."

Mr. KENDRICK (when his name was called). I have a general pair with the Senator from New Mexico [Mr. Fall]. Through an understanding reached with that Senator before he left the city I am at liberty to vote on this question. I therefore vote. I vote "yea."

Mr. MCNARY (when Mr. McCumber's name was called). The senior Senator from North Dakota [Mr. McCumber] is absent on account of illness in his family. He is paired with the senior Senator from Colorado [Mr. Thomas]. If present, the Senator from North Dakota would vote "yea."

Mr. CURTIS (when Mr. Newberry's name was called. The Senator from Michigan [Mr. Newberry] and the Senator from North Dakota [Mr. McCumber] have paired on this question with the Senator from New Mexico [Mr. Fall]. If the Senator from Michigan [Mr. Newberry] were present, he would vote "yea," the Senator from North Dakota [Mr. McCumber] would vote yea," and the Senator from New Mexico [Mr. Fall] would vote "nay."

Mr. THOMAS (when his name was called). The announcement made by the Senator from Kansas [Mr. Curtis] regarding my regular pair with the Senator from North Dakota [Mr. McCumber] leaves me at liberty to vote. I therefore vote. I vote "nay."

Mr. TOWNSEND (when his name was called). I am paired with the junior Senator from Washington [Mr. Poindexter], which pair I made in order to accommodate him. If he were present, the Senator from Washington [Mr. Poindexter] would vote "nay." If at liberty to vote, I would vote "yea."

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. Penrose], but, in addition to the fact that it would require a double pair upon this particular vote, I am informed that that Senator, if present, would vote as I am about to vote. For these two reasons I feel at liberty to vote. I vote "nay."

The roll call having been concluded, it resulted—yeas 49, nays 35, as follows:

Yeas, 49: Ashurst; Ball; Beckham; Calder; Capper; Chamberlain; Colt; Curtis; Dillingham; Edge; Elkins; Fletcher; Frelinghuysen; Gore; Hale; Henderson; Jones, Washington; Kellogg; Kendrick; Kenyon; Keyes; King; Lenroot; Lodge; McLean; McNary; Myers; New; Nugent; Owen; Page; Phelan; Phipps; Pittman; Pomerene; Ransdell; Smith, Georgia; Smith, Maryland; Smoot; Spencer; Sterling; Sutherland; Trammell; Wadsworth; Walsh, Massachusetts; Walsh, Montana; Warren; Watson; Wolcott.

Nays, 35: Borah; Brandegee; Comer; Culberson; Dial; Fernald; France; Gay; Glass; Gronna; Harris; Harrison; Hitchcock; Johnson, California; Johnson, South Dakota; Kirby; Knox; La Follette; McCormick; McKellar; Moses; Norris; Overman; Reed; Robinson; Sheppard; Sherman; Shields; Simmons; Smith, South Carolina; Stanley; Swanson; Thomas; Underwood; Williams.

Not voting, 12: Cummins; Fall; Gerry; Harding; Jones, New Mexico; McCumber; Nelson; Newberry; Penrose; Poindexter; Smith, Arizona; Townsend.

The PRESIDENT pro tempore. Upon agreeing to the resolution of ratification the yeas are 49 and the nays are 35. Not having received the affirmative votes of two-thirds of the Senators present and voting, the resolution is not agreed to, and the Senate does not advise and consent to the ratification of the treaty of peace with Germany.

An analysis of the foregoing extract from the CONGRESSIONAL RECORD shows the following political division on the said vote:

Yeas:	
Republicans	28
Democrats	21
Nays:	
Republicans	12
Democrats	23

The resolution of ratification voted upon and rejected is as follows:

"RESOLUTION OF RATIFICATION

"Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the treaty of peace with Germany concluded at Versailles on the 28th day of June 1919, subject to the following reservations and understandings, which are hereby made a part and condition of this resolution of ratification, which ratification is not to take effect or bind the United States until the said reservations and understandings adopted by the Senate have been accepted as a part and a condition of this resolution of ratification by the Allied and Associated Powers and a failure on the part of the Allied and Associated Powers to make objection to said reservations and understandings prior to the deposit of ratification by the United States shall be taken as a full and final acceptance of such reservations and understandings by said powers:

"1. The United States so understands and construes article 1 that in case of notice of withdrawal from the League of Nations, as provided in said article, the United States shall be the sole judge as to whether all its international obligations and all its obligations under the said Covenant have been fulfilled, and notice of withdrawal by the United States may be given by a concurrent resolution of the Congress of the United States.

"2. The United States assumes no obligation to preserve the territorial integrity or political independence of any other country by the employment of its military or naval forces, its resources, or any form of economic discrimination, or to interfere in any way in controversies between nations, including all controversies relating to territorial integrity or political independence, whether members of the League or not, under the provisions of article 10, or to employ the military or naval forces of the United States, under any article of the treaty for any purpose, unless in any particular case the Congress, which, under the Constitution, has the sole power to declare war or authorize the employment of the military or naval forces of the United States, shall, in the exercise of full liberty of action, by act or joint resolution so provide.

"3. No mandate shall be accepted by the United States under article 22, part 1, or any other provision of the treaty of peace with Germany, except by action of the Congress of the United States.

"4. The United States reserves to itself exclusively the right to decide what questions are within its domestic jurisdiction and declares that all domestic and political questions relating wholly or in part to its internal affairs, including immigration, labor, coastwise traffic, the tariff, commerce, the suppression of traffic in women and children and in opium and other dangerous drugs, and all other domestic questions, are solely within the jurisdiction of the United States and are not under this treaty to be submitted in any way either to arbitration or to the consideration of the council or of the assembly of the League of Nations, or any agency thereof, or to the decision or recommendation of any other power.

"5. The United States will not submit to arbitration or to inquiry by the assembly or by the council of the League of Nations, provided for in said treaty of peace, any questions which in the judgment of the United States depend upon or relate to its long-established policy, commonly known as the Monroe Doctrine; said doctrine is to be interpreted by the United States alone and is hereby declared to be wholly outside the jurisdiction of said League of Nations and entirely unaffected by any provision contained in the said treaty of peace with Germany.

"6. The United States withholds its assent to articles 156, 157, and 158, and reserves full liberty of action with respect to any controversy which may arise under said articles.

"7. No person is or shall be authorized to represent the United States, nor shall any citizen of the United States be eligible, as a member of any body or agency established or authorized by said treaty of peace with

Germany, except pursuant to an act of the Congress of the United States providing for his appointment and defining his powers and duties.

"8. The United States understands that the reparation commission will regulate or interfere with exports from the United States to Germany, or from Germany to the United States, only when the United States by act or joint resolution of Congress approves such regulation or interference.

"9. The United States shall not be obligated to contribute to any expenses of the League of Nations, or of the Secretariat, or of any commission, or committee, or conference, or other agency, organized under the League of Nations or under the treaty or for the purpose of carrying out the treaty provisions, unless and until an appropriation of funds available for such expenses shall have been made by the Congress of the United States: *Provided*, That the foregoing limitation shall not apply to the United States' proportionate share of the expense of the office force and salary of the Secretary General.

"10. No plan for the limitation of armaments proposed by the Council of the League of Nations under the provisions of article 8 shall be held as binding the United States until the same shall have been accepted by Congress, and the United States reserves the right to increase its armament without the consent of the Council whenever the United States is threatened with invasion or engaged in war.

"11. The United States reserves the right to permit, in its discretion, the nationals of a Covenant-breaking State, as defined in article 16 of the Covenant of the League of Nations, residing within the United States or in countries other than such Covenant-breaking state, to continue their commercial, financial, and personal relations with the nationals of the United States.

"12. Nothing in articles 296, 297, or in any of the annexes thereto or in any other article, section, or annex of the treaty of peace with Germany shall, as against citizens of the United States, be taken to mean any confirmation, ratification, or approval of any act otherwise illegal or in contravention of the rights of citizens of the United States.

"13. The United States withholds its assent to part XIII (articles 387 to 427, inclusive) unless Congress by act or joint resolution shall hereafter make provision for representation in the organization established by said part XIII, and in such event the participation of the United States will be governed and conditioned by the provisions of such act or joint resolution.

"14. Until part I, being the Covenant of the League of Nations, shall be so amended as to provide that the United States shall be entitled to cast a number of votes equal to that which any member of the League and its self-governing dominions, colonies, or parts of empire, in the aggregate shall be entitled to cast, the United States assumes no obligation to be bound, except in cases where Congress has previously given its consent, by any election, decision, report, or finding of the Council or Assembly in which any member of the League and its self-governing dominions, colonies, or parts of empire, in the aggregate have cast more than one vote. The United States assumes no obligation to be bound by any decision, report, or finding of the Council or Assembly arising out of any dispute between the United States and any member of the League if such member, or any self-governing dominion, colony, empire, or part of empire united with it politically has voted.

"15. In consenting to the ratification of the treaty with Germany the United States adheres to the principle of self-determination and to the resolution of sympathy with the aspirations of the Irish people for a government of their own choice adopted by the Senate June 6, 1919, and declares that when such government is attained by Ireland, a consummation it is hoped is at hand, it should promptly be admitted as a member of the League of Nations."

CEILING PRICE ON ROUGH RICE

Mr. OVERTON. Mr. President, the rice farmers of Louisiana complain to me that the ceiling price on rough rice is so low that it does not equal the cost of production. As a result, rice farmers are operating at a loss. If that be true, it is a very serious complaint, and one concerning which I thought I could readily obtain information. I telephoned to the Office of Price Administration. I was transferred from one office to another, and spent half the morning trying to obtain some information upon that one point.

Finally I got in touch with a representative of the O. P. A. who presumably knows more about rice and the ceiling prices on rough rice than anyone else connected with that agency does. So I propounded to him the question I had to propound to a number of others. Very much to my surprise, he said, first, "Why, we sent out a questionnaire." I said, "To whom have you sent out the questionnaire?" His reply was that it had been sent out to the rice millers.

I said, "Has it occurred to you to send out a questionnaire to the rice producers? They are the ones who are affected."

It had not, but he thought it was a good suggestion. Not all the answers to the questionnaires sent to the rice millers had come in; quite a number of the answers are still to come in; and they are to be collated. But that has to do as I understand, with the ceiling prices on milled rice.

I said, "Where can I get the information? Here is an agency which undertakes to fix the ceiling price on a product, but has made no detailed study as to the cost of production. Where can I get that information?" He said, "Well, I think possibly you could get it from the War Food Administration."

Thereupon, I got in touch with the War Food Administration, and went from pillar to post until I got in touch with a representative of the War Food Administration who apparently knew more about it than anyone else did. I ascertained from him that he had no information at all as to the cost of production of rice. He stated that he wished to be very frank, and that he thought there was too much of a margin between the price of rough rice and the price of milled rice.

Mr. President, I do not know whether that be true or whether it be not; but it is passing strange to me that the O. P. A. or any other price-fixing agency or those associated with the O. P. A. should undertake to fix a ceiling price on a product without any information as to the cost of the production thereof. They do not seem to be making any effort to obtain the information. They frankly admit that the ceiling price which has been fixed is in violation of the statute of 1942 and is below the level fixed by the statute of 1942. But, again, I do not understand that they propose to do anything at all about it.

I make that statement in the hope that there will be someone in the O. P. A., the War Food Administration, or the Department of Agriculture who can supply me with the information I desire.

Mr. SHIPSTEAD. Mr. President, if the Senator will yield to me, let me say that, although I did not hear his opening remarks, I heard the last few statements he made. I wish to be sure that I correctly understood him. Did he say that the price was fixed without any regard to the cost of production?

Mr. OVERTON. I said that I received no information from them as to the cost of production, and they have fixed a ceiling price on rough rice. Apparently they have made no investigation by sending out questionnaires to the producers. Apparently the most they have done is to talk from time to time with producers, but they have no detailed information.

Mr. SHIPSTEAD. If the Senator will permit, I should like to call attention to a hearing held before the Committee on Agriculture and Forestry after the O. P. A. had fixed farm prices. Did not the Senator refer to an act of Congress signed by the President, outlining the basis upon which the O. P. A. should fix the price of farm products?

Mr. OVERTON. That is correct.

Mr. SHIPSTEAD. When the O. P. A. fixed the prices for various products it did not follow that formula. Because it did not do that, Mr. Henderson, Mr. Byrnes, and Mr. Wickard were asked to come before the Committee on Agriculture and Forestry, to explain why they did not follow the act of Congress. Mr. Byrnes was asked that question. He said, "Well, we have higher authority."

I asked him, "What higher authority?"

He said, "An Executive order of the President."

I asked him how the President had any authority to sidetrack an act of Congress by means of an Executive order.

"Well," he said, "we are administrators. It is not for us to ask his authority." He said, "The Attorney General approved the Executive order the President issued, and that is enough for us."

I asked him if I could get a copy of the Attorney General's opinion. He said, "I do not know whether he wrote one. He does not have to. All he has to do is to give it his approval."

I thought that was such a remarkable statement that I never forgot it. Several months later I sent for a copy of the record, because I wished to use the printed record. But to my amazement I found that those statements had been stricken from the testimony before it was printed.

Mr. OVERTON. Mr. President, I wish to say only a few more words, and then I shall conclude my statement.

I have endeavored to get in touch with Mr. Chester Bowles. Unfortunately I have not been able to reach him. He has either been out of the city or else has been in conference and has been unable to talk to me, even over the telephone.

I think something should be done about the ceiling price on rough rice,

and I think we should be supplied with the information I have requested of the various agencies which have to deal with this matter.

I was about to observe a while ago that I am making this statement in the hope that someone will supply me with the information I desire. If anyone connected with the Government can give me this necessary and vital information, I shall be very much indebted to him.

IMPROVEMENT OF RIVERS AND HARBORS AND INLAND WATERWAYS—SPECIAL MEETING OF NATIONAL RIVERS AND HARBORS CONGRESS

Mr. McCLELLAN. Mr. President, on July 27 and 28, 1944, in response to a call from its president, Hon. DEWEY SHORT, a Representative in Congress from the State of Missouri, the National Rivers and Harbors Congress held a special session in the city of New Orleans. Because of war conditions, the meeting was the first to be held by the congress in more than 2 years.

The call of the president embodied the following broad seven-point program for consideration by the congress:

First. To discuss and devise ways and means to untangle the legislative snarl that threatens Senate defeat of the House-passed flood control and river-harbor authorization bill.

Second. To prepare a post-war program for construction of dams, reservoirs, levees, flood walls, revetments, and other structures to protect life and property from destructive floods.

Third. To prepare a program for the improvement of our coastal and inland harbors; completion of the intracoastal canals; and the extension of our inland waterways, in order that the United States may be prepared to utilize its immense merchant marine fleet in competing for world commerce.

Fourth. To consider our present and future program of river and harbor development, flood control, maritime and inland navigation, with special reference to the urgent necessities of the war.

Fifth. To outline a policy for the protection and strengthening of water transportation so that the fullest possible use may be made of these facilities in the present emergency and in the post war era.

Sixth. To formulate a program for a reservoir of meritorious, worth-while and justifiable projects to cushion the shock of unemployment when the war ends.

Seventh. To take concerted action to secure the inclusion in the Budget and the appropriation by Congress of adequate funds for maintenance and construction of those projects deemed essential to the safety and welfare of the Nation.

The response to and manifestation of interest in the call for a special meeting to consider the program announced by the President is evidenced by the fact that more than 412 delegates attended and registered from 179 cities, representing 36 States and the District of Columbia. In addition, there were many other delegates in attendance who failed to register, and there were also many guests and visitors who attended and took part in the proceedings.

Mr. President, in view of the character and purposes of this organization, and the Nation-wide interest in its work and program, I believe it is of special interest and concern to the membership of this body and to the House of Representatives that it be fully advised regarding the sentiments and the consensus of this great national organization, whose objective is to bring about not only the improvement of our rivers and harbors and our inland waterways, but also the full development and utilization of the tremendous water resources of our country. I believe the membership of the Congress of the United States will desire full information with respect to the policies promulgated and the resolutions adopted by the National Rivers and Harbors Congress at its meeting, and with that in mind, Mr. President, I ask unanimous consent that there be inserted in the RECORD at this point as a part of my remarks the resolutions of the Rivers and Harbors Congress to which I have referred.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS ADOPTED BY THE SPECIAL SESSION OF THE NATIONAL RIVERS AND HARBORS CONGRESS HELD AT NEW ORLEANS, LA., JULY 27 AND 28, 1944

PREAMBLE

This congress, a national organization representing every State in the Union, the Territories and the insular possessions of the United States, reaffirms its interest in the development, improvement, conservation, and utilization of our water resources for the multiple purpose of navigation, flood control, power development, irrigation, and allied uses. To advance this interest, we gladly accept the challenging task of local education and organization that confronts us. Above all else, we seek and solicit the kind of support that emanates from the intelligence of the practical American people who are clearly informed. We believe that our programs for river and harbor improvement, for flood control, and for other purposes, if of the people and by the people, are necessarily in the best interest for the people. This is the American way to which we hold. No conference of a few wise heads can ever produce results that will be a suitable substitute for those derived from the action of an informed public. Thus, with a view to preparing now for the future needs of peace and to make known our considered views on matters and policies pertinent to these purposes, the National Rivers and Harbors Congress, assembled in special session in New Orleans, La., adopts the following resolutions:

LEGISLATION FOR A GREATER PEACE

The increasing tempo of our offensive, inspired by our yearning to achieve victory without one day's unnecessary delay, should be our guidon in planning for the larger society we hope for in peace. The foresight and ability of those of us who work and fight at home must rise to the challenge of preparing a Nation big enough to give full employment to our veterans. Advance planning for a large reservoir of worthy post-war construction projects has been made by the Corps of Engineers and authorization of those thoroughly studied and practical plans is a necessary step in helping to achieve the desired post-war economy. We therefore urge that Congress adopt without undue delay the House-passed river and harbor bill H. R. 3961 and flood-control bill H. R. 4485, as reported by the Senate Commerce Committee with project amendments, and now on the Senate Calendar, in order that the Corps of Engineers may initiate these beneficial works as soon as practicable and in any event not later than the cessation of hostilities. Such action on the part of Congress will help to assure our men in uniform that their country will be ready to use their abilities in peace as well as in war.

APPROPRIATIONS IN A WAR EMERGENCY

It is clear that for as long as the war continues neither money nor critical materials should be expended on nonessential projects. It is equally clear that work which will contribute to the success of the war or which will maintain most economically those completed projects being used in the war effort should receive sufficient appropriations. We strongly recommend that adequate funds be appropriated to fulfill the requirements for proper maintenance of existing war-essential projects as well as for the initiation of such additional projects as may be found to be beneficial to our national welfare in time of war.

SHIFT IN WAR THEATERS TO AFFECT WATER TRANSPORT

Looking ahead to the victorious conclusions of the war against Germany and the resulting shift and concentration of our war effort for the defeat of Japan, we anticipate increased demands upon all of the Nation's transport facilities. Water-borne transport on our inland and intracoastal waterways, and ocean shipping particularly from Gulf and Pacific coast ports, must be depended upon to carry a large part of the additional burden involved in such a far-reaching transfer of the weight of our war effort. We therefore urge, in full recognition of the exemplary role that water-borne commerce has played in the war to date, that maximum use be made of water transportation facilities as a means of providing the transport needs that will arise as the emphasis on this global war is changed.

FEDERAL POLICY ON DEVELOPMENT OF WATER RESOURCES

This Congress places itself on record as being in full accord with the principles set forth in the McClellan bill, S. 1519, and in the Maybank bill, S. 1876, which have been incorporated in section 1 of the flood-control bill, H. R. 4485, as reported by the Senate Committee on Commerce, viz:

"It is the purpose of this act to establish a definite policy of making use of existing Federal agencies for the construction, operation, and maintenance of all public improvements in connection with navigation, flood control, and allied activities; to insure coordinated operation of all Federal projects therein for the improvement of navigation and alleviation of flood conditions; to provide for realization of other benefits to be derived from such projects; to facilitate preparations and planning for post-war construction by the Federal Government in the interest of employment; and to secure efficient executive management under the direction and supervision of the permanent executive agencies already established by act of Congress."

We believe that such a policy will assure the American way of securing public improvement, will prevent the absorption of power by an individual or by a clique, will discourage the creation of authorities that can be operated by directors without any outside check or supervision, and will guarantee the ultimate power in the hands of the people as contemplated by our forefathers when they drafted the Declaration of Independence and the Constitution. The well-established functions and the recognized cooperation of the several Federal agencies concerned with the development of water resources makes unnecessary the creation of new authorities or new ways of government for carrying out the wishes of the people affected by basin-wide plans of development.

O'MAHONEY AMENDMENT

We oppose the so-called O'Mahoney and Millikin amendments that were offered in slightly different forms to the pending river and harbor and flood control bills since they are of very doubtful constitutionality; would give rise to fruitless litigation and consequent serious delay of important construction work; and would give the States a power of veto over legislation enacted by the Congress and approved by the President. We commend Senator JOHN H. OVERTON, of Louisiana, for the impartial and statesmanlike manner in which he conducted the Senate hearings on the pending river and harbor and flood control bills, which have been favorably reported by the Senate Commerce Committee and should be enacted in the form reported without further delay.

PRIORITY RATINGS

Adequate insurance against the disaster which a major flood or a break-down in water transport would cause in time of war demands that work now in progress on flood control and navigation projects be continued as rapidly as practicable. Furthermore the completion of the major part of the military construction program and the diminishing demand for certain materials for war production may make it possible to initiate worthy navigation and flood-control projects that have been suspended as a result of prior war demands. We accordingly recommend that priority ratings on the small amount of critical materials required for necessary flood control and navigation work be relaxed whenever and wherever necessary to avoid dangerous delays in the war essential work now under way, and to ease the transition from wartime to peacetime employment whenever practicable by the initiation of new work.

HYDROELECTRIC POWER

The existing authority for navigation and flood-control projects and that contained in the pending river and harbor and flood-control bills provides for a number of multiple-purpose reservoir projects where large blocks of incidental hydroelectric power will be provided. This power should be secondary to the primary functions of the projects. At the present time there is no general law governing the sale of the power that will be generated at the dams under the control of the War Department. The sale of such incidental hydroelectric power should be made at the point of production, without special privilege or discrimination, so as to provide for the complete coordination of such power and energy with other power developments, both private and public, in the area contiguous with such projects. This Government power should be sold with the stipulation that any and all savings realized by the purchasers will be passed on, under Government regulation, to the consuming public.

IRRIGATION

We believe that Federal planning, execution, operation, and maintenance of public improvements relating solely to the distribution of water for irrigation should continue under the jurisdiction of the Interior Department and we concur in the pending flood-control bill, which provides in part:

"Whenever the Secretary of War determines, upon recommendation by the Secretary of the Interior, that any dam and reservoir project operated under the direction of the Secretary of War may be utilized for irrigation purposes, the Secretary of the Interior is authorized to construct, operate, and maintain, under the provisions of the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), such additional works in connection therewith as he may deem necessary for irrigation purposes."

Furthermore, we believe that the cooperation between the established permanent agencies of the Government under the direction of cabinet officers, is cordial and effective, and that this policy should be continued, subject at all times to the supervisory control and regulation by the Congress through statutory enactment.

SOIL CONSERVATION AND REFORESTATION

We believe that Federal planning, execution, operation, and maintenance of public improvements relating to the prevention of soil erosion and to reforestation, including such investigations and estimates of run-off and water-flow retardation in the various watersheds concerned as are considered to have useful or practical values, should continue under the jurisdiction of the Department of Agriculture. In view, however, of the vast acreage in the continental United States now owned by the Federal Government, we respectfully suggest to the Congress that further acquisition of lands by the Federal Government for the abovementioned purposes should be granted only when unavoidably necessary for such purposes, and then only after thorough investigation and consideration.

AMERICAN MERCHANT MARINE

Inland waterways are enabling the interior of this country to share in the wartime shipbuilding program. For the first time, the residents of many interior areas are being brought into close relationship with our merchant marine. As never before, they know how it adds to our striking power in war, and they can be brought to a fuller appreciation of its role in the development of post-war commerce. We recommend that full advantage be taken of these favorable conditions in maintaining and increasing our merchant marine to meet its future challenge for the public welfare.

RECREATION FACILITIES FOR PEACE

A number of dam and reservoir projects have been placed in operation for flood control, navigation, and allied purposes and a great many more have either already been authorized or are included in pending legislation. Many of these projects located in areas of rare natural beauty present excellent opportunities for recreational facilities of widespread interest and benefit at very small cost. We believe that wherever practicable, without adversely affecting the primary purposes of flood control and navigation, full advantage should be taken of these possibilities; and we urge that the Chief of Engineers be authorized in his discretion to make the relatively small expenditures required to provide recreation facilities for the benefit of the general public in the vicinity of projects under his jurisdiction. In this connection, we approve the amendment recommended by the Senate Commerce Committee to the pending flood control bill which opens the water areas of all reservoirs to public use without charge for recreational purposes and grants a preference to Federal, State, or local governmental agencies for the use of areas on the border of such reservoirs suitable for public parks and recreational purposes.

TRANSFER OF ARMY ENGINEERS' FUNCTIONS

The United States Army Engineers, despite the heavy burden of clearing the way for our fighting soldiers in the war theaters of the world, have ably carried forward our great waterways program here at home. The functions of administering flood control and navigation on our inland waterways have been efficiently handled through the years by the corps, but there appears to be a movement under way designed to transfer a portion of the waterways functions of the corps to other agencies. Therefore, the National Rivers and Harbors Congress commends the efficient administration of our great inland waterways, flood control and navigation program, and any moves to transfer from our Army engineers any of their functions in administering our waterway system are disapproved and condemned, and will be vigorously opposed by the congress, and each and every one of its officers, directors, and members.

Mr. McCLELLAN. Mr. President, there is another part of the proceedings at the meeting in New Orleans which I feel will be valuable information not only to the Members of Congress, but to many States and communities throughout the Nation. I refer to the report of the projects committee. This report, which was adopted by the Rivers and Harbors Congress, gives the endorsement of this organization to a number of flood control and river and harbor projects, which endorsement carries with it a recommendation for favorable congressional action and authorization for their construction. The report also lists projects classified as meritorious, but which have not yet been sufficiently advanced in status to warrant immediate endorsement, but are regarded as being worthy of further consideration by the projects committee.

The third class of projects embraces many of those which the Congress has heretofore authorized to be investigated and surveyed by the Corps of Army Engineers in order to determine their merit and economic justification, which investigation and survey the National Rivers and Harbors Congress believes should be expedited to the end that those found worthy and justified may be authorized without further and unnecessary delay.

The fourth class of projects embraced in the report names those as to which the National Rivers and Harbors Congress recommends that the Congress authorize and direct a survey and investigation by the appropriate agency of the Federal Government.

Mr. President, I ask unanimous consent that the report of the projects committee of the National Rivers and Harbors Congress, which was adopted by the congress at its special meeting in New Orleans, be inserted in the RECORD at this point as a part of my remarks.

There being no objection, the report was ordered to be printed in the RECORD as follows:

REPORT OF THE PROJECTS COMMITTEE TO THE SPECIAL SESSION OF THE NATIONAL RIVERS AND HARBORS CONGRESS

NEW ORLEANS, LA., *July 28, 1944.*

Hon. DEWEY SHORT,
President, National Rivers and Harbors Congress, Washington, D. C.

DEAR MR. PRESIDENT: Pursuant to the call of the President your projects committee met in New Orleans on July 26, 1944, for the purpose of completing its examination of projects submitted to it since its last session. All projects were duly considered, and a hearing was afforded to all who presented themselves, for the purpose of making representations regarding any project under consideration.

A detailed account of the actions taken by your committee in the classification of these projects is incorporated in Appendix A of this report.

In addition to its classification of the projects above referred to, the committee submits two recommendations on national legislation which it believes to be needful and in the public interest.

First, it is recommended that Congress be urged to enact legislation to provide for the reconstitution of the Interstate Commerce Commission with a view to securing a wholesome balance between the several competing forms of transportation on the one hand, and the general public interest on the other. It is felt that under the existing organization of the Commission there is a steadily diminishing recognition of the necessity for such a balance, and a continuing tendency to serve the interest of the rail carriers at the expense of the other interests named. The committee believes that the reconstituted commission should consist of five members, none of whom shall have served on the commission before such reconstitution. Of the five new members one should be designated as the Commissioner of Railway Transport; one as the Commissioner of Inland Waterway Transport; one as the Commissioner of Air Transport; one as the Commissioner of Highway Transport; and one as the Commissioner of Domestic Ocean Transport.

It is believed that such legislative revamping of this administrative body would cause to be initiated and sustained a healthy growth of both legal and administrative reform in the development and control of our whole transportation network.

Second, the committee recommends the enactment of legislation defining and implementing a definite national policy for the creation of a true network of inland waterway transportation.

In the present war our past failure to relate inland waterways to national defense by interconnection and by coordinated development has resulted in the loss of thousands of lives, billions of dollars, and an overburdening of other forms of transport that has been reflected in the entire war effort. The principal causes underlying this failure are a quite general ignorance of the magnitude of the transport needs of war industry and operation and an equally general ignorance as to the potential transport capacity of a properly connected and equipped inland waterway system. Nor does there seem to be any awareness on the part of the general public of the very definite limits beyond which overland transport cannot be expanded in time of war. The result has been an utter lack of any legislatively expressed national policy designed to create and maintain a true national system of inland waterways capable of playing a really great role in the national defense and in the peacetime economy of this country. No such system worthy of the name is possible until a true network is established by interconnection at as many points as possible.

We believe that Congress can and should remedy this situation by the enactment of appropriate legislation empowering and directing the Secretary of War, acting through the Chief of Engineers, to prepare and submit to Congress a plan for the development of an interconnected system or systems of inland waterways within the United States of such geographic extent and economic significance as to be truly national in character, and limited only by absolutely insurmountable physical or economic barriers. Such legislation should also provide that reports made by the Chief of Engineers on the examination or survey of every project, made in accordance with existing provisions of law, shall include the results of examinations of all strategic values of such a project, including its relation to the planned interconnected national system or systems; the wartime relief of overland transport facilities; offensive and defensive combat operations in the American theater; supply of domestic, allied, and offshore bases and theaters; domestic, and allied war industry; and the civilian wartime economy of the United States.

The law should designate such values as an integral part of the general economic worth of a project, and require that these be reasonably evaluated and specifically recognized as factors in any departmental recommendation with regard to its economic justification.

We believe that only by such a legally established national policy can we hope to avoid in the future the tragic and so nearly disastrous experience of this war, or expect to develop anything approaching the true potential peacetime worth of inland-waterway transport in the United States. We realize that there are here involved certain questions of intradepartmental jurisdiction and procedure, and certain questions of policy concerning the publication of strategic plans and details. We are nevertheless confident that the War Department and the Corps of Engineers, who have in the past so ably administered the laws governing inland waterways and navigation, and who have so splendidly discharged their responsibility for development, design, and construction of these channels, will afford Congress the means for sound, practical administration of the additional legislative provisions we have here recommended.

The most important subject before the country today is, of course, national defense. This the committee kept foremost in mind in considering four proposed tidewater routes from New Orleans to the Gulf of Mexico, and the committee was unanimous in its approval of the route designated as the Chandeleur Route, believing it to be that which would best serve the whole Mississippi Valley and contiguous areas as well as the paramount interest of national defense.

The testimony shows the appropriate route for the channel is to extend eastward from the Industrial Canal for about 20 miles through the Intracoastal Waterway, which is now 150 feet wide and 12 feet deep; through Lake Borgne; through Grand Island Pass; through Cat Island Pass and Mississippi Sound to deep water north of Chandeleur Island in the Gulf of Mexico.

The construction of the project would provide an ideal location for a major naval base to defend the Gulf of Mexico area against any possible enemy action. This, in addition to the economic value of the project, makes it an outstanding one from a national standpoint which merits its endorsement by the Congress.

The other three routes presented before the committee have apparently not been sufficiently developed and should await completion of the pending engineering investigation for a determination of their feasibility.

Respectfully submitted.

WM. J. DRIVER,
Chairman.

N. B.—Attention is called to the fact that when a project is once put in class I—"Endorsed," such status continues and it is not necessary to follow up at subsequent sessions with new applications. All projects endorsed by the Congress, upon the recommendation of the committee, retain their status until finally constructed, unless such action is rescinded by the Congress, and the Congress stands pledged to do everything possible to assist in reaching that goal.

APPENDIX A—*Classification of projects*

[Letter R following the project number indicates revision of a previous application]

CLASS I—PROJECTS ENDORSED

[*Endorsed.*—This means that the committee is convinced that the project is sound, needful, and sufficiently advanced in status, and should be promptly constructed in the public interest]

Project No.	Name	State	Division
36-R	Atlantic Intracoastal Waterway (New Jersey Ship Canal)	New England to Florida	North Atlantic.
62-R	Atchafalaya Basin, flood control	Louisiana	Lower Mississippi Valley.
231-R	Republican River	Nebraska, Kansas, and Colorado	Missouri River.
338-R	Pajaro River, flood control	California	Pacific.
583-B-R	Kern River, flood control	do	Do.
588-R	San Joaquin River and tributaries	do	Do.
635-R	San Bernardino, Los Angeles Range, flood control	do	Do.
632-R	New Haven Harbor and Quinnipiac River	Connecticut	New England.
640-R	Fresno County, flood control	California	Pacific.
664-R	Apalachicola, Chattahoochee, and Flint Rivers	Georgia and Florida	South Atlantic.
678	Baltimore Harbor and channels	Maryland	Middle Atlantic.
685	Missouri River Basin	Missouri, Kansas, Colorado, Nebraska, Iowa, North Dakota, South Dakota, Wyoming, and Montana.	Missouri River.
688	San Diego River, flood control	California	Pacific.
700	North Concho River	Texas	Southwestern.

CLASS II—PROJECTS CLASSIFIED AS MERITORIOUS

[*Meritorious.*—This means that the committee believes that although the project is not sufficiently advanced in status to warrant its present endorsement, it is meritorious and open for further consideration by the committee]

Project No.	Name	State	Division
99-R	Sacramento River ship channel	California	Pacific

APPENDIX A—*Classification of projects*—Continued

CLASS III—EXPEDITIOUS REPORT ON AUTHORIZED SURVEY REQUESTED

[*Expeditious report on authorized survey requested.*—This means that the committee believes the Congress should request the engineering authority to expedite the report of its investigation and survey of the project to the end that appropriate further action may be had thereon in regard to classification by the Congress]

Project No.	Name	State	Division
673	Polecat Creek County, flood control	Oklahoma	Southwestern.
674	Clear Creek Dam	Ohio	Ohio River.
676	Rush Creek Dam	do	Do.
677	Tidewater Channel	Louisiana	Lower Mississippi Valley.
679	Chesapeake & Delaware Canal	Maryland and Delaware	North Atlantic.
682	Hords Creek Reservoir, Colorado River Basin	Texas	Southwestern.
683	Port Arthur and Beaumont (Sabine-Neches waterway)	do	Do.
684	Tidewater Channel (with 40-foot channels to Gulfport, Miss., and Mobile, Ala.)	Louisiana	Lower Mississippi Valley.
687	Baton Rouge barge channel	do	Do.
689	San Antonio River canal and conservancy district—Canalization of San Antonio River	Texas	Southwestern.
690	Mermentau River Basin	Louisiana	Lower Mississippi Valley.
691	Wabash River system, flood control	Ohio, Indiana, and Illinois	Ohio River.
693	Ship basin and gulf harbor at Grand Isle	Louisiana	Lower Mississippi Valley.
695	Nebraska Rivers, flood control	Nebraska	Missouri River.
696	San Saba River, flood-control dam, San Saba County	Texas	Southwestern.
697	Elkhorn River, flood control	Nebraska	Missouri River.
703	Upper Red River, flood control and irrigation district	Texas	Southwestern.
704	Illinois River, Illinois waterway (12-foot channel)	Illinois	Upper Mississippi Valley.

CLASS IV—PROJECTS RECOMMENDED FOR SURVEY

[*Recommended for survey.*—This means that the committee believes that sufficient showing on behalf of the project has been made to warrant further examination in the form of an adequate survey by an appropriate agency of the Federal Government]

Project No.	Name	State	Division
680	Port of Willapa Harbor	Washington	Pacific.
694	Miami River extension to Lake Okeechobee	Florida	South Atlantic.
698	Ohio and Beaver Rivers, flood control	Pennsylvania	Ohio River.

Mr. McCLELLAN. Mr. President, in conclusion I would place special emphasis on the duty and responsibility of the Congress of the United States in connection with this entire program and also in connection with House bill 4485, the flood-control bill, and House bill 3961, the rivers and harbors bill, both of which have already been passed by the House of Representatives, and both of which have been considered, approved, and reported by the Commerce Committee of the Senate. They are now on the calendar of the Senate awaiting our consideration and action. These measures should be taken up in this body immediately, and passed at this session of Congress with, of course, such amendments thereto as, in the wisdom of the Senate, are desirable.

Mr. President, we in the Senate cannot escape responsibility for delay in the enactment of these measures. They are not of minor significance. They are of great importance to the proper development of our natural resources, the improvement and utilization of which will add greatly to the capital wealth of our Nation. Each of the measures would authorize the construction of a multitude of projects, constituting a class and quality of national development for which the Federal Government must assume full responsibility.

Mr. President, there is great concern on the part of Congress, on the part of the present administration, and of the people of this Nation, lest when the war ends millions of our returning soldiers, our war workers, and others, shall find themselves without jobs or gainful occupation, thus constituting a huge army of unemployed. We are anxious to do everything humanly and legislatively possible to avoid and prevent such a condition again arising in this country. We have talked much about post-war planning, and about finding jobs for those to whom I have referred. Great doubt has been expressed in some quarters that industry and private enterprise will be adequate to meet the situation, at least during the immediate era of demobilization and reconstruction following the war. There are those who, in my judgment, take a defeatist rather than a realistic attitude toward this problem. Some want to enact laws and appropriate billions upon billions of dollars to provide for unemployment compensation. Such a program to some extent may become unavoidable and absolutely necessary. But, Mr. President, if we will only take a realistic attitude toward this problem, act wisely and legislate judiciously, we can provide millions of jobs for those who will be seeking employment following the war and thus minimize to a great extent unemployment and reduce tremendously appropriations from the Federal Treasury that it will otherwise be necessary to make therefor. Substantially all of the projects contained in the river and harbor bill and the flood-control bill are sound economically. The expenditure of Federal funds therefor will constitute a profitable investment in the future of our Nation.

The development and utilization of our natural resources, is of first consideration. And, next, Mr. President, the authorization of these projects by the Congress, the making of adequate appropriations to finance such improvements and a directive that they be constructed in the post-war period will greatly stimulate private enterprise and enable it to carry the burden after this war by providing jobs for millions of men and women on projects which are worth while, which are economically sound, which are constructive in their conception and will be profitable and valuable and enhance the Nation's progress and prosperity while they are being built and following their completion and when they are placed in operation.

Mr. President, I hope that the Congress will not again recess until these pending bills, H. R. 4485 and H. R. 3961, have been enacted into law and until appropriate consideration and action have been taken on the recommendations of the National Rivers and Harbors Congress.

Mr. President, if the Congress recesses or adjourns and permits this session to expire without action on these bills, in my judgment we will be derelict in our duty and the Senate of the United States will have to take the responsibility, since these measures have already been passed by the House of Representatives. I call on my colleagues in the Senate to join me in an effort to have the Senate remain in session until these measures are enacted.

AIR POLICY COMMISSION

Mr. MURRAY. Mr. President, I send to the desk and ask unanimous consent to introduce at this time a joint resolution which I request to have printed in the body of the RECORD at this point as a part of my remarks and to have appropriately referred.

There being no objection, the joint resolution (S. J. Res. 146) on establishing an Air Policy Commission, was received, read twice by its title, referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, as follows:

Resolved, etc., That the establishing of sound national policies on the problems created by and associated with present and future developments in military and civil aviation is essential both to the peace and security of the United States and to the achievement of full employment and improved standards of living.

SEC. 2. (a) There is hereby established an Air Policy Commission (hereinafter referred to as the "Commission") to make a full study and investigation of the problems created by and associated with present and future developments in military and civil aviation and to recommend basic national policies on (1) air power as an instrument of national defense and international security and (2) the expansion of civil aviation.

(b) No later than 6 months after the commencement of its operations, the Commission shall transmit its first recommendations to the President and to the Congress, together with such suggestions for legislation as it may deem necessary or desirable; and the Commission shall from time to time submit such additional recommendations as it may deem necessary or desirable, or as may be requested by the President or the appropriate committees of the Congress.

SEC. 3. The Commission shall be composed of the following members:

(1) Two Members of the Senate, one from the majority party and one from the minority party, to be selected by the President of the Senate; and two Members from the House of Representatives, one from the majority party and one from the minority party, to be selected by the Speaker of the House of Representatives.

(2) Four members of the executive branch of the Government, to be selected by the President, who have special competence with respect to the problems and policies referred to in section 2 of this joint resolution, and who shall serve in a personal capacity rather than as representatives of any department or agency.

(3) Six public members, from industry, science, labor, and other sections of the national economy, not directly engaged in the aircraft manufacturing or air transport industries, to be selected by the President, who shall serve in a personal capacity rather than as representatives of any particular groups or interests.

(4) A chairman, to be selected by the President.

SEC. 4. For the purpose of this joint resolution, the Commission is authorized to hold such hearings, to sit and act at such times and places, to administer such oaths, and to take such testimony as it deems advisable.

SEC. 5. The Commission shall have the power to employ and fix the compensation of such officers, experts, and employees as it deems necessary for the performance of its duties. The heads of the executive agencies, upon the request of the Chairman, shall detail or engage personnel temporarily to assist the Commission. The Commission may utilize such voluntary and uncompensated services as it may deem necessary. The Commission may utilize the services, information, and facilities of the departments and agencies of the Government.

SEC. 6. The Commission shall, by a majority vote of its members, determine its rules of procedure, and the powers conferred upon the Commission by this joint resolution may be exercised by a majority vote of all its members. Members of the Commission shall be reimbursed, from funds appropriated pursuant to section 7 of this act, for the actual and necessary expenses incurred by them in the performance of their duties as such members.

SEC. 7. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000 to carry out the purposes of this joint resolution. The Commission may make such expenditures as it deems advisable within the limits herein authorized.

SEC. 8. The authority conferred by this joint resolution shall expire on December 31, 1946.

Mr. MURRAY. Mr. President, this joint resolution is the product of a detailed study of the problems facing the aircraft industry in the post-war period. At recent hearings on this subject before the War Contracts Subcommittee of the Senate Committee on Military Affairs, representatives of industry, labor, and government all joined in recommending the establishment of some independent body to map out an air policy program for our country in the days that lie ahead.

In the preparation of this measure, I have had the benefit of advice and counsel from the Honorable JENNINGS RANDOLPH, of West Virginia, my distinguished colleague in the House of Representatives. Representative RANDOLPH, who is recognized as a leading authority on aeronautical questions, is introducing a similar joint resolution in the House of Representatives.

This measure establishes an Air Policy Commission to make a full study and investigation of the problems created by and associated with present and future developments in military and civil aviation and to recommend basic national policies on, first, air power as an instrument of national defense and international security, and second, the expansion of civil aviation.

In 1925, the Morrow Board was created by President Coolidge to explore the problems of military aviation raised by the case of Brig. Gen. "Billy" Mitchell. The recommendations of the Morrow Board, incorporated by Congress in the Air Corps Act of 1926, resulted in the appointment of an Assistant Secretary for Air in the Department of Commerce, the War Department and the Navy Department. It is generally recognized that the Board's activities helped lay the basis for the rapid development of aeronautical technology in the United States.

Today, we are on the threshold of a new era—the air age. Just as the rapid growth of the automobile after the last war was an important factor in the development of our economy during the 1920's and the 1930's, the airplane is destined to play a dominant role in shaping the future of our country after this war.

Today, as we look forward toward the air age, we are faced with serious problems of national policy.

First of all, what shall be our military policy with regard to air power?

I am reliably informed that in the progress of aeronautical science, it may soon be possible to produce an electronic-controlled robot bomb which could fly the Atlantic from any section of Europe, select the Island of Manhattan as the general target, and then select the Empire State Building as the specific target. The implications of this fact, from the viewpoint of national security and international relations, are obvious.

Second, what shall be our policies with regard to civil aviation?

Today, about 2,000,000 workers are employed in aircraft manufacture. When the war is over, the great majority of these workers may lose their jobs. Unless we have a broad and courageous program for the expansion of civil aviation, cut-backs in the aircraft industry will contribute toward widespread unemployment throughout our entire economy.

It is my conviction, and that of Representative RANDOLPH, that an air policy commission, established by the Congress, would perform an invaluable service to our country. By fully exploring the problems of military and civil aviation and submitting its recommendations to the President and the Congress, it would make an important contribution toward our post-war plans for full employment and international security.

MISSOURI VALLEY AUTHORITY

Mr. MURRAY. Mr. President, I also send to the desk and ask unanimous consent to introduce at this time a bill to establish the Missouri Valley authority, to provide for unified water control and resource development of the Missouri River, and so forth.

The PRESIDING OFFICER. Without objection, the bill will be received and appropriately referred.

The bill (S. 2089) to establish a Missouri Valley authority to provide for unified water control and resource development on the Missouri River and surrounding region in the interest of the control and prevention of floods, the promotion of navigation and reclamation of the public lands, the strengthening of the national defense, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

Mr. MURRAY. Mr. President, I desire to make a statement in connection with a bill I have just introduced providing for the establishment of a United States Government corporation to be known as the Missouri Valley Authority, the duties of which shall be a broad development of the water and other natural resources of the great basin of the Missouri River.

The purposes of the corporation or authority, as stated in section 1 of the bill, are:

To provide for the control and prevention of floods in the Missouri Valley region and the reclamation of public lands, to safeguard the navigable waters, to promote navigation, and to encourage the fuller development and utilization of the resources of the region, all for the purpose of fostering and protecting the commerce among the several States, strengthening the national defense, conserving the water, soil, and forest resources of the Nation, and promoting the general welfare of the United States.

The objective of this bill, in short, is to promote the welfare of the nearly 7,000,000 people who live within the watershed and, by the same token, to promote the national interest. This great human purpose will be possible through the unified and orderly development of the Missouri Basin, the greatest single river valley in the United States, as provided in the M. V. A. bill. This bill will give the people of the Missouri Valley the opportunity to conserve and make the wisest possible use of the valley's great resource of water, soil, forests, and minerals in their interest and in the national interest.

Mr. President, this is a tremendous task—a task worthy of the best efforts which this great country can put forth. We have demonstrated time and again, and in countless ways, the speed with which we can turn the gifts of science and management into productive channels to achieve goals which astound the world. Here is a chance to apply them to a basic problem of our people here at home.

The Missouri River, starting at Three Forks, in my State, Montana, where the Jefferson, Madison, and Gallatin Rivers

converge, flows through a wide land of varied topography, rainfall, soils, and forests until it empties into the Mississippi River above St. Louis, Mo. The watershed of the Missouri embraces a territory of nearly 530,000 square miles—17½ percent of the area of the continental United States. The area includes all or substantial portions of nine States: North Dakota, South Dakota, Montana, Wyoming, Colorado, Nebraska, Iowa, Kansas, and Missouri.

It sustains a wide variety of agriculture, ranging from dairy farming to cattle ranching and wheat growing. It has an abundance of forest and mineral resources which, properly developed, can help to place the region on a basis of continuous prosperity. It has rich soils. It has water resources with magnificent potentialities for development.

In short, the Missouri is a valley of gigantic resources and potential productiveness.

But the Missouri Valley is plagued, as are many other river valleys in this country, by problems of great scope and variety. Frequent floods cover the productive land, damaging and disrupting commerce and destroying homes, farms, and factories and harassing the people. There are problems attending both the normal and occasional scarcity of water. Windstorms and uncontrolled waters carry the best soil into the sea. There are problems of how best to conserve and husband our natural resources and turn them to the fullest account for human use and advancement. Only a few in this wide land would claim that the region is fully productive now, that we are obtaining the full benefits of our natural resources—our minerals, forests, and fertile, arid lands—in the light of what modern science, engineering, and ingenuity make possible.

Instead, we have seen our resources ravaged and wasted away. In the past 2 years the lower reaches of the Missouri Basin have been swept by two major floods, with direct damage estimated at nearly $100,000,000, not counting the immense indirect damage resulting from disruption of economic life. It is estimated that about 1,800,000 acres of fertile crop lands are periodically inundated by the unruly and uncontrolled Missouri.

At the same time, in the upper parts of the great basin, extensive areas thirst for water which would turn nearly 5,000,000 arid acres into fertile production.

A report of the Mississippi River Committee of the Public Works Administration, made several years ago, shows in many parts of the area serious lowering of the water table—the level of subsurface water upon which 95 percent of the people outside the large cities depend for domestic and stock-watering purposes. This is a serious matter—it affects the lives and livelihood of the people of the Nation as well as those in the Mississippi Valley. In North Dakota, for example, the water table was lowered during a period of 10 to 25 years by anywhere from 6 to 34 feet. In Nebraska, in 16 to 36 years the lowering—taken from county to county—ranged from 10 feet to more than 20 feet. In South Dakota, changes are irregular, ranging from less than 10 feet in some counties to more than 35 feet in others. Iowa shows a fairly uniform drop throughout the State, areas with less than 10 feet lowering of the water table being about equal to those with a drop of more than 10 feet.

Some of our modern agricultural methods appear to accentuate this catastrophic tendency. Even in areas where water is sorely needed the raindrop instead of being held where it falls has its course to the sea expedited. In the main stream of the Missouri and on thousands of miles of its tributaries, water runs unchecked and unharnessed; only a very small proportion of the potential water power of this extensive river system is captured by turbines and generators for useful work.

Mr. President, it is clear that the job to be done is tremendous. It challenges the imagination. It throws down the gauntlet to our engineering skill, our scientific knowledge, and our know-how as to methods and management.

With the Missouri ranked as the greatest single-river system in the United States, the full development of resources proposed under this bill might well rank as the most important national development since the Louisiana Purchase, of which much of this territory was a part. The Louisiana Purchase opened the way to a tremendous pioneering expansion. Sturdy and daring souls pushed westward with ox team, plow, and ax to build the foundations of an empire.

The time for such pioneering is past, but a new era of a different kind of pioneering is at hand. It is pioneering of intensive development rather than of expansion, a pioneering founded on the skills of the technician, the soils scientist, the geologist, the electrical engineer, and the expert in water control. It is a pioneering in the use of our managerial abilities and knowledge to put the resources of a great river and its valley to work for the benefit and advancement of our people.

The people of the Missouri Valley have long sensed the possibilities for the development of their natural resources and they have sought to bring it about.

And the people want results.

They want the valley's waters thoroughly and efficiently husbanded.

They want the periodic floods measurably controlled, the damages minimized.

They want the development of navigation for cheap transportation.

They want the rivers harnessed and put to work to provide electric power for homes, farms, and industry.

They want the basic resources of soil fertility protected and built up to sustain a permanent and prosperous agriculture.

They want industry developed—industry indigenous to the area and based on its raw materials, spreading its activity, and the opportunities for employment widely throughout the territory and not concentrated in a few congested areas.

They want the arid and semiarid lands of the upper basin irrigated and made rich and productive.

Piecemeal efforts at development for some purposes have been made over a period of many years. But the people know that the results fall far short of the needs of the region. Millions of dollars have been spent to improve the river and to reclaim the land. The lower river has been partially developed for navigation, although a deeper channel is needed to make it fully effective. Levees have been built and rebuilt year after year in efforts to check the ravages of floods. Certain irrigation projects have been constructed and reservoirs have been built for flood control. But the people know from their own experience that something is wrong. Something is missing. They know that the over-all development, commensurate with the potential strength of the Missouri Valley, has not been accomplished.

Instead, we have found the various and piecemeal developments conflicting with one another. Although they are all dealing with the same river, the interests of one section of the valley view with concern and are fearful of the effect of projects in other parts of the region. These differences of view are brought to the fore at the present time by the conflict between the proponents of two plans, both of which are claimed to be comprehensive. One is the Pick plan of the United States Army Engineers, which is aimed at providing flood control and navigation on the lower reaches of the river. The other is that of the Bureau of Reclamation, which proposes a system of reservoirs to provide water for irrigation. There is conflict between the two plans as to the reservoirs to be built and the uses to which the impounded waters shall be put.

The conflict between these two plans epitomizes the reason for failure to achieve proper development of the river. The reason is no reflection upon the abilities or the integrity of the two organizations or their engineers. The simple fact is that the methods which have been applied to the problem of the Missouri Basin have not been suited to the job. Each of the many agencies of the Federal Government is expected and authorized to become familar with only a part of the river. Each agency is concerned with only a part of the many purposes to which the river can be put.

The several States comprising the Missouri Valley have not been able to guide the development of the whole river. Each State government has a primary concern with the problems lying within its own boundaries. But our river knows no State lines. It flows where it will. Its waters pass from one State to another. The task, dictated by the nature of the river itself, is too big and too complex for a single State or a group of States to undertake.

There are also those groups having a special interest in some special part of a river valley development. Naturally they concern themselves only with that part of a valley development which they believe will satisfy their particular interest, be it a navigable channel for river commerce, a dam for hydroelectricity, a reservoir to control floods, or a reservoir to store water to irrigate the arid lands. Each special interest group seems bent

on satisfying its own needs first with little regard for the effect its proposals, if adopted, may have upon other groups.

Out of these circumstances of confusion of purpose and conflict of interest one clear fact is beginning to emerge: The Missouri Valley—its resources of life-giving and life-destroying water, its forests, its minerals, and its soils—will not achieve its God-given destiny until we learn to see and understand the river and the valley as a whole, as a working unit, as a heritage of resources that can be developed for many purposes within the framework of a general plan.

So long as we hack the river to pieces and parcel it out to this agency and that agency, to this interest and that interest, stalemate, inaction, and a declining economy will be our reward. We must find a new approach.

What can be done to permit us to move ahead? How can we put our conflicts behind us and turn our energies and our deep and abiding faith in the future of our great Missouri Valley to the task of developing the resources of the valley for the greatest good of the many? What do we need in the Missouri Valley that we do not now have?

Mr. President, I say we need a new approach. We need to view the river and its valley as a whole. We need a remedy for the arbitrary division of interest and responsibility among Federal agencies to which the river has been partitioned and assigned.

We need to recognize that the differences which separate the interests of the upper and lower valley must somehow be reconciled. But I fear we cannot make much progress in this reconciliation until we have an acceptable and authoritative body of facts and engineering judgments drawn together for the river resources as a whole.

At the present time those interested in water for irrigation and reclamation fear those interests on the lower river who want floods controlled and a navigable channel on the lower Missouri. Each interest group seems to assume that these objectives are in conflict. Each seems to assume that there cannot be enough water in the Missouri Basin to permit progress in the achievement of all three objectives, and each group is supported in that assumption by the technical and engineering judgments of agencies assigned to further one use of the river with little regard for the feasibility of its use for other purposes.

I predict, Mr. President, that this confusion of expert advice will continue unless we establish a single agency with responsibility to all interests and for all uses of the river. This agency would be created by Congress. It would be located in the Missouri Valley region. It would be independent of the existing Federal executive departments. It would be under a mandate to develop its plans and recommendations and to carry them out in close cooperation with the agencies of the States and the Federal Government.

This new agency would be responsible to the people of the Missouri Valley through the Congress and the President. It would be authorized to develop and recommend to Congress and then carry out a unified plan to achieve the full development and use of the river and its resources.

This new agency, equipped with the best managers, engineers, and technicians the country can supply, would immediately set to work to examine existing plans for river development. Nothing of value and wisdom in our past experience would be lost. It would identify more precisely the engineering issues now at the roots of our current controversies. It would quickly report its findings and recommend a plan of river development and use which would recognize all legitimate interests in our great water resources.

Under this procedure we would have an end to the bickering and confusing dispute among the exports. The people of the whole Missouri Valley would know where they stood; they would know what could be done to meet the requirements of all areas of the Missouri Valley.

This new agency, the Missouri Valley Authority, would present to the President and to the Congress an authoritative and unified report on the whole river, and not merely parts of it. The committees of Congress, overburdened as they are, would not be expected to resolve conflicts of technical judgments and opinions as they are called upon to do now. They would have a general plan before them, certified as to its engineering feasibility. Congress would thus be free to consider, examine, debate, and decide the remaining questions of high public policy.

Then we would get to work. We would know what was to be done, what it would cost, and what results could be expected. We would be able to say to this new agency, "You have your instructions. You are responsible for getting this job done. Go to it. We want no alibis. We want no 'buck passing' to another agency. The job is yours to do in accord with the policies and programs approved and authorized by Congress. We, the Congress, representing the people of the valley and the Nation, expect results."

What I am proposing is not new in America. It has been done. It has been eminently successful.

Such a plan has been commenced, tried, tested, and brought to fruition in the Tennessee Valley, where 11 years ago the Congress established the Tennessee Valley Authority. During the past 11 years the T. V. A. has functioned as a pilot plant in the application of methods which aim at the complete development of the resources of a great region fed and nourished by a great watercourse.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Montana yield to the Senator from Wyoming?

Mr. MURRAY. I yield.

Mr. O'MAHONEY. I am very much interested in the Senator's discussion relating to the development of the Missouri River Valley. As the Senator knows, disposition of the waters of the Missouri River has been the subject of considerable study by many Members of Congress. This river affects a large area of the public domain. That area contains many reclamation projects which have been constructed under the policy of Congress laid down early in the present century. For more than 40 years Congress has followed the policy of reclamation development throughout the West, including this particular area. I ask the Senator if he contemplates having the Committee on Irrigation and Reclamation participate in the studies of his bill.

Mr. MURRAY. I think it would be very appropriate for that committee to participate in the consideration of the proposed legislation because of its tremendous interest in the subject of irrigation and because of the success of the irrigation program which it has carried on for many years.

Mr. O'MAHONEY. In the past it has been the practice for bills which affect matters within the jurisdiction of more than one committee to be referred from one committee to another. I therefore suggest to the Senator the advisability of asking that after the Committee on Agriculture and Forestry, which has already studied the T. V. A., has considered his bill, the bill be referred to the Committee on Irrigation and Reclamation for its study also.

Mr. MURRAY. Mr. President, I make that request at this time. I ask that after the bill has been studied by the Committee on Agriculture and Forestry, it then be transmitted to the Committee on Irrigation and Reclamation for study by that committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURRAY. Mr. President, the Tennessee Valley, prior to the act of Congress passed in 1933, faced much the same problem that we face in the Missouri Valley today. It had a tremendous potential resource in the Tennessee River, but it was relatively undeveloped. It was subject to devastating floods. The fertile topsoil of its basin was steadily wasting away under the prevailing agricultural practices. Forest resources were disappearing rapidly under the generally accepted cutting practices. In the hills were valuable minerals which lay dormant or were little used because of the lack of technical knowledge which could enable the discovery and demonstration of the possibilities of development by private businessmen.

Today that picture has changed. In little more than a decade the Tennessee River has been substantially harnessed and controlled—not for one purpose, but for three. Last spring, while the Missouri raged out of its banks, causing more than $30,000,000 damage, the Tennessee Valley also had heavy rains—far above normal for 2 months. In the Tennessee Valley, also, the river rose; but the rise was checked by great dams, the crests were clipped from the floods, and the excess water was stepped down harmlessly through a succession of great reservoirs.

Ever since the days when the flatboats of the pioneers, westward bound, floated down the Tennessee, the value of the river as a navigation channel has been talked about and promoted. As early as 1825, over a century ago, the first at-

tempts were made to master Muscle Shoals, the greatest barrier to navigation; but they failed. Today a commercially useful channel extends the 650-mile length of the Tennessee, and on it are carried wheat, coal, pig-iron, automobiles, military vehicles, forest products, limestone for synthetic rubber manufacture, and many other types of cargo. Freight traffic has multiplied four times in almost the same number of years.

In 1933, the power potentialities of the Tennessee River were almost undeveloped. A dam here and there captured and released but a fraction of the possible power in the uncontrolled river. Today, the system of 20 dams of the T. V. A., supported by several steam plants, produces 10,000,000,000 kilowatt hours of electricity a year—twice as much power as St. Louis, Kansas City, and Omaha use in a year. With practically three-quarters of this total going into war industry, the industrial contribution of the Tennessee Valley to the winning of the war has been several times multiplied. That this industrial production, depending upon power, has been due to the TVA is shown by the fact that this organization, under the mandate of Congress, has practically doubled its generating capacity since the war started. The T. V. A., a unique organization among Government corporations, was able to deliver the results, and it did.

In the longer, slower process of rebuilding the land, the T. V. A. likewise has made progress. Here the results have been centered around the use of phosphatic fertilizers used in farming systems which promote the growing of soil-conserving and water-conserving cover crops. Some 30,000 test-demonstration farmers—many of them outside the Tennessee Valley—have reported increased income, increased production, and more stable farm resources as the result of the use of concentrated phosphate fertilizers developed at the Muscle Shoals plant of the T. V. A.—an unused asset of the Federal Government prior to 1933.

The Tennessee Valley is primarily an agricultural area, as is the Missouri Valley. But with the T. V. A. the Tennessee Valley has made great strides in new industrial development. From 1933 to 1940, the period prior to the war, new chemical and light-metal industries established themselves in the valley, drawn by the available raw materials and ample low-cost power. Existing heavy industry expanded; and a substantial expansion and addition of existing or new enterprises, ranging from the processing of frozen foods and the development and processing of dairy products to the manufacture of aircraft, stoves, ground mica, metal dies, and forestry and timber products, took place rapidly.

All these developments are reflected in the story of what happened to the level of income in the Tennessee Valley between 1933 and 1940. In the seven Tennessee Valley States, per capita income increased 73 percent, as compared with a 56-percent increase for the country as a whole. Bank deposits increased 76 percent in the Tennessee Valley States, while the whole country showed an increase of 46 percent. Retail sales increased 81 percent as compared with a 71 percent increase for the country as a whole.

The Tennessee Valley is moving to the front among the regions of the Nation. It is no longer regarded as our No. 1 economic problem. The Tennessee Valley is now known as the region of great promise and rapid fulfillment, the region of expanding opportunity.

Mr. President, what does the Tennessee Valley possess that we in the Missouri Valley lack? The people of the Tennessee Valley know, and they will tell you. They have an agency—an expert partner—charged with the over-all purpose of showing how the people can develop, conserve, and use all of their natural resources. They have a working partner able and willing to see the problems of their valley as a whole—not just flood control, not just navigation, not just power, not just big business, not just agriculture. The people of the Tennessee Valley have an agency which makes its decisions in the region, not in Washington. Its experts, its engineers, its technicians and managers work under a board of directors, with offices in the region, with doors open to the people and their agencies and institutions.

The people of the Tennessee Valley know that the T. V. A. is not the special agent or adviser of one interest against another. They know that the T. V. A. is under a mandate from Congress to see each problem and opportunity of the valley as it is related to other problems.

The people of the Tennessee Valley know that the T. V. A. cannot escape responsibility and accountability for what it does or fails to do. It must live face to face with the people it is there to serve. The distance between the Tennessee Valley and Washington is no protection to the accountability of the T. V. A. It is always on the spot, always at hand; it is always held to the task of a full development of all the resources of the valley for all the people.

I say this is what we lack in the Missouri Valley. Our destiny is not clear until we get it.

Mr. President, I do not propose that the Missouri Valley copy the experience of the Tennessee Valley in detail or in its technical plan or program. I do propose, however, that we obtain and adopt to the peculiar circumstances of the Missouri Valley the main idea so successfully demonstrated by the Tennessee Valley.

That means we must have a regional agency, free from the evils of remote vetoes by the scores of bureaus in Washington.

Its officers of decision and its experts must be located in the region where their work will be.

It must have a responsibility broad enough to encompass the major resource problems of our region in its studies, demonstrations, and program of work and accomplishment.

It must view itself as a working partner of existing agencies of the Federal and State Governments, and of private groups and organizations pledged to promote the public interest.

It must have sufficient authority to achieve its responsibilities without the power of coercion. Persuasion by force of fact and reason will be the instrument at its hand—not dictation by directives or administrative decree.

Congress will determine its broad charter and the policies by which it will be governed. Congress and the President will hold it accountable for its broad accomplishments. The people of the Valley will judge it every day by how well, how efficiently, how honestly, and how devotedly it carries on its work.

It will be an instrument of the people, a union of technicians, experts, engineers, managers, and laymen working at the side of the citizens and institutions of the Valley.

These are the essential features of the T. V. A. idea we would adopt for our own in the Missouri Valley.

This new departure pioneered for all of America in the Tennessee Valley did not come overnight. It came after mature consideration. For more than a century since 1825 the possibilities of development of the Tennessee River for navigation had been recognized, talked about, and promoted.

With the development of long-distance transmission lines for electricity and advances in engineering technique in harnessing water power for electricity, a second purpose for development came to the fore. The building of Wilson Dam as a project of the First World War highlighted this phase of river development; and for 15 years before the T. V. A., congressional and public debate over the Tennessee River was concentrated on this issue. At the same time, the damaging force of the flood waters of the Tennessee were recognized, both for their effect in the Tennessee Valley and for their contributions to the devastating floods on the lower Ohio and Mississippi Rivers.

While the debate went on, little was accomplished in the way of control of the river. It ran on as usual, sometimes surging in great floods and at other times diminishing to a relative trickle.

This is a familiar story to those of us who live in the Missouri Valley. We have been witnessing and suffering from repeated floods, idle and wasted water power, clogged river channels. We are the victims of the repeated paradox of too much or too little water in the wrong places at the wrong time.

The Tennessee Valley went through the same general era of doubt, surveys and more surveys, reports and more reports, controversy, false starts, frustration, and piecemeal planning.

But with the establishment of the Tennessee Valley Authority, given the responsibility for development of the river in its essential unity—not for flood control alone, power alone, or navigation alone, but for the maximum benefits of all three purposes—things began to happen.

In little more than a decade the things which people of the Tennessee Valley and

the Nation had talked about for a century were practically achieved. The old controversies over what kind of development should be attempted dissolved into thin air when Congress boldly attacked the problem of developing the river as a unity.

In passing the T. V. A. Act, the Congress departed from the usual custom of assigning the development of one use of a river to one agency, another use to another agency, and the problems of the land, the forests, and the minerals to still other bureaus and departments. Instead, it looked upon the Tennessee River and its great basin as a unity, as in plain fact it exists in nature. Congress and the President saw the Tennessee River in the entirety of its possibilities for development—not separately as a possible navigation channel or as a power producer or as a monster only to be controlled against floods. Nor was the river viewed as something separate from the land. It was recognized that what happens in the river is inevitably and closely related to what happens on the land. If land is unwisely used, for whatever reason, the effect is immediately apparent in the river. The slashing of forests and the continual planting of row crops which leave the soil barren to the rains shows in the murky and muddy character of the river in flood. Water which is not held on the land, captured by vegetation, and retained for the use of plants, rushes headlong to the river, carrying with it always some of the components and fertility of the soil. Those were the principles Congress observed in devising a remedy for a whole region.

The same principles are there for us to observe in the Missouri Valley. We want an opportunity to see our region and its resources as a whole.

But Congress knew that the T. V. A. would need more than the application of a broad and unified policy. Congress recognized the fact that the assignment of broad responsibilities must be accompanied by the granting of a reasonable degree of managerial discretion for day-to-day decisions within the policies Congress laid down. Having placed upon the T. V. A. the responsibility for carrying out a program of unified development, the Congress also gave to the new agency the tools of modern management needed to do the job. Congress outlined the broad objectives, made sure that the T. V. A. could be responsible and accountable for results, and then gave it freedom to operate to obtain the desired results. Thus it avoided bureaucratic overcentralization, red tape, and the overburdening of the agency with specific detail of methods and with division of authority over various phases of its operations.

For example, the T. V. A. was given the power to hire its staff without reference to the Federal civil service laws or regulations. Nor was T. V. A. to be an agency of political patronage appointments. Congress stipulated that appointments must be made solely on the basis of merit and efficiency, and without any political tests or considerations. The T. V. A. was given the power to acquire land for its reservoirs. This task was not turned over to some Federal department not having responsibility for the final result, which is the usual Federal practice. Congress gave the T. V. A. the power to make purchases of materials and equipment in its own right, after weighing such considerations as suitability of equipment for the task in hand and the reliability of the seller, as well as the price bid.

With this freedom of action, of course, Congress imposed measures to hold the T. V. A. to strict accountability and responsibility for results. The T. V. A., endowed with the powers of modern management, cannot pass the buck when results are not up to expectations. It cannot, for example, complain that another department of Government is responsible if land is not purchased rapidly enough to meet engineering construction schedules. It cannot claim that dams were poorly designed or built badly by another agency, if they do not achieve the results expected of them. For the results, whatever they may be, the T. V. A., and the T. V. A. alone, is responsible. It may reap the praise for a job well done. Conversely, it must bear the blame if the job goes badly.

Mr. President, I say this is what we want in the Missouri Valley.

How great a departure this is from the usual government practice is indicated in a recently published book, "T. V. A.—Democracy on the March," by David E. Lilienthal, present chairman of the T. V. A. Board of Directors. In this book, based on his 11 years' experience on the board of the T. V. A., he pointed out that—

> The policies of lawmaking in the immediate past have been largely regulatory and negative: "This shall not be done."
>
> The tradition and climate of the skill of management, however, are remote from all such negation. Management is affirmative and initiatory: "This is to be done." It is in the process of defining, with skill and sense, what is to be done, and with it the fixing of responsibility for results, with wide freedom for judgment in the managers as to how it may best be done, that you have the essence of the best modern management.

Can there be any doubt that we could use this idea to break the inertia of our Missouri Valley?

But Congress, in its wisdom, went one step further in creating the T. V. A. The T. V. A. was not to be a superbureau of the Federal Government imposing its will upon the people of a vast region. Congress wanted to be sure that this regional agency would be at home with the people and their problems of resource development. In setting up this Government agency, the Congress decreed that it should not establish its headquarters in Washington, remote from the locale in which its work lay, with only regional offices in the valley. Instead, having settled upon the broad policies which govern the development, the Congress provided that the T. V. A. should maintain its headquarters in the region where its responsibilities for development lay. In T. V. A.'s office in Washington there are only 10 employees. The administrators, engineers, and technicians are living and working in the Tennessee Valley.

By those measures, the Congress assured that the work of the T. V. A. would be closely related to the particular needs of the Tennessee Valley. In the valley, the T. V. A. is close to the people, accessible to those who have ideas or complaints, and sensitive to their needs and desires in the matter of the development of resources. For it is not enough to say that "resources shall be developed"; they must be developed in a way which squares with the basic needs and aspirations of the people concerned. Only in that way can the regional and national interests in the development of resources be fulfilled.

There is another reason why I want this close relationship between the Missouri Valley Authority and the people of the valley. It is the best guaranty we can find to hold our agencies of Government accountable for what they do, how they do it, and the results which they obtain. As Mr. Lilienthal pointed out in his book—

> Working at the grass roots is the surest guaranty of that day-to-day adjustment to the needs and aspirations of the people which is the liveliest form of public accountability. When the managers and the experts are close to the people and their problems, it does not ordinarily take the formality of a Congressional hearing to determine whether the program undertaken is succeeding or needs adjustment, whether the staff members are alive to their opportunities or are arrogant and self-seeking.

Those principles have been incorporated in the Missouri Valley Authority bill because they have been tried and tested and found good on the basis of practical results. Under the bill which I have introduced the M. V. A. would have the freedom of management, with all that implies, necessary to do a good and thorough job. With that essential freedom of management the M. V. A. likewise would be subject to full accountability for the manner in which it carried out its purposes—both formally to Congress and less formally to the people directly involved.

In general, the proposed Missouri Valley Authority Act incorporates the essential provisions of the T. V. A. Act. But I believe we have profited by the experience of the T. V. A., and in some respects have made improvements which should be helpful.

One of the major objectives of the M. V. A. bill, providing for decentralization of administration, is to strengthen the role of State and local agencies in the broad developmental program. For many years we have heard the protests of those who feared too great a concentration of Federal powers and the administration of them by remote control from Washington.

The T. V. A. experience has shown that such does not have to be the case. In plain fact, the role of State, educational, and local institutions has been greatly enhanced in the Tennessee Valley through the T. V. A. The T. V. A. has developed to a high degree cooperative relationships with other agencies and with the people of the region themselves.

It has actively sought their participation in carrying on the various phases of the program, because it was recognized that an active interest and participation by the people concerned was the very touchstone of the democratic method of getting things done.

Thus the agricultural program of the T. V. A. is not solely a Federal affair. The T. V. A. had the responsibility of using the Muscle Shoals plants, built during World War No. 1, for the development of fertilizers. But the actual job of developing and testing the fertilizers, getting them to work on the land in soil-building and water-holding types of agriculture, has been a cooperative job which has not only carried out the mandate of T. V. A. but has strengthened the programs of other agencies.

For example, the decision to devote the plants to research and experimental production in phosphatic fertilizers was made cooperatively at conferences among representatives of T. V. A., the Department of Agriculture and the land-grant colleges. It was decided that phosphates, rather than nitrates, were the more basic soil need, since most soils are deficient in phosphorus. At the same time, using phosphorus in leguminous cover crops, such as clover and lespedeza, automatically fixes another great fertilizing agent, nitrogen, in the soil.

As the fertilizers were developed and improved, the task of testing them was not undertaken as a Federal project by the T. V. A. The test-demonstration program of the T. V. A.—now extended to more than 30,000 farms in 28 States—is a highly democratic process.

The test demonstrators—actual "dirt" farmers—are selected by groups of their neighbors joined in soil-conservation associations. In return for receiving T. V. A. concentrated phosphatic fertilizers, on which they pay only the freight charges, the cooperating farmers agree to use the materials in accordance with plans of farm management which they work out with the assistance of their county agents, and to keep records by which the efficacy of the fertilizers may be judged in terms of increased productiveness of the soil and increased income to the farmer. The extension services of the land-grant colleges administer the program in their respective States.

Thus the objectives of the T. V. A. in this field are achieved not by encroaching upon the fields of the other agencies, but instead by strengthening their programs.

The same principle is applied in other fields where T. V. A. stands ready to provide the technical services needed, but where initiative and purpose is vested in the people and the agencies concerned. Thus States, municipalities, and counties have been assisted by the T. V. A. in developing parks and recreation areas on the shores of the T. V. A. reservoirs. State and local planning commissions have been strengthened by the cooperation, assistance, and technical services of the T. V. A. in the task of planning readjustments necessary or desirable to adjust communities affected by the building of dams and the filling of reservoirs. The job of developing new uses for resources of the valley and improving processes and machinery has likewise been carried on cooperatively by T. V. A. with the departments of conservation of the States, with engineering experiment stations, and with private business. For example, a superior type of cottonseed oil cooker now in use in a number of cottonseed mills in the Southeast was developed by T. V. A. and the University of Tennessee in cooperation with private business associations.

In the course of its 11 years of work in the Tennessee Valley, the T. V. A. has developed this cooperative technique to a high degree. The T. V. A. program, as a result, is far from a Federal affair with the aspects of overlordship which so many fear, but instead is a program soundly based on the participation of the people of the valley and their various governmental, educational, and private institutions.

In drawing up the proposed M. V. A. bill, we have taken care that this lesson of cooperation shall not be lost in the Missouri Valley. In this respect, the T. V. A. Act was largely permissive. The T. V. A. was authorized to cooperate with other agencies. As a matter of policy, and as a means of getting things done in the best and most democratic manner, the T. V. A. Board developed this policy of cooperation to the utmost.

In the M. V. A. bill the lesson thus learned has been written specifically into the act. Thus, it is provided that the Authority "shall utilize to the fullest possible extent the advice, assistance, and cooperation of the people of the region and their public and private organizations—local, State, and Federal."

Those, then, are the ideas—the principles—tested in the tough crucible of experience, which are incorporated in the M. V. A. bill. They point the way—and I believe it is the only way—to the orderly development of the great basin of the Missouri River. We must view the task in its over-all aspects, taking the valley and all its resources as a unity and developing them as such.

Just as democracy itself is a constantly unfolding experience, so no one today can say the last word as to river valley developments. Through the years and on the anvil of experience new vital concepts will be hammered out. It may not be possible yet to legislate definitely and wisely as to the priorities in water usage. But factually based determinations covering the equitable disposition of the total available supply will necessarily be a major task of the proposed Missouri Valley Authority.

Mr. President, the objectives which are set forth in this bill are not new. They are the things for which we have been striving, without getting satisfactory results, for many years. What is new is the framework which it is proposed to set up to get these things done, a framework which will allow us to apply the knowledge of science and engineering to our problems in a way that will bring results.

We have in this country the engineering and scientific "know how" to accomplish our objectives, if only we give it free play under modern methods of management. If we assign a group of engineers to obtain flood control, or irrigation, or navigation, we know that they can produce plans which will provide the desired results. Unfortunately, each of the plans, however excellent it may be for the specific purpose, meets with opposition from groups which feel that it endangers other results which must be accomplished on the same river. The result, all too often, is a stalemate.

The M. V. A. bill simply provides the framework within which the engineers can address themselves, not to the problem of developing one or two of the latent possibilities of the river, but to an overall objective which is to develop the river as a unity, realizing all of the benefits which can be obtained from control of the river and from development and conservation of all the resources of the Missouri Basin.

Here, Mr. President, is a job for modern pioneering on a grand scale in the national interest. Such a development would help strengthen the Nation, both for peace or for national defense, just as the development of the Tennessee Valley has done. Though the bill is concerned with only the basin of the Missouri, it is truly national in character because the development of that region, and its increased prosperity, will add to the national strength and prosperity.

The Missouri Valley Authority bill proposes to put into effect the lessons learned in the development of the Tennessee Valley—its river and watershed—which was envisioned 11 years ago as a national laboratory or pilot plant test of the unified approach to the development of resources. That project has proved immensely successful and it has opened up new possibilities for resource development all over the land.

I think I can safely assume that my bill has the approval of the great conservationist who is our President; for Franklin Roosevelt, in asking for legislation creating the T. V. A., used these words:

> If we are successful here (in the Tennessee Valley) we can march on, step by step, in a like development of other great natural territorial units within our borders.

We were successful in the Tennessee Valley beyond our fairest dreams.

The time has now come to march on into the great valley of the Missouri.

Mr. HILL. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of the Senator's address an editorial from the Birmingham (Ala.) News, under date of July 24, 1944, entitled "Missouri River Authority?" and also two newspaper articles, one from the Tribune of Great Falls, Mont., of July 21, 1944, entitled "Phosphate Expansion Seen as Coming Boon to Montana," and the other from the Star-Journal of Minneapolis, Minn., of July 14, 1944, entitled "Results Convince Pioneer in T. V. A. Fertilizer Program."

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HILL. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. HILL. I have listened with great interest to the remarks of the Senator from Montana. I wish to congratulate him on the vision and statesmanship which prompted him to introduce his bill to create the Missouri Valley Authority. I wish to congratulate him on the very able manner in which he has brought the subject to the attention of the Senate.

Mr. MURRAY. I thank the Senator for his observations. I wish to say that it was the work of the Tennessee Valley Authority which made it possible for me to prepare my bill and to study the problems involved in the Missouri Valley. I am sure that the work of the Tennessee Valley Authority has been recognized throughout the country as a great undertaking. I believe that it will be the basis of other developments of river valleys throughout the Nation.

Mr. HILL. Mr. President, will the Senator again yield?

Mr. MURRAY. I yield.

Mr. HILL. I hope that the Senator from Montana, as well as other Senators, has had the opportunity or will take the opportunity of reading Mr. Lilienthal's book on the Tennessee Valley Authority entitled "The T. V. A.—Democracy on the March." In that book Mr. Lilienthal tells the story of the contributions which the Tennessee Valley Authority has made to democracy in this country. The Tennessee Valley Authority has at least pointed the way to the solution of what, to my mind, is one of the most difficult problems confronting us today. Many matters which come before us require the invocation of Federal power and the use of Federal funds. When Federal power is invoked and Federal funds are used, there necessarily follows the danger of too much Federal control and too much concentration of power in Washington. The Tennessee Valley Authority has demonstrated that Federal power and Federal money can be used while making use to the fullest extent of our local democratic process, our local machinery, and our local facilities which are available in carrying out our program. The Tennessee Valley Authority has made many contributions, but I do not believe that any of them has given more hope for the future than the contribution of the use of local machinery and using the grass-root facilities in carrying through the democratic process.

Mr. MURRAY. I thank the Senator for his very timely contribution. I appreciate it because it will prove to be a very valuable support to the measure which I have just introduced.

I now ask, Mr. President, in connection with my remarks, that there be printed in the body of the RECORD a telegram from James G. Patton, president of the National Farmers Union, in support of this program.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

DENVER, COLO., *August 18, 1944.*

Senator JAMES E. MURRAY,
Senate Office Building,
Washington, D. C.:

The National Farmers Union is wholeheartedly back of your proposal for a Missouri Valley Authority set up under mandate of Congress to assure all-around integrated development of the Missouri Valley in the interests of all the people of the valley. We favor, as our national board of directors said in a resolution adopted May 31, "optimum use of the river and its waters for all of its beneficent purposes, including flood control, irrigation, navigation, conservation of natural resources, recreation, and power generation." We know that in practical details the T. V. A. cannot be an exact model for a different river valley. But we believe completely in its fundamental principle that the earth, the air, and the water belong to all the people and should be developed together in ways that will benefit all the people.

JAMES G. PATTON,
President, National Farmers Union.

Mr. MURRAY. I also send to the desk and ask to have printed in the RECORD at this point an article appearing in the National Union Farmer of June 15, 1944, dealing with the same subject.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NATIONAL FARMERS UNION PLANS DRIVE TO SAVE WATER RESOURCES

A water-resources development committee within the Farmers Union, to study the use of the T. V. A. regional development plan in all the Nation's watersheds and support proper development, was authorized by the national board meeting in Denver.

President Patton has appointed Glenn J. Talbott, of North Dakota, as chairman with members from each State in the Missouri Valley and each major valley in Farmers Union territory. The members are:

E. K. Dean, of Kansas; Hans C. Nasen, of Nebraska; John Skagge, of South Dakota; Glenn J. Talbott, of North Dakota; Edward E. Roelofs, of Iowa; Don Chapman, of Montana; Harvey Solberg, of Colorado-Wyoming; Ken Hones, St. Lawrence; Archie Wright, St. Lawrence-Hudson Valley; and Tom W. Cheek, Arkansas Valley.

The board, in a resolution authorizing the committee, condemned the present one-purpose plans for development of the Missouri River and urged all construction be held up until integrated plans can be made. As need arises, other committee and advisory members will be added.

The resolution follows:

"The present plan to jam through Congress a plan for development of the great Missouri Basin for navigation only is an unparalleled raid on the Nation's basic wealth. It would take from the people the greatest remaining natural resource of one-fifth of the area of the Nation, affecting not only this generation, but all generations.

"It is particularly bold in the face of the existence of the Tennessee Valley Authority, which has, by integrated all-purpose development of the Tennessee River, developed each of that river's potentialities beyond even the promise of the various proponents of the single-purpose development.

"We are opposed to further unintegrated construction or planning for the Missouri River Basin. We ask that all congressional appropriations, except for emergency flood-control work, be withheld until unified planning has been developed, assuring optimum use of the river and its waters for all of its beneficent purposes, including flood control, irrigation, navigation, conservation of natural resources, recreation, and power generation.

"We direct the president of the National Farmers Union immediately to appoint a regional resources-development committee to—

"(a) Study and recommend to this body a constructive plan for the development of all basins in America on a unified basis, beginning with the Missouri River; and

"(b) Encourage conflicting agencies within Government to join in integrated planning for each river basin.

"We commend the St. Louis Post-Dispatch and other public-spirited newspapers of the Missouri Valley for their campaign to unify the people of the valley behind an integrated plan for the Missouri River Basin, and we extend such publications our cooperation.

(The editorial and newspaper articles presented by Mr. HILL and ordered to be printed in the RECORD at the conclusion of Mr. MURRAY's remarks are as follows:)

[From the Birmingham News of July 24, 1944]

MISSOURI RIVER AUTHORITY?

The St. Louis Post-Dispatch is leading a campaign for the application of the T. V. A. idea to the control and development of the Missouri River and its great valley.

The tremendous achievements of the Tennessee Valley Authority, of course, have attracted the attention of people in the other great river areas of this country—and doubtless of other countries. David Lilienthal, T. V. A. chairman, in his recent book telling the remarkable story of what has been done in the Tennessee Valley, emphasized that this program affords an inspiration and an example for many other similar areas all over the world.

The Missouri River Valley, embracing a vast territory stretching from the Central West far into the great Northwest, long has fought floods which have wrought great devastation. It long has dreamed of much further development of the potentialities of the river for river traffic and trade and in reclamation.

Two programs for the valley are, as a matter of fact, now pending. One is that of the Army engineers. The other is a billion-dollar plan of the Federal Bureau of Reclamation.

But the Post-Dispatch declares that the engineers are interested mainly in flood control and navigation, while the Reclamation Bureau is primarily interested in its own particular type of development—dams, irrigation projects, reservoirs, power plants, etc.—rather than navigation.

Consequently the St. Louis paper holds that neither of these programs is adequate for the over-all development of the valley and its rich resources.

"The engineers cannot look upon the river as a whole, and neither can the Bureau of Reclamation," says the Post-Dispatch. "Under legal separation of powers, these two governmental agencies are actually rivals, engaged in a struggle for bureaucratic power."

It has been the over-all character of the planning and working of the T. V. A. that has so largely accounted for its success. Mr. Lilienthal steadfastly has emphasized that the success so far achieved has been due not simply to sound over-all planning, but to the active cooperation of the people of the valley—of many thousands of individual citizens, of organizations, of whole communities.

So great an undertaking as is now so far advanced in the Tennessee Valley could not possibly succeed without a high degree of coordination both in planning and in action.

"What better model can there be (for the Missouri Valley)," Senator NORRIS recently said, "than the T. V. A., which has demonstrated to the whole world what magnificent results can be attained when men work in harmony between themselves and with Nature—not against her?"

The Post-Dispatch, with characteristic courage, is approacning the problem in the right way. It has no time to lose in fighting for a great, over-all plan, because the urgent need of action in that valley is making for a swift, far-reaching decision.

[From the Great Falls (Mont.) Tribune of July 21, 1944]

GREATER THAN COPPER?—PHOSPHATE EXPANSION SEEN AS COMING BOON TO MONTANA

There's a bigger potential business in the development of Montana's phosphate deposits than ever came out of the State's copper, for every farmer is a potential customer, according to George Peterson, roving editorial writer for the Minneapolis Star-Journal and Tribune, here from Minneapolis en route to Alaska.

Peterson's enthusiasm for what phosphate can do for world production seemed second only to what he thinks a coordinated valley authority could do for the Missouri watershed, including the State of Montana.

A Missouri Valley authority, properly organized and administered, could be the solution to all the conflicting claims for usage of Montana's waters east of the continental divide, Peterson believes. A close student of the operation of the Tennessee Valley Authority, he has recently returned from another survey of the T. V. A., now in final construction stages, the last dam to be completed this fall.

After noting accomplishments of the T. V. A. in a territory which sometimes gets as high as 80 inches of rainfall a year, utilizing that water in every possible manner for the benefit of the people, Peterson has reached the conclusion that a Missouri Valley Authority could be a big help to this country. T. V. A. engineers and officials, he reports, think this part of the country is going to be one of large importance.

The first step of any Missouri Valley Authority, Peterson said, should be to make a detailed study of all possible uses of the river's waters and that of its tributaries, analyzing reports already prepared by the reclamation bureau, Army engineers, rivers and harbors authorities, and power engineers, if necessary making new and supplementary studies before launching a definite program. All this, of course, would be in the post-war world, the full culmination of the water's use to reclamation, irrigation, power development, flood control, and other possible uses for the benefit of the people.

Multiple-purpose dams, under one authority, which won't be bothered by State lines and interdepartmental jealousies such as now exist, would be Peterson's Missouri Valley program, he said.

There's more tie-up than meets the eye, Peterson pointed out, between development of Montana's phosphate deposits and a Missouri Valley Authority. One of the most important outgrowths of T. V. A., he said, had been development of phosphate deposits in its area, with resultant increase in production wherever phosphate is fed to the soil. Every farmer in the world, he insists, is a potential market for phosphate, in a world where there has never yet been food enough for everyone.

There are demonstration farms in Minnesota, where production of legumes and alfalfa has been increased up to 50 percent, through phosphate applications to soils, where wheat harvested 6 to 8 bushels more per acre, corn and sugar beets showing similar remarkable increases. Stockmen have benefited, he said, because phosphate application to soils has placed in feed crops the minerals necessary to proper livestock growth and milk production.

T. V. A. he pointed out has also done some interesting things in connection with the use of Montana flax fiber in the weaving of linen and jute substitutes, also of interest to Montana.

"In fact," Peterson said, "nothing has interested me in years so much as T. V. A. and the possibility of application of many of its principles up here."

The power-development potentialities of the Missouri River and tributaries are not as great as those of the Tennessee Valley, Peterson concluded, so much of the former's flow being through less precipitous country. One of the studies which should be made, he warned, should include a cost analysis of hydroelectric power and coal-generated electricity, in view of the vast soft coal beds in Montana and other Missouri Valley States. "There is a question," he said, "whether power should be included in Missouri Valley development. It should be settled from the standpoint of which is the best method of developing power in the area."

[From the Star-Journal of Minneapolis, July 14, 1944]

RESULTS CONVINCE PIONEER IN T. V. A. FERTILIZER PROGRAM

(By George L. Peterson)

WILLMAR, MINN.—If you want a job, Lester Johnson might use you. He's farming 250 acres of Kandiyohi County land, 4 miles east of Lake Lillian. He has two horses and two tractors but no hired man, and his son isn't even old enough for school. Lester says he'll just have to do the best he can, though he wishes someone would tell him how to run two tractors at the same time.

What Johnson wants more than help is dry weather. Rains have plagued him all season, drowned out his corn, kept his tractor away from low places and held back the alfalfa. He's still trying to plant millet to add to his hay crop.

"Looks like half the cattle in this section will be sold off by fall," Johnson predicts. Rain-tormented farmers aren't going to have enough feed to see them through the winter.

Still, Lester Johnson isn't given to complaining. He's glad he signed up with the T. V. A. fertilizer program, for his crops on phosphated highland are booming right along. We went out into a field of oats, and the demarcation between the treated part and the untreated check plot was as clear as though a fence separated them.

The phosphated plants were taller and heavier and the heads better filled. The difference was even greater in alfalfa which had been planted with the oats.

Last year Johnson got 14 bushels more of oats on phosphate-treated land than on the check plots, 8 bushels more of corn, and up to 50 percent more alfalfa hay.

He signed up for the T. V. A. program in 1940. No one else in the vicinity would volunteer. "There were rumors around that phosphate was hard on the land," he says.

Johnson's experience killed the rumors and now several carloads of commercial phosphates are shipped into the little village of Lake Lillian each spring.

Johnson says he's sold on the program and would continue even if T. V. A. dropped its sponsorship.

Under the T. V. A. plan, 30 pounds of phosphate (containing 65 percent phosphorus) per acre are applied for each year a field is to remain in a legume crop. No phosphate is applied directly for a corn crop and only for grain when alfalfa or clover is planted at the same time.

Cattle on the Johnson place used to eat at their wooden mangers and even gnaw the barn studdings. "As soon as I started feeding them alfalfa from my treated fields, they quit eating wood," the young farmer said.

That has been the usual experience. In some northwestern Minnesota counties buildings have been almost wrecked by animals seeking phosphorus in wood. Nearly every one of the 187 T. V. A. cooperators in the State reports that his cattle quit eating wood.

Johnson has a fine-lookng herd of 22 Holsteins and hopes he'll have enough hay to keep them through the winter. Milk production has been increasing since he started the phosphate program. He also has 400 chickens, 90 sheep and lambs, and 60 spring pigs.

Roger Harris, who supervises the T. V. A. program in Minnesota, had brought along the farm management book for 1943, which is compiled as part of the project. Johnson wore a pleased smile as he checked on his profits.

Five miles west of Willmar we met another phosphate enthusiast—Roy C. Jensen. He owns 200 acres, rents 80 more.

"The T. V. A. program has changed this into an alfalfa country," Jensen says. "Alfalfa didn't do very well here until we started treating the land. Now the crops are bigger and there's less winter kill." His only criticism is that oats seem more likely to lodge on fertilized land.

Jensen's crop-yield experiences have been similar to Johnson's. But last year a small twister wrecked his barn and flattened most of his crops. The cheerful, friendly Jensens went to work, patched up the barn and went right on farming. The phosphate program had shown them that farming can be a good-paying business.

Mr. REYNOLDS. Mr. President, I, too, have listened with much interest to what the distinguished Senator from Montana has had to say in reference to the development of power and particularly his statement relating to the Tennessee Valley Authority, in view of the fact that it is not far distant from my own home in western North Carolina. This morning a friend of mine from Wilkesboro, N. C., came to me and handed me a couple of clippings. He happened to be interested in a proposed project in North Carolina on the Yadkin River. I want to ask that the two clippings from the Charlotte Observer be published in the RECORD at this point.

The PRESIDING OFFICER. Without objection, the clippings will be printed in the RECORD.

The clippings are as follows:

OPPOSE YADKIN RIVER PROJECT—LENOIR CHAMBER OF COMMERCE HEAD SAYS CALDWELL COUNTY PEOPLE DON'T WANT DAM

WASHINGTON, August 9.—John C. Baskerville, manager of the Lenoir (N. C.) Chamber of Commerce, declared here today that the people of Caldwell County are opposed to the construction of the proposed Yadkin River Dam, which has been approved by the Senate Commerce Committee and is now on the Senate Calendar.

Mr. Baskerville said he was here to confer with Congressman ROBERT L. DOUGHTON and especially to learn the status of the flood-control legislation. "I had also hoped to see Senator BAILEY or his secretary, Mr. Hand James, but I find that they are both in North Carolina and that his office could not tell me when either were expected to return to Washington," Mr. Baskerville said.

"Not only are the people of Caldwell County opposed to the construction of the proposed $10,000,000 dam, but there is also some opposition to it in Wilkes County," he said.

Baskerville said that the first notice the people of Caldwell County had of the proposed bill was when it was reported favorably by the Senate and that they were not given an opportunity to be heard on the proposal before it was reported.

FLOOD CONTROL

The Yadkin River project was included in the river and harbor bill upon recommendation of the Army engineers. It was designed as a flood-control project. However, Baskerville said today that the people of Caldwell County were convinced that it was

"a two-thirds power project and a one-third flood-control project."

He contended that the initial dam will flood at least 11,000 acres of very valuable farm land and that if the series of dams are built that flood from the two to three hundred thousand acres of fine mountain land and inundate the new Blowing Rock Highway which is only about 4 years old, as well as cut off roads to the mountain communities which follow the creeks. The program as planned, he said, would flood valuable land, even into Watauga, Wilkes, and Ashe Counties.

DAM PROJECT HARD FOUGHT

LENOIR, August 5.—Charles Gilreath, of Wilkes County, and V. D. Guire, highway commissioner of Caldwell County, were chief speakers at a meeting of some 250 residents of the Yadkin Valley and other interested persons, Thursday night, at Happy Valley School, when an organization was formed to plan action against the bill now pending in Congress for the construction of a dam at North Wilkesboro which would affect large farming areas of Caldwell County and Yadkin Valley.

George F. Wiese, superintendent of Patterson School, was named permanent chairman of the organization, which is to be called the Yadkin Valley Citizens' Association. T. W. Ferguson, of Wilkes County, is vice chairman, and John A. Frazier, farmer of the Yadkin Valley, is secretary-treasurer.

Mr. Gilreath, reviewing the history of the valley from Indian days to the present time, urged organization for a hard fight to defeat the project. Mr. Guire declared that construction of the dam would be economically unsound, as it would destroy more values than it could create. Some time was given to discussion of the dangers involved in the project and the course to follow against the bill, now in senatorial committee.

Petitions with many names were circulated, and these, together with resolutions adopted by Lenoir Chamber of Commerce, Lenoir civic clubs, the churches of the valley, and other organizations will be presented to Congressman R. L. DOUGHTON, Senator "BOB" REYNOLDS, and each member of the subcommittee dealing with the bill. Volunteer cash subscriptions were made to help defray costs of the contest against the bill.

EXTENSION OF UNEMPLOYMENT COMPENSATION

Mr. REYNOLDS. Mr. President, the other day we were discussing the question of unemployment by way of a bill which the distinguished Senator from Georgia [Mr. GEORGE], who is now presiding over the Senate, had passed, fortunately for the American people. We were discussing in connection therewith the subject of unemployment, and I note that is made mention of in the United States magazine, which is published by Mr. David Lawrence. In each issue of the magazine at the forepart of the edition he prints what he is pleased to term a "Newsgram" under the heading "Tomorrow." I find this newsgram extremely interesting, and I have found that his prophecies in many instances have been about a hundred percent correct. I should like to have this put into the body of the RECORD at this point, together with an article which I believe will be of interest to the readers of the CONGRESSIONAL RECORD in conjunction with legislation we have recently passed. The article is entitled "We've Been Asked: What Salaries the Jobless Can Expect."

The PRESIDING OFFICER. Without objection, the articles will be printed in the RECORD.

The articles are as follows:

Next big individual worry is to be a job worry; is to be concern over what happens when war contracts are cut back, when war industry suddenly slows.

That's not an academic worry. It grows from these facts:

Lend-lease could end suddenly, cutting off $1,100,000,000 a month in business.

Army order cut-backs will come abruptly; will lop as much as $1,500,000,000 a month from corporation order books. Aircraft cutbacks are a starting sample.

Veterans back from the wars will begin to "bump" present job holders; will push aside many an individual, now comfortably placed, as they take back old jobs.

All of this relates to possible ending of German war late this year.

Worry now starting isn't an exclusive worry. It is not limited to laborers.

Many a businessman will find his business fading with lend-lease.

Very many executives, promoted in wartime, will be demoted or displaced when the war orders end, when industry starts to contract to a peacetime basis.

Many a Government worker, ordering people around in wartime, will be out of a job in peacetime; will make way for a returning veteran or find his job ended.

The period to come is to be one of drastic change, of personal upsets.

That explains the new worry in Congress. It explains the idea, now getting some attention, for $20 to $35 every Saturday for unemployed. It accounts for the idea of a $20,000,000,000 annual public-works program, federally financed.

Congress won't approve those ideas in the foreseeable future. They simply serve to highlight the new worry. It is to be a growing national worry.

We can tell you this of United States postwar planning. Pump priming of the future is to be related more to the world than to the United States. It is to be aimed at development of world resources, at a raising of living standards everywhere, not just in the United States.

That's because Government pump priming at home is not popular. It cannot be sold readily to Congress. It raises resentment when Government buys a farm or builds a home for one person and not another. But, dollars loaned abroad do not create the same political reactions that dollars spent on public works at home create. There aren't American neighbors to watch when a Chinaman gets dollars.

At least, that is the new theory.

It isn't a theory that is geared to gifts. It will involve loans. Hope will be that the United States will be able and willing to accept enough foreign goods to permit eventual repayment of these loans. The United States will be expected to change its attitude sufficiently to be willing to permit foreigners to work for it, to act as an employer or a banker should act, not as a borrower and an employee must act.

Inside official view is that the United States hasn't learned how to live a life of Riley by clipping coupons, by letting other people of the world work for it.

Now as to projected machinery for a world pump priming, if plans work:

Lend-Lease will be turned into a temporary world lending agency; will finance trade in the critical period after wars end.

International monetary fund will provide a $2,750,000,000 cushion of dollars to meet needs of countries that happen to run out of dollars temporarily, a cushion that would encourage nations in need to buy rather freely in the United States.

A world bank will open the way for as much as $8,000,000,000 in loans for use in reconstruction and development; will provide a source of long-term loans that can be used to buy goods produced by American industry and agriculture.

Those are some of the plans, if Congress accepts them.

Then you always must remember that the world is not broke. It has dollars and gold accumulated in sizable quantities. Further, United States in post-war will need to buy much from abroad. It will want rubber, sugar, oil, leather, and much else. United States always buys heavily of world products when it has money to spend freely.

Against that background keep this in mind:

Britain will have at least 3,000,000,000 American dollars accumulated by her policy of drawing dollars to London from the Empire, giving pounds in exchange.

Latin America will have more than $4,000,000,000 in exchange and gold.

France will have nearly $2,500,000,000 in gold, plus some exchange.

Holland-Belgium-Switzerland will be well supplied with gold and dollars.

Russia will have gold and some needed commodities to offer for goods.

So if United States offers credit, too, foreign trade can provide substantial pump priming, can assure very important markets abroad for American products. It is not unreasonable to expect a $6,000,000,000 level of exports for a few years, a $4,000,000,000 to $5,000,000,000 level of imports. Planners expect that.

Test of foreign pump priming will come when the time comes to settle up on loans. Before that time United States either will have to be adjusted to a larger volume of imports than of exports, will have to become accustomed to letting foreigners work for this country, or will need to write off the loans to follow this war just as the loans of World War No. 1 were written off. It is as simple as that.

To turn to the war in Europe, which still is not ending.

United States-Britain-Canada in France are building up for a September-October drive.

Russia is consolidating, is bringing up supplies after her long advance. She will point to a great new offensive for September and October.

That's to be the period of climax in Europe's war. It will be won then or in November, or it will go through the winter into spring, 1945. Winter is not a time when decisive military moves can very readily be made.

Odds still are on the side of a knockout in the impending offensives. It is then that full weight of United States power will be brought to bear for a decision.

And if Hitler is not on the ropes after that, he will get a breather.

There definitely is more reason to think that he will than that he will not be on the ropes at that time. End-of-war forecasts rest upon that basis.

Mr. Roosevelt is associating himself more closely with the Pacific war; is moving in to share the credit for impressive victories United States Navy-Army-Air Forces are winning. Pacific operations have been strictly professional to date.

The President is showing that he thinks Europe's war may end before election.

There will be other dramatic moves between now and November, other gestures that relate the White House to the big things going on in the world. It will be that kind of a fourth-term campaign for Mr. Roosevelt unless he is goaded into a defensive position, unless he feels his chances are being hurt by the opposition.

Mr. Dewey will build a documented case against the President; will try to get strongly on the offensive. He will attack with a case designed to show why the present administra-

tion should be replaced. He may not stress a detailed outline of his own specific policies if elected.

Election outcome is likely to be related rather closely to war events; is to present more problems for Mr. Roosevelt if war in Europe ends before election.

WE HAVE BEEN ASKED: WHAT SALARIES THE JOBLESS CAN EXPECT

Argument now is under way on the question of salaries for the post-war unemployed, on the question of benefits to be provided either by the States or the Federal Government, or both, to tide over those who will lose war jobs. Special provisions already have been made for unemployed veterans of the war.

Everybody seems agreed that large-scale unemployment is to follow the ending of the German war, and larger-scale unemployment will follow the Japanese war. Some people talk of from 10,000,000 to 20,000,000 workers temporarily out of work.

Immediately there arises the question of adequacy of existing systems of unemployment insurance. These systems are State controlled. The conditions under which benefits are paid differ. The size of benefits varies. This leads to demands of labor that Congress make the rules uniform and pay salaries of up to $35 a week to the unemployed for 2 years.

To understand the argument and what is happening, it is necessary to know what the existing situation is.

HOW MUCH DOES AN UNEMPLOYED WORKER GET UNDER THE PRESENT SYSTEM?

The present system is operated by the individual States, with the Federal Government paying for the cost of operation. That is, each State has its own laws on how workers within that State qualify for benefits, how much they receive and for how long the payments are made. This means that, actually, there are 51 different systems in operation—for the 48 States, the District of Columbia, Alaska and Hawaii—each with its different rules.

The maximum weekly amount that a qualifying unemployed person now can receive is $22, in Connecticut, with most States having a limit of $15 or $16 a week. Several States have minimum weekly payments of $3, with one—Alabama—having a minimum of $2 a week. If a worker qualifies for unemployment compensation, he gets no extra amount for dependents, except in the District of Columbia.

In most States, benefit payments can be made over a maximum period of 16 weeks or more, with California having the longest duration of 23⅔ weeks. In some States, the maximum duration for payments is 14 weeks.

HOW DO THE STATES DECIDE WHAT AN UNEMPLOYED WORKER WILL GET, AND HOW LONG PAYMENTS WILL CONTINUE?

Again, these differ from State to State and are based upon different factors. If a worker is unemployed and is entitled to compensation, the amount he gets will be affected by the amount of pay he received while working and the length of time he worked during certain periods. These factors also will have a part in determining how long he will receive unemployment payments.

Thus, a worker might move from one State to another and not stay in any one long enough to get "credits" for unemployment payments. If he did not work in one State long enough to meet the minimum requirements, then he could collect no compensation at all when he is out of employment.

SUPPOSE A WORKER LEFT HIS HOME STATE AND WENT TO ANOTHER WHERE HE WORKED LONG ENOUGH TO BE ENTITLED TO UNEMPLOYMENT PAY. FROM WHICH STATE WOULD HE COLLECT?

He would collect from the State where he worked. And the amount and duration of his payments would be determined by the laws of the State where he worked. That means that, if a man left his home in Alabama and went to work in Michigan, where he acquired rights to unemployment benefits, he would be paid according to the Michigan laws, even though he returned to Alabama. The maximum that he could get, under Michigan law, would be $20 a week for a total of 20 weeks. The minimum weekly payment for him would be $10.

On the other hand, suppose the situation is reversed, and this worker moved from his home in Michigan to Alabama, where he worked long enough to be entitled to unemployment benefits. Then, the maximum that he could get, under Alabama law, would be $15 a week for 20 weeks. And he might get as little as $2 a week for a shorter period if he had not worked in Alabama long enough to be entitled to more.

Similarly, if a person lived in one State and worked in another, he would collect from the State where he worked. Thus, two neighbors might work for the same length of time and get the same pay in different States; if both lost their jobs the same day, they probably would receive different amounts in unemployment pay, since the amounts and duration of their unemployment checks would be determined by laws of different States.

What now is being sought in Congress is a standardization that would fix a uniform system of paying unemployment benefits in all States.

JUST HOW IS IT PROPOSED THAT CONGRESS EXPAND BENEFITS FOR THE UNEMPLOYED?

One argument in Congress involves a proposal to increase unemployment payments, with the Federal Government making up the difference between the amount a person would receive under present State laws and the amount he would receive under the proposed higher rates. Such payments would be available for 2 years after the war, and veterans as well as civilians would be entitled to the higher payments. For a civilian, the weekly payments could go up to a maximum of three-fourths of his former salary or wage and up to $20 if he had no dependents. Additional allowances would be made for dependents, with a top payment of $35 a week if a worker had three or more dependents.

Another proposal would not increase the benefits paid to the unemployed, but would set up a Federal fund from which advances could be made to States that needed additional cash to meet unemployment payments. However, it is generally felt that States would have to make little, if any, call upon this special fund. The balance shown by U. S. Treasury's report on its unemployment trust fund, representing taxes collected from employers for unemployment insurance and interest, is more than $5,381,000,000. Claims to this are divided among the various States according to the amount that each State paid into the fund.

Congress also is considering bringing under the system about 3,500,000 civilian employees of the Federal Government, with the Government paying the cost of their benefit payments during the reconversion period. This move is designed mainly to give unemployment benefits to civilian workers in Government arsenals, shipyards, plants, etc., as well as other Government workers who may lose their jobs when war work is curtailed.

FINALLY: WHAT SPECIAL UNEMPLOYMENT BENEFITS ALREADY HAVE BEEN PROVIDED WAR VETERANS?

The new G. I. bill of rights makes special provisions for veterans of this war who are unemployed. These benefits involve payments at a rate of $20 a week for ex-service men and women who are unable to find suitable jobs, up to a maximum of 52 weeks. The length of time that a veteran can receive such unemployment pay is determined by the length of time he was in service. And he must have received a discharge other than dishonorable to qualify.

ACQUISITION OF CERTAIN ISLANDS BY THE UNITED STATES

Mr. REYNOLDS. Mr. President, when I came from the Committee on Military Affairs this morning there was speaking on the floor of this body one of our most distinguished and most beloved Members, the distinguished Senator from Tennessee [Mr. MCKELLAR]. I was greatly inspired by what he had to say in regard to our acquiring outposts for our national defense.

I say I was greatly inspired because for many years, long before we became involved in this war, on the floor of the Senate I was insisting and imploring the Government of the United States to obtain outposts so that if we ever should become involved in war we could defend ourselves from our own shores without having to send our sons to foreign lands; and to find that the Senator from Tennessee is voicing a hundred percent the opinions and assertions I have been expressing for years is indeed at last most encouraging to me.

I shall make some further observations upon that subject in a moment after I have read an editorial which fits into the general subject, which is that of constructing an iron band around that portion of the Western Hemisphere in which we are vitally interested for defense. I may add in that connection that I have made 50 or perhaps 100 speeches, either in this body or outside or over the radio, in regard to constructing in the northern portion of this hemisphere such defenses as no nation upon the face of the earth would ever attempt to attack us.

I wish to repeat that I am delighted that the Senator from Tennessee shares my view about this matter. I am with him a hundred percent in all that he had to say about those outposts today. In conjunction with that I cut out of a newspaper on Wednesday, August 16, an editorial from the New York Daily News entitled "Our Part-Time Ally." I want to read it. It says:

Maj. Gen. John R. Deane, chief of the United States military mission to Russia, has recently returned here after a tour of Russian fronts. In the August 12 Army and Navy Journal he tells some interesting things about the Russian war effort.

At least 50 percent of the trucks speeding the Russian advance, says General Deane, are American-made.

The Russians use masses of General Sherman tanks in their earth-shaking assaults on the Germans. Virtually every man, woman, and child in Russia is up to the neck in the war. General Deane scouts the rumors that the Russians are stock-piling United States lend-lease goods for their own post-war use—

I am very glad to read that General Deane said that, because I had heard quite the contrary. I continue reading:

says they are throwing into the war everything we send them, and are yelling for more. Their main needs are trucks, planes, and food, in that order of importance.

As for Russian secretiveness toward the western allies, General Deane says that the Russian leaders are indeed reticent about many of their war methods, but that they

are giving us full cooperation in all joint war operations, such as shuttle bombing.

I add that that is perfectly fine and most commendable.

This is all pleasant news—

Continues the editorial—

and there is no question but that Russia will be a major factor in what now looks like a certain Allied victory over Germany.

And let us here lift our heads to the heavens in prayer that the war will be over soon because the sooner it is over the more lives of our men and women in uniform will be spared.

The editorial continues:

However, Germany is not our only enemy. We are also in a war with Japan, a fact which Russia has blandly ignored up to now, despite Japan's known designs on Russia's Far East provinces. With just a little help from Russia, we could most likely speed up our war on Japan and cut down our losses in killed, wounded, and missing—though it looks as if we can eventually lick Japan single-handed if we have to.

This Russian help for us would consist in lend-leasing us a few air base sites in Siberia, we to build and equip the bases, load them with bombers, men and supplies, and then proceed to a systematic bombing of Japan's main industrial centers on Honshu Island.

Arrangements ought not to be hard to make. We have now sent Russia about 10,000 planes, many of them via Alaska. We could surely ship the necessary air base supplies to Siberia in short order.

It seems not too much to ask that Russia, as soon as the victory over Germany is seen to be in the bag (and it looks as if it is 90 percent in the bag now), will at least give us a promise of some Siberian air base sites before too long.

Mr. President, I hope that 90 percent of the victory has been won against Germany, for the sooner that war is ended the sooner our men and women in uniform will be returned to American shores. I recognize the fine work the Russians have done in the war toward defeating our common enemy, Germany, and I likewise recognize that it would have been absolutely impossible for Russia to have done the magnificent work she has done had it not been for the workingmen, the great masses of America, who have contributed to the tremendous output in planes, tanks, and so forth, for the utilization of those who are striving hand in hand with us to bring about the defeat of the Axis Powers.

Mr. President, I hope that after we shall have defeated Germany, which, I again repeat, I trust will not be many months from now, our friend, Russia, together with whom we are now fighting our common enemy, will agree to let us have some bases in Siberia, because if we should have bases there we would unquestionably be able to save many American lives, and, Mr. President, I am more interested in saving the lives of sons and daughters of America than I am in anything else with which we are concerned at the present time. I do not believe that would be asking too much in view of the great help we have given Russia.

Mr. President, I might add in connection therewith, that in making request of our friends, the Russians, I hope we may take up then and discuss a resolution which I submitted in the Senate on April 8, 1940—I have submitted a similar resolution since then—which reads as follows:

Resolved, That the Secretary of State is requested to make a report to the Senate at the earliest practicable date with respect to whether or not the United States has a valid claim to sovereignty over Wrangel Island.

I mention this subject again. Wrangel Island is about the size of the island of Jamaica in the Caribbean. Wrangel Island is located in the far away Arctic, but with the development of airplanes—and airplane travel is bound to become more important all the time—Wrangel Island will become one of the most important points in the world, particularly insofar as future relations between the United States and Russia and the Orient are concerned, because if one were to fly from New York to Manila, the capital of the Philippine Commonwealth, he would fly right over Wrangel Island; so Wrangel Island will be a very important base. We originally took over the island, we placed our flag on it, we had some men there, but others ran them off, and the Russians now have control of the island.

Mr. President, at this time, when we are all friendly, and when everyone wants to do something for everyone else, it is time to make request of our good friends, the Russians, to look into the question of Wrangel Island, and also to ask them whether they will give us bases from which to carry out an offensive against Japan.

Of course, Mr. President, we can lick Japan, and we are going to lick Japan. If we can break down the barricades and penetrate the great walls, 10 or 12 or 15 feet thick, which were constructed along the coast of Normandy, with the tremendous fortifications which the Germans had installed there, we can invade the main island of Japan about any time we want to. Of course, on the main island of Japan we find, as its main port, Yokohama, about 15 or 20 miles from Tokyo, the capital. We also find other great industrial centers not far away, such as Osaka and Kobe. If we can invade Normandy, as we did successfully, and make the tremendous and successful penetrations and advances we have made—and all glory to our Army therefor—I wish to tell the Japanese now that we can invade any part of their main island at any time we want to when we get ready to do so. But we do not want to lose any more of our men than is absolutely necessary. We do not want to bring further sorrow and grief and regret to the fathers and the mothers who have lost sons in this war. To many of them their sons are the most important element in their lives, and to many of the fathers and mothers their lives will not be worth while because their sons have been killed in defense of their country in this war.

The reason I want Russia to give us bases in Siberia is to save the sons and daughters of American fathers and mothers, and I do not think it is asking too much of Russia to give us the bases, in view of all we have done for her.

I notice in the press that within a few days the representatives of the great powers will meet in Washington. When the representatives of the four powers meet here to discuss plans in connection with world peace I hope the objectives of the Atlantic Charter will be agreed to by them, and that the rights of the unfortunate people of the world who have been enslaved by Hitler and by Mussolini, and for whose liberation we are now fighting, will be preserved.

Mr. President, we know that today the underground soldiers in Warsaw are fighting desperately against the Germans in one corner of that city, which is the capital of Poland, and the Germans are being attacked near Warsaw by the Russians, who are successfully making advances. I hope that when the war is over we will provide for our friends in Poland, and for our friends in Lithuania, and in Esthonia, and Latvia, the freedom which they seek, and the freedom they expect when the war is ended, because this is a war to free the enslaved peoples of the earth. I hope that we, as one of the great powers, will insist upon freedom for Poland, Latvia, Esthonia, and Lithuania, and freedom for all the other countries for whom our sons and daughters are now bleeding and dying.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. WILEY. The Senator from North Carolina is chairman of the Military Affairs Committee of the Senate.

Mr. REYNOLDS. The Senator's statement is correct.

Mr. WILEY. It is my misfortune that I am not associated with him in that committee. I wish to propound a question to him which to me is of great concern. It bears on the subject of how long we are going to continue conscription of our manpower. How large an Army we are going to raise? As I understand, we now have about 11,000,000 men and women in the armed forces. The reason I am bringing this subject to the Senator's attention at this time is that today I had occasion to talk with representatives of the Selective Service in relation to a very serious situation in my State.

As the Senator knows, Wisconsin will probably manufacture this year 65 percent of the cheese of the Nation. Sixty percent of that product is taken by the Army, the Navy, and lend-lease. A cheese maker cannot be made overnight. There are 1,700 cheese factories in my State. A large proportion of them are 1-man or 2-men factories. Unless there is a deferment, the Selective Service will take 350 of these cheese makers in the August call, resulting in the closing down of factory after factory.

If taking a cheese maker involved only one man, or one cheese factory in each instance, the result would be of no consequence. That result followed when the irreplaceable farmer was taken off a given farm. But, as the Senator knows, when a cheese maker who is irreplaceable is taken, because all the other factories of the State are producing

to the maximum, it means that from 50 to 100 farmers who deliver milk to a given factory will have no place to deliver their milk. That not only means that the farmers will lose their income, but it means an impact upon the morale of that group, who have been working the clock around.

The Selective Service officials say we must meet the quotas. The Army and Navy officials say we must keep reaching out for more and more men. As the Senator knows, last week we had a discussion with respect to reemployment. When cheese factories are put out of business the industry is paralyzed. The income of 50, 60, or 100 farmers is affected in the case of each factory. There is an impact upon the morale of whole groups of people who produce for the war effort. Yet today I could get no one to listen to me in the Selective Service. I wired Selective Service on August 2 as follows, but received no reply:

Gen. LEWIS B. HERSHEY,
Director, Selective Service System,
Washington, D. C.:

Complaints are reaching me again that indispensable and irreplaceable men under 26 years of age in the cheese industry are being inducted into the service in Wisconsin. The cheese industry as you know consists in the main of 1-, 2-, and 3-man plants. Cheese makers are not made overnight. The total number involved will not be over 500 or 600. Wisconsin is producing more milk than ever, her plants are running to capacity. Take these men, and milk will have no place to go but into the gutter, for the plants will close. The life of the industry and the economy of this State are involved as well as the war effort. If the service takes 1 man, resulting in the closing of 1 plant, this one act will do more harm to civilian morale than 50 Reds can do in years, because 50 or more farmers who have worked the clock around will not be able to dispose of their milk. Wisconsin will produce over 60 percent of the Nation's cheese if permitted to do so and as you know cheese and milk are war munitions which the Army, Navy, and Lend-Lease have taken a large part of. I believe the Selective Service Act gave the local boards power to defer in such cases. Why not clarify the situation by a statement?

ALEXANDER WILEY,
United States Senator.

My question is this: With conditions on the war fronts in Europe as favorable as they now seem to be, does the Senator know how long we are to continue to injure home-front industries, which need to be kept alive so that the plants will be ready for employment when the servicemen come back? Does the Senator know how long this condition will continue? Has there been any suggestion or discussion in the committee as to whether or not we need more men, when we already have 11,000,000 men and women in the armed forces? We have allies. We have in Europe probably 5,000,000 men. We are told that we have 1,000,000 in the Orient, or a total of 6,000,000. Yet we have 11,000,000 in the armed forces. If we are to consider only one segment of our national picture, and think only in terms of war, then we can take all the manpower for the armed forces. But we cannot do that; war involves our whole society, home folk, and industry, as well as the boys in the services.

Total war must not ignore the home front. Is it not time for the Military Affairs Committee to talk this matter over with the Army and Navy heads?

The Government wants taxes, bond buyers, money for Red Cross, and so forth. Then let us not kill the goose that lays the golden egg. Telegrams, letters, and telephone messages emphasize the fear and worry of Wisconsin farmers. Let us do something about it.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter and a telegram on this subject.

There being no objection, the letter and telegram were ordered to be printed in the RECORD, as follows:

WISCONSIN SWISS AND LIMBURGER CHEESE PRODUCERS' ASSOCIATION, INC. (COOPERATIVE),
Monroe, Wis., August 16, 1944.

Senator ALEXANDER WILEY,
Washington, D. C.

DEAR MR. WILEY: We must have immediate help relative to the drafting of essential cheese makers and helpers from the Swiss cheese industry. Cheese makers from one-man factories and helpers from now understaffed factories are facing induction. The factories which are the outlets for hundreds of thousands of pounds of milk will have to be closed and the milk thereby deprived of a market. Pursuant to the Government's request, dairy farmers have kept up and increased milk production, now to be faced with disaster.

This is urgent.

In some cases, the cheese maker is being taken from one-man factories; there are no unemployed cheese makers to replace the drafted men. In other cases of factories with three helpers, two men are facing immediate induction. These factories are producing five or six loaves of Swiss cheese and the one remaining man is not able to handle the work of three. It takes strong, able-bodied men with experience to handle the wheels of Swiss cheese weighing from 160 to 225 pounds. This cheese must be salted, turned, and placed on shelves.

In the manufacture of other types of cheese, boys and women can assist because the cheese is not as heavy to handle, however, as stated before, it is necessary to have strong, able-bodied men to work in the manufacture of Swiss cheese.

The July and August cheese, results of the peak of production for this year are now in the cellars yet to be taken care of. The State of Wisconsin has a holding law that cheese must cure from 6 to 8 weeks.

We are begging your cooperation in giving these men an extension of time until the cellars can be cleared.

Our local selective service board is in sympathy with us.

Please wire us at once at our expense on this matter.

Yours truly,

AL STOLDT, *President.*

CHICAGO, ILL., *August 18, 1944.*

Senator ALEXANDER WILEY,
Senate Office Building, Washington, D. C.:

Postponement last spring of induction of key cheese makers in Wisconsin averted definite milk waste by keeping cheese factories open and maintaining cheese production. These postponements now expiring in August will take between three and four hundred men, closing and reducing production in affected factories. Selective Service, State and National, refuse to grant any further postponement of induction.

These men cannot be replaced. No help from the farm with threshing at peak, silo filling, etc., to follow and under new rules no chance of permanent competent help from industry. A 60-day postponement of induction of key cheese makers under 26 will permit uninterrupted production during secondary milk flush period. Less than 400 men affected; Wisconsin prodces 60 percent Nation's cheese. War Food still demanding 60 percent of Cheddar set aside. This request seems reasonable and in harmony with current Government plans for reconversion and maintaining stabilization of industries essential to war and peacetime economy and reported military progress. Wisconsin's 1,700 cheese factories are independently and farmer owned. Individually small business, collectively the backbone of agriculture. Immediate action necessary. Thousands of farmers concerned. Milk may be utilized but cheese prcduction defeated.

WISCONSIN CHEESEMAKERS ASSOCIATION,
L. E. KOPITZKE, *President.*
GEO. L. MOONEY, *Secretary.*

Mr. REYNOLDS. Mr. President, I would that I had time to answer, at least in part, the Senator's inquiry. However, I am supposed to be in my committee now, which is meeting in executive session. I shall not be able to answer the Senator's question at this time, but I shall be glad to answer his inquiry, and enlarge upon it, at a later date. The Senator understands the circumstances and will forgive me. I wish to finish these few brief remarks which pertain to the remarks of the Senator from Tennessee [Mr. MCKELLAR] earlier in the day.

I am delighted and inspired by my distinguished friend, the Senator from Tennessee, being in favor of taking all the islands in the Pacific and in the Atlantic which we need to construct a band of steel around continental United States for the protection of our country. I want the Members of this body, and other readers of the CONGRESSIONAL RECORD, to know that I suggested such a course more than 4 years ago. In March of 1940 I introduced a joint resolution for the acquisition of British islands in the Caribbean and British Honduras. I ask unanimous consent that that joint resolution be printed in the RECORD at this point as a part of my remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

Resolved, etc., That the President is hereby requested to enter into negotiations in such manner as he may deem appropriate, with the Government of Great Britain for the acquisition by the United States of the islands of the Bermudas; the Bahamas—Jamaica with the Turks, Caicos, and Cayman Islands; Trinidad and Tobago; Barbados; the Leeward Islands—Antigua, St. Kitts, Nevis, Dominica, Montserrat, and Virgin Islands; the Windward Islands—Grenada, The Grenadines, St. Lucia, St. Vincent; together with British Honduras, in part payment for the indebtedness of such Government to the United States.

Mr. REYNOLDS. In April 1940 I introduced a joint resolution for the acquisition of French islands in the Caribbean and the North Atlantic Ocean. I ask unanimous consent that that joint resolution be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER (Mrs. CARAWAY in the chair). Is there objection to the request of the Senator from North Carolina?

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

Resolved, etc., That the President is hereby required to enter into negotiations in such manner as he may deem appropriate with the Republic of France for the acquisition by the United States of the islands of Martinique, Guadeloupe, St. Pierre, and Miquelon, in part payment for the indebtedness of such Government to the United States.

Mr. REYNOLDS. Madam President, I go further than does the Senator from Tennessee. I not only want to take St. Pierre and Miquelon, off the coast of Newfoundland, but I also want France to give us Martinique and Guadeloupe, which we find in the chain of islands leading from the Virgin Islands down to the coast of Venezuela. It is very essential that we acquire those islands. As for France, she should have no complaint against giving us those islands. As the Senator from Tennessee stated—and there is no need of repeating what he had to say about France—she is greatly indebted to us. I recall that one of the members of our committee, in discussing surplus products of World War No. 1 the other day, stated that France bought from us $4,000,000,000 worth of goods and gave us a not for $400,000 in payment and that note never was paid. So let us get what we think is due us. Let us acquire those islands off our coast, including Bimini and the island of New Providence, on which the capital city of Nassau is located, as well as Bermuda, which has been mentioned in the discussion by the Senator from Tennessee. That island is exactly 500 miles, as the crow flies, off the coast of North Carolina. Approximately 90 percent of the revenue derived by that island comes out of the port of New York. So we ought to have Bermuda, as well as Jamaica and the other islands. If we wish to protect ourselves farther down the coast, we can ask Great Britain to turn over the coastal area of British Honduras. If we wish still further protection, we can get British Guiana. We can ask the Dutch to give us Curaçao, which we really need in order to protect the Panama Canal. We can ask the Dutch to give us the ocean lands of their possessions next to the British and French lands off Devil's Island.

The Senator from Tennessee spoke of another canal. I do not believe that we are in a position to build another canal. Some day it may be feasible. The proposed second canal has been considered by this body many times. I believe the site of the proposed new canal is in Nicarauga. I was down there a couple of years ago. I talked with the President of Nicarauga about it, and I talked with a great many other officials of the Nicaraugan Government. Naturally they want us to build a canal. It would be the finest thing in the world for them. It would bring them millions of dollars of revenue annually.

Briefly in conclusion, I am today insisting, as I have been insisting for the past 5 years, that we build a band of steel around continental United States, so that we can protect our coastal area, so that we can protect our country, and so that we may never again be called upon to send a son or daughter of an American mother or father to any foreign land to fight in any war, regardless of what war it is.

AUTHORIZATION TO SIGN SENATE BILL 2050

Mr. HILL. I ask unanimous consent that during the recess or adjournment following today's session of the Senate the presiding officer be authorized to sign the enrolled bill, Senate 2050, further amending the so-called pernicious political activities act I may say that I am referring to the bill which was passed by the Senate last Tuesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

SHORTAGE OF FARM MACHINERY IN NORTH DAKOTA

Mr. LANGER. Madam President, earlier in the day a unanimous-consent request was made by the senior Senator from New Mexico [Mr. HATCH] for the insertion in the RECORD of certain articles apparently laudatory of the senior Senator from Illinois [Mr. LUCAS]. I consented only on condition that I might have the opportunity to say something about the manufacture of farm machinery.

Madam President, what I shall say will be verified by letters and telegrams from citizens of the Northwest, particularly citizens of my home State of North Dakota.

Time and time again during the months of May and June I protested against the sending to Europe, Africa, and Canada of farm machinery which, as a matter of fact, was needed by the farmers of North Dakota and by the other farmers of the Northwest, and, as a matter of fact, by farmers all over the United States.

In the month of June I returned to North Dakota and held hearings at various courthouses. To those hearings I invited the farmers to come and to testify regarding the situation relative to farm machinery. Before referring to the testimony thus obtained, I desire to read into the RECORD, for the benefit of the Senate, various letters which I have recently received, telling about the terrible plight of the farmers in connection with their efforts to obtain farm machinery.

Here is a letter dated June 26, from Werner, N. Dak.:

DEAR SIR: I'm just letting you know that I can't get any tires and no tractor. I need two tires. I got in 150 acres of crop, and I could have put in 300 or 400 if I had the tractor. I borrowed one tractor to put it in, and how I get it harvested I don't know, if I ain't got machinery. So, if there's anything you can do about it, please let me know by next mail. I've tried for a year to get a tractor, and I ain't got one yet. So please do something about it. I should have it in a month or two. I go about 6 miles to where I farm and I can't walk every day. So you'd better get me a permit for two tires and a tractor.

Yours truly,

WILLIAM D. HEIDECKER.

I respectfully refer that letter to the senior Senator from Illinois [Mr. LUCAS], who, according to the distinguished Senator from New Mexico [Mr. HATCH], has been getting the farmers all the machinery he says they needed so badly some months ago.

Here is another letter along the same line. It is dated June 19, and comes from Bathgate, N. Dak. Madam President, I have picked out only a few of the letters I have received. In my office I have thousands like them. I have selected a few of the letters, coming from farmers who live in various parts of North Dakota, so that the Senate may know that the identical situation exists in every section of my State.

The letter sent to me by Mr. B. C. Houston, a resident of Bathgate, N. Dak., reads as follows:

JUNE 19, 1944.

DEAR SIR: Is there not something that you can do to help us farmers of your State, North Dakota, whereby they may get repairs for their various machinery, so that they can get this crop harvested? If I could get a permit to get a new combine, I would get it. In 1941 I lost 55 acres of wheat. The land got too wet to combine, and I had to pay a penalty besides to the Government for overseeding of wheat.

Mr. LANGER, can you help me get a truck? I have one, and the garage man said it is not worth trying to fix it up. And the ration board says there are not any to be had, so are not issuing any permits. But truck dealers say there are trucks to be had, if folks have a permit for them.

Would appreciate it very much if you can help me to get permits for these pieces of machinery, especially the truck.

Yours very truly,

B. C. HOUSTON.

Madam President, here is a letter from Simeon Grenier, of Thorne, N. Dak. His letter is dated July 5, 1944, just about 5 weeks ago, at the very time when all the newspaper accounts and editorials which are so laudatory of the senior Senator from Illinois were apparently written. I refer to the ones which were placed in the RECORD earlier today by the distinguished senior Senator from New Mexico [Mr. HATCH].

Mr. Grenier's letter reads as follows:

DEAR SENATOR: I have heard and talked to Ray Murry, of Dunseith, N. Dak., about you being on the machine survey committee, and would like your cooperation, if it were possible, in obtaining a tractor for my farm.

I have been to Rolla to see the machine ration board, to try and get a permit—that being impossible because all of the permits have been given out. If it were possible for me to get a permit, I would not be able to get a tractor big enough for my required operations.

Madam President, I ask unanimous consent to have the entire letter printed in the RECORD. It tells about the size farm he has. It is a farm of 3,000 acres of land, and Mr. Grenier states that he does his threshing in cooperation with his brother-in-law, who has a farm of 2,720 acres.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THORNE, N. DAK., *July 5, 1944*.

DEAR SENATOR: I have heard and talked to Ray Murry, of Dunseith, N. Dak., about you being on the machine survey committee and would like your cooperation, if it were possible, in obtaining a tractor for my farm.

I have been to Rolla to see the machine ration board to try and get a permit, that

being impossible because all of the permits have been given out. If it were possible for me to get a permit I would not be able to get a tractor big enough for my required operations. All tractors that are available are small tractors. I would like to get what they call a four- or five-plow tractor. My preference in tractors is a Minneapolis-Moline G-T tractor.

The main reason for wanting this tractor is to operate my threshing machine. I do have a tractor that is large enough to operate my threshing machine but it is a two-cylinder Rumely and it is very old. It is impossible to get repairs for it, so I am in a bad state of affairs to try and thresh with this worn-out tractor. I have not in the past tried to get any rationed machinery of any kind.

I do my threshing in cooperation with my brother-in-law, Pierre Mongeon, of Thorne, N. Dak. He has a large amount of land—2,720 acres in all. One thousand acres is in crop, 300 acres of summer fallow, 800 acres in pasture, and 620 acres in hay land. He also milks 40 cows during the summer months. I have on my farm a total of 3,000 acres of land, 2,000 acres of cropland, about 1,300 of this is in crop, 500 acres of it in summer fallow, 300 acres pasture, and 700 acres of hay land. I also milk 33 cows during the summer months. We also do some custom threshing for some of our neighbors, threshing about 800 other acres of crop. We thresh a total of about 3,100 acres in all.

I do hope that I will get your cooperation in this matter and hope to hear from you in the near future.

Sincerely yours,

SIMEON GRENIER.

Mr. LANGER. Madam President, here is a letter from Karl Schweizer, of Drayton, N. Dak., written on July 8, 1944:

JULY 8, 1944.

DEAR SENATOR: You may think this is none of my business, and I admit it is out of my line, but I am very much concerned about the harvesting situation this fall. There is a beautiful crop of grain of all kinds in prospect in this community, also a woeful lack of combines. Unless we have a perfect fall as far as weather and good luck with the machines that are here, the loss of wheat will be something that will knock a lot of farmers down.

Please don't tell me that there are no combines to be had, because I do business right by the railroad track and I know that on this line alone an average of six carloads a week have gone to Canada for the last 3 months.

I shall repeat that, Madam President, because I shall verify the fact that today, at the very time when our farmers in the United States are unable to harvest their crops, combines and tractors are being sent to Canada and to other foreign countries. So I repeat what Mr. Schweizer wrote me on July 8:

Please don't tell me that there are no combines to be had, because I do business right by the railroad track and I know that on this line alone an average of six carloads of combines and three or four carloads of tractors a week have gone to Canada for the last 3 months. The same is true of other lines for 30 miles on either side of here. Would it be possible to introduce a little horse sense and American decency to the men who control these things so that these American citizens get a fair break instead of the crumbs from the rich man's table? As you know, the people of North Dakota have bought bonds enough to place them near the top of the Nation, but you can hardly blame the farmers for getting a fishy look in their eyes when their tongues are hanging out from running around trying to get a combine. Helping our neighbors is a fine thing, but this definitely smells of rats.

A big effort on your part will make us feel better anyway.

Yours truly,

KARL SCHWEIZER.

P. S.—There were three carloads of combines on today's train.

Here is a letter from Glenfield, N. Dak., dated June 27, 1944:

DEAR SIR: I saw you at New Rockford some time ago and spoke to you in regard to the shortage of binders for harvesting this year's crop. I have one binder several years old, and have 447 acres into wheat, oats, and barley, plus millet and cane. I have tried all the neighboring towns, even Fargo, and there is no chance of my getting a binder at any place, as there just isn't enough binders allotted.

Here is a telegram dated July 25, from Braddock, N. Dak.:

Crops ready to harvest. Can't get certificate for combine. No other machinery to harvest with. What are we going to do?

EDWIN SEPPANEN.
HARRY RETMANN.

Madam President, I now wish to refer to the hearing which was held at Zap in the county of Mercer. During that short hearing a number of farmers came to see me and tell me about their difficulties. I referred those gentlemen to the distinguished senior Senator from Illinois, in whose behalf the Senator from New Mexico today obtained unanimous consent to have printed in the RECORD laudatory articles stating that the farmers throughout the United States are obtaining all the farm machinery they need. I suggest that when the distinguished senior Senator from Illinois franks out the speech containing those laudatory articles there should also be franked out the remarks which I have already made and which I shall continue to make for the next 15 or 20 minutes.

I refer the distinguished senior Senator from Illinois to Mr. Fred Wentz, of Dodge, N. Dak. He said that he needed a combine. He tried to obtain one and his application was rejected He is farming 1,236 acres of land. He has one header 23 years old, and once in a while he gets hold of a 3-year-old combine to take care of his 1,236 acres of crops.

Mr. Martin Pischel, of Hazen, N. Dak., also appeared at the hearing. He stated that he had applied for a combine and a tractor more than a year ago. He was told that there was no quota from which such machinery could be obtained, but that he might possibly get a combine or a tractor this year. However, he did not get either. He is farming 400 acres of land. Last year he lost $1,000 by reason of the shelling out of his wheat. The only machine he has with which to cut grain is a binder 30 years old. The binder was manufactured in 1916. That was when Woodrow Wilson was President of this country. It was during World War No. 1. Mr. Pischel has not obtained a binder since. During the drought there was no need for a binder, but he now needs one, and he told us that he could not get repairs for the old binder, although he had ordered repairs for it more than a month previously. He also has a model 1928 tractor. He is farming 400 acres of land with a binder 30 years old and a tractor which was manufactured in 1928. Yet he is unable to obtain another binder or a combine.

Madam President, I have a telegram dated August 15, 1944, from Grafton, N. Dak. It is from H. M. Hanson, secretary of the Commercial Club at Grafton. Mr. Hanson has lived in that locality for a great many years. He telegraphed as follows:

Retel. June 21, two carloads of tractors. Twenty-third, 11 combines. Twenty-eighth, 11 combines. Twenty-ninth, 19 combines. August 14, 2 carloads combines. Have car numbers on 19 combines going to Regina and Saskatoon. Certainly hope something can be done to get more farm equipment here. Several crops going to be lost account inadequate equipment. Best regards.

Madam President, I was not satisfied with telegraphing to only one person in North Dakota, so telegraphed to a man at Portal, N. Dak. On August 16 I received from him the following telegram:

Retel. One carload combines went to Canada today. Will mail more information covering July and August as soon as I get it tabulated. Regards.

NORMAN JENSON.

Madam President, 3 days ago I received a telegram from a farmer by the name of F. W. Pearson, of Arthur, N. Dak. This farmer thought that in these modern days he was entitled to buy a corn picker. So he went to the A. A. A. board in an effort to buy a corn picker. I have before me a letter which he wrote me on the 14th of August 1944, reading in part as follows:

DEAR MR. LANGER: I have had an application for a corn picker on file with the A. A. A. at Fargo, since the last week in December of last year on which I have been unable to get decision as to whether it will be approved or disapproved.

It so happens that I have 380 acres of corn to pick this fall and I am unable to find any owner of any corn picker who is able to custom harvest such a large acreage.

In view of the fact that corn harvest is rapidly approaching and arrangements must be made with a dealer long before the arrival of these machines, I wish that you would advise me what action to take or better still, would you mind lending your assistance to see to it that my application is given favorable consideration without further delay.

Just to show what a horrible predicament farmers find themselves in, I also had an application in for a combine to harvest the small grain crop on the 1,000 acre farm which I operate, which I filed with the ration board at the same time I applied for a corn picker. Repeated calls were made at the office of the A. A. A., always with the same result, no action, until just a week or so before harvest I was advised that all the combines had been allotted and my application had not been approved. No reason was given. It so happens that I did not have a threshing machine or power binder which I had to go out and buy in a frightfully wild market (used equipment) at prices far in excess of new machinery.

It is my firm conviction that if my application had been acted upon within a reasonable length of time, say 4 to 5 months after filing, that I, and a thousand other farmers in a similar predicament, could have gone out and purchased used equipment in a somewhat orderly market. This is on the assumption that my production did not warrant a new machine.

Upon receipt of that letter I telegraphed to the A. A. A. at Fargo, N. Dak., and I received this telegram yesterday:

Reurtel, today, F. W. Pearson is 1 of 150 Cass County farmers—

One hundred and fifty, Madam President, in one county—

who have filed applications for corn pickers. Because it is desirable to have all applications on file for consideration when rationing county quota of 86 corn pickers, Cass County Farm Rationing Committee has not as yet acted on applications, but will do so well in advance of corn-picking seasons.

P. J. KETTWIG,
Acting Chairman, North Dakota
State A. A. A. Committee.

Madam President, on June 14 I went to Mott, N. Dak. There the county agent testified that in Hettinger County alone, one of the 53 counties in North Dakota, last year, because they could not get harvesting machinery, the farmers suffered a loss of over 1,000,000 bushels of wheat and hundreds of thousands of bushels of flax. With wheat at $1.39 a bushel in Fargo, anyone can figure the enormous loss suffered by the farmers in that one county. I found 1 farmer there who needed a little 75-cent gear for the back of a tractor. He drove 800 miles in North Dakota, he testified, using gasoline and tires, before he could get a little 75-cent gear so that he could operate his tractor. Where, I ask, is the vaunted efficiency mentioned by the distinguished senior Senator from New Mexico [Mr. HATCH] this morning in referring to the distinguished Senator from Illinois [Mr. LUCAS], in whose State the International Harvester Co. is located and where it has its headquarters—where is the vaunted efficiency of which Americans are so proud to boast when a farmer gets that kind of treatment?

Another farmer testified that for a little 25-cent gear he went to four towns in North Dakota, driving hundreds of miles, and finally located the little gear at Lemmon, S. Dak.

I telegraphed the President of the United States; I telegraphed the head of every department and told them what the situation was in North Dakota. I asked them for help; I begged them for repairs. Mind you, that was on the 14th day of June; but on the 6th day of July—3 weeks later—when I telegraphed once more to Mott, to the Mees Implement Co., which handles repairs, and asked what had been done and whether the promises made to me had been kept, I got a telegram from them, which reads:

Relative to your telegram, repair situation worse now than month ago. We cannot repair combines and tractors with back orders or vague promises. We need parts, not platitudes.

MEES IMPLEMENT CO.

Madam President, referring to some more of these cases, I have here a chart prepared by the International Harvester Co. themselves. In the case of combines, they were to build from the 1st of July last year to the 30th of June 15,817 combines; but, as a matter of fact, up to the time this report was issued they had only built 9,791.

Mr. MILLIKIN. What is the date of the report?

Mr. LANGER. The report shows that it was completed up to the 13th day of May, 1944.

I may add, Madam President, that, as I have said time and time again on the floor, it is absolutely impossible in the State of North Dakota to buy second-hand machinery. Men like Kelly Bros., of Fargo, N. Dak., have gone to Oklahoma and Arkansas, in fact nearly all over the great Southwest, attending auction sales trying to buy second-hand machinery, but could not get any. There is not any for sale in North Dakota. I want Senators to bear this in mind as I read of the experiences other farmers at that one hearing testified to, showing what they were up against. If all of them were there there would have been over a thousand. These are just from one hearing held in the early part of one afternoon.

Mr. John Weiss, of Zap, applied for a binder 2 years ago. He has a farm of 800 acres, of which 300 acres are in crops. The only thing he has with which to cut that crop is a binder that was manufactured in 1926, so that binder is 18 years old. He says he ordered repairs for the binder in the middle of February, but has not yet received the repairs, or did not have them at the time of the hearing.

Mr. Peter P. Fetter, of Bluegrass, applied for a combine in January, but it has been refused because they said they had an insufficient quota. He has 200 acres of crops to cut, and has neither a header nor a binder to cut them with.

August Ziemann, of Hazen, N. Dak., applied for a tractor last year, and finally got one this year. It is so small that it cannot pull the combine he has, a 14-foot combine, and so there he sits, he says, with 665 acres of crops to cut.

Edward Wolff, of Dodge, applied for a power mower in January. He has to have hay for 130 head of cattle. The only thing he has got to cut that hay with is an old horse mower 12 years old. He had 800 acres in crops. When he applied for machinery to cut them with he was told that the quota was gone.

Albert Winkler, of Zap, applied for a binder 2 years ago. He has not received it yet. He has 700 acres to cut, and to cut it he has a binder 37 years old and a header 38 years old.

Madam President, I should like to see some of the men who walk around so smugly, some of the heads of the departments or bureaus in Washington, who almost hang up the telephone when you call them and ask them to give the farmers some aid—I should like to have some of those men go to the West and raise a crop of 700 acres and then, after they have put in their money and their time, when they get ready to cut it be told that they had to harvest it with a binder 37 years old and a header 38 years old.

Gus Darwin, of Killdeer, applied for a horse mower machine and a binder. He could not get either of them. The only machinery he has with which to get in his crop is 18 years old.

Virgil Stedman, of Killdeer, is manager of the Farmers Union Oil Co. He is very naive. He really thought that if he applied for a truck he might receive one, but he did not. His request was approved by the local board, but was turned down by the State committee. Mind you, Madam President, this man, who serves 500 customers, needs the truck in order to deliver gasoline and oil, but the State committee would not allow his request. He needs a grain binder. He is farming 300 acres of land. The tractor with which he is farming his land is 17 years old, and he said that his binder is older than the tractor.

Tom Tarnovsky lives in McKenzie County but came over to attend the hearing at Zap. He needs a caterpillar truck. His application was rejected in March. He applied for a drill in the spring of 1944 and received a certificate, but he could not find an old one anywhere and could not obtain a new one. He applied for a combine last year but did not get it. He has 800 acres of plow land, and he says that this year he will let 400 acres lie idle because it is impossible to take care of the 400 acres with the machinery he now has.

Hubert Oster, of Dunn Center, needs a binder. The only one he has is 35 years old. He has 385 acres to cut. Last year he had a $200 loss. This year he cannot cut his grain with his binder, because, he says, he has driven all over the country but cannot obtain any repairs.

Robert Krieger, of Dunn Center, needs a tractor and a power drill. He applied for them last year but could not obtain them.

Wencel Bran, of Manning, applied for a combine. He has a crop on 250 acres. His application for a combine was turned down, and the only machine he has with which to get in his crop is a binder which is 20 years old. He says that sometimes, if he is lucky, he can get repairs. Last year he lost $400. After he started to cut his crop the binder broke down, and he could not get repairs for it and had to wait until he could rent a combine, and as a result he suffered a loss of $400.

Fred Krieger, of Dunn Center, asked for a corn planter. He could not get one. The old one does not work any more, so this year his neighbors got together and planted 30 acres for him. He would have planted 45 more acres if he had had his own corn planter.

Fred Diezt, of Dickinson, wanted a combine. He applied for it but was refused.

Madam President, we provide combines for Canada. We send all over the world combines which our farmers need.

I have in my hand a letter written by Leo Crowley on August 1:

By lend-leasing farm machinery—

Madam President, our farmers are obliged to pay taxes, with which combines and drills and other farm machinery are purchased for farmers in Australia and in New Zealand and Africa and the United Kingdom. Believe it or not, our farmers pay taxes, and money so paid is used for such purposes. Millions and millions of dollars are used to buy farm machinery which is shipped abroad. Combines, tractors, and other farm machinery are shipped to Australia, New Zealand, and the United

Kingdom and to Africa, and are given away, because everyone knows we shall never be repaid for this machinery. The farmers in the far-away countries receive these combines and other farm machinery for nothing. Our farmers are paying taxes in order to furnish money so that such machinery can be bought.

The letter from Leo Crowley reads:

By lend-leasing farm machinery we have enabled Australia, New Zealand, and the United Kingdom to produce and furnish to our soldiers as reverse lend-lease millions of dollars' worth of food which we otherwise would have had to furnish from domestic sources.

Madam President, I am reminded of the letter which two soldier boys wrote to the junior Senator from South Dakota [Mr. BUSHFIELD]. The Senator from South Dakota read a letter on the Senate floor which said that when the soldier boys came over to Africa they found enormous warehouses filled with combines, with beautiful rubber wheels, which had been stored there for 2 years, and they were told that there was absolutely no use for those combines in Africa.

When I went to Zap I met a man by the name of L. Kruckenberg, of Hazen, Mercer County, N. Dak. He has impressed me as being a fine, upstanding farmer. I have known him for a long time. On August 14 he wrote me a letter, as follows:

DEAR MR. LANGER: I want to inform you that I finally got an order for a new grain binder.

He is as happy about getting an order for a new grain binder as if he were reporting the birth of his first child. He is happy. He has an order for a grain binder. Of course he only has an order; he has not obtained the grain binder yet, but he has an order for one. His letter continues:

I want to inform you that I finally got an order for a new grain binder. Am sorry to report that by the time I will get the machine I may be through with harvesting, although a good many bushels of grain are scattered all over the field and is a vital food for our boys at the front, and it's all on account of the real old machine I had to use to harvest my good crop.

I want to thank you for assisting me in getting this machine.

He is giving me credit which is not due me at all, because I have not been able to assist the farmers of North Dakota in obtaining any of these machines, because they are being shipped, as telegrams I placed in the RECORD show, to Australia, to New Zealand, to Africa, and to the United Kingdom.

I have before me some very interesting letters from some of the heads of departments. I shall not place them in the RECORD for various reasons. Invariably the writers say at the end of the letters to tell the farmer, the poor devil who has written to me, that he must have some machinery with which to harvest his crop, to go to the local board or to go to the State board committee. They keep on passing the buck to the local board and State committee.

I wish to place in the RECORD a few more names of farmers who were present at Zap on the day to which I refer. Mr. Frank Petryszak needs a power mower. He applied to the board twice. He has 500 acres to cut, and he was unable to find a power mower.

Peter Martin, Jr., of Dodge, needs two tires for a tractor.

Mike J. Grinsteinner, of Dodge, farms 1,100 acres and has 300 head of cattle. He was unable to get any new machinery.

John Flick, of Killdeer, has applied time and again for a tractor. Finally, when he was allowed to have a tractor, he was told, "You must buy a Ford." He did not want a Ford tractor, so he protested. When I was there he was still protesting. He did not want a Ford, because he happens to have a Baldwin combine which cuts a 9-foot swath, and a Ford tractor cannot pull that kind of a combine. He says he cannot cut with that kind of a tractor, for himself or for his neighbor.

To show how our farmers are being discriminated against, at the very time when the natives of New Guinea, Australia, New Zealand, and Africa are getting our combines, this farmer, who has three boys in the service, lost 8,000 bushels of grain because he could not get a combine. That was his loss last year. At $1.25 a bushel, this farmer lost $10,000. As I have stated, the county agent in Hettinger County said that more than 1,000,000 bushels of wheat were lost in that one county, as well as hundreds of thousands of bushels of flax.

Henry Entzel, of Dunn Center, needs a binder. The binder which he has is 16 years old and he cannot get repairs for it. He has 425 acres to cut.

Mike Fisher, of Halliday, says he cannot get any machinery repairs, All the machinery is of John Deere manufacture. He has a van Brunt drill which is 20 years old. He has a large crop and is unable to harvest it.

Jacob Fettig, of Halliday, has 1,500 acres of plow land. He has two old tractors. One was manufactured in 1928 and the other in 1931. He says that sometimes he can get repairs and sometimes he cannot, and has to wait a long time. He says that he cannot summer-fallow—that means to allow a part of his ground to lie fallow for a year—and he cannot cultivate his corn because he does not have the tractors with which to do it.

John Funk, of Dodge, applied for a combine 2 months before I appeared there. He was refused. He has 400 acres of crops, and all he has to cut the grain is a binder 25 years old.

Emanuel Struhmiller, of Dodge, applied for a drill 2 years ago, but he has not yet obtained it. He farms 350 acres of crops. The only drill he has is 30 years old, and he cannot get repairs for it. That is the way the American farmer is being treated by this administration. The only thing I marvel at is that the distinguished senior Senator from New Mexico should place in the RECORD 83 editorials praising the distinguished senior Senator from Illinois [Mr. LUCAS] for getting farm machinery for the farmers of America.

Peter Weidrich, of Hazen, applied for a combine and was turned down, because there was none left. He was told that the quota had been overdrawn. He has a 400-acre farm. Last year he lost a part of his crop because he had no farm machinery. The only thing he has to cut with is a binder 45 years old.

John Christman, of Beulah, needs a binder, a drill, and a two-row corn cultivator. He has 400 acres. He could summer-fallow only 200 acres, because he had no machinery. The only machinery he has with which to cut his crop this year is a binder 26 years old. The drill with which he seeded his crop is 22 years old, and he cannot get repairs for it.

Chris Brunmeyer, of Hazen, needs a drill. He is farming 440 acres, which he seeded with a drill 36 years old. He says he cannot get the parts for it.

William T. Walz, of Zap, farms 440 acres. He is trying to do it with a drill 19 years old. He has tried repeatedly to obtain some machinery and has failed.

John Ridlinger, of Hebron, has tried three times in the course of a year to get a tractor. The one he has is 15 years old. He farms a half section of land, and repairs are almost impossible to obtain. The housing on the machinery is cracked.

Jacob Huber, of Halliday, applied for a combine 2 years ago. He was turned down. He is farming 525 acres. He is trying to do it with an old John Deere binder 18 years old. He was told that there were too many applications and not enough in the quota.

John Petryszak, of Grassy Butte, applied for a tractor and was turned down. He has 260 acres of crops to cut and does not know how he is going to do it.

John Hartman, of Killdeer, farms 250 acres of crops. The binder he has is 20 years old and he cannot get repairs for it.

Frank J. Karsky, of Dickinson, applied for a large combine, because he has 700 acres to cut. Last year his loss was $1,000, and apparently it will be larger than that this year.

Madam President, I have mentioned only the names of those who appeared before me at Zap, in Mercer County, N. Dak., one afternoon. As I have stated, I have thousands of letters in my office. The cry from all over my State is to get combines and grain binders. I believe that the loss this year will be almost as large as the loss last year.

I make these remarks because, when the senior Senator from New Mexico rose to praise the senior Senator from Illinois [Mr. LUCAS] for the fine work he had been doing in getting farm machinery for the farmers of this country, I wanted the Senate to understand that the farmers of the Northwest had not been getting machinery, as is evidenced by the statements which I have made and by the letters and telegrams to which I have referred.

In conclusion, Madam President, let me say that I was the only Senator who voted against the extension of lend-lease about 6 months ago. I stated then that I was in favor of giving our allies all the money they need with which to win the war; I am in favor of giving them tanks,

airplanes, and munitions; but at that time it was stated that lend-lease money was being used to send farm machinery all over the world. Why should the farmers of America pay taxes to send farm machinery to Russia or to Britain or to Canada or to any other foreign country, knowing that the day will come when that machinery will be used in competition with the farmers of this country in a world market? I wish to say, Madam President, that I have received hundreds of letters of commendation from the farmers of my State and from farmers in other States of the Northwest because I voted against the extension of lend-lease unless farm machinery was excluded.

I also voted against lend-lease because today in this country it is practically impossible to obtain the services of a civil engineer. Where are they? They are building dams all over the world, at the expense of the American taxpayers. They are building dams in Mexico, in Venezuela, in Africa, in Ethiopia. In Ethiopia they are even making a soil survey. I venture to say that no soil survey has been made of the State of Colorado. I see the distinguished junior Senator from Colorado [Mr. MILLIKIN] in the Chamber. I venture to say that if he has applied for a map of a soil survey of Colorado, he has not been able to get one. I am sure none has been made. I cannot get one for North Dakota, because none has been made. But at the expense of the American taxpayers, a soil survey of Ethiopia is being made. Dams and irrigation projects are being built in Africa.

Some months ago a committee of which I am a member went to Alaska. I got as far as Fairbanks. When I returned, I reported on what Russia was going to do to the United States after this war, when the time comes for her farmers to compete with American farmers in the production and transportation of agricultural products. There is no necessity for me to refer to the matter again, at length; but if any Member of the Senate is interested, I suggest that he read what I said following my return from Alaska, because what Russia is doing is entirely revolutionary. I need only say, that the highest honor anyone in Russia can receive is, not for being a good general or a good admiral, but for making the greatest contribution to the advancement of agriculture. The man who received the highest honor in Russia is the man who, by means of crossing and recrossing certain strains of wheat with certain grasses, finally developed a wheat which is perennial, which does not have to be seeded year after year, but which can be cut just as hay is cut. A crop can be harvested, and the next year there will be another crop of wheat. The man who developed such wheat received the highest honor the head of the Russian Government can confer.

Madam President, I merely wish to state that I have not said all I will say upon the matter of the shortage of farm machinery for the farmers of this country. I shall probably have much more to say about it as soon as I obtain some additional information which I have requested.

In conclusion, I say that the farmers of this country, especially the farmers in the Northwest, in the matter of getting farm machinery have received a rotten deal at the hands of this administration.

EXECUTIVE SESSION

Mr. CHAVEZ. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mrs. CARAWAY in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF FOREIGN RELATIONS COMMITTEE

Mr. CONNALLY, from the Committee on Foreign Relations, reported favorably the following nominations:

Joseph F. Burt, of Illinois, now a Foreign Service officer of class 4 and a secretary in the Diplomatic Service, to be also a consul general;

Oliver Edmund Clubb, of Minnesota, now a Foreign Service officer of class 5 and a secretary in the Diplomatic Service, to be also a consul general; and

Randolph A. Kidder, of Massachusetts, now a Foreign Service officer of class 8 and a secretary in the Diplomatic Service, to be also a consul.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

FEDERAL BOARD FOR VOCATIONAL EDUCATION

The legislative clerk read the nomination of Robert J. Watt, of Massachusetts, to be a member of the Federal Board for Vocational Education for a 3-year term ending July 17, 1947.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk read the nomination of Benjamin P. Davis, to be postmaster at Altus, Ark.; and the nomination of Canda E. Smith, to be postmaster at Lowell, Ark.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

Mr. CHAVEZ. I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS TO TUESDAY

Mr. CHAVEZ. As in legislative session, I move that the Senate take a recess until Tuesday next at 12 o'clock noon.

The motion was agreed to; and (at 3 o'clock and 6 minutes p. m.) the Senate took a recess until Tuesday, August 22, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 18 (legislative day of August 15), 1944:

DIPLOMATIC AND FOREIGN SERVICE

Philip W. Bonsal, of the District of Columbia, to be a Foreign Service officer of class 5, a secretary in the Diplomatic Service, and a consul of the United States of America.

COMMISSIONER, DISTRICT OF COLUMBIA

Guy Mason, of the District of Columbia, to be a Commissioner of the District of Columbia for a term of 3 years, and until his successor is appointed and qualified. [Reappointment.]

ASSAYER OF THE MINT

Donald J. Dwyer, of San Francisco, Calif., to be assayer in the mint of the United States at San Francisco, Calif., to fill an existing vacancy.

DIRECTOR OF SELECTIVE SERVICE, TERRITORY OF HAWAII

Milton E. Ballangee for appointment as director of selective service for the Territory of Hawaii, under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended. (Compensation for the office of the director of selective service for the Territory of Hawaii will be at the rate of $5,300 per annum.)

TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES

To be lieutenant general

Maj. Gen. Alexander McCarrell Patch (colonel, Infantry), Army of the United States.

To be major generals

Brig. Gen. Donald Armpriester Stroh (lieutenant colonel, Infantry), Army of the United States.

Brig. Gen. James George Christiansen (lieutenant colonel, Corps of Engineers), Army of the United States.

Brig. Gen. Ben Menadue Sawbridge (lieutenant colonel, Field Artillery), Army of the United States.

Brig. Gen. Clinton Frederick Robinson (major, Corps of Engineers), Army of the United States.

Brig. Gen. Paul Langdon Williams (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Brig. Gen. Walter Alexander Wood, Jr. (lieutenant colonel, Corps of Engineers), Army of the United States.

Brig. Gen. Samuel Egbert Anderson (captain, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States, Air Corps), Army of the United States.

Brig. Gen. William Frazer Tompkins (colonel, Corps of Engineers), Army of the United States.

Brig. Gen. Verne Donald Mudge (lieutenant colonel, Cavalry), Army of the United States.

Brig. Gen. Sidney Parker Spalding (colonel, Ordnance Department), Army of the United States.

To be brigadier generals

Col. Ernest Moore (captain, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States Air Corps), Army of the United States.

Col. Robert Scott Israel, Jr. (captain, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States Air Corps), Army of the United States.

Col. Thomas Connell Darcy (captain, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States—Air Corps), Army of the United States.

Col. George Dunbar Pence (major, Field Artillery), Army of the United States.

Col. Roy Charles Lemach Graham (lieutenant colonel, Quartermaster Corps), Army of the United States.

Col. William Wallace Ford (lieutenant colonel, Field Artillery), Army of the United States.

Col. George Henry Decker (major, Infantry), Army of the United States.

Col. Robert Milchrist Cannon (major, Field Artillery), Army of the United States.

Col. John Francis Uncles (major, Field Artillery), Army of the United States.

Col. Riley Finley Ennis (lieutenant colonel, Infantry), Army of the United States.

Col. Burdette Mase Fitch (lieutenant colonel, Adjutant General's Department), Army of the United States.

Col. John Paul McConnell (captain, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States—Air Corps), Army of the United States.

Col. Winslow Carroll Morse (captain, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States—Air Corps), Army of the United States.

Col. Robert Gibbins Gard (lieutenant colonel, Field Artillery), Army of the United States.

Col. Carter Bowie Magruder (major, Field Artillery), Army of the United States.

Col. Alvin Roubal Luedecke (first lieutenant, Air Corps; temporary colonel, Army of the United States—Air Corps), Army of the United States.

Col. Arthur Gilbert Trudeau (major, Corps of Engineers), Army of the United States.

Col. George Wessely Sliney, Field Artillery.

Col. Homer LeRoy Sanders (captain, Air Corps; temporary lieutenant colonel, Air Corps), Army of the United States.

Col. Joe L. Loutzenheiser (major, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States—Air Corps), Army of the United States.

Col. Truman Casper Thorson (lieutenant colonel, Infantry), Army of the United States.

Col. Evans Read Crowell (lieutenant colonel, Coast Artillery Corps), Army of the United States.

Col. Charles Edward Hart (major, Field Artillery), Army of the United States.

Col. William Leonard Ritter (lieutenant colonel, Adjutant General's Department), Army of the United States.

Col. John Weckerling (lieutenant colonel, Infantry), Army of the United States.

To be brigadier generals

Col. Carroll Owen Bickelhaupt, Signal Reserve.

Col. Andrew Frank McIntyre (lieutenant colonel, Engineer Reserve), Army of the United States.

Col. Edward Nolen Backus (first lieutenant, Air Reserve; temporary colonel, Army of the United States—Air Corps), Army of the United States.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

To Adjutant General's Department

Maj. Clarence McCurdy Virtue, Infantry (temporary colonel), with rank from June 30, 1942.

To Quartermaster Corps

First Lt. James Michael Illig, Infantry (temporary lieutenant colonel), with rank from June 12, 1939.

To Corps of Engineers

First Lt. Troxell Olin Mason, Coast Artillery Corps (temporary major), with rank from July 1, 1943.

To Ordnance Department

First Lt. John Pearson Sherden, Jr., Infantry (temporary lieutenant colonel), with rank from June 12, 1938.

To Signal Corps

Second Lt. Stanley Livingston James, Jr., Coast Artillery Corps (temporary first lieutenant), with rank from January 19, 1943.

To Cavalry

Second Lt. Thomas Quinton Donaldson 4th, Infantry (temporary captain), with rank from January 19, 1943.

To Infantry

Maj. Edwin William Chamberlain, Coast Artillery Corps (temporary colonel), with rank from June 14, 1944.

Capt. Alexander Johnston Sutherland, Coast Artillery Corps (temporary lieutenant colonel), with rank from June 11, 1941.

First Lt. Robert Willoughby Garrett, Coast Artillery Corps (temporary captain), with rank from June 11, 1944.

First Lt. John Francis Thomas Murray, Field Artillery (temporary major), with rank from June 11, 1944.

APPOINTMENTS IN THE REGULAR ARMY

To be first lieutenants, Medical Corps, with rank from date of appointment

Capt. Augustus Lynn Baker, Jr., Army of the United States.

Maj. Bruce Hardy Bennett, Army of the United States.

Capt. Alfred Sjouke Blauw, Army of the United States.

Maj. Hamilton Boyd, Jr., Army of the United States.

Capt. Daniel Hedgcoxe Cahoon, Army of the United States.

Capt. John Sidney Clapp, Army of the United States.

Capt. William Dunbar Dugan, Army of the United States.

Capt. Harold Victor Ellingson, Army of the United States.

Capt. Robert Cantrell Feamster, Army of the United States.

Capt. Charles Crosbie Flood, Army of the United States.

Maj. Emil Joseph Genetti, Army of the United States.

First Lt. Frank Edward Harrigan, Jr., Medical Corps Reserve.

Capt. Keith Duane Heuser, Army of the United States.

Capt. Robert Richard Jones, Army of the United States.

Maj. Vernon Charles Kelly, Army of the United States.

Capt. Kenneth Albert Koerner, Army of the United States.

Capt. Robert Landesman, Army of the United States.

Capt. Robert Edmund Lau, Army of the United States.

First Lt. Joseph Peter McEvoy, Medical Corps Reserve.

Capt. John Mark McIver, Army of the United States.

First Lt. Graham Burton Milburn, Medical Corps Reserve.

Capt. Todd Merriam Mulford, Army of the United States.

Capt. James Richard Paul, Army of the United States.

Lt. Col. George Shackelford Richardson, Army of the United States.

Maj. Humbert Lewis Riva, Army of the United States.

Capt. Joseph Negley Schaeffer, Army of the United States.

Capt. Edward Shaw, Army of the United States.

Maj. Fred R. Sloan, Army of the United States.

First Lt. Nathaniel Roscoe Spencer, Medical Corps Reserve.

First Lt. Robert William Thometz, Medical Corps Reserve.

Capt. Colin Francis Vorder Bruegge, Army of the United States.

Lt. Col. Joseph Edward Walther, Army of the United States.

To be second lieutenants, Pharmacy Corps, with rank from date of appointment

First Lt. Jesse Nichols Butler, Army of the United States.

Second Lt. Leonard John Cook, Infantry Reserve.

Second Lt. Paul F. Crutchlow, Army of the United States.

Capt. James Thomas Haden, Army of the United States.

First Lt. Maurice William Hylden, Army of the United States.

Capt. Kenneth Bradley Johnson, Army of the United States.

Second Lt. David Arthur Schlichting, Army of the United States.

Technician (5th Gr.) Edmund Walter Bleckinger, Army of the United States.

Sgt. Leo Joseph Collins, Army of the United States.

Technician (3d Gr.) Melvin William Crotty, Army of the United States.

Technician (5th Gr.) William Dennis, Army of the United States.

Pvt. Henry Lamar Hammond, Army of the United States.

Technician (5th Gr.) David Henry Hood, Army of the United States.

Technician (5th Gr.) Norman Richard Johnson, Army of the United States.

Pvt. (1st cl.) Bernard Kurtz, Army of the United States.

Sgt. Joseph Albert Meisner, Jr., Army of the United States.

Technician (4th Gr.) Francis Xavier Munsch, Jr., Army of the United States.

Francis Joseph DePanfilis (civilian).

Richard McDermaid (civilian).

George Henry Schneller (civilian).

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

To be colonel with rank from August 1, 1944

Lt. Col. Horace Logan McBride, Field Artillery (temporary major general).

To be lieutenant colonel with rank from September 23, 1944

Maj. Richard Sears, Field Artillery (temporary colonel).

To be first lieutenant with rank from September 5, 1944

Second Lt. Truman Holt Setliffe, Corps of Engineers (temporary major).

MEDICAL CORPS

To be colonels

Lt. Col. Walter Fleming Hamilton, Medical Corps (temporary colonel), with rank from September 3, 1944.

Lt. Col. Frank Tenny Chamberlin, Medical Corps (temporary colonel), with rank from September 6, 1944.

Lt. Col. Howard Joseph Hutter, Medical Corps (temporary colonel), with rank from September 21, 1944.

Lt. Col. Irwin Bradfield Smock, Medical Corps (temporary colonel), with rank from September 27, 1944.

To be lieutenant colonel

Maj. Prentice Lauri Moore, Medical Corps (temporary colonel), with rank from September 5, 1944.

To be major

Capt. William Darrell Willis, Medical Corps (temporary colonel), with rank from September 15, 1944.

To be captains

First Lt. Frank Louis Bauer, Medical Corps (temporary major), with rank from September 16, 1944.

First Lt. Irving Abelow, Medical Corps (temporary captain), with rank from September 20, 1944.

DENTAL CORPS

To be colonels

Lt. Col. Egbert Wesley Van Delden Cowan, Dental Corps (temporary colonel), with rank from September 3, 1944.

Lt. Col. Arthur Edmon Brown, Dental Corps (temporary colonel), with rank from September 8, 1944.

Lt. Col. Robert Clyde Craven, Dental Corps (temporary colonel), with rank from September 18, 1944.

Lt. Col. Melville Alexander Sanderson, Dental Corps (temporary colonel), with rank from September 19, 1944.

Lt. Col. Earl George Gebhardt, Dental Corps (temporary colonel), with rank from September 20, 1944.

Lt. Col. Arne Sorum, Dental Corps (temporary colonel), with rank from September 23, 1944.

To be lieutenant colonel

Maj. Marvin Edward Kennebeck, Dental Corps (temporary colonel), with rank from September 9, 1944.

CHAPLAINS

To be colonels

Chaplain (lieutenant colonel) Edmund Charles Sliney, United States Army (temporary colonel), with rank from September 10, 1944, subject to examination required by law.

Chaplain (lieutenant colonel) Walter John Donoghue, United States Army (temporary colonel), with rank from September 26, 1944.

To be major

Chaplain (Capt.) Vernon Paul Jaeger, United States Army (temporary lieutenant colonel), with rank from September 19, 1944.

To be captain

Chaplain (First Lt.) Frank Louis Grafton, United States Army (temporary captain), with rank from September 8, 1944.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

To be colonels, with rank from August 1, 1944

Lt. Col. Raymond George Moses, Corps of Engineers (temporary brigadier general).

Lt. Col. Wilhelm Delp Styer, Corps of Engineers (temporary major general).

Lt. Col. Charles Holmes Cunningham, Corps of Engineers (temporary colonel).

Lt. Col. Dwight Frederick Johns, Corps of Engineers (temporary brigadier general).

Lt. Col. Thomas Dewees Finley, Infantry (temporary major general).

Lt. Col. Elroy Sandy Jackson Irvine, Corps of Engineers (temporary colonel).

Lt. Col. Stanley Eric Reinhart, Field Artillery (temporary major general).

Lt. Col. Louis Emerson Hibbs, Field Artillery (temporary major general).

Lt. Col. Ludson Dixon Worsham, Corps of Engineers (temporary brigadier general).

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

To be colonels with rank from July 1, 1944

Lt. Col. Daniel Allman Connor, Field Artillery (temporary colonel).

Lt. Col. George Mayo, Corps of Engineers (temporary colonel).

Lt. Col. Herbert Spencer Struble, Field Artillery (temporary colonel), subject to examination required by law.

Lt. Col. Jesse Beeson Hunt, Field Artillery (temporary colonel).

Lt. Col. Stuart Clarence MacDonald, Infantry (temporary colonel), subject to examination required by law.

To be colonel with rank from July 3, 1944

Lt. Col. William Maynard Dixon, Finance Department (temporary colonel).

To be colonel with rank from July 15, 1944

Lt. Col. Orva Earl Beezley, Field Artillery (temporary colonel), subject to examination required by law.

To be lieutenant colonels with rank from August 3, 1944

Maj. John Barry Peirce, Infantry (temporary colonel).

Maj. John Kenneth Sells, Cavalry (temporary colonel).

Maj. Douglas Cameron, Cavalry (temporary lieutenant colonel).

Maj. Arthur Jennings Grimes, Infantry (temporary lieutenant colonel), subject to examination required by law.

Maj. Ernest Starkey Moon, Air Corps (temporary colonel).

To be lieutenant colonels with rank from August 4, 1944

Maj. Chester Arthur Carlsten, Infantry (temporary colonel).

Maj. Joseph Myles Williams, Cavalry (temporary lieutenant colonel).

Maj. Harold Arthur Doherty, Field Artillery (temporary colonel).

Maj. Charles Dawson McAllister, Air Corps (temporary colonel).

Maj. Vincent Joseph Tanzola, Infantry (temporary colonel).

Maj. Edward Albert Banning, Field Artillery (temporary lieutenant colonel).

Maj. Frederic deLannoy Comfort, Cavalry (temporary colonel).

Maj. Henry Laurance Ingham, Field Artillery (temporary lieutenant colonel).

Maj. Percy Earle LeStourgeon, Infantry (temporary colonel).

Maj. Caryl Rawson Hazeltine, Infantry (temporary colonel).

Maj. Michael Henry Zwicker, Quartermaster Corps (temporary colonel).

Maj. Leon Valentine Chaplin, Field Artillery (temporary colonel).

Maj. Daniel Webster Kent, Infantry (temporary colonel), subject to examination required by law.

Maj. Harry Lynch, Signal Corps (temporary lieutenant colonel).

Maj. George Marion Davis, Infantry (temporary lieutenant colonel), subject to examination required by law.

Maj. Fay Warren Lee, Field Artillery (temporary lieutenant colonel).

Maj. Melecio Manuel Santos, Philippine Scouts (temporary colonel), subject to examination required by law.

Maj. Narciso Lopez Manzano, Philippine Scouts (temporary colonel), subject to examination required by law.

Maj. Charles Emmett Cheever, Judge Advocate General's Department (temporary colonel).

Maj. Harry Meyer, Corps of Engineers (temporary colonel).

Maj. Peter Anthony Feringa, Corps of Engineers (temporary colonel), subject to examination required by law.

Maj. Edward Barber, Coast Artillery Corps (temporary brigadier general).

Maj Edward Hall Walter, Corps of Engineers (temporary colonel).

Maj. David Albert Morris, Corps of Engineers (temporary colonel).

Maj. Juan Segundo Moran, Philippine Scouts (temporary colonel), subject to examination required by law.

Maj. Richardson Selee, Corps of Engineers (temporary colonel).

Maj. Don Waters Mayhue, Air Corps (temporary colonel), subject to examination required by law.

Maj. John Harry, Coast Artillery Corps (temporary colonel).

Maj. Harold Oakes Bixby, Signal Corps (temporary colonel), subject to examination required by law.

Maj. George Randall Scithers, Field Artillery (temporary colonel).

Maj. John Henry Featherston, Coast Artillery Corps (temporary colonel).

Maj. Charles Andrews Jones, Jr., Quartermaster Corps (temporary lieutenant colonel).

Maj. Hubert Stauffer Miller, Corps of Engineers (temporary colonel).

Maj. Edward Harold Coe, Corps of Engineers (temporary colonel).

Maj. Daniel Burnett Knight, Infantry (temporary colonel).

Maj. Paul MacKeen Martin, Cavalry (temporary colonel).

Maj. Creswell Garrettson Blakeney, Field Artillery (temporary colonel).

Maj. Louis Jeter Tatom, Signal Corps (temporary colonel).

Maj. Louis Watkins Prentiss, Corps of Engineers (temporary colonel).

Maj. William Edmund Waters, Field Artillery (temporary colonel).

Maj. Joseph Kennard Bush, Infantry (temporary colonel).

Maj. Orlando Clarendon Mood, Infantry (temporary lieutenant colonel).

Maj. Bert Nathan Bryan, Finance Department (temporary colonel).

Maj. Harvie Rogers Matthews, Infantry (temporary colonel).

Maj. Louis Beman Rapp, Cavalry (temporary colonel).

Maj. Edwards Matthews Quigley, Field Artillery (temporary colonel).

Maj. James Breakenridge Clearwater, Field Artillery (temporary colonel), subject to examination required by law.

Maj. Wesley Tate Guest, Signal Corps (temporary colonel).

Maj. Duncan Philip Frisseli, Quartermaster Corps (temporary lieutenant colonel).

Maj. Henry Hammond Duval, Coast Artillery Corps (temporary lieutenant colonel).

Maj. Alfred Vepsala, Field Artillery, subject to examination required by law.

Maj. Edmund Clarence Langmead, Air Corps (temporary brigadier general).

Maj. Carroll Heiney Deitrick, Ordnance Department (temporary colonel), subject to examination required by law.

Maj. Lee W. Haney, Infantry (temporary lieutenant colonel).

Maj. David William Goodrich, Air Corps (temporary colonel).

Maj. Franklin Mitchell, Ordnance Department (temporary colonel).

Maj. Wallace Ellsworth Niles, Ordnance Department (temporary colonel).

Maj. Lewis Edward Weston Lepper, Quartermaster Corps (temporary colonel).

Maj. Edward Harris Barr, Field Artillery (temporary colonel).

Maj. James Roscoe Hamilton, Infantry (temporary colonel).

Maj. Henry Chester Jones, Infantry (temporary lieutenant colonel).

Maj. Walter Francis Jennings, Cavalry (temporary colonel).

Maj. Henry Louis Love, Field Artillery (temporary lieutenant colonel).

Maj. Cranford Coleman Bryan Warden, Infantry (temporary colonel)

Maj. William Dawes Williams, Field Artillery (temporary colonel).

Maj. William Thomas Semmes Roberts, Infantry (temporary lieutenant colonel).

Maj. McDonald Donegan Weinert, Corps of Engineers (temporary colonel)

Maj. John Walker Childs, Infantry (temporary colonel), subject to examination required by law.

Maj. Wilbert Engdahl Shallene, Field Artillery (temporary colonel).

Maj. Wilmar Weston Dewitt, Infantry (temporary colonel).

Maj. James Millikin Bevans, Air Corps (temporary major general).

Maj. Floyd Raymond Brisack, Field Artillery (temporary lieutenant colonel).

Maj. Edwa ' Joseph Walsh, Judge Advocate General's Department (temporary colonel).

Maj. Haydn Purcell Roberts, Signal Corps (temporary colonel), subject to examination required by law.

Maj. Clifford Cleophas Duell, Field Artillery (temporary colonel).

Maj. William Larwill Carr, Field Artillery (temporary lieutenant colonel).

Maj. Russell George Duff, Field Artillery (temporary colonel), subject to examination required by law.

Maj. Roy Prewett Huff, Field Artillery (temporary lieutenant colonel).

Maj. Paul Hanes Kemmer, Air Corps (temporary colonel).

MEDICAL CORPS

To be colonels

Lt. Col. Alexander Palmer Kelly, Medical Corps (temporary colonel), with rank from August 19, 1944.

Lt. Col. Francis William Gustites, Medical Corps (temporary colonel), with rank from August 31, 1944, subject to examination required by law.

To be lieutenant colonel

Maj. Leon Lloyd Gardner, Medical Corps (temporary lieutenant colonel), with rank from August 11, 1944.

To be captains

First Lt. Wright Addison Gates, Medical Corps (temporary captain), with rank from August 1, 1944.

First Lt. Michael Joseph Hitchko, Medical Corps (temporary captain), with rank from August 4, 1944.

First Lt. William Henry Merritt, Medical Corps (temporary lieutenant colonel), with rank from August 6, 1944.

DENTAL CORPS

To be colonels

Lt. Col. Clarence Walter Johnson, Dental Corps (temporary colonel), with rank from August 7, 1944.

Lt. Col. Walter Duncan Love, Dental Corps (temporary colonel), with rank from August 14, 1944.

To be majors

Capt. Howard Newton Burgin, Dental Corps (temporary lieutenant colonel), with rank from August 6, 1944.

Capt. Robert Earl Hammersberg, Dental Corps (temporary lieutenant colonel), with rank from August 6, 1944.

VETERINARY CORPS

To be colonel

Lt. Col. Gardiner Bouton Jones, Veterinary Corps, with rank from August 11, 1944.

To be lieutenant colonel

Maj. Laurence Robert Bower, Veterinary Corps (temporary lieutenant colonel), with rank from August 29, 1944, subject to examination required by law.

To be majors

Capt. Russell McNeilis, Veterinary Corps (temporary lieutenant colonel), with rank from August 3, 1944.

Capt. Richard George Yule, Veterinary Corps (temporary colonel), with rank from August 18, 1944.

PHARMACY CORPS

To be major

Capt. James Coney Bower, Pharmacy Corps (temporary lieutenant colonel), with rank from August 3, 1944.

CHAPLAINS

To be colonels

Chaplain (Lt. Col.) Benjamin Joseph Tarskey, United States Army (temporary colonel), with rank from August 8, 1944.

Chaplain (Lt. Col.) John Francis Monahan, United States Army (temporary colonel), with rank from August 8, 1944.

Chaplain (Lt. Col.) Luther Deck Miller, United States Army (temporary colonel), with rank from August 15, 1944.

Chaplain (Lt. Col.) William Donoghue Cleary, United States Army (temporary colonel), with rank from August 16, 1944.

To be captain

Chaplain (First Lt.) George Frederick Daum, United States Army (temporary major), with rank from August 27, 1944.

IN THE NAVY

Rear Admiral Clifton A. F. Sprague, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 17th day of May 1943.

Rear Admiral George R. Henderson, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 1st day of July 1943.

Rear Admiral Ralph A. Ofstie, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 17th day of July 1943.

Rear Admiral William D. Sample, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 13th day of August 1943.

Rear Admiral Walter A. Buck (S. C.) United States Navy, to be a pay director with the rank of rear admiral in the Navy, for temporary service, to rank from the 31st day of March 1943.

Commodore Albert G. Noble, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving in the Seventh Amphibious Force, to rank from the 29th day of June 1944.

Rear Admiral Frank E. Beatty, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 8th day of December 1942, in lieu of the date of rank as previously nominated and confirmed.

Commodore Cortlandt C. Baughman, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as commander of a naval base, to rank from the 17th day of September 1943.

Commodore William M. Quigley, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as deputy commander, forward areas, central Pacific, to rank from the 4th day of October 1943.

Capt. Frank J. Wille, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 13th day of May 1942.

Capt. Albert M. Penn, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 13th day of May 1942.

Capt. Carl A. Trexel (C. E. C.), United States Navy, to be a civil engineer with the rank of rear admiral in the Navy, for temporary service, to rank from the 1st day of January 1943.

Capt. Virgil E. Korns, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving in command of the amphibious bases in the United Kingdom.

Capt. Edmond J. Moran, United States Naval Reserve, to be a commodore in the Naval Reserve, for temporary service, to continue while serving as Assistant Deputy Administrator for Small Vessels, War Shipping Administration or for such other duty as may be assigned.

Capt. John L. McCrea, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 1st day of November 1942.

Capt. Oliver O. Kessing, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as an island commander, Pacific Ocean areas.

Rear Admiral Edward U. Reed (M. C.), United States Navy, to be a medical director with the rank of rear admiral in the Navy, for temporary service, to rank from the 15th day of September 1942.

Rear Admiral George C. Thomas (M. C.), United States Navy, to be a medical director with the rank of rear admiral in the Navy, for temporary service, to rank from the 15th day of September 1942.

Rear Admiral William L. Mann, Jr. (M. C.), United States Navy, to be a medical director with the rank of rear admiral in the Navy, for temporary service, to rank from the 15th day of September 1942.

Rear Admiral Joseph J. A. McMullin (M. C.), United States Navy, to be a medical director with the rank of rear admiral in the Navy, for temporary service, to rank from the 15th day of September 1942.

Rear Admiral Richard H. Laning (M. C.), United States Navy, to be a medical director with the rank of rear admiral in the Navy, for temporary service, to rank from the 15th day of September 1942.

Rear Admiral Daniel Hunt (M. C.), United States Navy, to be a medical director with the rank of rear admiral in the Navy, for temporary service, to rank from the 15th day of September 1942.

Rear Admiral Frank Baldwin (S. C.), United States Navy, to be a pay director with the rank of rear admiral in the Navy, for temporary service, to rank from the 15th day of September 1942.

Rear Admiral Everett G. Morsell (S. C.), United States Navy, to be a pay director with the rank of rear admiral in the Navy, for temporary service, to rank from the 15th day of September 1942.

Rear Admiral Arthur H. Mayo (S. C.), United States Navy, to be a pay director with the rank of rear admiral in the Navy, for temporary service, to rank from the 15th day of September 1942.

Rear Admiral John J. Gaffney (S. C.), United States Navy, to be a pay director with the rank of rear admiral in the Navy, for temporary service, to rank from the 15th day of September 1942.

Rear Admiral Malcolm G. Slarrow (S. C.), United States Navy, to be a pay director with the rank of rear admiral in the Navy, for temporary service, to rank from the 11th day of November 1942.

Rear Admiral Henry F. Bruns (C. E. C.), United States Navy, to be a civil engineer with the rank of rear admiral in the Navy, for temporary service, to rank from the 15th day of September 1942.

Rear Admiral James T. Mathews (C. E. C.), United States Navy, to be a civil engineer with the rand of rear admiral in the Navy, for temporary service, to rank from the 15th day of September 1942.

Rear Admiral John J. Manning (C. E. C.), United States Navy, to be a civil engineer with the rank of rear admiral in the Navy, for temporary service, to rank from the 15th day of September 1942.

Rear Admiral Carl H. Cotter (C. E. C.), United States Navy, to be a civil engineer with the rank of rear admiral in the Navy, for temporary service, to rank from the 1st day of January 1943.

IN THE MARINE CORPS

Col. Franklin A. Hart to be a brigadier general in the Marine Corps, for temporary service, from the 25th day of September 1942.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 18 (legislative day of August 15), 1944.

FEDERAL BOARD FOR VOCATIONAL EDUCATION

Robert J. Watt to be a member of the Federal Board for Vocational Education.

POSTMASTERS

ARKANSAS

Benjamin P. Davis, Altus.
Canda E. Smith, Lowell.

HOUSE OF REPRESENTATIVES

FRIDAY, AUGUST 18, 1944

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who art the light of all who seek Thee and the joy of all who love Thee, we pray that on each new day we may yield ourselves in glad and willing obedience to the spirit of the Master.

Grant that we may labor more zealously for the coming of that blessed time when this spirit of good will and brotherhood, which alone can integrate and unify the souls of men, shall pervade and permeate the whole world.

We pray that we may be great believers in this spirit. Thou knowest how we are tempted to feel that it is merely an illusion and that it lies beyond the sphere of practical realization. Help us in our daily lives to authenticate and bear witness to its reality. May our personal character and conduct always be in cordial and consistent agreement with our beliefs and our creed.

May there be nothing in our character and in this day's work of which we shall be ashamed when the sun has set or at the eventide of life when Thou dost call us to Thyself.

Hear us for the sake of the Christ, our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

RESIDENT COMMISSIONER, PHILIPPINE ISLANDS

The SPEAKER laid before the House the following communication from the President of the United States, transmitting a letter from the President of the Philippine Islands, which was read by the Clerk, as follows:

THE WHITE HOUSE,
Washington, August 17, 1944.

The SPEAKER,
House of Representatives.

MY DEAR MR. SPEAKER: I transmit herewith a communication from the President of the Philippines dated August 11, 1944, advising of the appointment by him, on August 10, of Col. Carlos P. Romulo as Resident Commissioner of the Philippines to the United States.

Very sincerely yours,
FRANKLIN D. ROOSEVELT.

AUGUST 11, 1944.

Hon. FRANKLIN D. ROOSEVELT,
President of the United States,
Washington, D. C.

MY DEAR MR. PRESIDENT: I have the honor to inform you that pursuant to the provisions of the act of Congress approved March 24, 1934, and of the Constitution of the Philippines, I have on August 10, 1944, appointed Col. Carlos P. Romulo, Resident Commissioner of the Philippines to the United States.

With expressions of my respect and esteem, I beg to remain

Very respectfully,
SERGIO OSMEÑA,
President of the Philippines.

EXTENSION OF REMARKS

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting an address therein. I have secured an estimate from the Public Printer and have been informed that the cost of printing will be $145.60. Notwithstanding, I ask unanimous consent that the extension may be made.

The SPEAKER. Notwithstanding, and without objection, the extension may be made.

There was no objection.

Mr. KLEIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances: In one to insert in the Appendix of the RECORD a statement of policy of Americans United for World Organization and a copy of their statement to Secretary Hull; and in the second instance to include a copy of an open letter to President Roosevelt from the editor of the Jewish Forum.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein a short poem.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a certain telegram which I received today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

INTERSTATE COMMERCE COMMISSION

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[Mr. PHILBIN addressed the House. His remarks appear in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent that at the conclusion of the legislative program of today I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

EXTENSION OF REMARKS

Mr. LECOMPTE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Daily Oklahoman.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BEALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a poem by Mr. P. J. Grimes.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. SUNDSTROM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address entitled "Why I Am an American," by one of my constituents, Mr. George J. Chryssikos.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial which appeared in the Buffalo Evening News.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances, one to include an interview had by Senator Austin, and two, to include an editorial from the Brattleboro Reformer.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a short editorial from the Freeport Times.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to extend in the RECORD a reprint of some of my remarks heretofore made in the House.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FISHER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include an editorial from the Brownwood (Tex.) Bulletin.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MCCORMACK] may extend his remarks in the Appendix of the RECORD and include therein an editorial from the Boston Globe entitled "In 1964."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SERVICEMEN'S READJUSTMENT ACT OF 1944

Mr. JARMAN. Mr. Speaker, from the Committee on Printing I report back

favorably without amendment (Rept. No. 1775) a privileged resolution (H. Con. Res. 94), authorizing the printing of additional copies of Public Law No. 346, entitled "Servicemen's Readjustment Act of 1944"; and ask for its immediate consideration.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed 55,000 additional copies of Public Law No. 346, current session, entitled "Servicemen's Readjustment Act of 1944", of which 45,000 copies shall be for the use of the House document room and 10,000 copies shall be for the use of the Senate document room.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AIR POLICY COMMISSION

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RANDOLPH. Mr. Speaker, in company with Senator MURRAY, I am presenting this afternoon to the Congress of the United States, for its proper consideration, legislation which would have as its purpose the establishment of an air-policy commission for the United States.

We feel that in the development of aviation, both from a national defense and from a civil standpoint, that the President or the executive branch of this Nation should not proceed without the advice and the assistance of the Congress of the United States.

If such a commission is created there would be two Members appointed from the Senate, one from the majority and one from the minority party, and the same ratio would hold true in the House. Public members representing industry, science, and labor would be selected. The chairman would be appointed by the President of the United States. Reports and recommendations would be prepared for Congress as well as for the Chief Executive. I urge the Members to study the proposal so they will have an opportunity to carefully consider the development of all phases of air power and civil aviation for the benefit of our Nation and for international cooperation and security.

EXTENSION OF REMARKS

(By unanimous consent, Mr. WEISS, Mr. FOGARTY, and Mr. SHORT were granted permission to extend their own remarks in the RECORD.)

THE SMEAR BUND'S ATTEMPT TO DESTROY GEN. GEORGE S. PATTON

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and to include therein the record of Maj. Gen. George S. Patton, as it appears in Who's Who in America.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, we note with pride that Maj. Gen. George S. Patton, whom the "smear bund" of Washington tried to destroy a few months ago, is now leading our victorious armies on to Paris.

If the time has come when these smearmongers, including Drew Pearson, Walter Winchell, PM, the political committee of the C. I. O., and that ilk, can, in the midst of a great war, destroy or embarrass a great soldier like General Patton, who is worshiped by the soldiers under him; if the time has come when this "smear bund" can intimidate or destroy Members of Congress, including Members of the United States Senate; if the time has come when this "smear bund" can, through such a volume as Nine Old Men, embarrass and discredit distinguished members of the Supreme Court of the United States as it existed 10 years ago—then I say it is time the American people woke up and cleaned them out.

This smear campaign against General Patton was not only indefensible, but it probably cost the lives of many brave American soldiers.

In order that everyone who reads this RECORD may know something of the life history of this great American, I am inserting his brief biography as it appears in Who's Who in America.

It reads as follows:

[From Who's Who in America of 1942–43]

Gen. George S. Patton, Jr., Army officer; born San Gabriel, Calif., November 11, 1885; son of George Smith and Ruth (Wilson) P.; student, Classical School for Boys, Pasadena, Calif., 1897–1903; Virginia Military Institute, 1903–4; B. S., United States Military Academy, 1909; graduate, Cavalry School, 1913; graduate, advanced equitation class, Cavalry School, 1914; honor graduate, Command and General Staff School, 1923; graduate, War College, 1932; married Beatrice Ayer, May 26, 1910; children—Beatrice (wife of Capt. John K. Waters, U. S. Army), Ruth-Ellen (wife of Capt. James W. Totten, U. S. Army), George IV. Began as second lieutenant, Fifteenth Cavalry, United States Army, 1909, and advanced through the grades to major general, 1941; instructor in weapons, Cavalry School, 1914–16; aide-de-camp to General Pershing, Mexico, 1916–17; sailed to England as same, May 1917; first man detailed in Tank Corps, United States Army, November 1917; organized and commanded tank school and First (later Three Hundred and Fourth) Brigade, 1917–19; wounded, September 1918; commanded Three Hundred and Fourth Tank Brigade, Camp Meade, Md., 1919–21; commanded First Squadron, Third Cavalry, Fort Myer, Va., 1921–22; on General Staff, 1923–27; in Office of Chief of Cavalry, 1928–31; executive officer, Third Cavalry, 1932–35; on General Staff, 1935–37; commanded Ninth Cavalry, 1938, Fifth Cavalry, 1938, Third Cavalry, 1938–40, Second Armored Brigade, July–November 1940; commanding Second Armored Division, Fort Benning, Ga., since November 1940. Decorated with Distinguished Service Cross, Distinguished Service Medal, Silver Star, Purple Heart, Congressional Medal of Honor for Life Saving (2d class), Mexican Service Medal, World War Medal with four battle clasps. Clubs: Army and Navy, Capital Yacht (Washington, D. C.); Eastern Yacht (Marblehead, Mass.); Manchester (Mass.) Yacht; Cruising of America (N. Y.). Address: War Department, Washington, D. C.

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

Mr. MANASCO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5125, with Mr. THOMASON in the chair.

The Clerk read the title of the bill.

Mr. MANASCO. Mr. Chairman, I ask unanimous consent that on page 27, line 5, there be inserted after the word "board" the words "and sales and distribution advisory committees."

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MANASCO. And I ask unanimous consent that in line 6, after "SEC. 4." there be inserted "(a)."

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MANASCO. And I ask unanimous consent that the Patman amendment inserted after line 21, be amended by striking out the heading thereof and by striking out in the first line of the text "SEC. 5 (a)" and inserting in lieu thereof "(b)."

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CHURCH. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows: Amendment offered by Mr. CHURCH:

On page 28, line 9, after the word "within" strike out the word "thirty" and insert the word "ten."

Mr. CHURCH. Mr. Chairman, I understand that the amendment is agreeable to the chairman of the committee.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

DECLARATION OF SURPLUS PROPERTY

SEC. 6. (a) Each owning agency shall have the duty and responsibility continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities. If, in the course of the performance of his duties under this act, the Administrator has reason to believe that any owning agency has property which is surplus to its needs and responsibilities which it has not reported as such, the Administrator shall promptly report that fact to the Senate and the House of Representatives.

(b) Each owning agency shall promptly report to the appropriate disposal agency all surplus property in its control which the owning agency does not dispose of under section 7.

DISPOSITION BY OWNING AGENCY

SEC. 7. (a) Subject only to the regulations of the Administrator with respect to price policies, any owning agency may dispose of any property for the purpose of war production or authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for the purpose of war production.

(b) Subject to subsection (c) of this section, any owning agency may dispose of—

(1) any property which is damaged or worn beyond economical repair;

(2) any waste, salvage, scrap, or other similar items;

(3) any product of industrial, research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by such agency;

(4) any contractor inventory in its control; and

(5) any class or type of surplus property in its control designated by the Administrator.

(c) Whenever he deems such action necessary to effectuate the objectives and policies of this act, the Administrator, by regulations, shall restrict the authority of any owning agency to dispose of any class of surplus property under subsection (b) of this section.

DISPOSAL AGENCIES

SEC. 8. (a) The Administrator, by regulations, shall designate one or more Government agencies to act as disposal agencies under this act and shall prescribe the class or classes of surplus property to be disposed of by each such agency: *Provided, however,* That the United States Maritime Commission shall be the sole disposal agency for merchant vessels or vessels capable of conversion to merchant use, and that such vessels shall be disposed of in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels.

(b) When any surplus property is reported to it under subsection (b) of section 6, the disposal agency shall have responsibility and authority for the disposition of such property, and for the care and handling of such property pending its disposition. Where the disposal agency is not prepared, at the time of its designation under this act, to undertake the care and handling of such surplus property, the Administrator may postpone the responsibility of the agency to assume its duty for care and handling for such period as he deems necessary to permit its preparation therefor.

(c) The Administrator, by regulations, shall prescribe policies, standards, methods, and procedures to govern the exercise by any disposal agency of its authority under subsection (b) of this section.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to return to section 7, for the purpose of offering an amendment to section 7.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Indiana.

The Clerk read as follows:

Amendment offered by Mr. HALLECK: Section 7, line 8, page 29, following the word "Section", insert the following "and in accordance with the policies governing the disposition of surpluses contained in section 11 of this act."

Mr. HALLECK. Mr. Chairman, in support of this amendment I would like to point out that section 7 provides generally for the disposition of surplus goods by a so-called owning agency. As I understand the situation as it has been carried forward to this time, much of the surplus goods has been disposed of by the owning agencies. That is, agencies such as the Army or the Navy or the Procurement Division of the Treasury Department.

As I have read section 7, it is obvious that authority may be granted under subsection (b), of section 7, to owning agencies to dispose of various classes of property.

The first one or two divisions have principally to do with worn-out property, waste, and salvage, and so forth. The part that particularly disturbs me has to do with that property provided for in subsections 4 and 5—5 particularly—where these words are included:

Any class or type of surplus property under its control designated by the Administrator.

I further understand that as of this date there has been considerable criticism and complaint of certain of the methods followed by the owning agencies in disposing of surplus property.

In section 11, to which my amendment refers, the Congress of the United States, if this bill is adopted, lays down certain specific policies governing disposition that shall control in the sale of this surplus property. They are those having to do with the use of commercial channels and things of that sort. To my mind it is one of the most important provisions of the bill.

It is the expression of the congressional intent as to policies that shall be followed to see to it that the best and most efficient distribution of this surplus property is made. If you look at subsection (b) of section 7, you will see that it is provided that the owning agency may dispose of property in its control under this section subject to the provisions of subsection (c). If you read subsection (c) as I read it—and I think I can understand it—there is no requirement that the provisions of section 11 expressing legislative intent shall be followed by the owning agency. There is language which refers to the right of the Administrator by regulation to restrict the authority of the owning agency to dispose of the property. As I construe the words "restricting the authority," and so forth, all the Administrator could do under that language would be to say to the owning agency: "You may not dispose of the property." Beyond that the discretion is left in the Administrator as to what he shall say in respect to this legislation.

The point I am making and the thing I am seeking to do by this amendment is to say to the owning agencies when they, under this act, begin to dispose of surplus property: "You, too, shall be bound and governed by the legislative intent expressed by the Congress in section 11." That is all this amendment does. In other words, if the Administrator says to the Army, or the Navy, or Procurement, or any other agency having surplus property that they may dispose of that property, the owning agency then following the statute that will be enacted by the Congress says: "Yes, we will do that, but we understand we are to be bound by the provisions of section 11 which have to do with the preferences and policies to be followed in the disposition of the property."

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. COLMER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman and Members of the Committee, if you understood fully what the gentleman from Indiana was driving at, as I think I understand it, he would have the classes of property enumerated in these five paragraphs on page 29 subject to the provisions of section 11. When the bill was prepared it was prepared with the very object in mind of placing the articles in these subparagraphs out of the provisions of section 11. Why was that done? Because section 11 provides that surplus property shall be handled according to certain policies which could not feasibly and practicably apply to the articles enumerated in section 7. Let us see where we are; take paragraph 3 for instance:

Any product of the industrial research, agricultural, or livestock operations of any public works construction or maintenance project carried on by such agency.

Included in that paragraph, if you please, are the products of T. V. A. I am sure my friend does not want to say that the products of T. V. A. shall be disposed of in such manner as that.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield.

Mr. HALLECK. First of all, I do not consider that the surplus power of T. V. A. is included, but I should like to call the gentleman's attention to the fact that in the opening part of section 11 the committee included these words:

In formulating regulations to govern the care and handling and disposition of surplus property under this act the Administrator * * * shall give effect to the following policies to the extent feasible and in the public interest.

Personally, I believe that is a pretty big wide door through which one may drive to avoid the policy stated in section 11; but as long as those words stay in there, and I do not for myself propose to strike them out, then it is clear to me that if there is any property provided for in subsection (b) of section 7 to which those policies as applied would not be feasible or in the public interest, the Administrator would not be required to follow them.

Mr. COLMER. I merely mentioned that as one example to show that the gentleman does not really comprehend—and I say that with all due deference to my very warm friend—I am afraid he has not had an opportunity to follow this thing out to see just how far-reaching his amendment is.

Did my friend know that his amendment would include rum brought in from the Virgin Islands?

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield.

Mr. MANASCO. It would also include garbage, would it not?

Mr. COLMER. Yes.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COLMER. The gentleman has had his time; I hope he will let me have mine.

What is the reason this provision is in here—No. 4:

Any contractor inventory in its control.

Why was that put in there?

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. COLMER. Just a minute. When we passed the Contract Termination Act we provided that all of this Government property in the Willow Run plant, the Chrysler plant, or any other plant should be removed within 30 days.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. COLMER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. COLMER. Just one second; let me develop that thought if I may—we provided under the law that that property had to be removed within 30 days. Millions on top of millions worth of Government property, some of that property owned jointly by the contractor and the Government, is involved. If you adopt the amendment offered by the gentleman from Indiana you might just as well get ready to build enormous warehouses or to rent every available foot of space in warehouses now existing to store the material, because they cannot dispose of it in 30 days or any reasonable time if they have to follow all of the policies set out in section 11.

Mr. Chairman, I now yield to my friend from Kentucky.

Mr. MAY. Will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Kentucky.

Mr. MAY. Will the gentleman explain to me section 7, page 29, which reads:

Subject only to the regulations of the Administrator with respect—

And so forth. Taking that in connection with the phraseology in section 10 on page 31, reading:

Wherever any Government agency is authorized to dispose of property under this act—

Now, these are the significant words—

notwithstanding the provisions of any other law but subject to the provisions of this act.

Does that not repeal every provision of law that we have in regard to the disposition of property, including real estate, and make it subject only to the regulations prescribed by this Administrator?

Mr. COLMER. If I understand the gentleman's inquiry correctly, I think it does. But let me hasten on.

Mr. HALLECK. Will the gentleman yield to me?

Mr. COLMER. I yield to the gentleman.

Mr. HALLECK. Why, the gentleman from Kentucky points to the words in section 10, "subject to the provisions of this act," but, as the act is written the owning agency could dispose of the property provided for in these subparagraphs of section 7 without regard to the policy expressed in section 11.

Mr. COLMER. I do not think there is any question but what he can dispose of it under the bill as written without the provisions of section 10, the policies the gentleman has reference to, but the point I am making is that you cannot administer this law expeditiously or in the interest of the common weal if you adopt the amendment offered by the gentleman from Indiana, and I do not think the gentleman from Indiana really wants it to be adopted if he understands the full implication of his amendment.

Mr. PLOESER. Will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Missouri.

Mr. PLOESER. I am amazed at the gentleman's statement because, as I understand that argument I am wondering if it is really the gentleman from Indiana who does not comprehend. If what the gentleman says is what he wants and is true, we might as well eliminate section 11.

Mr. COLMER. I do not think the bill could be administered in the interest of the country with the amendment that the gentleman offers. It would tie the hands of the administrator, it would defeat the purposes and objectives of the bill, and I hope that the gentleman from Indiana will confer with those who have prepared this bill and with the legislative representatives of the House and see if what I have said is not true.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAY. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I have not had an opportunity, of course, to give close and careful study to this legislation, but I want to go on record here today as saying there is too much apprehension in the Congress and in the country on the question of the disposition of surplus war property and I desire to direct my remarks particularly to the fact that the Government of the United States today owns nearly 21,000,000 acres of land in this country. I understand that about two-thirds of that has been acquired during the emergency in the enlargement of airfields, posts, military reservations, and so forth.

The Military Affairs Committee of the House for years and years, even for a century, has never permitted the War Department to dispose of real estate without first coming to the Congress and getting permission to do so. That Department has not been permitted to dispose of even a fraction of an acre without telling the Military Affairs Committee and through that committee the House of Representatives the reason for disposition of it.

Here we propose to set up in a piece of legislation unlimited and arbitrary authority in a director to dispose of all of that property without regard to the Congress and mark my words when I make that statement. It is a vital mistake unless there is some limitation put upon the power of this director to dispose of land that is not perishable, that is not subject to waste, as, for instance, this great pipe line that the Government built, known as the Big Inch from the West to the East. They can sell that as real estate without coming to the Congress with reference to it. However, unless there is some modification of this bill I shall vote against it however much I regret to do so.

I think the committee has done what it has been shown was needed to be done by those downtown who administer it. I think it is time the Congress open its eyes and take note of what is going on.

Mr. VORYS of Ohio. Will the gentleman yield?

Mr. MAY. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. The gentleman from Mississippi objects to having the 10 policies, which are merely setting forth 10 platitudes outlined in section 11 apply to, for instance, land which the War Department as an owning agency would sell.

Mr. MAY. Yes.

Mr. VORYS of Ohio. Does the gentleman see any reason why those same policies should not apply to material or property that the War Department should sell, if they are going to apply to other property?

Mr. MAY. Well, there are some instances where the War Department may be handling perishable property or where there is an accumulation of a vast amount in warehouses and in stocks wherein the situation would be different. The thing I am objecting to here is the phraseology in this legislation, which states in section 7 to begin with: "subject only to the regulation of the Administrator." Section 10 then provides immediately a repeal of every other statute that the Congress has ever enacted on the subject in connection with the safeguarding of the property of the Government.

Mr. COLMER. Will the gentleman yield?

Mr. MAY. I yield to the gentleman from Mississippi.

Mr. COLMER. Of course, the gentleman appreciates that before the Administrator can sell an acre of land it would first have to be declared surplus by the agency.

Mr. MAY. Why, certainly, it would have to be declared surplus, but who is going to say when it will be declared surplus or when it will not? The men in the War and Navy Departments will determine that.

Mr. COLMER. The War Department and the Navy Department declare when it is surplus.

Mr. MAY. Yes; and when they declare it to be surplus, it should be subject to the jurisdiction of the Congress.

Mr. COLMER. The gentleman does not mean that the Congress would undertake to sell it?

Mr. MAY. Yes. We have done that for years, and we should continue to do it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PLOESER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I have listened with interest to the debate carried on between my distinguished colleague from Indiana

and my distinguished friend from Mississippi, in which the principal difference seems to be that the gentleman from Mississippi thought there was a lack of comprehension on the part of the gentleman from Indiana. May I observe, though, that the lack of comprehension probably flows along the line of the argument of the gentleman from Mississippi. The same rule or policy which should apply to the surplus-property Administrator should likewise apply to any other agency of the Government which has surplus property, whether or not it is the owning agency. If the gentleman's argument holds true, then he should be for the elimination of section 11 in its entirety. I am in favor of the very worth-while amendment pending now before the Committee introduced by the gentleman from Indiana [Mr. HALLECK]. Adoption of this amendment would make the same policy apply to the surplus of the Army and the Navy or any other branch or department.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield to the gentleman from Indiana.

Mr. HALLECK. I would just like to say a few things further about this. The gentleman from Mississippi, for whom I hold the highest regard, suggested that I confer with the members of the committee and the drafting service. The gentleman knows that I conferred with them yesterday, and I handed them a copy of this amendment. We discussed this matter. I still insist that my position is sound. There has been no answer to the suggestion I made here that insofar as section 11 is concerned, it provides that the policies shall be followed only when feasible and in the public interest.

I would like to point out also that while they talk about T. V. A. power and waste and garbage and a few other things, they have not yet given any satisfactory explanation of why they would include under subparagraph (5) any class or type of surplus property designated by the administrator, which could be as broad as all of the property owned by all of the agencies. Hence, the overwhelming part of the goods could be sold by the owning agencies without regard to the congressional mandate written into section 11. I would like to have somebody answer that.

Mr. PLOESER. Mr. Chairman, I hope the House will overwhelmingly support, as a matter of definition of policy, the gentleman from Indiana's amendment. I, for one, do not think the amendment is strong enough. I will support it, but I would welcome a much stronger amendment.

Mr. HALLECK. If the gentleman will yield further, particular reference was made to contractor inventory. Suppose there are 10,000 trucks that come under that heading. Shall those trucks be sold in compliance with the provisions of section 11, so far as feasible and in the public interest, or shall they be sold wholly and completely outside of the congressional policy as expressed in section 11? That is the question that we are right up against, and I do not think it does any good to talk about garbage or rum from the Virgin Islands. I do not know whether there is a surplus of rum or not. There may be. I do not know, but that argument certainly is nothing but a red herring across the trail. I have felt that some of these agencies would like to dispose of surplus goods to suit themselves. I have said from the beginning that the Congress should set the policy, and that is what we are trying to do, to the extent feasible and in the public interest. There is no logical reason that I can see why an owning agency should not be governed by the same congressional policies as any other disposal agency.

Mr. ALLEN of Louisiana. Mr. Chairman, may we have the amendment reported again?

The Clerk again read the amendment.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. PLOESER. I object.

Mr. WHITTINGTON. I do not care for the floor, Mr. Chairman, if any other Member desires to speak.

Mr. PLOESER. If no one desires to speak, I withdraw my objection.

Mr. WHITTINGTON. Then, Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. PLOESER. Reserving the right to object, Mr. Chairman, the only purpose of my objection was to give every Member an opportunity to be heard.

The CHAIRMAN. Does the gentleman desire recognition?

Mr. WHITTINGTON. I do, Mr. Chairman, but I made the usual request to give the Committee the opportunity to close debate.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, it is well to keep in mind the provisions of this bill. Section 7 has no reference whatever to the disposition of property by the Administrator under the terms of this act, but only to the disposition of property by the owning agency. If we further keep in mind that section 11 applies to the policies that govern the Administrator in the disposal of surplus property, I believe that it will simplify the problem.

Section 7 (a) has to do only with property disposed of by the owning agency for war production. That is the language. It also has to do with inventory property for war production. The Government cannot dispose of the inventory of a contractor if title is in him. That is his property. But it has to be disposed of by the owning agency for war production with prices fixed by the Administrator.

The amendment of the gentleman from Indiana provides in line 8 that the owning agency must dispose of the classes of property mentioned from (1) to (5)—and I repeat his language—"in accordance with the policies governing the disposal of surplus property by the Administrator." Those policies are not applicable to the disposal of the property mentioned in this section by the owning agency.

I call attention to the fact that if the gentleman's amendment is adopted, it would restrict the owning agencies in disposing of properties without value, salvage, or properties that are generated under the function of the agencies like T. V. A. in a very much greater degree than the policies governing the disposal of property by the Administrator.

I read from section 11:

> And shall give effect to the following policies to the extent feasible.

In other words, there is a limitation upon the disposal of surplus property by the Administrator. The gentleman's amendment contemplates that the policies absolutely shall govern. His language is "in accordance with the policies," and not "in accordance with the policies to the extent feasible."

Subsection (b) provides that any owning agency may dispose of under (1) property that is damaged beyond repair, in other words, a chair that has been broken or destroyed; under (2) garbage. Is it necessary under subsection (2) if the amendment prevails to give a governmental agency or a charitable institution, as provided by section 11, the privilege of acquiring garbage? The gentleman from Mississippi [Mr. COLMER] was right. Under section 11 we would have to give the veterans an opportunity to buy T. V. A. power before we can sell it to anybody else. Subsection (4) reads: "Any contractor inventory in its control."

That inventory is the property of the Government, but the contractor can no longer use the same. The gentleman's criticisms are directed to (5), covering, and I quote: "Any class or type of surplus property in its control designated by the Administrator." If there is any class except property that is of no value like a broken chair, like garbage, like fertilizer generated by Government plants, under (1), (2), (3), and (4), then subsection (5) contemplates that it may be designated by the Administrator.

The gentleman submitted his amendment to the drafting service and they very carefully considered it. If his amendment is adopted with respect to subsections 1 and 4 as to the disposal of property, it would really prevent the disposal of that property, because section 11 applies to the Administrator and this section applies to the agency, and would require T. V. A. for instance, to sell to veterans before selling power to any other person.

I suggest to the gentleman that if he wants to qualify subsection 5—and the matter has been submitted to the legal advisers, to the legal staff this amendment was suggested, and so far as I am concerned it would be agreeable on page 27, line 19, in lieu of the gentleman's amendment to provide "but dispositions under this paragraph or subsection shall be subject to the regulations applicable to the disposal agency."

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. In other words, Mr. Chairman, it strikes me now that if we keep in mind that section 7 (a) is to dispose of properties for war production and that subsection (b) is for the disposal by the agencies rather than the Administrator, I believe it will simplify matters.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman will note that I did not make the provisions of section 11 applicable to the provisions of subsection (a), because that is property which I assume under the language is to be devoted to further war production.

Mr. WHITTINGTON. That is right; I understand that.

Mr. HALLECK. Let me make this further suggestion to the gentleman because I do not believe he has answered a single one of the contentions I have made. In the first place, the Administrator does not sell this property.

Mr. WHITTINGTON. I so stated.

Mr. HALLECK. I did not so understand.

Mr. WHITTINGTON. I stated the section provides for disposal by the owning agency.

Mr. HALLECK. I thought the gentleman referred to the Administrator's selling the property.

Mr. WHITTINGTON. So that there may be no misunderstanding, I repeat that the disposal of this property in section 7 under the gentleman's amendment is property which is disposed of by the owning agency, not by the Administrator.

Mr. HALLECK. Beyond that, as far as the property under subparagraphs 1 to 4 is concerned, I can conceive of there being certain circumstances under which the sale of certain parts of that property might not be feasible under some of the provisions of section 11, but I again insist that my amendment refers to section 11 specifically, and the words as to "feasible, and in the public interest" are contained therein.

Mr. WHITTINGTON. I do not pretend to be as good a lawyer as the gentleman, but section 11 prescribes that the Administrator in disposing of surplus property shall dispose of it according to the policies to the extent feasible. The gentleman undertakes to embrace in his amendment only the policy, and thereby restricts it.

Mr. HALLECK. Of course, I do not so read it. I dislike very much to find myself in disagreement with the gentleman, but I contend that my interpretation is the correct one. Be that as it may, with subsection 5 in here—and the gentleman has indicated that certain amendments in respect to that subsection might be agreeable to him—to my mind, that is clear evidence that the provisions of section 11 should apply to the owning agencies as far as they are feasible and in the public interest, and certainly insofar as the property referred to in subsection 5 is concerned because, as I said before, that is all inclusive. It will include all of the surplus property.

Mr. WHITTINGTON. As I understood the gentleman, he at least expressed doubt about his amendment being proper with respect to subsections 1 to 4. In an effort to meet the gentleman half way, I suggested that inasmuch as he was of that opinion, personally I thought that subsection 5 was to be construed generally with respect to the powers of the Administrator under the act. But to clarify the matter and to meet the views of the gentleman with respect to the criticism of subsection 5, I suggested that his amendment either be voted down or be clarified as proposed by language submitted to us, which I proposed.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Georgia.

Mr. COX. Would not the fears the gentleman has in mind be dissipated, and the objective the gentleman from Indiana is driving at be realized, if he would amend the amendment which he proposes by adding the words "to the extent feasible"?

Mr. WHITTINGTON. I would say no. It might be improved, but frankly you would make the disposal of garbage and the products generated by the T. V. A. difficult if not impossible. You must make it first available to Government departments under section 11, and State and charitable institutions if the amendment is adopted. For that reason, I think section 11 is wholly inapplicable, certainly to the first four paragraphs of section 7 (b).

Mr. HOBBS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I ask the distinguished gentleman who has just left the floor this question? I understood him to indicate that he thinks contractor inventories are the property of the contractor and not of the Government.

Mr. WHITTINGTON. It says "contractor" here. If that were his property I think the title to it would be in him, and he would have something to say about the disposal of it. The only limitation here is the fixing of price if it is to be sold for war production.

Mr. HOBBS. That is a big "if." The gentleman says: "If that were his property." In many cases that is not so. In a great many cases there is a specific provision in the contractor's contract that the title vests in the Government from the moment the property reaches the reservation, and it is not the property of the contractor. If I recall correctly, this feature of such contracts was one of the admitted points in the so-called Alabama cases in the Supreme Court. I am afraid the gentleman is mistaken in his premise regarding title to such goods.

Mr. WHITTINGTON. Then I would say that it can only be disposed of under prices. I was following the language of the general counsel, the legal department, language which was furnished me in the matter.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The question was taken; and on a division (demanded by Mr. MANASCO) there were—ayes 57, noes 48.

Mr. MANASCO. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HALLECK and Mr. MANASCO.

The Committee again divided and the tellers reported that there were—yeas 96, nays 67.

So the amendment was agreed to.

The CHAIRMAN. Section 8 has already been read. Are there any amendments to be offered to section 8?

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: On page 30, line 25, add a new subsection as follows:

"(d) The Administrator shall provide for the disposal of all surplus property in the smallest practicable lots consistent with customary commercial practice and so long as opportunity exists for the disposal of property to prospective purchasers of smaller lots thereof preference shall be given to such purchasers over prospective purchasers of larger amounts."

Mr. WHITTINGTON. Mr. Chairman, with all deference to the gentleman from California, if he will yield to me for just a moment, I reserve a point of order against the amendment, but I would suggest to the gentleman for whatever the suggestion be worth that this amendment would more properly come under the policies for governing the disposition. This has to do with disposal agencies here and the policies come under section 11. I would not want to insist on the point of order, Mr. Chairman, but the amendment ought not to be offered at this place, as I see it, but ought to be offered under section 11.

Mr. VOORHIS of California. I will say to the gentleman from Mississippi, I debated that question in my own mind and was unable to determine where was the best place to put this amendment. It seemed to me this is certainly a policy that the Administrator should require the disposal agencies to follow.

Mr. WHITTINGTON. For that reason it should come under the policies section, as I see it, instead of under the section dealing with disposal agencies.

Mr. VOORHIS of California. Subsection (c) of section 8 says:

That the Administrator, by regulations, shall prescribe policies, standards, methods, and procedures to govern the exercise by any disposal agency of its authority under subsection (b) of this section.

Mr. WHITTINGTON. Mr. Chairman, if that be the contention of the gentleman, I withdraw the reservation of the point of order.

Mr. VOORHIS of California. Mr. Chairman, if this amendment is adopted the purport of it will be that the Administrator will be required by the Congress to prescribe for each disposal agency that it follow the policy outlined

in the amendment. The first thing I want to say is a word or two about Congress and bureaucrats, and the courts. We hear a great deal in the Congress about bureaucrats exceeding their authority. We hear a great deal in the Congress of complaint about the fact that things are done which Congress did not intend. Then we try to devise some remedy for such situations. I want to say that the real remedy for such situations is more careful legislation on the part of the Congress itself, for the Congress itself to say precisely what it means and to say it in unmistakable terms when it first passes the legislation. That is what my amendment is supposed to do. The committee does provide in the policy section language which indicates that we want the Administrator "when feasible and in the public interest" to dispose of property in smaller quantities. My amendment says that the Administrator shall provide for the disposal of all surplus property—and mark these words carefully—"in the smallest practicable lots consistent with customary commercial practice." Do not let anybody get up and say this is going to be impractical to administer because it will not be. It says "in the smallest practicable lots consistent with customary commercial practice." Then it says "and so long as opportunity exists for the disposal of property to protect the purchasers of smaller lots thereof preference shall be given to such purchasers over prospective purchasers of larger amounts." In other words you cannot sell several thousand articles of a certain sort to one fellow who may contemplate making a speculative profit on them as long as you have a lot of other people who want to buy small quantities of that article. You cannot sell a vast quantity of housing that may have been constructed to one junking company. You have to sell them individually as long as there are people in that community who could make use of them.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. MAY. Does not the gentleman think his amendment would be considerably improved if he would provide in it also that the sales be made to these three million small business concerns throughout the country which have been put out of business and those who are just hanging on?

Mr. VOORHIS of California. In fact, I will say to the gentleman that this amendment, in my judgment, is the one amendment that small business wants more than it wants any other amendment that could be put in this bill. It is the very key to the opportunity of small business concerns to participate equitably in the disposal of this surplus property.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. JENNINGS. It seems to me the gentleman is advancing a very salutary proposition here, and it just occurs to me that no one who is opposed to profiteering by certain people who want to buy these vast quantities of materials and then turn around and profiteer on them at the expense of all the other people of the country could object to the amendment. I think the gentleman has offered a very fine amendment.

Mr. VOORHIS of California. I thank the gentleman.

A little later on in the bill I propose to offer another amendment which will also make mandatory upon the Administrator the publication or complete public notice before sale of any given surplus property is undertaken. And my colleague the gentleman from California [Mr. IZAC] will offer an amendment to provide for the fixing by the Administrator of allowable mark-up margins on surplus property which may be resold. These three amendments taken together, Mr. Chairman, will be the minimum safeguards you could have in this whole program.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. VORYS of Ohio. Would the gentleman's amendment require the Government to open up retail stores? That is the only thing which perplexes me.

Mr. VOORHIS of California. No; of course not.

Mr. VORYS of Ohio. Because, "customary commercial lots" might be one pair of shoes.

Mr. VOORHIS of California. "Customary commercial practice." Everybody knows that this is a wholesale proposition that the Government has to undertake.

I want to say one thing more. When I proposed this proposition, the Committee on Post-war Policy Planning, included a phrase in its report—not in the bill, but in the report—recommending that something of this sort be in the bill.

Mr. WICKERSHAM. I wish to say that I agree with the gentleman.

Mr. VOORHIS of California. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MANASCO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I just want to read the amendment:

> The Administrator shall provide for the disposal of all surplus property in the smallest practicable lots consistent with customary commercial practices, and so long as opportunity exists for the disposal of property to prospective purchasers in smaller lots thereof, preference shall be given to such purchasers over prospective purchasers of larger amounts.

If I interpret that correctly, it means that the Administrator, if it is customary to sell one block of chewing gum, one tube of toothpaste, one suit of underwear, one pair of shoes, is bound under this amendment, because it is mandatory, to offer in small lots——

Mr. VOORHIS of California. Well, will the gentleman yield?

Mr. MANASCO. Yes; I yield.

Mr. VOORHIS of California. Does the gentleman honestly think it is customary for any agent who might have thousands upon thousands of boxes of chewing gum in its possession to sell them one package at a time?

Mr. MANASCO. I never bought over one block at a time in my life. I think it is customary.

Mr. MASON. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. MASON. The difference between the gentleman from Alabama and the gentleman from California, who offered the amendment, is in the interpretation of the phrase "customary commercial practice." We are talking from the standpoint of these owning agents who will dispose of this thing wholesale, in the customary procedure. The gentleman from Alabama is speaking from the standpoint of a retailer who disposes of his property under the retailer's customary procedure. The two things are altogether different. I think the gentleman from California, from the standpoint of legislation and from the standpoint of Government departments that own these things, is perfectly proper and right and fully protected.

Mr. MANASCO. If I understand the proposal suggested by the Small Business Committee of the House and the smaller business committees from all over the United States, they want this surplus property to go through the regular trade channels. That means that the local wholesaler will purchase it and distribute it through the local retailers. But if I interpret this amendment correctly, that means the local retail merchant has a right to purchase, or a consumer has the right to purchase.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. WHITTINGTON. Would not that amendment be mandatory and require them to hold it until these small purchasers could dispose of it?

Mr. MANASCO. It would delay the disposal.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. VOORHIS of California. It says that so long as there is opportunity to sell in smaller quantities.

Mr. MANASCO. Well, that opportunity might last for 100 years.

Mr. VOORHIS of California. He puts the property up for bids. He declares this property is surplus. He gives public notice that it is ready for sale. As long as he has offers to purchase in small lots he is precluded from selling in big lots. As soon as the small offers cease, he can get rid of it in large quantities.

Mr. MANASCO. If the gentleman will read section E, on page 33, that can be done under the provisions of this bill now.

Mr. VOORHIS of California. I understand it can be done. It is permissive, and the committee has stated it was in accordance with its desire. What I am trying to do is to say that it shall be done that way.

Mr. MANASCO. Of course, if the Congress decides that we must sell this property ourselves—that each Member of Congress shall have charge of the sales, and if we must cover every commodity by

some act, then we will never have any orderly disposal of this material.

Mr. HARNESS of Indiana. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. HARNESS of Indiana. Under section 11, it provides in this bill that veterans shall have certain preferences, if they want to come back here and go into business and get some of this property.

Mr. MANASCO. That is correct.

Mr. HARNESS of Indiana. Unless you adopt this amendment how can a veteran with limited capital bid against big buyers, who will buy these goods in carload lots? How can a veteran be protected in his right to buy small quantities of this property if this amendment is not adopted?

Mr. MANASCO. I think under the terms of the bill, as written, the veteran will have just as much right as Sears, Roebuck or Montgomery Ward or anybody else. He will have just as much opportunity.

Mr. COCHRAN. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. COCHRAN. If the gentleman will read paragraph F, it says "to foster wide distribution of surplus commodities to consumers at fair prices."

Then paragraph G says "to effect broad, equitable distribution of surplus property." What more can you do?

Mr. VOORHIS of California. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. VOORHIS of California. The only thing more we can do is to adopt my amendment. I am trying to help out the committee.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I commented yesterday a great deal on the words "defining policies." I am highly amused as well as seriously interested in some of the amendments that are being offered. It proves that this problem of disposal is a very difficult one.

Under section 7, owning agents of property for "war production" means what? Does it mean those owning agents that have potatoes on hand as surplus was for "war production"? Does it mean only those portions of goods that were manufactured or produced for war consumption? I suppose so. But carefully consider these policies expressed in the bill. I like the amendment offered by the gentleman from California [Mr. VOORHIS]. The Committee on Small Business has studied these particular problems and are insistent on mandatory amendments. I sympathize with them; but shall we pass actual mandatory legislation with the word "shall" to tie the hands of the Administrator? An injunction might be brought against sales. The title to all sorts of sales might be jeopardized if we have mandatory sections claimed to have been violated.

The gentleman from California is not satisfied with section C, which defines policies by which the Administrator shall be guided. I am a little afraid of that recital of policy, lest injunction be issued because of a claim that he did not follow out such policy. After all, you must give extraordinary authority to the Administrator in order to dispose of this vast amount of surplus. If we try to look after every individual in the country, many could come in and say, "I did not get proper notice. It was not properly advertised."

For one, I am trying to be satisfied with the stated policies that we desire the Administrator to follow as far as he may do the job successfully. As I have said before in another address, he cannot possibly carry out all the policies enumerated. If he adopts one he may violate a policy of contrary instruction. While I sympathize with the gentleman from California [Mr. VOORHIS], as I always do—he is so terribly sincere—he has something here that demands that all the usual commercial methods shall be adopted. I ask the gentleman could anyone bring an injunction against that sale because he thought the usual methods had not been followed?

Mr. VOORHIS of California. In the first place I appreciate the gentleman's sympathy, but I do not particularly need it.

Mr. GIFFORD. And you have my admiration also.

Mr. VOORHIS of California. And the second place, I say I think this policy so fundamental that every Member of the House already has his mind made up that he wants this policy to be followed. I believe under the language of the amendment it is an entirely administerable proposition, for it says the smallest practicable quantities in accordance with customary commercial practices. It would obviously be up to the Administrator to determine how that applied to each individual type of property. I suppose that if showing could be made that the Administrator had deliberately failed to sell in a small quantity when he had an opportunity to do so, and had deliberately sold a huge quantity of the same thing, then an injunction could be brought. I suppose it could be.

Mr. MASON. And it should be.

Mr. GIFFORD. If deliberately—that word "deliberately" is most important and proves difficult to prove. I want to repeat that as far as I am concerned I must be content with the expressions of policy with the hope they will be followed as reasonably as possible. When we begin to put in too definite instructions that this shall be done and that shall be done then you may jeopardize the whole plan. Too many opportunities would have been provided to bring injunctions or prevent sales.

Mr. JENNINGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe we all recognize the necessity for the enactment of this measure. I have reluctantly come to the conclusion that I shall vote for it, but let us not lose sight of the fact that it is in the nature of a carte blanche brand of authority. We have pulled the bridle off and we base this vast delegation of authority on faith, which is defined, I believe, by the brethren down in my part of the country as the substance of things hoped for and the evidence of things not seen. Here is a practical provision that is advanced by my friend from California who is not only sincere but in this instance he is essentially and fundamentally sound. The courts in the interpretation of a statute interpret it in the light of the objective to be attained and also in the light of what is said in the debate with respect to the measure.

It is perfectly plain that this amendment would not require the Administrator named under this act to peddle to somebody a nickel's worth of chewing gum. To advance that sort of argument is to stick in the bark and render your position untenable and ridiculous.

The thing I worry about and that all of us worry about is this: Is it to be possible, will it come to pass, that certain men who control great sums of money can go to this Administrator or to various agencies of the Government that have in their charge and keeping these vast stores of merchandise that ought to go into the regular channels of trade and into the hands of men and women engaged in business throughout the country or who desire to engage in business and who have been operating under their own power, can these men who control vast sums of money, get in on the ground floor and buy these goods and then sell their purchases at an immense profit to the little businessman? Or will we make certain that the little businessmen get some chance to buy some of this property? Or are certain profiteers, men who control millions, to buy it at a song by going to somebody with an office in a hole in the wall, whose name is not upon the door and who does not have a listed telephone but who can go up some back stairs and through the exercise of an unholy influence control the absolute disposal of this property at such price as they wish and thus enable their employers, these profiteers, to reap where they have not sown and profiteer upon the American people?

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. MAY. And that very same individual who gets it in the first place will divide it up into small lots.

Mr. JENNINGS. Yes; ultimately, of course, he will to his great profit and to the hurt of all the people of this country.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. HARNESS of Indiana. Unless this amendment is adopted how can subsection (e) of section 11 be followed out? This is what subsection (e) provides:

> To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors.

Mr. JENNINGS. Let me anticipate the gentleman's question. It cannot be carried out; in other words we are now legislating. Let us put our will and our mandate into this law in language that is not susceptible of misinterpretation or misconstruction. Let us make it mandatory. Somebody is going to act; why should not we? I might cherish the hope, which would, in all probability,

turn out to be a fond delusion, that this director or some one of his deputies would carry out the objectives sought to be attained by this amendment; but how do I know they will? This director cannot himself do all these things; he is going to name a great lot of fellows who will constitute an entire governmental bureau. I want to put a bridle on them; I want to put a check rein on them; I want Congress to hold the lines; I want us to say in indubitable language just what we mean. And we are doing it for the little fellow, the returned soldier, the merchant out at the crossroads in the country, the dealer in these various articles in the small towns. Let us take care of them. They are the people who are to pay the bill ultimately. We are going to lose a lot of money on this property. Let us take care of the fathers and mothers who are bearing the burden, who are paying the taxes, who are furnishing the boys to fight and win this war.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. JENNINGS. I yield.

Mr. CRAWFORD. I am today informed by the Treasury that they are offering for sale 100,000 cotton mattresses; that is a small cot-size cotton mattress. These are being offered at different prices to strictly whosesalers to be wholesaled to retailers who have 1 store, to retailers who have more than 1 store, at prices ranging from $3.85 up to about $4.25 or $4.50, to be shipped in minimum carloads lots of 600 mattresses to a car. Would the gentleman from Tennessee or the gentleman from California, for the benefit of the House, apply as best he can this particular amendment to that type of operation? Because that brings it down to a transaction that is taking place today.

Mr. JENNINGS. Just let the amendment be followed and let everybody have a chance at buying these mattresses. Oh, you can always multiply difficulties and get lost in a maze of figures, but let us keep our feet on the ground and bear in mind the objectives to be attained. Let us see to it that the little fellow has a chance.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. VOORHIS of California. I believe this amendment would apply in a case like that. They would have to sell those mattresses to local merchants rather than to the mail-order houses; that is all.

Mr. JENNINGS. The gentleman is absolutely right about it. Let us break the number down and sell them in small lots. It will hurt the big fellow to do that but it will help the little fellow. And he is the backbone, the salvation of this country. And this amendment that gives him a chance to buy these goods gives him a chance to survive and benefits all the people.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. HOLIFIELD. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. HOLIFIELD. Mr. Chairman, I have listened very closely to the discussion of this matter and I believe I can speak with some knowledge of the subject because of my own personal experience of 25 years in merchandising.

The gentleman's amendment refers to practical commercial quantities or trade lots in which merchandise is usually sold. Anyone who has had merchandising experience knows that merchandise is described like this: If you buy shoes you buy them by the case; if you buy oil or paint you buy it by the barrel or the gallon; if you buy certain types of steel you buy it by the carload. In other words, there are recognized commercial quantities in which merchants all over the United States buy their products.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. VORYS of Ohio. From the gentleman's vast experience would he answer the question I directed to the author of the amendment? Is there any possibility of this amendment being construed as requiring the Government to make retail sales to individuals?

Mr. HOLIFIELD. I do not think so, because the whole tone of this bill is that the Government shall dispose to wholesalers and they to retail stores. I think that has been stated several times.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. HOBBS. I wish to ask if there will be any possibility of a farmer's buying a needed truck?

Mr. HOLIFIELD. I think they would be able to, but I think they would have to go to the local dealer. If this provision is not written into the bill some big dealer can step in and buy a thousand of those trucks where your little dealer in the small community will not be able to buy ten and he will have none to sell to the farmer.

Mr. HOBBS. He could not buy it nor could the individual farmer.

Mr. HOLIFIELD. I think that is very true.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. MANASCO. I am wondering whether this amendment would have an effect on the title to land. We have a lot of land that is to be sold under the provisions of this bill. Suppose that 3 years after a parcel of land has been sold a man sues on the ground that it was not sold in the smallest practical lot.

Mr. HOLIFIELD. I am not an attorney, but I believe it is generally understood that the Government cannot be sued without its consent.

Mr. MANASCO. Somebody might sue on the question of title.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. MASON. Land is not sold in commercial quantities, and is not affected by what we are considering now.

Mr. HOLIFIELD. Members of this Congress have repeatedly expressed their desire not to create monopolies but to make this bill work to the advantage of the small independent businessman.

Twenty-five years ago in my home town the largest part or bulk of the wholesale and retail business was done by independent merchants. Today that business is being done in large part by units of large corporations and monopolies that exist in the retail field.

If you want to actually do something, here is the chance to do it. I had a very similar amendment which I was going to ask to be inserted on page 33, line 15, in the policy section, and if this mandatory provision is voted down I hope to have the opportunity to offer my amendment later on.

Before my time is exhausted, I wish to say something to the gentleman from Michigan who brought up this mattress deal. I investigated that mattress deal myself. They are selling those mattresses in carload lots, unlimited in quantity, at $3.80 apiece to wholesalers. One wholesaler can buy a hundred thousand mattresses, as far as that is concerned and as far as the present policy is concerned. I am not saying they are doing that, but they can do it. They also can sell, in up to 6,000 units to mail-order houses, such as Sears, Roebuck and Montgomery Ward. The smallest a buyer can buy is 600 mattresses. Think of the little independent merchant in your district running furniture stores and utility stores of different kinds. He has to buy 600 mattresses in order to get one, or he can go to the wholesaler who may have up to 100,000 mattresses and pay an increased price. That is their present policy, and that is what they are doing today in the Surplus Disposal Division.

We have to set general policies, yes; but there are some places where we can put some things in that we want to put in, and not leave it completely up to one administrator. We have to do this in order to protect the little merchants in your district and in mine.

What do I have in mind or what do I mean by "little merchants"? I will tell you exactly what the Baruch-Hancock report called them. They said, "Small business is the broad background of enterprises scattered throughout the country, which rely on the initiative and resourcefulness of their individual proprietors." That is what I mean by "small business." I would feel a little safer about small business in relation to this danger of surplus property disposal if the hands of these stronger competitive firms were restricted in connection with the obtaining of this merchandise in mass purchases.

Mr. WICKERSHAM. Will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. Is it not a fact that under the present regulations the big wholesaler can buy those mattresses at a much lower price than the smaller merchants?

Mr. HOLIFIELD. He buys them at $3.80 if he buys them in carload lots and the smaller buyer, the retail buyer, may buy them at $4.25 in lots of 600.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MURDOCK. Mr. Chairman, I offer a perfecting amendment to the Voorhis amendment.

The Clerk read as follows:

Amendment offered by Mr. MURDOCK: After the word "with" in the Voorhis amendment insert "the usual and."

Mr. MURDOCK. Mr. Chairman, the amendment I have offered here is a perfecting amendment. I am in full accord with the spirit of the amendment of the gentleman from California [Mr. VOORHIS] and for that reason I am offering the insertion of these three words, "the usual and," in order to make the language signify what the author undoubtedly intends. I am not a lawyer and the gentleman from California is not a lawyer, but on consultation with the best legal minds in this Chamber, on both sides of the aisle, I am told that the addition of these three words will couch the amendment in the proper legal phraseology.

This amendment, if adopted and carried out according to the intent of Congress, will do more toward the proper disposal of this vast supply of property in fairness to the small businessman and in the public interest than any other amendment I can think of. I trust that the amendment will be adopted after being amended.

Mr. VOORHIS of California. Mr. Chairman, I will be glad to accept that amendment. I am advised that that language is customarily used in legal terminology in connection with matters of this kind, and I am perfectly willing to accept the gentleman's amendment.

The CHAIRMAN. The question is on the adoption of the corrective amendment offered by the gentleman from Arizona [Mr. MURDOCK] to the amendment offered by the gentleman from California [Mr. VOORHIS].

The amendment to the amendment was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I oppose the amendment, and I move to strike out the last word.

Mr. Chairman, the pending amendment is a mandatory amendment and with the consent of the Committee I am going to read it at this time:

The Administrator shall provide for the disposal of all surplus property in the smallest practicable lots consistent with customary commercial practices and so long as opportunity exists for the disposal of property to prospective purchasers of small lots thereof preference shall be given to such purchasers over prospective purchasers of larger amounts.

What is the smallest practicable lot? Who would be the judge? What is the commercial customary practice? Who will be the judge of that? How long are you going to give them?

Mr. Chairman, this is mandatory. Sales might be held up. We are dealing with fifty or sixty billion dollars worth of property. If you are going to handle it in individual units, there will be multiplied retail stores. The Government will be in business for years to come.

The objectives are provided for in this bill. The bill provides—and I read from the objectives:

To afford smaller business concerns, farmers, and agricultural enterprises generally, an opportunity to acquire surplus property on equal terms with larger competitors.

Again it provides for the utilization—and I quote:

Of commercial channels of distribution to the extent consistent with efficient and economic distribution and to discourage disposition to speculators.

If I want to buy a Ford truck, I have to buy it through the Ford dealer in my community. I submit that unless we absolutely mean to disrupt our economy we have to use existing channels and agencies. You must vest in this Administrator a broad discretion. If an amendment like this, with its mandatory restrictive provisions, is inserted, the objectives will be defeated, when in our objectives we have provided for wide distribution.

We have provided for small business, we have provided against monopoly, we have provided for the utilization of the commercial channels of distribution to the extent consistent with efficient and economical distribution and to discourage disposition to speculators. A man may speculate with a dollar as well as with a million dollars. If we adopt this amendment and this restrictive language, we absolutely tie the hand of the Administrator in the accomplishment of the objectives and the policies of the bill now under consideration. We went into this matter carefully. We provided as best we could for equality of terms for the large and the small buyer, not for the establishment of retail stores, although we did not prohibit that. If the large operators will not agree to an equitable distribution of this property, we give the Administrator discretion to force a distribution which will be in accord with the proper economy of the country.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from California.

Mr. VOORHIS of California. I would like to answer the question that has been asked.

Mr. WHITTINGTON. What is the gentleman's question?

Mr. VOORHIS of California. The gentleman asked who was going to determine what was practicable and who was going to determine what was customary practice. Obviously the Administrator will have to determine those questions.

Mr. WHITTINGTON. And obviously I answered that. That is a fair statement on the gentleman's part. However, the Administrator has no discretion until that discretion is conferred upon him. In the gentleman's amendment there is not a word about discretion. With all due deference, the word "discretion" and the word "shall" are contradictory and the purpose of this bill is to vest him with discretion. But when you use a mandatory provision, the difference between "discretion" and "mandatory" is the difference between this bill as the committee has reported it and the gentleman's amendment which makes it absolutely impossible to administer and absolutely impossible to dispose of fifteen or fifty billion dollars worth of property unless you do it in small units. You tie the hands of the administrator so that it will not be done properly,

The CHAIRMAN. The time of the gentleman has expired.

Mr. MASON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I do this simply to correct the English of the gentleman from Mississippi. He made the statement several times that "We have provided in the objectives and in the phrases in the bill for doing this, that, or the other things." We have done no such thing.

The gentleman's amendment would provide for that. All we have done in stating those objectives in the language of the bill is to say it may be done or we may do it, but we certainly have not provided for doing it unless the amendment offered by the gentleman from California [Mr. VOORHIS] is adopted.

Mr. REED of New York. Will the gentleman yield?

Mr. MASON. I yield to the gentleman from New York.

Mr. REED of New York. The objectives as set forth in the bill are nothing more than the old whereases that we usually strike out of a bill.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from California [Mr. VOORHIS] as amended.

The amendment was agreed to.

The Clerk read as follows:

TRANSFERS BETWEEN AGENCIES

SEC. 9. (a) The Administrator shall establish procedures to facilitate the transfer to each Government agency for the performance of its functions, of surplus property of other Government agencies. Each Government agency shall make the fullest practicable use of surplus property in order to avoid unnecessary commercial purchases.

(b) The disposal agency responsible for any such property shall transfer it to the agency requiring it at the fair value of the property as fixed by the disposal agency, under regulations of the Administrator, unless transfer without reimbursement or transfer of funds is otherwise authorized by law.

Mr. POAGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE: Page 31, after line 13, insert a new subsection, as follows:

"(c) (1) Each owning agency is authorized, empowered, and directed to transfer to the Secretary of Agriculture, without reimbursement, deposit, or transfer of funds, for use as provided in paragraph (3) of this subsection, any surplus property in its control which may be requisitioned by him as provided in paragraph (2) of this subsection.

"(2) The requisition by the Secretary of Agriculture shall be made to the owning agency by filing with it a certificate that the surplus property to be requisitioned is needed and useful in carrying out erosion control or soil or water conservation works or related public purposes, and will be used for the promotion of soil, water, or other conservation programs authorized by either Federal or State laws.

"(3) Surplus property transferred to the Secretary of Agriculture under paragraph (1) of this subsection shall remain the property of the United States, but may be loaned, with or without compensation, to soil conservation, water conservation, flood control, drainage, irrigation, or grazing districts or authorities, or to other public bodies, to be devoted to one or more of the uses specified in paragraph (2) of this subsection. Such

loans shall be made in accordance with such standards, conditions, rules, and regulations as may be prescribed by the Secretary of Agriculture, after considering recommendations by the Soil Conservation Service.

"(4) When the Secretary of Agriculture determines that property so transferred to him is not needed for disposition under paragraph (3) of this subsection, he shall report it to the appropriate disposal agency for disposition in accordance with the provisions of this act."

Mr. POAGE. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. CASE. Does the gentleman have any objection to inserting the word "forestry" along with "soil or water"?

Mr. POAGE. I have no objection to doing that, except I doubt whether you can do it in the way the amendment is written. I have no objection to making some of this equipment available for the Forestry Service, but I do not believe that it can be done under this amendment as drawn.

Mr. CASE. I do not see why not.

Mr. POAGE. Simply from a drafting standpoint, as I see it, it cannot very well be done. I would gladly take care of the Forestry Service as well as other agencies, but I think it will have to be done separately.

Mr. CASE. The Forestry Service is in the Department of Agriculture.

Mr. POAGE. But it is not in the Soil Conservation Service. While I am in hearty accord with the gentleman's view that we should provide for the Forestry Service, and will support an amendment if he will offer it, I do not think that you can tie everything onto this amendment and make any of it workable.

Mr. CASE. I think it would strengthen the gentleman's amendment considerably by taking care of the Forestry Service as well as taking care of soil and water.

Mr. POAGE. I would be delighted to have the support of the Members interested particularly in forestry, because I am very much interested in it and will be glad to support it. I have, however, worked on this matter, not for days but for a full year. I introduced a bill last February making this equipment available for soil conservation, but I have not yet found how you can combine the needs of soil conservation with the needs of other agencies in one measure. If the gentleman has an amendment to let the Forestry Service use some surplus equipment I will be glad to consider it, and feel sure that I would support it, as I believe that we should use all of these Government-owned surpluses that we need for public purposes. But as a practical thing, we are faced with something we must do if we are to keep faith with the American farmer today. I am not attempting to write all of the legislation on surplus property in this amendment. I am attempting to do but one thing, and that is to make usable for soil conservation a great mass of equipment that is now in the hands of the Government. We are not attempting to rewrite the whole legislation; in fact, we have carefully written this amendment so that it will not conflict with the policy the committee has adopted and is here advocating no matter how much some of us might disagree with that policy. We have written the amendment in keeping with that policy. We are not giving away property to anybody. We are leaving this property in the hands of the United States Government. We are keeping it as the property of the United States Government. If you will note the last paragraph of this amendment, it provides that the moment we cease to use any property for this purpose, that it shall again be surplus and be subject to disposition under the terms of this bill. We are not taking anything and giving it away, as someone has suggested. We are simply saying that the Government today owns a tremendous stock of unneeded dirt-moving equipment for which there is no commercial market but which is needed now by our soil conservation districts. I believe that your constituents, the people back home who are tilling the soil, would be appreciative of some very serious consideration of this amendment. I believe that they would want you to try to work out some practical method of putting this equipment to work. I do not want somebody to vote against this amendment and say, "I voted against it because you are giving away a lot of property."

This amendment does not give away any of the property of the Government. It specifically provides that this property that is usable for soil conservation—and there is a lot of it—shall be transferred to the Department of Agriculture only when the Secretary certifies that he has need for it to carry out conservation work; that so long as the Secretary can put it to useful employment in soil conservation work, so long will it remain in the hands of the Department and when it ceases to be so used it reverts to the general pot of surplus property, there to be disposed of under the general terms of this bill. There is no gift of property under this amendment.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Indiana.

Mr. HALLECK. I call the gentleman's attention to subsection (b) of section 11, which states the policies. That section would seem to provide for the taking care of governmental operations. May I ask this further question? Would not the amendment that the gentleman is here offering completely circumvent the appropriating authority of the Congress, and that under his amendment the Secretary of Agriculture would be permitted to take as much of this property as he might requisition, even though he asked for the money, for the appropriation, to acquire it, and the Congress might refuse the appropriation?

Mr. POAGE. The amendment simply implements the section referred to. Subsection (b) of section 9 simply expresses a pious hope, a wish, perhaps, that there may be a use for this property by an agency that can use it, but there is no provision in this bill as it now stands that provides that the property shall be placed in the hands of an agency that will use it. The amendment that I have offered does not circumvent anything, but does directly what this Congress has said we wanted done after we have told the people of America that we believe in soil conservation. This amendment directly uses the property that the United States Government has; uses it for a purpose that has been approved by this Congress; uses it for a purpose that is in the public good. If we do not want to use this equipment, if we are unwilling to direct that this equipment be used, then I believe we ought to tell our constituents frankly that we are not in favor of soil conservation. Personally I am in favor of soil conservation. I believe we must conserve our soil if we are to endure as a nation. I know that our conservation districts must have machinery if they are to do a successful job of conservation. I know the Government owns the needed machinery. I know there is no real commercial market for this machinery. I know that the Government would derive no appreciable revenue from the sale of this equipment, but I also know that this Nation would reap rich returns if this same equipment were put to work in the soil-conservation districts of the Nation. I want this Congress to do, and do now, what we all say should be done at some time and in some way.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. No; I cannot yield again just now. The gentleman asked me a question, and I want to answer it. If the gentleman will let me answer it, I will be happy to do so.

The amendment does not circumvent anything. It goes at it directly. If there are Members of this House who believe in using what we have for a public purpose rather than laying it up in storage lots, then you will vote for this amendment. But if you would prefer to freeze this property into storage depots to be placed all over this country, where you will have thousands of valuable machines placed under lock and key and behind wire fences, where your constituents and mine will ride by them day by day and say, "Oh, see those draglines, see those bulldozers, see those scrapers that we need so desperately to carry on our program down on our soil-conservation district, but the Government will not let us use them and will not let anybody else use them," if you prefer such a dog-in-the-manger policy, then you vote against this amendment, because there is not a chance in the world that the Government can sell this property for 5 cents on the dollar if you keep the provisions of this bill as they are now written, because there is no market for this kind of equipment.

Some of you who continue to refuse to face the facts will go home and tell your people that you supported soil conservation, but I want you to get this fact in mind clearly, because you know it

is a fact and I know it is a fact—you cannot sell this equipment. Be practical about it, and do not give us some theory about how you are going to sell second shoes. What we are talking about is dirt-moving machinery and equipment, and nobody is going to buy it except contractors.

You know and I know that the contractors of America have more dirt-moving equipment on hand today than they have ever had in their history, and they cannot and will not buy this kind of equipment for the next 10 years. You know and I know that if you say that this material is to be sold it simply means that you are either going to turn this valuable property over to a group of speculators for a few cents on the dollar, a thing no one wants to do, or you are going to put it up in depots there to remain for the next 5 or 10 years, until it has become obsolete, doing no one any good. If you do this you will have denied to this Nation the opportunity to develop the greatest soil-conserving program any nation ever had an opportunity to engage in.

Just this morning I talked to the Department of Agriculture, and they told me that if they could use this equipment, simply put it to use, they could make the present soil-conservation program 10 times as effective as it is today, without any increase in staff. We have the plans drawn to improve farms all over this Nation, but we do not have the equipment with which to do it. Yet you propose here to freeze this equipment so that neither the Government, the taxpayers, the farmers, nor anybody else will get any use out of it. You prefer to set it up and say that because perhaps, maybe, somebody in the future would like to manufacture some similar machinery and sell it at an exorbitant price, you prefer to freeze it rather than let it be put to a useful purpose.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. LUTHER A. JOHNSON. Mr. Chairman, I ask unanimous consent that the gentleman from Texas be permitted to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. On my return to Washington I observed from the train at McAlester, Okla., a large number of these scrapers that had been used in constructing a plant up there. They were not in a warehouse, they were out in the weather. That was machinery that could well be used for the purpose for which the gentleman's amendment is intended. I think that, this being public property, and the gentleman's amendment providing that it is to be used by Government agencies, no one should object to this amendment. It strikes me as being very effective.

Mr. POAGE. The only reason they object to it is that they want somebody to manufacture new equipment and sell it at exorbitant prices to the farmers of the Nation.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from New York.

Mr. REED of New York. Would not the gentleman prefer to have this equipment, which is good for soil conservation, used here rather than in the development of cotton in Brazil?

Mr. POAGE. Absolutely; but the bill as written will let it be given to foreigners as relief but will not let it be used at home even to repair the loss that our land has sustained during the war.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Texas.

Mr. FISHER. Is it not true that the House Committee on Agriculture has considered this proposition?

Mr. POAGE. The House Committee on Agriculture reported a bill to give this equipment to these soil-conservation districts, but in order to comply with the wishes of this committee and in order to stay within the policy enunciated by this committee, this amendment does not give anything to anybody but keeps it the property of the United States Government. The minute it ceases to be used it reverts back to this surplus-property pool.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Arizona.

Mr. MURDOCK. I am in agreement with the gentleman's amendment, but I wish it had been broad enough to include furnishing equipment to the Bureau of Reclamation.

Mr. POAGE. I would be glad to do that, but I cannot do it all in one amendment. The amendment does include irrigation.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent to proceed for the same period of time used by the author of the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Chairman, this amendment strikes at the very heart of the bill. It defeats paragraph (h) of the objectives:

> To realize the highest obtainable return for the Government consistent with the maintenance and encouragement of a healthy competitive economy.

This amendment is in effect an unlimited appropriation for the Department of Agriculture. It is a violation of the spirit at least, of the rules of this House. This bill provides that any Government agency can secure by transfer property declared surplus up to the point of the appropriation Congress has voted it to purchase such property. If you want to accomplish this objective, why not be fair? You say a bill has been reported by the Committee on Agriculture authorizing an appropriation. All right; let it go to the Committee on Appropriations.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. Just a moment.

Mr. POAGE. The gentleman stated what I said, but I did not say that.

Mr. COCHRAN. Mr. Chairman, as I have stated before, this surplus property is about the only asset the Government of the United States has. Almost everything else it has is liability. What we want to do by this bill and what the objective is is to raise some money through the sale of this surplus property, which was purchased with the taxpayers' money or which was purchased with the money that we raised through the sale of bonds, and to apply that money to reduce those liabilities. Only when the time comes that we can reduce our liabilities will the time come when we can reduce our taxes.

You adopt this amendment, and, I tell you, it will be only a starter. Others are going to follow. They will want you to give property away to the schools, to the State charitable institutions, and to the States and the subdivisions thereof. We have provided in this bill that up to their legitimate needs this surplus property can be purchased, and they will have priority in buying it.

This is a very, very dangerous amendment. Do you want your Government to realize some money out of this surplus property? The gentleman says you are not going to give it away, you are going to give it to the Department of Agriculture to parcel out right down the line to the various organizations in the counties of this country. When you are going to take care of all the counties in the country, you can imagine the cost to the Government of the surplus property which under this amendment can be taken by the Secretary of Agriculture without putting one dime in the Treasury of the United States.

The Secretary of Agriculture advocated this before the committee in a general statement and advocated the expansion of this department. I questioned him about his statement and his objective and told him that Members of this House were trying to reduce the normal expenditures rather than increase them.

The Secretary of Agriculture seeks to expand his activities by this amendment. Of course he is for it. The gentleman says he called him this morning. He was for it when he appeared before the committee. It is a very, very serious proposition which is presented to the Congress here and let no one say differently. The gentleman from New York [Mr. TABER] has arisen on this floor time and again and made points of order against amendments and legislation which in fact were appropriations. I looked this amendment over. I realize the way it is worded. It is not subject to a point of order because it provides for the taking over of property. But as I said before in effect it is an unlimited appropriation for the Department of Agriculture, added to the tremendous amounts that we have already given them.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from New York.

Mr. TABER. Is this amendment not an abdication on the part of Congress of all of its powers to bureaucrats?

Mr. COCHRAN. Absolutely, without a shadow of doubt. In this amendment we do away with our control of the purse. Now let anybody try to assail that statement.

Mr. TABER. And on top of that he is turning the property over without any control whatever and without any evidence being presented to Congress of the need.

Mr. COCHRAN. That is also true.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Indiana.

Mr. HALLECK. May I say I favor soil conservation. I voted for soil conservation and supported the appropriations for it. I am still for soil conservation but I am not for an amendment which in this manner would take away from this Congress its control over appropriations because if the Secretary of Agriculture can requisition millions of dollars worth of this property it is as though he takes the money out of the Treasury. That is the responsibility of the Congress. It is up to us to determine what part of this property shall be used for soil conservation by making the necessary appropriations to acquire the property.

Mr. COCHRAN. The argument of the gentleman is sound.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Illinois.

Mr. CHURCH. Our committee added to the board the name of the Secretary of Agriculture. And he was made a part of the advisory board by our committee.

Mr. COCHRAN. Yes; the advisory board that was reported by the committee.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. MORRISON of North Carolina. If this amendment is voted down and the bill passes and this property is frozen as the gentleman who offered the amendment suggested, what would be the case if we pass the bill; would that prohibit the Committee on Appropriations for the Department of Agriculture in the regular and orderly way when they consider the next bill from providing for the disposition of this property?

Mr. COCHRAN It would not. That would come through the Committee on Appropriations?

Mr. MORRISON of North Carolina. Yes.

Mr. COCHRAN. Without any legislation, in my opinion, they can give the Department of Agriculture, if they want to, $100,000,000 to buy additional supplies and it could be used to buy these supplies.

Mr. MORRISON of North Carolina. If this is adopted by the House?

Mr. COCHRAN. Then they could get it without an appropriation.

Mr. MORRISON of North Carolina. The defeat of this amendment would not prohibit that orderly procedure?

Mr. COCHRAN. No, sir. They could go to the Appropriations Committee.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. DONDERO. I was interested in the gentleman's statement that part of the national debt was incurred in the purchase of this surplus property. Would the gentleman be willing that the money received from the sale of surplus property be covered into the Treasury to reduce the national debt?

Mr. COCHRAN. The money will be covered into the Treasury. I am not going to say how it could be used, but when it is covered into the Treasury then only the Congress of the United States can tell the Treasury how to use it. We are going to owe, on the basis of the present debt, not less than $6,000,000,000 a year interest. So if we will get some money for the surplus property and put it in the Treasury, when we vote to pay the interest on the national debt annually we can use this money to pay that debt and you can also use it to pay the adjusted-compensation bonus that you are going to vote those in the armed forces and you can use it for the expenses under the so-called G. I. bill. We need money. Here is an opportunity to get it. Our former colleague the gentleman from Pennsylvania, Mr. Rich, used to say, "Where are you going to get the money?" Well, here is the answer right here. Stick to the provisions of this bill. Refuse to give this property away. Make those who secure it pay for it. Pay the money into the Treasury of the United States and then you will be doing something for your country. You will be doing something for those poor farmers whom you talk about who are also taxpayers of the United States. Be careful about this amendment, gentlemen. It is a serious proposition. You can destroy the bill by this amendment.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. MORRISON of North Carolina. Will the gentleman tell me why it is not just as important to make property appropriations in the regular and orderly way as money appropriations are made?

Mr. COCHRAN. In spirit it violates the rule but in language it does not. I just said that a minute ago, and if it violated the rule, of course I would have made a point of order against it, but a point of order will not lie against it.

Mr. MORRISON of North Carolina. I think such indirect appropriations are more objectionable when we are dealing with property than if we were dealing with money.

Mr. COCHRAN. The Congress of the United States should be condemned more for passing an amendment of this kind than it should be for delegating its power. I sincerely hope every member of this committee will think twice before they vote for this amendment, which, as I said, will defeat the objectives of the bill.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am in opposition to the amendment. I have an amendment at the desk to strike out in section 9 (a) the words "each Government agency shall make the fullest practicable use of surplus property in order to avoid unnecessary commercial purchases." I thought this was a bill to relieve the Government of the United States from the holding of surplus property, particularly relating to war goods. If this amendment passes and the words which my amendment would strike are left in the bill the way will be open for the Agriculture Department to take over certain surplus goods, even land, hold it and use it as it may see fit.

I can find nothing in the bill to prevent the Department of Agriculture from doing this. I do not know exactly what the equipment is which the Department of Agriculture could acquire under this amendment. The gentleman from Texas said that there is quite a bit of equipment that it could acquire. We have been protesting a great deal against bureaucracy. Of all the measures that have come before Congress to create bureaucracy since I have been a Member of this body, this amendment, in my opinion, is one of the first and most important.

I believe the amendment offered by the gentleman from Texas should be voted down. What is needed with respect to the Department of Agriculture is to clip its wings. The Department of Agriculture, as it is being run today, is destroying agriculture in America. It is not the help to farming that is proclaimed by some. If this amendment is adopted it will only build up further an already overstuffed bureaucracy.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. COOLEY. Will the gentleman point out to the Committee in what manner the Department of Agriculture is destroying American agriculture at the present time?

Mr. SMITH of Ohio. Yes; because it is a part of the general Federal bureaucracy that knows no limit whatsoever to the acquisition of political power.

Mr. COOLEY. The gentleman has made a general indictment of the Department of Agriculture—the entire Department. According to the gentleman's views, apparently he believes we would be better off if we were to abolish it?

Mr. SMITH of Ohio. Unless the Department of Agriculture is reduced to its proper size and shorn of its abnormal powers, it will become a menace to the farming community.

Mr. COOLEY. The farmers of America do not agree with the gentleman.

Mr. SMITH of Ohio. I am not so sure about that.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. MAHON. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, the gentleman who just addressed the committee, the gentleman from Ohio [Mr. SMITH], said that

under the amendment offered by the gentleman from Texas [Mr. POAGE], the Administrator could transfer to the Department of Agriculture certain lands which are in the possession of the Government.

Mr. SMITH of Ohio. Will the gentleman yield for a correction?

Mr. MAHON. Yes; I yield.

Mr. SMITH of Ohio. I did not say under the amendment offered by the gentleman from Texas. I said that under the language of this measure, and I read the words which referred to that specifically, in lines 5 to 7, beginning with the word "each" in line 5. I said that my amendment would strike out that language.

Mr. MAHON. I thank the gentleman and I now understand the gentleman's statement. In other words, I am sure the gentleman would freely admit that in the amendment offered by the gentleman from Texas [Mr. POAGE] only the property which would be useful in combating soil erosion could be transferred. That would apply to dirt-moving equipment which is so sorely needed by the soil-conservation districts of the Nation.

The soil of America has responded very wonderfully during this great war. So have the men and women who till the soil. Production has been marvelous. But I venture the prediction that if the soil of America deteriorates in the next 25 years as it has in the last 25 years, it could never again measure up in so grand a way to the demands that may be made.

You gentlemen are all interested in saving the money of the Government. The gentleman from Missouri [Mr. COCHRAN] would almost indicate that we could liquidate the national debt by selling this dirt-moving machinery to those who would be willing to buy it.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. MAHON. No; I cannot yield at this time.

We all know there is a surplus of dirt-moving machinery. We all know that if it is sold, it may be sold for 10 cents on the dollar. We all know that the Government will not, through sale, get its money's worth, but if we think soberly on the subject, we know we will get our money's worth if this property is devoted to the public good by these soil conservation districts of America, in building up the soil of America.

There are those who are perfectly willing to give the Administrator a blank check without any yardstick, rule, or regulation, to dispose of billions of dollars worth of surplus property, but they say this amendment goes too far. This amendment only provides that the Secretary of Agriculture, if he can make out a case, may secure this property for the use of the soil conservation districts. If the soil conservation districts cease to have requirement for it, it reverts back to the Administrator and can then be sold. So certainly, no undue grant of power is made by this amendment offered by the gentleman from Texas [Mr. POAGE]. The gentleman from Texas has drawn a very excellent amendment. It has been perfected by the drafting service. I believe that if the Members of the House will listen carefully to the reading of the amendment when it is again read, there will certainly be little objection from those who believe that the conservation of the soil is one of the major problems of the Nation in the years that are to come.

I certainly hope that all those who are interested in agriculture and who realize the vital and significant importance of this amendment will vote for it.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to my distinguished friend from Oklahoma [Mr. JOHNSON], who has long been interested and very active in the problems of soil conservation.

Mr. JOHNSON of Oklahoma. I thank the gentleman from Texas for his generosity. Now may I ask him if it is not true that there are many organized soil conservation districts not only in Texas and Oklahoma, but throughout the country, where the terraces are being destroyed because of the lack of machinery to keep them in repair and where there is immediate need and great demand for much of this surplus machinery?

Mr. MAHON. Yes.

Mr. JOHNSON of Oklahoma. And if bulldozers, caterpillars, and other surplus machinery are frozen by this pending bill it may be months or even years before such districts or individual farmers will be able to get such machinery. Is that not the way it may work out?

Mr. MAHON. That is correct. These districts are not in a position to buy this machinery, but they are in a position to use it for the public good. Why should we not use public property for the public good, rather than to sell it for a song to the speculator or store it where it can serve no useful purpose?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HOPE. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I dislike very much to oppose this amendment. I dislike to oppose any amendment proposed by my friend from Texas, for whom I have the highest regard. I dislike to oppose any proposal which is made in the interest of the soil conservation. Yet it seems to me that if we adopt this amendment we are simply opening the doors to all proposals which may be made to give away this Government property. This amendment is offered on behalf of the farmers, but the interests of the farmers just the same as the interests of every other citizen are going to be better protected if we set up an agency with authority to dispose of this property in such a way as to get the very most possible out of it. If we start giving away this machinery to the Department of Agriculture, to be loaned to soil-conservation districts, then there is no reason why we should not support all other worthy requests which will be made to turn over various types of property to municipalities, hospitals, schools, and State agencies. Certainly these proposals will be offered. It has already been suggested in the course of the discussion on this amendment that we ought to include forests; that we ought to include reclamation districts. There is no limit to how far you can go if we start giving away this property.

The Secretary of Agriculture was before the committee at the time the hearings were held on this bill, but he did not ask for the proposals contained in this amendment. He did express an interest in securing this machinery for use by the soil-conservation districts. But in response to questions by at least two members of the committee, he said he was asking for it only in the regular way and under the terms already provided in the bill, which authorized the transfer of property to Government agencies upon arrangements being made for the purchase of the same by those agencies.

It has been said on the floor that this property is not worth very much; that it will sell for a few cents on the dollar. If that is true, under the policy of this bill the Department of Agriculture will undoubtedly have the first opportunity to secure that property at this low valuation. Under those circumstances can we justify giving away this property or any other property, no matter how worthy the cause may be for which it is going to be used? I think if we start now on even as worthy a cause as this we are simply going to establish a precedent and we are going to make it possible for everybody who wants to get some of this property to come in and ask that it be turned over to them on the basis of what we have done for soil conservation.

Mr. MORRISON of North Carolina. If this amendment is adopted and the property is turned over to the Department of Agriculture is there any law applicable to it which would make the Secretary equitably distribute it? Would it not be subject only to his own arbitrary personal direction as to what he would do with it? In this connection let us bear in mind the fact that the general law distributes money with some regard to sections and conditions under which it is demanded.

Mr. HOPE. I think that is true. I know of no law which would govern distribution of it.

Mr. MORRISON of North Carolina. This large appropriation of property would be subject to the uncontrolled will of the Department of Agriculture.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Miss SUMNER of Illinois. What is to prevent the Secretary of Agriculture or the head of any other department or any other person who feels a need for this kind of property coming in here in the appropriate manner with an inventory of the property he wishes to have and the cost of it and the price of it as set by the Administrator and ask the Congress to pass a law saying that he shall have it? In that way Congress would keep a hand on the purse strings.

Mr. HOPE. There is nothing to prevent that being done, and, in fact, that is contemplated in the bill under the provision dealing with interagency transfers.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. STEWART. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from Oklahoma is recognized for 5 minutes.

Mr. STEWART. Mr. Chairman, in my opinion, we are not going to realize too much money after the expense and commissions are paid for surplus war materials. The conservation of agricultural land means something to posterity for all time to come. This is a very sensible and good amendment. In my opinion, we are going to hear more of this bill in future years than any other bill we shall pass in this Congress. We have had one great war within our memory and the disposition of surplus property resulting from that war did not bring any too much money to the Public Treasury from surplus war materials.

I believe the conservation of the soil is the greatest problem confronting America today. It makes no difference in what area, in what district, or what part of the United States, it is. If soil fails, industry one day is going to fail likewise. It is just as much to the advantage of the industry of America that the soil be conserved as it is to the farmers of America. I intend to still go further and support the Tarver amendment; to give our public schools and higher educational institutions such property as they need; I would give to the municipalities, the counties, and the States such property as they can properly use. When the bill for administrating the cost of calculation is finally presented it will, in my humble opinion, amount to a great percent, possibly a major portion of the gross proceeds from the sale of this property we are to dispose of. It looks simple, but we may have to go east to buy this property for the West; we may have to go west to buy this property for the East; we may have to go into the Middle West or the great Southwest to buy this property from speculators for other parts of the United States. We all know that the Federal Government has encroached upon the revenue-raising ability of the States. Of necessity in the prosecution of this war many of the tax programs of the States have been crippled very materially. We can do nothing greater, in the name of good government, than to put the States back in position where they can repair and construct their highways, conserve their soil, improve their school districts, high schools, and colleges, and place the entire plan of municipal, county, and State governments back in the position they were before the war.

I believe the Poage amendment is good. I shall support it and I shall support other amendments that are of a similar nature. We are going to live long enough and, in my opinion, we will not have to live too long to know that if we do not adopt this and like amendments we will have made a mistake.

I favor a law that will give every individual an opportunity to cast an original offer or bid upon any single unit the Government might offer for sale. I am opposed to big speculators buying this property in bulk and selling it to the consumer at 100 or 1,000 percent profit.

Every man in the armed forces should have a priority after appraisal at not more than 50 percent thereof, with ample time to pay for any such article.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. WHITTINGTON. Mr. Chairman, I should like to see if we can agree upon a limitation of debate on this amendment. I am not inviting debate but Members have expressed a desire to vote.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 40 minutes, the last 5 to be reserved to the committee.

Mr. ALLEN of Louisiana. Mr. Chairman, reserving the right to object, does that include everybody standing?

The CHAIRMAN. The Chair has taken the names of everybody standing. There will not, however, be 5 minutes to each.

Mr. WHITTINGTON. We understand that.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that all debate on this amendment be limited to 40 minutes, the last 5 to be reserved to the committee.

Is there objection?

There was no objection.

The CHAIRMAN. The Chair has the following names of Members who were standing seeking recognition on the amendment: Messrs. ALLEN of Louisiana, MCKENZIE, WICKERSHAM, HAYS, MORRISON of North Carolina, TABER, and CRAWFORD, and 5 minutes to be reserved to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. JENSEN. Mr. Chairman, is my name on the list?

The CHAIRMAN. The gentleman's name is on the list now.

Mr. JENSEN. I have decided I would rather speak afterward. In the event this amendment is voted down I have an amendment to offer in its stead.

The CHAIRMAN. The gentleman from New York [Mr. TABER] is recognized.

Mr. TABER. Mr. Chairman, in the bill as it is presented by the committee ample provision is made to let any of this surplus property be transferred to the Department of Agriculture. In this particular section in subparagraphs (a) and (b) provision is made that all of this property or any of it as needed may be transferred, provided it is charged to their appropriation.

Why should this property be transferred to the Department of Agriculture en masse as the Department of Agriculture asks for it regardless of whether or not they have come to us and asked for the authority?

What this amendment means is an entire abdication by the Congress of its power over the departments and bureaucrats. If you want bureaucratic government you want to vote for this amendment. That is the trouble with this amendment. The backbone of this amendment is the destruction of the American form of government. Whether or not it is needed if this bureaucrat tells us he wants it he gets it, and there is no determination by the legislative branch of Government as to the need, and no reviewing it at all. It is an absolutely uncontrolled proposition. It is not in the interest of soil conservation but is absolutely destructive of any confidence on the part of the public in the Department of Agriculture. Any time you give a bureaucrat power like this he always runs haywire. You must not do it. If we give this Department this power we have got to do it for every other bureaucrat and there will be absolutely no control of this surplus property proposition at all. We shall have to give it to U. N. R. R. A.; we shall have to give it to every other set-up that is in any way involved in the Government. We cannot stop with Agriculture. We shall have all sorts of demands made upon us. If we do not stand up and assert the rights of this Congress we are not going to get anywhere at all. Every time anything of this kind is done we get into trouble. I have seen it happen time after time. We delay the use of this surplus property, we prevent its utilization by proper authorities, and we prevent the Government's salvaging anything out of it.

Mr. RABAUT. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. RABAUT. I want to commend the gentleman. I agree with him wholeheartedly in his statement.

Mr. TABER. I thank the gentleman. It is about time the Congress began to wake up and decide whether or not it is going to meet its own responsibility or surrender to the bureaucrats. I hope the pending amendment will be rejected.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Louisiana [Mr. MCKENZIE].

Mr. MCKENZIE. Mr. Chairman, it is a little short of amusing to note the confusion that seems to attend any attempts to do something for the farmer. A few minutes ago one of my distinguished colleagues said to me: "I am a city man, so it don't make a darn bit of difference to me." He is a lovable fellow, he is sincere, but he was facetious in that statement, yet that really expressed the way he felt.

I do not know why it is that everybody seems to think we are giving this stuff away. We are not. If I understand this amendment correctly, it merely provides that we shall lend to the soil conservation districts so long as it is being properly utilized this equipment which they need. Let me say to every Member of the House that it makes no difference whether you are from the country or from the city, do not kid yourselves, the heart of America as well as the breadbasket of America is back on the little rural farm. The greatest danger today to our agriculture is the depletion of our soil.

In the hills they need all the terracing they can get. They need water conservation. Down in the swampland and lowland country they need drainage. They need also cover crops, pasturage and leguminous crops to rebuild that soil. It is a vital question to every person here today after the depletion that our soil has suffered under the wartime

strain of producing not only for America but for our allies and other peoples of the world. We should immediately start rebuilding this soil and in rebuilding the soil we will rebuild the prosperity of the future of America.

It is silly to say that we are giving this material away. It belongs to the Government and, after all, the soil and the products of the soil belong to the Government and the people of the United States. One of the best things we can do with this stuff is to let the farmers have it in the various soil conservation districts to rebuild the soil because, after all, there is an extreme surplus of this type of equipment and you will not be able to sell it for a nickel on the dollar.

The CHAIRMAN. The time of the gentleman has expired.

The gentleman from North Dakota [Mr. LEMKE] is recognized.

Mr. LEMKE. Mr. Chairman, there is a lot being said here about giving things away. This property belongs to all the people of the United States and the farmers compose at least one-fourth of the population. I also realize there are some who are very liberal always in giving away everything except when the farmer is going to get a little benefit. He has been made the goat of this war the same as in the last war and will again be made the shock absorber when this war is over.

At the present time I realize that the Department of Agriculture needs some ditching machinery in my State and in other States. From ten to fifteen million bushels of wheat will not be harvested in North Dakota because the ground is too wet. We do not have ditching machinery. That is being used for the war effort. An additional 5,000,000 bushels will be lost because we have not sufficient farm implements to harvest the crops. The manufacturers were not allowed sufficient steel to manufacture the farm implements.

These are things for you to consider. You ought to consider the question of giving something to agriculture. You live on the farmer's products. You are going to give most of this stuff away anyway. You will never get its full value. You will have to dispose of it at a very small part of its cost. Why should not the Government keep some of the property that it owns and can use and get 100 percent utility out of it rather than to give it away for 5 cents on a dollar when it paid 100 percent for it? There is no reason why this amendment should not be adopted.

Most of the fears that have been expressed here are simply imaginary fears. They are like the old maid who said she was afraid she might have a baby some day and it would fall into the fire and burn to death. This is simply a question of distributing the accumulated wealth of all the people of this Nation that has been gathered for the war effort so that all of the people may get something in return for what they have been paying for through taxation.

The Government of the United States has the machinery which it intended to use for the war effort. It finds now it has a big surplus. Why should it not be redistributed to the people who paid for it and who can use it in the name of the Government and by the Government for purposes for which it may be legitimately used and out of which the Government can get 100 percent utility value? Our poor old Uncle Sam seems to be a rube most of the time and gives away the birthright of the American people without knowing it half of the time.

Various questions have been raised all through the debate. First, there was the fear of not having responsibility fixed. It is claimed that we must have a one-man dictator—not a board but an individual—in order to make it a success. That was the talk of Caesar, of Augustus Caesar, of Charlemagne, of Alexander the Great, and lately of Stalin, Mussolini, and Hitler, and that same idea has found some force and is now lodged in some of our American institutions, but, after all, the people of this Nation are vitally interested and we are not so much concerned with fixing responsibility in one individual as in fixing responsibility in the American people to use that which they have created for the best use and purpose it can serve.

Mr. Chairman, I am for the pending amendment.

The CHAIRMAN. The time of the gentleman has expired.

The gentleman from Oklahoma [Mr. WICKERSHAM] is recognized.

Mr. WICKERSHAM. Mr. Chairman, I hail from a State which is fairly new, the great State of Oklahoma. That State has not been settled many years. Previous to that I lived in Arkansas. In a certain portion of that country where I lived the land has already washed away. I lived in Kansas for 7 years and that land, though more fertile than many other areas, has lost a lot of its fertility. If you and I would spend a few minutes in a plane observing our country and see what is happening to our soil, you would support this amendment wholeheartedly. The Agricultural Committee of the House agreed to a bill embodying the provisions of this Poage amendment some time ago. Passage of the pending amendment would be beneficial to the whole Nation. Instead of receiving 10 cents on the dollar for the caterpillars, bulldozers, and other soil-building equipment we would get $10 worth of good for every dollar value of the equipment.

The gentleman from Texas [Mr. LUTHER A. JOHNSON] mentioned the fact that when he was returning on the train he saw hundreds of pieces of this idle equipment in McAlester, Okla., out in the open and behind a fence. These bulldozers, caterpillars, trucks, and tractors have been there at McAlester for months. I want to tell you men who want some kind of economy what is going to happen to this. It is scheduled to go to foreign countries.

Mr. POAGE. Will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Texas.

Mr. POAGE. If the pending amendment is not adopted will not these and many thousands more of these machines stay in depots all over this country for years until some market develops?

Mr. WICKERSHAM. You are correct.

Mr. POAGE. Which market does not now exist for this equipment.

Mr. WICKERSHAM. And the ones that need it most are the soil-conservation districts, which are in dire need of this material and equipment and will not be able to buy it. By adoption of the pending amendment those who are in dire need will obtain such equipment.

Mr. POAGE. Who is there today able to buy and pay for this equipment?

Mr. WICKERSHAM. Only the contractors.

Mr. POAGE. Does not every contractor in America now have more equipment than he needs?

Mr. WICKERSHAM. Yes; he has more than he needs.

Mr. POAGE. If we do not use this equipment for soil-conservation purposes now, is it not apt to hang over the market for years to come, and will it not destroy the very people who want the Government to hold it in the hope that they will be able to sell new?

Mr. WICKERSHAM. Yes.

Mr. POAGE. If we put this equipment to use now, they will be able to sell new equipment faster.

Mr. WICKERSHAM. It will not hurt the laborer, the business firms, or anyone else. It is wise to dispose of it as advocated by your amendment.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. If the Department of Agriculture can get this without reimbursement, can it not get it by reimbursement?

Mr. WICKERSHAM. The time to use this equipment is now. By the time the Department of Agriculture comes to the Congress and by the time we have committee hearings, the war will be over, we hope, and the greatest need for this equipment will have passed.

Mr. POAGE. Mr. Chairman, if the gentleman will yield further, is it not better to transfer this property now? If the gentleman from Mississippi believes in transferring it to the Department of Agriculture, why not do it directly instead of taking a year's time?

Mr. WICKERSHAM. Now is the time.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. The question of this equipment was brought up many times during the last few weeks that I have been home, so that I do not approach it purely cold here today. I think that first we ought to consider the fact that this amendment will turn over equipment to an agency of the Department of Agriculture of the United States which is but a small unit getting an appropriation of somewhere around $25,000,000. The Soil Conservation units do not include all the counties of the United States in its organization. I am speaking of the Soil Conservation Service. We are appropriating and spending money for

five different agencies on soil conservation. These appropriations should, and no doubt will be, consolidated.

The agricultural leaders in my district seem to feel that the best use of this material—and they did not ask for it to be given to them, but to have a chance to buy it at the price it would be sold for to speculators—would be to put it on a county basis where we already have an organization. If the present A. A. A. is continued in its present form we have an organization in existence and one that could go ahead and cooperate with the county boards and make the best use of this material. We would then have a set-up that is organized to use it. We also have our county highway departments, so that we would have a place for storage of the equipment.

If we are just going to turn this material over to the Soil Conservation Service, which does not include all the counties—and there are no projects in many of the counties—they would be left out altogether. I am sure the approach of the gentleman from Kansas [Mr. HOPE] is right. We have reason to think that the Secretary of Agriculture is going to be looking after the interests of agriculture as well as any other of the departments of government. This material should go to the units that can make the best use of it, and that is going to be the county unit, the county board in cooperation with the A. A. A. at the present time, which is the strongest agricultural unit we have and which, by the way, is receiving appropriations many, many times greater than the appropriations to the Soil Conservation Service.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. REES of Kansas. Does the gentleman contemplate turning this material over to the triple A rather than to the Soil Conservation Service?

Mr. MURRAY of Wisconsin. I would, sir, in my State, if it cooperates with the county board and county highway department which I am sure they would do.

Mr. REES of Kansas. As a matter of fact, this machinery is going to be sold for probably 10 cents on the dollar, is it not? There will be no competition except as between those contractors who already have a lot of machinery. I am wondering if after all there is not something to the theory that we ought to get this machinery back and use it for the best purpose. Is not the best purpose to use it for soil-conservation purposes, after all? Is not that what it ought to be used for?

Mr. MURRAY of Wisconsin. I am not opposing the turning over of this equipment for the use of the rural areas. What I want to emphasize is that the equipment should be turned over to units of government like the county that has the storage and service facilities. At the present time the A. A. A. is the logical agency to cooperate with the county boards and highway departments. As to the future no one knows but we have every reason to believe that our counties are going to be in existence and that the county units of government will be more than willing to acquire, store, and service this equipment in cooperation with the A. A. A. or the leading agricultural agency existing in the county at that time.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The Chair recognizes the gentleman from Louisiana [Mr. ALLEN].

Mr. ALLEN of Louisiana. Mr. Chairman, I want to present this matter from a little different angle. We have been depleting our soil. We have been telling the American farmer during this war to produce, produce, produce. They have not had the labor to keep up the soil, and they have not had the machinery with which to do it, either, for the past 3 or 4 years. As a result, the soil of America, the farms of America, are probably in the worst condition now that they have ever been in. Certainly much of the benefit to flow from a return of this surplus material ought to go right back to rehabilitate those farms that have been depleted during the war. Some years ago we had before the Committee on Flood Control, as the gentleman from Mississippi [Mr. WHITTINGTON] knows, Dr. Bennett of the Soil Conservation Service. He told us that we were losing about 300,000 acres of soil a year now. He also told us that at the rate we were going in the United States, we would deplete our soil within perhaps 150 years to the point where our country would not be self-sustaining agriculturally. That is a serious matter.

The contention is made by the committee handling this bill that we should let it go through the Committee on Appropriations. Our farms cannot wait for cumbersome procedure. The farmers who have not had the labor and who have not had the machinery need that machinery now. The soil-conservation districts need it now. The farms need to be conserved now. We cannot afford to perpetuate the thing that has been going on. I would like to see that situation corrected. Here we have a direct method of correcting it. We have a chance to do it immediately, and that chance is to make this material available to the soil-conservation districts.

Here is another thought I desire to present. Perhaps the largest group of returning servicemen will go back to the farm. A large percentage of the returning veterans will go back to the farms. Many are going back to farms that have been somewhat depleted, eroded. They are going back to farms that have not had labor or machinery. We have said that we want to take care of those men. In the G. I. bill of rights we said that we want to take care of those men. If we want to take care of them, it is the obligation of this Congress to see that the soil-conservation districts get this material so that they can assist those boys to go back to the farm and really make a living. We will be lending them money to buy farms. We owe it to them to help them from the beginning to conserve their soil. Let us lend them money to go back there and buy a farm and then help the soil-conservation district in which the farm is located to get this machinery so that the veterans and others may be able to protect their lands in the modern way, with modern machines. That is real service to the veteran. That is service to the Nation. That is putting this surplus machinery to the best possible use.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield.

Mr. WHITE. The gentleman from Louisiana comes from a State that has much unclaimed forest and stump land. Would he not be in favor of putting some of this machinery, such as bulldozers and tractors, to work to reclaim the land in Louisiana, which land might be settled by the returning veterans?

Mr. ALLEN of Louisiana. There is no question about that. The author of this amendment is perfectly willing to do that if you can work it out. There is no argument between soil conservation, reclamation, and reforestation.

I appeal to you to support this amendment. It is not sectional. It is for the Nation. The conservation of soils inures to the benefit of everybody in the Nation. The city dweller should be as equally interested in conserving our soil. During the war we have been cutting great quantities of young timber, pulp wood, and we have been cutting all the sawlogs and other timbers possible. This, coupled with the lack of labor on the farm and with the shortage of machinery, has perhaps accelerated erosion. We must now take up where we left off at the beginning of the war and proceed with our soil conservation. Our soil-conservation districts, created all over our farm sections, have done a good job with the labor and material obtainable, but they have been badly handicapped because of war conditions. But rains, erosion, washing, do not wait on wars. To make this machinery available to check and stop this vast national waste and destruction of our lands is a real investment. It is imperative. This move is especially timely. I urge the adoption of the amendment to let these soil-conservation districts have some of this machinery.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. MORRISON].

Mr. MORRISON of North Carolina. Mr. Chairman, woe unto the taxpayers of this country. There is some hope that by wise legislation and honest and able executive action a large reduction might be made in the great debt necessarily piled up by this war and the other troubles of our country in recent years. Between the noble groups of splendid people, schools, hospitals, farmers, and other most popular and worthy groups who want this property given to them for commendable purposes, disregarding its effect on orderly appropriations, but as an expression of sympathy for the noble purposes to which they wish to dedicate them; and the organized thieves in the United States, on the other hand, constituting another hidden but mighty host of those dedicated to selfishness and deviltry who want to steal all of this property possible, it looks as if it is going to take the wisest and most careful action upon the part of both the legisla-

tive and executive branches of the Government to keep these billions of dollars' worth of property from being given away in a demoralized and disorderly manner to good purposes, or from being absolutely stolen by organized greed and deviltry.

I hope that no man here doubts that I am devoted to the soil-conservation policy of my country. I love to think that we have made appropriations about adequate to meet the demands of that very worthy effort on the part of our Government to conserve our soil. I do not think the appropriations have been inadequate because nearly all have favored those appropriations and they have been made in as generous amounts as that great activity of our Government could digest. We have made the appropriations generously. Now it is proposed to dip into these billions of dollars' worth of property, predicated on this logic, that we will not get 10 cents on the dollar for this very valuable property. If we do not, somebody ought to be put in the penitentiary. I do not believe that any such disaster will befall us. Ten cents on the dollar? Why? If as the Administrator of this law there is appointed the man who I know will be appointed and probably confirmed by our Senate, no property in the United States will be sold for 10 cents on the dollar of its real worth.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Chairman, I have listened attentively to a number of speakers who have risen in opposition to this amendment in an attempt to ascertain exactly what the basis for their opposition has been. I have been forced to the conclusion that for the reasons they have advanced in behalf of their objections we are indebted to the fertility of their imaginations. They imagine all manner of dire consequences that might result from the manner of the administration of this provision of the Secretary of Agriculture should be given the authority provided in this amendment and this small amount of used surplus machinery should be made available to the Soil Conservation Service for soil-conservation purposes.

In addition, they say, as the distinguished gentleman from North Carolina has just said, "Woe unto the taxpayers of America if this should pass." But the main argument has been that the amendment might open the way to a possible abuse from an administrative standpoint.

May I call your attention to the fact, before a vote is cast against this amendment, that under the terms of this bill and under the terms of the amendment itself, quarterly reports to the Congress are required to be made by the Administrator and by those who operate under him. The Congress then will have the opportunity to read those reports and see exactly what is being done with every piece of this machinery. If it is a good thing it can be continued. If it proves to be a bad thing it can be stopped. If there is an abuse, if a lot of it is being stolen, as the gentleman suggested who just preceded me, if it is being thrown away and being misused, then this Congress would have the authority and the obligation to step in immediately and do something about it.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I am sorry. I do not have the time.

Mr. MORRISON of North Carolina. Do not misrepresent me. I never said that. I do not believe that anybody has stolen or will steal, but they will try to do it.

Mr. FISHER. I heard the gentleman talking about that general subject and I assumed he was talking about this amendment when he was doing so.

Mr. MORRISON of North Carolina. The gentleman did not hear me.

Mr. FISHER. Anyway, the gentleman talked about the possibility of this property being stolen or dissipated in some way or other. I say that here is a chance to prevent that very thing. Here is a chance to put this machinery to work. Here is a chance to put it where it will do the entire Nation some good. Here is a chance to be of real aid in carrying on and carrying out a policy that has been followed by this Government since 1929—a policy of preserving the soil and of undertaking to prevent its waste, its destruction, and its erosion by the floods and by the wind.

Mr. Chairman, let us see for just a minute what this amendment seeks to do and the good that it seeks to accomplish. There are today 1,000 soil-conservation districts in this country, organized under State laws and directed by local citizens. At the present time those districts are treating 570,000,000 acres of land with the aid of such machinery as they can secure and afford. Through terracing and other scientific conservation practices, they are attempting to hold on to the few inches of topsoil which it has taken nature ages to build up and which when once lost are gone forever. Ninety percent of the job remains to be done. The Soil Conservation Service tells us that already 282,000,000 acres of land—about 15 percent of the Nation's landed area—have lost that topsoil by soil erosion. We are told further that every year 50,000,000 acres are being seriously damaged and all but put out of productive use. This is all because those few inches of topsoil are being blown and washed away. That kind of a condition can be largely controlled by soil-conservation practices made possible by the surplus machinery that would be made available by the terms of this amendment.

Every one of us knows that the wealth of this Nation is determined by the productivity of its soil. We all know that a nation that is poor in soil is a poor nation. We all know that all through history the strength and the character of the peoples has gone up and down with the value and productivity of the soil. We all know that the topsoil that is being wasted and washed and blown away constitutes our most important and irreplaceable natural resource over which we have control. Since it has been established as a national policy to aid in preserving that soil by the prevention of erosion, why should we not act now and make a small amount of this used machinery available, instead of storing it away or selling it to speculators for a fraction of its true productive value?

Just recently this House authorized an appropriation of $800,000,000 for postwar flood control in this country, and every project provided for was recommended by the Corps of Army Engineers. Prevention of soil erosion is an essential part of flood control. "Woe unto the taxpayers of this country," the gentleman from North Carolina could have said when that was done.

Mr. MORRISON of North Carolina. Mr. Chairman, if I may interrupt the gentleman, I am satisfied he did not hear me, because I said there were two groups, one wanting this to be given to them for the noblest and the most splendid purposes, and the other the mysterious ones. The gentleman ought not to represent me as saying any such foolish thing as he has done.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The Chair recognizes the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Chairman, it seems to me that this is a reasonable exception to the procedure that we are generally agreed is sound. Unless it can be treated as a logical exception, of course, it ought not to be adopted, but I believe we can justify it.

We have here property that is to be devoted to a public use, a social purpose, not for any private purpose but for the conservation of our soil. There is not time to elaborate upon the need for it. It is a question of emphasis. How seriously do we accept this problem of soil conservation in America?

We have the problem of balancing these two elements in the policy we are now defining, the revenue element and the public service element. I think it has been pretty well determined that the revenue element in this particular proposal is not a very great one, because the property that is to be used under the procedure of the gentleman from Texas is of a specialized character, certain heavy equipment.

Last year the greatest flood that ever came to our section, the Arkansas Valley, destroyed one-tenth of all the tillable acres between Fort Smith and Little Rock, and even below Little Rock. The Army came in under powers extended by the Congress and repaired much of that damage. After that was done, we saw many of the implements, many of these items of equipment that we can now use lying idle on the roadside. It was obviously surplus property. That is all the amendment proposes to do, to make available that specialized type of property for one of the most important functions of government.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Texas.

Mr. POAGE. Of all the speakers who have spoken against this amendment, not one yet has told us what they would do with this property other than to let it rust by the roadside or in some depot,

if we do not pass this amendment, because not one has shown us where there is a market for it. I wish the gentleman would ask the next speaker for the opposition to point out where he expects to sell this property if it is not to be used by the soil-conservation districts.

Mr. HAYS. I thank the gentleman.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I should like to answer the question of the gentleman from Texas by saying that you should do it on a county basis, giving it to counties that have county sheds and can keep it under cover. You have no place to put this machinery if you turn it over the way you want to turn it over, because the Soil Conservation Administration has no place to store it. I want to put it on a county basis and put it with a public institution elected by the people, a county board. I want it to go back to the people and let them take the responsibility of storing it and using it.

I may say that I also am afraid that if you distribute it the way you want to distribute it, it will be distributed the way a lot of other things have been distributed the last few years, with 25 percent of the parity money going to Texas and all of the money rolling down South, are not going over the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, I assure you I get no pleasure out of appearing here so much in the consideration of this bill. Certainly I do not like to hear the sound of my own voice that well. But it seems to me that this is a fundamental proposition, one that was carefully considered by half a dozen committees before this provision was placed in the bill.

Of course, we are all for soil conservation. We are all for utilizing this surplus property wherever it can be utilized for soil conservation. But what we are opposed to is singling out one division of the governmental agencies and giving it priority and preference over everything else.

The gentleman from Texas [Mr. POAGE] wanted somebody to answer a question about what we would do with this property if we did not adopt this amendment.

Mr. POAGE. I asked who would buy it.

Mr. COLMER. Why, we are going to do with it exactly what we would do with it if we do adopt the amendment, we are going to make it available to the Soil Conservation Service.

Mr. POAGE. When?

Mr. COLMER. We are going to make it available to the Soil Conservation Service, but on an equal basis with other public, governmental, educational, charitable, and eleemosynary institutions, highway departments, States, counties, and municipalities. But the gentleman wants to take it away from all of them. He wants to take it away from the returning veterans, from the small business concern, from the farmers, from the agricultural enterprises, all of which are taken on an equal basis under the provisions of the bill. If this amendment is adopted, as much as you are interested in soil conservation, and I am interested in it also, you will put the whole thing out of kilter. When you adopt this amendment be prepared to adopt every other amendment which is offered to give priority to every other group, educational, political, and other subdivisions of government. Then no one will be able to get anything.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield.

Mr. HALLECK. I wonder if the proponents of this amendment would also suggest that the Surgeon General of the United States be given the power to requisition whatever hospital equipment may be declared surplus.

Mr. COLMER. You must do that if this amendment is adopted, in order to be fair. I regard this as the test of whether we are going to try to write this bill upon the floor of the House, or whether we are going to try to keep it on an even keel. I sincerely trust that this amendment will be defeated. If the amendment is adopted, then I am going to be prepared—I will have to be prepared—to go along with every other amendment. Then what would be the result? Then we would have a conflict of priorities. We would say, "You have to give priority," as my friend suggested, "to the Surgeon General." We would have to give priority to educational institutions. We would have to give priority to counties and municipalities. Where would your Administrator be when he got through with that?

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTINGTON. Mr. Chairman, this amendment goes to the very heart of this bill. Its purpose is to realize the highest obtainable return for the Government. This property belongs to the taxpayers. They have bought our bonds.

The theory of this bill, the policy of this bill, is for donations of property that have no commercial value. If there is a bulldozer which has no commercial value the agencies of the Federal Government will have first call and then the agencies of the States and then it might be otherwise disposed of. It has been said we have fifty or sixty billion dollars' worth of property and surely we could give some to the Soil Conservation Service. Please keep in mind that much of that property is ordnance and ships, and that only about six or seven billion dollars' worth of property will be available to the civilian population of the United States. The fundamental principle in this bill is that every acre of land, every item of property belongs to the United States and not an acre of land and not an item of property can be disposed of except by congressional action. That is provided for here now in the bill where we have said there shall be no donations; where we have said the Federal Government or departments may have the priority as to transfer always by coming to the Congress and justifying the transfer. We have said that the State agencies shall also be considered. But please keep in mind if there are trucks at McAlester or anywhere else, those trucks will not now be disposed of. They will have to be declared surplus before there will be any disposition of them. This amendment and similar amendments will require that we relinquish the purse strings of the Treasury. If we turn over this surplus property to the Department of Agriculture it is said that this is nothing but a transfer without a reimbursement, with the privilege of returning it after it has served its purpose; with the privilege of giving it back to the Government instead of sending it back to the junk pile. Do not be misled. It is nothing more than a donation, nothing more than a gift. But when we give them this property, then they come to Congress and must have additional money for more employees. They must have more money for repairs. There will be bureaucracy run riot. Yet we are here to legislate in the interest of the taxpayers.

I repeat that the whole fundamental theory of this bill is if there is property that has no commercial value, if those bulldozers are not of any value to the men who are going to be called upon to rebuild our highways, and we have done no highway construction during the war, to rebuild our streets, and to do the other improvements which are necessary, if they are of no commercial value we treat the Department of Agriculture and every other department in exactly the same way. They have the first call. The State institutions have the next call. But we require all of them to pay the valuation that is fixed upon it. I repeat if there will be no market for trucks, if there will be no market for these bulldozers, it will be very easy to determine they have no commercial value, and then they may be transferred. We have given the Federal Government the power and then the State and then the individual; we have treated them all alike. We have done exactly what we did back a year ago when some amendments were proposed for the donations of bulldozers that were used on the Alcan Highway for the construction of that highway, and we required the soil-conservation districts and other departments to come here and testify as to the requirements. We have been generous with the Soil Conservation Service. There is not a man in this Chamber, there is not a man who is more interested in flood control and soil conservation and the control of our waters than I am. But I am profoundly more interested in my Government and in the protection of the Federal Treasury. I want no flood control, I want no soil conservation, unless the agency is able to justify it before the appropriate committee of the Congress when appropriations for them are being considered.

Mr. CASE. Mr. Chairman will the gentleman yield for a question?

Mr. WHITTINGTON. I yield.

Mr. CASE. It is clear, I think, that if there is no commercial value they can be donated but under the provision for transfer it provides for a transfer at a fair value. Would the gentleman say a proper interpretation of fair value would be that it would not exceed the

price which would be obtained in sale on the open market?

Mr. WHITTINGTON. I will say this, that whenever a Government agency comes before the disposal agency and testifies to a need for this property, that agency should come first and undoubtedly the disposal agency will be most liberal in the interpretation of the provisions of this bill, including the term "fair value." I believe the gentleman has given a reasonable definition of "fair value." This amendment goes to the very heart of the bill. I trust it will be defeated.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. CASE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not want to use the 5 minutes but I would like to pursue the inquiry that I directed to the gentleman from Mississippi a bit further. My purpose in asking that question was to bring out the point that if some of this equipment is going to be sold for a song or at 10 cents on the dollar, if the governmental agencies will have an opportunity to purchase it at that low price they are not going to be too badly hurt.

Mr. WHITTINGTON. They have the priorities. I repeated that statement.

Mr. CASE. I want to get clear what the interpretation of fair value would be. It might be that the Administrator will appraise this property and fix a normal value for it which might be considerably in advance of the market value.

Mr. WHITTINGTON. They fix the valuation of the property and the only justification for their not disposing of it is where it has no commercial value.

Mr. CASE. Suppose this machinery or this equipment is more or less of a drug on the market?

If it is put up for sale, it might sell at considerably reduced prices. Will the Government agency, under your interpretation of all the provisions of the act, have a right to come in and buy that at the same price for which it might be sold to an individual or corporation?

Mr. WHITTINGTON. On the contrary, the Government agency and the State agency get priority. They come first.

Mr. CASE. With the record clear on that point, if some of this equipment is more or less of a drug on the market, then the soil-conservation districts are not going to be very much put out if they purchase it for a song, as has been suggested, and acquire outright title to it.

Mr. MAHON. Will the gentleman yield?

Mr. CASE. I yield.

Mr. MAHON. I wonder, for example, if a State is interested in the purchase of some property, if the disposing agency would wait for several weeks or a month or for several months while they make an appropriation for that purpose, or wait for the convening of Congress and the procedure requiring months whereby appropriations could be made here, or would the property just be dumped on the market?

Mr. CASE. I am not the one to answer that question officially, but I notice that in section 11, under the heading "Policies governing disposition," the Administrator is to be guided by certain objectives. The first one is:

(a) To facilitate transfers of surplus property of one Government agency to other Government agencies for their use.

And the next one is:

(b) To afford public, governmental, educational, charitable, and eleemosynary institutions, States, Territories, their political subdivisions, and the District of Columbia, and cooperative organizations, an opportunity to fill their legitimate needs.

Under those two provisions it would seem to me that if it was a matter of arranging for a little delay in order that a State or subdivision might put its finances in shape, the Administrator would be obligated to make such an arrangement.

Mr. WHITTINGTON. I have a high regard for the gentleman's views as a member of the Committee on Appropriations, and also the views of the gentleman from Texas [Mr. MAHON] as a member of the Committee on Appropriations. The war is not over. This property has not been declared surplus, but before any agency in the Department of Agriculture or elsewhere can be permitted to buy any sort of property for 10 cents or 15 cents on the dollar, it should first have justified that matter, and the Committee on Appropriations should have made an appropriation for it. In the absence of that, of course, it should wait.

Mr. CASE. I agree with the gentleman that agencies should justify their requests for money. But let us get to the point that the gentleman from Texas [Mr. MAHON] raised. Is it not clear that under subsections (a) and (b) of section 11, the Administrator is empowered and directed to facilitate the transfer to a State or to a governmental subdivision? Is it not clear that paragraphs (a) and (b) of section 11, direct the Administrator to facilitate transfers to Government agencies?

Mr. WHITTINGTON. In as strong and clear language as the very best legal talent available to the committee was able to devise.

The CHAIRMAN. The time of the gentleman from South Dakota [Mr. CASE] has expired.

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: Page 31, line 5, after the period following the word "agency", strike out all to and including the period following the word "purchases" in line 7.

Mr. SMITH of Ohio. Mr. Chairman, this strikes out, in section 9, the following words "each Government agency shall make the fullest practicable use of surplus property in order to avoid unnecessary commercial purchases."

As I have read this bill, if this language is left in it, it seems to me it will do very largely what the amendment offered by the gentleman from Texas [Mr. POAGE] attempted to do. As I understand the measure it is possible for the Department of Agriculture to acquire surplus land as a disposal agency. The Secretary of Agriculture is to be a part of the administration of this act.

Mr. RABAUT. Will the gentleman yield to me?

Mr. SMITH of Ohio. I yield.

Mr. RABAUT. Was the gentleman giving thought to the fact that it has to come before the Committee on Appropriations? They have to make a request for it before they can buy it. So that is where we can come in.

Mr. SMITH of Ohio. You say they have to make a request for this before the Appropriations Committees, under this bill?

Mr. RABAUT. They certainly have to get permission and they have to get the money some place with which to buy it, and that comes before the Appropriation Committee.

Mr. SMITH of Ohio. This bill provides that these surplus commodities can be transferred to an agency on credit. Is that not true?

Mr. WHITTINGTON. Will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. WHITTINGTON. Permit me to say there is nothing in this language that would authorize any department to acquire land unless the Congress passed an act authorizing them to acquire it.

Mr. SMITH of Ohio. But this land is surplus property, is it not?

Mr. WHITTINGTON. Yes; but the Government cannot acquire it unless the Congress authorizes it to purchase it.

Mr. SMITH of Ohio. The Government already has the land. I am talking about land that is now owned by the Government.

Mr. WHITTINGTON. I understand that, but unless funds are appropriated by Congress and unless they are authorized to purchase that land, my thought is they cannot acquire it.

Mr. SMITH of Ohio. Unless the Department of Agriculture has the money to purchase this land, is that what you say?

Mr. WHITTINGTON. And unless they have been authorized by act of Congress to purchase it. That is what I mean to say. I do not think any department has the right to acquire any property unless the Congress authorizes it.

Mr. SMITH of Ohio. But this act provides that it can be transferred to governmental agencies. It says, "each Government agency shall make the fullest practicable use of surplus property in order to avoid unnecessary commercial purchases."

I will put my own interpretation on this. The gentleman can put his interpretation on it. It seems to me this makes it possible for the Administrator

of this agency to say that the Department of Agriculture can hold this land for use.

For example, in my district the War Department acquired land for the erection of a war plant. They acquired some 12,000 acres. They did not use much of this land. The land that was not put to use for war purposes has been rented out to farmers, in some instances in tracts of several hundred acres. We believe that land should be sold, and if possible, sold to the people from whom it was purchased by the War Department. I grant you it is possible to so construe this language as to make this possible, but I say it can be otherwise construed.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. Not just now. Let us take the surplus commodities which were discussed a moment ago for soil conservation. What would prevent the Department of Agriculture from acquiring those goods and using them to prevent or avoid unnecessary Government purchases? I do not see anything under this act that would make that impossible at all. You can place your interpretation on this if you want to, but that is my view of the matter. Especially now when governmental agencies are doing everything within their power to acquire more control and power, we should do everything to avoid encouraging them in that process. We should do everything within our power to prevent them from doing that.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. MANASCO. Mr. Chairman, I rise in opposition to the amendment.

The reason this provision was in this section is that we will have an enormous amount of surplus on hand when the war is over and there is no need for the Appropriations Committee to authorize an agency to purchase desks, for instance, and then have to go out in competition with other people and buy those desks. In other words, the Treasury is protected. The Congress must have made funds available for the purchase of this surplus before the Department can buy it. It will save the taxpayers an enormous amount of money if this provision remains in the bill.

Mr. SMITH of Ohio. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. SMITH of Ohio. Using the Department of Agriculture as an illustration, I do not see that the Department of Agriculture purchases anything in taking over these commodities. Of course, if it has got to account for the funds received for these commodities——

Mr. MANASCO. Yes; it must.

Mr. SMITH of Ohio. But I do not see what would prevent the Department of Agriculture from using these commodities until it actually did sell them. That is my point.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. NORRELL. If I understood the gentleman correctly, the War Department now owns most of the land, if not all, that has been purchased during the emergency.

Mr. MANASCO. That is correct.

Mr. NORRELL. Before the Department of Agriculture could take any of that land would it not be necessary that we pass an authorization bill first, and second pass an appropriation bill before the land could actually be taken?

Mr. MANASCO. That is correct.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, since the gentleman from Ohio saw fit to bring my name into this discussion and suggest he was offering an amendment to do what my amendment intended, I want to call the attention of this Committee to the fact that this amendment neither does what my amendment intended to do nor what I think should be done. What my amendment intended to do was to put to use property that the Government owns, to have it actually used rather than have it sit around and rust. The gentleman from Ohio proposes to strike out from the bill the language that expresses the pious hope that that will be done. All my amendment did was to say that they should carry out what this language proposed, but he strikes out even the wish. The bill as now written does not do anything but express a wish that this property will be used by the governmental agency without providing any practicable method of making this possible. The amendment I proposed provides a practicable method of carrying out that hope and of actually using this equipment. Now the gentleman from Ohio comes along and says he does not even want to wish that it will be used, that he does not even want to hope that it will be used, that he simply wants to strike a pious platitude out of the bill so there will not even be any hope. He wants to establish the policy that would apply on a farm if the farmer who has some livestock and some corn and hay, should sell his corn and hay at a low price now in the middle of summer proposing to go into the market and buy it back again in the winter at a higher price. I think that farmer should feed his own corn if he is able to hold it and the Government to use this surplus equipment. The Committee is willing to wish. The gentleman from Ohio would strike out even the wish itself.

Mr. WHITE. Mr. Chairman, will the gentleman yield

Mr. POAGE. I yield.

Mr. WHITE. Is it not a fact that after the last war Congress directed that surplus explosives be turned over to the Department of Agriculture for use in road making and for the benefit of the farmers?

Mr. POAGE. I do not know of my own knowledge, but if the gentleman says that was done, I am sure it was.

Mr. WHITE. I will tell the gentleman that I purchased three consignments of powder that was donated to the farmers by the Congress.

Mr. POAGE. I do not question it; I just do not know.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was rejected.

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: On page 29, line 25, add another subsection (e) and insert the following: "The Administrator and each owning agency shall give first priority for purchase on not to exceed one-half of all surplus dirt-moving machinery and equipment to conservation districts such equipment to be used exclusively for the improvement and conservation of soil and water."

Mr. MANASCO. Mr. Chairman, I make a point of order against the amendment on the ground that we have passed the section to which the amendment applies.

Mr. JENSEN. Then, Mr. Chairman, I ask unanimous consent that we return to section 7 for the purpose of offering an amendment.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to return to section 7 for the purpose of offering an amendment. Is there objection?

Mr. MANASCO. I object, because we returned to that once and we want to finish this bill this week if we can.

Mr. JENSEN. Mr. Chairman, I would have offered this amendment earlier but I call attention to the fact that the reading of the bill was very rapid and I did not have a chance; I did not have the opportunity.

The CHAIRMAN. The gentleman can return to a former section only with the unanimous consent of the Committee and the Committee has not given it.

Mr. JENSEN. Then, Mr. Chairman, I plead with the chairman of the committee to let this amendment be considered. It is an important amendment.

Mr. MANASCO. I do not like to be arbitrary but a lot of the Members want to go home.

Mr. JENSEN. Oh, yes; a lot of Members want to go home! We are legislating here on a very important matter.

Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENSEN. What course can I take now to get this amendment before the House? I am throwing myself on the mercy of the Chair.

The CHAIRMAN. The gentleman has asked unanimous consent to return to the section; the Committee has declined to grant it. The Chair does not know what further the gentleman can do.

Mr. CASE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE. Is it not possible for this amendment to be offered by the gentleman from Iowa to the pending section?

The CHAIRMAN. That remains to be seen.

Mr. POAGE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. POAGE. The gentleman from Iowa was on his feet a little while ago and stated that he wished to offer an amendment at that time.

Mr. WICKERSHAM. And was given permission.

Mr. JENSEN. Mr. Chairman, I offer this amendment to section 11.

Mr. WHITTINGTON. Mr. Chairman, with all due deference, we have not read section 11.

The CHAIRMAN. The gentleman should wait until section 11 is read.

Mr. JENSEN. Then, Mr. Chairman, I ask that the amendment be considered at the present time.

Mr. WHITTINGTON. May we have the amendment read to see if it ought to be considered?

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: On page 29, line 25, add another subsection——

Mr. WHITTINGTON. Mr. Chairman, that has been objected to. The amendment is not in order.

The CHAIRMAN. The gentleman from Mississippi just asked that the amendment be reported.

Mr. WHITTINGTON. I beg the Chair's pardon, but the reading has proceeded far enough to show that it was the same amendment that was objected to.

The Clerk read as follows:

METHODS OF DISPOSITION

SEC. 10. (a) Wherever any Government agency is authorized to dispose of property under this act, then, notwithstanding the provisions of any other law but subject to the provisions of this act, the agency may dispose of such property by sale, exchange, lease, transfer, or other disposition, for cash, credit, other property, or otherwise, with or without warranty, and upon such other terms and conditions, as the agency deems proper.

(b) Whenever the Government agency authorized to dispose of any property finds that it has no commercial value or that the cost of its care and handling and disposition would exceed the estimated proceeds, the agency may donate such property to any agency or institution supported by the Federal Government or any State or local government, or to any nonprofit educational or charitable organization, or, if that is not feasible, shall destroy or otherwise dispose of such property.

(c) The Administrator, by regulations, shall prescribe such policies governing prices and other terms and conditions of dispositions under the authority of subsections (a) and (b) of this section, as he deems necessary to effectuate the objectives and policies of this act.

(d) A deed, bill of sale, lease, or other instrument executed by or on behalf of any Government agency purporting to transfer title or any other interest in property under this act shall be conclusive evidence of compliance with the provisions of this act insofar as title or other interest of any bona fide purchasers for value is concerned.

Mr. TARVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER: On page 32, after line 6, insert the following:

"Surplus property that is appropriate for educational use as determined on the basis of need, represented by property requirements in excess of normal ability to purchase, or which may be needed to replace equipment worn out or deteriorated because of use in war-training programs, may be transferred to the United States Office of Education for allocation, within rules and regulations to be prescribed by the United States Commissioner of Education, and approved by the Administrator, to the public schools and educational institutions: *Provided*, That such schools and institutions, to establish eligibility to receive such surplus property and materials, show evidence that their respective budget are planned to support normal procurement operations, according to past experience, in the regular market."

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Mr. Chairman, I make the point of order that the amendment is not germane to this point of the bill.

The CHAIRMAN. Does the gentleman from Georgia desire to be heard on the point of order?

Mr. TARVER. I should like to hear anything the gentleman from New York may be able to submit in support of his point of order which I think is totally without basis.

Mr. TABER. This is a section that relates to methods of disposition. The amendment just offered is an amendment providing for disposition.

Mr. TARVER. Mr. Chairman, the subsection of section 10 to which this amendment is proposed as an addition deals——

The CHAIRMAN. The Chair is ready to rule. The Chair thinks the amendment is germane and, therefore, overrules the point of order.

Mr. TARVER. Mr. Chairman, I wish to ask the indulgence of the Committee to proceed for 5 additional minutes and I make that unanimous-consent request.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia [Mr. TARVER]?

There was no objection.

Mr. TARVER. Mr. Chairman, I realize that the day is far spent and that the membership of the Committee is tired, and that it is exceedingly difficult to secure careful consideration of a subject matter of this type under these circumstances, but I believe that the amendment is one of very great importance and I therefore respectfully ask the attention of the Committee while I undertake to present it.

I discussed this amendment on Wednesday of the present week under general debate and gentlemen who are interested may find the text of the amendment printed on page 7031 of the CONGRESSIONAL RECORD of last Wednesday. They will also find at the conclusion of my remarks on that date, the insertion of certain documents representing expressions of opinions of the National Educational Association, of a conference of State educational officials held in Washington on March 3, 1944, and of other educational authorities with reference to this particular subject matter. I do not desire to repeat the argument which I undertook to advance on Wednesday.

Mr. Chairman, I do wish to point out that this amendment is distinguished from the amendment offered by the gentleman from Texas [Mr. POAGE] relating to the lending of certain equipment to soil-conservation districts. This amendment is not mandatory in character. It is permissive only. It proposes to permit the Administrator of Surplus Property when he arrives at the point in the discharge of his duties when he could sell at a price that is offered him on certain property and equipment which could be used by the schools or educational institutions of the United States, and perhaps sell it to speculators at a price representing far less than its market value, to consider whether or not the public interest would be best served by the donation of that property to the public schools or educational institutions upon the basis of need or in order to replace equipment which has been worn out or is deteriorated in the various war training programs carried on by those schools or institutions during this period of emergency.

It seems to me there should be no reasonable objection to vesting in him that type of discretion. I have listened with interest to the arguments advanced by gentlemen in favor of realizing every last dollar's worth of value out of this more than $100,000,000,000 of surplus property which is to be disposed of. I believe that the utmost value which can be secured for the American people ought to be obtained for this property, but I do not think that value is necessarily represented by dollars. I believe that if the Administrator in the discharge of his duties comes to a point where he feels he must dispose perhaps of 10,000 typewriters or some machinery that could be used in vocational education in schools, or a lot of desks that have been used in various types of war training, or perhaps busses that could be used in the transportation of school children in rural school districts where the busses have been worn out during the war, when he is offered for those types of matériel a price that is not a satisfactory price by somebody who in private business wants to profiteer on those articles or those supplies, perhaps reselling them later at a tremendous profit, he ought to be vested with the discretion to say that under the circumstances the best interests of the country and of the people would be served and the greatest value would be received by the people of the country "If I permit this property, which is suitable for educational purposes, to go to the public schools and educational institutions rather than to be sacrificed in this way."

Mr. GOSSETT. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Texas.

Mr. GOSSETT. I may say to the distinguished gentleman from Georgia that the gentleman from West Virginia [Mr. RANDOLPH] and myself offered a very similar amendment before the committee. We were and are very much in

sympathy with the purposes and objectives of the gentleman's proposed amendment. It has seemed to me that this is the best and safest way to offer Federal aid to education and, while the majority of the committee refused to accept such an amendment, I propose to support the gentleman's amendment.

Mr. TARVER. I thank the gentleman. I have talked with several members of the committee about this matter and some of them entertain the opinion that the Administrator already has this discretion. I do not think he has. I read in this subsection (b) the authority to donate property only when the property is worthless or the expense of handling and disposition would be greater than the amount of proceeds received from it. Some of the members of the committee believe he can sell this property to schools and educational institutions at a nominal price, but I do not think an honest administrator would do that in the absence of an amendment such as I propose. Where he is required by the terms of the bill to sell property for fair value, I do not think he would sell property costing perhaps a thousand dollars for a dollar and then claim that he had complied with the instructions given him by the Congress of the United States in the enactment of this law, unless you put some amendment of this type in the bill which will expressly authorize him to exercise such discretion.

Mr. POULSON. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from California.

Mr. POULSON. Is it not true that schools throughout the country have been offering facilities for the education and instruction of war workers and that in reality we are giving them an opportunity to buy these things which we have purchased for that purpose and which they have worn out of their own? We are just simply playing fair with them, is that not so?

Mr. TARVER. This is only the payment of a debt. They have worn out a tremendous amount of their equipment in vocational schools. We are giving the Administrator the discretion in instances where he feels it is justified to replace that type of equipment and, in addition, to make some contribution of similar equipment to schools on the basis of need.

Mr. BARDEN. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from North Carolina.

Mr. BARDEN. I would like to ask the gentleman's explanation of this term: "to the public schools and educational institutions." The gentleman does not mean for that language to be construed to cut out private schools, does he, because we have many schools, or what might be described as private schools, engaged in identically the same work on a nonprofit basis as the public schools.

Mr. TARVER. The language would have to be construed in connection with the language already contained in the committee bill which immediately precedes it and which makes specific reference to nonprofit educational institutions. However, I want to say to the gentleman that while I think donations of equipment and machinery to replace that which has been worn out in one of the war training programs in a private institution is thoroughly justified, yet I do not think that donations of such machinery or equipment where that justification does not exist, and purely upon the basis of need unrelated to the wearing out of machinery in the war program, is justified.

Mr. BARDEN. The gentleman does not intend to exclude any schools by this language?

Mr. TARVER. No; that is not my purpose. As a matter of fact, I may say to the gentleman that I would have much preferred to have made this proviso mandatory instead of discretionary, but in view of the apparent viewpoint of the House in regard to similar subject matters that have been discussed I have drafted the amendment in discretionary form in the hope that this which I regard as a minimum provision might receive approval.

Mr. WICKERSHAM. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. WICKERSHAM. By the adoption of the gentleman's amendment it will also aid the schools in giving the proper education to the returning servicemen, will it not?

Mr. TARVER. Absolutely.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that the gentleman be given 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. MAHON. May I say to the gentleman that I shall support his amendment. I have prepared an amendment along the same line, which I shall not offer in view of the fact it has already been offered, but I do trust that the gentleman's amendment will be adopted.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. JENKINS. I have read the gentleman's amendment, and it strikes me that there is no room for any favoritism of any kind, sectionally or politically.

Mr. TARVER. Absolutely none.

Mr. JENKINS. It is a straight-out proposition to transfer this machinery to the Department of Education.

Mr. TARVER. Yes.

Mr. JENKINS. As I understand it, any discretion given in this amendment is given to the head of the Office of Education.

Mr. TARVER. That is true. May I say further that there is also involved here $41,000,000 worth of school buildings which have been built under the provisions of the Lanham Act. I placed a list of those more than 300 school buildings in the CONGRESSIONAL RECORD, pages 7035, 7036, and 7037. Those school buildings would result in little to the Government if they should be dismantled and sold for junk. They have been built because they were needed in the communities or localities where they are being utilized for school purpose. Title to them is absolutely in the Federal Government. I think that somebody ought to have the discretion of permitting the integration of those school buildings into the local school system in the localities where they are located. There is not a single one of those buildings in my congressional district. My position with reference to that subject matter is entirely unselfish, but I certainly believe that the Administrator or somebody ought to have authority to at least consider permitting the integration of those buildings into the local school systems rather than to have them dismantled and sold for junk.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. ALLEN of Louisiana. May I ask the gentleman if the allocation of the individual school will be made directly by the Office of Education in Washington, or will you work through the State department of education?

Mr. TARVER. The matter would be handled by the States exactly as is the vocational-education program.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. RABAUT. Who would buy the school building except the school board?

Mr. TARVER. Nobody.

Mr. RABAUT. The Administrator has the right to sell the school building, and there is no rule set on the Administrator except to get a price. If he could not sell it to anybody else, under this bill he could sell it to a school board for a dollar, could he not?

Mr. TARVER. I do not think an honest Administrator would undertake to sell a building that cost $200,000, which many of these buildings did cost, for a dollar. Congress is asked to say they cannot give anything away unless it is worthless. The question is, Do you want the Administrator to junk it, or do you want to give the school district an opportunity to secure it? My amendment provides that he cannot give it to a school district unless such school district is able to justify the donation on the basis of need, comparing its revenues with its normal requirements. I regret I have no further time, but I certainly hope that the amendment will be adopted.

Mr. MILLER of Connecticut. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is perhaps as important an amendment as will be offered to this bill, and I rise in opposition to the amendment.

Nobody can disagree with the gentleman from Georgia when he says that this property should be used by our educational institutions. However, I do not believe there are many school boards, many communities, and no States in these United States, that are carrying the per capita debt that the United States Government will carry when this war comes to an end.

This has been referred to as a great selling job, but I think it is a lot more than a selling job. I think that this property should be disposed of as expeditiously as possible, and to the best possible advantage. Instead of finding perhaps the best salesman in the country—and the present Administrator may be one of the best salesmen in the country—I wish that we could find somebody to administer this Act who has some of the characteristics of the good old Yankee trader who went out from my home State of Connecticut, and in some cases was charged with selling wooden nutmegs to our friends in the Middle West. I want the person selling this surplus material to have in mind that we want to reduce this $300,000,000,000 national debt just as rapidly and completely as possible. The more of this war material that is turned into cash when the war ends, the more cash we will have with which to cash the war bonds that are going to be offered to the Treasury when this war ends. I had a letter from a young friend on the beachhead of France the other day in which he told me he bought a bond every month he had been in the army. He bought those bonds for two purposes: One, because the Government needed the money; and, two, and very important to him, so that when he came home he could go on and complete his education. Those bonds are going to be put under the window of the Treasury Department, and he is going to ask for cash. It is not going to be so easy to refinance some of the bond issues that are being sold during the war. I think the thing that we should keep uppermost in our minds is the desire to liquidate this property for cash. I do not believe that anybody will question the position of the gentleman from Michigan when he said that school buildings are valuable only to school boards and school districts. I believe that the Administrator can sell those schools to local communities at a fair and reasonable price. But as the gentleman from Michigan states, nobody else wants a school building.

I try to be optimistic, both as to the future outlook of the war and the peace, but I must confess that unless a great many American people change their points of view, I shudder for the future of this great Nation.

During the recess I was waited upon by a delegation interested in the Kilgore bill. I asked the chairman of the delegation if he, as a good American, meant to sit there and contend to me that the man who had saved six or eight thousands dollars and had it either in War bonds or in the bank, as the result of the wages he had earned in the war effort during the past 4 years, was justified in going to the Federal Treasury the first or second week he was laid off for unemployment compensation of $30 or $35 a week. His answer—and I think it is very indicative of the attitude of many people today—was, "Well, you are not going to penalize the man who has been prudent enough to save money during the war, are you?" My answer and the answer that this Congress must give to the American people is that we are not penalizing any citizen when we require him to support his own family when he has the means with which to support that family.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. WHITTINGTON. Is it not true that under the terms of this bill, as was the case of the amendment we just considered a few minutes ago, if there is property of value not needed by the agencies, that the Department of Education will have the first call? If it has no value it can be transferred without being paid for.

Mr. MILLER of Connecticut. That is certainly my understanding of the bill, and I believe it is a generous and adequate provision.

Mr. MANASCO. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 20 minutes.

Mr. ROHRBOUGH. I object.

Mr. WALTER. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Georgia.

The Clerk read as follows:

Amendment offered by Mr. WALTER as a substitute for the amendment offered by Mr. TARVER: On page 32, after line 6, insert the following:

"Surplus property that is appropriate for educational use as determined on the basis of need, represented by property requirements in excess of normal ability to purchase, or which may be needed to replace equipment worn out or deteriorated because of use in war-training programs, shall be transferred to the United States Office of Education for allocation, within rules and regulations to be prescribed by the United States Commissioner of Education, and approved by the Administrator, to schools and educational institutions: *Provided*, That such schools and institutions, to establish eligibility to receive such surplus property and materials, show evidence that their respective budgets are planned to support normal procurement operations, according to past experience, in the regular market: *And provided further*, That transfer upon the basis of need shall only be made to public schools and public educational institutions."

Mr. WALTER. Mr. Chairman, the difference between this amendment and the one offered by the gentleman from Georgia is that under the substitute the transfer is made mandatory and not discretionary.

Mr. SUMNERS of Texas. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think we are coming to a showdown in America as to what our attitude shall be toward the Federal Treasury. It is mighty important that we turn back this tide that is sweeping in from the communities upon a busted Treasury, and do it now. These communities, these States, these institutions are better able to pay for the things they require than is the Federal Treasury, and we are coming to a showdown on this thing. After all every bit of money which gets to Washington has to come from the people.

One of the things that has gotten us into difficulty in America has been that when our communities have had the challenge of necessity to do something, we have put a bunch of people on the train and sent them up here to get some money from Uncle Sam. Every dollar that has gone out of the Federal Treasury has gone back to our States loaded down with Federal power.

Here we have these billions of surplus properties, out of which we have an opportunity to realize some money. These properties belong to all the people of the Nation. What right have we to authorize somebody charged with the responsibility of selling this equipment to sit in judgment as between all the communities of this country and say, "Well, A needs it and B does not need it so I am giving it to A. This idea of getting something from Uncle Sam for nothing is mighty bad. It is not something for the Congress to encourage. The Federal Treasury needs every dollar it legitimately can get for this property. It is not something to be scrambled for, but something to be bought. If these buildings and equipment cannot be sold for more than 10 percent of their value as is repeatedly stated that is no reason why they should be given away to those who have the good fortune to be able to buy them at 10 cents on the dollar of value.

We know the Federal Treasury needs every single dollar it can get. It is going to require every dollar we can get and the greatest ingenuity and the highest order of statesmanship in this country to be able to pay these bonds for which our boys subscribed when they were fighting on the battlefields of the world and other patriotic people—pay them in dollars comparable in buying power to the dollar we now have.

With this idea of coming up here and getting something, all these communities are "poor mouth," talking about their being unable to pay for the educational institutions in which their children are educated. I got most of my elaborate education in a one-room country schoolhouse. We did not know anything about the Federal Treasury then. When the folks needed something more, they came in and cut down some more logs and built another room. They strengthened their muscles and their brains and their patriotism and their self-respect and built up a sturdy American citizenship, which, in my humble judgment, we are weakening by the process of coming up here and getting everything from the Treasury.

We have to draw the line. We cannot impose a general policy of protecting the Treasury against raids by others and insist on a violation of that policy when we want something for nothing for our good cause. We have to stand on the principle of keeping away from the Federal Treasury for these things which belong in the responsibility of the various communities.

I hesitate to make this talk, but I have given the best thought of which I am capable to an examination of what are the perils of America, and I tell you, my countrymen, one of the greatest perils of America is the loss of the self-respect, the self-confidence, and the courage of the people of the communities and the States. In this coming up here to the Federal Government, you cannot get a dollar from the Federal Treasury unless that dollar goes back loaded with Federal

power. Talk about bureaucracy, that is how we are building up bureaucracy in this country, as we are not doing it in any other way.

Mr. ROHRBOUGH. Mr. Chairman, I move to strike out the last word in order to speak in support of this amendment.

Mr. Chairman, it has not been so very long ago since we heard, "Give us the tools and we will do the job." That statement was made by the then and the now First Minister of His Majesty the King of England. That seemed to us a good idea. We decided we would give the tools and see if the job could be done. We set to work to make the tools, although a good many of us were skeptical that once the tools were furnished we would have to furnish also the men to use them. But we set to work to make the tools. In our enthusiasm we made more tools than we actually needed. Then, too, it was not so very long until we found that we were called upon to furnish the personnel to handle the tools.

We equipped an army, a large army. We equipped it well. We trained it so that it is the mightiest army that ever trod the earth, and it is doing a great job. It is completing the work for which it was created. But in equipping it we created more matériel, more tools, more goods of various kinds than we had any use for. Now the question is, What shall we do with this surplus?

Pretty soon our boys and girls are coming home. They have been out of school for 3 or 4 years. Many of them will need retraining and many will want to take up again their interrupted education. The schools are going to need strong support if they are to be ready to take care of them. We have an abundance of material on hand. If we put it on the market we will disorganize the market, we will destroy the market. We must not do that. If we store the material it will depreciate. We must take care of the educational needs of our soldiers, our sailors, our marines, and our Air Forces when they come back. What better use could be made of this material and equipment than to use it to equip thoroughly our schools, our colleges, and our universities for training returning veterans? These institutions are saying, "Give us the tools and we will finish the job." Shall we refuse to do for our own what we have done so many times for others?

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. ROHRBOUGH. I yield to the gentleman from Missouri.

Mr. COCHRAN. The gentleman knows that under what was termed the G. I. bill the Government of the United States provided very liberally for payment to the institutions who are going to educate our men and women in the service. If we can pay them the tuition so they can educate those in the armed forces, why cannot they, in securing their legitimate needs, pay for the surplus property the Government has?

Mr. ROHRBOUGH. Largely because in training our Army we had to go to the schools, the colleges, and universities in order to get that training. They used their equipment and their material 24 hours a day, and that equipment and material has greatly depreciated. It is ready for the junk heap, a very great deal of it, and it seems to me that that should be replaced by the Government in some way.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. ROHRBOUGH. I yield to the gentleman from California.

Mr. VOORHIS of California. Further, is it not true that the G. I. bill itself will give the schools of this Nation one of the greatest jobs of education that has ever been given to them in all the history of our country?

Mr. ROHRBOUGH. Exactly. I said a moment ago that a great job awaits our schools and universities, and they need to be thoroughly equipped. They are not able to equip themselves.

This war is being won largely by reason of the initiative and aptitude of American youth. It is a mechanical war. The young men and women of our Nation, trained from childhood in the use of the machine, and trained likewise to think for themselves, learned quickly how to do the job to be done. Much credit for our military success must be given to our schools. The schoolrooms and athletic fields of yesterday made possible in a large measure the brilliant achievements on the battle fronts of today. And yet, war has made us realize how much more our educational system could have done had it been given the opportunity. In facing the future, let us not again make that mistake, but on the other hand, let us realize thoroughly that education and training are the best and most permanent things we can provide for those who must soon carry on in our stead.

Our schools and colleges have performed a great service in this crisis. However, they show the results of sacrifice. We see them now, not only with a depleted teaching force, coupled with a wage scale that does not provide an incentive for securing our best talent, but as I have said, we see them with equipment, materials and supplies sadly depreciated by reason of their war work. Wear and tear on plant and equipment in some instances was multiplied many times that of normal usage. Replacements have not been possible. There has been a great lag in school revenue, which is based largely upon real estate. If both the funds and materials were available, it would require a large outlay over a period of several years to restore our schools to a status equivalent to that of 1941.

Regardless of all that, we are expecting our schools to assume even greater burdens during the years immediately to follow. In addition to the regular load—which will be more after the war than before—we have added the great program of training and rehabilitating our veterans. True, funds are being provided by the Federal Government for that program, but those funds will not serve to repair, replace, and provide plant equipment and buildings. To be effective, the educational field will have to be broadened and made more universal. The training of tomorrow necessarily must vary greatly from the training of yesterday.

We are in a position to aid our schools in this great task, and to do it now. In doing so, we can avoid both waste and additional expense. We have, or shall have soon, surplus war products to the extent of many billions of dollars, much of which consists of equipment and supplies that can be utilized readily by our schools. It is not a question of giving such surpluses to them. Both the surpluses and the schools belong to the people. The taxpayers purchased both. The schools must have eventually the equipment. When had, the taxpayers must pay for it.

Under the bill now being considered it is contemplated that these gigantic surpluses be disposed of within 3 years after the cessation of hostilities. How may that be done with economy and without demoralizing our domestic economy? We know that if we are ever to pay the gigantic debt we have incurred, and at the same time pay operating expenses, we must maintain a high level of production and income. If we destroy this surplus property, we lose the value of it. If we sell it at home, no matter how carefully the selling may be managed, there is certain to be great loss, considerable profiteering, and a marked effect upon our national economy, including resultant unemployment. Any loss in such sale, and loss there must be, falls back upon the taxpayers.

Shall we give it to other nations in order to produce and purchase again for our own institutions? To me, that does not make sense. Shall we lend-lease it, and then be repaid, if payment be made, in terms of things, which may not be of as much utility as those now at hand, and which will compete with the products of our own industries? In my humble judgment, no property which can be used profitably by our schools should be disposed of by lend-lease agreements.

Why not provide our schools with a sufficiency of such surplus equipment and materials to make of our educational system what it ought to be, namely, the true bulwark and backbone of American democracy, distributing the same upon a basis of need and utilization through our national Office of Education and the various State educational departments? To me, that seems like good sense and true economy.

What valid argument can be offered in opposition to that arrangement? Most certainly we know the value of education. We know that education must precede any reform. We cannot hope for world-wide understanding and permanent peace if we neglect education. If we keep pace with progress we must have education; in fact, without education we shall have no progress. We cannot expect to achieve and maintain a high level of peacetime productivity and income without education. Bear in mind that I am not speaking merely of book learning, although that has its proper place; but I am thinking of the training of both mind and hand, and, above all, of training to think.

If such distribution of surpluses to our schools be made on a basis of need, over

and above ordinary and regular expenditures, business would be deprived of no market. On the other hand, a larger future market would be created, and the present market benefited by that much less competition. It would stimulate employment in the educational field, aid in providing better trained employees for all businesses, and assist in training men and women for the establishment of new enterprises. There must be new horizons and new enterprises if the employment problem is to be solved. Most certainly such surplus could not be used for a more socially desirable purpose. Last, but by no means least, the taxpayer—who will be the man in the front-line trenches of tomorrow—will be afforded some relief.

I commend heartily the plan suggested and outlined by Mr. R. B. Marston, which appears in the RECORD of August 16, and urge the adoption of the pending amendment.

May I now depart briefly from a direct discussion of the amendment in question? I have not troubled this House much with speech making, as you know, but there are some observations I feel constrained to make at this time. During my brief period of service in this House, I have endeavored to study the legislation proposed from time to time, and to do my part as a member of the committees on which I have the honor to serve. I have attended with vigilance the meetings of this body, and given diligent attention to its debates. I have expressed my judgment through my vote on practically all legislation considered. I have dodged no roll calls.

I have endeavored to determine my voting by what, in my humble judgment, was for the best interests of our country. I have supported all legislation designed to speed the winning of the war, although in some instances I have had to accept things distasteful to me. I have voted consistently to reduce the Federal pay roll, to reduce the regular expenses of government, and to eliminate unnecessary waste in war expenditures. I realize that war creates waste. It is unavoidable. However, I fear that peace may find us unfitted to practice economy. By some that is considered an old-fashioned word. Whether old-fashioned or not, we have no better word. There is danger that we have forgotten the consequences of waste. We have talked about billions until millions mean but little to us any more.

Until the debate on this bill I have heard but little said about the great debt that will burden the shoulders of our people for many generations, and on which the interest charges amount to billions of dollars each year. Now, the opponents of this amendment say that we must sell these surpluses and apply the proceeds upon that debt; that we must not give away any of it that has a market value. I challenge the statement that aiding the schools is a gift. We may dilly-dally about equipping our schools, but sooner or later we must, and will, do so, and the taxpayers will pay the bill. They will spend $10 for the task then that $1 of surplus equipment will do now, and lose the benefit of the training that might have been had in the meantime. If we could really sell for cash at a fair value, without doing more harm than good, that would be fine. I want to see this great debt reduced. But if we sell to any department of our Government, or to any purchaser that must depend upon taxes wherewith to pay, where is the benefit? The taxpayer pays the bill, plus all the cost of storage, red tape, and administration. If we sell to dealers then we open the road for profiteering. If we dump all this surplus on the market, what happens to our production, to our employment, and to our national income? We acquire some money to apply on the debt; that is true. We pay out more money in unemployment benefits, collect less in taxes, disrupt business, and help to create a few millionaires. In the meantime, our schools suffer and wait. As a consequence the road is paved for further and continued emergencies.

What will be the cost of caring for those who fought this war? We do not know, but we do know that it will require more billions each year. That expense must be met. We could not be self-respecting and do otherwise. I have supported all forward-looking legislation for the benefit of veterans and members of the armed forces, and have done so gladly, but I have done it with the realization that the account will have to be paid, and that it will require taxes to pay it.

What of the great expense incident to social security and unemployment, which must be met by our Federal and State Governments? It must be paid through taxes, whatever the source of payment. We know that such will require more billions, even when we consider figures that appeal to common sense and reason, and pass by the seductive reasoning of political opportunists and the dreamer ideas of would-be utopians.

It occurs to me that it is time to think and speak of economy. It is also time to practice it. We can put it into practice by adopting the pending amendment—by utilizing that which we have without waste.

I have supported simplification of the collection of taxes. I hope to see before long a drastic reduction in taxes. However, it seems idle to talk about reduction in taxes unless the productive capacity of our Nation is kept at a high flow. We cannot go on borrowing indefinitely. We know that our present war-created prosperity cannot continue beyond the war. Legislation may aid in bringing about or making possible prosperity, but it cannot create it, nor will Executive orders or edicts do so. We cannot hoist ourselves by our own boot straps. To keep America on an even keel, so that it may fill its proper place in the world, will require united effort on the part of its people, as well as wisdom and sane leadership on the part of its leaders. There will be no place for factional strife. There will be no easy way. It will require toil, and sweat, and sacrifice, and economy. It will require faith and the will to win. It will require straight thinking. In all of that, education must play of necessity a vital role.

Yes, in many respects the task of readjusting our Nation to the life and problems of tomorrow presents a greater problem than that of the war itself. Practically our entire economic life must be shifted. We must turn from the sword to the plowshare. While the maintenance of a strong Army, Navy, and Air Force—which we certainly will be wise enough to do—will aid in solving the question of unemployment, yet we must find places for millions of workers. We must lift our eyes to wider horizons. We must create new enterprises. We must think things through. To do that requires training and education.

What of the peace to follow? We know now that we shall win this war, though at a tremendous cost. Whether the sacrifice made shall have been in vain will depend upon how we now set the stage for the next act. Shall we make of this war the war to end wars? That is the prayer of every true American. That is the comfort of those who wait in vain for loved ones to return. That is the hope of mothers who now look upon their little children at play. That, I believe, is the determination of those who shall return from this carnage, as well as of those who labored in the second line of defense.

I have stood for international cooperation to preserve peace without surrender of any rights we are fighting for today. I shall continue to do so, believing as I do that such is the thought and prayer of the American people today. However, I realize that if there is to be a permanent peace, much will depend upon the United States. The world looks to it for leadership and cooperation. That cannot be provided by any Santa Claus attitude, nor, on the other hand, if motivated by any spirit of greed. We do not wish or need to boss the world. It is not our job to support the world. A good neighbor is one who takes care of his own household, cooperates with his neighbor in those things to their mutual interest and benefit, lends him a helping hand in distress, receives help in turn when needed, and yet keeps his nose out of what is the private business of the other. Such neighbors get along together. Our Nation can do likewise, under the right sort of leadership, without ruining our own economy or detracting from our own freedom, and in such a manner as to gain the respect and cooperation of the other civilized nations of the world.

That goal cannot be reached without education. Let us take a step in the right direction by supporting the pending amendment.

Mr. MANASCO. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes, reserving the last 5 minutes for members of the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona.

Mr. MURDOCK. The gentleman who just preceded me, quoting a great leader of the times said, "Give us the tools and

we will complete the job." He had reference to a military task. But I am thinking now of another job. The teachers of America, with the educational leaders of this country, could say that same thing: "Give us the tools and we will do the job." This means the proper and adequate training of our citizens. The schools, the public schools and colleges of our country have never had the tools requisite to do the job as thoroughly as it should be done. Here is a chance to put in their hands those tools. I am in support of the amendment, both of these amendments, particularly the amendment of the gentleman from Pennsylvania, because its provisions are mandatory. Some are broader, but they are mandatory.

There is a vast difference between this provision and the proposal offered by the gentleman from Texas. His proposal had reference to a governmental agency for which Congress provides money through appropriations. Congress makes no appropriations to the public schools and colleges of the country. There is a vast difference in the two cases.

As a school man of wide experience, I have been a teacher of a one-room country school almost of the type described by the gentleman from Texas [Mr. SUMNERS]. Yes, I take my hat off to the work done by those schools in these days, but I do not advocate a return to them. I also attended such in the beginning when I was young. But times have changed and schools have necessarily changed, but even so, our schools have not been equipped sufficiently with laboratories and scientific apparatus requisite to do the job in this scientific day in so many of our schools.

Someone wrote in a magazine of wide circulation recently to the classroom teachers, and it was a very offensive article, "Can you teach the G. I. way?" A school teacher friend of mine making reply said, "Give us the facilities the Army is now using in their training and we can teach the G. I. way." He is exactly right about that. Why have we had to be so lavish in providing laboratory equipment for training in this war program, and why devote so much effort to it? Because we were not equally provident at an earlier time to give to our schools that adequate equipment for training. If we had done so years before the war we would not have been required to do so much of it at the present time during the war. I do earnestly hope that the amendment will be adopted.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I am very glad to yield.

Mr. ALLEN of Louisiana. It is well to point out that these men coming back from the services must make application within 2 years, and during that time we will not be able to manufacture enough stuff for these boys unless we give them this material.

Mr. MURDOCK. Yes; I thank the gentleman. There are two things I want to emphasize. We have passed the G. I. bill of rights which provides for an elaborate program of education. This proposal can be fitted in with that provision and not only that, but the schools have already been called on to do a great share of the war training. The gentleman from New York the other day read a long list of colleges in this country giving training for the War and Navy Departments. They have worn-out equipment. They ought to have that replaced. This amendment provides an opportunity to do so. Not only that, but this amendment provides that we can further this education which the G. I. bill of rights promises to our returning veterans.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. JENKINS. I dare say if the Government paid for the actual wear and tear on the instrumentalities of the schools, that the cost would amount to more than what they could sell these goods for.

Mr. MURDOCK. Exactly so. Mr. Chairman, as I see it, this vast store of property has already been paid for by the American taxpayers. I want to have the taxpayers get value received on the investment. I have gone along with this bill. I have been willing to give the Administrator vast power and wide discretion. I trust him. Yet I fear that if you do not adopt this amendment, the best any administrator can do under this measure is to let the Office of Education have a chance to buy a typewriter or two and possibly a few other pieces of office equipment for use here in Washington.

I hope he will be the right kind of man in his values and his judgments. Whether he be Will Clayton or whoever he may be, he has a greater job of an economic nature than has ever been borne by human shoulders.

Certainly in disposing of this vast store of goods I want it done with dispatch and with fairness to the present owners. Let consumptive goods be disposed of for resale in such a manner as to prevent speculation and to return to the Treasury every dollar which can be obtained. Of course, this should be done in such a way as not to harm our economy.

But this is different in the case of educational material suitable now for nothing else but which could not and would not be ordered as new goods. This school equipment, which would not sell for 10 cents on the dollar yet which is badly needed, will return more than 100 cents on the dollar to the public and to the taxpayers in the proper use of it by our schools.

Mr. RABAUT. To whom is the Government going to sell this school equipment except the schools? Why give it to them? When you admit it will be sold for so little on the dollar, let them buy it. You are passing a bill here to recapture funds for the Government. Let the schools buy the equipment if they want it, just the same as any other agency of the Government. The gentleman is making a very popular appeal, but it is not consistent with the purposes of this bill we are considering at the present time.

Mr. MURDOCK. Recapturing money for the Treasury in the forced sale of this type of goods is like trying to recapture all the rain from a cloud in a sieve. If you call it saving this way, it is like saving at the spigot and wasting at the bung.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORRISON of North Carolina. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during my quite long public career, I think a little action that I took when I was in the other branch of Congress has worried me more than anything else. One of the very first things I did there was to get a bill passed at the instigation of a lot of boomers from the city of Asheville in my State wherein we gave to the city of Asheville a piece of Government property now the most valuable piece of property, foot for foot, in the State of North Carolina. Why? Because the boomers told me the Government never sold anything, that it did not sell its real estate but gave it away. And I helped to give it away. Today that property is the most valuable piece of property in that city or probably any other city in my State, foot for foot. I know the noble objectives for which this amendment is offered. Everybody who has any sense of spiritual life whatever is for education. I have fought all my life down in North Carolina for education and have the distinction, I believe, of having caused the State to spend more money for education than any other State of like population within the same period of time. But it is the manner in which we are to make this educational appropriation, in a disorderly way, demoralizingly and indirectly, and setting a precedent, that will make all the property of the United States well-nigh worthless to it. We do not want to give it away if it has any value. The gentlemen who want to give the property to the communities would not want to do so unless it had some value. The whole thing is based on an absurdity, that we must give the schools of this country real estate, houses, schoolhouse equipment, and so on, because it has no value. If they want it, if they can use it, then it has value and it is logically absurd to contend that it has not.

I dare say that we could find in the United States already some of the property that recently belonged to the National Youth Administration which was given away, and the very people it was given to are now trying to sell it and get money for it. I know one institution in which they are doing it, and they have been offered quite a fine price for it. I will not yield to any gentleman who has addressed the House in devotion to the cause of education. We talk about what the schools have done. Why, where would our institutions for higher learning in this Republic have been in these perilous days if it had not been for the benefits they gave them for educating their youth? We always can provide benefits to educational organizations and interests of the country. I hope we will keep on doing it. But this Government ought to look to its policy. We ought to

make appropriations through the regular channels after consideration by the appropriate committees and then finally through the Appropriations Committee and add generously to every good activity in our country looking to the progressive development of it. There may not be anything in what I have in mind, but I am deeply and terribly in earnest about it.

I think this manner of disposing of the property of this country by giving it to great and noble groups who say they want it for noble and approved purposes, is financial fallacy and that it should be stopped, and forthwith. If this property will bring very little, these school districts that want it will have a good chance to make a good bargain, but this thing of our property being of no value is nonsense anyway. Everything will bring at least a fairly good price in this great, strong, powerful, and rich country of ours. All of this stuff about the property being of no value is nonsense. All of it is of value and will bring money if we will preserve it for the taxpayers of this country.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. MORRISON] has expired.

Mr. REED of New York. Mr. Chairman, I was actively interested in education before I came to Congress and I have been interested in it ever since I came to Congress.

I remember at one time when a very large element in this great body thought that those of us who believed in vocational agriculture, especially having it taught in the schools, were almost guilty of lèse-majesté. But I am proud to say that I think I was quite largely responsible, as chairman of the Committee on Education, for putting vocational agriculture into 8,000 high schools. I am one of those who believes that the greatest wealth producing agency in the world is the school system found in every State in the Nation. One reason why our Nation stands out in its achievements in peace and in war is because we have the type of educational institutions available to all of the children of this country. I believe that it is because we have educated our young men and women in this country that our Army, under the leadership of highly educated technical men, brave men and heroic men, with the initiative which trained minds and brains have, is plowing through Europe today to ultimate and complete victory.

It was said long ago that—

> If we work on marble it will perish. If we work upon brass time will efface it. If we rear temples they will crumble to the dust. But if we work on men's immortal minds, if we imbue them with high principles, with the just fear of God and love of their fellow men, we engrave on those tablets something which no time can efface, and which will brighten to all eternity.

I think these technical instruments so useful to our educational institutions should be placed in these institutions under a leasing proposition, the Government retaining the title, so that in the event of another conflict the Government could immediately take those instruments and again use them for military purposes until more advanced instruments could be produced. I think this should be done, because, as has been stated here, the boys are coming back by the thousands; yes, by the millions, and even now, with victory in sight, they are looking forward to the time when, with their bonds and the pay of their Government, they can return to school and finish their school or college courses.

I remember when I was coaching a college football team I saw boys who entered that college at the age of 22 years. Some of them were on the football team. They entered at that age because they had to earn enough first to get there, and then pay their tuition and board. Where are they today? They are the heads of great enterprises in this country, contributing to the war effort.

Now, what will happen to many of the technical instruments and other equipment declared as surplus unless the schools get them and have the advantage of them, especially the highly technical instruments? They will be thrown into warehouses. Shovels and plows will be thrown on top of them, and others will find their way into pawn shops and racketeering outfits, to be sold at high prices. There will be a great deal of waste. But if you loan these things to the institutions, the Government retaining title, and give our universities, colleges, and schools a chance to use them, this surplus war material will not be wasted.

I am always interested in the eloquence of the gentleman from North Carolina [Mr. MORRISON]. One of the reasons why his State stands out as one of the progressive States of this Union is because of the wonderful educational institutions they have in that State. They produce wealth. We can produce wealth. We can produce leadership if we supply the equipment and facilities for our educational institutions. I placed a long list of the educational institutions in the CONGRESSIONAL RECORD. They were taken from the World Almanac of 1944. The list of universities, colleges, junior colleges, and normal schools does not include the many thousands of high schools.

Mr. MORRISON of North Carolina. Will the gentleman yield?

Mr. REED of New York. I yield.

Mr. MORRISON of North Carolina. I just wanted to thank the gentleman for the compliment to my State.

Mr. REED of New York. The gentleman standing there is proof of what I said.

Mr. MORRISON of North Carolina. But we have never received, except for the land-grant colleges, one dollar of Federal funds, to make it one of the finest educational institutions in the world.

Mr. REED of New York. You did very well on tobacco.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GIFFORD. Mr. Chairman, after that moving appeal by the gentleman from Texas, relating to the Federal Treasury, it should be said that our educational institutions have already lost to the Treasury, by the Federal Treasury taking the money away from their donors and supporters of the past. Many educational institutions are now in financial straits because the Federal Treasury has taken the money formerly depended on to finance them.

I am not speaking in favor of the amendment. I am making the statement of their side of the question. They claim that they have already been called upon to educate the soldiers in these colleges; that the Government itself has set up all kinds of schools with splendid equipment, especially valuable machine tools. They do not want a donation, but they do want a lease of these tools. Do you think that this machinery and these tools are to be readily sold according to the amendment passed yesterday, wherein they shall be advertised and must bring prices prevailing in the ordinary channels of trade? Has not the committee done enough when they have said we can donate that which is worn out, or when it cannot be handled or stored or sold at a proper price? If I were the Administrator I could easily arrange that these schools should have the use of this particular kind of equipment. Theirs has been worn out in the service of the military. They have a right to expect that we replenish it in some way. But I do think the committee must be supported as this bill does do much to remedy this situation.

I shall support the report of the committee because I think that it ought to be sufficient to help this situation to a very great degree.

Mr. MARTIN of Iowa. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. MARTIN of Iowa. I would like to support the argument placed before the House by the gentleman from New York [Mr. REED]. I taught in the R. O. T. C. in one of the large universities following the last war. I know how much we needed some of this equipment and how very little of it we had an opportunity to use. I know from experience that any equipment loaned or sold to the universities and colleges will be given mighty good use by those institutions if they are given an opportunity to use them. I know that is a very fine use to make of this equipment.

Mr. GIFFORD. I think under the committee report they can lease it to those schools.

Mr. MARTIN of Iowa. I predict now that the rush of students back to the universities following this war will be so much greater than it was in 1919–20–21 that these colleges and universities will need an even larger amount of equipment than they can possibly buy in the commercial market.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. COLMER. Will the gentleman also call the attention of the House to section (b) on page 33 in which these institutions will be given an opportunity to fulfill their legitimate needs?

Mr. GIFFORD. Yes; I think the committee bill has really provided fair opportunity. I would not like to do anything to adversely affect the institutions.

They have been my pride for many years. We have the Treasury to keep in mind and must not weaken.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. WHITTINGTON. In addition to the advantages to schools and universities under this bill, is it not true that the generosity of the Army and Navy during this war has absolutely kept our colleges from going into bankruptcy?

Mr. GIFFORD. We must agree to that.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired; all time has expired.

The gentleman from California asks unanimous consent that the amendment be again read.

Is there objection?

There was no objection.

The Clerk again read the substitute amendment.

Mr. TARVER. Mr. Chairman, in view of the fact that this is a substitute to the amendment proposed by myself—and I believe the request was that the original amendment be read—I ask unanimous consent that the original amendment, which differs in some important respects from the substitute, be read.

Mr. TABER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. I understood the gentleman from Pennsylvania [Mr. WALTER] to say that the substitute differed from the original only in that it was mandatory; and I understand from listening to it that quite a lot of other language has been added. Am I correct?

The CHAIRMAN. The gentleman from Pennsylvania made the statement that it was different only in that it was mandatory, but since the gentleman from Georgia has asked that the original amendment be read, without objection, the Clerk will read it and then we can determine what the difference is.

Mr. TARVER. I am not, of course, in order in replying to a point of order, but I may say that there are some other differences between the substitute and the original amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk again read the Tarver amendment.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Pennsylvania.

The substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. TARVER) there were—ayes 31, noes 69.

So the amendment was rejected.

Mr. GOSSETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GOSSETT: Page 32, before the period in line 6, insert ", but, except in the case of property the immediate destruction of which is necessary or desirable either because of the nature of the property or because of the expense or difficulty of its care and handling, no property shall be destroyed in the United States until 30 days after public notice of the proposed destruction thereof has been given and an attempt has been made within such 30 days to dispose of such property otherwise than by destruction."

Mr. GOSSETT. Mr. Chairman, if the Committee will bear with me just a minute, this is a committee amendment to perfect an amendment to the same effect offered by me during our consideration of this bill. The amendment has been very carefully gone over and considered by the legislative counsel.

The entire purpose and objective of this amendment is simply to prevent the destruction of any property that might have value. I believe most of us know of instances wherein the Government has destroyed property which persons in the local communities wanted and needed. In the case of some Army camps scrap lumber has been burned that the people in the neighborhood would be very glad to have in their scrap heaps for the building of things around their homes. I am sure none of us want any property of any usable value to anybody to be destroyed.

The amendment has been gone over carefully by counsel for the Administrator and while he feels it might impose some administrative difficulties he has no serious objection to it. This is in line with the unanimous feeling of the committee that certainly no property should be destroyed until after a month's notice.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. SHORT. I call the gentleman's attention to the fact that when some of the C. C. C. camps were closed many tools, picks, shovels, saws, and hammers were publicly destroyed when some people in the local communities would have paid a reasonable price for them.

I am heartily in favor of the committee's amendment and hope it will be adopted.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Iowa.

Mr. JENSEN. Will the gentleman please explain why no penalty is provided in the amendment for such misdemeanor?

Mr. GOSSETT. There is no penalty provision anywhere in this bill other than the usual penalties of existing law.

Mr. JENSEN. Does not the gentleman believe the amendment would be really more effective if it contained a penalty clause?

Mr. GOSSETT. I may say to the gentleman from Iowa that I believe the provisions of the amendment will be scrupulously complied with.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. WHITTINGTON. I may say that the committee went into the matter of penalties very carefully and decided against it.

Mr. JENSEN. But I believe it would strengthen the amendment to have a penalty clause in it.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. RABAUT. What effect would this have upon animals, sick animals, that should be disposed of? For instance, they recently had a lot of shoes that had to be destroyed because of disease germs in them. Would they have to keep those infected shoes for 30 days under the amendment?

Mr. GOSSETT. No; that is taken care of by this language:

Except in the case of property the immediate destruction of which is necessary or desirable either because of the nature of the property or because of the expense or difficulty of its care and handling.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. DINGELL. Is it the gentleman's proposal to prevent the destruction of property such as occurred following the last war, namely, the destruction of airplanes in France? We burned millions of dollars worth of airplanes which might have been brought back to this country and used.

Mr. GOSSETT. The amendment is designed to prevent such action.

Mr. DINGELL. It will prevent the destruction of valuable property?

Mr. GOSSETT. Yes.

Mr. CRAWFORD. Will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I think the gentleman's last explanation about certain language will permit the sanctified and continued destruction of a vast footage of lumber which is now being burned. Go down here to the depot just a few miles from Alexandria and you will find that when they want to burn a carload of lumber they declare it to be a fire hazard and proceed to burn it. That has been going on all over the United States. We know that. It is an established fact.

Mr. GOSSETT. This amendment is designed to prevent that sort of thing.

Mr. CRAWFORD. But the gentleman has no language in there which, according to his explanation to the gentleman from Michigan, will prevent a continuation of the destruction of that lumber.

Mr. GOSSETT. I believe the gentleman's apprehension is unfounded. The saving clause in there is to take care of garbage, dead horses, and so forth.

Mr. CRAWFORD. Will the gentleman read again the language he quoted from the gentleman from Michigan?

Mr. GOSSETT (reading):

But, except in the case of property the immediate destruction of which is necessary or desirable either because of the nature of the property or because of the expense or difficulty of its care and handling, no property shall be destroyed in the United States until 30 days after public notice of the proposed destruction thereof has been given and an attempt has been made within 30 days to dispose of such property otherwise than by destruction.

Mr. CRAWFORD. If by the very nature of the lumber it could create a fire hazard and the commanding officer in charge ordered it to be burned in order to get rid of the fire hazard, what is in the language to prevent him from doing so?

Mr. GOSSETT. I think the wise use of his authority would require him to first try to dispose of it.

Mr. CRAWFORD. The intent of the language is to prevent the destruction of lumber?

Mr. GOSSETT. Yes; and other such property.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Texas [Mr. GOSSETT].

The amendment was agreed to.

Mr. PACE. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. PACE: Page 31, line 15, after "(a)", insert "(1)", and after line 22 insert:

"(2) Surplus farm commodities shall not be sold in the United States under this act in quantities in excess of or at prices less than those applicable with respect to sales of such commodity by the Commodity Credit Corporation unless such commodity is being disposed of pursuant to this act, for export at competitive world market prices."

Mr. PACE. Mr. Chairman, the Congress has provided certain support prices for agricultural commodities and further provided that for 2 years after the war many of those commodities shall be supported at not less than 90 percent of parity.

My amendment seeks to do 2 things, both of which are most important. There is an accumulation in this country today, through Government purchases, of dairy products, eggs, wool, cotton, wheat, and about 40 other commodities. No one wants those commodities dumped on the American market as it would be very disastrous to the United States Treasury under these support programs and very disastrous to the farmers and to farm prices to dump those surpluses on the market after the war. The present law prevents the sale of commodities held by the Commodity Credit Corporation at less than parity and limits the amount of cotton which may be sold each month and year. This amendment will apply the same limitations and restrictions to commodities held by any and all other Government agencies and departments.

Mr. MANASCO. Will the gentleman yield?

Mr. PACE. I yield to the gentleman from Alabama.

Mr. MANASCO. May I say that this is an amendment prepared by the attorney in the Department of Agriculture at the request of our committee?

Mr. PACE. Yes. Some members of the committee asked me to study the amendment and following several conferences with them and others it has been revised.

Mr. MANASCO. There was other language in the amendment, but the committee struck that out and accepts the amendment in its present form.

Mr. PACE. I appreciate the gentleman's statement. This amendment does another very important thing. It makes available the commodities now in the hands of the Commodity Credit Corporation and other surpluses for export at competitive world market prices. Under the present law without this amendment these surpluses now held by the Commodity Credit Corporation could not be placed in the world market except at parity prices. I am sure you all realize, for example, that if foreign wheat were selling for 85 cents it would be quite difficult to sell our wheat at $1.35 and $1.40.

The amendment, as I stated, does two things. It prevents dumping on the American market and opens these surpluses for export to foreign markets at the world competitive market prices. I will not take more time, as I enumerated in my remarks here on Wednesday the principal commodities to which this amendment relates and the situation which will confront us and which makes this amendment necessary at this time.

Mr. H. CARL ANDERSEN. Mr. Chairman, I wish to add my support to Mr. PACE and sincerely hope his amendment will be accepted by the Committee. We cannot leave in the hands of any one man, whoever may be the Administrator of this act, the power, unintentionally perhaps, to break down the price structure of farm commodities. The gentleman from Georgia [Mr. PACE] has been a leader in the House in helping to secure and maintain a decent price structure for American agriculture. May I add these few words of mine to his and urge the adoption of this very worth-while amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. PACE].

The amendment was agreed to.

Mr. VORYS of Ohio. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. VORYS of Ohio: Page 31, line 19, after the word "lease", insert "or" and in lines 19 and 20 strike out "or other disposition" and "or otherwise" and in line 20 after the word "credit", insert "or."

Mr. VORYS of Ohio. Mr. Chairman, this amendment would lock the back door for gifts just as Congress has been locking the front door today on this legislation in reference to giving away public property. We have repeatedly voted down congressional proposals to give away public property, except under the provisions of 10 (b) which provides for giving away property that has no commercial value. However, due to the present wording of section 10 (a) the Administrator can give away $112,000,000,000 worth of stuff because under the present language he can dispose of this property by sale, exchange, lease, transfer "or other disposition" for cash, credit, other property, "or otherwise."

If you can make any old "disposition" of property for cash "or otherwise" that means you can give it away. This would create the possibility, as the bill is now worded, of a lend-lease program twice the size of all the lend-lease we have given away, of an U. N. R. R. A. program 10 times the size the Congress has authorized by law, of a W. P. A. the size of the $10,000,000,000 W. P. A. program which the Congress has finally ended.

It may be said that Mr. Clayton does not intend to give away any of this property. If so, then changing the language so that he cannot give it away will be no hindrance in the administration of the law.

The language proposed in the amendment I have suggested does not specify the amount of payment or consideration because, as I take it, we cannot limit the discretion of the Administrator to decide upon the amount of consideration that should be received, but at least we can make perfectly clear what the committee say they intended, and that is that, by section 10 (a), we do not intend to give the Administrator or any other Government agency authority to give away property; they cannot dispose of it otherwise than by sale, exchange, lease, or transfer, which would include the renting of personal property, and we do not intend to give them the discretion to receive consideration other than cash, credit, or other property.

We are creating vast powers under this bill. Sections 11 (a) to (j) are the so-called declarations of policy sections. There is nothing compulsory about those policy statements. They are not ten commandments. They are merely ten platitudes in which we express the pious wishes that we hope the Administrator will follow. Some of them are mutually exclusive and contradictory. He will have a hard time following them all at once. We ought to make clear one proposition, and that is that no property of value is to be given away by the Administrator for nothing, just as we have voted repeatedly today that Congress is not going to specifically authorize giving away any surplus property at this time, other than as provided by section 10 (b), for property of no commercial value.

Mr. GOSSETT. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. GOSSETT. How is the commander of an army camp, who has a great deal of surplus lumber, going to dispose of that other than to give it away? In a great many instances there will be property that cannot be sold, but which will be useful to many individuals.

Mr. VORYS of Ohio. The gentleman, in discussing his own amendment to section 10 (b) a few minutes ago, answered that question. If it is of no value, he can destroy it.

Mr. GOSSETT. If it has no value, we want to destroy it.

Mr. VORYS of Ohio. He will proceed under the amendment; if it is of no value, either to destroy it after notice, according to the gentleman's amendment just adopted, or if it is of no commercial value he has a right to give it away under section 10 (b) if anyone wants it.

Mr. GOSSETT. No.

Mr. VORYS of Ohio. May I answer the gentleman's question this way? If there is any property that any Army

commander, Mr. Clayton, or any of the Federal agencies have that is of commercial value that they want to give away, if my amendment is adopted they cannot give it away without a further act of Congress. I think that is what the Congress intends. That is the way this bill was explained to us the other day. Here is a loophole that was left in by the draftsman of this bill, inadvertently I hope. Let us plug up the loophole so that there is only one way to give away property, and that is under section (b), when it has no commercial value.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last word, to oppose the amendment.

In order that the Members may understand the amendment, the gentleman from Ohio inserts the word "or" in line 19 section 10 between the words "lease" and "transfer", and strikes out the words "or other disposition" as well as the words "or otherwise."

Permit me to say this, Mr. Chairman, that section 10 (a) under consideration deals with the methods of disposition, and under section 10 (b) property cannot be given away unless it is declared to be of no commercial value.

Under section 10 (a) there is a definite provision which reads, "Wherever any Government agency is authorized to dispose of property under this act", so it must be disposed of under this act, transferred for value, and at the fair market value. And on 2,000,000 items—much of it in foreign countries that I hope will never come back to this country—he is to be given broad discretion. I do not know just what he will have to do in order to get value for it, but I do say that in four or five words it is exceedingly difficult not to give him the wide discretion that he ought to have in the disposal of property either for cash or for something in kind, and that is exactly the purpose of this language. The word "given" is not here. You say "other disposition", but this other disposition is within the terms of this act and under the terms of this act he has to sell it, and not give it.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. MORRISON of North Carolina. In connection with the word "otherwise," the supreme court of my State gave great significance to it in a will case. It means nearly anything. It is a bad word, if the gentleman will excuse me. I wish the gentleman would eliminate that one word.

Mr. WHITTINGTON. That is not the purpose of the amendment. I think as a lawyer now, with all due deference, when you speak about exchange in kind, cash or credit, or otherwise, it would be considered as being equal to.

Mr. MORRISON of North Carolina. No. It would make no sense. If it means the same as that which precedes it, it means anything. A great valuable property was conveyed in my State under a will, significance being given to the word "otherwise."

Mr. WHITTINGTON. I understand the gentleman's question. I do not know just what that word "otherwise" would be necessary to embrace, but I do know this, that he has to sell the property under the terms of this act. It does not provide for a gift.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. TABER. "Otherwise" would mean "a gift."

Mr. WHITTINGTON. I respectfully differ with the gentleman.

Mr. TABER. There cannot be much question about that.

Mr. WHITTINGTON. The gentleman asked the question if I thought it meant a gift.

Mr. TABER. Let us be on the safe side. We do not know what it does mean.

Mr. WHITTINGTON. Let us be reasonable, if the gentleman will pardon me. I have been opposing donations and gifts for 2 days. Whenever any Government agency is authorized to dispose of property under this act it can only dispose of it under the act. There is a prohibition against donations and gifts. What we do is to give the Administrator broad discretion in disposing of it. As to this six or seven billion dollars' worth of property in foreign lands, he said he wanted to get cash for it if he could. He wanted to get property in kind if he could not get cash. He wanted the power to dispose of it and get every dollar he could. There is no occasion for the pending amendment.

Mr. CASE. Mr. Chairman, I move to strike out the last word. I wish merely to call attention to the fact that the language of the amendment leaves in the words "transfer" which will cover unusual transactions. "By sale, exchange, lease, or transfer." "Transfer" is certainly broad enough to cover any method of disposition under the terms of the act without creating some vague uncertainty by the words "or other disposition."

The Vorys amendment also leaves in "cash, credit, or other property," so that there is enough room for disposing of property within the general intent that disposition shall be by a contract with a consideration without creating an uncertainty by using "or otherwise."

"Other disposition" and "or otherwise" are words so broad that no one knows what they mean, and it is much safer to take them out.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

Mr. SUMNERS of Texas. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, consent having been given, I offer herewith to be printed in the RECORD two proposed amendments to the pending bill. These amendments if adopted will go very far toward preventing the Congress from losing control over the powers being conferred upon the executive branch of the Government by the provisions of this bill. There is no reflection upon the executive branch of the Government by reason of these proposed amendments or their adoption, in the event they should be adopted, because the enormous emergency powers being conferred by the provisions of this bill are such powers as would in large degree ordinarily be retained by Congress.

The first proposed amendment would subject the term of office of the Administrator to the possibility of termination at any time upon the happening of the concurrent resolution by the two Houses of Congress provided for by the following language: At page 26, in lines 4 and 5, this language is contained in the bill:

The term of office of the Administrator shall be 2 years.

This is the proposed amendment:

Page 26, at the end of line 5, strike out period, insert comma, and add "unless the two Houses of Congress by concurrent resolution shall designate a shorter term, upon which occurrence the term of office of the Administrator shall terminate on the date designated in such concurrent resolution."

The second proposed amendment is as follows:

On page 44, in line 11, after the word "or", insert "at an earlier date if such date be designated"—

So that that part of the bill will read:

unless extended by law this act shall expire at the end of 3 years following the date of cessation of hostilities in the present war as proclaimed by the President, or at an earlier date if such earlier date be designated by concurrent resolution of the two Houses of Congress.

The language proposed to be added is "at an earlier date if such date be designated."

These two amendments would retain in the two Houses of Congress power to terminate the service of the Director if his conduct of the enormous business to be transacted under the provisions of this bill should cease to meet the approval of the Members of the Congress who had created his office and conferred upon him the great powers provided for in the bill. In such circumstances there would have to be a new designation, which in turn would have to meet the approval of the Senate.

Under the last-proposed amendment the two Houses of Congress would retain the power to terminate the extraordinary grants of power contained in this bill. There is nothing novel about what is proposed by these amendments. Insofar as I know their constitutionality is generally accepted, because the happening of the incidents or the contingencies upon which the termination would occur would be contained as a part of the legislation conferring the power, and, of course, would be agreed to by all the agencies having to do with legislative processes. It is a just and wise arrangement, speaking generally, which should accompany grants of great emergency power to deal with emergency situations as I have had occasion to state several times. Those statements were made after careful examination of the facts. When democracies confront situations requiring greater strength in government and a greater rapidity of movement than is possible to be had through the normal democratic processes, it is the custom—universal per-

haps—in the long history of democratic governments for emergency powers to be conferred upon the executive to deal with emergency situations. That is especially true when a democracy is engaged in a war. Our people seem instinctively to sense the necessity for a greater strength in government and a more rapid pick-up and movement in governmental processes than their institutions functioning normally can provide. There is a sort of instinctive insistence upon the concentration of necessary power in the executive branch of the Government, which has responsibility of fighting a war. Usually during this long history we have been able to retain the power to control the exercise of these emergency powers if such control should become necessary, and retain in the representative branch of the Government—the policy-fixing agency of the Government—the power to recapture and redistribute the emergency powers when the war is over.

It is not improbable that at the end of this war in connection with decentralization and redistribution we may find it to have been a wise precaution if we take it regardless of who will head the executive branch of the Government, or his personal attitude toward such redistribution, that we shall have retained as far as possible in the legislative branch of the Government as much power as possible under our Constitution to effectuate this redistribution.

It has seemed to me that in connection with this bill this retention of power to the degree proposed by these amendments could be effectuated with the minimum of personal element and concern, because of the individual who it is generally understood is to assume the great responsibility conferred by this bill, is the one man who would perhaps be the first choice of 90 percent of the Members of Congress and an equally large percent of the advised citizenship of the country.

I do not want to be officious about this matter, or insist as against the judgment of members of the committee responsible for this bill. But this is the type of legislation where it is utterly impossible to provide ordinary precautions in the language of the bill without reducing the power and discretion of the Administrator essential for him to have in order that he shall do the best job and to have the power necessary for him to have to be responsible for the conduct of the business assigned to him by the provisions of this bill. In order that there be responsibility for doing a job well there must not be the lack of power and direction to do it well. In order for there to be proper protection of the public interest the grantor of that power should retain as far as practical the power to withdraw the power granted. There is no reflection upon anybody by that arrangement.

Mr. MANASCO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. JENSEN. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. CANFIELD] be permitted to extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. CAMP. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a poem written by Mr. L. H. Beck, of Griffin, Ga., inscribed to his son, who is a pilot in the Air Forces in France.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to extend my remarks in regard to the perfecting amendment I offered earlier today.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. JUDD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include the statement on foreign policy made yesterday by Governor Dewey.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of pollution in the Delaware River and include a speech delivered last evening at Paulsboro, N. J.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SCHIFFLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia.

There was no objection.

ADJOURNMENT OVER

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

CONSENT CALENDAR

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that the call of the Consent Calendar on Monday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

POST-WAR SECURITY CONFERENCE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, according to the press, the Secretary of State, Mr. Hull, is going to call some of the Members of Congress to attend some of the later deliberations of the Post-war Security Conference. Ten days ago I spoke of the importance of asking members of the committees handling foreign affairs to observe some of the deliberations at Dumbarton Oaks. I am extremely glad that the Secretary of State has promised to do so, because certainly the representatives of the people should be given information, perhaps not as to every detail, but certainly as to the general picture of what the delegates from the different nations have in mind. We must protect ourselves and certainly protect the smaller nations and give them an opportunity to be heard in any post-war plan. It is the only decent way to do, and the only way that a permanent peace may be secured.

The SPEAKER. Under a previous order of the House, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is recognized for 10 minutes.

MILLIONS OF POUNDS OF MEAT WILL BE SPOILED BECAUSE OF CORNER OF BLACK-PEPPER SUPPLY BY A FEW IMPORTERS

Mr. AUGUST H. ANDRESEN. Mr. Speaker, black pepper is a small item in an individual's diet, but millions of pounds of meat will be spoiled in the next 6 months due to the inability of farmers and commercial processors to secure an adequate supply of black pepper for seasoning of sausage and other processed meats. More than 30,000,000 pounds of black pepper, or enough to take care of all requirements to the end of 1945, is in storage in this country but the owners refuse to sell at the ceiling price fixed by the O. P. A.

The Commodity Trading Co., of New York, owner of nearly 20,000,000 pounds of this necessary spice, and a half a dozen other importers, have cornered the supply and refuse to sell any pepper for civilian use. Commercial meat processors use 40 percent of all black pepper and the public 60 percent.

While it is admitted by Government officials that the cost of sausage and processed meats will not increase if the ceiling price of black pepper is raised several hundred percent, the O. P. A. refuses to act. Consequently, millions of pounds of meat will be spoiled in the coming months because of the lack of black pepper for proper seasoning.

The importers who have cornered the supply of black pepper should be allowed a fair profit on their holdings, and if they are not then willing to sell, it appears to me that the matter warrants prompt attention of the Department of Justice. Many American citizens have been prosecuted for less. The public

should not be made to suffer because of greed on the part of a few importers.

The O. P. A. ceiling price on black pepper is approximately 6½ cents per pound. The price in England is around 22 cents. Commercial users of pepper are anxious to secure their supply in the British market, but are prohibited from making such purchases on account of an agreement between the Government of the United States and England. It looks to me like our Government is fostering monopolies and restoring foreign cartels.

There is something rotten in the black-pepper situation. Both the O. P. A. and the Department of Justice should take prompt action to protect American consumers. I will urge the special House committee now investigating the distribution of food products to make a complete investigation so the responsibility will be fixed for the inability of the public to secure black pepper.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2050. A bill to amend the act of August 2, 1939, entitled "An act to prevent pernicious political activities," as amended by the act of April 1, 1944, entitled "An act to facilitate voting, in time of war, by members of the land and naval forces, members of the merchant marine, and others, absent from the place of their residence, and to amend the act of September 16, 1942, and for other purposes."

ADJOURNMENT

Mr. MANASCO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 55 minutes p. m.), under its previous order, the House adjourned until Monday, August 21, 1944, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1774. A letter from the War Food Administrator, transmitting three statements constituting a report with respect to the progress of the liquidation of Federal rural rehabilitation projects; to the Committee on Agriculture.

1775. A letter from the Acting Secretary of the Interior, transmitting pursuant to section 16 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936; one copy each of various legislation passed by the Municipal Council of St. Croix; to the Committee on Insular Affairs.

1776. A letter from the Attorney General, transmitting a report stating all of the facts and pertinent provisions of law in the cases of 175 individuals whose deportation has been suspended for more than 6 months under the authority vested in him, togeth with a statement of the reason for such suspension; to the Committee on Immigration and Naturalization.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JARMAN: Committee on Printing. House Concurrent Resolution 94. Concurrent resolution authorizing the printing of additional copies of Public Law No. 346, current session, entitled "Servicemen's Readjustment Act of 1944"; without amendment (Rept. No. 1775). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAY:

H. R. 5206. A bill to authorize Belfry Coal Co. to construct, maintain, and operate a free suspension bridge conveyor across the Tug Fork of the Big Sandy River at or near Sprigg, W. Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. PHILBIN:

H. R. 5207. A bill to require that one member of the Interstate Commerce Commission be from the New England States; to the Committee on Interstate and Foreign Commerce.

By Mr. ROLPH:

H. R. 5208. A bill to reimburse certain American civilian internees for expenses incurred in connection with their repatriation; to the Committee on Appropriations.

By Mr. RANDOLPH:

H. J. Res. 304. Joint resolution establishing an Air Policy Commission; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. WENE:

H. R. 5209. A bill for the relief of the Western Union Telegraph Co.; to the Committee on Claims.

By Mr. DOUGHTON:

H. R. 5210. A bill for the relief of Claude S. Crouse; to the Committee on Claims.

By Mr. NEWSOME:

H. R. 5211. A bill for the relief of Mrs. Wilma G. Vest, Birmingham, Ala.; to the Committee on Claims.

By Mr. SCRIVNER:

H. R. 5212. A bill for the relief of E. E. Armstrong; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6005. By Mr. BRYSON: Petition of Josephine H. Lough and 50 other citizens of Winona Lake, Ind., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

6006. Also, petition of Mary B. Browning and 40 other citizens of Poughkeepsie, N. Y., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

6007. Also, petition of Mrs. William N. Tournell and 96 other citizens of Grand Rapids, Mich., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

6008. Also, petition of Mrs. Frank Gribben and 110 other citizens of Niagara Falls, N. Y., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

6009. Also, petition of S. J. Gilbert and 104 other citizens of Tedders, Ky., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

6010. Also, petition of Marie Reinhaudt and 83 other citizens of Fredonia, N. Y., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

6011. Also, petition of Mrs. Chryssie E. C. M. Jones and 96 other citizens of Chino, Calif., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

6012. Also, petition of Mr. and Mrs. Charles M. Stout and 166 other citizens of Glendale, Calif., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

6013. Also, petition of Harry Platt and 40 other citizens of St. Paris, Ohio, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

6014. Also, petition of Mildred Browning and 51 other citizens of Hyde Park, N. Y., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

6015. Also, petition of Kate J. Alonso and 76 other citizens of Gainesville, Fla., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

6016. Also, petition of Rev. Lester L. Henry and 60 other citizens of Marion, Ind., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the

duration of the war; to the Committee on the Judiciary.

6017. Also, petition of C. J. Armstrong and 100 other citizens of Houghton, N. Y., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

6018. Also, petition of 246 members of the Central Seventh-Day Adventist Church, Kansas City, Mo., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

6019. By Mr. LEONARD W. HALL: Petition of numerous citizens who reside in the First District of New York and neighboring area opposing prohibition legislation; to the Committee on the Judiciary.

6020. By Mr. SABATH: Petition of the City Council of the City of Chicago, memorializing Congress to enact legislation to provide for prompt termination of war contracts upon cessation of hostilities; to the Committee on Military Affairs.

6021. By Mr. THOMAS of New Jersey: Resolution adopted by the Board of Chosen Freeholders of Warren County, N. J., at a meeting held June 28, 1944, endorsing the measure now pending in the United States Senate known as Senate bill 1737; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 21, 1944

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, our Father, whose greatness our finite minds cannot comprehend and whose resources of grace and goodness our human needs cannot exhaust, we rejoice that we are the beneficiaries of Thy bountiful providence.

We pray that as Thou hast opened Thy hands in blessing so our hearts may expand with a sincere desire to minister to the welfare and happiness of mankind. May we be eager to bring about a more ethical and equitable distribution of the blessings of life. Show us how we may release the hidden splendor of humanity, emancipating it from fear and want, and everything that defiles and degrades.

Grant that Thy blessings of nobility of aspiration and clarity of vision and judgment may be richly bestowed upon our President, our Speaker, and all who share in the responsibility of government. Thou knowest how futile and fruitless all our plans and labors are unless Thou dost gird us with divine wisdom and strength.

Humbly and confidently we would continue to labor for the coming of the kingdom of our Lord, in whose name we pray. Amen.

The Journal of the proceedings of Friday, August 18, 1944, was read and approved.

COL. CARLOS P. ROMULO

Mr. BELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BELL. Mr. Speaker, just a few days ago, pursuant to law, the President of the Philippines filled a vacancy existing in the office of Resident Commissioner and appointed Col. Carlos P. Romulo. Colonel Romulo has had a very distinguished career, not only as a soldier but as a writer and an educator and orator. As a soldier he entered the service as aide de camp to General MacArthur. His distinguished bravery and fearless courage won him one decoration after another. The beloved late President Quezon presented to him the Distinguished Service Star. General MacArthur awarded him the Silver Star. The Purple Heart was awarded him by General Wainwright. I might say that while he has had an unusually distinguished career as a soldier, he has had no less a distinguished career as an educator. He was educated in the Philippine schools and later came to America, where he received degrees from a number of American universities. He then went back to the Philippines to pursue his work as an educator. He became a professor of English in the University of the Philippines. He became a member of the board of regents of that great university. As a writer and journalist he has had a career no less distinguished. As a journalist in the Philippines his writings were a constant inspiration to that people. As a writer of best sellers his name has become a household word in America. In 1941 he received the Pulitzer prize for writing the best book produced in America in that year. As an orator, I think perhaps he has done his most effective work. During those dark days after Bataan, his voice became known as the voice of freedom to the Filipino people and it was that voice which kept alive the fires of patriotism and their hope of returning liberty. During recent months, he has spoken in many American cities to many, many thousands of people. I know in my own city of Kansas City he spoke to an audience of over 12,000 people in the great auditorium there and held them spellbound with his oratory and left them better Americans when they walked away thoughtfully after the great oration which he had delivered. So it is with a feeling of pleasure—and I consider it a great honor, Mr. Speaker, to announce that Colonel Romulo is in the Chamber and is prepared to take the oath of office.

SWEARING IN OF RESIDENT COMMISSIONER

Col. CARLOS P. ROMULO presented himself at the bar of the House and took the oath of office as Resident Commissioner of the Philippine Islands.

EXTENSION OF REMARKS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include therein a very interesting article which appeared in the Chelsea Evening Record, of Chelsea, Mass., last Saturday evening.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WEISS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a newspaper article from the McKeesport Daily News.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD on the shipconstruction program and to include therein a letter from Admiral Vickery and a statement therewith.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DONALD M. NELSON

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, the hope of small business and the whole future of our economy to escape further strangling from monopoly is dependent so largely upon the earnest work of Donald M. Nelson that I cannot refrain from expressing my profound concern over the proposal that he spend several months at this particularly critical time out of the country. I earnestly hope someone else will be found to make this trip.

DUMBARTON OAKS PEACE PARLEY

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JARMAN. Mr. Speaker, today may very well be, and we all sincerely hope it will be, reflected upon throughout the ages of the future as the most momentous one, not only of this generation but of all history, because, as you know, there commences today in this city a conference looking toward permanent peace. It is true that similar conferences have unfortunately failed in the past, but I am convinced that the science of war has progressed to such an efficient and terrible stage that the peoples of the world will this time realize that we must in some way find an avenue of approach to a permanent peace if civilization, as we know it, is to survive. Therefore I indulge the hope, which I know is shared by every Member of this body, that as this conference at Dumbarton Oaks opens, a conference so pregnant with possibilities for accomplishment, the most ardent desires, hopes, and ambitions of those who have sponsored it, those who are participating in it, and of all the peoples of the world who eagerly follow its progress, may fade into insignificance by comparison with the actual accomplishments of the conference.

The SPEAKER. The time of the gentleman has expired.

ATTACK ON PEARL HARBOR

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a letter from Admiral Kimmel to Senator TRUMAN.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. CHURCH addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Indiana [Mr. GILLIE] may be permitted to extend his remarks in the RECORD and include therewith a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COL. CARLOS P. ROMULO

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIPS. An incident occurred this morning which I think is worthy of some comment in this House. I refer to the introduction to the House, and the taking of the oath of office, of the new Resident Commissioner of the Philippine Islands, Colonel ROMULO. Colonel ROMULO is a man of the people. He has the regard and respect of his people. He has the regard, the respect, and the admiration of the people of the United States. Mr. Speaker, I wish to express to him personally my congratulations and my good wishes, and to say that the people of the West will hear of this appointment with profound pleasure. I believe among those who will be most pleased will be General MacArthur himself.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. VOORHIS of California. I just wish to thank the gentleman for what he has said, and to say that I join most heartly in all that he has said.

Mr. PHILLIPS. I thank the gentleman.

The SPEAKER. The time of the gentleman from California has expired.

EXTENSION OF REMARKS

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. POULSON. Mr. Speaker, I wish to insert in the RECORD under an extension of remarks a very open-minded discussion and an article entitled "Labor and Politics" appearing in the Journeymen Plumbers and Fitters Journal.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

POST-WAR ECONOMIC CONFERENCE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have taken the floor before to remind the House, particularly those whose committees which are most occupied with post-war security, that the Members of Congress, and at least those who are members of the Foreign Affairs and Foreign Relations Committees, should be invited to sit in at some of the conferences now being held at Dumbarton Oaks on post-war security. It is an enormously far-reaching thing. It affects the lives of the people of our country, their welfare and safety. It affects the lives and welfare of the nations of the world. This conference of four big powers may well be the blueprint of the plan for the prevention of World War No. 3.

I notice in today's paper that the press were asked to attend this morning. I feel that the Congress should have been asked. It has been indicated that Secretary Hull will ask the Congress at a later date, but certainly we should receive some official notice of that time. I would say that for the future ratifications of any agreements by this country it is only good judgment and fair play to invite the most direct representatives of the American people to listen in to at least a part of the conference.

The motto over Dumbarton Oaks where the four-power conference is being held is "Quod Severis Metes," "As You Sow, So Shall You Reap." For the immediate future, it is important that the Congress be kept as fully informed as possible to avoid suspicions and misunderstanding. The Congress will watch with intense interest how the delegates at the conference sow.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

EXTENSION OF REMARKS

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend my remarks on the liquidation of small businesses.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BARRETT. I ask unanimous consent to extend my remarks on two matters, and in the first to include an editorial from the Western Construction News, and in the second to include a letter by Hon. Charles E. Winter to the editor of the Boston Globe on the Jackson Hole National Monument.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address delivered by Hon. Earl Warren, Governor of the State of California, to the American Legion convention at Los Angeles, last week, and to extend my remarks in a second instance and include therewith a short poem by F. J. McCollum, of Coalinga, Calif.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my remarks and include an article on the physical condition of soldiers.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial from the Dayton Daily News.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

DONALD NELSON

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, one of the most valuable and one of the most able men in our Government is Mr. Donald Nelson, Chairman of the War Production Board. I deplore the fact that it is contemplated that Mr. Nelson will probably go to China and be there for several months, for the reason that I think it is against the interests of the Government and the people at this time for him to leave. He has been helpful to and cooperated with the committees of Congress. I do not know of any person in our Government who has gotten along with congressional committees better than Mr. Nelson. He has their respect and admiration. He is a great friend of small business. I predict that when this war is ended he will emerge as one of the really great men connected with it.

So, in the interest of the Government and the people, the war effort, reconversion, and especially small business, I hope the report is not true, and if true I hope such plans are changed in a way that Mr. Nelson will remain here.

The SPEAKER. The time of the gentleman has expired.

CONSENT CALENDAR

Mr. BLAND. Mr. Speaker, I rise to propound a parliamentary inquiry. I am not going to object if consent has been given to dispose of the Consent Calendar, but I would like to know if we are going to have any chance for it to be called. There are one or two bills of very great importance on that calendar, not particularly to our committee, but for relief for people working in the Coast Guard and the temporary Reserves. I

would like to know if there will be an opportunity for that calendar to be called.

The SPEAKER. The call of the Consent Calendar and the Private Calendar for this week has been dispensed with.

Mr. BLAND. I was sure that was the situation. My inquiry was as to the possibility of a call of the calendar at this session or next week or the week following, which I understand will be Labor Day. I did not know whether we would have to go to the Speaker and get him to recognize us for special consideration.

The SPEAKER. That is hardly a parliamentary inquiry.

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

Mr. MANASCO. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5125, with Mr. THOMASON in the chair.

The Clerk read the title of the bill.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment at this point in the bill.

The CHAIRMAN. The Committee is still considering section 10, on page 32, of the bill. The gentleman from California [Mr. VOORHIS] offers an amendment to that section which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: Insert the following new section on page 32, line 17:

"In order to prevent speculative and excessive profits being realized by anyone the Administrator shall prescribe fair margins of mark-up on any item disposed of by any Government agency for resale by the purchaser. These margins shall be in accordance with usual trade practices and it shall be unlawful to resell surplus property for a price in excess of these margins so prescribed."

Mr. VOORHIS of California. Mr. Chairman, I am offering this amendment for my colleague from California, Mr. IZAC, who unfortunately was called by official business out of town today.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. HARE. I find myself in accord with the objective, but I am wondering whether or not it is not policy and should come under section 11 instead of section 10?

Mr. VOORHIS of California. The difference, as I understand it, between section 10 and section 11 is that if this is added to section 10 it becomes mandatory, whereas if it is added to section 11 it becomes discretionary and a matter of policy. To make it mandatory is the purpose of offering it at this place, I may say to the gentleman.

The purpose of this amendment, I believe, is quite obvious. It does not fix any one mark-up margin which must be required on all types of property, which would obviously be impractical, but it does instruct the Administrator that everytime a lot of surplus property is sold he shall fix as to that lot of property the percentage of mark-up which will be allowable to the person purchasing it from the Government when he resells it to other people. I know of no better way the House can, without question, prevent the possibility of profiteering in the case of any of this surplus property than to adopt this amendment.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. BLOOM. Answering the statement the gentleman made a moment ago that it was policy, not mandatory—

Mr. VOORHIS of California. No; I said I wanted it to be mandatory. That was the reason I was offering it at this point in the bill. I believe that taken together with adequate public notice, which is an amendment I will offer in just a moment, together with the requirement that goods be sold in the smallest practicable lots, I believe then to provide that the Administrator himself according to his best judgment and according to the advice he will receive from such advisory groups as are set up to work with him, that for the Administrator himself to say as to a lot of shoes, a lot of mattresses, a building, or anything else that may be sold, that the allowable mark-up shall not be in excess of such-and-such a percentage of the price paid to the Government for these things, will be the best safeguard that can be given.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. COCHRAN. I should like to ask the gentleman this question: This of course is going to be a tremendous job when, as has been repeatedly said here on the floor, there are a million items. But suppose you do place a ceiling price on an article that is sold to a wholesaler and he sells that to a retailer for further sale and he charges the maximum price to the retailer; the retailer does not know it; then he has got to pass it along at that maximum price and make absolutely no profit himself. We all want to stop speculation and we all want to stop profiteering, but this will mean more difficulty in administration.

Mr. VOORHIS of California. Let me answer the gentleman this way, that without my amendment the very situation the gentleman describes and states he fears is more likely to happen than with my amendment. My amendment says that the person purchasing these goods from the Government cannot mark them up more than a certain percentage. It says the Administrator shall fix the percentage as to each lot. I do not believe you can fix a flat percentage as to all goods regardless of their nature, but I want to make it very clear to my good friend the gentleman from Missouri [Mr. COCHRAN] that the effect of my amendment would be to prevent the very situation he fears. I want to fix it so that the wholesaler purchasing from the Government could not mark such goods up more than 10 percent, 12 percent, 6 percent, 2 percent, whatever the proper margin should be.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield further?

Mr. VOORHIS of California. In just a moment; I must yield first to the gentleman from Missouri [Mr. ZIMMERMAN].

Mr. ZIMMERMAN. I should like to ask this question: When the O. P. A. fixes a ceiling price on automobile trucks, for instance, is the Administrator going to supersede the functions of O. P. A. in dealing with these matters that come under O. P. A.?

Mr. VOORHIS of California. No; he is not. Presumably all sales would still be subject to O. P. A. regulation so long as O. P. A. is continued. It is believed, however, that some of these goods may be sold at a price considerably less than the normal trade price, but it seems to me there should be some regulation as to the amount of profit mark-up that can be had.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MANASCO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I wish it were possible for this amendment to be workable, for I should like to support it; but I do not believe the amendment is workable. Here is the situation that might arise: Suppose a wholesaler purchases a hundred thousand suits of underwear from the Surplus Property Administrator; suppose he has on hand a hundred thousand suits of underwear of the same type. He could not sell the underwear he bought from the Government above a certain price. It would have the effect of beating down the price of the very manufacturers we hope are to give jobs to the boys when they come back from the war.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. VOORHIS of California. The Administrator, of course, would not have to do that unless, in his judgment, he thought they were doing the thing that you mention. In other words, this amendment does not tie the Administrator's hands in any way to compel him to fix that mark-up so low as to bring about the thing the gentleman fears. It gives him sufficient latitude to meet such situations.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. COCHRAN. Let us pursue this a little further to see how this is not going to be workable from the administrative standpoint. The objective is to stop speculating and to stop uncalled-for profits. The wholesaler buys the hundred thousand suits of underwear as the gentleman from Alabama says, and there is a mark-up price fixed on it. The wholesaler then sells it to the retailer. There is no mark-up price fixed on the retailer. He may sell it for as high a price as he wants to the consumer. There you have the retailer making an uncalled-for profit. You cannot administer this law by putting a mark-up price

on everybody who sells that article or resells it.

Mr. MANASCO. I believe the gentleman has correctly stated the proposition. Another thing that occurred to me in this provision—it is a revolutionary provision—suppose I go to the Surplus Property Administrator and purchase a hundred thousand cases of tomato soup and sell it to a corporation in which I am part owner. Under the regulations as provided by the amendment offered by the gentleman from California, there is nothing in the world to keep the corporation from selling to the consuming public the soup for any price it wanted to—any price the public would pay.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. TABER. The amendment states that the mark-up shall be along the line of usual trade practices. The usual trade practices have been that this Government property should be sold as junk and the mark-up should be enormous. If we are going to adopt such an amendment as this it ought to be most specific.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. VOORHIS of California. There certainly is no such general understanding of the phrase "usual trade practices." In commerce it has a very definite and well-understood meaning.

Mr. TABER. But that is the usual trade practice on that kind of stuff.

Mr. VOORHIS of California. Usual trade practice means something definite in the language of commerce, and that is what I mean in my amendment. I do not mean selling this Government property as junk with high mark-ups.

Furthermore, answering the gentleman from Missouri, I may say that retail competition will tend to keep the final sale price within reasonable limits. I cannot see why, if the gentleman wants to afford as much protection as possible against profiteering and uncalled-for profits, he should have any objection to doing it as to the original purchaser from the Government. That is all my amendment does.

Mr. COCHRAN. Will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Missouri.

Mr. COCHRAN. I may say that one of the objectives of this bill is to accomplish what the gentleman wants to accomplish.

Mr. VOORHIS of California. No. All I am trying to do is to help the Committee realize its objective.

Mr. MANASCO. Is this act to be administered by an able and honest administrator, required under his oath of office to give effect to the policies outlined in the bill to the fullest extent feasible and in the public interest? If the answer is "No," then this bill should not be passed. If the answer is "Yes," then the Administrator should not be hampered by restrictions and mandatory provisions which, although having merit in themselves, looked at alone, may make it impossible for him to carry out some other equally important and desirable policy.

The idea and the intention of the gentleman from California are something that we all hope to be put into effect. We do not want anyone making millions of dollars out of these surpluses, but if we go to restricting by amendments like the one offered by the gentleman from California, then it would be impossible for the Administrator, without having a corps of employees that would make the old W. P. A., O. P. A. and War Production Board look like dwarfs, to administer it. If the amendment is agreed to, we would have to go to the Appropriations Committee and expand the Surplus Property Administrator's office force from its present 50 in number to some 500, or 150,000 people.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. MANASCO. I yield to the gentleman.

Mr. WHITTINGTON. Mr. Chairman, under the provisions of section 11 the policies are mandatory and in proper cases the Administrator has the right to stipulate marked-up prices, but it would not be compulsory as is contemplated by the pending amendment. If we provide for the compulsory mark-up of prices for a million articles it would make impossible the disposition of the surplus property, it would be revolutionary and we would be embarking upon a system that the course of business and trade has never pursued. Men can go into the market and into the market places and buy property and sell it at a reasonable profit.

Mr. MANASCO. You would destroy existing trade channels.

Mr. WHITTINGTON. To prevent profiteering and prevent speculation were the objectives, but in proper cases he has authority in providing for distribution and in protecting the consumers to provide a mark-up.

Mr. MANASCO. If this amendment is adopted, we should also amend the Bankruptcy Act where people buy goods at a bankruptcy sale, and they should also be limited in their profit.

Mr. RANKIN. Will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Mississippi.

Mr. RANKIN. I wonder through how many sales the provisions of the amendment offered by the gentleman from California would reach? Would it reach to the first seller or to the second seller or to the third seller, or if that provision would follow this property all the way through the various channels and affect everyone who handled the property, and if so, for how long a time?

Mr. VOORHIS of California. It affects only the first purchaser from the Government, I will say to the gentleman.

Mr. MANASCO. Which means we could get around it, if we desired to, in connection with the purchase of this surplus property by organizing a dummy corporation. It is a very dangerous proposition, in my opinion, to make this mandatory, and I hope that we can keep down speculation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HARE. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. HARE as a substitute for the amendment offered by Mr. VOORHIS of California: On page 32, at the end of line 17, add the following:

"*Provided*, That all such property, equipment, supplies, or materials shall when declared surplus, be inventoried, classified, and appraised in value, and that none of such property, equipment, materials, or supplies, not otherwise disposed of, shall be sold at a price not more than 10 percent less than the appraised value or resold by anyone at any time at a price exceeding 20 percent above the purchase price.

"*Provided further*, That such property, equipment, materials, or supplies, excluding real estate, shall, as near as feasible, be made available to the several States in proportion to the population of a State bears to the total population of the United States."

Mr. WHITTINGTON. Mr. Chairman, I make a point of order that the amendment is not germane either to this section or to the pending amendment.

The CHAIRMAN. Does the gentleman from South Carolina [Mr. HARE] desire to be heard?

Mr. HARE. I think probably it should come as an amendment to section 11, Mr. Chairman, but, in my opinion, it is germane to the amendment which has already been recognized.

The CHAIRMAN. The Chair thinks that the amendment will be more germane to the next section, that it is of doubtful germaneness here and the point of order is sustained at this point.

Mr. MAGNUSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems to me that what we are trying to do in this bill is the very thing that the gentleman from California is endeavoring to do—prevent speculation. I regret that the Chairman sustained the point of order lodged against the amendment offered by the gentleman from South Carolina [Mr. HARE]. After all, what we are trying to do here today is to prevent a lot of speculation on war surplus property. We know that after the last World War certain people bought up a lot of property, held it for a time, then speculated and sold it to the taxpayers who owned the property in the beginning, and made a handsome profit. That is what we are trying to prevent here today.

It seems to me that the amendment offered by the gentleman from California goes right to the heart of the bill. There is no reason why the Administrator after the initial sale—and I would do what the gentleman from North Carolina would seek to do—should not make it unlawful

for anyone to sell property over and above a certain profit. The gentleman from California has a sound amendment to the effect that the Administrator may determine what the further sale after the initial sale can be. Regardless of the fact that it may be somewhat mechanically difficult to accomplish, it does go to the very heart of the bill, and I hope that the amendment offered by the gentleman from California will prevail, because that is what the people of America are thinking about today. They are thinking about all these things that they paid for and they want the opportunity to buy them and they want the opportunity to buy them without someone speculating and making a profit on them.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. MAGNUSON. I yield to the gentleman from California.

Mr. VOORHIS of California. The point has been made that my amendment would not regulate all the sales after the first sale, therefore somebody might profiteer after that. Certainly they will have just that much more opportunity to do that very thing if my amendment is not adopted. You could not go all the way down the line perhaps and have him regulate every resale that might take place, but the duty of the Congress is to see to it that the purchaser from the Government does not profiteer from that point. We have to just hope from then on that competitive conditions and other things of that character will take care of the situation.

Mr. MAGNUSON. And they probably will.

Mr. VOORHIS of California. I think they will.

Mr. MAGNUSON. The gentleman from California is trying to do the very thing that everyone in this House and everyone in the country wants done and prevent what happened after the last war. We do not want people buying a lot of surplus property in bulk lots, hold it, speculate on it, and resell it for an enormous profit. That is what happened after the last war and it should be unlawful to do that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANASCO. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 20 minutes, leaving the last 5 minutes to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Chairman, I do not want to be placed in a position of opposing the amendment offered by the gentleman from California, but I would like to emphasize the difference between his amendment and the one I plan to offer to section 11. The amendment I propose to offer fixes the price with more or less definiteness; in other words, it provides that any agency declaring equipment or property as surplus shall at the same time classify it and fix what it considers a fair value. Such agency or the Administrator would be able to reduce that price as much as 10 percent, but at no time after this material has been purchased from the Government can it be sold for more than 20 percent of the purchase price. It has been said that the first objective of this bill is to provide for the disposal of surplus war property. The next objective is to see that the Government obtains the greatest revenue from its sale and at the same time prevent profiteering or unusual or excessive profits by the purchaser. If that be the objectives, why should not the Congress assume its responsibility and fix a standard or yardstick by which those in charge of its disposition are to be guided and directed, and not leave so much to the discretion of one or two or half a dozen persons.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. HARE. I yield.

Mr. STEFAN. Is the gentleman seeking a gross ceiling on profits? Is he referring to a gross profit or a net profit, or is it 20 percent above the original purchase price all the way down the line?

Mr. HARE. Yes; 20 percent above the purchase price.

Mr. STEFAN. Is it gross or net profit?

Mr. HARE. I assume it is gross profit. It is a price in excess of the purchase price. I cannot tell whether it is net or gross. In a measure, it fixes the price. It does not prevent a resale once, twice, or three times, but it fixes the price for the ultimate consumer, the person who uses the equipment, the commodity or the property, and that it shall not be more than 20 percent of what the Government recovers out of it and puts into the Treasury of the United States.

Mr. GILLESPIE. Mr. Chairman, will the gentleman yield?

Mr. HARE. I yield.

Mr. GILLESPIE. Does the gentleman mean that all the gross profit he can make is 16 percent?

Mr. HARE. No. I assume it will be 20 percent gross profit. I have no way of knowing what net profit would be.

Mr. GILLESPIE. The gross profit is the only thing you can know about. It is pretty hard to know about net. The gentleman says 20 percent above the Government price. That would be 16 percent on the sales price. Does the gentleman think that he can do business on 16 percent?

Mr. HARE. I think so, yes, and I think anything above that may become excessive.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. HARE. I yield.

Mr. RANKIN. Will the provisions of the gentleman's amendment follow this property through two, three, or four sales?

Mr. HARE. It will follow it all the way to the end.

Mr. RANKIN. Suppose a man buys a truck. He keeps it a while and decides to sell it to his neighbor. His neighbor decides to sell it to his son-in-law, and his son-in-law decides to sell it to his brother-in-law. Does the gentleman's provision follow that truck all the way down the line?

Mr. HARE. Certainly.

Mr. RANKIN. Is that not going to have a tendency to stagnate and paralyze the handling of this surplus material?

Mr. HARE. I do not think so, because if the truck were sold for a fair market value in the first instance it would not increase in value as time went on or by continued use for any length of time. Twenty percent would be a fair profit. It is not the purpose of this bill to encourage repeated sales at big profits because that will encourage profiteering, the very thing we are trying to obviate.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I find myself in a position where I will have to vote against both of these amendments. I think they are both entirely unsound, impractical, unworkable, and would bring into our economy a proposition which would be absolutely impossible. You want to move these surplus goods. Suppose your cost of doing business is 30 percent of gross sales, or 26 percent of gross sales. The Hare amendment would limit you to 20 percent mark-up so that you, as the interested purchaser, would not buy the goods, and therefore the goods would remain unsold. That, then, to me, should dispose of the Hare amendment in sections 10 or 11, wherever it is offered.

Let us now go to the Voorhis amendment. The Voorhis amendment calls for a fixing of the price margin by the Administrator. We have O. P. A. machinery set up with perhaps a quarter of a billion dollars of expense per year. We are paying to maintain that machinery to designate these mark-ups. Here is a proposal to bring in another element into our economy through the Surplus Property Administrator which will simply add confusion to what is already going on. Of course, unless that price ceiling or margin went all the way through, with all of the multitude of regulations that go along with it, the thing would break down, and it would not be efficacious, and would not, in my opinion, bring forth the intent that the gentleman from California is seeking. If there was some way of designing this so that the Price Administrator could do this job all the way through and across the board as he is doing on some of these other things, then I would be willing to go along and support the amendment. But this is just a start. As the gentleman from California says, if you do not put this in, why you do not get that much out of it. Sometimes you can put a pinch of an ingredient into a batch of stuff and ruin the whole mix, and I think this amendment would do exactly that.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. VOORHIS of California. The Administrator will have to price the goods, will he not, when he sells?

Mr. CRAWFORD. But he does not make price margins all the way through.

Mr. VOORHIS of California. But he determines what he has to sell it for. He is going to establish a price in order to determine what the fair mark-up will be.

Mr. CRAWFORD. I beg to differ with the gentleman. Setting a price on something you sell is one problem, but then going all the way through and determining the selling margins on the item all the way to final consumption, issuing regulations and specifying penalties, is a different proposition entirely.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. DONDERO. I think the gentleman's amendment ignores the age-old law of supply and demand.

Mr. CRAWFORD. Of course.

Mr. DONDERO. No article is to be traded among you. Perhaps you do not have a mule or an automobile. How are you going to determine the price or profit on such a transaction?

Mr. CRAWFORD. We are going to find out we cannot do those things satisfactorily by the regulation.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. CURTIS. Is it not true that the sound solution to this problem in which we are all interested is to distribute this merchandise and commodities so that the natural forces of competition will still work?

Mr. CRAWFORD. You are going about this thing with the idea that you are going to do this job in 3 years. If you are going to dispose of this property in 3 years you are going to have to move goods; there is no fooling about that. If you want this agency to run along for 15 or 20 years, that is a different proposition.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, we all sympathize with the gentleman from South Carolina [Mr. HARE] and the gentleman from California [Mr. VOORHIS] in their attempts to hold down profiteering on these materials. But both of their amendments overlook the most fundamental factors with which we are confronted. They overlook the fact that we are not going to have regimented economy, we hope, after this war is over.

In a free economy prices are regulated by the volume of the Nation's currency multiplied by the velocity of its circulation. Let us see what the situation in that respect is today.

In 1920, at the peak of high prices, we had $5,698,000,000 in circulation, or $53.21 per capita. Instead of having $5,698,000,000 in circulation on June 30, 1944, we have $22,504,000,000 of circulation. Instead of $53.21 per capita, we now have $163.07 per capita in circulation.

When this price-fixing program is ended prices will rapidly rise to that level justified by the volume of currency in existence multiplied by the velocity of its circulation.

Are you going to reduce this volume of currency when the war is over? If you do, you will bring about repudiation in whole or in part of our Government bonds; because there will be so much debt that you cannot go back to the old price standards and raise sufficient money to take care of them.

You cannot even hold prices down to what they are now and pay this debt in whole, or a reasonable part of it within the next generation.

So when this material strikes the market and is sold, if prices are beginning to rise to the economic levels then justified, if you are going to hold them down and say that the man who sells them must hold his profit down to a certain point, you may cause this property to become stagnant in the hands of the first purchaser or the second purchaser or possibly in the hands of the Government itself. So I am afraid that instead of doing what the gentleman from California [Mr. VOORHIS] and the gentleman from South Carolina [Mr. HARE] are driving at, we might stagnate this property and make everybody afraid to purchase or handle it.

I saw some of this property handled after the last war. I know one man who was in public office. They sent him a great deal of this property and he could not handle it. He did not know what to do with it. He was afraid to sell it, and some of it disappeared, and later they threatened to prosecute him because it had disappeared. To my certain knowledge, it stood there in a vacant lot and nobody wanted it.

So I say when you undertake to put this kind of a strait jacket on, you are saying to the country, "We are going to perpetuate price fixing." As far as I am concerned, I am for getting rid of all regimentation including price fixing as soon as the war is over.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, the committee in charge of this legislation seem to me to plead a very inadequate answer when they simply come before this House and say that the Voorhis amendment or the Hare amendment is not sufficient to take care of the problem. It is perfectly true that neither the Voorhis amendment nor the Hare amendment can solve all the problems of maintaining an equitable resale value of this property. It is perfectly true that that is going to take a great deal of work, and that these amendments are doubtless impracticable of operation, but they do recognize the duty of this House to protect the public.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from California.

Mr. IZAC. The gentleman recalls that not very long ago some batteries for flashlights were sold and a profit of 7,000 percent was made on them.

Mr. POAGE. That is right.

Mr. IZAC. Certainly neither the gentleman from Texas nor the gentleman from Mississippi, who preceded him, believes in having that kind of exorbitant and excessive profits made as a result of the disposition of our surplus property.

Mr. POAGE. No. I know the gentleman from California, who could not get here until just a few minutes ago, was primarily interested along with the other gentleman from California in trying to prepare an amendment to prevent that. I am in favor of preventing that sort of thing. I know there is enough intelligence in this House of Representatives to write legislation that will prevent it.

I am sorry the committee has come in with this confession of inability to deal with this great problem, and has told us, "Oh, well, we cannot do anything about it, and you do not have the correct answer." I think it is the duty of the committee to bring in a correct answer to this sort of thing. It is not sufficient for the committee to say that the gentleman from California does not have a perfect amendment. The instances the gentleman from California has cited have taken place in too many parts of the United States altogether too often. Unless this Congress meets its obligation to stop them, we shall have failed our people miserably. The people are afraid we are going to have a repetition of what we had after the last war. I, for one, do not believe this bill, as it is now drafted, has in it any adequate provision to prevent a repetition of those scandals.

I confess readily that the amendments that have been presented here this morning may not go far enough and may not be adequate in their drafting, but I feel that it is the duty of a committee that brings a bill before us to provide some safeguards against the very things the gentleman has pointed out.

Last Friday the gentleman from North Carolina [Mr. MORRISON] said to this House:

> Between the noble groups of splendid people, schools, hospitals, farmers, and other most popular and worthy groups who want this property given to them for commendable purposes, and the organized thieves in the United States, on the other hand, constituting another hidden but mighty host of those dedicated to selfishness and deviltry who want to steal all of this property possible, it looks as if it is going to take the wisest and most careful action upon the part of both the legislative and executive branches.

I, for one, think we owe a positive duty to prevent this property going to the thieves.

I think the gentleman from California has sounded a proper warning. I think it is the duty of the legislative branch of the Government to take sufficient time to work this thing out in order that this property shall not fall into the hands of organized thieves. I think it has been very plainly demonstrated that this bill as it stands now offers the opportunity for this property to get into the hands of organized thieves, with absolutely no limit upon the profits that they may make. The committee owes it to this House and to the people to offer some reasonable safeguards. So far the committee has failed.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. GOSSETT].

Mr. GOSSETT. Mr. Chairman, of course I admire the fervor and idealism of my colleague from Texas who has just left the floor, but I can in nowise follow his thought in connection with these proposed amendments. I think a little reflection will convince all of us that both the Voorhis amendment and the Hare amendment would each absolutely prevent and preclude the distribution of these surplus war goods.

This matter was gone over carefully in the committee. As a matter of fact, an amendment was offered by me which appears on page 34, paragraph (i):

To prevent insofar as possible unusual and excessive profits being made out of surplus property.

After long and careful consideration, the committee concluded that that was just as far as we could go without paralyzing and stagnating the disposition and the handling of this surplus property.

If the amendments proposed by the gentleman from South Carolina [Mr. HARE] or the gentleman from California [Mr. VOORHIS] were at all workable, it would require a new O. P. A. set-up within the Surplus Property Administration, to make such provisions effective, and I know that none of us wants that to be done.

There are other provisions in this bill that give to the Surplus Property Administration the right, where it can be done and where it is practicable and workable, to fix the resale value of property.

Let me call your attention to the fact that what might be a reasonable profit in handling one article, say a truck, would certainly not be a reasonable profit in dealing with a plant sale involving $5,000,000 or $10,000,000. There is just no way to work out a percentage formula or a price-fixing formula in the disposition of these goods to any further extent than we have already done.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. May I remind the gentleman that when these goods are in competition with new goods that are being turned out by our factories, many of them will be more or less junk, and the Government will be fortunate in getting rid of them even at a low price. I do not believe we ought to tie the hands of the Administrator by insisting that a certain price be realized. I believe we would impair the disposition of these goods by doing so.

Mr. VOORHIS of California. My amendment does not require that any price at all be realized. It has nothing to do with that.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. What would the gentleman say a reasonable profit would be on a transaction that took place up in Wisconsin at one of the camps, where one individual bought several thousand pairs of shoes at 10 cents a pair?

Mr. GOSSETT. I have no idea, but that matter should have been controlled by the owning agency or the property disposal agency through the Administrator. We seek to set up in this bill directives that will prevent such transactions.

Mr. AUGUST H. ANDRESEN. Those shoes will probably be sold at $1 or $2 a pair.

Mr. GOSSETT. That would be an exorbitant and excessive profit, which this bill seeks to prevent, and against which it enjoins.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. This shoe transaction was gone into and it was found that these shoes that have been reported to have been sold were of no value whatever and were used for fertilizer. The public health authorities in the case that was discussed before our committee would not permit them to be handled for anything but fertilizer.

Mr. AUGUST H. ANDRESEN. I think this is a different case.

Mr. WHITTINGTON. It may be, but that is what happened in the case we investigated.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from California.

Mr. IZAC. After the First World War we had that very same thing happen. Unless you want some kind of an O. P. A. control, you are not going to limit excessive profits even if you put it in the hands of the Administrator. You say you will prevent excessive profits. How will that be done unless the Administrator becomes an O. P. A. Administrator and fixes prices? All we are attempting to do in this amendment is to say that he shall dictate a fair return to that purchaser. If that is not feasible, how are you going to tell the American people that excessive and exorbitant profits are not going to be made as a result of our disposition of surplus property in this war just as happened in the other war?

Mr. GOSSETT. It would be the duty and the responsibility of the Administrator to see that such goods bring a sufficient price to the Government in the original sale so that excessive profits will be impossible.

Mr. VOORHIS of California. The arguments made against my amendment are based upon the ground that he would have to have a big staff to determine the profit margin. I submit if he has to do the job which the gentleman just mentioned I think it is going to take a whole lot bigger staff than it would to determine a fair margin or mark-up.

Mr. CRAWFORD. Referring to the incident cited by the gentleman from California [Mr. IZAC] about the batteries, the difficulty there was that the Government agency gave the batteries away. Therefore, the fellow who sold them had an opportunity to make the 5,000 or 10,000 percent profit. Had a proper price been put upon the batteries at the time of sale by the Government agency, the opportunity for profit would not have been there and therefore that could not have followed. That is the answer to that problem.

Mr. GOSSETT. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The question is on the amendment offered by the gentleman from California [Mr. VOORHIS].

The question was taken; and on a division (demanded by Mr. VOORHIS of California) there were—ayes 32, noes 58.

So the amendment was rejected.

Mr. WICKERSHAM. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: On page 32, line 5, after the comma, strike out the remainder of the paragraph and insert "shall otherwise dispose of such property after proper notice of the method of disposition has been given."

Mr. WHITTINGTON. Mr. Chairman, I make the point of order that the Committee has adopted substantially that amendment as proposed by the gentleman from Texas [Mr. GOSSETT].

Mr. WICKERSHAM. Mr. Chairman, my amendment is a little different from the amendment of the gentleman from Texas [Mr. GOSSETT]. My amendment completely removes the word "destroy" and leaves the bill so there will not be any destruction of property.

Mr. WHITTINGTON. Mr. Chairman, I withdraw the point of order.

Mr. WICKERSHAM. Mr. Chairman, this is an amendment which merely removes the word "destroy." Some of the Members have pointed out that carcasses have no value. I know of no instance in which any piece of property has absolutely no value. Even carcasses have value for rendering purposes. Many of you have made complaints because property has been destroyed. I offer this amendment for the consideration of the Committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

Mr. JENSEN. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

On page 32, after line 17, insert "The Administrator and each owning agency shall give first priority for purchase on not to exceed 25 percent of all surplus dirt-moving machinery and equipment to soil conservation districts and other public agencies authorized to carry out soil and moisture and forestry conservation, drainage, irrigation, and flood control; or to regularly established retail dealers of such machinery and equipment for direct resale exclusively to soil conservation districts or other public agencies authorized to carry out soil and moisture and forestry conservation, drainage, irrigation, and flood control."

Mr. JENSEN. Mr. Chairman, on last Friday, after the amendment of the gentleman from Texas [Mr. POAGE] failed to carry, I attempted to introduce an amendment similar to this one, but the

section had been passed, and consequently it was objected to on that ground. Since that time I have consulted with officers in the Soil Conservation Service relative to this amendment, and I can assure the Members of the House that this amendment is now agreeable to them. As you know, the Soil Conservation Service is doing a wonderful job. There are now 1,122 soil-conservation districts organized in these United States as of August 1, in 45 States of the Union. There are two States which have not yet passed legislation establishing soil-conservation districts in their respective States. In those 1,122 districts there are 628,000,000 acres of land and 2,924,391 operating farm units or a total of approximately 55 percent of all the tillable land, or land that can be made productive by proper soil-conservation practices in the United States which is now in soil-conservation districts, and districts are being organized at a rapid rate. I venture to say that within the next year there will be at least 1,500 to 1,600 districts organized. This amendment will make not to exceed more than 25 percent of all the surplus dirt-moving machinery and equipment available to soil-conservation districts and to other agencies whose duty it is to conserve soil and moisture and forestry, irrigation and flood control. The administration and each owning agency shall give first priority for purchases on not to exceed 25 percent of all surplus dirt-moving machinery. Then, also, if it is not possible for the district to finance such purchases, they can go to their retail dealers, their regularly established retail dealers in such machinery and equipment, who can purchase same from the Government and must sell it directly to such agencies as the Soil Conservation Service and other agencies for public improvements. That leaves 75 percent, at least, of all the machinery that can be sold to other people and for other uses. So there should be no objection by anyone to this amendment. This amendment will do three things. It will put this machinery where it belongs, to conserve our natural resources. Also it will aid in giving employment to men when they come back from the service. In addition it will dispose in one lump sum of a great block of this surplus machinery which is going to be a burden to manufacturers; consequently they will get into production of new machinery more quickly.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. WHITTINGTON. If the gentleman's amendment is adopted, would it not deprive the Congress of the power to determine how much money should be made available for such purchases, because it commits us definitely to acquiring not less than 25 percent when we might not need 5 percent.

Mr. JENSEN. I want to remind the gentleman from Mississippi that if 5 percent is all that is needed then only 5 percent will be purchased, leaving the other 95 percent to be purchased by others and for other uses.

Let me assure my colleagues that many hundreds of soil conservationists will take advantage of this privilege of acquiring this machinery if my amendment is made law. Thirteen of the fourteen counties in my district are organized, and all of these 13 districts have appealed to me to help them get some of this equipment and machinery, as other districts have appealed to their representatives in Congress, for the sole purpose of conservation of our precious soil on which we all depend to keep us well fed, well clad, and well housed today for 5 years, 25 years, 50 years hence; yes, to insure our children and our children's children that they too might be well fed, well clad, and well housed. At least we can leave that much for which they will be thankful to us who are here today.

What I am trying to do with this amendment is to make sure that these agencies and the farmers are going to get up to 25 percent of this machinery.

Mr. WHITTINGTON. They cannot get any of it until Congress makes the money available.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. JENSEN] has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent that the time of the gentleman may be extended 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Do I understand the gentleman's amendment proposes that they shall give——

Mr. JENSEN. No, no.

Mr. KEEFE. It merely provides a specific priority, allowing them to purchase?

Mr. JENSEN. That is right.

Mr. KEEFE. Why is that not provided for in subsection (b) of section 11?

Mr. JENSEN. It is not plain. Frankly, I and many of my colleagues on both sides of the aisle are not satisfied with the wording of this bill.

Mr. WHITTINGTON. You would have a priority of 75 percent if you needed it.

Mr. JENSEN. Not first priority. Here is another thing. This gives the regularly established retail dealers in that equipment an opportunity to buy this material and to resell it to these agencies; where it is impossible for those agencies to raise the money all at one time the dealer can arrange to finance some through their regular financial connections, thus assuring their farmer customers of availing themselves of this very necessary equipment.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. CUNNINGHAM. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am very much in favor of the amendment offered by the gentleman from Iowa [Mr. JENSEN]. Up until July 1944, I did not know very much about soil conservation. I do not propose to know a lot about it now, but I spent 2 days last month going around with men who are interested in soil conservation in Marion County, Iowa. I presume I was on 25 farms that have gone on what the soil conservationists call the contour system. That was new to me. I did not understand what it meant. I can best explain it to Members of the House by calling your attention to the hills in Virginia, West Virginia, Maryland, and part of Pennsylvania. As you drive through those hills and you look up and see the cultivated portion, and from there on up to the top it is woods, you know that is nothing but soil conservation. Soil conservation by necessity in this country, because the steepness of the hills prevented them from clearing the land to the top of the hill and cultivating it. Therefore, the trees, the foliage, and the grass up there have prevented the erosion of those hills, and have made the lower part of the hill good for cultivation.

You know out West, where we have rolling country, long slopes and no timber, they have been cultivating clear over the top, down into the next valley for years and years. Many of the farmers knew nothing about plowing on contour or cultivating on contour. They are just as likely to go straight up the hill and down; and the more furrows on a farm, the more rivulets there are to drain the soil down to the bottom level, and good soil for years has been washed down into the valleys and on into the Gulf of Mexico.

Mr. CASE. Will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from South Dakota.

Mr. CASE. The gentleman in order to explain soil conservation and contour farming need only look at the way the seats are arranged in this Chamber.

Mr. CUNNINGHAM. Except that we do not have any floods or high waters here.

Mr. CASE. Contour plowing is to run the furrows like the seats are arranged here—in circles, rather than on the level.

Mr. CUNNINGHAM. It is just as old as time, as the gentleman says, and it has been used, of necessity, by many farmers; but unfortunately, in many parts of the country they never knew about it, because they never needed to put it into effect.

The soil conservationists in this particular county, at an expense of about only $15,000 a year, are going around and educating the farmers to the advantage of contouring their farms. In addition to that, you will find the farmer will have a strip of corn at the bottom, then 5 or 10 rods of alfalfa or clover, and then another strip of corn, and then another strip of alfalfa, and clear up to the top there is another strip of corn. I went on farms that were contoured that way, and this alfalfa or clover or whatever was planted to prevent the water from washing away the topsoil; and I found the corn in those patches to be much better than corn in fields adjacent to it that had not been contoured, and that were all planted to corn. The result in bushels per acre will be much greater on the farm that is contoured than one that is not contoured.

Mr. CURTIS. Will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Nebraska.

Mr. CURTIS. I have been very much interested in the gentleman's description of the Soil Conservation Service. It might also be well to point out that the plan being operated is one calling for considerable local control.

Mr. CUNNINGHAM. That is right.

Mr. CURTIS. Local responsibility.

Mr. CUNNINGHAM. That is right, and local instruction.

Mr. CURTIS. And the Government not doing it all, but doing things to help the farmers to help themselves, to preserve our soil.

Mr. CUNNINGHAM. That is what the amendment offered by the gentleman from Iowa [Mr. JENSEN] will do. The local committee, boards of supervisors, are ready to purchase the machinery to help the farmer. Many people think that soil conservation is simply the digging of lakes and making of ponds artificially. The great bulk of work that is done is actually preventing the washing of the soil down into the Gulf of Mexico.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HOBBS. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I am heartily in favor of the pending amendment. I wish I had time to recite some of the multiple benefits manifest all over the district I represent that have been wrought by the soil-conservation program and the use of the machinery which this amendment would make available again. But these points have been covered in general in this debate, and verified by your own experience and observation in your own districts. So I invite your attention to another problem that needs and deserves your thoughtful aid in bringing to solution. That problem is to assure the utilization of the U. S. O. buildings and recreation centers after the war has been won.

In addition to those who are now and have been enjoying the use of such facilities there will be millions of veterans coming back home. Unless these morale-building centers be preserved and kept functioning for the benefit of those who will then constitute their greatly increased responsibility and challenge, we shall have failed them. Let these institutions go out of business, or their service become impaired, and bitter fruit will be borne. They have rendered invaluable service. It must be continued.

We thought enough of this need to provide these facilities for the few—should they be denied the many? Should we run the risk of permitting the homecoming boys and the present beneficiaries to be dependent upon the grace of the commercial world, or of inadequate public places, for the many personal conveniences now so gladly furnished in these home-like places? Remember, if innocent pleasures be not available, vicious ones will be made so, commercially.

I am told this may not be germane to this bill. I have studied it very carefully and discussed it at length. It may more properly come in as an amendment to the Lanham Act, under the provisions of which the money for such services was largely invested by Uncle Sam. I submit, however, that no matter what legislative way may be decided upon, the Congress should take care of the situation and provide adequate legislation to serve this perfectly apparent need.

They may be operated by their own municipalities, or by the agencies now operating them, or by the American Legion or some similar organization. But these facilities should be made available for the returning veterans and for the others, who helped win the war by service on the home front.

May I ask the chairman of the committee, and my distinguished colleague from Alabama, whether or not such an amendment to the pending bill would be in order? Or, would it be more advisable to offer such an amendment to the Lanham Act? I have discussed the matter with the distinguished author of the Lanham Act. He tells me he thinks it would be better to offer it to the Lanham Act and that his committee would be glad to give it consideration. Are you, Mr. Chairman, of the same opinion?

Mr. MANASCO. I did not understand the gentleman's question.

Mr. HOBBS. Is the gentleman of the opinion that such an amendment would be more properly offered to the Lanham Act than to this bill?

Mr. . MANASCO. The gentleman means for the disposition of these facilities, and so forth?

Mr. HOBBS. As the Government may have an interest in them.

Mr. MANASCO. I think so; yes.

Mr. HOBBS. The gentleman does not believe this bill should be so amended?

Mr. MANASCO. I do not believe so.

Mr. HOBBS. Then I hope the members of this committee will join with me and others of similar mind so that the boys coming home may have the facilities which were originally designed for them and for war workers on the home front as well, and that we may not order them sold, but that we may retain them for the post-war use.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. MANASCO. Mr. Chairman, I wonder if we can reach an agreement as to time on this amendment? I ask unanimous consent that all debate on this amendment close in 10 minutes.

Mr. H. CARL ANDERSEN. Mr. Chairman, I desire 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. KEEFE. I object.

The CHAIRMAN. Objection is heard.

Mr. ROWE. Mr. Chairman, I move to strike out the last two words merely for the purpose of asking the sponsor of the amendment a question. I believe his amendment provides that 25 percent of the earth-moving machinery shall be set aside for the purpose of soil conservation.

Mr. JENSEN. Not to exceed 25 percent.

Mr. ROWE. Not more than 25 percent. My question is: If the total of these services to which the gentleman referred required but 10 percent of the amount available, and none of us know how much is available, what is to happen to the 15 percent remaining from what was set aside exclusively for their use?

Mr. JENSEN. We are trying to take care of that now in an amendment we are working on.

Mr. ROWE. I wanted to have the gentleman's suggestion. I do not want to substitute or add anything to the amendment. If the amount of machinery set aside and made available to these different services the gentleman referred to is needed and will be used, that will be all right, but to set aside a large quantity of this machinery in excess of what will be used means that it will just rust away to no good end whatsoever.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. ROWE. I yield.

Mr. MILLER of Connecticut. Is this amendment necessary at all? It seems to me that under section 11 these agencies have every opportunity to buy this dirt-moving machinery or anything else they might want to buy. I doubt the wisdom of setting aside 25 percent for one purpose with no knowledge as to whether they need 25 percent, 5 percent, or 15 percent.

Mr. ROWE. The very reason for my being in favor of the amendment with proper safeguards is that these different services may not be fully aware of their needs for this machinery or its being available to them, and I do not want them to be precluded. It is now the property of the Government of the United States or the taxpayers and if it can be put to use in these services that have been mentioned it seems to me the best and greatest utilization will be realized. I am willing that they set aside what is necessary to fill their needs, to give a full opportunity to the different services to obtain what is necessary. Then I think we shall have accomplished all we can.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. ROWE. I yield.

Mr. CASE. The gentleman from Iowa is working on a modification of the Jensen amendment to provide that notice of the offer should be addressed to the Soil Conservation Service and that it be extended priority or option which if not exercised within 50 days would expire.

Mr. ROWE. A limitation of time.

Mr. CASE. That would accomplish the purpose of the gentleman from Ohio.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. ROWE. I yield.

Mr. WHITTINGTON. Is it not true that under section 11 of the bill the Soil Conservation Service would have the right to acquire not 25 percent but as much of this property as they could show justification for?

Mr. ROWE. I approve of the gentleman's amendment with the limitation of 50 days. Under it there will be no impairment of section 11 and the soil conservation districts will be apprised of their privileges under the rules for disposing of this property.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. ROWE. I yield.

Mr. JENSEN. I may answer the observation of the gentleman from Mississippi by saying that there is no assurance that these soil conservation districts are going to get this machinery direct. It is very apt to be sold in a big lot, go through three or four hands, and then they have to pay a tremendous price for it.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. COLMER. Mr. Chairman, I rise in opposition to the amendment.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield.

Mr. MANASCO. Mr. Chairman, in an effort to reach an agreement as to limitation of debate on this amendment I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The gentleman from Mississippi is recognized for 5 minutes.

Mr. COLMER. Mr. Chairman, this is another instance of seeking priority for one group over certain other groups, and, as I tried to say the other day, when you do that you are upsetting the even keel upon which the structure of this ship, if I may use that figure, is laid out. They are asking here for priority on 25 percent of this property for the Soil Conservation Service. Everybody agrees that soil conservation is a good thing, but we also agree that streets, and roads, and other improvements are good things, and we put them all on an equal footing in the bill. But if you adopt this amendment, then you put this agency out ahead of your municipalities, your counties, your highway-assistance programs, and every other deserving agency and institution that would need some of the material.

But I want to go further than that, I want to say that I believe the gentleman's amendment is a crippling amendment. In addition to that, if his amendment be adopted, they would be limited to the 25 percent.

Mr. JENSEN. No. If the gentleman will yield, that is not a fair statement. Will the gentleman yield? I know the gentleman does not want to make a misstatement of that kind.

Mr. COLMER. I do not, of course, want to make a misstatement.

Mr. JENSEN. The gentleman knows that my amendment gives——

Mr. COLMER. I take the gentleman's word for it. What does the gentleman's amendment do?

Mr. JENSEN. It gives them priority on not to exceed 25 percent. They have the same right as anybody else to the other 75 percent.

Mr. COLMER. I accept the correction; there is no argument then about that; I just misunderstood the proposition the gentleman had advanced. But what I want to say to the gentleman is that under section (b) they have an opportunity now to do that; not only that but we place——

Mr. JENSEN. Let me say a word about that.

Mr. COLMER. I hope the gentleman will let me have a little of my time. Under the provisions of the bill the Department of Agriculture has an opportunity to acquire its legitimate needs. In addition to that we place the Secretary of Agriculture on the advisory board and he will be there to see that they get whatever they need.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield to my friend from Alabama.

Mr. MANASCO. Is it not also true that the War Department has taken from our counties road-building machinery when they needed it? They contributed or sold it to the Government.

Mr. JENSEN. Let us be fair; will the gentleman yield?

Mr. COLMER. I cannot yield; I am sorry; I want a little of this time.

Mr. JENSEN. Will the gentleman yield?

Mr. COLMER. I cannot; I am sorry.

Mr. JENSEN. I wish to correct the gentleman.

Mr. COLMER. I am sorry but I cannot yield. The gentleman is very persistent in his views, but we too have some views about this matter; we want to keep this bill on an even keel, as I say. If you single out one agency what justification have you not to give the same right to others? Then, if you give priority to all of them you are right back where you started. They have priority under this bill to acquire this property for a normal sum on credit or in any way they want, except they are not given priority over everybody else, and that is the thing we do not want to do here.

Mr. Chairman, I hope the amendment will be defeated.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. H. CARL ANDERSEN to the amendment offered by Mr. JENSEN: Add the following: "*Provided*, That when said machinery is ready for sale notice thereof shall be directed to the soil conservation agency in the Agricultural Department and within 50 days from the date of such notice such priority shall be exercised."

Mr. H. CARL ANDERSEN. Mr. Chairman, the gentleman from Iowa [Mr. JENSEN] and I feel that the perfecting amendment offered by myself should convince all of you that his amendment is fair and the logical thing to do with a portion of the huge available amount of dirt-moving equipment. We all know without argument that the farmers of America will be required to feed the 130,000,000 people in America and to feed those also in dire need throughout the world. I do not think the gentleman from Iowa [Mr. JENSEN] is asking of you very much in his amendment in which he simply provides that the soil conservation districts shall be given priority to the extent of 25 percent, if necessary, as to the dirt-moving machinery available. What better use could this machinery be placed to than to the preservation of our soils?

Mr. JENSEN. Will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Iowa. He is always doing what he can to help the farmers of his State and of our Nation.

Mr. JENSEN. I also include such other public agencies authorized to carry out soil, moisture, and forestry conservation, as well as drainage, irrigation, and flood control.

Mr. H. CARL ANDERSEN. Mr. Chairman, I repeat that the gentleman from Iowa [Mr. JENSEN] is very modest in his request. Each and every one of you may wake up some day and find that much of the lifeblood of our Nation in the form of the fertility of its soil has gone down the streams of America into the oceans and that our great midwestern farm lands have become depleted because of our failure to recognize this great loss of our soil, so gradual and yet so continuous in its effects.

There is nothing whatsoever in the amendment offered by the gentleman from Iowa that will possibly do anybody any harm and it may do an awful lot of good. Why is not agriculture to be given any consideration in this bill? Surely the people on the farms of the Nation will pay much of the taxes necessary to originally purchase a large part of this war equipment. Our farm people are among the leaders in the Nation in buying bonds, in giving their boys to the armed services, and agriculture works two times as long hours as many of the C. I. O. unions advocate working. Good soil-conservation practices will help American agriculture carry its part of the huge war effort needed from all of us for victory.

Mr. GOSSETT. Will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Texas.

Mr. GOSSETT. I have been wondering whether the gentleman's amendment providing a 25-percent allotment to the Soil Conservation Service means 25 percent of the number of pieces or 25 percent by volume or price. How is he going to apply that 25 percent?

Mr. H. CARL ANDERSEN. That is merely a technicality and is entirely up to the Administrator. Let us not draw any red herrings across this worth-while amendment.

When you men and women from the cities vote upon this proposition please remember it is not simply a farmer's problem, it is not simply a problem that relates to the people who till the soil; it is a problem for all of us to solve. It is up to all of us to do everything we possibly can to preserve that precious soil which is really America's birthright, and without which our great Nation will become decadent. All new wealth comes from the earth and we must preserve the richness of that earth.

Mr. Chairman, I sincerely hope the committee will be kind enough to agree to Mr. JENSEN's amendment, as perfected by the amendment I have just offered.

Mr. STEFAN. Will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Nebraska, one of the best friends in Congress of agriculture.

Mr. STEFAN. The gentleman will also tell the Committee that the farmers in the Middle West are very, very desirous of securing some kind of machinery in order to continue their operations. Right now they are short of all kinds of machinery and, in spite of the fact that floods have come to that part of the country, they are unable to get machinery at this particular time. They are unable to get the machinery with which to repair the damage that has been done by the floods.

Mr. H. CARL ANDERSEN. The gentleman is right. The farmer today in my district is lacking in labor and is short of much-needed farm machinery, and yet he, as good Americans always do, is working longer hours than ever to produce the food that must be produced; food which is just as much a munition of war as it is of peace.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN] to the amendment offered by the gentleman from Iowa [Mr. JENSEN].

The question was taken; and on a division (demanded by Mr. JENSEN), there were—ayes 29, noes 43.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN].

The question was taken; and on a division (demanded by Mr. MANASCO), there were—ayes 50, noes 56.

Mr. JENSEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. MANASCO and Mr. JENSEN to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 65, noes 69.

So the amendment was rejected.

Mr. MANASCO. Mr. Chairman, there are five amendments to section 10 at the desk. Fifty minutes will give 10 minutes on each amendment. I ask unanimous consent that all debate on section 10 and all amendments thereto close in 50 minutes.

Mr. CASE. Mr. Chairman, reserving the right to object, will the understanding be then that the author of each amendment will have 5 minutes and that there will be 5 minutes allowed in opposition?

Mr. MANASCO. Yes; that the committee will have 5 minutes to close debate.

Mr. ROLPH. Mr. Chairman, reserving the right to object, I have a pro forma amendment which is not at the Clerk's desk and I would like to have 5 minutes on it.

The CHAIRMAN. Not unless it is one of the five at the desk now, under the request just made.

Mr. MOTT. Mr. Chairman, reserving the right to object, some of us know neither the nature nor the importance of the pending amendments. I have an amendment at the desk, and at least two gentlemen have said that they would like to have time on it.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. MOTT. I object.

Mr. ROLPH. I object.

Mr. MANASCO. Mr. Chairman, I move that all debate on section 10 and all amendments thereto close in 50 minutes, the author of each amendment to have 5 minutes and those opposed 5 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. MOTT), there were—ayes 61, noes 8.

So the motion was agreed to.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: Page 32, line 11, insert a new subsection as follows:

"(d) The Administrator shall provide for uniform, complete, and wide public notice concerning surplus property available for disposition, and no such property shall be disposed of unless and until such public notice has been given and sufficient time been allowed between such notice and disposition to afford interested parties fair opportunity to purchase it."

Mr. VOORHIS of California. Mr. Chairman, this is the third amendment that I have offered to this bill. Every single one of those amendments was an attempt to make definite, specific, and mandatory, an objective which the committee itself had put into the bill in discretionary form. This is the third time I have tried to do that. The real issue here is as to whether or not the Congress wants to make a speech about this matter or whether it wants to pass a law. The people who have been concerned about administrative law and all its related problems ought, I think, to support an amendment which says exactly what the Congress wants the Administrator to do and tells him to do it. I do not think anyone will disagree with the fact that it is altogether practical for the Administrator to give uniform, complete, and wide public notice concerning the surplus property available for distribution. I have not said specifically how he is to do it. I have not tied him down to any one method of doing it, but he is to give uniform, complete, and wide public notice. In the course of a short time everybody will know how that is going to be done. It can be done either by notice in the press, by notice in the post offices or in some other orderly way. At this very moment all kinds of inquiries are being made by people wanting to know where they can go to find out about this property. There ought to be a definite, specific method outlined whereby they can find out, and properties ought not to be sold until after that public notice has been given. I know somebody will probably rise in opposition to my amendment and say, "You are going to tie the Administrator's hands so that he cannot sell any of this property until he is given this wide public notice." Yes; I will do that, Mr. Chairman. That is precisely what I want to do, and in the long run, you will be glad you did it, if you adopt this amendment. It simply means that every sale of any piece of this surplus property is going to be carried on in the full view of the American people, which means that you will avoid the possibility of any of this stuff being sold when the people of America do not know that it is being done.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. Should not there be a provision in the gentleman's amendment providing for perishable property? I advocated that kind of an amendment in committee. I think it is good, but I am wondering if the gentleman's amendment provides that it shall not apply to perishables.

Mr. VOORHIS of California. I would be willing to accept an amendment to that effect. I believe that as a matter of actual fact it is altogether possible to give public notice even as to the sale of perishable commodities.

Miss SUMNER of Illinois. I believe the gentleman has an excellent amendment.

Mr. VOORHIS of California. I believe if the Administrator sent out word to the press associations he would have notice given all over the Nation in a day. I do not think it is any great problem, and I think we want to say in this House that this shall be done this way.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Louisiana.

Mr. ALLEN of Louisiana. Does not the gentleman believe it would be better to provide for uniform notices within a State, because the States have different plans of public notice? Would it not be better to confine it to a State if the property is being sold there?

Mr. VOORHIS of California. If the property is being disposed of in a certain area, of course it would apply to that area. There is no use of giving notice in New York City if you are going to sell a building down in the gentleman's district in Louisiana.

Mr. ALLEN of Louisiana. My point is that if you are going to sell it in Louisiana, should you not make that notice in accordance with the usual custom of Louisiana?

Mr. VOORHIS of California. I should think so, yes; but my amendment does not tie the Administrator to any specific method of doing it.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. As against what the gentleman from Louisiana said, you may have something which is of such great value that notice should be given in several States, for instance, where you are selling a large stock of goods.

Mr. VOORHIS of California. That is correct, of course. The most important

thing the Congress can do in connection with this bill is to provide that this whole job shall be done in the sight of the American people. Your trouble is not going to come on deals so made that everybody knows what happens; it is only going to come in cases where something is sold that nobody knows about and where the facts are not made public.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Illinois.

Mr. CHURCH. I realize the gentleman is serious about this problem, and so was the committee. The intent is good, but the gentleman admits that he himself would want to confine this notice, perhaps, in some cases to a State. Suppose the goods are all over the country rather than in a particular State?

Mr. VOORHIS of California. I believe the amendment leaves in the Administrator sufficient discretion not to give notice all over the country where it is purely a local matter, but does require him to give wide, uniform, and complete public notice about the sale of this property.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Chairman, I rise in opposition to the amendment and hope that it will not prevail. May I point out some of the reasons why it seems to me the effect of the amendment would not be salutary.

In the first place, the amendment provides that the Administrator shall provide "uniform, complete, and wide public notice." I do not see how it would be possible to have a uniform public notice of articles which might be for sale all over the country. When you talk about complete public notice, I am frankly at a loss to know what the word "complete" means. When is a public notice complete and when is it incomplete?

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield.

Mr. VOORHIS of California. In the language the committee wrote in the bill itself it is provided in subsection (e) of section 11 that he shall provide as far as practicable for uniform and wide public notice. The only thing I added was the word "complete."

Mr. HALE. That is what I object to. I do not know what complete public notice is. When is a public notice complete? Is it complete when it is in a newspaper with a wide circulation and incomplete when it is in a newspaper with a small circulation? You get into distinctions which are so intangible that I think they involve you in nothing but difficulty.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield.

Mr. WRIGHT. I would think the notice would be complete if it contained all the necessary data and details of the proposed sale.

Mr. VOORHIS of California. Precisely.

Mr. HALE. I do not agree with the gentleman, because I think the test of completeness is not the form of the notice but the number of people it reaches.

No such property shall be disposed of unless and until such public notice has been given—

So the sale is apparently an illegal sale until you determine whether the public notice has been "uniform, complete, and wide"—

and sufficient time been allowed between such notice and disposition to afford interested parties fair opportunity to purchase it.

How much time is "sufficient"? What is an "interested party," and what is a "fair opportunity"? Does an "interested party" mean somebody who might want to buy or only persons with an actual intent to buy which might be realizable?

It seems to me that when you go beyond making merely precatory, or, if you care to call them that, pious recitals of intention as provided in the bill, and try to make mandatory universal rules as to the form of notice, you get into grave difficulty, you endanger the legality of sales, and you accomplish a good deal more harm than good.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield.

Mr. WHITTINGTON. By making the law mandatory, as the gentleman says, you would subject the Administrator to injunction suits, and you would delay the disposition of the property.

Mr. HALE. You would give rise to a good deal of litigation, you would protract the process of sale, and in my judgment you would be likely to sacrifice the financial interests of the Government.

Mr. WHITTINGTON. You make uniform the notice for sales of property. Under the laws of practically all the States of the Union you have one kind of notice for the disposal of personal property, another kind for the disposal of real estate, and a different kind for the disposal of various classes of property. It would handicap the Administrator so that it would be impossible for him to carry out the provisions of the bill.

Mr. HALE. I fully agree with the gentleman.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield.

Mr. VOORHIS of California. Of course, the Administrator would use those forms of notice which were customary as to each kind of property. Furthermore, the wider the notice about the availability of this surplus property the less likelihood there is of the Government's losing money. It seems to me that is perfectly clear.

Mr. HALE. We all agree that a wide public notice is desirable, but when you make mandatory a provision of this kind, it seems to me, you imperil the legality of the sale.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield.

Miss SUMNER of Illinois. Notice in the Federal Register would be better than nothing. If people who were interested knew the notice was going to appear in the Federal Register and would read it, that ought to be sufficient.

Mr. HALE. If the gentlewoman from Illinois regards notice in the Federal Register as either "complete" or "wide," her constituents read the Federal Register much more widely than mine do. I do not read it myself.

Miss SUMNER of Illinois. If they considered that a place to look for advertisements, they might be more apt to read it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. VOORHIS].

The question was taken; and on a division (demanded by Mr. VOORHIS of California) there were—yeas 39, noes 40.

Mr. VOORHIS of California. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. CASE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE: On page 31, lines 16 to 18, strike out the words "notwithstanding the provisions of any other law but subject to the provisions of this act."

Mr. CASE. Mr. Chairman, I hope every member of the committee will listen carefully while I read section 10 as it is in the bill and then read the language that I propose to strike out, and follow the meaning. Section 10 starts out:

Wherever any Government agency is authorized to dispose of property under this act, then, notwithstanding the provisions of any other law but subject to the provisions of this act, the agency may dispose of such property by sale—

And so forth. My amendment proposes to strike out the words "notwithstanding the provisions of any other law but subject to the provisions of this act."

The section would then read:

Wherever any Government agency is authorized to dispose of property under this act, then the agency may dispose of such property—

And so forth. The reason for striking out the language "notwithstanding the provisions of any other law" is to avoid doing something we do not know anything about. We have specific statutes on the law books today restricting the rights of certain agencies to declare surpluses or restricting their rights to dispose of surplus property. We have been passing those laws recently. When we got into the program of naval building, the gentleman from Washington will recall that his Committee on Naval Affairs brought in a bill here to place a restriction upon the disposition or sale of any capital ships except by act of Congress.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. CASE. I will yield very briefly.

Mr. LANHAM. There is also a law with respect to the disposition of surplus real property to the effect that cities and other governmental subdivisions may have a certain preference, and priority and reduced rates at which they may acquire certain property if it is to be used for general public purposes. Would not this nullify the force of that law?

Mr. CASE. It seems to me that it would. Ordinarily we require that the Ramseyer rule be complied with and that

a repeal of any law be stated in the report. Of course, this is not a specific repealer, but its effect is to nullify every statute on the books which contains such a limitation. We placed such a limitation in the military appropriation bill passed here just a couple of months ago at the request of the gentleman from Texas [Mr. KILDAY]. That prohibition reads as follows:

Provided further, That notwithstanding any other provisions of law, the Secretary of War shall not be authorized to sell any military post or reservation nor part thereof, acquired or owned by the United States prior to July 2, 1940, nor shall he declare any such military post or reservation nor any part thereof surplus for disposition by any other officer, board, or commission.

That was adopted just a couple of months ago with a reservation as to transfers to the Veterans' Administration, and we specifically restricted the authority of the Secretary of War to declare any military post as surplus, retaining for Congress, if you please, the right to pass upon specific transfers or disposition of military property of that character just as was proposed in the bill reported by the Committee on Naval Affairs. The language in the bill, however, would say notwithstanding the provisions of this law which was passed and approved here as late as the 28th of June, the Secretary of War could be given authority to declare surplus any military post; the Secretary of the Navy would be given authority to dispose of capital battleships; and I do not know what other statutes may be involved.

We have talked during this debate about the powers of bureaus and about retaining the powers of Congress. Clearly if the Congress many times has specifically reserved to itself the right to make disposition of the major pieces of governmental property, then we ought not unknowingly here cast aside all of those restrictions and toss it over to a bureau.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. CASE. I yield.

Mr. MOTT. There is a law in the statute books specifically prohibiting the sale of any naval vessel to a foreign government. That law would also be nullified.

Mr. CASE. That is correct.

Mr. MAGNUSON. Mr. Chairman, will the gentleman yield?

Mr. CASE. I yield.

Mr. MAGNUSON. I may say that the gentleman from South Dakota and the gentleman from Oregon and myself have a similar amendment at the Clerk's desk to take care of these objections.

Mr. CASE. Yes; I would like to see the gentleman's amendment adopted to preserve an existing statute. That applies directly to the Navy Department. I have read a section referring to the military department. The gentleman from Texas has called attention to the housing situation. We do not know how many laws might be nullified if we leave this language in the bill. The safe thing to do is to take it out and that will still leave the bill saying that when any agency is authorized by this act to dispose of property it may so act, but will not give it a blanket power to nullify specific laws designed to reserve certain decisions to the Congress. Mr. Chairman, I hope the amendment is adopted.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment. My thought is that the gentleman has given the best illustration that might be given as to why his proposed amendment would be crippling and why it should not be adopted. In the first place, this army camp which he refers to could not be disposed of unless the Army declared it to be surplus. If there is any reason why the camp should be declared to be surplus, which has arisen since the act was passed 2 years ago or 3 years ago, it would be for the Army to decide. It is fundamental in this bill that no property of any kind in the War Department and the Navy Department or any other department can be disposed of unless the agency that has charge of that property, for whose functioning the Congress provided the property, declares it to be surplus. In other words, notwithstanding the fact that some member of the Committee on Appropriations, interested in a camp, had a qualifying proviso put in there 20 years ago, if it were necessary in the view of the department, either the Department of War or the Department of the Navy, that that property was no longer essential for the national defense, it could be declared surplus. It could now be declared surplus, notwithstanding the fact that that provision was inserted in some buried statute.

Mr. CASE. Mr. Chairman, will the gentleman yield for a correction?

Mr. WHITTINGTON. Mr. Chairman, in just a moment I will be glad to yield, but may I make this statement first? Section 10 provides that the Administrator shall dispose of property notwithstanding any other provisions of the law in connection with this act, provided the property is declared to be surplus by the Army, in the case that the gentleman referred to. Moreover, this provision is to be taken in connection with section 21 of the bill, and I would like for the Members to turn to that section which provides:

"This act shall not impair or affect any authority for the disposition of property under any other law," except that the Administrator may prescribe the regulations to govern in the disposition of property under such law. In other words, this law is supplemental to such laws. If Congress has heretofore provided the use to which surplus property should be put, the Administrator is restricted now in this law, to providing the regulations to make good that use. In other words, this statute which we are considering is in addition to laws which have heretofore been passed as to the disposition of surplus property. If we can trust the War Department with $90,000,000,000 in one appropriation bill and the Navy Department with $40,000,000,000 in one appropriation bill: If we can trust these two Departments of our Government when they come back to us voluntarily and say, "We do not need $16,000,000,000," or "We do not need $13,000,000,000 for the prosecution of the war," can we not trust, as we do in this bill, those same agencies now when they ascertain that a field here or a fort there having served its purpose, to declare that property surplus so that property may then be disposed of by the Administrator for the purpose stipulated in the act, and if there be no different purpose provided, the proceeds shall be turned into the Treasury?

Mr. MAGNUSON. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield for the question of the gentleman, please.

Mr. MAGNUSON. We are trying to do in our amendment exactly what the gentleman suggests.

Mr. WHITTINGTON. What is the gentleman's question?

Mr. MAGNUSON. The question is, If the Secretary of the Navy should declare a battleship surplus under this act, he could sell those battleships, could he not?

Mr. WHITTINGTON. Why, certainly, and if the Secretary of the Navy and the admirals should surrender to the enemy, they could do that also. But we know that will not happen.

Mr. MAGNUSON. We saw what happened in the twenties. That is what will happen again.

Mr. WHITTINGTON. Does the gentleman advocate taking the power which the Secretary of the Navy must have for waging war away from him, because he might abuse the power?

Mr. MAGNUSON. Congress passed a law taking that power away from him and we do not want it repeated.

Mr. WHITTINGTON. The surplus property can only be disposed of when it is declared to be surplus by the Army or the Navy or other Governmental agency. Mr. Chairman, I trust that the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. CASE].

The amendment was agreed to.

Mr. MOTT. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MOTT: Page 31, line 22, after the word "proper" change the period to a colon and insert the following: "*Provided,* That no naval vessel, station, establishment or facility shall be sold, exchanged, leased, transferred, or otherwise disposed of except in accordance with the provisions of existing law specifically authorizing the same; and in all cases where such transactions have not been so specifically authorized, then no sale, exchange, lease, transfer, or other disposition of any naval vessel, station, establishment, or facility, shall be made unless the Congress by law shall authorize it: *Provided, further,* That the Navy Department shall be the sole disposal agency for all naval property."

Mr. MOTT. Mr. Chairman, I am very glad indeed that the amendment offered by the gentleman from South Dakota [Mr. CASE] was agreed to. I appreciate the excellent argument the gentleman made upon his own amendment, because it is equally applicable to the amendment which I have just offered and which, in my opinion, is necessary for the protection and preservation of our Navy.

Contrary to what the gentleman from Mississippi [Mr. WHITTINGTON] has told you, it has never been the policy of the Congress to vest in either the Secretary of War or the Secretary of the Navy the disposal of Army or Navy property. On the contrary, for a hundred years this Congress has refused to grant the departments this discretionary power. For a hundred years the Congress has surrounded the disposition of Navy property with the most rigid restrictions.

The Navy cannot now, and it never could, sell any ship without coming to the Congress and getting specific authority to do it. The Navy cannot now, and it never could, sell a ship to any foreign government under any circumstances. Existing law forbids it. When the Navy recently wanted to dispose of some of its yachts and small vessels which it had bought for the emergency from private owners it had to come before the Naval Affairs Committee of the House, present its case and have a law passed by Congress in order to dispose of that property. That is what it has always done. But, Mr. Chairman, if this bill is passed, without the amendment I have offered, notwithstanding what was said by the gentleman from Mississippi [Mr. WHITTINGTON], there would then be nothing to preclude the Administrator and the disposal agency from declaring a hundred of our destroyers or submarines or airplane carriers to be surplus, and to sell them as such to any foreign government which the Administrator pleased to sell them to.

Under section 10 of the bill as now written, whenever any Government agency is authorized to dispose of property under this act, then, and notwithstanding the provisions of any other law, the agency may dispose of such property by sale, exchange, lease, or transfer, upon any terms it pleases and to whomever it pleases, including foreign governments.

The purpose of my amendment is to prohibit the vesting of any such blanket authority and discretion in any executive agency, and to retain in the Congress the entire authority in this field—an authority which it now has and which it has always had, and which I trust it may never surrender.

May I again direct attention to the language of my amendment, which reads:

Provided, That no naval vessel, station, establishment, or facility shall be sold, exchanged, leased, transferred, or otherwise disposed of except in accordance with the provisions of existing law specifically authorizing the same; and in all cases where such transactions have not been so specifically authorized, then no sale, exchange, lease, transfer, or other disposition of any naval vessel, station, establishment, or facility shall be made unless the Congress by law shall authorize it: *Provided further*, That the Navy Department shall be the sole disposal agency for all naval property.

There are people now who advocate dividing up this Navy of ours amongst some of the other nations of the world. When this war is concluded we will have a Navy more powerful than the navies of all the nations of the world combined. For my own part, I want to keep it so. No matter what kind of an agreement or association of nations we may enter into after this war for preserving the peace, and I heartily favor those agreements and associations, the greatest assurance we have now of keeping this country out of future wars is the possession and ownership of something we never had before; a Navy larger than the navies of all other nations put together and a Navy larger than any combination of those nations can ever bring against us. If that Navy is ever diminished, if any ship, any navy yard, any facility, any naval establishment, any shore station, is ever to be disposed of for any reason I want the decision upon that vital question to rest in the Congress of the United States where it has rested for 144 years, and not in the discretion of any one man or of any executive agency of the Government.

Mr. MAGNUSON. Will the gentleman yield?

Mr. MOTT. I yield.

Mr. MAGNUSON. Of course, the gentleman is speaking the sentiments of the entire Naval Affairs Committee when we passed the law in 1942.

Mr. MOTT. Certainly.

Mr. MAGNUSON. That no combat ship could be disposed of without the consent of Congress.

Mr. MOTT. Yes. The Navy cannot sell any naval vessel, either combat or auxiliary, without the consent of Congress.

The entire authority of the Navy either to acquire or to dispose of its property rests with the Congress and, as I have said, the Congress has surrounded these transactions with the most rigid, restrictive, and sometimes prohibitory law. All of this law would be wiped out by section 10 of this bill.

Mr. WRIGHT. Will the gentleman yield?

Mr. MOTT. I yield.

Mr. WRIGHT. The last phrase of the gentleman's amendment says that the Navy shall be the sole disposal agency of property?

Mr. MOTT. Of naval property. Yes.

Mr. WRIGHT. Would that include a hundred cans of beans?

Mr. MOTT. My amendment has to do with the sale, exchange, lease, transfer, or other disposal of naval vessels, naval stations, naval establishments, and naval facilities. They must be disposed of, if at all, in accordance with existing law or law hereafter enacted by the Congress. As for the sale of other naval property, such as the gentleman mentioned, that would be sold under the provisions of the proposed act the same as any other similar surplus property. In that respect the part of the amendment to which the gentleman refers merely provides that the Navy Department, and not some other department, shall be the disposal agency for its own property.

Mr. LANHAM. Will the gentleman yield?

Mr. MOTT. I yield.

Mr. LANHAM. Will the gentleman amplify what is meant by the word "facility"?

Mr. MOTT. A navy yard, a naval hospital, the naval gun factory at Washington, the naval airplane factory at Philadelphia, the naval model basin in Maryland, the naval observatory here in the District, anything which the Navy owns and operates and which is necessary in the naval operations or maintenance. The term "facility" is sometimes synonymous with station, but not always. It has, however, a definite meaning in the Navy and I think it should be included along with vessels, stations, and establishments. We want none of these facilities sold, exchanged, leased, or otherwise disposed of without specific authorization by the Congress.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. MANASCO. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Oregon.

The Clerk read as follows:

Amendment offered by Mr. MANASCO as a substitute for the amendment offered by Mr. MOTT: On page 31, line 22, after the word "proper" change the period to a colon and insert the following: "*Provided*, That no vessel under the control of the Department of the Navy shall, unless the Secretary of the Navy has found such vessel not to be a combat ship or naval auxiliary, or has found it to be based on commercial design or susceptible of commercial usage, be disposed of under this act until the expiration of 30 days after notice of the proposed disposal of the vessel has been sent to the Committee on Naval Affairs of the Senate and to the Committee on Naval Affairs of the House of Representatives."

Mr. MANASCO. Mr. Chairman, my amendment differs from the amendment offered by the gentleman from Oregon [Mr. MOTT]. My amendment includes only combat vessels, and that keeps control of our Navy in the Congress. The Navy Department is financed with millions and millions of plants that manufacture airplane engines, airplanes, and other equipment throughout the United States, and if the amendment offered by the gentleman from Oregon [Mr. MOTT] is adopted, and another amendment similar to that is offered for the War Department, then there would be no surplus-property legislation.

Mr. MOTT. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. MOTT. What is the gentleman's definition of "a naval facility"? It is the word "facility" to which the gentleman objects.

Mr. MANASCO. I would call a plant——

Mr. MOTT. Owned by the Navy.

Mr. MANASCO. Owned by the Navy.

Mr. MOTT. The Naval Gun Factory down here is a facility.

Mr. MANASCO. And the aircraft factory near St. Louis.

Mr. MOTT. It is owned by the Navy. It is a naval facility.

Mr. MANASCO. The aircraft factory near St. Louis is financed by the Navy Department. If we want the United States Government to continue in business in competition with private industry we should not have any surplus property disposal bill. We should appropriate enough money to operate these plants.

Mr. MOTT. Let me ask the gentleman one question.

Mr. MANASCO. I am for just as big a Navy, and have been all my life, as is the gentleman from Oregon. I hope the day never comes when the Congress of the United States ever sinks another combat vessel.

Mr. MOTT. The gentleman is thoroughly familiar with the philosophy behind my amendment, that the disposal of naval property of this class, including vessels, establishments, and stations should be vested in the Congress and in the Congress alone, as it has existed for 140 years. The gentleman's amendment leaves that power vested in the Navy Department alone.

Mr. MANASCO. My amendment leaves it in the hands of Congress. I do not think you will find a Navy man who would favor sinking a single combat vessel. I have heard a lot of talk about our sinking the Navy. The Navy Department fought it the last time.

Mr. MOTT. The gentleman's amendment simply proposes that 30 days before the sale or other disposition, the disposal agency shall report it to the Naval Affairs Committee of the House and the Senate, which would have no jurisdiction whatever.

Mr. MANASCO. And, knowing the members of the Naval Affairs Committee, as I know them, there would never be any crooked work go on.

Mr. MOTT. Does the gentleman's amendment give the Committee on Naval Affairs any authority to do anything about it?

Mr. MANASCO. The Congress could pass any law it wanted to. The Congress itself has authority to declare everything that the Navy Department has, as surplus, if it wanted to do it.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. WHITTINGTON. If the amendment offered by the gentleman from Oregon is adopted, then there would be an absolute prohibition to declaring surplus any of the property of the Navy. Much of the 2,000,000 acres of land which the Navy has acquired, whether in Alabama or in Oregon or in my State, could not be declared surplus.

In my judgment, if that amendment is adopted the Navy would be prohibited from declaring as surplus any land they may have wherever located.

Mr. MOTT. Does the gentleman know of any Navy Department surplus land?

Mr. WHITTINGTON. And there will be none unless the Navy declares it to be surplus.

Mr. MANASCO. It must be declared surplus before it can be disposed of. That is the reason it provides for a veto power.

Mr. MOTT. No; there is no veto power.

Mr. MANASCO. This does not have anything to do with airplane plants, or airfields. It might be in Minnesota, North Dakota, Oregon—I sincerely trust this committee will adopt this substitute because if it does not and the War Department is taken out from the provisions of the bill, we will not have any surplus property bill, but will have to operate under the over 100 statutes we are operating under today for the disposition of surplus property; there will be no orderly disposal.

Mr. MOTT. But I call the gentleman's attention to the fact that there are very great differences between a military and naval establishment. A naval establishment is a permanent thing built to be permanent; it has to be built over years and years and years; it cannot be built overnight.

Mr. MANASCO. An aircraft factory operated by the Army is no different from an aircraft factory operated by the Navy.

Mr. WHITTINGTON. And if it is the permanent property of the Navy it would have to be declared surplus.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. MANASCO) there were—ayes 26, noes 40.

So the substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Oregon.

The amendment was agreed to.

The Clerk read as follows:

POLICIES GOVERNING DISPOSITION

SEC. 11. In formulating regulations to govern the care and handling and disposition of surplus property under this act, the Administrator shall be guided by the objectives stated in section 1 of this act, and shall give effect to the following policies to the extent feasible, and in the public interest:

(a) To facilitate transfers of surplus property of one Government agency to other Government agencies for their use.

(b) To afford public, governmental, educational, charitable, and eleemosynary institutions, States, Territories, their political subdivisions, and the District of Columbia, and cooperative organizations, an opportunity to fulfill their legitimate needs.

(c) To afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises.

(d) To encourage and foster post-war employment opportunities.

(e) To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors; to provide as far as practicable for uniform and wide public notice concerning surplus property available for disposition and for adequate time intervals between notice and disposition so that all interested persons shall have a fair opportunity to acquire; to utilize commercial channels of distribution to the extent consistent with efficient and economic distribution, and to discourage disposition to speculators; to collaborate with Smaller War Plants Corporation; and to employ other appropriate means to give effect to this subsection.

(f) To afford former owners of surplus real property acquired by the Government by the exercise of its war powers an opportunity to reacquire such property.

(g) To encourage mutually beneficial trade relations with foreign nations and to develop foreign markets.

(h) To dispose of surplus property as promptly as feasible without fostering monopoly or restraint of trade, or unduly disturbing the economy, or encouraging hoarding of such property; and to facilitate prompt redistribution of such property to consumers.

(i) To prevent insofar as possible unusual and excessive profits being made out of surplus property.

(j) To realize the highest obtainable return for the Government from such surplus property, consistent with the policies and objectives set forth in this act.

Mr. ROBERTSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBERTSON: On page 33, line 5, after the words "District of Columbia" insert "Volunteer fire companies."

Mr. ROBERTSON. Mr. Chairman, this amendment adds volunteer fire companies to the tax-supported agencies who are listed after the Federal agencies as having priority to purchase surplus properties to meet their needs. It will not cost the Government anything. It may save the Government some money, because city fire departments and volunteer fire departments are the only ones in the market for heavy fire equipment like fire engines. Individuals do not buy them and they do not permit volunteer fire companies to have a chance. It has been denied to them to a large extent during the war effort to get badly needed equipment before that equipment goes back to the manufacturer from which the volunteer company would then have to buy at a greatly increased cost.

When the chairman of the committee was explaining this bill I asked him if he thought volunteer fire companies were covered by the language of this section. He thought they were. Then I found in the committee report on section 11 it referred to tax-supported agencies. A volunteer fire company—and we have them, I believe, in all the States of the Union—renders a public service and they do it in a very efficient and unselfish way, but they are not tax-supported in many of the States. Boards of supervisors can contribute to them, but most of their funds come from private subscriptions and from suppers and things the ladies' auxiliary gives to help support such an enterprise.

I feel that this privilege that is supposed to be extended to the volunteer fire companies will not only serve a very fine public service but it will be a graceful act on our part to recognize a group of men that have been in existence since colonial times. Some of you may not realize that Benjamin Franklin organized the first fire department in Pennsylvania, a volunteer fire company in Philadelphia. George Washington was a member of the volunteer fire company of Alexandria. He learned about the engine that Benjamin Franklin was using and he went to Philadelphia and got one of those machines, paid $400 for it, and gave it to Alexandria. They still have that engine; it is one of their priceless relics.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. ROBERTSON. I yield.

Mr. WHITTINGTON. When the bill was reported in final form the phrase "tax-supported institutions" was eliminated. Does not the gentleman believe

the volunteer fire companies would be covered by the phrase "public institutions"?

Mr. ROBERTSON. Possibly so; but if it is the intention that they be included what is the objection to their being mentioned specifically? It is an amendment to which in my judgment no one can object. The committee said they did not object to the amendment. They thought such provision was already in the bill.

Mr. WHITTINGTON. Frankly I do not see any objection to the gentleman's amendment.

Mr. ROBERTSON. I think we should be specific; I think it should be in the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

Mr. HALLECK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALLECK: On page 33, strike out subsection "(e)", beginning on line 13, and through line 24 inclusive, and insert in lieu thereof the following:

"(e) To afford business concerns, both small and large, opportunities to purchase surplus property on equal terms; to provide as far as practicable for uniform and wide public notice concerning surplus property available for disposition and for adequate time intervals between notice and disposition so that all interested persons shall have a fair opportunity to acquire; to protect established business concerns against unfair Government competition by utilizing commercial channels of distribution in lieu of making direct sales to consumers so long as a demand for the item in question exists in established commercial channels; to refuse to sell to speculators or persons who would freeze surpluses in large quantities for any purpose whatsoever except in those cases where a thorough testing of markets shows that said surpluses cannot be disposed of through established trade channels; to prohibit the reimportation into the United States of any surpluses sold for export."

Mr. HALLECK. Mr. Chairman, may I suggest at the outset that this amendment is not the product of any particular conviction or views of my own individually, but, rather, the product of the studied and careful consideration of the House Committee on Small Business. The amendment is addressed to section 11 which contains the policies established by the Congress for the guidance of the Administrator and the disposal agencies in the disposition of this property. As was pointed out the other day, these policies are not mandatory. They are directive, to be followed to the extent feasible in the carrying out of the act. For myself, I should have liked to have written mandatory statements of policy in the act, but that did not seem to be the proper thing to do; however, I am convinced that we should make the statements of policy as definite and as explicit as we can in order that there be no opportunity for alleged misunderstanding as to what the Congress meant when the bill was written.

Mr. HOPE. Will the gentleman yield for one question?

Mr. HALLECK. I yield to the gentleman.

Mr. HOPE. The gentleman states that the purpose is to prohibit the reimportation of property sold for export, but it does not include property that might be sold abroad. Does not the gentleman think he should include property that might be sold abroad because a very large proportion of the property that is likely to be reimported is abroad at this time, as I understand it?

Mr. HALLECK. I shall comment on that at this point in my statement. I had expected to talk about that a little later, but since the gentleman has brought it up I shall discuss it at this time. I take it that if they sell the goods for export, they would be so exported. After they are so exported, and it has been assumed that those goods are sent out of the domestic channels of trade without their importation or reimportation back into this country, the bringing of those goods back into this country should be prohibited. My view is that the language of the amendment covers that proposition. It certainly goes much further than the language of the bill, because as I read the bill there is nothing at all in that regard in it.

Mr. HOPE. The point I have in mind is that a very large proportion of the goods that may be sold is going to be abroad. They are located abroad now. Does the gentleman think that we ought to permit the reimportation of those goods into this country?

Mr. HALLECK. The gentleman is talking about something else. This has to do with goods that are sold for export. That necessarily means exported from this country. It would have no application to the goods that were taken abroad during the conduct of the war, goods that are presently abroad or will be abroad and as to which it might be decided that someone wanted to bring them back to this country for sale. This applies only to goods that are sold for export. They are sold for export from this country. It necessarily contemplates goods only within this country because they could not be sold for export otherwise.

Mr. HOPE. I understand the limitation, but does not the gentleman think we ought to prohibit the reentry into this country of goods that are now abroad, which may be sold abroad and which may be brought back into this country?

Mr. HALLECK. The goods which are now abroad have not been sold abroad unless they have been sold under lend-lease or in some other way. They have not been sold, and if they have been there is no title in those goods in the United States. Hence they would not be included as surplus property to be disposed of under this bill. As far as I am personally concerned, I do not want to prevent the bringing back into this country of goods that the Government may presently have abroad or which the Government may have abroad when the war ends, if it is deemed desirable to bring those goods back and sell them here.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana [Mr. HALLECK]?

There was no objection.

Miss SUMNER of Illinois. Mr. Chairman, would the gentleman mind having the amendment read again?

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. Will that be taken out of my time?

Miss SUMNER of Illinois. The gentleman may ask unanimous consent at the end of his speech to have it reread.

Mr. VORYS of Ohio. Mr. Chairman, I ask unanimous consent that the Halleck amendment be reread and that the time necessary to read it not be taken out of the gentleman's additional 5 minutes, because this is an important amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio [Mr. VORYS]?

There was no objection.

The Clerk reread the Halleck amendment.

Mr. COCHRAN. Will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Missouri.

Mr. COCHRAN. May I call the gentleman's attention to the fact that there is included in the committee's language farmers and agricultural enterprises. I notice the gentleman has not that language.

Mr. HALLECK. That is right.

Mr. COCHRAN. To me this amendment is something worded in different form from the committee's amendment, with an addition or two.

Mr. HALLECK. Mr. Chairman, if I may be permitted, I should like to proceed with my statement about the amendment. Then if I can get some more time I shall be glad to yield to anyone for a question.

Mr. Chairman, I have listened to the debate on this bill, I have studied the bill, I have heard the expressions and the views of Members and of interested people all across the country. To my mind the issue that we must squarely meet is whether we are going to dispose of a large part of these goods through a gigantic bureaucracy set-up by the Federal Government to go into the retail business, or we are going to say that we are not going to do it that way, that we are going to use the commercial channels of trade, the regularly established business enterprises of the country, the retailers and distributors, and through them, wherever it is possible to do so, see to it that these goods go to the ultimate consumer. There are provisions made for cooperative organizations and for certain other governmental or quasi-governmental organizations to get preferences under the bill, but so far as the ultimate consumer is

concerned, my view is that all consumers should be treated share and share alike and that the goods should move through the established trade channels.

The gentleman from Missouri referred to the provisions of the bill. I read the first clause. I do not know just what all is contemplated in "agricultural enterprises." My view is that if, under the language of my amendment, we afford business concerns, both small and large, equal opportunities to acquire these goods on equal terms, then that is all anyone could ask. In other words, I think that we are all pretty well agreed that we are not in favor of the Government undertaking to carry on direct sales to the ultimate end consumer and certainly not where the commercial channels of trade can do the job. This to me means maintaining our present system of free enterprise. It means a continuation of good service. And I am fairly convinced that all persons believing in our present economic system, including farmers and others engaged in agriculture, want that system preserved by such a plan as I propose. My amendment has the same language identically as the committee bill in respect to notice. My amendment, as I have pointed out, is a very distinct strengthening of the requirements for the utilization of the commercial channels of trade, private enterprise, and the free distribution system of the country that we presently have in existence.

There is some language in the committee bill that I am frank to confess I do not understand, and I do not think anyone knows what it means. This is it, "to collaborate with Smaller War Plants Corporation." What does it mean to "collaborate" with an agency? As a member of the Small Business Committee, I vigorously supported the legislation that set up the Smaller War Plants Corporation, but if you will recall that was a corporation set up to aid the small plants of the country in getting into the war effort and to bring into war production the facilities of the small agencies. With all due regard to the Smaller War Plants Corporation, I do not want to write language into this bill that might provide an opening as wide as a barn door for the Administrator and the disposal agencies to switch small war plants over into a gigantic disposal agency to carry on a direct retail selling effort to the consumers of the country.

May I also refer to the last clause of the bill which reads "and to employ other appropriate means to give effect to this subsection." To my mind, that just opens the door as wide as it could be opened, and I do not believe that that is what the Congress wants to do.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the gentleman be given 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HALLECK. I have, of course, as all of you have, a solicitude for the welfare particularly of small business, and, so far as that is concerned, of all of the component parts of our great system of distribution. I am not urging this amendment and these policies alone because I am solicitous for these people, but primarily because I am completely convinced that the Government will get the largest amount of money for its goods if it sold that way. The goods will be more efficiently channeled to the people who really should get them. They will move more speedily. They will be better serviced. On the whole, in fact, a better job will be done for the Government, the taxpayers, the consumers and everyone who is interested in this problem. Many of our businessmen in the distribution field have been sorely pressed during this war. The goods that were formerly on their shelves are not there now. These men have carried on, doing the best they could in the war effort; carrying on, yes, for the coming of that brighter day when goods again will be available and when businessmen can devote their interests and their talents and their best abilities to the great job of distribution that must be carried on efficiently and well if we are to maintain this great system of ours in this country.

Hence, does it not follow that we ought to give them every possible consideration in the disposal of these surplus goods and allow them to place on their shelves the goods that will be available as surplus? We should help tide them over for the coming of that day when normal channels of production will again be started going, while at the same time we safeguard the interests of the taxpayer.

I am informed that Mr. Clayton, who is the present Administrator under the Executive order, has frequently expressed himself as favoring the distribution of the goods in this manner. I have confidence in Mr. Clayton. I do not know whether he is going to be the Administrator of this act or not. I do not know any reason why I should suspect what his future policies might be, but I am thoroughly convinced that now is the time for the Congress of the United States to hammer it down; to nail it down so effectively and so directly and definitely that there can be no misunderstanding as to what we expected and wanted when we put this legislation on the books.

Mr. POULSON. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. POULSON. As I understand the reading of that amendment, it states that this property is to be run through the regularly accepted commercial channels, whether it be large or small. In substance, is that not what it says?

Mr. HALLECK. In substance, that is true.

Mr. POULSON. Does the gentleman not realize that the greater portion of this surplus will be what we call used, second-hand, and that it will not be of the regular commercial type? It will be large cans, for instance, which will definitely, according to our accepted channels, go to the junk dealer and to the second-hand man.

Mr. HALLECK. Let me comment on that. I think the gentleman is a little in error. There will be, for instance, used motor vehicles for sale. There are many automobile dealers in this country who deal in used cars that have held on through the tough times. I cannot see any reason why the vehicular equipment could not be handled through those channels. It is provided in my amendment that if those channels cannot move the goods, then these other methods shall be resorted to. There also will be many used machine tools. There are vast numbers of people in this country who are in the used-machine-tool business. I say that they know best how to utilize those machine tools; they know best what they are worth; they know best where the market for them is; they can get more money for them than anyone else; they can get them into the hands of the people who need them more rapidly than can any bureaucracy that might be set up in Washington to attempt to do the job.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. TABER. Mr. Chairman, I ask unanimous consent that the gentleman may have 2 additional minutes in order that I may ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. The last part of the gentleman's amendment reads, "prohibit the reimportation into the United States of any surpluses sold for export." I do not understand that language. May I ask the gentleman to explain that a little bit and how it would work, and what authority they would have?

Mr. HALLECK. My understanding is that after World War No. 1 there was a lot of soup that was surplus in this country, and so it was decided to sell much of it abroad. It was sold abroad at a rather cheap price. If I am in error about this, the members of the committee may correct me. After it was sold abroad, and it had been assumed that it was out of this country and off of this market, a lot of that soup turned up in this country and was sold at considerable margin of profit which was, of course, a reimportation of goods sold for export and then resold abroad for return to the United States.

I have understood—and if I am in error about this the committee may correct me—that no objection was raised to the inclusion of such a prohibition in this bill.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I would say that the committee has repeatedly stated in the debate that under the terms of the bill the Administrator has the power to prohibit reimportation to accomplish the objectives of the bill, but I think it is a little too broad a statement to say that

the committee is agreeable to an absolute prohibition. Further, we asked the Administrator, who stated that he had the power to prevent the reimportation, to give us some language so that we could insert it in the bill, and he suggested language to be inserted in section 20 of the bill rather than the pending section, to the effect that he might have affirmatively, on the face of the bill, power to regulate and prevent the reimportation, but he stated that he thought that to put a mandatory provision in the bill would lead to retaliatory measures and would not be wise.

Mr. HALLECK. I thank the gentleman from Mississippi for his clarification. My understanding about it was not quite correct. I would only say that these policies are directive and not mandatory. They are to be followed where feasible and in the public interest. Certainly, to my mind, this is not going any too far in respect to the prohibition against reimportation.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from South Dakota.

Mr. CASE. It strikes me that the difficulty is that the Administrator is not a customs official. How he will prohibit the reimportation is not clear to me. I am wondering if the gentleman would think that this language would accomplish his purpose, in place of the clause about prohibiting the reimportation into the United States of any surpluses sold for export:

> To require guaranties from purchasers that surplus goods sold abroad or sold for export shall not be offered for resale in the United States.

Mr. HALLECK. My view about that is that under this language the Administrator would be implemented by the express policy of the Congress. I think the regulation he might make, whether or not he followed that pattern, would certainly be more effective than the recommended language of the Administrator which was given to us just a moment ago by the gentleman from Mississippi. I would assume the Administrator himself thought that he would have the power under permissive language such as that suggested.

Mr. ALLEN of Louisiana. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Indiana.

The Clerk read as follows:

> Amendment offered by Mr. ALLEN of Louisiana to the amendment offered by Mr. HALLECK: On page 1, line 2 of the Halleck amendment, after the semicolon following the word "terms" add the following: "To enable smaller business concerns, farmers, and agricultural enterprises to acquire single units of surplus property, the Administrator shall take proper steps to see to it that such smaller business concerns, farmers, and agricultural enterprises may have full opportunity to acquire individual units of surplus property at the same unit price paid by those buying larger quantities."

Mr. ALLEN of Louisiana. Mr. Chairman, I really preferred not to offer my amendment as an amendment to the amendment offered by the gentleman from Indiana [Mr. HALLECK]. I wanted to offer it as an amendment to paragraph (e) on page 33, and it is because of the parliamentary situation that I have to offer it at this time as an amendment to the amendment offered by the gentleman from Indiana [Mr. HALLECK].

What I am seeking to do by this amendment is this, and I especially invite the attention of those who represent farming sections. I have had to face this many times, and you have, too. If this bill passes in its present form, or if it passes with the amendment offered by the gentleman from Indiana [Mr. HALLECK], you will have to face the proposition that your farmers will not be able to buy trucks, jeeps, and so forth, without paying somebody a big profit. They will not be able to get them, and you may as well face that fact, because this equipment is going to be bought up in large lots, with the result that the individual farmer back on the small farm will not be able to buy single items without paying large profits to somebody who has bought large quantities.

I have on my desk a letter from a farmer asking my help in getting him a truck. I cannot get one, and the farmer cannot get it, and under this bill I am afraid the farmers will not be able to get them at fair prices.

I know the opposition to this amendment will say that the Administrator can sell a single unit if he wants to. Yes; but I doubt he does it unless you make him do it. You can put that down. I repeat that I doubt the Administrator will sell a farmer a single unit unless we write mandatory language into this bill. Therefore, I propose to write that mandatory language into the bill.

The gentleman from Indiana in his amendment to paragraph (e) on page 33, states that we will sell them on equal terms. What do you mean here by equal terms? Here is what will happen. The Administrator through his representative will offer for sale, say, 5,000 trucks. Sure the terms are the same to all bidders, but how can a small farmer bid on 5,000 trucks? What chance has he got? That is what you mean by equal terms. The terms technically may be equal, but the opportunities are not the same. You simply practically shut out the small businessman and farmer by offering too many at a time.

Where is the equality of opportunity to purchase when you offer for sale 5,000 trucks, or 5,000 jeeps, or similarly large quantities of such material as may be used on the farm? You claim in this bill that you are giving these small businessmen and farmers equality. Certainly not equality to purchase, unless you offer to sell them a quantity small enough to meet their needs and pocketbook. The people I am speaking for here do not have the need for more than a single unit, in most cases, and do not have the money to purchase more, in many cases.

You say that you will sell them on equal terms. You cannot equalize the terms unless you make it possible for that man to buy a single unit. I know of no other way you can put the small businessman and farmer on an equality with the large bidders out of New York and elsewhere than to require the sale of single units of such things as jeeps, trucks, and other machinery usable on the farm and at the same unit price the big purchaser pays for big lots. That is precisely what my amendment seeks to do. I stress the point that you not only must require the sale of single units in order to bring about equality and justice, but those single-unit sales must take place at the same unit price the man pays who comes down from New York and buys thousands of trucks, jeeps, or other items.

My amendment deals with the proposition of farmers, small business concerns, and agricultural enterprises. Most of the returning servicemen are embraced in that group.

The bill under consideration states that it will be the policy—

> To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors.

But, as I have pointed out, how are you going to bring that about unless you make it mandatory that he sell a single unit to these groups at the unit price? You have simply set forth something that means little. If your objective is to put these small businessmen and farmers on equal footing with the big New York purchasers, and big purchasers from elsewhere, I have pointed out the way that that can be done, and I do not see how you can bring about absolute justice otherwise.

I emphasize again that there is no way in the world to put a small farmer on equality with the man who is buying many thousands of trucks, unless you permit that farmer to buy one truck or one jeep. The answer the committee will put up is that he can do that under the bill, but I reiterate that the Administrator is not going to do it, and what you propose to make permissive, I propose to make mandatory. Unless you put teeth into this legislation, you will probably find your expressions of desire flagrantly violated. Now is the time to put it down in black and white.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield to the gentleman from Indiana.

Mr. HALLECK. I have great solicitude for the farmers and great solicitude for the little fellow running a corner grocery store who might want to buy a jeep to deliver his groceries. There are many individuals who need this equipment. But does not the gentleman agree with me that as a matter of principle and policy we will do a much better job if we channel these goods through the regular channels of trade, giving to the individual his right to purchase the equipment through that normal channel of distribution, rather than to set up a great governmental agency that would necessarily have to have a great selling force to go out and find individual consumers and sell this equipment to them?

Mr. ALLEN of Louisiana. I do not agree with a proposition that will keep my farmers from buying a single truck, unless they go and pay some dealer who is able to buy thousands and thousands

at tremendous profit. These big dealers in the North and East will buy up most of this stuff and unless we take steps here and now to help these small businessmen and farmers to get these trucks and jeeps without paying excessive profits, I am afraid they will not get them. These men I am speaking for have put their tax money into this material also, and when they are sold at far less than the Government paid for them, that saving should be passed on to these small businessmen and farmers who are least able to pay. Hold down the profits of the big fellow and pass on to the small man some of the benefits.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Would the gentleman explain to the Committee how he would have this farmer of his buy a jeep or one particular second-hand article?

Mr. ALLEN of Louisiana. In my district there are four large Army camps. They have jeeps down there now and trucks that the farmers ought to be able to purchase. What is wrong with a farmer going there and picking out a jeep or truck and paying for it at the same unit price the big purchaser pays? Why cannot that be done? The Army has somebody there. It will be an easy matter to tell the farmer what the unit price is. The trucks and jeeps have been discarded, in a way, but when the farmer goes down there to buy them, he cannot buy them.

I took this matter up with the Procurement Division here and said, "Why do you not sell this man a truck? He has the money, and he wants to buy a truck. Why can you not sell it to him?" They said, "We cannot sell it to him that way, we have to sell these jeeps and trucks in big lots."

That means you cut the farmer out because he cannot buy thousands. The farmer needs this help. He has had little labor, he has had no machinery, and he has been expected to produce, and he has produced even more than he has produced in normal times.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. ALLEN of Louisiana. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. VORYS of Ohio. Will the gentleman tell what a farmer in my district is going to do, where we do not have any army cantonments with a lot of jeeps?

Mr. ALLEN of Louisiana. I am trying to make it possible for the gentleman's farmers to go somewhere and buy a single unit. If you do not want them to buy a single unit, without having to pay somebody big profits, then vote against my amendment.

But if you really want the farmers to have a chance, then vote for it. Some have been talking on the floor here and talking loudly for the farmer and for small business. We have a small businessman's committee, headed by the gentleman from Texas [Mr. PATMAN], and we have been talking about helping the small businessman, these small businessmen and these little fellows at the crossroads. Now you have your chance to do it. But if you do not pass an amendment such as this amendment, if you do not pass some mandatory provision like this one, you are going to put these men I am speaking for at a great disadvantage. During this war the big concerns of the Nation have had the bulk of the contracts. My amendment will help lighten the load for the little man in the post-war era. It is far better to help millions of farmers and small businessmen than to put large profits into the pockets of a few. I urge the adoption of my amendment.

The CHAIRMAN. The gentleman from California is recognized.

Mr. ROLPH. Mr. Chairman, in my opinion the gentleman who just spoke is not thinking for the best interest of the farmer when he insists that farmers should be able to buy single jeeps. How will the farmer have that jeep serviced if he buys direct from the Government? Is he coming to Washington even if he bought it here or from one of the regional offices throughout the Nation? Furthermore, how in the world can a small businessman, a small automobile dealer or truck dealer in these small communities, possibly exist if he does not participate in the sales? For years he has serviced the farmers in his district and he cannot continue in business unless he figures in these sales. It will be necessary for him to have a stock of parts; it will be necessary for him to have mechanics. If you leave that to the individual farmer, I want to tell you he simply is going to be up against it. Any of you gentlemen who have ever bought an orphan automobile know exactly the position that the farmer will be in. I am interested in the amendment offered by the gentleman from Indiana and now under consideration.

I refer particularly to subsection (e) of section 11 which reads as follows:

> To afford smaller business concerns, farmers and agricultural enterprises generally, an opportunity to acquire surplus property on equal terms with larger competitors.

If I understand the intent of Congress, we intend to protect the small businessman, and also to protect the channels of trade as they have been operating in this country for decades—the way merchandise is regularly sold from jobber to retailer and from retailer to individual buyer. The farmer goes to town and he goes to the grocery store and goes to the hardware store or goes to the automobile dealer for his merchandise. If you bypass the dealer in these individual small communities you are simply going to interfere with the normal channels of trade and interfere with the economy of this country. Every business house in the United States is expected to take back the men who went to the service. If you change the normal flow of business, it will be utterly impossible for those business houses to hold jobs open for the men when they come back. I think we ought not to do anything in the world in passing this legislation to interfere with the normal course of business. Let us protect the small business concerns, as we have stated we intend to do time and time again.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 25 minutes, the last 5 minutes being reserved to the Committee.

Mr. HOLIFIELD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOLIFIELD. Does that mean all amendments to section 11, or just to subsection (e)?

Mr. WHITTINGTON. No; to this amendment and all amendments thereto.

Mr. WRIGHT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WRIGHT. Mr. Chairman, the amendment offered by the gentleman from Louisiana, I believe, was offered as a substitute?

The CHAIRMAN. No; it is an amendment to the amendment offered by the gentleman from Indiana.

Mr. WRIGHT. Then another amendment to the amendment would not be in order at this time?

The CHAIRMAN. The amendment pending of the gentleman from Louisiana would have to be disposed of first.

Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. CHAIRMAN. The gentleman from Washington [Mr. JACKSON] is recognized.

Mr. JACKSON. Mr. Chairman, I would like to ask the distinguished gentleman from Indiana whether under the provisions of his amendment to section (e) farm cooperatives as such would be included in the language "business concerns."

Mr. HALLECK. Of course, I am convinced that any regularly organized farm cooperative is a business concern. The Farm Bureau operates cooperative distribution agencies in my district. They are organized. I say they are business concerns. But beyond that, of course, there is specific provision for cooperative organizations contained in subparagraph (b) of section 11.

Mr. JACKSON. That is on the statement of policy.

Mr. HALLECK. Yes. Of course, this amendment which I have offered, referring to subsection (e), likewise has to do with the statement of policy. But in direct answer to the gentleman I would say that a regularly organized cooperative association doing business as a business concern would clearly be contemplated by the language in my amendment.

Mr. JACKSON. The reason I ask the question is, in the State of Washington the Grange, in particular, operates a number of cooperatives to purchase various commodities that are needed for the farmers and they are vitally interested in this matter. The gentleman from Wash-

ington [Mr. MAGNUSON] is also concerned about this. This particular problem was presented to us recently by the Washington State Grange and other interested farm groups. We are concerned lest they be excluded from this particular provision of the bill.

Mr. HALLECK. Mr. Chairman, will the gentleman yield to me further?

Mr. JACKSON. Yes; I will be glad to yield.

Mr. HALLECK. I am not familiar with all of the cooperative organizations, but I am quite sure I know the type of organization to which the gentleman refers. To my mind whether a business is run by 100 owners or by 1 owner, it is still a business concern; it is buying barbed wire and all sorts of material and in turn reselling them to the individual consumers.

Mr. JACKSON. The reason I ask that question is that it is my understanding that the present Administrator of surplus property has ruled that a farm cooperative is not eligible to purchase surplus Government commodities. Am I correct in that? Does the chairman of the committee know?

Mr. WHITTINGTON. In what respect? Under what law does the gentleman mean?

Mr. JACKSON. I do not know. I understand it is merely by administrative ruling. He has ruled he will not permit farm cooperatives to purchase surplus Government commodities.

Mr. WHITTINGTON. That is one of the many things that I do not know. I cannot answer the gentleman's question.

Mr. JACKSON. That is why I am greatly concerned because they have declared that farm cooperatives have been denied the right to purchase surplus property.

Mr. HALLECK. Of course, if I may intervene again, the specific language contained in subsection (b) would certainly correct any such interpretation by the Administrator, if that stays in the bill.

Mr. JACKSON. I quite agree with the gentleman. I wanted to get that clear.

Mr. HALLECK. May I just say further, as far as the matter of trucks to farmers is concerned, the dealers have been getting these trucks and have been selling them through the farmers. That has been happening right along.

Mr. JACKSON. Yes; but I understand Mr. Clayton, and I may be wrong about this, has refused to permit the Grange organization in our State to participate in the sales of surplus property.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. Yes.

Mr. WHITTINGTON. If that be the gentleman's question—I thought he was speaking about the disposition of property under some other laws—I do not understand that under these rulings they would not have the right to purchase under the program and under the policies of the Surplus Property Administrator now in force.

Mr. JACKSON. He has so ruled. That is why I wanted to call the gentleman's attention to it. It is the opinion of the committee, is it not, that under the existing provisions of the bill which have been referred to by the gentleman from Indiana, that the farm cooperative organization would have the right to participate in this program?

Mr. WHITTINGTON. I think so.

Mr. JACKSON. I wanted to get it into the RECORD so that there would be no question about it.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield.

Mr. MURDOCK. That means both classes, whether they are incorporated or unincorporated?

Mr. JACKSON. Yes.

Mr. MURDOCK. It would apply to both classes?

The CHAIRMAN. The gentleman from South Dakota [Mr. CASE] is recognized.

Mr. CASE. Mr. Chairman, I offer an amendment to the amendment.

The CHAIRMAN. The amendment offered by the gentleman from South Dakota is not in order until the amendment offered by the gentleman from Louisiana is disposed of.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that the amendment be read for the information of the Committee, without taking it out of the gentleman's time.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. CASE to the Halleck amendment: Strike out the last clause, reading "to prohibit the reimportation in the United States of any surplus sold for export," and insert "to require guaranties from purchasers that surplus goods sold abroad or sold for export shall not be offered for resale in the United States."

Mr. CASE. Mr. Chairman, this amendment to the Halleck amendment does not in any sense cripple the Halleck amendment. It is merely different language, designed to accomplish the obvious purpose of the clause in the Halleck amendment, possibly more effectively.

Let me read them again. The Halleck amendment closes with these words:

To prohibit the reimportation in the United States of any surplus sold for export.

In other words, it would seek to give to the Administrator the power to prohibit reimportation of goods sold for export. Now, the question developed in the colloquies when the gentleman from Indiana [Mr. HALLECK] had the floor was how would the Administrator be able to prohibit reimportation unless he was clothed with the powers of a customs official?

Further than that, the language in the Halleck amendment applies only to surplus sold for export. The illustration which the gentleman from Indiana used applied to goods that were already abroad and were sold abroad. It is not clear how the language of his amendment would cover goods that were sold abroad, since it refers only to goods sold for export. Consequently, I suggest that to accomplish the intended purpose the language be changed to read that the Administrator should "require guaranties from purchasers that surplus sold abroad or sold for export shall not be offered for resale in the United States."

Mr. WHITTINGTON. Will the gentleman yield?

Mr. CASE. I yield.

Mr. WHITTINGTON. For that reason I suggested among other reasons, that the amendment I read to the gentleman from Indiana, which contains language to regulate, would accomplish the very thing the gentleman desires.

Mr. CASE. In any event I submit the language which I have submitted would be a valuable substitution in the Halleck amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STEWART. Mr. Chairman, I have watched this bill very carefully. In my opinion, it is a speculator's bill. It has deprived the individual purchaser of the opportunity to acquire this property without paying many times the amount the Government receives for it.

To illustrate, they will sell jeeps by the acre, they will sell trucks likewise, tanks likewise. Possibly a jeep will sell in bulk lot at $10. Perhaps there are a hundred men who would like to buy a jeep but they are told by the man who is selling it, "You understand some of these are not in such good order but I will let you have this one for $250." He turns loose that old salesmanship talk and the speculator will get the benefit of it.

We have lost out on our soil conservation amendments. We have lost out on our school amendments. I am not going along with this speculator's bill.

Mr. HALLECK. Will the gentleman yield?

Mr. STEWART. I yield.

Mr. HALLECK. Would the gentleman be in favor of setting up retail stores all across the country so that an individual could come in and buy a can of corn or a pair of rubber boots?

Mr. STEWART. A thousand times yes, in opposition to this measure. We have our demonstration agents in every county in the United States that can take care of the interests of the farmer if the matter has been given a little time and thought. The boy in the street who wants a truck, the laborer, the gravel hauler hauling for public hire, should have an opportunity, without having to pay some speculator a thousand or ten thousand percent profit upon the merchandise that is surplus.

Mr. COLMER. Will the gentleman yield?

Mr. STEWART. I yield.

Mr. COLMER. I judge from the gentleman's remarks that he does not approve of this bill.

Mr. STEWART. That is right.

Mr. COLMER. Has the gentleman any alternative? Has he any bill to propose?

Mr. STEWART. There have been a number of amendments that have been voted down and opposed by the Committee that would have made it a workable bill.

Mr. COLMER. Has the gentleman any suggestions now to make to the Congress as to what they should do to dispose of the property?

Mr. STEWART. You having had all the time, I am now given my first opportunity. If I had been recognized as many times as you have, possibly we would have had this in better shape.

Mr. COLMER. I am sorry the gentleman has not been recognized, and as far as I am concerned, I am willing to surrender my time to him and let him write it from here on. Will the gentleman accept that challenge?

Mr. STEWART. I will; yes.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. LARCADE. Mr. Chairman, I rise in support of the amendment offered by my colleague, the gentleman from Louisiana [Mr. ALLEN].

I come from one of the largest agricultural districts in the State of Louisiana. Rice is predominantly foremost in the agricultural products of that district. In the cultivation and harvesting of the rice crop it is necessary that we have very heavy machinery. It is a crop which requires the type of machinery that will be available under the war-surplus bill now under consideration.

I will not go into a discussion of the proposal, for the reason that my time is limited, but I do want to say that what our farmers are interested in is being able to procure this desirable machinery and equipment with the least possible red tape, and that it will be available and it will be facilitated so that they will be able to buy single units if possible. So far as the manner in which it will be distributed and the channels through which it will be handled I am not so much concerned, but I want to see this bill worked out so that my farmers will be able to obtain this much needed equipment and that it will not be sold to them through the hands of speculators and highjackers.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WRIGHT. Mr. Chairman, I have an amendment to the amendment offered by Mr. HALLECK. I ask unanimous consent that it may be reported for information at this time.

The CHAIRMAN. Without objection, the amendment to the amendment will be reported for the information of the Committee at this time.

There being no objection, the Clerk read as follows:

Amendment offered by Mr. WRIGHT to the amendment offered by Mr. HALLECK: On page 33, at the end of the Halleck amendment, add the following:

"To collaborate with the Smaller War Plants Corporation in the development of procedures and policies which will insure that small business shall receive fair and equitable treatment in the acquisition, use, and disposal of surplus properties.

"The Smaller War Plants Corporation may, when in its judgment it becomes necessary in the protection of the interests of small business, certify to the Administrator or the owning or disposal agencies that certain property is required for the use of small business and request its allocation to the Smaller War Plants Corporation. On receipt of such certification and request, the Administrator or the appropriate owning or disposal agency shall allocate such property to the Smaller War Plants Corporation which shall become the disposal agency for such property with full power to sell, lease or exchange such property exclusively to small business concerns."

Mr. WRIGHT. Mr. Chairman, when we review the progress of business since sometime before the war we find that in the initial processes, large corporations obtained the major part of the Government contracts. I am quite sure the large corporations were not given those contracts through any desire to discriminate against smaller business, but it was mainly because the large corporations had their organizations and their plants, and they were able to fill the orders quickly. Speed and haste were of the essence. But then we began to find that our smaller business, upon whom we depend and whom we consider the backbone and bedrock of the American middle class, were beginning to suffer. It was the Smaller War Plants Corporation and this committee to aid small business, which had channeled a great many of these orders, and increased to an appreciable extent, the orders that were obtained by the small industrialists.

Mr. TABER. Will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. TABER. If your amendment were adopted we would not need any surplus property administrator at all. All we would do would be to turn the whole thing over to the Smaller War Plants Corporation.

Mr. WRIGHT. I disagree with the gentleman; it is only that particular portion of the property which could be used in these small plants. If the gentleman will let me continue for just a moment, I believe I can at least elaborate my thought whether he agrees with it or not.

As I say, it was the Smaller War Plants Corporation that organized these smaller companies who did not have their representatives in Washington, who did not have the means of getting the business and getting these contracts for our small industry. They did a good job. I feel they could do just as good a job in helping dispose of certain portions of this material which small industry needs but which they will not get if they are left to themselves, because they are not organized.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. VOORHIS of California. It seems to me the amendment can be explained in this way, that here is the one agency of the Government that in a positive way has attempted to protect small business. They have the facts and information better than anybody else; they know the particular type of property that would fit into small business and are in a position to do the job of protecting them in the reconversion period. I think it should be possible for the Smaller War Plants Corporation as a representative on behalf of small business to act as a disposal agency just the same as these other Government agencies are now acting. Then we will be sure that the benefit of this act will go to small business. Is that correct?

Mr. WRIGHT. I agree with the gentleman and I wish to thank him. As the gentleman from California says, we have had to fight insistently for the interest of the small businessman and the small manufacturer. This Smaller War Plants Corporation has constantly looked after their interests and had done a good job. Without such assistance the small businessman, the small manufacturer, will find it very difficult to meet competition because of the size of their competitors.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield further?

Mr. WRIGHT. I yield.

Mr. VOORHIS of California. Furthermore they have prepared the information as to what types of equipment are important for small business and have it better in hand than anybody else.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The gentleman from California [Mr. HOLIFIELD] is recognized for 3½ minutes.

Mr. HOLIFIELD. Mr. Chairman, while I am in favor of practically everything in the Halleck amendment, I think the Halleck amendment should be voted down not for what it says but for what it leaves unsaid. These different sections have been called to your attention and I want to comment briefly on the portion of his amendment which leaves out the collaboration with the Smaller War Plants Corporation.

The gentleman from Pennsylvania [Mr. WRIGHT] said that the Smaller War Plants Corporation was the only representative of small business. In my district the War and Navy Departments made no attempt whatsoever to spread the war contracts and I know that the Smaller War Plants Corporation was successful in spreading some $90,000,000 of contracts in the Los Angeles Basin. Within the last month or two in the termination of contracts bill that we passed we carried over the Smaller War Plants Corporation as a function in the post-war era. The gentleman from Kansas [Mr. SCRIVNER] tried to get a review by Congress of some of those proposals but he was, of course, defeated. Possibly it was impractical, but it is not impractical to put the Smaller War Plants Corporation in here as a watchdog of this disposal problem for the benefit of small business. They have the facilities, they have the contacts with small business, and they can do the job in the post-war era for civilian reconversion the same as they did the job in spreading the war contracts during the war contract period. We need the same agency there to watch the disposal.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. For a question only; I yield.

Mr. TABER. The only thing the Smaller War Plants Corporation did up in my territory was to get small business out on a limb and saw it off.

Mr. HOLIFIELD. I cannot answer for the gentleman's district.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. VOORHIS of California. The experience of the gentleman from New

York is very different from what is reported in other parts of the country. As my colleague from California has said, the Smaller War Plants Corporation has been fighting the battle of the small businessman almost single-handedly and alone.

Mr. HOLIFIELD. That is exactly right.

Mr. ROLPH. Mr. Chairman, if the gentleman will yield I wish to add that they did the same thing in my district and were of great help to small business.

Mr. HOLIFIELD. The Smaller War Plants Corporation has done a fine job but in my district we are having trouble with the W. P. B. They show very little disposition to aid in the reconversion of those plants or the assignment of materials to them despite the fact there are large surpluses. The surplus commodities which under W. P. B. are generally headed up by Charles E. Wilson are being withheld from this reconversion on the Pacific Coast where plants are finishing their contracts, with the result that the labor in some of these plants is dissipating, managerial talent is spreading out notwithstanding the fact that in many instances there are surplus materials which are not of a strategic nature which we should have if we are to reconvert. We should have some recognized agency of the Government do this job of watching to see that these properties be not disposed of to the big mass purchasers without the little man's being given a chance.

The CHAIRMAN. The time of the gentleman from California has expired.

The gentleman from Mississippi [Mr. WHITTINGTON] is recognized for 3½ minutes.

Mr. WHITTINGTON. Mr. Chairman, the fact that so many amendments have been offered to the amendment offered by the gentleman from Indiana, if he and the others will permit me to say so, shows how difficult it is to write legislation that is satisfactory to both sides of the aisle. In the circumstances I should like, for the committee, to call attention to three essential differences between the amendment offered by the gentleman from Indiana [Mr. HALLECK] and the language in the bill. I read the language of the bill:

> To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors.

The language of the amendment offered by the gentleman from Indiana would insert:

> Business concerns both small and large.

It eliminates any reference to farmers or agricultural enterprises—

> opportunity to purchase surplus property on equal terms so that they could replenish their stocks adversely affected by the war.

It strikes the committee that the language of the committee is more comprehensive and would really be fairer to all segments of the population, including both business and agriculture.

Mr. HALLECK. Mr. Chairman, will the gentleman yield to me at that point?

Mr. WHITTINGTON. I will yield in just a moment.

Secondly, the language of the committee bill reads:

> To utilize the commercial channels of distribution to the extent consistent with efficient and economic distribution and to discourage disposition to speculators.

The language used by the gentleman from Indiana representing the small business committee is, and I quote:

> To protect established business concerns against unfair methods of competition by utilizing commercial channels of distribution in lieu of making direct sales to consumers so long as the demand for the item exists in established commercial channels.

My feeling and that of the committee is that such language puts a strangle hold on the Administrator, that it gives existing channels a strangle hold and prevents the Administrator from making individual sales if he so desired to promote the objectives of the bill. It therefore strikes the committee that the language of the bill is still fairer and better.

And, finally, I call attention to this language:

> To prohibit the reimportation into the United States of any surplus sold abroad.

The committee has been advised by the Secretary of State and the State Department—we have got to get along with our allies—that such a provision might lead to retaliatory legislation. I suggest language which I believe will accomplish the purpose of both the gentleman from Indiana and the gentleman from South Dakota, language I am perfectly willing to have inserted here or in section 20:

> The Administrator shall regulate or prohibit the reentry into the United States of the surplus war property of United States origin disposed of for export from the United States whenever he deems such action necessary to accomplish the objectives and purposes of this act.

It is my thought that we want to utilize commercial channels as far as possible, but we must consider the effect the mandatory provisions of this amendment may have on the Voorhis amendment which has already been adopted by this committee. If the Administrator is satisfied that existing commercial channels want to monopolize then he ought to have the power and the right to dispose of property to consumers under the terms of the bill.

So it strikes us that the important objectives and policies of the bill will be preserved and could accomplish the purposes, the sincere purposes, of the gentleman from Indiana and the other gentlemen, including the gentleman from Louisiana and the gentleman from Pennsylvania, if we vote down both the amendments to the amendment and the amendment offered by the gentleman from Indiana [Mr. HALLECK] and leave the language as it is in the bill, thus leaving the Smaller War Plants Corporation in the bill. In the end it ought to help small business.

Mr. BROOKS. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana [Mr. BROOKS]?

There was no objection.

Mr. BROOKS. Mr. Chairman, for the immediate future, this bill is very important. In the sale and distribution of $100,000,000,000 worth of surplus war goods, every section of the country is, of course, interested. In the handling of this matter, I am deeply concerned that it be handled on an equitable basis for the entire country. And this concern arises out of the criticisms which I have obtained from small businessmen as to the procedure most adapted to the much-desired end.

The first consideration in the sale of surplus war goods should be the matter of publicity. No merchandise should be sold without giving all prospective purchasers ample time in which to investigate the type, character, and quality of the merchandise to be sold and without giving every interested person an opportunity to file a bona fide bid for the portion of the property desired to be purchased.

Since there is such an enormous quantity of surplus war goods which must be sold and distributed, there next comes the question of proper distribution according to areas in the United States. It would certainly be unfair to the people in the South and the West if the bulk of this merchandise were sold in the eastern section of the United States and, likewise, it would be unfair to the East were it sold entirely in the West. Each area of the country should be given an opportunity to buy a proportional amount of the surpluses depending upon population and upon normal need. Such might be done by regional offices or by local offices, but, at any rate, a small businessman living in Louisiana should not have to come to Washington or go to New York City in order to complete a bid covering what he desires to buy.

This leads to another consideration of great concern to every one; namely, that the sales should be in reasonably small quantities wherever possible. It would not, of course, be possible to apply such a rule to the sale of a large merchant ship or to a large Army transport. As a general rule, however, surpluses may be broken down into moderately large quantities, and this will permit the small merchant in Texas or Nebraska to bid on a competitive basis for the desirable portion of the Government's surpluses which he desires to purchase.

It is more simple, of course, for the Government to "knock the bid down" to the firm which in one bid will take all of a given surplus at a stated time. One bid is easier to handle, requires less clerical work, and less investigation of the prospective purchaser as to credit risk. At the same time such a procedure will work directly into the hands of large businesses and will for a short and critical period in our future wreck many small business establishments. Fair treatment should be given to all who desire to bid, and fair consideration should be given the small bid as well as the large one. Within reasonable limits, the Government is not interested in whether it is more simple to accept one large bid than a number of small ones, but it is vitally interested in preserving the fi-

nancial integrity and the future of the small businesses in the United States.

I would like to see that each farmer be permitted to purchase a jeep, a plow, or any other piece of machinery or equipment which he may need. If such can be worked out without the Government running a retail business all over the country, it would certainly be a fine service to render our farmers. I would like personally to see the returning serviceman permitted to purchase what few little things he might want individually if this could be worked out. I recognize, however, that such might involve tremendous retail operations of the United States at a time when manpower is short and difficulties great. The next best thing to this is to permit the little businesses of the United States to buy in small lots so that they in turn can make resales in the small towns, villages, and communities throughout the United States, giving to the farmer, to the serviceman, and the public generally at an early date out of the surpluses available full opportunity to make purchases.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Louisiana [Mr. ALLEN] to the amendment offered by the gentleman from Indiana [Mr. HALLECK].

The amendment to the amendment was rejected.

The CHAIRMAN. The Clerk will report the amendment to the amendment offered by the gentleman from South Dakota [Mr. CASE].

The Clerk reread the amendment offered by Mr. CASE.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. CASE] to the amendment offered by the gentleman from Indiana [Mr. HALLECK].

The question was taken; and on a division (demanded by Mr. CASE) there were—ayes 19, noes 43.

So the amendment to the amendment was rejected.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Pennsylvania [Mr. WRIGHT] to the amendment offered by the gentleman from Indiana [Mr. HALLECK].

The Clerk reread the amendment offered by Mr. WRIGHT.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WRIGHT] to the amendment offered by the gentleman from Indiana [Mr. HALLECK].

The amendment to the amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Indiana [Mr. HALLECK].

The question was taken; and the Chair being in doubt, the committee divided, and there were—ayes 51, noes 53.

Mr. HALLECK. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. MANASCO and Mr. HALLECK to act as tellers.

The Committee again divided, and the tellers reported there were—ayes 76, noes 67.

So the amendment was agreed to.

Mr. GOSSETT. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GOSSETT: Page 34, after line 3, insert a new subsection to read as follows:

"(g) To dispose of land in the United States, acquired by the United States after June 30, 1940, which the Administrator deems suitable for agricultural use:

"(1) by affording to the person or persons from whom such land was acquired by the United States a reasonable opportunity to reacquire such land for his own use at a price not greater than that for which it was so acquired by the United States, such acquisition price being properly adjusted to reflect any increase or decrease in the value of such land resulting from action by the United States; and

"(2) if not disposed of as provided in paragraph (1), and if the Administrator deems that the land should be disposed of for agricultural uses, in parcels not larger than suitable for the needs of one family unit; not more than one parcel to a family unit, and only for use as agricultural land and home by such family unit."

Change the paragraph letters in the remainder of the section.

Mr. GOSSETT. Mr. Chairman, this is a committee amendment to change from section 15, paragraph (g) of the bill to this policy section of the bill the whole question of disposing of surplus agricultural lands. The manner in which we seek to do this is to offer at this place the amendment just read, and then when we reach section 15 move to strike out paragraph (g). Paragraph (g) was an amendment drawn by me and written into the bill at my insistence.

On Tuesday of last week I took more than 30 minutes' time explaining the purpose of this particular amendment and the policies and the objectives which we seek to attain through these provisions. I believe that most members of the committee understand the amendment. They understand the objective to be to permit farmers who were, to all intents and purposes, forced to give up their lands pursuant to the war program, a reasonable time within which to reacquire that land at a price not exceeding that paid them by the Government. The reason for transferring this from section 15 to section 11 is to meet certain administrative objections, particularly an objection offered by the Chief of the Land Division of the Department of Justice, to the effect that if this provision is left in the mandatory section it will cloud titles to real estate. Most of you who are lawyers and who have had experience in title examination will concede that that is a good objection; in other words, if we would provide, as I originally suggested doing, a mandatory instruction that the original owner be given a certain time within which to reacquire this property and if, in fact, the original owner does not reacquire this particular tract, the mandatory provisions to that effect will then become a cloud upon the title of the person who does acquire it.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. ALLEN of Louisiana. With reference to the question of time, as I understand it, the gentleman's amendment provides that the original owner might have a reasonable time. May I ask the gentleman to explain what he considers to be a reasonable time, bearing in mind that the average farmer may not be ready to repurchase and may not have the money on hand now. He ought to have a good long time. He ought to have, say, at least a year.

Mr. GOSSETT. We were unable to agree in committee on just what a reasonable time would be. I think that the Administrator, after consultation with different advisers, can work out some system, not one which we all may agree is reasonable but one which most of us will agree is a reasonable time. He will have to fix some time within which it is optional to repurchase.

Mr. ALLEN of Louisiana. Would not the gentleman say for the benefit of the RECORD that a farmer ought to have, say, at least 1 year?

Mr. GOSSETT. I do not know in my own mind what a reasonable time would be. I would be willing to give him that time; yes. I think he should have a year's time.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. MOTT. The gentleman said that his amendment strikes out paragraph (g) of section 15.

Mr. GOSSETT. It does not strike it out. We will move to strike out paragraph (g) of section 15, on page 39, if the committee amendment now being offered is adopted. The purpose of offering this, as I tried to explain, is simply to change the general provisions from the mandatory section of the bill to the policy section of the bill in order to avoid clouding land titles.

Paragraph (g) deals with the disposal of certain agricultural lands. The proposed amendment is almost identical in verbiage. It has been redrawn and redrafted by the Legislative Counsel to meet certain administrative objections. But the purpose of the amendment now being offered is identical with the purpose of the amendment as now contained in the bill. We simply seek to transfer this provision from the mandatory section of the bill to the policy section of the bill, as I say, in order to avoid clouding land titles.

Mr. MOTT. Then paragraph (g) of section 11, which section the gentleman is amending, is still in the bill?

Mr. GOSSETT. Yes; that is still in the bill.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GOSSETT. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. HARE. Referring to the question raised by the gentleman from Louisiana with reference to reasonable time, I understood the gentleman from Texas to say that this amendment was offered for the purpose of avoiding a cloud on the title. Suppose we had no fixed reasonable time, and suppose the land is transferred in 6 months or 12 months, and there is no opportunity to sell it back to the original owner for 2 years, and then later some one will come up and say that was not within a reasonable time and therefore there is a cloud on the title. Does the gentleman not think that a reasonable time ought to be fixed; that is, a minimum reasonable time?

Mr. GOSSETT. The Administrator will fix a reasonable time in the formula to be set up in his administration. The whole subject is now covered in the policy section of the bill, however, and not in the mandatory section. We have been assured, however, and we certainly expect that the Administrator will carry out this policy as stated in this amendment.

Mr. HARE. If the time is not fixed as being reasonable, then any land disposed of after that will have a cloud on the title.

Mr. GOSSETT. If some time is not fixed as reasonable, there's a possibility of clouding some titles.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Miss SUMNER of Illinois. I ask this question at the request of several Members here. We would like to ascertain, if possible, what the definition of a family sized farm is. How large a farm is that?

Mr. GOSSETT. That might be one size in one section and another size in another section. A family sized farm consists of a sufficient number of acres for a family to make a reasonable living off of. That would have to be determined by the Administrator of this provision. It might mean 100 acres in one section of the country and it might mean 320 acres in another section of the country. It would vary with the fertility of the soil and the farming conditions in that particular area.

Miss SUMNER of Illinois. What does the gentleman mean by reasonable living; a low income standard or middle group or what?

Mr. GOSSETT. That would be, I would say, what the average farmer in that community makes; the income of the average farmer of that particular area. That is just an impromptu personal definition given in response to the gentlewoman's question.

Mr. TABER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER to the amendment offered by Mr. GOSSETT: In line 15 of the amendment after the word "suitable" insert the word "only."

Mr. TABER. Mr. Chairman, my amendment is offered so that land which is suitable for other purposes shall not be turned back at the same price that was paid the owner, but that only that land which was suitable for agricultural purposes shall be covered by this amendment; in other words, if the Government's operations or the passage of time in the meantime has resulted in the land being suitable for other things, and perhaps much more valuable than it was before, the Administrator would not be obliged to sell this property for the same price which the Government paid for it. I think this is the only way that we can properly safeguard the Government's interest in this connection, and I hope that this amendment will be adopted.

Mr. GOSSETT. Mr. Chairman, the committee sees no objection to this amendment, and we will accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER], to the amendment offered by the gentleman from Texas [Mr. GOSSETT].

The amendment to the amendment was agreed to.

Mr. WICKERSHAM. Mr. Chairman, I offer a substitute for the Gossett amendment.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM as an amendment to the amendment offered by Mr. GOSSETT: On page 34, line 3, after the period insert a new subsection (f), as follows:

"To foster and encourage ownership of family-size homes, where feasible, rural property which is suitable for farming or livestock operations shall be first offered for sale in family-size farms or ranch units; and city, town, and other residential property shall be first offered for sale in family-size home units.

Mr. COCHRAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment, and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. WICKERSHAM. Mr. Chairman, I offer this amendment as a substitute for the Gossett amendment, I would leave in the bill section (g) on page 39. That provision relates to those people who were the last record owners of surplus agricultural lands and allows them a chance to regain their property. My amendment is as follows:

To foster and encourage ownership of family-size homes where feasible, rural property which is suitable for farming or livestock operations shall be first offered for sale in family-size farms or ranch units; and city, town, and other residential property shall be first offered for sale in family-size home units.

This permits the individual, whether he be a veteran, whether he be a farmer, or whether he be a resident of a town, to get a family-size home. Many of the city properties will sell in groups of 100 to 1,000 houses, if we do not adopt some provision like this. The farms and ranches will be sold in bulk, in tracts 100 or 1,000 times as large as a family-size home, unless we adopt an amendment similar to this.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. I should like to have a definition of this term. None of us understands what "family-size" is. Is it a family of 5 or 10? Every family I know has a different-sized farm.

Mr. WICKERSHAM. Of course, the gentlewoman is single.

Miss SUMNER of Illinois. What is the gentleman's definition? He is the author of the amendment. We want something definite.

Mr. WICKERSHAM. My definition of a family-size home may be different from the gentlewoman's, but I will tell her what my definition is.

Miss SUMNER of Illinois. The gentleman is the author of the amendment. He is the one that is making the law.

Mr. WICKERSHAM. My definition of a family-sized home would be the same as Webster's. I would define a family-sized farm or ranch home or a unit as a place of abode for the head of a family and the members of his family, sufficient to maintain a livelihood for him on the farm or ranch, or sufficient to provide a comfortable home and decent shelter for himself, his wife, and children in the city.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Iowa.

Mr. JENSEN. In each State there are records showing the size of the average farm in that State. In Iowa, for instance, an average-sized farm is 159 and a fraction acres. That is what we in Iowa consider to be a family-sized farm.

Mr. WICKERSHAM. The gentleman is correct. A family-sized farm in Texas, when speaking of a citrus ranch in one district, might be 5 or 10 or 15 acres, but an average ranch in the area of the gentleman from Texas [Mr. KLEBERG] might be several hundred acres.

Mr. HARRIS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Arkansas.

Mr. HARRIS of Arkansas. As I understand, the gentleman's amendment would first give opportunity for the lands to be disposed of to those wanting family-sized farms.

Mr. WICKERSHAM. Certainly.

Mr. HARRIS of Arkansas. Would they come ahead of the previous owners?

Mr. WICKERSHAM. No, because the committee amendment, paragraph (g) on page 39, still allows the former owners to have preference; but this would allow the other tracts to be sold in individual tracts, family-sized farms.

Mr. HARRIS of Arkansas. Then the gentleman would recommend that paragraph (g) on page 39 remain in the bill as a mandatory provision?

Mr. WICKERSHAM. Certainly.

Mr. HARRIS of Arkansas. Considering that last week there was adopted an amendment providing that the Administrator shall pursue the policies provided in this bill in the disposition of the

property, would there not be a conflict between the two provisions?

Mr. WICKERSHAM. No, because my amendment states that "where feasible." It still allows the last record owner to come back and get his property.

Mr. HARRIS of Arkansas. The intention of the gentleman's amendment, then, in accordance with the interpretation of paragraph (g) on page 39, would be to give the former owners the first opportunity to repurchase the land?

Mr. WICKERSHAM. Yes.

Mr. HARRIS of Arkansas. And then if the former owners are not interested, for it to be disposed of in family-sized farms?

Mr. WICKERSHAM. That is right.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman, I rise in opposition to the amendment offered by the committee and in support of the amendment to the amendment.

Mr. Chairman, the change from the determination of the committee in making this a mandatory provision to a policy-making provision in my judgment does an injustice to that great number of farmers in every State in the Union whose lands have been taken, sometimes by condemnation and sometimes by agreement to sell because they did not desire to go into the courts and fight out the question of what they were entitled to for their lands.

This is quite different from any other concession that has been proposed to any industry or even to the farmers themselves, that is, to leave in section 15, subsection (g) substantially what is there. I have an amendment which I want to propose at that time which will guarantee to these farmers who have given up their farms an opportunity for them to move back home. Oftentimes they have given up their farms from a patriotic point of view and have accepted less money than they would have sold their farms for, because they did not want to go into litigation about it.

I have one camp in my district. We objected to that camp's being put where it is, but when the War Department said that this was the ideal spot within that territory in which the camp ought to be placed, our farmers said, "All right, if that is the need of the Government, we yield to that necessity. Come and take our property. If we cannot agree upon the payment we can settle the damages or the value of the land by condemnation proceedings." Five hundred families moved out of that community. Probably many of them hope to come back when the war is over and this land is no longer needed by the Government.

In one county 60,000 acres were taken, with no complaint. I am not saying that anything was done wrong or that anything was done that should not have been done. It was the necessities of war that brought it about. However, many of these people, perhaps 50 percent of them, maybe 75 percent of them, want to come back to the homes they left under the exigencies and requirements of war. I think, and I suggest it to you gentlemen here today, that we ought to provide by mandatory legislation that these men be allowed to come back and repurchase their farms at the prices they received either by purchase or condemnation from the Government, because they were unwilling sellers as far as the price was concerned. Many of them want to come back and will come back. Probably some of them have gone to other counties and bought land and will not come back. That is taken care of in subsection (g) in section 15 of the bill. But this is not a concession; this is a provision to give the men who owned these farms at that time and surrendered them unwillingly, at a price sometimes agreeable to them and sometimes not, but accepted because of patriotic considerations, an opportunity to come back to their land, and I feel that it is our duty to make it mandatory that the lands be sold back to them.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. In many cases the buildings have been removed from this land and cannot be replaced, that is, the particular buildings cannot be replaced. That must be considered. In many places the land was made into firing ranges and is now cut up, and the timber is destroyed. That is a matter that must be given consideration, too, if the original owner wants to come back and buy the land at the price paid to him by the Government. So there are a lot of difficulties here that are quite a problem to work out.

Mr. FOLGER. Certainly there are, but they can be worked out.

The CHAIRMAN. The gentleman from Mississippi [Mr. WHITTINGTON] is recognized.

Mr. WHITTINGTON. Mr. Chairman, I have no disposition to detain the Committee. As I understand it, the gentleman from Oklahoma has offered an amendment by way of a substitute for the amendment proposed by the committee, as amended by the amendment of the gentleman from New York, and I just want to call attention to the fact that presupposes that section (g) is going to remain in the bill. I think it is a rather violent presumption.

Mr. WADSWORTH. The discussion thus far has been confined to the operation of this proposed amendment to farm lands. But nothing has been said thus far to the effect the amendment also affects so-called residential property in cities.

Mr. WHITTINGTON. The amendment of the gentleman from Oklahoma does embrace residential property, but the amendment of the gentleman from Texas is confined only to agricultural land. For that reason I suggest to the gentleman from Oklahoma that if section (g) remains in the bill his amendment is entirely at variance with the amendment offered by the gentleman from Texas.

Mr. WADSWORTH. If we are to establish the same standards with respect to the disposition of the so-called residential property in cities as we do in respect to farm lands, we may get into very serious trouble.

Mr. WHITTINGTON. I think we will get into all kinds of difficulties. My thought is we are going pretty far with the committee amendment. We must not hamper the Administrator.

Mr. GOSSETT. Mr. Chairman, will the gentleman yield for me to answer the gentleman from New York?

Mr. WHITTINGTON. I yield.

Mr. GOSSETT. We have acquired relatively no residential property in pursuance of the war program, that is through condemnation or purchase, with the exception of some hotels and some business properties. There have been approximately 70,000 families dispossessed from farms incident to the acquisition of Army camps. I anticipate that perhaps the same policy will be followed relative to such business property that may be returnable to persons from whom it was taken where practicable. We felt that this should be a national policy; that is, to return as many folks as possible to the farms, and that is based on the fact that in most of these camps the agents who were going around getting options for the Government and who are acquiring these agricultural tracts, told the farmers, of course, it would not be enforcible, but they also told them they were going to give this land back to them.

Mr. WADSWORTH. I am not quarreling with that. I understand that. My observation is directed toward the substitute amendment which, as I understand, places city residential property, whatever that is I am not quite sure, in the same category as farm property.

Mr. GOSSETT. I am opposed to doing that.

Mr. WHITTINGTON. The committee's view is that the proposed substitute of the gentleman from Oklahoma [Mr. WICKERSHAM] is utterly impracticable, that farm lands should be handled separately from city lands, and that the substitute is impossible of administration. We trust that the substitute will be defeated.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

The CHAIRMAN. The question recurs on the committee amendment offered by the gentleman from Texas.

The amendment was agreed to.

Mr. GOSSETT. Mr. Chairman, I now ask unanimous consent to strike from the bill paragraph (g) of section 15, appearing at the top of page 39, in conformity with the policy of the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WALTER. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WALTER: On page 33, line 5, after the words "District of Columbia", strike out "and cooperative organizations."

Mr. WALTER. Mr. Chairman, when we from time to time set up agencies, we, of course, understand that people will be employed to carry out the purposes of

the law. It is only a short time after those agencies are set up that we start complaining about capricious and arbitrary rulings. I cannot imagine language in a law that is more susceptible of abuse than the language which I propose, by this amendment, to strike out. Paragraph (b) is intended to give preferential treatment to public corporations, educational institutions, and eleemosynary corporations. But this language "and cooperative organizations" is so broad that anything could be included within it. I looked up the only decision of any court of last resort to define a cooperative organization. Let me read what the Supreme Court of the State of Minnesota has defined it to be. Its definition is as follows:

COOPERATIVE ASSOCIATION

In a broad sense all associations, whether corporations or partnerships, are cooperative, if all the members, either by their labor or capital or both, cooperate to a common purpose. There is, undoubtedly, in the popular use of the terms, a more limited sense, though the precise limits are not well defined. There is no legal, as distinguishable from their popular, signification. In the Century Dictionary the term "cooperative society" is defined as a union of individuals, commonly laborers, or small capitalists, framed for the prosecution in common of a productive enterprise, the profits being shared in accordance with the amount of capital or labor contributed by each member (*Finnegan* v. *Noerenberg* (53 N. W. 1150, 1151, 52 Minn. 239; 18 L. R. A. 778, 38 Am. St. Rep. 552)).

Do you think we ought to permit language to be in a statute that is susceptible of abuse as in this language? When the bill was first considered by the Post-war Planning Committee, of which I am a member, this language was not in the bill. Somewhere between the time the legislation was so considered and today, this language found its place in this legislation. But what is it designed to do? What cooperative organization is it hoped will receive preferential treatment through the enactment of legislation with this broad, general language in it? Let me read from the committee report:

"Full opportunity should be given to other public agencies"—public agencies, mind you—"educational and charitable organizations to acquire surplus property." In view of the fact that this section is designed to give a preferential treatment to public corporations only, I say that it is too dangerous to permit a bill to be passed with this wide, sweeping language in it. I trust that the amendment which will strike it out will be adopted.

Mr. GRAHAM. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. GRAHAM. Could there be any construction put on this language which would imply that this refers to modern, cooperative organizations of which we hear of all over the country?

Mr. WALTER. Why, of course, it would apply to any cooperative of individuals who had any purpose as the object of their incorporation.

Mr. GRAHAM. Then in substance it would defeat the general purpose, and in turn make it special, would it not?

Mr. WALTER. Exactly.

Mr. VOORHIS of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as most of the Members of the House know, I am very deeply interested in cooperatives, because I believe they are one method whereby people are able to work out the solution of their economic problems without reliance upon the Government and because I know that farm cooperatives have been the one means which has been effective through the farmers' own effort to enable the farmer to get a fair price in the market and to solve many of his other economic problems.

If this language had never been put in the bill in the first place, I should not have offered an amendment to insert it. I do not want any favors for cooperatives that other types of business do not have. All I want the cooperatives to have is the same chance to engage in business as a group of "little" people, that other kinds of business have where there are a few "big" people. However, in view of the discussion that has been had on the floor this afternoon, I think the adoption of the amendment offered by the gentleman from Pennsylvania [Mr. WALTER] would be a serious mistake. The gentleman from Washington [Mr. JACKSON] has told us that the present Administrator of Surplus Property Disposal ruled that the cooperatives of the State Grange in his State did not have a right to participate in the purchase of any surplus property and the resale thereof. Am I correct in that?

Mr. JACKSON. That is right.

Mr. VOORHIS of California. I did not know about it, but the gentleman made that statement on the floor this afternoon. If that be true, then if we strike this language from the bill, unless we put something in the bill to take the place of this language, we might possibly appear to be affirming that judgment on the part of the Administrator, a thing which, I am convinced, is entirely contrary to the intent of Congress.

Mr. WALTER. Will the gentleman yield at that point?

Mr. VOORHIS of California. I yield.

Mr. WALTER. Do you feel that these cooperative organizations such as you are talking about should be given preferential treatment?

Mr. VOORHIS of California. I just said I did not. I made that very plain.

Where their name appears in the bill, it simply provides they shall have an opportunity to fulfill their legitimate needs. I do not know that that gives them preferential position, but I think in view of the action taken by the Administrator, unless this House makes it very plain that we do mean that the cooperatives shall have equal right to deal in surplus goods, as any other business that is selling the same property to the farmer at a profit, we will do great damage to the members of the farm cooperatives of this country. All I want is that these cooperatives shall have the same right to purchase this surplus property that anybody else has, and to resell it. I am afraid the adoption of the gentleman's amendment will throw a cloud on that because of the fact that the language in the bill as reported by the committee says:

"To fulfill their legitimate needs." It does not say they shall have a preference. It says they shall have an opportunity to fulfill their legitimate needs.

For that reason I am afraid of the amendment offered by the gentleman from Pennsylvania [Mr. WALTER]. I do not want preferential treatment for the cooperatives. I do want them to have the same deal that anybody else gets in this regard.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTINGTON. Mr. Chairman, I should like to say as to the term "cooperative organizations" in section (b) of subsection 11, which reads "to afford public, governmental, educational, charitable, and eleemosynary institutions, States, Territories, their political subdivisions, and the District of Columbia, and cooperative organizations"—my thought is that that is broad enough to take in the farm cooperative organizations, and it should. They should be on a par with some of the charitable institutions. They are public bodies. It would include municipal cooperatives. If you have a municipal housing project in a city that is cooperative, that should be included. Where they get together as an association, act cooperatively, they are entitled to priority over an individual.

I would say that my good friend from Pennsylvania [Mr. WALTER] is perfectly sincere, of course, but this language has been in every one of these bills. I have before me the hearings before the Committee on Post-war Economic Policy and Planning, and the proposed bill there has exactly this language as it was submitted to his committee some few months ago. It was in every draft of the bill that has been considered by our committee. That is language that has been retained, and the paragraph changed so as to embrace States and Territories.

Mr. MURDOCK. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. MURDOCK. Is not the gentleman from California, [Mr. VOORHIS] correct that if this language is stricken, it will tend to discriminate against cooperatives?

Mr. WHITTINGTON. I have so stated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALTER].

The amendment was rejected.

Mr. MILLER of Connecticut. Mr. Chairman, I offer an amendment which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. MILLER, of Connecticut: On page 33, line 10, insert the following new subsection:

"To afford those serving in the Army, Navy, Marine Corps, and all war veterans an opportunity to purchase single units or small

lots of any surplus property at the same price for which such property has been sold or offered for sale in large lots."

Mr. MILLER of Connecticut. Mr. Chairman, this is the amendment to which I referred last Wednesday. I have spoken with several Members of the House and some members of the committee. I hope the Committee can see its way clear to accept the amendment. At least let it go to conference. I do not contend that the language is perfect. It may need some revision, particularly with reference to the phrase, "all war veterans." But I am sure the committee has no disposition to do anything to prevent the twelve or fifteen million men and women now serving in the armed forces or who will have served before the war comes to an end, an opportunity to buy this surplus war material at a fair and reasonable price.

Last Wednesday three soldiers came down from the gallery, men not known to me, and called me off the floor to discuss the possibility of their buying a plane when the war was over. They are saving their money for that purpose. There will be planes sold that have never been flown except for a test flight. After the last war there were planes sold which had never been taken out of the crates. I do not know of anybody I would rather see get the benefit of such purchases than these men who have been flying our war planes and using our war material.

There are millions of dollars of other equipment that can be sold through the existing P. X. stores. This amendment, like all other policy amendments, is not binding. If when the war comes to an end and the P. X. stores are reduced in number and it is not feasible to continue the sale of surplus material through those stores, then, of course, it would be within the discretion of the Administrator to cut out that type of sales.

Mr. FORAND. Will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. FORAND. I am happy to go along with my friend from Connecticut, because last week three soldiers, members of the Corps of Engineers who had just returned from overseas, were very anxious to obtain some roadbuilding equipment, because they wanted to go into the road-building business after the war.

Mr. MILLER of Connecticut. I realize the committee has that in mind, because section (C) says "to afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises."

In addition to that, there are millions of dollars of equipment, the finest cameras in the world, binoculars, and flying equipment. Members of the House who were in the last war know that the only way you could secure that material which you had used was, to put it bluntly, to steal it.

Mr. WICKERSHAM. Will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. WICKERSHAM. Would the gentleman accept an additional amendment to include one other sentence to read "where feasible veterans shall be given preference."

Mr. MILLER of Connecticut. Veterans are covered in the bill already.

Mr. WICKERSHAM. It says afford an equal opportunity. Would the gentleman accept an amendment stating where feasible the veterans shall be given preference?

Mr. MILLER of Connecticut. I would not want to make it mandatory. There may be cases where it would not be possible.

Mr. WICKERSHAM. I said "where feasible."

Mr. MILLER of Connecticut. Where feasible; yes. Of course, that is covered in section 11, policies, "to the extent feasible."

Mr. WICKERSHAM. But under section 11 it says they shall be afforded equal opportunity. I wanted to give them preference, if possible.

Mr. MILLER of Connecticut. If it could be worked out; yes.

Mr. FORAND. Will the gentleman yield again?

Mr. MILLER of Connecticut. I yield.

Mr. FORAND. Does not your amendment provide they can purchase single units?

Mr. MILLER of Connecticut. Yes.

Mr. FORAND. That is not provided anywhere else in the bill.

Mr. MILLER of Connecticut. That is true. I do not think it is going to be difficult to establish single unit prices. If they sell a thousand binoculars at a given price, say $4 each, then they can be sold at the P. X. stores for $4. Nobody wants to profit from the men in our armed forces.

Mr. ALLEN of Louisiana. Will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. ALLEN of Louisiana. The gentleman's amendment does not go quite as far as I would like. I am happy to go along with him, however.

Mr. MILLER of Connecticut. It will make it possible for the servicemen to get that jeep to send home to his father anyway.

Mr. BLAND. Will the gentleman modify his amendment to add "including seamen"?

Mr. MILLER of Connecticut. I did not insert it.

Mr. BLAND. But I ask the gentleman if that can be inserted in his amendment.

Mr. MILLER of Connecticut. Anybody can offer such an amendment; I did not insert it. My amendment merely read:

Army, Navy, Marine Corps, and all veterans of the armed forces.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. STEFAN. Will this include veterans of the First World War?

Mr. MILLER of Connecticut. My answer would be that it would. That is why I expressed the hope that the Committee would accept the amendment without further discussion, let it be ironed out in conference. I believe this bill is finally going to be written in conference.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

The question is on the amendment offered by the gentleman from Connecticut.

The amendment was agreed to.

Mr. BENDER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BENDER. How many amendments are there at the Clerk's desk?

The CHAIRMAN. The Chair does not think that is a parliamentary inquiry, but the Chair will state for the information of the House that there are 35.

Mr. COCHRAN. How many to this section?

The CHAIRMAN. Twelve amendments are pending to this section.

Mr. MANASCO. Mr. Chairman, I understand there are 12 amendments to section 11 at the Clerk's desk. I ask unanimous consent that all debate on section 11 close in 50 minutes and that on each amendment the committee be given the last 2 minutes to reply.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. COCHRAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COCHRAN. In view of the fact there are 12 amendments and the time has been limited to 50 minutes, how much time does the Chair propose to allocate to those recognized?

The CHAIRMAN. The Chair proposes to divide the time equally, which would be approximately 4 minutes on each amendment. I believe under the unanimous-consent request 2 minutes was reserved to the committee on each amendment. Each Member offering an amendment, therefore, would be recognized for 2 minutes.

Mr. POAGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE: On page 32, line 7, strike out the period, insert a comma and the following: "And to accomplish these objectives the Administrator is expressly authorized and instructed to sell any surplus property which the Secretary of Agriculture may certify as being needed for soil conservation to any soil-conservation district duly organized under State or Federal law on credit without any down payment and on quarterly installments payable over a period of 5 years."

The CHAIRMAN. The gentleman from Texas is recognized for 2 minutes.

Mr. POAGE. Mr. Chairman, this is an amendment instructing the Administrator to sell soil-conservation equipment to soil-conservation districts on credit. It seems to me that the far-reaching importance of the conservation of our soils would justify a much longer discussion than the committee has seen fit to allow. It is necessary that the soil-conservation districts buy this equipment on credit because soil-conservation

districts are the only municipal districts in the United States that have no taxing power. They are definitely public agencies, but they have no means whereby they can get any money to make a down payment on the equipment they need. Once the down payment is made it is possible for these districts to charge for the use of the machinery and thereby build up a fund with which they can make the quarterly payments that are provided under the terms of this amendment. So if you will authorize and instruct the Administrator to sell to these districts on credit payable quarterly over a period of 5 years without requiring a down payment it will be possible for these districts to avail themselves of some of this surplus property that is so desperately needed if we are to carry on our soil-conservation program. If you do not make this credit available then there will be no way whereby the soil-conservation districts can get any of this material even though they are given preference. You have already voted to give them preference in the purchase of equipment, but that will only be an empty gesture if you require them to make cash payments when they have no cash.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I gladly yield to the distinguished gentleman from Kansas.

Mr. HOPE. The gentleman knows I opposed the gentleman's proposal the other day to give this property to soil-conservation districts, but I feel the gentleman's amendment as it stands now should prevail because this does not provide for giving this property to these districts. It is a perfectly feasible plan to provide how it shall be sold and simply sets up a method by which the districts can buy it.

Mr. POAGE. I greatly appreciate the gentleman's support because I know he has always been a friend of soil conservation and that he tries sincerely to keep within the policy of the committee and at the same time give the soil-conservation districts all they need. As he points out, this amendment simply provides a practical method enabling the conservation districts to buy some of this badly needed equipment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The gentleman from Mississippi [Mr. WHITTINGTON] is recognized for 2 minutes.

Mr. WHITTINGTON. Mr. Chairman, this is another subject that has been carefully considered by the Committee of the Whole and was previously carefully considered by the committee to which this bill has been referred.

It strikes me that under the terms of section 10 (a) the agency has really a broad power which would enable it to sell on credit not for 1 year, not for 5 years, but for 7 years if it be necessary, because the agency is authorized to lease it if it does not sell it to the districts; it is authorized to transfer to them for cash or for credit without any limitation. It does strike us that the school and the conservancy and the conservation districts, the soil districts, are all entitled to equal consideration. Why select one agency for preferential treatment? If you do it for one you must do it for all if you wish to be fair.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. COCHRAN. The amendment as I heard it read provided 5 years within which to make the complete payment on equipment which is liable to be of absolutely no value in 3 years.

Mr. WHITTINGTON. The gentleman is absolutely correct; it may not last longer than two. We have given the agency great discretion to promote public use under the terms of section 10 (a). It does strike me that if we are going to prescribe the details as to how property shall be handled we are depriving the Administrator of the discretion he ought to have to handle the property fairly and wisely.

I trust the amendment will be defeated.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. POAGE) there were—ayes 25, noes 39.

So the amendment was rejected.

Mr. HARE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARE: On page 34, at the end of line 15, add the following:

"*Provided*, That all such property, equipment, supplies, or materials shall when declared surplus, be inventoried, classified, and appraised in value, and that none of such property, equipment, materials, or supplies, not otherwise disposed of, shall be sold at a price not more than 10 percent less than the appraised value or resold by anyone at any time at a price exceeding 20 percent above the purchase price: *Provided further*, That such property, equipment, materials, or supplies, excluding real estate, shall as near as feasible be made available to the several States in proportion the population of a State bears to the total population of the United States."

The CHAIRMAN. The gentleman from South Carolina is recognized for 2 minutes.

Mr. HARE. Mr. Chairman, I have listened to quite a number of speeches today and an unusual number during this past week. A large percentage have emphasized the fact that the purpose of this bill is to dispose of surplus war property and prevent profiteering or unusual and excessive profits; yet today and last week I have heard no one definitely point out in this bill where there is a provision that will definitely prevent profiteering or excessive profits. If the prevention of profiteering is the objective of this bill and this Congress, Why should we not undertake to fix a standard or a yardstick under which this surplus property is to be disposed of? The members of the committee will tell this body that when they first assembled the most reasonable, logical, and natural conclusions they reached was that some provision should be placed in the bill to prevent excessive profits. But between that time and now they seem to have been relieved of that impression in some way or other and are now going to leave it to the discretion of one man or a half-dozen men on the ground there might be some work involved in the process. Certainly there will be work and it does not make any difference who undertakes it or what plan is agreed upon. What I want to emphasize is that this Congress is going to be charged with the responsibility if anyone succeeds in profiteering or in making unusual profits in connection with the disposition of these properties, materials, or supplies and we ought to take steps today to prevent it. This bill, in my opinion, will not become law until some provision is placed in there that will do that very thing. The bill as it now stands is not satisfactory to a majority of the Members of the House and I am anxious to see some provision inserted that will be an absolute guaranty against profiteering. If my amendment will not do that I am prepared to support one that will do it because I have no pride of authorship. I am satisfied this amendment will do it and it will not take the time and trouble predicted by those who by their action are willing to leave to some uncertain person to devise a plan to prevent excessive profits. Someone is going to decide what piece of material or equipment will be declared surplus and it will not take that person a split second longer to place a fair estimate of its value on each piece, and if you will apply this amendment to that value I will guarantee you will prevent profiteering.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from South Carolina [Mr. HARE].

Mr. Chairman, I do not think there is a Member of the House who is not in full accord with the sentiments expressed by the gentleman from South Carolina. We are all opposed to profiteering in every way, shape, or form in connection with the sale of this property. But stop and think what is going to happen if the amendment is agreed to. It has been stated here time and again that we will have at least a million articles to be disposed of, which would mean a million appraisals. Just think of that. You can take all the mail-order houses in the United States, large and small, put them all together and their business for 10 or 15 years will not amount to as much as the sale of the surplus property that the Government has to dispose of.

It is absolutely impossible to carry out the suggestion made by the gentleman from South Carolina [Mr. HARE] and I trust the amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. HARE].

The amendment was rejected.

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: Add a new section to section 11, after line 15, on page 34, as follows:

"The Administrator shall collaborate with the S. W. P. C. in the development of proce-

dures and policies which will insure that small business shall receive fair and equitable treatment in the acquisition, use, and disposal of surplus properties.

"The Smaller War Plants Corporation may, when in its judgment it becomes necessary in the protection of the interests of small business, certify to the Administrator or the owning or disposal agencies that certain property is required for the use of small business and request its allocation upon the basis of such certification. On receipt of such certification and request, the Administrator or the appropriate owning or disposal agency shall order such allocation. Such allocation to be effected through the usual commercial channels of distribution."

Mr. HOLIFIELD. Mr. Chairman, I hope the members of the committee will not confuse this amendment with the amendment offered by the gentleman from Pennsylvania [Mr. WRIGHT] which provided for the establishment of the S. W. P. C. as the disposal agency. My amendment does not do that.

This amendment provides that a restoration shall be carried on by collaboration with the S. W. P. C., as the committee bill originally provided before the Halleck amendment struck it out.

It also provides when necessary for the protection of small business that they shall become the certifying agency and certify to the Administrator such a need exists. It directs the administrator to honor such a certification.

It also provides that the disposal agency, whatever it may be, that has this surplus property shall utilize the usual commercial channels of distribution. I see no point where that would conflict in any way. I trust the Members will consider this amendment seriously and that the committee will not object to the amendment which restores the Smaller War Plants Corporation strictly as a certification board, but does not give them the power of disposal.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HOLIFIELD].

The amendment was rejected.

Mr. ROLPH. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. ROLPH: Page 33, line 2, after the period insert "Before any surplus property covered in this bill is offered for transfer between Government agencies and/or for public sale, an over-all inventory of all such property shall be compiled and given public distribution."

Mr. ROLPH. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I am about to make and also those that I made earlier today.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. ROLPH]?

There was no objection.

Mr. ROLPH. Mr. Chairman, this is a pro forma amendment and I am not going to press for its adoption. I do, however, want to bring before the Committee and later the conferees the necessity for having complete inventories of merchandise offered for sale under this program.

When Mr. Clayton and Secretary Jones appeared before the House Banking and Currency Committee in connection with a similar bill I asked repeatedly about inventories. How are merchants going to intelligently bid unless they know how much merchandise is hanging over the market? Apparently considerable thought was given to this matter, and I read from page 67 of the book by A. D. H. Kaplan entitled "The Liquidation of War Production":

The remaining $15,000,000,000 of war stocks may include roughly three to four billions of clothing, equipage, textiles, and other soft goods; three to four billions of motor vehicles, parts and accessories; one and five-tenths billions of foodstuffs; one and five-tenths billions of Government stock piles of controlled raw materials; and five billions to cover other products, such as machinery, tools, hardware, and engineering equipment (including cranes, tractors, and structural steel), chemicals, railroad equipment, and a great variety of portable communications apparatus. More than half the total will be abroad, leaving perhaps $6,000,000,000 worth of stocks for domestic disposal. This aggregate may be compared with the total retail sales per month in 1940, $3,867,000,000, and with the monthly sales in individual lines: $572,000,000 in the automotive group, $259,000,000 in building material and hardware, $168,000,000 in home furnishings, and $287,000,000 in apparel. (For 1943, retail sales averaged above $5,000,000,000 monthly in spite of rationing.) Clearly surplus stock piles in civilian lines will represent only a few months' normal consumption, though large overstocks of specific items are to be expected.

Also from page 18 of the committee hearings:

Government-owned war plant

	Original cost
1. Explosives: Ammunition assembling and loading	$2,850,000,000
2. Shipways	2,000,000,000
3. Aircraft: Frames, engines, parts	3,110,000,000
4. Iron and steel	1,200,000,000
5. Nonferrous metals (mainly aluminum and magnesium)	1,350,000,000
6. Chemical operations: Synthetic rubber, high-octane gas and other petroleum products, other chemicals	1,400,000,000
7. Ordnance other than explosives: Ammunition, shells, bomb cases, etc., guns	1,900,000,000
8. Machinery: Motor vehicles, combat and other; metal-working equipment; machinery and electrical equipment; miscellaneous manufacturing equipment	1,290,000,000
Total	15,100,000,000

Mr. Chairman, it will be utterly impossible for the automobile industry, for instance, to map its future program unless it knows how many different vehicles will be offered for sale. Blanket manufacturers ought to know how many blankets and how many different kinds of blankets are going to be sold. This applies to other manufacturers as well.

When the conferees consider this legislation I hope some note will be made of this so that business may intelligently approach the problem and that an inventory will be set up.

Miss SUMNER of Illinois. Mr. Chairman, I hope the gentleman will ask for a vote on this amendment. It is one of the best amendments we have had offered us this afternoon.

Mr. ROLPH. Mr. Chairman, I do not want to press for a vote at this time. I thank the gentlewoman for her approval. I am simply submitting it to the conferees for their consideration and I sincerely hope the chairman and the members of the conference committee will consider this matter most seriously.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. ROLPH. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I may say to the gentleman that the Administrator has the right to require these reports. These reports will be in the nature of an inventory of war property. He has the right to give them wide publicity and should do so. That has been provided for.

Mr. ROLPH. May I say to the gentleman that the Navy Department might have a list of materials, the War Department might have a list of materials of the type and the Maritime Commission might have a similar list, but if they are not put on the market simultaneously the trade will not know what is the total to be absorbed.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROLPH. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. ROLPH]?

There was no objection.

Mr. WICKERSHAM. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: On page 33, line 10, after the period insert "Where feasible, veterans shall be given preference."

Mr. WICKERSHAM. Mr. Chairman, this merely implements the amendment offered by the gentleman from Connecticut [Mr. MILLER]. He has stated that this is acceptable to him, and I see no reason why the committee should object to it. It states "Where feasible, veterans shall be given preference."

All through the bill the bill reads: "to afford them an equal opportunity to veterans," and I think where it is feasible veterans should be given preference. I believe the chairman will have no objection to the amendment, and I would like to address myself to the chairman, the gentleman from Alabama, and ask him if he has any objection to this amendment.

Mr. MANASCO. Personally, I do not think it hurts the bill or helps it any. I think the Administrator already has that authority.

Mr. WICKERSHAM. All through the bill, the bill provides that they shall be afforded equal opportunity. If the gentleman has no objection, I wish he would accept it.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Oklahoma [Mr. WICKERSHAM].

The amendment was rejected.

Mr. WICKERSHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: Page 33, after line 10, insert:

"(d) To give to veterans' organizations, farm organizations, and farm cooperatives, and organizations of rural mail carriers, preference in the purchase, on behalf of their respective members, of surplus jeeps."

Mr. WICKERSHAM. Mr. Chairman, this amendment answers the need of some of us gentlemen who have requested that these various groups be entitled to bid on these jeeps. Under the present program and under the present bill, they cannot do so as individuals, but if you give the veterans' organizations, the farm organizations, and the organization of rural mail carriers preference, then they, on behalf of their individual members, could bid on this property.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

Mr. WICKERSHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: Page 34, after line 12, insert:

"(j) To designate the Department of Agriculture as the disposal agency for agricultural lands and grazing lands, and the Department of the Interior as the disposal agency for lands having mineral deposits."

Mr. WICKERSHAM. Mr. Chairman, I wish to bring to the attention of the Committee the importance of this amendment. This amendment allows the Department of Agriculture, which is the present disposal agency for agriculture and grazing lands, the sole disposal agency of such lands, and it makes the Department of the Interior the sole disposal agency for lands having mineral resources and deposits. If you have read the newspapers during the past few days, you will see that many men holding positions of importance have recommended this very amendment.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from South Dakota.

Mr. CASE. Are the people in the gentleman's district of Oklahoma satisfied with the administration of permits for exploration and prospecting as administered by the Department of the Interior on oil lands? Are they entirely satisfied with it?

Mr. WICKERSHAM. They are fairly well satisfied with all of the sales and the rentals by the Department of Agriculture and by the Department of the Interior.

Mr. CASE. By the Department of the Interior on oil lands?

Mr. WICKERSHAM. I believe on all lands we would like to see more of them offered for lease.

Mr. CASE. Does the gentleman think, in the administration of this land, it would be better if they leased them?

Mr. WICKERSHAM. Yes. I think in the past the administration of sales has been much better than the lease policy.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the distinguished gentleman from Mississippi.

Mr. WHITTINGTON. The whole purpose of this amendment is to coordinate and to put in the disposal agency the disposition of all lands instead of doing what we have been doing heretofore?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

Mr. MANASCO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MANASCO: On page 33, line 5, after the comma following the word "subdivisions" insert "insular possessions."

The amendment was agreed to.

Mr. McCONNELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCONNELL: On page 34, strike out lines 4 and 5.

Mr. McCONNELL. Mr. Chairman, the two lines referred to include all of subsection (g) on page 34 under section 11, "To encourage mutually beneficial trade relations with foreign nations and to develop foreign markets."

These lines really add nothing to the bill, since the Administrator is already given the sole power to supervise sales anywhere. However, if subsection (g) is left in, it might encourage some administrator to place undue emphasis on this subsection. During the discussion of the bill in committee I raised the question whether activities of the Administrator under subsection (g) might not have tremendous and far-reaching implications, especially right after the war when the United States with other nations will be busy with peace plans and treaties. It will be a period of world readjustments when a delicate balance of many forces will be required. With this thought in mind, I expressed the opinion to the committee that this particular subsection either should contain a restrictive provision requiring that proposed regulations and actions be subject to approval by the Senate and House of Representatives before becoming effective, or it should be eliminated. It is one thing for the Congress to give one man wide discretionary powers to handle a huge merchandising job in order to obtain speedy action and focus responsibility. It is quite another matter to place a subsection in a bill that would encourage him to go out and develop foreign markets in the turbulent field of international relations after a global war has ended, with nothing to deter him except general terms.

In order to prevent undue emphasis being placed on this subsection, it would be wiser for us to leave it out. To argue that protection is afforded by the words "to the extent feasible and in the public interest," on page 32, line 23, in my opinion, is too general and places too much reliance on the judgment of the Administrator. Also bear in mind that this bill is written to apply to any Administrator appointed while this act is in effect, and not necessarily to the present Administrator who is now serving under Executive order. The judgment of some other Administrator might lead him to order an action which would cause harm. One unfortunate move might well create an unfriendly atmosphere which would endure for many years. He might think he was doing the right thing, but in an earnest endeavor to carry out the policies of subsection (g) the damage could be done.

The committee hearings seemed to indicate there was some doubt regarding this subsection. The chairman, during the course of the hearings, asked if it might be all right to strike it out, but the present Administrator expressed the thought that it would be a good thing to have it in there; that he did not think there was need to fear any improper use of it, or undue emphasis being placed upon it. However, that is the opinion of one man who may not be the Administrator during the next 2 or 3 years.

Since this subsection (g) does not add anything to the bill, and might be detrimental, I suggest its elimination by the adoption of my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. McCONNELL) there were—ayes 21, noes 13.

So the amendment was agreed to.

The Clerk read as follows:

DISPOSITION OF PLANTS

SEC. 12. Nothing in this act shall impair, amend, or modify the antitrust laws or limit or prevent their application to persons who buy or otherwise acquire property under the provisions of this act. Upon the request of the Attorney General, the Administrator or any other Government agency shall furnish or cause to be furnished to the Attorney General such information as the Administrator or any such agency may possess which the Attorney General determines to be pertinent to the application of the antitrust laws to the disposition of surplus property under the provisions of this act. As used in this section, the term "antitrust laws" includes the act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act; and the act of August 27, 1894 (ch. 349, secs. 73, 74, 28 Stat. 570), as amended.

Mr. MANASCO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 5125, had come to no resolution thereon.

THE LATE HONORABLE OSCAR R. LUHRING

Mr. LAFOLLETTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LAFOLLETTE. Mr. Speaker, the newspapers of Washington on Friday evening August 18, 1944, contained notice of the death of Hon. Oscar R. Luhring, judge of the United States District Court for the District of Columbia, who was also a Member of this body in the Sixty-sixth and Sixty-seventh Congresses. Judge Luhring represented the old First District of Indiana, which contained within it five of the counties which I am privileged to represent as part of the counties contained within the Eighth District of Indiana.

The Washington Post, in a lead editorial, on August 19, 1944, adequately described the respect which the citizens of this community and the members of the bench and bar of this community held for Judge Luhring, and I wish to include that editorial at this place in my remarks:

JUDGE LUHRING

Love of the law does not necessarily make an outstanding jurist, but when it is combined with good judgment, hard work, and long experience as a lawyer and judge, the product is likely to be a judicial career of marked distinction. That is true in the case of Justice Oscar H. Luhring, of the United States District Court for the District of Columbia, who died of a heart attack yesterday. Justice Luhring had been on the bench since 1930. He had spent his life in the law. As a practicing lawyer he was keen and able; as a prosecutor in Indiana and later as Assistant Attorney General in charge of the criminal division of the Department of Justice he was fair, thorough, and conscientious. Even as a Member of Congress many years ago his interest remained primarily in the legal field; on the Federal bench he quickly established a reputation for sound judgment and extensive learning in the law. The quality of service he rendered was especially attested by his excellent record in having decisions upheld by the court of appeals.

Judge Luhring was especially loved and respected by members of the District Bar. When the new rules of civil procedure for the Federal district courts became effective in 1937 he was especially helpful in getting those rules expeditiously established and in aiding members of the bar to become familiar with them. He conducted his court with dignity and kept cases moving promptly toward their conclusion, while safeguarding the rights of the litigants. The bench has lost a conscientious and able judge and the community an outstanding citizen whose public services will long be remembered.

I think it is fitting, however, to further call attention to the fact that before Judge Luhring left the city of Evansville, Ind., to make his more or less permanent residence in Washington, that he also enjoyed among the people in the community in which he was born, in Gibson County, just north of the city of Evansville, and in the city of Evansville, a reputation equally as high as that which he earned for himself in the city of Washington.

I began the practice of law in Vanderburgh County in 1925, some 4 years after Judge Luhring had quit active practice at that bar. However, his reputation and standing at that bar was tremendous and the stories of his accomplishments and ability as a lawyer were legion and are still part of the tradition of that bar which young lawyers are advised to emulate and follow.

He was a great advocate. But his later record on the bench disproved the oft-expressed theory that great advocates do not make great judges. There is a very clear reason for this, which is apparent to all of us who knew him or knew of his ability as a lawyer and his love of the law. It lay in the fact that he was, above all things, a craftsman who believed in his craft and mastered all of its techniques. Above all, he believed that the cause of humanity is best advanced where there is justice under law. He believed that it was the function of a judge to follow the law as written, with complete intellectual honesty, and that notwithstanding any personal feeling which he might have as to the possible injustice of an individual case arising out of the application of the law, that in the long run, personalized justice or a personalized concept of justice will destroy freedom; and that man only progresses when there is order in society and that the best known method of producing order is the courageously honest administration of the law as it is written by judges who are chosen to preside over courts of justice.

I have no doubt but that his service for two terms in this body was of equally high caliber, and I am sure that those who knew him when he served here loved and respected him, because he was a man who demanded both from all of his fellow men; but above all, he was a great craftsman, and it is well to follow and emulate his craftsmanship and to revalue it in an era when craftsmanship is too often dismissed much too disdainfully.

EXTENSION OF REMARKS

Mr. ROLPH. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today and include certain data.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an amendment I propose to offer to section 13 of the pending bill, together with certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Dayton News.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address delivered by the Honorable Sergio Osmeña.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JUDD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article on the situation in China, by Pearl Buck.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Michigan [Mr. HOFFMAN] be permitted to extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

(Mr. BENDER asked and was given permission to extend his remarks in the RECORD.)

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MCCORMACK] be permitted to extend his remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. HOFFMAN] be permitted to address the House for 10 minutes tomorrow at the conclusion of the legislative program of the day.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. ELMER (at the request of Mr. BUFFETT), for 1 week, on account of a death in the family.

To Mr. HOCH, for August 21, 22, and 23, on account of official business.

ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 55 minutes p. m.), the House adjourned until tomorrow, Tuesday, August 22, 1944, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

The Subcommittee on the Investigation of the Morgan Line (Southern Pacific Co.) will continue its consideration of this matter on Thursday, August 24, 1944, at 10 a. m.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 5213. A bill to provide for the sale of certain Government-owned merchant vessels, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. WEISS:

H. R. 5214. A bill to authorize State and local taxation of land, improvements and appurtenances thereto, and all machinery

disposed of by the Government in any manner whatsoever; to the Committee on Ways and Means.

By Mr. EBERHARTER:

H. R. 5215. A bill to amend the Classification Act of March 4, 1923, as amended, to create a mechanical service, and for other purposes; to the Committee on the Civil Service.

By Mr. MAY:

H. R. 5216. A bill to amend the Pay Readjustment Act of 1942, as amended; to the Committee on Military Affairs.

By Mr. GORE:

H. R. 5217. A bill granting travel pay and allowance for subsistence to certain soldiers of the Regular Army who served in the Philippine Insurrection; to the Committee on War Claims.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DELANEY:

H. R. 5218. A bill for the relief of Herman Paul; to the Committee on Claims.

By Mr. DISNEY:

H. R. 5219. A bill to provide for the granting of rights-of-way for pipe lines for petroleum and petroleum products and for telephone and/or telegraph lines through and across lands of the United States within the area of Indian Rock Dam and Reservoir, located in York County, Pa.; to the Committee on Interstate and Foreign Commerce.

By Mr. McGEHEE:

H. R. 5220. A bill for the relief of R. W. Wood; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6022. By Mr. CANNON of Missouri: Petition of Joe Stuckey and 38 other citizens protesting against any form of prohibition legislation; to the Committee on the Judiciary.

6023. Also, petition of Anton Hoecker and 35 others protesting against any form of prohibition legislation; to the Committee on the Judiciary.

6024. Also, petition of Leo H. Boehmer and 30 other citizens protesting against any form of prohibition legislation; to the Committee on the Judiciary.

6025. Also, petition of Martha Krueger and 58 other citizens protesting against any form of prohibition legislation; to the Committee on the Judiciary.

6026. Also, petition of Victor Becker and 73 other citizens protesting against any form of prohibition legislation; to the Committee on the Judiciary.

SENATE

TUESDAY, AUGUST 22, 1944

(Legislative day of Tuesday, August 15, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. John R. Edwards, D. D., associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Almighty God, how excellent is Thy name in all the earth. Thou hast set Thy glory above the heavens. We come to Thee. We find ourselves between an informing and warning past and an uncertain but all-important future. We pray for all interests which enter into the making of a surer, stronger, safer world. We pray that our Government may be increasingly efficient and far reaching for good. May business, professional life, and industry ever be animated on behalf of human welfare. May our educational and religious agencies have unfailing success in advancing Thy plans for the whole wide world.

Be unto Thy servants of this and other departments of government wisdom for this day. May those who are kept by illness from places of duty have the blessings of the Great Physician. Bless their homes and families and the family life of all our people. Blot out our transgressions and create a new heart, we pray, in the whole earth. In the name of Him who gave His life for the establishment of righteousness and good will we make our prayer. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, August 18, 1944, was dispensed with, and the Journal was approved.

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY—AUTHORIZATION TO REPORT BILL

Mr. THOMAS of Utah. Mr. President, the Committee on Military Affairs, I think, will be able to report the surplus property disposal bill some time today. I therefore ask unanimous consent that authority be granted the committee to report the bill even though the Senate may not be in session.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Utah? The Chair hears none, and it is so ordered.

BENNETT CHAMP CLARK OF MISSOURI

Mr. McKELLAR. Mr. President, I ask unanimous consent to insert in the RECORD as a part of my remarks an article on BENNETT CLARK, by Will P. Kennedy, published in yesterday's Washington Post.

Mr. President, as we all know, the senior Senator from Missouri [Mr. CLARK] has recently been defeated by a small majority for renomination, and I am sure every Member of the Senate who knows him greatly regrets that he will not serve longer with us. I think he has made one of the finest Senators that Missouri has ever had.

Mr. President, I do not know whether this is the proper time to say it, but I want to say a few words about BENNETT CLARK and his people. I have known BENNETT CLARK ever since he was a student in college. I knew him when he served as a Parliamentarian in the House of Representatives. I was a Member of the House at that time. His father, Champ Clark, was Speaker of the House about the time when I entered that body, and was Speaker when I left. He became my friend after I arrived and was always most friendly to me until the day of his death. Speaker Clark was one of the truly great men produced by this Republic. He was a great scholar, a great thinker, a great doer, a great and eloquent talker, and a truly great statesman, with the biggest, kindest, most generous heart that any man ever had.

BENNETT CLARK has great ability, a fine brain, breeding, courtesy, genuineness, kindness, quickness of mind, simplicity of character, vigor of intellect, and is in every way a great and scholarly statesman. There is no better equipped Senator in this body.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAPITAL SIDELIGHTS

(By Will P. Kennedy)

The defeat for renomination of Senator BENNETT CHAMP CLARK, of Missouri, removes temporarily from the Capitol political stage one of the great family names of American politics. Boy and man, BENNETT CLARK has been popular at the Capitol for more than 40 years. He graduated from Eastern High School in 1908, was Parliamentarian of the House from 1913 to 1917, when he attended the First Officers' Training Camp at Fort Myer; then was assistant chief of staff in the Eighty-eighth and Thirty-fifth Divisions, American Expeditionary Force and subsequently chairman of the Paris caucus of the 17 charter members who incorporated the American Legion. He was the youngest colonel in the American Army in France.

His father, former Speaker Champ Clark, whose real name was James Beauchamp Clark, first came into national politics in 1880, when he was a Presidential elector on the ticket of Hancock and English, when Garfield was elected. It is not generally known that Champ Clark was president of Marshall College, Huntington, W. Va., 1873 and 1874. He first came to Congress on March 4, 1893 (when his son BENNETT was 3 years old). Defeated in the Harding landslide of 1920, he died 2 days after his term was to end. He was Democratic leader in the Sixtieth and Sixty-first Congresses and Speaker in the next two Congresses. His later years were embittered by the fact that he believed that the Presidential nomination had been stolen from him in the Baltimore convention of 1912, when he led on 29 ballots and had a clear majority on 9. What really broke his spirit, however, was the death of his grandson and namesake. In his reminiscences of a Quarter Century of American Politics, Champ Clark in a chapter on Heredity in Politics wrote: "There are many instances in our annals where the tendency toward political life and the ability to succeed therein have descended from father to son. In all fairness, it should be stated that in many cases the sons are of greater ability than their fathers." Champ Clark had gone to his reward 12 years before his son came to the Senate, February 3, 1933.

Speaker Champ Clark had two office boys who grew up together under his watchful eye and for whom he confidently predicted success in the public service. That estimation has been realized. He made each in turn his parliamentarian—first his son BENNETT, who later became United States Senator, and then CLARENCE CANNON, who later succeeded to his seat in the House and is now chairman of the Appropriations Committee. Senator CLARK, it will be remembered, led the fight in the 1936 Democratic National Convention for abolition of the party's two-thirds rule, which had blocked his father's nomination for President a quarter of a century previous.

The guiding hand of divine providence staged a scene in the Capitol a few years ago which must have pleased the soul of Champ Clark, looking down. One day Representative CANNON was called to the chair formerly occupied by Champ Clark by Speaker Bankhead to preside in the Committee of the

Whole House. And on the same day, at the same hour, Senator CLARK was called upon by Vice President Garner to preside in the Senate.

ENROLLED BILL SIGNED DURING RECESS

Under authority of the order of the 18th instant,

The ACTING PRESIDENT pro tempore (Mr. WALSH of New Jersey) on August 19, 1944, signed the enrolled bill (S. 2050) to amend the act of August 2, 1939, entitled "An act to prevent pernicious political activities," as amended by the act of April 1, 1944, entitled "An act to facilitate voting, in time of war, by members of the land and naval forces, members of the merchant marine, and others, absent from the place of their residence, and to amend the act of September 16, 1942, and for other purposes," which had been signed previously by the Speaker of the House of Representatives.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on August 19, 1944, that committee presented to the President of the United States the enrolled bill (S. 2050) to amend the act of August 2, 1939, entitled "An act to prevent pernicious political activities," as amended by the act of April 1, 1944, entitled "An act to facilitate voting, in time of war, by members of the land and naval forces, members of the merchant marine, and others, absent from the place of their residence, and to amend the act of September 16, 1942, and for other purposes."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 94) authorizing the printing of additional copies of Public Law Numbered 346, current session, entitled "Servicemen's Readjustment Act of 1944," in which it requested the concurrence of the Senate.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 21, 1944, the President had approved and signed the act (S. 2050) to amend the act of August 2, 1939, entitled "An act to prevent pernicious political activities," as amended by the act of April 1, 1944, entitled "An act to facilitate voting, in time of war, by members of the land and naval forces, members of the merchant marine, and others, absent from the place of their residence, and to amend the act of September 16, 1942, and for other purposes."

INTERNATIONAL LABOR CONFERENCE (H. DOC. NO. 671)

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and, with the accompanying recommendations, referred to the Committee on Education and Labor:

To the Congress of the United States:

On May 29, 1944, I had occasion to transmit to the Congress a declaration and two resolutions adopted by the twenty-sixth session of the International Labor Conference, which was held in Philadelphia April 20–May 12, 1944. I then stated that upon receipt of the authentic text of the recommendations adopted by the conference I would transmit these to the Congress, as required by the constitution of the International Labor Organization. These texts having now been received, I transmit them herewith. The recommendations are as follows:

Recommendation (No. 67) concerning income security.

Recommendation (No. 68) concerning income security and medical care for persons discharged from the armed forces and assimilated services and from war employment.

Recommendation (No. 69) concerning medical care.

Recommendation (No. 70) concerning minimum standards of social policy in dependent Territories.

Recommendation (No. 71) concerning employment organization in the transition from war to peace.

Recommendation (No. 72) concerning the Employment Service.

Recommendation (No. 73) concerning the national planning of public works.

Employers and workers, as well as governments, were represented at the twenty-sixth session of the International Labor Conference which adopted these recommendations by large majorities. As these recommendations were developed with a view to promoting the social security and economic advancement of the peoples of the world, our own included, I believe the Congress will find them valuable in its current consideration of problems of demobilization, reconversion of industry, employment, and social security.

At a later time I may have occasion to direct further attention to specific provisions of these recommendations and to suggest what action by the Congress on these recommendations may be advisable.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 22, 1944.*

[Enclosure: Authentic copy of the recommendations adopted by the International Labor Conference at its twenty-sixth session.]

Mr. THOMAS of Utah. Mr. President, I request that the message from the President, with the accompanying papers, be printed as a Senate document.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PERMANENT INTERNATIONAL PEACE ORGANIZATION—RESOLUTION OF INTER-AMERICAN BAR ASSOCIATION

Mr. AUSTIN. Mr. President, at the meeting of the Inter-American Bar Association at its third conference, held in the city of Mexico on August 7, 1944, a resolution concerning the establishment of a permanent international organization was adopted. I ask unanimous consent that the resolution be printed at this point in the body of the RECORD and appropriately referred.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Whereas this association at its second conference held at Rio de Janeiro in August 1943 adopted resolution No. 4, as follows:

"*Resolved*, That the Inter-American Bar Association endorses as a primary peace objective the establishment and maintenance, at the earliest possible moment, of a universal international system, with judicial, legislative, and executive functions based on moral and juridical principles and on the internal experience of all nations and adapted to the requirements and limitations of international cooperation."

Now, therefore, consistent with and in further development of the principles and purposes so declared and supported in the foregoing resolution; be it

Resolved, That the Inter-American Bar Association, at its third conference held in the city of Mexico, D. F., on August 7, 1944, declares itself to favor the following principles and program in general terms, namely:

1. That a permanent international organization be established by the nations to maintain peace by the prevention and suppression of aggressive war.

2. That this permanent international organization should include a general assembly in which all of the nations shall be equally represented.

3. That the permanent international organization should include a permanent executive agency to administer the business of the organization between sessions of the assembly. The members of the executive agency shall be designated by the assembly.

4. That the general international organization include the existing Permanent Court of International Justice, with the necessary adaptation of its statute to the new organization, and the court should be empowered to create chambers, special or regional, as need arises, and

5. That the assembly have power to create from time to time such inferior courts as may be necessary.

FEDERAL AID FOR POST-WAR HIGHWAY CONSTRUCTION—REPORT OF POST OFFICES AND POST ROADS COMMITTEE

Mr. HAYDEN, by unanimous consent, from the Committee on Post Offices and Post Roads, reported an original bill (S. 2105) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the post-war construction of highways and bridges, to eliminate hazards at railroad grade crossings, to provide for the immediate preparation of plans and acquisition of rights-of-way, and for other purposes, submitted a report (No. 1056) thereon, and the bill was read twice by its title and ordered to be placed on the calendar.

ADDITIONAL COPIES OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES REPORT ON GOVERNMENT CORPORATIONS (S. DOC. NO. 227)

Mr. HAYDEN. Mr. President, from the Committee on Printing I report back favorably without amendment Senate

Resolution 318, and ask unanimous consent for its present consideration.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 318) submitted by Mr. BYRD on August 9, 1944, was considered and agreed to, as follows:

Resolved, That 10,000 additional copies of Senate Document No. 227, current session, an additional report of the Joint Committee on Reduction of Nonessential Federal Expenditures, relating to Government corporations, be printed for the use of the Joint Committee on Reduction of Nonessential Federal Expenditures.

DISPOSAL OF SURPLUS WAR PROPERTY—REPORT OF MILITARY AFFAIRS COMMITTEE

Mr. JOHNSON of Colorado (for himself and Mr. MURRAY), from the Committee on Military Affairs, to which was referred the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes, reported it with amendments and submitted a report (No. 1057) thereon.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BREWSTER (for Mr. BARKLEY), from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CORDON:

S. 2091. A bill for the relief of the Aetna Insurance Co.;

S. 2092. A bill for the relief of Ida Erickson;

S. 2093. A bill for the relief of Zella Rickard; and

S. 2094. A bill to provide for reimbursement of certain military personnel for loss of personal property as a result of a fire which destroyed the laundry at Winter General Hospital, at Topeka, Kans., on March 31, 1944; to the Committee on Claims.

S. 2095. A bill to authorize the conveyance of the United States Fish Hatchery property at Butte Falls, Oreg., to the State of Oregon; to the Committee on Commerce.

S. 2096. A bill to amend part II of the Interstate Commerce Act, as amended, so as to provide a limitation on the time within which actions may be brought by carriers by motor vehicle for the recovery of their charges; to the Committee on Interstate Commerce.

By Mr. DOWNEY:

S. 2097. A bill for the relief of Pierce William Van Doren and Elmer J. Coates; and

S. 2098. A bill for the relief of Lt. James H. Clark and Eleanor Clark; to the Committee on Claims.

S. 2099 (by request). A bill to place on the retired list certain former commissioned officers of the Army who served during World War No. 1; to the Committee on Military Affairs.

By Mr. GILLETTE:

S. 2100. A bill to provide for the improvement and development of navigation, irrigation, and control of floods on the Missouri River and its tributaries, for the promotion of the national defense, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. HAWKES:

S. 2101. A bill for the relief of the Western Union Telegraph Co.; to the Committee on Claims.

By Mr. THOMAS of Oklahoma:

S. 2102 (by request). A bill relating to transfer, inheritance and estate taxes on the transfer of certain properties of tribal and individual Osage Indians of Oklahoma; and

S. 2103 (by request). A bill to validate State court judgments in Oklahoma and judgments of the United States district courts of the State of Oklahoma and conveyances in the State of Oklahoma where Indian lands of the Five Civilized Tribes of Indians are involved; to the Committee on Indian Affairs.

By Mr. BANKHEAD:

S. 2104. A bill to provide for increasing the loan rate in the case of loans upon cotton made by the Commodity Credit Corporation; to the Committee on Banking and Currency.

(Mr. HAYDEN, from the Committee on Post Offices and Post Roads, reported original Senate bill 2105, which was ordered to be placed on the calendar, and appears under a separate heading.)

AIR POLICY COMMISSION—CHANGE OF REFERENCE

Mr. VANDENBERG. Mr. President, on August 18 the distinguished Senator from Montana [Mr. MURRAY] introduced Senate Joint Resolution 146 proposing the establishment of an air policy commission for the purpose of developing "sound national policies on the problem created by and associated with present and future developments in military and civil aviation."

The joint resolution was referred to the Military Affairs Committee. At the request of the distinguished Senator from North Carolina [Mr. BAILEY], who is unable to be present today, I am calling the attention of the Senate to the fact that in our view the reference to the Military Affairs Committee was inappropriate.

The Commerce Committee has had jurisdiction of civil aviation since the memory of man runneth not to the contrary. The Commerce Committee has had a subcommittee, headed by the distinguished Senator from Missouri [Mr. CLARK], devoted exclusively to the question of post-war air policy. It has been at work for at least a year. It has a complete record; it has heard all the witnesses in point; it has the obvious and logical jurisdiction over the entire subject matter, unless we propose to have chaos and confusion in respect to our dealings with this utterly serious and important subject.

I realize that military aviation has a place of great importance in the post-war situation but the subject of immediate and primary importance in respect to post-war aviation is the international situation and the domestic situation in civilian aviation. The best proof of this is the fact that the Assistant Secretary of State, Mr. Berle, has been to the British Isles and in conference with Lord Beaverbrook, speaking for the United Kingdom, in respect to post-war aviation policies. The Clark committee to which I have referred has had long conferences with Assistant Secretary Berle. We who are related to the Commerce Committee and to the Clark subcommittee feel that it is a serious interruption of the work which has almost reached its conclusion to have the Murray joint resolution detoured to a committee which has never had any jurisdiction whatever over this phase of the matter.

I am therefore presenting my request not only in the name of the Senator from North Carolina [Mr. BAILEY] but I am reenforced by the request of the Senator from Missouri [Mr. CLARK], who also is unable to be present today, and I am further reenforced by a telegram from the distinguished Senator from Nevada [Mr. MCCARRAN] who has probably had more to do with aviation legislation than any other Member of the Senate and who asserts his belief that the joint resolution should go to the Commerce Committee rather than to the Military Affairs Committee.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Louisiana.

Mr. OVERTON. I wish to place myself in hearty accord with the statement made by the eminent Senator from Michigan. While I am a member of the Commerce Committee, and have been for a number of years, I am not a member of the subcommittee dealing with the subject matter of the joint resolution which was introduced by the senior Senator from Montana and referred to the Military Affairs Committee. I have, however, been in long distance communication with the very able chairman of the Commerce Committee, the senior Senator from North Carolina [Mr. BAILEY], who feels that, in view of the fact that the Commerce Committee has at all times had jurisdiction of the subject matter of this legislation and has been making an extensive study of it through the workings of the subcommittee, the joint resolution should be referred to the Commerce Committee and was improperly referred to the Military Affairs Committee.

Mr. THOMAS of Utah. Mr. President, will the Senator from Michigan yield further?

Mr. VANDENBERG. I yield to the Senator from Utah.

Mr. THOMAS of Utah. The chairman of the Military Affairs Committee [Mr. REYNOLDS] is not present; the Senator from Montana [Mr. MURRAY] is not present; the Senator from Nevada [Mr. MCCARRAN] is not present. It therefore seems to me, as acting chairman of the Military Affairs Committee, that I should make a statement in regard to the request made by the Senator from Michigan.

Mr. VANDENBERG. If the Senator will permit me, I am very glad to have him make his statement, but I want to preface what he is about to say as a matter of record by stating that I presented this entire matter by letter yesterday to the Senator from Montana [Mr. MURRAY] so that he would be on

full notice as to what I was about to undertake.

Mr. THOMAS of Utah. I may say further that the committee understands that, because the clerk of the Commerce Committee came to the Military Committee and made this request on behalf of the chairman of the Commerce Committee.

Mr. President, I shall not resist in any way the request of the Senator from Michigan. I think, however, I should say, in behalf of the Senator from Montana [Mr. MURRAY] and also in behalf of the committee—and I am sure the Senator from Michigan will not in any way disagree with the statement—first, that the Senate ought to be given notice that the Senator from Montana is not here and that I am acting without consultation with him, although the Senator from Michigan has mentioned that he has consulted with the Senator from Montana; second, as the courtesy would be extended to the Foreign Relations Committee of consulting that committee if for example, the Commerce Committee wanted to report a measure affecting the international aviation situation, I think, as acting chairman of the Military Affairs Committee I should ask—and I am sure the Senator from Michigan will grant the request—that whenever any bill is reported the Committee on Military Affairs will have a chance to consider those parts of the bill which affect military aviation before they are reported to the Senate.

Mr. VANDENBERG. I think that is a perfectly appropriate request and meets with my entire approval. On that basis, Mr. President, I ask unanimous consent that the Military Affairs Committee be discharged from the further consideration of Senate Joint Resolution 146 and that it be referred to the Committee on Commerce.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Michigan? The Chair hears none, and it is so ordered.

Mr. BREWSTER subsequently said: Mr. President, supplementing the statement of the Senator from Michigan [Mr. VANDENBERG] and the Senator from Louisiana [Mr. OVERTON] I ask unanimous consent to have printed in the RECORD at the appropriate place a copy of the letter sent by the Senator from North Carolina [Mr. BAILEY] chairman of the Commerce Committee, and the Senator from Missouri [Mr. CLARK] chairman of the Subcommittee on Civil Aeronautics, to the President regarding the current aviation situation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
August 19, 1944.

The Honorable FRANKLIN D. ROOSEVELT,
President of the United States,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: The profound significance of international air transport in the post-war world has led the Committee on Commerce of the Senate to appoint a subcommittee to consider appropriate changes in legislation dealing with this subject in order to assure the position of the United States in post-war air transport overseas.

The subcommittee has been holding extended hearings throughout the past year with thorough presentation of all points of view from Government officials and agencies concerned and also from various private interests involved.

We have been advised by the Chairman of the Civil Aeronautics Board that there are now pending before the Board approximately 500 applications for authority to operate domestic service within the territorial limits of the continental United States, as well as some 100 applications for authority to operate internationally or overseas between the United States and its territories; also, that the Board has denied the application for approval of the control of American Export Airlines, Inc., by American Export Lines, Inc., a surface carrier. This decision seems sound and in line with the long-established policy of Congress that one form of transport shall not control a competitive form of transport.

The committee is deeply impressed with the importance of the decisions which must now be reached: Whether there should be any change in United States policy in the matter of regulating international air transport with foreign countries and whether the United States should have a number of American flag air lines operating abroad or concentrate American operations under a single system in which all transportation interests able to contribute would be permitted to participate. In these decisions the advantage of any one air line or group of air lines must be subordinated to the paramount national interest. Policies which will best assure the United States retaining the position of leadership in international air transport, to which its resources and geographical situation entitle it, should be adopted.

The question of whether or not the United States should now modify its historic position as to sovereignty of the air above its borders and to what extent the United States may wisely go in subscribing to the various doctrines being proposed that contemplate general agreements with another nation or group of nations concerning freedom of the air or freedom of innocent transit seems to the committee to invite the most careful consideration by both the executive and legislative branches of the Government and particularly of those concerned with the determination of policy.

Whether or not operating franchises in foreign countries should in general continue to be secured by direct application of the American flag air line concerned or through governmental negotiations is also pressing for a decision. Prior to the war operating franchises in approximately 50 foreign countries and colonies had been granted to the American flag air line system by the foreign governments concerned. The advantages or disadvantages of any change in this previously prevailing practice may well be weighed carefully.

All the evidence before the committee has indicated that approximately 75 percent of international air travel may be expected to be of United States origin. Under these circumstances the United States would seem to be entitled to expect a position of preeminence in international air operation.

In the special report of the Civil Aeronautics Board on international air transport policy under date of April 12, 1944, it is recommended that the governmental agreements suggested "should place no limitation on the total volume of operation on particular routes agreed upon.". The consequences of such a policy, if adopted, seem to the committee to offer great dangers to the development of United States international air transport. Under such a policy under the lower operating costs of foreign carriers with lower wage levels traffic of United States origin might well come to be monopolized by foreign flag lines to the very great prejudice of the national interests of the United States.

International air transport commenced at the conclusion of the last war in 1919. For the first few years competition abroad existed between air lines of the same nationality. This competition between international air lines of the same nationality soon gave way in most countries to a system of zone monopolies whereby competition was restricted to foreign-flag services. Prior to the Second World War, however, all the principal foreign trading nations had entirely abandoned competition abroad between their own air lines and had also given up even their zone monopolies. Without exception, they had merged their international air transport operations into single national air-line systems or chosen instruments to strengthen their competitive position in the field of international air transport. In the United States a similar development had occurred, although without formal legislative declaration but as a result of administrative action under existing law. As a result in the last decade the United States system came to lead the world in route mileage and in commercial service.

The Civil Aeronautics Board has indicated certain routes that it considers to be in the national interest and consideration of operations on these routes is now being urged.

Whether or not American international air transport should follow the pattern that has been adopted by all principal foreign trading nations, or should develop several independent systems, each to serve a separate trade area abroad, presents a question of policy for legislative as well as executive consideration.

A number of important American companies concerned with air as well as surface transportation have presented the advantages of creating a community company to represent the United States effort abroad in which all transportation interests able to contribute by air, sea, and land may pool their resources and facilities to present a united and coordinated air transport system to meet the undoubted severe competition of other nations that the United States must face in the post-war period and American labor organizations have shown great interest in the advantages of such a plan.

The alternative proposal is for what would approximate regional monopolies serving the principal world areas originating air traffic, with competition supplied by foreign air lines.

The Commerce Committee concerned with this situation are very appreciative of the cooperation of the various Government agencies and the advices which have been received regarding the pending situation and prospective developments.

The committee will appreciate continuing to be kept advised, and meanwhile would request that no action be taken regarding international air transport applications for new routes or acquisition of existing service outside the continental United States and Canada until full consideration of Government policy can be had by Congress.

The Civil Aeronautics Board advises the committee "that if an important international proceeding should be concluded within 8 months from the time it started, we would feel that a very satisfactory time schedule had been maintained."

In view of this time lag, the committee feels no prejudice to the national interest would be involved in deferring definitive decision on international applications until the Congress shall have had opportunity for considering all phases of the situation and for taking such legislative action as might then seem wise.

The committee further feels that any hearings at this time on applications for certificates of public convenience and necessity for overseas or foreign service should be with the

full understanding by all concerned that certain changes in policy may occur and that no action should be taken which would complicate the situation or prejudice the ultimate decision by the legislative authorities concerned with policy. The committee is in full accord with the Civil Aeronautics Board and the other executive agencies concerned in recognizing the advisability of "active consideration of the question of the over-all policy relating to our very important international air transportation services."

This letter is being forwarded to you as the final authority under existing law on the issuance of certificates for the operation of United States air lines in overseas and international transportation. A copy is being forwarded to the Civil Aeronautics Board, who must approve applications for acquisition or mergers of American-flag carriers in the international field.

Cordially yours,

JOSIAH W. BAILEY,
Chairman, Committee on Commerce.
EENNETT CHAMP CLARK,
Chairman, Subcommittee on Civil Aeronautics.

DISPOSAL OF SURPLUS WAR PROPERTY—AMENDMENT

Mr. HATCH submitted an amendment intended to be proposed by him to the bill (S. 2065) to establish a Surplus War Property Administration, to provide for the proper disposal of surplus war property, and for other purposes, which was ordered to lie on the table and to be printed.

SPECIAL COMMITTEE TO INVESTIGATE PRESIDENTIAL, VICE PRESIDENTIAL, AND SENATORIAL CAMPAIGN EXPENDITURES—LIMIT OF EXPENDITURES

Mr. GREEN submitted the following resolution (S. Res. 322), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the special committee authorized by Senate Resolution 263, Seventy-eighth Congress, to investigate the campaign expenditures of the various Presidential candidates, Vice Presidential candidates, and candidates for the United States Senate, and facts relating thereto, is authorized to expend from the contingent fund of the Senate $40,000 in addition to the amounts heretofore authorized for the same purpose.

INVESTIGATION OF CONDITIONS AFFECTING THE HOG, CATTLE, POULTRY, AND DAIRY INDUSTRIES SITUATIONS

Mr. WHERRY. Mr. President, with further reference to Senate Resolution 309, submitted by me for myself and a number of other Senators on June 15 last, which asks for an investigation into the livestock and feeding and distribution operations, I present a letter written by Mr. Louis Kavan, of Omaha, Nebr., general secretary of the Federation of Nebraska Retailers, and ask unanimous consent that it be printed in the RECORD, together with a copy of the resolution to which I have referred.

There being no objection, Senate Resolution 309, as reported from the Committee on Agriculture and Forestry, and the letter were ordered to be printed in the RECORD, as follows:

Senate Resolution 309

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete investigation with a view to determining—

(1) the conditions prevailing in the production, processing, distribution, and marketing of livestock, livestock feed, poultry, eggs, milk, and the products thereof;

(2) the effect of regulations, orders, and directives issued by governmental agencies upon the production, processing, marketing, distribution, and supplies of such commodities;

(3) any practices wherein processors and distributors of such commodities are circumventing the purposes and objectives of price floors, price ceilings, and subsidies at the expense of the producers and the Public Treasury;

(4) reasons for the failures to support prices to producers as required by existing law;

(5) alleged adverse effects of maladjustments in maximum prices established on different grades of meat and particularly the extent to which livestock feeders have been penalized because of an inadequate allowance on the better grades of meat to encourage the feeding of livestock;

(6) alleged adverse effects upon the livestock, poultry, and dairy industries of the price and other policies relative to corn and other feed grains and the maladjustments resulting therefrom.

Such committee shall report to the Senate as soon as practicable the results of its investigation, together with its recommendations for any necessary legislation.

For the purpose of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-eighth Congress, to employ such experts, and such clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $10,000 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

FEDERATION OF NEBRASKA RETAILERS,
Omaha, Nebr., August 5, 1944.

Hon. KENNETH S. WHERRY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: It is a known fact that for the past several months large chain-food corporations have been taking over a number of slaughtering plants in various sections of the United States. While quota restrictions were in force, these chain-owned slaughtering plants were forced to comply with certain regulations as to distributing meat within the territories formerly supplied by the slaughtering plant when individually owned. Since quota restrictions have been taken off, these chain slaughtering plants have increased considerably the number of animals slaughtered, and in all probability are diverting most of the finished product to their own retail outlets. This in itself can create very serious conditions for the civilians living in the territories formerly supplied by privately owned slaughtering plants, and it can aid materially into the broadening of black markets.

The chains are placed into an advantageous position by owning their own slaughtering plants, as irrespective of the amount of losses, they at least will have a supply of meat for their retail stores. The greatest injustice, however, both to the livestock raiser and to the civilian is that these chain-owned and operated slaughtering plants are only interested in the better grade of animal. They will seek to purchase only animals that will grade good or choice. They are not interested in canners and cutters, cows, and lower grades, therefore they place an added burden upon the large packers who, if they are to buy better grades of beef, are forced to bid a higher price in competition with the chain slaughterer. Livestock producers of this country are no doubt being penalized since the inception of chain slaughtering plants. On the other hand, if the large packers are forbidden, under the packers' consent decree, to own and operate retail outlets, then the same legal provision should be made to apply in the case of chain stores.

An immediate investigation should be made and measures taken to correct this unfair condition before the American farmer and civilians are forced to suffer unnecessarily.

Yours for victory,

LOUIS KAVAN, *Secretary.*

ADDITIONAL COPIES OF SERVICEMEN'S READJUSTMENT ACT OF 1944

The ACTING PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 94, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed 55,000 additional copies of Public Law No. 346, current session, entitled "Servicemen's Readjustment Act of 1944," of which 45,000 copies shall be for the use of the House document room and 10,000 copies shall be for the use of the Senate document room.

Mr. HAYDEN. Mr. President, I move that the Senate concur in the concurrent resolution.

The motion was agreed to.

APPRAISEMENT OF THE CHICAGO DEMOCRATIC CONVENTION—ADDRESS BY THE HONORABLE JOSEPHUS DANIELS

[Mr. HILL asked and obtained leave to have printed in the RECORD an address entitled "Appraisement of the Chicago Convention," delivered by the Honorable Josephus Daniels to the Kiwanis Club at Raleigh, N. C., on August 18, 1944, which appears in the Appendix.]

VOTES BY SENATOR THOMAS OF OKLAHOMA ON MAJOR BILLS AND OTHER MEASURES RELATING TC AGRICULTURE, LABOR, AND NATIONAL DEFENSE, AND ON VETOED BILLS

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD a tabulation of the votes cast by him on major bills, resolutions, and amendments with respect to agriculture, labor, and national defense, and on vetoed bills, which appears in the Appendix.]

THE ELECTORAL COLLEGE—ARTICLE BY JUSTICE HOMER HOCH

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an article entitled "Electing a President of the United States," by Justice Homer Hoch, of the Supreme Court of the State of Kansas, which appears in the Appendix.]

THE PROPOSED MISSOURI VALLEY AUTHORITY—EDITORIAL FROM THE ST. LOUIS POST-DISPATCH

[Mr. HILL asked and obtained leave to have printed in the RECORD an editorial entitled "M. V. A. Goes to the Senate," dealing with the proposed Missouri Valley authority, published in the St. Louis Post-Dispatch of August 18, 1944, which appears in the Appendix.]

AN ANALYSIS OF THE 1944 REPUBLICAN PLATFORM BY JOHN B. ELLIOTT

[Mr. DOWNEY asked and obtained leave to have printed in the RECORD a statement entitled "War Calls for Candor—Republican Platform Fails," by John B. Elliott, being an analysis of the 1944 Republican platform, which appears in the Appendix.]

THE DUMBARTON OAKS CONFERENCE AND THE MOVING PICTURE "WOODROW WILSON"

Mr. DOWNEY. Mr. President, when the George reconversion bill recently was passed by the Senate, I stated my opinion that it would prove woefully defective in meeting the impact of post-war readjustment. I am still of that opinion and I hope that before our economy has imposed upon it the stress and strain that must come from cessation of war production we will more wisely prepare for the dynamic age into which soon we will be engulfed.

But I think that one may turn from our present failure in the domestic field to the international arena with a feeling of high optimism and courage. Great events are in the making at the Dumbarton Oaks Conference, and a world that is sick of war and anarchy should find inspiring hope as the mighty dream of Woodrow Wilson for world security, peace, and justice is being forged into implemented reality. The Dumbarton Conference was called by the United States Government under the leadership and direction of Franklin Roosevelt and Cordell Hull; it fulfills the prophetic vision of Woodrow Wilson; it is the first formal move to carry out the Moscow Declaration which obligated the United States, Russia, Great Britain, and China to create "a general international organization, based on the principle of the sovereign equality of all peace-loving States, and open to membership by all such States, large and small, for the maintenance of international peace and security."

The Senate of the United States by an almost unanimous vote has already endorsed the findings of the Moscow Conference, and I think we may safely assume will likewise approve the treaty that will develop out of it and through the present and succeeding conferences of the great and small nations.

It is difficult to think of the Dumbarton Oaks Conference—which today is earnestly seeking for the best kind of a league of nations—without thinking also of Woodrow Wilson, whose prophetic vision after the last war saw the vital need of one, and whose courageous heart and body were broken in his struggle to attain it.

I take some pride because one of the movie companies of my State—the Twentieth Century-Fox—has recently completed and released a mighty, historical film portraying the life of Woodrow Wilson. Some Army officials, seeing this production, were immediately convinced that it was propaganda of a political nature and hastily announced a ban against its showing at our military camps. That ban, improperly and irregularly announced, was almost at once withdrawn, as there never was any justification for it.

So far as I have read what they have had to say, critics proclaim the picture Wilson not only great art and entertainment, but likewise historically true to an amazing degree. But it may well be that historical fact, sincerely and dramatically portrayed, may be the most persuasive of arguments moving us to energetic and determined action. Indeed, I think that is true of this epic film Wilson, and that almost everyone who sees it will leave the theater with a greater understanding of the profound vision of this great American President, and a stronger determination that the noble ideals and ideas for which he died shall now prevail.

I believe that when the victorious soldiers and sailors of the Allies again return from distant seas and foreign battlefields they will find a world in which orderly rule is firmly entrenched to maintain peace and honor among all nations everywhere.

RIVER AND HARBOR IMPROVEMENTS AND FLOOD CONTROL

Mr. OVERTON. Mr. President, there are pending on the calendar two bills, House bill 3961 and House bill 4485, the first relating to river and harbor improvement legislation and the other to flood control. It was my privilege and honor to report both bills to the Senate from the Committee on Commerce. It has been my desire and it is still my desire to have both bills taken up as promptly as possible under all circumstances. Both bills have been acted upon by the House. Extensive hearings were held with respect to the river and harbor bill and also with respect to the flood-control bill in committee in the House, and the House passed both bills and sent them to the Senate.

When the bills came to the Senate they were referred to the Committee on Commerce, and were sent to a subcommittee of that committee, of which I have the honor to be chairman, and quite prolonged hearings were held with respect to both measures. The river and harbor bill was reported to the Senate on May 25, and the flood-control bill was reported to the Senate on June 22 of this year.

Mr. President, a number of Senators have from time to time asked me when the two bills were coming up for consideration. I am receiving numerous communications from individuals throughout the United States who are interested in both measures and who want to know when they are going to be disposed of. Representatives of the press call on me daily to ascertain at what time the bills will come before the Senate for consideration.

Mr. President, I realize that we shall shortly have before us important post-war legislation which we must dispose of. I refer to the bill dealing with the disposal of surplus property, which will be reported today, and I presume will come up for consideration tomorrow. I know that that bill necessarily will have precedence over the proposed river and harbor and flood-control legislation. But the people generally throughout the United States are very much interested in the bills dealing with river and harbor improvements and flood control, and I desire, Mr. President, to ascertain from the able Senator from Alabama [Mr. HILL], who is representing the majority leader, and who, I presume, has consulted with the majority leader with reference to both bills, and from the able Senator from Maine [Mr. WHITE], the minority leader, their views concerning when the bills can be taken up and considered.

Mr. HILL. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. HILL. As the Senator from Louisiana has well said, of course, the important bills which deal with making plans and preparations for the post-war period must be considered and disposed of first. As the Senator from Louisiana has intimated the Senate will very likely tomorrow take up the bill dealing with the disposition of surplus property. How long it will take the Senate to consider and finally act on that bill, of course, no one can prophesy. As we know, the House has taken an unusual length of time to consider the proposed legislation. Many amendments have been offered to the bill now pending in the House. So, as I have said, no one can tell how long it will take the Senate to act on the proposed legislation.

Then, of course, after the bill shall have been passed by the two Houses it will have to go to conference, and a conference report will have to be acted upon.

As the Senator from Louisiana knows, the George bill is now pending in the Ways and Means Committee of the other House. Of course, that bill will have to be finally disposed of.

I may say that I talked with the distinguished majority leader, the Senator from Kentucky [Mr. BARKLEY], a day or two before he was compelled to leave the city. As the Senator from Louisiana knows, there is no better friend of river and harbor improvements or flood-control development than the Senator from Kentucky. His whole record is one of consistent and enthusiastic support of such developments. But it was the thought of the Senator from Kentucky, when I last talked with him, that in view of the urgency of the post-war legislation and in view of the fact that there was at least one highly controversial matter involved in the river and harbor bill, a matter which might provoke long and protracted debate, he hardly thought it would be possible to take up that bill at the present time. It was the thought of the Senator from Kentucky that very likely both bills would have to go over until after November 7. Of course, the Senator from Louisiana is far more familiar than I am with the fact that there is a highly controversial issue involved in those bills, an issue which would be hard fought, long fought, and would cause protracted debate.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. McCLELLAN. I should like to inquire of the Senator from Alabama if it is contemplated that during the 2½ months which will elapse between now and November 7 the Senate will remain

in session, or whether a long recess is anticipated. If we are to remain in session, I can see no justification for the postponement of these bills until after election. The proposed legislation is important. Last Friday, in discussing the proceedings of the National Rivers and Harbors Congress, I expressed my interest on the floor of the Senate. I am most anxious that this legislation be given consideration as soon as that having precedence over it by reason of its importance is out of the way.

Mr. HILL. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. HILL. Let me say to the Senator from Arkansas that I share his desire for prompt action on those bills. I have a very deep interest in their passage.

Mr. McCLELLAN. I am sure the Senator has.

Mr. HILL. However, I believe it was the thought of the Senator from Kentucky that after disposing of the bills dealing with post-war matters, namely, the George bill and the surplus-property disposition bill, which the Senate will take up for consideration tomorrow, the Senate would perhaps then be in recess, unless something unforeseen should occur, or unless something urgent should be presented to the Senate for action. After disposing of the bills to which I have referred, I believe it was the thought of the Senator from Kentucky that the Senate would be in recess until after November 7.

Mr. McCLELLAN. If that is the program, and if that plan is to be followed, I, for one, would like to see those measures made a special order of business immediately following the reconvening of the Senate after November 7. River and harbor and flood-control legislation is imperative. The bills must not be permitted to die on the calendar. We are undertaking to enact bills providing huge funds for unemployment compensation. Our first duty is to provide employment; and if we fail in our duty to enact constructive measures which would be beneficial to the Nation, and which would develop our resources, then we must take the responsibility for having to provide what I should regard in many cases as unnecessary unemployment compensation—unnecessary because of our failure to meet our obligations to provide for public-works projects which would enhance the wealth of the Nation.

Mr. OVERTON. Mr. President, I find myself very much in accord with what the Senator from Arkansas has said. The point which he makes is very well taken. We are undertaking to provide employment in the post-war period. Both the measures to which I refer provide for employment in connection with river and harbor and flood-control projects, even before the cessation of hostilities, under certain circumstances with which Senators who have read the bills are familiar. It is not necessary for me to go into them.

It has been said that there is one controversial item in the bills. There are two or three controversial items. In view of that fact, I think it is very important that a day certain be set, if possible, for the Senate to proceed to the consideration of the bills.

I realize the situation in which the able Senator from Alabama and the distinguished Senator from Kentucky, the majority leader, find themselves. Realizing what the situation it, I do not feel that I could successfully oppose the suggestion to take up both bills after November 7; but if possible I should like to have a day fixed for their consideration.

Mr. HILL. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. HILL. I find myself very much in accord with the sentiment expressed by the Senator from Arkansas and the Senator from Louisiana, namely, that these bills must not be permitted to die on the calendar. They must be acted upon by the Senate, with final action by the Congress during the present session of Congress.

The Senator from Kentucky will undoubtedly return to the city shortly. The Senate will be in session, considering the war property disposal bill and the George bill, for some days to come. I think it is very probable that the Senator from Louisiana and the Senator from Arkansas can reach some understanding with the Senator from Kentucky to fix a day certain for the consideration of those bills.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. WHITE. The Senator from Louisiana was good enough to express an interest in my view about the situation, and I am very glad to state my present view.

I believe that for the immediate present the situation is substantially as the Senator from Alabama has stated. We have pending two measures of great importance having to do with reconversion and post-war problems. One is pending before a Senate committee and will soon be reported to the Senate. The other is pending in a committee of the House and I am advised that it will be reported to the House in a very short time, perhaps within 2 or 3 days. If my judgment about the situation is good, I think it will be at least 2 weeks before the two measures to which I have referred, which have to do with the post-war period, are ultimately disposed of. In my view it would be quite impossible to deal with the river and harbor bill, the flood control bill, or the highway bill within that time. I believe that we should wait until the pending legislation is out of the way before we undertake to come to any conclusions about new legislation.

There is some question as to whether these subject matters ought to be dealt with separately, or whether, instead, there should be an over-all public-works program which would embody the various proposals for flood control, highways, and river and harbor improvements, and possibly other opportunities to provide work to those who may need work in the post-war days. Some Senators have that view about the matter. I am not sure that they are not correct. But certainly the river and harbor bill and the flood-control bill have in them much of a controversial nature. We cannot take up those measures immediately. When the immediate pressure is released, and when we shall have disposed of the pending post-war problems so far as legislation can dispose of them, I expect that we shall have a very meager attendance in this body, and perhaps no attendance at all in the other body until the election is out of the way.

So if I may presume to offer advice, it is that the matter be allowed to remain as it now is until we shall have reconvened after the election. We can then determine, in the light of the circumstances at that time, what ought to be done about those measures.

Mr. OVERTON. Mr. President, I feel some concern over the statement made by the Senator from Maine. He indicates that probably we ought to allow the river and harbor bill and the flood-control bill, which have been on the calendar for some time, to go over until legislation can be prepared in reference to other public works and improvements, so that the various subjects may be taken up either in one grand and glorious bill, or considered one after the other. Both these bills are ready for action.

Mr. WHITE. I stated I believed there was a substantial view of that sort in this body.

Mr. OVERTON. I do not wish for a moment to appear to lend any countenance to that view, because I think it is wholly fallacious.

Mr. CONNALLY and Mr. VANDENBERG addressed the chair.

The ACTING PRESIDENT pro tempore. Does the Senator from Louisiana yield, and if so, to whom?

Mr. OVERTON. I yield first to the Senator from Texas.

Mr. CONNALLY. Mr. President, I congratulate the Senator from Louisiana on his anxiety and his efforts to obtain consideration for these bills. I realize the difficulties suggested by the Senator from Alabama; but it seems to me that these bills ought not to be deferred or sidetracked until some more comprehensive public-works bill, as suggested by the Senator from Maine, may be brought forth. There is an element of public employment involved in both measures. The bills have been well considered. My State is deeply interested in both of them. I hope the Senator from Louisiana may be successful in obtaining as early consideration as possible under the circumstances. I merely wish to reenforce what he has said.

Mr. OVERTON. I thank the Senator.

I now yield to the Senator from Michigan.

Mr. VANDENBERG. Mr. President, the Senator well knows that in discussing this question we confront a condition, and not a theory. One of the controversies involved in the river and harbor bill, the Missouri Valley controversy, monopolized the attention of his own committee for 2 or 3 weeks, almost day and night. I anticipate that it will be equally monopolizing when it reaches the attention of the Senate.

Mr. OVERTON. I hope not.

Mr. VANDENBERG. In addition, the Senator from Vermont [Mr. AIKEN] has given notice that he intends to attach the St. Lawrence seaway project to the river and harbor bill. I do not need to remind Senators that that would require at least a day or two of discussion.

Under the circumstances, it seems to me that the Senator must find 5 or 6 clear weeks before he can hope to have his river and harbor bill reach a conclusion, unless the Missouri River problem and the Central Valley problem in California can be compromised on some amicable basis before we begin.

There are many things in the river and harbor bill which I cordially agree ought to be acted upon. There are other things in the river and harbor bill which, in my opinion, ought to be thrown out the window. But in striving to anticipate a program, I respectfully suggest to the Senator that as things now stand, it will be exceedingly difficult to reach a conclusion in respect to the river and harbor bill unless there is a very substantial amount of time available for discussion.

Mr. OVERTON. I thank the Senator for reenforcing my argument. The sooner we get to both bills, the better it will be, for the reasons he stated.

I promised to yield to the Senator from Ohio [Mr. BURTON]. I am very glad to yield to him. He has been a very helpful and industrious member of the subcommittee which attended the hearings, and was in daily attendance and gave very careful thought to every project in the bill. I now yield to him.

Mr. BURTON. Mr. President, it is as a member of the subcommittee that I wish to say just a word, because it seems to me that here we have two well-thought-out programs for post-war work. There is no question that in both bills there is a great volume of instances with respect to which the engineers have approved and worked out programs which will be of constructive value to the Nation. Under those circumstances it would be tragic if there were delay in approving this valuable program, and if we were to go ahead with something less valuable. It would be even more tragic if we failed entirely to adopt any program of river and harbor improvement and flood control. Therefore, I am in entire agreement with the Senator from Louisiana in urging the earliest possible consideration of both these bills, and as separate bills.

It seems to me that while there are controversies as to the rivers and harbors bill, they relate only to particular projects in it. It will not take long to dispose of that particular bill.

As to the flood-control bill, I believe it will take considerable time to dispose of it unless some compromise can be reached on the Missouri River project. But I believe the intervening time can well be spent in attempting to reach agreement on that.

Therefore, I hope it will be possible to work out an agreement as to the time when these two important bills can be considered and acted upon. I agree that a definite date should be set down for bringing up the river and harbor bill first, if possible, because I believe these national projects should be approved, and that the projects should be ready to be put into operation at the earliest possible date when they shall be needed. There are so many projects which are not worth spending money on that it seems to me these projects, which have the benefit of approval by the Army engineers and which have been favorably acted upon by the House and are ready for action by the Senate, should be promptly acted on by the Senate. The Senate should not be the body which fails to provide for valuable and desirable post-war projects of that kind.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. GURNEY. The Senator from Louisiana has correctly stated my view. Coming from the Missouri River region, as I do, I know that the people there are interested in both the river and harbor bill and the flood-control bill, as is evidenced by a resolution adopted by the Governors of nine States, in meeting at Omaha, Nebr., on August 5 and 6. With the Senator's permission, I should like to ask unanimous consent to have printed in the RECORD at this point the resolution adopted by the Governors of the Missouri River States.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE MISSOURI RIVER STATES COMMITTEE TO SECURE A BASIN-WIDE DEVELOPMENT PLAN

We, the Governors of the States in the Missouri River Basin, namely: Colorado, Wyoming, Montana, North Dakota, South Dakota, Nebraska, Kansas, Iowa, and Missouri, and the members of the Missouri River States Committee, meeting at Omaha, Nebr., on August 5 and 6, 1944, after hearing and conferring with representatives of various Federal agencies, including the United States Army Engineer Corps and the United States Bureau of Reclamation, do now firmly and earnestly petition the President and Congress of the United States to give force and effect to the following conclusions:

1. That in dealing with matters relating to the waters of the Missouri River Basin it be recognized that we are dealing with one river and one problem.

2. That in approaching that problem and in order to serve all the people of the basin to the maximum possible degree and to safeguard their present established rights and their future development and prosperity, there can be no piecemeal legislative program.

3. That there must be an over-all comprehensive plan and suitable legislation adopted by the Congress of the United States which will accomplish that purpose.

4. That the omnibus flood-control bill, insofar as it deals with the Missouri River, furnishes the framework for flood control and related purposes.

5. That authorization of the Bureau of Reclamation plan now before Congress and embodied in the Senate Document 191, Seventy-eighth Congress, second session, is necessary to a comprehensive development of the Missouri River Basin.

6. That those provisions of the Rivers and Harbors omnibus bill which relate to navigation on the Missouri River below Sioux City, Iowa, vitally affect the economic life and plans for future development of the entire Missouri River Basin.

7. That to develop the basin fully and for the greatest benefit of its citizens, both present and future, and for the greatest benefit to the United States of America, the Congress of the United States should recognize now the problem in its entirety as it affects the people of the Missouri Basin and their economic destiny and that of the United States of America.

8. That in order to accomplish this unity of purpose and action we ask the President and the Congress of the United States to authorize and direct the United States Army engineers and the United States Bureau of Reclamation to bring before the Congress a coordinated plan, based on the proposed legislation and official documents heretofore mentioned which will make possible the authorization by the Congress, now, of the Missouri River basin development program in its entirety by such amendments to legislation now pending as are feasible from the standpoint of legislative procedures.

The foregoing was unanimously adopted by the States of Colorado, Wyoming, Montana, North Dakota, South Dakota, Nebraska, Kansas, and Missouri. The representatives of the State of Iowa being absent at the time, the vote of that State was not recorded.

Thereupon the meeting considered the following statement:

Nothing done in the interests of flood control or navigation shall adversely affect the use of water for irrigation west of the ninety-seventh meridian.

This statement was agreed to by the States of Colorado, Wyoming, Montana, North Dakota, South Dakota, Nebraska, and Kansas. The representatives of the State of Iowa being absent, the vote of that State was not recorded. The State of Missouri being present and represented did not choose to join in the last-mentioned statement.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. WHERRY. I should also like to commend the Senator from Louisiana for his interest in the matter of having both these bills taken up for early consideration. I endorse what he said; and because I come from a section of the country which is vitally interested in both bills, I, too, should like to have a definite date set, if possible, for their consideration.

Mr. OVERTON. Mr. President, I should like to suggest to the acting majority leader, the junior Senator from Alabama [Mr. HILL], that we might tentatively agree on some date in November. I assure him that if on account of much more pressing legislation those bills could not be taken up then, I should be very glad indeed to cooperate, as I have always endeavored to do. But the people of my State and a number of Senators—in fact, practically all of them—are very anxious to know definitely, if they can, when this proposed legislation will be considered.

Mr. HILL. Mr. President, I will say to the Senator that if he will be patient for a day or two, I am quite certain the distinguished majority leader, the Senator from Kentucky, will be back, and at that time I will be glad to join with him in an effort to make certain that these bills are passed during this session of Congress, and that final congressional action is taken on them, so that they may become law during the present

session. I shall be glad to join with the Senator in that effort.

Mr. OVERTON. I thank the Senator.

INTERNATIONAL PEACE MACHINERY—THE DUMBARTON OAKS CONFERENCE

Mr. CONNALLY. Mr. President, on yesterday there convened at Washington, at Dumbarton Oaks, a notable international conference. Representatives of the United States, Russia, and Great Britain have met in what may be called exploratory conversations respecting the structure of international peace machinery to effect what we hope will affect all the nations of the earth, the great nations as well as the small ones.

Mr. President, it is somewhat difficult to realize the tremendous significance of such a meeting. Personally, I think we stand at the crossroads. I think the outcome of this conference will mean either that we shall go forward in the establishment of peace machinery or that we shall miserably fail in one of the greatest undertakings with which the Nation has ever been confronted.

The story of the efforts of the United States toward world peace afford an interesting background of what is now presented. Recently I have been reading about the establishment of what was known as the League to Enforce Peace, which antedated the World War. Some of the most notable men in the United States took part in the establishment of that organization. It did a great deal toward crystallizing public sentiment and stimulating thought along the lines of what was called an enforced peace.

I shall not dwell upon the transactions of 1919 and 1920. I believe that all the world has now come to the conclusion that unless we are to look forward in the next generation to another world war, brought on by ambition, resentment, anger, and hatred, perhaps on the part of those who may be conquered in the pending war—unless we wish to look forward to that kind of eventuality it behooves the people of the United States and of all the world, for that matter, wholeheartedly to join in the effort to create, establish, and maintain international peace machinery.

Mr. President, we cannot, of course, hope to create an agency which will be pleasing to everyone in all its details. Some will take exception to this, that, or the other. That would not be unnatural. When the Constitution of the United States was established there was disagreement over some of its provisions. There were notable contests in the conventions of several States over the ratification or nonratification of the product of the Convention of 1787. I recall that in the Virginia convention great figures like Patrick Henry, George Mason, and others resisted ratification, and it was finally achieved by a margin of only 10 votes. The same situation prevailed in the conventions of some of the other States.

So, Mr. President, as we approach the work of the present conference which, in the course of due time, will be followed by another conference on a higher level, I hope the people of the United States, and particularly Members of the Senate and of the House of Representatives, will work together in peace and in unity, looking forward to the larger concept of the organization.

As chairman of the Committee on Foreign Relations I wish to pay my sincere tribute to the Republican members of the committee for their approach to the present problem. There was no evidence of partisanship in the work which they have done. There was no evidence of pettifoggery. There was no disposition to inject matters of factional or partisan consideration.

The subcommittee of the Committee on Foreign Relations was composed of the chairman, the Senator from Georgia [Mr. GEORGE], the Senator from Utah [Mr. THOMAS], the Senator from Kentucky [Mr. BARKLEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Maine [Mr. WHITE]. I am deeply grateful to each member for their patriotic and arduous labors in conference with the Secretary of State and in committee. I particularly wish to express my sense of gratitude to the Senators who represented the minority on the subcommittee of the Committee on Foreign Relations. For approximately 6 months they labored in framing and presenting to the Senate the resolution which was adopted by the Senate on November 5, 1943. Irrespective of party affiliations, that resolution has met with widespread approval throughout the United States. It does not, of course, undertake to go into all the details, activities, and aspects of the proposed organization, but in a large way it lays before the people of the United States and of the world the basic structure and considerations which such an organization should embrace.

I wish also to pay my respects to those Republicans who in the Mackinac resolution at an early date labored well and handsomely toward creating what, according to their minds, was a workable and satisfactory structure of a peace organization.

Mr. President, I wish also to express my deep sense of gratitude to the Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from Michigan [Mr. VANDENBERG], and the minority leader, the Senator from Maine [Mr. WHITE.] They were members of the subcommittee to which I have made reference, and they labored long and arduously. The Senator from Vermont [Mr. AUSTIN] also participated in conferences with the Secretary of State. He is now a useful member of the committee.

In addition to the work which was performed in the Committee on Foreign Relations and in the subcommittee of the Committee on Foreign Relations, almost weekly during a period of nearly a year we consulted with the Secretary of State in regard to the approaching difficulties which were to be presented. In all those conferences there was no partisanship; there was no effort to obtain a partisan advantage; and there was no effort to waylay and attack from the flank anything which we were undertaking to do.

So, Mr. President, I hope that the spirit which I have attempted to describe may continue. I am sure that it will continue.

I wish to express my sense of appreciation to the authors of the original so-called B_2H_2 resolution, Senate Resolution 114. I wish particularly to pay my sincere appreciation to those Senators because I realize their sincerity and their earnestness. While the subcommittee did not wholly agree with the resolution in its essential details, it did agree with the great objective which the sponsors of the resolution had in mind. There was no difference in the ambition of any of us to bring about one great concrete result, namely, the creation of an instrumentality by which questions could be tested not by swords and cannon, but by logic and reason. In the event a decision were to be made that there must be no aggression by those who would seek by force of arms and might to overrun their peaceful neighbors, it was intended that an organization should be created which would have sufficient power and force to prevent the conditions against which we were inveighing.

I believe that by now practically all elements of our people have arrived at the opinion that an international organization must be endowed with a sufficient armed force—naval and military—to prevent the occurrences which have resulted in this terrible and tragic war.

Mr. President, the three great countries which, through their representatives, are now holding conferences have, of course, been in conference over a considerable period of time by personal contact as well as by correspondence. It is very gratifying to witness the fine spirit which seems to actuate them at the present moment. A little later representatives of China will be called into conference. After the preliminary conversations shall have come to an end a conference on a higher level will be convened, and in due time representatives of all the people of the nations of the world, however small their territories may be, however weak their arms may be, will be called into conference in order that the small nations shall have a voice and a representation in the peace machinery. After all, Mr. President, the small and weak nations are the ones which will receive the greatest benefits from such an organization as the one being proposed. As a rule they are more often attacked by the more powerful, the more aggressive, and those who are ambitious to achieve military mastery, than are the great and strong powers.

Mr. President, in the liquidation of this war after it shall have come to an end it will not be practicable immediately to conclude a treaty of peace. Pending a definite treaty of peace it may be necessary for the four great powers participating on the Allied side to maintain contact and concert of action in bringing about control and supervision in enemy countries. We cannot permit chaos and anarchy to break out in any of the countries which have been overrun and occupied. We cannot permit those conditions to obtain even in the enemy countries. So far as the war itself is concerned the great powers must continue

to act in harmony. It does not follow, however, as a result that the permanent peace structure which we hope to set up will in any way be modified.

Mr. President, I am sure that Secretary Hull and those associated with him in this enterprise welcome conferences with any one who has a thought to suggest and who will come to them in a spirit of helpfulness and cooperation. I am sure that that is their attitude. It is the attitude of our Committee on Foreign Relations and its subcommittee. We want suggestions from any source, provided they come in a spirit of helpfulness and not in one of enmity and a determination to obstruct the processes of the conference.

So the prospects of the conference's successful outcome are very propitious, indeed. There seems to prevail a spirit of cooperation, of good will, and a desire to unite in the creation of the peace structure.

Mr. President, I do not think, however, that our people should be led to the conclusion that this war is already over, because it is not. While reports from the battlefields of Europe have been very impressive and inspiring, while they have offered much hope of an early termination of the war, we cannot afford to relax one inch; we cannot let anything cause us to recede from the aggressive militant spirit that will be required to win this war. We hope in due course, however, to establish an agency which will offer hope to the peoples of the earth, which will offer hope to the small and the weak nations, which will offer hope to the nations who entertain peaceful ambitions, and will offer condemnation to nations that entertain visions of conquest of their neighbors or the overrunning of the world and the establishment of military monarchies.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Ohio.

Mr. TAFT. The Senator is chairman of a committee of the House and Senate, I think, which has been conferring with Secretary Hull regarding the general character of the post-war peace organization?

Mr. CONNALLY. I will say to the Senator that I am not chairman of the joint committee. I am chairman of the Foreign Relations Committee of the Senate, but groups from both House and the Senate for over a considerable period have conferred with Secretary Hull.

Mr. TAFT. I was only interested to know whether that committee is sitting in on the Dumbarton Oaks Conference or whether they are keeping in touch with it or keeping advised of it, or what the status is. What is the relation of the committee created by Congress with the present Dumbarton Oaks Conference?

Mr. CONNALLY. The present conference does not include members of the Committee on Foreign Relations of the Senate or of the House of Representatives. The present group is more of a meeting of technicians concerned with the physical integration of what the larger policy that is indicated to them might be. However, I shall say to the Senator from Ohio that I have had up with the Secretary of State the matter of our being kept informed, and I have assurances that daily, if necessary, and from time to time the Committee on Foreign Relations will be kept advised of the progress of these negotiations and of any matter of sufficient importance to attract the attention of the committee. Does that answer the Senator?

Mr. TAFT. Yes. In a way, then, the committee is on a higher level than those who are conferring; and when the conference reaches a higher level, then the committee of the Senate will participate.

Mr. CONNALLY. I do not know that that is true. The Senator is aware of the fact, of course, that in the United States the custom has always been for the Executive to handle the negotiations and that the matters were simply submitted to the Senate at a later time. I wish to say to the Senator that Mr. Hull and his associates have not taken that position. They have evidenced a desire to have the cooperation of and to cooperate with the Senate, and while we perhaps may not be members even of the higher level, it might overbalance the representation from other countries if that happened—we will be kept advised; we will have access to the Secretary of State, and, if necessary, to other functionaries connected with the matter. I have no fear that there will be any sort of ignoring of the Committee on Foreign Relations.

Mr. VANDENBERG. Mr. President, may I say a word at that point?

Mr. CONNALLY. I yield to the Senator from Michigan.

Mr. VANDENBERG. I think I owe it to the Secretary of State to add at this point that he personally communicated with me, representing the minority group of the special committee, and personally placed at my disposal any information I may seek at any time regarding any phase of the Dumbarton Oaks conference.

Mr. CONNALLY. I shall say to the Senator from Ohio supplementing what the Senator from Michigan has said, that he called the subcommittee into conference and handed each one of its members a complete draft of what was in his mind as to the general structure of the peace organization. It was confidential; it was not given to the public; but I simply cite that fact to show the evidence of entire willingness to keep the Senate advised and to take us into confidence.

Mr. TAFT. I was only interested in determining what the exact status was.

While I am on my feet, however, I should like to ask the Senator one other question. I was somewhat alarmed to read in the New York Times of Friday, August 18, what purports to be an interview with our Ambassador, Mr. W. Averell Harriman. There he is cited by a Polish newspaper in regard to a conference held with the Polish committee which was set up under the auspices of the Russian Government. I quote from the article:

> It cites Mr. Harriman's declaration to the Polish National Council's representatives that the "alliance between the United States of America and the United Soviet Socialist Republics is firm and is expected to endure for decades."

I wonder if the Senator could tell me whether there is any such alliance or whether that is a misquotation of the Ambassador's statement.

Mr. CONNALLY. I think that is a rhetorical flourish on the part of the Ambassador.

Mr. TAFT. The Senator thinks there is no alliance?

Mr. CONNALLY. There is no alliance in the sense of any treaty or any binding commitment. I think what he means there is that as a result of this war our relations have been drawn much more closely together and that the unity and harmony to wind up the war and to liquidate it will probably be extended to the future.

Mr. TAFT. The Senator feels confident that there is no alliance of any kind, secret or otherwise?

Mr. CONNALLY. We have the assurance from the highest possible sources that there were no commitments whatever made at Moscow, Teheran, Cairo, or Casablanca that will be binding on this Government.

Mr. HATCH. Mr. President, will the Senator yield for a moment?

Mr. CONNALLY. I yield.

Mr. HATCH. I have been very much interested in what the Senator has had to say with regard to the relations of the Secretary of State with the committees of Congress on this all-important and vital subject because I think that relationship itself may well spell the success or failure of any plan; and, from what I have heard said here, I take it that the attitude of the Secretary of State is not one of ignoring the Congress, but, on the other hand, there may be said to be a sincere attitude of complete cooperation with the appropriate committees of the Congress. Is that correct?

Mr. CONNALLY. I think the Senator has stated it accurately.

Mr. PEPPER. Mr. President, will the Senator yield?

The ACTING PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Florida?

Mr. CONNALLY. I yield.

Mr. PEPPER. I have been one of those who have heard from time to time with great interest and appreciation the statements which have been made on the floor by the able chairman of the Foreign Relations Committee [Mr. CONNALLY], and I have heard with approval his generous references to the attitude of Senators on the other side of the aisle. However, the inquiry which was made a moment ago by the able Senator from Ohio [Mr. TAFT] and the history of this body in respect to international agreements leads one to be concerned as to whether or not before we come to the point of decision on these matters we have perfected the machinery and the technique by which we propose to meet them and to handle them. It seems to me that if there is ever going to be any question raised at a subsequent time about whether the Senate has had adequate participation in these matters, the

time to raise the question is now before the deliberations proceed too far.

If, as the elder Senator Lodge ably maintained, the right of the Senate to advise includes the power and the right of the Senate to suggest and to take part in the initial deliberations and discussions, if I understand his theory correctly, and if it is a tenable theory, let us determine it before we ever have the conference and not wait until the delegates depart for their several countries and then insist that the Senate was not adequately represented. Let us determine our course and our theory and the theory of our rights and our duty, and let us advise the executive branch of the Government that we regard our power as a coordinate power not only in the ratification of these international understandings, but in their negotiation, and, having been left out of the negotiation, we feel we have been precluded from our correct and proper part.

In the second place, Mr. President, would it not be wise, if I may venture the suggestion, that the joint committee, which has been well-functioning, work out some proper way of limiting the time in committee and debate on the floor which shall be devoted to these matters, so that we can assure other powers that, within a reasonable time at least, the United States of America shall make a decision one way or the other about the matter.

I think the able chairman of the Senate Committee on Foreign Relations and Senators on both sides of the aisle would have to agree that as it is, at the present time, neither the President nor the Secretary of State can tell any foreign power or powers when the decision of the United States Government, including the action of the Senate under its power, may be expected upon an international agreement. We certainly should perfect a formula or come to some agreement respecting machinery under which action can be taken, so that no nation or group of nations will have to wait indefinitely upon the action of this branch of the Government as being necessary to the validating of agreements.

The third thing, Mr. President—and the able chairman has been most indulgent, as he always is—if there is going to be a protracted debate upon whether these agreements constitute agreements to be ratified by the Senate and the House of Representatives by majority vote, as opposed to treaties which require two-thirds vote in the Senate, can we not jointly and in a spirit of patriotism and cooperation formulate some standard, some definition, which might establish the line of demarcation between an agreement and a treaty?

Senators well know that there is an agreement now pending in the Foreign Relations Committee, the oil agreement with Great Britain, and Senators know that we shall soon be presented with the report of the monetary conference, but which has not yet come to the committee. They are matters of great importance, and there may be differences of opinion among Senators as to what the procedure with respect to them should be, and how many votes will be required in the Senate for the approval of these agreements. That will depend upon what we determine to be the character of the agreements.

Mr. President, cannot the joint committee, under the able leadership of our distinguished chairman of the Foreign Relations Committee, begin to devote some attention to that matter, and consult authorities on international law, and take counsel from any worthy source, and let us determine, if we can, that those engagements which do not require a commitment to the exercise of military force on the part of this country may be regarded as agreements, subject to ratification and validation by a majority of the Senate and a majority of the House, while those engagements which would bind this country to an obligation to use force in case of unprovoked attack upon an ally, might well be regarded as treaties, requiring two-thirds vote of the Senate for their ratification?

So, respecting the matter of how many votes it will take for the validity of the instrument to be established in the Congress, respecting the question of how long we will consume in committee and on the floor in consideration and debate, and regarding the very vital matter of the proper place of senatorial representation in the whole matter, respecting those very essential and very vital matters, could not this committee bring together its members, and take counsel from appropriate sources and try to formulate something which will make it possible for the machinery of the United States Government expeditiously and properly to function and in a timely manner to function? Let us do it before it is too late.

Mr. CONNALLY. Mr. President, I thank the Senator from Florida for his suggestion. We have such a large element of good spirit on both sides of the Chamber for what we hope will be an acceptable structure of peace, that I am sure we will not have any difficulty about the details. However, I shall be glad to keep in mind what the Senator has suggested.

Mr. WHITE. Mr. President——

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Texas yield to the Senator from Maine?

Mr. CONNALLY. I yield.

Mr. WHITE. The Senator from Texas has been good enough to refer to me and others upon this side of the Chamber in most kindly fashion, and I want to express to him my very grateful appreciation of the spirit he has manifested and of the words spoken by him.

Mr. President, out of my observation of parliamentary practice there has come to me the very deep conviction that a legislative committee, whether of the House or of the Senate, never rises above the level of leadership of the chairman of the committee. I think whatever has been accomplished in the way of unity, and whatever of helpful suggestions have come from the Foreign Relations Committee during these late months, may be attributed in substantial part to the kindliness, the courtesy, and the tact shown by the Senator from Texas in his leadership of that committee. He has shown at all times consideration for those of us in the minority. He has shown wisdom, and I think, as is true since he came to the Congress many years ago, he has been motivated at all times by an exalted patriotism.

Mr. President, I have for him profound respect, and I have great confidence that under his leadership greater things will yet be accomplished in the bringing about of this international order for which we all hope.

Mr. CONNALLY. Mr. President, I am sincerely grateful to the Senator from Maine for these generous and kind remarks which have come as an expression of his great heart.

Mr. President, we have had this fine spirit in the committee because of the fact that the Senators I have mentioned, and others on the minority side who are members of the Foreign Relations Committee, as well as the distinguished members of the majority on that committee, the Senator from Georgia [Mr. GEORGE], the Senator from Utah [Mr. THOMAS], the Senator from Kentucky [Mr. BARKLEY], the Senator from Iowa [Mr. GILLETTE], and other Senators, all have had no other purpose on earth than a purpose of high patriotism and a desire to bring about a solution, so far as solutions can be obtained at all, of this question of international peace and the prevention of war. Were it not for the cooperation and kindly assistance of these Senators we could not have made progress, but we could very easily have had some classic joint debates, and some very outstandingly sharp differences in the committee and on the floor. It is our purpose to avoid those things.

Mr. President, the preservation of the peace, not simply for ourselves but for all the world, is something which leaps over mountain ranges; it does not stop at international boundaries, it does not stop even at the shore lines of the ocean, but it is something which reaches into the very fundamentals of humanity and humankind. Even if our instrumentality at first may not be perfect—and very few things on this earth are perfect; perfection exists only in another world than this one—even though our instrumentality may not be perfect, yet if we make substantial progress toward diminishing the danger of war and giving security and a promise of peace to the peoples of the earth, we shall achieve as no other legislative body has achieved in all the long and varied centuries that have passed over the hoary head of mother earth. Peace and the preservation of peace for the security of nations is something which is greater than partisan politics. It transcends the little temporary victories or defeats which may occur in this Chamber. It transcends political fortunes of individuals.

Mr. President, we see the lists of casualties from the European battlefields and from the far stretches of the Pacific. The War Department lists the soldier's name, lists his address, lists his organization perhaps, and perhaps it lists the names of his parents, but it does not list whether he is a Republican or

a Democrat. He is fighting for the Republic. He is fighting for his native land. He is fighting for his flag. He is not fighting for any puny political consideration, Democratic or Republican.

So, Mr. President, I hope that Senators on both sides of the aisle, and Members of the House, may continue not alone in their attitude of approaching these problems in a nonpartisan spirit, but I hope they will use their influence and their power upon those who may be inclined to make the question a political one, not to do so, but let the United States of America continue the leadership. We have taken it; let us maintain it. Let us accomplish this great ambition of giving to the world a leadership which shall secure the establishment of peace machinery that shall offer at least a hope to the world that the generations which follow ours shall not be cursed by another bloody, cruel, and tragic war like that which has already devastated so many of the fair lands of Europe and of Asia.

Mr. VANDENBERG. Mr. President, let me say first that I cordially agree with the able and distinguished Senator from Texas in his dedication to an unpartisan approach to this tremendously vital achievement which is so desperately essential to civilization. I take it this does not suggest that candid public discussion of the subject should be foreclosed. On the contrary, I take it, that, as President Wilson once said, we should seek open covenants openly arrived at, and that it is to the best welfare of the Nation that the problems of foreign policy should be laid frankly before the American people and discussed frankly out of the heart of our high leadership, so long as the objective is the welfare of our common undertaking.

Mr. President, I agree with what the Senator from Maine [Mr. WHITE] has said about the work of the chairman of the Foreign Relations Committee. I know of no experience in my 16 years in the Senate when there have been more generous, broad-minded, and tolerant efforts to find a unity of purpose at all times, regardless of partisan politics. I join in thanking him for his observations regarding whatever contributions we have been able to make from this side of the aisle in the same spirit.

I rise particularly, however, Mr. President, because of an implication in the suggestions made by the Senator from Florida [Mr. PEPPER], who seems to feel that we have already reached the point where we can leap ahead to the creation of a timetable which will foreshorten this entire enterprise and produce a quick net result. I think he suggested that if anyone has any difference of opinion regarding what is going on, he ought to express it now, and not later.

Mr. President, I believe there is no fundamental difference of opinion regarding the objective. I think perhaps there is some difference of opinion among us as to the precise method which shall be pursued in arriving at that goal. In view of the suggestion made by the Senator from Florida I wish to take this occasion very briefly to lay down three or four fundamental points which will be my own continuous impulse in my continuing effort in connection with this great and vital adventure.

The first thing I wish to say is that, in my view, if this foreshortened world cannot organize a permanent peace, then the murderous ingenuity of modern military science will make an end to our civilization in the next world war; and only those who are blind to these blasting realities, only those who can be complacent in the presence of global suicide, will fail to make every practical effort to organize the peace of this earth against any such calamity. To that objective I dedicate every prayer of my heart and every effort of my remaining years.

Next, Mr. President, I wish to say that, from my point of view, it is too obvious for argument that this objective requires sound international organization to encourage the concord of good will; to stimulate moral and spiritual, as well as physical defenses; to establish organized justice under effective international law as a substitute for force; to create the mechanisms which shall exhaust the rules of reason before there shall be appeals to might; and ultimately, if all these fail, to mobilize the military cooperation which shall defend the conscience of the world.

Third, I wish to say that at the threshold of this aspiration it is equally obvious that the world's criminals of today must be so permanently demilitarized that they can never become the criminals of tomorrow. To that end the immediate and continuous availability of Allied force is indispensable. This is elementary prudence. It is clearly the primary military responsibility of the four major powers. It is a temporary military alliance for a specific and limited purpose, as distinguished from a permanent alliance. Even George Washington, the great, original foe of entangled Americanism, recognized such temporary alliances as wholly legitimate. There must be no such complacency, in softer years to come, in respect to this repressive phase of the problem as was largely responsible for Hitler's sinister violation of Versailles, with the expedient and inexplicable and negligent consent of his subsequent victims.

Now, Mr. President, we come to the question as to the part which military force shall play in the ultimate authority of this international organization which is to be charged with responsibility for the peace of the world. Let there be no doubt about my view that force, as a last resort, shall never be out of sight or out of mind or out of mutual reach. Military force will always have to be the answer to those who understand no other argument. But there can be deeply conscientious differences of honest opinion in respect to the inherent relative importance of military force in this equation.

I am one of those who do not believe that our greatest hope for peace lies in trying to put peace in a steel strait jacket I believe that our greatest hope lies in adequate mechanisms to develop reason and justice in international affairs, which shall be predominately accepted by enlightened peoples—backed always, I repeat, by constant vigilance against mobilizations of aggressive power. In other words, I doubt whether any hard and fast international contracts looking toward the automatic use of cooperative force in unforeseeable emergencies ahead will be worth any more, when the time comes, than the national consciences of the contracting parties when the hour of acid test arrives. In whatever degree this is correct, our final reliance, even in the mobilization of military force—which, of course, must be available finally—will depend upon the justice of the cause and the peace conscience of the world.

It is for this reason, Mr. President, that I believe that a just peace, in the first instance, is the indispensable beginning of this great adventure, because in my view a good league cannot cure a bad peace, either now or hereafter. It is for this reason that I like those words in the Republican national platform, if I may refer to it not in a partisan sense but in a historical sense—words which have been amazingly misunderstood—which pledge the use of peace forces to stop the aggressors of tomorrow. Peace forces means to me whatever force—moral, diplomatic, economic, or military—is necessary to keep the peace whenever the emergency arises. In my humble view, the first three of these forces are likely to be more useful than the last, although the last must never be ignored and must never be unavailable.

Let me add a final word to this swift summary. I want my country to play her full, legitimate, and effective role in this evolution out of recurrent world savagery. I believe she can play her greatest role by remaining always and forever the free, sovereign, and independent United States of America. I believe that her voice will always be the most disinterested and judicial voice in the concerts of the world; and such a voice should never be muted. I believe that we can collaborate wholeheartedly in building up the "peace forces" which shall minimize, and probably prevent, another World War tragedy; and I have no thought that we have parted with any essential sovereignty when, for example, we ourselves recognize justiciable issues in a greatly broadened and strengthened international law which we ourselves have helped to write, and which we approve.

I have the profound conviction that if this international machinery is adequately created to implement a just peace, and again I emphasize the adjective, and if the major powers strive faithfully to organize and support these "peace forces" of the earth, any pirate of tomorrow who defies this process will be so clearly criminal in character and so clearly due for physical restraint that there will be no default, on the part of ourselves or of any others, in the united, voluntary military action which will produce invincible repression.

Mr. President, that, in a general quick summary, indicates my feeling about this tremendously important subject. I think it ought to be plain that the Senate Foreign Relations subcommittee, to which considerable reference has been

made, in its conferences at the State Department has dealt solely with the question of international organization for peace. It has had no approach to the considerations involved in the writing of the terms of the peace itself. That has been outside our jurisdiction thus far. If there has been any sort of difference of opinion among Senators, the great difference has been over the inability of some of us to separate our conception of the international machinery which we are attempting to create from the type and character of the peace itself—the type of a post-war status quo which our organization in the first instance must underwrite and undertake to sustain. My own very deep conviction, I repeat, is that we cannot separate the possibility of final and conclusive success for our organization from the justice and the equity of the peace agreement which in the first instance it must undertake to administer.

But in the present temper of the American people and in the present approach which is being made to this subject throughout the country, if we will just credit good faith to those who want to publicly discuss the subject, I know of no reason why we should not proceed to a net result which will be a benediction on the world. I do not think there is any disadvantage in full public discussion, so long as it is well-founded and proceeds in good faith. On the contrary, I think that in the last year or two our chief difficulty has been a lack of adequate public information about some phases of the problem—a lack of information which inevitably invites gossip and rumor and speculation—a lack of information particularly regarding postwar understandings at Casablanca, Quebec, Cairo, and Teheran.

Under the existing circumstances, particularly in the light of what is a very recent accord between high spokesmen for political parties in the United States respecting a mutual desire to achieve this goal, in my view the conference at Dumbarton Oaks meets under the happiest possible promise of good effect.

Mr. HATCH. Mr. President, first I wish to say that I am very happy about the remarks which have been made by various Senators. I especially approve what the Senator from Michigan [Mr. VANDENBERG] has said about public discussion of these all-important questions. I think we should have public discussion. I think every man in public life should have convictions on this great subject, and should express his convictions. So I am quite happy about the discussion.

There was one matter, however, in the course of the remarks of the Senator from Michigan which disturbed me just a little, and I wish to propound to him a question relating to it, to see whether I correctly understood him. In the course of his remarks the Senator from Michigan more than once referred to a world organization implementing the peace. His words indicated, to my mind, that perhaps the Senator from Michigan thought we should postpone discussions of such a world organization until after the peace is finally agreed upon. I should like to inquire of the Senator from Michigan whether I misunderstood him in that respect.

Mr. VANDENBERG. Mr. President, I am grateful to the Senator from New Mexico for asking me the question, especially if there could be the slightest doubt or implication in connection with my previous remarks. My answer to him regarding postponement of all these discussions is emphatically "No." The planning of the world peace organization should proceed at a maximum speed to a conclusion as early as circumstances and events will permit.

What I said, or at least what I meant to say, was that those who in the future must make the final decisions respecting the international organization, I think should also be highly and intimately informed, concurrently, regarding the thinking of these governments in respect to the kind of a peace which is contemplated; because, I repeat, I think there are more possible germs of future disaster in the wrong kind of a peace than there are in even the wrong kind of a league. I think the subjects are inseperable.

Mr. HATCH. Mr. President, I wish to say to the Senator from Michigan that perhaps the question arose in my mind, not as a result of what he said, but from my own lack of understanding. But I am very glad that I asked the question, and I am deeply gratified at the explanation the Senator has given. Of course, it is in accord with my view.

Mr. VANDENBERG. I wish to make very sure that I am correctly understood. I am not one of those who think this new instrumentality should be used as the one to make the peace. I am entirely in disagreement with any such view. I think the two functions are totally unrelated.

Mr. HATCH. Mr. President, let me say that I know of no one who does not take that view.

INVESTIGATION OF THE NATIONAL DEFENSE PROGRAM—REAM GENERAL HOSPITAL (FORMERLY THE BREAKERS HOTEL) (PT. 19 OF REPT. NO. 10)

Mr. KILGORE. Mr. President, in December of 1942, the War Department acquired the Breakers Hotel, in Palm Beach, one of America's famous luxury hotels. The hotel was taken for use as a station hospital. After about 4½ months' use, during which only a small portion of the beds were filled, the Air Corps, who were operating the station hospital, decided they had no further use for it. The hospital was then transferred to the Surgeon General for use as a general hospital, known as the Ream General Hospital. After a few more months the War Department announced that it was abandoning the Breakers Hotel. There was considerable public discussion of this, as a result of which an investigation was undertaken by the Special Committee to Investigate the National Defense Program.

After an investigation, including the examination of witnesses on the ground the committee arrived at the following conclusions:

The Breakers should never have been acquired. The War Department seriously underestimated its fair rental cost. It was the most expensive hotel property in the vicinity. Its advantages over other similar first-class hotels in the vicinity were primarily in luxuries.

The manner of acquisition, as in the case of other hotel properties in the Florida area, was high-handed and arbitrary. The officers in charge of the take-over acted on very short notice with practically no consideration for the owners, whereas they should have been able to give the owners sufficient notice. This occurred in many other hotel acquisitions as well. The officers in charge for the Army valued the hotel entirely too low. The owners feel an attempt was made to force them to accept these valuations by indicating that it would be unpatriotic to try to get a fair return. Other instances of similar attempts appeared in other Florida hotel acquisitions. The owners had the financial ability to resist and because of such ability they will receive a rent which is exactly twice what was first offered.

After the Breakers had been discontinued as a station hospital the decision to convert it into a general hospital was proper. The large structure had been practically empty during most of the time it was used as a station hospital. Rent and large renovation charges had been incurred. By using this very desirable property as a general hospital, the Government provided what the Surgeon General termed "a model institution," and at the same time proceeded to get something for its money.

The original decision to abandon the Breakers was made with insufficient consideration. A second decision affirming the original one was made 4 months later, after a detailed study of the question by a board of officers. As shown below this decision was not justified by the facts.

The Breakers should not have been abandoned at this time in view of the large financial obligation which was incurred. Representatives of the Surgeon General have testified that the Breakers is an excellent hospital. It has been characterized by the Surgeon General as one of his best general hospitals, and a model institution. The testimony before this committee is that the beds in the Breakers Hospital could be used. The facility itself and its location were excellent. The reasons given for its abandonment are not convincing. It appears that the property was abandoned because the War Department discovered it to have been a very poor original transaction, which resulted in a property which was bound to be too expensive. The loss would be incurred, whether or not the property was returned. The cost of keeping the property, over and above the cost of returning it, was moderate. However, pressure from civilian groups to return the Breakers Hotel, added to the fact that the entire property, taken as a whole, was a poor original investment apparently prompted the War Department to return it.

In order fully to appreciate the War Department's position in connection with the Breakers, the committee carefully

surveyed the entire hospital programs of all of the armed services, and of the Veterans' Administration. We found that none of the other services could use the Breakers Hotel. This should have been known before the Breakers was ever acquired. Unfortunately it was not.

The committee's last conclusion is as follows:

Prior to March 31, 1943, there was no coordination of the hospital programs of the various agencies: As a result, the Breakers was acquired without consultation with any of the other agencies which might have been able to utilize excess army hospitals in suitable locations. Despite the fact that on March 31, 1943, the President ordered the War Department to consult the Federal Board of Hospitalization, organized in 1924 for the purpose, the War Department did not consult the Board about the conversion to a general hospital or before the original decision was made to abandon the Breakers. After controversy had arisen, the Board was finally consulted on the abandonment.

Mr. President, on behalf of the committee, I submit the report and ask unanimous consent to have it printed in the body of the RECORD.

The PRESIDING OFFICER. The report will be received and printed, and without objection, will be printed in the RECORD.

The report (pt. 19 of Rept. No. 10) is as follows:

REAM GENERAL HOSPITAL, FORMERLY THE BREAKERS HOTEL

SUMMARY OF CONCLUSIONS

1. The Breakers should never have been acquired. The War Department seriously underestimated its fair rental cost. It was the most expensive hotel property in the vicinity. Its advantages over other similar first-class hotels in the vicinity were primarily in luxuries.

2. The manner of acquisition, as in the case of other hotel properties in the Florida area, was high-handed and arbitrary. The officers in charge of the take-over acted on very short notice with practically no consideration for the owners, whereas they should have been able to give the owners sufficient notice. This occurred in many other hotel acquisitions as well. The officers in charge for the Army valued the hotel entirely too low. The owners feel an attempt was made to force them to accept these valuations by indicating that it would be unpatriotic to try to get a fair return. Other instances of similar attempts appeared in other Florida hotel acquisitions. The owners had the financial ability to resist and because of such ability they will receive a rent which is exactly twice what was first offered.

3. After the Breakers had been discontinued as a station hospital the decision to convert it into a general hospital was proper. The large structure had been practically empty during most of the time it was used as a station hospital. Rent and large renovation charges had been incurred. By using this very desirable property as a general hospital, the Government provided what the Surgeon General termed "a model institution," and at the same time proceeded to get something for its money.

4. The original decision to abandon the Breakers was made with insufficient consideration. A second decision affirming the original one was made 4 months later, after a detailed study of the question by a board of officers. As shown below this decision was not justified by the facts.

5. The Breakers should not have been abandoned at this time in view of the large financial obligation which was incurred. Representatives of the Surgeon General have testified that the Breakers is an excellent hospital. It has been characterized by the Surgeon General as one of his best general hospitals, and a "model institution." The testimony before this committee is that the beds in the Breakers Hospital could be used. The facility itself and its location were excellent. The reasons given for its abandonment are not convincing. It appears that the property was abandoned because the War Department discovered it to have been a very poor original transaction, which resulted in a property which was bound to be too expensive. The loss would be incurred whether or not the property was returned. The cost of keeping the property, over and above the cost of returning it, was moderate. However, pressure from civilian groups to return the Breakers Hotel, added to the fact that the entire property, taken as a whole, was a poor original investment apparently prompted the War Department to return it.

6. In order to provide sufficient additional general hospital beds, when the Breakers was abandoned, a barracks type of hospital was placed into operation at Camp Atterbury, Ind. The location and general construction of this hospital does not compare with the Breakers.

7. If used for a redistribution center or a hospital, the Breakers could be operated at costs comparable to those of any of the hotel properties now being acquired, provided it did not charge against the cost of its operation the loss which will be incurred whether or not the property is retained. The committee has not been advised of any convincing reason why the Breakers would not be suitable for a redistribution center.

8. Prior to March 31, 1943, there was no coordination of the hospital programs of the various agencies. As a result, the Breakers was acquired without consultation with any of the other agencies which might have been able to utilize excess Army hospitals in suitable locations. Despite the fact that on March 31, 1943, the President ordered the War Department to consult the Federal Board of Hospitalization, organized in 1924 for the purpose, the War Department did not consult the Board about the conversion to a general hospital or before the original decision was made to abandon the Breakers. After controversy had arisen, the Board was finally consulted on the abandonment.

9. The War Department's statements of facts in connection with this entire matter do not appear to be accurate. For instance, the cost per bed stated by the Engineer Corps to the Surgeon General on the basis of which the Surgeon General agreed to relinquish the hotel was far in excess of later War Department estimates. Another instance is in the Engineer Corps' bed estimate of a fair rental for the property. Another is in the statements made to this committee. In a letter dated August 16, 1944, the War Department advised this committee that unless the work of reconverting the Breakers to a hotel were begun by August 21, the alterations could not be finished on December 10, when the War Department intends to return the hotel to its owners. This was stated in order to induce this committee to complete its investigation. But on April 26, 1944, the War Department advised this committee that the Breakers could be used as a hospital until September 1 and that there would still be ample time for reconversion. And the board of officers appointed by the War Department to consider the abandonment of the Breakers concluded, on the basis of positive testimony before them, that the reconversion could be completed in 2 months, including the reinstallation of the hotel furnishings. The report of the board of officers on the abandonment of the Breakers contains many self-contradictions.

THE ACQUISITION OF THE BREAKERS HOTEL

The Breakers Hotel at Palm Beach, Fla., owned by the Florida East Coast Hotel Co., is considered one of the finest luxury hotels in America. It is a 500-room, 9-story structure with a number of large cottages, spacious grounds, and considerable ocean frontage.

In the summer of 1942 a survey was made of various buildings in Florida suitable for Army hospital use. On September 16, 1942, the Breakers Hotel was surveyed for this purpose. On this date the Breakers made inquiry of the Surgeon General's Office, through proper Government channels, and were advised that the Surgeon General's Office did not think they would be interested in Palm Beach. Nothing further occurred until September 30, when another inspection of the hotel was made by the War Department. Then nothing further occurred until November 20 when still another inspection was made.

In the meantime the owner made plans and entered into the necessary advertising arrangements, and made commitments for the employment of a staff and for other necessities with the intention of opening the hotel as usual on December 15, 1942. This was at the request of the civic authorities at Palm Beach who had urged the continued operation of the Breakers Hotel.

On December 4, 1942, the owners received a telegram to have their representative stand by with respect to the possible leasing of the hotel. This was the first information the owners had that the War Department had any intention of taking over the hotel. Prior to that there had merely been inspections of a type which had been made of practically every hotel in the Florida area. By December 4 the entire operating staff at the hotel were on the premises and arrangements to open the hotel on December 15 were well under way.

On December 7, 1942, another inspection was made and the War Department telegraphed the owners that the Government desired occupancy of the hotel. Negotiations took place on December 8 in New York, which was a Tuesday, and the officer in charge told the owners that the War Department would have to obtain possession of the premises by Thursday morning of that week, the 10th of December. On Friday morning, December 11, the War Department obtained a court order giving them possession starting December 12, 1942.

Over 90 guests were expected to arrive at the hotel on the following Tuesday, December 15. All the employees were on the job, and had contracts. There were over $400,000 worth of reservations booked, which was only about $50,000 below normal.

At this time there were at least two other hotels in Palm Beach which were not opening for the season beginning December 15, 1942. They were first-class hotels, one just about the size of the Breakers, the other two-thirds of its size. There was also available for use by the armed forces in West Palm Beach at that time a civilian hospital which had 200 beds and which could have been expanded to 1,200. This hospital was offered to the Navy Department and certainly could have been obtained by the War Department.

The officer in charge for the Army offered $200,000 a year rent for the premises, before the condemnation proceedings were instituted. His manner has been characterized by the owners as arbitrary. This is in complete agreement with the statement received by the committee concerning this officer from practically every hotel owner with whom he dealt in the Florida area. The management was told "you can take it or leave it." The

management was told very strongly that public opinion would brand them as unpatriotic if they went to court in an effort to get a higher rent. It should be pointed out at this time that in a tentative agreement between the United States Government and the hotel management, for the return of the hotel to the owners the rent has been fixed at $400,000 a year. The present rent includes minor portions of the entire Breakers property in addition to that originally taken. However, the original offer was for the basic hotel and some of the surrounding property and buildings, without which the property which was subsequently taken, was entirely valueless to the owners. Moreover, the additional property taken represented only a small portion of the whole. There is no reason to doubt that the $400,000 rental figure is a fair figure. The Breakers was an extremely profitable and valuable hotel.

The officer in charge of the negotiations told the manager of the Breakers that the Government's haste was due to an immediate demand for facilities because a large number of wounded were expected to be evacuated from Africa. Actually the premises were not used as a hospital of any kind until March 1, 1943, when they were opened as a station hospital, with a capacity of 1,038 beds. In March there were an average of 32 occupied beds, in April an average of 29, in May an average of 127, in June an average of 221, in July an average of 200. According to the Army's own statement, "the Army Air Forces offered the Breakers Hotel to the Surgeon General for use as a general hospital on July 19, 1943, when it became apparent that reduction of Army Air Forces personnel in Florida and failure of overseas evacuations to develop made it unnecessary to retain this facility as a station hospital."

As of July 19 an obligation almost undoubtedly had been incurred to pay a full year's rent, or $400,000 as now agreed. Two hundred and ninety-nine thousands dollars had been invested to convert the premises to a hospital. Substantially the same amount would have to be invested to convert it back to a hotel. The total is $998,000, and after only 4½ months of partial use the Army Air Forces, which had originally taken the hotel, was through with it. As of this point, the total number of patients was 661 and the average number of beds occupied was 122, or a cost for providing the building alone, of over $8,000 for each bed occupied.

TRANSFER OF THE HOSPITAL TO THE SURGEON GENERAL

On July 30, 1943, the Surgeon General recommended that the hospital be made available as a general hospital. On September 10, the Surgeon General assumed jurisdiction over the Breakers Hotel and operated it at a capacity of 1,038 beds. It was called the Ream General Hospital. On September 3, the Surgeon General requested alterations, modifications, and acquisition of additional grounds around the hotel, which, after modification would have totaled approximately $460,000. This final sum was approved by the Army Service Forces on November 11, 1943. As late as December 4, 1943, at the request of the War Department, the Department of justice obtained a court order in condemnation for the immediate possession of additional ground around the hotel. This order was never served because on the same day, 2 hours after the order was signed, the War Department changed its mind and instructed the Attorney General that it did not want the land. However, on December 4, 1943, Maj. Gen. W. D. Styer advised the hotel owners that the Chief of Engineers had been instructed to negotiate further with respect to leasing the property, and on December 6 General Styer advised the hotel owners that a study was being made of the requirements for additional land in connection with the Breakers Hotel, and that pending the completion of the study the War Department would refrain from seeking this lease by condemnation.

In the meantime, however, the War Department had concluded "that it had become evident that an excessive rental as well as expensive alterations would be entailed." It had begun to reconsider the desirability of this property in the light of a directive of the Under Secretary of War on November 16 that all rental real estate be surveyed and that all such property not actually needed be released.

On January 8, 1944, Lt. Gen. Brehon Somervell, commanding general, Army Service Forces, wrote to Mr. William R. Kenan, president, Florida East Coast Hotel Co., the owners of the Breakers, as follows:

"This will acknowledge receipt of your letter of December 30, 1943, in which you request information as to whether or not the War Department intends to continue the use of the Breakers Hotel, West Palm Beach, Fla., as a general hospital.

"It has now been decided that as soon as arrangements can be made for removal of the patients now at this hospital, the Breakers Hotel will be returned to its owners. The Chief of Engineering has been instructed to accomplish this transfer and will contact you directly."

THE DECISION TO ABANDON THE BREAKERS

The major reasons given for the abandonment of the Breakers are the following:

1. Excessive cost as determined by the Chief of Engineers. This item was easily determinable before the Breakers was taken.

2. A general decision to give up rental properties in favor of purchased property wherever possible. The only application to hospitals of this alleged general rule was in the case of the Breakers Hotel. No other hospital was given up on this basis. Moreover, the Breakers could have been purchased.

3. A determination that there were too many general hospitals in the southern part of the country and not enough in the northern part of the country, in view of the distribution of population. As a result of this determination, no other hospitals in the South were closed other than the Breakers.

This committee has asked the War Department for all documents bearing in any way upon the decision to abandon the Breakers Hotel. The first document of any kind indicating that the abandonment of the hotel was contemplated is an office memorandum to the Surgeon General on the subject of a conference concerning the Ream General Hospital.

This conference took place December 13, 1943. The Surgeon General's position was the following:

(a) That minimum necessary changes be made to convert the Breakers into a suitable general hospital.

(b) That additional land, then available, be purchased to provide exercise space for convalescent patients.

(c) That the Surgeon General would favorably entertain a proposal to give up the property, in view of the Chief of Engineers' statement that the cost was excessive, together with "the repeated strong efforts of certain civilian agencies to prevent the acquisition of this hotel as an Army general hospital, provided that suitable general hospital beds be made available as a substitute, that there be no delay in making final decision, and that the Breakers be retained as a general hospital until such time as other suitable facilities be made available."

The Real Estate Branch and the Construction Branch of the Office of the Chief of Engineers stated at the conference that over a 5-year period the Breakers would cost approximately $3,572 per bed on a rental basis without equity, and that on a purchase basis the property would cost approximately $4,564 per bed.

It was agreed at the conference that action to consider acquisition of the hotel property and pending alterations would be postponed for 10 days pending a proposal to turn over a 2-story, semipermanent, brick, 2,200-bed station hospital at Camp Atterbury, Ind., as a general hospital to be used in place of the Breakers Hotel property. It was agreed that if, after a period of 10 days, the hospital at Camp Atterbury or some other similar hospital acceptable to the Surgeon General could not be declared available within a reasonable period, then immediate steps would be taken to acquire the additional land and to make the minimum alterations to convert the Breakers into a suitable general hospital according to plans which had been approved by the Surgeon General and the Chief of Engineers.

The committee has not been furnished with any memoranda upon which the above decisions were made and, therefore, must assume that none exists.

A memorandum dated December 8 to the Assistant Chief of Staff, G–3, from the Deputy Director for Plans and Operations of the Army Service Forces, stated that a reasonable rental would be $400,000 a year, that to date $275,000 had been expended for alterations, that an additional $475,000 would have to be spent for alterations and the purchase of additional land, and that cost of restoration to the hotel after additional alterations would be approximately $1,000,000.

This memorandum also stated that "considerable pressure is being brought upon the War Department by the Florida East Coast Railroad, owners of the hotel, to have it returned for their use. However, it is essential that the 1,200 hospital beds provided by this hotel be available for general hospital use."

The memorandum goes on to state that if station hospitals located at either Camp Edwards or Camp Atterbury can be vacated that they can be used as general hospitals in place of the Breakers. The memorandum concludes:

"As there is a very pressing need for additional general hospital beds and as negotiations are now under way to determine the annual rental of the hotel and the additional land required to complete the general hospital, it is requested that a decision be expedited."

On December 29, the Assistant Chief of Staff, G–4, directed that on or about March 1, 1944, the station hospital at Camp Atterbury be designated as a general hospital and that upon occupation of this hospital the Breakers Hotel be released to its owners.

On January 5, General Somervell advised the Chief of Engineers that the Secretary of War had directed that Camp Atterbury be designated as a general hospital and that the Breakers be released to its owners.

Thereafter there was considerable public discussion concerning the release of the hotel. In the meantime the Department of Justice had been asked to take over negotiations for the settlement of the legal controversy, and the Assistant Attorney General in charge of the Lands Division at the request of the commanding general of the Army Service Forces made a study of the subject. The Assistant Attorney General recommended that from the legal and financial viewpoint it would be extravagant to relinquish the property because the additional expenditures which would have to be made to acquire title to the premises would be comparatively small in view of the considerable expense which would be involved whether or not the property were relinquished. The Assistant Attorney General in charge of the Lands Division forwarded his report to the War Department on March 14, 1944, and on March 25, 1944, the

commanding general of the Army Service Forces wrote to the Assistant Attorney General that he did not feel that acquisition in fee of the property could be justified and therefore requested that the Assistant Attorney General proceed with the settlement of the pending litigation.

In the meantime this committee had asked both the War Department and the Department of Justice for information concerning the hotel. The Attorney General refused to produce the Assistant Attorney General's report until after a subpena for its production was issued by this committee. The War Department then convened a board of officers, who, on April 20, 1944, submitted a voluminous report in which they recommended the abandonment of the property not later than December 10, 1944. The Commanding General of the Army Service Forces informed this committee the property would be used as a hospital until September 1, 1944, after which it would be restored to its former condition as a hotel and returned to the owner by December 14.

During the first week of August the committee learned that the premises had been completely vacated by July 20 and that a stipulation was about to be filed which would in effect turn the property over to the owner and finally settle the litigation. The committee proceeded immediately to hold hearings and obtain all available information on the subject.

The War Department's principal reason for abandoning the Breakers Hotel appears to be the question of cost. Apparently the War Department's position on this subject has never been clear. It must originally have been thought that the cost would not be excessive. Otherwise it would not have determined to rent the hotel. Its statements on the subject are conflicting. From the memorandum of December 14, referred to above, it appears that the Surgeon General was advised by the Corps of Engineers that the cost of the property on a leased basis over a 5-year period would be approximately $3,572 per bed. But in a memorandum to the Under Secretary of War, dated January 31, 1944, the Commanding General of the Army Service Forces stated that the cost per bed on a 5-year-lease basis would be $2,100 on the basis of the Government's estimate of the proper rent. The commanding general added:

"The feeling is shared, however, by the Chief of Engineers, the Surgeon General, and this headquarters that court action would be favorable to a much higher rental than that estimated by the Government. The cost per bed might amount to as much as $3,100."

In a report on the expense of operating the Breakers submitted to the board of officers investigating the abandonment of the hotel, Maj. Gen. A. H. Carter of the Army Service Forces stated that the cost per bed on initial construction of the Breakers would be $3,730, if the purchase price were $4,000,000, and $3,094, if the purchase price were $3,200,000. Again it appears that the Surgeon General was misinformed, according to the memorandum of December 14, 1943, when he was told that on a purchase basis the property would cost approximately $4,564 per bed.

Moreover cost per bed based on a $3,200,000 purchase price would appear to be the more reasonable. This is the figure given by the Department of Justice, which has much more experience in the field, and it appears to have been fairly accurate in its estimates concerning the proper rental value. The War Department's estimate of $4,000,000 should be viewed in the light of the proven inability of the War Department to estimate the probable rental. However, even the $3,094 cost per bed estimated by the War Department on the basis of a $3,200,000 cost is much too high.

It would be a proper figure if the question were whether to acquire the hotel today and the hotel had not actually been taken in 1942. As of today the question is not how much it would cost to buy the hotel. The true question is how much it will cost to buy the hotel over and above any sum which must be spent whether or not the hotel is purchased. Thus if the hotel is purchased for $3,200,000, the total cost of acquisition would be:

Cost of all property, including interest from original date of taking	$3,490,000
Cost of converting to station hospital	299,000
Additional cost of converting to general hospital	400,000
War Department's estimate of cost of converting from general hospital to hotel [1]	375,000
Total	4,564,000

[1] Another War Department estimate gives this figure as $1,000,000, but this is entirely too high.

But if the proceedings are settled as now intended by the War Department, it will have cost the Government:

Rent for 2 years	$800,000
Cost of converting to a station hospital	299,000
Cost of converting to a hotel	311,200
Total	1,410,200

This $1,410,200 will have to be spent if the Government returns the hotel and, as of December 11, 1944, has no interest in the property at all.

To own the property will therefore cost the Government only $3,153,800 more than must be spent in any event.

But from this $3,153,800 must be subtracted the probable return from resale, at $3,200,000, less an annual decrease in value of $150,000. Handling this exactly as it is handled in the War Department's own computations, the return after 5 years' use would be $2,450,000. Therefore, the total cost for 5 years' use would be $3,153,800 less $2,450,000, or $703,800. Since 2 of the 5 years have elapsed (and must be paid for in any event) the cost per year for 3 more years would be $234,600.

The Assistant Attorney General in charge of the Lands Division, Department of Justice, believes that the petition to take the property in condemnation could be amended to take title from the original date of taking possession.

Therefore, the cost per bed would be about $185 per year, on a basis of 1,260 beds, which is the number of beds the War Department uses in its calculations. War Department figures on maintenance and repair costs are conflicting. At one point of the board of officers report this figure is given as $167 per bed per year. At another point it is stated as $203 per bed per year, each on the basis of 1,038 beds. The set of figures estimating $203 gives an estimate of $207 per bed per year on the basis of 1,260 beds. Therefore, it appears that increasing the number of beds would not increase this cost. Taking $167, the annual cost per day is $167 plus $185, which is $352, or just under $1 cost per day.

These figures should be compared with a daily cost per bed for hotels now being rented for use as redistribution centers of from $1.28 to $1.72 and even higher.

They also compare favorably with the costs of other rented hotels over 3-year periods. Of five listed in the board of officers' report, two show higher costs per bed per year, and three are lower. The average cost per bed per year of Navy hospitals in the southeastern United States is $334 per year, only $18 less.

The cost of acquisition, without considering resale would be $3,153,800 less the cost of reconverting to a hotel on resale of $375,000, or $2,778,800. This amounts to $2,205 per bed. This compares favorably with cost of $2,397 per bed for other hospitals constructed by the Corps of Engineers in the South Atlantic Division. The cost per bed of a great many general hospitals is higher than that of the Breakers.

The memorandum of December 14 of the Medical Corps, following its conference with the Army Service Forces and the Engineer Corps, indicates that the sole reason for agreeing to abandon the Breakers was the representations made to the Medical Corps that the cost of the Breakers was excessive.

The Surgeon General considered the Breakers an excellent hotel. In a letter dated November 18, Maj. Gen. W. D. Styre, of the Army Service Forces, stated:

"The Surgeon General considers the Breakers one of his best general hospitals and has planned to occupy this facility for the duration of the war and for such a period thereafter as may be necessary to take care of the sick and wounded."

In a memorandum dated July 19, 1943, Brig. Gen. N. W. Grant, air surgeon, stated:

"(a) That the hospital be designated to care for cases requiring specialized treatment in plastic surgery, maxillofacial surgery, ophthalmological surgery, and neurosurgery. (It is believed that a large percentage of cases requiring plastic surgery are Air Force personnel.)

"4. The rehabilitation center in Miami, Fla., will work in close collaboration with this hospital. Their nearness to each other will materially cut down on rail traffic involved in the transfer of patients.

"5. I visualize this hospital as a model institution, bringing together the thoughts of both offices on medical care, and ironing out many apparent differences that have existed for many years."

In a memorandum dated July 30, 1943, Maj. Gen. Norman T. Kirk, the Surgeon General, stated to the commanding general of the Army Service Forces:

"1. It is recommended that the station hospital (1,038 beds) now operated by the United States Army Air Forces in the Breakers Hotel at Palm Beach, Fla., be taken over and operated as an Army general hospital to serve the Florida area and to receive patients through the overseas flyway.

"Minimal structural changes have been made, and having been made, this hotel has become a hospital most compact and simple to administer. It would be hard to find a building not originally built as a hospital that so admirably lends itself to hospital purposes. In fact, its physical construction is such that it is better for hospital use than many hospitals and far superior in design and simplicity to our planned cantonment and general hospitals. Equipment and supplies complete as is and in addition a complete 1,000-bed unit in storage which has been very little used."

The unanimous opinion of many doctors, residents of Palm Beach, relatives of servicemen and patients at the hospital, and of others who have seen the hotel is that it is an excellent facility, particularly for the treatment of plastic surgery cases and for neurosurgery. Its surroundings are ideal from the point of view of morale.

The Camp Atterbury, Ind., station hospital was named as a general hospital in place of the Breakers. The committee report on Camp Atterbury, Ind., to which an investigator was sent, indicates that Camp Atterbury is located in Indiana in a climate which, of course, is not similar to the climate of Palm Beach, Fla. Camp Atterbury, Ind., was never regarded as being in a resort or vacation area. The hospital buildings are two-story, semipermanent, cantonment-type barracks. The facilities for visitors to Camp Atterbury are extremely limited, certainly much more limited than those at Palm Beach or West Palm Beach, Fla., which were reported by a member of the staff of the Corps of Army

Engineers to be entirely satisfactory although expensive in the winter. Winter expense, of course, would be subject to control by the Office of Price Administration.

The committee's investigator was able to interview two patients who had been at Ream General and were then at Camp Atterbury. These patients' homes were in Birmingham, Ala., and in Tampa, Fla. This appears strange in view of statements made to the committee that one of the purposes of abandoning the Breakers was to place patients nearer their homes. These patients stated that Ream General Hospital was an ideal place and they preferred it to Camp Atterbury. The patients referred in particular to treatments in the open air given and appreciated at the Ream General Hospital. Whether or not they have therapeutic value they do have morale value.

Even if the Breakers were not used as a hospital, it would be as inexpensive to operate as a redistribution center as the many hotels now being acquired for that purpose. It creates maladjustments in the economy to take one hotel at the same time another is returned to civilian use, unless there are very good reasons for rejecting the one already in the Government's possession. Too many properties have been taken by the War Department and given up after very short use. Some of them should have been known in advance to be unsuitable. One large hotel in the Miami Beach area was returned within a few months after it had been taken, when it was found to be a fire hazard. This should have been known before the hotel was taken.

While the committee does not desire at any time to review decisions which relate particularly to the questions of the most desirable location for operations, such as hospitals and redistribution centers, the committee is of the opinion that in the absence of compelling reasons against the use of the Breakers, this hotel should not be returned to civilian use at this time. It is extraordinary that at the same time that the War Department particularly bemoans what it alleges to be a slackening of morale on the home front, it is willing to return to luxury use one of the most ideally located hospitals available to injured soldiers. Even though only a few of the many soldiers could enjoy these premises, it boosts the morale of every soldier to know that such premises are available to him and his comrades. While no soldier would have thought much of the matter one way or another if the Breakers had never been taken, many will find it hard to understand why it should be returned. In this connection a very vital aspect of the proposed agreement to return the hotel is that the War Department is to rehabilitate the premises itself. The owners explained to the committee that this is necessary because the owners could not obtain the necessary materials, whereas the War Department can obtain them from its military supplies not available to civilians generally. This results in giving a priority for such things as linens, paint, other materials, and even telephones and electrical wire, to a civilian operation of the most luxurious sort, which in addition to being completely a luxury facility, operates only 4 months of the year. There are many necessary civilian requirements for these same materials which in addition to being nonluxury needs, would be utilized every day of the year.

COORDINATION OF HOSPITAL PROGRAM

Prior to March 31, 1943, there was no coordination of the hospital programs of the various agencies. In 1924 a Federal Board of Hospitalization had been created, but this had never operated effectively. As a result, when the armed services began to acquire hospitals in large numbers for the present war, it became evident that much confusion and duplication would result. Accordingly, on March 31, 1943, the President ordered all of the services to report their hospital acquisitions and arrangements to the Federal Board of Hospitalization for the purpose of coordination. On March 31, 1943, the President wrote to the Secretary of War that he was "concerned about the lack of coordination and integration of the wartime expansion of Federal hospitals with the existing Federal hospital facilities and with some over-all plan for meeting the postwar requirements for hospitalizing the veterans of this war."

Prior to this time, the Army had acquired the Breakers Hotel without any reference to the Federal Board of Hospitalization. Even subsequent to this time the Army converted the Breakers from a station hospital to a general hospital without any reference to this Board. Even later, the Army decided to abandon the Ream Hospital and issued orders to this effect on January 7, 1944, without any reference to the Federal Board of Hospitalization. In fact, the Army did not consult either the Navy or the Veterans' Administration to see if either of these agencies could use the Breakers Hotel until after the owners were notified that the hotel would be returned on January 8, 1944.

Thereafter, when a public clamor had arisen against the return of the Breakers to civilian ownership, the War Department consulted the Navy Department and the Veterans' Administration to see if they desired to use the hospital, and the War Department also, on June 21, 1944, referred the question of the abandonment of the Breakers to the Federal Board of Hospitalization. This was 2 months after the Army board of officers had determined that the hospital should be abandoned, and also 2 months after the Commanding General, Army Service Forces, had written this committee to the effect that the hospital would be returned to its civilian owners. It appears affirmatively that the Navy Department and the Veterans' Administration are referring their hospital acquisition questions to the Federal Board of Hospitalization. The War Department states that it is now doing so. However, the record in the case of the Breakers Hotel indicates a failure on the part of the War Department to consult the Federal Board of Hospitalization until after it had acted.

Certainly, in the case of the Breakers, there was absolutely no coordination of action among the various Federal services either at the time when the hospital was acquired, at which time inquiries to the other forces might have resulted in the Army's realizing that the hotel eventually might prove to be a white elephant, or at the time when the decision was made to abandon the hospital.

It should be pointed out that the Navy Department and the Veterans' Administration have refused to use the Breakers Hotel because they have other arrangements which cover their needs, and also because of the Army's representations to them of the high cost involved in utilizing the Breakers Hotel. Both the Navy Department and the Veterans' Administration, facing the prospect of taking the Breakers Hotel at this time as an original proposition, apparently are correct in refusing to consider it. The War Department's position, however, is that of minimizing a loss. In this respect it is entirely different.

Mr. FERGUSON. The Senator from West Virginia [Mr. KILGORE] has ably stated the conclusions of the committee as set forth in the report which it filed on the subject of the Breakers Hotel. Those conclusions are based on concrete evidence collected and, on a record which, in my opinion, cannot be denied. The record, of course, is open to every Member of the Senate for his inspection, but I think that at the present time it is appropriate for me to say a few words upon the subject.

Although it may seem to some to be a minor problem, I believe it is a part of a larger one. Many committees of the Senate and of the House of Representatives are spending time on the problem of the disposal of surplus property. The report to which I have referred is but an indication of how the Government can acquire a great surplus of property, the disposal of which will confront the Senate and the people of this country. While we have been talking about what has been done during the past, the same thing is being done over and over. In fact, at this very moment the War Department is acquiring the Lake Placid Hotel as well as hotels in Nashville, Tenn., and in Hot Springs, Ark. Only a few days ago we heard from the R. F. C. that they are constructing buildings and acquiring other properties for the services.

So I take it that while this particular question may be considered an important one so far as the War Department is concerned, yet to the people of the country it is but one example of how we are acquiring a great surplus of property, and creating a great problem in its proper disposal so that it will not interfere with the economic stability of the country after the war.

There are further facts, therefore, which I think should be brought to the attention of the Senate and of the people of the country. It is with regret that I say that the committee has found that statements of fact made by representatives of the War Department in connection with this entire matter do not appear to be accurate. For instance, the cost per bed as stated by the Engineer Corps to the Surgeon General on the basis of which the Surgeon General agreed to relinquish and turn back to the private owners the hotel, was far in excess of later War Department estimates.

Another instance was the Engineer Corps' bed estimate of a fair rental for the property. It shows that there was not exercised the care and attention which should have been exercised in such matters, and in the acquisition of all property by the Government.

Another instance is in a statement made to the committee. In a letter dated August 16, 1944, the War Department advised our committee that unless the work of reconverting the Breakers to a hotel were begun by August 21, the alterations could not be finished on December 10, when the War Department intends to return the hotel to its owners. This statement was made—and this is not my personal opinion, but the opinion of the committee—in order to induce the committee to complete its investigation. But on April 26, 1944, the War Department advised the committee that the Breakers could be used as a hospital until September 1 of this year, and that there would still be ample time for reconversion for use by the owners during the coming winter season in Florida.

The board of officers appointed by the War Department to consider the abandonment of the Breakers Hotel concluded, on the basis of positive testimony

before them, that the reconversion could be completed within 2 months, including the reinstallation of the hotel furnishings.

The report of the board of officers on the abandonment of the Breakers Hotel contains many self-contradictory statements.

I should like to illustrate the extravagance of the original acquisition of the Breakers Hotel. On December 7, 1942, the management of the hotel was given 5 days' notice that the hotel would be taken. That was after the hotel authorities had engaged the necessary help to go to Florida and had even leased a part of the hotel for the coming season. After only 5 days' notice, the Army demanded possession of the hotel and, as a matter of fact, went to court and obtained an order requiring the hotel management to deliver possession of the hotel to the Army. Actually, the premises were not used as a hospital of any kind until March 1, 1943, when they were opened as a station hospital with a capacity of 1,038 beds. According to the Army's own statement, in March there was a daily average of 32 occupied beds, in April an average of 29, in May an average of 127, in June an average of 221, and in July an average of 200. During that period another private hospital, an eleemosynary institution, could have been acquired for the same purpose for which it was proposed to use the Breakers Hotel.

The Army Air Forces offered the Breakers Hotel to the Surgeon General for use as a general hospital on July 19, 1943, when it became apparent that reduction of Army Air Forces personnel in Florida and failure of overseas evacuations to develop made it unnecessary to retain this facility as a station hospital.

It is now agreed that, as of July 19, an obligation had undoubtedly been incurred to pay a full year's rent of $40,000.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. BURTON. Am I correct in understanding that when the Breakers Hotel was first taken over no agreement was entered into as to the amount of rental to be paid?

Mr. FERGUSON. I am glad the Senator from Ohio has asked that question. His understanding is exactly correct. At that time an Army major went to New York, interviewed representatives of the East Coast Hotel Co., and stated that the Army was going to take the hotel and that it would pay approximately $200,000 a year in rental.

Mr. BURTON. Am I to understand that, in now turning the hotel back to its owners, instead of settling for $200,000 a year the Army is settling for twice that amount, namely, $400,000?

Mr. FERGUSON. That is correct.

Mr. BURTON. So not only was there no agreement when the Army took possession, but it is now paying twice the original estimate which it made when the Army took possession of the hotel.

Mr. FERGUSON. That is exactly correct. It shows how the negotiations were conducted.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. FERGUSON. I yield.

Mr. McKELLAR. Was a renegotiation clause put into the contract? A contract of that nature should be renegotiated. There is a renegotiation law. I do not know whether the law applies to such contracts as the one involved here, but certainly there ought to be renegotiation of an arrangement of the kind to which the Senator has referred.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. HATCH. I understand that the criticism of the Senator from Michigan is not directed at the settlement agreed upon, but at the estimate which was made by the Army in the first instance. Am I correct?

Mr. FERGUSON. The Senator is exactly correct.

Mr. McKELLAR. Did the Senator say that the hotel was rented for approximately $200,000 a year?

Mr. FERGUSON. No; that figure represented the Army's estimate.

Mr. HATCH. The owners of the hotel contended for more than $500,000.

Mr. FERGUSON. Yes; they so contended at the time they were told that the property would have to be taken from them.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. BURTON. At the time the Army took possession of the property no agreement was entered into as to the amount of rental to be paid. The owners of the hotel were contending for approximately $400,000 or $500,000 a year. The Army apparently estimated that the rental should be $200,000 a year. The inadequacy of the Army's estimate is now apparent, because in its readiness to return the hotel to its owners after 2 years of occupancy, it is willing to pay twice the amount of the original estimate.

Mr. FERGUSON. That is correct.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. LANGER. Is what is being said true of many hotels, or is the Senator from Michigan referring to an isolated case?

Mr. FERGUSON. I should say that many other hotels were handled in a similar way. In Seattle the new Richmond Hotel was acquired by the Army for hospital purposes. Later the Navy was asked if it could use the hotel as a hospital, because the Army had decided it did not need it. Representatives of the Navy testified before the investigating committee that they could not under any circumstances use the hotel for hospital purposes, and it was turned back to its owners at considerable cost to the Government.

Mr. President, I am speaking today about the lack of care in the acquisition of properties. The result has been a surplus not only of hospitals but also of lands. We had before the committee statements as to the enormous acreage of farm lands and the enormous acreage of timberlands and various other kinds of lands that have been acquired. It really shocks the imagination to know the amount of land and the amount of property that have been acquired by the Federal Government by condemnation proceedings during the last few years.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. LANGER. In taking this land they did not agree on any price, did they?

Mr. FERGUSON. Not at all. They merely decided overnight, as it were, that they wanted the property in 5 days. They took possession of this large hotel without any other warning and said they would pay $200,000 a year rental, whereas the owner considered on his own figures that it was worth in excess of $500,000, and now the Army itself admits that it was worth $400,000 a year.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. FERGUSON. I yield.

Mr. LANGER. It is my understanding that in Minnesota—the distinguished Senator from that State can tell us about it—they went in and took farm land and they have not paid for it yet. Is not that correct?

Mr. SHIPSTEAD. Mr. President, in Minnesota they took some of the finest farm land with the best soil and having on it some of the finest farm buildings. They took a great deal of it, and put the owners out, when they could have obtained land that was not so expensively built up and that was not so valuable. Some of that land was worth $150 an acre and some of it $200 an acre. I am not sure whether it is a fact, but I was told that it was said by the sales agents of the Army that they were going to pay $50 an acre for it. I may be wrong about that, but they took the land off the tax rolls in a very prosperous community. To a large extent it will wreck the community. They took the best farm lands having the best farm buildings for which they had no use, when they could have gone somewhere else and taken land on which there were no buildings on which to construct ammunition plants.

Mr. FERGUSON. I am glad to have the comment of the Senator from Minnesota. I think I should indicate that it was the various services and agencies of the Government that were demanding the land. We cannot condemn the Land Division of the Department of Justice, for the manner in which they took it, because the Army and various other services were demanding that it be taken overnight.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. HATCH. I am glad to hear the statement of the Senator from Michigan concerning the Department of Justice. The Department of Justice had nothing to do with the original acquisitions.

Mr. FERGUSON. That is correct.

Mr. HATCH. The Department of Justice is called in when there is a failure

to agree upon a price. Then the Department must institute condemnation proceedings. Is not that correct?

Mr. FERGUSON. That is exactly correct. What I have said is not a criticism of the method of taking land; it is a criticism of the actual taking of the land. The acts of the Land Division of the Department of Justice are not being criticised.

We find that $299,000 had been invested to convert the premises to a hospital. Substantially the same amount, or $310,000, would have to be invested to convert it back to a hotel. The total is $609,000. And after only 4½ months of partial use the Army Air Forces, which had originally taken the hotel, were through with it. As of this point, the total number of patients was 661 and the average number of beds occupied was 122, or a cost for providing the building alone, of over $8,000 for each bed occupied.

We had in existence at this very time, Mr. President, a hospital board, which was formed back in 1924. If it had been consulted it could have advised as to the necessity or advisability of taking this hotel as a hospital; but it was not consulted and was not asked for its advice.

The War Department's principal reason for abandoning this hotel today appears to be the question of cost. The committee agrees that the original cost was too high. It is clear that the hotel never should have been acquired and that the acquisition was a blunder. But its retention after large financial obligations had been incurred is another question. Our figures show that the total cost of acquiring title to the Breakers for the Government would be $4,564,000. Our figures also show that whether or not the hotel is bought, it will cost the Government $1,410,000 to abandon the hotel now, and that, too, after the Government has had very little use of the hotel as a hospital. If we pay the $4,500,000 to keep the hotel, we do not have to pay the $1,400,000 in addition. Therefore, it will cost us a net of only $3,100,000 to keep this hotel. Even the War Department agrees that the hotel can readily be sold after the war with a probable loss to the Government only of normal depreciation. As a result, the net cost for acquiring this hotel, even if we kept it only 3 more years and then sold it, would be only $700,000. The cost per year for each of 3 years would be only $234,600. The cost per bed, including all maintenance and repairs, would be $352 a year, or less than $1 a day.

The Members of the Senate should know that the War Department is now leasing other hotels. It is leasing them for reassignment purposes. It is acquiring hotels at such places as Lake Placid, N. Y., Asheville, N. C., Hot Springs, Ark., and on the west coast. These hotels will cost between $1.28 to $1.72 per bed, per day, whereas, as I have said, the figures show that the Breakers Hotel used for the same purpose would cost only a dollar a day per bed.

The cost of acquiring the Breakers Hotel and using it as a hospital would be considerably less than the cost of a great many of the other general hospitals, which are not being abandoned, providing there was not charged against the hospital the $1,410,000 which will have to be paid whether we take it or not. This is a fair assumption. It comes down to this: If it will cost the Government a million and a half dollars, whether or not we have the hotel and for $3,000,000 more we can get the hotel, obviously the hotel is costing us only $3,000,000.

The Surgeon General was consulted. He considered the Breakers an excellent hotel, for in a letter dated November 18, 1943, Maj. Gen. W. D. Styre, of the Army Service Forces, stated:

> The Surgeon General considers the Breakers one of his best general hospitals and has planned to occupy this facility for the duration of the war and for such a period thereafter as may be necessary to take care of the sick and wounded.

In a memorandum dated July 19, 1943, Brig. Gen. N. W. Grant Air Surgeon, stated:

> (a) That the hospital be designated to care for cases requiring specialized treatment in plastic surgery, maxillofacial surgery, ophthalmological surgery, and neurosurgery. (It is believed that a large percentage of cases requiring plastic surgery are air force personnel.)

He goes on to say:

> I visualize this hospital as a model institution, bringing together the thoughts of both offices on medical care, and ironing out many apparent differences that have existed for many years.

Yet, in the face of such testimony, we find the Army turning this hotel back and suffering a loss of $1,410,000. In a memorandum dated July 30, 1943, Maj. Gen. Norman T. Kirk, the Surgeon General, stated to the commanding general of the Army Service Forces:

> 1. It is recommended that the station hospital (1,038 beds) now operated by the United States Army Air Forces in the Breakers Hotel at Palm Beach, Fla., be taken over and operated as an Army general hospital to serve the Florida area and to receive patients through the overseas flyway.
>
> Minimal structural changes have been made, and having been made, this hotel has become a hospital most compact and simple to administer. It would be hard to find a building not originally built as a hospital that so admirably lends itself to hospital purposes. In fact, its physical construction is such that it is better for hospital use than many hospitals and far superior in design and simplicity to our planned cantonment and general hospitals. Equipment and supplies complete as is and in addition a complete 1,000-bed unit in storage which has been very little used.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. HATCH. I do not wish to interrupt the Senator, but does he propose to discuss what it will cost to disband those who now staff this hospital, to disperse the doctors to various other places?

Mr. FERGUSON. I had not proposed to do that, but I will say to the Senator that it represents a considerable amount.

Mr. HATCH. The Senator might very well comment on that point.

Mr. FERGUSON. I wish to say that we have set up a staff of nurses, of internes, and of doctors. We have the hospital, and, as the Surgeon General said, it is completely equipped. We are going to find the patients taken out of this hospital and many of them sent to Atterbury Hospital in Indiana. The doctors will have to find other hospitals in which to work. That is another cause of great expense which we have found in searching the records and in the testimony which was given before us.

It is the unanimous opinion of many doctors residing at Palm Beach, of relatives of servicemen, and of patients at the hospital, and of others who have seen the Breakers Hotel, that it is an excellent facility, particularly for the treatment of plastic surgery cases and for neurosurgery. Its surroundings are ideal from the point of view of morale. There it sits upon the ocean front, giving an ocean view and ocean use to those who are coming back to health, who have been in the armed services.

While the committee did not desire at any time to review decisions which relate particularly to the questions of the most desirable location for operations, such as hospitals and redistribution centers, the committee was of the opinion that in the absence of compelling reasons against the use of the Breakers, this hotel should not be returned to civilian use at this time. It is extraordinary that at the same time that the War Department particularly bemoans what it alleges to be a slackening of morale on the home front, it is willing to return to luxury use one of the most ideally located hospitals available to injured soldiers. Even though only a few of the many soldiers could enjoy these premises, it boosts the morale of every soldier to know that such premises are available to him and his comrades in case they might need it. While no soldier would have thought much of the matter one way or the other if the Breakers had never been taken, many will find it hard to understand why it should be returned and the owners should be paid $1,410,000 for the meager use that it has been put to in the past 2 years.

In this connection, a very vital aspect of the proposed agreement to return the hotel is that the War Department is to rehabilitate the premises itself. The owners explained to the committee that this is necessary because the owners cannot obtain the necessary materials, whereas the War Department can obtain them from its military supplies not available to civilians generally. This results in giving a priority for such things as linens, paints, and other materials; yes, even telephones and electric wire, to a civilian operation of the most luxurious sort.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. McKELLAR. Did the committee have any evidence as to what the Government could sell this hotel for if the Government placed it on the market? What is the fair cash market value now? If it cost $4,500,000, and we are to pay out more money to rehabilitate it, before we

do so would it not be better to ascertain from some proper source what the hotel could be sold for? We have to look at the question from the Government's standpoint.

Mr. HATCH. Mr. President, will the Senator yield to me so I may answer that question?

Mr. FERGUSON. I yield to the Senator from New Mexico.

Mr. HATCH. I will answer that question, because I have exactly the same idea the Senator from Tennessee has, and, being a little practical minded myself, I thought it was an important consideration. Our committee was informed that this is one of the most salable properties in the United States. Am I not correct in that statement, I ask the Senator from Michigan?

Mr. FERGUSON. That statement is exactly correct.

Mr. McKELLAR. If the Government could sell the property at this time and come out whole, manifestly that is what we ought to do with it.

Mr. HATCH. Mr. President, will the Senator yield further?

Mr. FERGUSON. Yes; I yield.

Mr. HATCH. My own thought is this, that we could take this property and utilize it for hospital purposes. I do not know how long we should use it for such purposes. But when the time came that it was no longer needed for such purposes, I think we could sell the property for pretty close to what it cost, if perhaps not at a profit.

Mr. FERGUSON. I am glad to have that comment, because the figures given before the committee indicated as much. As I stated before, if we take it and use it for a period of 3 years, it would cost about a dollar a day per bed on a resale basis, so we could resell it at that time, after we had used it, instead of acquiring other places which we are acquiring, which are going to cost more per bed.

Mr. McKELLAR. If the hotel cost $4,500,000, and it is being rented to the Government at $400,000 a year, that is a very, very large income on the amount invested, and I think the contract should be renegotiated.

Mr. FERGUSON. The payment of $400,000 rental on a $4,000,000 property is a high rental.

Mr. President, we find that in addition to the hotel being completely a luxury facility operated only 4 months a year, there are many civilian requirements for the same materials to be used in reconversion, which in addition to being nonluxury needs, can be utilized every day of the year.

In other words, if we keep this property as a hospital, and have the doctors who are there remain, the equipment which is now there would be used, and we would not be required to reconvert it to a luxury hotel, at a time when many of the articles which would be put in there could be put to other civilian use where they would be used 365 days a year, whereas in this hotel they will be used but 4 months in a year.

Mr. President, there is another question I should like to refer to at this time, dealing with the same subject. I wish to comment upon the reluctance of the Attorney General of the United States, Mr. Biddle, to furnish the committee with material and factual information to which it was entitled as a matter of law, and which should have been readily and willingly furnished upon request. The report of March 14, 1944, by the Assistant Attorney General in charge of the Lands Division to General Somervell in regard to the probable liabilities of the Government in settling the condemnation case for acquisition of a leasehold or temporary interest in the Breakers Hotel, contrasted with the possible liabilities of the Government should the hotel be acquired outright, was a factual analysis devoid of any questions involving military secrecy; it involved simply a matter of transacting Government business in a matter which had already been the subject of investigation by our committee. In pressing the committee's investigation further, it was very natural, indeed quite necessary, that the committee should request from the Attorney General a copy of this report.

A request was made to the Attorney General for the report, but the report was not forthcoming. The Attorney General's failure to submit the report retarded the investigation by the committee. Only by subpena did the committee secure it.

The incident is of great significance as a matter of principle. Not only ordinary courtesy, cooperative relations between the legislative and executive branches of the Government, and the interests of the public welfare, but also the law of the Constitution, demands that fullest cooperation from the Attorney General, as well as other executive officers. The investigational powers of Congress are too well known to require comment. They are as old as the Constitutional Convention and were taken for granted without question there. Indeed, one of the reasons assigned for requiring annual meetings of the Congress was stated by George Mason, Delegate from Virginia, who said that—

> The legislature, besides legislative, is to have inquisitorial powers, which cannot safely be long kept in a state of suspension.

In other words, Mr. President, if committees of the Senate are to investigate problems and pass legislation dealing with them, and investigate contracts made with the Federal Government, it is essential that they have the fullest cooperation not only of the Attorney General, but of every other governmental department.

The Attorney General of the United States seems unaware of this vital function of Congress, for on two occasions it has been necessary for this committee to issue a subpena to secure information from the Attorney General which there was no possible grounds for his refusing to furnish. It seems unfortunate that it should be necessary to advise the chief legal officer of the United States Government in respect to his duties.

The attitude of the Attorney General in this case has been prejudicial to the public interest. It seems that in addition to his opposition to aiding this committee, he declined to make available to the War Department the advice of Assistant Attorney General Littell, who had made an exhaustive study of the Breakers Hotel case. General Somervell, having appointed a committee within the War Department to consider the question of policy as to whether the hotel should be acquired outright or relinquished to the owners at the expiration of the lease term, wrote to the Attorney General suggesting that the Department send a representative to meet with that committee, expressly mentioning Assistant Attorney General Littell, but the Attorney General declined to have Mr. Littell participate in those deliberations.

It might well be that his discussion of the case, which this committee has found most helpful in understanding it, would have changed the conclusion reached by General Somervell's committee, as there was otherwise no member of the committee of wholly independent judgment who was not on General Somervell's staff or subject to his authority. In dealing with any public issue of this character, all information in any department and the best expert opinions which are available ought to be brought to bear in the public interest. It is regrettable that the Attorney General did not follow this course in the instant case.

Mr. President, once before I had occasion to mention this identical subject, when we had under consideration the Canol project. In that case we found that the Petroleum Administrator for War was not consulted. If the time has come in America when our agencies are to consult only the "yes" men, and not those who may have knowledge of the facts, and who might be critical of proposals, then I say that this Nation will have surplus goods which it will never be able to dispose of. We shall never be able to enact legislation to dispose of surplus property acquired in the manner in which this property has been acquired. I say that the time has come when "yes" men should not be consulted, but critics of various proposals should be consulted, and we should have civilian judgment as well as military judgment in connection with these problems. We should have a judgment which will satisfy the people of the United States, and which they can support.

SHORTAGE OF FARM MACHINERY IN NORTH DAKOTA

Mr. LANGER. Mr. President, once more I desire to bring to the attention of the Senate the desperate plight of the farmers in the Northwest with relation to farm machinery. When this war started, I decided that I would not be a Republican or a Democrat, but an American, fighting for this Republic until the war was over, and that I would put out of my mind all sense of partisanship. But, Mr. President, the Gallup poll tells the story only too well. Farmers all over the country are resenting the rotten, indefensible deal they are receiving at the hands of the present Democratic administration. All over the Northwest farmers are daily losing money because of the incompetency of various bureaucrats holding responsible positions under this administration in Washington.

Last May I called the attention of the Senate and of the heads of various bureaus to what was happening to the farmers because of their inability to obtain farm machinery. I hold in my

hand a letter written on the 12th of June by the administrative assistant of the State committee of the Agricultural Conservation Office at Fargo, N. Dak. It reads as follows:

DEAR SENATOR LANGER: Reference is made to your letter of June 5, regarding the application filed by Mr. George A. Schick, of Lark, N. Dak., for a new combine.

I may add for the benefit of Senators who do not know what a combine is that it is a machine used to harvest grain.

This applicant wrote to us on May 15 requesting that the rationing committee act on his combine application. A copy of our reply to that letter is enclosed. Mr. Schick again wrote us on June 1 and his letter of that date is worded practically the same as the letter addressed to you, which we are herewith returning. A copy of our reply to Mr. Schick's letter of June 1 is also enclosed.

We regret that it is necessary for our county committees to disapprove so many applications for new combines, but unless more combines are produced and allotted to North Dakota there is no alternative. As you probably know, our State quota for combines was recently reduced by 763 machines (560 John Deere and 203 McCormick-Deering) because the manufacturers were unable to produce them due to manpower shortages in these plants. We did receive a partial replacement of some of this cut (126 J. I. Case combines) but our allotment is 637 less than the number we had expected to receive. Our present State quota is 2,130 combines of all makes and sizes and a total of approximately 5,500 applications for new combines had been filed in county offices as of May 31, 1944.

Very truly yours,

RAYMOND E. MOREHEAD,
Administrative Assistant, State Committee.

Mr. President, this does not begin to tell the story, because county committee after county committee, when farmers applied for combines, were simply told that the quota was exhausted, and that there was no use in filing applications, with the result that thousands of farmers are not included in the list of 5,500.

Mr. President, where are these combines going, which our own farmers in this country cannot get? On the 1st of July, through one little town in North Dakota, the town of Portal—I doubt whether Senators ever heard of it—3 combines were sent to Canada. On July 2, 12 combines were sent to Canada through the town of Portal; on July 3, 20 combines were sent to Canada through the little town of Portal; on July 4, 16 combines; on July 5, 5 combines; on July 6, 5 more; on July 7, 14 combines; on July 8, 8 combines; on July 9, 16 combines; on July 10, 3; on July 11, 3; on July 12, 2; on July 13, 3; on July 14, 3; on July 15, 13; on July 16, 1; on July 17, 11; on July 18, 2; on July 19, 2; on July 22, 4; on July 23, 12; on July 24, 6; on July 26, 14; on July 27, 3; on July 28, 11; on July 30, 13; on July 31, 25. Two hundred and thirty combines were sent to Canada at the very time when our farmers were begging for them. They were sent through the State of North Dakota, past the homes of farmers who were pleading for them.

On the 1st of August 10 combines more went through Portal; on August 2, 12; on August 3, 14; on August 4, 12; on August 7, 33; on August 8, 6; on August 9, 6; on August 13, 2; on August 14, 6; on August 15, 2; on August 16, 3; and up to the 16th, 106 more combines, which are so essential to the welfare of the farmers of North Dakota, were sent through one little town to Canada.

This morning I received a telegram from Portal, reading as follows:

One carload of six combines exported at Portal today.

Mr. President, I have before me many letters, out of thousands which I have in my office. Last Friday I placed 30 or 40 of them in the RECORD. These letters are along the same lines as the ones which I placed in the RECORD the other day. Here is one sent to me by an outstanding citizen of the State of North Dakota, Mr. A. Robbie, a man who has been mayor of his town, the town of Cavalier, in Pembina County.

His letter reads as follows:

DEAR MR. LANGER: I hope you will pardon me—

Mr. President, these farmers have been so beaten down by bureaucrats when they were begging for tires, for plows, and for little gears they needed to place in the back of their tractors that now they even apologize to their own Senator for daring to write to him.

This man has been mayor of the town. He writes as follows:

I hope you will pardon me for sending you the wire this morning in regard to the trouble we are having in getting repairs for our machinery. I have just been kept busy chasing over the country trying to locate repairs which the local agents have been unable to supply. One of our combines, a No. 11 International, broke down yesterday and has been idle now for 24 hours just because I could not get concaves. It happened that we picked up metal yesterday and three of them were broken. I finally located one at Hallock, Minn., and just returned from there with it now. It is exasperating to have the machines idle when we have as much grain lying swathed and weather conditions so bad as they have been for the last 3 weeks now. Some of our grain was cut the last week in July and is still on the ground. Anything you can do to help out the present situation will surely be appreciated.

With kindest regards, I am,

Yours very truly,

A. ROBBIE.

On Friday I read a letter, to which I wish to refer now, from Mr. L. Kruckenberg, who lives at the other end of the State. In his letter he says:

DEAR MR. LANGER: I want to inform you that I finally got an order for a new grain binder. Am sorry to report that by the time I will get the machine I may be through with harvesting.

I hold in my hand a letter from the Myhra Equipment Co., in Cass County, showing the number of applications filed by honest-to-God farmers trying to get hold of machinery with which to gather their crops. The letter refers to combines alone. The letter was addressed to Mr. Irvin Piper, who sent it to me. His address is Wheatland, N. Dak.

The letter reads as follows:

DEAR MR. PIPER: As per our conversation the other day, we are enclosing a list of farmers' orders we have on hand for Case combines for Cass County farmers.

The orders are only for Case combines, mind you, Mr. President, for Cass County farmers—farmers in just one county, and orders for just one kind of combine.

I read further from the letter:

Our allotment for Case combines for Cass County consists of 10—two 6-foot and eight above 6-foot. We have at the present time received from the Case Co., two 6-foot machines and four 12-foot machines for Cass County on which certificates had been issued for quite some time. By comparing the orders we have on hand with the machines we are allotted it will give you some idea of the seriousness of this situation. In addition to the Case allotment for Cass County we are allotted 3 Gleaner Baldwin 12-foot machines for Cass County. This would make a total of 13. We were allotted 5 more combines from the Case Co. which they do not expect to have manufactured and delivered in time for harvest. The writer hopes that you can make some use of this information.

Mr. President, attached to the letter is a list of those farmers. They live in the vicinity of Fargo, N. Dak.

The list reads as follows:

RETAIL ORDERS FOR CASE COMBINES FOR CASS COUNTY

Selmer Otis, Kindred, 9 feet; Alfred Johnson, Hunter; O. E. Rose, Ayr, 12 feet; John L. Ford, Casselton; Harry Combs, Chaffee; Henry Krabbenhoft, Fargo; I. B. Scoville, Grandin, 12 feet; C. R. Landbloom, Fargo; M. A. Severson, Kindred; H. L. Ecklund, Harwood; A. M. Hedlund, Fargo; Ted. M. Lee, Kindred; Melvin Strand, Hickson; Olof A. Perhus, Kindred; Leo E. Grieger, Erie; Herman Rust, Fargo; B. J. Rogne, Kindred; W. A. Francis, West Fargo; George A. Kounovsky, Fargo; Walter Jahnke, Amenia; Nipstad Brothers, Kindred; Tollef Tronsgaard, Argusville; August Murray, Wheatland; Dale Hull, Page; Earl Franke, Erie; Fred Peach, Erie; Frank Matzke, Buffalo; S. Husso, Erie; Willbert Still, Page; Olander Johnson, Kindred; Iver Bakken, Galsburg; John Brainerd, Portland; Donald Larson, Hunter; William A. Schwandt, Buffalo; E. A. Marcks, Buffalo; T. O. Grant, Fargo; Rudolph Opp, Gardner; Alvin Anderson, Harwood; Richard Weisbach, Durbin; Ed. Boutz, Casselton; Theo. L. Gulvig, Davenport; John Hardin, Fargo; C. O. Peterson, Harwood; Eddie Saewert, Davenport; A. E. Miller, Buffalo; Reuben Kemmer, Casselton; Wallace Spooner, Durbin; Russell Quisberg, Embden; Arnold Hoffman, Wheatland; Allen Gross, Casselton; Richard Viesteng, Arthur; H. E. Combs, Chaffee; W. E. Bucholz, Durbin; Emil Sommerfield, Alice; Emil Hendrickson, Davenport; Virgil Miller, Buffalo; Nathan Idso, Ayr; George Hajek, Davenport; George Schonberg, Casselton; Art Miller, Durbin; Roy D. Cameron, Erie; John Conrad, Erie; Orin Hogen, Buffalo; Clarence Hayek, Fargo; L. Holm, Page; E. A. Goltz, Leonard; W. A. Rueckert, Ayr; J. C. Wadeson, Alice; R. E. Cameron, Ayr; Lloyd Miller, Buffalo; Kenneth Erickson, Kindred; Ewald Moderow, Casselton; J. M. Elliott, Grandin; Ed. Wegner, Arthur; A. H. Buttke, Buffalo; Otto Schneckloth, Buffalo; Fred Heindinrich, Kindred; Reynold Dittmer, Durbin; Brandsted Brothers, Amenia; Albert Akason, Mapleton; Frank Jendro, Wheatland; Adolph Lebus, Davenport; Lewis Veisting, Arthur; C. T. Perkhouse, Arthur; Axel Akeison, Grandin; A. Slingsay, Argusville; J. M. Elliott, Grandin; Joseph Lerfald, Galsburg; Andrew Jesperson, Buffalo; Art Glasow, Davenport; Loraine Langer, Fingal; Myron Stenseth, Buffalo; Edward Kummer, Walcott; Emil Piper, Davenport; William Geerdes, Davenport; Kensok Brothers, Chaffee; E. W. Marshall, Wheatland; W. E. Bayley, Page; William Zimmerman, Arthur; John Bryan, Leonard; Myron Stenseth, Buffalo; R. T. Card, Alice; Ralph Schneckloth, Tower City; Orville Satrom,

Page; Henry Kuball, Grandin; Alfred Johnson, Hunter; Arnold & Hugo Hoffman, Wheatland; F. O. Kellerman, Davenport; Fred Kingston, Casselton; all in the State of North Dakota.

I have read the addresses in order to show the towns in which the farmers live. All of them are within a radius of approximately 25 miles on one side of Fargo, in just one direction. There are a total of 108 applications. Mr. President, I call the attention of this body to the fact that right by the homes of these 108 farmers who are trying to eke out a living, trying to raise grain so that there may be food with which to carry on this war—men who believe that food is just as important as gunpowder and other munitions—the railroads have been transporting combines to Canada.

I have before me some additional letters and telegrams. For example, I hold in my hand a letter from Napoleon, N. Dak., in the southern part of the State. It is typical of the kind of letters which are being sent. The letter is undated, except for the month—August—but I received it only today, so I know it is a recent one. It reads as follows:

Mr. LANGER: Today I filled out an application to obtain a certificate to purchase a new truck.

Some Senators may not know what a combine is, but I assume that all Senators know what a truck is. I will show the Senate the experience our farmers are having in their attempts to obtain the trucks they need.

I read further from the letter:

As they have to be appraised in Washington, I thought there might be something you could do to help along for its approval. I know it is asking a great deal of you, but I have always had a great deal of confidence in your work, and trust you will be of great help—

He is applying to a United States Senator, in these times, Mr. President, for assistance in obtaining a little, measly truck so that he can produce food. Is it any wonder that the Gallup poll shows that all over the country the present administration is losing the regard of the farmers—as it should, with this kind of an administration that is treating the farmers in this totally unworthy and abominable manner.

The writer of the letter further says:

You see, I have 800 acres from which the grain has to be hauled, and have a fairly large herd of cattle and hogs, and have no truck at all. I have to depend on the other fellow, and wait until he gets around. Generally it's late, and then he charges so much that he gets more for hauling than I do for raising it. It's unbearable.

Last year my grain was dumped on a pile in the field. The trucker didn't get to haul it until we had a few snowstorms, so you can just about know how much was left for profit.

Mr. President, I might say that I submitted Resolution 185 at a time when we showed there were millions of bushels of grain scattered all over the western section of North Dakota and the eastern section of Montana.

I read further from the letter:

Mother and I are farming together and have 800 acres of crop to haul, and have 60 head of cattle, also other livestock. So when the year's trucking is totaled, it nearly pays for a truck.

So you can see we have use for a truck the year round. It's just as necessary as a tractor on a farm.

I have on my desk scores and scores of letters and telegrams, some of which I placed in the RECORD on Friday. They show that the situation relative to tractors is the same as that relative to combines.

The fact is that a number of tractors are being sent to Canada at the very time when thousands of our farmers cannot obtain the tractors they need. That is shown by letters which I shall read, and by the records in the office in Washington.

On July 1, through one little town, namely, Portal, 6 tractors were sent to Canada. On July 2, 20 tractors; on July 3, 35 tractors; on July 4, 22 tractors; on July 5, 17 tractors; on July 6, 5 tractors; on July 9, 9 tractors; on July 10, 32 tractors; on July 11, 6 tractors; on July 13, 12 tractors; on July 14, 28 tractors; on July 15, 17 tractors; on July 16, 8 tractors, and on July 17, 40 tractors were sent through at one time. My information is that they all were equipped with nice rubber tires, just as were the combines which had been shipped from the United States. At least the ones which I myself saw by going to Portal were equipped with rubber tires.

On July 18, 9 tractors were sent through Portal; on July 19, 19 tractors; on July 22, 34 tractors; on July 23, 31 tractors; on July 24, 38 tractors; on July 25, 21 tractors; on July 26, 5 tractors; on July 27, 26 tractors; on July 28, 17 tractors; on July 29, 10 tractors; on July 30, 22 tractors; and on July 31, 25 tractors, or a total of 514 tractors sent through one little town of North Dakota and exported to Canada. It is an indication of the thousands and thousands of tractors which must have been sent to Canada through all the small points of export.

On August 1, 1944, 15 tractors were shipped through Portal, N. Dak., to Canada; on August 2, 3 tractors; on August 4, 3 tractors; on August 7, 4 tractors; on August 11, 4 tractors; on August 12, 4 tractors; on August 13, 10 tractors; on August 14, 16 tractors; on August 17, 5 tractors; and on August 18, 5 tractors, or a total of 69 tractors.

During a period of 6 weeks, when farmers throughout the country were down on their knees begging the Administration for help in obtaining tractors and combines so they could save their crops which were shelling and rotting in the fields, and at the very time the letter which I have read stated that North Dakota could not obtain a quota, there were exported to Canada 583 tractors and 336 combines.

Mr. President, I wish to read a letter which is typical of others I have received. It is from Ashley, N. Dak., a town located in the southern section of the State. It was written on the 18th of August 1944. I have just received it.

DEAR SENATOR: I have tried about everything else ever since last January to get a permit for a new tractor without any success or even get the local board or the State office much interested in my case. I have farmed for several years for myself and have this year 322 acres in crop. * * *

I have always tried to farm with horses, with the intention that if I buy a tractor it should be a new one. They want as high as $1,400 for old tractors, where new ones can be bought for a little over $1,100.

That is, if they are available.

I feel that our local board is not treating me fair by always denying me a permit for a new tractor, as I had several chances to buy the new tractor if I had had the permit.

As I showed a few minutes ago, the local boards deny the permits, because, they say, the quotas are not only exhausted but there are already on file thousands upon thousands of applications for tractors which cannot be filled.

I shall not mention the name of the writer of the letter or the name of the persons to whom he refers, because I do not want to get anyone into trouble. The letter continues:

Now Mr. ———, who was my close neighbor, but who is now living in Ellendale and comes from there to help on his farm, has a good tractor and he got a permit since I applied for a new tractor, and he bought a new tractor and now wants to sell me his old one for $1,000. And there is Mr. ———, who is a trucker and farms from the town of Ashley. He bought a new tractor in 1943 and a new one in 1944, and there are more such cases that had good tractors and sold their old one and bought a new one, but I am always denied. It looks to me there must be either politics in this business or else they pay something to get these favors.

I feel that I will not extra cater or pay anything to get a permit for a new tractor, but I must have a tractor to carry on my farming. I wanted a tractor to harvest my crop, but as I could not get one had to do it with the horses, and then Mr. ——— getting a new tractor and then offering to sell me his old one for $1,000, that makes me feel that I am just downed. * * *

I was in Aberdeen just recently where they had a new tractor that I could have bought, if I had a permit, for a little over $1,100, and they had an old one for which they wanted $1,400.

Mr. President, once more I wish to invite the attention of the Senate to the terrible plight of the farmers who cannot obtain machinery. As I said a few days ago, when I was home recently we held a hearing with regard to the situation of farmers who were not able to obtain machinery. One county agent testified that last year a million bushels of wheat and thousands upon thousands of bushels of flax had been destroyed because they could not be harvested. Testimony showed that one farmer had to drive more than 800 miles in order to buy a little 75-cent gear for his tractor. Another man had to drive through several towns before he could obtain a similar gear.

So, Mr. President, I wish to call the attention of the Senate once more to the desperate situation in which the farmers of North Dakota find themselves today. I wish Members of the Senate to know that in North Dakota thousands of acres are not being properly harvested because of the lack of necessary machinery with which to harvest them. I wish the Senate also to know that at the very time when the farmers of the United States cannot obtain necessary machinery the National Trucking Association, last Friday, sent me—and I presume

every other Member of the Senate—a magazine showing that they have sent trucks all over the world, including Ethiopia. In behalf of the farmers of this country, I wish to protest most vigorously, Mr. President, against the kind of treatment which the farmers are receiving at the hands of this administration.

EXECUTIVE SESSION

Mr. McKELLAR. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. GEORGE in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. CHANDLER, from the Committee on Military Affairs:

Sundry officers for temporary appointment in the Army of the United States, under the provisions of law;

Sundry officers for promotion in the Regular Army, under the provisions of law;

Sundry officers for appointment, by transfer, in the Regular Army; and

Sundry officers for appointment in the Regular Army, under the provisions of law.

By Mr. WALSH of New Jersey, from the Committee on Naval Affairs:

Sundry officers for appointment for temporary service in the Navy; and

Col. Franklin A. Hart, to be a brigadier general in the Marine Corps for temporary service from September 25, 1942.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Foreign Service.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the Foreign Service nominations on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Foreign Service nominations are confirmed en bloc.

Mr. McKELLAR. I ask that the President be notified immediately of the confirmations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. McKELLAR. As in legislative session, I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 3 o'clock and 1 minute p. m.) the Senate took a recess until tomorrow, Wednesday, August 23, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 22 (legislative day of August 15), 1944:

CIVIL AERONAUTICS ADMINISTRATION

Theodore P. Wright, of the District of Columbia, to be Administrator of the Civil Aeronautics Administration, vice Charles I. Stanton, resigned.

RECORDER OF DEEDS, DISTRICT OF COLUMBIA

Marshall L. Shepard, of Pennsylvania, to be recorder of deeds, District of Columbia, vice William J. Thompkins, deceased.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named officers for promotion in the Regular Corps of the United States Public Health Service:

ASSISTANT DENTAL SURGEON TO BE PASSED ASSISTANT DENTAL SURGEON, EFFECTIVE DATE INDICATED

Sidney Frederick, August 15, 1944.

PASSED ASSISTANT SURGEONS TO BE TEMPORARY SURGEONS EFFECTIVE JULY 1, 1944

Raymond F. Kaiser
John P. Turner

IN THE NAVY

Ensign Clarence F. Avery, A–V (N), United States Naval Reserve, to be an ensign in the Navy, to rank from the 6th day of January 1941.

The following to be assistant surgeons in the Navy, with the rank of lieutenant (junior grade), to rank from the date stated opposite their names:

Joseph O. M. Thatcher, October 7, 1941.
Edmond P. Larkin, November 22, 1941.
Bothwell Graham III, May 26, 1942.
Francis E. Martin, July 6, 1942.
Rider R. Lewis, July 14, 1942.
Byron D. Casteel, July 15, 1942.
Charles B. Tolle, July 1, 1943.
Richard B. Leander, July 8, 1943.
Mark F. Todd, July 10, 1943.
Robert P. Lyons, July 10, 1943.
John F. Kincaid, Jr., July 10, 1943.
Charles W. Harding, July 10, 1943.
John A. Pease, July 10, 1943.
Robert T. Maurer, July 11, 1943.
Edward J. Hagan, July 12, 1943.
Donald B. Freshwater, July 24, 1943.
John R. Cole, January 9, 1944.
V. Dale Alquist, January 13, 1944.
Arthur B. Watts, January 10, 1944.
Joseph F. Rorke, January 20, 1944.
Jackson H. Stuckey, March 6, 1944.
Kenneth G. Jones, April 4, 1944.
Claude E. Arnett, Jr., May 3, 1944.
William B. Ford, May 30, 1944.
William A. Cantrell, June 1, 1944.
James A. Stewart, June 1, 1944.
Frederick G. Dorsey, June 1, 1944.
Dorliska W. Brown, Jr., June 5, 1944.
Charles C. Sprague, June 6, 1944.
Joe B. Stephens, June 6, 1944.
Marvin F. Sherrill, June 7, 1944.
Walter D. Roberts, June 7, 1944.
Malcolm Y. Colby, Jr., June 7, 1944.
Henry G. Gardiner, Jr., June 7, 1944.
Jackson W. Modisett, June 7, 1944.
John R. Weber, June 7, 1944.
Arvin T. Henderson, June 7, 1944.
Jack J. Hatfield, June 7, 1944.
Victor V. Davie, June 7, 1944.
Rolla D. Burghard, June 8, 1944.
Richard L. Mason, June 8, 1944.
William C. Mills, Jr., June 8, 1944.
Walter P. Anthony, Jr., June 8, 1944.
William R. Thornton, June 9, 1944.
James Y. Bradfield, June 10, 1944.
Andrew J. Causey, June 10, 1944.
William H. Thompson, June 27, 1944.
Donald E. Stephens, June 27, 1944.
Irving L. White, June 27, 1944.
Robert H. Mitchell, June 28, 1944.
Marshall M. Searcy, June 30, 1944.
Hugh H. Hanson, July 8, 1944.
Charles F. Climie, Jr., July 26, 1944.
John T. Manning, July 26, 1944.
John D. Conway, July 28, 1944.
John W. Markson, July 28, 1944.
George H. Lawrence, July 28, 1944.
Eugene W. Rumsey, August 5, 1944.
Amos B. Root, Jr., August 5, 1944.
Frank R. Morrow, August 5, 1944.
Donald B. Hull, August 5, 1944.
Adrian B. Goodman, August 5, 1944.
Walter R. Ogden, August 5, 1944.
Franklin J. Grabill, August 9, 1944.

Ensign William K. Woodward, D–V(G), United States Naval Reserve, to be an assistant paymaster in the Navy, with the rank of ensign, to rank from the 13th day of February 1943.

Assistant Paymaster James J. Lynch to be an assistant paymaster in the Navy, with the rank of ensign, to rank from the 9th day of June 1941, to adjust the date of rank as previously nominated and confirmed.

Assistant Paymaster Rex W. Warner to be a lieutenant (junior grade) in the Navy, to rank from the 1st day of June 1942.

Ensign William T. Peach 3d, United States Navy, to be an assistant paymaster in the Navy, with the rank of ensign, to rank from the 19th day of June 1942.

IN THE MARINE CORPS

The following-named naval aviators of the Marine Corps Reserve to be second lieutenants in the Marine Corps, in accordance with the provisions of the Naval Aviation Personnel Act of 1940, as amended:

Donald G. H. Jaeckels, from the 16th day of March 1941.

Kenneth R. Chamberlain, from the 16th day of July 1941.

Robert J. Bear, from the 4th day of August 1941.

Robert F. Stout, from the 4th day of August 1941.

Robert W. Vaupell, from the 18th day of August 1941.

Harold G. Schlendering, from the 30th day of August 1941.

James B. Maguire, Jr., from the 8th day of October 1941.

Clair "C" Chamberlain, from the 10th day of October 1941.

John P. Sigman, from the 14th day of October 1941.

George F. Bastian, from the 16th day of October 1941.

Israel E. Boniske, from the 16th day of October 1941.

Brenten G. Myking, from the 16th day of October 1941.

Robert O. White, from the 16th day of October 1941.

Jack E. Conger, from the 16th day of December 1941.

James A. Gilchrist, from the 16th day of December 1941.

Oliver T. Koch, from the 16th day of December 1941.

Elton Mueller, from the 16th day of December 1941.

Lynn H. Stewart, from the 16th day of December 1941.

John "E" Hughes, from the 9th day of January 1942.

Arnold A. Lund, from the 9th day of January 1942.

John B. Maas, Jr., from the 9th day of January 1942.

Henry S. Sabatier, from the 9th day of January 1942.

Louis R. Smunk, from the 9th day of January 1942.

John R. Stack, from the 9th day of January 1942.

Robert W. Teller, from the 9th day of January 1942.

Joe L. Warren, from the 9th day of January 1942.

Joseph W. White, Jr., from the 9th day of January 1942.

Eugene A. Trowbridge, from the 7th day of February 1942.
Jack L. Brushert, from the 9th day of February 1942.
William E. Crowe, from the 9th day of February 1942.
Samuel B. Folsom, Jr., from the 9th day of February 1942.
Thomas W. Furlow, from the 9th day of February 1942.
George L. Hollowell, from the 9th day of February 1942.
Samuel Richards, Jr., from the 9th day of February 1942.
Leo F. Tatro, Jr., from the 9th day of February 1942.
Howard L. Walter, from the 9th day of February 1942.
George D. Wolverton, from the 9th day of February 1942.
William "B" Freeman, from the 12th day of March 1942.
Raymond A. Rogers, Jr., from the 12th day of March 1942.
Wallace G. Wethe, from the 12th day of March 1942.
Frank P. Barker, Jr., from the 14th day of March 1942.
Willard C. Lemke, from the 14th day of March 1942.
Carroll E. McCullah, from the 14th day of March 1942.
Edward J. Montagne, from the 14th day of March 1942.
Clarence H. Moore, from the 14th day of March 1942.
Arthur N. Nehf, Jr., from the 14th day of March 1942.
Martin B. Roush, from the 14th day of March 1942.
Carol D. Dalton, from the 17th day of March 1942.
James E. Grubbs, from the 17th day of March 1942.
Henry W. Horst, from the 17th day of March 1942.
Robert W. Johannesen, from the 17th day of March 1942.
William G. Johnson, from the 17th day of March 1942.
Francis X. Witt, Jr., from the 17th day of March 1942.
William P. Dukes, from the 25th day of March 1942.
Jay E. McDonald, from the 25th day of March 1942.
John D. Noble, from the 25th day of March 1942.
Billie K. Shaw, from the 25th day of March 1942.
Joseph F. Wagner, Jr., from the 25th day of March 1942.
George B. Herlihy, from the 3d day of April 1942.
Dale M. Leslie, from the 3d day of April 1942.
William P. Mitchell, from the 3d day of April 1942.
James L. Secrest, from the 3d day of April 1942.
Gordon L. Allen, from the 23d day of April 1942.
Richard L. Braun, from the 23d day of April 1942.
Werlin U. Gray, from the 23d day of April 1942.
Clinton C. Basinger, from the 1st day of May 1942.
Edmund W. Berry, from the 1st day of May 1942.
Howard W. Bollmann, from the 1st day of May 1942.
Dan H. Johnson, from the 1st day of May 1942.
Billy C. Marks, from the 15th day of May 1942.
Frank B. Baldwin, from the 22d day of May 1942.
Charles H. Woodley, from the 22d day of May 1942.
Robert H. Brumley, from the 8th day of June 1942.
Dennis P. Casey, from the 8th day of June 1942.
William L. Gunness, from the 8th day of June 1942.
Samuel "C" Roach, Jr., from the 8th day of June 1942.
John Skinner, Jr., from the 8th day of June 1942.
Fred J. Gilhuly, from the 18th day of June 1942.
John E. Worlund, from the 18th day of June 1942.
Robert E. Kelly, from the 19th day of June 1942.
Harold L. Spears, from the 19th day of June 1942.
Augustus L. Arndt, from the 25th day of June 1942.
Percy F. Avant, Jr., from the 25th day of June 1942.
William N. Case, from the 25th day of June 1942.
John E. Hays, from the 25th day of June 1942.
Archie D. Simpson, from the 25th day of June 1942.
Clyde H. Davis, Jr., from the 13th day of July 1942.
Richard E. French, from the 13th day of July 1942.
Lynn "N" Kelso, from the 13th day of July 1942.
Henry M. Turner, from the 13th day of July 1942.
Ray K. Wolff, from the 13th day of July 1942.
John F. Dolt, Jr., from the 18th day of July 1942.
Elmer F. Brooks, Jr., from the 18th day of July 1942.
John G. Charbeneau, from the 18th day of July 1942.
Reinhardt Leu, from the 18th day of July 1942.
Jack M. Wells, from the 18th day of July 1942.
John L. Morgan, Jr., from the 23d day of July 1942.
Wilbur J. Thomas, from the 23d day of July 1942.
Floyd C. Haxton, from the 5th day of August 1942.
George Major, from the 5th day of August 1942.
Thomas L. Wyatt, from the 5th day of August 1942.
Warner O. Chapman, from the 11th day of August 1942.
Thomas R. Merritt, from the 11th day of August 1942.
Robert Dalley, Jr., from the 18th day of September 1942.
Homer L. Daniel, from the 16th day of October 1942.
"H" Leverett Jacobi, from the 16th day of October 1942.
Richard K. Todd, from the 16th day of October 1942.
John D. Curd, from the 1st day of November 1942.
Julius F. Koetsch, from the 1st day of November 1942.
Robert D. Morris, from the 1st day of November 1942.
Paul A. Mullen, from the 1st day of November 1942.
Wiley A. Green, from the 16th day of November 1942.
Charles "E" Cornwell, from the 1st day of December 1942.
Arthur P. Duttenhofer, Jr., from the 1st day of December 1942.
Walter A. Petersen, from the 1st day of December 1942.
William W. Blakely, a citizen of California, to be a second lieutenant in the Marine Corps from the 7th day of August 1943.
Richard R. Breen, a citizen of Louisiana, to be a second lieutenant in the Marine Corps from the 4th day of February 1944.
The below-named citizens to be second lieutenants in the Marine Corps from the 2d day of May 1944:
Fred F. Harbin, a citizen of North Carolina.
Michael D. Benda, a citizen of West Virginia.
William A. Wilson, a citizen of Kentucky.
Edwin L. Hickman, Jr., a citizen of Tennessee.
Howard K. Alberts, a citizen of New Jersey.
John B. Sullivan, a citizen of New Jersey.
Robert E. Wagoner, a citizen of Wisconsin.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 22 (legislative day of August 15), 1944:

FOREIGN SERVICE

Joseph F. Burt to be a consul general of the United States of America.
Oliver Edmund Clubb to be a consul general of the United States of America.
Randolph A. Kidder to be a consul of the United States of America.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 22, 1944

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who are the great source of life and light, from whom our spirits have come and unto whom they shall return, we pray that while we live and labor for a brief time upon this earth we may be numbered among those who do justly, who love mercy, and who walk humbly with the Lord.

This is a day which Thou has made and we will rejoice and be glad in it. Grant that we may face with courage and hope its many duties and tasks that challenge the consecration of the noblest abilities and capacities with which we have been endowed. Help us to respond with unfaltering faith and fortitude to the call of human need and the upward urge of Thy spirit.

Hasten the day when the forces of righteousness shall be victorious and all selfish and sordid ambitions and all those sinister and debasing feelings of hatred, prejudice, bigotry, and intolerance which are continually storming the citadel of man's soul shall be forever banished from the world and become supplanted by love and good will. Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

EXTENSION OF REMARKS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include

therein a very interesting article which appeared in last Sunday's Boston Globe of August 20, by James Morgan, entitled "Freedom Can Own the Future."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GOSSETT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include a radio address delivered by me.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein a brief statement by the master of the National Grange.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. NORMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial from the Daily Washingtonian, of Hoquiam, Wash.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a summary of the G. I. bill of rights.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include therein a short statement from the Detroit Free Press.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ROLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial from the San Francisco Examiner entitled "West Coast Manpower."

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include therein some short resolutions adopted at the reunion of the Second Oregon Volunteers of the Spanish-American War and the Philippine Insurrection.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein an address prepared for delivery by the Commissioner of Reclamation, Mr. Harry W. Bashore.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on four different subjects; in one to include an address by Thomas E. Lyons, executive secretary of the Foreign-Trade Zones Board.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein an editorial from the Mount Vernon (Ohio) News entitled "Commander in Chief."

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—INTERNATIONAL LABOR CONFERENCE

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk and together with the accompanying papers referred to the Committee of the Whole House on the state of the Union, and ordered printed:

To the Congress of the United States:

On May 29, 1944, I had occasion to transmit to the Congress a declaration and two resolutions adopted by the twenty-sixth session of the International Labor Conference which was held in Philadelphia April 20–May 12, 1944. I then stated that upon receipt of the authentic text of the recommendations adopted by the conference I would transmit these to the Congress as required by the constitution of the international labor organization. These texts having now been received, I transmit them herewith. The recommendations are as follows:

Recommendation (No. 67) concerning income security.

Recommendation (No. 68) concerning income security and medical care for persons discharged from the armed forces and assimilated services and from war employment.

Recommendation (No. 69) concerning medical care.

Recommendation (No. 70) concerning minimum standards of social policy in dependent territories.

Recommendation (No. 71) concerning employment organization in the transition from war to peace.

Recommendation (No. 72) concerning the employment service.

Recommendation (No. 73) concerning the national planning of public works.

Employers and workers as well as governments were represented at the twenty-sixth session of the International Labor Conference which adopted these recommendations by large majorities. As these recommendations were developed with a view to promoting the social security and economic advancement of the peoples of the world, our own included, I believe the Congress will find them valuable in its current consideration of problems of demobilization, reconversion of industry, employment, and social security.

At a later time I may have occasion to direct further attention to specific provisions of these recommendations and to suggest what action by the Congress on these recommendations may be advisable.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 22, 1944.*

[Enclosure: Authentic copy of the recommendations adopted by the International Labor Conference at its twenty-sixth session.]

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

Mr. MANASCO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5125, with Mr. THOMASON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. We are now considering section 12 on page 34, and that section is open to amendment.

Mr. HALE. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HALE: On page 34, line 16, strike out the words "disposition of plants", and insert the words "applicability of antitrust laws."

Mr. HALE. Mr. Chairman, this is purely a corrective amendment. In the mechanical process of getting this bill printed and placed before the House, the caption "Disposition of plants," which properly precedes section 13 of the bill, was transposed to section 12. My amendment simply attributes to section 12 what seems to be the proper caption. If this amendment is adopted I shall ask unanimous consent that the caption "Disposition of plants" go forward to section 13.

Mr. MANASCO. Will the gentleman yield?

Mr. HALE. I yield.

Mr. MANASCO. That amendment is satisfactory to the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine.

The amendment was agreed to.

The CHAIRMAN. Without objection, the unanimous-consent request to place the caption "Disposition of plants" before section 13, will be granted.

There was no objection.

The Clerk read as follows:

SEC. 13. (a) No Government agency shall dispose of any surplus Government-owned plant for the production of synthetic rubber,

or aluminum, which cost the Government $5,000,000 or more, except in accordance with this section or pursuant to an option therefor.

(b) The Administrator may authorize any disposal agency to lease any such surplus plant for a term of not more than 5 years.

(c) The Administrator shall prepare and submit to Congress a report as to each class of such property—

(1) describing the number, cost, and location of such surplus plants and setting forth other descriptive information relative to the use and potential use thereof;

(2) outlining the economic problems that may be created by the disposition thereof;

(3) setting forth a plan or program for the care and handling, disposition, and use thereof consistent with the policies and objectives of this act; and

(4) describing any steps already taken with respect to the care and handling, disposition, and use of the property, including any contracts relating thereto.

The Administrator shall request Government agencies to submit information and suggestions for use in the preparation of such reports and shall encourage States, political subdivisions thereof, and private persons to submit such information and suggestions, and he shall submit to the Congress, together with each such report, copies or summaries of such information and suggestions. After 6 months from the submission of a report hereunder, unless the Congress provides otherwise by law, the Administrator may authorize the appropriate disposal agencies to dispose of such property in accordance with the plan or program proposed in the report to Congress.

(d) The Administrator may authorize any disposal agency to dispose of any materials or equipment related to any surplus plant covered by subsection (a) of this section, if such materials and equipment are not necessary for the operation of the plant in the manner for which it is designed.

(e) This section shall not apply to any Government-owned equipment, structure, or other property operated as an integral part of a privately owned plant and not capable of economic operation as a separate and independent unit.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment on behalf of the committee, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: Page 36, after line 15, insert the following subsection:

"(d) No Government agency shall dispose of any surplus Government-owned plant of any character, which cost the Government $1,000,000 or more, without the approval of a majority of the members of the Surplus Property Advisory Board created under section 4 (a) of this act, or of a majority of a quorum of such Board (which quorum shall not be less than a majority of the Board) at a meeting duly called for the purpose."

Page 36, line 16, strike out "(d)" and insert "(e)."

Page 36, line 18, after "(a)" insert "or (d)."

Page 36, line 21, strike out "(e)" and insert "(f)."

Mr. WHITTINGTON. Mr. Chairman, the section under consideration involves the disposition of war plants. The estimated cost of those plants is around $15,000,000,000. This was one of the most perplexing parts of the bill, and the committee gave much consideration to the disposal of these plants. Some of the plants cost $50,000,000; some $100,000,000.

The theory of this bill is that without in any way interfering with our domestic economy to promote wide distribution, to provide for employment, we should convert, as soon as practicable, our country from a wartime to a peacetime basis. Under section 13, for the reasons assigned in the general debate, no Government-owned plant for the production of synthetic rubber or aluminum which cost $5,000,000 or more was to be disposed of except as provided in this section. This section provides for reports to Congress and prevents the disposition of these two classes of plants unless the Congress takes action within 6 months.

The amendment I have proposed on behalf of the committee would insert a new subsection, and with the consent of the committee I will read the amendment:

No Government agency shall dispose of any surplus Government-owned plant of any character, which cost the Government $1,000,000 or more, without the approval of a majority of the members of the Surplus Property Advisory Board created under section 4 (a) of this act, or of a majority of a quorum of such Board, which quorum shall not be less than a majority of the Board, at a meeting duly called for the purpose.

Section 4 of this act establishes a Surplus Property Advisory Board. Its functions were to advise and consult. It was suggested that they ought to have more power. This Board is composed of the Chairman, the Administrator, the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Attorney General, the Secretary of Commerce, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Labor, the Chairman of the Board of Directors of the Smaller War Plants Corporation, the Chairman of the Maritime Commission, the Chairman of the War Production Board, the Administrator of the War Food Administration, the Administrator of the Federal Works Agency, the Chairman of the Civil Aeronautics Authority, the Chairman of the Civil Aeronautics Administration, and the Administrator of Foreign Economic Administration.

This bill confers upon the Administrator vast powers. The gentleman from Maine [Mr. HALE], a member of the committee, was among those members of the committee who desired to safeguard the vast authority conferred upon the Administrator, and the committee shared that view. These plants were established by one Government agency. They were established under the direction of the Reconstruction Finance Corporation. It is necessary to provide for disposal of these plants. This amendment provides that before any plant, after it has been considered by all the advisory committees that may be invoked by the Administrator—including the mandatory committees provided in the so-called Patman amendment—before he can dispose of it, it must be approved by affirmative action of a majority of a quorum of the board representing all of the agencies of the Government, substantially.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. As stated, on plants costing $5,000,000 or more, involving synthetic rubber, as is well known, there will be international questions involved; questions arising in the peace. There has been wide publicity and criticism with respect to aluminum and the Aluminum Trust. It was thought that Congress should be given 6 months in which to decide whether or not they would dispose of these properties as recommended by the Administrator.

We emphasized that there must be power for the disposal of these plants if our economy is to be converted from a war economy to a peacetime economy.

I want to give an illustration that I think ought to be convincing, if not all-conclusive. During the First World War we established Muscle Shoals to provide for the generation of nitrogen.

I remind the Congress, I remind the House, that it was more than 15 long years before that property was ever finally disposed of by the Congress of the United States, and when it was disposed of it resulted in the establishment of the Tennessee Valley Authority in which our Government has invested several hundreds of millions of dollars. There must be a power of disposal and it was the view of those of us who have suggested this amendment that, inasmuch as the Administrator is to dispose of any assets of these plants, it would be fair for that Administrator not only to have the benefit of the advice of the board of directors of the plant itself but to have the advice and the consent of the various heads of the departments of the Government, including the War Production Board, the Secretary of War, and the Secretary of the Navy. So this amendment provides that before any plant costing a million dollars or more can be disposed of it must have the affirmative approval of the board. This confers on that board the power not merely to advise but a power that means a great deal.

Mr. STEFAN. Mr. Chairman, will the gentleman yield right there?

Mr. WHITTINGTON. In just a moment. I promised to yield to the gentleman from Texas first.

Mr. STEFAN. The gentleman's statement is confusing at that point.

Mr. WHITTINGTON. It safeguards and hedges the disposal of these plants the very best way that the committee was able to devise, because the committee is of the view that if the Congress of the United States which provided in a few words, in a brief act, for the establishment of these plants by the Defense Plants Corporation, undertakes as a Congress to provide for the disposal of each one of these plants costing more than a million dollars there will not only be delay but the very purpose of this bill will be defeated.

Mr. Chairman, I now yield to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. I wish to ask the gentleman two or three questions to find out how far this goes. It seems to me to be a step in the right direction. Does it include all plants and facilities such as oil

pipe lines, gas pipe lines, oil plants, electronic and chemical plants?

Mr. WHITTINGTON. It applies to all war plants of every kind and description.

Mr. PATMAN. Is it an amendment to section 13 (a)?

Mr. WHITTINGTON. Yes; it is an amendment to the pending section 13.

Mr. PATMAN. Does it eliminate the subsequent provisions which will require the Administrator to make a report to Congress?

Mr. WHITTINGTON. It does not; and those specific provisions apply only to the two exceptions here which are synthetic rubber and aluminum plants costing $5,000,000 or more. Those provisions remain in the bill and reports which are required to be submitted to Congress.

Mr. PATMAN. Why not make them apply to all plants such as steel, chemical, electronic, radar, all of them?

Mr. WHITTINGTON. I undertook to anticipate the gentleman's question, and I stated as best I could that in the view of the committee if we required a report to Congress on all of the plants costing a million dollars or more there would be delay in the disposition of these plants that would really defeat the purpose of undertaking to dispose of surplus war plants. They aggregate $15,000,000,000; they cover plants of every description, and it was the view of the committee that in plants costing over a million dollars the requirement that to get the Attorney General and the Secretary of the Interior, just to use two members as a part of this advisory board to consent, that to get the Secretary of War, the Secretary of the Navy to consent was ample; we were unable to devise any better safeguard. The Secretary of the Department of War and the Secretary of the Department of the Navy would know more about these plants than we could probably learn from a report of them. There are a thousand of these plants, as I understand. It was the view of the committee that to provide for a separate consideration by the Congress for the disposal of a thousand plants—now I do not mean to assert that all of those cost over a million dollars—but there are many of these surplus plants—would defeat the very purpose of this bill. If we could entrust to the Reconstruction Finance Corporation the investment of this $15,000,000,000, or to that corporation and the Department of War and the Department of the Navy the construction of these plants where they are established by those two departments, surely we could safeguard the disposal of those plants by having the views not only of those agencies but of a majority of other agencies.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the gentleman from Mississippi may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a further question?

Mr. WHITTINGTON. I yield.

Mr. PATMAN. Suppose efforts should be made to dispose of a steel plant that cost more than a million dollars, or $5,000,000; just exactly how could the Administrator do that? Would he be required to get the approval of a majority of that board if he could do it?

Mr. WHITTINGTON. He would if it cost over $1,000,000.

Mr. PATMAN. A steel plant, a radar plant, a chemical plant, any kind of plant including pipe lines and so forth?

Mr. WHITTINGTON. Yes.

Mr. PATMAN. He would have to have a majority agreement. What was meant by the word "minority" when it was used in the amendment?

Mr. WHITTINGTON. I did not use the word "minority"; that was a mistake, that was a misreading of the clerk. There is no such word as "minority" in the amendment.

Mr. PATMAN. There must be the approval of a majority before he can dispose of any plant or facility.

Mr. WHITTINGTON. Exactly so, sir.

I now yield gladly to the gentleman from Nebraska.

Mr. STEFAN. Did I understand the gentleman to say that his amendment did amend section 13 (a)?

Mr. WHITTINGTON. No; it does not amend section 13 (a). It would amend section 13 and was inserted as a new section (d). It does not change the langauge of section 13 (a).

Mr. STEFAN. It does not change the language of (a) of section 13.

Mr. WHITTINGTON. It does not.

Mr. STEFAN. Then I believe the gentleman defeats exactly what he is trying to arrive at. I have an amendment at the Clerk's desk to strike out the figure $5,000,000 from section 13 (a), eliminate that entirely, but I will be glad to amend it to make it $1,000,000.

Mr. WHITTINGTON. I can answer the gentleman's point; I understand that the purpose the gentleman has in mind is to strengthen and reinforce the amendment.

There is no amendment of section 13 (a); so before any synthetic rubber or alcohol plant costing $5,000,000 or more could be disposed of it would have to be in accordance with section 13 (a). We further provide that no synthetic-rubber plants and no aluminum plants or any other Government plants costing over $1,000,000 shall be disposed of unless the provisions of this amendment are complied with which would require the affirmative approval of a majority of the board.

Mr. STEFAN. Yes; but why not eliminate the $5,000,000? Leaving that in the bill is playing right into the hands of the big international cartel which wants to destroy our synthetic-rubber industry and aluminum plants. I say we should strike out that $5,000,000 and equalize it with the $1,000,000 mentioned in the gentleman's amendment. Otherwise it means the destruction of the plants mentioned in section 13 (a).

Mr. WHITTINGTON. With all deference, the gentleman, if he will pardon me, is mistaken. As I stated, the amendment we offer here does not in any way interfere with the $5,000,000 aluminum and synthetic-rubber plants.

Mr. STEFAN. Then that means the disposal of any of those plants costing under $5,000,000.

Mr. WHITTINGTON. Those plants are protected with the language that is in the bill now; that provision remains in the bill. Then, in addition to the requirement that the $5,000,000 plants be reviewed by Congress it further provides that before there can be any disposition of them or any plants costing $1,000,000 or more it must be by the approval of a majority of the board. So that under section 13 (a) before this recommendation that a synthetic plant costing $5,000,000 or more be sold is submitted by the Administrator to Congress under the language as it now appears in the bill, it would have to have his approval and his recommendation and the approval of a majority of the board.

Mr. STEFAN. All right. Why not change the $5,000,000 to $1,000,000?

Mr. WHITTINGTON. The gentleman may do that later on, but it would interfere with my amendment at this time.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from California.

Mr. VOORHIS of California. Am I correct that the gentleman's amendment leaves all language that now appears in section 13 as it is and adds additional language?

Mr. WHITTINGTON. It does. It is additional language. This amendment inserts, to answer the gentleman's question, a new subsection, as (d). Then on page 36, it changes subsection (d) to (e) accordingly.

Mr. VOORHIS of California. In other words, all the language that we now read in section 13 remains in the bill?

Mr. WHITTINGTON. Exactly so.

Mr. VOORHIS of California. In addition to which under the gentleman's amendment there is this additional requirement which would be of universal applicability as to any kind of a plant that cost more than $1,000,000, is that correct?

Mr. WHITTINGTON. Absolutely.

Mr. WALTER. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Pennsylvania.

Mr. WALTER. The gentleman's amendment applies to property in the hands of the owning agency or in the hands of the Administrator after it has been declared to be surplus.

Mr. WHITTINGTON. It only applies to surplus Government-owned property and to no other. If it is a war installation, if it is held by the Army, Navy, or Defense Plants Corporation, it is only after those plants are declared to be surplus.

Mr. FOLGER. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from North Carolina.

Mr. FOLGER. There are words "or pursuant to an option." Will the gentleman tell us why that is put in there? That exempts them from the operation of this section, as I understand it.

Mr. WHITTINGTON. According to the hearings many of these plants were constructed by corporations that are in that business and those corporations have been operating the plants. There were options in connection with a number of the plants that would enable the operating company to acquire these plants. The gentleman's question is very pertinent. I have in mind only one case thus far, and this should be of general interest to all Members of the House, where an option has been exercised, the only case of importance, by the Bethlehem Steel Co. That plant cost $30,000,000 in round figures, and they exercised their option to acquire that plant at what it cost the Government. That option was written into the operating contract and it would be binding, and properly so. I may say furthermore that according to the best information the committee has been able to obtain there is not a great deal of property in connection with which many more options will be exercised.

The CHAIRMAN. The time of the gentleman has expired.

SOME PLANTS SHOULD BE PUT IN GREASE FOR YEARS

Mr. PATMAN. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I am impressed that this is a good amendment. Personally, I would rather have a board pass on this question than to have a report to the Congress. Obviously, the Congress cannot do very much in the 6 months' time allowed. It occurs to me that much care and caution should be used in the disposal of these plants. In my opinion, many of them should be put in grease for 5 or 10 years or even longer as insurance against the possibility of another emergency such as we experienced on December 7, 1941. These plants should not be quickly disposed of. They should be very carefully disposed of. There should be no hurry about it.

It occurs to me also that in section 13 (a) this could be enlarged upon to include radar equipment, electronics, steel, chemicals, and other plant facilities, including oil and gas pipe lines; but as long as the board has the power to pass upon this question and the board would certainly give it careful consideration, the public, in my judgment, will be properly protected by the method outlined in the gentleman's amendment. Therefore, I am inclined to give the amendment my wholehearted support in preference to an amendment which I had prepared to amend section 13 (a).

Mr. WHITTINGTON. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I may say that the purpose of including the language "any surplus Government-owned plant" was to provide for what the gentleman has stated. We have had applications by chemical plants and by sulfur plants, and this is all-inclusive. It covers all plants, pipe lines, and other plants.

Mr. PATMAN. It includes every war plant or war facility, including oil lines and gas lines and everything else that cost a million dollars or more?

Mr. WHITTINGTON. Exactly so. We have the two safeguards here.

Mr. PATMAN. Some of us were confused by the Clerk reading something concerning the power of the minority of that board.

Mr. WHITTINGTON. That was a mistake.

Mr. PATMAN. It will require the concurrence of a majority of the members of that board before any plant costing a million dollars or more can be disposed of, and I refer to any war plant or facility?

Mr. WHITTINGTON. Yes; and we safeguard it further. In some of our committees we may have less than a majority as a quorum, but we have fixed it that they have to have a majority of that board for the transaction of business.

Mr. PATMAN. I am glad to support the amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HALE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I hope the amendment will be agreed to because it seems to me it is of a wholesome character. I was troubled at first by the fact that in section 13 we had no more drastic supervision over the disposal of plants which represented a very large investment by the Government. I was also one of those who felt that it was regrettable that there was no board under which the Administrator would function. It seemed to me, as the original bill came before the House, that the Surplus Property Advisory Board, as provided for in section 4, was really not a great deal more than window dressing. But with the amendment offered by the gentleman from Mississippi, the Surplus Property Advisory Board acquires real and important functions which will safeguard in a substantial way the interests of the public. I think the pending amendment goes far to remove some of the most serious objections which many of us felt were in the bill as it originally came before the House.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. HALE. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I think it is fair to say that the gentleman is too modest in the statement he has just made. He was alone at first in stating that we ought, in every way we could, safeguard the disposal of these plants, and I know of no member of the committee who is more responsible for the amendment that is now pending than the gentleman from Maine.

Mr. HALE. I thank the gentleman.

Mr. STEFAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not opposed to the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON] except that I want to change the "$5,000,000" in section 13 (a) to "$1,000,000" in order to help the gentleman's amendment. I have such an amendment on the Clerk's desk at this time which would make that change.

I agree that the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON] improves this bill. It gives some hope to those of you who have petroleum plants, shale plants, and alcohol plants in your districts. Unless you so amend section 13 (a) and change the figure $5,000,000 to $1,000,000, I am afraid you are going to play right into the hands of those who may be endeavoring to get us to scrap our synthetic-rubber plants.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. VOORHIS of California. May I say that I agree heartily with what the gentleman is saying, but does not the gentleman agree with me that the Whittingham amendment would make the $1,000,000 figure applicable on synthetic-rubber plants as well as others?

Mr. STEFAN. I do not believe so, unless you change that figure of $5,000,000. The gentleman in one word says that he has fixed it now so that in reference to a plant costing a million dollars or more they will have to come to Congress before they can scrap it. Then the gentleman says, "Here is a plant costing $5,000,000 or more," and he specifies synthetic rubber.

Mr. VOORHIS of California. I am as interested in this subject as the gentleman is, and I want to get it cleared up. As I understand, the bill, if the Whittington amendment is adopted, will say this: It will say that as to synthetic rubber and aluminum plants costing $5,000,000, the Administrator must make a report to the Congress, and the Congress must approve of what he proposes to do, but that as to all plants——

Mr. STEFAN. Is the gentleman trying to make a speech for me?

Mr. VOORHIS of California. No; I am not. I am trying to get this straightened out.

Mr. STEFAN. I will agree with the gentleman to this extent that perhaps there is some language in there that would indicate that, but why not put it in plain English language so that the people can understand it? Why put a figure of $1,000,000 in one section and $5,000,000 in another?

Mr. VOORHIS of California. To finish the statement I started a moment ago, I understand the Whittington amendment to mean that as to all plants which cost $1,000,000 or more, including synthetic rubber plants and aluminum plants, that nothing shall be done without the approval of the Board. Am I correct?

Mr. WHITTINGTON. I so stated repeatedly.

Mr. STEFAN. The gentleman has so stated, but in section 13 (a) it says:

> No Government agency shall dispose of any surplus Government-owned plant for the production of synthetic rubber, or aluminum, which cost the Government $5,000,000 or more.

It is somewhat confusing. Why not change it to $1,000,000?

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 15 minutes, the last 4 minutes to be available to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. The Chair will recognize the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Chairman, had the amendment offered by the gentleman from California [Mr. POULSON] to section 4 been adopted, then, of course, this amendment would be a real safeguard, as the gentleman from Mississippi has described it. Had an advisory board been created, such as the gentleman from California had proposed, of course this amendment would have been very desirable. I ask the members of the Committee to read section 4 and then you can readily appreciate that this is more or less window dressing. It does no particular good. What is the difference whether the amount involved is $5,000,000 or $5,000? It is just as important that a transaction involving $5,000 be safeguarded as a transaction involving $5,000,000.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. MASON. Is the gentleman thinking now of the particular persons who are holding these offices, and saying that because those particular persons are now holding these various offices, as heads of the various departments of the Government, it does not mean anything, but if these offices are changed, and other persons will then hold them, then it might mean something? Is that what the gentleman is trying to tell us?

Mr. BENDER. Frankly, the gentleman answers his own question.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. CHURCH. The gentleman will admit that if the amendment is adopted the bill will be at least a wee bit better, and that therefore he is in favor of the amendment.

Mr. BENDER. The safeguards that should have been adopted were not adopted earlier in the consideration of this bill. Whatever additional pious language we can insert in this bill, such as is contained in the amendment offered by the gentleman from Mississippi, does no harm, but in my opinion does no particular good.

Mr. HOBBS. Mr. Chairman, I rise in opposition to the pro forma amendment to ask the committee this question. Take, for instance, a powder plant, where considerably more than a million dollars has been invested in permanent facilities; would it be possible, if it be declared surplus, to lease it in whole or in part to private concerns for the manufacture of civilian goods, subject to recapture by the Government in any emergency?

Mr. WHITTINGTON. May I answer the gentleman by saying that that is provided for in section 10 (a) where we say "by sale, exchange, lease, transfer, or other disposition, for cash, credit, other property." That was the occasion, if I may say, for the broad language of section 10 (a).

Mr. HOBBS. It seemed to me that that was the purpose, and I agree with the gentleman. It seems to me, however, that there should be some clarification on the floor, since in connection with many plants in the smaller communities it would be very doubtful if there could be raised a sum of money necessary to purchase any one of them.

If it is declared surplus, it simply means that it is not feasible for the agency of the Government that owns it or controls it to use it further for the purpose for which the plant was built, but it could be used, and in many instances it could be used advantageously, for the production of other goods the Nation needs without essentially changing the plant so as to render it worthless for the prime purpose for which it was constructed. In such a case, the plant could be utilized for peaceful purposes and be recaptured for war purposes when war made it necessary.

The one way that you can get any real money out of some of these plants is to have them split up and operated during peace for civilian purposes by private lessees. I know one plant, for instance, that is susceptible of division into four smaller plants, not one of which would change a single major unit. Thus, the rentals would give the Government a substantial return on its investment, while preserving the essential parts of the original plant, so it could profitably be recaptured for war purposes should such need arise. That is the only way the little man can come in for a share of it or do the community in peacetime any good. The gentleman is perfectly clear that that is feasible and proper and normal if the facts warrant it in the judgment of the disposing agency?

Mr. WHITTINGTON. I think the answer I have made is a fair one. If the Government leases this property, at the expiration of the lease it is going to be in the hands of the Government. This particular section here provides for just what the gentleman has in mind, that we cannot use all of it.

Mr. HOBBS. The gentleman thinks that the over-all declaration of policy, to get the most out of it, to distribute the benefits widely, to prevent monopoly, and to prevent profiteering would govern at least to the extent I have indicated?

Mr. WHITTINGTON. I would go further and say that in addition to the objectives and in addition to the policies we have made it a provision of the bill.

Mr. HOBBS. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, this section of the bill is one that, to my mind, is the most important section, perhaps, of the whole bill. I myself have prepared three different amendments thereto, one of which would have said that you could not sell one of these Government plants to any corporation that already controlled more than 20 percent of the business in a given field.

I have been trying to do the best I could on this bill. I am convinced that the amendment offered by the gentleman from Mississippi helps the bill a good deal. Personally, I want to go further than he does. But it is not true, in my judgment, as the gentleman from Ohio said, that this board that is provided, even the one that is provided in the bill, would be of no importance. I supported the amendment of my colleague from California [Mr. POULSON]. I should much rather have had a citizens board in control of this program, and I still hope it will be done as the result of conference with the Senate. Nonetheless, on this board that has to approve the sales under this amendment are included the Chairman of the Smaller War Plants Corporation; the Chairman of the War Production Board, who I hope will still be Mr. Donald Nelson, incidentally; the Secretary of the Interior; and the Secretary of Agriculture—a very broad group of Government officials.

The point is that under the amendment offered by the gentleman from Mississippi none of this can be disposed of without wide public discussion of the matter, which, after all, is perhaps the most important safeguard you can have.

I asked for this time primarily to say that I am going to offer two amendments after this amendment has been acted on, one of which will provide as best I know how to do it, in language as carefully worked out as possible, for protection of the public interest in the matter of the disposal of patents, and the second of which has to do with that type of plant which the gentleman from Texas mentioned, which ought to be preserved in a stand-by capacity against the future national defense needs of the Nation. They will not be amendments to this amendment, but I just wanted the House to know I was going to offer them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I offer a perfecting committee amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: On page 35, preceding section 13, in line 8 in the center of the page, insert the words, "Disposition of Plants."

The amendment was agreed to.

Mr. WALTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: On page 35, line 10, after "aluminum" insert "or any pipe line for the transportation of oil."

Mr. WALTER. Mr. Chairman, under the amendment just adopted by the Committee, it is provided that there can be no disposition of these plants costing upward of $1,000,000 unless the board approves. That is applicable to every plant except those engaged in the production of aluminum or rubber, where one step more must be taken before the facility can be disposed of—namely, the submission to the Congress of all the

data surrounding the proposed disposition of the aluminum and rubber plants.

The amendment I have offered proposes to place this third war facility in the same category as these two industries that are being dealt with specially.

I do not know exactly how much revenue has been derived from the use of the oil pipe lines. I have been reliably informed that had the same amount of oil been shipped by rail the cost would have been exactly the same, so that we have not lost anything through this investment.

This pipe line presents to the coal and oil industries of the Nation the kind of menace that I do not believe ought to be quickly overlooked. It seems to me that before the owning agency and the board should be permitted to dispose of this line, Congress ought to be told what is proposed to be done with it. I have my own ideas. The fact of the matter is there is only one potential customer for these oil lines; that is, a natural-gas subsidiary of the Standard Oil Co. of New Jersey.

In a speech recently delivered, which I discussed on Monday at length, the vice president of the Standard Oil Co. of Ohio very frankly spoke about the markets, and in summing up his remarks he said:

> The gas delivered through the lines would displace the coal and oil now used to manufacture artificial gas.

Having been forewarned through that very frank statement of what is intended to be done, it seems to me that the least we can require before this tremendous temporary facility is disposed of is that it be submitted to the Congress, where we can openly and with full information debate all of the aspects of this proposition.

When we think of the cost—and these Big and Little Inch lines cost a lot of money, about $165,000,000—we should remember that since 1933 in direct relief and in work relief projects the Federal Government has expended upward of $311,000,000, over twice the cost of this pipe line. If this pipe line is used for the transportation of natural gas, it will displace 7,000,000 man-days of work a year at a cost to our economy of between $50,000,000 and $60,000,000 in one year.

When the Post-War Planning Committee took up these terrific problems, the very first thing that was suggested was that we pay attention to unemployment, and that every bit of legislation suggested should be suggested only after the effect of the enactment of that legislation on employment and unemployment had been carefully considered. I cannot imagine a greater blow being struck at employment than the transfer of these oil lines to the natural gas industry.

Again we have a very limited supply of gas. The supply of oil in this country is limited. But under the mountains of Pennsylvania there is enough coal to last for upward of 1,000 years, according to the testimony of the experts. It certainly seems to me we are taking a step backward if we make possible the transfer of this facility at the expense of coal and oil.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANASCO. Mr. Chairman, I rise in opposition to the amendment.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. WALTER. Mr. Chairman, I would like to state to the Committee that this amendment was adopted by the committee of which the gentleman who is about to address the House is chairman.

Mr. MANASCO. Mr. Chairman, that is a correct statement, but I did not support the amendment, and I thought section 13 should have been stricken from the bill, because I do not think the Congress of the United States should be the disposal agency for these surplus war plants. I represent a coal district. I have been approached by the operators and the mine workers' union to support this amendment. It puts me in a difficult position to rise in opposition to the gentleman's amendment, but I know something about the work of coal miners; I have worked in coal mines myself and I know something of their problems. I am just wondering if we are here today to tell every State, every county, and municipality through which this enormous pipe line passes that it will be owned by the Federal Government from now on and that that pipe line will not have to pay any taxes to help run your schools and build your highways or to carry on your public health program. If this amendment is adopted it will mean that this pipe line will never be sold; and it will not last in the ground for a thousand years. We are going to have several other amendments offered here today to this section to include plants costing over a million dollars. We will have an amendment for the magnesium plants. We will have amendments covering aluminum plants and we will probably have amendments covering aircraft plants. Under the bill as it is now written the Administrator has authority to sell parts of some of these used facilities. He can sell to some of your local concerns, we will say, 80,000 or 90,000 square feet in one of the huge aircraft factories. If this amendment and similar amendments are adopted, it would mean the Administrator under section 13 must study the problem. It would take 6 or 8 months to carry out all the suggested studies and make reports. Then it would have to lie on the Clerk's desk here for another 6 months, unless Congress acted, before any of these plants could be disposed of. What does that mean? That means we will not be able to dispose of any of these plants. That means the taxpayers of the United States will pass by these used aircraft factories, your steel plants, your rubber plants and your aluminum plants, and will see them idle, and there will be no one to give employment to the men. Of course, some people have it in their minds that probably if they are not purchased by some corporation, they will be operated by the Federal Government.

Of course, if the Congress decides to adopt a policy of Federal ownership and operation of these plants, why, then we might just as well kiss our system of government good-bye. I think one of the primary objectives in the disposal of these plants is to see that men are given jobs in private enterprise. I am interested in the coal miners having work. But this thought has occurred to me: According to the geologists, the natural gas in this country will bleed out in the not too far distant future. I hope that the coal miners and coal operators in my district will be able to sell coal to manufacture gas to be pumped through these pipe lines. We must not just look at this picture as of today, but we must look at it in the future. I think the future of the coal industry depends largely on chemical research. I do not think we can tell the people in New York, if they want to heat their homes with natural gas, that they cannot have natural gas up there. While I do not think we should give the people who want to travel by air an advantage as compared with travel by other modes of transportation, I also do not think that the people who want to travel by air should be penalized; and these restrictive amendments would penalize the people who live in those areas which would be benefited. You know, there will be a lot of people selling gas ranges and manufacturing gas ranges and I think our coal could be used in the manufacture of these gas ranges. I think our coal would be used to haul gas ranges to these people. I am not as much disturbed over the dislocation of the coal industry as I am over the fact that the coal industry might not meet the challenge of your new chemical industry. I sincerely trust, Mr. Chairman, that all amendments to this section will be defeated.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTINGTON. Mr. Chairman, I am not going to use the 5 minutes.

Mr. Chairman, like the chairman of the committee, I opposed this amendment. There was a difference between the pipe lines and the synthetic rubber.

Mr. MASON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. MASON. Mr. Chairman, I want to know under what rule of the House the gentleman from Mississippi has the floor. He made no pro forma motion and the 5 minutes for the amendment and the 5 minutes against the amendment have expired.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Mississippi moves to strike out the last two words and is recognized for 5 minutes.

Mr. WHITTINGTON. Mr. Chairman, I would say that there is a difference between the synthetic rubber and the aluminum amendments. Synthetic rubber represents an investment of nearly a billion dollars. So does aluminum. And the question of rubber came in connection with peace negotiations and the question of the trusts came in with reference to aluminum. If we include pipe

lines there is not any good reason why we should not include the other plants. We anticipated this amendment by the adoption of the previous amendment which provides for plants costing a million dollars or more. But the Government has constructed about four pipe lines. My recollection is one of the first constructed was to connect two existing pipe lines in Texas to get oil to the Gulf, but the submarines put that out of business and you have that pipe line not used now. We constructed a small pipe line across Florida and then we constructed one to run from Greensboro, N. C., to Richmond, Va. But the big pipe line is the 20-inch and 24-inch pipe line. I make this suggestion to the gentleman from Pennsylvania, that pipe line did not promote the use of gas or the use of oil as a competitor of coal. Why, they were being used along the Atlantic seaboard long before the pipe line was constructed. I live in a region where we have oil. I have been in the State of Maine and I have found petroleum products used probably more in that State than in my own State, because they have been transported up there by tankers along the Atlantic coast and along the Gulf coast. But the tankers were put out of business by the submarines and the whole purpose of this pipe line was to enable the people of the east coast to get fuel, as well as to get the oil up there for the armed forces where we could not get it by the use of tankers on account of submarines. It strikes me that this pipe-line amendment is on all fours with many other comparable agencies that were established during the war.

They did not provide for competition with coal, because after the war the oil companies may use tankers. I do not know whether the Standard Oil will use tankers or—which will be cheaper, tankers or pipe lines. I do not know what the other oil companies will do. But there are a great many oil companies, and there ought to be some competition in the purchase and use of pipe lines.

Mr. WALTER. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. WALTER. I simply wanted to call the gentleman's attention to the fact that the principal markets for coal are the homes in the Philadelphia and New York areas which are directly affected.

Mr. WHITTINGTON. Yes; and representatives in that area said that they needed fuel up there. This big pipe line was established to take the place of the tankers that we could not operate on account of the submarines.

Mr. WRIGHT. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. WRIGHT. The difference between these pipe lines and other types of industry is that the pipe lines are natural monopolies. I do not know what should be done with them. I do not say the Government should operate them.

Mr. WHITTINGTON. I anticipate the gentleman's question. We provide against monopolies. There are other pipe lines owned by corporations. We provide that they be disposed of to prevent monopolies.

Mr. WRIGHT. I think the Congress should have a right to express its policy over such a large monopoly as these pipe lines.

Mr. WHITTINGTON. I think the coal industry is pretty well organized——

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. WHITTINGTON] has expired.

Mr. FENTON. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Pennsylvania [Mr. WALTER]. I want to direct the attention of my colleagues to the fact that there are now two war emergency pipe lines owned by the Government that convey oil from the Texas fields through several States to the Philadelphia area of Pennsylvania where the lines branch off into New York. One is a 24-inch line for crude oil. The other is a 20-inch line which parallels the 24-inch line and which conveys the products, finished, of oil.

While neither of the lines run directly through the anthracite coal-producing area, I want to point out that the proximity of Philadelphia to the hard coal region would open a direct threat to the anthracite coal market if these oil pipe lines were taken over by private interests that would endeavor to acquire any market in order to justify a return for any investment that would be made. The economic distress which has affected the hard coal industry in recent years could only be aggravated by competition from fuels transported cheaply from other States in which the controlling interests were not representative of the area in which the products are produced.

Therefore, I feel it is essential to the future economic welfare of the hard coal producing areas of Pennsylvania that the Congress of the United States adopt this amendment which would prohibit any Government agency disposing of any surplus Government-owned pipe line for the transportation of oil which cost the Government $5,000,000 or more. And I want to point out right here that the Petroleum Administration for War estimates that the cost of the one 24-inch line from Texas to Pennsylvania and New York is $66,000,000, and the other or 20-inch line is estimated to cost $77,000,000. In other words the estimated cost of these two Government-owned oil lines is approximately $143,000,000. Private control of these lines which extend through the Philadelphia area of Pennsylvania might become a direct threat to the anthracite coal-producing area. I ask for adoption of the amendment.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. HALE. Do I understand the gentleman to say that he is opposed to the sale of these pipe lines at all?

Mr. FENTON. No; I am not opposed to the sale of the pipe lines, but I think there should be some restriction, and left to the Congress of the United States.

Mr. HALE. Is not the gentleman satisfied with the restriction contained in the amendment just adopted, which was offered by the gentleman from Mississippi [Mr. WHITTINGTON]?

Mr. BENDER. May I answer that?

Mr. FENTON. I yield to the gentleman from Ohio.

Mr. BENDER. As I stated before, the Whittington amendment is all right and in order, but it does not add anything particularly to the bill. The committee considered this proposition offered by the gentleman from Pennsylvania [Mr. WALTER] and voted almost unanimously for the adoption of this amendment. This is a committee amendment.

Mr. FENTON. That is as I understand it.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. FENTON. I yield.

Mr. VOORHIS of California. I think the essential thing in this is precisely the point the gentleman made. There has been no means whereby the major oil companies have exerted their power over the independent producers of crude oil so effectively as by the pipe lines. The future of these big pipe lines is going to be as important as anything else in the world in regard to the distribution of fuel, and therefore I think the amendment should be adopted.

Mr. FENTON. I think the gentleman is right.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FENTON] has expired.

Mr. WRIGHT. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I do not believe this Congress should strike a blow at the economy of the coal-mining States, among which are Pennsylvania, Kentucky, Ohio, and West Virginia, by refusing to adopt this amendment. I do not know what the proper disposition of these pipe lines should be, but I think that the industries and the workers affected in these coal-mining States should have a right to come to Congress and present their particular problem. I believe it is a problem that requires special treatment. The adoption of this amendment will not, as has been charged, interfere with the sale of these pipe lines. It will make it necessary that it be presented to the Congress before they are disposed of.

Mr. TABER. Will the gentleman yield?

Mr. WRIGHT. I am always glad to yield to the gentleman from New York.

Mr. TABER. Does the gentleman understand that the cost of transporting oil by these pipe lines is somewhere around three or four times what it is to transport by tanker, and in ordinary commercial practice it would be impossible to use it in transporting oil in the regular sense of the word? I have in mind it is going to be a very difficult job for the Government to ever dispose of these pipe lines.

Mr. WRIGHT. The gentleman may be right. I have not made a study. I think really where there is such danger as has been seen by my colleagues from Pennsylvania on both sides of the aisle, the States affected should have an opportunity to present this problem to Congress. Then if there is not any danger, let us dispose of them.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I am glad to yield to my colleague from Pennsylvania.

Mr. WALTER. Under this amendment and the Whittington amendment it is merely provided for a sale nisi, so that the sale can be made and commitments made, and unless the Congress does something affirmatively, through legislation, within a period of 6 months, then the sale becomes final.

Mr. WRIGHT. Of course, the gentleman is right. We are not prohibiting the sale. We want to have a study made before this Congress does anything which is going to adversely affect the economy of some of the most important sections of this country.

Mr. FENTON. Will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. FENTON. Does the gentleman know how much oil is transported by this 24-inch pipe line?

Mr. WRIGHT. I do not know. I have not made a sufficient study, but the problem is so grave that it alarms me.

Mr. FENTON. It is my understanding that approximately 300,000 barrels a day are transported by this one pipe line.

Mr. WRIGHT. I thank the gentleman for his information.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WRIGHT] has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALTER].

The question was taken; and on a division (demanded by Mr. WHITTINGTON) there were—ayes 58, noes 23.

So the amendment was agreed to.

Mr. STEFAN. Mr. Chairman, I offer an amendment which I send to the desk.

Mr. MANASCO. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 50 minutes, reserving the last 5 minutes to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. VOORHIS of California. Mr. Chairman, reserving the right to object, if the gentleman will modify his request to provide that every Member offering an amendment to the section shall have at least 5 minutes in which to explain it I shall not object.

Mr. HOBBS. Mr. Chairman, I make the same reservation.

Mr. LARCADE. Mr. Chairman, reserving the right to object, I have an amendment to this section which I desire to have considered. Unless I can be assured of the right to offer it I shall object.

Mr. MANASCO. Mr. Chairman, as I understand it, there are five amendments pending at the desk. This would allow 5 minutes for and 5 minutes against each amendment.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on this section close in 50 minutes, the last 5 minutes to be reserved to the committee. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Nebraska.

The Clerk read as follows:

Amendment offered by Mr. STEFAN: On page 35, line 11, following the words "which cost the Government" change the figure "$5,000,000" to read "$1,000,000."

The CHAIRMAN. The gentleman from Nebraska is recognized for 5 minutes.

Mr. STEFAN. Mr. Chairman and members of the Committee, this is the amendment to which I referred in debate with the distinguished gentleman from Mississippi [Mr. WHITTINGTON].

The section which I am endeavoring to amend reads as follows:

No Government agency shall dispose of any surplus Government-owned plant for the production of synthetic rubber or aluminum which cost the Government $5,000,000 or more—

And so forth. I would eliminate the figures "$5,000,000" and substitute therefor the figures "$1,000,000."

My reason for that is because there are many units in our great synthetic rubber program which in my opinion cost less than $5,000,000 and I fear that if my amendment is not adopted it would be possible for the Administrator, when a plant is declared surplus, to dispose of it, if it cost less than $5,000,000.

My amendment is offered to assure the continuation of grain alcohol plants, one of which is located in my State of Nebraska. I assume other Members have some of these plants where alcohol is being manufactured from grain. I feel that these plants should be given every encouragement possible because there may come a time again when we will have a surplus of farm products. I feel that these plants have proven the argument that we in the agriculture country can find new uses for our farm products and that we can solve the myth of farm surplus through this program of farm chemurgy and new uses for farm products.

We have been told that the taxpayers have about $15,000,000,000 invested in these various plants. I assume we have close to $1,000,000,000 invested in the 49 or more plants which have something to do in the manufacture of synthetic rubber. Perhaps we have the same amount invested in aluminum plants.

We did not get these synthetic rubber plants without great difficulty. There were many, many hearings by the Gillette committee. There were various pieces of legislation introduced. One including my own bill which had to do with the manufacture of synthetic rubber from grain products. There was much opposition from special interests. But we finally won and we have succeeded in making rubber from American products. This was all done at a time when we were at war and when most of the natural rubber supply was cut off from us by our enemies. We constructed all kinds of plants where material was made for synthetic-rubber manufacture. We built alcohol plants where alcohol was made from farm products; from coal and petroleum products; from the guayule weed and other things. We built plants close to the point of farm production and for the first time we gave hope to the farmer that his products had many new uses.

How successful have we been? The recent report of the rubber director indicates that at the end of this year our synthetic rubber plants will be turning out more than 860,000 tons of rubber. That is far more rubber than we use normally. We are even exporting some of our rubber to our allies. In spite of the fact that our enemies have control over most of the natural rubber plantations, we are now self-sufficient so far as rubber is concerned.

There is a bright possibility that the end of the war in Europe will come during this calendar year. So we are here today working on legislation to dispose of nearly $100,000,000,000 worth of surplus plants, property, land, ships, and all kinds of material. The legislation is designed so that there will be no repetition of the disgraceful things that happened after the First World War. We are legislating now with the objective that this property will be fed back into our economic channels in such a way that it will not destroy our post-war economy. We are endeavoring to legislate so that no monopolies, no special interests can take advantage of this huge surplus which belongs to the taxpayer.

But special interests are at work, Mr. Chairman. I sincerely believe that there are international cartels and certain forces at work at this very moment. Interests which have as their objective the destruction of the gains we have made in the program of new uses for farm products. It is my sincere and honest belief that the natural-rubber-producing governments are at work right now with the objective to induce us to scrap our synthetic rubber plants. This feeling must have been shared in by members of the committee who so wisely wrote into this bill the words:

No Government agency shall dispose of any surplus Government-owned plant for the production of synthetic rubber or aluminum.

There must have been some feeling in the committee that perhaps it would be wise that before such disposal is attempted that the agencies come to Congress for such permission. But the committee added the words "which cost the Government $5,000,000 or more."

I feel that this figure may become a joker in the disposal program because there are plants costing less than that amount which perhaps could be disposed of. And that would include, in my opinion, some of the smaller plants scattered over the various States. These are small plants, but they are an integral part of the link which has made our synthetic rubber program successful.

The gentleman from Mississippi has had an amendment adopted which would restrain disposal of plants costing $1,000,000 or more until the advisory committee or Congress has an opportunity to view the situation and give approval or disapproval. That is a helpful amendment, but, in my opinion, it does not protect these rubber or aluminum

plants. I feel my amendment would strengthen the Whittington amendment and give double assurance that these smaller plants would be given some real protection. I feel every safeguard we can put into this bill will strengthen the farm chemurgy program and inspire those who feel that we are now on the threshold of an era of new uses for farm products. An era which I predict will eventually solve the perplexing distribution and transportation problems. An era during which I predict we will see more processing of farm products close to the point of production.

I urge favorable action on my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska.

The question was taken; and the Chair being in doubt, the Committee divided; and there were—ayes 22, noes 35.

So the amendment was rejected.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: On page 36, line 24, add a new subsection as follows:

"Whenever the Administrator or any disposal agency shall begin negotiations for the sale or transfer to private interests of a patent the Administrator or disposal agency shall promptly notify the Attorney General of the proposed sale or transfer and the probable terms or conditions thereof. Within a reasonable time after receiving such notification the Attorney General shall advise the Administrator or disposal agency whether the proposed sale or transfer will either violate the antitrust laws or encourage monopoly or undue concentration of industry or commerce or restrain competition substantially."

Mr. WHITTINGTON. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. WHITTINGTON. The section under consideration has to do with the disposal of surplus Government-owned plants. There is nothing in any part of the section that has to do with patents. It is an entirely different subject matter that is not covered by this section. It strikes me that the amendment is not germane to the section or to any part of the section because we have no provision here for patents.

Mr. VOORHIS of California. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. VOORHIS of California. Surely the gentleman from Mississippi does not contend that it is impossible to place an amendment in this bill governing the disposal of patents. There is no more important type of property involved for Government disposal than patents.

As to whether or not my amendment is germane to the section we are now considering, I submit to the Chairman only that I know of no better place to offer it in the bill than at the place where I am offering it, because this section provides for the disposal of Government plants. I do not find any other general heading in the bill where I think the amendment would fit so well as it fits here. Surely the Chair would not rule that it was impossible to insert a provision in this bill having to do with the disposal of patents. If the Chair does not so rule then it is my contention that this is as appropriate a place to offer it as any.

Mr. WHITTINGTON. With the indulgence of the Chair, may I state further that section 10 (a) of this bill provides for the disposal of all surplus property of the Government and the section under consideration applies to the disposal of Government plants. If the Government has any patents or other property to dispose of it should be handled under section 10, not the present section, and if not under section 10, then under a new section.

The CHAIRMAN. The Chair is ready to rule.

The amendment has to do with the disposition of patents. The subject matter of the entire bill is the disposal of surplus Government property. Section 13 of the bill confines itself to the disposal of plants.

The Chair holds that the amendment would be and is germane to the bill but is not germane to section 13.

The Chair would suggest to the gentleman from California that in the opinion of the Chair it would be in order to offer it as a new section following section 13.

The Chair sustains the point of order.

Mr. HOBBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: On page 36, line 24, add a new section as follows:

"(3) In cases of plants or facilities suitable only for the manufacture of arms or ammunition of war title to such property shall in all cases be retained in the Government and such property shall either be maintained as stand-by production capacity or operated directly by the Army or Navy or leased for operation by a private contractor or contractors for the production of ammunition or munitions for the Army or Navy of the United States, or civilian goods: *Provided*, That if leased for the production of civilian goods the lease or leases shall provide for and safeguard the right of recapture in the event of national need."

The CHAIRMAN. The gentleman from Alabama is recognized for 5 minutes.

Mr. HOBBS. Mr. Chairman, this amendment deals solely with those plants that were erected by the Government for the production of munitions or ammunition, wartime necessities. Hundreds of millions of dollars of the taxpayers' money has been expended in such construction. It is entirely conceivable that after the war it will not be necessary for all of those plants to be kept in operation for the production of arms or ammunition; but it seems to me that it might be vital to our Nation that they be kept as standby plants for the purpose of resuming such production in case of war. Such foresight would not only protect us against such a lethal contingency but would save billions of dollars that would be wasted by the former procedure—building extravagantly under the high pressure of the war emergency, then junking and rebuilding just as wastefully when a new emergency comes.

During the peace period, when they are kept in standby condition and not allowed to deteriorate, they might be leased for the production of civilian goods. The recapture clause in the leases would assure their availability when needed. Leave them standing there, keep them in standby condition, without expense to the Government, and plus a return on the investment. Provide employment, get the benefits of the civilian goods produced, and if and when war again requires their use, they will be ready. That makes sense, does it not? Otherwise you will not realize one cent on the dollar, and you know it. Also, you are assured another crop of war millionaires. Then another crop of war millionaires when they have to be rebuilt. And so on, ad infinitum. Build them, junk them, then rebuild them. That is the formula of our policy.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. HOBBS. Always I am glad to yield to the gentleman from California.

Mr. VOORHIS of California. The gentleman knows I am heartily in favor of his amendment. I would like to remark that had the policy outlined in the gentleman's amendment been followed after World War No. 1 we might well have saved hundreds of millions of dollars when this present war came on us.

Mr. HOBBS. The gentleman is right.

Mr. JENSEN. Will the gentleman yield?

Mr. HOBBS. I am delighted to yield to the gentleman from Iowa.

Mr. JENSEN. I wonder if the gentleman should not define "national need" more clearly in his amendment. National need might not just mean war. The President may say that an emergency exists and that would require the Government taking over the plant in peacetime. Should we let it hang in midair to that extent and permit the President to take over those plants in peacetime by declaring that a national emergency required this action?

Mr. HOBBS. I will be glad to answer the question. My reason for leaving it that way and my reason for using those words was this: We probably will police the world for at least two generations. There would be a need to run these munition plants in acting as the arsenal of democracy, especially for the 21 American republics. There might be such a need which would have to be served, but it would not be war. I believe we can safely entrust this recapture power to the administrator or board set up in this bill, and I believe that there is nothing to fear on that score because they are not going to take them over except there is a recurrence of need to produce ammunition or munitions. It would not be feasible to limit that term "national need" strictly to the declaration of emergency, or to war.

Mr. JENSEN. That is what I wanted the gentleman to say. We should not leave this thing in such a position, or

leave the record in such shape that it would indicate the Congress felt that these plants could be taken over in peacetime for anything other than the protection of the Nation.

Mr. HOBBS. That is right, sir.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, there is located in the district I represent a small-arms ammunition plant, stated many times to be the largest in the world. The production has already been curtailed in connection with the manufacturing of small-arms ammunition in that plant. When the war is over we will not be able to retain all those places and keep them operating. This plant cost over $100,000,000. If it is going to be used by the Government, I do not know what it can be used for. It might be, it could be, least to say, probably a hundred industries purchase parts of this plant. The plant I refer to is located within the boundaries of the city of St. Louis.

We do not want that plant lying idle. At the present time we get no taxes for the large amount of ground occupied by the Government. We want the plant to operate. The Government is not going to need all of these ammunition plants that we have now. Of course, it is true we will maintain some of them, but when the war is over we will have a supply of ammunition in storage which will last us for many, many years in peacetimes. We are not conducting this war on a day-to-day basis.

Mr. TABER. Will the gentleman yield for a question?

Mr. COCHRAN. I yield to the gentleman from New York.

Mr. TABER. Is it not a fact that it is absolutely impossible to deal intelligently with these plants on a mass basis; that each individual case has to be passed upon by itself?

Mr. COCHRAN. The gentleman is absolutely correct.

Mr. Chairman, there is another part of this amendment that should not be overlooked. If the provisions of this amendment are to be carried out, then where is the argument that we do not want the Government competing with private business? Private business has been manufacturing the great bulk of the necessities of the Government during peacetime and private business should continue to operate during peacetime to supply the Government. How about clothing? This amendment will put the Government in business competing with your commercial plants and my commercial plants.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from California.

Mr. VOORHIS of California. It does not apply to clothing at all. All the amendment offered by the gentleman from Alabama [Mr. HOBBS] does is cover plants which can only be used for the manufacture of munitions of war, plants which are only suitable for that purpose. Those are the only kinds of plants covered.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. If these plants are needed after the war, they will not be declared surplus by the War Department.

Mr. COCHRAN. Absolutely not.

Mr. WHITTINGTON. The proposed amendment would reverse every program enunciated in the policies of this bill and require us to maintain stand-by plants instead of disposing of these plants.

Mr. COCHRAN. The gentleman is right.

Mr. HOBBS. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Alabama.

Mr. HOBBS. The amendment does not provide for operation by the Government for any purpose except manufacturing ammunition or munitions. Anything else that might be made would be manufactured and sold by private lessees.

Mr. COCHRAN. All right. Let us take this plant that is operating in wartime. The Government is not operating the plant. The Government owns it and every piece of machinery in it, but it has leased the plant to a cartridge company which is operating that plant for the Government. If the Government does not operate that plant in wartime why should the Government operate it in peacetime?

Mr. HOBBS. This amendment does not require the Government to operate any plant. We need the safety which the retention of the title to such plants would give us, subject to the right of recapture, in case of need. We need this additional safety. In the meantime we would get some return upon the Government's investment, if the Government had no need to operate, and leased them to private concerns for making civilian goods. We will not have the Government bilked, as it has been in every war so far, by having to rush in every time there is a cloud on the horizon, and at enormous cost rebuild these facilities post haste, because we had allowed them to be junked.

Mr. COCHRAN. I do not want that plant to be lying idle in my district, and I am sure the people of the city of St. Louis do not want it to be lying idle either.

Mr. HOBBS. I have stated the purposes of the amendment.

Mr. COCHRAN. Mr. Chairman, I think the amendment should be voted down.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Alabama [Mr. HOBBS].

The amendment was rejected.

Mr. LARCADE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LARCADE: Page 36, line 21, strike out "This" and insert "The foregoing provisions of this", and after line 24, insert the following:

"(f) No surplus Government-owned plant shall be dismantled, or be disposed of to any person who does not expect to operate such plant at the place where it is located, unless the State and political subdivision in which such plant is located have been given a reasonable opportunity to acquire such plant. If the State or political subdivision does desire to acquire such plant, the Administrator is authorized to provide for the acceptance by the disposal agency in payment therefor of bonds, certificates of indebtedness, excess-revenue certificates, or other evidences of indebtedness, of the State or political subdivision, bearing interest at the rate of not more than 3 percent per annum and maturing in not more than 40 years from the date of issue."

Mr. LARCADE. Mr. Chairman, I think this amendment is self-explanatory. I believe that all of us who have war industries established in our districts in the various sections of the country want to see them maintained and want to see them operated in order to give employment to our people and the returning veterans when they come back from the war. It is my opinion that there may be instances where private enterprise will not purchase these plants. My amendment provides that a municipality or any political subdivision of the Government, after all effort has been made to dispose of these plants in the various communities where they are located, and with the condition that they shall be operated by the purchaser, if they have been unable to find a purchaser within a reasonable time, should be given opportunity to purchase them. To give as an example, in the city of Lake Charles, the largest city in my district, we have a very fine port. On account of the natural advantages of my section and that port the Government established more than $200,000,000 worth of war industries, the foremost of which are a magnesium plant, a synthetic rubber plant, high-octane gasoline, and butadiene plant, and other plants, and in addition in other sections of my district, through the Defense Plants Corporation, there have been established other industries which we are fearful we may lose unless some provision is made to protect us in this respect, under the bill now under consideration. We have the same situation in all other sections of the United States. There may be an airport established adjoining some municipality or some city. After the war the Government may find that it no longer has any need for that facility. I think it would be a good thing if the municipality would be given an opportunity to purchase and operate this airport rather than have it abandoned and that facility lost to the people of that community.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. LARCADE. I yield.

Mr. WHITTINGTON. Of course, this section does not embrace airports because it has to do with war plants such as the gentleman says he has in his district.

Mr. LARCADE. I am particularly concerned with war industries in my district. As my distinguished colleague from Mississippi will recall, during the administration of Governor White in the

great State of Mississippi many industries were established just by this method of the municipality voting taxes, in order to attract industry.

Mr. WHITTINGTON. There would be no prohibition in this bill against that course under this bill.

Mr. LARCADE. That is right.

Mr. Chairman, my distinguished colleague also stated that up to this time there has been only one plant taking advantage of the option to repurchase, and, further, that it was his opinion that possibly no further options would be exercised for the purchase of these plants. Naturally we want to conserve these plants. We want to see the Government get back some of this money. For example, the magnesium plant which was constructed in my district, in the city of Lake Charles, was one of the disappointing features, and one of the black marks on the program of the Defense Plants Corporation. Fifty-four million dollars of Federal funds were spent to establish that industry in Lake Charles, and on account of faulty construction and faulty engineering the plant never did operate satisfactorily and never was successful, having only operated to one-half of its capacity, and it is estimated that it cannot be put in condition where it can be profitably operated. In other words, it is in such bad shape that this plant cannot be operated on a competitive basis. Certainly the Government should try to get some salvage out of a plant of that kind. We do not want to lose that plant if we can help it. If we are not able to get the E. I. du Pont de Nemours Co. or the Dow Chemical Co. to make some kind of an arrangement with the Government for the purchase of this plant, the chances are that it will be dismantled, which would be a great industrial loss to our city.

This amendment is one that I think should appeal to all of the Members, because these war plants are scattered throughout the length and breadth of our country. I believe that all municipalities and political subdivisions should be given an opportunity to purchase these plants after all effort has been made to sell these plants to private enterprise, in order to preserve them where located and to conserve these plants, in order that they may be operated to give employment to our people. I hope the Members will give favorable consideration to the amendment.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment. The gentleman has been perfectly frank with respect to his amendment. The gentleman has a unique proposition. His amendment provides for the continuance of plants that have not been operated and that are absolutely impractical to operate.

Mr. LARCADE. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. LARCADE. I am afraid the gentleman misunderstood my point. I am not trying to provide for the operation of plants that have never produced. I am trying to provide for my municipality to purchase a plant that has operated but is not being operated now.

Mr. WHITTINGTON. I understood the gentleman to say that that particular plant was never operated and it was found impractical to operate it. That was what I understood the gentleman to say. However, the distinction is immaterial.

Mr. LARCADE. My point is that the plant is there and that it is available for purchase, and rather than dismantle it and have it moved away, our municipality should be given an opportunity to purchase it.

Mr. WHITTINGTON. If it is declared to be surplus it can be disposed of, and your people or municipalities can acquire it under the provisions of this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana.

The amendment was rejected.

Mr. FOLGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOLGER: Page 35, line 12, after the word "therefore", strike out the period, substitute a comma, and add the following: "given or entered into prior to June 23, 1944, and which option shall be held by the Attorney General as binding on the United States."

Mr. FOLGER. Mr. Chairman, I have been somewhat disturbed about that very broad exception contained in section 13, which is the heart of the section, and to which has been added some other material that seems to me to be of somewhat doubtful relevancy. All of the amendments that we have voted upon, some favorable and some unfavorable, relate themselves to the provisions of this section, but from every bit of it is excepted and taken out any plant or property that is or might be optioned to someone else or pursuant to an option; that is, if an option has been entered into or shall be entered into at any time, then the Congress or the Government must respect that option and this section 13 would not apply to any property upon which an option has been given.

The 23d of June 1944 is the date of the introduction of this bill. Therefore, I wrote in the amendment, "Any option entered into prior to June 23, 1944." Then it occurred to me that there might be options lightly entered into but which were very detrimental to the Government's best interests, and that any option, before it is accepted as binding upon the Congress and upon the Government, ought to be held by the Attorney General as binding upon the United States, and, then, of course, we would have to abide by it.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Alabama.

Mr. MANASCO. Do I correctly understand the amendment to mean that when an option was entered into with one of the corporations operating some of these aircraft factories prior to June 23, 1944, the Attorney General would have authority to rule whether or not that was a legal, binding contract?

Mr. FOLGER. That addition does mean that.

Mr. MANASCO. It is the gentleman's opinion that a contract entered into in good faith by one of the operating agencies could be declared invalid by the Attorney General?

Mr. FOLGER. Invalid?

Mr. MANASCO. That would be the effect of it.

Mr. FOLGER. Only in the event the Attorney General found it was illegal or that something had entered into it that ought not to have been there, and he could not approve it.

Mr. MANASCO. Could not that be done under existing law if a contract is contrary to public policy?

Mr. FOLGER. I imagine the committee put this in because it recognized that there are probably outstanding options on some property—how much the committee probably did not know, and I do not know anything about it, but that was put in because the committee felt it was binding. But if, as a matter of fact, it turns out that it was not a binding option, one that the United States ought to be bound by, we ought to give ourselves a chance to say so at some period before the whole matter is closed out. Under this provision it could be done even if the option was illegal, because the Congress says this section shall not apply to any property that is under an option. That is all there is to it. We should reserve the power of examination of any options, and if found to be harmful to the Government—and for any valid reason not binding on the Government—the same should not be recognized.

Mr. HALE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it seems to me that the amendment is wholly unnecessary. Section 13 (a) contemplates that the Government agency may dispose of surplus Government plants pursuant to an option for such disposal. I think the word "option" must be construed to mean a legal and valid option. The only effect of the amendment would be to have the Attorney General decide whether the option was valid. It seems to me the Attorney General would there go beyond his proper function, for it must be presumed that the contracts the United States has entered into are valid contracts and that the United States intends to perform them in good faith.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Any contract that contains an option was evidently passed upon by both the attorneys for the governmental agency and the attorneys for the operating agency, and it ought to be binding on both of them no matter what the opinion of the Attorney General might be, because it has been passed on.

Mr. HALE. I take it for granted that that must be so. The amendment would appear to stultify the whole contract-making process of the United States.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Alabama.

Mr. HOBBS. Is it not apparent also that the option, which of course means a valid, legal option, must have been entered into at the time of the making of the original contract, for it is the purpose of this bill to give somebody some power to do something about it now? In other words, there could not have been a valid option granted unless it had been granted at the time of or contemporaneously with the execution of the original contract.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from North Carolina.

Mr. FOLGER. Does the language of this section refer to options entered into at the time the contract was originally made, or any option entered into at any time?

Mr. HALE. It presumably refers to any option validly granted by the United States, whether in the original contract or in some supplement thereto.

Mr. FOLGER. Then is there any harm in allowing the Attorney General, whoever he may be, to look into this and see if he thinks it to be a binding, valid option?

Mr. HALE. The Attorney General has presumably looked into it already. I presume the United States does not enter into any contract inadvisedly or lightly.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield.

Mr. MANASCO. If the Attorney General finds that the option is illegal, then the courts of the United States may decide otherwise, and finally it would have to be left to the determination of the courts.

Mr. HALE. It seems to me it is only a matter of decency to allow the party who holds an option to go to court and not try to foreclose him with the Attorney General, or have the Attorney General intervene against him.

Mr. FOLGER. Is not the opinion of the Attorney General law until the courts hold differently?

Mr. HALE. I think that is going rather far.

Mr. FOLGER. It is in my State, I know.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was rejected.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: On page 36, line 24, add a new section as follows:

"SEC. 14. Whenever the Administrator or any disposal agency shall begin negotiations for the sale or transfer to private interests of a patent, the Administrator or disposal agency shall promptly notify the Attorney General of the proposed sale or transfer and the probable terms or conditions thereof. Within a reasonable time after receiving such notification the Attorney General shall advise the Administrator or disposal agency whether the proposed sale or transfer will either violate the antitrust laws, or encourage monopoly or undue concentration of industry or commerce or restrain competition substantially."

Mr. VOORHIS of California. Mr. Chairman, this is an amendment I earnestly hope the Committee will accept. I see no reason the Committee should not accept it. The language I am offering is language which, I am informed, is already included in the proposed Senate bill, with the exception of the word "patents", and I am inclined to believe from the information at my command that that word will be included in the Senate bill as well.

Without this amendment there is not a single provision in this whole bill that says one word about what is going to happen to the large number of patents, some of them of the greatest importance, which have been taken over by the Government as a result of the taking over of patents belonging to enemy corporations during the war.

The whole question as to whether or not patents are going to be sold, for example, to the Sterling Products Co., or somebody else in the drug monopoly, is involved in this question. At least before patents are disposed of the Attorney General should be informed so that the Antitrust Division of the Department of Justice can examine the situation and can make a determination as to whether the sale of that patent will violate the antitrust laws or add unduly to monopolistic control. That is all my amendment does. It only requires that the Attorney General must be informed and that he must have an opportunity to make a statement as to whether the sale violates the antitrust laws or whether or not it would add to monopolistic control on the part of a certain corporation.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Missouri.

Mr. COCHRAN. No patents are going to be sold other than those that have been taken over by the Alien Property Custodian. Is not that right?

Mr. VOORHIS of California. Yes.

Mr. CCCHRAN. Is not the Alien Property Custodian a part of the Department of Justice?

Mr. VOORHIS of California. Not so far as I know.

Mr. COCHRAN. Is it separate and distinct now?

Mr. VOORHIS of California. As far as I know.

Mr. COCHRAN. It was a part of the Department of Justice at one time. I recall it is now a separate agency under an Executive order. Does not the gentleman know they have already sold a lot of patents?

Mr. VOORHIS of California. Yes; and I am alarmed about the matter. I will say to the gentleman, very deeply alarmed about it. If it be true that he is a part of the Department of Justice, then what possible objection could there be to the adoption of my amendment?

I just cannot understand why there should be any reason in the world for opposing a proposal to get the sale of patents out into the open, where people can know what is going on. That is all this amendment proposes to do.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. Yes.

Mr. MANASCO. Under the terms of the bill, the Attorney General is a member of the board, and he certainly can advise the Surplus Property Administrator if any antitrust laws have been violated, and also under the terms of the bill the Surplus Property Administrator must make reports to the Congress, so that the public will be advised.

Mr. VOORHIS of California. I understand, but I just do not believe that reports to Congress every quarter are going to be effective in taking care of the situation after the horse is already stolen. I do not know what is going to happen. I agree that my philosophy about this matter is a little different than the philosophy of some other Members. I want to prevent some of these things before they happen, not afterward. I think this amendment would be very salutary from that point of view.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. Yes.

Mr. COCHRAN. I took the position in the committee that section 12 was entirely unnecessary. Section 12 provides that no part of the antitrust laws in any manner, shape, or form are set aside under the provisions of this bill. Therefore, if we are not setting aside any of the antitrust laws under the provisions of the bill, I do not think that paragraph ought to be in there, for we are not disturbing the antitrust laws.

Mr. VOORHIS of California. I understand, but my amendment is broader than that. It requires a statement on the part of the Department of Justice as to whether or not the sale of this patent would increase monopolistic control in an industry, which is a little bit broader question. I hope that the House is not going to declare, by turning this amendment down, in effect, that it does not have any concern about what is going to happen about these patents, because I warn you, Mr. Chairman, this is one of the most important single questions involved in this whole proposition of the disposal of Government-owned property at the present time.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. WHITTINGTON. Is it not one of the policies and one of the objectives of this bill to prevent monopoly?

Mr. VOORHIS of California. That is right.

Mr. WHITTINGTON. And does not the bill state it shall not impinge upon antitrust laws?

Mr. VOORHIS of California. That is right.

Mr. WHITTINGTON. Is it not true that the difficulty with the gentleman's amendment is that it undertakes to hedge about with such technicalities the sale of a patent and thus might prevent the sale of a patent where it was desirable to do so?

Mr. VOORHIS of California. I do not think it would prevent the sale of a

single patent except in the case where I do not think that patents ought to be sold to the corporation to which it is proposed to be sold. Furthermore, I will answer the gentleman's statement in this manner, as I have answered it before over and over again in connection with amendments which I have offered to this bill. It is true that the statement of policy which the committee put in the bill is to accomplish exactly the purpose my amendment would accomplish. All I am trying to do is to make as certain and as sure as I know how, that the purposes which the committee itself set before us will actually be realized.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. VOORHIS].

The question was taken; and on a division (demanded by Mr. VOORHIS of California) there were—ayes 22, noes 36.

So the amendment was rejected.

Mr. GRANGER. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GRANGER: Page 86, after line 24, insert a new section as follows:

"STRATEGIC MINERALS AND METALS

"SEC. 14. All Government-owned accumulations of strategic minerals and metals, including those owned by any Government corporation, shall be transferred by the owning agency, when determined to be surplus pursuant to this act, to the account of the Treasury Procurement Division and shall be added to the stock pile authorized by the act of June 7, 1939 (53 Stat. 811), as amended, and shall be subject to its provisions. The minerals and metals may be transferred in any form in which they are held, and they shall thereafter be put into forms best suited for storage and use for the common defense. As used in this section the phrase "strategic minerals and metals" means all minerals and metals included in either group A or group B of the list of strategic and critical materials determined upon by the Army and Navy Munitions Board on March 6, 1944, and any other minerals or metals which said Board determines should be added to group A or group B, and shall include ores, concentrates, alloys, scrap, and partially and completely fabricated articles of which the principal components by value consist of such minerals and metals, but shall not include such fabricated articles as the Army and Navy determine are not suitable for their use in the form in which fabricated and which may be disposed of commercially at value substantially in excess of the metal market price of the component minerals and metals of such fabricated articles. Transfers under this section shall be made without reimbursement or transfer of funds except that, if the Reconstruction Finance Corporation or any of its subsidiaries is the owning agency for any property so transferred, the Secretary of the Treasury shall cancel notes of the Reconstruction Finance Corporation in an amount equal to the cost of the property so transferred."

Mr. GRANGER. Mr. Chairman, this amendment is not original with me, but it is one in which I have a very decided conviction that it should be considered and adopted by the committee. During the period before, and during the war it seems as if we thought we were doing a great service to the country if we exploited our natural resources, and we seem to have a notion that they are inexhaustible. Some day we are going to wake up and find out that the forests we so lavishly utilized, and our soils to which we give so little attention, and the minerals in the good earth, may not be as everlasting and as inexhaustible as we have supposed. This amendment is couched in practically the same language that will be in a bill considered in another body, dealing with this same subject. In 1939, the Congress of the United States passed what we called a stock-piling bill for the accumulation of strategic and critical materials. No one knows, up to this time, how much those stock piles have been depleted and no one can tell now, should the emergency arise, where these same strategic metals and materials could be obtained. The purpose of this amendment is to make sure that should another emergency arise, as the one we have experienced, this country would not find itself entirely unprepared to meet the emergency.

I am unable to give the Committee, for security reasons, the complete list of strategic materials that have been so declared. Likewise, I am not in a position to tell the value of the surplus property that might be offered for sale, but this I do know, that the policy of maintaining a stock pile should not be abandoned. This amendment is not, and should not be considered from the standpoint of doing a favor to some favored class. Primarily it is in the interest of national security. Indirectly, it will be of assistance to the mining industry of the West, which has done such a noble job in the prosecution of the war.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. MURDOCK. Does the gentleman's amendment contemplate every critical material other than the war minerals and metals?

Mr. GRANGER. The amendment only contemplates critical material and strategic metals. It is confined to metals entirely.

Mr. MURDOCK. Mining products?

Mr. GRANGER. Mining products.

Mr. MURDOCK. I am heartily in sympathy with the intent of this amendment and wish we might have more time to consider it.

Mr. GRANGER. I thank the gentleman. I had hoped that the Committee would accept this amendment. I believe it is of the utmost importance. It is important in the security of our Nation. I hope the Committee will accept the amendment. If not, I trust the membership will vote to make the amendment part of this legislation.

The CHAIRMAN. The time of the gentleman from Utah [Mr. GRANGER] has expired.

Mr. FISH. Mr. Chairman, I rise in opposition to the amendment.

Naturally, Mr. Chairman, I sympathize with the gentleman from Utah. I assume he comes from a mining district. But what is this bill going to be if everybody representing some special privilege from his own district comes in here and tries to protect those particular interests? I have never heard of the War or Navy Departments asking for any such amendment. I have heard of no one from either the War Department or the Navy Department asking for it. The gentleman comes in here and asks that these strategic materials, which include practically every product of the mines, be frozen; and if the amendment should be adopted there would be nothing left to sell. The greatest surplus of all probably will be copper and aluminum and so on down the line. You might just as well scrap this bill, or let us make it wide open for everybody—let all the farmers and businessmen and every other interest come in here as a matter of special privilege, and write into the bill something to protect their particular interest. Then we would have no bill at all.

We have been dragging along here for 3 or 4 days. I am not complaining. The gentleman has a right to represent his district, and I am sure he is doing it well, but, on the other hand, we are representing the entire country and the welfare of the Nation as a whole. We have been listening to this debate for 3 or 4 days, dragging along, with all these special privilege proposals under consideration. I think the Members of Congress are ready to vote. I think they have been ready to vote for a long time. If I have any criticism it is with the proponents of the bill who have been taking too much time on the amendments.

I have great reliance on the intelligence, wisdom, and Americanism of the Members of Congress to see through the purpose of these amendments. Therefore, I have taken this occasion to oppose this amendment and other amendments of special privilege, and to ask that this bill be expedited.

The people back home have been asking for this bill for some time. I am a member of the committee that started studying this bill 3 months ago. We did the very best we could to bring in a national bill—an American bill—to dispose of surplus property, but if everybody is going to take the time of the House to bring in special privilege amendments we will never get through and we will get nowhere. This is no criticism of the gentleman from Utah himself because I know and everybody else knows he is representing the best interest of his own district but I want to make sure that the other Members of Congress know what the amendment is about. It is to freeze these strategic materials. Nobody has asked for it except the gentleman from Utah. If we start to do that we might as well withdraw the bill.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. FISH. I yield.

Mr. VOORHIS of California. I have offered several amendments to this bill and I challenge the gentleman to find one single evidence of any special interest or anything to do with my district about one of them.

Mr. FISH. The gentleman speaks for himself. I do not know his amendments, but I am glad that is the fact.

Mr. GRANGER. Will the gentleman yield?

Mr. FISH. I yield.

Mr. GRANGER. The gentleman surely would not have the Government

of the United States sell strategic materials that we do not produce in this country, for which the Congress provided legislation.

Mr. FISH. The gentleman's amendment is absolutely wide open. It takes in almost every mining product. If the gentleman would limit it to tin or something that we do not produce in this country, that might be an entirely different matter. The gentleman includes copper and aluminum which we are producing in enormous quantities, with large surpluses. It takes in all of them. It does not merely take in strategic materials that we do not produce in America. It might be entirely different if the Government or the War Department wanted to preserve the tin which we do not produce here. That would be something different. But, it is a grab-all proposition.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MILLER of Connecticut. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, before I vote on the bill I want to be sure that I understand two amendments which have been adopted in the Committee of the Whole. The gentleman from Mississippi [Mr. WHITTINGTON] can tell me if I am correct in believing that under the Mott amendment which was adopted yesterday there will be no Navy surplus material sold by the Administrator provided for in this bill, but it will have to be sold by the Navy Department itself?

Mr. WHITTINGTON. The gentleman is correct. Under the ruling of the Administrator you cannot sell surplus beans in the Navy without going through the Navy Department. Utterly contrary to every other provision of this bill.

Mr. MILLER of Connecticut. Then for all practical purposes we have taken Navy surpluses out of the control of the Administrator of this act?

Mr. WHITTINGTON. Absolutely, because the War Food Administrator may handle all other food, but not so when you come to the Navy. It has to be handled by the Navy and the Navy alone.

Mr. MILLER of Connecticut. I could hardly believe that I understood that amendment correctly but that is the way I interpreted it.

The other amendment about which I am uncertain is the Pace amendment Could the gentleman enlighten me a little about the Pace amendment which was adopted last Friday? Under the Pace amendment can surplus bacon, for instance, or any foodstuff of any kind raised on the farm, be sold at less than parity price, or the price now being set by the Commodity Credit Corporation?

Mr. WHITTINGTON. I will answer the gentleman by saying that the members of the committee were advised that the Pace amendment really did not authorize anything to be done that was not already authorized under existing law. That is the information and advice we had from the general counsel.

Mr. CRAWFORD. Will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. CRAWFORD. It is my understanding that the Pace amendment provides that surplus materials held by Government agencies could be sold for export at prices below parity.

Mr. WHITTINGTON. I will answer the gentleman by repeating what I said, that that amendment was submitted to the Administrator, or to his general counsel, and we were advised by him that that could be done under existing law.

Mr. CRAWFORD. Now, let us see. It is not my understanding that the present law now in force would permit Government agencies to sell these accumulated foodstuffs at prices below parity. I may be in error in that. If that is true, that is news to me.

Mr. WHITTINGTON. That is the interpretation that was placed on the bill. I can only repeat what the general counsel said.

Mr. MILLER of Connecticut. The point I was trying to get clear is that I hoped the Pace amendment would not interfere with the orderly disposal of foodstuffs that will be on hand when the war ends.

Mr. WHITTINGTON. It will be understood that it would not. For instance, to give an illustration, under the Pace amendment and under the law as it is now, only a certain amount of cotton can be disposed of per month. We were advised that that law would obtain and the Pace amendment did not change it.

Mr. MILLER of Connecticut. I am sure if it has the approval of the committee it is all right, but the chairman will recall it was passed on last Friday in the closing minutes of the session, and I was uncertain as to how far-reaching the Pace amendment would prove to be.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Chairman, I have asked to extend my remarks at this point in the RECORD, on the amendment offered by the gentleman from Utah [Mr. GRANGER] because the time is fixed, and therefore no time is permissible for me on the floor of the House on this amendment. I had considered offering some such amendment myself, but hesitated to do so under the circumstances and because of the lack of time in which to consider so important and intricate a subject. Five minutes to favor such a provision as offered here is not sufficient time to indicate its tremendous importance. It should be adopted.

The purpose of the gentleman's amendment, as I see it, is to provide for stock-piling the strategic and critical minerals and metals. As he indicated to me, he does not include non-mineral or any perishable product. Now the terms "strategic and critical minerals" have a very definite meaning, as both terms have been defined by the War Department, and the most important so-called war minerals have been named and classified under these terms.

Mr. Chairman, the action we have taken today on several amendments proposed would lead one to believe that the Members of this body do not consider that there will ever be another war involving America. Well, I hope there will never be another war, and I certainly feel that there should not be another war within the lifetime of any human being now alive. But who is going to give us that assurance? Of course, it has been said here repeatedly that this property is not surplus until it is declared surplus by the owning agency. Presumably, the War Department will see to keeping on hand a sufficient reserve for our national defense, but I can think of several kinds of this war property which will be declared surplus the moment the guns cease firing. For all present military purposes it will be surplus, and the War Department will probably so declare it, but Congress ought to look ahead in national defense, even farther ahead than the War Department is expected to do.

When the gentleman from Alabama [Mr. HOBBS] offered his amendment a while ago concerning munition plants I had a strong feeling that title in such plants should remain in the Government and some of them kept reserved as standby plants for the Nation's safety, while most of them could be turned to civilian production and leased to private operation for the production of civilian and peacetime goods.

Much depends upon the character of the property as to whether it lends itself to stock-piling, but there is no question about the indestructible elements from the earth being possible of stock-piling without deterioration or loss. Not only should we consider the effect of such stock-piling on the internal economy of the country, but we ought to profit from past blunders of dumping and not repeat them. The very worst feature of our early unpreparedness, and it had many bad features, was the lack of sufficient reserves or stock piles of these strategic and critical war minerals in 1939. True, a beginning was made in 1937, but it was not sufficient for defense needs in spite of the object lesson of the First World War; therefore, our Nation has been caught in the opening of two terrible wars lacking the very things that are used to fight modern wars. Unless this bill is amended in somewhat the way suggested by the gentleman from Utah, or unless the War Department does the thing for which it will probably be criticized by some, or unless the Administrator uses his head, we could easily be caught unprepared the third time. I do not see how you can fight a modern war without copper, zinc, steel, or manganese, and the like. But when hostilities cease there will be such a demand for these things for the production of civilian goods that industry will take every bit above ground, even though the mining industry might be able to furnish currently all that would be needed in peacetime production.

My understanding is that in copper alone we have now four or five times as much as would be called for in peacetime in a year's production. It would be "duck soup" for the fabricators in the

production of civilian goods to have all this dumped upon the market and the price smashed thereby. However, it would close down every copper mine in the country and turn these mining camps into ghost towns, as I saw them turned several years ago. Disregarding the military preparedness phase of it and thinking only of the domestic economy, such a policy would be penny-wise and pound-foolish. We must not take chances.

One gentleman criticized that Member of Congress who lets the thought of the condition of his own district govern him in such large questions. I suppose I am to be criticized then for thinking of copper. I wonder if the gentleman from New York knows where the copper comes from which is used so extensively in the manufacturing in the Northeast. Let me tell the gentleman that if he wants to make this country totally dependent upon some foreign country for this essential commodity, I know of no better way to do it than to disregard the existence of this great surplus, some of which has come from abroad under war requirements, and let it foolishly be dumped upon the market. Oh, yes; you can get cheap raw material for a while, but at what a price.

I do trust that some such provision as contained in the Granger amendment shall become a part of this enactment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah.

The amendment was rejected.

Mr. HALE. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. HALE: On page 36, line 24, after section 13, insert a new section to read:

"SEC. 14. Disposition of airports. No airport shall be disposed of as surplus property until it has first been offered for sale or lease to the State or municipality in which it is situated and to all contiguous municipalities."

Mr. HALE. Mr. Chairman, I believe the purpose of this amendment is sufficiently clear. The airports have been constructed by the Government and they are very valuable property. It seems to me to go without saying that no airport should be cut up into house lots or exposed to the mercies of ambitious realtors until the communities in which the airport is situated and contiguous communities have had an opportunity to acquire any facilities not needed by the Government.

This situation was brought to my attention by the gentleman from New York [Mr. HANCOCK] who called attention to the fact that there is an airport in his district which the city of Syracuse might wish to acquire by lease or sale if by any chance the Government should declare it surplus property.

I believe it requires no argument to say that these airports should not be split up but should be retained as airports as long as there is any chance of any State or political subdivision thereof using them as airports.

Mr. WHITTINGTON. And there would be no inhibition against the Federal Government or Federal agencies transferring from one to the other to be maintained by them. If that is not done the gentleman's amendment contemplates that they may be acquired by the State or local subdivision of government before they are split up.

Mr. HALE. That is what it amounts to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine.

The amendment was agreed to.

The Clerk read as follows:

Page 37, line 1:

"REGULATIONS

"SEC. 14. The Administrator shall prescribe regulations to effectuate the provisions of this act. Each Government agency shall carry out regulations of the administrator expeditiously and shall issue such regulations with respect to its operations and procedures as may be necessary for that purpose. Any Government agency may issue such further regulations not inconsistent with the regulations of the Administrator as it deems necessary and desirable to carry out the provisions of this act. The regulations prescribed under this act shall be published in the Federal Register."

Mr. MANASCO. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: Page 37, line 5, strike out "regulations with respect" and strike out lines 6 and 7.

Mr. MANASCO. Mr. Chairman, the purpose of this amendment is to make it unnecessary for the departments to publish in the Federal Register every intradepartmental regulation or instruction to an employee in the field. Under the section as amended, all regulations affecting the disposal of property must be published in the Federal Register. It is feared this might include intradepartmental memoranda or instructions to field personnel.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. COCHRAN. The gentleman's amendment as I took it down reads: "Strike out regulations with respect"; and strike out lines 6 and 7. If you strike out lines 6 and 7 you go beyond the period and strike out "any Government agency may issue such."

Mr. MANASCO. It still leaves the regulations for disposal subject to publication in the Federal Register.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was agreed to.

The Clerk read as follows:

Page 37, line 13:

"GENERAL PROVISIONS

"SEC. 15. (a) Each Government agency shall submit to the Administrator (1) such information and reports with respect to surplus property in its control, in such form and at such times as the Administrator may direct; and (2) information and reports with respect to other property in its control, to such extent, and in such form as the agency deems consistent with national security.

"(b) Any Government agency may execute such documents for the transfer of title or other interest in property or take such other action as it deems necessary or proper to transfer or dispose of property or otherwise to carry out the provisions of this act, and, in the case of surplus property, shall do so to the extent required by the regulations of the Administrator.

"(c) Where any property is disposed of in accordance with this act and any regulations prescribed under this act, no officer or employee of the Government shall (1) be liable with respect to such disposition except for his own fraud or (2) be accountable for the collection of any purchase price which is determined to be uncollectible by the agency responsible therefor.

"(d) Any Government agency responsible for the care and handling of any property may take such action for the care and handling of such property, and for completion of any semifabricated property, as it deems necessary or desirable to effectuate the objectives and policies of this act.

"(e) Each disposal agency shall maintain in each of its disposal offices such records of its inventories of surplus property and of each disposal transaction negotiated by that office as the Administrator may prescribe. The information in such records shall be available at all reasonable times for public inspection.

"(f) Nothing in this act shall be deemed to impair or modify any contract or any term or provision of any contract without the consent of the contractor, if the contract or the term or provision thereof is otherwise valid.

"(g) In disposing of surplus agricultural lands in the United States, former owners shall be given a reasonable time, to be fixed by the Administrator, in which to repurchase their original tracts, at a price not exceeding that paid them by the Government, except where the value of such tract has been increased by the Government. Except for the above provisions, such land shall be sold when practicable, in family-size parcels, no more than one such parcel being sold to any one family or individual, and such sale being made insofar as possible to persons who expect to live upon and cultivate such land. This subsection shall apply only to land acquired after July 1, 1940."

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: On page 37, line 22, after the word "properties", insert the words "under this act"; and on page 37, line 24, after the word "properties", insert the words "under this act."

The question is on the amendment offered by the gentleman from Mississippi.

The amendment was agreed to.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: On page 39, line 12, add a new subsection as follows:

"(g) In order to promote the orderly disposal of real property a board of classification and assignment is hereby created consisting of one representative of the Department of Agriculture to be appointed by the Secretary of Agriculture, one representative of the Department of the Interior to be appointed by the Secretary of the Interior, and one representative of the Public Buildings Administration to be appointed by the Administrator of the Federal Works Agency. The Administrator shall refer all real property declared as surplus to this board and such board shall assign such property for disposition to that Government agency which in his opinion is best equipped for the essential disposition of the property in the public interest: *Provided, however,* That land suitable for agriculture or forest development shall be assigned to the Department of Agriculture and lands suitable for graz-

ing or the development of minerals shall be assigned to the Department of the Interior."

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Mr. Chairman, I make the point of order that the amendment is not germane to this section of the bill. The only section in the bill that relates to a board is section 4 on page 27. This particular section does not relate in any way to anything of that character, nor does it create any additional agency such as is proposed to be created by the amendment.

Mr. VOORHIS of California. Mr. Chairman, I should like to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. VOORHIS of California. Mr. Chairman, the section to which I seek to add this provision is called General Provisions. "General Provisions" I assume means general provisions.

In the second place there was stricken from this section a subsection (g) which had to do with the disposal of agricultural lands which was originally in the bill reported by the committee. My amendment has to do with the disposition of lands and it seems to me it belongs logically in that section of the bill where there was formerly a section appearing on the very same subject.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I am through.

Mr. WHITTINGTON. And subsection (g) was stricken for the very reason advanced by the gentleman from New York, that it had no place under "General provisions" and we are limited to the matter stated in subsections (a) and (b).

Mr. VOORHIS of California. I understood the gentleman from Texas to say it was stricken because it was the desire of the committee to make that not a mandatory provision but to put it under the policy provisions.

Mr. WHITTINGTON. Exactly; and it has no place in this bill.

Mr. VOORHIS of California. I did not understand him to so state.

The CHAIRMAN. The Chair is ready to rule. The Chair is of the opinion that the amendment offered by the gentleman from California [Mr. VOORHIS] is not germane to the pending section and, therefore, sustains the point of order.

Mr. TABER. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the committee a question. I call attention to subparagraph (c) on page 38, the second subdivision.

Mr. MANASCO. Line 8?

Mr. TABER. Line 8, reading:

Be accountable for the collection of any purchase price which is determined to be uncollectible by the agency responsible therefor.

Mr. Chairman, that would mean if an agency sold some surplus property and the agency determined the amount was uncollectible, that would be the end of the story and no one else would have any right to protect the interests of the Government. It seems to me we should not let an agency make a determination of that kind, or one that might be so conclusive.

Mr. MANASCO. Under section 10 (a) on page 31, we authorize the sale of this property on credit, cash, or for other goods.

Mr. TABER. Why should not these things be passed on to the Comptroller General or to the Attorney General to be followed up, instead of letting the agency determine that the account is uncollectible and let them out from all responsibility? It seems to me that part of it should go out.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. The purpose of this provision is not to prevent collection at all but to provide that the officer shall not be personally liable for the use of his judgment. It would not prevent the General Accounting Office from discharging its duty under existing law. This subdivision would simply relieve the officer who acts without any fraud and in good faith from personal accountability. It would not relieve the debtor from paying or the Government from collecting.

Mr. MANASCO. If the purchaser were solvent at the time of the determination, the officer would not be liable and the General Accounting Office could still force payment.

Mr. TABER. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 38, line 8, strike out lines 8 to 10, inclusive.

Mr. TABER. Mr. Chairman, it seems to me ridiculous to allow an agency to determine that an account is not collectible. It is absolutely unnecessary to have this language if the regular provisions of the law permitting collection of governmental accounts should apply to that sort of thing just like everything else. I do not think we ought to have this provision in the bill which says that no officer or employee of the Government shall be accountable for the collection of any purchase price which is determined to be uncollectible by the agency responsible therefor. It seems to me it is perfectly clear that that language should go out.

Mr. MANASCO. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Alabama.

Mr. MANASCO. Would the gentleman object to amending his amendment by stating on line 7 after the word "fraud" insert a period and striking out beginning with the word "or"?

Mr. TABER. Yes; I will accept that. Insert a period after the word "fraud" in line 7 and striking out beginning with the word "or" in line 7 and lines 8, 9, and 10.

Mr. DONDERO. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. DONDERO. If that language remains in the bill it would seem to me an agency would be liable for the completion of a contract that it did not make, unless the language is stricken out.

Mr. TABER. Yes. It seems to me that is necessary. I will accept the amendment.

Mr. MANASCO. And in line 6 the figure "(1)" should be stricken also.

Mr. TABER. Yes; the figure "(1)" should also go out in line 6.

Mr. WHITTINGTON. That will be included in the gentleman's amendment?

Mr. TABER. Yes.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from New York as amended.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 38, strike out all after the word "fraud" in line 7, down to and including the word "therefor" in line 10, and strike out the figure "(1)" in line 6.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was agreed to.

Mr. WICKERSHAM. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: Page 38, line 6, strike out the word "no" in line 6 and insert the word "the" and strike out the words "except for", in line 6 and insert the word "including", and strike out the word "or" in line 7 and insert the words "but shall not", and strike out the figure "(2)" in line 8.

Mr. MANASCO. Mr. Chairman, everything after the word "fraud" in line 7 has been stricken.

Mr. WICKERSHAM. Mr. Chairman, in view of the previous amendment having been agreed to my amendment should be modified and only the first part offered. It would strike out the word "no" in line 6 and insert the word "the", and it would strike out the words "except for" in line 6 and insert the word "including."

The CHAIRMAN. The Clerk will report the modified amendment offered by the gentleman from Oklahoma [Mr. WICKERSHAM].

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: Page 38, line 6, strike out the word "no" in line 6 and insert the word "the", and strike out the words "except for" in line 6 and insert the word "including."

Mr. WICKERSHAM. I had proposed to offer an amendment, including the provisions of the one offered by the gentleman from New York [Mr. TABER]. I have changed my amendment now inasmuch as the amendment offered by the gentleman from New York has been agreed to. In my opinion, the argument made by the gentleman from New York is proper.

My amendment, however, would go further and would provide that where any property is disposed of in accordance with this act and any regulations prescribed under this act the officer or employee of the Government shall be liable with respect to such disposition, and that would include any fraud on his own part.

Mr. MANASCO. Will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Alabama.

Mr. MANASCO. Under existing law such person would be liable for fraud.

Mr. WICKERSHAM. He would be liable for fraud; yes.

Mr. MANASCO. The effect of the gentleman's amendment would be to make it impossible to get anybody to sell this stuff, because there are going to be some losses.

Mr. WICKERSHAM. I think not. Any public official should be accountable to the public for his acts. If he acts unwisely, he should be held accountable. Any county official or any State official is held accountable, and his bond not only covers fraud but any other acts he might indulge in.

Mr. MANASCO. If there is a mistake in judgment, under the gentleman's amendment the official would be liable.

Mr. WICKERSHAM. If my amendment is adopted, we would be saying that the public official should be careful in the exercise of his judgment, and he would not likely improperly sell a $10,000 item for $10.

Mr. MANASCO. I do not think we would get anybody to operate under this act.

Mr. WICKERSHAM. All State and county officials do operate now under that type of bond.

Miss SUMNER of Illinois. Will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. We are all fearful of what is going to happen under this program, and, in my judgment, the amendment is a good one. People should not be relieved of their criminal responsibilities under the law without a strong case being made for their being relieved, and I do not think a case has been made either in the report or in the hearings therefor.

Mr. WICKERSHAM. I thank the gentlewoman for her contribution.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Oklahoma [Mr. WICKERSHAM].

The amendment was rejected.

Mr. MANASCO. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. MANASCO: On page 38, after the period in line 3, insert "In the case of real property the form of the deed or other instrument of transfer shall be approved by the Attorney General."

Mr. MANASCO. Mr. Chairman, we have been trying all day to get the Attorney General into this picture. This simply means that the deed of transfer shall be approved by the Attorney General.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. MANASCO].

The amendment was agreed to.

The Clerk read as follows:

DISPOSITION OF PROCEEDS

SEC. 16. (a) All proceeds from any transfer or disposition of property under this act shall be deposited and covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), (d), and (e) of this section.

(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated from the general fund of the Treasury but by law reimbursable from assessment, tax, or other revenue or receipts, then upon the request of the interested agency the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the owning agency. As used in this subsection the term "net proceeds of the disposition or transfer" means the proceeds of the disposition or transfer minus all expenses incurred for care and handling, completion of semifabricated property, and disposition or transfer.

(c) To the extent authorized by the Administrator, any Government agency disposing of property under this act (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

(d) Where a contract or subcontract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract and shall not be subject to subsection (a) of this section.

(e) Where property is transferred or disposed of under this act for any consideration other than legal tender of the United States, the disposal agency shall convert such consideration into legal tender of the United States as rapidly as it deems practicable, and pending such conversion, shall retain, preserve, and manage such consideration, in such manner as it deems appropriate. Where the disposal agency acquires or retains any mortgage, lien, or other interest as security in connection with any transfer or disposition of property under this act, the disposal agency shall retain, preserve, and manage such security and may enforce and settle any right of the Government with respect thereto in such manner and upon such terms as it deems in the best interest of the Government. The Administrator may prescribe regulations to govern the exercise of the authority granted under this subsection.

Mr. HERTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERTER: On page 39, line 16, strike out the words "as miscellaneous receipts" and insert in lieu thereof the following: "to the credit of a special fund which shall be used exclusively for the reduction of the public debt."

Mr. HERTER. Mr. Chairman, the purpose of this amendment is very simple. Under the bill as written all of the proceeds from the sale of surplus property are covered into the Treasury as miscellaneous receipts where they might be used for current expenditures. The purpose of this amendment is to have them covered into a special fund where they can be used only in the reduction of the public debt.

In connection with this the Baruch report made a very strong recommendation, and I would like to read just a few words that appear in that report:

All of the war surpluses will have been paid for by the American public either through war taxes or the increase in the national debt. Therefore, the proceeds of all sales should go to reduce that debt, lowering the post-war carrying charges which will have to be met through taxation. Certainly no agency should be permitted to sell surpluses and use the proceeds for other purposes.

The fact that surplus sales will lower the debt dramatizes an important point which some business groups are inclined to forget. The net result of an effective disposal program will aid all business; which is an important consideration to be balanced against the possible short-term effects of individual sales.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. MAHON. Under the provisions of the bill it would not be possible, would it, for an agency of the Government to spend this money that is covered into the Treasury?

Mr. HERTER. That is quite correct. Unless it is in the Treasury it has to be reappropriated. On the other hand, there is a tremendous temptation, and it would be a temptation that would come to either party, if a large amount of money is realized from the sale of surplus material, to appropriate that as current receipts for current expenditures. I think this is a safeguarding feature which will very definitely help the entire economy and financing of our Government.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if the financial condition of the country was such that this amendment could be carried out, I think it would be a fine thing as it would reduce the public debt. But I would like to ask the gentleman from Massachusetts, using the language of our good friend from Pennsylvania, Mr. Rich, Where are you going to get the money to pay the expenses of the Government unless you tax the people? Remember we are going to pass laws that will cost plenty of money.

Mr. HERTER. Mr. Chairman, it seems to me we have no idea how long it is going to take to dispose of this surplus property.

Mr. COCHRAN. That is true.

Mr. HERTER. I think any prudent financing would indicate that we are going to balance our budget just as soon as the war makes it possible, and this money ought to be used then to reduce the debt. It is a bookkeeping transaction, I will admit.

Mr. COCHRAN. We are required to pay the interest on our national debt, and nobody knows how long we will have to pay that interest. On the basis of the national debt today, the interest is six billion or more a year. You are going to have to collect that $6,000,000,000 along with additional money for additional expenses. As I have stated before, you are going to have an adjusted compensation or bonus act. On the basis of costing $4,000,000,000 for World War No. 1, taking into consideration the number of men and women in the service during this war, that is going to amount to between twelve and sixteen billion dollars. You have many other large expenditures facing the Treasury.

Where are you going to get these funds? Two ways—one by taxation, one by issuing bonds.

It seems to me you should not tie this money up in this way. It should go into the Treasury of the United States. The Congress controls the purse, and if the Treasury has the fund, the Congress can pass a law requiring a certain amount of money to apply to the national debt, or to be used for other purposes—only Congress can spend that money. We should not tie this money up in this way, because we cannot foresee what is going to happen. Business is asking for a reduction in taxes. One group wants to reduce corporation taxes away down to almost nothing. Where will the money come from to pay our expenses if we are going to reduce taxes and apply all the surplus money to a reduction of the national debt? I say it would be fine if we could do it, but the Congress would make an awful mistake to tie that money up for that one purpose. I think the amendment should be rejected.

Mr. HALE. Mr. Chairman, I rise in support of the amendment. I hope that the amendment offered by the gentleman from Massachusetts will prevail. It seems to me that the amendment represents nothing more than common honesty. The national debt of the United States was enhanced to acquire these properties, and the national debt of the United States should be diminished by the amount of the proceeds realized by the sale of these properties.

If the United States of America were a business corporation, the lien of any corporate mortgage would attach to these properties, and when the properties were sold the proceeds would be held necessarily for the reduction of the mortgage.

I am not at all troubled by the point the gentleman from Missouri makes. If we are not in a position to balance the national budget—and goodness knows the national budget ought to be balanced at the earliest possible moment—we had better do what we do now and borrow money, rather than to kid ourselves into believing that the proceeds from the sale of these capital assets represent income of the United States. That is bad bookkeeping, it is bad philosophy, and it is bad government.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I want to get the gentleman's reaction to the statement of the gentleman from Missouri [Mr. COCHRAN]. It seems to me that if this Congress exercises any sanity whatsoever it will legislate in a direction which will keep the 51,000,000 payrollees on the pay rolls, earning a national income in the neighborhood of $130,000,000,000 per annum, with a great reduction in tax rates levied against that income, and with a consequent reduction in Government outgo, and in that manner raise from $25,000,000,000 to $35,000,000,000 per annum through Federal taxes instead of $48,000,000,000 as at the present time, and use at least $5,000,000,000 of that for the purpose of reducing the Government debt. I want to say to the gentleman from Missouri that that is the source from which we will get the dollars. I join with the gentleman from Maine and the gentleman from Massachusetts in supporting this amendment. In my opinion it would be one of the greatest psychological powers the Administrator could possibly use in disposing of this surplus to the people, in saying to them that the proceeds will go to reduce the Federal debt.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was agreed to.

The Clerk read as follows:

USE OF APPROPRIATED FUNDS

SEC. 17. (a) Any Government agency is authorized to use for the disposition of property under this act, and for its care and handling, and for the completion of semifabricated property, pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for the purpose of production or procurement of such property.

(b) There are authorized to be appropriated such sums as may be necessary or appropriate for administering the provisions of this act.

DELEGATION OF AUTHORITY

SEC. 18. (a) The Administrator may delegate any authority and discretion conferred upon him by this act to any Deputy Administrator or Assistant Administrator, and may delegate such authority and discretion, upon such terms and conditions as he may prescribe, to the head of any Government agency to the extent necessary to the handling and solution of problems peculiar to that agency.

(b) The head of any Government agency may delegate, and authorize successive redelegations of, any authority and discretion conferred upon him or his agency by or pursuant to this act to any officer, agent, or employee of such agency or, with the approval of the Administrator, to any other Government agency.

(c) Any two or more Government agencies may exercise jointly any authority and discretion conferred upon each of them individually by or pursuant to this act.

Mr. WICKERSHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: On page 42, line 15, after the period insert a new subsection as follows:

"(d) Notwithstanding any other provision of this act, all authority and discretion herein conferred upon the Administrator shall with respect to agricultural commodities and food located in the United States, its territories, and possessions, be vested in and exercised solely by the War Food Administrator."

Mr. WICKERSHAM. Mr. Chairman, this amendment provides that all authority in the disposition of surplus food shall be vested in the War Food Administrator. This is the place where this rightfully belongs. On February 29 of this year I introduced the bill H. R. 4281, not especially as a result of my own thinking but as a result of the thinking of all of the private agencies, business firms, and associations dealing with the disposition of surplus foods. H. R. 4281 had the unanimous, wholehearted endorsement of representatives of 44 types of groups interested in disposition of surplus foods. It had the endorsement of the wholesale food brokers, the retail food brokers, independents, chain-store organizations, the farm bureaus, the granges, the Farmers' Union, labor, and the consumer groups. In fact, it had the endorsement of practically every group dealing with the disposition of foods.

All through these hearings it is contemplated that the War Food Administrator shall have charge of the disposition of the surplus foods, but I wish to call your attention to the fact that unless the War Food Administrator does have charge of this disposition, he will have a difficult time in administering the program for support prices. How can the War Food Administrator support these prices unless he knows how much he can dispose of, what his inventories are, what foods he has now, and what is forthcoming in the future?

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from California.

Mr. VOORHIS of California. I am sure the gentleman's amendment is well taken. I think it is perfectly evident that if the War Food Administrator does not have this whole job, he cannot live up to the commitments that have been made with regard to support prices nor can the best use of this food be made. Further, I hope we are going to write into the bill the intention of Congress, because after what happened to land and after the way land was given over to the Reconstruction Finance Corporation instead of being handled in the agencies where it should have been handled, I do not know what will happen to food unless we specifically and mandatorily place it where it is supposed to go.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. A great deal of this food is abroad. We investigated the matter and found that the War Food Administrator has no representatives abroad. They are in this country.

Mr. WICKERSHAM. My amendment applies to food located in the United States and in its Territories and possessions, and not in other countries.

Mr. WHITTINGTON. But this bill contemplates one agency to dispose of that food generally.

Mr. WICKERSHAM. The agency we are creating here cannot support the prices of farm commodities. What you and I need to fear is the fall in farm prices in the future. If these agricultural products are dumped on the market, it will injure not only the farmer but every laboring man in the country, it will drive every little cross roads merchant off the cross roads, and will destroy the economy of the entire country.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Alabama.

Mr. MANASCO. There is a provision in the bill already that we hope will prevent the dumping of any kind of a

commodity that might have a bad effect on our domestic economy.

Mr. WICKERSHAM. No one knows better how to dispose of surplus agricultural commodities than the War Food Administrator, who is responsible for the production program.

Mr. MANASCO. The War Food Administration was created by Executive order, and that office may be abolished tomorrow.

Mr. WICKERSHAM. Yes; but this committee did not think so because in several instances in this bill it mentions the War Food Administrator. In fact, the committee made him a member of the board.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

The Clerk read as follows:

APPLICABILITY

SEC. 19. All policies and procedures relating to surplus property prescribed by the Surplus War Property Administration, created by Executive Order No. 9425, dated February 19, 1944, or any other Government agency, in effect upon the effective date of this act, and not inconsistent with this act, shall remain in full force and effect unless and until superseded by regulations of the Administrator or of the agency in accordance with this act.

SEC. 20. (a) Nothing in this act shall limit or affect the authority of commanders in active theaters of military operations to dispose of property in their control.

(b) The provisions of this act shall be applicable to dispositions of property within the United States and elsewhere, but the Administrator may exempt from some or all of the provisions hereof, dispositions of property located outside of the continental United States or in Alaska, whenever he deems that such provisions would obstruct the efficient and economic disposition of such property in accordance with the objectives of this act.

SEC. 21. (a) The authority conferred by this act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith. This act shall not impair or affect any authority for the disposition of property under any other law, except that the Administrator may prescribe regulations to govern any disposition of surplus property under any such authority to the same extent as if the disposition were made under this act, whenever he deems such action necessary to effectuate the objectives and policies of this act.

(b) Nothing in this act shall impair or affect the provisions of the Emergency Price Control Act of 1942, as amended; or the act of October 2, 1942 (ch. 578, 56 Stat. 765), as amended; or of section 301 of the Second War Powers Act, 1942; or of the act of March 11, 1941 (55 Stat. 31), as amended; or acts supplemental thereto, or of any law regulating the exportation of property from the United States.

Mr. VORYS of Ohio. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. VORYS of Ohio: On page 44, line 5, strike out the period, insert a semicolon, and the following: "or of any criminal law of the United States."

Mr. VORYS of Ohio. Mr. Chairman, this is a remarkable bill in that although it sets up a vast, new administration with broad powers and responsibilities, we find no criminal section therein, no section with respect to penalties of any kind. I presume this would be because it was intended that the penal laws now in effect as to the disposal of Government property should continue in effect. If there is any question about that, it should be made clear by this amendment which I have suggested, which will provide that nothing in this act shall impair or affect the provisions of the criminal laws of the United States. There are, throughout this bill, some broad phrases which might be held to prevent the application of the criminal laws. Then, in section 21, with which we are dealing, there is a provision that nothing in this act shall impair the provisions of certain acts. This would imply that acts not mentioned are impaired or affected by this new law. It seems to me it would be wise, since we have provided no specific penal section, to show that we all intend that those who deal with this property on behalf of Government agencies and those of our citizens who deal with the Government agencies shall be keenly aware that there is a possibility of criminal prosecution, not only for fraud, bribery, and extortion but for the many other crimes which are set forth in the Criminal Code. We want to make it clear that this whole administration is subject to our penal laws. We do not want to put dealers in surplus property beyond the reach of our criminal laws. We bring them in by this amendment.

Mr. GWYNNE. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. GWYNNE. I think the gentleman's amendment is a good one. I would like to say I have at the Clerk's desk an amendment which will include a criminal penalty for the violation of this act. But I think, nevertheless, the gentleman's amendment is a good one.

Mr. VORYS of Ohio. The amendment which I have offered would probably not be in conflict with the amendment of the gentleman.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. COCHRAN. What assurance can the gentleman give the House that we have no law on the statute books today which might prohibit the sale of some of the articles that are declared surplus and make it a criminal offense if they did sell them? In other words, assume we have a law on the statute books which would prohibit the sale of shoes, it would be a criminal offense to sell them. And the man that sells shoes under this act would be subject to the criminal law.

Mr. VORYS of Ohio. Mr. Chairman, may I ask the gentleman, who is a member of the committee sponsoring this bill, if there is any such law, let us have the committee point it out. I am saying to you that I am assuming the committee did not intend to invalidate or nullify any criminal laws. If the gentleman is saying to me and to the Committee of the Whole that there are various criminal laws which are intended to be repealed or impaired by the law, then there is even more necessity for the amendment which I have just offered.

Mr. COCHRAN. Oh, no; the gentleman does not want to put that language in my mouth. I did not say that by any means.

Mr. VORYS of Ohio. I simply turned the gentleman's question right back to him.

Mr. COCHRAN. The fact that we do not set aside the criminal laws seems to me to make the amendment unnecessary.

Mr. VORYS of Ohio. If the gentleman has any doubt that there may be criminal laws which are superseded or impaired by the general provisions of this act, then this amendment is necessary, and if there are any criminal laws that are going to be repealed by the operation of this act, we had better have them specifically before us and see whether we want to repeal them.

The CHAIRMAN. The question is on the amendment of the gentleman from Ohio [Mr. VORYS].

The question was taken; and on a division (demanded by Mr. WHITTINGTON) there were—ayes 40, noes 36.

So the amendment was agreed to.

Mr. KILDAY. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. KILDAY: On page 44, line 5, after the words "United States", insert the following: "Or so much of the Military Appropriation Act, 1945, as is contained in the last two provisos of the second paragraph under the heading 'Corps of Engineers'."

Mr. KILDAY. Mr. Chairman, I ask unanimous consent that the amendment follow immediately after the Vorys amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KILDAY. The purpose of this amendment, Mr. Chairman, is to preserve in this bill a provision which was added to the military appropriation bill for the fiscal year 1945. That bill was adopted during the month of June of this year. On yesterday the Committee agreed to the amendment of the gentleman from South Dakota [Mr. CASE], which he said he felt would provide for this provision along with others. I am doubtful as to that because the language of the appropriation bill is in direct opposition to the language of this bill and as a matter of caution it should be adopted. That language is as follows:

Provided further, That notwithstanding any other provision of law, the Secretary of War shall not be authorized to sell any military post or reservation, nor part thereof, acquired or owned by the United States prior to July 2, 1940, nor shall he declare any such military post, or reservation, nor any part thereof, surplus for disposition by any other officer, board, or commission: *Provided further*, That this prohibition shall not apply to nor prevent the transfer of real estate or other property to the Veterans' Administration for the care and treatment of veterans or to the Navy Department.

I am sure many of you were very much surprised, as I was, to find this bill, which we had looked to as being a bill for the demobilization of the Nation, is not such a bill in fact.

When you come to the definition of "property" in this bill we find it is more inclusive than any of us could have thought of. It is:

The term "property" means any interest, owned by the United States or any Government agency, in real or personal property, of any kind, wherever located.

The mobilization of the United States began with the approval on July 2, 1940, of the act under which we gave the Army and the Navy the right to establish military locations and plants without specific authority of the Congress. It has never been the policy of this Government to permit the Army or the Navy to dispose of any military reservation or post without specific authority of the Congress. If we do not maintain this control then the military policy of the United States has passed from the hands of the Congress of the United States into the hands of the Army, the very thing we have condemned in all militaristic states—that the military policy of the Nation was determined by military men.

This amendment was agreed to practically unanimously in June, at the time the military appropriation bill was considered. It had to be unanimous because it was legislation on an appropriation bill. It was carried forward yesterday in the amendment offered by the gentleman from South Dakota [Mr. CASE]. As I say, it is contrary to the provisions of this bill, and I am afraid that this bill being later in point of time, it would control.

This bill is much broader than it has been discussed as being. Unless some provision of this kind is placed in the bill you will never again within the next 25 or 50 years have the Military Establishment, the Navy, the Veterans' Administration, or any of the others come before the Congress for anything but the salaries of their employees, because under its provision, by the simple expediency of declaring the stations which they do not want to retain "surplus" they retain the ones they want to retain, and thereby they establish their own military policy with reference to size, location, and disposition of the Army and the Navy.

Mr. SHORT. Will the gentleman yield?

Mr. KILDAY. I yield.

Mr. SHORT. As minority member of the Committee on Military Affairs I want to say that I am heartily in favor of the amendment offered by the gentleman from Texas, and I hope it is unanimously adopted.

Mr. KILDAY. I thank the gentleman.

Mr. STEFAN. Will the gentleman yield?

Mr. KILDAY. I yield.

Mr. STEFAN. Would your amendment also refer to airports?

Mr. KILDAY. It would not specifically, unless they were within the control of the Army. This bill defines the term "owning agency" in the case of any property, as meaning the Government agency having control of such property otherwise than solely as disposal agent. Therefore, if the Army has control of it, it would apply in the event it was owned by the Government prior to the 2d of July 1940, when the expansion program began.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. STEFAN. Mr. Chairman, I ask unanimous consent that the gentleman may have 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. STEFAN. I have in mind an airport which cost $6,500,000, taking in many thousand acres of land. It has now been designated as "a stand-by field," still in control of the Air Corps of the Army. The land is being leased for food production, but the runways, and so forth, are idle. Would your amendment cover that?

Mr. KILDAY. It would depend upon when the airport was acquired. If it were acquired after mobilization began on the 2d day of July 1940, then it would be subject to be declared surplus. If owned by the Government prior to that time, if it were one of these old military reservations and posts which constituted the United States Army at the time of the declaration of war, and over which the Army could not even grant a right-of-way for a sewer or an electric line, then they would not be able to dispose of it.

I say to you we are going far enough in this bill without losing control of our military policy. Under this very bill the Capitol in which we sit, if declared surplus, could be sold without legislative authority. The White House, if declared surplus—and some of the gentlemen on my left might think that would be all right—could be sold without legislative authority, should the executive branch of the Government declare the same to be surplus. I realize many administrative departments would like to declare this building and all of us sitting here surplus as they have done by Executive order on many occasions.

Rather than being a simple bill for the disposal of surplus war property or a demobilization bill, this bill constitutes, in fact, an authorization for the reorganization of all of the Government departments in accordance with their own desires. Every department of the Government can dispose of any property held by it, even though it be of many years' standing and has no reference to the prosecution of the war. National parks, oil reserves, and every other kind of property can be sold without any interference by Congress as to price, terms, or vendee, if the owning agency of the Government declares the same to be surplus.

The foreign policy of the Nation is in the hands of the owning agency and the Surplus Property Administrator. An air base in any foreign nation being under the control of the Army, it is the owning agency. If the Army should declare the same surplus it is subject to be sold by the Administrator without reference to the State Department.

There is an urgent necessity for a law to permit the disposition of perishable goods, machines, machine tools, automotive equipment, and other items which deteriorate rapidly. There is no necessity for the immediate sale of real estate. Surely all of the real estate now owned by the Government should not be placed upon the market and returned to production within the 3-year limitation of this bill. We are at our maximum production without this land and the demand for agricultural products will decrease with the end of the war. If all of these thousands of acres are returned to production, we face the necessity of paying farm benefits to limit the production upon this very land.

This bill confers sweeping and unlimited powers upon an administrative agency. These powers go much further than Congress should ever permit. A reasonable approach to this problem would suggest that it be divided into three bills. One to dispose of perishable and deteriorating items quickly; one, to formulate a policy for the use, retention, and disposition of war plants, and a third to provide for the disposition of lands. The bill is fraught with much danger. I shall vote against it.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

The question is on the amendment offered by the gentleman from Texas [Mr. KILDAY].

The amendment was agreed to.

The Clerk read as follows:

EFFECTIVE DATE; EXPIRATION

SEC. 22. This act shall become effective from the date of its enactment. Unless extended by law, this act shall expire at the end of 3 years following the date of the cessation of hostilities in the present war, as proclaimed by the President or by concurrent resolution of the two Houses of Congress.

Mr. MOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on yesterday an amendment offered by me providing that authorization by Congress should be given before any naval vessels, establishments, stations or facilities were sold, leased, or exchanged, was adopted. The amendment carried a second proviso, which was quite independent from the first, that the Navy Department should be the sole disposal agency for all naval property.

I had a conference today with representatives of the Navy Department regarding this second proviso. The Navy, as you know, as well as members of the Naval Affairs Committee of the House are in accord with the first proviso of this amendment. The reasons why this provision is necessary to the preservation and security of our Navy were fully explained to the House in the debate on yesterday. However, the Navy representatives expressed the opinion to me and some of my colleagues this morning, that they would not like to assume the duty of taking care of the sales of various property of the Navy, aside from combat vessels, stations, and establishments. So I told the representatives and my colleagues that I would ask unanimous consent today to return to section 10, for the

purpose of amending the second proviso of the amendment.

The second proviso of the amendment, which has nothing to do with the first proviso, reads that the Navy Department shall be sole disposal agency for all naval property. I would amend this second proviso by striking out the last three words "all naval property" and inserting in lieu thereof "naval vessels, stations, and establishments." So that the Navy would be the disposal agency for naval vessels, stations, and establishments only. The first proviso of the amendment requiring that the consent of Congress must be obtained in order to sell, lease, transfer, or otherwise dispose of vessels or stations or establishments would stand as it is.

As I stated yesterday, I think a great majority of you agree that an amendment of this kind requiring the consent of Congress for the disposal of any combat naval vessel, station, or establishment, is absolutely necessary to the preservation of our Navy. Ask any man who has studied naval policies and trends throughout the world and he will give it to you as his opinion that when this war is concluded one of the desires of foreign nations to whom we have lease-loaned ships will be to keep those ships if they can. That is what they desire, and all of us on the Naval Affairs Committee know it. Under this bill, if we do not retain this amendment so as to vest the power of disposal in the Congress, all that it would be necessary to do in order to sell or give these ships to foreign nations would be to declare those vessels which we had lease-loaned to be surplus. Then the executive agency empowered by this bill to do so could transfer them or sell them to those foreign governments without the consent of Congress.

At the conclusion of my remarks I am going to ask unanimous consent to return to section 10 for the purpose of offering the perfecting amendments to which I have just referred. If unanimous consent is not granted and the bill is passed without the perfecting amendments, I have stated to the Department and to my colleagues that I will ask the conference committee to make them when the bill goes to conference. I should, of course, prefer to make them here. In my opinion the perfecting amendments are of no great importance, but, as stated by the Navy Department's representative, they will be of considerable convenience to the Department. They will in no way affect the first proviso of my amendment, which was adopted yesterday and which retains full control by the Congress of the disposal of ships, stations, and establishments.

If the House will give its unanimous consent to return to section 10 now, I shall offer the perfecting amendments; or I will be glad to accept a substitute offered by anyone else incorporating them.

The CHAIRMAN. The gentleman from Oregon asks unanimous consent to return to section 10, to which he offered an amendment yesterday, for the purpose of modifying the amendment.

Mr. WHITTINGTON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the provision which provides that no naval property shall be declared surplus or disposed of unless declared surplus by the Secretary of the Navy was approved, and this bill was approved by the Secretary of the Navy, and his report is in the hearings of the committee.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. CHURCH. With all due deference to the gentleman, I believe, in the interest of good fellowship, in the handling of this bill, the gentleman from Mississippi should not object to returning to this section. Why not let the amendment be offered as the gentleman from Oregon desires in order to perfect his original amendment? I believe it would help the passage of this bill. The gentleman from Mississippi will recall that during the hearings I was in doubt about this matter, and I asked that the chairman of the Naval Affairs Committee of the House be invited to come before us to testify. I asked several times. I was indulgent at all times during our speedy hearings. I wanted to save time. Now the members of the Committee on Naval Affairs, on which committee I had the honor of serving for 6 years, are entitled to this consideration here on the floor. I think the gentleman from Mississippi should permit the gentleman from Oregon [Mr. MOTT] to perfect his amendment.

Mr. WHITTINGTON. I answer that observation by saying that this bill provides that no property under the Navy Department can be disposed of unless it is declared surplus by the Navy Department and not by the President of the United States or by any other person. Furthermore, I believe that under the gentleman's own admission, if there are any facilities, if there are any establishments, including airfields, airplane factories, not needed by the Navy, and declared surplus by the Navy, under the Mott amendment, they could not be disposed of except by act of Congress. There are several defects in the amendment, and the request referred to any one of them. All defects should be corrected in the request. If the request is confined to combat vessels and stations, it would perfect his amendment.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. COLMER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, briefly, this is a very important matter. It is now recognized that a mistake was made on yesterday when this amendment was adopted.

Mr. MOTT. Mr. Chairman, if the gentleman will yield, the gentleman said it was agreed. Nobody agrees to that; at least I do not want to be put in the class of agreeing to it.

Mr. COLMER. Very well; then for what purpose did the gentleman desire to amend his amendment?

Mr. MOTT. I want to offer a perfecting amendment to the second proviso.

Mr. COLMER. I understand.

Mr. MOTT. Nobody objects to the first proviso; it was passed overwhelmingly.

Mr. COLMER. Then the gentleman admits that he was wrong when he put the second proviso in.

Mr. MOTT. Now the gentleman is putting words into my mouth. He must not say that.

Mr. COLMER. Very well; I do not want to get technical.

Mr. MOTT. I was making a concession by offering this perfecting amendment.

Mr. COLMER. Mr. Chairman, I decline to yield further.

The CHAIRMAN. The gentleman from Mississippi declines to yield.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I am sorry; I decline to yield further, because the time is limited, and the matter is important.

Mr. Chairman, a lot has been said here about what the Navy wanted and what the Navy did not want. I am authorized to say to you as a result of a conversation I have had with the Acting Secretary of the Navy, Mr. Bard, that the Navy is satisfied with the provisions relating to this subject as contained in the bill without any amendments. That ought to be clear, that the Navy would prefer the language of the bill. I know, of course, what is back of this. Back of this is the apprehension of somebody that the ships of the Navy will be sold to some other Government or that we are going to sell them for salvage or something of that sort; but it must be remembered that under the provisions of the bill not a single item of the Navy's property can be declared surplus except by the Navy, and, therefore, the Director under this bill would have nothing whatever to do with it; he could not sell one item of it unless it was first declared surplus by the Navy. So why all this hullabaloo about this matter?

Let me say further that if this amendment remains in the bill someone should ask unanimous consent to return and offer another amendment to do the same thing for the Army; then you would have all of it out and could just pass the bill and go home and there would not be any necessity for any Administrator or anybody else. What I am trying to say to you is that by this amendment you take out from under the provisions of the bill one-quarter, one-third, one-half, or whatever proportion it is, of the surplus property of which we are trying to dispose, whatever proportion the Navy has compared to the Army. This amendment ought to be stricken out, and when we get back into the House a separate vote will be asked on this amendment.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WADSWORTH. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the adoption of this amendment by the Committee yesterday gave me some concern and since that time I have had opportunity to give some study to the question, and also to take advantage of the hearing which the Committee on Post-War Military Policy held

this morning in asking an Army witness, General Clay, what would be the reaction of the War Department if the House upon yesterday or upon any day advocated an amendment to this pending bill to the effect that the War Department should be the sole selling agent of any of its property. The response was instant and to the effect that the War Department would tremendously regret if it were saddled with the terrific job of selling at wholesale or retail the surplus property in its hands; they would infinitely prefer that such property when declared surplus should be sold by some civilian agency of the Government. They would dread establishing an enormous selling agency within the personnel of the War Department in the Army; and I could not help suspecting that the Navy Department would have the same reaction.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. For a question only.

Mr. COCHRAN. Just for a brief observation, two lines?

Mr. WADSWORTH. I yield.

Mr. COCHRAN. When the joint hearings were held General Clay told the committee that the War Department was not in position to handle any surplus property while it was fighting the war, and under no consideration did they want to handle it after the war.

Mr. WADSWORTH. The gentleman's contribution confirms what I heard General Clay say this morning. To that extent I believe we can all admit that the second provision of the amendment which was adopted on yesterday was a mistake. It was unfortunate it was done.

This discussion may all be surplusage as objection has been made to the request for unanimous consent to return to the amendment.

Another portion of the amendment has concerned me somewhat but upon this I hasten to admit I cannot speak with authority or based upon experience. The first part of the amendment offered by the gentleman from Oregon reads to the effect that no vessel, stations, establishments, or facilities of the Navy shall be declared surplus and disposed of without the consent of Congress. Obviously the objective the gentleman from Oregon had in mind was to prevent the disposal of what we know as the naval combat or important supply vessels. I visualize however the Navy as today containing hundreds of little boats or craft which might be called vessels and which probably will be sold. For the Navy to be compelled to come to the Congress every time it wanted to sell a group of yachts that have been taken over to meet this emergency, or very small patrol boats, launches, motor-driven, would place upon the Navy a tremendous task and upon the Naval Affairs Committee of the House an almost impossible task.

Mr. MOTT. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Oregon.

Mr. MOTT. For the gentleman's information I may say that only about 3 months ago the Naval Affairs Committee reported a bill authorizing the Navy to dispose of vessels up to a certain tonnage. The Congress passed that law and it is now the law of the land. If the Navy wants to dispose of further vessels of that class it may do so without any further act of Congress.

Mr. WADSWORTH. It may not do so if the gentleman's amendment is adopted.

Mr. MOTT. The gentleman should read the amendment.

Mr. WADSWORTH. It says "vessels" and it takes the place of any previous law.

Mr. MOTT. I know the gentleman wants to be fair. It says these shall not be sold or disposed of except under existing law. In cases where there is no law on the subject, the sale must be authorized by the Congress.

Mr. WADSWORTH. It is a question of construction. The way I read it the effect of this is new law and it supersedes any previous law from this point on, and if the amendment should prevail, the Navy could not sell any vessels without the consent of the Congress.

I can well understand the concern of some of the gentlemen on the Naval Affairs Committee that the Congress should interpose against the sale or surrender or sinking of any vessels of real value to the national defense. I had hoped if this thing were to be taken up in conference or on the floor of the House by unanimous consent, a limit in tonnage might be agreed on with respect to disposition of vessels in order to allow the Navy to get rid of vessels up to three or four hundred tons displacement without the consent of Congress. Of course, larger vessels should have the consent of the Congress.

Another thing that disturbed me about the amendment was the use of the word "facility." That word "facility" might cover almost anything. It might cover a machine in a navy yard gun shop. It could not be sold then without the consent of the Congress. It might include, and I am not sure about this, radio receiving and sending stations which could not be sold without the consent of the Congress. I do not think we should get into this as deeply as that.

I had hoped that we might make no special provisions with respect to the Navy service but that it should be confined to vessels of certain types and sizes and to shore establishments.

Mr. MAAS. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Minnesota.

Mr. MAAS. The Mott amendment provides that no naval vessel shall be disposed of except in accordance with the provisions of specific law. We have authorized it by special law which came from the Naval Affairs Committee. It would seem to me that the Naval Affairs Committee of the House is more conversant with these matters and we ought to be able to deal with them better.

Mr. WADSWORTH. I may be mistaken, but my interpretation of it is different, but I do direct your special attention to the use of that word "facility."

Mr. MOTT. May I ask the gentleman another question? Agreeing with everything the gentleman has said for the sake of argument, is it not the gentleman's opinion, even though he might have some objection to certain provisions of the amendment, that it should be retained in the bill in order that we may have something to go on in the way of direction to the Navy when we get into conference between the House and Senate?

Mr. WADSWORTH. The amendment is so extreme in its second provision that I do not see how the House can accept it. I had hoped, though, that this thing could be settled in conference.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CHURCH. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BATES of Massachusetts. Would not the gentleman favor going back by unanimous consent at this time—because this is one of the most important amendments to the bill—and attempting to perfect it in the House without going to a motion to recommit; otherwise we will retain the whole provision and go to conference on that? Would not the gentleman think that would be the orderly procedure?

Mr. WADSWORTH. That is entirely agreeable to me.

Mr. MAGNUSON. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Washington.

Mr. MAGNUSON. Of course, it was the purpose and the intent of the Committee on Naval Affairs of the House in limiting the sale of naval vessels at the time we did to combat vessels. In other words, we did not want any Secretary of the Navy or any committee, such as the surplus property advisory committee to be able to take a combat vessel and dispose of it in any way without the consent of the Congress. I wonder if the gentleman would not be agreeable, when we go back to the amendment, to limit this to what we in the Naval Affairs Committee term "combat vessels." The word "facility" means shore establishments.

Mr. WADSWORTH. You mention shore establishments, then you use "facility" in addition.

Mr. MAGNUSON. We wanted no more scrapping of the Navy. We wanted no battleship or no combat ship to ever be disposed of in any manner by anyone except with the consent of the Congress of the United States.

Mr. WADSWORTH. I am in agreement with the gentleman that we should not permit the disposal of combat vessels, but if you are going to use the word "combat" it is pretty restrictive. How about hospital ships? How about the great supply of tankers for the Navy, and supply ships? Does the present law forbid the disposal of combat ships?

Mr. MAGNUSON. We used the word "vessels." It was understood all the time that they would only consult us on combat ships. Of course, we have over 7,000 ships in the Navy. The great bulk of

the ships are auxiliaries, but the auxiliary strength of the Navy is always determined in ratio to the number of combat ships, so that would take care of the difference.

Mr. WADSWORTH. Is the gentleman sure?

Mr. MAGNUSON. I think it would.

Mr. CLASON. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Massachusetts.

Mr. CLASON. I would like to have the gentleman explain to the House whether or not this amendment or any provision in the bill, as he understands it, applies to vessels now in foreign countries under lend-lease?

Mr. WADSWORTH. My recollection is that the vessels now in possession of foreign countries under the lend-lease program are still the property of the United States.

Mr. CLASON. And under the control of the Navy Department they would come under some other provisions of the bill?

Mr. WADSWORTH. If they are naval vessels, they are under the Navy Department. If they are merchant vessels, they are under the Maritime Commission, and so on.

Mr. CLASON. Even though they are subject to the lend-lease provisions, they remain under the Navy, if they are Navy vessels?

Mr. WADSWORTH. We have lent their use only. We have never lost title to the ships.

Mr. DREWRY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to call attention to something that seems to me has not been noted. The amendment of the gentleman from Oregon says:

Provided, That no naval vessels, station, establishment, or facility shall be sold, exchanged, leased, transferred, or otherwise disposed of except in accordance with the provisions of existing law specifically authorizing the same.

The only thing I can find at the present time in existing law is the following:

Notwithstanding the provisions of any other law, no military or naval weapon, ship, boat, aircraft, munitions, supplies, or equipment to which the United States has title in whole or in part, or which has been contracted for, shall hereafter be transferred, exchanged, sold, or otherwise disposed of, in any manner whatsoever, unless the Chief of Naval Operations in the case of naval matériel and the Chief of Staff of the Army in the case of military matériel shall first certify that such matériel is not essential to the defense of the United States.

In the next section of this act it says that the Secretary of War and the Secretary of the Navy are requested to furnish to the chairmen of the Committees on Naval Affairs and Military Affairs a copy of these contracts that they have, and further puts a limitation in which it says that nothing shall be done with reference to any contract where the original cost of such military or naval equipment, munitions, or supplies did not exceed $2,000. It is in the hands of the Department unless it is more than that, at which time they must bring it up here.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. DREWRY. Let me go on for a few moments.

The amendment offered by the gentleman from Oregon seems to me not to change this existing law. I should say this is the existing law to which his amendment applies. If that be the case, then the whole amendment is unnecessary and we could strike it all out.

Provided further, That the Navy Department shall be the sole disposal agency for all naval property.

I think that is wrong. I am glad the gentleman from Oregon wishes to strike it out and perfect it. I see no objection to that. I think he has perfected it when he puts in the words "all naval vessels." Nevertheless I think the whole discussion, as the gentleman from New York said, is surplusage.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. DREWRY. I yield.

Mr. MOTT. May I call the gentleman's attention to the further language of the first proviso which he did not read? I agree, of course, with the gentleman's interpretation of existing law. The amendment provides that it shall be sold only under the provisions of existing law, and then it goes on to say:

And in all cases where such transactions have not been so specifically authorized, then no sale, exchange, lease, transfer, or other disposition of any naval vessel, station, establishment, or facility shall be made unless the Congress by law shall authorize it.

That simply means that the vessels shall be sold under the provisions of existing law, where there is law on the subject, and indicates that where there is no law governing it, then they shall not be sold until the Congress shall by law authorize it. I see no objection to that idea, but I think the whole matter had better be stricken out, and then the existing law would be in full force and effect.

Mr. MOTT. The existing law, in my opinion, would not cover all of it by any means.

Mr. MAAS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, all that we are asking is an opportunity to perfect this amendment. I am of the opinion that the second proviso of the Mott amendment is not necessary nor really desirable in its entirety, at least. It would have the effect of setting the Navy up in the business of disposing of clothing, food, and miscellaneous items that are common to all of the agencies that will have surpluses. Such common items ought to be handled by one agency and competitively by several different Government agencies. But the first section, it seems to me, is a matter of vital importance and basic concern to the Congress. We must never again—and how many times have we heard this in the last year or two in this House?—permit the destruction of our Navy, or the reducing of it beyond the danger point. That is what our Committee on Naval Affairs, which has worked so hard for so many years to build up the Navy, wants to see assured by the House. It is merely that the composition of the American Navy shall always be in the hands of the Congress itself. No State Department agents, no diplomats, no executive official should ever be able to change by executive decree the congressional intent in regard to the size of our Navy. This strikes directly to the question of the size of our Navy, which is and ought to be authorized by the Congress, and no change should be permitted without the knowledge and authority of the Congress. That is all we are asking for in the first section of the Mott amendment.

We are now asking consent to go back and strike out the second section of the Mott amendment, which would leave the disposal of ordinary items in the central disposal agency, but naval vessels and naval shore establishments are in a different category from any other type of property that can be surplused. There is nothing comparable to Navy vessels and naval shore establishments, and they should be dealt with separately. Certainly the Congress should be apprised of the fact and should have to give its consent if the Navy, which has been authorized by the Congress, is to be reduced. Congress must have that information and knowledge and must give its consent, or we have lost the most important element in foreign policy, and that is the size of our Navy and naval establishments.

If the gentlemen on the right-hand side of the aisle will permit us by unanimous consent to return to that amendment, we will move to strike out the second proviso of the Mott amendment and leave in the proviso which says that before any Navy vessel or naval shore establishment shall be disposed of, that information must be reported to the Congress and such disposal must receive its approval. That is a reasonable, logical, sensible thing, and we ought not to divest ourselves of that responsibility. If that is not done, we will either have to have a fight and perhaps a roll call, and if the Mott amendment is retained in the bill we will have to try to work it out in conference and take care of it by way of compromise, or it will have to be stricken out entirely. If that is the case, I think we are assuming a responsibility in delegating our constitutional obligation of providing for the Navy of the United States and are setting a very dangerous precedent. We went through that 25 years ago. Let us not do it again.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mrs. ROGERS of Massachusetts. On what authority did the President give battleships to foreign countries?

Mr. MAAS. Under the authority of lend-lease. I am very apprehensive, may I say to the gentlewoman, that unless we pass the first proviso of the Mott amendment, not a single naval vessel that has been lend-leased to any foreign government will ever be returned to the United States. They will all be declared surplus and sold for a dollar apiece, perhaps. I think we had better put the control of the size of our Navy in the hands of the Congress, where it was intended to be.

Mrs. ROGERS of Massachusetts. Several destroyers were also turned over.

Mr. MAAS. Those were given before we had any check on it, and were given in exchange, presumably for American bases in British possessions in our hemisphere.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. MOTT. If we are not allowed by unanimous consent to go back and perfect this second proviso, and we are obliged to vote on the bill containing the amendment as written, if this amendment should be stricken out on a separate vote, is it not a fact that we would have nothing to work on in the Senate and nothing in the House?

Mr. MAAS. The gentleman is correct; then the matter is entirely out of the hands of the Congress and we have lost control of the size of our Navy.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. CHURCH. Mr. Chairman, I ask unanimous consent that the gentleman be given 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SHAFER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SHAFER. What is the parliamentary situation at present?

The CHAIRMAN. The gentleman from Minnesota has risen in opposition to the pro forma amendment.

Mr. SHAFER. What is at stake after this is all done? There has been an objection to the request to return to this amendment. What will be the result of all this argument?

Mr. MAAS. We hope to renew that request.

Mr. TABER. Mr. Chairman, will the gentleman yield.

Mr. MAAS. I yield.

Mr. TABER. May I point out that there is a way around this without returning to section 10 of the bill at this time, and that is by adopting the Mott amendment on a roll-call vote, if we have to, and following that with a motion to recommit which would correct that second part of the amendment. There is a parliamentary way out of it. Under those circumstances it would seem to me that it would be much better and fairer if the members of the committee in charge of the bill would permit us at this time to return to section 10.

I wonder if the gentleman from Minnesota would not make that request again, with that picture in front of us, so that we may know how to proceed and accomplish that result.

Mr. MAAS. I thank the gentleman. I will make the request when I have concluded, because I think it would be the more expeditious and the more clear-cut way of doing it.

As the gentleman from New York pointed out, we could do it by retaining the Mott amendment, and then on a motion to recommit perfect it. But you cannot debate that. I hope that there will be no objection to my request to return to section 10 and then, with full knowledge and proper discussion, perfect this amendment. I think it is very vital that the Congress retain a closer check and control over the composition of the American Navy. There is no instrument of foreign policy that even approaches the potency of our Navy. We must never surrender that by treaty or any other kind of agreement without the knowledge and consent of the Congress itself.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. Would the gentleman be willing and would the author of the amendment be willing to confine the amendment to naval vessels and shore establishments, and eliminate the word "facility"?

Mr. MAAS. As far as I am concerned, I certainly would, because what we are after, of course, is the question of naval bases and naval vessels. The word "facility" was used because we called a great many naval air stations naval air facilities for convenience. We have naval air facilities that are bigger than all naval air stations in World War No. I put together. They are called air facilities to distinguish them from the main station, which is called a naval air station. I am perfectly willing to do that, because "shore establishment" would cover what the gentleman from Oregon and I have in mind.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Oregon.

Mr. MOTT. Is it not a fact that the word "facility" has a rather definite meaning in the Navy, and they know that a facility is not a can of beans or anything like that. The Naval Observatory is a facility and the Naval Aircraft Factory at Philadelphia is a facility.

Mr. MAAS. That is correct, but if the gentleman would agree to this amendment, "shore establishment" covers all of it, if we could perfect it to say "naval vessels and shore establishments."

Mr. MOTT. That would be perfectly satisfactory to me, because in most cases the facility and station are synonymous.

Mr. MAAS. I know that high officials in the Navy who are dealing with these problems are not opposed to the first proviso of Mr. MOTT's amendment. They agree with us, that the Navy is in a far sounder position in having the Congress in partnership with them in the matter of these major disposals where national and congressional policy are involved, such as the disposition of naval vessels and naval bases.

The Navy will avoid future criticism and the possibility of scandal if the Congress itself approves of its major disposals.

On the larger side of the question, we must not permit any peace conference delegation, nor any President, to use our Naval Establishment as part of the bargaining in international settlements without the full knowledge and consent of the Congress. Certainly no one must be permitted to trade any of our combatant vessels, nor surrender any of our hard-won naval bases, for any consideration without the consent of the American people through their Congress.

Let us perfect, but by all means, let us retain the Mott amendment.

Mr. MAAS. Mr. Chairman, I ask unanimous consent to return to section 10 for the purpose of offering an amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. WHITTINGTON. Reserving the right to object, Mr. Chairman, when this amendment was before the Committee of the Whole there was a discussion and opposition on the part of the committee. It was emphasized that under the terms of this amendment the language "no facility or establishment" would prevent the disposal of any of the surplus properties and plants in many parts of the country. The gentleman from New York [Mr. WADSWORTH] mentioned one of the best illustrations that was submitted to our committee. It was said that before a single one of the yachts could be disposed of that were acquired when individuals came trooping to the Navy Department to offer them to the Navy, a special act of Congress would have to be passed under the Mott amendment. He does not propose to correct the objectionable provisions of his amendment. I opposed his amendment when proposed, and I oppose it now.

Nor is that all, Mr. Chairman. When this amendment was pending, after this committee had modified section 7 of the original bill to provide that neither the Army nor the Navy should have any of its property disposed of unless the Army and unless the Navy declared that property to be surplus, the chairman of this committee, in order to make certain and definite that no combat vessel would be disposed of, in order to make certain that the House stood, as I stand, for a big Navy, and in order to make certain that not a vessel of any type that was needed in the big Navy would be disposed of, offered a substitute for the Mott amendment, and that substitute provided that, and I quote:

> No vessel under the control of the Department of the Navy shall, unless the Secretary of the Navy has found such vessel not to be a combat ship or a naval auxiliary, or has found it to be based on commercial design or susceptible of commercial usage, be disposed of under this act until the expiration of 30 days after notice of the proposed disposal of the vessel has been sent to the Committee on Naval Affairs of the Senate and the Committee on Naval Affairs of the House of Representatives.

The substitute was rejected, and the Mott amendment, now admitted to be objectionable, was adopted.

In a word, Mr. Chairman, your committee, before it reported this bill, was advised that the great surpluses that were to be disposed of, were not the surpluses that would cripple the Army and were not the surpluses that would cripple the Navy, but were the surpluses that the Army and the Navy would declare to be surpluses. This simple request to go back and remove one objectionable feature does not go to the heart or other

objectionable provisions of the amendment. It leaves the facilities and establishments in the amendment. These words are also objectionable. The amendment should be fully perfected or voted down in the House.

Therefore, Mr. Chairman, I object to the request.

Mr. SUMNERS of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SUMNERS of Texas: On page 44, line 11, after "or", insert "at an earlier date if such date be designated."

Mr. SUMNERS of Texas. Mr. Chairman, this proposed amendment is to make this act terminable upon the passing of a concurrent resolution by the two Houses of Congress specifying a time determined by them for its termination, shorter than that now fixed by the provisions of the bill. It is constitutional and is in line with sound governmental policy in connection with this sort of legislation. This is emergency legislation, extraordinary legislation. The Congress is retaining certain supervisory powers with reference to the disposition of these billions of dollars' worth of public property, but of necessity there is a delegation of tremendous power to the executive agencies of the Government. It is close akin to the war powers which the Congress has been granting.

In the long history of Anglo-Saxon governments peoples have granted these emergency powers to deal with emergency situations. By that procedure they have been able affectively to fight their wars, by giving to their government the necessary strength and rapidity of motion. At the same time, by retaining the power to control the exercise of these extraordinary powers and to terminate them, they have been able to avoid long periods of dictatorship. It is one of the most interesting phenomena to be observed in the examination of the behavior of the people, who constitute a democracy. They seem instinctively to sense the existence of a crisis, requiring this increase of the power of government and making its machinery susceptible of a rapidity of motion which their institutions, functioning normally, cannot provide.

Speaking generally they have had the genius while doing this to retain—and we should retain in our agency of Government, conferring these extraordinary powers with us the Congress—the power to control their exercise if necessary, and the power to terminate them when the emergency shall have ended or when, in the judgment as with us of the two Houses of Congress, the power should no longer be exercised. By that procedure they have been able to defend themselves against dictatorial governments seeking their conquest and have escaped long periods of dictatorial government of their own.

This proposed amendment is not only in line with that sound public policy, but as stated, it is not open to objection on constitutional grounds, as some people assert. It does not propose to authorize a repeal of the existing law by concurrent resolution of the two Houses of Congress. If adopted, the proposed amendment would become a provision in the structure of the law, a part of the law, agreed to by all the agencies of Government which participate in legislation. The provision would be in the law that upon the happening of an incident or contingency specified in the law, namely this concurrent resolution of the two Houses of Congress, the law itself should terminate by its own provision.

Not only should this character of control be retained with regard to this type of legislation conferring great discretionary powers with reference to the disposition of billions of dollars' worth of public property affecting directly or indirectly practically every individual and every business in the country, but the Congress and the country should be fully impressed with the extraordinary and dangerous character of this type of legislation, to be got rid of as soon as possible when the emergency shall have ended.

The Houses of Congress in connection with these grants of extraordinary emergency power should retain, as a matter of public policy, the power to control within the limits of their capacity and time, and the power to terminate, as their judgment and sense of duty may require. That retention is no indication of lack of confidence in the administrative agency. It is merely the nonsurrender of that which in the public interest they ought to retain.

Mr. MOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise for the purpose of announcing to the House that inasmuch as the unanimous-consent request to return to section 10, for the purpose of offering the perfecting amendment which I have suggested, has been objected to, I intend, if consent be still refused, to offer a motion to recommit this bill with instructions to report it back with the amendment we adopted yesterday and to include in that amendment the two perfecting amendments that have been suggested here on the floor. One is to confine the scope of the Navy Department as a disposing agency to naval combat vessels and stations, and the other is to eliminate the word "facility." A motion to recommit with instructions to bring back the bill so amended will be made. I had hoped the amendments might be made here on the floor by consent, but if they cannot then they will be offered by way of a motion to recommit.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment. With respect to the amendment offered by the gentleman from Texas I detain the Committee to say that it presents, as your Committee was advised, a very serious constitutional question. As the gentleman from Texas has stated, if you have the bill before you, on page 44, it would change this bill so that having given 3 years for the execution of the objectives and policies of the bill, Congress might provide by joint resolution of at least doubtful constitutionality, for its earlier termination and thus involve the constitutionality of the act. It strikes me that as a general law, where the Administrator may be removed at any time, we ought not jeopardize the fundamental objectives and policies of this act by a provision of doubtful constitutionality. The remedy is, if we are not satisfied with the Administrator, for the Chief Executive, whoever he may be, to remove him.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. SUMNERS].

The question was taken; and on a division (demanded by Mr. WHITTINGTON) there were—ayes 74, noes 35.

So the amendment was agreed to.

Mr. GWYNNE. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GWYNNE: On page 44, after line 12, add a new section as follows:

"PENALTIES

"SEC. 23. (a) Whoever with intent to defraud the Government of the United States, shall knowingly and willfully violate any of the provisions of this act shall be fined not more than $5,000 or imprisoned not more than 5 years, or both.

"(b) If two or more persons, with intent to defraud the Government of the United States, enter into any agreement, confederation, or conspiracy to violate any provision of this act, and do any overt act toward carrying out any such unlawful agreement, confederation, or conspiracy, such person or persons shall be fined not more than $5,000 or imprisoned not more than 5 years, or both."

Mr. GWYNNE. Mr Chairman, although this act lays down a very definite course of conduct in the disposal of property, there are no penalties in the act. It is true it refers to or incorporates certain other laws in which penalties are provided. Those penalties would not cover all of the violations which might occur if this should become law. For example, you might have this situation, several people might conspire with an officer of the Government and the result might be that a million dollars' worth of property might be sold for a paltry sum. It is true that persons who have been guilty of fraud might be liable in a civil action. Furthermore the Government might bring an action to recover the property thus sold by fraud. But if it had passed into the hands of a bona fide purchaser that remedy would be unavailable to the Government. This amendment if adopted would not permit any penalty being imposed upon an innocent person. It would not penalize anyone for a mistake, no matter how stupid the mistake might be. It simply provides that any person who violates any provisions of this act and does it with the deliberate purpose of defrauding the Government may be punished in this manner.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment. I detain the Committee to say this in response to the amendment offered by the gentleman from Iowa, that the Committee went into the matter of penalties and, as we have stated during the gen-

eral debate, this is not a bill like the renegotiation or reconversion bill, where there are individuals and other agencies outside of the executive departments being utilized, but this is a bill which deals with the executive agencies of the Government, and we are advised that no penalties were necessary and that if there were any violations of the law in connection with the administration of the act, that existing criminal statutes were ample. We see no occasion for the amendment.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. MICHENER. Is it not the best philosophy always to write into every law everything that may plainly be accomplished under the law? This amendment can do no harm. It can only make clear that which the gentleman from Mississippi has suggested does exist, provided that search is made of the 100 other laws containing penalties now in force.

Mr. WHITTINGTON. Mr. Chairman, I have high regard for the gentleman. I would not put my legal ability against his or against the legal ability of the gentleman from Iowa. If this one criminal penalty provision is placed in this bill with one penalty, it might restrict and prevent the operation of other penalties. On the other hand, we are advised that all statutes would be applicable to the applicable cases and I do not want to restrict the application of all criminal statutes now in force, to the one statute proposed by the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEPARABILITY OF PROVISIONS

SEC. 23. If any provision of this act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this act or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

SHORT TITLE

SEC. 24. This act may be cited as the "Surplus Property Act of 1944."

The CHAIRMAN. The question now recurs on the adoption of the committee substitute.

The committee substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants and for other purposes, pursuant to House Resolution 620, reported the same back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Under the rule, also, the substitute being considered as an original bill, any Member may ask for a separate vote on any amendment to the substitute.

Is a separate vote demanded on any amendment?

Mr. MANASCO. Mr. Speaker, I ask for a separate vote on the so-called Mott amendment.

The SPEAKER. The Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. MOTT: Page 31, line 22, after the word "proper", change the period to a colon and insert the following: "*Provided*, That no naval vessel, station, establishment or facility shall be sold, exchanged, leased, transferred, or otherwise disposed of except in accordance with the provisions of existing law specifically authorizing the same; and in all cases where such transactions have not been so specifically authorized, then no sale, exchange, lease, transfer, or other disposition of any naval vessel, station, establishment, or facility, shall be made unless the Congress by law shall authorize it: *Provided, further*, That the Navy Department shall be the sole disposal agency for all naval property."

Mr. MAGNUSON. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. MAGNUSON. Mr. Speaker, I ask unanimous consent to submit at this time a substitute for the Mott amendment.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. MAGNUSON]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what is the substitute?

Mr. MAGNUSON. I shall be glad to read it. The amendment as proposed by the gentleman from Oregon reads as follows:

Provided, That no naval vessel, station, establishment, or facility shall be sold, exchanged, leased, transferred, or otherwise disposed of except in accordance with the provisions of existing law specifically authorizing the same; and in all cases where such transactions have not been so specifically authorized, then no sale, exchange, lease, transfer, or other disposition of any naval vessel, station, establishment, or facility shall be made unless the Congress by law shall authorize it.

My proposal is to substitute an amendment which would read as follows:

That no combat naval vessel, station, or establishment shall be sold, leased, transferred—

And the same perfection in line 2, changing the words to "no combat naval vessel, station, or establishment shall be sold unless the Congress by law shall authorize it."

Mr. WHITTINGTON. I ask the gentleman to read the amendment.

Mr. MAGNUSON. I will read the amendment in full.

Mr. MARTIN of Massachusetts. Has the gentleman read his full proposal?

Mr. MAGNUSON. I will read it in full. I was simply explaining it, to show the changes that would be effected.

The amendment would read:

Provided, That no combat naval vessel, station, or establishment shall be sold, exchanged, leased, transferred, or otherwise disposed of except in accordance with the provisions of existing law specifically authorizing the same; and in all cases where such transactions have not been so specifically authorized, then no sale, exchange, lease, transfer, or other disposition of any combat naval vessel, station, or establishment shall be made unless the Congress by law shall authorize it.

Mr. MAAS. Is the second proviso dropped out?

Mr. MAGNUSON. I also propose to strike the second proviso of the Mott amendment.

Mr. MOTT. Reserving the right to object.

Mr. MAGNUSON. I have not had a chance to write this yet.

Mr. MOTT. It was my understanding when I agreed to the language the gentleman has just read that there would also be a modification of the second proviso.

The SPEAKER. If the gentleman from Washington is allowed to offer a substitute, it would take everything out of the Mott amendment that is not included in the substitute.

Mr. MOTT. If the gentleman will just read on, it is all written there.

Mr. MAGNUSON. The second proviso reads:

Provided further, That the Navy Department shall be the sole disposal agency for such naval property.

Mr. MOTT. For naval combat vessels or stations.

Mr. MAGNUSON. Naval combat vessels, stations, or shore establishments.

Mr. MOTT. Reserving the right to object, the gentleman and I have agreed upon this language as a substitute for the original amendment, and as far as I am concerned, it is perfectly satisfactory to me, and I hope the House will adopt it.

Mr. WHITTINGTON. Mr. Speaker, I ask that the amendment be reported by the Clerk in the usual course.

Mr. MAGNUSON. I was simply trying to explain the basis. I shall now, with the permission of the House, read the full amendment as agreed to by the gentleman from Oregon.

The SPEAKER. The gentleman is now reading what he intends to offer as a substitute if he receives unanimous consent to do so; is that correct?

Mr. MAGNUSON. That is correct, Mr. Speaker.

Provided, That no combat naval vessel, station, or establishment shall be sold, exchanged, leased, transferred, or otherwise disposed of except in accordance with the provisions of existing law specifically authorizing the same; and in all cases where such transactions have not been so specifically authorized, then no sale, exchange, lease, transfer, or other disposition of any combat naval vessel, station, or establishment shall be made unless the Congress by law shall authorize it: *Provided further*, That the Navy Department shall be the sole disposal agency for all such combat vessels, stations, or establishments.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. MAGNUSON]?

Mr. COLMER. Mr. Speaker, reserving the right to object, I understood the gentleman from Washington [Mr. MAGNUSON] and the gentleman from Oregon [Mr. MOTT] when this matter was being perfected, to say that the second section shall be left out entirely.

Mr. MAGNUSON. It was my purpose in talking with the gentleman from Oregon [Mr. MOTT] to limit the disposal by the Navy Department only to such combat vessels, establishments, and shore stations.

Mr. COLMER. Then as I understand the gentleman, the second provision of that amendment would have no effect except for the sale of those combat vessels?

Mr. MAGNUSON. Combat vessels, shore establishments, or stations. All this does is to limit the Mott amendment to combat vessels, shore establishments, and naval stations.

Mr. WHITTINGTON. Mr. Speaker, reserving the right to object, I think the matter has been very materially improved by the language suggested by the gentleman, but I have this question to ask: Having eliminated "facilities," I am wondering as to the meaning of the word "establishment." Would that include various air fields that have been established by the Navy Department in the interior, some of which have been offered for sale? I have in mind the field we voted on just before we took the recess in the latter part of June, the field located in Oklahoma. I am wondering if the term "establishments" would embrace such properties as that, and would also embrace plants, the small plants that have been established by the Defense Plants Corporation for the Navy.

Mr. MAGNUSON. I do not think naval interpretation of this language would include those items.

Mr. WHITTINGTON. Would it include aircraft factories that have been established, if any such have been established by the Navy Department?

Mr. MAGNUSON. I do not believe it would include that, in naval interpretation.

Mr. WHITTINGTON. I withdraw my reservation of objection.

Mr. HARRIS of Virginia. Reserving the right to object, in order to keep the record straight, does the term "combat vessel" include tankers, supply ships and hospital ships, or does it include that type of vessel?

Mr. MAGNUSON. It excludes that type of vessel unless the department should determine in ratio to the combat vessels that they were a part of a task force. That takes care of itself, because the auxiliary strength in a navy is determined in ratio to its combat ship strength.

Mr. HARRIS of Virginia. But this amendment does not protect the disposition of tankers and auxiliaries?

Mr. MAGNUSON. No; it does not intend to. We are concerned with keeping up the combat strength.

Mr. HARRIS of Virginia. But you cannot keep it without tankers and auxiliaries.

Mr. MAGNUSON. But those are determined in ratio to the combat vessels.

Mr. MAAS. They would have to be surplus over our combat vessels.

Mr. MAGNUSON. That may or may not be. The Navy would determine that.

Mr. BATES of Massachusetts. Will the gentleman yield?

Mr. MAGNUSON. I yield.

Mr. BATES of Massachusetts. Under the bill passed by the House in June, we authorized the Secretary of the Navy to dispose of all vessels that he did not need in the naval service, under 1,000 tons. That is the present bill now resting in the Senate. That includes all tankers and what are called auxiliary ships.

Mr. MAGNUSON. That is correct.

Mr. CUNNINGHAM. Will the gentleman yield?

Mr. MAGNUSON. I yield.

Mr. CUNNINGHAM. The G. I. bill of rights which the Congress recently passed authorized the Veterans' Administrator and the Secretary of the Navy to enter into an agreement for the transfer of hospital facilities. Would the term "establishment" include a naval hospital in this country?

Mr. MAGNUSON. It might, depending on what the navy wanted to call it.

Mr. CUNNINGHAM. Then this would put a limitation on the G. I. bill of rights?

Mr. MAGNUSON. No; it would leave it in effect.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MAGNUSON. Mr. Speaker, I offer a substitute amendment.

The Clerk read as follows:

Substitute offered by Mr. MAGNUSON for the amendment on page 31, line 22, after the word "proper" change the period to a colon and insert the following: "*Provided*, That no combat naval vessel, station, or establishment shall be sold, exchanged, leased, transferred or otherwise disposed of except in accordance with existing law specifically authorizing the same and in all cases where such transactions have not been so specifically authorized then no sale, exchange, lease, transfer, or other disposition of any combat naval vessel, station, or establishment shall be made unless the Congress by law shall authorize it: *Provided further*, That the Navy Department shall be the sole disposal agency for all such combat vessels, stations, or establishments."

The SPEAKER. The question is on the substitute.

The substitute was agreed to.

The SPEAKER. The question is on the amendment as amended by the substitute.

The amendment as amended by the substitute was agreed to.

The SPEAKER. The question is on the committee substitute to the bill.

The committee substitute was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. POULSON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. POULSON. I am in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. POULSON moves to recommit the bill H. R. 5125 to the Committee on Expenditures in the Executive Departments with instructions to report the same back forthwith with the following amendments: Strike out all of section 3 from line 23 on page 25 to and including line 4 on page 27 and insert in lieu thereof the following:

"SURPLUS PROPERTY BOARD

"SEC. 3. (a) There is hereby established in the Office of War Mobilization and Reconversion a Surplus Property Board, which shall be composed of eight members, each of whom shall be appointed by the President, by and with the advice and consent of the Senate, shall receive compensation at the rate of $10,000 per annum, and shall serve for a term of 2 years. In the selection of members of the Board the President shall give due consideration to the various geographic areas and economic interests of the Nation. The Board shall elect one of its members as chairman. In their deliberations the Board shall take into consideration the interests of all economic groups such as consumers, industry, agriculture, and labor. In case of a tie vote the Director of War Mobilization and Reconversion shall have a deciding vote. During his term of membership on the Board, no member shall engage in any other business, vocation, or employment. The Board shall determine all matters of policy relating to the administration of this act.

"(b) In order that the elected representatives of the people shall be kept informed of the activities and the policies of the Board, the President of the Senate shall appoint two Members of the Senate and the Speaker of the House of Representatives shall appoint two Members of the House of Representatives who shall be entitled to attend any meetings of the Board and who shall from time to time report to the Congress or to their respective Houses on the proceedings of the Board. It shall be the duty of the Chairman of the Board to advise such Members of all general or special meetings of the Board.

"(c) The Board shall, without regard to the civil-service laws, appoint an Administrative Director, who shall perform such functions as the Board may direct and shall receive compensation at the rate of $10,000 per annum. The Board shall, within the limits of funds which may be made available, employ and fix the compensation of such deputy administrative directors and other officers and employees, and may make such expenditures for supplies, facilities, and services, as may be necessary to carry out its functions. All such deputy administrative directors and other officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended. The Board shall, where practicable, perform the duties imposed upon it through the personnel and facilities of other Government agencies."

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. PLOESER) there were—ayes 38, noes 142.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill the Clerk be directed to make the necessary changes in sections, subsections, paragraph, subparagraph, and clause numbers and letters with reference thereto.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PAY AND ALLOWANCES FOR TEMPORARY MEMBERS OF COAST GUARD RESERVE DURING PERIOD OF DISABILITY

The SPEAKER. The Chair recognizes the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3704) to provide pay and allowances for temporary members of the Coast Guard Reserve during periods of disability resulting from injuries sustained or disease contracted in active service during the present war, and for other purposes.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I shall not for I believe this is a meritorious bill, but will the gentleman from Virginia explain it for the benefit of the membership?

Mr. BLAND. The bill has the unanimous support and endorsement of the Committee on the Merchant Marine and Fisheries and a favorable report from the Navy Department and the Coast Guard and from the United States Employees' Compensation Commission. The purpose of the bill is to take care of injuries and deaths of those men who are employed as temporary reservists and auxiliaries in the Coast Guard, men who are working for no compensation and who died and received no money. This would bring them within the operation of the Employees' Compensation Commission. It also provides paying for vessels that have been used as auxiliaries by the Coast Guard and have been lost.

The injury must be in line of action. These men have been called in by the Coast Guard in line of action and they have gone in there and served without pay.

Mr. MARTIN of Massachusetts. These are patriotic volunteers and the gentleman wants to give them the same compensation a regular would receive?

Mr. BLAND. Absolutely.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That temporary members of the Coast Guard Reserve shall receive the pay and allowances of their respective ranks, grades, or ratings, during any period in which they are unable to carry on their regular vocations by reason of injuries sustained or disease contracted in active service in the Coast Guard Reserve during the period beginning December 7, 1941, and ending on the date of the termination of hostilities in the present war, as proclaimed by the President. Members of the Coast Guard Auxiliary who are not temporary members of the Coast Guard Reserve shall be paid an allowance of $6 per day during any period in which they are unable to carry on their regular vocations by reason of injuries sustained or disease contracted on active duty as members of the Coast Guard Auxiliary during the period beginning December 7, 1941, and ending on the date of the termination of hostilities in the present war, as proclaimed by the President. Any such temporary member of the Coast Guard Reserve or member of the Coast Guard Auxiliary suffering such disability on or after December 7, 1941, but prior to the date of enactment of this act, shall be paid in a lump sum, within 60 days after the date of enactment of this act, the pay and/or allowances which he would have received under this act if this act had been in effect on and after December 7, 1941.

SEC. 2. The last sentence of section 212 of the Coast Guard Auxiliary and Reserve Act of 1941, as amended (U. S. C., 1940 ed., supp. II, title 14, sec. 312), is amended to read as follows: "Any temporary member of the Reserve, or any member of the Coast Guard Auxiliary who is not a temporary member of the Reserve, who sustains injuries or contracts sickness or disease while performing active duty shall be furnished hospital care, including medical treatment, at any institution operated by any department or agency of the Government, or, if no such institution is available, shall be reimbursed for all expenses incurred for hospital care in private institutions, medical treatment, and nursing care. In addition, any such temporary member of the Reserve or member of the Auxiliary shall be reimbursed for all necessary expenses incurred as a result of his injury or illness."

SEC. 3. Section 1 of this act shall cease to be in effect 6 months after the date of the termination of hostilities in the present war, as proclaimed by the President.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That section 212 (55 Stat. 12), as amended by the act of November 23, 1942 (56 Stat. 1021; 14 U. S. C., Supp. III, 312), of the Coast Guard Auxiliary and Reserve Act of 1941, as amended, is further amended to read as follows:

"'SEC. 212. (a) In case of physical injury or death resulting from physical injury—

"'(1) to any temporary member of the Reserve when incurred after February 19, 1941, in line of duty as a member of the Reserve, while on active duty or engaged in authorized travel to or from such duty; or

"'(2) to any member of the Auxiliary not on active duty as a member of the military or naval forces, when incurred after February 19, 1941, while on Coast Guard patrol pursuant to the request of competent Coast Guard authority, and which would have been incurred in line of duty in the active service had he been a member of the Reserve acting under competent orders;

the provisions of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916 (5 U. S. C., ch. 15), as amended, subject to the other subsections of this section, shall apply, and such act shall be administered by the United States Employees' Compensation Commission (hereinafter called the Commission) in the same manner and to the same extent as if such person were a civil employee of the United States and were injured while in the performance of his duty: *Provided*, That for benefit computation, regardless of pay or pay status, such person shall be deemed to have had monthly pay of $150.

"'(b) This section shall not apply in any case coming within the purview of the workmen's compensation law of any State, Territory, or other jurisdiction because of a concurrent employment status of such member; and where such member or dependent should be entitled to a benefit under this section and also to any concurrent benefit from the United States on account of the same disability or death, such member or dependent shall elect which benefit he shall receive.

"'(c) Whenever a claim is filed with the Commission for benefits because of an alleged injury or death within the purview of this section, the Commission shall notify the Commandant and he or his designee shall investigate the facts surrounding such alleged injury and make certification with respect thereto, including certification as to such injured or deceased person's membership in the Reserve or Auxiliary and his military status, and whether the injury or death occurred in line of duty or while on Coast Guard patrol pursuant to request of competent Coast Guard authority. Such certifications shall not excuse the making of such reports as are required by such act of September 7, 1916.

"'(d) Notice of injury and any claim for benefits on account of disability or death within the purview of this section which occurred prior to the enactment of this amendment, may be received as timely filed, if filed within 1 year from the date of the approval of this amendatory act.

"'(e) In case of physical injury incurred, or sickness or disease contracted (1) by any temporary member of the Reserve while performing active Coast Guard service, or (2) by any member of the Auxiliary not a regular or temporary member of the Reserve, while performing active Coast Guard patrol service pursuant to request of competent Coast Guard authority, such person shall be entitled to receive the same hospital treatment as is afforded members of the Regular Coast Guard.'

"SEC. 2. Section 8, as amended by the act of June 6, 1942 (56 Stat. 329; 14 U. S. C., Supp. III, 267), of the Coast Guard Auxiliary and Reserve Act of 1941 as amended is further amended by adding at the end thereof the following: 'Appropriations of the Coast Guard shall also be available for the payment for constructive or actual total loss occurring after March 1, 1942, of any motorboat or yacht utilized pursuant to section 6 of this act, where it is determined under regulations prescribed by the Commandant that responsibility for such loss rests with the Coast Guard.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended."

EXTENSION OF REMARKS

Mr. WEAVER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include a short article.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. WEAVER]?

There was no objection.

Mr. OUTLAND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include some remarks made at graduation exercises at Salinas, Calif.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCANLON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial which appeared in the Pittsburgh Post-Gazette.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an article by Capt. Kenneth C. Bradley, national insurance officer for the Disabled American Veterans.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial and a newspaper article, and I also ask unanimous consent that the gentleman from Michigan [Mr. HOFFMAN] may have the privilege of extending his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JUDD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MURPHY. Mr. Speaker, I ask unanimous consent that on the next legislative day I may have the privilege of addressing the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. GWYNNE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech delivered by the Reverend John Schliepsick, of Hubbard, Iowa.

The SPEAKER. Is there objection to the request of the gentleman from Iowa [Mr. GWYNNE]?

There was no objection.

Mr. CARLSON of Kansas. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD in two instances and to include two separate editorials.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include brief excerpts from letters.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech I delivered in Chicago recently.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

ADJOURNMENT UNTIL THURSDAY

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Thursday next.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, may I ask what the program is expected to be this week and the next 2 weeks, if possible?

Mr. RAMSPECK. The next on the program is a bill now before the Ways and Means Committee and from the best information I have been able to secure it appears that this bill will not be ready for consideration before Monday. That is the only business on the program so far as I know at this time.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. EATON (at the request of Mr. CANFIELD), for 1 week, on account of official business.

VETERANS' ASSISTANCE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, in considering reconversion of buildings the Members of the Congress ought to insist that departments in Washington that are not necessary to be located here and where the personnel is not necessary to be located at Washington should leave Washington in order to give the Veterans' Administration the opportunity to carry on its work for the veterans pursuant to the G. I. bill. This organization should be housed under one roof. It is shameful for the disabled veterans to be shunted and pushed from department to department. It is very unfair, very unjust, and very cruel.

I spoke to General Hines yesterday about the appointment of an assistant director to be in charge of the disabled. Everyone wants to see General Hines when he is too busy to see them all, and there should be provided a special assistant administrator or director to help disabled veterans with their problems and to fight for their rights.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 4 o'clock and 36 minutes p. m.), under its previous order, the House adjourned until Thursday, August 24, 1944, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Wednesday, August 23, 1944, to begin public hearings on S. 1473, a bill entitled "To amend the Interstate Commerce Act, as amended" and H. R. 5196, a bill entitled "To amend section 22 of the Interstate Commerce Act by authorizing common carriers to grant reduced fares to personnel of armed services."

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

The Subcommittee on the Investigation of the Morgan Line (Southern Pacific Co.) will continue its consideration of this matter on Thursday, August 24, 1944, at 10 a. m.

EXECUTIVE COMMUNICATIONS, ETC.

1777. Under clause 2 of rule XXIV, a letter from the Director, Selective Service System, transmitting a report of the registrants deferred as of June 15, 1944, because of their employment in or under the Federal Government, was taken from the Speaker's table and referred to the Committee on Military Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MANASCO:

H. R. 5221. A bill to eliminate as uncollectible certain credits of the United States; to the Committee on Expenditures in the Executive Departments.

H. R. 5222. A bill to provide uniform authority for the payment of travel expenses of consultants and other expert employees of the Federal Government; to the Committee on Expenditures in the Executive Departments.

By Mr. RANKIN:

H. R. 5223. A bill authorizing the Administrator of Veterans' Affairs to grant an easement in certain lands of the Veterans' Administration, Dallas, Tex., to Dallas County, Tex., for highway purposes; to the Committee on World War Veterans' Legislation.

H. R. 5224 (by request). A bill to liberalize certain provisions of the National Service Life Insurance Act of 1940, as amended; to the Committee on World War Veterans' Legislation.

By Mr. LANHAM:

H. R. 5225. A bill to permit the occupancy of vacant living accommodations in national defense housing projects by certain wives of members of the armed forces and by war veterans with wives or children; to the Committee on Public Buildings and Grounds.

By Mr. LUTHER A. JOHNSON:

H. R. 5226. A bill to provide for the admission on motion of certain veterans to

practice law in the District of Columbia; to the Committee on the District of Columbia.

By Mr. DINGELL:

H. R. 5227 (by request). A bill to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes; to the Committee on Ways and Means.

By Mr. KEFAUVER:

H. R. 5232. A bill to transfer jurisdiction over the Chattanooga National Cemetery, Chattanooga, Tenn., from the Department of the Interior to the War Department, and for other purposes; to the Committee on the Public Lands.

By Mr. REECE of Tennessee:

H. R. 5233. A bill amending paragraph 16, schedule A, of the Securities Act of 1933; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H. R. 5228 (by request). A bill for the relief of Daniel J. Weiner; to the Committee on Claims.

By Mr. DICKSTEIN:

H. R. 5229. A bill for the relief of Joseph Arens and David Arens, of New York City, doing business under the name of Dee Jay Hat Co.; to the Committee on Claims.

By Mr. KNUTSON:

H. R. 5230. A bill for the relief of the village of Cold Spring, Minn.; to the Committee on Claims.

By Mr. SASSCER:

H. R. 5231. A bill for the relief of Clarence W. Holmes; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII,

6027. Mr. WEAVER presented a petition of E. C. Waller and sundry other citizens of Buncombe County, N. C., in support of the Bryson bill, H. R. 2082, which was referred to the Committee on the Judiciary.

SENATE

WEDNESDAY, AUGUST 23, 1944

(Legislative day of Tuesday, August 15, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Joseph E. Gedra, assistant pastor, Immaculate Conception Church, Washington, D. C., offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Ghost. Amen.

Most gracious Lord and Father in Heaven, we raise our minds and hearts to Thee in humble prayer to ask for a share in the splendor of Thy wisdom.

As we stand here in the Capitol of our Nation, it is our duty to take counsel for our people. They are Thine, and we are Thine, and we believe that it is by Thy providence we are chosen to deliberate for their welfare.

This is a time when the greatness of our human needs seems to transcend the powers of our human minds to understand and our capabilities to cope with them. Therefore, give us light, O Lord, that we may see Thy way of bringing to our fellow citizens not only the enjoyment of all earthly gifts but also the recognition of Thy loving bounty as the source of these gifts: For "Not in bread alone doth man live, but in every word that proceedeth from the mouth of God." (Matthew iv : 4.)

But let us, before all, remember that both we and our brethren should find in union with Thee our greatest happiness and our highest purpose. Therefore, in Thy loving kindness grant that our service may help our countrymen and all the world to realize this best and highest purpose, that we may know strength and victory and peace and justice here on earth, and that both on earth and in heaven in Thy light we may see light. This we ask, O God, in the name of Jesus Christ, our Lord and Redeemer. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, August 22, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3704. An act to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended; and

H. R. 5125. An act to provide for the disposal of surplus Government property and plants, and for other purposes.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	O'Mahoney
Andrews	Guffey	Overton
Austin	Gurney	Pepper
Bankhead	Hatch	Radcliffe
Brewster	Hawkes	Robertson
Bridges	Hayden	Scrugham
Burton	Hill	Shipstead
Byrd	Jackson	Stewart
Capper	Johnson, Calif.	Taft
Caraway	Johnson, Colo.	Thomas, Okla.
Chandler	Kilgore	Thomas, Utah
Chavez	La Follette	Tobey
Connally	Langer	Tunnell
Cordon	McClellan	Tydings
Danaher	McFarland	Vandenberg
Davis	McKellar	Wagner
Downey	Maloney	Walsh, N. J.
Eastland	Mead	Weeks
Ellender	Millikin	Wherry
Ferguson	Moore	White
George	O'Daniel	Wiley

Mr. HILL. I announce that the Senator from Mississippi [Mr. BILBO], the Senator from Washington [Mr. BONE], and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from Kentucky [Mr. BARKLEY] is absent because of illness in his family.

The Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from Georgia [Mr. RUSSELL], the Senator from South Carolina [Mr. SMITH], the Senator from Missouri [Mr. TRUMAN], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senator from Illinois [Mr. LUCAS], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], the Senator from Utah [Mr. MURDOCK], the Senator from Montana [Mr. MURRAY], the Senator from Washington [Mr. WALLGREN], and the Senator from Massachusetts [Mr. WALSH] are detained on public business.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Minnesota [Mr. BALL], the Senator from Illinois [Mr. BROOKS], the Senator from Delaware [Mr. BUCK], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Nebraska [Mr. BUTLER], the Senator from Oregon [Mr. HOLMAN], the Senator from North Dakota [Mr. NYE], the Senator from Kansas [Mr. REED], the Senator from West Virginia [Mr. REVERCOMB], the Senator from Idaho [Mr. THOMAS], the Senator from Indiana [Mr. WILLIS], and the Senator from Iowa [Mr. WILSON].

The VICE PRESIDENT. Sixty-three Senators have answered to their names. A quorum is present.

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY—HOUSE BILL ORDERED TO LIE ON THE TABLE

Mr. HILL. Mr. President, I ask that House bill 5125, which has just come to the Senate, may be printed and lie on the table.

There being no objection, the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes, was read twice by its title, ordered to be printed and to lie on the table.

SIXTEENTH REPORT ON LEND-LEASE OPERATIONS

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read by the legislative clerk, and, with the accompanying report, referred to the Committee on Foreign Relations:

To the Congress of the United States of America:

Pursuant to law, I am submitting herewith the sixteenth report to Congress on lend-lease operations.

Lend-lease supplies and services provided to our allies in the 3 months ending June 30, 1944, amounted to $4,045,000,000 in value. In all, lend-lease aid has been provided in the amount of $28,270,000,000.

Three years ago the Axis aggressors were well along the road to domination of the world. The United States itself was in grave danger. Today the United

Nations are moving relentlessly along the roads which lead to Berlin and Tokyo.

In the preparation and execution of the powerful offensives on which we are now jointly engaged with our allies, lend-lease has fulfilled its promise. Every day that the men of our Army and our Navy go into battle lend-lease is being effectively used in the common cause by the heroic men of the other United Nations. Through lend-lease, the full power of American production is being brought to bear against our common enemies by the millions of fighting men of our Allies. Through lend-lease, American weapons and other war supplies are being used by our Allies to destroy our enemies and hasten their defeat.

We should not permit any weakening of this system of combined war supply to delay final victory a single day or to cost unnecessarily the life of one American boy. Until the unconditional surrender of both Japan and Germany, we should continue the lend-lease program on whatever scale is necessary to make the combined striking power of all the United Nations against our enemies as overwhelming and as effective as we can make it.

We know now that by combining our power we can speed the day of certain victory. We know also that only by continuing our unity can we secure a just and durable peace.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 23, 1944.*

REPORTS OF THE CLAIMS COMMITTEE

The following reports of the Committee on Claims were submitted:

By Mr. ELLENDER:

S. 1732. A bill for the relief of Arthur M. Sellers; with an amendment (Rept. No. 1058);

S. 1766. A bill for the relief of C. C. Thornton; without amendment (Rept. No. 1062);

S. 1784. A bill for the relief of Leola Evans; with an amendment (Rept. No. 1059);

S. 1785. A bill for the relief of Alex Wylie; with an amendment (Rept. No. 1060);

S. 1869. A bill for the relief of Mrs. Mamie Dutch Vaughn; with an amendment (Rept. No. 1061); and

S. 2007. A bill for the relief of Lum Jacobs; with an amendment (Rept. No. 1063).

By Mr. WHERRY:

S. 1959. A bill for the relief of Mrs. Amy McKnight; without amendment (Rept. No. 1064); and

S. 2008. A bill for the relief of Herman Philyaw; with an amendment (Rept. No. 1065).

JOINT COMMITTEE ON THE ORGANIZATION OF THE CONGRESS

Mr. TYDINGS. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I report favorably, without additional amendment Senate Concurrent Resolution 23, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. The concurrent resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A concurrent resolution (S. Con. Res. 23) establishing a joint committee on the organization of the Congress.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. TYDINGS. Mr. President, the other day when this matter arose in connection with the call of the calendar, the Senator from Michigan [Mr. VANDENBERG], the Senator from Connecticut [Mr. MALONEY], the Senator from Kentucky [Mr. BARKLEY], and many other Senators spoke in favor of the concurrent resolution. The purpose of the concurrent resolution is to authorize an investigation. It was referred to the Committee to Audit and Control the Contingent Expenses of the Senate only because the rules of the Senate required it. The Senator from Connecticut is anxious to go to work on the investigation before the end of the year.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WHITE. I merely wish to identify the concurrent resolution. Is it the resolution of the Senator from Connecticut [Mr. MALONEY]?

Mr. TYDINGS. It is.

Mr. HILL. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. HILL. As I understand, it merely provides funds so that the Maloney resolution may become effective.

Mr. TYDINGS. That is correct.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution, which had previously been reported from the Committee on Rules with amendments.

The VICE PRESIDENT. The clerk will state the amendments of the Committee on Rules.

The first amendment of the Committee on Rules was, on page 1, line 6, after the word "majority" to strike out "part" and insert "party."

The amendment was agreed to.

The next amendment was, on page 2, after line 4, to insert:

No recommendation shall be made by the committee except upon a majority vote of the Members representing each House, taken separately.

The amendment was agreed to.

The next amendment was, on page 2, line 23, after the word "Congress", to insert the following proviso: "*Provided*, That nothing in this concurrent resolution shall be construed to authorize the committee to recommend any amendment to or change in the parliamentary rules governing proceedings in either House."

The amendment was agreed to.

The next amendment was, on page 4, line 1, after the word "exceed", to insert "$10,000."

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments.

If there be no further amendments to be proposed, the question is on agreeing to the concurrent resolution as amended.

The concurrent resolution (S. Con. Res. 23) as amended was agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a Joint Committee on the Organization of the Congress (hereinafter referred to as the committee) to be composed of six Members of the Senate (not more than three of whom shall be members of the majority party) to be appointed by the President of the Senate, and six Members of the House of Representatives (not more than three of whom shall be members of the majority party) to be appointed by the Speaker of the House of Representatives. Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection. The committee shall select a chairman and a vice chairman from among its members. No recommendation shall be made by the committee except upon a majority vote of the Members representing each House, taken separately.

SEC. 2. The committee shall make a full and complete study of the organization and operation of the Congress of the United States and shall recommend improvements in such organization and operation with a view toward strengthening the Congress, simplifying its operations, improving its relationships with other branches of the United States Government and enabling it better to meet its responsibilities under the Constitution. This study shall include, but shall not be limited to, the organization and operation of each House of the Congress; the relationship between the two Houses; the relationships between the Congress and other branches of the Government; the employment and remuneration of personnel by the Members and the committees of the Congress; and the structure of, and the relationships between, the various standing special, and select committees of the Congress: *Provided*, That nothing in this concurrent resolution shall be construed to authorize the committee to recommend any amendment to or change in the parliamentary rules governing proceedings in either House.

SEC. 3. (a) The committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Seventy-eighth Congress, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

(b) The committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants as it deems necessary and advisable, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties. The committee may utilize such voluntary and uncompensated services as it deems necessary and is authorized to utilize the services, information, facilities, and personnel of the departments and agencies of the Government.

(c) The expenses of the committee, which shall not exceed $10,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman.

(d) The committee shall report to the Senate and the House of Representatives the result of its study, together with its recommendations, within 6 months after the passage of this concurrent resolution and every 6 months thereafter until the completion of its study. If the Senate, the House of Representatives, or both, are in recess or have adjourned, the report shall be made to the Secretary of the Senate or the Clerk of the

House of Representatives, or both, as the case may be.

CHANGES OF REFERENCE

On motion by Mr. ELLENDER, the Committee on Claims was discharged from the further consideration of the bill (S. 1943) for the relief of the trust association of H. Kempner, and it was referred to the Committee on Finance.

Mr. TYDINGS. Mr. President, on August 15 the Senator from Ohio [Mr. TAFT] introduced Senate bill 2082, further amending section 5 (g) of the Reconstruction Finance Corporation Act, relating to the War Damage Corporation.

I spoke to the Parliamentarian, and because the bill seemed to deal with a domestic matter, it was referred to the Committee on Banking and Currency. As a matter of fact, it deals only with the Philippine Islands. The Senator from Ohio did not request that the bill be referred to the Committee on Banking and Currency. Obviously it has been misreferred. Inasmuch as the only subject matter in the bill is the Philippine Islands, I therefore ask unanimous consent that the Committee on Banking and Currency be discharged from the further consideration of the bill, and that it be referred to the Committee on Territories and Insular Affairs.

The VICE PRESIDENT. Without objection, it is so ordered.

HOUSE BILL REFERRED

The bill (H. R. 3704) to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended, was read twice by its title and referred to the Committee on Commerce.

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY—AMENDMENTS

Mr. AIKEN, Mr. ELLENDER, Mr. THOMAS of Oklahoma, Mr. WAGNER, Mr. McKELLAR (for himself, Mr. EASTLAND, and Mr. MCFARLAND) each submitted an amendment, and Mr. LA FOLLETTE submitted several amendments, intended to be proposed by them, respectively, to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes, which were severally ordered to lie on the table and to be printed.

REVISED EDITION OF SENATE RULES AND MANUAL

Mr. BYRD submitted the following resolution (S. Res. 323), which was referred to the Committee on Printing:

Resolved, That the Committee on Rules be, and it is hereby, directed to prepare a revised edition of the Senate Rules and Manual for the use of the Seventy-ninth Congress, and that 1,500 additional copies shall be printed and bound, of which 1,000 copies shall be for the Senate, 200 copies for the use of the Committee on Rules, and the remaining 300 copies shall be bound in full morocco and tagged as to contents and delivered as may be directed by the committee.

ADDRESSES BY HON. CORDELL HULL, SIR ALEXANDER CADOGAN, AND AMBASSADOR ANDREI A. GROMYKO AT DUMBARTON OAKS CONFERENCE (S. DOC. NO. 231)

Mr. CONNALLY. Mr. President, yesterday there was some discussion on the floor of the Senate with relation to the notable conference which is now taking place at Dumbarton Oaks. Three very outstanding addresses were delivered at the opening of the conference on the 21st instant—one by our distinguished Secretary of State, Hon. Cordell Hull; another by Sir Alexander Cadogan, leader of the British delegation; and another by His Excellency, Ambassador Andrei A. Gromyko, leader of the Soviet delegation. I ask unanimous consent that these addresses may be printed in the body of the RECORD, and also that they be printed as a Senate document.

The VICE PRESIDENT. Without objection, it is so ordered.

The addresses above referred to are as follows:

ADDRESS OF THE HONORABLE CORDELL HULL, SECRETARY OF STATE, AUGUST 21, 1944

On behalf of President Roosevelt and on my own behalf I welcome you to Washington. In the name of both of us I desire to offer some brief remarks on the opening of this important meeting.

The series of conversations which we initiate today marks another step toward establishing a lasting system of organized and peaceful relations among nations. We meet at a time when the war is moving toward an overwhelming triumph for the forces of freedom. It is our task here to help lay the foundations upon which, after victory, peace, freedom, and a growing prosperity may be built for generations to come.

The very character of this war moves us to search for an enduring peace—a peace founded upon justice and fair dealing for individuals and for nations. We have witnessed—and are witnessing today—the sweep of forces of savagery and barbarism of the kind that civilized men hoped and believed would not rise again. Armed with the weapons of modern science and technology and with equally powerful weapons of coercion and deceit, these forces almost succeeded in enslaving mankind because the peace-loving nations were disunited. During the years while these aggressors made their preparations for attack the peace-loving nations lacked both unity and strength because they lacked a vigilant realization of the perils which loomed before them. These forces of evil now face utter defeat, because at long last their intended victims attained the unity and armed power which are now bringing victory to us.

The lessons of earlier disunity and weakness should be indelibly stamped upon the minds and hearts of this generation and of generations to come. So should the lessons of unity and its resultant strength achieved by the United Nations in this war.

Unity for common action toward common good and against common peril is the sole effective method by which, in time of peace, the nations which love peace can assure for themselves security and orderly progress, with freedom and justice. In the face of what modern war means to the physical and moral being of man, the maintenance of such unity is a matter of the highest and most enlightened self-interest. In the final analysis it is, first and foremost, a thing of the spirit.

Peace, like liberty, requires constant devotion and ceaseless vigilance. It requires willingness to take positive steps toward its preservation. It requires constant cooperation among the nations and determination to live together as good neighbors in a world of good neighbors. Peace requires an acceptance of the idea that its maintenance is a common interest so precious and so overwhelmingly important that all differences and controversies among nations can and must be resolved by resort to pacific means.

But peace also requires institutions through which the will to peace can be translated into action. The devising of such institutions is a challenge to the wisdom and ingenuity of men and women everywhere. That is why the United Nations, in the midst of a relentless prosecution of the war, have been working together to create the institutional foundations for a just and enduring peace.

These foundations must support arrangements for peaceful settlement of international disputes and for the joint use of force, if necessary, to prevent or suppress threats to the peace or breaches of the peace. They must also support arrangements for promoting, by cooperative effort, the development of conditions of stability and well-being necessary for peaceful and friendly relations among nations and essential to the maintenance of security and peace. These are basic problems of international organization.

Substantial progress has already been achieved through the Food and Agriculture Conference, the Conference on Relief and Rehabilitation, and the Financial and Monetary Conference. These and other similar steps are indicative of the profound desire of the United Nations to act together for advancing the well-being of their peoples. They have been achieved by united effort of more than 40 nations, large and small.

The governments represented here are fully agreed in their conviction that the future maintenance of peace and security—the supreme objective of international cooperation—must be a joint task and a joint responsibility of all peace-loving nations, large and small. They solemnly proclaimed this conviction in a declaration of their foreign ministers at Moscow on October 30, 1943. It cannot be emphasized too often that the principle of the sovereign equality of all peace-loving states, irrespective of size and strength, as partners in a system of order under law, must constitute the foundation of any future international organization for the maintenance of peace and security.

In the Moscow Declaration each government also assumed its share of responsibility for leadership in bringing about the creation of an international organization for this purpose through joint action by all peace-loving nations. Success or failure of such an organization will depend upon the degree to which the participating nations are willing to exercise self-restraint and assume the responsibilities of joint action in support of the basic purposes of the organization. There must be agreement among all whereby each can play its part to the best mutual advantage and bear responsibility commensurate with its capacity.

It is generally agreed that any peace and security organization would surely fail unless backed by force to be used ultimately in case of failure of all other means for the maintenance of peace. That force must be available promptly, in adequate measure, and with certainty. The nations of the world should maintain, according to their capacities, sufficient forces available for joint action when necessary to prevent breaches of the peace.

For a long time before the Moscow Conference, and especially during the months which have elapsed since that conference, each of our governments has been making diligent preparations for an effort to reach the agreement to which I have just referred. We have committed our tentative thoughts to writing, and each of us has had an opportunity to study the results of the work done by the others. All this should make easier the task which is now before you of reaching a consensus of views which you can jointly recommend to your respective governments.

It is the intention of the Government of the United States that after similar consultations with the Government of China,

the conclusions reached will be communicated to the governments of all the United Nations and of other peace-loving nations.

It is our further thought that as soon as practicable, these conclusions will be made available to the peoples of our countries and of all countries for public study and debate. We are fully aware that no institution—especially when it is of as great importance as the one now in our thoughts—will endure unless there is behind it considered and complete popular support. The will to peace must spring from the hearts and minds of men and women everywhere, if it is to achieve enduring peace.

For us in the United States, it is as natural as it is desirable that we gather around a table with the representatives of other nations to devise means for maintaining peace and security. No passion runs deeper in the thoughts of the people of this country than the belief that all men should enjoy liberty under law. It has been our faith from the beginning of our Nation, it is our dream for the future, that every individual and every nation should attain freedom and the security to enjoy it. The people of this country are now united as never before in their determination that the tragedy which today is sweeping the earth shall not recur.

The people of all the United Nations are hoping and praying for the opportunity to build anew toward a system of decent and just relationships among nations. Their noblest capacities and their highest skills have been diverted from the creative pursuits of peace to the grim and terrible tasks of battle. They see the destruction of their homes and the resources of their lands. They will not be content with a precarious peace. Their sacrifices can only be rewarded by the fulfillment of their reasonable hopes.

It is the sacred duty of the governments of all peace-loving nations to make sure that international machinery is fashioned through which the peoples can build the peace they so deeply desire. The President is confident, and I share his view, that this thought will govern the deliberations which you are now undertaking.

ADDRESS OF SIR ALEXANDER CADOGAN, LEADER OF THE UNITED KINGDOM DELEGATION

The discussions which open today arise out of article 4 of the Declaration of Moscow, in the framing of which Mr. Hull played such a notable and prominent part. We have listened with admiration to the wise and powerful words with which he has initiated our labors, and we are, I know, all profoundly grateful to him for his indefatigable efforts in the cause of international understanding. Of him it may well be said that he embodies in his own thought and person the qualities which have been responsible for the creation and the development of the country which he represents.

To the Soviet Government, too, we all have reason to be grateful. It was, I think, on M. Molotov's initiative that the decision to hold these discussions was taken; and it was evident from their attitude at the time of the Moscow Conference that the Soviet Government attached the highest importance to the establishment of a system designed to prevent a recurrence of Nazi and Fascist aggression.

My Government, for their part, have from the outset favored such discussions as these and have done their best to facilitate them. We have expressed our provisional views in the papers which have been circulated, and are most happy to find that in the papers of all three Governments there is such a large measure of agreement.

There seems, in fact, to be a general will on the part of what are at present the three most powerful states in the world to achieve some kind of world organization and, what is more, to achieve it soon. That should itself be a good augury for the success of our labors.

Chinese statesmen also have declared their wish to join in the establishment of such an organization, and I am confident that the subsequent discussions with the Chinese delegation will show that there is a community of aim on the part of the most populous and ancient of our civilizations. We shall thus, I hope, be able to achieve agreement on principles between officials from states comprising about half the inhabitants of the globe, and from states, moreover, whose combined power and determination is now playing so prominent a part in overthrowing the sinister forces of evil, which only a few years ago came near to dominating all mankind.

The victory of the United Nations, whenever it comes, must be complete, the military defeat of the aggressors must be made clear beyond all doubt, and most of all to the German people themselves, and those responsible for the wanton outrages that have horrified the civilized world must receive their just retribution. On that basis we may hope to build more securely for the future. In 1919 there was a widespread feeling in many western countries that force was in itself an immoral thing; now there is a much more widespread conviction that it is only by the victors remaining both strong and united that peace can be preserved. We have, I believe, learned many salutary lessons during the last few years.

We are met here to plan a system which will enable individual nations to cooperate effectively for the common good. Individual nations, small and great, must be the basis of our new world organization; and our problem is to construct a machine which will give to each of them the responsibilities commensurate with its power. This is no light task, but it can be accomplished. No one wishes to impose some great power dictatorship on the rest of the world; but it is obvious that unless the great powers are united in aim and ready to assume and fulfill loyally their obligations, no machine for maintaining peace, however perfectly constructed, will in practice work. On the other hand, even Hitler has surely learned by now, what we have ourselves long known, that it is not by riding roughshod over the smaller powers that the vital interests of the larger can in the long run best be protected.

Another lesson I submit we may learn from experience is that we should not attempt too closely to define what is perhaps undefinable. As I have already said, no machine will work unless there is, at any rate on the part of the great powers, a will to work it; and equally even an imperfect machine may function satisfactorily provided such a will exists. We might do well, therefore, to concentrate on certain guiding principles and on certain basic institutions, rather than on a set of detailed regulations, which, however ingeniously drafted, will probably have to be revised in the light of subsequent experience.

Again, if there is a danger in excessive legalism, there is also a danger in believing, or at any rate in giving the impression, that because we may be able to agree, first as between ourselves and later as between all the United Nations, on some theoretically perfect organization for maintaining peace, peace will therefore indefinitely and automatically be maintained.

One other consideration I would put before you: We must remember that peace, in the negative sense of absence of war, is not enough. No world system can endure unless it permits of growth and unless it tends to promote the well-being of humanity as a whole. Hence, however, we may fit the various nonpolitical world organizations into our general system, we must attempt to discover means whereby the expanding force of modern scientific discoveries is turned into constructive rather than into destructive channels. For this reason we must arrange for at least a measure of coordination between the various functional organizations now created or to be created, and in some way gear them to our world international machine. All I would emphasize here is that we should always recognize that, if there is acute political instability, no economic or social organizations will function successfully, and, on the other hand, let us never forget that acute discomfort in the economic and social field will constantly hamper the smooth operation of the best political plans. In other words, freedom from fear and freedom from want must, so far as human agency can contrive it, move forward simultaneously.

In conclusion, I must for my part emphasize that the working party from the United Kingdom is recruited from the humble official level. From that it follows that, so far as we are concerned, these talks are necessarily exploratory and noncommittal. Within these limitations we will make the best contribution we can, and I can pledge every one of us to devote his best energies and such knowledge and experience as he possesses to the search for agreed recommendations for submission by our governments, if they approve them, to all the other United Nations. We may take comfort in the fact that, as will be seen from the memoranda already circulated there is already much common ground.

Let us also not forget the time factor. Events are moving fast and peace may come sooner than some expect. It would be folly to delay the construction of at least some framework of future international cooperation until the problems of peace confront us with all their insistency. Moreover, the time even of officials is limited. If therefore we are to establish the points on which there seems to be provisional agreement, we must work fast and well.

Much depends on our efforts, and some give and take will probably be required. Let us go forward with a full sense of our responsibilities, not only to our own nations, but to the world at large. Let us go forward above all with the determination to produce a scheme worthy of the men and women of the United Nations who are giving their all to make possible the construction of a better world.

ADDRESS OF HIS EXCELLENCY, AMBASSADOR ANDREI A. GROMYKO, LEADER OF THE SOVIET DELEGATION

The present meeting is the first meeting of exploratory discussions between representatives of the United States, Great Britain, and the Soviet Union on the establishment of an international security organization. I fully share the thoughts expressed by Secretary Hull in regard to the importance of the present discussions. The peoples of our countries are waging a life-and-death struggle against the worst enemy of humanity—Hitlerite Germany. This struggle has already cost our countries, as well as many other freedom-loving countries of the world, heavy human and material sacrifices. Waging a struggle for its freedom and independence, the peoples of our three great nations are also saving the freedom and independence of other freedom-loving peoples of the world. As a result of the combined efforts of the Allies, our common foe—Nazi Germany—is nearing its inevitable catastrophe. Our brave warriors are squeezing the enemy from the east, west and south. As a result of the latest offensive of the Red Army, military operations are already being carried to enemy soil. The time is not far off when the combined efforts of the freedom-loving countries of the world, and, first of all, the efforts of our nations, will bring a complete and decisive victory and will force Nazi Germany to her knees.

In view of the heavy destruction and countless sacrifices which the present war has brought to humanity, the freedom-loving peoples of the world are naturally looking for means to prevent repetition of a similar tragedy in the future. They have shed too much blood and made too many sacrifices to be indifferent to their future. That is why they are striving to establish an international organization which would be capable of preventing the repetition of a similar tragedy, and of guaranteeing for the peoples peace, security and prosperity in the future. Members of such an organization can be, as it is said in the Four Nations' Declaration signed at the Moscow Conference on October 3, 1943, all big and small freedom-loving countries of the world. All of us are glad that one of the distinguished participants of the Moscow Conference, Secretary Hull, is among us at the present meeting.

It goes without saying that in order to maintain peace and security it is not enough to have the mere desire to harness the aggressor and the desire to apply force against him if it should be demanded by circumstances. In order to guarantee peace and security it is absolutely necessary to have resources with the aid of which aggression could be prevented or suppressed and international order maintained.

In the light of the above, it becomes clear what responsibility falls to the nations, members of the future security organization, and especially to the nations which bear the main brunt of the present war, and which possess the necessary resources and power to maintain peace and security. That is why all those to whom freedom and independence are dear cannot but draw the conclusion that this freedom and independence can be preserved only if the future international security organization will, in the interests of the freedom-loving peoples of the world, use effectively all resources in possession of members of the organization and, first of all, the resources of such great nations as the Soviet Union, and United States and Great Britain.

The unity displayed by these countries in the present struggle against Hitlerite Germany and its vassals gives ground for certainty that after final victory is achieved these nations will cooperate in maintaining peace and security in the future as they are cooperating at the present time in saving humanity from enslavement by the Fascist barbarians. In this noble striving our countries naturally cannot but find support on the part of the other United Nations, big and small, which will be participants of the international security organization, which will be based on the principle of the sovereign equality of all freedom-loving countries and which will bear joint responsibility for the maintenance of peace.

The unity of the Allies displayed in the struggle against the common foe and their striving to maintain peace in the future is a guaranty that the present exploratory discussions will bring positive results. They are the first step leading to the erection of a building in the foundation of which all freedom-loving peoples of the world are interested—for an effective international organization on maintenance of peace and security.

In closing I consider it necessary to note the initiative taken by the Government of the United States in calling the present conference. The Soviet delegation is glad to begin discussions with the American delegation headed by Edward R. Stettinius, with whom I have had the pleasure since 1941 of meeting and discussing at different times various matters of mutual interest, and also with the British delegation headed by Sir Alexander Cadogan. I have no doubt that in the course of the present discussions the representatives of the three nations will conduct their work in a spirit of mutual understanding and in a friendly atmosphere which cannot but add to the successful outcome of the discussions.

TELEGRAM FROM THE PRESIDENT TO AMERICAN FEDERATION OF THE PHYSICALLY HANDICAPPED

Mr. HILL. Mr. President, there has come to my attention a telegram sent by President Roosevelt to Paul A. Strachan, president of the American Federation of the Physically Handicapped, during the second annual convention of that organization in this city which has just been concluded. The telegram speaks eloquently of the intensified problem of the physically handicapped in this tragic period, and applauds the effort Mr. Strachan and his group are making to have the problem considered intelligently and with thoroughness.

I should like to have the telegram printed in the CONGRESSIONAL RECORD, along with a copy of the report of the council of the American Federation of the Physically Handicapped, which was adopted by the convention which has just ended. I do this with particular pleasure because Mr. Strachan, before he became afflicted with his physical handicap, spent many years in my State and the other eight Southern States as representative of Loew's Theaters. He knows well our southern needs and difficulties. Also he has had the close collaboration of Representative ROBERT RAMSPECK in getting his worthy organization started. It was Representative RAMSPECK who helped steer House Resolution 230 to unanimous adoption by the House earlier this summer. That resolution, introduced by Representative AUGUSTINE B. KELLEY, of Pennsylvania, calls for a Nation-wide investigation by a House labor subcommittee of rehabilitation and reemployment work among the physically handicapped. The investigation will begin with its first public hearings next Tuesday, and should lead to much good for the physically handicapped and the Nation as a whole.

There being no objection, the telegram and report were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *August 21, 1944.*

PAUL A. STRACHAN,
President, American Federation of the Physically Handicapped, Inc., Washington, D. C.:

The value of the undertaking which you and your organization have started on behalf of the physically handicapped of our Nation can be very great. In this period of crisis in the world's history, when men have been forced to apply their intellects to the tragic science of human destruction, it is heartening to find a group like yours facing the future with determination to repair the ravages of that destruction.

In addition to the war injured and to the greatly increased number of workers injured in industry because of the vast war production effort, there are undoubtedly countless others in this critical period.

It is well that thoughtful people dedicate themselves to the purpose of transforming those handicaps as far as possible into means of returning the handicapped to useful and creative employment. I wish the Federation the success which its noble purpose merits.

FRANKLIN D. ROOSEVELT.

REPORT OF NATIONAL COUNCIL AMERICAN FEDERATION OF THE PHYSICALLY HANDICAPPED

To All Members and Friends of the American Federation of the Physically Handicapped:

DEAR FRIENDS AND FELLOW WORKERS: In rendering our report to the convention, we feel impelled to state that we are greatly moved with the significance of this, our second biennial convention.

As we look back in retrospect, over the past 2 years, we remind you, we have had a thorny path to travel; we have tackled almost insurmountable obstacles; we have done a great deal, we believe, to promote unity among the physically handicapped, so that each group has come to a fresh realization of the meaning of "all for one—one for all."

We believe we have played a fair part in speeding the war production effort as well, because in countless plants scattered across the country, the physically handicapped have performed a multitude of tasks—many of them hitherto not even considered to be within the capacity of our people to handle—and, they have done well.

The American Federation of the Physically Handicapped set an exceptionally high standard for itself in the very beginning. We demanded in the name of the 23,000,000 physically handicapped citizens of this Nation, a complete overhaul, renovation, extension, and expansion of all activities beneficial to the disabled.

We called upon the Federal Government; upon the States and municipalities, and upon private industry to make full utilization of the services of handicapped people, and to cease and desist discriminating unfairly against the handicapped in employment or in any other way.

We demanded specific remedies for specific problems—more and better schooling and training, all necessary medical and therapeutic treatment, including the use of prosthetic or orthopedic devices, hearing aids, eyeglasses, trusses, wheel chairs, or any other appliance which might enable the handicapped person to become more proficient physically and thus place him or her in position to be of use to the Nation as a worker and producer.

We called upon the Congress to enact various ameliorative laws. We urged that Congress itself thoroughly investigate the whole field of the handicapped and, upon finding the facts, make practical recommendations which would be enacted into law as an overall program for the handicapped.

We are proud to state that recognizing the justice of our claim, the House of Representatives authorized establishment of a House committee to investigate aid to the physically handicapped, and that committee is now functioning.

Many of our earlier suggestions have been adopted piecemeal, by various departments at interest. For example, more than 2 years ago we urgently demanded that there be a division for the physically handicapped set up in the offices of the United States Employment Service, throughout the United States. We believe we were the first organization to even suggest that. Today special service units for the physically handicapped are functioning in the several offices of the Employment Service, and others, no doubt, will be established from time to time. We are not wholly satisfied with the present set-up in that respect, because it is still based upon the flimsy structure of Executive order, rather than status law, and it is therefore still necessary for A. F. P. H. to continue the fight to imbed this proposal into law.

While the processes of rehabilitation during the past year in particular have been materially expedited by the Federal Government, there is still a vast and practically unexplored field.

While it is claimed that approximately 2,500,000 citizens have registered, awaiting, or participating in rehabilitation, we firmly believe that there should be at least three times that many apply, if the handicapped knew and understood that such benefits were available to them. It has been our experience that practically 80 percent of the people have no knowledge or understanding of laws now on the books in their interest. Therefore, Government and all public and private agencies must unite to carry on a perpetual education campaign, so that there will be greater comprehension of the meaning of rehabilitation, its application and necessity.

LEGISLATION

In the forthcoming hearings before the House Committee to Investigate Aid for the Physically Handicapped we shall, from time to time, present the case for the various groups—within our ranks—the blind, the deaf, the hard of hearing, the amputees, the spastics, cardiacs, tuberculars, polios, and others.

At this time we do not desire to reveal our program in detail, because circumstances over which we have no control might suddenly necessitate overnight changes. However, it will be our purpose to lay before that committee and other committees of the House and Senate our insistent demand for—

1. Establishment of a bureau for the physically handicapped, with appropriate divisions therein for each of the several handicapped groups—such bureau to be the base of an effort to consolidate and coordinate the many present far-flung agencies.

On this point we deplore the lack of coordinate effort now apparent among Federal, State, and private agencies. We insist that the problem of the handicapped is, basically, a Federal problem and must be dealt with by the Congress. No other means exists whereby order may replace national disorder, or where proper expansion may be applied when, as, and if needed in any region of the country.

2. We demand more and better facilities for handicapped children. We insist upon an immediate improvement in both Federal and State-supported schools. We demand an overhaul of teaching methods, and establishment of an up-to-date curriculum, supervised by the highest type of teachers available. It is a sad commentary upon the state of present affairs to relate that in many instances we have observed that States in particular have been remiss in their scrutiny of services to handicapped children, especially in relation to school set-ups. As such children already have two strikes on them, we insist that their development not be further retarded by being taught by second-rate teachers who are not—sad to relate—deemed of sufficient quality, in several instances, to teach in nonhandicapped schools. We insist that all handicapped children have made available to them, the best in teaching talent, and better than the present best in school facilities and equipment.

We also insist upon more and better children's clinics. Experience has proven that in many cases, if proper medical or other treatment is applied in time children may escape, in later life, total or partial disability resulting from congenital defect, disease, or injury. Prompt, efficient treatment in their cases is an absolute necessity.

3. We call upon the medical profession to inform the public as to why its members in their various organized groups throughout the country do not apprise, as a matter of policy, all agencies dealing with rehabilitation, of the names and addresses of those unfortunates with whom physicians and surgeons may come into contact, who are unable to pay for private treatment. We do not understand why this plan has not been adopted as a matter of national policy by the medical fraternity long ago. Assuredly, they would not stand to lose anything, because, if they determine that the individual requires treatments, operations, applications of artificial appliances, etc., and yet have not the money to pay for same, if the physicians are unable to handle such patients, the least they could do, it appears, would be to report all such cases to the Federal, State, or private agencies handling such matters. In our opinion, this must be done.

4. The blind. The incidence of blindness in the United States is approximately 2 per thousand of population, on the basis of the 1940 Census. Therefore, there are approximately 270,000 blind in the United States (based upon the accepted definition of 20/200 vision in the better eye, after correction, or more than 20/200, but with a field of vision of 20 degrees, or less).

There are less than 10,000 blind working at anything, but it is estimated that 20 to 25 percent could be employed. Fifty to sixty thousand could probably be employed. Fifteen percent, or 35,000 to 40,000 could be restored or partially restored to sight if there were adequate aid, and it is a national crime that such services are not available in every State and community in the United States of America, to provide for such restoration of sight. These are just a few of the problems which require immediate attention.

About 75,000 blind receive assistance under the Social Security Act, and at an average of a little over $25 per month. This is wholly inadequate, especially when small earnings are deducted, and thereby discourage recipients from any employment.

5. Workmen's compensation. We demand a complete over-haul of workmen's compensation and employers' liability laws and elimination, therein, of any clauses which may cause discrimination against employment of otherwise qualified but physically handicapped applicants for employment.

6. National, second injury law. We demand, as a part of the present Social Security Act, an adequate second injury law.

7. Revolving loan fund. We demand establishment in the proposed bureau for the physically handicapped wherein worthy, but disabled citizens who require prosthetic, or orthopedic appliances; hearing aids; eye glasses, wheel chairs, or other devices to enable them to become more proficient, physically, may borrow necessary funds, at no more than 2 percent interest per annum.

There are many cases where individuals do not desire to go through the usual extended processes of rehabilitation, but, simply require, for example, an artificial leg, or arm, a truss, a pair of eye glasses, a hearing aid, or some other device the application of which would enable them to perform useful labor and probably be wholly or partially self-sustaining. Such individuals, lacking funds at the time, are in the unhappy position of being unable to work, for lack of an appliance; and, lacking money to pay for such appliance, can't go to work. This is a vicious circle, which must be broken down by practical means, with loans being made available to all those who can show just cause.

Personal catastrophes of an individual are just as serious to that individual, as are major catastrophes to the mass of people. In short, if a man loses his leg, or arm, or suffers impairment of hearing, or sight, and so forth, that may affect his whole life and the lives of his family and dependents. The Federal Government has spent millions and millions of dollars to protect the health of cows, sheep, chickens, and so forth. It is entirely reasonable to ask that needy worthy individuals be enabled to help themselves, through a Federal loan for the purpose of securing artificial means of physical betterment.

8. Pensions for shut-ins. If, as estimated, there are approximately 3,000,000 so-called unemployable handicapped, commonly termed "shut-ins," then, as we all well know, many of these people are so afflicted that they are unable to move out of bed, or from wheel chairs. A great many of them are in dire need of food, clothing, and shelter, to say nothing of not having medical treatments, nor attendants to care for them in their helpless state. For such people, without means of self-support, A. F. P. H. demands a Federal pension of $60 per month, payable to any citizen furnishing proof of such incapacitating disability.

9. A National Employment of Handicapped Act. We demand that industry set up a permanent policy of employment of handicapped people. We suggest that, as a practical proposition, each industry, set aside, in its own group, at least 2 percent of all jobs, to be filled by qualified but physically handicapped people.

We predict if industry does not formulate and apply such a policy nationally, that inevitably there must be Federal legislation to bring it about, because the increased number of disabled will force such action.

The foregoing are specific examples of various parts of the A. F. P. H. program. Equally strong and pointed presentations will be made for each type of handicapped, according to their needs, including the deaf, hard of hearing, polios, TB's, etc.

POLITICAL ACTION

We call upon every individual handicapped citizen, as well as organized groups thereof, to immediately present to all candidates for public office the urgent demand that such candidates sponsor and support adequate national programs for the physically handicapped. If such candidates ignore these requests, or refuse to support such programs, then, as a matter of enlightened self-interest, the handicapped will be justified in refusing to support such candidates for election.

Questionnaires should be sent at once to all candidates, to quiz them as to their stand on the A. F. P. H. national program, enunciated hereinbefore.

AMERICAN FEDERATION OF THE PHYSICALLY HANDICAPPED AFFAIRS

As we survey the inner workings of our federation, we well realize it requires many additions, in order to afford proper service to its members, and other handicapped.

The first need is for more members. It is axiomatic that we will achieve results in direct ratio to the power of mass members, and the means thus provided with which to carry on our work.

Last month we launched a campaign for a $50,000 working fund. That is only a start. We want every member and every friend of the handicapped to participate in this drive. We want to be in position through having more adequate finances provided, to do the things which we know must be done if the handicapped are to survive, and hold their place, following next Armistice Day.

We are not alarmists, but realists. We know unless our Nation is prosperous the handicapped cannot be prosperous. We know that the Nation cannot be prosperous unless full employment for all citizens is part of the national scheme.

While carrying on our fight for the handicapped, we must, also, carry on the fight to preserve the Nation, itself, so that we may enjoy full measure of opportunity, both for our own sakes, and that of the whole citizenry.

While carrying on our fight for the handicapped will be subjected to more stress than any other group in the country. Organization offers the only practical solution. Let us plan a federation with a million members.

We have a dynamic idea, service, when needed, to all the handicapped.

Let us organize the handicapped in every city in the Nation. Let's make every town an A. F. P. H. town. Let us make ourselves so strong that the public, and officialdom, as well as industry, will be forced to listen to us.

Stand fast on the principle that the interests of all handicapped are identical, insofar as a basic program is concerned, and for that reason all handicapped must stand together in full brotherhood.

Do not be alarmed nor swayed by carping critics. The mere fact that A. F. P. H. has been attacked by certain, selfish individuals and groups is proof that A. F. P. H. is doing its job, the job which some other organizations and individuals are either incompetent, or too lazy and filled with a sense of their own importance, to even attempt. These unfortunate leaders are digging their own graves by such tactics.

The handicapped, and the public, will not rate A. F. P. H. on what is said about A. F. P. H., but rather what A. F. P. H. does. Therefore, we must continue to mind our own business; hew to the line, and let the chips fall where they may.

EDITORIAL COMMENT ON RESIGNATION OF JAMES A. FARLEY

[Mr. BYRD asked and obtained leave to have printed in the RECORD two editorials and an article on the subject of the resignation of James A. Farley as chairman of the Democratic Committee of the State of New York, which appear in the Appendix.]

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

Mr. JOHNSON of Colorado. Mr. President, I move that the Senate proceed to the consideration of Senate bill 2065.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert:

OBJECTIVES

SECTION 1. The Congress hereby declares that the objectives of this act are to facilitate and regulate the orderly disposal of surplus property so as—

(a) In the disposition of all classes of surplus property—

(1) to assure the most effective use of such property for war purposes;

(2) to give maximum aid in the reestablishment of a peacetime economy of free independent private enterprise, the development of the maximum of independent operators in trade, industry, and agriculture, and to stimulate full employment;

(3) to strengthen and preserve the competitive position of small business concerns in an economy of free enterprise;

(4) to foster and to render more secure family-type farming as the traditional and desirable pattern of American agriculture;

(5) to strengthen and preserve the existing cooperative organizations, and to encourage the extension of the cooperative movement;

(6) to aid honorably discharged servicemen to establish and maintain their own small business or agricultural enterprises;

(7) to assure the sale of such surpluses in such quantities and on such terms as will discourage disposal to speculators or for speculative purposes;

(8) to provide for the utilization of surplus property to the fullest extent practicable in furtherance, under appropriate controls, of programs meeting certain important public needs referred to in section 12 hereof;

(9) to establish and develop foreign markets and promote mutually advantageous economic relations between the United States and other countries by the orderly disposition of such surpluses in other countries;

(b) In the disposition of consumers goods—

(1) to achieve the prompt and full utilization thereof at fair prices to the consumer through disposal at home and abroad with due regard for the protection of free markets and competitive prices from dislocation resulting from uncontrolled dumping;

(2) to utilize normal channels of trade and commerce to the extent consistent with efficient and economic distribution and the promotion of the general objectives of this act (without discriminating against the establishment of new enterprises);

(c) In the disposition of plant, equipment and materials for use in further production—

(1) to promote maximum production and employment of the manpower, the natural and agricultural resources of all sections of the country with due regard to the needs of industrially underdeveloped areas;

(2) to facilitate the transition of enterprises from wartime to peacetime production and of individuals from wartime to peacetime employment with due regard to the necessity of discouraging monopolistic practices;

(3) to foster the development of new independent enterprise;

(d) For all classes of surplus property, to obtain the highest return for the Government consistent with the foregoing objectives.

SURPLUS PROPERTY BOARD

SEC. 2. (a) There is hereby established in the Office of War Mobilization, and in the office of its successor, a Surplus Property Board, which shall be composed of eight members, each of whom shall be appointed by the President, by and with the advice and consent of the Senate, shall receive compensation at the rate of $10,000 per annum, and shall serve for a term of 2 years. In the selection of members of the Board the President shall give due consideration to the various geographic areas and economic interests of the Nation. The Board shall elect one of its members as Chairman. In their deliberations the Board shall take into consideration the interests of all economic groups such as consumers, industry, agriculture, and labor. In case of a tie vote the Director of War Mobilization or his successor shall have a deciding vote. During his term of membership on the Board, no member shall engage in any other business, vocation, or employment. The Board shall determine all matters of policy relating to the administration of this act.

(b) In order that the elected representatives of the people shall be kept informed of the activities and the policies of the Board, the President of the Senate shall appoint two Members of the Senate and the Speaker of the House of Representatives shall appoint two Members of the House of Representatives who shall be entitled to attend any meetings of the Board and who shall from time to time report to the Congress or to their respective Houses on the proceedings of the Board. It shall be the duty of the Chairman of the Board to advise such Members of all general or special meetings of the Board.

(c) The Board shall, without regard to the civil-service laws, appoint an Administrative Director, who shall perform such functions as the Board may direct and shall receive compensation at the rate of $10,000 per annum. The Board shall, within the limits of funds which may be made available, employ and fix the compensation of such deputy administrative directors and other officers and employees, and may make such expenditures for supplies, facilities, and services, as may be necessary to carry out its functions. All such deputy administrative directors and other officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended. The Board shall, where practicable, perform the duties imposed upon it through the personnel and facilities of other Government agencies.

SURPLUS PROPERTY ADVISORY COUNCIL

(d) There is hereby created a Surplus Property Advisory Council with which the Board shall advise and consult. The Council shall be composed of the Chairman of the Board, who shall act as its chairman, and of the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Attorney General, the Secretary of Commerce, the Secretary of the Interior, the Secretary of Labor, the chairman of the board of directors of Smaller War Plants Corporation, the Chairman of the United States Maritime Commission, the Chairman of the War Production Board, the Director of the Bureau of the Budget, the War Food Administrator, the Administrator of Veterans' Affairs, the National Housing Administrator, the Federal Works Administrator, the Chairman of the Civil Aeronautics Board, the Federal Security Administrator, the Chairman of the Federal Trade Commission, and the Administrator of the Foreign Economic Administration, or any alternate or representative designated by any of them.

BOARD'S DUTIES AND AUTHORITY

SEC. 3. The activities of the Board shall be coordinated with the programs of the armed forces of the United States in the interests of the war effort. Until a final peace is concluded the needs of the armed forces are hereby declared and shall remain paramount. Subject to the general supervision of the Director of War Mobilization or his successor, and the provisions of this act, and notwithstanding the provisions of any existing law, it shall be the function and duty of the Board—

(a) To supervise and direct the handling and disposition of surplus property by the Government in accordance with the objectives and policies of this act;

(b) To supervise and direct the transfer of any surplus property in the possession of any Government agency to any other Government agency;

(c) To assign surplus property for disposal by the fewest number of Government agencies practicable and, so far as it deems feasible, to centralize in one disposal agency responsibility for the disposal of all property of the same type or class: *Provided, however,* That the United States Maritime Commission shall be the sole disposal agency for merchant vessels or vessels capable of conversion to merchant use, and that such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels, until otherwise provided by law;

(d) To prescribe regulations and issue directives necessary to provide, so far as practicable, for uniform and wide public notice concerning surplus property available for sale, and for uniform and adequate time intervals between notice and sale so that all interested purchasers shall have a fair opportunity to buy;

(e) To formulate and issue as rapidly as possible detailed plans—

(1) for the care and handling and disposition of surplus property in accordance with this act;

(2) for converting to civilian production by private industry as rapidly as war needs and conditions permit, any Government-owned plants which are not needed for the

common defense and are capable of use for civilian production;

(3) for facilitating the most economical use and disposition of Government-owned plants which are not needed for the common defense but are not capable of use for civilian production;

(4) for disposition of surplus Government-owned transportation facilities and equipment in such manner as to promote an adequate and economical national transportation system;

(5) for removal of any existing discriminations affecting the disposal and use of Government-owned plants and property in accordance with this act;

(f) To effectuate the objectives of this act to aid honorably discharged veterans to establish and maintain their own small business or agricultural enterprises by affording such veterans suitable preferences to the extent feasible and consistent with the policies of this act in the acquisition of the types of surplus property useful in such enterprises. The Board in cooperation with the Administrator of Veterans' Affairs shall prepare and submit to Congress within 6 months after enactment of this act a report setting forth the feasible means planned to effectuate the objectives of this subsection;

(g) To devise ways and means and prescribe appropriate regulations and directives in cooperation with the War Food Administrator whereby surplus property will be sold in such quantities in rural localities and in such manner as will assure farmers and farmers' cooperative associations equal opportunity with others to purchase surplus property: *Provided, however,* That in cases where a shortage of trucks, machinery, and equipment impairs farm production, a program shall be developed by the Board in cooperation with the War Food Administrator whereby a reasonable portion of the surplus supply will be made available for sale in rural areas to farmers and farmers' cooperative associations.

SEC. 4. (a) Notwithstanding the provisions of any other law but subject to the provisions of this act, the Board and any disposal agency designated by it under subsection (c) of section 3 of this act are authorized to dispose of surplus property.

(b) Notwithstanding the provisions of any other law but subject to the provisions of this act, the Board may dispose of property under this act by sale, exchange, lease, transfer, or other disposition for cash, credit, other property, or otherwise, with or without warranty, and upon such other terms and conditions as it deems proper.

SEC. 5. (a) The Board may delegate any administrative authority conferred upon it by this act to the Administrative Director and to any deputy administrative director, and may delegate such authority, upon such terms and conditions as it may prescribe, to the head of any Government agency to the extent necessary to the handling and solution of problems peculiar to that agency.

(b) The head of any Government agency may delegate, and authorize successive redelegations of, any authority conferred upon him or his agency by or pursuant to this act to any officer, agent, or employee of such agency or, with the approval of the Board, to any other Government agency.

(c) Any two or more Government agencies may exercise jointly any authority conferred upon each of them individually by or pursuant to this act.

(d) The Board shall prescribe regulations to effectuate the provisions of this act. Each Government agency shall carry out regulations of the Board expeditiously and shall issue such further regulations, not inconsistent with the regulations of the Board, as it deems necessary or desirable to carry out the provisions of this act. The regulations prescribed under this act shall be published in the Federal Register.

SEC. 6. Surplus property sold for export or disposed of abroad pursuant to the provisions of this act shall not be entitled to entry at any of the ports of the United States, and the importation thereof is hereby prohibited, and the Secretary of the Treasury is authorized and directed to prescribe such regulations as may be necessary for the enforcement of this section.

REPORTS AND PLANNING

SEC. 7. (a) Within 3 months after the enactment of this act, and thereafter in January, April, July, and October of each year, the Board shall submit to the Senate and House of Representatives a quarterly progress report on the exercise of its authority and discretion under this act. Such reports shall contain—

(i) A statement of the status of surplus property disposition.

(ii) A statement of the kind, amount, and value of all considerations received by any disposal agency in exchange for property disposed of under this act.

(iii) Such recommendations for legislation as the Board may deem necessary or desirable.

(b) The Board, in cooperation with the various disposal agencies, shall prepare and submit to the Congress within 6 months after enactment of this act, a report as to each of the following classes of Government-owned property: (1) aluminum plants and facilities; (2) magnesium plants and facilities; (3) synthetic rubber plants and facilities; (4) chemical plants and facilities; (5) aviation gasoline plants and facilities; (6) iron and steel plants and facilities; (7) pipe lines used for transporting oil; (8) patents, processes, techniques, and inventions, except such as are necessary to the operation of the plants and facilities herein listed; (9) aircraft plants and facilities and aircraft and aircraft parts; (10) shipyards; (11) transportation facilities; and (12) radio and electrical equipment:

(A) Describing the amount, cost, and location of the property and setting forth other descriptive information relative to the use of the property that will no longer be needed by the United States;

(B) Outlining the economic problems that may be created by disposition of the property;

(C) Setting forth a plan or program for the care and handling, disposition, and use of the property consistent with policies and objectives set forth in this act;

(D) Describing any steps already taken for care and handling, disposition, and use of the property (including any contracts relating thereto), and designating any property that is to be retained by the United States for war or common defense purposes.

In the event that it is not possible within such period to prepare and submit a complete report to the Congress as to any class of property, the Board shall submit an interim report 6 months after the enactment of this act, and shall submit a complete report as soon thereafter as possible.

If the Board determines that it is desirable to alter or change any such plan or program or to prepare a report on any other class of property, it shall prepare in accordance with the provisions of this subsection and submit to the Congress an additional report, setting forth the altered or changed plan or program or a plan or program relating to the new class of property.

(c) Whenever the Board may deem it to be in the interest of the objectives of this act it may authorize the disposition of any property listed in classes 9 to 12, inclusive, of subsection (b) of this section. With respect to the property listed in classes 1 to 8, inclusive, no disposition shall be made or authorized until 30 days after such report (or additional report) has been made while Congress is in session.

(d) The reports required in subsections (a) and (b) of this section shall, when received, be referred to the appropriate committees of the Congress and it shall be the duty of each such committee to consider such report at public or private hearing as said committee may determine and thereafter to make appropriate report thereon to the respective Houses.

ADVISORY COMMITTEES

SEC. 8. Each disposal agency may, under regulations to be prescribed by the Board, organize advisory committees with which it shall consult regarding policies and procedures to govern disposal of the various classes of surplus property under this act: *Provided,* That such committees shall perform only advisory and consultative functions and shall not be authorized to promulgate or to administer policies and procedures, which shall be the responsibility of the appropriate Government agencies: *Provided further,* That full information on all such committees shall be submitted to the Attorney General and no such committee shall continue any operations or activities which the Attorney General finds, and certifies to the appropriate Government agencies, tend to promote the restraint of trade or the extension of monopoly. Such committees shall be fairly representative of—

(a) the larger business units of the interested trade or industry, including its wholesale and retail distributors, if any;

(b) the small business units therein, including distributors;

(c) genuine member-controlled cooperative organizations;

(d) the labor groups interested therein; and

(e) interested farm, consumer, and other groups, if any.

DECLARATION OF SURPLUS PROPERTY

SEC. 9. (a) Every Government agency shall have the duty and responsibility continuously to survey the property in its possession or control and to determine which of such property is surplus to its needs and responsibilities, and to report promptly to the Board and to the appropriate disposal agency any surplus property in its control which the owning agency does not dispose of under section 13.

It shall be the duty of the War and Navy Departments to survey the needs for the defense of the United States in relation to Government-owned plants, facilities, equipment, and supplies, and they shall not declare surplus any of these items for which they find that there is a need within the useful life of the item in question.

(b) Whenever in the course of the performance of its duties under this act, the Board has reason to believe that any owning agency has property in its control which is surplus to its needs and responsibilities and which it has not reported as such, the Board shall promptly report that fact to the Senate and House of Representatives. Each Government agency shall submit to the Board (1) such information and reports with respect to surplus property in its control, in such form, and at such reasonable times, as the Board may direct; (2) information and reports with respect to other property in its control, to such extent, and in such form, as the agency deems consistent with national security.

(c) When any surplus property is reported to any disposal agency under subsection (a) of this section, the disposal agency shall have responsibility and authority for the disposition of such property, and for the care and handling of such property pending its disposition, in accordance with the policies, standards, methods, and procedures prescribed by the Board. Where the disposal agency is not prepared at the time of its designation under this act to undertake the care and handling of such surplus property the Board may postpone the responsibility of the agency to assume its duty for care and

handling for such period as it deems necessary to permit its preparation therefor.

(d) Any Government agency may execute such documents for the transfer of title or other interest in property or take such other action as it deems necessary or proper to transfer or dispose of property or otherwise to carry out the provisions of this act, and, in the case of surplus property, shall do so to the extent required by the regulations of the Board.

AGENCY INVENTORIES

SEC. 10. Every disposal agency shall maintain in each of its disposal offices full records of the inventories of surplus property of such office and of each of the disposal transactions negotiated by such office and shall make the information in such records available for inspection by the public.

UTILIZATION OF SURPLUS PROPERTY BY FEDERAL AGENCIES

SEC. 11. (a) It shall be the responsibility of all Government agencies, in order to avoid making purchases of needed properties through commercial channels, continuously to consult the records of surplus property established by the Board and to determine whether their requirements can be satisfied from among such surplus property. It shall also be the responsibility of the head of each agency to submit to the Board such estimates of property needed and such reports in relation thereto as the Board may deem necessary to promote the fullest utilization of surplus property. It shall be the responsibility of the Board to determine whether Government agencies are acquiring surpluses to the fullest possible extent, and to notify agencies whenever, in its judgment, they are not making proper use of the surplus property of other Government agencies.

(b) The Board shall, to the maximum extent practicable, allocate and transfer to Government agencies surplus property capable of being utilized by them. In so doing, it shall give consideration to the acquisition by the War Department, Navy Department, and Maritime Commission of surplus property necessary for the prosecution of the war or for purposes of the common defense and national security. All such transfers shall be made upon such terms and with such charge to the appropriation of the transferee for the value thereof as the Bureau of the Budget shall determine to be in accordance with existing law.

(c) The Board shall resolve any conflict between Government agencies over the acquisition of surplus property in such manner as will, in its judgment, best effectuate the objectives of this act.

DISPOSAL TO LOCAL GOVERNMENTS

SEC. 12. The Board may prescribe regulations for the disposition of surplus property to States, and political subdivisions thereof, including municipalities, and to tax-supported and nonprofit institutions, as follows:

(a) Surplus property that is appropriate for school, classroom, or other educational use may be transferred to the Federal Security Agency for donation to the States and their political subdivisions and tax-supported educational institutions, and, within rules and regulations to be prescribed by the Federal Security Administrator, with the approval of the Board, to other nonprofit educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

(b) Surplus medical supplies and equipment may be transferred to the Federal Security Administration for donation to the States and their political subdivisions and to tax-supported medical institutions, and, within rules and regulations to be prescribed by the Federal Security Administrator, with the approval of the Board, to hospitals or other similar institutions not operated for profit which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code, and to the American Red Cross.

(c) Any surplus property may be sold or leased to States, political subdivisions thereof, including municipalities, tax-supported institutions, and nonprofit charitable, medical, and educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code, at discounts not to exceed 50 percent of the sale or lease market value thereof, as the case may be, or 50 percent of the highest price offered by any private purchaser or lessee, whichever is lower: *Provided*, That other surplus property not immediately disposable for which the estimated cost of care and handling and disposition would exceed the estimated proceeds of commercial disposition, may be donated to States, political subdivisions thereof, including municipalities, and, within rules and regulations to be prescribed by the Board, to tax-supported institutions and nonprofit charitable, medical, and educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

(d) Where property is disposed of pursuant to the provisions of this section, the Board shall see to it that appropriate provisions for control are applied for a period not to exceed 2 years next succeeding the date of disposition with respect to the maintenance of the property, its continued use for the general purpose for which it was acquired, repossession by the Federal Government in the event that the conditions of its disposal are not complied with, and related provisions.

DISPOSITION BY OWNING AGENCY

SEC. 13. (a) Any owning agency may dispose of any property for the purpose of aiding in the prosecution of the war and for the common defense or authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for the purpose of aiding in the prosecution of the war and for the common defense, subject only to the regulations of the Board with respect to price policies: *Provided*, That no part of such inventories shall be retained or disposed of by such contractor or subcontractor for any other purpose.

(b) Subject to subsection (c) of this section and to the provisions of section 21, any owning agency may dispose of—

(1) any property which is damaged or worn beyond economical repair;

(2) any waste, salvage, scrap, or other similar items not included within the definition of strategic minerals and metals contained in section 21;

(3) any physical products of industrial, research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by such agency; and

(4) any other similar class or type of surplus property designated by the Board.

(c) The Board shall have the responsibility for reviewing the disposal actions and the decisions with respect to the classification of property of the owning agencies under this section to assure the fulfillment of the objectives and policies of this act and whenever the Board finds it necessary it shall restrict by regulation or rescind the authority of any owning agency to dispose of any class of surplus property under subsection (b) of this section.

SMALL BUSINESS

SEC. 14. (a) It shall be the duty of the Board, and it is hereby authorized and directed, to devise ways and means and prescribe appropriate regulations and directives, to prevent any discrimination against small business in the disposal and distribution and use of any Government property covered by this act. To that end the Board shall cause the disposal agencies to adopt and pursue the following measures:

(1) Arrange for the widest practicable notice as far in advance of the sale as practicable, by advertisement or otherwise, to be issued and disseminated by the agencies so that large and small enterprises will be reasonably informed of the property offered for sale and the terms and conditions thereof.

(2) Reduce lots or blocks of any items offered for sale to the smallest practicable units conforming with marketing policy in the agency concerned so that they will be within the reach of small business enterprises.

(3) In appropriate cases in the discretion of the agency or the Board, arrange for sales on credit or time bases, or such other terms or conditions as will preserve the competitive position of small business enterprises in the purchase or acquisition of surplus property and accord them a fair opportunity for the acquisition thereof.

(b) The Smaller War Plants Corporation is hereby specifically charged with the responsibility of cooperating with the Board and with the owning and disposal agencies, of making surveys from time to time, and bringing to the attention of the agencies, or the board, the needs and requirements of small business and any cases or situations which have resulted in or would effect discrimination against small business in the purchase or acquisition of Government property by them and in the disposal thereof by the agencies.

(c) The Smaller War Plants Corporation is hereby authorized and directed to consult with small business to obtain full information concerning the needs of small business for surplus property and to disseminate information and other guidance concerning the disposition and acquisition of surplus property among small business enterprises in industry and trade.

(d) The Smaller War Plants Corporation shall recommend to the Congress any measures which it deems advisable for the removal of discriminations against small business in the acquisition and use of Government-owned plants and properties, in accordance with the objectives of this act.

(e) The Smaller War Plants Corporation shall have the power to purchase any surplus property for resale or other disposition to small business (and is empowered to receive other property in exchange as partial or full payment therefor), when in its judgment, such disposition is required to preserve and strengthen the competitive position of small business, or will assist the Corporation in the discharge of the duties and responsibilities imposed upon it.

(f) The Smaller War Plants Corporation is hereby authorized, for the purpose of carrying out the objectives of this section, to make or guarantee loans to small business enterprises in connection with the acquisition, conversion, and operation of plants and facilities, and, in cooperation with the disposal agencies, to arrange for sales of surplus property to small business concerns on credit or time bases.

DISPOSAL OF SURPLUS AGRICULTURAL COMMODITIES

SEC. 15. (a) Nothwithstanding any other provision of this act or of any other act or of any Executive order, the War Food Administrator or his successor shall be solely responsible for the formulation of policies and the carrying out of programs with respect to the disposal of surplus agricultural commodities. The War Food Administrator or his successor, subject to the provisions of existing law, shall formulate workable plans for the disposition of surplus agricultural commodities in such a manner as to prevent these excess supplies from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

(b) The board shall not exercise any of its powers under this act with relation to disposal of surplus cotton or woolen goods except with the approval in writing of the War Food Administrator or his successor.

No department or agency of the Federal Government shall sell or otherwise dispose of surplus cotton or woolen goods except in accordance with the orders and regulations of the Board, approved in writing as hereinbefore provided by the War Food Administrator or his successor.

DISPOSITION OF PLANTS

SEC. 16. Whenever the Board or any disposal agency shall begin negotiations for the disposition to private interests of a plant or plants or other property representing an original cost to the Government of $1,000,000 or more, or of patents, processes, techniques, or inventions, irrespective of cost, the Board or disposal agency shall promptly notify the Attorney General of the proposed disposition and the probable terms or conditions thereof. Within a reasonable time after receiving such notification the Attorney General shall advise the Board or disposal agency whether the proposed disposition will either violate the antitrust laws, or encourage monopoly or undue concentration of industry or commerce or restrain competition substantially. Upon the request of the Attorney General, the Board or other Government agency shall furnish or cause to be furnished such information as the Board or any such agency may possess which the Attorney General determines to be appropriate or necessary to enable him to give the advice called for by this section or to determine whether any other disposition of surplus property violates the antitrust laws. Nothing in this act shall impair, amend, or modify the antitrust laws or limit and prevent their application to persons who buy or otherwise acquire property under the provisions of this act. As used in this section, the term "antitrust laws" includes the act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act; and the act of August 27, 1894 (ch. 349, secs. 73, 74, 28 Stat. 570), as amended.

SEC. 17. Every contract for the sale, or lease for 2 years or more, of a plant shall be made upon the condition that the purchaser, lessee, or transferee, and their transferees, if any, shall maintain the plant in substantial operation and production for a period of 2 years next succeeding the effective date of the contract, or, next succeeding the date upon which operations begin after a period of conversion and alteration to be approved by the Board, but not to exceed 1 year, and that upon breach of such condition, the Government may rescind the contract and upon return of so much of the consideration as shall be equitable, recover the plant: *Provided, however*, That when such operation or production is prevented by any cause beyond the control of the purchaser, lessee, or transferee, or their transferees, it shall not be considered a breach of such condition.

SEC. 18. Every existing option to purchase or otherwise acquire Government-owned property shall, before it is consummated, be submitted to the Attorney General for his opinion as to its validity.

SEC. 19. Except as herein or otherwise provided, no Government agency shall, in competition with private industry, manufacture or produce any articles or commodities for civilian use in plants acquired by the Defense Plant Corporation: *Provided*, That the foregoing shall not be construed to prohibit the manufacture or production of articles or commodities for civilian use when specifically authorized by act of Congress, in plants or facilities (such as the Government Printing Office, power and public works projects, prisons, reformatories, and hospitals and like institutions) not constructed or acquired for war purposes.

LIMITATIONS ON DISPOSITION OF AIRPORT AND HARBOR FACILITIES AND FORTS

SEC. 20. (a) In order that States and political subdivisions thereof, including municipalities, and other governmental units and agencies may have an opportunity to enter into arrangements for the use, operation, or acquisition of airport and harbor and port terminal facilities, no such facilities shall be disposed of or dismantled except after a report to the Congress, including recommendations of the Civil Aeronautics Administration in the case of airport facilities and the Secretary of Commerce in the case of harbor and port terminal facilities; and no technical equipment of any airport left in a stand-by condition shall be removed except for use at some other place until reasonable opportunity is afforded to interested governmental units to enter into arrangements for the operation of such airport.

(b) Any real property which is a part of any permanent military reservation or post or fort, either occupied or held in standby status, is excluded from the provisions of this act, and shall not be disposed of except upon authorization by law hereafter granted.

STOCK-PILING

SEC. 21. All Government-owned accumulations of strategic minerals and metals, including those owned by any Government corporation, shall be transferred by the owning agency, when determined to be surplus pursuant to this act, to the account of the Treasury Procurement Division and shall be added to the stock pile authorized by the act of June 7, 1939 (53 Stat. 811), as amended, and shall be subject to its provisions. The minerals and metals may be transferred in any form in which they are held, and they shall thereafter be put into forms best suited for storage and use for the common defense. As used in this section the phrase "strategic minerals and metals" means all minerals and metals included in either group A or group B of the list of strategic and critical materials determined upon by the Army and Navy Munitions Board on March 6, 1944, and any other minerals or metals which said Board determines should be added to group A or group B, and shall include ores, concentrates, alloys, scrap, and partially and completely fabricated articles of which the principal components by value consist of such minerals and metals, but shall not include such fabricated articles as the Army and Navy determine are not suitable for their use in the form in which fabricated and which may be disposed of commercially at value substantially in excess of the metal market price of the component minerals and metals of such fabricated articles. Transfers under this section shall be made without reimbursement or transfer of funds except that, if the Reconstruction Finance Corporation or any of its subsidiaries is the owning agency for any property so transferred, the Secretary of the Treasury shall cancel notes of the Reconstruction Finance Corporation in an amount equal to the cost of the property so transferred.

DISPOSAL OF SURPLUS REAL PROPERTY

SEC. 22. (a) Notwithstanding any other provision of this act property as defined in this section shall be disposed of only as provided in this section.

(b) As used in this section, unless the context otherwise requires, the term "property" includes land, together with any fixtures and improvements thereon, located outside of the District of Columbia acquired (since December 31, 1939) by the United States or by any corporation wholly owned by the United States, but does not include the public domain, or lands withdrawn or reserved from the public domain, and does not include war housing, industrial plants, factories, or similar structures or facilities, or the sites thereof.

(c) (1) The Secretary of the Interior shall establish and maintain in the General Land Office a central inventory of all lands now owned and held or hereafter acquired by the United States for its use, including lands in its Territories and possessions, and, in his discretion, may include in such inventory any other lands, or any interests in lands, now held or hereafter acquired by the United States. The inventory shall also show the disposal which may be made of any of the lands or interests included therein.

(2) Any Government agency authorized to acquire, accept, or hold title to or an interest in land in the name of the United States or of such agency, or which has federally owned land, other than public-domain land, under its jurisdiction or control, shall submit to the Secretary of the Interior for recordation in the General Land Office the documents by which the title to or an interest in the lands covered by this subsection was acquired by a Government agency, or disposed of subsequent to the effective date of this act, together with such other data, including a plat of the tract of land involved, as may be required. The General Land Office, after making a copy for its records by such methods as it deems feasible, shall return the original documents, except any plat that may have been required, to the agency submitting them with an appropriate notation thereon showing that they have been recorded by the General Land Office.

(3) All provisions of law relating to the custody, use, and effect of records of the General Land Office, including the act of August 24, 1912 (37 Stat. 497; 5 U. S. C., secs. 488-492), shall apply to records made under the authority of this subsection. Authenticated copies of any such record certified as being a true copy of the document from which such record was made shall be admissible in evidence equally with the original of such document.

(d) (1) It shall be the duty of the head of every Government agency to make a survey of property which is under the jurisdiction of the agency and which was acquired subsequent to December 31, 1939, to determine if any part of the property is not needed by the agency for the efficient performance of its functions. If he finds that any such property is unnecessary for such purpose, he shall report his findings to the Secretary of the Interior, together with a description of the property which is not needed by the agency, and shall thereupon transfer jurisdiction over such property to the Secretary of the Interior. Property transferred to the Secretary under this subsection is hereinafter referred to as "surplus real property."

(2) This subsection shall not apply to any property which has been specifically set aside by act of Congress for specific purposes, or which is held by a credit agency in the course of its lending operations, or which is authorized to be disposed of pursuant to section 43 of the Bankhead-Jones Farm Tenant Act, as amended, or which is held by any agency or person under subdivision (b) of section 5 of the Trading with the Enemy Act of October 6, 1917 (40 Stat. 411), as amended.

(e) Immediately after the transfer of surplus real property to the Secretary of the Interior it shall be the duty of the said Secretary and the Secretary of Agriculture, acting jointly, to classify such property as agricultural, grazing, forest, mineral, or otherwise, as they may deem advisable. The classification may be revised from time to time. In case of disagreement as to the classification of any property the Director of War Mobilization or his successor shall make the decision.

(f) (1) In the case of any surplus real property which was acquired by any Government agency after December 31, 1939, and is classified under this section as agricultural

land, the person from whom such land was acquired or, in the event of his death, his lineal heirs, shall be given notice that the land is to be disposed of by the United States and shall be entitled to purchase such land, in substantially the identical tract as when acquired from such person, at private sale at any time during the period of 90 days following such notice: *Provided*, That such period shall be extended in any case when it appears that such extension is necessary or appropriate to facilitate the sale of any land under this subsection.

(2) In the event that land which was employed in farming operations when acquired by the Government but which is no longer classified as agricultural land, is transferred to the Secretary of the Interior under this act, the former owner of such land and his lineal heirs may be offered similar agricultural land in the same area, if such land is available.

(3) Where a tenant of the former owner of agricultural land, who was a tenant at the time of the acquisition of such land by the United States, signifies his intention to purchase such land within a period of 90 days following notice of sale, and the former owner or his heirs are unavailable or decline to exercise the privilege, the tenant shall be entitled to purchase the land at private sale. If the tenant is unable to purchase the land that he was operating at the time of acquisition by the Government, and similar agricultural land in the same area is available after former owners (or their lineal heirs or tenants) have exercised their privileges, the tenant shall be entitled to purchase such land.

(4) In the event there is more than one applicant for the purchase of the land, the Secretary of the Interior or the Secretary of Agriculture, as the case may be, shall determine whether the land is capable of subdivision, and, if subdivision would result in the creation of farms in less than family-size units, the priority among the applicants for the right to purchase shall be determined by lot.

(5) The price to be paid for land sold under this subsection shall be an amount equal to the price paid for it at the time of its acquisition by the department or agency by which it was acquired, increased or decreased, as the case may be, by an amount equal to any increase or decrease in the market value of such land by reason of any improvements or changes made thereon, or by reason of the use thereof, during the time it was owned by the United States, or a price equal to the market price at the time of sale of such surplus land, whichever price is the lower.

(6) The Secretary of the Interior or the Secretary of Agriculture, as the case may be, shall determine the method of giving notice and may prescribe notice by publication for such period and in such manner as he deems appropriate or by other means, and may by regulation prescribe methods for the identification of the person entitled to exercise the privileges conferred by this subsection.

(g) (1) For a period of 15 years following the effective date of this act, whenever any surplus real property classified as suitable for agricultural, residential, or small business purposes is to be disposed of, veterans shall be granted a preference in the acquisition or purchase of such property over nonveterans, except as provided in subsection (f) of this section. The Secretary of the Interior or the Secretary of Agriculture, as the case may be, shall determine the units in which the property is to be disposed of, giving due consideration to the character of the property, the economic use to which it is to be put, and the objectives of disposition as set forth in this act.

(2) Except as to property to be disposed of under the public land laws, the following procedure shall govern the exercise of veterans' preference rights under this subsection: The Secretary of the Interior or the Secretary of Agriculture, as the case may be, shall determine the fair market value of each unit. Before any such property is offered for sale, except under subsection (f), either by public sale or by negotiated sale, any veteran may apply for the purchase of any or all units offered for sale at the price established by the Secretary. The Secretary shall prescribe the time within which application shall be made and shall give such notice thereof as he deems reasonable to enable veterans to exercise their rights under this subsection. The Secretary shall select the purchaser of each unit by lot from among the applicants for the unit. If any applicant is selected as the purchaser of more than one unit, he shall elect which one to take, whereupon the right to purchase the remaining units shall go to the remaining applicants in the order in which their names were drawn. No veteran may apply for the purchase of any property under the provisions of this subsection if he has previously exercised a preference right under this section and has acquired property pursuant thereto, except that the purchase by such veteran of a tract or tracts of land aggregating not more than 15 acres shall not prevent such veteran from acquiring a homestead under the public land laws. Sales to veterans under this subsection shall be upon such terms as the Secretary may prescribe. If no sale of property to a veteran is effected under this subsection, the property shall be disposed of as provided in subsection (h).

(3) The preference right accorded to each veteran may, if not previously exercised, be exercised upon his death by his spouse or by his children, in that order. The same preference right shall also be extended to the spouse or children of any person who, except for his death while in active service, would qualify as a veteran under the provisions of this act. No preference right may be assigned or exercised by power of attorney or through a power to select except as may be permitted by regulations prescribed by the Secretary of the Interior and the Secretary of Agriculture, in order to prevent the loss of such right by the holder thereof.

(h) (1) Lands classified as suitable for disposition under the homestead and other public land laws shall be disposed of in accordance, or as near as may be, with the provisions of such laws.

(2) Lands classified as suitable for agricultural use, other than those to be disposed of under the homestead and other public-land laws shall be transferred to the Secretary of Agriculture and shall be subdivided by him whenever practicable into economic family-size units (taking into consideration the variations in sizes of economic units in different localities) and, after opportunity for exercise of the preferences under subsection (f) has been afforded, shall be sold insofar as possible to persons who expect to cultivate such land and to operate it for a livelihood. The Department of Agriculture is authorized and directed, within the limits of its current functions under the Bankhead-Jones Farm Tenant Act, to extend needed financial and other assistance to persons eligible for such assistance under the Bankhead-Jones Farm Tenant Act and the Servicemen's Readjustment Act of 1944, in connection with the disposal of surplus agricultural lands pursuant to this subsection.

(3) Before disposing of any other surplus real property, the Secretary of the Interior shall appraise the property and determine its fair market value. The property may then be sold at public sale or by negotiated sale, whichever method is determined by the Secretary to be most in the public interest. If the property is to be sold at public sale, the Secretary shall give public notice thereof at least 90 days prior to the date of sale. He shall sell the property upon such terms as he deems most in the public interest to any person whose bid equals or exceeds the appraised value of the property and to whom a sale would be in accordance with the objectives of this act. If the property is to be sold by negotiation, the Secretary shall, upon the conclusion of the negotiations, give public notice for 90 days of the terms of the proposed sale. The notice shall state that during such period, protests against the sale may be made to the Secretary. At the end of the period the Secretary may approve or disapprove of the sale.

(i) In disposing of any property under subsection (h) (1) of this section the Secretary of the Interior shall (except in case of a sale to the original owner or his lineal heirs or tenants or to a veteran or his spouse or children) reserve to the United States all oil, gas, and other mineral deposits in the property; and such reservation of minerals shall be expressly stated in the instrument of conveyance.

(j) Upon the sale of any surplus real property under this section, the property may be taxed to the purchaser by the State or any local public taxing unit in which the property is located upon the purchaser's taking possession thereof even though title thereto has not yet passed to the purchaser. The United States shall not be liable in any way for any tax which may be imposed on the property, and in the event all interests in the property revert to the United States prior to the passage of title, any lien on such property for unpaid taxes shall be extinguished.

(k) The Secretary of the Interior and the Secretary of Agriculture each shall, not later than the January 1 following the end of each fiscal year, submit to the Congress a report on their activities under the provisions of this section for that fiscal year. Such reports shall contain any recommendations for legislation or other action which the Secretary of the Interior or the Secretary of Agriculture believes will facilitate the operation of this section. The report of the Secretary of the Interior shall show by States the total area of land under the jurisdiction of each Government agency, the total area acquired and disposed of during the fiscal year, and other related data, together with a statement of the authority under which such acquisition and disposals were made.

(l) The Secretary of the Interior and the Secretary of Agriculture may perform such acts and adopt such rules and regulations as are necessary for carrying out the provisions of this act.

(m) In the case of sales of real property under this section or under any other provision of this act, the form of deed or instrument of transfer shall be approved by the Attorney General. Deeds or other instruments containing general or special warranties of title may be issued and delivered to purchasers provided such warranties have been recommended and approved by the Attorney General. In determining whether general or special warranty deeds to properties may be issued and delivered, the Attorney General is authorized to approve the issuance and delivery of warranty deeds where titles are subject to infirmities of such character that in his opinion the interests of the United States will not be jeopardized under its warranty.

CIVIL REMEDIES AND PENALTIES

SEC. 23. (a) Where any property is disposed of in accordance with this act and any regulations prescribed under this act, no officer or employee of the Government shall (1) be liable with respect to such disposition except for his own fraud or (2) be accountable for the collection of any purchase price which is determined to be uncollectible by the agency responsible therefor.

(b) Every person (1) who makes or causes to be made, or presents or causes to be presented, or delivers or causes to be delivered

to any employee, officer, agent, or representative of the United States or any Government agency or to any person in the civil, military, or naval service of the United States any claim, bill, receipt, check, voucher, statement, account, certificate, affidavit, deposition, or other document, knowing the same to be false, fraudulent, or fictitious or knowing the same to contain or to be based on any false, fraudulent, or fictitious statement or entry; or (2) who shall cover up, or conceal, or misrepresent any material fact; or (3) who shall perform or engage in or cause to be performed or engaged in any act or acts with intent to defraud the United States; or (4) who shall use or engage in or cause to be used or engaged in any fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any payment, property, or other benefits from the United States or any Government agency in connection with the disposition of property under this act; or (5) who enters into an agreement, combination, or conspiracy to do any of the foregoing—

(i) shall pay to the United States the sum of $2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the costs of suit; or

(ii) shall, if the United States shall so elect, pay to the United States, as liquidated damages, a sum equal to twice the consideration agreed to be given by such person to the United States or any Government agency; or

(iii) shall, if the United States shall so elect, restore to the United States the property thus secured and obtained and the United States shall retain as liquidated damages any consideration given to the United States or any Government agency for such property.

(c) The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall wheresoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the courts to be served personally or by publication or in such other reasonable manner as the court may direct.

(d) The civil remedies provided in this act shall be in addition to all other criminal penalties and civil remedies provided by law.

SEC. 24. It shall be unlawful for any person employed in any Government agency, including commissioned officers assigned to duty in such agency, during the period and for 2 years after the period that such person is engaged in such employment or service, to seek or take employment with any person to whom disposition of Government property has been made under this act, or to become counsel, attorney, or agent for such person, if such Government officer or employee has been directly connected with such disposition. Any person violating the provisions of this section shall be fined not more than $10,000, or imprisoned for not more than 1 year, or both.

SEC. 25. The first section of the act of August 24, 1942 (56 Stat. 747; title 18, U. S. C., Supp. II, sec. 590a), is amended to read as follows:

"The running of any existing statute of limitations applicable to any offense against the laws of the United States (1) involving defrauding or attempts to defraud the United States or any agency thereof whether by conspiracy or not, and in any manner, or (2) committed in connection with the negotiation, procurement, award, performance, payment for, interim financing, cancelation or other termination or settlement, of any contract, subcontract, or purchase order which is connected with or related to the prosecution of the present war, or with any disposition of termination inventory by any war contractor or Government agency, or (3) committed in connection with the care and handling and disposal of property under the Surplus Property Act, shall be suspended until 3 years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress. This section shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by provisions of existing law."

MISCELLANEOUS PROVISIONS

SEC. 26. Surplus property disposals may be made without regard to any provision in existing law for competitive bidding, unless the Board shall determine that disposal by competitive bid will in a given case better effectuate the policy of the act.

SEC. 27. (a) All proceeds from any transfer or disposition of property under this act shall be deposited and covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), and (d) of this section.

(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated from the general fund of the Treasury but by law reimbursable from assessment, tax, or other revenue or receipts, then upon the request of the interested agency, the proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the owning agency.

(c) To the extent authorized by the Board, any Government agency disposing of property under this act (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

(d) Where a contract or subcontract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract and shall not be subject to subsection (a) of this section.

SEC. 28. (a) Any Government agency is authorized to use for the disposition of property under this act and for its completion and care and handling, pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for such purposes or for the purpose of production or procurement of such property.

(b) Any Government agency is authorized to use for the acquisition of any surplus property under this act any funds heretofore or hereafter appropriated, allocated, or available to it for the acquisition of property of the same kind.

(c) There are authorized to be appropriated such sums as may be necessary or appropriate for administering the provisions of this act.

SEC. 29. (a) Nothing in this act shall limit or affect the authority of commanders in active theaters of military operations to dispose of property in their control.

(b) The provisions of this act shall be applicable to dispositions of property within the United States and elsewhere, but the Board may exempt from some or all of the provisions hereof, except the provisions of section 6, dispositions of property located outside of the continental United States, its Territories and possessions, whenever it deems that such provisions would obstruct the efficient and economic disposition of such property in accordance with the objectives of this act.

SEC. 30. A deed, bill of sale, lease, or other instrument purporting to transfer title or any other interest in surplus property under this act, which is executed by or on behalf of the Board, or by the Government agency to which the Board shall have assigned such surplus property for disposal, shall be conclusive evidence of compliance with the provisions of this act so far as the title or other interest of any bona fide purchaser or lessee, as the case may be, is concerned.

SEC. 31. (a) This act shall not impair or affect any authority for the disposition of property under any other law not inconsistent herewith, except that the Board may prescribe regulations to govern any disposition of surplus property under any such authority to the same extent as if the disposition were made under this act, whenever it deems such action necessary to effectuate the objectives and policies of this act.

(b) Nothing in this act shall impair or affect the provisions of the Emergency Price Control Act of 1942, as amended; the act of October 2, 1942 (ch. 578, 56 Stat. 765), as amended; section 301 of the Second War Powers Act, 1942; the act of March 11, 1941 (55 Stat. 31), as amended; the Tennessee Valley Authority Act of 1933, as amended; Public Law 849, Seventy-sixth Congress, respecting war housing; or acts supplemental thereto, or of any law regulating the export of property from the United States, or the statutes relating to the public lands.

SEC. 32. If any provision of this act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

DEFINITIONS

SEC. 33. As used in this act—

(a) The term "Government agency" means any executive department, board, bureau, independent commission, or other agency in the executive branch of the Federal Government, and any corporation wholly owned and controlled by the United States.

(b) The term "owning agency" means a Government agency having control of property at the time when it is determined to be surplus to the needs and responsibilities of that agency.

(c) The term "disposal agency" means any Government agency designated under this act to handle disposition of one or more classes of surplus property, except owning agencies.

(d) The term "property" means any interest in property, real or personal, owned by the United States or any Government agency, including, but not limited to, patents, processes, techniques and inventions, and plants, facilities, equipment, machinery, accessories, parts, assemblies, products, commodities, materials, and supplies of all kinds, whether new or used, and wherever located.

(e) The term "surplus property" means any property which has been determined to be surplus to the needs and responsibilities of the owning agency in accordance with section 9 of this act.

(f) The term "contractor inventory" means any property allocable to the terminated portion of a contract of any type with a Government agency or to a subcontract thereunder.

(g) The term "care and handling" includes completing, repairing, converting, rehabilitating, operating, maintaining, preserv-

ing, protecting insuring storing, packing, handling, and transporting.

(h) The term "option" means any contractual right to retain or acquire any property at a price and upon terms prescribed or determined by the contract.

(i) The term "person" means any individual, corporation, partnership, firm, association, trust, estate or other entity,

(j) The term "State" includes the several States, Territories, and possessions of the United States, and the District of Columbia.

(k) The term "tax-supported institution" means any scientific, literary, educational, public-health, or public-welfare institution which is supported in whole or in part through the use of funds derived from taxation by the United States, or by any State or political subdivision thereof.

(l) The term "veteran" means any person who during the present war was entitled to the benefits afforded by the Soldiers' and Sailors' Civil Relief Act of 1940, as now or hereafter amended, and who has been honorably discharged or otherwise honorably separated from the service entitling him to such benefits; but the term "veteran" does not include any person who was entitled to such benefits solely by reason of being ordered to report for induction under the Selective Training and Service Act of 1940, as amended.

(m) The term "disposal" or "disposition" means sale, conditional sale, or lease, for cash, credit, or other property, donation when specifically authorized in section 12; or any other transfer.

EFFECTIVE DATE

SEC. 34. This act shall become effective on the date of its enactment.

SHORT TITLE

SEC. 35. This act may be cited as the "Surplus Property Act."

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute reported by the committee.

Mr. JOHNSON of Colorado. Mr. President, I was designated by the Senate Military Affairs Committee to sponsor and handle Senate bill 2065 on the Senate floor. The bill, as amended by the Committee on Military Affairs, is a composite of many bills dealing with the disposal of surplus property. We borrowed from more than a dozen bills in formulating the language and the provisions of the committee amendments to Senate bill 2065.

It is hardly necessary for me to say also that this bill as amended and as the committee has presented it, is very much of a compromise. The views of the members of the Senate Military Affairs Committee, as are the views of the Senate body as a whole, were sharply divided, but in order that we might report any bill we had to compose our differences and modify some of our views. That we have done.

Mr. President, the bill, as amended, comes to the Senate with the unanimous approval of the Senate Military Affairs Committee. I dare say that none of the members of the committee are entirely satisfied with all its provisions, but we realized that we had to compromise our differences, for if that were not done 96 separate bills would be the result, in order to have the kind of bill that each Member would think proper and adequate to deal with the great problem of surplus-property disposal.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. WHITE. Did I understand the Senator from Colorado to say that the bill comes to the Senate with the unanimous approval of the Committee on Military Affairs?

Mr. JOHNSON of Colorado. That is correct; yes. It comes to the Senate with the unanimous vote of the committee. I wish to add that I do not believe that any member of the committee was completely satisfied with the bill. No one is ever completely satisfied with a compromise, as the Senator well knows.

Mr. President, I do not think I need to try to emphasize the magnitude of the problem dealt with by the bill. I doubt whether anyone has sufficient imagination to visualize the size of this problem. It has been variously estimated by experts and students of economy that our surplus war goods will amount, measured in dollars and cents on a cost basis, to somewhere between $20,000,000,000 and $120,000,000,000. That is a pretty wide latitude even for guesses.

The size of the stock of war goods that will be declared surplus will depend upon many things, such as the length of the war, the suddenness of its termination, and whether or not production is maintained at a high speed until the war is terminated. All those factors enter into the picture. So it is a speculative matter to try to determine with any degree of definiteness the amount of surplus war goods.

The impact of the disposal of those goods upon the social and economic life of our Nation is also a matter of very great speculation. It is difficult to visualize just what that impact will be. In our hearings it was stated that at the close of the last war Secretary Baker described the distribution of $6,000,000,000 in war surpluses as one of the greatest problems America had ever faced. The most pessimistic among our prognosticators today believe that our problem is many times greater than that following the last war. There are many reasons for such a belief.

There are two extreme views as to how the surpluses should be disposed of. One view is that we should get it over with as rapidly as possible, like jumping into a pool of cold water. It is said that we should jump in, get out, shake ourselves, and have the disagreeable thing over with as quickly as possible. That is one viewpoint. In other words, it is proposed that we have a "fire sale" and get the Government out from under the ownership and the responsibility for the great surplus as quickly as possible, salvaging all we can, under the assumption that we could and should be through with the problem as soon as it is physically possible to do so.

The other extreme view is to padlock surplus goods and hold them back so that private industry might get under way quickly. The argument on behalf of that position is that the indirect losses due to the dumping of surplus war property would be far greater than the loss of the goods themselves. So this school of thought believes that if we hold back the surplus goods, keep them off the markets, and give private industry an opportunity to get started again without the threat of this heavy load of surplus goods the country will more quickly convert to a peacetime basis. I may add that the objective in both viewpoints is to convert from a war production to a peacetime basis at the earliest possible moment.

This bill follows neither of those extremes. It takes the middle road. It does not provide for a "fire sale." It does not provide for dumping. Neither does it provide for withholding. In this bill we have attempted to establish safeguards in the orderly disposal of surplus property, safeguards to protect the social, political, and economic life of the Nation.

The first decision we had to make in committee was whether to have a single administrator or a board. The problem demanded either a policy-making administrator or a policy-making board with administrative powers. Perhaps first I should outline to the Senate the manner in which the disposal problem actually will be handled. Most of us were agreed that the skeleton organization for handling the disposal problem should begin with the Director of Mobilization and Post-War Adjustment, the office held at the present time by a former Member of this body, Mr. Justice Byrnes. Nearly all the proposals made him the head of the conversion plan from war to peace. So we placed the disposal of war surpluses under his over-all direction.

The next step was the disposal agencies which would be designated to perform the actual mechanical and physical work of disposing of the goods. When I first began the study of this bill I was of the opinion that a single head was the better approach; that one man would be better than two men, that two would be better than three, three would be better than four, and so forth. I will not argue the point. When it comes to efficiency, one man can do a better job than eight. Just as a tyrant is more efficient as an executive than is a democracy. There is no question in my mind about that.

This problem as visualized by Mr. Clayton, the man who was appointed under the directives issued by the President subsequent to the Baruch report, was that his office would be policy making. Mr. Clayton, the man whom the President designated to administer the act, has given constant study, in collaboration with many other men interested in surplus property disposal, to the problem which lies ahead of us. Mr. Clayton came before the Senate Committee on Military Affairs and gave us a picture of his job. He said that his job was not so much to dispose of property as to determine the policies of disposal. He visualized that he would have a very small skeleton staff, and that its principal function would be to determine the policies of disposal.

Of course, the Senate Military Affairs Committee and the Senate must realize that, try as we may, there is no reason to believe that we can write into any act all the rules, regulations, and policies of a

program as comprehensive as this. To a certain extent, discretion and policy making must be left to someone. In drafting the bill we tried in every way to have Congress lay down the broad general policies of surplus-property disposal; but the Committee on Military Affairs realized that Congress could not lay down all the policies. It can lay down only the general policy, and much discretion will have to be exercised by someone. Policy making must be in the hands of someone.

Under Mr. Clayton's plan he would be the policy-making agency. The Committee on Military Affairs decided that that function required more than one man, and one man's viewpoint. Senators know that surplus property affects labor, industry, agriculture, and consumers. It affects everyone in the Nation to a greater or lesser degree. The committee felt that a board should be established to determine policies, rather than to leave the determination to Mr. Clayton. So the bill provides for a board of eight, to be appointed from all sections of the country, to be representative of consumers, agriculture, labor, and industry, so that all viewpoints may be represented when policies are determined. The board would appoint its own director or administrator, and that executive would carry out the will and the findings of the board. So we adopted the board plan rather than the plan of a single administrator.

I might go through the entire bill and point out its many provisions. I do not think I shall take the time of the Senate to do so at this time. There may be many questions by the Members and perhaps we should await their submission.

The committee subdivided the classes of property to the extent that it was possible to subdivide them. This bill deals with property all the way from a darning needle to a locomotive, and from a small wood screw to a bomber costing hundreds of thousands of dollars; it deals with ships; it deals with millions of acres of agricultural and other lands; it deals with many different kinds and classes of property; and we have dealt with each on a different basis. We have not put them all in one kettle and disposed of them as though they were similar. We have separated them therefore and have provided different methods for disposing of these various classes of property. I know that as we proceed with the debate Senators will wish to know just how it is proposed to deal with certain kinds of property. We are prepared to answer questions and explain the various methods of treatment.

I wish to say furthermore that in writing this bill we had before us volumes of testimony which were gathered by various committees of the Senate, including the George committee, the subcommittee of the Committee on Military Affairs headed by the Senator from Montana [Mr. MURRAY], and the Smaller Business Committee. All of them have been holding hearings; some of them have held hearings for as long as 12 months. The hearings have brought forth information which has been the basis of the provisions which we have included in the bill.

Mr. AIKEN rose.

Mr. JOHNSON of Colorado. I am glad to yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I simply wished to ask the Senator from Colorado, although perhaps my inquiry should be addressed more especially to the acting majority leader and the minority leader, regarding how much time it is contemplated Senators will have for consideration of the bill. I do not know why any Senator who has not been on the Military Affairs Committee should be in a position to speak on the bill or even to form any judgment regarding how he would vote on the various provisions of the bill until there has been ample time to consider it. I hope no attempt will be made to rush the bill through before Senators have had full opportunity to study it, and also before various persons and organizations outside the Senate have had an opportunity to read the bill and to point out any changes which they might consider desirable.

So I simply am endeavoring to inform myself as to how much time we may expect to have to study the bill. It is an extremely important measure. As I have said, it appears to me that we should have ample time to study it, and I realize that very few Senators can be expected to speak on it at this time, because we first saw it only a few minutes ago.

Mr. JOHNSON of Colorado. Mr. President, so far as I know there is no proposal to limit debate in any way or to any extent. How long the Senate desires to discuss the bill and to consider it is a matter which is strictly up to the Senate.

Mr. HILL. Mr. President, will the Senator yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. HILL. The Senator has expressed exactly the thought I had in mind. It is up to Senators to determine how long they would like to consider the bill, how much debate they wish to have, and how much time they desire to take. There is no disposition at all to rush the bill through.

As the Senator from Colorado knows, the Committee on Military Affairs spent 7 or 8 full days in considering the bill, in endeavoring to give the bill the very best consideration and thought, and to bring it out in the best possible shape. Certainly, I know of no disposition on the part of anyone to rush through the bill or to do anything other than, as the Senator from Colorado has said, to give it all desirable consideration.

Mr. AIKEN. Mr. President, what I had in mind was that usually the time spent on a bill is used by the various Senators themselves in discussing it. I do not see how the Members of the Senate can discuss the bill until after the passage of a little time during which the bill can be studied.

Mr. HILL. Mr. President, will the Senator yield further?

Mr. JOHNSON of Colorado. I yield.

Mr. HILL. Undoubtedly some Members of the Senate are prepared to discuss the bill today. I am sure the Senator from Colorado [Mr. JOHNSON] is not only prepared to give a general explanation of the bill but is also ready to answer any questions Senators may have in mind. Furthermore, I understand that the junior Senator from Tennessee [Mr. STEWART], who has made a great contribution to the bill, is prepared to speak on it today, and perhaps also to answer questions.

However, as I have said, I am sure there is no disposition to rush consideration of the bill.

Mr. AIKEN. I thank the Senator.

Mr. JOHNSON of Colorado. Mr. President, as the Senator from Alabama [Mr. HILL] has said, the bill is not a one-man measure. Many hands have had a part in its preparation. The provisions of the bill are extremely diversified. They are as diversified as is the economy of our country. It affects everyone in our whole country.

As I stated in the first place, the bill which the committee has reported to the Senate is a composite of many bills. Many Senators have devoted long time and study to the matter. The junior Senator from Tennessee [Mr. STEWART] and the senior Senator from Ohio [Mr. TAFT], as well as the junior Senator from Montana [Mr. MURRAY], the chairman of the subcommittee which gave this bill full consideration, and many other Senators have been very much interested in its provisions. I am sure that if any Senator has any questions to ask regarding any provisions of the bill, we shall try to find the answers.

Mr. AIKEN. Yes, Mr. President; I am sure the Senator from Colorado will be entirely fair about this matter, as he always is about everything else.

At the same time, I realize that even though the committee has worked diligently on the bill, and has brought forth the best possible bill it can, there may be errors in it or omissions. For instance, in scanning it hurriedly I see no reference to certain intangible property such as rights-of-way. Is a right-of-way which has been acquired by the Government covered by the bill? I can think of cases where it might be of extreme importance to have rights-of-way covered.

Mr. JOHNSON of Colorado. If rights-of-way are owned by the Government and are surplus, the bill certainly covers them, as well as any other property. In the bill we have separated property into many different kinds and classes, and have dealt with them separately. But certainly this bill deals with all surplus property. We have, however, provided for no special treatment for intangible property such as rights-of-way.

Mr. AIKEN. Would they be covered under the real-estate section?

Mr. JOHNSON of Colorado. The bill contains a section on real estate. I do not know exactly what the Senator from Vermont has in mind; I do not know what property of that nature might be surplus. But certainly if it is surplus property and if it is now owned by the Government, the bill deals with it.

Mr. CHANDLER rose.

Mr. JOHNSON of Colorado. I yield to the Senator from Kentucky.

Mr. CHANDLER. Mr. President, I appreciate the courtesy of the Senator from Colorado.

I merely wish to say to my friend the Senator from Vermont [Mr. AIKEN] and to other Senators who were not on the committee that in the 5 years I have been a Member of the Senate I do not recall any bill which has been given more careful consideration than the pending bill has received, or one in connection with which so many persons have appeared and have had an opportunity to be heard, following which the committee spent consecutive days and nights in endeavoring to write a fair bill. The widest opportunity has been given to all interested parties to be heard and to present their views to the committee.

The bill has the virtue, if it means anything, that every member of the committee who has considered it is in agreement that, although perhaps the bill is not a perfect one, nevertheless it is the best we can do. On both sides of the aisle, both Democrats and Republicans agree that it is the best we can do.

I would not agree to rush into consideration of the bill. It is most important. There may be $100,000,000,000 worth of property which may be disposed of under the bill. Personally, I was not in favor of letting any one man be in charge of the disposal of such a vast amount of property; and in that connection, the committee felt that its primary desire was, not necessarily that the disposal be made promptly, but that it be made as carefully as possible, all over the country, in order not to encourage speculation or inflation and in order not to have the disposal made in such a way as to upset the general economy of the Nation.

Mr. OVERTON. Mr. President, will the Senator yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. OVERTON. I should like to ask the Senator from Kentucky if the bill goes into any detail as to what shall be done with any particular character of surplus property. For instance, I have in mind road-building machinery which could be utilized by States, counties, and agencies of State governments.

Mr. CHANDLER. Mr. President, with the permission of the Senator from Colorado, I would reply that if such property is declared to be surplus as provided by the bill, and if the municipalities or State governments or their agencies have an opportunity to acquire it from the surplus property board under rules and regulations made by the board and by the disposal agencies, what the Senator from Louisiana has suggested could be done. There is the added virtue that such property could thus be acquired at 50 percent of the price which any person might have to pay in the market. Every possible aid and encouragement is given to provide for the use of surplus property by States, municipalities, local governments, and Government agencies in the local communities.

Mr. OVERTON. And such property is to be disposed of to those agencies at 50 percent of its market value; is that correct?

Mr. JOHNSON of Colorado. That is not quite correct. It is to be disposed of at not less than 50 percent of its market value.

Mr. OVERTON. In other words, such governments or agencies will not have to pay more than 50 percent of the market value of the property; is that correct?

Mr. JOHNSON of Colorado. They will pay not less than 50 percent; but they will be able to purchase the property for as little as 50 percent of its value.

Mr. CHANDLER. They will be able to purchase it for as little as 50 percent of what anyone else might offer.

Mr. OVERTON. However, the board could charge them 75 percent; could it?

Mr. CHANDLER. Yes.

Mr. JOHNSON of Colorado. That is true.

Mr. OVERTON. I have one other question to ask. In cases of surplus equipment which might be used for the training of young men in land-grant colleges or other institutions of learning generally, does the bill make any provision as to what shall be done with such equipment?

Mr. JOHNSON of Colorado. Yes; the board has full authority to give such equipment outright.

Mr. OVERTON. Yes; outright.

Mr. JOHNSON of Colorado. It can sell or give the equipment outright.

Mr. CHANDLER. There are provisions contained in the bill for special and specific donations.

Mr. OVERTON. I wish to congratulate the members of the committee. I believe that by substituting a board for one-man control the results will be more satisfactory. I think the provision to which the Senator has referred is a very wise one.

Mr. HILL. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. Does the Senator from Kentucky wish to have the floor?

Mr. CHANDLER. I am willing to defer to the Senator from Alabama.

Mr. HILL. I wish merely to invite attention to the fact that on page 46 of the bill, in line 11, there is a caption entitled "Disposal to Local Governments." The Senator will find that the language of section 12 provides for regulations to be prescribed by the board for the disposition of surplus property to educational institutions, municipalities, and other subdivisions of the States and local governments, as well as to nonprofit and educational institutions. We made every effort to give educational institutions an opportunity to obtain surplus property. The bill provides for donations.

Mr. OVERTON. Many of us have had an opportunity only to look at the bill.

Mr. HILL. I appreciate the situation in which the Senator finds himself.

Mr. OVERTON. I thank the Senator for calling my attention to the portion of the bill to which he has referred.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. McKELLAR. I have not read the bill in its entirety, but have examined only parts of it. In connection with giving away property to local institutions, or charitable institutions, or selling it at greatly reduced prices, are there any limitations contained in the bill with respect to a redisposition of the property? For example, would a city be allowed to buy an immense quantity of materials normally used by cities, and then resell them at market prices, or would individuals be allowed to buy property at 50 cents on the dollar and resell it at higher prices?

Mr. CHANDLER. On page 48 of the bill paragraph (d) provides as follows:

(d) Where property is disposed of pursuant to the provisions of this section, the Board shall see to it that appropriate provisions for control are applied for a period not to exceed 2 years next succeeding the date of disposition with respect to the maintenance of the property, its continued use for the general purpose for which it was acquired, repossession by the Federal Government in the event that the conditions of its disposal are not complied with, and related provisions.

It provides for repossession by the Federal Government in the event the conditions of disposal have not been complied with.

Mr. McKELLAR. The language which the Senator has just read refers to cities, towns, and charitable organizations.

Mr. CHANDLER. Yes.

Mr. McKELLAR. What portions of the bill treat with sales made at 50 cents on the dollar? For example, if wheat, corn, or tobacco were sold at 50 percent of their value, is there any limitation in the bill which would prevent the person buying the property from reselling it at its full value? It seems to me there should be some method of insuring that unbridled speculation shall not take place.

Mr. CHANDLER. There is no provision concerning the sale of agricultural commodities. There is no provision contained in the bill which would permit speculation in any property of that kind.

Mr. JOHNSON of Colorado. If the Senator will permit, I will ask the Senator from Tennessee to refer to page 30 of the bill, and more specifically to subsection (7), which reads as follows:

To assure the sale of such surpluses in such quantities and on such terms as will discourage disposal to speculators or for speculative purposes.

Mr. McKELLAR. That language is fine, but it is merely a statement, a request, a hope, a mere suggestion. What provision is there in the bill which would prevent such things taking place? The Senator will remember that some years ago Congress passed a bill—I may say that I had the distinction of introducing it and getting it through the Senate—providing that under certain circumstances Government contracts could be renegotiated. If by a mistake, or for any other reason, the Board should sell in large quantities at 50 cents on the dollar a product which was necessary in the interest of the public, and immediately thereafter the purchaser of the property should resell it for 100 cents on the dollar, it would be a very inadvisable transaction, and there should be some provision inserted in the bill with regard to renegotiating such a contract.

Mr. JOHNSON of Colorado. Of course, the bill does not apply beyond the first sale. The United States Government first sells the property to a purchaser.

The provisions of the bill do not apply beyond the first sale, and do not follow the goods until they are completely worn out or have no value. The bill does not do anything of that kind, but it does safeguard the first sale; and that, it seems to me, is the problem which Congress must face.

Mr. McKELLAR. We have had experience with matters of that kind. We had such an experience following the First World War, and Congress was obliged to enact a law providing for the renegotiation of contracts. The enactment of the law resulted in savings to the Government of hundreds of millions of dollars. Some such provision should be inserted in the pending bill because we should not open wide the doors to speculators. A mere suggestion to speculators that they should not do this or that will not be sufficient. There should be a provision in the bill covering the matter.

Mr. JOHNSON of Colorado. I invite the attention of the Senator from Tennessee to page 31 of the bill, subparagraph (2). At that point the following provision is found:

> To utilize normal channels of trade and commerce to the extent consistent with efficient and economic distribution and the promotion of the general objectives of this act (without discriminating against the establishment of new enterprises).

That is only one of the many safeguards which we have tried to provide in the bill in order to avoid the very difficulties to which the Senator from Tennessee has referred.

Mr. McKELLAR. I do not believe the courts would pay much attention to such language. If a sale were made and subsequently inquired into I do not think the courts would give much effect to such language. What I should like to see is a provision inserted in the bill that when a resale has been made at a tremendously exorbitant price, there shall be a renegotiation of the sale so that the rights of the Government may be protected. As I understand—and I think the Senator so stated a few minutes ago—there will be hundreds of millions of dollars of surplus property as an aftermath of this war. When we realize that we will owe approximately $300,000,000,000, it makes us all feel that we should take every precaution against the sale of surplus property to speculators to be used by them in making exorbitant profits at the expense of the people. I believe there should be a renegotiation of contract provision in the bill, and I hope the members of the committee, who are doing a splendid work and are endeavoring to be perfectly correct in everything they do, will see that such a provision is inserted. I think that we should all be very careful in taking necessary precautions against the activities of speculators.

Mr. CHANDLER. Mr. President, I think we have taken all necessary precautions. What the Senator from Tennessee is trying to have accomplished is a renegotiation of a sale between two private individuals, and I am at a loss to understand how that can be done under this bill. We have been careful to keep surplus property out of the hands of speculators.

Mr. McKELLAR. If the Senator from Kentucky will examine the present renegotiation law he will see that it provides for doing the very thing to which he has referred.

Mr. CHANDLER. But the renegotiation law provides for the renegotiation of contracts between the Government and some corporation.

Mr. McKELLAR. No; it applies to individuals after the matter has passed from the control of the Government.

Mr. CHANDLER. In the situation to which the Senator from Kentucky has referred, two individuals would be trading with each other after the surplus property had been disposed of by the Government, and the Government had received its money. I do not know how it would be possible to prevent two individuals from trading with the property after the Government had sold it.

Mr. JOHNSON of Colorado. I should like to point out to the Senator that even in the renegotiation law Congress saw fit to remove from its application all small transactions. In the pending bill we would deal with transactions right down to a darning needle.

Mr. McKELLAR. I think that is very advisable. There are many small transactions that could be accepted, just as they were in the renegotiation law of which the Senator speaks; but in the large transactions, especially where millions and perhaps billions of dollars may be made through the sale of surplus property we ought to be very careful. That is all I am asking.

Mr. HILL. Mr. President, I think that the Senator from Tennessee is entitled to the highest commendation for the outstanding services he rendered in the matter of the renegotiation of contracts. With the bill now before us it resolves itself down to a practical proposition of whether or not we can do under this bill what was done in the matter of the renegotiation of contracts. I understand that the distinguished Senator from Tennessee has been working on a suggested amendment to take care of this situation. I want to say to my friend from Tennessee, who did such a wonderful job and rendered such an outstanding service in the matter of the renegotiation of contracts, that if he can offer a workable and practical plan to meet this situation I shall certainly be very favorably disposed toward his proposal.

Mr. McKELLAR. I thank the Senator very much.

Mr. JOHNSON of Colorado. I join with the Senator from Alabama in that expression.

Mr. McKELLAR. I thank the Senator from Colorado, who has the bill in charge, and the other Senators who have expressed themselves along that line.

Mr. AIKEN. Mr. President, will the Senator from Colorado give me a little more information?

Mr. JOHNSON of Colorado. I am glad to yield.

Mr. AIKEN. Suppose there was a million-dollar housing project that was determined to be surplus; is the board required to dispose of that at not less than 50 percent of its cost?

Mr. JOHNSON of Colorado. No; the 50 percent provision that was referred to a moment ago has to do with municipalities, States, and local units of government.

Mr. AIKEN. Is it 50 percent of cost or 50 percent of value?

Mr. JOHNSON of Colorado. Fifty percent of what somebody else may bid for it, some private individual.

Mr. AIKEN. Fifty percent of the highest bid which may be made by someone else?

Mr. JOHNSON of Colorado. That is permissive; it is not compulsory; the board does not have to accept that kind of a bid.

Mr. AIKEN. Is there anything in the bill which would prevent the sale of Federal housing projects for 15 cents on the dollar?

Mr. JOHNSON of Colorado. Oh, yes. If the Senator will turn to page 75 he will find the following provision:

> (b) Nothing in this act shall impair or affect the provisions of the Emergency Price Control Act of 1942, as amended; the act of October 2, 1942 (ch. 578, 56 Stat. 765), as amended; section 301 of the Second War Powers Act, 1942; the act of March 11, 1941 (55 Stat. 31), as amended; the Tennessee Valley Authority Act of 1933, as amended; Public Law 849, Seventy-sixth Congress, respecting war housing.

Nothing in this bill will affect that act, and that act provides not only for the building of war housing but also for the disposal of war housing. This proposed act does not interfere in any way with such disposal.

Mr. AIKEN. I do not recall the provisions of the act governing the disposal of housing, either permanent or temporary.

Mr. JOHNSON of Colorado. There is nothing in this bill that permits the sale at 15 percent or any other percent of its value.

Mr. AIKEN. Value and cost are very likely to be entirely different figures.

Mr. JOHNSON of Colorado. Yes; that is why we have not dealt with figures as such.

Mr. AIKEN. Is there anything in the bill which controls the price or the sale of aircraft plants and shipyards?

Mr. JOHNSON of Colorado. On page 31 the Senator will find a provision which reads:

> (d) For all classes of surplus property, to obtain the highest return for the Government consistent with the foregoing objectives.

That does not mean 10 cents on the dollar or 5 cents on the dollar. This is an anti-dumping bill, antifire sale bill, to use the strongest expression I can think of at the moment regarding it.

Mr. AIKEN. I should like to say that under this bill as it is written goods could be sold for 10 cents on the dollar, could they not? I am asking for information. I do not want the Senator to think I am offering a criticism; I merely wish to know the facts.

Mr. JOHNSON of Colorado. We have not placed any prohibition against 10 cents on the dollar; we have not said that property could not be sold for 10 cents on

the dollar, if that is what the Senator means, but that is not contemplated, of course.

Mr. AIKEN. But there is no restriction on profits, so that a group of speculators, or a group getting together and forming a speculative company, could buy for the lowest possible price and then sell for the highest.

Mr. JOHNSON of Colorado. The antitrust laws would take care of that. The bill contains provision against collusion of that kind and against fraud.

Mr. AIKEN. Could not a group of six people with plenty of money get together and buy Government property without having any restriction or any limitation on the profits they might make?

Mr. JOHNSON of Colorado. That is the question the senior Senator from Tennessee addressed himself to a moment ago. We do not go into the matter of resales; we attempt to stop the floodgates at the dam; we do not attempt to go on down into the economic value, which goes all the way to the point where the goods become worthless. We attempt to do the job with the Government controlling, and not to enter into transactions between individual citizens. That is not the theory of the bill.

Mr. AIKEN. May I ask one more question? Under the provisions of the bill would a small purchaser, who perhaps wants a hundred units, be able to buy on equal terms with a great corporation which would buy millions of units, and then distribute the property through small concerns which perhaps would be doing about the same amount of business?

Mr. JOHNSON of Colorado. There is such a provision in the bill; the Smaller War Plants Corporation has that authority under the bill.

Mr. CHANDLER. Mr. President——

Mr. JOHNSON of Colorado. I yield to the Senator from Kentucky.

Mr. CHANDLER. I think I can answer the question of the distinguished Senator from Vermont. In section 14, under the heading "Small business," on page 49, it is provided:

> SEC. 14. (a) It shall be the duty of the Board, and it is hereby authorized and directed, to devise ways and means and prescribe appropriate regulations and directives, to prevent any discrimination against small business in the disposal and distribution and use of any Government property covered by this act. To that end the Board shall cause the disposal agencies to adopt and pursue the following measures:

It does not say they may do so; it says they shall do so—

> (1) Arrange for the widest practicable notice as far in advance of the sale as practicable, by advertisement or otherwise, to be issued and disseminated by the agencies so that large and small enterprises will be reasonably informed of the property offered for sale and the terms and conditions thereof.
>
> (2) Reduce lots or blocks of any items offered for sale to the smallest practicable units conforming with marketing policy in the agency concerned so that they will be within the reach of small business enterprises.
>
> (3) In appropriate cases in the discretion of the agency or the board, arrange for sales on credit or time bases, or such other terms or conditions as will preserve the competitive position of small business enterprises in the purchase or acquisition of surplus property and accord them a fair opportunity for the acquisition thereof.

Those are not permissive provisions; they are directive; the bill says the board shall do those things, break the property up into small lots and provide for its widest distribution. I repeat the opening statement I made that we do not want to sell the property in large lots, and we have done everything we could do to prevent the property falling into the hands of speculators, or any appreciable amount falling into the hands of speculators. They, too, would have to buy the property at the level at which small business concerns, or most of them, are paying for the things they want and need for distribution in local communities to the widest number of people. I think that covers the point raised by the Senator.

Mr. AIKEN. I think the provision is an extremely desirable one, and I thank the Senator from Kentucky for his explanation.

Mr. TOBEY. Mr. President——

Mr. JOHNSON of Colorado. I yield to the Senator from New Hampshire.

Mr. TOBEY. Is the determination of what constitutes a surplus to rest with each department, or is there an explicit definition of "surplus" in the bill?

Mr. JOHNSON of Colorado. It is left with each department. However, if, for instance the War Department, for the War Department has more surplus goods than any other owning agency of the Government, should think that goods were surplus and a dispute should arise between the War Department and the disposal agency on that ground, or if the board should think that the War Department was hoarding or holding back, the board would not have the power to take the supplies or property away from the War Department; it would not be given that opportunity, but would have to report to Congress, because it is the constitutional duty of Congress to provide for the support of the Army and Navy. So if the board thinks that any agency is holding back surplus goods, the facts can be reported to Congress, and Congress can deal with the matter.

Mr. TOBEY. Mr. President, one other question. With reference to surplus merchant ships of the country, this bill provides that such ships shall be left with the Maritime Commission to handle in accordance with the act of 1936. Is that correct?

Mr. JOHNSON of Colorado. That is correct.

Mr. TOBEY. So that Congress has nothing to do with that, but this active agency, the Maritime Commission, will try to sell ships as they think best on what terms they think best and the agency provided for in the bill, whether made up of one or eight, will have nothing to say. Is that correct?

Mr. JOHNSON of Colorado. In line 11, on page 35, there is a proviso which covers the point the Senator is making. The proviso reads:

> *Provided, however,* That the United States Maritime Commission shall be the sole disposal agency for merchant vessels or vessels capable of conversion to merchant use, and that such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels, until otherwise provided by law.

In other words, they must be disposed of in accordance with acts of Congress.

Mr. TOBEY. The net result of that would be that the liquidating agent, whether a one-man agent or an eight-man board or commission, as provided in the House bill, would be out of the picture so far as merchant ships are concerned. That would be entirely in the discretion and judgment—and the good judgment, I believe—of the Maritime Commission.

Mr. JOHNSON of Colorado. Yes; that is correct. The Maritime Commission will be guided, of course, by the acts of Congress.

Mr. TOBEY. Yes, and will report to the Congress after sales are made.

Mr. JOHNSON of Colorado. Yes. The Maritime Commission does that. As I pointed out earlier today, the bill approaches different classes of property on different bases. Merchant vessels, for example, are handled in the way just stated.

Mr. TOBEY. Are there many items in the surpluses of the country as a whole which would be transferred to an agency to handle rather than to the man or the men who will be appointed under this bill? Or are there only a few exceptions?

Mr. JOHNSON of Colorado. There are only a few exceptions. Agricultural land and other lands.

Mr. TOBEY. And food supplies? It is contemplated, is it, in respect to food supplies?

Mr. JOHNSON of Colorado. Yes; the food supplies are handled in cooperation with the War Food Administration. Lands are handled through the Secretary of Agriculture and the Secretary of the Interior. The very good reason for that is that these agencies are existing agencies, going concerns. They are prepared, and have made long study of the subject, and are fortified with acts of Congress and established policy, and they will deal with these questions.

Mr. TOBEY. They are specialists?

Mr. JOHNSON of Colorado. Yes; they are specialists; and the committee did not think it would be advisable to set up a wholly new department to deal with the disposal of land. We preferred to use the agencies which Congress has already established, which are going, which are functioning, which understand the problem, which have programs under which to work.

Mr. TOBEY. I should like to ask the Senator from Colorado one other question. Before taking out the merchant marine vessels, and foods, and public lands, and so forth, which, under the provisions of the bill as presented to the Senate today, are placed under special agencies, that is, existing agencies, to conduct the sale, which in my judgment

is a constructive step, what percentage of the whole amount of the surpluses will be taken care of by existing agencies, and what percentage will be taken care of by the administrator or administrators to be appointed under the provisions of the bill? We hear many loose statements made of $50,000,000,000 or $100,000,000,000 of surpluses. The question is, how much the net result will be after these special agencies, such as the Maritime Commission and the War Food Administration, complete the sales of surpluses under their jurisdiction? Has the committee considered that point?

Mr. JOHNSON of Colorado. Yes; we have considered it. I do not think it is possible for that information to be obtained by anyone at the present time. I do not believe a complete break-down can be had into the classes of surplus property. That is something which I believe cannot be determined at the present time. I cannot answer the Senator from New Hampshire directly, except to tell him that there are very large acreages of land, and they do have considerable value.

Mr. TOBEY. Translated into assets and into a book estimate, would it be true that more than half of the surpluses on hand at the present time would be handled by special agencies, existing agencies, rather than by the administrator or administrators to be appointed under the terms of the bill? I am now speaking in terms of value.

Mr. JOHNSON of Colorado. No; I think that such an estimate would be entirely erroneous.

Mr. TOBEY. Does the Senator mean that it would be too great?

Mr. JOHNSON of Colorado. Yes.

Mr. TOBEY. So that they would not begin to handle 50 percent of the total?

Mr. JOHNSON of Colorado. They would handle more than 50 percent.

Mr. TOBEY. They would handle more than 50 percent?

Mr. JOHNSON of Colorado. Yes; I thought the Senator from New Hampshire was talking about it from the other angle.

Mr. TOBEY. So the whole amount handled by the agent or agents created under the terms of the bill would be more than 50 percent of the total surpluses?

Mr. JOHNSON of Colorado. Let us be sure we are talking about the same thing. It is only a guess on my part, I will say, but under the provisions of the bill I would say that the board which it is proposed to set up will have direct control of 80 percent of the total surpluses, on a dollars-and-cents basis. Of course I cannot estimate the value of ships. I do not know how much the ships will amount to in billions of dollars. But certainly it cannot be a very large percentage. It could not be more than 15 percent, but that is purely a guess on my part. Land would represent perhaps 5 percent, or less than 5 percent.

Mr. TOBEY. How about food supplies?

Mr. RADCLIFFE. Mr. President, will the Senator yield to me for a question?

Mr. JOHNSON of Colorado. I shall be glad to yield, but let me answer the Senator from New Hampshire further with respect to food supplies. We do not turn them over to the War Food Administration. The W. F. A. does have a considerable say in the final distribution, and we placed such a provision in the measure as a safeguard to agriculture, so that food supplies might not be dumped on the agricultural markets and destroy them.

Mr. AIKEN. Mr. President, will the Senator permit an interruption at this point?

Mr. JOHNSON of Colorado. If the Senator from Vermont will indulge me, I should like further to explain the scheme of this bill. The bill attempts to use Government agencies throughout. The board, or Mr. Clayton as the administrator for the board, or a single administrator, whoever might occupy the office, would not sell one single article under the terms of any of the bills. They would all be sold by disposal agencies, and the disposal agencies are Government agencies which are already set up. We are not going to set up a bureau consisting of 5,000,000 persons or 2,000,000. We are not going to establish Government sales agencies all over the country. We are going to use the existing Government agencies, and make them disposal agencies so that the organization which will be set up under the provisions of the bill to handle this matter will be a very small organization comparatively, and it will use Government agencies throughout to do the actual work of disposal.

Mr. RADCLIFFE. Mr. President, will the Senator yield to me for a comment?

Mr. JOHNSON of Colorado. Yes; I yield to the Senator from Maryland.

Mr. RADCLIFFE. The Senator will recall that there already has been disposal of some of the ships under the jurisdiction of the Maritime Commission. I merely wish to emphasize the fact that whenever it has been found that certain kinds of ships in ownership or control of the Maritime Commission are no longer needed and can be returned to the former owners, or otherwise disposed of, that is done, but always as the result of special legislation which has been framed for that purpose. It is my recollection that several such bills have already been passed, and one is pending at this time. I feel quite confident that such a general policy will be followed. Certainly before there will be any disposition on any large scale of the ships under the jurisdiction of the Maritime Commission, there will be additional legislation passed for that purpose. Such plans for disposition will follow along the lines of existing legislation plus such additional legislation as may develop from time to time.

Mr. TOBEY. I might interpolate and say to the Senator from Maryland that of course the demand for ships as a commodity is much more restricted and limited than the demand for many other things the Government will have to sell.

Mr. RADCLIFFE. Yes, but there has been quite an active demand for the return of ships, especially some of those which were taken over by the Government by lease, purchase, or requisition, to meet the urgent need for shipping at the time when we were hard pressed for necessary shipping for war purposes. Such ships have been returned, so far as it has been feasible to do so. However, I rather imagine there will be a very decided demand for our ships just after the war, for quite a long while at least.

Mr. TOBEY. I hope so.

Mr. RADCLIFFE. I believe there will be a lively and urgent demand for ships both in this country and in other countries which will not have ships in adequate quantities.

Mr. TOBEY. It is probable that the Senator from Maryland is right. I hope so.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. Yes; I yield to the Senator from Kentucky.

Mr. CHANDLER. I can furnish some information which may be of interest to the Senator from New Hampshire. A preliminary report was filed on the 21st day of July of this year on behalf of the Senate Small Business Committee pursuant to Senate Resolution 66. Officials of the War Production Board, as set forth in the report, indicated, although I will not say that it is entirely authoritative, that it is their best guess at the moment that there will be approximately $10,000,000,000 worth of ships to be disposed of at war's end. Then they estimated the surplus war housing to be approximately $3,000,000,000. That would be a total of $13,000,000,000. And there are about 6,500,000 acres of surplus real estate. Of course, that would be handled by the Department of the Interior and the Secretary of Agriculture. The land offices under the Department of the Interior are already in existence. The bill provides for an all-time, up-to-date inventory on all the real property which the people of the United States own, and that will all be under the Department of the Interior, and will be made available to the people through the land offices. Then when the time comes to make disposition of surplus acreage under the provisions of the bill, of which there will be approximately, according to the best estimate, 6,500,000 acres, that will be done through the Secretary of the Interior and the Secretary of Agriculture, and if for any reason they do not agree, then the Director of War Mobilization is the referee under the general umpire clause.

A while ago I gave a figure of approximately $100,000,000,000. According to the estimate made in this report, the total amount of surplus property at war's end will be $103,828,000,000, or approximately $104,000,000,000 worth.

In order that we may be able to realize the magnitude of this problem, I wish to make a statement concerning our experience after the last war. On the 12th day of November 1918, 1 day after the armistice, the surplus property accumulated by the Government—and that was the largest amount ever accumulated in our history up to that time—was worth, according to Mr. Newton Baker and others, about $6,000,000,000. That will give an idea of how, in geometric pro-

portion, the amount of surplus property has increased in this war as compared to World War No. 1.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. ELLENDER. I wish to ask the Senator a few questions in respect to the composition of the board.

I notice on page 32, section 2 (a), that the board is to be composed of eight members. I presume that those eight members would have charge of prescribing the methods by which the property would be disposed of and of designating policies.

Mr. JOHNSON of Colorado. The Senator's supposition is entirely correct.

Mr. ELLENDER. Under subsection (b) I notice that the President of the Senate and the Speaker of the House of Representatives are to select two Senators and two Members of the House, respectively, to sit on the board. What is to be the function of those Senators and Representatives? What will they have to do in regard to policy making?

Mr. JOHNSON of Colorado. I should like to refer that question to the Senator from Wyoming [Mr. O'MAHONEY].

The Senator from Louisiana has asked what the function of the congressional representatives provided for in the bill would be, exactly how the plan would operate, and what are its virtues. I am sure the Senator from Wyoming can answer that question, because he is the author of that very wise provision.

Mr. O'MAHONEY. Mr. President, I shall be very glad to attempt to do so.

First, it should be said that in time of war it always becomes necessary in a democratic country to vest extraordinary powers in the Executive, because in wartime immediate action is very much more important than deliberation. On the contrary, in time of peace, the objective should be to deliberate, in order to be certain that no policies are adopted which may be upsetting to the economic, social, or political welfare of the people.

We have gone through the experience of delegating broad legislative powers to executive boards and agencies for the purposes of the war. It had to be done. Now, however, we are preparing to enter a reconversion period, in which, if there is concentrated Government authority over policy-making questions, great public interests may easily be sidetracked. Moreover, a bill of this kind necessarily delegates broad legislative authority in the formulating of policies. It was because of that fact that the very wise provision suggested by the Senator from Colorado, for establishing a board instead of a single individual authority, was adopted.

Legislative powers and policy-making powers being conveyed, it was the belief of the committee that the Congress should have the opportunity, through members appointed for the purpose, to know what is going on at the time it is going on, instead of being compelled, as we now are, to wait until after the fact, to learn, by investigation or press releases, what has been done. In other words, the purpose of this provision is to provide effective surveillance by Congress.

Mr. ELLENDER. Does not the Senator concede that all of us have about as much as we now can do in the Senate? I think it would be idle to think that any two Senators or any two Members of the House would have sufficient time to look into the various things which the Board may do.

Mr. O'MAHONEY. That is the argument upon the basis of which we surrender our legislative powers.

Mr. ELLENDER. On the other hand, I fear that this may be considered an encroachment by the legislative branch on the executive. My own thought about the matter is that we ought to leave to the executive the administration of any laws which we enact. I should much prefer to have this provision stricken from the bill, and have adopted a resolution providing for the appointment of five or seven Senators to investigate the disposition of all war surpluses. I believe that with such a committee to investigate sales, the various governmental agencies would be more likely to follow the law.

Mr. O'MAHONEY. Let me say to the Senator that the theory of the bill is that we should not institute investigating committees after the horse has been stolen, but that we should take precautions before the stealing of the horse, so that investigations thereafter will not be necessary.

Mr. ELLENDER. I believe that it would be very helpful to have such a committee created at the moment. The Senator well knows that up to the present time much property has been sold by various governmental agencies. The resolution which I propose to present for the consideration of the Senate will deal not only with the future disposal of surplus commodities, but also with past sales. I feel confident that it would be better to create such a committee than to have two busy Senators and two busy Representatives attending the meetings of the board and trying to follow its work.

Mr. O'MAHONEY. Personally, I believe that Senators cannot be too busy to do so important a job as this.

Mr. ELLENDER. On the other hand, if I may point out to the Senator, the only thing which the two Senators and two Representatives could do would be to report back to the Senate and the House what was being done by the board. As I understand the provisions on page 41 of the bill, the board would be required to make reports to the Congress every 3 months. Would not that be satisfactory, or serve the same purpose?

Mr. O'MAHONEY. In my opinion, and in the opinion of the committee, it would not, because, again, it would be after the fact.

The purpose and philosophy of this provision, and of the whole section of the bill dealing with reports and planning, is to bring about the closest possible cooperation between the Congress and the agency. I feel that it falls into an utterly different category from the ordinary executive agency, because it is clothed with power to dispose of surplus property for which the people of the United States have paid with red ink, to the extent of $100,000,000,000 or $150,000,000,000. We do not know the exact value, but we do know that, whatever the cost may have been and whatever the present value may be, the disposition will have a tremendous effect upon the economy of this country, upon every area, every State, and every community. If ever there was a time when we ought to have the closest bond between Congress and the executive agencies, it is in the disposition of property of such great value.

Mr. ELLENDER. I should prefer to be in a position to view the activities of the board from a critical standpoint. I should prefer to enact the law and let the executive agency administer it, and then have a committee appointed to see to it that the executive agency carries out the wishes of Congress. I believe such a plan would be much more effective than the plan of making the legislature a part of the executive branch, which would probably preclude us from criticizing in the future.

Mr. O'MAHONEY. Mr. President, the theory of this provision was exactly the thought of the Senate when, in passing the George bill a week or so ago, it gave its approval to that section of the bill which established a joint committee of the Senate and House to maintain close cooperation with the reconversion plan.

Mr. ELLENDER. However, in that case the committee was not a part of the agency. In this instance it is proposed to make the two Senators and two Representatives members of the board.

Mr. O'MAHONEY. Oh, no. The Senator is mistaken.

Mr. ELLENDER. They would sit on the board.

Mr. O'MAHONEY. They would be entitled to sit with the board.

Mr. ELLENDER. They might offer suggestions which would be followed, and the Congress as a whole would be blamed.

Mr. President, with the permission of the distinguished Senator from Colorado, I send to the desk an amendment to the pending bill, striking out subsection (b) of section 2.

The PRESIDING OFFICER. Is the Senator now offering the amendment?

Mr. ELLENDER. No. I ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. ELLENDER. I also send to the desk a resolution reading, in part, as follows:

Resolved, That a special committee of seven Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete study and investigation with respect to the sale and other disposition of surplus Government-owned property. Such committee shall report to the Senate from time to time the results of its study and investigation together with such recommendations as it may deem advisable.

The PRESIDING OFFICER. Without objection, the resolution will be received and referred to the appropriate committee.

The resolution (S. Res. 324) was received and referred to the Committee on Military Affairs, as follows:

Resolved, That a special committee of seven Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete study and investigation with respect to the sale and other disposition of surplus Government-owned property. Such committee shall report to the Senate from time to time the results of its study and investigation together with such recommendations as it may deem advisable.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-eighth Congress, to employ such experts, and such clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. CHANDLER. Mr. President——

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Louisiana permit the Senator from Kentucky to make a few comments on the statement which he has just made?

Mr. ELLENDER. Certainly.

Mr. CHANDLER. Mr. President, I believe that subsection (b) of section 2, which the Senator from Louisiana seeks to strike out, should be read into the RECORD. It reads as follows:

(b) In order that the elected representatives of the people shall be kept informed of the activities and the policies of the Board, the President of the Senate shall appoint two Members of the Senate and the Speaker of the House of Representatives shall appoint two Members of the House of Representatives who shall be entitled to attend any meetings of the Board and who shall from time to time report to the Congress or to their respective Houses on the proceedings of the Board. It shall be the duty of the chairman of the Board to advise such Members of all general or special meetings of the Board.

Mr. President, I sincerely hope the Senate will not strike out that provision. The Senate agreed to the appointment of the Truman committee, and the Truman committee operated during all the time when contracts were being given to plants and to various persons all over the country to produce war materials. It was an active committee in charge of investigations on the spot.

I think it would be salutary and that it would have a desirable effect on those who are going to administer this law, if two Members of the Senate and two Members of the House of Representatives, busy as we all are, or are claimed to be, served in that capacity. No more important function is to be performed at the moment, it seems to me, than to see to it that this surplus property be fairly and honesly distributed among all the people of the country and that the widest possible opportunity be given to the people to share in the disposal of the surplus property. I think the board should understand that such Members of the Senate and the House of Representatives will be present when important matters regarding the disposal of surplus war property are considered.

I concur in the statement made by the Senator from Wyoming [Mr. O'MAHONEY] that too often we set up agencies and permit them to handle matters for us, and later we appoint a committee and authorize it to spend large sums of money to investigate such agencies. If it finds that those charged with administration of the agency did not administer it correctly, all we can do then is to condemn them. That will not get back the property or the money.

I have no objection to having my friend offer a resolution calling for an investigation if the circumstances warrant an investigation. But all too often we do that, instead of preventing abuses in the first place. As I have said, by means of an investigation we are able to find out whether a particular agency has mistreated the people or has done what it should not have done, or has improperly disposed of property, but by that time the action has been taken and the damage has been done.

Mr. ELLENDER. Mr. President, the Senator has stated that the four Members of Congress who will serve on the board will have no power, and that all they will be able to do is listen. How would they know whether a true picture was being given?

Mr. CHANDLER. They could attend a given meeting at which ships or airplanes or land were being disposed of, and subsequently could come directly to the Senate or the House, as the case might be, and could make a report. Such action might result in preventing a sale which conceivably might result in great loss to the people of the country.

Mr. ELLENDER. Does the Senator think that such Senators or Members of the House of Representatives will attend the meetings of the board?

Mr. CHANDLER. They will attend the meetings, or will have the right to attend.

Mr. ELLENDER. The question before the board at its meetings will be only that of the determination of policies.

Mr. CHANDLER. Then the Senate and the House of Representatives should have representatives there. I admit such service would be a burden; but it is a burden we should carry, and should not shirk, for the matter is of great importance.

I sincerely hope the Senate will not agree to strike that provision from the bill.

Mr. ELLENDER. Mr. President, I do not believe at all that the question is one of shirking our duty. I believe we could do a better job by letting the board and everyone else concerned—everyone who buys such property—know that we expect the letter of the law to be followed.

Mr. CHANDLER. We always do that.

Mr. ELLENDER. I think it would be more salutary to have the board look into such matters and make sure that the laws passed by the Congress are properly executed, rather than to have four Members of Congress attend the meetings, and thereby lead the public to believe that they are members of the board and are agreeing with all the board does. That is what will result if we make certain Members of the Senate and of the House of Representatives parties to the proceedings of the board with a view that, by being members of the board, they will know everything that occurs.

Mr. CHANDLER. No, Mr. President; I do not say they will know everything that occurs. But I assume they will have an opportunity to know. I think that is one of the duties and responsibilities of a Senator or of a Member of the House of Representatives, especially in connection with a matter so important as the one now under consideration. Of course, the very opposite of making failures and mistakes is to see to it in advance that they are not made.

Mr. ELLENDER. But the public would be under the impression that, inasmuch as four Members of Congress were members of the board, everything was going on nicely. I would prefer to have Members of Congress see to it, as is our right, that the laws are properly executed by the executive.

Mr. CHANDLER. It is something more than a right, Mr. President; it is a duty. The Members of the Senate and Members of the House of Representatives who will be on the board will have been elected by the people; they will not merely be appointed to boards or bureaus; they will not be merely bureaucrats. The result will be that there will be better administration. I think that the provision in the bill will contribute to the better administration of the entire act.

Mr. JOHNSON of Colorado. Mr. President, I should like to say a further word on that point. The board is to be the policy-making agency. It is to be a legislative board. The Congress cannot escape delegating some legislative power and authority to the board. The board will not be exactly an executive board, in the true sense. It will be a board which will outline policies.

Mr. Clayton, who now occupies the office, very recently drafted a proposed plan to organize tax-supported entities for the purpose of buying surplus war property. The plan he drew up filled six or seven pages of fine print, by the time all its provisions were set forth.

Yesterday, Mayor LaGuardia was before the Mead committee, formerly the Truman committee. At that time he criticized the piece of legislation which was drafted by Mr. Clayton and was subsequently enacted into law. Mayor LaGuardia said, after he had presented the plan:

You will find that rather illuminating. This plan, I think, was rather amateurish, and it will not work. I have consulted with many of my colleagues in other cities, and they agree with me.

Then Senator FERGUSON asked:

Whose plan is it?

Mayor LaGuardia replied:

Mr. Clayton's. I told him I would have nothing to do with it.

Here is a plan organized by Mr. Clayton to take care of such conditions in the municipalities, and the mayor of our largest municipality says it is amateurish.

I mention that to illustrate the fact that the board will be establishing rules and regulations, something which we cannot do by law in all instances.

Mr. CHANDLER. Mr. President, will the Senator yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. CHANDLER. I should like to say that in this instance I think the Congress has a constitutional duty which is not involved in every case. Under article IV, section 3, of the Constitution, provision is made—and I especially call the attention of my friend the Senator from Louisiana to this provision—

> The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State.

I think that provision of the Constitution bears on the matter now before the Senate, because under the pending bill we are delegating an authority which, under the Constitution, we should be careful to watch; namely, the authority to dispose of the property of the people of the United States. Under the Constitution we are bound to see that it is done properly, if we are able to do so.

Mr. ELLENDER. The Senator knows that in the past that has been done by legislating on the subject, and under article II of the Constitution, by putting the execution of the law into the hands of the executive.

My fear is that if the legislative branch becomes in any wise involved in the matter of determining policy, or becomes in any wise mixed up with the matter of the sale of surplus commodities, the public itself will take it for granted that, inasmuch as Members of Congress are on the board, everything will be all right; and the public at large will not be worried about it.

Mr. CHANDLER. They will not be on the board; the Senator is in error about that. There is no provision for Members of Congress to be on the board.

Mr. ELLENDER. I understand that. But we will not be able to make the average citizen believe they are not on the board. It is true that the Members of Congress will be there as listeners, and will not take action. But Congress will be blamed.

Mr. CHANDLER. The members of the board will be appointed, not elected. But the Members of Congress who will serve on the board will, of course, have been elected, and will represent their constituents. It is my belief that they should serve in that capacity.

Mr. McFARLAND. Mr. President, I believe the Senator takes the position that full publicity and information to the public and full responsibility to the public constitute the best system which can be used.

Mr. CHANDLER. The Senator is exactly correct. If the Members of Congress attend the meetings of the board, publicity will be given. The people should know, and I want them to know.

Mr. McFARLAND. Does the Senator think it is sufficient to invite such Members of Congress to attend?

Mr. CHANDLER. Let me say to the Senator from Arizona that the Senator from Louisiana [Mr. ELLENDER] misconceives the idea with respect to this matter. Such Members of Congress will not be members of the board. They will not preside at the sales of property. They will not go into the disposal agencies and try to officiate or meddle or interfere. But the board will understand that when it makes rules and regulations or decides on any such matters, there will be present Members of Congress who can report promptly to the Senate and to the House of Representatives what is going on.

Mr. McFARLAND. I agree with the Senator that it is most important that not only Congress but the people know all about those transactions.

Mr. CHANDLER. Certainly.

Mr. JOHNSON of Colorado. Mr. President, the Senator from Louisiana said he had other questions to ask. I shall be glad to hear further from him at this time.

Mr. ELLENDER. Mr. President, the next question I desire to ask is whether in the committee there was any discussion or any division of opinion relative to the question whether Members of the Senate and House of Representatives should be appointed?

Mr. CHANDLER. No.

Mr. ELLENDER. In the meantime, the Senator from Kentucky has, I think, answered the question.

From what I understand, the committee was unanimous in agreeing on the adoption of section 2 (b). Is that correct?

Mr. CHANDLER. This bill is an unusual one in that respect; if I am in error I hope my friend the Senator from Colorado will correct me. The committee was unanimous in its approval of every section, every paragraph, and every line of the bill. It was carefully gone over. We present it to the Senate with the unanimous approval of all members of the committee, both Republicans and Democrats.

Mr. ELLENDER. I understand there was considerable discussion.

Mr. CHANDLER. Oh, yes. Of course, we had differences of opinion during the discussion, and many times we were forced to sacrifice our personal views. But when we finally got ready to make the report it was the best we could do under the circumstances. As one member has already said, we were giving and taking. One member insisted that we were doing all the giving and not receiving anything. The members of the committee finally arrived at an accord, so far as possible, with regard to all provisions of the bill. The bill represents the best we could do, and I believe the Senator from Colorado will bear me out in that statement.

Mr. JOHNSON of Colorado. Yes; that is a true statement. There were differences of opinion with regard to sentences and paragraphs. Ten days were consumed in discussion.

Mr. ELLENDER. I am sure the Senator from Kentucky and the Senator from Colorado, in fact, the entire Senate, are desirous of seeing that all necessary safeguards are placed in the bill. I am wondering what would be the reaction of the distinguished Senator from Kentucky if we should leave in the bill paragraph (b) of section 2 on page 32 and in addition thereto provide for the appointment of seven Senators to see that the law is carried out.

Mr. CHANDLER. I am a member of the Senate Committee on Military Affairs, and if the Senator will have a resolution to that effect referred to the committee, I will assure him that the committee will give it most careful consideration. I do not know, however, what the attitude of the committee will be.

Mr. ELLENDER. I wish only to insure that all proper safeguards with regard to the sale and distribution of surplus property are made a part of the law.

Mr. CHANDLER. I understand the Senator. I share the Senator's views.

Mr. JOHNSON of Colorado. I agree with what the Senator from Kentucky has said. I may also state that a committee of the kind which the Senator from Louisiana has in mind would prove very valuable to the country, not only with regard to surplus property, but with regard to the entire reconversion program which is to be set up under the Director of War Mobilization. The program has three well known legs which the Congress has already considered. Surplus property is only one of them. Another leg is the termination of contracts. The third leg is the so-called George bill which the Senate recently passed. As I understand, all the functions to which I have referred are to be placed under the Director of War Mobilization, and I believe that a special committee of the Congress to watch the matter very carefully would be most valuable. Such a provision could be coordinated with paragraph (b) on page 32 of the bill. I think it would be complementary to paragraph (b), and it would afford Congress a place where those matters could receive special consideration. I totally agree with what the Senator from Louisiana has said with regard to the need not only of supervision as to the rules and regulations which are to be promulgated, but as to what will happen under the operation of the entire project.

Mr. ELLENDER. Mr. President, I thank the Senator. I presume the resolution which I have just submitted will be referred to the Military Affairs Committee.

The PRESIDING OFFICER. It will be so referred.

Mr. ELLENDER. I hope the committee will look into the matter as soon as possible.

Mr. JOHNSON of Colorado. The committee will certainly do so.

Mr. VANDENBERG. Mr. President, I wish to ask the Senator one or two questions. I regret that I was not present when he made his original presentation. I was detained on other official business.

I wish first to ask the Senator whether or not there is any definition in the bill for the term "small business." The bill repeatedly indicates that certain powers

will be granted in behalf of small business. Within the jurisdiction of the proposed legislation, what is "small business"?

Mr. JOHNSON of Colorado. We have not provided any definition for the term "small business." As the Senator well knows, whenever Congress has fixed a definition in the law it has been a limiting definition; that is, we do not accept the term as Webster defines it, but we place limitations upon it. The term "small business" is pretty well understood. It is being used constantly by members of the press and by others. I suppose that it refers to what is usually understood as small business. However, on page 49 of the bill the term "small business" is merely a title. Under that title the bill prescribes the activities of the Board in cooperation with the Smaller War Plants Corporation.

Mr. VANDENBERG. I understand that; but on page 51 of the bill, in paragraph (f), the Smaller War Plants Corporation is authorized "to make or guarantee loans to small business enterprises," and so forth. That is a pretty important prerogative. It might easily involve the handling of tremendous sums of money, and might also easily involve a very vital factor in business enterprise. I do not see how the administrator of the proposed law will know how to draw the line under this provision when business asks for loans.

Mr. JOHNSON of Colorado. The Smaller War Plants Corporation will be limited, of course, in the amount of funds which it will have available. That is one limitation which will be established. In drafting the language the belief was that big business could very easily take care of itself.

Mr. VANDENBERG. What is big business?

Mr. JOHNSON of Colorado. I should say that the United States Steel Corporation, for example, is big business.

Mr. VANDENBERG. I believe we can agree on that.

Mr. JOHNSON of Colorado. I have no definition in mind for the term "small business." I know it is a very nebulous thing. If the Senator has a definition in mind, and thinks it would make the bill more explicit, I am sure the Senate will be glad to consider it.

Mr. VANDENBERG. The Senator will understand that I do not mean to be captious about the matter.

Mr. JOHNSON of Colorado. No; I understand that.

Mr. VANDENBERG. I share the desire of all other Senators that this program shall assist what we generally understand to be small business, because what we generally understand to be small business is the backbone of the American free-enterprise system.

Mr. JOHNSON of Colorado. The Senator has well stated his point.

Mr. VANDENBERG. But when we attempt by legislation to create important rights, and it is intended that loans shall be limited to small business, it seems to me that something should be said as to what is meant by the use of the term "small business."

Mr. JOHNSON of Colorado. Of course, the original act creating the Smaller War Plants Corporation gave to it certain authority. I do not have the act before me, but I believe the terms "small business" and "small business enterprise" are used repeatedly in the act. They are meant to cover similar things in the pending bill.

Mr. VANDENBERG. Does the distinguished Senator know whether there is a definition in the pending bill of "small business"?

Mr. JOHNSON of Colorado. I know there is none.

Mr. VANDENBERG. Does the Senator know whether there is such a definition in the Smaller War Plants Corporation Act?

Mr. JOHNSON of Colorado. My guess is that there is none, but the term is used repeatedly.

Mr. VANDENBERG. I can only repeat that it seems to me there is too much elasticity in the term "small business." I am not at the moment prepared legislatively to define the words, but when it is proposed that the board shall have such wide latitude in making and guaranteeing loans to business, it is possible that it should have a more definite directive with respect to the limitations within which it must live.

Mr. JOHNSON of Colorado. As I have already said, the latitude will be circumscribed by the amount of money the Smaller War Plants Corporation has available.

Mr. VANDENBERG. I ask the Senator to turn to page 53——

Mr. WHITE. Mr. President, will the Senator from Michigan yield to me before he goes to another subject matter?

Mr. VANDENBERG. I am glad to yield if I have the floor.

Mr. WHITE. I notice on page 53 of the bill a provision with respect to the procedure to be followed in case the original cost to the Government was $1,000,000 or more. I take it that definite machinery and procedure has been provided in cases where the cost to the Government has been less. I wonder if the million-dollar figure was intended to distinguish between a small business plant and one much larger?

Mr. JOHNSON of Colorado. No; that distinction was not intended to be made. The section to which the Senator from Maine has referred deals with the antitrust laws and is not meant to establish a difference between small business and large business.

Mr. VANDENBERG. I now ask the Senator from Colorado to turn to page 53 of the bill, line 13, and note the language which authorizes the board to prevent "undue concentration of industry or commerce." Does that mean geographical concentration, among other concentrations?

Mr. JOHNSON of Colorado. The entire sentence reads as follows:

> Within a reasonable time after receiving such notification the Attorney General shall advise the Board or disposal agency whether the proposed disposition will either violate the antitrust laws, or encourage monopoly or undue concentration of industry or commerce or restrain competition substantially.

The entire section deals with the antitrust laws. It was prepared by attorneys after long consultation with the Department of Justice, and with others, and it is the language which was agreed upon between them. As to its practical effect——

Mr. VANDENBERG. I am sorry, but the credentials of the Department of Justice are not particularly impressive to me at the moment.

Mr. JOHNSON of Colorado. Reference is made to the Department of Justice in this section, and the Department of Justice may be called upon by the board to determine whether the antitrust laws have been violated. The Senator from Michigan I know is familiar with the fact that there is an Antitrust Division in the Department of Justice.

Mr. VANDENBERG. What the Senator is saying, then, is that the phrase "undue concentration," on page 53, relates to the trust or monopoly factor but not to the geographical factor.

Mr. JOHNSON of Colorado. That is correct.

Mr. VANDENBERG. Then, I ask the Senator to turn to page 31 where the same general subject matter might arise again. At page 31, lines 14 and 15, where reference is made to the "disposition of plant equipment," and so forth, the board is required to give "due regard to the needs of industrially underdeveloped areas." Does that mean that the board is to undertake directly or indirectly a distribution of industry across the country?

Mr. JOHNSON of Colorado. No; not that, not a redistribution. The whole paragraph reads:

> (1) To promote maximum production and employment of the manpower, the natural and agricultural resources of all sections of the country with due regard to the needs of industrially underdeveloped areas.

With due regard to their needs.

Mr. CHANDLER. That has to do with the disposition of plants, equipment, and materials for use in further production, and if there is a surplus which might be used in an area which was underdeveloped, the board might consider the question of permitting it to be obtained. Is there any objection to that?

Mr. JOHNSON of Colorado. Furthermore, the Government has built hundreds, even thousands—I do not know what the total number is—of industrial plants all over the country. If these plants are to be operated, they will certainly cause a dislocation of industry as it was known in the pre-war period. If these plants are going to be sold or disposed of, that idea should be kept in mind because there would be a tremendous effect upon the industrial conditions in the Nation.

Mr. VANDENBERG. That is true and that is what I am trying to get at. Let me submit an example to the Senator, and perhaps he will better understand my question. Suppose there was a pre-war concentration of a given industry in an old, established industrial center of the country; along comes the war, and there has to be a sudden emergency expansion, and the supplementary emergency expansion plants are located a thousand miles away in some other area which is not an industrial area per se and which had no previous relationship to the particular industry——

Mr. JOHNSON of Colorado. Let me say——

Mr. VANDENBERG. If the Senator will permit me, I should like to proceed a moment further. Now we come to the question of cut-backs and the disposal of surplus property. Would this language mean, directly or indirectly, that the board should consider that the underdeveloped industrial area where the temporary plant is located is entitled to the maintenance of that plant ahead of the maintenance of the industry in its pre-war established status?

Mr. JOHNSON of Colorado. No; this bill does not deal with maintenance; it deals with disposition, but the problem which the Senator has mentioned would properly be one that would come before the board. While this section does not say so, it must by its very nature refer to industrial plants more than to anything else. There is the pre-war concentration the Senator has mentioned, and the Government has gone out and built plants elsewhere. The question is going to come up to the board in the disposition of those plants, in connection with their sale, whether they should be sold so as to decentralize or whether they should not be sold so as to decentralize.

Mr. VANDENBERG. Exactly.

Mr. JOHNSON of Colorado. That is the very question that will be before the board.

Mr. VANDENBERG. Very well, and that is a decision which vitally affects the economic life of the Nation.

Mr. JOHNSON of Colorado. That is very true.

Mr. VANDENBERG. I want to know whether we are leaving the board to its own discretion or whether by our votes we are now directing the board to favor the nonindustrial area in which an emergency plant has been built as against the pre-war area where the industry may have been developed.

Mr. JOHNSON of Colorado. The language of the first line I think answers the question. It reads:

(1) To promote maximum production and employment of the manpower, the natural and agricultural resources of all sections of the country—

Mr. VANDENBERG. "With due regard to the needs of industrially underdeveloped areas." What does that language mean?

Mr. JOHNSON of Colorado. I cannot place any other meaning on it than what is written into the section. We are not directing the board to open up industrially underdeveloped areas. The language is not necessarily a directive. I call the Senator's attention to the so-called basket provision of section 7 where restrictions are placed on the board with respect to the disposition of certain types of plants. It begins at the bottom of page 39:

(1) Aluminum plants and facilities; (2) magnesium plants and facilities; (3) synthetic rubber plants and facilities; (4) chemical plants and facilities; (5) aviation gasoline plants and facilities; (6) iron and steel plants and facilities; (7) pipe lines used for transporting oil; (8) patents, processes, techniques, and inventions, except such as are necessary to the operation of the plants and facilities herein listed—

The next group—9, 10, 11, and 12—are by another section of the bill placed in a different category. I want to call the separation of the two lists to the attention of the Senator—

(9) aircraft plants and facilities and aircraft and aircraft parts; (10) shipyards; (11) transportation facilities; and (12) radio and electrical equipment.

If the Senator will turn to page 41, he will find there paragraph (c), which reads as follows:

(c) Whenever the Board may deem it to be in the interest of the objectives of this act it may authorize the disposition of any property listed in classes 9 to 12, inclusive, of subsection (b) of this section. With respect to the property listed in classes 1 to 8, inclusive, no disposition shall be made or authorized until 30 days after such report (or additional report) has been made while Congress is in session.

In other words, the classes of plants from 1 to 8 must be reported to Congress while Congress is in session; 30 days before disposition is made the board must bring such plants to the attention of Congress and give us a look-see.

With reference to items 9, 10, 11, and 12, the board must report, but the bill is not so restrictive on their action.

Mr. VANDENBERG. Let me say to the Senator that I heard repeatedly expounded before the Special Senate Committee on Post-War Economic Policy and Planning the theory that in the disposition of surplus war property effort should be made to redistribute industry in this country so as to decentralize the points at which industry habitually has lived and to translate it to other areas which have not been industrial in pre-war days. That is a fine ideal, a fine scheme, if one likes that sort of Government control over the economic destiny of the Nation, but I do not like it, and I want to know whether the language "due regard to the needs of industrially underdeveloped areas" is intended to be the first step in the direction of a national plan for decentralizing industry at the expense of those industrial areas of the country where it heretofore has been concentrated and for the benefit of areas which have not been on an industrial pre-war basis.

Mr. JOHNSON of Colorado. That is not my interpretation, I may say to the Senator. Neither do I like to see the Government perform any such function as that. But here we are faced with a situation. Industrial plants have been built. We must dispose of them in some way. We must do something with them. We must either padlock them, burn them down, destroy them, or sell them. That is how the Government is brought into the picture. I have no such plan in the back of my head as the Senator from Michigan referred to, of decentralizing pre-war industries. In fact I am very much opposed to such a thing. I do not read any such design into the bill. We have a practical problem to meet. We have these plants to dispose of. It seems to me that Congress must call the board's attention to the economic importance of disposing of these plants, and that when it does dispose of them it must take into consideration the very point which the Senator from Michigan has raised with respect to their future operations.

Mr. VANDENBERG. I do not charge any sinister purpose to this language, but I want to know whether there is any sinister purpose.

Mr. JOHNSON of Colorado. There is none in the back of my head.

Mr. CHANDLER. Mr. President——

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Does the Senator from Colorado yield to the Senator from Kentucky?

Mr. JOHNSON of Colorado. I yield.

Mr. CHANDLER. I realize what the fears are that the Senator from Michigan expresses. The Senator will remember, however, that before any plants, equipment, or materials can be used they must be declared surplus. If they can be used efficiently to promote production, or more efficiently to promote production at the place where they are located the presumption is that they would not be moved, but if they are declared surplus in the locality where located, and cannot be used effectively for employment or for production then it is my view that the board should take the surplus plants and materials and equipment and undertake to find some underdeveloped area in the country whose people are asking for them, where their use will perform the greatest service for all the people of the country. If concentration of industry at a given place is broken up it will be because of the economic condition of the country, and not by reason of the passage of some law to break it up. There is no intention on the part of any member of the committee to try to pass a measure to break up industry where it is concentrated in the hands of private enterprise and where its owners want it to operate, and where they prefer to operate it. There has been no move on the part of any member of the committee to contribute to such a thing as that.

Mr. VANDENBERG. The answers of the Senator from Kentucky and of the Senator from Colorado are perfectly satisfactory to me so long as that is the purpose of this language. I simply want to be sure that we are not in the guise of meeting the reemployment problem and in the face of the necessity to dispose of surplus plants, committing ourselves to a new economic pattern for the United States by fiat of the Government of the United States.

Mr. CHANDLER. I would not approve of that. I would oppose it. All we say is that we want to promote maximum production and employment of the manpower, and that is the manpower of the country, and the Senator from Michigan is just as anxious as we are about that.

Mr. VANDENBERG. But the Senator should not fail to recognize that there are many individuals around town who would like to do exactly what I am talking about.

Mr. CHANDLER. Yes.

Mr. JOHNSON of Colorado. I should like to call attention to section 19 beginning at the bottom of page 54, where it is specifically stated that the Government is not to be in the business of operating these plants. The plants which are to

be sold are to be sold to private enterprise. The Senator from Michigan must bear that in mind. Any decentralization that may come from the operation of this bill will be a decentralization by private enterprise itself in acquiring the plants. The language I wish to call attention to is as follows:

SEC. 19. Except as herein or otherwise provided, no Government agency shall, in competition with private industry, manufacture or produce any articles or commodities for civilian use in plants acquired by the Defense Plant Corporation.

And then the proviso to cover such production as we are already engaged in. That section was placed in the bill to make it clear that the surplus plants are not to be taken over by the Government to engage in any socialistic enterprise of production. The whole scheme and the whole plan of the bill is to dispose of property to individuals for the operation of the free enterprise system.

Mr. VANDENBERG. I thank the Senator for his explanation, and I thank the Senator from Kentucky for underwriting the guaranty that this bill is free from some of the prevailing nonsense in Washington.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. McKELLAR. I notice that on pages 39 and 40 are set forth the properties with respect to which the board will have to submit a report to Congress.

Mr. JOHNSON of Colorado. Yes.

Mr. McKELLAR. And about which the board supposedly is to obtain advice from Congress. I am thinking of the road which our Army built in Canada.

Mr. JOHNSON of Colorado. The Alcan Highway.

Mr. McKELLAR. Yes, the Alcan Highway. Is that included?

Mr. JOHNSON of Colorado. That is not included in the bill.

Mr. McKELLAR. Ought it not to be included? Ought we not to know something about it? The Government has spent a large amount of money in the construction of that highway.

Mr. JOHNSON of Colorado. In the first place, I do not know that it is surplus property.

Mr. McKELLAR. It ought to be surplus after the war. I do not suppose Canada would allow us to have a private road through her country. I imagine it ought to be sold, and, if so, is the Senator willing to accept an amendment in line 8 on page 40, to insert the words "roads and highways and"?

Mr. JOHNSON of Colorado. If the Senator will let me call his attention to category (11) on page 40—

Mr. McKELLAR. That is what I am speaking of.

Mr. JOHNSON of Colorado. "Transportation facilities" probably includes that highway.

Mr. McKELLAR. I do not believe it would include it.

Mr. JOHNSON of Colorado. It would include it if it were surplus.

Mr. McKELLAR. I think the words "highways and roads and transportation facilities" would be better. I should like to add the words "highways and roads and".

Mr. JOHNSON of Colorado. I am sure there would be no objection on the part of the committee.

Mr. McKELLAR. I shall offer such an amendment.

Mr. HILL. Madam President——

The PRESIDING OFFICER (Mrs. CARAWAY in the chair). Does the Senator from Colorado yield to the Senator from Alabama?

Mr. JOHNSON of Colorado. I yield.

Mr. HILL. I am in accord with the distinguished Senator from Tennessee respecting the Alcan Highway. But of course when we go into the question of highways and roads we must remember that on some plots where plants are built, perhaps some places used by our military, which will be declared surplus, we have built roads and highways, and it may be necessary in disposing of the property to dispose of the property as a whole, which would mean perhaps, that a road would go along with the plant. I know that when we get a little further along the Senator from Tennessee will offer an amendment to include the Alcan Highway and perhaps some other highways, but we have to be a little careful, for a very short road which really should be considered to be a part of the plant might come under the language of such an amendment.

Mr. McKELLAR. We can easily eliminate the danger of that by the use of the words "highways and roads built in foreign countries." That would cure such a defect.

Mr. JOHNSON of Colorado. We have built thousands of miles of railroad lines and thousands of miles of so-called access highways to plants.

Mr. McKELLAR. Yes.

Mr. JOHNSON of Colorado. And they are for all practical purposes a part of the plant.

Mr. McKELLAR. They would naturally go with the plant, I take it, under another provision of the bill. It simply struck me that some reference should be made to roads on which the Government has spent as much money as it has on the Alcan Highway.

Mr. JOHNSON of Colorado. I do not know what contracts were entered into between our Government and Canada with respect to the Alcan Highway or between our Government and other countries wherein we have built highways and railroad lines. Those contracts probably would have to be very religiously observed. If we made a mistake we simply made a mistake, and that is all there is to it. This kind of a bill could not very well deal with that subject.

Mr. CHANDLER. Madam President, I have no objection to the addition of the words "roads and highways and", but I do not think the addition of those words will be in anywise efficacious with respect to the Alcan Highway, because that highway is built on the land of the people of Canada, and goes through the Northwest Territory and on up into Alaska, and joins the Richardson Highway, which is just outside of Fairbanks, Alaska. The members of the Military Affairs Committee have observed the road during its construction, and some of us since its completion. It is a matter of treaty arrangement, I am sure, between the Covernment of the United States and the Government of Canada. If our rights are not protected, it is a matter for the Foreign Relations Committee, and for those who have charge of making treaties on behalf of the people of the United States. I have no objection to the proposed language. We have built thousands of air bases, of course, all over the world on land belonging to the people of other countries.

Mr. McKELLAR. Are they included in the bill?

Mr. JOHNSON of Colorado. They are if they are surplus property.

Mr. McKELLAR. If they are surplus property they ought to be included.

Mr. CHANDLER. I cannot conceive of the Alcan Highway ever being declared surplus property. It may be, but I do not think so.

Mr. McKELLAR. It may be under the very contract the Senator talks about. I hope the Senator will look into it anyway.

Mr. JOHNSON of Colorado. We will examine the matter further.

Mr. VANDENBERG. I should like to ask a further question. I refer the Senator to page 51, line 15. The language is:

The Smaller War Plants Corporation shall have the power to purchase any surplus property for resale or other disposition to small business * * * when in its judgment such disposition is required—

And so forth. I should like to know whether that is a complete, plenary right in the Smaller War Plants Corporation, regardless of what the Surplus Property Board or the Office of War Mobilization may think about it.

Mr. JOHNSON of Colorado. No. That provision would give the Smaller War Plants Corporation a preferred right over other buyers, I presume. It is meant to give them such a right. However, it would not compel the board to sell at a certain price. It would not compel the board to establish conditions for a specific sale. It would merely give the Smaller War Plants Corporation the right to buy. That provision was inserted so as to give the small industries throughout the country, which have been working in this war effort and have completely worn out their machinery, the opportunity to replenish their machinery. Unless there were some provision of that kind it would be very doubtful if a small industry—an overextended blacksmith shop, we will say—would have an opportunity to buy a piece of machinery which it needed. Under this provision the Smaller War Plants Corporation would buy machinery of that kind and resell it. It has had similar authority during the present war. Now that the machinery is worn out, we want to give the small plants an opportunity to replenish their worn-out machinery.

Mr. VANDENBERG. I agree completely with the objective and the necessity for such an opportunity, but I am

trying to find out whether the Smaller War Plants Corporation, under this authority, could step in and upset what might be a major program or pattern of disposition of certain surplus property which the Office of War Mobilization or the Surplus Property Board might have made.

Mr. JOHNSON of Colorado. The only priority would be with regard to purchase. There would be no special concessions as to price or conditions.

Mr. VANDENBERG. I am not asking about that. What I wish to know is whether that right would be wholly and exclusively a right to be exercised by the Smaller War Plants Corporation, regardless of whether the Surplus Property Board might think that a certain minor transaction might upset a major transaction of major importance in the reemployment pattern.

Mr. JOHNSON of Colorado. I do not so interpret the provision.

Mr. VANDENBERG. It seems to me that that is what it says.

Mr. JOHNSON of Colorado. No; that is not what it says. The Board would have policy-making power, and there would be no limit on the policy-making power in that respect. As I say, the Smaller War Plants Corporation would have priority in the purchase.

Mr. VANDENBERG. I am glad to see it have priority, but I do not think it ought to have the exclusive right to step in and claim property.

Mr. CHANDLER. Madam President, will the Senator yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. CHANDLER. I tried to have adopted a more stringent provision than the one in the bill, but was unsuccessful. I would go so far as to interfere with a major transaction and give the Smaller War Plants Corporation absolute authority to acquire surplus property, so that I could be fairly certain that it would be distributed among the smaller business of the country. This provision would not give the Corporation anything except the corporate right to acquire property. As I recall, the section was written by the able Senator from Ohio [Mr. TAFT]. It is just the way he wanted it, and not the way I wanted it. I agreed not to fuss about it, but the question has been raised, and now I regret that I was unable to have the provision written the way I wanted it originally.

The Smaller War Plants Corporation is not even preferred. It is merely given the corporate right to purchase property, subject to its appropriations. Its appropriations are limited. It cannot buy and distribute any more property than it can buy with the money appropriated for it.

Mr. VANDENBERG. The Senator from Kentucky says that this language does not create a priority.

Mr. CHANDLER. It does not.

Mr. VANDENBERG. The Senator from Colorado says that it does. Who is correct?

Mr. JOHNSON of Colorado. Whenever there is a dispute between the Senator from Colorado and the Senator from Kentucky, the Senator from Kentucky is always correct.

Mr. VANDENBERG. So there is no priority?

Mr. CHANDLER. I will not agree to the statement of the Senator from Colorado. My friend is too generous with me. If I read this section aright, there is no priority.

Mr. VANDENBERG. Does the Senator from Colorado agree that there is no priority?

Mr. JOHNSON of Colorado. I am advised by the legislative counsel that no priority would be established.

Mr. CHANDLER. As my friend from Colorado will recall, I wanted the priority established, and was overcome by sheer weight of numbers.

Mr. VANDENBERG. At any rate, we are now all agreed as to what the language means.

Mr. McFARLAND and Mr. LANGER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Colorado yield, and, if so, to whom?

Mr. JOHNSON of Colorado. I yield first to the Senator from Arizona.

Mr. McFARLAND. I should like to invite the attention of the Senator to page 65, subparagraph (3), beginning near the bottom of that page and continuing on page 66. This provision relates to the sale of lands. The language is as follows:

(3) Before disposing of any other surplus real property, the Secretary of the Interior shall appraise the property and determine its fair market value. The property may then be sold at public sale or by negotiated sale, whichever method is determined by the Secretary to be most in the public interest. If the property is to be sold at public sale, the Secretary shall give public notice thereof at least 90 days prior to the date of sale. He shall sell the property upon such terms as he deems most in the public interest to any person whose bid equals or exceeds the appraised value of the property and to whom a sale would be in accordance with the objectives of this act. If the property is to be sold by negotiation, the Secretary shall, upon the conclusion of the negotiations, give public notice for 90 days of the terms of the proposed sale. The notice shall state that during such period, protests against the sale may be made to the Secretary. At the end of the period the Secretary may approve or disapprove of the sale.

Why is no provision made for notice of intention to negotiate a sale? If a sale is negotiated and someone has a contract to a certain property, which may or may not be set aside, other prospective buyers are not inclined to object to the sale. Other prospective buyers would be reluctant to follow such a procedure. Why not give notice of a proposed negotiated sale of the property first, and give other prospective buyers an opportunity to protest if they desire, so as to give full opportunity for everyone to negotiate a sale or make an offer?

Mr. JOHNSON of Colorado. The Senator must read the other sections of the agricultural disposal part of the bill. The bill gives certain priorities in the purchase of lands.

Mr. McFARLAND. I realize that it gives priorities.

Mr. JOHNSON of Colorado. When a buyer is given a priority, the sale must be negotiated. We establish certain priorities. The former owner of the land would have the first right to the land.

Mr. McFARLAND. I realize that; and I am in favor of that principle. I think it is a good one.

Mr. JOHNSON of Colorado. What good would a notice to the general public do if the land were to be sold to the former owner?

Mr. McFARLAND. An exception could be made as to the former owner; but there is no provision to the effect that the priority shall apply only in the case of sales to former owners.

Mr. JOHNSON of Colorado. The bill provides for negotiated sales under certain circumstances. The first person who has the right to exercise a priority is the former owner.

Mr. McFARLAND. That is correct.

Mr. JOHNSON of Colorado. I think it will be agreed—at least it ought to be agreed—that the former owner should have a priority. In many cases the land was taken away from the former owners. It was confiscated by law, condemned, and taken away from them for the use of the Government. Now the Government has no further use for it, and the former owner should have priority in the acquisition of the land.

Mr. McFARLAND. I agree to that.

Mr. JOHNSON of Colorado. The next class is the veterans. Land is sold to veterans under the provisions of the so-called G. I. law.

Mr. McFARLAND. I agree to that.

Mr. JOHNSON of Colorado. Those are negotiated sales.

Mr. McFARLAND. That is fine.

Mr. JOHNSON of Colorado. The general public does not require notice of such a sale.

The next category of sales is under the Bankhead-Jones Farm Tenant Act. Under the provisions of the Bankhead-Jones Act, certain buyers have rights. Such sales are negotiated sales. As to other sales, notice would be given.

Mr. McFARLAND. There is provision for such transactions, but they are not limited to those three classes. Why not give everyone an opportunity to know about negotiated sales? Such sales allow opportunity for someone to slip in and buy land. The provision in the bill would require a person to protest the negotiated sale. If the provision for negotiated sales applies to only three classes, why not set them forth?

Mr. JOHNSON of Colorado. The provision applies only to such land as is sold through negotiation.

Mr. McFARLAND. It would be left entirely to the Secretary of the Interior to determine whether any land—not merely land proposed to be sold to the former owner—should be sold at public sale or by negotiated sale. As I read this provision, he might sell every foot of land by negotiated sale.

Mr. JOHNSON of Colorado. Such negotiated sales as we have provided for are in the public interest, and they ought to be consummated.

Mr. McFARLAND. Does the Senator take the position that this provision is restricted to the three classes which he has just mentioned? The Senator says

that the land may be sold by one of two methods. Is it the Senator's contention that the provision for negotiated sales applies only to the three classes which he has mentioned? The language in the bill does not so provide.

Mr. JOHNSON of Colorado. I do not know whether the Senator's objection to that point is well taken or not. It is necessary to read the whole section pertaining to the disposal of agricultural commodities. I will say to the Senator that the Senator from Wyoming [Mr. O'MAHONEY] prepared this part of the bill. He does not happen to be on the floor at the present time. I should like to have the Senator from Arizona refer to this section again, if he will, when the Senator from Wyoming is on the floor, and obtain his explanation of it. I am inclined to believe that the Senator from Arizona is correct.

Mr. McFARLAND. I thank the Senator from Colorado. I should like to have the Senator from Colorado give further thought to that subject.

Mr. AIKEN. Madam President, will the Senator yield to me for another question?

Mr. JOHNSON of Colorado. I yield.

Mr. AIKEN. The point which arises in my mind now is that I understand that in order to furnish electric power for essential war-material production it has been necessary in some instances for the Federal Government to invest as much as several million dollars in the construction of transmission lines, and also that the Government may have acquired rights-of-way where lines have not yet been built. It occurs to me that if under the bill those lines or those rights-of-way, some of which may be to public power plants, are sold to a private utility, under the laws which prohibit the paralleling of transmission lines the Government or any public power development might find itself in the position of being able to sell to only one customer, that being the private power company which happened to buy the Government line. Is there anything in the bill, so far as the Senator knows, which would safeguard the public interest in a case of that sort and would prevent the sale of a transmission line to a private company which might use it to prevent forever the public from obtaining the full benefit of the development?

Mr. JOHNSON of Colorado. The best safeguard of which I know is the board of eight, representing all the economic viewpoints of the Nation. If the property described by the Senator from Vermont is surplus property, it would be disposed of by the board. The board would have to prescribe rules and regulations. Of course, the provisions of the antitrust laws would have to be observed. I do not know of any specific restraints or limitations which are imposed on the board with respect to the class of property the Senator has mentioned. I do not recall any in the bill.

Mr. AIKEN. I have in mind a project for which I think approximately $14,000,000 or $15,000,000 has been appropriated, and part of the money has been spent. I expect to have some details regarding that case by tomorrow. I certainly should like to have cases of that sort covered, so that the public interest will be protected.

Mr. JOHNSON of Colorado. If the Senator will prepare an amendment to cover that particular class of property or an amendment which will protect the public interest in that class of property, I am sure the Senate will look upon it with sympathy and with favor.

Mr. AIKEN. I will look into the matter further. If, following a further examination of the specific instance which has been called to my attention, it appears that an amendment is necessary in order to protect the public, I shall be glad to present it.

Mr. LANGER. Madam President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. LANGER. I am particularly interested in the prevention of dumping of agricultural commodities. I call the Senator's attention to page 10 of the report, from which I read the following:

> In studying the situation, your committee has conferred freely with representatives of the principal farm organizations.

I should like to know what were those farm organizations.

Mr. JOHNSON of Colorado. The Farm Bureau; we had many communications from the Farm Bureau.

I recall that we had a witness from the Farmers' Union; he appeared before the committee.

We had a communication from Mr. Holman, of the National Cooperative Milk Producers Federation, and his communication was considered by the committee.

I am informed that the Grange had witnesses at some of the hearings.

Mr. LANGER. There were witnesses who testified representing all those organizations; were there?

Mr. JOHNSON of Colorado. Yes—witnesses representing the organizations I have mentioned. Mr. Holman did not testify. He did not ask to appear before the committee, so far as I know. He did communicate with the Military Affairs Committee, after we began working on the bill, and he made a certain proposal.

Mr. LANGER. Does the Senator remember who appeared for the Farmers' Union?

Mr. JOHNSON of Colorado. Yes; a man by the name of Smith appeared for the Farmers' Union.

Mr. LANGER. Who appeared for the Farm Bureau?

Mr. JOHNSON of Colorado. We had communications from the Farm Bureau. I understand that the Farm Bureau worked with other members of the Senate, and a proposal on which they look with favor was made.

Mr. LANGER. Would it be a fair statement to say that this bill has been approved by the Farm Bureau, the Farmers' Union, and the Grange?

Mr. JOHNSON of Colorado. No. The Farm Bureau, the Grange, and the Farmers' Union as such have never seen this bill. This bill was finally agreed upon in its present form about 3 o'clock yesterday afternoon, and it was printed, and I saw it for the first time in finished form this morning about 11 o'clock. I am sure none of those organizations have seen the bill as it now appears.

Mr. LANGER. But from the testimony they gave and from their communications——

Mr. JOHNSON of Colorado. They testified with respect to the matters with which the bill deals. We have a considerable volume of testimony. They have had a full opportunity to appear.

Mr. LANGER. Would it be a fair statement, then, to say that these organizations look favorably upon the bill because some of the suggestions they made are incorporated in it?

Mr. JOHNSON of Colorado. I think it would be fair to say that all the suggestions made by the Farmers' Union are incorporated in the bill.

Mr. LANGER. Is that also true with respect to the Farm Bureau?

Mr. JOHNSON of Colorado. No; I cannot say that all the recommendations made by the Farm Bureau have been incorporated in the bill. My guess is that the bill will be very satisfactory to the Farm Bureau.

Mr. HILL. Madam President, will the Senator yield to me?

Mr. JOHNSON of Colorado. I am glad to yield to the Senator from Alabama on that point.

Mr. HILL. Let me call attention to the statement of Mr. Russell Smith, legislative secretary of the National Farmers' Union, who appeared and testified before our committee:

> Mr. SMITH. The National Farmers' Union supports S. 2065, the Stewart-Murray-Taft bill—

That was the bill which the committee used as the basis for the bill now before the Senate—

> as reported Monday from the subcommittee chaired by Senator MURRAY. We are glad to be able to compliment the authors of the bill and the members of the subcommittee on the excellent work they have done in seeking to balance the conflicting claims of numerous groups in the consideration of this problem, and to produce from that consideration a measure so eminently in the public interest.

If the Senator will read Mr. Smith's full statement, I think he will find that, although he made certain suggestions, he felt that the bill as reported by the subcommittee headed by the junior Senator from Tennessee [Mr. STEWART], which is the basis of the bill now before the Senate, was an admirable bill.

I wish to say regarding the Farm Bureau that I collaborated with Mr. O'Neal, president of the Farm Bureau, and with my colleague the senior Senator from Alabama [Mr. BANKHEAD]; and in the committee I offered three different amendments suggested by my colleague and by the Farm Bureau, and all three of those amendments were written into the bill.

Mr. LANGER. I am very grateful to the Senator from Alabama for the information he has provided.

Mr. JOHNSON of Colorado. Mr. President, I should like to say to the Senator from North Dakota that, while

I cannot say that these farm organizations approve every provision in the bill—they may or may not approve—nevertheless, I am certain that they have offered no objection to any provision which the bill now contains.

At this time I should like to yield to the junior Senator from Tennessee [Mr. STEWART], who, together with the senior Senator from Ohio [Mr. TAFT], had conferences with the Farm Bureau with respect to this legislation.

Mr. STEWART. Madam President, I thank the Senator from Colorado for yielding to me.

I should like to say for the benefit of the Senator from North Dakota, whose interrogation is on the point of the approval of the bill by the Farm Bureau, particularly, I believe—and as I recall his question was with respect to the bill in its entirety—that I have met on more than one occasion with the representatives of the Farm Bureau, including Mr. O'Neal, its president, at which times we discussed at length the amendment, which appears in the bill, relative to the disposal of agricultural land. At the same time we discussed other phases of the bill.

I think I can say to the Senator from Colorado, in reply to the question of the Senator from North Dakota, that the Farm Bureau is sympathetic toward at least the greater portion of the bill. I do not know of any part to which it is opposed. It raised no question about opposition to any of it with me. My discussion with its representatives was chiefly concerning the so-called agricultural amendment.

I am sure the Senator from Colorado knows of the testimony which was given before the Military Affairs Committee by a representative of the Farm Bureau. I assume that the Senator from Colorado has been informed.

Mr. HATCH. Madam President, will the Senator yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. LANGER. Before the Senator from Colorado yields to the Senator from New Mexico I have one further question to propound. My attention has been called by the able Senator from Vermont to the language on page 52 of the bill beginning in line 11, reading as follows:

> The War Food Administrator or his successor, subject to the provisions of existing law, shall formulate workable plans for the disposition of surplus agricultural commodities in such a manner as to prevent these excess supplies from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

The language does not include any reference to processed agricultural commodities.

Mr. JOHNSON of Colorado. If the Senator will read paragraph (b) on page 52, he will find something on the subject of processed agricultural commodities.

Mr. LANGER. Paragraph (b) refers only to cotton or woolen goods. As the Senator from Vermont has told me, 5,000,000 cans of canned goods might wreck a market.

Mr. JOHNSON of Colorado. I am sure that commodities of that nature would be interpreted to be agricultural commodities.

Mr. AIKEN. Would they include foods processed from agricultural commodities? I am advised that after World War No. 1 there was such a dumping of agricultural commodities and food products on the agricultural commodities market that it collapsed and required 2 or 3 years to make a recovery. I was wondering if we should not include in the language of the bill the words "or foods processed from agricultural commodities."

Mr. JOHNSON of Colorado. I am sure that such commodities as canned goods would be included in the present language of the bill.

Mr. AIKEN. I know that canned foods are not considered to be processed commodities. At least I have been so advised by some of our Government agencies.

Mr. JOHNSON of Colorado. The Senator must take into consideration agricultural processed products, because they are used in many ways. Chemicals of all kinds, as well as many other substances, are made from agricultural products. The War Food Administrator has control of certain agricultural products, and the provision in the bill to which the Senator has referred was meant to coordinate his power and authority with that of the board.

Mr. AIKEN. Is it intended to prevent the dumping of processed foods on the market in such a way as to cause the collapse of agricultural prices?

Mr. JOHNSON of Colorado. It is meant to deter the dumping of agricultural foods on the market.

Mr. McKELLAR. Madam President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. McKELLAR. A few moments ago I offered two amendments to the pending bill and asked that both lie on the table. I now send one of the amendments to the desk and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 52, after line 25, Mr. McKELLAR, for himself, Mr. EASTLAND, and Mr. McFARLAND, proposes the following amendment:

> (c) Surplus farm commodities shall not be sold in the United States under this act in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation, unless such commodities are being disposed of, pursuant to this act, for export; and the Commodity Credit Corporation may dispose of or cause to be disposed of, for cash for export at competitive world prices, any farm commodity or product thereof without regard to restrictions with respect to disposal of commodities imposed upon it by law.

Mr. AIKEN. Madam President, I should like to propound one further question to the Senator from Colorado before he yields the floor.

On page 45 of the bill, under the title "Utilization of Surplus Property by Federal Agencies," there appears a provision for the transfer of surplus property of Federal agencies. I should like to ask the Senator from Colorado if the committee believes that section 11 (a) is sufficiently broad to permit machinery to be transferred to the Department of Agriculture and in turn loaned by it to the soil-conservation districts. I understand that the soil-conservation districts are not, strictly speaking, Government agencies.

Mr. JOHNSON of Colorado. The answer to the question of the Senator from Vermont is "Yes." The work referred to is a part of the functions of the Department of Agriculture and is performed by the soil-conservation districts.

Mr. AIKEN. Is it not considered necessary to specify the soil-conservation districts by name?

Mr. JOHNSON of Colorado. No. We had that point under consideration in the committee and we were advised by our attorneys that it was not necessary to name the soil-conservation districts specifically.

Mr. AIKEN. I merely wish to make the point clear at this time.

Mr. WEEKS. Madam President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. WEEKS. I should like to propound a question to the Senator from Colorado. With reference to the term "veteran," on page 77 of the bill the language includes the words "who has been honorably discharged." I understand that there are three types of discharge, namely, honorable discharge, dishonorable discharge, and a so-called blue discharge. Am I correct in my understanding?

Mr. JOHNSON of Colorado. There are three categories and the Senator has named them.

Mr. WEEKS. Could a veteran with a blue discharge—if that is the correct term—qualify under the term "veteran"?

Mr. STEWART. Madam President, if the Senator from Colorado will permit me, I invite attention to the fact that the section to which the Senator from Massachusetts has referred not only includes the words "who has been honorably discharged" but also the words "or otherwise honorably separated from the service."

Mr. WEEKS. I thank the Senator from Tennessee.

Mr. STEWART. Madam President, I wish to pay tribute to the work done by the Military Affairs Committee on Senate bill 2065. Within a very limited time, and with limited opportunity for surveying the problem, they have made a remarkable contribution to the bill. I think that in a number of important respects they have improved the bill which the Senator from Montana [Mr. MURRAY], the Senator from Ohio [Mr. TAFT], and I, comprising the members of the Senate Small Business Subcommittee, introduced in this body on August 10. In general, I am in accord with the changes which they have made.

This bill represents the striving of many minds in a progressive effort to envisage the problem and to formulate an adequate plan to resolve it. Our subcommittee work was rather that of weighing the ideas of others in the light of the national welfare.

I am impressed with the fact that generally the thinking of those who have

been specifically concerned with the surplus-property disposal problem has clarified considerably since our subcommittee first undertook its assignment last April. In our preliminary report, which drew upon estimates made by War Production Board experts at about the time we began our study, there was forecast a surplus of war property aggregating $103,000,000,000. It was an amount to stagger the imagination. Since that time the conclusion of this war appears to be nearer at hand than we then thought, and, consequently, the amount of our surplus accumulation should be much less. It may not be more than fifty or sixty billion dollars. The Members of the Senate have no doubt seen the prediction carried in the report of the Office of War Information of July 31 that there will be no more than $15,000,000,000 worth of surplus property of any commercial value for disposal. That seems to me to place an optimistic construction on the prospect, but I hope it is correct. There have been a number of estimates and estimators, and, of course, it is all guessing. There is one point of agreement, however, and that is, we are going to have a disposal job far greater than anything we have ever known, one that will send us on an almost uncharted way, fraught with incalculable difficulties. And any decisions we make here must be in a large degree provisional.

In the early thinking about the prospective problem of surplus-war-property disposal, some leaders, fearing the effect of huge stores of property turned loose on our domestic markets, suggested freezing these stores until after the transition from wartime to peacetime production had been made. This view, however, did not long occupy the minds of those who gave study to the problem, for it was obvious that the threat to the future of such frozen stores would be as disturbing to the business world as uncontrolled dumping of war property when it was declared surplus.

I should like in this connection to call attention to the recent comment of Dr. A. D. H. Kaplan, of the Committee for Economic Development, in his recently published book, The Liquidation of War Production. Says this distinguished economist:

> The fundamental principle, by which every specific application of surplus disposal policy has to be tested, is that the Government's inventory should be made available for the use of consumers without unnecessary delay.

And again:

> An undistributed surplus hanging over the market is a threat to healthy business enterprise. * * * Timing of sales to avoid periods of excess market supply and general business depression is highly desirable.

So the freezing of all surplus war property idea definitely belongs to first-scare reactions of the early consideration of the problem.

I should like to say here that the early consideration of the problem brought forth something exceedingly different from first-scare reactions in the Hill-O'Leary bill (H. R. 2795). This piece of legislation, which I believe was the first surplus property disposal bill introduced in Congress, provides very sound overall, permanent legislation for property management among the Government agencies. The surplus war property section of the bill has now, in the light of developments, become inapplicable, or obsolete, it might be said.

However, section 1 of that bill, which is intended to apply for peacetime after surplus war property is out of the way, is legislation very much needed in our Government. That section evidences careful and comprehensive study of the situation and embodies a soundly organized plan. It has already passed the House and is now on the Senate Calendar. I trust it will be amended to eliminate the surplus war property disposal feature and then be enacted into law at this session. I may add that it is my impression from my conversation with the Senator from Alabama [Mr. HILL], one of the coauthors of this bill, that he has such a plan in mind.

Mr. HILL. Madam President, will the Senator yield?

Mr. STEWART. I yield.

Mr. HILL. I wish to say that I share the Senator's expression of hope that as soon as we dispose of the pending surplus war property bill, we may consider and pass the bill to which he has referred, providing for the distribution of surplus property belonging to the Government in normal peacetimes.

Mr. STEWART. I am very glad to hear the Senator say that, for it is a very valuable piece of legislation. I hope that bill will be passed, and I believe it will be, because, while it is separated entirely from the wartime idea of this bill, it is, in my judgment, a necessary peacetime bill.

Senate bill 2065 defines sound and constructive objectives, embodies carefully organized directions, provides for requisite assistance to the disposal authority from other agencies of the Government and from the public, and retains for Congress a responsible advisory role.

I should like to call your attention at the outset to the fact that this bill as amended centralizes authority and responsibility in a Surplus Property Board and no disposal agency may assume any authority, except as the Board may delegate and direct. In this important respect, the bill before the Senate differs from House bill 5125, the Colmer bill, which, I understand, passed the House of Representatives yesterday. That measure would give disposal agencies, which are unknown to Congress, statutory authority to dispose of property, subject only to the general supervision of a Surplus War Property Administrator. Under it, any agency called a disposal agency, including any that might be created by the Administrator, would have the right to give property away, or burn it up, without orders. I am strongly opposed to any such grant of authority. I believe it to be inexpedient and unwise, and in Senate bill 2065 we were careful to make the line of authority and responsibility clear. I should like to add that the Military Affairs Committee has seen fit to keep it so.

I want to make special mention of the fact that Senate bill 2065, through advisory committees for the various disposal agencies, would repose upon industry and trade a share of responsibility in the job to be done. In these committees labor, agriculture, and the consuming public would also have a voice.

It is our belief that these committees can and should play an important role in the direction of surplus property disposal, and such a role is made possible under the terms of the bill.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Tennessee yield to his colleague?

Mr. STEWART. I yield to the senior Senator from Tennessee.

Mr. McKELLAR. I wish to ask the Senator how it happens that the bill provides for a board composed of eight members? I meant to ask the Senator in charge of the bill, the Senator from Colorado [Mr. JOHNSON], that question. I see that that difficulty of a board of eight men coming to an agreement is averted by having former Senator Byrnes act as a ninth man on the board in case of a tie. However, it is an unusual provision, and I was wondering how it happened that a board of eight was provided for.

Mr. STEWART. Mr. President, would the Senator from Tennessee prefer the Senator from Colorado to answer the question?

Mr. McKELLAR. Either my colleague from Tennessee or the Senator from Colorado, whoever knows the facts.

Mr. STEWART. The Senator from Colorado is on his feet, and I yield to him for a moment if he desires to answer the question.

Mr. JOHNSON of Colorado. The bill at first provided for a board of eight, two representing agriculture, two labor, two industry, and two the consumers. It was the judgment of the committee that the bill should not specifically provide that there should be two representing agriculture, two labor, two industry, and two the consumers because, in that event, there would be four blocs on the board, and perhaps they could not get anything done; but it would be much better to make the other approach to the matter and have the members of the board represent divergent viewpoints and also not to have them come from one geographical area.

Mr. McKELLAR. The idea was to spread the membership all over the country.

Mr. JOHNSON of Colorado. We started with eight, and we kept eight.

Mr. McKELLAR. As I understand, the War Mobilization Director, former Senator Byrnes, in case of a tie will have a vote.

Mr. JOHNSON of Colorado. He will have the deciding vote. Perhaps the reason we left the number of the board at eight was, in certain circumstances, to give the Director of War Mobilization some voice on the board. We wanted to do more than simply put it under his wing and not give him any authority at all under the provisions of the bill.

Mr. McKELLAR. He is certainly well qualified; I will say that for him. Is the view expressed by the Senator from Colorado that of my colleague from Tennessee?

Mr. STEWART. Yes. I should like to add to what the Senator from Colorado has stated by saying to my colleague, the distinguished senior Senator from Tennessee, that the present bill I am discussing in my prepared remarks, Senate bill 2065, did not originally provide for a board of eight men, as the bill now pending does. The bill was amended so as to provide for such a board by the Military Affairs Committee when the committee reported the bill yesterday. The idea of a board of eight men, I believe, came from a bill originally introduced by the senior Senator from Colorado [Mr. JOHNSON]. The bill which I introduced, S. 2065, provided for only one man as administrator, with certain advisory boards from the different departments, provision as to which is still carried in the bill and an advisory board also to be selected from labor, agriculture, and industry.

Mr. McKELLAR. I hope the Senator agrees to that change, because I think it would be very unwise to submit $103,000 000,000 worth of surplus property to the control of one man. That is the way it strikes me. I hope the Senator will agree to the amendment which the committee reported.

Mr. STEWART. I will say to my colleague that I am not fully in accord with that amendment. I thought it better to have one administrator. The Small Business Committee staff—and they have been at work on this idea since April of this year, when the Small Business Subcommittee was set up for this purpose—explored the idea quite thoroughly, and became convinced that with certain safeguards a more satisfactory and certainly a more flexible and more easily operated administration could be had through the appointment of one man than a group of men.

I may say further to my colleague from Tennessee that we have not had, until within recent months, a very satisfactory experience in the Smaller War Plants Corporation, by reason of the fact that its board of directors composed of five men have to agree on certain things, and it was my experience over a period of months that they would become deadlocked and unable to proceed, which would completely paralyze matters before the Corporation. There are other incidents to which I might refer, and I may do so later, in order to demonstrate the advantage of having an individual at the head of the organization as against a group, as now provided by the bill.

I will say frankly that I think one of the contributing factors which caused the Committee on Military Affairs to change the provision of Senate bill 2065 and add the section providing for a board of eight members, was the testimony of the present Administrator who appeared before the committee and left a very definite impression that if the authority were given to him he would dump all surplus property upon the market immediately, dispose of it, and forget it. From his remarks I think the committee was justified in taking the view it did. I can say that I would agree with the amendment myself, because it would certainly be a very serious thing to dump surplus goods on the market, without any control, in the manner that the impression was left it would be done. It would have a very serious effect on business and would seriously and very damagingly affect the economic structure of the country.

Mr. WHERRY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Nebraska?

Mr. STEWART. I yield.

Mr. WHERRY. I should like to ask the distinguished junior Senator from Tennessee a question. I call his attention to the language of paragraph (a) of section 2, on page 32, in line 18:

> The Board shall determine all matters of policy relating to the administration of this act.

I take that to mean that the board of eight shall have full jurisdiction to determine the policy relating to the administration of the act, and that is as far as it goes; that is, that this board of eight is a policy-making board.

Mr. STEWART. That is correct.

Mr. WHERRY. But in paragraph (c) on page 33, commencing with line 6, we find the language:

> The Board shall, without regard to the civil-service laws, appoint an Administrative Director, who shall perform such functions as the Board may direct.

I should like to ask if the board goes beyond policy-making functions, and directs the director as to his functions in the carrying out of his duties in the selling of property, and so forth. Is it an overlapping jurisdiction, or does the Board confine itself exclusively to policy-making functions?

Mr. STEWART. My opinion is that it does not so confine itself. I should like to have the Senator from Colorado answer that question, because the language is taken from his draft.

Mr. JOHNSON of Colorado. It is a policy-making board, and it is also an administrative board. It must of necessity be that. The scheme of disposal takes into consideration all Government agencies now in existence. We do not set up a new organization with hundreds of thousands of Government employees. We use the agencies of Government which we now have to act as disposal agencies. But the board must determine and lay down the policies for the guidance of the disposal agencies. When they have questions they must come to the board for decision. Of course of necessity the board must have an administrative officer to carry out its orders. That is why a director is provided.

Mr. HILL. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. HILL. Is it not true that the philosophy of the bill is to put the central authority in the hands of the board, and also the central responsibility; so that the authority will be in the board and the responsibility will also be in the board? The Senator will notice on page 33, in lines 6, 7, and 8 the following language:

> The Board shall * * * appoint an Administrative Director, who shall perform such functions as the Board may direct.

The board has the authority under the measure and also has the responsibility, although, as the distinguished Senator from Colorado has said, it is the purpose and the intent of the measure that the board shall use existing agencies of Government, and not create a great number of agencies of its own to administer the law.

Mr. WHERRY. I thank the distinguished Senator from Alabama and also the distinguished senior Senator from Colorado for the explanation given; but I am not as clear as I should like to be with respect to the intent of the provision in paragraph (a) of section 2, in the light of the explanation of the distinguished Senator from Alabama of paragraph (c). What I should like to know is this: The administrative director no doubt would be given the right to dispose of property, to make a sale. That is an administrative act.

Mr. STEWART. He would be given that right by the board.

Mr. WHERRY. That is correct. What I want to know is, Does the policy-making board step over into the administrative function of the administrative director and control the administrative director in any way when he is to make a sale of surplus property?

Mr. JOHNSON of Colorado. The Director is appointed by the board. We do not provide in the bill for an Administrator. The board appoints a director, who carries out its directions, as provided in paragraph (c) on page 33. The administrative director is appointed by the board, and he carries out the will of the board. The Senator will find references to the board all through the bill. The bill provides that Congress shall give the board instructions, and all through the bill restraints and limitations are placed upon the board. The board itself is the head of this division.

Mr. STEWART. The board is absolutely supreme in matters of policy and matters of administration.

Mr. HILL. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. HILL. I call the attention of the Senator from Nebraska to the language on page 44, line 5, of paragraph (c) of section 9, as follows:

> (c) When any surplus property is reported to any disposal agency under subsection (a) of this section, the disposal agency shall have responsibility and authority for the disposition of such property, and for the care and handling of such property pending its disposition, in accordance with the policies, standards, methods, and procedures prescribed by the board.

Mr. WHERRY. Then the policy-making power and the administrative power are centered in the hands of the board, and the administrative director is simply appointed to carry out the policy and the administrative plan which the board sets up?

Mr. HILL. I would say that in substance that statement is correct; that the board is the supreme authority.

Mr. STEWART. The board, as I understand, is supreme in all matters of policy and administration.

Mr. WHERRY. I thank the Senator from Tennessee.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. OVERTON. In connection with the matter under discussion, I should like to invite the attention of the Senator from Nebraska to the last line on page 34 and to the pages immediately following:

It shall be the function and duty of the board—

And then in paragraphs (a), (b), (c), (d), and so forth, are set forth duties and functions. These provisions clothe the board with administrative authority.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. WHERRY. So the administrative director carries out all matters of sale and disposal according to the policies of the board. He acts only under the direction of the board. Any sale that is made is in reality made by the board. Is that correct?

Mr. OVERTON. That is correct. The Director simply acts as an agent of the Board, as I understand.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. AIKEN. Mr. President, I offer an amendment to the pending bill, which I ask to have printed, and read at the desk at this time.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table, and will be stated.

The LEGISLATIVE CLERK. On page 52, line 14, after the word "commodities", it is proposed to insert "or food processed from agricultural commodities."

Mr. STEWART. Mr. President, the members of our Small Business Subcommittee have been deeply impressed by the overshadowing need for truly cooperative effort between Government and the commercial, industrial, and agricultural communities of this country, if any reconversion plan is to succeed. In the concluding section of his book, Dr. Kaplan comments:

The need of unity in the war effort has been fully publicized and fully recognized. Whole industries as well as individual firms have dedicated their resources without stint to the common effort, knowing that if as a people we fail of victory, we lose the very advantages that as individuals we want most to retain. It will be much more difficult to keep our thoughts and actions dedicated to the common cause when the war is over. And yet the sacrifices of the war will be futile if having won the victory in global warfare, we engage in an all-out struggle of economic interests on the home front as we go through the transition period.

It is with this possibility in mind that the subcommittee set up the statutory framework for practical cooperative action to insure against such a catastrophe.

Along with the immediate aims of protecting and aiding production and employment and of getting fair treatment for the consumer and the taxpayer, we have given comprehensive consideration to securing the national economy against monopolistic aggrandizement. I wish to point out various aspects of that problem with which we have dealt specifically in the bill. I will name the provisions and tell what they are aimed at without detailing them here.

First, we insure against the disposal of any plant or equipment costing $1,000,000 or more in violation of the antitrust laws, or in a way to result in undue concentration of industry, or substantial restraint of competition.

Next, we require special planning for the disposal of 12 categories of property as to which the Government's holdings are especially important. The plans would be set forth in reports to Congress, containing the full facts. Thus Congress would have an opportunity to determine the policy involved.

Pending the enactment of a congressional policy, there should, of course, be no hiatus in the operation of the plants. The Administrator should be permitted to negotiate leases for a reasonable period.

Virtually all of the Government-owned plants carry an outstanding option to purchase in favor of the contractor who operates the plant. No standard option has been prescribed, with the result that literally hundreds of variations obtain. The Attorney General has testified that some of these options may be void as against public policy, citing illustratively a clause prohibiting the use of a plant for any commercial purpose for a period of 20 years. Many of the options now outstanding are held by corporations which dominate their industries by virtue of their vast holdings.

We have considered the option as a possible instrument of monopoly. To the extent such options are against public policy they should be invalidated. So section 18 of the bill provides that every existing option shall, before it is consummated, be submitted to the Attorney General for his opinion as to its validity.

The bill would further the fight against monopoly by giving positive assistance to small business. In addition to requiring wide publicity and small-lot offerings on property sold, it would specifically commission the Smaller War Plants Corporation to develop small business markets—find buyers, make known to them the goods available, get purchaser and property together by communication and information, by financial aid, and even by acquiring surplus goods for resale to the little man.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. VANDENBERG. In the Senator's absence earlier in the afternoon I raised the point that there is no definition of "small business" in the bill. It seems to me that it is very necessary to have such a definition in the bill, in view of the fact that the board is authorized to make loans to small business. It would have to know where its authority started and ended. We find it difficult to define "small business" textually. I wonder if the Senator from Tennessee, who has given great thought to that subject, could throw any light on the question, or make a suggestion.

Mr. STEWART. I was in the Chamber when the Senator raised the question. I heard the colloquy, but I did not enter into it because I did not think I could contribute a great deal to it. I have been a member of the Small Business Committee since it was established. One of the problems with which we have struggled has been the question of definition. I believe that at one time the Army, for the purpose of awarding contracts, defined small business as all concerns employing less than 500 workers. That definition worked satisfactorily in certain instances; but, as the Senator knows, in other instances it would not work. What might be a big business concern in my section of the country would perhaps be a small one in the great State of Michigan, from which the Senator comes.

As the Senator knows, in our discussions we gave consideration to the question of reaching a definition of a small business concern which we could stand by all the time. It is impossible actually to define "small business." That is, it is impossible to state a rigid definition which is not flexible. We have got along by placing a small concern which might apply to us in the category of small business if we thought it belonged there, considering its comparative size in its particular field of operations. What might be a big business concern in one field of operations would be small in another. I do not know of anything I could say which would contribute to a definition which might be written into law.

Mr. VANDENBERG. It seems to me that there must be some legal criterion, in view of the fact that we are creating a loan privilege which may become very important.

Mr. STEWART. I appreciate that. That question was discussed. I had in mind the thought that perhaps the Smaller War Plants Corporation might itself give a definition, it being the agency representing small business and the agency which would negotiate the loans in the instances to which the Senator has referred.

Mr. VANDENBERG. I should like to see a request made of the Smaller War Plants Corporation, if not for a definition, at least for a criterion which could be written textually into the law. It seems to me that it is necessary in simple prudence.

Mr. STEWART. I can see the importance of the point which the Senator from Michigan makes, and I should like to ask him this question: Without actually undertaking to state a definition of "small business," would it be practicable, feasible, or proper to provide in the act, if the Senator thinks it is necessary, the right to the Smaller War Plants Corporation to select the concerns, and let it decide whether a particular business is a small business concern such as would be entitled to the privileges and benefits of the act? It seems to me that, so long as we are unable rigidly to define it, a

certain amount of discretion must be given to some agency or person.

Mr. VANDENBERG. That may be a partial answer. It is only a partial answer. I hope we can work out something with Mr. Maverick and the Smaller War Plants Corporation, because, as the text stands, it seems to me that it is wide open.

Mr. STEWART. Of course, if the decision were left entirely to the discretion of some individual, such discretion might very easily be abused. We have got along without an actual definition of "small business." We have operated thus far without any rigid legal definition. Of course, we have been operating in the period when we were awarding contracts. Now the reverse is true. Small businessmen will be purchasing from the Government articles which will be declared surplus, instead of executing contracts for manufacturing.

Mr. VANDENBERG. I was thinking particularly of the section which authorizes the making of loans to small businesses.

Mr. STEWART. The Smaller War Plants Corporation is now making such loans, and has been doing so; and yet there is no rigid definition. We have found it practically impossible to agree upon one. The Senator has raised an interesting question, which could become serious.

Mr. WEEKS. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. WEEKS. In connection with the discussion about what is a small business, let me point out that the Senator from Tennessee has said we have gotten along so far. It appears to me that when the Smaller War Plants Corporation was set up during the war period, it was established to help small business, because in the radical change-over from peacetime to wartime production it was natural in the course of events for small business—really small business—to find itself up against a variety of difficulties. Small business cannot turn around as quickly as big business can. It does not have the technical advice and equipment which large business has. Small business was on a spot, and needed help, because it was put out of production of its regular lines, and had to turn around and get into war production. It needed some help. So the Smaller War Plants Corporation was established, and small business was given a helping hand.

However, now we are talking about reconversion from war to peace, and we come to a proposal to make the distinction between small business and large business more or less a permanent one, and to write the definitions into the law, so to speak.

Mr. STEWART. Conditions are exactly the reverse of what they were 2 years ago.

Mr. WEEKS. Mr. President, I do not see how it is possible for the pending bill, when enacted into law, to function, or for any board established under the law to function, unless the definition of small business is spelled out in the bill itself. Therefore, I heartily subscribe to the suggestion made by the distinguished senior Senator from Michigan [Mr. VANDENBERG] that we must determine the difference between small business and large business, so far as this particular bill is concerned.

Mr. STEWART. In referring to that suggestion, and in demonstrating to the Senator the real difficulty—although probably I need not do so, because the Senator knows of the difficulty—let me point out, for instance, that in the Senator's own State of Massachusetts, as I believe, and certainly in the State of Connecticut, there are large watch factories. They may employ not more than 50 or 100 persons; but, nevertheless, in their field they are big business, and they could be classified as big business. Therefore, they could not come under the definition which the War Department arbitrarily laid down. As has been suggested by the Senator from Michigan, the War Department had to lay down some definition when it began to let war contracts. As I said a moment ago, the definition was that any independent manufacturing concern not affiliated with a larger company, and employing less than 500 persons, would be considered a small business. In other words, the concern would have to employ less than 500 persons in order to constitute a small business concern. However, it is conceivable that in certain lines of business endeavor a firm employing 50 or 100 persons might be a big business concern.

Mr. AIKEN. Mr. President, if the Senator will yield to me, let me inquire whether it has been considered that a small business might be one which does less than a certain percentage of the entire business in which it is engaged.

Mr. STEWART. Yes; let me say to the Senator that we have discussed that matter. It has been one of the things which has never been defined, but it has been repeatedly discussed.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. WHERRY. I desire to substantiate what the distinguished junior Senator from Tennessee has said regarding the difficulty we have had in defining "small business" in this country. I also wish to say to the Senator that I think there is an absolute need for such a definition.

It was my privilege to be with the distinguished junior Senator from Montana [Mr. MURRAY] in conducting a series of field hearings. We returned to the Senate a week ago last Tuesday to consider unemployment insurance, which was a phase of the Reconversion Act. From the evidence adduced, we found the very difficulty to which reference has been made.

For example, small business needs 3 or 4 things. We found that the thing it needs most of all is less Government regulation. Such businesses cannot fill out all the questionnaires and handle all the red tape required by Government, and some of them have closed their doors because they have been afraid that if they did not properly fill out the questionnaires and forms, they might be penalized by the Government.

The second thing we found small business needs is adequate capitalization. Such businesses cannot obtain sufficient funds, because the scale of taxation established by the Congress does not allow sufficient leeway to enable such businesses to function.

The third matter of importance we discovered was that relative to the allocation of materials. That matter is most important, and should be taken care of in connection with the disposal of surplus property. The small businesses do not have the facilities or the representatives in Washington or the legal talent, which today are needed, to go to the agencies of Government and to make sure that they receive their share of the materials they need in order to conduct their businesses. It is very important that provision relative to such materials be made in this bill.

The fourth point pertains to financing by means of Government loans. In that connection it is most important that there be a definition of small business in order to know who will be entitled to such loans. Various businesses will come before the Smaller War Plants Corporation and will want money. The question will be who will be entitled to the benefits provided by the act?

I think it is most important to define a small business. However, I say to the distinguished junior Senator from Tennessee that, to my mind, there is no way to establish a legal definition. It was suggested that we might define it as a business which is owned by one, two, three, or four persons. Then we realized that Henry Ford's family own the Ford plants, and they certainly are a big business.

Mr. STEWART. We used the word "independent."

Mr. WHERRY. Yes.

Another need of small businesses is to obtain an adequate supply of labor. The War Manpower Commission considers a small business to be one which employs 50 persons or less.

There has been a continuous definition by various governmental agencies. None of the definitions agree.

If the pending bill, when enacted into law, is to be successful in its operation I believe it essential that the board shall know when and where it can make a loan and how it can distribute surplus material, so that small businesses will receive their just proportion of the property and materials on hand, and so that they will receive the benefit of the processes and patents which have been developed during the war. In other words, I believe we should have some sort of standard—or, as the able senior Senator from Michigan [Mr. VANDENBERG] has said, some criterion or something of the sort—so that the board will be able to know when to extend these benefits to small business.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. CHANDLER. This discussion reminds me of all the talk about the weather: We do much talking about it, but do nothing about it.

I am prepared to vote for any amendment or to support any suggestion any

Senator may make relative to a fair definition of small business. No one in the committee was able to provide one. I understand that the Small Business Committee has not been able to suggest one. It seems to me that the only thing we can do is to adopt the Small Business section of the bill, and then let the Board, under the Small Business section provided in the bill, make the loans and say, according to its discretion, what are small businesses. Little business is one thing, and is smaller than big business. But it is necessary that there be some discretion and latitude in connection with the determination of what is a small business.

I assume that after some debate there would probably be general agreement by the members of the Smaller War Plants Corporation as to what concerns should properly be regarded as small businesses, and thus entitled to receive aid under the act, including surplus property and loans. The matter could be controlled by Congress in connection with its power to appropriate money. They certainly will not buy more goods than they can buy with the money they have to spend, and certainly they will not do more business than the Congress, in connection with its appropriation of money, permits them to do.

If any Senator can suggest a definition which can be incorporated into law, I am prepared to vote for it; but, so far, the members of the committee have not been able to find a definition which will meet with the approval of all the parties concerned or will be legally sound.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. WHERRY. I heartily concur in what has been said by the junior Senator from Kentucky [Mr. CHANDLER]. The Smaller War Plants Corporation and the Small Business Committee have really classified small business according to their own expedients. Anyone who came to the Small Business Committee and requested help received it, and anyone who applied to the Smaller War Plants Corporation for aid received it. So, thus far there has been no definition.

I do not know whether the Senator or his committee was informed of the definition used by the War Department. The War Department has determined that a small business is one which employs less than 500 persons. As a rule of thumb, we have been guided by that definition in our work in the Small Business Committee.

But if we adopt some of the provisions which would permit the Smaller War Plants Corporation to make its own definition of a small business, it might happen that it would classify as a small business one having less than 500 employees. That could easily be done.

I am not a member of the Military Affairs Committee, and was not a member of the subcommittee of that committee. I shall be glad to offer an amendment if the Senator from Kentucky wishes me to do so. But I may say that the only suggestion of which I have any knowledge, which has been made during the past year and a half, and which has been workable, was to define a small business as one employing less than 500 employees.

Mr. STEWART. Ever since the committee was organized the junior Senator from Nebraska and I have served on one or two subcommittees of the Senate Small Business Committee. We have discussed this matter on more than one occasion. We discussed it at least in the early days of the committee. It seemed to be impossible for the Senate Small Business Committee and the Smaller War Plants Corporation to function without some workable definition. I refer the Senator from Michigan [Mr. VANDENBERG] to a copy of Public Law 603, which is the law creating the Smaller War Plants Corporation. As the Senator from Nebraska has stated, no definition of small business is contained in Public Law 603. However, in section 3 on page 2 of the copy of Public Law 603, which I have before me, there is to be found the following language:

> SEC. 3. In any case in which a small business concern or group of such concerns has been certified by or under the authority of the Chairman of the War Production Board to be a competent Government contractor with respect to capacity and credit as to a specific Government procurement contract, the Secretary of War, the Secretary of the Navy, the Director of the Procurement Division of the Treasury, and all other officers of the Government having procurement powers are directed to accept such certification as conclusive, and are authorized to let such Government procurement contract to such concern or group of concerns without requiring it to meet any other requirements with respect to capacity and credit.

The agencies referred to are directed to accept certification from the War Production Board that such and such a concern is competent and can meet requirements with respect to capacity and credit, and, by inference, accept such certification that the concern is a small business concern.

The Senator from Louisiana [Mr. ELLENDER] is also a member of the Senate Small Business Committee. I may say to the Senator from Michigan [Mr. VANDENBERG] that the language to which reference has been made leaves largely to the discretion of the Smaller War Plants Corporation the determination of what is a small business concern. I recognize the logic of the Senator's argument, and I wish he would put his fertile mind to work on the matter and help us frame a proper definition. I am at a loss to make any suggestion as to what a legal definition of the term "small business" should be. I cannot go further in arriving at a proper definition than merely to say that in general, it contemplates the employment of not more than a certain number of men, and that it is an independent concern not connected in any way with a larger concern. Conceivably, a steel company could employ only a thousand or 2,000 men. It could employ more than 500 men and yet be a small business so far as the steel industry is concerned. As a practical proposition, it has been extremely difficult to arrive at a proper definition, and I do not know a better way of working it out than by giving to some agency the discretion of determining whether a business is a small business. It might be done under certain safeguards, together with the requirement that one of the agencies of government should make the decision in such a way that no imposition or abuse could be exercised.

Mr. HILL. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. HILL. I invite the Senator's attention to the fact that when the Senate passed the George bill it followed the principle stated by the Senator from Tennessee, namely, that of leaving the matter absolutely in the hands of the administrator. On page 11 of Senate bill 2051, in section 203 (a) we find the following provision:

> Whenever the expansion, resumption, or initiation of production for nonwar use is authorized by any Government agency having control over manpower, production, or materials, on a restricted basis, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from so participating in such production.

There we have a special provision dealing with what the bill called "any small plant"; but no effort was made to define what is a small plant. It was left to the good judgment and wise discretion of the Administrator to determine in each case what is a small plant, and what should come under the protection which this section would afford for small independent enterprises.

Mr. VANDENBERG. Mr. President, if what the Senator has read is to be the rule, then let it be made the rule, but I submit that it should be set forth as a rule in the statute.

Mr. HILL. So far as the George bill is concerned, it would certainly seem to be the rule. I believe from what the Senator from Tennessee has said and from my observation of the operation of the Smaller War Plants Corporation Act, it is the rule under that act. I ask the Senator from Tennessee if that is not true.

Mr. STEWART. Yes; it is true.

Mr. HILL. The matter is to be left to the sound judgment and wise discretion of the Administrator, having in mind that what Congress is seeking to do is to protect all independent private enterprise.

Mr. STEWART. Of course, the purpose of Congress is actually to lend aid to small independent business enterprises. We all agree with that. We have gone along during the past 2 years without any definition, and have been operating, while contracts were being let by the Government for the manufacture of war munitions. We now have a situation which is the converse. Small businessmen are purchasing from the Government such articles as were manufactured by both large and small businesses during the period.

Mr. CHANDLER. Mr. President, one of the principal objectives of the bill, as I see it, is to put into the hands of small business surplus property which can be used by small business. An administrator who is as familiar with such work

as the Administrator of small business is, and as the committee has been, should not get into difficulties by being imposed upon by persons who do not represent small business, and who are actually in fact not connected with small business.

Mr. STEWART. Mr. President, the bill provides prohibitions against speculators, and proposes, to similar purpose and effect, land-disposal provisions, which would turn classification over to the Interior Department, and require farming land to be sold in family-size economic units.

In the case of a sale of property costing $1,000,000 or more, the board or disposal agency must notify the Attorney General when it begins negotiations in the transaction and give him all necessary information. The Attorney General then would advise whether the proposed disposition would either violate the antitrust laws, or encourage monopoly or undue concentration of industry or commerce or substantially restrain competition. The disposal authority would be bound by his decision.

But the antimonopoly criterion, as defined in our antitrust laws, is not enough, if free enterprise and competition are to be promoted and small business preserved. Our Small Business Subcommittee found the Attorney General of this opinion, too. There are several classes of surplus property as to which the Government's holdings represent so important a part of the industry that their disposal will involve new and unaccountable circumstances and raise fundamental problems that find no sure direction in existing law. Such problems should be reserved for Congress to determine. For example, the wise disposition of synthetic-rubber plants, aircraft plants, shipyards, and so forth, calls for a fine balancing of a great number of considerations which go to the root of our national economy.

Besides the 3 named above the list of 12 categories includes aluminum plants and facilities, magnesium, chemical, iron and steel; pipe lines and other transportation facilities; radio and electrical equipment. With the exception of aircraft plants and facilities, shipyards, transportation facilities, and radio and electrical equipment, the board would be prohibited from disposing of any of the property until 30 days after it has filed its report with Congress.

I should like to make special mention of the technical intangibles—that is, patents, processes, techniques, and inventions. Many of the plants—for example, high octane and synthetic rubber plants—can be disposed of economically only to companies which have access to the patented technological processes of the industry. In order to widen the base of ownership in such industries, it would be necessary to provide for the licensing of such patents to prospective purchasers of Government plants. The license could be limited to run with the plant. Any specific proposal in this field would have to wait upon the completion of studies on the subject by congressional committees and executive agencies, including, particularly, studies of the disposition of industrial processes and patents, developed at Government expense in privately owned plants and those held by the Alien Property Custodian.

I know of no estimate of the value of this great variety of intangible property, including industrial techniques, processes, and inventions which have been developed in Government plants, at Government expense, or under Government sponsorship, or which have been vested in the Alien Property Custodian under the Trading With the Enemy Act. These, too, will become Government surplus and should be made available to industry in such a way as will best promote the public interest.

It is well remembered that during World War No. 1 there was a concentrated technical development incident to production for war equal to a far greater span of peacetime years. There is every evidence that our technical strides in the present conflict are even more spectacular. These new techniques constitute an important property and their disposal is a matter of concern, not merely to the individuals and corporations that may obtain them, but to our society as a whole. They are of peculiar interest to small business. They might become a fateful instrument in the hands of monopoly. Their distribution may be a determining factor in the character of our future economy.

The question of the Government's protection of this property against attempts to secure private patents thereon apparently must be considered with that of disposal, if the Government is to have this property to dispose of. Already there have been reports of private individuals securing patents on processes developed in Government plants, in the development of which they had no part. The War Production Board Chairman, Donald Nelson, recently said that this very thing had been giving him a great deal of concern, and that there had been no machinery set up to prevent it.

It appears that little if anything in the way of public policy has been determined with regard to this intangible property. This phase of the subject has had little investigation. In the interest of a socially sound distribution of war-surplus property and in the particular interest of small business, disposition of this class of property should be fully studied and carefully planned.

Thus it is highly important that technical intangibles be included in the planning list. I should like to add that this class has also been included in the classification of property for the disposal of which the board must obtain specific clearance from the Attorney General. It is an important contribution which the Military Affairs Committee made to the bill.

The bill requires that through the director, both owning and disposal agencies shall arrange for the widest practicable advertisement of property to be disposed of, and shall reduce lots offered for sale to the smallest practicable units conforming with marketing policy in the agency concerned. The latter provision is qualified to meet the conditions under which dispositions are actually being made. The subcommittee found that an inflexible rule for the sale of all surplus in small lots would not be feasible for some real property and equipment and even for food. It is likely that an inflexible application of such a regulation would militate to the disadvantage of small business. Hence, the directions which the subcommittee has written into the bill have been carefully qualified.

Moreover, the subcommittee has concluded that the effective role of the Smaller War Plants Corporation as an aid to the small purchaser will depend more on positive assistance than in preventive surveillance. In other words, representatives of the Corporation can do more by developing the small business markets in coordination and cooperation with the field forces of the disposal agencies than by merely policing these agencies. Since some of the disposal agencies are finding it important on occasion, in the interest of dispatch, to conduct sales in the field without waiting to complete their central inventories or awaiting specific direction from the central office in Washington, effective cooperation on the part of the Corporation should occur, it seems, on the administrative level, as well as with the policy-making officers. Specific directions on this score cannot well be written into general legislation, but the Small Business Subcommittee has sought to suggest this character of cooperation in section 14 of the bill, and especially in paragraph (b) of that provision.

Under Public Law 603, the Corporation in 1942 was authorized to take prime war contracts from Government procurement agencies in behalf of small business. This authority was little exercised; nevertheless, in the opinion of the director of the Corporation, it was of value in securing a more adequate share of war business for small plants. Despite some protest from disposal agencies and the present Surplus War Property Administrator, the small business committee remains of the opinion, and the Military Affairs Committee has concurred, that a similar authority should be conferred on the Corporation in the disposal of surplus property. Hence it has included in the bill a provision to grant the Corporation the power to purchase surplus property for resale to small businesses, when in the opinion of the director such purchase is required to preserve and strengthen the competitive position of small business.

In this connection there is one other provision which has a bearing on the monopoly question, and that is the requirement that every sale of a surplus plant must carry with it provision for its operation for 2 years thereafter. Allowances, of course, would be made for getting the plant set up and under operation after sale.

Believing that States, counties, cities, and tax-supported and nonprofit institutions can provide a socially useful outlet for certain surplus property and substantial relief in solving the problem of disposal, the subcommittee has included provisions for donation to them of property acquired for school use. Donation of such property to private institutions not

operated for profit has been placed in the discretion of the Commissioner of Education. Other property which could not profitably be placed on the market may also be donated to local governments, and institutions of this character will be allowed to buy surplus property at a 50-percent discount.

Moreover, and in view of the very large amount of surplus medical supplies and equipment in prospect, the bill provides for their donation to tax-supported and nonprofit medical institutions under similar discretionary restriction.

The so-called G. I. bill made general provision for our veterans returning after this war, but I believe some of the vast stores of surplus property which will be on hand then can also be used to assist them in getting a new start in peacetime pursuits. To the extent that this can be done, I want to see full use made of suitable surplus property. I believe it is the common impulse of the whole civilian population of this Nation to grant the men who have borne arms in our behalf a preference in acquiring surplus goods. Senate bill 2065 includes specific direction to the board, in cooperation with the Administrator of Veterans' Affairs, to prepare and submit to Congress within 6 months after the passage of the act a plan for distributing at a discount to service men and women goods of use to them in reestablishing themselves in our domestic economy.

Mr. HILL. Mr. President, will the Senator yield?

Mr. STEWART. I yield to the Senator from Alabama.

Mr. HILL. The bill we are now considering is really the bill which was written by the subcommittee of the Committee on Small Business, of which the distinguished Senator from Tennessee [Mr. STEWART] is the chairman. As I recall the distinguished Senator from Ohio [Mr. TAFT] is a member of that subcommittee, and collaborated very effectively with the Senator from Tennessee, and, then, these two distinguished Senators were joined, I understand, by the Senator from Montana [Mr. MURRAY]. That is the bill which the Subcommittee on Military Affairs considered; it is the bill which is now before the Senate, with modification and amendments made by the Senate Committee on Military Affairs. I think there is no fundamental change made in the Stewart-Taft-Murray bill, except the provision substituting a board for a single administrator. There were many changes made, but no fundamental changes except that, and the other changes preserved the underlying principles and underlying philosophy of the Stewart-Taft-Murray bill.

I wish to say that the Senator from Tennessee and his associates did a tremendous amount of work, holding hearings, giving thought and consideration to the preparation of this bill, and endered very great service in formulating it. I think the Senator from Tennessee and his associates are to be wholeheartedly commended for the invaluable service they render and the fine helpful constructive work they did in connection with this bill.

I wish to say also that the distinguished Senator from Colorado [Mr. JOHNSON] prepared a bill (S. 2045) which was very much in line with the Stewart-Taft-Murray bill and the provisions of which proved most helpful to the Senate Committee on Military Affairs in its work on the pending legislation. The bill of the Senator from Colorado embodied the idea of a board. It was the idea of the Senator from Colorado with reference to a board rather than a single administrator which the Senate Committee on Military Affairs adopted.

All these Senators who have given so much thought and time and effort to working on this legislation rendered a great service in helping the Senate Committee on Military Affairs to bring this legislation to the floor of the Senate.

Mr. STEWART. Mr. President, I thank the Senator from Alabama for his remarks. The work was, of course, first begun with the idea of aiding small business, and it grew into the bill itself. I will say to the Senator from Alabama and to other Senators that in our work we have had the assistance of a most excellent staff. The staff has worked untiringly on the bill, and has devoted considerable time to it.

Mr. WEEKS. Mr. President, will the Senator yield?

Mr. STEWART. I yield to the Senator from Massachusetts.

Mr. WEEKS. I should like to ask the Senator from Tennessee a question with respect to section 19 of the bill. My question relates to the prohibition of the manufacture of articles or commodities for civilian use in plants acquired by the Defense Plant Corporation in competition with any private industry. Do I correctly understand that all the plants which are to be disposed of under section 16, "Disposition of Plants," will be in the control of the Defense Plant Corporation? In other words, is that an all-inclusive provision?

Mr. STEWART. I do not know whether I am qualified to answer the question. That section was taken from the Johnson bill. The senior Senator from Colorado is, unfortunately, not on the floor at the moment. I shall not undertake to construe that section. It was not in the original draft of the bill which I introduced, but, as I understand, was taken from the draft of the Johnson bill. I will not hazard a guess on that question because I am afraid my opinion would not be worth very much. I suggest that some member of the Military Affairs Committee, which placed that provision in the bill, can make a better explanation of it than I can.

Mr. CHANDLER. Mr. President, I think the point made by the Senator from Massachusetts is well taken, and I ask the attention of the Senator from Alabama [Mr. HILL]. The provisions of section 19 referred to is as follows:

> Except as herein or otherwise provided, no Government agency shall, in competition with private industry, manufacture or produce any articles or commodities for civilian use in plants acquired by the Defense Plant Corporation.

As I recall, the words "in plants acquired by the Defense Plant Corporation" were stricken out in committee. I think they were inserted in the bill through oversight. I think my statement is an accurate one.

Mr. HILL. I think the Senator from Kentucky is correct in his statement.

Mr. CHANDLER. I think the striking of those words will meet the objection.

Mr. HILL. Some additional language was also stricken. When we were considering the other language I think the idea was that we should also strike out, "by the Defense Plant Corporation."

Mr. CHANDLER. Yes. I think the inclusion of that language is the result of an oversight. Perhaps the committee failed to strike it out.

Mr. HILL. Mr. President, the Senator from Colorado [Mr. JOHNSON], as we know, is the author of this section of the bill. He has been called from the Senate for the moment on some important matter. Tomorrow we will discuss that point with him.

Mr. AUSTIN. Mr. President, I understand that what we did was to strike out the words "or manufacture or produce any articles or commodities for military use."

Mr. CHANDLER. That is correct.

Mr. AUSTIN. And that left the language of the section as follows:

> Except as herein or otherwise provided, no Government agency shall, in competition with private industry, manufacture or produce any articles or commodities for civilian use in plants acquired by the Defense Plant Corporation.

Mr. CHANDLER. Is it the Senator's understanding that the words "in plants acquired by the Defense Plant Corporation" should remain?

Mr. AUSTIN. Yes. If those words do not remain there would be no sense to the sentence. If they were to be stricken out the language would read, and it will be seen that it would constitute an unfinished sentence:

> Except as herein or otherwise provided, no Government agency shall, in competition with private industry, manufacture or produce any articles or commodities for civilian use.

It was not our purpose to leave the sentence in that state, as I understand. It was our purpose to strike out the words "or manufacture or produce any articles or commodities for military use" in connection with plants acquired by the Defense Plant Corporation.

SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM—LIMIT OF EXPENDITURES

Mr. HAYDEN. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that I may report from the Committee to Audit and Control the Contingent Expenses of the Senate, Senate Resolution 319, for which I desire to ask immediate consideration.

The PRESIDING OFFICER. Without objection, the unfinished business is temporarily laid aside and the report will be received. The resolution will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 319) to increase the limit of

expenditures of the Special Committee to Investigate the National Defense Program.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. WHITE. Mr. President, I wish to be sure I correctly understand the resolution. My belief is that this is a resolution which came from what was formerly known as the Truman committee.

Mr. HAYDEN. That is correct.

Mr. WHITE. And which now comes before the Senate with a report from the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. HAYDEN. That is correct.

Mr. WHITE. Mr. President, this committee has been long at work, and I feel that it probably is wise that it should conclude its efforts at some time. I think in those circumstances appropriate funds should be made available to it. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 319) submitted by Mr. MEAD on August 10, 1944, was considered and agreed to, as follows:

Resolved, That the limit of expenditures under Senate Resolution 71, Seventy-seventh Congress, first session, agreed to on March 1, 1941, and subsequent resolutions, relating to the investigation of the national defense program, hereby is increased by $100,000.

Mr. WHERRY. Mr. President, I offer an amendment to the resolution.

The PRESIDING OFFICER. Does the Senator wish to offer an amendment to the resolution which has just been agreed to?

Mr. WHERRY. Yes.

The PRESIDING OFFICER. Without objection, the vote by which the resolution was agreed to will be reconsidered.

Mr. WHERRY. Mr. President, I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the resolution, it is proposed to add the following:

Hereafter, standing or select committees utilizing the services of persons who are not full-time employees of the Senate shall submit monthly reports to the Senate (or to the Secretary during a recess or adjournment) showing (1) the name and address of any such person; (2) the name and address of the department or organization by whom his salary is paid; and (3) the annual rate of compensation in each case.

Mr. HAYDEN. Mr. President, I think that that is hardly an appropriate amendment to a resolution which merely extends authority granted heretofore by the Senate to a particular committee. That is a general proposal which ought to be considered by the Senate, it seems to me, on its own merits.

Mr. HILL. Is not this a proposal which should go to the Rules Committee, perhaps, or to some other appropriate committee for consideration?

Mr. HAYDEN. Yes, Mr. President. What the Senator is proposing to do, I think, is practically to amend the rules of the Senate by requiring periodical reports by committees such as the Truman committee.

Mr. WHERRY. Mr. President, I admit that if the amendment is adopted, it will apply to each and every standing committee or special committee of the Senate. I feel that the language is germane. I feel that it should be made a part of the resolution, as well as other resolutions. I shall ask the Chair for a ruling respecting the germaneness of the amendment.

The PRESIDING OFFICER. There is no question of its germaneness. Obviously the amendment is in order. The question is on the merits of the amendment.

Mr. HILL. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HILL. The Senator knows, of course, that with the exception of general appropriation bills the Senate has no rule with respect to germaneness. There is no question about the Senator's amendment being germane. It seems to me that a matter of this kind ought to go to a committee for study. It deals with the procedure of the Senate. It deals with the procedure of the committees of the Senate. It might be that if the Senator's amendment went to a committee he would find something in the amendment which he himself might see fit to change. The Senator's amendment might even be the basis for doing some things which would be constructive and worth while, which the Senator himself does not now even envision.

Mr. President, it seems to me that a matter of this kind, which deals with committees and procedure of committees, and imposes certain duties upon committees, ought not to be considered in connection with a resolution which simply provides additional money for a committee which has been functioning for some time. The amendment should go to the Rules Committee or to an appropriate committee of the Senate to be considered. The Senator, of course, has the right, as any other Senator has, to offer the amendment. He can offer an entire bill, if he wants to, as an amendment to a pending measure. The surplus property bill did not have to be considered by a committee. It could have been offered as an amendment to some other bill. The Senator is well within his rights in offering his amendment; but I will say to the Senator that if he lets his amendment go to an appropriate committee the chances are he may find that committee consideration might very well improve what he has in mind. I simply do not think that this is the orderly way and the best way to proceed on a matter of this kind, if I may say so to the Senator.

Mr. MEAD. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MEAD. Personally I have no objection to the amendment. I think the Senate ought to take a stand on this matter, and I should like to see it take a definite position which would be in harmony with the contents of the Senator's amendment. So far as our committee is concerned—and I have had nothing to do with the organization of its personnel—it has 34 employees, and only 4 of those are employees of the executive departments of the Government. We endeavored to get away from that practice, and tried for the most part to have as employees of the committee only employees of the Senate. Nevertheless, as the result of my experience on several other committees in the past, I should like to have the Senate, at some time or other, take a determined stand, as a matter of policy, on the question of whether it wishes to borrow employees from the departments, or make it a policy for the committees to engage their own employees. I should like to see the latter course pursued.

I have no objection to the amendment, but it really does not apply in this instance. It probably is so important that it would be much better if it were given special attention by an appropriate committee of the Senate so that a determination that would be permanent and lasting could be agreed upon.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the junior Senator from Louisiana.

Mr. ELLENDER. I heartily endorse the purposes which the Senator from Nebraska has in mind. On several occasions it has come to my attention that a special committee has asked for $25,000 or $30,000, and has then engaged special investigators paid by Government departments, so that the total amount spent for the investigation, including the salaries of investigators from the departments, might be $50,000 or $75,000, much more than the amount appropriated for the committee.

I was hopeful that the Senator would prepare his amendment in such form that it could be referred to the Committee on Rules and made to apply to all standing and special committees.

Mr. WHERRY. Mr. President, I deeply appreciate the remarks just made by the junior Senator from Louisiana, and also the remarks of the junior Senator from New York, as well as those of the distinguished Senator from Alabama.

I wish Senators to know that I have no ulterior motive in offering the amendment to this particular resolution. No one has appreciated the work of the so-called Truman committee more than I have. I have made no analysis of the list of employees of the committee. I merely felt, as a result of the legislation which we had before us last week, that the time had arrived to attach such an amendment to the first resolution which came along. I felt that that was the quickest way to handle the problem. I cannot conceive of the slightest objection to what I am trying to accomplish by the amendment. I cannot see why any Senator should object to it. I do not wish to precipitate an argument. I have no ulterior motive. I believe that it would be good business to adopt the amendment, and that this is a proper way to legislate. I had hoped that the amendment would be acceptable, and that there would be no difficulty about it, because it has merit. I should like to have the junior Senator from New York

accept it. It would apply to all other committees. I cannot see any reason why any Senator should object to it.

It is all very well to talk about referring the amendment to the Rules Committee and having it rewritten. This is a simple amendment. It merely provides for a report showing the names and addresses of employees, the department or organization by whom their salaries are paid, and the annual rate of compensation in each case.

I should like to have the junior Senator from New York accept the amendment. I have the highest regard for him. I have worked with him on committees. I feel that he is in accord with what I am trying to do. If he will accept the amendment, I think it will be of benefit not only to the Senate, but to the people of the country.

Mr. MEAD. Mr. President, permit me to say to the distinguished Senator from Nebraska that, if it is agreeable to the acting chairman of the committee, who reported the resolution, it is entirely agreeable to me to accept the amendment. In fact, I feel that it is something we could do.

Mr. FERGUSON. Mr. President, on the question of interpretation of the amendment, I notice that it contains the wording "persons who are not full-time employees of the Senate." To state a hypothetical case, if a person worked for a committee, and spent his full time with the committee, would this amendment cover him?

Mr. WHERRY. It would cover all those who are loaned to a committee, either part time or full time. The amendment would not require a report as to the employees of any Senator. The language of the amendment is:

> Hereafter, standing or select committees utilizing the services of persons who are not full-time employees of the Senate shall submit monthly reports to the Senate (or to the secretary during a recess or adjournment) showing (1) the name and address of any such person; (2) the name and address of the department or organization by whom his salary is paid; and (3) the annual rate of compensation in each case.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HAYDEN. I believe that the amendment would be improved by adding after the words "employees of the Senate" the words "or any committee thereof," because there might be a distinction between an employee of the Senate and an employee of a committee.

Mr. WHERRY. I accept that modification.

Mr. FERGUSON. Mr. President, I am in full accord with this amendment. I do not believe that it would interfere with the activities of the committee whose appropriation is now under consideration. I believe that it would be a good thing for the Senate to know who is being borrowed from executive departments and used by the Senate, either full time or part time.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HATCH. I have no objection to the amendment or to what the Senator is trying to do. As I have heard it read, I am wondering what these words mean:

> Standing or select committees utilizing the services of persons.

That is a very broad term. The language "utilizing the services of persons" is very broad. I have in mind the Committee on Agriculture and Forestry, of which I am a member. Frequently employees of the Department of Agriculture sit with us for an hour or so working on amendments or legislation. When that happens we are "utilizing the services" of such persons. Would we be compelled to make a report to the Senate? The same thing may apply to other committees.

Mr. WHERRY. If they are being utilized part time or full time, a report must be made.

Mr. HATCH. If that is the interpretation, there will be many complications if this amendment is adopted, because there is not a committee in the Senate which does not send for various persons from the departments. They come before the committee to give advice. Perhaps they are there 15 minutes, 30 minutes, or an hour. This amendment would require the committee to report that sort of a transaction to the Senate.

I am not quarreling with the theory of what the Senator is trying to do. I am merely wondering what he is doing. Employees of the Department of State are constantly before the Committee on Foreign Relations. Employees of the War Department are constantly before the Committee on Military Affairs. Are all such transactions to be reported?

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. CHANDLER. In a little while it will be necessary to add a member to the staff of each committee and pay him to keep books.

Mr. HATCH. I am merely pointing out the practical situation in connection with the amendment.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. FERGUSON. Would the Senator from New Mexico be satisfied if the word "utilizing" were changed to "employing"?

Mr. HATCH. I was not quarreling over the use of the word "utilizing." I was merely trying to ascertain the practical effect of what is proposed. The word "employing" is a much better word than "utilizing."

Mr. WHERRY. I have no objection to that change. I accept the modification suggested by the Senator from Michigan, changing the word "utilizing" to "employing."

Mr. HATCH. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HATCH. I believe that "employing" is a much better word than "utilizing." However, I believe that this is a very poor way to legislate. I feel that the amendment should be referred to the Committee on Rules.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HAYDEN. That was what I had in mind when I suggested that the amendment should be referred to the Committee on Rules. When we legislate in a hurry we do not know exactly what we are doing. The term which we have usually employed is "loaned by a department to a committee." That is, the salary is paid by the department, but the time and services are loaned to a Senate committee. If a person is hired and paid by a department he cannot be employed by a committee. He is not an employee of the committee unless the committee pays him. I believe that pay is the essence of the term "employment." If the committee does not pay a person it is not employing him.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. AIKEN. Is it not a fact that a committee cannot employ any person from a department without specific authorization from the Senate in any case? From time to time I have been a member of several subcommittees which could have used the services of persons from the departments; but, as I understand, the consent of the Comptroller General must be obtained before we can either employ or utilize the services of any member of a department. So far as I know, there is no objection to a committee calling before it any person from one of the departments; but so far as utilizing his services, or employing him, is concerned, I am sure that the Comptroller General must give his approval, unless there is direct authorization by the Senate itself.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BURTON. I should like to say a word in support of this amendment, inasmuch as the chairman of the committee primarily involved has approved it. As a member of that committee I also approve of it. It seems to me that it is a perfectly sound and simple rule of practice, to the substance of which no objection has been raised by any of the Senators who have discussed it. It seems to me that the committee to which this resolution refers is a good committee to take the lead in establishing this general practice. If the amendment were to be referred to the Committee on Rules for consideration, I believe their recommendation would be favorable, but that it would be difficult to get a meeting of the committee either to consider it or to report it promptly.

The proposal contained in this amendment is simple, and should recommend itself to the common sense of the Senate. I believe that the Senator from New York [Mr. MEAD], in accepting it, has done the thing that common sense dictates and I hope the amendment will be agreed to, and become a matter of general practice. I believe that this is the appropriate committee with which to start and this is a good time to act.

The PRESIDING OFFICER. The Senate will have to act on the amend-

ment. The Senator from New York has no authority to accept it.

The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. WHERRY], as modified.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution as amended.

The resolution (S. Res. 319), as amended, was agreed to, as follows:

Resolved, That the limit of expenditures under Senate Resolution 71, Seventy-seventh Congress, first session, agreed to on March 1, 1941, and subsequent resolutions, relating to the investigation of the national defense program, hereby is increased by $100,000.

Hereafter, standing or select committees employing the services of persons who are not full-time employees of the Senate or any committee thereof shall submit monthly reports to the Senate (or to the Secretary during a recess or adjournment) showing (1) the name and address of any such person; (2) the name and address of the department or organization by whom his salary is paid; and (3) the annual rate of compensation in each case.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Finance:

Several officers for promotion in the Regular Corps of the United States Public Health Service.

By Mr. CONNALLY, from the Committee on Foreign Relations:

Philip W. Bonsal, of the District of Columbia, to be a Foreign Service officer of class 5, a secretary in the Diplomatic Service, and a consul.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

POSTMASTER AT MONTEGUT, LA.—NOMINATION REPORTED AND CONFIRMED

Mr. ELLENDER. Mr. President, from the Committee on Post Offices and Post Roads, I report favorably the nomination of Ernest L. Robichaux to be postmaster at Montegut, La. I am happy to report this nomination because Mr. Robichaux is an outstanding citizen of that community. I have known him since boyhood; I know his sterling qualities and fine character, and I have every confidence that he will continue to be the excellent postmaster he has been in the past.

I ask unanimous consent for the immediate consideration of the nomination.

The PRESIDING OFFICER. The nomination will be stated for the information of the Senate.

The legislative clerk read the nomination of Ernest L. Robichaux, to be postmaster at Montegut, La.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination?

Mr. WHITE. Mr. President, let me inquire whether the report is now being made from the Committee on Post Offices and Post Roads?

Mr. ELLENDER. That is correct. The nomination is for postmaster at the town where I was born. I wish to have the nomination immediately confirmed.

Mr. WHITE. That is a very convincing reason for the prompt confirmation of the nomination.

The PRESIDING OFFICER. The Chair hears no objection to the present consideration of the nomination. Without objection, the nomination is considered and confirmed.

If there be no further reports of committees the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc and that the President be immediately notified of all confirmations of postmaster nominations made today.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc; and, without objection, the President will be notified forthwith of all confirmations made of postmaster nominations.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. CHANDLER. I ask unanimous consent that the nominations in the Army be confirmed en bloc and that the President be notified forthwith of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc; and, without objection, the President will be notified forthwith of the confirmation of the nominations.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

The PRESIDING OFFICER. Without objection, the nominations in the Navy are confirmed en bloc; and, without objection, the President will be immediately notified of the confirmation of the nominations.

THE MARINE CORPS

The legislative clerk read the nomination of Franklin A. Hart, to be brigadier general for temporary service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed, and, without objection, the President will be immediately notified of the confirmation of the nomination.

RECESS

Mr. HILL. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 39 minutes p. m.) the Senate took a recess until tomorrow, Thursday, August 24, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received August 23 (legislative day of August 15), 1944:

UNITED STATES PUBLIC HEALTH SERVICE

The following-named officers for promotion in the Regular Corps of the United States Public Health Service:

PASSED ASSISTANT DENTAL SURGEONS TO BE DENTAL SURGEONS EFFECTIVE DATE INDICATED

Joseph J. Dunlay, September 1, 1944.
Walter J. Pelton, September 6, 1944.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Bernice P. Jones, Adger, Ala. Office became Presidential July 1, 1944.
Joe Slatesky, Jr., Brookside, Ala. Office became Presidential July 1, 1944.
Phoebe E. Johnson, Coatopa, Ala. Office became Presidential July 1, 1944.
Herman Poe, Corona, Ala. Office became Presidential July 1, 1944.
Joseph A. Russell, Dawson, Ala. Office became Presidential July 1, 1944.
Gladys Reaves, Dolomite, Ala. Office became Presidential July 1, 1944.
Rosa L. Cothran, Dutton, Ala. Office became Presidential July 1, 1944.
Austin M. Causey, Fivepoints, Ala. Office became Presidential July 1, 1944.
Thomas D. Noles, Graham, Ala. Office became Presidential July 1, 1944.
Joseph W. Smith, Mount Hope, Ala. Office became Presidential July 1, 1944.
Bertha O. Burt, Pittsview, Ala. Office became Presidential July 1, 1944.
Tinnie Mae McGinty, River View, Ala. Office became Presidential July 1, 1944.
Onita E. Wood, Round Mountain, Ala. Office became Presidential July 1, 1944.
Mary W. McLain, Salem, Ala. Office became Presidential July 1, 1944.
Jessie E. West, Sayreton, Ala. Office became Presidential July 1, 1944.
Leona M. Bird, Shelby, Ala. Office became Presidential July 1, 1944.
Sarah B. Baker, Shorter, Ala. Office became Presidential July 1, 1944.
Ada G. Taylor, Tanner, Ala. Office became Presidential July 1, 1944.
Jesse G. Reynolds, Toney, Ala. Office became Presidential July 1, 1944.
Francis Dawson Lile, Trinity, Ala. Office became Presidential July 1, 1944.
Augustus S. McDermott, Union Grove, Ala. Office became Presidential July 1, 1944.

ARIZONA

Armon D. Cheatham, Laveen, Ariz. Office became Presidential July 1, 1944.
Bessie L. Savage, Sells, Ariz. Office became Presidential July 1, 1944.

ARKANSAS

Kathleen B. Farris, Biscoe, Ark. Office became Presidential July 1, 1944.
Robert W. Tuck, Redfield, Ark. Office became Presidential July 1, 1944.

CALIFORNIA

Homer Clark, Blue Lake, Calif. Office became Presidential July 1, 1944.
Louise J. Riley, Cardiff-by-the-Sea, Calif. Office became Presidential July 1, 1944.
Mildred I. Roberts, Coleville, Calif. Office became Presidential July 1, 1944.
LaZella N. Liddell, Sequoia National Park, Calif., in place of R. B. Montgomery, resigned.
Alice DeC. Algar, Stinson Beach, Calif. Office became Presidential July 1, 1944.
Harry A. Eckert, Westpoint, Calif. Office became Presidential July 1, 1944.
George E. Richardson, Wrightwood, Calif. Office became Presidential July 1, 1944.

COLORADO

Anna Christensen, Agate, Colo. Office became Presidential July 1, 1944.
Harry E. Cotter, Crowley, Colo. Office became Presidential July 1, 1944.
Derrett C. Smith, Kim, Colo. Office became Presidential July 1, 1944.
Magdalene Skees, Loretto, Colo. Office became Presidential July 1, 1944.
Eileen E. Palmateer, Milliken, Colo. Office became Presidential July 1, 1944.
Elmer F. Huitt, Pierce, Colo. Office became Presidential July 1, 1944.
Martin F. Mendine, Valdez, Colo. Office became Presidential July 1, 1944.
Jessie M. Hanks, Westminster, Colo. Office became Presidential July 1, 1944.

CONNECTICUT

Richard Arthur Greiser, Easton, Conn. Office became Presidential July 1, 1944.
Edward F. Charter, Ellington, Conn. Office became Presidential July 1, 1944.
Lillian M. Maxcy, Mansfield Center, Conn. Office became Presidential July 1, 1944.

FLORIDA

Margaret M. Scrugga, Aucilla, Fla. Office became Presidential July 1, 1944.
Gertrude R. Gauger, Bagdad, Fla. Office became Presidential July 1, 1944.
Thad J. Walker, Jr., Baker, Fla., in place of A. B. Moore, transferred.
Elma Shuler, Bristol, Fla. Office became Presidential July 1, 1944.
Sarah J. Burns, Enterprise, Fla. Office became Presidential July 1, 1944.
Vivian P. Snyder, Floral City, Fla. Office became Presidential July 1, 1944.
Abbie A. Casey, Freeport, Fla. Office became Presidential July 1, 1944.
Ida B. McMillan, Grand Ridge, Fla. Office became Presidential July 1, 1943.
John B. McGill, Lake Helen, Fla. Office became Presidential July 1, 1944.
Alvis W. Reams, Lamont, Fla. Office became Presidential July 1, 1944.
Janet E. Barr, Limona, Fla. Office became Presidential July 1, 1944.
Varena M. Cox, Montverde, Fla. Office became Presidential July 1, 1944.
Leonard P. Stewart, Jr., Zellwood, Fla. Office became Presidential July 1, 1944.

GEORGIA

Willie E. Fulcher, McBean, Ga. Office became Presidential July 1, 1944.
M. Wallace Forrester, Mount Airy, Ga. Office became Presidential July 1, 1944.
James E. Chambless, Rentz, Ga. Office became Presidential July 1, 1944.
Wiley T. Young, Riverdale, Ga. Office became Presidential July 1, 1944.
John H. Wood, Rocky Face, Ga. Office became Presidential July 1, 1944.
William A. Garrett, Roopville, Ga. Office became Presidential July 1, 1944.
Ethline F. Kendrick, Sharon, Ga. Office became Presidential July 1, 1944.
Eva L. Ellis, Sumner, Ga. Office became Presidential July 1, 1944.
Jewell Morrison, Talking Rock, Ga. Office became Presidential July 1, 1944.
Mell S. Rhodes, Taylorsville, Ga. Office became Presidential July 1, 1944.
William C. Lively, Waco, Ga. Office became Presidential July 1, 1944.
Vera H. Cummings, Warthen, Ga. Office became Presidential July 1, 1944.
George L. Sinclair, Waverly Hall, Ga. Office became Presidential July 1, 1944.
Julia J. Scott, Williamson, Ga. Office became Presidential July 1, 1944.
Nas Paulk, Wray, Ga. Office became Presidential July 1, 1944.

HAWAII

James Costa Amarino, Holualoa, T. H. Office became Presidential July 1, 1943.

ILLINOIS

Carter H. Pletsch, Bloomington, Ill., in place of W. J. Fahey, deceased.
Veneta L. Moss, Dakota, Ill. Office became Presidential July 1, 1944.
Harley R. Foster, Deer Creek, Ill. Office became Presidential July 1, 1944.
Bertha M. Esh, Spring Grove, Ill. Office became Presidential July 1, 1944.
Jennie Puma, Thayer, Ill. Office became Presidential July 1, 1944.
Thomas J. Gawthorp, West Salem, Ill., in place of C. N. Ginther, transferred.

INDIANA

Cora J. Quinn, Bringhurst, Ind. Office became Presidential July 1, 1944.
Florence L. Heifner, Charlottesville, Ind. Office became Presidential July 1, 1944.
William F. Hilkene, Cumberland, Ind. Office became Presidential July 1, 1944.
Raymond M. Cornett, Decker, Ind. Office became Presidential July 1, 1944.
Vallie F. Webster, Forest, Ind. Office became Presidential July 1, 1944.
Inez Murnan, Fountaintown, Ind. Office became Presidential July 1, 1944.
Carrie Kay, Fredericksburg, Ind. Office became Presidential July 1, 1944.
William E. James, Harlan, Ind. Office became Presidential July 1, 1944.
Beryl Bridwell, Heltonville, Ind. Office became Presidential July 1, 1944.
Dayton L. Barkley, Hoagland, Ind. Office became Presidential July 1, 1944.
Wilma B. Foster, Kimmell, Ind. Office became Presidential July 1, 1944.
Grace Pittman, Laconia, Ind. Office became Presidential July 1, 1944.
Enos H. Young, Laotto, Ind. Office became Presidential July 1, 1944.
Phyllis G. Plummer, Larwill, Ind. Office became Presidential July 1, 1944.
Brian W. Smith, Lebanon, Ind., in place of J. R. Kelley. Incumbent's commission expired May 27, 1942.

IOWA

Georga L. Muenchow, Arcadia, Iowa. Office became Presidential July 1, 1944.
Peter S. Juhl, Crystal Lake, Iowa. Office became Presidential July 1, 1944.
George H. Miller, Libertyville, Iowa. Office became Presidential July 1, 1944.
Magdalene M. Klosterman, New Vienna, Iowa. Office became Presidential July 1, 1944.
Paul E. Heckathorn, Van Wert, Iowa. Office became Presidential July 1, 1944.
Charles G. Marquis, Woodburn, Iowa. Office became Presidential July 1, 1944.

KANSAS

Merton P. Hill, Benton, Kans. Office became Presidential July 1, 1944.
John O. Allman, Fontana, Kans. Office became Presidential July 1, 1944.
Selma R. Cochran, Ford, Kans. Office became Presidential July 1, 1944.
Warren P. Armstrong, Hepler, Kans. Office became Presidential July 1, 1944.
Clarence M. Chaney, Stark, Kans. Office became Presidential July 1, 1944.

KENTUCKY

Mary Lou Harris, Adolphus, Ky. Office became Presidential July 1, 1944.
Mollie L. Allphin, Crittenden, Ky. Office became Presidential July 1, 1944.
Lillian N. Coombs, Graham, Ky. Office became Presidential July 1, 1944.
Roy O. Harmon, Gravel Switch, Ky. Office became Presidential July 1, 1944.
Hattie Koenen, Hanson, Ky. Office became Presidential July 1, 1944.
Alice Scott, Hardy, Ky. Office became Presidential July 1, 1944.
Dorsey C. Rose, Hazel Green, Ky. Office became Presidential July 1, 1944.
Anna O. Stephens, Hi Hat, Ky. Office became Presidential July 1, 1944.
Willie Hall, McDowell, Ky. Office became Presidential July 1, 1944.
Uel S. Morgan, Nebo, Ky. Office became Presidential July 1, 1944.
Gertrude Scott, Pinsonfork, Ky. Office became Presidential July 1, 1944.
Charles E. Branson, Robards, Ky. Office became Presidential July 1, 1944.
James P. Hudson, St. Charles, Ky. Office became Presidential July 1, 1944.
Marion H. Brashear, Viper, Ky. Office became Presidential July 1, 1944.

LOUISIANA

Maud M. Mayes, Ansley, La. Office became Presidential July 1, 1944.
Thelma M. Humble, Calhoun, La. Office became Presidential July 1, 1944.
Jeanne H. Crouchet, Carencro, La. Office became Presidential July 1, 1943.
Jennie O. Parker, Crowville, La. Office became Presidential July 1, 1944.
Joseph Fenelon Landry, Delcambre, La. Office became Presidential July 1, 1943.
Vera M. Canady, Eros, La. Office became Presidential July 1, 1944.
Ruth M. Fairleigh, Holly Ridge, La. Office became Presidential July 1, 1944.
James A. Duke, Kelly, La. Office became Presidential July 1, 1944.
Milly G. McCullough, Livingston, La. Office became Presidential July 1, 1944.
Ernest L. Robichaux, Montegut, La. Office became Presidential July 1, 1943.
Lena Evasovich, Triumph, La. Office became Presidential July 1, 1944.

MAINE

Ermine B. Davis, Burnham, Maine. Office became Presidential July 1, 1944.
Vera G. Brown, New Sharon, Maine. Office became Presidential July 1, 1944.
Phoebe Stevens, Portage, Maine. Office became Presidential July 1, 1944.

MARYLAND

Nan R. Eaton, Flint Stone, Md. Office became Presidential July 1, 1944.
Harold Slingluff, Mitchellville, Md. Office became Presidential July 1, 1944.

MICHIGAN

Crystal Weldon, Mears, Mich. Office became Presidential July 1, 1944.
Coral Estep, Muir, Mich. Office became Presidential July 1, 1944.

MISSISSIPPI

Roy E. Hussey, Abbeville, Miss. Office became Presidential July 1, 1944.
Lina B. Dietz, Beaumont, Miss. Office became Presidential July 1, 1944.
Annette Boleware, Carson, Miss. Office became Presidential July 1, 1944.
Mary Bloodworth, Cascilla, Miss. Office became Presidential July 1, 1944.
Jimmie L. Coffey, Etta, Miss. Office became Presidential July 1, 1944.
James E. Rogers, Falkner, Miss. Office became Presidential July 1, 1944.

MISSOURI

Anna Lee Byers, Agency, Mo. Office became Presidential July 1, 1944.
Martha T. Russell, Bertrand, Mo. Office became Presidential July 1, 1944.
Frances Ann Brown, Deering, Mo. Office became Presidential July 1, 1944.
Genevieve Frakes, De Kalb, Mo. Office became Presidential July 1, 1944.
Goldie M. Edmundson, Dudley, Mo. Office became Presidential July 1, 1944.
Naomi M. Snodderley, Elma, Mo. Office became Presidential July 1, 1943.
Cornelia Hart, Granby, Mo., in place of W. W Scholes, Jr., transferred.
Nathaniel Nunnery, Holland, Mo. Office became Presidential July 1, 1943.
Hallie M. Swain, Koshkonong, Mo., in place of M. P. Chastain, transferred.

NEVADA

Edna M. Hall, Kimberly, Nev., in place of V. D. Hall, resigned.

NEW HAMPSHIRE

Clarence A. Morse, Brookline, N. H. Office became Presidential July 1, 1944.
Harry H. Atwood, Pelham, N. H. Office became Presidential July 1, 1944.

Marion B. Lyman, Silver Lake, N. H. Office became Presidential July 1, 1944.

NEW JERSEY

John R. Powell, Alloway, N. J. Office became Presidential July 1, 1944.
Margaret G. Walter, Cedar Knolls, N. J. Office became Presidential July 1, 1944.
Gertrude Hynes, Colonia, N. J. Office became Presidential July 1, 1944.
Joseph R. L. Jackson, Hazlet, N. J. Office became Presidential July 1, 1944.
Bessie W. Blutstein, Jersey Homesteads, N. J. Office became Presidential July 1, 1944.
James D. Treible, Lafayette, N. J. Office became Presidential July 1, 1944.
Margaret Butterfield, West Milford, N. J. Office became Presidential July 1, 1944.

NEW MEXICO

John F. Lopez, San Juan Pueblo, N. Mex. Office made Presidential July 1, 1944.

NEW YORK

Agnes C. VanDemark, Brooktondale, N. Y. Office became Presidential July 1, 1944.
Anna V. Herron, Centereach, N. Y. Office became Presidential July 1, 1943.
Gertrude A. Vande Bogart, Leonardsville, N. Y., in place of F. A. Howland, resigned.
Ragnhild O. Chester, Mastic Beach, N. Y., in place of Alida Vandenburg, resigned.
Edward Phillips, Middleport, N. Y., in place of G. F. Tracey, deceased.
Helen W. Aumick, Pine City, N. Y. Office became Presidential July 1, 1943.
Eunice H. Raynor, Quogue, N. Y., in place of F. P. Bakutis, removed.
W. Paul Blancher, South Lansing, N. Y. Office became Presidential July 1, 1944.
Joseph F. Marshall, Waterloo, N. Y., in place of O. C. Cone. Incumbent's commission expired June 23, 1942.
Louise Knapp, Wolcott, N. Y., in place of A. B. Sabin, resigned.

NORTH CAROLINA

Bertha James, Chinquapin, N. C. Office became Presidential July 1, 1944.
Ella E. Meshaw, Council, N. C. Office became Presidential July 1, 1944.

NORTH DAKOTA

Gertrude E. Kraus, Alice, N. Dak. Office became Presidential July 1, 1943.
Edward Jerke, Fredonia, N. Dak., in place of R. A. Lehr, transferred.
Esther N. Overn, Kathryn, N. Dak. Office became Presidential July 1, 1943.
Vaughn C. Magnuson, Martin, N. Dak. Office became Presidential July 1, 1943.
Benjamin J. Schnedar, Pisek, N. Dak. Office became Presidential July 1, 1943.

OHIO

William L. Roush, Aberdeen, Ohio. Office became Presidential July 1, 1944.
Ada M. Waggal, Amelia, Ohio, in place of F. B. Weaver, deceased.
George W. Miranda, Blue Creek, Ohio. Office became Presidential July 1, 1944.
Francis A. Taylor, Chippewa Lake, Ohio. Office became Presidential July 1, 1944.
Gail Miller, Christiansburg, Ohio. Office became Presidential July 1, 1944.
Jerome H. Langhals, Cloverdale, Ohio. Office became Presidential July 1, 1944.
Merle A. Rowe, Coalton, Ohio. Office became Presidential July 1, 1944.
Mary Tigar, Cozaddale, Ohio. Office became Presidential July 1, 1944.
Julia Garlic, Crown City, Ohio. Office became Presidential July 1, 1944.
Clara Korta, Custar, Ohio. Office became Presidential July 1, 1944.
James P. Lavey, Milan, Ohio, in place of Roy C. Walker, removed.
Anna L. Milhoan, Sawyerwood, Ohio. Office became Presidential July 1, 1944.
Robert S. McConnell, Tippecanoe, Ohio. Office became Presidential July 1, 1944.
Etta G. Duffield, Vanburen, Ohio. Office became Presidential July 1, 1944.
Mary A. Cramer, West Chester, Ohio. Office became Presidential July 1, 1944.
Gurney H. Lowe, Williston, Ohio. Office became Presidential July 1, 1944.
Pearl B. Hildreth, Woodstock, Ohio. Office became Presidential July 1, 1944.
James R. O'Leary, Zaleski, Ohio. Office became Presidential July 1, 1944.
Frank V. Miller, Zanesfield, Ohio. Office became Presidential July 1, 1944.

OREGON

Orra B. Cole, Cannon Beach, Oreg. Office became Presidential July 1, 1944.
Louie E. Briggs, Charleston, Oreg. Office became Presidential July 1, 1944.
Elsie Langley, Fairview, Oreg. Office became Presidential July 1, 1944.
Antoinette McKechnie, Gearhart, Oreg. Office became Presidential July 1, 1942.
Harriet E. Payne, Harbor, Oreg. Office became Presidential July 1, 1944.
Frank E. Cross, Hebo, Oreg. Office became Presidential July 1, 1944.
William B. Small, Hood River, Oreg., in place of J. D. McLucas, removed.

PENNSYLVANIA

Bernard M. Schupp, Fryburg, Pa. Office became Presidential July 1, 1944.
Ruth R. Stiely, Gratz, Pa. Office became Presidential July 1, 1944.
Regirald S. Feather, Hadley, Pa. Office became Presidential July 1, 1944.
Arthur Chattaway, Hazzard, Pa. Office became Presidential July 1, 1944.
Anna Eakins, Hyde Park, Pa. Office became Presidential July 1, 1944.
Caroline E. Boyer, Kersey, Pa., in place of C. E. Boyer. Incumbent's commission expired June 23, 1942.
Charles E. Robacker, Penfield, Pa. Office became Presidential July 1, 1944.
Edna M. Huston, Robinson, Pa. Office became Presidential April 1, 1944.
Beaver Cornelius, Saltillo, Pa. Office became Presidential July 1, 1944.
Emile A. Rank, Sturgeon, Pa. Office became Presidential July 1, 1944.
Mary E. Callahan, Summerhill, Pa. Office became Presidential July 1, 1944.
Roland D. Heile, Transfer, Pa. Office became Presidential July 1, 1944.
Robert V. S. Snyder, Wood, Pa. Office became Presidential July 1, 1944.

RHODE ISLAND

Joseph E. Daneault, Albion, R. I. Office became Presidential July 1, 1944.
Charles H. Williams, Kenyon, R. I. Office became Presidential July 1, 1944.
Ann A. Dillon, La Fayette, R. I. Office became Presidential July 1, 1943.

SOUTH CAROLINA

Hudnalle B. McLean, Blythewood, S. C. Office became Presidential July 1, 1944.
Mattie O. Bruce, Chapin, S. C. Office became Presidential July 1, 1944.
Bessie F. Cannon, Clifton, S. C. Office became Presidential July 1, 1944.
Eva S. Drake, Converse, S. C. Office became Presidential July 1, 1944.
Philip P. Gaillard, Dalzell, S. C. Office became Presidential July 1, 1944.
William S. Hills, Edisto Island, S. C. Office became Presidential July 1, 1944.
Milas Y. Sease, Gilbert, S. C. Office became Presidential July 1, 1944.
Myrtle R. Sams, Glendale, S. C. Office became Presidential July 1, 1944.
Vivian W. Edwards, Gresham, S. C. Office became Presidential July 1, 1944.
Raymond S. Younginer, Irmo, S. C. Office became Presidential July 1, 1944.
Beulah E. Bryson, Owings, S. C. Office became Presidential July 1, 1944.
Mary C. Morrow, Pauline, S. C. Office became Presidential July 1, 1944.
William F. Lachicotte, Pawleys Island, S. C. Office became Presidential July 1, 1944.
Ethel M. Rogers, Roebuck, S. C. Office became Presidential July 1, 1944.
Beatrice M. Whitfield, Townville, S. C. Office became Presidential July 1, 1944.
William Y. McNeill, Waterloo, S. C. Office became Presidential July 1, 1944.

SOUTH DAKOTA

Agnes O. Sundheim, Peever, S. Dak. Office became Presidential July 1, 1944.
Eloise Holdren, Vale, S. Dak. Office became Presidential July 1, 1944.

TENNESSEE

John M. Pearcy, Lascassas, Tenn. Office became Presidential July 1, 1944.
James C. Davis, Luttrell, Tenn. Office became Presidential July 1, 1944.
Hattie B. Riddick, Maury City, Tenn. Office became Presidential July 1, 1944.
Eddith Scott Dawson, Parrottsville, Tenn. Office became Presidential July 1, 1944.
G. Ivan Malone, Piney Flats, Tenn. Office became Presidential July 1, 1944.
Carrie E. Monday, Speedwell, Tenn. Office became Presidential July 1, 1943.
Lillie M. Reel, Watauga, Tenn. Office became Presidential July 1, 1944.

TEXAS

Lois B. Deaver, Bluff Dale, Tex. Office became Presidential July 1, 1944.
Emma Johnson, Brookeland, Tex. Office became Presidential July 1, 1944.
Ina McCall, Burke, Tex. Office became Presidential July 1, 1944.
Hugo Suhr, Cat Spring, Tex. Office became Presidential July 1, 1944.
Graves Burke, Cherokee, Tex. Office became Presidential July 1, 1944.
Ernst H. A. Schlather, Cibolo, Tex. Office became Presidential July 1, 1944.
Henry E. Philippus, Cost, Tex. Office became Presidential July 1, 1944.
Winnie G. Tanner, Flomot, Tex. Office became Presidential July 1, 1944.
Winola C. Lee, Fritch, Tex. Office became Presidential July 1, 1944.
Nora C. McNally, Godley, Tex. Office became Presidential July 1, 1944.
Lucile H. Pape, Gregory, Tex. Office became Presidential July 1, 1944.
Oscar H. Brent, Hamshire, Tex. Office became Presidential July 1, 1944.
Irma Jane Farek, Hockley, Tex. Office became Presidential July 1, 1944.
Ouita Schaeffer, Honey Island, Tex. Office became Presidential July 1, 1944.
John Marvin Murray, Lyons, Tex. Office became Presidential July 1, 1944.
Lottie H. Rector, McCaulley, Tex. Office became Presidential July 1, 1944.
Paul D. Davis, Nevada, Tex. Office became Presidential July 1, 1944.
Clark C. Coppedge, Ore City, Tex. Office because Presidential July 1, 1944.
Edward D. Farmer, Pierce, Tex. Office became Presidential July 1, 1944.
Sadie R. Smajstria, Placedo Junction, Tex. Office became Presidential July 1, 1944.
Veda G. Evans, Red Oak, Tex. Office became Presidential July 1, 1944.
Mattie Cowden, Sandia, Tex. Office became Presidential July 1, 1944.

VERMONT

Alice G. Dudley, Shoreham, Vt., in place of A. G. Dudley, deceased.

VIRGINIA

Vira B. West, Bandy, Va. Office became Presidential July 1, 1944.
Julia A. Powers, Bon Air, Va. Office became Presidential July 1, 1944.
John S. Allen, Doswell, Va. Office became Presidential July 1, 1944.
Adline Quesenberry, Dugspur, Va. Office became Presidential July 1, 1944.
Milton J. Turner, Huddleston, Va. Office became Presidential July 1, 1944.

Lottie M. Gertzen, Iron Gate, Va. Office became Presidential July 1, 1944.
William Burton Adams, Java, Va. Office became Presidential July 1, 1944.
Grover G. Watkins, Lottsburg, Va. Office became Presidential July 1, 1944.
Grace F. Boley, Lynch Station, Va. Office became Presidential July 1, 1944.
Hubert S. Cline, Mount Sidney, Va. Office became Presidential July 1, 1944.
Edgar L. Paisley, Mouth of Wilson, Va. Office became Presidential July 1, 1944.
Mary F. Burks, Natural Bridge Station, Va. Office became Presidential July 1, 1944.
Lulu B. Woodyard, Occoquan, Va. Office became Presidential July 1, 1944.
A. Hyslop LeCato, Painter, Va., in place of M. E. W. Downing, deceased.
Ruby P. Perdue, Penhook, Va. Office became Presidential July 1, 1944.
Mary E. Holmes, Plasterco, Va. Office became Presidential July 1, 1944.
Julia W. McCann, Roxbury, Va. Office became Presidential July 1, 1944.
William L. Johnston, Somerset, Va. Office became Presidential July 1, 1944.
Goldie P. Pasley, Trout Dale, Va. Office became Presidential July 1, 1944.
Nancy G. Dunn, Vernon Hill, Va. Office became Presidential July 1, 1944.

WEST VIRGINIA

Nellie M. Hilton, Bellepoint, W. Va. Office became Presidential July 1, 1944.
Lenna S. Jones, Bristol, W. Va Office became Presidential July 1, 1944.
Dorena Annese, Brownton, W. Va. Office became Presidential July 1, 1944.
Louie E. Bumphrey, Burlington, W. Va. Office became Presidential July 1, 1944.
Roy Palmer, Cannelton, W. Va. Office became Presidential July 1, 1944.
Samuel L. Carter, Colliers, W. Va. Office became Presidential July 1, 1944.
Kathleen E. Gilreath, Eleanor, W. Va. Office became Presidential July 1, 1944.
Louise W. Boyd, Glenalum, W. Va. Office became Presidential July 1, 1944.
Clyde Y. Harman, Harman, W. Va. Office became Presidential July 1, 1944.
Flossie Shuman, Hastings, W. Va. Office became Presidential July 1, 1944.
Earl C. Shroades, Inwood, W. Va. Office became Presidential July 1, 1944.
J. Bruce Brookover, Jacksonburg, W. Va. Office became Presidential July 1, 1944.
Golden F. Row, Junior, W. Va. Office became Presidential July 1, 1944.
Dennis H. Beverage, Layland, W. Va. Office became Presidential July 1, 1944.
Harry C. Skaggs, Long Branch, W. Va. Office became Presidential July 1, 1944.
Jessie D. Hoffmaster, Millville, W. Va. Office became Presidential July 1, 1944.
Ward Schoonover, Montrose, W. Va. Office became Presidential July 1, 1944.
Willie J. Thompson, Nolan, W. Va. Office became Presidential July 1, 1944.
Socia Anna Winter, Norton, W. Va. Office became Presidential July 1, 1944.
Mary A. Conrad, Roanoke, W. Va. Office became Presidential July 1, 1944.
Hallie M. Young, Rock, W. Va. Office became Presidential July 1, 1944.
Hiram A. Hetherington, Roderfield, W. Va. Office became Presidential July 1, 1944.
Lossie R. Lemons, Sinks Grove, W. Va. Office became Presidential July 1, 1944.
John E. Crickmer, Squire, W. Va. Office became Presidential July 1, 1944.
Paul E. Love, Verdunville, W. Va. Office became Presidential July 1, 1944.
Evelyn M. Griffith, Windsor Heights, W. Va. Office became Presidential July 1, 1944.

WISCONSIN

Dorothy J. Steckbauer, Aniwa, Wis. Office became Presidential July 1, 1944.
Ethel Y. Hogenson, Chili, Wis. Office became Presidential July 1, 1944.
Werner W. Wolfinger, Eland, Wis. Office became Presidential July 1, 1944.
Emma M. Olson, Mindoro, Wis. Office became Presidential July 1, 1943.
Bertha Peterson, Ogdensburg, Wis. Office became Presidential July 1, 1944.
Leo J. Velten, Tony, Wis. Office became Presidential July 1, 1944.
John R. Lesar, Willard, Wis. Office became Presidential July 1, 1944.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 23 (legislative day of August 15), 1944:

TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES

To be lieutenant general

Alexander McCarrell Patch

To be major generals

Donald Armpriester Stroh
James George Christiansen
Ben Menadue Sawbridge
Clinton Frederick Robinson
Paul Langdon Williams
Walter Alexander Wood, Jr.
Samuel Egbert Anderson
William Fraser Tompkins
Verne Donald Mudge
Sidney Parker Spalding

To be brigadier generals

Ernest Moore
Robert Scott Israel, Jr.
Thomas Connell Darcy
George Dunbar Pence
Roy Charles Lemach Graham
William Wallace Ford
George Henry Decker
Robert Milchrist Cannon
John Francis Uncles
Riley Finley Ennis
Burdette Mase Fitch
John Paul McConnell
Winslow Carroll Morse
Robert Gibbins Gard
Carter Bowie Magruder
Alvin Roubal Luedecke
Arthur Gilbert Trudeau
George Wessely Sliney
Homer LeRoy Sanders
Joe L. Loutzenheiser
Truman Casper Thorson
Evans Read Crowell
Charles Edward Hart
William Leonard Ritter
John Weckerling
Carroll Owen Bickelhaupt
Andrew Frank McIntyre
Edward Nolen Backus

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

To Adjutant General's Department

Maj. Clarence McCurdy Virtue

To Quartermaster Corps

First Lt. James Michael Illig

To Corps of Engineers

First Lt. Troxell Olin Mason

To Ordnance Department

First Lt. John Pearson Sherden, Jr.

To Signal Corps

Second Lt. Stanley Livingston James, Jr.

To Cavalry

Second Lt. Thomas Quinton Donaldson 4th

To Infantry

Maj. Edwin William Chamberlain
Capt. Alexander Johnston Sutherland
First Lt. Robert Willoughby Garrett
First Lt. John Francis Thomas Murray

APPOINTMENTS IN THE REGULAR ARMY

To be first lieutenants, Medical Corps, with rank from date of appointment

Augustus Lynn Baker, Jr.
Bruce Hardy Bennett
Alfred Sjouke Blauw
Hamilton Boyd, Jr.
Daniel Hedgcoxe Cahoon
John Sidney Clapp
William Dunbar Dugan
Harold Victor Ellingson
Robert Cantrell Feamster
Charles Crosbie Flood
Emil Joseph Genetti
Frank Edward Harrigan, Jr.
Keith Duane Heuser
Robert Richard Jones
Vernon Charles Kelly
Kenneth Albert Koerner
Robert Landesman
Robert Edmund Lau
Joseph Peter McEvoy
John Mark McIver
Graham Burton Milburn
Todd Merriam Mulford
James Richard Paul
George Shackelford Richardson
Humbert Lewis Riva
Joseph Negley Schaeffer
Edward Shaw
Fred R. Sloan
Nathaniel Roscoe Spencer
Robert William Thometz
Colin Francis Vorder Bruegge
Joseph Edward Walther

To be second lieutenants, Pharmacy Corps, with rank from date of appointment

Jesse Nichols Butler
Leonard John Cook
Paul F. Crutchlow
James Thomas Haden
Maurice William Hylden
Kenneth Bradley Johnson
David Arthur Schlichting
Edmund Walter Bleckinger
Leo Joseph Collins
Melvin William Crotty
William Dennis
Henry Lamar Hammond
David Henry Hood
Norman Richard Johnson
Bernard Kurtz
Joseph Albert Meisner, Jr.
Francis Xavier Munsch, Jr.
Francis Joseph DePanfilis
Richard McDermaid
George Henry Schneller

PROMOTIONS IN THE REGULAR ARMY

To be colonel, Field Artillery

Horace Logan McBride

To be lieutenant colonel, Field Artillery

Richard Sears

To be first lieutenant, Corps of Engineers

Truman Holt Setliffe

To be colonels, Medical Corps

Walter Fleming Hamilton
Frank Tenny Chamberlin
Howard Joseph Hutter
Irwin Bradfield Smock

To be lieutenant colonel, Medical Corps

Prentice Lauri Moore

To be major, Medical Corps

William Darrell Willis

To be captains, Medical Corps

Frank Louis Bauer
Irving Abelow

To be colonels, Dental Corps

Egbert Wesley Van Delden Cowan
Arthur Edmon Brown
Robert Clyde Craven
Melville Alexander Sanderson
Earl George Gebhardt
Arne Sorum

To be lieutenant colonel, Dental Corps

Marvin Edward Kennebeck

CHAPLAINS

Edmund Charles Sliney, to be colonel, chaplains, United States Army, subject to examination required by law.

Walter John Donoghue, to be colonel, chaplains, United States Army.

Vernon Paul Jaeger, to be major, United States Army.

Frank Louis Grafton, to be captain, United States Army.

To be colonels

Raymond George Moses, Corps of Engineers.

Wilhelm Delp Styer, Corps of Engineers.

Charles Holmes Cunningham, Corps of Engineers.

Dwight Frederick Johns, Corps of Engineers.

Thomas Dewees Finley, Infantry.

Elroy Sandy Jackson Irvine, Corps of Engineers.

Stanley Eric Reinhart, Field Artillery.

Louis Emerson Hibbs, Field Artillery.

Ludson Dixon Worsham, Corps of Engineers.

Daniel Allman Connor, Field Artillery.

George Mayo, Corps of Engineers.

Herbert Spencer Struble, Field Artillery, subject to examination required by law.

Jesse Beeson Hunt, Field Artillery.

Stuart Clarence MacDonald, Infantry, subject to examination required by law.

William Maynard Dixon, Finance Department.

Orva Earl Beezley, Field Artillery, subject to examination required by law.

To be lieutenant colonels

John Barry Peirce, Infantry.

John Kenneth Sells, Cavalry.

Douglas Cameron, Cavalry.

Arthur Jennings Grimes, Infantry, subject to examination required by law.

Ernest Starkey Moon, Air Corps.

Chester Arthur Carlsten, Infantry.

Joseph Myles Williams, Cavalry.

Harold Arthur Doherty, Field Artillery.

Charles Dawson McAllister, Air Corps.

Vincent Joseph Tanzola, Infantry.

Edward Albert Banning, Field Artillery.

Frederic deLannoy Comfort, Cavalry.

Henry Laurance Ingham, Field Artillery.

Percy Earle LeStourgeon, Infantry.

Caryl Rawson Hazeltine, Infantry.

Michael Henry Zwicker, Quartermaster Corps.

Leon Valentine Chaplin, Field Artillery.

Daniel Webster Kent, Infantry, subject to examination required by law.

Harry Lynch, Signal Corps.

George Marion Davis, Infantry, subject to examination required by law.

Fay Warren Lee, Field Artillery.

Melecio Manuel Santos, Philippine Scouts, subject to examination required by law.

Narciso Lopez Manzano, Philippine Scouts, subject to examination required by law.

Charles Emmett Cheever, Judge Advocate General's Department.

Harry Meyer, Corps of Engineers.

Peter Anthony Feringa, Corps of Engineers, subject to examination required by law.

Edward Barber, Coast Artillery Corps.

Edward Hall Walter, Corps of Engineers.

David Albert Morris, Corps of Engineers.

Juan Segundo Moran, Philippine Scouts, subject to examination required by law.

Richardson Selee, Corps of Engineers.

Don Waters Mayhue, Air Corps (temporary colonel), subject to examination required by law.

John Harry, Coast Artillery Corps.

Harold Oakes Bixby, Signal Corps, subject to examination required by law.

George Randall Scithers, Field Artillery.

John Henry Featherston, Coast Artillery Corps.

Charles Andrews Jones, Jr., Quartermaster Corps.

Hubert Stauffer Miller, Corps of Engineers.

Edward Harold Coe, Corps of Engineers.

Daniel Burnett Knight, Infantry.

Paul MacKeen Martin, Cavalry.

Creswell Garrettson Blakeney, Field Artillery.

Louis Jeter Tatom, Signal Corps.

Louis Watkins Prentiss, Corps of Engineers.

William Edmund Waters, Field Artillery.

Joseph Kennard Bush, Infantry.

Orlando Clarendon Mood, Infantry.

Bert Nathan Bryan, Finance Department.

Harvie Rogers Matthews, Infantry.

Louis Beman Rapp, Cavalry.

Edwards Matthews Quigley, Field Artillery.

James Breskenridge Clearwater, Field Artillery, subject to examination required by law.

Wesley Tate Guest, Signal Corps.

Duncan Philip Frissell, Quartermaster Corps.

Henry Hammond Duval, Coast Artillery Corps.

Alfred Vepsala, Field Artillery, subject to examination required by law.

Edmund Clarence Langmead, Air Corps.

Carroll Heiney Deitrick, Ordnance Department, subject to examination required by law.

Lee W. Haney, Infantry.

David William Goodrich, Air Corps.

Franklin Mitchell, Ordnance Department.

Wallace Ellsworth Niles, Ordnance Department.

Lewis Edward Weston Lepper, Quartermaster Corps.

Edward Harris Barr, Field Artillery.

James Roscoe Hamilton, Infantry.

Henry Chester Jones, Infantry.

Walter Francis Jennings, Cavalry.

Henry Louis Love, Field Artillery.

Cranford Coleman Bryan Warden, Infantry.

William Dawes Williams, Field Artillery.

William Thomas Semmes Roberts, Infantry.

McDonald Donegan Weinert, Corps of Engineers

John Walker Childs, Infantry, subject to examination required by law.

Wilbert Engdahl Shallene, Field Artillery.

Wilmar Weston Dewitt, Infantry.

James Millikin Bevans, Air Corps.

Floyd Raymond Brisack, Field Artillery.

Edward Joseph Walsh, Judge Advocate General's Department.

Haydn Purcell Roberts, Signal Corps, subject to examination required by law.

Clifford Cleophas Duell, Field Artillery.

William Larwill Carr, Field Artillery.

Russell George Duff, Field Artillery, subject to examination required by law.

Roy Prewett Huff, Field Artillery.

Paul Hanes Kemmer, Air Corps.

MEDICAL CORPS

Alexander Palmer Kelly to be colonel.

Francis William Gustites to be colonel, subject to examination required by law.

Leon Lloyd Gardner to be lieutenant colonel.

Wright Addison Gates to be captain.

Michael Joseph Hitchko to be captain.

William Henry Merritt to be captain.

DENTAL CORPS

Clarence Walter Johnson to be colonel.

Walter Duncan Love to be colonel.

Howard Newton Burgin to be major.

Robert Earl Hammersberg to be major.

VETERINARY CORPS

Gardiner Bouton Jones to be colonel.

Laurence Robert Bower to be lieutenant colonel, subject to examination required by law.

Russell McNellis to be major.

Richard George Yule to be major.

PHARMACY CORPS

James Coney Bower to be major.

CHAPLAINS

Benjamin Joseph Tarskey to be colonel.

John Francis Monahan to be colonel.

Luther Deck Miller to be colonel.

William Donoghue Cleary to be colonel.

George Frederick Daum to be captain.

IN THE NAVY

TEMPORARY SERVICE

To be medical directors with rank of rear admiral to rank from September 15, 1942

Edward U. Reed
George C. Thomas
William L. Mann, Jr.
Joseph J. A. McMullin
Richard H. Laning
Daniel Hunt

To be pay directors with rank of rear admiral from dates indicated

Frank Baldwin, September 15, 1942.
Everett G. Morsell, September 15, 1942.
Arthur H. Mayo, September 15, 1942.
John J. Gaffney, September 15, 1942.
Malcolm G. Siarrow, November 11, 1942.

To be civil engineers with the rank of rear admiral to rank from dates indicated

Henry F. Bruns, September 15, 1942.
James T. Mathews, September 15, 1942.
John J. Manning, September 15, 1942.
Carl H. Cotter, January 3, 1943.

To be rear admirals from dates indicated

Clifton A. F. Sprague, May 17, 1943.
George R. Henderson, July 1, 1943.
Ralph A. Ofstie, July 17, 1943.
William D. Sample, August 13, 1943.

Walter A. Buck to be pay director with the rank of rear admiral, to rank from March 31, 1943.

Albert G. Noble to be commodore to continue while serving in the Seventh Amphibious Force, to rank from June 20, 1944.

Frank E. Beatty to be rear admiral, to rank from December 8, 1942.

Cortlandt C. Baughman to be commodore, to continue while serving as commander of a naval base, to rank from September 17, 1943.

William M. Quigley to be commodore, to continue while serving as deputy commander, Forward Areas, Central Pacific, to rank from October 4, 1943.

Frank J. Wille to be rear admiral, to rank from May 13, 1942.

Albert M. Penn to be rear admiral, to rank from May 13, 1942.

Carl A. Trexel to be civil engineer with the rank of rear admiral, to rank from January 1, 1943.

Virgil E. Korns to be commodore, to continue while serving in command of the amphibious bases in the United Kingdom.

Edmond J. Moran to be commodore, to continue while serving as Assistant Deputy Administrator for Small Vessels, War Shipping Administration, or for such other duty as may be assigned.

John L. McCrea to be rear admiral, to rank from November 1, 1942.

Oliver O. Kessing to be commodore, to continue while serving as an island commander, Pacific Ocean areas.

IN THE MARINE CORPS

TEMPORARY SERVICE

Franklin A. Hart to be brigadier general for temporary service from September 25, 1942.

POSTMASTERS

ALABAMA

Sarah F. White, Arley.

Susie R. White, Baileyton.

John U. Walker, Bankston.

Robert B. Dennis, Beaverton.

Pearce Goggans, Bexar.

Mabel J. King, Billingsley.

Andrew S. Weaver, Brookwood.

Irma C. Gabbett, Camp Hill.

Maude A. Bynum, Cleveland.

Flora Ballard, Detroit.

Benjamin F. Blanton, Fernbank.

Lona W. Auxford, Flat Creek.

Annie K. Gilmer, Fulton.

Virginia C. Roberts, Gainesville.

John W. Collins, Jr., Gallion.

Auvia C. Byrd, Holly Pond.

Bernice R. Roberts, Joppa.

Nettie T. Waldrup, McCalla.

George E. Culver, Mountain Creek.
Thomas B. Thompson, Piper.
Lizzie H. Barton, Sipsey.
Walter W. Blackidge, Spruce Pine.
Janie Turner Wheeler, Steele.
Pearl Callahan, Steppville.
Beula V. White, Sterrett.

ILLINOIS

Samuel J. Hicks, Bonnie.
Clarence V. Compton, Browns.
John Hoelting, Carlinville.
Gertrude Tippy, Carterville.
Marilla Clover, Cisco.
John H. Leathers, Claremont.
Nellie Blohm, Coal Valley.
Raleigh Miller, Colp.
Oscar L. Dean, Cooksville.
Grace A. Morrison, Dalton City.
Eugene R. Ditzler, Davis.
Mabel E. Conroy, Emington.
Mary C. Schosser, Essex.
Edith Wieman, German Valley.
Marion W. Payne, Golf.
June T. Snider, Gorham.
William Jesse Ribble, Hettick.
Mary E. Donahue, Kenilworth.
Fannie L. Prater, Kilbourne.
Samuel V. Simpson, Mill Shoals.
Laura B. Hayes, Monroe Center.
Ada M. Tate, Mount Zion.
William T. Steiner, Niota.
Wales S. Stamper, Olympia Fields.
Clyde Marlow, Opdyke.
Julius C. Gouy, Panama.
Francis W. Walters, Roberts.
Victor M. Wallace, Roscoe.
Lena C. Kirts, Ste. Marie.
Henrietta Hinds, Secor.
Stella Bossong, Serena.
Fred E. Donaldson, Shobonier.
Carney V. Kerley, Simpson.
Bathews A. Jones, Sims.
Lona L. Manuel, Smithfield.
Jeff Mitchell, Ursa.
John G. Finch, Verona.
Raymond E. Browning, Waggoner.
Sarah B. Gordon, West Point.
Dewey Coomes, Wolf Lake.

LOUISIANA

Ernest L. Robichaux, Montegut.

MARYLAND

Norman J. Hutchison, Cordova.
Minnie L. Wilson, Eden.
Alice L. Eaton, Edgewater.
Richard G. Williams, Funkstown.
Joseph H. R. Talbott, Hanover.
Dorothy G. Hayden, Hollywood.
Travis D. Knode, Keedysville.
Nathan W. Childs, Millersville.
Herbert O. Trott, Owings.
B. Gorman Swann, Piney Point.
Beulah E. Powell, Powellsville.
Mabel B. Disharoon, Quantico.
Marion L. Clark, Queen Anne.
Alma M. Yeatman, Ridge.
Genevieve H. Johnston, Timonium.

MISSOURI

Ola K. Pumphrey, Broseley.
Helen R. Land, Leasburg.
Oden W. Craighead, New Bloomfield.
Bernard Francis Dickmann, St. Louis.

NEW YORK

John A. Briars, Cold Water.
Sidney G. Potter, Eaton.
Paul J. Perrault, Johnson City.
John M. Paul, White Plains.

NORTH CAROLINA

Margaret Vinson, Autryville.
Eugenia W. Walters, Blanch.
Thomas O. Minton, Champion.
Elsie B. Godley, Chocowinity.
Lucy Kelly, Coats.
Lucile McI. Hemingway, Godwin.
Benjamin F. Gough, Hamptonville.
Allan C. Haley, Hanes.
Walter J. Wynne, Havelock.
Hettie M. Baum, Kitty Hawk.
Jacob C. Nye, Orrum.
Paul V. Fitzgerald, Pelham.
Fannie B. Duval, Polloksville.
Thomas A. Gentry, State Road.

OKLAHOMA

Woodrow Wilson Moody, Calera.
Ira Earl McCann, Calumet.
Edna M. Smith, Deer Creek.
Millard B. Means, Dewey.
Robert A. Shepherd, Tecumseh.

OREGON

Charles P. Hunter, Colton.
Lynn A. Wheeler, Mapleton.
Lenora Hunter, Mosier.
Stella A. Howard, Mulino.
Valera McDonald, Shedd.
Chester F. See, Warm Springs.

TENNESSEE

Allye Jane Jones, Bartlett.
John F. Hall, Birchwood.
Tressa Connell, Eads.
Lizzie Roney, Fountain Head.
Ethelyne M. Peacher, Indian Mound.
Mabel B. Reasoner, Joelton.
Guy R. Huffaker, Kodak.
Jessie P. Bledsoe, Minor Hill.
Sarah E. Dickey, Mulberry.
Ashton B. Wood, Normandy.
Berbin Ellis, Robbins.
Evelyn B. Young, Shell Creek.
Martha Thomas Sykes, Stewart.
Virgil Banks, Summitville.
John T. Malone, Taft.
Robert C. Mobley, Tennessee Ridge.
Mary Lou Cannon, Thompsons Station.
Nelson B. Rucker, Washburn.
Loulie Turner, Westpoint.

VIRGINIA

Samuel T. Ish, Aldie.
Ethel C. Cooksey, Amissville.
Elizabeth E. Epperson, Ararat.
William C. Crowe, Atkins.
William H. Sproles, Benhams.
Mae Z. Reynolds, Blue Ridge.
Rena R. Carter, Burke.
Grayson M. Sandy, Callao.
Allie J. Renick, Callaway.
Francis S. Shockey, Copper Hill.
Frank E. Pope, Drewryville.
Irvin T. Arthur, Driver.
James J. Orr, Dryden.
Charles H. Jones, Dry Fork.
Elizabeth P. Tompkins, Duffield.
Vivian H. Hale, Elk Creek.
Sidney B. Henson, Elliston.
Alvis T. Davidson, Faber.
Elma R. Flippo, Fairfield.
Adelia L. Humphries, Fentress.
Charles E. Black, Fordwick.
Edgar B. Shumate, Glen Lyn.
James S. McCauley, Goodes.
Lloyd B. Williams, Hayes Store.
Thomas R. Looney, Keen Mountain.
Verda E. Thompson, Keokee.
Dorothy D. Turner, Lyndhurst.
Ada C. Hilbish, Piney River.
Mercer E. Thomas, Pounding Mill.
George J. Akers, Riner.
Ruben L. Ford, Roda.
Oswald M. Hall, St. Charles.
Mary V. Owen, Sedley.
Alice T. Coleman, Spotsylvania.
Janie A. Boyd, Stonega.
Ellis M. Calhoun, Sugar Grove.
John A. Vernon, Sutherlin.
Frances I. Brown, Swoope.
Annie E. Gallimore, Sylvatus.
Julia E. West, Tasley.
M. Frances McManaway, Thaxton.
Ruby T. W. Parr, Tye River.
Sidney D. Mangus, Vesuvius.
Roland S. Sheppard, Walkerton.
Jennings J. James, Waterford.
Imogen E. Daniel, Weems.
William C. Carter, Whitetop.

VIRGIN ISLANDS

Alvaro de Lugo, Charlotte Amalie.

WASHINGTON

George W. Adams, Lebam.
Ernest E. Cain, Malden.
Margaret Ellen Randall, Manchester.

WEST VIRGINIA

John E. Greene, Adrian.
Russell M. Yeager, Carbon.
Albert E. Adams, Cassville.
Louise Brown, Chelyan.
Pearl Varney, Crum.
Claude Handley, Culloden.
Donald C. Shonk, Dawes.
John O. P. Johnson, Delislow.
Charlotte Mitchell, Diamond.
Elizabeth M. Tabor, East Lynn.
Maggie DeMary, Enterprise.
Paul E. Thomas, French Creek.
Arch C. Moore, Glasgow.
Everett B. Wray, Glen White.
Guy R. Avey, Great Cacapon.
William H. Ryan, Hendricks.
Ray E. Craddock, Henlawson.
Van B. Stith, Highcoal.
Frank O. Trump, Kearneysville.
Buster G. Bowling, Lester.
Grace V. Crow, Letart.
Louise W. Davis, Lookout.
Lacy P. Wallace, McAlpin.
Virgil L. Mathias, Mathias.
Estrue K. Harrah, Meadow Bridge.
Gusta Gall, Moatsville.
Veda M. Dunham, Proctor.
Lora E. Ambler, Red House.
Amer W. Loughry, St. George.
Orion G. Callison, Slab Fork.
Robert E. Wilson, Stanaford.
Sada S. Goode, Stirrat.
Emmett W. Williams, Stotesbury.
Edmund C. Berkeley, Van.
Edith Mead, Wilsonburg.
James N. Flanigan, Wolf Summit.

SENATE

THURSDAY, AUGUST 24, 1944

(Legislative day of Tuesday, August 15, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. John R. Edwards, D. D., associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

God of the ages! God of this age! We turn our thoughts to Thee. We come in reverence and humility at remembrance of Thy greatness and Thy holiness. Grant us Thy grace in our struggle toward right understanding, world reconstruction, and permanent peace. Thy part in all of this is constant; ours only is the variable. We this day remember our allies. We pray for them as brothers in the great world struggle. We remember our enemies as brothers alienated by misunderstandings and false aims. As we pray for them in terms of changed world conditions and of heart, we pray Thee purge our motives from bias, bigotry, and malice.

Give courage and guidance to all our armed forces. Be near to our sons and brothers who fall in battle. Hold them in Thy embrace and grant them life eternal through the merits of the Saviour. Remember their loved ones in Thy compassion.

Direct Thy servants of this body in all their work this day. To Thee shall be the praise and the glory. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Secretary, Edwin A. Halsey, read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., August 24, 1944.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. MILLARD E. TYDINGS, a Senator from the State of Maryland, to perform the duties of the Chair during my absence.

CARTER GLASS,
President pro tempore.

Mr. TYDINGS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, August 23, 1944, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	Pepper
Andrews	Gurney	Radcliffe
Austin	Hatch	Revercomb
Bankhead	Hawkes	Scrugham
Bridges	Hayden	Shipstead
Buck	Hill	Stewart
Burton	Johnson, Calif.	Taft
Byrd	Johnson, Colo.	Thomas, Okla.
Capper	Kilgore	Thomas, Utah
Caraway	La Follette	Tobey
Chandler	Langer	Tunnell
Connally	McClellan	Tydings
Cordon	McFarland	Vandenberg
Danaher	McKellar	Wagner
Davis	Maloney	Walsh, N. J.
Downey	Mead	Weeks
Eastland	Millikin	Wherry
Ellender	Moore	White
Ferguson	O'Daniel	Wiley
George	O'Mahoney	
Green	Overton	

Mr. HILL. I announce that the Senator from Mississippi [Mr. BILBO], the Senator from Washington [Mr. BONE], and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from Kentucky [Mr. BARKLEY] is absent because of illness in his family.

The Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from Georgia [Mr. RUSSELL], the Senator from South Carolina [Mr. SMITH], the Senator from Missouri [Mr. TRUMAN], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Indiana [Mr. JACKSON], the Senator from Illinois [Mr. LUCAS], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], the Senator from Utah [Mr. MURDOCK], the Senator from Montana [Mr. MURRAY], the Senator from Washington [Mr. WALLGREN], and the Senator from Massachusetts [Mr. WALSH] are detained on public business.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Minnesota [Mr. BALL], the Senator from Maine [Mr. BREWSTER], the Senator from Illinois [Mr. BROOKS], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Nebraska [Mr. BUTLER], the Senator from Oregon [Mr. HOLMAN], the Senator from North Dakota [Mr. NYE], the Senator from Kansas [Mr. REED], the Senator from Wyoming [Mr. ROBERTSON], the Senator from Idaho [Mr. THOMAS], the Senator from Indiana [Mr. WILLIS], and the Senator from Iowa [Mr. WILSON].

The ACTING PRESIDENT pro tempore. Sixty-one Senators have answered to their names. A quorum is present.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

A letter from the Attorney General, submitting, pursuant to law, a report stating all the facts and pertinent provisions of law in the cases of 175 individuals whose deportation has been suspended for more than 6 months under authority vested in the Attorney General, together with a statement of the reason for such suspension (with accompanying papers); to the Committee on Immigration.

LEGISLATION ENACTED BY MUNICIPAL COUNCILS IN THE VIRGIN ISLANDS

Letters from the Acting Secretary of the Interior, transmitting, pursuant to law, copies of legislation passed by the Municipal Councils of St. Croix, St. Thomas, and St. John, V. I. (with accompanying papers); to the Committee on Territories and Insular Affairs.

LIQUIDATION OF FEDERAL RURAL REHABILITATION PROJECTS

A letter from the War Food Administrator, transmitting, pursuant to law, three statements constituting a report with respect to the progress of the liquidation of Federal rural rehabilitation projects (with an accompanying report); to the Committee on Appropriations.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of the Departments of the Treasury (3), Post Office, Navy, and Agriculture; United States Employees' Compensation Commission (2), and the National Housing Agency (2) which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

REPORTS OF THE CLAIMS COMMITTEE

The following reports of the Committee on Claims were submitted:

By Mr. WHERRY:

S. 2069. A bill for the relief of Irma S. Sheridan, postmaster at Rockville, Oreg.; without amendment (Rept. No. 1066).

By Mr. ELLENDER:

S. 1557. A bill for the relief of Joel A. Hart; with amendments (Rept. No. 1067);

S. 1897. A bill for the relief of Mrs. Sophia Tannenbaum; with an amendment (Rept. No. 1068);

S. 1922. A bill for the relief of W. A. Smoot, Inc.; with an amendment (Rept. No. 1069); and

H. R. 2390. A bill for the relief of Joseph Scarpella and Dorothy Scarpella; without amendment (Rept. No. 1070).

BILL INTRODUCED

Mr. RADCLIFFE (for himself and Mr. BAILEY), by unanimous consent, introduced a bill (S. 2106) to provide for the sale of certain Government-owned merchant vessels, and for other purposes, which was read twice by its title and referred to the Committee on Commerce.

LUM JACOBS—AMENDMENT

Mr. O'DANIEL submitted an amendment intended to be proposed by him to the bill (S. 2007) for the relief of Lum Jacobs, which was ordered to lie on the table and to be printed.

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY—AMENDMENTS

Mr. DOWNEY, Mr. HAYDEN, Mr. TAFT, and Mr. WEEKS each submitted an amendment intended to be proposed by them, respectively, to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes, which were severally ordered to lie on the table and to be printed.

HAVENS IN PALESTINE FOR EUROPEAN JEWS

Mr. THOMAS of Utah (for himself, Mr. MURRAY, Mr. FERGUSON, and Mr. TAFT) submitted the following resolution (S. Res. 325), which was referred to the Committee on Foreign Relations:

Whereas the Government of Hungary has specifically expressed its readiness to release those Jews who could enter Palestine, which is easily accessible from Balkan countries by land route and calls for little or no shipping space, and whose 600,000 Hebrews are clamoring for an opportunity to shelter and feed their tormented kin; and

Whereas the Governments of the United Kingdom and the United States have accepted the proposal of the Hungarian Government made on July 17, 1944, to the International Committee of the Red Cross for the release of Jews, and have officially and publicly stated that they "will find temporary havens of rescue where such people may live in safety": Now, therefore, be it

Resolved, That the Senate of the United States recommends and urges the President and the Secretary of State to use their good offices to put into effect immediately this solemn obligation by the immediate establishment of mass emergency rescue shelters in the mandated territory of Palestine, similar to the emergency shelter at Oswego, N. Y., so that the Hebrews of Europe may find there haven from the ordeals of persecution.

THE WORKINGMAN: YESTERDAY, TODAY, AND TOMORROW—ARTICLE BY SENATOR THOMAS OF UTAH

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD an article entitled "The Working Man: Yesterday, Today,

and Tomorrow," written by Senator THOMAS of Utah, and published in the June-July issue of the Democratic Digest, which appears in the Appendix.]

RECONVERSION AND EMPLOYMENT IN THE POST-WAR PERIOD—EDITORIAL AND ARTICLE FROM "AMERICA"

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an editorial entitled "No Pea Shooter Wanted" and an article by Joseph P. McMurray entitled "Full Employment: The Post-war Scene," both published in the August 19, 1944, issue of America, which appear in the Appendix.]

EDITORIAL COMMENT ON THE PROPOSED MISSOURI VALLEY AUTHORITY

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD two editorials dealing with the proposed Missouri Valley Authority, one published in the Chicago Sun of August 21, 1944, and the other published in the St. Louis Post-Dispatch of August 11, 1944, which appear in the Appendix.]

STRIKES IN WAR INDUSTRIES—ARTICLE BY FRANK C. WALDROP

[Mr. O'DANIEL asked and obtained leave to have printed in the RECORD an article entitled "Why They Struck," by Frank C. Waldrop, published in the Washington Times-Herald of August 23, 1944, which appears in the Appendix.]

DISCHARGED WAR VETERANS—EDITORIAL FROM THE LOS ANGELES EXAMINER

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "The Unwanted Battalion" dealing with discharged war veterans, published in the Los Angeles Examiner of December 1, 1943, which appears in the Appendix.]

KIMMEL CASE NEEDS HEARING—ARTICLE BY BILL CUNNINGHAM

[Mr. WEEKS asked and obtained leave to have printed in the RECORD an article entitled "Kimmel Case Needs Hearing," by Bill Cunningham, published in the Boston Herald of August 22, 1944, which appears in the Appendix.]

DISMISSAL OF WAR VETERANS FROM NORTH AMERICAN AVIATION CO. PLANT

Mr. O'DANIEL. Mr. President, considerable anxiety has been expressed by the people of this Nation regarding jobs for our soldier boys when they are discharged. We need no longer wonder about this matter because we are now finding out exactly how they are being mistreated. Down in Texas 100 returned soldiers have already been kicked out of their jobs at the North American Aviation plant by the C. I. O. with the approval of the National Labor Relations Board. The company's hands are tied in the matter.

This disgraceful procedure is being condemned by the American Legion and the Veterans of Foreign Wars, according to a news item which appeared in the Dallas Times-Herald of Sunday, August 20, 1944. I ask unanimous consent to have this news article printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEGION BLASTS U. A. W.-C. I. O. FOR VET DISMISSAL—100 RETURNED SOLDIERS LOSE JOBS AT PLANT—VETERANS OF FOREIGN WARS JOIN IN PROTEST OF SENIORITY CLAUSE

The American Legion and the Veterans of Foreign Wars Saturday blasted the U. A. W.-C. I. O. for its stand on a union contract seniority clause which has resulted in the dismissal of veterans of World War No. 2 at North American Aviation since the announcement of a cut-back in bomber production a week ago.

Approximately 100 veterans of this war had been released from N. A. A. duties by Saturday. The company's hands are tied in the matter. It must abide by the contract as approved by the N. L. R. B.

"This is a disgrace," L. A. Stewart, commander of the fifth district of the American Legion, said. "Plenty of these boys have seniority, from places like Bougainville and Salerno, even if they don't have it at North American. They have been working for $50 a month, not at war-plant salaries."

C. I. O. IS POWERFUL

"The C. I. O. is a very powerful organization, but so is the American Legion. We have already gone on record at Fort Worth as opposing the union on this stand. If this is to prevail, the entire Nation will hang its head in shame in future years."

"If they know what is good for them, they will change their attitude, because these veterans are not going to be kicked around," J. C. Kemp, past commander and present quartermaster of the Dallas post of the Veterans of Foreign Wars, said Saturday.

"Our national organization is trying to keep the same thing that happened after World War No. 1 from happening again," he added. "We have already had to call the hands of some people. All World War No. 2 veterans who are released from the plant should personally contact our offices at 2024 Commerce," he urged. "We would like very much to hear their stories and to try to help them."

At Fort Worth Saturday one draft board reported the story of Frank Meyners, a machinist's mate, second class, in the Navy. After 3 years duty in the Navy he received a medical discharge last December and was employed at N. A. A. 2½ months ago.

Meyners was dismissed last week. His wife is expecting a baby in November, and he, a lathe operator, is without a job.

O. H. Britt, president of Local 645 of U. A. W.-C. I. O., at Grand Prairie, refused to comment on the union's position Saturday. He said there were no other local union officials who would venture comment.

The company, it has been reported, is ready to arbitrate with the union on the matter at any time.

SHORTAGE OF FARM MACHINERY IN NORTH DAKOTA

Mr. LANGER. Mr. President, I have today received a telegram from Norman G. Jensen, of Portal, N. Dak., dealing with the subject of farm machinery. The telegram is as follows:

Twelve combines exported at Portal today.

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

The Senate resumed the consideration of the bill (S. 2065) to establish a Surplus War Property Administration, to provide for the proper disposal of surplus war property, and for other purposes.

The ACTING PRESIDENT pro tempore. The Chair will state the pending question. The question is on agreeing to the amendment proposed to the committee amendment by the Senator from Tennessee [Mr. MCKELLAR] on behalf of himself, the Senator from Mississippi [Mr. EASTLAND], and the Senator from Arizona [Mr. MCFARLAND], inserting on page 52, after line 25, a new subsection.

Mr. VANDENBERG. Mr. President, if I may have the attention of the Senator from Colorado [Mr. JOHNSON], I wish to invite his attention to page 48 of the bill, line 13, section 13 (a), under the heading "Disposition by owning agency." This section seems to say that a war contractor can be authorized to retain or dispose of any of his contract inventories for the purpose of aiding in the prosecution of the war and for the common defense, provided that no part of such inventories shall be retained or disposed of by such contractor or subcontractor for any other purpose.

Mr. President, I submit to the Senator that in practice the operation of that section would directly collide with the entire purpose we are undertaking to serve, namely, the purpose of facilitating conversion into peacetime operations, because under this language a contractor with a terminated contract and with a substantial inventory on hand would be allowed to part with his inventory for war purposes at a time when probably there would be no war purposes, but he would be precluded from retaining his own inventory for his own purposes of reconversion. In other words, if the manufacturer who was producing war materials had a substantial contract inventory on hand when the contract was terminated, if he could immediately use half of that inventory in reconversion into peace activity, under this language he would be required, nevertheless, to part with the inventory and go into the open market and start all over again to build up his inventory. In the meantime the Government itself would have to store his inventory. I cannot believe that it is intended to retard the process of reconversion in any such fashion, and I am asking the able Senator from Colorado what the purpose of the section really is.

Mr. JOHNSON of Colorado. It is not the intention to retard the process of reconversion in any way. The Senator will note that the heading of this section is "Disposition by owning agency." A distinction must be made between the owning agency and a disposal agency. The Senator will recall that the Termination of Contracts Act permitted the Government to make settlement with contractors and subcontractors with respect to their inventories. We did not want the owning agency to turn over some of the surplus property to a contractor or subcontractor, and then have the contractor or subcontractor become, in his own right, a disposal agency, and peddle his inventory to whomsoever would buy.

Mr. VANDENBERG. I should like to interrupt the Senator to say that I totally agree with that purpose, but I think the Senator has overshot the mark.

Mr. JOHNSON of Colorado. Perhaps so. I should like very much to have some assistance from two very able lawyers who assisted in this matter, namely, the Senator from Vermont [Mr. AUSTIN] and the Senator from Wyoming [Mr. O'MAHONEY]. This is very much of a legal matter, as well as a policy matter, and I should like to have their assistance in giving the Senator from Michigan information.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. O'MAHONEY. Let me say first that the Senator from Colorado needs very little assistance.

Mr. VANDENBERG. He needs some assistance in answering this question, so far as his answer up to this point is concerned.

Before we call in the lawyers, let me add that my suggestion was that we protect this section against any such possible foreclosure of its use in appropriate ways, by adding at the end of the proviso the words "except under policies established by the board." The proviso would then read:

Provided, That no part of such inventories shall be retained or disposed of by such contractor or subcontractor for any other purpose, except under policies established by the board.

Mr. O'MAHONEY. Mr. President, if the Senator will yield to me, I invite the Senator from Michigan to look on page 76, line 24. There he will find the term "contractor inventory" defined. So the meaning of the section which has aroused the Senator's interest, section 13 (a), cannot be clear without an understanding of just what we mean by "contractor inventory." The term is defined as meaning "any property allocable to the terminated portion of a contract of any type with a Government agency or to a subcontract thereunder."

Mr. VANDENBERG. Let me interrupt the Senator to say that I am familiar with that definition. One of the next questions I wish to ask is why this definition has been so substantially narrowed from the definition contained in the original language of the bill. It is very substantially narrowed.

Mr. O'MAHONEY. As the Senator from Colorado has stated, in the first place, the purpose of the bill was not in any way to deal with inventories which, in connection with the termination of a contract under an existing act, should be assigned to the contractor. Such inventories are his property. They are not surplus property. They are not affected by this bill. The belief of the committee was that we were dealing solely with such inventories as did not become the property of the contractor, and were only the property of the Government. So the effect of the section is to enable the agency concerned to allow a contractor to continue to use Government property for purposes of the war, and that is the only effect it has. If the contractor should need property on hand when his contract was terminated, it was the supposition that he would acquire the property in the course of the termination of the contract.

Mr. VANDENBERG. Of course, that process would be entirely reasonable and practicable; but it seems to me that the language of section 13 collides with that net result.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. GEORGE. The proviso on page 48, line 20, absolutely prohibits the very thing which the Senator from Wyoming now says was the intention.

Mr. O'MAHONEY. Not if we regard an inventory as such an inventory as is defined in the bill. This provision does not deal with inventories which are the property of the contractor. In other words, what we are dealing with in this bill is solely surplus property belonging to the Government.

Mr. GEORGE. The Senator is mistaken if he thinks that that is what would be accomplished by the bill. This would be the result: There are innumerable textile mills in the South which are doing work exclusively for the Government. They are making a peacetime product, but it is all taken by the Government. It is all Government owned. Under the terms of the bill the textile mill would have to close down its machines, although if it could retain the property of the Government under contract it could continue, without even slowing down operations or throwing anyone out of employment. However, under the terms of this proviso, which I may say in passing was not the situation in the original bill, that would not be possible.

If the Senator will turn to pages 13 and 14 of the original text, which was stricken out, he will see that inventory property could be sold to a contractor or subcontractor, because the contractor's inventory includes both that of the prime contractor and that of the subcontractor. This provision is inconsistent with what we did in the Contract Termination Act, and especially the plant-clearance provisions of that act. It would slow down and retard reconversion. That is especially true when we look at section 21 and see what is to be done with scrap metals and minerals. We would simply slow down the process until the manufacturer whose contract was canceled could go into the open market and find some other material which he could buy.

VISIT TO THE SENATE OF DR. H. H. KUNG, MINISTER OF FINANCE OF CHINA

Mr. HILL. Mr. President, will the Senator from Michigan yield to me for a moment?

Mr. VANDENBERG. I yield to the Senator from Alabama.

Mr. HILL. The distinguished Minister of Finance of the Republic of China, Dr. H. H. Kung, is waiting in the Vice President's room to make a visit to the Senate. I ask unanimous consent that the Chair name a committee to escort him to the floor of the Senate, and that then the Senate stand in recess subject to the call of the Chair.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Chair appoints the Senator from Alabama [Mr. HILL], the Senator from Maine [Mr. WHITE], the Senator from Texas [Mr. CONNALLY], and the Senator from Kansas [Mr. CAPPER] as the committee to greet the distinguished visitor and escort him into the Chamber.

Pursuant to the unanimous-consent agreement, the Senate will now stand in recess, subject to the call of the Chair.

The Senate being in recess, at 12 o'clock and 34 minutes p. m., Dr. H. H. Kung, Vice President of the Executive Yuan and Minister of Finance of China, escorted by the committee appointed by the Acting President pro tempore, consisting of Mr. HILL, Mr. WHITE, Mr. CONNALLY, and Mr. CAPPER, preceded by the Secretary, Edwin A. Halsey, and the Sergeant at Arms, Wall Doxey, entered the Chamber and took the place assigned him on the rostrum in front of the Vice President's desk.

The members of the party accompanying Dr. Kung, including Dr. Wei Tao-ming, Chinese Ambassador, Hoo Che-tsai, Vice Minister for Foreign Affairs, and Liu Chieh, Minister of the Chinese Embassy in Washington, entered the Chamber and were escorted to the seats assigned them.

The ACTING PRESIDENT pro tempore. Members of the Senate, I have the honor to present Dr. H. H. Kung, Vice President of the Executive Yuan and Minister of Finance of China.

(Prolonged applause, Senators and occupants of the galleries rising.)

ADDRESS BY DR. KUNG

Dr. KUNG. Mr. President, Members of the Senate, I am grateful for your invitation to address you today. Some time ago you conferred a similar high honor on Madame Chiang Kai-shek. We know this honor is not individual, but an honor to the Chinese Nation. China thanks you.

The United States and China have always maintained cordial relations almost unparalleled in the history of nations. Time and again when China's national interests were in jeopardy the United States came unfailingly to her side in upholding the great principles by which the independence and integrity of nations are preserved.

In the midst of world chaos our traditional friendship has deepened into even more intimate ties of partnership in the common struggle against the forces of tyranny and violence.

Recently Vice President WALLACE visited China. Now your President is sending on an important mission Major General Hurley and Mr. Donald Nelson. The timely visits of these and other distinguished Americans are significant and indicative of your steadfast friendship.

On this occasion I should like to voice again the sense of indebtedness the Chinese people feel for the assistance you of America—the President, the Congress and the people—have given us in credits, loans, and lend-lease goods which have helped us tide over some of our many difficulties. Two congressional actions also call for special recognition. One is the voluntary relinquishment of your extraterritorial rights in China. The other is the revision of your immigration laws insofar as they affect persons of Chinese nationality. These two actions are further demonstrations of your friendliness and of farsighted statesmanship.

I shall try in a few minutes to tell you of the efforts of the Chinese people in the prosecution of the war, and of China's aims for the peace of tomorrow.

When war broke on China—more than 7 years ago—she took up arms against an enemy she knew to be infinitely better equipped, better prepared. Fighting

alone in a world yet to awake to the ways of aggressors, China knew that between slavery and freedom, between living in ignominy and death with honor, there was but one choice. With no small measure of appreciation for the materials she was able to secure at the time from the Soviet Union, Great Britain, and America, China fought on, stubbornly, relentlessly, and regardless of sacrifices. She never believed for one moment that there could be any compromise, where great principles were at stake.

Then in December of 1941 came the infamous attack on Pearl Harbor, followed by the fall of Hong Kong, Malaya, the Netherlands East Indies, Burma, and the Philippines, all in such rapid succession that the entire world was stunned. Nothing seemed capable of checking the onrush of the Japanese war machine. Those were indeed the darkest hours for freedom-loving peoples everywhere, and for the Chinese people in particular, whose strength already had been drained by long years of war, and who were now confronted with a complete blockade and isolation from the friendly world.

It was at this time—and now it can be told—that Japan made repeated offers of peace couched in most tempting terms to induce China to give up what then appeared a hopeless struggle. But we did not falter. We did not give in. We held on, because of the firm belief that right must triumph over might, and justice must prevail. We were more conscious than ever of our responsibility in defending the citadel of freedom in Asia while our allies were locked in mortal combat in other theaters of war. We bogged down a million of Japan's fighting men whom the Japanese war lords would have effectively employed elsewhere. Pause to imagine what could have happened if in the wake of their sweeping conquest of Malaya and Burma the Japanese had been able to withdraw 20 divisions from China to employ against India. Again, what would have been the effect on the course of the war in Europe if Japan had been able to pour a million men across the borders of Siberia at the time when the Nazi hordes were at the gates of Moscow?

Fortunately for mankind, victory is now in sight. While the war in Europe speeds to a victorious end, while we are redoubling our effort in bringing about the swift and utter defeat of Japan, as presaged by the distinguished President of the United States on his recent visits to the Pacific bases, the time has arrived for forward-thinking people to plan for the peace that is dawning. In this great task of peace planning the United States again has shown her farsightedness and leadership. In the past few months, in the midst of your preoccupation with the war effort, you have called together a series of international conferences to plan for the production and distribution of food, for the relief and rehabilitation of devastated countries, for the stabilization of currencies, and for economic reconstruction and development of the world. By these conferences you have shown the way to international cooperation which will bring security and prosperity to all mankind.

Above all, we must organize the peace itself. We must put an end to man's inhumanity to man. If civilization is to survive, we must make impossible the recurrence of war with all its horrors and cruelties. At this very moment, in Washington, a conference is sitting to devise a machinery for world security. On this subject, China and her allies are of like mind. We are prepared to back up a properly constituted world organization with all we have, in the enforcement of peace.

For the Chinese Government and people, I am privileged to say here that in all matters of international cooperation we wholeheartedly support the policies of the United States, which we are convinced are founded on the same ideals of justice and decency which the Chinese people have traditionally cherished.

The question has sometimes been asked as to whether China will emerge from this war a democratic nation capable of collaborating with other democracies, and whether the Chinese National Government commands the support of its people. It would be very rash of me were I to tell you that everything is perfection in China. We, like most other nations, have difficulties and weaknesses. Our difficulties and weaknesses have been accentuated by the strain of 7 long years of war, and by China's total mobilization as a contribution to the common war effort. But I assure you that the Chinese Government is irrevocably committed to a democratic program and that China is on the way toward full development as a modern democracy.

China's national policy is based upon what is commonly known as the three principles of Dr. Sun Yat-sen—the principles of national independence, political democracy, and economic welfare of the people. These principles are similar to the immortal pronouncement of your great President Lincoln, namely, "government of the people, by the people, and for the people." In formulating those principles Dr. Sun was inspired by the teachings of China's philosophers as well as by the political thinkers of the West. Those principles embody the ideals and aspirations of all freedom-loving peoples everywhere. It is because the Chinese people are convinced that the National Government is capable of, and definitely committed to, carrying out the democratic program as laid down by Dr. Sun that they have stood solidly behind it and its leader, Generalissimo Chiang Kai-shek, during nearly two decades of national revolution and war against aggression.

Even in the midst of war, when there exists an inevitable tendency to concentrate power in the Central Government, we have introduced and carried out a number of measures with a view to preparing the people for representative government. I refer to the People's Political Council, which is sometimes described as a wartime parliament; the new district system, which promotes local self-government; and the resolution of the Central Executive Committee of the Kuomintang, a national congress, to convene within 1 year after the conclusion of the war, to adopt a permanent constitution and to put into effect a national system of representative government.

Ultimately our hope is for world freedom and security. China has a long democratic tradition, and tradition is strong in our people. If there is any contribution which the Chinese people can make to the world it is our emphasis on the spiritual and moral as well as the political and social foundations of democracy.

The Confucian concept of a great commonwealth was adopted by Dr. Sun Yat-sen who enjoined his people not only to build a republic, but also to strive toward the realization of a world commonwealth in which all nations, great and small, shall live in peace and equality and all peoples shall be protected in their inalienable rights and be assured the enjoyment of the fruits of their labor. The United Nations have now a unique opportunity to work together toward that ideal. They may well learn from the great American experiment in which 48 States, enjoying their own rights but organized as a Union, have in a comparatively short period of time achieved the greatest measure of unity and prosperity. Peace and democracy can only be realized, as our sages taught us long ago, when the big have learned to serve the small, the strong the weak. In the words of Christ, "Whosoever will be great among you let him be your minister; and whosoever will be chief among you let him be your servant."

(Prolonged applause, Senators and occupants of the galleries rising.)

Following his address Dr. Kung and the distinguished visitors accompanying him were escorted from the Chamber.

At 12 o'clock and 58 minutes p. m., the Senate reassembled; when it was called to order by the Acting President pro tempore.

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

The Senate resumed the consideration of the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

The ACTING PRESIDENT pro tempore. The Senator from Michigan [Mr. VANDENBERG] has the floor.

Mr. VANDENBERG. I yield to the Senator from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. The language which the Senator from Michigan has suggested to be inserted at the end of line 22 on page 48 of the bill is entirely acceptable. The bill itself contemplates the very thing which the amendment would imply. The bill would not permit the owning agency to dispose of property. It would immediately become surplus and automatically go to the board. However, the proposed amendment is in complete harmony with the purposes of the bill, and it may as well be spelled out in the manner which the Senator from Michigan has suggested.

Mr. VANDENBERG. Mr. President, in view of the Senator's statement, while I am not at all sure that the

amendment is adequate to reach the point which I am attempting to make, I am sure that it will put the subject into conference in such a manner that it may be further pursued if it is desired to do so. While we are on the subject, even though there is an amendment pending, if there is no controversy about the language which I have suggested, I ask unanimous consent that at the end of line 22 on page 48 of the bill, after the word "purpose" there be added the words "except under policies established by the board."

The ACTING PRESIDENT pro tempore. The Senator from Michigan asks unanimous consent to offer the amendment at this time. Is there objection?

Mr. O'MAHONEY. Mr. President, before consent is granted, in order to complete the RECORD and in response to the inquiry which was made by the Senator from Georgia just before we went into recess to greet the distinguished Chinese visitor, I should like to say that the definition of "contractor inventory" which is adopted in this bill is precisely the definition of termination inventory which was written into the so-called George bill on contract termination; and it was the feeling of the committee that we were doing precisely what the Senator from Georgia desired. I see no objection, however, to granting the unanimous-consent request of the Senator from Michigan.

Mr. GEORGE. Mr. President, I have no objection, of course, to granting the request of the Senator from Michigan, but I should like to have the further condition attached to it that the matter be left open until the proponents of the bill may give some consideration to a suggested amendment by the War Department which very clearly points out the necessity for and probably widening the definition of "contractor inventory." I am willing to have it acted upon with the understanding that we will examine the suggested changes which are intended to effectuate the same purpose as that in the mind of the Senator from Michigan.

Mr. JOHNSON of Colorado. Mr. President, I am sure there will be no desire on the part of any member of the committee not to leave the matter open. However, we are very anxious not to leave an open door through which perhaps two or three or five million dollars' worth of goods may be placed on the market without any control—dumped or sold or dealt with by private individuals—and depriving the board absolutely of any control over those inventories even though they constitute a surplus. We still want to retain control of them. The amendment offered by the Senator from Michigan does just that. So it is in complete harmony with the bill. I do not know what amendment the War Department may offer later, but if their amendment should open the door and allow the War Department to dispose of goods without any restraint on the part of the surplus property control, of course that would be entirely another matter.

Mr. VANDENBERG. As I understand, the Senator from Georgia at the moment, while consenting to this amendment, is simply suggesting that the subject may be reopened for further discussion and further correction if the Senate disagrees later.

Mr. JOHNSON of Colorado. That is agreeable, of course.

Mr. GEORGE. That is all I had in mind.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Michigan? The Chair hears none and the question is on agreeing to the amendment offered by the Senator from Michigan to the committee amendment.

The amendment to the amendment was agreed to.

The ACTING PRESIDENT pro tempore. The question now is on agreeing to the amendment proposed to the committee amendment by the Senator from Tennessee [Mr. MCKELLAR], on behalf of himself, the Senator from Mississippi [Mr. EASTLAND], and the Senator from Arizona [Mr. MCFARLAND], inserting on page 52, after line 25, a new subsection.

Mr. LA FOLLETTE. Mr. President, I note the temporary absence of the senior Senator from Tennessee [Mr. MCKELLAR], who has just stepped off the floor. If there is to be action on this amendment at this time, I hope he can be present, because I have a modification of his amendment to suggest which he advised me privately is acceptable to him, but, of course, I am not in a position to modify his amendment unless he is present on the floor. The language which I have discussed with the Senator from Tennessee and one of the other authors of the amendment is after the word "Corporation" and the comma in line 4 of the printed text of the committee amendment, to insert the words "or at less than current prevailing market prices, whichever may be the higher."

The purpose of this amendment is to give protection to those agricultural commodities which at the present time have a price exceeding parity. Under the language of the amendment offered by the Senator from Tennessee as it stands all commodities which are at parity or below could not be sold in the domestic market at prices less than parity, but there are certain commodities which, while covered by the so-called Steagall amendment assuring a support price of 90 percent of parity, after the war will have no protection for their present price structure under the language of the amendment as offered by the Senator from Tennessee and other Senators. For example, milk and milk products are about 140 percent of parity, and if the amendment I have suggested is not inserted, under existing law those products could be sold at 90 percent of parity, which would mean a price drop so far as these surplus commodities are concerned of 50 percent. Any Senator familiar with the present situation so far as the dairy industry is concerned will appreciate that that would mean utter demoralization of the price structure of dairy products and would mean ruination of those who are concerned in their production.

I have discussed the matter with the very able Senator from Tennessee, who has now appeared on the floor, and it was my understanding that he was willing, with the consent of the other authors of the amendment, to accept my amendment as a modification of his amendment.

Mr. MCKELLAR. Mr. President.

Mr. LA FOLLETTE. I yield to the Senator from Tennessee.

Mr. MCKELLAR. I have no objection to the modification, and, if the Senator will permit, I will at this point ask unanimous consent that the modification may be made.

The ACTING PRESIDENT pro tempore. The amendment of the Senator from Tennessee will be modified in line with the suggestion of the Senator from Wisconsin.

Mr. MCKELLAR. Mr. President, will the Senator yield to me further?

Mr. LA FOLLETTE. I am glad to yield.

Mr. MCKELLAR. The Senator from Alabama [Mr. BANKHEAD] has asked that the word "only" be inserted after the word "act" in line 5 of the amendment and also after the word "export" in line 7. I ask unanimous consent that the amendment be so modified.

The ACTING PRESIDENT pro tempore. The amendment will be modified as requested by the Senator from Tennessee. The question is on agreeing to the amendment as modified.

Mr. BURTON. Mr. President, I ask that the clerk state the modification requested by the Senator from Wisconsin, which was not read from the desk.

Mr. ELLENDER. I suggest that the amendment be read as modified.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment as modified.

The CHIEF CLERK. On page 52, after line 25, it is proposed to insert the following:

> Surplus farm commodities shall not be sold in the United States under this act in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation, or at less than current prevailing market prices, whichever may be the higher, unless such commodities are being disposed of, pursuant to this act, only for export; and the Commodity Credit Corporation may dispose of or cause to be disposed of for cash, for export only at competitive world prices, any farm commodity or product thereof without regard to restrictions with respect to the disposal of commodities imposed upon it by any law.

The ACTING PRESIDENT pro tempore. The question recurs upon agreeing to the amendment as modified.

Mr. DANAHER. Mr. President, I should like to ask the Senator from Wisconsin if he would give me the benefit of his judgment on this amendment as modified as to its effect upon the possible use of the stamp plan to dispose of surplus commodities to needy people.

Mr. LA FOLLETTE. The effect of the amendment as modified would be to prohibit the sale of surplus commodities of an agricultural character at less than parity or at less than prevailing market prices, whichever were the higher, so far as such sales in the United States are concerned. There is now no provision

of law, as the Senator knows, for the distribution of commodities under any stamp plan, and, if Congress were ever to adopt such a plan it would have to take into consideration the law, if this amendment becomes a part of the existing law; but the amendment would have no effect on the situation at this time because there is no such program.

Mr. JOHNSON of Colorado. Mr. President, the original McKellar amendment is not in conflict at all with the purposes of the committee amendment to Senate bill 2065; that is, we gave the War Food Administration a veto power. We understood, of course, that the Commodity Credit Corporation was working more or less with the Food Administrator, and that was our reason for giving the War Food Administrator a veto power, so that the prices of supplies of food which might be offered for sale could be harmonized with the prices of food as established by the Commodity Credit Corporation.

The McKellar amendment represents only a different approach to the same problem. I do not see how we can have any objection to that. However, the La Follette amendment is in a little different category, because I proposed and sponsored that amendment in committee, and the committee did not agree with me, and it was rejected. While I am personally in favor of the La Follette amendment, the committee is not in favor of it. I suppose the matter can be settled by a vote taken on the Senate floor.

Mr. LA FOLLETTE. Mr. President, I wish to make a further brief statement. I cannot believe that the committee would be opposed to giving the same protection to commodities not covered by the amendment as originally drawn as it is now proposed to give to all other agricultural commodities. It is simply an attempt on the part of the Senate and the authors of this amendment to assure such a situation as that there shall not be a wrecking of the existing price structure by the sale of commodities at below the market price.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. EASTLAND. As I understand, the purpose of the modification proposed by the Senator from Wisconsin is to protect the domestic price structure for dairy products, is it not?

Mr. LA FOLLETTE. And for all the other products covered in the so-called Steagall amendment which would not be protected under the original draft of the amendment offered by the Senator.

Mr. EASTLAND. Dairy products would be one of the large beneficiaries?

Mr. LA FOLLETTE. That is correct.

Mr. EASTLAND. I have no objection to the modification of the amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Tennessee [Mr. McKELLAR], as modified, to the committee amendment.

The amendment to the amendment was agreed to.

Mr. WAGNER. Mr. President, I offer an amendment which I sent to the desk and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 37, after line 16, it is proposed to insert the following:

(h) To devise ways and means and prescribe appropriate regulations and directives to prevent any discrimination against any person in the disposal and distribution and use of any Government property covered by this act on account of race, creed, or color.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New York [Mr. WAGNER], to the committee amendment.

The amendment to the amendment was agreed to.

VISIT TO THE SENATE BY COL. PHILIP G. COCHRAN AND COL. JOHN ALISON

Mr. CHANDLER. Mr. President, I wish to attract the attention of the Members of the Senate to two young men who are the guests of the Senate and who are seated in the front row of the Senators' family gallery, Col. Philip G. Cochran, known to the people of America as "Flip" Cochran, of Erie, Pa., and Col. John Alison, of Gainesville, Fla. These two fine young Americans are members of the Army Air Corps, and have been for some time past fighting in the jungles of Burma under Brigadier General Wingate's command and with Merrill's Marauders. I know the Members of the Senate would like to greet these young men, because they have won almost every decoration which a grateful Government has to give to its heroic young fighting sons.

Mr. President, I shall ask Colonel Cochran and Colonel Alison to stand so the Members of the Senate may see them and greet them on this occasion.

Colonel Cochran and Colonel Alison rose in their places in the gallery, and the Members of the Senate stood and applauded.

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

The Senate resumed the consideration of the bill (S. 2065), to establish a surplus war property administration; to provide for the proper disposal of surplus war property; and for other purposes.

Mr. THOMAS of Oklahoma. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 61, at the end of line 5, it is proposed to strike out the period, insert a colon, and add the following: "*Provided further*, That the Secretary of the Interior is hereby authorized and directed to sell the tract of land of approximately 532.4 acres, in Cleveland County, Okla., commonly known as Moore Field, and more particularly described in, and acquired through, a declaration of taking executed by the Under Secretary of the Navy and filed in the United States District Court for the Western District of Oklahoma, and judgment entered thereon, in the proceedings in such court entitled 'United States of America, petitioner, against 532.4 acres of land, more or less, in Cleveland County, Okla., and Mrs. J. R. Holliday, and others, defendants, No. 1120—Civil,' and to execute and deliver a deed, or deeds, to the person, or persons, or their heirs or assigns, from whom the original holdings were acquired: *Provided further*, That the sale price for such land shall be a sum sufficient to cover the original purchase price and any sums expended by the Navy Department upon such land or arising out of the use and occupancy thereof by the Navy Department: *Provided further*, That the said Secretary is hereby authorized to make rules and regulations necessary to carry into effect the provisions of this section."

Mr. THOMAS of Oklahoma. Mr. President, this amendment has been before the Senate on a former occasion, and has been acted upon favorably by the Senate. In connection with an annual appropriation bill a hearing was held, the amendment was presented and accepted by the committee, and thereafter presented to the Senate and accepted by the Senate. When the bill went to conference the House conferees objected to the amendment, because it was legislation on an appropriation bill. The House conferees had no objection to the text of the amendment or its effect, but they said they were prevented from accepting an amendment of a legislative character on an appropriation bill.

The regular Senate Committee on Naval Affairs has likewise held hearings on this subject and the House Committee on Naval Affairs has held hearings on the same proposition. The facts are as follows: In Cleveland County, Okla., the Navy Department has a large naval base for training purposes. Around the main field it has a number of secondary or auxiliary fields. The land embraced in this amendment was selected by the Navy Department as an auxiliary field for flying purposes. The land was condemned, taken from the farm owners, and was improved to some extent. The land was leveled off on the surface and a large amount of gravel was placed on the land to make it suitable for use in wet weather. About the time that the field was ready for occupancy an oil well was drilled in a short distance from the land, oil was found, and immediately the land became of great value for oil purposes. The adjacent lands were leased and a number of derricks were erected for drilling purposes.

When the Navy saw that the land in question was to be surrounded by oil derricks and oil fields, the Department realized that it would not be a proper place for the training of Navy flyers, so the Department abandoned the field and said it had no further use for the land. Under those conditions the Secretary of the Navy sent a letter to the House Naval Affairs Committee recommending that the land be turned back to the former owners.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the letter from the late Secretary of the Navy, Frank Knox, to the gentleman from Georgia, Representative VINSON, chairman of the House Committee on Naval Affairs.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NAVY DEPARTMENT,
Washington, D. C., November 13, 1943.

Hon. CARL VINSON,
Chairman, Committee on Naval Affairs, House of Representatives,
Washington, D. C.

MY DEAR CARL: I wish you would present the matter discussed in this letter to your full committee for their consideration, and when I get back from New River, I will come up and discuss it with the committee if you desire.

As I told the committee the other day, we purchased a tract of 532 acres of land near Moore, Okla., for which we paid a total of $46,431.60. This was designed for an auxiliary airfield, and we started at once the work of putting the field in condition for such use, spending to date about $150,000. All of the land was taken by process of condemnation. Subsequent to our purchase of the land, a very big oil well was opened up within a half mile of our land and there are indications that a considerable field of oil exists in this area.

Immediately we were offered, by one of the oil companies, $250,000 in cash plus a royalty of one-sixteenth which the oil company estimated would give us $500,000 more. Of course, instead of accepting the first offer made, I immediately dispatched an expert to the scene to get some accurate information on which I could depend.

I have been thinking about this since, and I am wondering if it is fair and equitable for the Government to exercise its power to condemn and thus become possessed of certain land, which otherwise would have remained in the hands of the private owners, and then take advantage of a discovery of oil in adjoining territory and profit by the transaction. These people did not want to sell their lands. We made them sell. If they had not sold they would themselves have benefited by the discovery of oil beneath the surface. Query: Should the Government, under these circumstances, proceed to take a big profit through the sale of the lands—a profit that otherwise would go to the owners whose title we had compelled them to yield to us?

The Government is not in the oil-speculation business. The lands were bought for an airfield and not for speculative purposes. The use of the land for an airfield is no longer possible because it will be surrounded by oil derricks. Under these circumstances would it not be equitable and just to return the land to the people whom we dispossessed, providing that they recoup the Government by repaying the money we paid for the land plus the money we have expended in improvements which now must be abandoned?

Here is an ethical question on which I would like to have the judgment of the committee. When I get back I should like to discuss it with you.

Yours sincerely,

FRANK KNOX.

Mr. THOMAS of Oklahoma. Mr. President, the Secretary of the Navy in the letter said that the fair thing to do was to let this land go back to the former owners. He made a condition, however, that these farmers should pay back to the Government all the money they had received, plus all the money the Navy had expended in improving the land. The land had oil value at that time. The three farmers, the former owners of the land, agreed that they would do so, and they obviously had reason for making the proposition. No doubt they have understandings with oil companies that in the event the land is turned back they can lease it and secure money from the oil companies to make the payment to the Government. The Navy has expended there about $110,000, so I am advised. The original purchase price was about $46,000. I may not be quite accurate as to exact figures, but approximately $150,000 has been spent by the Government in acquiring and improving this land. Now the Government has abandoned it. If the land has no oil value, its agricultural value has been destroyed very largely because of the gravel runways. The land could not, in all probability, be sold either at private or public sale for agricultural purposes for the amount the Navy paid for it. At this time, however, the land has a speculative value by reason of oil having been discovered nearby. If the Senate will adopt my amendment, and if the House will accept the amendment and the matter can soon be settled, the Government will be paid back all the money it spent in the first instance for the land, plus all the money it has expended in the way of improvements, which would be a total of about $150,000.

After receiving Secretary Knox's letter the chairman of the House committee [Mr. VINSON] introduced a bill in the House. Hearings were held on the bill. At the same time the chairman of the Senate Naval Affairs Committee, the Senator from Massachusetts [Mr. WALSH] introduced a similar bill in this body, and hearings have been held on the bill in the Senate committee. Later on Mr. MONRONEY, Representative from the district in Oklahoma in which this land is located, introduced a second bill in the House. Hearings were held on that bill, and the House committee reported the bill favorably, and the bill is now on the House Calendar, but by reason of the summer adjournment of Congress, and because bills of greater importance having to do with the prosecution of the war and in connection with the war, have been pending before Congress, the House has not had time to act finally upon the House resolution.

As I said a moment ago, the Senate has heretofore passed upon the matter in the form of an amendment to the naval appropriation bill, which had to be yielded when the House conferees held that they could not accept a legislative rider on an appropriation bill.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ELLENDER. I am very sympathetic toward the amendment proposed by the Senator from Oklahoma. As a member of the Naval Affairs Committee I had occasion to hear the evidence in respect to this amendment. However, I wish to invite the attention of the Senator to certain language in the pending measure.

Section 4 (a) reads as follows:

SEC. 4. (a) Notwithstanding the provisions of any other law but subject to the provisions of this act, the board and any disposal agency designated by it under subsection (c) of section 3 of this act are authorized to dispose of surplus property.

Section 4 (b) provides as follows:

(b) Notwithstanding the provisions of any other law but subject to the provisions of this act, the board may dispose of property under this act by sale, exchange, lease, transfer, or other disposition for cash, credit, other property or otherwise, with or without warranty, and upon such other terms and conditions as it deems proper.

On page 61, beginning with line 6, we find the following language:

(2) In the event that land which was employed in farming operations when acquired by the Government but which is no longer classified as agricultural land, is transferred to the Secretary of the Interior under this act, the former owner of such land and his lineal heirs may be offered similar agricultural land in the same area, if such land is available.

Is not that language sufficiently broad to cover completely the situation which the Senator is now discussing?

Mr. THOMAS of Oklahoma. My answer is "Yes," Mr. President; but if we wait until this case is reached in regular order, it may be that this land will have no value whatever for oil purposes.

I wish to show the Senate a rough map of this particular territory, and the section of land which is involved. This chart shows section 28. It shows that portion of section 28 which is involved in the amendment. It is the portion shown in dark shading. As I have stated, oil wells have been drilled around this land. An oil well was drilled 200 feet south of this land, and that well is dry. It is 7,000 or 8,000 feet deep, and there is no oil there. The first well that was drilled was at the point indicated by the star. It is a producing well. West of that is another producing well, and somewhat south of that well is still another producing well. South of those three wells are two dry holes. Two wells are being drilled. A well is being drilled very close to this so-called airfield. It is now down between four and five thousand feet. If that well should prove to be dry, then the oil value of this land might be nil.

Another well is being drilled at the point I am now indicating. If that well should come in dry, the oil value of the land would be very little, and the proven oil territory would be confined to the territory shown by the stars, and to land still farther west.

The reason for this amendment is to have this question settled at a time when the former owners of the land can realize something from the land. Its value for farming has been very largely destroyed, because in certain places the land is covered with gravel. The gravel would have to be removed. At the places where the gravel is located the land would be of no use for farming purposes. If this matter could be settled before the wells are completely drilled, the former owners could be assured of getting something out of the land, which they would have done if the Navy had not stepped in and condemned the land originally.

There is another reason for the amendment, and that is that these three tracts of land are now in litigation. One tract belonged to a Mr. Taylor. The tract consisted of some 105 acres. The land was taken from him by condemnation. He was paid $10,000 for the 105 acres. I understand that he had been previously offered $25,000 for the farm and refused

to accept the offer. When the Government condemned the land and paid him $10,000, he was not satisfied, so he took an appeal. That case is now pending on appeal in the Circuit Court for the Tenth District.

Another case, known as the Holliday case, is in the following condition: Dr. Holliday died since the land was taken. He left a wife and one daughter, and the daughter has a little girl. He left a will, providing for two trustees, Mrs. Holliday and a Mr. E. V. Dennis. When the Navy Department saw fit to take this land, it served notice on Mrs. Holliday and "unknown heirs," but did not serve notice on the other trustee, E. V. Dennis, so the Holliday case is in court, and will have to be adjusted.

The third case is known as the Hummel case, involving the Hummel tract of land. Mr. Hummel is dead. He died intestate and left nine brothers and sisters. Proper service was not had on the heirs, so that case is likewise in litigation.

If this amendment can be agreed to, and if the money can be returned to the Treasury to the extent of $150,000, the three cases now in litigation will be adjusted. In addition, there would be recouped for the Treasury probably $125,000 more than it might receive if the wells should come in dry.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ELLENDER. Under the provisions of the bill as drafted, surplus real estate may be sold by the Administrator without warranty. I notice that the amendment of the Senator does not have that provision. Would he object to a modification of his amendment permitting the Administrator to sell the land without warranty?

Mr. THOMAS of Oklahoma. I shall be very glad to accept such a modification. All we want is a quit-claim from the Government. I shall be very glad to accept the amendment if it can be properly stated. I suggest that the Senator put it in writing.

In the meantime, I yield to the Senator from North Dakota [Mr. LANGER].

Mr. LANGER. Mr. President, as I understand the situation, stripped of all surplusage, it is this: The Navy took a piece of land from some farmers. Now the Navy does not need the land and wishes to turn it back to the farmers, the former owners paying the same price which the Navy paid, plus whatever may have been expended on the land.

Mr. THOMAS of Oklahoma. That is correct. Since the Navy decided not to use the land, it turned it over to William L. Clayton, Surplus War Property Administrator. Mr. Clayton proposed to advertise this tract for sale. I took the matter up with him and told him of the litigation, and left with him such data and information as I had. No doubt he conferred with his attorneys. As a result of that conference, Mr. Clayton has decided not to try to sell this land until the Congress has an opportunity to legislate with respect to it.

Mr. President, I send to the desk a letter from Mr. Clayton and ask that it be read.

The ACTING PRESIDENT pro tempore. Without objection, the letter will be read.

The Chief Clerk read as follows:

OFFICE OF WAR MOBILIZATION,
SURPLUS WAR PROPERTY ADMINISTRATION,
Washington, D. C., August 12, 1944.

Hon. ELMER THOMAS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR THOMAS: In view of the probability of early legislation on the disposal of surplus property, I am pleased to advise you that we have decided to temporarily postpone the sale of the Moore Airfield.

Sincerely yours,

W. L. CLAYTON,
Administrator.

Mr. THOMAS of Oklahoma. Mr. President, those are some of the reasons for offering this amendment at this place in the bill.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. JOHNSON of Colorado. As the Senator from Louisiana [Mr. ELLENDER] has pointed out, the bill provides in a general way for the very thing which the Senator from Oklahoma is asking—that is, that land be returned to the original owner when it is no longer needed by the Government. So there is no lack of harmony between the objectives of the bill and the proposal made by the Senator from Oklahoma, except that he is making a specific case, and our bill deals with general conditions. While it is generally not good legislative practice to deal with specific cases in a bill, the committee has no objection to taking to conference the amendment of the Senator from Oklahoma, as perfected by him, to see what we can do with it.

Mr. THOMAS of Oklahoma. I thank the Senator.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ELLENDER. I propose the following modification of the Senator's amendment: In line 4, after the word "sell", insert the words "without warranty."

The ACTING PRESIDENT pro tempore. Does the Senator from Oklahoma accept the proposed modification?

Mr. THOMAS of Oklahoma. I accept the modification.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the modified amendment offered by the Senator from Oklahoma to the committee amendment on page 61, at the end of line 5.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BURTON. Will the Senator state whether, in his opinion, the United States Government would receive more or less money for this property if this amendment were adopted?

Mr. THOMAS of Oklahoma. That would depend upon whether or not the wells being drilled should come in dry, or become producing oil wells. If the adjacent wells should become producing wells to a substantial extent, the Government could hold the property and sell it hereafter, receiving more money for it than it would receive from a sale to the former owners. However, if those wells should come in dry, the Government would have the land on its hands. The value of the lands for farming purposes has been largely destroyed, because some of the land has been leveled off, and the good topsoil has been deposited in the low places. In other places gravel has been placed on the land to a depth of several inches, which destroys the value of the land for farming purposes.

I admit that it is largely a speculative proposition, but if the Navy had not taken the land, the farmers would still own it today, and they would have all the benefits which now exist. The Government not having used the land for airfield purposes, it is my opinion that a policy or precedent should be established by returning the properties to the original owners on a fair basis.

The former owners are willing to pay back all the money which they received, plus whatever the Navy has expended on the land. It seems to me that that is a fair proposal.

Mr. BURTON. Mr. President, will the Senator further yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BURTON. Can the Senator state whether the abandonment of this field as an airfield was due to the fact that it was not useful as an airfield; or whether it was due to the fact that so much oil was discovered around the land that it could no longer be used as an airfield?

Mr. THOMAS of Oklahoma. It never was used as an airfield. About the time the Navy Department was ready to use this land oil was discovered, new locations were made, and additional derricks were constructed. To have used the field the Navy would have had to send its trainees to this field, weaving in and out among those oil derricks. Of course, that would not have been proper; and, because it was not proper, the Navy—wisely, in my judgment—decided not to use the field. So far as I know, no plane has ever landed on this field.

Mr. BURTON. That is what I wished to have made clear. As I understand, although the Government acquired this land for use as an airfield, it has never been so used. The reason it was abandoned was not that it was not a sound acquisition in the first place, but that oil was discovered around the land, which made it impracticable to use it because of the derricks and other structures erected around it.

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. BURTON. Under those circumstances it became necessary for the Government, as a practical matter, to abandon its use as an airfield; but its value rose tremendously in the minds of the people of the vicinity, including the former owners, because of the presence of oil and the gamble of which the Senator speaks. Under the circumstances, the Senator from Oklahoma contends that the Government, being forced to sell it, should give up the profit which would result if oil were discovered on the land.

Mr. THOMAS of Oklahoma. It is obvious that if the Government should decide at this time to offer this land for

sale, it could obtain more for it than it spent on the land. But all the Government has is possession. It has not as yet adjusted the price with the former owners. When Mr. Taylor received the check for $10,000, he was not satisfied. He took an appeal. He has never cashed his check. He has it now. I have not seen him this afternoon; I think he is in the gallery.

He could not fight the Government. His only recourse was to come to Washington and present the matter to such Senators and Members of the House of Representatives as he could see, as he has a right to do. He is an elderly farmer. He is here with his wife. Of course, they wish to get back the property. If they had it they could profit from it to the extent of what some oil company would give them for a lease. I am frank to say that if the Government desires now to speculate at the expense of these farmers, it can do so. But I do not think it should do so.

That is the purpose of the amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment, as modified, offered by the Senator from Oklahoma to the committee amendment.

The amendment, as modified, to the committee amendment was agreed to.

Mr. DANAHER. Mr. President, on page 39 of the bill appears the very important section dealing with reports and planning. It is provided that—

> The board shall submit to the Senate and House of Representatives a quarterly progress report on the exercise of its authority and discretion under this act. Such reports shall contain—
>
> Among other things—
>
> (i) A statement of the status of surplus property disposition.
>
> (ii) A statement of the kind, amount, and value of all considerations received by any disposal agency in exchange for property disposed of under this act.
>
> (iii) Such recommendations for legislation as the Board may deem necessary or desirable.

Having in mind the reconversion features of the bill and the rehabilitation program on an industry-wide and on a Nation-wide basis, it seems to me that it would be the better part of wisdom for us to amend the third subdivision appearing on page 39, in lines 19 and 20, by adding, after the word "desirable", the following: "especially with regard to the needs of industrially underdeveloped areas."

Thus, the Board would be called upon to report to the Congress its recommendations, in the light of its experience, for legislation "as the Board may deem necessary or desirable especially with regard to the needs of industrially underdeveloped areas."

Therefore, Mr. President, I move to amend in line 20 on page 39, by inserting, after the word "desirable", the words "especially with regard to the needs of industrially underdeveloped areas."

The PRESIDING OFFICER (Mr. McFARLAND in the chair). The question is on agreeing to the amendment of the Senator from Connecticut to the committee amendment.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. DANAHER. I am glad to yield.

Mr. JOHNSON of Colorado. Yesterday the Senator from Michigan objected to having that language appear at another part of the bill. I wonder if the Senator from Connecticut has discussed the matter with the Senator from Michigan.

Mr. DANAHER. No, Mr. President; this is the place in the bill where the words should appear, because this is where congressional action will be called for. We are the ones who should decide as to policy. We are the ones—not a board of eight, downtown—who should make the decisions regarding this program.

It is for that purpose that I have moved the adoption of the amendment to the committee amendment, to the end that the Board shall report to Congress what it recommends should be done in the light of all the facts. Then, with all the facts before us, we would be the policy makers.

Mr. JOHNSON of Colorado. Mr. President, if the Senator will further yield, let me inquire whether it is his purpose to transfer the language found in this section to another section of the bill.

Mr. DANAHER. That is correct.

Mr. JOHNSON of Colorado. I am sure there would be no objection to doing that. I understand that is very much in line with what the Senator from Michigan would do.

Mr. DANAHER. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut to the committee amendment.

The amendment to the amendment was agreed to.

Mr. DANAHER. Mr. President, in order to accomplish the complete purpose in line with the amendment just agreed to, I now call attention to the language on page 31, where we find in line 10, and running through line 15, the following in the statement of the objectives which the board will be called upon to achieve:

> (c) In the disposition of plant, equipment, and materials for use in further production—
>
> (1) to promote maximum production and employment of the manpower, the natural and agricultural resources of all sections of the country, with due regard to the needs of industrially underdeveloped areas.

I move to strike out from lines 14 and 15 the words "with due regard to the needs of industrially underdeveloped areas."

Mr. JOHNSON of Colorado. Mr. President, am I to understand that the amendment offered on page 39 by the Senator from Connecticut has been agreed to?

Mr. DANAHER. Yes; it has been adopted.

Mr. JOHNSON of Colorado. Then there is no objection to agreeing to the Senator's motion to strike out the language referred to on page 31.

The PRESIDING OFFICER. The amendment to the committee amendment will be read, for the information of the Senate.

The CHIEF CLERK. In the committee amendment, on page 31, line 13, it is proposed to strike out the comma and insert the word "and"; and in lines 14 and 15, to strike out the words "with due regard to the needs of industrially underdeveloped areas."

Mr. DANAHER. That covers the matter, Mr. President. Let me say to the reading clerk that the remaining language found in the amendment as written has already been acted upon.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut to the committee amendment.

The amendment to the amendment was agreed to.

Mr. DANAHER. Mr. President, in order that the RECORD may show clearly all the action which has just been taken by the adoption of the last amendment, let me point out that, by the amendment, in line 13, in order that the thought may be complete, inasmuch as we have deleted the language in the concluding phrase, the word "and" has been inserted after the word "manpower," so that the language now reads:

> To promote maximum production and employment of the manpower and the natural and agricultural resources of all sections of the country.

Mr. President, I thank the Senator from Colorado for his courtesy.

Mr. BANKHEAD. Mr. President, when the bill extending the Stabilization Act was pending, the committee fixed the loan price of cotton at 95 percent of parity. Later the Senate approved that rate. The bill, as passed by the Senate, went to conference. As a result of discussion in the conference, the rate was finally approved at 92½ percent of parity.

At the present time there is an emergency situation due to the unexpectedly large crop of cotton and the low prices being paid for it.

So I am presenting an amendment which has been approved as a bill by the Committee on Banking and Currency. I have talked to the sponsors of the pending bill, and they have no objection to the adoption of the amendment.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated, for the information of the Senate.

The CHIEF CLERK. At the proper place in the committee amendment, it is proposed to insert:

> That section 8 (a) (1) of the Stabilization Act of 1942, as amended (relating to loans upon certain agricultural commodities), is amended by striking out "at the rate in the case of cotton of 92½ percent" and inserting in lieu thereof "at the rate in the case of cotton of 95 percent."
>
> SEC. 2. The amendment made by this act shall be applicable with respect to crops harvested after December 31, 1943. In the case of loans made under such section 8 upon any of the 1944 crop of cotton before the amendment made by this section takes effect, the Commodity Credit Corporation is authorized and directed to increase or provide for increasing the amount of such loans to the amount of the loans which would have been

made if the loan rate specified in this act had been in effect at the time the loans were made.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. LANGER. Is that amendment special legislation for cotton?

Mr. BANKHEAD. It would increase the loan rate which was provided for in an earlier bill, which, as I said, was unanimously passed by the Senate.

Mr. LANGER. Then the amendment is special legislation for cotton; is it not?

Mr. BANKHEAD. If the Senator wishes to call it that, of course he may do so.

Mr. LANGER. Why should not the rate for other commodities be increased?

Mr. BANKHEAD. I have no objection. But we are told that it is not desired to include feed at a higher rate.

We have a big crop of cotton, and the price is going down every day. It has gone down 8 points in the last week or 10 days.

The amendment provides financing facilities for cotton. If other Senators wish to include other commodities, of course they can bring them in by way of legislation. But, in view of the fact that the cotton is now being marketed and that there is an emergency in that connection because of the low price, everyone concerned is favorable to the amendment. I hope the Senator from North Dakota will agree to its adoption. If it is not included now, it will not be included at all.

Mr. LANGER. Why not include wheat?

Mr. BANKHEAD. Because wheat is a feed.

Mr. LANGER. Wheat is not a feed. What is the objection to including wheat?

Mr. BANKHEAD. I do not say there is any objection to doing so; but I know that neither the price of wheat nor the price of any of the feed commodities was previously put as high as the price of cotton, because the representatives of the Administration and others did not wish to do so. That is the only reason I know of.

Mr. LANGER. Let me ask the Senator just what his amendment provides.

Mr. BANKHEAD. It would increase the parity price of cotton from 92½ percent to 95 percent. Cotton is now being marketed.

I hope the Senator will take any action he desires regarding wheat separately, not in connection with my amendment. I do not wish to have this amendment pertaining to cotton complicated by the addition of provisions relating to other agricultural commodities. The cotton farmers are making sacrifices every day. I hope the Senator will agree to the amendment in its present form. I will cooperate with him in regard to wheat.

Mr. JOHNSON of Colorado. Does the Senator believe that the subject matter contained in his proposed amendment has any reference whatsoever to surplus property?

Mr. BANKHEAD. No; not directly. There is a very large accumulation of surplus cotton within the Commodity Credit Corporation. The accumulation is subject to withdrawals by farmers. There are approximately two and a half million bales in the category to which I have referred. The emergency is so great that I believe we are justified in allowing the amendment to go to conference.

Mr. JOHNSON of Colorado. Does the Senator believe that his amendment would affect the value of the vast stores of surplus cotton which are now held by the Commodity Credit Corporation?

Mr. BANKHEAD. No; I do not believe that the amendment would have that effect. I think it would affect the value of this year's crop.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. BANKHEAD] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. McKELLAR. Mr. President, for myself, the Senator from Mississippi [Mr. EASTLAND] and the Senator from Arizona [Mr. MCFARLAND], I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 74, line 16, in the committee amendment, it is proposed to strike out "A" and insert "(a) Except as provided in subsection '(b)' of this section."

On page 74, between lines 24 and 25, it is proposed to insert a new subsection, as follows:

(b) (1) All deeds, bills of sale, leases, or other instruments purporting to transfer title or any other interest in surplus property under this act shall contain provisions (A) reserving to the board the right to examine further transfers of the property covered thereby for the purpose of determining whether excessive profits have been realized by the transferee or any subsequent transferee, and (B) requiring the execution by all subsequent transferors of such property of instruments containing such reservations in connection with all future transfers of such property except transfers to consumers.

(2) As used in this subsection the term "excessive profits" means the portion of the profits derived from purchase and sale of any item or group of items of surplus property by any person to whom such property is disposed of under this act, or by any subsequent transferee of such property, which the board determines in accordance with this subsection to be excessive. In determining whether excessive profits have been realized there shall be taken into consideration the following factors:

(A) reasonableness of profits in the light of normal pre-war profits, and profits realized in the usual course of business on similar items which have not been disposed of under this act;

(B) amount of capital employed and risk assumed;

(C) character of business and rate of turnover;

(D) such other factors the consideration of which the public interest and fair and equitable dealing may require, which factors shall be published in the regulations of the board from time to time as adopted.

(3) In any case in which, in the opinion of the board, excessive profits have been realized it shall forthwith give notice by registered mail to the person or persons to whom it believes such profits have accrued, together with a statement of the facts used as a basis for such opinion. After reasonable opportunity for hearing, the board shall enter an order determining the amount, if any, of such excessive profits. The board shall take such action as may be necessary to recover such excessive profits either by settlement or suit in any court of competent jurisdiction. In any such suit the court may, in addition, impose a penalty in an amount not exceeding twice the amount adjudged to be excessive profits. All money recovered by reason of any such settlement or suit or as a penalty shall be covered into the Treasury as miscellaneous receipts.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Tennessee yield to me?

Mr. McKELLAR. I yield.

Mr. JOHNSON of Colorado. I am very much in sympathy with the objectives of the Senator from Tennessee. I am somewhat dubious as to how the proposed amendment would operate in practice, but I shall be glad to take it to conference and see if we cannot find a place for it in the bill. It goes somewhat beyond the scope of the bill as originally conceived. When we reach transactions of the first, second, third, and fourth degree we go far beyond the scope of the bill. The purposes of the amendment are admirable. The amendment is designed to keep down speculation by preventing buyers of articles at low prices from reselling them at ridiculously high prices. So the committee is entirely in sympathy with the objectives of the amendment.

Mr. McKELLAR. Mr. President, I thank the Senator from Colorado. The amendment was discussed at some length a day or two ago, and I thought it was generally accepted.

The Senator from Colorado has stated that he does not know what effect the amendment would have. If he will telephone to one of the departments down town he will find that a similar law enacted 2 or 3 years ago saved the Government very large sums of money.

Mr. JOHNSON of Colorado. Mr. President, will the Senator further yield to me?

Mr. McKELLAR. I yield.

Mr. JOHNSON of Colorado. I agree with the Senator from Tennessee that the renegotiation law has saved the Treasury vast sums of money. There can be no question about that; but the renegotiation law dealt with prime dealers who were transacting business with the Government. It did not reach second-degree dealers.

Mr. McKELLAR. Yes; it reached them all, and the proposed amendment is designed to reach them all.

Mr. President, with the explanation which has been made, I ask that the amendment be agreed to.

Mr. LANGER. Mr. President, if the Senator will yield, I am very anxious to obtain an interpretation from him of the amendment. If a group of farmers, for example, wished to buy a jeep——

Mr. McKELLAR. A what?

Mr. LANGER. A jeep.

Mr. McKELLAR. Yes.

Mr. LANGER. After the war there will be hundreds of thousands of them and many farmers will want to buy them. Possibly some rural mail carrier

will want to buy one. Will the Senator from Tennessee explain the procedure which it will be necessary to follow in order to obtain a jeep, and how many profits the buyer will have to pay?

Mr. McKELLAR. There would be no involved procedure, and no profits. If a person obtained a jeep for 15 cents, for example, and then undertook to resell it at a much higher price, he would be brought to account under this amendment. But so long as he was honest about the transaction, paid a reasonable price for the jeep, and used it in his work, he would not have the slightest difficulty.

Mr. TYDINGS. Mr. President, will Senator yield?

Mr. McKELLAR. I yield.

Mr. TYDINGS. Is is not a fact that under the amendment sales of property to consumers would be specifically precluded from renegotiation? If a farmer bought a jeep for his own use, regardless of the price which he paid for it, there would be no come-back on him?

Mr. LANGER. What I am interested in is that the farmer shall be enabled to buy a jeep at a very low price without being required to pay some speculator a profit.

Mr. EASTLAND. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. EASTLAND. The proposed amendment has nothing in the world to do with the subject matter to which the Senator from North Dakota has referred.

Mr. McKELLAR. It has nothing to do with it.

Mr. LANGER. I have not examined the amendment. I have merely heard it read. It is quite long.

Mr. McKELLAR. Yes.

Mr. TYDINGS. The amendment is merely for the purpose of renegotiating excessive profits, and it would tend to prevent excessive profits.

Mr. McKELLAR. It would permit the renegotiation of contracts which had been entered into wrongfully.

Mr. TAFT obtained the floor.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BURTON. I wish merely to call the attention of the Senator from Tennessee to what evidently is a typographical error which may be confusing in the interpretation of the amendment. The amendment proposes that on page 74, line 16, the capital "A" be stricken out and that there be inserted a small "a" in parentheses. The capital A is a part of the sentence. If it were left in it would make the sentence read more clearly.

Mr. McKELLAR. Mr. President, I ask unanimous consent to modify the amendment accordingly.

The PRESIDING OFFICER. The amendment will be modified as suggested by the Senator from Tennessee.

Mr. TAFT. Mr. President, it seems to me that the amendment would wreck the bill entirely. It would establish a principle of renegotiation with regard to every subsequent transfer of every article sold by the Government under the bill. Talk about regulation and bureaucracy; the proposed regulation would extend from the person who bought the goods back to the manufacturer, to the wholesaler, and to the retailer. It would be necessary to set up a board 10 times as large as the present renegotiation board, which deals only with contractors and subcontractors, because the surplus commodities will gradually be transferred. They may be transferred for many years to come. It is now proposed to extend the principle of renegotiation and say in effect that because an article was bought at one price and resold at a higher price, an unreasonable profit was made. No standard whatever would be prescribed.

The amendment would apply to farm cooperatives which might sell to farmers jeeps which had been purchased by the cooperatives for that purpose. I cannot conceive of the extent to which the regulation would apply. There will be very few retail stores in the United States which will not handle some of the surplus war property, and they will be subject to renegotiation. I was personally opposed to the renegotiation law because it delegated to someone the right to say what was a reasonable profit without establishing the slightest standard as to what a reasonable profit should be. Nor is any standard established in the proposed amendment as to what is a reasonable profit. It seems to me that we are being asked to impose an administrative impossibility. If after surplus war goods are sold we try to control their course, and the profits which persons may make in the resale of the goods, and regulate the sale of every airplane, for example, which may be bought for markets abroad, we shall be going far beyond what I believe to be reasonable. We shall regulate everything from airplanes down to cans of tomatoes which are handled in retail stores as to whether or not it is subject to that control.

When we originally considered this bill we had before us the question whether we should attempt to control the sale of plants and what we could do about plants which were sold. We went as far as we thought it was reasonable to go, that is, we provided that the Board might say that as a condition of buying a plant the purchaser must agree to operate it for 2 years, and if he did not do that, the Government would take it back. Certainly this proposal would extend control for all years to come. It would control machine tools, airplanes, locomotives which might be sold for 50 years from now, if those things last that long, and many of them may last that long. It seems to me to be a wholly unreasonable proposal and an unwise one. If we are going to sell surplus Government property, if it is one of the purposes of the bill to get rid of such surplus property, we cannot attach strings and prescribe what shall happen to the property forever after. I think the possible market for Government property would be cut to one-fourth of the people who might otherwise buy it, for the simple reason that prospective purchasers would not want the trouble of bothering with Government regulation and supervision for many years in connection with articles they might buy or articles which their subbuyers might buy. I believe that we might just as well pass no surplus property bill at all if we adopt this amendment.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Tennessee?

Mr. TAFT. I yield.

Mr. McKELLAR. I was simply going to ask the Senator a question. There is $103,000,000,000 worth of surplus property. Does not the Senator think we ought to put safeguards about its distribution? The Senator says that he was against the renegotiation of contracts law; does not the Senator know that that law has been the greatest success in the world?

Mr. TAFT. No; I do not think it has been at all; I think it has been a most unfortunate experiment.

Mr. McKELLAR. No one has complained of it, and no one has introduced a bill to repeal it. It has worked to the tremendous advantage of the Government.

Mr. TAFT. Four-fifths of all the money, or 90 percent of it, anyway, we would have gotten back under the excess-profits tax, without all that machinery. However, that question does not arise here.

If the Senator wants to accomplish the purpose he is trying to accomplish, then what he ought to do, rather than to try to attach a renegotiation provision and have it apply forever, is to offer an amendment which would provide that when the Board sells an article for a certain price it shall prescribe as a condition of the purchase to the person to whom it sells it that he will not sell at more than a certain advance. Let the Board fix what that advance shall be, so that the man who purchases the particular article may know at what price he can sell it. If the Senator wants to do something of that kind, well and good. We considered the question—and it is a debatable question—of imposing a condition in selling materials, so that articles sold at $4 a piece could not be resold at more than $5 a piece, or more than $8 at retail. If the Senator wants to make it specific on particular articles on which it is thought there is some chance of a large profit being made, that might be done, and that would be a feasible, workable arrangement; but to say that anybody who ever buys any surplus property and then sells it again shall for 50 years to come be subject to renegotiation and have taken away from him a part of the advanced price at which he sold the goods seems to me to be unworkable from the standpoint of the Government and to eliminate the possibility of getting purchasers for goods. I believe it would really practically destroy the purpose of the bill. If it is desired to provide a condition, I think that is a possible thing to do.

Mr. McKELLAR. This plan has been tried and has been found to be very effective. I hope the Senate will adopt it.

Mr. VANDENBERG. Mr. President, I should like to ask the Senator a question before he takes his seat. I should like to know about the practical operation of

this proposal. Under the language of section (b) (1), which apparently intends to follow every item of surplus property down through its entire lifetime, the Government has got to keep track permanently, has it not, of all this $103,000,000,000 worth of property?

Mr. McKELLAR. I hope it will.

Mr. VANDENBERG. And has it not got to audit every transaction so long as any of the property is still in being?

Mr. McKELLAR. No; I do not think so. I think it is left to the Board as to what course it will pursue. When it finds that this property has been bought in an unfair way or a dishonest way or in such a way that unconscionable profits are being made by those who bought it, it seems to me the Government should have the right to renegotiate the contract in the manner which has heretofore been tried out and found to be effective. I cannot see the trouble which the Senator looks forward to. I do not believe it will take 50 years to dispose of these surplus properties; I think they will be disposed of very rapidly.

Mr. VANDENBERG. I want of course to prevent racketeering and stop all fraud and exploitation, I agree with the Senator completely as to that; but I do not want to impose a permanent regimentation upon $103,000,000,000 worth of property passing from hand to hand indefinitely during the life of the property, and it seems to me that will be the inevitable requirement if the section is to be effective.

Mr. McKELLAR. I do not think so at all—I do not think it has that meaning—it is not intended that it should have. The Board passes on the question, and the Board is, after all, the ultimate source of power in connection with the proposal and in making it effective. The same argument was used when the Renegotiation Act was under consideration, but that act has resulted in much benefit to the Government and the people of the United States.

Mr. VANDENBERG. I do not think that is a fair analogy, if the Senator will allow me to say so.

Mr. McKELLAR. I will take it back then.

Mr. VANDENBERG. In the first place, I do not think the situation is wholly comparable.

Mr. McKELLAR. Contracts were being entered into which were very hurtful and injurious to the Government, and Congress by law made provision for the renegotiation of such contracts. We might lodge in the Government the same power in this instance. The Renegotiation Act has been enforced to the hurt of no one, to any great extent at least.

Mr. VANDENBERG. It seems to me the point the Senator overlooks in his analogy is that the renegotiation power was a limited power involved in a war emergency, and the Renegotiation Act itself expires of itself under its amended terms within the next 6 or 9 months. I am simply asking the Senator for his interpretation, as I do not understand how anyone could anticipate the operation of a system such as this seems to contemplate in my view. Here, instead of a renegotiation system which was strictly limited in objective and time, it is proposed by law to assert that there can never be a transfer hereafter of any surplus property at any time without requiring in the transfer, or any subsequent transfer at any time in the life of the commodity, that an audit in respect to so-called excess profits shall occur.

Mr. McKELLAR. Does the Senator have any idea that the Board of eight members created by the bill is going to undertake to practice that kind of iniquity on anybody?

Mr. VANDENBERG. I hope not, but the Senator and I have both had plenty of experience with bureaucracy.

Mr. McKELLAR. Yes, sir; we have.

Mr. VANDENBERG. And the Senator will agree with me that a bureaucrat has the wildest imagination of any man on earth, and if he can find any possible excuse to extend either his own tenure or his power over his fellow citizens, he will do it.

Mr. McKELLAR. Perhaps some bureaucrats may do that, but I think there are other bureaucrats who are honest.

Mr. AIKEN. Mr. President, will the Senator yield to me?

Mr. McKELLAR. I yield to the Senator from Vermont.

Mr. AIKEN. I fail to be very much impressed by the argument of my colleagues on this side of the aisle, because, as I read the bill, it would appear to me that the jurisdiction of the Federal Government over this property is ended as soon as the property reaches the hands of the consumer and is put to use.

Mr. McKELLAR. Yes; that is correct.

Mr. VANDENBERG. I do not know how the Senator can say that.

Mr. McKELLAR. With the provision that if a wrongful and dishonest practice has been perpetrated upon the Government the transaction can be renegotiated.

Mr. VANDENBERG. The amendment uses the word "transferee or any subsequent transferee."

Mr. AIKEN. "Except transfers to consumers"; so that when an article reaches the consumer, the person who is going to use it, the jurisdiction of the Government does end. The amendment offered by the Senator from Tennessee, it appears to me, would insure the property reaching the consumer's hands as quickly as possible, because if a purchaser or speculator knows that by holding the property for 2 years or 10 years he could not make any more profit, there would be no incentive to speculation.

Mr. McKELLAR. Of course the Senator from Vermont is correct in his statement.

Mr. AIKEN. I hope the amendment of the Senator from Tennessee will prevail.

Mr. BURTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). Does the Senator from Tennessee yield to the Senator from Ohio?

Mr. McKELLAR. I yield.

Mr. BURTON. Following that same line of thought, leaving for a moment the matter of the difficulty of applying such a provision to personal property, I should like to direct the Senator's attention to the situation which arises with respect to real property. The amendment of the Senator applies to all deeds.

Mr. McKELLAR. Yes.

Mr. BURTON. Therefore it would apply to real property?

Mr. McKELLAR. Yes.

Mr. BURTON. And therefore ever after a parcel of land which was disposed of would be subject to this limitation?

Mr. McKELLAR. No; the parcel of land would be sold to a person who would use it. Why would there not be consumption to that extent?

Mr. BURTON. I think the Senator would have difficulty with the court if he were to attempt to show that the real estate had been consumed.

Mr. McKELLAR. For instance, if one rents a house or real property, and lives in or on it, that is a consumption of the house or real estate to that extent. If not, I have forgotten all the law I ever knew. I do not think I have forgotten.

Mr. BURTON. But as to the real property itself, it seems to me that the language as it stands would raise a permanent question with regard to the transfer of the title.

Mr. McKELLAR. I do not think so. The Senator, of course, may be correct about the matter, but I do not agree with him.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. McFARLAND. Is it not a fact that the adoption of this amendment would eliminate speculators, so there would be no trouble on that score?

Mr. McKELLAR. I think it would have a tremendously good effect in that way.

Mr. McFARLAND. And the only market it would do away with would be the speculative market?

Mr. McKELLAR. That is my hope.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. FERGUSON. Since the provision in question would apply to real estate and to all personal property, would it not be impossible to police such a provision?

Mr. McKELLAR. I do not think so. The same procedure is followed under the provisions of an existing law. We have not found any insuperable objection to carrying out the provision.

Mr. FERGUSON. Am I to understand that as applied to real estate it would be binding upon all future purchases in the chain of title?

Mr. McKELLAR. I would not say so. That would be a matter within the discretion of the board.

Mr. FERGUSON. Is it something which would be discretionary with the board?

Mr. McKELLAR. The board would have charge of it. The board would pass on it. It would either sue or not sue. It would make a claim or not make a claim.

Mr. FERGUSON. In other words, the board might make a claim against one man and not against another. That is the objection I have to the provision.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered to the committee amendment by the Senator from Tennessee [Mr. McKELLAR] on behalf of himself, the Senator from Mississippi [Mr. EASTLAND] and the Senator from Arizona [Mr. McFARLAND].

Mr. GEORGE. Mr. President, may the amendment be again stated?

The PRESIDING OFFICER. The amendment will be again stated.

The CHIEF CLERK. On page 74, line 16, it is proposed to insert "(a) Except as provided in subsection '(b)' of this section, a."

On page 74, between lines 24 and 25, it is proposed to insert a new subsection as follows:

(b) (1) All deeds, bills of sale, leases, or other instruments purporting to transfer title or any other interest in surplus property under this act shall contain provisions (A) reserving to the board the right to examine further transfers of the property covered thereby for the purpose of determining whether excessive profits have been realized by the transferee or any subsequent transferee, and (B) requiring the execution by all subsequent transferors of such property of instruments containing such reservations in connection with all future transfers of such property except transfers to consumers.

(2) As used in this subsection the term "excessive profits" means the portion of the profits derived from purchase and sale of any item or group of items of surplus propetry by any person to whom such property is disposed of under this act, or by any subsequent transferee of such property, which the Board determines in accordance with this subsection to be excessive. In determining whether excessive profits have been realized there shall be taken into consideration the following factors:

(A) reasonableness of profits in the light of normal pre-war profits, and profits realized in the usual course of business on similar items which have not been disposed of under this act;

(B) amount of capital employed and risk assumed;

(C) character of business and rate of turnover;

(D) such other factors the consideration of which the public interest and fair and equitable dealing may require, which factors shall be published in the regulations of the board from time to time as adopted.

(3) In any case in which, in the opinion of the board, excessive profits have been realized it shall forthwith give notice by registered mail to the person or persons to whom it believes such profits have accrued, together with a statement of the facts used as a basis for such opinion. After reasonable opportunity for hearing, the board shall enter an order determining the amount, if any, of such excessive profits. The board shall take such action as may be necessary to recover such excessive profits either by settlement or suit in any court of competent jurisdiction. In any such suit the court may, in addition, impose a penalty in an amount not exceeding twice the amount adjudged to be excessive profits. All money recovered by reason of any such settlement or suit or as a penalty shall be covered into the Treasury as miscellaneous receipts.

Mr. GEORGE. Mr. President, I have, of course, great sympathy with the purpose of the amendment, and great respect for my colleagues who have offered it. But the amendment, coupled with other provisions of the bill, will convert it from a reconversion bill into a bill to delay and to increase unemployment, finally ending in a depression, and it will end in a depression very rapidly. There could not be any purchaser who would buy any of this property if the proposed amendment were adopted. No one would then buy. The Government could not sell. Therefore the Government would merely keep the property.

Already the bill contains section 17 which I should like to read:

SEC. 17. Every contract for the sale, or lease for 2 years or more, of a plant shall be made upon the condition that the purchaser, lessee, or transferee, and their transferees, if any, shall maintain the plant in substantial operation and production for a period of 2 years next succeeding the effective date of the contract, or, next succeeding the date upon which operations begin after a period of conversion and alteration to be approved by the board, but not to exceed 1 year, and that upon breach of such condition, the Government may rescind the contract and upon return of so much of the consideration as shall be equitable, recover the plant.

With a proviso.

Under this provision, Mr. President, the very persons for whom we profess great concern, the small businessmen, could not buy any of this property. They could not obtain loans to help them buy it. The property could not be obtained except through a governmental or Federal agency which would let them have the money. Therefore no one would buy.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. McKELLAR. The provision which the Senator read is already contained in the bill. The proposed amendment does not affect it. The renegotiation provision merely undertakes to prevent speculators from obtaining Government property for little or nothing and making enormous profits. I understand that speculators who are waiting around for this $103,000,000,000 of surplus property, are already arming and equipping themselves for the battle to come, to see for how little they can obtain this large quantity of surplus property, and how much they can make from its resale.

Mr. President, the proposed amendment does not have anything to do with the suggestion which the Senator makes. The amendment merely seeks to bring about honesty, and if a small businessman buys a piece of property belonging to the Government, or a plant belonging to the Government, and pays an honest price for it, and seeks to go into business, he need fear nothing from this amendment.

Mr. GEORGE. Where would he get the money with which to buy the plant? From whom would he get it with such a provision in the law?

Mr. McKELLAR. This provision would not affect his getting the money or not getting the money. It merely provides that the Government shall not be "hornswoggled," if I may use a word which is not often used, in selling the property and then having profits doubled up by speculators.

Mr. GEORGE. Mr. President, I assume that the whole purpose of the bill is to see that the Government receives value for its property. Else why set up a board of eight men and pay them each $10,000 a year, with a vast organization to handle the property? Of course there may be some frauds. There may be some who will buy property at too cheap a price. But we are dealing with the problem of reconversion. We are trying to get the business machine going again so there can be employment, so there can be jobs. Yet through every line of this bill there are so many prohibitions and restrictions as to make reconversion a very remote thing, if it ever does take place under this bill, if it should become law. That is the solemn truth about it. If we cannot find someone who can sell this surplus property for value, and who is honest enough not to let speculators buy it for nothing, then we might as well quit anyway, because nothing we may do will prevent individuals from trying to make some money out of these purchases. The market is being narrowed; it is being narrowed to such a point that people will be cheated out of jobs, because potential purchasers cannot get materials with which to provide work.

The pending bill provides for stock piles of every known type and kind of metal and ore. When the War Department and the Maritime Commission are willing to say, "This is surplus; we have all we want," then the surplus goes into a stock pile, to be maintained under a law which we enacted prior to this war, so that no one fabricating metals of any kind, no industry depending upon any sort of raw material which is described as a strategic mineral or metal, can get it until some mine produces it and it goes through the mills, and after weeks and months finally reaches the little plant, which has 200, 300, or 500 men standing idle and wanting to work.

This is not a reconversion bill. It is a bill to put the brakes on every sensible effort to place the material back into the hands of American workers and American producers who can and will furnish jobs. I do not wish to be offensive, but this bill might well be labeled "A bill for the mining industry." That is the industry which would profit by it.

Let us analyze it. My good friend from Tennessee, in his desire not to have someone speculate, wishes to narrow the market still further, and tie up property with an obligation to have the price renegotiated in peacetime, or when we are about to enter into peacetime and wish to provide employment and to furnish something for people to work on. It is proposed to stop the very wheels of industry. We shall have a W. P. A., and we shall have universal relief. Under the terms of the bill, until the Senator from Colorado today accepted the amendment offered by the Senator from Michigan [Mr. VANDENBERG] which does not quite cure the situation, a cotton mill would be stopped in its tracks for weeks, getting every single pound of lint and all the partially fabricated product out of its machinery. It would have to go into some other market and buy the very things it was forced to surrender to the Government.

We enacted a contract termination law which undertook to deal with this situation. It is almost universally regarded as an act under which business can resume work. Under that act we did not require fabricators and those who had contracts with the Government to turn all their material back to the Government and file an exorbitant claim and have it paid in cash. We wanted to induce them, if they would, to take at its fair value such material as they were working on in their plants, so that the plants might not be forced to stop, so that they might continue in operation, and workers might continue on their jobs.

With the stock-piling program, with section 17, and with the amendment now offered by my distinguished friend, no intelligent person would buy property the price of which could be negotiated and renegotiated through half a dozen generations.

I wish to see the business of this country get back in gear. I wish to see the American worker find a job, and I wish to have some one able to supply him with a job. I do not want anyone to defraud the Government; but some sharp trading by purchasers is inevitable. We cannot reconvert if we are to place this kind of a provision in the law. No one will buy the property. Least of all will the small businessman buy it. The small businessman is small because he must borrow money. He has not the capital with which to build a great enterprise. He cannot go to any bank or lending institution in the country and get the money with which to buy property with such a cloud on the title.

I plead with my colleagues, if I can be heard at all, not to prevent reconversion to peace, not to prevent the transfer of raw material into the hands of those who know how to use it, how to provide jobs, and how to rebuild and strengthen our economy.

We have tied up land. So far as land is concerned, it does not make very much difference. It is not very vital to the general economy. The land will remain there, and will finally be taken over by someone. But we have tied up land in ways which make it almost impossible to administer the act. It cannot be administered. According to the terms of the bill, the land must first be offered to the man who sold it to the Government, or, if he be dead, to his heirs. If his heirs do not want it, then it must be offered to his tenant. Finally, the veteran is given preference for 15 years in the purchase of land.

Who could administer such an act? Who could ever reconvert to a peacetime economy the vast resources of a country which have been stock-piled and taken over for war purposes? If we pass this bill, with all these hindrances and checks in it, we might as well write into the caption of the bill that it is intended to stop reconversion to American peacetime enterprise in its tracks, to the extent that $103,000,000,000 worth of property and material is essential for the starting of industry.

Take another illustration. Under the provision to which the Senator from Michigan called attention this morning, consider an industry making screws or trucks for the Government. It has a stock pile of material in its own shops. It can continue, without let-down or hindrance, to make something which the farmers need, something which civilian enterprise needs, or something which every citizen needs. However, under the terms of the bill prior to the amendment which was accepted earlier in the day, the owner of such an industry would have to stop in his tracks and turn over to a disposal agency of the Government every piece of material in his plant. He would then be forced to try to find some other material to put back into his plant. Is that good business? Is that the way to convert to peacetime operations? Is that the way to make jobs for people in this country?

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. JOHNSON of Colorado. On the point which the Senator has made with respect to owning agencies, as I understand his thought, he would like to have the owning agencies become the disposal agencies. The War Department is an owning agency. If we were to leave the doors wide open, the owning agency could dispose of all contractor inventories, which amount to many billions of dollars, without any regard whatsoever to any of the safeguards which we are attempting to place in the bill.

Mr. GEORGE. Oh, no.

Mr. JOHNSON of Colorado. The bill prohibits the owning agency from general disposition, but the bill provides disposal agencies, which would be expected to dispose of the inventories in accordance with the provisions of the bill. Simply because the owning agency has been stopped from disposal——

Mr. GEORGE. I am speaking only of the contractor inventory in the plant itself. Under the terms of the bill, every wheel would be stopped until the owners of the industry could bring in some other inventory.

Mr. JOHNSON of Colorado. No. The disposal agency could turn over such an inventory under the terms of the bill. There is nothing to prevent the disposal agency from acting immediately; but under that clause the owning agency would not be permitted to dispose of such inventories without restrictions. We must always bear in mind that the owning agencies are the Army and the Navy. If the purpose of the bill is to turn this job over to the Army and Navy, to use their own judgment, that is one thing; but that is not what we attempted to do in the bill. We set up disposal agencies, and we placed around them certain restrictions, limitations, rules, and regulations, so that they would not disrupt the economy of the country. We made the disposal agency do these things, and we took the power away from the owning agency.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. TAFT. I should like to make it clear that when the Senator from Tennessee [Mr. STEWART], the Senator from Montana [Mr. MURRAY], and I introduced the bill section 12 of the bill gave full power to the owning agency to dispose of any contractor inventory in its control.

Mr. GEORGE. Exactly. That is the provision in the original text of the bill, and it should remain in the bill.

Mr. TAFT. As the Senator has said, every amendment would make some change. Some amendments would restrict the power of the War Surplus Property Administrator to dispose of property. I agree with the Senator as to a good many of the restrictions imposed, although I believe that there must be some restrictions.

Mr. GEORGE. It is true that there must be some restrictions. I am not quarreling with that statement. Let me read the language of the bill. Let us see what can be done by the disposal agency. Omitting the first part, which has to do with the retention of material for war or defense purposes, with which no one, of course, is quarreling, on page 43, line 20, we find the following language:

Provided, That no part of such inventories shall be retained or disposed of by such contractor or subcontractor for any other purpose.

That is, for any purpose other than in the war effort.

Provided, That no part of such inventories shall be retained.

What does that mean, Mr. President? It means that in the case of a contract to take styles exclusively for the Government, which contract is held by numbers of textile manufacturers, when that contract is canceled the manufacturers cannot retain any part of the inventories in their own plants. They must be taken out and turned over to some other agency.

Mr. JOHNSON of Colorado. Mr. President, I disagree with the Senator's conclusions, for the reason that the only thing we would stop would be the War Department. The War Department has contracted for textiles for war purposes. We do not interfere with that at all. The War Department should have that right. In this provision we continue its right to utilize those inventories for the purpose of providing for the war effort.

Mr. GEORGE. Oh, yes; that is all right.

Mr. JOHNSON of Colorado. But that is a part of the war effort.

Mr. GEORGE. Yes.

Mr. JOHNSON of Colorado. When the War Department has finished with the war, it should be through with such matters.

Here we provide for the creation of a disposal agency to take care of the disposal of that property for civilian purposes. We cannot have two disposal agencies. We cannot provide that the War Department shall be one disposal agency and that it shall have a free hand, and then set up other disposal agencies.

Mr. GEORGE. No. My good friend, the senior Senator from Colorado [Mr. JOHNSON], for whose frankness, candor, and honesty I have great respect, misses the particular point. The bill provides

that no part of such inventories shall be retained or disposed of by any contractor or subcontractor for any purpose except for the war.

What does that mean? It means that a man who is making screws, which are necessary for peacetime purposes, must stop making them, and must take every bit of the material he has out of his own plant. But later he will have to get it or something like it again.

Mr. JOHNSON of Colorado. Mr. President, the proviso which begins in line 20 is, of course, a limitation on the power which is given to the agency to dispose of property, which is set forth in the section beginning in line 13. We give the agency certain powers to dispose of property. The following proviso is a limitation on those powers. It is not a general prohibition against inventories.

Mr. GEORGE. Let me read something which another agency of Government, one which is responsible for the administration of laws which have already been passed, has written as stating its view.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. KILGORE. Is it not a fact that the language referred to applies only in cases in which the surplus is owned by the Government, not by the plant? The Senator referred, by way of illustration, to textiles and to screws. I presume the Senator spoke of a plant which is operated on a unit-cost basis.

Mr. GEORGE. Yes; operating for the Government.

Mr. KILGORE. My understanding of the bill—and I was present in the committee—was that it applied only in cases where the property actually was the property of the United States Government, not of the mill owner.

Mr. GEORGE. Perhaps that is correct. I will not raise any question about that.

Mr. KILGORE. If it is the property of the United States Government, the mill owner should not be permitted to retain it, unless in some way he can secure ownership of it. Is not that correct?

Mr. GEORGE. In a reconversion bill, when the very purpose is to keep the wheels running so that people may have employment, why should anyone take such material out of the mill owner's plant until such time as he can find some other source of supply? Why should he not be able to pay value for it and retain it in his plant? I am not fussing with anything the Senator has said by way of an abstract reference, but we cannot separate this matter from the problem with which we are dealing.

Mr. KILGORE. Is the Senator referring to the finished product or to the raw material on hand?

Mr. GEORGE. I refer to the raw materials in process of work in the shop.

Mr. KILGORE. Does the Senator refer to material which belongs to the Government or to the mill owner?

Mr. GEORGE. I refer to material which belongs to the Government but is a part of the mill owner's inventory.

Now let me read what someone else has had to say about this matter:

As reported by the committee, S. 2065 would create difficulties in the disposition of contractor inventories which may be disastrous. Section 13 (a)—

That is what I have been reading—

of the bill has been modified to prohibit the retention or disposition of any contractor inventories by the contractor or subcontractor except for the purpose of aiding in the prosecution of the war or in the common defense. Section 33 (f) defining "contractor inventory" has been substantially narrowed in its scope.

If permitted to stand, these provisions would have far-reaching consequences.

Mr. President, these provisions relate to the administrators of our Government who must do this job if it is to be properly done.

I read further:

1. These provisions would seriously impede and delay reconversion to peacetime production. Under the uniform termination article the Government may require war contractors to deliver their own termination inventories and those acquired from subcontractors. That provision was designed to enable the Government to acquire critical items and to prevent windfalls to contractors in unusual cases. Section 13 (a) apparently would force the Government to take over all of such inventories except those to be used for war production. Upon the cessation of hostilities, these materials will be needed immediately to convert to civilian production and to avoid widespread unemployment. If the Government is forced to take over all these materials, the disposal agencies cannot possibly distribute them to manufacturers under the terms of the proposed bill soon enough to avoid the risk of economic stagnation.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. O'MAHONEY. Does the Senator understand that statement to mean that the author of the statement interprets the bill as an amendment of the contract termination bill?

Mr. GEORGE. No; but that in effect it is contrary to the spirit of the contract termination bill. It is not an amendment to that bill.

Mr. O'MAHONEY. Let me say to the Senator that I am sure no member of the committee had the slightest purpose of doing what the Senator fears will be done by this section. I know of no member who wished to raise the slightest obstacle to reconversion. The only purpose in adopting the proviso to which the Senator has been adverting was to prevent inventories, which are the property of the United States, from being held idle or from being disposed of at speculative prices. I am sure the Senator does not want to have such things occur.

Mr. GEORGE. No; I do not; but I do want to have reconversion achieved.

Mr. O'MAHONEY. If I understand the Senator correctly, what he is requesting is that inventories which may be in the plants at the time of termination may be usable in those plants. If I may say so to the Senator, I see nothing in the proviso which would prevent that. We are dealing here solely with surplus property belonging to the United States. If a textile contractor comes to the end of his contract, it will be a perfectly simple matter for him to make arrangement with the agency through which he has had the contract, for the amount of the property then in his hands which he wishes to retain. We are dealing here only with surpluses which he will not wish to retain. I am sure the members of the committee will be very glad to have that stated in any language the Senator may suggest.

Mr. GEORGE. I am sorry that I could not interpret it as the distinguished senior Senator from Wyoming has interpreted it.

Mr. O'MAHONEY. Of course, what I have stated is the purpose. What we are trying to do is to put that objective into proper language. I am sure there will be no objection to drafting apt language for that purpose.

Mr. GEORGE. Mr. President, as the bill was originally written on this point, and introduced, and sent to the committee, it covered this point and took care of this very issue. It is the change in the language with respect to contractor inventories which has brought about this situation.

Mr. O'MAHONEY. Mr. President, I heard the Senator make that statement earlier today. As always, having the greatest respect for the Senator's views, I immediately examined the language which had been deleted. I am frank to say to the Senator that I can see no ground for apprehension there.

The letter the Senator has received from the War Department says that the contractor inventory definition has been greatly narrowed. It has been narrowed only in the respect that we have used fewer words to state the same thing. The words we used are the words which were used in the contract termination bill which was reported by the Finance Committee.

Let me read the definition of contractor inventory which was contained in the original bill. It is to be found on page 28 of the bill now before us:

(f) The term "contractor inventory" means (1) any property related to a terminated contract of any type with a Government agency or to a subcontract thereunder (except any machinery or equipment subject to a separate contract or contract article specifically governing its use or disposition); and (2) any property acquired under a cost-plus-a-fixed-fee contract and in excess of the amounts needed to complete performance thereunder—

That section is certainly subject to the same interpretation the Senator has put upon the amendment the committee has reported—

and (3) any property which the Government is obligated to take over under any type of contract as a result of any change in the specifications or plans thereunder.

Mr. GEORGE. Mr. President, has the Senator been reading the definition contained in the bill as it was reported?

Mr. O'MAHONEY. No; I have read the definition which was replaced. It is the definition to which the Senator has referred.

Mr. GEORGE. I so understood. I thought the Senator said that definition was in the bill as reported.

Mr. O'MAHONEY. No. It is in the original bill.

Mr. GEORGE. It is in the bill as introduced; is it?

Mr. O'MAHONEY. Yes; it is in the bill as introduced.

Mr. GEORGE. Very well.

Mr. O'MAHONEY. My view is that the definition is merely a more explicit definition of Government-owned property than the one we had. We felt that in adopting the language of the Finance Committee we were improving the bill.

Mr. GEORGE. I do not know that that is the language of the Finance Committee at all. The original bill was not introduced by me.

Mr. O'MAHONEY. Allow me to read to the Senator the definition of "termination inventory" as set forth on page 3 of Public Law 395 of the Seventy-eighth Congress:

> The term "termination inventory" means any materials (including a proper part of any common materials), properly allocable to the terminated portion of a war contract, except any machinery or equipment subject to a separate contract specifically governing the use or disposition thereof.

The purpose of that language, of course, was to describe the inventory which was left over in the plant after the contractor had completed his termination negotiations with the Government. So it deals solely with surplus property belonging to the United States.

Mr. GEORGE. Mr. President, I was reading an interpretation which has been placed upon the bill, and I should like to finish it for the record because it is not my interpretation. I believe, however, that it is the inevitable interpretation which must be applied. I resume reading:

> This can be illustrated by the concrete example of a contractor engaged in producing trucks for the War Department. Upon termination of the contract, he will have on hand partially fabricated materials and component parts which he could immediately use to produce trucks for the civilian market. Under the bill as reported, the contracting agency could not permit the contractor to retain any of this property, even though he was willing to keep it without cost to the Government. He would be unable to begin production until he had obtained the same materials from other sources.
>
> (2) These provisions would create tremendous waste and unnecessary expense. To the extent that the contractor can use or easily dispose of termination inventories for other productive uses, he saves the costs of redistributing this property through Government channels. By forcing all of this property to go through the contracting and disposing agencies, the bill will vastly increase the amount of paper work, administrative red tape, and unnecessary handling. This expense will serve no useful social or economic function.
>
> (3) These provisions will not aid small business. On the contrary, the bill would require inventories to be taken from smaller concerns as well as larger ones and would therefore subject them to the same delay and expense in acquiring the same materials from other sources.
>
> (4) These provisions would greatly increase the termination costs of the Government. At present, the contractor retains or disposes of substantial parts of the useful materials at cost and makes no claim for them, or retains or sells them at mark-downs, regulated by the Surplus Property Administrator, claiming only the difference. Under the bill, the Government would apparently be forced to take over all of this property although the contractor is in the best position to use it for immediate production, and will pay for it accordingly. This obligation to take over the inventory regardless of its utility would also impair the flexibility and negotiations in settling claims.
>
> (5) This provision would overwhelm the disposal agencies with staggering quantities of partially fabricated materials and component parts, for which the only market will be the class of contractors from whom the property was taken. Meanwhile the Government will face a storage problem for such property of such dimensions that its solution seems virtually impossible.
>
> (6) Finally, this provision would place in the hands of the Government and under its control a very large proportion of all of the raw materials and component parts now in the hands of the manufacturing industry of the country. For a while at least this would put all of such companies at the mercy of the Government agencies controlling the supplies of these materials. Such an adventure in economic planning makes many of the wartime controls seem trifling by comparison.

Mr. President, it was not with reference to this particular part of the bill that I rose. I wished, while I was discussing the amendment offered in all good faith by my distinguished friend, the Senator from Tennessee [Mr. McKELLAR], to point out the unavoidable effect of several of the provisions contained in the bill. I return to section 17 of the bill, to which I have already alluded.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. JOHNSON of Colorado. On page 75 of the bill in paragraph (b) a number of acts of Congress are set forth. We have specifically named the laws which the pending bill would not affect. Would the Senator be satisfied if, at the end of line 17, we were to change the period to a semicolon and add such a provision as this: "or any right which the contractors and subcontractors have with respect to termination inventories under the Contract Settlement Act of 1944"?

Mr. GEORGE. I believe that a change of that kind would very greatly strengthen the bill. It might make the language clearer if the Contract Settlement Act were enumerated among the acts which the Senator has said would not be impaired or affected by the provisions of the bill.

Mr. PEPPER. Mr. President, before discussion upon the pending subject is concluded, will the Senator allow me to propound a question?

Mr. GEORGE. I yield.

Mr. PEPPER. Under the Contract Termination Act would a contractor whose inventory was located in his building have to pay a fair market price for it? In other words, would he be able to obtain the same articles at a lower price than someone else?

Mr. GEORGE. No.

Mr. PEPPER. Is it the purpose not to give him any price preference?

Mr. GEORGE. That is true. That is expressly provided in the Contract Termination Act. If he takes the articles at the price provided under the Contract Termination Act he has no claim under the contract against the Government for any other money.

Mr. PEPPER. I have one further question. We shall possibly encounter the question when inventories are in the hands principally of a group of large manufacturers. The small manufacturers who want to resume peacetime business may not be able to obtain inventories because large manufacturers, who may already be working for the Government, have on hand all the principal available stocks.

Mr. GEORGE. The language applies only to the contractor's inventory which he is using to produce materials for the Government.

Mr. PEPPER. Let us assume the Senator's illustration which he used a moment ago with regard to a textile mill. I can well understand how those engaged in the manufacture of certain articles for the Government might, of necessity, and rightly in wartime, have great stocks of commodities because they are making uniforms or articles of apparel for millions of men. But if the war were to stop and they were no longer required to produce for war purposes, it might be proper to allow other units in the industry not engaged in war work, but needing critical materials, to obtain them without giving the first preference to the manufacturer making war articles without regard to the needs of the contractor for peace purposes. Does the Senator understand what I mean?

Mr. GEORGE. Yes. The bill would not apply to any completed article. The application would be only with regard to the process of conversion.

Mr. PEPPER. What I mean to ask is this: Would the owning agency—I assume it would be the Property Disposal Administrator, or the War Department or the Navy Department—have to supply to a particular contractor all the raw materials which he had on hand regardless of the relationship between the volume of the raw materials and the peacetime needs of the contractor?

Mr. GEORGE. No; I do not believe so because the situation would be qualified by the general provision in the bill to which, of course, no exception could be taken. On page 49 of the bill paragraph (c) states as follows:

> (c) The board shall have the responsibility for reviewing the disposal actions and the decisions with respect to the classification of property of the owning agencies under this section to assure the fulfillment of the objectives and policies of this act and whenever the board finds it necessary it shall restrict by regulation or rescind the authority of any owning agency to dispose of any class of surplus property under subsection (b) of this section.

The quarrel with regard to the bill as originally reported was that it prohibited the board from allowing the contractor or subcontractor to take over or retain any part of his working inventory, not that the board would be required to let

him have it all or any particular part of it.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Georgia yield to me in order that I may comment on the suggestion made by the Senator from Florida?

Mr. GEORGE. I yield.

Mr. JOHNSON of Colorado. The difficulty is in distinguishing between the owning agency and the disposing agency. The committee was very anxious to place the inventories under the control of the board, and under the provisions of the proposed act, and not permit the War Department and the Navy Department to act without considering the provisions of the law, or the desires of Congress, in disposing of property without restriction. The committee tried to place some restrictions upon the disposition of property by owning agencies to contractors and subcontractors.

Mr. PEPPER. Mr. President, if the language were to the effect "except the same might be acquired from the Surplus Disposal Administrator in accordance with the provisions of this act," then the objection of the able Senator from Georgia, it seems to me, might have been met.

Mr. JOHNSON of Colorado. Mr. President, we accepted the amendment offered by the senior Senator from Michigan at the end of line 22. His amendment reads:

> Except under policies established by the board.

So that ties the inventory back to the board and brings the inventory under the provisions of the bill. That is what we have been seeking, and I am sure the committee would have no objection to striking out in line 21 the words "retained or."

Mr. GEORGE. I think that would in very large measure cure this particular defect, but I pointed that out as a restriction on the whole reconversion program, and now I have pointed out section 17, and I submit with all candor to those who are responsible for this bill that if they want small business really to have anything to do under the bill they had better reexamine section 17. It reads:

> Every contract for the sale, or lease for 2 years or more, of a plant shall be made upon the condition that the purchaser, lessee, or transferee, and their transferees, if any, shall maintain the plant in substantial operation and production for a period of 2 years next succeeding the effective date of the contract—

And so forth. There are a great many Government constructions which, after this war is over, will be useful only for warehousing purposes. Many of the powder plants will be worth actually nothing except for the buildings themselves, which may be used for warehouses. If they are sold to anybody who could properly come within the definition of "small business," he would not be able to finance his purchase in the first place, and if we say "all property" we unreasonably restrict and narrow purchases to the point where the bill would be converted not into a reconversion bill but into a delaying bill; that is, it would keep the program from actually moving along as it is intended and contemplated that it shall. Now I come back to the amendment.

Mr. STEWART. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Tennessee?

Mr. GEORGE. I yield.

Mr. STEWART. I was trying to follow the Senator from Georgia and the Senator from Colorado as to how the proviso in section 13 is proposed to be changed. I ask, as a matter of information, how the proviso beginning in line 20 now reads.

Mr. GEORGE. I think it reads substantially as follows:

> *Provided*, That no part of such inventories shall be disposed of by such contractor or subcontractor for any other purpose, except under policies established by the board.

That seems fairly well to cover the situation.

Mr. STEWART. "Under policies established by the board?"

Mr. GEORGE. "Under policies established by the board," under rules and regulations established, I presume, is what it means.

Mr. STEWART. And the words "retained or" have been stricken out.

Mr. GEORGE. It is suggested that they be stricken out because the important thing is to prevent the disposal of the property, not to force the removal of the plant.

Mr. STEWART. That is a proviso which was placed in the bill by the Military Affairs Committee; it was not in the original draft of Senate bill 2065.

Mr. GEORGE. No; the original draft of the bill covered precisely the objection we raised this morning. The Senator from Tennessee is quite right.

Mr. PEPPER. Mr. President, would the able Senator have any objection if inventories were retained in accordance with regulations of the board?

Mr. GEORGE. I do not think that would make any material difference, but I do think it is of vast importance for the Government that the contractor not be required to move material at Government expense and store it at Government expense.

Mr. PEPPER. I should like the attention of the Senator from Colorado. It seems to me that once there is accorded the protection the Senator from Georgia is anxious about—and I think properly so—what is done must be done under the regulations of the board. It seems to me that the acquisition of an inventory as well as its disposition might be subject to regulations of the Board.

Mr. GEORGE. I think that would substantially cover the issue, particularly if the Senator from Colorado includes in the latter part of the bill the acts that are not affected by it, including the Contract Settlement and Adjustment Act.

Mr. JOHNSON of Colorado. On page 75 in due time, I expect to ask for the adoption of an amendment.

Mr. GEORGE. I thank the Senator for his statement on that point.

Mr. PEPPER. Would it not be just as well to leave in "retained" and not have it stricken out, with the additional words added at the end of line 21, and then the other amendment to which he adverted? Would the Senator from Georgia have any objection to that?

Mr. GEORGE. I think it would accomplish the same purpose and cover the same thing.

Recurring to the amendment offered by the distinguished Senator from Tennessee, I was simply pointing out that it added one more brake to the disposition of surplus property and narrowed the sale and probably the number of possible purchasers of the property.

Mr. PEPPER. To what page is the Senator referring?

Mr. GEORGE. It is an independent amendment which has been offered.

Mr. JOHNSON of Colorado. Page 54.

Mr. GEORGE. It was section 17 on page 54 to which I called attention; but the amendment offered by the Senator from Tennessee is a new amendment. I am satisfied in my own mind, indeed I am convinced from a long study of this subject that if we make it practically impossible for purchasers to acquire war materials now in the hands of the Government or which will be in the hands of the Government or of contractors or of subcontractors on the termination of their war contracts—for which they would be entitled to make claims against the Government unless the property were taken over at inventory cost, or reopened by the contractors and operated for peacetime consumption—I am satisfied that all these brakes will so narrow the bill as to make it almost impossible of administration as a reconversion bill.

I want to stress the point that, of course, I have every sympathy with any purpose to prevent profiteering or to prevent people from buying any material now held by the Government and making resales of it at exorbitant profits, or any profits, so far as that goes, if their purpose is merely to obtain a profit. But we are dealing here with a problem not of mobilization for war and not with contractors with whom the Government had to make contracts which must be speedily made and in a field that was wholly new, when the contractors themselves might be entirely ignorant of the cost and the Government itself might not have any dependable figures, but we are dealing here with the sale of property which the Government has obtained and has negotiated and renegotiated, the value of which it knows or ought to know. So, it seems to me, there can be no reason why the Government under this set-up or under the set-up contained in the House bill for the disposal of surplus property could not get reasonable and fair values for its property.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. ELLENDER. I did not quite understand the criticism of the Senator of section 17 on page 54. As I understand that section, it is designed to make it certain that if a person or corporation buys a plant he will immediately operate it and if he does not operate it for at

least 2 years, the Government can then take it back. What is wrong with that?

Mr. GEORGE. How many small businessmen are going to buy a plant under those conditions, and where will they get the money with which to buy it?

Mr. ELLENDER. I do not think they ought to buy it if they fail to operate it.

Mr. GEORGE. That is the point I was making. I do not think they could buy it.

Mr. ELLENDER. The point is that under section 17, as I understand, if a plant is purchased the purchaser must operate it; otherwise it will revert to the Government so that the Government can sell it to someone who will operate it.

Mr. GEORGE. I understand that, but only the big businessman can operate it.

Mr. ELLENDER. I think it is a good provision.

Mr. GEORGE. I do not think it is a good provision for it narrows the market, and only the large operator, only the highly organized concentrated business groups can buy these plants.

Mr. ELLENDER. Under that provision if anyone buys a large property he would have to operate it, and if he should not, it would revert to the Government.

Mr. GEORGE. Yes; that is correct; he would have to operate it, but the point I am making is that small businessmen could not stand the loss. If he had purchased the plant and agreed to operate it for 2 or more years, he could not stand the loss of the money involved. Those who have already a monopoly in the field could stand it. Take an aluminum plant. A large aluminum company might well buy an aluminum plant and say, "Yes, we will operate it for 2 years." They might operate it at a loss; they might know they were going to operate it at a loss. But where is the little businessman who can buy an aluminum plant unless it can be operated at a profit?

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. CHANDLER. I think, under section 17, any person who undertook to buy a plant would find that two considerations are involved. One is the ability to buy it if it were declared to be surplus property; and the other the provision that if he buys it, he must operate it, and that if he does not operate it, the Government will take it away from him and give him back his money. So he must be able at least to undertake the business venture. If he does undertake it, he must run it, operate it, in order to insure employment. If he does not do so, that is a breach on his part of his obligation, and the Government will take the property away from him, but will give him back his money.

Mr. GEORGE. There is no unequivocal statement to the effect that the Government shall give him his money back. The provision is that it shall return so much of it as will be equitable.

Mr. CHANDLER. That is all he would be entitled to.

Mr. GEORGE. Yes; but he buys under those conditions.

Mr. CHANDLER. First, he buys a plant. What we are trying to do now is to provide that when he buys and operates, he shall do so in the interest of the people. It is in the interest of the people that he operate the plant in order that there may be employment and production.

Mr. GEORGE. Some of the plants cannot be operated.

Mr. CHANDLER. Very well. In such a case there would not be a purchase, under the terms of this provision.

Mr. GEORGE. But if he buys he would be obliged to operate.

Mr. CHANDLER. I do not think anyone would buy if he understood that he could not operate.

Mr. GEORGE. The point I wish to make is that, in my opinion, this provision virtually excludes the small businessman from coming in and buying any of these plants. I do not see how he can take the risk. He is not financially strong. He is an independent businessman whom we commonly classify as a small business operator. I do not see how he can buy, under the obligation here imposed that he must operate for 2 years or more, because he cannot assume such a risk. He presumably is not going to buy at less than the value. Presumably someone is going to make him pay value. It is only the strong group that could buy some of these plants and take chances on them. Such buyers will charge off the losses anyway. Their taxes will probably be less after they have charged off the operating costs of an unprofitable plant for 2 years.

Mr. CHANDLER. The alternative of that is to scrap the plant, and sell the material for scrap. The Government either wants the plant operated or wants to sell the material in the plant. We have tried to provide in this measure for the sale of property which is declared surplus. I do not assume that anyone can buy unless he is financially able to keep the property and operate it. When he buys a plant he undertakes to run it for 2 years. We have safeguarded the buyer from any act of God or any circumstances beyond the buyer's control.

Mr. GEORGE. Yes.

Mr. CHANDLER. I do not see how it will be a hardship on the purchaser under such circumstances, because in the first place no one would undertake to buy the plant unless he were financially able to buy it and to operate it.

Mr. GEORGE. Yes. But what the Senator's argument comes to is that the market has been narrowed.

Mr. CHANDLER. No; I think the provision gives the widest latitude to anyone who wishes to buy a plant and operate it, in order that we may have what we all talk about and want—production and employment. Employment is not to be had in a place where there is no production. We wish to sell the surplus plants, if we can, to those who can pay the Government for them.

Mr. GEORGE. I agree with the Senator.

Mr. CHANDLER. The purpose is to sell the plants so they may be operated and may produce and afford jobs to those who need jobs. We say to the prospective purchaser, "If you buy the plant, and then if for any legitimate reason you cannot continue, if circumstances which are beyond your control should arise which prevent you from operating the plant, we will arrange to release you from it and pay you back your money."

Mr. GEORGE. Mr. President, my position is that this is a restrictive provision in the bill which will narrow the number of possible purchasers, and inevitably it will be at the cost of the weak man, if it is at the cost of anyone.

Mr. CHANDLER. My good friend the Senator from Georgia desires reconversion.

Mr. GEORGE. Yes.

Mr. CHANDLER. The Senator wants reconversion?

Mr. GEORGE. Certainly I do.

Mr. CHANDLER. The Senator wants sound reconversion from wartime to peacetime. How can we get reconversion from wartime to peacetime unless we provide a solid basis on which an individual can obtain a plant and operate it? In what other way can we do it than the way provided in the bill? It seems to me that if we fail to make such provision, the alternative is to scrap the plant and sell the scrap, what is left of it, if it is surplus.

Mr. GEORGE. Mr. President, I do not care to argue the point any longer. A great many plants will have to be scrapped.

Mr. CHANDLER. I have no doubt about that but I wish to save as many of them as can be saved.

Mr. GEORGE. But these are salable plants. I may assume they are plants which are salable to someone. When the title is tied up it makes it impossible for the small businessman to borrow money, because no bank is going to lend him money when it does not know whether he can operate the plant for 2 years and when, if the individual cannot operate the plant for 2 years, the Government will step in and take it back, and then also, as is now proposed, the Government can step in and renegotiate the contract, and the Government may decide that the purchaser did not pay enough for the plant. What I am trying to say is that by these restrictive provisions we are narrowing the possible purchasers for the surplus material.

Mr. STEWART. Mr. President, will the Senator yield to me for an observation?

Mr. GEORGE. Yes.

Mr. STEWART. Of course the purpose in drafting the section was to prevent, as the Senator has already said, monopolistic control of any industry in any one particular line. The possibility of the purchase of these plants and holding them as stand-by plants, or dismantling them, or tying them up so they could not be used in production, presented a serious question, and one with respect to which it was hard to come to a decision. The Senator spoke of the difficulty of obtaining loans to make purchase, and the narrowing of the market for purchasers. I should like to call the Senator's attention to the fact—I am sure he has not overlooked it—that the bill contains provisions which permit the Smaller War Plants Corporation to finance small business.

Mr. GEORGE. I know that is true.

Mr. STEWART. That would prevent the narrowing of the field of purchasers.

Mr. GEORGE. We do not appropriate any more money to the Smaller War Plants Corporation. We are merely giving the Corporation authority to buy at a resale.

Mr. STEWART. Yes; and that would probably have to be done. The Corporation has the right to guarantee the payments.

Mr. GEORGE. The Senator is quite right. That is intended to aid the small business groups, and I have every sympathy with that effort. It seems to me this is a restrictive provision which will be harmful in the general reconversion program, and particularly so far as the rather weaker units are concerned, individuals or corporations, who wish to become owners of Government surplus property.

Mr. STEWART. We are seeking directly to prevent monopoly.

Mr. GEORGE. Yes, and to keep people at work.

Mr. CHANDLER. Mr. President, will the Senator permit one more observation?

Mr. GEORGE. I yield.

Mr. CHANDLER. The committee gave most careful consideration to this section, and I think the committee was unanimous in the hope that there would be written a section which would offer the widest opportunity to the so-called small businessman to participate in the reconversion program. I confess that the provision may be written without restriction, but it seems to me that section 17, as it is presently written, gives ample opportunity to every individual who believes he can operate a plant, and who has a sufficient amount of money on hand or in prospect, or who can have his operation financed, and the language gives him an out and gives the Government an out. I confess that I do not know what we could add which would at the same time accomplish the purpose we seek to accomplish.

Mr. GEORGE. I thought that other and further provisions of the bill, such as safeguards against monopoly, safeguards against sales being made contrary to the advice of the Attorney General, and so forth, might very well take care of those difficulties, so that we would not have to hamper or encumber the title to the property in such a way as will affect the interest of the Government or affect the ability of the small business operator to acquire property freely and go into business for himself if he can.

Mr. ELLENDER. Mr. President——

The PRESIDING OFFICER (Mr. WALSH of New Jersey in the chair). Does the Senator from Georgia yield to the Senator from Louisiana?

Mr. GEORGE. I yield.

Mr. ELLENDER. Is the obligation to operate the plant for 2 years the only restriction the Senator has pointed out in this section?

Mr. GEORGE. Yes; that is all I have referred to in this section. I referred to this section in connection with the amendment offered by the Senator from Tennessee. They must be considered together.

Mr. ELLENDER. Does the Senator feel if a small businessman were to apply to a bank to borrow money with which to buy and operate a plant, that in all probability the bank would insist that the plant be operated? In other words, would not the same obligation be placed on the man who applied to a bank for money to purchase a plant as is placed on one who buys a plant under the provisions of this section?

Mr. GEORGE. Certainly. But when any property which is not strictly consumer goods is tied up by any sort of conditions of this kind the possible market is narrowed. I think all of us know that to be so. Therefore the double purpose of the bill is, first, that the Government may realize what it can from this surplus property; and second, to make a reasonably speedy conversion—I do not say that speed is the sole consideration—back to full peacetime operation. It seems to me that this is one of the restrictions which, in connection with the amendment offered by my very good friend from Tennessee, would make it really out of the question for the small businessman to take the risk of buying. The amendment provides for the renegotiation of his contract.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. ELLENDER. What I had in mind was section 17 as written, to which the Senator has directed his criticism. At all events, as I see it, if a small businessman were to attempt to buy a plant and borrow money from the bank for that purpose, my guess is that the bank would insist that before lending any money on the plant, the plant should be in operation so that the borrower could discharge his obligation.

Mr. GEORGE. Yes; my further guess is that the bank would not lend the money to him under this provision, because the Government might step in and take the property back. If the amendment of my friend from Tennessee should be adopted, the Government could step in and renegotiate the contract, increasing the price, on the ground that the price paid was too low.

Mr. WILEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Wisconsin?

Mr. GEORGE. I yield.

Mr. WILEY. I should like to have the Senator's opinion with relation to some definite situations along the very line he has been discussing.

In this country there are a large number of plants—whether they be called small plants or large plants does not make any difference—with respect to which the Government insisted that enlargements be made. Before the war those plants were engaged in manufacturing along certain lines, and they now have facilities which would expand those lines probably 50 times. There would be no real need in peacetime for such expansion, but the Government owns the extensions.

Mr. GEORGE. That is true.

Mr. WILEY. Under those circumstances, if the Government insists that the extensions be operated, it cannot be done. We then confront the question as to how much the Government would ask for those extensions. In my own State there are a number of such places. I am very much interested in the Senator's approach to the problem.

Mr. GEORGE. The Senator is correct. In such cases the owners of the plants could not agree to operate. The only type of operator who could agree to operate would be a concern such as the United States Steel Co. It could agree to operate, because it could afford to operate at a loss. It could reimburse itself with tax losses, and could afford to take over the facilities.

I am particularly concerned on behalf of the small businessman. The Senator is quite correct. There are a great many plants which are useful in peacetime only as warehouses or storage houses. Presumably the Government might sell them for storage houses. They might be operated as storage houses, either private or public. However, there are innumerable plants which cannot be operated with any assurance of a profit for a couple of years, and anyone who might undertake to operate such a plant would run into financial difficulties. In the long run we shall not get back to sound economy if, through fear that someone will make a little profit on the goods and merchandise, the Government ties the property up with conditions which would so narrow and restrict the market as virtually to defeat a reconversion program.

I cannot get out of my mind the thought that the only reason why we have dealt with this whole problem is that we do not want the wheels of business to stop. We do not want agriculture to stop. We do not want jobs to play out. We want to make things which our people need today. The distinguished Senator from North Dakota [Mr. LANGER]—and his statement could be repeated with reference to every other State in the Union in relation to some article of machinery—has called our attention to the fact that the farmers of his State have been unable to obtain combines, tractors, trucks, and mowing machines. That situation prevails all over the country. We ought to make it possible to reconvert from war to peace as quickly as possible consistent with the protection of the interests of the Government, and consistent with what we believe to be sound policies.

There is no possible quarrel with the Senator from Tennessee so far as the soundness of his policy is concerned, namely, to prevent profiteering in the goods and materials now owned by the Government; but to impose upon all sales made, from one transferee to another, through a long chain, the renegotiation of the price if it should develop that the property was worth more than the original purchaser paid for it, would be so to hamper the reconversion program as

to make it almost impossible. It would be delayed, and the result would be confusion which would prevent the production of peacetime goods and articles which we need so badly. That would mean that jobs on the farm and in business, which should be opened up speedily, would not be available.

Under the provisions of the Contract Renegotiation Act, there is no doubt that some contractor may profiteer to some extent at the expense of the Government. He may get a settlement to which he is not actually entitled. But we thought, as a matter of public policy, that when we had safeguarded, so far as we could, the cancelation of the contract and the adjustment of damages under the contract, and provided for the removal of the surplus material from the plant so that there might be a reconversion to peacetime operations, the general economy was being served. That meant that we were getting our country back to peacetime operation.

I do not mean to be at all critical of the committee. I know that it has worked hard and faithfully. But reading this bill from cover to cover, and studying it by and large, my conclusion is that in many instances its inevitable effect would be greatly to delay and confuse the whole problem of reconversion to peacetime economy.

For that reason particularly, and solely for that reason, I feel that the amendment which my friend the Senator from Tennessee has offered would be a very serious mistake, because it would fasten upon the property—much of it real property and durable goods which would last for a number of years—the obligation of renegotiation when, under a change of conditions, or a fortuitous shifting of the economic picture, some Government agency might consider it profitable to renegotiate a contract.

Mr. AUSTIN obtained the floor.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. AUSTIN. I shall be glad to yield if the Senator does not intend to consume much time.

Mr. WAGNER. Mr. President, is there an amendment to the bill pending?

The PRESIDING OFFICER. There is an amendment pending.

Mr. WAGNER. I intended to offer an amendment which I am sure would be agreeable to the sponsors of the bill. I am confident that there would be no objection to it. However, in view of the fact that an amendment is pending, I shall not be able to do so until after that amendment has been disposed of.

Mr. AUSTIN. Mr. President, I shall consume only a few moments of the time of the Senate. I wish to comment on two of the points which the distinguished Senator from Georgia has discussed. The first is the proviso in section 13 (a). The Vandenberg amendment, which I understand has already been accepted as a part of the proviso, would make the proviso read:

Provided, That no part of such inventories shall be retained or disposed of by such contractor or subcontractor for any other purpose, except under policies established by the board.

First, I should like to ask whether it is in order for me now to move to strike out the proviso as amended.

The PRESIDING OFFICER. The amendment offered by the Senator from Tennessee [Mr. MCKELLAR] is pending.

Mr. AUSTIN. Mr. President, I accept that ruling as a ruling that it would be out of order for me to move to strike out the proviso at this time. However, I may desire to make such a motion at a suitable time later.

Mr. President, I regard the proviso as inconsistent with—indeed, in conflict with—the existing law and the policy of Congress.

Mr. WAGNER. Mr. President, will the Senator yield to me for a moment?

Mr. AUSTIN. I yield.

Mr. WAGNER. I must return to a committee meeting. I am sure that the amendment which I intend to offer will meet with no objection. With the permission of the Senator, I ask unanimous consent that I may offer it and have it disposed of.

Mr. AUSTIN. I yield for that purpose, if the Chair rules that it may be done.

Mr. WAGNER. I ask unanimous consent that I may offer the amendment and have it considered at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

Mr. DANAHER. Mr. President, I have no idea in the world that I shall object, but I should like to hear the proposed amendment stated.

Mr. WAGNER. I was about to ask that it be stated.

Mr. DANAHER. I was sure the Senator had that in mind. Let it be read.

The PRESIDING OFFICER. The amendment offered by the Senator from New York will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 43, line 1, in the committee amendment, after the word "consumer" it is proposed to insert the word "minority."

Mr. WHITE. Mr. President, would the word "minority" come before the comma; that is, between the word "consumer" and the comma?

Mr. WAGNER. Yes.

Mr. WHITE. So that it would read "consumer minority."

Mr. WAGNER. The amendment would merely insert the word "minority."

The PRESIDING OFFICER. Is there objection to the present consideration of the amendment offered by the Senator from New York to the committee amendment? The Chair hears none. Without objection, the amendment to the amendment is agreed to.

Mr. WAGNER. I thank the Senator from Vermont for yielding.

Mr. AUSTIN. Mr. President, I should like to conclude the brief statement I wish to make. I have said that the proviso read by me is in conflict with the policy the Congress has declared by Public Law 395, Seventy-eighth Congress, to provide for the settlement of claims arising from terminated war contracts, and for other purposes. The matter will be plain, upon my merely reading the statute which is the law today. The title is "Removal and storage of material."

I shall read section 12 (a), which is to be found on page 11 of the pamphlet:

It is the policy of the Government, upon the termination of any war contract, to assure the expeditious removal from the plant of the war contractor of the termination inventory, not to be retained or sold by the war contractor.

I do not need to press that point at all. That is plain English. In the ordinary acceptance of those words, when we undertake by a proviso in the pending bill to say, "*Provided*, That no part of such inventories shall be retained or disposed of by such contractor or subcontractor for any other purpose except under policies established by the board," we are by a back-handed method trying to repeal the existing law.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. WHITE. Assuming that the Senator is correct in his opinion regarding the effect of the proviso, I should like to know whether that effect is intentional or unintentional on the part of the committee.

Mr. AUSTIN. It was not intentional on my part. As a humble member of the committee, I had grave doubt about this proviso, and I expressed it. At the time when the matter was debated, I did not have before me section 12 (a) of the existing law. Since then I have obtained it, and now I am fully persuaded, whereas then I was only partly persuaded, that the proviso does not belong in the bill and that it would come out, even as it is improved by the amendment of the Senator from Michigan.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. JOHNSON of Colorado. I desire to join the Senator in his recommendation that the proviso on page 48 be eliminated from the bill. I think, as he does, that it should go out.

I would suggest to the Senator from Georgia [Mr. GEORGE] that on page 75, where we make it certain that the bill does not contemplate interfering with other statutes, in line 9, after the word "of", where it first appears, we insert the words "the Contract Settlement Act of 1944," so as to entirely remove any fear that the bill will in any way affect the Contract Settlement Act of 1944.

Mr. AUSTIN. Then, Mr. President, I ask unanimous consent that on page 48, beginning in line 20, the proviso as amended be stricken out.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Vermont?

Mr. VANDENBERG. Mr. President, I simply wish to say that I am in total accord with the request. It completely achieves the result I was seeking sometime ago. If I had dared hope that there would be a surrender to any such request, I would have made it myself. I entirely agree with the Senator from Vermont.

The PRESIDING OFFICER. Is there objection to the unanimous-consent re-

quest of the Senator from Vermont? The Chair hears none, and the amended proviso, beginning on page 48, line 20, is stricken from the bill.

Mr. AUSTIN. Mr. President, I now wish to refer to the other matter, which is the pending amendment submitted by the distinguished senior Senator from Tennessee [Mr. McKELLAR], for himself and the Senator from Mississippi [Mr. EASTLAND] and the Senator from Arizona [Mr. McFARLAND].

In the committee, I considered the idea presented by the amendment. It was not then in the form in which it now appears. But the idea was the same, no matter in what form presented, namely, the attempt of Congress to lay the dead hand of mortmain upon contracts and land titles for all time to come. If that is not an absurd proposition, I do not know what is. With our background of respect for contracts, with all the laws which have been passed by Congress and by the legislatures of the several States aimed at a free economy in which private individuals will have the right to make contracts and the right to acquire property freely and to pass it on to their heirs or assignees, without having laid upon their contracts a dead hand which would remain through the ages, to me it is a preposterous thing now to say "You cannot exercise the customary, well-known right of selling in a free market to a willing buyer, you being a willing seller."

That is what the amendment amounts to. It is an attempt to destroy completely the freedom of contract, and to say that a board which Congress sets up may exercise its judgment upon a man's contract with another individual citizen of the United States, and may say that the price asked and the price paid resulted in the seller's obtaining a profit which the board thinks is unconscionable.

If it were humanly possible, with our frailties, to pass a sound judgment upon that question, I should wish to know what kind of machinery would be provided to watch over the contracts of citizens of the United States in pursuing the units into which $103,000,000,000 worth of property have been divided, and to chase them down their lines and lineages from now to the end of the world.

Mr. McKELLAR. Mr. President, will the Senator yield to me? He has asked a question about how it will be done. I should like to have him permit me to tell him.

Mr. AUSTIN. Yes; I yield.

Mr. McKELLAR. Section 3 of the amendment provides as follows:

In any case—

That is to say, in the case of any one of the sales of the $103,000,000,000 worth of property or any part of it—

in which, in the opinion of the board, excessive profits have been realized it shall forthwith—

Not to the end of time, not throughout all the ages, but forthwith—

give notice by registered mail—

That is a fairly safe way of notifying people—

to the person or persons to whom it believes such profits have accrued, together with a statement of the facts used as a basis for such opinion. After reasonable opportunity for hearing—

Not through 10 or 12 centuries, as was suggested here earlier today—

the board shall enter an order determining the amount, if any, of such excessive profits. The board shall take such action as may be necessary to recover such excessive profits either by settlement or suit in any court of competent jurisdiction. In any such suit the court may, in addition, impose a penalty in an amount not exceeding twice the amount judged to be excessive profits.

That gives a perfectly plain, straightforward, honest method to be used and passed upon almost immediately by the board. Its order must be based on an opinion sufficient to enable the board to recover in a suit at law.

That would be an end to the matter. It would all be over. If that would not be a fair, just, and proper administration of the matter, I should like to have the Senator say what would be.

Mr. AUSTIN. Mr. President, with the utmost courtesy for the Senator from Tennessee, I wish to say that he has overlooked the first part of his amendment. I read the first part of it:

(b) (1) All deeds, bills of sale, leases, or other instruments purporting to transfer title or any other interest in surplus property under this act shall contain provisions * * * (B) requiring the execution by all subsequent transferors of such property of instruments containing such reservations in connection with all future transfers of such property except transfers to consumers.

There the Senator has constructed a chain which will have no ending until the property is exhausted.

Mr. McKELLAR. Oh, no. Those requirements would not apply until the board acts.

Mr. AUSTIN. The process would have no end.

Mr. McKELLAR. The board would act, and it would exhaust the powers which are given to it under this bill. That is all the amendment would do. If I may repeat to the Senator what I have said heretofore, let me point out that its purpose is merely to prevent rascality and dishonesty in the disposition of $103,000,000,000 worth of property.

Mr. AUSTIN. If that is the sole purpose, Mr. President, let us adhere to our customary and usual jurisdiction, namely, over the contracts which we make as a government, and not undertake to go into the field of repeated contracts by citizens. The illustration is good only for the first step. Through all time every transfer subsequent to the first will be subject to the law, and the board will not become functus officio in exercising its power once. It must be the watchdog of the chain of descent of property through all the assignments and transfers which are made for a consideration for all time. That is against every concept which I have of government and of free economy. It is the kind of totalitarianism which we have tried to avoid by providing safeguards throughout the bill. If there is anything that the committee worked hard to accomplish it was to protect the public interest without giving to the Central Government too much authority. By providing for a board we tried to get away from one-man control, and put the matter into the hands of a board. We tried to get away from the executive idea and give to the Congress a visitorial authority. We went even so far as to get off of the end of the limb and go into the locality and ask for advice there. Perhaps we overdid it. My own thought is that we did. I do not like the idea of extending the authority as we have done. Nevertheless, I am not making a protest against it. I am protesting against the idea of Congress enacting a law which would visit upon every contract made with respect to every unit of the $103,000,000,000 which has been referred to, the dead hand of review by a Federal board. To do so violates our theory that in this country we may export our goods and our property from one State to another without Congress stepping in and imposing a tariff on them, or imposing some other barrier which would interfere with our free economy and our free commerce. Indeed, our laws are designed to encourage and promote commerce, to increase it and make it free to flow, grow, flourish, and make us prosper. Everything about this proposal offends my sense of good government and free enterprise.

Mr. President, I was opposed to the bill in the committee, and I am very much opposed to it now.

Mr. McFARLAND. Mr. President, I very much regret that my good friend the distinguished Senator from Vermont seems to believe that our amendment is absurd. I also regret very much that my good friend the able Senator from Georgia finds himself in disagreement with the amendment. The amendment is not a complicated one. It is very simple.

It has been suggested that the amendment would prevent conversion. I say that it would promote conversion. It would facilitate putting property into the hands of the consumer. That is where we want it to go. Let us examine the language of the amendment. On page 2, beginning in line 3, the amendment reads as follows:

And (B) requiring the execution by all subsequent transferors of such property of instruments containing such reservations in connection with all future transfers of such property except transfers to consumers.

What does that mean? It means that when land is sold to some one who farms it, the land is then in the hands of the consumer. If that is not the meaning of the language I am sure that my colleagues will join me in a modification of the amendment so that its meaning will be more specific. The amendment means that if a factory should be sold, when it was placed into the hands of the persons who were to operate it, the property would then be in the hands of the consumers. The amendment further means that when jeeps are sold, when people start driving them and using them, they will be in the hands of consumers. What is there complicated about that?

The language of the amendment means that surplus war property could not be sold at prices which would permit unreasonable profits. It has been said that prospective buyers would be prevented from being financed to buy property. Since when has it been necessary to pay an unreasonable profit in order to obtain finances? If our country has come to that stage, we have come to a serious state of affairs. There is nothing unreasonable about the amendment. It is a very simple one. It has been suggested that we should assure farm implements being placed in the hands of farmers. That is exactly what the amendment is intended to do. Every day I receive telegrams and letters——

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. EASTLAND. The purpose of the amendment is to get surplus war property into the hands of the farmers and other consumers without excessive profits being made, and without affording profits to speculators who would gouge the consumer.

Mr. McFARLAND. The Senator is absolutely correct.

As I was about to say, I am receiving telegrams and letters every day from farmers who wish to obtain caterpillar tractors. Tractors of that type are not now available. When the war is over the Government will have a great many caterpillar tractors for sale. If this amendment were not agreed to there would be nothing to prevent someone from buying caterpillar tractors in bulk and holding them for unreasonable profits and preventing farmers from buying them.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. EASTLAND. Is it not true that the amendment would take the principle of renegotiation, in its protection of the people of the country, to conference so that it could be considered there? If there is sufficient opposition to the principle of renegotiation, of course the vote in the conference would be against the amendment. As I understood the distinguished Senator from Colorado [Mr. JOHNSON], who is sponsoring the bill, it is a wholesome amendment to protect the people of the country, and its provisions could be adjusted in conference.

Mr. JOHNSON of Colorado. Mr. President, I do not think the Senator from Mississippi quoted me quite correctly in saying that I thought it was a wholesome amendment. It has a wholesome objective.

Mr. EASTLAND. The Senator is correct. That is what he said, and I beg his pardon for misquoting him. The amendment would provide renegotiation only down to the consumer level; and when that level was reached and property was being used, there could be no further renegotiation.

Mr. McFARLAND. I thank the Senator.

Mr. HILL. Mr. President, will the Senator yield to me?

Mr. McFARLAND. I yield.

Mr. HILL. I find myself in sympathy with the authors of the amendment. I wish to propound a question. With regard to the question of land, how would the Senator apply the language to a land transaction?

Mr. McFARLAND. My interpretation of the language with regard to land is that when a person buys land and starts to farm it, for example, he becomes a consumer, and that should end the transaction.

Mr. HILL. In other words, if a person were to buy land, live on it, or use it for himself, that would be the end so far as any power of the board is concerned to follow the transaction further.

Mr. McFARLAND. That is my interpretation.

Mr. HILL. I wonder if language could be suggested which would make for a clearer interpretation.

Mr. McFARLAND. The amendment will have to go to conference. If it is at all ambiguous, so far as the Senator from Arizona is concerned, he will have no objection to the amendment being modified.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. AIKEN. Is it not true that if a purchaser of a plant—and I assume also of land—were to comply with the provisions of section 17, which require operation for a period of 2 years, he would automatically be qualified as a consumer, and that therefore the property would not be subject to any further renegotiation whatsoever on the part of the Government?

Mr. McFARLAND. I think the Senator has made a correct statement.

Mr. AIKEN. If he should comply with section 17, he would be absolutely qualified?

Mr. McFARLAND. I think so.

Mr. WEEKS. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. WEEKS. In respect to land in urban areas, how would the consumer qualify if he made a purchase of such land?

Mr. McFARLAND. What kind of land does the Senator have in mind?

Mr. WEEKS. Let us assume an office building.

Mr. McFARLAND. If the Government should sell an office building to a person who started to use it as an office building, that person would become a consumer.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. CHANDLER. I have a great deal of difficulty in agreeing to the definition of who is a consumer under this bill, but if the Senator's version is the correct one, under the language on page 2 of the amendment, reading "(B) requiring the execution by all subsequent transferors of such property of instruments containing such reservations in connection with all future transfers of such property except transfers to consumers," what does the Senator mean by the words "except transfers to consumers"?

Mr. McFARLAND. The amendment does not apply to goods which get into the hands of the consumer.

Mr. CHANDLER. Then what is the purpose of the amendment?

Mr. McFARLAND. The purpose of the amendment is to prevent profiteering in the buying and selling of goods which belong to the people of the United States. The amendment provides that when goods get into the hands of those who are to use them, namely, the consumers, the transaction is ended so far as the board is concerned.

Mr. CHANDLER. It seems to me that the definition which has been used excludes all of them. What else is needed? If the amendment excludes them nothing else is needed. The goods would be in the hands of the consumers right away. I agree with the Senator from Vermont.

Mr. McFARLAND. I am sure the Senator will not say that goods which were sold after the last war were in the hands of the consumer the minute they were sold.

Mr. CHANDLER. After the last war, as I said yesterday, there was about $5,000,000,000 worth of surplus property and I do not think a very good job was done in disposing of it, nor do I think anybody brags about it. This time, however, the surplus property amounts to $103,000,000,000, and the committee spent day after day trying to find ways and means to dispose of the property and to convince the people of the country that we wanted to provide, not for prompt disposition of this property, but for an orderly disposition of it so that there could be the widest possible distribution among all the people of the United States and the widest opportunity afforded the people of the United States to participate in the distribution of the property under proper conditions and terms. If we have not done that, as was said yesterday, we are prepared to vote for any amendment which will facilitate that objective.

The committee discussed and rejected the theory that we ought to try to establish rules and regulations to provide for the prompt disposal of the surplus property. The committee rejected the idea that any one person should be permitted to have charge of it and promptly distribute it or sell it in lage blocks or otherwise to arrange for the disposition of this property so that it would defeat the interest of the average man in the United States. If we are going to fix it so that if a man in good faith, under the regulations prescribed by the board, buys a piece of real estate, of which there are about 6½ million acres said to be surplus and subject to disposal, land that the people of the United States hold at the moment, we can say to him, "Even though you bought it under the rules and regulations prescribed by the board and paid for it, you shall be subject to a policing agency which, if it is sold to somebody else, will inquire into the transaction and ascertain when and why you sold it and what you got for it, and regulate you all the way down the line," nobody is ever going to buy it, and the purposes we sought to effectuate will be defeated, of

getting this land, 6½ million acres of it, broken up into small lots and placed in the hands of the average man, perhaps a veteran, who is given a preference. First, the original owner of it has the priority and then his lineal heirs and then the owner's tenants, and then the veteran. In many instances the Government has bought farm land so as to establish military reservations which it is admitted will not be needed after the war is over. Perhaps some of the original owners or their lineal heirs may want to go back to that land and live in the communities where they were born, where they reared their children, and where they went to church, but from which they were removed through no fault of their own but because of the necessities of war.

Mr. McFARLAND. I should like to say to the Senator from Kentucky that this amendment would not prevent that. It would make that impossible by preventing lands from falling into the hands of speculators.

Mr. CHANDLER. Suppose the original owner of the tract of land acquired it and suppose after he bought it from the Government it was passed on at an agreed price, which was a fair price to another man, and suppose the second man sold it later to someone else, the board under the amendment would have control of those transactions. If that is not true, then my discussion is not correct.

Mr. McFARLAND. I am sorry the Senator does not agree with my construction of the amendment. I explained a few moments ago that once the land was sold to a person who used it, it was my interpretation of the amendment that the land was then in the hands of the consumer and the board would have nothing more to do with it.

Mr. CHANDLER. Of course, if the Senator thinks those who buy land and buy plants are going to consume them, he may entertain that view but I have difficulty in being convinced that anybody is going to consume land and consume manufacturing plants. They are going to be there still and they are going to be sold as long as they are there.

Mr. McFARLAND. I am sorry the Senator from Kentucky disagrees with my interpretation of the amendment.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me?

Mr. McFARLAND. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I confess that I am very much alarmed by the Senator's amendment, and only because of what it provides. Let me read it in part to the Senator.

(b) (1) All deeds, bills of sale, leases, or other instruments purporting to transfer title or any other interest in surplus property under this act shall contain provisions (A) reserving to the board the right to examine further transfers of the property covered thereby for the purpose of determining whether excessive profits have been realized by the transferee or any subsequent transferee, and (B) requiring the execution by all subsequent transferors of such property of instruments containing such reservations in connection with all future transfers of such property except transfers to consumers.

Mr. President, that would require that the deed given by the Secretary of the Interior to a homesteader in the State of Arizona would have to contain a reservation to the effect that the homesteader if he transferred the land to another person would be subject to have the whole transaction reexamined. That would be true with respect to every single item of land sold under this bill.

We have taken every precaution that it is possible to take to make certain that surplus tracts of land shall be sold to individuals, that there shall be no question about their being sold to persons who want to utilize them for the purpose of making a livelihood. I am sure it is not the purpose of the Senator to require that the deed of transfer from the Government covering lands to homesteaders, lands to veterans, lands to beneficiaries under the Bankhead-Jones Act shall contain a clause which would defeat the very title to seek to convey.

Moreover, Mr. President, I want to call the attention of the Senator to this situation in respect to wool. There are now in the ownership of the Federal Government 200,000,000 pounds of surplus wool. It is wool that was accumulated as a stock pile. It hangs over the market; it is a threat to every wool grower of the West until it is disposed of. It is being disposed of now by the Commodity Credit Corporation and by the R. F. C. through auction sales. It is being disposed of or has been disposed of by sales to ordinary dealers. There has never been an intimation that one single pound of the millions of pounds which have been sold to date have been sold in a speculative manner. The disposition of that wool is a benefit to the wool growers of the country. If we were to provide, as the Senator's amendment does, that those sales should be tied up with the requirement to renegotiate the purchase, as it were, it would mean that that wool could not be used by the mills of the country for making clothes which people are ready to buy.

Mr. President, I think the Senator's amendment would be destructive of the very purposes of the bill.

Mr. McFARLAND. Mr. President, I do not place that interpretation on the amendment at all.

Mr. O'MAHONEY. The Senator cannot deny the plain meaning of the language.

Mr. McFARLAND. Wool is being sold under safeguards, and the only thing the amendment would do would be to prevent an unreasonable profit. Anyone who is willing to buy goods and sell them for a reasonable profit can operate under the amendment. That is all there is to the amendment. If an unreasonable profit is what is desired, I simply cannot agree that it should be allowed.

Mr. O'MAHONEY. The bill is full of provisions intended to prevent speculative transactions, but the proposal which the Senator advances would require that every bill of sale, every deed to property, must contain a condition which would defeat the very purpose of the bill of sale. I think the amendment should be rejected.

Mr. McFARLAND. Mr. President, I regret very much that the distinguished Senator should disagree with my interpretation. I do not think the amendment has any particular application to agricultural lands, unless someone should buy and resell such lands for the purpose of speculating in them.

The amendment if adopted will afford a protection to the public. Everywhere I have gone I have found that the people wish to know the answer to the question "What is the Government going to do with these surpluses? Is it going to permit them to get into the hands of speculators?" They state they have invested their money in Government bonds and furnished the money to buy the goods which are now surplus. It is up to the Government to get every penny it can out of the goods.

Mr. EASTLAND. Mr. President——

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Arizona yield to the Senator from Mississippi?

Mr. McFARLAND. I yield.

Mr. EASTLAND. Statements have been made concerning the sale of wool. Is it not a fact that the stockpile of wool is sold at prices not less than parity, as provided by law?

Mr. McKELLAR. That is my understanding of the law.

Mr. EASTLAND. Then, how could excess profits be made from wool, and how could the amendment apply to wool?

Mr. McFARLAND. I do not know, and I do not understand the interpretation placed upon the amendment by the Senator from Wyoming.

Mr. President, as I have said, I feel that the amendment affords protection to the public. If the amendment is adopted, the people will feel that under it they have some protection against profiteering. Everyone knows, it is common knowledge, that some individuals are desirous of getting hold of these goods for the purpose of making profits. What are we going to do about it? I contend that the amendment represents the best concrete method which has been offered thus far to protect the public.

Mr. McKELLAR. Mr. President, $103 000,000,000 of Government property is affected by this bill. It is estimated that at the end of the war, if it shall end in the next 90 days or so, the Government will owe about $300,000,000,000. That is the largest amount that any Government ever owed in all history, and probably the largest amount any government ever will owe in the future throughout the generations to come. It is estimated there will be $103,000,000,000 of surplus Government property. What is our duty with respect to it? Is it our duty to turn the property over, without restraint, so to speak, to the gentlemen whom the distinguished Senator from Arizona has just described as rubbing their hands and waiting to get their hands on the surplus property at the lowest price they can, and selling it at a high price so they will make great profits?

There is nothing about the amendment which presents anything new to this body. The money which bought the surplus goods was spent with contractors. All Senators remember that a bill was passed providing for renegotiation of contracts made in connection with the goods bought by the Government. What has been the result of the law providing for renegotiation of contracts? I submit the record of the hearings taken in connection with the Military Establishment appropriation bill. It was shown that $4,700,000,000 have been saved to the Government by reason of the renegotiation-of-contract law now in effect, which covers the contracts for the production of goods for the Government. As the Senator from North Dakota [Mr. LANGER] suggests to me, we are not yet through with making savings as the result of renegotiation of contracts. But already $4,700,000,000 have been saved. That was the amount found to have been saved up to a date early in the present year.

Mr. President, when the bill providing for the renegotiation of contracts was before the Senate I recall that exactly the same arguments were used which are being used with respect to the proposal now before us. Much was said of the sacredness of contracts. I wish to say to my distinguished friend, the Senator from Vermont [Mr. AUSTIN], whom I love very much and whom I admire very greatly, that I am just as strongly in favor of the principle that we should stand by our contracts as is anyone on earth. I believe the Government should stand by every honest contract it makes. But our amendment is not aimed at honest contracts. It is aimed at dishonest, corrupt contracts, by which the Government is swindled, in the first place, and the consumer is mulcted, in the second place.

I do not see the senior Senator from Georgia present in the Senate Chamber at the moment. When he spoke a moment ago he was much concerned about small business. Small business is deeply interested in having honest contracts, because in order to get ahead, in order to grow into big business, small business must be honest, it must be straight. Small business wishes to engage in honest business, and we want to help small business to do business. Heaven knows that no man on earth believes more firmly than I do in standing by a contract. But fraud and corruption, as all of us who are lawyers learned in the textbooks in the days gone by, dissolve all contracts. Fraud and corruption nullify all contracts.

Mr. TAFT. Mr. President, I wish to call the Senator's attention to section 23, which provides that—

> Every person * * * who shall use or engage in or cause to be used or engaged in any fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any payment, property, or other benefits from the United States or any Government agency in connection with the disposition of property under this act, or who enters into an agreement, combination, or conspiracy to do any of the foregoing—
>
> (1) shall pay to the United States the sum of $2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the costs of suit.

In other words, that section attempts to reach the particular thing which the bill prescribes on page 68.

Mr. McKELLAR. From what page is the Senator reading?

Mr. TAFT. From pages 68 and 69. The bill, on page 50, provides that the board shall—

> (1) Arrange for the widest practicable notice as far in advance of the sale as practicable, by advertisement or otherwise, to be issued and disseminated by the agencies so that large and small enterprises will be reasonably informed of the property offered for sale and the terms and conditions thereof.

It further provides that the board shall—

> (2) Reduce lots or block of any items offered for sale to the smallest practicable units conforming with marketing policy in the agency concerned so that they will be within the reach of small business enterprises.

It states the purpose of the measure to be—

> (7) To assure the sale of such surpluses in such quantities and on such terms as will discourage disposal to speculators or for speculative purposes.

In other words, the bill attempts in every way to meet the criticism of the Senator from Tennessee, with which we all sympathize. But I do not think it is wise to say that for years after a sale is made everyone who handles the property, not simply land, but all foodstuffs, and so forth, the manufacturer, the wholesaler, or the retailer, is subject to renegotiation by the Government on every item he handles for all time to come.

Mr. McKELLAR. The amendment does not make any such provision. I read it a while ago, and I believe its language is perfectly plain. If it is not absolutely plain, I urge the draftsmen who have so well prepared the amendment, to endeavor to make it perfectly plain, so that when the bill goes to conference anyone who reads it can understand its meaning.

Listen to the language of paragraph (3) on page 3:

> In any case in which, in the opinion of the board excessive profits have been realized—

It is the board that has to pass upon the question—

> it shall forthwith give notice by registered mail to the person or persons to whom it believes such profits have accrued, together with a statement of the facts used as a basis for such opinion. After reasonable opportunity for hearing, the board shall enter an order determining the amount, if any, of such excessive profits. The board shall take such action as may be necessary to recover such excessive profits—

How?—

> either by settlement or suit in any court of competent jurisdiction. In any such suit the court may, in addition, impose a penalty in an amount not exceeding twice the amount adjudged to be excessive profits. All money recovered by reason of any such settlement or suit or as a penalty shall be covered into the Treasury as miscellaneous receipts.

There is a perfectly plain program. It cannot be misunderstood. What is the purpose of it? Is it to hurt the small businessman? It cannot hurt the small businessman. It is impossible to hurt the big businessman, if he is honest. The amendment is aimed at dishonest combinations or dishonest individual actions, which would take the Government's property at a very small price and sell it at such an exorbitant price as to make the transaction unconscionable. It is said that that cannot happen. We have absolute proof that it does happen, and has happened in the past 2 years. It happened to the extent of $4,700,000,000 in 1942.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. AIKEN. Does that figure represent all that has been recovered by the Government, or is that the amount recovered by the War Department alone?

Mr. McKELLAR. That is the amount recovered by the War Department alone. Other departments are not included in those figures.

Mr. AIKEN. Is it not true that equal amounts, or greater amounts, have been recovered by the Navy and the Maritime Commission?

Mr. McKELLAR. I do not believe that an equal amount has been recovered, but a very large sum has been recovered. I am informed that more than $10,000,000 has been recovered from contractors with the Navy and the Maritime Commission.

With those figures staring us in the face, how can we refuse to regulate this matter?

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. AUSTIN. There is a slight implication in the remarks of the distinguished Senator, when considered in the setting of what he has said, that the excessive contract prices are the product of fraud. I rise to say that so far as I know there has been no such cause for the excessive prices. On the contrary, the speed with which we had to move in mobilizing all our resources was such that no great care was taken in fixing prices. Besides, certain standards or rules were laid down for prices which produced results which had to be renegotiated. The prices were as fair as they could have been in the circumstances in which the contracts were negotiated in the first instance.

Renegotiation is not based upon the sole theory that men in dealing with their Government are crooks, and that what they gain by way of profit in serving their Government in time of war is gained as the result of fraudulent transactions. On the contrary, in most cases, if not in all, the excessive amounts which have been recovered by renegotiation were the result of the peculiar situation in which the contracts were renegotiated.

Mr. McKELLAR. The Senator is correct as to some of the contracts. There was no intentional dishonesty in connection with some of them. All I know about the subject is what has been published in the newspapers. I recall that the Attorney General, in bringing some of the suits to recover excess profits,

made very strong allegations about dishonesty and corruption in connection with certain contracts. I have no doubt that such was the situation in many instances. Some contractors were dishonest and corrupt from the beginning. The departments have done the best they could. They have done a very satisfactory job.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. LANGER. Is it not a fact that the late Senator Van Nuys, in connection with war-fraud legislation, stated that more than $1,000,000,000 was involved in actions pending more than a year ago?

Mr. McKELLAR. I had forgotten that. I do recall that he so stated on the floor of the Senate.

How could this amendment hurt any honest purchaser of property? I do not see how it could. It seems to me that we are straining at gnats. It ought to be desirable to see that the Government receives a real, honest-to-God price for the surplus goods which it has to sell. I know that every Senator feels that way. I know that every Senator is perfectly honest and sincere.

How can we justify looking at technicalities, when we have before us a perfectly plain and simple case? I should be astonished if it were not for the fact that I remember that I had the same sort of a fight in connection with the renegotiation-of-contracts bill. It was said that it would never accomplish anything. It was said that the Government would not reap a penny of benefit from it. It was even stated on the floor of the Senate that the cost of establishing the organization to renegotiate contracts would be infinitely more than the Government would ever receive from it. After paying all the costs, last winter we had already received from the War Department alone $4,700,000,000.

With that sort of an experience staring us in the face, I do not see how in the world Senators can vote against an amendment which simply provides for honesty in making and carrying out contracts. That is the only question involved. We must choose whether to be on the side of those who would speculate and grow rich at the expense of their Government or whether to require those dealing with Government property to be honest all along the line.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. JOHNSON of Colorado. Many Senators are in agreement with the Senator from Tennessee as to his objectives; but some of us do not think that his amendment would accomplish them in the best way. I am wondering if the Senator would be willing to place some provision in the bill against profiteering, and then add another section to the penalty clause, giving the Board some power of recovery, so that if sales were made in which profiteering is indulged in, there could be a recovery by the Board.

Mr. McKELLAR. That is precisely what is in this amendment.

Mr. JOHNSON of Colorado. I know that, but some of us are not satisfied with the amendment as written. I wonder if the Senator would object to allowing the amendment to go over until tomorrow, to see if a better amendment cannot be drafted.

Mr. McKELLAR. Not at all. If the amendment can be improved upon so as to insure that the Government will be protected, and that those who would traffic in their Government's property for excessive profits alone will be debarred from doing so, I shall be delighted to see such an amendment.

This question will go to conference, and the conferees will be able to work out a satisfactory provision. The members of the drafting board who have been helping the Senator with this bill prepared this amendment for me at my request. Of course, if there are defects in it. I do not want defects in it. If there are mistakes in it, I do not want mistakes in it. All I want to do is to have a workable amendment which will prevent those who buy the property of the Government from unduly profiting by improper means.

Mr. JOHNSON of Colorado. Perhaps we can work something out by the time the Senate reconvenes tomorrow, which might satisfy some Senators who are not in agreement with the language of the Senator's amendment or with his approach to this problem. I therefore suggest that the amendment be passed over until tomorrow.

Mr. McKELLAR. So far as I am concerned, I shall be very happy to agree to that course. I may wish to be heard when I see the new language. I hope the language will be designed for the purpose of clarification, and not for the purpose of giving speculators larger profits.

Mr. WHITE. Mr. President, am I to understand that the Senator from Colorado is asking that the amendment be passed over?

Mr. JOHNSON of Colorado. I ask unanimous consent that the pending amendment be passed over until tomorrow.

Mr. WHITE. Mr. President, if some of the members of the Committee on Military Affairs on this side of the aisle, and other Members of the minority who have given close attention to the bill feel that there is hope that a compromise amendment may be arrived at, I believe that the proposal to pass it over is well worth while; but unless Senators on this side of the aisle have some hope that something may be accomplished by passing the amendment over until tomorrow, I think we ought to proceed at this time.

Mr. McKELLAR. Mr. President, there is a great deal in what the minority leader says. I should like to know if there is such a hope. If not, we might as well vote on the amendment. If the speculators win, we will abide by the result. Of course, I shall ask for a yea-and-nay vote.

Mr. HILL. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. HILL. It is the hope that if the amendment is passed over there will be some possibility of drafting an amendment which will be satisfactory to more Members of the Senate, and at the same time attain the purposes which the author of the amendment has in mind. I understand that the Senator from California [Mr. DOWNEY] has an amendment to offer, and that there are several other amendments to be offered.

Mr. JOHNSON of Colorado. So we should not be wasting time.

Mr. HILL. My thought is that we might proceed to the consideration of other amendments at this time, rather than take a recess now.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado? The Chair hears none, and the pending amendment is temporarily laid aside.

Mr. DOWNEY. Mr. President, I offer an amendment which I send to the desk and ask to have stated. I hope it will not be controversial.

The PRESIDING OFFICER. The amendment offered by the Senator from California will be stated.

The CHIEF CLERK. On page 56, in the committee amendment, between lines 7 and 8, it is proposed to insert a new subsection, as follows:

(c) Before any real property which was acquired for use as a military camp or cantonment is disposed of under the provisions of section 22 of this act, an opportunity shall first be afforded to the State in which such property is located and to its political subdivisions, including municipalities, to purchase or lease such real property for public uses at discounts not to exceed 50 percent of the sale or lease market value thereof, as the case may be, or 50 percent of the highest price offered by any private purchaser or lessee, whichever is lower.

Mr. DOWNEY. Mr. President, the senior Senator from Colorado [Mr. JOHNSON] has said to me that he has no objection to acceptance of that amendment. If it is acceptable to the Senator, I shall not make any statement or argument on it. If any Senator desires to raise any question, then I shall.

Mr. VANDENBERG. Mr. President, I certainly would have to hear more than I have heard thus far before I could consent to any such general bargain counter.

Mr. DOWNEY. Mr. President, let me say to the distinguished senior Senator from Michigan that, so far as the measure of the price is concerned, that is in conformity with the provisions contained in the pending bill. The amendment I have offered provides that States and political subdivisions of States may receive a discount of as much as 50 percent of the value of the property or of the highest price offered by any private purchaser or lessee, whichever is lower.

Mr. VANDENBERG. Yes. But is not the Senator making the 50 percent discount mandatory?

Mr. DOWNEY. No.

Mr. VANDENBERG. As I have heard the amendment read, I think it would require that States and subdivisions of States receive a discount of 50 percent.

Mr. DOWNEY. Let me say that if my amendment would establish any deviation from the provisions of the bill as now written, then I shall request that the amendment be made to read in conformity with the bill. Will that be satisfactory to the Senator?

Mr. VANDENBERG. I still want to hear a little more about it.

Mr. DOWNEY. Very well.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. AUSTIN. I wish to ask the Senator whether his amendment conforms to section 12 of the bill? I wonder if the text of the amendment carries out the theory of that section. As I understand, the theory which underlies the according of a discount is that the public good would be served by such disposal of surplus property, when conveyed to a government such as a State or one of its political subdivisions, for use in a public service, namely, some sort of public use, such as use in connection with schools, hospitals, and other eleemosynary institutions. That is the theory of section 12.

Has the Senator limited the disposal to disposal to a municipality or some other subdivision of a State?

Mr. DOWNEY. I have limited it to disposal to States or their political subdivisions; and the amendment relates only to military cantonments or camps. Let me say that the only respect in which the amendment would vary the terms of the pending bill would be that it would give a State the right to purchase such property before the former owners would have a right to purchase it. Otherwise, according to the way I meant to have the amendment drafted, it would not vary the terms of the pending bill.

I know that in California several camps have been erected by the Federal Government. The State would like to maintain them for its own military or other purposes. I think it would be most advantageous to the Federal Government to have the State do so, because in the event of another war those parcels or military camps would be there for the use of the Federal Government. If no war comes—and we may now hope that will be the case—nevertheless a State will have use for such property.

I felt that in the case of a public use by a State itself, if the State wanted the property for such use, that right should take priority over the right of the former owners.

Mr. AUSTIN. Mr. President, will the Senator please read to us again the use he expresses in his amendment?

Mr. DOWNEY. Yes. It reads as follows:

> Before any real property which was acquired for use as a military camp or cantonment is disposed of under the provisions of section 22 of this act, an opportunity shall first be afforded to the State in which such property is located and to its political subdivisions, including municipalities, to purchase or lease such real property for public uses at discounts not to exceed 50 percent of the sale or lease market value thereof, as the case may be, or 50 percent of the highest price offered by any private purchaser or lessee, whichever is lower.

Mr. AUSTIN. I think the language should be revised somewhat, in order to make it clear that the condition on which the priority is granted is that the property be used for such public use. With such a provision included, I would have no objection to the amendment.

Mr. DOWNEY. I shall be very glad to modify the amendment so as to meet the suggestion of the Senator from Vermont.

Mr. VANDENBERG. Mr. President, will the Senator yield to me?

Mr. DOWNEY. I yield.

Mr. VANDENBERG. I now have the text of the Senator's amendment before me. I do not think it is subject to the objection I previously made against it.

Mr. DOWNEY. I thank the Senator.

Mr. HILL. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. HILL. I think that when the committee placed section 12 in the bill, it had in mind at least providing the opportunity to do the very thing the Senator proposes by his amendment. But I think the provision of the Senator's amendment is more definite and more certain.

I think the Senator's amendment should be adopted. In a case where a State or municipality desires to take over a military camp or cantonment for public use, as the Senator's amendment provides, I think the State or municipality should have the right to do so. I think such action will inure to the benefit of the State, the public, and even the Federal Government itself.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. WHITE. As I understood the amendment as it was read, it only authorizes the purchase of such property by a State or some political subdivision of a State, and only for public purposes. Is that correct?

Mr. DOWNEY. That is correct.

Mr. AUSTIN. We should make sure of that.

Mr. O'MAHONEY. Mr. President, if the Senator will yield to me, let me inquire of him whether there would be any limitation of time upon the operation provided for.

Mr. DOWNEY. No. Under the amendment, I think the State would be given the first opportunity to make the purchase. If it did not avail itself of that opportunity, it would lose the right to make the purchase.

Mr. HILL. Mr. President, if the Senator will yield to me, let me say that the amendment clearly provides that an opportunity shall be afforded. I should think that if the State did not exercise the right after a reasonable opportunity had been afforded, the property could be disposed of under the other provisions of the bill. I do not think there would be any unnecessary delay.

Mr. O'MAHONEY. Then, Mr. President, let me inquire whether it is the understanding of the Senator that the amendment he has proposed is not intended to raise any bar to the disposition of such lands if the State does not have use for the lands at the time when the disposal agency is ready to offer them for sale.

Mr. DOWNEY. That is correct.

Mr. DANAHER. Mr. President, I had risen having in mind the same thought the Senator from Wyoming has just expressed, namely, that the Senator from California should insert a limitation reading, "At a date not later than the dissolution of the next general assembly or legislature" of the State in question. Some such limitation would be reasonable. Certainly the legislature must have an opportunity to exercise an option for the State to acquire the property at a price not less than 50 percent of its value. Such property would include property available for State forests or for recreational facilities and the like, as well as for military purposes. So there are instances of that sort to which attention should be directed.

Furthermore, let me point out that elsewhere the bill has made provision that, in connection with the disposal of land by the Secretary of Agriculture and the Secretary of the Interior, if the land which was taken is agricultural, the former owners shall be offered, if available, nearby acreage of similar character.

In the amendment of the Senator from California there is no protection of that kind for the owner whose property has been sequestered, first by the Government and next by us, under the proposal being considered, for the benefit of the State of which the owner is a resident.

So I respectfully suggest that the Senator from California permit his amendment to be considered tomorrow, together with the various interpretations and ideas, and that its consideration then follow action upon the one we have already postponed.

Mr. DOWNEY. Mr. President, I shall willingly accede to the request of the Senator from Connecticut. However, I wonder if the suggestion I am about to make would be satisfactory to him. Undoubtedly this matter must go to conference. Undoubtedly the conferees on the part of the House of Representatives will have ideas of their own. One of the most distinguished Members of the Senate, a Senator on the Republican side of the aisle, undoubtedly will be one of the conferees. All of us on both sides of the aisle have the utmost confidence in him. So I wonder if it would not be satisfactory to let this matter go to conference and to let the conferees work out the most salutary measure.

Mr. DANAHER. Mr. President, will the Senator yield to me?

Mr. DOWNEY. I yield.

Mr. DANAHER. I thank the Senator for yielding to me.

Mr. President, I would say it is unwise for us not to incorporate our very best ideas into the legislation we send to conference. We, not the conferees, should write the bills. Please understand that I have the utmost confidence in the conferees we name; but I should very much like to see the ideas suggested by the Senator from California embodied in proper form, with the suggestions which have been made added to them. Then let us act upon them.

Mr. DOWNEY. Very well, Mr. President; I am glad to acquiesce in that suggestion. I will hold over my amendment until tomorrow.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

The Senate resumed the consideration of the bill (S. 2065) to establish a Surplus War Property Administration, to provide for the proper disposal of surplus war property, and for other purposes.

Mr. KILGORE. Mr. President, on page 36 of the bill, in line 21, after the words "small business", it has occurred to me and has been brought to my attention that, in taking care of veterans, by failing to insert one other word we would discriminate against certain types of veterans, namely, physicians and dentists who sold their businesses to go into the armed forces when they were called.

My suggestion is that if, after the word "business", in line 21, page 36, we inserted a comma and the word "professional", we would provide care on an equal basis for all classes of veterans; because the language then would read:

Small business, professional or agricultural enterprises.

I offer that amendment.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The amendment will be read by the clerk, for the information of the Senate.

The LEGISLATIVE CLERK. On page 36, in line 21, after the word "business", it is proposed to insert a comma and the word "professional", so as to make the language read: "and maintain their own small business, professional or agricultural enterprises."

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield to me?

Mr. KILGORE. I yield.

Mr. JOHNSON of Colorado. Does the Senator mean a professional enterprise? Is it possible to use clearer language?

Mr. KILGORE. If a doctor is a member of a profession, his enterprise is certainly a professional enterprise. However, we could omit the letters "al" from the word "professional," and could say "small business, profession, or agricultural enterprises." If the Senator thinks such language is better, I will agree to having it used, and will agree to having the word "professional" changed to "profession", so that the language will read: "small business, profession, or agricultural enterprise." All I wish to do is to help.

Mr. DANAHER. Mr. President, I have no objection to the suggestion made by the Senator from West Virginia, but, so long as we are on the subject, has any member of the subcommittee given consideration to the fact that application of the subsection is being made in aid of honorably discharged veterans? When we had before us the so-called veterans' bill of rights some classes of veterans who were entitled to protection and relief were different from those who were honorably discharged veterans. I am wondering if it is not the intent of the Military Affairs Committee to apply the relief to all veterans who are otherwise covered by the G. I. bill.

Mr. AUSTIN. No, as I know, we intended to include all veterans who were discharged not without honor. A veteran with a blue discharge could receive benefits, as well as one with an honorable discharge.

Mr. DANAHER. But that is not the way the language reads, is it?

Mr. AUSTIN. No.

Mr. BURTON. Mr. President, I should like to point out that on page 77 of the bill, beginning in line 21, the definition of a veteran is as follows:

The term "veteran" means any person who during the present war was entitled to the benefits afforded by the Soldiers' and Sailors' Civil Relief Act of 1940, as now or hereafter amended, and who has been honorably discharged or otherwise honorably separated from the service entitling him to such benefits—

And so forth.

Mr. DANAHER. If we were to include all those entitled to the benefits provided under the act of June 22, 1944, we would clearly include them all.

Mr. BURTON. They could be included in the part of the bill to which I have referred.

Mr. DANAHER. That matter, I assume, will be taken up at another time, but since our attention has been directed to the section of the bill to which the Senator has referred, I wished to ask about it. I thank the Senator.

Mr. WEEKS. Mr. President, I should like to point out that yesterday I inquired of the distinguished Senator from Colorado [Mr. JOHNSON] with regard to definitions of discharges as applying to veterans. I asked him specifically with reference to the so-called blue discharge. I should like to have the Senator from Colorado, who has looked up the point, make a statement.

Mr. JOHNSON of Colorado. Mr. President, in reply to the Senator from Massachusetts as to the blue discharge, let me say that there are three categories of discharge, namely, the honorable discharge, the so-called blue discharge, and the dishonorable discharge. The blue discharge is between the honorable discharge and the dishonorable discharge. Congress has not been very consistent in its legislation with respect to the blue discharge. In the G. I. bill veterans with blue discharges were included. In the recent amendment to the Civil Service Act they were not included. They are not included in the pending bill. Perhaps Senators would like to know what a blue discharge is.

Mr. KILGORE. A blue discharge is not an honorable discharge. A veteran holding a blue discharge is not recommended for reenlistment.

Mr. JOHNSON of Colorado. A blue discharge may be issued only when an enlisted man is inapt or, second, does not possess the desired degree of adaptability for the military service after reasonable attempts have been made to reclassify and reassign him in keeping with his abilities and qualifications, or, third, is disqualified for service because of enuresis.

Mr. KILGORE. I think that in the past we have been a bit vacillating on the subject. After the First World War we recognized only the honorable discharge. It was the only discharge recognized by the United States Government. It included all discharges for disability. The blue discharge and the dishonorable discharge were not recognized. I wonder if the Senate should at this time consider the advisability of recognizing the blue discharge and the dishonorable discharge.

Mr. JOHNSON of Colorado. I question the advisability of accepting the blue discharge. In many instances it is a discharge without court martial. When the military authorities for some reason did not care to court martial a soldier who perhaps was guilty of an offense, they gave him a discharge without honor. If they had court martialed him, he probably would have been discharged dishonorably. I shall be glad to place in the RECORD a definition of a blue discharge. I do not know whether the Members of the Senate desire to recognize the blue discharge. It is for them to decide.

Mr. WEEKS. Will the Senator from Colorado read the definition of a blue discharge?

Mr. JOHNSON of Colorado. A blue discharge is issued when an enlisted man, first, gives evidence of habits or traits of character (except when discharge for physical or mental conditions is indicated as provided in section 1, A. R. 615–361) which serve to render his retention in the service undesirable, and his rehabilitation is considered impossible after repeated attempts to accomplish same have failed; or, second, is disqualified for service, physically or in character, through his own misconduct, and cannot be rehabilitated to render useful service before the expiration of his term of service without detriment to the morale and efficiency of his organization.

Normally, when an honorable discharge would be issued a blue discharge may be issued when an enlisted man, first, is inapt, or, second, does not possess the required degree of adaptability for the military service after reasonable attempts have been made to reclassify and reassign him in keeping with his abilities and qualifications, or, third, is disqualified for service because of enuresis.

Enuresis may be a symptom of an underlying mental or physical condition. Underlying causes of enuresis may be organic disease, psychoneurosis, psychosis, mental deficiency, psychopathic personality, or lack of proper juvenile training.

So whether we wish to include such veterans in the pending bill is a matter which we should seriously consider. We left them out of the recently enacted civil-service law. We included them in the G. I. bill. There was reason for doing so. In some instances the blue discharge is issued perhaps for reasons for which the veteran is not responsible.

Mr. WEEKS. Mr. President, I may be entirely mistaken, but it seems to me that the committee has not given full

consideration to the distinction to be made between the blue discharge and the honorable discharge. While I am not advocating a course which I think the Senate should take, I believe that it should seriously consider whether or not a man with a blue discharge is entitled to the same consideration which is to be given a man who has served his country and has been honorably discharged from the service.

Mr. McKELLAR. Mr. President, can the Senator state how many veterans have received a blue discharge?

Mr. WEEKS. No; I cannot state. I believe that there are not many blue discharges compared with the total number of men in service, but I do not know the number.

Mr. JOHNSON of Colorado. Speaking for myself personally, I am very much opposed to giving a veteran with a blue discharge the same consideration that is given a man with an honorable discharge. I am glad that the pending bill does not give him the same consideration.

MISSOURI VALLEY AUTHORITY

Mr. OVERTON. Mr. President, on August 18, 1944, the Senator from Montana [Mr. MURRAY] introduced Senate bill 2089, to establish a Missouri Valley authority, to provide for unified water control and resource development on the Mississippi River and surrounding region in the interest of the control and prevention of floods, the promotion of navigation, and reclamation of the public lands, the strengthening of the national defense, and for other purposes. At the suggestion of the Senator from Wyoming [Mr. O'MAHONEY] the bill, which was referred to the Commitee on Agriculture and Forestry, was ordered to be referred to the Committee on Irrigation and Reclamation for study by that committee after the Committee on Agriculture and Forestry had completed its study.

Mr. President, I ask unanimous consent that after the bill has received the consideration of the Committee on Agriculture and Forestry and of the Committee on Irrigation and Reclamation, it be referred to the Committee on Commerce, because it deals very largely with navigation and flood control, and that committee has always exercised jurisdiction with respect to such matters.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana?

Mr. AIKEN. Mr. President, I object. I see only one other member of the Committee on Agriculture and Forestry in the Chamber, and I think the remaining members of the commitee should have something to say before surrendering jurisdiction over the matter. All matters pertaining to the Tennessee Valley Authority come before the Committee on Agriculture and Forestry, and I see no reason at this time why similar matters pertaining to other sections of the country should be transferred or sent to other committees. It may be that I may change my mind after studying the matter, but at first thought I would not want such action to be taken without the members of the Committee on Agriculture and Forestry knowing what the motion is. Furthermore, I do not see the need for hurry.

Mr. OVERTON. Mr. President, I am not trying to deprive the Committee on Agriculture and Forestry of the opportunity for making a study of the bill. I ask after that committee shall have completed its study of the bill, and the Committee on Irrigation and Reclamation shall have completed its study of the bill, that it then be referred to the Committee on Commerce for further study.

Mr. AIKEN. Does that have to be done tonight? I do not see why there should be any hurry about it. Perhaps it is a perfectly wise procedure to follow. But as one member of the Committee on Agriculture and Forestry I would not care to give unanimous consent to such a move at this time, when but a few Members of the Senate are present, and when but two members of the Committee on Agriculture and Forestry are present.

Mr. OVERTON. When the request was made that the bill be referred to the Committee on Irrigation and Reclamation no objection was made by any member of the Committee on Agriculture and Forestry. The Senator, I assume, was on the floor at the time. Very well, then, I shall probably have to take the matter up in another manner at the proper time.

Mr. AIKEN. Does the Senator mean that all three of the committees in question would have to report the bill to the Senate before it could be taken up for action?

Mr. OVERTON. That is correct.

Mr. AIKEN. I am not familiar with the bill.

Mr. OVERTON. Neither am I.

Mr. AIKEN. It seems to me that the proposed procedure would establish a very bad precedent. Any Senator who is so minded could block legislation permanently if he could obtain consent to have a measure referred to three committees, each of which would have to report the measure favorably before action could be taken on it.

Mr. OVERTON. If the objection is based on the ground that the Commerce Committee has jurisdiction over the bill, and that the bill should have been referred to the Commerce Committee in the first instance, then at the proper time I shall move to discharge the Committee on Agriculture and Forestry from further consideration of the bill, and ask that the bill be referred to the Committee on Commerce. I do not like to pursue that course.

The PRESIDING OFFICER. The Senator from Louisiana has asked unanimous consent with respect to reference of a bill, but objection is heard.

Mr. OVERTON. Yes; I so understood. I shall make the motion I referred to at this time.

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

The Senate resumed the consideration of the bill (S. 2065), to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

Mr. WHERRY. Mr. President, I have sent three amendments to the desk. I ask that the first amendment be stated.

The PRESIDING OFFICER. The Chair calls attention to the fact that an amendment offered by the Senator from West Virginia [Mr. KILGORE] is pending. The question is on agreeing to that amendment to the committee amendment.

The amendment to the committee amendment was agreed to.

The PRESIDING OFFICER. The first amendment offered by the Senator from Nebraska will be stated.

The LEGISLATIVE CLERK. On page 55, line 3, it is proposed to strike out the words "in plants acquired by the Defense Plant Corporation."

Mr. JOHNSON of Colorado. Mr. President, I hope the Senator's amendment will be adopted.

Mr. WHERRY. I thought the Senator from Colorado would explain the amendment. A colloquy developed on the floor yesterday relative to the suggested amendment, and it was my understanding that the committee would accept the amendment.

If the Senators will turn to page 55, line 3, they will find that the amendment is after the word "use" to strike out the words "in plants acquired by the Defense Plant Corporation." That would make the language read:

> Except as herein or otherwise provided, no Government agency shall, in competition with private industry, manufacture or produce any articles or commodities for civilian use.

That means that there shall be no competition on the part of the Government with private business, in any plants, whether defense plants or any others. I understand there is no objection to the amendment and that it is acceptable to the committee. I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nebraska.

The motion was agreed to, and the amendment to the committee amendment was agreed to.

Mr. WHERRY. Mr. President, I ask to have the next amendment stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 53, line 10, after the word "time", it is proposed to insert the words "in no event to exceed 6 months."

Mr. WHERRY. Mr. President, that is a suggested amendment providing that the Attorney General shall have under advisement, for not longer than 6 months after notification, the question of whether or not a plant shall be sold. In line 9, on page 53, we find the language:

> Within a reasonable time after receiving such notification.

Some Senators have felt that we should place a limit as to the time. So the amendment provides for not exceeding 6 months.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. O'MAHONEY. I suggest that the Senator reduce that time to 3 months. The committee felt that "within a reasonable time" would mean very speedily, and I am afraid that to say "6 months" would be to encourage delay.

Mr. WHERRY. I wish to thank the Senator from Wyoming for his suggestion. I shall be glad to modify the language to read "not exceeding 90 days."

Mr. FERGUSON. On what page is that?

Mr. WHERRY. Page 53, line 10, after the words "within a reasonable time." The language of the amendment, as modified, would be "not exceeding 90 days," so the language would be:

Within a reasonable time, not exceeding 90 days, after receiving such notification.

Mr. FERGUSON. When we consider the disposal of this property a delay of 3 months for a legal opinion from the Attorney General to me seems to be a very long time. Would the Senator be willing to fix the time at 60 days?

Mr. WHERRY. I have no objection to cutting it to as short a time as the Senator would want it cut to. All I wanted to do was to provide that the "reasonable time" should not exceed a definite time, and we decided at first on 6 months.

Mr. TAFT. Mr. President, it might easily take 90 days for the Attorney General to make the investigation which is necessary. I would suggest the language "Within a reasonable time, not more than 90 days after receiving such notification."

Mr. WHERRY. That is the modification I have already accepted. The language of the amendment, as modified, is "not exceeding 90 days," so the language would be:

Within a reasonable time, not exceeding 90 days, after receiving such notification.

Mr. President, I move the adoption of the amendment, as modified.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nebraska.

The motion was agreed to, and the modified amendment to the committee amendment, was agreed to.

Mr. WHERRY. Mr. President, I ask that the last amendment I sent to the desk be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 53, line 14, after the word "substantially" it is proposed to insert "*Provided, however,* That the words 'undue concentration' where used herein shall not be construed to apply to any geographical concentration."

Mr. WHERRY. This amendment is offered as the result of a colloquy which took place between the senior Senator from Michigan and, as I recall, the junior Senator from Kentucky [Mr. CHANDLER], relative to the concentration of business. I believe the committee looked with favor on the proposed amendment, and I move its adoption.

The PRESIDING OFFICE (Mr. ELLENDER in the chair). The question is on agreeing to the motion of the Senator from Nebraska.

The motion was agreed to, and the amendment to the committee amendment was agreed to.

Mr. O'MAHONEY. Mr. President, I have an amendment which I think will be noncontroversial. I learned this afternoon from the representatives of the American Red Cross that considerable difficulty arose after the last World War by reason of the fact that materials which had been gathered by the Red Cross and donated to the military forces had been sold as surplus property. The resulting criticism of the Red Cross, of course, placed that organization in an altogether unfavorable, and unjustifiably unfavorable, light. The amendment which I desire to propose is merely to safeguard against such disposition after this war.

Mr. President, the amendment is as follows:

On page 38, between lines 2 and 3, I propose to insert a new paragraph, as follows:

(c) No property which was processed, produced, or donated by the American Red Cross for any Government agency shall be disposed of except after notice to and consultation with the American Red Cross.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. DANAHER. Did the Senator say "processed or produced by the American Red Cross for any Government agency"?

Mr. O'MAHONEY. The language is "for any Government agency."

Mr. DANAHER. I thought the Senator might have said "or."

Mr. O'MAHONEY. No; the word is "for."

Mr. DANAHER. I thank the Senator.

Mr. O'MAHONEY. Mr. President, I hope the amendment will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. AIKEN. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Vermont will be stated.

The LEGISLATIVE CLERK. On page 52, line 14, in the committee amendment, after the word "commodities", it is proposed to insert "or food processed from agricultural commodities."

Mr. AIKEN. Mr. President, it will be recalled that after the First World War the Government dumped food products on the market in such a disorderly manner that the agricultural price structure of the country was almost completely wrecked. It required 2 or 3 years to recover. I recall that the price of milk, for example, dropped to $1 a hundred pounds. The Committee on Military Affairs, in rewriting this bill, has inserted a provision which provides for the orderly marketing of surplus agricultural commodities. However, I find that that provision does not cover food processed from agricultural commodities. This morning I called on the telephone the office of the Solicitor of the Department of Agriculture. While he was not in his office, one of his assistants told me that he was quite sure that this provision would not cover food processed from agricultural commodities. Such commodities would be dumped upon the market and would break the market for agricultural prices unless they were handled in an orderly manner. The Army probably does not own cottonseed, but it owns a great deal of cottonseed oil shortening. It does not own any tomatoes, but probably owns millions of gallons of canned tomatoes, bottles of catsup, and so forth. In order to carry out what I think is the purpose of the committee, I am offering this amendment and ask for its adoption.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. DANAHER. Does the Senator in his amendment use the words "articles processed from agricultural commodities"?

Mr. AIKEN. No; I certainly would not do that. The amendment merely deals with food processed from agricultural commodities. I realize the impossibility of dealing with articles or goods.

Mr. JOHNSON of Colorado. Mr. President, may the amendment be again stated?

The PRESIDING OFFICER. The amendment offered by the Senator from Vermont will be again stated.

The LEGISLATIVE CLERK. On page 52, line 14, in the committee amendment, after the word "commodities" it is proposed to insert "or food processed from agricultural commodities."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. WEEKS. Mr. President, I send to the desk two amendments to section 14, which I offer and ask to have stated.

The PRESIDING OFFICER. The first amendment offered by the Senator from Massachusetts will be stated.

The LEGISLATIVE CLERK. On page 50, line 19, in the committee amendment, after the word "thereof" it is proposed to insert "Provided, however, That no extension of credit shall be for a longer period than 5 years."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. WEEKS] to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The second amendment offered by the Senator from Massachusetts will be stated.

The LEGISLATIVE CLERK. On page 52, at the beginning of line 2, in the committee amendment, it is proposed to strike out "and operation."

Mr. WEEKS. Mr. President, the amendment would make subparagraph (f) read as follows:

(f) The Smaller War Plants Corporation is hereby authorized, for the purpose of carrying out the objectives of this section, to make or guarantee loans to small business enterprises in connection with the acquisition and conversion of plants and facilities, and, in cooperation with the disposal agencies, to arrange for sales of surplus property to small business concerns on credit or time bases.

I shall explain as briefly as I can my purpose in offering the amendment to strike out the words "and operation."

The bill deals with surplus properties. Under the terms of the bill the Smaller War Plants Corporation is authorized to make loans to prospective purchasers of plants and equipment in connection with the acquisition, conversion—and, unless my amendment is adopted, the operation—of plants and facilities. My intention is to take away from the Smaller War Plans Corporation the authority to lend money to operate such plants. I believe that when surplus property is being distributed the Smaller War Plants Corporation should be enabled under the statute to help prospective purchasers acquire the property, and help them convert it; but I do not believe it is the intention of the Senate—I hope it is not its intention—to enable the Smaller War Plants Corporation to provide working capital to operate the businesses.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. WEEKS. I yield.

Mr. CHANDLER. If this amendment is adopted, the criticism offered by the Senator from Georgia [Mr. GEORGE] with respect to section 17 will certainly be accurate. No small businessman can take over one of these plants under the terms of the bill and operate it. Certainly this amendment would eliminate the small businessman entirely. In order to get started, some of them will have to be encouraged and financed by the Smaller War Plants Corporation. We deliberately left in the bill the provision with respect to the Smaller War Plants Corporation, and gave it power and authority.

If what we wish to do is, as the Senator from Georgia suggested, to have reconversion, employment, and production, and permit the small operator to have an opportunity to engage in the operation of plants, production, and distribution of goods after the war, he will not be able to do so if we take from the Smaller War Plants Corporation the authority to assist him in operating plants. If he should buy a plant and were unable to operate it, under section 17 the plant would have to be taken back by the Government, and an equitable consideration would have to be repaid by the Government to the man who undertook to operate the plant. If we adopt this amendment, we shall absolutely close out the little man entirely. I hope the Senate will not agree to the amendment.

Mr. JOHNSON of Colorado. Mr. President, I join the Senator from Kentucky in the hope that the Senate will not agree to the amendment. If the Smaller War Plants Corporation should acquire one of these plants and be unable to find anyone to operate it, what benefit would it be to acquire it?

Mr. FERGUSON. Mr. President, what would be the security for the money advanced by the Government for the operation of the plant? I can see the security for the acquisition and conversion of the plants and machinery, but what would be the security behind the loan by the Government to the small businessman to operate the plant?

Mr. JOHNSON of Colorado. Mr. President, it seems to me that acquiring a plant and not being able to operate it would destroy the security of the plant itself. Whenever we lend money on a plant, we lend the money for the operation of the plant. We do not wish to have the plant stand idle and collect cobwebs and dust. Idleness will destroy a plant facility more quickly than anything else.

Mr. FERGUSON. What would be the limit on the amount which might be advanced to operate such a business?

Mr. JOHNSON of Colorado. The Congress provides the money to the Smaller War Plants Corporation, and the Congress would place restrictions on such appropriations. The amount would perhaps be very small, as compared with the larger object of getting industry under way and furnishing employment, reconverting, and getting back to a peacetime basis. That is the important thing. If a few small loans must be made to aid in the operation of plants, that is a minor detail. If the Corporation is to lend money for the acquisition of plants, it should have authority to lend sufficient money so that the plants can be operated. I do not believe that we ought to make the sky the limit.

Mr. FERGUSON. That is just the question. Under the terms of this provision would not the Smaller War Plants Corporation have the right, in its discretion, to lend money to operate a plant for 1 year, 2 years, or any length of time it might see fit?

Mr. JOHNSON of Colorado. I should not be in favor of making the sky the limit.

Mr. FERGUSON. What limitation is there under the language of the provision as it now stands?

Mr. JOHNSON of Colorado. The appropriating power of the Congress.

Mr. FERGUSON. Do we not appropriate in lump sums, so that if an appropriation of $10,000,000 or $100,000,000 were made for the Smaller War Plants Corporation, it could lend it to those who applied first, and the others would not get any?

Mr. JOHNSON of Colorado. The Corporation must come to the Appropriations Committee and give an accounting.

Mr. CHANDLER. That should be done, of course, but the truth of the matter is that it could not be done.

Mr. HILL. Mr. President, it seems to me that this amendment is so important, and so greatly affects the question of what we propose to do about small business, and what encouragement we are to give small business, that it ought to be passed over until tomorrow, when we shall have a better attendance, and can go into the amendment more thoroughly. If it is agreeable to the Senator, I should like to move that the Senate take a recess at this time, so that the amendment will go over until tomorrow.

Mr. WEEKS. Very well.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. TAFT. I send to the desk an amendment which I ask to have printed, and to lie on the table.

The PRESIDING OFFICER. The amendment will be printed, and lie on the table.

Mr. HILL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HILL. We have temporarily laid aside the McKellar amendment. What will be the pending business, under the agreement, when the Senate meets tomorrow?

The PRESIDING OFFICER. The McKellar amendment will be the pending business.

Mr. HILL. Then, after the McKellar amendment, will come the amendment of the Senator from Massachusetts [Mr. WEEKS], will it?

The PRESIDING OFFICER. Yes; if the Senator from Massachusetts calls it up.

Mr. HILL. Very well.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. ELLENDER in the chair) laid before the Senate executive messages from the President of the United States, which were referred to the appropriate committees.

(For nomination this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

FOREIGN SERVICE

The legislative clerk read the nomination of Philip W. Bonsal, of the District of Columbia, to be Foreign Service Officer of Class 5, a secretary in the Diplomatic Service, and a consul of the United States of America.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the United States Public Health Service.

The PRESIDING OFFICER. Without objection, the Public Health Service nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

Without objection, the President will be notified forthwith of all nominations confirmed today.

RECESS

Mr. HILL. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 24 minutes p. m.) the Senate took a recess until tomorrow, Friday, August 25, 1944, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate August 24 (legislative day of August 15), 1944:

IN THE NAVY

Capt. Gail Morgan, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as commander, naval operating base, Midway.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 24 (legislative day of August 15), 1944:

FOREIGN SERVICE

Philip W. Bonsal to be a Foreign Service officer of class 5, a secretary in the Diplomatic Service, and a consul of the United States of America.

UNITED STATES PUBLIC HEALTH SERVICE

PROMOTIONS IN THE REGULAR CORPS

Sidney Frederick to be a passed assistant dental surgeon, effective August 15, 1944.

Raymond F. Kaiser to be a temporary surgeon, effective July 1, 1944.

John P. Turner to be a temporary surgeon, effective July 1, 1944.

POSTMASTERS

ARIZONA

Rebecca W. Burgess, Eager.
Nellie I. Sherman, Hereford.
John J. Newell, Naco.
Don C. Tanner, Show Low.
Mina F. Fleischauer, Tuba City.

ARKANSAS

Leith S. Johnson, Banks.
Robert L. Burleson, Bearden.
John B. Turner, Branch.
Ruth Lloyd, Damascus.
John P. Hanni, Ellis.
Jennie Sharp Pylest, Etowah.
Stella K. Coffee, Gassville.
Fred M. Henry, McRae.
Clara Evans, Maysville.
Mary R. Lancaster, Mountain View.
Allie A. Irvin, Ozan.
George F. Nixon, Ratcliff.
Pleas Fowler, St. Joe.

COLORADO

Miles Crawford, Broomfield.

CONNECTICUT

Frank H. Schonrock, South Meriden.
Florence G. Joyce, Weatogue.

IOWA

William J. Hohnke, Atalissa.
Florence Fox, Fairfax.
Newton V. Benson, Geneva.
Lula M. Wilkins, Goodell.
Donald W. McShane, Luana.
Horace C. Campbell, Ollie.
Elsie C. Allen, Ogden.
William Bryan Fenimore, Peru.
Lou Ella Jones, Rose Hill.
Clifford L. Larson, Scarville.

LOUISIANA

Oscar A. Johnson, Albany.
Ludwig A. Hebert, Bayou Goula.
Annie L. Couch, Chestnut.
Vivian K. West, Evergreen.
Isabelle S. Booksh, Grosse Tete.
Ida E. Mounger, Lettsworth.
Betty M. Voigt, Provencal.
Maude M. Clark, Tioga.
James F. Willis, Sr., Varnado.
William A. Rheams, Walker.

MAINE

Lee M. Rowe, Bryant Pond.

MISSISSIPPI

Mabel C. Basham, Hamilton.

NEBRASKA

Rex Hicks, Amherst.
William A. Horstman, Creighton.
Helen Betty Gott, Fort Robinson.
Guy H. Matteson, Sutton.
Clarence E. Hendrickson, Wahoo.

TEXAS

Lucy F. Reynolds, Aledo.
John W. Boyett, Appleby.
Herman A. Krause, Beasley.
Felix A. Krause, Burlington.
Mary B. Rankin, Bynum.
Zella E. Mitchell, Campbell.
Otis J. Bronstad, Cranfills Gap.
William M. Riddle, Dale.
Eugene B. Griffing, Danbury.
Robert H. Mills, Dodd City.
Huel D. Ray, Ector.
Guyler Hamblen, Fostoria.
Vivian E. Cobb, James.
Charles W. Rankin, Jr., Jonesboro.
Ralph L. Johnson, Laneville.
Ada H. Worley, Malone.
Myrta E. Nichols, Melissa.
Charles K. Langford, Mertens.
Cyrus M. Walsworth, O'Brien.
Neeta Shaw, Ovalo.
Virgil R. Laycock, Ravenna.
Rasselas C. Boyd, Rochelle.
Bertha M. Johnson, Salado.
Claude C. Strickland, Savoy.
Alma Leta Clements, Sebastian.
William E. McIntosh, Utopia.
Peregrina Benavides, Zapata.
Malvin L. Cobb, Zephyr.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 24, 1944

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who wert the God of our fathers, leading them through darkness into light, out of bondage into freedom, and through tragedies into triumph, we pray that we may also experience Thy guiding and sustaining presence in all our struggles.

Thou art acquainted with our needs for this new day and art willing and able to supply them. We do not ask deliverance from its heavy burdens but strength to carry them until they shall cease to be burdensome. We do not seek escape from its perplexing problems but wisdom to find a satisfactory and happy solution. May we never rely upon our own unaided strength and judgment but may we avail ourselves of the eternal companionship and counsel of the Christ.

Help us daily to make some worthy contribution to the final victory of those great moral and spiritual ideals and principles which Thou hast ordained. Enable us to stand courageously against every devastating evil that denies to our humanity the right to life, liberty, and the pursuit of happiness. Grant that we may be partners with all who are now seeking to build a highway where men and nations shall walk together in peace.

In Christ's name we pray. Amen.

The Journal of the proceedings of Tuesday, August 22, 1944, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 94. Concurrent resolution authorizing the printing of additional copies of Public Law No. 346, current session, entitled "Servicemen's Readjustment Act of 1944."

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 23. Concurrent resolution establishing a Joint Committee on the Organization of the Congress.

The message also announced that the Acting President pro tempore has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of Commerce.
3. Department of the Navy.
4. Post Office Department.
5. National Housing Agency.
6. Selective Service System.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

SELECT COMMITTEE TO INVESTIGATE ACTS OF EXECUTIVE AGENCIES BEYOND THE SCOPE OF THEIR AUTHORITY

Mr. PETERSON of Georgia. Mr. Speaker, I ask unanimous consent that

the Select Committee to Investigate Acts of Executive Agencies Beyond the Scope of Their Authority may have until midnight Friday, August 25, in which to file an interim report.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent that today, at the conclusion of the legislative program and following any special orders heretofore entered, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PATENTS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, in the course of the debate on the disposal of surplus Government property bill, the gentleman from Missouri [Mr. COCHRAN] made a remark to the effect that a number of patents had already been sold by the Alien Property Custodian's Office to which I agreed. I now have a letter from the Office of the Alien Property Custodian commenting on those remarks and stating that as a matter of fact no patents have been sold outright by the Alien Property Custodian; that the only time any patents have been sold was indirectly when the stock of corporations had been sold, which corporations held the patents, but that otherwise the policy has been pursued—and I quote—"of making patents freely available to American industry."

The text of the letter is as follows:

OFFICE OF ALIEN PROPERTY CUSTODIAN,
Washington, August 23, 1944.

Hon. JERRY VOORHIS,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: I noticed in the CONGRESSIONAL RECORD of August 22, 1944, on pages 7282 and 7283, a discussion between you and Mr. COCHRAN concerning disposition of patents by the Alien Property Custodian. I was particularly interested in Mr. COCHRAN'S statement, with which you agreed, that the Alien Property Custodian has "already sold a lot of patents."

I am enclosing a copy of the annual report of this office for the period from March 11, 1942, to June 30, 1943. I call your attention particularly to the discussion of the disposition of patents beginning at the bottom of page 73 of this report and to the statement on page 74 that "no patents are sold." This was a statement of the policy of the Office of Alien Property Custodian at the time of the annual report, and it continues to be the policy of this office. The present policy for administration of patents on a basis of licensing rather than sale by this office was outlined in general terms shortly after the appointment of Leo T. Crowley as Custodian. On April 27, 1942, Mr. Crowley testified before the Senate Committee on Patents:

"In order to secure the maximum utilization of patents which may come into our possession we propose to make them freely available to American industry. We cannot at this time state exactly the terms under which they will be available. * * * In general, however, no patents will be sold at this time." (Hearings before the Committee on Patents, United States Senate, 77th Cong., 2d sess., on S. 2303 and S. 2491.)

We have followed a policy of issuing nonexclusive licenses to American citizens under seized enemy patents, and have now licensed more than 8,000 patents for use by American industry. In every case, title to the patent is retained by the Custodian.

Up to this time, except in rare instances, the Custodian has not even sold the stock of corporations which hold patents. One corporation which we sold has a few patents. Another American company, of which we sold 50 percent of the stock, owned certain patents, which, however, were already exclusively licensed to the American owner of the other 50 percent of the stock. The only disposition of patents actually vested by the Alien Property Custodian has been the transfer to an American individual of certain patents formerly owned by French nationals which he had a valid and outstanding option to buy, and the purchase price of which he paid to the Custodian.

I am sure that your statement in the RECORD was based on a misunderstanding of the facts, and I wish to give you a correct statement.

Sincerely yours,
HOWLAND H. SARGEANT,
Chief, Division of Patent Administration.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Army and Navy Journal.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that I may be permitted to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SIXTEENTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Affairs and ordered printed:

To the Congress of the United States of America:

Pursuant to law, I am submitting herewith the Sixteenth Report to Congress on Lend-Lease Operations.

Lend-Lease supplies and services provided to our allies in the 3 months ending June 30, 1944, amounted to $4,045,000,000 in value. In all, lend-lease aid has been provided in the amount of $28,270,000,000.

Three years ago the Axis aggressors were well along the road to domination of the world. The United States itself was in grave danger. Today the United Nations are moving relentlessly along the roads which lead to Berlin and Tokyo.

In the preparation and execution of the powerful offensives on which we are now jointly engaged with our allies, lend-lease has fulfilled its promise. Every day that the men of our Army and our Navy go into battle lend-lease is being effectively used in the common cause by the heroic men of the other United Nations. Through lend-lease, the full power of American production is being brought to bear against our common enemies by the millions of fighting men of our allies. Through lend-lease, American weapons and other war supplies are being used by our allies to destroy our enemies and hasten their defeat.

We should not permit any weakening of this system of combined war supply to delay final victory a single day or to cost unnecessarily the life of one American boy. Until the unconditional surrender of both Japan and Germany, we should continue the lend-lease program on whatever scale is necessary to make the combined striking power of all the United Nations against our enemies as overwhelming and as effective as we can make it.

We know now that by combining our power we can speed the day of certain victory. We know also that only by continuing our unity can we secure a just and durable peace.

FRANKLIN D. ROOSEVELT.
THE WHITE HOUSE, *August 23, 1944.*

EXTENSION OF REMARKS

Mr. BLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances; in one to include an article on the treatment of Italian military prisoners, and in the other an editorial from the Newport (Va.) News.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a brief biography of Theodore Paul Wright, who has been recently appointed Administrator of the C. A. A.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an excerpt from hearings by the Senate Finance Committee.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SOCIAL SECURITY

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. BURDICK. Mr. Speaker, our progress is swift. A few years ago, when I addressed this House the first time on the Townsend recovery plan, many of my good friends stated to me afterward that they could not understand how it was that I appeared sound on all other measures but would at the same time swallow the absurdities of the Townsend plan. They said, "It will not work; it will cost too much; it is economically unsound."

Today we are treated with a sensation of political back handsprings. All thoughts expressed in the above characterization of the Townsend plan are abandoned and the economically sound Townsend plan has been superseded, outdistanced, and abandoned. There are no more warnings sounded in this House that anything is unsound; nothing will cost too much any more. This sentiment has come forth in the sudden explosion of the George bill to amend the Social Security Act.

Its title contains some well-sounding sentiments, but as an instrument for recovery, as an agency to provide jobs, as an aid to the aged, the mothers, and the disabled, it is completely meaningless. The objects specified in the bill have merit, but there is not a single statement in it that carries out these expressed purposes.

The first 17 pages of the bill are devoted to setting up an intricate piece of machinery designed to carry out the high-sounding purposes set forth in the preamble.

On pages 18 and 19 there are provisions that any funds paid out by States under their unemployment laws, if any, shall be matched by Federal funds, but unless States have an unemployment compensation law, and unless States are able to create such a fund in times of stress, the would-be recipients of Federal funds will have the preamble of this bill but nothing else.

To create artificial jobs, this bill relies entirely on public works, such as we had under W. P. A. and P. W. A. in the last depression.

Lastly the bill attempts to cover those only who have performed services as civilians in the employ of the United States. It covers no one else. The aged are forgotten, the crippled are forgotten, the mothers are forgotten, the laborer who did not work for the Government is forgotten.

I ask anyone in the House if he thinks this is a social security bill. I ask anyone, who once objected to the Townsend recovery bill, what they see in the Townsend bill that is visionary, unsound, and unworkable? If there are visionary provisions in the Townsend bill, they have been so far outstripped in imaginary results in this bill, that the Townsend bill can truly be said to be a most conservative bill.

Let us take a look now at the Townsend bill, since it must be admitted now that at least this bill sounds like common sense:

To provide every adult citizen in the United States with equal basic Federal insurance, permitting retirement with benefits at age 60, and also covering total disability, from whatever cause, for certain citizens under 60—to give protection to widows with children; to provide an ever-expanding market for goods and services through the payment and distribution of such benefits in ratio to the Nation's steadily increasing ability to produce, with the cost of such benefits to be carried by every citizen in proportion to the income privileges he enjoys.

* * * * *

In addition to all other excises, duties, or taxes, there shall be levied, collected, and paid a tax of 3 percent of the gross income of all persons or companies derived from any and all sources, except in personal incomes there shall be an exemption up to $100 per month.

* * * * *

EXEMPTIONS

The provisions of this title shall not apply to the following: (1) All moneys received by individuals or institutions and held in custody or as a deposit for others; (2) fraternal benefit societies, orders, or associations, operating under the lodge system, or for the exclusive benefit of the members of the fraternity itself, operating under the lodge system, and providing for the payment of death, sick, accident, or other benefits to the members of such societies, orders, or associations, and to their dependents or beneficiaries; (3) corporations, associations, or societies organized and operated exclusively for religious, charitable, scientific, or educational purposes; (4) business leagues, chambers of commerce, labor organizations, boards of trade, civic leagues, and other similar organizations operated exclusively for the benefit of the community and for the promotion of social welfare, and not for commercial trading in any form, and from which no profit inures to the benefit of any private stockholder or individual; (5) hospitals, infirmaries, and sanatoria, from which no profit inures to the benefit of any private stockholder or individual; (6) amounts received by any person as a benefit payment so-called or like payments by virtue of acts passed by the Congress of the United States relating thereto and disbursed to others as such benefit payment; but the Secretary of the Treasury may by regulation require any such deductions to be set forth specifically by the taxpayer in his return; provided, however, that exemptions (2) to (6), inclusive, shall apply only to the gross income received from nonprofit activities.

QUALIFICATIONS

SEC. 303. Every citizen who is 60 years of age or over shall upon filing an application under oath, as hereinafter provided, be entitled to receive an annuity payable in monthly installments during the remainder of the life of such person.

SEC. 304. Every citizen between the ages of 18 and 60 who is disabled for a period longer than 6 months, every mother who is a citizen and who has the care of one or more children under 18 years of age, shall, upon filing application under oath, as hereinafter provided, be entitled to receive an annuity payable in monthly installments so long as their incapacity for employment exists, or so long as they have the care of one or more children under 18 years of age.

Where do we get the money to spend on the Townsend recovery plan? We get it from a gross income tax of 3 percent. If the national income is one hundred billion, then the tax would bring in three billion, and the amount paid out would be three billion. This money is paid to the people down at the bottom of our economic groups and when received must be spent within 30 days. Money spent at that level will circulate up through the whole social structure, and about the time this money reaches a hoarding vault, an equal amount will be turned loose again. This provision insures constant circulation and when there is circulation there is also business. Business stops abruptly when there is no buying power. When people either will not or cannot buy, no one can sell; when no one can sell, no one will manufacture. At this point, unemployment increases—factory workers are laid off, transportation is demoralized, and we have a depression.

The Townsend bill prevents this. Does the George bill have a line in it to prevent the most vital mistake in all depressions?

To whom do we pay the monthly payments—to the aged, the disabled, and the mothers? Where is there a line in the George bill that even mentions this important group?

We are in the process of taking care of the soldiers and sailors and from time to time we shall take further action for their protection; hence the Townsend bill applies only to servicemen's wives and to other civilians who become disabled.

The George bill takes care of those who have had a good income from Government service, but does not even mention those people who have lived in distress in the midst of war prosperity.

Most people believe there will be a depression after this war ends, and I do not feel that their belief is unfounded. Private business feels it can absorb most of the unemployed, but their optimism cannot be based on anything they did or could do in the last depression. Some plan of action must be kept in mind to provide Government-planned work when private enterprise fails to take on the load. To wait as we waited before, with no plans, we shall again overnight be planning work for the next day—and much of it will be useless work. The best chance we have to avoid a depression is to keep private business going. It just cannot go on unless there are buyers—private business must have circulation—without circulation in sight private business will dry up as fast this time as it did last time. The Townsend plan provides this circulation definitely.

In addition to the circulation for private business we should plan now for a definite and valuable work program for the Nation that is not only badly needed, but will add to the assets of the Nation and which will not be classified as total expense.

At this moment the only sound, sensible, comprehensive, definite plan for recovery before this Congress is the Townsend Recovery Plan contained in House bill 1649, now in the Committee on Ways and Means and to which 209 signatures have been attached, lacking only 9 names to bring the bill before this House

for debate. Can you any longer hold back your signatures because the Townsend bill is so visionary, so unsound, so economically wrong, when you have before you the George bill, already passed by the Senate, which on its face is so unsound that the Townsend bill is superconservative?

EXTENSION OF REMARKS

Mr. MASON. Mr. Speaker, I ask consent to extend my remarks in the RECORD on the subject of Sam Gompers versus Sidney Hillman, and to include a short editorial on the same subject.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LECOMPTE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a newspaper article from the Eldora (Iowa) paper.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the trans-Atlantic edition of the London Daily Mail relative to the approval of bureaucratic regulations by Parliament.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. LAFOLLETTE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter from Mr. William Green, president of the American Federation of Labor, in support of H. R. 5227, and an analysis of the provisions of that bill made by that organization.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LEFEVRE. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Illinois [Mr. SIMPSON] be permitted to extend his remarks in the RECORD and include an editorial from the Jacksonville Journal-Courier.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mrs. LUCE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address delivered by me to the Republican fourth-district convention, at Greenwich, Conn., on August 9, 1944.

The SPEAKER. Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

Mr. WILLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a resolution.

The SPEAKER. Is there objection to the request of the gentleman from Delaware?

There was no objection.

COMMITTEE ON WAYS AND MEANS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means have until midnight of Saturday next to file a report on the George bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will my good friend from Massachusetts tell us what the program will be concerning this bill?

Mr. McCORMACK. It is the hope and the intention to bring the bill up for debate on Tuesday next if it is reported out as we expect. This means that a rule will have to be reported out on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article signed by Mr. Sidney Hillman entitled "The Truth About the Political Action Committee" which appeared in the New Republic August 21, 1944.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I further ask unanimous consent to extend my remarks in the RECORD and include a statement by Mr. Joseph Salerno, New England regional director of the C. I. O. Political Action Committee, in support of the recognition of Italy as a full and equal ally.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ANDERSON of New Mexico. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address delivered before a special session of the New Mexico Legislature by the Governor of the State, Hon. John J. Dempsey.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. CLEVENGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article by Frank Kent appearing in the Washington Star.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a document issued by the United States Government with reference to veterans' rights and benefits under the legislation recently passed by Congress.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

FEDERAL AID TO EDUCATION

Mr. BARDEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BARDEN. Mr. Speaker, I call to the attention of the Members of the House the fact that in recent weeks there has been considerable agitation over H. R. 2849, generally known as the Ramspeck bill, or the Federal aid to education bill. This bill is pending before the Committee on Education and has been before it for some time.

In the spring we were considering the rehabilitation bill, which was quite a problem for the committee. We finally completed that job and the bill was passed by the House and eventually signed by the President. We then worked on the educational features of the so-called G. I. bill for the education of soldiers. Since completing that job, the committee was called upon by House Resolution 592 to make a study of the educational institutions of the United States, which is quite a job but is progressing in a highly satisfactory manner at this time. We have not found it advisable to attempt to take another bill up until such emergency measures as just referred to have been given proper consideration. The gentleman from Georgia [Mr. RAMSPECK] requested that 2 weeks notice of the hearings be given. The present uncertainty of the schedule of the House does not at this time permit the setting of a definite date for hearings.

There is a petition on the desk, petition No. 12, I believe. I want you to know that it will certainly cause no embarrassment to the committee or to the chairman of the committee should any of you feel that you would be representing the educational people of this country by signing that petition and bringing the bill out for passage without its having been considered by the proper committee. However, as soon as the committee can get to the bill, we expect to conduct the necessary hearings.

PERSECUTING THE WHITE PEOPLE OF THE SOUTH

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, revise and extend my re-

marks, and include excerpts from a document that is being distributed and placed on the desks of Government workers with reference to the blood bank, and also to include a copy of a letter written by the War Department on the subject of segregation.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I rise to register my protest against this continued persecution of the white people of the South.

While our young men from the South are engaged in the heroic drives now being made against our enemies abroad, certain elements in this administration continue to hurl robot bombs of dissension into the ranks of the South—bombs that are loaded with dynamite or other inflammable elements that are calculated to stir an upheaval of the most embarrassing proportions.

We white Democrats of the South who have held the party together for more than 75 years, and who are now struggling to iron out difficulties brought about by these elements in our national life, who would stir up strife among us, are being constantly harassed and embarrassed.

One of the most dangerous of these robots is the so-called F. E. P. C., which was created by President Roosevelt through Executive order, and which constitutes one of the most dangerous innovations ever made, and one that can only bring race strife and discontent.

The President should revoke that order at once. It would be the most effective step that could possibly be taken toward restoring harmony.

I hold in my hand an incendiary circular now being distributed by certain radical groups in which they attempt to put a stop to the segregation of blood plasma now being prepared for our wounded men in the service.

It is no disgrace to a man to have the blood of his own race injected into his veins; but I submit that it would be an insult to our white men in the service to have the blood of other races injected into their bodies while they are wounded, helpless, and unable to protect themselves.

I am inserting a copy of a letter which has just come to my attention, and which was issued by order of the Secretary of War, attempting to abolish all racial segregation in busses, trucks, and other transportation facilities owned or operated either by the Federal Government or a governmental instrumentality, as well as in motion-picture shows and other recreational facilities.

It reads as follows:

WAR DEPARTMENT,
THE ADJUTANT GENERAL'S OFFICE,
Washington, D. C., July 8, 1944.

Subject: Recreational facilities.

To Commanding Generals, Army Air Forces, All Service Commands, Military District of Washington:

1. Reference is made to letter A. G. 353.8 (March 5, 1943) OB-S-A-M, March 10, 1943, subject as above, in which it was directed that all personnel, regardless of race, would be afforded equal opportunity to enjoy recreational facilities on each post, camp, and station.

2. While in general the spirit of the above-mentioned letter has been observed, occasional reports indicate that practices exist on some installations that are not in harmony with its provisions.

3. Exchanges: While exchanges and branch exchanges may be allocated to serve specific areas or units, no exchange will be designated for the exclusive use of any particular race. Where such branch exchanges are established, personnel will not be restricted to the use of their area or unit exchange, but will be permitted to use any other exchange on the post, camp, or station.

4. Transportation: Busses, trucks, or other transportation owned and operated either by the Government or by a governmental instrumentality will be available to all military personnel regardless of race. Restricting personnel to certain sections of such transportation because of race will not be permitted either on or off a post, camp, or station, regardless of local civilian custom.

5. Army motion-picture theaters: Army motion-picture theaters may be allocated to serve certain areas or units but no theater or performance in any theater will be denied any group or individual because of race.

6. Effective compliance with War Department policies enunciated herein will be obtained through inspection by responsible commanders and inspectors general. Each inspector general will be directed that if, during a periodic inspection, a post, camp, or station, he discovers evidence of racial discrimination or direct or indirect violation of War Department policies on this subject, he will inform the commanding officer of the installation that such discrimination is contrary to War Department policy. If subsequent inspection of the installation indicates that proper remedial measures have not been taken, the commanding general of the service command will initiate action to insure full compliance with the announced policy.

7. The commanding general, Army Air Forces, will bring the contents of this letter to the attention of each unit of his command which is authorized an inspector general.

By order of the Secretary of War:

J. A. ULIO,
Major General, The Adjutant General.

You will note the order provides that restricting personnel to certain sections of such transportation because of race will not be permitted either on or off a camp, post, or station, regardless of local civilian customs.

In other words, it attempts to wipe out segregation throughout the South, and throughout the countries for that matter, which would probably precipitate race riots and other racial disturbances at a time when they would do the country the most harm.

While our brave men from the South, as well as from other sections of the country, are driving onward in their relentless march toward victory, giving up their lives for American institutions, I protest against these attempts to humiliate them or to stir up race strife among their ranks.

The sooner this administration calls off these unwarranted assaults on the white people of the South, the sooner we are going to have that harmony necessary for victory abroad and for peace at home.

The SPEAKER. The time of the gentleman from Mississippi has expired.

FEDERAL HIGHWAY AID

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, Congress is concerned with the necessity for taking immediate action on pressing over-all post-war problems, but quick action also must be taken on such specific matters as Federal highway aid. Our treatment of general problems looking to the welfare of servicemen and war-plant workers must be backed by decisions which will provide jobs without loss of time and where they are needed.

In my opinion, Congress at the very earliest possible moment should direct attention to the Federal highway aid bill (H. R. 4915) which the House Roads Committee reported favorably several weeks ago. As was well learned in the last depression, highway construction was more quickly gotten under way and it reached peak employment sooner than any other type of construction. We do not know when the first phase of the war will be over, but we do know that we must be prepared to have jobs available, particularly during the reconversion period. An appropriate Federal highway aid authorization will accomplish a great deal in giving returning members of our armed forces and discharged war-plant workers the job insurance they have earned.

Another reason for quick action is the necessity of letting the State and local highway departments know how much and on what basis the Federal Government will participate in highway construction. It takes time to prepare the final designs and blueprints and buy the rights-of-way. It requires planning to shape up an evenly spread highway construction program. Political subdivisions of government must know what they are doing when they tackle the job of providing finances with which to match Federal funds. Even with action taken in the near future on the Federal aid bill, State and local governments will have to work hard to get everything in readiness to carry on the large-scale program needed.

EXTENSION OF REMARKS

Mr. ALLEN of Louisiana. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. LARCADE] may have permission to extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. FURLONG. Mr. Speaker, I ask unanimous consent to extend in the RECORD the remarks of our President, which he made yesterday.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

G. I. BILL OF RIGHTS

Mr. WILSON. Mr. Speaker, yesterday I learned that there had been printed a Government publication which explained the rights and benefits for which a returning serviceman can apply. Upon investigation, I learned that the publication was printed at public expense, was authored by the Office of War Mobilization, and deals with the types of governmental assistance for which a veteran and his dependents are eligible. It sounded like just the information I had been trying to compile for the servicemen in my district, so I called Gen. Frank T. Hines, the Administrator of the Veterans' Administration, hoping to be able to order several thousand of these booklets for the service people of the Ninth District who are doing their part on every front. However, I was advised that no Congressman could distribute more than 25 of these publications in his district, although more than 2,000,000 copies were printed and are available to other agencies of the Government.

Mr. Speaker, I contend that a Congressman's office—as the people's headquarters in Washington—should be by rights the main clearinghouse for information to be distributed to his constituents. And those constituents most concerned with this specific information are the men in the armed services and their families who wait and pray at home. I worked hard to get the G. I. bill of rights presented and approved for our fighting men, and I feel responsible for getting the facts into the hands of those affected. I pointed out this fact to the authorities but was advised that this booklet would be made available to every man as he is discharged. To this I replied that I did not consider that any impersonal, G. I. distribution made at a time when the veteran's mind is mainly on getting home could be as effective as the same material would be if presented now when he has time to do a bit of planning for the future.

Since it looked as though I had met with defeat on that score, I called on Congressman JOHN RANKIN, of Mississippi, who is chairman of the House Committee on Veterans' Affairs, to ask him if he would not oblige me and all the other Members by inserting the information contained in the O. W. M. booklet in the CONGRESSIONAL RECORD, thereby making it available to every Member of Congress who might be interested in distributing it in his district. This Mr. RANKIN consented to do today, and I sincerely appreciate his kindness.

Now, it is my intention, at my own expense, to place in the hands of every service man and woman from my congressional district—and to furnish to their families insofar as I am able—a copy of this information, which actually affects the individual lives of these people more than all the charters, peace pacts, secret meetings, or diplomatic agreements that the "big shots" can make.

I believe that with all the planning of our post-war lives which is being done by the higher-ups these days that each little family which has been touched by this war would like to do a little planning on its own—and in order to lay those plans for the future they must have their rights and benefits, as allowed by their Government, explained to them now. Proper or commensurate payment to our service groups is impossible—all the money in the world cannot repay them for one risk of their lives, but we can and are obligated to assist these men in their adjustment to civilian living and to help them to rejoin their families on as sound an economic and social basis as possible. To do less than our best on this job is to shame their sacrifice and to show curselves unworthy of their gallant protection.

I hope that every Member will avail himself of this opportunity to place this complete and useful post-war information in the hands of the boys who have snatched this Nation from the grasp of our enemies. I regret that I have been forced to use this round-about method of getting these facts into the hands of those most concerned, but my service to the people is, as always, an honor and a pleasure.

EXTENSION OF REMARKS

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement by Fulton Lewis, Jr.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

CONTINENTAL GIN CO., OF PRATTVILLE, ALA.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, more than a century ago, Daniel Pratt, of Temple, N. H., and his wife, Esther Ticknor Pratt, of Columbia, Conn., came to Alabama, acquired a tract of land and founded Prattville, Ala.

Prattville was founded as the home of Pratt Gin Co., which was the world's first factory for the production of cotton gins. This plant has been manufacturing cotton gins from the time of its conception until the present day. Of course it has been expanded, and with the extension of its business, its name was changed many years ago to Continental Gin Co. Merrill Pratt, the great-grandson of the founder, is now president of Continental Gin Co., with headquarters in Birmingham, Ala., and branches in many parts of the United States and foreign countries.

Prattville is now the seat and center of a thriving community of some 4,000 souls. The wisdom of its founders in building churches, schools, and homes as well as factories, has enabled the people of Prattville and their neighbors in Autauga County to build there a happy, cultured, and altogether charming community. With the advent of war, our Government has utilized the facilities of Continental Gin Co. and the excellent group of trained metal workers there available for the production of munitions of war. Under the leadership of Merrill Pratt and Superintendent Alpheus L. Powell, of the parent concern, and with the patriotic cooperation of a loyal plant personnel of devoted men and women, war production history has been made.

While the whole story cannot yet be told because of the necessity of secrecy in wartime, nevertheless the splendid record here made is a source of pride to all those who love America and take pride in worth-while accomplishments, in the winning of the war.

It gives me pleasure to call the attention of Congress to the example of Prattville and Autauga County, a united and thoroughly cooperative, patriotic citizenship, who, working together in many different lines of endeavor, have made possible the enviable record to which attention is called in the accompanying article from the Prattville Progress of August 3:

LOCAL PLANT LEADS NATION ON JULY QUOTA PRODUCTION

The Prattville plant of the Continental Gin Co. enjoys the distinction of having led the entire Nation in production of quotas on one of the larger war contracts during the month of June, according to information received by officials of the plant. The percentage of quota production on the contract achieved during that month was 107 percent. Approximately 24 facilities over the Nation, including some of the country's largest industries, are engaged in production of this particular item of equipment, which cannot be named, of course, due to wartime censorship.

Again during July, the month just closed, the Continental went over its quota, achieving production of 103 percent. In fact, for the past several months the Prattville plant has consistently topped the 100 percent mark.

Much of the credit for this production, so many local citizens say, is due to Alpheus Powell, who has certainly proved that "the man and the opportunity met" when he was selected as superintendent of the local plant. Mr. Powell very modestly gives credit to the splendid cooperation of everyone concerned.

The Progress congratulates each member of the force operating the Continental plant on their distinctive achievements, for each worker, from the boy who sweeps up metal shavings on through the line up to Merrill Pratt, a native Prattvillian, who heads the Continental as president, deserves a share in the honors accorded for work so well done.

The SPEAKER. Under previous order of the House, the gentleman from Penn-

sylvania [Mr. MURPHY] is recognized for 15 minutes.

NATIONAL INCOME

Mr. MURPHY. Mr. Speaker, some few years ago in the heat of a political campaign, a distinguished American, Thomas E. Dewey, said that under the New Deal the national income never would reach $80,000,000,000; that it most certainly would never reach $90,000,000,000.

Mr. Speaker, I ask unanimous consent to extend in the RECORD at this point a table showing the national income for the years 1932 through 1943.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The matter referred to is as follows:

National income, income payments to individuals, and gross national product, 1932–43

[In billions of dollars]

Year	National income	Income payments	Gross national product
1932	40.0	47.5	55.4
1933	42.3	46.3	54.8
1934	49.5	52.9	63.8
1935	55.7	58.6	70.8
1936	64.9	68.1	81.7
1937	71.5	72.3	87.7
1938	64.2	66.2	80.6
1939	70.8	70.8	88.6
1940	77.6	76.2	97.1
1941	96.9	92.7	119.6
1942	121.6	116.6	152.1
1943	147.9	142.3	186.5

Treasury Department, Division of Tax Research, Aug. 2, 1944.

Source: Department of Commerce; Survey of Current Business, Apr. 1944 and May 1942.

THE CONCEPTS OF NATIONAL INCOME, INCOME PAYMENTS, AND GROSS NATIONAL PRODUCT

National income is the net value of all goods and services produced, after allowance has been made for replacement of goods consumed in manufacture.

Income payments to individuals equal that part of the national income which is paid out to individuals, plus all payments to individuals (such as relief) which are not part of the national income. It does not include corporate savings (undistributed profits) or contributions to social insurance funds.

Gross national product equals the gross value of all goods and services produced, including replacement. In addition to the national income, it includes depreciation, depletion, and other business reserves, and business tax liabilities.

(Treasury Department, Division of Tax Research, Aug. 2, 1944.)

Mr. MURPHY. Mr. Speaker, I also ask unanimous consent to insert in the RECORD at this point a table indicating the sales of securities during each of the five War-loan drives.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The matter referred to is as follows:

Comparison of the five War loans

PART A. DATES OF THE FIRST FIVE WAR LOANS

	Formal period of drive (period in which marketable securities were available for subscription)	Period in which savings bonds and savings notes were counted toward goals
First War Loan (1942)	Nov. 30–Dec. 23.	Nov. 30–Dec. 31.
Second War Loan (1943)	Apr. 12–May 1.	Apr. 1–May 8.
Third War Loan (1943)	Sept. 9–Oct. 2.	Sept. 1–Oct. 16.
Fourth War Loan (1944)	Jan. 18–Feb. 15.	Jan. 1–Feb. 29.
Fifth War Loan (1944)	June 12–July 8.	June 1–July 31.

PART B. SALES OF THE FIRST FIVE WAR LOANS

[In billions of dollars]

	Nonbank			Commercial banks	Total, all investors
	Individuals	Corporations	Total		
First War Loan	1.6	6.3	7.9	5.1	12.9
Second War Loan	3.3	10.2	13.5	5.1	18.6
Third War Loan	5.4	13.6	18.9	(1)	18.9
Fourth War Loan	5.3	11.4	16.7	(1)	16.7
Fifth War Loan	[2] 6.3	[2] 14.3	20.6	(1)	20.6

[1] Not included in Third, Fourth, or Fifth War Loans.
[2] Preliminary.

NOTE: Figures are rounded and do not necessarily add to totals.

Mr. MURPHY. Mr. Speaker, during the course of the current campaign and during the last few months, some distinguished Americans have made some inadvertent statements relative to the cash income of farmers and the crop prospects. Mr. Speaker, I ask unanimous consent, at this point in the RECORD, to print a table showing the cash income received by farmers from marketings and the realized net income of farm operators, and index numbers of estimated value per acre of farm land, for the years 1932 through 1944.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The matter referred to is as follows:

Cash income from farm marketings, realized net income of farm operators, and index numbers of estimated value per acre of farm land, 1932–44

Year	Cash income from farm marketings	Realized net income of farm operators	Index: Per acre value of farm land
1932	4,743	1,832	80
1933	5,314	2,681	73
1934	6,334	3,759	76
1935	7,086	4,484	71
1936	8,367	5,062	8[illegible]
1937	8,850	5,139	8[illegible]
1938	7,686	4,327	8[illegible]
1939	7,877	4,459	84
1940	8,340	4,617	84
1941	11,157	6,395	85
1942	15,374	9,254	91
1943	19,252	12,046	99
1944	(1)	(1)	[2] 114

[1] The following sentences are from The Farm Income Situation for July 1944:

"It is now quite evident that the rapid rise in agricultural income since 1940 is subsiding. Preliminary estimates indicate comparatively slight changes in 1944 income in relation to 1943.

"Total cash receipts from farm marketings may be up 2 or 3 percent providing 1944 crop production proves to be as large as is now indicated * * *. Because of the dairy payment program, Government payments to farmers will exceed those of last year * * *. Most of the gain, however, probably will be absorbed by increases in production expenses, and net income may be up only slightly if at all over 1943."

[2] Index as of Mar. 1, 1944, which compares with indexes 1932 through 1943. Attention is called to the fact that the land value index was 117 as of July 1, 1944.

Figures supplied by Mr. O. V. Wells, Chief Program Analyst, United States Department of Agriculture Bureau of Agricultural Economics, Aug. 1, 1944.

Mr. MURPHY. It is to be understood, of course, that the realized net income is calculated by adding the value of food and other items used on the farms where it is produced on the farm to the cash income and subtracting the expense of farm production from this gross total.

Mr. Speaker, in addition I ask unanimous consent to include a part of the official crop report for July 1, 1944, in which will be found the acreage estimates summarized on one page and the yield of production estimates on the second page, and a statement as to the actual acreage and production expected in 1944.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The matter referred to is as follows:

CROP PRODUCTION

(Crop Reporting Board, Bureau of Agricultural Economics, U. S. Department of Agriculture, release July 10, 1944)

JULY 1, 1944.—The Crop Reporting Board of the United States Department of Agriculture makes the following report for the United States from data furnished by crop correspondents, field statisticians, and cooperating State agencies:

Crop	Acreage (in thousands)			
	Harvested		For harvest, 1944	1944 percent of 1943
	Average 1933–42	1943		
Corn, all	92,355	94,790	97,519	102.9
Wheat, all	53,706	50,554	60,884	120.4
Winter	38,163	33,952	41,864	123.3
All spring	15,544	16,602	19,020	114.6
Durum	2,377	2,130	2,218	104.1
Other spring	13,166	14,472	16,802	116.1
Oats	35,597	38,449	39,664	103.2
Barley	11,485	14,702	12,668	86.2
Rye	3,344	2,777	2,325	83.7
Flaxseed	2,048	5,867	3,079	52.5
Rice	1,036	1,500	1,477	98.5

Crop	Acreage (in thousands)			
	Harvested		For harvest, 1944	1944 percent of 1943
	Average 1933–42	1943		
Sorghums	14,032	16,005	16,596	103.7
Cotton [1]	28,189	21,942	20,472	93.3
Hay, all tame	57,049	61,016	60,427	99.0
Hay, wild	11,928	13,401	13,904	103.8
Hay, clover and timothy [2]	19,936	20,621	21,252	103.1
Hay, alfalfa	13,688	14,983	14,377	96.0
Beans, dry edible	1,756	2,400	2,162	90.1
Peas, dry field	266	795	716	90.1
Soybeans [3]	8,016	14,762	14,254	96.6
Cowpeas [3]	3,162	2,266	1,741	76.8
Peanuts [3]	2,402	5,082	4,169	82.0
Velvetbeans [3]	141	135	106	78.5
Potatoes	3,045	3,322	3,013	90.7
Sweetpotatoes	798	889	824	92.8
Tobacco	1,534	1,449	1,686	116.3
Sorgo for sirup	240	205	189	92.2
Sugarcane for sugar and seed	281	316	304	96.3
Sugarcane for sirup	134	129	133	103.1
Sugar beets	852	548	597	108.9
Hops	34	33	37	112.3

GRAIN STOCKS ON FARMS ON JULY 1

Crop	Average 1933–42		1943		1944	
	Percent [4]	1,000 bushels	Percent [4]	1,000 bushels	Percent [4]	1,000 bushels
Corn for grain	26.4	574,054	28.0	799,235	20.7	570,435
Oats	15.9	167,024	17.4	235,060	16.3	186,574
Wheat (old crop)	9.6	73,031	19.7	192,336	12.3	102,533
Soybeans			7.3	13,744	5.6	11,018

[1] Acreage in cultivation July 1. [2] Excludes sweetclover and lespedeza. [3] Grown alone for all purposes. [4] Percent of previous year's crop.

Crop production, July 1, 1944

Crop	Yield per acre			Total production (in thousands)			
	Average, 1933–42	1943	Indicated July 1, 1944	Average, 1933–42	1943	Indicated—	
						June 1, 1944	July 1, 1944
Corn, all—bushels	25.8	32.5	30.6	2,369,384	3,076,159		2,980,136
Wheat, all—do	14.1	16.5	18.5	760,199	836,298	1,034,785	1,127,822
Winter—do	15.0	15.6	18.9	570,675	529,606	714,148	793,086
All spring—do	12.2	18.5	17.6	189,524	306,692	320,637	334,736
Durum—do	11.2	17.0	16.3	27,413	30,204	34,270	36,051
Other spring—do	12.4	18.7	17.8	162,112	270,488	286,361	298,685
Oats—do	28.6	29.8	29.8	1,028,280	1,143,867	1,193,410	1,183,236
Barley—do	21.7	21.9	23.8	256,350	322,187	299,533	301,811
Rye—do	11.7	11.1	12.6	40,446	30,731	31,608	29,362
Flaxseed—do	7.7	8.9	8.6	17,180	32,008		26,541
Rice—do	48.1	46.7	47.4	49,626	70,025		70,052
Hay, all tame—tons	1.32	1.43	1.42	75,320	87,264		85,854
Hay, wild—do	.81	.92	.97	9,788	12,279		13,452
Hay, clover and timothy [1]—do	1.20	1.42	1.35	23,759	29,238		28,638
Hay, alfalfa—do	2.02	2.17	2.24	27,765	32,465		32,146
Beans, dry edible—100-pound bag	[2] 859	[2] 880	[2] 895	15,133	21,123		19,358
Peas, dry field—do	[2] 1,153	[2] 1,367	[2] 1,370	3,148	10,870		9,808
Potatoes—bushels	120.1	139.9	132.5	362,912	464,656		399,116
Sweetpotatoes—do	84.3	81.7	80.5	67,182	72,572		66,393
Tobacco—pounds	908	966	880	1,388,967	1,399,935		1,484,494
Sugarcane for sugar and seed—tons	18.8	20.6	20.3	5,329	6,510		6,166
Sugar beets—do	11.8	11.9	12.1	10,094	6,522		7,227
Hops—pounds	1,158	1,297	1,338	[2] 39,024	42,297		48,960
	Condition July 1						
	Percent	Percent	Percent				
Apples, commercial crop [3]—bushels	[4] 60	53	66	122,378	99,050		122,268
Peaches, total crop—do	61	41	68	[5] 57,618	[2] 42,180	67,427	69,201
Pears, total crop—do	62	50	63	[2] 28,559	[2] 24,585	27,825	27,733
Grapes [6]—tons	79	86	83	[2] 2,371	2,973		2,652
Pasture	75	88	85				
Peanuts	74	80	72				

[1] Excludes sweetclover and lespedeza.
[2] Pounds.
[3] Includes some quantities not harvested.
[4] See footnote on table by States.
[5] Short-time average.
[6] Production includes all grapes for fresh fruit, juice, wine, and raisins.

Crop Reporting Board: Joseph A. Becker, chairman; J. E. Pallesen, secretary; R. K. Smith; John B. Shepard; C. E. Burkhead; R. Royston; John A. Hicks; J. H. Peters; H. R. Walker; Miner M. Justin; Floyd K. Reed; J. J. Morgan; A. R. Kendall; R. F. Gurts; C. D. Palmer; Paul W. Smith.

Approved:

GROVER B. HILL,
Acting Secretary of Agriculture.

GENERAL CROP REPORT AS OF JULY 1, 1944

(United States Department of Agriculture, Bureau of Agricultural Economics, Crop Reporting Board. Crop report as of July 1, 1944. Washington, D. C., July 10, 1944, 3 p. m. (E. W. T.)

Aggregate crop production in 1944 will be about the same as in 1943, according to prospects on July 1. There will be marked differences between the 2 years for individual crops and groups of crops, but on the whole production will be larger than in any year prior to 1942.

The harvested acreage of the 52 principal crops is expected to be about 355,000,000 acres, which would be about 2 percent above the acreage last year and the largest since 1932.

Mr. MURPHY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. VOORHIS] is recognized for 20 minutes.

POST-WAR PROBLEMS OF AGRICULTURE

Mr. VOORHIS of California. Mr. Speaker, I have asked for this time in order to discuss the problem of the reconversion period and the time to come after that. I am a member of the Committee on Post-War Policy and Planning and of one or two of the subcommittees of that committee. We have been holding hearings on various phases of this problem. I want to start my discussion from a point that may, at the outset, seem remote from the central theme of my remarks. But it is not remote. On yesterday we had hearings on the subject of the future problems of agriculture, in the course of which we discussed the importance to American agriculture of a certain volume of exports. The point was brought out and clearly developed that the possibility of American exports of agricultural commodities depended upon the amount of American exchange which might be in the hands of potential purchasers of these commodities; that, therefore, the opportunity for our Nation to export was directly related to the possibility of our Nation furnishing a market for a certain volume of goods from other nations, and that the possibility of our accomplishing that result, and at the same time avoiding any decline in employment in our own Nation, depended directly upon the resolute maintenance within the United States of a high level of national income and full employment in this country. Under those circumstances, and only under those circumstances, is there a possibility of our affording here at home, (1) a home market for the volume of goods and services which we can produce if all our people are employed, and (2) a market for goods from other nations which will be equivalent to the volume of goods which we so much desire to export to other parts of the world.

Therefore, what I want to speak about today is the question of full employment in the United States after this war. Every single American citizen knows that for the purpose of fighting and winning the war, we have had at work every person in this Nation that could possibly go to work, at a wide variety of jobs; that we have used to the full, every piece of machinery and every resource that we have. But what we must realize is that the whole future hope of our country and of the world itself depends upon the continuance of a full employment situation in the future.

In the first place, unless you have a full employment condition in our own country, it is idle to promise that there will be jobs and opportunities for 11,000,000 returning fighting men. Those fighting men are going to come back to whatever conditions face the average American family at that time. Try as we may to provide by means of veterans' preference and other methods to protect them against the impact of generally depressed conditions in our country, it cannot be done. The only answer will be some form of makeshift provision for them, unless we provide such sound measures as will mean a general, overall full-employment economy in our Nation.

In the second place the possibility of real cooperation between our country and other nations of the world in the establishment of peace is going to depend and depend directly upon the degree of hope and confidence which moves in the hearts of American citizens after this war, with regard to the outlook in our own country for economic opportunity and freedom and reasonable security.

Mr. ROWE. Mr. Speaker, will the gentleman yield for a question?

Mr. VOORHIS of California. I would rather not yield until I have made my statement, but I will yield.

Mr. ROWE. Does the gentleman expect to lead to the formula of his solution?

Mr. VOORHIS of California. I hope I am going to have time to do so.

Mr. SMITH of Ohio. Will the gentleman yield?

Mr. VOORHIS of California. If the gentleman will let me preface my yielding by saying that I would rather not yield any more until I have at least developed my central theme, then I will be glad to yield to the gentleman.

Mr. SMITH of Ohio. Very well.

Mr. VOORHIS of California. I think there is a basic conflict of opinion developing, and I think it is not too soon to mention it on the floor. The question is whether we are going to say that the primary and critical principle of our policy is going to be reasonably full employment in our country, or whether that is not going to be our primary policy; whether we are going to start out with the confidence that that condition can be achieved, or whether we are going to begin in a defeatist attitude and say that it cannot be achieved. Worse yet, some are, in effect, saying they do not even want full employment. These people, for motives which I shall not characterize actually want a deflation in the post-war period. If they have their way, the hope of lasting gain to the people from the sacrifices of this war will be dashed. I am one of those who believe we can maintain full employment. I think there is more than one way in which it can be done. The essential feature of the point of view I hold is this: I say that our principle shall be full employment of our people, taking account, of course, of the unavoidable small amount of unemployment due to people moving from job to job, which cannot, of course, be altogether overcome in any free economy. I say there shall be, must be, full employment. I want it to be private employment, but that the ultimate guaranty of the principle requires that if it cannot be private employment, then it will be employment on tested, sound, selected public works. Then, after I have laid down that basic principle, I would proceed to use every sound, fair method to increase private employment and to render special public employment unnecessary. And I would also set about putting into effect sound methods of finance so that no such program would need increase the interest-bearing public debt by a dollar. The question here is what the basic principle is, what the premise is from which we start to work.

The first thing I want to point out is this: When war came upon this Nation we had to change the direction of our economic activity. We had to change it from the direction of supplying peacetime needs of our country to the direction of supplying the war needs of our country. In order to accomplish that, it was necessary for us to undergo a considerable degree of temporary governmental control, and it was necessary for intelligence to be exercised in accomplishing the purpose.

Immediately at the close of the war we will not be confronted with an ordinary situation but will be confronted, on the contrary, with the necessity of the job of reconversion to peacetime production, quite as great, quite as crucial, as the problem of converting to war production. To believe that that objective can be accomplished by simply letting matters take their course; to believe it can be accomplished without the most carefully devised effort on the part of Congress to guide that program and to guide that procedure, is idle and dangerous. The first thing I want to say is that there is a direct responsibility in our hands to see that that reconversion job is done in an orderly, speedy, fair, and just manner. I do not believe we can wait very long. Romania is out of the war as of today. I hope and pray for the end of the war in Europe, and in Asia also, at the earliest possible date. I do not think we can assume—certainly we do not want to assume, that the war is going to last for several months, though I fear it will. For our purposes here we cannot assume that it is going to last one single day beyond tomorrow, as far as our preparation for the future is concerned.

I am not talking about any particular piece of legislation in this speech, but I am going to try to lay down certain fundamental things that I think have got not only to be considered but to be done now.

In the first place it seems to me perfectly evident that in dealing with the

reconversion period you have got to have agencies, staffed and assisted by the ordinary citizens of the United States, throughout the length and breadth of the land, in the communities and States of this Nation, who can take a share of the responsibility for guiding that reconversion work. I have had a bill before Congress for 3 years to set up a program of that sort. I believe it should be included in any reconversion legislation, that that job shall be guided and assisted by groups and committees and agencies or advisory committees, or whatever you want to call them, in the various sections of this Nation, and representative of the various economic groups. I do not believe this whole job can be done by a director in Washington.

In the second place this is no State problem any more than war is a State problem. It is a national problem. I think to even suggest for a moment that the United States Employment Service as a Nation-wide agency should not be continued to the end of this reconversion period, is utterly irresponsible.

Obviously it is not going to do any good merely to provide unemployment compensation or something like that unless your original effort is made to see to it that there is a minimum of unemployment; and that there is as orderly as possible a shifting of people from areas where they have been working by the hundreds of thousands in aircraft plants, for example, to other places where they can hope for jobs in peacetime employment.

Let me repeat, unless we do this job well, our words are idle when we tell the returning fighting men that they are going to have genuine opportunity, that they are going to have real, honest-to-goodness jobs in private industry. Unless we do the job with regard to the Nation as a whole, those promises cannot be fulfilled.

Mr. Speaker, in my judgment, too much emphasis has been put upon this question of unemployment compensation in the discussion of this whole matter. That is the thing we must fall back on if all else fails. But I want to say, with emphasis, that I think it is a part of the program. Provision for unemployment compensation in the reconversion period has got to be made on a fair, just, and Nation-wide basis. Those people, maritime, or agricultural workers, or Federal employees, for example, who have labored in one area for making possible this miracle of America's production should not be treated differently because they are in a different location in the Nation or because they happen to be engaged in different lines of endeavor than people who were in another location or engaged in one of the lines of endeavor that is covered by the presently existing unemployment compensation system. I believe there have to be minimum standards set in this reconversion period, so that those people who have got to go through the human problem of readjustment as human beings, can have a fair chance to do it. I appeal for that principle, not alone for the sake of these people as individuals, but even more fundamentally because the whole hope of the orderly reconversion, the whole hope of having a full employment economy continue, upon which all else depends, rests upon the continuance of a full volume of purchasing power in this Nation, and upon our seeing to it that that purchasing power is not deflated; that the market at home is not collapsed; and that on the other hand there is for every producer, agricultural as well as industrial, a full market for what he can turn out.

So I have felt deeply discouraged as I have read the newspaper accounts of the likelihood that the House will have from the Ways and Means Committee only a skeleton bill, a bill not dealing with some of the most important features, in my judgment, of this problem. A bill introduced by one of the members of the Committee on Ways and Means a couple of days ago has been brought to my attention, H. R. 5227. I understand it is a new bill. I understand it does not include all the provisions that were in a bill that was before another body, but I understand it does include a certain irreducible minimum of what this Congress ought to provide if we are to meet this problem. I hope earnestly that H. R. 5227 can have genuine consideration by this House.

May I say that from my own point of view the possibility of a full employment economy in America does not rest primarily, ought not to rest primarily, must not rest primarily upon the payment of unemployment compensation or the carrying on of public works. I think there are primary things and these latter things are secondary; their importance lies in the assurance that they can come, that this policy will be adhered to and carried out; that is very important.

On what would I base a program for full employment? First, on a taxation program that would contain an incentive principle for the positive encouragement of constructive investment in productive undertakings. Yes; that includes a revision of our corporate tax structure, perhaps a substantial revision thereof. It does not in my judgment necessarily include a reduction of taxation on individual incomes upon which I think we shall have to rely for the main source of the revenue of our Government in the post-war period. In the second place I think that the provision of our assuring employment can rest to a considerable extent on the extension of the F. H. A. loan principle to small business, a principle of guaranteeing loans to small business in this case as well as an extension of that program in the housing field. I think that full employment has got to be based in part upon an orderly but thorough expansion of our social-security program; yes, until that program includes all of our people in that system.

We have got to have a reasonable, orderly, character-building method of retiring a certain portion of our population at the same time they retain their purchasing power to buy a reasonable share of our output. An expansion of social security until it includes not 60 percent of our population but the whole population which falls within the categories will provide a backlog of dependable consumer purchasing power that can be the basis of the full employment economy I am talking about. I am not talking about people in the prime of life depending upon or being able to depend upon the Government. I am not talking about the "cradle to the grave." I am talking now about old folks beyond the age of a certain number of years regardless of what occupational group they belong to being covered. I am talking about coverage of all disabled people, of all dependent children, and their mothers. I am not talking about anything else.

It is also my opinion that the possibility of maintaining a full employment economy for this Nation depends finally upon our asserting the constitutional mandate that Congress shall coin money and regulate the value thereof. Were that done, then when our whole economy needs and cries out for an additional volume of buying power in circulation to meet an expansion of production that could be provided without increasing our debt. Under circumstances such as I have just described, it seems to me ridiculous to say that the sovereign Government of this Nation has got to sell interest-bearing bonds to private banking institutions for money that they create and pay them interest on the credit of the people themselves. On the contrary, what ought to be done in such cases is for us to assert the fundamental principle of a sound monetary policy and match a potential increase of production with a corresponding expansion of buying power by the creation of that credit on the part of the National Government through the Congress.

In the next place I believe we have a job, if we are going to provide full employment, of breaking the power of every monopoly that presumes to restrict production or artificially maintain high prices or to say to other people in the American economy: "You cannot enter this line of business." I could make a whole speech on that; indeed I have done so several times in the past. Finally, our future hope depends to a great extent upon the carrying out of the reconversion policy which Donald M. Nelson has stood for. I made my brief statement on that subject a few days ago. These are fundamental things which do not presume the Government will regiment a single bit of the American economy. These things presume only that the Government will undertake to see to it that the volume of consumer buying power in this country never is allowed to fail, that every producer can know that whereas the survival of his particular business depends upon his own effort, nonetheless the market for his goods is not going to be allowed to collapse.

But I am going to say this, I am for a full employment. I believe it is necessary; I think it is essential to the future

of the peace, to the future of the democratic institutions of this Nation. I do not believe we can expect millions of people to be told: "We can give you employment in time of war, but we cannot give you employment to meet human needs, even your own needs." I do not believe we can do that. Let me say, therefore, that I believe that if full employment is not provided in any other manner then there must be on hand a backlog of carefully prepared, carefully devised, blueprinted worth-while public-works projects, as many of them State and local as possible, encouraged and coordinated by a Federal agency working with the States and localities so that before unemployment ever is allowed to become serious we shall put into effect such portions of that public-works program as to break the downward spiral before it starts.

Of equal necessity, I believe, is the provision, and a decent provision, for unemployment compensation for people who are out of work as a result of the necessary reconversion of the whole Nation's economy. Both of these devices are not primary devices, but are secondary lines of defense which, however, have got to be set up, and everybody has got to know they are set up if the confidence in a full employment policy which we must have is to be sustained.

The SPEAKER. The time of the gentleman from California has expired.

Mr. JENKINS rose.

The SPEAKER. For what purpose does the gentleman from Ohio rise?

Mr. JENKINS. To ask the majority leader whether or not the Committee on Ways and Means has got permission to file a bill and report?

Mr. McCORMACK. I have already made that request, and I shall amplify it when recognized for that purpose.

COMMITTEE ON WAYS AND MEANS—PERMISSION TO FILE REPORTS

The SPEAKER. The Chair recognizes the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, I have already asked unanimous consent, and it has been granted, that the Committee on Ways and Means might have until midnight Saturday to file a report.

I now ask unanimous consent that the minority views of any member may be filed up to midnight Saturday and included in that report.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial recently appearing in the Dayton News entitled "Woe in Chicago."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. JACKSON. Mr. Speaker, I desire to submit two unanimous consent requests: First to extend my remarks in the RECORD and include an article by Senator BONE with reference to Tacoma power legislation; and second, to extend my remarks in the RECORD in connection with servicemen's benefits.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include a short article on Captain Newberger.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 23. Concurrent resolution establishing a joint committee on the organization of the Congress; to the Committee on Rules.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 50 minutes p. m.) the House, pursuant to its previous order, adjourned until Monday, August 28, 1944, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1778. Under clause 2 of rule XXIV a letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended, was taken from the Speaker's table and referred to the Committee on the Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McGEHEE: Committee on Claims. S. 1964. An act to reimburse certain aviation cadets and former aviation cadets for property lost or damaged as the result of a fire at Carroll College, Helena, Mont., on January 8, 1944; without amendment (Rept. No. 1794). Referred to the Committee of the Whole House on the state of the Union.

Mr. KEOGH: Committee on Claims. H. R. 3608. A bill relating to certain overtime compensation of employees of the field service of the Post Office Department; with amendment (Rept. No. 1795). Referred to the Committee of the Whole House on the state of the Union.

Mr. McGEHEE: Committee on Claims. H. R. 5181. A bill to provide a method for compensating certain individuals for damages sustained as the result of the explosions at Port Chicago, Calif.; without amendment (Rept. No. 1796). Referred to the Committee of the Whole House on the state of the Union.

Mr. SMITH of Virginia: Select Committee to Investigate Executive Agencies. Sixth intermediate report pursuant to House Resolution 102. Resolution to investigate executive agencies (Rept. No. 1797). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McGEHEE: Committee on Claims. S. 887. An act conferring jurisdiction upon the United States District Court for the Western District of Virginia to hear, determine, and render judgment upon the claims of John Weakley and Rella Moyer; without amendment (Rept. No. 1776). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1226. An act for the relief of Charles T. Allen; without amendment (Rept. No. 1777). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1365. An act for the relief of J. C. Drewry; without amendment (Rept. No. 1778). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1503. An act for the relief of John H. Gradwell; without amendment (Rept. No. 1779). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1709. An act for the relief of Mrs. Clark Gourley, administratrix of the estate of Clark Gourley; without amendment (Rept. No. 1780). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1717. An act for the relief of Luella F. Stewart; without amendment (Rept. No. 1781). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1776. An act for the relief of L. C. Gregory; without amendment (Rept. No. 1782) Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1983. An act for the relief of Mrs. Anna Runnebaum; without amendment (Rept. No. 1783). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1995. An act for the relief of Fred A. Dimler and Gwendolyn E. Dimler, his wife; without amendment (Rept. No. 1784). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 2373. A bill for the relief of Pearl Salevitz; with amendment (Rept. No. 1785). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 3138. A bill for the relief of Mrs. Bertha Macklin; with amendment (Rept. No. 1786). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 3192. A bill for the relief of Mrs. Bertha Grantham; with amendment (Rept. No. 1787). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 3585. A bill for the relief of Mrs. Luther S. Sykes; with amendment (Rept. No. 1788). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4038. A bill for the relief of Joseph W. Steel; with amendment (Rept. No. 1789). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4366. A bill for the relief of Alex Wylie, and the estate of James Evans; with amendment (Rept. No. 1790). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4452. A bill for the relief of Lt. (T) P. J. Voorhies; with amendment (Rept. No. 1791). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4786. A bill for the relief of Terrell E. Beckner, committee for Kimball Lee Beckner; with amendment (Rept. No. 1792). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 5167. A bill to confer jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of the board of trustees of the Saunders Memorial Hospital; without amendment (Rept. No. 1793). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DINGELL:

H. R. 5234. A bill for the purpose of conserving the coal resources of the Nation, and for other purposes; to the Committee on Ways and Means.

By Mr. LEONARD W. HALL:

H. R. 5235. A bill to make the United States Merchant Marine Academy Library a public depository for Government publications; to the Committee on Printing.

By Mr. BOYKIN:

H. R. 5236. A bill to extend temporarily the time for filing applications for letters patent, and for other purposes; to the Committee on Patents.

By Mr. SMITH of Virginia:

H. R. 5237. A bill to improve the administration of justice by prescribing fair administrative procedure; to the Committee on the Judiciary.

By Mr. BALDWIN of Maryland:

H. R. 5238. A bill for the relief of Frank Carter, father of Frank Carter, Jr., a minor, and K. Kenneth Keithley, father of Donald Keithley, a minor, and K. Kenneth Keithley and Coleman H. Keithley, trading as Keithley Bros. Garage, Joppa, Md.; to the Committee on Claims.

By Mr. SOMERS of New York:

H. Res. 622. Resolution that the Congress recommend and urge the President and the Secretary of State to use their offices in effecting the establishment of emergency shelter in Palestine for persecuted Jews of Europe; to the Committee on Foreign Affairs.

By Mr. LANE:

H. Res. 623. Resolution that the Congress recommend and urge the President and the Secretary of State to use their offices in effecting the establishment of emergency shelter in Palestine for persecuted Jews of Europe; to the Committee on Foreign Affairs.

By Mr. SCOTT:

H. Res. 624. Resolution that the Congress recommend and urge the President and Secretary of State to use their offices in effecting the establishment of emergency shelter in Palestine for persecuted Jews of Europe; to the Committee on Foreign Affairs.

By Mr. BALDWIN of New York:

H. Res. 625. Resolution that the Congress recommend and urge the President and the Secretary of State to use their offices in effecting the establishment of emergency shelter in Palestine for persecuted Jews of Europe; to the Committee on Foreign Affairs.

By Mr. BEALL:

H. Res. 626. Resolution expressing the sense of the House of Representatives that the Postmaster General should issue a special postage stamp in commemoration of Francis Scott Key, author of the Star-Spangled Banner; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLEY:

H. R. 5239. A bill for the relief of Bernard Oxenhandler; to the Committee on Claims.

By Mr. CHENOWETH:

H. R. 5240. A bill for the relief of Mrs. Effie S. Campbell; to the Committee on Claims.

By Mr. MOTT:

H. R. 5241. A bill for the relief of William Joseph Caisse; to the Committee on Claims.

By Mr. PLUMLEY:

H. R. 5242. A bill for the relief of the Beecher Falls Manufacturing Corporation; to the Committee on Claims.

By Mr. PRICE:

H. R. 5243. A bill for the relief of Mrs. Hortense Arnow, J. M. Rogers, and Mrs. Willie L. Rogers; to the Committee on Claims.

By Mr. PLUMLEY:

H. R. 5244. A bill for the relief of the Vermont Stone Products Corporation; to the Committee on Claims.

By Mr. WILSON:

H. R. 5245. A bill for the relief of Mrs. J. Will Prall; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6028. By Mr. ROLPH: Petition of the International Brotherhood of Electrical Workers, Local No. 6, of San Francisco, endorsing the Kilgore bill; to the Committee on Ways and Means.

6029. By Mr. DONDERO: Petition of sundry citizens of the Seventeenth Congressional District of Michigan stating that they have been denied the right of the use of the air in broadcasting, and demand of Congress that the Bill of Rights be enforced by enacting legislation to prevent interference with the broadcasting of noncommercial programs when presented by academically accredited, tax exempt, educational institutions not in competition with professional talent; to the Committee on Interstate and Foreign Commerce.

6030. By Mr. LUTHER A. JOHNSON: Memorial of J. C. West, Boyce Martin, and Hon. R. R. Owen, Corsicana, Tex.; Mr. and Mrs. C. W. Brown and Clara Joe Brown, Denton, Tex.; Oscar Burton, Tyler, Tex.; S. B. Jacobson, Mesquite, Tex.; R. F. Easterwood, Athens, Tex.; Oscar E. Monnig, of Monnig Dry Goods Co., Fort Worth, Tex.; Robert H. C. Knoblach, Trenton, N. Dak.; and Moise Cerf, Wallace E. Harris, W. A. McDonald, Mrs. R. H. Bryan, Dan D. Yake, S. A. Beaird, Cora Sprinkle, and Winnie Garvin, of Dallas, Tex., favoring House Concurrent Resolution 93, concurrent resolution to repeal daylight-saving time; to the Committee on Interstate and Foreign Commerce.